



PHB Portland Housing Bureau

Mayor Ted Wheeler ▪ Director Kurt Creager

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Dear Colleagues;

The attached document provides a 5-year forecast of PHB resources currently earmarked to create affordable homeownership opportunities for low and moderate-income homebuyers. The approximately \$27 million in direct financial resources forecast are anticipated to support 340 new homebuyers between Fiscal Year 2016/2017 and FY 2020/2021. The forecast also anticipates supporting an additional 640 new homebuyers with property tax and System Development Charge (SDC) exemptions, and the Mortgage Credit Certificate (MCC) program, which provides homebuyers with a federal income tax credit for the full life of their mortgage. The value of these additional resources exceeds \$10 million. While this falls below the requested 50% TIF set-aside, this is nonetheless, a significant investment toward supporting homeownership opportunities.

The traditional tools and strategies that have historically comprised PHB homeownership programming – such as Down Payment Assistance (DPA) – have become less effective in the current hot market. It is not politically justifiable nor financially sustainable to increase DPA to levels much beyond the current \$80,000 per household limit. PHB has therefore shifted the focus of its homeownership funding towards *direct development, in partnership with capable community partners*, as is reflected in the 2017 NOFA as well as other commitments to development projects for homeownership. We believe direct development of affordable homes for sale will be a more effective strategy in this market. Further, nearly 75 percent of PHB's direct financial resources for homeownership will be connected to the N/NE Preference Policy, a focused effort to provide access to homeownership for communities historically displaced from the neighborhoods of North and Northeast Portland, where the rate of increase of real estate prices are currently among the highest in the city.

Over and above these forecasted resources, the PHB will continue to develop new financing options and program innovations to help provide an array of affordable housing choices for first time homebuyers.

Regards;

Kurt Creager, Director



CITY OF
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PORTLAND HOUSING BUREAU

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PHB 5-Year Budget Detail: Homeownership Programs

	16/17	17/18	18/19	19/20	20/21	TOTAL
Interstate						
Base	500,000	500,000	500,000	500,000	4,000,000	2,500,000
N/NE	1,000,000	4,000,000	0	0	0	5,000,000
TIF LIFT		4,000,000	3,000,000			7,000,000
PDC TIF		1,000,000	600,000			1,600,000
Lents						
Base	500,000	500,000	445,000	400,000	470,000	2,315,000
TIF LIFT		2,000,000	55,000	100,000	30,000	2,185,000
CDBG	500,000	500,000	500,000	500,000	500,000	2,500,000
TOTAL	2,500,000	12,500,000	5,100,000	1,500,000	5,500,000	27,100,000

Current 5-Year Projects/Commitments

Project	Units	Amount	Source	AMI
5020 N Interstate <i>Proud Ground</i>	48	5,000,000	Interstate TIF LIFT	35% AMI-market
7513 N Olin <i>Habitat</i>	12	1,500,000	Interstate TIF LIFT	35% AMI-market
6631 N Syracuse <i>Land Acquisition</i>	48	3,500,000	Base Interstate TIF	TBD
PDC Down Payment	20	1,600,000	Interstate TIF (PDC)	80-120% AMI
N/NE Allocation <i>PCRI/AAAH</i>	65	5,000,000	N/NE Interstate TIF	Up to 80% AMI
Base Interstate TIF <i>Development</i>	50	3,500,000	Base Interstate TIF	Up to 80% AM
Lents Development <i>Developer TBD</i>	27	2,185,000	Lents TIF LIFT	Up to 80% AMI
Lents DPAL <i>Partner pipelines</i>	35	2,315,000	Lents Base TIF	Up to 80% AMI
CDBG DPAL <i>Partner pipelines</i>	35	2,500,000	CDBG	Up to 80% AMI
SUB TOTAL	340	27,100,000		
Other Assistance <i>HOLTE, SDC, MCC</i>	1,000*	11,990,000**	Local foregone property tax and SDC revenue	Up to 100% AMI
TOTAL	1,340	\$39,090,000		

*Assuming full utilization of current program structure for the Homebuyer Opportunity Limited Tax Exemption (HOLTE), System Development Charge (SDC) Exemption, and Mortgage Credit Certificate (MCC) Programs.

**Estimated foregone revenue projected based on current program structure and value of HOLTE and SDC exemptions in 16/17.