

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Action: A Resolution Approving a Low-Income Rental Housing Property Tax Exemption for the Property Located Adjacent to 1410 River Road, Eugene, Oregon (Evergreen Housing Development Group, LLC/ Applicant)

Meeting Date: November 26, 2012
Department: Planning and Development
www.eugene-or.gov

Agenda Item Number: 7
Staff Contact: Becky L. Wheeler
Contact Telephone Number: 541-682-5532

ISSUE STATEMENT

The City Council is asked to approve a resolution for a 20-year low-income rental housing property tax exemption for River Road Apartments, located near 1410 River Road, map/lot number 17-04-13-33/04601. The developer of the project is Evergreen Housing Development Group, LLC (Evergreen). Evergreen entered into a purchase and sale agreement for acquisition of the property with Schmitz Homeplace, LLC in June 2012.

BACKGROUND

The City of Eugene uses federal and local subsidies to promote public-private partnerships that create housing affordable to low-income persons. Affordable housing developers often utilize the 20-year low-income rental housing property tax exemption and the City's systems development charge waivers to create housing affordable to low-income residents. In October of 2012, Evergreen Housing Development Group, LLC applied for this tax exemption for a project located south of Beltline on River Road.

The Eugene-Springfield 2010 Consolidated Plan presents a strategic vision for housing and community development from July 2010 to June 2015. The goals, strategies, and activities outlined in the Consolidated Plan are based on priorities identified through an analysis of community needs and an extensive community outreach process. The 2010 Consolidated Plan identified a need for affordable housing for low-income persons (those at or below 80 percent area median income [AMI]) in Eugene. In turn, the City set a goal of developing 500 new units of affordable housing by June 2015. To date, 136 units have been completed in three developments. An additional 107 units are anticipated to be complete prior to 2015 as part of Bascom Village and Stellar Apartments. The addition of the proposed 216 affordable units would move the City closer to the Consolidated Plan goal.

Eugene's Housing Needs

Eugene's poverty rate is more than 19 percent, and housing costs in the Eugene-Springfield area have risen sharply over the past 20 years. In addition, there are a growing number of seniors, persons with disabilities, and others who are unable to work given the highly competitive job market. These factors, combined with a relatively tight housing market, have resulted in a large number of households with moderate or severe housing cost burdens. The cost of housing, including utility costs is generally considered to be affordable when it equals no more than 30 percent of household income. More than 44 percent of Eugene households have a housing cost burden.

Eugene currently experiences a lack of housing that is affordable for people with low incomes. The March 2012 Envision Eugene recommendation includes expanding the variety of housing types and prices available by moving toward a housing mix of 55 percent single-family/45 percent multi-family in order to support the vision set out in the Envision Eugene pillars of providing housing that is affordable for all income levels. More than 6,300 new units of multi-family housing will be needed to accommodate the next 20 years of growth in Eugene.

Summary of requested tax exemption for River Road Apartments

Evergreen Housing Development Group, LLC has requested the 20-year low-income rental housing property tax exemption to build River Road Apartments. The project includes 216 apartments affordable to households earning 60 percent AMI or less, and will be located on a vacant 7.7 acre site south of Beltline on River Road. Lower income households can include full-time workers in jobs making minimum wage or slightly higher, new college graduates, young professionals, families with children, seniors on limited or fixed incomes, or people with disabilities, among others.

The project concept includes 13 three-story buildings consisting of 82 one-bedroom, 74 two-bedroom, and 60 three-bedroom units. The developer aims to use energy efficient appliances and water saving features on site. The preliminary site plan includes common and play areas, covered bike parking, a leasing office building that includes community and fitness rooms, and community garden areas. Rents are anticipated to range between \$606 and \$832 and will meet requirements of the Low-Income Housing Tax Credit (LIHTC) program. Current fair market rents for Eugene-Springfield are between \$637 and \$1,128.

The property was annexed into the City in 2006. In 2007, a land use decision was issued approving a zone change from R-1, low density residential to R-2, medium density residential, consistent with the Metro Plan. Medium density residential lands have a density range of 10 to 28 units per acre. River Road apartments maximizes the allowable R-2 base density onsite by providing 216 units. Evergreen Housing has chosen not to take advantage of the controlled income and rent housing 150 percent density increase allowed in Eugene Code 9.2740 that would increase the total potential unit count by more than 100 units.

Based on the current proposal, no land use applications will be required to move forward with development. Final site and development plans will be reviewed at the time of building permit for compliance with the multi-family development standards and other applicable development standards, such as bicycle parking and landscaping.

