

## EXHIBIT A

Application of Gateway Arbors LLC for a 10-Year Property Tax Exemption for  
New Transit Supportive Residential Development (Chapter 3.103)

## Gateway Arbors Condominiums

## I. FACTS

## A. GENERAL INFORMATION

Effective Dates:	Pre-Application Date:	December 8, 2000
	Full Application Date:	March 19, 2001
	PDC Hearing Date:	May 24, 2001
	City Council Date:	June 27, 2001
Deedholder:	Gateway Arbors LLC (GA)	
	11895 SE Kehrli Drive	
	Milwaukie, OR 97222	
Applicant:	GA	
Architect:	Craig Monaghan	
	13588 SW Marcia Drive	
	Tigard, OR 97223	
Proposal:	Application for a limited property tax exemption for a new construction transit-oriented development including 22 for-sale condominiums.	
Location:	The Project is located on NE 99 <sup>th</sup> Avenue, between NE Irving Street and NE Pacific Street in the City of Portland.	
Quarter Section:	2940	
Legal Description:	Beginning at a 5/8" iron rod at the northwest corner of Lot 3, Bess Anderson Subdivision, City of Portland, Multnomah County, Oregon; thence along the west line of Lot 3 south 0°11'28" west 120.26 feet to a 5/8" iron rod; thence south 89°53'16" east 161.32 feet to a brass nail and washer on the west right of way line of NE 99 <sup>th</sup> Avenue; thence along said right of way line north 0°02'44" east 121.19 feet to a brass screw on the north line of Bess Anderson Subdivision; thence along the north line of lots 1, 2, and 3, Bess Anderson Subdivision south 89°46'51" west 161.01' to the point of beginning, and containing 0.447 acres, more or less.	
	Excepting therefrom the easterly 3 feet.	

Zoning: RHd (high density residential with design review overlay)

B. SITE INFORMATION

The Project will redevelop a newly-created parcel comprising 19,456 square feet (0.45 acre), a density of 49 units per net acre. The Project has 121 feet of frontage on NE 99<sup>th</sup> Avenue. Vehicular access to the site will be provided from NE 99<sup>th</sup> Avenue. Scheduled for completion in July 2001, the Project will provide 22 moderate income condominium units ranging in size from 341 - 710 square feet in one building. Construction is three stories of wood frame over slab on grade. The building will have a poured in place concrete base, hardiplank shingle exterior, and a composition roof. A site map and building elevations are attached.

The Project will utilize a private construction loan, developer equity, and City of Portland System Development Charge waivers for financing.

C. VICINITY DATA

The Project is located in the Hazelwood neighborhood, within the Gateway Plan District Transit Oriented Area. The Project is located within two blocks of the Gateway light rail station, and within two blocks of bus stops served by five separate bus lines.

D. AGENCIES, NEIGHBORHOOD, AND OTHER ASSOCIATIONS NOTIFIED

All appropriate agencies and associations have been notified in accordance with Title 33 regulations governing Design Review of this project. The property tax exemption falls under Title 3, Administration, of the City Code. The public notices of the meeting dates of the City Council, which are printed in area newspapers, fulfill the notification requirement of this review.

E. EXHIBITS

Site Map

Building Elevations

Quarter Section Zoning Map

Portland Development Commission Recommendation

F. LEGISLATIVE INTENT

Consideration for property tax exemption for a ten-year period is authorized by ORS 307.600 through 307.690 and by Title 3, Administration, of the Code of the City of Portland, Oregon.

State law specifies the following intent for the tax exemption provision under ORS 307.600, Legislative Findings:

“(1) The legislature finds that it is in the public interest to stimulate the construction of transit supportive multiple-unit housing in the core areas of Oregon’s urban centers to improve the balance between the residential and commercial nature of those areas, and to ensure full-time use of the areas as places where citizens of the community have an opportunity to live as well as work.

(2) The legislature also finds that it is in the public interest to promote private investment in transit supportive multiple-unit housing in light rail station areas and transit oriented areas in order to maximize Oregon’s transit investment to the fullest extent possible and that the cities and counties of this state should be enabled to establish and design programs to attract new development of multiple-unit housing, and commercial and retail property, in areas located within a light rail station area or transit oriented area.

(3) The legislature further finds that the cities and counties of this state should be enabled to establish and design programs to attract new development of multiple-unit housing in light rail station areas, in transit oriented areas or in city core areas by means of the local property tax exemption authorized under ORS 307.600 to 307.691.”

The Oregon Legislature further specified that the 10-year property tax exemption apply only to the building improvements. The applicant would continue to be taxed on the land or any other improvements not a part of the multiple-unit housing or associated public benefit (ORS 307.630).

This statutory language was amended during the 1995 Legislative session by HB 3133, which broadens this program to include “transit-oriented” residential and mixed use development. The City adopted the Property Tax Exemption for New Transit Supportive Development under City Code Chapter 3.103 in October of 1996.

#### G. STATUTORY AUTHORITY / PORTLAND DEVELOPMENT COMMISSION REVIEW

Section 3.103.050 of the City Code requires that the Portland Development Commission (PDC) review transit-supportive property tax exemption applications and determine whether the applicant’s proposed development is consistent with the requirements of the City Code, and that PDC recommend to the City Council that the application be approved subject to conditions which the Commission deems appropriate to achieve the purposes of Chapter 3.103.

In order for a limited property tax exemption to be approved, the following determinations must be made:

- The proposed project contains one or more of the public benefits described in Section 3.103.040 and described in detail below;

- The proposed project containing these public benefits, affordable units, and/or transit oriented design features would not otherwise be financially feasible without the benefit provided by the property tax exemption;
- The construction project must, at the time of completion, conform with the applicable provisions or Titles 17, 24, 32,33, and 34;
- The applicant must comply with all other Sections of the Chapter.

## II. DETERMINATION OF ELIGIBILITY

Section 3.103.020(A) states that the property tax exemption permitted by this Chapter is intended to benefit projects that emphasize:

1. The development of vacant or underutilized sites rather than sites where sound or rehabilitable multiple-unit housing exists;
2. The development of multiple-unit housing, with or without parking, in structures that may include ground-level commercial space;
3. The development of multiple-unit housing, with or without parking, on sites with existing single-story commercial structures;
4. The development of multiple-unit housing, with or without parking, on existing surface parking lots; and
5. The development of units at rental rates or purchase prices which are accessible to a broad income range of the general public.

**Staff Finding:** The Project will redevelop a newly-created underutilized parcel with 22 for-sale condominiums. The condominiums will initially be affordable between 63 – 73% Median Family Income.

Section 3.103.020(B) requires that eligible projects shall be constructed or converted after the date of adoption of this program, and completed on or before July 1, 2006.

**Staff Finding:** Project construction is scheduled to be complete July 2001.

Section 3.103.020(C) requires that the property must be located in one of four areas to be eligible for the TOD tax abatement:

- Light rail station areas within a one-quarter mile radius of an existing light rail station or a station under construction on or before January 1, 1999, and outside the boundaries of the Central City Plan District as shown on Maps 3.103-1, 3.103-3, and 3.103-4 of City Code Chapter 3.103;

- Transit-oriented areas within the Hollywood Plan District as shown Map 3.103-2 of City Code Chapter 3.103;
- Transit-oriented areas within the Gateway Plan District as shown on Map 3.103-5 of City Code Chapter 3.103; or
- Transit-oriented areas within the Lents Town Center District as shown Map 3.103-6 of City Code Chapter 3.103.

**Staff Finding:** The Project is located within the Gateway Plan District Transit Oriented Area.

Section 3.103.020(D)1 states that projects located on sites zoned R5, R7, R10, R20, or RF Single Dwelling Zones, as defined in Title 33, Planning Code, are not eligible.

**Staff Finding:** The Project's zoning, RHd, is eligible under the Code.

Section 3.103.020(D)2 states that multiple-unit projects which do not include ground floor commercial space must contain at least 35 housing units per net acre of site area to be eligible for the property tax exemption permitted by this Chapter.

**Staff Finding:** The Project contains ground floor commercial space, and this criterion does not apply.

Section 3.103.020(D)3 states that mixed-use projects containing ground floor commercial space must incorporate at least two times the amount of residential floor area to non-residential floor area and contain at least 20 housing units per net acre of site area.

**Staff Finding:** The Project contains ground floor commercial space, along with 11,397 square feet of residential floor area and 1,078 square feet of non-residential floor area, well in excess of the Code requirement. The Project's density is 49 units per net acre, in excess of the Code requirement.

Section 3.103.020(E) requires that all eligible projects must demonstrate that property tax exemption is necessary to achieve economic feasibility for residential use, taking into account the additional costs incurred by the design features, public benefits, or minimum densities required in return for the exemption.

**Staff Finding:** The property tax exemption is necessary for economic feasibility, according to the PDC review of the Project. With the TOD abatement, Gateway Arbors will provide ownership opportunities to homebuyers between 63 – 73% MFI, bringing ownership within the reach of households which could not otherwise afford to buy a home. This kind of ownership affordability would typically require significant direct public investment in order to be financially feasible. Without the TOD abatement, Project affordability would range between 73 – 84% MFI.

