



PROSPER
PORTLAND

Building an Equitable Economy

Tom Kelly
Chair

Gustavo J. Cruz, Jr.
Commissioner

Mark Edlen
Commissioner

Alisha Moreland-Capua, M.D.
Commissioner

William Myers
Commissioner

Ted Wheeler
Mayor

Kimberly Branam
Executive Director

This document represents the official meeting record of the June 14, 2017, Prosper Portland Board of Commissioners (Board) meeting held at 222 NW Fifth Ave., Portland, OR 97209.

The full video recording of this meeting can be found at

<https://www.youtube.com/watch?v=wrqXpfOgGdM>

1. Call to Order and Roll Call

Chair Tom Kelly called the meeting to order at approximately 2:37 p.m. Pam Micek, Prosper Portland Board recording secretary, called the Prosper Portland Board roll:

Chair Tom Kelly	PRESENT
Commissioner Gustavo Cruz	PRESENT
Commissioner Alisha Moreland-Capua	ABSENT (See notes)
Commissioner Mark Edlen	PRESENT
Commissioner William Myers	PRESENT

Commissioner Moreland-Capua arrived at 3:00 p.m.

2. Commissioner Reports

Commissioner Cruz

- May 17, attended the Northwest District Parking Stakeholder Advisory Committee meeting
- May 18, attended the PSU Real Estate Conference
- May 20, attended the Northwest District Association annual meeting
- May 23, attended the Hispanic Metropolitan Chamber Board meeting
- May 30, attended the fundraiser for Neighbors West Northwest
- June 9, attended City Club Friday Forum featuring Kimberly Branam

Commissioner Edlen

- Attended two Broadway Corridor meetings and North De Las Salle School

Commissioner Myers

- April 22, attended the Asian Health Services Center groundbreaking
- May 18, attended Broadway Corridor Steering Committee kick-off
- May 26, attended the Construction Apprenticeship Workforce Solutions Reconvening
- June 7, attended the Broadway Corridor Steering Committee
- June 9, attended City Club Friday Forum featuring Kimberly Branam

Chair Kelly

- Attended two Broadway Corridor meetings, City Club Friday Forum and a check-in with Mayor Ted Wheeler

3. Executive Director Report

- Welcomed Sean Murray, Prosper Portland's new Human Resources Director

222 NW Fifth Avenue
Portland, OR
97209-3859

503-823-3200 Main
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503-823-3366 TTY

- Attended the Oregon International Business Awards and Consular Corps Scholarship Gala, May 15
- Reported out that Prosper Portland announced eleven small business technical assistance providers that will participate in the newly formed Small Business and Technical Assistance Partnership
- Stated that Prosper Portland last week announced \$300,000 in Community Livability Grant dollars awarded to projects in the Interstate Corridor Urban Renewal Area
- Presented at the City Club Friday Forum on June 9
- Shared that Prosper Portland is proud to partner on the launch for the women’s Sleeping Pod Village in Kenton
- Announced that Prosper Portland is participating in the Hispanic Metropolitan Chamber Employment, Business and Resource Fair on June 15
- Updated the commissioners that Prosper Portland continues to hold weekly meetings with VOZ Workers Rights Education Project (VOZ) to clarify and refine language in the Letter of Intent.
- Plan to attend the VOZ Annual Dinner event June 14
- Announced the next North/Northeast Community Development Initiative Oversight Committee meeting for June 27

4. Meeting Minutes

Chair Kelly called for a motion to approve the May 10, 2017, Prosper Portland Board meeting minutes. Commissioner Edlen moved and Commissioner Cruz seconded the motion.

AYES: Kelly, Cruz, Edlen, Moreland-Capuia
NAYS: None

5. Public Comment for Items Not on Agenda

No public testimony was presented.

CONSENT AGENDA

6. Action Item: Resolution 7234 - Authorizing a Short-Term Interfund Operating Loans not to Exceed \$1,000,000 from Specified Funds to the Community Development Block Grant – Economic Opportunity Initiative Fund and Neighborhood Prosperity Initiative Urban Renewal Area Funds from July 1, 2017 to June 30, 2018

With this action, the Board authorized through June 30, 2018, short-term interfund operating loans (Interfund Loans) pursuant to the provisions of Oregon Revised Statutes (ORS) 294.468, which states that:

“It shall be lawful to loan money from any fund to any other fund of the municipal corporation whenever the loan is authorized by official resolution or ordinance of the governing body.”

The Interfund Loans are necessary to bridge the time between expenditure of funds to provide services under intergovernmental agreements and subrecipient agreements with the Portland Housing Bureau (PHB) and the City of Portland (City) and the date Prosper Portland is reimbursed for those services by PHB and the City for the Economic Opportunity Initiative (EOI) Fund. In the case of the Neighborhood Prosperity Initiative (NPI) Urban Renewal Areas (URAs), the Interfund Loans will bridge the time between the beginning of the fiscal year and the receipt of tax increment financing du jour proceeds.

