

Agenda No. 226

ORDINANCE No. 190352

*Approve application under the Multiple-Unit Limited Tax Exemption Program under the Inclusionary Housing Program for 3114 SE Belmont St Apartments located at 3114 SE Belmont St (Ordinance)

The City of Portland ordains:

Introduced by
Commissioner Ryan

Section 1. The Council finds:

Bureau
Housing

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 (“IH”) Program, which requires 99 years of restricted rents of a percentage of units within the building.
4. PHB received a request for a 10-year property tax exemption under the MULTE Program for the development known as 3114 SE Belmont St Apartments (the “Project”) and located at 3114 SE Belmont St (the “Property”), in conjunction with the City’s Inclusionary

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April 7, 2021

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Regular
10 minutes

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March 30, 2021

Housing Program. The Project, located in the SUNNYSIDE neighborhood, will be a residential only housing project and will restrict eight percent, which is two units, of the Project's 25 units to households earning no more than 60 percent of Median Family Income ("MFI") at the time of lease-up (the "IH Units"). The Owner of record for the property is 3114 SE Belmont LLC ("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 2021 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 eight percent of the residential portion of the structural improvements of 3114 SE Belmont St Apartments, including eight 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 eight percent of its 25 units to households earning no more than 60 percent MFI (the "Restricted Units"). The Restricted Units will reflect the unit-mix in the Project and will consist of one studio and one one-bedroom units.
 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 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 Council: April 7, 2021

MARY HULL CABALLERO

Auditor of the City of Portland

By *Megan Lehman*

Deputy

Action taken:

Commissioners voted as follows (Yea or Nay)

Rubio - Yea

Ryan - Yea

Hardesty -

Mapps - Yea

Wheeler - Yea