While the project will primarily be funded with construction and permanent loans, the applicant has submitted an application to Oregon Housing and Community Services (OHCS) and anticipates funding the \$26 million development, in part, with four percent LIHTCs and proceeds from tax exempt bonds that will be issued by the State.

The River Road Community Organization expressed interest in providing public comments regarding the proposal. In response, the City Council added a public forum to its agenda November 19, 2012, to listen. Five people spoke at the public forum (four against the project, plus the developer) and two left written comments. In summary, comments heard both in writing and in person relate to the scale of the project and its compatibility with the neighborhood, increases in traffic, decreases in property values, neighborhood safety and increases in crime, adequate stormwater capacity, and concern with providing a local incentive to an out-of-town, for-profit developer. Some also provided comments that the

development is inconsistent with the City's Housing Dispersal Policy. The City Attorney has determined the proposed housing is not considered subsidized housing for the purposes of the Housing Dispersal as the policy defines low-income as those at 50 percent AMI and this development targets those at 60 percent AMI.

A decision to approve or deny this tax exemption request must be based on the criteria included in the City's Code.

Summary of the low-income rental housing property tax exemption program

The City adopted the low-income rental housing property tax exemption program in 1990. Since then, Eugene has approved tax exemptions for more than 20 developments with over 1,000 units. In 2011, the council unanimously approved extending the 20-year low-income rental housing property tax exemption program for an additional 10 years. The approved ordinance also permits recipients to reapply for the 20-year low-income rental housing property tax exemption 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 low-income rental housing tax exemption for St. Vincent de Paul's Stellar Apartments in July 2012.

Approval of the low-income rental housing property tax exemption

If an application meets the substantive criteria [EC 2.939(2)(a)-(i) or EC 2.939(3)(a)-(e)], the City must grant the exemption by resolution. A decision to deny the exemption cannot be made by simple motion or inaction; it would need to be made by a resolution that explains how the applicant has failed to demonstrate that the tax exemption meets applicable criteria for approval.

The requested exemption meets the substantive criteria [EC 2.939(2)(a)-(i)] as shown below and in the Community Development Manager's Report and Recommendation (Attachment A).

EC 2.939(2) Upon receipt of the City Manager's recommendation, the council shall consider the application and grant or deny the property tax exemption. The City Manager shall recommend approval of an application, and the council shall grant the exemption upon determining satisfactory compliance with or mitigation of the following criteria:

(a) If unoccupied, the property:

1. Is offered for rental solely as a residence for low-income persons; or
2. Is held for the purpose of developing low-income rental housing;

The property, or portion thereof subject to the property tax exemption, will be occupied solely as a residence for low-income persons. The property is currently vacant.

One hundred percent of the development, once constructed, will be offered to families and individuals at 60 percent area median income (AMI). Low-income is defined under Eugene Code 2.937 as "Income at or below 60 percent of the area median income as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development."

(b) If occupied, the property, or portion thereof subject to the property tax exemption, is occupied solely as a residence for low-income persons;

The property is not occupied.

(c) The required rent payment reflects the full value of the property tax exemption.

Without the LIRPTE, the low rents cannot be achieved to meet limits prescribed by the Low-Income

Housing Tax Credit LIHTC Program that will be used to fund development. Without the LIRPTE the debt coverage ratio (net operating income divided by debt service) is 1.14, below the industry standards to obtain conventional financing and to attract investors.

(d) The housing units on the property were constructed after February 12, 1990;
The housing units on the property are anticipated to be constructed in 2013.

(e) The policies set forth in the Standards and Guidelines for Low-Income Rental Housing Property Tax Exemption adopted by council resolution;
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 (Attachment B).

(f) The proposed development is consistent with the City's housing dispersal policy.
The policies contained in the Housing Dispersal Policy apply to housing for persons at or below 50 percent of area median income. This development is for persons at 60 percent of area median income. Therefore, those specific policies do not apply

(g) The proposed development does not cause displacement of low-income persons unless the City and developer can reach agreement on provisions (to be provided by the developer) that reflect satisfactory mitigation thereof;
The proposed development does not cause the displacement of low-income persons. The application is for new construction on vacant land.

(h) The proposed development does not cause destruction of historic properties (as defined in section 9.0500 of this code);
No historic properties will be destroyed. The application is for new construction on vacant land.

