

Agenda No. 199

RESOLUTION No.

Approve limited tax exemptions for properties under the Homebuyer Opportunity Limited Tax Exemption Program (Resolution)

WHEREAS, in 1991, the Oregon Legislature passed legislation allowing local jurisdictions to forgo a portion of property tax revenue for a defined period of time as an incentive for the development of housing that achieve larger City policy goals; and

WHEREAS, on behalf of the City of Portland, the Portland Housing Bureau administers the Homebuyer Opportunity Limited Tax Exemption Program, authorized under ORS 307.651 and Portland City Code Chapter 3.102; and

WHEREAS, ORS 307.674 and 307.687 and City Code Sections 3.102.050 and 3.102.080 require Portland City Council to approve, deny, and terminate tax exemptions in the form of a resolution containing the property owner’s name and address and a description of the property or the assessor’s property account number; and

WHEREAS, the properties identified in Exhibit A meet the specific conditions upon which the activation or termination of the application is based under ORS 307.674 and City Code Section 3.102.050.

NOW, THEREFORE, BE IT RESOLVED that the City Council approves tax exemptions under the Homebuyer Opportunity Limited Tax Exemption Program, as listed in the attached Exhibit A.

Introduced by
Commissioner Dan Ryan

Bureau
Housing Bureau

Prepared by
Marilyn Hurltley

Date Prepared
March 4, 2021

Requested Council Date
March 31, 2021

Requested Agenda Type
Regular
10 minutes requested

Date Filed with Clerk
March 23, 2021

Adopted by Council:

MARY HULL CABALLERO

Auditor of the City of Portland

By

Deputy

Action taken:

Commissioners voted as follows (Yea or Nay)

Rubio -

Ryan -

Hardesty -

Mapps -

Wheeler -

**LIMITED TAX EXEMPTION PROGRAM
HOMEBUYER OPPORTUNITY - HOLTE (37)**

EXHIBIT A
Resolution
March 2021
APPROVALS

Estimated foregone revenue of \$2,729 per unit (9 units) for a total of \$24,561									
	LTE#	OWNER NAME	PROPERTY TAX ID	NUMBER	AREA	STREET	UNIT	ZIP	TAX EXEMPTION CODE
1	6119-20	ERNIE JETTE CONSTRUCTION CO	R682611	15882	NE	EVERETT CT		97230	37
2	6120-20	ERNIE JETTE CONSTRUCTION CO	R682612	15890	NE	EVERETT CT		97230	37
3	6149-20	AF HOESLY, INC.	R336877 PARENT	13821	SE	CLAYBOURNE ST		97236	37
4	6150-20	AF HOESLY, INC.	R336877 PARENT	13825	SE	CLAYBOURNE ST		97236	37
5	6151-20	AF HOESLY, INC.	R336877 PARENT	13827	SE	CLAYBOURNE ST		97236	37
6	6152-20	AF HOESLY, INC.	R336877 PARENT	13829	SE	CLAYBOURNE ST		97236	37
7	6163-20	JGT INVESTMENTS, INC.	R242872 PARENT	10584	SE	LIEBE ST	#A	97266	37
8	6164-20	JGT INVESTMENTS, INC.	R242872 PARENT	10584	SE	LIEBE ST	#B	97266	37
9	6175-20	JB CEREGHINO CONSTRUCTION, INC.	R194104	1960	NE	78TH AV		97213	37

IMPACT STATEMENT

Legislation title: Approve limited tax exemptions for properties under the Homebuyer Opportunity Limited Tax Exemption Program (Resolution)

Contact name: Marilyn Hurtley

Contact phone: 503-823-3269

Presenter name: Dory Van Bockel

Purpose of proposed legislation and background information:

Portland Housing Bureau (PHB) administers the Homebuyer Opportunity Limited Tax Exemption Program, authorized under ORS 307.651 and Portland City Code 3.102. The City first codified tax exemption programs in 1985. The City's tax exemption programs provide an incentive for the development and maintenance of affordable housing. The homeownership programs promote first-time home ownership opportunities for low- and moderate-income qualified homebuyers at 100% of area median family income (MFI) for a household of 4 by providing a property tax exemption on the assessed value of newly built homes for ten years. During the exemption period, homes must continue to be owner-occupied and not used as rental properties.

ORS 307.674 and 307.687 and Portland City Code Sections 3.102.050 and 3.102.080 require Portland City Council to approve, deny, and terminate tax exemptions in the form of a resolution. PHB brings resolutions to City Council several times per year to meet the approval and termination timelines set forth in statute and align with Multnomah County's timelines to certify annual tax rolls. Statute requires approval of any exemption applications prior to April 1 for them to be effective in the 2021 tax year starting July 1. This resolution is being submitted to include the additional 9 properties in exemptions beginning in 2021. PHB last brought such a resolution to City Council in December 2020. The annual cap on the number of applications is 100. The 100-unit cap on applications has been met for the 2020-21 fiscal year. PHB has additional pending applications under review which will be brought to Council for approval after they are finalized. Applications from nonprofit agencies or other entities providing long-term affordability are exempt from the annual cap.

Financial and budgetary impacts:

The approved Homebuyer Opportunity Limited Tax Exemption applications will increase revenue for the City of Portland in the form of a one-time application fee totaling \$8,100. A total of \$1,750 is collected for each completed application, \$900 goes towards PHB administrative costs, and \$850 is paid to Multnomah County for administrative costs.

This legislation will decrease revenue for the City of Portland in the form of foregone revenue as indicated in the chart below, which breaks out total revenue foregone by all taxing jurisdictions in Multnomah County as well as that portion foregone specifically by the City of Portland (approximately 30% of the total).

	Foregone Revenue Individual HOLTE Unit	City Share (30%) Individual HOLTE Unit	Total Foregone Revenue HOLTE Units	Total City Share (30%) HOLTE Units
First Year	\$2729	\$819	\$24,561	\$7,371

Community impacts and community involvement:

The homeownership tax exemption programs provide new tax exemptions across the City of Portland. Home builders must apply for exemptions prior to construction. The homes, then must sell for no more than the annual sale price cap (currently \$412,000) to income qualified homebuyers (currently not more than \$92,100 for a family of 4). As the largest taxing jurisdiction affected by the tax exemption programs, Multnomah County has approved the administration of the programs to meet shared housing goals.

Renewable Energy Goal:

Approval of the HOLTE terminations does not impact the City’s total renewable energy use.

Budgetary Impact Worksheet

Does this action change appropriations?

- YES:** Please complete the information below.
- NO:** Skip this section