



# Portland Housing Bureau

Mayor Ted Wheeler • Director Shannon Callahan

To: Portland City Council  
From: Shannon Callahan, Director  
Date: March 12, 2020  
RE: Accept the annual report for calendar year 2019 of the North and Northeast Neighborhood Housing Strategy Oversight Committee

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We are pleased to submit this fifth annual report on behalf of the North/Northeast Neighborhood Housing Strategy Oversight Committee. The Committee's advice and monitoring of our policies, programs and outcomes is of central importance to the commitment to this strategy.

This report highlights both our successes and challenges in implementing the strategy. This year we celebrate five years of the strategy, the report highlights five years of data in many areas, and the successes specifically in rental housing and increase in home owners over last year.

Additionally, the report highlights the initial findings of the study of the Preference Policy being conducted by Portland State University.

# North/Northeast Neighborhood Housing Strategy

Oversight Committee



## 2019 Annual Report

## Introduction: Charge, Charter and Membership of the Oversight Committee

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.

## **North/Northeast Neighborhood Housing Strategy: Community Oversight 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 Oversight 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 Oversight Committee**

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

Dr. Lisa K. Bates PhD, Associate Professor Portland State University

Dr. T. Allen Bethel, Sr. Pastor Maranatha Church

Triston Dallas, Attorney, Epiq Global

Dr. Karin Edwards EdD, Cascade Campus President, Portland Community College

Jilian Saurage Felton, Saurage Consulting

Sheila Holden, Regional Community Manager, Pacific Power

Marlon Holmes, Community Member

Virgie Ruiz-Houston, Community Member

Felicia Tripp, Executive Director, Portland Leadership Foundation

## Message from The Committee Chair

Five years have passed rapidly, what began in 2014 as a \$20 million commitment and the desire to do things differently in the arena of affordable housing in N/NE Portland, has grown in scope and funding beyond initial goals. The vision and leadership of Commissioner Dan Saltzman along with the support of City Council, to include all Interstate TIF dollars under the N/NE Housing Strategy, grew the initial investment from \$20 million to today's total of \$90 million.

Here are some of the highlights of 2019:

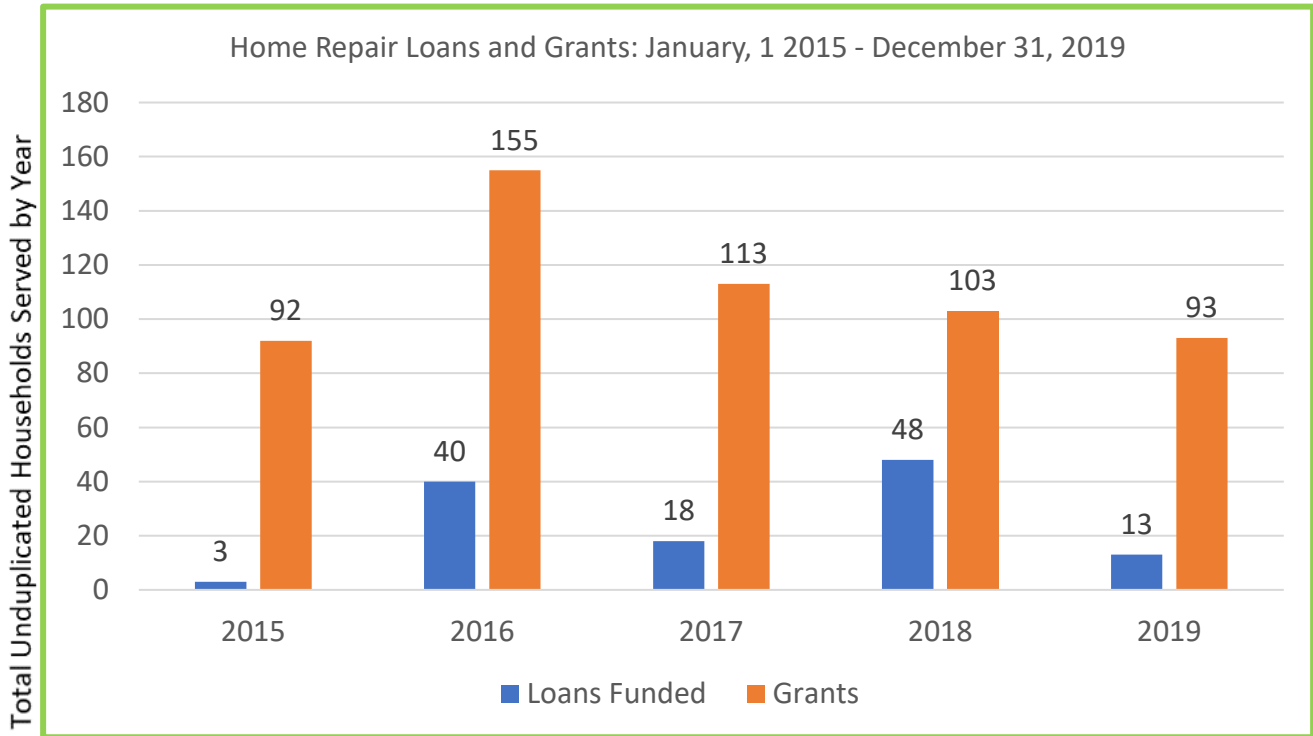
- Both land banking strategies listed in last year's report were accomplished.
  - Successful negotiation and purchase of the Strong Family property within the District
  - The water bureau property purchased by PHB in 2018 was included in the URA by vote of Prosper Portland's Board in April.
- Preference Policy home buyers increased from 7 in 2018 to 33 in 2019, this is a significant accomplishment.
- Portland State University's, Dr. Lisa Bates and Dr. Ami Thurber, study of the Preference Policy and its impact on well-being, clearly shows that "place matters" and that applicants desire to live in NE Portland goes beyond the need for affordable housing.
- Three multi-family rental housing buildings began construction in 2019. The buildings are all slated to be completed in early summer 2020. This will bring our total affordable rental units to 501 which far exceeds the goal set by PHB of 380.

I appreciate the continued commitment of the community leaders who make up the oversight committee, their intelligence, diligence and involvement has contributed to ensuring that this work is thoughtful and transparent.

