

# MPAC Worksheet

**Agenda Item Title** Constitutional Amendment: Housing

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## **Purpose/Objective**

To review and discuss policy considerations of a potential Oregon constitutional amendment to increase flexibility of general obligation bonds for affordable housing.

## **Action Requested/Outcome**

Endorse legislation in the Oregon Legislature's 2018 session that would refer the constitutional amendment to voters.

## **What has changed since MPAC last considered this issue/item?**

Affordable housing developers often create private holding companies to take advantage of low-income housing credits that make many affordable housing developments viable. However the Oregon Constitution contains a provision effectively prohibiting a local government from using general obligation bond funds in partnership with any private entities. This has made these bonds less efficient in supporting the construction of affordable homes. Portland voters approved such a bond for affordable housing in November 2016.

Legislation is being developed in a bipartisan process that would refer a constitutional amendment to Oregon voters to address this issue and help general obligation bonds deliver affordable housing more quickly. The amendment would create an exemption to the constitutional prohibition for voter-approved affordable housing general obligation bonds, so local governments can leverage those bond proceeds with existing funding and partnerships.

This proposed constitutional amendment will allow jurisdictions who have already passed, or may potentially use voter approved GO bonds to fund affordable housing, to leverage private partnerships and equity, thereby increasing the impact of the public investment.

## **What packet material do you plan to include?**

N/A