

Legislation Details (With Text)

File #: 21-450 **Version:** 1
Type: Resolution **Status:** Agenda Ready
In control: City Council
On agenda: 10/25/2021 **Final action:** 10/25/2021
Title: Approving property tax exemptions for nonprofit affordable housing owners

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. 2121-42, 2. Summary of Applications, 3. Public Comments received by 5:00 p.m. 10-25-21.pdf

Date	Ver.	Action By	Action	Result
10/25/2021	1	City Council		
10/25/2021	1	City Council	adopted	Pass

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Kristin Retherford, Urban Development Director

SUBJECT:

Approving property tax exemptions for nonprofit affordable housing owners

Ward(s): All Wards
Councilor(s): All Councilors
Neighborhood(s): All Neighborhoods
Result Area(s): Good Governance; Welcoming and Livable Community.

SUMMARY:

There are nine (9) existing developments with 384 housing units that are applying for an annual tax exemption renewal. There are two (2) applicants applying for initial entry in anticipation of development. The property tax exemption program encourages affordable housing preservation and development by lowering costs for non-profit providers of affordable housing.

ISSUE:

Shall the Council adopt Resolution 2021-42 to approve the property tax exemptions for eleven (11) applications owned by nonprofit affordable housing owners in accordance with SRC 2.850 to 2.910?

RECOMMENDATION:

Adopt Resolution 2021-42 to approve the property tax exemptions for eleven (11) applications owned by nonprofit affordable housing owners in accordance with SRC 2.850 to 2.910.

FACTS AND FINDINGS:

The City/URA will be foregoing approximately \$239,000 in tax revenue if approved.

There are three requirements to qualify for the tax exemption program:

1. Serve income eligible residents.
2. Maintain a specified amount of money in a capital reserve account (\$1200/unit).
3. Keep the facility and rental units in good repair and condition.

All applicants have certified they are compliant with income eligibility requirements.

The affordable housing is in seven of the eight City wards. A summary of the applications, including the non-profit provider and number of units, is attached.

Two (2) applicants fell below the capital reserve threshold as a result of drawing on reserves for needed repairs prior to the application deadline. Both have submitted a plan and timeline to bring the balance up to par in a reasonable period.

Given on-going COVID concerns, physical inspections were waived in favor of self-certification of repair and condition; however, other City agencies (SHA, Codes) have conducted inspections on various properties such that staff believe the City is not inadvertently subsidizing poorly maintained properties.

BACKGROUND:

Council created the exemption to lower costs for non-profit affordable housing providers; the program was implemented in 2018. This is the fourth year of applications. Council has previously approved all applications.

Michael Brown
Financial Services Manager

Attachments:

1. Resolution No. 2021-42
2. Summary of Applicants