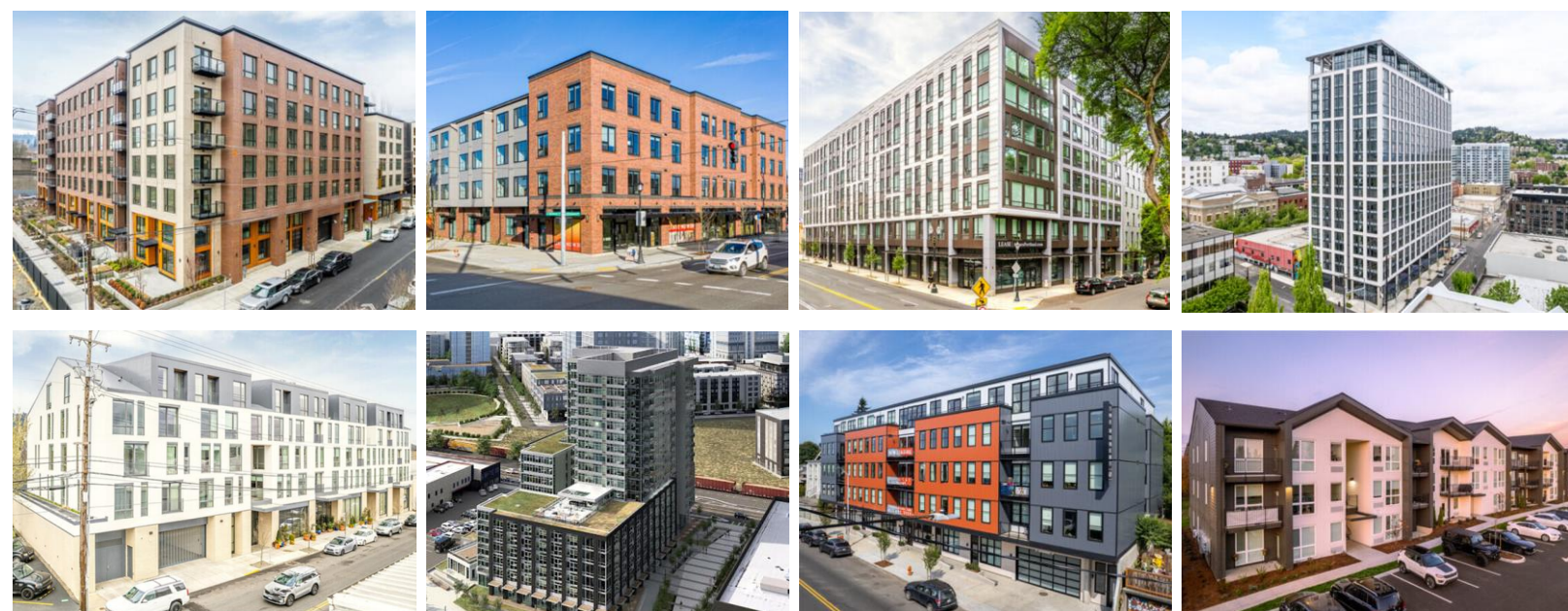


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Inclusionary Housing Calibration Study

Prepared for the City of Portland

November 3, 2023



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November 3, 2023

Michael Buonocore, Interim Director
Portland Housing Bureau
1900 SW 4th Ave, Suite 7007
Portland, OR 97201


Dear Mr. Buonocore:

BAE is pleased to submit this report of the Portland Inclusionary Housing Calibration Study. The following analysis summarizes the financial feasibility of various residential development prototypes throughout the City of Portland. In addition to the overarching feasibility of residential development, this report also summarizes the relative impact of the City's inclusionary housing program and incentives on financial feasibility of residential development. Based on this analysis and collaboration with City staff and the inclusionary housing working group, the final chapter of this report provides a set of recommendations for potential actions to calibrate the City's inclusionary housing program such that it does not negatively impact the financial feasibility of multifamily residential development.

Sincerely,



Matt Kowta, MCP
Managing Principal



Matt Fairris, MCP
Vice President

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EXECUTIVE SUMMARY

Introduction

Following the approval of the inclusionary housing ordinance in 2016, the City of Portland (“City”) committed to a periodic review of the policy’s effectiveness toward meeting the City’s housing goals. In 2022, The City engaged BAE Urban Economics, Inc. (“BAE”) to model the financial feasibility of prototypical mixed-use and multifamily residential development projects throughout the city, with a focus on the impact of the City’s inclusionary housing program. Over the following year, BAE compiled critical background information and conducted a range of stakeholder interviews to create a series of financial pro forma models to understand the feasibility of multifamily development and the relative financial impact of the City’s inclusionary housing program. Over that same timeframe, BAE presented ongoing project updates and recommendations to the City’s inclusionary housing working group (“working group”), a voluntary ad-hoc advisory group consisting of local affordable and market-rate multifamily developers, general contractors, architects, land use experts, and other private and non-profit housing stakeholders.

The following report summarizes the financial feasibility of various residential rental development prototypes subject to the inclusionary housing program throughout Portland under current market conditions. This analysis focuses on rental prototypes due to the lack of new for-sale condominium developments in Portland, as well as exterior factors currently disincentivizing developers from delivering for-sale multifamily projects unrelated to the inclusionary housing program, primarily associated with construction defect liability concerns. The rental prototypes analyzed include a variety of project densities and building heights, as well as various market areas throughout the city. In addition to the overarching financial feasibility of these multifamily development prototypes, the analysis also summarizes the relative financial impact of the inclusionary housing program among other factors that affect financial feasibility. This includes a comparison between the incentives offered by the City to projects meeting the inclusionary housing program requirements and the financial impact of the reduced rent generated by the units required by the policy. To conclude, BAE identifies potential recommendations to re-calibrate the inclusionary housing program to ensure the policy does not negatively impact the feasibility of typical multifamily developments throughout Portland, especially given the current challenges to overall financial feasibility driven by exterior market factors. .

Inclusionary Housing Program Overview

The City’s inclusionary housing program requires that multifamily development projects with 20 or more units reserve a certain percentage of the units to be affordable to lower-income households. Currently, the inclusionary housing program offers five distinct options for meeting the requirement. The following analysis primarily focuses on the two most common options which deliver the affordable units “on-site” or within the development. The two on-site

options for meeting the City's existing inclusionary housing program are: **(1) reserve 20 percent of the units for households with incomes at 80 percent of the Median Family Income (MFI) or; (2) reserve ten percent of the units affordable to households with incomes at 60 percent of MFI.**

To reduce the financial impact of the policy on development feasibility, the City offers a range of incentives to developers meeting the inclusionary housing through on-site delivery. The first is an exemption from the City's Affordable Housing Construction Excise Tax on a project's affordable units. Similarly, for projects providing units affordable to households at 60 percent of MFI, the City also exempts the project from paying System Development Charges (SDCs) on the affordable units, or charges to cover required improvements to water and sewer infrastructure, transportation infrastructure, and parks and recreation space. Lastly, the City offers a ten-year property tax exemption for projects meeting the inclusionary housing program. For projects in the Central City, with a base or built Floor Area Ratio (FAR) of 5-to-1 or greater, the ten-year property tax exemption applies to the improvement value of all residential units in the project. For projects outside of the Central City, or lower-density zones within the Central City, the ten-year property tax exemption only applies to the affordable units, thus providing a smaller overall incentive to the project.

Financial Impact of Inclusionary Housing Program

Although development feasibility is challenging under current market conditions, summarized in more detail below, the analysis finds that the inclusionary housing program is not a significant financial impediment to overall development feasibility, especially in the Central City. Based on a detailed analysis of the financial impact of the inclusionary housing program, the analysis finds that the **City's incentives to developers meeting the on-site requirement are sufficient to offset the financial impact of reduced rents in the Central City.** This is driven by the City's property tax exemption policy, which gives the ten-year property tax exemption on all residential units in the development. Outside of the Central City, however, the City's property tax exemption policy only extends the ten-year property tax exemption to the improvement value of the affordable units within project. **The smaller value associated with the reduced property tax exemption policy outside of the Central City results in an imbalance between the financial impact of the inclusionary housing program and the City's incentives, particularly in high- and medium-rent markets outside of the Central City where caps on rents for inclusionary units lead to significant reductions from market rates and, thus, significant reductions in developer revenue. In low-cost areas outside of the Central City, the program is currently balanced, and even over-subsidizing development in certain markets.**

Impact on Central City Development

While this study outlines the relationship between the inclusionary housing program, reduced rents, and City incentives for various residential prototypes, Table ES-1, below, summarizes this calculation for the seven-story Central City prototype. The top section of the table estimates the financial impact of the inclusionary housing policy on this prototype, calculated

by estimating the value of the lost rent driven by the required affordable units. As seen in the table, the impact of the inclusionary housing policy is largest in high-rent markets, as the differences between the market rents and the affordable restricted rents are the largest. In medium-rent and low-rent markets, the impact of inclusionary housing is reduced due to the smaller difference between the prevailing market-rate rents and the restricted affordable rents. In terms of City incentives, shown in the second section of Table ES-1, the City offers three distinct financial incentives, including exemption from the construction excise tax, SDC exemption, and the ten-year property tax exemption on the improvement value of all residential units.

As summarized in the table, the City’s incentives are sufficient to offset the impact on project value from the inclusionary housing program in high- and medium-rent areas within the Central City. Based on current conditions, the impact of the inclusionary housing program on the value of new development in high-rent submarkets within the Central City are estimated at between \$120,000 and \$180,000 per required affordable housing unit. If the developer provides units affordable to households at 60 percent of MFI, the inclusionary housing program reduces the value of the project by roughly \$3.2 million, or \$180,000 per affordable housing unit. Under this scenario, the developer would be given a total of nearly \$4.5 million in City incentives, primarily driven by the net present value of the ten-year property tax exemption. Although the total value of the City incentives is slightly above the impact of the inclusionary housing program in the majority of scenarios for this Central City prototype, BAE considers these scenarios to be reasonably “balanced”, accounting for potential deviations in project and market characteristics that actual developments in the Central City could experience.

Table ES-1: Relative Impact of Inclusionary Housing Policy, Central City Prototype

IH Cost and Incentives	7-Story Central City					
	High-Rent Scenario		Medium-Rent Scenario		Low-Rent Scenario	
	60% MFI	80% MFI	60% MFI	80% MFI	60% MFI	80% MFI
IH Incentive Value Comparison						
Cost to Market Rate Developers						
Impact on Project Value	\$3,234,488	\$4,457,633	\$2,423,384	\$2,875,146	\$1,978,730	\$2,001,567
<i>Per Affordable Unit</i>	\$179,694	\$127,361	\$134,632	\$82,147	\$109,929	\$57,188
City Incentives / Fees						
Construction Excise Tax Exemption	\$54,687	\$104,713	\$49,518	\$94,824	\$43,610	\$83,523
SDC Waiver	\$299,547	\$0	\$299,547	\$0	\$299,547	\$0
Property Tax Exemption	\$4,134,052	\$4,043,593	\$3,600,455	\$3,569,215	\$3,307,933	\$3,307,344
Total Incentives	\$4,488,286	\$4,148,306	\$3,949,519	\$3,664,039	\$3,651,090	\$3,390,867
<i>Per Affordable Unit</i>	\$249,349	\$118,523	\$219,418	\$104,687	\$202,838	\$96,882
Cost / Benefit of IH	\$1,253,798	(\$309,327)	\$1,526,135	\$788,893	\$1,672,359	\$1,389,300
<i>Cost-Benefit Ratio</i>	1.4	0.9	1.6	1.3	1.8	1.7
Cost / Benefit Balance	Balanced Incentives	Balanced Incentives	Over-Incentivized	Balanced Incentives	Over-Incentivized	Over-Incentivized

Sources: BAE, 2023.

Impact on Non-Central City Development

Table ES-2 below summarizes the same comparison between the impact of the inclusionary housing program on project value and the value of the various City incentives. The critical difference between this Non-Central City prototype and the one analyzed above is the reduced value of the City’s property tax exemption incentive. As previously noted, the City offers the ten-year property tax exemption on just the affordable housing units included in projects outside of the Central City. However, the construction excise tax exemption and SDC exemption are similarly offered for projects outside of the Central City.

While the inclusionary housing program has a similar impact on project value in high-rent markets outside of the Central City, the lower City incentives result in an imbalance between the financial impact of inclusionary requirements and the value of City incentives, leading to a negative impact on project feasibility. As seen below in Table ES-2, the inclusionary housing program reduces the project value of high-rent projects outside of the Central City by between \$120,000 and \$182,000 per affordable housing unit. However, the City incentives only provide a financial benefit of between \$25,000 and \$45,000 per affordable unit, leading to the imbalance. This relationship is also true for projects in medium-rent markets outside of the Central City, although the imbalance is less significant. In low-rent markets outside of the Central City, where the prevailing market rents are comparable to the lower-income restricted rents, the City incentives are actually slightly over-incentivizing the development. Nevertheless, because new market-rate development feasibility is most challenging in these areas (due to the more limited market rate revenue potential), development is unlikely, indicating the City is unlikely to actually over-subsidize these types of developments.

Table ES-2: Relative Impact of Inclusionary Housing Policy, Non-Central City Prototype

IH Cost and Incentives	7-Story Non-Central City					
	High-Rent Scenario		Medium-Rent Scenario		Low-Rent Scenario	
	60% MFI	80% MFI	60% MFI	80% MFI	60% MFI	80% MFI
IH Incentive Value Comparison						
Cost to Market Rate Developers						
Impact on Project Value	\$2,719,583	\$3,638,084	\$1,261,617	\$825,928	\$500,877	\$0
<i>Per Affordable Unit</i>	\$181,306	\$125,451	\$84,108	\$28,480	\$33,392	\$0
City Incentives / Fees						
Construction Excise Tax Exemption	\$44,464	\$88,003	\$40,286	\$79,721	\$35,511	\$70,257
SDC Waiver	\$268,207	\$0	\$268,207	\$0	\$268,207	\$0
Property Tax Exemption	\$358,082	\$675,364	\$258,415	\$505,020	\$206,411	\$415,648
Total Incentives	\$670,753	\$763,367	\$566,908	\$584,742	\$510,129	\$485,905
<i>Per Affordable Unit</i>	\$44,717	\$26,323	\$37,794	\$20,164	\$34,009	\$16,755
Cost / Benefit of IH	(\$2,048,831)	(\$2,874,717)	(\$694,709)	(\$241,187)	\$9,252	\$485,905
<i>Cost-Benefit Ratio</i>	0.2	0.2	0.4	0.7	1.0	n.a.
Cost / Benefit Balance	Under-Incentivized	Under-Incentivized	Under-Incentivized	Under-Incentivized	Balanced Incentives	Over-Incentivized

Sources: BAE, 2023.

Prototype Financial Feasibility Results

As summarized in detail in the main body of this report, multifamily development feasibility in Portland is challenging under current conditions. This is driven by several factors, including significant development cost increases over the past several years, lower increases in prevailing market-rate residential rents over the same time period, increased interest rates, and high investor return requirements, among other factors. To assess the feasibility of mixed-use and multifamily residential development prototypes, BAE created a series of pro forma financial feasibility models. BAE used a “residual land value” approach, which estimates the value of the multifamily prototype and subtracts the cost of building the residential improvements, excluding the land purchase. The models then estimate the residual land value, or the price for which a developer could afford to buy land in order to build each prototype. To determine feasibility, the analysis then compared the residual land value to the prevailing market price for land based on recent transactions and developer feedback.

Based on this analysis, the analysis found that **the majority of the development prototypes are infeasible under current market conditions**. As noted above, this is driven by significant development cost increases, especially since the COVID-19 pandemic, paired with slower increases in market-rate rents and increases in developer return requirements. The limited development prototypes that are currently feasible are lower-density developments below five stories (i.e., Type-V wood-framed construction) located in high-rent market areas, particularly in Central City. However, these developments assume under-utilization of the site and tend to be less attractive to the development and investment community due to the lower number of units and reduced project size.

Inclusionary Housing Calibration Recommendations

While financial feasibility of multifamily development is challenging in the current development and investor return environment, the study determined that the inclusionary housing policy does not negatively impact project feasibility in the Central City. However, the policy does have a negative impact on the financial feasibility of multifamily development in high- and medium-rent markets outside of the Central City boundary, including submarkets such as Slabtown in Northwest Portland and eastside neighborhoods immediately adjacent to the Central City boundary. The primary factor contributing to the imbalance between the financial impact of the inclusionary housing program and the City incentives in high-rent markets outside of the Central City is the reduced value of the more limited property tax exemption offered by the City. **To balance the financial impact of the inclusionary housing program in high-rent markets outside of the Central City, the City could consider extending the property tax exemption to all units in projects subject to inclusionary requirements in these markets.** In submarkets with lower prevailing market rents, the financial impact of the inclusionary housing policy and city incentives is balanced, due to the smaller difference between the market rents and required affordable rents in the inclusionary housing units. This indicates that **the inclusionary housing program does not negatively affect the financial feasibility of developments in lower-rent markets and therefore does not require recalibration adjustments in these markets.**

INTRODUCTION

Following the approval of the inclusionary housing ordinance in 2016, the City of Portland (“City”) committed to a periodic review of the policy’s effectiveness toward meeting the City’s housing goals. In September 2022, the City hired BAE Urban Economics, Inc. (“BAE”) to model the financial feasibility of prototypical mixed-use and multifamily developments throughout the city, with a focus on the impact of the City’s inclusionary housing program. Over the following year, BAE compiled background information on new multifamily developments, conducted a series of interviews with local housing stakeholders, and created a series of financial pro forma models to understand the feasibility of multifamily development and the relative financial impact of the City’s inclusionary housing program. Over that timeframe, the City organized an inclusionary housing working group (“working group”), a voluntary ad-hoc advisory group consisting of local affordable and market-rate multifamily developers, general contractors, architects, land use experts, and other private and non-profit housing stakeholders. In addition to City presentations addressing recent construction activity, administrative elements of the policy, and other topics, BAE presented ongoing project updates at three separate working group meetings, and ultimately provided the critical analytical findings and potential recommendations at the final working group session.

The following report summarizes the financial feasibility of various residential rental development prototypes subject to the inclusionary housing program throughout Portland under current market conditions. This analysis focuses on rental prototypes due to the lack of new for-sale condominium developments in Portland, as well as exterior factors currently disincentivizing developers from delivering for-sale multifamily projects unrelated to the inclusionary housing program, primarily associated with construction defect liability concerns. The rental prototypes analyzed include a variety of project densities and building heights, as well as different markets throughout the city. In addition to the overarching financial feasibility of these multifamily development prototypes, the analysis also summarizes the relative financial impact of the inclusionary housing program on financial feasibility. This includes a comparison between the incentives offered by the City to projects meeting the inclusionary housing program requirements and the financial impact of the reduced rent from the affordable units required by the policy. To conclude, through collaboration with City staff and working group members, BAE identifies potential recommendations to re-calibrate the inclusionary housing program to ensure the policy does not negatively impact the feasibility of typical multifamily developments throughout Portland, especially given the current challenges to overall financial feasibility driven by exterior market factors..

Inclusionary Housing Program Overview

Approved in 2016, but effective February of 2017, the City’s inclusionary housing program requires that multifamily development projects with 20 or more units reserve a certain percentage of the units at rents affordable to lower-income households. While the initial policy

included different inclusionary percentages (i.e., the percent of required affordable housing units within a project) for developments in the Central City Plan District (“Central City”) and outside of the Central City, as of 2023 the policy now applies the same inclusionary percentage throughout the city. As currently applied, the inclusionary housing program offers five distinct options for meeting the requirement. Two of these options, which will be analyzed for the bulk of this analysis, require the development of the affordable housing units within the project, or “on-site.” Two other options allow off-site construction of new affordable units or designation of existing units to be affordable at the specified rental rates. The final option is the payment of a fee-in-lieu of providing the units. The primary reason for the less frequent use of these alternative delivery options is the City’s incentives are not offered to projects that do not provide the units on-site. Therefore, the policy requirements and City incentives are intended to generate the delivery of affordable housing units within market-rate developments throughout the City. Given these options are less utilized and more challenging to model from a financial feasibility perspective due to the unique nature of each off-site option, the following analysis focuses on the financial feasibility of the two on-site options and the fee-in-lieu option.

The two on-site options for meeting the City’s existing inclusionary housing program are: (1) reserve 20 percent of the units for households with incomes at 80 percent of the Median Family Income (MFI); or (2) reserve ten percent of the units affordable to households with incomes at 60 percent of MFI. As will be discussed in detail below, the impact of reserving a certain percentage of units at rents affordable to lower-income households reduces the overall revenue generated by the project, and the associated value of that project to investors. However, the City also offers a range of incentives to developers meeting the inclusionary housing on-site delivery requirement. The first is an exemption from the City’s Affordable Housing Construction Excise Tax on the projects’ affordable units. This Construction Excise Tax is a one-percent tax on the value of the construction costs, intended to generate revenues for affordable housing. By exempting the affordable units from paying the construction excise tax, the overall project development cost is reduced by a small margin. For projects providing units affordable to households at 60 percent of MFI, the City also exempts the project from paying System Development Charges (SDCs) on the affordable units. These SDCs are direct charges to the development, roughly between \$15,000 and \$20,000 per multifamily unit, to cover required improvements to water and sewer infrastructure, transportation infrastructure, and parks and recreation space. By exempting the affordable housing units from paying SDCs, the City further reduces the overall development cost of the project. Lastly, and most significantly, the City offers a ten-year property tax exemption for projects meeting the inclusionary housing program, though the units that receive the tax exemption differ between projects in the Central City and those outside the Central City. For projects in the Central City, with a base or built Floor Area Ratio (FAR) of 5-to-1 or greater, the ten-year property tax exemption applies to the improvement value of all residential units in the project. For projects outside of the Central City, or lower-density zones within the Central City, the ten-year property tax exemption only applies to the affordable units, thus providing a smaller overall incentive to the project.







RESIDENTIAL DEVELOPMENT PROTOTYPES

The following section summarizes the mixed-use and multifamily residential development prototypes used to model the financial feasibility of projects subject to the inclusionary housing program. In general, these prototypes represent typical developments ranging from lower-density projects to high-density multifamily projects. These prototypes are also intended to capture critical construction cost material thresholds, including the transition from lower building heights using exclusively type-V wood-framed construction to higher building heights using type-I podium with wood-framed construction above, to the tallest buildings requiring exclusively type-I concrete or steel construction. In addition, BAE selected prototypes that are common within the Central City and outside of the Central City, given the need to adjust the City incentives in these specific geographies.

Central City Development Prototypes

Table 1 on the following page summarizes the critical project information for the six Central City development prototypes analyzed for this study. As seen in the table, all development prototypes assume a 20,000 square foot site size, or roughly one-half block in the Central City. In terms of building heights, the prototypes range from four to 30 stories, including type-V, type-III, and type-I construction typologies. All prototypes assume underground parking and a limited amount of ground-floor commercial space. The lowest density prototype (CC-1) is a four-story project with 112 units, including a mix of studio, one-bedroom, and two-bedroom apartments. The second prototype (CC-2) includes an additional two floors of residential construction, which increases the number of units to 143 units. The third prototype (CC-3) assumes type-III construction and seven stories of development. This prototype assumes 172 residential units, with a similar mix of studio, one-, and two-bedroom units as the other prototypes. The final three prototypes (CC-4 through CC-6) all assume type-I construction such as concrete or steel construction and range from nine to 30 stories. The highest density project (CC-6) includes a total of 532 units, with a mix of studio, one-, two-bedroom units.

Table 1: Central City Development Prototype Characteristics






<u>Development Prototype</u>	<u>CC-1</u>	<u>CC-2</u>	<u>CC-3</u>	<u>CC-4</u>	<u>CC-5</u>	<u>CC-6</u>
Project Example						
Site Size	20,000	20,000	20,000	20,000	20,000	20,000
Number of Stories	4-Stories	6-Stories	7-Stories	9-Stories	15-Stories	30-Stories
Construction Type	Type 5	Type 3	Type 3	Type 1	Type 1	Type 1
Number of Units	112	143	172	232	352	532
<i>Studio</i>	45	57	69	93	141	213
<i>1 Bedroom</i>	56	72	86	116	176	266
<i>2 Bedroom</i>	11	14	17	23	35	53
<u><i>3 Bedroom</i></u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Units</i>	112	143	172	232	352	532
Total Residential Rentable SF	63,750	81,450	97,950	132,150	200,550	303,150
Commercial SF	4,000	3,613	3,613	3,613	3,400	2,550
Total Rentable SF	67,750	85,063	102,076	135,763	203,950	305,700
Non-Rentable SF	16,938	15,011	18,013	23,958	35,991	53,947
Total SF (incl. parking)	104,288	125,274	150,329	200,321	301,541	452,747
Parking SF	19,600	25,200	30,240	40,600	61,600	93,100
Total Spaces	56	72	86	116	176	266
Parking Type	<i>Underground</i>	<i>Underground</i>	<i>Underground</i>	<i>Underground</i>	<i>Underground</i>	<i>Underground</i>

Sources: City of Portland; BAE, 2023.

Non-Central City Development Prototypes

The Non-Central City prototypes are similar to those analyzed within the Central City, though they include additional lower-density prototypes, as well as prototypes that provide alternative parking types. As seen in Table 2 on the following page, the lowest density prototype (Non CC-1) assumes 20 units of Type-V wood-frame construction with surface parking. The second prototype outside of the Central City (Non CC-2) assumes four stories of development with tuck-under parking, accommodating 64 residential units. Prototypes Non CC-3 and Non CC-4 assume a higher density development, requiring type-III construction over a podium. The five-story Non CC-3 prototype includes 78 with tuck under parking, while the seven-story Non CC-4 prototype includes 143 units with underground parking. The final Non-Central City prototype assumes a thirteen story development, thus requiring type-I construction. This prototype (Non CC-5) includes 298 units with all parking provided in an underground garage.

Table 2: Non-Central City Development Prototype Characteristics

<u>Development Prototype</u>	<u>Non CC-1</u>	<u>Non CC-2</u>	<u>Non CC-3</u>	<u>Non CC-4</u>	<u>Non CC-5</u>
Project Example					
Site Size	20,000	20,000	20,000	20,000	20,000
Number of Stories	3-Stories	4-Stories	5-Stories	7-Stories	13-Stories
Construction Type	Type 5	Type 5	Type 3	Type 3	Type 1
Number of Units	20	64	78	143	298
<i>Studio</i>	8	26	31	57	119
<i>1 Bedroom</i>	10	32	39	72	149
<i>2 Bedroom</i>	2	6	8	14	30
<u><i>3 Bedroom</i></u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Units</i>	20	64	78	143	298
Total Residential Rentable SF	11,400	36,300	44,550	81,450	169,950
Commercial SF	993	3,400	3,400	3,613	0
Total Rentable SF	12,393	39,700	47,950	85,063	169,950
Non-Rentable SF	3,021	9,925	11,988	15,011	29,991
Total SF (incl. parking)	15,414	49,625	59,938	120,024	252,091
Parking SF	0	0	0	19,950	52,150
Total Spaces	14	45	45	66	149
Parking Type	<i>Surface</i>	<i>Tuck-Under</i>	<i>Tuck-Under</i>	<i>Underground</i>	<i>Underground</i>

Sources: City of Portland; BAE, 2023.

COST AND REVENUE ASSUMPTIONS

BAE compiled the following cost and revenue assumptions to inform the pro forma financial feasibility models. These assumptions are generated from public and private data sources, such as CoStar, as well as through interviews with a range of local developers, general contractors, and other housing stakeholders. Given Portland contains various submarkets, which impact the cost of delivering the specific prototype as well as the market-rate rents generated by the project, BAE created three unique market categories to reflect varying costs and revenues throughout the city. These three categories include a high-, medium-, and low-cost and revenue markets, which translate to the estimated development costs and market-rate rents in the specific market area.

Development Cost Assumptions

The following summarizes the critical development cost assumptions that inform the financial feasibility models. These include:

Hard Costs: Hard costs are the costs associated with the physical construction of a building, including all construction materials and labor. Given the variety of prototypes and geographies, BAE compiled a range of hard costs estimates for various development typologies and markets, ranging from low- to high-costs. As seen below, type-V construction costs (i.e., wood-frame construction below five stories) range from \$220 to \$260 per gross square foot, excluding the parking spaces. For type-III construction, or those projects between five and seven stories, BAE estimates the hard costs range from \$275 to \$350 per gross square foot. Lastly, type-I construction, supporting project at or above eight stories, ranges from \$330 to \$415 per square foot depending on the market and quality of finishes. These cost ranges capture a combination of differences in labor and material costs, as well as the level of finishes and intended price point for the product.

Hard Cost per Gross Square Foot (excl. parking)

Construction Type	Low	Medium	High
Type-V	\$220	\$235	\$260
Type-III	\$275	\$315	\$350
Type-I	\$330	\$375	\$415

Parking Costs: BAE included parking as a separate cost item in order to estimate the specific cost of building parking in these projects. Based on stakeholder interviews, BAE estimates the cost of underground parking at \$60,000 per space. For prototypes including tuck-under parking, or those spaces not fully enclosed by a concrete podium, BAE estimates a development cost of approximately \$15,000 per space. Lastly, for low-density developments including surface parking, BAE assumes \$5,000 in development cost per space, primarily driven by the additional site work and paving. According to local interviews, these costs do not vary significantly by submarket.

Soft Costs: This analysis assumes that soft costs are equal to between 18 and 22 percent of hard costs. This soft cost estimate includes engineering, architecture, financing, and environmental review costs, as well as City cost-recovery fees for planning, permitting, and entitlements, but does not include System Development Charges (SDCs). SDCs are included as a separate line item, discussed below. This range is driven by the potential for economies of scale. For example, the soft costs for a project with 200 or more units is assumed to be 18 percent of the hard costs, as certain soft costs do not scale based on the number of units. Conversely, smaller projects, or those under 100 units, are estimated to have soft costs equal to 22 percent of the hard costs due to the reduced economies of scale of these smaller projects.

System Development Charges: BAE calculated SDCs for each prototype based on the City's SDC fee schedule, including costs to cover environmental, parks and recreation, transportation, and water charges. Based on these estimates, the SDCs range from between \$15,000 and \$20,000 per unit, depending on the prototype.

Affordable Housing In-Lieu Fee: For each prototype, BAE also estimates the value of a project meeting the inclusionary housing program by paying the affordable housing in-lieu fee. For these financial models, BAE included the existing in-lieu fee amount. For projects in the Central City, the in-lieu fee amounts to \$27 per gross square foot of the residential portion of the building. For projects outside of the Central City, the fee amounts to \$23 per gross square foot of the residential portion of the building.

Developer Fee: To cover staff overhead and other internal project costs, developers include a one-time developer fee, which is estimated as a percentage of both hard and soft costs. Based on interviews, the fee typically amounts to roughly three percent of hard and soft costs.

Operating Assumptions

The following summarizes the critical operating cost and revenue assumptions, including a range of market-rate rents to capture the various markets throughout Portland.

Market-Rate Residential Rents: BAE compiled market-rate residential rents for different unit types and locations throughout the city. Based on rent data provided by CoStar and other data vendors, in addition to input from developer stakeholders, the table below summarizes the assumed rents within the Central City and outside the Central City by unit type and submarket strength. As seen in the table below rents for studio apartments in the Central City are estimated between \$3.25 and \$4.15 per square foot. Assuming an average unit size of 450 square feet, these rents range from \$1,463 per month in low-rent submarkets of the Central City, to \$1,868 per month in high-rent Central City submarkets. As unit sizes increase, the average rent per square foot decreases, though the monthly rent per unit increases due to the larger unit sizes. As seen below, one-bedroom rents in the Central City range from \$1,800 to \$2,250, while rents for two-bedroom units range from \$2,475 to \$2,925 depending on the submarket. Lastly, rental rates for three-bedroom units range from \$2,750 to \$3,250.

Outside of the Central City, the anticipated market rate rents have a more significant range, as these submarkets cover the remainder of the city. According to market data and interviews, rental rates in high-rent areas outside of the Central City (e.g., Slabtown, eastside corridors, etc.) are comparable to the high rents in Central City, with rents dropping more dramatically in medium- and low-rent submarkets outside of the Central City. As seen below, expected rental rates for studios outside of the Central City range from \$1,125 to \$1,868 per month. Monthly rents for one-bedroom units range from \$1,200 to \$2,250, while rents for two-bedroom units range from \$1,575 to \$2,925 depending on the location. Lastly, the estimated rent for a three-bedroom unit ranges from \$1,750 to \$3,250.

Market Rate Rents by Location

Rents	Unit Size (SF)	Monthly Rent/SF			Monthly Rent/Unit		
		High	Medium	Low	High	Medium	Low
Central City							
Studio	450	\$4.15	\$3.50	\$3.25	\$1,868	\$1,575	\$1,463
1BR	600	\$3.75	\$3.25	\$3.00	\$2,250	\$1,950	\$1,800
2BR	900	\$3.25	\$3.00	\$2.75	\$2,925	\$2,700	\$2,475
3BR	1,000	\$3.25	\$3.00	\$2.75	\$3,250	\$3,000	\$2,750
Non-Central City							
Studio	450	\$4.15	\$3.25	\$2.50	\$1,868	\$1,463	\$1,125
1BR	600	\$3.75	\$2.50	\$2.00	\$2,250	\$1,500	\$1,200
2BR	900	\$3.25	\$2.25	\$1.75	\$2,925	\$2,025	\$1,575
3BR	1,000	\$3.25	\$2.25	\$1.75	\$3,250	\$2,250	\$1,750

Affordable Residential Rents: The rental rates generated by affordable units meeting the inclusionary housing ordinance requirements are based on the City’s 2022 affordable rents. As seen below, the rents for units affordable to households at 60 percent of MFI range from \$1,042 to \$1,508, after accounting for a standard utility allowance. For units affordable to households at 80 percent of MFI, the maximum allowed rents range from \$1,415 to \$2,062 per month.

Affordable Rental Rates

Unit Type	60% MFI	80% MFI
Studio	\$1,042	\$1,415
One-Bedroom	\$1,096	\$1,496
Two-Bedroom	\$1,310	\$1,790
Three-Bedroom	\$1,508	\$2,062

Residential Rental Operating Expenses: Based on developer interviews, BAE assumes the ongoing operating costs for the property are a percentage of gross revenue. More specifically, BAE assumes annual operating costs range from 28 percent to 32 percent of gross revenue. Projects with less than 100 units have a higher assumed operating cost, at 32 percent, due to the reduced economies of scale, while projects with 200 or more units have an estimated operating cost equal to 28 percent of gross revenue.

Vacancy Rate: To account for potential vacancy and turnover within the property, BAE assumes a standard five percent vacancy rate.

Developer Return Requirements

BAE assumes the developer/investor is seeking a specific return in order to consider the project investment-worthy or “financially feasible.” Based on interviews with local stakeholders, a project must achieve a Yield on Cost (YOC) of at least 100 basis points above the prevailing capitalization rate. The YOC is calculated by dividing the projected annual net operating income by the total development cost. Assuming a capitalization rate of 4.65 percent in Portland, the analysis assumes developers and investors are seeking at least a 5.65 percent stabilized YOC in order to proceed with a project.

Residual Land Value Threshold

As noted previously, the financial models do not assume a set land purchase price, and instead solve for a residual land value, or the price for which a developer could purchase land and still meet their return requirements for each prototype. In order to determine whether a project is financially feasible using this approach, the resulting residual land value must be compared to prevailing land purchase prices. Based on developer interviews and a review of recent land transactions, land tends to trade for between \$25,000 and \$75,000 per buildable residential unit, though some low-cost submarkets outside of the Central City have slightly lower land prices. As such, the results of the various analyses will compare the resulting residual land value to these prevailing land prices in order to determine feasibility.

FINANCIAL IMPACT OF INCLUSIONARY HOUSING PROGRAM

Prior to summarizing the financial feasibility of the individual prototypes, BAE first analyzed the relative financial impact of the inclusionary housing program compared to the City's incentives. This comparison allows the City to understand whether the inclusionary housing policy is negatively impacting project feasibility, or whether the policy's impact and City incentives are balanced, suggesting the policy does not have a negative impact of project feasibility. The following section summarizes the balance between the financial impact of the inclusionary housing requirements on the value of the project and the financial benefit from the City incentives for two prototypes in Central City and two prototypes outside of the Central City.

Methodology

The financial impact of inclusionary housing on project value is estimated by calculating the reduced annual rent generated by the required affordable units and assigning a value of the reduced rent to developers and investors. The City incentives to market-rate projects providing inclusionary housing units on-site include upfront cost reduction and ongoing annual property tax exemption. The following provides more detail on the methodology for estimating the impact of the policy and the value of the City incentives:

Financial Impact of Inclusionary Housing Policy: By requiring that the rent for a certain portion of the units are restricted at affordable rates for lower-income households, the inclusionary housing policy reduces the income generated by new multifamily housing developments. After accounting for operating expenses, the reduced net operating income is translated into a reduced project value by dividing the lost net operating income by the expected developer/investor return from project income. Below, the analysis summarizes the lost net operating income for the prototypes, as well as the reduced project value to developers/investors from the reduced income required by the inclusionary housing policy.

