

RESOLUTION NO. 2618

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

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

WHEREAS, Caritas Community Housing Corporation, a not-for-profit organization, constructed the Rain Garden Apartments, an affordable housing development located at 29197 SW Orleans Avenue, Wilsonville OR; and

WHEREAS, the Rain Garden Apartments includes 29 residential units, for people with very low income; and

WHEREAS, Caritas Community Housing Corporation is currently seeking to preserve Rain Garden Apartments as affordable housing; and

WHEREAS, a property tax exemption is essential to Caritas Community Housing Corporation 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 Corporation 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 more than 51% of the total combined rate of taxation on the Caritas Community Housing Corporation development at Rain Garden Apartments; and

WHEREAS, Caritas Community Housing Corporation 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 Corporation and its affordable housing development, Rain Garden Apartment development, 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 Autumn Park 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, 2017.
- Section 4: This Resolution shall take effect upon the occurrence of the following:
a) 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 Autumn Park 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 thereof this 20th day of March 2017 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
Council President Starr - Yes
Councilor Stevens – Yes
Councilor Lehan -Yes
Councilor Akervall -Yes

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: 2/24/17

\$50 Renewal Fee ✓ #002702

Receipt No. _____

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Section A – Applicant Information

Corporate Name: Rain Garden Limited Partnership c/o Caritas Community Housing Corporation.

Address: 2740 SE Powell Blvd. Portland, OR 97202

Telephone: 503-688-2651
Business

Residence (Optional) _____

Email Address: sperez@ccoregon.org

Chief Executive Officer: Trell Anderson

Contact Person: Sandra Perez

Telephone: 503-688-2651

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 LP

Property Address: 29197 SW Orleans Ave. Wilsonville, OR 97070

Assessor’s Property Tax Account Number(s): 31W15DB07500

(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 Units

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

Total square feet in building: 21,243

Total square feet used to house very low-income people⁴ 21,243

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 is the non-profit sole member of the ownership entity General Partner for Rain Garden GP LLC. CCHC is responsible for all the operations costs and to maintain the rents low to ensure that the very low income individuals can reside at the property. Rents are below market rent and residents not only have a place to live, but also the have resident services available to them.

⁴ 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?
_keeping rents below 60% AMI \$50⁰⁰/per unit *Cal*
2. Provide greater services to your very low income residential tenants? Yes No.
3. If yes, in what way(s)? Full array of services available from Clackamas Co. & Cascadia Behavioral Health for individuals living with mental health _____
4. Provide any other benefit to your very low-income residential tenants? Yes No.

If yes, please explain: Contributes to have the project financially stable, so we can maintain the property in good physical condition keeping the low rents.

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:

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.

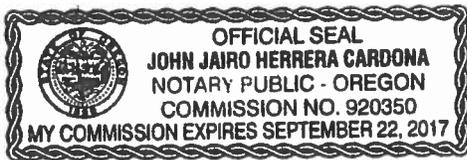
By: Trell Anderson
Agency Chief Executive Officer (Signature)

Trell Anderson
Agency Chief Executive officer (Print or typed)

For: Caritas Community Housing Corporation, 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 17th day of February, 2017.

[Signature]
Notary Public for Oregon
My Commission Expires: SEP. 22, 2017



Streamlining Compliance in Oregon Affordable Housing

August 12, 2016

Clackamas County



Sonia Romero
Cascade Management, Inc
13221 SW 68th Parkway, Suite 310
Portland, OR 97223

City of Eugene



Re: 2016 Streamlining Review Report – Rain Garden Apartments (OR08-737)

Dear Sonia:

On June 14, 2016, the Streamlining Review consisting of a physical inspection and file review for the above-referenced property was conducted. This inspection met program requirements for OHCS and participating lenders of the above-referenced property.

Housing Authority
of Portland



homeforward

Enclosed is a list of items that need to be addressed. All items listed that require responses have spaces to the left allowing you to insert the completion dates of your corrections and are potentially reportable to the IRS on Form 8823. Please include further comments on a separate sheet of paper.

Oregon Housing and
Community Services



Items listed in **bold** followed by two asterisks (**) **should have been addressed within 72 hours of this inspection, as they relate to tenant safety.** Findings noted repeatedly from past inspections are in **bold** and are followed by **(REPEAT FINDING)**. Items listed as "Notes" are for informational purposes only and do not require responses.

