



MULTI-UNIT PROPERTY TAX EXEMPTION



Program Guidelines

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OVERVIEW

The Multiple Unit Property Tax Exemption (MUPTe) is an incentive program designed to encourage workforce, moderate-income, and affordable housing development of residential properties in city centers and along transit corridors. The up-to-ten-year property tax exemption is enabled by Oregon Revised Statutes (ORS) 307-600 – 307.636. The abatement is intended to reduce the operational costs of rental housing or significantly reduce property taxes paid by a homeowner. Each project must be approved by Medford City Council. Both rental housing and multi-unit housing for home ownership are eligible.

MUPTe allows new multi-family units (5 or more units) to be exempt from property taxes on the value of new residential construction for up to 10 years. Multiple unit housing that qualifies for exemption may be exempt from ad valorem taxation for no more than 10 years. The exemption does not include the land or any improvements that are not a part of the multiple unit housing.

The first year of exemption is the assessment year beginning January 1 immediately following the calendar year in which construction, addition or conversion is completed, determined by that stage in the construction process when the improvement would have gone on the tax rolls in the absence of an exemption.

The Medford MUPTe program shall be in effect from October 1, 2022, through September 30, 2028, at which time the Medford City Council may elect to reauthorize the program, with any modifications and adjustments as it determines to be in the interest of the City and in accordance with the laws and regulations of the State of Oregon.

PROGRAM VOLUME CAP

Exemptions shall be awarded for no more than **200 dwelling units in any one year** and no more than 600 dwelling units shall be awarded an exemption within the six-year implementation period. In the event that this program has reached its volume cap, please see the Vertical Housing Zone Tax Exemption for residential floors in mixed-use developments within the Central Business District, (Medford Resolution No. 2003-28).

RELATED CITY DOCUMENTS

- [MUPTe Boundary Area Map](#)
- [City Council Goals](#)
- [Housing Capacity Analysis](#)
- [Housing Production Strategies](#)
- [Resolution No. 2022-93](#)

APPLICATION AND APPROVAL PROCESS

An application fee must be paid to the City of Medford prior to review of the application (see the [City Fee Schedule](#)). The fee includes a fee for the County Assessor's Office and staff time to review applications.

Application Fee: \$2,888.50* for 8 units or less
 \$5,777.00* for 9 units or more

* Fees are subject to change at any time without advance notice

1. Applications may be submitted at any time. Alternatively, an annual "call for projects" or Request For Proposals (RFP) may be posted by the Planning Department.
2. Pre-application conferences are encouraged during the land use application process to ensure the site plan approval is consistent with public benefit requirements.
3. Applications should be submitted on or before February 1 preceding the first assessment year for which exemption is requested. Applicants should apply for MUPTE prior to building permit submittals, unless City staff have authorized a late application.
4. The Housing and Community Development Commission shall review applications within 180 days after receipt of a complete application, making a recommendation to City Council for approval, approval with conditions, or rejection.
5. City Council may preliminarily approve the application that becomes effective no later than March of the year proceeding the first year for which the abatement is claimed.
6. Housing and Community Development Division staff shall continue to work with the applicant to ensure compliance with public benefit performance standards and additional conditions that were applied during the application approval process.
7. Staff will present applications with preliminary approval to City Council for final approval of the tax abatement upon completion of construction.
8. Staff will work with applicants to ensure ongoing compliance and provide Council with an annual performance report.

ELIGIBILITY

Eligible projects must create new renter- or owner-occupied multi-family housing. Projects may be any new development that is a multiple-unit development (duplex, triplex, quadplex, etc.) including mixed-use, any addition to existing multi-unit housing, or structures converted in whole or part from other uses to dwelling units. Single family detached homes with an attached or detached accessory dwelling unit ARE NOT qualified housing types eligible for property tax exemption under this program.

Proposed projects must be located in the adopted MUPTE boundary and provide one or more public benefit elements, as well as demonstrate need and capacity.

Commercial space is not eligible for abatement.



