



CITY OF

PORTLAND, OREGON

Ted Wheeler, Mayor
Carmen Rubio, Commissioner
Dan Ryan, Commissioner
Rene Gonzalez, Commissioner
Mingus Mapps, Commissioner

June 2, 2023

Joint Committee on Tax Expenditures
900 Court Street NE
Salem, OR 97301

Co-Chairs Nathanson and Meek, Co-Vice Chairs Boquist, Reschke and Walters, and Members of the Committee.

The City of Portland strongly supports the sunset extension for the single-unit housing tax exemption (ORS 307.651) in HB 2080.

The Homebuyer Opportunity Limited Tax Exemption (HOLTE) is a local-option property tax exemption program authorized in ORS 307.651. In Portland, the HOLTE program allows the City to forgo property tax revenues to incentivize non-profit and private developers to build new affordable homeownership opportunities. Encouraging homeownership development is a fundamental part of the City's housing strategy during a well-documented housing crisis. Homeownership is the primary way most Americans build wealth and is a key tool on the continuum toward addressing housing stability, economic mobility, and historical inequities.

The HOLTE program supports the City of Portland's mission to diminish the homeownership gap. The program also layers with other tools such as our local System Development Charge Exemption Program, encouraging developers to build less expensive homes. Portland recently made changes to the HOLTE program to ensure the program is available to non-profit housing providers who predominately serve BIPOC and immigrant communities at lower incomes. These partners rely on HOLTE to help meet their clients home buying needs.

As Portland and other cities develop and implement their Housing Production Strategies in the coming years, as required under HB 2003, local tools like HOLTE will be an important option for meeting the full spectrum of our local housing needs. Particularly for moderate income families.

Currently, the single unit housing exemption sunsets January 1, 2025. The City has administered the HOLTE program under the single unit housing exemption since the 1970s with continued extension of the program by the state. For the City of Portland to continue to utilize this critical affordable homeownership tool, the single unit housing tax exemption must be extended.

The City of Portland respectfully urges your support of HB 2080.

Sincerely,



Molly C. Rogers
Interim Director
Portland Housing Bureau