

HOUSING The Portland Observer

Homestead And Housing Rehabilitation Programs Renewed

The Portland Development Commission today approved agreements with U.S. Bank of Oregon and First Interstate Bank of Oregon renewing two critical housing programs targeted to low- and moderate-income families.

U.S. Bank of Oregon will make available \$5 million in private funds over the next two years to continue PDC's home repair loan program. The funds will allow approximately 200 loans for repairs and improvements to homes and apartments sheltering low- and moderate-income families.

As part of the second agreement, First Interstate Bank of Oregon will commit \$3 million over the next 18 months to fund home ownership loans through the Portland Homestead Program. The agreement will allow up to 75 low- and moderate-income Portland families to realize the dream of

owning a home.

U.S. Bank and Housing Rehabilitation Loan Program

The agreement between the U.S. Bank and PDC expands the public/private partnership that applies federal block grant funds to leverage private financing of most of PDC's home repair loan projects, thereby stretching the impact of the city's federal aid.

Past experience has resulted in every one dollar in federal grant money leveraging five dollars in private funds, a remarkable five-to-one ratio.

John D. Eskildsen, who is both President and Chief Executive Officer of U.S. Bank and a PDC Commissioner, said, "Joining the community development expertise of the PDC staff and the city's federal aid with the resources of U.S. bank makes for a powerful combination. Together we are able to achieve success and de-

liver benefits in ways none of us could alone."

PDC Executive Director Jan Burreson praised the agreement, saying, "We are very pleased that U.S. Bank will be joining with us to improve Portland neighborhoods. As part of the PDC's new funding strategy we will be seeking innovative ways like this to join with private sector partners to leverage public dollars - in this case, the city's federal block grant allocation."

The below-market interest rate loans are available for improvements like roof repairs, plumbing and electrical work, and furnace and water heater repairs for rental and owner-occupied homes in targeted areas of Northeast Portland. The income of families living in the housing must not exceed 80% of the region's median income.

The financing agreement is the

first between the Commission and the U.S. Bank. Through April 1994, PDC had made 202 loans through the program, with \$1 million in federal grant money combining with \$5.3 million in private financing. The average loan was \$31,000 dollars.

First Interstate Bank of Oregon and the Portland Homestead Program

The agreement with First Interstate Bank of Oregon renews the public/private partnership supporting the Portland Homestead Program. The program provides home ownership opportunities to first-time home buyers who otherwise might not be able to afford a home.

"One exciting benefit of this program is the ripple effect," explained Richard Anderson, Senior Vice President of Residential Services for First Interstate. "These first-time buyers take pride in their homes, improve the properties and, in turn, create

healthy and attractive neighborhoods. Portland is stronger because of it; we're pleased to continue our support of a program that benefits us all."

Nyle Hunter, PDC's Director of Housing, said: "When the public and private sectors work together, we address the challenges Portland is facing. This is an example of how a small amount of public money can leverage a sizable commitment from the private sector to help make homes affordable for residents of Portland."

In addition to making home ownership a possibility for many Portland families, the program helps the City of Portland and Multnomah County reclaim vacant and abandoned housing, while encouraging neighborhood preservation, revitalization and stability.

The agreement with First Interstate renews a previous commitment signed in March 1994. Under the prior agreement, First Interstate pro-

vided a \$1.36 million credit line.

Most Portland Homestead loans carry a 20-year term, and the average amount borrowed is approximately \$40,000. Of this, an average of only \$6,000 comes from public funding. The balance of the loan comes from First Interstate through this agreement. PDC's loan dollars come from the Community Development Block Grant program, administered by the City's Bureau of Housing and Community Development.

Since 1988, the Portland Homestead Program has made the dream of owning a home come true for 117 families. Persons interested in either learning more about the PDC's home repair loan program or the Portland Homestead Program should call PDC's Eastside Office at (503) 823-3400. PDC is the city's agency for housing, urban renewal and economic development.

State Guarantees First Loans With Credit Enhancement Fund

The Oregon Economic Development Department announced Tuesday that it has guaranteed its first two loans under the Credit Enhancement Fund.

The state guaranteed a loan made by the Bank of Astoria to a manufacturer of motorized carts. The company currently employs 20 people and will add an additional five employees. South Umpqua State Bank in Roseburg made a loan to a ranch supply company to expand its inventory. The guarantee was a "critical factor" in the ability of the two banks to make the loans according to Rhonda Wills, Bank of Astoria, and Ron Preston, South Umpqua State Bank.

"The Credit Enhancement Fund is an important financing tool for Oregon businesses. The program involved broad-based cooperation from Gov. Barbara Roberts, the Oregon Legislature, the Oregon Bankers Association, the Oregon Department of Agriculture, and the Wood Products Competitiveness Corp.," said Bill Scott Oregon Economic Development Department Director.

The Credit Enhancement Fund guarantees loans made by banks to

Oregon businesses. Businesses eligible for Credit Enhancement Fund include: manufacturers, processors, natural resource industries, distribution companies, and new technology businesses which employ 200 or fewer people.

"Oregon banks look forward to working with this program to make additional loans available to Oregon businesses. With the State's guarantee, Oregon banks are able to make loans that they might not otherwise be able to make. I expect to see strong participation from Oregon banks," said Frank Brawner, president of the Oregon Bankers Association.

To date, thirteen Oregon banks are participating in the Credit Enhancement Fund program. These banks are: American Pacific Bank, Bank of Astoria, Bank of Wallowa County, Centennial Bank, First Security Bank, Key Bank, Pacific Continental Bank, Pacific State Bank, The Prineville Bank, South Umpqua State Bank, Valley Commercial Bank, Western Oregon Community Bank, and West One Bank. The Oregon Economic Development Department is able to guaranty up to \$75 million in bank loans under the program.

Kafoury Announces Grant Awards

Commission Gretchen Kafoury announced the award of grants under a new program to provide funding for non-profit organizations developing affordable housing. Thirteen organizations will receive funding totaling over \$380,000 under the Non-Profit Housing Development Operating Support Program. The City estimates that this investment will support production of nearly 400 units of affordable housing in the next year. Groups

selected to participate include Central City Concern, Franciscan Enterprise, Hacienda Community Development, Housing Our Families, Human Solutions, Innovative Housing Incorporated, Metro Community Development, NW Housing Alternatives, Portland Habitat for Humanity, REACH Community Development, ROSE Community Development, Sabin Community Development and Transition Projects.

Recipients under the Operating Support Program were selected through a competitive application process. Seventeen applications were received and screened by a review panel of five citizens. Using this type of competitive application process is one of the first steps in implementing the City's new Community Development Allocation Plan.

Kafoury noted that representa-

tives of the National Community Development Initiatives (NCDI) are meeting in Portland this week. NCDI is a partnership of major foundations and the U.S. Department of Housing & Urban Development. Locally, NCDI contributes funding to the Neighborhood Partnership Fund of the Oregon Community Foundation which provides training, technical support and grants to community-based development corporations.

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