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AGENDA COVER MEMORANDUM

Agenda Date: April 30, 2003

DATE: April 16, 2001

TO: Board of County Commissioners

DEPARTMENT: Management Services

PRESENTED BY: Jeff Turk, Property Management Officer 2

SUBJECT: FIRST READING AND SETTING SECOND READING AND PUBLIC HEARING/ ORDINANCE 03-3 / IN THE MATTER OF AUTHORIZING THE TRANSFER OF SURPLUS COUNTY OWNED REAL PROPERTY LOCATED AT 2280 G STREET, SPRINGFIELD TO THE NEIGHBORHOOD ECONOMIC DEVELOPMENT CORPORATION FOR THE PURPOSE OF PROVIDING AFFORDABLE HOUSING (MAP NO. 17-03-36-12-08600, SECOND READING AND PUBLIC HEARING MAY 14, 2003 AT 1:30 PM IN COMMISSIONER'S CONFERENCE ROOM)

1. **PROPOSED MOTION:** THE BOARD OF COUNTY COMMISSIONERS MOVES TO AUTHORIZE THE TRANSFER OF SURPLUS COUNTY OWNED REAL PROPERTY LOCATED AT 2280 G STREET, SPRINGFIELD TO THE NEIGHBORHOOD ECONOMIC DEVELOPMENT CORPORATION FOR THE PURPOSE OF PROVIDING AFFORDABLE HOUSING (MAP NO. 17-03-36-12-08600, SECOND READING AND PUBLIC HEARING MAY 14, 2003 AT 1:30 PM IN COMMISSIONER'S CONFERENCE ROOM)
2. **ISSUE/PROBLEM:** The Neighborhood Economic Development Corporation (NEDCO) has submitted a request for the transfer of County owned real property to be used for providing home ownership for low income home buyers. NEDCO has agreed to pay \$6,000 in consideration for the transfer. A public hearing pursuant to ORS 271.330 and ORS 456.370 is required to affect the transfer.

3. **DISCUSSION:**

3.1 Background

The subject property was acquired through tax foreclosure in September 2001. The property is improved with a 1,056 sq. ft. house built in 1946. The lot is 56' x 116'. At the time of its foreclosure, there was \$5,540 owing in delinquent taxes. The property has a current assessed value of \$67,500.

When the county acquired the property both the lot and house were littered with garbage, debris, abandoned vehicles, etc. Property Management spent approximately \$2,500 to have the property cleaned up.

The house is in extremely poor condition and will require substantial rehabilitation. NEDCO estimates those costs will be \$100,000 (this is the total program estimate which includes repair, administrative fees, loan fees, environmental reports, homebuyer education and contingency funds).

Initially, the Housing Authority and Community Services Agency (HACSA) was interested in acquiring the property and was willing to reimburse the county for its cleanup costs and a portion of the delinquent taxes. After conducting reviews and inspections, which included an environmental report that revealed asbestos in various construction components, HACSA felt a collaboration with NEDCO was appropriate given NEDCO's experience with similar properties. NEDCO did bring the matter to the Housing Policy Board which gave its approval of the project.

3.2 Analysis

The county has in the past transferred surplus property to non-profit organizations for the purpose of providing affordable housing to low income families. Most transfers have been without monetary consideration. In some instances monetary consideration was received for the properties by the county. In this case, Property Management staff and NEDCO determined that paying \$6,000 in consideration would not jeopardize NEDCO's ability undertake the project. This creates a win-win situation as the Property Management program is dependent on revenue from sales of tax foreclosed property, cleanup costs will be reimbursed, a portion of the delinquent taxes will be distributed to the taxing districts and affordable housing will be provided.

ORS 271.330 and ORS 456.355 - 456.370, permits counties to transfer their property, foregoing a Sheriff's sale, to non - profit corporations whose purpose is to provide low-income housing. The transfers can be with or without consideration. A public hearing is required before action can be taken and an Ordinance is required to affect the transfer. Lane Manual 21.430(1) affirms the County's commitment to providing property for use in

developing low-income housing and defines a low-income family as having income of 80% or less of the median for the area as determined by the Department of Housing and Urban Development.

In previous transfers to similar organizations, the County has included language in the Quitclaim Deed to insure the property is used to provide affordable housing. Typically, a ten-year period has been used thus allowing the homeowner to participate in the full benefits of home ownership after that time. ORS does not require any such language in a deed and the duration of the restriction is at the discretion of the Board. A clause has also been included in the Deed that provides for reversion of the property to the County if the property has not been developed for its intended purpose within three years of its transfer.

3.3 Alternatives/Options

1. Transfer the property to NEDCO with \$6,000 in consideration (the consideration will reimburse the county for cleanup costs, provide program revenue and distribute funds to the taxing districts).
2. Transfer the property to NEDCO under other terms and conditions determined by the Board.
3. Refrain from transferring the property to NEDCO and offer it at Sheriff's auction to the general public (estimated sale price is \$50,000).

3.4 Recommendation

It is recommended that the property be transferred to NEDCO pursuant to option 1 above. It is further recommended that the Quitclaim Deed contain provisions insuring that the property is used for providing low income housing for a period of ten years and that the property will revert to the County if not developed for low income housing within three years of its transfer.

3.5 Timing

The first reading of the ordinance is scheduled for April 30, 2003. The second reading and public hearing is scheduled for 1:30 PM on May 14, 2003.

