

CITY OF NEWPORT

RESOLUTION NO. 4011

**A RESOLUTION ADJUSTING HOW THE CITY OF NEWPORT
ALLOCATES COMMERCIAL AND INDUSTRIAL AFFORDABLE
HOUSING CONSTRUCTION EXCISE TAX REVENUE**

WHEREAS, on August 7, 2017, the Newport City Council adopted Ordinance No. 2114, an ordinance that enacted Chapter 3.20 of Title III of the Newport Municipal Code (NMC), establishing an affordable housing excise tax on new construction; and

WHEREAS, on the same day the Newport City Council adopted Resolution No. 3787, a resolution that set the affordable housing excise tax rate for residential, commercial and industrial construction at one percent of construction value, as authorized by Ordinance No. 2114; and

WHEREAS, the resolution further established that net construction excise tax revenues were to be accounted for in accordance with limitations that state law imposes on residential collections, with 50 percent targeted to development incentives for affordable housing, 35 percent being directed to a flexible fund for other affordable housing programs, and 15 percent going to Oregon Housing and Community Services to fund homebuyer down payment assistance programs; and

WHEREAS, the City Council directed that a work group be formed to determine how to distribute the collected funds, with such work group being the Project Advisory Committee that the Council appointed to assist with preparation of the Newport Housing Production Strategy (HPS), adopted May 15, 2023 (Resolution No. 3978); and

WHEREAS, Action Item #D in the HPS, supported by the Project Advisory Committee, calls for the City to place all of its commercial and industrial construction excise tax collections into the same fund that 35 percent of the residential collections must be directed, in order to give policy-makers the maximum amount of flexibility to fund a broad range of housing initiatives; and

WHEREAS, it is possible for the City to take such action because state law is more permissive with respect to the use of commercial and industrial construction excise tax revenues, with 50% having to be used for housing-related programs and the other 50% being unrestricted; and

WHEREAS, the City Council accepts the recommendation of the Project Advisory Committee, as outlined above and framed in Action Item #D of the HPS. Such a reallocation of affordable housing excise tax revenues will maximize available resources to address a range of housing needs within the community.

THE CITY OF NEWPORT RESOLVES AS FOLLOWS:

Commercial and industrial affordable excise tax revenue, payable pursuant to Resolution No. 3787, including revenue collected to date, shall be deposited in the same account, and may be used for the same purposes, as the 35 percent of residential excise tax collections that are directed to the City of Newport's flexible fund for affordable housing programs (Housing Fund, Revenue Account 212-4710-46428).

Adopted by the City Council of the City of Newport this 4th day of March, 2024.



Jan Kaplan, Mayor

ATTEST:


Erik Glover, City Recorder