



Eugene City Council

101 W 10th Ave., Suite 203
Eugene, OR 97401
541-682-5010 • 541-682-5414 Fax
www.eugene-or.gov

EUGENE CITY COUNCIL AGENDA

January 24, 2022

7:30 p.m. CITY COUNCIL MEETING

As the state and community recover from the COVID-19 pandemic, most City Council meetings will continue to be held remotely using virtual meeting technology. Information about online or other options for access and participation will be available at <https://www.eugene-or.gov/3360/Webcasts-and-Meeting-Materials>

Meeting of January 24, 2022; Her Honor Mayor Lucy Vinis Presiding

Councilors

Claire Syrett, President
Mike Clark
Randy Groves
Jennifer Yeh

Matt Keating, Vice President
Greg Evans
Emily Semple
Alan Zelenka

7:30 p.m. CITY COUNCIL MEETING

1. COMMITTEE REPORTS AND ITEMS OF INTEREST

2. CONSENT CALENDAR 1

- A. Approval of City Council Tentative Agenda**
- B. Reappointment to the Metropolitan Wastewater Management Commission**
- C. Resolution Approving a Low-Income Rental Housing Property Tax Exemption for Property located on Coburg Road in Eugene, Oregon (Assessor's Map 17-03-20-41, Tax Lot 03300; Assessor's Property Account No. 0176147) (Applicant 1121 Coburg Road, LLC)**
- D. Resolution Approving a Low-Income Rental Housing Property Tax Exemption for Property Located on W. 11th Avenue, Eugene, Oregon (Assessor's Map 17-03-31-13, Tax Lots 12900, 13000, 13100, 13200, and 13300; Assessor's Property Account Nos. 0262020, 0262012, 0261998, 0262004, and 0262038) (Applicant Lincoln Affordable Limited Partnership)**

3. PUBLIC FORUM

- 4. ACTION: Adoption of A Resolution Approving a Low-Income Rental Housing Property Tax Exemption for Property Located on Green Lane in Eugene, Oregon (Assessor's Map 17-04-12-33, Tax Lot 00304; Assessor's Property Account No. 1740339) (Applicant Metropolitan Affordable Housing Corporation dba Cornerstone Community Housing)**
- 5. ACTION: Conditional HOME Loan Forgiveness for Oak Leaf Village**
- 6. ACTION: Resources for Housing Affordable to Low-Income Persons**

The Eugene City Council welcomes your interest in these agenda items. This meeting location is wheelchair-accessible. For the hearing impaired, an interpreter can be provided with 48 hours' notice prior to the meeting. Spanish-language interpretation will also be provided with 48 hours' notice. To arrange for these services, contact the receptionist at 541-682-5010. City Council meetings are telecast live on Metro Television, Comcast channel 21, and rebroadcast later in the week.

El consejo de la Ciudad de Eugene agradece su interés en estos asuntos de la agenda. El lugar de la reunión tiene acceso para sillas de ruedas. Se puede proveer a un intérprete para las personas con discapacidad auditiva si avisa con 48 horas de anticipación. También se puede proveer interpretación para español si avisa con 48 horas de anticipación. Para reservar estos servicios llame al 541-682-5010. Las reuniones del consejo de la ciudad se transmiten en vivo por Metro Television, Canal 21 de Comcast y son retransmitidas durante la semana.

For more information, contact the Council Coordinator at 541-682-5010,
or visit us online at www.eugene-or.gov.

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Approval of Tentative Working Agenda

Meeting Date: January 24, 2022
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 2A
Staff Contact: Jessica Gebb
Contact Telephone Number: 541-682-8497

ISSUE STATEMENT

This is a routine item to approve the City Council Tentative Working Agenda.

BACKGROUND

On July 31, 2000, the City Council held a process session and discussed the Operating Agreements. Section 2 notes, in part, that "The City Manager shall recommend monthly to the council which items should be placed on the council agenda. This recommendation shall be placed on the consent calendar at the regular City Council meetings (regular meetings are those meetings held on the second and fourth Monday of each month in the Council Chamber). If the recommendation contained in the consent calendar is approved, the items shall be brought before the council on a future agenda. If there are concerns about an item, the item may be pulled from the consent calendar at the request of any councilor or the Mayor. A vote shall occur to determine if the item should be included as future council business." Scheduling of this item is in accordance with the Council Operating Agreements.

COUNCIL OPTIONS

The council may choose to approve, amend or not approve the tentative agenda.

SUGGESTED MOTION

Move to approve the items on the Tentative Working Agenda.

ATTACHMENTS

A. Tentative Working Agenda

FOR MORE INFORMATION

Staff Contact: Jessica Gebb
Telephone: 541-682-8497
Staff E-Mail: jgebb@eugene-or.gov



City Council Tentative Agenda

Updated January 20, 2022

**** SPECIAL NOTICE ****

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January 2022						
Date	Day	Time	Title		Length	Dept. Contact
24-Jan	Monday	5:30 pm		Housing Implementation Pipeline Review and Action (Work Session & Possible Action)	90 mins	Amanda Nobel, PDD
		7:30 pm		Committee Reports and Items of Interest		Jessica Gebb, CS
				Reappointment to Metropolitan Wastewater Mgmt. Commission (Consent Calendar 1)		Laura Hammond, PDD
				Resolution Approving LIRHPTE for Coburg Road Apartments (Consent Calendar 1)		Laura Hammond, PDD
				Resolution Approving LIRHPTE for Lincoln Apartments (Consent Calendar 1)		
				Public Forum		
				Resolution Approving LIRHPTE for Oak Leaf Village (Action)		Ellen Meyi-Galloway, PDD
				Conditional HOME Loan Forgiveness for Oak Leaf Village (Action)		Ellen Meyi-Galloway, PDD
	Resources for Housing Affordable to Low-Income Persons (Action)	Ellen Meyi-Galloway, PDD				
Expected absences for 1/24: Councilor Groves						
26-Jan	Wednesday	12 pm		Steam Plant Deal Points (Work Session & Possible Action)	45 mins	Amanda Nobel, PDD
				TBD (Work Session)	45 mins	
Expected absences for 1/26: Councilor Groves						



Work Session



Action



Public Hearing



Public Forum



Consent Calendar



Committee Reports/Items of Interest



CC Agenda Items



Pledge of Allegiance

February 2022						
Date	Day	Time	Title		Length	Dept. Contact
9-Feb	Wednesday	12 pm	 Ad Hoc Committee on Police Policy (Work Session)	45 mins	Sarah Medary, CMO	
			 TBD (Work Session)	45 mins		
Expected absences for 2/9: none						
14-Feb	Monday	5:30 pm	 TBD (Work Session)	45 mins		
			 TBD (Work Session)	45 mins		
		7:30 pm	 Committee Reports and Items of Interest			
 Public Forum						
Expected absences for 2/14: none						
16-Feb	Wednesday	12 pm	 TBD (Work Session)	45 mins		
			 TBD (Work Session)	45 mins		
Expected absences for 2/16: none						
22-Feb	Tuesday	5:30 pm	Schedule only as needed			
		7:30 pm	 Ord. on Withdrawal of Annexed Properties from Special Districts (Public Hearing)		Althea Sullivan, PDD	
Expected absences for 2/22: none						
23-Feb	Wednesday	12 pm	 TBD (Work Session)	45 mins		
			 TBD (Work Session)	45 mins		
Expected absences for 2/24: none						
28-Feb	Monday	5:30 pm	 MovingAhead Joint Meeting with LTD Board (Work Session)	90 mins	Rob Inerfeld, PW	
			7:30 pm	 Committee Reports and Items of Interest		Althea Sullivan, PDD
		 Ord. on Withdrawal of Annexed Properties from Special Districts (Consent Calendar 1)				
			 Public Forum			
Expected absences for 2/28: none						

March 2022						
Date	Day	Time	Title		Length	Dept. Contact
9-Mar	Wednesday	12 pm	 Middle Housing (Work Session)	45 mins	Terri Harding, PDD	
			 Riverfront MUPTE Applications – Lots 3BC, 7, 9 (Work Session)	45 mins	Dylan Huber-Heidorn, PDD	
Expected absences for 3/9: none						
14-Mar	Monday	5:30 pm	 MovingAhead Deliberation and Action (Work Session & Possible Action)	45 mins	Rob Inerfeld, PW	
			 TBD (Work Session)	45 mins		
		7:30 pm	 Committee Reports and Items of Interest  Public Forum			
Expected absences for 3/14: none						
16-Mar	Wednesday	12 pm	 TBD (Work Session)	45 mins		
			 TBD (Work Session)	45 mins		
Expected absences for 3/16: none						

Council Break: March 17 – April 11

 Work Session	 Action	 Public Hearing	 Public Forum	 Consent Calendar
 Committee Reports/Items of Interest	 Ceremonial Matters	 Pledge of Allegiance		

Approved Work Session Polls to be Scheduled	Councilor	Date Approved
"Housing Status" as a Protected Class – <i>follow-up TBD</i>	Sample	03/12/20
Reparations (two-part work session) – <i>follow-up TBD</i>	Evans	03/18/21
Waste Management at Large Events – <i>follow-up TBD</i>	Sample	04/08/21
Funding Source for Climate Change and Homelessness – <i>held December 13</i>	Zelenka	05/10/21
Fossil Fuel Risk Bonds	Groves, Syrett	10/21/21
Addressing Chronic Toxic Polluters	Groves	12/2/21

UPCOMING PUBLIC HEARINGS			
Date of Public Hearing	Title	Description	Staff Contact
February 22 (7:30 p.m.)	An Ordinance Providing For Withdrawal of Annexed Properties From the Following Special Districts: River Road Parks & Recreation District; River Road Water District; Santa Clara Rural Fire Protection District; Santa Clara Water District; and the Willakenzie Rural Fire Protection District	The City Council will hold a required public hearing to consider an ordinance concerning the annual withdrawal of annexed land from special service districts.	Althea Sullivan, PDD

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Appointment to the Metropolitan Wastewater Management Commission

Meeting Date: January 24, 2022
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 2B
Staff Contact: Jessica Gebb
Contact Telephone Number: 541-682-8497

ISSUE STATEMENT

This is an action item to reappoint Walt Meyer to a fifth full term on the Metropolitan Wastewater Management Commission.

BACKGROUND

The purpose of the Metropolitan Wastewater Management Commission (MWMC) is to act as the governing and policy-making body for regional wastewater management activities. Seven persons compose the commission, three of whom represent the city of Eugene: one elected official and two citizen-at-large members. The Mayor appoints the elected official and nominates the citizen representatives for three-year terms. The City Council then votes on the Mayor's citizen nominations.

Walt Meyer is a current citizen representative who has held his position on the MWMC since February 2010.

The Mayor nominates Walt Meyer for reappointment. Mr. Meyer brings vast experience in the wastewater industry and great experience with the MWMC partnership.

RELATED CITY POLICIES

The Metropolitan Wastewater Management Commission serves as an advisory body to the City Council working under an intergovernmental agreement.

COUNCIL OPTIONS

1. Appoint the applicant who has been nominated.
2. Appoint someone else.
3. Seek additional candidates for this position.

CITY MANAGER'S RECOMMENDATION

The City Manager has no recommendation on this item; the appointments are made by the council.

SUGGESTED MOTION

I move to reappoint Walt Meyer to Position 2 on the Metropolitan Wastewater Management Commission for a term ending on January 31, 2025.

ATTACHMENTS

- A. List of Current MWMC Membership
- B. MWMC Eugene Citizen Representative – Recommendation from MWMC General Manager
- C. Applicant Information

FOR MORE INFORMATION

Staff Contact: Jessica Gebb
Telephone: 541-682-8497
Staff E-Mail: jgebb@eugene-or.gov

The Commission

Local representatives from each of the regional partners (Lane County, City of Eugene, City of Springfield) serve on the Commission. Each partner has both an elected official and a citizen representative (except for the City of Eugene which has two citizen representatives to reflect a proportional number of customers.)

The Commission provides oversight to the facilities and guidance to staff, establishes policies, sets goals and regional wastewater rates, oversees the facilities budget, approves capital projects, and grants contracts to consultants and construction companies. Community members are welcomed to attend **monthly meetings**.