City Incentives to Inclusionary Housing Developments: As previously noted, the City offers a range of incentives to reduce the financial impact of the inclusionary housing policy. The following analysis estimates the value of these direct financial incentives for the housing prototypes to assess the balance between the impact on project value and the City incentives. The incentives include:

- (1) Construction Excise Tax Exemption.** The Construction Excise Tax is a one percent tax on the value of improvements for new development projects. The City exempts the affordable units within these projects from paying the excise tax. This incentive for projects meeting the inclusionary housing requirement can be estimated by multiplying the construction cost of the affordable units by the one percent tax that otherwise would have been required.

- (2) System Development Charge (SDC) Exemption.** The second City incentive is an exemption from paying SDCs for units affordable to households at or below 60 percent of MFI. Based on the prototypes analyzed, these direct one-time charges range from \$15,000 to \$20,000 per unit. To calculate the value of this City incentive, the analysis multiplies the number of units affordable to households at or below 60 percent of MFI times the estimated per-unit SDC cost.
- (3) Ten-Year Property Tax Exemption.** Lastly, the City offers a ten-year property tax exemption for new multifamily developments including units affordable to lower-income households, which differs between whether a project is located in the Central City or outside of the Central City, defined by the Central City Plan District boundary. For projects in the Central City, with a base or built Floor Area Ratio (FAR) of 5-to-1 or greater, the ten-year property tax exemption applies to the improvement value of all residential units in the project. For projects outside of the Central City, or lower-density zones within the Central City, the ten-year property tax exemption only applies to the affordable units, thus providing a smaller overall incentive to the project. To estimate the value of the ten-year tax exemption, the analysis presents the Net Present Value (NPV) of the ten years of abated tax payments. This NPV assumes a discount rate equal to the developer's required return and results in a upfront subsidy to the project.

Based on these calculations, the following compares the financial impact on project value from the inclusionary housing requirements with the value of the three City incentives both within and outside of the Central City. For projects where the value of City incentives is less than 80 percent of the financial impact from inclusionary housing, the project is considered "under-incentivized." In projects where the City incentives are between 80 percent and 140 percent of the financial impact from inclusionary housing, the prototype is considered "balanced," suggesting the City incentives are generally sufficient to offset the impact of the inclusionary housing policy. Lastly, in projects where the value of City incentives are more than 140 percent of the financial impact of the program, the prototype is considered "over-incentivized," indicating the City's incentives are outweighing the financial impact of the inclusionary housing policy.

Central City Prototypes

Based on a comparison between the impact on project value and the value of City incentives for projects in the Central City meeting the inclusionary housing requirements with units on-site, the program is "balanced," suggesting the City incentives are sufficient to offset the reduced project value from restricted rents on a certain percentage of the units. To demonstrate this, Table 3 and Table 4 below show the impact on project value and the value of City incentives for the four-story and seven-story prototypes within the Central City, respectively. As seen below, the models assess the impact of the two on-site inclusionary

housing options (i.e., 10 percent of units affordable to households at 60 percent of MFI, and 20 percent of units affordable to households at 80 percent of MFI) in high-rent and medium-rent submarkets of the Central City, accounting for the majority of recent developments.

As seen in Table 3 on the following page, the four-story prototype in Central City is balanced, if not slightly over-incentivized in unique cases where new projects are only receiving medium rents. For example, in the high-rent prototype that delivers units affordable to households at 60 percent of MFI, the inclusionary housing program reduces the total project value by roughly \$2.2 million, or approximately \$187,000 per affordable unit delivered. However, as the bottom section of Table 3 indicates, the estimated City incentives combine to a total subsidy of roughly \$2.9 million for this specific prototype. This indicates that the City's incentives are sufficient to offset the financial impact of the program. This finding generally holds true for the high-rent scenario project delivering units at 80 percent of MFI, however the project is not given the SDC exemption, thus reducing the total value of the City's incentives. For prototypes assuming medium rents in the Central City, the City's incentives are generally balanced, and may even be over-incentivizing certain developments, given the impact of the inclusionary housing program is less significant in medium-rent projects while the City's incentives generally remain the same. As seen below, for a project generating medium rents, the inclusionary housing program reduces the value of the project by between \$1.6 and \$2.0 million, depending on the method for meeting the inclusionary housing program requirement. For this prototype, the City's various incentives amount to between \$2.4 and \$2.6 million, suggesting the City is providing sufficient incentives to offset the impact of the inclusionary housing program.

Table 3: Impact of Inclusionary Housing Program and City Incentives, Four-Story Central City Prototype

IH Cost and Incentives	4-Story Central City			
	High-Rent Scenario		Medium-Rent Scenario	
	60% MFI	80% MFI	60% MFI	80% MFI
IH Incentive Value Comparison				
Cost to Market Rate Developers				
Net Operating Income Impact	\$126,656	\$173,306	\$95,347	\$112,874
<i>Per Unit per Month</i>	\$880	\$628	\$662	\$409
Impact on Project Value	\$2,241,706	\$3,067,357	\$1,687,561	\$1,997,771
<i>Per Affordable Unit</i>	\$186,809	\$133,363	\$140,630	\$86,860
City Incentives / Fees				
Construction Excise Tax Exemption	\$28,650	\$55,356	\$26,087	\$50,401
SDC Waiver	\$199,419	\$0	\$199,419	\$0
<u>Property Tax Exemption</u>	<u>\$2,680,169</u>	<u>\$2,614,152</u>	<u>\$2,332,069</u>	<u>\$2,304,187</u>
Total Incentives	\$2,908,237	\$2,669,508	\$2,557,574	\$2,354,588
<i>Per Affordable Unit</i>	\$242,353	\$116,066	\$213,131	\$102,373
Cost / Benefit of IH	\$666,531	(\$397,848)	\$870,013	\$356,817
<i>Cost-Benefit Ratio</i>	1.3	0.9	1.5	1.2
Cost / Benefit Balance	Balanced Incentives	Balanced Incentives	Over-Incentivized	Balanced Incentives

Sources: BAE, 2023.

Table 4 on the following page summarizes the similar calculations for the seven-story prototype in the Central City. As seen below, the general conclusions from the four-story prototype remain the same, with the City’s incentives offsetting the impact on project value from the inclusionary housing program. More specifically, for high-rent projects delivering inclusionary housing affordable to households at 60 percent of MFI, the inclusionary housing program reduces the project value by an estimated \$3.2 million, or nearly \$180,000 per affordable unit. For the same prototype, the City incentives amount to roughly \$4.5 million, or \$250,000 per required affordable unit, sufficient to offset the financial impact of the program. Similar to the above analysis, the high-rent prototype that abides by the inclusionary program by providing units at 80 percent of MFI receives a lower value of incentives, though these are still generally sufficient to offset the impact of the inclusionary housing program. For projects receiving medium rents, or roughly 15 percent below the high-rent projects, the impact of the inclusionary housing program is reduced while the City incentives generally remain the same. This indicates that the City incentives are still offsetting the impact of the inclusionary housing program, if not potentially over-incentivizing a limited number of medium-rent developments.

Table 4: Impact of Inclusionary Housing Program and City Incentives, Seven-Story Central City Prototype

IH Cost and Incentives	7-Story Central City			
	High-Rent Scenario		Medium-Rent Scenario	
	60% MFI	80% MFI	60% MFI	80% MFI
IH Incentive Value Comparison				
Cost to Market Rate Developers				
Net Operating Income Impact	\$182,749	\$251,856	\$136,921	\$162,446
<i>Per Unit per Month</i>	\$846	\$600	\$634	\$387
Impact on Project Value	\$3,234,488	\$4,457,633	\$2,423,384	\$2,875,146
<i>Per Affordable Unit</i>	\$179,694	\$127,361	\$134,632	\$82,147
City Incentives / Fees				
Construction Excise Tax Exemption	\$54,687	\$104,713	\$49,518	\$94,824
SDC Waiver	\$299,547	\$0	\$299,547	\$0
Property Tax Exemption	\$4,134,052	\$4,043,593	\$3,600,455	\$3,569,215
Total Incentives	\$4,488,286	\$4,148,306	\$3,949,519	\$3,664,039
<i>Per Affordable Unit</i>	\$249,349	\$118,523	\$219,418	\$104,687
Cost / Benefit of IH	\$1,253,798	(\$309,327)	\$1,526,135	\$788,893
<i>Cost-Benefit Ratio</i>	1.4	0.9	1.6	1.3
Cost / Benefit Balance	Balanced Incentives	Balanced Incentives	Over-Incentivized	Balanced Incentives

Sources: BAE, 2023.

Non-Central City Prototypes

Table 5 and Table 6 below compare the impact on project value from the inclusionary housing program and the value of the City incentives on the four-story and seven-story prototypes outside of the Central City. As seen in these tables, unlike the Central City prototypes, the City incentives for projects in high- and medium-rent areas outside of the Central City are insufficient to offset the impact of the inclusionary housing program on project value. This is primarily driven by the reduced value of the ten-year property tax exemption, which only applies to the affordable component of projects outside of the Central City.

As seen in Table 5 on the following page, the impact of inclusionary housing on the four-story prototype receiving high rents is estimated at between \$1.3 and \$1.8 million, or roughly \$140,000 to \$188,000 per required affordable unit. However, the City incentives only amount to between \$312,000 and \$326,000 in total value. This results in a negative financial impact on the project of between \$1.0 and \$1.5 million, indicating the prototype is “under-incentivized” from a City incentive perspective. This comparison remains for projects receiving medium rents, although the imbalance is less significant due to the reduced impact on the project value from slightly lower market-rate rents. Conversely, for projects outside of the Central City that receive low market-rate rents, the inclusionary housing program may currently over-incentivize development. This is a result of the prevailing market-rate rents being similar to the lower-income rents required by the inclusionary housing program,

suggesting the City’s policy is not technically reducing the project value by requiring units affordable to lower-income households. However, those projects still receive a small set of City incentives, leading to a small over-incentivization. It is worth noting that new market-rate development in low-rent markets is uncommon due to the overarching project economics, discussed in the next section, suggesting the City may not actually be over-subsidizing development because market-rate development in low-rent areas are unlikely to deliver without additional subsidies.

Table 5: Impact of Inclusionary Housing Program and City Incentives, Four-Story Non-Central City Prototype

IH Cost and Incentives	4-Story Non-Central City					
	High-Rent Scenario		Medium-Rent Scenario		Low-Rent Scenario	
	60% MFI	80% MFI	60% MFI	80% MFI	60% MFI	80% MFI
IH Incentive Value Comparison						
Cost to Market Rate Developers						
Net Operating Income Impact	\$74,420	\$102,392	\$35,030	\$29,195	\$14,218	\$0
<i>Per Unit per Month</i>	\$886	\$656	\$417	\$187	\$169	\$0
Impact on Project Value	\$1,317,170	\$1,812,248	\$620,004	\$516,722	\$251,653	\$0
<i>Per Affordable Unit</i>	\$188,167	\$139,404	\$88,572	\$39,748	\$35,950	\$0
City Incentives / Fees						
Construction Excise Tax Exemption	\$17,685	\$32,150	\$16,112	\$29,296	\$15,168	\$27,583
SDC Waiver	\$132,546	\$0	\$132,546	\$0	\$132,546	\$0
<u>Property Tax Exemption</u>	<u>\$162,136</u>	<u>\$293,666</u>	<u>\$116,513</u>	<u>\$218,465</u>	<u>\$92,408</u>	<u>\$178,215</u>
Total Incentives	\$312,366	\$325,816	\$265,170	\$247,761	\$240,121	\$205,798
<i>Per Affordable Unit</i>	\$44,624	\$25,063	\$37,881	\$19,059	\$34,303	\$15,831
Cost / Benefit of IH	(\$1,004,804)	(\$1,486,432)	(\$354,834)	(\$268,961)	(\$11,531)	\$205,798
<i>Cost-Benefit Ratio</i>	0.2	0.2	0.4	0.5	1.0	n.a.
Cost / Benefit Balance	Under-Incentivized	Under-Incentivized	Under-Incentivized	Under-Incentivized	Balanced Incentives	Over-Incentivized

Sources: BAE, 2023.

The comparison between the impact of the inclusionary housing program and City incentives on the seven-story prototype outside of the Central City, shown below in Table 6, generally show the same relationship as the four-story prototype outside of the Central City. As seen below, the project value impact from abiding by the inclusionary housing program in high-rent areas outside of the Central City ranges from \$2.7 to \$3.6 million, or \$125,000 to \$181,000 per required affordable unit. For this prototype, the City incentives amount to between \$671,000 and \$763,000 in total. This leads to an imbalance, or under-incentivization, between the project value impact and City incentives for the prototypes in high-rent areas. This under-incentivization also occurs in medium-rent areas, although the imbalance is less significant than the high-rent areas. Lastly, similar to the above analysis, the City incentives actually outweigh the impact on project value from the inclusionary housing program in low-rent prototypes outside of the Central City. This is driven by the similarity between the prevailing rent in low-rent areas and the required rents for the inclusionary affordable units.

Table 6: Impact of Inclusionary Housing Program and City Incentives, Seven-Story Non-Central City Prototype

IH Cost and Incentives	7-Story Non-Central City					
	High-Rent Scenario		Medium-Rent Scenario		Low-Rent Scenario	
	60% MFI	80% MFI	60% MFI	80% MFI	60% MFI	80% MFI
IH Incentive Value Comparison						
Cost to Market Rate Developers						
Net Operating Income Impact	\$153,656	\$205,552	\$71,281	\$46,665	\$28,300	\$0
<i>Per Unit per Month</i>	\$854	\$591	\$396	\$134	\$157	\$0
Impact on Project Value	\$2,719,583	\$3,638,084	\$1,261,617	\$825,928	\$500,877	\$0
<i>Per Affordable Unit</i>	\$181,306	\$125,451	\$84,108	\$28,480	\$33,392	\$0
City Incentives / Fees						
Construction Excise Tax Exemption	\$44,464	\$88,003	\$40,286	\$79,721	\$35,511	\$70,257
SDC Waiver	\$268,207	\$0	\$268,207	\$0	\$268,207	\$0
<u>Property Tax Exemption</u>	<u>\$358,082</u>	<u>\$675,364</u>	<u>\$258,415</u>	<u>\$505,020</u>	<u>\$206,411</u>	<u>\$415,648</u>
Total Incentives	\$670,753	\$763,367	\$566,908	\$584,742	\$510,129	\$485,905
<i>Per Affordable Unit</i>	\$44,717	\$26,323	\$37,794	\$20,164	\$34,009	\$16,755
Cost / Benefit of IH	(\$2,048,831)	(\$2,874,717)	(\$694,709)	(\$241,187)	\$9,252	\$485,905
<i>Cost-Benefit Ratio</i>	0.2	0.2	0.4	0.7	1.0	n.a.
Cost / Benefit Balance	Under-Incentivized	Under-Incentivized	Under-Incentivized	Under-Incentivized	Balanced Incentives	Over-Incentivized

Sources: BAE, 2023.

Inclusionary Housing Program Financial Impact Summary

The comparison between the impact of the inclusionary housing program on project value and the value of the various City incentives indicates that the incentives to developers that meet the inclusionary housing requirements are sufficient to offset the impact of the required below market rents in the Central City, though they are insufficient to offset the impact on projects outside of the Central City. The primary driver of this difference is the City’s ten-year property tax exemption policy. For developments in the Central City, the ten-year property tax exemption applies to the improvement value of all units (market rate and affordable), generating significant cost savings to the developer over the ten-year period. Conversely, for projects outside of the Central City boundary, the property tax exemption only applies to the improvement value of the affordable units, or between 10 and 20 percent of the project. This reduced property tax exemption value is the main reason for the imbalance between the impact of the inclusionary housing program on project value and the City incentives outside of the Central City boundary.

While the analysis did identify certain prototypes and rent levels where the City would be over-incentivizing development, these types of projects are uncommon due to other economic factors and are unlikely to represent real developments under current conditions in Portland. Should market dynamics improve, such as increased market-rate rents in medium- and low-rent areas, the City’s incentives are likely to be in better balance with the impact of the inclusionary housing program on project value.

FINANCIAL FEASIBILITY ANALYSIS

This section summarizes the financial feasibility of the various Central City and Non-Central City residential development prototypes. This accounts for the total development costs, including hard costs, soft costs, SDCs, and financing costs, among others, as well as the rental rates and operating expenses for the prototypical multifamily developments outlined above. To estimate the financial feasibility of development, this study involved preparation of static pro forma financial feasibility models for each of the prototypes and cost/revenue assumptions described above (i.e., high-, medium-, low-cost and rent). The static pro forma models represent a form of financial feasibility analysis that developers often use at a conceptual level of planning for a development project, as an initial test of financial feasibility for a development concept to screen for viability. The following section summarizes the high level findings from each pro forma model for the various prototypes and cost/rent assumptions, while the detailed pro formas are provided in Appendix A.

The pro forma financial models are structured to calculate the residual land value associated with each prototype. The residual land value for a residential rental project is equal to the value of the completed project, net of total development costs. To estimate the value of the completed project (net of developer profit), the feasibility models divide the Net Operating Income (NOI) from the project (i.e., annual income from the project net of operating expenses) by the Yield-on-Cost (YOC) developers are seeking in order to consider a project feasible. The required YOC is a function of the prevailing capitalization rate in Portland, plus a spread for new development to capture a margin for development risk and developer profit. The residual land value for a residential rental project can be summarized as follows:

$$\begin{aligned} &\text{Project Value Net of Developer Profit (i.e., NOI / required YOC)} - \text{Total Development Costs} \\ &= \\ &\text{Residual Land Value} \end{aligned}$$

To determine the feasibility of the specific prototype, the resulting residual land value must be compared to the prevailing cost of land in the market. As noted above, developer interviews and a review of recent land transactions indicate that land for multifamily residential development tends to trade for between \$25,000 and \$75,000 per buildable residential unit. The results of the various analyses compare the resulting residual land value to these prevailing land prices to determine feasibility.

Central City Prototypes

The following summarizes the residual land value results for the Central City prototypes. For each prototype, the analysis estimates the residual land value for the three different cost and revenue assumptions (i.e., high-, medium-, and low-cost and rents), as well as the three methods for abiding by the inclusionary housing program tested in this study (i.e., 10 percent of units affordable to households at 60 percent of MFI, 20 percent of units affordable to households at 80 percent of MFI, payment of the in-lieu fee).

Prototype CC-1:

As summarized in Table 7 on the following page, the 112-unit four-story prototype in Central City generally yields positive residual land values, suggesting the value of the project is greater than the total development cost, excluding the cost of land. In high-cost and high-rent areas, the residual land value ranges from \$2.1 to \$3.0 million, or roughly \$19,000 to \$27,000 per unit, for the two “on-site” delivery options. Based on recent land transactions and developer feedback, this residual land value is at the lower end of land purchase prices in the Central City, suggesting this development is borderline feasible under current market conditions. The main reason for the positive residual land value and borderline feasibility is the lower cost of construction relative to the higher-density projects, discussed in more detail below, as this prototype would stay in the cheaper Type-V wood-framed construction. In terms of the various inclusionary housing options, the feasibility models indicate the 60 percent MFI option yields the highest residual land value. This is primarily driven by the City’s incentives, which allocate higher subsidies to developers providing units affordable to households at 60 percent of MFI. The in-lieu fee option, which allows developers to pay a fee instead of building the units on-site, actually yields a negative residual land value, as the developer would pay a fee to the City (of roughly \$2.2 million) while also losing all of the City incentives. Given the prior analysis identified that the inclusionary housing program incentives are sufficient to offset the impact of the program on project value, losing the incentives while also paying a fee has a negative impact on project feasibility relative to the other on-site delivery options for this prototype.

With the slightly lower cost of construction and reduced rental rates associated with the medium-cost scenario in Table 7, the prototype feasibility becomes more challenging. While the prototype still yields a positive residual land value in the medium-cost and revenue scenarios, the land value is between \$4,000 and \$7,000 per unit. Based on comparable land transactions, these residual land values are likely insufficient to purchase a half-acre site in Central City. Similar to above, the 60 percent MFI option yields the highest residual land value, while the in-lieu fee payment option yields the lowest residual land value. However, with the smaller gap between the market rents and the 80 percent MFI rents, the 80 percent MFI option is only slightly worse than the 60 percent MFI option from a feasibility perspective.

Development in low-rent markets within the Central City are challenging from a feasibility perspective. As seen below, the resulting residual land values for the low-cost and low-rent scenario are negative, suggesting development in these markets are unable to cover the cost of development while still meeting the specified developer return requirement.

Table 7: Financial Feasibility Summary, Prototype CC-1

Prototype Name Number of Stories	CC-1 4-Stories		
	High	Medium	Low
Cost/Revenue Assumption			
60% MFI Units			
Number of Units	112	112	112
<i>Market Rate</i>	100	100	100
<i>Affordable</i>	12	12	12
Total Development Cost	\$35,467,121	\$32,719,546	\$31,071,001
<i>TDC/Unit</i>	\$316,671	\$292,139	\$277,420
Net Operating Income	\$2,008,859	\$1,747,949	\$1,601,699
Residual Land Value	\$3,000,459	\$779,495	(\$357,116)
<i>RLV per Unit</i>	\$26,790	\$6,960	(\$3,189)
<i>RLV per Site SF</i>	\$150	\$39	(\$18)
80% MFI Units			
Number of Units	112	112	112
<i>Market Rate</i>	89	89	89
<i>Affordable</i>	23	23	23
Total Development Cost	\$35,467,121	\$32,719,546	\$31,071,001
<i>TDC/Unit</i>	\$316,671	\$292,139	\$277,420
Net Operating Income	\$1,972,168	\$1,738,324	\$1,606,504
Residual Land Value	\$2,116,289	\$410,111	(\$452,145)
<i>RLV per Unit</i>	\$18,895	\$3,662	(\$4,037)
<i>RLV per Site SF</i>	\$106	\$21	(\$23)
In-Lieu Fee Payment			
Number of Units	112	112	112
<i>Market Rate</i>	112	112	112
<i>Affordable</i>	0	0	0
Total Development Cost	\$37,823,142	\$35,075,567	\$33,427,022
<i>TDC/Unit</i>	\$337,707	\$313,175	\$298,456
Net Operating Income	\$2,124,506	\$1,834,053	\$1,672,301
Residual Land Value	(\$221,275)	(\$2,614,452)	(\$3,828,783)
<i>RLV per Unit</i>	(\$1,976)	(\$23,343)	(\$34,186)
<i>RLV per Site SF</i>	(\$11)	(\$131)	(\$191)

Sources: BAE, 2023.

Prototype CC-2:

With the addition of two stories over the CC-1 prototype, the cost to deliver prototype CC-2 is modestly higher. This is driven by the need for more expensive construction materials, including a concrete podium and type-III wood construction above. As seen in Table 8 on the following page, the construction cost for the 143-unit prototype ranges from \$310,000 to \$398,000 per unit, excluding a land purchase price. From a financial feasibility perspective, the increased construction cost outweighs the benefit of delivering more residential units, leading to financial feasibility challenges. As seen below, assuming high costs and rents, the value of the prototype is insufficient to cover the development cost and still meet a specific investor return requirement, indicating the project is infeasible under current conditions.

Similar to the prior model, Table 8 on the following page also demonstrates that the prototype yields the highest residual land value by meeting the inclusionary housing requirements through the 60 percent MFI option. This is driven by the increased incentives allocated to the 60 percent MFI projects, including the SDC exemptions, and the more market-rate units given the policy only requires ten percent of the units be restricted at 60 percent MFI.

Prototype CC-3:

The financial feasibility of prototype CC-3 is similar to the prior prototype due to similar construction materials and project characteristics. As seen in Table 9 on the following pages, the estimated cost to deliver the seven-story prototype in the Central City ranges from \$308,000 to \$397,000 per unit. Based on the net operating income of the high-rent scenario, the value of the property to investors is insufficient to cover the development cost or land purchase price, leaving the project infeasible under current market conditions.

Similar to above, for each of the cost and revenue scenarios, the 60 percent MFI option yields the highest residual land value, driven by the increased incentives and lower percentage of required restricted units.

Prototype CC-4:

With nine stories, prototype CC-4 requires a more expensive type-I construction such as steel or concrete. This increased cost is not offset by an increase in rent or significant cost efficiencies, leading to significant infeasibility under current market conditions. As seen in Table 10, the cost to build the 232-unit prototype is much higher than the previous prototypes, ranging from \$347,000 to \$442,000 per unit. Based on the projected net operating income from the project, ranging from \$3.4 million to \$4.4 million in annual income, the economics are insufficient to cover the high cost of construction and a land purchase price. Therefore, regardless of the cost/revenue scenario, the development of a nine-story development project in the Central City is currently infeasible.

Table 8: Financial Feasibility Summary, Prototype CC-2

Prototype Name Number of Stories	CC-2 6-Stories		
	High	Medium	Low
Cost/Revenue Assumption			
60% MFI Units			
Number of Units	143	143	143
<i>Market Rate</i>	128	128	128
<i>Affordable</i>	15	15	15
Total Development Cost	\$54,103,182	\$49,557,731	\$44,362,930
<i>TDC/Unit</i>	\$378,344	\$346,558	\$310,230
Net Operating Income	\$2,540,924	\$2,212,767	\$2,031,095
Residual Land Value	(\$5,397,176)	(\$7,107,555)	(\$5,378,542)
<i>RLV per Unit</i>	(\$37,742)	(\$49,703)	(\$37,612)
<i>RLV per Site SF</i>	(\$270)	(\$355)	(\$269)
80% MFI Units			
Number of Units	143	143	143
<i>Market Rate</i>	114	114	114
<i>Affordable</i>	29	29	29
Total Development Cost	\$54,103,182	\$49,557,731	\$44,362,930
<i>TDC/Unit</i>	\$378,344	\$346,558	\$310,230
Net Operating Income	\$2,490,830	\$2,196,720	\$2,033,884
Residual Land Value	(\$6,569,782)	(\$7,633,631)	(\$5,549,338)
<i>RLV per Unit</i>	(\$45,943)	(\$53,382)	(\$38,807)
<i>RLV per Site SF</i>	(\$328)	(\$382)	(\$277)
In-Lieu Fee Payment			
Number of Units	143	143	143
<i>Market Rate</i>	143	143	143
<i>Affordable</i>	0	0	0
Total Development Cost	\$56,919,761	\$52,374,310	\$47,179,509
<i>TDC/Unit</i>	\$398,040	\$366,254	\$329,927
Net Operating Income	\$2,685,306	\$2,320,040	\$2,119,042
Residual Land Value	(\$9,392,222)	(\$11,311,659)	(\$9,674,348)
<i>RLV per Unit</i>	(\$65,680)	(\$79,103)	(\$67,653)
<i>RLV per Site SF</i>	(\$470)	(\$566)	(\$484)

Sources: BAE, 2023.

Table 9: Financial Feasibility Summary, Prototype CC-3

Prototype Name Number of Stories	CC-3 7-Stories		
	High	Medium	Low
Cost/Revenue Assumption			
60% MFI Units			
Number of Units	172	172	172
<i>Market Rate</i>	154	154	154
<i>Affordable</i>	18	18	18
Total Development Cost	\$64,806,188	\$59,351,637	\$53,117,865
<i>TDC/Unit</i>	\$376,780	\$345,068	\$308,825
Net Operating Income	\$3,037,636	\$2,645,557	\$2,430,617
Residual Land Value	(\$6,547,955)	(\$8,571,617)	(\$6,440,535)
<i>RLV per Unit</i>	(\$38,070)	(\$49,835)	(\$37,445)
<i>RLV per Site SF</i>	(\$327)	(\$429)	(\$322)
80% MFI Units			
Number of Units	172	172	172
<i>Market Rate</i>	137	137	137
<i>Affordable</i>	35	35	35
Total Development Cost	\$64,806,188	\$59,351,637	\$53,117,865
<i>TDC/Unit</i>	\$376,780	\$345,068	\$308,825
Net Operating Income	\$2,983,211	\$2,633,233	\$2,440,035
Residual Land Value	(\$7,845,080)	(\$9,069,101)	(\$6,527,938)
<i>RLV per Unit</i>	(\$45,611)	(\$52,727)	(\$37,953)
<i>RLV per Site SF</i>	(\$392)	(\$453)	(\$326)
In-Lieu Fee Payment			
Number of Units	172	172	172
<i>Market Rate</i>	172	172	172
<i>Affordable</i>	0	0	0
Total Development Cost	\$68,207,188	\$62,752,637	\$56,518,865
<i>TDC/Unit</i>	\$396,553	\$364,841	\$328,598
Net Operating Income	\$3,214,185	\$2,778,056	\$2,539,423
Residual Land Value	(\$11,318,958)	(\$13,583,508)	(\$11,573,333)
<i>RLV per Unit</i>	(\$65,808)	(\$78,974)	(\$67,287)
<i>RLV per Site SF</i>	(\$566)	(\$679)	(\$579)

Sources: BAE, 2023.

Table 10: Financial Feasibility Summary, Prototype CC-4

Prototype Name Number of Stories	CC-4 9-Stories		
	High	Medium	Low
60% MFI Units			
Number of Units	232	232	232
<i>Market Rate</i>	208	208	208
<i>Affordable</i>	24	24	24
Total Development Cost	\$97,987,464	\$89,834,595	\$80,662,618
<i>TDC/Unit</i>	\$422,360	\$387,218	\$347,684
Net Operating Income	\$4,205,660	\$3,665,299	\$3,370,481
Residual Land Value	(\$17,298,934)	(\$19,459,277)	(\$15,918,515)
<i>RLV per Unit</i>	(\$74,564)	(\$83,876)	(\$68,614)
<i>RLV per Site SF</i>	(\$865)	(\$973)	(\$796)
80% MFI Units			
Number of Units	232	232	232
<i>Market Rate</i>	185	185	185
<i>Affordable</i>	47	47	47
Total Development Cost	\$97,987,464	\$89,834,595	\$80,662,618
<i>TDC/Unit</i>	\$422,360	\$387,218	\$347,684
Net Operating Income	\$4,121,871	\$3,639,258	\$3,375,896
Residual Land Value	(\$19,214,064)	(\$20,278,398)	(\$16,144,926)
<i>RLV per Unit</i>	(\$82,819)	(\$87,407)	(\$69,590)
<i>RLV per Site SF</i>	(\$961)	(\$1,014)	(\$807)
In-Lieu Fee Payment			
Number of Units	232	232	232
<i>Market Rate</i>	232	232	232
<i>Affordable</i>	0	0	0
Total Development Cost	\$102,545,685	\$94,392,816	\$85,220,839
<i>TDC/Unit</i>	\$442,007	\$406,866	\$367,331
Net Operating Income	\$4,444,070	\$3,842,806	\$3,516,029
Residual Land Value	(\$23,889,583)	(\$26,378,543)	(\$22,990,243)
<i>RLV per Unit</i>	(\$102,972)	(\$113,701)	(\$99,096)
<i>RLV per Site SF</i>	(\$1,194)	(\$1,319)	(\$1,150)

Sources: BAE, 2023.

Prototype CC-5:

Similar to the nine-story prototype, the 15-story prototype CC-5 is currently infeasible due to the high cost of type-I construction. As seen in Table 11 on the following page, the cost of delivering prototype CC-5 ranges from \$343,000 to \$438,000 per unit, excluding the cost of land. While the project delivers significantly more units than the prior prototypes, the increased net operating income, ranging from \$5.1 to \$6.7 million per year, is still insufficient to meet developer and investor return requirements, rendering the project infeasible in any market area. Similar to the prior models, the in-lieu fee payment option yields the lowest residual land value due to the loss of the City incentives, primarily the ten-year property tax.

Prototype CC-6:

The 30-story Central City prototype is similarly challenged by the high cost of type-I construction with insufficient rental rates to offset the high cost of construction. As seen in Table 12, presented in two pages, the cost to deliver the 532-unit prototype CC-6 ranges from \$340,000 to \$434,000 per unit, excluding land. While the project generates nearly \$10 million in annual revenue, in the high rent scenario, this revenue is insufficient to attract investors to fund the estimated \$220 million in construction costs.

While the higher density prototypes are experiencing the most challenges with financial feasibility, these prototypes do benefit the most when market conditions change. For example, if market-rate rents increase by 33 percent, this 30-story prototype will be feasible, while other prototypes require more significant rent increases or changes to project characteristics to be feasible due to the lower number of units.

Table 11: Financial Feasibility Summary, Prototype CC-5

Prototype Name Number of Stories	CC-5 15-Stories		
	High	Medium	Low
Cost/Revenue Assumption			
60% MFI Units			
Number of Units	352	352	352
<i>Market Rate</i>	316	316	316
<i>Affordable</i>	36	36	36
Total Development Cost	\$147,036,624	\$134,788,970	\$121,010,359
<i>TDC/Unit</i>	\$417,718	\$382,923	\$343,779
Net Operating Income	\$6,337,799	\$5,524,774	\$5,086,092
Residual Land Value	(\$25,368,519)	(\$28,649,008)	(\$23,255,638)
<i>RLV per Unit</i>	(\$72,070)	(\$81,389)	(\$66,067)
<i>RLV per Site SF</i>	(\$1,268)	(\$1,432)	(\$1,163)
80% MFI Units			
Number of Units	352	352	352
<i>Market Rate</i>	281	281	281
<i>Affordable</i>	71	71	71
Total Development Cost	\$147,036,624	\$134,788,970	\$121,010,359
<i>TDC/Unit</i>	\$417,718	\$382,923	\$343,779
Net Operating Income	\$6,215,029	\$5,490,805	\$5,098,956
Residual Land Value	(\$28,168,930)	(\$29,763,700)	(\$23,487,863)
<i>RLV per Unit</i>	(\$80,025)	(\$84,556)	(\$66,727)
<i>RLV per Site SF</i>	(\$1,408)	(\$1,488)	(\$1,174)
In-Lieu Fee Payment			
Number of Units	352	352	352
<i>Market Rate</i>	352	352	352
<i>Affordable</i>	0	0	0
Total Development Cost	\$153,943,420	\$141,695,766	\$127,917,156
<i>TDC/Unit</i>	\$437,339	\$402,545	\$363,401
Net Operating Income	\$6,701,762	\$5,797,925	\$5,310,400
Residual Land Value	(\$35,328,162)	(\$39,077,618)	(\$33,927,777)
<i>RLV per Unit</i>	(\$100,364)	(\$111,016)	(\$96,386)
<i>RLV per Site SF</i>	(\$1,766)	(\$1,954)	(\$1,696)

Sources: BAE, 2023.

Table 12: Financial Feasibility Summary, Prototype CC-6

Prototype Name Number of Stories	CC-6 30-Stories		
	High	Medium	Low
Cost/Revenue Assumption			
60% MFI Units			
Number of Units	532	532	532
<i>Market Rate</i>	478	478	478
<i>Affordable</i>	54	54	54
Total Development Cost	\$220,204,671	\$201,846,692	\$181,193,965
<i>TDC/Unit</i>	\$413,919	\$379,411	\$340,590
Net Operating Income	\$9,538,041	\$8,319,237	\$7,665,083
Residual Land Value	(\$37,011,255)	(\$41,944,766)	(\$33,803,022)
<i>RLV per Unit</i>	(\$69,570)	(\$78,844)	(\$63,540)
<i>RLV per Site SF</i>	(\$1,851)	(\$2,097)	(\$1,690)
80% MFI Units			
Number of Units	532	532	532
<i>Market Rate</i>	425	425	425
<i>Affordable</i>	107	107	107
Total Development Cost	\$220,204,671	\$201,846,692	\$181,193,965
<i>TDC/Unit</i>	\$413,919	\$379,411	\$340,590
Net Operating Income	\$9,344,675	\$8,259,476	\$7,677,179
Residual Land Value	(\$41,363,265)	(\$43,760,868)	(\$34,265,162)
<i>RLV per Unit</i>	(\$77,750)	(\$82,257)	(\$64,408)
<i>RLV per Site SF</i>	(\$2,068)	(\$2,188)	(\$1,713)
In-Lieu Fee Payment			
Number of Units	532	532	532
<i>Market Rate</i>	532	532	532
<i>Affordable</i>	0	0	0
Total Development Cost	\$230,631,600	\$212,273,621	\$191,620,893
<i>TDC/Unit</i>	\$433,518	\$399,011	\$360,190
Net Operating Income	\$10,077,638	\$8,722,073	\$7,995,559
Residual Land Value	(\$52,266,335)	(\$57,900,640)	(\$50,106,577)
<i>RLV per Unit</i>	(\$98,245)	(\$108,836)	(\$94,185)
<i>RLV per Site SF</i>	(\$2,613)	(\$2,895)	(\$2,505)

Sources: BAE, 2023.

