

# CITY OF PORTLAND

## Measure 26-179

Referred to the People by the City Council.

### BALLOT TITLE

#### **Bonds to fund affordable housing.**

**Question:** Shall Portland issue bonds, fund affordable housing for low income families, seniors, veterans, people with disabilities; require public oversight?

If the bonds are approved, they will be payable from taxes on property or property ownership that are not subject to the limits of sections 11 and 11b, Article XI of the Oregon Constitution.

**Summary:** Measure would authorize \$258,400,000 in general obligation bonds for affordable housing for low income households.

Bonds will be used to build new housing, purchase, rehabilitate existing housing to maintain affordability, prevent displacement, allow residents to remain in their homes.

Housing will contain a mix of unit sizes. Some units will be accessible for low-income people with disabilities, seniors. Housing may include space to provide products and services for residents.

Affordable means rents restricted by designated household size and income level for the dwelling. Low income means a household making 60% or less of median family income; lower income thresholds for some units; flexibility for existing residents and hardship. In 2016, 60% of median family income for a family of four is \$43,980 per year.

A five-member independent oversight committee will review bond expenditures; provide annual reports.

Tax rate for this measure is estimated to be \$0.4208 per \$1,000 of assessed value. Bonds may be issued in multiple series. Annual audits required. Administrative costs cannot exceed seven percent.

Affordable housing units that are built or purchased will provide housing for low-income Portland families, seniors, veterans, and people with disabilities. Affordable housing built or purchased will contain a mix of unit sizes, including family-sized units with two or more bedrooms to house low-income families with children. Affordable housing will be built or rehabilitated to include units that are accessible to low-income people with disabilities and low-income seniors with limited mobility.

The housing will be affordable to low-income families who make 60% or less of the median family income, and will provide dedicated affordable housing for households with income below 30% of median family income. In 2016, a family of four making 60% of the median family income would make \$43,980 per year, and a family of four making 30% of the median family income would make \$22,000 per year.

A Bond Oversight Committee will be appointed to review bond expenditures and to report annually to the Council and the public. The Measure restricts the costs associated with administering the bond to seven percent or less of the total bond funds. The Measure also requires audits regarding the use of the bond funds to ensure the use of the funds is consistent with the intent of the voters.

The City estimates that the tax rate for the bonds authorized by this Measure will not exceed \$0.4208 per \$1000 of assessed value, or approximately \$75 per year on a home with the median assessed value for a home in Portland, which is \$178,320.

Submitted by:  
Commissioner Dan  
Saltzman  
Portland City Council

### EXPLANATORY STATEMENT

Portlanders are currently experiencing increases in rent while renter household incomes continue to fall. In the last 15 years median housing costs for Portland renters have increased by 30% while median income for renters has fallen by 7%. In 2015, the average monthly rent for new rental housing was \$1,954.

This Measure would allow the City of Portland to issue up to \$258,400,000 in general obligation bonds. The money from the bonds would be used to build new affordable rental housing and to purchase existing market-rate buildings which would be converted to affordable housing for low-income households and to prevent displacement of people residing in the units. In addition, money from the bonds will be used to provide funds for capital improvements, rehabilitation and renovation of housing purchased.

**NO ARGUMENTS IN OPPOSITION TO THIS MEASURE WERE FILED.**