



City of Florence
A City in Motion

Florence Urban Renewal Agency (FURA) Regular Meeting

Videoconference
250 Hwy 101
Florence, OR 97439
541-997-3437
www.ci.florence.or.us

- Meeting materials including information on each agenda item are published at least 24 hours prior to the meeting, and can be found on the City of Florence website at www.ci.florence.or.us/urbanrenewal.
- Items distributed during the meeting and meeting minutes are posted to the City's website at www.ci.florence.or.us/urbanrenewal as soon as practicable after the meeting.
- To be notified of Urban Renewal meetings via email, please visit online at www.ci.florence.or.us/newsletters/subscriptions.

November 17, 2021

AGENDA

4:00 p.m.

FURA Directors:

Vice-Chair Mike Webb
Rob Ward

Chairperson, Bill Meyer

Ron Caputo
Dave Braley

Joe Henry
Ken Henderson

Woody Woodbury
Vacant

With 48-hour prior notice, an interpreter and/or TTY: 541-997-3437, can be provided for the hearing impaired.

Meeting is wheelchair accessible.

Proceedings will be available after the meeting on the City's Vimeo Site.

COVID-19 UPDATE

The Florence Urban Renewal Agency meeting will be held virtually via GotoWebinar.

Members of the public can listen and view the meeting through the 'GoToWebinar' platform at the following link: <https://attendee.gotowebinar.com/register/8532604275712825868>.

Citizens wishing to express their views may submit comments in writing or verbally. For more information, please see the end of this agenda.

CALL TO ORDER – ROLL CALL

4:00 p.m.

1. APPROVAL OF AGENDA

2. PUBLIC COMMENT

This is an opportunity for members of the public to bring to the Florence Urban Renewal Agency's attention any item not otherwise listed on the agenda. Please see the end of this agenda for methods to provide comments on items that are not on the agenda.

Bill Meyer
Chairperson

ACTION ITEMS

Please see the end of this agenda for methods to provide comments on action items.

3. 2022 FURA MEETING DATES

Review and consider approval of 2022 FURA meeting dates.

Erin Reynolds
City Manager

4. MULTI-UNIT PROPERTY TAX EXEMPTION (MUPT) PROGRAM

Consider the adoption of Resolution No. 2, Series 2021, a resolution granting support to the City of Florence to approve the MUPT program and enact this new housing incentive.

Erin Reynolds
City Manager

REPORTS, PRESENTATIONS & UPDATES

5. QUINCE STREET DEVELOPMENT UPDATE

Staff will introduce Matt Braun of Braun Hospitality Development to the FURA Board, who will provide an overview of the progress related to the Quince Street development. FURA and Braun Hospitality Development have an Exclusive Negotiating Agreement on the Quince Street property.

Megan Messmer
Assistant
City Manager

6. CITY MANAGER REPORT

Erin Reynolds
City Manager

UPDATED PUBLIC MEETINGS PROCEDURES – COVID-19

Expressing Views to the Agency: Citizens wishing to express their views to the Florence Urban Renewal Agency may do so in both written and verbal formats.

