

Property Management

Program Description & Goals

PHB currently owns 13 parcels of real property. Properties fall into four categories: land leases for affordable housing development, housing owned by the bureau, properties under development, and properties planned for future development.

- Land Leases: Three properties are land under long-term (up to 99 years) ground leases for affordable housing development. Lessees are responsible for operations and maintenance of the land.

- Housing Bureau Owned Properties: The Housing Bureau owns four rental properties – the Fairfield, the Ellington, East Burnside, and the Headwaters. Home Forward asset manages these buildings on PHB’s behalf.

- Properties under active development: Two properties, owned by PHB, are under active development, including: The Fairfield being developed by Home Forward; and the Joyce Hotel renovation and rehabilitation developed by Community Partners for Affordable Housing. The Joyce is being developed as part of Portland’s Housing Bond and the 2019 Bond Opportunity Solicitation. In addition, a recently awarded property, the 5020 N. Interstate Ave. site, will be developed by Community Development Partners and Self-Enhancement, Inc. as part of Portland’s allocation of Metro Affordable Housing Bonds and the 2021 Metro Bond Opportunity Solicitation. PHB will transfer ownership of these properties at the financial close of the project developments.

- Properties for future development: The bureau owns four properties which will be available for future affordable housing development on varying timelines - 60th and SE Stark, 102nd and E Burnside, N. Williams and Alberta, and Carey Boulevard. In addition, PHB is planning to address rehabilitation and repair needs at the Headwaters apartments and on-going capital and maintenance repairs at the Ellington.

Explanation of Services

PHB has a number of responsibilities and requirements as a result of owning property which fit into two broad categories: day-to-day property management and longer-term asset management. Property Management includes such activities as tenant services, leasing, maintenance, security, and vendor contracting. PHB has leveraged the capacity and expertise of Home Forward to asset manage its occupied rental properties and to property manage all, where possible, sites for future development.

Equity Impacts

The Property Management program seeks to advance racial equity by increasing the number of housing options available to low -income renters across the city by directing bureau funding and policies that support housing access for the most vulnerable resident communities. Success in this program results in an increase in the number of affordable homes available to low-income households and an increase in the number of households from communities of color and other vulnerable populations, such as households living with disabilities and households experiencing homelessness, accessing affordable housing opportunities through PHB-owned developments or developments on land leased from PHB.

Portland Housing Bureau

The property and asset management of City-owned real estate supports PHB policies that promote housing access for vulnerable populations through the implementation of project screening criteria, marketing and lease-up plans, and ongoing programming. PHB's selection criteria includes an emphasis on culturally specific services and outreach during lease-up, including advance notification of housing vacancies to culturally specific agencies, homeless service providers, and neighborhood-based organizations.

Development partners and service providers must also demonstrate effectiveness in creating and fostering culturally specific partnerships that help vulnerable communities.

Changes to Program

In 2019, PHB included three owned properties in the Bond Opportunity Solicitation and in 2021, PHB included one owned property in the Metro Bond Opportunity Solicitation to be developed by mission-based partners for Portland's and Metro's Housing Bond programs. Additionally, in 2021, PHB executed a Reservation of Funds with Home Forward to redevelop, Fairfield, an owned property which was successful in obtaining 9% tax credits. PHB will transfer ownership of the land through a disposition agreement with the owner/sponsor of the housing development. In FY 2022-23, PHB will be addressing on-going capital and maintenance needs at the Ellington and Headwaters Apartments, as well as preparing some vacant parcels for future development through a PHB funding solicitation.

Program Budget

	Actuals FY 2019-20	Actuals FY 2020-21	Revised FY 2021-22	Requested Base FY 2022-23	Requested with DP FY 2022-23
Bureau Expenditures					
Personnel Services	54,587	87,234	101,219	136,838	136,838
External Materials and Services	5,230,431	7,591,474	5,450,322	5,535,491	5,535,491
Internal Materials and Services	136,779	185,920	160,945	0	0
Capital Outlay	5,554	0	0	0	0
Bureau Expenditures Total	5,427,351	7,864,629	5,712,486	5,672,329	5,672,329
Fund Expenditures					
Debt Service	0	484,215	549,999	549,999	549,999
Contingency	0	0	342,581	342,581	342,581
Fund Transfers - Expense	0	128,526	110,056	139,231	139,231
Fund Expenditures Total	0	612,741	1,002,636	1,031,811	1,031,811
Requirements Total	5,427,351	8,477,370	6,715,122	6,704,140	6,704,140
FTE	0.28	0.78	0.81	0.81	0.81

Budget Narrative

Resources	Acquisition of these properties utilized many funding sources: TIF, HIF, various bond proceeds, and interim financing. Operations and maintenance of the properties are covered primarily by property income (rents), although holding costs for a couple are covered by TIF, and the bureau is subsidizing two others from HIF sources. In FY 2019-20, one-time and ongoing funds were added to support drug and alcohol treatment services as part of permanent supportive housing services.
Expenses	Current expenses are the operations and maintenance of the properties. These expenses can include major maintenance items that are not capitalized.
Staffing	PHB has spread staffing responsibility for this program among the Affordable Rental Housing, Bond, and Business Operations teams. This is dispersed over a number of individual staff positions.
Assets and Liabilities	PHB property assets have a value of approximately \$90 million. These properties vary in need from major rehabilitation to major maintenance to construction. Newer properties like the East Burnside and Headwaters apartments have time to build maintenance reserves, while older properties like the Ellington may need additional financing to address major maintenance issues. For PHB-owned buildings, property management contractors are required to provide multi-year capital needs assessments for review by bureau staff, and Home Forward advises on proper replacement and capital reserve amounts.

Program Information

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