Market-Rate Housing

Market-rate projects that meet the above requirements are eligible for MUPTE if developed within the approved boundaries. See [MUPTE Boundary Map](#).



Low-Income Housing

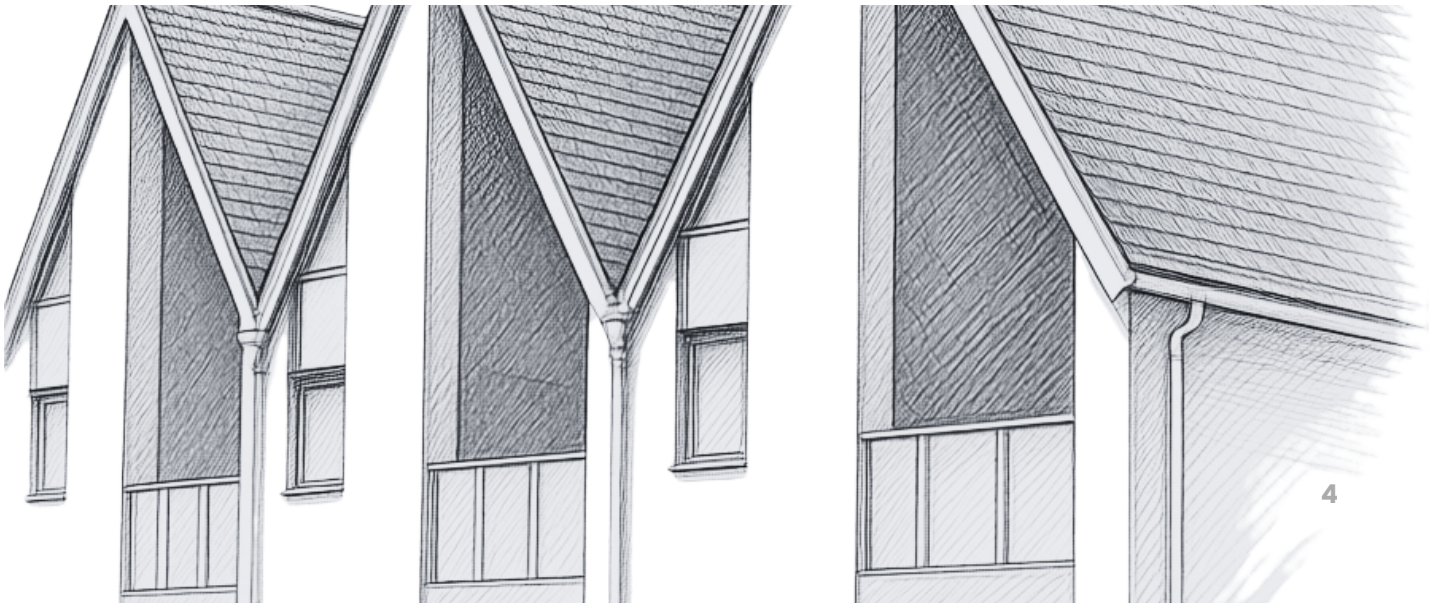
Dwelling units subject to a low-income housing assistance contract, as defined by ORS 307.600, may locate anywhere in Medford City limits and are eligible for MUPTE tax abatement.

ORS 426.502(5). "Multiple-unit residential housing" means housing that provides two or more living units and spaces for common use by the occupants in social and recreational housing. "Multiple-unit residential housing" may include nonhousing facilities incidental or appurtenant to the housing that, in the determination of the authority, improve the quality of the housing.

ELIGIBLE APPLICANTS

Property owners, private sector for-profit developers, certified Community Housing Development Organizations (CHDO's), government housing providers, and qualified 501(c)(3).