Non-Central City Prototypes

The following summarizes the financial feasibility of the five prototypes outside of the Central City boundary.

Prototype Non CC-1:

Similar to the lower-density Central City prototype (CC-1), the three-story Non CC-1 prototype is borderline feasible if it is able to support high rents. As seen in Table 13 on the following page, even with the reduced City incentives to offset the financial impact of the inclusionary housing program, the high-rent scenario results in a residual land value of between \$400,000 and \$515,000 for the half-acre site, or \$19,000 to \$26,000 per unit. Although this land purchase price is well below comparable land transactions in the Central City, there are a limited number of examples of similar land sales outside of the Central City. Interestingly, the in-lieu fee option is not as worse financially as in the Central City, as the developer is not foregoing as significant of City incentives and therefore may decide to pay the in-lieu fee instead of delivering units on-site, though the 60 percent MFI option is still better financially.

Due to the project size, at just 20 units, this project is very sensitive to a reduction in the assumed rents. As seen in Table 13, the prototype yields a negative residual land value in medium- and low-cost and revenue scenarios. This is primarily driven by the fact that development costs for new construction are comparable throughout the metro region, suggesting that it is not significantly cheaper to build in lower-rent markets. While land is likely cheaper in these low-rent markets, the cost of labor and materials to build the improvements are similar to development in higher value areas in the city. As a result, the lower rents combined with the relatively high cost of construction leads to infeasibility in medium- and low-rent markets outside of the Central City.

Prototype Non CC-2:

With the transition from surface parking to tuck-under parking, the cost of delivering prototype Non CC-2 is slightly above the lower density Non CC-1 prototype on a per-unit basis. As seen in Table 14, the cost of delivering prototype Non CC-2 ranges from \$266,000 to \$325,000 per unit. In markets where this four-story prototype can generate high rents, or those comparable to the Central City, development is borderline feasible. With projected net operating income ranging from \$1.1 to \$1.2 million per year, the prototype yields a residual land value of between \$500,000 and \$815,000, or roughly \$8,000 to \$13,000 per unit. While land in high-rent neighborhoods of Portland often require slightly higher land purchase prices than the resulting residual land value for prototype Non CC-2, these results indicate that a development may move forward if they purchase discounted land or already own property in a high-rent market.

Similar to above, as the assumed rents decrease the prototype becomes infeasible. As seen in Table 14, the 25 to 40 percent reduction in rent is insufficient to yield investor return requirements, rendering these medium- and low-rent scenarios infeasible.

Table 13: Financial Feasibility Summary, Prototype Non CC-1

Prototype Name Number of Stories	Non CC-1 3-Stories		
	High	Medium	Low
Cost/Revenue Assumption			
60% MFI Units			
Number of Units	20	20	20
<i>Market Rate</i>	18	18	18
<i>Affordable</i>	2	2	2
Total Development Cost	\$5,931,770	\$5,423,352	\$5,118,300
<i>TDC/Unit</i>	\$296,589	\$271,168	\$255,915
Net Operating Income	\$359,136	\$256,900	\$203,307
Residual Land Value	\$515,227	(\$799,624)	(\$1,450,376)
<i>RLV per Unit</i>	\$25,761	(\$39,981)	(\$72,519)
<i>RLV per Site SF</i>	\$26	(\$40)	(\$73)
80% MFI Units			
Number of Units	20	20	20
<i>Market Rate</i>	16	16	16
<i>Affordable</i>	4	4	4
Total Development Cost	\$5,931,770	\$5,423,352	\$5,118,300
<i>TDC/Unit</i>	\$296,589	\$271,168	\$255,915
Net Operating Income	\$352,532	\$260,616	\$212,372
Residual Land Value	\$408,670	(\$734,432)	(\$1,296,275)
<i>RLV per Unit</i>	\$20,433	(\$36,722)	(\$64,814)
<i>RLV per Site SF</i>	\$20	(\$37)	(\$65)
In-Lieu Fee Payment			
Number of Units	20	20	20
<i>Market Rate</i>	20	20	20
<i>Affordable</i>	0	0	0
Total Development Cost	\$6,290,469	\$5,782,050	\$5,476,999
<i>TDC/Unit</i>	\$314,523	\$289,103	\$273,850
Net Operating Income	\$377,427	\$264,872	\$205,931
Residual Land Value	\$389,661	(\$1,094,047)	(\$1,832,209)
<i>RLV per Unit</i>	\$19,483	(\$54,702)	(\$91,610)
<i>RLV per Site SF</i>	\$19	(\$55)	(\$92)

Sources: BAE, 2023.

Table 14: Financial Feasibility Summary, Prototype Non CC-2

Prototype Name Number of Stories	Non CC-2 4-Stories		
	High	Medium	Low
Cost/Revenue Assumption			
60% MFI Units			
Number of Units	64	64	64
<i>Market Rate</i>	57	57	57
<i>Affordable</i>	7	7	7
Total Development Cost	\$19,672,871	\$18,036,029	\$17,053,923
<i>TDC/Unit</i>	\$307,389	\$281,813	\$266,468
Net Operating Income	\$1,139,875	\$819,129	\$649,661
Residual Land Value	\$815,176	(\$3,272,098)	(\$5,314,476)
<i>RLV per Unit</i>	\$12,737	(\$51,127)	(\$83,039)
<i>RLV per Site SF</i>	\$41	(\$164)	(\$266)
80% MFI Units			
Number of Units	64	64	64
<i>Market Rate</i>	51	51	51
<i>Affordable</i>	13	13	13
Total Development Cost	\$19,672,871	\$18,036,029	\$17,053,923
<i>TDC/Unit</i>	\$307,389	\$281,813	\$266,468
Net Operating Income	\$1,121,385	\$834,227	\$680,529
Residual Land Value	\$502,143	(\$3,021,518)	(\$4,801,700)
<i>RLV per Unit</i>	\$7,846	(\$47,211)	(\$75,027)
<i>RLV per Site SF</i>	\$25	(\$151)	(\$240)
In-Lieu Fee Payment			
Number of Units	64	64	64
<i>Market Rate</i>	64	64	64
<i>Affordable</i>	0	0	0
Total Development Cost	\$20,822,641	\$19,185,799	\$18,203,694
<i>TDC/Unit</i>	\$325,354	\$299,778	\$284,433
Net Operating Income	\$1,208,655	\$849,328	\$660,139
Residual Land Value	\$569,482	(\$4,153,442)	(\$6,519,814)
<i>RLV per Unit</i>	\$8,898	(\$64,898)	(\$101,872)
<i>RLV per Site SF</i>	\$28	(\$208)	(\$326)

Sources: BAE, 2023.

Prototype Non CC-3:

Due to the higher cost of constructing a typical five-story development in Portland, the Non CC-3 prototype is infeasible under current market conditions. As seen in Table 15, the cost to deliver this prototype ranges from \$316,000 to \$410,000 per unit. With the more limited City incentives, the five-story development with tuck-under parking suffers from the reduced property tax exemption. While none of the financial models render the project feasible, the in-lieu fee option does yield a slightly higher residual land value than the 80 percent MFI option. This is likely due to the imbalance between the inclusionary housing program impact on project value and the City incentives outside the Central City. For example, in the Central City prototypes, paying the in-lieu fee dramatically decreases the prototypes residual land value, as the developer is giving up significant financial incentives from the City. Outside the Central City, however, those incentives are much lower and therefore do not as strongly incentivize the development of units on-site.

Prototype Non CC-4:

The feasibility of the seven-story prototype outside of the Central City is challenging under current market conditions, primarily driven by the high cost of development associated with the podium and type-III construction. As seen in Table 16, the cost to deliver prototype Non CC-4 range from roughly \$310,000 to \$393,000 per unit. Based on the project net operating income of between \$2.5 and \$2.7 million, in high-rent markets, the project is unable to meet the specified developer return requirements and also purchase land, rendering this prototype infeasible under current market conditions. As the rents fall in medium- and low-rent scenarios, the development feasibility worsens, reaching even lower residual land values.

Prototype Non CC-5:

Similar to the type-I construction prototypes in the Central City, the 13-story prototype Non CC-5 is infeasible due to the high cost of type-I construction. As seen below in Table 17, the project is estimated to cost between \$100 and \$130 million, or \$340,000 to \$430,000 per unit excluding land. With current market rents outside the Central City, the net operating income generated by this prototype is insufficient to meet developer and investor return requirements, rendering the project infeasible. For reference, as shown below, even in a high-rent market, the project requires almost \$100,000 in improved value per unit in order to be feasible.

Table 15: Financial Feasibility Summary, Prototype Non CC-3

Prototype Name Number of Stories	Non CC-3 5-Stories		
	High	Medium	Low
Cost/Revenue Assumption			
60% MFI Units			
Number of Units	78	78	78
<i>Market Rate</i>	70	70	70
<i>Affordable</i>	8	8	8
Total Development Cost	\$30,587,291	\$27,819,479	\$24,656,266
<i>TDC/Unit</i>	\$392,145	\$356,660	\$316,106
Net Operating Income	\$1,373,364	\$989,334	\$786,580
Residual Land Value	(\$5,917,662)	(\$10,001,345)	(\$10,457,007)
<i>RLV per Unit</i>	(\$75,867)	(\$128,222)	(\$134,064)
<i>RLV per Site SF</i>	(\$296)	(\$500)	(\$523)
80% MFI Units			
Number of Units	78	78	78
<i>Market Rate</i>	62	62	62
<i>Affordable</i>	16	16	16
Total Development Cost	\$30,587,291	\$27,819,479	\$24,656,266
<i>TDC/Unit</i>	\$392,145	\$356,660	\$316,106
Net Operating Income	\$1,344,087	\$1,003,960	\$823,080
Residual Land Value	(\$6,382,251)	(\$9,730,738)	(\$9,823,261)
<i>RLV per Unit</i>	(\$81,824)	(\$124,753)	(\$125,939)
<i>RLV per Site SF</i>	(\$319)	(\$487)	(\$491)
In-Lieu Fee Payment			
Number of Units	78	78	78
<i>Market Rate</i>	78	78	78
<i>Affordable</i>	0	0	0
Total Development Cost	\$31,993,581	\$29,225,769	\$26,062,555
<i>TDC/Unit</i>	\$410,174	\$374,689	\$334,135
Net Operating Income	\$1,451,010	\$1,023,076	\$798,449
Residual Land Value	(\$6,311,993)	(\$11,118,231)	(\$11,930,707)
<i>RLV per Unit</i>	(\$80,923)	(\$142,541)	(\$152,958)
<i>RLV per Site SF</i>	(\$316)	(\$556)	(\$597)

Sources: BAE, 2023.

Table 16: Financial Feasibility Summary, Prototype Non CC-4

Prototype Name Number of Stories	Non CC-4 7-Stories		
	High	Medium	Low
Cost/Revenue Assumption			
60% MFI Units			
Number of Units	143	143	143
<i>Market Rate</i>	128	128	128
<i>Affordable</i>	15	15	15
Total Development Cost	\$53,827,602	\$49,282,150	\$44,087,349
<i>TDC/Unit</i>	\$376,417	\$344,630	\$308,303
Net Operating Income	\$2,525,501	\$1,822,566	\$1,455,788
Residual Land Value	(\$8,452,738)	(\$16,452,447)	(\$17,806,075)
<i>RLV per Unit</i>	(\$59,110)	(\$115,052)	(\$124,518)
<i>RLV per Site SF</i>	(\$423)	(\$823)	(\$890)
80% MFI Units			
Number of Units	143	143	143
<i>Market Rate</i>	114	114	114
<i>Affordable</i>	29	29	29
Total Development Cost	\$53,827,602	\$49,282,150	\$44,087,349
<i>TDC/Unit</i>	\$376,417	\$344,630	\$308,303
Net Operating Income	\$2,476,323	\$1,851,734	\$1,524,038
Residual Land Value	(\$9,225,870)	(\$15,913,722)	(\$16,617,682)
<i>RLV per Unit</i>	(\$64,517)	(\$111,285)	(\$116,208)
<i>RLV per Site SF</i>	(\$461)	(\$796)	(\$831)
In-Lieu Fee Payment			
Number of Units	143	143	143
<i>Market Rate</i>	143	143	143
<i>Affordable</i>	0	0	0
Total Development Cost	\$56,226,910	\$51,681,459	\$46,486,657
<i>TDC/Unit</i>	\$393,195	\$361,409	\$325,082
Net Operating Income	\$2,668,901	\$1,885,092	\$1,477,589
Residual Land Value	(\$8,989,730)	(\$18,316,993)	(\$20,334,638)
<i>RLV per Unit</i>	(\$62,865)	(\$128,091)	(\$142,200)
<i>RLV per Site SF</i>	(\$449)	(\$916)	(\$1,017)

Sources: BAE, 2023.

Table 17: Financial Feasibility Summary, Prototype Non CC-5

Prototype Name Number of Stories	Non CC-5 13-Stories		
	High	Medium	Low
Cost/Revenue Assumption			
60% MFI Units			
Number of Units	298	298	298
Market Rate	268	268	268
Affordable	30	30	30
Total Development Cost	\$122,857,474	\$112,651,598	\$101,169,987
TDC/Unit	\$412,273	\$378,025	\$339,497
Net Operating Income	\$5,317,748	\$3,804,339	\$3,039,233
Residual Land Value	(\$27,352,014)	(\$44,156,181)	(\$46,335,421)
RLV per Unit	(\$91,785)	(\$148,175)	(\$155,488)
RLV per Site SF	(\$1,368)	(\$2,208)	(\$2,317)
80% MFI Units			
Number of Units	298	298	298
Market Rate	238	238	238
Affordable	60	60	60
Total Development Cost	\$122,857,474	\$112,651,598	\$101,169,987
TDC/Unit	\$412,273	\$378,025	\$339,497
Net Operating Income	\$5,208,171	\$3,864,084	\$3,184,604
Residual Land Value	(\$28,972,204)	(\$42,955,544)	(\$43,714,147)
RLV per Unit	(\$97,222)	(\$144,146)	(\$146,692)
RLV per Site SF	(\$1,449)	(\$2,148)	(\$2,186)
In-Lieu Fee Payment			
Number of Units	298	298	298
Market Rate	298	298	298
Affordable	0	0	0
Total Development Cost	\$127,830,677	\$117,624,800	\$106,143,190
TDC/Unit	\$428,962	\$394,714	\$356,185
Net Operating Income	\$5,618,935	\$3,936,203	\$3,085,471
Residual Land Value	(\$28,380,502)	(\$47,957,489)	(\$51,533,090)
RLV per Unit	(\$95,237)	(\$160,931)	(\$172,930)
RLV per Site SF	(\$1,419)	(\$2,398)	(\$2,577)

Sources: BAE, 2023.

Financial Feasibility Conclusions

Based on the above analysis, multifamily development feasibility in Portland is challenging under current market conditions. As noted previously, the cost of delivering housing in Portland has increased significantly over the past several years, dramatically outpacing the growth of local incomes and average rents. Similarly, over the past two years, interest rates have increased, leading to higher return requirements for developers and investors. Based on these financial models, supported through interviews with local developers and conversations with working group members, the increases in development costs and worsening market conditions have rendered a large majority of multifamily developments infeasible until costs decrease, rents increase, interest rates decrease, or investor return requirements decrease. From this modeling, however, it is evident that the low-density prototypes that use wood-frame construction have the highest residual land value and therefore are the most likely to be feasible under current conditions. This is driven by the reduced complexity associated with this type of construction and related cost efficiencies.

In regard to the relative feasibility of the inclusionary housing policy options, the 60 percent MFI option currently provides the largest benefit to developers, at least in high- and medium-rent markets inside and outside the Central City. This is partly due to the SDC exemptions given to units affordable at 60 MFI, but also the overall lower number of required affordable units. As currently formed, the in-lieu fee option is not attractive to the development community, as the developer would be required to pay a large fee, while also giving up all of the City incentives, including the ten-year property tax exemption. Given that the prior section found that the impact of inclusionary housing on project value is offset by City incentives in the Central City, the loss of City incentives through payment of the in-lieu fee clearly worsens the overall project economics for projects in the Central City. Outside of the Central City, developers may pay the in-lieu fee, should the specific financials indicate an improved feasibility result. This may occur because the incentives for developments outside the Central City are not as significant and therefore the in-lieu fee payment does not result in a significant loss of City incentives.

While development feasibility is challenging in current conditions, the previous two sections together suggest that the inclusionary housing program is not a significant factor in the current development environment's feasibility challenges, especially in the Central City. Should the City seek to improve the feasibility of housing production during these challenging market conditions in the near term, the City could consider policies to reduce the time and cost associated with building in Portland, as well as potentially supporting innovative construction typologies and financing tools to support housing production. However, because incentives are currently fairly well calibrated to the impacts of inclusionary requirements on development feasibility, revisions to the inclusionary housing program affordable unit percentages would only result in over-subsidizing development in return for less affordable housing.

INCLUSIONARY HOUSING CALIBRATION RECOMMENDATIONS

Based on this analysis, the City could consider a number of adjustments to the Inclusionary Housing Program in order to appropriately “calibrate” the City’s incentives with the program impact on project value. These include:

Maintain SDC Waivers and Construction Excise Tax Exemption. While relatively small in comparison to the property tax exemption program, exempting projects from paying SDCs and the affordable housing construction excise tax on the affordable units provides one tool to offset the impact of delivering affordable housing within market-rate developments. Currently, the SDC exemption prioritizes the delivery of affordable units at 60 percent MFI, however, should the City seek to support other income levels (i.e., 80 percent MFI), extending the SDC exemptions to other incomes could influence the delivery of units at those affordability levels. If the City’s goal is still to prioritize the delivery of 60 percent MFI units, the current SDC program should remain with developments that deliver units affordable at or below 60 percent of MFI.

Maintain Existing Property Tax Abatement Program in Central City. As summarized in this analysis, the full building ten-year property tax exemption program in the Central City provides a significant subsidy to the developer. This subsidy incentivizes the delivery of affordable housing within new market-rate developments by fully or partially offsetting the impact of reduced rent on project value. This policy has been accepted and implemented by the development community and should not be removed if the City wishes to continue incentivizing delivery of affordable housing in market rate buildings.

Consider Extending Property Tax Abatement Program to Markets Outside of the Central City. To better balance the impact of inclusionary housing on project value and the offering of City incentives, the City should consider extending the property tax exemption program beyond the Central City boundary. If the goal is to fully offset the impact of inclusionary housing on project value and feasibility, the property tax exemption must extend to “high rent” and “medium rent” submarkets outside of the Central City. By extending the property tax exemption to a larger geographic area, developments in strong markets outside of the Central City will receive the same balancing between City incentives and the impact on project value from the program.

APPENDIX A: DETAILED FINANCIAL FEASIBILITY MODELS

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City of Portland Development Pro Forma, Prototype CC-1, 60% AMI IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	CC-1
Development Cost	High
Revenue	High
IH Option	60%
Location	Central City
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		112
<i>Affordable (% - count)</i>	11%	12
<i>Market Rate (% - count)</i>	89%	100
Leasable Residential sq. ft.		63,750
Leasable Retail sq. ft.		4,000
<i>Circulation & Communal Space</i>	20%	
Total Project sq.ft		84,688
Total Parking Spaces		56
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		Underground
Number of Stories		4-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR		
Studio	450	5	0	40		45
1-BR	600	6	0	50		56
2-BR	900	1	0	10		11
3-BR	1,000	0	0	0		0
All Units		12	0	100		112

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	12	11%	100	89%	112
<i>Avg. Affordability (% AMI)</i>		60%			n.a.
Leasable Sq. Ft.		6,750		57,000	63,750
Total Sq. Ft.		8,543		72,145	80,688
Parking Spaces		6		50	56
<i>Parking Space/du</i>		0.5		0.5	0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$260
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$16,618
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)	
Parking (per space)	\$200
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$22,018,880
Commercial TIs	\$400,000
Parking Cost	\$3,360,000
Soft Costs	\$5,155,776
Service District Charge	\$1,861,239
Affordable Housing In-Lieu	n.a.
Subtotal	\$32,795,895

Construction Financing

Const. Loan Fees	\$344,357
Const. Loan Interest	\$1,342,992

Developer Fee

	\$983,877
--	------------------

Total Development Cost

	\$35,467,121
<i>Per Unit</i>	\$316,671
<i>Per Net SF</i>	\$556
<i>Per Gross SF</i>	\$440

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	3,090,552
Less Vacancy	(\$154,528)
Less Operating Expenses	(\$927,166)
Net Operating Income	\$2,008,859

Development Cost/Subsidy

Total Development Cost	35,467,121
Construction Excise Tax Exemption	(\$32,970)
SDC Waiver	(\$199,419)
10-YR Property Tax Exemption	(\$2,680,169)
Total Cost, Incl. Subsidies	\$32,554,564

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	\$3,000,459
<i>RLV Per Unit</i>	\$26,790
<i>RVL per Site SF</i>	\$150

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-1, 80% AMI IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	CC-1
Development Cost	High
Revenue	High
IH Option	80%
Location	Central City
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		112
<i>Affordable</i> (% - count)	21%	23
<i>Market Rate</i> (% - count)	79%	89
Leasable Residential sq. ft.		63,750
Leasable Retail sq. ft.		4,000
<i>Circulation & Communal Space</i>	20%	
Total Project sq.ft		84,688
Total Parking Spaces		56
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		Underground
Number of Stories		4-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	9	36	45
1-BR	600	0	12	44	56
2-BR	900	0	2	9	11
3-BR	1,000	0	0	0	0
All Units		0	23	89	112

Summary	Affordable	Market-Rate	Total
Number of Units (# - %)	23 21%	89 79%	112
<i>Avg. Affordability</i> (% AMI)	80%		n.a.
Leasable Sq. Ft.	13,050	50,700	63,750
Total Sq. Ft.	16,517	64,171	80,688
Parking Spaces	12	45	56
<i>Parking Space/du</i>	0.5	0.5	0.5

Cost Assumptions

Construction

Hard Cost per gross res/com sf	\$260
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$16,618
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)

Parking (per space)	\$200
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$22,018,880
Commercial TIs	\$400,000
Parking Cost	\$3,360,000
Soft Costs	\$5,155,776
Service District Charge	\$1,861,239
Affordable Housing In-Lieu	n.a.
Subtotal	\$32,795,895

Construction Financing

Const. Loan Fees	\$344,357
Const. Loan Interest	\$1,342,992

Developer Fee

	\$983,877
--	------------------

Total Development Cost

	\$35,467,121
<i>Per Unit</i>	\$316,671
<i>Per Net SF</i>	\$556
<i>Per Gross SF</i>	\$440

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	3,034,104
Less Vacancy	(\$151,705)
Less Operating Expenses	(\$910,231)
Net Operating Income	\$1,972,168

Development Cost/Subsidy

Total Development Cost	35,467,121
Construction Excise Tax Exemption	(\$63,636)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$2,614,152)
Total Cost, Incl. Subsidies	\$32,789,333

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	\$2,116,289
<i>RLV Per Unit</i>	\$18,895
<i>RVL per Site SF</i>	\$106

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-1, In-Lieu Fee IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	CC-1
Development Cost	High
Revenue	High
IH Option	In-Lieu Fee
Location	Central City
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		112
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	112
Leasable Residential sq. ft.		63,750
Leasable Retail sq. ft.		4,000
Circulation & Communal Space	20%	
Total Project sq.ft		84,688
Total Parking Spaces		56
Parking spaces per du		0.50
Parking Space Type		Underground
Number of Stories		4-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	45	45
1-BR	600	0	0	56	56
2-BR	900	0	0	11	11
3-BR	1,000	0	0	0	0
All Units		0	0	112	112

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	0	0%	112	100%	112
Avg. Affordability (% AMI)		n.a.			n.a.
Leasable Sq. Ft.		0	63,750		63,750
Total Sq. Ft.		0	80,688		80,688
Parking Spaces		0	56		56
Parking Space/du		n.a.	0.5		0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$260
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$16,618
Affordable Housing In-lieu fee per gsf	\$27
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)

Parking (per space)	\$200
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$2.50

Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$22,018,880
Commercial TIs	\$400,000
Parking Cost	\$3,360,000
Soft Costs	\$5,155,776
Service District Charge	\$1,861,239
Affordable Housing In-Lieu	\$2,178,576
Subtotal	\$34,974,471

Construction Financing

Const. Loan Fees	\$367,232
Const. Loan Interest	\$1,432,205
Developer Fee	\$1,049,234

Total Development Cost

Total Development Cost	\$37,823,142
Per Unit	\$337,707
Per Net SF	\$593
Per Gross SF	\$469

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	3,268,470
Less Vacancy	(\$163,424)
Less Operating Expenses	(\$980,541)
Net Operating Income	\$2,124,506

Development Cost/Subsidy

Total Development Cost	37,823,142
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$37,823,142

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$221,275
RLV Per Unit	-\$1,976
RVL per Site SF	-\$11

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-1, 60% AMI IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	CC-1
Development Cost	Medium
Revenue	Medium
IH Option	60%
Location	Central City
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		112
<i>Affordable (% - count)</i>	11%	12
<i>Market Rate (% - count)</i>	89%	100
Leasable Residential sq. ft.		63,750
Leasable Retail sq. ft.		4,000
<i>Circulation & Communal Space</i>	20%	
Total Project sq.ft		84,688
Total Parking Spaces		56
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		Underground
Number of Stories		4-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR	All	
Studio	450	5	0	40	45	
1-BR	600	6	0	50	56	
2-BR	900	1	0	10	11	
3-BR	1,000	0	0	0	0	
All Units		12	0	100	112	

Summary	Affordable	Market-Rate	Total
Number of Units (# - %)	12 11%	100 89%	112
<i>Avg. Affordability (% AMI)</i>	60%		n.a.
Leasable Sq. Ft.	6,750	57,000	63,750
Total Sq. Ft.	8,543	72,145	80,688
Parking Spaces	6	50	56
<i>Parking Space/du</i>	0.5	0.5	0.5

Cost Assumptions

Construction

Hard Cost per gross res/com sf	\$235
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$16,618
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,575
1-BR	\$1,096	\$1,496	\$1,950
2-BR	\$1,310	\$1,790	\$2,700
3-BR	\$1,508	\$2,062	\$3,000

Other Residential Income (Per Month)

Parking (per space)	\$150
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.00
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Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$19,901,680
Commercial TIs	\$400,000
Parking Cost	\$3,360,000
Soft Costs	\$4,732,336
Service District Charge	\$1,861,239
Affordable Housing In-Lieu	n.a.
Subtotal	\$30,255,255

Construction Financing

Const. Loan Fees	\$317,680
Const. Loan Interest	\$1,238,953

Developer Fee

	\$907,658
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Total Development Cost

	\$32,719,546
<i>Per Unit</i>	\$292,139
<i>Per Net SF</i>	\$513
<i>Per Gross SF</i>	\$406

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	2,689,152
Less Vacancy	(\$134,458)
Less Operating Expenses	(\$806,746)
Net Operating Income	\$1,747,949

Development Cost/Subsidy

Total Development Cost	32,719,546
Construction Excise Tax Exemption	(\$30,407)
SDC Waiver	(\$199,419)
10-YR Property Tax Exemption	(\$2,332,069)
Total Cost, Incl. Subsidies	\$30,157,652

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	\$779,495
<i>RLV Per Unit</i>	\$6,960
<i>RVL per Site SF</i>	\$39

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-1, 80% AMI IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	CC-1
Development Cost	Medium
Revenue	Medium
IH Option	80%
Location	Central City
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		112
<i>Affordable (% - count)</i>	21%	23
<i>Market Rate (% - count)</i>	79%	89
Leasable Residential sq. ft.		63,750
Leasable Retail sq. ft.		4,000
<i>Circulation & Communal Space</i>	20%	
Total Project sq.ft		84,688
Total Parking Spaces		56
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		Underground
Number of Stories		4-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	9	36	45
1-BR	600	0	12	44	56
2-BR	900	0	2	9	11
3-BR	1,000	0	0	0	0
All Units		0	23	89	112

Summary	Affordable	Market-Rate	Total
Number of Units (# - %)	23 21%	89 79%	112
<i>Avg. Affordability (% AMI)</i>	80%		n.a.
Leasable Sq. Ft.	13,050	50,700	63,750
Total Sq. Ft.	16,517	64,171	80,688
Parking Spaces	12	45	56
<i>Parking Space/du</i>	0.5	0.5	0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$235
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$16,618
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,575
1-BR	\$1,096	\$1,496	\$1,950
2-BR	\$1,310	\$1,790	\$2,700
3-BR	\$1,508	\$2,062	\$3,000

Other Residential Income (Per Month)	
Parking (per space)	\$150
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.00
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Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$19,901,680
Commercial TIs	\$400,000
Parking Cost	\$3,360,000
Soft Costs	\$4,732,336
Service District Charge	\$1,861,239
Affordable Housing In-Lieu	n.a.
Subtotal	\$30,255,255

Construction Financing

Const. Loan Fees	\$317,680
Const. Loan Interest	\$1,238,953

Developer Fee

	\$907,658
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Total Development Cost

	\$32,719,546
<i>Per Unit</i>	\$292,139
<i>Per Net SF</i>	\$513
<i>Per Gross SF</i>	\$406

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	2,674,344
Less Vacancy	(\$133,717)
Less Operating Expenses	(\$802,303)
Net Operating Income	\$1,738,324

Development Cost/Subsidy

Total Development Cost	32,719,546
Construction Excise Tax Exemption	(\$58,681)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$2,304,187)
Total Cost, Incl. Subsidies	\$30,356,678

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	\$410,111
<i>RLV Per Unit</i>	\$3,662
<i>RVL per Site SF</i>	\$21

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-1, In-Lieu Fee IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	CC-1
Development Cost	Medium
Revenue	Medium
IH Option	In-Lieu Fee
Location	Central City
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		112
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	112
Leasable Residential sq. ft.		63,750
Leasable Retail sq. ft.		4,000
Circulation & Communal Space	20%	
Total Project sq.ft		84,688
Total Parking Spaces		56
Parking spaces per du		0.50
Parking Space Type		Underground
Number of Stories		4-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	45	45
1-BR	600	0	0	56	56
2-BR	900	0	0	11	11
3-BR	1,000	0	0	0	0
All Units		0	0	112	112

Summary	Affordable	Market-Rate	Total
Number of Units (# - %)	0 0%	112 100%	112
Avg. Affordability (% AMI)	n.a.		n.a.
Leasable Sq. Ft.	0	63,750	63,750
Total Sq. Ft.	0	80,688	80,688
Parking Spaces	0	56	56
Parking Space/du	n.a.	0.5	0.5

Cost Assumptions

Construction

Hard Cost per gross res/com sf	\$235
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$16,618
Affordable Housing In-lieu fee per gsf	\$27
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,575
1-BR	\$1,096	\$1,496	\$1,950
2-BR	\$1,310	\$1,790	\$2,700
3-BR	\$1,508	\$2,062	\$3,000

Other Residential Income (Per Month)

Parking (per space)	\$150
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.00
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Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$19,901,680
Commercial TIs	\$400,000
Parking Cost	\$3,360,000
Soft Costs	\$4,732,336
Service District Charge	\$1,861,239
Affordable Housing In-Lieu	\$2,178,576
Subtotal	\$32,433,831

Construction Financing

Const. Loan Fees	\$340,555
Const. Loan Interest	\$1,328,165

Developer Fee

	\$973,015
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Total Development Cost

	\$35,075,567
Per Unit	\$313,175
Per Net SF	\$550
Per Gross SF	\$435

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	2,821,620
Less Vacancy	(\$141,081)
Less Operating Expenses	(\$846,486)
Net Operating Income	\$1,834,053

Development Cost/Subsidy

Total Development Cost	35,075,567
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$35,075,567

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$2,614,452
RLV Per Unit	-\$23,343
RVL per Site SF	-\$131

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-1, 60% AMI IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	CC-1
Development Cost	Low
Revenue	Low
IH Option	60%
Location	Central City
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		112
<i>Affordable (% - count)</i>	11%	12
<i>Market Rate (% - count)</i>	89%	100
Leasable Residential sq. ft.		63,750
Leasable Retail sq. ft.		4,000
<i>Circulation & Communal Space</i>	20%	
Total Project sq.ft		84,688
Total Parking Spaces		56
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		Underground
Number of Stories		4-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR		
Studio	450	5	0	40	45	
1-BR	600	6	0	50	56	
2-BR	900	1	0	10	11	
3-BR	1,000	0	0	0	0	
All Units		12	0	100	112	

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	12	11%	100	89%	112
<i>Avg. Affordability (% AMI)</i>		60%			n.a.
Leasable Sq. Ft.		6,750		57,000	63,750
Total Sq. Ft.		8,543		72,145	80,688
Parking Spaces		6		50	56
<i>Parking Space/du</i>		0.5		0.5	0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$220
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$16,618
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,800
2-BR	\$1,310	\$1,790	\$2,475
3-BR	\$1,508	\$2,062	\$2,750

Other Residential Income (Per Month)	
Parking (per space)	\$100
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$1.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$18,631,360
Commercial TIs	\$400,000
Parking Cost	\$3,360,000
Soft Costs	\$4,478,272
Service District Charge	\$1,861,239
Affordable Housing In-Lieu	n.a.
Subtotal	\$28,730,871

Construction Financing

Const. Loan Fees	\$301,674
Const. Loan Interest	\$1,176,529

Developer Fee

	\$861,926
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Total Development Cost

	\$31,071,001
<i>Per Unit</i>	\$277,420
<i>Per Net SF</i>	\$487
<i>Per Gross SF</i>	\$385

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	2,464,152
Less Vacancy	(\$123,208)
Less Operating Expenses	(\$739,246)
Net Operating Income	\$1,601,699

Development Cost/Subsidy

Total Development Cost	31,071,001
Construction Excise Tax Exemption	(\$28,869)
SDC Waiver	(\$199,419)
10-YR Property Tax Exemption	(\$2,136,946)
Total Cost, Incl. Subsidies	\$28,705,767

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$357,116
<i>RLV Per Unit</i>	-\$3,189
<i>RVL per Site SF</i>	-\$18

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-1, 80% AMI IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	CC-1
Development Cost	Low
Revenue	Low
IH Option	80%
Location	Central City
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		112
<i>Affordable</i> (% - count)	21%	23
<i>Market Rate</i> (% - count)	79%	89
Leasable Residential sq. ft.		63,750
Leasable Retail sq. ft.		4,000
<i>Circulation & Communal Space</i>	20%	
Total Project sq.ft		84,688
Total Parking Spaces		56
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		Underground
Number of Stories		4-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR		
Studio	450	0	9	36		45
1-BR	600	0	12	44		56
2-BR	900	0	2	9		11
3-BR	1,000	0	0	0		0
All Units		0	23	89		112

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	23	21%	89	79%	112
<i>Avg. Affordability</i> (% AMI)		80%			n.a.
Leasable Sq. Ft.	13,050		50,700		63,750
Total Sq. Ft.	16,517		64,171		80,688
Parking Spaces	12		45		56
<i>Parking Space/du</i>		0.5		0.5	0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$220
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$16,618
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,800
2-BR	\$1,310	\$1,790	\$2,475
3-BR	\$1,508	\$2,062	\$2,750

Other Residential Income (Per Month)

Parking (per space)	\$100
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$1.50

Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$18,631,360
Commercial TIs	\$400,000
Parking Cost	\$3,360,000
Soft Costs	\$4,478,272
Service District Charge	\$1,861,239
Affordable Housing In-Lieu	n.a.
Subtotal	\$28,730,871

Construction Financing

Const. Loan Fees	\$301,674
Const. Loan Interest	\$1,176,529
Developer Fee	\$861,926

Total Development Cost

Total Development Cost	\$31,071,001
<i>Per Unit</i>	\$277,420
<i>Per Net SF</i>	\$487
<i>Per Gross SF</i>	\$385

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	2,471,544
Less Vacancy	(\$123,577)
Less Operating Expenses	(\$741,463)
Net Operating Income	\$1,606,504

Development Cost/Subsidy

Total Development Cost	31,071,001
Construction Excise Tax Exemption	(\$55,708)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$2,129,456)
Total Cost, Incl. Subsidies	\$28,885,837

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$452,145
<i>RLV Per Unit</i>	-\$4,037
<i>RVL per Site SF</i>	-\$23

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-1, In-Lieu Fee IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	CC-1
Development Cost	Low
Revenue	Low
IH Option	In-Lieu Fee
Location	Central City
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		112
<i>Affordable (% - count)</i>	0%	0
<i>Market Rate (% - count)</i>	100%	112
Leasable Residential sq. ft.		63,750
Leasable Retail sq. ft.		4,000
<i>Circulation & Communal Space</i>	20%	
Total Project sq.ft		84,688
Total Parking Spaces		56
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		Underground
Number of Stories		4-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	45	45
1-BR	600	0	0	56	56
2-BR	900	0	0	11	11
3-BR	1,000	0	0	0	0
All Units		0	0	112	112

