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# 191871

Emergency Ordinance

## \*Amend Property Tax Exemption for New Construction of Single-Unit Housing Code to give the Housing Bureau authority to approve applications for the exemption and to remove the reference to Homebuyer Opportunity Areas (amend Code Chapter 3.102)

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. On behalf of the City of Portland, the Portland Housing Bureau (PHB) administers the Homebuyer Opportunity Limited Tax Exemption Program (HOLTE Program), authorized under ORS 307.651-307.687 and Portland City Code Chapter 3.102.
2. The HOLTE Program provides a 10-year property tax exemption on the residential portion of the structural improvements so long as the HOLTE Program requirements are met. During the exemption period, property owners remain responsible for the payment of taxes on the assessed value of the land.
3. ORS 307.674 outlines the application approval and denial procedures for the single-unit housing tax exemption. House Bill 4063, which went into effect June 6, 2024, amended ORS 307.674 to no longer require Council to pass an ordinance or resolution to approve applications.
4. The amendment proposed to Chapter 3.102 removes the requirement that Council approve HOLTE Program applications through a resolution and instead gives PHB direct authority to approve HOLTE Program applications in accordance with ORS 307.674.
5. The amendment also revises the Chapter 3.102 title to reflect current administration of the Code, which applies to the entire City and not just Homebuyer Opportunity Areas.

NOW, THEREFORE, the Council directs:

- A. Amend City Code Chapter 3.102 as shown in Exhibit A.

### Changes

[Ordinance 191871](#)

August 28, 2024

[View all changes](#)

Introduced by

[Mayor Ted Wheeler](#)

City department

[Housing Bureau](#)

### Contact

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Analyst II

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### Requested Agenda Type

Consent

### Date and Time Information

**Requested Council Date**

August 28, 2024

Changes City Code

Section 2. The Council declares an emergency exists in order for PHB to review and approve applications in a timely manner; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

## Exhibits and Attachments

 [Exhibit A](#) 127.56 KB

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council  
August 28, 2024

Auditor of the City of Portland  
Simone Rede

## Impact Statement

### Purpose of Proposed Legislation and Background Information

PHB administers the Homebuyer Opportunity Limited Tax Exemption (HOLTE) Program, authorized under ORS 307.651-687 and Portland City Code Chapter 3.102. The City first codified tax exemption programs in 1985. The HOLTE Program promotes first-time home ownership opportunities for low- and moderate-income qualified homebuyers at 100 percent area median family income (MFI or AMI) for a household of four by providing a property tax exemption on the assessed value of newly built homes for 10 years.

Currently, City Council must approve HOLTE applications through a resolution prepared by PHB, in accordance with the requirements of ORS 307.674. However, House Bill 4063, with an effective date of June 6, 2024, removed the requirement that Council approve applications through a resolution. This ordinance amends Chapter 3.102 to remove the requirement for Council to approve HOLTE applications through a resolution and instead gives PHB the direct authority to approve HOLTE applications in accordance with the amended ORS 307.674.

It should be noted that House Bill 4063 also amended ORS 307.681 to remove the requirement that Council approve tax exemption terminations through an ordinance or resolution. However, no code changes are needed since Section 3.102.080, Termination of the Exemption, refers directly to ORS 307.681.

Historically, the HOLTE Program only applied to specific Homebuyer Opportunity Areas, which is referenced in the Chapter 3.102 title. Since June 2014 the program has applied City-wide; however, when the Code was

amended to reflect that change, the title was not updated. Therefore, this ordinance amends the Chapter 3.102 title to remove the reference to "Homebuyer Opportunity Areas."

## Financial and Budgetary Impacts

There is no financial impact resulting from this ordinance.

## Community Impacts and Community Involvement

Giving PHB direct authority to approve HOLTE applications will result in a more efficient and streamlined process for an applicant to receive approval of their HOLTE application.

## 100% Renewable Goal

This change to the HOLTE Program does not impact the City's total renewable energy use.

## Budget Office Financial Impact Analysis

No financial impact as this ordinance updates City code in accordance with updates to the Oregon Revised Statutes.

## Document History

Item 745 Consent Agenda in [August 28, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/8/28) (<https://www.portland.gov/council/agenda/2024/8/28>)

City Council

Passed

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Mayor Ted Wheeler Yea