

RESOLUTION NO. 2794

A RESOLUTION GRANTING AN EXEMPTION FROM PROPERTY TAXES UNDER ORS 307.540 TO ORS 307.548 FOR CHARLESTON APARTMENTS, A LOW-INCOME APARTMENT DEVELOPMENT OWNED AND OPERATED BY NORTHWEST HOUSING ALTERNATIVES, INC.

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

WHEREAS, Northwest Housing Alternatives (NHA), a not-for-profit organization, constructed the Charleston Apartments, an affordable housing development located at 11609 SW Toulouse St., Wilsonville OR; and

WHEREAS, the Charleston Apartments includes 15 units reserved for people with chronic mental illness and the 36 units designated as affordable housing; and

WHEREAS, NHA is currently seeking to preserve the Charleston Apartment's as affordable housing; and

WHEREAS, a property tax exemption is essential to Charleston 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, NHA has requested a property tax exemption for its Charleston Apartment development, pursuant to ORS 307.543(2); and

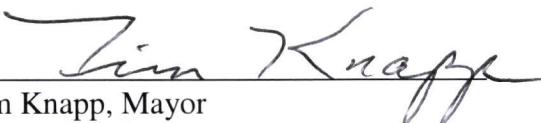
WHEREAS, the City of Wilsonville and West Linn-Wilsonville School District property tax levies jointly comprise more than 51% of the total combined rate of taxation on Charleston Apartments; and

WHEREAS, NHA has received an exempt status from the West Linn-Wilsonville School District for the Charleston Apartments for property taxation arising under its jurisdiction unless and until terminated pursuant to ORS 307.548;

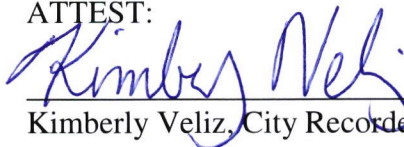
NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

- Section 1: The City of Wilsonville adopts the provisions of ORS 307.540 to 307.548.
- Section 2: NHA and its affordable housing development, Charleston 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 Charleston Apartments from taxation by all taxing jurisdictions pursuant to ORS 307.543(2), commencing on the first day of the tax assessment year year beginning July 1, 2020.
- Section 4: This resolution is effective upon adoption for the upcoming 2020/2021 tax year.

ADOPTED by the Wilsonville City Council at a regular meeting thereof this 2nd day of March 2020 and filed with the Wilsonville City Recorder this date.


Tim Knapp, Mayor

ATTEST:


Kimberly Veliz, City Recorder

SUMMARY OF VOTES:

Mayor Knapp	Yes
Council President Akervall	Yes
Councilor Lehan	Yes
Councilor West	Yes
Councilor Linville	Yes

Attachment:

- A. Property Tax Exemption Application



2316 SE Willard, Milwaukie, Oregon 97222
p: 503.654.1007 • f: 503.654.1319 • www.nwhousing.org

Keith Katko, Assistant Director of Finance
City of Wilsonville
29799 SW Town Center Loop East
Wilsonville, OR 97070

January 21, 2020

Dear Mr. Katko:

At the time of submission of our application for property tax exemption, NHA's Wilsonville properties have the following vacancy statistics:

- Autumn Park Apartments – 1 unit vacant, 99% occupancy
- The Charleston Apartments – 1 unit vacant, 98% occupancy
- Creekside Woods Apartments – 1 unit vacant, 99% occupancy

These units are intended to be occupied within the year. Like all other units at the properties, they will be available exclusively to eligible low-income persons.

Thank you for your consideration of our application.

Kind Regards,

A handwritten signature in blue ink that reads "Trell Anderson".

Trell Anderson, Executive Director

Internal Revenue Service
District Director

P O BOX 486
LOS ANGELES, CA 900530486

AUG 24 1985

Date:

NORTHWEST HOUSING ALTERNATIVES INC
2316 SOUTH EAST WILLARD STREET
MILWAUKIE, OR 97222

Department of the Treasury ^{Attachment A}

Employer Identification Number:
93-0814473
Case Number:
958131104
Contact Person:
TERRY IZUMI
Contact Telephone Number:
(213) 894-4170

Our Letter Dated:
Dec.17, 1985
Caveat Applies:
no

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization which is not a private foundation until the expiration of your advance ruling period.

Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Internal Revenue Code, because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi). Your exempt status under section 501(c)(3) of the code is still in effect.

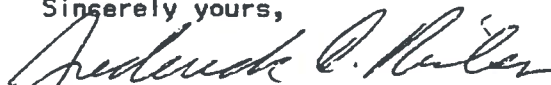
Grantors and contributors may rely on this determination until the Internal Revenue Service publishes a notice to the contrary. However, a grantor or a contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act that resulted in your loss of section 509(a)(1) status, or acquired knowledge that the Internal Revenue Service had given notice that you would be removed from classification as a section 509(a)(1) organization.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If the heading of this letter indicates that a caveat applies, the caveat below or on the enclosure is an integral part of this letter.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,


Frederick C. Nielsen
District Director

Letter 1050(CG)

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: _____	\$50 Renewal Fee _____
	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 InformationCorporate Name: Northwest Housing AlternativesAddress: 2316 SE Willard Street, Milwaukie, OR 97222Telephone: (503) 654-1007

Business

Residence (Optional)

Email Address: neufeld@nwhousing.orgChief Executive Officer: Trell AndersonContact Person: Ray HackworthTelephone: (503) 654-1007 x101

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: Autumn Park Apartments

Property Address: 10920 SW Wilsonville Road, Wilsonville, OR 97070

Assessor’s Property Tax Account Number(s): 00818388

(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: 144

Number of residential units occupied by very low-income people: 144

Total square feet in building: 116,928

Total square feet used to house very low-income people:⁴ 116,928

Section C – Leasehold Interest in Eligible Property

Do you own the property in question? X 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.

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? \$90/unit/month
2. Provide greater services to your very low income residential tenants? Yes No.
3. If yes, in what way(s)? All cost savings are passed directly through to the tenants in the form of reduced rents
4. Provide any other benefit to your very low-income residential tenants? Yes No. If yes, please explain: NHA provides a robust Resident Services program that directly benefits the residents.

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 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: The Charleston Apartments

Property Address: 11609 SW Toulouse Road, Wilsonville, OR 97070

Assessor’s Property Tax Account Number(s): 05021215, 05021232

(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: 52

Number of residential units occupied by very low-income people: 51

Total square feet in building: 35,493

Total square feet used to house very low-income people⁵ 35,493

Section C – Leasehold Interest in Eligible Property

Do you own the property in question? X 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.

⁵ 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? \$47/unit/month
2. Provide greater services to your very low income residential tenants? Yes No.
3. If yes, in what way(s)? All cost savings are passed directly through to the residents in the form of reduced rents.
4. Provide any other benefit to your very low-income residential tenants? Yes No. If yes, please explain: NHA provides a robust Resident Services program that directly benefits the residents.

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 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: Creekside Woods Limited Partnership

Property Address: 7825 SW Wilsonville Road, Wilsonville, OR 97070

Assessor’s Property Tax Account Number(s): 05022666

(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: 84

Number of residential units occupied by very low-income people: 84

Total square feet in building: 73,042

Total square feet used to house very low-income people:⁶ 73,042

Section C – Leasehold Interest in Eligible Property

Do you own the property in question? X 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.

⁶ 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? \$35/unit/month
2. Provide greater services to your very low income residential tenants? Yes No.
3. If yes, in what way(s)? All cost savings are passed directly through to the residents in the form of reduced rents.
4. Provide any other benefit to your very low-income residential tenants? Yes No.

If yes, please explain: NHA provides a robust Resident Services program that directly

benefits the residents.



NOTARY PUBLIC - Oregon
 COMMISSION NO. 98897
 THERESA LYNN NEUBER

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:

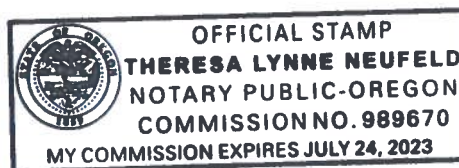
Section E- Declarations

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: Northwest Housing Alternatives
Corporate Name (Print or type)

Subscribed and sworn to before me this 21 day of January, 2020.

Theresa Lynne Neufeld
Notary Public For Oregon
My Commission Expires: 7/24/2023

CITY OF WILSONVILLE

Instructions and Application for Property Tax Exemption For Low-Income Housing Held by Charitable, Nonprofit Organizations

Please note that the City requires a copy of the IRS declaration of the status of application as a tax exempt corporation under 26 U.S.C. Section 501(c)(3) or (4) for each application.

