

RESOLUTION NO. 3192

A RESOLUTION OF THE CITY OF WILSONVILLE GRANTING AN EXEMPTION FROM PROPERTY TAXES UNDER ORS 307.540 TO ORS 307.548 FOR RAIN GARDEN LIMITED PARTNERSHIP, A LOW-INCOME APARTMENT DEVELOPMENT OWNED AND OPERATED BY CARITAS COMMUNITY HOUSING CORPORATION.

WHEREAS, maintaining Wilsonville's existing affordable housing supply is necessary for its continued health and growth; and

WHEREAS, Caritas Community Housing Corporation, a not-for-profit organization, constructed the Rain Garden Apartments, an affordable housing development located at 29197 SW Orleans Avenue, Wilsonville, Oregon; and

WHEREAS, Rain Garden Apartments includes 29 residential units for people with low income; and

WHEREAS, Caritas Community Housing Corporation is currently seeking to preserve the Rain Garden Apartments as affordable housing; and

WHEREAS, a property tax exemption is essential to Caritas Community Housing Corporation'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, Caritas Community Housing Corporation has requested a property tax exemption for its Rain Garden 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 of more than 51% of the total combined rate of taxation on the Caritas Community Housing Corporation at Rain Garden Apartments; and

WHEREAS, Caritas Community Housing Corporation has received an exempt status from the West Linn-Wilsonville School District for the Rain Garden 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. Caritas Community Housing Corporation and its affordable housing development, Rain Garden Apartments qualify for a property tax exemption pursuant to ORS 307.540 to 307.548.

Section 3. The Assistant Finance Director is directed to request the Clackamas County Assessor to exempt Rain Garden 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, 2025.

Section 4. Effective Date. This Resolution is effective upon adoption for the upcoming 2025/2026 tax year.

ADOPTED by the Wilsonville City Council at a regular meeting thereof this 17th day of March 2025, and filed with the Wilsonville City Recorder this date.

Signed by:
Shawn O'Neil
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Shawn O'Neil, Mayor

ATTEST:

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Kimberly Veliz
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Kimberly Veliz, City Recorder

SUMMARY OF VOTES:

Mayor Shawn O'Neil	Yes
Council President Berry	Yes
Councilor Dunwell	Yes
Councilor Shevlin	Yes
Councilor Cunningham	Yes

EXHIBIT:

A. Property Tax Exemption Application

CITY OF WILSONVILLE

Instructions and Application for Property Tax Exemption For Low-Income Housing Held by Charitable, Nonprofit Organizations

Please note that the City requires a copy of the IRS declaration of the status of application as a tax exempt corporation under 26 U.S.C. Section 501(c)(3) or (4) for each application.

Instructions and Application for property Tax Exemption For Very Low-Income Housing Held by Charitable, Nonprofit Organizations

What is It?

The 1985 Oregon legislature authorized a property tax exemption for low-income housing held by charitable, non-profit organizations.¹ The tax exemption is intended to benefit low-income renters and is available for qualifying property located within the City of Wilsonville.

Who is Eligible?

- Charitable, non-profit organizations that provide housing to low-income persons² are eligible.
- The organization must be certified by the Internal Revenue Services as 501(c) (3) or (4).
- Organizations must own or have a leasehold interest in the property or participate in a partnership so long as the non-profit organization is responsible for the day-to-day management of the property. The site must be occupy-able during the upcoming tax year by income eligible households, although vacant land intended to be developed as low-income housing is eligible for the exemption provided under this program.
- Applicants who are leaseholders must have a sign leasehold agreement by the April 1st application deadline. *Applicants may also apply for the exemption for properties expected to be acquired by July 1 of the tax year but the application form must be submitted by the February 7th deadline.*

Note: You may already be exempted from taxation under the statutory provision for qualifying benevolent, charitable and scientific institutions or for nonprofit organizations providing housing and *care* to the elderly. These two programs are administered by Clackamas County.

If you qualify for these other programs, please do not complete this application. Questions concerning these exemptions should be directed to the Clackamas County Division of Assessment and Taxation at 503-655-8671

What is Eligible?

