
**TO OBTAIN A COPY
OF THE REPORT**

This document is available from the Bureau of Planning at 1900 SW Fourth Avenue, 4th floor.

**TO COMMENT ON THE
RECOMMENDATION**

- Come to the City Council hearing to testify. City Hall is located between SW Jefferson and Madison Streets, on the Fifth Avenue side of the Transit Mall. Call Tri-Met at 238-7433 or check their Internet site, www.tri-met.org/routes_times.html, for routes and times.
 - Send written testimony to the Council Clerk at 1221 SW Fourth Avenue, Room 140, Portland OR 97204, or FAX comments to 503-823-4571. Written testimony must be received by the date of the hearing.
-

**FOR MORE
INFORMATION**

Call Barbara Sack, City Planner, at 503-823-7853 if you have questions about this project.



City of Portland
Bureau of Planning
1900 S.W. Fourth Avenue, Suite 4100
Portland, OR 97201-5350

P516

- **Notice for City Council Meeting on Changes to the City's TOD Tax Exemption Program**

Portland City Council Hearing on

**RECOMMENDED CHANGES TO THE BOUNDARIES AND REGULATIONS OF
THE CITY'S TOD* TAX EXEMPTION PROGRAM**

Wednesday, November 1, 2006

10:30 a.m.

Council Chamber, City Hall

1221 S.W. Fourth Avenue

Portland, Oregon

**TOD is an abbreviation for New Transit-Supportive Residential or Mixed-Use Development*

Changes to the TOD Tax Exemption Program

WHAT IS THE TOD TAX EXEMPTION PROGRAM?

Portland City Council adopted the New Transit-Supportive Residential or Mixed-Use Development (TOD) tax exemption program in 1996. The purpose was to provide an incentive for the construction of new multifamily and mixed-use development to provide support for the light rail system and other public transit. The construction of higher density, mixed-income housing near frequent service transit is also a City strategy to accommodate the continuing growth in Portland's population without unduly increasing traffic congestion and the resulting air pollution. The TOD program allows a limited property tax exemption of up to ten years on the improvement value of transit-oriented residential and mixed-use projects. Land is still taxed. Developers or owners of properties requesting the tax exemption must pay a fee and go through a public hearing to show that the tax exemption is necessary to the financial feasibility of their project and explain how they have provided the required public benefits. The program is available in the MAX light rail station areas along the east-west MAX line outside the Central City, the Hollywood and Lents Town Centers, the Gateway Regional Center, and a portion of Northwest Portland.

WHY ARE CHANGES BEING CONSIDERED AT THIS TIME?

The TOD program has not been applied to the station areas along the MAX Interstate Corridor light rail line, to some station areas along the future I-205 light rail line, and to other transit-oriented areas outside the Central City for which the City has done planning. Until recently, some of these areas had been covered by another multifamily housing tax exemption program available in the Central City and urban renewal areas. However, since last October, the City is no longer accepting applications under that program and it is anticipated that the program will no longer be available outside the Central City when it becomes active again. The TOD program, which is only available for areas outside the Central City, has requirements that are better suited to the housing markets in the areas recommended to be added to the program.

Recommended changes of some TOD program regulations will be considered to update the program to reflect current City housing priorities and other priorities such as sustainability. Some of these changes are to the public benefits that developers are required to provide in exchange for the tax exemption. Some changes are to the review process of both individual applications and the program as a whole.

WHAT WILL CITY COUNCIL CONSIDER?

The Council will consider Planning Commission's recommendations on:

Changes to the TOD program boundaries:

- Adding light rail station areas along the MAX northbound Interstate light rail line and along the future I-205 light rail line, and
- Adding three portions of Main Streets that also have frequent bus service— along NE MLK Jr. Blvd., Sandy Boulevard and Broadway Main Streets, and Foster Road.
- Eliminating some low density areas between the east MAX light rail station areas.

Changes to the program's regulations:

- Requiring all projects to provide a percentage of units affordable to low-income households.
- Adding to the public benefit option list: structured parking; LEED green building certification; and the provision more affordable housing than is required.
- Allowing existing low income housing projects to be eligible for the exemption for as long as the term of a contract to provide low income housing.
- Requiring the Planning Commission and City Council to review the program boundaries at least every three years.
- Requiring Planning Commission to hear tax exemption requests for individual projects instead of the Portland Development Commission.

The Council will also consider a staff proposal to place an annual cap on the value of new TOD projects so that Council can limit the amount of revenue foregone to the City and other taxing jurisdictions.

For more detailed information, obtain a copy of the Planning Commission's Report and Recommendation from the Bureau of Planning. Some recommended minor changes to program regulations are not listed in this notice.

The Bureau of Planning is committed to providing equal access to information and hearings. If you need special accommodation, please call Barbara Sack at 503-823-7853 (TTY 503-823-6868).