

RESOLUTION NO. 2217

A RESOLUTION GRANTING AN EXEMPTION FROM PROPERTY TAXES UNDER ORS 307.540 TO ORS 307.548 FOR CREEKSIDE WOODS SENIOR HOUSING, A LOW-INCOME APARTMENT DEVELOPMENT OWNED AND OPERATED BY CREEKSIDE WOODS LIMITED PARTNERSHIP

WHEREAS, maintaining Wilsonville's existing affordable housing supply is necessary for its continued health and growth;

WHEREAS, Northwest Housing Alternatives (NHA), a 501(c)(3) not-for-profit corporation, has formed Creekside GP LLC, of which it is the sole member, for the purpose of serving as the general partner of Creekside Woods Limited Partnership (the "Partnership");

WHEREAS, the Partnership intends to admit NEF Assignment Corporation as the limited partner of the Partnership in exchange for an allocation of low income housing tax credits;

WHEREAS, the purpose of the Partnership is to develop, own, and operate Creekside Woods Senior Housing, an affordable housing development located at 7825 SW Wilsonville Road, Wilsonville, Oregon (the "Development");

WHEREAS, the Development will have 84 units for low income senior housing, of which 45 units will also be eligible under the U.S. Department of Housing and Urban Development's (HUD) 202 program for affordable senior housing;

WHEREAS, a property tax exemption is essential for the Development to provide affordable housing;

WHEREAS, ORS 307.540 to 307.548 authorize property tax exemptions for affordable housing occupied by low-income persons and owned by a partnership in which a 501(c)(3) corporation serves as the general partner and is responsible for the day-to-day operations of the project;

WHEREAS, ORS 307.022 provides that a limited liability company owned by a corporation which would otherwise be entitled to a property tax exemption shall be an entity which qualifies for an exemption;

WHEREAS, the City of Wilsonville wishes to adopt and/or ratify the policy set forth in those sections;

WHEREAS, the Partnership has requested a property tax exemption for its Creekside Woods Senior Housing development, pursuant to ORS 307.543(2);

WHEREAS, the City of Wilsonville and West Linn-Wilsonville School District property tax levies jointly comprise 73% of the total combined rate of taxation on Creekside Woods Senior Housing; and


WHEREAS, the Partnership is contemporaneously working with the West Linn-Wilsonville School District to receive an exempt status for the Creekside Woods Senior Housing development for property taxation arising under the District's jurisdiction, unless and until terminated pursuant to ORS 307.548.

NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

- Section 1: The City of Wilsonville adopts the provisions of ORS 307.540 to 307.548.
- Section 2: Creekside Woods Limited Partnership and its affordable senior housing development, Creekside Woods Senior Housing, qualify for a property tax exemption pursuant to ORS 307.540 to 307.548.
- Section 3: The Finance Director is directed to request the Clackamas County Assessor to exempt Creekside Woods Senior Housing from taxation by all taxing jurisdictions pursuant to ORS 307.543(2), commencing on the first day of the tax assessment year beginning July 1, 2009 or the soonest July 1 thereafter as the assessor may allow.
- Section 4: This Resolution shall take effect upon the occurrence of the following:
- a) Receipt by the Wilsonville City Recorder of an executed Initial Low Income Housing Tax Credit Reservation, offered by the Oregon Department of Housing and Community Services and accepted by Northwest Housing Alternatives, for the purpose of constructing Creekside Woods Senior Housing; and
 - b) Submission to the City of Wilsonville's City Manager of an application conforming to the requirements of ORS 307.545, requesting a property tax exemption for Creekside Woods Senior Housing.
- Section 5: This Resolution is to remain in effect unless and until termination occurs pursuant to ORS 307.548.

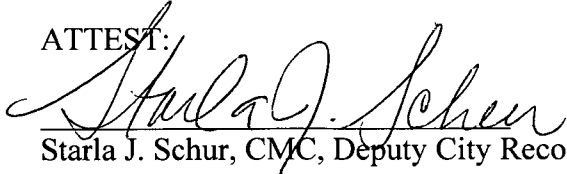
Section 6: This resolution is effective upon adoption.

ADOPTED by the Wilsonville City Council at a regular meeting thereof this 7th day of December, 2009, and filed with the Wilsonville City Recorder this date.



Alan Kirk, City Council President

ATTEST:



Starla J. Schur, CMC, Deputy City Recorder

SUMMARY OF VOTES:

Mayor Knapp	Excused
Councilor Kirk	Yes
Councilor Nunez	Yes
Councilor Ripple	Yes
Councilor Hurst	Yes



FINANCE DEPARTMENT
STAFF REPORT

Date: December 7, 2009

To: Honorable Mayor and City Council

From: Gary S. Wallis, Finance Director

Subject: Communication from Independent Auditor

Each year the city is required to have its financial accounts and reports independently audited. As a part of that process the auditor provides a written communication to the City Council and Management outlining significant findings, if any. Our auditor is Grove, Mueller & Swank, PC with offices in Salem. Their letter is provided.

In summary we are looking good. Here is a quick recap of the letter:

Qualitative Aspects of Accounting Practices	No issues noted
Difficulties Encountered in Performing the Audit	No issues noted
Corrected and Uncorrected Misstatements	No issues noted
Disagreements with Management	No issues noted
Management Representation	No issues noted
Management Consultations with Other Independent Accounts	No issues noted
Other Audit Findings or Issues	None

The audited Comprehensive Annual Financial Report (CAFR) is scheduled to be printed and distributed by mid-December. As with prior years, both the CAFR and the separate urban renewal report enjoy an unqualified opinion, the highest level provided.



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

November 12, 2009

To the City Council and Management of
City of Wilsonville

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wilsonville for the year ended June 30, 2009. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 1, 2009. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2009, except for the adoption of GASB #45 Other Post Employment Benefits. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the City's financial statements is management's estimate of the allowance for doubtful accounts which is based on historical water and sewer revenues, historical loss levels, and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no identified misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 12, 2009.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,


CERTIFIED PUBLIC ACCOUNTANTS