

Portland, Oregon

# FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to City Budget Office. Retain copy.)

|                                                                                                         |                                                                                                                                          |                                                                                                             |
|---------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| 1. Name of Initiator<br>Dory Van Bockel                                                                 | 2. Telephone No.<br>503-823-4469                                                                                                         | 3. Bureau/Office/Dept.<br>Portland Housing<br>Bureau/Neighborhood Housing                                   |
| 4a. To be filed (hearing date):<br>April 30, 2014                                                       | 4b. Calendar (Check One)<br>Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/> | 5. Date Submitted to Commissioner's<br>office and CBO Budget Analyst:<br>April 16, 2014                     |
| 6a. Financial Impact Section:<br><input checked="" type="checkbox"/> Financial impact section completed |                                                                                                                                          | 6b. Public Involvement Section:<br><input checked="" type="checkbox"/> Public involvement section completed |

**1) Legislation Title:**

\* Change the application timing requirements of the Multiple-Unit Limited Tax Exemption Program (Ordinance; amend Code Section 3.103.040)

**2) Purpose of the Proposed Legislation:**

This Ordinance amends City Code 3.103 for the Multiple-Unit Limited Tax Exemption (MULTE) program to change the application timeframe that developers of multi-family projects need to meet in order to be eligible for the program. With the change, developers will be able to apply for a building permit at the same time they have an application under review for the MULTE program, rather than waiting to apply for a building permit until the MULTE is approved. Developers will still need to wait for approval of the MULTE before being able to have permits issued and begin construction.

**3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?**

- |                                                       |                                               |                                               |                                           |
|-------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|-------------------------------------------|
| <input type="checkbox"/> City-wide/Regional           | <input checked="" type="checkbox"/> Northeast | <input checked="" type="checkbox"/> Northwest | <input checked="" type="checkbox"/> North |
| <input checked="" type="checkbox"/> Central Northeast | <input checked="" type="checkbox"/> Southeast | <input checked="" type="checkbox"/> Southwest | <input checked="" type="checkbox"/> East  |
| <input checked="" type="checkbox"/> Central City      |                                               |                                               |                                           |

**FINANCIAL IMPACT****4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.**

No, PHB does not expect this Ordinance to reduce current or future revenue. Although the change approved by the Ordinance should allow more applicants to access the program, it is primarily an administrative change, and the program still has a cap in place which limits the amount of approved foregone revenue each year to no more than \$1 million of approved projects' first year of estimated exempted taxes.

**5) Expense: What are the costs to the City as a result of this legislation? What is the source of funding for the expense?** *(Please include costs in the current fiscal year as well as costs in future year, including Operations & Maintenance (O&M) costs, if known, and estimates, if not known. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the level of confidence.)*

There are no costs to the City associated with this change.

**6) Staffing Requirements:**

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

No.

- **Will positions be created or eliminated in future years as a result of this legislation?**

No.

*(Complete the following section only if an amendment to the budget is proposed.)*

**7) Change in Appropriations** *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

| Fund | Fund Center | Commitment Item | Functional Area | Funded Program | Grant | Sponsored Program | Amount |
|------|-------------|-----------------|-----------------|----------------|-------|-------------------|--------|
|      |             |                 |                 |                |       |                   |        |
|      |             |                 |                 |                |       |                   |        |
|      |             |                 |                 |                |       |                   |        |
|      |             |                 |                 |                |       |                   |        |

**PUBLIC INVOLVEMENT**

**8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:**

- ☒ **YES:** Please proceed to Question #9.  
☐ **NO:** Please, explain why below; and proceed to Question #10.

**9) If "YES," please answer the following questions:**

- a) **What impacts are anticipated in the community from this proposed Council item?**

This action will allow more developers to access the program because the timing will better fit within their development schedules.

- b) **Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?**

Commissioner Saltzman and his staff, as well as the PHB Director, Traci Manning, and Assistant Director, Javier Mena, and PHB staff have received extensive feedback from both for-profit and non-profit developers and other housing organizations such as Oregon Opportunity Network expressing concern about the current application timing of the MULTE program since the guideline went into place in 2012. PHB staff also communicated with Multnomah County staff at the same time Commissioner Saltzman engaged the County Chair to confirm the County agrees with the change to the program.

**c) How did public involvement shape the outcome of this Council item?**

Part of the feedback received by the City resulted from proactive conversations initiated by PHB which resulted in this change being identified as one of the primary deterrents to more developers choosing to apply for the program and agreeing to provide affordability in otherwise market-rate housing.

**d) Who designed and implemented the public involvement related to this Council item?**

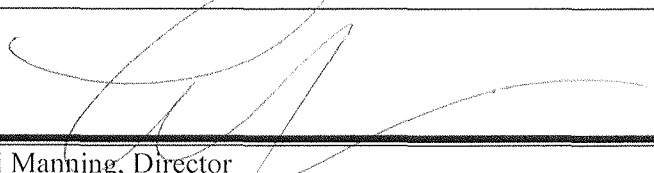
The public involvement was led primarily by Commissioner Saltzman's office and the PHB Director.

**e) Primary contact for more information on this public involvement process (name, title, phone, email):**

Dory Van Bockel, Housing Program Coordinator, Portland Housing Bureau, 503-823-4469

**10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.**

No, this action by Council responds directly to priorities brought forward through the public involvement process to date. No further action is needed beyond communicating the change to the program.

|                                                                                     |         |
|-------------------------------------------------------------------------------------|---------|
|  | 4/10/14 |
| Traci Manning, Director                                                             | Date    |