

MEMORANDUM

TO: Mayor and City Council

FROM: Richard Meyers, City Manager

SUBJECT: HOUSING DEVELOPMENT COST ASSISTANCE REQUEST

DATE: August 17, 2022

Background

The City has received a request for funding under the Housing Development Cost Assistance Program from SquareOne Villages for the Cottage Village Community Room development costs.

Attached are the invoices for SDC and Building Permit and Inspection fees for the project. SDCs are eligible for assistance up to 75% of the fees and Building/Inspection fees are eligible up to 100% (depending on the amount of funding available in the fund). In the program there is currently \$150,150 available for SDC assistance and \$50,150 available for Building/Inspection assistance.

Attached is a copy of Resolution No. 2001 that established the Housing Development Cost Assistance Program policy.

The SDCs and Permit fees are:


SDC (Water and Sewer)	\$4,480.33	
Up to 75% eligible for assistance		\$3,360.25
Building/Inspection/plan review		\$2,185.10
Total eligible Assistance		\$5,545.35

Recommendation

That the City Council determine the amount they wish to award to the applicants through the Housing Development Cost Assistance Program and authorize the awards by motion.

Cost

The cost would depend on the amount of funding provided with the expenditure coming from the Housing Cost Assistance Trust Fund.


Richard Meyers, City Manager



Invoice: 20726

Record ID: 199-22-000281-STR

City of Cottage Grove

400 E Main St

Cottage Grove, OR 97424-2034

541-942-3340

Fax: 541-942-1267

permit@cottagegrove.org

www.cottagegrove.org

Invoice Date: 7/15/22 2:19 pm

Project Name: CV Clubhouse

Worksite address: 1428 E MADISON AVE, COTTAGE GROVE, OR 97424

Parcel: 2003284408200

Owner: SQUAREONE VILLAGES, 15 N POLK, EUGENE, OR 97402

Units	Description	Fee Amount	Balance Due
1.00 Ea	Structural plan review fee	\$488.35	\$488.35
1.00 Ea	Structural building permit fee	\$751.30	\$751.30
3,857.63 Amount	SDC - Water	\$3,857.63	\$3,857.63
	Fee notes: Based on 12.5 new units.		
622.70 Amount	SDC - Sewer	\$622.70	\$622.70
	Fee notes: Based on 11.0 new units.		
1.00 Ea	State of Oregon Surcharge - Bldg (12% of applicable fees)	\$90.16	\$90.16
1.00 Ea	Technology Fee	\$61.98	\$61.98
		<hr/>	
		\$5,872.12	\$5,872.12



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400 E Main St

Cottage Grove, OR 97424-2034

541-942-3340

Fax: 541-942-1267

permit@cottagegrove.org

Invoice: 20720

Record ID: 199-22-000281-MECH-01

www.cottagegrove.org

Invoice Date: 7/15/22 11:49 am

Project Name: CV Clubhouse

Worksite address: 1428 E MADISON AVE, COTTAGE GROVE, OR 97424

Parcel: 2003284408200

Owner: SQUAREONE VILLAGES, 15 N POLK, EUGENE, OR 97402

Units	Description	Fee Amount	Balance Due
1.00 Ea	Commercial mechanical permit (based on mechanical job value)	\$187.50	\$187.50
1.00 Ea	Mechanical plan review	\$46.88	\$46.88
1.00 Ea	State of Oregon Surcharge - Mech (12% of applicable fees)	\$22.50	\$22.50
1.00 Ea	Technology Fee	\$11.72	\$11.72
		<hr/>	<hr/>
		\$268.60	\$268.60



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Invoice: 20692

Record ID: 199-22-000055-PLNG

Invoice Date: 6/29/22 2:30 pm

City of Cottage Grove

400 E Main St

Cottage Grove, OR 97424-2034

541-942-3340

Fax: 541-942-1267

permit@cottagegrove.org

Project Name: LUR 11-22 CV Clubhouse

Worksite address: 1428 E MADISON AVE, COTTAGE GROVE, OR 97424

Parcel: 2003284408200

Owner: SQUAREONE VILLAGES, 15 N POLK, EUGENE, OR 97402

Units	Description	Fee Amount	Balance Due
112.50 Amount	Land Use Review(Bldg permit)	\$112.50	\$112.50
	Fee notes: \$75,000 x 0.0015.		
1.00 Ea	Technology Fee	\$5.63	\$5.63
		\$118.13	\$118.13



