



Memorandum Date: September 21, 2023

Order Date: October 10, 2023

TO: Board of County Commissioners

DEPARTMENT: County Administration - Operations

PRESENTED BY: Kellie Hancock, Property Management Officer

AGENDA ITEM TITLE: ORDER/In the Matter of Authorizing a Transfer of County Owned Tax Foreclosed Real Property to Habitat for Humanity of Central Lane, Map and Tax Lot 20-03-28-13-10400, 1138 Thayer Ave, Cottage Grove, Lane County, Oregon.

I. MOTION

Move to authorize the transfer of County owned tax foreclosed real property to Habitat for Humanity, Map and Tax Lot 20-03-28-13-10400, 1138 Thayer Ave, Cottage Grove, Lane County, Oregon.

II. AGENDA ITEM SUMMARY

Pursuant to ORS 271.330 and LM 21.010.025, Habitat for Humanity of Central Lane is requesting that real property which was foreclosed upon for non-payment of property taxes be transferred to them for development of low-income housing. Their attached proposal includes possible funding sources, development process and transfer conditions.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

The property consists of 0.14 acres of R1 zoned land in a class C neighborhood. The existing structure is a single-family residence built in 1920, measuring 1,001 square feet with one bedroom and one bath. The structure has suffered many years of neglect and deferred maintenance and will need to be razed. The market value of this property is \$42,206 per the Lane County Assessor's 2022 tax roll.

A foreclosure judgement was filed on September 24, 2020, in the amount of \$5,575. The property was deeded to Lane County on September 27, 2022, at the end of the owner's two-year redemption period, when said owner did not redeem

the property. To date, Lane County has incurred expenses in the amount of \$1,265 to clean and maintain the property.

B. Policy Issues

ORS 271.330 grants express power to any political subdivision to relinquish the title to any property not needed for public use to a municipal corporation for the purpose of providing low-income housing. LM 21.010.025(D) further outlines the procedure for requesting a transfer, which includes presenting the property to the Housing Policy Board and appropriate municipalities and non-profits. This property was presented to the Housing Policy Board in January 2023. Contact was then made with the City of Cottage Grove regarding the property. A request was made by the City Manager of Cottage Grove to contact Habitat for Humanity for the transfer. After Habitat for Humanity made a request for the transfer, a legal notice was posted in the Register Guard for two successive weeks prior to the Board meeting, advertising Lane County's intent to transfer title for the development of low-income housing. This notice was also published on the Lane County website. Opportunity for public comment or objection was given prior to this agenda item being presented to the Board.

C. Board Goals

Providing Habitat for Humanity with the opportunity to revitalize and develop these properties exhibits our Lane County Core Behavior of being driven to connect, as well being focused on solutions. Lane County is also donating to the Strategic Priority of contributing to vibrant communities by providing neighborhood property to a non-profit entity such as Habitat for Humanity.

D. Financial and/or Resource Considerations

Pursuant to LM 21.010.025(F), the requesting entity shall pay a non-refundable administrative fee of \$400. In addition, the requesting entity shall pay for the out-of-pocket costs of the transfer, including but not limited to publication costs, estimated at \$400, and recording fees, estimated at \$100, for a total of \$900.

The Tax Foreclosure Program is self-funded and currently has an adequate reserve balance which is used to clean and maintain tax foreclosed properties prior to sale. Transferring this property does not put the program under any duress.

E. Health Implications

Safe, sanitary, affordable housing is essential to the health and vitality of Lane County. By approving this transfer, the Board is providing opportunity for affordable housing to be developed within the incorporated limits of the City of Cottage Grove and for that housing to be offered to its low-income residents.

F. Analysis

The property being proposed for transfer was foreclosed upon for non-payment of

property taxes in 2020 and deeded to the County in 2022, at the end of the owner's redemption period. Habitat for Humanity has proposed a transfer of the property to be used for development of low-income housing. Habitat for Humanity has examined the property, evaluated feasibility of completing the proposal and explored avenues of possible funding. If the property is not used for low-income housing as proposed, it will be returned to Lane County. Opportunity was given for public comment or objection prior to this meeting.

G. Alternatives/Options

The following options are available to the Board:

1. Approve the transfer to Habitat for Humanity for the development of low-income housing as presented in the attached proposal.
2. Direct staff to negotiate different terms, transfer amounts and/or development requirements for the property.
3. Reject the request for a transfer and instead offer the property at a Sheriff's Sale, which would yield greater consideration.

