



190791

Ordinance

## Approve application under the Multiple-Unit Limited Tax Exemption Program under the Inclusionary Housing Program for SE 27th & Division Apartments located at 2680 SE Division St

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. On behalf of the City of Portland, the Portland Housing Bureau (“PHB”) administers the Multiple-Unit Limited Tax Exemption Program (the “MULTE Program” or “Program”), authorized under ORS 307.600-307.637 and City Code Chapter 3.103.
2. The MULTE Program provides a 10-year property tax exemption on the residential portion of the structural improvements 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 project, except for those commercial improvements deemed a public benefit and approved for the exemption.
3. The MULTE Program is an incentive provided to developments complying with the City Inclusionary Housing (“IH”) Program, which requires 99 years of restricted rents of a percentage of units within the building.
4. PHB received a request for a 10-year property tax exemption under the MULTE Program for the development known as SE 27<sup>th</sup> & Division Apartments (the “Project”) and located at 2680 SE Division St (the “Property”), in conjunction with the City’s Inclusionary Housing Program. The Project, located in the Hosford-Abernethy Neighborhood District neighborhood, will be a residential only housing project and will restrict eight percent of the total bedrooms in the Project to households earning no more than 60 percent of the median family income (“MFI”) at the time of lease-up. Using the reconfiguration option, one studio and two two-bedroom units, which is six percent of the project’s total 52 units, will be restricted to households earning no more than 60% MFI. The Owner of record for the property is 27<sup>TH</sup> and Division LLC (“Owner”).

Introduced by

[Commissioner Dan Ryan](#)

Bureau

[Housing Bureau](#)

Contact

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Requested Agenda Type

Regular

Date and Time Information

Requested Council Date

April 27, 2022

5. The MULTE Program has an annual cap limiting the approval of new property tax exemptions to no more than 15 million dollars of new estimated foregone revenue within a five-year period, defined as any current year and the previous four years. There is sufficient cap remaining for the 2022 calendar year to include the Project's application.
6. PHB has the responsibility for reviewing compliance of applications with the minimum MULTE Program requirements and has concluded that the application for the Project does indeed meet the minimum Program requirements.

NOW, THEREFORE, the Council directs:

- A. The request for a 10-year property tax exemption under the MULTE Program is hereby approved for six percent of the residential portion of the structural improvements of SE 27<sup>th</sup> & Division Apartments, including six percent of residential parking and common areas.
- B. Approval of the application is provided subject to the Project meeting the following conditions:
  1. The Project must restrict six percent of its 52 units to households earning no more than 60 percent MFI (the "Restricted Units"). The Restricted Units, through reconfiguration, will consist of one studio and two two-bedroom units.
  2. The application will comply with the Program requirements established in City Code Chapter 3.103, including the requirement that the Owner sign a Regulatory Agreement and report annually to PHB each tax year that the exemption and restrictions are in effect.
  3. The Restricted Units will be built to meet all minimum Americans with Disabilities Act and Fair Housing Act requirements. The Project will also be built to ensure at least five percent of the Restricted Units, totaling one, be fully adaptable to become fully accessible per ADA and FHA standards if necessary to accommodate tenants with disabilities.
- C. PHB shall provide a copy of this Ordinance to the Multnomah County Tax Assessor as prescribed by City Code Section 3.103.050 (A).
- D. If, prior to the completion of construction, the Project is changed in any way that would reduce the number, percentage or distribution of the Restricted Units in the Project, or the approved public benefits provided, Owner must provide written notice to PHB. If such changes still conform to the Program requirements, PHB will amend the Regulatory Agreement. Such amendment would not be subject to City Council approval if changes are minor and would result in substantially the same Project.

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council  
April 27, 2022

Auditor of the City of Portland  
Mary Hull Caballero

## Impact Statement

 [Impact Statement](#) (43.01 Kb)

## Budget Office Financial Impact Analysis

This action would result in estimated foregone property tax revenues to the City totaling \$10,311 over ten years for 5 bedrooms affordable at or below 60% MFI. Total cost to all jurisdictions forgoing revenue is estimated at \$31,245. The estimated value of the tax exemption for the first year is \$3,124 (all jurisdictions), which equals approximately \$1,041 per affordable unit per year of affordability. The City will still benefit from property taxes collected on the improved value of the land during the exemption period. The City will pay Multnomah County the \$2,550 application activation fee if the application moves forward.

## Agenda Items

### 308 Regular Agenda in [April 20-21, 2022 Council Agenda](#)

Passed to second reading

Passed to second reading April 27, 2022 at 9:30 a.m.

### 332 Regular Agenda in [April 27-28, 2022 Council Agenda](#)

Passed

Commissioner Dan Ryan Yea

Commissioner Jo Ann Hardesty Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea