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190722

Emergency Ordinance

***Approve application under the Multiple-Unit Limited Tax Exemption Program under the Inclusionary Housing Program for 5439 SE 89th Apartments located at 5439 SE 89th Ave**

Passed

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 5439 SE 89th Apartments (the "Project") and located at 5439 SE 89th Ave (the "Property"), in conjunction with the City's Inclusionary Housing Program. The Project, located in the Lents neighborhood and the Lents Town Center Urban Renewal Area, will be a residential only housing project and will restrict 15 percent, which is four units, of the Project's 24 units to households earning no more than 80 percent of Median Family Income ("MFI") at the time of lease-up (the "IH Units"). The Owner of record for the property is Joseph T. Berkey and Elizabeth Alonzo ("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

Introduced by

[Commissioner Dan Ryan](#)

Bureau

[Housing Bureau](#)

Prepared by

Brett Eisenbrown

Date Prepared

January 21, 2022

Requested Agenda Type

Consent

Renewal Area are not subject to the annual cap and must be approved by Prosper Portland. This Project was approved for the Lents Town Center 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 15 percent of the residential portion of the structural improvements of 5439 SE 89th Ave, including 15 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 15 percent of its 24 units to households earning no more than 80 percent MFI (the "Restricted Units"). The Restricted Units will reflect the unit-mix in the Project and will consist of four 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).
 1. 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.

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council
March 2, 2022

Auditor of the City of Portland
Mary Hull Caballero

Impact Statement

 [Impact Statement](#) (42.2 Kb)

Budget Office Financial Impact Analysis

This action would result in estimated foregone property tax revenues to the City totaling \$16,141 over ten years for 4 units affordable at or below 80% MFI. Total cost to all jurisdictions forgoing revenue is estimated at \$48,913. The estimated value of the tax exemption for the first year is \$5,311 (all jurisdictions), which equals approximately \$124 per affordable unit per year of affordability. The City will still benefit from property taxes collected on the improved value of the land during the exemption period. The City will pay Multnomah County the \$3,400 application activation fee if the application moves forward.

Agenda Items

150 Consent Agenda in [March 2, 2022 Council Agenda](#)

Passed

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Commissioner Jo Ann Hardesty Yea

Commissioner Mingus Mapps Yea

Mayor Ted Wheeler Yea