

Legislation Details (With Text)

File #: 20-361 **Version:** 1

Type: Action Item **Status:** Agenda Ready

In control: Urban Renewal Agency

On agenda: 9/28/2020 **Final action:** 9/28/2020

Title: Revised Jory Apartments Development Agreement

Ward(s): Ward 2
Board Member(s): Board Member Andersen
Neighborhood(s): NEN and NESCA
Result Area(s): Welcoming and Livable Community.

Sponsors:**Indexes:****Code sections:**

Attachments: 1. Affordable Housing Agreement

Date	Ver.	Action By	Action	Result
9/28/2020	1	Urban Renewal Agency	approved	Pass

TO: Urban Renewal Agency Board

THROUGH: Steve Powers, Executive Director

FROM: Kristin Retherford, Urban Development Director

SUBJECT:

Revised Jory Apartments Development Agreement

Ward(s): Ward 2
Board Member(s): Board Member Andersen
Neighborhood(s): NEN and NESCA
Result Area(s): Welcoming and Livable Community.

ISSUE:

Shall the Agency Board authorize the Executive Director to execute the attached revised Jory Apartments Development Agreement between the Agency and MWIC Jory Salem, LLC?

RECOMMENDATION:

Authorize the Executive Director to execute the attached revised Jory Apartments Development Agreement between the Agency and MWIC Jory Salem, LLC.

SUMMARY:

On July 27, 2020, the Urban Renewal Agency Board authorized the Executive Director to execute the Jory Apartments Development Agreement (Agreement) with MWIC Jory, LLC. The Agreement was not executed, and the LLC suggested several changes to clarify the intent of the agreement, change the title, and remove construction and purchase timelines (Attachment 1). Preparation for property purchase and construction is continuing. Construction is expected to begin this fall.

FACTS AND FINDINGS:

Changes in the revised Agreement include the following:

Title change: The title is changed, from "Development Agreement" to "Affordable Housing Agreement."

LLC change: The development LLC is changed, from "MWIC Jory, LLC" to "MWIC Jory Salem, LLC."

Removing reference to acquisition, development, and construction: The revised agreement includes a feasibility period which concludes following construction and before the first property tax rebate is issued. References to acquisition, development, and construction have been removed from the agreement.

Adding feasibility period: Section 3.1 is added to define a feasibility period, during which the LLC will confirm their ability to undertake the affordable housing project. The feasibility period will last through construction completion. It has been added to clarify that the proposed tax increment rebate will not be funding construction activities, and that these public funds will be used strictly to secure affordable units within the development once it is completed and operational.

The LLC has until November 30, 2022, to inform the Agency of their ability to undertake the affordable housing project and commence the activities in the Agreement.

Number of units: the number of apartment units increased from 240 to 246.

The MWIC Jory Salem, LLC will receive their first annual property tax rebate payment when the following conditions are met:

- The LLC waives the feasibility condition on or before November 30, 2022
- The Agency issues a Certificate of Completion
- The LLC maintains 36 apartment units or more for individuals earning an average of 60 percent of the Area Median Income
- The LLC provides an annual Certificate of Compliance showing that 36 units are leased, or available for lease, to individuals earning an average of 60 percent of the Area Median Income

- The Agency receives confirmation from the Marion County Tax Assessor that the property taxes are paid in full

BACKGROUND:

The Jory Apartments development includes 246 planned multi-family housing units, including 36 units for individuals earning an average of 60 percent of the AMI. The owner expects to lease 12 units to individuals earning 80 percent of AMI, 12 units to individuals earning 60 percent of AMI, and 12 units to individuals earning 40 percent of AMI.

Annie Gorski
Economic Development Manager

Attachments:

1. Affordable Housing Agreement .