

HOUSING

The
Portland
Observer

PCRI: Portland Community Reinvestment Initiatives, Inc. History

In 1990, The Oregonian created an uproar in Portland, Oregon by printing a story entitled, "Blueprint for a Slum." This story exposed the abandonment of Northeast Portland by the city's major private lenders. Some lenders were not making loans on properties in Northeast Portland, leaving area residents without a means of purchasing homes. The story also told of a slumlord who capitalized on this situation. As real estate prices dropped in Northeast Portland, this Investor/Broker purchased numerous properties and specialized in managing substandard rentals and selling homes on fraudulent contracts to unsuspecting families.

Shortly after the newspaper story appeared, the Attorney General's Office filed a lawsuit the Investor/Broker, who immediately filed

for bankruptcy.

This put 350 families at risk of losing their homes. In order to avert this potential catastrophe, the community decided to act - they



formed a non-profit, community development organization, Portland Community Reinvestment Initiatives, Inc. (PCRI).

PCRI was formed to acquire the properties. The organization's primary goals were to preserve the rental

units, and to provide homeowners a real opportunity to buy their homes. Thanks to the hard work of PCRI's Staff and Board, community members, elected officials, and the partnership of U.S. Bank of Oregon, both goals have been reached. Eighty-three families became home-owners and 272 properties are being refurbished and rehabilitated as affordable rentals.

The most important aspect of PCRI's affordable housing development efforts, is the people who make our rental units their homes. We believe that the tenant and landlord are partners and we strive to work with tenants in forming positive relationships. We are currently working with PCRI tenants and the community on projects that specifically address tenant needs, such as affordable child care.

Playing Monopoly: Is This The Game For You?

BY ROSE MARIE DAVIS OF
ADVANTAGE REAL ESTATE

We tend to think of real estate as the "American Dream" or "a tax shelter for the rich", when in fact it is a game that each of us must play whether we are renting, purchasing our first home or buying that investment property.

The only real difference between buying and renting is who's paying the mortgage and seeing the tax benefits of ownership.

Real Estate as an estate building tool can be used very effectively. Investors usually come in two categories. The **Primary Investor** is one who is able to speculate on what the market will be doing in a particular neighborhood or type of property. He/she is more willing to take a chance for a higher return on his/her investment. The **Secondary Investor** is the one who has seen some positive gains in a particular neighborhood or type of property. Usually looking for a smaller, less risky type of investment.

Most of us would fall into the category of the Secondary Investor. We are more likely to purchase a single family or smaller multiplex properties. The goal is to have only a few rental properties that have a positive cash flow. Smaller 1-4 unit multiplexes can be financed with

the same type of financing that most of us used when we purchased our primary residence if we choose to live in one of the units.

When deciding on this type of investment property, it is important to remember what your goal, time and skill level is. Single family units can be easier to rent but when they are vacant, you have 100% vacancy. If repairs are needed, mortgage payments, taxes and insurance are due, you must use your funds or money you've saved to make any necessary repairs or payments. If you've purchased a multiplex and one of the units became vacant the financial consequence will not be as devastating. If you are seeing a positive cash flow, it is a good idea to put aside a reserve from your profits for just type of occurrence.

When looking for this type of property, scrutinize the property as though you were going to be living in it. (Keep in mind that a tenant can be harder to please because he's going to be looking to you for all repairs.) Have a home inspection done before buying if you're not sure what you're looking at.

If your goal is to build your estate using investment property but you don't have time for the daily hands-on management required, you can hire a property management company to oversee the maintenance,

tenant contact and civil filings if necessary. A good property management company should provide for you a marketing assessment of the property. The marketing assessment should include information such as, which repairs should get the most income from the property, a potential income breakdown (to help you determine whether you will be in a negative or positive cash flow position) and a clear list of things that will be required of you and the property management company.

A property management company may cost you about 7-10% of the monthly rents collected but it can be well worth it, especially if you have a problem tenant.

Keep in mind that single and multi-family units are just two types of investments. There are mixed use, larger multiplex units, commercial and industrial investments. Vacant land is also a potential source of income but can have its own set of management needs and advantages.

As you can see, whatever your time and skill level, playing the real estate monopoly game can help you build your estate. Call Rose Marie Davis, Broker/Owner of Advantage Real Estate and Development Services (503) 287-7167 for additional information about this article of investing in this area.

WHEN AND IS IT NECESSARY TO GARNER THE SERVICES OF A REALTOR

Buying your first home may not be a hard road but it can be a relatively long and involved one. We have learned steps such as getting the help we need to achieve financing, and how much we need for a down payment. The question still remains of when and is it necessary to garner the services of a Realtor. What is their purpose in the process and what is the cost in hiring such a person? The answers to these questions differ somewhat depending if a person is buying or selling a home. In this segment we will approach things from a buyer's standpoint. We will attempt to determine whether Realtors are a vital tool in home buying or simply money hungry middle men just out for a buck.

We must first determine what a Realtor really is. A Realtor or agent is an individual we hire to represent us when we delve into a field in which we have limited knowledge. Be it a lawyer for legal matters, an insurance agent for coverage issues, or even a secret agent to help us gain information we are otherwise not equipped to acquire. A Realtor or real estate agent is simply a person who is adept in the area of realty or property acquisition. They are people who have taken the extra time to educate themselves in this field to help others with limited or no knowledge in this area. In turn Realtors receive a commission or fee for their services.

