



**HOMELESS FUNDING WORK SESSION**  
**NOVEMBER 4, 2020**

## AFFORDABLE HOUSING FEE



- Adopted by Council in 2006
- Collected on all Building Permits
- Assessed at 0.33%
- 2019-2021 Budget Annual Projections:
  - \$391,000,000 Total Building Valuation
  - \$1,290,300 Affordable Housing Fee funding annually

# 2016 STATE RULES FOR CONSTRUCTION EXCISE TAXES



- *City of Bend Affordable Housing Fee exempted from 2016 rules*
- Any new residential Construction Excise Tax (CET) must:
  - Assessment rate may NOT exceed 1 percent
  - May NOT be charged on affordable housing buildings
  - **50% allocated for Developer Incentives**
  - **15% returned to the State for down payment assistance**
  - **35% may be allocated for housing programs**
  - Be adopted by ordinance or resolution by the local jurisdiction
- Any new commercial/industrial CET must:
  - Be adopted by ordinance or resolution by the local jurisdiction
  - **50% to housing programs, 50% unrestricted**



## 0.5% Option

### New Residential CET

0.17% (\$366K Total)

- \$55K to OHCS
- \$183K for Affordable Housing Developer Incentives
- \$128K for Affordable Housing Programs

### New Comm./Ind. CET

0.17%

- \$299K Total

**Total New Revenue: \$665K**

## 0.66% Option

### New Residential CET

0.33% (\$709K Total)

- \$106K to OHCS
- \$355K for Affordable Housing Developer Incentives
- \$248K for Affordable Housing Programs

### New Comm./Ind. CET

0.33%

- \$581K Total

**Total New Revenue: \$1.29M**

## Comm./Ind. Option

### New Comm./Ind. CET 0.17%

- \$299K Total

### New Comm./Ind. CET 0.33%

- \$581K Total

### New Comm./Ind. CET 0.67%

- \$1.2M Total

**Total New Revenue: \$299K - \$1.2M**

# EXAMPLES OF IMPACT OF COMM./IND. CET



Location	Valuation	0.33% Permit	0.5% Permit	0.66% Permit	1% Permit
NE	\$633,000	\$2,089	\$3,165	\$4,178	\$6,330
SE 1	\$2.5M	\$8,250	\$12,500	\$16,500	\$25,000
SE 2	\$750,000	\$2,475	\$3,750	\$4,950	\$7,500

## PROPOSED PROGRAM ELEMENTS



- Support the operations of shelter sites
- Support the creation and operations of housing units for those earning 30% AMI or less
- Support the development of new childcare slots



**QUESTIONS?**