

ORDINANCE No. 189492

*Approve application under the Multiple-Unit Limited Tax Exemption Program under the Inclusionary Housing Program for ART Tower located at 1510 SW Alder St (Ordinance)

The City of Portland Ordains:

Section 1. The Council finds:

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 10-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 portions of the project, except for those commercial improvements deemed a public benefit and approved for the exemption.
3. The MULTE Program is an incentive provided to developments complying with the City Inclusionary Housing Program, which requires 99 years of affordability.
4. PHB received a request for a 10-year property tax exemption under the MULTE Program for the development known as ART Tower (the "Project") and located at 1510 SW Alder St (the "Property"), in conjunction with the City's Inclusionary Housing Program. The Project, located in the Goose Hollow Foothills League neighborhood, will be a mixed-use housing project and will restrict affordability on 10 percent of the total bedrooms in the project to households earning no more than 60 percent of the median family income ("MFI") at the time of lease-up. Using the reconfiguration option available through Inclusionary Housing, 14 three-bedroom units, or four percent, of the Project's 314 units, will be affordable to 60 percent MFI households. The current owner of record is Artists Repertory Theatre ("Owner").
5. The MULTE Program has an annual cap limiting the approval of new property tax exemptions to no more than 15 million dollars of new estimated foregone revenue within a five-year period, defined as any current year and the previous four years. There is sufficient cap remaining for the 2019 calendar year to include the Project's application.
6. 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 10-year property tax exemption under the MULTE Program is hereby approved for 100 percent of the residential portion of the structural improvements of ART Tower, including 100 percent 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 four percent of its units to households earning no more than 60 percent MFI (the "Restricted Units"). The Restricted Units, through reconfiguration, will be comprised of 14 three-bedroom units 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, 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.

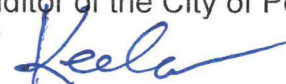
Passed by the Council: MAY 09 2019

Mayor Ted Wheeler
Prepared by: Cassie Graves
Date Prepared: April 5, 2019

Mary Hull Caballero

Auditor of the City of Portland

By



Deputy

Agenda No.
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 Title

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INTRODUCED BY Commissioner/Auditor: Ted Wheeler	CLERK USE: DATE FILED <u>APR 30 2019</u>
COMMISSIONER APPROVAL Mayor—Finance & Administration - Wheeler Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Hardesty Position 4/Safety - Eudaly	Mary Hull Caballero Auditor of the City of Portland By: <u><i>[Signature]</i></u> Deputy
BUREAU APPROVAL Bureau: Housing Bureau Head: Shannon V. Callahan Prepared by: Cassie Graves Date Prepared: April 5, 2019 Impact Statement Completed ☒ Amends Budget ☐ Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes ☐ No ☒ City Auditor Office Approval: required for Code Ordinances City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter Council Meeting Date: May 1, 2019	ACTION TAKEN: MAY 08 2019 Rescheduled to May 9, 2019 at 2:00 pm

AGENDA TIME CERTAIN ☐ Start time: _____ Total amount of time needed: _____ (for presentation, testimony and discussion) CONSENT ☒ <u>Pulled</u> REGULAR ☐ Total amount of time needed: 5 min (for presentation, testimony and discussion)	<table border="1"> <tr> <th>FOUR-FIFTHS AGENDA</th> <th colspan="2">COMMISSIONERS VOTED AS FOLLOWS:</th> </tr> <tr> <th></th> <th>YEAS</th> <th>NAYS</th> </tr> <tr> <td>1. Fritz</td> <td>✓</td> <td></td> </tr> <tr> <td>2. Fish</td> <td>✓</td> <td></td> </tr> <tr> <td>3. Hardesty</td> <td>✓</td> <td></td> </tr> <tr> <td>4. Eudaly</td> <td>✓</td> <td></td> </tr> <tr> <td>Wheeler</td> <td>✓</td> <td></td> </tr> </table>	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:			YEAS	NAYS	1. Fritz	✓		2. Fish	✓		3. Hardesty	✓		4. Eudaly	✓		Wheeler	✓	
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