7. Action Item: Resolution 7235 – Authorizing a \$50,000 Grant to Greater Portland Inc

With this action the Board will authorize the Executive Director to execute a Grant Agreement providing Greater Portland Inc (GPI) an amount not to exceed \$50,000 for regional business recruitment, marketing, and export coordination. This is the sixth year that Prosper Portland has provided a grant to GPI. Since the cumulative grant amount disbursed to GPI has exceeded the Executive Director's \$500,000 threshold for financial support, this action is being presented to the Board for approval.

Chair Kelly called for a motion to approve Resolution 7234 and 7235; Commissioner Edlen moved and Commissioner Cruz seconded the motion.

AYES: Kelly, Cruz, Edlen, Moreland-Capuia, Myers
NAYS: None

At approximately 2:48 p.m. Chair Kelly called the Prosper Portland Board meeting into recess and David Berringer, Chair of the Tax Supervising and Conservation Commission (TSCC) convened the TSCC Public Hearing.

8. Information Item: Tax Supervising and Conservation Commission Public Hearing on and Certification of the Fiscal Year 2017-18 Approved Budget

TSCC staff presenting this item:

David Berringer, TSCC Chair

TSCC Commissioners: Margo Norton, James Ofsink, Mark Wubbold, Brendan Watkins, Craig Gibbons and Tunie Betschart

At approximately 3:38 p.m., TSCC Chair David Berringer adjourned the TSCC public hearing and Prosper Portland Chair Kelly called for a break.

At approximately, 3:45 p.m., Chair Kelly called the Prosper Portland Board back from recess.

REGULAR AGENDA

9. Action Item: Resolution 7236 – Adopting the Annual Budget of Prosper Portland for the Fiscal Year Beginning July 1, 2017, and Ending June 30, 2018; and Making Appropriations

PDC Staff presenting this item:

Tony Barnes, Budget Officer

With this action the Board will formally adopt Prosper Portland's fiscal year (FY) 2017-18 Recommended Budget, effective July 1, 2017. The Board's adoption of the FY 2017-18 Recommended Budget represents the final phase of the FY 2017-18 budget process, which began in November 2016. Upon adoption, the FY 2017-18 Recommended Budget will become Prosper Portland's FY 2017-18 Adopted Budget and allow staff to implement key programs, projects, and initiatives that deliver on the 2015-2020 Strategic Plan goal to build an equitable economy by growing quality jobs, advancing opportunities for prosperity, creating vibrant neighborhoods and communities, and collaborating with partners to create an equitable city.

Chair Kelly called for a motion to approve Resolution 7236; Commissioner Cruz moved and Commissioner Moreland-Capuia seconded the motion.

AYES: Kelly, Cruz, Edlen, Moreland-Capuia, Myers

NAYS: None

10. Action Item: Resolution 7237 – Authorizing an Intergovernmental Agreement with the Portland Housing Bureau for the Implementation of the Affordable Housing Set Aside Policy and for the Purpose of Operating and Administering the Economic Opportunity Initiative Program

PDC Staff presenting this item:

Tony Barnes, Budget Officer

Courtney Cohn, Budget Analyst

With this action, the Board will authorize the Executive Director to execute an intergovernmental agreement (IGA) with the City of Portland (City) Housing Bureau (PHB) for PHB's implementation of housing rehabilitation, finance, and development in urban renewal areas and transfer of federal Community Development Block Grant resources from PHB to Prosper Portland for the purpose of operating and administering the Economic Opportunity Initiative (EOI) program for fiscal year 2017-18.

If approved, this IGA will allow Prosper Portland to deliver on four 2015-2020 Strategic Plan objectives of job creation, expanding partnerships, creating great neighborhoods, and advancing opportunities for prosperity in the following ways:

- The housing rehabilitation, finance, and development component enhances neighborhoods by increasing the supply of, and access to, healthy and affordable housing through Prosper Portland's partnership in implementing the City's Affordable Housing Set-Aside Policy with PHB.
- Through Prosper Portland's partnership with Worksystems Inc. and other community partners, the EOI program helps grow family wage jobs through job training programs and advances opportunities for prosperity through technical assistance supporting small businesses owned and controlled by minorities and women as well as those in low-income communities.

Commissioner Edlen asked for the status on North Macadam moving forward. Ms. Cohn invited up Karl Dinkelspiel, Sr. Program Manager, Multi-Family Housing Program, PHB to answer questions.

Mr. Dinkelspiel explained that they are still in negotiations due to a budget gap and have been negotiating regularly. It has not closed.

Commissioner Edlen asked when they anticipate breaking ground.

Mr. Dinkelspiel stated that they had hoped to break ground this past October but does not know when that will happen due to the budget issues. The request for resources from PHB exceeds their budget authority.

Commissioner Edlen inquired whether the deal was dead.

Mr. Dinkelspiel responded that the developers are working on closing it some other way.

Commissioner Edlen asked for future follow-up. Mr. Dinkelspiel responded that he would follow up with Commissioner Edlen in person.

