



PROPERTY TAX EXEMPTION FOR LOW INCOME HOUSING HELD BY CHARITABLE NON-PROFIT ORGANIZATIONS

Guidelines and General Information Frequently Asked Questions

1. What is the City of Portland's Non-Profit Limited Tax Exemption (NPLTE) program?

The 1985 Oregon legislature authorized a property tax exemption program for low-income housing held by charitable, nonprofit organizations (ORS 307.540-548). The legislature has since renewed and extended this program until 2027. The City of Portland adopted the program through Code Chapter 3.101.

The tax exemption program benefits low-income renters by alleviating the property tax burden on those agencies providing these housing opportunities.

2. Who administers the program?

The Portland Housing Bureau (PHB) administers this program on behalf of the City of Portland. The program website is <https://www.portlandoregon.gov/phb/74692>. Please call Doan, Thao-Oanh at (503)823-3490, or email her at thao-oanh.doan@portlandoregon.gov if you have questions.

3. Who is eligible to apply?

Charitable, nonprofit organizations that provide housing to low-income persons are eligible. Organizations must be certified by the Internal Revenue Service as 501(c)(3) or (4) (ORS 307.180). Organizations must own or have a leasehold interest in the property or participate in a partnership as long as the non-profit organization is responsible for the day-to-day management of the property. Applicants who are leaseholders must have a signed leasehold agreement by the application deadline.

4. What are the property requirements to be eligible?

Properties, with residential units, must be located within the City of Portland and be occupied or ready to occupy during the upcoming tax year (July 1 – June 30) by income-eligible households.

Housing units which are unoccupied at the time of application may be included in the total eligible units **if** the application meets the following conditions:

1. The units will be available exclusively to eligible, very low-income persons;
2. The units are intended to be occupied within the year;
3. The application must be filled out giving information to the best of your ability regarding how the applicant plans to provide housing to eligible tenants; and
4. Vacant land must be held for future development of affordable housing for the very low-income, and must include a development plan in the application.

Vacant land intended to be developed as low-income housing is also eligible for the exemption provided under this program, but applicants must indicate a plan for use of that property in the application.

5. If the property is not yet acquired, can we still apply?

Applicants may apply for the exemption for properties expected to be acquired by July 1 of the tax year, but the application form must be submitted by the application deadline.

6. What if the property is purchased after the submittal deadline but prior to July 1?

If an applicant purchases property which is eligible for the program after the application deadline and prior to July 1, an applicant may apply to have the additional property exempted within 30 days of purchasing the property.

7. What portions of the property are eligible for the tax exemption?

Only the residential portion of a property which is used to house very low-income people (see table below) or space that is used directly in providing housing for its low-income residents is eligible for a property tax exemption. For example, the commercial space in a mixed-use building would not be eligible for tax exemption; however, hallways, restrooms, community rooms, laundry facilities, on-site manager units, etc. would be.

8. Would an ownership change affect the exemption on the property?

The application for tax exemption is for property that is or will be owned or leased by the applicant from July 1 through June 30 of the year for which the tax exemption is requested. *If the property changes ownership anytime for which tax exemption is requested, please notify the Portland Housing Bureau of the change in the status immediately so continuing eligibility of the property can be evaluated.*

9. Can this program be used in conjunction with other tax exemption programs?

If a property is already exempted from taxation under the statutory provision for qualifying benevolent, charitable and scientific institutions or for nonprofit organizations providing housing and care for the elderly, this program cannot be used in addition. If you believe you may qualify for these two programs, please do not complete this application. Questions concerning these exemptions should be directed to the Multnomah County Division of Assessment and Taxation at 503-988-3326.

Outside of the above mentioned scenario, a property can have multiple types of tax exemption programs; however, a single unit or space cannot have multiple exemptions applied to it.

10. What qualifies as low-income?

Only units intended for occupancy by low-income households, as well as space used directly in providing housing for its low-income residents are eligible for exemption.

For the initial year that households live in a property receiving a tax exemption, the household income may not exceed 60% of the area median family income (MFI), as determined annually. For every subsequent consecutive year that those households live in the property, their income may not exceed 80% of the area MFI.

The annual income limits are posted on PHB's website at <https://www.portlandoregon.gov/phb/article/684577>. The MFI limits for 2019 have not been published yet

but will be updated on the website as soon as they are available. The 2018 income limits should be used to determine eligibility in the interim:

2018 MFI Table

HH Size	60% MFI Income	80% MFI Income
1	\$34,200	\$45,600
2	\$39,120	\$52,160
3	\$43,980	\$58,640
4	\$48,840	\$65,120
5	\$52,800	\$70,400
6	\$56,700	\$75,600
7	\$60,600	\$80,800
8	\$64,500	\$86,000

How to apply

1. Read carefully and complete all sections of the application which apply to your organization for each building you are requesting an exemption. **You must submit a notarized hard copy along with the \$525 application fee.** The application can be found at: <https://www.portlandoregon.gov/phb/74692>.
2. If your organization is not the property owner, but affiliated with the property, provide the documentations regarding the affiliation.
3. All applications must be signed and notarized (See Section E). Notarization is required only for each organization and application, **not each building**.
4. Applications must include a copy of IRS 501(c)(3) or (4) letter certifying your organization's eligible charitable nonprofit status. If your organization is a limited liability company (LLC) or owns the property as a member of an LLC, please provide information that establishes the nonprofit status of the LLC.
5. An application fee is required for each organization, **not each building**. Attach a check or money order payable to the City of Portland in the amount of \$525 for each application. If the application is denied, the City will retain the portion of the application fee attributable to the City's administrative costs and return any balance to the applicant.
6. Applications must be received by the Portland Housing Bureau no later than the due date. **Applications received after the due date will not be accepted.** Please submit applications to the address below:

City of Portland/Housing Bureau
Attn: Doan, Thao-Oanh, Housing Compliance Specialist
421 SW 6th Avenue, Suite 500
Portland, OR 97204