

## **Sherman County Rental Housing Incentive Program**

In the interest of encouraging the development of rental housing in Sherman County, the County is offering an incentive to developers in partnership with Mid-Columbia Economic Development District (MCEDD).

### **Incentive Program**

Sherman County agrees to contribute up to \$5,000 per new housing unit constructed as an incentive to developers to create rental housing units in Sherman County. These funds would be given as a grant in a direct contribution to the developer upon completion of the project. This is a first-come, first-served pilot program with incentive funds for six units total.

Requirements to Qualify for incentive:

- Project is for construction of new rental housing.
- Housing unit(s) is located within Sherman County.
- Owner would pay property taxes on the finished project.
- Project agrees to sign an agreement with the County to keep the unit as a long-term rental, not for use as a vacation rental, within the County for at least a five-year period. Projects violating this agreement will be required to repay the funds to the County.

Incentive Process:

1. Applicant completes application form.
2. MCEDD staff reviews application form for meeting program requirements.
3. For projects that meet all requirements, MCEDD staff submits a copy of the application form with a report to Sherman County recommending approval.
  - A. Sherman County Court approves the incentive, payable upon completion of the project.
  - B. Applicant contacts MCEDD staff upon completion of the project.
  - C. MCEDD staff conducts site visit and sends a report to Sherman County that funds can be released to the applicant.
  - D. Sherman County provides applicant with a check.
  - E. Applicant records a Trust Deed lien covering a five-year period to ensure the agreement that the unit remains a rental is followed. The penalty for not keeping the unit as a rental is repayment of the \$5,000.

### **Loan Program**

The County also offers low- or no-interest construction loans to developers of rental housing that do not qualify, or only partially qualify, for funding from a traditional housing lender. A developer could access both the loan program and incentive program. The County's loan would be repaid within a short period when permanent mortgages provide the capital to repay the construction loan. The County may require the applicant to be approved for a permanent take out loan through a federally insured financial institution upon completion of construction. These programs are not to compete with private sector lending.

## Loan Process

1. MCEDD would establish guidelines and policy, in consultation with County, to provide the structure for approvals and terms. It would be modeled after the existing MCEDD Revolving Loan Fund plans and Attainable Housing plans. The application would use the same format as the existing MCEDD loan application in order to facilitate use of multiple fund sources.
2. Applicant meets with MCEDD's Loan Fund Manager. All potential applicants will be provided information on the MCEDD Attainable Housing Development Revolving Loan Fund, U.S. Department of Agriculture housing loan programs and other applicable housing resources.
3. Application is submitted to MCEDD.
4. MCEDD staff would present a recommendation to MCEDD's Loan Administration Board for decision.
5. For approved projects, MCEDD would notify the County about fund distribution from the County to recipient.



**APPLICATION FORM**  
**Rental Housing Incentive Program**  
Sherman County  
PO Box 365  
Moro, OR 97039

Sherman County will contribute up to \$5,000 per new housing unit constructed as an incentive to developers to create rental housing units in Sherman County. These funds would be given as a grant in a direct contribution to the developer upon completion of the project.

Applicant Name(s): \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Number of New Rental Units Being Constructed: \_\_\_\_\_

Project Site Address(es): \_\_\_\_\_

Owner(s) of Finished Project: \_\_\_\_\_

**Note: Eligible entities only include those that would pay property taxes on the finished project.**

Project Description: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

***Incentive Agreement: Should the incentive be approved by Sherman County, the Owner(s) agree to keep the unit(s) receiving this incentive as long-term rentals, not for use as vacation rentals, for at least five-years from the date of project completion or repay the funds to Sherman County. The Owner(s) agree to record a Trust Deed Lien covering a five-year period from project completion to record this agreement. By signing this application form, the Owner(s) enter into this agreement with Sherman County.***

Owner Name(s) Print \_\_\_\_\_

Owner Signatures(s) \_\_\_\_\_

\_\_\_\_\_  
Date