



BOARD OF COMMISSIONERS

AGENDA REQUEST & STAFF REPORT

MEETING DATE: August 23, 2023

SUBJECT: Public Hearing on the proposed conveyance of property on Drafter Road in La Pine to Foundation for Affordable Housing

RECOMMENDED MOTION:

First, hold a public hearing. Thereafter, move approval of Board Order No. 2023-034 authorizing the conveyance of property at 52721, 52711, and 52695 Drafter Road, La Pine, to Foundation for Affordable Housing, and authorize the Deschutes County Property Manager to execute the associated documents.

BACKGROUND AND POLICY IMPLICATIONS:

In 1987, Deschutes County acquired multiple properties on Drafter Road in La Pine through the tax foreclosure process for nonpayment of property taxes. Three of the properties included were:

1. 1.06 acres known as Map and Tax Lot 211036AA00700 located at 52721 Drafter Road; real market value by the Deschutes County Assessor's Office \$10,940
2. 1.09 acres known as Map and Tax Lot 211036AA00800 located at 52711 Drafter Road; real market value by the Deschutes County Assessor's Office \$10,940
3. 1.12 acres known as Map and Tax Lot 211036AD00100 located at 52695 Drafter Road; real market value by the Deschutes County Assessor's Office \$00

Foundation for Affordable Housing (FFAH), a nonprofit organization that specializes in the development of affordable housing, submitted a proposal to purchase said properties for \$500,000 for the development of affordable housing. The proposal included a high-level conceptual plan for roughly 124 multifamily units to serve low-income seniors and those that qualify accordingly. It is anticipated the phase I development would start late 2024 and would provide roughly 50 to 80 units reserved for seniors 55 and older. Phase II would follow in 1-2 years and would provide an additional +/- 40 units. Amenities include a playground, open spaces and outdoor common areas.

Recently, FFAH met with City of La Pine staff to discuss the feasibility of this project. If it was determined that FFAH would need to complete a traffic impact analysis to determine the number of daily trips to ensure projections align accordingly. After the purchase and sale

agreement is executed, FFAH will proceed with the required traffic study and other due diligence.

Highlights of the offer include:

- \$500,000 purchase price (\$152,905/acre)
- 90-day due diligence period, with one option to extend 45-days
- \$10,000 earnest money paid to escrow when the purchase and sale agreement is executed
- \$5,000 additional earnest money paid if buyer exercises 45-day extension
- Closing anticipated approximately one week from time buyer removes contingencies

Oregon Revised Statute (ORS) 271.330 grants political subdivisions express power to relinquish the title to any of the political subdivision's property to a qualifying nonprofit corporation for the purpose of providing low income housing. Additionally, the ORS requires advertisement in a newspaper of general circulation for two successive weeks indicating the intent to transfer the property and setting the time and place of a public hearing; the advertising requirement has been met. After the public hearing is held and objections are heard, the Board of County Commissioners may proceed with the transfer. The property will be conveyed subject to restriction for use as affordable housing.

BUDGET IMPACTS:

\$500,000 gross proceeds

ATTENDANCE:

Kristie Bollinger, Property Manager