



1 fact, the principal condition of the option to purchase is the subsequent  
2 approval and execution of a disposition and development agreement  
3 following a public hearing pursuant to ORS 271.225. Accordingly, the terms  
4 of the disposition and development agreement are not finally determined.  
5

6 F. The nature of the option and future conveyance, with conditions, has been  
7 advertised as an option/future conveyance to a domestic non-profit  
8 corporation of a City-owned property acquired in 2009-2010 for \$50,000.  
9 The most recent appraisals of the lots (2009) show a combined value of  
10 \$433,000.00. Since the approval of the last option on the City Properties  
11 above, the Agency has acquired the Hwy 101 frontage valued at \$400,000.  
12 This additional URA property is being added to the option to create a  
13 competitive combination of parcels to enhance and facilitate grant funding  
14 and tax credit applications.  
15

16 G. Consideration for the option to purchase includes payment of \$1.00 and IHI's  
17 commitment to submit an application for low income tax credit and a  
18 commitment to proceed in good faith with negotiation of a disposition and  
19 development agreement. The terms and conditions of the future disposition  
20 and development agreement, may include, but are not limited to, the  
21 following principal terms,: (1) Land Sale Price of \$1.00; (2) Multiple Unit  
22 Housing Property Tax Abatement pursuant to ORS Chapter 307; (3) Deed  
23 restrictions or restrictive covenants to enforce affordability standards; (4)  
24 System Development Charge Deferrals per LCMC 13.08.095; (5) up to  
25 \$150,000 city "gap" grant; (6) previously granted pre-development funding;  
26 (7) previously funded acquisition of improved site access; (8) City design,  
27 permitting and construction of re-aligned NE 25<sup>th</sup> Street. All the above terms  
28 are subject to all applicable quasi-judicial and legislative approval processes,  
29 including local budget law. A standard real estate purchase and sale  
30 agreement may also be required.  
31

32 H. The February 22, 2021 Joint City Council / Agency public hearing and Resolution  
33 staff reports are incorporated herein by this reference. All evidence of market  
34 value was fully disclosed and entered into the record at the public hearing on  
35 February 22, 2021.  
36

37 I. Pursuant to ORS 221.725, any resident of the City was provided with an  
38 opportunity to present oral or written testimony to the City Council on the subject

1 of the advertised Option to Purchase / future conveyance at the public hearing.  
2 Comments on disposition of URA property were also invited. Again, there will be  
3 another opportunity to comment at a future ORS 221.725 public hearing on the  
4 disposition and development agreement.

5  
6 J. After hearing the staff report, public input, and due deliberation, Council made the  
7 findings set forth herein and directed the Option to Purchase / future conveyance  
8 of the real property with the conditions identified in the staff report and this  
9 Resolution.

10  
11 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF**  
12 **LINCOLN CITY, AS FOLLOWS:**

13  
14 **SECTION 1. RECITALS.** The above recitals are true and correct and are  
15 incorporated herein by this reference.

16  
17 **SECTION 2. FINDINGS.**

18  
19 The Council finds and determines that the relevant statutory criteria for disposition  
20 of City real property are found in or referenced in ORS Chapter 271 (specifically ORS  
21 271.310 and ORS 271.330) as well as ORS 221.725 and the Lincoln City Urban  
22 Renewal Plan.

23 ORS 271.330(2) provides (**emphasis added**):

24  
25 (2)(a) Any political subdivision is granted express power to relinquish the title  
26 to any of the political subdivision's property to a qualifying nonprofit  
27 corporation or a municipal corporation for the purpose of providing any of the  
28 following:

- 29 (A) Low income housing;  
30 (B) Social services; or  
31 (C) Child care services.

32 (b) As used in this subsection:

33 **(A) "Qualifying nonprofit corporation" means a corporation**  
34 **that is a public benefit corporation as defined in ORS 65.001 (35)**  
35 **and that has obtained a ruling from the federal Internal Revenue**  
36 **Service providing that the corporation is exempt from federal**  
37 **income taxes under section 501(c)(3) of the Internal Revenue Code.**

38 (B) "Social services" and "child care services" include but are not  
39 limited to education, training, counseling, health and mental health

1 services and the provision of facilities and administrative services to  
2 support social services and child care services.

