

**RESOLUTION NO. 2172**

**A RESOLUTION GRANTING AN EXEMPTION FROM PROPERTY TAXES UNDER ORS 307.540 TO ORS 307.548 FOR RAIN GARDEN APARTMENTS, A LOW-INCOME APARTMENT DEVELOPMENT OWNED AND OPERATED BY CARITAS COMMUNITY HOUSING CORPORATION (CCHC).**

WHEREAS, maintaining Wilsonville's existing affordable housing supply is necessary for its continued health and growth; and

WHEREAS, Caritas Community Housing Corporation (CCHC), a not-for-profit organization, plans to begin construction on the Rain Garden Apartments, an affordable housing development located at 29197 SW Orleans Avenue, Wilsonville OR in April 2008; and

WHEREAS, the Rain Garden Apartments include 29 units reserved for people with chronic mental illness and one apartment for an onsite manager; and

WHEREAS, the State Division of Addictions and Mental Health (AMH) transferred ownership of the land on May 14, 2008; and

WHEREAS, a property tax exemption is essential to Rain Garden Apartment's continuation as affordable housing; and

WHEREAS, ORS 307.540 to 307.548 authorizes property tax exemptions for affordable housing owned by not-for-profit corporations and occupied by low-income persons; and

WHEREAS, the City of Wilsonville wishes to adopt and/or ratify the policy set forth in those sections; and

WHEREAS, Caritas Community Housing Corp. has requested a property tax exemption for its Rain Garden Apartment development, pursuant to ORS 307.543(2); and

WHEREAS, the city of Wilsonville and West Linn-Wilsonville School District property tax levies jointly comprise 73% of the total combined rate of taxation on Rain Garden Apartments; and

WHEREAS, Caritas Community Housing Corp. has received an exempt status from the West Linn-Wilsonville School District for the Rain Garden Apartments for property taxation arising under its jurisdiction unless and until terminated pursuant to ORS 307.548;


NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

- Section 1: The City of Wilsonville adopts the provisions of ORS 307.540 to 307.548.
- Section 2: Caritas Community Housing Corp. and its affordable housing development, Rain Garden Apartments, qualify for a property tax exemption pursuant to ORS 307.540 to 307.548.
- Section 3: The Finance Director is directed to request the Clackamas County Assessor to exempt Rain Garden Apartments from taxation by all taxing jurisdictions pursuant to ORS 307.543(2), commencing on the first day of the tax assessment year beginning July 1, 2009.
- Section 4: This Resolution shall take effect upon the occurrence of the following:
- a) Receipt by the Wilsonville City Recorder of an executed Initial Low Income Housing Tax Credit Reservation, offered by the Oregon Department of Housing and Community Services and accepted by Caritas Community Housing Corp., for the purposes of acquiring and rehabilitating Rain Garden Apartments; and
  - b) Submission, to the City of Wilsonville's City Manager, of an application conforming to the requirements of ORS 307.545 requesting a property tax exemption for Rain Garden Apartments.
- Section 5: This Resolution is to remain in effect unless and until termination occurs pursuant to ORS 307.548.
- Section 6: This resolution is effective upon adoption.

ADOPTED by the Wilsonville City Council at a regular meeting there of this 6th day of April, 2009 and filed with the Wilsonville City Recorder this date.

  
Tim Knapp, MAYOR

ATTEST:

  
Sandra C. King, MMC, City Recorder

SUMMARY OF VOTES:

Mayor Knapp	Yes
Councilor Kirk	Yes
Councilor Nunez	Excused
Councilor Ripple	Yes
Councilor Hurst	Yes

Attachments:

1. Application Property Tax Exemption for Low-Income Housing Held by Charitable Non Profit Organizations
2. Letter from Internal Revenue Service re Caritas Community Housing Corp. status as public charity tax-exempt status.
3. West Linn-Wilsonville School District Resolution No. 2008-7.

