

## ORDINANCE No. 187590

Approve application to extend the property tax exemption under the Multiple-Unit Limited Tax Exemption Program for Sitka Apartments located at 1230 NW 12<sup>th</sup> 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, 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 allows for the extension of an existing tax exemption for the affordable units of projects with other restrictions on affordable rents.
4. 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.
5. Sitka Apartments, which is located at 1230 NW 12<sup>th</sup> Ave, was approved for a New Multi-Unit Housing Limited Tax Exemption in 2004. The project was completed in late 2005 and provides 203 of the project's 209 units at affordable rents with 131 of them restricted for households earning no more than 60 percent of median family income and 72 further restricted for households earning no more than 50 percent of median family income.
6. PHB received a request for an extension of the ten year property tax exemption for Sitka Apartments. This project is eligible to apply for an extension of the tax exemption because it has financing that places long term restrictions on incomes and rents. The application proposes to continue providing the same affordability and public benefits as was previously approved.
7. PHB has the responsibility for reviewing compliance of approved applications with the minimum MULTE program requirements and has concluded that the application for extending the tax exemption for the Sitka Apartments sufficiently demonstrates 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.

8. On January 7, 2016, the PHB Housing Investment Committee reviewed and approved the staff recommendation that Sitka Apartments 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:

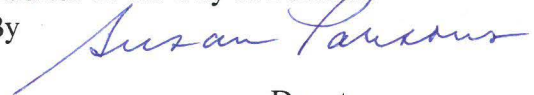
- a. The request for a ten year property tax exemption under the Multiple-Unit Limited Tax Exemption authorized by Chapter 3.103 of the Municipal Code of the City of Portland, Oregon, and ORS 307.600-637 is hereby approved for the residential portion of the structural improvements which are restricted to low-income households, including associated parking, of Sitka Apartments.
- b. Approval of the Sitka Apartments application is provided subject to the following conditions:
  1. The project must continue to provide 203 of the project's 209 units at affordable rents with 131 of them restricted for households earning no more than 60 percent of median family income and 72 further restricted for households earning no more than 50 percent of 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 must 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.
- c. PHB shall provide copies of this Ordinance to the Multnomah County Tax Assessor as prescribed by City Code Section 3.103.050 (A).

Passed by the Council: FEB 17 2016

Commissioner Dan Saltzman  
Prepared by: Dory Van Bockel  
Date Prepared: January 5, 2016

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

By



Deputy

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<b>INTRODUCED BY</b> Commissioner/Auditor: <b>Dan Saltzman</b>	CLERK USE: DATE FILED <u>FEB 02 2016</u>
<b>COMMISSIONER APPROVAL</b> Mayor—Finance and Administration - Hales Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman <i>[Signature]</i> Position 4/Safety - Novick	Mary Hull Caballero Auditor of the City of Portland  By: <u><i>[Signature]</i></u> Deputy  <b>ACTION TAKEN:</b> FEB 10 2016 PASSED TO SECOND READING FEB 17 2016 9:30 A.M.
<b>BUREAU APPROVAL</b> Bureau: Portland Housing Bureau Bureau Head: Kurt Creager <i>[Signature]</i> Prepared by: Dory Van Bockel Date Prepared: January 15, 2016	
Financial Impact & Public Involvement Statement  Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
<b>City Auditor Office Approval:</b> N/A	
<b>City Attorney Approval:</b> <i>[Signature]</i>	
Council Meeting Date <b>February 10, 2016</b>	

**AGENDA**

**TIME CERTAIN**   
 Start time: \_\_\_\_\_

**Total amount of time needed:** \_\_\_\_\_  
 (for presentation, testimony and discussion)

**CONSENT**

**REGULAR**   
**Total amount of time needed: 10 min**  
 (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	<i>[Arrow]</i>	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Novick	4. Novick	✓	
Hales	Hales	✓	