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February 14th, 2012

Mayor Adams and Portland City Council
Portland City Hall
1121 SW 4th Avenue
Portland OR 97204

RE: Recommendation for Approval of a 10-Year Tax Exemption for The Prescott Block Apartments

Dear Mayor Adams and Members of the Portland City Council:

On February 14th, 2012, the Portland Planning and Sustainability Commission (PSC) held a public hearing on a request for a 10-year tax exemption for *The Prescott Block Apartments* under the City's New Multiple-Unit Housing (NMUH) program. The regulations for this program are found in City Code Chapter 3.104. The applicant, Prescott LLC, represented by Brendan Lawrence requested this exemption. This project is a proposed new construction six (6) story, 155 units multifamily over commercial mixed use project located across the street from the Prescott MAX stop in north Portland.

For the TOD program, the PSC's role is to review the consistency of public benefits with program requirements. Besides locational eligibility and affordability set-aside, TOD projects need to provide at least three public benefits from a specified list. The Commission finds that the project will set-aside 31 units (20% of the total 155) to be affordable to households with income at or below 60% Median Family Income (MFI): nine (9) studios, fourteen (14) one-bedrooms, and eight (8) two-bedrooms. The unit mix of affordable units will match the overall project mix. The Commission deems the addition of affordable units in a transit rich location as very beneficial, particularly in light of the current tight rental market conditions. Further, the Commission finds that the proposal to include five additional public benefits is consistent with the program requirements.

Subsequent to the hearing, the PSC unanimously voted in favor of recommending approval of this request to City Council subject to the applicant providing all proposed public benefits:

1. **Residential Density:** The Prescott Blocks proposal is for a development that will be built at just over 85% of applicable maximum density for this site. This exceeds the program requirement of 80% threshold. It needs to be noted that in 2008 when this application was under design review the proposal exceeded 100% of allowable density under the Albina Community Plan District. Since then as a consequence of the replacement of the old Plan by the new North Interstate District Plan, this site was upzoned and the same proposal dropped to 85% density.

In terms of units per acre for an EX site, TOD program calls for at least 139 units per net acre. This proposal is for 155 units in just under an acre and so it is bringing in an additional 19 units.



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2. **Ground floor service or commercial use:** The Project proposal is for 9,500 SF of first floor commercial space that will serve the project and neighborhood.
3. **Family oriented recreational facilities:** The Project will have a park-like central courtyard containing a BBQ and seating area as well as a bocce ball court. Above the gym and retail frontage along Skidmore St there will be an outdoor Pickleball¹ court for families and residents to use and enjoy.
4. **Structured Parking:** The Project will have one floor of underground parking containing 111 parking stalls for the residents, a parking ratio of .72:1. Further strengthening this component, the project's leasing office may opt to provide car pool and public transit information and assistance.
5. **Parking Spaces:** The units are not attached to parking stalls and will be rented separately from the units. This uniformly applies to all units and can potentially lower housing costs and also further the City's carbon reduction goals.

At conclusion of the hearing the Commission noted that this a valuable mixed-use, mixed-income project in an area that is becoming increasingly desirable and expensive and hence the affordability set-aside provides potential opportunity for 31 households to live in this highly sustainable location.

Recommendation: Approve the request for the 10-year TOD property tax abatement for the residential component, including residential parking for the Prescott Block project with the condition that all proposed public benefits be provided.

Sincerely,



Andre Baugh, Chair
Portland Planning and Sustainability Commission

¹ Pickleball is a fun game that is played on a badminton court with the net lowered to 34 inches at the center. It is played with a perforated plastic baseball (similar to a whiffle ball) and wood or composite paddles. It is easy for beginners to learn, but can develop into a quick, fast-paced, competitive game for experienced players.

