



May 10, 2017

To: Andrea Matthiessen, Portland Housing Bureau

From: The AAAH Collaborative:

- Cheryl Roberts, Director of African American Alliance for Homeownership
- Steve Messinetti, CEO, Habitat for Humanity Portland Metro/East
- Executive Committee, Hacienda CDC
- Loretta Kelly, NAYA Family Center
- Diane Linn, Director, Proud Ground

Re: Preference Policy Per Unit Subsidy Increase

Dear Andrea,

We are writing to request the Portland Housing Bureau's consideration of an increase in the per household subsidy for the N/NE Neighborhood Housing Strategy from \$80,000 to \$100,000.

Portland's quickly rising real estate market means that prices have significantly increased since the award decision was made. As your staff has indicated, launching this program has been a learning curve for the Portland Housing Bureau and the preference policy work has taken longer than expected to implement. In a market as hot as Portland, every month that passes, North and Northeast Portland real estate has continued to climb.

Likewise for the non-profit community, we have learned a lot over the past few months as we have gotten to understand the needs of the preference policy homebuyer applicants in our one-on-one homebuyer counseling meetings. The applicants that have come to us through the preference policy are mostly lower income and will simply need more subsidy to make this program successful.

The expertise of the AAAH Collaborative has been invaluable as we work through each stage of this important preference policy work. Our collaborative is making great strides toward identifying North and Northeast Portland sites where the applicants can afford to buy a home where they will enjoy a lifetime of homeownership success and all the benefits that come from this very important purchase.

We are particularly excited about a 15 home condo project that we are considering purchasing the land for and will need this additional subsidy to ensure the units are affordable to the preference policy applicants. While we understand that this will slightly decrease the number of units sold through this program, we simply have to accept the rapidly changing market that we live in and adjust accordingly.

Rest assured that the AAAH collaborative partners will still bring significant additional subsidy to make this work in the form of private fundraising, foundation support, Federal SHOP funds, IDAs, and Down payment assistance through OHCS.

Thank you for your consideration of this request and for your partnership in serving Portland's long time African American community who have waited far too long for this day to come.

