



BOARD OF COMMISSIONERS

AGENDA REQUEST & STAFF REPORT

MEETING DATE: April 12, 2023

SUBJECT: Hiatus Homes application for Multiple Unit Property Tax Exemption

RECOMMENDED MOTION:

Move approval of the application from Hiatus Homes for a Multiple Unit Property Tax Exemption relating to property at 445 Penn Avenue in Bend.

BACKGROUND AND POLICY IMPLICATIONS:

In August 2022, the Bend City Council adopted a Multiple Unit Property Tax Exemption (MUPTE) program to support development and redevelopment goals in Bend's core and transit-oriented areas. The program is available for multi-story residential projects in certain areas of Bend that provide three or more units and provide at least three defined public benefits.

The Hiatus Homes project proposes to build a three-story residential development with 40 micro housing units. For this project, the three public benefits will be:

- 1) 12 of the 40 units will be rent-restricted to be affordable to households earning not more than 120% of Area Median Income (AMI);
- 2) The provision of EV charging infrastructure for at least 30% of the parking spaces;
and
- 3) The construction of stormwater facilities designed to manage a 100-year event.

According to information submitted by the applicant and reviewed by an independent financial consultant, this project would not be financially viable without the requested property tax exemption. In order for this project to qualify for the tax exemption, it must be approved by the boards which represent at least 51% of the combined levy of taxing districts.

More information is available online at:

[Multiple Unit Property Tax Exemption Program | City of Bend \(bendoregon.gov\)](https://www.bendoregon.gov/multiple-unit-property-tax-exemption-program)

BUDGET IMPACTS:

The estimated impacts to Deschutes County and the 911 Service District are detailed in the attached staff report. In summary, the estimated impact to Deschutes County (including Countywide Law Enforcement and Countywide Extension) of a full 10-year exemption is \$161,941, or an average of \$16,194 per year. The breakdown of budget impacts for the total 10-Year Exemption includes the following:

- Deschutes County: \$86,095
- Countywide Law Enforcement: \$74,251, and
- Countywide Extension: \$1,594.

The estimated impact to the 911 Service District of a full 10-year exemption is \$25,054, or an average of \$2,505 per year.

ATTENDANCE:

Nick Lelack, County Administrator

Allison Platt, Core Area Project Manager for City of Bend

Jesse Russell, Hiatus Homes

Ryan Andrews, Hiatus Homes