

ITEM FOR ACTION AT A FUTURE MEETING**NONPROFIT AFFORDABLE HOUSING PROPERTY TAX EXEMPTION RENEWAL****SUMMARY**

The district for many years has participated in a program to provide an affordable housing tax exemption for qualifying nonprofit entities, coordinated through Washington County and the City of Beaverton. The district has been asked to renew its participation.

BACKGROUND

Beaverton School District has long participated in a program coordinated through Washington County and the City of Beaverton to provide an affordable housing tax exemption for qualifying nonprofit entities.

The program is tailored to assist households earning less than 60% of the area median income in their first year of tenancy and 80% or less in subsequent years. The assistance is possible through property tax savings of the nonprofit owner and operator. The exemption is significant as it allows the nonprofit developers the ability to lower operating costs that convert to lower rents.

This year, the program will support a housing inventory of 20 projects consisting of 1,768 units. Of the 1,768 occupied units, 9% of occupants identified as Asian, 2% American Indian or Alaska Native, 10% Black or African American, 24% Hispanic or Latino, 2% Pacific Islander, 37% white, 6% multiracial, and 10% race or ethnicity not listed.

For the City of Beaverton, this year's approved affordable housing property tax exemption program totaled \$1,138,939, of which \$437,353 is directly attributable to Beaverton School District. For Washington County (unincorporated), this year's approved affordable housing property tax exemption program totaled \$1,268,300, of which \$515,800 is directly attributable to Beaverton School District.

Because of State School Fund formula redistribution, the impact to Beaverton School District's revenue is a fraction of the total tax-exempt amount, and may be mitigated by providing for more students in neighborhood schools.

The board last approved this property tax exemption for nonprofit affordable housing in Beaverton and unincorporated Washington County in May 2021 for a period of five years, and approved a similar exemption for nonprofit affordable housing in Hillsboro in October 2024.

RECOMMENDATION

The board is asked to approve the use of exemptions from district-assessed property taxes on the value of certain properties that qualify for the affordable housing tax exemption program administered by the City of Beaverton and Washington County, as provided in the nonprofit corporation low-income housing program authorized under ORS 307.540 through 307.548. Board approval of this exemption will extend through June 30, 2031. This is presented for initial consideration. The administration recommends the board take action at its next meeting in June on approval of renewing the exemption.

Belong. Believe. Achieve.