

# City of Tigard

# Application for Tax Abatement

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February 20, 2011

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The Knoll @ Tigard

12291 SW Knoll Drive

Tigard, Oregon 97223

**A. Property Description**

**B. Project's Charitable Purpose**

**C. Certification of Resident Income Levels**

**D. How Tax Exemption Will Benefit Residents**

**E. Tax Exempt Status**

**F. Verification of Information**

**G. IRS Letter**

## **A. Property Description**

The Knoll @ Tigard will open by April 4, 2011 with final project work in process. The Knoll @ Tigard is located at 12291 SW Knoll Drive in Tigard. The location fronts on Hall Boulevard between SW Hunziker and SW Knoll. This site is a prime example of urban development, perched on the edge of the developing downtown of the City of Tigard, walking distance to the library, senior center, transportation, shopping and a variety of other amenities. Previously, three parcels of land totaling 1 acre supported only 3 single family residences. Following the recent zone change, and consistent with the long range goals of the City development plans, The Knoll @ Tigard brings this density to nearly 50 units per acre. The design takes advantage of a site with an established infrastructure of utilities, adjacent transportation and services, and enhances it's potential as a catalyst for respectful development of the urban neighborhood. The project receives a "very walkable" rating from Walkscore.com.

The Knoll @ Tigard is a 45,000 square foot, 48-unit apartment building providing active living for independent, low-income seniors along with common rooms and meeting space. Streetscape improvements were required on all 3 street frontages, including development of sidewalks, planting strips with street trees and below-grade utilities. Public spaces including entry courtyards and site walks are well lit. The Knoll @ Tigard is a secure access building with a surveillance system.

The total site contains .98 acres.

Legal Description: see attached Exhibit A

Tax Lot: R458454, R458436, R458445

## **B. Project's Charitable Purpose**

**The mission of Community Partners for Affordable Housing, Inc. (CPAH) is to promote a healthy community through the development of: permanent affordable housing, sustainable economic growth, and community-based partnerships.**

The Knoll @ Tigard is CPAH's first affordable units for seniors in Tigard and compliments CPAH's affordable units for seniors in Hillsdale. The 48 units are affordable to very low and low income residents on a permanent basis (The Knoll @ Tigard provides affordable housing for a minimum of sixty (60) years, with maximum rents regulated by covenants on the property). Rents are affordable to households at 30% to 60% of area median income and below market rents. 45 of the units are one bedroom units and 3 of the units are two bedroom units (1 of which for the on-site manager). 12 of the one bedroom units are Project Based Section 8 units through the Washington County Housing Authority and are set-aside for Veterans.

CPAH has expanded its community partnerships with the Tigard Police, the Tigard Library and the VA.. Community building is provided through resident services programs and outreach. The Community Room is the focal point for community building activities and includes a computer center for residents.

## **C. Certification of Resident Income Levels**

Resident income levels are certified upon application. Residents may remain in their units as long as they income qualify at entry. Rents are \$597 per month for the one-bedroom apartments deemed at 13% below market rates. Rents are \$707 per month for the two-bedroom apartments. Water, sewer and trash are included in the monthly rental.

#### **D. How Tax Exemption Will Benefit Residents**

The property tax exemption is a direct savings for the residents, allowing for reduced operating costs which results in affordable reduced rents for the seniors at The Knoll. For both the initial development, and long term operations of the project, full tax abatement is essential. The project pro forma allowed for the construction of The Knoll which meets all City and State design requirements along with affordable rents for our seniors.

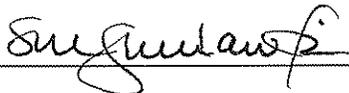
The Knoll includes financing through Washington County HOME and CDBG funds, State of Oregon Trust Fund and Tax Credits. JP Morgan Chase is the private lender with Enterprise Neighborhood Partners as the investor (under the tax credit program). Tax abatement was critical in meeting lender and investor requirements while keeping rents affordable for The Knoll @ Tigard. Tax abatement is a direct benefit to senior residents who will pay lower rents. Tax abatement is key to the long-term sustainability of the project operating with affordable rents for seniors.