1. Written Testimony: Citizens wishing to express their views to the Florence Urban Renewal Agency are encouraged to submit written testimony in one of the following ways:
 - a. Submit written comments via email to City Recorder at Lindsey.white@ci.florence.or.us;
 - b. Mail written comments to Florence City Hall, Attn: FURA, 250 Hwy 101, Florence, OR 97439
 - c. Drop off written comments at Florence City Hall (250 Hwy 101) during regular office hours (Monday through Friday (8 a.m. – 12 p.m., 1 p.m. – 4 p.m.) or at the City of Florence drop box located at Florence City Hall to the right of the main entrance.
- ** Note:** Written comments received at least 2 hours prior to the meeting (November 17, 2021 at 2:00 p.m.) will be distributed to the Florence Urban Renewal Agency, posted to the City of Florence website, and made part of the record.
2. Verbal Testimony: Citizens wishing to express their views to the Florence Urban Renewal Agency may participate in the meeting at Florence City Hall or via GotoWebinar. To do so, please complete a speaker's card online at www.ci.florence.or.us/council/request-address-city-council-speakers-card at least 1 hour prior to the meeting (November 17, 2021 at 3:00 p.m.). City staff will then contact the speaker to let them know the process to participate in the meeting.
 - a. Public Comments on items not on the agenda: General public comments (on items not on the FURA agenda) will be allowed at each Florence Urban Renewal Agency meeting during the public comment agenda item. Comments will be limited to three (3) minutes per person, with a maximum of 15 minutes for all items. In practicality, this means no more than five individuals will be allowed to comment verbally. There is no limit on written public comments.
 - b. Public Hearing Testimony: Testimony on public hearing items will be allowed when a public hearing is held. Verbal comments will be allowed on public hearing items after staff has given their report and have allowed time for initial Agency questions. In general (with some exceptions for Land Use hearings), comments are limited to five minutes per person with no limit on the number of speakers.
 - c. Public Comments on Action Items: Public Comments will be allowed on each action item on the Florence Urban Renewal Agency agenda. Verbal comments will be allowed on action items after staff has given their report and have allowed time for initial Agency questions. Comments will be limited to three (3) minutes per person, with a maximum of 15 minutes for all comments on each action item. In practicality, this means no more than five (5) individuals will be allowed to comment verbally. There is no limit on written public comments.

For more information on the City of Florence's Temporary Public Meeting Policies, visit the City of Florence website at <https://www.ci.florence.or.us/em/public-meeting-during-covid-19>.

Florence Urban Renewal Agency Calendar - 2022

January

M	Tu	W	Th	F	Sa/Su
3	4	5	6	7	8 & 9
10	11	12	13	14	15 & 16
17 Martin Luther King Jr. Holiday	18	19	20	21	22 & 23
24	25	26 FURA Regular Session	27	28	29 & 30
31					

February

M	Tu	W	Th	F	Sa/Su
	1	2	3	4	5 & 6
7	8	9	10	11	12 & 13
14	15	16	17	18	19 & 20
21 President's Day Holiday	22	23 FURA Regular Session	24	25	26 & 27
28					

March

M	Tu	W	Th	F	Sa/Su
	1	2	3	4	5 & 6
7	8	9	10	11	12 & 13
14	15	16	17	18	19 & 20
21	22	23 FURA Regular Session	24	25	26 & 27
Spring Break					
28	29	30	31		

April

M	Tu	W	Th	F	Sa/Su
				1	2 & 3
4	5	6	7	8	9 & 10
11	12	13	14	15	16 & 17
18	19	20	OAMR Mid Year Conference		23 & 24
25	26	27 FURA Regular Session	28	29	30

May

M	Tu	W	Th	F	Sa/Su
2	3	4	5	6	7 & 8
9	10	11	12	13	14 & 15
16	17	18	19	20	21 & 22
23	24	25 FURA Regular Session	26	27	28 & 29
30 Memorial Day Holiday	31				

June

M	Tu	W	Th	F	Sa/Su
		1	2	3	4 & 5
6	7	8	9	10	11 & 12
13	14	15	16	17	18 & 19
20	21	22 FURA Regular Session	23	24	25 & 26
27	28	29	30		

July

M	Tu	W	Th	F	Sa/Su
				1	2 & 3
4 Independence Day Holiday	5	6	7	8	9 & 10
11	12	13	14	15	16 & 17
18	19	20	21	22	23 & 24
25	26	27 FURA Regular Session	28	29	30 & 31

August

M	Tu	W	Th	F	Sa/Su
1	2	3	4	5	6 & 7
8	9	10	11	12	13 & 14
15	16	17	18	19	20 & 21
22	23	24 FURA Regular Session	25	26	27 & 28
29	30	31			

OMA Conference

September

M	Tu	W	Th	F	Sa/Su
			1	2	3 & 4
5	6	7	8	9	10 & 11
Labor Day Holiday					
12	13	14	15	16	17 & 18
					ICMA Conference -
19	20	21	22	23	24 & 25
ICMA Conference					
26	27	28	29	30	1 & 2
		FURA Regular Session	OAMR Conference		

October

M	Tu	W	Th	F	Sa/Su
3	4	5	6	7	8 & 9
		LOC Conference			
10	11	12	13	14	15 & 16
17	18	19	20	21	22 & 23
24	25	26	27	28	29
		FURA Regular Session			
30	31				

