

EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



A Resolution Approving A Low-Income Rental Housing Property Tax Exemption for the Property Located at 2410 Park View Drive and 3060-3090 Matt Drive, Eugene, Oregon (St. Vincent De Paul Society Of Lane County, Inc./ Applicant)

Meeting Date: October 27, 2014
Department: Planning and Development
www.eugene-or.gov

Agenda Item Number: 4
Staff Contact: Stephanie A. Jennings
Contact Telephone Number: 541-682-5529

ISSUE STATEMENT

The City Council is asked to approve a resolution for a 20-year Low-Income Rental Housing Property Tax Exemption (LIRHPTE) for Bascom Village Phase I, located at 2410-2466 Park View Drive and 3060-3090 Matt Drive. The developer of the project is St. Vincent de Paul Society of Lane County, Inc. (SVdP). The ownership entity is Bascom Village I Limited Partnership.

BACKGROUND

The City of Eugene utilizes federal and local subsidies to facilitate the development of housing affordable to low-income persons. The City issues a Housing Request for Proposals to identify proposed developments. The council may award land, federal HOME Investment Partnerships funds, and Systems Development Charge waivers to selected development proposals. These local resources are combined with state and federal subsidies in order to achieve rents affordable to low-income persons.

Approving the property tax exemption application for Bascom Village Phase I supports the Envision Eugene pillar of providing housing affordable to all income levels. The Envision Eugene Housing Affordability pillar includes strategies to meet the growing and changing housing needs of Eugene residents by supporting subsidized affordable housing projects. Continuing to provide property tax exemptions to low-income rental housing developments has been identified as an action to help successfully implement this strategy.

Summary of the LIRHPTE Program

The City adopted the low-income rental housing property tax exemption program in 1990. Since then, Eugene has approved tax exemptions for 25 developments with over 1,100 units. In 2011, the council unanimously approved extending the 20-year LIRHPTE program for an additional 10 years. The approved ordinance also enables recipients to reapply for the two-year LIRHPTE after the initial 20-year period has expired.

The council reviews each tax exemption request on a case-by-case basis. Most recently, the council

approved a LIRHPTE for Stellar Apartments in July, 2012. If an application meets the substantive criteria [EC 9.239(2)(a)-(i)] as referenced in the Report and Recommendation (Attachment A), the City must grant the exemption by resolution (Attachment B). A decision to deny the exemption cannot be made by simple motion or inaction; it would need to be made by a resolution (Attachment C) that explains how the applicant has failed to demonstrate that the tax exemption is in the public interest.

Summary of Requested Tax Exemption for Bascom Village Phase I

The requested tax exemption is for Bascom Village Phase I, a 53-unit affordable housing development providing rental housing to individuals and families earning at or below 50 percent of the Area Median Income. The development is located at 2410-2466 Park View Drive and 3060-3090 Matt Drive, and will consist of 13 one-bedroom units, 23 two-bedroom units, 15 three-bedroom units, one four-bedroom unit and one on-site manager unit. The development site is close to shopping, jobs, public transit, schools, and other services. Bascom Village Phase I includes a large community center with a learning center, children's play areas, and ample vehicle and bicycle parking.

SVdP and the Housing and Community Services Agency (HASCA) worked together to develop the proposal for Bascom Village, a two-phase development with a total of 101 units, and submitted the application for land and funds through the 2011 Housing Request for Proposals. In November 2011, the council awarded the County Farm landbank site and subsidies to support both phases. SVdP received an allocation of HOME funds provided by the City (\$351,603) and Systems Development Charge waivers (\$249,593) to subsidize the development of Phase I. At that time, SVdP notified the City that it would seek a property tax exemption in order to achieve rents affordable to low-income persons. When the Eugene Water & Electric Board could not provide Systems Development Charge waivers they had granted to the project, in April 2013, the City Council awarded Bascom Village Phase I supplemental HOME funds to fill the gap, increasing the total HOME award to \$410,274. Construction of Bascom Village Phase I commenced in July 2015 and will be completed by October 2015. Tenants will move in shortly thereafter.

