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CITY OF  
**PORTLAND, OREGON**

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PORTLAND HOUSING BUREAU

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**Mayor Ted Wheeler**  
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April 3, 2017

Representative Barnhart, Chair  
House Committee on Revenue  
900 Court Street, NE, Hearing Room A, Salem, OR 97301

RE: HB 2939

Dear Chair Barnhart and Members of the Committee:

Thank you for the opportunity to comment on HB 2939, which would limit the rate of tax that city or county may impose on commercial construction. The Portland Housing Bureau opposes the bill and the impact on the funding for current and future local affordable housing programs.

Oregon—and Portland—continues to experience a housing crisis. Portland uses 100% of the current construction excise tax on commercial development to fund affordable housing production and preservation at and below 60% of the area median income, or a 2-person minimum wage earning household. The City needs the ability to calibrate the construction excise tax locally, based on local economic conditions, including the ability to set different rates for different types of commercial development, based on economic calibration and the nexus to increased demand for affordable housing.

We urge you not to move HB 2939 forward. Thank you for consideration of these comments.

Sincerely,

Kurt Creager,  
*Director, Portland Housing Bureau*