

PDC

PORTLAND DEVELOPMENT COMMISSION

DATE: September 23, 2009
TO: Board of Commissioners
FROM: Bruce A. Warner, Executive Director
SUBJECT: Report Number 09-110

Authorizing a Grant Agreement with Reach Community Development, Inc. for the Community Builders Program in an Amount Not To Exceed \$125,000 for the Repair of Homes for Low-Income and Disabled Seniors in the Lents Town Center Urban Renewal Area

EXECUTIVE SUMMARY

BOARD ACTION REQUESTED

Re-Adopt Resolution No. 6735

ACTION SUMMARY

At the September 9, 2009, the action was adopted with three affirmative votes which moved its effective date out thirty days. This action will re-adopt Resolution No. 6735 in order for the effective date to be "immediately upon its adoption."

The Resolution authorizes PDC Executive Director to enter into a Grant Agreement with REACH Community Development to provide \$125,000 in TIF funds for the REACH Community Builders Program in the Lents Town Center Urban Renewal Area, which provides home repairs to low-income and disabled seniors. This action will ensure continuation of this successful program for Fiscal Year 2009-10 so that REACH may meet more of the demand for home repairs from qualified homeowners in Lents.

PUBLIC BENEFIT

PDC's support to the REACH Community Builders Program is highly leveraged by private donations of home repair materials and services, as well as volunteer time and community involvement in support of urban renewal and neighborhood revitalization goals in Lents. The funding will help accomplish repairs for 60 homeowners in Lents Town Center Urban Renewal Area, including substantial external home improvements such as painting and debris removal through the annual REACH Paint & Repair-a-thon.

The home repairs are essential in providing housing stability for aging and disabled low income homeowners, many of whom have lived in the neighborhood for decades.

This action will support the following PDC goals:

- Sustainability and Social Equity
- Healthy Neighborhoods
- A Vibrant Central City

- Strong Economic Growth and Competitive Region
- Effective Stewardship over our Resources and Operations, and Employee Investment

PUBLIC PARTICIPATION AND FEEDBACK

The REACH Community Builders Program has been reviewed and supported by the Lents Town Center URAC every year as part of the PDC's overall work in Lents. The idea of supporting existing homeowners and providing physical improvements to single family homes has been very popular.

COMPLIANCE WITH ADOPTED PLANS AND POLICIES

The REACH Community Builders Program was identified as meeting a specific need in the Lents area for minor health, safety, and appearance repairs to homes of low income and disabled senior homeowners. It complements the PDC Home Repair Loan and renovation mortgage programs by meeting a need that these programs do not, allowing PDC to assist a broader spectrum of residents in Lents in a very cost-effective way.

The Community Builders Program's work in the Lents Town Center Urban Renewal Area is an important contributor to the revitalization of the urban renewal area according to the adopted 1999 *Lents Town Center Urban Renewal Plan*:

"Help provide new and rehabilitated housing units suitable for households with a range of incomes and housing needs, recognizing the value of the existing affordable housing stock. Create housing opportunities that allow Lents residents of all ages and income levels to remain in the community...help rehabilitate existing housing in residential neighborhoods through financial assistance, technical assistance, and other methods."

It is also consistent with the 2000 *Lents Town Center Urban Renewal Area Housing Strategy* and the 2006 *Lents Town Center Urban Renewal Area Housing Study Update*, which illustrates that homeownership rate for senior citizens in Lents is very high, and many of these seniors have very low incomes and/or are disabled and unable to repair their homes as needed.

This funding meets the income guidelines and is "counted" as part of the TIF Set Aside. It serves homeowners earning as little as 0-30% MFI, up to 50% MFI.

FINANCIAL IMPACT

The Lents Town Center Urban Renewal Area adopted Fiscal Year 2009/10 budget allocates \$125,000 for this program.

RISK ASSESSMENT

No significant risks identified.

WORK LOAD IMPACT

Project management of the Grant Agreement is currently in the Department Work Plan for the Housing Policy, Planning and Development team.

ALTERNATIVE ACTIONS

“No action/non-approval.” Commission may choose not to provide funding for this program.

CONCURRENCE

The Portland Housing Bureau (PHB, formerly BHCD) also funds the REACH Community Builders Program for their citywide (outside of Lents) work. PDC staff has communicated with PHB to ensure both agencies support continued funding of the program and REACH’s performance has been satisfactory.

