

A Brief History of Housing and Community Development in Portland, Oregon

Affordable and quality housing has been a reoccurring theme in Portland's history. It was a torch first brought to the public attention in 1918 by Jessie Short, a Reed College professor who was deemed by the Portland Police Department as a “communist and a dangerous radical.” (Abbott, p. 110). As Abbott noted, “as was true elsewhere in the US, the social reformers whose greatest concern was the amelioration of slums were excluded from the mainstream of the developing planning profession and pushed to form their own alliances.(Abbott, Planning p. 122).

The two agencies that played the most critical role in Portland’s housing and urban renewal efforts were the Housing Authority of Portland (HAP) and the Portland Development Commission (PDC) and its predecessors. Both agencies have always been directed by appointments by the Mayor and City Council, and operate in a semi-autonomous fashion. The history of HAP goes back to 1938 when the City Council held hearings to determine if the City should establish an agency to operate under the rules established by the U.S. Housing Act of 1937. The proposal was opposed by the Oregon Apartment House Association, the Portland Realty Board, the Portland Home builders Association, and the Portland Chamber of Commerce. When the City Council put the proposal to a vote of the people in the November 1938 election it was defeated. Finally, in 1941, facing a severe housing shortage as workers moved to Portland to work in the shipyards, the City Council established the Housing Authority of Portland. The first HAP board consisted of a banker, the wife of the *Oregon Journal* founder, a real estate

operator, and labor union leader.

During the war period, HAP build 18,500 units, at its peak housing 60,000 people. (City Club, 1966). During the war the HAP commissioners and city leadership in general favored public housing, most often the HAP board was divided. In 1950 when the temporary housing from the war was turned over to HAP for liquidation, the board divided into pro- and anti-public housing factions, and great bitterness and public controversy followed. In fact, following the war, Mayor Riley appointed members to the board who were opposed to public housing which undermined HAP's attempts to build new public housing or deal with the existing buildings.

Housing issues were central to growing civic action about race segregation policies in the City. By the late 1940s and early 1950s an increasing number of civic organizations were willing to stand up against racism. These included the American Civil Liberties Union, a special commission on race relations formed under the Portland Council of Churches, the Interracial Commission Inc., the National Conference of Christians and Jews, the Anti-Defamation League, the Council of Social Agencies, Federated Jewish Societies, Neighborhood House, Fellowship of Reconciliation, International House, the Portland Christian Youth Council, the Vanport Interracial Committee, the Committee to Aid Relocation (from Vanport), the Communist Party, and the CIO and A F L. The Portland chapter of the National Association for the Advancement of Colored People (NAACP), which was chartered in 1914, was involved in housing discrimination cases during and after the war. It wrote letters of protest and threatened boycotts, neither the NAACP or other groups advocated protests or stronger actions (Alexander and Painter, 1978).

It wasn't until 1963 that the NAACP, emboldened by civil rights actions in other parts of the country, used picketing as a strategy. HAP invited 1963 President John F. Kennedy to Portland to open the Northwest Towers in northwest Portland, a federal housing project, but it was forced to cancel his visit when the NAACP threatened to picket because of discrimination against Blacks applying to rent apartments. Local leaders, including Senator Wayne Morse, labeled the NAACP's actions as "reckless," even though the NAACP tried to make clear that they were not picketing the president, but the housing authority. Mayor Shrink requested that the recently formed Portland Commission on Intergroup Relations investigate the charges of the NAACP. The Commission found no illegal forms of discrimination but also indicated that there existed de facto discrimination. In fact, as late as 1966 the Northwest Towers housed only two black residents and 178 whites. Only the Columbia Village, Dekum Court and Iris Court could be said to have been somewhat mixed, while the ironically named, Peaceful Village, accommodated 65 white residents and 1 black.

The City Club was one of the few established civic groups that brought up the hushed issue of racism in housing policy. The Club brought to the foreground explicit and implicit segregation housing policies in the city. It discovered, for example, that the Apartment House Owner's Association declared that they had no policy prohibiting renting to negroes, claimed it had received no applications for rental of apartments, and that Blacks would be welcomed in a segregated project. The City Club also reported that until 1952, the doctrine that an African American presence depressed property values was the official position of the Portland Realty (Portland Planning Bureau, 1993). The City Club (Plankinton, 1945). also described organized resistance by citizens to Blacks

moving into the Montavilla District in outer southeast Portland because of that a public housing project would be built in the neighborhood.