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	0	0%	112	100%	112
<i>Avg. Affordability (% AMI)</i>		n.a.			n.a.
Leasable Sq. Ft.		0	63,750		63,750
Total Sq. Ft.		0	80,688		80,688
Parking Spaces		0	56		56
<i>Parking Space/du</i>		n.a.	0.5		0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$220
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$16,618
Affordable Housing In-lieu fee per gsf	\$27
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,800
2-BR	\$1,310	\$1,790	\$2,475
3-BR	\$1,508	\$2,062	\$2,750

Other Residential Income (Per Month)

Parking (per space)	\$100
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$1.50

Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$18,631,360
Commercial TIs	\$400,000
Parking Cost	\$3,360,000
Soft Costs	\$4,478,272
Service District Charge	\$1,861,239
Affordable Housing In-Lieu	\$2,178,576
Subtotal	\$30,909,447

Construction Financing

Const. Loan Fees	\$324,549
Const. Loan Interest	\$1,265,742
Developer Fee	\$927,283

Total Development Cost

Total Development Cost	\$33,427,022
<i>Per Unit</i>	\$298,456
<i>Per Net SF</i>	\$524
<i>Per Gross SF</i>	\$414

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	2,572,770
Less Vacancy	(\$128,639)
Less Operating Expenses	(\$771,831)
Net Operating Income	\$1,672,301

Development Cost/Subsidy

Total Development Cost	33,427,022
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$33,427,022

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$3,828,783
<i>RLV Per Unit</i>	-\$34,186
<i>RVL per Site SF</i>	-\$191

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-2, 60% AMI IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	CC-2
Development Cost	High
Revenue	High
IH Option	60%
Location	Central City
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		143
<i>Affordable</i> (% - count)	10%	15
<i>Market Rate</i> (% - count)	90%	128
Leasable Residential sq. ft.		81,450
Leasable Retail sq. ft.		3,613
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		100,074
Total Parking Spaces		72
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		Underground
Number of Stories		6-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	6	0	51	57
1-BR	600	8	0	64	72
2-BR	900	1	0	13	14
3-BR	1,000	0	0	0	0
All Units		15	0	128	143

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	15	10%	128	90%	143
<i>Avg. Affordability</i> (% AMI)		60%			n.a.
Leasable Sq. Ft.		8,400		73,050	81,450
Total Sq. Ft.		9,948		86,513	96,461
Parking Spaces		8		64	72
<i>Parking Space/du</i>		0.503		0.5035	0.503497

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$350
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$16,641
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)	
Parking (per space)	\$200
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$35,025,900
Commercial TIs	\$361,300
Parking Cost	\$4,320,000
Soft Costs	\$7,941,440
Service District Charge	\$2,379,731
Affordable Housing In-Lieu	n.a.
Subtotal	\$50,028,371

Construction Financing

Const. Loan Fees	\$525,298
Const. Loan Interest	\$2,048,662

Developer Fee

	\$1,500,851
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Total Development Cost

	\$54,103,182
<i>Per Unit</i>	\$378,344
<i>Per Net SF</i>	\$664
<i>Per Gross SF</i>	\$561

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	3,909,114
Less Vacancy	(\$195,456)
Less Operating Expenses	(\$1,172,734)
Net Operating Income	\$2,540,924

Development Cost/Subsidy

Total Development Cost	54,103,182
Construction Excise Tax Exemption	(\$49,716)
SDC Waiver	(\$249,622)
10-YR Property Tax Exemption	(\$3,434,559)
Total Cost, Incl. Subsidies	\$50,369,285

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$5,397,176
<i>RLV Per Unit</i>	-\$37,742
<i>RVL per Site SF</i>	-\$270

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-2, 80% AMI IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	CC-2
Development Cost	High
Revenue	High
IH Option	80%
Location	Central City
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		143
<i>Affordable (% - count)</i>	20%	29
<i>Market Rate (% - count)</i>	80%	114
Leasable Residential sq. ft.		81,450
Leasable Retail sq. ft.		3,613
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		100,074
Total Parking Spaces		72
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		Underground
Number of Stories		6-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	11	46	57
1-BR	600	0	15	57	72
2-BR	900	0	3	11	14
3-BR	1,000	0	0	0	0
All Units		0	29	114	143

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	29	20%	114	80%	143
<i>Avg. Affordability (% AMI)</i>		80%			n.a.
Leasable Sq. Ft.	16,650		64,800		81,450
Total Sq. Ft.	19,719		76,742		96,461
Parking Spaces	15		57		72
<i>Parking Space/du</i>	0.503		0.5035		0.503497

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$350
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$16,641
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)	
Parking (per space)	\$200
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$35,025,900
Commercial TIs	\$361,300
Parking Cost	\$4,320,000
Soft Costs	\$7,941,440
Service District Charge	\$2,379,731
Affordable Housing In-Lieu	n.a.
Subtotal	\$50,028,371

Construction Financing

Const. Loan Fees	\$525,298
Const. Loan Interest	\$2,048,662

Developer Fee

	\$1,500,851
--	--------------------

Total Development Cost

	\$54,103,182
<i>Per Unit</i>	\$378,344
<i>Per Net SF</i>	\$664
<i>Per Gross SF</i>	\$561

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	3,832,047
Less Vacancy	(\$191,602)
Less Operating Expenses	(\$1,149,614)
Net Operating Income	\$2,490,830

Development Cost/Subsidy

Total Development Cost	54,103,182
Construction Excise Tax Exemption	(\$98,157)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$3,349,751)
Total Cost, Incl. Subsidies	\$50,655,274

Market Cap Rate

Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

RLV Per Unit	-\$6,569,782
RLV per Site SF	-\$45,943
	-\$328

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-2, In-Lieu Fee IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	CC-2
Development Cost	High
Revenue	High
IH Option	In-Lieu Fee
Location	Central City
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		143
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	143
Leasable Residential sq. ft.		81,450
Leasable Retail sq. ft.		3,613
Circulation & Communal Space	15%	
Total Project sq.ft		100,074
Total Parking Spaces		72
Parking spaces per du		0.50
Parking Space Type		Underground
Number of Stories		6-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	57	57
1-BR	600	0	0	72	72
2-BR	900	0	0	14	14
3-BR	1,000	0	0	0	0
All Units		0	0	143	143

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	0	0%	143	100%	143
Avg. Affordability (% AMI)		n.a.			n.a.
Leasable Sq. Ft.		0	81,450		81,450
Total Sq. Ft.		0	96,461		96,461
Parking Spaces		0	72		72
Parking Space/du		n.a.	0.5035		0.503497

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$350
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$16,641
Affordable Housing In-lieu fee per gsf	\$27
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)

Parking (per space)	\$200
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$2.50

Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$35,025,900
Commercial TIs	\$361,300
Parking Cost	\$4,320,000
Soft Costs	\$7,941,440
Service District Charge	\$2,379,731
Affordable Housing In-Lieu	\$2,604,447
Subtotal	\$52,632,818

Construction Financing

Const. Loan Fees	\$552,645
Const. Loan Interest	\$2,155,314
Developer Fee	\$1,578,985

Total Development Cost

Total Development Cost	\$56,919,761
Per Unit	\$398,040
Per Net SF	\$699
Per Gross SF	\$590

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	4,131,240
Less Vacancy	(\$206,562)
Less Operating Expenses	(\$1,239,372)
Net Operating Income	\$2,685,306

Development Cost/Subsidy

Total Development Cost	56,919,761
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$56,919,761

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$9,392,222
RLV Per Unit	-\$65,680
RVL per Site SF	-\$470

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-2, 60% AMI IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	CC-2
Development Cost	Medium
Revenue	Medium
IH Option	60%
Location	Central City
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		143
<i>Affordable (% - count)</i>	10%	15
<i>Market Rate (% - count)</i>	90%	128
Leasable Residential sq. ft.		81,450
Leasable Retail sq. ft.		3,613
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		100,074
Total Parking Spaces		72
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		Underground
Number of Stories		6-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	6	0	51	57
1-BR	600	8	0	64	72
2-BR	900	1	0	13	14
3-BR	1,000	0	0	0	0
All Units		15	0	128	143

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	15	10%	128	90%	143
<i>Avg. Affordability (% AMI)</i>		60%			n.a.
Leasable Sq. Ft.		8,400		73,050	81,450
Total Sq. Ft.		9,948		86,513	96,461
Parking Spaces		8		64	72
<i>Parking Space/du</i>		0.503		0.5035	0.503497

Cost Assumptions

Construction

Hard Cost per gross res/com sf	\$315
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$16,641
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,575
1-BR	\$1,096	\$1,496	\$1,950
2-BR	\$1,310	\$1,790	\$2,700
3-BR	\$1,508	\$2,062	\$3,000

Other Residential Income (Per Month)

Parking (per space)	\$150
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.00
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Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$31,523,310
Commercial TIs	\$361,300
Parking Cost	\$4,320,000
Soft Costs	\$7,240,922
Service District Charge	\$2,379,731
Affordable Housing In-Lieu	n.a.
Subtotal	\$45,825,263

Construction Financing

Const. Loan Fees	\$481,165
Const. Loan Interest	\$1,876,545

Developer Fee

	\$1,374,758
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Total Development Cost

	\$49,557,731
<i>Per Unit</i>	\$346,558
<i>Per Net SF</i>	\$608
<i>Per Gross SF</i>	\$514

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	3,404,258
Less Vacancy	(\$170,213)
Less Operating Expenses	(\$1,021,277)
Net Operating Income	\$2,212,767

Development Cost/Subsidy

Total Development Cost	49,557,731
Construction Excise Tax Exemption	(\$45,538)
SDC Waiver	(\$249,622)
10-YR Property Tax Exemption	(\$2,990,991)
Total Cost, Incl. Subsidies	\$46,271,580

Market Cap Rate

	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

	-\$7,107,555
<i>RLV Per Unit</i>	-\$49,703
<i>RVL per Site SF</i>	-\$355

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-2, 80% AMI IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	CC-2
Development Cost	Medium
Revenue	Medium
IH Option	80%
Location	Central City
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		143
<i>Affordable</i> (% - count)	20%	29
<i>Market Rate</i> (% - count)	80%	114
Leasable Residential sq. ft.		81,450
Leasable Retail sq. ft.		3,613
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		100,074
Total Parking Spaces		72
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		Underground
Number of Stories		6-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	11	46	57
1-BR	600	0	15	57	72
2-BR	900	0	3	11	14
3-BR	1,000	0	0	0	0
All Units		0	29	114	143

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	29	20%	114	80%	143
<i>Avg. Affordability</i> (% AMI)		80%			n.a.
Leasable Sq. Ft.	16,650		64,800		81,450
Total Sq. Ft.	19,719		76,742		96,461
Parking Spaces	15		57		72
<i>Parking Space/du</i>	0.503		0.5035		0.503497

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$315
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$16,641
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,575
1-BR	\$1,096	\$1,496	\$1,950
2-BR	\$1,310	\$1,790	\$2,700
3-BR	\$1,508	\$2,062	\$3,000

Other Residential Income (Per Month)

Parking (per space)	\$150
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$2.00

Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$31,523,310
Commercial TIs	\$361,300
Parking Cost	\$4,320,000
Soft Costs	\$7,240,922
Service District Charge	\$2,379,731
Affordable Housing In-Lieu	n.a.
Subtotal	\$45,825,263

Construction Financing

Const. Loan Fees	\$481,165
Const. Loan Interest	\$1,876,545
Developer Fee	\$1,374,758

Total Development Cost

Total Development Cost	\$49,557,731
<i>Per Unit</i>	\$346,558
<i>Per Net SF</i>	\$608
<i>Per Gross SF</i>	\$514

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	3,379,569
Less Vacancy	(\$168,978)
Less Operating Expenses	(\$1,013,871)
Net Operating Income	\$2,196,720

Development Cost/Subsidy

Total Development Cost	49,557,731
Construction Excise Tax Exemption	(\$89,875)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$2,954,222)
Total Cost, Incl. Subsidies	\$46,513,634

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$7,633,631
<i>RLV Per Unit</i>	-\$53,382
<i>RVL per Site SF</i>	-\$382

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-2, In-Lieu Fee IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	CC-2
Development Cost	Medium
Revenue	Medium
IH Option	In-Lieu Fee
Location	Central City
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		143
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	143
Leasable Residential sq. ft.		81,450
Leasable Retail sq. ft.		3,613
Circulation & Communal Space	15%	
Total Project sq.ft		100,074
Total Parking Spaces		72
Parking spaces per du		0.50
Parking Space Type		Underground
Number of Stories		6-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	57	57
1-BR	600	0	0	72	72
2-BR	900	0	0	14	14
3-BR	1,000	0	0	0	0
All Units		0	0	143	143

Summary	Affordable	Market-Rate	Total
Number of Units (# - %)	0 0%	143 100%	143
Avg. Affordability (% AMI)	n.a.		n.a.
Leasable Sq. Ft.	0	81,450	81,450
Total Sq. Ft.	0	96,461	96,461
Parking Spaces	0	72	72
Parking Space/du	n.a.	0.5035	0.503497

Cost Assumptions

Construction

Hard Cost per gross res/com sf	\$315
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$16,641
Affordable Housing In-lieu fee per gsf	\$27
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,575
1-BR	\$1,096	\$1,496	\$1,950
2-BR	\$1,310	\$1,790	\$2,700
3-BR	\$1,508	\$2,062	\$3,000

Other Residential Income (Per Month)

Parking (per space)	\$150
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.00
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Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$31,523,310
Commercial TIs	\$361,300
Parking Cost	\$4,320,000
Soft Costs	\$7,240,922
Service District Charge	\$2,379,731
Affordable Housing In-Lieu	\$2,604,447
Subtotal	\$48,429,710

Construction Financing

Const. Loan Fees	\$508,512
Const. Loan Interest	\$1,983,197

Developer Fee

	\$1,452,891
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Total Development Cost

	\$52,374,310
Per Unit	\$366,254
Per Net SF	\$643
Per Gross SF	\$543

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	3,569,292
Less Vacancy	(\$178,465)
Less Operating Expenses	(\$1,070,788)
Net Operating Income	\$2,320,040

Development Cost/Subsidy

Total Development Cost	52,374,310
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$52,374,310

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$11,311,659
RLV Per Unit	-\$79,103
RVL per Site SF	-\$566

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-2, 60% AMI IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	CC-2
Development Cost	Low
Revenue	Low
IH Option	60%
Location	Central City
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		143
<i>Affordable (% - count)</i>	10%	15
<i>Market Rate (% - count)</i>	90%	128
Leasable Residential sq. ft.		81,450
Leasable Retail sq. ft.		3,613
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		100,074
Total Parking Spaces		72
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		Underground
Number of Stories		6-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	6	0	51	57
1-BR	600	8	0	64	72
2-BR	900	1	0	13	14
3-BR	1,000	0	0	0	0
All Units		15	0	128	143

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	15	10%	128	90%	143
<i>Avg. Affordability (% AMI)</i>		60%			n.a.
Leasable Sq. Ft.		8,400		73,050	81,450
Total Sq. Ft.		9,948		86,513	96,461
Parking Spaces		8		64	72
<i>Parking Space/du</i>		0.503		0.5035	0.503497

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$275
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$16,641
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,800
2-BR	\$1,310	\$1,790	\$2,475
3-BR	\$1,508	\$2,062	\$2,750

Other Residential Income (Per Month)

Parking (per space)	\$100
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$1.50

Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$27,520,350
Commercial TIs	\$361,300
Parking Cost	\$4,320,000
Soft Costs	\$6,440,330
Service District Charge	\$2,379,731
Affordable Housing In-Lieu	n.a.
Subtotal	\$41,021,711

Construction Financing

Const. Loan Fees	\$430,728
Const. Loan Interest	\$1,679,839
Developer Fee	\$1,230,651

Total Development Cost

Total Development Cost	\$44,362,930
<i>Per Unit</i>	\$310,230
<i>Per Net SF</i>	\$545
<i>Per Gross SF</i>	\$460

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	3,124,761
Less Vacancy	(\$156,238)
Less Operating Expenses	(\$937,428)
Net Operating Income	\$2,031,095

Development Cost/Subsidy

Total Development Cost	44,362,930
Construction Excise Tax Exemption	(\$40,763)
SDC Waiver	(\$249,622)
10-YR Property Tax Exemption	(\$2,745,424)
Total Cost, Incl. Subsidies	\$41,327,121

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$5,378,542
<i>RLV Per Unit</i>	-\$37,612
<i>RVL per Site SF</i>	-\$269

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-2, 80% AMI IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	CC-2
Development Cost	Low
Revenue	Low
IH Option	80%
Location	Central City
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		143
<i>Affordable</i> (% - count)	20%	29
<i>Market Rate</i> (% - count)	80%	114
Leasable Residential sq. ft.		81,450
Leasable Retail sq. ft.		3,613
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		100,074
Total Parking Spaces		72
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		Underground
Number of Stories		6-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	11	46	57
1-BR	600	0	15	57	72
2-BR	900	0	3	11	14
3-BR	1,000	0	0	0	0
All Units		0	29	114	143

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	29	20%	114	80%	143
<i>Avg. Affordability</i> (% AMI)		80%			n.a.
Leasable Sq. Ft.	16,650		64,800		81,450
Total Sq. Ft.	19,719		76,742		96,461
Parking Spaces	15		57		72
<i>Parking Space/du</i>	0.503		0.5035		0.503497

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$275
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$16,641
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,800
2-BR	\$1,310	\$1,790	\$2,475
3-BR	\$1,508	\$2,062	\$2,750

Other Residential Income (Per Month)

Parking (per space)	\$100
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$1.50

Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$27,520,350
Commercial TIs	\$361,300
Parking Cost	\$4,320,000
Soft Costs	\$6,440,330
Service District Charge	\$2,379,731
Affordable Housing In-Lieu	n.a.
Subtotal	\$41,021,711

Construction Financing

Const. Loan Fees	\$430,728
Const. Loan Interest	\$1,679,839
Developer Fee	\$1,230,651

Total Development Cost

Total Development Cost	\$44,362,930
<i>Per Unit</i>	\$310,230
<i>Per Net SF</i>	\$545
<i>Per Gross SF</i>	\$460

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	3,129,052
Less Vacancy	(\$156,453)
Less Operating Expenses	(\$938,716)
Net Operating Income	\$2,033,884

Development Cost/Subsidy

Total Development Cost	44,362,930
Construction Excise Tax Exemption	(\$80,410)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$2,735,234)
Total Cost, Incl. Subsidies	\$41,547,285

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$5,549,338
<i>RLV Per Unit</i>	-\$38,807
<i>RVL per Site SF</i>	-\$277

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-2, In-Lieu Fee IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	CC-2
Development Cost	Low
Revenue	Low
IH Option	In-Lieu Fee
Location	Central City
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		143
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	143
Leasable Residential sq. ft.		81,450
Leasable Retail sq. ft.		3,613
Circulation & Communal Space	15%	
Total Project sq.ft		100,074
Total Parking Spaces		72
Parking spaces per du		0.50
Parking Space Type		Underground
Number of Stories		6-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	57	57
1-BR	600	0	0	72	72
2-BR	900	0	0	14	14
3-BR	1,000	0	0	0	0
All Units		0	0	143	143

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	0	0%	143	100%	143
Avg. Affordability (% AMI)		n.a.			n.a.
Leasable Sq. Ft.		0	81,450		81,450
Total Sq. Ft.		0	96,461		96,461
Parking Spaces		0	72		72
Parking Space/du		n.a.	0.5035		0.503497

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$275
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$16,641
Affordable Housing In-lieu fee per gsf	\$27
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,800
2-BR	\$1,310	\$1,790	\$2,475
3-BR	\$1,508	\$2,062	\$2,750

Other Residential Income (Per Month)

Parking (per space)	\$100
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$1.50

Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$27,520,350
Commercial TIs	\$361,300
Parking Cost	\$4,320,000
Soft Costs	\$6,440,330
Service District Charge	\$2,379,731
Affordable Housing In-Lieu	\$2,604,447
Subtotal	\$43,626,158

Construction Financing

Const. Loan Fees	\$458,075
Const. Loan Interest	\$1,786,491
Developer Fee	\$1,308,785

Total Development Cost

Total Development Cost	\$47,179,509
Per Unit	\$329,927
Per Net SF	\$579
Per Gross SF	\$489

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	3,260,064
Less Vacancy	(\$163,003)
Less Operating Expenses	(\$978,019)
Net Operating Income	\$2,119,042

Development Cost/Subsidy

Total Development Cost	47,179,509
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$47,179,509

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$9,674,348
RLV Per Unit	-\$67,653
RVL per Site SF	-\$484

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-3, 60% AMI IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	CC-3
Development Cost	High
Revenue	High
IH Option	60%
Location	Central City
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		172
<i>Affordable (% - count)</i>	10%	18
<i>Market Rate (% - count)</i>	90%	154
Leasable Residential sq. ft.		97,950
Leasable Retail sq. ft.		3,613
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		120,089
Total Parking Spaces		86
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		Underground
Number of Stories		7-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR		
Studio	450	7	0	62		69
1-BR	600	9	0	77		86
2-BR	900	2	0	15		17
3-BR	1,000	0	0	0		0
All Units		18	0	154		172

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	18	10%	154	90%	172
<i>Avg. Affordability (% AMI)</i>		60%			n.a.
Leasable Sq. Ft.		10,350		87,600	97,950
Total Sq. Ft.		12,308		104,168	116,476
Parking Spaces		9		77	86
<i>Parking Space/du</i>		0.5		0.5	0.5

Cost Assumptions

Construction		
Hard Cost per gross res/com sf		\$350
Commercial Tenant Improvement per sf		\$100
Parking cost per space		\$60,000
Soft Costs (% of hard costs)	20%	
Service District Charge (per unit) (a)		\$16,641
Affordable Housing In-lieu fee per gsf	n.a.	
Developer Fee (% of hard and soft)	3%	

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)

Parking (per space)	\$200
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$2.50

Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$42,031,150
Commercial TIs	\$361,300
Parking Cost	\$5,160,000
Soft Costs	\$9,510,490
Service District Charge	\$2,862,334
Affordable Housing In-Lieu	n.a.
Subtotal	\$59,925,274

Construction Financing

Const. Loan Fees	\$629,215
Const. Loan Interest	\$2,453,940
Developer Fee	\$1,797,758

Total Development Cost \$64,806,188

<i>Per Unit</i>	\$376,780
<i>Per Net SF</i>	\$662
<i>Per Gross SF</i>	\$556

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	4,673,286
Less Vacancy	(\$233,664)
Less Operating Expenses	(\$1,401,986)
Net Operating Income	\$3,037,636

Development Cost/Subsidy

Total Development Cost	64,806,188
Construction Excise Tax Exemption	(\$61,167)
SDC Waiver	(\$299,547)
10-YR Property Tax Exemption	(\$4,134,052)
Total Cost, Incl. Subsidies	\$60,311,422

Market Cap Rate 4.7%

Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value -\$6,547,955

<i>RLV Per Unit</i>	-\$38,070
<i>RVL per Site SF</i>	-\$327

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-3, 80% AMI IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	CC-3
Development Cost	High
Revenue	High
IH Option	80%
Location	Central City
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		172
<i>Affordable</i> (% - count)	20%	35
<i>Market Rate</i> (% - count)	80%	137
Leasable Residential sq. ft.		97,950
Leasable Retail sq. ft.		3,613
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		120,089
Total Parking Spaces		86
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		Underground
Number of Stories		7-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	14	55	69
1-BR	600	0	18	68	86
2-BR	900	0	3	14	17
3-BR	1,000	0	0	0	0
All Units		0	35	137	172

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	35	20%	137	80%	172
<i>Avg. Affordability</i> (% AMI)		80%			n.a.
Leasable Sq. Ft.	19,800		78,150		97,950
Total Sq. Ft.	23,545		92,931		116,476
Parking Spaces	18		69		86
<i>Parking Space/du</i>		0.5		0.5	0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$350
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$16,641
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)

Parking (per space)	\$200
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$2.50

Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$42,031,150
Commercial TIs	\$361,300
Parking Cost	\$5,160,000
Soft Costs	\$9,510,490
Service District Charge	\$2,862,334
Affordable Housing In-Lieu	n.a.
Subtotal	\$59,925,274

Construction Financing

Const. Loan Fees	\$629,215
Const. Loan Interest	\$2,453,940
Developer Fee	\$1,797,758

Total Development Cost \$64,806,188

<i>Per Unit</i>	\$376,780
<i>Per Net SF</i>	\$662
<i>Per Gross SF</i>	\$556

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	4,589,556
Less Vacancy	(\$229,478)
Less Operating Expenses	(\$1,376,867)
Net Operating Income	\$2,983,211

Development Cost/Subsidy

Total Development Cost	64,806,188
Construction Excise Tax Exemption	(\$117,313)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$4,043,593)
Total Cost, Incl. Subsidies	\$60,645,282

Market Cap Rate 4.7%

Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value -\$7,845,080

<i>RLV Per Unit</i>	-\$45,611
<i>RVL per Site SF</i>	-\$392

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-3, In-Lieu Fee IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	CC-3
Development Cost	High
Revenue	High
IH Option	In-Lieu Fee
Location	Central City
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		172
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	172
Leasable Residential sq. ft.		97,950
Leasable Retail sq. ft.		3,613
Circulation & Communal Space	15%	
Total Project sq.ft		120,089
Total Parking Spaces		86
Parking spaces per du		0.50
Parking Space Type		Underground
Number of Stories		7-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR		
Studio	450	0	0	69	69	
1-BR	600	0	0	86	86	
2-BR	900	0	0	17	17	
3-BR	1,000	0	0	0	0	
All Units		0	0	172	172	

Summary	Affordable	Market-Rate	Total
Number of Units (# - %)	0 0%	172 100%	172
Avg. Affordability (% AMI)	n.a.		n.a.
Leasable Sq. Ft.	0	97,950	97,950
Total Sq. Ft.	0	116,476	116,476
Parking Spaces	0	86	86
Parking Space/du	n.a.	0.5	0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$350
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$16,641
Affordable Housing In-lieu fee per gsf	\$27
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)

Parking (per space)	\$200
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$2.50

Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$42,031,150
Commercial TIs	\$361,300
Parking Cost	\$5,160,000
Soft Costs	\$9,510,490
Service District Charge	\$2,862,334
Affordable Housing In-Lieu	\$3,144,852
Subtotal	\$63,070,126

Construction Financing

Const. Loan Fees	\$662,236
Const. Loan Interest	\$2,582,722
Developer Fee	\$1,892,104

Total Development Cost \$68,207,188

Per Unit	\$396,553
Per Net SF	\$696
Per Gross SF	\$586

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	4,944,900
Less Vacancy	(\$247,245)
Less Operating Expenses	(\$1,483,470)
Net Operating Income	\$3,214,185

Development Cost/Subsidy

Total Development Cost	68,207,188
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$68,207,188

Market Cap Rate 4.7%

Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value -\$11,318,958

RLV Per Unit	-\$65,808
RVL per Site SF	-\$566

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-3, 60% AMI IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	CC-3
Development Cost	Medium
Revenue	Medium
IH Option	60%
Location	Central City
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		172
<i>Affordable</i> (% - count)	10%	18
<i>Market Rate</i> (% - count)	90%	154
Leasable Residential sq. ft.		97,950
Leasable Retail sq. ft.		3,613
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		120,089
Total Parking Spaces		86
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		Underground
Number of Stories		7-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR		
Studio	450	7	0	62	69	
1-BR	600	9	0	77	86	
2-BR	900	2	0	15	17	
3-BR	1,000	0	0	0	0	
All Units		18	0	154	172	

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	18	10%	154	90%	172
<i>Avg. Affordability</i> (% AMI)		60%			n.a.
Leasable Sq. Ft.		10,350		87,600	97,950
Total Sq. Ft.		12,308		104,168	116,476
Parking Spaces		9		77	86
<i>Parking Space/du</i>		0.5		0.5	0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$315
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$16,641
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,575
1-BR	\$1,096	\$1,496	\$1,950
2-BR	\$1,310	\$1,790	\$2,700
3-BR	\$1,508	\$2,062	\$3,000

Other Residential Income (Per Month)

Parking (per space)	\$150
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$2.00

Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$37,828,035
Commercial TIs	\$361,300
Parking Cost	\$5,160,000
Soft Costs	\$8,669,867
Service District Charge	\$2,862,334
Affordable Housing In-Lieu	n.a.
Subtotal	\$54,881,536

Construction Financing

Const. Loan Fees	\$576,256
Const. Loan Interest	\$2,247,399
Developer Fee	\$1,646,446

Total Development Cost

Total Development Cost	\$59,351,637
<i>Per Unit</i>	\$345,068
<i>Per Net SF</i>	\$606
<i>Per Gross SF</i>	\$510

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	4,070,088
Less Vacancy	(\$203,504)
Less Operating Expenses	(\$1,221,026)
Net Operating Income	\$2,645,557

Development Cost/Subsidy

Total Development Cost	59,351,637
Construction Excise Tax Exemption	(\$55,998)
SDC Waiver	(\$299,547)
10-YR Property Tax Exemption	(\$3,600,455)
Total Cost, Incl. Subsidies	\$55,395,638

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$8,571,617
<i>RLV Per Unit</i>	-\$49,835
<i>RVL per Site SF</i>	-\$429

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-3, 80% AMI IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	CC-3
Development Cost	Medium
Revenue	Medium
IH Option	80%
Location	Central City
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		172
<i>Affordable (% - count)</i>	20%	35
<i>Market Rate (% - count)</i>	80%	137
Leasable Residential sq. ft.		97,950
Leasable Retail sq. ft.		3,613
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		120,089
Total Parking Spaces		86
<i>Parking spaces per du</i>		<i>0.50</i>
<i>Parking Space Type</i>		<i>Underground</i>
Number of Stories		7-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	14	55	69
1-BR	600	0	18	68	86
2-BR	900	0	3	14	17
3-BR	1,000	0	0	0	0
All Units		0	35	137	172

Summary	Affordable	Market-Rate	Total
Number of Units (# - %)	35 20%	137 80%	172
<i>Avg. Affordability (% AMI)</i>	80%		n.a.
Leasable Sq. Ft.	19,800	78,150	97,950
Total Sq. Ft.	23,545	92,931	116,476
Parking Spaces	18	69	86
<i>Parking Space/du</i>	<i>0.5</i>	<i>0.5</i>	<i>0.5</i>

Cost Assumptions

Construction

Hard Cost per gross res/com sf	\$315
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$16,641
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,575
1-BR	\$1,096	\$1,496	\$1,950
2-BR	\$1,310	\$1,790	\$2,700
3-BR	\$1,508	\$2,062	\$3,000

Other Residential Income (Per Month)

Parking (per space)	\$150
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.00
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Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$37,828,035
Commercial TIs	\$361,300
Parking Cost	\$5,160,000
Soft Costs	\$8,669,867
Service District Charge	\$2,862,334
Affordable Housing In-Lieu	n.a.
Subtotal	\$54,881,536

Construction Financing

Const. Loan Fees	\$576,256
Const. Loan Interest	\$2,247,399

Developer Fee

	\$1,646,446
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Total Development Cost

	\$59,351,637
<i>Per Unit</i>	<i>\$345,068</i>
<i>Per Net SF</i>	<i>\$606</i>
<i>Per Gross SF</i>	<i>\$510</i>

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	4,051,128
Less Vacancy	(\$202,556)
Less Operating Expenses	(\$1,215,338)
Net Operating Income	\$2,633,233

Development Cost/Subsidy

Total Development Cost	59,351,637
Construction Excise Tax Exemption	(\$107,424)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$3,569,215)
Total Cost, Incl. Subsidies	\$55,674,998

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$9,069,101
<i>RLV Per Unit</i>	<i>-\$52,727</i>
<i>RVL per Site SF</i>	<i>-\$453</i>

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-3, In-Lieu Fee IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	CC-3
Development Cost	Medium
Revenue	Medium
IH Option	In-Lieu Fee
Location	Central City
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		172
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	172
Leasable Residential sq. ft.		97,950
Leasable Retail sq. ft.		3,613
Circulation & Communal Space	15%	
Total Project sq.ft		120,089
Total Parking Spaces		86
Parking spaces per du		0.50
Parking Space Type		Underground
Number of Stories		7-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR		
Studio	450	0	0	69	69	
1-BR	600	0	0	86	86	
2-BR	900	0	0	17	17	
3-BR	1,000	0	0	0	0	
All Units		0	0	172	172	

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	0	0%	172	100%	172
Avg. Affordability (% AMI)		n.a.			n.a.
Leasable Sq. Ft.		0	97,950		97,950
Total Sq. Ft.		0	116,476		116,476
Parking Spaces		0	86		86
Parking Space/du		n.a.	0.5		0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$315
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$16,641
Affordable Housing In-lieu fee per gsf	\$27
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,575
1-BR	\$1,096	\$1,496	\$1,950
2-BR	\$1,310	\$1,790	\$2,700
3-BR	\$1,508	\$2,062	\$3,000

Other Residential Income (Per Month)

Parking (per space)	\$150
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$2.00

Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$37,828,035
Commercial TIs	\$361,300
Parking Cost	\$5,160,000
Soft Costs	\$8,669,867
Service District Charge	\$2,862,334
Affordable Housing In-Lieu	\$3,144,852
Subtotal	\$58,026,388

Construction Financing

Const. Loan Fees	\$609,277
Const. Loan Interest	\$2,376,181
Developer Fee	\$1,740,792

Total Development Cost

Total Development Cost	\$62,752,637
Per Unit	\$364,841
Per Net SF	\$641
Per Gross SF	\$539

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	4,273,932
Less Vacancy	(\$213,697)
Less Operating Expenses	(\$1,282,180)
Net Operating Income	\$2,778,056

Development Cost/Subsidy

Total Development Cost	62,752,637
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$62,752,637

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$13,583,508
RLV Per Unit	-\$78,974
RVL per Site SF	-\$679

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-3, 60% AMI IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	CC-3
Development Cost	Low
Revenue	Low
IH Option	60%
Location	Central City
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		172
<i>Affordable (% - count)</i>	10%	18
<i>Market Rate (% - count)</i>	90%	154
Leasable Residential sq. ft.		97,950
Leasable Retail sq. ft.		3,613
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		120,089
Total Parking Spaces		86
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		Underground
Number of Stories		7-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR		
Studio	450	7	0	62		69
1-BR	600	9	0	77		86
2-BR	900	2	0	15		17
3-BR	1,000	0	0	0		0
All Units		18	0	154		172

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	18	10%	154	90%	172
<i>Avg. Affordability (% AMI)</i>		60%			n.a.
Leasable Sq. Ft.		10,350		87,600	97,950
Total Sq. Ft.		12,308		104,168	116,476
Parking Spaces		9		77	86
<i>Parking Space/du</i>		0.5		0.5	0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$275
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$16,641
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,800
2-BR	\$1,310	\$1,790	\$2,475
3-BR	\$1,508	\$2,062	\$2,750

Other Residential Income (Per Month)

Parking (per space)	\$100
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$1.50

Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$33,024,475
Commercial TIs	\$361,300
Parking Cost	\$5,160,000
Soft Costs	\$7,709,155
Service District Charge	\$2,862,334
Affordable Housing In-Lieu	n.a.
Subtotal	\$49,117,264

Construction Financing

Const. Loan Fees	\$515,731
Const. Loan Interest	\$2,011,352
Developer Fee	\$1,473,518

Total Development Cost

\$53,117,865	
<i>Per Unit</i>	\$308,825
<i>Per Net SF</i>	\$542
<i>Per Gross SF</i>	\$456

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	3,739,410
Less Vacancy	(\$186,971)
Less Operating Expenses	(\$1,121,823)
Net Operating Income	\$2,430,617

Development Cost/Subsidy

Total Development Cost	53,117,865
Construction Excise Tax Exemption	(\$50,090)
SDC Waiver	(\$299,547)
10-YR Property Tax Exemption	(\$3,307,933)
Total Cost, Incl. Subsidies	\$49,460,296

Market Cap Rate

4.7%	
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

-\$6,440,535	
<i>RLV Per Unit</i>	-\$37,445
<i>RVL per Site SF</i>	-\$322

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-3, 80% AMI IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	CC-3
Development Cost	Low
Revenue	Low
IH Option	80%
Location	Central City
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		172
<i>Affordable</i> (% - count)	20%	35
<i>Market Rate</i> (% - count)	80%	137
Leasable Residential sq. ft.		97,950
Leasable Retail sq. ft.		3,613
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		120,089
Total Parking Spaces		86
<i>Parking spaces per du</i>		<i>0.50</i>
<i>Parking Space Type</i>		<i>Underground</i>
Number of Stories		7-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR	All	
Studio	450	0	14	55	69	
1-BR	600	0	18	68	86	
2-BR	900	0	3	14	17	
3-BR	1,000	0	0	0	0	
All Units		0	35	137	172	

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	35	20%	137	80%	172
<i>Avg. Affordability</i> (% AMI)		80%			n.a.
Leasable Sq. Ft.	19,800		78,150		97,950
Total Sq. Ft.	23,545		92,931		116,476
Parking Spaces	18		69		86
<i>Parking Space/du</i>		<i>0.5</i>	<i>0.5</i>		<i>0.5</i>