### III. DETERMINATION OF COMPLIANCE WITH ADOPTED PLAN POLICIES

#### A. COMPREHENSIVE PLAN CONSIDERATIONS

Chapter 197 of the Oregon Revised Statutes requires all cities and counties to develop a Comprehensive Plan for land use and development, in accordance with the requirements of the State Land Conservation and Development Commission. The City of Portland's Comprehensive Plan Housing Policy was adopted by City Council on December 16, 1998.

The Project meets the requirements of the Comprehensive Plan, as follows:

- *The Project will redevelop a key parcel along NE 99<sup>th</sup> Avenue in the Gateway business District, which is called for in Section 4.1 (E): "Encourage the efficient use of infrastructure by focusing well-designed new and redeveloped housing on vacant, infill, or under-developed land;"*
- *The Project will be located two blocks from light rail and within two blocks of bus stops served by five separate bus lines, which is called for in Section 4.3 (A): "Place new residential developments at locations that increase potential ridership on the regional transit system and support the Central City as the region's employment and cultural center;"*
- *The Project will provide ground floor retail fronting NE 99<sup>th</sup> Avenue, which is called for in Section 4.3 (B): "Establish development patterns that combine residential with other compatible uses in mixed-use areas such as the Central City, Gateway Regional Center, Station Communities, Town Centers, Main Streets, and Corridors;"and*
- *The Project will provide housing density near transit, which is called for in Section 4.3 (C): "Encourage the development of housing at transit-supportive densities near transit streets, especially where parks or schools are present, to ensure that the benefits of the public's investment in those facilities are available to as many households as possible."*

**Staff Finding:** The Project meets many of the City's housing goals as specified in the Comprehensive Plan.

#### B. ZONING CONSIDERATIONS

The Zoning Code regulations which apply to the subject site include the following:

- **Zoning Designation:** RHd (high density residential with design review overlay)
- **Permitted Uses:** The RH zone is a high density multi-dwelling zone. Density is not regulated by a maximum number of units per acre. Rather, the maximum size of buildings and intensity of use is regulated by Floor Area Ratio (FAR) limits and

other site development standards. Generally the density will range from 80 to 125 units per acre. Allowed housing is characterized by medium to high height and a relatively high percentage of building coverage. The major types of new housing development will be low, medium, and high-rise apartments and condominiums. Generally, RH zones will be well served by transit facilities or be near areas with supportive commercial services.

- Permitted FAR: 8:1
- Permitted Building Height: 120 feet

**Staff Finding:** The Project complies with the major development and use regulations of the base zone and the applicable development standards. Nothing in this consideration of the tax exemption request for the Project modifies any part of the design review process.

#### C. DETERMINATION OF COMPLIANCE WITH THE GATEWAY PLAN DISTRICT

Section 33.526.110 of the Code prohibits vehicle repair, quick vehicle servicing, and commercial parking.

**Staff Finding:** The Project does not include any of these uses.

Section 33.526.120 of the Code requires housing in C and EX zones in some cases.

**Staff Finding:** The Project is not located in a C or EX zone.

Section 33.526.130 of the Code requires a minimum residential density of one unit per 1,500 square feet of site area in RH zones.

**Staff Finding:** The Project contains 22 units on a 19,456 square foot site, or one unit per 884 square feet of site area, in excess of the Code requirement.

Section 33.526.210 of the Code prohibits exterior display and storage in most cases.

**Staff Finding:** The Project does not include either of these uses.

Section 33.526.220 of the Code prohibits drive-through facilities.

**Staff Finding:** The Project does not include this use.

Section 33.526.230 of the Code limits maximum height in the R1, RH, RX, IR, CM, CS, CX, and EX zones west of 127<sup>th</sup> Avenue to 120 feet.

**Staff Finding:** The base zoning of the site is RH, and the Project is located west of 127<sup>th</sup> Avenue. It is therefore subject to this requirement. With a maximum height of 50 feet, the Project complies with the requirement.

Section 33.526.240 of the Code restricts FAR for residential development west of 127<sup>th</sup> Avenue to 8 to 1, with a minimum FAR in the CM, CS, CX, EG, and EX zones of 0.5 to 1.

**Staff Finding:** With building square footage of 12,475 and a site size of 19,456 square feet, the Project's FAR is 0.64:1. This is within the maximum proscribed by the Code. The minimum FAR for residential development west of 127<sup>th</sup> Avenue does not apply in the RH zone.

Section 33.526.250 of the Code requires open space for lots over 80,000 square feet.

**Staff Finding:** The Project's lot size is 19,456 square feet.

Section 33.526.260 of the Code requires additional setbacks on NE Burnside Street, NE Pacific Street, and NE Halsey Street.

**Staff Finding:** The Project does not have frontage on any of these streets.

Section 33.526.270 of the Code requires special consideration for internal project circulation and improvements between buildings and the street.

**Staff Finding:** These requirements have been addressed through the Design Review process.

Section 33.526.280 of the Code requires special consideration for building entrances and the pedestrian environment.

**Staff Finding:** These requirements have been addressed through the Design Review process.

Section 33.526.290 of the Code sets out no minimum parking requirements and describes certain maximum parking configurations for non-residential uses.

**Staff Finding:** As a residential development, the Project's 30 surface parking spaces comply with this Code Section.

#### D. DETERMINATION OF COMPLIANCE WITH THE PROPOSED GATEWAY REGIONAL CENTER URBAN RENEWAL PLAN

The Project meets the goals and objectives of the proposed Gateway Regional Center Urban Renewal Plan, as follows:

- *The Project will redevelop a key site near several light rail stations, which is called for in Goal 4 (C), Support Compact Development - Station Area Focus; and*
- *The Project will include pedestrian and transit amenities, which is called for in Goal 7 (C), Establish A Pedestrian Orientation – Amenities.*



**Staff Finding:** The Project meets several of the goals and objectives of the proposed Gateway Regional Center Urban Renewal Plan.

#### IV. ELIGIBILITY AND COMPLIANCE WITH ADOPTED PLANS: CONCLUSIONS

The Project is eligible for limited property tax exemption in accordance with City Code and statutory requirements referenced in Section II above. According to statutory intent and applicable City Code, the Project is consistent with and supportive of the purposes for which this authority was created. The legislative intent strongly encourages the development of new multiple-unit housing projects in the State's largest urban areas, and recognizes the need to provide a financial incentive for projects with higher than average costs due to a number of factors.

The Project is eligible for limited property tax exemption in support of adopted Comprehensive Plan policies and objectives; the governing development regulations of Title 33, Planning Code; the Gateway Plan District; and the proposed Gateway Regional Center Urban Renewal Plan referenced in Section III above. The property tax exemption has been in existence since 1975, and it has successfully encouraged residential construction activity within targeted areas of the City. This activity has in large part been made possible by the incentives of the property tax exemption, in combination with additional direct and indirect subsidies. This Project is not receiving any additional financial assistance from the City. Therefore, public incentives in the form of limited tax exemption are justified in order to achieve the adopted plan goals for new residential development in this area.

#### V. DETERMINATION OF PUBLIC BENEFIT

Section 3.103.040 of the Code describes alternative primary public benefits which must be provided to receive the exemption. GA has elected to provide the following benefit:

C. All projects containing housing units available for individual purchase shall receive the property tax exemption only for those for-sale units which are available at an initial purchase price which does not exceed 95 percent of the median purchase price for a condominium unit in Multnomah County as established by the U.S. Department of Housing and Urban Development for the purpose of determining FHA loan qualification. The unit must be sold to a household earning no more than 100 percent of the area median income for a family of four as established by the U.S. Department of Housing and Urban Development, or its successor agency, during the year of sale in order to retain its property tax exempt status.

**Staff Finding: Initial sales.** The index cited by City Code currently stands at \$175,750. 95 percent of this amount is \$166,962. The schedule of proposed sales prices for the Project is shown below, with all sales prices well within the Code requirements. Although the average per square foot price of the condominiums is \$140, their small size allows the sales price with the TOD abatement to be affordable to homebuyers between 63 – 73% Median Family Income (MFI). At the time of purchase, the income test

described above would be applied to the purchasers of the individual units, who would qualify (or not) for the abatement based on their household income.

units	bedrooms	price	sq. ft.	per sq. ft.	% MFI
3	Studio	59,950	341	175.81	63%
8	1 bedroom	69,950	512	136.62	68%
4	1 bedroom	70,950	512	138.57	69%
2	1 bedroom	73,950	525	140.86	72%
2	1 bedroom	74,950	525	142.76	73%
<u>3</u>	2 bedroom	90,000	<u>710</u>	<u>126.76</u>	72%
22			11,397	139.60	

Section 3.103.040(C)1 of the Code further states that

In order to qualify for this exemption, such units must be owner-occupied during the term of the exemption. Should any unit become available for sale during the term of the exemption, it must be sold to a household earning no more than 100 percent of the area median income for a family of four as established by the U.S. Department of Housing and Urban Development, or its successor agency, during the year of sale in order to retain its property tax exempt status.

