Cascade
Management, Inc.

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February 22, 2013

Toby LaFrance, Finance Director
City of Tigard
13125 SW Hall Blvd.
Tigard, OR 97223
SENT VIA EMAIL ELECTRONIC PDF to:
lizbeth@tigard-or.gov

Dear Toby LaFrance:

Please find the attached application for tax abatement for Hawthorne Villa Apartments, located at 7705 SW Pfaffle St. in Tigard. Enclosed in this packet is the application itself and attachments including ownership and lease documents, Oregon Housing and Community Services Project Restrictions and evidence of the 501(c)3 designation for the non-profit partner Accessible Living, Inc.

Please let me know if you have any questions.

Sincerely,

Dave Bachman
President and CEO
Consultant and Management Agent to Hawthorne Villa

Cc: Liz Lutz at lizbeth@tigard-or.gov – City of Tigard
Marissa Daniels

Cascade Management, Inc., does not discriminate on the basis of handicapped status in the admission or access to, or treatment or employment in, its programs and activities. The Compliance Officer is designated as the 504 Compliance Coordinator.

Cascade-Management.com

ACCESSIBLE LIVING INC.

6160 SW Main Avenue

Beaverton Oregon, 97008

City of Tigard

Application for Tax Abatement

February 15, 2013

Hawthorne Villa Apartments

Address here:

A.	Property Description
B.	Projects Charitable Purpose
C.	Certification of Residents Income Levels
D.	How Tax Exemption Will Benefit Residents
E.	Tax Exempt Status
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A. Property Description

Hawthorne Villa Apartments, (Tax account # R282429, is located at 7705 SW Pfaffle St, Tigard OR 97223 just off of Pacific Highway in Tigard Oregon. The site sits on 4.76 acres and provides 119 units of affordable housing for low-income residents of Tigard. The property includes 8 apartment buildings and a house that contains the manager's unit and office. The property has 30 studios, 84 - 1 bedroom and 5 - 2 bedroom units.

The project was purchased by Hawthorne Urban Development LLC in September of 2011 for the purpose of maintaining affordability of Hawthorne Villa, Improving its' accommodations to a sustainable and thriving community and re-establishing resident service activities through a non-profit partnership.

The project has received private financing totaling $2.45 million. An additional $1,008,300 of additional financing is secured to complete project renovations. This is based on the Owner's commitment to deliver quality affordable housing in the City of Tigard. Over $445,000 of renovations are complete to the project exterior and the project is currently 40% complete on $563,300 on project interior unit improvements. No tenant relocation has been necessary or is planned to complete the improvements.

Hawthorne Exterior Improvements (Completed) – Total $445,000
Siding repaired all buildings
Painting all buildings
All Buildings Re-Roofed
Asphalt Paving Parking Lot
Landscape Improvements for entire site
Deck/Railing replacements and improvements
New Fencing
Renovated Existing Office Building

Hawthorne Interior Improvements (40% complete)	Units - 119
Fully renovate 5 interior units (Completed)	
Interior Water Meter @ $750 per units	$ 88,500
Replace appliances	$ 118,000
Interior painting @ $600 per units	$ 70,800
Replace interior carpet and vinyl @1200	$ 141,600
Replace interior in exterior door $1200 per unit	$ 94,400

Contingency	$ 50,000

The project is close to transportation and retail. Employment proximity is also excellent to many entry level service jobs, including many stores, banks or restaurants along Pacific Highway in Tigard. Many of the existing residents at Hawthorne Villa work within walking distance of the property.

Legal Description: See Attached as part of Oregon Affordable Housing Commitment Documents

GENERAL INFORMATION

Name: Hawthorne Villa Apartments
Property Type: Multi-Family (Garden/Low Rise) LIHTC Apartments
Address: 7705 SW Pfaffle Street
Tigard, Oregon 97223
Assessor's Parcel #: R282429
Census Tract No.: 306.00

Site Description:

USABLE AREA	EXCESS AREA	SURPLUS AREA	GROSS AREA
SF ACRES	SF ACRES	SF ACRES	SF ACRES
207,346 4.76	0 0.00 0	0.00	207,346 4.76

Zoning: Medium-Density Residential (R-12)

Improvement Description:
No. of Total Buildings: 9 (8 one and two-story apartment buildings and 1 single-family home that is used as a leasing office and manager's unit).
Number of Units: 118
Amenities: Laundry rooms, storage units, and leasing office. Several landscaped courtyards on the property.

