

**CITY OF FLORENCE
RESOLUTION NO. 12, SERIES 2024**

**A RESOLUTION AMENDING RESOLUTION NO. 7, SERIES 2022 TO GRANT AN
EXTENSION TO THE MULTI-UNIT PROPERTY TAX EXEMPTION (MUPTE) FOR
THE OAK MANOR APARTMENTS DEVELOPMENT BY OUR COASTAL VILLAGE
AT MAP AND TAX LOT 18-12-14-33-01302**

RECITALS:

1. Pursuant to Title 1, Chapter 17 of the Florence City Code and ORS 307.600 to 307.637, the City Council granted the temporary abatement of property tax obligations under its MUPTE Program for the development known as Oak Manor Apartments by Our Coastal Village located at Map and Tax Lot 18-12-14-33-01302, having a Lane County Assessor's Office account number of 1789849, and with a street address of 3944 Oak St., Florence.
2. The City Council granted the MUPTE Program temporary property tax abatement via Resolution No. 7, Series 2022, adopted March 7, 2022.
3. Resolution No. 7, Series 2022 called for the development to be completed on or before January 31, 2024.
4. FCC 1-17-9 and state law allow the City Council to grant an extension to the development completion deadline established in Resolution No. 7, Series 2022.
5. The property owner's completion of the development was delayed due to unanticipated changes in the Oregon Housing and Community Services (OCHS) grant funding programs that delayed the start of construction by six months and as detailed in the developer's request letter in **Exhibit A**.
6. The City Council finds that the property owner has acted in good faith and with due diligence to complete the project, and that the project was not completed by the deadline in Resolution No. 7, Series 2022 due to circumstances beyond the control of the owner.
7. The City Council wishes to grant an extension to the completion deadline set out in Resolution No. 7, Series 2022.

Based on these findings,

THE CITY COUNCIL OF THE CITY OF FLORENCE RESOLVES AS FOLLOWS:

1. An extension of the construction completion deadline is granted as allowed for by FCC 1-17-9. Resolution No. 7, Series 2022 is amended to extend the construction completion deadline from January 31, 2024 to January 31, 2025.

2. Except as amended by Section 1 above, Resolution No. 7, Series 2022 remains unchanged and operative in all respects.
3. The City Recorder shall forward a copy of this resolution to the property owner and the Lane County Assessor.
4. This resolution takes effect immediately upon adoption.

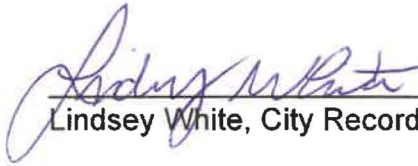
ADOPTION:

This resolution is passed and adopted on the 20th day of May, 2024.



Rob Ward, Mayor

Attest:



Lindsey White, City Recorder



Exhibit A

to Resolution No. 12, Series 2024

May 3, 2024

Via Email

Hon. Rob Ward, Mayor
Hon. Sally Wantz, Council President
Hon. Bill Meyer, Council Vice-President
Hon. Jo Beaudreau, Councilor
Hon. Robert Carp, Councilor

Re: Oak Manor Apartments MUPTE Resolution 7, Series 2022

Dear Mayor Ward, Council President Wantz, Council Vice-President Meyer, and Councilors Beaudreau and Carp:

As you know, we recently completed the Oak Manor Apartments at 3944 Oak Street. On May 2, the City Manager called to my attention that we needed to apply for an extension of the completion deadline under FCC 1-17-9.

My February 18, 2022, cover letter submitted with our MUPTE Application, concluded as follows:

“We are submitting applications to OHCS for LIFT, 4% LIHTC, and OAHTC funding for the Project under NOFA 22-2. OHCS has announced that decisions on these applications will be made in August 2022, which should permit start of construction by about December 1, 2022, and completion by about December 1, 2023.”

The City Council Resolution provides that “construction is expected to be complete on or before January 2024.”

On August 5, 2022, OHCS selected Oak Manor Apartments for funding under the programs referenced in the quoted sentence. A copy of the OHCS memorandum showing approval of Oak Manor Apartments for 4% LIHTC and LIFT is attached as Exhibit A. Shortly after that, OHCS became concerned that it was approaching the statewide limits on the tax-exempt bonds that are a required component of the 4% LIHTC program. It later concluded there would be insufficient tax-exempt bonds to fund the approved 4% LIHTC projects.