Your Commissioners



Jennifer Yeh
MWMC President
Eugene City Council

Joe Pishioneri
MWMC Vice President
Springfield City
Council

Pat Farr
Lane County
Commission



Bill Inge
Lane County citizen

Doug Keeler
Springfield citizen



Walt Meyer
Eugene citizen



Peter Ruffier
Eugene citizen

Metropolitan Wastewater MANAGEMENT COMMISSION

We Clean Water

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partners in wastewater management

MWMC Commission

Jennifer Yeh
Eugene City Councilor
MWMC President

Joe Pishioneri
Springfield City Councilor
MWMC Vice President

Pat Farr
Lane County Commissioner

Bill Inge
Lane County Citizen

Doug Keeler
Springfield Citizen

Walt Meyer
Eugene Citizen

Peter Ruffier
Eugene Citizen

Administration

Matt Stouder
MWMC Executive Officer
City of Springfield
225 Fifth Street
Springfield, Oregon 97477
(541) 726-3694
FAX (541) 726-2309

Operations

Dave Breitenstein
Wastewater Director
City of Eugene
410 River Avenue
Eugene, Oregon 97404
(541) 682-8600
FAX (541) 682-8601

November 29, 2021

Mayor Lucy Vinis
City Manager's Office
125 E 8th Avenue, 2nd Floor
Eugene, OR 97401

RE: MWMC Eugene Citizen Representative – Recommendation from the MWMC General Manager

Mr. Walt Meyer is currently serving as a citizen representative from the City of Eugene on the Metropolitan Wastewater Management Commission (MWMC). Commissioner Meyer's term will expire on January 31, 2022.

Commissioner Meyer has held his position on the MWMC since February of 2010 and has served in the capacity of Commission President during his tenure. Mr. Meyer is uniquely qualified to serve as a MWMC Commissioner based on his professional training as an environmental engineer and his forty-plus years of work experience. He is well versed in the regulatory and fiscal challenges facing the MWMC and uses his technical knowledge to further the MWMC's mission of protecting the public health, safety and environment of the Eugene-Springfield metropolitan area. Mr. Meyer also demonstrates leadership in helping MWMC achieve its goals, including maintaining fiscal management that is effective and efficient.

Commissioner Meyer understands and respects the importance of partnership, which forms the foundation of the MWMC, and has demonstrated his commitment to the partnership through his leadership on the Commission. I encourage you to consider reappointing Mr. Meyer to the Metropolitan Wastewater Management Commission representing the City of Eugene. I am confident Mr. Meyer will continue to contribute at a high level while representing the City of Eugene's interest and respecting the regional partnership.

Respectfully,

Matt A. Stouder
MWMC Executive Officer



Interested Applicants

Attachment C

1/20/2022 10:52:30 AM

Metropolitan Wastewater Management Commission

Walter J. Meyer

Name **Walter J. Meyer**
Address **3987 Brae Burn Drive**
Eugene OR 97405
Occupation **Environmental Engineer**
Business Address **1650 W. 11th Avenue, Suite 1-A**
Eugene OR 97402

Optional Information

Gender **M** Age **56-65** Ethnicity **White**
Additional Languages spoken **Spanish**

Education / Training

Received a bachelor of science degree in civil engineering from Oregon State University. I am a registered professional engineer in environmental and civil engineering.

Community Service / Volunteer

I have previously served on the MWMC Commission as a City of Eugene lay representative and resigned when my wife and I joined the Peace Crops. Also active in Habitat for Humanity and the Oregon Association of Clean Water Agencies.

Personal Interest

My interest in the outdoors and my professional life have combined to further my interest in improving our stewardship of water. Cities in Oregon have made huge strides in the improvement of our streams and more can be done. Future steps for water quality improvement will require a broader participation in the way we live inside of our watersheds including urban practices, farming and forestry. I believe that MWMC has been and can be an effective partner to facilitate water quality improvements in the Willamette River.

No Supplemental Answers

Evening Phone **(541) 914-9690** Day Phone **(541) 431-1280**

Do You Live within the City Limits? **Y** If so how long? **27 years**

Ward **2** Neighborhood **Southeast Neighbors**

Employer **West Yost Associates**

Are you currently and employee of the City of Eugene? **No**

E-Mail **nwmeyer1@hotmail.com**

How did you learn of this vacancy? **Word of Mouth**

Disability **N** Description

German

Job Experience

Working part time for West Yost on environmental engineering projects. I have 40 years of experience in a wide variety of water quality studies, designs and supervision of construction for wastewater system improvements.

Personal Experience

My wife Nancy and I are long term residents of Eugene and raised our five children in this community. I enjoy the outdoors and love to fish and hike. Most important, I want to remain active in the community through service.

Contribution

MWMC has been an excellent example of local governments working together for the common good of its citizens. This relationship has improved significantly in the last decade and as a commissioner, I will continue to work collaboratively with the City of Springfield and Lane County for effective management of our wastewater. Our environment is important and equally important is the prudent management of our limited fiscal resources. As commissioners, we have a duty to both the environment and the rate payers and need to find the appropriate balance. Commissioners have the responsibility to ask the difficult questions while being respectful of the staff as they do the work of the commission.

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Resolution Approving a Low-Income Rental Housing Property Tax Exemption for Coburg Road Apartments

Meeting Date: January 24, 2022
Department: Planning and Development
www.eugene-or.gov

Agenda Item Number: 2C
Staff Contact: Laura Hammond
Contact Telephone Number: 541-682-5416

ISSUE STATEMENT

City Council is asked to adopt a resolution approving a 20-year Low-Income Rental Housing Property Tax Exemption (LIRHPTE) for Coburg Road Apartments, an existing affordable housing development located at 1121 Coburg Road. 1121 Coburg Road, LLC is the applicant and record owner of the property. Cascade Housing Association, a non-profit organization is the sole member of 1121 Coburg Road, LLC. The development includes 35 low-income rental units.

BACKGROUND

Council adopted the LIRHPTE program in 1990. Since the adoption of the program, Council has approved tax exemptions for 36 affordable housing developments with over 1,500 units. Council unanimously approved extending the LIRHPTE program for an additional ten years in 2020. The ordinance also enables recipients to apply for renewal of the 20-year LIRHPTE when a prior LIRHPTE period has expired. Council has approved LIRHPTE renewals for over 380 units. Council reviews and takes action on each LIRHPTE request. Most recently, on January 10, 2022, Council approved a LIRHPTE renewal application for Green Leaf Village and a new LIRHPTE application for the Arthur Street Duplexes.

Projects must meet 10 criteria including requirements for rents and incomes limited to households with incomes at or below 60% of area median income (AMI). If an application meets the substantive criteria at EC 2.939(3) 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; Council would need to make 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

The requested tax exemption is for Coburg Road Apartments, a low-income housing development located at 1121 Coburg Road (see map in Attachment D). The development includes 35 low-income rental housing units (2 one-bedroom, 21 two-bedroom, and 12 three-bedroom units).

The units have rents between \$988 and \$1266 per unit for one-bedroom, two-bedroom, and three-bedroom units (affordable to households at or below 60% AMI). The units have rent

Jan. 24, 2022 Meeting – Item 2C

assistance vouchers that allow residents to pay only 30% of their incomes for housing costs. The property has never had a property tax exemption before, and the savings will allow the units to continue the proposed level of affordability without having to raise rents.

The requested exemption meets the substantive criteria at EC 2.939(3) as shown in the Report and Recommendation provided in Attachment A. No public comments were received during the public comment period.

PREVIOUS COUNCIL DIRECTION

[May 18, 2020](#) & [May 26, 2020](#)

City Council held a public hearing and approved a resolution and ordinance extending the LIRHPTE program to June 30, 2030 and updating program standards and guidelines.

COUNCIL OPTIONS

The City Council has two options:

1. Approve the tax exemption.
2. Deny the tax exemption.

CITY MANAGER'S RECOMMENDATION

Adopt the Resolution included in Attachment B approving a Low-Income Rental Housing Property Tax Exemption for Coburg Road Apartments.

SUGGESTED MOTION

Move to adopt A Resolution Approving a Low-Income Rental Housing Property Tax Exemption for Property located on Coburg Road in Eugene, Oregon (Assessor's Map 17-03-20-41, Tax Lot 03300; Assessor's Property Account No. 0176147) (Applicant 1121 Coburg Road, LLC.)

ATTACHMENTS

- A. Report and Recommendation
- B. Draft Resolution Approving the Tax Exemption
- C. Draft Resolution Denying the Tax Exemption
- D. Map of the proposed site

FOR MORE INFORMATION

Staff Contact: Laura Hammond
Telephone: 541-682-5416
Staff E-Mail: LHammond@eugene-or.gov

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

**Application of 1121 Coburg Road, LLC/Cascade Housing Association
For Low-Income Rental Housing Property Tax Exemption
(Section 2.937 to 2.940 of the Eugene Code, 1971)
for Property at 1121 Coburg Road, Eugene, Oregon 97401
COBURG ROAD APARTMENTS**

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

1. 1121 Coburg Road, LLC (the applicant) has submitted an application for a property tax exemption for Coburg Road Apartments, located at 1121 Coburg Road, Eugene, OR 97401 (Assessor's Map 17-03-20-41 Tax Lot 03300; Assessor's Property Account No. 0176147). 1121 Coburg Road, LLC is the record owner of the property and Cascade Housing Association, a non-profit organization, is the sole member of that LLC. The applicant has a business mailing address of PO Box 182, Springfield, Oregon 97477. The submitted application is for an exemption from ad valorem property taxes through the City's Low-Income Rental Housing Property Tax Exemption (LIRHPTE) program (Sections 2.937 to 2.940 of the Eugene Code, 1971) for thirty-five (35) existing low-income rental housing units (2 one-bedroom, 21 two-bedroom, and 12 three-bedroom units).

2. I have reviewed the application and find that the applicant has submitted all required materials and complies with the provisions of EC 2.939(3) and Sections 2.1 through 2.9 of the Standards and Guidelines adopted by Resolution No. 5297. 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 applicant's application was filed prior to July 1, 2030.
- (c) The property is owned by an LLC which is wholly owned by a nonprofit corporation organized in a manner that meets the criteria for a public benefit corporation as described under ORS 65.001(38).
- (d) The property is owned by an LLC which is wholly owned 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.
- (e) The applicant has complied with the policies set forth in Section 5 of the Standards and Guidelines for Low-Income Rental Housing Property Tax Exemption adopted by council Resolution No. 5297 (Standards and

Guidelines).

- (f) The proposed development is consistent with the City's Housing Dispersal Policy.
- (g) The proposed development does not cause the displacement of low-income persons.
- (h) The proposed development does not cause destruction of historic properties.
- (i) The proposed development is otherwise consistent with the Eugene Code and adopted city regulations and policies.
- (j) The applicant has signed a Rent Regulatory Agreement as described in Section 5.1 of the Standards and Guidelines and said agreement will be in effect for the duration of the tax exemption period.
- (k) 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 to insure that the premises are maintained in decent, safe and sanitary conditions for the occupants.

3. Comments have been solicited from interested City departments, 4J School District, and the affected neighborhood group. No public comments were received.

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 5 day of January 2022.

GM
GM

Print: Amanda Nobel Flannery

Sign: 
Amanda Nobel Flannery (Jan 5, 2022 07:40 PST)

Community Development Manager of the Planning and Development Department AIC

RESOLUTION NO. _____

**A RESOLUTION APPROVING A LOW-INCOME RENTAL HOUSING
PROPERTY TAX EXEMPTION FOR PROPERTY LOCATED ON
COBURG ROAD IN EUGENE, OREGON (ASSESSOR'S MAP 17-03-20-41
TAX LOT 03300; ASSESSOR'S PROPERTY ACCOUNT NO. 0176147)
(APPLICANT 1121 COBURG ROAD, LLC)**

The City Council of the City of Eugene finds that:

A. 1121 Coburg Road, LLC (1121 Coburg Road, Eugene, Oregon) is the owner of real property located on Coburg Road in Eugene, Oregon (Assessor's Map 17-03-20-41 Tax Lot 03300; Assessor's Property Account No. 0176147), more particularly described in Exhibit A attached to this Resolution (the Property).

B. 1121 Coburg Road, LLC (P.O. Box 182, Springfield, Oregon 97477) (the applicant) has submitted an application for an exemption from ad valorem taxes on the Property beginning July 1, 2022, under the City's Low-Income Rental Housing Property Tax Exemption Program (EC 2.937 to 2.940).

