

c/o Bureau of Planning
1900 SW 4th Avenue
Suite 7100
Portland, OR 97201-5380
portlandonline.com/planning
planningcommission@ci.portland.or.us

TEL 503 823-7700
FAX 503 823-7800
TTY 503 823-6868

June 13, 2008

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

RE: Recommendation for Approval of a 21-Year Extension of the Term of the Tax Exemption for the Hazelwood Retirement Community

Dear Mayor Potter and City Commissioners:

On June 3, 2008, the Planning Commission held a public hearing on a request to extend the ten-year term of the tax exemption for the Hazelwood Retirement Community for 21 years. City Council originally granted a tax exemption for this project in 1997 under the City's New Transit Supportive Residential or Mixed Use Development (TOD) program and it is scheduled to expire June 30, 2008. The project owner, the Hazelwood Group LLC, has requested an extension of the exemption on the entire project to preserve the financial viability of the project for the duration of the required period of affordability for 80 percent of the units, which ends in 2029.

The Planning Commission heard testimony requesting that the 21-year tax extension be granted to 100 percent of the units to ensure affordability of an apartment building that provides numerous public benefits. The Planning Commission supports the preservation of this project and recommends that a 21-year extension be granted to *80 percent* of the project that is rent-restricted. The Commission considers this a compromise to varying federal, State, and City definitions of affordability and to Multnomah County's concerns about foregone revenue. The Commission finds that this project carries out the purpose of the TOD program because it provides housing for elderly households in an area that is close to a MAX light rail station and is convenient to shopping and services.

The Commission urges the City to work with the State Legislature to develop tools to avoid continuous need for extensions for other expiring projects and to agree on levels of affordability required for such projects.

Recommendation: Approve the requested 21-year extension of the tax exemption for the Hazelwood Retirement Community for portion of the project that is rent restricted to households at or below 75 percent MFI.

Sincerely,



Don Hanson, President
Portland Planning Commission



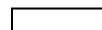
Hazelwood Retirement Community Photos and Site Map



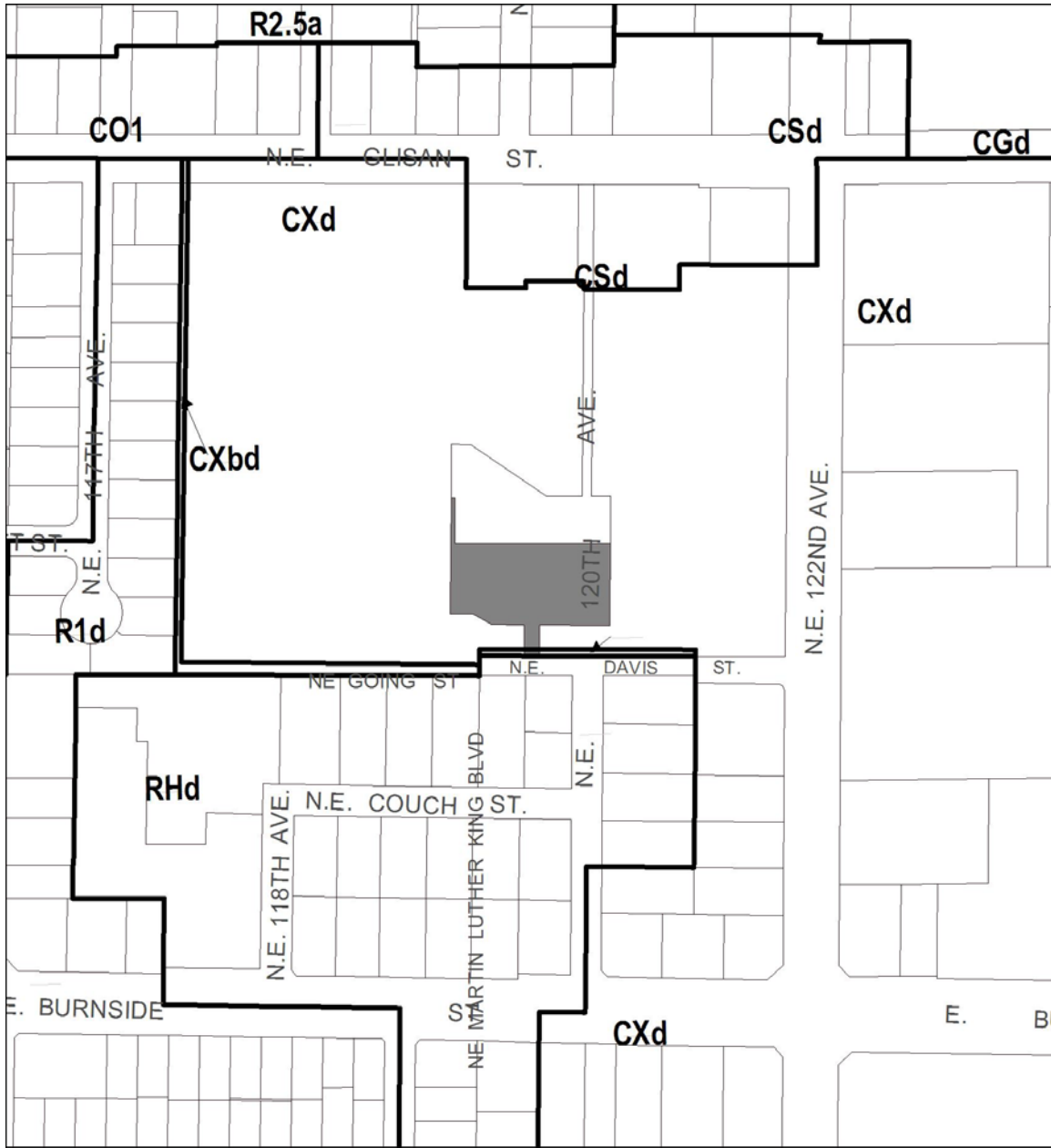
Hazelwood Retirement Community looking southwest from shopping center parking lot.



Hazelwood Retirement Community looking north from NE Davis Street.





Hazelwood Retirement Community Photos and Site Map



Zoning and Site Map of Hazelwood Retirement Community

June 11, 2007

-  Zone Boundary
-  Property Location

