



CITY OF
PORTLAND, OREGON
PORTLAND HOUSING BUREAU

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Representative Phil Barnhart, Chair
Revenue Committee
900 Court Street NE, Hearing Room A
Salem, OR 97301

April 2, 2013

Dear Chair Barnhart, Vice-Chair Bailey, Vice-Chair Berger and Members of the Committee,

I ask for your support on HB 2349A and to help us continue to make homeownership attainable for Oregonians with lower incomes. HB 2349A extends the single-unit housing property tax exemption sunset date by 10 years to 2025. PHB's Homebuyer Opportunity Limited Tax Exemption (HOLTE) program uses this exemption to reduce first-time homebuyer costs for buyers who are otherwise priced out of the market.

Portland's HOLTE program makes homeownership more affordable by exempting property taxes on improvements for ten years. The benefits go directly to the homeowner. A family of four earning \$60,000 per year can afford to own a 3 bedroom home in Portland by allowing parents who work in sectors like retail or childcare to save an average of \$1,700 annually. At last count in 2013, 1,835 Portland homeowners were benefitting from HOLTE, providing essential stability for both families and low income communities.

When an exemption expires after ten years, the property is reassessed and begins to accrue full taxes in the next tax year. During TY 12-13, 137 new homes began benefitting from the exemption, while 365 homes were returned to local tax rolls, providing local jurisdictions with a net gain of \$326,437. The remaining foregone revenue is currently equally split three ways by the City of Portland, Multnomah County and all other taxing jurisdictions. The program was recently revisited by all participating jurisdictions during the 'Big Look' process where participants unanimously declared their support for HOLTE and its ability to create stability for families and neighborhoods.

The dream of homeownership for middle and low income families has become increasingly difficult. The HOLTE program is a particularly effective tool in addressing this trend, both benefiting families and the wider community. For these reasons, I ask that you vote to extend the statutory authority of this program for 10 years, to January 1, 2025, and support HB 2349A.

Respectfully,


Traci Manning
Director, Portland Housing Bureau