C. The tax exemption being sought for the Property includes 2 one-bedroom units, 21 two-bedroom units, and 12 three-bedroom units, for a total of 35 bedrooms, as well as residential common areas. The applicant is seeking the tax exemption for the entire property.

D. 1121 Coburg Road, LLC, is eligible for the LIRHPTE pursuant ORS 307.022 because 1121 Coburg Road, LLC, is a single-member LLC, wholly owned by Cascade Housing Association, a nonprofit corporation.

E. 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 Section 2.938 of the Eugene Code, 1971 (EC), and is in compliance with the policies set forth in Section 5 of the Standards and Guidelines adopted by Resolution No. 5297. In addition, the Community Development Manager found that the applicant has complied with the criteria for approval provided in EC 2.939(3), and the eligibility requirements at Section 2.10 of the Standards and Guidelines adopted by Resolution No. 5297.

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 1121 Coburg Road, LLC for an ad valorem property tax exemption under the City's Low-Income

Rental Housing Property Tax Exemption Program for the Property identified as Assessor's Map 17-03-20-41 Tax Lot 03300; Assessor's Property Account No. 0176147; and more particularly described on Exhibit A attached to this Resolution, which includes 2 one-bedroom units, 21 two-bedroom units, and 12 three-bedroom units, for a total of 35 bedrooms, as well as residential common areas.

Section 2. The land and units described in Section 1 above are declared exempt from local ad valorem property taxation commencing July 1, 2022, and continuing for a continuous period of 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 July 1, 2030, 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. 5297, 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 units, 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 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, 2022. 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 January, 2022.

City Recorder

Exhibit A

Coburg Road Apartments Legal Description:

Beginning at a point 14.48 chains South of a point 79.57 chains North 89° 39' West from the Northeast corner of the A. McAlexander and wife Donation Land Claim No. 77, Notification No. 3261, in Township 17 South, Range 3 West of the Willamette Meridian; and running thence North along the West line of said tract 210 feet; thence South 89° 39' East parallel with the South line of said tract 415 feet; thence South 210 feet; and thence North 89° 39' West, 415 feet to the place of beginning, in Lane County Oregon.

EXCEPTING that part conveyed to the City of Eugene for roadway by deed recorded July 28, 1964, Reception No. 65070, Lane County Oregon Deed Records, in Lane County, Oregon.

RESOLUTION NO. _____

**A RESOLUTION DENYING A LOW-INCOME RENTAL HOUSING
PROPERTY TAX EXEMPTION FOR PROPERTY LOCATED ON
COBURG ROAD IN EUGENE, OREGON (ASSESSOR'S MAP 17-03-20-41
TAX LOT 03300; ASSESSOR'S PROPERTY ACCOUNT NO. 0176147)
(APPLICANT 1121 COBURG ROAD, LLC)**

The City Council of the City of Eugene finds that:

A. 1121 Coburg Road, LLC (1121 Coburg Road, Eugene, Oregon) is the owner of real property located on Coburg Road in Eugene, Oregon (Assessor's Map 17-03-20-41 Tax Lot 03300; Assessor's Property Account No. 0176147), more particularly described in Exhibit A attached to this Resolution (the Property).

B. 1121 Coburg Road, LLC (P.O. Box 182, Springfield, Oregon 97477) (the applicant) has submitted an application for an exemption from ad valorem taxes on the Property beginning July 1, 2022, under the City's Low-Income Rental Housing Property Tax Exemption Program (EC 2.937 to 2.940).

C. The tax exemption being sought for the Property includes 2 one-bedroom units, 21 two-bedroom units, and 12 three-bedroom units, for a total of 35 bedrooms, as well as residential common areas. The applicant is seeking the tax exemption for the entire property.

D. 1121 Coburg Road, LLC, is eligible for the LIRHPTE pursuant ORS 307.022 because 1121 Coburg Road, LLC, is a single-member LLC, wholly owned by Cascade Housing Association, a nonprofit corporation.

E. 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 Section 2.938 of the Eugene Code, 1971 (EC), and is in compliance with the policies set forth in Section 5 of the Standards and Guidelines adopted by Resolution No. 5297. In addition, the Community Development Manager found that the applicant has complied with the criteria for approval provided in EC 2.939(3), and the eligibility requirements at Section 2.10 of the Standards and Guidelines adopted by Resolution No. 5297.

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 1121 Coburg Road, LLC for an ad valorem property tax exemption under the City's Low-Income Rental Housing Property Tax Exemption Program for the property identified as Assessor's Map 17-03-20-41, Tax Lot 03300; Assessor's Property Account No. 0176147, and more particularly described on Exhibit A attached to this Resolution, which includes 2 one-bedroom units, 21 two-bedroom units, and 12 three-bedroom units, for a total of 35 bedrooms, as well as residential common areas because the applicant has failed to demonstrate satisfactory compliance with the criteria in Section 2.939(3) of the Eugene Code, 1971.

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 January, 2022.

City Recorder

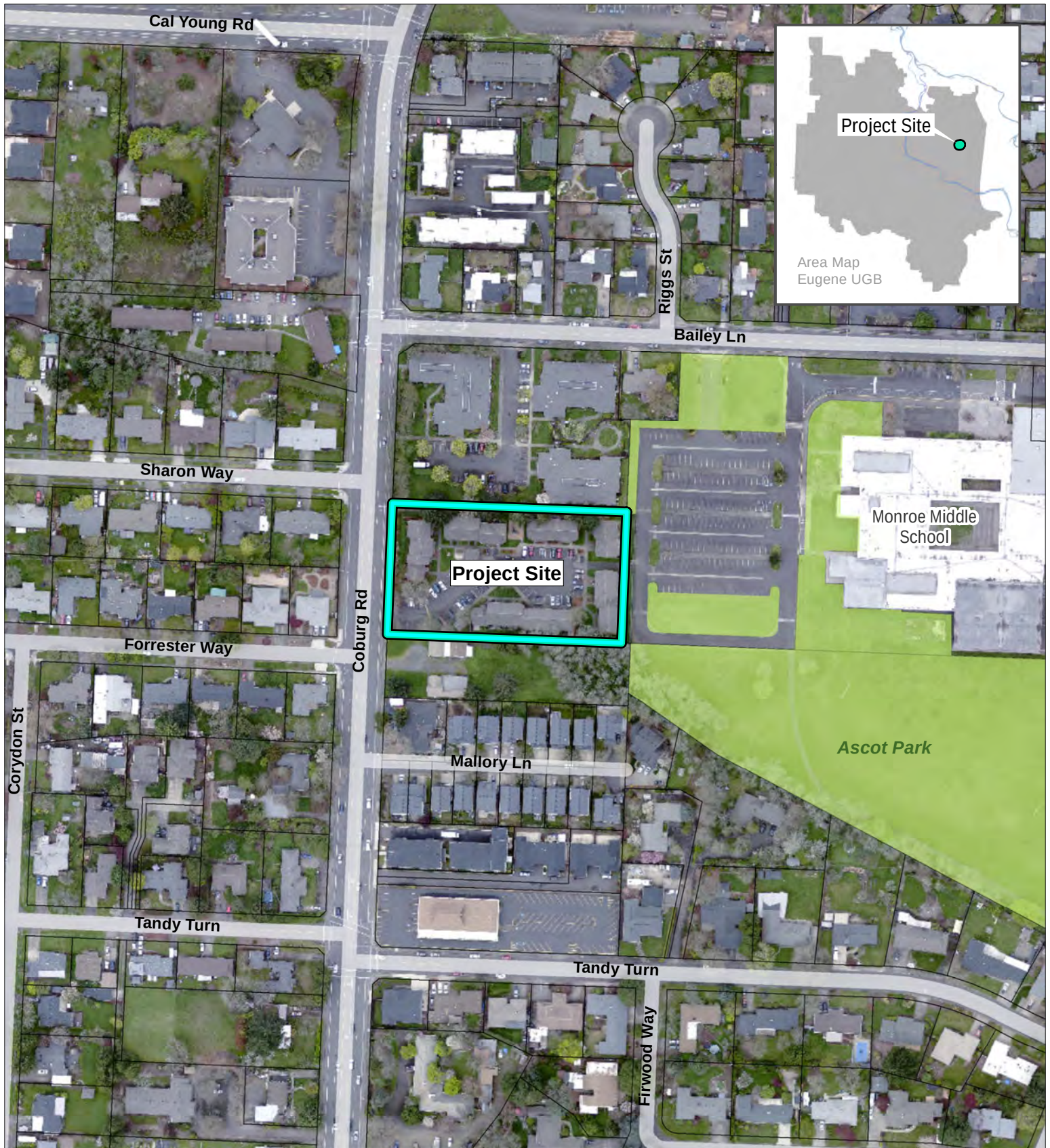
Exhibit A

Coburg Road Apartments Legal Description:

Beginning at a point 14.48 chains South of a point 79.57 chains North 89° 39' West from the Northeast corner of the A. McAlexander and wife Donation Land Claim No. 77, Notification No. 3261, in Township 17 South, Range 3 West of the Willamette Meridian; and running thence North along the West line of said tract 210 feet; thence South 89° 39' East parallel with the South line of said tract 415 feet; thence South 210 feet; and thence North 89° 39' West, 415 feet to the place of beginning, in Lane County Oregon.

EXCEPTING that part conveyed to the City of Eugene for roadway by deed recorded July 28, 1964, Reception No. 65070, Lane County Oregon Deed Records, in Lane County, Oregon.

Potential LIRHPTE: Coburg Road Apartments



Coburg Rd Apts

Orthophotography: 2021

Caution: This map is based on imprecise source data, subject to change, and for general reference only.

0 50 Feet



12/27/2021



EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Resolution Approving a Low-Income Rental Housing Property Tax Exemption for Lincoln Apartments

Meeting Date: January 24, 2022
Department: Planning and Development
www.eugene-or.gov

Agenda Item Number: 2D
Staff Contact: Laura Hammond
Contact Telephone Number: 541-682-5416

ISSUE STATEMENT

City Council is asked to approve a resolution for a new 20-year Low-Income Rental Housing Property Tax Exemption (LIRHPTE) for Lincoln Apartments, an apartment building currently under construction at 335 W. 11th Avenue. The owner of the property and the developer of the project is Lincoln Affordable Limited Partnership. The development will be targeted to low-income renters and consist of fifty-nine (59) low-income rental units.

BACKGROUND

Council adopted the LIRHPTE program in 1990. Since the adoption of the program, Council has approved tax exemptions for 36 affordable housing developments with over 1,500 units. Council unanimously approved extending the LIRHPTE program for an additional ten years in 2020. The ordinance also enables recipients to apply for renewal of the 20-year LIRHPTE when a prior LIRHPTE period has expired. Council has approved LIRHPTE renewals for over 380 units. Council reviews and takes action on each LIRHPTE request. Most recently, on January 10, 2022, Council approved a new LIRHPTE application for the Arthur Street Duplexes and a renewal LIRHPTE application for Green Leaf Village.

Projects must meet 10 criteria including requirements for rents and incomes limited to households with incomes at or below 60% of area median income (AMI). If an application meets the substantive criteria [EC 2.939(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; Council would need to make 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

The requested tax exemption is for Lincoln Apartments, a proposed 59-unit affordable housing development in the Downtown neighborhood (map in Attachment D). The development will be a five-story, elevator-served building consisting of 59 units (3 one-bedroom units, 8 two-bedroom units, and 48 three-bedroom units).

In 2018, Council approved a LIRHPTE for this property with a different development proposal for affordable housing. The developer was not able to acquire the property in the required timeframe

and then changed the scope of the project proposal. Now, the developer owns the property, has secured financing, and construction has started on the affordable housing development. Approval of the LIRHPTE application will allow developer to offer the units at an affordable rate.

The developer will offer 3 one-bedroom units at \$801 per month; 8 two-bedroom units at \$961 per month; 35 three-bedroom units at \$1,100 per month; and 13 three-bedroom units at \$555 per month (30% AMI). The apartments would not be able to achieve their proposed level of affordability without the City of Eugene property tax exemption. The requested exemption meets the substantive criteria [EC 2.939(2)(a)-(i)] as shown in the Report and Recommendation (Attachment A). No public comments were received during the public comment period.

