

Community Development Block Grant Narrative

Relationship of CDBG Funds Goals & Objectives

The Consortium relies on CDBG funds to fund programs in its three campaigns: ending homelessness, increasing housing choice for households at 0-50% MFI, and expanding economic opportunities for households at 0-50% MFI. All allocations are based upon goals and objectives critical to addressing the priority needs identified in the 2005-2011 Consolidated Plan. In almost every instance, CDBG funds are distributed for programs and activities that exclusively benefit low- and moderate-income residents of the community. The federal CDBG entitlement to the City of Portland for the FY 2010-2011 was \$18,056,622.

These funds are used together with HOME, HOPWA, ESG, and City General Fund to leverage other public and private dollars used to fund housing development, public services, and economic development activities. Housing needs were identified as the most pressing priority, with 59 percent of the total CDBG expenditures going towards housing development and housing related services for low and moderate income residents.

With re: to Housing, CDBG funds are utilized to increasing or preserving the availability of rental by acting as capital to build and/or rehab affordable housing. The City of Portland focuses on the following activities:

- rental rehabilitation,
- special needs housing,
- homebuyer programs,
- homeowner rehab, and
- accessibility improvements

Additionally, CDBG is utilized to further these goals by funding related housing services such as providing education for potential first time homebuyers and fair housing information to landlords and tenants. Housing programs respond to the needs of low-income individuals and families, leveraging CDBG dollars together with HOME and city funds and in conjunction with other partners to maximize the effectiveness of public dollars allocated to housing and housing services.

In allocating CDBG funds for housing, PHB has taken into consideration the housing needs of different low-income populations, including renters, homeowners, homeless, and individuals with disabilities or special needs. During the FY 2010-2011, CDBG money was used in conjunction with other funds to provide funding to housing programs based on the needs and priorities stated in the Consolidated Plan.

CDBG supports the rehabilitation of affordable housing through rehab of rental housing. This is supported by funding provided through the PDC rental rehab program which funds acquisition and rehab of projects occupied low-to moderate-income residents. Also, rehab of owner occupied units is supported by funding provided to community organizations through the Mini-housing Rehab Program.

Homeownership goals are supported in four ways;

1. funding provided directly to housing development agencies doing new construction and acquisition and rehab for homeownership,
2. direct homebuyer financial assistance to homebuyers,
3. homebuyer education and counseling, and
4. outreach to first time, low-moderate income homebuyers through the minority homeownership fairs.

Community Based Development Organization (CBDO)

CBDO, are a special non-profit organization that upon designation by grantee carries out neighborhood revitalization, community economic development or energy conservation projects.

Organizations certified as CBDOs in FY 2010:

Rose CDC

Central City Concern

SE Works

PCRI

Human Solutions, Inc.

