

REPORT TO COUNCIL

To: Portland City Council
From: Bishop Steven Holt, Chair, Oversight Committee
Subject: Accept the first annual report of the N/NE Neighborhood Housing Strategy Oversight Committee

As the Chair of the Oversight Committee, I am pleased to convey the first annual report on the \$20 million additional TIF given to the Portland Housing Bureau in 2014. Council approved the recommendations for the expenditures as well as policy development last January. One of those recommendations was formation of an Oversight Committee, the committee was formed in May of 2015.

The Oversight Committee initially scheduled to meet quarterly, but due to the significant number of issues and the urgency regarding getting funds allocated, met more frequently holding public meetings in June, September, October, December and January. Hereafter, they will meet every other month, with their next scheduled meeting March 10, 2016.

Major Items reviewed:

- Grant Warehouse Multifamily Rental Project
- Home Ownership allocation of Funds
- Preference Policy

The role of the Oversight Committee is to advise and review program proposals and plan development, monitor implementation and outcomes and advise the PHB Director and Housing Commissioner on progress, issues, and concerns.

This first annual report represents six months of significant work by both the Oversight Committee and the Portland Housing Bureau.

I recommend that Council accept the report and support our continued work of combating displacement and gentrification.

1. 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, community will had also given 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 in an effort to begin to address the ongoing threat of displacement and gentrification.

Recognizing the difficult history that had lead 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 will 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 AND NORTHEAST PORTLAND 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

This committee, working with the Portland Housing Bureau as well as its contractors, shall:

- Advise on, and review, program proposals and plan development;
- 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.
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Membership

Bishop Steven Holt, Chair

Felicia Tripp, Deputy Director, Portland Housing Center

Reverend T. Allen Bethel, Sr. Pastor Maranatha Church

Virgie Ruiz, Community Member

Lisa K. Bates PhD, Associate Professor Portland State University, Center for Urban Studies

Katrina Holland, Community Member

Lorenzo T. Poe, Chief Equity and Diversity Officer, Portland Public Schools

Sarah Zahn, Gerding Edlen

Orlando Williams, Motus Recruiting

Lisa Faust, Senior Vice President, Pacific Continental Bank

2. THE NORTH/NORTHEAST NEIGHBORHOOD HOUSING STRATEGY

Strategy	Time Frame	Homes created or households assisted	Total over five years	
Preventing Displacement				
1	<p>Single Family Home Repair.</p> <ul style="list-style-type: none"> Provide zero percent interest loans of up to \$40,000 per home to provide critical home repairs for low income homeowners up to 80% of median family income qualify (<i>\$38,850 for one person, \$55,500 for a family of four</i>). 	Starting immediately, annual allocation for five years.	80 households	\$3.2 million
	<ul style="list-style-type: none"> Provide grants of up to \$5,000 per home to provide critical home repairs to seniors and people with disabilities up to 50% of median family income (<i>\$24,000 for one person, \$34,700 for a family of four</i>). 	Starting immediately, annual allocation for five years.	160 households	\$800,000
Creating New Homeowners				
2	<p>Invest in homeowners.</p> <ul style="list-style-type: none"> Increase PHB funding for Down Payment Assistance Loan (DPAL) Program, assisting first time homebuyers with incomes up to 80% median family income. 	Start immediately, anticipate fully deploying in three years.	40 households	\$2.4 million
	<p>Create new affordable homes.</p> <ul style="list-style-type: none"> Create permanent affordability and new affordable housing stock in the community, investing with community based organizations to leverage their expertise and additional funds (includes land trust, sweat equity, and other leverage models). 		32 households	\$2.6 million
Creating Rental Homes				
3	<p>Permanently affordable rental homes.</p> <ul style="list-style-type: none"> Redevelop PHB-owned land on NE Martin Luther King, Jr. Blvd. between NE Cook St. and NE Ivy St. for affordable rental housing. Emphasize family-sized units and family-friendly features. Work with PDC and others to identify ground-floor commercial opportunity for local business (es). 	Start immediately.	40-80 units	\$4.5 million plus land
	<ul style="list-style-type: none"> Redevelop one or more additional properties either owned by PHB, the County, or other partners. 	Start 2017	30-60 units	\$3.5 million