PREVIOUS COUNCIL DIRECTION

[May 18, 2020](#) & [May 26, 2020](#)

City Council held a public hearing and approved a resolution and ordinance extending the LIRHPTE program to June 30, 2030, and updating program standards and guidelines.

COUNCIL OPTIONS

The City Council has two options:

1. Approve the tax exemption.
2. Deny the tax exemption.

CITY MANAGER'S RECOMMENDATION

Adopt the Resolution included in Attachment B approving a Low-Income Rental Housing Property Tax Exemption for Lincoln Apartments.

SUGGESTED MOTION

Move to adopt A Resolution Approving a Low-Income Rental Housing Property Tax Exemption for Property Located on W. 11th Avenue, Eugene, Oregon (Assessor's Map 17-03-31-13, Tax Lots 12900, 13000, 13100, 13200, and 13300; Assessor's Property Account Nos. 0262020, 0262012, 0261998, 0262004, and 0262038) (Applicant Lincoln Affordable Limited Partnership.)

ATTACHMENTS

- A. Report and Recommendation
- B. Draft Resolution Approving the Tax Exemption
- C. Draft Resolution Denying the Tax Exemption
- D. Map of the proposed site

FOR MORE INFORMATION

Staff Contact: Laura Hammond
Telephone: 541-682-5416
Staff E-Mail: LHammond@eugene-or.gov

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

**Application of Lincoln Affordable Limited Partnership
For Low-Income Rental Housing Property Tax Exemption
(Section 2.937 to 2.940 of the Eugene Code, 1971)
for Property at 335 W. 11th Avenue, Eugene, Oregon 97401
LINCOLN APARTMENTS**

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

1. Lincoln Affordable Limited Partnership (the applicant) owns real property located at 335 W. 11th Avenue, Eugene, Oregon 97401 (Assessor's Map 17-03-31-13 Tax Lots 12900, 13000, 13100, 13200, and 13300; Assessor's Property Account Nos. 0262020, 0262012, 0261998, 0262004, and 0262038). The applicant has a business mailing address of 1247 Villard Street, Eugene, Oregon 97403. The applicant has submitted an application for an exemption from ad valorem taxes through the City's Low-Income Rental Housing Property Tax Exemption (LIRHPTE) program (Sections 2.937 to 2.940 of the Eugene Code, 1971) for fifty-nine (59) low-income rental housing units (3 one-bedroom, 8 two-bedroom, and 48 three-bedroom units).

2. I have reviewed the application and find that the applicant has submitted all required materials and complies with the provisions of EC 2.939(2) and Sections 2.1 through 2.9 of the Standards and Guidelines adopted by Resolution No. 5297. Specifically, I find:

- (a) The property will be offered for rental 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 will be constructed after February 12, 1990.
- (d) The applicant has complied with the policies set forth in Section 5 of the Standards and Guidelines for Low-Income Rental Housing Property Tax Exemption adopted by council Resolution No. 5297 (Standards and Guidelines).
- (e) The proposed development is consistent with the City's Housing Dispersal Policy.
- (f) The proposed development does not cause displacement of low-income persons.
- (g) The proposed development does not cause destruction of historic properties, as defined by Eugene Code.

- (h) The proposed development is otherwise consistent with Eugene Code and adopted City regulations and policies.
- (i) The applicant has signed a Rent Regulatory Agreement as described in Section 5.1 of the Standards and Guidelines and said agreement will be in effect for the duration of the tax exemption period.
- (j) As described in Section 5.2 of the Standards and Guidelines, 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 to insure that the premises are maintained in decent, safe and sanitary conditions for the occupants.

3. Comments have been solicited from interested City departments, 4J School District, and the affected neighborhood group. No public comments were received.

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 30 day of ^{December}, 202²¹.

Print: Amanda Nobel Flannery Sign:  Amanda Nobel Flannery (Dec 30, 2021 19:13 PST)

Community Development Manager of the Planning and Development Department AIC

RESOLUTION NO. _____

A RESOLUTION APPROVING A LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTION FOR PROPERTY LOCATED ON W. 11TH AVENUE, EUGENE, OREGON (ASSESSOR'S MAP 17-03-31-13, TAX LOTS 12900, 13000, 13100, 13200, AND 13300; ASSESSOR'S PROPERTY ACCOUNT NOS. 0262020, 0262012, 0261998, 0262004, AND 0262038) (APPLICANT LINCOLN AFFORDABLE LIMITED PARTNERSHIP)

The City Council of the City of Eugene finds that:

A. Lincoln Affordable Limited Partnership located at 1247 Villard Street, Eugene, Oregon is the owner of real property located on W. 11th Avenue, Eugene, Oregon 97401 (Assessor's Map 17-03-31-13, Tax Lots 12900, 13000, 13100, 13200, and 13300; Assessor's Property Account Nos. 0262020, 0262012, 0261998, 0262004, and 0262038), more particularly described on Exhibit A attached to this Resolution (the Property).

B. Lincoln Affordable Limited Partnership has submitted an application for a low-income rental housing exemption from ad valorem taxes under the City's Low-Income Rental Housing Property Tax Exemption Program (EC 2.937 to 2.940) for the properties identified as Assessor's Map 17-03-31-13, Tax Lots 12900, 13000, 13100, 13200, and 13300; Assessor's Property Account Nos. 0262020, 0262012, 0261998, 0262004, and 0262038.

C. The Property includes 3 one-bedroom units, 8 two-bedroom units, and 48 three-bedroom units, for a total of 59 low-income rental units, as well as residential common areas. The applicant is seeking the tax exemption for the entire property.

D. In 2018, a previous applicant, 11thandLincoln LLC, applied for a low-income rental housing property tax exemption for 70 low-income units on the Property. 11thandLincoln LLC did not own the Property at the time the 2018 application was submitted, so the City Council's approval of that application in Resolution No. 5255 required that 11thandLincoln LLC take ownership of the Property on or before July 1, 2019, in order for the exemption to take effect. 11thandLincoln LLC did not acquire the Property by July 1, 2019, so the 2018 approval never took effect and the tax exemption was never granted to 11thandLincoln LLC.

E. 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 Lincoln Affordable Limited Partnership's 2021 application for a low-income rental housing exemption 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 EC 2.938, and is in compliance with the policies set forth in the Standards and Guidelines adopted by Resolution No. 5297. In addition, the Community Development Manager found that the applicant has complied with the criteria for approval provided in EC 2.939(2), and the eligibility requirements at Section 2.10 of the Standards and Guidelines adopted by Resolution No. 5297.

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 Lincoln Affordable Limited Partnership for an ad valorem property tax exemption under the City's Low-Income Rental Housing Property Tax Exemption Program for the property identified as Assessor's Map 17-03-31-13, Tax Lots 12900, 13000, 13100, 13200, and 13300; Assessor's Property Account Nos. 0262020, 0262012, 0261998, 0262004, and 0262038, and more particularly described on Exhibit A attached to this Resolution, which includes 3 one-bedroom units, 8 two-bedroom units, and 48 three-bedroom units, for a total of 59 low-income rental units, as well residential common areas.

Section 2. The land and units described in Section 1 above are declared exempt from local ad valorem property taxation commencing July 1, 2022, and continuing for a continuous period of 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, 2030, 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. 5297, 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 units, 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 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, 2022. 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 January, 2022.

City Recorder

Exhibit A

PARCEL 1:

A portion of Lot 8, Block 1, OSBURN'S ADDITION to Eugene, as platted and recorded in Book R, Page 427, Lane County Oregon Deed Records, in Lane County, Oregon, described as follows: Beginning at a point on the East line of Lot 8, which is North 44 feet from the Southeast corner of Lot 8; thence North 49.6 feet, more or less, along the East line to a point which is 68 feet South of the North line of Lot 8; thence West 70 feet; thence South 49.6 feet; thence East 70 feet to the point of beginning, in Lane County, Oregon.

PARCEL 2:

Beginning at the Southeast corner of Lot 8, Block 1, OSBURN'S ADDITION to Eugene, as platted and recorded in Book R, Page 427, Lane County Oregon Deed Records; thence West 70 feet; thence North 44 feet; thence East 70 feet; thence South 44 feet to the place of beginning, in Lane County, Oregon.

PARCEL 3:

Lots 7 and 8, Block 1, OSBURN'S ADDITION to Eugene, as platted and recorded in Book R, Page 427, Lane County Oregon Deed Records, in Lane County, Oregon.
EXCEPTING THEREFROM the East 70.0 feet of the South 93.60 feet of said Lot 8, Block 1, OSBURN'S ADDITION to Eugene, as platted and recorded in Book R, Page 427, Lane County Oregon Deed Records, in Lane County, Oregon.

RESOLUTION NO. _____

RESOLUTION DENYING A LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTION FOR PROPERTY LOCATED ON W. 11TH AVENUE, EUGENE, OREGON (ASSESSOR'S MAP 17-03-31-13, TAX LOTS 12900, 13000, 13100, 13200, AND 13300; ASSESSOR'S PROPERTY ACCOUNT NOS. 0262020, 0262012, 0261998, 0262004, AND 0262038) (APPLICANT LINCOLN AFFORDABLE LIMITED PARTNERSHIP)

The City Council of the City of Eugene finds that:

A. Lincoln Affordable Limited Partnership located at 1247 Villard Street, Eugene, Oregon is the owner of real property located on W. 11th Avenue, Eugene, Oregon 97401 (Assessor's Map 17-03-31-13, Tax Lots 12900, 13000, 13100, 13200, and 13300; Assessor's Property Account Nos. 0262020, 0262012, 0261998, 0262004, and 0262038), more particularly described on Exhibit A attached to this Resolution (the Property).

B. Lincoln Affordable Limited Partnership has submitted an application for a low-income rental housing exemption from ad valorem taxes under the City's Low-Income Rental Housing Property Tax Exemption Program (EC 2.937 to 2.940) for the properties identified as Assessor's Map 17-03-31-13, Tax Lots 12900, 13000, 13100, 13200, and 13300; Assessor's Property Account Nos. 0262020, 0262012, 0261998, 0262004, and 0262038.

C. The Property includes 3 one-bedroom units, 8 two-bedroom units, and 48 three-bedroom units, for a total of 59 low-income rental units, as well as residential common areas. The applicant is seeking the tax exemption for the entire property.

D. In 2018, a previous applicant, 11thandLincoln LLC, applied for a low-income rental housing property tax exemption for 70 low-income units on the Property. 11thandLincoln LLC did not own the Property at the time the 2018 application was submitted, so the City Council's approval of that application in Resolution No. 5255 required that 11thandLincoln LLC take ownership of the Property on or before July 1, 2019, in order for the exemption to take effect. 11thandLincoln LLC did not acquire the Property by July 1, 2019, so the 2018 approval never took effect and the tax exemption was never granted to 11thandLincoln LLC.

E. 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 Lincoln Affordable Limited Partnership's 2021 application for a low-income rental housing exemption 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 EC 2.938, and is in compliance with the policies set forth in the Standards and Guidelines adopted by Resolution No. 5297. In addition, the Community Development Manager found that the applicant has complied with the criteria for

approval provided in EC 2.939(2), and the eligibility requirements at Section 2.10 of the Standards and Guidelines adopted by Resolution No. 5297.

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 Lincoln Affordable Limited Partnership for an ad valorem property tax exemption under the City's Low-Income Rental Housing Property Tax Exemption Program for the property identified as Assessor's Map 17-03-31-13, Tax Lots 12900, 13000, 13100, 13200, and 13300; Assessor's Property Account Nos. 0262020, 0262012, 0261998, 0262004, and 0262038, and more particularly described on Exhibit A attached to this Resolution, which includes 3 one-bedroom units, 8 two-bedroom units, and 48 three-bedroom units, for a total of 59 low-income rental units, as well residential common areas, because the applicant has failed to demonstrate satisfactory compliance with the criteria in Section 2.939(2) of the Eugene Code, 1971.

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 January, 2022.

City Recorder

Exhibit A

PARCEL 1:

A portion of Lot 8, Block 1, OSBURN'S ADDITION to Eugene, as platted and recorded in Book R, Page 427, Lane County Oregon Deed Records, in Lane County, Oregon, described as follows: Beginning at a point on the East line of Lot 8, which is North 44 feet from the Southeast corner of Lot 8; thence North 49.6 feet, more or less, along the East line to a point which is 68 feet South of the North line of Lot 8; thence West 70 feet; thence South 49.6 feet; thence East 70 feet to the point of beginning, in Lane County, Oregon.