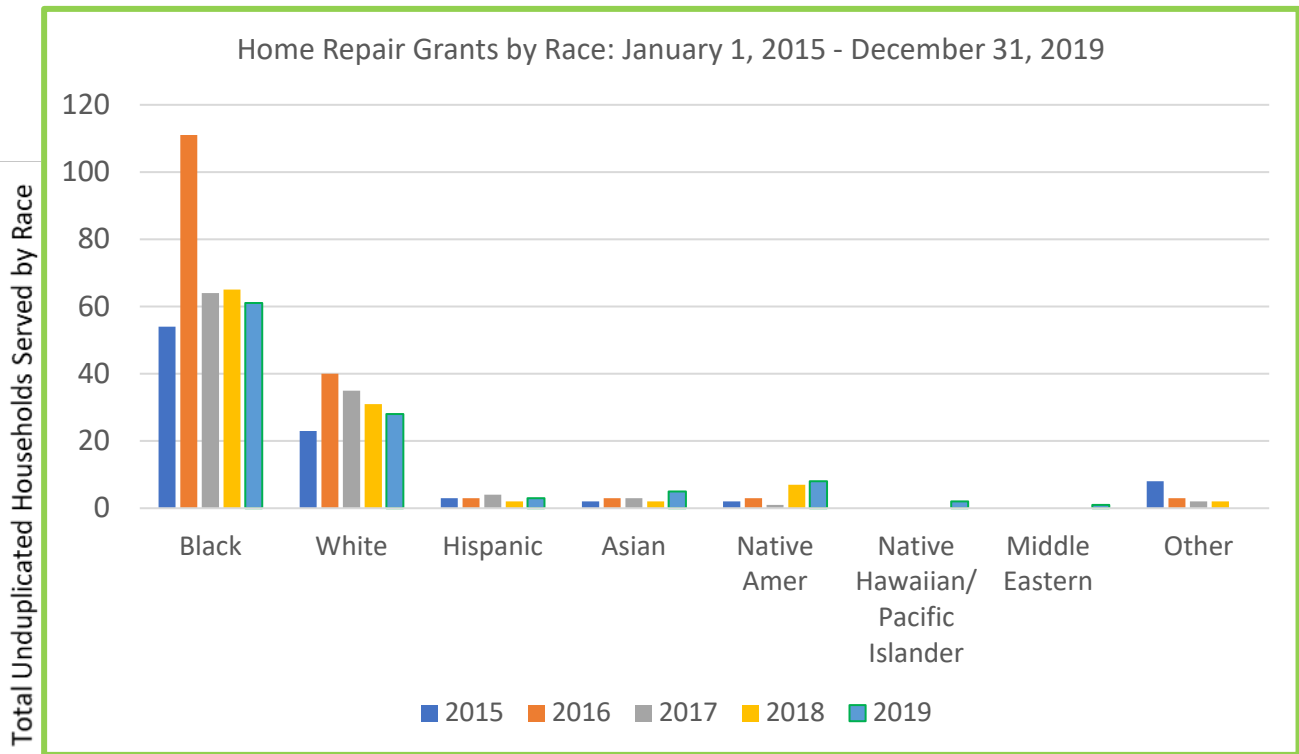
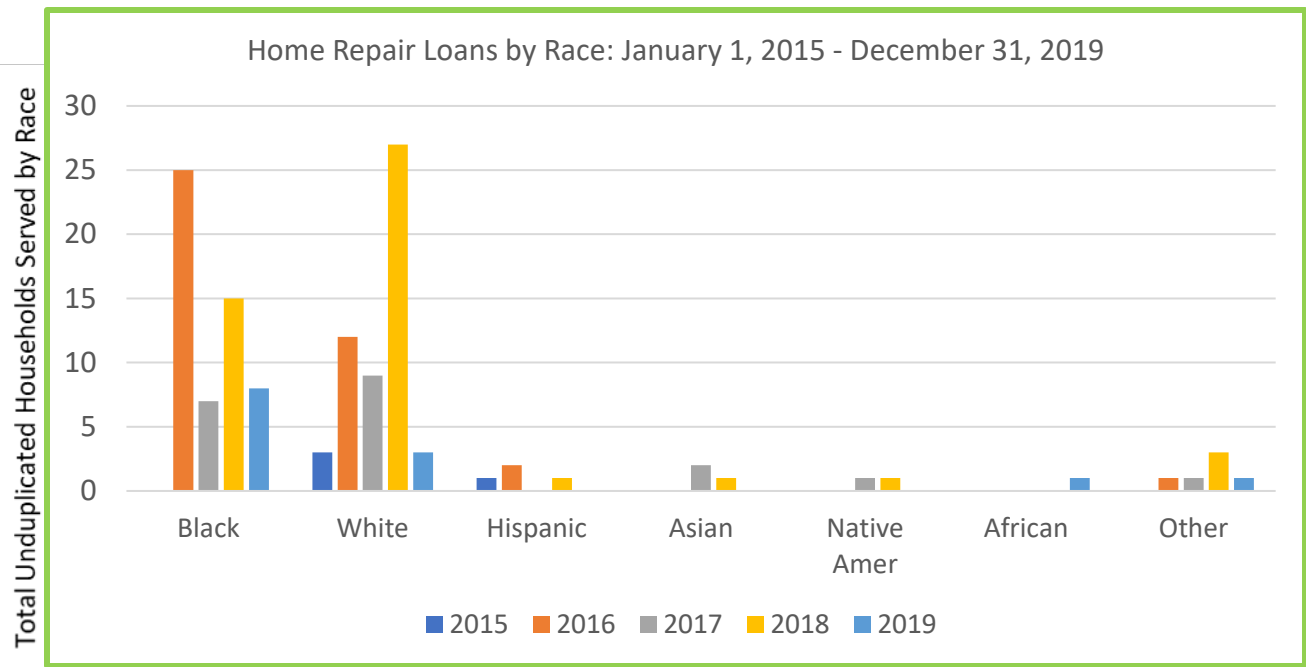
The North/Northeast Neighborhood Housing Strategies Oversight Committee is charged with overseeing strategies, developed by the Portland Housing Bureau, to mitigate the displacement of the City’s most vulnerable residents in North/ Northeast Portland. In this section we will highlight some of last year’s activities as well as cumulative 5-year data for the following strategies: Preventing Displacement, Creating New Homeowners, Creating New Rental Homes and Land Banking.

## Strategy 1: Preventing Displacement

The Bureau contracted with community partners to provide home repair grants for a **total of 556 households in the Interstate URA from 2015 – 2019** using funds from the Interstate Base Tax Increment Financing Affordable Housing Set Aside, the N/NE allocation, Tax Increment Financing Affordable Housing Set Aside Lift. The Bureau funded a **total of 122 home repair loans in the Interstate URA from 2015 – 2019**, using the Interstate funds listed above and funding from Prosper Portland.



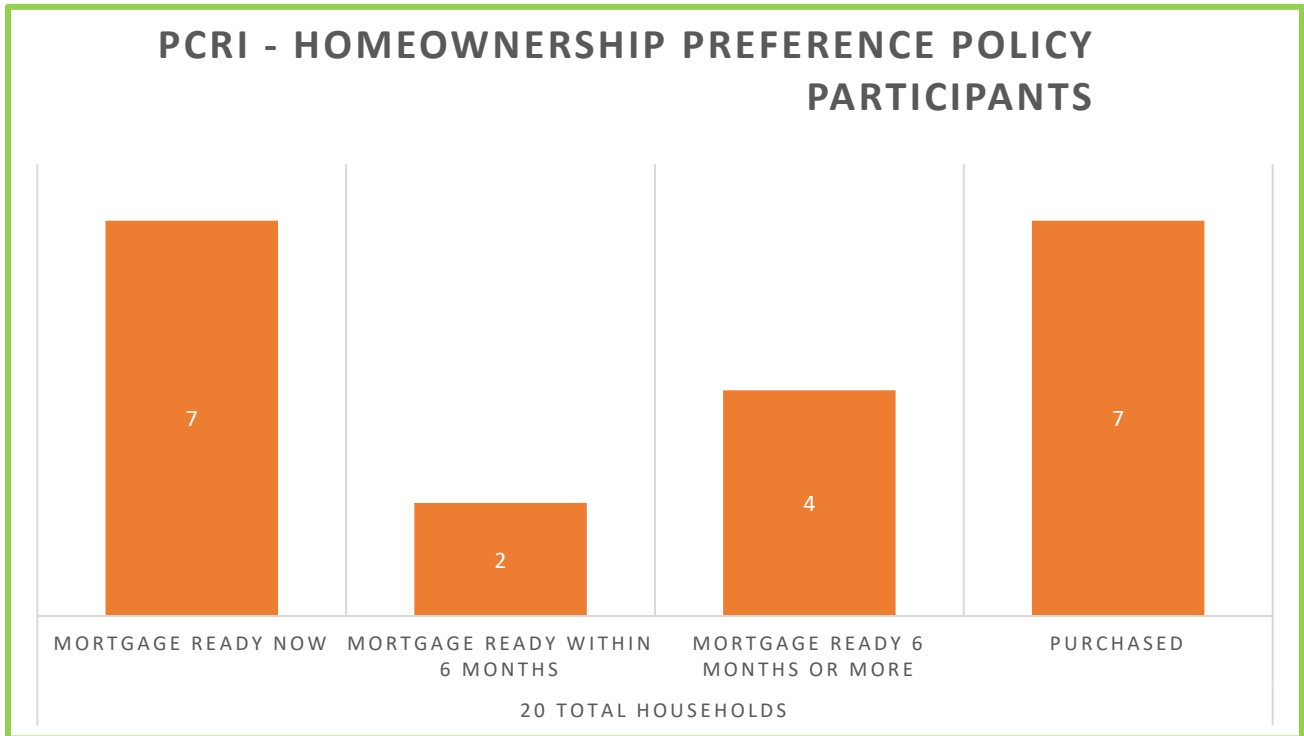
- 2-Year Home Repair Loan Trends:
  - 2016 – 2017 funded loans = 58
  - 2018 – 2019 funded loans = 61
- During 2019, there were 49 home repair loans under construction



