Consumers and state misled

Blueprint for a slum
A neighborhoods in a declining condition could cost unexpecting buyers their homes

Major lenders aid decline of NE Portland

Then

Now

NOW

THEN
In 1991, Portland Community Reinvestment Initiatives, Inc.’s (PCRI) goals were the preservation of a viable affordable housing stock and the prevention of the displacement of long-term residents. At our ten year anniversary, we were proud to say that we had achieved those objectives. Several years later however, neighborhoods in North and Northeast Portland had changed dramatically. In the process of moving into North and Northeast Portland, new residents displaced low-income households, home prices skyrocketed, and fresh concerns emerged.

Today, anxiety over property value is contrasted by concerns about foreclosure and economic stability. Still, PCRI continues to preserve — and expand — high-quality affordable housing in Portland. Our housing portfolio has increased from 272 original units to the current number of over 700 units. PCRI housing now represents some of the last stable opportunities for low-income households to live in a single-family home.

As we look to the future, the challenges surrounding preservation, expansion, and management of an aging and complex portfolio are top priorities and will require reinvestment dollars. The current market, reduction in funding from government entities, and the changing community are a few of the challenges we face as we work to maintain this important community asset: affordable rental housing!
During the past 20 years, we have worked to achieve PCRI’s mission to “preserve, expand and manage affordable housing and provide access to and advocacy for services to our residents.” PCRI has preserved a timeless community asset: affordable housing.

Our mission is premised in core values of “community economic development; community participation and responsible residency; housing options for all; diverse, stable and healthy neighborhoods; quality and excellence; cooperation and partnerships; and sound fiscal management.” PCRI’s 20 years of accomplishments are inextricable from this mission, values, the commitment of staff and effective board leadership.

Our scattered site portfolio has unique challenges and rewarding outcomes. As we transition into the next decade of community service in affordable housing, we will perform with the same zeal, creativity and community benefit demonstrated during our first twenty years. We will continue to advance housing efforts holistically with the realization of the impact affordable housing has on individual health, the education of children and economic opportunity. We will build on the foundation of cooperation created so we can continue to expand and preserve affordable housing.

The work PCRI does in the community improves the lives of low-income households.

We thank our funders, supporters, donors and contributors. Without their support, advocacy and partnership, PCRI households would not be able to tell their success stories or share their joy with others.

Thank you for your contribution to PCRI’s history.
Community Leaders

Gretchen Kafoury. PCRI has preserved many of Portland’s central city neighborhoods and prevented the displacement of residents who would have otherwise been victim to rising rents and gentrification.

Erik Sten. In 1991, we came together to determine what could be done about 352 homes abandoned in bankruptcy court by a predatory mortgage broker. Against the advice of many, we started PCRI and provided thousands of working families a chance to stay and thrive in NE Portland.

Board Chairs

Arthur Alexander 1996. As PCRI’s first Board Chair, Art took on the monumental task of transitioning Dominion Capital’s portfolio to PCRI’s ownership and led PCRI through its early years.

Judith A. Pitre 1997-2003. PCRI takes a comprehensive, holistic look at services and housing. It is about providing much more than a roof over someone’s head.

Phil Damiano 2004-2006. Regardless of where you travel in this world, whether you call it a clan, network, tribe, village, community or family, you will find they all share in one common need — a place to call home.

Michael Parkhurst 2007-2008. The board is excited to be part of PCRI, and to support the mission of expanding affordable housing options for people in North and Northeast Portland.

Melvin Oden-Orr 2009-2010. PCRI does something that the private housing market simply does not: ensure the availability of not only affordable housing, but long-standing connection to a community.

Karen Gibson 2011-present. PCRI fills in where the private market fails: to provide housing by working with government to fulfill its responsibility to house low-income citizens. Congratulations on twenty years!
PCRI set up the Asset Management function and department during the last quarter of 2009. The primary function of Asset Management is to provide a systematic process of operating, maintaining, and upgrading assets cost-effectively so that the greatest return is achieved with the objective of providing the best possible service to residents. From the beginning, Asset Management tackled the challenges of PCRI’s unique portfolio, establishing and refining numerous methods to deliver on PCRI’s mission in the most efficient and effective manner.

Ensuring information accuracy lies at the heart of Asset Management.

PCRI currently holds a portfolio of over 700 units, divided over eight Single Asset Entities and 400 units of single family homes and small-plexes, scattered mainly throughout North and Northeast Portland. The broader social benefit of PCRI’s scattered site housing is that low-income housing is not concentrated on single sites. PCRI holds high quality standards in maintaining its assets, which allows our homes to blend into the surrounding neighborhood.