**Staff Finding: Subsequent sales.** At the time of any subsequent sale of a unit in the Project, the sales price and income tests described above would be applied to the purchasers of the unit, who would qualify (or not) for the remainder of the abatement term based on the sales price of the unit and the purchasers' household income.

**Rental units.** Although the Project has been designed and marketed as for-sale units, the developer anticipates that if units remain unsold, as much as 50% of the Project may be rented out at any given time. If units in the Project are made available for rent, the developer has agreed that those units will be available for rent to households at or below 60% MFI. These units would therefore qualify for the abatement based on affordability, as described in City Code Section 3.103.040(B): "All rental projects containing more than 15 units applying for the exemption under the terms of this Chapter must include within the project and for the term of the exemption at least 20 percent of the units for rent at rates which are affordable to households earning 60 percent or less of the area median income." If a rental unit is sold at any time during the abatement period, the sales price and income tests described above would be applied to determine the unit's continued eligibility for the abatement.

Section 3.103.040 of the Code describes alternative secondary public benefits which must be provided to receive the exemption. GA has elected to provide the following benefit:

5. Transit amenities and transit or pedestrian design elements such as benches, bus shelters, directional signs, or an off-site pedestrian connection from the project to the nearest transit service.

**Staff Finding:** The Project will provide ground floor commercial space, landscaped plaza areas, and benches along NE 99<sup>th</sup> Avenue.

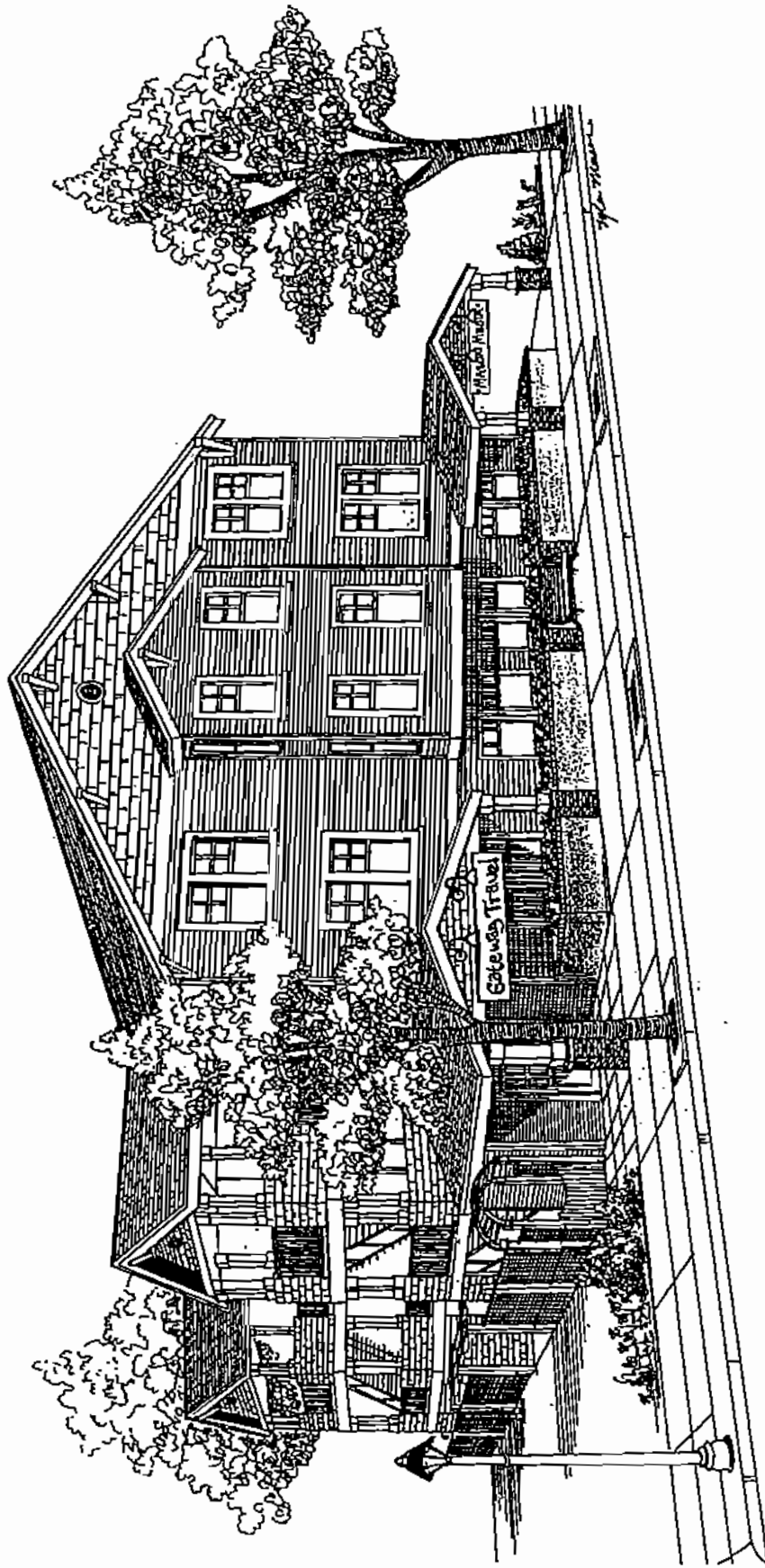
## VI. PUBLIC BENEFIT RECOMMENDATION

Staff recommends that City Council approve the limited property tax exemption for the Gateway Arbors Condominiums project subject to the following conditions:

1. Purchasers of individual units will qualify for the tax abatement based on two criteria:
  - A. The purchase price may not exceed 95 percent of the median purchase price for a condominium unit in Multnomah County as established by the U.S. Department of Housing and Urban Development for the purpose of determining FHA loan qualification. This index currently stands at \$175,750. 95 percent of this amount is \$166,962.
  - B. The unit must be sold to a household earning no more than 100 percent of the area median income for a family of four as established by the U.S. Department of Housing and Urban Development, or its successor agency, during the year of sale in order to retain its tax exempt status. This index currently stands at \$55,900.
2. Should any unit become available for resale during the term of the exemption, it must be sold to a household earning no more than 100 percent of the area median income for a family of four as established by the U.S. Department of Housing and Urban Development, or its successor agency, during the year of sale in order to retain its tax exempt status. If the buyers of the unit meet this qualification, the unit would remain eligible for the remainder of the abatement term.
3. No more than 50% of the residential units in the Project (11 units) may be rented at any given time, either as a result of investors purchasing units as rentals, or unsold units which are rented by the developer. Rental units in the Project will qualify for the tax abatement if those units are made available for rent to households at or below 60% MFI. Presently, 60% MFI for a household of four is \$33,550 resulting in a rent cap of \$839 per month, including utilities ( $\$33,550 \div 12 \times .3 = \$839$ ). Should the owners determine that this arrangement is not economically feasible, they may forego the property tax exemption after conferring with staff from the Portland Development Commission. The owners may retain the option of selling the unit and re-establishing the ten year property tax exemption for the number of years remaining in the initial ten year exemption period within five years from the date of the issuance of occupancy permits and upon a demonstration of compliance with the provisions of Condition Number 1 noted above.
4. Should any of the units which have been initially sold to owner-occupants, thereby qualifying under the terms of Section 3.103.040(C) of the City Code, convert to renter

occupancy during the ten year term of the tax exemption, those units shall lose their tax exemption status.

5. The Project shall comply with all applicable standards of Titles 17, 24, 32, 33, and 34 of the City Code, as well as all conditions of approval of any land use and design reviews.
6. These and any other public benefits including transit oriented features, shall be provided in accordance with agreements reached or conditions imposed by the relevant review bodies and agencies, including but not limited to the Planning Bureau, PDC, and Design Review Commission, as appropriate.
7. The Project will comply with all applicable standards of Titles 17, 24, 32, 33, and 34 of the City Code, as well as all conditions of approval of any land use and design reviews.