## Strategy 2: Creating New Homeowners

### Down Payment Assistance

Charts represent pipelines for 2 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.



Data: as of December 31, 2019

### Blandena Townhomes By PCRI 3 Preference Policy Homeownership Units

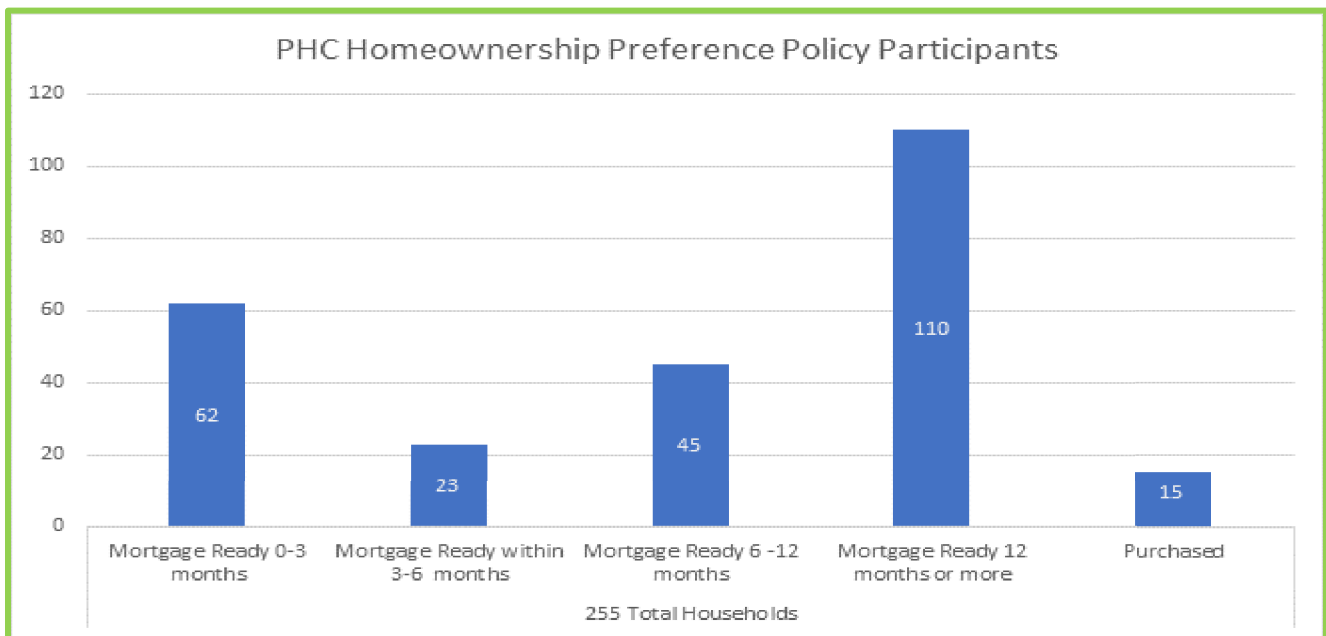


Six townhomes will be developed on a lot on North Blandena Street, just west of North Interstate Avenue. These homes are part of PCRI’s Pathway 1000 Initiative – an effort to help displaced residents move back to the community.”



**Portland Housing Center** has been involved in the Preference Policy since July 2018. Since the start of Portland Housing Center’s involvement, 16 households have successfully achieved homeownership utilizing Preference Policy resources (except one). Of these households 4 used an Interstate URA DPAL, 2 utilized Prosper Portland funding, 8 utilized a City Wide DPAL, one purchased a Proud Ground owned property utilizing a down payment assistance grant, and one purchased without any PHB resources.

In 2019 11 information sessions were held for potential Preference Policy participants resulting in 232 households beginning Portland Housing Center services. A total of 49 households were rescinded in 2019. As of December 31<sup>st</sup>, Portland Housing Center was working with an active pipeline of 255 Preference Policy homebuyers.



# 255

Active PHC Preference Policy Pipeline

# 15

Homeowners Created through 12/31/2019

Since Beginning Services

39

Increased Savings

27

Decreased Debt

44

Increased Income

### Mortgage Readiness of Active Households

■ Long Term (>6 Months Out) (69%)

■ Short Term (3-6 Months Out) (9%)

■ Near Ready (<3 Months Out) (12%)

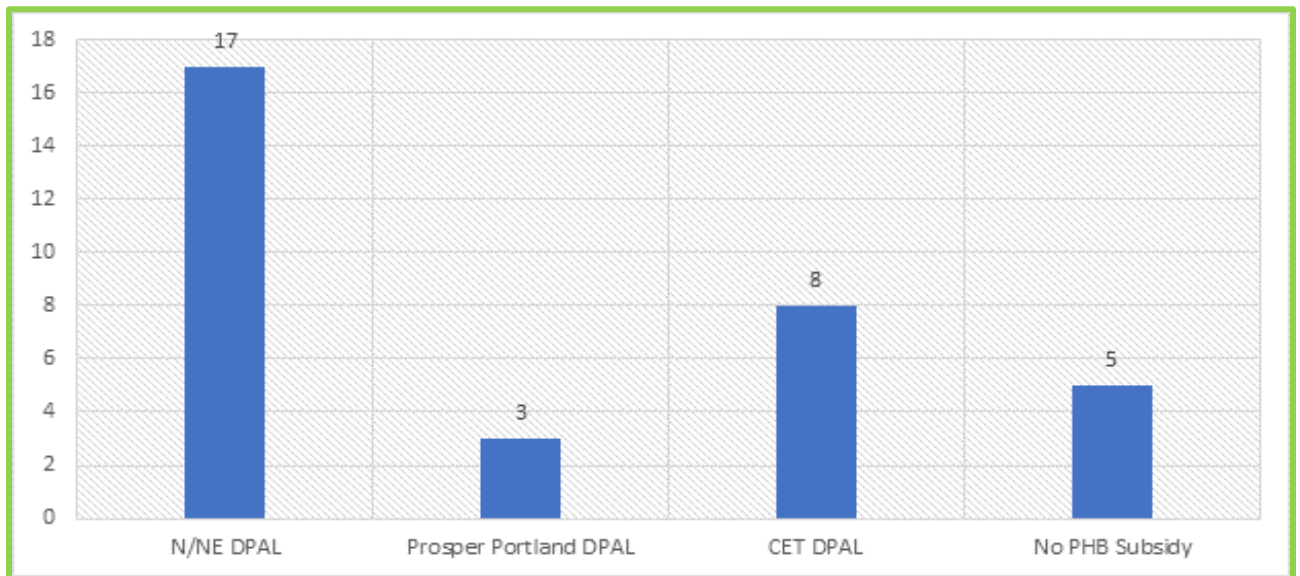
■ Mortgage Ready (10%)

