

W. S. B.

**AGENDA COVER MEMORANDUM**

**Agenda Date: April 14, 2004**

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**DATE:** March 31, 2004  
**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 8-04 / IN THE MATTER OF AUTHORIZING THE TRANSFER OF SURPLUS COUNTY OWNED REAL PROPERTY LOCATED AT 651 EAST 32<sup>ND</sup> STREET, EUGENE TO THE NEIGHBORHOOD ECONOMIC DEVELOPMENT CORPORATION FOR THE PURPOSE OF PROVIDING AFFORDABLE HOUSING (MAP NO. 18-03-08-22-10100)

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1. **PROPOSED MOTION:** THE BOARD OF COUNTY COMMISSIONERS MOVES TO AUTHORIZE THE TRANSFER OF SURPLUS COUNTY OWNED REAL PROPERTY LOCATED AT 651 EAST 32<sup>ND</sup> STREET, EUGENE TO THE NEIGHBORHOOD ECONOMIC DEVELOPMENT CORPORATION FOR THE PURPOSE OF PROVIDING AFFORDABLE HOUSING (MAP NO. 18-03-08-22-10100)
  
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 requested that the transfer occur without consideration. NEDCO will pay for all costs associated with the transfer (publication costs, escrow fees, etc.) and pay the \$400 administrative fee required by the county.

A public hearing pursuant to ORS 271.330 and ORS 456.370 is required to affect the transfer. The hearing is scheduled for April 28, 2004 at 1:30 PM.

3. **DISCUSSION:**

3.1 Background

The subject property was acquired through tax foreclosure in 1986. The property is improved with a 1,250 sq. ft. house built in 1940. The lot is 52' x 139'. At the time of its

foreclosure, there was approximately \$12,000 owing in delinquent taxes. The property has a current assessed value of \$87,572 .

The house is in poor condition. Substantial renovation would be needed to repair roof damage, dry rot and to bring the interior up to modern standards (the house has 7 ft. ceilings). NEDO's plan is to raze the existing structure and construct a new dwelling.

When the county acquired the property in 1986 the title was encumbered with over 30 liens and judgments against the former owner. Attempts have been made to clear the title. The county was able to remove several items but was unable to clear all items. The property was essentially unmarketable due to the remaining encumbrances.

The passage of time has caused the remaining encumbrances to expire. A recent title report does show a clear title.

The property was used as residential rental by the county under the Section 8 program up until 1998.

The matter of the transfer was presented to the Housing Policy Board (HPB). The HPB has recommended that the property be transferred to NEDCO.

### 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, as the existing structure will need to be demolished and a new one built, having the property transferred without consideration will allow NEDCO to undertake the project at a cost that will meet federal income standards for affordable housing recipients.

In April, 2001, the county transferred a property to NEDCO at 2280 G Street in Springfield. NEDCO did pay \$6,000 in consideration for the transfer. NEDCO did complete remodeling and renovation in a timely manner and the property is occupied by a qualifying family who is in the process of purchasing it from NEDCO.

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 and used for its intended purpose within three years of its transfer.

### 3.3 Alternatives/Options

1. Transfer the property to NEDCO without consideration.
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 14, 2004. The second reading and public hearing is scheduled for 1:30 PM on April 28, 2004.

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.  
8-04

IN THE MATTER OF AUTHORIZING THE TRANSFER OF  
SURPLUS COUNTY OWNED REAL PROPERTY LOCATED AT  
651 EAST 32<sup>ND</sup> STREET, EUGENE TO THE NEIGHBORHOOD  
ECONOMIC DEVELOPMENT CORPORATION FOR THE  
PURPOSE OF PROVIDING AFFORDABLE HOUSING (MAP  
NO. 18-03-08-22-10100)

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. 18-03-08-22-10100 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 without consideration 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 14, 2004, 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 without consideration to the Neighborhood Economic Development Corporation, by Quitclaim Deed, title to Lane County owned real property identified as:

*Beginning at a point on the North line of 32<sup>nd</sup> Street, said point being South 1° 18' West 369.84 feet and North 89° 46' East 950 feet from the initial point of the AMENDED PLAT OF ROSEDALE ADDITON TO EUGENE, as platted and recorded in Book 4, Page 81, Lane county Oregon Plat Records; running thence North 1° 18' East 138.58 feet; thence North 89° 46' East 52 feet; thence South 1° 18' West 138.58 feet; thence South 89° 46' West 52 feet to the Point of Beginning, in Lane County, Oregon.*

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 and used for said purpose 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 or his designee is authorized to execute any other documents necessary to complete the transfer.

