

ANNUAL REPORT 2021

Kenton Commons
Phase 2

N/NE Neighborhood Housing Strategy Oversight Committee

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INTRODUCTION: CHARGE, CHARTER AND COMMITTEE MEMBERSHIP

History

Less than two decades ago, the neighborhoods that comprise inner North and Northeast Portland were home to the highest concentration of African American residents anywhere in the city— or in the state. Although decades of segregation had confined them there, the community gave rise to a vibrant cultural center, replete with African American businesses, churches, and other cultural institutions. City efforts during the 1990s to address the crime and blight that had begun to consume the area brought about profound neighborhood transformations but left many long-time residents with fewer and fewer housing options. Within a decade, the percentage of African Americans in the total population of the area had fallen by more than half.

In March 2014, Mayor Charlie Hales, with the support of Housing Commissioner Dan Saltzman, dedicated an additional \$20 million in Tax Increment Financing (TIF) dollars from the Interstate Corridor Urban Renewal Area (ICURA) to affordable housing to begin to address the ongoing threat of displacement and gentrification.

Recognizing the difficult history that had led the city to this point, the Portland Housing Bureau (PHB) determined that any plan for how to invest these funds would need to be guided by the community itself. Through a series of public forums and other outreach efforts, more than 450 community members, 15 area faith leaders, and numerous community leaders generously shared their personal stories and those of their friends, family, and neighbors. They sent written notes and emails about their lived experiences and their thoughts about what kinds of housing assistance would have the greatest impact.

The result of that seven-month community engagement process was the “North/Northeast Neighborhood Housing Strategy” (the Strategy— a five-year plan for how to invest the \$20 million according to the stated priorities of the community), presented to Portland City Council on January 28, 2015.

Beyond dollars and cents, what emerged from the community process was a resounding question that the Strategy would also have to address: “how will this plan be any different than all those that came before it?” The answer was a mechanism for greater transparency and accountability to the community itself. An Oversight Committee (the Committee) made up of community members was formed in May 2015 and charged by Portland City Council with the responsibility of overseeing the implementation of the Strategy, including the investment of the \$20 million as well as the development of the associated programming and policies, and report to City Council annually on the success of PHB and its contractors in accomplishing the goals outlined in the Strategy.

Committee Charter

The North and Northeast Portland Neighborhood Housing Strategy Community Oversight Committee is hereby created and tasked with the responsibility of reviewing and monitoring the development and implementation of policies and programming associated with the North/Northeast Neighborhood Housing Strategy and the accompanying \$20 million on progress.

Scope of the Committee

This committee, working with the Portland Housing Bureau as well as its contractors, shall:

- ▯ Advise on, and review, program proposals and plan development.
- ▯ PHB will inform the oversight committee of decisions, plans, proposals prior to implementation
- ▯ Monitor the implementation of policy and programming, and associated outcomes.
- ▯ And advise the housing director and housing commissioner on progress, issues, and concerns associated with the North/Northeast Neighborhood Housing Strategy and Interstate Urban Renewal “TIF Lift” funds

Stemming from the development and implementation of the policies and programming associated with the North/Northeast Neighborhood Housing Strategy Interstate Urban Renewal Funds. This scope applies to PHB and any contractors receiving funding from this initiative.

Membership of the Committee

Dr. Steven Holt, Committee Chair, Sr. Pastor Kingdom Nation Church

Gabrielle Mercedes Bolivar, Executive Director Mainspring

Triston Dallas, Attorney, Landerholm Family Law

Dr. Karin Edwards EdD, President, Clark College

Jilian Saurage Felton, Director Housing Development, Community Partners for Affordable Housing

Felicia Tripp Folsom, Executive Director, Empowering Leaders The Contingent

Sheila Holden, Retired, Regional Community Manager Pacific Power

Virgie Ruiz-Houston, Retired Self Enhancement Inc

Aquiles Montas, Case Manager, Bienestar, Multnomah County

John Washington, Owner/Editor Flossin Media and Executive Director SDBA

MESSAGE FROM THE COMMITTEE CHAIR

Seven years has rapidly passed since the inception of this Committee. It is hard to believe. We began with a hope to do something generationally impacting that would offer real opportunities to people and families that have been historically harmed, overlooked, left out and just about forgotten. It was significant for us to ensure that the promises being made by the city, to address the affordable housing crisis, became the promises that were kept. We recognized our role as representatives of those who had not previously been engaged in the process and as a catalyst for changing how the city does business in this space.

I can honestly say that things have changed. The seven years have not been in vain. The deep commitment of this committee, and the willingness to invest time, talent and energy is paying off. As you will see in this report, the results speak for themselves. Families and individuals, who would have been left out of the process, are benefitting from these efforts.

The initial goals, outlined in the strategy; creating new affordable rental units, creating new homeowners, preventing further displacement and land banking, have all been surpassed. Because of the willingness to pivot, adjust and be held accountable, the promises that were made have become the promises that were kept.

The work of the City, the Portland Housing Bureau, the Non-Profit partners and this committee has been nothing short of notable. The landscape of Portland has been changed forever. Generations have new opportunities for ongoing benefit due to the 99-year regulatory requirement and the utilization of the preference policy.

The information to follow will highlight the work in detail. It will communicate the data. The information is impressive. What is most important to remember as you read, is that the data, details, and information represents real people with real opportunities that were not the case before.

I am pleased to present the annual report of the N/NE Neighborhood Housing Strategies for 2021.

Dr. Steven Holt

The North/Northeast Neighborhood Housing Strategies Oversight Committee is charged with overseeing strategies, developed by the Portland Housing Bureau, to mitigate the displacement of the City's most vulnerable residents in North/ Northeast Portland. In this section we will highlight some of last year's activities as well as cumulative 7-year data for the following strategies: Preventing Displacement, Creating New Homeowners, Creating New Rental Homes and Land Banking.

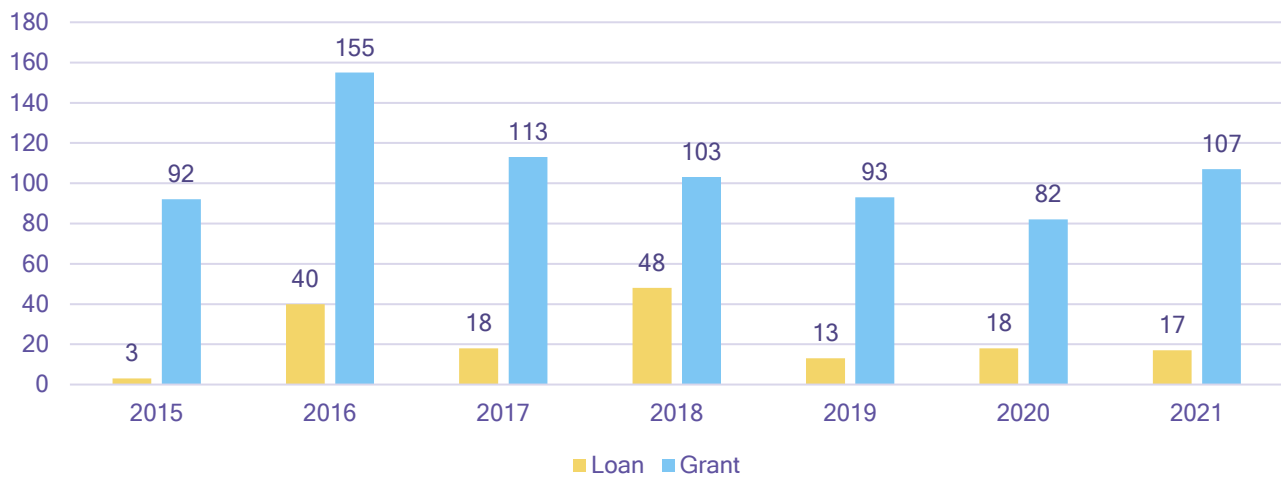
STRATEGY 1: PREVENTING DISPLACEMENT

HOME REPAIR LOANS AND GRANTS

The Bureau contracted with community partners to provide home repair grants for a **total of 745 households in the Interstate URA from 2015 - 2021** using funds from the Interstate Base Tax Increment Financing Affordable Housing Set Aside, the N/NE allocation, General Fund, Tax Increment Financing Affordable Housing Set Aside Lift. The Bureau funded a **total of 157 home repair loans in the Interstate URA from 2015 - 2021**, using the Interstate funds listed above and funding from Prosper Portland.

