

**ORDINANCE No. 188073**

Approve amended application under the Multiple-Unit Limited Tax Exemption Program for 17<sup>th</sup> and Pettygrove located at 1331 NW 17<sup>th</sup> Ave (Ordinance)

The City of Portland ordains:

Section 1. The Council finds that:

1. On behalf of the City of Portland, the Portland Housing Bureau (PHB) administers the Multiple-Unit Limited Tax Exemption (MULTE) Program, authorized under ORS 307.600-307.637 and City Code Chapter 3.103.
2. The MULTE Program provides a ten-year property tax exemption on the residential portion of the structural improvements as long as program requirements are met. During the exemption period, property owners are still responsible for payment of the taxes on the assessed value of the land and any commercial portions of the project, except for those commercial improvements deemed a public benefit and approved for the exemption.
3. On August 10, 2016, Ordinance 187943 authorized a ten-year property tax exemption for 17<sup>th</sup> and Pettygrove located at 1331 NW 17<sup>th</sup> Ave. The application proposed 20 percent (23 units) of the project's 117 units would be affordable at 60 percent median family income.
4. The developer of 17<sup>th</sup> and Pettygrove has requested to amend the approved application because the project size has increased. The amended application would include 20 percent (40 units) of the project's 197 units as affordable at 80 percent median family income.
5. PHB has the responsibility for reviewing compliance of approved applications with the minimum MULTE program requirements and has concluded that the amended application for 17<sup>th</sup> and Pettygrove does indeed meet the minimum 20 percent affordability threshold of the program. Additionally, the project has demonstrated the required financial need for the requested tax exemption and is providing additional public benefits detailed in Exhibit A, as well as is within the designated MULTE eligible area of the City.
6. The PHB Housing Investment Committee reviewed and recommended approval of the amendment to the PHB Director for 17<sup>th</sup> and Pettygrove because the application meets the program criteria. The Portland Housing Advisory Council held a hearing where the application was presented to the public.

NOW, THEREFORE, the Council directs:

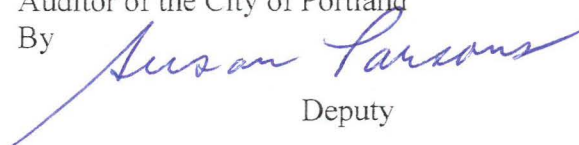
- a. The amended request for a ten-year property tax exemption under the Multiple-Unit Limited Tax Exemption authorized by Chapter 3.103 of the Municipal Code of the City of Portland, Oregon, and ORS 307.600-637 is hereby approved for the residential portion of the structural improvements, including associated parking, of 17<sup>th</sup> and Pettygrove.
- b. Approval of the 17<sup>th</sup> and Pettygrove application is provided subject to the meeting the following conditions:
  1. The project must provide 20 percent of its units as affordable to households earning no more than 80 percent of the median family income as established annually by the U.S. Department of Housing and Urban Development. The units affordable to and restricted to occupancy by low – to moderate-income households will reflect the unit-mix in the project.
  2. The application will comply with the program requirements established in City Code Chapter 3.103, including the requirement that the owner sign an Extended Use Agreement and report annually to PHB each tax year that the exemption is in effect.
  3. The project must provide all of the public benefits as described in Exhibit A.
- c. PHB shall provide copies of this Ordinance to the Multnomah County Tax Assessor as prescribed by City Code Section 3.103.060 (C).
- d. If, after the Project is approved for the MULTE, and prior to construction being completed, the Project owner needs to make changes to the application submitted that would reduce the number, percent or distribution of affordable units in the Project, or the approved public benefits provided, the project owner must submit a formal restructure request. Restructures will be reviewed by staff, presented to PHB's Housing Investment Committee, and if recommended, to PHB's Director for submittal to City Council for approval. If changes to the Project are minor and would result in substantially the same Project, PHB may allow slight variances to what was approved without a formal restructure request.

Passed by the Council: **NOV 09 2016**

Commissioner Dan Saltzman  
 Prepared by: Dory Van Bockel  
 Date Prepared: October 7, 2016

**Mary Hull Caballero**  
 Auditor of the City of Portland

By

  
 Deputy

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<p style="text-align: center;"><b>INTRODUCED BY</b>          Commissioner/Auditor:  <b>Dan Saltzman</b></p>	<p>CLERK USE: DATE FILED <u>OCT 25 2016</u></p>
<p style="text-align: center;"><b>COMMISSIONER APPROVAL</b></p> <p>Mayor—Finance and Administration - Hales</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman <i>Dan Saltzman</i></p> <p>Position 4/Safety - Novick</p>	<p style="text-align: center;">Mary Hull Caballero          Auditor of the City of Portland</p> <p>By: <u><i>Mary Hull Caballero</i></u>          Deputy</p>
<p style="text-align: center;"><b>BUREAU APPROVAL</b></p> <p>Bureau: Portland Housing Bureau          Bureau Head: Kurt Creager <i>Kurt Creager</i></p> <p>Prepared by: Dory Van Bockel          Date Prepared: October 7, 2016</p> <p>Financial Impact &amp; Public Involvement Statement</p> <p>Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p> <p>Portland Policy Document          If "Yes" requires City Policy paragraph stated in document.          Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p><b>City Auditor Office Approval:</b> N/A</p> <p><b>City Attorney Approval:</b></p> <p>Council Meeting Date <i>6/6</i>  <b>November 9, 2016</b></p>	<p><b>ACTION TAKEN:</b></p> <p>NOV 02 2016 <b>PASSED TO SECOND READING</b> NOV 09 2016 <b>9:30 A.M.</b></p>

**AGENDA**

**TIME CERTAIN**

**Total amount of time needed:** \_\_\_\_\_  
 (for presentation, testimony and discussion)

**CONSENT**

**REGULAR**

**Total amount of time needed: 5 min**  
 (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Novick	4. Novick	✓	
Hales	Hales	✓	