Only the residential portion of a property located within the City of Wilsonville, which is used to house low-income people, is eligible for a property tax exemption. For example, the commercial space in a mixed-use building would not be eligible for tax exemption. Application for the exemption must be made *annually*.

Who Administers the Program?

The City of Wilsonville's Finance Department administers this program. Please call Katherine Smith, Assistant Finance Director at (503) 570-1511 if you have questions.

¹ SB 503 Chapter 660 Oregon's Laws 1985 and chapter 108 Oregon Laws 1993 amending Oregon Revised Statutes 307.540-.548.

² "Low-income persons" are individuals earning 60% or less of the area median income. See Income Eligibility Schedule (Attachment A) [U.S.C. Section 1437(a)(b)(2)].

How to Apply?

Submit a completed application, which includes the following:

1. A complete application – complete Section A and E for your organization. Complete Sections B, C, and D for *each* building for which a property tax exemption is being requested.
2. All applications must be signed and notarized – Section E is required to be notarized for each organization and application only, *not for each building*.
3. New applications must include a copy of IRS 501(c)(3) or (4) letter certifying your organization's eligible charitable nonprofit status.
4. Application fee – Attach a check or money order payable to the City of Wilsonville in the amount of \$250 for new applications and \$50 for renewal applications. Application fee is for each organization, not each building, however the renewal fee is per building. Applicants who apply for exemptions by the April 1 deadline do not need to pay an additional fee to apply for exemption for property acquired before the July 1 purchase deadline.
5. **Applications must be received at the City of Wilsonville Finance Department no later than February 7th. Applications received after this date will not be accepted.** Submit applications to the address below: City of Wilsonville, Attn: Finance Department, 29799 SW Town Center Loop East, Wilsonville, OR 97070
6. If you have any questions about the application, please call Katherine Smith, Assistant Finance Director at (503) 570-1511.

ATTACHMENT A

2024-25 INCOME ELIGIBILITY SCHEDULE

The following income eligibility schedule is to be used in determining the amount of eligible property. Only units which are intended for occupancy by households with incomes at or below these income guidelines are eligible for the exemption.

Household Size	Household Income Not To Exceed³
1	\$36,811
2	\$48,138
3	\$59,464
4	\$70,790
5	\$82,117
6	\$93,443

Note: Unoccupied housing units at the time of application may be included in the total eligible units if the applicant meets the following conditions:

1. The units will be available exclusively to eligible low-income persons;
2. The units are intended to be occupied within the year;
3. The applicant must provide a written statement to the effect of 1 and 2 above, and attach it to the application.

(Source: <https://www.oregon.gov/ohcs/energy-weatherization/Pages/utility-bill-payment-assistance.aspx>
Oregon Low Income Energy Assistance Program – Eligibility Requirements)

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: Rain Garden LP

Property Address: 29197 SW Orleans Avenue, Wilsonville OR 97070

Assessor’s Property Tax Account Number(s): 05019399 Map 31W15DB07500

(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: 29

Number of residential units occupied by very low-income people: 29

Total square feet in building: 21,243

Total square feet used to house very low-income people⁴ 21,243

Section C – Leasehold Interest in Eligible Property

Do you own the property in question? X 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.

 Caritas Community Housing Corporation (CCHC) a subsidiary of Catholic Charities. Catholic Charities is the non-profit sole member of the ownership entity general partner Rain Garden GP LLC. CCHC is responsible for ensuring that all operating costs are paid, including taxes due. The very low-income residents of Rain Garden are charged rents well below market. The savings realized from the property tax exemption are passed through to reduce rents.

⁴ 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? _____

2. Provide greater services to your very low income residential tenants? Yes No.

3. If yes, in what way(s)? By reducing costs

4. Provide any other benefit to your very low-income residential tenants? Yes No
If yes, please explain: Preserves financial stability, and therefore longevity of the project.

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)

Kaleen Deatherage
 Agency Chief Executive officer (Print or typed)

For: Caritas Community Housing Corporation
Sole member of Rain Garden GP LLC,
General Partner of Rain Garden LP

Corporate Name (Print or type)

Subscribed and sworn to before me this 14th day of January, 2025.


 Notary Public For Oregon
 My Commission Expires: 7/10/2027