November

M	Tu	W	Th	F	Sa/Su
	1	2	3	4	5 & 6
7	8	9	10	11	12 & 13
				Veteran's Day Holiday	
14	15	16	17	18	19 & 20
		FURA Regular Session			
21	22	23	24	25	26 & 27
		FURA Regular Session - Cancelled	Thanksgiving Holiday		
28	29	30			

December

M	Tu	W	Th	F	Sa/Su
			1	2	3 & 4
5	6	7	8	9	10 & 11
12	13	14	15	16	17 & 18
		FURA Regular Session			
19	20	21	22	23	24 & 25
		FURA Regular Session - Cancelled			Christmas Day Holiday
26	27	28	29	30	31

MEMORANDUM

TO: Florence-Area Taxing Districts
FROM: Erin Reynolds, City Manager, City of Florence
SUBJECT: Proposal of a Multi-Unit Property Tax Exemption (MUPTe) Program
DATE: November 4, 2021



The City of Florence has been working to find solutions to the ongoing housing crisis that the Florence area faces. In 2018, the City of Florence completed a Housing Needs Assessment that showed that Florence needs at least 1,600 new housing dwellings over the next twenty years to keep up with the estimated pace of population growth. This includes over 600 units of multi-unit housing, in a range of sizes from duplexes or townhomes to larger multifamily housing units (such as apartments).

With the completion of the report, we received numerous recommendations that would support the construction of new housing. These included discounting the cost of SDCs based on square footage (enacted in 2018), a complete overhaul of housing codes to reduce barriers to constructing housing (completed in 2019) and developing an accessory dwelling unit (ADU) program (completed in 2017). The City has seen a slight increase in the development of new housing, but due to the increase in construction costs, labor costs, and other issues outside of the City's control, housing prices have continued to increase. This leaves little housing inventory for members of our community's workforce to live and raise a family in our town.

In May 2022, the City of Florence's City Council approved their biennial work plan that directed staff to continue working on multiple housing efforts, including "Evaluate opportunities for implementing property tax exemptions for workforce housing projects." Below you will find information regarding the Multi-Unit Property Tax Exemption (MUPTe) program that is being proposed by the City of Florence, with additional information inserted based upon the ad-hoc committees ongoing work and staff work.

In order for the MUPTe program to be active for 2022, the City of Florence City Council needs to receive resolutions of support from the majority of the Florence area taxing districts by January 1, 2022, as well as to hold a public hearing to adopt the program via ordinance. The City of Florence is asking the Florence-area taxing districts for resolutions of support to approve the MUPTe program to enact this new housing incentive. The City of Florence is presenting to the Lane County Board of Commissioners on the MUPTe program on January 11, 2022. If the City is successful in gaining support from at least 51% of the taxing districts, the MUPTe program is scheduled to go into effect on *February 1, 2022*.

The City of Florence's City Council and Planning Commission is having a joint work session on Monday, November 15th at 10:30 a.m. We invite you to view the work session to learn more about the MUPTe program and listen to discussion by the Council and Commission. You can sign up to virtually attend the meeting here:

<https://www.ci.florence.or.us/council/city-council-planning-commission-joint-work-session-2>

We look forward to discussing the Multi-Unit Property Tax Exemption Program with you and your fellow board members. The City of Florence staff is happy to address any questions, comments, and concerns about the MUPTe program at any time. Please direct all correspondence regarding the MUPTe program to Sarah Moehrke, Senior Economic Development Analyst, by either email (sarah.moehrke@ci.florence.or.us) or phone (541-991-8276).

Multi-Unit Property Tax Exemption (MUPTE) Program FAQ:

1. What is MUPTE?

A MUPTE program is a state-enabled program designed to be an incentive to the building or redevelopment of residential properties along transit corridors (ORS 307.600-690). MUPTE allows new multi-family units (three or more units) to be exempted from property taxes on the assessed value of the new residential construction for up to 10 years. Property taxes continue to be due and paid on the assessed value of the land and any commercial portion of the structure.

2. How does MUPTE support multi-unit residential development?

The intent of MUPTE is to lower operating costs in the early years of a housing development so that it becomes financially feasible. In a housing market like Florence, market rental rates are lower than in larger metropolitan areas, such as Portland, but the cost of construction is just as high, if not higher. New multi-unit residential developments do not “pencil out” so new residences do not get built.

