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November 30, 2011

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

RE: Recommendation for Approval of a 10-Year Tax Exemption for The Yards at Union Station Phase C

Dear Mayor Adams and Members of the Portland City Council:

On November 29th, 2011, the Portland Planning and Sustainability Commission (PSC) held a public hearing on a request for a 10-year tax exemption for *The Yards at Union Station Phase C* under the City's New, Multiple-Unit Housing (NMUH) program. The regulations for this program are found in City Code Chapter 3.104. The project represented by GSL Properties Inc. requested this exemption. It will be a five storey wood frame, 80-unit affordable rental housing development located on 615 NW Naito Parkway. This will conclude the multi-phase, mixed-use development plan more widely described as Yards at Union Station. Further, the development of this final phase will constitute an entirely affordable conclusion to the development agreement of this city-owned site.

For the NMUH program, the PSC's role is to determine the project's compliance with relevant city plans and policies as well as find that the level of public benefit provided by the applicant is sufficient to carry out the purposes of this property tax incentive. The Commission finds that the project will provide 80 new housing units affordable to households making at or below 60% MFI that will help meet the significant unmet needs of low-income households in an expensive rental market area that is a transit and jobs rich location. The Commission also finds that this project is consistent with and supportive of adopted *Comprehensive Plan* and other relevant sub area plans and policies. In particular, the Commission would like to note that the entire Yards project is a key component in the long term development of the River District.

Subsequent to the hearing, the PSC unanimously voted in favor of recommending approval of this request to City Council subject to the applicant providing all proposed public benefits:

- Zip Car space: The project offer two spaces for Zip Cars.
- Permanent dedications for public use: The project is connected to pedestrian paths and create a walkway to an existing pedestrian bridge.
- Open spaces available to the general public: A community room is available to both residents of the project and the general public upon request.



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- Increased affordability: As proposed, all 80 units (100%) are rented to households at or below 60% MFI.

Additionally, the Commission would like to emphasize the importance of monitoring income eligibility and rent restrictions that will apply to households that will live in these units. The Commission would also like to note the City's success in getting housing diversity in the River District through astute planning and policy efforts.

Recommendation: Approve the request for the 10-year tax exemption under the New Multiple Unit Housing (NМУH) Limited Tax Exemption (LTE) for The Yards at Union Station Phase C project and the parking associated with the development.

Sincerely,



Andre' Baugh
Chair, Portland Planning and Sustainability Commission