NAYA

Reach CDC

Portland Trades & Apprenticeship Careers Project, LLC of Oregon Tradeswomen

Constructing Hope

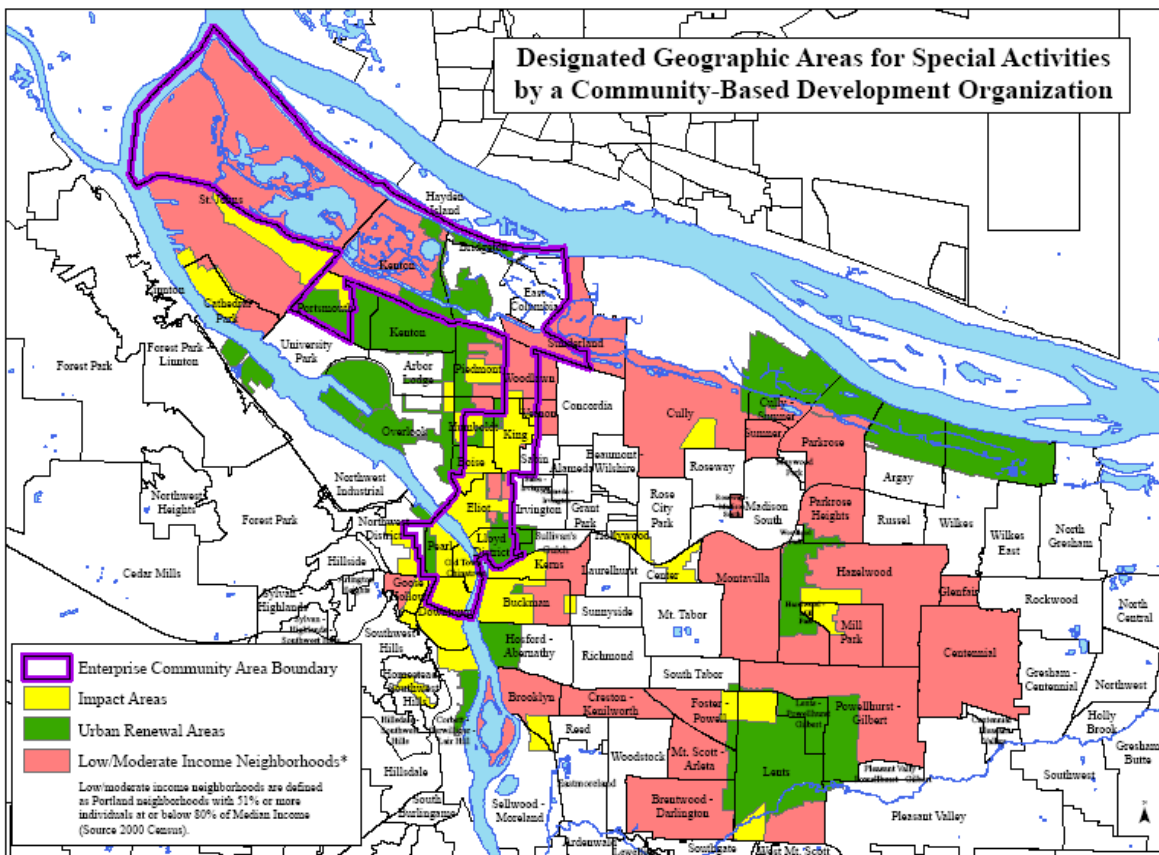
Verde

Proud Ground

Outside In

Open Meadows

See Designated Geographic Areas for Special Activities by Community – Based Development Organization (CBDO Map)



Public Facilities:

Preservation of Section 8 Housing

It is the policy of the City of Portland that publicly assisted rental housing affordable to low and moderate income persons and households should be preserved as a long-term resource to the maximum extent practicable, and that tenants of such properties should receive protections to facilitate securing new housing should the affordable units be converted to market rate units or otherwise be lost as a resource for low and moderate income housing.

Background

To implement the City's Housing Preservation Policy, staff at PHB was tasked with developing resources beyond the current federal entitlements allocated to PHB for housing development. With consultation from the National Development Council, staff applied for and secured a \$15 million loan pool using Section 108 Guaranteed loan funds from HUD. The pool was designed to finance local preservation projects in the rental development pipeline. The following is the listing of prioritization of the fund:

1. *Expiring HUD Subsidized Housing* – Acquisition, Rehab, Refinance/Rehab of federally expiring Section 8, Section 202 properties at risk of losing affordability
2. *Expiring Low-Income Housing Tax Credits* – Acquisition, Rehab, Refinance/Rehab of LIHTC properties developed prior to 60 year affordability requirements at risk of losing affordability.
3. *Loss of Low Rent Market-Rate Housing* – Acquisition, Rehab, Refinance/Rehab of private market units serving a low income population with below market rents at risk of losing affordability
4. *CDBG Eligible Projects that Meet City Housing Policy Goals Outside of Preservation* – Acquisition, Rehab, Refinance/Rehab, and New Construction carried out by CBDO's of affordable housing projects that meet other identified City of Portland Housing Policy Goals.

The pool was established to cover the amount of funding needed to preserve the six of the thirteen federally expiring Section 8 properties in Portland outside of urban renewal areas, and therefore without access to an available funding source. Staff originally estimated that over \$8,000,000 would be needed to finance the six projects, and another \$6,000,000 could be used for projects that met other priorities listed above.

Activity in the Preservation Pipeline

The PHB closed its third Section 108 loan in the amount of \$415,000 for the preservation of **Upshur House Apartments**. Upshur House, built in 1980, is a 30 unit, affordable housing project, consisting of five two-story buildings with a mix of one, two, and three-bedroom units. The apartments are conveniently located in NW Portland near excellent schools, trolley, and an urban hub of the city known for its restaurants and shopping opportunities. The property currently serves low-income singles, couples, and families at or below 50% of the MFI for the region. The current affordability is achieved with a project based Section 8 contract from HUD that is due to expire in July 2010. Application has been submitted to HUD and the determination of rents is complete. HUD's complete 20-year contract renewal is anticipated by mid-July. Under the new financing structure the project will have 5 units of permanent supportive housing with services provided through MOUs with Friendly House and Neighborhood House. The financing package for Upshur includes 9% LIHTCs (Enterprise), TCAP

financing (OHCS), and private debt (NOAH) with OAHTCs. Northwest Housing Alternatives (NHA) is the developer for the project.