Cost Assumptions

Construction

Hard Cost per gross res/com sf	\$275
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$16,641
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,800
2-BR	\$1,310	\$1,790	\$2,475
3-BR	\$1,508	\$2,062	\$2,750

Other Residential Income (Per Month)

Parking (per space)	\$100
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$1.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$33,024,475
Commercial TIs	\$361,300
Parking Cost	\$5,160,000
Soft Costs	\$7,709,155
Service District Charge	\$2,862,334
Affordable Housing In-Lieu	n.a.
Subtotal	\$49,117,264

Construction Financing

Const. Loan Fees	\$515,731
Const. Loan Interest	\$2,011,352

Developer Fee

	\$1,473,518
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Total Development Cost

Total Development Cost	\$53,117,865
<i>Per Unit</i>	<i>\$308,825</i>
<i>Per Net SF</i>	<i>\$542</i>
<i>Per Gross SF</i>	<i>\$456</i>

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	3,753,900
Less Vacancy	(\$187,695)
Less Operating Expenses	(\$1,126,170)
Net Operating Income	\$2,440,035

Development Cost/Subsidy

Total Development Cost	53,117,865
Construction Excise Tax Exemption	(\$96,123)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$3,307,344)
Total Cost, Incl. Subsidies	\$49,714,398

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$6,527,938
<i>RLV Per Unit</i>	<i>-\$37,953</i>
<i>RVL per Site SF</i>	<i>-\$326</i>

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-3, In-Lieu Fee IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	CC-3
Development Cost	Low
Revenue	Low
IH Option	In-Lieu Fee
Location	Central City
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		172
<i>Affordable (% - count)</i>	0%	0
<i>Market Rate (% - count)</i>	100%	172
Leasable Residential sq. ft.		97,950
Leasable Retail sq. ft.		3,613
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		120,089
Total Parking Spaces		86
<i>Parking spaces per du</i>	0.50	
<i>Parking Space Type</i>	<i>Underground</i>	
Number of Stories		7-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR		
Studio	450	0	0	69	69	
1-BR	600	0	0	86	86	
2-BR	900	0	0	17	17	
3-BR	1,000	0	0	0	0	
All Units		0	0	172	172	

Summary	Affordable	Market-Rate	Total
Number of Units (# - %)	0 0%	172 100%	172
<i>Avg. Affordability (% AMI)</i>	<i>n.a.</i>		<i>n.a.</i>
Leasable Sq. Ft.	0	97,950	97,950
Total Sq. Ft.	0	116,476	116,476
Parking Spaces	0	86	86
<i>Parking Space/du</i>	<i>n.a.</i>	0.5	0.5

Cost Assumptions

Construction

Hard Cost per gross res/com sf	\$275
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$16,641
Affordable Housing In-lieu fee per gsf	\$27
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,800
2-BR	\$1,310	\$1,790	\$2,475
3-BR	\$1,508	\$2,062	\$2,750

Other Residential Income (Per Month)

Parking (per space)	\$100
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$1.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$33,024,475
Commercial TIs	\$361,300
Parking Cost	\$5,160,000
Soft Costs	\$7,709,155
Service District Charge	\$2,862,334
Affordable Housing In-Lieu	\$3,144,852
Subtotal	\$52,262,116

Construction Financing

Const. Loan Fees	\$548,752
Const. Loan Interest	\$2,140,134

Developer Fee

	\$1,567,863
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Total Development Cost

	\$56,518,865
<i>Per Unit</i>	\$328,598
<i>Per Net SF</i>	\$577
<i>Per Gross SF</i>	\$485

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	3,906,804
Less Vacancy	(\$195,340)
Less Operating Expenses	(\$1,172,041)
Net Operating Income	\$2,539,423

Development Cost/Subsidy

Total Development Cost	56,518,865
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$56,518,865

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$11,573,333
<i>RLV Per Unit</i>	-\$67,287
<i>RVL per Site SF</i>	-\$579

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-4, 60% AMI IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	CC-4
Development Cost	High
Revenue	High
IH Option	60%
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		232
<i>Affordable</i> (% - count)	10%	24
<i>Market Rate</i> (% - count)	90%	208
Leasable Residential sq. ft.		132,150
Leasable Retail sq. ft.		3,613
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		159,721
Total Parking Spaces		116
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		Underground
Number of Stories		9-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR		
Studio	450	10	0	83	93	
1-BR	600	12	0	104	116	
2-BR	900	2	0	21	23	
3-BR	1,000	0	0	0	0	
All Units		24	0	208	232	

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	24	10%	208	90%	232
<i>Avg. Affordability</i> (% AMI)		60%			n.a.
Leasable Sq. Ft.	13,500		118,650		132,150
Total Sq. Ft.	15,947		140,161		156,108
Parking Spaces	12		104		116
<i>Parking Space/du</i>		0.5		0.5	0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$415
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$16,177
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)

Parking (per space)	\$200
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$2.50

Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$66,284,215
Commercial TIs	\$361,300
Parking Cost	\$6,960,000
Soft Costs	\$13,248,993
Service District Charge	\$3,752,977
Affordable Housing In-Lieu	n.a.
Subtotal	\$90,607,485

Construction Financing

Const. Loan Fees	\$951,379
Const. Loan Interest	\$3,710,377

Developer Fee

	\$2,718,225
--	--------------------

Total Development Cost

	\$97,987,464
<i>Per Unit</i>	\$422,360
<i>Per Net SF</i>	\$741
<i>Per Gross SF</i>	\$628

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	6,277,104
Less Vacancy	(\$313,855)
Less Operating Expenses	(\$1,757,589)
Net Operating Income	\$4,205,660

Development Cost/Subsidy

Total Development Cost	97,987,464
Construction Excise Tax Exemption	(\$90,473)
SDC Waiver	(\$388,239)
10-YR Property Tax Exemption	(\$5,773,364)
Total Cost, Incl. Subsidies	\$91,735,388

Market Cap Rate

	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

	-\$17,298,934
<i>RLV Per Unit</i>	-\$74,564
<i>RVL per Site SF</i>	-\$865

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-4, 80% AMI IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	CC-4
Development Cost	High
Revenue	High
IH Option	80%
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		232
<i>Affordable</i> (% - count)	20%	47
<i>Market Rate</i> (% - count)	80%	185
Leasable Residential sq. ft.		132,150
Leasable Retail sq. ft.		3,613
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		159,721
Total Parking Spaces		116
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		Underground
Number of Stories		9-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	19	74	93
1-BR	600	0	23	93	116
2-BR	900	0	5	18	23
3-BR	1,000	0	0	0	0
All Units		0	47	185	232

Summary	Affordable	Market-Rate	Total
Number of Units (# - %)	47 20%	185 80%	232
<i>Avg. Affordability</i> (% AMI)	80%		n.a.
Leasable Sq. Ft.	26,850	105,300	132,150
Total Sq. Ft.	31,718	124,390	156,108
Parking Spaces	24	93	116
<i>Parking Space/du</i>	0.5	0.5	0.5

Cost Assumptions

Construction

Hard Cost per gross res/com sf	\$415
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$16,177
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)

Parking (per space)	\$200
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$66,284,215
Commercial TIs	\$361,300
Parking Cost	\$6,960,000
Soft Costs	\$13,248,993
Service District Charge	\$3,752,977
Affordable Housing In-Lieu	n.a.
Subtotal	\$90,607,485

Construction Financing

Const. Loan Fees	\$951,379
Const. Loan Interest	\$3,710,377

Developer Fee \$2,718,225

Total Development Cost \$97,987,464

<i>Per Unit</i>	\$422,360
<i>Per Net SF</i>	\$741
<i>Per Gross SF</i>	\$628

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	6,152,046
Less Vacancy	(\$307,602)
Less Operating Expenses	(\$1,722,573)
Net Operating Income	\$4,121,871

Development Cost/Subsidy

Total Development Cost	97,987,464
Construction Excise Tax Exemption	(\$179,563)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$5,640,372)
Total Cost, Incl. Subsidies	\$92,167,530

Market Cap Rate 4.7%

Developer Profit Spread 1.0%

Required Yield-on-Cost 5.7%

Residual Land Value **-\$19,214,064**

<i>RLV Per Unit</i>	-\$82,819
<i>RVL per Site SF</i>	-\$961

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-4, In-Lieu Fee IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	CC-4
Development Cost	High
Revenue	High
IH Option	In-Lieu Fee
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		232
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	232
Leasable Residential sq. ft.		132,150
Leasable Retail sq. ft.		3,613
Circulation & Communal Space	15%	
Total Project sq.ft		159,721
Total Parking Spaces		116
Parking spaces per du		0.50
Parking Space Type		Underground
Number of Stories		9-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	93	93
1-BR	600	0	0	116	116
2-BR	900	0	0	23	23
3-BR	1,000	0	0	0	0
All Units		0	0	232	232

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	0	0%	232	100%	232
Avg. Affordability (% AMI)		n.a.			n.a.
Leasable Sq. Ft.		0	132,150		132,150
Total Sq. Ft.		0	156,108		156,108
Parking Spaces		0	116		116
Parking Space/du		n.a.	0.5		0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$415
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$16,177
Affordable Housing In-lieu fee per gsf	\$27
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)	
Parking (per space)	\$200
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$66,284,215
Commercial TIs	\$361,300
Parking Cost	\$6,960,000
Soft Costs	\$13,248,993
Service District Charge	\$3,752,977
Affordable Housing In-Lieu	\$4,214,916
Subtotal	\$94,822,401

Construction Financing

Const. Loan Fees	\$995,635
Const. Loan Interest	\$3,882,977

Developer Fee

	\$2,844,672
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Total Development Cost

	\$102,545,685
Per Unit	\$442,007
Per Net SF	\$776
Per Gross SF	\$657

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	6,632,940
Less Vacancy	(\$331,647)
Less Operating Expenses	(\$1,857,223)
Net Operating Income	\$4,444,070

Development Cost/Subsidy

Total Development Cost	102,545,685
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$102,545,685

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$23,889,583
RLV Per Unit	-\$102,972
RVL per Site SF	-\$1,194

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-4, 60% AMI IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	CC-4
Development Cost	Medium
Revenue	Medium
IH Option	60%
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		232
<i>Affordable (% - count)</i>	10%	24
<i>Market Rate (% - count)</i>	90%	208
Leasable Residential sq. ft.		132,150
Leasable Retail sq. ft.		3,613
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		159,721
Total Parking Spaces		116
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		Underground
Number of Stories		9-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR		
Studio	450	10	0	83	93	
1-BR	600	12	0	104	116	
2-BR	900	2	0	21	23	
3-BR	1,000	0	0	0	0	
All Units		24	0	208	232	

Summary	Affordable	Market-Rate	Total
Number of Units (# - %)	24 10%	208 90%	232
<i>Avg. Affordability (% AMI)</i>	60%		n.a.
Leasable Sq. Ft.	13,500	118,650	132,150
Total Sq. Ft.	15,947	140,161	156,108
Parking Spaces	12	104	116
<i>Parking Space/du</i>	0.5	0.5	0.5

Cost Assumptions

Construction

Hard Cost per gross res/com sf	\$375
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$16,177
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,575
1-BR	\$1,096	\$1,496	\$1,950
2-BR	\$1,310	\$1,790	\$2,700
3-BR	\$1,508	\$2,062	\$3,000

Other Residential Income (Per Month)

Parking (per space)	\$150
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.00
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$59,895,375
Commercial TIs	\$361,300
Parking Cost	\$6,960,000
Soft Costs	\$12,099,002
Service District Charge	\$3,752,977
Affordable Housing In-Lieu	n.a.
Subtotal	\$83,068,654

Construction Financing

Const. Loan Fees	\$872,221
Const. Loan Interest	\$3,401,661

Developer Fee

	\$2,492,060
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Total Development Cost

	\$89,834,595
<i>Per Unit</i>	\$387,218
<i>Per Net SF</i>	\$680
<i>Per Gross SF</i>	\$575

Feasibility Analysis

Project Income

Gross Scheduled Rents	5,470,596
Less Vacancy	(\$273,530)
Less Operating Expenses	(\$1,531,767)
Net Operating Income	\$3,665,299

Development Cost/Subsidy

Total Development Cost	89,834,595
Construction Excise Tax Exemption	(\$82,946)
SDC Waiver	(\$388,239)
10-YR Property Tax Exemption	(\$5,031,579)
Total Cost, Incl. Subsidies	\$84,331,832

Market Cap Rate

Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

RLV Per Unit	-\$83,876
RLV per Site SF	-\$973

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-4, 80% AMI IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	CC-4
Development Cost	Medium
Revenue	Medium
IH Option	80%
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		232
<i>Affordable</i> (% - count)	20%	47
<i>Market Rate</i> (% - count)	80%	185
Leasable Residential sq. ft.		132,150
Leasable Retail sq. ft.		3,613
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		159,721
Total Parking Spaces		116
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		Underground
Number of Stories		9-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	19	74	93
1-BR	600	0	23	93	116
2-BR	900	0	5	18	23
3-BR	1,000	0	0	0	0
All Units		0	47	185	232

Summary	Affordable	Market-Rate	Total
Number of Units (# - %)	47 20%	185 80%	232
<i>Avg. Affordability</i> (% AMI)	80%		n.a.
Leasable Sq. Ft.	26,850	105,300	132,150
Total Sq. Ft.	31,718	124,390	156,108
Parking Spaces	24	93	116
<i>Parking Space/du</i>	0.5	0.5	0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$375
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$16,177
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,575
1-BR	\$1,096	\$1,496	\$1,950
2-BR	\$1,310	\$1,790	\$2,700
3-BR	\$1,508	\$2,062	\$3,000

Other Residential Income (Per Month)	
Parking (per space)	\$150
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.00
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$59,895,375
Commercial TIs	\$361,300
Parking Cost	\$6,960,000
Soft Costs	\$12,099,002
Service District Charge	\$3,752,977
Affordable Housing In-Lieu	n.a.
Subtotal	\$83,068,654

Construction Financing

Const. Loan Fees	\$872,221
Const. Loan Interest	\$3,401,661

Developer Fee

	\$2,492,060
--	--------------------

Total Development Cost

	\$89,834,595
<i>Per Unit</i>	\$387,218
<i>Per Net SF</i>	\$680
<i>Per Gross SF</i>	\$575

Feasibility Analysis

Project Income

Gross Scheduled Rents	5,431,728
Less Vacancy	(\$271,586)
Less Operating Expenses	(\$1,520,884)
Net Operating Income	\$3,639,258

Development Cost/Subsidy

Total Development Cost	89,834,595
Construction Excise Tax Exemption	(\$164,592)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$4,979,964)
Total Cost, Incl. Subsidies	\$84,690,040

Market Cap Rate

Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

RLV Per Unit	-\$87,407
RLV per Site SF	-\$1,014

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-4, In-Lieu Fee IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	CC-4
Development Cost	Medium
Revenue	Medium
IH Option	In-Lieu Fee
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		232
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	232
Leasable Residential sq. ft.		132,150
Leasable Retail sq. ft.		3,613
Circulation & Communal Space	15%	
Total Project sq.ft		159,721
Total Parking Spaces		116
Parking spaces per du		0.50
Parking Space Type		Underground
Number of Stories		9-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	93	93
1-BR	600	0	0	116	116
2-BR	900	0	0	23	23
3-BR	1,000	0	0	0	0
All Units		0	0	232	232

Summary	Affordable	Market-Rate	Total
Number of Units (# - %)	0 0%	232 100%	232
Avg. Affordability (% AMI)	n.a.		n.a.
Leasable Sq. Ft.	0	132,150	132,150
Total Sq. Ft.	0	156,108	156,108
Parking Spaces	0	116	116
Parking Space/du	n.a.	0.5	0.5

Cost Assumptions

Construction

Hard Cost per gross res/com sf	\$375
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$16,177
Affordable Housing In-lieu fee per gsf	\$27
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,575
1-BR	\$1,096	\$1,496	\$1,950
2-BR	\$1,310	\$1,790	\$2,700
3-BR	\$1,508	\$2,062	\$3,000

Other Residential Income (Per Month)

Parking (per space)	\$150
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.00
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$59,895,375
Commercial TIs	\$361,300
Parking Cost	\$6,960,000
Soft Costs	\$12,099,002
Service District Charge	\$3,752,977
Affordable Housing In-Lieu	\$4,214,916
Subtotal	\$87,283,570

Construction Financing

Const. Loan Fees	\$916,477
Const. Loan Interest	\$3,574,262

Developer Fee

	\$2,618,507
--	--------------------

Total Development Cost

	\$94,392,816
Per Unit	\$406,866
Per Net SF	\$714
Per Gross SF	\$605

Feasibility Analysis

Project Income

Gross Scheduled Rents	5,735,532
Less Vacancy	(\$286,777)
Less Operating Expenses	(\$1,605,949)
Net Operating Income	\$3,842,806

Development Cost/Subsidy

Total Development Cost	94,392,816
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$94,392,816

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$26,378,543
RLV Per Unit	-\$113,701
RVL per Site SF	-\$1,319

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-4, 60% AMI IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	CC-4
Development Cost	Low
Revenue	Low
IH Option	60%
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		232
<i>Affordable</i> (% - count)	10%	24
<i>Market Rate</i> (% - count)	90%	208
Leasable Residential sq. ft.		132,150
Leasable Retail sq. ft.		3,613
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		159,721
Total Parking Spaces		116
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		Underground
Number of Stories		9-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR		
Studio	450	10	0	83		93
1-BR	600	12	0	104		116
2-BR	900	2	0	21		23
3-BR	1,000	0	0	0		0
All Units		24	0	208		232

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	24	10%	208	90%	232
<i>Avg. Affordability</i> (% AMI)		60%			n.a.
Leasable Sq. Ft.	13,500		118,650		132,150
Total Sq. Ft.	15,947		140,161		156,108
Parking Spaces	12		104		116
<i>Parking Space/du</i>		0.5		0.5	0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$330
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$16,177
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,800
2-BR	\$1,310	\$1,790	\$2,475
3-BR	\$1,508	\$2,062	\$2,750

Other Residential Income (Per Month)	
Parking (per space)	\$100
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$1.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$52,707,930
Commercial TIs	\$361,300
Parking Cost	\$6,960,000
Soft Costs	\$10,805,261
Service District Charge	\$3,752,977
Affordable Housing In-Lieu	n.a.
Subtotal	\$74,587,468

Construction Financing

Const. Loan Fees	\$783,168
Const. Loan Interest	\$3,054,357

Developer Fee

	\$2,237,624
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Total Development Cost

	\$80,662,618
<i>Per Unit</i>	\$347,684
<i>Per Net SF</i>	\$610
<i>Per Gross SF</i>	\$517

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	5,030,568
Less Vacancy	(\$251,528)
Less Operating Expenses	(\$1,408,559)
Net Operating Income	\$3,370,481

Development Cost/Subsidy

Total Development Cost	80,662,618
Construction Excise Tax Exemption	(\$74,478)
SDC Waiver	(\$388,239)
10-YR Property Tax Exemption	(\$4,626,863)
Total Cost, Incl. Subsidies	\$75,573,038

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$15,918,515
<i>RLV Per Unit</i>	-\$68,614
<i>RVL per Site SF</i>	-\$796

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-4, 80% AMI IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	CC-4
Development Cost	Low
Revenue	Low
IH Option	80%
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		232
<i>Affordable</i> (% - count)	20%	47
<i>Market Rate</i> (% - count)	80%	185
Leasable Residential sq. ft.		132,150
Leasable Retail sq. ft.		3,613
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		159,721
Total Parking Spaces		116
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		Underground
Number of Stories		9-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR		
Studio	450	0	19	74		93
1-BR	600	0	23	93		116
2-BR	900	0	5	18		23
3-BR	1,000	0	0	0		0
All Units		0	47	185		232

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	47	20%	185	80%	232
<i>Avg. Affordability</i> (% AMI)		80%			n.a.
Leasable Sq. Ft.	26,850		105,300		132,150
Total Sq. Ft.	31,718		124,390		156,108
Parking Spaces	24		93		116
<i>Parking Space/du</i>		0.5		0.5	0.5

Cost Assumptions

Construction

Hard Cost per gross res/com sf	\$330
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$16,177
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,800
2-BR	\$1,310	\$1,790	\$2,475
3-BR	\$1,508	\$2,062	\$2,750

Other Residential Income (Per Month)

Parking (per space)	\$100
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$1.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$52,707,930
Commercial TIs	\$361,300
Parking Cost	\$6,960,000
Soft Costs	\$10,805,261
Service District Charge	\$3,752,977
Affordable Housing In-Lieu	n.a.
Subtotal	\$74,587,468

Construction Financing

Const. Loan Fees	\$783,168
Const. Loan Interest	\$3,054,357

Developer Fee

	\$2,237,624
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Total Development Cost

	\$80,662,618
<i>Per Unit</i>	\$347,684
<i>Per Net SF</i>	\$610
<i>Per Gross SF</i>	\$517

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	5,038,650
Less Vacancy	(\$251,933)
Less Operating Expenses	(\$1,410,822)
Net Operating Income	\$3,375,896

Development Cost/Subsidy

Total Development Cost	80,662,618
Construction Excise Tax Exemption	(\$147,750)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$4,619,579)
Total Cost, Incl. Subsidies	\$75,895,289

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$16,144,926
<i>RLV Per Unit</i>	-\$69,590
<i>RVL per Site SF</i>	-\$807

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-4, In-Lieu Fee IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	CC-4
Development Cost	Low
Revenue	Low
IH Option	In-Lieu Fee
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		232
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	232
Leasable Residential sq. ft.		132,150
Leasable Retail sq. ft.		3,613
Circulation & Communal Space		15%
Total Project sq.ft		159,721
Total Parking Spaces		116
Parking spaces per du		0.50
Parking Space Type		Underground
Number of Stories		9-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	93	93
1-BR	600	0	0	116	116
2-BR	900	0	0	23	23
3-BR	1,000	0	0	0	0
All Units		0	0	232	232

Summary	Affordable	Market-Rate	Total
Number of Units (# - %)	0 0%	232 100%	232
Avg. Affordability (% AMI)	n.a.		n.a.
Leasable Sq. Ft.	0	132,150	132,150
Total Sq. Ft.	0	156,108	156,108
Parking Spaces	0	116	116
Parking Space/du	n.a.	0.5	0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$330
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$16,177
Affordable Housing In-lieu fee per gsf	\$27
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,800
2-BR	\$1,310	\$1,790	\$2,475
3-BR	\$1,508	\$2,062	\$2,750

Other Residential Income (Per Month)

Parking (per space)	\$100
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$1.50

Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$52,707,930
Commercial TIs	\$361,300
Parking Cost	\$6,960,000
Soft Costs	\$10,805,261
Service District Charge	\$3,752,977
Affordable Housing In-Lieu	\$4,214,916
Subtotal	\$78,802,384

Construction Financing

Const. Loan Fees	\$827,425
Const. Loan Interest	\$3,226,958
Developer Fee	\$2,364,072

Total Development Cost

\$85,220,839	
Per Unit	\$367,331
Per Net SF	\$645
Per Gross SF	\$546

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	5,247,804
Less Vacancy	(\$262,390)
Less Operating Expenses	(\$1,469,385)
Net Operating Income	\$3,516,029

Development Cost/Subsidy

Total Development Cost	85,220,839
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$85,220,839

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

-\$22,990,243	
RLV Per Unit	-\$99,096
RVL per Site SF	-\$1,150

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-5, 60% AMI IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	CC-5
Development Cost	High
Revenue	High
IH Option	60%
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		352
<i>Affordable</i> (% - count)	10%	36
<i>Market Rate</i> (% - count)	90%	316
Leasable Residential sq. ft.		200,550
Leasable Retail sq. ft.		3,400
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		239,941
Total Parking Spaces		176
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		<i>Underground</i>
Number of Stories		15-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR		
Studio	450	14	0	127		141
1-BR	600	18	0	158		176
2-BR	900	4	0	31		35
3-BR	1,000	0	0	0		0
All Units		36	0	316		352

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	36	10%	316	90%	352
<i>Avg. Affordability</i> (% AMI)		60%			n.a.
Leasable Sq. Ft.		20,700		179,850	200,550
Total Sq. Ft.		24,415		212,126	236,541
Parking Spaces		18		158	176
<i>Parking Space/du</i>		0.5		0.5	0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$415
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$15,913
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)	
Parking (per space)	\$200
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$99,575,515
Commercial TIs	\$340,000
Parking Cost	\$10,560,000
Soft Costs	\$19,885,593
Service District Charge	\$5,601,372
Affordable Housing In-Lieu	n.a.
Subtotal	\$135,962,480

Construction Financing

Const. Loan Fees	\$1,427,606
Const. Loan Interest	\$5,567,664

Developer Fee

	\$4,078,874
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Total Development Cost

	\$147,036,624
<i>Per Unit</i>	\$417,718
<i>Per Net SF</i>	\$733
<i>Per Gross SF</i>	\$622

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	9,459,402
Less Vacancy	(\$472,970)
Less Operating Expenses	(\$2,648,633)
Net Operating Income	\$6,337,799

Development Cost/Subsidy

Total Development Cost	147,036,624
Construction Excise Tax Exemption	(\$138,032)
SDC Waiver	(\$572,868)
10-YR Property Tax Exemption	(\$8,783,766)
Total Cost, Incl. Subsidies	\$137,541,958

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$25,368,519
<i>RLV Per Unit</i>	-\$72,070
<i>RVL per Site SF</i>	-\$1,268

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-5, 80% AMI IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	CC-5
Development Cost	High
Revenue	High
IH Option	80%
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		352
<i>Affordable</i> (% - count)	20%	71
<i>Market Rate</i> (% - count)	80%	281
Leasable Residential sq. ft.		200,550
Leasable Retail sq. ft.		3,400
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		239,941
Total Parking Spaces		176
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		<i>Underground</i>
Number of Stories		15-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	28	113	141
1-BR	600	0	36	140	176
2-BR	900	0	7	28	35
3-BR	1,000	0	0	0	0
All Units		0	71	281	352

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	71	20%	281	80%	352
<i>Avg. Affordability</i> (% AMI)		80%			n.a.
Leasable Sq. Ft.	40,500		160,050		200,550
Total Sq. Ft.	47,768		188,773		236,541
Parking Spaces	36		141		176
<i>Parking Space/du</i>		0.5		0.5	0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$415
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$15,913
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)	
Parking (per space)	\$200
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$99,575,515
Commercial TIs	\$340,000
Parking Cost	\$10,560,000
Soft Costs	\$19,885,593
Service District Charge	\$5,601,372
Affordable Housing In-Lieu	n.a.
Subtotal	\$135,962,480

Construction Financing

Const. Loan Fees	\$1,427,606
Const. Loan Interest	\$5,567,664

Developer Fee

	\$4,078,874
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Total Development Cost

	\$147,036,624
<i>Per Unit</i>	\$417,718
<i>Per Net SF</i>	\$733
<i>Per Gross SF</i>	\$622

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	9,276,162
Less Vacancy	(\$463,808)
Less Operating Expenses	(\$2,597,325)
Net Operating Income	\$6,215,029

Development Cost/Subsidy

Total Development Cost	147,036,624
Construction Excise Tax Exemption	(\$270,353)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$8,596,836)
Total Cost, Incl. Subsidies	\$138,169,435

Market Cap Rate

Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

RLV Per Unit	-\$80,025
RVL per Site SF	-\$1,408

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-5, In-Lieu Fee IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	CC-5
Development Cost	High
Revenue	High
IH Option	In-Lieu Fee
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		352
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	352
Leasable Residential sq. ft.		200,550
Leasable Retail sq. ft.		3,400
Circulation & Communal Space	15%	
Total Project sq.ft		239,941
Total Parking Spaces		176
Parking spaces per du		0.50
Parking Space Type		Underground
Number of Stories		15-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	141	141
1-BR	600	0	0	176	176
2-BR	900	0	0	35	35
3-BR	1,000	0	0	0	0
All Units		0	0	352	352

Summary	Affordable	Market-Rate	Total
Number of Units (# - %)	0 0%	352 100%	352
Avg. Affordability (% AMI)	n.a.		n.a.
Leasable Sq. Ft.	0	200,550	200,550
Total Sq. Ft.	0	236,541	236,541
Parking Spaces	0	176	176
Parking Space/du	n.a.	0.5	0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$415
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$15,913
Affordable Housing In-lieu fee per gsf	\$27
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)	
Parking (per space)	\$200
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$99,575,515
Commercial TIs	\$340,000
Parking Cost	\$10,560,000
Soft Costs	\$19,885,593
Service District Charge	\$5,601,372
Affordable Housing In-Lieu	\$6,386,607
Subtotal	\$142,349,087

Construction Financing

Const. Loan Fees	\$1,494,665
Const. Loan Interest	\$5,829,195

Developer Fee

	\$4,270,473
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Total Development Cost

	\$153,943,420
Per Unit	\$437,339
Per Net SF	\$768
Per Gross SF	\$651

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	10,002,630
Less Vacancy	(\$500,132)
Less Operating Expenses	(\$2,800,736)
Net Operating Income	\$6,701,762

Development Cost/Subsidy

Total Development Cost	153,943,420
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$153,943,420

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$35,328,162
RLV Per Unit	-\$100,364
RVL per Site SF	-\$1,766

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-5, 60% AMI IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	CC-5
Development Cost	Medium
Revenue	Medium
IH Option	60%
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		352
<i>Affordable</i> (% - count)	10%	36
<i>Market Rate</i> (% - count)	90%	316
Leasable Residential sq. ft.		200,550
Leasable Retail sq. ft.		3,400
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		239,941
Total Parking Spaces		176
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		<i>Underground</i>
Number of Stories		15-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR		
Studio	450	14	0	127		141
1-BR	600	18	0	158		176
2-BR	900	4	0	31		35
3-BR	1,000	0	0	0		0
All Units		36	0	316		352

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	36	10%	316	90%	352
<i>Avg. Affordability</i> (% AMI)		60%			n.a.
Leasable Sq. Ft.		20,700		179,850	200,550
Total Sq. Ft.		24,415		212,126	236,541
Parking Spaces		18		158	176
<i>Parking Space/du</i>		0.5		0.5	0.5

Cost Assumptions

Construction

Hard Cost per gross res/com sf	\$375
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$15,913
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,575
1-BR	\$1,096	\$1,496	\$1,950
2-BR	\$1,310	\$1,790	\$2,700
3-BR	\$1,508	\$2,062	\$3,000

Other Residential Income (Per Month)

Parking (per space)	\$150
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.00
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$89,977,875
Commercial TIs	\$340,000
Parking Cost	\$10,560,000
Soft Costs	\$18,158,018
Service District Charge	\$5,601,372
Affordable Housing In-Lieu	n.a.
Subtotal	\$124,637,265

Construction Financing

Const. Loan Fees	\$1,308,691
Const. Loan Interest	\$5,103,896

Developer Fee

	\$3,739,118
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Total Development Cost

	\$134,788,970
<i>Per Unit</i>	\$382,923
<i>Per Net SF</i>	\$672
<i>Per Gross SF</i>	\$570

Feasibility Analysis

Project Income

	Total Project
Gross Scheduled Rents	8,245,932
Less Vacancy	(\$412,297)
Less Operating Expenses	(\$2,308,861)
Net Operating Income	\$5,524,774

Development Cost/Subsidy

	Total Project
Total Development Cost	134,788,970
Construction Excise Tax Exemption	(\$126,508)
SDC Waiver	(\$572,868)
10-YR Property Tax Exemption	(\$7,656,968)
Total Cost, Incl. Subsidies	\$126,432,626

Market Cap Rate

	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

	-\$28,649,008
<i>RLV Per Unit</i>	-\$81,389
<i>RVL per Site SF</i>	-\$1,432

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-5, 80% AMI IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	CC-5
Development Cost	Medium
Revenue	Medium
IH Option	80%
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		352
<i>Affordable (% - count)</i>	20%	71
<i>Market Rate (% - count)</i>	80%	281
Leasable Residential sq. ft.		200,550
Leasable Retail sq. ft.		3,400
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		239,941
Total Parking Spaces		176
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		<i>Underground</i>
Number of Stories		15-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	28	113	141
1-BR	600	0	36	140	176
2-BR	900	0	7	28	35
3-BR	1,000	0	0	0	0
All Units		0	71	281	352

Summary	Affordable	Market-Rate	Total
Number of Units (# - %)	71 20%	281 80%	352
<i>Avg. Affordability (% AMI)</i>	80%		n.a.
Leasable Sq. Ft.	40,500	160,050	200,550
Total Sq. Ft.	47,768	188,773	236,541
Parking Spaces	36	141	176
<i>Parking Space/du</i>	0.5	0.5	0.5

Cost Assumptions

Construction

Hard Cost per gross res/com sf	\$375
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$15,913
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,575
1-BR	\$1,096	\$1,496	\$1,950
2-BR	\$1,310	\$1,790	\$2,700
3-BR	\$1,508	\$2,062	\$3,000

Other Residential Income (Per Month)

Parking (per space)	\$150
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.00
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$89,977,875
Commercial TIs	\$340,000
Parking Cost	\$10,560,000
Soft Costs	\$18,158,018
Service District Charge	\$5,601,372
Affordable Housing In-Lieu	n.a.
Subtotal	\$124,637,265

Construction Financing

Const. Loan Fees	\$1,308,691
Const. Loan Interest	\$5,103,896

Developer Fee

	\$3,739,118
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Total Development Cost

	\$134,788,970
<i>Per Unit</i>	\$382,923
<i>Per Net SF</i>	\$672
<i>Per Gross SF</i>	\$570

Feasibility Analysis

Project Income

Gross Scheduled Rents	8,195,232
Less Vacancy	(\$409,762)
Less Operating Expenses	(\$2,294,665)
Net Operating Income	\$5,490,805

Development Cost/Subsidy

Total Development Cost	134,788,970
Construction Excise Tax Exemption	(\$247,806)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$7,595,066)
Total Cost, Incl. Subsidies	\$126,946,097

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$29,763,700
<i>RLV Per Unit</i>	-\$84,556
<i>RVL per Site SF</i>	-\$1,488

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-5, In-Lieu Fee IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	CC-5
Development Cost	Medium
Revenue	Medium
IH Option	In-Lieu Fee
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		352
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	352
Leasable Residential sq. ft.		200,550
Leasable Retail sq. ft.		3,400
Circulation & Communal Space	15%	
Total Project sq.ft		239,941
Total Parking Spaces		176
Parking spaces per du		0.50
Parking Space Type		Underground
Number of Stories		15-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	141	141
1-BR	600	0	0	176	176
2-BR	900	0	0	35	35
3-BR	1,000	0	0	0	0
All Units		0	0	352	352

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	0	0%	352	100%	352
Avg. Affordability (% AMI)		n.a.			n.a.
Leasable Sq. Ft.		0	200,550		200,550
Total Sq. Ft.		0	236,541		236,541
Parking Spaces		0	176		176
Parking Space/du		n.a.	0.5		0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$375
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$15,913
Affordable Housing In-lieu fee per gsf	\$27
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,575
1-BR	\$1,096	\$1,496	\$1,950
2-BR	\$1,310	\$1,790	\$2,700
3-BR	\$1,508	\$2,062	\$3,000

Other Residential Income (Per Month)	
Parking (per space)	\$150
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.00
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$89,977,875
Commercial TIs	\$340,000
Parking Cost	\$10,560,000
Soft Costs	\$18,158,018
Service District Charge	\$5,601,372
Affordable Housing In-Lieu	\$6,386,607
Subtotal	\$131,023,872

Construction Financing

Const. Loan Fees	\$1,375,751
Const. Loan Interest	\$5,365,428

Developer Fee

	\$3,930,716
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Total Development Cost

	\$141,695,766
Per Unit	\$402,545
Per Net SF	\$707
Per Gross SF	\$599

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	8,653,620
Less Vacancy	(\$432,681)
Less Operating Expenses	(\$2,423,014)
Net Operating Income	\$5,797,925

Development Cost/Subsidy

Total Development Cost	141,695,766
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$141,695,766

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$39,077,618
RLV Per Unit	-\$111,016
RVL per Site SF	-\$1,954

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-5, 60% AMI IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	CC-5
Development Cost	Low
Revenue	Low
IH Option	60%
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		352
<i>Affordable (% - count)</i>	10%	36
<i>Market Rate (% - count)</i>	90%	316
Leasable Residential sq. ft.		200,550
Leasable Retail sq. ft.		3,400
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		239,941
Total Parking Spaces		176
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		<i>Underground</i>
Number of Stories		15-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	14	0	127	141
1-BR	600	18	0	158	176
2-BR	900	4	0	31	35
3-BR	1,000	0	0	0	0
All Units		36	0	316	352