ENACTED this \_\_\_\_\_ day of \_\_\_\_\_, 2004

\_\_\_\_\_  
Bobby Green, Chair, Board of County Commissioners

IN THE MATTER OF AUTHORIZING THE TRANSFER OF SURPLUS COUNTY OWNED REAL PROPERTY LOCATED AT 651 EAST 32<sup>ND</sup> STREET, EUGENE TO THE NEIGHBORHOOD ECONOMIC DEVELOPMENT CORPORATION FOR THE PURPOSE OF PROVIDING AFFORDABLE HOUSING (MAP NO. 18-03-08-22-10100, SECOND READING AND PUBLIC HEARING APRIL 28, 2004 AT 1:30 PM IN COMMISSIONER'S CONFERENCE ROOM)

APPROVED AS TO FORM

Date 4/6/04 Lane County

Jessie J. Smith  
OFFICE OF LEGAL COUNSEL



# NEDCO

Neighborhood Economic  
Development Corporation

February 20, 2004

Jeff Turk  
Lane County Facilities  
Fax: 682-4290

Dear Jeff,

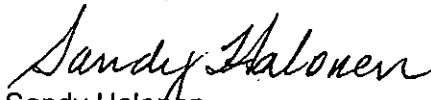
This letter is to express NEDCO's interest in acquiring the vacant property at 651 E. 32<sup>nd</sup> Street, Eugene. We plan to contract with Bring Recycling to demolish the house and outbuilding, then build a new single story 3 bedroom 1 ½ bath home to be placed in our affordable homeownership program for low income households. When completed, the home will be offered through NEDCO's lease-purchase program. The homebuying household will complete both NEDCO's Threshold Home Ownership Education and Counseling Program and the ABC's of Homebuying course.

NEDCO will cover the County's administrative processing fee (\$400) and transfer costs including the public hearing and published notice. 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 plan to complete the demolition in summer 2004, then begin construction in Spring 2005.

We look forward to the opportunity to create another affordable home ownership opportunity in Eugene, 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

## QUITCLAIM DEED

LANE COUNTY, a political subdivision of the State of Oregon, pursuant to Ordinance No.8-04 of the Board of County Commissioners of Lane County, releases and quitclaims to:

### NEIGHBORHOOD ECONOMIC DEVELOPMENT CORPORATION

all its right, title and interest in that real property situated in Lane County, State of Oregon, described as:

*Beginning at a point on the North line of 32<sup>nd</sup> Street, said point being South 1° 18' West 369.84 feet and North 89° 46' East 950 feet from the initial point of the AMENDED PLAT OF ROSEDALE ADDITON TO EUGENE, as platted and recorded in Book 4, Page 81, Lane county Oregon Plat Records; running thence North 1° 18' East 138.58 feet; thence North 89° 46' East 52 feet; thence South 1° 18' West 138.58 feet; thence South 89° 46' West 52 feet to the Point of Beginning, in Lane County, Oregon ( map #.18-03-08-22-10100).*