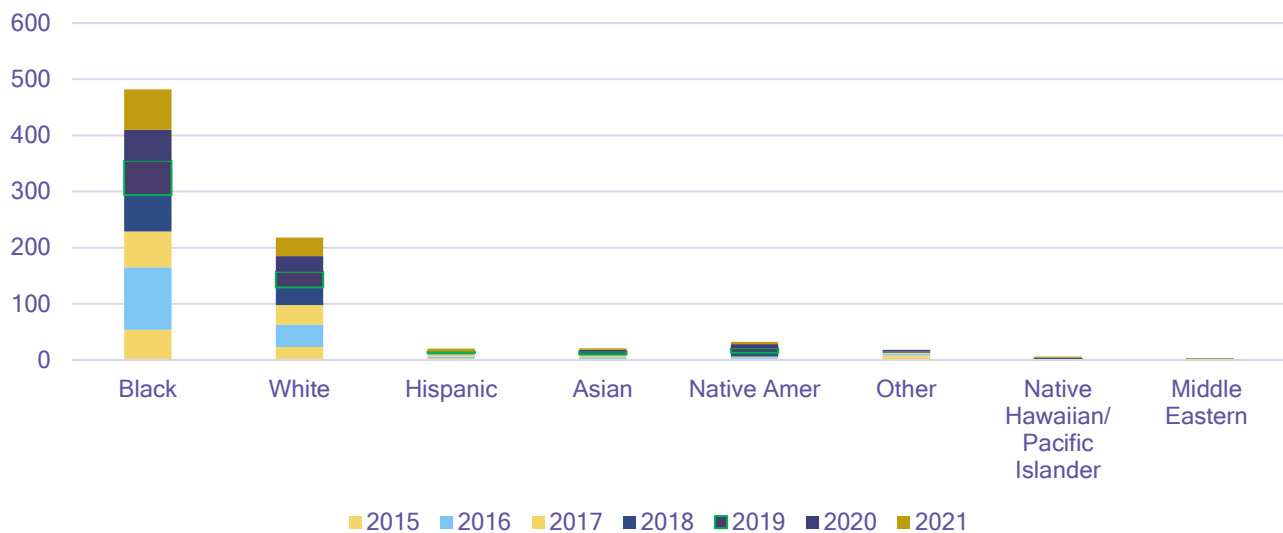
Total Unduplicated Households Served by Year

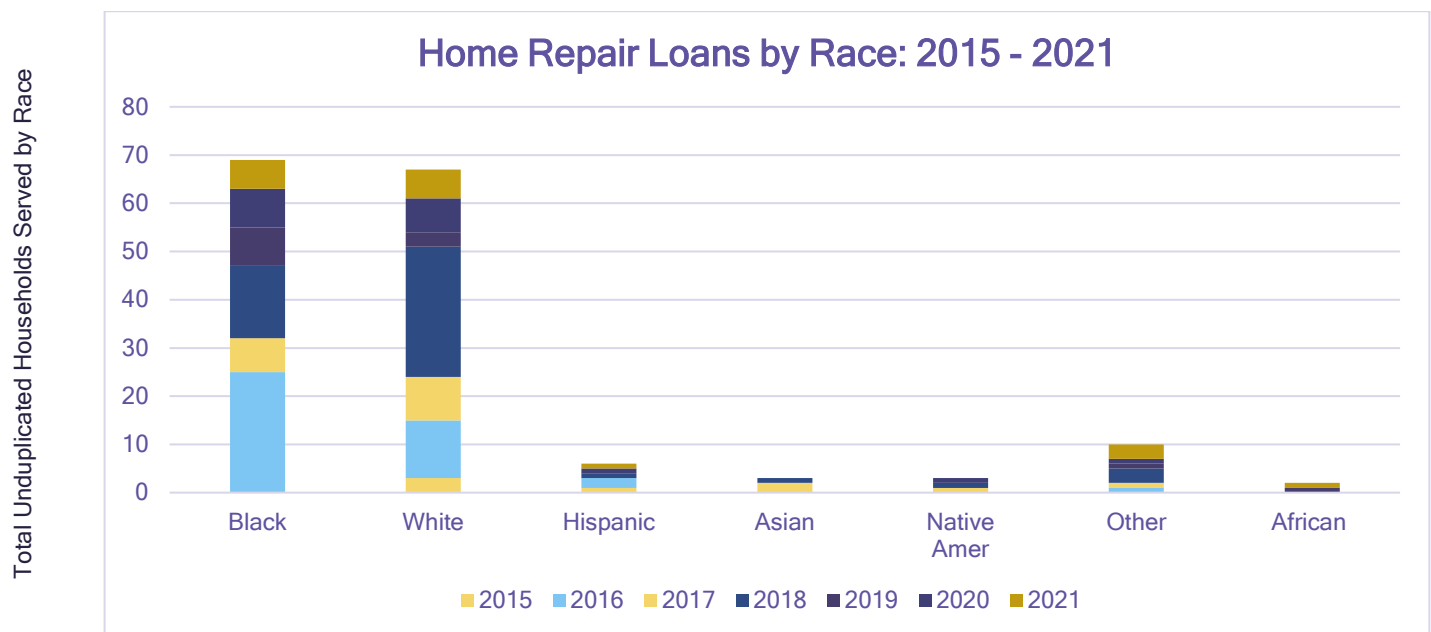
Home Repair Loans and Grants: 2015 - 2021



Total Unduplicated Households Served by Race

Home Repair Grants by Race: 2015 - 2021





Home Ownership Asset Preservation Program

Pilot Program Background: Responds to community needs identified in N/NE Neighborhood Housing Strategy, through community engagement and advocacy by N/NE Oversight Committee.

Pilot Program Goals: Stem the continued displacement of longtime homeowners and prevent additional loss of housing wealth in the N/NE community, by providing homeowner retention and legal estate planning services.

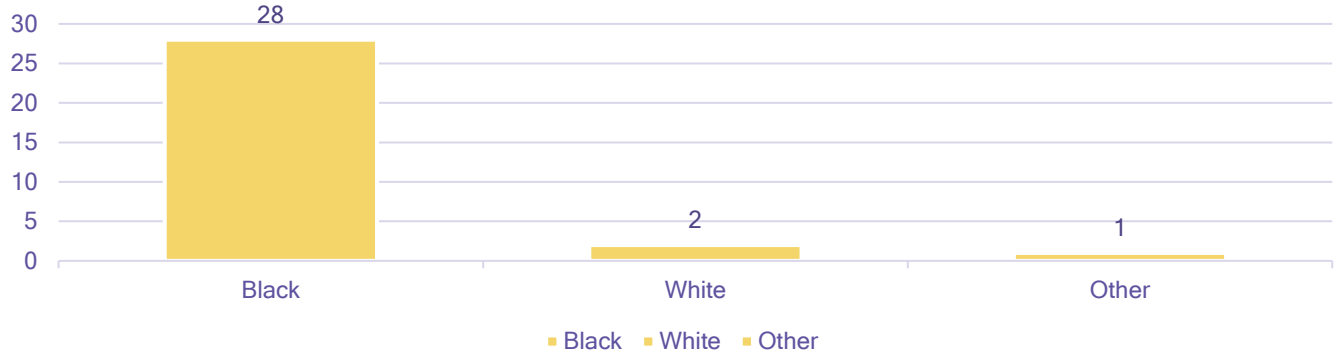
The Contract was awarded to African American Alliance for Homeownership (AAAH) in partnership with The Commons Law Center to administer the 20-month (November 2019 - December 2021) pilot program



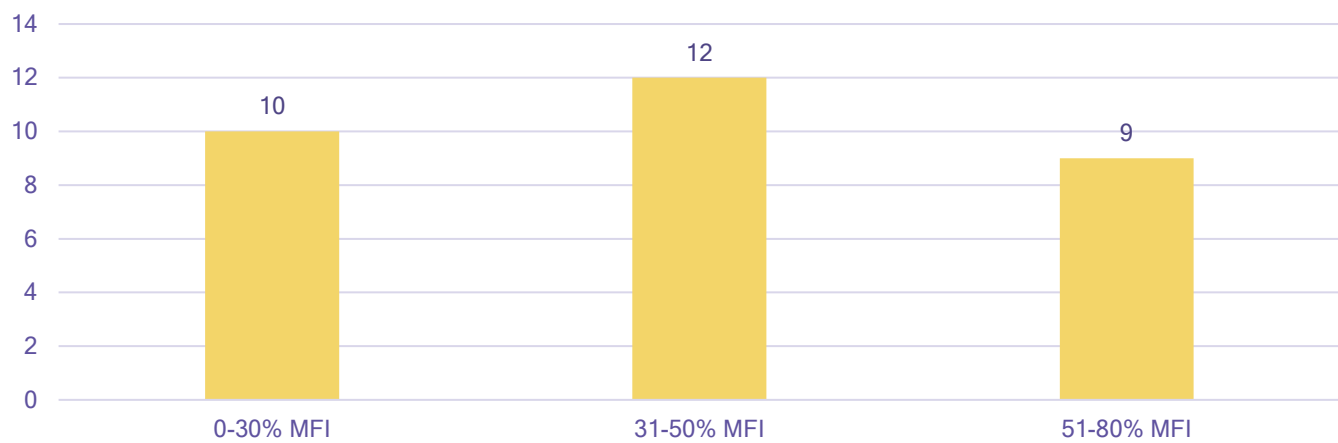
Eligibility:

- Households earning up to 80% Area Median Income (AMI) or \$73,700 for a family of four
- Homeowner residing in Interstate Urban Renewal Area or the N/NE Study Area
- Target Services to:
 - Homeowners of Color
 - Longtime homeowners (20+ years)
 - Seniors and people with disabilities

HAPP Participant Race



HAPP Household AMI



HAPP - Estate Planning January 2020-Dec 2021

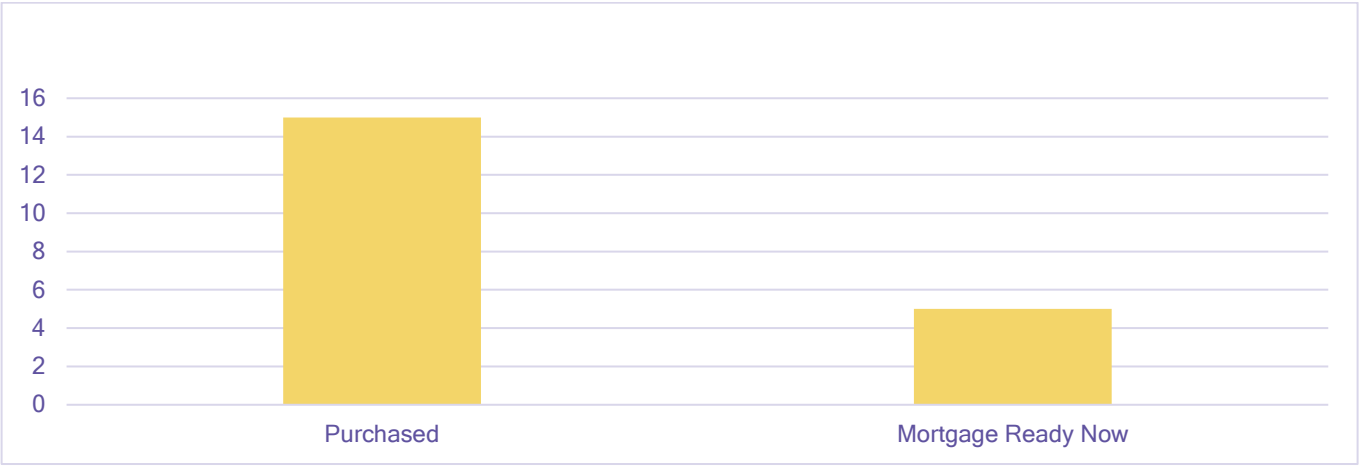


STRATEGY 2: CREATING NEW HOMEOWNERS

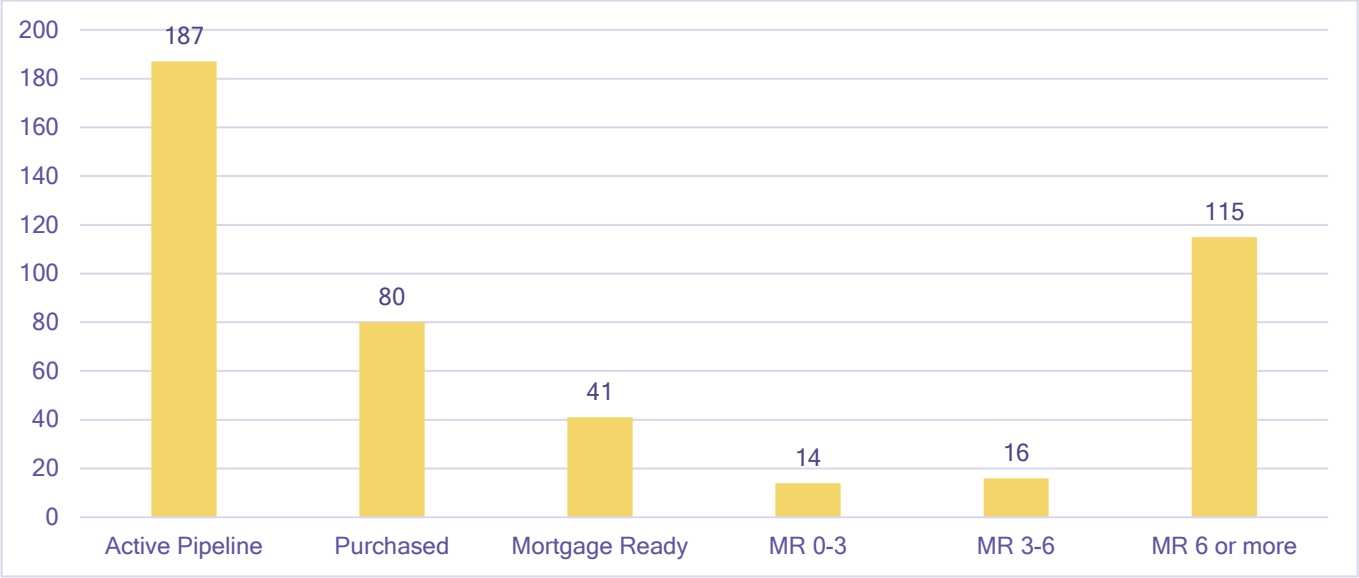
Down Payment Assistance

The charts below represent pipelines for two partner organizations actively providing homebuyer education & counseling to Preference Policy households (PCRI & Portland Housing Center) and does not represent the total number of Preference Policy buyers nor perspective buyers.