Chair Kelly inquired how oversight is done at PHB.

Mr. Dinkelspiel explained that the Housing Investment Committee reviews all of their projects. If the project is approved and the budget is over 3,000,000 it goes to City Council, if under that dollar amount it is signed by the director. All property transfers have to go to City Council.

Chair Kelly requested it be noted in the record that in his opinion PHB would benefit from having a Commission such as Prosper Portland.

Chair Kelly called for a motion to approve Resolution 7237; Commissioner Cruz moved and Commissioner Edlen seconded the motion.

AYES: Kelly, Cruz, Edlen, Moreland-Capuia, Myers
NAYS: None

11. **Action Item: Resolution 7238 – Authorize Interfund Loan of \$120,000 from Enterprise Loan Fund to Neighborhood Prosperity Initiative Fund for Physical Improvements of the Property Located at 5012 NE 42nd Avenue**

PDC Staff presenting this item:
Courtney Cohn, Budget Analyst

With this action, the Board will authorize a five-year interfund loan (Interfund Loan) not to exceed \$120,000 from the Enterprise Loan Fund to the Neighborhood Prosperity Initiative (NPI) Fund. If approved, the Interfund Loan proceeds shall be used for the purpose of improving property (Property) located at 5012 NE 42nd Avenue within the Our 42nd Avenue NPI district. Our 42nd Avenue, a community-based organization which currently owns the Property, intends to sell it and use the Interfund Loan proceeds to offer tenant improvements to the purchaser in order to keep rent accessible and promote commercial affordability in the neighborhood. This, in turn, directly supports Prosper Portland's 2015-2020 Strategic Plan goal of creating healthy neighborhoods and fostering wealth creation within communities of color and low-income neighborhoods. The Interfund Loan must be repaid by June 30, 2022.

The Prosper Portland Board is authorized to approve interfund loans pursuant to the provisions of Oregon Revised Statutes (ORS) 294.468, which states:

“It shall be lawful to loan money from any fund to any other fund of the municipal corporation whenever the loan is authorized by official resolution or ordinance of the governing body.”

Chair Kelly called forward guests to testify.

Michael DeMarco, District Manager, Our 42nd Avenue shared that this project was the first to utilize the NPI funds approved by the Board. As a result, they have been able to keep some of the community entrepreneurs in the community. They currently have six tenants in the building. The loan will allow them to contribute to the improvement of the project and to lease back the building below market rate. In addition, they expect to recoup most of the funds by managing the property.

Chair Kelly called for a motion to approve Resolution 7238; Commissioner Cruz moved and Commissioner Myers seconded the motion.

AYES: Kelly, Cruz, Edlen, Moreland-Capuia, Myers
NAYS: None

12. Action Item: Resolution 7239 – Authorizing the Executive Director to Amend the Disposition and Development Agreement with Portland State University for Redevelopment of Multiple Properties within the University District Area and University Place Site

PDC Staff presenting this item:
Amy Nagy, Project Coordinator II

With this action, the Board will authorize the Executive Director to execute amendments to a Disposition and Development Agreement (DDA) between Prosper Portland and Portland State University (PSU) that will:

1. Approve the near-term payment of cash to PSU in the form of a Development Grant and in lieu of transfer of the Prosper Portland-owned Jasmine site (Jasmine Block);
2. Approve a purchase and sale agreement for the transfer of the Jasmine Block to PSU; and
3. Approve the terms of other DDA amendments, particularly regarding the Budget Rent-A-Car and University Place projects.

Overall, the proposed actions do not materially increase Prosper Portland's expenditure obligation under the DDA. However, these actions are a material departure in terms of form and timing from the existing terms of the PSU DDA and therefore require Board approval. If approved, these actions will allow PSU to collaborate with other institutions to offer a range of education and job training opportunities to a local and diverse student body, preparing them to pursue family wage jobs and contributing to a vibrant economy. These actions also align with Prosper Portland's 2015-2020 Strategic Plan, by creating access to high quality employment for Portland residents and by forming 21st Century civic networks, institutions, and partnerships.

Commissioner Myers began by saying, "You stated that 20% will go to certified firms, what safeguards beside the state prevailing wage are we expecting to ensure the work force is diverse and that we are strategically meeting our goals for workforce?"

Ms. Nagy responded that Prosper Portland is engaged in the project during the design, construction and will be reviewing the contracts to help identify contractors. PSU will manage the compliance of the contracting and workforce, the onus is on them.

Commissioner Moreland-Capuia asked what would happen if the Board approves the funding and then the state doesn't.

Ms. Nagy replied that the DDA contemplates if they are not successful in getting the funding the money would be returned to Prosper Portland. A decision by the state should be coming by the end of the month. This project builds on their existing partnerships with Portland Community College, Oregon Health and Science University the City of Portland and Prosper Portland.

Chair Kelly called forward guests to testify.

Jason Franklin, Director of Campus Planning, PSU stated that they have hired a local design firm and expect to begin design in July right after hearing about the state funding.