APPLICATION

PROPERTY TAX EXEMPTION FOR LOW-INCOME HOUSING HELD BY CHARITABLE, NONPROFIT ORGANIZATIONS

(For Office Use Only)

City of Wilsonville, Oregon

\$250 Application Fee \_\_\_\_\_

Date Received: 3/26/09

\$50 Renewal Fee VH 64559 \$500

Receipt No. \_\_\_\_\_

CONTENTS

	Page
Section A. Application Information	1
B. Property to be considered for exemption	2
C. Leasehold Interest in Eligible Property	2
D. Description of Charitable Purpose/Project Benefit	3
E. Declarations	4

Section A – Applicant Information

Corporate Name: Rain Garden Limited Partnership

Address: c/o Caritas Community Housing Corp, 231 SE 12<sup>th</sup>  
Portland OR 97214

Telephone: 503-231-4866 \_\_\_\_\_  
Business Residence (Optional)

Email Address: slind@catholiccharitiesoregon.org

Chief Executive Officer: Dennis Keenan

Contact Person: Susan Lind Telephone: 503-231-4866 x 151

**Section B – Property to be Considered for Exemption**

(Sections B, C, and D must be filled out for each building for which you are requesting a tax exemption)

Organization: Rain Garden Limited Partnership

Property Address: 29197 SW Orleans Avenue, Wilsonville OR 97070

Assessor's Property Tax Account Number(s): 05019399 3S1W15DB075000

(Be sure to identify all account numbers for both land and improvements on the property for which you are requesting tax exemption, in some cases, land and improvements may have separate property tax account numbers.)

Total number of residential units in the building: 29

Number of residential units occupied by very low-income people: 29

Total square feet in building: 21,243

Total square feet used to house very low-income people<sup>3</sup> 21,243 sq ft

**Section C – Leasehold Interest in Eligible Property**

Do you own the property in question?  Yes  No

If you answered "no" to the above question, do you have leasehold interest in the property?  
 Yes  No

If yes, please include a statement describing how, as the nonprofit organization, you are obligated under the terms of the lease to pay the ad valorem taxes on this property or other contractual arrangement such that the property tax exemption benefits accrue to the nonprofit agency and the residential tenants served rather than the owner or corporation from whom you lease.

Caritas Community Housing Corporation (CCHC), a subsidiary of Catholic Charities, in August 2008 stepped in as the non-profit sole member of the ownership entity general partner, Rain Garden GP LLC, replacing Cascadia Housing Inc. CCHC is responsible for ensuring all operating costs are paid including taxes as due. The very low income residents of Rain Garden, are charged rents well below market. The savings realized from the property tax exemption are passed through to reduce rents.

<sup>3</sup> This includes halls, baths, dining, and other space dedicated to residential use. Retail uses and other accessory uses not related to residential use are not to be counted.

**Section D – Description Of Charitable Purpose/Project Benefit (Use for multiple projects if same conditions apply)**

Will the cost savings resulting from the proposed tax exemption enable you to do the following?

1. Reduce the rents that your very low-income residential tenants pay on the property in question?  Yes  No If so, by approximately how much? \$30/mo/unit
  
2. Provide greater services to your very low income residential tenants?  Yes  No.
  
3. If yes, in what way(s)? The residents of Rain Garden require a certain level of resident services be provided to support their occupancy. If Rain Garden is required to pay property taxes, less project cash flow will be available to support these essential resident services. Raising rents to cover resident service costs would make them unaffordable to the residents.
  
4. Provide any other benefit to your very low-income residential tenants?  Yes  No. If yes, please explain: Contributes to increased cash flow that is also available for maintenance and operating expenses without raising rents, ensuring the property remains in good condition well maintained and attractive.

If you lease the property identified in this application, to what extent does your lease agreement coincide with the timeframe of the qualifying tax year? Please Explain:

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**Section E- Declarations**

Please read carefully and sign below before a notary.

1. I have attached to this application the IRS declaration of the status of application as a tax exempt corporation under 26 U.S.C. Section 501(c)(3) or (4).
2. I am aware that the income qualifying tenants must meet the income guidelines in accordance with 42 U.S.C. Section 1437 (a)(b)(2) as amended. See Attachment A, Income Eligibility Schedule). Tenant incomes do not exceed these limitations, as I verily believe.
3. I am aware of all requirements for tax exemption imposed by ORS 307.540-307.545 (Chapter 660 Oregon Laws 1985, as amended by Chapter 756 Oregon Laws 1987) and implemented by Resolution No. 1854 of the City of Wilsonville.
4. The above-described properties qualify or will qualify upon completion of any rehabilitation improvements and subsequent occupancy by very low-income residents for property tax exemption within 30 days of the April 1st application or the date of approval.