IV. RECOMMENDATION

Staff recommends option one above.

V. TIMING/IMPLEMENTATION

All required notices have been given and no further waiting is needed to do the transfer.

VI. FOLLOW-UP

If a transfer is approved, staff will follow-up to have the proper conveyance documents signed and recorded.

VII. ATTACHMENTS

Habitat for Humanity's Formal Proposal

Board Order

Quitclaim Deed

Aerial Image

Board of Directors

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Peter Falkenstein

Rory Pearson

Rocky Redinger

Avery Bernardo

Mark Lind

Proposal to Acquire and Develop 1138 Thayer Avenue, Cottage Grove
Based on Property Reconveyance to Habitat for Humanity of Central Lane

September 25, 2023

Lane County Board of County Commissioners
3040 N Delta Hwy
Eugene, OR 97408

Dear Commissioners:

The Thayer property is envisioned as a two-unit townhome, or duplex, accessed from Thayer Avenue, Map and Tax lot Number 2003281310400. The proposal will utilize an existing architectural plan currently being built at our property in Springfield, Oregon. The initial design concept is a three-bedroom, two-bath floor plan of about 1,300 square feet. These plans will require a small adjustment from our existing architectural drawings. We will 'mirror' the three-bedroom floor plan in the duplex design. This design also creates an accessible first floor for a person using a wheelchair.

Our affiliate will fund the development with direct donations, business sponsorships, grants and loans. A new, \$400,000 LIFT (Low-Income-Fast-Track) proposal will be requested in January. USDA 502 loans for Rural Development are also available. Additionally, other similar funding opportunities can also be pursued. This affiliate already is utilizing LIFT funding, so this is not a new pursuit.

The existing structure will be demolished, either mechanically or by asking the City of Cottage Grove and South Lane County Fire & Rescue about a burndown training opportunity. The site plan would be completed and submitted at that time, and include building location and landscape design.

The total development and construction costs* for the duplex are anticipated to be \$650,000, or about \$250 per square foot. This allows us to view the entire project cost, which in turn is used by the Lane County Property Tax Assessors office when construction is completed for establishing property tax values. The land will be placed in a 99-year, land lease model. The mortgages will be set up with 'permanent affordability' agreement, where the appreciation and subsidized equity are shared between Habitat for Humanity of Central Lane and the homebuyer.

Conceptual drawings for the Thayer property proposal are presented below. These are actual plans currently being built at our Fischer Village development in Springfield utilizing AARP funding and LIFT funding.



*Habitat for Humanity of Central Lane is a non-profit, tax-exempt 501(c)(3) organization.
Federal Tax ID number is 93-1015598.*

*Contributions are tax deductible to the extent provided by law.
Please check with your tax advisor.*

Is this a project that will provide the City of Cottage Grove and Lane County low-income, affordable homeownership opportunities, absolutely YES. With our experience of building homes and Lane County's commitment to supporting low-income, affordable housing, we anticipate a time to completion - - meaning homeowner occupation, after land transfer, of no more than three years.

Affordable homeownership is a keystone in long-term, community stability. To that end, our mortgages are based on the homeowner's income at the time of closing, and the payment is limited to no more than 30% of the homeowner's income, at time of closing, for covering the PITI+HOA monthly mortgage expense. We humbly submit our request for consideration by the Lane County Board of County Commissioners to reconvey the property for transfer and processing fees, anticipated to be around \$900.00. The Habitat Board of Directors has approved this project and budget.