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Fax: 541-942-1267

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Invoice: 20728

Record ID: 199-22-000281-PLM-01

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Invoice Date: 7/15/22 2:41 pm

Invoice modified on: 7/15/22 2:41 pm

Project Name: CV Clubhouse

Worksite address: 1428 E MADISON AVE, COTTAGE GROVE, OR 97424

Parcel: 2003284408200

Owner: SQUAREONE VILLAGES, 15 N POLK, EUGENE, OR 97402

Units	Description	Fee Amount	Balance Due
100.00 LnFt	Sanitary sewer - Total linear feet	\$81.00	\$81.00
100.00 LnFt	Water service - Total linear feet	\$81.00	\$81.00
1.00 Qty	Clothes washer	\$26.50	\$26.50
2.00 Qty	Hose bib	\$53.00	\$53.00
2.00 Qty	Sink/basin/lavatory	\$53.00	\$53.00
	Fee notes: 1-lav, 1-kitchen sink.		
1.00 Qty	Water closet	\$26.50	\$26.50
1.00 Qty	Water heater	\$26.50	\$26.50
1.00 Ea	State of Oregon Surcharge	\$41.70	\$41.70
	-Plumb (12% of applicable fees)		
1.00 Ea	Technology Fee	\$17.38	\$17.38
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		\$406.58	\$406.58

Appendix XVI

HOUSING DEVELOPMENT COST ASSISTANCE PROGRAM

RESOLUTION NO. 2001

A RESOLUTION ESTABLISHING A HOUSING DEVELOPMENT COST ASSISTANCE PROGRAM FOR
NON-PROFIT DEVELOPMENTS AND SETTING A THREE YEAR REVIEW

WHEREAS, the 2018 Housing Needs Analysis recognized a severe shortage of multi-unit housing; and

WHEREAS, the 2018 Housing Needs Analysis recommended that the City Council should adopt policies to support development of needed housing; and

WHEREAS, the City Council has recognized the need and adopted Ordinance No. 3117 that creates a Multi-Unit Property Tax Exemption (MUPTEx) Program pursuant to State Law; and

WHEREAS, the MUPTEx Program provides assistance to organizations that would be subject to property taxes; and

WHEREAS, the City Council desires to establish a program to assist organizations that would not be subject to property taxes; and

WHEREAS, the City Council desires to have a process that will help them make assistance available to the organizations throughout the year in a fair manner.

NOW, THEREFORE, BE IT RESOLVED that the City Council establish a Housing Development Cost Assistance Program as follows:

Housing Development Cost Assistance Program:

Purpose:

The purpose of the Housing Development Cost Assistance Program is to provide the City Council resources to assist non-profit or government agency sponsored housing projects that will help the City meet a broad array of housing needs, (types, size, income levels, etc) within the City of Cottage Grove by paying a portion of the Building Permit Fees and System Development Charges for the projects.

General Program Description:

Housing projects could request assistance from the City Council to help cover Building Fees and System Development Charge costs for their specific project. The program would be funded from the Housing Development Cost Assistance Program Trust Fund that will be created in the 2020-21 City of Cottage Grove Budget. (During the 2019-20 Budget the funding would come from the General and Building Inspection Program Funds.) The trust fund will have two areas of funding – one for assistance on Building Permit and Inspection costs and the other for System Development Charges costs. Any contribution from the Building Inspection Program fund could only be used for assistance with Building Permit or Inspection fees. Transfers from other funding sources could be used to provide

assistance for either costs. The program is not created to fully cover all the costs but to assist in bringing the costs down for projects and to encourage multiple projects and provide a variety of housing opportunities.

Funds remaining in the Trust Fund at the end of the fiscal year will remain in the fund and be carried over to the next year. (Funds set aside for the program remaining in the General or Building Inspection Program Fund at the end of 2019-20 will be rolled into the Trust fund at the beginning of the 2020-21 Fiscal Year.)