3. How will the City of Florence determine if a housing project can receive a MUPTE?

Although the State of Oregon enables this program, each city has an opportunity to shape the program to achieve its goals by controlling the geography of where the exemption is available, application process and fees, program requirements, criteria, and program cap. Additionally, the City can select projects on a case-by-case basis.

Over the last two months, members of the City’s Planning Commission and other members of the community have been working on a recommendation for a the MUPTE program. During the formation of this recommendation, the committee compared MUPTE programs from different communities within Oregon. After much discussion, the ad-hoc committee chose to utilize Cottage Grove’s program as the model to develop a recommended program for the City of Florence, in order to make the program as user-friendly and streamlined as possible. Under this model, Florence would not require a percentage of “affordable housing” but would require the applicants to provide “public benefits” as defined by State statutes and local ordinance.

The overview of project eligibility is as follows:

- **Project must be fiscally infeasible without the MUPTE:** The developer must show the expected costs and revenues (a pro forma analysis) and their expected return on investment. City staff will review the analysis, compare the rents, construction costs, and other factors to current market conditions.
- **Project must be within one-quarter (¼) of a mile of a fixed-transit route:** Projects must be within the transit-oriented district. Properties that are not within one-quarter (1/4) of a mile from the current Rhody Express route would not qualify for the MUPTE program.
- **Minimum of three (3) or More Units:** Developments must have at least three (3) units to be considered for the MUPTE program.
- **No Short-Term Housing or Transient Housing:** Short-term rentals, such as AirBnB, VRBOs, or other vacation rental housing, as well as hotel or motel developments do not qualify for a MUPTE.
- **Pre-Application Conference Requirement:** The applicant must request a pre-application conference with the Public Works Director, Community Development Director, and Economic Development staff no later than December 31st of the calendar year immediately prior to the first assessment year for which the exemption is requested.
- **New Construction Only:** Remodels or additions to existing properties would not qualify for the MUPTE program at this time. Clearing of an existing site to build is allowed to apply for a MUPTE.
- **Public Good Benefits:** In order to receive a MUPTE, a developer must show that their development meets three or more (depending on unit count proposed) designated “public benefits.” City staff will review the

plans and make a recommendation to the Florence City Council if they concur that the public benefit requirement is met.

4. What would the process be for a developer who wishes to participate in the MUPTE program?

The applicant would apply to the City, the City would hold a public hearing and then the City would notify the Lane County Assessor's Office if an application has been approved. The exemption only pertains to the improvement values dedicated to the use of multi-unit housing, which can include parking improvements. The land the structure is sitting on is not exempt and any additional improvement value not used for multi-unit housing is not exempt. Examples of non-exempt improvements would be space in the building used for commercial or retail purposes.

The exemption does not begin until the construction of the property has been completed. Once complete, the exemption would be for 10 years, unless otherwise disqualified.

5. Why should Florence's Taxing Districts support the MUPTE program?

Florence's 2018 Housing Needs Analysis (HNA) showed that we have enough vacant land or land available for redevelopment within our Urban Growth Boundary to meet the 20-year housing need. However, we need to provide a greater range of housing types to meet our identified housing needs, including some of each of the following – single family dwellings, accessory dwelling units, cottage housing, townhouses, duplexes, and apartments (multi-family units).

The HNA recommended the development of policies to support affordable housing by lowering the costs of housing development for low-income affordable housing or workforce housing, and the development of funding mechanisms to pay for this housing. The MUPTE is one of the most successful tools in the Oregon toolbox to incentivize this type of housing.

6. Does the MUPTE cause the City or other taxing districts to reduce its tax revenue?

No, the MUPTE does not reduce the current taxes on the undeveloped land, but it does delay the receipt of increased tax revenue from the residential improvements of approved MUPTE developments. The exemption has the ability to make a project financially feasible. If it is not financially feasible, it will not get built, so the City and other taxing jurisdictions never get the potential tax revenue. With the exemption, the tax revenue on the constructed housing is collected beginning after 10 years. The exemption can make housing financially feasible, and the City and other Florence taxing districts grows its tax base in the long term.

