

RESOLUTION NO. 2616

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 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 Charleston 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 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

Date Received: 2/24/17

\$250 Application Fee

\$50 Renewal Fee

Receipt No.

Handwritten notes: Charleston ✓ #1350, Creekside ✓ #1351, Autumn Park ✓ #1349

CONTENTS

Table with 3 columns: Section, Description, Page. Includes Section A (Application Information), B (Property to be considered for exemption), C (Leasehold Interest in Eligible Property), D (Description of Charitable Purpose/Project Benefit), and E (Declarations).

Section A – Applicant Information

Corporate Name: Northwest Housing Alternatives

Address: 2316 SE Willard St., Milwaukie OR 97222

Telephone: (503) 654-1007

Business

Residence (Optional)

Email Address: grau@nwhousing.org

Chief Executive Officer: Martha McLennan

Contact Person: Ray Hackworth Telephone: (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: Charleston Limited Partnership

Property Address: 11609 SW Toulouse Rd., Wilsonville, OR 97070

Assessor's Property Tax Account Number(s): 3S1W1502907

(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? 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?

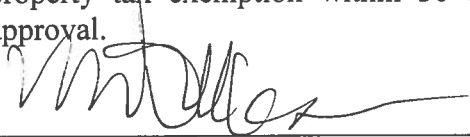
1. Reduce the rents that your very low-income residential tenants pay on the property in question? Yes No If so, by approximately how much? \$44/unit/month
2. Provide grater services to your very log income residential tenants? Yes No.
3. If yes, in what way(s)? All cost savings are passed directly through 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: _____

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.

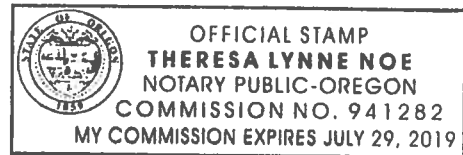
By: 
 Agency Chief Executive Officer (Signature)

Martha McLennan
 Agency Chief Executive officer (Print or typed)

For: Northwest Housing Alternatives
 Corporate Name (Print or type)

Subscribed and sworn to before me this 20 day of February, 2017.


 Notary Public For Oregon
 My Commission Expires: 7/29/2019



Internal Revenue Service
District Director

P O BOX 486
LOS ANGELES, CA 900530486

AUG 24 1988

Date:

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

Department of the Treasury

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.

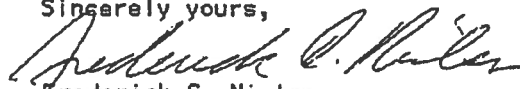
Grantors and contributors may rely on this determination until the Internal Revenue Service publishes a notice to the contrary. However, a grantor or a contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act that resulted in 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)



NOAH PROPERTY INSPECTION REPORT

Inspection Date: 01/18/17
Physical Occupancy (at inspection): 100%
Property Name: Charleston
Property Address: 11609 SW Toulouse St, Wilsonville
Property Management Company: Cascade Management
Sponsor: Northwest Housing Alternatives
Sponsor Contact: Liz Hutchinson

Loan Balance: \$576,252
As of: 1/26/17
Risk Rating: 1

Overall Condition on Date of Inspection:

Superior Above Average Satisfactory Below Average Unsatisfactory

Deferred Maintenance: Yes No
Follow-up Needed from Owner/Management: Yes No
Immediate Action: Yes No
General Inspection Findings: Yes No

Summary Inspection Comments:

The property exterior and units are in excellent condition. The site is extremely tidy. Management and maintenance are doing a great job keeping up with property demands.

Date Next Inspection Due:

Frequency Indicated: Every three years (\leq \$500,000)
 Every two years (\geq \$500,000 and \leq \$1,000,000)
 Annual (\geq \$1,000,000)

Exterior Condition of Property	Acceptable Condition	Comments
Roofing	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Siding	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Gutters and downspouts	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Exterior Doors	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Foundation	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Sidewalks	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Pavement	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Light Standards	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Mail Boxes	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Property Sign	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Landscaping	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Windows	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Play Areas	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Fencing	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Garbage Areas	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Other		

Overall Rating of Exterior Condition of Property:

Superior Above Average Satisfactory Below Average Unsatisfactory

Common Area Condition	Area: Office	Area: Common Room	Area: Laundry Room
Functioning Smoke Detectors:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Walls and Ceilings free of water stains and/or mold and mildew:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Flooring free of spongy/soft spots, excessive wear and tear, or tripping hazards:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Window sills are free of condensation:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Area is free of potential fire hazards from heaters or flammable items being stored:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Stove indicator light is functioning:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Sinks free of leaks:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Adequate Ingress and Egress:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Free of Infestation:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Fire extinguishers inspections current:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Fire alarm system inspection current:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Elevator inspection current:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Free of exposed or rusted/corroded electrical wiring:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Free of flammable items beyond size for normal household usage:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Breaker box accessible and labeled:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Free of Other Notable Health/Safety Concerns:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Comments: Common areas in superior condition and no findings were noted.			

Overall Rating of Common Area Condition:
 Superior Above Average Satisfactory Below Average Unsatisfactory

Unit Interior Condition

Unit #	1-102	1-205	1-210	1-307	1-307
Functioning Smoke Detectors:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Walls and Ceilings free of water stains and/or mold and mildew:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Flooring free of spongy/soft spots, excessive wear and tear, or tripping hazards:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Window sills are free of condensation:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Unit is free of potential fire hazards from heaters or flammable items being stored in the ovens:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Stove indicator light is functioning:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Sinks free of leaks:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Adequate Ingress and Egress (bedrooms require two forms for egress):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Unit is free of infestation:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Breaker box accessible and labeled:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Unit is free of exposed or rusted/corroded electrical wiring:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Unit is free of flammable items beyond size for normal household usage:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Unit is free of Other Notable Health/Safety Concerns:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Comments: <i>Units are in excellent condition. No major findings noted during the inspection.</i>	Organic growth noted in bathroom				

Overall Rating of Unit Interior Condition:

Superior Above Average Satisfactory Below Average Unsatisfactory

