

CAN WE PRESERVE AFFORDABLE HOUSING IN GENTRIFYING NEIGHBORHOODS?

PCRI' S PATHWAY 1000 INITIATIVE

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THE **JUST** **ECONOMY**
CONFERENCE  2018

APRIL 9-11, 2018
WASHINGTON HILTON HOTEL
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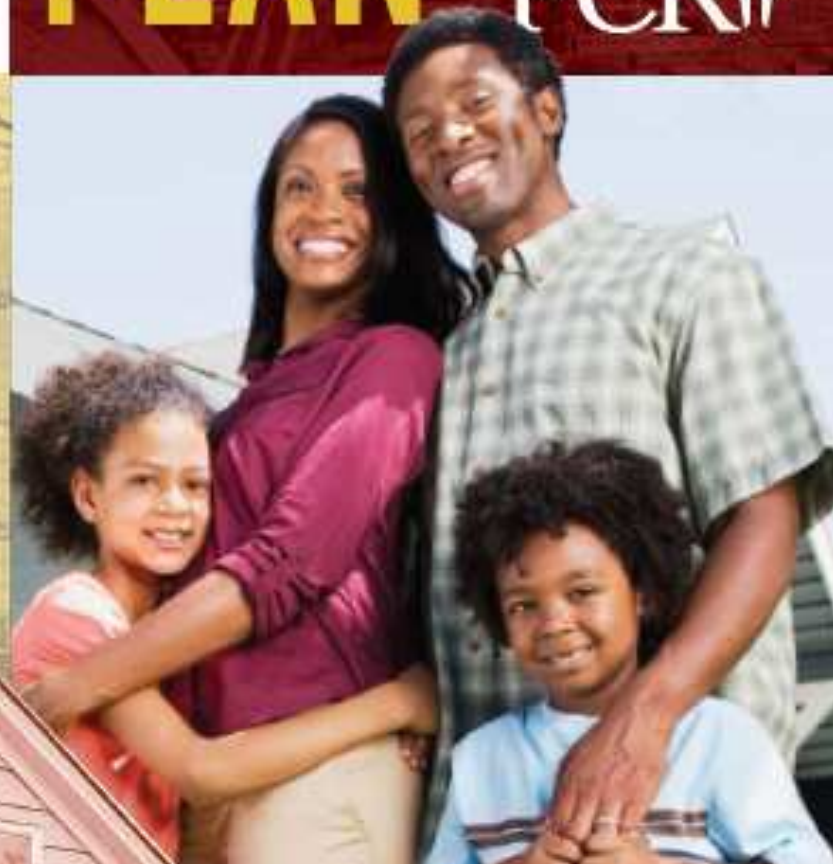
"We cannot undo the harms done, but rather must focus on restoring housing justice for those who were harmed. PCRI's goal is to support and encourage displaced Black residents from North and Northeast Portland to focus on the future."

— Maxine Fitzpatrick
Executive Director, PCRI

PATHWAY 1000



IMPLEMENTATION PLAN



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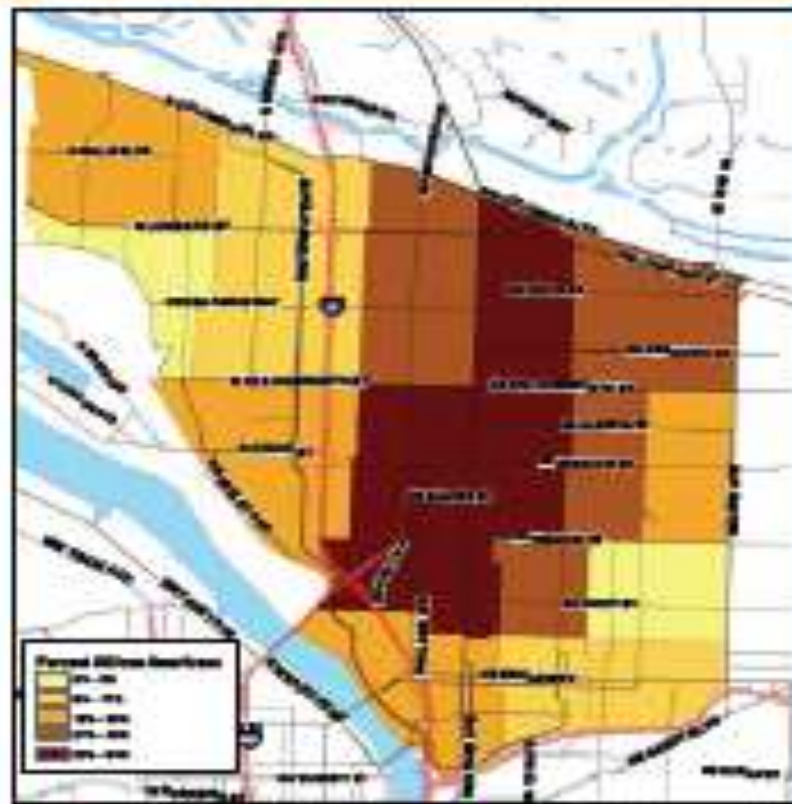
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GENTRIFICATION IN N/NE PORTLAND

