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AGENDA COVER MEMORANDUM

Agenda Date: August 31, 2005

DATE: August 15, 2005

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 #4-05 / IN THE MATTER OF AUTHORIZING THE TRANSFER OF COUNTY OWNED REAL PROPERTY, FOR CONSIDERATION OF \$50,000, LOCATED AT 115 E. HILLCREST, EUGENE TO THE ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY FOR THE PURPOSE OF PROVIDING AFFORDABLE HOUSING (MAP NO. 17-04-24-21-08100, SECOND READING AND PUBLIC HEARING SEPTEMBER 14, 2005 AT 1:30 PM IN THE COMMISSIONER'S CONFERENCE ROOM)

1. **PROPOSED MOTION:** THE BOARD OF COUNTY COMMISSIONERS MOVES TO AUTHORIZE THE TRANSFER OF COUNTY OWNED REAL PROPERTY, FOR CONSIDERATION OF \$50,000, LOCATED AT 115 E. HILLCREST, EUGENE TO THE ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY FOR THE PURPOSE OF PROVIDING AFFORDABLE HOUSING (MAP NO. 17-04-24-21-08100, SECOND READING AND PUBLIC HEARING SEPTEMBER 14, 2005 AT 1:30 PM IN THE COMMISSIONER'S CONFERENCE ROOM)
2. **ISSUE/PROBLEM:** The St. Vincent de Paul Society of Lane County (SVDP) has submitted a request for the transfer of County owned real property at 115 E. Hillcrest, Eugene, to be used for providing home ownership opportunities for low income home buyers. SVDP has agreed to pay \$50,000 as consideration for the transfer. SVDP will also pay for all costs associated with the transfer (publication costs, escrow fees, etc.) and pay the \$400 administrative fee required by the county.

The subject property was acquired through tax foreclosure but has been designated as county park land pursuant to Board action on August 24, 2005.

A public hearing pursuant to ORS 271.330 and ORS 456.370 is required to affect the transfer for affordable housing purposes. The hearing is scheduled for September 14, 2005 at 1:30 PM..

A public hearing pursuant to ORS 275.330 is also required before county property designated as park land can be sold. A separate hearing on this matter has also been scheduled for September 14, 2005.

3. **DISCUSSION:**

3.1 Background

The subject property was acquired through tax foreclosure in September, 2003. The property consists of a 2300 sq. ft. house (plus a full, unfinished basement) built in 1925 residing on a half acre lot. The property adjoins a City of Eugene bike path and the City's park along the Willamette River (tax lot 8200 on attached map).

The house is in fair-poor condition and has been subject to incidents of vandalism with windows broken and damage done to the interior walls, fixtures and flooring. SVDP estimates that \$80,000 will be needed to rehabilitate the structure.

The current assessed value of the property is \$160,000 and it is estimated that the property would sell for that amount at a Sheriff's sale.

If SVDP were to acquire the property from the county it would use the property to provide an affordable home ownership opportunity to a qualified family (at or below 80% of the median income for the area). In addition, SVDP would proceed with partitioning the lot and construct an additional house on the property also to be used for a qualifying low-income family

Initially, SVDP and the Neighborhood Economic Development Corporation (NEDC) were going to jointly develop the property for affordable housing (NEDCO was going to develop the partitioned lot). The matter of their interest in the property has been presented to the Housing Policy Board (HPB). The HPB did make a recommendation that the county transfer the property to SVDP (who would then transfer half the lot to NEDCO after it was partitioned). NEDCO has since decided not to proceed and SVDP would undertake the project alone if it acquires the subject property.

A preliminary title report for the property shows a clean title except for a \$1,400 improvement lien by the City of Eugene for sewer line installation for which SVDP will be responsible.

Pursuant to Lane Manual 21.435, the matter of designating the subject property as county park land per ORS 275.320 was brought to the Board at their August 24, 2005 meeting. The Board approved the designation at that meeting. When property designated as park land is sold the sale revenue must be used for park purposes.

Before selling county property that has been designated as park land a public hearing must be held. A hearing has been scheduled for September 14, 2005 to be held prior to the hearing to discuss transferring the property to SVDP.

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, sufficient value and use is present in the subject property to allow SVDP to pay the county \$50,000 and still provide an affordable home ownership opportunity (the \$50,000 is considerably less than the estimated \$160,000 market value of the property).

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.

ORS 275.330 provides for selling county park land at a public or private sale pursuant to a determination by the Board that it is in the county's best interest to do so. A public hearing is required prior to making such a determination.

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 SVDP for \$50,000 as presented.
2. Transfer the property to SVDP under other terms and conditions determined by the Board.
3. Refrain from transferring the property to SVDP and offer it at Sheriff's auction to the general public (estimated sale price is \$160,000).

