

## Legislation Details (With Text)

**File #:** 19-536 **Version:** 1  
**Type:** Resolution **Status:** Agenda Ready  
**In control:** City Council  
**On agenda:** 11/25/2019 **Final action:** 11/25/2019  
**Title:** Property tax exemptions for eight qualifying non-profit low-income housing properties  
Ward(s): All Wards  
Councilor(s): All Councilors  
Neighborhood(s): All Neighborhoods  
Result Area(s): Good Governance; Welcoming and Livable Community

**Sponsors:****Indexes:****Code sections:**

**Attachments:** 1. Resolution No. 2019-85, 2. Applications for Low-Income Housing Tax Exemption

Date	Ver.	Action By	Action	Result
11/25/2019	1	City Council	adopted	Pass

**TO:** Mayor and City Council

**THROUGH:** Steve Powers, City Manager

**FROM:** Kristin Retherford, Urban Development Director

**SUBJECT:**

Property tax exemptions for eight qualifying non-profit low-income housing properties

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

Result Area(s): Good Governance; Welcoming and Livable Community

**ISSUE:**

Shall the Council adopt Resolution No. 2019-85 approving property tax exemptions for eight low-income housing properties owned by nonprofit entities?

**RECOMMENDATION:**

Adopt Resolution No. 2019-85 (Attachment 1) approving property tax exemptions for eight low-income housing properties owned by nonprofit entities.

## **SUMMARY:**

If approved, the properties will be exempt from City property tax for a period of up to 10 years. The exemption will assist 368 units of affordable housing. Applications (Attachment 2) received and that meet the program requirements:

Four Oaks Housing Limited Partnership  
Wallerwood Limited Partnership  
Salem Self Help Housing, LLC (two properties)  
Highland Station, LP  
Cornerstone Apartments LP  
Sunnyslope Manor Associates, Inc.  
Oakhill Associates, Inc.

## **FACTS AND FINDINGS:**

Property owners apply annually for certification, provide documentation to support that the property is occupied by low-income persons, and show how the exemption will benefit project residents.

Affordable housing was identified as a community need through the City's 2017 strategic planning process. On January 8, 2018, Ordinance Bill Number 29-17 was enacted to establish a property tax exemption program for low-income housing nonprofit owners under SRC Sec. 2.850 to 2.910. The program is authorized by Oregon Revised Statutes (ORS) 307.540 - 307.548. The intent of this program is to encourage low-income housing preservation and development by lowering costs for non-profit providers of low-income housing.

To qualify for a maximum 10-year property tax exemption, the property must be:

- 1) owned by a nonprofit, 501(c) (3) or (4), corporation under the Internal Revenue Code;
- 2) occupied by low-income persons, or held for the purpose of developing low-income housing, and must be actually and exclusively used for charitable purposes; and
- 3) maintained in a safe and habitable condition throughout the period of exemption and have a capital reserve of at least \$100 per housing unit per month.

A public notification effort will be undertaken for subsequent application cycles for this program. Future application cycles will occur annually during the summer with applications due prior to September 1 each year.

The owner may receive exemption from all property taxes on the property if they obtain the approval of applicable taxing districts that constitute 51% of the property's tax liability.

Renee K. Frazier  
Financial Services Manager

Attachments:

1. Resolution No. 2019-85
2. 2020-21 Program Applications