Portland Housing
Bureau



Please email your corrective action report to OHCSresponses@oregon.gov no later than **September 12, 2016** to prevent any further non-compliance issues. Please only provide copies of supporting documentation if specifically requested. Requests for documentation are highlighted in **bold**. **NOTE: This review has not yet been rated. The ratings for this review will be included in the final closing letter.**

City of Salem



Thank you for the courtesy and assistance extended during the inspection and review. Please contact me at 503-986-2120 or by e-mail at Sarah.Reed@oregon.gov if you have any questions.

Washington County



Sincerely,

Sarah Reed

Sarah Reed
Compliance Officer
Asset Management and Compliance Section

cc: Sandra Perez, Catholic Charities
Kevin Ko, Clackamas County

Streamlining Compliance in Oregon Affordable Housing

2016 Streamlining Review Report

Property Name: Rain Garden Apartments
Property ID: OR08-73701
Review Date: June 14, 2016

Property Overview

Rain Garden Apartments is a two-story 29-unit supportive and affordable housing building located in Wilsonville, Oregon. Rain Garden is located closely to nearly 700 upscale houses and condos at Wilsonville's Villebois "urban village."

Each apartment is thoughtfully detailed and well-lit with convenient amenities including, but not limited to:

- Fully equipped kitchen and stainless steel appliances
- Spacious and open floor plans
- Additional Storage
- High-speed Internet and Cable Ready

Individuals and families enjoy the community center equipped with a computer center, meeting room, kitchen, and bathroom. Site amenities include coin-operated laundry, BBQ area, gardening plots, and landscaped courtyard with park-like setting.

Physical Inspector noted:

On the day of the review the property had good curb appeal with nice easily seen signage at the property entrance. The office, common interior spaces, BBQ area, and outdoor seating areas were clean, easily located and appeared well-maintained.

The 24-hr staff room, common interior spaces, and outdoor areas were clean, easily located and appeared well-maintained. All building systems were in working condition with no signs of deferred maintenance.

Exterior siding of the buildings were found to be in good condition. Roofs, gutters, and downspouts were in working order and exterior siding was clean and free of moss.

Inside the community, common area activity room was available for the residents which included a computer center and a resident library. The staff room office, shared spaces, and hall ways were clean and free of debris. Shared external spaces offered ample privacy while creating a sense of community. The courtyard was beautifully landscaped and free of any major deficiencies. Outdoor seating areas were pleasant and well-maintained.

No reported or observed signs of deferred maintenance to the building or the common areas.

A. Property Maintenance Operations

Certificates on File

Certification Date

Management reports the following information on certifications and effective dates:

Fire Extinguishers..... 2-2016

Streamlining Compliance in Oregon Affordable Housing

UNITS INSPECTED: *103, 104, 110, 112, 114, 202* and 208 (HOME units in *bold italics*)

Only the units listed below have notes/findings; all other inspected units had no findings. All items listed with "Date Completed" require responses and are potentially reportable to the IRS on Form 8823. Items listed as "Notes" are for informational purposes only and do not require responses.

Date Completed

#110

- 6/17/16 - Kitchen – repair/replace – broken cabinet door (under sink on right side)
- 6/17/16 - Living Area – repair/trim – nonfunctioning/missing blind (drags on sill; missing 1 slat)
- 6/17/16 - Bathroom – repair – slow drip/leaking lavatory sink faucet

#114

- 6/17/16 - Kitchen – repair – slow drip/leaking sink faucet
- 6/17/16 - Kitchen – inspect/repair or replace – nonfunctioning range top (3 elements do not work)
- 6/17/16 - Kitchen – inspect/repair or replace – nonfunctioning dishwasher (not installed properly)
- 6/17/16 - Living Area – replace – missing/damaged window blind slats

NOTE: Monitor Housekeeping

#202

- 6/17/16 - Kitchen – replace – damaged drip pans (range top)
- 6/17/16 - Bathroom – replace – missing toilet bolt covers

NOTE: Monitor Housekeeping

B. Leasing and Occupancy Operations

Maximum Rent and Income Limits

In a LIHTC/HOME unit, the max rent for both programs must be compared and the rents charged must be the most restrictive. Clackamas HOME units are low-HOME and LIHTC units are restricted at 50%.

This property is subject to HOME and LIHTC restrictions. The HOME Monitoring Report reflects correct unit designations and rents. The HOME designation is two studio Low HOME and eight studio High HOME units.

8609s

According to the Owner's election on Forms 8609 Line 8b, this property is treated as a multi-building property. The owner elected to begin the credit period the first year the building was placed in service. The placed in service date was August 19, 2009; therefore, the property enters the post-15 monitoring period on January 1, 2023.

