

Northwest Oregon gets Section 8 bailout from feds

FROM STAFF REPORTS

The Northwest Oregon Housing Authority, which terminated nearly 300 families from its Section 8 program this summer, will receive \$800,000 from the federal housing bureau to restore assistance in the tri-county region.

However, families who heeded letters to find new housing options are now out of the loop.

At the end of May, 285 families were sent letters from the Northwest Oregon Housing Authority informing them that their Section 8 would be discontinued in 30 days due to a shortage in funding. The shortfall came after the housing authority exceeded the number of vouchers it could issue, and then drained its reserves covering the costs.

The federal Bureau of Housing and Urban Development, which funds the Section 8 housing assistance voucher program through public housing authorities, announced earlier this month that it will essentially bail out NOHA and other authorities in similar situations. Following an application request process earlier this month, NOHA is expected to receive \$800,000 to restore housing assistance to the families terminated from the program.

But not everyone will get assistance. NOHA estimates 59 families who were terminated went ahead and found other housing arrangements. They will not be eligible for the restored voucher funding, according to George Sabol, executive director of Clatsop Community Action, which is helping the housing authority work with the families.

"Those families are the one's being told we're not going to reinstate you because you did what we told you to do," Sabol said. "These people made the arrangements they had to make."

Sabol said they do not know how many left and became homeless, but he and others are trying to reach out to everyone affected. The families who stayed in their place will keep them, Sabol said.

NOHA was one of many public housing authorities across the country reporting serious cuts to their Section 8 roles because of the 2009 HUD funding allocations. HUD banked a portion of those funds against individual housing authorities accumulated reserves, which in the case of NOHA, was already spent on higher rents and vouchers issued above Northwest Oregon's limit of 1,077.

In July, NOHA brought in consultants from the Housing Authority of Portland to help them sort out their situation. In a memo issued in response to those meetings, HAP reported that the NOHA staff failed to adequately track and issue vouchers for housing assistance, and failed to understand its funding spent on the vouchers even after issuing vouchers well above available funding levels. HAP's memo included strategic recommendations for evening out voucher rates and preventing the situation from happening in the future.

Even with the \$800,000 infusion from HUD, the Section 8 voucher waiting list is expected to extend well into next year, with those 59 families who left the program after being terminated given first opportunity to return to the program.

NOHA Executive Director Carol Snell did not return our call prior to press time.

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Human Solutions receives between 200 and 400 requests for rent assistant vouchers each month, with the number "edging" increasingly towards 400. Human Solutions can only provide 40 vouchers a month.

"The amount is so much less than what is needed," DeMaster says.

Shelley Dixon, the housing manager for Transition Projects, Inc. who helps place clients into housing, estimates that 10 percent of the 200 people she has placed into housing in the last two years were placed in the downtown area. Dixon says she remembers when, only a few years ago, the majority of her clients would be housed downtown.

"I used to have a lot of clients in each building," Dixon says.

"For a number of years, the majority of people who we meet who are homeless, we meet in downtown and the inner city area," says Marc Jolin, the executive director of JOIN. "But in terms of housing placement, the vast majority of people we help into housing are in the east side or north Portland, and in some cases, outside of the city altogether."

Jolin says that JOIN's retention team, which is responsible for assisting people who recently entered housing and helping them stay housed, has clients living in outer east Portland, Gresham, Beaverton, and other communities in Washington county.

Jolin and Dixon says the scattering of low income people presents an additional challenge: having the staff and time necessary to meet with people once they are housed.

"The more dispersed people are throughout the community, the more time and effort we're spending to be with them and the more effort it takes to get people to services they need," Jolin says.

The inventory's actual survey results of rental operations found that there are 6,389 rental units counting as No Net Loss units in the central city area. That is well below the 8,286 benchmark set in 2002 when the No Net Loss policy was passed. However, in projections of the survey results — to account for rental companies that did not return surveys — the PDC says the No Net Loss policy is being met, with nearly 8,500 units in the city center affordable up to 60 percent MFI. The PDC counts all of those units toward the No Net Loss policy.

"Statistical theory would say that what we did was perfectly adequate," Sheern says.

The only growth in affordable housing counting as No Net Loss units was seen in housing affordable to people living between 51 percent to 60 percent of the median family income — people earning around \$29,400.

"The PDC report outlines that there still aren't new units for 0 to 30 percent," says Julie Massa, the Portland Policy coordinator for Oregon Opportunity Network. "The City seems to be at conflict with itself to reach its housing goals."

"Those percentages may reflect a decrease in actual number of units, but they

may not," says David Sheern, the policy coordinator at the PDC who was the principle author of the Inventory. Sheern notes that the 2005 Inventory counted college student housing, while the 2008 Inventory omitted those numbers.

When asked for information that would have clarified how affordable housing declined by more than 22 percent, such as whether specific buildings affordable to those living at 0 to 50 percent MFI were lost due to condo conversion, rent increase, or demolition, Sheern declined to give that information, saying it might negatively impact a property owner's willingness to complete the surveys the inventory relies on for its information in the future.

