

FINANCIAL IMPACT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Andrea Matthiessen	2. Telephone No. X32379	3. Bureau/Office/Dept. Portland Housing Bureau
4a. To be filed (date) March 16, 2011	4b. Calendar (Check One) Regular Consent 4/5ths X <input type="checkbox"/>	5. Date Submitted to FPD Budget Analyst: March 16, 2011

1) Legislation Title:

Approve, deny, and terminate Single Family New Construction Limited Tax Abatements from January 1, 2010 to December 31, 2010. (Resolution)

2) Purpose of the Proposed Legislation:

Increase minority home ownership and encourage new construction of single family homes in areas designated as "Homebuyer Opportunity Areas".

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated please identify the source.

The 122 approved Single Family New Construction Limited Tax Abatements will increase revenue for the City of Portland in the form of a one-time application fee. A total of \$750 is collected for each completed and approved application, \$300 towards PHB administrative costs and \$450 is paid to Multnomah County for administrative costs.

This legislation will decrease revenue for the City of Portland in the form of forgone revenue. The 122 approved Single Family New Construction Limited Tax Abatements represent an estimated average of \$1,602 in foregone property taxes per year for each unit, for total annual forgone revenue of \$1,954,440 over ten years. These dollar amounts include taxes foregone by the City of Portland, Multnomah County and other entities which receive property taxes within Multnomah County.

4) Expense:

What are the costs to the City as a result of this legislation? What is the source of funding for the expense?

As detailed above, expenses to the City associated with this Resolution are in the form of revenue that is forgone for a ten year period.

Staffing Requirements:

5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? (If new positions are created please include whether they will be part-time, full-time, limited term or permanent positions. If the position is limited term please indicate the end of the term.) No

6) Will positions be created or eliminated in *future years* as a result of this legislation? No

Complete the following section only if an amendment to the budget is proposed.

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7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Center Code column if new center needs to be created. Use additional space if needed.)* N/A



Margaret Van Vliet, Director

APPROPRIATION UNIT HEAD (Typed name and signature)