PCRI is the last Community Development Corporation in North and Northeast Portland with a low-income rental portfolio of this size. In 2004, the Albina Community Development Corporation’s (ACDC) Board of Directors requested PCRI acquire its portfolio. PCRI took over their housing in 2006, adding to our portfolio seven Single Asset Entities (with a total of 230 units) and over 110 scattered site units, preserving the former ACDC portfolio as low-income housing.

Organizational structure: PCRI is established as a non-profit organization. This provides the benefit of re-investing revenue in our portfolio.

Self-management of nearly 400 units: Quick response times and significant cost benefits are realized by internal maintenance crew, property management, inspections, and financial controls and oversight.

In-house maintenance team: Quality workmanship provides timely repairs at a far lower cost than contracted work.

In-house inventory: Lower purchasing cost, lower shop time.
Portfolio Composition

Single family homes

219 properties/units

Duplexes

16 properties 32 units

Multiplexes [excluding commercial units]

23 properties 123 units

Commercial Units

14 units

Development Sites

8 properties 68 new units

Single Asset Entities

8 properties 318 units total

PCRI in 2011: Stability
[from PCRI's in-house managed portfolio]

4 years

Average residency in PCRI housing

90%

Percent of households that maintained residency in a PCRI home
PCRI’s in-house property management enables us to work diligently toward our mission to assist families in achieving stability, self-sufficiency and personal wealth creation. PCRI’s diverse portfolio is a model for eliminating concentrations of poverty as single-family homes and small-plex apartments allow families to be an integral part of their neighborhoods.

While property management operates with rules and protocol, with the assistance of PCRI’s resident services department we are able to take a more holistic view of the households we work with. By providing Rent Well Certification, budgeting assistance, financial fitness training, microenterprise workshops, and many other supportive services, PCRI residents move beyond surviving to thriving.

We work with partner agencies such as Cascade AIDS Project, LifeWorks, Bradley Angle House, Self Enhancement, Inc., and the Section 8 Program to provide housing for those with barriers. We also supplement our partners’ supportive services through referrals to our resident services department.

Keeping our maintenance function in-house enables PCRI to work diligently toward its vision. With numerous turnovers each year, PCRI’s diverse portfolio demands a rehabilitation plan for most refurbishments. A skilled maintenance crew is trained and certified in lead-safe work practices, appliance and furnace repair, plumbing, and carpentry. In 2011, they completed over 1900 work orders and refurbished over 90 vacant units. In-house maintenance operations significantly reduce the amount of services outsourced and improve the ability to respond to resident needs efficiently.
From nearly 300 units in 1992 to over 700 units today, our property management and maintenance departments manage day-to-day property needs with skill, efficiency, and, most importantly, compassion.
Cedar Place

Cedar Place was PCRI’s first new construction project, providing five units of affordable housing. In front, a two-story duplex has two three-bedroom, two-bathroom homes. A second two-story building is set back from the street and features two- and three-bedroom units, each with two bathrooms. All of the units feature in-unit laundry and an open main floor plan with kitchen, living and dining areas. The two buildings surround a play area and off-street parking.

Upon completion, Cedar Place was honored with the 1998 City of Portland Development Review Team Good Design Award.

N Michigan Avenue

The N Michigan home was rehabilitated in 2001 for $50,000. The extensive rehab of this 1911 three-bedroom, two-bath house served a dual purpose: in addition to its use as a residence, it also provides an affordable home for a child care business. The rehabilitation included adding a child-sized half bath and addressed lead paint hazards. New cabinets, fixtures, windows and fencing were added and a new roof and insulation were installed. New landscaping was added to provide a learning garden for the children enrolled at the child care house.
NE Emerson Street

This home was rehabilitated in 2001 for $66,000. This 1941 two-bedroom, one- and one-half-bath home was one of a series of rehabilitation projects PCRI performed at the time.

Installation of new cabinets, fixtures, windows and a new roof were complimented by upgraded finishes and added fencing. Health and sustainability improvements included addressing lead paint hazards and creating a new driveway surface from recycled roof shingles.

NE 24th Avenue

PCRI deconstructed an existing home on this property and subdivided the lot to build two single-family row homes on either side of a new shared driveway. Each 925 square foot home features two bedrooms and a bathroom upstairs with kitchen, living and dining rooms, and a half-bath downstairs. Washer and dryer hookups are also located inside the homes. Energy-efficient windows, doors and insulation maintain resident comfort; healthy non-toxic finishes and materials were used throughout and water-efficient fixtures and landscaping were also incorporated.

Upon completion, the 24th Avenue homes were recognized with the 2001 Governor’s Livability Award.
NE 127th Avenue

PCRI developed a new six-plex and duplex to replace a dilapidated single family residence on this large site with convenient access to the MAX light-rail line. To keep residents’ utility bills low, an innovative turbonics heating system was employed. Energy-efficient windows, doors and insulation further aid in maintaining comfort. Healthy non-toxic finishes and materials were used throughout and water-efficient fixtures and landscaping were also incorporated.

