

## **ORDINANCE No. 188651**

\*Approve application under the Multiple-Unit Limited Tax Exemption Program for 28th St. Lofts located at 2821 NE Everett St (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 Program (the “MULTE Program” or “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 so long as program requirements are met. During the exemption period, property owners remain responsible for the payment of taxes on the assessed value of the land and any commercial use portions of the project.
3. PHB received a request for a ten-year property tax exemption for the development known as 28<sup>th</sup> St. Lofts (the “Project”), located at 2821 NE Everett St. (the “Property”), in conjunction with the City’s Inclusionary Housing Program. The Project, located in the Kerns neighborhood, will be a mixed-use housing project and will restrict fifteen percent (15.0%), which is eighteen (18) units, of the project’s one-hundred nineteen (119) units to households earning no more than eighty percent (80.0%) of Median Family Income (“MFI”) at the time of lease-up. Those households will continue to be Qualified Tenants as long as their income remains below one-hundred percent (100.0%) MFI. 28<sup>th</sup> St. Lofts, LLC (“Owner”) owns the property. The property will be developed by UDG Couch LLC and Owner has yet to select a manager of the Project.
4. 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 2017 calendar year to include the Project’s application.
5. PHB has the responsibility for reviewing compliance of applications with the minimum MULTE program requirements and has concluded that the application for the Project does indeed meet the minimum program requirements.

NOW, THEREFORE, the Council directs:

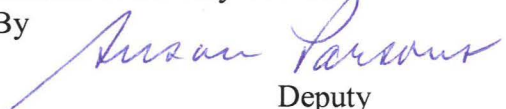
- a. The request for a ten-year property tax exemption under the MULTE Program is hereby approved for the eighteen (18) of the residential portion of the structural improvements of the Project, including the fifteen percent (15.0%) of residential parking and common areas.
- b. Approval of the application is provided subject to the project meeting the following conditions:
  1. The project must restrict fifteen percent (15.0%) of its units to households earning no more than eighty percent (80.0%) MFI (the "Restricted Units"). The Restricted Units 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 a Regulatory Agreement and report annually to PHB each tax year that the exemption and affordability restrictions are in effect.
  3. The Restricted Units will be built to meet all minimum Americans with Disabilities Act and Fair Housing Act requirements. The project will also be built to ensure at least five percent of the Restricted Units, totaling one (1), be fully adaptable to become fully accessible per ADA and FHA standards if necessary to accommodate tenants with disabilities.
- c. PHB shall provide a copy of this Ordinance to the Multnomah County Tax Assessor as prescribed by City Code Section 3.103.050 (A).
- d. If, prior to the completion of construction, the Project is changed in any way that would reduce the number, percentage or distribution of the Restricted Units in the Project, or the approved public benefits provided, Owner must provide written notice to PHB. If such changes still conform to the Program requirements, PHB will amend the Regulatory Agreement. Such amendment would not be subject to City Council approval if changes are minor and would result in substantially the same Project.

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 requirements to approve the building permit as outlined by the Bureau of Development Services; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council: **OCT 18 2017**

Mayor Ted Wheeler  
Prepared by: Dory Van Bockel  
Date Prepared: September 15, 2017

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

  
Deputy

1141

Agenda No.  
**ORDINANCE NO. 188651**

Title

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<b>INTRODUCED BY</b> Commissioner/Auditor: <b>Ted Wheeler</b>	CLERK USE: DATE FILED <b>OCT 10 2017</b>
<b>COMMISSIONER APPROVAL</b> Mayor—Finance & Administration - Wheeler <i>✓</i> Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Eudaly	Mary Hull Caballero Auditor of the City of Portland  By: <i>[Signature]</i> Deputy
<b>BUREAU APPROVAL</b> Bureau: Housing Bureau Head: Kurt Creager <i>[Signature] 9/18/17</i>  Prepared by: Cassie Graves Date Prepared: September 15, 2017	<b>ACTION TAKEN:</b>
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	
<b>City Attorney Approval:</b> required for contract, code, easement, franchise, comp plan, charter <i>✓</i>	
Council Meeting Date: <b>Oct. 18, 2017</b>	

<b>AGENDA</b>  <b>TIME CERTAIN</b> <input type="checkbox"/> Start time: _____  Total amount of time needed: _____ (for presentation, testimony and discussion)  <b>CONSENT</b> <input type="checkbox"/>  <b>REGULAR</b> <input checked="" type="checkbox"/> <i>20</i> Total amount of time needed: <b>5 min</b> (for presentation, testimony and discussion)	<b>FOUR-FIFTHS AGENDA</b>	<b>COMMISSIONERS VOTED AS FOLLOWS:</b> <table border="1"> <thead> <tr> <th></th> <th>YEAS</th> <th>NAYS</th> </tr> </thead> <tbody> <tr> <td>1. Fritz</td> <td><i>✓</i></td> <td></td> </tr> <tr> <td>2. Fish</td> <td><i>✓</i></td> <td></td> </tr> <tr> <td>3. Saltzman</td> <td><i>✓</i></td> <td></td> </tr> <tr> <td>4. Eudaly</td> <td><i>✓</i></td> <td></td> </tr> <tr> <td>Wheeler</td> <td><i>✓</i></td> <td></td> </tr> </tbody> </table>		YEAS	NAYS	1. Fritz	<i>✓</i>		2. Fish	<i>✓</i>		3. Saltzman	<i>✓</i>		4. Eudaly	<i>✓</i>		Wheeler	<i>✓</i>	
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