

**RESOLUTION NO. \_\_\_\_\_****A RESOLUTION REPEALING RESOLUTION NO. 5074 CONCERNING A LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTION FOR PROPERTY LOCATED ADJACENT TO 1410 RIVER ROAD, EUGENE, OREGON. (Evergreen Housing Development / Owner.)****The City Council of the City of Eugene finds that:**

**A.** On November 26, 2012, the City Council adopted Resolution No. 5074, approving the application of Evergreen Housing Development Group, LLC for an ad valorem property tax exemption under the City's Low-Income Rental Housing Property Tax Exemption Program for the property located adjacent to 1410 River Road, Eugene, Oregon, 97404 (Assessor's Map 17-04-13-33; Tax Lot No. 04601; Assessor's Property Account Number 1837937), for one, two, and three bedroom units to be constructed and offered at rents affordable to 60% of area median income.

**B.** Evergreen Housing Development Group has requested that the tax exemption be terminated because development of the housing units at rents affordable to 60% of area median income is no longer feasible due to the following factors: (1) Maximum rents that HUD allows to be charged have decreased; (2) Increase in interest rates; and (3) Rising construction costs.

**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.** Resolution No. 5074, approving the application of Evergreen Housing Development Group, LLC for an ad valorem property tax exemption under the City's Low-Income Rental Housing Property Tax Exemption Program for the property located adjacent to 1410 River Road, Eugene, Oregon, 97404 (Assessor's Map 17-04-13-33; Tax Lot No. 04601; Assessor's Property Account Number 1837937) is repealed and approval of the tax exemption is terminated.

**Section 2.** The City Manager, or the Manager's designee, is requested to forward a copy of this Resolution to the owner, and to cause a copy of this Resolution to be filed with the Lane County Assessor, within ten days from the date of adoption of this Resolution

**Section 3.** This Resolution shall become effective immediately upon its adoption.

**The foregoing Resolution adopted the \_\_\_ day of \_\_\_\_\_, 2014.**

---

**City Recorder**

June 4, 2014

Mike Sullivan  
Manager  
Planning & Development – Community Development  
City of Eugene  
99 W. 10<sup>th</sup> Ave  
Eugene, OR 97401

**RE: Termination of LIRPTE for Parcel No 1837937 along River Road  
(Assessor's Property Tax Number 1837937).**

Dear Mr. Sullivan,

I am writing to request a termination of the low-income rental housing property tax exemption (LIRPTE) granted for the site located adjacent to 1410 River Road in Eugene, Oregon. The Assessor's Property Tax ID for the site is 1837937. The original LIRPTE was granted by the Eugene City Council at my request on November 26, 2012 as Council Resolution Number 5047.

Evergreen Housing Development Group requested the current exemption in the fall of 2012 with the full intent that the site could be built as long-term affordable rental housing. There are many reasons why building this site as 60% AMI affordable housing as proposed in our original LIRPTE application is no longer feasible. These reasons include:

- Decreases in revenue. The maximum rents allowed to be charged in 2014 actually decreased from the rents HUD allowed in both 2013 and 2012, when the project was first underwritten.
- Increasing debt costs. Interest rates almost doubled between the spring and summer of 2013.
- Rising construction costs.

As the project is not yet built and there are no lenders or investors limiting the property as affordable housing we are requesting the LIRPTE be terminated. I will make myself available to answer any questions you may have about this request and to appear before the Council to answer any questions they may have about our request.

Sincerely,



Andrew Brand  
Director of Development  
Evergreen Housing Development Group, LLC