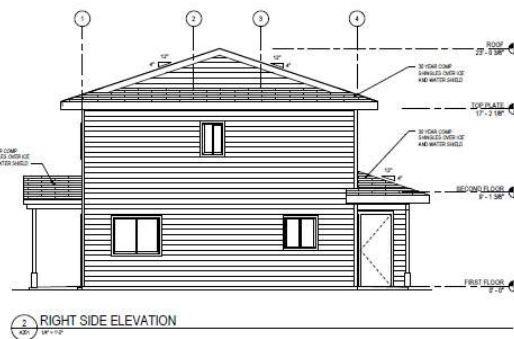
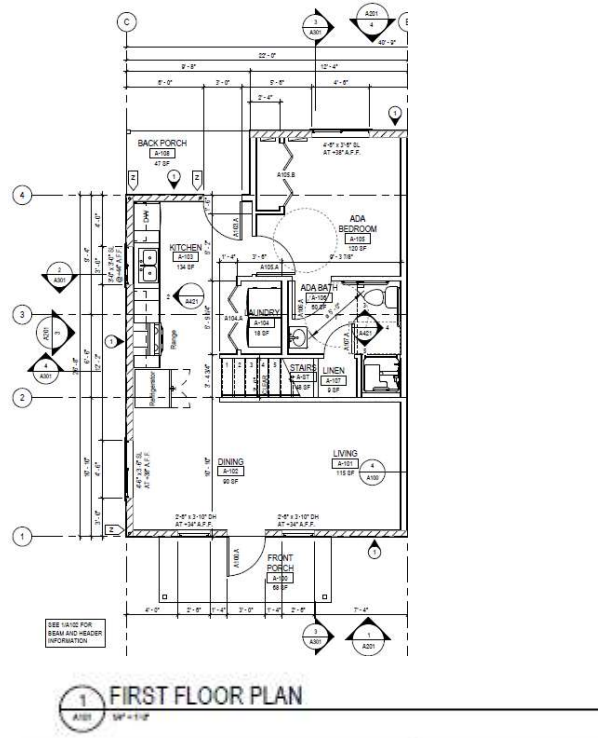
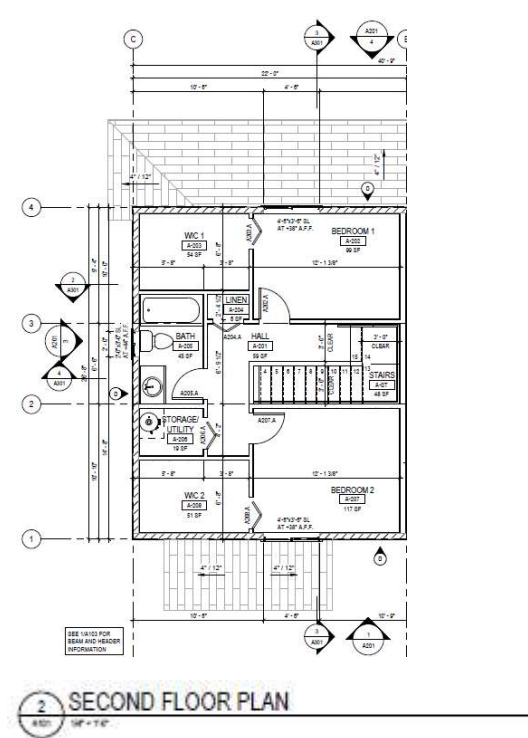
Respectfully submitted,



John Barnum

Executive Director

Attachments: Board of Directors Meeting Minutes, September 19, 2023



*Source for building costs:

<https://www.homebuilderdigest.com/cost-guide/oregon-cost-guides/how-much-does-it-cost-to-build-a-house-in-portland/>

**Habitat for Humanity of Central Lane
Board of Directors Meeting Minutes
September 19, 2023**

In Attendance: Amanda Adams, Troy Hanson, Dave Schiffer, Kristin Short, Alex Torres, Eileen Brayman Yearous, Brent Ellifritz, Sharon Kouba, Dan Olson, Aimee Walsh, Russ Bernardo, Jimmy Schaper (Zoom), Nelson Zaludek (Zoom), Prospective Board Member, and John Barnum, Executive Director.

Excused: Genevieve Sumnall, Darren Ricketts, and Matt Sevits.

I. Call to Order: Amanda Adams called the meeting to order at **5:31 pm**.

II. Devotion: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

III. Consent Agenda: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

IV. US Affiliate Covenant & QA Checklist: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

V. Homebuyer Selection Committee – Policy Updates: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

VI. Proposal for New Development in Cottage Grove: John Barnum shared an update on the property in Cottage Grove, located around the corner from the one we are currently developing. The County has inquired to see if Habitat could use this lot to build affordable homes, which we think we can. John has put together an initial concept and is now seeking board support for a formal proposal.

Amanda read the following board resolution: “We the board authorize John Barnum, the Executive Director of Habitat for Humanity of Central Lane, to create and submit a proposal to Lane County to convey the property at Map and Tax lot Number 2003281310400.” Aimee Walsh made a motion to approve the board resolution. Russ Bernardo seconded. The motion passed unanimously.