(i) The proposed development is or will be required to be otherwise consistent with the Eugene Code and adopted City regulations and policies.
The proposed development is consistent with this code and adopted City policies and regulations reviewed under this application. Consistency with zoning, building, and other code requirements will be addressed when building permit applications are reviewed by Building Permit Services staff.

RELATED CITY POLICIES

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

Eugene-Springfield 2010 Consolidated Plan - As noted previously, the proposed project directly supports the goals of the plan by creating 216 units for low-income families and individuals.

Eugene Adopted Growth Management Policies - The City of Eugene affordable housing development programs and River Road Apartments support multiple growth management policies including:

- Promote construction of affordable housing.
- Encourage in-fill, mixed-use, redevelopment, and higher density development.
- Provide for a greater variety of housing types.
- Support the existing Eugene Urban Growth Boundary by taking actions to increase density and use existing vacant land and under-used land within the boundary more efficiently.

Housing Dispersal Policy - While the proposed housing is not considered subsidized housing for the purposes of the Housing Dispersal Policy as the policy defines low-income as those at 50 percent AMI and this development targets those at 60 percent AMI, the policy seeks to maximize housing choices for low-income families and integrate subsidized housing throughout the City of Eugene. Evergreen Housing is providing an additional 216 units of affordable housing along a transit corridor, close to employment, schools, and services.

Envision Eugene – The Envision Eugene Community Vision was endorsed by the City Council on June 13, 2012. The vision identifies strategies and goals (pillars) that help the City of Eugene plan for growth over the next 20 years. The housing affordability pillar includes strategies to meet the growing and changing housing needs of Eugene residents by increasing the proportion of multi-family housing in the community (adjusting the housing mix), densifying residential development along key transportation corridors, and supporting subsidized affordable housing developments. Continuing to provide property tax exemptions to low-income rental housing developments was identified as an action to help successfully implement these strategies.

COUNCIL OPTIONS

City Council may approve or deny the tax exemption.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends the approval of the resolution granting a 20-year low-income rental housing property tax exemption for the property located adjacent to 1410 River Road, Eugene, Oregon (Assessor's Property Account Number 1837937).

SUGGESTED MOTION

Move to adopt a resolution approving a 20-year low-income rental housing property tax exemption for the property located adjacent to 1410 River Road, Eugene, Oregon (Assessor's Property Account Number 1837937).

ATTACHMENTS

- A. Report and Recommendation
- B. Resolution 5028 - Standards and Guidelines for Low-Income Rental Housing Property Tax Exemption
- C. Resolution to approve the tax exemption
- D. Resolution to deny the tax exemption

FOR MORE INFORMATION

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

**Application of Evergreen Housing Development Group, LLC
For Low Income Rental Housing Property Tax Exemption
(Section 2.937 to 2.940 of the Eugene Code, 1971)
for Property adjacent to 1410 River Road, Eugene, Oregon**

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

1. Evergreen Housing Development Group, LLC entered into a Purchase and Sale Agreement for the acquisition of real 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). Evergreen Housing Development Group, LLC (“the applicant”), located at PO Box 31879, Seattle, WA 98103 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.

The property is currently vacant. The proposed development includes 216 units of rental housing for low-income people earning 60% or less of area median income.

100% of the development, once constructed, will be offered to families and individuals at 60% area median income (AMI). Low-income is defined under Eugene Code 2.937 as “Income at or below 60 percent of the area median income as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development.”

(b) The property is not occupied.

(c) The required rent payment reflects the full value of the property tax exemption.

Without the LIRPTE, the low rents cannot be achieved to meet limits prescribed by the Low-income Housing Tax Credit LIHTC program that will be used to fund development. Without the LIRPTE the debt coverage ratio (net operating income

divided by debt service) is 1.14, below industry standards to obtain conventional financing and to attract investors.

(d) The housing units on the property are anticipated to be constructed in 2013.

(e) 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.

(f) The proposed development is consistent with the city's housing dispersal policy.

The policies contained in the Housing Dispersal Policy apply to housing for persons at or below 50% of area median income. This development is for persons at 60% of area median income. Therefore, those specific policies do not apply.

(g) The proposed development does not cause the displacement of low-income persons.

The application is for new construction on vacant land.

(h) The proposed development does not cause destruction of historic properties.

The application is for new construction on vacant land. No historic properties will be destroyed.

(i) The proposed development is otherwise consistent with the Eugene Code and adopted city regulations and policies.

The proposed development is consistent or will be required to be consistent with this code and adopted city policies and regulations reviewed under this application. Consistency with zoning, building, and other code requirements will be addressed when building permit applications are reviewed by Building Permit Services staff.

