

## South Waterfront affordable housing project breaks ground

*\$50 million residential building will include units for low-income veterans*

BY JIM REDDEN

The Portland Tribune, Apr 26, 2011, Updated Apr 26, 2011

**After years of delay caused in large part by the recession, ground was broken Tuesday morning on the first affordable housing project in the South Waterfront neighborhood.**

“Some people said this day would never happen, but we persevered,” Portland Housing Commissioner Nick Fish said at a dedication ceremony that included elected officials, affordable housing advocates and representatives of various organizations involved in the project.

Plans call for the construction of a six-story, mixed-use building that will include 209 housing units and 12,000 square feet of ground floor office space. The units will be targeted at households earning 50 percent of the Portland-area median family income, about \$25,000 for a single-person household. Forty-two of the units will be set aside for veterans earning less than 30 percent of the median income, about \$15,000 a year.

The project will cost about \$50 million, with the city contributing approximately \$28 million. It will be built on city-owned property known as “Block 49.”

Although the collapse of the housing market stopped the construction of luxury condominiums in the neighborhood along the west bank of the Willamette River, a number of other projects have been completed or begun over the past year or so. They include the completion of the Elizabeth Carruthers Park, the opening of two new residential buildings, the start of construction of a new transit bridge across the Willamette River, and a commitment the Oregon Health and Science University to build a satellite campus in the area.

OHSU officials recently announced plans to increase the size of the first building on the campus by 20,000 square feet, raising the cost of the Oregon University System-OHSU Collaborative Life Sciences Building to around \$160 million.

### Housing Bureau project

At the ceremony, Fish blamed much of the delay of the affordable housing project on the recession-driven tightening of the credit market. The project was originally intended to be built by Williams & Dame, the private development company behind much of the early South Waterfront construction. Fish said the city was able to revive the project in part by buying the property from them for \$5 million, repaying their \$2 million pre-development fees, and bringing the nonprofit REACH Community Development Corporation on board. REACH was able to help leverage support from U.S. Bank and Enterprise Community Development, an organization that markets tax credits to investors.

Other development partners thanked at the ceremony include Oregon Housing and Community Services, the Housing Authority of Portland, the U.S. Department of Veteran Affairs. The building was designed by Ankrom Moisan Associated Architects and will be built by Walsh Construction.

The project is being overseen by the Portland Housing Bureau, a new agency created by the City Council after Fish was named housing commissioner. At the ceremony, Fish credited agency director Margaret Van Vliet with not giving up on the project.

“We had to be persistent,” Fish said.

REACH Executive Director Dee Walsh said such delays are not uncommon in affordable housing projects, which frequently require a complex mix of financing.



A rendering shows the affordable apartments planned for South Waterfront.

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**“This day was a long time coming, but that's the way real estate is,” said Walsh.**

**The project is expected to be completed in 15 or 16 months. It is just south of the 274-unit Matisse market-rate apartment building that opened last year.**

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