For example, the 50-unit Tate Condominium project in Eugene used MUPTE to develop. When it comes onto the tax rolls, it will generate approximately \$260,000 in total tax revenue annually. Without the new structure, the property would generate about \$3,300 in tax revenue.

Eugene has had 28 residential projects that have received a MUPTE since 1978, creating 1,490 units. The private developers invested \$283 million in those projects; the total combined tax revenue being generated on the 28 properties was approximately \$133,000 per year before the project were constructed. When all the projects come onto the tax rolls, they will generate approximately \$2.5 million per year in combined property tax revenue. The City of Eugene did not have to invest any public resources (i.e., cash) to achieve this significant increase in tax revenue. The City's primary role was to create the program, so it was available, facilitate the development through the process, and sit patiently for 10 years waiting for the improvements to be included in the taxable assessed value.

Salem has had seven residential projects that have received a MUPTe since 1976, creating 748 units in the downtown core. Of those, 366 units have been approved in the last five years. Recent projects have provided 6 to 9 public benefits (Salem’s MUPTe requires only one public benefit to qualify for MUPTe) included as part of their projects that would not have been otherwise included. Examples of those public benefits include provisions for open spaces, dedication of public facilities, pedestrian-oriented design features, accessible units, common spaces, and others.

Attachments:

- Housing Needs Analysis Fact Sheet
- Draft Resolution for Adoption by Florence-Area Taxing Districts
- Draft Standards and Guidelines for Florence’s Multi-Unit Property Tax Exemption Program

References:

- Florence’s Housing Needs Analysis – Adopted in November 2018:
 - <https://www.ci.florence.or.us/planning/housing-and-economic-opportunities-project-completed-nov-2018>
- ORS 307.600 – 307.637 – Legislation establishing MUPTe as an option for local municipalities
 - https://oregon.public.law/statutes/ors_307.600
- City of Florence’s Housing Efforts
 - <https://www.ci.florence.or.us/council/housing-efforts-city-florence>

Timeline for MUPTe Adoption:

Monday, November 15 - 10:30 a.m.	Joint Work Session – City Council & Planning Commission
Monday, November 29 - 5:30 p.m.	Special City Council Meeting: Public Hearing, 1 st Reading of Ordinance, 2 nd reading of Ordinance (if 1 st reading is approved unanimously)
Monday, December 13 - 5:30 p.m.	City Council Meeting: 2 nd Reading of Ordinance (If necessary)
Throughout November & December	Approving Taxing Districts pass Resolutions of Support at regularly scheduled meetings
Tuesday, January 11, 2022	Lane County Board of Commissioners Meeting
February 1, 2022	MUPTe Program goes into effect
March 2022	City Council Review of MUPTe Applications for 2022 Taxing Year
April 1, 2022	Final Approved MUPTe projects filed with Lane County Tax Assessor’s Office

Contact:

Sarah Moehrke, Senior Economic Development Analyst, City of Florence
 Email: Sarah.Moehrke@ci.florence.or.us
 Phone: 541-991-8276

Housing Needs Analysis & Economic Opportunities Analysis Fact Sheet



City of Florence
A City in Motion

What is the Economic Opportunities Analysis & Housing Needs Analysis?

The Florence Economic Opportunities Analysis (EOA) and Housing Needs Analysis (HNA) are intended to serve as a basis for the City to explore and document new information regarding the City's buildable land inventory (BLI), population and employment trends, and development policies and objectives aimed at strengthening the local economy and providing adequate land to handle the next 20 years of growth. The final project was adopted by the Florence City Council in November 2018.

1,600 New Dwellings
Housing needed over the next twenty years

This net new housing need is expected to consist of:

- **764** owner-occupied dwellings
- **597** renter-occupied dwellings
- **263** short-term rental units

231 Acres
Required Land Area to accommodate the level of housing development that Florence requires over the next 20 years

The Buildable Lands Inventory (BLI) findings indicate that the **existing amount of vacant and redevelopable land (338 acres) within the Florence Urban Growth is generally sufficient** to accommodate planned 20-year housing needs and employment growth forecasts, **even under the highest growth scenarios.**

For more information about the Florence Economic Opportunities Analysis or the Housing Needs Analysis, or to read the full report, please visit the City of Florence project webpage: www.ci.florence.or.us/node/7781

The planned net new housing mix over the next 20 years would consist of:

- **858** single-family detached homes
- **145** manufactured housing units
- **265** townhomes/ duplexes
- **354** multifamily housing units
- **40 +/-** Special needs housing

8,947
Current Florence Population

12,554
Estimated Florence Population in 20 years; 0.9% Growth Rate

The EOA recommends goals and policies that focuses on obtaining the most positive job growth which plans for **1,286 net new jobs** over the next twenty years.

