

Resolution 1219

A RESOLUTION OF THE PRINEVILLE CITY COUNCIL ADOPTING THE PROVISIONS OF OREGON REVISED STATUTE 307.515 TO 307.537 ALLOWING PROPERTY TAX EXEMPTION FOR LOW-INCOME RENTAL HOUSING

WHEREAS, the Prineville City Council believes that the availability of affordable housing is a critical aspect of a healthy community; and

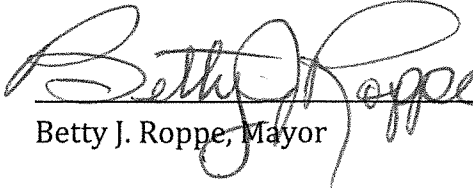
WHEREAS, the Prineville City Council recognizes that the supply of affordable and adequate rental housing in Prineville is insufficient to meet the community's current housing needs; and

WHEREAS, the Prineville City Council believes that engaging in the implementation of solutions to affordable housing issues is an important and appropriate role for local government; and

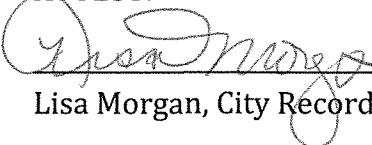
WHEREAS, the Prineville City Council supports the efforts of low-income housing developers to provide high quality, stable housing for the community's lower-income residents;

NOW, THEREFORE, THE CITY OF PRINEVILLE RESOLVES AS FOLLOWS: The attached City Council policy allowing property tax exemption for low-income rental housing developments (authorized by Oregon Revised Statute 307.515 to 307.537) is hereby adopted.

Passed by the Prineville City Council on this 27th day of August, 2013.


Betty J. Roppe, Mayor

ATTEST:


Lisa Morgan, City Recorder

City of Prineville

Policy on Low-Income Rental Housing Tax Exemption

Section 1. Purpose

The purpose of this policy is to establish a commitment and a procedure to provide property tax exemption for low-income rental housing, as allowed under ORS 307.515 to ORS 307.537. The policy is intended to provide a mechanism through which the City Council can contribute to and support the development of low-income rental housing in Prineville.

Section 2. Policy Statement

It shall be the policy of the City of Prineville to provide property tax exemption for properties used for, or held for the development of, low-income rental housing, in accordance with the provisions of ORS 307.515 to ORS 307.537 and the provisions of this policy.

Section 3. Definitions

For purposes of this policy, the following words and phrases are defined as:

City – The City of Prineville.

Lender – The provider of a loan secured by the recorded deed of trust or recorded mortgage made to finance the purchase, construction, or rehabilitation of a property used for low-income rental housing under the criteria listed in this policy.

Low-income – Income at or below 60 percent of the area median income as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development.

Section 4. Criteria for Tax Exemption

4.1 Properties or portions of properties meeting the following criteria shall be eligible for property tax exemption as provided in ORS 307.515 to 307.537:

A. Eligible properties must be:

- 1) Located within the limits of the City of Prineville;

- 2) Multi-family projects containing three (3) or more units;
- 3) Offered for rent, or held for the purpose of developing qualified rental housing; and
- 4) If occupied, occupied solely by low-income persons.

B. The purchase of property and/or the construction of the housing development (or the low-income portion of the development) must be supported by federal or state affordable housing funding;

C. The required rent payments must reflect the full value of the tax exemption;

D. The housing units on the property are required to have been constructed after August 27, 2013.

E. The tax exemption on the property must be approved by the City Council in accordance with the provisions of ORS 307.523.

4.2 For the purposes of this policy, a person that has only a leasehold interest in the property is deemed to be a purchaser of that property if:

A. The person is obligated under the terms of the lease to pay the ad valorem taxes on the real and personal property used in this activity on that property; or

B. The rent payable has been established to reflect the savings resulting from the exemption from taxation.

Section 5. Application for Exemption

5.1 Persons seeking tax exemption for eligible property shall submit a formal written request and pay the fee established by the City Council and set forth in the City of Prineville fee resolution. The application shall contain the following information:

A. The applicant's name, address and telephone number;

B. A legal description of the property for which the exemption is requested;

C. If only a portion of the property is eligible, a description of the eligible portion of the property for which the exemption is requested, including the number of affordable housing units:

- D. A description of the purpose of the project and whether all or a portion of the property is being used for that purpose;
- E. A certification of income levels of low-income occupants;
- F. A description of how the tax exemption will benefit project residents;
- G. A description of the plans for development of the property if the property is being held for future rental housing development;
- H. A list of secured lien holders with addresses of the lienholders; and
- I. Such other information as requested by the City of Prineville.

5.2 The applicant shall verify the information in the application by oath or affirmation.

5.3 An application which does not contain all of the information required by this section and/or is not accompanied by the payment of the proper fees shall be returned. Any application returned for these reasons shall be deemed not to have been filed.

5.4 An application must be filed on or before December 1 of the calendar year immediately preceding the first assessment year for which the application is requested, and shall be accompanied by the application fee required by the City. However, if the property is acquired after November 1, the application shall be made within 30 days after the date of acquisition.

Section 6. Review of Application

6.1 Applications for the low-income rental housing property tax exemption shall be filed with the City.

6.2 City staff shall process each application and make a written recommendation to the Council in sufficient time to allow the Council to take final action within 60 days of the filing of the application.

6.3 City staff shall recommend approval and the Council shall grant an annual exemption for any property that meets the requirements of this policy.

6.4 Upon receipt of the City Manager's recommendation for approval or denial, the Council shall consider the application and determine if the applicant qualifies for the exemption. Within 60 days of the filing of the

application, the Council shall either deny the application or adopt a resolution or ordinance approving the application.

6.5 If the application is approved, the resolution or ordinance shall contain findings on the criteria for approval and shall certify to the Crook County Tax Assessor that all or a portion of the property shall be exempt from the ad valorem property tax levy of the City of Prineville.

6.6 If the application is denied, the City shall state in writing the reasons for denial and send the notice of denial to the applicant with the right to appeal under ORS 307.533.

6.7 On or before April 1 following approval, the City shall file with the Crook County assessor and send to the applicant a copy of the resolution approving the application. If the application is approved, the copy shall contain or be accompanied by a notice explaining the grounds for possible termination of the exemption prior to the end of the exemption period or thereafter, and the effects of termination. In addition, the City shall file with the county assessor on or before April 1 a document listing the same information otherwise required to be in a resolution as to each application deemed approved.

Section 7. Property Tax Exemption

7.1 Property tax exemptions approved under this policy shall be for a period not to exceed 20 years.

7.2 Applications for property tax exemption under this policy may be eligible for property tax exemptions for tax years beginning on or before July 1, 2014.

7.3 The exemption provided for herein shall be in addition to any other exemption provided by law.

Section 8. Termination

Termination of tax exemption will be accomplished under the conditions and pursuant to the procedures and subject to the remedies contained in ORS 307.515 to 307.537.

Section 9. Regulatory Power

The City may issue rules, processes and requirements necessary for the implementation of this policy.