

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO)
CODE CHAPTER 7.04 TO ALLOW)
ALLOCATION OF CET FUNDS TO)
TECHNICAL ASSISTANCE AND TO UPDATE)
THE CET EXEMPTION FOR AFFORDABLE)
HOUSING, AND DECLARING AN)
EMERGENCY)

ORDINANCE NO. 26-1544

Introduced by Chief Operating Officer
Marissa Madrigal in concurrence with Acting
Council President Duncan Hwang

WHEREAS, in 2006, Metro adopted Ordinance No. 06-1115, establishing a construction excise tax (CET) to generate revenue for providing grants to local governments for regional and local planning; and

WHEREAS, in 2017, the Metro Council adopted Resolution No. 17-4782, which approved revisions to the administrative rules governing the CET grant program, changed the name of the program to 2040 Planning and Development Grant Program, and changed the program to annual grant cycles; and

WHEREAS, following two extensions of the CET in 2009 and 2014, and recognizing the ongoing need for funding regional and local planning, in 2018 the Metro Council adopted Ordinance No. 18-1425, making the CET a permanent source of revenue; and

WHEREAS, in 2020, the Metro Council adopted Ordinance No. 20-1447 to expand the purpose of the 2040 Planning and Development Grant Program to facilitate economic development and community stabilization as well as continuing to fund planning and development activities; and

WHEREAS, in 2024, the Metro Council adopted Ordinance No. 24-1509 to expand eligibility parameters for 2040 Planning and Development Grants and allow allocation of CET funds to the Community Placemaking Program; and

WHEREAS, the Portland metropolitan area and the State of Oregon are in a housing crisis with insufficient current housing stock and an inadequate rate of production of new housing units to meet demand; and

WHEREAS, the Governor of the State of Oregon has declared a housing and homelessness crisis and set a goal of producing 36,000 new homes statewide per year through 2033; and

WHEREAS, in December 2025, the Metro Council approved Resolution No. 25-5535 to adopt the Regional Housing Coordination Strategy, which identified housing production action items that may be eligible for CET funds; and

WHEREAS, in January 2026, the Metro Council approved Resolution No. 25-5540 to establish the Housing Production Accelerator to provide support for housing production activities through grants and technical assistance funded with CET dollars; now therefore

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. Metro Code Chapter 7.04 (Construction Excise Tax) is amended as shown on Exhibit A, with inserted text underlined and deleted text in strikethrough, to allow allocation of CET funds to technical assistance, which will facilitate implementation of the Housing Production Accelerator.
2. Metro Code Chapter 7.04 (Construction Excise Tax) is amended as shown on Exhibit A, with inserted text underlined and deleted text in strikethrough, to change the CET exemption for affordable housing to 80 percent of the area median income.
3. This ordinance being necessary for the health, safety and welfare of the region to help address the regional housing crisis, an emergency is declared to exist, and this ordinance takes effect immediately upon adoption pursuant to Metro Charter Section 38(1).

ADOPTED by the Metro Council this ____ day of June 2026.

Duncan Hwang, Acting Council President

Attest:

Approved as to Form:

Georgia Langer, Recording Secretary

Carrie MacLaren, Metro Attorney