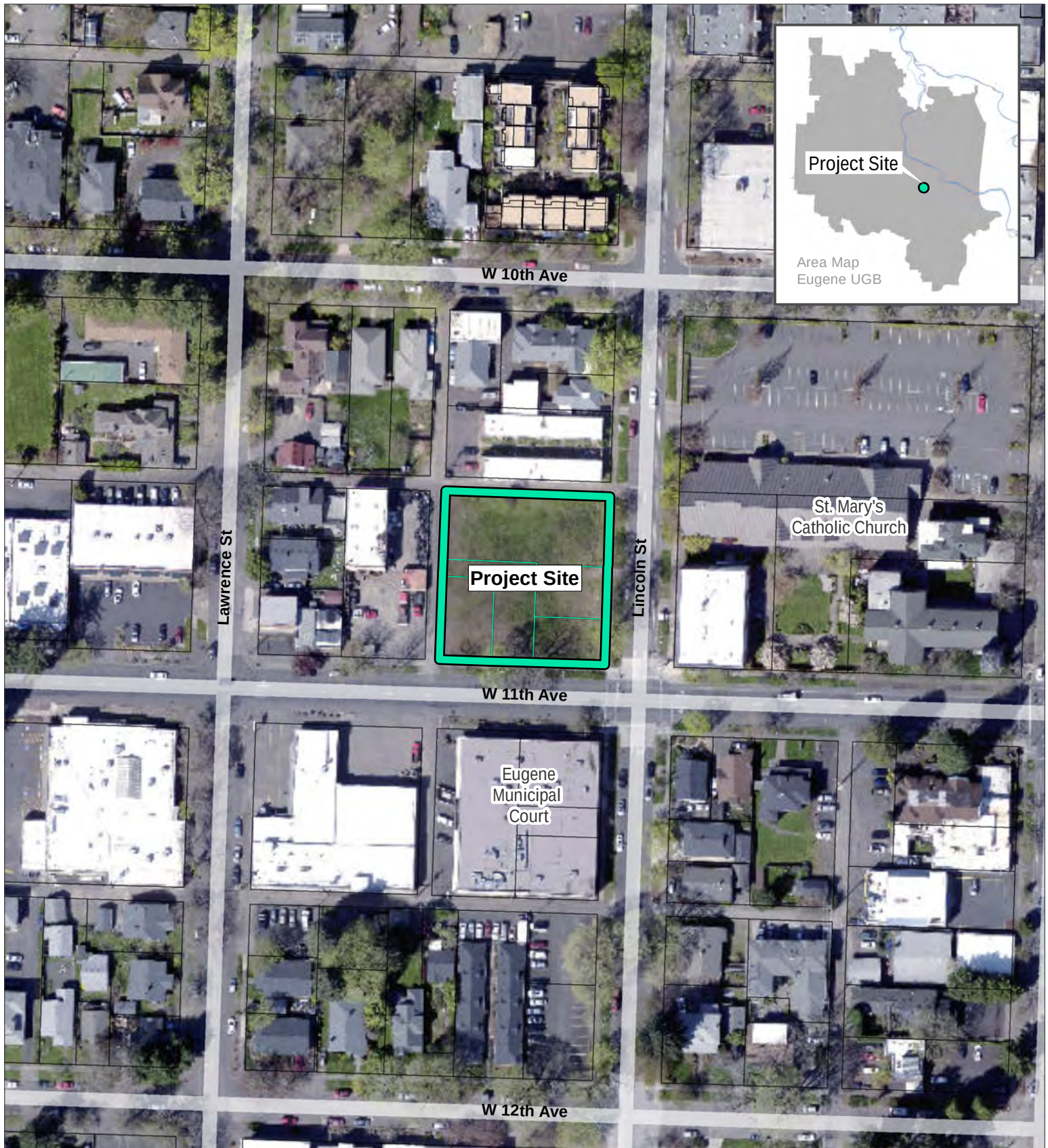
PARCEL 2:

Beginning at the Southeast corner of Lot 8, Block 1, OSBURN'S ADDITION to Eugene, as platted and recorded in Book R, Page 427, Lane County Oregon Deed Records; thence West 70 feet; thence North 44 feet; thence East 70 feet; thence South 44 feet to the place of beginning, in Lane County, Oregon.

PARCEL 3:

Lots 7 and 8, Block 1, OSBURN'S ADDITION to Eugene, as platted and recorded in Book R, Page 427, Lane County Oregon Deed Records, in Lane County, Oregon.
EXCEPTING THEREFROM the East 70.0 feet of the South 93.60 feet of said Lot 8, Block 1, OSBURN'S ADDITION to Eugene, as platted and recorded in Book R, Page 427, Lane County Oregon Deed Records, in Lane County, Oregon.

Potential LIRHPTE: Lincoln Apartments



-  Lincoln Apartments
-  Lincoln Apartment taxlots

Orthophotography: 2021
 Caution: This map is based on imprecise source data, subject to change, and for general reference only.

0 50 Feet 

12/27/2021



EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Public Forum

Meeting Date: January 24, 2022
Department: Central Services
www.eugene-or.gov

Agenda Item Number: 3
Staff Contact: Jessica Gebb
Contact Telephone Number: 541-682-8497

ISSUE STATEMENT

This segment allows citizens the opportunity to express opinions and provide information to the council. Testimony presented during the Public Forum should be on city-related issues and should not address items which have already been heard by a Hearings Official or are on the present agenda as a public hearing item.

SUGGESTED MOTION

No action is required; this is an informational item only.

FOR MORE INFORMATION

Staff Contact: Jessica Gebb
Telephone: 541-682-8497
Staff E-Mail: jgebb@eugene-or.gov

EUGENE CITY COUNCIL

AGENDA ITEM SUMMARY



Action: Adoption of a Resolution Approving a Low-Income Rental Housing Property Tax Exemption Renewal for Oak Leaf Village

Meeting Date: January 24, 2022
Department: Planning and Development
www.eugene-or.gov

Agenda Item Number: 4
Staff Contact: Ellen Meyi-Galloway
Contact Telephone Number: 541-682-5532

ISSUE STATEMENT

City Council is asked to adopt a resolution for a 20-year Low-Income Rental Housing Property Tax Exemption (LIRHPTE) renewal for Oak Leaf Village, an existing affordable housing development located at 205 Green Lane. Metropolitan Affordable Housing Corporation dba Cornerstone Community Housing (Cornerstone) is the applicant and the sole member of Oak Leaf Village, LLC, the owner of the property that is the subject of the application. The development includes 14 low-income rental units.

BACKGROUND

Council adopted the LIRHPTE program in 1990. Since the adoption of the program, Council has approved tax exemptions for 36 affordable housing developments with over 1,500 units. Council unanimously approved extending the LIRHPTE program for an additional ten years in 2020. The ordinance also enables recipients to apply for renewal of the 20-year LIRHPTE when a prior LIRHPTE period has expired. Council has approved LIRHPTE renewals for over 380 units. Council reviews and takes action on each LIRHPTE request. Most recently, on January 10, 2022, Council approved a LIRHPTE renewal application for Green Leaf Village and a new LIRHPTE application for Arthur Street Duplexes.

Projects must meet 10 criteria including requirements for rents and incomes limited to households with incomes at or below 60% of area median income (AMI). If an application meets the substantive criteria [EC 2.939(3)] 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; Council would need to make 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

The requested tax exemption is for Oak Leaf Village, an affordable housing development located at 205 Green Lane (see map in Attachment D). The development includes 14 low-income rental housing units. In January 2002, Council granted a LIRHPTE to Cornerstone (at that time Cornerstone was known as Metropolitan Affordable Housing Corporation) for the Oak Leaf Village development, and the property has provided low-income rental housing since then. Renewal of

Jan. 24, 2022 Meeting – Item 4

the LIRHPTE would preserve the affordability of the units for the next 20 years. Because the development has experienced financial problems, Cornerstone requested partial forgiveness of a HOME loan that it received from the City in 2001. Council will be considering that request along with this LIRHPTE application on January 24, 2022. The LIRHPTE renewal alone will not improve the financial stability of the development. The LIRHPTE renewal would allow the rents to remain low, and the savings from converting the payable loan to a forgivable loan would help pay for resident support services and capital improvements that will be required in coming years.

The property consists of 14 units: 1 three-bedroom unit and 13 two-bedroom units. The units currently have rents at \$936 (two-bedroom units) and \$1,068 (the three-bedroom unit) and are targeted to individuals and families at or below 60% of area median income (AMI). Without the tax exemption, Cornerstone would have to increase rents by approximately \$91 per unit per month to cover the cost of property taxes, which is significant to low-income households. The units would not be able to achieve this level of affordability without the property tax exemption.

The requested exemption meets the substantive criteria [EC 2.939(3)] as shown in the Report and Recommendation (Attachment A). No public comments were received during the public comment period.

PREVIOUS COUNCIL DIRECTION

[May 18, 2020](#) & [May 26, 2020](#)

City Council held a public hearing and approved a resolution and ordinance extending the LIRHPTE program to June 30, 2030 and updating program standards and guidelines.

[January 28, 2002](#)

City Council approved an initial LIRHPTE for Oak Leaf Village.

COUNCIL OPTIONS

The City Council has two options:

1. Approve the tax exemption.
2. Deny the tax exemption.

CITY MANAGER'S RECOMMENDATION

Adopt the Resolution included in Attachment B approving renewal of a Low-Income Rental Housing Property Tax Exemption for Oak Leaf Village.

SUGGESTED MOTION

Move to adopt A Resolution Approving a Low-Income Rental Housing Property Tax Exemption for Property Located on Green Lane in Eugene, Oregon (Assessor's Map 17-04-12-33, Tax Lot 00304; Assessor's Property Account No. 1740339) (Applicant Metropolitan Affordable Housing Corporation dba Cornerstone Community Housing).

Jan. 24, 2022 Meeting – Item 4

ATTACHMENTS

- A. Report and Recommendation
- B. Draft Resolution Approving the Tax Exemption
- C. Draft Resolution Denying the Tax Exemption
- D. Map of the proposed site

FOR MORE INFORMATION

Staff Contact: Ellen Meyi-Galloway
Telephone: 541-682-5532
Staff E-Mail: EMeyi-Galloway@eugene-or.gov

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

**Application of Metropolitan Affordable Housing Corporation dba Cornerstone
Community Housing
For Low-Income Rental Housing Property Tax Exemption
(Section 2.937 to 2.940 of the Eugene Code, 1971)
for Property at 205 Green Lane, Eugene, OR 97404
OAK LEAF VILLAGE**

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

1. On behalf of Oak Leaf Village, LLC, Metropolitan Affordable Housing Corporation dba Cornerstone Community Housing (Cornerstone or the applicant) has submitted an application for the real property known as Oak Leaf Village and located at 205 Green Lane, Eugene, OR 97404 (Assessor's Map 17-04-12-33 Tax Lot 00304; Assessor's Property Account No. 1740339). Cornerstone is the sole member of Oak Leaf Village, LLC, the owner of the property that is the subject of the application. The applicant has a business mailing address of PO Box 11923, Eugene, OR 97440. The applicant has submitted an application for an exemption from ad valorem taxes through the City's Low-Income Rental Housing Property Tax Exemption (LIRHPTE) program (Sections 2.937 to 2.940 of the Eugene Code, 1971) for fourteen (14) units of low-income housing (13 two-bedroom units and 1 three-bedroom unit).

2. The Oak Leaf Village housing development first received a Low-Income Rental Housing Property Tax Exemption (LIRHPTE) for the property in 2002. The residential units on the property have housed low-income households since that time. Under EC 2.940(5), in the final year of low-income housing tax exemptions, applications for subsequent low-income housing tax exemptions for the property may be submitted.

3. I have reviewed the application and find that the applicant has submitted all required materials and complies with the provisions of EC 2.939(3) and Sections 2.1 through 2.9 of the Standards and Guidelines adopted by Resolution No. 5297. 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 applicant's application was filed prior to July 1, 2030.
- (c) The property is owned by an LLC wholly owned by a nonprofit corporation organized in a manner that meets the criteria for a public benefit corporation as described under ORS 65.001(38).
- (d) The property is owned by an LLC wholly owned 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.

