
COUNCIL RESOLUTION NO. 5459

**A RESOLUTION ADOPTING AMENDED STANDARDS AND
GUIDELINES FOR PROCESSING APPLICATIONS FOR
LOW-INCOME RENTAL HOUSING PROPERTY TAX
EXEMPTIONS AND REPEALING RESOLUTION NO. 5297.**

PASSED: 8:0

REJECTED:

OPPOSED:

ABSENT:

CONSIDERED: October 27, 2025



RESOLUTION NO. 5459

A RESOLUTION ADOPTING AMENDED STANDARDS AND GUIDELINES FOR PROCESSING APPLICATIONS FOR LOW-INCOME RENTAL HOUSING PROPERTY TAX EXEMPTIONS AND REPEALING RESOLUTION NO. 5297.

The City Council of the City of Eugene finds that:

A. Issues related to low-income housing have long been given a high priority by the City Council. As an incentive to encourage low-income rental housing within the City of Eugene, and in compliance with provisions enacted by the Oregon Legislature, the City Council adopted Sections 2.937 to 2.940 of the Eugene Code, 1971, which provides procedures for granting exemptions from ad valorem taxes on low-income rental housing.

B. ORS 307.521(4) provides that local jurisdictions shall adopt standards and guidelines to establish the policies governing the consideration of low-income rental housing tax exemption applications. In accordance with that provision, on February 12, 1990, Resolution No. 4168 was adopted establishing Standards and Guidelines for processing such applications. Resolution No. 4168 has subsequently been amended by Resolution Nos. 4327, 4418, 4623, 5028 and 5297.

C. Since the adoption of Resolution No. 5297, the City Council has amended Sections 2.937, 2.938, 2.939 and 2.940 of the Eugene Code, 1971, to bring those sections into conformity with amendments to state statutes. Therefore, revisions to the Standards and Guidelines are necessary in order to ensure compliance with state law and conformity with Sections 2.937 to 2.940 of the Eugene Code, 1971.

D. Resolution No. 5297 and the Standards and Guidelines adopted by that Resolution, should be repealed, and the amended Standards and Guidelines attached as Exhibit A to this Resolution should be approved and adopted as the process to be followed in reviewing and making recommendations on applications for low-income rental housing property tax exemptions.

NOW, THEREFORE,

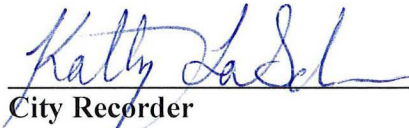
BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EUGENE, a Municipal Corporation of the State of Oregon, as follows:

Section 1. Based upon the above findings which are adopted, the Standards and Guidelines for processing applications for low-income rental housing property tax exemptions attached as Exhibit A to this Resolution are adopted as the policies and procedures to be considered in approving applications under Sections 2.937 to 2.940 of the Eugene Code, 1971.

Section 2. Resolution No. 5297, and the Standards and Guidelines adopted by that Resolution, are repealed as of the effective date of this Resolution.

Section 3. This Resolution takes effect immediately upon its approval by the City Council.

The foregoing Resolution adopted the 27th day of October, 2025.



City Recorder

**STANDARDS AND GUIDELINES
for Processing Low-Income Rental
Housing Property Tax Exemption Applications**

The definitions in EC 2.937 apply to these Standards and Guidelines.

1. **Statement of Program Purpose.** The purpose of the low-income rental housing local property tax exemption program is to provide an incentive that will encourage construction of new rental housing for low-income persons and preserve the affordability of existing low-income rental housing.

2. **Eligible Property.**

2.1 To be eligible for local property tax exemption hereunder the applicant's application must be filed before July 1, 2030, and:

2.1.1 If unoccupied, the property is offered for rental solely as a residence for low-income persons, or held for the purpose of developing low income rental housing;

2.1.2 If occupied, the property, or portion thereof subject to the property tax exemption, must be occupied solely by low-income persons;

2.1.3 The required rent payment must reflect the full value of the property tax exemption;

2.1.4 The housing units on the property must be constructed after February 12, 1990;

2.1.5 The property owner must agree to comply with the policies set forth in Section 5 of these Standards and Guidelines;

2.1.6 The proposed development must be consistent with the City's Housing Dispersal Policy;

2.1.7 The proposed development will not cause displacement of low-income persons unless the City and developer can reach agreement on provisions (to be provided by the developer) that reflect satisfactory mitigation thereof;

2.1.8 The proposed development will not cause destruction of historic properties (as defined in Section 9.0500 of the Eugene Code, 1971) except:

2.1.8.1 Where development has proceeded according to historic property moving and demolition procedures as set forth in Section 9.8160, 9.8180 and 9.8185 of the Eugene Code, 1971, or

2.1.8.2 The property is granted an exception by the council;
and

2.1.9 The proposed development will be otherwise consistent with provisions of the Eugene Code, 1971 and adopted City regulations and policies.

2.2 Alternatively, an application shall be approved if it meets the criteria in subsections 2.1.5, through 2.1.9 and all of the criteria in this subsection 2.2:

2.2.1 If unoccupied, the property is offered for rental solely as a residence for low-income persons, or is held for the purpose of developing low income rental housing;

2.2.2 If occupied, the property, or portion thereof subject to the property tax exemption, is occupied solely as a residence for low-income persons;

2.2.3 The property is owned or being purchased by a nonprofit corporation organized in a manner that meets the criteria for either a public benefit corporation, or a religious corporation, as those terms are defined in ORS 65.001; and

2.2.4 The property is owned or being purchased by a nonprofit corporation that expends no more than ten percent of its annual income from residential rentals for purposes other than acquisition, maintenance or repair of residential rental property for low-income persons, or for the provision of on-site child care services for the residents of the rental property.

