



MULTIPLE UNIT PROPERTY TAX EXEMPTION PROGRAM (MUPTE)

Codified in August 2022



- Overview of program & program questions
- Recommendations for County's review process
- Provide input on County's preferred review process for MUPTE applications that work within 180-day review period (required statutorily)

MULTI-UNIT PROPERTY TAX EXEMPTION (MUPTTE)



Program Overview

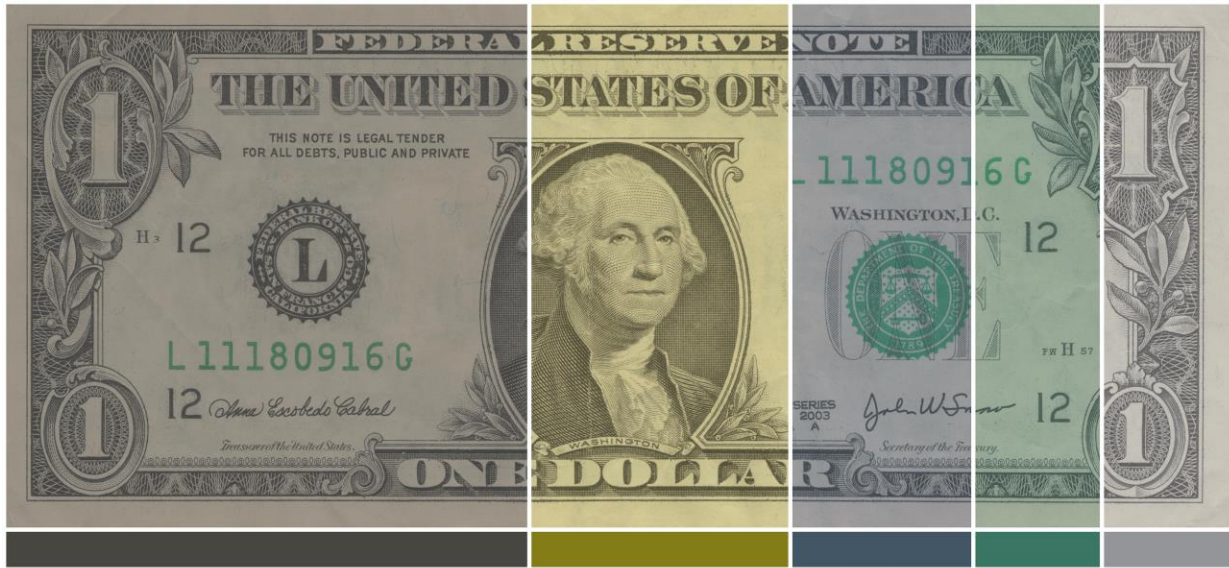
Improvements exempt (not land) for up to 10 years

Program adopted by Ordinance

Each project must be approved by Resolution by Council and taxing district(s)

Exemptions can include associated parking and/or ground floor commercial space if required as part of development (commercial requirements in Mixed Employment, Commercial Limited, and Central Business District)

If 51% of combined levy Taxing Districts agree by Board resolution to participate, all districts are included