- (e) The applicant has complied with the policies set forth in Section 5 of the Standards and Guidelines for Low-Income Rental Housing Property Tax Exemption adopted by council Resolution No. 5297 (Standards and Guidelines).
- (f) The proposed development is consistent with the city's Housing Dispersal Policy.
- (g) The proposed development does not cause the displacement of low-income persons.
- (h) The proposed development does not cause destruction of historic properties.
- (i) The proposed development is otherwise consistent with the Eugene Code and adopted city regulations and policies.
- (j) The applicant has signed a Rent Regulatory Agreement as described in Section 5.1 of the Standards and Guidelines and said agreement will be in effect for the duration of the tax exemption period.
- (k) 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 to insure that the premises are maintained in decent, safe and sanitary conditions for the occupants.

4. Comments have been solicited from interested City departments, 4J School District, and the affected neighborhood group. No public comments were received.

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 30 day of December, 20²¹.

Print: Amanda Nobel Flannery Sign: 
GM
Amanda Nobel Flannery (Dec 30, 2021 08:35 PST)

Community Development Manager of the Planning and Development Department (AIC)

RESOLUTION NO. _____

A RESOLUTION APPROVING A LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTION FOR PROPERTY LOCATED ON GREEN LANE IN EUGENE, OREGON (ASSESSOR'S MAP 17-04-12-33, TAX LOT 00304; ASSESSOR'S PROPERTY ACCOUNT NO. 1740339) (APPLICANT METROPOLITAN AFFORDABLE HOUSING CORPORATION DBA CORNERSTONE COMMUNITY HOUSING)

The City Council of the City of Eugene finds that:

A. Oak Leaf Village, LLC (P.O. Box 5848, Eugene, Oregon, 97405) is the owner of real property located on Green Lane in Eugene, Oregon (Assessor's Map 17-04-12-33, Tax Lot 00304; Assessor's Property Account No. 1740339), more particularly described in Exhibit A attached to this Resolution (the Property).

B. The Oak Leaf Village housing development first received a Low-Income Rental Housing Property Tax Exemption (LIRHPTE) for the property in 2002. The residential units on the property have housed low-income households since that time. Under EC 2.940(5), in the final year of low-income housing tax exemptions, applications for subsequent low-income housing tax exemptions for the property may be submitted.

C. Metropolitan Affordable Housing Corporation dba Cornerstone Community Housing (P.O. Box 11923, Eugene, Oregon, 97440) (the applicant) has submitted an application for an exemption from ad valorem taxes on the Property beginning July 1, 2022, under the City's Low-Income Rental Housing Property Tax Exemption Program (EC 2.937 to 2.940).

D. The tax exemption being sought for the Property includes for 13 two-bedroom low-income units and 1 three-bedroom low-income unit, for a total of 14 low-income units. The applicant is seeking the tax exemption for the entire property.

E. Oak Leaf Village, LLC, is eligible for the LIRHPTE pursuant ORS 307.022 because Oak Leaf Village, LLC, is a single-member LLC, wholly owned by Metropolitan Affordable Housing Corporation dba Cornerstone Community Housing, a nonprofit corporation.

F. 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 Section 2.938 of the Eugene Code, 1971 (EC), and is in compliance with the policies set forth in Section 5 of the Standards and Guidelines adopted by Resolution No. 5297. In addition, the Community Development Manager found that the applicant has complied with the criteria for approval provided in EC 2.939(3), and the eligibility requirements at Section 2.10 of the Standards and Guidelines adopted by Resolution No. 5297.

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 Metropolitan Affordable Housing Corporation dba Cornerstone Community Housing for an ad valorem property tax exemption under the City's Low-Income Rental Housing Property Tax Exemption Program for the Property identified as Assessor's Map 17-04-12-33, Tax Lot 00304; Assessor's Property Account No. 1740339; and more particularly described on Exhibit A attached to this Resolution, which includes 13 two-bedroom low-income units and 1 three-bedroom low-income unit, for a total of 14 low-income units.

Section 2. The land and units described in Section 1 above are declared exempt from local ad valorem property taxation commencing July 1, 2022, and continuing for a continuous period of 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 July 1, 2030, 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. 5297, 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 units, 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 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, 2022. 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 January, 2022.

City Recorder

EXHIBIT A

Real property in the County of **Lane**, State of Oregon, described as follows:

**Parcel 1 of Land Partition Plat No. 2004-P1772, Recorded April 5, 2004,
Document No. 2004-024156, in Lane County, Oregon.**

RESOLUTION NO. _____

RESOLUTION DENYING A LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTION FOR PROPERTY LOCATED ON GREEN LANE IN EUGENE, OREGON (ASSESSOR'S MAP 17-04-12-33, TAX LOT 00304; ASSESSOR'S PROPERTY ACCOUNT NO. 1740339) (APPLICANT METROPOLITAN AFFORDABLE HOUSING CORPORATION DBA CORNERSTONE COMMUNITY HOUSING)

The City Council of the City of Eugene finds that:

A. Oak Leaf Village, LLC (P.O. Box 5848, Eugene, Oregon, 97405) is the owner of real property located on Green Lane in Eugene, Oregon (Assessor's Map 17-04-12-33, Tax Lot 00304; Assessor's Property Account No. 1740339), more particularly described in Exhibit A attached to this Resolution (the Property).

B. The Oak Leaf Village housing development first received a Low-Income Rental Housing Property Tax Exemption (LIRHPTE) for the property in 2002. The residential units on the property have housed low-income households since that time. Under EC 2.940(5), in the final year of low-income housing tax exemptions, applications for subsequent low-income housing tax exemptions for the property may be submitted.

C. Metropolitan Affordable Housing Corporation dba Cornerstone Community Housing (P.O. Box 11923, Eugene, Oregon, 97440) (the applicant) has submitted an application for an exemption from ad valorem taxes on the Property beginning July 1, 2022, under the City's Low-Income Rental Housing Property Tax Exemption Program (EC 2.937 to 2.940).

D. The tax exemption being sought for the Property includes for 13 two-bedroom low-income units and 1 three-bedroom low-income unit, for a total of 14 low-income units. The applicant is seeking the tax exemption for the entire property.

E. Oak Leaf Village, LLC, is eligible for the LIRHPTE pursuant ORS 307.022 because Oak Leaf Village, LLC, is a single-member LLC, wholly owned by Metropolitan Affordable Housing Corporation dba Cornerstone Community Housing, a nonprofit corporation.

F. 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 Section 2.938 of the Eugene Code, 1971 (EC), and is in compliance with the policies set forth in Section 5 of the Standards and Guidelines adopted by Resolution No. 5297. In addition, the Community Development Manager found that the applicant has complied with the criteria for approval provided in EC 2.939(3), and the eligibility requirements at Section 2.10 of the Standards and Guidelines adopted by Resolution No. 5297.

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 Metropolitan Affordable Housing Corporation dba Cornerstone Community Housing for an ad valorem property tax exemption under the City's Low-Income Rental Housing Property Tax Exemption Program for the property identified as Assessor's Map 17-04-12-33, Tax Lot 00304; Assessor's Property Account No. 1740339, and more particularly described on Exhibit A attached to this Resolution, which includes 13 two-bedroom units and 1 three-bedroom unit, for a total of 14 units because the applicant has failed to demonstrate satisfactory compliance with the criteria in Section 2.939(3) of the Eugene Code, 1971.

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 January, 2022.

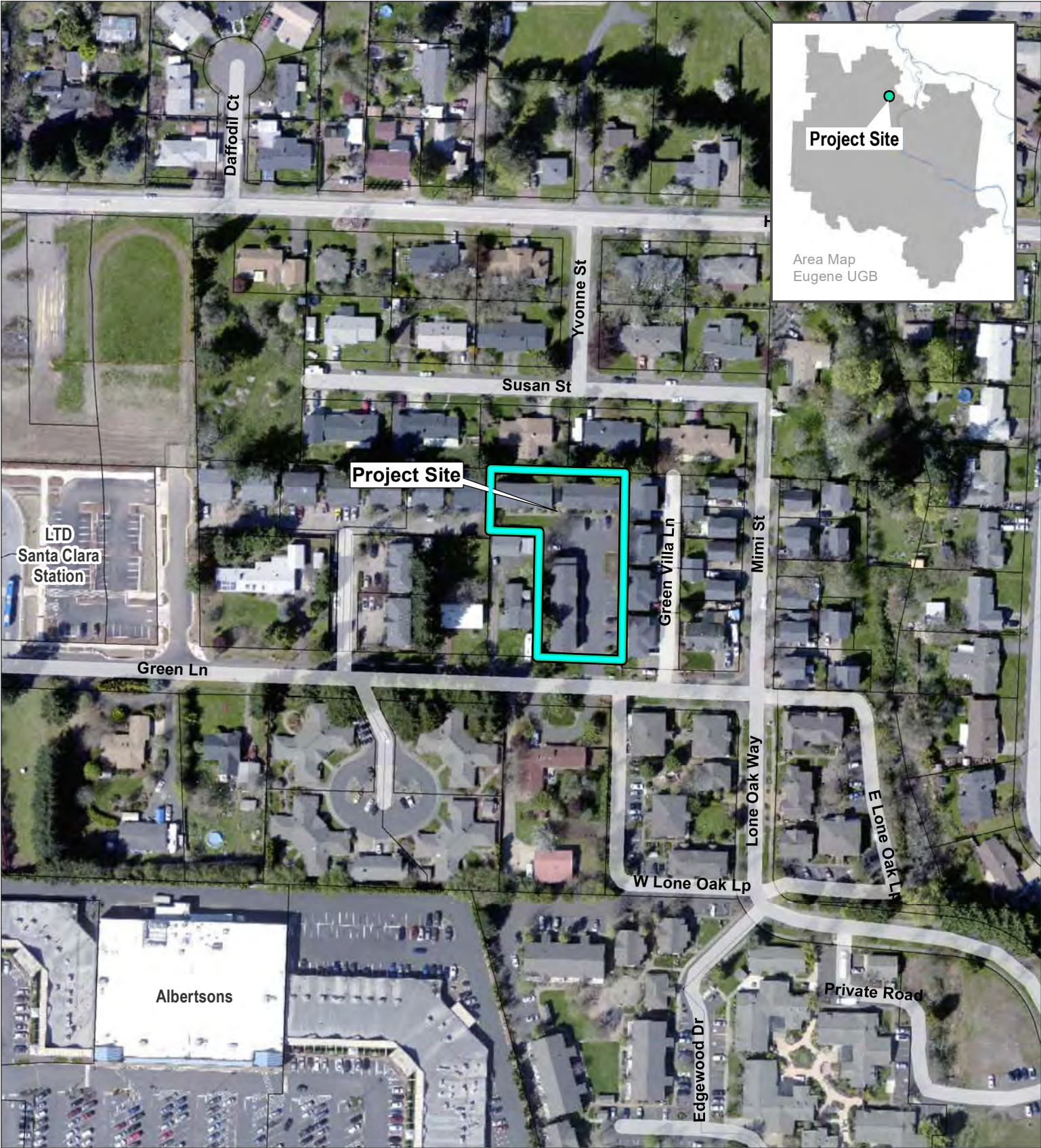
City Recorder

EXHIBIT A

Real property in the County of **Lane**, State of Oregon, described as follows:

**Parcel 1 of Land Partition Plat No. 2004-P1772, Recorded April 5, 2004,
Document No. 2004-024156, in Lane County, Oregon.**

Potential LIRHPTE: Oak Leaf Village



 Oak Leaf Village

Orthophotography: 2021
Caution: This map is based on imprecise source data, subject to change, and for general reference only.

0 50 Feet 

12/27/2021



EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Action: Conditional HOME Loan Forgiveness for Oak Leaf Village

Meeting Date: January 24, 2022
Department: Planning and Development
www.eugene-or.gov

Agenda Item Number: 5
Staff Contact: Ellen Meyi-Galloway
Contact Telephone Number: 541-682-5532

ISSUE STATEMENT

City Council is asked to consider authorizing the City Manager to execute the necessary documents to amend the terms of a 2001 HOME Investment Partnership Program (HOME) loan for Oak Leaf Village so that no further loan payments will be required and the loan balance will be forgiven at the end of the loan term in 2031 as long as Oak Leaf Village remains an affordable housing development throughout the term of the loan. Metropolitan Affordable Housing Corporation dba Cornerstone Community Housing (Cornerstone) is the sole member of Oak Leaf Village, LLC, the owner of the property. The development includes 14 low-income rental units. The conditional forgiveness of the HOME loan would allow Cornerstone to maintain Oak Leaf Village as affordable housing and allocate resources for resident support services and capital improvements.