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	36	10%	316	90%	352
<i>Avg. Affordability (% AMI)</i>		60%			n.a.
Leasable Sq. Ft.		20,700		179,850	200,550
Total Sq. Ft.		24,415		212,126	236,541
Parking Spaces		18		158	176
<i>Parking Space/du</i>		0.5		0.5	0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$330
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$15,913
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,800
2-BR	\$1,310	\$1,790	\$2,475
3-BR	\$1,508	\$2,062	\$2,750

Other Residential Income (Per Month)	
Parking (per space)	\$100
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$1.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$79,180,530
Commercial TIs	\$340,000
Parking Cost	\$10,560,000
Soft Costs	\$16,214,495
Service District Charge	\$5,601,372
Affordable Housing In-Lieu	n.a.
Subtotal	\$111,896,398

Construction Financing

Const. Loan Fees	\$1,174,912
Const. Loan Interest	\$4,582,157

Developer Fee

	\$3,356,892
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Total Development Cost

	\$121,010,359
<i>Per Unit</i>	\$343,779
<i>Per Net SF</i>	\$603
<i>Per Gross SF</i>	\$512

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	7,591,182
Less Vacancy	(\$379,559)
Less Operating Expenses	(\$2,125,531)
Net Operating Income	\$5,086,092

Development Cost/Subsidy

Total Development Cost	121,010,359
Construction Excise Tax Exemption	(\$113,544)
SDC Waiver	(\$572,868)
10-YR Property Tax Exemption	(\$7,048,983)
Total Cost, Incl. Subsidies	\$113,274,965

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$23,255,638
<i>RLV Per Unit</i>	-\$66,067
<i>RVL per Site SF</i>	-\$1,163

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-5, 80% AMI IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	CC-5
Development Cost	Low
Revenue	Low
IH Option	80%
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		352
<i>Affordable</i> (% - count)	20%	71
<i>Market Rate</i> (% - count)	80%	281
Leasable Residential sq. ft.		200,550
Leasable Retail sq. ft.		3,400
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		239,941
Total Parking Spaces		176
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		<i>Underground</i>
Number of Stories		15-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	28	113	141
1-BR	600	0	36	140	176
2-BR	900	0	7	28	35
3-BR	1,000	0	0	0	0
All Units		0	71	281	352

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	71	20%	281	80%	352
<i>Avg. Affordability</i> (% AMI)		80%			n.a.
Leasable Sq. Ft.	40,500		160,050		200,550
Total Sq. Ft.	47,768		188,773		236,541
Parking Spaces	36		141		176
<i>Parking Space/du</i>		0.5		0.5	0.5

Cost Assumptions

Construction

Hard Cost per gross res/com sf	\$330
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$15,913
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,800
2-BR	\$1,310	\$1,790	\$2,475
3-BR	\$1,508	\$2,062	\$2,750

Other Residential Income (Per Month)

Parking (per space)	\$100
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$1.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$79,180,530
Commercial TIs	\$340,000
Parking Cost	\$10,560,000
Soft Costs	\$16,214,495
Service District Charge	\$5,601,372
Affordable Housing In-Lieu	n.a.
Subtotal	\$111,896,398

Construction Financing

Const. Loan Fees	\$1,174,912
Const. Loan Interest	\$4,582,157

Developer Fee

	\$3,356,892
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Total Development Cost

	\$121,010,359
<i>Per Unit</i>	\$343,779
<i>Per Net SF</i>	\$603
<i>Per Gross SF</i>	\$512

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	7,610,382
Less Vacancy	(\$380,519)
Less Operating Expenses	(\$2,130,907)
Net Operating Income	\$5,098,956

Development Cost/Subsidy

Total Development Cost	121,010,359
Construction Excise Tax Exemption	(\$222,442)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$7,053,047)
Total Cost, Incl. Subsidies	\$113,734,871

Market Cap Rate

Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

	-\$23,487,863
<i>RLV Per Unit</i>	-\$66,727
<i>RVL per Site SF</i>	-\$1,174

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-5, In-Lieu Fee IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	CC-5
Development Cost	Low
Revenue	Low
IH Option	In-Lieu Fee
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		352
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	352
Leasable Residential sq. ft.		200,550
Leasable Retail sq. ft.		3,400
Circulation & Communal Space	15%	
Total Project sq.ft		239,941
Total Parking Spaces		176
Parking spaces per du		0.50
Parking Space Type		Underground
Number of Stories		15-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	141	141
1-BR	600	0	0	176	176
2-BR	900	0	0	35	35
3-BR	1,000	0	0	0	0
All Units		0	0	352	352

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	0	0%	352	100%	352
Avg. Affordability (% AMI)		n.a.			n.a.
Leasable Sq. Ft.		0	200,550		200,550
Total Sq. Ft.		0	236,541		236,541
Parking Spaces		0	176		176
Parking Space/du		n.a.	0.5		0.5

Cost Assumptions

Construction

Hard Cost per gross res/com sf	\$330
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$15,913
Affordable Housing In-lieu fee per gsf	\$27
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,800
2-BR	\$1,310	\$1,790	\$2,475
3-BR	\$1,508	\$2,062	\$2,750

Other Residential Income (Per Month)

Parking (per space)	\$100
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$1.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$79,180,530
Commercial TIs	\$340,000
Parking Cost	\$10,560,000
Soft Costs	\$16,214,495
Service District Charge	\$5,601,372
Affordable Housing In-Lieu	\$6,386,607
Subtotal	\$118,283,005

Construction Financing

Const. Loan Fees	\$1,241,972
Const. Loan Interest	\$4,843,689

Developer Fee

	\$3,548,490
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Total Development Cost

	\$127,917,156
Per Unit	\$363,401
Per Net SF	\$638
Per Gross SF	\$541

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	7,925,970
Less Vacancy	(\$396,299)
Less Operating Expenses	(\$2,219,272)
Net Operating Income	\$5,310,400

Development Cost/Subsidy

Total Development Cost	127,917,156
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$127,917,156

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$33,927,777
RLV Per Unit	-\$96,386
RVL per Site SF	-\$1,696

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-6, 60% AMI IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	CC-6
Development Cost	High
Revenue	High
IH Option	60%
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		532
<i>Affordable (% - count)</i>	10%	54
<i>Market Rate (% - count)</i>	90%	478
Leasable Residential sq. ft.		303,150
Leasable Retail sq. ft.		2,550
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		359,647
Total Parking Spaces		266
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		<i>Underground</i>
Number of Stories		30-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR		
Studio	450	22	0	191	213	
1-BR	600	27	0	239	266	
2-BR	900	5	0	48	53	
3-BR	1,000	0	0	0	0	
All Units		54	0	478	532	

Summary	Affordable	Market-Rate	Total
Number of Units (# - %)	54 10%	478 90%	532
<i>Avg. Affordability (% AMI)</i>	60%		n.a.
Leasable Sq. Ft.	30,600	272,550	303,150
Total Sq. Ft.	36,045	321,052	357,097
Parking Spaces	27	239	266
<i>Parking Space/du</i>	0.5	0.5	0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$415
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$15,727
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)	
Parking (per space)	\$200
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$149,253,505
Commercial TIs	\$255,000
Parking Cost	\$15,960,000
Soft Costs	\$29,784,331
Service District Charge	\$8,367,000
Affordable Housing In-Lieu	n.a.
Subtotal	\$203,619,836

Construction Financing

Const. Loan Fees	\$2,138,008
Const. Loan Interest	\$8,338,232

Developer Fee

	\$6,108,595
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Total Development Cost

	\$220,204,671
<i>Per Unit</i>	\$413,919
<i>Per Net SF</i>	\$726
<i>Per Gross SF</i>	\$617

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	14,235,882
Less Vacancy	(\$711,794)
Less Operating Expenses	(\$3,986,047)
Net Operating Income	\$9,538,041

Development Cost/Subsidy

Total Development Cost	220,204,671
Construction Excise Tax Exemption	(\$204,123)
SDC Waiver	(\$849,282)
10-YR Property Tax Exemption	(\$13,325,128)
Total Cost, Incl. Subsidies	\$205,826,138

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$37,011,255
<i>RLV Per Unit</i>	-\$69,570
<i>RVL per Site SF</i>	-\$1,851

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-6, 80% AMI IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	CC-6
Development Cost	High
Revenue	High
IH Option	80%
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		532
<i>Affordable</i> (% - count)	20%	107
<i>Market Rate</i> (% - count)	80%	425
Leasable Residential sq. ft.		303,150
Leasable Retail sq. ft.		2,550
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		359,647
Total Parking Spaces		266
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		<i>Underground</i>
Number of Stories		30-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	43	170	213
1-BR	600	0	53	213	266
2-BR	900	0	11	42	53
3-BR	1,000	0	0	0	0
All Units		0	107	425	532

Summary	Affordable	Market-Rate	Total
Number of Units (# - %)	107 20%	425 80%	532
<i>Avg. Affordability</i> (% AMI)	80%		n.a.
Leasable Sq. Ft.	61,050	242,100	303,150
Total Sq. Ft.	71,914	285,183	357,097
Parking Spaces	54	213	266
<i>Parking Space/du</i>	0.5	0.5	0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$415
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$15,727
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)	
Parking (per space)	\$200
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.50
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Operating Costs	
Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing	
Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$149,253,505
Commercial TIs	\$255,000
Parking Cost	\$15,960,000
Soft Costs	\$29,784,331
Service District Charge	\$8,367,000
Affordable Housing In-Lieu	n.a.
Subtotal	\$203,619,836

Construction Financing	
Const. Loan Fees	\$2,138,008
Const. Loan Interest	\$8,338,232

Developer Fee	\$6,108,595
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Total Development Cost	\$220,204,671
<i>Per Unit</i>	\$413,919
<i>Per Net SF</i>	\$726
<i>Per Gross SF</i>	\$617

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	13,947,276
Less Vacancy	(\$697,364)
Less Operating Expenses	(\$3,905,237)
Net Operating Income	\$9,344,675

Development Cost/Subsidy	
Total Development Cost	220,204,671
Construction Excise Tax Exemption	(\$406,870)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$13,042,060)
Total Cost, Incl. Subsidies	\$206,755,742

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value	-\$41,363,265
<i>RLV Per Unit</i>	-\$77,750
<i>RVL per Site SF</i>	-\$2,068

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-6, In-Lieu Fee IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	CC-6
Development Cost	High
Revenue	High
IH Option	In-Lieu Fee
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		532
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	532
Leasable Residential sq. ft.		303,150
Leasable Retail sq. ft.		2,550
Circulation & Communal Space	15%	
Total Project sq.ft		359,647
Total Parking Spaces		266
Parking spaces per du		0.50
Parking Space Type		Underground
Number of Stories		30-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	213	213
1-BR	600	0	0	266	266
2-BR	900	0	0	53	53
3-BR	1,000	0	0	0	0
All Units		0	0	532	532

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	0	0%	532	100%	532
Avg. Affordability (% AMI)		n.a.			n.a.
Leasable Sq. Ft.		0	303,150		303,150
Total Sq. Ft.		0	357,097		357,097
Parking Spaces		0	266		266
Parking Space/du		n.a.	0.5		0.5

Cost Assumptions

Construction

Hard Cost per gross res/com sf	\$415
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$15,727
Affordable Housing In-lieu fee per gsf	\$27
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)

Parking (per space)	\$200
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$149,253,505
Commercial TIs	\$255,000
Parking Cost	\$15,960,000
Soft Costs	\$29,784,331
Service District Charge	\$8,367,000
Affordable Housing In-Lieu	\$9,641,619
Subtotal	\$213,261,455

Construction Financing

Const. Loan Fees	\$2,239,245
Const. Loan Interest	\$8,733,057
Developer Fee	\$6,397,844

Total Development Cost

Total Development Cost	\$230,631,600
Per Unit	\$433,518
Per Net SF	\$761
Per Gross SF	\$646

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	15,041,250
Less Vacancy	(\$752,063)
Less Operating Expenses	(\$4,211,550)
Net Operating Income	\$10,077,638

Development Cost/Subsidy

Total Development Cost	230,631,600
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$230,631,600

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$52,266,335
RLV Per Unit	-\$98,245
RVL per Site SF	-\$2,613

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-6, 60% AMI IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	CC-6
Development Cost	Medium
Revenue	Medium
IH Option	60%
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		532
<i>Affordable (% - count)</i>	10%	54
<i>Market Rate (% - count)</i>	90%	478
Leasable Residential sq. ft.		303,150
Leasable Retail sq. ft.		2,550
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		359,647
Total Parking Spaces		266
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		Underground
Number of Stories		30-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	22	0	191	213
1-BR	600	27	0	239	266
2-BR	900	5	0	48	53
3-BR	1,000	0	0	0	0
All Units		54	0	478	532

Summary

	Affordable	Market-Rate	Total
Number of Units (# - %)	54 10%	478 90%	532
<i>Avg. Affordability (% AMI)</i>	60%		n.a.
Leasable Sq. Ft.	30,600	272,550	303,150
Total Sq. Ft.	36,045	321,052	357,097
Parking Spaces	27	239	266
<i>Parking Space/du</i>	0.5	0.5	0.5

Cost Assumptions

Construction

Hard Cost per gross res/com sf	\$375
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$15,727
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,575
1-BR	\$1,096	\$1,496	\$1,950
2-BR	\$1,310	\$1,790	\$2,700
3-BR	\$1,508	\$2,062	\$3,000

Other Residential Income (Per Month)

Parking (per space)	\$150
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$2.00

Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$134,867,625
Commercial TIs	\$255,000
Parking Cost	\$15,960,000
Soft Costs	\$27,194,873
Service District Charge	\$8,367,000
Affordable Housing In-Lieu	n.a.
Subtotal	\$186,644,497

Construction Financing

Const. Loan Fees	\$1,959,767
Const. Loan Interest	\$7,643,092
Developer Fee	\$5,599,335

Total Development Cost

Total Development Cost	\$201,846,692
<i>Per Unit</i>	\$379,411
<i>Per Net SF</i>	\$666
<i>Per Gross SF</i>	\$565

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	12,416,772
Less Vacancy	(\$620,839)
Less Operating Expenses	(\$3,476,696)
Net Operating Income	\$8,319,237

Development Cost/Subsidy

Total Development Cost	201,846,692
Construction Excise Tax Exemption	(\$187,110)
SDC Waiver	(\$849,282)
10-YR Property Tax Exemption	(\$11,622,397)
Total Cost, Incl. Subsidies	\$189,187,903

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$41,944,766
<i>RLV Per Unit</i>	-\$78,844
<i>RVL per Site SF</i>	-\$2,097

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-6, 80% AMI IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	CC-6
Development Cost	Medium
Revenue	Medium
IH Option	80%
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		532
<i>Affordable</i> (% - count)	20%	107
<i>Market Rate</i> (% - count)	80%	425
Leasable Residential sq. ft.		303,150
Leasable Retail sq. ft.		2,550
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		359,647
Total Parking Spaces		266
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		<i>Underground</i>
Number of Stories		30-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	43	170	213
1-BR	600	0	53	213	266
2-BR	900	0	11	42	53
3-BR	1,000	0	0	0	0
All Units		0	107	425	532

Summary	Affordable	Market-Rate	Total
Number of Units (# - %)	107 20%	425 80%	532
<i>Avg. Affordability</i> (% AMI)	80%		n.a.
Leasable Sq. Ft.	61,050	242,100	303,150
Total Sq. Ft.	71,914	285,183	357,097
Parking Spaces	54	213	266
<i>Parking Space/du</i>	0.5	0.5	0.5

Cost Assumptions

Construction

Hard Cost per gross res/com sf	\$375
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$15,727
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,575
1-BR	\$1,096	\$1,496	\$1,950
2-BR	\$1,310	\$1,790	\$2,700
3-BR	\$1,508	\$2,062	\$3,000

Other Residential Income (Per Month)

Parking (per space)	\$150
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.00
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$134,867,625
Commercial TIs	\$255,000
Parking Cost	\$15,960,000
Soft Costs	\$27,194,873
Service District Charge	\$8,367,000
Affordable Housing In-Lieu	n.a.
Subtotal	\$186,644,497

Construction Financing

Const. Loan Fees	\$1,959,767
Const. Loan Interest	\$7,643,092

Developer Fee

	\$5,599,335
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Total Development Cost

	\$201,846,692
<i>Per Unit</i>	\$379,411
<i>Per Net SF</i>	\$666
<i>Per Gross SF</i>	\$565

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	12,327,576
Less Vacancy	(\$616,379)
Less Operating Expenses	(\$3,451,721)
Net Operating Income	\$8,259,476

Development Cost/Subsidy

Total Development Cost	201,846,692
Construction Excise Tax Exemption	(\$372,926)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$11,527,483)
Total Cost, Incl. Subsidies	\$189,946,283

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$43,760,868
<i>RLV Per Unit</i>	-\$82,257
<i>RVL per Site SF</i>	-\$2,188

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-6, In-Lieu Fee IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	CC-6
Development Cost	Medium
Revenue	Medium
IH Option	In-Lieu Fee
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		532
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	532
Leasable Residential sq. ft.		303,150
Leasable Retail sq. ft.		2,550
Circulation & Communal Space	15%	
Total Project sq.ft		359,647
Total Parking Spaces		266
Parking spaces per du		0.50
Parking Space Type		Underground
Number of Stories		30-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	213	213
1-BR	600	0	0	266	266
2-BR	900	0	0	53	53
3-BR	1,000	0	0	0	0
All Units		0	0	532	532

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	0	0%	532	100%	532
Avg. Affordability (% AMI)		n.a.			n.a.
Leasable Sq. Ft.		0	303,150		303,150
Total Sq. Ft.		0	357,097		357,097
Parking Spaces		0	266		266
Parking Space/du		n.a.	0.5		0.5

Cost Assumptions

Construction

Hard Cost per gross res/com sf	\$375
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$15,727
Affordable Housing In-lieu fee per gsf	\$27
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,575
1-BR	\$1,096	\$1,496	\$1,950
2-BR	\$1,310	\$1,790	\$2,700
3-BR	\$1,508	\$2,062	\$3,000

Other Residential Income (Per Month)

Parking (per space)	\$150
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.00
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$134,867,625
Commercial TIs	\$255,000
Parking Cost	\$15,960,000
Soft Costs	\$27,194,873
Service District Charge	\$8,367,000
Affordable Housing In-Lieu	\$9,641,619
Subtotal	\$196,286,116

Construction Financing

Const. Loan Fees	\$2,061,004
Const. Loan Interest	\$8,037,916

Developer Fee

	\$5,888,583
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Total Development Cost

	\$212,273,621
Per Unit	\$399,011
Per Net SF	\$700
Per Gross SF	\$594

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	13,018,020
Less Vacancy	(\$650,901)
Less Operating Expenses	(\$3,645,046)
Net Operating Income	\$8,722,073

Development Cost/Subsidy

Total Development Cost	212,273,621
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$212,273,621

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$57,900,640
RLV Per Unit	-\$108,836
RVL per Site SF	-\$2,895

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-6, 60% AMI IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	CC-6
Development Cost	Low
Revenue	Low
IH Option	60%
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		532
<i>Affordable (% - count)</i>	10%	54
<i>Market Rate (% - count)</i>	90%	478
Leasable Residential sq. ft.		303,150
Leasable Retail sq. ft.		2,550
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		359,647
Total Parking Spaces		266
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		<i>Underground</i>
Number of Stories		30-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR		
Studio	450	22	0	191		213
1-BR	600	27	0	239		266
2-BR	900	5	0	48		53
3-BR	1,000	0	0	0		0
All Units		54	0	478		532

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	54	10%	478	90%	532
<i>Avg. Affordability (% AMI)</i>		60%			n.a.
Leasable Sq. Ft.		30,600		272,550	303,150
Total Sq. Ft.		36,045		321,052	357,097
Parking Spaces		27		239	266
<i>Parking Space/du</i>		0.5		0.5	0.5

Cost Assumptions

Construction

Hard Cost per gross res/com sf	\$330
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$15,727
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,800
2-BR	\$1,310	\$1,790	\$2,475
3-BR	\$1,508	\$2,062	\$2,750

Other Residential Income (Per Month)

Parking (per space)	\$100
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$1.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$118,683,510
Commercial TIs	\$255,000
Parking Cost	\$15,960,000
Soft Costs	\$24,281,732
Service District Charge	\$8,367,000
Affordable Housing In-Lieu	n.a.
Subtotal	\$167,547,242

Construction Financing

Const. Loan Fees	\$1,759,246
Const. Loan Interest	\$6,861,060

Developer Fee

	\$5,026,417
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Total Development Cost

	\$181,193,965
<i>Per Unit</i>	\$340,590
<i>Per Net SF</i>	\$598
<i>Per Gross SF</i>	\$507

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	11,440,422
Less Vacancy	(\$572,021)
Less Operating Expenses	(\$3,203,318)
Net Operating Income	\$7,665,083

Development Cost/Subsidy

Total Development Cost	181,193,965
Construction Excise Tax Exemption	(\$167,970)
SDC Waiver	(\$849,282)
10-YR Property Tax Exemption	(\$10,708,510)
Total Cost, Incl. Subsidies	\$169,468,203

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$33,803,022
<i>RLV Per Unit</i>	-\$63,540
<i>RVL per Site SF</i>	-\$1,690

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-6, 80% AMI IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	CC-6
Development Cost	Low
Revenue	Low
IH Option	80%
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		532
<i>Affordable</i> (% - count)	20%	107
<i>Market Rate</i> (% - count)	80%	425
Leasable Residential sq. ft.		303,150
Leasable Retail sq. ft.		2,550
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		359,647
Total Parking Spaces		266
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		<i>Underground</i>
Number of Stories		30-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	43	170	213
1-BR	600	0	53	213	266
2-BR	900	0	11	42	53
3-BR	1,000	0	0	0	0
All Units		0	107	425	532

Summary	Affordable		Market-Rate		Total
	107	20%	425	80%	
Number of Units (# - %)					532
<i>Avg. Affordability</i> (% AMI)		80%			n.a.
Leasable Sq. Ft.	61,050		242,100		303,150
Total Sq. Ft.	71,914		285,183		357,097
Parking Spaces		54		213	266
<i>Parking Space/du</i>		0.5		0.5	0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$330
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$15,727
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,800
2-BR	\$1,310	\$1,790	\$2,475
3-BR	\$1,508	\$2,062	\$2,750

Other Residential Income (Per Month)	
Parking (per space)	\$100
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$1.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$118,683,510
Commercial TIs	\$255,000
Parking Cost	\$15,960,000
Soft Costs	\$24,281,732
Service District Charge	\$8,367,000
Affordable Housing In-Lieu	n.a.
Subtotal	\$167,547,242

Construction Financing

Const. Loan Fees	\$1,759,246
Const. Loan Interest	\$6,861,060

Developer Fee

	\$5,026,417
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Total Development Cost

	\$181,193,965
<i>Per Unit</i>	\$340,590
<i>Per Net SF</i>	\$598
<i>Per Gross SF</i>	\$507

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	11,458,476
Less Vacancy	(\$572,924)
Less Operating Expenses	(\$3,208,373)
Net Operating Income	\$7,677,179

Development Cost/Subsidy

Total Development Cost	181,193,965
Construction Excise Tax Exemption	(\$334,740)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$10,714,789)
Total Cost, Incl. Subsidies	\$170,144,435

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$34,265,162
<i>RLV Per Unit</i>	-\$64,408
<i>RVL per Site SF</i>	-\$1,713

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype CC-6, In-Lieu Fee IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	CC-6
Development Cost	Low
Revenue	Low
IH Option	In-Lieu Fee
Location	Central City
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		532
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	532
Leasable Residential sq. ft.		303,150
Leasable Retail sq. ft.		2,550
Circulation & Communal Space	15%	
Total Project sq.ft		359,647
Total Parking Spaces		266
Parking spaces per du		0.50
Parking Space Type		Underground
Number of Stories		30-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	213	213
1-BR	600	0	0	266	266
2-BR	900	0	0	53	53
3-BR	1,000	0	0	0	0
All Units		0	0	532	532

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	0	0%	532	100%	532
Avg. Affordability (% AMI)		n.a.			n.a.
Leasable Sq. Ft.		0	303,150		303,150
Total Sq. Ft.		0	357,097		357,097
Parking Spaces		0	266		266
Parking Space/du		n.a.	0.5		0.5

Cost Assumptions

Construction

Hard Cost per gross res/com sf	\$330
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$15,727
Affordable Housing In-lieu fee per gsf	\$27
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,800
2-BR	\$1,310	\$1,790	\$2,475
3-BR	\$1,508	\$2,062	\$2,750

Other Residential Income (Per Month)

Parking (per space)	\$100
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$1.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$118,683,510
Commercial TIs	\$255,000
Parking Cost	\$15,960,000
Soft Costs	\$24,281,732
Service District Charge	\$8,367,000
Affordable Housing In-Lieu	\$9,641,619
Subtotal	\$177,188,861

Construction Financing

Const. Loan Fees	\$1,860,483
Const. Loan Interest	\$7,255,884

Developer Fee

	\$5,315,666
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Total Development Cost

	\$191,620,893
Per Unit	\$360,190
Per Net SF	\$632
Per Gross SF	\$537

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	11,933,670
Less Vacancy	(\$596,684)
Less Operating Expenses	(\$3,341,428)
Net Operating Income	\$7,995,559

Development Cost/Subsidy

Total Development Cost	191,620,893
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$191,620,893

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$50,106,577
RLV Per Unit	-\$94,185
RVL per Site SF	-\$2,505

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-1, 60% AMI IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	Non CC-1
Development Cost	High
Revenue	High
IH Option	60%
Location	Non-Central C
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		20
<i>Affordable (% - count)</i>	10%	2
<i>Market Rate (% - count)</i>	90%	18
Leasable Residential sq. ft.		11,400
Leasable Retail sq. ft.		993
<i>Circulation & Communal Space</i>	20%	
Total Project sq.ft		15,414
Total Parking Spaces		14
<i>Parking spaces per du</i>		0.70
<i>Parking Space Type</i>		Surface
Number of Stories		3-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	1	0	7	8
1-BR	600	1	0	9	10
2-BR	900	0	0	2	2
3-BR	1,000	0	0	0	0
All Units		2	0	18	20

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	2	10%	18	90%	20
<i>Avg. Affordability (% AMI)</i>		60%			n.a.
Leasable Sq. Ft.		1,050		10,350	11,400
Total Sq. Ft.		1,328		13,093	14,421
Parking Spaces		1		13	14
<i>Parking Space/du</i>		0.7		0.7	0.7

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$260
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$5,000
Soft Costs (% of hard costs)	22%
Service District Charge (per unit) (a)	\$19,457
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)

Parking (per space)	\$200
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$2.25

Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$4,007,640
Commercial TIs	\$99,300
Parking Cost	\$70,000
Soft Costs	\$918,927
Service District Charge	\$389,149
Affordable Housing In-Lieu	n.a.
Subtotal	\$5,485,016

Construction Financing

Const. Loan Fees	\$57,593
Const. Loan Interest	\$224,611
Developer Fee	\$164,550

Total Development Cost

Total Development Cost	\$5,931,770
<i>Per Unit</i>	\$296,589
<i>Per Net SF</i>	\$520
<i>Per Gross SF</i>	\$411

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	570,057
Less Vacancy	(\$28,503)
Less Operating Expenses	(\$182,418)
Net Operating Income	\$359,136

Development Cost/Subsidy

Total Development Cost	5,931,770
Construction Excise Tax Exemption	(\$4,688)
SDC Waiver	(\$38,915)
10-YR Property Tax Exemption	(\$47,006)
Total Cost, Incl. Subsidies	\$5,841,161

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	\$515,227
<i>RLV Per Unit</i>	\$25,761
<i>RVL per Site SF</i>	\$26

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-1, 80% AMI IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	Non CC-1
Development Cost	High
Revenue	High
IH Option	80%
Location	Non-Central C
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		20
<i>Affordable (% - count)</i>	20%	4
<i>Market Rate (% - count)</i>	80%	16
Leasable Residential sq. ft.		11,400
Leasable Retail sq. ft.		993
<i>Circulation & Communal Space</i>	20%	
Total Project sq.ft		15,414
Total Parking Spaces		14
<i>Parking spaces per du</i>		0.70
<i>Parking Space Type</i>		Surface
Number of Stories		3-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	2	6	8
1-BR	600	0	2	8	10
2-BR	900	0	0	2	2
3-BR	1,000	0	0	0	0
All Units		0	4	16	20

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	4	20%	16	80%	20
<i>Avg. Affordability (% AMI)</i>		80%			n.a.
Leasable Sq. Ft.		2,100		9,300	11,400
Total Sq. Ft.		2,657		11,765	14,421
Parking Spaces		3		11	14
<i>Parking Space/du</i>		0.7		0.7	0.7

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$260
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$5,000
Soft Costs (% of hard costs)	22%
Service District Charge (per unit) (a)	\$19,457
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)	
Parking (per space)	\$200
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.25
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Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$4,007,640
Commercial TIs	\$99,300
Parking Cost	\$70,000
Soft Costs	\$918,927
Service District Charge	\$389,149
Affordable Housing In-Lieu	n.a.
Subtotal	\$5,485,016

Construction Financing

Const. Loan Fees	\$57,593
Const. Loan Interest	\$224,611

Developer Fee

	\$164,550
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Total Development Cost

	\$5,931,770
<i>Per Unit</i>	\$296,589
<i>Per Net SF</i>	\$520
<i>Per Gross SF</i>	\$411

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	559,575
Less Vacancy	(\$27,979)
Less Operating Expenses	(\$179,064)
Net Operating Income	\$352,532

Development Cost/Subsidy

Total Development Cost	5,931,770
Construction Excise Tax Exemption	(\$9,376)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$91,556)
Total Cost, Incl. Subsidies	\$5,830,839

Market Cap Rate

	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

	\$408,670
<i>RLV Per Unit</i>	\$20,433
<i>RVL per Site SF</i>	\$20

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-1, In-Lieu Fee IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	Non CC-1
Development Cost	High
Revenue	High
IH Option	In-Lieu Fee
Location	Non-Central C
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		20
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	20
Leasable Residential sq. ft.		11,400
Leasable Retail sq. ft.		993
Circulation & Communal Space	20%	
Total Project sq.ft		15,414
Total Parking Spaces		14
Parking spaces per du		0.70
Parking Space Type		Surface
Number of Stories		3-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	8	8
1-BR	600	0	0	10	10
2-BR	900	0	0	2	2
3-BR	1,000	0	0	0	0
All Units		0	0	20	20

Summary	Affordable		Market-Rate		Total
	0	0%	20	100%	
Number of Units (# - %)	0	0%	20	100%	20
Avg. Affordability (% AMI)		n.a.			n.a.
Leasable Sq. Ft.		0	11,400		11,400
Total Sq. Ft.		0	14,421		14,421
Parking Spaces		0	14		14
Parking Space/du		n.a.	0.7		0.7

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$260
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$5,000
Soft Costs (% of hard costs)	22%
Service District Charge (per unit) (a)	\$19,457
Affordable Housing In-lieu fee per gsf	\$23
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)

Parking (per space)	\$200
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$2.25

Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$4,007,640
Commercial TIs	\$99,300
Parking Cost	\$70,000
Soft Costs	\$918,927
Service District Charge	\$389,149
Affordable Housing In-Lieu	\$331,683
Subtotal	\$5,816,699

Construction Financing

Const. Loan Fees	\$61,075
Const. Loan Interest	\$238,194
Developer Fee	\$174,501

Total Development Cost

Total Development Cost	\$6,290,469
Per Unit	\$314,523
Per Net SF	\$552
Per Gross SF	\$436

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	599,091
Less Vacancy	(\$29,955)
Less Operating Expenses	(\$191,709)
Net Operating Income	\$377,427

Development Cost/Subsidy

Total Development Cost	6,290,469
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$6,290,469

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	\$389,661
RLV Per Unit	\$19,483
RVL per Site SF	\$19

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-1, 60% AMI IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	Non CC-1
Development Cost	Medium
Revenue	Medium
IH Option	60%
Location	Non-Central C
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		20
<i>Affordable (% - count)</i>	10%	2
<i>Market Rate (% - count)</i>	90%	18
Leasable Residential sq. ft.		11,400
Leasable Retail sq. ft.		993
<i>Circulation & Communal Space</i>	20%	
Total Project sq.ft		15,414
Total Parking Spaces		14
<i>Parking spaces per du</i>		0.70
<i>Parking Space Type</i>		Surface
Number of Stories		3-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	1	0	7	8
1-BR	600	1	0	9	10
2-BR	900	0	0	2	2
3-BR	1,000	0	0	0	0
All Units		2	0	18	20

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	2	10%	18	90%	20
<i>Avg. Affordability (% AMI)</i>		60%			n.a.
Leasable Sq. Ft.		1,050		10,350	11,400
Total Sq. Ft.		1,328		13,093	14,421
Parking Spaces		1		13	14
<i>Parking Space/du</i>		0.7		0.7	0.7

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$235
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$5,000
Soft Costs (% of hard costs)	22%
Service District Charge (per unit) (a)	\$19,457
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,500
2-BR	\$1,310	\$1,790	\$2,025
3-BR	\$1,508	\$2,062	\$2,250

Other Residential Income (Per Month)

Parking (per space)	\$50
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$2.00

Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$3,622,290
Commercial TIs	\$99,300
Parking Cost	\$70,000
Soft Costs	\$834,150
Service District Charge	\$389,149
Affordable Housing In-Lieu	n.a.
Subtotal	\$5,014,889

Construction Financing

Const. Loan Fees	\$52,656
Const. Loan Interest	\$205,360
Developer Fee	\$150,447

Total Development Cost

Total Development Cost	\$5,423,352
<i>Per Unit</i>	\$271,168
<i>Per Net SF</i>	\$476
<i>Per Gross SF</i>	\$376

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	407,778
Less Vacancy	(\$20,389)
Less Operating Expenses	(\$130,489)
Net Operating Income	\$256,900

Development Cost/Subsidy

Total Development Cost	5,423,352
Construction Excise Tax Exemption	(\$4,283)
SDC Waiver	(\$38,915)
10-YR Property Tax Exemption	(\$33,625)
Total Cost, Incl. Subsidies	\$5,346,529

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$799,624
<i>RLV Per Unit</i>	-\$39,981
<i>RVL per Site SF</i>	-\$40

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-1, 80% AMI IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	Non CC-1
Development Cost	Medium
Revenue	Medium
IH Option	80%
Location	Non-Central C
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		20
<i>Affordable (% - count)</i>	20%	4
<i>Market Rate (% - count)</i>	80%	16
Leasable Residential sq. ft.		11,400
Leasable Retail sq. ft.		993
<i>Circulation & Communal Space</i>	20%	
Total Project sq.ft		15,414
Total Parking Spaces		14
<i>Parking spaces per du</i>		0.70
<i>Parking Space Type</i>		Surface
Number of Stories		3-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	2	6	8
1-BR	600	0	2	8	10
2-BR	900	0	0	2	2
3-BR	1,000	0	0	0	0
All Units		0	4	16	20

Summary

	Affordable	Market-Rate	Total
Number of Units (# - %)	4 20%	16 80%	20
<i>Avg. Affordability (% AMI)</i>	80%		n.a.
Leasable Sq. Ft.	2,100	9,300	11,400
Total Sq. Ft.	2,657	11,765	14,421
Parking Spaces	3	11	14
<i>Parking Space/du</i>	0.7	0.7	0.7

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$235
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$5,000
Soft Costs (% of hard costs)	22%
Service District Charge (per unit) (a)	\$19,457
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,500
2-BR	\$1,310	\$1,790	\$2,025
3-BR	\$1,508	\$2,062	\$2,250

Other Residential Income (Per Month)

Parking (per space)	\$50
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$2.00

Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$3,622,290
Commercial TIs	\$99,300
Parking Cost	\$70,000
Soft Costs	\$834,150
Service District Charge	\$389,149
Affordable Housing In-Lieu	n.a.
Subtotal	\$5,014,889

Construction Financing

Const. Loan Fees	\$52,656
Const. Loan Interest	\$205,360
Developer Fee	\$150,447

Total Development Cost

Total Development Cost	\$5,423,352
<i>Per Unit</i>	<i>\$271,168</i>
<i>Per Net SF</i>	<i>\$476</i>
<i>Per Gross SF</i>	<i>\$376</i>

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	413,676
Less Vacancy	(\$20,684)
Less Operating Expenses	(\$132,376)
Net Operating Income	\$260,616

Development Cost/Subsidy

Total Development Cost	5,423,352
Construction Excise Tax Exemption	(\$8,565)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$67,684)
Total Cost, Incl. Subsidies	\$5,347,102

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$734,432
<i>RLV Per Unit</i>	<i>-\$36,722</i>
<i>RVL per Site SF</i>	<i>-\$37</i>

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-1, In-Lieu Fee IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	Non CC-1
Development Cost	Medium
Revenue	Medium
IH Option	In-Lieu Fee
Location	Non-Central C
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		20
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	20
Leasable Residential sq. ft.		11,400
Leasable Retail sq. ft.		993
Circulation & Communal Space	20%	
Total Project sq.ft		15,414
Total Parking Spaces		14
Parking spaces per du		0.70
Parking Space Type		Surface
Number of Stories		3-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	8	8
1-BR	600	0	0	10	10
2-BR	900	0	0	2	2
3-BR	1,000	0	0	0	0
All Units		0	0	20	20