In 1956 the Urban League of Portland (Urban League, 1956) issued a report, “Nonwhite Neighbors and Property Prices in Portland, Oregon and Residential Attitudes Toward Negroes as Neighbors.” For the times, it was an innovative and solid report from a survey and analysis of real estate data to determine the extent of housing segregation and Portlanders attitudes towards Blacks. The report lauded Portland for some progress in employment, access to public accommodations and amusement, but criticized it for the lack of progress in its housing policies. “To our racial minorities,” the report concluded that, “freedom of selection in the housing market is still a dream that is constantly denied them” (Urban League, 1956, p. 1).

In this context, in 1955, Mayor Fred Peterson established an advisory committee on urban renewal but did not break from traditional membership policies. Most of the members were leaders from established interest groups and a few social service agencies. The interests of citizens in the affected areas were represented through public hearings, not by appointments to civic bodies.

The Portland Redevelopment Advisory Board, which replaced the advisory committee reflected the elite stature of membership and interest group representation of traditional pluralism. Bankers, building contractors, real estate interests, Chamber of Commerce, engineers, along with government bureau representatives made up the bulk of the membership. The only group on this board that might be said to have represented the people most affected by urban renewal efforts was the Urban League of Portland.

The City further solidified its urban renewal role in the 1958 election, when

Mayor Terry Shrunck asked for approval of the Portland Development Commission along with a taxing capacity to fund PDC's operation. It was brought before the voters accompanied by extensive media coverage its first urban renewal project, the proposed South Auditorium Project. A coalition of 35 organizations showed support for the project, including the City Club, Multnomah Labor Council, and the Portland Realty Board. However, there were no groups who could represent the residents of the area that would be relocated, mostly elderly Italians, gypsies, and Jews. The measure passed, along with a tax allocation bonding measure of \$5 million for the South Auditorium project.

The Auditorium project required the demolition of 382 buildings and the relocation of 1,573 residents and 232 businesses. The equation for housing in the project changed over time. The 1957 plan called for housing to assist the elderly, single working people and students attending Portland State College. In the 1958 plan the call for housing was dropped. In 1961 housing was re-introduced into the plan, but the proposed affordable housing was minimal. A citizen group sponsored an initiative campaign to repeal Portland's Urban Renewal Act and to put a hold on the South Auditorium Project, but never made it past the drawing board. An Oregonian editorial characterized the group's initiative as trying to turn back the clock and the Auditorium project as a "monument to civic progressiveness (Harmful effects, 1956), p. 56).

One civic enterprise that grew out of the South Auditorium Urban Renewal Project had tremendous impact on the development of the south part of downtown and eventually, in the 1990s, the Portland State University district. This civic action also illustrates the shift in civic actors and practices that would dominate in the civic

reconstruction period.

The South Auditorium Project affected Portland State College (now Portland State University) by removing affordable houses and apartments used by students. In the late 1950s Portland State College had formed a plan to obtain property to expand its campus--a plan backed by the Portland Development Commission, City Council, and Planning Commission. This plan was for acquisition and demolition of properties within the proposed university boundaries. It did not call for maintaining residential housing for students, other than two apartment buildings considered too expensive for purchase. It wasn't until several students, Stan Amy, John Werneken, Anthony Barsotti, and several others, tired of being displaced, took action, eventually forming College Housing Northwest (CHNW).

CHNW was founded in 1969 as an outgrowth of a Portland State University urban studies class. The class was examining the need for student housing at or near the University's downtown campus. At that time, PSU was considered by the Oregon Legislature as a commuter campus, and the enabling legislation did not permit student housing. A group of students in the urban studies class saw an opportunity to meet the resulting substantial need for housing by acquiring several old apartment buildings from the Portland Development Commission. CHNW immediate purpose was to prevent the demolition of the apartment buildings and to preserve their use for PSU students. The students who created CHNW convinced the University and the State Board of Higher Education to allow them to operate the buildings as independent student housing. After securing two \$5,000 loans as seed money, the student board of directors was elected, a president was selected, and renovations began. The original buildings have since been

recognized as a permanent part of the University campus and the University has provided substantial funding for their renovation and rehabilitation. CHNW now operates 1,410 housing units in 18 buildings on or near the campus.