#### **E. Tax Exempt Status**

CPAH, an Oregon non-profit, is the general partner of The Knoll @ Tigard Limited Partnership, a single asset entity. CPAH's IRS Determination Letter is attached. CPAH undergoes full audit of its books annually, as will The Knoll @ Tigard. Mark Schwing of Markusen & Schwing in Beaverton currently provides audit services for CPAH and CPAH's single asset properties. The State of Oregon Housing and Community Services Department and the U.S. Department of Housing and Urban Development both will inspect and audit the project annually. The tax credit investor (Limited Partner) also monitors the project on a monthly basis and physically inspects on an annual basis.

#### **F. Verification of Information**

As CPAH's executive director, I hereby certify that the information in this application for tax abatement is accurate and complete to the best of my knowledge. Income Property Management provides the day-to-day management of the property and is responsible for certifying income levels of each resident for compliance with program guidelines. If additional information is desired on any aspect of this application, please do not hesitate to call. Thank you in advance for your consideration.

  
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Sheila Greenlaw-Fink, CPAH Executive Director

Date: 2/22/11

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**EXHIBIT A****Legal Description of the Property****PARCEL I:**

Lot 3, according to the duly filed plat of KNOLL ACRES, in the City of Tigard, filed December 15, 1948, in Plat Book 12, Page 30, Records of the County of Washington and State of Oregon.

EXCEPTING THEREFROM the following described tract conveyed to the State of Oregon, by and through its State Highway Commission by Deed recorded April 13, 1959, Book 416, Page 303.

**PARCEL II:**

Lot 4, according to the duly filed plat of KNOLL ACRES, in the City of Tigard, filed December 15, 1948, in Plat Book 12, Page 30, Records of the County of Washington and State of Oregon.

EXCEPTING THEREFROM that parcel deeded to the State of Oregon by and through its State Highway Commission, by Warranty Deed, recorded September 25, 1958, in Book 409, Page 506, Deed records Washington County, Oregon.

ALSO EXCEPTING THEREFROM that parcel deeded to the City of Tigard by Document Recorded June 25, 1981 as Recorder's Fee No. 81021925, Deed of Records, Washington County.

**PARCEL III:**

Lot 5, according to the duly filed plat of KNOLL ACRES, in the City of Tigard, filed December 15, 1948, in Plat Book 12, Page 30, Records of the County of Washington and State of Oregon.

EXCEPT that portion deeded to the City of Tigard in Document recorded September 5, 1975, in Book 1043, Page 967.

ALSO EXCEPTING THEREFROM that parcel deeded to the City of Tigard by Document recorded June 25, 1981 as Recorder's Fee No. 81021925, Deed Records, Washington County.

This property is free of encumbrances created or suffered by Grantor, EXCEPT:

1. The subject property lies within the boundaries of the Unified Sewerage Agency and is subject to the levies and assessments thereof.
2. Restrictive covenants to waive future rights of remonstrance against the formation of a local improvement district, Recorded: August 14, 1984 as Recorder's Fee No 84032022; Type of Improvement: Street (Affects Parcels I and III). A memorandum was recorded between grantor and grantee on June 14, 1996 as Recorder's Fee No. 96053520.

EXHIBIT B

(218) 1/1/1997

INTERNAL REVENUE SERVICE  
DISTRICT DIRECTOR  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date:

MAR 11 1995

COMMUNITY PARTNERS FOR AFFORDABLE  
HOUSING  
PO BOX 23206  
TIGARD, OR 97281-3206

Employer Identification Number:  
93-1155559

DLN:

17053030720009

Contact Person:

THOMAS E O'BRIEN

ID# 31187

Contact Telephone Number:

(877) 829-5500

Our Letter Dated:

February 1995

Addendum Applies:

No

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

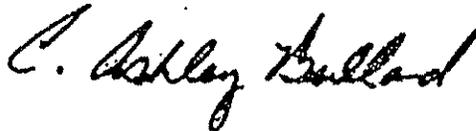
Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,



District Director

Letter 1050 (DO/CG)