



Homebuyer Opportunity Limited Tax Exemptions Subsequent Homebuyer Frequently Asked Questions

1. What is the Homebuyer Opportunity Limited Tax Exemption (HOLTE) Program?

The HOLTE program provides a 10-year tax exemption on the value of the structure (not the land) for new construction homeownership units when they are sold below the annually established sales price, currently \$350,000. PHB is authorized to approve 100 HOLTE applications annually.

2. Does the 100 HOLTE allocation get used every year?

The matrix below shows how the HOLTE program utilization has evolved over the past 5 years, including the decrease in builder applications and increase in average sales price, buyer income, and value of the exemption.

Program Year	For-profit Approvals	Non-profit Approvals	Average Sales Price	Average Buyer Income	Average Value of Exemption
17/18	15	40	-	-	-
16/17	88	10	\$287,810	\$46,393	\$2,018
15/16	99	9	\$267,678	\$46,292	\$2,105
14/15	100	11	\$255,175	\$43,258	\$1,972
13/14	100	24	\$240,794	\$45,314	\$1,831

3. What areas of the City does the HOLTE get utilized the most?

Over 65% of HOLTEs are in SE Portland, 24% in N Portland and 11% in NE Portland. Additionally, 37% of HOLTEs in NE and SE are east of I-205.

4. Who is eligible for the HOLTE?

Builders of new construction homes must apply for the HOLTE before permits are pulled and sell the home under the established sales price to a buyer under 100% AMI for a family of 4 (\$74,700).

5. What are the demographics of the HOLTE program?

Approximately 6% of the families identify as Hispanic, 1% as Native American, 47% as Asian, 7% as African American, 2% as Pacific Islander, and 37% as white.

6. How many active HOLTEs are there?

There are currently 1,437 active HOLTEs. The average value of each individual tax exemption is \$2,018 per year.

7. On average, how many HOLTEs expire annually?

Since previously there was no annual cap on applications, 140 exemptions expired in 2017 and another 315 are expiring in 2018. The average number of expiring exemptions will continue to decrease in future years reflecting the annual application cap.

8. How many HOLTEs have sold to subsequent homebuyers?

Of the 1,437 active HOLTEs, 1,207 continue to be occupied by the original owner. Of the 236 homes that have sold, the average sales price is \$250,000, compared to the Portland average sales price of \$450,000. Additionally, of the 236 that are no longer owned by the original buyer, only 22 of those sold over the current HOLTE program sales prices cap of \$350,000.

9. Does PHB check the income of subsequent home buyers?

PHB income-qualified all subsequent HOLTE buyers prior to 2012 when the program was capped at 100 applications annually. At that time, the City and County agreed to focus only the owner-occupancy requirements, which prohibit properties with a tax exemption from being rented.