3. Comments have been solicited from interested City departments, agencies, and the affected neighborhood groups. A committee of the Housing Policy Board also held a public meeting to discuss the application at which public comments were accepted and the City Council added a public forum to their agenda to listen to neighbor comments. In total, six individuals spoke and/or provided written comments at the Housing Policy Board committee meeting, 15 written comments were received during the 20 day comment period that ended November 12, 2012, and five people spoke at the public forum on November 19, 2012 (four against the project, plus the developer). Comments relate to the scale of the project and its compatibility with the neighborhood, increases in traffic, decreases in property values, neighborhood safety and increases in crime, and concern with providing a local incentive to an out of town, for-profit developer. Some

also provided comments that the development is inconsistent with the City's Housing Dispersal Policy. The City Attorney has determined portions of the Housing Dispersal Policy do not apply to this project due to the income level of the population served.

Comments received on issues unrelated to the criteria or the standards and guidelines may not be used in a decision to approve or deny an application.

Therefore, based on the above findings, the proposed project conforms or will conform 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 20th day of November, 2012.

Print: Michael C. Sullivan Sign: 
Community Development Manager of the Planning and Development Department

COUNCIL RESOLUTION NO. 5028

**A RESOLUTION ADOPTING AMENDED STANDARDS
AND GUIDELINES FOR PROCESSING APPLICATIONS
FOR LOW-INCOME RENTAL HOUSING PROPERTY TAX
EXEMPTIONS AND REPEALING RESOLUTION NO.
4623.**

PASSED: 8:0

REJECTED:

OPPOSED:

ABSENT:

CONSIDERED: April 13, 2011

RESOLUTION NO. 5028

A RESOLUTION ADOPTING AMENDED STANDARDS AND GUIDELINES FOR PROCESSING APPLICATIONS FOR LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTIONS AND REPEALING RESOLUTION NO. 4623.

The City Council of the City of Eugene finds that:

A. Issues related to low-income housing have long been given a high priority by the City Council. As an incentive to encourage low-income rental housing within the City of Eugene, and in compliance with provisions enacted by the Oregon Legislature, the City Council adopted Sections 2.937 to 2.940 of the Eugene Code, 1971, which provides procedures for granting exemptions from ad valorem taxes on low-income rental housing.

B. ORS 307.521(3) provides that local jurisdictions adopt standards and guidelines establishing policy governing basic requirements for approving low-income rental housing tax exemption applications. In accordance with that provision, on February 12, 1990, Resolution No. 4168 was adopted establishing Standards and Guidelines for processing such applications. Resolution No. 4168 has subsequently been amended by Resolution Nos. 4327, 4418 and 4623.

C. The City Council has amended Sections 2.938, 2.939 and 2.940 of the Eugene Code, 1971, to bring those sections into conformity with amendments to the state statutes. Therefore, revisions to the Standards and Guidelines are necessary in order to ensure compliance with state law and conformity with Sections 2.937 to 2.940 of the Eugene Code, 1971.

D. Resolution No. 4623 and the Standards and Guidelines adopted by that Resolution, should be repealed, and the amended Standards and Guidelines attached as Exhibit A to this Resolution should be approved and adopted as the process to be followed in reviewing and making recommendations on applications for low-income rental housing property tax exemptions.

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 which are adopted, the Standards and Guidelines for processing applications for low-income rental housing property tax exemptions attached as Exhibit "A" to this Resolution are adopted as the policies and procedures to be considered in approving applications under Sections 2.937 to 2.940 of the Eugene Code, 1971.

Section 2. Resolution No. 4623, and the Standards and Guidelines adopted by that

Resolution, is repealed as of the effective date of this Resolution.

Section 3. This Resolution is effective upon the effective date of Ordinance No. 20472 which adopted the most recent amendments to Sections 2.916, 2.920, 2.938, 2.939 and 2.940 of the Eugene Code, 1971, and shall govern both new and pending applications.

The foregoing Resolution adopted the 13th day of April, 2011.



Deputy City Recorder

**STANDARDS AND GUIDELINES
for Processing Low-Income Rental
Housing Property Tax Exemption Applications**

For purposes of these Standards and Guidelines, the following words and phrases mean:

City Manager. The City Manager of the City of Eugene, or his or her designee.

Low-income. Income at or below 60 percent of the area median income as determined by the State Housing Council based on information from the United States Department of Housing and Urban Services.

Low-Income Rental Housing. Rental housing constructed after February 12, 1990 which is occupied by low-income persons.