VII. Report on Leadership Team Training: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

VIII. Announcements & Other Updates: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

IX. Strategic Planning Discussion Opportunity: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

X. Adjournment: Amanda Adams adjourned at meeting 6:35pm.

Minutes submitted by:
/s/ Amanda Adams

Genevieve Sumnall, Secretary

BEFORE THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO: 23-10-10-01

ORDER / IN THE MATTER OF
AUTHORIZING A TRANSFER OF COUNTY
OWNED TAX FORECLOSED REAL
PROPERTY TO HABITAT FOR HUMANITY
OF CENTRAL LANE, MAP AND TAX LOT
20-03-28-13-10400, 1138 THAYER AVE,
COTTAGE GROVE , LANE COUNTY,
OREGON.

WHEREAS, Lane County foreclosed upon and entered a judgement against the following Real Property due to non-payment of property taxes on September 24, 2020:

Map and Tax Lot No. 20-03-28-13-10400, located at 1138 Thayer Ave; and

WHEREAS, the property listed above was deeded to Lane County on September 27, 2022, at the end of the owner's redemption period, and the property was not redeemed by said owner; and

WHEREAS, ORS 271.330 grants public agencies express power to convey real property to a municipal corporation for the purpose of providing low income housing for not less than 20 years; and

WHEREAS, the Habitat for Humanity of Central Lane now requests that this property be transferred to them for development of low income housing in accordance with ORS 271.330; and

WHEREAS, the County has prepared a Quitclaim Deed to convey the above referenced property to Habitat for Humanity of Central Lane that includes a condition relating to the 20-year low-income housing requirement;

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

1. The County Administrator is authorized to sign all conveyance documents necessary to transfer ownership of the above listed property to Habitat for Humanity of Central Lane.

ADOPTED this 10th day of October, 2023.

Pat Farr, Chair
Lane County Board of Commissioners

Tax Acct. No.:
0136356

Map/Tax Lot No.:
17-02-33-34-00800

Grantor
Lane County
125 E. 8th Avenue
Eugene, Oregon 97401
Attn: Property Management

Grantee
Habitat for Humanity of Central Lane
1210 Oak Patch Road
Eugene, Oregon 97402

After recording return to:
Grantor

Until requested, all tax statements shall be sent to:
Grantee

Regardless of the Tax Account Number, the property conveyed is described in this Deed.

QUITCLAIM DEED

Lane County, a political subdivision of the State of Oregon, **Grantor**, releases and quitclaims to Habitat for Humanity of Central Lane, a non-profit public benefit corporation of Oregon, **Grantee**, all right, title, and interest in the real property described on the attached **Exhibit A**,

Grantor's conveyance of this property is subject to the requirements of ORS 271.330(1), as in effect August 11, 2023, and is conditioned upon the property being used for low-income housing for not less than twenty (20) years from the effective date of this conveyance.

Except for the following encumbrances: covenants, conditions, restrictions, easements, and rights-of way of record, if any.

The true consideration for this conveyance consists entirely of other value given.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES 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 THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009 AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

GRANTOR

Executed as of the ____ day of _____, 2023.

Lane County, a political subdivision of the State of Oregon

By: Steve Mokrohisky

Its: County Administrator, acting under the authority granted by Lane County Board of Commissioners
Order No. 23-10-10-01

State of Oregon, County of _____) ss.

This instrument was acknowledged before me on this ____ day of _____, 2023 by Steve Mokrohisky, as County Administrator of Lane County, a political subdivision of the State of Oregon.

Print Name:
Notary Public for Oregon
My commission expires:

GRANTEE

Executed as of the ____ day of _____, 2023.

By signature below, Habitat for Humanity of Central Lane, a non-profit public benefit corporation of Oregon, approves and accepts this conveyance pursuant to ORS 93.808.

By: _____

Its: _____

State of Oregon, County of _____) ss.

This instrument was acknowledged before me on this ____ day of _____, 2023 by _____, as _____ of Habitat for Humanity of Central Lane, a non-profit public benefit corporation of Oregon

Print Name:
Notary Public for Oregon
My commission expires:

Exhibit A

Legal Description

20-03-28-13-10400

Account 0890739

Beginning at a point 259.1 feet North and 694.7 feet East of the initial point, Manitou Park, and running thence North $61^{\circ} 13'$ West 150 feet, thence North $28^{\circ} 47'$ East 94 feet, thence South $61^{\circ} 13'$ East 150 feet, thence South $28^{\circ} 47'$ West 94 feet to the point of beginning, all in Section 28, Township 20, South Range 3 West of the Willamette Meridian, Lane County, Oregon.

1138 Thayer Ave, CG

