

# Nonprofit's purchase preserves property as affordable housing

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The Bronaugh Apartments, located at 1434 S.W. Morrison St., were recently purchased by REACH Community Development for \$3.9 million. (Sam Tenney/DJC)

Fifty-one affordable units on the verge of losing that status will instead keep it "indefinitely."

REACH Community Development has purchased the **Bronaugh Apartments**, at 1434 S.W. Morrison St., for \$3.9 million. The contract for the property to operate as Section 8 housing was slated to expire in February 2014. In addition to renewing its affordability, REACH plans to eventually conduct an extensive renovation that Laura Recko, the nonprofit developer's director of resource development, said will be on par with the \$10.6 million renovation of the Admiral Building it completed in 2010.

Recko said upgrades are sorely needed.

"(The previous property owner) in our opinion did not keep his property as it should have been, so our plan is to do some pretty big renovations," she said. Recko preferred not to name the landlord, but added, "Let's just say he wasn't the nicest landlord to the tenants in the building. These are low-income people living there, and we don't think he was treating people very well. It was not easy to acquire this building from him."

According to records obtained from **First American Title Insurance**, and the **Oregon Secretary of State's Corporation Division**, the previous owner was Kenneth Bakke.

**Jessica Woodruff**, housing development project manager for REACH, said the organization purchased the 108-year-old building with an acquisition loan via the Network for Oregon Affordable Housing. REACH will likely extend the Section 8 contract for two years until it secures permanent financing, and then extend it for another 20.

“REACH intends to have it be affordable indefinitely,” Woodruff said. “When it comes up, we will renew it.”

The Bronaugh Apartments were built in 1905 - at the time of the Lewis and Clark Centennial Exposition - and are listed on the National Register of Historic Places. The complex was constructed as three separate buildings by James Isaac Marshall, a neighbor and friend of Judge Earl Clapp Bronaugh. The apartments were built, according to a plaque on the side of the building, for the judge’s wife, Araminta (Payne) Bronaugh.

Robert Black, vice president at NAI Norris, Beggs & Simpson, represented both parties in the transaction.

Recko said the property is the last one of 11 that Commissioner Nick Fish had targeted for affordability renewal because their Housing and Urban Development contracts were slated to sunset at the end of 2013. The effort successfully preserved affordable housing for more than 650 tenants, and brought \$110 million in federal subsidies to the Portland community, according to the Portland Housing Bureau.