# GATEWAY ARBORS CONDOMINIUM

737 NE 99TH AVENUE

36004

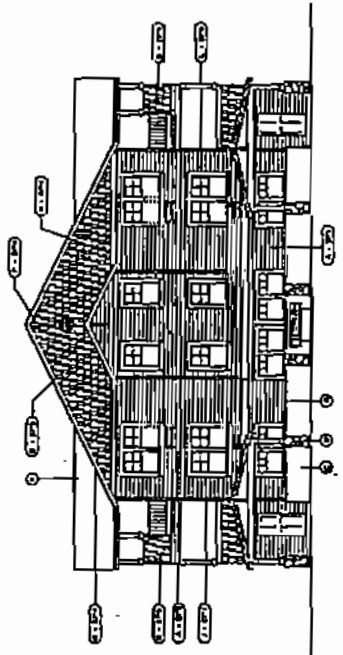
SHEET

ELEVATION  
 PLAN, SECTION  
 ELEVATION

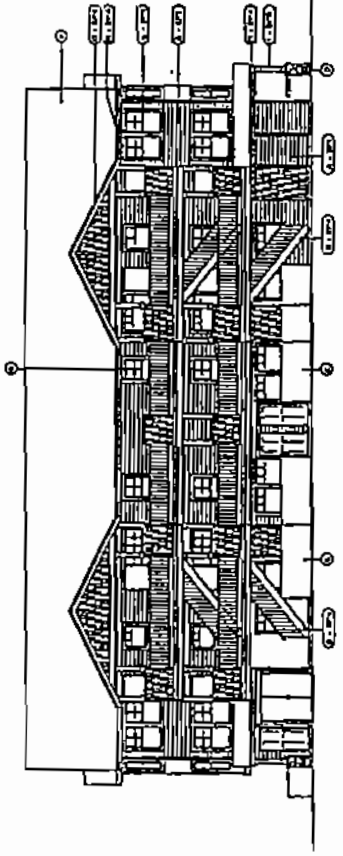
OWNER  
 CONTRACTOR  
 ARCHITECT

CONTACT: DONOR C. JONES  
 1145 SE 10TH AVE  
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 ARCHITECT: DONOR C. JONES  
 1145 SE 10TH AVE  
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 CONTRACTOR: ALM CONSTRUCTION  
 1330 SW 15TH STREET  
 MIAMI, FL 33135

ARCHITECT: DONOR C. JONES  
 1145 SE 10TH AVE  
 MIAMI, FL 33136  
 CONTRACTOR: ALM CONSTRUCTION  
 1330 SW 15TH STREET  
 MIAMI, FL 33135

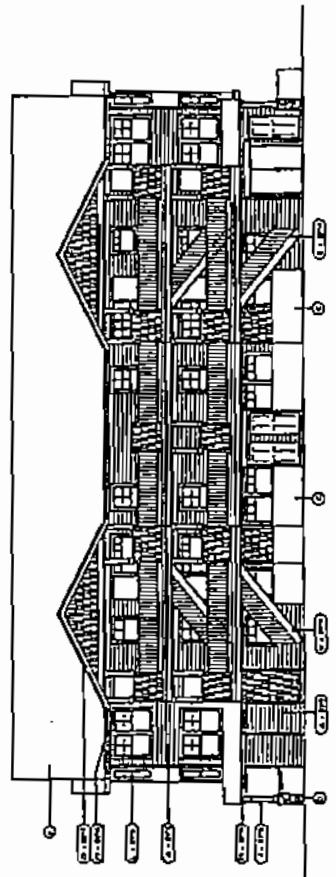


FRONT ELEVATION

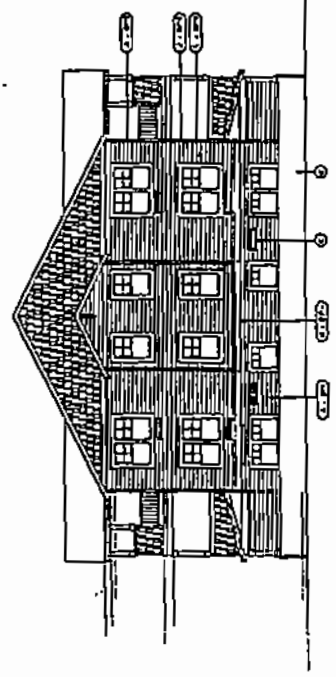


LEFT SIDE ELEVATION

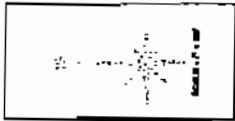
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RIGHT SIDE ELEVATION



