

ORDINANCE No.

186291

* Approve application under the Multiple-Unit Limited Tax Exemption Program for Hazelwood Plaza located at 222 NE 102nd Ave (Ordinance)

The City of Portland ordains:

Section 1. The Council finds that:

1. On behalf of the City of Portland, the Portland Housing Bureau (PHB) administers the Multiple-Unit Limited Tax Exemption (MULTE) Program, which went into effect August 1, 2012 and replaces both the Transit Oriented Development (TOD) and New Multiple Unit Housing (NMUH) Limited Tax Exemption Programs. The program is authorized under ORS 307.600 and City Code Chapter 3.103.
2. The MULTE Program provides a ten year property tax exemption on the residential portion of the structural improvements as long as program requirements are met. During the exemption period, property owners are still responsible for payment of the 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. Upon application to PHB, a property may receive an extension of an original ten year property tax exemption under the MULTE Program if the property continues to provide the initial affordability and is subject to long-term affordability restrictions, up to the length of the low income housing assistance contract.
4. The MULTE Program has an annual cap limiting the approval of new property tax exemptions to no more than one million dollars of new estimated foregone revenue. Minimum thresholds and types of public benefits expected are defined for the program. In order to fairly select projects best meeting program goals, applications are accepted annually during an open application period.
5. During this open application period, PHB received a request for a ten year property tax exemption for Hazelwood Plaza located at 222 NE 102nd Avenue. The project is described in further detail in the PHB staff recommendation included as Exhibit A.
6. PHB has the responsibility for reviewing the financial need for requested exemptions by calculating the rate of return. To qualify, the calculation may not exceed ten percent rate of return based on evaluation of the operating pro forma. A PHB review and analysis has determined that a property tax exemption under the MULTE Program is necessary to meet the economic need of Hazelwood Plaza.
7. To qualify for the MULTE program, a rental project must include at least twenty percent (20%) of its units affordable to households below sixty percent (60%) of the median family income. As detailed in Exhibit A, the application for Hazelwood Plaza meets these

requirements with one hundred percent (100%) of its sixty-one (61) units affordable to households at or below sixty percent (60%) median family income.

8. The application for Hazelwood Plaza was reviewed by the PHB Investment Committee with expanded representation from the Portland Bureau of Planning and Sustainability and the Multnomah County Tax Assessor's Office. The role of the review committee is to approve the staff recommendation that the application meets the basic program threshold criteria.
9. On October 1, 2013, the PHB Portland Housing Advisory Committee convened a public hearing on the proposed approval for the Hazelwood Plaza application under the MULTE program.

NOW, THEREFORE, the Council directs:

- a. The request for a ten year property tax exemption under the Multiple-Unit Limited Tax Exemption authorized by Chapter 3.103 of the Municipal Code of the City of Portland, Oregon, and ORS 307.600-637 is hereby approved for Hazelwood Plaza's structural improvements and parking units.
- b. Approval of the Hazelwood Plaza MULTE application is provided subject to the project meeting the following conditions:
 1. The project must provide one hundred percent (100%) of its sixty-one (61) units as affordable to households at or below sixty percent (60%) median family income. The units affordable to and restricted to occupancy by low income households will reflect the unit-mix in the project.
 2. The application will comply with all rate of return provisions established in City Code Section 3.103.070. This section requires the owner to sign an Extended Use Agreement and to provide financial data on an annual basis to the PHB for each tax year that the exemption is in effect.
- c. PHB shall provide copies of this Ordinance to the Multnomah County Tax Assessor as prescribed by City Code Section 3.103.060 (C).
- d. If, after the Project is approved for the MULTE, and prior to construction being completed, the Project owner needs to make changes to the application submitted that would reduce the number, percent or distribution of affordable units in the Project, or the approved public benefits provided, the project owner must submit a formal restructure request. Restructures will be reviewed by staff, presented to PHB's Investment Committee, and go to City Council for approval. If changes to the Project are minor and would result in substantially the same Project, PHB may allow slight variances to what was approved without a formal restructure request.

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Section 2. The Council declares an emergency exists because timely City approval of the Hazelwood Plaza application to the MULTE Program is required under authorizing statute; therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council: OCT 16 2013

Commissioner Dan Saltzman
Prepared by: Dory Van Bockel
Date Prepared: September 25, 2013

LaVonne Griffin-Valade
Auditor of the City of Portland
By


Deputy

Agenda No.
ORDINANCE NO.
Title

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NE

INTRODUCED BY
Commissioner/Auditor:
Dan Saltzman

CLERK USE: DATE FILED **OCT 11 2013**

COMMISSIONER APPROVAL

Mayor—Finance and Administration - Hales

Position 1/Utilities - Fritz

Position 2/Works - Fish

Position 3/Affairs - Saltzman

Position 4/Safety - Novick

BUREAU APPROVAL

Bureau: Portland Housing Bureau
Bureau Head: Traci Manning

Prepared by: Dory Van Bockel
Date Prepared: September 25, 2013

Financial Impact & Public
Involvement Statement

Completed ☒ Amends Budget ☐

Portland Policy Document
If "Yes" requires City Policy paragraph stated
in document.

Yes ☐ No ☒

City Auditor Office Approval:

City Attorney Approval: **64**

Council Meeting Date
October 16, 2013

LaVonne Griffin-Valade
Auditor of the City of Portland

By: 

Deputy

ACTION TAKEN:

AGENDA

TIME CERTAIN ☐

Start time: _____

Total amount of time needed: _____
(for presentation, testimony and discussion)

CONSENT ☒REGULAR ☐

Total amount of time needed: _____
(for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA

COMMISSIONERS VOTED
AS FOLLOWS:

		YEAS	NAYS
1. Fritz	1. Fritz	<input checked="" type="checkbox"/>	
2. Fish	2. Fish	<input checked="" type="checkbox"/>	
3. Saltzman	3. Saltzman	<input checked="" type="checkbox"/>	
4. Novick	4. Novick	<input checked="" type="checkbox"/>	
Hales	Hales	<input checked="" type="checkbox"/>	