Portland Community Reinvestment Initiative



Portland Housing Center

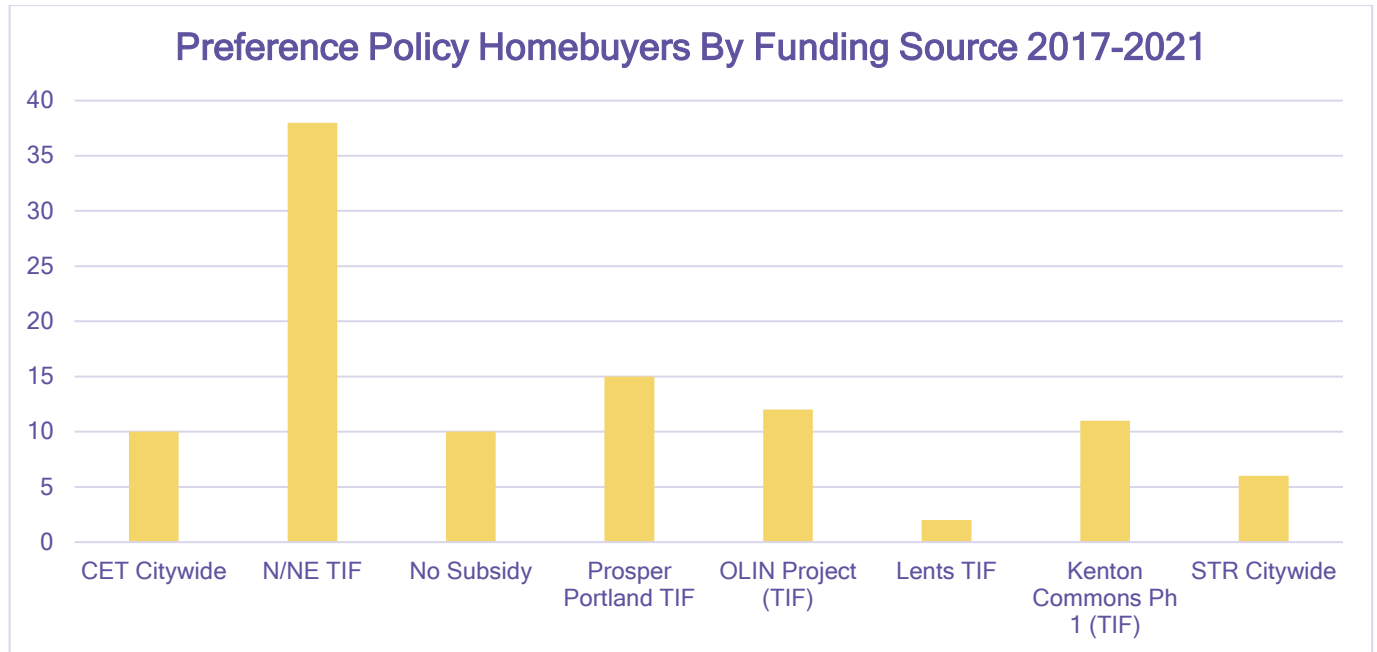


Total Preference Policy Home Buyers

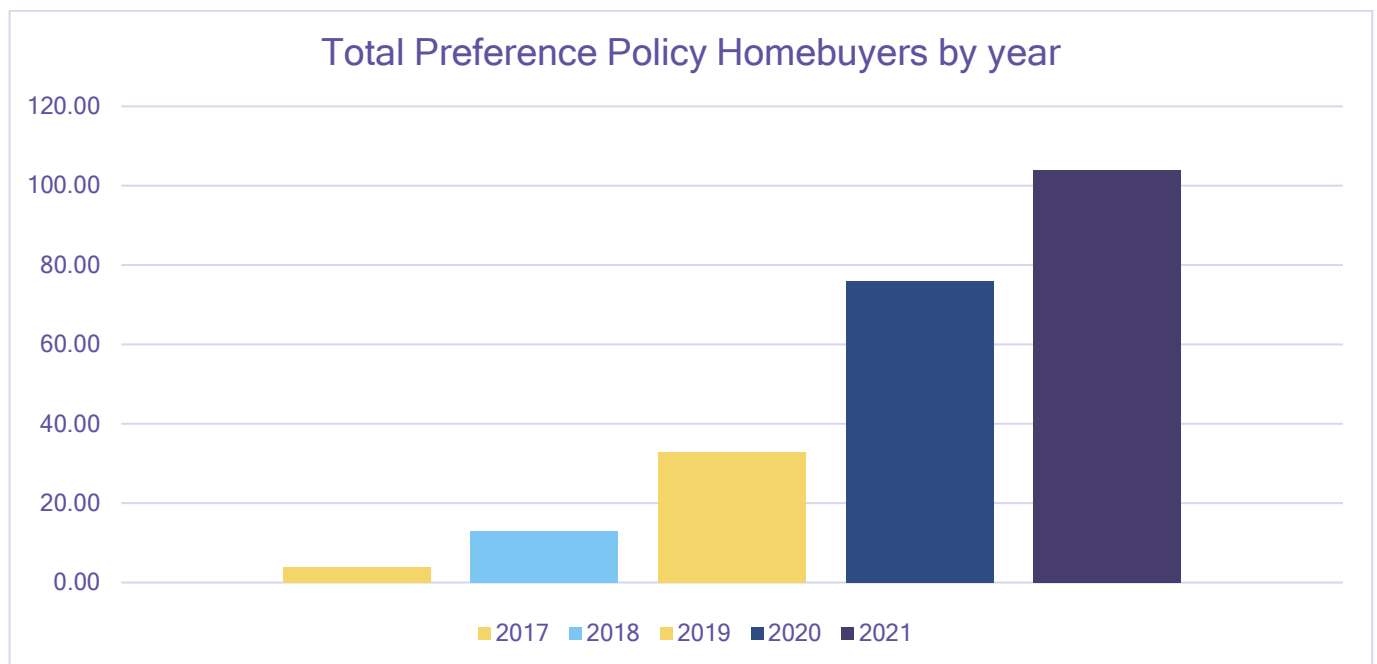
104 New Home Buyers Identified through the N/NE Preference Policy

94 of which purchased with PHB subsidies/investments - 85% of Goal

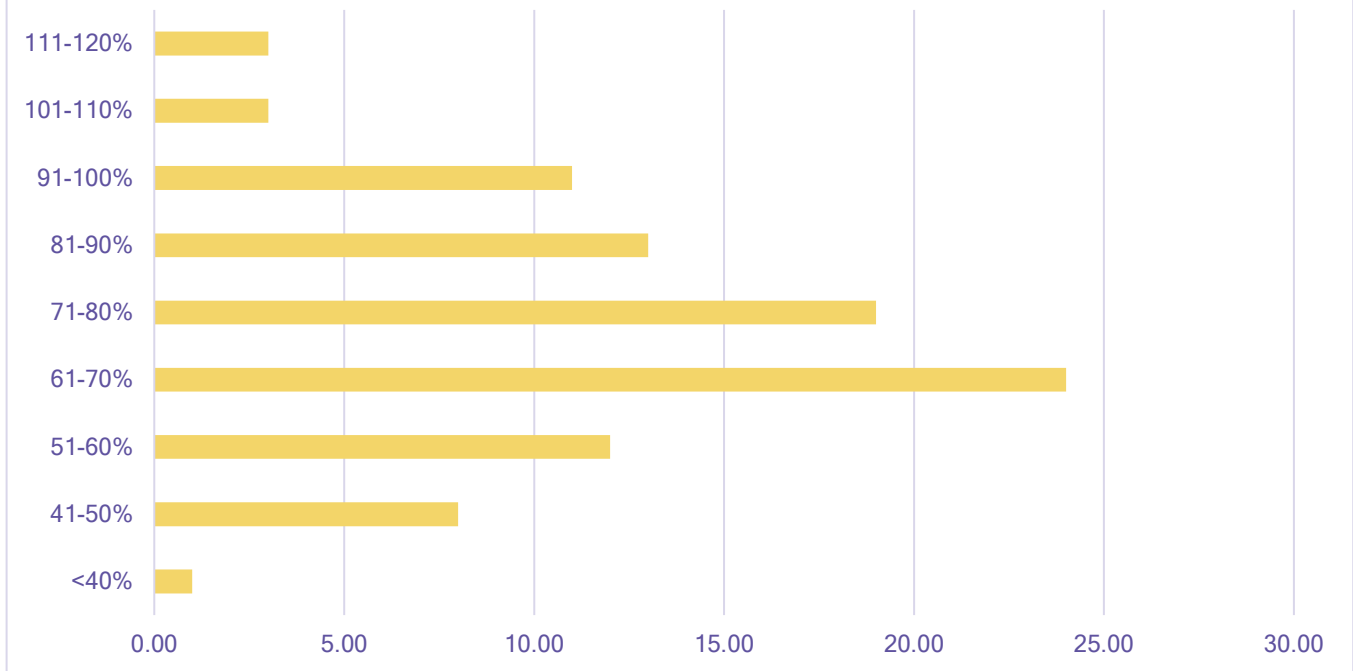
Goal: 110 new homeowners with PHB subsidies by 2022



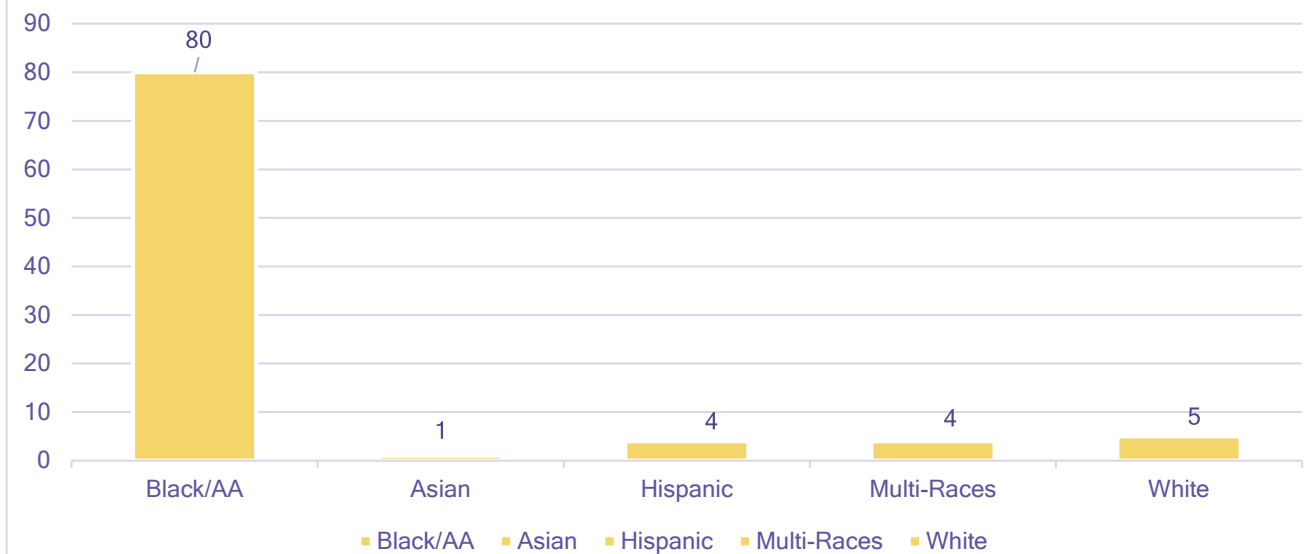
Homebuyers closed through December 31, 2021



Preference Policy Home Buyers AMI



Preference Policy Home Buyers Race/Ethnicity



- 83% of homes purchased had 3+ bedrooms
- 71% of homes purchased had 1.5+ bathrooms
- Average sales price for market homes \$359,972; prices ranged from \$250,000 to \$522,000

Home Ownership Unit Development

Portland Housing Bureau is working with community partners Habitat for Humanity and Proud Ground to build 42 affordable home ownership units for preference policy applicants within the district.

Olin Townhomes - Habitat for Humanity



Olin townhomes:
12 units total in this project. All have been sold to preference policy home buyers.

Kenton Commons - Habitat for Humanity



Kenton Commons:
Phase 1 - 12 units total, 11 have been sold to preference policy home buyers



Phase 2 - 18 units total, 10 have been reserved by preference policy applicants

STRATEGY 3 – CREATING RENTAL HOMES

Affordability continues to be top priority, for the work of the N/NE housing strategy. To meet the goal of increasing the availability of affordable rental units, PHB and their development partners have made substantial investments in the construction of affordable housing.