BACKGROUND

The HOME program is a federal program administered by the U.S. Department of Housing and Urban Development (HUD). In 1992, the cities of Eugene and Springfield formed the Eugene-Springfield HOME Consortium in order to manage the annual allocation of HOME funds. Over the decades of the HOME program, the City has provided almost all HOME funds to projects as grants, or more recently, as 0% interest, deferred payment, forgivable loans. Deferred payment, forgivable loans are only repayable to the City if the developer fails comply with affordability and other restrictions imposed by the City as a condition of awarding the HOME funds. In other words, the award of funds as a deferred payment, forgivable loan, means that as long as the project continues to meet rent affordability requirements, no loan payments are made to the City and the loan balance is forgiven at the end of the loan period. By structuring the award of HOME funds as forgivable loans, the City ensures that the project will remain affordable over the loan period or, if not, that the HOME funds will be repaid to the City.

In 2001, Council awarded Cornerstone HOME funds to acquire and build Oak Leaf Village, a 14-unit development located in the Santa Clara neighborhood at 205 Green Lane. The development includes residential common areas, 13 two-bedroom units and 1 three-bedroom unit for a total of 29 bedrooms. The total HOME award was \$650,000 and was structured as a \$300,000 grant, which was not required to be repaid, and a \$350,000 loan, which was required to be repaid at 5% interest over a 30 year period. As noted above, the repayable loan – which was proposed by Cornerstone when they applied for HOME funding – is unusual in the HOME program. Of the 38 active HOME loans in Eugene, only 3 are repayable loans because the low rental income of the

projects does not support much debt service (cash flow for loan repayment), and most developments have private bank loans with interest as well. Although there are few records related to the 2001 HOME award, Cornerstone may have received additional consideration over other applicants for their proposal to treat the loan amount as repayable rather than a forgivable loan or a grant.

Summary of Cornerstone's request for financial relief

At the time the loan was proposed, Cornerstone expected that the Oak Leaf Village development would generate enough rental income to repay the loan. However, compared to the 2001 projections, the development's rental income is lower than expected, and the property's expenses and annual debt payments are higher. The rental income is restricted by rent limits established by HUD as a calculation of area median income, which has not increased as quickly as projected due to broad economic factors.

To improve financial stability, Cornerstone refinanced the private bank loan that is one piece of the financing for Oak Leaf Village in 2008 and 2017. Additionally, in 2017, the City likewise reduced the interest rate on the HOME loan from 5% to 3% to improve the development's financial position. Cornerstone submitted financial documentation for the development showing that, despite these attempts to improve financial stability, the development continues to struggle financially because operating costs and loan payments continue to exceed rental income. To stabilize the project, Cornerstone requested that the remaining balance of the HOME loan be forgiven.

Although the project has struggled financially, Cornerstone has maintained a positive repayment history with the City. Since the beginning of the loan term, Cornerstone has paid a total of \$434,204 on the \$350,000 HOME loan including \$176,462 in principal and \$257,742 in interest. The balance on the loan as of December 29, 2021 is \$173,867 including principal and interest accrued. Cornerstone pays approximately \$20,000 per year on this HOME loan. Without the HOME loan payments, Cornerstone has stated it would use those funds that would have gone toward the HOME loan to keep the project's rents affordable, pay for resident support services, and pay for capital improvements that will be required in coming years including roof replacements, multiple applications of exterior paint, asphalt repair, replacement of wood fencing and more.

The HOME loan payments collected from Cornerstone are received by the City as HOME program income. Those resources are awarded to new HOME projects through the annual housing development RFP. The amount of funding (\$20,000 per year) is not significant for a new construction project, but the same amount would be a significant savings to Oak Leaf Village. Staff believes that the result of the proposed HOME loan modifications would be preservation and financial stability for the existing housing development, which in staff's estimation is as important as creating new affordable housing units.

Cornerstone has also applied for a Low-Income Rental Housing Property Tax Exemption (LIRHPTE), which if granted, will run through 2042. Council will consider the LIRHPTE application on January 24, 2022. Cornerstone has indicated to staff that both the LIRHPTE and the HOME loan modification are necessary to improve the financial stability of the development.

Recommendation that Council condition loan forgiveness on Cornerstone's commitment to maintain the project for affordable housing

To increase the overall supply of affordable housing units in the community, it is necessary to both preserve existing units and create new units. Staff reviewed the financial documentation and materials provided by Cornerstone, demonstrating the development's financial difficulties. Staff determined that in the best interest of maintaining the existing affordable housing developments to preserve the City's affordable housing stock, the City's interests are better served by preserving Oak Leaf Village than by collecting loan payments.

Due to the importance and need for preserving existing affordable housing, staff support providing financial relief for Oak Leaf Village. The balance of the HOME loan is currently due by June 1, 2031 but the legal requirement that Cornerstone maintain the Oak Leaf Village project for low-income rental housing is set to expire on June 30, 2022 with the end of the 20-year HOME program affordability period. The City could provide Cornerstone with some financial relief and ensure that the development remains affordable to households earning no more than 60% of area median income for an additional nine years if Council authorizes the City Manager to work with Cornerstone to convert the loan to a 0% interest, deferred payment forgivable loan, on the condition that Cornerstone agrees to extend the affordability restrictions through June 1, 2031 (when the loan is due). If Cornerstone maintains the affordability of the project through June 1, 2031, no further loan payments would be required, and the remaining loan balance would be forgiven. This approach balances the City's interest in maintaining the project for affordable rental housing while also providing meaningful financial relief to Cornerstone.

PREVIOUS COUNCIL DIRECTION

[March 5, 2001](#)

City Council approved the use of HOME funds, through a combination of loan and grant, for Oak Leaf Village (previously called Green Lane Family Housing).

COUNCIL OPTIONS

The City Council has three options:

1. Authorize the City Manager to execute the necessary documents to convert the payable Oak Leaf Village HOME loan to a 0% interest, deferred payment, forgivable loan, on the condition that the development's current affordability restrictions are maintained through June 1, 2031.
2. Do not authorize the City Manager to execute the necessary documents to convert the payable loan to a forgivable loan.
3. Authorize the City Manager to execute the necessary documents to make specific modifications to the Oak Leaf Village HOME loan as determined by the City Council.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends Council select option 1.

SUGGESTED MOTION

Move to authorize the City Manager to execute the necessary documents to convert the payable Oak Leaf Village HOME loan to a 0% interest, deferred payment, forgivable loan, on the condition that the development's current affordability restrictions are maintained through June 1, 2031.

FOR MORE INFORMATION

Staff Contact: Ellen Meyi-Galloway
Telephone: 541-682-5532
Staff E-Mail: EMeyi-Galloway@eugene-or.gov

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Action: Resources for Housing Affordable to Low-Income Persons

Meeting Date: January 24, 2022
Department: Planning & Development
www.eugene-or.gov

Agenda Item Number: 6
Staff Contact: Ellen Meyi-Galloway
Contact Telephone Number: 541-682-5532

ISSUE STATEMENT

City Council is asked to approve the use of Federal HOME Investment Partnerships Program (HOME) funds for proposals submitted in response to the Eugene-Springfield HOME Consortium's 2021 Affordable Housing Request for Proposals (RFP). The two new construction proposals recommended for funding are: 1) Polk 2.0, by DevNW, for 12 units of permanent supportive housing and rental housing targeted to former foster youth and other system-engaged youth (age 16-24) experiencing homelessness and at risk of homelessness; and 2) The Coleman, by Homes for Good Housing Agency (Homes for Good), for 51 units of permanent supportive housing for persons with histories of conviction.

BACKGROUND

The Affordable Housing RFP process is guided by the priority needs and strategies identified in the Eugene-Springfield 2020 Consolidated Plan, the One-Year Action Plans, and the Eugene-Springfield HOME Intergovernmental Agreement.

The Consolidated Plan identified priority needs for five populations including low-income renters, low-income homeowners, people experiencing homelessness, people with special needs, and unemployed/underemployed persons. The Consolidated Plan established a 5-year goal to increase the affordable housing supply by 400 units using federal HOME funds. Since plan adoption in April 2020, 301 units are either complete, under construction, or in the pipeline to be constructed by 2025.

HOME Program

One way the City expands affordable housing opportunities for low-income persons is through the HOME Program, a federal program administered by the U.S. Department of Housing and Urban Development (HUD). In 1992, the cities of Eugene and Springfield formed the Eugene-Springfield HOME Consortium in order to increase the amount of HOME funds received and to enable funding of HOME activities in Springfield. Eugene receives the HOME funds from HUD on behalf of the HOME Consortium and is responsible for the oversight and administration of HOME funds in the entire Consortium area.

HOME funds are offered as a development subsidy through the Affordable Housing RFP process. The HOME Consortium Governing Board makes final decisions on the use of HOME funds for development projects based on the input from the Board's Evaluation Committee and the recommendations of the Eugene and Springfield City Councils. The Governing Board is composed of the Eugene and Springfield Mayors, one Springfield City Councilor, and one Eugene City Councilor. City of Eugene is represented by Mayor Vinis and Councilor Semple.

RFP Process

Through the 2021 Affordable Housing RFP, \$2,846,913 were made available for projects in Eugene and Springfield that addressed the needs of very-low income persons and special needs populations, with \$1,130,623 available for Eugene and \$1,716,290 available for Springfield.^a Two proposals were received for eligible developments in Eugene with a total request of \$1,680,623 (see a map of the proposals in Attachment A). No proposals were received for eligible developments in Springfield.

Summary of Proposals

The following proposal summaries are presented in order of their ranking by the Evaluation Committee. The Evaluation Committee scores were extremely close as both proposals were noted to be very strong (see Attachments B and C for images and additional information about each proposal).

Polk 2.0 – DevNW requested \$550,000 in HOME funds to build 6 permanent supportive housing units, 6 rental housing units and one on-site manager unit at 89 North Polk Street in the Whiteaker neighborhood. The new, 2-story building would include 12 Single Room Occupancy (SRO) units and common space. The SROs would be targeted to youth entering independence from foster care and other system-engaged youth including youth experiencing homelessness and at risk of homelessness. Five units would be reserved for residents earning no more than 30% Area Median Income (AMI) and seven units would be reserved for residents earning no more than 60% AMI.

The Coleman – Homes for Good requested \$1,130,623 in HOME funds to build 51 permanent supportive housing units and one on-site manager unit in partnership with Sponsors, Inc. on Lane County donated land at the northeast corner of Highway 99 North and Roosevelt Boulevard in the Trainsong neighborhood. The new, 4-story building would include 11 studio apartments, 40 one-bedroom apartments, common space, and first floor commercial space for Sponsors, Inc. to provide services to residents and other clients. All units would be targeted to persons with histories of conviction. Fifteen units would be reserved for residents earning no more than 50% AMI and 36 units would be reserved for residents earning no more than 60% AMI.

Evaluation Committee Scoring

In the evaluation process, the Evaluation Committee scores and ranks the proposals for consideration of the applicable City Council and the Governing Board. The proposals were

^a Although housing development funds have been offered each year for Springfield projects, City of Springfield last funded a HOME proposal through the 2018 Affordable Housing RFP. The Springfield project proposal approved through the 2019 RFP withdrew from the award and did not move forward; no proposals were received for Springfield in 2020 or 2021. As a result, Springfield's amount has accumulated.

reviewed according to the following criteria: 1) project concept and design, 2) site feasibility, 3) targeted population and services, 4) cost benefit, 5) financial feasibility, and 6) organizational experience and performance. The evaluation includes a cost comparison analysis that compares development proposal financing with recent past projects. The comparison has many factors, including acquisition costs, development soft costs, hard construction costs, total development cost, cost per unit, cost per square foot, cost per bedroom and more. When compared to several similar recent developments (all one-building developments) costs have gone up significantly and as expected given inflation of construction costs and materials in the overall construction market.

