

Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

(Deliver original to City Budget Office. Retain copy.)

1. Name of Initiator Dory Van Bockel		2. Telephone No. 503-823-4469	3. Bureau/Office/Dept. Portland Housing Bureau
4a. To be filed (hearing date): June 11, 2014	4b. Calendar (Check One) Regular Consent 4/5ths <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		4. Date Submitted to Commissioner's office and CBO Budget Analyst: May 28, 2014
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

Approve and terminate Limited Tax Exemptions for properties under the Homebuyer Opportunity and Transit Oriented Development Limited Tax Exemption Programs (Resolution)

2) Purpose of the Proposed Legislation:

The Resolution approves and terminates tax exemptions for builders and property owners of single unit housing under the Homebuyer Opportunity Limited Tax Exemption Program. It also terminates one tax exemption for a property owner under the Transit Oriented Development Limited Tax Exemption program.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|---|---|------------------------------------|---|
| <input type="checkbox"/> City-wide/Regional | <input checked="" type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input checked="" type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input checked="" type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

The 17 approved Homebuyer Opportunity Limited Tax Exemption applications will increase revenue for the City of Portland in the form of a one-time application fee totaling \$5,100. A total of \$850 is collected for each completed and approved application, \$300 goes towards PHB administrative costs and \$550 is paid to Multnomah County for administrative costs.

Additionally, for each unit being terminated under the HOLTE program (23), approximately \$1,831 will be added annually to the tax rolls for a total of \$42,113. For each unit being terminated under the TOD program, (1), approximately \$844 will be added annually to the tax rolls.

5) **Expense:** What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future year, including Operations & Maintenance (O&M) costs, if known, and estimates, if not known. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the **level of confidence**.)

This legislation will decrease revenue for the City of Portland in the form of forgone revenue. The 17 approved HOLTE exemptions represent an estimated average of \$1,831 in foregone property taxes per year for each unit, for total annual forgone revenue of \$31,127 and \$311,270 over the total life of the ten year tax exemption. These dollar amounts include taxes foregone by the City of Portland, Multnomah County and other entities which receive property taxes within Multnomah County.

6) **Staffing Requirements:**

- **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.
- **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.)

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 Fund Center column if new center needs to be created. Use additional space if needed.)

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

- YES:** Please proceed to Question #9.
 NO: Please, explain why below; and proceed to Question #10.

No. This is a legislative program provided for in the Oregon Revised Statutes and has been codified into City Code since 1985. LTEs being terminated received the notices required by Statute.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?


c) How did public involvement shape the outcome of this Council item?

d) Who designed and implemented the public involvement related to this Council item?

e) Primary contact for more information on this public involvement process (name, title, phone, email):

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

Future public involvement is not anticipated.

 Traci Manning, Director	<i>for T. Manning</i>	5-22-2014
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APPROPRIATION UNIT HEAD (Typed name and signature)