Completed Rental Projects

Sponsor	Rental Project	#PP Units	Total # Units	% BIPOC	Status
PCRI	Beatrice Morrow	59	70	87%	Occupied
PCRI	King + Parks	49	70	93%	Occupied
CCC	Charlotte B Rutherford	51	51	94%	Occupied
IHI	Magnolia II	49	50	87%	Occupied
Reach CDC	Renaissance Commons	185	189	79%	Occupied
Bridge	Songbird	20	60	83%	Occupied

Upcoming Projects Utilizing the Preference Policy

Sponsor	Rental Project	#PP Units	Total # Units	Funding Source
SEI/CDP	5020 N. Interstate	64	64	Metro Bond & PHB Land
PCRI/2 nd Story	Alcena	37	75	Metro Bond
AVT/Edlen & Co	Albina One	78	94	Metro Bond

HOME TBRA Rent Assistance

The Portland Housing Bureau supported Preference Policy buildings with rent assistance utilizing federal HOME funds, prioritizing buildings with BIPOC tenants:

Preference Policy Building	Rent Assistance	AVG AMI	Race	HH w/Disabilities	Units Assisted
Garlington Place	\$45,941.00	22%	16 Black-African American 1 White 1 Alaskan Native/American Indian 1 Other/Mixed-Race	1	19
Charlotte B Rutherford	\$110,138.00	11%	23 Black-African American 2 American Indian/Alaskan Native 3 Other/Mixed Race 4 White	13	31
Magnolia II	\$151,149.00	18%	30 Black-African American 1 American Indian / Alaskan Native 1 Other/Mixed Race 1 White	7	33
King + Parks	\$128,142.00	26%	24 Black-African American 1 American Indian/Alaskan Native 2 White 2 Other/Mixed Race	5	29
Beatrice Morrow	\$127,768.00	16%	26 Black-African American 2 Other/Mixed Race	6	28
Songbird	\$56,021.00	11%	10 Black-African American 1 Other/Mixed Race 4 White	1	15
Renaissance Commons	\$502,173.00	28%	53 Black-African American 30 White 1 American Indian/Alaskan Native 22 Other/Mixed Race	34	106
Total	\$1,119,632.00	22%	182 Black-African American 41 White 6 American Indian/Alaskan Native 32 Other/Mixed Race	67	261

STRATEGY 4 – LAND BANKING



Strong Property



Carey Blvd Property

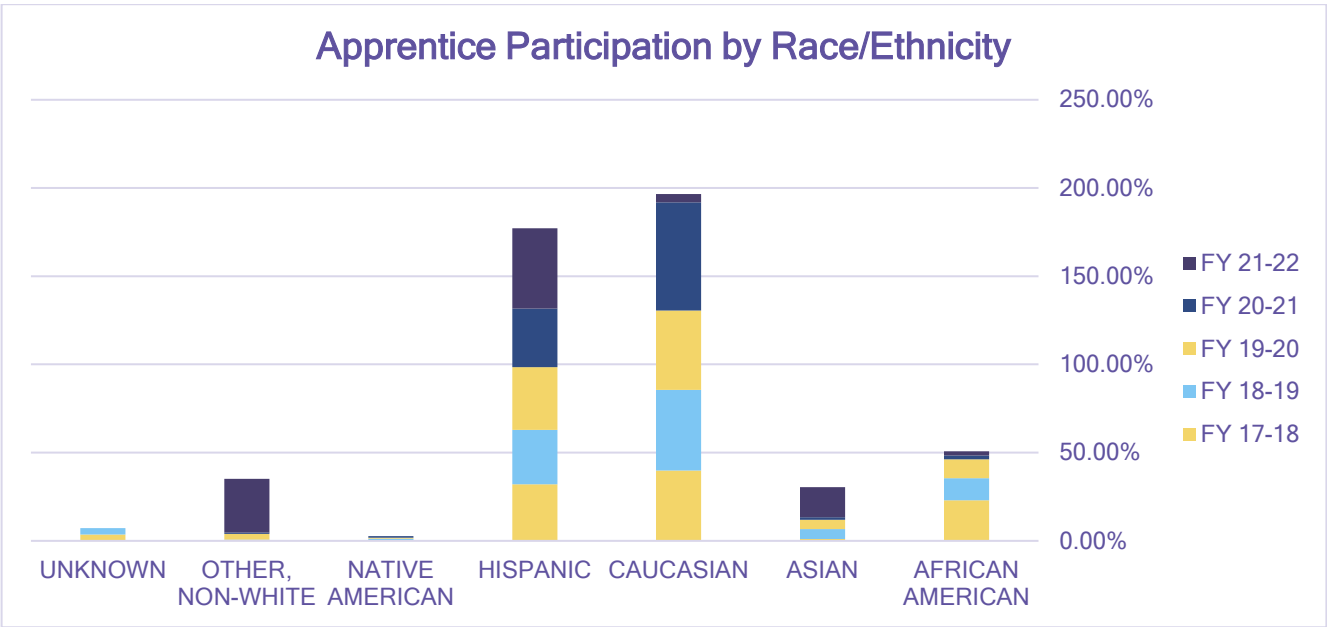
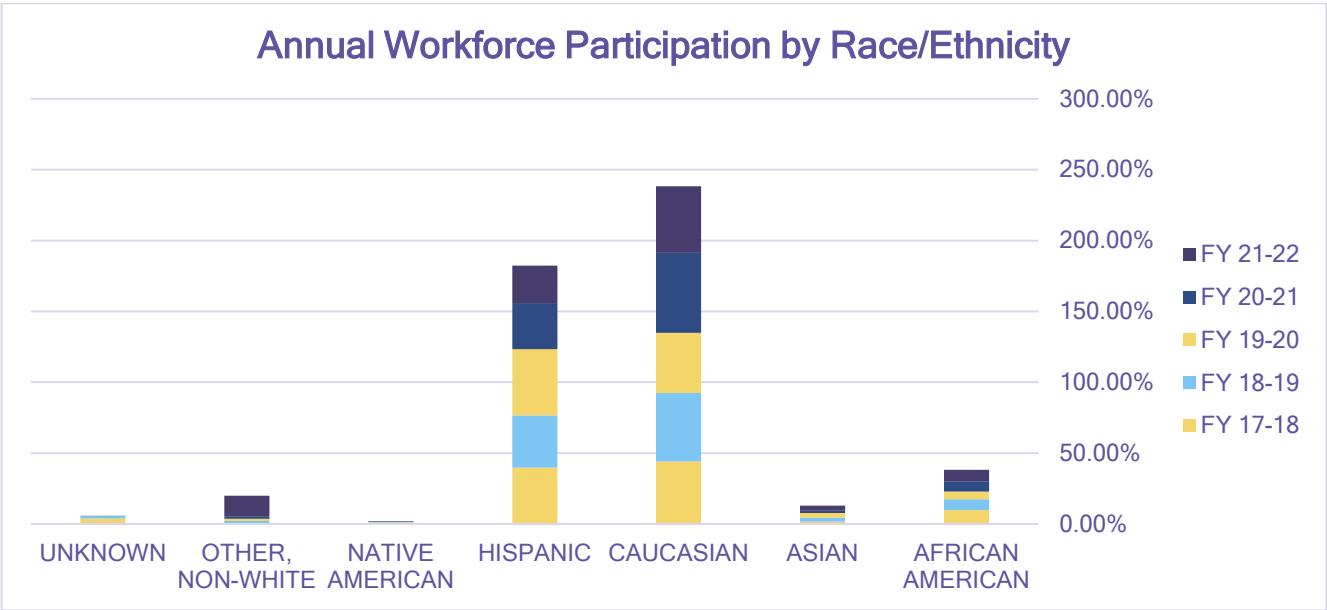


Kaiser Property - donated in 2021

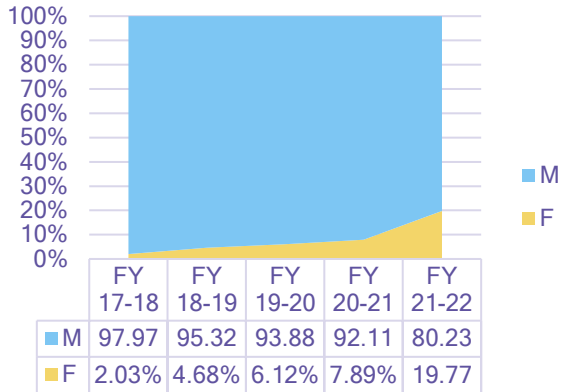
Community engagement to solicit ideas for the development of these three sites will commence in late summer/early fall 2022

Kaiser Permanente donated property to the Portland Housing Bureau for the purpose of creating affordable housing. We are excited for this public/private partnership and hopeful for more in the future.