The PHB successfully completed underwriting and approval process with HUD for a Section 108 preservation loan in the amount of \$700,000 to preserve **Uptown Tower Apartments**. Uptown Tower Apartment's Project Based Section 8 ("PBS8") contract set to expire on in 2013. Uptown Tower Apartments ("Project") is located at 712 SW St. Clair Avenue and it is a 9-story building comprising 72 1-bedroom units served by 1 elevator, common laundry room, community areas, and occupied commercial space (2,500 sq.ft.). The resident profile is predominately senior population mixed with residents on disability income.

With funding from the Portland Housing Bureau, Human Solutions purchase and is in the process of renovating the **Briarwood East Apartments**, a 22-unit apartment complex at 3302 S.E. 122nd Ave. PHB funded Briarwood East Apartments with \$807,215 in HOME funds and , \$1,254,404 in Section 108 funds.

The PHB also closed on **The Halsey Center** a public facility with Section 108 funds. Halsey Center is located at 1435 NE 81st to serve as a resource center for homeless and recently housed individuals and families, and as the offices for JOIN Inc., a local non-profit street outreach and permanent housing placement team. Collectively, JOIN's permanent housing placement and retention team helps over 250 households (450 people), made up of men, women, and children of all ages and backgrounds, into permanent housing each year. Annually, they support an additional 400+ households that are already in housing. JOIN partners with the City of Portland's Housing Bureau to house zero-income chronically homeless individuals in private market units throughout Multnomah County, with the Housing Authority of Portland to deploy Shelter Plus Care vouchers in private market units throughout Multnomah County, and with the STRA consortium to support hundreds of additional individuals to obtain and retain housing. In these ways, although the facility does not include housing units, it supports the City's goal of expanding access to permanent housing for very low-income individuals.

Villa de Sueños project received a second installment of Section 108 this year. **Villa de Sueños Apartments** is a 28-unit complex that was completed in 1999 with financing from the Low Income Housing Tax Credit program. The mix of 3- and 4-bedroom units is arrayed in six 2-story "walk-up" buildings with exterior entrances. The project provides affordable housing to large families at or below 60% of area median income. Four of the 28 units carry Project-based Section 8 vouchers. The 6-building complex has encountered extensive water-related damage due to faulty original installation of exterior siding, windows and roofing materials. Proceeds from a lawsuit against the general contractor that built the apartments were also used in the rehabilitation and preservation of the project.

Over the next 1-3 years the City anticipates preserving up to 3 other expiring Section 8 projects utilizing the Section 108 loan pool in combination with the City's URA funds for Lexington Apartments, 1200 Building and Park Tower Apartments. In total, the City will preserve 950 units of affordable housing that serve one of the most fragile populations in the city.

CDBG: Homeless Facilities and Services

PHB funds allocated for homeless services support the community's Continuum of Care for homeless adults and youth as well as the City and County's 10-year Plan to End Homelessness. CDBG-funded program activities focus primarily on the development and operation of homeless facilities along with providing associated services to low income and homeless populations. The City of Portland's CDBG funding is directed to housing-related information and referral services, fair housing services, transitional housing for mentally ill homeless adults, housing services for homeless seniors, as well as emergency shelter and services for homeless adults.

The Housing and Homeless Services Consolidated Plan goals include:

- To support the shelter and housing capacity recommended by the housing and service plan each homeless population and in support of the City and County 10-year Plan to End Homelessness.
- To provide adequate emergency basic shelter to meet the needs of homeless individuals, unaccompanied youths).
- To develop homeless facilities pursuant to adopted housing and service plans and to maintain existing low-income housing stock in the community.
- To reduce the number of at-risk adults, families and youth who become homeless in our community each year.

Accomplishments

During the FY 2010-2011, PHB supported its Consolidated Plan Housing and Homeless Services goals through directly funding several programs providing shelter and services to 18,644 individuals and providing 1,834 permanent housing placements. Contracts with Multnomah County provided transitional housing, case management, and housing placement assistance to individuals with severe mental illness experiencing homelessness.

A summary of the programs and services receiving CDBG funds is provided in the table on the following page.

CDBG Funded Homeless Facilities and Services

Accomplishments

During the FY 2010-11, PHB supported its Consolidated Plan goals of homeless prevention through the direct funding of several programs providing shelter and services to 18,644 homeless individuals and permanent housing placements to over 1,834 at-risk individuals and families (Homeless Adult Shared Outcomes Report). Contracts with Multnomah County provided emergency housing case management, and permanent housing placement services to individuals in households with children.