### Typical Preference Policy Client\*

Household Size	2
Age	40
Income	\$42,552
Credit Score	646
Savings	\$600
Total Household Debt	\$24,370

\* All Values are Medians for active Preference Policy Clients

## 33 New Home Buyers Identified through the N/NE Preference Policy (as of December 31, 2019)



The 17 N/NE DPAL Home Buyers count towards PHB's goal of 110 by 2022

An additional 6 new homeowners purchased as of February 12, 2020

An additional 10 households are in contract, anticipating closing by end of March 2020

## Home Ownership Unit Development

Portland Housing Bureau is working with community partners Habitat for Humanity and Proud Ground to build 82 affordable home ownership units for preference policy applicants within the district.



**Habitat for Humanity – Project rendering Olin Total units: 12**





**Habitat for Humanity - Kilpatrick Townhomes Total Units:30**



**Proud Ground/Habitat for Humanity -5020 Condos  
64 Total units (24 Market Rate/ 40 Permanently Affordable)**

## 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. Three projects have completed leasing utilizing the preference policy. The Magnolia II is in process of leasing, currently it is 60% of the 50 units are leased. PHB is currently conducting a preference policy round to lease the three remaining buildings, all scheduled be completed and ready for occupancy in June 2020.

### Rental Unit Pipeline

Building Sponsor	Units	Status
<b>Beatrice Morrow</b> PCRI	80	Occupied
<b>Charlotte B. Rutherford</b> CCC	51	Occupied
<b>Magnolia 2</b> IHI	50	60% leased as of 2/7/20
<b>King + Parks</b> PCRI	70	Leasing June 2020
<b>Songbird</b> Bridge	61	Leasing June 2020
<b>Renaissance Commons</b> REACH	189	Leasing June 2020
<b>Total Units</b>	<b>501</b>	