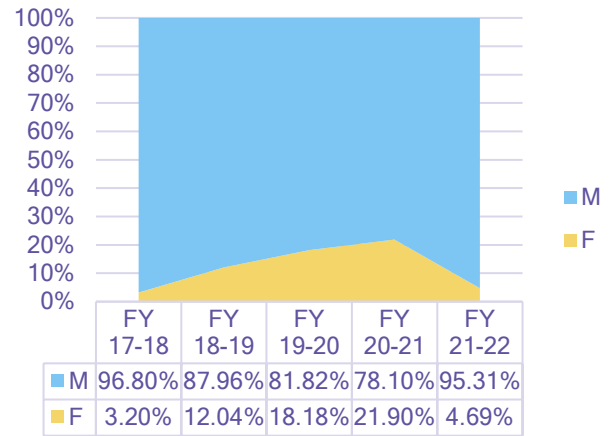
POLICY AREA – MWESB RENTAL CONSTRUCTION



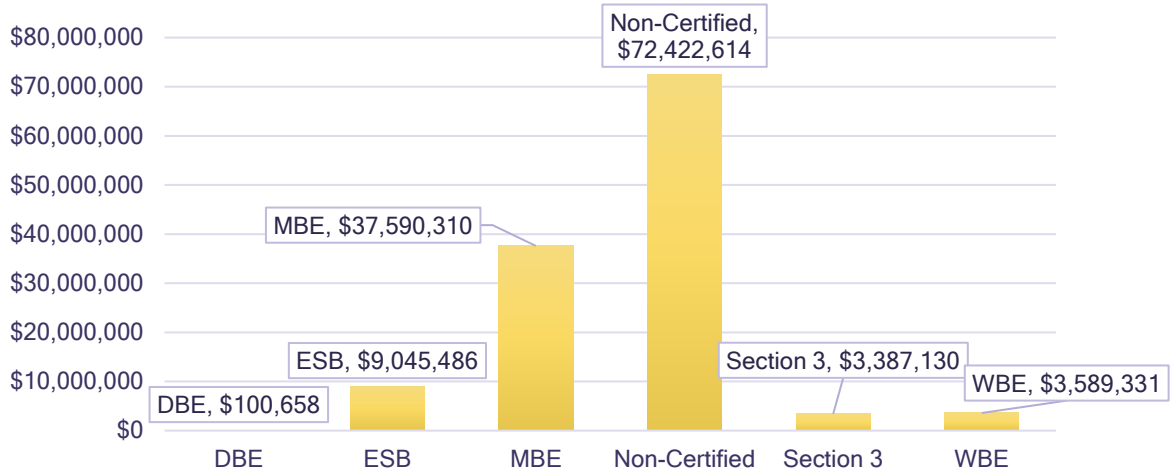
Workforce Hours by Gender



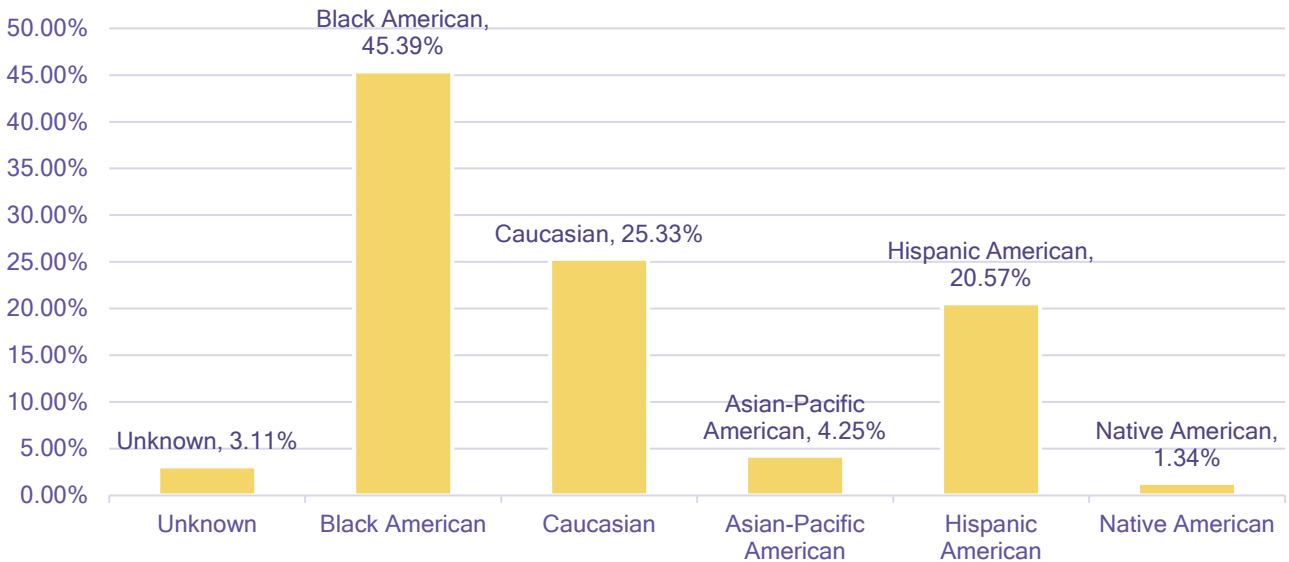
Apprentice Hours by Gender



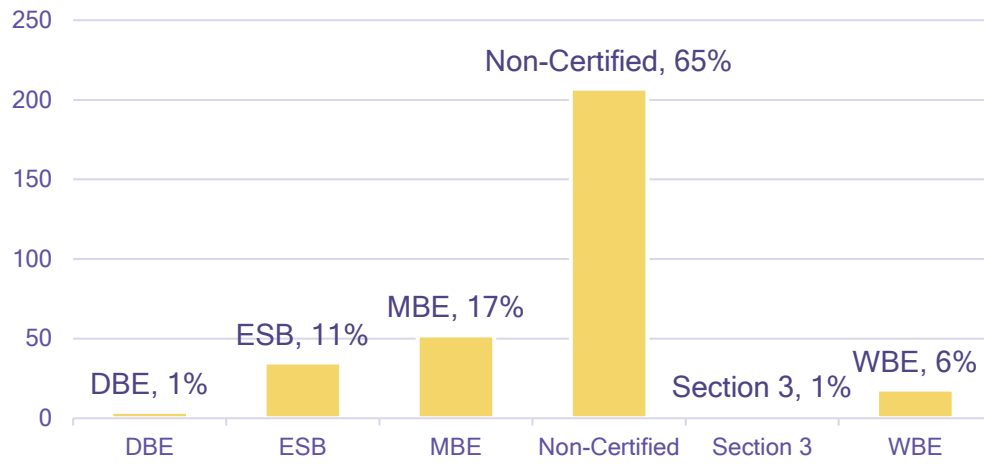
Total Certified Firm Participation (Prime & Subcontractor)