574
Short-term lodging rooms needed over next twenty years

With the expected growth, Florence should plan for **3 to 4 new hotels**, and **one additional grocery store** anchored shopping center on a six-acre site.

Questions?

Contact **Sarah Moehrke**, Senior Economic Development Analyst
Sarah.Moehrke@ci.florence.or.us

Resolution No. XXXXX

Resolution Supporting the City of Florence's
Multi-Unit Property Tax Exemption Program

WHEREAS, the State of Oregon statutes ORS 307.600 through 307.637 authorize cities to establish and design programs to attract new development of multi-unit housing in eligible areas by means of a local property tax exemption program; and

WHEREAS, the City of Florence is proposing an ordinance to establish a multi-unit property tax exemption (MUPTe) program in accordance with ORS 307.600 through 307.637; and

WHEREAS, after adoption by the City Council, the City of Florence MUPTe program will become effective upon receipt of written support from a sufficient number of partner taxing jurisdictions whose combined levying authority exceeds 51% of the total combined tax rate levied on properties subject to the City's MUPTe program; and

WHEREAS, The City of Florence has therefore sought the organization board written support of a MUPTe program in the City of Florence

NOW, THEREFORE, the organization title resolves as follows:

1. That organization is in support of the City of Florence MUPTe program and agrees to the policy of providing tax exemptions for multiple-unit housing as provided in ORS 307.600 to 307.637.
2. A copy of this resolution will be sent by the organization to the City of Florence.

Adopted this ____ day of _____, 2021.

Name of Chairperson, Chairperson
Organization

City of Florence

Multi-Unit Property Tax Exemption Program

Standards and Guidelines



Introduction:

The following administrative guidance is designed for staff use in analyzing applications for the Multi-Unit Property Tax Exemption Program (MUPTE) and making recommendations to the City council about their approval or denial. It draws on but does not expand the underlying concepts articulated in the state statute, ORS 307.600-637, and the local Code, FCC Chapter 1-17. The *Standards* section reiterates the minimum application and program participants requirements for both the applicants and the City. The *Guidelines* section discusses how to determine the degree to which the applicant's proposal will meet the intent of the program. This document should be reviewed and revised periodically, as needed.

Standards:

- Eligibility
 - Financial need for the exemption – the project could not be built “but for” the tax exemption. The burden is on the applicant to demonstrate that absent of the exemption, the project would not be financially viable. (See FCC 1-17-2-A for more information)
 - Multi-unit housing proposal must include at least three dwelling units
 - Transient accommodations that are rented for less than 30 consecutive days like hotels or motels do not qualify
 - The project must be located on property within ¼ mile of fixed route transit service (see transit-oriented district map)
 - The project must include at least three public benefits as outline in the MUPTE code (FCC 1-17). Because these benefits are broadly defined, staff should use the *Guidelines* section of this document to weigh the value of the proposed project to the public against the loss of public revenue.
 - Unless a project is specifically extended, the work must occur entirely within the program window established by the state statute, i.e. built after January 1, 2012 and completed on or before July 1, 2032.
- Mandatory Preapplication Conference
 - The purpose of the preapplication conference is to determine eligibility, convey information about the program, and give the potential applicant preliminary feedback about the staff's likely recommendation to the City Council based on the materials submitted.
 - A preapplication conference must be requested before December 31 of the year prior to the calendar year in which the tax benefit is sought, e.g. an applicant

seeking benefit beginning in 2023 must request a preapplication conference before December 31, 2022.