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	0	0%	20	100%	20
Avg. Affordability (% AMI)		n.a.			n.a.
Leasable Sq. Ft.		0	11,400		11,400
Total Sq. Ft.		0	14,421		14,421
Parking Spaces		0	14		14
Parking Space/du		n.a.	0.7		0.7

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$235
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$5,000
Soft Costs (% of hard costs)	22%
Service District Charge (per unit) (a)	\$19,457
Affordable Housing In-lieu fee per gsf	\$23
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,500
2-BR	\$1,310	\$1,790	\$2,025
3-BR	\$1,508	\$2,062	\$2,250

Other Residential Income (Per Month)

Parking (per space)	\$50
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.00
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Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$3,622,290
Commercial TIs	\$99,300
Parking Cost	\$70,000
Soft Costs	\$834,150
Service District Charge	\$389,149
Affordable Housing In-Lieu	\$331,683
Subtotal	\$5,346,572

Construction Financing

Const. Loan Fees	\$56,139
Const. Loan Interest	\$218,942

Developer Fee

Total Development Cost	\$5,782,050
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Per Unit	\$289,103
Per Net SF	\$507
Per Gross SF	\$401

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	420,432
Less Vacancy	(\$21,022)
Less Operating Expenses	(\$134,538)
Net Operating Income	\$264,872

Development Cost/Subsidy

Total Development Cost	5,782,050
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$5,782,050

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$1,094,047
RLV Per Unit	-\$54,702
RVL per Site SF	-\$55

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-1, 60% AMI IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	Non CC-1
Development Cost	Low
Revenue	Low
IH Option	60%
Location	Non-Central C
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		20
<i>Affordable (% - count)</i>	10%	2
<i>Market Rate (% - count)</i>	90%	18
Leasable Residential sq. ft.		11,400
Leasable Retail sq. ft.		993
<i>Circulation & Communal Space</i>	20%	
Total Project sq.ft		15,414
Total Parking Spaces		14
<i>Parking spaces per du</i>		0.70
<i>Parking Space Type</i>		Surface
Number of Stories		3-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	1	0	7	8
1-BR	600	1	0	9	10
2-BR	900	0	0	2	2
3-BR	1,000	0	0	0	0
All Units		2	0	18	20

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	2	10%	18	90%	20
<i>Avg. Affordability (% AMI)</i>		60%			n.a.
Leasable Sq. Ft.		1,050		10,350	11,400
Total Sq. Ft.		1,328		13,093	14,421
Parking Spaces		1		13	14
<i>Parking Space/du</i>		0.7		0.7	0.7

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$220
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$5,000
Soft Costs (% of hard costs)	22%
Service District Charge (per unit) (a)	\$19,457
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,125
1-BR	\$1,096	\$1,496	\$1,200
2-BR	\$1,310	\$1,790	\$1,575
3-BR	\$1,508	\$2,062	\$1,750

Other Residential Income (Per Month)

Parking (per space)	\$0
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$1.50

Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$3,391,080
Commercial TIs	\$99,300
Parking Cost	\$70,000
Soft Costs	\$783,284
Service District Charge	\$389,149
Affordable Housing In-Lieu	n.a.
Subtotal	\$4,732,813

Construction Financing

Const. Loan Fees	\$49,695
Const. Loan Interest	\$193,809
Developer Fee	\$141,984

Total Development Cost

Total Development Cost	\$5,118,300
<i>Per Unit</i>	\$255,915
<i>Per Net SF</i>	\$449
<i>Per Gross SF</i>	\$355

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	322,710
Less Vacancy	(\$16,136)
Less Operating Expenses	(\$103,267)
Net Operating Income	\$203,307

Development Cost/Subsidy

Total Development Cost	5,118,300
Construction Excise Tax Exemption	(\$4,040)
SDC Waiver	(\$38,915)
10-YR Property Tax Exemption	(\$26,610)
Total Cost, Incl. Subsidies	\$5,048,735

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$1,450,376
<i>RLV Per Unit</i>	-\$72,519
<i>RVL per Site SF</i>	-\$73

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-1, 80% AMI IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	Non CC-1
Development Cost	Low
Revenue	Low
IH Option	80%
Location	Non-Central C
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		20
<i>Affordable (% - count)</i>	20%	4
<i>Market Rate (% - count)</i>	80%	16
Leasable Residential sq. ft.		11,400
Leasable Retail sq. ft.		993
<i>Circulation & Communal Space</i>	20%	
Total Project sq.ft		15,414
Total Parking Spaces		14
<i>Parking spaces per du</i>		0.70
<i>Parking Space Type</i>		Surface
Number of Stories		3-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR		
Studio	450	0	2	6	8	
1-BR	600	0	2	8	10	
2-BR	900	0	0	2	2	
3-BR	1,000	0	0	0	0	
All Units		0	4	16	20	

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	4	20%	16	80%	20
<i>Avg. Affordability (% AMI)</i>		80%			n.a.
Leasable Sq. Ft.		2,100		9,300	11,400
Total Sq. Ft.		2,657		11,765	14,421
Parking Spaces		3		11	14
<i>Parking Space/du</i>		0.7		0.7	0.7

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$220
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$5,000
Soft Costs (% of hard costs)	22%
Service District Charge (per unit) (a)	\$19,457
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,125
1-BR	\$1,096	\$1,496	\$1,200
2-BR	\$1,310	\$1,790	\$1,575
3-BR	\$1,508	\$2,062	\$1,750

Other Residential Income (Per Month)

Parking (per space)	\$0
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$1.50

Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$3,391,080
Commercial TIs	\$99,300
Parking Cost	\$70,000
Soft Costs	\$783,284
Service District Charge	\$389,149
Affordable Housing In-Lieu	n.a.
Subtotal	\$4,732,813

Construction Financing

Const. Loan Fees	\$49,695
Const. Loan Interest	\$193,809
Developer Fee	\$141,984

Total Development Cost

Total Development Cost	\$5,118,300
<i>Per Unit</i>	\$255,915
<i>Per Net SF</i>	\$449
<i>Per Gross SF</i>	\$355

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	337,098
Less Vacancy	(\$16,855)
Less Operating Expenses	(\$107,871)
Net Operating Income	\$212,372

Development Cost/Subsidy

Total Development Cost	5,118,300
Construction Excise Tax Exemption	(\$8,079)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$55,155)
Total Cost, Incl. Subsidies	\$5,055,066

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$1,296,275
<i>RLV Per Unit</i>	-\$64,814
<i>RVL per Site SF</i>	-\$65

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-1, In-Lieu Fee IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	Non CC-1
Development Cost	Low
Revenue	Low
IH Option	In-Lieu Fee
Location	Non-Central C
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		20
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	20
Leasable Residential sq. ft.		11,400
Leasable Retail sq. ft.		993
Circulation & Communal Space	20%	
Total Project sq.ft		15,414
Total Parking Spaces		14
Parking spaces per du		0.70
Parking Space Type		Surface
Number of Stories		3-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	8	8
1-BR	600	0	0	10	10
2-BR	900	0	0	2	2
3-BR	1,000	0	0	0	0
All Units		0	0	20	20

Summary	Affordable		Market-Rate		Total
	0	0%	20	100%	
Number of Units (# - %)	0	0%	20	100%	20
Avg. Affordability (% AMI)		n.a.			n.a.
Leasable Sq. Ft.		0	11,400		11,400
Total Sq. Ft.		0	14,421		14,421
Parking Spaces		0	14		14
Parking Space/du		n.a.	0.7		0.7

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$220
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$5,000
Soft Costs (% of hard costs)	22%
Service District Charge (per unit) (a)	\$19,457
Affordable Housing In-lieu fee per gsf	\$23
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,125
1-BR	\$1,096	\$1,496	\$1,200
2-BR	\$1,310	\$1,790	\$1,575
3-BR	\$1,508	\$2,062	\$1,750

Other Residential Income (Per Month)

Parking (per space)	\$0
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$1.50

Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$3,391,080
Commercial TIs	\$99,300
Parking Cost	\$70,000
Soft Costs	\$783,284
Service District Charge	\$389,149
Affordable Housing In-Lieu	\$331,683
Subtotal	\$5,064,496

Construction Financing

Const. Loan Fees	\$53,177
Const. Loan Interest	\$207,391
Developer Fee	\$151,935

Total Development Cost

Total Development Cost	\$5,476,999
Per Unit	\$273,850
Per Net SF	\$480
Per Gross SF	\$380

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	326,874
Less Vacancy	(\$16,344)
Less Operating Expenses	(\$104,600)
Net Operating Income	\$205,931

Development Cost/Subsidy

Total Development Cost	5,476,999
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$5,476,999

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$1,832,209
RLV Per Unit	-\$91,610
RVL per Site SF	-\$92

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-2, 60% AMI IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	Non CC-2
Development Cost	High
Revenue	High
IH Option	60%
Location	Non-Central C
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		64
<i>Affordable (% - count)</i>	11%	7
<i>Market Rate (% - count)</i>	89%	57
Leasable Residential sq. ft.		36,300
Leasable Retail sq. ft.		3,400
<i>Circulation & Communal Space</i>	20%	
Total Project sq.ft		49,625
Total Parking Spaces		45
<i>Parking spaces per du</i>		0.70
<i>Parking Space Type</i>		<i>Tuck-Under</i>
Number of Stories		4-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR		
Studio	450	3	0	23	26	
1-BR	600	3	0	29	32	
2-BR	900	1	0	5	6	
3-BR	1,000	0	0	0	0	
All Units		7	0	57	64	

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	7	11%	57	89%	64
<i>Avg. Affordability (% AMI)</i>		60%			n.a.
Leasable Sq. Ft.		4,050		32,250	36,300
Total Sq. Ft.		5,157		41,068	46,225
Parking Spaces		5		40	45
<i>Parking Space/du</i>		0.703		0.7031	0.703125

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$260
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$15,000
Soft Costs (% of hard costs)	22%
Service District Charge (per unit) (a)	\$18,935
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)	
Parking (per space)	\$200
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.25
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Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$12,902,500
Commercial TIs	\$340,000
Parking Cost	\$675,000
Soft Costs	\$3,061,850
Service District Charge	\$1,211,848
Affordable Housing In-Lieu	n.a.
Subtotal	\$18,191,198

Construction Financing

Const. Loan Fees	\$191,008
Const. Loan Interest	\$744,930

Developer Fee

	\$545,736
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Total Development Cost

	\$19,672,871
<i>Per Unit</i>	\$307,389
<i>Per Net SF</i>	\$542
<i>Per Gross SF</i>	\$426

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	1,809,326
Less Vacancy	(\$90,466)
Less Operating Expenses	(\$578,984)
Net Operating Income	\$1,139,875

Development Cost/Subsidy

Total Development Cost	19,672,871
Construction Excise Tax Exemption	(\$18,585)
SDC Waiver	(\$132,546)
10-YR Property Tax Exemption	(\$162,136)
Total Cost, Incl. Subsidies	\$19,359,604

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	\$815,176
<i>RLV Per Unit</i>	\$12,737
<i>RVL per Site SF</i>	\$41

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-2, 80% AMI IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	Non CC-2
Development Cost	High
Revenue	High
IH Option	80%
Location	Non-Central C
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		64
<i>Affordable (% - count)</i>	20%	13
<i>Market Rate (% - count)</i>	80%	51
Leasable Residential sq. ft.		36,300
Leasable Retail sq. ft.		3,400
<i>Circulation & Communal Space</i>	20%	
Total Project sq.ft		49,625
Total Parking Spaces		45
<i>Parking spaces per du</i>		0.70
<i>Parking Space Type</i>		<i>Tuck-Under</i>
Number of Stories		4-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR	All	
Studio	450	0	5	21	26	
1-BR	600	0	7	25	32	
2-BR	900	0	1	5	6	
3-BR	1,000	0	0	0	0	
All Units		0	13	51	64	

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	13	20%	51	80%	64
<i>Avg. Affordability (% AMI)</i>		80%			n.a.
Leasable Sq. Ft.		7,350		28,950	36,300
Total Sq. Ft.		9,360		36,865	46,225
Parking Spaces		9		36	45
<i>Parking Space/du</i>		0.703		0.7031	0.703125

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$260
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$15,000
Soft Costs (% of hard costs)	22%
Service District Charge (per unit) (a)	\$18,935
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)

Parking (per space)	\$200
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$2.25

Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$12,902,500
Commercial TIs	\$340,000
Parking Cost	\$675,000
Soft Costs	\$3,061,850
Service District Charge	\$1,211,848
Affordable Housing In-Lieu	n.a.
Subtotal	\$18,191,198

Construction Financing

Const. Loan Fees	\$191,008
Const. Loan Interest	\$744,930
Developer Fee	\$545,736

Total Development Cost

Total Development Cost	\$19,672,871
<i>Per Unit</i>	<i>\$307,389</i>
<i>Per Net SF</i>	<i>\$542</i>
<i>Per Gross SF</i>	<i>\$426</i>

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	1,779,977
Less Vacancy	(\$88,999)
Less Operating Expenses	(\$569,592)
Net Operating Income	\$1,121,385

Development Cost/Subsidy

Total Development Cost	19,672,871
Construction Excise Tax Exemption	(\$33,823)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$293,666)
Total Cost, Incl. Subsidies	\$19,345,382

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	\$502,143
<i>RLV Per Unit</i>	<i>\$7,846</i>
<i>RVL per Site SF</i>	<i>\$25</i>

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-2, In-Lieu Fee IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	Non CC-2
Development Cost	High
Revenue	High
IH Option	In-Lieu Fee
Location	Non-Central C
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		64
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	64
Leasable Residential sq. ft.		36,300
Leasable Retail sq. ft.		3,400
Circulation & Communal Space	20%	
Total Project sq.ft		49,625
Total Parking Spaces		45
Parking spaces per du		0.70
Parking Space Type		Tuck-Under
Number of Stories		4-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	26	26
1-BR	600	0	0	32	32
2-BR	900	0	0	6	6
3-BR	1,000	0	0	0	0
All Units		0	0	64	64

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	0	0%	64	100%	64
Avg. Affordability (% AMI)		n.a.			n.a.
Leasable Sq. Ft.		0	36,300		36,300
Total Sq. Ft.		0	46,225		46,225
Parking Spaces		0	45		45
Parking Space/du		n.a.	0.7031		0.703125

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$260
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$15,000
Soft Costs (% of hard costs)	22%
Service District Charge (per unit) (a)	\$18,935
Affordable Housing In-lieu fee per gsf	\$23
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)

Parking (per space)	\$200
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$2.25

Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$12,902,500
Commercial TIs	\$340,000
Parking Cost	\$675,000
Soft Costs	\$3,061,850
Service District Charge	\$1,211,848
Affordable Housing In-Lieu	\$1,063,175
Subtotal	\$19,254,373

Construction Financing

Const. Loan Fees	\$202,171
Const. Loan Interest	\$788,467

Developer Fee

Total Development Cost	\$20,822,641
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Per Unit	\$325,354
Per Net SF	\$574
Per Gross SF	\$450

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	1,918,500
Less Vacancy	(\$95,925)
Less Operating Expenses	(\$613,920)
Net Operating Income	\$1,208,655

Development Cost/Subsidy

Total Development Cost	20,822,641
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$20,822,641

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	\$569,482
RLV Per Unit	\$8,898
RVL per Site SF	\$28

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-2, 60% AMI IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	Non CC-2
Development Cost	Medium
Revenue	Medium
IH Option	60%
Location	Non-Central C
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		64
<i>Affordable</i> (% - count)	11%	7
<i>Market Rate</i> (% - count)	89%	57
Leasable Residential sq. ft.		36,300
Leasable Retail sq. ft.		3,400
<i>Circulation & Communal Space</i>	20%	
Total Project sq.ft		49,625
Total Parking Spaces		45
<i>Parking spaces per du</i>		0.70
<i>Parking Space Type</i>		<i>Tuck-Under</i>
Number of Stories		4-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR		
Studio	450	3	0	23	26	
1-BR	600	3	0	29	32	
2-BR	900	1	0	5	6	
3-BR	1,000	0	0	0	0	
All Units		7	0	57	64	

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	7	11%	57	89%	64
<i>Avg. Affordability</i> (% AMI)		60%			n.a.
Leasable Sq. Ft.		4,050		32,250	36,300
Total Sq. Ft.		5,157		41,068	46,225
Parking Spaces		5		40	45
<i>Parking Space/du</i>		0.703		0.7031	0.703125

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$235
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$15,000
Soft Costs (% of hard costs)	22%
Service District Charge (per unit) (a)	\$18,935
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,500
2-BR	\$1,310	\$1,790	\$2,025
3-BR	\$1,508	\$2,062	\$2,250

Other Residential Income (Per Month)	
Parking (per space)	\$50
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.00
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Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$11,661,875
Commercial TIs	\$340,000
Parking Cost	\$675,000
Soft Costs	\$2,788,913
Service District Charge	\$1,211,848
Affordable Housing In-Lieu	n.a.
Subtotal	\$16,677,635

Construction Financing

Const. Loan Fees	\$175,115
Const. Loan Interest	\$682,949

Developer Fee

	\$500,329
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Total Development Cost

	\$18,036,029
<i>Per Unit</i>	\$281,813
<i>Per Net SF</i>	\$497
<i>Per Gross SF</i>	\$390

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	1,300,205
Less Vacancy	(\$65,010)
Less Operating Expenses	(\$416,066)
Net Operating Income	\$819,129

Development Cost/Subsidy

Total Development Cost	18,036,029
Construction Excise Tax Exemption	(\$17,012)
SDC Waiver	(\$132,546)
10-YR Property Tax Exemption	(\$116,513)
Total Cost, Incl. Subsidies	\$17,769,958

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$3,272,098
<i>RLV Per Unit</i>	-\$51,127
<i>RVL per Site SF</i>	-\$164

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-2, 80% AMI IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	Non CC-2
Development Cost	Medium
Revenue	Medium
IH Option	80%
Location	Non-Central C
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		64
<i>Affordable</i> (% - count)	20%	13
<i>Market Rate</i> (% - count)	80%	51
Leasable Residential sq. ft.		36,300
Leasable Retail sq. ft.		3,400
<i>Circulation & Communal Space</i>	20%	
Total Project sq.ft		49,625
Total Parking Spaces		45
<i>Parking spaces per du</i>		0.70
<i>Parking Space Type</i>		<i>Tuck-Under</i>
Number of Stories		4-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR	All	
Studio	450	0	5	21	26	
1-BR	600	0	7	25	32	
2-BR	900	0	1	5	6	
3-BR	1,000	0	0	0	0	
All Units		0	13	51	64	

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	13	20%	51	80%	64
<i>Avg. Affordability</i> (% AMI)		80%			n.a.
Leasable Sq. Ft.		7,350		28,950	36,300
Total Sq. Ft.		9,360		36,865	46,225
Parking Spaces		9		36	45
<i>Parking Space/du</i>		0.703		0.7031	0.703125

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$235
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$15,000
Soft Costs (% of hard costs)	22%
Service District Charge (per unit) (a)	\$18,935
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,500
2-BR	\$1,310	\$1,790	\$2,025
3-BR	\$1,508	\$2,062	\$2,250

Other Residential Income (Per Month)	
Parking (per space)	\$50
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.00
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Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$11,661,875
Commercial TIs	\$340,000
Parking Cost	\$675,000
Soft Costs	\$2,788,913
Service District Charge	\$1,211,848
Affordable Housing In-Lieu	n.a.
Subtotal	\$16,677,635

Construction Financing

Const. Loan Fees	\$175,115
Const. Loan Interest	\$682,949

Developer Fee

	\$500,329
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Total Development Cost

	\$18,036,029
<i>Per Unit</i>	\$281,813
<i>Per Net SF</i>	\$497
<i>Per Gross SF</i>	\$390

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	1,324,170
Less Vacancy	(\$66,208)
Less Operating Expenses	(\$423,734)
Net Operating Income	\$834,227

Development Cost/Subsidy

Total Development Cost	18,036,029
Construction Excise Tax Exemption	(\$30,968)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$218,465)
Total Cost, Incl. Subsidies	\$17,786,595

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$3,021,518
<i>RLV Per Unit</i>	-\$47,211
<i>RVL per Site SF</i>	-\$151

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-2, In-Lieu Fee IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	Non CC-2
Development Cost	Medium
Revenue	Medium
IH Option	In-Lieu Fee
Location	Non-Central C
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		64
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	64
Leasable Residential sq. ft.		36,300
Leasable Retail sq. ft.		3,400
Circulation & Communal Space	20%	
Total Project sq.ft		49,625
Total Parking Spaces		45
Parking spaces per du		0.70
Parking Space Type		Tuck-Under
Number of Stories		4-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	26	26
1-BR	600	0	0	32	32
2-BR	900	0	0	6	6
3-BR	1,000	0	0	0	0
All Units		0	0	64	64

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	0	0%	64	100%	64
Avg. Affordability (% AMI)		n.a.			n.a.
Leasable Sq. Ft.		0	36,300		36,300
Total Sq. Ft.		0	46,225		46,225
Parking Spaces		0	45		45
Parking Space/du		n.a.	0.7031		0.703125

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$235
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$15,000
Soft Costs (% of hard costs)	22%
Service District Charge (per unit) (a)	\$18,935
Affordable Housing In-lieu fee per gsf	\$23
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,500
2-BR	\$1,310	\$1,790	\$2,025
3-BR	\$1,508	\$2,062	\$2,250

Other Residential Income (Per Month)

Parking (per space)	\$50
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$2.00

Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$11,661,875
Commercial TIs	\$340,000
Parking Cost	\$675,000
Soft Costs	\$2,788,913
Service District Charge	\$1,211,848
Affordable Housing In-Lieu	\$1,063,175
Subtotal	\$17,740,810

Construction Financing

Const. Loan Fees	\$186,279
Const. Loan Interest	\$726,486
Developer Fee	\$532,224

Total Development Cost \$19,185,799

Per Unit	\$299,778
Per Net SF	\$529
Per Gross SF	\$415

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	1,348,140
Less Vacancy	(\$67,407)
Less Operating Expenses	(\$431,405)
Net Operating Income	\$849,328

Development Cost/Subsidy

Total Development Cost	19,185,799
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$19,185,799

Market Cap Rate 4.7%

Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value -\$4,153,442

RLV Per Unit	-\$64,898
RVL per Site SF	-\$208

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-2, 60% AMI IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	Non CC-2
Development Cost	Low
Revenue	Low
IH Option	60%
Location	Non-Central C
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		64
<i>Affordable (% - count)</i>	11%	7
<i>Market Rate (% - count)</i>	89%	57
Leasable Residential sq. ft.		36,300
Leasable Retail sq. ft.		3,400
<i>Circulation & Communal Space</i>	20%	
Total Project sq.ft		49,625
Total Parking Spaces		45
<i>Parking spaces per du</i>		0.70
<i>Parking Space Type</i>		<i>Tuck-Under</i>
Number of Stories		4-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR		
Studio	450	3	0	23		26
1-BR	600	3	0	29		32
2-BR	900	1	0	5		6
3-BR	1,000	0	0	0		0
All Units		7	0	57		64

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	7	11%	57	89%	64
<i>Avg. Affordability (% AMI)</i>		60%			n.a.
Leasable Sq. Ft.		4,050		32,250	36,300
Total Sq. Ft.		5,157		41,068	46,225
Parking Spaces		5		40	45
<i>Parking Space/du</i>		0.703		0.7031	0.703125

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$220
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$15,000
Soft Costs (% of hard costs)	22%
Service District Charge (per unit) (a)	\$18,935
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,125
1-BR	\$1,096	\$1,496	\$1,200
2-BR	\$1,310	\$1,790	\$1,575
3-BR	\$1,508	\$2,062	\$1,750

Other Residential Income (Per Month)	
Parking (per space)	\$0
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$1.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$10,917,500
Commercial TIs	\$340,000
Parking Cost	\$675,000
Soft Costs	\$2,625,150
Service District Charge	\$1,211,848
Affordable Housing In-Lieu	n.a.
Subtotal	\$15,769,498

Construction Financing

Const. Loan Fees	\$165,580
Const. Loan Interest	\$645,761

Developer Fee

	\$473,085
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Total Development Cost

	\$17,053,923
<i>Per Unit</i>	\$266,468
<i>Per Net SF</i>	\$470
<i>Per Gross SF</i>	\$369

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	1,031,208
Less Vacancy	(\$51,560)
Less Operating Expenses	(\$329,987)
Net Operating Income	\$649,661

Development Cost/Subsidy

Total Development Cost	17,053,923
Construction Excise Tax Exemption	(\$16,068)
SDC Waiver	(\$132,546)
10-YR Property Tax Exemption	(\$92,408)
Total Cost, Incl. Subsidies	\$16,812,901

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$5,314,476
<i>RLV Per Unit</i>	-\$83,039
<i>RVL per Site SF</i>	-\$266

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-2, 80% AMI IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	Non CC-2
Development Cost	Low
Revenue	Low
IH Option	80%
Location	Non-Central C
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		64
<i>Affordable (% - count)</i>	20%	13
<i>Market Rate (% - count)</i>	80%	51
Leasable Residential sq. ft.		36,300
Leasable Retail sq. ft.		3,400
<i>Circulation & Communal Space</i>	20%	
Total Project sq.ft		49,625
Total Parking Spaces		45
<i>Parking spaces per du</i>		0.70
<i>Parking Space Type</i>		<i>Tuck-Under</i>
Number of Stories		4-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR	All	
Studio	450	0	5	21	26	
1-BR	600	0	7	25	32	
2-BR	900	0	1	5	6	
3-BR	1,000	0	0	0	0	
All Units		0	13	51	64	

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	13	20%	51	80%	64
<i>Avg. Affordability (% AMI)</i>		80%			n.a.
Leasable Sq. Ft.	7,350		28,950		36,300
Total Sq. Ft.	9,360		36,865		46,225
Parking Spaces	9		36		45
<i>Parking Space/du</i>	0.703		0.7031		0.703125

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$220
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$15,000
Soft Costs (% of hard costs)	22%
Service District Charge (per unit) (a)	\$18,935
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,125
1-BR	\$1,096	\$1,496	\$1,200
2-BR	\$1,310	\$1,790	\$1,575
3-BR	\$1,508	\$2,062	\$1,750

Other Residential Income (Per Month)

Parking (per space)	\$0
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$1.50

Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$10,917,500
Commercial TIs	\$340,000
Parking Cost	\$675,000
Soft Costs	\$2,625,150
Service District Charge	\$1,211,848
Affordable Housing In-Lieu	n.a.
Subtotal	\$15,769,498

Construction Financing

Const. Loan Fees	\$165,580
Const. Loan Interest	\$645,761
Developer Fee	\$473,085

Total Development Cost

Total Development Cost	\$17,053,923
<i>Per Unit</i>	\$266,468
<i>Per Net SF</i>	\$470
<i>Per Gross SF</i>	\$369

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	1,080,204
Less Vacancy	(\$54,010)
Less Operating Expenses	(\$345,665)
Net Operating Income	\$680,529

Development Cost/Subsidy

Total Development Cost	17,053,923
Construction Excise Tax Exemption	(\$29,255)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$178,215)
Total Cost, Incl. Subsidies	\$16,846,453

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$4,801,700
<i>RLV Per Unit</i>	-\$75,027
<i>RVL per Site SF</i>	-\$240

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-2, In-Lieu Fee IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	Non CC-2
Development Cost	Low
Revenue	Low
IH Option	In-Lieu Fee
Location	Non-Central C
Construction Type	Type 5

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		64
<i>Affordable (% - count)</i>	0%	0
<i>Market Rate (% - count)</i>	100%	64
Leasable Residential sq. ft.		36,300
Leasable Retail sq. ft.		3,400
<i>Circulation & Communal Space</i>	20%	
Total Project sq.ft		49,625
Total Parking Spaces		45
<i>Parking spaces per du</i>		0.70
<i>Parking Space Type</i>		Tuck-Under
Number of Stories		4-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	26	26
1-BR	600	0	0	32	32
2-BR	900	0	0	6	6
3-BR	1,000	0	0	0	0
All Units		0	0	64	64

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	0	0%	64	100%	64
<i>Avg. Affordability (% AMI)</i>		n.a.			n.a.
Leasable Sq. Ft.		0	36,300		36,300
Total Sq. Ft.		0	46,225		46,225
Parking Spaces		0	45		45
<i>Parking Space/du</i>		n.a.	0.7031		0.703125

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$220
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$15,000
Soft Costs (% of hard costs)	22%
Service District Charge (per unit) (a)	\$18,935
Affordable Housing In-lieu fee per gsf	\$23
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,125
1-BR	\$1,096	\$1,496	\$1,200
2-BR	\$1,310	\$1,790	\$1,575
3-BR	\$1,508	\$2,062	\$1,750

Other Residential Income (Per Month)

Parking (per space)	\$0
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$1.50

Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$10,917,500
Commercial TIs	\$340,000
Parking Cost	\$675,000
Soft Costs	\$2,625,150
Service District Charge	\$1,211,848
Affordable Housing In-Lieu	\$1,063,175
Subtotal	\$16,832,673

Construction Financing

Const. Loan Fees	\$176,743
Const. Loan Interest	\$689,298
Developer Fee	\$504,980

Total Development Cost

Total Development Cost	\$18,203,694
<i>Per Unit</i>	\$284,433
<i>Per Net SF</i>	\$501
<i>Per Gross SF</i>	\$394

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	1,047,840
Less Vacancy	(\$52,392)
Less Operating Expenses	(\$335,309)
Net Operating Income	\$660,139

Development Cost/Subsidy

Total Development Cost	18,203,694
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$18,203,694

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$6,519,814
<i>RLV Per Unit</i>	-\$101,872
<i>RVL per Site SF</i>	-\$326

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-3, 60% AMI IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	Non CC-3
Development Cost	High
Revenue	High
IH Option	60%
Location	Non-Central C
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		78
<i>Affordable (% - count)</i>	10%	8
<i>Market Rate (% - count)</i>	90%	70
Leasable Residential sq. ft.		44,550
Leasable Retail sq. ft.		3,400
<i>Circulation & Communal Space</i>	20%	
Total Project sq.ft		59,938
Total Parking Spaces		45
<i>Parking spaces per du</i>		0.58
<i>Parking Space Type</i>		<i>Tuck-Under</i>
Number of Stories		5-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR		
Studio	450	3	0	28		31
1-BR	600	4	0	35		39
2-BR	900	1	0	7		8
3-BR	1,000	0	0	0		0
All Units		8	0	70		78

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	8	10%	70	90%	78
<i>Avg. Affordability (% AMI)</i>		60%			n.a.
Leasable Sq. Ft.		4,650		39,900	44,550
Total Sq. Ft.		5,901		50,637	56,538
Parking Spaces		5		40	45
<i>Parking Space/du</i>		0.577		0.5769	0.576923

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$350
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$15,000
Soft Costs (% of hard costs)	22%
Service District Charge (per unit) (a)	\$18,612
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)

Parking (per space)	\$200
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$2.25

Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$20,978,300
Commercial TIs	\$340,000
Parking Cost	\$675,000
Soft Costs	\$4,838,526
Service District Charge	\$1,451,767
Affordable Housing In-Lieu	n.a.
Subtotal	\$28,283,593

Construction Financing

Const. Loan Fees	\$296,978
Const. Loan Interest	\$1,158,213
Developer Fee	\$848,508

Total Development Cost

\$30,587,291	
<i>Per Unit</i>	\$392,145
<i>Per Net SF</i>	\$687
<i>Per Gross SF</i>	\$541

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	2,179,943
Less Vacancy	(\$108,997)
Less Operating Expenses	(\$697,582)
Net Operating Income	\$1,373,364

Development Cost/Subsidy

Total Development Cost	30,587,291
Construction Excise Tax Exemption	(\$27,532)
SDC Waiver	(\$148,899)
10-YR Property Tax Exemption	(\$185,868)
Total Cost, Incl. Subsidies	\$30,224,992

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

-\$5,917,662	
<i>RLV Per Unit</i>	-\$75,867
<i>RVL per Site SF</i>	-\$296

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-3, 80% AMI IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	Non CC-3
Development Cost	High
Revenue	High
IH Option	80%
Location	Non-Central C
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		78
<i>Affordable (% - count)</i>	21%	16
<i>Market Rate (% - count)</i>	79%	62
Leasable Residential sq. ft.		44,550
Leasable Retail sq. ft.		3,400
<i>Circulation & Communal Space</i>	20%	
Total Project sq.ft		59,938
Total Parking Spaces		45
<i>Parking spaces per du</i>		0.58
<i>Parking Space Type</i>		<i>Tuck-Under</i>
Number of Stories		5-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR	All	
Studio	450	0	6	25	31	
1-BR	600	0	8	31	39	
2-BR	900	0	2	6	8	
3-BR	1,000	0	0	0	0	
All Units		0	16	62	78	

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	16	21%	62	79%	78
<i>Avg. Affordability (% AMI)</i>		80%			n.a.
Leasable Sq. Ft.	9,300		35,250		44,550
Total Sq. Ft.	11,803		44,735		56,538
Parking Spaces	9		36		45
<i>Parking Space/du</i>		0.577	0.5769		0.576923

Cost Assumptions

Construction		
Hard Cost per gross res/com sf		\$350
Commercial Tenant Improvement per sf		\$100
Parking cost per space		\$15,000
Soft Costs (% of hard costs)		22%
Service District Charge (per unit) (a)		\$18,612
Affordable Housing In-lieu fee per gsf		n.a.
Developer Fee (% of hard and soft)		3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)

Parking (per space)	\$200
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$2.25

Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$20,978,300
Commercial TIs	\$340,000
Parking Cost	\$675,000
Soft Costs	\$4,838,526
Service District Charge	\$1,451,767
Affordable Housing In-Lieu	n.a.
Subtotal	\$28,283,593

Construction Financing

Const. Loan Fees	\$296,978
Const. Loan Interest	\$1,158,213
Developer Fee	\$848,508

Total Development Cost

Total Development Cost	\$30,587,291
<i>Per Unit</i>	<i>\$392,145</i>
<i>Per Net SF</i>	<i>\$687</i>
<i>Per Gross SF</i>	<i>\$541</i>

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	2,133,472
Less Vacancy	(\$106,674)
Less Operating Expenses	(\$682,711)
Net Operating Income	\$1,344,087

Development Cost/Subsidy

Total Development Cost	30,587,291
Construction Excise Tax Exemption	(\$55,064)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$360,818)
Total Cost, Incl. Subsidies	\$30,171,410

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$6,382,251
<i>RLV Per Unit</i>	<i>-\$81,824</i>
<i>RVL per Site SF</i>	<i>-\$319</i>

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-3, In-Lieu Fee IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	Non CC-3
Development Cost	High
Revenue	High
IH Option	In-Lieu Fee
Location	Non-Central C
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		78
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	78
Leasable Residential sq. ft.		44,550
Leasable Retail sq. ft.		3,400
Circulation & Communal Space	20%	
Total Project sq.ft		59,938
Total Parking Spaces		45
Parking spaces per du		0.58
Parking Space Type		Tuck-Under
Number of Stories		5-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	31	31
1-BR	600	0	0	39	39
2-BR	900	0	0	8	8
3-BR	1,000	0	0	0	0
All Units		0	0	78	78

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	0	0%	78	100%	78
Avg. Affordability (% AMI)		n.a.			n.a.
Leasable Sq. Ft.		0	44,550		44,550
Total Sq. Ft.		0	56,538		56,538
Parking Spaces		0	45		45
Parking Space/du		n.a.	0.5769		0.576923

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$350
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$15,000
Soft Costs (% of hard costs)	22%
Service District Charge (per unit) (a)	\$18,612
Affordable Housing In-lieu fee per gsf	\$23
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)

Parking (per space)	\$200
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$2.25

Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$20,978,300
Commercial TIs	\$340,000
Parking Cost	\$675,000
Soft Costs	\$4,838,526
Service District Charge	\$1,451,767
Affordable Housing In-Lieu	\$1,300,374
Subtotal	\$29,583,967

Construction Financing

Const. Loan Fees	\$310,632
Const. Loan Interest	\$1,211,463
Developer Fee	\$887,519

Total Development Cost

Total Development Cost	\$31,993,581
Per Unit	\$410,174
Per Net SF	\$718
Per Gross SF	\$566

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	2,303,190
Less Vacancy	(\$115,160)
Less Operating Expenses	(\$737,021)
Net Operating Income	\$1,451,010

Development Cost/Subsidy

Total Development Cost	31,993,581
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$31,993,581

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$6,311,993
RLV Per Unit	-\$80,923
RVL per Site SF	-\$316