The requested exemption meets the substantive criteria [EC 9.239(2)(a)-(i)] as shown in the Report and Recommendation (Attachment A).

RELATED CITY POLICIES

The proposed tax exemption supports multiple City priorities and policies including the Eugene-Springfield 2010 Consolidated Plan, Growth Management Policies, Envision Eugene, and the Housing Dispersal Policy.

Eugene-Springfield 2010 Consolidated Plan - This plan identifies a need for affordable housing for low-income persons and sets a five-year goal of developing 500 new units of affordable housing. The proposed project directly supports the objective by creating 53 units for low-income families and individuals.

Eugene Adopted Growth Management Policies - The City of Eugene affordable housing development programs and Bascom Village Phase I supports multiple Growth Management Policies including:

- Promote construction of affordable housing.
- Encourage in-fill, mixed-use, redevelopment, and higher density development.
- Improve the appearance of buildings and landscapes.
- Provide for a greater variety of housing types.

Envision Eugene Plan – This plan identifies strategies and goals (pillars) that help the City of Eugene plan for growth over the next 20 years. The Envision Eugene proposal’s Housing Affordability pillar includes strategies to meet the growing and changing housing needs of Eugene residents by supporting subsidized affordable housing projects. Continuing to provide property tax exemptions to low-income rental housing developments has been identified as an action to help successfully implement this strategy.

Housing Dispersal Policy - The City Council has established a Housing Dispersal Policy which seeks to maximize housing choices for low-income families and integrate housing throughout the City of Eugene.

COUNCIL OPTIONS

The City Council may approve or deny the tax exemption.

CITY MANAGER’S RECOMMENDATION

The City Manager recommends approval of the resolution granting a 20-year low-income rental housing property tax exemption for the property located at 2410-2466 Park View Drive and 3060-3090 Matt Drive, Eugene, Oregon (Assessor’s Property Account Number 1862455).

SUGGESTED MOTION

Move to adopt Resolution 5121, approving a 20-year low-income rental housing property tax exemption for the property located at 2410-2466 Park View Drive and 3060-3090 Matt Drive, Eugene, Oregon (Assessor’s Property Account Number 1862455).

ATTACHMENTS

- A. Report and Recommendation
- B. Resolution to Approve the Tax Exemption
- C. Resolution to Deny the Tax Exemption

FOR MORE INFORMATION

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Staff E-Mail: Stephanie.A.Jennings@ci.eugene.or.us

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

**Application of St. Vincent de Paul Society of Lane County, Inc.
For Low Income Rental Housing Property Tax Exemption
(Section 2.937 to 2.940 of the Eugene Code, 1971)
for Property at 2410-2466 Park View Drive and 3060-3090 Matt Drive, Eugene, Oregon**

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

1. Bascom Village I Limited Partnership (with St. Vincent de Paul Society of Lane County, Inc. as general partner) is the owner of real property located at **2410-2466 Park View Drive and 3060-3090 Matt Drive**, Eugene, Oregon, 97402 (Assessor's Map 17-03-17-11; Tax Lot No. 802; Assessor's Property Account Number 1862455). St. Vincent de Paul Society of Lane County, Inc. ("the applicant"), located at PO 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).

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. 5028.
- (e) The proposed development is consistent with the city's housing dispersal policy.
- (f) The proposed development does not cause the displacement of low-income persons.
- (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, 4J School District, and the affected neighborhood groups. The only comment received was a letter from HACSA in support of the tax exemption. HACSA owns the Maplewood Meadows development at 2855 Matt Drive and is planning to develop the adjacent Bascom Village Phase II property as affordable housing.

Therefore, based on the above findings, the proposed project conforms with all applicable City Code provisions, local plans, planning regulations, the Envision Eugene 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 13 day of October, 2014.

