

HOUSING

The
Portland
Observer

Hillside Housing Proposed

Continued from front

Senior Planner Michael Harrison, the chief architect of the Albina Community Plan, says, "I'd have preferred to see 100 units on this site. It's near a bus line and a school, it's on the

periphery of the residential neighborhood so it wouldn't have impacted it, and it would have afforded a nice view.

"But what's proposed here is legal and appropriate," Harrison said. "This property has been vacant for a long time and we've seen some pretty unpleasant things proposed for it."

City officials have a bigger problem with the proposed design.

They feel that having only a series of garage doors facing Mississippi

will create an "unfriendly" street scape that will discourage people from biking or walking there.

The houses should "relate to the surrounding neighborhood," planner Ruth Selid said.

Peter Wilcox of Portland Community design replies that in the immediate area there isn't much of a residential neighborhood to relate to. Most of the nearby buildings are either industrial or used for industrial purposes, he says.

"If four houses must face outward, we can't achieve home ownership on this site, which is what the Boise neighborhood wants," Wilcox said.

Charles Durham adds, "We're taking the cars out of the interior of the site, and leaving a place for children to play."

A third issue is the proposed vacation of a non-existent North Revere Street on the site, to be replaced by driveways to the row houses and three existing homes.

City transportation officials tend to oppose street vacations. At best, it is a process that will take at least a year.

Ed Durham said the current right of way serves no purpose.

"The first thing people would ask when they visit the site is, 'Where is Revere Street?'" he says. "The second is, 'How would the city ever build it here?'"

Despite these hesitations, Hayakawa says, the Planning Bureau likes the project and wants to help see it get approved.

Asked if it could win city approval he said, "Yes, without hesitation."

Homebuyers Look At Affordability

You've heard all the old sayings: His eyes are bigger than his stomach. Don't bite off more than you can chew. Her reach exceeds her grasp.

But when it's time to take the plunge to buy your first house, you chuck reality. You dream.

Take Dean Sheets' fantasy home — a two-story, cottage-style charmer. Perfectly quaint until he saw the price tag: \$175,000.

"I was blown away by it," said Sheets, 26, a geologist.

And frustrated. The experience almost persuaded him to continue renting until he could buy the perfect house. But then Sheets had an epiphany of sorts; a reality check experienced by many first-time buyers.

"I came to terms with it and said I'll buy a scaled-down version of what I want in 10 to 20 years," he said.

Sheets' experience is not unique. In one 1989 ERA study of real estate brokers, 56 percent of brokers who responded said first-time buyers overestimate what they can afford. An additional 32 percent said first-time buyers underestimate what they can afford.

New home buyers might have an idea of what they can spend from their monthly budget, but "what they don't understand is how much house they can afford on that amount," said Linda Gates, a realtor.

In Sheets' case, he turned to a realtor and patiently viewed properties for nine months. Then Gates found it — the perfect place at less than half the cost of Sheets' initial dream home: a four-bedroom, two-fireplace house with character, mature trees, archways and hardwood floors for \$74,000.

"You can't expect for your first house to be your dream house," a wiser Sheets said about his March 1995 purchase. "You have to come to terms

with that."

In the \$65,000 to \$80,000 range, you can get a nice home with two to three bedrooms and one to two bathrooms.

For what many renters spend on rent, some home buyers can get a nice starter house. For example: a \$70,000 house with a \$625 to \$630 monthly mortgage plus closing costs of about \$4,500.

New home buyers are warned to persevere "home affordability" and "how much can I borrow?" charts with a grain of salt. The charts, which frequently run in newspapers and magazines list monthly payments but only include principal and interest.

To get a true cost of your house, buyers must factor in taxes, insurance and home association fees, where applicable.

It's also a good idea to sit down and

figure out what you can afford based on your other debt.

If you are shopping for a house, you will have to get used to the term "debt ratios." These are your debt-to-income ratios.

