



Portland Housing Bureau

Mayor Ted Wheeler • Director Shannon Callahan

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January 7, 2021

To: N/NE Housing Strategy Oversight Committee

From: Dana Shephard, NHP, Housing Program Manager

A sub committee of four members of the N/NE Housing Strategy Oversight Committee met with PHB Staff on two occasions to discuss a plan for \$5M of Interstate TIF funding originally planned for the development of the 5020 N. Interstate project to align core values with the following prompts:

Priority giving to a particular housing model?

- Permanently Affordable
- Acquisition/ market rate
- Multifamily (Condo, Townhouse) / Single family

General agreement that a mix of housing models and approaches are necessary to achieve goals of creating 40 new and additional homeowners with the use of the funds (\$5M)

Investment priorities?

- To Non-Profit developers: new construction
- To community members/household: Down Payment Assistance (DPA)
- To Community Based Organization: Rehab existing properties controlled by those organizations

While there are challenges with the use of DPA in the open market, particularly in the Interstate Urban Renewal Area (ICURA), ie: housing stock, prices, affordability/purchasing power, it was recommended that DPA should be made available immediately for the mortgage ready Preference Policy households, to allow them to start shopping and will allow PHB to determine the effectiveness of the DPA at the current subsidy level.

Who to prioritize of the Preference Policy households?

- Higher Preference Points
- Lower income
- Mortgage Ready

While those most impacted by City actions and most at risk of displacement remain as top priority, the immediate release of DPA funds allows Mortgage Ready (credit ready), buyers to start shopping and hopefully take advantage of lower interest rates, as PHB explores other strategies ie: city owned parcels, partnering with non profit developers, and determining timeline for solicitations.

Recommendation:

Immediately reprogram \$1.5 million in Interstate TIF funds (of the \$5M from the 5020 condo project) to be expended over the next two years (through CY 2022) to support mortgage ready Preference Policy applicants while PHB explores other strategies.