



Portland Housing Bureau

5-Year MULTE Extension Program Application and Review Process and Procedures

I. Project Eligibility

- a. Eligible Projects: Projects must meet the following requirements to be eligible to apply for this program:
 - i. Project must have a MULTE Approval from one of the MULTE Programs implemented prior to February 1, 2017 (including Transit Oriented Development and New Multi-Unit Housing Limited Tax Exemption Programs under ORS 307.600).
 - ii. Project must be considered an active rental property currently receiving the Multiple-Unit Limited Property Tax Exemption (the “MULTE Exemption” or “Exemption”) as of July 1, 2023.
 - iii. Projects must have a recorded MULTE Extended-Use Agreement or MULTE Regulatory Agreement that restricts the units at or below 60% MFI.
 - iv. The Exemption must still be in effect for at least 180 days but no more than one-year past the date the application is submitted to PHB. (For example, if the Exemption expiration is June 30, 2025, a Project can submit their application to PHB starting July 1, 2024, and no later than December 31, 2024.)
 - v. Project must meet Financial Needs Analysis in Section V, below.
 - vi. Project must be in meet compliance standards in accordance with Section III.c.(i) below.
- b. Ineligible Projects:
 - i. Projects which have a recorded MULTE Extended-Use Agreement or MULTE Regulatory Agreement that restricts the units at or above 80% MFI.
 - ii. Projects for which the MULTE tax exemption has already expired or will expire within 179 days or less by the time the application is submitted to PHB. Exceptions will only be made for the first year of this Program’s implementation which would impact projects with an exemption expiration date of June 30, 2023.
 - iii. Projects that are not in active rental status and receiving the Exemption as of July 1, 2023.
 - iv. Projects with an Exemption expiring more than one year in advance are not eligible to apply.
 - v. Projects that were approved via the Inclusionary Housing MULTE Program or the Incenting the Pipeline MULTE Program.
 - vi. Project that does not meet Financial Needs Analysis in Section IV, below.
 - vii. Project is not in Compliance in accordance with Section III.c.(i) below.

II. Application Requirements

- a. Fill out “5-Year MULTE Extension Application” and submit a completed application to Inclusionary-Housing@portlandoregon.gov.

- b. Applications can be submitted as early as July 1 of the tax year the exemption is expected to expire but will not be accepted for projects with exemptions expiring more than one year in advance. (For example, if the Exemption expiration is June 30, 2025, a Project can submit their application to PHB starting July 1, 2024, and no later than December 31, 2024.)
- c. Applicant must submit application processing fee of \$1,000 to PHB.
- d. Applicant must have site control of the property at the time of application.

III. Application Review Process

- a. Application will be reviewed by Development Incentives team staff (“Staff”).
- b. Staff will reference “MULTE Projects” worksheet in the “Development Incentives Rental Portfolio Tracking” workbook to determine if Applicant meets the qualifications as an Eligible Project. If not, Staff will issue a denial letter to applicant. No appeals are allowed for this denial reason.
- c. For applications for Eligible Properties Staff will request a report from the PHB Risk Analysis and Compliance team. The report will include the following:
 - i. Current compliance status. If property is determined to be out of compliance Staff will issue a denial letter.
 - ii. WCMS data for all restricted units under the MULTE Program for the most recent completed compliance testing year.
- b. Staff will conduct a financial needs assessment by comparing the Project’s current restricted unit rents to the Project’s current unrestricted rent rates utilizing data obtained from Co-Star.

IV. Financial Needs Analysis

A sufficient delta between the restricted rents and current unrestricted rents in the building must be present to validate a financial need for the 5-Year MULTE Extension approval. This will be determined by:

- a. Subtracting the total annualized restricted rent from the total annualized unrestricted rent for the Project, the “Delta”.
- b. If the Delta is less than zero (0), a negative integer, then the application will be denied for lack of sufficient financial need. Applicant may appeal the denial by following the instructions provided in the “Financial Need Denial Appeals” section.

V. Staff Recommended Approval Memo

- a. Staff will draft a Staff Recommended Approval Memo (“Approval Memo”) to the Development Incentives team Manager and Portland Housing Bureau Director explaining basis for recommended approval.
- b. Development Incentives team manager must sign off for routing to Director.
- c. Director must sign off for either:
 - i. Routing of documents to City Council; or
 - ii. Approval Memo (if City Council is not required)

VI. City Council (unless no longer required)

- a. Once Staff determine financial need for the application and an Approval Memo as described above has been fully executed, council documents will be drafted and routed to Portland City Council.

- b. City Council must approve ordinance prior to July 1st of the year the Extension is expected to begin.
- c. If City Council does not approve ordinance, Staff will issue denial letter.

VII. Approval Process

- a. If approved by City Council, Owner will be required to execute an amendment to the previously recorded MULTE Extended-Use Agreement or MULTE Regulatory Agreement outlining the MULTE Program requirements, which must be returned to PHB no later than July 31st following the approval.
- b. PHB staff will record agreement. Recording fees are included as part of the application fee.
- c. Staff will send a digital copy to the Owner of the:
 - i. Approval Memo or approved ordinance; and
 - ii. Recorded amendment agreement.
- d. Staff will notify Multnomah County of the approval of the extension to keep the property on the tax roll for the Exemption and send a copy of the Approval Memo and/or approved ordinance.
- e. Staff will notify assigned RAC specialist with an email. RAC specialist will update HDS.

VIII. Financial Need Denial Appeals

- a. If applicant is denied due to lack of financial need determined, applicant can appeal the decision within 45 days of issuance of the denial.
- b. To appeal, applicant must complete and submit the “Financial Need Denial Appeals” form and provide the supplemental documentation listed.
 - i. Current rent schedule of all units in the building by unit type and square footage.
 - ii. A third-party market analysis or summary of market rents of no less than three (3) buildings within a 1-mile radius of the applicant property.
 - 1. Must include market rents by unit type and square footage.
 - a. Unit types must be similar to applicant property.
 - b. Square footage of matching unit types cannot be significantly greater than the applicant building to be considered.
 - 2. Must provide sources and/or screen shots of the listings or a certification from the property management company of that building (including contact information).
- c. Staff will verify data provided and if determined to be sufficient, staff will conduct a Financial Needs Analysis utilizing the data provided in the Appeal.
 - i. If financial need is not identified in the appeal, a denial letter will be issued.
 - ii. Denied applicants cannot reapply.