So, OHCS took the time to find the best solution. After a couple of months, OHCS shifted our funding to the 9% LIHTC program, which does not require using tax-exempt bonds. We then had to complete a new application and show OHCS that we qualified under the 9%



LIHTC program. That process took several months. All this delayed our Reservation Letter (expected in August 2022) until mid-February 2023. A copy of the Reservation letter is attached as Exhibit B.

Upon receipt of the Reservation Letter, we proceeded with due diligence and in good faith to satisfy all the requirements to close our funding under the 9% LIHTC program. Even with that due diligence and good faith, the switch delayed our financial closing to April 4, 2023. We started construction on April 10, 2023, completed Buildings A and B on March 27, 2024, and completed Buildings C and D on April 28, 2024.

This unanticipated change of funding programs by OHCS was a circumstance beyond the control of Our Coastal Village, Inc. We acted in good faith and with due diligence from learning about the change until we could close on all our financing, commence construction on April 10, 2024, and complete construction by April 28, 2024.

Given the six-month delay we experienced due to OHCS's program changes, we respectfully request a six-month extension from the January 2024 estimated construction completion to June 30, 2024.

Sincerely,

Our Coastal Village, Inc.


K. Layne Morrill, President

cc: Erin Reynolds
Wendy Farley-Campbell

EXHIBIT A
LIFT + 4% LIHTC APPROVAL



**OREGON HOUSING *and*
COMMUNITY SERVICES**

725 SUMMER STREET NE, SUITE B | SALEM, OR 97301
503-986-2000 | www.oregon.gov/OHCS

Date: **August 5, 2022**

To: Housing Stability Council Members
Andrea Bell, Executive Director

From: Rebecca Isom, Senior LIFT Program Analyst
Amy Cole, State Development Resources Manager
Roberto Franco, Assistant Director, Development Resources and Production
Rick Ruzicka, Interim Assistant Director, Planning and Policy
Natasha Detweiler-Daby, Interim Director, Affordable Rental Housing

Re: **2022 LIFT Rental NOFA Funding Recommendations**

Motion: Approve the LIFT funding recommendations for the following projects:

- 146th Apartments II in Portland, \$5,202,000 in LIFT funds
- Bayside Commons in Nehalem, \$5,580,000 in LIFT funds
- Fremont + Williams Apartments in Portland, \$2,703,000 in LIFT funds
- Huntington Apartments in La Pine, \$10,065,000 in LIFT funds
- Madras Senior Apartments in Madras, \$3,519,087 in LIFT funds
- Molalla Apartments II in Molalla, \$9,350,000 in LIFT funds
- **Oak Manor Apartments in Florence, \$4,205,000 in LIFT funds**
- PCC SE Housing in Portland, \$11,426,364 in LIFT funds
- Rivergreen Apartments in Corvallis, \$7,165,500 in LIFT funds
- Shortstack Mississippi in Portland, \$3,500,000 in LIFT funds
- Spencer Court in Redmond, \$3,924,000 in LIFT funds
- Stratus Village in McMinnville, \$11,250,000 in LIFT funds
- Timbermill in Klamath Falls, \$11,348,101 in LIFT funds
- USA NHA Burnside Housing in Gresham, \$8,456,000 in LIFT funds

Summary

At the upcoming Housing Stability Council meeting, we will be presenting the LIFT Rental funding recommendations to Council. These recommendations are based on the policies laid out in the LIFT program framework as approved by the Housing Stability Council:



August 5, 2022

LIFT Rental NOFA Project Recommendations and Policy Analysis

<https://www.oregon.gov/ohcs/development/Documents/10-27-2021-LIFT-Draft-Framework.pdf>

In this memo, we are providing you with a high-level summary of the recommended projects, more detailed information regarding each project can be found in the two-page summaries following this cover memo.

NOFA Applications & Scoring:

Of the \$303.5 million in LIFT funds allocated by the 2021 Legislature, 80% (\$242.8 million), is set-aside for rental development. The LIFT Rental NOFA was released on February 4, 2022 with three separate pathways for eligible applicants to apply for an overall offering of \$121.4 million in Article XI-Q bonds and \$20 million in GHAP/HDGP funds. The three pathways were:

- Noncompetitive Wildfire Direct (no 4% LIHTC/Private Activity Bonds (PAB)) \$30.35 million in LIFT Article XI-Q bonds and \$20 million in GHAP/HDGP
 - HSC has already approved six projects through the noncompetitive Wildfire Direct pathway for a total allocation of \$30,275,896, leaving \$74,104 unallocated out of the original \$30.35 Million Article XI-Q bonds set-aside for that funding offering.
- Competitive LIFT Only (no 4% LIHTC/PAB) \$30.35 million
 - This is the first time LIFT has been offered without the ability to leverage 4% LIHTC / PAB; this was a shift made to be responsive to the over-subscription we are seeing in the 4% LIHTC / PAB program.
- Competitive LIFT with 4% LIHTC/PAB \$60.7 million

The competitive LIFT NOFA offerings included soft set-asides of:

- 50% for developments serving rural areas,
- 25% for developments serving mid-sized urban areas, and
- 25% for developments serving urban areas.

