

COUNCIL RESOLUTION NO. 4999

A RESOLUTION APPROVING A LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTION FOR THE PROPERTY LOCATED AT 2984, 2986, AND 2988 OAK STREET, EUGENE, OREGON. (SHELTERCARE / APPLICANT.)

PASSED: 8/0

REJECTED:

OPPOSED:

ABSENT:

CONSIDERED: February 8, 2010

RESOLUTION NO. 4999

A RESOLUTION APPROVING A LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTION FOR THE PROPERTY LOCATED AT 2984, 2986, AND 2988 OAK STREET, EUGENE, OREGON. (SHELTERCARE / APPLICANT.)

The City Council of the City of Eugene finds that:

- A. ShelterCare (the applicant), located at P.O. Box 23338, Eugene, Oregon, 97402, is purchasing real property located at 2984, 2986, 2988 Oak Street and 2985 Willamette Street Eugene, Oregon, 97402 (Assessor's Map/Tax Lot No. 18-03-07-11-06600; Assessor's Property Account Number 0631976), and has submitted an application pursuant to Subsection 2.939(3) of the Eugene Code, 1971, for an exemption from ad valorem taxes under the City's Low-Income Rental Housing Property Tax Exemption Program (Sections 2.937 to 2.940 of the Eugene Code, 1971).
- **B.** The tax exemption is being sought for 35 one-bedroom units currently existing on the properties located at 2984, 2986, and 2988 Oak Street at rents affordable to 60% of area median income. The structure located at 2985 Willamette Street will be demolished and, therefore, that property is not subject to the tax exemption.
- C. The Report and Recommendation of the Executive Director of the Planning and Development Department ("the Executive Director"), as designee of the City Manager, attached as Exhibit A to this Resolution, recommends that the application be approved and the exemption granted. In making that recommendation, the Executive Director found that the applicant submitted all materials, documents and fees required by the application and Section 2.938(1) of the Eugene Code, 1971, and is in compliance with the policies set forth in the Standards and Guidelines adopted by Resolution No. 4623. In addition, as described more fully in Exhibit A, the applicant has complied with the criteria for approval provided in Section 2.939(3) of the Eugene Code, 1971.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EUGENE, a Municipal Corporation of the State of Oregon, as follows:

<u>Section 1</u>. Based upon the above findings, and the findings in the Executive Director's Report and Recommendation attached as Exhibit A, the City Council approves the application of ShelterCare for an ad valorem property tax exemption under the City's Low-Income Rental Housing Property Tax Exemption Program for the properties located at 2984, 2986, and 2988 Oak Street Eugene, Oregon, 97402 (Assessor's Map/Tax Lot No. 18-03-07-11-06600; Assessor's Property Account Number 0631976), for 35 one-bedroom units at rents affordable to 60% of area median income.

- Section 2. The residential units described in Section 1 above are declared exempt from local ad valorem property taxation commencing July 1, 2010, and continuing for a continuous period of twenty (20) years unless earlier terminated in accordance with the provisions of Section 2.940 of the Eugene Code, 1971, which provides for termination after an opportunity to be heard
 - Construction or development of the exempt property differs from the construction 2.1 or development described in the application for exemption, or was not completed by January 1, 2010, and no extensions or exceptions were granted; or
 - 2.2 The applicant fails to comply with provisions of ORS 307.515 to 307.523, provisions of the Eugene Code, 1971, the Standards and Guidelines adopted by Council Resolution No. 4623, or any conditions imposed in this Resolution.

The tax exemption shall be terminated immediately, without right of notice or appeal, pursuant to the provisions of ORS 307.531 in the event that the county assessor determines that a change of use to other than that allowed has occurred for the housing unit, or portion thereof, or, if after the date of this approval, a declaration as defined in ORS 100.005 is presented to the county assessor or tax collector for approval under ORS 100.110.

