

ITEM FOR ACTION**NONPROFIT LOW-INCOME HOUSING PROPERTY TAX EXEMPTION****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 now has been asked to participate in a similar program with the City of Hillsboro.

BACKGROUND

For many years, Beaverton School District has 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 district recently received a request to participate in a similar program with the City of Hillsboro. 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 City of Hillsboro administers an identical affordable housing property tax exemption program authorized under the same statutes (ORS 307.540–548) as the City of Beaverton. In Hillsboro’s program, the Hillsboro School District has granted approval for the exemption. Because there are areas in the City of Hillsboro that are also within the Beaverton School District boundaries, the City of Hillsboro has made a request to approve a property tax exemption related to Beaverton School District’s property taxes.

At this time, there is only one property in the City of Hillsboro and within Beaverton School District boundaries anticipated to apply and meet eligibility requirements for the exemption. The property is located at 9965 NE Walker Road and will be developed by Hacienda CDC for 67 units of affordable housing. The total forgone property taxes is estimated by the City of Hillsboro at between \$10,000–\$25,000. The amount attributable to Beaverton School District is a fraction of that amount because property taxes are included as a part of the State School Fund.

RECOMMENDATION

It is recommended that the school board approve the following resolution (24-1008).

BE IT RESOLVED that 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 the affordable housing tax exemption program administered by the City of Hillsboro, as provided in the non-profit corporation low-income housing program authorized under ORS 307.540 – 307.548. Board approval of this exemption will extend through June 30, 2029.

The above resolution statements were approved on this eighth day of October 2024.

X _____
Board Chair

X _____
Recording Secretary

Belong. Believe. Achieve.

SUGGESTED MOTION

I move to approve the resolution regarding the affordable housing tax exemption program as submitted.