

## **RESOLUTION NO. 2021-47**

### **A RESOLUTION APPROVING AN APPLICATION FROM SAMAX LLC FOR TAX EXEMPTION UNDER THE MULTIPLE-UNIT HOUSING TAX INCENTIVE PROGRAM**

**Whereas**, ORS 307.600-307.637 creates a multiple-unit housing tax incentive program which allows cities and counties to provide an exemption from ad valorem real property taxes in the core areas of Oregon's urban centers, in order to "stimulate the construction of transit supportive multiple-unit housing in the core areas of Oregon's urban centers to improve the balance between the residential and commercial nature of those areas, and to ensure full-time use of the areas as places where citizens of the community have an opportunity to live as well as work"; and

**Whereas**, ORS 307.606(1) provides that a tax exemption approved under a Multiple-Unit Housing Tax Incentive Program only applies to the tax levy of a city or county that adopts the provisions of ORS 307.600 to 307.637, except that the tax exemption shall apply to the ad valorem property taxes of all taxing districts when upon request of the city or county that has adopted the provisions of ORS 307.600 to 307.637, the rates of ad valorem taxation of taxing districts whose governing boards agree by resolution to the policy of providing tax exemptions for multiple-unit housing as provided in ORS 307.600 to 307.637, when combined with the rate of taxation of the city or county that adopts the provisions of ORS 307.600 to 307.637, equal 51 percent or more of the total combined rate of taxation levied on the property which is tax exempt under ORS 307.600 to 307.637; and

**Whereas**, the City of Salem, in order to stimulate the construction, or addition of, or conversion to, multiple-unit housing in the City's core area, has implemented a Multiple-Unit Housing Tax Incentive Program ("Program") through the adoption of Salem Revised Code (SRC) 2.790 to 2.835; and

**Whereas**, under ORS 307.600(5) the Program "shall result in the preservation, construction, addition or conversion of units at rental rates or sales prices accessible to a broad range of the general public"; and

**Whereas**, ORS 307.618 requires the City to make the following determinations consistent with the City's adopted standards and guidelines:

- (a) The owner has agreed to include in the construction, addition or conversion as a part of the multiple-unit housing, one or more design or public benefit elements as specified by the city;
- (b) The proposed construction, addition or conversion project is or will be, at the time of completion, in conformance with all local plans and planning regulations, including special or district-wide plans developed and adopted pursuant to ORS chapters 195, 196, 197, 215, and 227, that are applicable at the time the application is approved;
- (c) The owner has complied with all standards and guidelines adopted by cities or counties pursuant to ORS 307.606(4); and

**Whereas**, the City has adopted standards and guidelines (Standards and Guidelines) to be utilized in considering applications and determinations regarding an application for the Program, as required by ORS 307.606(4); and

**Whereas**, under the Standards and Guidelines, to be eligible for tax incentives under the Program a proposal must:

- (a) Propose multiple-unit housing, containing at least two dwelling units, which must be maintained as multiple-unit housing and may not be used for transient accommodations;
- (b) Be housing constructed after January 1, 2022, and completed before January 1, 2032;
- (c) Be located in the core area designated by the City, and;
- (d) Propose and agree to include one or more design elements benefitting the general public set forth in SRC 2.815; and

**Whereas**, SRC 2.810 requires an application for tax exemption to describe the proposal, including the proposal's public and private access; and

**Whereas**, under the Program a tax exemption for an eligible property may be approved for up to ten consecutive years; and

**Whereas**, on October 28, 2021, the City received an application, containing a description of the proposed multi-unit housing, from SAMAX, LLC requesting a tax exemption under the Program attached hereto as Exhibit A; and

**Whereas**, the property subject to the application is legally described as set forth in Exhibit B attached hereto; and

**Whereas**, the owner of the property is:  
SAMAX LLC, an Oregon limited liability company  
P.O. Box 2093  
Salem, OR 97308

**Whereas**, the application proposed a two-unit apartment complex; and

**Whereas**, the Program requires that the project must include at least one design element benefitting the public as outlined in SRC 2.815, and the applicant has identified seven public benefits; and

**Whereas**, pursuant to SRC 2.825(b), the City is required to issue a final decision on the application within 180 days of receipt of the application, or by April 26, 2022 or the application will be deemed approved, and;

**Whereas**, the application having come before the City Council at its November 22, 2021 meeting, the City Council, having considered the application and materials presented, finds the proposal is eligible for property tax exemption under the Program and finds that a five year exemption, with the possibility for an extension for a total not to exceed ten years is appropriate.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SALEM, OREGON  
RESOLVES AS FOLLOWS:

**Section 1.** Based on the findings set forth above, and the facts and findings as set forth in the staff report of same date as this resolution, the application is hereby approved for a period of five years as provided in ORS 307.612.

**Section 2.** Staff is directed to submit to the governing bodies of the appropriate taxing district or districts a request that they adopt a resolution agreeing with the policies established in the City's Program, and therefore authorize an exemption from property taxes of all applicable taxing districts consistent with this decision.

**Section 3.** This resolution is effective upon adoption.

ADOPTED by the City Council this 22<sup>nd</sup> day of November, 2021.

ATTEST:

City Recorder

Approved by City Attorney: \_\_\_\_\_

Checked by: C. Dameron