The offering also included a 15% Culturally Specific Organization (CSO) set aside that was applied outside of the regional allocations and referred to as a “cross-cutting set-aside”.

Applications

OHCS received 26 proposals to the LIFT Rental NOFA: twenty for LIFT with 4% LIHTC/PABs and six for LIFT-Only. These 26 proposals had cumulative requests of \$245.8 million in funding for 2,496 units.

- Competitive LIFT Only (no 4% LIHTC/PAB) \$30.35 million offered



HSC August 5, 2022

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- The six proposals that submitted for LIFT Only projects had cumulative requests of \$29.9 million for 159 units.
- Three proposals were for projects located in urban areas and three were for projects located in rural areas.
- One project was sponsored by a Culturally Specific Organization.
- Competitive LIFT with 4% LIHTC/PAB \$60.7 million offered
 - The 20 proposals that were submitted for LIFT with 4% LIHTC/PAB projects had cumulative requests of over \$237.5 million for 2,337 units.
 - Eleven projects were in urban areas, two in mid-sized urban areas and eight in rural areas.
 - Two projects were sponsored by a Culturally Specific Organization.

Applications were reviewed for completeness, and had to meet minimum threshold requirements in order qualify for scoring by internal and external scoring committees on the following factors:

- Readiness to Proceed / Financial Viability / Development Capacity: 29 points
- Service to Communities of Color / Innovation & Replicability / MWESB/Use of Affordable Rents/Family-sized units: 50 points
- Low Subsidy / Low Construction Costs: 21 points

All applications met threshold requirements and were scored. All applications met the minimum score of 60 points and were eligible to be considered for funding.

Funding Recommendation:

We are recommending a LIFT funding reservation for 14 projects. All together, these projects will create 822 units of new affordable housing in communities across the state. The recommendations are for awards totaling approximately \$97.5 million. To fully fund all recommended projects, \$2.87 million in unallocated LIFT Homeownership funds needs to be transferred from that NOFA, as well as a forward allocation from the 2023 LIFT NOFA in the amount of \$3,704,530.

It is the expectation that these projects will have adequate resources to move forward, despite the current volatile cost-market, having had the opportunity to include cost escalation as well as contingencies within the development budget. To that end, all of the recommended projects have requests for resources updated to include at least a five percent contingency.

Projects Serving Urban Communities

Project Name	County	Total Units	Sponsor	LIFT Only or 4%/PAB?
146 th Apartments II	Multnomah	24	Home First Development	LIFT Only
Fremont + Williams Apartments	Multnomah	22	Owen Gabbert LLC	LIFT Only
PCC SE Housing	Multnomah	124	Human Solutions/APANO**	4%/PAB
Rivergreen Apartments	Benton	60	Green Light Development	4%/PAB
Shortstack Mississippi	Multnomah	22	Shortstack Developer LLC	LIFT Only
USA NHA Burnside Housing	Multnomah	91	USA Property Fund, Inc/NHA	4%/PAB
Total		343		

**Culturally Specific Organization Set-Aside

Projects Serving Mid-Sized Urban Communities

Project Name	County	Total Units	Sponsor	LIFT Only or 4%/PAB?
Spencer Court	Deschutes	76	Housing Works	4%/PAB
Stratus Village	Yamhill	175	Housing Authority of Yamhill County	4%/PAB
Total		251		

Projects Serving Rural Communities

Project Name	County	Total Units	Sponsor	LIFT Only or 4%/PAB?
Bayside Commons	Tillamook	24	NCD LLC	LIFT Only
Huntington Apartments	Deschutes	60	Danco Communities	4%/PAB
Madras Senior Apartments	Jefferson	24	AGE+US	LIFT Only
Molalla Apartments II	Clackamas	40	Home First Development	LIFT Only
Oak Manor Apartments	Lane	24	Our Coastal Village Inc	4%/PAB
Timbermill	Klamath	72	Stewardship Development LLC	4%/PAB
Total		244		

See attached project summaries for additional information.