Commissioner Edlen stated that he was glad to see that they hired a local firm to do the programming but implored Mr. Franklin to hire local firms especially when Portland has both an engineering and architectural school. Commissioner Edlen expressed disappointment that they did not hire from the business school. He continued by stating that we have a fiduciary responsibility to our taxpayers to do what we can to support local employment and that PSU has the opportunity to do that when hiring engineering, architectural and construction firms. He again, implored Mr. Franklin to use local firms.

Chair Kelly called for a motion to approve Resolution 7239; Commissioner Cruz moved and Commissioner Edlen seconded the motion.

AYES: Kelly, Cruz, Edlen, Moreland-Capuia, Myers
NAYS: None

13. Action Item: Resolution 7240 – Approving the Terms of a Master Lease Agreement with the City of Portland Bureau of Transportation for the SW 10th and Yamhill Garage Retail Space and Authorizing Prosper Portland to Enter into Sub-Lease Agreements

PDC Staff presenting this item:
Amy Nagy, Project Coordinator II

With this action, the Board will authorize i.) the terms of a master lease agreement between Prosper Portland and the City of Portland (City) Bureau of Transportation for the City-owned retail space at the SW 10th & Yamhill Parking Garage and; ii.) the terms of sub-lease agreements for Prosper Portland to tenant 12 ground floor retail spaces. If approved, these actions will allow Prosper Portland to partner with local, priority, disadvantaged businesses to lease newly-renovated, highly-accessible space in the downtown retail market.

Chair Kelly called forward guests to testify.

Michele Reeves, Civilis Consultants. Ms. Reeves shared several reasons why she felt this was a very good project.

Lisa Frisch, Downtown Retail Program Director, Portland Business Alliance (PBA). Ms. Frisch stated that PBA supports the project as one of the last action items on the Downtown Retail Strategy Taskforce created with multiple partners in 2009 for the purpose of revitalizing the downtown landscape.

Dave Benson, Parking Services Group Manager, Portland Bureau of Transportation (PBOT). Mr. Benson explained that the renovations provide an opportunity for PBOT to address much needed deferred maintenance issues in the building in addition to improving and modernizing the retail spaces. Mr. Benson continued by stating that PBOT's partnership with Prosper Portland will allow all of this to materialize.

Jonath Colon, Vice President, Business & Economic Development, Hispanic Metropolitan Chamber. Mr. Colon pointed out that the proposed smaller retail spaces will allow smaller businesses to compete in a larger market. He expressed that this will be a significant catalyst for the community and for small businesses.

Doug Peterson, Owner, Peterson's Convenience Stores. Mr. Peterson stated that his store has been at this location for 32.5 years and is his most successful of four stores. He stated that his business plan focuses on the max line and mass transit riders. He stated that he serves over 900 customers a day. Due to Peterson's location in the middle of the block, he feels that his store can remain open during the remodel and cited the example of the remodel currently taking place at Pioneer Square where the shops have been allowed to remain open during the construction.

David Gwyther, Lobbyist for Peterson's Convenience Store. Mr. Gwyther stated that Peterson's provides candy and soda and other minor items for people using the max at all hours which will not be provided for in the new design. He also stated that there is a seismic issue which he says he brought to the Board's attention last year.

Chair Kelly called for a motion to approve Resolution 7240; Commissioner Edlen moved and Commissioner Myers seconded the motion.

AYES: Kelly, Cruz, Edlen, Moreland-Capua, Myers

NAYS: None

14. Information Item: Update on Centennial Mills

PDC Staff presenting this item:

Will Thier, Project Manager I

Mr. Thier provided an update on the status of the Centennial Mills redevelopment project (Project), a Prosper Portland-owned property located on NW Naito Parkway in the River District Urban Renewal Area. In addition, Mr. Their provided the Board with a summary of the outcome of the March 22, 2017 Portland City Council meeting and of follow-up research and outreach completed to date. Mr. Thier also presented next steps for identifying a qualified developer for the Project and a timeline for its disposition.

Chair Kelly called forward public testimony.

Larry Mazer, Pearl District resident. Mr. Mazer stated that his residence is adjacent to the south of Centennial Mills. Though he supports many parts of the project he has a few concerns. He stated that it appears to him that Prosper Portland is relying on the Portland Use and Building Codes as a basis for development which he believes is inconsistent with the principals set out in the 2006 plan. He

reiterated that open space is a guiding principal of the 2006 plan and that Prosper Portland will have to decide whether guiding principles and minimum standards are the same thing. He asked that the Board make square feet devoted to open space and view corridors part of the bid criteria.

Commissioner Cruz asked whether there is an intention to provide additional robust constraints on the development that might address some of the concerns.

Mr. Thier responded that normally our sale contracts do include our typical equity and building policy language, and occasionally other terms therefore, we would follow that same model and would add all of these that I have listed. Mr. Thier continued by stating that he could get more specific with the defined parameters of each of the concepts within the document itself.

