



**CITY COUNCIL MEETING
STAFF REPORT**

Meeting Date: March 17, 2025		Subject: Resolution Nos. 3189, 3190, 3191, 3192 and 3193 Property tax exemption requests for low-income housing held by charitable, nonprofit organizations including: Autumn Park Apartments, Charleston Apartments, Creekside Woods, Rain Garden Apartments, and Wiedemann Apartments Staff Member: Katherine Smith, Assistant Finance Director Department: Finance	
Action Required		Advisory Board/Commission Recommendation	
<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input checked="" type="checkbox"/> Consent Agenda		<input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable Comments: N/A	
Staff Recommendation: Staff recommends Council adopt the Consent Agenda.			
Recommended Language for Motion: I move to adopt the Consent Agenda.			
Project / Issue Relates To:			
<input type="checkbox"/> Council Goals/Priorities:	<input type="checkbox"/> Adopted Master Plan(s):	<input type="checkbox"/> Not Applicable	

ISSUE BEFORE COUNCIL:

Whether to approve annual property tax exemptions for various properties in the City.

EXECUTIVE SUMMARY:

In 1985, the Oregon legislature authorized a property tax exemption for low-income housing held by charitable, nonprofit organizations (ORS 307.540). The tax exemption is to benefit low-income renters by alleviating the property tax burden on those agencies that provide this housing opportunity. Properties must be owned or leased by a 501(c) charitable corporation and provide housing opportunity limited to persons at or below 60 percent of the area median income (AMI), with an annual exemption application required to the City.

Providing affordable housing in Wilsonville has been a long-standing goal with City Council. The five complexes noted in the chart below have received property tax exemption status in previous years, are in compliance with the requirements stated in ORS 307.540-307.548 (*Nonprofit Corporation, Low Income Housing*), and have submitted the required annual application for continuation of exemption. In total, 365 units are currently available for low-income housing under this program. All properties are required to meet State and Federal funding requirements, which include annual physical inspections, an annual audit of financial activity, and programmatic compliance.

The rate reduction per apartment varies from complex to complex as the reduction is based on the property’s tax exemption the property receives and the number of reduced rate units in the complex. The complex passes the tax exemption savings onto their renters and most complexes provide additional services including monthly activities. The properties requesting continuance of the property tax exemption status for low-income housing include:

Apartment	501(c) Corp. Name	Address	No. of Residential Units	2024 Assessed Value	Estimated City Tax Abate
Autumn Park	NW Housing Alternative	10922 SW Wilsonville Rd	144	\$9,923,446	\$27,068
Charleston	NW Housing Alternative	11609 SW Toulouse St	51	\$1,937,183	\$5,284
Creekside Woods	NW Housing Alternative	7825 SW Wilsonville Rd	84	\$3,375,244	\$9,207
Rain Garden	Caritas Community	29197 SW Orleans Ave	29	\$1,095,060	\$2,987
Wiedemann	Accessible Living Inc.	29940 SW Brown Rd	57	\$3,187,478	\$8,694
TOTALS			365	\$19,518,411	\$53,240

While the State sets the required threshold for low-income housing rental rates, credits such as the Property Tax Abatement allows these organizations to offer rates that are lower than required to qualified tenants. In total, the amount of credit directly related to the property tax exemption from all taxing districts is approximately \$373,465.

EXPECTED RESULTS:

Council approval of consent agenda resolutions for the property tax exemption requests for Autumn Apartments, Charleston Apartments, Creekside Woods, Rain Garden Apartments, and Wiedemann Apartments.

TIMELINE:

Applications for renewal requests were due February 7, 2025. Initial property tax exemption requests are required to pay a \$250 application fee for each property. Renewal requests require a \$50 application fee. The City certifies the property tax exemption with the Assessor’s office at Clackamas County immediately following Council’s approval. The deadline to certify to the Assessor’s office is April 1, 2025.

CURRENT YEAR BUDGET IMPACTS:

The assessed value of all exempt properties totals \$19,518,411. Based on property estimation methodology including the effects of the division of taxes, under Urban Renewal, the total amount of forgone property tax revenue for the City is approximately \$53,240. This amount is built into the City’s financial planning.

COMMUNITY INVOLVEMENT PROCESS:

N/A

POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:

Property tax exemptions assist in the availability of housing for low-income families and individuals.

ALTERNATIVES:

1. Discontinue property tax exemption program.
2. Reduce the number of qualifying units.

CITY MANAGER COMMENT:

N/A

ATTACHMENTS:

1. Resolution No. 3189
 - A. Property Tax Exemption Application
2. Resolution No. 3190
 - A. Property Tax Exemption Application
3. Resolution No. 3191
 - A. Property Tax Exemption Application
4. Resolution No. 3192
 - A. Property Tax Exemption Application
5. Resolution No. 3193
 - A. Property Tax Exemption Application