REAR ELEVATION

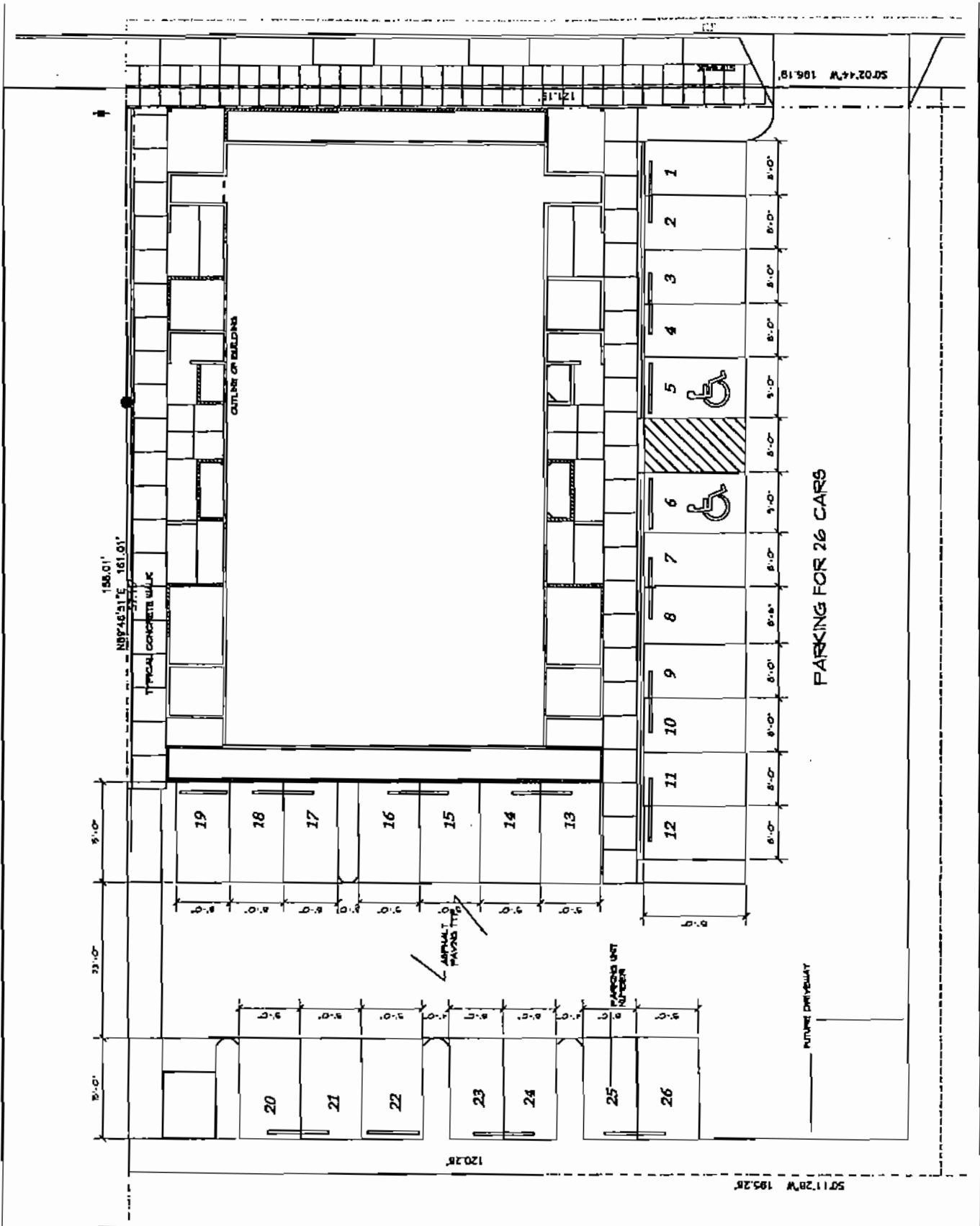


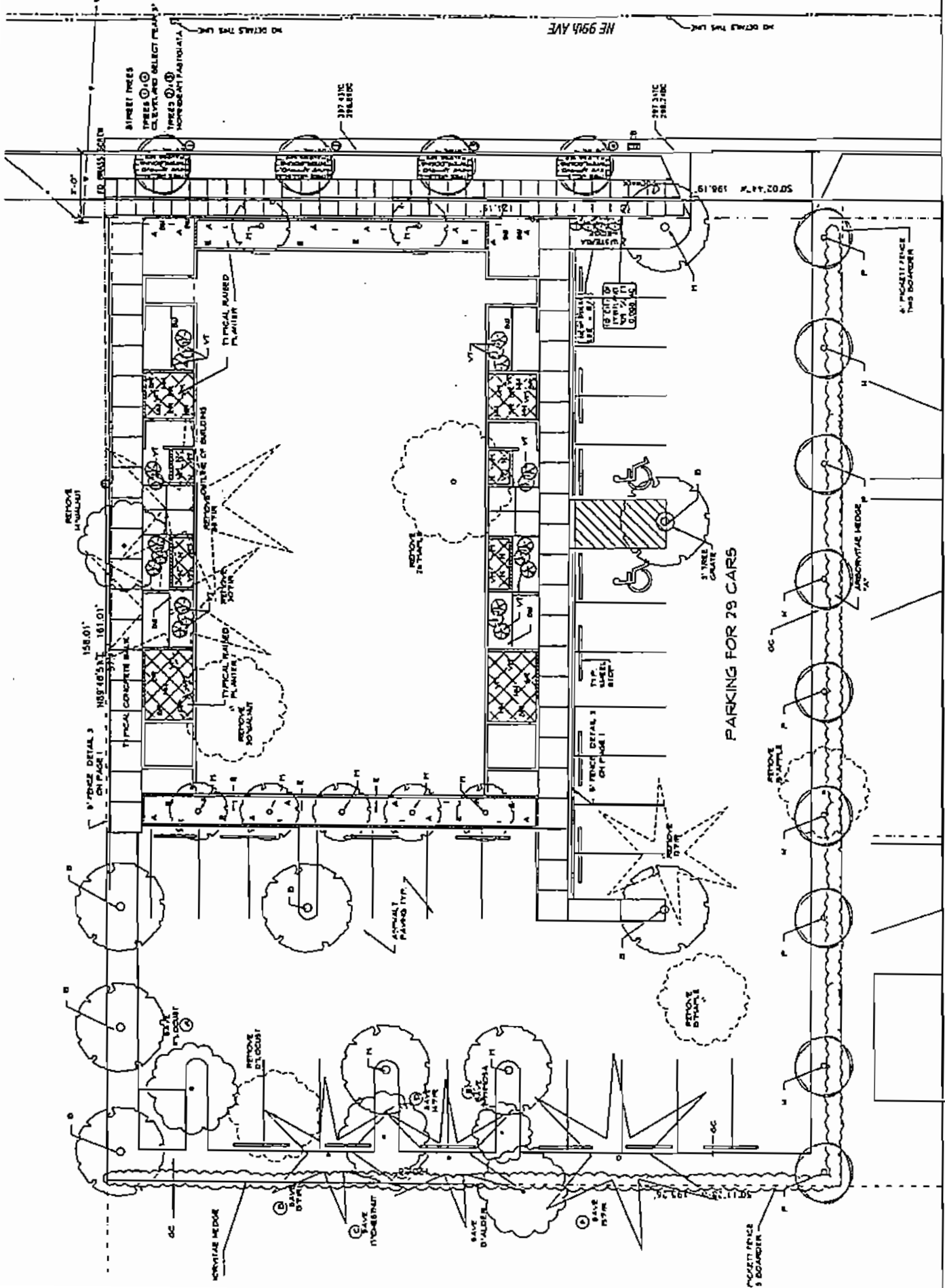
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 FAX: (503)633-4448  
 MOB: (503)702-1933

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 FACSIM: (503)523-4581

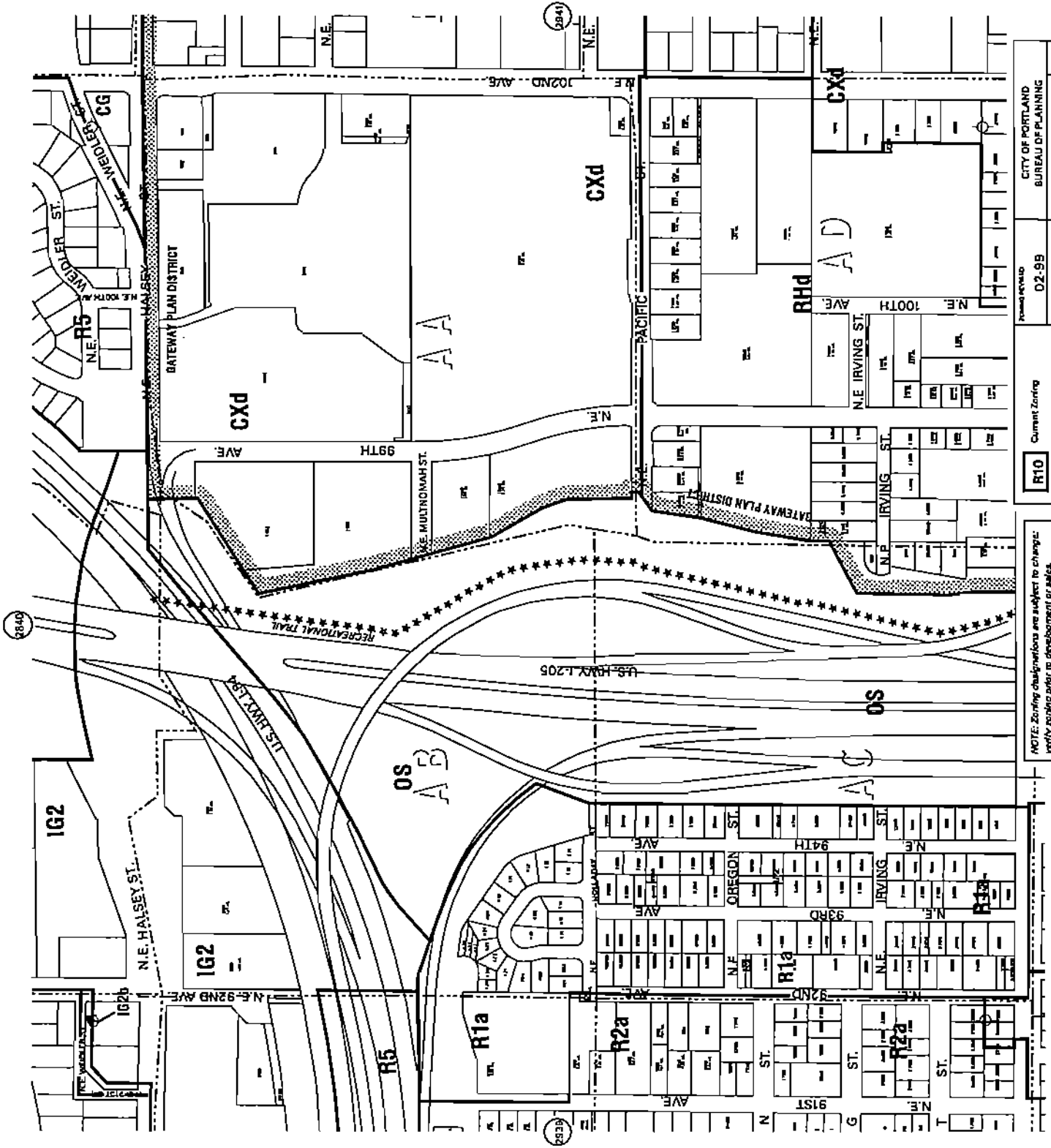
**DATE:** 05/11/2005  
**PROJECT:** 100-0000000000  
**NO.:** 100-0000000000  
**DATE:** 05/11/2005

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<b>R10</b>	Current Zoning	Proposed Official	<b>D2-99</b>	CITY OF PORTLAND BUREAU OF PLANNING
.....	Maximum Potential Zoning as per Comprehensive Plan	Map Scale	10'-99'	1" = 100'
-----	State ID Map Boundary	Map Scale	10'-99'	1" = 100'
		Map Scale	10'-99'	1" = 100'
		Map Scale	10'-99'	1" = 100'
		Map Scale	10'-99'	1" = 100'

NOTE: Zoning designations are subject to change. Verify zoning prior to development or sale.

- Plan District Boundary
- Historic or Conservation District or N.R.M.P. Boundary
- Zoning Line



3010

PORTLAND DEVELOPMENT COMMISSION  
Portland, Oregon

Date: May 24, 2001  
To: Loan Committee  
From: David B. Frank  
Subject: RECOMMEND APPROVAL OF TRANSIT ORIENTED  
DEVELOPMENT PROPERTY TAX ABATEMENT APPLICATION  
TO CITY COUNCIL FOR THE GATEWAY ARBORS  
CONDOMINIUMS LOCATED AT NE 99<sup>TH</sup> AVENUE AND NE  
IRVING STREET.

*Gateway Arbors LLC (GA) has applied for a property tax abatement for a mixed-use condominium project known as Gateway Arbors Condominiums.*

**Background:**

On March 19, 2001, GA applied for a Transit Oriented Development property tax abatement (TOD) for the Gateway Arbors Condominiums project (Project) located at NE 99<sup>th</sup> Avenue and NE Irving Street in the Gateway Plan District Transit Oriented Area in NE Portland. City Code Chapter 3.103 specifies that the Portland Development Commission shall review the application and determine first whether the Project meets the requirements for a Transit Oriented Development property tax abatement, and second whether the tax abatement is necessary in order to achieve financial feasibility. The Commission's recommendation is then forwarded to City Council for final approval.

The limited property tax abatement, if approved by the City, exempts the value of the Project's residential improvements from taxation for a period of ten years. During this time period, the property owners continue to be liable for property taxes on the value of the land.

**Project Description:**

The Project is located in the Hazelwood neighborhood, within the proposed Gateway Regional Center Urban Renewal District, on NE 99<sup>th</sup> Avenue between NE Irving Street and NE Pacific Street. The Project is located within two blocks of the Gateway light rail station, and within two blocks of bus stops served by five separate bus lines.