Commissioner Edlen asked what the amount of space was between the buildings.

Mr. Mazer responded as much as 40 - 50 feet or as little as 10 feet.

Commissioner Edlen recommended that Mr. Thier interview and hire a broker to market the property and to try to get the highest price given the constraints. He also suggested Mr. Thier clear up or get the entitlements resolved before someone goes hard on a deposit. Commissioner Edlen also recommended looking at both leasing and selling options for the best return.

Chair Kelly emphasized that he would like to see a robust public process and allow neighbors to provide their input.

At approximately 5:13 p.m. Chair Kelly adjourned the Prosper Portland Board meeting and Portland Community Investment Fund (PCIF) Governing Board Chair Cruz convened the PCIF Governing Board meeting.

15. Action Item: Resolution 2 – Authorizing an Application to the Community Development Financial Institutions Fund for an Allocation of New Markets Tax Credits

PDC Staff presenting this item:
Justin Douglas, Policy Manager

At approximately 5:23 p.m., PCIF Governing Board Chair Cruz adjourned the PCIF Governing Board meeting and Chair Kelly reconvened the Prosper Portland Board meeting.

16. Adjourn

There being no further business, Chair Kelly adjourned the Prosper Portland Board meeting at approximately 5:24 p.m.

Approved by the Prosper Portland Commission on August 9, 2017



Displacement of Black Portlanders

Urban black community

urban
black, bigotry
community

RICHMEIER
writing

The best one can find in Portland is that it's worse in displacement than other major cities. Darrell Miller, a professor of black

history at Portland State University, says that in the 1920s, when the National Housing Act was passed, the city's black population was 18,000. By 1947, before the Fair Housing Act, the city's black population was 30,000. Miller says that in the 1950s, when the city's black population was 40,000, the city's black population was 50,000. Miller says that in the 1960s, when the city's black population was 60,000, the city's black population was 70,000. Miller says that in the 1970s, when the city's black population was 80,000, the city's black population was 90,000. Miller says that in the 1980s, when the city's black population was 100,000, the city's black population was 110,000. Miller says that in the 1990s, when the city's black population was 120,000, the city's black population was 130,000. Miller says that in the 2000s, when the city's black population was 140,000, the city's black population was 150,000. Miller says that in the 2010s, when the city's black population was 160,000, the city's black population was 170,000. Miller says that in the 2020s, when the city's black population was 180,000, the city's black population was 190,000.

SHUT OUT

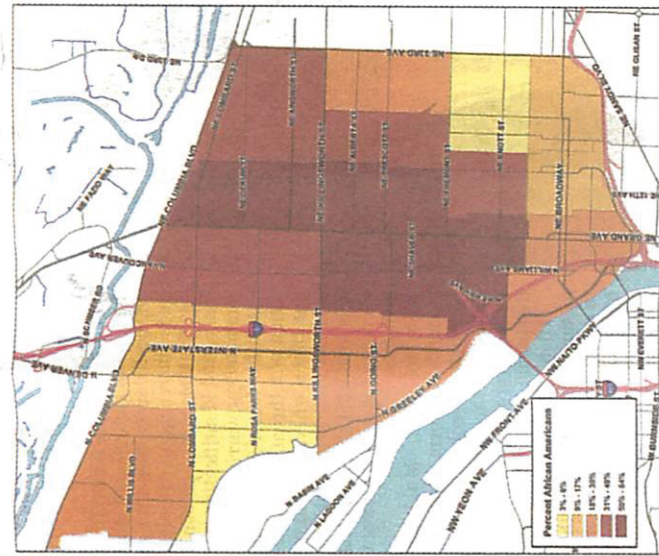


OPEN: HOUSING
Journalism Collaborative

Shut Out investigates the trend of diminishing and disparate access to homeownership in Portland, and what can be done about it. The series is a joint project of Open: Housing, the Pamplin Media Group and KGW, made possible in part by a grant from the Jackson Foundation. Look for more stories in this series and explore two related series — on the rise of the homeless village movement and on solutions for narrowing the rental housing affordability gap — at OpenHousing.net.

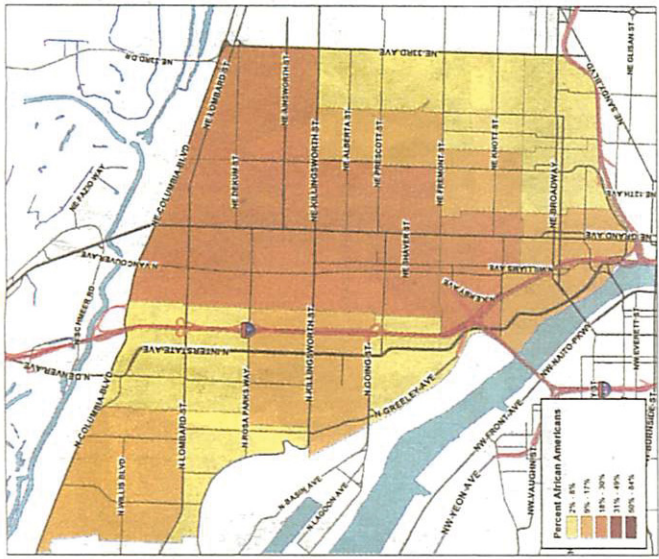
Portland's black community remained under 2,000 people until 1942, when massive defense industry labor shortages during World War II brought thousands of black workers to Portland