- The submission requirements for a preapplication conference are outlined in FCC 1-17-3-A and on the preapplication form. Preapplications containing all the required information but not submitted on department forms should be accepted.
- Staff should review the preapplication submission, and prior to meeting with the applicant, consult with other potentially interested parties e.g. departments, agencies, advisory bodies, etc. Concerns expressed by these parties should be conveyed to the applicant at the conference. However, it should be stressed to the applicant that approval of a Multi-Unit Housing Tax Exemption application in no way implies approval of the project by any other public agency or department having jurisdiction over the project.
- Application Procedure:
 - A complete application must be received by February 1 of the year in which the tax benefit is sought e.g. an applicant seeking benefit beginning in 2022 must submit an application no later than February 1, 2021.
 - The submission requirements for a complete application are outlined in FCC 1-17-4 and on the application, form made available by the City of Florence. It is important for submissions to be complete and made on the official form. Minor omissions can be rectified after an application is accepted, but substantially incomplete applications should be returned without accepting the fee.
 - As of February 1, 2022, the application fee is \$970
 - Pursuant to ORS 307.660 (4), if the application is approved, the City, after first deducting expenses attributable to its own administrative costs, conveys the application fee to the County Assessor for deposit in the County General Fund. If the application is denied, the City retains that portion of the fee attributable to its administrative costs and refunds the balance to the applicant.
- Application Review and Decision
 - Staff should recommend approval, denial, or approval with reasonable conditions, based on the criteria outlined in FCC 1-17-4 and FCC 1-17-5 to the City Council. An analysis comparing the relative values of the public benefit provided and the foregone taxes should be provided as part of the recommendation. Because some of the public benefit categories are not easy to quantify, the Guidance section of this document provides discussion of the intent of the program.
 - The City Council, at its discretion, may hold a public hearing, and shall make its decision in the form of a resolution, as an approval, an approval with reasonable conditions, or a denial, within 180 days of accepting the application. The resolution must include the owners name and address, a description of the proposed housing, either a legal description or the assessor's parcel number, and

any specific conditions on which the approval is based. Resolutions require significant lead time for legal review.

- Applications not acted upon within 180 days of receipt are automatically approved.
- If the application is denied, a notice of denial stating the reasons for denial, must be sent to the applicant within ten days.
- For approved applications, a notice of approval must be sent to the applicant on or before April 1 following approval. The same document must be sent to the county assessor along with a copy of the complete application and the adopted resolution approving the application.
- Qualified improvements under this program will be exempt from ad valorem taxation for no more than ten successive years.
- Termination
 - If the City of Florence finds the project has not been completed by the date established in ORS 307.637, or that any conditions of the approval are not being met, the City Manager shall send the owner of the property a notice of termination of the exemption.
 - The notice will list the reasons for termination and require the owner to appear before the City Council within thirty days to show cause why the exemption should not be terminated.
 - If the owner does not appear and show cause, the Director will send the notice of termination to all known lenders and allow them thirty days to cure noncompliance or show, to the satisfaction of the Director, how it will be cured in a reasonable amount of time.
 - If neither the owner nor any lenders show cause why the exemption should not be terminated, the City Council will adopt a resolution stating findings and terminating the exemption. Copies of the adopted resolution will be sent to the owner and the county assessor within ten days of adoption.
- Extensions
 - If the City Council finds that, owing to circumstances beyond the control of an owner who is acting in good faith, the multi-unit housing cannot be completed by the date in the ORS 307.637, it may grant an exception of up to one year.

Guidelines:

These materials provide research background for staff in preparing recommendations to the City Council on applications for the Multi-Unit Property Tax Exemption program. It is important to keep the original mass transit supportive intent of the statute in mind, as expressed in ORS 307.600 1-5 and the local enabling ordinance. The program is basically established as a balanced exchange of public benefit for an exemption from future property taxation, so recommendations should, to the extent practicable, determine and clearly layout those relative

values. Proposals for the MUPTÉ program will be required to provide at least three of the public benefits listed below, based upon unit count of proposed development.

- Three Units – At least three public benefits
- Four Units – At least four public benefits
- Five or More Units – At least five public benefits

The following discussion points are organized around the fourteen forms of public benefits as listed in Florence City Code FCC 1-17-5, which the applicant must provide for in their proposal. Some of these benefits are intangible or difficult to quantify. In these cases, staff should nonetheless include discussion in the recommendation. Note that the public benefit does not necessarily have to be open to the public at large.