The Project will redevelop a newly-created parcel comprising 19,456 sq. ft., a density of 49 units per acre. The site is served by all utilities, and it is zoned for residential use. A quarter section map and a map of the Gateway Plan District Transit Oriented Area are attached.

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Scheduled for completion in July 2001, the Project will provide 1,078 sq. ft. of ground floor retail space fronting NE 99<sup>th</sup> Avenue (pending conditional use approval from the City) and 22 moderately priced for-sale units ranging in size from 341 - 710 sq. ft. in one building. Construction is three stories of wood frame over slab on grade. The building will have a poured in place concrete base, hardiplank shingle exterior, and a composition roof. A site map and building plans are attached.

The Project will utilize a private construction loan, developer equity, and City of Portland System Development Charge waivers for financing.

**Affordability:**

GA proposes an affordability mix as shown below.

	% Median Family Income	
	< 80%	total
Studio	3	3
1 bedroom	16	16
2 bedroom	<u>3</u>	<u>3</u>
	22	22

**Public Benefits Addressed:**

The Project meets many of the City's housing goals as specified in the Comprehensive Plan:

- *The Project will redevelop a key parcel along NE 99<sup>th</sup> Avenue in the Gateway business District, which is called for in Section 4.1 (E): "Encourage the efficient use of infrastructure by focusing well-designed new and redeveloped housing on vacant, infill, or under-developed land;"*
- *The Project will be located two blocks from light rail and within two blocks of bus stops served by five separate bus lines, which is called for in Section 4.3 (A): "Place new residential developments at locations that increase potential ridership on the regional transit system and support the Central City as the region's employment and cultural center;"*
- *The Project will provide ground floor retail fronting NE 99<sup>th</sup> Avenue, which is called for in Section 4.3 (B): "Establish development patterns that combine residential with other compatible uses in mixed-use areas such as the Central City, Gateway Regional Center, Station Communities, Town Centers, Main Streets, and Corridors;" and*
- *The Project will provide housing density near transit, which is called for in Section 4.3 (C): "Encourage the development of housing at transit-supportive densities near transit streets, especially where parks or schools are present, to ensure that the benefits of the public's investment in those facilities are available to as many households as possible."*

The Project meets many of the goals and objectives of the proposed Gateway Regional Center Urban Renewal Plan:

- *The Project will redevelop a key site near several light rail stations, which is called for in Goal 4 (C), Support Compact Development - Station Area Focus;*

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- *The Project will provide ground floor retail fronting NE 99<sup>th</sup> Avenue, which is called for in Goal 5 (B), Support A Mixture of Land Uses - Within The District; and*
- *The Project will include pedestrian and transit amenities, which is called for in Goal 7 (C), Establish A Pedestrian Orientation - Amenities.*

Finally, the Project will provide the following additional public benefits, as required by City Code Section 3.103.040:

- Initial sales. *The Project shall receive the property tax exemption only for those for-sale units which are available at an initial purchase price which does not exceed 95 percent of the median purchase price for a condominium unit in Multnomah County as established by the U.S. Department of Housing and Urban Development for the purpose of determining FHA loan qualification. The unit must be sold to a household earning no more than 100 percent of the area median income for a family of four as established by the U.S. Department of Housing and Urban Development, or its successor agency, during the year of sale in order to retain its property tax exempt status.*

The index cited by City Code currently stands at \$175,750. 95 percent of this amount is \$166,962. The schedule of proposed sales prices for the Project is shown below, with all sales prices well within the Code requirements. Although the average per sq. ft. price of the condominiums is \$140, their small size allows the sales price with the TOD abatement to be affordable to homebuyers between 63 - 73% Median Family Income (MFI). At the time of purchase, the income test described above would be applied to the purchasers of the individual units, who would qualify (or not) for the abatement based on their household income.

units	bedrooms	price	sq. ft.	per sq. ft.	% MFI
3	Studio	59,950	341	175.81	63%
8	1 bedroom	69,950	512	136.62	68%
4	1 bedroom	70,950	512	138.57	69%
2	1 bedroom	73,950	525	140.86	72%
2	1 bedroom	74,950	525	142.76	73%
<u>3</u>	2 bedroom	90,000	<u>710</u>	<u>126.76</u>	72%
22			11,397	139.60	

Subsequent sales. *Units in the Project must be owner-occupied during the term of the exemption. Should any unit become available for sale during the term of the exemption, it must be sold to a household earning no more than 100 percent of the area median income for a family of four as established by the U.S. Department of Housing and Urban Development, or its successor agency, during the year of sale in order to retain its tax exempt status.*

At the time of any subsequent sale of a unit in the Project, the sales price and income tests described above would be applied to the purchasers of the unit, who would qualify (or not) for the remainder of the abatement term based on the sales price of the unit and the purchasers' household income.

Rental units. Although the Project has been designed and marketed as for-sale units, the developer anticipates that if units remain unsold, as much as 50% of the Project may be rented out at any given time. If units in the Project are made available for rent, the developer has agreed that those units will be available for rent to households at or below 60% MFI. These units would therefore qualify for the abatement based on affordability, as described in City Code Section 3.103.040(B): "All rental projects containing more than 15 units applying for the exemption under the terms of this Chapter must include within the project and for the term of the exemption at least 20 percent of the units for rent at rates which are affordable to households earning 60 percent or less of the area median income." If a rental unit is sold at any time during the abatement period, the sales price and income tests described above would be applied to determine the unit's continued eligibility for the abatement.

- The Project will provide ground floor commercial space, landscaped plaza areas, and benches along NE 99<sup>th</sup> Avenue.

**Financial Evaluation:**

City Code Section 3.103.020 specifies that the applicant must "demonstrate that property tax exemption is necessary to achieve economic feasibility for the residential use, taking into account the additional costs incurred by the design features, public benefits, or minimum densities required in return for the incentives allowed by this Chapter." GA's application estimates the costs of the two landscaped plaza areas and pedestrian benches at \$57,000.

In addition, with the TOD abatement, Gateway Arbors will provide ownership opportunities to homebuyers between 63 - 73% MFI, bringing ownership within the reach of households which could not otherwise afford to buy a home. This kind of ownership affordability would typically require significant direct public investment in order to be financially feasible. Without the TOD abatement, Project affordability would range between 73 - 84% MFI.

**Development Team:**

Gateway Arbors LLC has the capacity and experience to complete this Project. Gordon Jones, the managing member of the LLC, recently completed the Gateway Condominiums project under the TOD program. R & H Construction is the contractor, and Craig Monaghan is the architect.

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**Sources And Uses:**

The following chart outlines the Project costs and sources of funding.

		per unit	per person	per sq. ft.
<b>Uses</b>				
Acquisition Costs	292,000	13,273	8,111	23
Construction Costs	1,023,820	46,537	28,439	82
Development Costs	279,187	12,690	7,755	22
Developer and Consulting Fees	80,000	3,636	2,222	6
<b>Total Uses</b>	<b>1,675,007</b>	<b>76,137</b>	<b>46,528</b>	<b>134</b>
<b>Construction Sources</b>				
Town Center Construction Loan	1,294,405	58,837	35,956	104
Developer Equity	323,602	14,709	8,989	26
Fee Waivers	57,000	2,591	1,583	5
<b>Total Construction Sources</b>	<b>1,675,007</b>	<b>76,137</b>	<b>46,528</b>	<b>134</b>
<b>Permanent Sources</b>				
Residential Sales Proceeds	1,591,050	72,320	44,196	128
Parking Sales Proceeds	70,000	3,182	1,944	6
Less Cost of Sales	-124,579	-5,663	-3,461	-10
Less Profit	-18,304	-832	-508	-1
Commercial Space Value	99,840	4,538	2,773	8
Fee Waivers	57,000	2,591	1,583	5
<b>Total Permanent Sources</b>	<b>1,675,007</b>	<b>76,137</b>	<b>46,528</b>	<b>134</b>
<b>Total PDC Project Funding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<u>0 - 80% averages as of 10/21/00</u>				
average per project		9,124	5,108	14
average per non-tax credit project		11,580	6,431	
average per tax credit project		15,387	8,536	
average per family unit project		21,212	7,071	

**Recommendation:**

PDC staff has reviewed the Project information and concluded that the tax abatement is necessary for the Project to provide the proposed public benefits. Staff recommends that Loan Committee recommend approval of a TOD property tax abatement for the Gateway Arbors project to City Council.

