



**Bureau of Planning and Sustainability**  
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February 28th, 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 41@Tillamook Apartments

Dear Mayor Adams and Members of the Portland City Council:

On February 28th, 2012, the Portland Planning and Sustainability Commission (PSC) held a public hearing on a request for a 10-year tax exemption for *41@Tillamook 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, The 41@Tillamook Apartments LLC, represented by David Mullens requested this exemption. This project is a proposal to build a four-storied residential building with 47 units of workforce housing between 41<sup>st</sup> and 42<sup>nd</sup> Ave. on Tillamook St.

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 10 units (21% of the total 47) to be affordable to households with income at or below 60% Median Family Income (MFI): one (1) studio, seven (7) one-bedrooms, and two (2) bed-rooms for a total of 10 units. 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 three 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. **Accessible Units:** All 47 units of the 41@Tillamook apartments and its surrounding vicinity are designed with accessibility and visitability features proposed by the Universal Design Principle. Consequently, all units will be accessible to people with disabilities via an elevator and will have many uncommon benefits for people with various disabilities. The building's site, common areas, and units have been designed with nearly 50 different attributes that make the development more livable and comfortable for tenants and visitors with disabilities.
2. **Residential Density:** The 41@ Tillamook proposal is for a development that will be built at just over 290% of applicable maximum density as measured by units/acre for this site. This exceeds the program requirement of 80% threshold. In terms of units per acre for a CS site, TOD program calls for at least 68 units per net acre. This proposal is for 47 units in a 0.23 acre site leading to a development density of 205 units/acre.



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3. **Permanent dedications for Public:** The Project proposal is to have a public bicycle work station (self-service bike repair) within the project premises for the use of residents and bicycle commuters who ride along this way.

At conclusion of the hearing the Commission noted that this a valuable, mixed-income project in an area that is becoming increasingly desirable and expensive and hence the affordability set-aside provides potential opportunity for 10 households to live in this highly sustainable location.

*Recommendation: Approve the request for the 10-year TOD property tax abatement for this completely residential 41@Tillamook project with the condition that all proposed public benefits be provided.*

Sincerely,



Andre Baugh, Chair  
Portland Planning and Sustainability Commission

