

IMPACT STATEMENT

Legislation title: * Change the application requirements and definition of low-income within the Property Tax Exemption for Low Income Housing Held by Charitable Non-Profit Organizations Program (Ordinance; amend Code Chapter 3.101)

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Purpose of proposed legislation and background information:

The state legislature made changes to the tax exemption program that supports low-income rental housing owned by non-profit organizations. The changes adjusted the application timeline to more closely match other tax exemption programs and allow for low-income tenants to have their income increase without them having to move out of their homes. These changes improve the administration of the program for both the City and the non-profit applicants and help protect vulnerable tenants from being displaced. This ordinance will bring City Code up-to-date with the legislative changes.

Financial and budgetary impacts:

There are no direct financial and budgetary impacts to this legislation. There are however potential indirect costs to the City, County and other taxing jurisdictions affected by the foregone revenue as a result of approving tax exemptions. It is possible that from year to year the number of units which are eligible for the tax exemption could increase because these units might otherwise have been ineligible in situations where tenants' income had increased above the initial qualifying limit. Out of the roughly 14,000 units currently eligible under the program, it is not expected that this action will significantly increase overall foregone revenue.

Community impacts and community involvement:

Before the changes to the program were approved at the legislature, they were brought forward by and vetted through several non-profit organizations who benefit from the program under the leadership of Oregon Opportunity Network as well as jurisdictions affected by the program including Multnomah County and the City.

Budgetary Impact Worksheet**Does this action change appropriations?**

- YES: Please complete the information below.
 NO: Skip this section