3.4 Recommendation

It is recommended that the property be transferred to SVDP 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 August 24, 2005. The second reading and public hearing is scheduled for 1:30 PM on September 14, 2005. The public hearing to authorize selling the property as it is county park land is also scheduled for September 14, 2005.

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

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDINANCE NO. 4-05

IN THE MATTER OF AUTHORIZING THE
TRANSFER OF COUNTY OWNED REAL
PROPERTY, FOR CONSIDERATION OF \$50,000,
LOCATED AT 115 E. HILLCREST, EUGENE TO
THE ST. VINCENT DE PAUL SOCIETY OF
LANE COUNTY FOR THE PURPOSE OF
PROVIDING AFFORDABLE HOUSING (MAP
NO. 17-04-24-21-08100)

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, pursuant to ORS 275.320 county owned tax foreclosed real property identified as Assessor's map no. 17-04-24-21-08100 has been designated as county park land and

WHEREAS, pursuant to ORS 275.330 the county may sell, transfer or otherwise convey county park land at public or private sale subsequent to a public hearing and

WHEREAS a public hearing on the matter of selling said county park land was held on September 14, 2005 and the Board deemed it to be in the best interests of Lane County to sell said park land and

WHEREAS, said county owned real property 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 St. Vincent de Paul Society of Lane County 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 with consideration of \$50,000 and

WHEREAS, The St. Vincent de Paul Society of Lane County 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 St. Vincent de Paul Society of Lane County 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 August 24, 2005, 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 St. Vincent de Paul Society of Lane County 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 St. Vincent de Paul Society of Lane County, for consideration of \$50,000, by Quitclaim Deed, title to Lane County owned real property identified as Assessor's map no. 17-04-24-21-08100 and more particularly described as:

See Attached Exhibit "A"

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 _____, 2005

Anna Morrison, Chair, Board of County Commissioners

IN THE MATTER OF AUTHORIZING THE TRANSFER OF COUNTY OWNED REAL PROPERTY, FOR CONSIDERATION OF \$50,000, LOCATED AT 115 E. HILLCREST, EUGENE TO THE ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY FOR THE PURPOSE OF PROVIDING AFFORDABLE HOUSING (MAP NO. 17-04-24-21-08100)

APPROVED AS TO FORM

Date 8-18-05 Lane county


OFFICE OF LEGAL COUNSEL

Beginning at a point 76.52 feet West of the Southeast corner of that certain tract described in Deed Dated March 18, 1927, by Medora Rossman to B. E. Rayburn, Recorded in Book 153, Page 274, Lane County Oregon Deed Records, which real estate is also described as follows: from a point 13.585 chains North 17° West of a point 72.91 chains East of the Southwest corner of the Benjamin Davis and wife Donation Land Claim No. 45, Notification No. 2244, in Section 24, Township 17 South, Range 4 West of the Willamette Meridian, run North 17° West 38.61 feet; thence West 21 feet; thence North 17° West 729.87 feet to the Point of Beginning; thence run East 640.48 feet; thence North 267.07 feet to the Place of Beginning; and thence West 150 feet along the South line of the said 4 acre tract; thence run North 267.07 feet to the North line of said 4 acre tract; thence run East 150 feet along the North line of said 4 acre tract, to a point 76.52 feet West of the Northeast corner of said 4 acre tract; thence South 267.07 feet to the Place of Beginning, in Lane County, Oregon.

ALSO the East 76.52 feet of the following described tract of land in Lane County State of Oregon, to-wit: from a point 13.585 chains North 17° 00' West of a point 72.91 chains East of the Southwest corner of the Benjamin Davis and wife Donation Land Claim No. 45, Notification No. 2244, in Section 24, Township 17 South, Range 4 West of the Willamette Meridian, in Lane County, Oregon; thence run North 17° 00' West 38.61 feet; thence West 21 feet; thence North 17° 00' West 729.87 feet to the Point of Beginning; thence run East 640.48 feet; thence North 267.07 feet; thence West 722.04 feet; thence South 17° 00' East 279.27 feet to the Place of Beginning, in Lane County, Oregon.

EXCEPT: Tax Lot 8000 by Volume 236, Page 615 in 1943.

ALSO: Beginning at a point in the center of a certain 30 foot lane known as Hillcrest Avenue, said point being 15.0 feet North and 50.52 feet West of the Northeast corner of Lot 10, Block 2, PLAT OF OAKLEIGH, in Section 24, Township 17 South, Range 4 West of the Willamette Meridian, said point also being the Southeast corner of a certain 1 acre tract of land, recorded in the name of Hiram C. Burr, in Volume 236, Page 615, Lane County Oregon Deed Records; from said point run thence West 7.4 feet; thence North 267.07 feet to the North line of a certain 4 acre tract, the deed of which is Recorded in Volume 153, Page 274, Lane County Oregon Deed Records; thence East 7.4 feet along said North line; thence South 267.07 feet to the Place of Beginning, being a part of said 4 acre tract, said Township and Range, in Lane County, Oregon.