Section 3. The City Manager, or the Manager's designee, is requested to forward a copy of this Resolution to the applicant within ten days from the date of adoption of this Resolution, and to cause a copy of this Resolution to be filed with the Lane County Assessor on or before April 1, 2010. The copy of the Resolution sent to the applicant shall be accompanied by a notice explaining the grounds for possible termination of the exemption prior to the end of the exemption period and the effects of the termination.

Section 4. This Resolution shall become effective immediately upon its adoption.

The foregoing Resolution adopted the 8th day of February, 2010.

Clyalith Jouest.
Acting City Recorder

REPORT AND RECOMMENDATION of the Director of the Planning and Development Department

Application of ShelterCare
For Low Income Rental Housing Property Tax Exemption
(Section 2.937 to 2.940 of the Eugene Code, 1971)
for Property at 2984, 2986, and 2988 Oak Street, Eugene, Oregon

The Director of the Planning and Development Department of the City of Eugene finds that:

- 1. ShelterCare (the applicant), located at P.O. Box 23338, Eugene, Oregon, 97402, is purchasing real property located at 2984, 2986, 2988 Oak Street and 2985 Willamette Street Eugene, Oregon, 97402 (Assessor's Map/Tax Lot No. 18-03-07-11-06600; Assessor's Property Account Number 0631976), and has submitted an application pursuant to Subsection 2.939(3) of the Eugene Code, 1971, for an exemption from ad valorem taxes under the City's Low-Income Rental Housing Property Tax Exemption Program (Sections 2.937 to 2.940 of the Eugene Code, 1971). Along with other required information, the application included a certification of the income levels of low-income occupants; a description of how the tax exemption will benefit the occupants; evidence that the property is occupied solely as a residence for low-income persons; evidence that the property is being purchased by a non-profit corporation which meets the criteria for a public benefit corporation as described in ORS 65.001; and evidence that the nonprofit corporation expends no more than ten percent of its annual income from residential rentals for purposes other than acquisition, maintenance or repair of residential rental property for low-income persons.
- 2. I have reviewed the application and find that the applicant has submitted all materials, fees and documents required by the application, is in compliance with the provisions of EC 2.939(3), and has complied with the policies set forth in the Standards and Guidelines for Low-Income Rental Housing Property Tax Exemption adopted by council Resolution No. 4623. Specifically I find:
 - 2.1 The property or portion thereof subject to the property tax exemption is occupied solely as a residence for low-income persons.
 - 2.2 The application for the property tax exemption was filed prior to January 1, 2010.
 - 2.3 The property is being purchased by a nonprofit corporation organized in a manner that is a "public benefit corporation" as defined under ORS 65.001.
 - 2.4 The property is being purchased by a nonprofit corporation that expends no more than ten percent of its annual income from residential rentals for purposes other than acquisition, maintenance or repair of residential rental property for low-income persons, or for the provision of on-site child care services for the residents of the rental property
 - 2.5 ShelterCare has executed, and agrees to maintain in effect for the duration of the tax exemption period, a Rent Regulatory Agreement.
 - 2.6 ShelterCare has consented in writing that for the duration of the tax exemption period, the city may inspect the property for which the exemption is granted.
 - 2.7 The proposed development is consistent with the city's housing dispersal policy.

- income persons.

 2.8 The proposed development does not cause displacement of low-
 - 2.9 The proposed development does not cause destruction of historic properties.
 - 2.10 The proposed development is otherwise consistent with the Eugene Code, 1971, and adopted city regulations and policies.
- 3. Comments have been solicited from interested City departments, agencies, and the affected neighborhood groups. No comments have been received.

Therefore, based on the above findings, the proposed project conforms with all applicable City Code provisions, local plans, planning regulations, the Metropolitan Area General Plan, and the criteria set forth in the City's adopted Standards and Guidelines for Low-Income Rental Housing Property Tax Exemption, and I recommend that the application be approved.

Dated this 3 day of February , 2010.

Mike Sullivan

Planning and Development Department