

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON**

**RESOLUTION NO. 2023-068**

Multnomah County's Agreement with the City of Portland to increase the cap on number of applicants allowed within each fiscal year under the Homebuyer Opportunity Limited Tax Exemption Program ("HOLTE")

**The Multnomah County Board of Commissioners Finds:**

a. The City of Portland Housing Bureau ("PHB") administers the Homebuyer Opportunity Limited Tax Exemption Program (the "HOLTE Program"), authorized under ORS 307.651-307.687.

b. By Board Resolution 2012-113, the Board of County Commissioners authorized participation in the City of Portland's HOLTE Program and capped the number of applicants per fiscal year at 100.

c. Most properties receiving a limited property tax exemption under the HOLTE Program also receive exemptions from System Development Charges ("SDCs"). The number of SDC exemption applications this year exceeds the HOLTE Program applications 6:1, due to zoning changes to encourage in-fill development that went into effect under the Residential Infill Project and RIP2, in 2021 and 2022 respectively. The homebuyer eligibility criteria are the same for both the HOLTE and SDC Exemption Programs: homebuyers must earn no more than 100 percent of the area median family income for a family of four, and homes must sell for less than the annually established sale price limit.

d. The goal of the HOLTE is to provide tax savings to low- to moderate-income homebuyers within the City of Portland. When the HOLTE Program is paired with the SDC Exemption Program, they provide an incentive to homebuilders to build new homes that are affordable to first-time homebuyers. These tools support the local, small homebuilding businesses and are embraced by the local section of the Homebuilders Association. Close to half the homebuyers using the programs are from the Asian community.

e. PHB wants to increase the capacity for homebuilders to apply for the HOLTE Program from 100 per year to 500 per year, so that low- to moderate-income homebuyers have more resources to assist them in achieving homeownership.

f. PHB wants to review the effects of the cap increase within three years to determine the appropriate ongoing cap considering current market conditions, income levels, and foregone revenue, as well as the outcomes of the upcoming Housing Needs Analysis underway currently by Bureau of Planning and Sustainability.

g. The Portland City Council declares an emergency exists because the annual HOLTE application cap renews on July 1, and the increase in the cap will allow homebuilders to apply when they are ready to build rather than rushing to apply prematurely due to competition created by the current 100-unit cap; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

h. Multnomah County supports this declaration and agrees with the Council and PHB efforts by expanding the number of allowable applicants from 100 to 500.

i. The average value of the tax exemption provided annually to a home within the HOLTE program as of FY 2021-22 is \$3,094. Estimated an additional 200 applications per year would result in additional projected first-year foregone revenue of \$618,800. The City's portion of that is roughly 30%, or \$185,640, which amounts to a projected \$1.7 million foregone revenue to the City over ten years for that 1st year and totaling roughly \$5.2 million over three years. The County's portion of foregone revenue will be approximately \$240,000. The value of the tax exemption to a homeowner over ten (10) years is estimated at \$28,500.

**The Multnomah County Board of Commissioners Resolves:**

1. The annual cap on the number of HOLTE Program applications PHB can accept each fiscal year is 500, effective July 1, 2023 through June 30, 2026.

**ADOPTED this 20th day of July, 2023.**

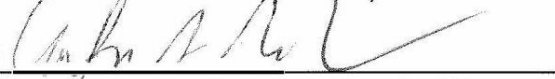


BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

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Jessica Vega Pederson, Chair

JENNY M. MADKOUR, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By   
Carlos Rasch, Assistant County Attorney

**Submitted by:** Jessica Vega Pederson, Chair.