

**ORDINANCE No. 187855 As Amended**

Establish a Construction Excise Tax to fund affordable housing initiatives from an Inclusionary Housing Fund (Ordinance; add Code Chapter 6.08 and Section 5.04.530)

The City of Portland ordains:

Section 1. The Council finds:

1. The City of Portland has a critical need for housing affordable to households earning at or below 80% of the median household income, and there are insufficient resources to address this need.
2. In the 2016 Legislative Session, the Oregon Legislature passed Senate Bill 1533 authorizing, among other things, the Oregon cities or counties to impose construction excise taxes to fund affordable housing initiatives and other specified uses, including remitting a required portion of revenue to the Oregon Department of Housing and Community Services (OHCS).

NOW, THEREFORE, the Council directs:

- a. City Code Title 6 is amended by adding a new Chapter 6.08 Construction Excise Tax, as set forth in the attached Exhibit A.
- b. City Code Chapter 5.04 is amended by adding a new section as follows:

**5.04.530 Inclusionary Housing Fund.**

The Inclusionary Housing Fund is hereby created to receive net revenues from the Construction Excise Tax. Disbursements from the fund shall be for the purposes identified in Section 6.08.130 of this Code. Except for those established purposes, in no case shall any funds be transferred from the Inclusionary Housing Fund to the City's General Fund, or any other fund, for any other purpose.

- c. Once a year during the annual City budget process through the State of Housing in Portland annual report, the Portland Housing Bureau shall report to City Council on the revenue collected by the City under this Ordinance and the use of that revenue.
- d. The Bureau of Planning and Sustainability, working with the Bureau of Development Services, shall actively monitor how the City's Construction Excise Tax imposed under Chapter 6.08 impacts the redevelopment of brownfields, and shall report back to council no later than August 1, 2017. Depending on the extent of any negative impacts, the Bureau shall present Council with options to mitigate those impacts on brownfield redevelopment.

187855

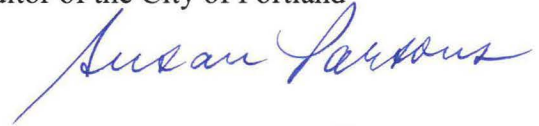
Section 2. The amendments to Chapter 6.08 and Chapter 5.04 shall be effective on and after August 1, 2016. The tax imposed under Chapter 6.08 shall apply to building permit applications submitted to the Bureau of Development Services on and after August 1, 2016.

Passed by the Council, JUN 29 2016

**MARY HULL CABALLERO**  
Auditor of the City of Portland

Commissioner Dan Saltzman  
Prepared by: Matthew Tschabold  
Date Prepared: May 27, 2016

By



Deputy

~~698~~ 728771 ✓/40

Agenda No. **187855** As Amended  
**ORDINANCE NO.**  
Title

Establish a Construction Excise Tax to fund affordable housing initiatives from an Inclusionary Housing Fund (Ordinance; add Code Chapter 6.08 and Section 5.04.530)

<b>INTRODUCED BY</b> Commissioner/Auditor: <b>Saltzman</b>	CLERK USE: DATE FILED <u>JUN 07 2016</u>
<b>COMMISSIONER APPROVAL</b> Mayor—Finance and Administration - Hales Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman <i>Don Saltzman</i> Position 4/Safety - Novick	Mary Hull Caballero Auditor of the City of Portland  By: <u><i>[Signature]</i></u> Deputy  <b>ACTION TAKEN:</b> JUN 16 2016 PASSED TO SECOND READING JUN 22 2016 9:30 A.M. JUN 22 2016 PASSED TO SECOND READING As Amended JUN 29 2016 9:30 A.M.
<b>BUREAU APPROVAL</b> Bureau: Housing Bureau Head: Kurt Creager <i>[Signature] 6/3/16</i>	
Prepared by: Matthew Tschabold Date Prepared: 5/25/2016	
<b>Impact Statement</b> Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
<b>Portland Policy Document</b> If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/> <b>City Auditor Office Approval:</b> required for Code Ordinances <i>Toni</i>	
<input checked="" type="checkbox"/> <b>City Attorney Approval:</b> required for contract, code, easement, franchise, comp plan, charter <i>bf</i>	
Council Meeting Date <b>6/16/2016</b>	

<b>AGENDA</b>
<b>TIME CERTAIN</b> <input checked="" type="checkbox"/> <b>Start time: 3:00</b>  <b>Total amount of time needed: 2 Hours</b> (for presentation, testimony and discussion)
<b>CONSENT</b> <input type="checkbox"/>
<b>REGULAR</b> <input type="checkbox"/>  <b>Total amount of time needed: _____</b> (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	✓	
2. Fish	✓	
3. Saltzman	✓	
4. Novick	✓	
Hales	✓	