See SHUT OUT / Page 4



Black or African American Percent of Total Population 1990 by Census Tract

Created by Portland Housing Bureau, June 2014. Source: 2010 Decennial Census, National Public Geographic System



Black or African American Percent of Total Population 2010 by Census Tract

Created by Portland Housing Bureau, June 2014. Source: 2010 Decennial Census, National Public Geographic System

shipyards. The government built temporary housing in Vanport, a separate city hastily constructed on marshlands near the present-day Portland International Race-track. But when a Columbia River flood destroyed Vanport in 1948, realtors and lenders red-lined flood refugees to inner North/Northeast, in a district commonly called Albina after a once-separate city there by that name.

Eighty percent of the city's 18,000 African-Americans lived in Albina in 1960. A tightly knit black community now comprised thousands of homeowners, many on streets with handsome bungalow-style, and a robust black-owned business district boasting retail stores and dozens of churches.

The city's black residents chafed at the lack of opportunities for them in the rest of the city, but inside Albina itself, a cohesive world developed where the black culture thrived and some, not all, benefited from the same economic gains that most whites received in the booming 1950s and early 1960s American economy.

Then three successive blows hit Albina: professional sports, the Eisenhower administration's federal freeway system and urban renewal. In the early 1960s, the Portland City Council and pro-sports team developers, including future Trail Blazers executive Harry Glickman, pushed through construction of Memorial Coliseum. Construction of the coliseum, and the city's assemblage of adjacent property near the present-day Rose Garden, leveled some 476 homes, mostly owned by black residents.

Next came construction of Interstate 5, the first federal freeway to reach Portland. Federal and city planners could have

taken other routes, such as up the Highway 30 industrial area, but they chose the path of least political resistance: the Albina community and working class white neighborhoods north of downtown, near the Columbia River. Hundreds of families lost their homes to highway lanes and ramps.

Third, a massive publicly funded development project — begun in the early 1960s as part of a nationwide urban renewal movement (called "Negro removal" by some cynics) intended to clear historic black business district and 300 homes to make room for some contractors maintained Dominion's ownership entirely. Fined and punished, Dominion declared bankruptcy, creating an

event parking depressed property values deeply and coincided with white flight and white business disinvestment. And then a lending scandal erupted in North/Northeast Portland. In the late 1980s, the Oregon attorney general's office filed suit against mortgage giant Dominion Capital, which had sold hundreds of seemingly low-cost homes in inner North and North Portland to unsuspecting buyers, disproportionately black. Dominion structured sales contracts with balloon mortgages that many buyers could not pay; some contracts maintained Dominion's ownership entirely. Fined and punished, Dominion declared bankruptcy, creating an

Shut Out: Coliseum, freeway strike at Albina

From page 1

avalanche of more than 2,000 abandoned properties.

Community development corporations (CDCs) and other non-profits, such as Habitat For Humanity, jumped in to help.

Portland Community Reinvestment Initiatives (PCRI), one of the first and most successful CDCs, took over more than 350 Dominion properties in the early '90s and helped families refinance mortgages and purchase new homes, and restored additional derelict properties into affordable rentals, according to PCRI director Maxine Fitzpatrick.

At that time, she said, most white home buyers and investors wanted nothing to do with North/Northeast Portland. "Then we came in and took out

Under the direction of then-

the weakest links, the biggest eyesores," Fitzpatrick said, "and all of a sudden — wow — the neighborhood is attractive."

Gradually, more whites began scooping up bargain-priced 2,000-square-foot Victorians and bungalows, driving up prices that, over time, few prospective African-American buyers could pay.

By year 2000, the flood of new-comers was unstoppable. The city created the Interstate Corridor Urban Renewal Area in North Portland in 2000, producing a tax-increment funding stream from local property taxes to help build a new MAX Yellow light rail line and to make housing and transit investments alongside it.

Under the direction of then-

Shut out: Renters lose economic ground

From page 1

and creating beloved places for Portland's black community. He clung to his stake in North/Northeast as the once-neglected area was transformed by urban renewal and then gentrification — with disparate impacts to longtime residents.

Knauls, 86, still lives on Northeast Bryant Street in the house that his second wife, Geneva, bought in 1965 for \$28,000. It's now worth more than \$400,000. He still greets customers at the hair salon he named for Geneva on Northeast Martin Luther King Jr. Boulevard, now managed by his son, Paul Knauls Jr., 64.

But Knauls also lost.