**Charlotte B. Rutherford**



**Beatrice Morrow**



**Magnolia 2**



**King Parks**



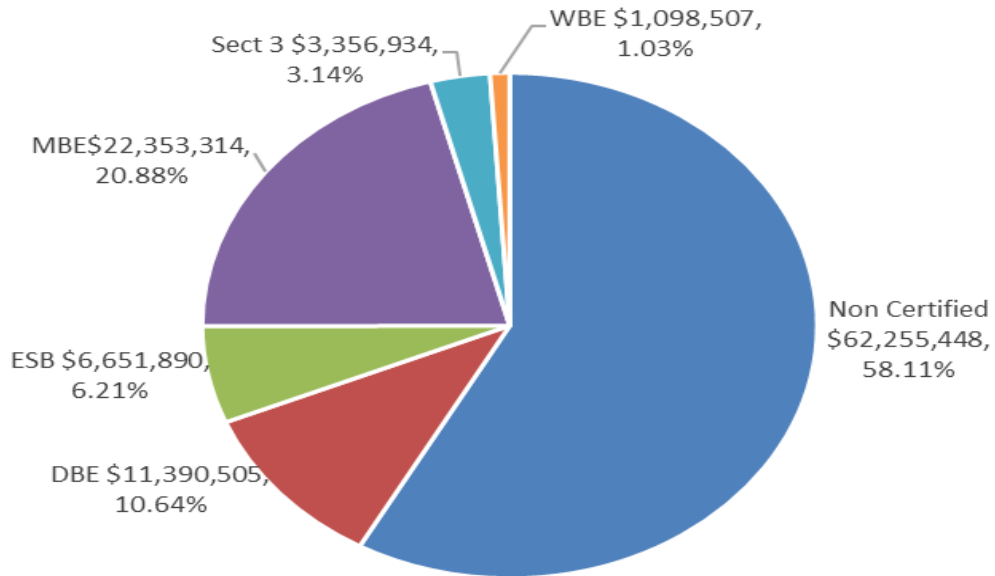
**Renaissance Commons**



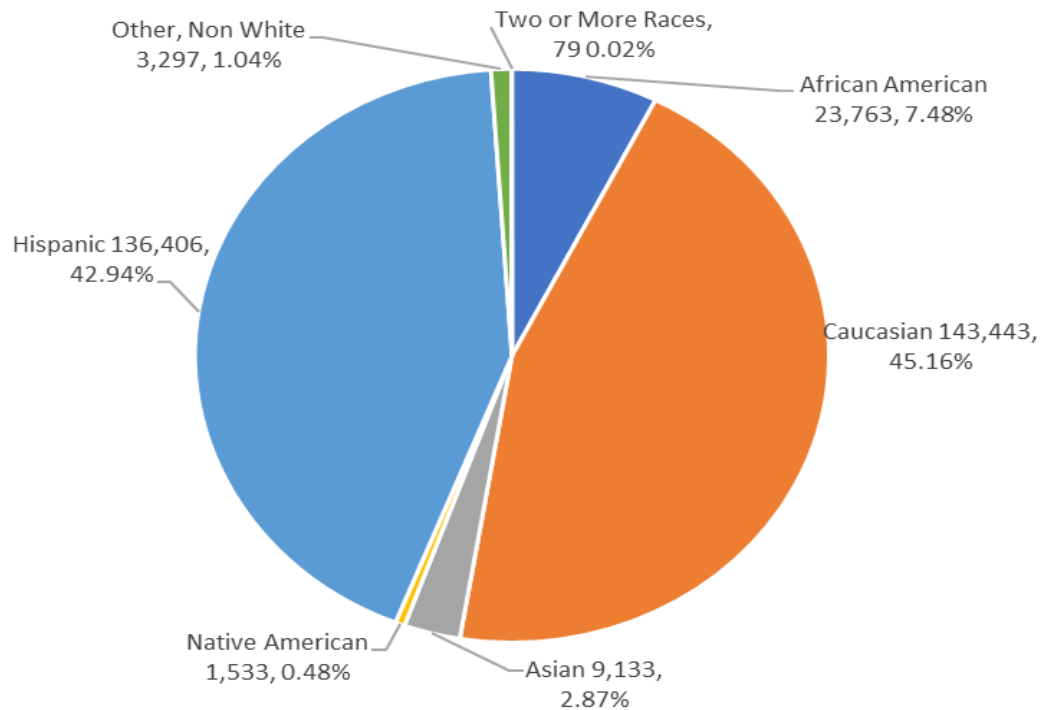
**Songbird**

# Policy Area: MWESB Demographics for Rental Construction

**Minority Contracting**  
(as a % of total contract values)



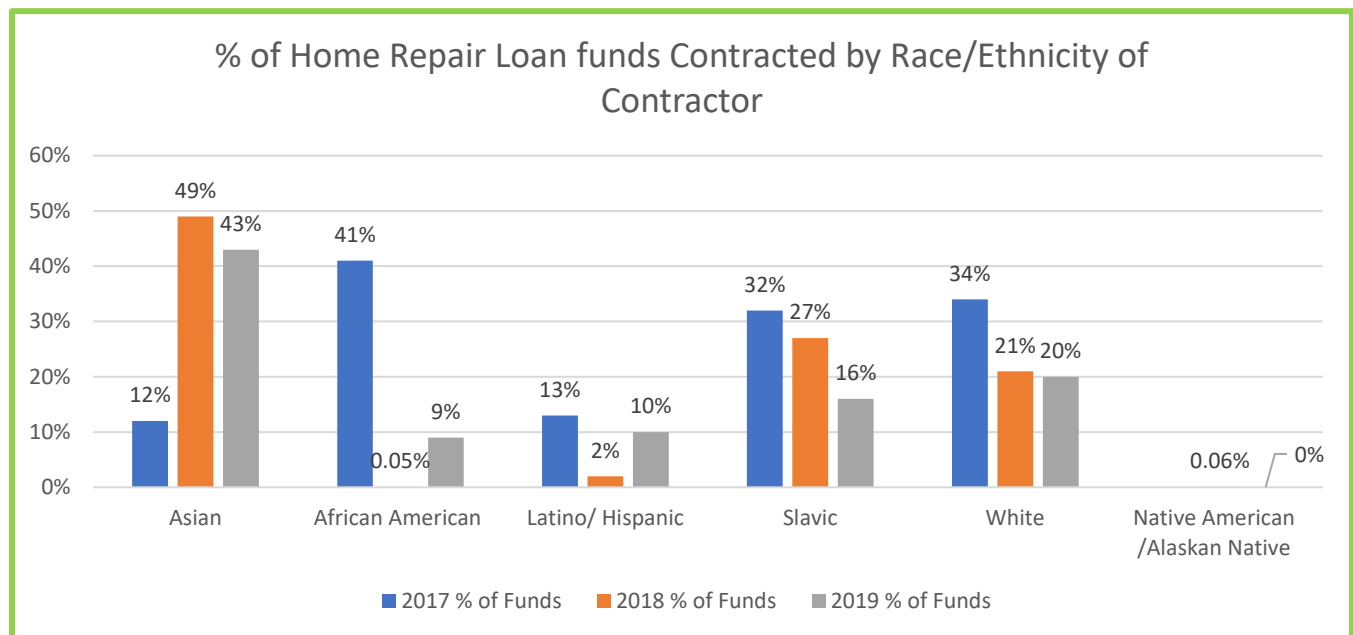
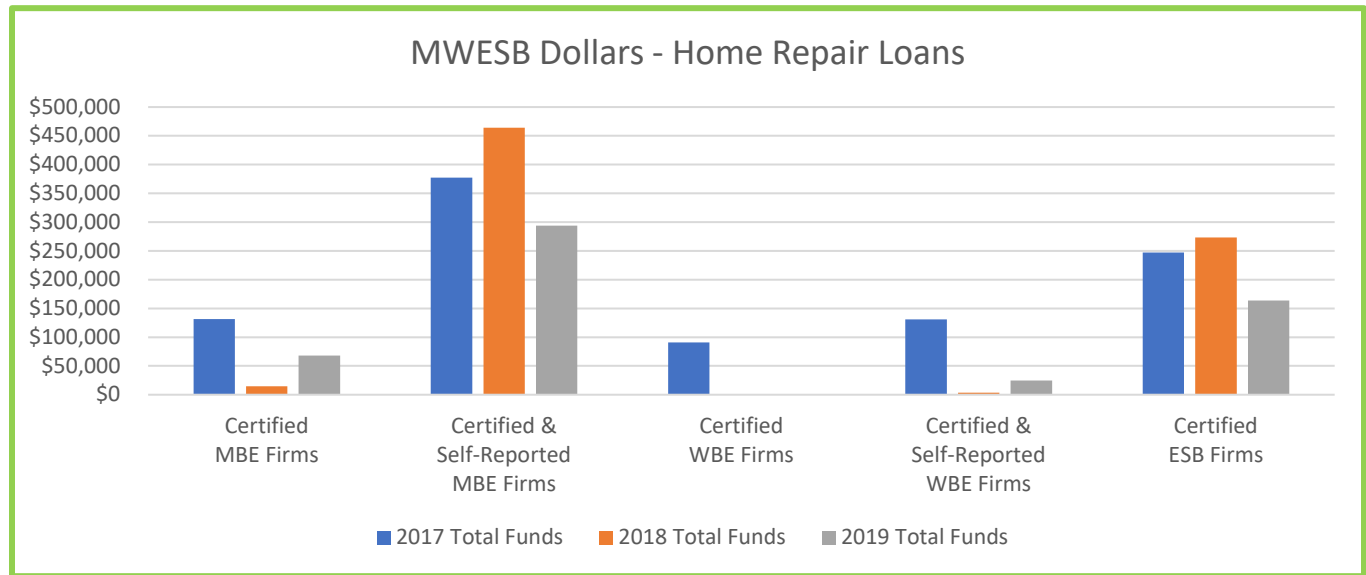
**Rental Construction Workforce Diversity**  
(by hours)



# Policy Area: MWESB Demographics for Home Repair Loans

The information below includes all loans funded with N/NE TIF, Base TIF, TIF Lift, and Prosper Portland funds.

