

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/Neighborhood Housing
4a. To be filed (hearing date): June 11, 2014	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>	5. 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:

* Change the Homebuyer Opportunity Limited Tax Exemption Program to remove homebuyer opportunity areas, modify income eligibility requirements and clarify compliance process (Ordinance; amend Code Chapter 3.102)

2) Purpose of the Proposed Legislation:

This Ordinance amends City Code 3.102 for the Homebuyer Opportunity Limited Tax Exemption (HOLTE) program to remove homebuyer opportunity areas, modify income eligibility requirements and clarify the compliance process. With the changes, the program will be available citywide and will be more closely aligned with other home ownership programs assisting low income homebuyers.

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

No, PHB does not expect this Ordinance to reduce current or future revenue. Although the change approved by the Ordinance makes the program available citywide rather than in designated areas, there is still a program cap limiting the number of new applications and therefore foregone revenue which can be approved each year.

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.)**

There are no costs to the City associated with this change.

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.

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

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

This action will allow the HOLTE program to be used as a home ownership opportunity incentive citywide, and be available to assist low income homebuyers.

- 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?**

PHB shared these proposed Code changes along with other proposed administrative changes to the HOLTE program on the PHB website and through a broad based email blast reaching neighborhood associations, developers, non-profit partners and other

interested parties. PHB held a public hearing about proposed changes and discussed the changes at a Citywide Land Use Group Meeting. Multnomah County staff also reviewed the proposed changes.

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

After evaluating responses to the proposed changes, PHB adjusted the final changes to respond to input received, reflect PHB Strategic Plan goals, and maintain programs which will result in additional housing stock for low to moderate income homebuyers.

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


The public involvement was led by PHB's Public Information Officer in coordination with the HOLTE Program Manager and Program Coordinator.

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

Dory Van Bockel, Housing Program Coordinator, Portland Housing Bureau, 503-823-4469

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

No, this action by Council responds directly to priorities brought forward through the public involvement process to date. No further action is needed beyond communicating the change to the program.

 FOR T. Manning	5-22-2014
Traci Manning, Director	Date

ORDINANCE No. REFERRED TO COMMISSIONER OF PUBLIC AFFAIRS

* Change the Homebuyer Opportunity Limited Tax Exemption Program to remove homebuyer opportunity areas, modify income eligibility requirements and clarify compliance process (Ordinance; amend Code Chapter 3.102)

The City of Portland ordains:

Section 1. The Council finds:

1. The City of Portland Housing Bureau (PHB) administers Limited Tax Exemption (LTE) programs that encourage the construction of affordable housing by leveraging private housing development to advance the City's housing, economic prosperity, and equity goals.
2. A review of the LTE programs was completed in February 2012 by a Policy Review Committee that included public and private sector members knowledgeable about the programs. The Committee recommended program changes that were reviewed extensively by stakeholders citywide, and at public hearings of the Planning and Sustainability Commission and the Portland Housing Advisory Commission. Program changes were finalized through Ordinance No. 185477, passed by the Council on June 27, 2012.
3. Per the statutory authority described in ORS 307.651-687, PHB administers the Homebuyer Opportunity Limited Tax Exemption (HOLTE) program to promote affordable home ownership opportunities through City Code Chapter 3.102. Based on a change to statute and in order to align the HOLTE program with other PHB home ownership programs, PHB is amending Code to remove homebuyer opportunity areas, modify income eligibility requirements and clarify compliance process.

NOW THEREFORE, The Council directs:

- a. Subsection 3.102.020 C. is hereby repealed, and D. is relettered to C.
- b. Subsection 3.102.040 A. 1. is amended as follows:
 1. Single-unit housing must be located within ~~a homebuyer opportunity area~~ the City of Portland.
- c. Subsection 3.102.040 A. 5. is amended as follows:
 5. Each qualified dwelling unit must have at least three bedrooms unless built within an approved transit-oriented area as determined by the Portland Bureau of Planning and Sustainability and included on the map defining ~~homebuyer opportunity eligibility~~ areas where, in which case two bedroom homes are allowed.
- d. Subsection 3.102.040 B. 1. is amended as follows:

1. Each dwelling unit of the single-unit housing must be sold to a household with an annual gross household income not greater than one hundred percent of the area median income, adjusted for household size, for a family of four as determined annually for the Portland Metropolitan Area by the United States Department of Housing and Urban Development, ~~which income may be adjusted upward for households with more than four persons.~~
- e. Subsection 3.102.060 A. is amended as follows:
 - A. Upon approval, ~~applicants must execute a document~~ Portland Housing Bureau will record a notice to be recorded on title of the single-unit housing requiring Portland Housing Bureau verification of homebuyer affordability and owner-occupancy qualification prior to the sale of each dwelling unit to an initial homebuyer.
- f. Subsection 3.102.060 C. is amended as follows:
 - C. Single-unit housing not meeting the exemption requirements by selling over the established sale price at initial sale will have the tax exemption terminated according to Section 3.102.080 and require the owner applicant to repay any exempted taxes consistent with ORS 307.687.
- g. Subsection 3.102.070 is hereby repealed.

Section 2. The Council declares that an emergency exists because delay would impede the ability of the PHB to administer the HOLTE program. Therefore, this ordinance shall be in full force and effect on July 1, 2014.

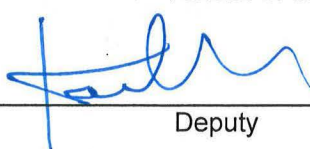
Passed by the Council:

Commissioner: Dan Saltzman
Prepared by: Dory Van Bockel
Date prepared: May 28, 2014

LaVonne Griffin-Valade
Auditor of the City of Portland
By _____ Deputy

Agenda No.
ORDINANCE NO.
Title

* Change the Homebuyer Opportunity Limited Tax Exemption Program to remove homebuyer opportunity areas, modify income eligibility requirements and clarify compliance process (Ordinance; amend Code Chapter 3.102)

<p>INTRODUCED BY Commissioner/Auditor: Dan Saltzman</p> <hr/> <p>COMMISSIONER APPROVAL</p> <p>Mayor—Finance and Administration - Hales</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Novick</p> <hr/> <p>BUREAU APPROVAL</p> <p>Bureau: Portland Housing Bureau Bureau Head: Traci Manning</p> <p>Prepared by: Dory Van Bockel Date Prepared: May 28, 2014</p> <p>Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p> <p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>✓ City Auditor Office Approval:</p> <p>✓ City Attorney Approval:</p> <p>Council Meeting Date June 11, 2014</p>	<p>CLERK USE: DATE FILED <u>JUN 06 2014</u></p> <p style="text-align: center;">LaVonne Griffin-Valade Auditor of the City of Portland</p> <p>By:  Deputy</p> <p>ACTION TAKEN:</p> <p>JUN 11 2014 CONTINUED TO JUN 18 2014 9:30 A.M.</p> <p>JUN 18 2014 REFERRED TO COMMISSIONER OF PUBLIC AFFAIRS</p>
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AGENDA
<p>TIME CERTAIN <input type="checkbox"/> Start time: _____</p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>
<p>CONSENT <input type="checkbox"/></p>
<p>REGULAR <input checked="" type="checkbox"/></p> <p>Total amount of time needed: 10 min (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	1. Fritz	
2. Fish	2. Fish	
3. Saltzman	3. Saltzman	
4. Novick	4. Novick	
Hales	Hales	