Many of his black neighbors, and most of the black-owned businesses that once crowded Williams Avenue and Alberta Street are gone. The former African-American community of inner North/Northeast Portland has largely disappeared from the new landscape of gleaming condos, yoga studios and cafes owned and occupied, almost entirely, by white people.

Even Knauls' son has been priced out of the neighborhood. He rents an apartment in Vancouver, Washington, for \$900, about half what he'd pay for a similar place in inner North/Northeast Portland. Recently, on his commute to Geneva's, he missed his usual off-ramp and found himself on an unrecognizable street as he made his way north to the salon.

"After what I saw, I never want to go to Williams Avenue again," Knauls Jr. says. "I used to know every business owner on that street. They'd say, 'How ya doing, Paul,' as I'd walk in the door. ... It was my culture."

Now, he says, "You feel like a stranger in your house."

This story, part of an Open: Housing series exploring barriers to homeownership in Portland, looks at the historic and current forces affecting the city's African-American residents, and what they might mean for the future.

Waves of displacement

As wages fail to keep pace with spiking housing costs, low-income Portlanders of all backgrounds are being displaced in desirable close-in neighborhoods. But the term "displacement" doesn't fully capture the experience of more than 10,000 African-American residents who left North/Northeast Portland over the past three decades.

Portland's black community originally was located near the railroad station in Northwest Portland before it was pushed out to the Albina area. But there was always a definable black neighborhood.

Not anymore. The recent scattering of black residents to distant parts of the city and suburbs, which reduced North/Northeast Portland's black population by roughly half since 1990, is a "diaspora," a population movement that scatters an entire cultural community.

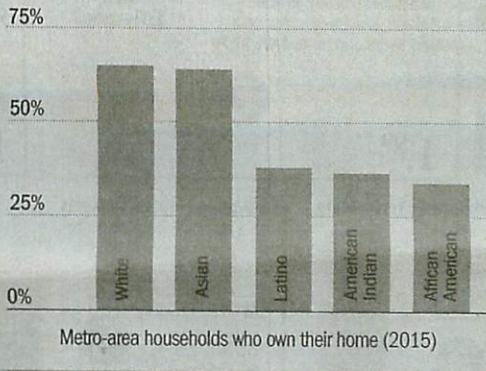


The current generation of black Portlanders has "lost ground" economically, due, in part, to historic barriers to African-American homeownership, says Maxine Fitzpatrick, executive director of Portland Community Reinvestment Initiatives.

The Ownership Gap

Home ownership is the primary source of wealth for most Americans and in the Portland metro area. As in much of the rest of the country, homeownership rates for African-American, Latino and American Indian residents lags far behind the rates for white and Asian residents.

SOURCE: U.S. CENSUS, AMERICAN COMMUNITY SURVEY



Increasing wealth gap

The median income for black Portland households is roughly \$27,000. A family would have to spend 80 percent of that amount to rent a median-priced two-bedroom apartment in North Portland's Interstate Corridor.

The median income for white households is more than twice as high, \$57,000.

Local and national experts who study race, poverty and housing insecurity point to another factor behind the diaspora: a massive racial wealth gap created in part by historical policies and practices that systematically excluded African-Americans from opportunities to own homes.

One landmark study, which tracked 75,000 American households over three decades, found the average net assets of black families rose from less than \$10,000 in 1984 to \$14,500 in 2013. White families' wealth, during that same time, rose from \$84,000 to \$260,000.

Homeownership is the vehicle through which most American families build financial assets and pass them down to their children. Low homeownership rates are both a cause and a consequence of black Americans' low net worth.

The estimated homeownership rate for African-American-headed households in Portland is slightly less than half that of white-headed households, ac-

ording to the U.S. Census's 2015 American Community Survey.

Lately, the population of homeless African-Americans in Multnomah County has spiked, growing by 48 percent from 2013 to 2015. African-Americans represented 24 percent of the county's estimated homeless population in 2015, yet made up only 7 percent of the population.

'Tragical' history tour

Last month, about 50 people boarded a bus for another "Tour of Portland's Hidden Discriminatory History," offered regularly by the Fair Housing Council of Oregon. Executive Director Allan Lazo promised riders a virtual journey through the "lowlights" of the region's racial past, wryly referring to it as the "Tragical History Tour."

As the 45-foot Blue Star bus rolled up North Williams Avenue, Lazo passed out copies of a typical restrictive covenant attached to a home in a white neighborhood in Washington County, noting that similar covenants applied to many Portland homes. Dated 1948, the covenant forbade "persons of any race other than the Caucasian race" to use or occupy homes in the neighborhood. African-Americans were permitted to live and own homes in areas such as Albina, but they couldn't count on the city to invest in infrastructure or enforce

building codes in those areas, Lazo said.

Legacy Emanuel Medical Center came into view on the left. In the early 1970s, hospital officials and city leaders planned an expansion of the hospital campus behind closed doors, then gave residents in the targeted area, primarily African-Americans, 90 days to leave, using eminent domain to seize properties when necessary. It was the third time in less than 20 years that a major public condemnation project had torn up large sections of Portland's black community. Black families also were disproportionately displaced by the construction of Memorial Coliseum and Interstate 5.