4. **IMPLEMENTATION/FOLLOW-UP:** Upon approval by the Board of County Commissioners, the Quitclaim Deed will be executed and the property transferred to NEDCO.
5. **ATTACHMENTS:** Ordinance; Letter from NEDCO; Quitclaim Deed; Plat Map

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDINANCE NO. 03-3 IN THE MATTER OF AUTHORIZING THE TRANSFER OF SURPLUS
COUNTY OWNED REAL PROPERTY LOCATED AT 2280 G STREET,
SPRINGFIELD TO THE NEIGHBORHOOD ECONOMIC DEVELOPMENT
CORPORATION FOR THE PURPOSE OF PROVIDING AFFORDABLE
HOUSING (MAP NO. 17-03-36-12-08600)

WHEREAS, pursuant to ORS 271.330 and 456.365, any County may dedicate, sell, convey, lease or otherwise relinquish title to any of its property for the purpose of providing low income housing and

WHEREAS, the property identified by Assessor's map No. 17-03-36-12-08600 was acquired by Lane County through foreclosure for non-payment of property taxes and can be used as a resource in the development of low income housing and

WHEREAS, Lane Manual 21.430 prescribes procedures for effecting conveyances of County - owned real property for use in providing low income housing and said procedures have been adhered to and

WHEREAS, The Neighborhood Economic Development Corporation is a qualified non-profit corporation organized to undertake low-income housing projects and has submitted a request to acquire the aforementioned County-owned real property for consideration of \$6,000 and

WHEREAS, the Neighborhood Economic Development Corporation has agreed to inclusion in the Quitclaim Deed from Lane County language which insures use of the property for the provision of low-income housing for a period of ten years from its transfer, with low-income housing defined as housing for families where annual income does not exceed 80% of the median income for the area as determined annually by the Department of Housing and Urban Development and

WHEREAS, the Neighborhood Economic Development Corporation has also agreed to include language in said Quitclaim Deed to ensure that the property is developed for low income housing within three years of its transfer or said real property shall be subject to reversion to Lane County and

WHEREAS, the Board further finds that the first reading of this ordinance was held on April 30, 2003, that on this date the second reading and public hearing were held and that notice of this ordinance and public hearing has been duly published in Lane County as required by ORS 271.330 and ORS 456.370 and

WHEREAS, due consideration was given to all testimony submitted at said public hearing

NOW, THEREFORE, the Board of County Commissioners of Lane County ordains as follows:

1. The Board finds that the facts are as stated in the above recitals.
2. The Board further finds that, in accordance with ORS 271.330 and ORS 456.365, the aforementioned County-owned real property is appropriate for transfer to a non-profit corporation for the purpose of providing low-income housing.

3. The Board further finds that the Neighborhood Economic Development Corporation is a qualifying nonprofit corporation pursuant to ORS 271.330 and ORS 456.355, and that it is appropriate and in the best interests of Lane County to transfer the property to them.
4. Based upon these findings, the Board approves transferring to the Neighborhood Economic Development Corporation by Quitclaim Deed, for consideration of \$6,000, title to Lane County owned real property identified as:

Beginning at a point which is 540 feet North and 1710 feet S 89° 30' West of the Northeast corner of James Ebert DLC No. 74, Township 17 South, Range 3 West of the Willamette Meridian, said Point of Beginning being on the North right of way line of Morning Drive, also known as "G" Street; running thence S 89° 30' West 55 ft.; thence North 116 feet; thence N 89° 30' East 55 ft.; thence South 116 ft. to the Point of Beginning, in Lane County, Oregon (map No. 17-03-36-12-08600) .

5. The Board further approves executing said Quitclaim Deed with provisions to insure that the property is used for low-income housing as defined in LM 21.430(2)(a) for a period of ten (10) years from the date of its transfer and that said property shall be developed for said use within three years of its transfer or said property shall be subject to reversion to Lane County
6. It is further approved that the County Administrator is authorized to execute any other documents necessary to complete the transfer.

ENACTED this _____ day of _____, 2003

Peter Sorensen, Chair, Board of County Commissioners

IN THE MATTER OF AUTHORIZING THE TRANSFER OF SURPLUS COUNTY OWNED REAL PROPERTY LOCATED AT 2280 G STREET, SPRINGFIELD TO THE NEIGHBORHOOD ECONOMIC DEVELOPMENT CORPORATION FOR THE PURPOSE OF PROVIDING AFFORDABLE HOUSING

APPROVED AS TO FORM

Date 4-22-03 lane county

OFFICE OF LEGAL COUNSEL

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NEDCO

Neighborhood Economic
Development Corporation

April 8, 2003

Jeff Turk
Lane County Facilities
Fax: 682-4290

Dear Jeff,

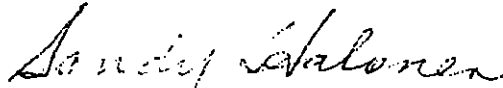
This letter is to express NEDCO's interest in acquiring the abandoned property at 2280 G Street, Springfield. We plan to rehab the house and place it in our affordable homeownership program for low income households. When completed, the home will be offered both through NEDCO's lease-purchase program and through HACSA's Section 8 homeownership program. The homebuying household will complete both the Threshold Home Ownership Education and Counseling Program and the ABC's of Homebuying course.

NEDCO will pay \$6000 for the property, and we understand that the deed will contain a restriction requiring the property to be used for affordable housing purposes for a minimum of ten years. We agree that the rehabilitated home will be used for that purpose within three years of transfer to NEDCO.

We look forward to the opportunity to create another affordable home ownership opportunity in Springfield, and look forward to working with Lane County to achieve that goal.

Please let me know if I can answer any other questions.

Sincerely,



Sandy Halonen
Executive Director