EXCEPT the South 26.90 feet to Lane County for Hillcrest Avenue.

QUITCLAIM DEED

LANE COUNTY, a political subdivision of the State of Oregon, pursuant to Ordinance No.4-05 of the Board of County Commissioners of Lane County, releases and quitclaims to:

THE ST. VINCENT DE PAUL SOCIETY OF LANE COUNTY, INC.

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

See Attached Exhibit "A"

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. Use shall be defined as the property being occupied by a "qualifying family" as noted above.

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: \$50,000

LANE COUNTY BOARD OF COMMISSIONERS

STATE OF OREGON)
) ss
COUNTY OF LANE)

On _____, 2005 personally appeared _____,
_____, _____, _____, _____

_____, County Commissioners for Lane County, and acknowledged the foregoing instrument to be their voluntary act. Before me:

Notary Public for Oregon

My Commission Expires _____

After recording, return to/taxes to:
St. Vincent de Paul Society of Lane County
PO Box 24608
Eugene, OR 97402

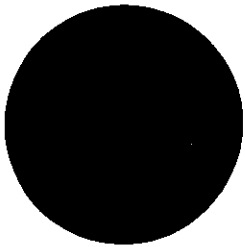
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EXCEPT the South 26.90 feet to Lane County for Hillcrest Avenue.



ST. VINCENT de PAUL SOCIETY

OF LANE COUNTY, INC

Social Services – (541) 689-6747
Stores – (541) 345-0595
Office – (541) 687-5820
Fax – (541) 683-9423

705 S. Seneca
P.O. Box 24608
Eugene, Oregon 97402

August 1, 2005

Jeff Turk
Property Management Officers
125 East Eighth Avenue
Eugene, Oregon 97401

Dear Mr. Turk:

St. Vincent de Paul is formally offering \$50,000.00 for the Lane County owned property at 115 Hillcrest Drive in Eugene. It is our intent to redevelop the site for the purpose of creating housing for two low income families. St. Vincent intends to partition the lot into two parcels. The existing four bedroom house will be rehabilitated by St. Vincent for use as permanent affordable housing. The back panhandle lot will be a new construction home ownership project of St. Vincent de Paul. Both properties will be affordable for low income families, as is required by Lane County and our Board.

As you know, this property has suffered significant damage since it was vacated. Our estimator, Richard Dannemiller reports significant attrition of fixtures removed, walls pounded in, and three foot of standing water in the basement. Wiring has been removed, fixtures destroyed and the furnace in the basement is a total loss. The property also has significant amounts of lead paint, which must be treated. St. Vincent is also well aware that the value of the property is greater than the amount being offered, but the hope is that the existing building can be saved, which is estimated to cost \$80,000.00. The tricky part of the effort to save the house is the degree of lead paint that must be abated. Under the new regulations governing the management of lead paint, any project that involves more than \$25,000.00 in Federal funds must physically remove the affected wood, rather than encapsulate. This dramatically increases the cost of restoration and seriously jeopardizes the effort to save the house. Current estimates for lead abatement for limited Federal Funds is \$15,000.00.

As a result of the above, St. Vincent is attempting to utilize a minimum of Federal

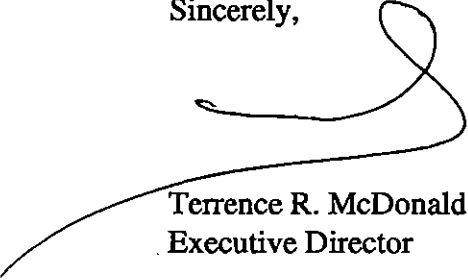
“Help Us Help Others”

funding to fix this house, as if St. Vincent exceeds \$25,000.00 in Federal funds, the cost of lead abatement doubles to almost \$30,000.00. St. Vincent will utilize substantial amounts of its own resources to keep this project affordable, as well as accessing a permanent loan from Siuslaw Bank and the City of Eugene Rental Rehabilitation Program.

As you know, NEDCO had previously expressed interest in developing the panhandle lot. After they ran the numbers, they informed St. Vincent in an e mail that they had no interest in purchasing the panhandle lot, and that St. Vincent was free from obligation to them for development of the Hillcrest property. Hence, this new application.

In our previous communication is the \$400.00 application fee for this transaction. Please utilize that check for this current application. Let us know when this will appear in front of the Commissioners, and we will be happy to answer any questions either then or before the hearing.

Sincerely,



Terrence R. McDonald
Executive Director

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N
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COURTESY OF
EVERGREEN LAND TITLE CO.
741-1981