Further north, the tour stopped at the former site of Vanport, a World War II shipyard workers' community built along the Columbia Slough. There, retired Metro Councilor Ed Washington recounted his family's difficulties finding a place to live after a flood destroyed their home, and those of 18,000 other Vanport residents, in 1948.

About 6,000 of the flood refugees were, like Washington's family, African-Americans. Many were stuck in Vanport after war's end because of housing discrimination and overcrowding in Portland; reluctantly, room was found in Albina.

The four-hour tour also high-

lighted tragic chapters in the lives of the region's Chinese, Japanese, Mexican and Romani communities: internments, killings, roustings, removals, exclusions, mob attacks and one massacre. Near the tour's end, Lazo explained how exclusionary housing policies and practices — most egregiously, federal policies — tilted homeownership opportunities toward whites.

"The wealth gap between whites and communities of color is rooted in a history of systemic and institutional housing discrimination, and in the inability of those communities to build wealth through homeownership," Lazo said.

Federal policies worsen racial wealth gap

Twentieth-century social welfare reforms such as Social Security, federal housing programs and the GI Bill, which lifted up millions of poorer whites into the middle class, largely excluded people of color, says Thomas Shapiro, professor of social work and policy at Brandeis University in Boston.

The jewel of President Franklin Roosevelt's New Deal, the Social Security Act of 1935, denied coverage to farm laborers, Pullman porters and domestics, who were overwhelming Latinos and African-Americans. Most historians believe that FDR made those compromises to ensure Southern senators' support for the law's passage.

"That was a massive act of exclusion that prevented a whole generation of Latinos and blacks from accessing retirement security, disability coverage and all of the things Social Security helps cover," Shapiro says.

Similarly, Federal Housing Administration (FHA) loans were indispensable in helping millions of whites finance their first homes, starting in 1934. But these loans did little for African-Americans, who generally lived in low-income neighborhoods where FHA wouldn't lend.

The GI Bill has been a godsend for veterans, from World War II through the Iraq War, who used the funds to help pay for college. But whites gained disproportionately, as many black veterans, disadvantaged by segregation, lacked the basic high school education and family support needed to get into college. (The high school graduation rate for black males is only 47 percent compared to 75 percent for white males, according to the Council for State Governments.)

Home sellers and real estate agents practiced blatant bigotry, refusing to sell homes to buyers solely because of their race and ethnicity, until the federal Fair Housing Act of 1968 outlawed such actions. In the three decades after it passed, black homeownership rose by almost 6 percentage points, from 41 percent to 47 percent (while white ownership also jumped 6 percentage points, from 66 percent to 72 percent), according to U.S. Census records.

But those gains were subsequently erased, shrinking the

national black homeownership rate back to 41 percent.

Many blacks bought homes during the 2000s housing bubble, lured by subprime loans with "teaser" interest rates that mushroomed after a few years. Many lost their homes to foreclosure, part of a wave that triggered the Great Recession in 2007.

In Multnomah County, the estimated black homeownership dropped by more than 10 percentage points from 2000 to 2015.

"This loss of wealth and stability makes us the first generation of African-Americans since Reconstruction to have lost ground," says Maxine Fitzpatrick, executive director of Portland Community Reinvestment Initiatives since 1993.

No shelter from the storm

Homeownership is how Americans have historically built up savings for their kids' college educations, for retirement, and to protect themselves from emergencies, says Cheryl Chandler-Roberts, executive director of Portland's African-American Alliance for Homeownership. Just as the benefits of homeownership add up over generations, so do the costs of exclusion from homeownership opportunities. That's why even black homeowners who recently accumulated equity from rising property values in North/Northeast, like Knauls Sr., aren't necessarily in a position to help their children buy homes.

"If you're 80 years old, the sale of a \$400,000 house, typically divided up between two or three adult kids, will leave money for the parents' long-term health care, and some money for the kids, but not money for the kids to buy their own homes," Chandler-Roberts says.

Take a community that has been systematically denied wealth-building opportunities for generations, add low, stagnating incomes and spiraling housing costs, and you have a recipe for worsening poverty.

I'd rather live here

Paul Knauls Jr., now living in Vancouver, sees the effects of Portland's black diaspora at Geneva's. Many longtime customers who've moved away drive in from Gresham and Beaverton, but if the weather's bad, they might not make it.

"A lot of our older customers are cut off," he says. "It's harder when you're old to make new friends, engage a new community, much less have the energy to start a new business."

Sure, he concludes, the new, whiter culture has brought some hip businesses to North Williams Avenue. "But I can go to other parts of town if I want something hip," Knauls Jr. says. "I'd rather live here."

Up next: How local policymakers have addressed the racial wealth/homeownership gap, and the community's response. For a longer version of this article, other stories in this series, and a source list for this story, go to OpenHousing.net.