

## **ORDINANCE No. 188528**

**\*Approve application under the Multiple-Unit Limited Tax Exemption Program for Church Apartments located at 8432 N Syracuse Street (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. The MULTE Program has an annual cap limiting the approval of new property tax exemptions to no more than three million dollars of new estimated foregone revenue. There is sufficient cap remaining for the 2016 calendar year, when this application was received, to include this application. The requirements of the program are defined in City Code and Administrative Rules.
4. PHB received a request for a ten-year property tax exemption for Church Apartments located at 8432 N Syracuse Street on November 3, 2016. The application proposes to provide 5 of the project's 22 units, which is 20 percent, to households earning no more than 60 percent of area median income at the time of lease-up. Those households will continue to be qualified tenants as long as their income remains below 80 percent of 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 application for Church Apartments does indeed meet the minimum 20 percent affordability threshold of the program. Additionally, the project has demonstrated the required financial need to receive the tax exemption in order to provide the income restricted units, is providing the required additional public benefits detailed in Exhibit A, as well as is within the designated MULTE eligible area of the City. PHB proposed an application approval timeline that would have had the MULTE approved by March 24, 2017.
6. On, February 2, 2017, the PHB Housing Investment Committee reviewed and recommended approval to the PHB Director that the Church Apartments application meets the basic program threshold criteria. The Portland Housing Advisory Council held a hearing on April 4, 2017 where the application was presented to the public.

7. City Code Section 3.103.050 (B) states that “Applications for tax exemption must be submitted and approved prior to issuance of the project’s building permit,” however the building permit for this project was issued on March 28, 2017. The PHB Investment Committee recommended on June 15, 2017 that an exception be made to the code due to the oversight by the applicant and the need for the construction to move forward without significantly impacting the project financially, together with the delay in approval from PHB’s proposed timeline which was beyond the applicant’s control.

NOW, THEREFORE, the Council directs:

- a. The 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 of Church Apartments.
- b. An exception to the requirement detailed in 3.103.050 (B) is approved allowing for approval of the exemption after issuance of the building permit.
- c. Approval of the Church Apartments application is provided subject to the project meeting the following conditions:
  1. The project must provide 20 percent of its units as affordable to households earning no more than 60 percent of the area median 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.
- d. PHB shall provide copies of this Ordinance to the Multnomah County Tax Assessor as prescribed by City Code Section 3.103.050 (A).
- e. 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.

Section 2. The Council declares an emergency exists because timely City approval of the application for the MULTE Program is necessary in order to allow the project to meet construction and financing commitments; therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

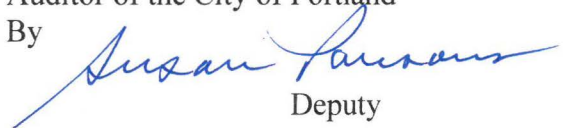
Passed by the Council: JUL 20 2017

Mayor Ted Wheeler  
Prepared by: Dory Van Bockel  
Date Prepared: June 21, 2017

**Mary Hull Caballero**

Auditor of the City of Portland

By

A handwritten signature in blue ink, appearing to read "Susan Parsons", is written over the word "By".

Deputy

100

839  
Agenda No.  
**ORDINANCE NO.**  
Title

188528

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<b>INTRODUCED BY</b> Commissioner/Auditor: <b>Ted Wheeler</b>	CLERK USE: DATE FILED <u>JUL 11 2017</u>
<b>COMMISSIONER APPROVAL</b>	Mary Hull Caballero Auditor of the City of Portland
Mayor—Finance & Administration - Wheeler <i>WD</i>	By: <u><i>Susan Parsons</i></u> Deputy
Position 1/Utilities - Fritz	
Position 2/Works - Fish	
Position 3/Affairs - Saltzman	
Position 4/Safety - Eudaly	
<b>BUREAU APPROVAL</b>	
Bureau: Housing Bureau Head: Kurt Creager <i>IKR 6/23/17</i>	
Prepared by: Dory Van Bockel Date Prepared: June 22, 2017	
Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
<b>City Auditor Office Approval:</b> required for Code Ordinances	ACTION TAKEN:
<b>City Attorney Approval:</b> required for contract, code, easement, franchise, comp plan, charter <i>6/</i>	
Council Meeting Date <b>July 19, 2017</b>	

AGENDA	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
<b>TIME CERTAIN</b> <input type="checkbox"/> Start time: _____  Total amount of time needed: _____ (for presentation, testimony and discussion)		YEAS	NAYS
<b>CONSENT</b> <input type="checkbox"/>	1. Fritz	_____	
<b>REGULAR</b> <input checked="" type="checkbox"/> <i>15</i>	2. Fish	✓	
Total amount of time needed: <b>5 min</b> (for presentation, testimony and discussion)	3. Saltzman	✓	
	4. Eudaly	✓	
	Wheeler	✓	