Program	Agency	Facility /Service	Number Served
Glisan Street Shelter*	Transition Projects, Inc.	A 90 bed, 24-hour men's shelter providing emergency housing and on-site services in order to support successful transition to safe and stable housing, including permanent housing.	1134 homeless men
Clark Center*	Transition Projects, Inc.	A 90 bed, 24-hour men's short-term housing facility with on-site services for men who are committed to staying clean and sober and working on ending their homelessness.	576 homeless men
Community Service Center	Transition Projects, Inc.	Provides intake and shelter access referrals, as well as a variety of basic need services. A sub-set of the clients receive permanent housing placement or eviction prevention services, along with retention support and rent assistance.	2,755
Jean's Place	Transition Projects, Inc.	A 55 bed, 24-hour women's facility providing emergency and transitional housing with on-site support services in order to support successful transition to safe and stable housing, including permanent housing.	301 unduplicated homeless women
Bridgeview Community	Cascadia Behavioral Healthcare	A program that provides 64 individual SRO units for homeless and mentally ill adults. 49 transitional housing units (up to 2 years) for men and women, and 15 emergency housing units specifically for women.	81 unduplicated seriously mentally ill homeless men and women.
Senior Housing Program	Northwest Pilot Project	Services for homeless and at-risk seniors (age 55 and older) to obtain and maintain affordable, permanent rental housing. Includes transitional housing, permanent housing placement and retention support.	1904 unduplicated seniors 1250 households

* Also receives ESG funds described in ESG Narrative.

Non-CDBG funded homeless facilities and services are described in the Continuum of Care Section,

Economic Opportunity Initiative

Priority Three of the Consolidated Plan says: Programs to assist adults and youth to improve their economic condition. The Portland Economic Opportunity Initiative is the primary strategy used to address that priority. The Initiative served 2621 participants in 10/11. There were 453 Microenterprises served by seven projects and 2126 youth and adult workforce participants served by 25 projects. The group of 32 projects continued to participate in a common online reporting system and met quarterly for training and to address common issues and needs.

CDBG funding was leveraged by City General Fund, federal workforce investment training dollars, funds from two foundations, United Way match, extension of TANF subsidies while recipients are participating in Initiative projects, and State investments in IDA's and also in the largest of our Microenterprise projects. Lewis and Clark Law School is now operating the Microenterprise law clinic providing free services to Initiative participants which we helped establish and benefit from. All participants in the Initiative are eligible to participate in a state or federally matched saving plan (IDA), in-depth credit repair and a service to remove work & housing barriers created by fines, misdemeanors and drivers license suspensions (Clean Slate) has been used by a large number of Initiative participants.

All workforce participants were enrolled at 50% of median income or less. Half of the microenterprise participants are required by EOI program rules to be enrolled at 50% of median or less and half can be 50-80% of MFI at enrollment. Portland's minority populations made up 52% of participants in Initiative projects. A significant portion of the white participants are limited English speakers.

The NW Area Foundation has continued funding for development and implementation of a project to "green", business practices, products, marketing and facilities of EOI Microenterprises. The same Foundation has also funded the development and implementation of an outreach project to employers of EOI participants to stimulate improvements and advocacy and development of a program to match EOI graduates with mentors. And in addition, the NW Area Foundation now provides the funding to support the Metropolitan Contractor Improvement Partnership (MCIP) as an EOI microenterprise project and to support their outreach and assistance to minority contractors interested in the large weatherization project called Clean EnergyWorks Oregon.

With the development of the Portland Housing Bureau, July 1 2009, EOI was transferred to the Portland Development Commission. PDC has decided to review and modify the microenterprise program of EOI and issue a new RFP for these services in January 2012. The youth workforce projects are also going to be RFP'd in January 2012. The RFP may be issued jointly with the local workforce investment board, Worksystems, with significant changes to the program or it may be issued solely by PDC with basically the same model. Planning processes including public involvement will address these questions in the fall of 2011.

CDBG PUBLIC BENEFIT PERFORMANCE - FY 2010

PROJECT	\$ Amount	Proposed # FTE Placements	Actual FTE Placements
**CCC/ ABTSCO	110,404	15	12
**CCC/GITI	177,693	14	15
CCC CHES	240,000	No 3 yr. data yet	No 3 yr. data yet
**HSII	125,921	18	19
*IRCO Transitions	15,000	7	4
Irvington Covenant	60,402	9	6
Oregon Tradeswomen	130,014	20	16
Verde	58,200	No 3 yr. data yet	No 3 yr. data yet
*Open Meadow's Multiple Programs ***	249,758	50	39
NAFY RISE*	77,600	10	9
**NAYA	171,533	15	17
*Portland Youthbuild	13,000	15	16
Outside In	71,571	10	11
**SE Works Ex- Offender (PREP)	190,814	14	14
**WSI: SE Works Immigrants/Mt. Hood Connections	96,967	33	40
AGGREGATE	1,928,677	230	218

*Project has signed agreement with an employer

**Project is being carried out by a CBDO; there is no signed agreement