Russet and Morris Greenplexes

On two sites where dilapidated homes once stood, PCRI developed five new affordable rental homes. On NE Russet Street, a new duplex includes two- and three-bedroom units; on NE Morris Street, a new triplex includes a townhouse-style three-bedroom unit and one- and two-bedroom apartments. All of the homes are generously sized, ranging from 1,097 square feet to 1,311 square feet.

The duplex and the triplex were both built with durability and efficiency in mind and a strong desire to ensure healthy homes for the residents who would live in them. These homes were celebrated on the City of Portland’s 2004 Build it Green! homes tour and were the first affordable homes included in the tour.
Exeter/Fesseden Greenplexes

In 2010, PCRI realized a long-standing dream: to develop new sustainable, efficient and affordable homes available for low- and moderate-income families. With funding from Portland Housing Bureau, these four new three-bedroom, two-bath homes were completed in late fall 2010 and represent our commitment to expand home ownership opportunities to historically underserved families.

The new homes also showcase PCRI’s commitment to sustainability by employing durable, low-maintenance materials, state-of-the-art energy-efficient appliances, mechanical systems and innovative building and insulation techniques. The homes both earned LEED Gold certification and were featured in the City of Portland’s 2010 Build it Green! homes tour and in Fine Homebuilding magazine.

N. Drummond Avenue

PCRI’s rehabilitation of this large single-family home transformed it from an ugly duckling to the neighborhood jewel. Extensive renovation of this home was funded by the American Recovery and Reinvestment Act through the U.S. Department of Housing and Urban Development and Portland Housing Bureau, creating jobs as well as improving PCRI’s affordable rental housing.

The most visible improvement to this 1909 home was the addition of a full-width covered front porch to improve the livability and appearance of the home. Inside, the existing floorplan was reconfigured to open up the completed remodeled kitchen area, improve functionality and the flow of all rooms and add a main floor bedroom, increasing the total number of bedrooms from three to four.
PCRI’s Homeownership Education and Counseling Program assists residents with culturally-specific comprehensive homeownership education and one-on-one homebuyer counseling. Beyond providing homeownership education and counseling services, we also provide monthly homebuyer club meetings, financial fitness classes, matched savings program (IDAs), down payment assistance, and post-purchase support services (including a “Life After Renting” series of meetings). These wrap-around support services have been key to helping the low- to moderate-income families we serve get into sustainable and affordable homeowner opportunities.

The Homeownership Program functions with five essential goals:

- Help bridge the gap in homeownership rates between minority and majority populations.
- Move PCRI residents out of poverty and into self-sufficiency and wealth creation.
- Meet the demand of residents who trust PCRI and look to us for assistance.
- Provide post-purchase counseling to new homeowners thereby assuring their continued success.
- Assist homebuyers with financial and down payment assistance tools.

PCRI’s results are consistent:

- Families improve their credit scores, purchase homes and get car loans with lower interest rates.
- Families are able to reduce their debt load, open checking and savings accounts, and participate in Individual Development Accounts (IDA).
- Families stabilize, resulting in improved school attendance.
- Families increase their neighborhood involvement and community commitment.
- PCRI, as a result, is able to pass on affordable housing opportunities to other families.
“It’s rewarding to see first hand how PCRI’s homeownership program has impacted the lives of people in my family. Homeownership not only gives people a sense of ownership in their community, it also creates jobs and boosts the local economy.”

— Paul Allen
First-time homebuyer, former PCRI resident

Since 2008, PCRI has enabled 51 individuals and families to purchase homes. 4 families purchased PCRI-developed homes in 2011 for a total of 55 successful families living in their own houses.
Youth Programming

PCRI offers a variety of programs to support youth, including youth fairs, summer arts programs, paid summer internships, tutoring, and after-school activities. We also provide referrals to organizations providing additional assistance to youth.

PCRI’s Summer Youth Internship provides hands-on learning experiences that youth ages 15-18 can use on their future worksites. Youth practice interviewing techniques, write resumes, learn about cash handling and interacting with supervisors and customers, and increase their self-confidence.

Back-to-Basics workshops educate youth in skills for self-sufficiency and how to begin their own entrepreneurial endeavors. Workshops cover how to make soap, candles, pillows and professional looking photographs, as well as a review of local microenterprises.

Special for the 2011 summer youth interns, a team of interns applied for and won the Oregon Youth in Action contest. As one of nine winning teams state-wide, these youth were able to survey 240 other teens about what they would like to see in a healthy snack, conduct a series of taste tests, and research ingredients to discover what is truly healthy. The teens learned how unhealthy many of their favorite snacks are and designed the components of what would make their ideal snack. In the process, they presented testimony to the House Services Committee and met with Governor John Kitzhaber.