Land Acquisition				
4	<ul style="list-style-type: none"> Acquire additional land to be used for permanently affordable housing. Work with the community and other institutions to leverage additional funds for this purpose. 	Start immediately.		\$3 million

Over the last six months, the Oversight Committee has met five times since its first meeting in June 2015. These public meetings were intentionally held in the evening and in locations throughout North and Northeast Portland to ensure that they would offer the greatest possible access and opportunity for participation to those members of the community who have historically been disconnected and excluded from public participation. As a result, there was robust attendance at many of these meetings and, at times, spirited and impassioned public comment.

The following bullet points highlight items reviewed and discussed by the Committee in 2015. (Note: this is not a comprehensive list, but a summary of the areas of concentration.)

- Grant Warehouse – Members of the oversight committee participated on the NOFA review panel. The development team has given a status update at each meeting of the oversight committee. In December the committee reviewed and supported the recommendation from PHB to increase funding by \$2.5 million to increase units from 52 to 81.
- Bridge Meadows – Supported PHB’s recommendation to provide TIF financial support without them being subject to the preference policy based on the uniqueness of the population to be served.
- Home Repair – Supported PHB’s recommendation of allocation of funds to current providers without an RFP to expedite funding getting to those most in need. See charts on page 6-8 for funding status and demographic information of those served.
- Home Ownership – Original recommendation was presented in September, the oversight committee asked for a more transparent process, an RFP was let in October. Two members of the Oversight Committee participated in both the development of the RFP and the review of the responses. The evaluation committee recommended \$3.5million be awarded to PCRI and \$1.5 million to AAAH. PHB awarded PCRI \$1.7 million and AAAH consortium \$3.3 based on leveraged dollars and funds currently available for down payment assistance at PCRI.
- Preference Policy – Three members of the oversight committee participated in the development and structure of the preference policy. The policy was reviewed and recommended for implementation by the Oversight Committee at the December meeting. Next Steps will be development of the implementation strategy.

- Land Banking – There has been no real movement on land banking. This is a real concern for the Oversight Committee.
- 2015 Point in Time count of Homelessness– while not specifically identified as an area of focus for the oversight committee, the data was presented on the 2015 Point in time count regarding the significant increase of African American homelessness. PHB proposed a pilot project to deal with culturally specific issues homeless services.

Each of the aforementioned items will require continued focus, discussion, and action by the Oversight Committee in the coming year.

Preventing Displacement

Agency	N/NE	ICURA	General Fund
	Loans		
PHB	\$1,340,000	\$257,124	\$450,000
	Grants		
Community Energy Program			\$50,000
PCRI			\$100,000
Reach			\$110,000
Rebuilding Together			\$50,000
Unlimited Choices			\$90,000
Total	\$1,340,000	\$257,124	\$850,000

