

FINANCIAL IMPACT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Kim McCarty		2. Telephone No. 503-823-5312	3. Bureau/Office/Dept. Portland Housing Bureau
4a. To be filed (date) 5/25/11	4b. Calendar (Check One) Regular Consent 4/5ths X <input type="checkbox"/> <input type="checkbox"/>		5. Date Submitted to FPD Budget Analyst: 5/25/11

1) Legislation Title:

Approve the request to grant a 20-year property tax exemption extension under the New Multiple Unit Housing limited tax exemption program to Rose Smart Growth Investment Fund Collins Circle LLC of Jonathan Rose Companies Development Company for the 52 affordable units and pro-rated portion of parking in a multiple-unit housing development on the block bounded by SW 17th, 18th, Jefferson, and Columbia, known as Collins Circle Apartments (Ordinance).

2) Purpose of the Proposed Legislation:

Approve the extension of a limited tax exemption for 20-years for Rose Smart Growth Funds Collins Circle LLC in order to retain 52 units of affordable housing.

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated please identify the source.

The taxable improvement value on the remaining 72 units and commercial space that was exempt for ten years will return approximately \$25, 514 per year in tax revenue to the City.

4) Expense:

What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years) (If the action is related to a grant or contract please include the local contribution or match required)

This legislation will result in a Multnomah County tax exemption on the value of the improvements of the original development for 52 apartment units. The amount of the overall foregone revenue to the City that can be attributed to the 52 units is approximately \$18, 427 dollars per year. The staff cost of long term compliance monitoring that is required by the program will be absorbed by current staffing.

Staffing Requirements:

5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? (If new positions are created please include whether they will be part-time, full-time, limited term or permanent positions. If the position is limited term please indicate the end of the term.)

No.

6) Will positions be created or eliminated in future years as a result of this legislation?

No

Complete the following section if you are accepting and appropriating a grant via ordinance. This section should only be completed if you are adjusting total appropriations, which currently only applies to grant ordinances.
N/A

7) Change in Appropriations (If the accompanying ordinance amends the budget, please reflect the dollar amount to be appropriated by this legislation. If the appropriation includes an interagency agreement with another bureau, please include the partner bureau budget adjustments in the table as well. Include the appropriate cost elements that are to be loaded by the Grants Office and/or Financial Planning. Use additional space if needed.)

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

Margaret Van Vliet

APPROPRIATION UNIT HEAD (Typed name and signature)

184658



CITY OF
PORTLAND, OREGON

PORTLAND HOUSING BUREAU

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COVER SHEET for
ORDINANCE, RESOLUTION, REPORT TO COUNCIL

184658

Today's Date: May 25, 2011

Expected Date to Council: June 8, 2011

Title of Ordinance/Report: * Approve the request to grant a 20-year property tax exemption extension under the New Multiple Unit Housing limited tax exemption program to Rose Smart Growth Investment Fund Collins Circle LLC of Jonathan Rose Companies Development Company for the 52 affordable units and pro-rated portion of parking in a multiple-unit housing development on the block bounded by SW 17th, 18th, Jefferson, and Columbia, known as Collins Circle Apartments (Ordinance).

Contract Manager's Name & Number: Kim McCarty, 823-5312

Preparer's Name & Number: Same as above

Manager's Name:  Kate Allen

Manager Approval: _____

If this is an Agreement/ a Contract, has it been "Approved as to Form" by the City Attorney? Yes

Your Manager accepts this and signed here: _____

Will this be on **Regular** or **Consent** agenda? Regular

Budget Impact Statement Attached? Yes

Please complete the following information

- A. Provide information about the item (What is it about? Why is it important? Is there anything controversial? If so, why is it controversial and how is the controversy addressed? Any pertinent background information?)

City Council approved a ten-year tax exemption under the City's New Multiple-Unit Housing tax exemption program for this project on May 20th, 1998 by Ordinance No. 172274. The exemption is set to expire June 30, 2011. The Collins Circle has a long-term use agreement (PDC regulatory Agreement, dated 12/22/99) that restricts 52 units to be affordable for a period of 60 years. The project owner, Rose Smart Growth Investment Fund Collins Circle LLC, finds it economically necessary to extend the tax exemption to maintain 52 units in this project affordable to low income households at or below 60 percent of area median income (MFI). Rose Smart Growth Investment Fund Collins Circle LLC requests a 20-year extension to preserve long-term affordability and meet the contractual obligations of the original regulatory agreement.

The Planning and Sustainability Commission chose to recommend a 10-year tax exemption extension with an option to extend for an additional ten years instead of recommending the requested

full 20-year extension because, although an extension for the length of the affordability contract is allowed by state statute, there is not an established city policy regarding the length of extensions.

B. Provide three points of information that our Commissioner can use to introduce this item.

- Transit orient development projects are helping our city to reduce green house emissions from cars, and to link people to jobs and services they need in time and resource efficient ways.
- Rose Smart Growth Investment Fund is an investment company with a strong track record of preserving affordable housing, and using the best green renovation practices.
- Collins Circle Apartments is one of the few mixed use mixed income projects in the Central City. As rents continue to rise in the Central City it becomes important, as a matter of equity, to retain as many affordable units as possible close to public transportation and other public amenities.

C. Will you, as the preparer of this item, be at Council when this is heard?

Kate Allen and John Warner will be at Council or Kim McCarty.

D. If the item is on the regular agenda, describe who will make the presentation or testimony and how much time will be needed for presentation and for Council discussion and vote.

The presentation and discussion should take about 15 minutes. There may be testimony from school board members and the Planning and Sustainability Commission.

E. Will members of the community be part of the presentation or be invited? *No*