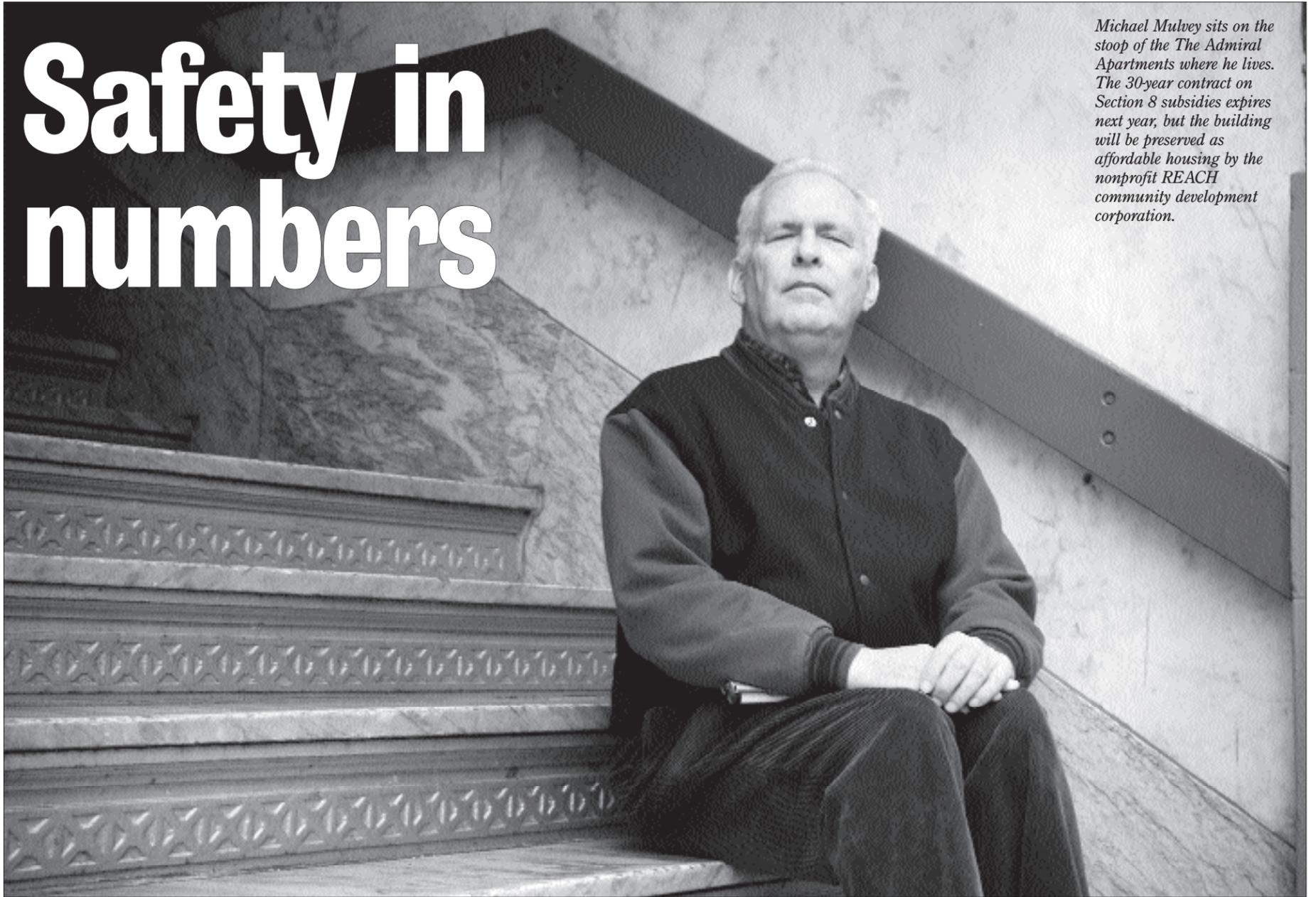


SPECIAL EDITION: AFFORDABLE HOUSING

Safety in numbers



Michael Mulvey sits on the stoop of the The Admiral Apartments where he lives. The 30-year contract on Section 8 subsidies expires next year, but the building will be preserved as affordable housing by the nonprofit REACH community development corporation.