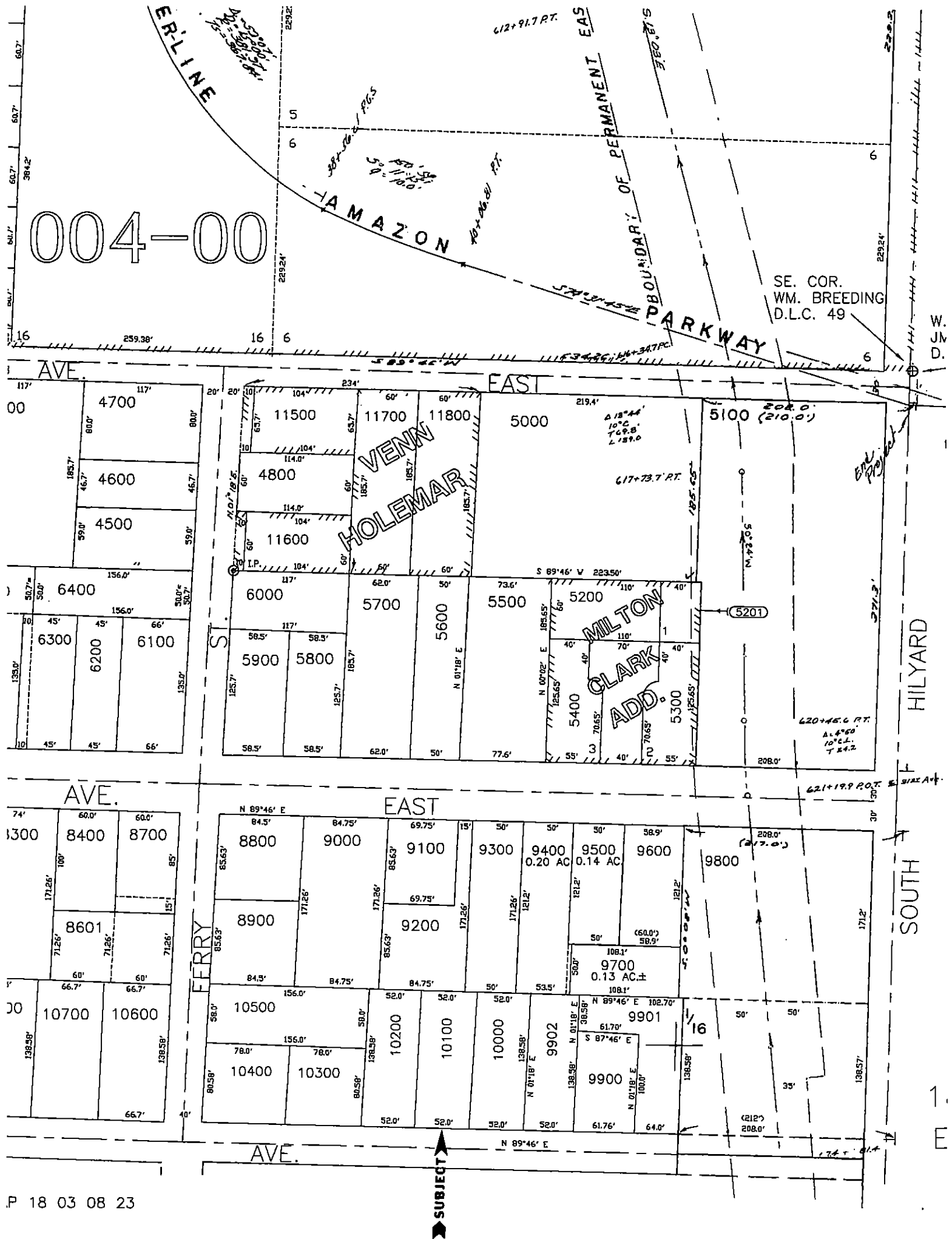
This grant is made pursuant to ORS 271.330 and ORS 456.355- 456.370 and is conditioned upon use of the herein conveyed property by grantee, its heirs, assigns and successors in interest, for the provision of low income housing to qualified families for a period of ten (10) years from the date of this transfer. A "low income family" shall be defined as a family whose annual gross income does not exceed 80% of the median income for the area as determined by the U. S. Department of Housing and Urban Development.

This grant is further conditioned upon use of the herein conveyed property for the provision of low income housing within three (3) years from the date of its transfer to grantee or said property shall be subject to reversion to grantor

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS. 30.930.

The true and actual consideration for this transfer is: The provision of low income housing.





004-00

SE. COR.  
WM. BREEDING  
D.L.C. 49

VENN  
MOLEMAR

MILTON  
CLARK  
ADD.

↑  
SUBJECT