

# Proposed Changes to Homebuyer Opportunity Areas

Single Family, New Construction  
Tax Exemption Program

January 11, 2011

## Background

The Single Family, New Construction Tax Exemption Program (SFNC) is enabled by Portland City Code 3.102 and allows eligible homebuyers to apply for a 10-year property tax exemption on the improved value of homes in designated “Homebuyer Opportunity Areas” (HOA).

## HOA Designation

- Required by state statute and city code
- Limited to “distressed” areas
- Review is required at least every 3 years
- No more than 20% of city can be designated

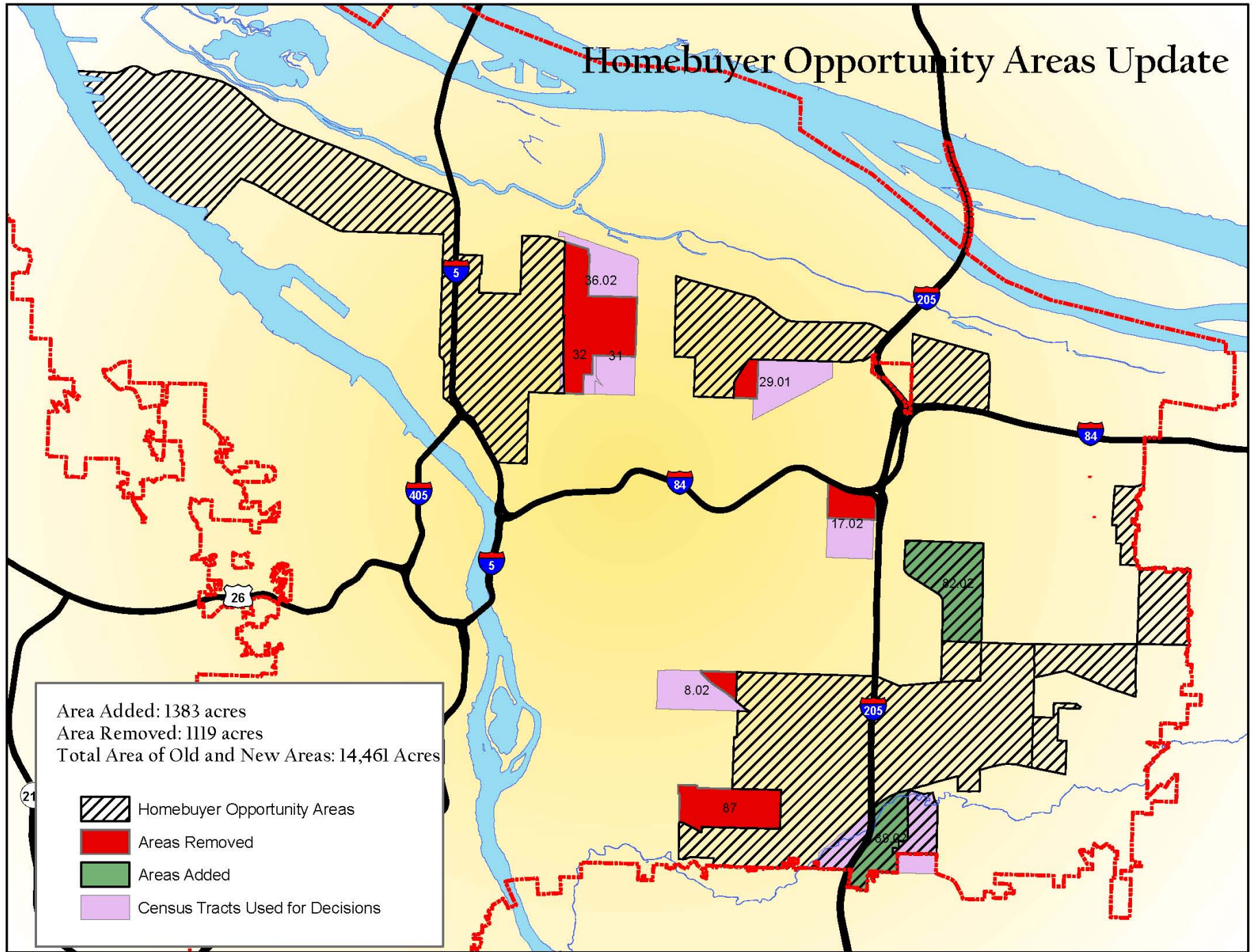
## Factors Considered in 2010 Review to Determine Distressed Areas

- High United States Postal Service vacancy rates
- Concentrations of foreclosed properties (REOs)
- Frequent occurrences of non-violent crime
- 2010 median home sales price
- Number of vacant, buildable lots
- Low homeownership rates

## Summary of Proposed Changes

- Removal of 7 and addition of 2 census tracts
- Removal of 1119 and addition of 1383 acres
- Total increase of 264 acres equaling 15.6 % of Portland land area included in proposed HOA map

# Homebuyer Opportunity Areas Update



## Future Review of HOA Map

- Current “Big Look” policy review project may establish different goals for the SFNC tax exemption program resulting in a possible revision of the HOA map before the 3 year review period.
- PHB will work with City Attorney to develop a grandfather clause for builder-owned properties in previous homebuyer opportunity areas.

## Next Steps

- PHB staff will consider input and modify proposed HOA map as appropriate
- Presentation of final HOA Map at next PSC meeting on January 25, 2011
- New HOA Map will go into effect after 30 days: February 25, 2011.