PHOTO BY LEAH NASH WWW.LEAHNASH.COM

With subsidies set to expire, one building owner set out to preserve affordability for his low-income tenants

BY MARA GRUNBAUM
STAFF WRITER

In the 22 years he's lived in downtown Portland's Admiral Apartments, Michael Mulvey has amassed 300 CDs, 200 albums on vinyl and a formidable collection of coffee mugs. His dragon boat paddle graces one side of his one-bedroom apartment, for which he pays \$161 a month. On another wall hangs an abacus, which Mulvey, who is blind, uses to take down telephone numbers.

"It's a long time to live in one location," said Mulvey, 63. "I just didn't realize how

comfortable I was until we learned we were going to be moving."

Mulvey is one of the longest-term residents of the Admiral, a former hotel on Southwest Park Avenue and Taylor Street that is nearly 100 years old.

The building's 36 other tenants, who pay a third of their income in rent, are mostly elderly, mentally or physically disabled, or dealing with substance abuse.

The Admiral's 30-year Section 8 subsidy, which keeps rent affordable for its low-income residents, is set to expire at the end of 2010. On Nov. 7, the building's longtime owner sold the property to a developer, which means Mulvey and the others will have to pack up and relocate by next spring. For the increasingly upscale city center, it's an unsurprising story so far.

In this case, however, the tenants' displacement is only temporary. Though he could not afford to renew the Section 8 contract himself, owner Mike Purcell sold the building to the nonprofit REACH Community Development. REACH plans to relocate tenants, renovate the aging

building, renew the subsidy for 20 more years, then move the same tenants — if the tenants so choose — back to their former rooms.

Martha Gies, whom REACH hired to find interim space for the Admiral's tenants, has worked on a half-dozen downtown relocation projects in the past decade. Most were one-directional. In 1997, two blocks from the Admiral, she helped move the Roosevelt Plaza's 58 elderly and disabled residents, who were evicted when the building was sold for condominium development. At the Western Apartments on Southwest 2nd Ave, 39 low-income units were emptied in 2001 because the owner no longer wanted to work with HUD.

"Gentrification is always number one" when tenants are moved, Gies said. "(The Admiral) relocation is different."

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Purcell and an investing partner privately owned the Admiral for 29 years, since the beginning of the Section 8 contract. The Admiral's residents speak fondly of Purcell, who put on Thanksgiving and Christmas dinners for his tenants every year.

"He's always been very friendly and very tenant-oriented, and he didn't have to be," Mulvey said.

Purcell feels similarly about his tenants, some of whom he has known for more than two decades.

"I grew up with these people that live in my building and have connections with them and care about them," he said.

Despite his good intentions, Purcell lost money on the property the last two years in a row. As the subsidy's expiration approached, Purcell decided to sell the building rather than renew his contract with Section 8. He said he felt a personal responsibility to make sure the building stayed affordable and its residents could

stay put.

"I wanted to maintain it as affordable housing, and that was a decision I made," Purcell said. "I get calls all the time about (for-profit developers) wanting to buy that property because it's so well located, but I have no intention of selling to any of them."

Instead, he approached REACH, a group he says he knew and trusted from his own work at a nonprofit development company years ago. REACH purchased the building for \$3 million, its assessed market price.

"I think it was a good price," Purcell said. "I don't have any regrets about that part of it."

He will, however, miss the building. "It was part of my life for 29 years. It was more than just an investment. It was hands-on."

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Between funds from the Portland Development Commission and state tax credits, REACH will have about \$11 million to cover the purchase, relocations and extensive renovations the Admiral requires.

"It's a venerable building," said Michelle Haynes, REACH's housing development director. "It's been there for many, many years, and it needs significant work."