The City Council shall contribute up to \$25,000 a year from the Building Inspection Program Fund into the Trust Fund specifically for assistance for Building Permit and Inspection Fees. Contributions from the Building Inspection Program Fund shall be reduced to ensure that no more than \$50,000 is available within the Trust Fund for Building Permit and Inspection Fees at the beginning of the fiscal year. This contribution currently exists within the 2019-20 Budget.

The City Council shall contribute up to \$75,000 a year from other sources other than the Building Inspection Program Fund into the Trust Fund for assistance with System Development Charges. Contributions for assistance with SDC's shall be reduced to ensure that no more than \$150,000 is available within the Trust Fund at the beginning of the fiscal year for assistance with SDC's. The \$75,000 contribution for the 2019-20 Fiscal Year will require a change to the current budget as this contribution does not exist.

Eligibility Criteria:

The program would be for non-profit or government agencies.

Requests for assistance would be taken anytime during the fiscal year and would be submitted to the City Manager's office to be taken before the City Council. The City Council would review and make the decision regarding assistance.

Projects must have all appropriate approvals from City Planning or the Planning Commission, if required, prior to requesting assistance.

Projects must be ready to begin construction or pay development fees within one year of any assistance awarded by the City Council. Projects that do not use the funds provided within one year of award will lose the funding, however they may re-apply for the funding in the subsequent year.

Projects can request assistance for either or both Building Permit and Inspection Fees and SDC's.

Assistance would only help with the Building Permit and Inspection Fees or SDC's associated with the residential portion of any mixed use development.

SDC Assistance Funding

- Projects constructing 10 or more units are eligible for assistance for up to 75% of their SDC's.
- Projects constructing more than three (3) units but less than 10 units are eligible for assistance for up to 60% of their SDC's.
- Projects constructing three (3) or less units are eligible for assistance for up to 30% of their SDC's

Any one project cannot be granted more than 75% of the total funding available for SDC assistance in the first half of the fiscal year (July 1 through December 31).

During the second half of the fiscal year (January 1 through June 30) any one project cannot use more than 90% of the remaining balance available for SDC assistance. If the fund balance is less than \$10,000 the entire balance can be awarded.

Building Permit and Inspection Fee Assistance Funding

Projects can be awarded assistance for up to full costs associated with Building Permit and Inspection fees but the assistance cannot exceed more than 50% of the balance of available Building Permit and Inspection fee assistance available in the Trust Fund. If the fund balance available is \$5,000 or less, the entire balance can be awarded.

City Council Request Evaluation Factors to Consider:

- Number of dwelling units provided;
- Income levels low, middle, moderate accommodated;
- Housing type provided with a focus on creating a broad range of housing types throughout the community to meet community needs;
- Public benefits associated with the development; or
- Or other similar evaluation points as used in evaluating MUPTE applications.

Discontinuing the Housing Development Cost Assistance Program

Upon the discontinuation of the Housing Development Cost Assistance Program funds remaining in the Housing Development Cost Assistance Program Trust Fund shall be returned:

- To the Building Inspection Program for funds in the Trust Fund that were contributed from the Building Inspection Program.
- To the General Fund for all funds contributed by other sources.

BE IT FURTHER RESOLVED that the City Council shall review the effectiveness of the Housing Development Cost Assistance Program in 3 (three) years from the date of the adoption of this resolution and determine whether the program should be continued.

BE IT FURTHER RESOLVED that this resolution shall take effect immediately upon its passage.

PASSED BY THE COUNCIL AND APPROVED BY THE MAYOR THIS 13TH DAY OF JANUARY, 2020.

Jeffrey D. Gowing, Mayor

Dated: January 13, 2020

ATTEST:

Richard Meyers, City Manager

Dated: January 13, 2020

The Cottage Grove Municipal Code is current through Ordinance 3160, passed June 13, 2022, and Resolution 2060, passed January 24, 2022.

Disclaimer: The City Recorder's office has the official version of the Cottage Grove Municipal Code. Users should contact the City Recorder's office for ordinances passed subsequent to the ordinance cited above.

City Website: <https://www.cottagegrove.org/>

City Telephone: (541) 942-5501

Code Publishing Company.