

**CITY OF NEWPORT
RESOLUTION 3787**

**A RESOLUTION ESTABLISHING THE TAX RATES
FOR AN AFFORDABLE HOUSING CONSTRUCTION EXCISE TAX**

WHEREAS, Ordinance No. 2114 enacted Chapter 3.15 of the Newport Municipal Code; and

WHEREAS, Section 3.15.020 requires that the City Council establish by resolution the percentage rate of the excise tax to be levied on the value of commercial, industrial, and residential improvements to fund affordable housing; and

WHEREAS, Section 3.15.055(A) stipulates that the percentage of gross revenues from the construction excise tax reserved for program administration shall be established by resolution and that such amount is not to exceed four percent; and

WHEREAS, Oregon law provides that after deduction of the administrative fees, the net construction excise tax revenues are to be distributed as follows:

- 50 percent to development incentives for affordable housing, which must include (a) whole or partial fee waivers or reductions, (b) whole or partial waivers of system development charges or impact fees; (c) finance-based incentives, or (d) full or partial exemptions from property taxes.
- 35 percent for other affordable housing programs that may include, but are not limited to (a) affordable housing rehabilitation grants, (b) home buyer down payment assistance and buyer education programs, (c) acquisition of land for affordable housing development; or (d) grants to developers for affordable housing.
- 15 percent to Oregon Housing and Community Services to fund the Department's down payment assistance program.

WHEREAS, Oregon law provides that the rate of the construction excise tax on residential construction may not exceed one percent of the permit value of construction, but imposes no limit on the rate of the construction excise tax on commercial and industrial properties.

Based on these findings,

THE CITY OF NEWPORT RESOLVES AS FOLLOWS:

Section 1. The rate of taxation under Newport Municipal Code Chapter 3.15.020 shall be one percent for residential construction and one percent for commercial and industrial construction.

Section 2. The fee for administration of the construction excise tax pursuant to Newport Municipal Code Chapter 3.15.055(A) shall be four percent of gross revenues.

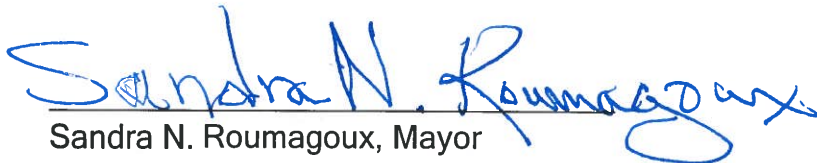
Section 3. An ad hoc work group shall be formed, and approved by the City Council, to determine how to distribute funds collected pursuant to this resolution

Section 4. Construction excise tax funds are to be distributed in accordance with the recommendations of the ad hoc work group as adopted by the City Council.

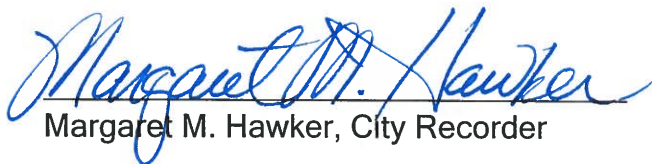
Section 5. The effective date of this resolution is September 6, 2017.

Adopted by a 4-2 vote of the Newport City Council on August 7, 2017.

Signed on August 8, 2017.


Sandra N. Roumagoux, Mayor

ATTEST:


Margaret M. Hawker, City Recorder

APPROVED AS TO FORM:


Steven E. Rich, City Attorney