



East Portland Action Plan

February 12, 2018

Re: Support for HJR 201 (Bonds for Affordable Housing)

Dear Senators and Representatives of Oregon's 79th Legislative Assembly:

We urge your support for HJR 201, which would allow the voters the opportunity to amend Oregon's Constitution to allow more flexibility in creating new affordable housing.

We all know that Oregon has been falling behind in meeting its housing needs. In their efforts to house more low-income Oregonians for less, local governments and nonprofit housing providers have had to get creative to stretch limited dollars further.

Unfortunately Article XI, Section 9 of the Oregon Constitution puts a needless obstacle in their path. This section, adopted in 1917, prohibits funds from municipal bonds from being combined with funds from other sources, including those of local housing nonprofits. It requires that bond funds may only be used when the local government owns and operates the housing, even when a nongovernmental entity can deliver the housing faster, cheaper and more effectively.

Put simply, Article XI, Section 9 forbids local jurisdictions from leveraging public dollars to do the most good.

Not-for-profit housing developers have a long, proven record of delivering quality low-income housing for a low cost. Unlocking the ability to invest municipal bond proceeds into projects brought forward by mission-based community partners with a history and track record of developing affordable housing allows public and private housing teams to collaborate, with each bringing the skills to the table that they do best.

With the amendment, jurisdictions that pass bond measures to address the housing crisis could retain their current role as a financing and oversight agency, without having to create and staff new public agencies simply to meet the constraints of the current, outdated bond requirements.

In addition, amending the current rule would allow local governments to leverage key resources, like 4% tax credits, that cannot otherwise be combined with bond funds to develop affordable housing. Amending this section would permit the public's tax dollars to go further, creating more housing for less.

The East Portland Action Plan (EPAP) was convened in 2009 by the City of Portland, Multnomah County and U.S. Senator Jeff Merkley to provide leadership and guidance

to public agencies and other entities on how to strategically address community-identified issues and allocate resources to improve livability and prevent displacement in East Portland.

EPAP's community-generated plan, which was approved by the Portland City Council, include mandates to work to "assist in stabilizing low income residents/families" (EPAP Goal SN.1), "encourage housing that is attractive to households with a range of incomes" (EPAP Goal HD.5.6), and to "foster an equitable distribution of public resources for East Portland." (EPAP Goal EQ.1)

Preventing housing displacement, stabilizing low-income families, and ensuring adequate and equitable public funding to correct historic disinvestment here are core values of the East Portland Action Plan.

In furtherance of these goals, we hope that you will join us in supporting HJR 201.

Best Wishes,



Nick Sauvie
Co-Chair, Housing Subcommittee
East Portland Action Plan



John Mulvey
Co-Chair, Housing Subcommittee
East Portland Action Plan