- 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

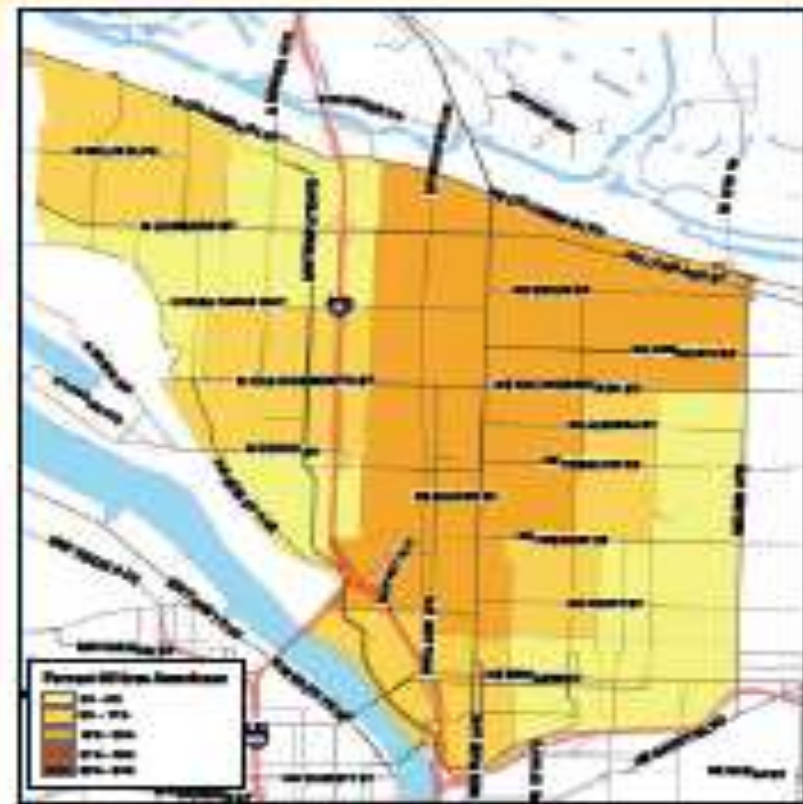
ESSENTIALLY THIS EQUATES TO 3 PEOPLE PER DAY FOR TEN CONSECUTIVE YEARS FORCED TO FIND A NEW PLACE TO LIVE



Black or African American Percent of Total Population 1990
North/Northeast Portland
by Census Tract

Area	African American	Total	Percent
Portland	64,590	451,144	14%
North/Northeast	24,231	71,195	34%

Created by Portland Housing Bureau, June 2014
Source: 2000 Census of Population, Housing, and Economic Characteristics
Portland Geographic Information System



Black or African American Percent of Total Population 2010
North/Northeast Portland
by Census Tract

Area	African American	Total	Percent
Portland	64,590	451,144	14%
North/Northeast	13,251	45,527	29%

Created by Portland Housing Bureau, June 2014
Source: 2010 Census of Population, Housing, and Economic Characteristics
Portland Geographic Information System

Source: Created by Portland Housing Bureau, June 2014, using data in the 2010 Decennial Census National Historical Geographic Information System

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



Existing Fox and Oak Homeownership (PCRI, 2010)

PCRI has substantial equity in its real estate portfolio and can leverage the existing portfolio to construct Pathway 1000 for sale homes.

PATHWAY 1000 HOUSING PLAN

Table 11: Summary of Development Timeline and Totals

	Years 1-2 ¹	Years 3-5	TOTAL Years 1-5	Re-Evaluate at Year 5
Homeownership Units	31	229	260	448
Homeownership Sites ²	11	22	33	29
Rental Units	201	132	333 ³	112
Rental Sites ³	5	1	6	4
Total Units ⁴	232	361	593	560
Total Sites	16	22	38	33

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 lease-to-own or co-op developments.

⁴ Unit counts are net gain (new units - existing units).
Source: PCRI



POVERTY REDUCTION CONTINUUM

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.



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PATHWAY 1000 COMMUNITY ECONOMIC BENEFITS PLAN

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

10 YEAR TOTAL IMPACTS ¹	DIRECT (CONSTRUCTION)	INDIRECT AND INDUCED	TOTAL
Total Jobs	838	743	1,581
Total Labor Income	\$53.6 million	\$50.5 million	104.1 million
Total Household Income ²			\$341.8 million
Total Household Expenditures ³			\$256.4 million
Employment Generated by Household Expenditures		325	325
Indirect Labor Income		\$91.5 million	\$91.5 million
Property Tax Revenue to City ⁴			\$43.2 million
Total Output			\$837 million

Sources: Derived from the DRA INPLAN Economic Impact Analysis

¹ Impacts are based on the high scenario.

² In 2016 Dollars.

³ After deductions for 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.

⁴ Based on a property tax rate of 2.4 percent derived from a range of property tax levies 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

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