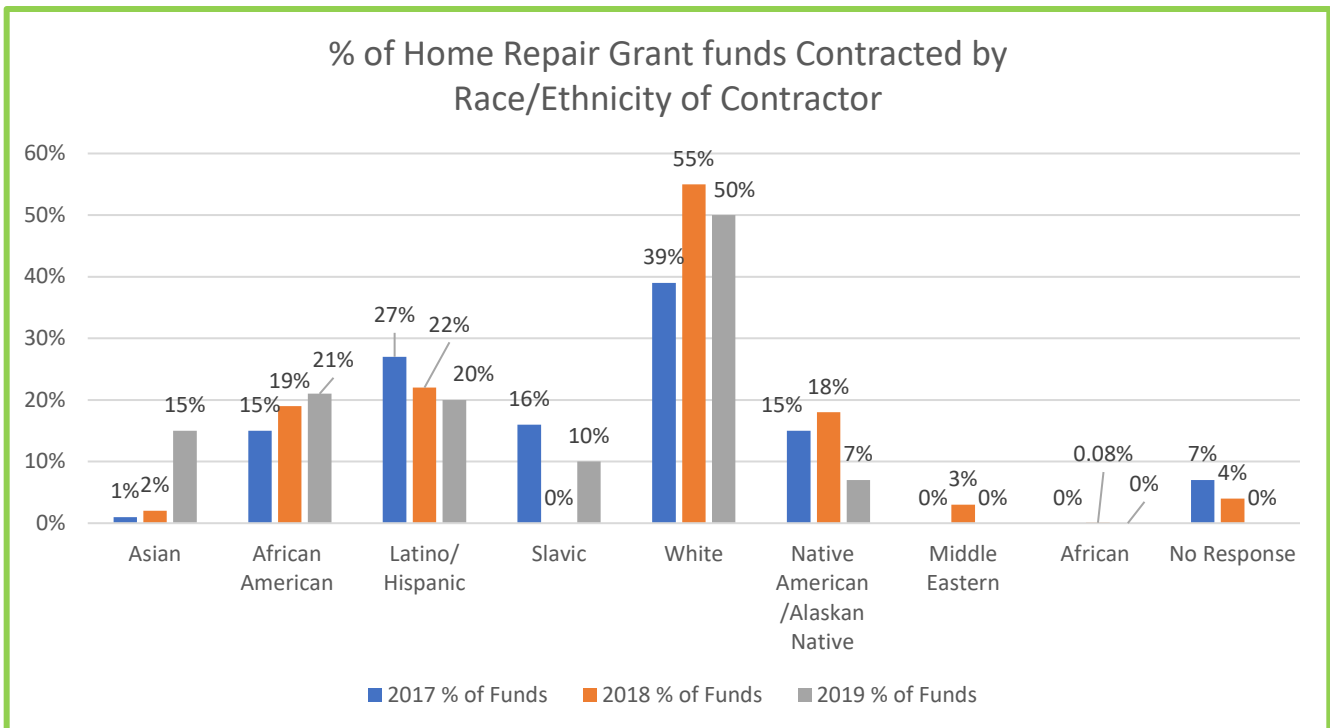
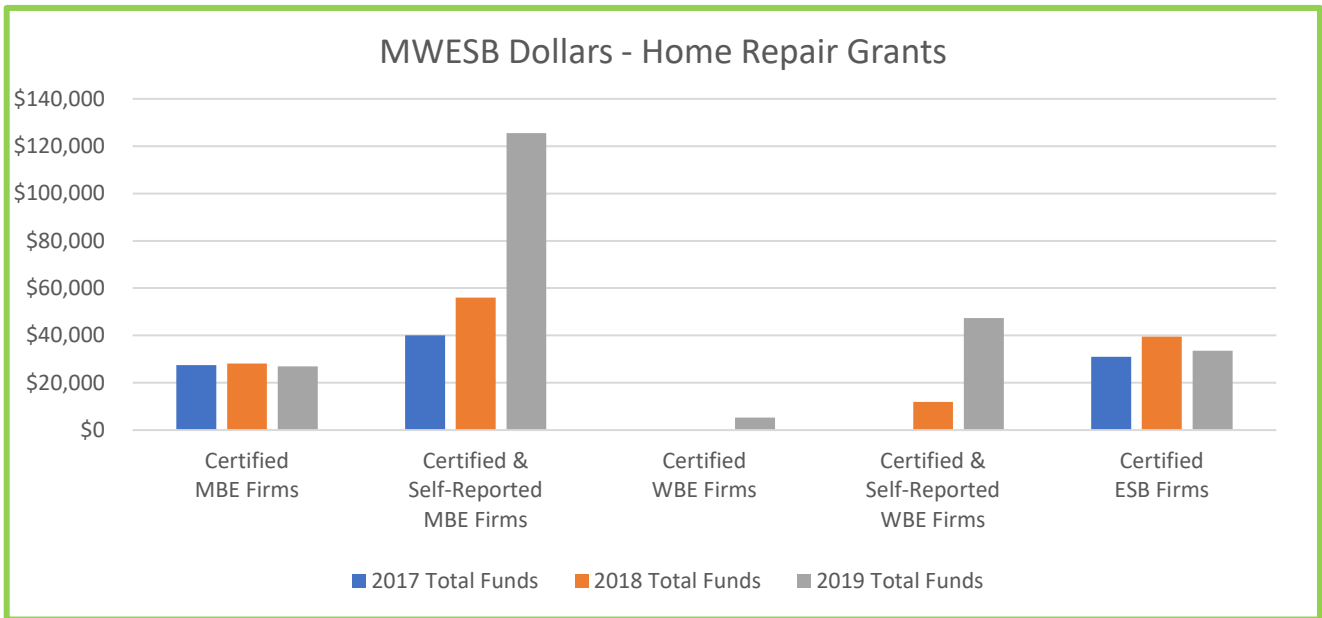
	2017	2018	2019
Total # of Contractors	8	18	22
Total Funds Spent with Contractors	\$573,493	\$898,765	\$472,250





# Policy Area: MWESB Demographics for Home Repair Grants

	2017	2018	2019
Total # of Contractors	22	22	31
Total Funds Spent with Contractors	\$69,508	\$103,940	\$210,670



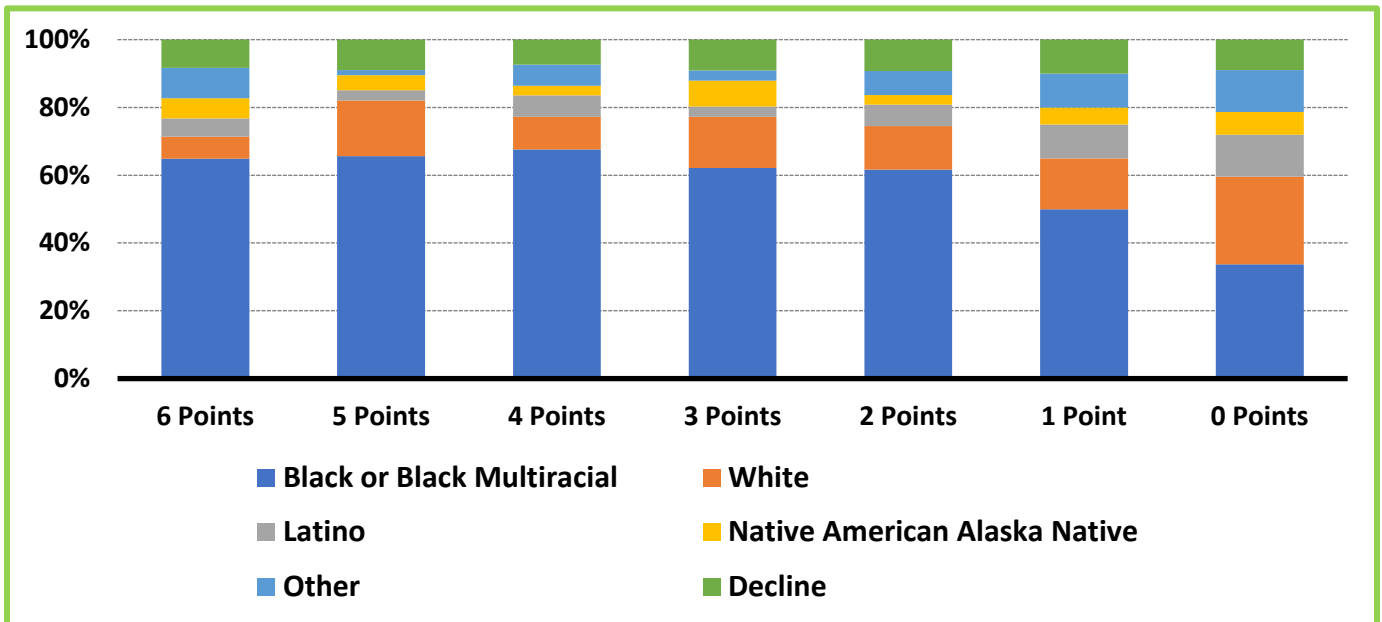
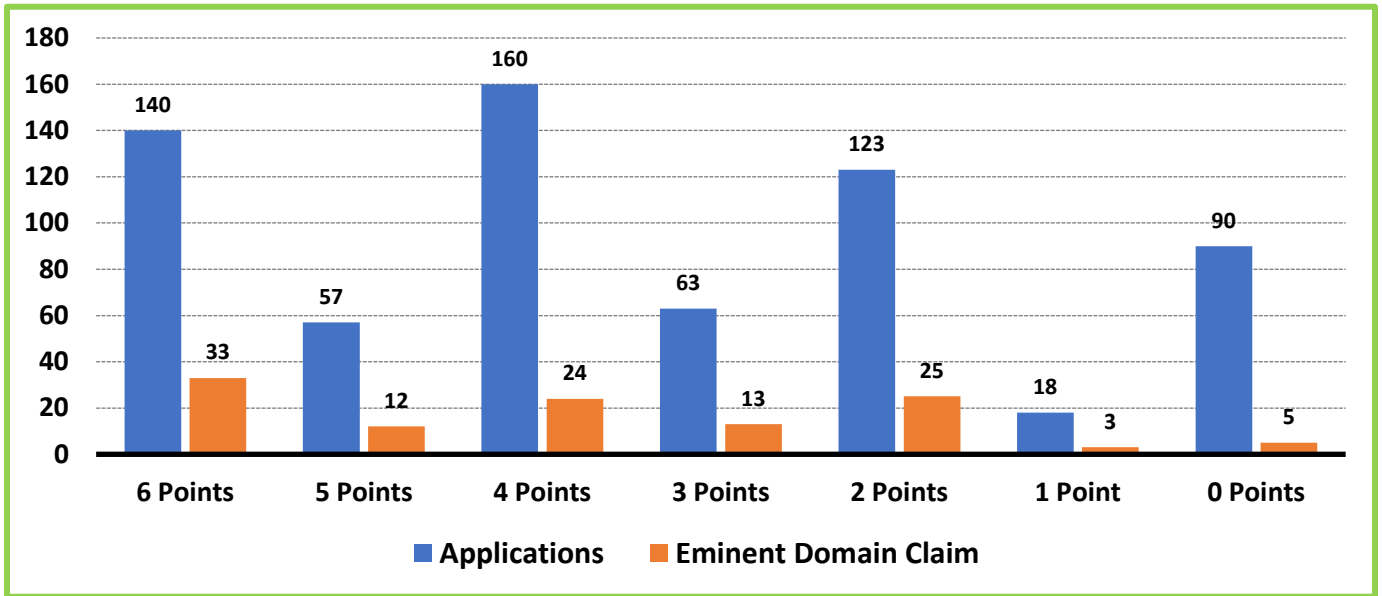