3  
4 **221.725 Sale of city real property; publication of notice; public hearing.**

5  
6 (1) Except as provided in ORS 221.727, when a city council considers it  
7 necessary or convenient to sell real property or any interest therein, the city  
8 council shall publish a notice of the proposed sale in a newspaper of general  
9 circulation in the city, and shall hold a public hearing concerning the sale prior  
10 to the sale.

11 (2) The notice required by subsection (1) of this section shall be published  
12 at least once during the week prior to the public hearing required under this  
13 section. The notice shall state the time and place of the public hearing, a  
14 description of the property or interest to be sold, the proposed uses for the  
15 property and the reasons why the city council considers it necessary or  
16 convenient to sell the property. Proof of publication of the notice may be  
17 made as provided by ORS 193.070.

18 (3) Not earlier than five days after publication of the notice, the public  
19 hearing concerning the sale shall be held at the time and place stated in the  
20 notice. Nothing in this section prevents a city council from holding the hearing  
21 at any regular or special meeting of the city council as part of its regular  
22 agenda.

23 (4) The nature of the proposed sale and the general terms thereof,  
24 including an appraisal or other evidence of the market value of the property,  
25 shall be fully disclosed by the city council at the public hearing. Any resident of  
26 the city shall be given an opportunity to present written or oral testimony at  
27 the hearing.

28 (5) As used in this section and ORS 221.727, "sale" includes a lease-option  
29 agreement under which the lessee has the right to buy the leased real property  
30 in accordance with the terms specified in the agreement.

31  
32 The Council /Agency finds and determines that it has received all information necessary  
33 to make a decision based on the Staff Report, public hearing testimony and the exhibits  
34 and evidence received.

35  
36 The Council / Agency finds and determines that this proposal to grant an Option to  
37 Purchase the subject properties (one Agency property and two City properties) to  
38 Innovative Housing, Inc., an Oregon nonprofit public benefit corporation meets all  
39 applicable statutory minimum criteria for eligibility to convey real property, as more  
40 fully set forth herein. IHI is a qualifying nonprofit corporation. Further the City Council

1 / Agency finds and determines that the proposed option to purchase for future  
2 disposition of real property (following another public hearing) is deemed "necessary  
3 or convenient" to the City and Agency, and "furthers the public interest" as the sale will  
4 further the City Council's and Agency's desire to provide affordable housing for the City of  
5 Lincoln City's population. The Council and Agency further finds and determines that the  
6 property identified herein is not necessary for City / Agency use. The findings herein are  
7 supported by competent substantial evidence in the whole record, incorporated herein  
8 by this reference.  
9

10 **SECTION 3. ORDER.** Based on the above Findings set forth herein and based upon  
11 the evidence in the whole record, the City Council and the Urban Renewal Agency  
12 hereby approves and directs the entering into an Option to Purchase Agreement for  
13 future sale / conveyance of the subject properties, subject to all identified conditions,  
14 included or referenced herein. The Option to Purchase is delegated to the City  
15 Manager and City Attorney who are authorized to execute all documents as is  
16 necessary to effectuate the Option and to bring back for future consideration at an  
17 advertised public hearing the disposition and development agreement contemplated  
18 herein for future consideration. The City Attorney must approve all documents as to  
19 form. The Manager is expressly delegated the authority to sign documents for the  
20 City and Agency. The Manager and Attorney are authorized to sign an "award letter"  
21 consistent with this Resolution and further may expend such funds as are necessary  
22 to effectuate the option and the future consideration of a disposition and  
23 development agreement. The disposition and development agreement will be  
24 subject to final approval, including all appeals, of applicable land use actions, and  
25 other processes to address the terms and conditions therein. The future real property  
26 sale will be, as is, and subject to all encumbrances of record.  
27

28 **SECTION 4. EFFECTIVE DATE.** This resolution is effective as of the date of its  
29 adoption and signature by the Council President and Agency Chair.  
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31 PASSED AND ADOPTED by the City Council of the City of Lincoln City and the Urban  
32 Renewal Agency this 22<sup>nd</sup> day of February, 2021.  
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37 JUDY CASPER, COUNCIL PRESIDENT  
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Rick Mark  
RICK MARK, URBAN RENEWAL AGENCY CHAIR

ATTEST:

Jamie Young  
JAMIE YOUNG, CITY RECORDER

APPROVED AS TO FORM:

Richard Appicello  
RICHARD APPICELLO, CITY ATTORNEY