Contractors will upgrade the building's earthquake bracing, overhaul the heating and electrical systems, and replace the elevators. Though REACH tries not to relocate tenants — especially older and disabled ones — keeping people in the Admiral during repairs is "just not tenable," Haynes said.

When construction is complete in spring 2010, REACH will pay to move tenants back into their original rooms. Haynes expects about half to choose to return.

Before the sale was even on paper,

"I grew up with these people that live in my building and have connections with them and care about them."

— MIKE PURCELL

WHO RECENTLY SOLD THE ADMIRAL APARTMENTS TO A NONPROFIT FOR AFFORDABLE HOUSING PRESERVATION

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Gies, the relocation expert, was on the scene to help tenants prepare. She has already gathered information on their moving preferences. Mulvey, for example, wants another place on the West side, close to public transportation, and with signs in braille in the elevator.

But the precise timing of the move makes it difficult to search for units right away. Renovations will begin next June, so tenants must move out by late spring. Some will leave right away, but those who intend to return in 2010 must wait until April to leave, Gies said, so their relocations will qualify as “temporary” by federal standards.

“That’s one of the psychologically unhealthy things about this move,” Gies said. “Now we know we’re moving in 10 months. That’s 10 months of heart attack city.”



The Admiral is one of 11 downtown apartment complexes with long-term Section 8 contracts that have either expired recently, or will in the next few years. Bobby Weinstock of the Northwest Pilot Project, which keeps an eye on affordable housing downtown, says the Admiral is just one example of many recent successes in the city’s effort to preserve low-income rentals.

After the Roosevelt flipped, Portland passed the the Housing Preservation ordinance, which requires owners of downtown Section 8 buildings to notify the

city in advance if they don’t intend to renew the contract. The city can then try to salvage the buildings as affordable housing by encouraging the owners to sell to nonprofit developers.

Despite losses like the Roosevelt and the Western, most landlords leaving Section 8 contracts have been willing to work to keep their buildings affordable. As an example, he cites the 235-unit Clay Tower, which was sold to a nonprofit when its original subsidy expired in 2007.

“The last few ones, the owners have been fairly altruistic,” Weinstock said. “I’d say on the whole they’ve been pretty willing to figure out ways to turn the property over to nonprofits, so the use of the property can stay the same and the same people can benefit.”



One thing Gies can’t transplant is the feeling of community between many of the Admiral’s residents.

Michael Phillips, a 63-year-old Vietnam veteran, relocated to the Admiral two years ago, when Janus Youth Programs took over the low-cost Ace Apartments, where he had lived. Downtown at night can get ugly, he says, but the Admiral is peaceful, and he enjoys the building’s most elderly tenants.

“They’ll come down and knock on my door and I’ll go move furniture, hang pictures,” he said. “It just makes me feel good.”

About three months ago, when Purcell first called a meeting to talk about selling the building, residents feared it would turn



PHOTO BY LEAH NASH

Michael Mulvey will be relocated from the Admiral, his home for the past 22 years, during its renovation. It will be preserved as affordable housing, but Mulvey says he might now move back.

into condos. “Everybody was just freaking out,” Phillips said. “I’m just glad that REACH got the place.”

Though he doesn’t yet know where he will go, Phillips is philosophical about the move. “I’m not excited about it – in fact, I’ve been a little bit stressed,” he said. “But I finally figured out I’ve got to roll with the punches.”

Mulvey, too, is anxious to start visiting potential apartments, especially now that his apartment is one of several in the building infested with bedbugs.

“On one hand, I’m looking forward to moving,” he said. And on the other? “I’ll miss the community aspect of it.”

Neither Phillips nor Mulvey has decided for sure whether to return to the Admiral. Both say it depends on where they end up, how they like it, and how much they feel like picking up and moving again.

“If I get moved and I like it, I probably won’t come back,” Phillips said. “I’m too old to keep moving.”