The first ratio is 28 percent. This dictates that your monthly mortgage payment — including loan principal and interest, taxes and home insurance — must not exceed 28 percent of monthly gross income.

The second ratio is 36 percent. This requires that your mortgage payment plus all long-term debt (credit cards, student loans, car loans, etc.) should not exceed 36 percent of your monthly gross income.

For a couple with a dual monthly income of \$5,000, their total monthly mortgage and long-term debt payments cannot surpass \$1,800 (\$5,000 X 36 percent).

Home Sweet Home

Continued from Metro

said Doreen Roozee, who is the associate director at the Christian-based program.

Habitat does not just give away homes. It is a joint venture in which recipients from the housing ministry are involved in the work at various levels. This apparently is to reduce cost and increase the pride of ownership among family members.

Needy families who apply to Habitat projects are selected based on their level of need, their willingness to become partners in the program and their ability to repay the loan.

Loan terms are adjusted by Habitat to fit individual budget requirements.

The program, founded in 1976, builds and rehabilitates homes. The houses are in turn sold at no profit to partner families with no mortgage interest over a fixed period. The cost of the homes are pegged approximately at \$35,000.

Many other programs like the Northeast Community Development Corp. (NECDC) and HOST (Home Ownership A Street At A Time) are equally as beneficial, depending on how much you want to spend and how long you want to wait.

Requirements for applications vary. Some cater to middle class while others seek out the needy with flexible mortgage payment arrangements.

NECDC's Nehemiah program, for example, is designed to assist first time homebuyers with lower or mod-

Affordable Housing Hotlines:

- Fannie Mae: 224-1354
- Housing Authority of Portland: 228-2178
- REACH Community Development Corp.: 231-0682
- HOST Development, Inc.: 331-1752
- Sabin Community Development Corp.: 287-3496
- Northeast Community Development Corp.: 282-5482
- Portland Development Commission: 823-3200
- Bureau of Housing and Community Development: 823-2375
- Portland Housing Center: 282-7744
- ROSE Community Development Corp.: 788-8052
- Habitat for Humanity: 287-9529
- Housing Development Center: 335-3668
- Neighborhood Partnership Fund: 227-6846
- Community Development Network: 239-4553

if you resort to other loans to purchase these homes.

The price tag of each house in the Nehemiah program varies, determined by the appraised value upon completion of construction. Nehemiah homes rely heavily on city bonds and federal grants. The principal goal of the program is to rescue and upgrade declining urban areas. The city of Portland has waived development and permit fees for the agency's houses and Multnomah County is providing 130 tax foreclosed properties at no cost.

A consortium of lending institutions also are funneling approximately \$2.8 million dollars in reduced-rate construction financing for Nehemiah home purchases and rehabilitation.

These financial blessings are enabling NECDC to drive down costs. Monthly housing payments, which includes principal, interest, taxes and insurance are approximately \$475.

HOST, in its effort, unites aggressively the efforts of the private and public sector to stabilize and revitalize inner-city neighborhoods. Through its network of banking partners and industry experience, HOST assists buyers by working with local lenders that design financing plans to a variety of income levels.

It is still unclear if all these programs have had an effect on the overall real estate market, but experts are saying, if anything, these programs help educate the masses about real estate opportunities.

erate incomes. It requires a minimum of \$1,000 cash investment from the buyer.

Homes purchased under the Nehemiah program are eligible for mortgage financing loans. This is a minimum down payment loan offered at special interest rates. Additional down payment may be required

From Vanport Extension To Major University

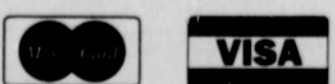
Continued from Metro

A dinner break will be served in the Smith Center's Parkway Commons from 5 p.m. to 7 p.m. with neighboring restaurants offering special dishes in honor of the anniversary.

The grand finale will follow in a "Carousel of Music" featuring four hours of music by Michael Allen Harrison, the Dub Squad, Off the Record and All Night Cowboys. The performances will take place in the new Harrison Hall. Admission is \$6.

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