Print: Denny Braud

Sign: 

Community Development Manager of the Planning and Development Department

RESOLUTION NO. _____

A RESOLUTION APPROVING A LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTION FOR THE PROPERTY LOCATED AT 2410-2466 PARK VIEW DRIVE AND 3060-3090 MATT DRIVE, EUGENE, OREGON. (St. Vincent De Paul Society of Lane County, Inc. / Applicant.)

The City Council of the City of Eugene finds that:

A. Bascom Village I Limited Partnership (with St. Vincent de Paul Society of Lane County, Inc. as general partner) is the owner of real property located at 2410-2466 Park View Drive and 3060-3090 Matt Drive, Eugene, Oregon, 97402 (Assessor's Map 17-03-17-11; Tax Lot No. 802; Assessor's Property Account Number 1862455). St. Vincent de Paul Society of Lane County, Inc. (general partner and "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 project, which will consist of 53 residential units and residential common areas that are being constructed on the property, all of which will be used for low-income housing. Construction is expected to be completed by October 14, 2015.

C. The Community Development Manager of the Planning and Development Department, as designee of the City Manager, has prepared a Report and Recommendation 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. 5028. In addition, the Community Development Manager found that the applicant has complied with the criteria for approval provided in Section 2.939(2) 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:

Section 1. Based upon the above findings, the City Council approves the application of St. Vincent de Paul Society of Lane County, Inc. for an ad valorem property tax exemption under the City's Low-Income Rental Housing Property Tax Exemption Program for the property located at 2410-2466 Park View Drive and 3060-3090 Matt Drive, Eugene, Oregon, 97402 (Assessor's Map 17-03-17-11; Tax Lot No. 802; Assessor's Property Account Number 1862455), which will consist of 53 residential units and residential common areas. All units shall be offered for rent to persons whose earnings fall at or below 46% of the Area Median Income based on their family size.

Section 2. The land and units described in Section 1 above are declared exempt from local ad valorem property taxation commencing July 1, 2015, 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, 2020, 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. 5028, 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 (10) 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, 2015. 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 ____ day of October, 2014.

City Recorder

RESOLUTION NO. _____

A RESOLUTION DENYING A LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTION FOR PROPERTY LOCATED AT 2410-2466 PARK VIEW DRIVE AND 3060-3090 MATT DRIVE, EUGENE, OREGON. (St. Vincent De Paul Society of Lane County, Inc. / Applicant.)

The City Council of the City of Eugene finds that:

A. Bascom Village I Limited Partnership (with St. Vincent de Paul Society of Lane County, Inc. as general partner) is the owner of real property located at 2410-2466 Park View Drive and 3060-3090 Matt Drive, Eugene, Oregon, 97402 (Assessor's Map 17-03-17-11; Tax Lot No. 802; Assessor's Property Account Number 1862455). St. Vincent de Paul Society of Lane County, Inc. (general partner and "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 project, which will consist of 53 residential units and residential common areas that are being constructed on the property, all of which will be used for low-income housing, offered for rent to persons whose earnings fall at or below 46% of the Area Median Income based on their family size.

C. The Community Development Manager of the Planning and Development Department, as designee of the City Manager, has prepared a Report and Recommendation 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. 5028. In addition, the Community Development Manager found that the applicant has complied with the criteria for approval provided in Section 2.939(2) 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:

Section 1. Notwithstanding the findings in the Community Development Manager's Report and Recommendation, the City Council denies the application of St. Vincent de Paul Society of Lane County, Inc. for an ad valorem property tax exemption under the City's Low-Income Rental Housing Property Tax Exemption Program for the property located at 2410-2466 Park View Drive and 3060-3090 Matt Drive, Eugene, Oregon, 97402 (Assessor's Map 17-03-17-11; Tax Lot No. 802; Assessor's Property Account Number 1862455), because the applicant has failed to demonstrate that it is qualified for the tax exemption.

Section 2. 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, along with a notice informing the applicant of the right to appeal in the manner set forth in ORS 34.010 to 34.100.

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

The foregoing Resolution adopted the _____ day of October, 2014.

City Recorder