

TO: City Council
FROM: Brad Medrud, Planning Manager
DATE: December 6, 2022
SUBJECT: Contract Approval for an 8-Year Multifamily Tax Exemption for the 350 North Street Apartments (TUM-22-1338)

1) Recommended Action:

Approve contract for an 8-Year Multifamily Tax Exemption for the 350 North Street Apartments (TUM-22-1338)

2) Background:

In 2017, the City Council adopted the Multifamily Housing Tax Exemption program to stimulate desired housing development within key areas of the City, such as the Brewery District and Capitol Boulevard Corridor. In 2019, the City Council approved expanding the 12-Year Multifamily Housing Tax Exemption program to the Town Center and Littlerock Subarea to encourage the development of permanent affordable housing as part of its 2019 Housing Affordability Work Plans. The program includes both an 8-year exemption for providing multifamily housing in the designated areas and a 12-year exemption for development providing a minimum of 20% of units designated for low or moderate-income households.

The City has received an application for the 8-year exemption program for the 24-unit 350 North Street Apartment complex in the Brewery District Subarea (TUM-22-1338).

Following the process in TMC 3.30, the Community Development Director has approved the Multifamily Tax Exemption Program application for the 350 North Street Apartments. To complete the Conditional Certificate approval process, the applicant must enter into a contract with City that is approved by City Council, under which the applicant agrees to the complete the development as outlined in the contract.

The General Government Committee was briefed on the contract on November 9, 2022 and the City Council held a worksession on November 22, 2022.

The question before the Council is not the approval of the development proposal. It is solely limited to entering into the contract for the exemption in compliance with the City's regulations.

3) Policy Support:

Comprehensive Plan Housing Element Action H-3.3.3: Establish a multi-family tax exemption program that gives financial incentive for developers to create multi-family structures in target areas and to set aside a percentage of units as low-income housing.

4) Alternatives:

☐ None. The applicant has complied with the provisions of the City's ordinance. If the

Council desires to reconsider the ordinance, it could do so, but would be advised to do it independent of this application.

5) Fiscal Notes:

The contract is for an 8-year Multifamily Housing Tax Exemption.

6) Attachments:

- A. Staff Report
- B. 350 North Street Apartments (TUM-22-1338) MFTE Tax Agreement
- C. 350 North Street Apartments (TUM-22-1338) Exhibits A Application and Exhibit B Building Plans
- D. 350 North Street Apartments (TUM-22-1338) Exhibit C Berschauer Group Letter