BACKGROUND

PDC has provided funds to this program since 1999 for a total of \$972,088, most recently through a Grant Agreement approved by the Board in 2007 (Resolution 6485). REACH Community Builders Program has met contractual obligations and has repaired 481 homes to-date in the Lents Town Center Urban Renewal Area. REACH submits regular quarterly reports on its work and meets other milestones and deliverables as detailed in the Scope of Work for this funding.

Because the previous resolution (6489, approved June 14, 2007) authorized only two years of grant funding, the Board must authorize additional funding for this program starting in the 2009/10 FY.

This program complements other PDC housing programs and development in the Lents URA, as PDC aims to provide housing opportunities for a wide variety of needs and income levels. PDC and REACH cross-market each others’ homeownership and home repair programs in Lents at community events and through referrals, and in some publications. When REACH is working with a homeowner who needs more extensive home repairs, they refer them to the PDC Home Repair Loan and other resources.

REACH Community Builders is the organizer of the annual Paint and Repair-a-thon event, which has provided more significant house painting, external repairs, and debris clean-up for homes in Lents and citywide for 15 years. PDC is a partner in this event. In 2008, REACH volunteers painted their 200th home, which was in the Lents Town Center URA. For the 2009 event, all 22 homes painted and repaired in one day were in the Lents Town Center URA.

URA FINANCIAL SUMMARY

Financial Summary

Fund Summary - Five-Year Budget Projections

	Revised FY 2008-09	Adopted FY 2009-10	Forecast FY 2010-11	Forecast FY 2011-12	Forecast FY 2012-13	Forecast FY 2013-14
Lents Town Center URA						
Resources						
Beginning Fund Balance	2,218,657	426,735	565,833	638,627	675,706	640,238
Fees and Charges	0	0	0	0	0	0
Interest on Investments	250,000	24,240	65,219	66,905	66,590	66,692
Loan Collections	121,782	278,100	88,100	94,758	101,534	100,000
Property Income	270,000	0	2,600,000	0	0	0
Reimbursements	0	0	0	0	0	0
Tax Increment Proceeds	12,335,086	20,049,948	12,953,475	18,215,416	17,386,408	18,203,661
Total Resources	15,195,525	20,779,023	16,272,627	19,015,706	18,230,238	19,010,591
Requirements						
Program Expenditures						
Business & Industry						
Community Economic Development						
72030 Community Econ Development	0	250,000	250,000	400,000	500,000	500,000
General Business Assistance						
79020 Business Finance	500,000	1,100,000	1,100,000	1,300,000	1,400,000	1,500,000
79022 Business Retention	100,000	100,000	100,000	100,000	100,000	100,000
Business & Industry Total	600,000	1,450,000	1,450,000	1,800,000	2,000,000	2,100,000
Housing						
Multi-Family - For Sale						
32110 122nd and Pardee	978,000	0	0	0	0	0
33418 New Homeowner Dev	396,173	0	0	600,000	0	1,000,000
33438 ROSE/PCLT Homeownership	0	100,000	0	0	0	0
33441 Dahlia Commons Homeownership	0	675,000	0	0	0	0
33442 Habitat for Humanity #3	200,000	230,000	0	0	0	0
Multi-Family - Rental Housing						
60010 Foster School Housing Dev	0	0	0	0	0	0
89015 Rental Rehabilitation Projects	0	200,000	0	0	0	0
89030 Affordable Rental Housing	1,400,000	2,300,000	1,900,000	2,200,000	4,000,000	2,000,000
Plans and Strategies - Housing						
37914 Housing Policy/Planning	5,000	0	0	0	0	0
Portland Housing Bureau						
28025 Administration	0	161,596	468,720	549,900	527,400	553,284
Single-Family - Home Repair						
32131 REACH Home Rehabilitation	125,000	125,000	125,000	150,000	150,000	0
89010 Home Repair Projects	250,000	250,000	250,000	300,000	300,000	550,000
Single-Family - Homebuyer Assistance						
37929 Scat Site Homeownership Acq HAP	2,181,527	0	0	0	0	0
37930 Scat Site Home Rehab & Subs HAP	50,000	1,308,473	0	0	0	0
89020 Home Buyer Assistance	1,500,000	900,000	200,000	700,000	700,000	800,000
Housing Total	7,085,700	6,250,069	2,943,720	4,499,900	5,677,400	4,903,284