EXHIBIT B
9% LIHTC RESERVATION LETTER



**OREGON HOUSING and
COMMUNITY SERVICES**

725 SUMMER STREET NE, SUITE B | SALEM, OR 97301
503-986-2000 | www.oregon.gov/OHCS

January 23, 2023, revised 2/14/2023

Oak Manor Apartments Limited Partnership (also referred to in this letter as “Recipient”)
Attn: Layne Morrill
PO Box 108
Yachats, OR 97498

Layne Morrill:

The State of Oregon, acting by and through its Housing and Community Services Department (“OHCS”), hereby reserves the Notice of Fund Availability (NOFA) source(s) for **Oak Manor Apartments** (the “Project”), as follows:

Project Name	Project City	OHCS Project Number
Oak Manor Apartments	Florence	3010

Amount	Funding Program	Grant/Loan
Up to \$ 1,300,000	Annual allocation of 2023 and 2024 9% Low Income Housing Tax Credits (LIHTC)	NA
Up to \$ 1,400,000	Oregon Affordable Housing Tax Credits (OAHTC) Loan Amount	NA
Up to \$ 737,966	OAHTC total 16-year credit amount	NA

Recipient Entity:

The “Oak Manor Apartments Limited Partnership” (Recipient), for the purposes of this Funding Reservation, is the entity to which, upon satisfaction of all associated conditions of this reservation, the funds identified in this letter will be issued and is further, the entity responsible for assuring that all conditions of this funding reservation will be satisfied.

Conditions:

This letter does not constitute a commitment of funds or the allocation of tax credits. Any such commitment is conditioned on satisfactory completion (as determined by OHCS) of all the Conditions of Funding Reservation identified in this letter.

- a) The Recipient acknowledges that this funding reservation is conditioned upon satisfactory completion (as determined by OHCS) of all the requirements stipulated within the Attachment A: Reservation Letter Conditions Checklist.
- b) The Recipient (and their consultant if applicable) acknowledge that prompt, timely, and accurate attention to, and completion of, the tasks associated with the Reservation and Conditions Letter is itself a condition of this agreement.

NOTE: A general list of Reservation Letter Attachments can be found on the OHCS Website <https://www.oregon.gov/ohcs/development/Pages/nofa-reservation-letter-attachments.aspx>

All questions, comments, documents, and correspondence regarding the conditions of reservation are to be directed to your assigned Production Analyst via their email address or the physical address indicated below. The formatting and content of all materials submitted to OHCS must be deemed satisfactory by OHCS.

ATTENTION:

To accept this funding reservation, this Reservation and Conditions Letter must be signed on page 3 and must be returned to OHCS within 15 calendar days of the date of this letter. Not meeting this task within the stated timeframe will be regarded by OHCS as formal declination of this offer of funding reservation. The signed letter may be received by OHCS via upload to the project's assigned Procorem WorkCenter or by sending to the address given in the letterhead of this letter and to the attention of the OHCS Production Analyst assigned to your project as indicated below.

Assigned OHCS Production Analyst:

As your assigned Production Analyst and on behalf of OHCS, congratulations on achieving reservation status for the designated funds. I look forward to working with you in maintaining your funding eligibility as you progress toward the successful completion of **Oak Manor Apartments**.

Logan Schulze

**Logan Schulze, Production Analyst
Affordable Rental Housing Production Section
Tel. 971-388-6195
logan.schulze@hcs.oregon.gov**

Acceptance of the Funding Reservation and Associated Conditions:

Note: For projects required to undergo an Environmental Review per the U.S. Department of Housing and Urban Development, the Recipient acknowledges the following:

Notwithstanding any provision of this letter, the parties hereto agree and acknowledge that this letter does not constitute a commitment of funds or allocation of tax credits or site approval, and that such commitment of funds or allocation of tax credits or site approval may occur only upon satisfactory completion of an environmental review, if required, and receipt of a release of funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58. The parties further agree that the provision of any funds or tax credits to the project is conditioned on the determination to proceed with, modify or cancel the project based on the results of the subsequent environmental review.

On behalf of the Oak Manor Apartments Limited Partnership and having legal authority to bind said entity to the terms and conditions associated with this Reservation and Conditions Letter, my signature below signifies that the Recipient has read, understands, and accepts all terms and conditions set forth in this letter and its associated attachments.

By:

OAK MANOR APARTMENTS LIMITED PARTNERSHIP, an Oregon limited partnership

By: OMA GP, LLC, an Oregon limited liability company, General Partner

By: OUR COASTAL VILLAGE, INC., an Oregon public benefit corporation, Member

By 
Layne Morrill, President