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**COUNCIL RESOLUTION NO. 5016**

**A RESOLUTION APPROVING A LOW-INCOME RENTAL  
HOUSING PROPERTY TAX EXEMPTION FOR THE  
PROPERTY LOCATED AT 1135 HAYES STREET,  
EUGENE, OREGON. (ST. VINCENT DE PAUL SOCIETY  
OF LANE COUNTY/ APPLICANT.)**

**PASSED: 8:0**

**REJECTED:**

**OPPOSED:**

**ABSENT:**

**CONSIDERED: October 11, 2010**

## **RESOLUTION NO. 5016**

### **A RESOLUTION APPROVING A LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTION FOR THE PROPERTY LOCATED AT 1135 HAYES STREET, EUGENE, OREGON. (ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY/ APPLICANT.)**

#### **The City Council of the City of Eugene finds that:**

**A.** Lamb Building Limited Partnership is the owner of real property located at 1135 Hayes Street, Eugene, Oregon, 97402 (Assessor's Map 17-04-36-31; Tax Lot Nos. 3200 and 3500; Assessor's Property Account Numbers 0482107 and 0482115). St. Vincent de Paul Society of Lane County, Inc. ("the applicant"), located at P.O. Box 24608, Eugene, Oregon, 97402, has submitted an application pursuant to Subsection 2.939(2) 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 the residential portion of the project, which will include 35 one-bedroom units and residential common areas (entry lobby, storage, community room, and laundry room) that are being constructed on the property. Construction is expected to be completed by October 31, 2010.

**C.** The Community Development Manager of the Planning and Development Department, as designee of the City Manager, has prepared a Report and Recommendation, which is attached to this Resolution as Exhibit A, recommending that the application be approved and the exemption granted. In making that recommendation, the Community Development Manager 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(2) of the Eugene Code, 1971.

**D.** The Oregon Low-Income Rental Housing statutes have been amended to allow project completion to occur any time before January 1, 2020. The City has not yet amended its Code provisions to reflect this change and still requires the applicant to get an extension to allow a "completion of construction" deadline after January 1, 2010. The construction associated with this application was not complete by January 1, 2010 because commencement of development could not begin prior to the award of Low Income Housing Tax Credits (LIHTC) from the State of Oregon. These circumstances were beyond the control of the owner and the owner can reasonably be expected to act in good faith and with due diligence to complete construction of the low-income rental housing by January 1, 2011.

**NOW, THEREFORE,**

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

**Section 1.** Based upon the above findings, and the findings in the Community Development Manager's Report and Recommendation attached as Exhibit A, the City Council approves the application of St. Vincent de Paul Society of Lane County for an ad valorem property tax exemption under the City's Low-Income Rental Housing Property Tax Exemption Program for the residential portion (82.8%) of the property located at 1135 Hayes Street, Eugene, Oregon, 97402 (Assessor's Map 17-04-36-31; Tax Lot Nos. 3200 and 3500; Assessor's Property Account Numbers 0482107 and 0482115), which will include 35 one-bedroom units and residential common areas (entry lobby, storage, community room, and laundry room). The units shall be offered for rent to those whose income falls at or below 60% of the Area Median Income as determined by the State Housing Council.

**Section 2.** The residential units described in Section 1 above are declared exempt from local ad valorem property taxation commencing July 1, 2011, 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 if:

2.1 Construction or development of the exempt property differs from the construction 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.** Based on the findings in Section D above, pursuant to subsection (4) of Section 2.940 of the Eugene Code, 1971, the City hereby sets the deadline for completion of construction of the low-income rental housing at January 1, 2011. See Section 2.1, above.

**Section 4.** 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, 2011. 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 5.** This Resolution shall become effective immediately upon its adoption.

The foregoing Resolution adopted the 12 day of October, 2010.

  
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Deputy City Recorder

**REPORT AND RECOMMENDATION**  
**of the**  
**Community Development Manager of the Planning and Development Department**

**Application of St. Vincent de Paul Society of Lane County**  
**For Low Income Rental Housing Property Tax Exemption**  
**(Section 2.937 to 2.940 of the Eugene Code, 1971)**  
**for Property at 1135 Hays Street, Eugene, Oregon**

**The Community Development Manager of the Planning and Development Department of the City of Eugene finds that:**

1. Lamb Building Limited Partnership is the owner of real property located at 1135 Hays Street, Eugene, Oregon, 97402 (Assessor's Map 17-04-36-31; Tax Lot Nos. 3200 and 3500; Assessor's Property Account Numbers 0482107 and 0482115). St. Vincent de Paul Society of Lane County ("the applicant"), located at PO Box 24608, Eugene, Oregon, 97002 has submitted an application pursuant to Subsection 2.939(2) 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).

2. I have reviewed the application and find that the applicant has submitted all materials, fees and documents required by the application, and is in compliance with the provisions of EC 2.939(2). Specifically I find:

- (a) The property, or portion thereof subject to the property tax exemption, will be occupied solely as a residence for low-income persons.
- (b) The required rent payment reflects the full value of the property tax exemption.
- (c) The housing units on the property were constructed after February 12, 1990.
- (d) The applicant 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.
- (e) The proposed development is consistent with the city's housing dispersal policy.
- (f) The proposed development causes the displacement of low-income persons, however, the City and the developer have reached agreement on provisions that reflect satisfactory mitigation thereof.
- (g) The proposed development does not cause destruction of historic properties.
- (h) The proposed development is otherwise consistent with the Eugene Code and adopted city regulations and policies.
- (i) The applicant has executed, and agrees to maintain in effect for the duration of the tax exemption period, a Rent Regulatory Agreement.
- (j) The applicant 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.

3. Comments have been solicited from interested City departments, agencies, and the affected neighborhood groups. Comments were received from Carol McBrian and Dennis Lewandowski (Far West residents) and Steve Lamb (Far West Neighbors Board member), all of whom support the application.

**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 4<sup>th</sup> day of October, 2010.



**Community Development Manager of the  
Planning and Development Department**