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May 28, 2008

Mayor Potter and Portland City Council
Portland City Hall
1121 SW 4th Avenue
Portland OR 97204

RE: 19-Year Tax Exemption Extension for the MLK-Wygant Apartments

Dear Mayor Potter and Members of the Portland City Council:

On May 20, 2008, the Planning Commission held a public hearing on a request from MLK Wygant LLC to extend the 10-year term of the tax exemption for the MLK Wygant apartments, which are located at 4606 NE MLK Jr. Boulevard. After the hearing the Commission voted unanimously to recommend that City Council grant the extension of the tax exemption by 19 years until 2027.

City Council had granted a tax exemption for this project in 1997 under the City's New Multiple-Unit Housing program available in the Central City and urban renewal areas. That exemption is scheduled to expire June 30, 2008. The owners have requested the extension so that the entire project can be kept affordable to low income households during the required period of affordability that currently restricts rents on a portion of the units. City Council required that 60 percent of the units in this project be restricted to low income households at affordable rents when it approved the 10-year tax exemption in 1997. PDC and the State of Oregon both provided financing for the project and required 20 percent of the units to remain affordable until 2027 and 2028 respectively. The owner representing the project has stated that they have voluntarily kept the remaining units affordable to low income households and are willing to enter into an agreement with PDC to keep all the units affordable to low income households in exchange for the extension of the tax exemption until 2027.

The Planning Commission recommends that the 19-year extension be granted because it would support the City's Schools, Families, Housing initiative. This project provides 13 family-size units that are three or more bedrooms and is one block from King School Park and two blocks from King Elementary School. According to the owner's representative over 60 children currently reside at the project. The extension is also supportive of the City's *Comprehensive Plan* Housing Policy which calls for encouraging the retention of existing rental housing at rent levels affordable to area residents. This project is located in the *Albina Community Plan* area which has been experiencing gentrification. Preserving these units for low income households will assist the current residents residing in the apartments to stay in the area.

Sincerely,



Don Hanson, President
Portland Planning Commission

