

## ORDINANCE No. 187547

\*Approve application under the Multiple-Unit Limited Tax Exemption Program for the mixed-use apartment project located at SE 9th Ave and SE Belmont St (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, authorized under ORS 307.600-307.637 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. The MULTE Program has an annual cap limiting the approval of new property tax exemptions to no more than three million dollars of new estimated foregone revenue. There is sufficient cap remaining for the 2015 calendar year to include this application. The requirements of the program are defined in City Code and Administrative Rules.
4. PHB received a request for a ten year property tax exemption for a mixed-use apartment project located at SE 9th Ave and SE Belmont St. The application proposes to provide 20 of the project's 100 units, which is 20 percent, to households earning no more than 80 percent of median family income. Those households will continue to be qualified tenants as long as their income remains below 100 percent of median family income.
5. PHB has the responsibility for reviewing compliance of approved applications with the minimum MULTE program requirements and has concluded that the application for the project at SE 9<sup>th</sup> Ave and SE Belmont St does indeed meet the minimum 20 percent affordability threshold of the program. Additionally, the project has demonstrated the required financial need to receive the tax exemption in order to provide the income restricted units and is providing the required additional public benefits as detailed in the recommendation to the Portland Housing Bureau Housing Investment Committee, included as Exhibit A.
6. On December 17, 2015, the PHB Housing Investment Committee reviewed and approved the staff recommendation that the SE 9<sup>th</sup> Ave and SE Belmont St application meets the basic program threshold criteria. The Portland Housing Advisory Council held a hearing where the application was presented to the public.

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 the residential portion of the structural improvements, including associated parking, of the project at SE 9<sup>th</sup> Ave and SE Belmont St.
- b. Approval of the SE 9<sup>th</sup> Ave and SE Belmont project's application is provided subject to the meeting the following conditions:
  1. The project must provide 20 percent of its units as affordable to households earning no more than 80 percent of the median family income as established annually by the U.S. Department of Housing and Urban Development. The units affordable to and restricted to occupancy by low- to moderate-income households will reflect the unit-mix in the project.
  2. The application will comply with the program requirements established in City Code Chapter 3.103, including the requirement that the owner sign an Extended Use Agreement and report annually to PHB each tax year that the exemption is in effect.
  3. The project must provide all of the public benefits as described in Exhibit A.
- c. PHB shall provide copies of this Ordinance to the Multnomah County Tax Assessor as prescribed by City Code Section 3.103.050 (A).
- 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 Housing 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.

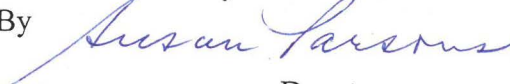
Section 2. The Council declares an emergency exists because timely City approval of the application for the MULTE Program is necessary in order to allow the project to meet construction and financing commitments, which if not met would negate the possibility of incorporating the public benefits required by the MULTE Program into the development; therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council: JAN 13 2016

Commissioner Dan Saltzman  
 Prepared by: Dory Van Bockel  
 Date Prepared: December 21, 2015

**Mary Hull Caballero**  
 Auditor of the City of Portland

By

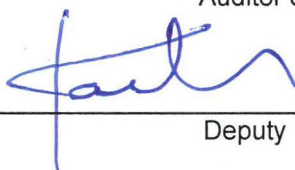
  
 Deputy

Agenda No.  
**ORDINANCE NO.**

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Title

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<p style="text-align: center;"><b>INTRODUCED BY</b> Commissioner/Auditor: <b>Dan Saltzman</b></p>	<p>CLERK USE: DATE FILED <u>JAN 05 2016</u></p>
<p style="text-align: center;"><b>COMMISSIONER APPROVAL</b></p> <p>Mayor—Finance and Administration - Hales</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Novick</p>	<p style="text-align: center;">Mary Hull Caballero Auditor of the City of Portland</p> <p>By:  Deputy</p> <p><b>ACTION TAKEN:</b></p>
<p style="text-align: center;"><b>BUREAU APPROVAL</b></p> <p>Bureau: Portland Housing Bureau Bureau Head: Kurt Creager</p>	
<p>Prepared by: Dory Van Bockel Date Prepared: December 21, 2015</p>	
<p>Financial Impact &amp; Public Involvement Statement</p> <p>Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p>	
<p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	
<p><b>City Auditor Office Approval:</b> N/A</p>	<p><b>City Attorney Approval:</b></p> <p style="text-align: right;">68</p>
<p><b>Council Meeting Date</b> <b>January 13, 2016</b></p>	

<b>AGENDA</b>
<p><b>TIME CERTAIN</b> <input type="checkbox"/></p> <p>Start time: _____</p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>
<p><b>CONSENT</b> <input type="checkbox"/></p>
<p><b>REGULAR</b> <input checked="" type="checkbox"/></p> <p>Total amount of time needed: 5 mins (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Novick	4. Novick	✓	
Hales	Hales	✓	