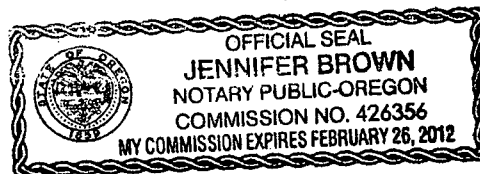
By: *Dennis Keenan*  
Agency Chief Executive Officer (Signature)

Dennis Keenan  
Agency Chief Executive officer (Print or typed)

For: Caritas Community Housing Corp, sole member of Rain Garden GP LLC, general partner of Rain Garden LP  
Corporate Name (Print or type)

Subscribed and sworn to before me this 23rd day of March, 2009.

Jennifer Brown  
Notary Public For Oregon  
My Commission Expires: February 26, 2012



INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **OCT 25 2005**

CARITAS COMMUNITY HOUSING  
CORPORATION  
231 SE 12TH AVE  
PORTLAND, OR 97214-0000

Employer Identification Number:  
94-3395473  
DLN:  
17053267784075  
Contact Person: ID# 31309  
DEL TRIMBLE  
Contact Telephone Number:  
(877) 829-5500  
Public Charity Status:  
170(b)(1)(A)(vi)

Dear Applicant:

Our letter dated OCTOBER 2001, stated you would be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code, and you would be treated as a public charity, rather than as a private foundation, during an advance ruling period.

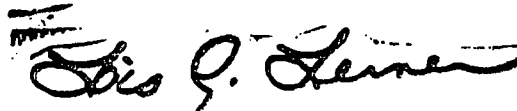
Based on the information you submitted, you are classified as a public charity under the Code section listed in the heading of this letter. Since your exempt status was not under consideration, you continue to be classified as an organization exempt from Federal income tax under section 501(c)(3) of the Code.

Publication 557, Tax-Exempt Status for Your Organization, provides detailed information about your rights and responsibilities as an exempt organization. You may request a copy by calling the toll-free number for forms, (800) 829-3676. Information is also available on our Internet Web Site at [www.irs.gov](http://www.irs.gov).

If you have general questions about exempt organizations, please call our toll-free number shown in the heading between 8:30 a.m. - 5:30 p.m. Eastern time.

Please keep this letter in your permanent records.

Sincerely yours,



Lois G. Lerner  
Director, Exempt Organizations  
Rulings and Agreements

Letter 1050 (DO/CG)



**WEST LINN - WILSONVILLE SCHOOL DISTRICT  
RESOLUTION NO. 2008-7**

A RESOLUTION GRANTING AN EXEMPTION FROM PROPERTY TAXES UNDER OREGON REVISED STATUTES FOR RAIN GARDEN APARTMENTS, AN AFFORDABLE APARTMENT DEVELOPMENT TO BE OWNED AND OPERATED BY CASCADIA BEHAVIORAL HEALTHCARE.

**WHEREAS**, Cascadia Behavioral Healthcare (CBH), a not-for-profit organization, plans to break ground for the new Rain Garden Apartments, an affordable housing development located within the Villebois master development area in April 2008; and

**WHEREAS**, one apartment is planned for an onsite manager and the remaining 29 apartments (all studios) are reserved for people with chronic mental illness; and

**WHEREAS**, a property tax exemption is essential to the development of the Rain Garden Apartments as affordable housing; and

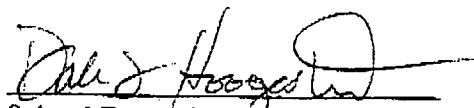
**WHEREAS**, ORS 307.540 to 307.548 authorizes property tax exemptions for affordable housing owned by not-for-profit corporations and occupied by low-income persons; and

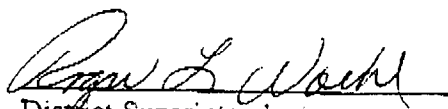
**WHEREAS**, the District wishes to adopt and/or ratify the policy set forth in those sections; and

**WHEREAS**, CBH has requested a property tax exemption for its Rain Garden Apartment development, located within the Villebois master development area pursuant to ORS 307.543(2);

**NOW, THEREFORE, BE IT RESOLVED THAT**, the applicant, CBH, and its affordable housing development, Rain Garden Apartments, qualify for a property tax exemption pursuant to ORS 307.540 to 307.548 and that this resolution remain in effect unless and until termination occurs pursuant to ORS 307.548.

**ADOPTED** this 14th day of April 2008.

  
School Board Chair

  
District Superintendent

*Rec'd 4/16/08  
Ack*