Certified Firm Participation by Ethnicity

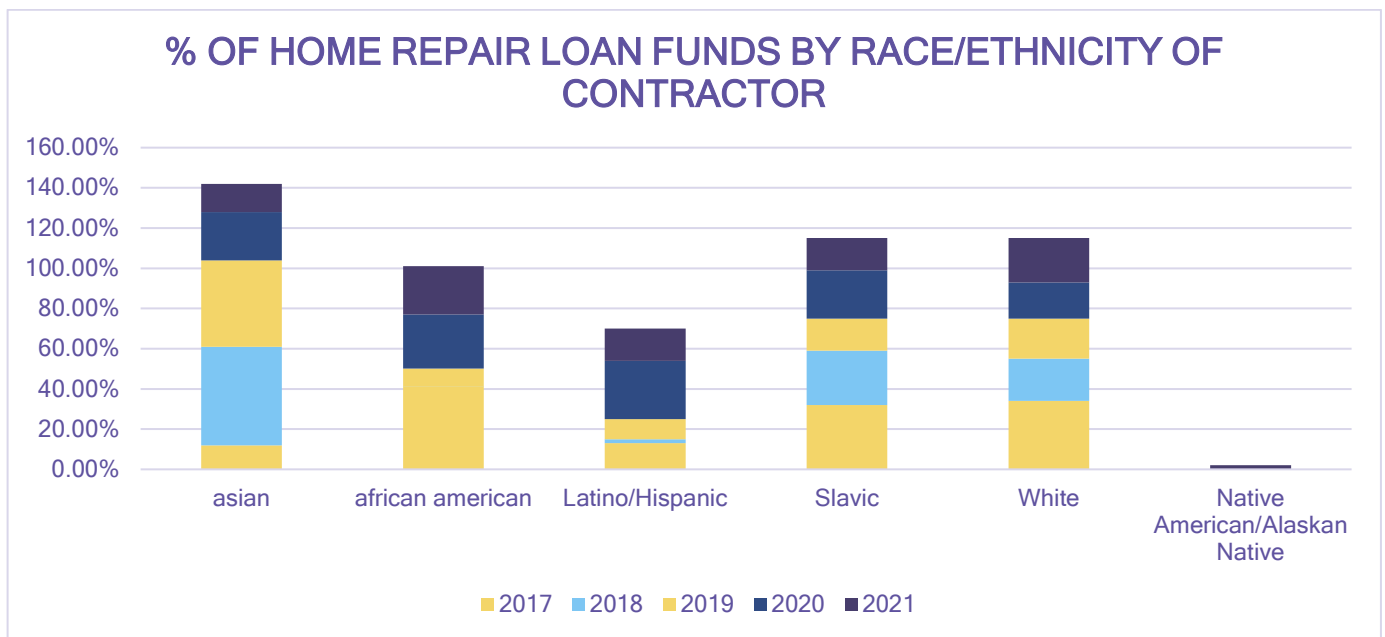
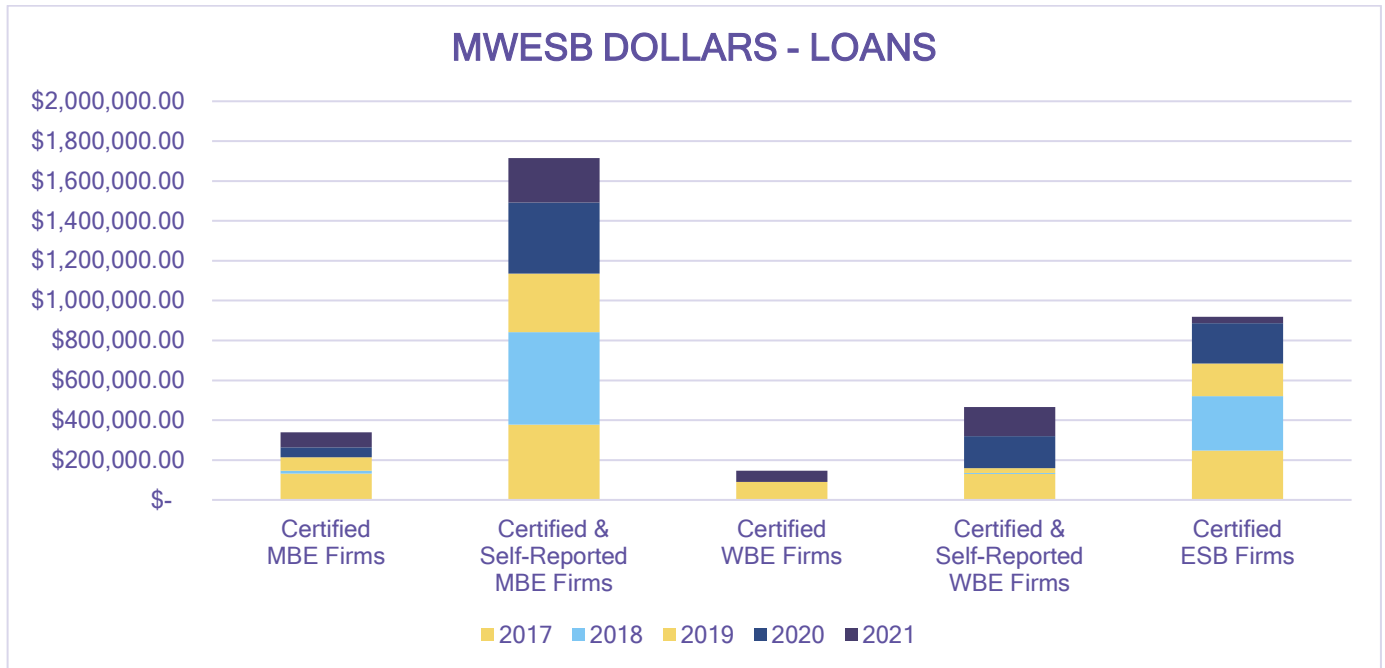


Total Subcontract Awards by Certification Type



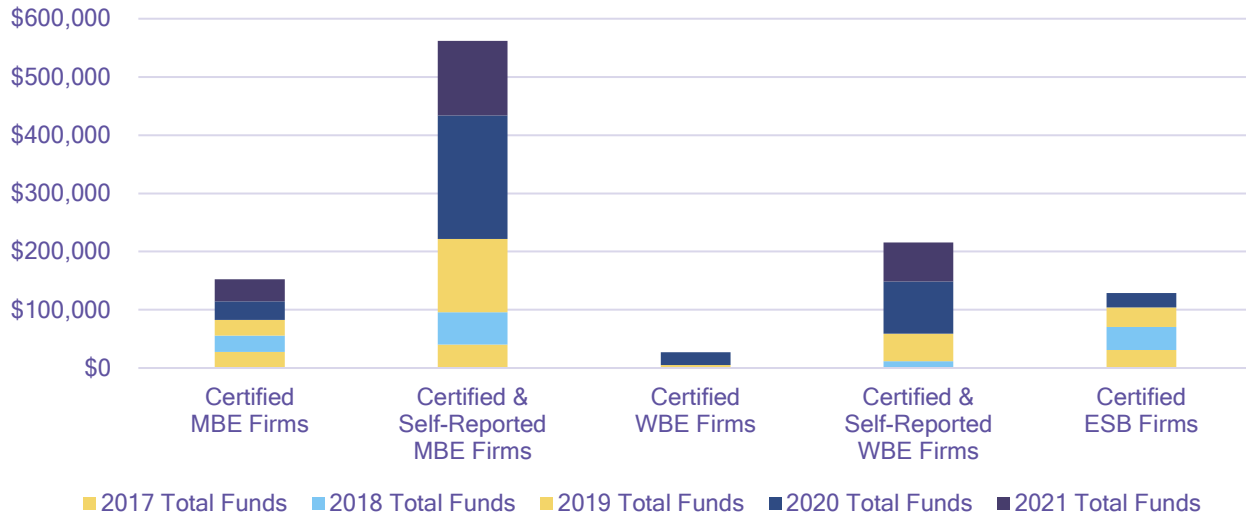
POLICY AREA – MWESB HOME REPAIR LOANS AND GRANTS

Home Repair Loans	2017	2018	2019	2020	2021
Total # of contractors	8	18	22	19	24
Total funds spent with contractors	\$573,493	\$898,765	\$472,250	\$603,976	\$453,143
Average contract amount	\$31,860	\$20,902	\$21,465	\$31,788	\$18,881

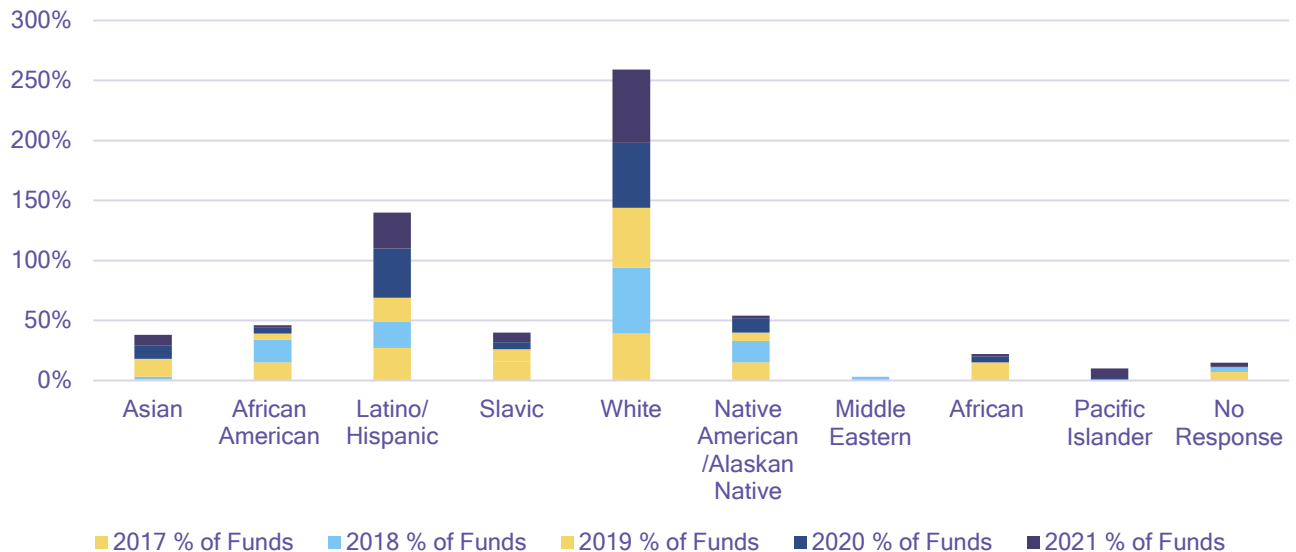


Home Repair Grants	2017	2018	2019	2020	2021
Total # of contractors	22	22	31	35	32
Total funds spent with contractors	\$69,508	\$103,940	\$210,670	\$304,389	\$261,631
Average contract amount	\$1,007	\$1,444	\$6,796	\$8,697	\$8,176

