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**NONPROFIT LOW-INCOME HOUSING PROPERTY TAX EXEMPTION**

**POLICY ISSUE / SITUATION:**

Washington County, with support of the City of Beaverton, is in the process of establishing and adopting a streamlined tax exemption policy that will improve the long-term financial stability of nonprofit low-income housing providers serving Washington County low-income working families. This program will improve financial security for these families, as the state statute requires the annual savings to be passed on directly to renters in the form of lower rents. The program would permit 501(c)(3) and (4) nonprofit housing providers serving residents earning 60 percent or less of the median income to apply for an annual renewable property tax exemption.

The financial impact of this tax exemption to the Beaverton School District is minimal. Impact to property tax collections through the State School Fund formula and Local Option Levy are exemplified below:

State School Fund

- Using a property with a real market value of \$10 million;
- Apply the District's 6.78% portion of the State School (as of April 2013)
- With an assessed value of the project at 70% is \$7 million;
- Taxes to schools at \$5.00 per \$1,000 of taxable value is \$35,000;
- BSD's annual 6.78% State School Fund loss to the District would be \$2,375.

Local Option Levy

- Using a property with a real market value of \$10 million;
- With an assessed value of the project at 70% is \$7 million;
- Local Option Taxes at \$1.25 per \$1,000 of the gap between assessed value and real market value is \$3,750;

While there is minimal loss (\$6,125) of these low-income property tax dollars the loss would be mitigated through additional revenue generated through the State School Fund formula as our enrollment increases.

**RECOMMENDATION:**

**(13-323)** The Superintendent recommends the Board of Directors adopt the following resolution:

The Beaverton School District 48J Board of Directors hereby approves the use of exemptions from District-assessed property taxes on the value of certain properties that qualify for property administered by the City of Beaverton and Washington County as provided in the non-profit corporation low-income housing program authorized under ORS 307.540 through 307.548. Board approval of this exemption will extend through June 30, 2015, at which time the program will be evaluated.

*The Beaverton School District recognizes the diversity and worth of all individuals and groups. It is the policy of the Beaverton School District that there will be no discrimination or harassment of individuals or groups based on race, color, religion, gender, sexual orientation, gender identity, gender expression, national origin, marital status, age, veterans' status, genetic information or disability in any educational programs, activities or employment.*