Susan Emmons, the executive director of Northwest Pilot Project, a housing agency serving low-income and homeless elderly people, finds the fact that the Inventory says the No Net Loss Policy is being met despite decline in housing for people living at the low income levels misleading.

"It does seem to me that they're using a very loose interpretation to say that they are meeting the No Net Loss Policy," Emmons says.

"We were a lot more focused on the downtown area, and we've just had to extend that," Emmons says of Northwest Pilot Project's placement efforts.

"We're not satisfied with the numbers," says Nick Fish, the City's housing commissioner, calling the results of the Inventory a "mixed bag."

Fish points to five developments that he says will increase the supply of units affordable to people living at 0 to 30 percent MFI by 572 units:

- The Resource Access Center, slated to open in 2011, will have 130 units.
- The Rose Quarter, scheduled to open in 2010, will have 176.
- University Place will open in 2010 with 48 units
- The Martha Washington building, opening in 2010, will have 80 units.
- Pearl Family Housing will open in 2011 with 138 units.

"These five projects are coming on line when private financing is really messed up," says Margaret van Vliet, the new director of the Portland Housing Bureau. "The fact that we're still getting these five is good news."

"What we have put in place is positive," Fish says, despite the nation's recession and the freezing of the tax credit and credit markets, factors which, Fish says, are forces working against and cannot be controlled by those involved in Portland's housing policy and efforts to build affordable housing.

Fish also thinks that the inventory should not be looked to as a good indicator for evaluating the success of Portland's housing policy. A decline in affordable housing for the poorest of the poor does not mean that Portland is failing to provide decent housing for its citizens.

"It's important to monitor the No Net Loss Policy, but it's important to step back and look at the forest from the trees," Fish says. "A 3-year inventory doesn't define the success of a community wide strategy."

The inventory's findings raise problems in addition to the fact that Portland's

stock of low-income affordable housing is declining.

More than 80 percent of the total No Net Loss units have attached tenant or income restrictions, such as Section 8 vouchers. In other words, to live in certain buildings or certain units within buildings, an individual would have to have a Section 8 voucher in order to qualify. Only 19 percent of No Net Loss units are open market units, or units that have no such restriction.

"It (shows) ... the importance of restrictive covenants and public financing," Sheern says. Sheern says that having such

"The more dispersed people are throughout the community, the more time and effort we're spending to be with them and the more effort it takes to get people to services they need."

— MARC JOLIN
 EXECUTIVE DIRECTOR, JOIN

restrictions attached to the building ensure that the units will remain affordable, rather than becoming the prey of market forces that could increase the rent.

Those open-market forces have had a tremendous impact. The PDC report found that in the open market, the percentage of rental units priced at or below 80 percent MFI has decreased markedly over the last three years. The proportion of open-market rental units priced above 120 percent MFI increased by more than 27 percent, while the proportion of open-market units affordable below 50 percent MFI decreased by more than 20 percent.

The inventory also found that 77 percent of the central city area's No Net Loss units are single-resident occupancy units (SROs) or studios. "Remarkably, only 3 percent of all No Net Loss units are two- or three-bedroom units and virtually all of those larger units are located within the River District," the inventory states.

DeMaster says it is a mixed bag when it comes to whether or not people are able to find decent affordable housing in east county. "Many times we see one or two families combine into a single housing unit in order to make ends meet," she says.

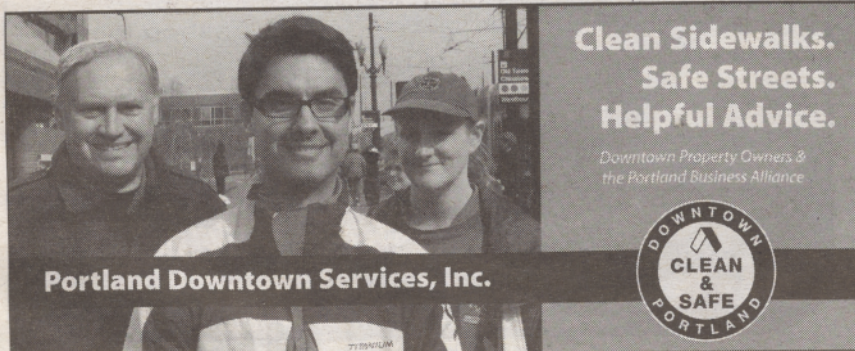
Some interviewed for this article suggested that the rapid displacement of poor people to East Portland and the eastern parts of Multnomah County may turn the area into a ghetto.

"People are really concerned to ... not let the ghetto effect happen," DeMaster says.

Fish makes no bones that low-income people are being displaced from the central city area. Not directly stating whether or not east Multnomah County is or will become a ghetto, Fish did not dispute that poverty is moving east. He also acknowledged that it represents a trend that will most likely continue.

"We need to invest in the infrastructure of East Portland," Fish says.

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