



DIRECTOR'S MESSAGE

July 2011

In May, PHB launched the review process for the Affordable Housing Tax Increment Financing Set-Aside Policy with an eye towards recommending a renewal of the policy to City Council this fall. We convened a subcommittee of our new Portland Housing Advisory Commission, comprised of City and Portland Development Commission staff, businesses, nonprofit and community leaders with experience using TIF for affordable housing development. The committee is conducting its review with the full understanding that the city's housing needs are even greater than when the policy was adopted in 2006, while the creation of PHB itself significantly changed the housing investment system in the last two years.

In its first five years of implementation, the Set Aside Policy has worked well – generating more than \$152 million in direct investment for affordable housing development. The Set-Aside Policy provided capital resources for a number of key projects like the Bud Clark Commons, Block 49 affordable housing in South Waterfront, and preservation of affordable apartment units. It has also helped residents in diverse neighborhoods access homeownership with downpayment assistance, and aided others to stay in their homes by funding needed home repair work. Overall, policy goals have been met in six of nine urban renewal areas, and across all these districts, affordable housing spending was at 32% of all TIF expenditures. More on the outcomes and specific projects can be found on the [PHB website](#).

The committee has examined all of these accomplishments, as well as the challenges faced in implementing City Council's policy. They are beginning to draft recommendations that could modify the policy going forward. All of the urban renewal advisory committees have been briefed on the process and the programmatic questions that will be part of City Council's deliberations in September. And now, PHB and PHAC are looking to garner broader input. On August 2, the Portland Housing Advisory Commission will host a public hearing for anyone with an interest in commenting on the Set Aside Policy recommendations. The hearing will be held from 5 to 6:30 pm at PHB, located on the 5th floor, 421 SW 6th Ave. Following this hearing, we expect PHB to make recommendations to [Housing Commissioner Nick Fish](#) about renewal of the Set Aside. City Council is tentatively scheduled to review the policy on September 28. At that time consider whether changes to existing policy will be adopted.

I encourage you to view the webpage of the [Set Aside Review Subcommittee](#) for the list of preliminary recommendations, meeting notes and background materials. As always, we welcome and expect your feedback throughout the review process.

Investing in Community

Portland Community Reinvestment Initiatives (PCRI), one of our foremost partners in developing and preserving affordable homes, celebrated the completed rehabilitation of 12 units of affordable housing in North Portland. Through a grant from the American Reinvestment and Recovery Act, PHB provided over \$700,000 to make significant improvements to the rental homes. Working with Colas Construction, a minority-owned construction firm, PCRI ensured that those working on the rehab projects earned a living wage. We are proud of our partnership with PCRI because of their focus on quality construction, achieving minority contracting and workforce goals, and ensuring that local families have an affordable place to live. We look forward to more partnerships in the future. [Check out the PCRI website for current and upcoming projects.](#)



We are also proud of an upcoming project in the River District urban renewal area. The new Riley House, a four-story, 35,000 square-foot building, will be built on NW Glisan and NW 3rd. Once completed, the new facility will take the place of the Blanchet House of Hospitality, located on NW 4th and Glisan. Blanchet serves meals for people experiencing homelessness and provides transitional housing for homeless men who are recovering from addictions.

The new Riley House will more than double Blanchet's capacity to serve meals and provide housing for people who are working on improving their lives. The new building will serve up to 80 diners at one time with indoor queuing areas. The upper three floors will have 42 rooms that can accommodate up to two people per room.



Total cost of the new development is \$13.4 million, and PHB's investment is \$4 million. Construction will begin in late summer, and we expect the project to generate 100 living-wage construction jobs. Watch this space for more updates on the Riley House.



Focus on Business and Operations Equity

A core value of our operations at PHB is equity: a deliberate focus on social justice in delivering housing programs and services. Equity is tightly woven into the fabric of our strategic plan, and we are eager to get to work on walking the talk with our housing investments.

To help us design outcomes-oriented and equity-focused implementation steps for our Strategic Plan, we have engaged local equity consultants Bruce Watts and Hector Roche.

Watts has a long and illustrious track record of implementing diversity and equity programs at local agencies, most notably as TriMet's Senior Director of Diversity and Transit Equity. Roche led organizational development and training at the Multnomah County Health Department for more than a decade. Together, the team of Watts and Roche will help us identify early tactical steps and set a solid foundation for long-term institutional change.

With their help, PHB hopes to make immediate changes to current business practices and processes, as well as more clearly define time-bound and measurable equity targets for our three core business lines: rental housing development, addressing homelessness, and closing the homeownership gap among communities of color.

The backdrop for the consultants' analysis includes a large volume of community and stakeholder feedback gathered through PHB's Strategic Planning process and other forums. Watts and Roche also are well aware of the challenges described in relevant reports on inequity in Portland, including the recent City of Portland/PDC Disparity Study; the Coalition of Communities of Color Report *An Unsettling Profile*; and the Urban League of Portland's *State of Black Oregon*.

We expect to have a solid foundation for a sustainable equity business and operations plan in place this fall, and will make sure to keep you updated on our progress.

Congratulations

Many of you know the great work being done by the Coordinating Committee to End Homelessness (CCEH), which leads the ongoing community planning for the 10-Year Plan to End Homelessness in Portland and Multnomah County. Each year, CCEH recognizes the efforts of individuals and organizations working address homelessness in our community. I'd like to take a moment to congratulate and thank this year's award recipients, for their work in connecting people experiencing homelessness to housing programs and services.



In the Individual Category: Mellani Calvin, Disability and Benefits Training Consultant; Joan Jenkins, Volunteer, Janus; Shannon Singleton, The Salvation Army; Ledena Mattox, Transition Projects; Lynne Walker, community advocate. In the Program Category, the Employment Access Center of Central City Concern was recognized for helping people find and keep jobs, even during the worst economic recession in our history. Last year, the Employment Access Center helped 460 people find jobs. We are very grateful for the effective work of this program and its important role in our community.

2011 Legislative Session

Influencing the larger housing agenda is an important part of our strategic plan. Working with The Housing Alliance and its strong network of affordable housing advocates, we secured important wins during the 2011 Oregon Legislative session.

Despite the state budget shortfall, affordable housing registered these successes:

- Secured \$5 million in Lottery Backed Bonds to preserve existing affordable housing. ([HB 5037](#))
- Extended the sunset for the Oregon Affordable Housing Tax Credit (OAHTC) until 2020, by demonstrating the incredible efficiency of this tax credit. ([HB 2527](#))
- Passed a bill which extended the sunset date until 2027 for a statute that allows local property tax exemptions for nonprofit-owned affordable housing. ([HB 2354](#))
- Extended the sunset on New Multiple Unit Tax Exemption to 2012 and allows commercial development supporting healthy connected neighborhoods goals. ([SB 322](#))
- Protected funds for the Emergency Housing Account.
- Increased protections for tenants living in foreclosed properties. ([SB 491](#))
- Passed protection for Community Land Trusts whose investments might be affected by foreclosure. ([SB 519](#))

We are continuing to track the development of the FY 2012 Federal budget and advocating strongly for critical programs and services. Thanks again, and keep up the good work.

Warm regards,

Margaret Van Vliet

Director, Portland Housing Bureau

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