42.6%
Bend-La Pine
Schools

21.2%
City of
Bend

14.8%
Deschutes
County

10.3%
Park
& Rec

11.1%
Other*

*COCC 4.7%, Library 3.5%,
911 2.3%, High Desert ESD 0.6%



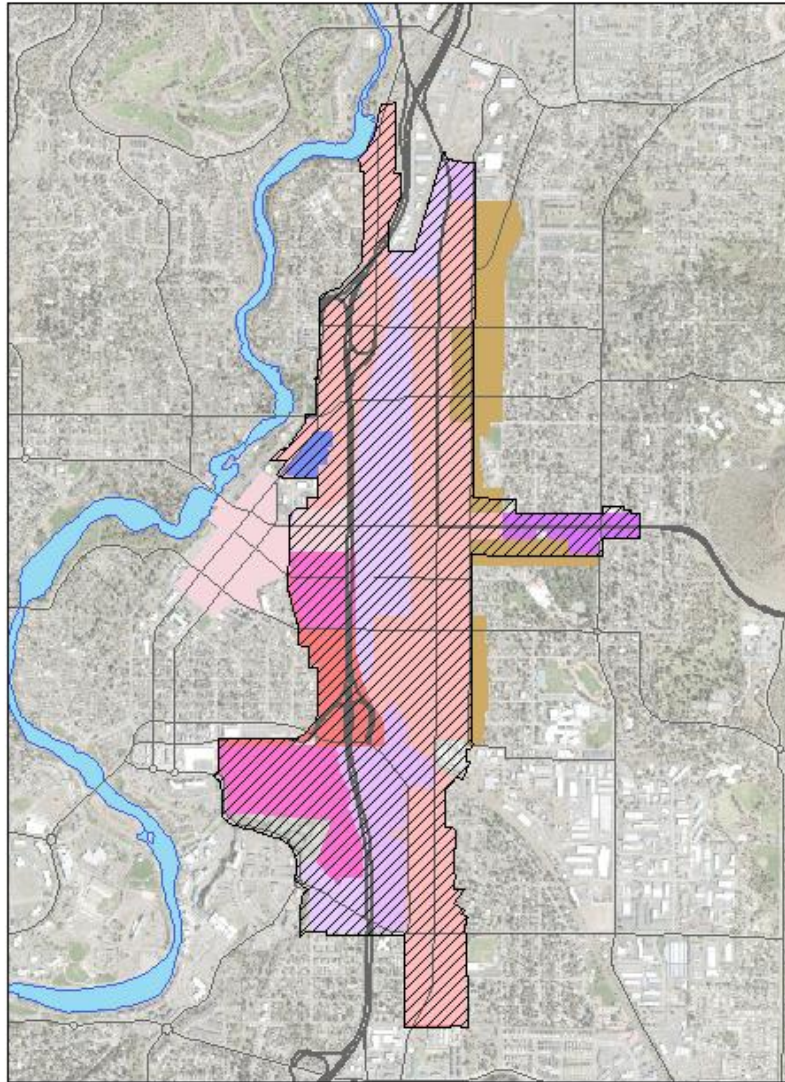
ZONES/AREAS ELIGIBLE FOR MUPTTE PROGRAM

Legend

- Deschutes River
- Core Area TIF Boundary

Zones

- CB
- CG
- CL
- IL
- ME
- MN
- MU
- PF
- RH

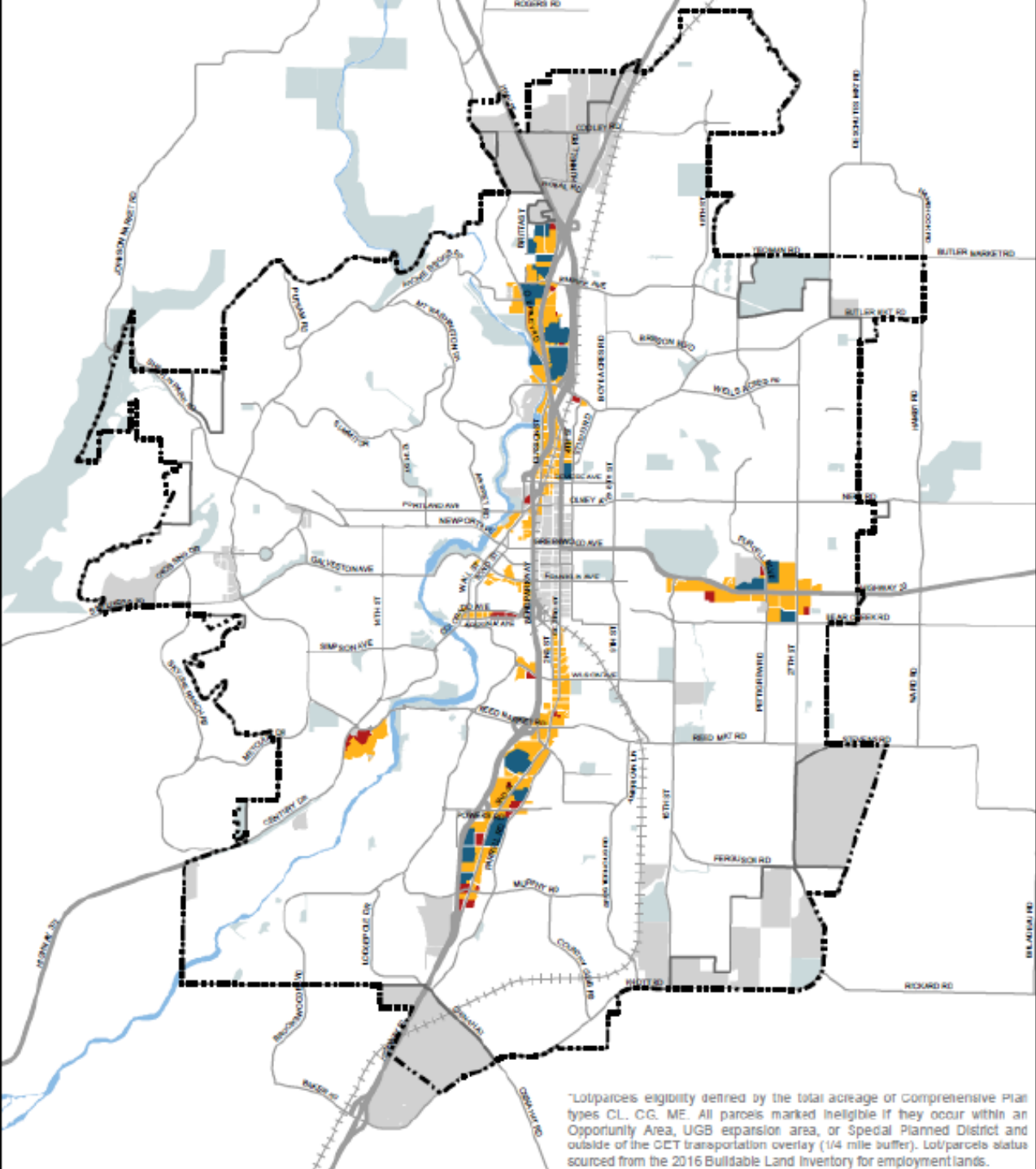


- Entire Core Area TIF district, except MR zoning
- Central Business District (CB) - Downtown
- High Density Residential (HR)
 - Limited to RH zone adjacent to Core Area TIF district (along 4th Street, Irving Ave)
- Urban Dwelling Sites (HB3450) projects
 - Allows up to 40 acres commercially zoned land within a ¼ mile of a transit route to be developed as standalone residential

URBAN DWELLING SITE (HB 3450) PROPERTIES



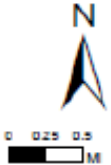
Allows up to 40 acres of commercially zoned land within a ¼ mile of a transit route to be developed as standalone residential under the Urban Dwelling Sites code.



HOUSE BILL 3450

LOT/PARCELS ELIGIBILITY & STATUS

- | | |
|-------------------------|---|
| — Major Roads | Lots/Parcels Eligibility & Status* |
| +++ Railroad | ■ Eligible (Vacant) |
| ■ Parks | ■ Eligible (Developed/No Status) |
| ⬢ Urban Growth Boundary | ■ Eligible (>5 Acres) |
| □ City Limits | ■ Ineligible (Due to Location) |



Map prepared by T. Scrivens, City of Bend
Print Date: May 14, 2023
Sources: City of Bend, Deschutes County



CITY OF BEND

This map is for reference purposes only. Care was taken in the creation of the map, but it is provided "AS IS." Please contact the City of Bend to verify map information or to report any errors.

*Lot/parcels eligibility defined by the total acreage or Comprehensive Plan types CL, C.G., ME. All parcels marked ineligible if they occur within an Opportunity Area, UGB expansion area, or Special Planned District and outside of the CET transportation overlay (1/4 mile buffer). Lot/parcels status sourced from the 2016 Buildable Land Inventory for employment lands.

ELIGIBILITY & APPLICATION REQUIREMENTS



- 3 or more residential units
- Hotels, motels, and short-term vacation units prohibited
- Multi-story requirements
 - 3-story minimum requirement for projects on lots >10,000 s.f. in size
 - 2-story minimum requirement for smaller lots (\leq 10,000 s.f.)
- Provide justification for elimination of any existing housing or businesses on project site and measures taken to mitigate impacts of displacement
- Meet public benefit requirements (see next slide)
- Submit proforma that must demonstrate that project would not be viable but for the tax exemption
 - City to hire 3rd party independent financial consultant to conduct proforma reviews

Developments would need to provide a minimum of 3 benefits from the following lists:

PUBLIC BENEFIT REQUIREMENTS



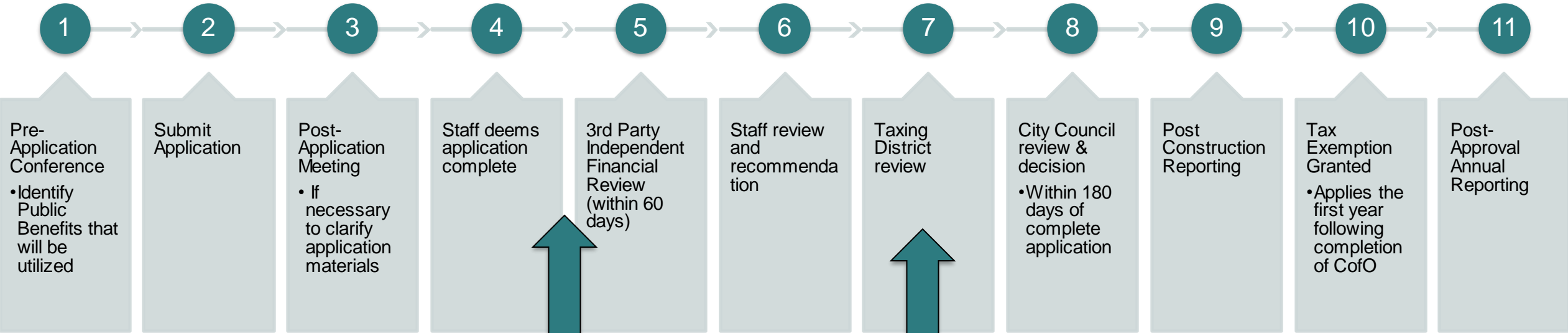
Priority Public Benefits (must meet at least 1)	Additional public benefits	
<ul style="list-style-type: none"> • At least 10% of units Affordable Housing <ul style="list-style-type: none"> • ≤60% AMI for rent; ≤80% AMI for sale* • At least 30% of units are Middle-Income <ul style="list-style-type: none"> • ≤120% AMI* • Childcare facilities* <ul style="list-style-type: none"> • Commercial and in-home (licensed facilities) • Open space dedication or publicly accessible park/plaza space <ul style="list-style-type: none"> • More than 10% of site • Usable amenities • Consultation with BPRD • Energy efficiency/Green Building <ul style="list-style-type: none"> • Path to net-zero (Energy Trust); or • LEED or Earth Advantage Platinum or higher 	<ul style="list-style-type: none"> • Transit supportive amenities • Mobility supportive amenities • Ground floor commercial (≥35%) • Energy efficiency/Green Building <ul style="list-style-type: none"> • 5% more efficient than code (Energy Trust Whole Building Program) • Energy Trust Multifamily Market Solutions (Best) • Earth Advantage Silver, or • LEED Silver • Stormwater: site developed to treat more than a 25-year storm event 	<ul style="list-style-type: none"> • Complete environmental remediation of site • Provide parking within a wrapped-structure (if applicable) • Public Facilities (recreation, art, senior/youth, or common meeting rooms) • Native, pollinator-friendly, and water-wise landscaping • Provide electric car charging infrastructure <ul style="list-style-type: none"> • 10% above code minimum (if no minimum then 10% of spaces must have EV infrastructure)

* Units required to be deed-restricted for the length of the exemption (10 years)

APPLICATION PROCESS



Application review & decision (max 180 days)



Recommendation:
Staff notify taxing districts of received application

Recommendation:
45-day review period of application

TAXING DISTRICT REVIEW RECOMMENDATIONS



- Notifications to all districts when complete application is received
- 45-day comment period on all applications
- 51% approval options:
 - Within Core TIF Area:
 - BLPD (or all other districts) to approve resolution that provides approval for any application City Council approves within the Core TIF Area.
 - Outside Core TIF Area:
 - BLPD (or all other districts) to approve resolution that provides approval for applications approved by City Council up to a total amount of estimated exemptions (ie. \$15 Million cap, estimated to support 300-500 units)
 - Opportunity for presentations to Deschutes County before School District review of applications

PROJECT EXAMPLE

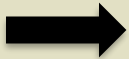


Estimated building value: \$15M
 40 units, 100% residential



Description	Tax Revenues
Annual tax revenue before project (2025)	\$ 2,299
Annual tax revenue after exemption (2037)	\$ 217,785
10-year tax collection without MUPTE	\$ 1,857,751
10-year tax collection with MUPTE	\$ 60,196
Total 10-year impact (all districts)	\$1,797,554

Taxing District	%	Total Impact
Bend La Pine School District	42.6%	\$765,758
<i>Actual Impact for Bend LaPine (3%)</i>	<i>1.28%</i>	<i>\$ 22,973</i>
City of Bend	21.2%	\$381,082
Deschutes County	14.8%	\$266,038
Bend Park and Recreation District	10.3%	\$185,148
Other Districts (COCC, Library, 911, etc)	11.1%	\$199,529
Deschutes County & 911	15.4%	\$276,823



\$15 MILLION CAP



Taxing District	%	10-year max exemption
Bend La Pine School District	42.6%	\$6,390,000
<i>Actual Impact for Bend LaPine (3% of above)</i>	1.28%	\$ 192,000
City of Bend	21.2%	\$3,180,000
Deschutes County	14.8%	\$2,220,000
Bend Park and Recreation District	10.3%	\$1,545,000
COCC	4.7%	\$705,000
Library	3.5%	\$525,000
911	2.3%	\$345,000
High Desert ESD (<i>actual impact is less</i>)	0.6%	\$90,000
Total Deschutes County (911& County)	15.4%	\$2,565,000