The property has 30 studios, 84 - 1 bedroom and 5 - 2 bedroom units.

B. Project's Charitable Purpose

Accessible Living Inc.'s mission is to provide low- cost housing which meets the specialized needs of seniors and disabled persons and their families and to

promote the public's awareness of the plight of disabled persons to obtain low-cost accessible housing.

ALI's involvement in Hawthorne Villa will be to provide support to residents in obtaining and retaining affordable housing through the delivery of resident services. ALI will work to identify the needs of Hawthorne Villa residents and work with the residents and property management to support residents in connecting with community programs and services to address those needs, including access to emergency services such as local food programs, utility assistance, eviction prevention and services for individuals and families struggling with addiction, mental health issues and other disabilities.

ALI has developed and will continue to develop partnerships with organizations such as the Oregon Food Bank, Luke- Dorf (draft MOU already established), Lifeworks NW, Community Action, Hope Spring, and other community organizations to provide resource and referral. Where appropriate ALI will develop MOU's and release of information with residents, property management and community partners to better coordinate services and housing and to avoid tenant eviction.

ALI will partner with Housing Independence, a non-profit service provider for individuals with special needs including seniors, individuals with physical and developmental disabilities, veterans and other underserved special needs populations that may need support in obtaining and retaining housing.

The project has developed a current budget and commitment of $30,000 per year to sustain service delivery to residents. The services budget and delivery will be the sole and direct responsibility of ALI.

C. Certification of Resident Income Levels

Resident income levels are verified upon application. Hawthorne Villa currently has an extended use agreement with Oregon Housing and Community Services that will restrict the property be exclusively used for low income rentals until January 1, 2025. These covenants require that all households have earnings at or below 60% of the area median income. Currently the property income demographics demonstrate the need for continued affordability and a service commitment. We certify that all apartments in this property are currently

rented to and will remain affordable to households earning at or below 60% of the area median income until January 1, 2025.

D. How tax exemption will benefit residents

100% of the property tax exemption is a direct subsidy that benefits residents. Every dollar in tax reduction is passed on in scheduled rents and in the delivery of resident services programs. Without this funding Hawthorne Villa would not be able to retain its current affordability (below the 60% restriction). The tax exemption also allows for a $30,000 per year services budget to offer much needed services that supports residents in obtaining and retaining their housing, including connecting them with emergency services for eviction prevention.

It can be argued that using property tax revenues to subsidize well managed affordable housing unit's results in a net savings of public resources. Fewer and less-severe police calls, healthier residents and stably housed social service consumers, all provide a direct reduction in the demand for government funded services.

E. Tax exempt status

Hawthorne Urband Development is the Owner (Landlord) who has entered into a lease agreement with Hawthorne Villa General Partnership (Tenant). ALI is a General Partner to Hawthorne Villa General Partnership who is responsible for day to day operation of the project. Hawthorne Villa General Partnership has a leasehold interest in Hawthorne Villa through the lease (attached).

F. Verification of Information

I hereby certify that the information for this tax abatement application is accurate and complete to the best of my knowledge. Cascade Property Management performs the day to day management of the property and is responsible for certifying income levels of each resident for compliance with program guidelines.

Karen Voiss

2-22-2013

Karen Voiss, Executive Director
Accessible Living, Inc.
General Partner of Tenant (Hawthorne Villa GP)

Date

G. Attachments

OHCS Low Income Housing Commitments and Assignment
Lease to Hawthorne Villa General Partnership
Hawthorne Villa General Partnership Agreement
Accessible Living Inc. 501c(3) evidence