Creating New Homeowners

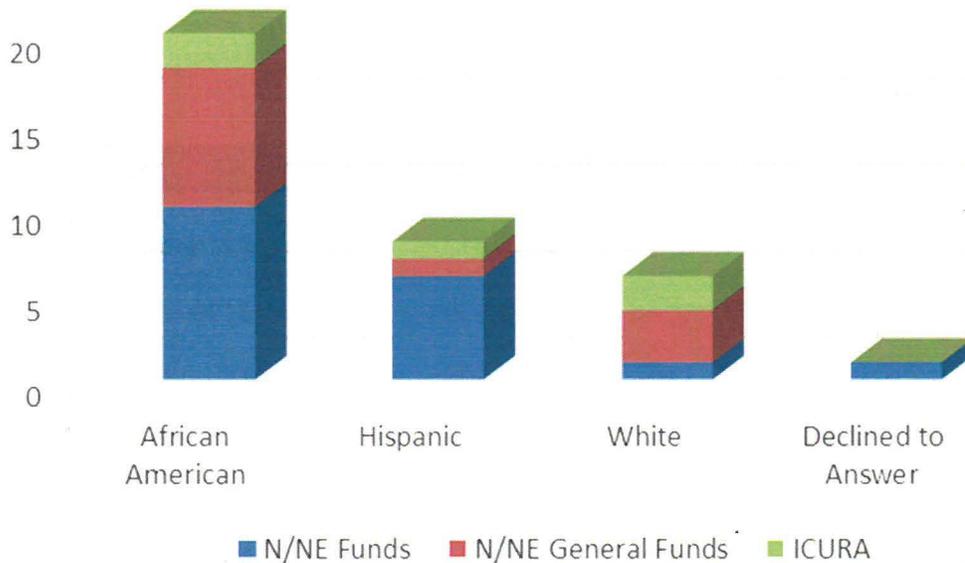
Agency	N/NE	ICURA	CDBG
MHAC		\$447,217	\$210,000
PCRI	\$1,716,000	\$200,000	\$170,000
Proud Ground		\$180,000	\$50,000
AAAH	\$3,284,000		
Total	\$5,000,000	\$827,217	\$430,000

Creating Rental Homes

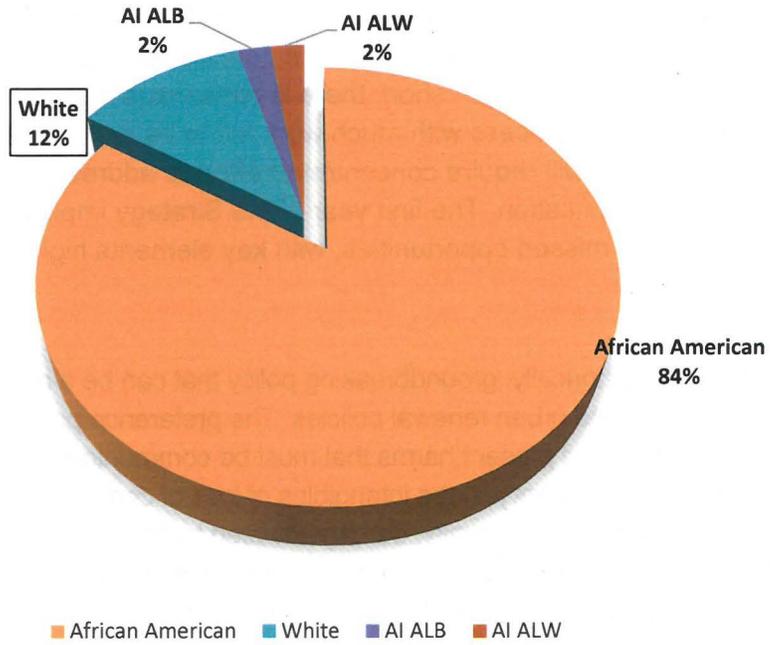
Agency	N/NE and ICURA
PCRI – Grant Warehouse	\$7,000,000
King Parks – TBD	\$4,500,000
Port City - TBD	\$4,500,000
TBD	\$1,000,000
Total	\$17,000,000

Demographic Data

Race/Ethnicity Data Home Repair Loans



Race/Ethnicity Data Home Repair Grants



4. COMMITTEE EVALUATION

Below is an abbreviated compilation of feedback provided by Oversight Committee members on the Bureau's progress during this first year. While space does not allow us to be exhaustive in conveying their sentiments, we believe this to be a concise but accurate reflection of the thoughts and concerns expressed. In short, there is consensus among Committee members that we have begun a good process with much work left to be done. The remaining work constitutes a major lift and will require concentrated effort to address the legacy of many years of displacement and gentrification. The first year of the Strategy implementation has seen a mix of accomplishments and missed opportunities, with key elements highlighted below.

