



Portland Housing Bureau

Expand Access to Homeownership Homebuyer Opportunity LTE and SDC Exemptions

City Council Presentation

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Proposal

Increase Maximum Income Limit Temporarily

- Homes must sell to homebuyers earning up to **120% of median income by July 1, 2026**
- Applies to homebuilder applications submitted through **March 1, 2024**
- Applications have already been approved or are in the planning stages waiting to move forward

The foregone revenue of these applications has mostly already been accounted for by the SDC bureaus and County

HOLTE - Portland City Code 3.102

- Provides a 10-year property tax exemption on newly constructed homes

SDC Exemptions - Portland City Code 30.01.095

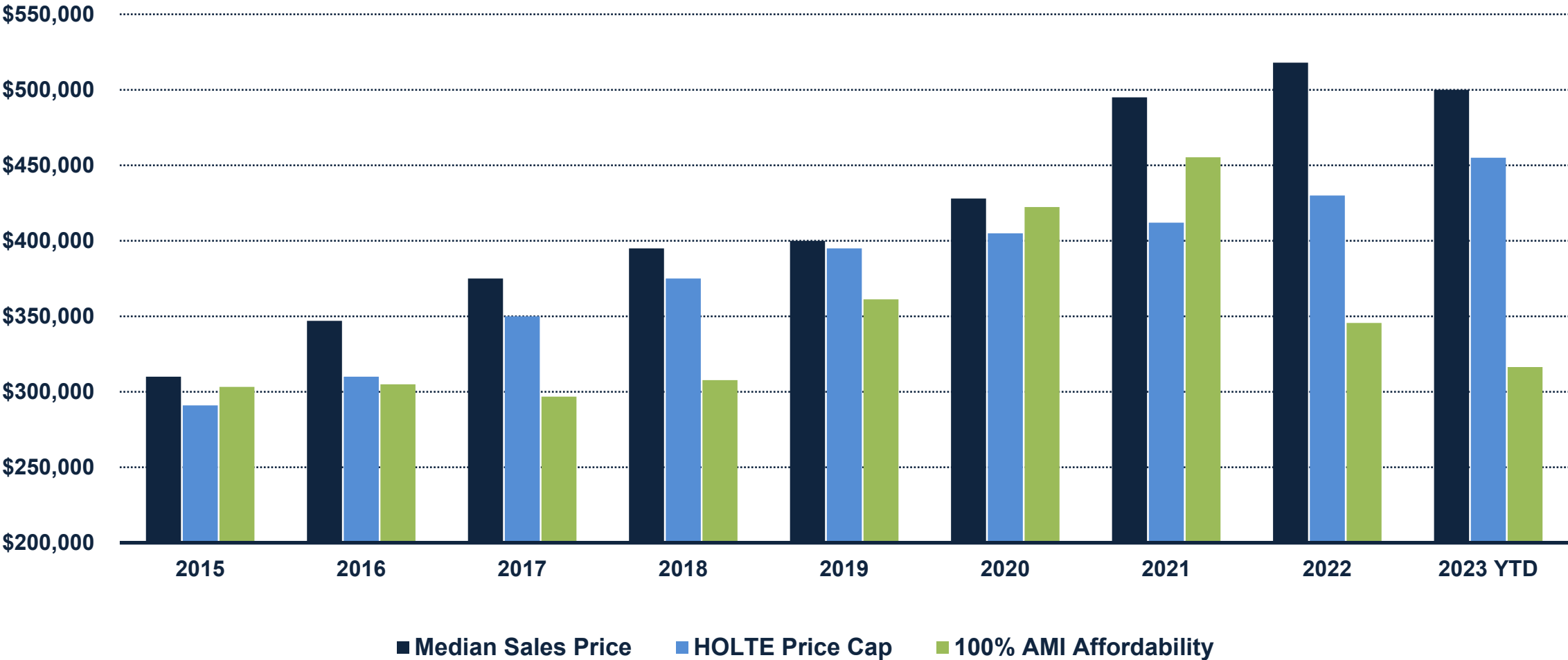
- Reduces cost of permitting by about \$30,000 per unit – encourages homebuilders to build more modest homes
- Homes must sell below a sale price currently at \$455,000 to income eligible homebuyers with median at 100% or below, for a household of four.
- Unqualified sales result in removal of tax exemption and SDCs paid to infrastructure bureaus – BES, Parks, PBOT, Water

Multnomah County Residential Sales

- 50% decline in number of home sales* after peak in 2021, as of Nov 2023
- Average sales price peaked in 2022, but has since declined by 3-4%
- Condominium units have had an even sharper decrease in sales prices by about 25%
- Average number of days homes are on the market increased in 2023, after steady declines through 2022
- Fewer homes with approved HOLTE and SDC exemptions are selling to eligible homebuyers

Median Sales Price, Cap, and Affordability

Based on historic median sales and interest rates, and 5% down payment



Questions