

ORDINANCE NO. 5012

An Ordinance amending 3.10.060, Systems Development Charges, Exemptions, of The McMinnville Municipal Code to expand Affordable Housing Exemptions.

RECITALS:

The City of McMinnville understands the value and need for affordable housing in the City of McMinnville; and

The McMinnville City Council would like to increase the availability of affordable housing for low and no-income residents of the City of McMinnville; and

The City of McMinnville created a McMinnville Affordable Housing Task Force on April 26, 2016 with Resolution No. 2016-20; and

The City of McMinnville is able to reduce the costs of building affordable housing by reducing the amount of development fees required; and

The McMinnville Affordable Housing Task Force after careful consideration and evaluation recommends the exemption of affordable housing from system development charges to help enable the development of affordable housing in the City of McMinnville.

Now, Therefore, THE COMMON COUNCIL FOR THE CITY OF MCMINNVILLE ORDAINS AS FOLLOWS:

1. The provisions set forth in the Attached Exhibit 1, which are incorporated by this reference, are hereby adopted.
2. This Ordinance shall take effect on January 1, 2017.

Passed by the Council this 8th day of November 2016, by the following votes:

Ayes: Drabkin, Hill, Jeffries, Menke, Ruden, Yoder

Nays: _____

Approved this 8th day of November, 2016.



COUNCIL PRESIDENT

Attest:

Approved as to form:

Melissa Grace
CITY RECORDER

Duc
CITY ATTORNEY

EXHIBIT 1

PROPOSED AMENDMENTS TO THE MCMINNVILLE MUNICIPAL CITY CODE

New proposed language is represented by **bold underline font**, deleted language is represented by ~~strikethrough font~~.

3.10.060 Exemptions. The following are exempt from the systems development charge imposed in Section 3.10.020.

A. An alteration, addition, remodel, replacement or change in use that does not increase the use of capital improvements.

~~B. Housing for low-income or elderly persons which is exempt from real property taxes under state law.~~

B. Affordable Housing.

1. The following affordable housing projects are exempt:

- a. Housing for low-income residents which is exempt from real property taxes under state law. Applicants will need to provide proof of exemption at the time of application.
- b. Owner-occupied or lease-to-purchase housing for households with an income at or below 80% of the Area Median Income as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development. Income levels will need to be certified and provided by the applicant at the time of application.
- c. Homeless Shelter Developments.
- d. If the project has units that do not qualify for the exemption or a commercial component, the exemption will be applied to only that portion of the project that qualifies.

2. The annual allocation to affordable housing exemptions will not exceed \$75,000 unless it is approved by action of the McMinnville City Council.

3. Upon issuance of the certificate of occupancy, the city shall record the certificate of exemption documenting the date and amount of the exemption with the Yamhill County Recorder's office

4. In the event the property for which an exemption is granted ceases to be utilized for housing for low-income persons within ten years from the date the certificate of exemption is recorded, the person to whom the exemption was granted shall be required to pay to the city the amount of the exempted systems development charges.