

ORDINANCE No. 188869 As Amended

*Approve interim use of the Multiple-Unit Limited Tax Exemption Program to capture opportunities for affordable housing in housing developments not subject to Inclusionary Housing and amend Administrative Rules (Ordinance; replace HOU-3.02)

The City of Portland ordains:

Section 1. The Council finds that:

1. Prior to the implementation of the Inclusionary Housing Program (“IH” or the “IH Program”) on February 1, 2017, close to 19,000 housing units became vested through land use actions or by the submission of building permits and are consequently not subject to the IH Program requirements of providing affordable housing.
2. On behalf of the City of Portland, the Portland Housing Bureau (“PHB”) administers the Multiple-Unit Limited Tax Exemption Program (the “MULTE Program”), authorized under ORS 307.600-307.637 and City Code Chapter 3.103.
3. The MULTE Program is also an incentive provided to housing developments that comply with the IH Program, according to code changes approved in ordinance 188163, passed by City Council December 21, 2016.
4. The MULTE Program provides a ten-year property tax exemption on all or a portion of the residential structural improvements of a housing development so long as program requirements are met. During the exemption period, property owners remain responsible for the payment of taxes on the assessed value of the land and any commercial portions of the housing development.
5. The MULTE Program administrative rules were approved through ordinance No. 185477, passed by City Council June 27, 2012.
6. The MULTE Program has an annual cap limiting the approval of new property tax exemptions to no more than \$3 million of new estimated foregone revenue that is calculated on a 5-year rolling basis.
7. PHB wants to make the MULTE Program available to housing developments not subject to the IH Program requirements in order to promote affordable units in what would otherwise become market-rate housing developments.
8. The Portland Housing Advisory Commission approved making the MULTE Program available to projects not part of the IH Program on January 23, 2018.

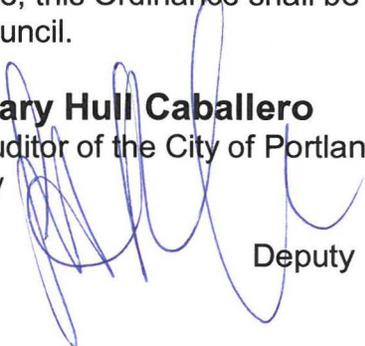
NOW, THEREFORE, the Council directs:

- a. The MULTE Program will be available to housing developments with 20 or more units that became vested through land use actions or by the submission of building permits prior to the effective date of the IH Program ("Pre-IH Developments") so long as the following criteria are met:
 1. During the term of the MULTE exemption, a minimum of 20 percent of the number of bedrooms in the housing development must be affordable to households earning 80 percent or less of the area median family income for rental housing developments designed and built to be 5:1 or greater FAR, or must be affordable to households earning 60 percent or less of the area median family income for rental housing developments designed and built to be less than 5:1 FAR;
 2. The collective amount for Pre-IH Developments approved under these provisions may not exceed \$3 million of estimated foregone revenue; and
 3. Pre-IH Development applications for the MULTE Program will be accepted by PHB through June 30, 2020.
 4. Only Pre-IH Developments with an estimated first year of foregone revenue of \$500,000 or less will be approved.
- b. Housing developments will receive a tax exemption on all of the residential structural improvements so long as program requirements are met.
- c. Applications must meet the additional requirements set forth in the MULTE Program administrative rules.
- d. The MULTE Program administrative rules are hereby replaced with the revised MULTE Program administrative rules attached in Exhibit A and will be part of the Portland Policy Documents.
- e. This ordinance is binding City policy.

Section 2. The Council declares that an emergency exists because timely City approval of this Ordinance is necessary in order to incent Pre-IH Developments to provide affordable units with the MULTE Program; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council: MAR 21 2018

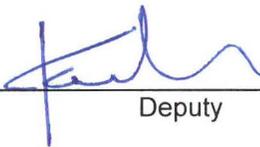
Mayor Ted Wheeler
 Prepared by: Dory Van Bockel
 Date Prepared: February 23, 2018

Mary Hull Caballero
 Auditor of the City of Portland
 By 

Deputy

Agenda No.
ORDINANCE NO. 188869 *As Amended*
 Title

*Approve interim use of the Multiple-Unit Limited Tax Exemption (~~MULTE~~) Program to capture opportunities for affordable housing in housing developments not subject to Inclusionary Housing and amend ~~the MULTE~~ Administrative Rules (Ordinance); *replace H04-3.02)*

<p>INTRODUCED BY Commissioner/Auditor: Ted Wheeler</p>	<p>CLERK USE: DATE FILED <u>MAR 06 2018</u></p>
<p>COMMISSIONER APPROVAL</p>	<p style="text-align: center;">Mary Hull Caballero Auditor of the City of Portland</p> <p>By:  Deputy</p>
<p>Mayor—Finance & Administration - Wheeler <i>KE</i></p>	
<p>Position 1/Utilities - Fritz</p>	
<p>Position 2/Works - Fish</p>	
<p>Position 3/Affairs - Saltzman</p>	
<p>Position 4/Safety - Eudaly</p>	
<p>BUREAU APPROVAL</p>	<p>ACTION TAKEN:</p> <p>MAR 14 2018 CONTINUED TO MAR 21 2018 9:30 A.M. <i>As Amended</i></p>
<p>Bureau: Housing Bureau Head: Shannon Callahan <i>SK</i></p>	
<p>Prepared by: Dory Van Bockel Date Prepared: February 23, 2018</p>	
<p>Impact Statement 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 checked="" type="checkbox"/> No <input type="checkbox"/></p>	
<p>City Auditor Office Approval: required for Code Ordinances</p>	
<p>City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter <i>(Signature)</i></p>	
<p>Council Meeting Date: March 14, 2018</p>	

AGENDA
<p>TIME CERTAIN <input type="checkbox"/></p> <p>Start time: _____</p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>
<p>CONSENT <input type="checkbox"/></p>
<p>REGULAR <input checked="" type="checkbox"/> 20</p> <p>Total amount of time needed: 15 min (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. Eudaly	4. Eudaly	✓	
Wheeler	Wheeler	✓	