Gateway Arbors

Sources and Uses

Project Uses	predevelopment		total	% of total cost	per unit: 22	per square foot: 12,475
	predevelopment	construction				
Land and Site Costs						
Land Costs		292,000	292,000	17.43%	13,273	23.41
Site Development Costs	0	0	0	0.00%	0	0.00
Other Financing Fees	0	0	0	0.00%	0	0.00
Value Write-Down	0	0	0	0.00%	0	0.00
Total Land/Site Costs	0	292,000	292,000	17.43%	13,273	23.41
Hard Costs						
Site Work		40,000	40,000	2.39%	1,818	3.21
Off-Site Work		0	0	0.00%	0	0.00
Building construction		954,000	954,000	56.95%	43,364	76.47
Parking construction		0	0	0.00%	0	0.00
Construction Contingency		29,820	29,820	1.78%	1,355	2.39
Contractors' Overhead & Profit		0	0	0.00%	0	0.00
Systems development		0	0	0.00%	0	0.00
FF&E		0	0	0.00%	0	0.00
Tenant Improvements		0	0	0.00%	0	0.00
Storefront		0	0	0.00%	0	0.00
Other		0	0	0.00%	0	0.00
Total Hard Costs	0	1,023,820	1,023,820	61.12%	46,537	82.07
Soft Costs						
Architectural services		37,800	37,800	2.26%	1,718	3.03
Engineering services		7,175	7,175	0.43%	326	0.58
Soils Engineering		0	0	0.00%	0	0.00
Environmental review		3,950	3,950	0.24%	180	0.32
Site survey		12,633	12,633	0.75%	574	1.01
Relocation expenses		0	0	0.00%	0	0.00
Appraisal/Market study		3,000	3,000	0.18%	136	0.24
Permits and fees		100,113	100,113	5.98%	4,551	8.03
Systems development		0	0	0.00%	0	0.00
Plan review/site inspect.		0	0	0.00%	0	0.00
Construction bond		0	0	0.00%	0	0.00
Construction loan fees		15,563	15,563	0.93%	707	1.25
Construction period interest		36,290	36,290	2.17%	1,650	2.91
Predevelopment loan interest		0	0	0.00%	0	0.00
PDC Loan Fee		0	0	0.00%	0	0.00
PDC interest during construction		0	0	0.00%	0	0.00
Bridge loan fee		0	0	0.00%	0	0.00
Bridge loan interest		0	0	0.00%	0	0.00
Tax abatement fees		5,000	5,000	0.30%	227	0.40
HOW fees		7,500	7,500	0.45%	341	0.60
Permanent Loan Fees		0	0	0.00%	0	0.00
Legal/organizational		17,363	17,363	1.04%	789	1.39

Sources and Uses

Gateway Arbors

	predevelopment	construction	total	% of total cost	per unit	per square foot
					22	12,475
Accounting fees	0	0	0	0.00%	0	0.00
Taxes	0	4,000	4,000	0.24%	182	0.32
Insurance	0	2,500	2,500	0.15%	114	0.20
Closing costs	0	2,800	2,800	0.17%	127	0.22
Furniture, fixtures, equip.	0	0	0	0.00%	0	0.00
Absorption reserves	0	0	0	0.00%	0	0.00
Operating reserves	0	0	0	0.00%	0	0.00
Marketing costs	0	22,000	22,000	1.31%	1,000	1.76
Soft cost contingency	0	0	0	0.00%	0	0.00
Other	0	1,500	1,500	0.09%	68	0.12
<b>Total Soft Costs</b>	<b>0</b>	<b>279,187</b>	<b>279,187</b>	<b>16.67%</b>	<b>12,690</b>	<b>22.38</b>
Development Costs						
Developer Fees	0	0	0	0.00%	0	0.00
Developer Overhead	0	0	0	0.00%	0	0.00
Consultant Fees	0	80,000	80,000	4.78%	3,636	6.41
<b>Total Development Costs</b>	<b>0</b>	<b>80,000</b>	<b>80,000</b>	<b>4.78%</b>	<b>3,636</b>	<b>6.41</b>
<b>Total Project Cost</b>	<b>0</b>	<b>1,675,007</b>	<b>1,675,007</b>	<b>100.00%</b>	<b>76,137</b>	<b>134.27</b>

<b>Construction Sources</b>						
PDC Predevelopment Loan	0	0	0	0.00%	0	0.00
Town Center Bank Construction Loan	0	1,294,405	1,294,405	77.28%	58,837	103.76
Developer Equity	0	323,602	323,602	19.32%	14,709	25.94
Fee Waivers	0	57,000	57,000	3.40%	2,591	4.57
Remaining Sources to Be Identified	0	0	0	0.00%	0	0.00
<b>Total Construction Sources</b>	<b>0</b>	<b>1,675,007</b>	<b>1,675,007</b>	<b>100.00%</b>	<b>76,137</b>	<b>134.27</b>

<b>Permanent Sources</b>						
Residential Sales Proceeds	0	1,591,050	1,591,050	94.99%	72,320	127.54
Parking Sales Proceeds	0	70,000	70,000	4.18%	3,182	5.61
Less Cost of Sales	0	-124,579	-124,579	-7.44%	-5,663	-9.99
Less Profit	0	-18,304	-18,304	-1.09%	-832	-1.47
Commercial Space Value	0	99,840	99,840	5.96%	4,538	8.00
Fee Waivers	0	57,000	57,000	3.40%	2,591	4.57
Remaining Sources to Be Identified	0	0	0	0.00%	0	0.00
<b>Total Permanent Sources</b>	<b>0</b>	<b>1,675,007</b>	<b>1,675,007</b>	<b>100.00%</b>	<b>76,137</b>	<b>134.27</b>

from Jones 12/27/00  
fee waivers  
variance

0	1,618,007	1,618,007
0	57,000	57,000
0	0	0



Homebuyer Affordability Calculations

Gateway Arbors

downpayment 3.00%  
 interest rate 8.50%  
 mortgage term 30  
 mtg. ins. cutoff 20%  
 mtg. ins. rate 0.78  
 tax abatement limit 166,962  
 insurance millage rate 2  
 assoc millage rate 2  
 housing burden 30%

model	units	gross price	subsidy	net price	sq. ft.	price psf	bedrooms	taxes	% MFI
1	2	73,950	0	73,950	525	140.86	1	1.00	72%
2	8	69,950	0	69,950	512	136.62	1	1.00	68%
3	3	59,950	0	59,950	341	175.81	0	1.00	63%
4	3	90,000	0	90,000	710	126.76	2	1.00	72%
5	2	74,950	0	74,950	525	142.76	1	1.00	73%
6	4	70,950	0	70,950	512	138.57	1	1.00	69%
	22	1,591,050	0	1,591,050	11,397	139.60	36.0		

parking	14
	5,000
	70,000
	min
	max

commercial space valuation 1,078  
 commercial sq. ft. 11.58  
 per sq. ft. 80%  
 occupancy 9,984  
 commercial income 10.00%  
 CAP rate 99,840  
 value

**BUDGET/FINANCIAL COUNCIL ACTION IMPACT STATEMENT**

INITIATOR=S SUMMARY OF COUNCIL ACTION (Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator David B. Frank		2. InterOffice Mail Address 299/7000	3. Telephone No. 503-823-3279	4. Bureau/Office/Dept. PDC/Housing
5a. To be filed (date) June 22, 2001	5b. Calendar (Check One) Regular    Consent    4/5ths <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		5. Date Submitted to OFA Budget Analyst: June 2000	
6. Fund Name & Number				

Please check appropriate box and list dollar amount.

If using electronic MS Word version; underline appropriate category and type and list dollar amount after.

Category 1    No financial Impact [  ]

Category 2    Routine Budgeted Items [  ]

- |  |  |
|--|--|
| <input type="checkbox"/> Contracts   | <input type="checkbox"/> Annual supply contracts         |
| <input type="checkbox"/> Grants  | <input type="checkbox"/> Claims payment under \$15,000   |
| <input type="checkbox"/> Call for bids on purchasing contracts               | <input type="checkbox"/> Creation of a Local Improvement |
| <input type="checkbox"/> Reports to Council regarding completion of projects | <input checked="" type="checkbox"/> Other                |

Category 3    Non-Routine or Unbudgeted Item [  ]

**SUMMARY OF ACTION:** In concise terms, describe what is to take place through the enactment of this council action. Where applicable, narrative should include answers to the following questions. Add space as necessary below each question. Multiple page responses are acceptable if necessary to answer all relevant questions.

- A. What action(s) is proposed?** Proposed resolution (attached) will grant a limited ten year property tax exemption for new construction of Gateway Arbors, a 22 unit condominium project on NE 99th Avenue between NE Irving Street and NE Pacific Street.
- B. Who will be affected by the proposed action? (List other City bureaus? Citizens? The business community?)** The County Tax Assessor will be directed to exempt the eligible units (improvement value only) of the taxable value of the project. The land value will be subject to property taxes and will be pro-rated to individual unit owners. Otherwise, minimal impact on operations of City bureaus.
- C. What will the action cost? In this fiscal year? Subsequent year(s)? How much revenue will it generate? In this fiscal year? In subsequent year(s)? If there are indirect costs or future commitments implied as a necessary accompaniment or result of this action, include an estimate of these costs even if the action does not formally authorize any expenditure.** Estimated direct construction costs for the project are \$1,750,000. The estimated ten year value of exempted tax revenue totals approximately \$400,000 for all taxing jurisdictions (assuming a three percent annual assessment increase and a \$20.064 per \$1,000 rate for all units).
- D. Is the cost included in the current year=s budget? If so, which Fund or AU? If not, identify funding sources and amounts - i.e. interagency, contingency/unforeseen, grants, administrative transfer, etc. No direct expenditure from City Budget.**
- E. Have alternatives to this action been explored?** Yes, however, PDC determined that the tax exemption is necessary to make the project economically feasible at the targeted sales prices. This is a key transit oriented project associated with the light rail system.

