CAN WE PRESERVE AFFORDABLE HOUSING IN GENTRIFYING NEIGHBORHOODS?

PCRI’ S PATHWAY 1000 INITIATIVE

MAXINE FITZPATRICK
EXECUTIVE DIRECTOR
PORTLAND COMMUNITY REINVESTMENT INITIATIVES, PORTLAND OREGON
"We cannot undo the harms done, but rather must focus on restoring housing justice for those who were harmed. PCRI’s goal is to support and encourage displaced Black residents from North and Northeast Portland to focus on the future."

— Maxine Fitzpatrick
Executive Director, PCRI
GENTRIFICATION IN N/NE PORTLAND

• LESS THAN TWO DECADES AGO THE NEIGHBORHOODS THAT COMPRISE THE ALBINA DISTRICT IN N/NE WERE HOME TO THE HIGHEST CONCENTRATION OF BLACK RESIDENTS IN OREGON

• IN 2000 10 CENSUS TRACTS WERE MORE THAN 50% BLACK

• IN 2010 AFTER NEARLY 10,000 PEOPLE OF COLOR (MOSTLY BLACK) MOVED OUT, THERE WERE NO CENSUS TRACTS WHERE THE MAJORITY OF RESIDENTS WERE BLACK
ESSENTIALLY THIS EQUATES TO 3 PEOPLE PER DAY FOR TEN CONSECUTIVE YEARS FORCED TO FIND A NEW PLACE TO LIVE
PATHWAY 1000 IS AN INNOVATIVE, SUSTAINABLE AND REPLICABLE DISPLACEMENT MITIGATION MODEL OF HOMEOWNERSHIP FOR THREE PRIMARY REASONS

1. It is community driven, community informed, community advocated and will be community built;

2. The construction of the homes is not reliant on public financing to catalyze and sustain its momentum; and

3. It offers a traditional approach to homeownership using conventional financing and two non-traditional asset building options, cooperatives and lease purchase.
# PATHWAY 1000 GOALS

## HOUSING GOAL
- Create a minimum of 1,000 new affordable units primarily in N/NE Portland over the next 10 years
- 800 homes for low income homebuyers; 200 affordable rental homes
- Housing opportunities for black and other low-income households who were forced to move by gentrification, or are in danger of displacement

## NEIGHBORHOOD EMPOWERMENT GOAL
- Create living wage jobs and business opportunities to mitigate the loss of black owned businesses due to disinvestment and gentrification
# PATHWAY 1000 HOUSING PLAN

## Table 11: Summary of Development Timeline and Totals

<table>
<thead>
<tr>
<th></th>
<th>Years 1-2 ¹</th>
<th>Years 3-5</th>
<th>TOTAL Years 1-5</th>
<th>Re-Evaluate at Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homeownership Units</td>
<td>31</td>
<td>229</td>
<td>260</td>
<td>448</td>
</tr>
<tr>
<td>Homeownership Sites ²</td>
<td>11</td>
<td>22</td>
<td>33</td>
<td>29</td>
</tr>
<tr>
<td>Rental Units</td>
<td>201</td>
<td>132</td>
<td>333³</td>
<td>112</td>
</tr>
<tr>
<td>Rental Sites ³</td>
<td>5</td>
<td>1</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Total Units ⁴</td>
<td>232</td>
<td>361</td>
<td>593</td>
<td>560</td>
</tr>
<tr>
<td>Total Sites</td>
<td>16</td>
<td>22</td>
<td>38</td>
<td>33</td>
</tr>
</tbody>
</table>

¹ Includes Pathway 1000 units recently completed and in the development process.
² Site counts for homeownership sites and rental sites include some duplication for sites that are a mix of rental and homeownership sites. The total shown at bottom of the table is the unduplicated total.
³ Rental units may include loans-to-own or co-op developments.
⁴ Unit counts are not gain in new units – existing units.

Source: PCRI
Successful PCRI homebuyer opens a rental unit for the next family to stabilize, save and prepare for homeownership; avoiding high development cost for new rental units.
Community designed and implemented to deliver benefits through:

• Outreach and engagement of priority populations
• Formal and informal working agreements among the Black community based collaborators and their trusted partners
• Program development and goal setting
• Ongoing measurement of outcomes and program adjustments

Over the ten years of the Pathway 1000 initiative, significant opportunity exists for public sector partners to deliver on their economic opportunity equity goals by aligning their investments and programs in support of Pathway 1000.
### SUMMARY OF PATHWAY 1000 ECONOMIC IMPACTS

<table>
<thead>
<tr>
<th>10 YEAR TOTAL IMPACTS</th>
<th>DIRECT (CONSTRUCTION)</th>
<th>INDIRECT AND INDUCED</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Jobs</td>
<td>838</td>
<td>743</td>
<td>1,581</td>
</tr>
<tr>
<td>Total Labor Income</td>
<td>$53.6 million</td>
<td>$50.5 million</td>
<td>104.1 million</td>
</tr>
<tr>
<td>Total Household Income</td>
<td></td>
<td></td>
<td>$341.8 million</td>
</tr>
<tr>
<td>Total Household Expenditures</td>
<td></td>
<td></td>
<td>$256.4 million</td>
</tr>
<tr>
<td>Employment Generated by Household Expenditures</td>
<td></td>
<td></td>
<td>325</td>
</tr>
<tr>
<td>Indirect Labor Income</td>
<td>$91.5 million</td>
<td>$91.5 million</td>
<td></td>
</tr>
<tr>
<td>Property Tax Revenue to City</td>
<td></td>
<td></td>
<td>$43.2 million</td>
</tr>
<tr>
<td>Total Output</td>
<td></td>
<td></td>
<td>$837 million</td>
</tr>
</tbody>
</table>

*Source: Derived from the DRA IMPLAN Economic Impact Analysis*
*1 Impacts are based on the high scenario.*
*2 In 2016 Dollars.*
*3 Includes federal and state income taxes, Social Security and Medicare (FICA) taxes, and personal savings, based on data from the Tax Policy Center for households at the income levels projected.*

*Based on a property tax rate of 2.4 percent derived from a range of property tax rates in the city of Portland from "Multnomah County Table of Consolidated Tax Rates for Levy Code Areas 2015-2016".*
**DISPLACEMENT MITIGATION AND COMMUNITY BENEFITS POLICY RECOMMENDATIONS**

1. **HOMEOWNERSHIP EQUITY**
   
   For Pathway 1000 homebuyers, or other displacement mitigation homeownership programs, waive permanent affordability and repayment requirements for Down Payment Assistance (DPA).

2. **RIGHT TO RETURN POLICY**
   
   For Pathway 1000 homebuyers and renters, all displacement mitigation outreach, intake and eligibility assessment to be administered by PCRI, through its established program.

3. **COMMUNITY EQUITY INCLUSION PLAN**
   
   Allocate resources to support contractor and workforce development programs.
THANK YOU!

Maxine Fitzpatrick
Executive Director
Portland Community Reinvestment Inc. (PCRI)
503-288-2923 Ext 117
Maxine@pcrihome.org
www.pcrihome.org