



## Legislation Details (With Text)

|                       |                                                                                                                                                                                                                                                                                |                      |   |                      |                                                |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---|----------------------|------------------------------------------------|
| <b>File #:</b>        | 18-271                                                                                                                                                                                                                                                                         | <b>Version:</b>      | 1 | <b>Name:</b>         | Construction Excise Tax for Affordable Housing |
| <b>Type:</b>          | Policy                                                                                                                                                                                                                                                                         | <b>Status:</b>       |   | <b>Status:</b>       | Agenda Ready                                   |
| <b>File created:</b>  | 5/30/2018                                                                                                                                                                                                                                                                      | <b>In control:</b>   |   | <b>In control:</b>   | City Commission                                |
| <b>On agenda:</b>     | 6/6/2018                                                                                                                                                                                                                                                                       | <b>Final action:</b> |   | <b>Final action:</b> |                                                |
| <b>Title:</b>         | Construction Excise Tax for Affordable Housing                                                                                                                                                                                                                                 |                      |   |                      |                                                |
| <b>Sponsors:</b>      | Laura Terway                                                                                                                                                                                                                                                                   |                      |   |                      |                                                |
| <b>Indexes:</b>       |                                                                                                                                                                                                                                                                                |                      |   |                      |                                                |
| <b>Code sections:</b> |                                                                                                                                                                                                                                                                                |                      |   |                      |                                                |
| <b>Attachments:</b>   | 1. Staff Report, 2. Senate Bill 1533, 3. Frequently Asked Questions, 4. Oregon Housing Alliance CET Tracker, 5. City of Milwaukie, 6. City of Corvallis, 7. City of Newport, 8. City of Bend, 9. City of Eugene, 10. City of Astoria, 11. City of Grants Pass, 12. Lane County |                      |   |                      |                                                |

| Date | Ver. | Action By | Action | Result |
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### Construction Excise Tax for Affordable Housing

#### **RECOMMENDED ACTION (Motion):**

Provide direction if staff should continue to investigate a construction excise tax for affordable housing.

#### **BACKGROUND:**

Senate Bill 1533 enabled jurisdictions to implement a construction excise tax (CET) for affordable housing.

#### Residential Construction:

Local jurisdictions may levy a tax of up to 1% of the permit value on residential construction. The revenue is required to be allocated toward:

- 50% Incentives for developers to create affordable housing
- 35% Affordable housing programs
- 15% Oregon Housing and Community Services to be used for programs providing down payment assistance

#### Commercial and Industrial:

Local jurisdictions may levy a limitless tax on the permit value of commercial and industrial development. At least half of revenues must go toward the jurisdiction's housing-related programs.