## Policy Area: Preference Policy

Since 2016 the Portland Housing Bureau has managed four distinct rounds of the Preference Policy, in 2019 the bureau ran one for rental and one for home ownership. The tables below provide data on the Preference Policy applicants in 2019.

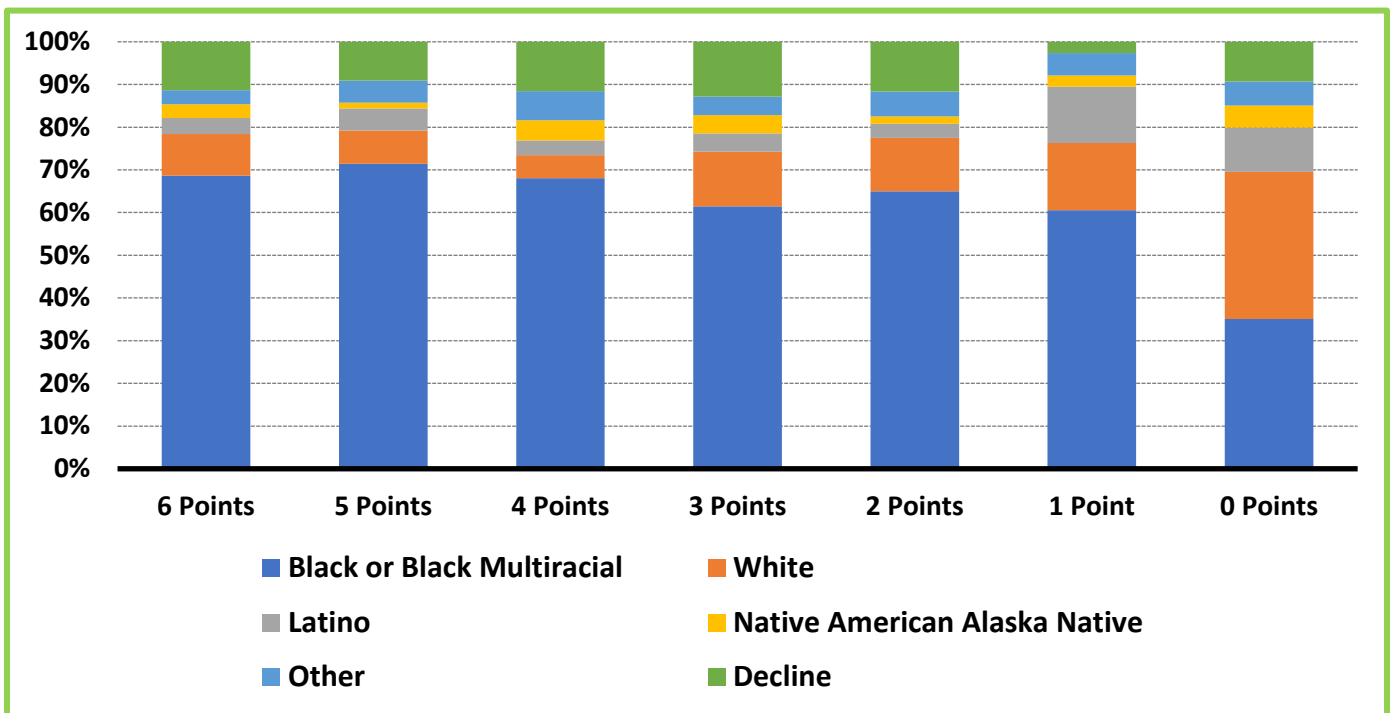
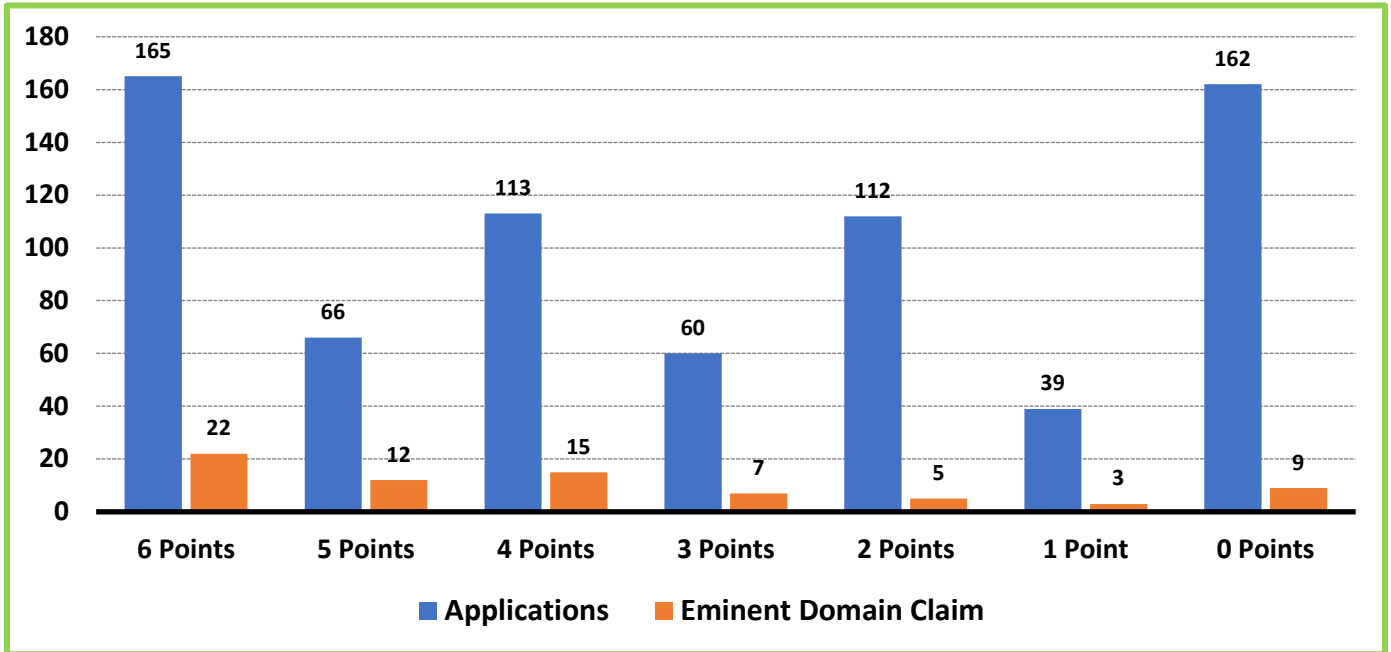
### 5020 N Interstate – Home Ownership Application Round

