CITY OF ASHLAND

Non-Profit Corporation Low-Income Housing Property Tax Exemption Program

ASD School Board July 9, 2026

State Program Overview

Non-Profit Corporation Low-Income Housing Property Tax Exemption: ORS 307.540 to 307.548

- Originally approved in 1987 and extended in 2011.
- Currently nine other Cities in Oregon offer a tax exemption for low-income housing developed by non-profit entities under the State's program.
- Only applies to multi-family housing developments owned by non-profit entities.
- Must be occupied/targeted to low-income households, defined as 60% of the Area Median Income or below.
- Applications are required to be renewed annually.

City of Ashland Goals

The City Adopted the Housing Production Strategy in 2023. This action supports two strategies identified in the HPS.

Strategy K: *Work with partners to support the development of additional permanent supportive housing.*

Strategy I: Implement the Multiple Unit Property Tax Exemption (MUPTE) to support multifamily or affordable housing, as this action would provide a tax exemption for the development of affordable housing. *However, it is important to note that while MUPTE generally, offers a property tax exemption for a broader range of rental housing types — including market-rate developments — the proposed non-profit low-income housing property tax exemption is specifically limited to affordable housing projects.*

The Request

The Non-Profit Corporation Low Income Housing Tax Exemption is a tool to incentivize needed housing types- specifically **rental** housing provided by **non-profit** affordable housing providers serving households with the lowest incomes, **60% AMI and below**.

- Council Requested School board feedback regarding interest in moving forward with a tax exemption.
- The City and the School District represent 51% of the taxing entities.
- This action is expected to have minimal impact on tax revenues to the school district.

Fiscal Impacts

The City's implementation of a tax exemption in collaboration with other taxing Districts in Ashland would directly support the development and operation of income restricted housing that includes services.

- The property tax exemption would reduce the revenue the City and other taxing districts receive from property taxes on low-income rental housing units owned by non-profit entities.
- The exemption is not automatic, non-profit entities would need to apply to receive the exemption.
- Housing units owned and managed by the Housing Authority of Jackson County are already statutorily exempt from property taxes.
- The County has also granted exemptions to properties owned and managed by Access.
- Much of the affordable housing stock in Ashland is owned and managed by HAJC or Access.

Additional Information

- City of Medford adopted its Non-Profit Corporation Low-Income Housing Property Tax Exemption Program in September 2022.

- The Housing Authority of Jackson County and Access already receive tax exemptions.
- Only 45 units of affordable housing that meets this criteria have been developed in the last 20 years.

- Local governments have the option to increase the eligible income threshold to 80% of AMI after the first year of occupancy.

- The exemption can be applied to both existing housing and new development and may also include land held for future affordable housing development.

- Local jurisdictions are permitted to adopt additional eligibility criteria.

Questions or Comments?

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