1. **Statement of Program Purpose.** The purpose of the low-income rental housing local property tax exemption program is to provide an incentive that will encourage construction of new rental housing for low-income persons.

2. **Eligible Property.** To be eligible for local property tax exemption hereunder:

2.1 If unoccupied, the property is offered for rental solely as a residence for low-income persons, or held for the purpose of developing low income rental housing;

2.2 If occupied, the property, or portion thereof subject to the property tax exemption, must be occupied solely as a residence for low-income persons;

2.3 The required rent payment must reflect the full value of the property tax exemption;

2.4 The housing units on the property must be constructed after February 12, 1990;

2.5 The property owner must agree to comply with the policies set forth in Section 5 of these Standards and Guidelines;

2.6 The proposed development must be consistent with the City's Housing Dispersal Policy;

2.7 The proposed development will not cause displacement of low-income persons unless the City and developer can reach agreement on provisions (to be provided by the developer) that reflect satisfactory mitigation thereof;

2.8 The proposed development will not cause destruction of historic properties (as defined in Section 9.0500 of the Eugene Code, 1971) except:

2.8.1 Where development has proceeded according to historic property moving and demolition procedures as set forth in Section 9.8160, 9.8180 and 9.8185 of the Eugene Code, 1971, or

2.8.2 The property is granted an exception by the council;

2.9 The proposed development will be otherwise consistent with provisions of the Eugene Code, 1971 and adopted City regulations and policies; and

2.10 As an alternative to the criteria set forth in subsections 2.1, 2.2, 2.3 and 2.4 of this section, an application shall be approved if it meets the criteria in subsections 2.5, 2.6, 2.7, 2.8 and 2.9 of this section and all of the following criteria:

2.10.1 If unoccupied, the property is offered for rental solely as a residence for low-income persons, or is held for the purpose of developing low income rental housing;

2.10.2 If occupied, the property, or portion thereof subject to the property tax exemption, is occupied solely as a residence for low-income persons;

2.10.3 The applicant's application was filed prior to January 1, 2020;

2.10.4 The property is owned or being purchased by a nonprofit corporation organized in a manner that meets the criteria for a public benefit corporation, as described under ORS 65.001(37) or for a religious corporation, as described under ORS 65.001(39); and

2.10.5 The property is owned or 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.

For purposes of this subsection, a nonprofit corporation that has only a leasehold

interest in property is considered to be a purchaser of that property if the nonprofit corporation is obligated under the terms of the lease to pay the ad valorem taxes on the real and personal property used in the rental activity on that property, or the rent payable has been established to reflect the savings resulting from the exemption from taxation.

3. Application for Exemption. Prior to December 1 of the calendar year immediately preceding the first assessment year for which the exemption is requested, or, if the property is acquired after November 1, within 30 days of the date of acquisition, but no later than January 1 of the next calendar year, the applicant shall submit to the City Manager, on a form provided by the City Manager, an application for exemption, containing the following information:

3.1 A description of the property or portion thereof, for which the exemption is requested;

3.2 A description of the purpose of the project and whether all or a portion of the property will be used for that purpose;

3.3 A certification of the income levels of low-income occupants;

3.4 A description of how the tax exemption will benefit project occupants;

3.5 Evidence that, if unoccupied, the property is offered for rental solely as a residence for low-income persons, or is held for the purpose of developing low income rental housing;

3.6 Evidence that, if occupied, the property is occupied solely as a residence for low-income persons;

3.7 If the application is for an exemption described in subsection 2.10, evidence that the property is owned or being purchased by a nonprofit corporation which meets the criteria for a public benefit corporation as described in ORS 65.001(37), or a religious corporation, as described in ORS 65.001(39); 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, or for the provision of on-site child care services for the residents of the rental property;

3.8 A description of the plans for development of the property if the property is being held for the future development of low income rental housing; and

3.9 Any other information required by the City Manager.

The application shall be verified by oath or affirmation of the applicant and submitted with an application and processing fee to be set by the City Manager pursuant to Section 2.020 of the Eugene Code, 1971, which shall include therein the fee to be paid to the County Assessor by the City as the County's agreed processing fee for those applications receiving Council approval. The amount of the basic fee shall be prominently displayed on the application, together with a statement that the applicant may be required to pay other reasonable costs, including appraisal costs, if any are incurred by the City or the County in processing the application. Any additional costs shall be paid to the City by the applicant prior to the granting of any final approval. In the event an application is denied, the portion of the fee reserved for the County Assessor will be refunded to the applicant by the City. An application which does not contain all the required information and is not accompanied by the required fee shall be returned to the applicant. Any application returned for these reasons shall be deemed not to have been filed.