*April 22, 2019 to May 3, 2019*



## Magnolia II – Multi-family Rental Application Round

September 3, 2019 to September 16, 2019



# Portland State University Study

## The Impact of the Preference Policy on Well-Being

**Co-Investigators: Dr. Lisa Bates and Dr. Amie Thurber**

### Broad Goals:

- To understand the experiences and needs of those served by policy.
- To assist the Oversight Committee and Portland Housing Bureau in evaluating the policy and shaping ongoing implementation.
- To inform similar policies across the county.

### Initial Objectives:

- To understand resident's motivations for applying to the Preference Policy.
- To learn about resident's experiences in the neighborhood and sense of community well-being.
- To begin to gather recommendations to improve social, cultural, civic, economic, and environmental well-being.

### Preliminary Findings:

#### 1. The Preference Policy is serving the intended population

- Age range 19-71, average 43
- Lived in neighborhood average of 32 years
  - On average, lived 72% of life in neighborhood
  - 65% lived entire life in neighborhood
- 84% Black
- 68% Women
- 54% had no children living in home

#### 2. One of the central underlying themes of the policy is that "place matters"

- 80% reported their connection to the neighborhood was their primary motivation for applying
- 80% believed this was best chance to move from waitlist into housing
- Convenience to work or school was NOT a primary motivation
- 91% agree that the history of this neighborhood matters to me
- 87% feel I belong in this neighborhood
- 83% have friends and family in neighborhood

**Compared to U.S sample:**

***19% of adults reported a strong emotional connection to their community***

### **3. Residents are generally experiencing improvements in their well-being**

- 78% participate in arts and cultural events
- 53% report an increased participation since moving in
- 56% spend time volunteering
- 24% report increased civic engagement since moving in
- 50% report getting to work and/or school is more convenient

### **4. Residents reported risks/vulnerabilities to their well-being**

- Only 48% agreed that people who want to can find a good job in the neighborhood
- Some are still precariously housed
- Most interviewed described needs for more low-cost stores and amenities
- 70% agree that people of different backgrounds get along
- 37% agree there's "a lot" of prejudice in the neighborhood
- 30% experienced discrimination in area businesses
- Most people interviewed described experiencing prejudice in the neighborhood

### **5. Take Aways**

- Being able to live in the neighborhood where you have strong place attachments and social ties matters deeply to many.
- Residents experience their situations as improved, AND they experience tensions/threats to well-being.
- Affordable housing is necessary but not sufficient.

## Summary

Advancement is happening, five years have passed rapidly, and much has been accomplished. While there is room for improvement, especially with respect to preference policy applicants for home ownership, we are heading in the right direction to make sure the promises made, will be the promises kept.

Opportunities in front of us:

- Ongoing advertising/marketing efforts to increase awareness and participation of communities of color, especially African Americans, with the home repair loan and grant program.
- Consideration for increasing the grant amount for home repair.
- Must re-establish quarterly newsletter to keep the community informed about the work of the committee, PHB and the development partners.
- Continue to remove barriers for MWESB at all levels of construction and development, including the home repair grant/loan program.
- In 2019, the Oversight Committee voted to recommend maximizing the indebtedness of the Interstate TIF district. We understand that Prosper Portland's Board will be reviewing this recommendation this spring. It is our anticipation, that City Council will be in support of the recommendation to maximize indebtedness for the purpose of creating increasing affordable housing opportunities in NE Portland.
- We support the inclusion of the Williams & Russell Project (property) inclusion in the Interstate TIF District for the opportunities it will provide.
- The Preference Policy continues to be the most effective way in connecting families with affordable housing opportunities in N/NE Portland. We request City Council and PHB to seek ways to provide funding to support additional evaluation of the impacts of the Policy.

## Conclusion

As I reflect on 5 years of investment, I'm encouraged with the sincere efforts that have been made and are being made to do things differently. Change has occurred around this work, such as three Housing Bureau Directors, two Housing Commissioners, and leadership changes in partner organizations. But those specific changes have not been a hindrance to the work moving forward. This illustrates the value this work holds for the city, its leadership and the community. We acknowledge that the damage that has occurred can never be repaired or replaced, but each housing unit-built matters to the families who will live in them. The simple truth is, we cannot do enough.

I want to express sincere appreciation to the people who have given themselves to this endeavor: N/NE Oversight Committee members, PHB, City Council, and all of our community partners. Our time continues to be limited; this moment won't last forever. Let's continue to do our best to ensure that the "promises made will be promises kept."

Agenda No.  
**REPORT**  
Title

Accept the annual report for calendar year ~~2019~~ of the North and Northeast Neighborhood Housing Strategy Oversight Committee (Report)

2019 Annual Report

<p><b>INTRODUCED BY</b> Commissioner/Auditor: <b>Mayor Wheeler</b></p>	<p>CLERK USE: DATE FILED <u>MAR 03 2020</u></p>
<p><b>COMMISSIONER APPROVAL</b></p> <p>Mayor—Finance &amp; Administration - Wheeler <i>[Signature]</i></p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Vacant</p> <p>Position 3/Affairs - Hardesty</p> <p>Position 4/Safety - Eudaly</p>	<p>Mary Hull Caballero Auditor of the City of Portland</p> <p>By: <u><i>[Signature]</i></u> Deputy</p>
<p><b>BUREAU APPROVAL</b></p> <p>Bureau: Portland Housing Bureau Bureau Head: Shannon Callahan <i>[Signature]</i></p> <p>Prepared by: Leslie Goodlow Date Prepared: 2/12/2020</p> <p>Impact Statement Completed <input type="checkbox"/> Amends Budget <input type="checkbox"/></p> <p><b>City Auditor Office Approval:</b> required for Code Ordinances</p> <p><b>City Attorney Approval:</b> required for contract, code, easement, franchise, charter, Comp Plan</p> <p>Council Meeting Date <b>March 11<sup>th</sup>, 2020</b></p>	<p><b>ACTION TAKEN:</b></p> <p>MAR 11 2020 <b>ACCEPTED</b></p>

<b>AGENDA</b>
<p><b>TIME CERTAIN</b> <input checked="" type="checkbox"/></p> <p>Start time: <del>9:45</del> <i>10:00 a</i> <i>45 min</i></p> <p>Total amount of time needed: <del>45 minutes</del> (for presentation, testimony and discussion)</p>
<p><b>CONSENT</b> <input type="checkbox"/></p>
<p><b>REGULAR</b> <input checked="" type="checkbox"/></p> <p>Total amount of time needed: <i>45</i> (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	1. Fritz ✓	
2. Vacant	2. Vacant	
3. Hardesty	3. Hardesty ✓	
4. Eudaly	4. Eudaly ✓	
Wheeler	Wheeler ✓	