There was also a ripple effect from the South Auditorium Project in the adjoining neighborhoods of Lair Hill, Corbett and Terwilliger. Residents feared that their neighborhoods would be next, so that organized to resist urban renewal. Their actions played a major role in instigating the City of Portland to create its neighborhood involvement system in the 1970s.

**Just added this CETA thing here. Probably belongs in this section but not quite in the flow and hasn't been edited.)

One of the more important public programs that influenced how civic activists from the 1960s were integrated into the new civic life was the federal Comprehensive Employment and Training Act (CETA). During the late 1970s CETA supported innovative civic projects in the nonprofit and public sectors, provided staff for emergent organizations, and provided the first “real” jobs for many civic activists.

CETA was signed into law near the end of 1973 and replaced the previous federal employment and training program in July 1974. It lasted until the fall of 1983, when it was replaced by the Job Training Partnership Act. It was one of five major domestic “block grant” programs that emerged between 1966 and 1975. In total it was a \$55 billion federal investment in employment and training, and it was sometimes compared to the Works Progress Administration or Civilian Conservation Corps (CETA/Public service employment briefing, 1978).

There were several programs under CETA--Title I, Title II, Title VI--each one with a different focus depending on the current administration's policies. In relation to

the civic reconstruction in Portland, Title II and Title VI programs, intended to create jobs in the public and nonprofit sectors, had the most impact. Title VI in particular was innovative. Judy Phelan, director of CETA Title I and II, during the mid 1970s, said Title VI was “the fun program to administer (One city hiring program, 1975, p. G4). She explained that Title VI did not require participants to live in areas of the city hardest hit by unemployment, so projects were granted funds on the merit of the program’s contribution to the community as much as on their contribution to lowering unemployment.

CETA subsidized jobs in the Portland area was a small number, about 1300 in 1978-1980, while the employment base for Portland during this time was about 295,000 (Macgregor, 1981). The program’s 1979 budget was \$7.2 million. These figures might suggest that CETA did not have a large impact on the job market in Portland, but, CETA did have a large impact on new organizations and programs. During this period 134 nonprofit organizations had subsidized CETA positions. Out of that 134 over 90 were organizations that had formed since the late 1960s. These 90 new organizations accounted for 230 of the 1000 positions in all the nonprofit organizations with CETA employees. For organizations with mostly volunteer staff, or no more than 10 paid staff, the subsidy was significant. In many cases the new CETA positions outnumbered the existing staff at the nonprofit organizations.

One of the most innovative CETA projects, and one that characterized the failures and successes of the CETA era, was the Northwest Revitalization Project (NRP). The NRP was the result of a planning project undertaken by the Northwest District Association, one of Portland’s most active neighborhood associations, and Friendly

House. Today if one walks down the trendy streets of Northwest 23rd and 21st avenues or past block after block of remodeled Victorian homes, it is difficult to imagine Northwest Portland in need of revitalization. However, in the 1960s this area of town was known more for its enclaves of impoverished students and its share of the homeless and the elderly poor. By the late 1970s, 23rd Avenue had a few new shops, but it was for the most part a mix of older homes in need of repair and shops, such as drug stores, shoe repair shops, and greasy spoon restaurants. Quality Pie was a notorious institution—a place where students, young hippie activists, and derelicts could hang out together in the wee hours. On the edges of northwest Portland, especially in the north, smaller homes and rundown apartment buildings looked destined to be razed.

In 1978 the Northwest District Association (NWDA) developed a Social Action Plan, a multilevel plan addressing the physical and social needs of the neighborhood. NWDA, working with Friendly House, a social service agency dating back to the settlement house movement of the 1930s, decided to implement its social action plan through a grant from the City of Portland's CETA special projects program. The grant funded 31 positions, with a total budget for one year of \$371,00, a budget that far exceeded the budget of NWDA budget (which at the time had one staff member) and was 1.5 times the budget of Friendly House, the project's fiscal agent. The objectives of the program were wide ranging, from physical revitalization projects such as developing a bike path to developing a framework for a neighborhood development corporation, to development of a library on neighborhood self-help topics (community self-help was a federal program buzz word under the Carter Administration).