- Units at sales prices or rental rates which are accessible to a broad income range of the general public. There are two ways the intent of this benefit could be met: by providing a variety of differently valued units within a development, or by providing units in a value range not well represented, as determined by economic studies or market analysis.
- Parks & Recreation Facilities. This would apply to the provision of park or recreation facilities over any required minimum open space (private or common). The term “recreation facility” is not defined, but given the other possible public benefits, should be construed rather narrowly to exclude entertainment venues like bingo halls or theaters.
- Open Spaces. This would apply to the provision of open spaces over any required by code (private or common). Generally, these are thought of as occurring at ground level but roof gardens are also considered open spaces.
- Common Meeting Rooms. This would not refer to a conference room internal to a business, but rather one that is available for rent or free use by any group.
- Childcare Facilities. Childcare facilities would be acceptable as benefits, assuming the underlying zoning allowed for them.
- Facilities supportive of the arts. This broadly stated category can be construed to include facilities like galleries, performance venues, offices for cultural groups, theatres, etc.
- Facilities for the Handicapped. This should not be construed as simply providing compliance with ADA code requirements. It would apply to provisions above and beyond those required by the code, such as including fully accessible dwelling units.
- Special Architectural Features. This very broad category is difficult to interpret, and again the burden of proof lies with the proponent. It could be construed to include such things as the use of extraordinary materials, or the restoration of missing historical features based on photographic or physical evidence.
- Dedication of Land or Facilities for Public Use. As used here, the term “public use” refers to dedications like park land or path right-of-way.

- Development or redevelopment of underutilized or blighted property: The terms underutilized and blighted are somewhat subjective. Applicants should supply their reasoning in deciding that the subject property is blighted or underutilized.
- Provision of pedestrian-oriented design features. As typically used the term “pedestrian-oriented” includes such amenities such as storefronts, sidewalk seating, drinking fountains, dedicated pathways, etc.
- Development in structures that may include ground level commercial space. This would apply to the dedication of the majority of the first floor as commercial (beyond the minimum required by Code).
- Development on sites with existing single-story commercial structures. This is for instances where the property only has commercial facilities currently and the project would be adding residential facilities.
- Leadership in Energy and Environmental Design (LEED) Certification of the project. Commonly referred to as LEED certification, note that the designation is available at several different levels, e.g. platinum, gold, silver, bronze, of variant value as a public benefit. The applicant should provide preliminary certification in support of a claim under this category.
- Inclusion of Additional Tenant Amenities: Inclusion of Laundry, Storage or Covered Parking facilities on-site

**FLORENCE URBAN RENEWAL AGENCY
RESOLUTION NO. 2, SERIES 2021**

**A RESOLUTION SUPORPTING THE CITY OF FLORENCE’S MULTI-UNIT TAX EXEMPTION
PROGRAM**

RECITALS:

1. The State of Oregon statutes ORS 307.600 through 307.637 authorizes cities to establish and design programs to attract new development of multi-unit housing in eligible areas by means of a local property tax exemption program.
2. The City of Florence is proposing an ordinance to establish a multi-unit property tax exemption (MUPTE) program in accordance with ORS 307.600 through 307.637.
3. After adoption by the City Council, the City of Florence MUPTE program will become effective upon receipt of written support from a sufficient number of partner taxing jurisdictions whose combined levying authority exceeds 51% of the total combined tax rate levied on properties subject to the City’s MUPTE program.
4. The City of Florence has therefore sought the Florence Urban Renewal Agency written support of a MUPTE program in the City of Florence

Based on these findings, the FLORENCE URBAN RENEWAL AGENCY OF THE CITY OF FLORENCE RESOVES AS FOLLOWS:

1. The Florence Urban Renewal Agency is in support of the City of Florence MUPTE program and agrees to the policy of providing tax exemptions for multiple-unit housing as provided in ORS 307.600 to 307.637.
2. A copy of this resolution will be sent by the Florence Urban Renewal Agency to the City of Florence.

ADOPTION:

This Resolution is passed and adopted on the 17th day of November, 2021.

Bill Meyer, Chairperson
Florence Urban Renewal Agency

Attest:

Lindsey White, City Recorder