Instructions and Application for property Tax Exemption For Very Low-Income Housing Held by Charitable, Nonprofit Organizations

What is It?

The 1985 Oregon legislature authorized a property tax exemption for low-income housing held by charitable, non-profit organizations.¹ The tax exemption is intended to benefit low-income renters and is available for qualifying property located within the City of Wilsonville.

Who is Eligible?

- Charitable, non-profit organizations that provide housing to low-income persons² are eligible.
- The organization must be certified by the Internal Revenue Services as 501(c) (3) or (4).
- Organizations must own or have a leasehold interest in the property or participate in a partnership so long as the non-profit organization is responsible for the day-to-day management of the property. The site must be occupy-able during the upcoming tax year by income eligible households, although vacant land intended to be developed as low-income housing is eligible for the exemption provided under this program.
- Applicants who are leaseholders must have a sign leasehold agreement by the April 1st application deadline. *Applicants may also apply for the exemption for properties expected to be acquired by July 1 of the tax year but the application form must be submitted by the February th deadline.*

Note: You may already be exempted from taxation under the statutory provision for qualifying benevolent, charitable and scientific institutions or for nonprofit organizations providing housing and *care* to the elderly. These two programs are administered by Clackamas County.

If you qualify for these other programs, please do not complete this application. Questions concerning these exemptions should be directed to the Clackamas County Division of Assessment and Taxation at 503-655-8671

What is Eligible?

Only the residential portion of a property located within the City of Wilsonville, which is used to house low-income people, is eligible for a property tax exemption. For example, the commercial space in a mixed-use building would not be eligible for tax exemption. Application for the exemption must be made *annually*.

Who Administers the Program?

The City of Wilsonville's Finance Department administers this program. Please call Keith Katko, Assistant Finance Director at (503) 570-1516 if you have questions.

¹ SB 503 Chapter 660 Oregon's Laws 1985 and chapter 108 Oregon Laws 1993 amending Oregon Revised Statutes 307.540-.548.

² "Low-income persons" are individuals earning 60% or less of the area median income. See Income Eligibility Schedule (Attachment A) [U.S.C. Section 1437(a)(b)(2)].

How to Apply?

Submit a completed application, which includes the following:

1. A complete application – complete Section A and E for your organization. Complete Sections B, C, and D for *each* building for which a property tax exemption is being requested.
2. All applications must be signed and notarized – Section E is required to be notarized for each organization and application only, *not for each building*.
3. New applications must include a copy of IRS 501(c)(3) or (4) letter certifying your organization's eligible charitable nonprofit status.
4. Application fee – Attach a check or money order payable to the City of Wilsonville in the amount of \$250 for new applications and \$50 for renewal applications. Application fee is for each organization, not each building, however the renewal fee is per building. Applicants who apply for exemptions by the April 1 deadline do not need to pay an additional fee to apply for exemption for property acquired before the July 1 purchase deadline.
5. **Applications must be received at the City of Wilsonville Finance Department no later than February 7th. Applications received after this date will not be accepted.** Submit applications to the address below: City of Wilsonville, Attn: Finance Department, 29799 SW Town Center Loop East, Wilsonville, OR 97070.
6. If you have any questions about the application, please call Keith Katko, Assistant Finance Director at (503) 570-1516 if you have questions.

ATTACHMENT A**2019 INCOME ELIGIBILITY SCHEDULE**

The following income eligibility schedule is to be used in determining the amount of eligible property. Only units which are intended for occupancy by households with incomes at or below these income guidelines are eligible for the exemption.

Household Size	Household Income Not To Exceed³
1	\$25,983
2	33,978
3	41,973
4	49,967
5	57,962
6	65,957

Note: Unoccupied housing units at the time of application may be included in the total eligible units if the applicant meets the following conditions:

1. The units will be available exclusively to eligible low-income persons;
2. The units are intended to be occupied within the year;
3. The applicant must provide a written statement to the effect of 1 and 2 above, and attach it to the application.

(source: <https://www.oregon.gov/ohcs/Pages/low-income-energy-assistance-oregon.aspx> Oregon Low Income Energy Assistance Program)