4. Duration of Tax Exemption. An exemption from ad valorem taxes may be granted for a period of twenty successive years for the land and the improvements located thereon that are a part of the newly-constructed low-income rental housing or for land that is being held for future development of low income rental housing. In the final year of low-income housing tax exemptions, applications for subsequent low-income housing tax exemptions for the property may be submitted. Such applications shall be processed and acted upon in accordance with sections 2.937 to 2.940 of this code and any applicable state law.

5. Policies. In addition to the criteria set forth in Section 2.939(2) of the Eugene Code, 1971, and Section 2 above, unless the land is being held for future development of low income rental housing, the applicant must demonstrate compliance with the following policies in order to be eligible for a property tax exemption hereunder:

5.1 Rent Regulatory Agreement. The owner must agree to execute and maintain in effect for the duration of the tax exemption period, a Rent Regulatory Agreement in a form approved by the City, and which contains, but is not limited to, provisions establishing regular reporting requirements and periodic inspection periods, and demonstrates that the required rent payment reflects the full value of the property tax exemption.

5.2 Inspection of Premises. The owner must consent in writing that for the duration of the tax exemption period the City may inspect the property for which the exemption is granted at reasonable times, without prior notice, to insure that the premises are maintained in decent, safe and sanitary conditions for the occupants.

6. Recommendations on Applications. Upon receipt of an application for property

tax exemption hereunder, the City Manager shall:

6.1 Review the application and all supportive material to verify that the applicant has provided the information required and paid the required fee. The City Manager shall promptly notify the applicant of any omissions.

6.2 Solicit recommendations or comments from interested City departments, agencies, and the affected neighborhood group(s). Within 20 days of forwarding referrals, written comments shall be submitted to the City Manager by the agencies, departments and groups to whom referral is made. Failure to respond within 20 days will be deemed approval of the proposal as submitted.

6.3 If necessary to address comments or recommendations received, establish a meeting with the applicant, or the applicant's authorized representative to review the application.

6.4 Within 30 days from the date the application is filed, forward his or her recommendation to the Council that the application be denied, approved, or approved subject to conditions. The recommendation shall be based upon and contain findings of compliance or non-compliance with these Standards and Guidelines, Sections 2.937 to 2.940 of the Eugene Code, 1971, Council resolutions, ordinances and adopted policies, and applicable State statutes, that support his or her recommendation.

RESOLUTION NO. _____

A RESOLUTION APPROVING A LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTION FOR PROPERTY LOCATED ADJACENT TO 1410 RIVER ROAD, EUGENE, OREGON. (EVERGREEN HOUSING DEVELOPMENT / APPLICANT.)

The City Council of the City of Eugene finds that:

A. Evergreen Housing Development Group, LLC (the applicant), located at P.O. Box 31879, Seattle, Washington, 98103, has entered into Purchase and Sale Agreement with Schmitz Homeplace, LLC, for the acquisition of real 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). The applicant 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 proposed development is expected to consist of 216 units to be constructed on the property at rents affordable to 60% of area median income.

C. The Community Development Manager of the Planning and Development Department (the Manager), 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. 5028. 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.

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 Manager's Report and Recommendation attached as Exhibit A, the City Council approves 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.

Section 2. The land and residential units described in Section 1 above are declared exempt from local ad valorem property taxation commencing July 1, 2013, 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 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, 2013. 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 26th day of November, 2012.

City Recorder

RESOLUTION NO. _____

A RESOLUTION DENYING A LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTION FOR PROPERTY LOCATED ADJACENT TO 1410 RIVER ROAD, EUGENE, OREGON. (EVERGREEN HOUSING DEVELOPMENT / APPLICANT.)

The City Council of the City of Eugene finds that:

A. Evergreen Housing Development Group, LLC (the applicant), located at P.O. Box 31879, Seattle, Washington, 98103, has entered into Purchase and Sale Agreement with Schmitz Homeplace, LLC, for the acquisition of real 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). The applicant 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 proposed development is expected to consist of 216 units to be constructed on the property at rents affordable to 60% of area median income.

C. The Community Development Manager of the Planning and Development Department (the Manager), 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. 5028. 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.

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 Executive Director's Report and Recommendation, the City Council denies 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 at 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), 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 26th day of November, 2011.

City Recorder