Accomplishments

Preference Policy - Metaphorically, groundbreaking policy that can be a national model for rectifying past mistakes in housing and urban renewal policies. The preference policy is a major acknowledgement of past and present harms that must be communicated to the highest levels of City government. These harms are not just the intangibles of loss of community and presence, they are real lost wealth and economic opportunity, damage caused to education and employment by housing instability, and households moving to parts of the city with less access to infrastructures and opportunities. This policy is an acknowledgement of that, and real action to address it.

Grant Warehouse - is a project ready to break ground that will provide eighty one family-sized units with construction providing workforce development opportunities. It is housing and economic opportunity.

Number of families helped through home repair. The number of African Americans assisted through the home repair programs was significant. It is evidence of the need that persists in the African American community and a good beginning to aid in preventing displacement.

Significant improvement with communication regarding existing programs and ways to access them, i.e. newsletter, email blasts, and oversight committee meetings.

Missed Opportunities

Land Banking — The excruciatingly slow start to the land bank described in the Strategy is a significant failure. The Committee recognizes that the market is hot and that the cost of land is rising. Therefore time is of the essence. It is unclear that any strategy has been developed. There are several unanswered questions remaining that will need to be addressed in the coming year.

5. NEXT STEPS

Prioritize Recommendations

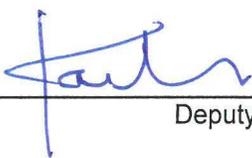
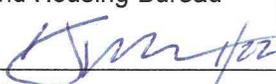
- Land banking – 2016: As stated above, time is of the essence in developing a land bank. Policy, process, and practice must be implemented as soon as possible.
- Continued focus and support around the implementation and oversight of the preference policy.
- Collaboration with the Portland Development Commission's Neighborhood Economic Development team (NED): The Oversight Committee will work closely with the NED (PDC's equivalent of the Oversight Committee) to establish a set of "best practices" for better coordination of housing and economic development in order to support community residents and businesses.
- Education and support for those returning to the neighborhood. The neighborhood has changed, and there is a need to make sure that families can do more than exist.
- Inclusionary Zoning
- Allocation of the additional Tax Increment Financing - how these dollars will be utilized for most efficiency.
 - Reexamine information from the forums and the needs and ideas that came through community voices, including those of property owners, landlords, etc.
 - Use additional funds for different kinds of programming that may be useful for NNE and other gentrifying areas.
 - Examine the State of Housing report and, recognizing that most poor folks live in unsubsidized housing, and determine how to stabilize that, explore other viable strategies (is it short term rent assistance, City based vouchers, funds to do repairs and healthy homes?).

Conclusion

It is the commitment of the Oversight Committee to make sure that the promises that have been made are the promises that are kept.

Agenda No.
REPORT
Title

Accept the first annual report of the North and Northeast Neighborhood Housing Strategy Oversight Committee (Report)

<p>INTRODUCED BY Commissioner/Auditor: Commissioner Saltzman</p>	<p>CLERK USE: DATE FILED <u>JAN 26 2016</u></p>
<p>COMMISSIONER APPROVAL</p> <p>Mayor—Finance and Administration - Hales</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Novick</p>	<p style="text-align: center;">Mary Hull Caballero Auditor of the City of Portland</p> <p>By:  Deputy</p>
<p>BUREAU APPROVAL</p> <p>Bureau: Portland Housing Bureau Bureau Head: </p> <p>Prepared by: Tia Williams Date Prepared: 1/20/2016</p>	<p>ACTION TAKEN: FEB 03 2016 ACCEPTED</p>
<p>Impact Statement</p> <p>Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p>	
<p>City Auditor Office Approval: required for Code Ordinances</p>	
<p>City Attorney Approval: required for contract, code, easement, franchise, charter, Comp Plan</p>	
<p>Council Meeting Date: 2/3/2016</p>	

AGENDA

TIME CERTAIN
Start time: **2:00 PM**

Total amount of time needed: 1 hr
(for presentation, testimony and discussion)

CONSENT

REGULAR
Total amount of time needed: _____
(for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	1. Fritz ✓	
2. Fish	2. Fish ✓	
3. Saltzman	3. Saltzman ✓	
4. Novick	4. Novick _____	
Hales	Hales _____	