



NON-PROFIT CORPORATION LOW INCOME HOUSING TAX EXEMPTIONS

CITY COUNCIL – AUGUST 8, 2022



BACKGROUND

- Staff presented to the City Council in work session on April 25th
- Council directed staff to come back with an ordinance codifying a nonprofit corporation low-income housing tax exemption
- Ordinance No. 1469-22, if adopted, would allow for such exemption under particular criteria

EXEMPTION CRITERIA

- Property owned by a tax-exempt non-profit under IRS Code 501(c)(3) or (4)
- Certain requirements related to the liquidation of assets, if corporation were dissolved
- Property must be occupied by low income persons or held for future development as low income housing
 - Income at or below 60 percent of the area median income
- Property, or portion of property, is actually and exclusively used for purposes described in IRS Code 501(c)(3) or (4)
- The exemption has been approved by the City Council

PROCESS

- Corporation files an application annually
 - Description of property
 - Description of charitable purpose of project and whether all or a portion of the property is being used for this purpose
 - Certification of income levels of low income occupants
 - Description of how the tax exemption will benefit project residents
 - Description of development of project if the property is being held for future low income housing development
 - Declaration that the corporation has been granted an exemption from income taxes under IRS Code 501(c)(3) or (4)
- Within 30 days of application, Council would determine whether the applicant qualifies for the exemption
- City certifies exemption to County Assessor



QUESTIONS?