When someone decides to make the largest purchase of their lives, especially for the first time it is only wise to re-

tain an agent to help them in this process. For truth's sake I must also mention a Realtor is an asset to have but there are cases where they are not necessary. It is true some deals close directly from buyer to seller every day. However the facts reveal most



BY CHRIS GUINN OF
MILLENNIUM PROPERTIES IN
NORTHEAST PORTLAND

transactions close with the aide of a Realtor. Less than 20 percent of homes "For sale by owner" are successfully sold by the owners. Okay, you need a Realtor but how does one go about choosing an agent? Should you hire the one with the biggest name or the biggest company? Should you choose the one your friend chose or the one who knocked on your door? The answer to all these questions is yes, but only if you are truly comfortable with that person. You see Realtor's primary objective should not be to sell you a home but to genuinely sell themselves to you. You must be confident in their interest in your needs and wants and their ability to make it happen. Only you know what it takes to put your

trust in someone to assist in the home buying process.

As a rule most Realtors work as agents for the seller of the property. This does not leave buyers out in the cold. Law requires Realtors to be forthright and honest to all parties involved in any transaction. Trickery or deception is grounds for stiff disciplinary action. There are contracts between agent and buyers called "Broker Buyers agreements. This is a contract which enables the buyer to have an agent work on their behalf. There are pros and cons in this sort of arrangement for both parties and this should be discussed in detail before such an arrangement is entered. The upside to buying a home is the agent's work is relatively free to the buyer. Realtors earn commissions through the funds generated by the sale of the property or in essence the seller pays the agent. However it is very important to remain loyal to someone who is investing their time for you and understands their livelihood depends on this.

So are Realtors just money hungry middle men just out for a buck? Maybe some are but just like any other profession there are good ones and bad ones. The consumer must use good judgment and common sense when choosing an agent. Referrals from others are always a good place to start followed by an actual interview to determine if this is the right person for your needs. Remember Realtors are just people with a job to do and just make certain you choose the right one to do it. It could make all the difference in the world. Be wise.

PDC Purchases East Burnside Properties

The Portland Development Commission yesterday approved the purchase of two parcels of land at the NE corner of Martin Luther King Jr. Blvd. and Burnside that are of major importance to the redevelopment and revitalization of the Central Eastside. The property will be purchased from Phillip Siegelbaum for \$650,000.

Redevelopment of this corner is part

of a larger planning process for the East Burnside area that includes the area between Ash and Everett and the Burnside Bridge and 6th Avenue. Envisioned for this area is mixed-use development which may include office, retail, residential and industrial uses.

"This property is essentially located at a gateway to the entire Central Eastside Industrial area and will

serve as a catalyst for future private investment elsewhere in the district," said PDC Chairman, Carl Talton. "We look forward to continuing to work closely with the community, local business and the Central Eastside Industrial Council to develop a plan that meets broader objectives for area revitalization and job development."

Pedestrian - Friendly Gateway Neighborhood

Mayor Vera Katz has started strategizing with Gateway neighbors, business, property owners to turn the area into a revitalized, pedestrian-friendly neighborhood.

"In an area with transit access second only to downtown, and 300,000 people within a five-mile radius, we have a tremendous opportunity here in Gateway to create a second urban center for the region," said Katz. "Gateway is an example of where we can use the pressures of growth to transform areas that need it the most, taking advantage of existing infrastructure."

The planing will happen thanks to a Oregon Department of Transportation

TGM (Transportation Growth Management) grant awarded to the Portland Development Commission. The process follows up on Katz's State of the City pledge to protect and improve neighborhood livability by concentrating development in the central city, along main streets, town centers and transit lines, and expanding the city's efforts to provide more housing and job opportunities in Gateway, Hollywood and St. Johns.

"What we want to do is to create a tool kit for neighbors, business owners, and developers that will help us transform Gateway into a thriving, healthy community," said Katz. "As we have been doing in the successful Lloyd District

and River District redevelopments, we will work to promote transit connectivity, identify capital improvements, and opportunities for mixed-use developments."

Right now, one of the main public attractors is the Gateway Transit Center Park & Ride, a parking lot for some 400-cars, which Katz sees as ripe for developing more useful amenities as she mentioned in her State of The City Address, from day care, to dry cleaners, or even housing. Dick Loffelmacher of Pac Trust Realty who manages the adjacent Gateway Mall, said he's interested and had even approached Tri-Met about doing a mixed use development at one time.

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Study Volunteers Needed HIGH BLOOD PRESSURE

African American volunteers are needed for a 30 week hypertension research medication study. If you are 18 years or older with high blood pressure and in general good health, you may qualify. Volunteers will be thoroughly screened by the research team and their private physicians consulted. Study medication, study-related clinic visits and testing will be provided at no charge for those who qualify. Reimbursement for travel will be given. For information call 228-3217, Mon.-Thur. 9 to 4, Fri. - 9 to 1.

Clinical Research Group of Oregon
1221 S.W. Yamhill, Suite 303
Portland, Oregon 97205

PCRI Tenants

PCRI tenants represent the diversity of North and Northeast Portland and the city as a whole. Many of PCRI's properties are home to single parents and people with special needs. PCRI has worked to form partnerships with agencies representing special needs, including the Housing Authority of Portland.

•How to Participate

PCRI accepts applications continuously. Prospective tenants must earn 80% or less of the County's Median Income. Many of PCRI's units are specifically targeted to families at a much lower income level. We do not discriminate on the basis of race, color, religion, disability, national origin, familial status, age, sexual orientation or source of income.

If you or someone you know is interested in renting a PCRI property, please call or stop by the office to learn more about how to apply.

PCRI is located at 4829 NE. Martin Luther King Jr. Blvd/ Wygant. Call (503)288-2923 or fax them at (503)288-2891. e-mail: PCRI@teleport.com