Evaluation Committee members included: Eugene Councilor Emily Semple; Springfield Councilor Kori Rodley; Isabelle Matthews, who represents the Springfield Community Development Advisory Committee; Amy Wilson with Catholic Community Services representing low-income populations; and Daniel Ivy, Consumer Loan Center Manager with Northwest Community Credit Union. The Evaluation Committee also invites representatives from each neighborhood where the proposed projects were located. Dan Schmid represented the Whiteaker Community Council. The Trainsong neighborhood association is not currently active, and none of the Trainsong neighbors contacted were able to participate on the Evaluation Committee.

At the public hearing, the one participant was a neighbor who spoke in favor of the Polk 2.0 proposal. There were no written comments received.

Funding Both Proposals

The projects cannot proceed without the funds requested in the proposals. After funding the top scoring proposal (Polk 2.0), there would be \$580,623 in Eugene's portion of HOME funds for The Coleman. That would leave a financing gap in The Coleman. After factoring in the City Fee Assistance the Coleman will receive as a result of Council's adopted Supplemental Budget, The Coleman would need an additional \$468,143 to be fully funded.^b

The Eugene-Springfield HOME Consortium has a mechanism that could support fully funding The Coleman. The Consortium Governing Board adopted a policy in January 2019 to allow flexibility in allocating HOME funds between jurisdictions ("the Flexibility Policy"). It provides a way for a jurisdiction to "borrow" HOME funds from the other jurisdiction and re-pay the funds in a subsequent year. From HUD's perspective, all Consortium funds are the same, so the policy is an internal procedure. Springfield has a large HOME allocation accrued for development projects (over \$1.7 million) and did not receive any proposals this year, so Springfield could consider a request from Eugene to borrow the needed \$468k for The Coleman through the Flexibility policy.

Through the Flexibility Policy, Eugene Governing Board members make a request to the Springfield Governing Board members to borrow HOME funds. If the Springfield Governing Board members decide to lend the funds, the full Governing Board may approve the full funding award

^b The December 13, 2021 Supplemental Budget includes American Rescue Plan Act (ARPA) funds for City Fee Assistance for Affordable Housing projects. The Coleman's RFP proposal included about \$80k in HOME funds request that will instead be covered by the City Fee Assistance.

for the project. If the Springfield Governing Board members decide not to lend the funds, the full Governing Board would only approve the Eugene allocation of HOME funds for the project.

One consideration for Eugene in borrowing HOME funds from Springfield's HOME allocation is that the funds would need to be repaid in the subsequent year. This would cause Eugene to have fewer HOME resources available in next year's RFP. Additionally, HUD does not know what the Consortium's HOME allocation will be for the next fiscal year, so the amount that will be available in next year's RFP is unpredictable. But being able to fully fund The Coleman through this RFP process will mean the project is able to move forward and apply for State funding to complete the financing necessary to bring the PSH units online.

HOME funds have an expiration date at which time HUD recaptures old unspent resources. Steady expenditure of HOME funds helps to alleviate any risk of recapture. Because Springfield has not supported a project in a few years, and one previously awarded Eugene project has experienced delays due to financing, it is important to move forward with viable project proposals and expend resources.

If the Eugene City Council recommends approval of project proposals recommended by the Evaluation Committee, final HOME funding decisions (including use of the Flexibility Policy and allocating resources between jurisdictions) will be considered by the HOME Consortium Governing Board at a public meeting to be held February 10, 2022.

HIP

The Polk 2.0 and The Coleman will contribute to the Housing Implementation Pipeline (HIP) goals. The HIP is the 5-year internal work plan to coordinate current and future resources, goals, and priorities with a systems-thinking approach to housing across the full spectrum from people experiencing homelessness to overall housing supply. Specifically, these two projects would provide 57 PSH units towards the 5-year goal of 210 units and 6 units of other Affordable Housing towards the 5-year goal of 500 units.

PREVIOUS COUNCIL DIRECTION

[December 13, 2021](#)

City Council adopted the Supplemental Budget including American Rescue Plan Act dollars for City Fee Assistance that will benefit the two HOME project proposals (Polk 2.0 & The Coleman).

[April 27, 2020](#)

City Council adopted the Annual Action Plan that includes the allocation of HOME funds for development projects that was approved by the HOME Consortium Governing Board.

COUNCIL OPTIONS

City Council has four options:

1. Recommend full funding for Polk 2.0 utilizing \$550,000 in HOME funds from the City of Eugene's HOME allocation and recommend full funding for The Coleman utilizing \$580,623 in HOME funds from the City of Eugene's HOME allocation and, if Springfield agrees pursuant to the HOME Consortium's Flexibility Policy, \$468,143 in HOME funds from the City of Springfield's HOME allocation.
2. Recommend full funding for Polk 2.0 utilizing \$550,000 in HOME funds from the City of Eugene's HOME allocation and partial funding for The Coleman utilizing \$580,623 in HOME funds from the City of Eugene's HOME allocation.
3. Approve use of funding for the two projects with specific modifications as determined by the City Council.
4. Decline to approve funding for one or more of the proposed projects.

CITY MANAGER'S RECOMMENDATION

The City Manager recommends Council select option 1.

SUGGESTED MOTIONS

Move to recommend full funding of \$550,000 for Polk 2.0, utilizing \$550,000 in HOME funds from the City of Eugene's HOME allocation. In addition, move to recommend full funding of \$1,048,766 for The Coleman, utilizing \$580,623 in HOME funds from the City of Eugene's HOME allocation and, if Springfield agrees pursuant to the HOME Consortium's Flexibility Policy, \$468,143 in HOME funds from the City of Springfield's HOME allocation.

ATTACHMENTS

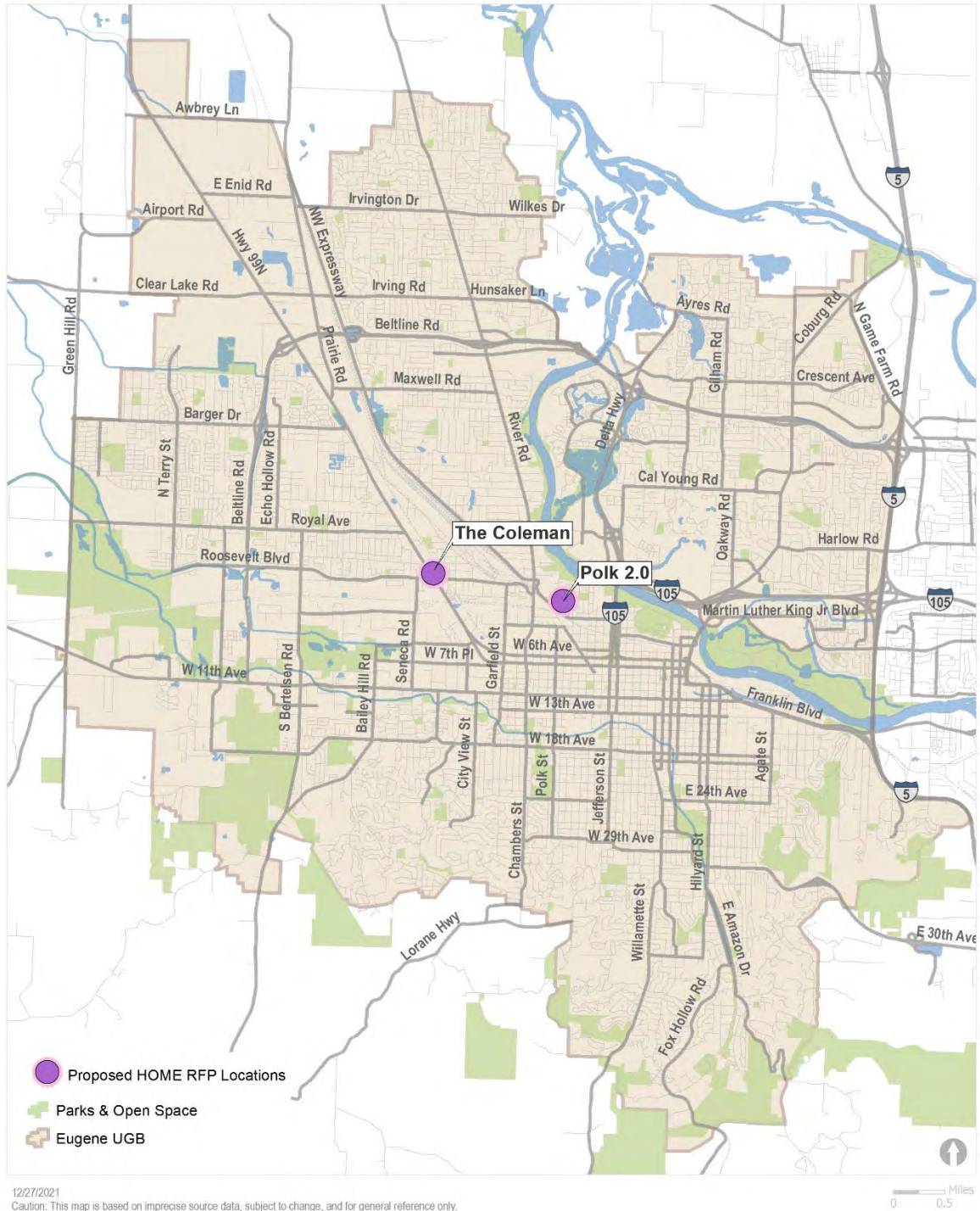
- A. Map of the two development proposals
- B. Summary of Polk 2.0
- C. Summary of The Coleman

FOR MORE INFORMATION

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2021 HOME RFP Proposed Locations



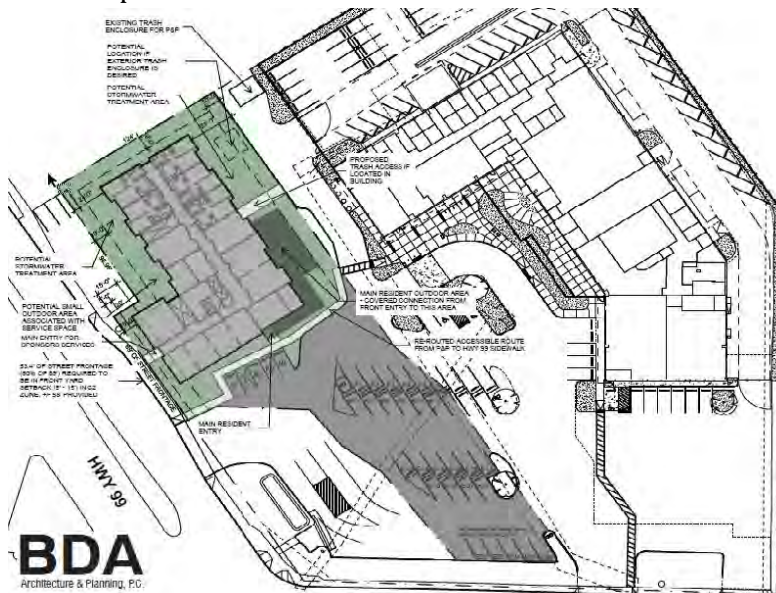
Polk 2.0
DevNW
89 N. Polk Street

- New construction proposal
- 13 units: 12 Single Room Occupancy (SROs), 1 two-bedroom manager unit
- 12 units targeted to households earning no more than 30% and 60% of AMI and one on-site manager
- Serving system-engaged youth age 16-24 experiencing homelessness or at risk of homelessness as a phase 2 for the Polk Street Apartments development
- 6 units designated as permanent supportive housing with rent assistance to help residents pay no more than 30% of their income for housing
- SROs include bathrooms and basic kitchenettes
- Two-story building with outdoor gathering spaces, community garden, large meeting room/lounge, kitchen, laundry, and flex space.
- Helps advance PSH goals in the drafted Housing Implementation Pipeline (HIP) and the City/County TAC Report



- \$646,000 in City funds:
 - HOME funds \$550,000
 - City Fee Assistance \$96,000
- Total development cost: \$2,948,166
- Cost per unit: \$226,782
- Cost per square foot: \$506
- Other proposed funding sources: Oregon Housing and Community Services Small Projects funds, Lane County Housing Improvement Program grant, private bank loan
- Property has a LIRHPTE from the acquisition of phase I Polk Street Apartments in 2014

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- Jan. 24, 2022 Meeting - Item 6