The project faced many obstacles, starting from the fact that the project hired 31

people in a 2 week period in order to meet the federal grant timeline. As one of two project coordinators, Christine Bauman, (Bauman, 1979) explained it,

The project was an experiment in human dynamics. We were not one or two workers in the middle of a staff of “regulars” able to fit into the continuous functioning of an agency. We were a group of approximately 30 people, housed under one roof, starting on the same day and all experiencing various individual crisis stages at approximately the same time. In addition we were also becoming an entity unto ourselves, a group, an unintentional family, experiencing the developmental stages and growth pains that any group must go through (p. 8).

As Bauman also noted, many of the new CETA employees were social activists with a strong passion for social change. One of the workers described a typical work day and expectations for the project,

The day is eaten away with introductions and explanations. There are a lot of coffee breaks in between. I suppose the important looking people felt we needed time for the information to soak in. From what I could tell we were going to be moving mountains, righting wrongs, and creating justice and harmony throughout. We were here to do good things.

David Dumas secured land for community gardens. Andrea Vargo, Marcia Ruff, and a neighborhood-based board of directors started a credit union. Other organizers sponsored cleanups, garage sales, festivals, and a bicycle rodeo. Rory Taylor ran a tool lending library and skills exchange. Other staff helped Portland Sun build a solar greenhouse and researched the feasibility of roof-top gardens on several neighborhood

buildings.

As with many emergent civic enterprises during this period, social change took place out in the community, within the organization, and inside the participants. In a final assessment of the project, Bauman (Bauman, 1979) reflected on this process,

The difficulties of beginning an unintentional community are immense... We weren't all there for a common purpose. Some wanted a job for the money, some were into neighborhood development, some were interested in developing particular career skills. We came from different backgrounds and value systems including academic, social service, skilled and unskilled labor forces, promote making enterprises, communes, etc. We also had different expectations of what the work environment should be: authoritarian vs. democratic management hierarchy vs. group consensus, sharing feelings vs. keeping one's personal life separate, becoming personally committed to the task vs. working 8-5 and that's it (p. 11).

During the 1970s the City invested a majority of its HCD funds on housing rehabilitation. Also, Mayor Neil Goldschmidt and new leadership at the Portland Development Commission had made inroads into the investment and development communities, facilitating a growing investment in older neighborhoods. The Albina area slowly attracted reinvestment. There were also other national trends affecting the attitude toward inner-city neighborhoods. The Victorian and bungalow housing stock of inner northeast and other older neighborhoods in Portland were reconsidered by potential homeowners, because of both a shift in aesthetic values and the rising costs of new

construction in the 1970s (Abbott, 1983, p. 202).

In 1978, Portland received a \$12-million grant from the federal Economic Development Administration and was designated a Comprehensive Economic Development Strategy city. In 1979, Mayor Neil Goldschmidt created the Economic Development Advisory Committee (EDAC) to oversee the economic development strategy. There was a federal requirement that the City seek participation from minority representation. The first round of selections for the EDAC did not set well in the community because of a perceived failure of representation of Blacks on the committee. When Goldschmidt stepped down as mayor (1979) to take a post with President Carter's Administration, the planning process was inherited first by Connie McCready, who was appointed for the remainder of Goldschmidt's term, and then in 1981 by Frank Ivancie, the next elected mayor. By now there were accusations that the funds had been wasted and little of it utilized in northeast Portland.

In September 1980 a coalition of six Black organizations filed suit against the City over the committee's membership structure and then boycotted the open elections for minority appointments. The boycott of the EDAC membership structure was organized by the Black United Front, and backed by Albina Fair Share, the NAACP, Albina Women's League, and Oregon Association of Colored Women's Clubs. The Black United Front (BUF) and Albina Fair Share (AFS), two new groups, brought leadership and a more confrontational style of civic discourse to Albina politics. The boycott forced the city to reorganize the committee (Citizens view, 1979; Black organizations, 1979)

AFS, organized in 1978, was modeled after the Saul Alinsky school of direct

action organizing. The AFS built its membership through door-to-door canvassing and conducted direct action campaigns to focus attention on lingering housing and unemployment problems among Blacks and poor Whites.

