



buildingTogether
a PCLT renovation partnership



About Portland Community Land Trust

Since 1999, Portland Community Land Trust has provided affordable homeownership opportunities for low and moderate-income first-time homebuyers. Working with community partners, lenders, builders and others, PCLT prepares families and individuals for homeownership; helps them purchase existing homes; builds new affordable homes; offers homeowners tools to be successful; and manages transactions to keep homes affordable for future income-qualified, first-time homebuyers. Homeowners gain equity and stability, and Portland gains homes that will be affordable for generations to come.

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affordable homes today & tomorrow

photos by Brian Lincoln & Carol Yarrow
design by Jeff Gierer

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Stewardship

Portland Community Land Trust

Community Investor

Housing Authority of Portland

Project Developer

PCLT Development LLC

Project Managers

Destin Ferdun

Steve Whitson

Contractors

Bob Neal, R & E Construction Services

Jan Kahn, Green Heart Construction

Financing

Portland Development Commission

Umpqua Bank

Other Industry Partners

HomeStreet Bank

Fidelity National Title

The Housing Authority of Portland (HAP) faced a challenge. With dwindling public resources, they could no longer afford to maintain a portfolio of single-family houses that were scattered throughout the city. But those houses were serving an important purpose: providing affordable homes to Portland families.

That's where our unique partnership was born. Portland Community Land Trust (PCLT) saw a solution in purchasing the homes, renovating them, and offering them to moderate-income, first-time homebuyers at affordable prices. And, due to PCLT's unique homeownership program, these homes will be affordable for generations to come.

In 2007, PCLT bought nine houses from HAP located in inner North and Northeast Portland. Through PCLT's partnership with HAP, these houses—located in some of Portland's most desirable central neighborhoods where prices have skyrocketed over the past few years—are priced to be within reach of working families. The average initial sales price for these single-family detached homes, each with their own yard, is \$148,000.

buildingAffordability

The financial side

• Initial purchase price of each home from HAP*	\$65,000
• Renovation construction cost per home*	\$65,000
• Appraised market value after renovation*	\$225,000
• Sales price to qualified homebuyers*	\$148,000

This project was possible due to the Housing Authority of Portland's mission to provide "safe, decent and affordable housing." Because HAP was able to provide these homes at such a reduced initial purchase price, and PCLT had the expertise and experience to effectively renovate them, Portland now has nine more beautifully renovated, permanently affordable homes.

To finance this project, PCLT provided an investment of \$60,000 from organizational funds set aside in the budget for acquisition.

PCLT was pleased to test a pilot program in partnership with the Portland Development Commission through Fannie Mae for the first five houses acquired. PDC provided the loan that allowed PCLT to acquire and renovate each house. The loan was offered at an interest rate below conventional construction rates and could be assumed by the homebuyer.

Umpqua Bank financed the remaining four homes through an acquisition line of credit. Low market interest rates provided low carrying costs and easy access to construction funds. Pooling the homes on the credit line allowed cross-subsidization of home prices and lower construction risk.

The project budget also dedicated \$1,500 per house to a growing Stewardship Fund. This fund is part of PCLT's commitment to giving homeowners the tools they need to succeed.

*Averages

buildingBusiness

Jan Kahn & Green Heart Construction

Many partners contributed to the success of the renovation partnership, but one partner is uniquely invested: Green Heart Construction. Green Heart is an emerging woman-owned business. And Green Heart's founder and owner, Jan Kahn, happens to be on PCLT's waiting list as a potential homeowner.

Being a woman in the construction industry is not a big deal to Jan, but she's discovered that it can catch others off guard. "For all three of my first jobs in construction, I was the first and only woman on the crew. This didn't seem to be a big deal to me," Jan recounts. "But I've had occasions where people dropping by the job site just stand and stare, saying things like, 'I've never seen a woman carpenter before.'

"Sometimes I feel like a spectacle," Jan admits. "But mostly I have resolved to be at peace with the gender gap and I just steer around it like any other obstacle."

As the name implies, Green Heart's mission is to provide affordable and sustainable home renovations. From bamboo flooring to low-flow toilets, Green Heart's renovations incorporated a number of green features, while still maintaining the affordability of the home.

Jan wants people to know that, in addition to prioritizing green, these are good, decent homes. As she puts it, "PCLT homes are solid and bright places for people who want to achieve homeownership."

If all goes according to plan, Jan will have a home of her own to work on one of these days. It was in 2001 when Jan first heard about PCLT. "I took a PCLT flyer and put it in a portfolio I had under a section titled, 'future plans'," Jan recalls. "The flyer was still there when I opened the book five years later. Homeownership is still a goal of mine."



buildingSustainably

"The greenest thing we did on this project was to renovate – actually, preserve – these homes, rather than demolish them or let them fall into disrepair."

Steve Whitson, PCLT project manager

Reinvestment and preservation of good quality homes is often as green as it gets. Through focused upgrades and renovation, fewer materials and energy resources are used, neighborhood character is preserved, and new technology and knowledge make more sustainable, healthier homes.

Sustainable elements of the homes included:

Building envelope: PCLT re-sided the houses with Hardi-Plank Siding, a durable and long lasting concrete product.

Sustainable flooring: PCLT installed bamboo flooring in the living, dining and bedrooms, and natural Marmoleum in the kitchen and bathrooms.

Healthy color: PCLT used paints that don't contain Volatile Organic Compounds (VOCs).

Healthy indoor air: Hard surface flooring was used throughout. PCLT installed kitchen cabinets with plywood boxes rather than particle board because plywood lasts longer and doesn't off-gas formaldehyde. For the same reason, we used plywood underlayment for the kitchen counter-tops rather than particle board.

Energy efficiency: Some of the biggest cost savings in a house come from energy conservation. PCLT repaired insulation in the attic and installed new insulated front doors. We put in compact fluorescent light bulbs and energy efficient appliances.

Heating system: PCLT installed new baseboard heaters – these are low-maintenance and they reduce replacement costs as well as the fire risk of fan-forced units. We also added new thermostats that reduce energy loss by keeping temperature swings to a minimum.

Water conservation: PCLT installed a new low water-use toilet and disconnected the downspouts.

note: not all green features were incorporated in every house.



New homeowner Leigh cuddles with Bella. Inspired by the green remodeling of their home, Leigh and her partner, Mack, built a green duck coop that boasts a rainwater-savvy eco roof.



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