

HB 2964: Promoting Affordable Homeownership Through Expanded Eligibility for the Homebuyer Opportunity Limited Tax Exemption

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CURRENT PORTLAND PROGRAM

- ❑ The current Portland Homebuyer Opportunity Limited Tax Exemption (HOLTE) has been in place in its current form since 2012:
 - Approved jointly by Portland City Council and Multnomah County Commission, limited to 100 approvals annually
 - Eligible homes must be new construction. Builders must apply and the property must be approved before permits are pulled
 - Sales price cap of 100% of County median sales price (lower than the statute-allowed 120%)
 - Eligible homebuyers must provide documentation they are below 100% of Area Median Income

PROGRAM HOLTE FOREGONE REVENUE

- ❑ For program year 2014/15, 111 new HOLTE exemptions were granted, totaling \$126,629 in foregone property tax revenue for the first year of the exemptions approved in 2014/15
- ❑ The table below provides a snapshot of recent program performance and highlights the impacts of the increasing escalating real estate market in Portland

Program Year	For-profit Approvals	Non-profit Approvals	Average Sales Price	Average Buyer Income	Average Value of Exemption
16/17	20	7	\$287,810	\$46,393	\$2,018
15/16	92	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
12/13	100	36	\$231,000	\$42,925	\$1,687

WHAT WOULD HB 2964 DO?

- Authorizes local programs to provide low- and moderate-income households with a 10 year limited property tax exemption on the value of a house (not the land) when:
 - Purchasing an **existing home** if the sales price is under 120% of the annually established County median sales price
 - Receiving publicly funded **home rehabilitation** assistance if the assessed value of the structure is under 120% of the County median sales price.
- Portland's implementation of an expanded program would:
 - Require approval from local City and County governments
 - Include rigorous ongoing compliance monitoring

Thank you