Typical of the combative nature of AFS was a meeting in the Eliot neighborhood in 1979. Appointed Mayor Connie McCready threatened to walk out of the meeting when AFS members demanded that she take a stand to preserve housing in the Eliot neighborhood and retain limited commercial zoning on NE Union Avenue. Several residents representing the neighborhood association did their best to support the mayor and separate themselves from AFS and BUF representatives (McCarthy, 1980).

In 1980 an ad hoc coalition, the Community Economic Development Task Force--led by Steve Rudman with the Rain Community Resource Center, an appropriate technology and community development advocacy group--lobbied the city to provide more citizen participation in the process for allocating block grant funds. This coalition was made up of seventeen groups from around the city, several from northeast Portland, including the Eliot Neighborhood Association and the newly formed Black United Front. At a hearing about block grant funding in 1980, the coalition organized a demonstration that included a rendition of "people with low-incomes need a place to live" to the tune of a song from West Side Story, performed by the Northwest District Association, the most active neighborhood association in Northwest Portland. Beverly Stein, from the Ratepayers Union, who would later become the Chair of the Board of Commissioners for Multnomah County, requested that money be set aside for self-help programs. The Task Force advocated for the same self-help project fund, as well as for funds to be allocated for housing projects that would demonstrate appropriate technology and energy

conserving strategies to help poor people cope with rising energy costs (Citizens hit, 1981).

The coalition had its way, for the city established a self-help demonstration fund that community organizations could apply to, and Rudman himself became director of the Bureau of Housing and Community Development (BHCD).

During the populist pluralism period the focus of citizen activism in the inner city neighborhoods was the Bureau of Housing and Community Development, the city bureau charged with distributing funds from HUD's Block Grant program, and the buzz word was "self help." In 1980 an ad hoc coalition, the Community Economic Development Task Force--led by Steve Rudman with the Rain Community Resource Center, an appropriate technology and community development advocacy group--lobbied the city to provide more citizen participation in the process for allocating block grant funds. This coalition was made up of seventeen groups from around the city, several from northeast Portland, including the Eliot Neighborhood Association and the newly formed Black United Front. At a hearing about block grant funding in 1980, the coalition organized a demonstration that included a rendition of "people with low-incomes need a place to live" to the tune of a song from West Side Story, performed by the Northwest District Association, the most active neighborhood association in Northwest Portland. Beverly Stein, from the Ratepayers Union, who would later become the Chair of the Board of Commissioners for Multnomah County, requested that money be set aside for self-help programs. The Task Force advocated for the same self-help project fund, as well as for funds to be allocated for housing projects that would demonstrate appropriate technology and energy conserving strategies to help poor people cope with rising energy costs

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The coalition had its way, for the city established a self-help demonstration fund that community organizations could apply to, and Rudman himself became director of the Bureau of Housing and Community Development (BHCD). By 1983 the self help program had funded several demonstration projects in the Albina area. One RUNT (Responsible Urban Neighborhood Technology) was a demonstration housing project that used energy-conserving technologies in home renovation while providing space for a community garden and farmer's market in a vacant lot across the street. In 1984, the local Self Help Program received a National Merit Award from HUD (Abandoned house, 1980).

The new direction in urban renewal toward economic development and housing also brought Portland its first community development corporations (CDCs), long after CDCs had taken root in Eastern cities. The creation of CDCs in Portland—there were 27 at the peak in the mid 1990s—was a citizen-initiated movement. The first CDC, Reach, was born out of a series of meetings organized by activists and activist organizations, including the Center for Democratic Education, headed by Mike Barnes, and members of the Community Economic Development Task Force. The activists convened a Community Congress in March 1980 and created a Self Help Community Development Plan. The congress was attended by 200 people and established as one of its primary goals the creation of a CDC to serve inner southeast Portland (Fisher, 1980).

Community development corporations (CDCs) and affordable housing advocacy organizations that started in the 1980s as a grassroots movement became an industry in the 1990s. By the mid 1990s, 27 CDCs operated in Portland, especially inner northeast

and both inner and outer southeast Portland. The path from grassroots to industry, however, wasn't an easy and smooth one.