For PCRI resident youth ages 6-11, we provide the Maya Summer Arts Camp. This is a week-long activities-packed arts extravaganza. Local artists join the youth for fun projects which often produce murals, walkways, and other durable neighborhood improvements that are meaningful, community-building, and an emblem of how creativity and effort can positively change the world.
Thriving Families

Thriving Families is PCRI’s innovative approach to help residents help themselves and their families by moving along a continuum from family stability to self-sufficiency and ultimately to wealth creation. A Thriving Families Coordinator works with participants as they make individual and family action plans, locate resources to implement those plans, take action towards their goals, evaluate the results, learn from challenges, and celebrate successes they experience both individually and as a family.

Community Centers

PCRI has three staffed Community Centers where residents can participate in programs and activities, receive one-on-one assistance from a Resident Services Coordinator, and have use of computers, printers and fax machines.

Each center specializes in a particular area. The specialty of the Margaret Carter Center is employment-related activities such as job search, interview preparation and resume writing. Maya Angelou Community Center specializes in youth academic enrichment activities to include an art and science program, community youth library, youth financial fitness, and a tutoring and reading program. Park Terrace specializes in providing information and referral services, fitness classes, basic computer skills training and has a wonderful resident garden.
**FINANCIALS**

**2010 BALANCE SHEET***
(PCRI & Single Asset Entities Combined)

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<th>ASSETS</th>
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<td>Cash and cash equivalents</td>
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<tr>
<td>Accounts receivable and other current assets</td>
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<td>Restricted deposits and funded reserves</td>
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<td>Long-term receivables</td>
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<td><strong>Total assets</strong></td>
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<th>LIABILITIES</th>
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<td>Accounts payable and other current liabilities</td>
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<td>Tenant security deposits</td>
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<td>Notes and mortgages payable</td>
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<td><strong>Total liabilities</strong></td>
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<th>NET ASSETS</th>
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<td>Unrestricted</td>
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<tr>
<td>Temporarily restricted</td>
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<tr>
<td><strong>Total net assets</strong></td>
<td><strong>$26,002,405</strong></td>
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| Total liabilities and net assets | **$43,494,804** | |

**2010 REVENUE & EXPENSES***
(PCRI & Single Asset Entities Combined)

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<th>2010 EXPENSES</th>
<th>2010 REVENUE</th>
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<td>Supportive Programs</td>
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<td>Management &amp; General</td>
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<td>Fundraising</td>
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<tr>
<th>NET ASSETS - THEN &amp; NOW</th>
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<tbody>
<tr>
<td>1992</td>
</tr>
<tr>
<td>2002</td>
</tr>
<tr>
<td>2010</td>
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*The most recent audited financial information available at the time of printing is included from year ending 12/31/2010. For Single Asset Entities the most recent information is from year ending 6/30/2010.
20 YEARS OF GENEROUS COMMUNITY SUPPORT

PCRI would like to thank the many donors, sponsors and funders for the contributions and involvement during the past 20 years. This community involvement increases our ability to provide PCRI residents the tools they need to stabilize their lives and become self-sufficient.

FUNDERS Albina Community Bank • American Leadership Forum • Bank of America Charitable Foundation • Bank of New York • Bank of the West • Bureau of Housing and Community Development • City of Portland Bureau of Planning & Sustainability • Energy Trust of Oregon • Enterprise Community Partners • Fred Meyer • Gales Creek Insurance • Home Depot Foundation • Home Street Bank • Homebuilders Association • Hoover Family Foundation • Jackson Foundation • JPMorgan Chase Bank • JPMorgan Chase Foundation • KeyBank • KeyBank Foundation • Meyer Memorial Trust • Mobile Citizen • Multnomah County • Neighborhood Partnership Fund • Northwest Area Foundation • Northwest Health Foundation • Northwest Natural Gas • Oregon Association of Realtors HOME Foundation • Oregon Community Foundation • Oregon Housing & Community Services • Pacific Power Foundation • Portland Development Commission • Portland Housing Bureau • Portland Water Bureau • Safeco Insurance • SURDNA Foundation • The Collins Foundation • U.S. Department of Housing and Urban Development • United Way of the Columbia • U.S. Bank • U.S. Bancorp Foundation • Walmart Foundation • Washington Mutual • Wells Fargo • Wessinger Foundation

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Please accept our apologies for any omissions or errors due to print deadlines.
MISSION
Preserve, expand and manage affordable housing in the City of Portland and provide access to and advocacy for services for our residents. PCRI will preserve and manage affordable, high quality, scattered site, single family homes; expand and manage our portfolio of small multiplexes; and acquire/develop multi-family housing to preserve affordable housing choices in our community.

VISION
Housing meets essential human needs. PCRI’s vision is to provide affordable housing and associated services that achieve family stability, self-sufficiency and resident wealth creation.