Donald F. Mazziotti, Executive Director 

APPROPRIATION UNIT HEAD (Typed name and signature)

## RESOLUTION NO. **36004**

Approve the application of Gateway Arbors LLC for a ten-year property tax exemption for a Transit Oriented Development project (Rcsolution).

**WHEREAS**, Chapter 3.103 of the City Code provides that ten year property tax exemptions are available to encourage the development of high density housing and mixed use projects affordable to a broad range of the general public on vacant or underutilized sites within walking distance of light rail stations and within transit oriented areas defined in the Code.

**WHEREAS**, Gateway Arbors LLC (Applicant), 11895 SE Kehrli Drive, Milwaukie, OR 97222, owns property on NE 99th Avenue between NE Irving Street and NE Pacific Street, legally described as:

Beginning at a 5/8" iron rod at the northwest corner of Lot 3, Bess Anderson Subdivision, City of Portland, Multnomah County, Oregon; thence along the west line of Lot 3 south 0°11'28" west 120.26 feet to a 5/8" iron rod; thence south 89°53'16" east 161.32 feet to a brass nail and washer on the west right of way line of NE 99th Avenue; thence along said right of way line north 0°02'44" east 121.19 feet to a brass screw on the north line of Bess Anderson Subdivision; thence along the north line of lots 1,2, and 3, Bess Anderson Subdivision south 89°46'51" west 161.01' to the point of beginning, and containing 0.447 acres, more or less.

Excepting therefrom the easterly 3 feet.

Tax Account R115975.

**WHEREAS**, the Property is located within the Gateway Plan District Transit Oriented Area, which is an area eligible for a transit-oriented property tax exemption as provided by Chapter 3.103 of the City Code.

**WHEREAS**, the Applicant proposes to construct a transit-oriented development project, which includes 22 for-sale condominiums, known as the Gateway Arbors Condominiums (Project).

**WHEREAS**, the Project conforms with the Comprehensive Plan, the requirements of the Gateway Plan District, and the proposed Gateway Regional Center Urban Renewal Plan for the reasons contained in Exhibit A.

**WHEREAS**, the Project contains public benefits as required by City Code section 3.103.040 necessary for approval of the ten-year property tax exemption on the residential improvement value.

**WHEREAS**, it is in the public interest that the limited property tax exemption for the proposed Project be adopted in order to meet the City goals described in the Comprehensive Plan, the Gateway Plan District, and the proposed Gateway Regional Center Urban Renewal Plan.

**WHEREAS**, the Applicant has applied to the Portland Development Commission for a ten-year property tax exemption, as provided by Chapter 3.103 of the City Code.

**WHEREAS**, on May 24, 2001, the Portland Development Commission Loan Review Committee reviewed the proposed Project and recommended that the application be approved based

on the approval criteria required by City Code section 3.103.045, and on a finding that the tax exemption is necessary to make the project feasible, subject to the public benefit conditions set forth in Exhibit A.

**WHEREAS**, this Resolution was made available to the applicant, the City Council, and any interested agencies or individuals at least 14 days prior to consideration of this resolution by the City Council as required by section 3.103.050 of the City Code.

**NOW, THEREFORE, BE IT RESOLVED** that the application of Gateway Arbors LLC for the ten year property tax exemption as provided by Chapter 3.103 of the City Code for a transit-oriented development project which includes 22 condominiums (Project) is hereby approved, based on the findings contained in Exhibit A, for the following described Property:

Beginning at a 5/8" iron rod at the northwest corner of Lot 3, Bess Anderson Subdivision, City of Portland, Multnomah County, Oregon; thence along the west line of Lot 3 south 0°11'28" west 120.26 feet to a 5/8" iron rod; thence south 89°53'16" east 161.32 feet to a brass nail and washer on the west right of way line of NE 99th Avenue; thence along said right of way line north 0°02'44" east 121.19 feet to a brass screw on the north line of Bess Anderson Subdivision; thence along the north line of lots 1,2, and 3, Bess Anderson Subdivision south 89°46'51" west 161.01' to the point of beginning, and containing 0.447 acres, more or less.

Excepting therefrom the easterly 3 feet.

Tax Account R115975.

**BE IT FURTHER RESOLVED** that this application is approved subject to the following conditions:

1. Purchasers of individual units will qualify for the tax abatement based on two criteria:
  - A. The purchase price may not exceed 95 percent of the median purchase price for a condominium unit in Multnomah County as established by the U.S. Department of Housing and Urban Development for the purpose of determining FHA loan qualification. This index currently stands at \$175,750. 95 percent of this amount is \$166,962.
  - B. The unit must be sold to a household earning no more than 100 percent of the area median income for a family of four as established by the U.S. Department of Housing and Urban Development, or its successor agency, during the year of sale in order to retain its tax exempt status. This index currently stands at \$55,900.
2. Should any unit become available for resale during the term of the exemption, it must be sold to a household earning no more than 100 percent of the area median income for a family of four as established by the U.S. Department of Housing and Urban Development, or its successor agency, during the year of sale in order to retain its tax exempt status. If the buyers of the unit meet this qualification, the unit would remain eligible for the remainder of the abatement term.

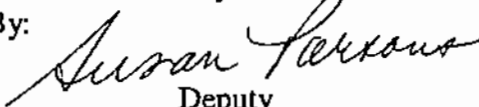
3. No more than 50% of the residential units in the Project (11 units) may be rented at any given time, either as a result of investors purchasing units as rentals, or unsold units which are rented by the developer. Rental units in the Project will qualify for the tax abatement if those units are made available for rent to households at or below 60% MFI. Presently, 60% MFI for a household of four is \$33,550 resulting in a rent cap of \$839 per month, including utilities ( $\$33,550 \div 12 \times .3 = \$839$ ). Should the owners determine that this arrangement is not economically feasible, they may forego the property tax exemption after conferring with staff from the Portland Development Commission. The owners may retain the option of selling the unit and re-establishing the ten year property tax exemption for the number of years remaining in the initial ten year exemption period within five years from the date of the issuance of occupancy permits and upon a demonstration of compliance with the provisions of Condition Number 1 noted above.
4. Should any of the units which have been initially sold to owner-occupants, thereby qualifying under the terms of Section 3.103.040(C) of the City Code, convert to renter occupancy during the ten year term of the tax exemption, those units shall lose their tax exemption status.
5. The Project shall comply with all applicable standards of Titles 17, 24, 32, 33, and 34 of the City Code, as well as all conditions of approval of any land use and design reviews.
6. These and any other public benefits including transit oriented features, shall be provided in accordance with agreements reached or conditions imposed by the relevant review bodies and agencies, including but not limited to the Planning Bureau, PDC, and Design Review Commission, as appropriate.
7. The Project will comply with all applicable standards of Titles 17, 24, 32, 33, and 34 of the City Code, as well as all conditions of approval of any land use and design reviews.

**BE IT FURTHER RESOLVED** that the Portland Development Commission staff shall file with the Assessor a copy of this resolution approving the application, as provided in section 3.103.050(E) of the City Code.

Adopted by the Council: JUN 27 2001

Mayor Vera Katz  
David B. Frank, PDC  
June 18, 2001

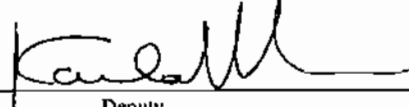
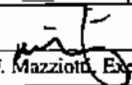
**GARY BLACKMER**  
Auditor of the City of Portland  
By:

  
Deputy

**RESOLUTION NO. 36004**

Title

Approve the application of Gateway Arbors LLC for a ten year property tax exemption for a Transit Oriented Development project (Resolution).

<b>INTRODUCED BY</b>	DATE FILED: <b>JUN 22 2001</b>
Mayor Vera Katz	Gary Blackmer Auditor of the City of Portland
<b>NOTED BY COMMISSIONER</b>	By:  Deputy  For Meeting of: _____  <b>ACTION TAKEN:</b>
Affairs	
Finance and Administration <i>Vera Katz / TAB</i>	
Safety	
Utilities	
Works	
<b>BUREAU APPROVAL</b>	
Bureau: Portland Development Commission	
Prepared by      Date David R. Frank      June 18, 2001	
Budget Impact Review: <input checked="" type="checkbox"/> Completed <input type="checkbox"/> Not Required	
Bureau Head:  Donald F. Mazziotti, Executive Director	

AGENDA	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
		YEAS	NAYS
Consent <input checked="" type="checkbox"/> Regular	Francesconi	Francesconi	✓
<b>NOTED BY</b>	Hales	Hales	✓
City Attorney	Saltzman	Saltzman	✓
City Auditor	Sten	Sten	✓
City Engineer	Katz	Katz	✓