REACH Community Development Corporation, the oldest and largest CDC in the Portland area, generated in 2003 a \$3 million annual budget and owned 600 units of housing on 70 properties. But REACH like many grassroots enterprises started with more passion than know-how. It operated on a lean budget in the early years and made many mistakes, taking on projects for which there was little money. The organization entered the 1990s in the red and spent much of its time refinancing and restructuring debts, and borrowing money to repair its original housing investments.

REACH's community development work took off when it broadened its work from individual housing restorations to neighborhood action plans. In 1989, REACH created its first neighborhood action plan for the Brooklyn neighborhood in southeast Portland, which was followed by two similar action plans in the Clinton Street area and one in the Belmont Street area, both in southeast Portland. In all three projects REACH proved an able community organizer and helped to revitalize both commercial and residential components of the neighborhoods. For its efforts on the action plans, the organization was presented with the Volunteer Action Award by President Clinton and its action planning process was adopted by the City of Portland's Bureau of Housing and Community Development as the Target Area Designation Program (TAD).

By the mid 1990s, the isolated efforts of CDCs and affordable housing advocates had coalesced into an industry professional organization, the Community Development Network, with 100 members and affiliate members. There was also a statewide Association of Oregon Community Development Organizations. Several groups were

created that provide funding and technical assistance to community development corporations including the Housing Development Center and the Neighborhood Partnership Fund. Portland maintained local office of the national Enterprise Foundation, which supports community development work through research and funding programs. In addition to building or renovating houses and apartments, community development groups have been created to buy and hold lands to keep housing affordable (Portland Community Land Trust, and Clackamas Community Land Trust). Another group, the Portland Housing Center, provides services to help low-income people make housing investments.

In addition to restoring and building housing units in Portland, community development and affordable housing advocates developed considerable political clout during the 1990s. In 1990, Gretchen Miller Kafoury, a former state legislator, ran for City Commissioner on a housing platform, and coordinated the City's housing policy in the mid-1990s. She was followed by one of her administrative assistants, Eric Stein, who successfully ran for City Commissioner in 1997. During Kafoury's administration, the City created a \$30-million Housing Investment Fund to support affordable housing. Housing advocates also created local, regional, and statewide advocacy organizations that have had some success in lobbying for financing of affordable housing, preservation of existing low-income housing stock, or development regulations that require affordable housing quotas.

While the nonprofit housing industry boomed in the 1990s, it could not prevent--and in fact in some ways directly or indirectly influenced--gentrification that took hold in many Portland neighborhoods. A booming economy and population growth had a

dramatic impact on poor neighborhoods. From 1990 to 1999, the average home price in the Portland region rose 97 percent from \$96,000 to \$186,600 (Abbott and Gibson 2002). In some areas where redlining had a negative impact on housing values, prices increased by 150—200 percent. As a result of this gentrification nonprofit housing organizations found themselves in direct competition with private developers, a situation that forced organizations to refocus their efforts more on strategies for preservation of low-income housing.

Since community development corporations also consolidated their efforts or went out of business, due in part to changes in housing strategies and financing from the federal government, local government, and private foundations, and in part because there were too many CDCs in the region. Northeast Portland CDCs in particular were hard hit. Also as the CDCs succeeded, and housing demands increased in the inner city, organizations found themselves increasingly priced out of the market for the mainstay of their projects, old houses and empty lots.

Another consequence of gentrification in inner-city neighborhoods in the 1990s was that some CDCs were not viewed as welcome partners. In Boise, an inner northeast neighborhood, a local CDC was forced to withdraw an affordable housing project when the neighborhood association (now run mostly by Whites, in an area previously dominated by African-Americans) opposed it. The neighborhood association went on to formulate a land use policy that favored homeownership and opposed expanding the stock of subsidized rental units.

Today the Community Development Network (CDN), an association of nonprofit organizations working on affordable housing and community development in Portland,

Oregon has twenty core members, and 82 affiliate members. The 82 affiliate members include financial institutions, government agencies, insurance companies, educational institutions, foundations, advocacy and service organizations, construction companies, architectural firms, and other interested organizations and/or individuals. The core members are responsible for over 8,000 affordable housing units in Portland.