HDGP

The property is also funded through a Housing Development Grant which requires that 29 units are rented to households at or below 50% of AMI. Based on the documentation provided for the review, it appears the set-asides are being met.

Streamlining Compliance in Oregon Affordable Housing

Fire Alarm Systems.....	2-2016
Sprinkler Systems.....	2-2016

Preventative Maintenance

Per the Management Review Questionnaire, the following maintenance schedule was reported:

- Grounds Maintenance: annually
- Sewer lines, roofs, gutters, etc. are cleaned: annually
- Exterior entries, siding, windows, etc. are cleaned: annually
- Heating and A/C equipment: quarterly
- Water Heaters: annually
- Cleaning Carpets & Drapes: turnover
- Inspect Roofs & Fascia: annually
- Major Appliances: annually

Date smoke and carbon monoxide detectors were last tested: May 2016

Lead-Based Paint

This property was built post-1978 and therefore has no requirement for lead-based paint monitoring.

Infestation

Management reports that the property has not experienced any infestations over the past twelve months.

Capital Needs Assessment

Per the Management Review Questionnaire no capital repair or replacement items are scheduled for the next five years. Based on the age of the property it is important to have a five-year capital needs plan to address future repairs and replacements of capital items. This is a standard process for any property owner and is important to the life and long-term condition of the property. It can also prevent extensive costs due to deferred maintenance.

ACTION: Submit a plan for the property demonstrating that it has been evaluated for future capital needs items. Specify items that may need to be repaired or replaced in the next five years and approximate timeframes for each item.

Unit Turnover

Management reports that the average length of time it takes to prepare a vacant unit for occupancy is five days. Four units have been prepared for occupancy in the past twelve months. Management inspects the units bi-annually, with the last inspection taking place in May of 2016.

Per management no units have required substantial rehab or been taken off-line in the last twelve months due to deferred maintenance or disaster. Please remember to report units taken off-line using the OHCS Casualty Loss Report. This report can be found on the OHCS website at www.ohcs.oregon.gov under Asset Management.

PHYSICAL INSPECTION

In order to standardize and clarify our inspection reports, multi-bedroom units will be identified as follows: Each bedroom will be numbered consecutively starting with the first bedroom on the left (#1), after entering the unit, and continuing clockwise (#2, etc.). Units with unusual configurations may require more explanation.

Streamlining Compliance in Oregon Affordable Housing

Resident Selection and Application Processing

The application, supplemented with the Applicant/Resident Questionnaire form, appears to contain sufficient information to determine eligibility. Management checks employment and previous landlord references and conducts a screening for criminal and credit history. Denied applicants are provided with a written explanation for rejection. The screening cost per application is \$42.

Waiting Lists

All HOME-assisted properties are required to maintain a waiting list of prospective residents. After the units are initially occupied, the Owner/Agent must establish a waiting list containing the names of eligible applicants. The waiting list should be maintained in such a way that OHCS and/or HUD can easily follow the progression of applicant placement. Applicants must be notified of their eligible/ineligible status. A written application is required for placement on the waiting list. Once an application is received, the applicant must be notified in writing that either they are ineligible, along with the reason for such determination, or that they appear to be eligible and will be contacted when an appropriate unit becomes available. The notification of apparent eligibility should include the approximate amount of time it will take for a unit to become available. Applicants must be housed in the order indicated by a written Resident Selection Policy. Applicants must be accepted or rejected before the unit is offered to the next applicant on the list.

ACTION: A waiting list must be established. Submit verification of the waiting list with your response.

Marketing

Management reports that marketing efforts have included: local agencies, county referrals, and Cascade's website. The marketing efforts appear to be effective based on the low-vacancy rate.

Leases and Deposits

The lease and addendums currently in use appear to include all provisions required by the funding sources attached to the property. The security deposits being charged are reported to be fully refundable.

The HOME Lease Compliance form was found in all reviewed files.

Rent and Utility Allowances

Management reports the following current rents and utility allowances:

Block/Unit Size	Current Rent	Lease Term	Utility Allowance	Effective Date
studio	\$459-549	3-2016	\$56	4-2016

The utility allowance source document was provided for the review and the source document process has been approved by OHCS.

Resident File Review Summary

General Findings

- Ensure all required OHCS forms are being used when appropriate; found at www.ohcs.oregon.gov.
- Ensure all forms are current; checking the OHCS website at least quarterly for new forms and procedures.

Properties with an affordability period of more than ten years are required to collect and examine source documentation every sixth year of the affordability period to verify tenant income. The Owner/Agent must complete a HOME TIC and third-party verifications for all HOME households during their move-in anniversary