MWESB Dollars - Home Repair Grants



% of Home Repair Grant funds by Race/Ethnicity of Contractor



POLICY AREA – PREFERENCE POLICY

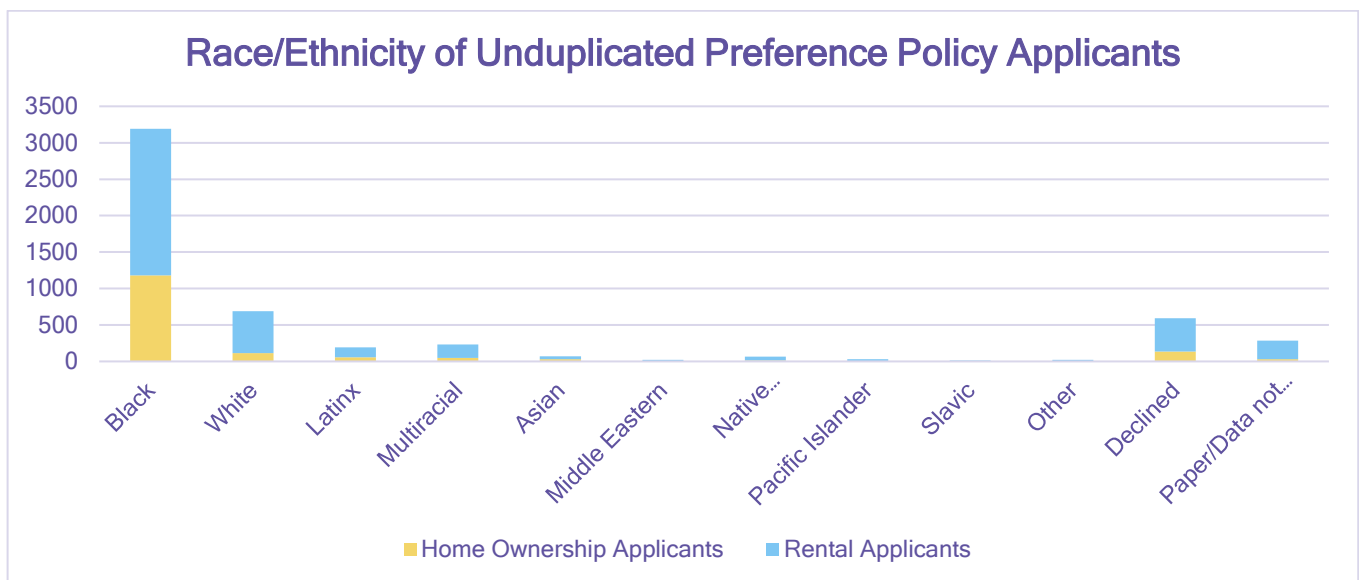
Portland housing bureau utilization of the preference policy to tenant the buildings under the Housing Strategy has resulted in significant percentage of BIPOC residents in all six buildings.

Unduplicated Applicants to date:

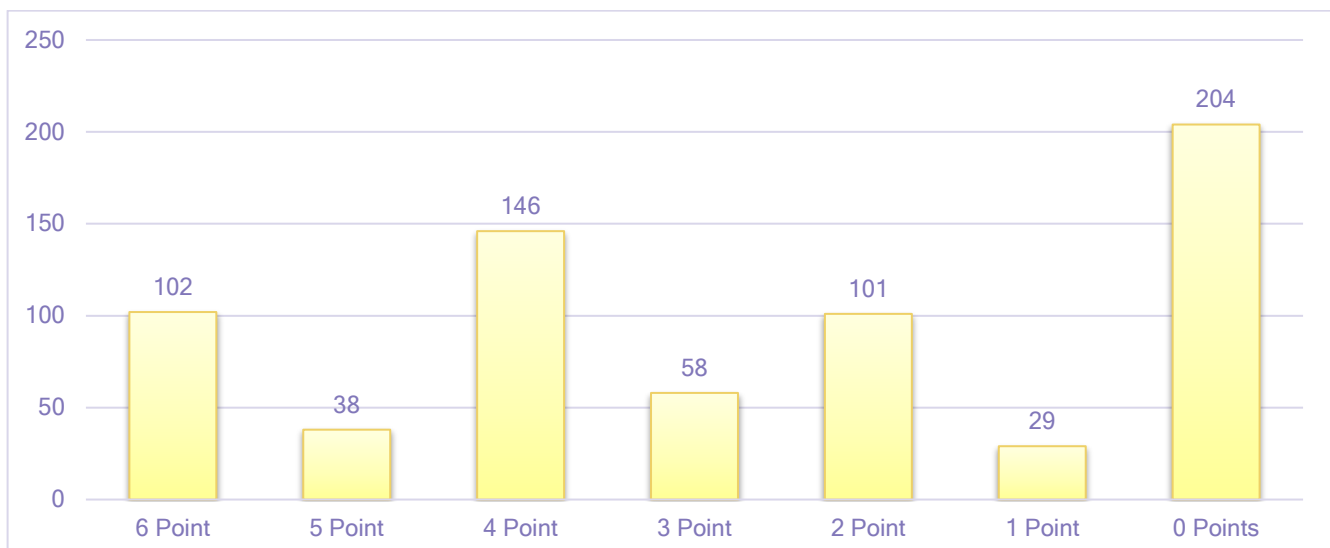
Home Ownership - 1,622

Rental - 3,782

Eminent Domain Applicants - 612 (18 applied for both home ownership and rental)



The preference policy waitlist is now open continuously, to fill vacancies, current waitlist data is represented in the chart below.



SUMMARY

2021 was a difficult year, despite the challenges the Portland Housing Bureau and their community partners had many significant accomplishments:

- PCRI was able to lease the first-floor retail space in the Beatrice Morrow to LadyBug Daycare a Black owned business.
- The 5020 N. Interstate site was included in the Fall NOFA as a rental project, the development team selected for that site is Self Enhancement Inc and Community Development Partners. PHB will be funding the project with Metro Bond funds.
- PHB utilized culturally specific community-based organizations to disperse rent assistance, including over \$1 million in HOME funds to assist preference policy building tenants.
- PHB hired two staff for the Preference Policy into the General Fund positions approved by City Council during the budget process last June.
- PHB along with PCRI and PHC assisted another 30 families to become homeowners, bringing us to within 15% of the 2022 goal.

While there were many successes and notable items, the committee also considered several items that were not going well.

- The committee reviewed and considered problems with lease-up at the Renaissance Commons, discussions included increasing PSH units and permanently foregoing the preference policy for those units, working with the JOHS and Urban League. The resolution to this issue was to maintain the preference policy for the units.
- Additionally, the committee struggled with complaints made directly to them regarding a variety of issues: package and grocery deliveries, building safety, building office hours and janitorial services. The committee will continue to inquire as issues arise.

OPPORTUNITIES

As the City and Country are coming out of the Pandemic status into somewhat “normal” business, this will produce opportunities to move the N/NE Housing strategy forward in a variety of ways.

- Through a waiver with Home Forward, at least one preference policy home buyer was able to utilize a section-8 voucher to purchase a home. We would like Portland Housing Bureau and Home Forward to investigate how this opportunity could be expanded to others seeking to become homeowners. We understand that other jurisdictions currently utilize the waiver in that way.
- We’re looking forward to working with PHB on the setting of new goals for the additional tax increment set aside (Maximum indebtedness) that council approved last year.
- Community engagement for the three land banked sites within the ICURA will begin in late summer/early fall, the committee is excited to communicate with the community around these new sites and the goals accomplished to date.
- The N/NE Preference policy continues to be the greatest tool available to ensure residents displaced from or at risk of displacement from NE Portland have opportunity for the buildings and programs supported with TIF or other city funds in the ICURA. Jurisdictions across the country are looking to Portland’s leadership and ingenuity in creating the policy, as they are struggling to develop similar programs and policies in their jurisdictions.
- Seeking additional funding to reduce the minority home ownership gap in Portland, there are currently 46 people in the pipeline that are mortgage ready. PHB does not have sufficient funds to be able to assist all of them. We encourage City Council to support the Decision Package put forth by PHB for ARP funds which would provide funding to some of these preference policy applicants, as well as those on waiting lists at culturally specific partner agencies.
- We are looking forward to hearing from Portland State University regarding their ongoing research of the Preference Policy

CONCLUSION

I want to thank two Oversight Committee members, Dr. Lisa Bates and Marlon Holmes for their exemplary service to the Housing Strategy, both members resigned mid-2021.

We celebrate the accomplishments. We acknowledge the ground that has been gained. However, we cannot relax. The work must continue. The demand far outweighs the available funds and land. Nearly six thousand individuals have applied for the preference policy illustrating the desire to access the opportunity and return to a community that was once called home.

We must consider how to address the distance of supply and demand. We must consider how to leverage other possibilities, such as bank foreclosures, zombie homes and or private public partnerships. Tough times call for tough people. We have the intelligence and creativity to solve our own issues.

The information in this report demonstrates that we can. Consider what we accomplished with so little funding. The time is now. The need is now. We must continue to act now.