

**Agenda No. 336**

**ORDINANCE NO. 190399**

\*Approve application under the Multiple-Unit Limited Tax Exemption Program under the Inclusionary Housing Program for Troy Laundry located at 1010 SE Ash 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 (“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 Troy Laundry (the

**Introduced by**

Commissioner Ryan

**Bureau**

Housing

**Prepared by**

Cassie Graves

**Date Prepared**

April 7, 2021

**Requested Council Date**

May 12, 2021

**Requested Agenda Type**

Consent

**Date Filed with Clerk**

May 4, 2021

“Project”) and located at 1010 SE Ash St (the “Property”), in conjunction with the City’s Inclusionary Housing Program. The Project, located in the Buckman Community Association neighborhood and the Central Eastside Urban Renewal Area, will be a mixed-use housing project and will restrict 10 percent, which is 10 units, of the Project’s 104 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 Troy Laundry Residential Property Holder 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. Projects that are in an Urban Renewal Area are not subject to the annual cap and must be approved by Prosper Portland. This Project was approved for the Central Eastside URA prior to the Council date.
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 Troy Laundry, 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 10 percent of its 104 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 seven studio, two one-bedroom and one two-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: May 12, 2021

**MARY HULL CABALLERO**

Auditor of the City of Portland

Action Taken:

By *Megan Lehman*

Deputy

Commissioners voted as follows (Yea or Nay)

Rubio - Yea

Ryan - Yea

Hardesty - Yea

Mapps - Yea

Wheeler - Yea