- The owner and developer can be a for-profit entity.
- Rental units may be offered at market rate if affordable housing isn't one of the stated public benefits.
- If not providing affordable housing, the property will pay 10% of its exemption into a fund to support the future affordable housing development.
- The duration of the exemption is up to 10 years.
- Each application is reviewed on a case-by-case basis with a demonstrated financial need.
- If approved, the project will receive up to a 100% exemption for the portions of the property the exemption would apply to.
- Each project is required to also create either one substantial public benefit or three smaller, but impactful public benefits.



REQUIRED PUBLIC BENEFITS

Eligible properties must provide one or more design or public benefit elements in addition to demonstrating need and capacity. The following categories are general and will be further defined each year when City Council, in consultation with the Housing Advisory Commission and other advisory bodies, establishes annual funding priorities for the Housing Opportunity Fund, Community Development Block Grant, and other economic incentive programs. Applicants must demonstrate the following public benefits:

- 1** Development Features and Programs **achieve goals** established by the City Housing Production Target, Housing Capacity Analysis, and Housing Production Strategies.
- 2** **Consistency** with Comprehensive Plan Neighborhood Plans.
- 3** Development Features and Programs that **Build Community Resiliency**. This public benefit addresses how the proposed development builds resiliency. Examples include collocation of community solar, providing onsite childcare, constructing accessible and/or visitable dwellings, or participation in reduced-fare public transit.
- 4** Development Features and Programs that **Achieve Equitable outcomes**. This public benefit demonstrates how the proposed development addresses existing socio-economic inequities. Examples include housing benefiting underserved communities or redevelopment that brings collateral economic and community development benefits to a neighborhood that has suffered from disinvestment in the past.
- 5** **Net Neutral Fiscal Impact**. Proposed developments shall demonstrate net neutral fiscal impact to the City of Medford over the planned functional life of the development. Basically, the value of the abatement and cost of community services would be compared to total revenues collected by the City over a period of time.

MUPTE PROJECT REVIEW

The Medford Housing Advisory Commission is the review body for MUPTE project proposals. The following two categories shall be used, in addition to other application requirements, for the purpose of evaluating and awarding exemptions.



Project Need

Applicants shall demonstrate financial need for the exemption.

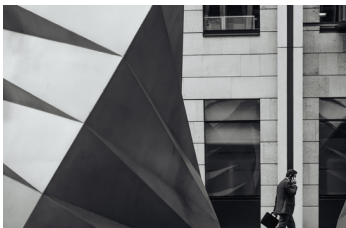


Developer Capacity to Complete Project

Applicants shall demonstrate financial and organizational capacity to complete the proposed project.

POST-APPROVAL REQUIREMENTS

Projects that receive the exemption will have ongoing reporting requirements to remain in good standing for the duration of the exemption period, which may not exceed ten years.



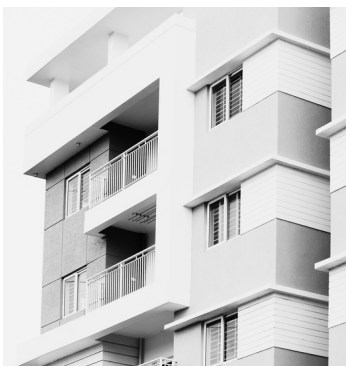
Before Permitting

- Submit final project design for City staff review.
- Consider our [Pre-Application Conference](#) program.



After Construction

- Proof of Certificate of Occupancy.
- Submit documentation indicating the project meets the Required Public Benefit.
- Provide contact information for owner and lender associated with the project including name, address, email, and phone number as well as preferred contact information for staff to use for annual reporting requirements.



During Exemption Period

- If the project was eligible for MUPTE because units are subject to a low-income housing assistance contract, provide documentation that units continue to meet the requirements of ORS 307.600.

CONTACTS

If you have additional questions or need assistance with your application, contact the Medford Housing and Community Development Division within the Planning Department. Please be as detailed as possible in your written question and allow up to several days for staff to review your project or conduct research to provide you with clear and accurate information.

Medford Housing & Community Development Division

200 S Ivy Street, Medford, OR. 97501

541-774-2380

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MUPTE BOUNDARY MAP

