



Low-Income Rental Housing Property Tax Exemption Frequently Asked Questions

What is a LIRHTE?

The Low-Income Rental Housing Property Tax Exemption (LIRHPTE) provides a 20-year property tax exemption for Eugene rental housing that offers rents affordable to lower income households or property that is held for the purpose of developing low-income rental housing. The income limit for the program is 60% of the area median income based on household size, as determined annually by the US Department of Housing and Urban Development (HUD).

What does it do?

The LIRHPTE is an incentive to create housing opportunities that are affordable to lower income households – a critical need in our community. By providing tax exemptions for low-income housing LIRHPTEs help to preserve the affordability and offer below-market rents. It is one way the City of Eugene is working to create more housing that is affordable to people with lower household incomes in our community. ([Learn about more affordable housing efforts](#))

Who can apply for a LIRHTE in Eugene?

Eligible owners include:

- non-profit public benefit (501c3) or religious corporations or
- any owner (including for-profit organizations) if the housing was constructed after 1990.

When are applications due?

Applications are due before December 1 of the calendar year immediately preceding the tax year for which an exemption is requested. Applications are accepted anytime, except for the months of June and July. If the property is not yet owned by the applicant at the time of application, the purchase must complete by March 31 of the year for which the exemption is requested.

What is required to get a LIRHPTE?

If an applicant is eligible, they must commit to offering rents that are affordable to people earning no more than 60% of the area median income based on household size (determined annually by HUD) for a period of 20 years. Below are the current HUD income limits for our area:

2022 Area Median Income Limits	
Household Size	60% of Median
1	\$33,480
2	\$38,220
3	\$43,020
4	\$47,760
5	\$51,600
6	\$55,440
7	\$59,280
8	\$63,060



Applicants must submit a completed City of Eugene application packet that documents that the development meets the LIRHPTE criteria established by the State and City of Eugene. The packet includes documentation of the ownership entity, a legal property description, proof of ownership of the property or site control (such as a purchase option agreement), a rent regulatory agreement (city form), consent to inspect the premises (city form), and certification of income levels of occupants. Applicants submit additional documentation related to required rents, occupation by low-income households, and documentation that owners spend no more than 10% of their annual rental income for purposes other than acquisition, maintenance, or repair of residential rental property for low-income persons.

The application must be signed before a Notary Public. If the applicant does not supply all the required information, the application will be returned. It will not be considered filed until it is complete.

The City Council will take action to approve or deny the application within 60 days of being filed. If it is approved, the City informs Lane County of the approval by April 1 the year the exemption will begin.

What is included in the application process?

Once an application is received, a public notice is sent to the property's local neighborhood association and school board for comment. Staff conduct an analysis of eligibility and prepare materials so the application can go before the City Council for consideration within 60 days of being filed. The City Council approves or denies the application by resolution at a scheduled public meeting.

How do I get an application?

You can request an application by emailing program staff, [Laura Hammond](#), or calling 541-682-5502.

Can you get a LIRHPTE for a portion of a property or does the entire development need to meet the rent and income limits?

The LIRHPTE can be applied just to the units that provide affordable housing at the required rent and income limits. The rest of the property would not be exempt from property taxes.

Can the LIRHPTE continue if the property is sold?

Please see the FAQ about termination of a LIRHPTE prior to the end of the 20-year exemption period. If the property is owned by a non-profit entity, it is possible to sell the property to another non-profit that would maintain the affordability and then the exemption would continue to be fulfilled. If the property was built since 1990 and has a different ownership model, it could be sold to anyone who would maintain the affordability and continue to fulfill the exemption.

Can a LIRHPTE be renewed?

Yes. In the last year of the 20-year affordability period the owner can apply to renew the exemption for another 20 years. It is important to apply by Dec 1 of the calendar year before the exemption expires to avoid a lapse in the exemption (which would go into effect in July of the next year).

Can a LIRHPTE be terminated before the end of the 20-year exemption period?

Yes. If the conditions of the LIRHPTE are not met and maintained the exemption can be terminated. Termination would mean that all taxes that had been exempted will be required to be repaid back to Year 1 of the exemption. Even if a property was maintained as affordable housing in accordance with the LIRHPTE program for 19 years, any action that constitutes termination before the 20-year exemption period is complete would require back taxes to be paid back to Year 1.

Are there differences in LIRHPTEs for a non-profit public benefit (501c3) or religious corporation versus a for-profit organization or other ownership entity providing housing built after 1990?

Yes. For housing developments owned by non-profit organizations, all units in the development and common area to support the units, including an on-site manager unit, are exempt. If the housing is owned by a for-profit organization or other ownership entity (and built after 1990), only the units that are occupied by low-income households are exempt. A manager's unit, for example, would not be considered part of the property tax exemption.

What are the requirements after receiving a LIRHPTE?

Property owners are required to submit reports of their residents' incomes and rents every year of their 20-year LIRHPTE period by February 1. City of Eugene provides the forms to use for reporting. Owners must properly verify the incomes of residents and only allow households earning no more than 60% of area median income to move into the property. Property owners must maintain the properties in good condition according to the City of Eugene Rental Housing Code. The City may inspect the premises to ensure compliance. Failure to submit annual reporting, accurately verify income eligibility of residents, or maintain good housing condition could result in termination of the LIRHPTE.

What is the Eugene Code and Oregon Revised Statutes that LIRHPTE falls under?

The State of Oregon enabled the City's LIRHPTE program through Oregon Revised Statutes 307.515 – 307.523. The LIRHPTE program is in Eugene Code 2.937 – 2.940.