2.2.5 For purposes of this subsection 2.2,

2.2.5.1 A nonprofit corporation that has only a leasehold interest in property is considered to be a purchaser of that property if the nonprofit corporation is obligated under the terms of the lease to pay the ad valorem taxes on the real and personal property used in the rental activity on that property, or the rent payable has been established to reflect the savings resulting from the exemption from taxation, and

2.2.5.2 A partnership shall be considered a nonprofit corporation if the nonprofit corporation is a general partner of the partnership and the nonprofit corporation is responsible for the day-to-day operation of the property that is the subject of the application for exemption.

2.3 An application shall be approved if it meets the criteria in subsections 2.1.5, through 2.1.9 and the criteria in this subsection 2.3:

2.3.1 The property is owned by a limited equity cooperative; and

2.3.2 The property is occupied by low-income persons holding a proprietary lease in the limited equity cooperative.

3. Application for Exemption. Prior to December 1 of the calendar year immediately preceding the first assessment year for which the exemption is requested, or, if the property is acquired after November 1, within 30 days of the date of acquisition, but no later than January 1 of the next calendar year, the applicant shall submit to the City Manager, on a form provided by the City Manager, an application for exemption, containing the following information:

3.1 A description of the property or portion thereof, for which the exemption is requested;

3.2 A description of the purpose of the project and whether all or a portion of the property will be used for that purpose;

3.3 A certification of the income levels of low-income occupants;

3.4 A description of how the tax exemption will benefit project residents;

3.5 If the application will rely on the approval criteria in EC 2.939(3) or (4):

3.5.1 Evidence that, if unoccupied, the property is offered for rental solely as a residence for low-income persons, or is held for the purpose of developing low income rental housing; and

3.5.2 Evidence that, if occupied, the property is occupied solely as a residence for low-income persons;

3.6 If the application will rely on the approval criteria in EC 2.939(4), evidence that the property is owned or being purchased by a nonprofit corporation organized in a manner that which meets the criteria for either a public benefit corporation or a religious corporation, as defined in ORS 65.001; and evidence that the nonprofit corporation expends no more than ten percent of its annual income from residential rentals for purposes other than acquisition, maintenance or repair of residential rental property for low-income persons, or for the provision of on-site child care services for the residents of the rental property;

3.7 If the application will rely on the approval criteria in EC 2.939(6), evidence that the housing units are owned by a limited equity cooperative as defined in EC 2.937 that meets the criteria for a cooperative corporation under ORS Chapter 62.

3.8 A description of the plans for development of the property if the

property is being held for the future development of low-income rental housing;
and

3.9 Any other information required by the City Manager.

The application shall be verified by oath or affirmation of the applicant and submitted with an application and processing fee to be set by the City Manager pursuant to Section 2.020 of the Eugene Code, 1971, which shall include therein the fee to be paid to the County Assessor by the City as the County's agreed processing fee for those applications receiving Council approval. The amount of the basic fee shall be prominently displayed on the application, together with a statement that the applicant may be required to pay other reasonable costs, including appraisal costs, if any are incurred by the City or the County in processing the application. Any additional costs shall be paid to the City by the applicant prior to the granting of any final approval. In the event an application is denied, the portion of the fee reserved for the County Assessor will be refunded to the applicant by the City. An application which does not contain all the required information and is not accompanied by the required fee shall be returned to the applicant. Any application returned for these reasons shall be deemed not to have been filed.

4. Duration of Tax Exemption. An exemption from ad valorem taxes may be granted for a period of twenty successive years for the land and the improvements located thereon that are a part of the newly-constructed low-income rental housing or for land that is being held for future development of low-income rental housing. In the final year of low-income housing tax exemptions, applications for subsequent low-income housing tax exemptions for the property may be submitted. Such applications shall be processed and acted upon in accordance with sections 2.937 to 2.940 of the Eugene Code, 1971 and any applicable state law.

5. Policies. In addition to the criteria set forth in Section 2.939 of the Eugene Code, 1971, and Section 2 above, unless the land is being held for future development of low income rental housing, the applicant must demonstrate compliance with the following policies in order to be eligible for a property tax exemption hereunder:

5.1 Rent Regulatory Agreement. The owner must agree to execute and maintain in effect for the duration of the tax exemption period, a Rent Regulatory Agreement in a form approved by the City, and which contains, but is not limited to, provisions establishing regular reporting requirements and periodic inspection periods, and demonstrates that the required rent payment reflects the full value of the property tax exemption.

5.2 Inspection of Premises. The owner must consent in writing that for the duration of the tax exemption period the City may inspect the property for which the exemption is granted at reasonable times, without prior notice, to insure that the premises are maintained in decent, safe and sanitary conditions for the occupants.

6. Recommendations on Applications. Upon receipt of an application for property tax exemption hereunder, the City Manager shall:

6.1 Review the application and all supportive material to verify that the applicant has provided the information required and paid the required fee. The City Manager shall promptly notify the applicant of any omissions.

6.2 Solicit recommendations or comments from interested City departments, agencies, and the affected neighborhood group(s). Within 20 days of forwarding referrals, written comments shall be submitted to the City Manager by the agencies, departments and groups to whom referral is made. Failure to respond within 20 days will be deemed approval of the proposal as submitted.

6.3 If necessary to address comments or recommendations received, establish a meeting with the applicant, or the applicant's authorized representative to review the application.

6.4 Within 45 days from the date the application is filed, forward his or her recommendation to the Council that the application be denied, approved, or approved subject to conditions. The recommendation shall be based upon and contain findings of compliance or non-compliance with these Standards and Guidelines, Sections 2.937 to 2.940 of the Eugene Code, 1971, Council resolutions, ordinances and adopted policies, and applicable State statutes, that support the City Manager's recommendation.