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-3, 60% AMI IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	Non CC-3
Development Cost	Medium
Revenue	Medium
IH Option	60%
Location	Non-Central C
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		78
<i>Affordable (% - count)</i>	10%	8
<i>Market Rate (% - count)</i>	90%	70
Leasable Residential sq. ft.		44,550
Leasable Retail sq. ft.		3,400
<i>Circulation & Communal Space</i>	20%	
Total Project sq.ft		59,938
Total Parking Spaces		45
<i>Parking spaces per du</i>		0.58
<i>Parking Space Type</i>		<i>Tuck-Under</i>
Number of Stories		5-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR		
Studio	450	3	0	28		31
1-BR	600	4	0	35		39
2-BR	900	1	0	7		8
3-BR	1,000	0	0	0		0
All Units		8	0	70		78

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	8	10%	70	90%	78
<i>Avg. Affordability (% AMI)</i>		60%			n.a.
Leasable Sq. Ft.		4,650		39,900	44,550
Total Sq. Ft.		5,901		50,637	56,538
Parking Spaces		5		40	45
<i>Parking Space/du</i>		0.577		0.5769	0.576923

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$315
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$15,000
Soft Costs (% of hard costs)	22%
Service District Charge (per unit) (a)	\$18,612
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,500
2-BR	\$1,310	\$1,790	\$2,025
3-BR	\$1,508	\$2,062	\$2,250

Other Residential Income (Per Month)

Parking (per space)	\$50
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$2.00

Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$18,880,470
Commercial TIs	\$340,000
Parking Cost	\$675,000
Soft Costs	\$4,377,003
Service District Charge	\$1,451,767
Affordable Housing In-Lieu	n.a.
Subtotal	\$25,724,240

Construction Financing

Const. Loan Fees	\$270,105
Const. Loan Interest	\$1,053,408
Developer Fee	\$771,727

Total Development Cost

Total Development Cost	\$27,819,479
<i>Per Unit</i>	\$356,660
<i>Per Net SF</i>	\$624
<i>Per Gross SF</i>	\$492

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	1,570,371
Less Vacancy	(\$78,519)
Less Operating Expenses	(\$502,519)
Net Operating Income	\$989,334

Development Cost/Subsidy

Total Development Cost	27,819,479
Construction Excise Tax Exemption	(\$25,012)
SDC Waiver	(\$148,899)
10-YR Property Tax Exemption	(\$133,895)
Total Cost, Incl. Subsidies	\$27,511,674

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$10,001,345
<i>RLV Per Unit</i>	-\$128,222
<i>RVL per Site SF</i>	-\$500

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-3, 80% AMI IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	Non CC-3
Development Cost	Medium
Revenue	Medium
IH Option	80%
Location	Non-Central C
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		78
<i>Affordable (% - count)</i>	21%	16
<i>Market Rate (% - count)</i>	79%	62
Leasable Residential sq. ft.		44,550
Leasable Retail sq. ft.		3,400
<i>Circulation & Communal Space</i>	20%	
Total Project sq.ft		59,938
Total Parking Spaces		45
<i>Parking spaces per du</i>		0.58
<i>Parking Space Type</i>		<i>Tuck-Under</i>
Number of Stories		5-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR	All	
Studio	450	0	6	25	31	
1-BR	600	0	8	31	39	
2-BR	900	0	2	6	8	
3-BR	1,000	0	0	0	0	
All Units		0	16	62	78	

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	16	21%	62	79%	78
<i>Avg. Affordability (% AMI)</i>		80%			n.a.
Leasable Sq. Ft.	9,300		35,250		44,550
Total Sq. Ft.	11,803		44,735		56,538
Parking Spaces	9		36		45
<i>Parking Space/du</i>		0.577	0.5769		0.576923

Cost Assumptions

Construction

Hard Cost per gross res/com sf	\$315
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$15,000
Soft Costs (% of hard costs)	22%
Service District Charge (per unit) (a)	\$18,612
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,500
2-BR	\$1,310	\$1,790	\$2,025
3-BR	\$1,508	\$2,062	\$2,250

Other Residential Income (Per Month)

Parking (per space)	\$50
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.00
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Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$18,880,470
Commercial TIs	\$340,000
Parking Cost	\$675,000
Soft Costs	\$4,377,003
Service District Charge	\$1,451,767
Affordable Housing In-Lieu	n.a.
Subtotal	\$25,724,240

Construction Financing

Const. Loan Fees	\$270,105
Const. Loan Interest	\$1,053,408
Developer Fee	\$771,727

Total Development Cost

Total Development Cost	\$27,819,479
<i>Per Unit</i>	\$356,660
<i>Per Net SF</i>	\$624
<i>Per Gross SF</i>	\$492

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	1,593,588
Less Vacancy	(\$79,679)
Less Operating Expenses	(\$509,948)
Net Operating Income	\$1,003,960

Development Cost/Subsidy

Total Development Cost	27,819,479
Construction Excise Tax Exemption	(\$50,024)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$269,511)
Total Cost, Incl. Subsidies	\$27,499,944

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$9,730,738
<i>RLV Per Unit</i>	-\$124,753
<i>RVL per Site SF</i>	-\$487

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-3, In-Lieu Fee IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	Non CC-3
Development Cost	Medium
Revenue	Medium
IH Option	In-Lieu Fee
Location	Non-Central C
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		78
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	78
Leasable Residential sq. ft.		44,550
Leasable Retail sq. ft.		3,400
Circulation & Communal Space	20%	
Total Project sq.ft		59,938
Total Parking Spaces		45
Parking spaces per du		0.58
Parking Space Type		Tuck-Under
Number of Stories		5-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	31	31
1-BR	600	0	0	39	39
2-BR	900	0	0	8	8
3-BR	1,000	0	0	0	0
All Units		0	0	78	78

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	0	0%	78	100%	78
Avg. Affordability (% AMI)		n.a.			n.a.
Leasable Sq. Ft.		0	44,550		44,550
Total Sq. Ft.		0	56,538		56,538
Parking Spaces		0	45		45
Parking Space/du		n.a.	0.5769		0.576923

Cost Assumptions

Construction

Hard Cost per gross res/com sf	\$315
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$15,000
Soft Costs (% of hard costs)	22%
Service District Charge (per unit) (a)	\$18,612
Affordable Housing In-lieu fee per gsf	\$23
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,500
2-BR	\$1,310	\$1,790	\$2,025
3-BR	\$1,508	\$2,062	\$2,250

Other Residential Income (Per Month)

Parking (per space)	\$50
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.00
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Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$18,880,470
Commercial TIs	\$340,000
Parking Cost	\$675,000
Soft Costs	\$4,377,003
Service District Charge	\$1,451,767
Affordable Housing In-Lieu	\$1,300,374
Subtotal	\$27,024,614

Construction Financing

Const. Loan Fees	\$283,758
Const. Loan Interest	\$1,106,658

Developer Fee

	\$810,738
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Total Development Cost

	\$29,225,769
Per Unit	\$374,689
Per Net SF	\$656
Per Gross SF	\$517

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	1,623,930
Less Vacancy	(\$81,197)
Less Operating Expenses	(\$519,658)
Net Operating Income	\$1,023,076

Development Cost/Subsidy

Total Development Cost	29,225,769
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$29,225,769

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$11,118,231
RLV Per Unit	-\$142,541
RVL per Site SF	-\$556

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-3, 60% AMI IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	Non CC-3
Development Cost	Low
Revenue	Low
IH Option	60%
Location	Non-Central C
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		78
<i>Affordable (% - count)</i>	10%	8
<i>Market Rate (% - count)</i>	90%	70
Leasable Residential sq. ft.		44,550
Leasable Retail sq. ft.		3,400
<i>Circulation & Communal Space</i>	20%	
Total Project sq.ft		59,938
Total Parking Spaces		45
<i>Parking spaces per du</i>		0.58
<i>Parking Space Type</i>		<i>Tuck-Under</i>
Number of Stories		5-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR		
Studio	450	3	0	28		31
1-BR	600	4	0	35		39
2-BR	900	1	0	7		8
3-BR	1,000	0	0	0		0
All Units		8	0	70		78

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	8	10%	70	90%	78
<i>Avg. Affordability (% AMI)</i>		60%			n.a.
Leasable Sq. Ft.		4,650		39,900	44,550
Total Sq. Ft.		5,901		50,637	56,538
Parking Spaces		5		40	45
<i>Parking Space/du</i>		0.577		0.5769	0.576923

Cost Assumptions

Construction		
Hard Cost per gross res/com sf		\$275
Commercial Tenant Improvement per sf		\$100
Parking cost per space		\$15,000
Soft Costs (% of hard costs)		22%
Service District Charge (per unit) (a)		\$18,612
Affordable Housing In-lieu fee per gsf		n.a.
Developer Fee (% of hard and soft)		3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,125
1-BR	\$1,096	\$1,496	\$1,200
2-BR	\$1,310	\$1,790	\$1,575
3-BR	\$1,508	\$2,062	\$1,750

Other Residential Income (Per Month)

Parking (per space)		\$0
Other Income (Per Unit)		\$80
Retail Rent (NNN per sq. ft.)		\$1.50

Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$16,482,950
Commercial TIs	\$340,000
Parking Cost	\$675,000
Soft Costs	\$3,849,549
Service District Charge	\$1,451,767
Affordable Housing In-Lieu	n.a.
Subtotal	\$22,799,266

Construction Financing

Const. Loan Fees	\$239,392
Const. Loan Interest	\$933,630
Developer Fee	\$683,978

Total Development Cost

Total Development Cost	\$24,656,266
<i>Per Unit</i>	<i>\$316,106</i>
<i>Per Net SF</i>	<i>\$553</i>
<i>Per Gross SF</i>	<i>\$436</i>

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	1,248,540
Less Vacancy	(\$62,427)
Less Operating Expenses	(\$399,533)
Net Operating Income	\$786,580

Development Cost/Subsidy

Total Development Cost	24,656,266
Construction Excise Tax Exemption	(\$22,132)
SDC Waiver	(\$148,899)
10-YR Property Tax Exemption	(\$106,454)
Total Cost, Incl. Subsidies	\$24,378,780

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$10,457,007
<i>RLV Per Unit</i>	<i>-\$134,064</i>
<i>RVL per Site SF</i>	<i>-\$523</i>

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-3, 80% AMI IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	Non CC-3
Development Cost	Low
Revenue	Low
IH Option	80%
Location	Non-Central C
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		78
<i>Affordable (% - count)</i>	21%	16
<i>Market Rate (% - count)</i>	79%	62
Leasable Residential sq. ft.		44,550
Leasable Retail sq. ft.		3,400
<i>Circulation & Communal Space</i>	20%	
Total Project sq.ft		59,938
Total Parking Spaces		45
<i>Parking spaces per du</i>		0.58
<i>Parking Space Type</i>		<i>Tuck-Under</i>
Number of Stories		5-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	6	25	31
1-BR	600	0	8	31	39
2-BR	900	0	2	6	8
3-BR	1,000	0	0	0	0
All Units		0	16	62	78

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	16	21%	62	79%	78
<i>Avg. Affordability (% AMI)</i>		80%			n.a.
Leasable Sq. Ft.	9,300		35,250		44,550
Total Sq. Ft.	11,803		44,735		56,538
Parking Spaces	9		36		45
<i>Parking Space/du</i>		0.577	0.5769		0.576923

Cost Assumptions

Construction

Hard Cost per gross res/com sf	\$275
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$15,000
Soft Costs (% of hard costs)	22%
Service District Charge (per unit) (a)	\$18,612
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,125
1-BR	\$1,096	\$1,496	\$1,200
2-BR	\$1,310	\$1,790	\$1,575
3-BR	\$1,508	\$2,062	\$1,750

Other Residential Income (Per Month)

Parking (per space)	\$0
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$1.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$16,482,950
Commercial TIs	\$340,000
Parking Cost	\$675,000
Soft Costs	\$3,849,549
Service District Charge	\$1,451,767
Affordable Housing In-Lieu	n.a.
Subtotal	\$22,799,266

Construction Financing

Const. Loan Fees	\$239,392
Const. Loan Interest	\$933,630
Developer Fee	\$683,978

Total Development Cost

Total Development Cost	\$24,656,266
<i>Per Unit</i>	\$316,106
<i>Per Net SF</i>	\$553
<i>Per Gross SF</i>	\$436

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	1,306,476
Less Vacancy	(\$65,324)
Less Operating Expenses	(\$418,072)
Net Operating Income	\$823,080

Development Cost/Subsidy

Total Development Cost	24,656,266
Construction Excise Tax Exemption	(\$44,265)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$220,954)
Total Cost, Incl. Subsidies	\$24,391,047

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$9,823,261
<i>RLV Per Unit</i>	-\$125,939
<i>RVL per Site SF</i>	-\$491

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-3, In-Lieu Fee IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	Non CC-3
Development Cost	Low
Revenue	Low
IH Option	In-Lieu Fee
Location	Non-Central C
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		78
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	78
Leasable Residential sq. ft.		44,550
Leasable Retail sq. ft.		3,400
Circulation & Communal Space	20%	
Total Project sq.ft		59,938
Total Parking Spaces		45
Parking spaces per du		0.58
Parking Space Type		Tuck-Under
Number of Stories		5-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	31	31
1-BR	600	0	0	39	39
2-BR	900	0	0	8	8
3-BR	1,000	0	0	0	0
All Units		0	0	78	78

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	0	0%	78	100%	78
Avg. Affordability (% AMI)		n.a.			n.a.
Leasable Sq. Ft.		0	44,550		44,550
Total Sq. Ft.		0	56,538		56,538
Parking Spaces		0	45		45
Parking Space/du		n.a.	0.5769		0.576923

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$275
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$15,000
Soft Costs (% of hard costs)	22%
Service District Charge (per unit) (a)	\$18,612
Affordable Housing In-lieu fee per gsf	\$23
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,125
1-BR	\$1,096	\$1,496	\$1,200
2-BR	\$1,310	\$1,790	\$1,575
3-BR	\$1,508	\$2,062	\$1,750

Other Residential Income (Per Month)

Parking (per space)	\$0
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$1.50

Operating Costs

Res Operating Cost (as % of gross revenue)	32.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$16,482,950
Commercial TIs	\$340,000
Parking Cost	\$675,000
Soft Costs	\$3,849,549
Service District Charge	\$1,451,767
Affordable Housing In-Lieu	\$1,300,374
Subtotal	\$24,099,640

Construction Financing

Const. Loan Fees	\$253,046
Const. Loan Interest	\$986,880
Developer Fee	\$722,989

Total Development Cost

Total Development Cost	\$26,062,555
Per Unit	\$334,135
Per Net SF	\$585
Per Gross SF	\$461

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	1,267,380
Less Vacancy	(\$63,369)
Less Operating Expenses	(\$405,562)
Net Operating Income	\$798,449

Development Cost/Subsidy

Total Development Cost	26,062,555
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$26,062,555

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$11,930,707
RLV Per Unit	-\$152,958
RVL per Site SF	-\$597

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-4, 60% AMI IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	Non CC-4
Development Cost	High
Revenue	High
IH Option	60%
Location	Non-Central C
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		143
<i>Affordable (% - count)</i>	10%	15
<i>Market Rate (% - count)</i>	90%	128
Leasable Residential sq. ft.		81,450
Leasable Retail sq. ft.		3,613
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		100,074
Total Parking Spaces		66
<i>Parking spaces per du</i>		0.46
<i>Parking Space Type</i>		Underground
Number of Stories		7-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	6	0	51	57
1-BR	600	8	0	64	72
2-BR	900	1	0	13	14
3-BR	1,000	0	0	0	0
All Units		15	0	128	143

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	15	10%	128	90%	143
<i>Avg. Affordability (% AMI)</i>		60%			n.a.
Leasable Sq. Ft.		8,400		73,050	81,450
Total Sq. Ft.		9,948		86,513	96,461
Parking Spaces		7		59	66
<i>Parking Space/du</i>		0.462		0.4615	0.461538

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$350
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$17,880
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)	
Parking (per space)	\$200
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.25
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Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$35,025,900
Commercial TIs	\$361,300
Parking Cost	\$3,960,000
Soft Costs	\$7,869,440
Service District Charge	\$2,556,906
Affordable Housing In-Lieu	n.a.
Subtotal	\$49,773,546

Construction Financing

Const. Loan Fees	\$522,622
Const. Loan Interest	\$2,038,227

Developer Fee

	\$1,493,206
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Total Development Cost

	\$53,827,602
<i>Per Unit</i>	\$376,417
<i>Per Net SF</i>	\$661
<i>Per Gross SF</i>	\$558

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	3,885,386
Less Vacancy	(\$194,269)
Less Operating Expenses	(\$1,165,616)
Net Operating Income	\$2,525,501

Development Cost/Subsidy

Total Development Cost	53,827,602
Construction Excise Tax Exemption	(\$49,449)
SDC Waiver	(\$268,207)
10-YR Property Tax Exemption	(\$358,082)
Total Cost, Incl. Subsidies	\$53,151,864

Market Cap Rate

Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

RLV Per Unit	-\$59,110
RLV per Site SF	-\$423

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-4, 80% AMI IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	Non CC-4
Development Cost	High
Revenue	High
IH Option	80%
Location	Non-Central C
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		143
<i>Affordable (% - count)</i>	20%	29
<i>Market Rate (% - count)</i>	80%	114
Leasable Residential sq. ft.		81,450
Leasable Retail sq. ft.		3,613
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		100,074
Total Parking Spaces		66
<i>Parking spaces per du</i>		0.46
<i>Parking Space Type</i>		<i>Underground</i>
Number of Stories		7-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	11	46	57
1-BR	600	0	15	57	72
2-BR	900	0	3	11	14
3-BR	1,000	0	0	0	0
All Units		0	29	114	143

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	29	20%	114	80%	143
<i>Avg. Affordability (% AMI)</i>		80%			n.a.
Leasable Sq. Ft.	16,650		64,800		81,450
Total Sq. Ft.	19,719		76,742		96,461
Parking Spaces	13		53		66
<i>Parking Space/du</i>		0.462	0.4615		0.461538

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$350
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$17,880
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)	
Parking (per space)	\$200
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.25
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Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$35,025,900
Commercial TIs	\$361,300
Parking Cost	\$3,960,000
Soft Costs	\$7,869,440
Service District Charge	\$2,556,906
Affordable Housing In-Lieu	n.a.
Subtotal	\$49,773,546

Construction Financing

Const. Loan Fees	\$522,622
Const. Loan Interest	\$2,038,227

Developer Fee

	\$1,493,206
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Total Development Cost

	\$53,827,602
<i>Per Unit</i>	\$376,417
<i>Per Net SF</i>	\$661
<i>Per Gross SF</i>	\$558

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	3,809,728
Less Vacancy	(\$190,486)
Less Operating Expenses	(\$1,142,918)
Net Operating Income	\$2,476,323

Development Cost/Subsidy

Total Development Cost	53,827,602
Construction Excise Tax Exemption	(\$97,640)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$675,364)
Total Cost, Incl. Subsidies	\$53,054,598

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$9,225,870
<i>RLV Per Unit</i>	-\$64,517
<i>RVL per Site SF</i>	-\$461

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-4, In-Lieu Fee IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	Non CC-4
Development Cost	High
Revenue	High
IH Option	In-Lieu Fee
Location	Non-Central C
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		143
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	143
Leasable Residential sq. ft.		81,450
Leasable Retail sq. ft.		3,613
Circulation & Communal Space	15%	
Total Project sq.ft		100,074
Total Parking Spaces		66
Parking spaces per du		0.46
Parking Space Type		Underground
Number of Stories		7-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	57	57
1-BR	600	0	0	72	72
2-BR	900	0	0	14	14
3-BR	1,000	0	0	0	0
All Units		0	0	143	143

Summary	Affordable	Market-Rate	Total
Number of Units (# - %)	0 0%	143 100%	143
Avg. Affordability (% AMI)	n.a.		n.a.
Leasable Sq. Ft.	0	81,450	81,450
Total Sq. Ft.	0	96,461	96,461
Parking Spaces	0	66	66
Parking Space/du	n.a.	0.4615	0.461538

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$350
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$17,880
Affordable Housing In-lieu fee per gsf	\$23
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)	
Parking (per space)	\$200
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.25
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Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$35,025,900
Commercial TIs	\$361,300
Parking Cost	\$3,960,000
Soft Costs	\$7,869,440
Service District Charge	\$2,556,906
Affordable Housing In-Lieu	\$2,218,603
Subtotal	\$51,992,149

Construction Financing

Const. Loan Fees	\$545,918
Const. Loan Interest	\$2,129,079

Developer Fee

	\$1,559,764
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Total Development Cost

	\$56,226,910
Per Unit	\$393,195
Per Net SF	\$690
Per Gross SF	\$583

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	4,106,001
Less Vacancy	(\$205,300)
Less Operating Expenses	(\$1,231,800)
Net Operating Income	\$2,668,901

Development Cost/Subsidy

Total Development Cost	56,226,910
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$56,226,910

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$8,989,730
RLV Per Unit	-\$62,865
RVL per Site SF	-\$449

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-4, 60% AMI IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	Non CC-4
Development Cost	Medium
Revenue	Medium
IH Option	60%
Location	Non-Central C
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		143
<i>Affordable (% - count)</i>	10%	15
<i>Market Rate (% - count)</i>	90%	128
Leasable Residential sq. ft.		81,450
Leasable Retail sq. ft.		3,613
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		100,074
Total Parking Spaces		66
<i>Parking spaces per du</i>		0.46
<i>Parking Space Type</i>		<i>Underground</i>
Number of Stories		7-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	6	0	51	57
1-BR	600	8	0	64	72
2-BR	900	1	0	13	14
3-BR	1,000	0	0	0	0
All Units		15	0	128	143

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	15	10%	128	90%	143
<i>Avg. Affordability (% AMI)</i>		60%			n.a.
Leasable Sq. Ft.		8,400		73,050	81,450
Total Sq. Ft.		9,948		86,513	96,461
Parking Spaces		7		59	66
<i>Parking Space/du</i>		0.462		0.4615	0.461538

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$315
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$17,880
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,500
2-BR	\$1,310	\$1,790	\$2,025
3-BR	\$1,508	\$2,062	\$2,250

Other Residential Income (Per Month)	
Parking (per space)	\$50
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.00
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Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$31,523,310
Commercial TIs	\$361,300
Parking Cost	\$3,960,000
Soft Costs	\$7,168,922
Service District Charge	\$2,556,906
Affordable Housing In-Lieu	n.a.
Subtotal	\$45,570,438

Construction Financing

Const. Loan Fees	\$478,490
Const. Loan Interest	\$1,866,109

Developer Fee

	\$1,367,113
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Total Development Cost

Total Development Cost	\$49,282,150
<i>Per Unit</i>	<i>\$344,630</i>
<i>Per Net SF</i>	<i>\$605</i>
<i>Per Gross SF</i>	<i>\$511</i>

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	2,803,948
Less Vacancy	(\$140,197)
Less Operating Expenses	(\$841,184)
Net Operating Income	\$1,822,566

Development Cost/Subsidy

Total Development Cost	49,282,150
Construction Excise Tax Exemption	(\$45,270)
SDC Waiver	(\$268,207)
10-YR Property Tax Exemption	(\$258,415)
Total Cost, Incl. Subsidies	\$48,710,258

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$16,452,447
<i>RLV Per Unit</i>	<i>-\$115,052</i>
<i>RVL per Site SF</i>	<i>-\$823</i>

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-4, 80% AMI IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	Non CC-4
Development Cost	Medium
Revenue	Medium
IH Option	80%
Location	Non-Central C
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		143
<i>Affordable</i> (% - count)	20%	29
<i>Market Rate</i> (% - count)	80%	114
Leasable Residential sq. ft.		81,450
Leasable Retail sq. ft.		3,613
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		100,074
Total Parking Spaces		66
<i>Parking spaces per du</i>		0.46
<i>Parking Space Type</i>		Underground
Number of Stories		7-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	11	46	57
1-BR	600	0	15	57	72
2-BR	900	0	3	11	14
3-BR	1,000	0	0	0	0
All Units		0	29	114	143

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	29	20%	114	80%	143
<i>Avg. Affordability</i> (% AMI)		80%			n.a.
Leasable Sq. Ft.	16,650		64,800		81,450
Total Sq. Ft.	19,719		76,742		96,461
Parking Spaces	13		53		66
<i>Parking Space/du</i>	0.462		0.4615		0.461538

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$315
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$17,880
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,500
2-BR	\$1,310	\$1,790	\$2,025
3-BR	\$1,508	\$2,062	\$2,250

Other Residential Income (Per Month)	
Parking (per space)	\$50
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.00
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Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$31,523,310
Commercial TIs	\$361,300
Parking Cost	\$3,960,000
Soft Costs	\$7,168,922
Service District Charge	\$2,556,906
Affordable Housing In-Lieu	n.a.
Subtotal	\$45,570,438

Construction Financing

Const. Loan Fees	\$478,490
Const. Loan Interest	\$1,866,109

Developer Fee

	\$1,367,113
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Total Development Cost

	\$49,282,150
<i>Per Unit</i>	\$344,630
<i>Per Net SF</i>	\$605
<i>Per Gross SF</i>	\$511

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	2,848,821
Less Vacancy	(\$142,441)
Less Operating Expenses	(\$854,646)
Net Operating Income	\$1,851,734

Development Cost/Subsidy

Total Development Cost	49,282,150
Construction Excise Tax Exemption	(\$89,358)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$505,020)
Total Cost, Incl. Subsidies	\$48,687,772

Market Cap Rate

Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

RLV Per Unit	-\$111,285
RLV per Site SF	-\$796

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-4, In-Lieu Fee IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	Non CC-4
Development Cost	Medium
Revenue	Medium
IH Option	In-Lieu Fee
Location	Non-Central C
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		143
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	143
Leasable Residential sq. ft.		81,450
Leasable Retail sq. ft.		3,613
Circulation & Communal Space	15%	
Total Project sq.ft		100,074
Total Parking Spaces		66
Parking spaces per du		0.46
Parking Space Type		Underground
Number of Stories		7-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	57	57
1-BR	600	0	0	72	72
2-BR	900	0	0	14	14
3-BR	1,000	0	0	0	0
All Units		0	0	143	143

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	0	0%	143	100%	143
Avg. Affordability (% AMI)		n.a.			n.a.
Leasable Sq. Ft.		0	81,450		81,450
Total Sq. Ft.		0	96,461		96,461
Parking Spaces		0	66		66
Parking Space/du		n.a.	0.4615		0.461538

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$315
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$17,880
Affordable Housing In-lieu fee per gsf	\$23
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,500
2-BR	\$1,310	\$1,790	\$2,025
3-BR	\$1,508	\$2,062	\$2,250

Other Residential Income (Per Month)

Parking (per space)	\$50
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$2.00

Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$31,523,310
Commercial TIs	\$361,300
Parking Cost	\$3,960,000
Soft Costs	\$7,168,922
Service District Charge	\$2,556,906
Affordable Housing In-Lieu	\$2,218,603
Subtotal	\$47,789,041

Construction Financing

Const. Loan Fees	\$501,785
Const. Loan Interest	\$1,956,961
Developer Fee	\$1,433,671

Total Development Cost

Total Development Cost	\$51,681,459
Per Unit	\$361,409
Per Net SF	\$635
Per Gross SF	\$536

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	2,900,142
Less Vacancy	(\$145,007)
Less Operating Expenses	(\$870,043)
Net Operating Income	\$1,885,092

Development Cost/Subsidy

Total Development Cost	51,681,459
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$51,681,459

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$18,316,993
RLV Per Unit	-\$128,091
RVL per Site SF	-\$916

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-4, 60% AMI IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	Non CC-4
Development Cost	Low
Revenue	Low
IH Option	60%
Location	Non-Central C
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		143
<i>Affordable (% - count)</i>	10%	15
<i>Market Rate (% - count)</i>	90%	128
Leasable Residential sq. ft.		81,450
Leasable Retail sq. ft.		3,613
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		100,074
Total Parking Spaces		66
<i>Parking spaces per du</i>		0.46
<i>Parking Space Type</i>		<i>Underground</i>
Number of Stories		7-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	6	0	51	57
1-BR	600	8	0	64	72
2-BR	900	1	0	13	14
3-BR	1,000	0	0	0	0
All Units		15	0	128	143

Summary	Affordable	Market-Rate	Total
Number of Units (# - %)	15 10%	128 90%	143
<i>Avg. Affordability (% AMI)</i>	60%		n.a.
Leasable Sq. Ft.	8,400	73,050	81,450
Total Sq. Ft.	9,948	86,513	96,461
Parking Spaces	7	59	66
<i>Parking Space/du</i>	0.462	0.4615	0.461538

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$275
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$17,880
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,125
1-BR	\$1,096	\$1,496	\$1,200
2-BR	\$1,310	\$1,790	\$1,575
3-BR	\$1,508	\$2,062	\$1,750

Other Residential Income (Per Month)	
Parking (per space)	\$0
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$1.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$27,520,350
Commercial TIs	\$361,300
Parking Cost	\$3,960,000
Soft Costs	\$6,368,330
Service District Charge	\$2,556,906
Affordable Housing In-Lieu	n.a.
Subtotal	\$40,766,886

Construction Financing

Const. Loan Fees	\$428,052
Const. Loan Interest	\$1,669,404
Developer Fee	\$1,223,007

Total Development Cost

Total Development Cost	\$44,087,349
<i>Per Unit</i>	\$308,303
<i>Per Net SF</i>	\$541
<i>Per Gross SF</i>	\$457

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	2,239,674
Less Vacancy	(\$111,984)
Less Operating Expenses	(\$671,902)
Net Operating Income	\$1,455,788

Development Cost/Subsidy

Total Development Cost	44,087,349
Construction Excise Tax Exemption	(\$40,495)
SDC Waiver	(\$268,207)
10-YR Property Tax Exemption	(\$206,411)
Total Cost, Incl. Subsidies	\$43,572,236

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$17,806,075
<i>RLV Per Unit</i>	-\$124,518
<i>RVL per Site SF</i>	-\$890

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-4, 80% AMI IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	Non CC-4
Development Cost	Low
Revenue	Low
IH Option	80%
Location	Non-Central C
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		143
<i>Affordable (% - count)</i>	20%	29
<i>Market Rate (% - count)</i>	80%	114
Leasable Residential sq. ft.		81,450
Leasable Retail sq. ft.		3,613
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		100,074
Total Parking Spaces		66
<i>Parking spaces per du</i>		0.46
<i>Parking Space Type</i>		Underground
Number of Stories		7-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	11	46	57
1-BR	600	0	15	57	72
2-BR	900	0	3	11	14
3-BR	1,000	0	0	0	0
All Units		0	29	114	143

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	29	20%	114	80%	143
<i>Avg. Affordability (% AMI)</i>		80%			n.a.
Leasable Sq. Ft.	16,650		64,800		81,450
Total Sq. Ft.	19,719		76,742		96,461
Parking Spaces	13		53		66
<i>Parking Space/du</i>	0.462		0.4615		0.461538

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$275
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$17,880
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,125
1-BR	\$1,096	\$1,496	\$1,200
2-BR	\$1,310	\$1,790	\$1,575
3-BR	\$1,508	\$2,062	\$1,750

Other Residential Income (Per Month)

Parking (per space)	\$0
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$1.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$27,520,350
Commercial TIs	\$361,300
Parking Cost	\$3,960,000
Soft Costs	\$6,368,330
Service District Charge	\$2,556,906
Affordable Housing In-Lieu	n.a.
Subtotal	\$40,766,886

Construction Financing

Const. Loan Fees	\$428,052
Const. Loan Interest	\$1,669,404

Developer Fee

	\$1,223,007
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Total Development Cost

Total Development Cost	\$44,087,349
<i>Per Unit</i>	\$308,303
<i>Per Net SF</i>	\$541
<i>Per Gross SF</i>	\$457

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	2,344,674
Less Vacancy	(\$117,234)
Less Operating Expenses	(\$703,402)
Net Operating Income	\$1,524,038

Development Cost/Subsidy

Total Development Cost	44,087,349
Construction Excise Tax Exemption	(\$79,893)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$415,648)
Total Cost, Incl. Subsidies	\$43,591,807

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$16,617,682
<i>RLV Per Unit</i>	-\$116,208
<i>RVL per Site SF</i>	-\$831

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-4, In-Lieu Fee IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	Non CC-4
Development Cost	Low
Revenue	Low
IH Option	In-Lieu Fee
Location	Non-Central C
Construction Type	Type 3

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		143
<i>Affordable</i> (% - count)	0%	0
<i>Market Rate</i> (% - count)	100%	143
Leasable Residential sq. ft.		81,450
Leasable Retail sq. ft.		3,613
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		100,074
Total Parking Spaces		66
<i>Parking spaces per du</i>		0.46
<i>Parking Space Type</i>		Underground
Number of Stories		7-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	57	57
1-BR	600	0	0	72	72
2-BR	900	0	0	14	14
3-BR	1,000	0	0	0	0
All Units		0	0	143	143

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	0	0%	143	100%	143
<i>Avg. Affordability</i> (% AMI)		n.a.			n.a.
Leasable Sq. Ft.		0	81,450		81,450
Total Sq. Ft.		0	96,461		96,461
Parking Spaces		0	66		66
<i>Parking Space/du</i>		n.a.	0.4615		0.461538

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$275
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	20%
Service District Charge (per unit) (a)	\$17,880
Affordable Housing In-lieu fee per gsf	\$23
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,125
1-BR	\$1,096	\$1,496	\$1,200
2-BR	\$1,310	\$1,790	\$1,575
3-BR	\$1,508	\$2,062	\$1,750

Other Residential Income (Per Month)

Parking (per space)	\$0
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$1.50

Operating Costs

Res Operating Cost (as % of gross revenue)	30.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$27,520,350
Commercial TIs	\$361,300
Parking Cost	\$3,960,000
Soft Costs	\$6,368,330
Service District Charge	\$2,556,906
Affordable Housing In-Lieu	\$2,218,603
Subtotal	\$42,985,489

Construction Financing

Const. Loan Fees	\$451,348
Const. Loan Interest	\$1,760,256
Developer Fee	\$1,289,565

Total Development Cost

Total Development Cost	\$46,486,657
<i>Per Unit</i>	\$325,082
<i>Per Net SF</i>	\$571
<i>Per Gross SF</i>	\$482

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	2,273,214
Less Vacancy	(\$113,661)
Less Operating Expenses	(\$681,964)
Net Operating Income	\$1,477,589

Development Cost/Subsidy

Total Development Cost	46,486,657
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$46,486,657

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$20,334,638
<i>RLV Per Unit</i>	-\$142,200
<i>RVL per Site SF</i>	-\$1,017

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-5, 60% AMI IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	Non CC-5
Development Cost	High
Revenue	High
IH Option	60%
Location	Non-Central C
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		298
<i>Affordable (% - count)</i>	10%	30
<i>Market Rate (% - count)</i>	90%	268
Leasable Residential sq. ft.		169,950
Leasable Retail sq. ft.		0
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		199,941
Total Parking Spaces		149
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		<i>Underground</i>
Number of Stories		13-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level				All
		60%	80%	MR		
Studio	450	12	0	107		119
1-BR	600	15	0	134		149
2-BR	900	3	0	27		30
3-BR	1,000	0	0	0		0
All Units		30	0	268		298

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	30	10%	268	90%	298
<i>Avg. Affordability (% AMI)</i>		60%			n.a.
Leasable Sq. Ft.	17,100		152,850		169,950
Total Sq. Ft.	20,118		179,823		199,941
Parking Spaces	15		134		149
<i>Parking Space/du</i>		0.5		0.5	0.5

Cost Assumptions

Construction		
Hard Cost per gross res/com sf		\$415
Commercial Tenant Improvement per sf		\$100
Parking cost per space		\$60,000
Soft Costs (% of hard costs)	18%	
Service District Charge (per unit) (a)		\$17,262
Affordable Housing In-lieu fee per gsf	n.a.	
Developer Fee (% of hard and soft)	3%	

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)		
Parking (per space)		\$200
Other Income (Per Unit)		\$80

Retail Rent (NNN per sq. ft.)	\$2.25
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$82,975,515
Commercial TIs	\$0
Parking Cost	\$8,940,000
Soft Costs	\$16,544,793
Service District Charge	\$5,144,089
Affordable Housing In-Lieu	n.a.
Subtotal	\$113,604,396

Construction Financing

Const. Loan Fees	\$1,192,846
Const. Loan Interest	\$4,652,100

Developer Fee

	\$3,408,132
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Total Development Cost

	\$122,857,474
<i>Per Unit</i>	\$412,273
<i>Per Net SF</i>	\$723
<i>Per Gross SF</i>	\$614

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	7,936,938
Less Vacancy	(\$396,847)
Less Operating Expenses	(\$2,222,343)
Net Operating Income	\$5,317,748

Development Cost/Subsidy

Total Development Cost	122,857,474
Construction Excise Tax Exemption	(\$114,315)
SDC Waiver	(\$517,861)
10-YR Property Tax Exemption	(\$753,843)
Total Cost, Incl. Subsidies	\$121,471,456

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$27,352,014
<i>RLV Per Unit</i>	-\$91,785
<i>RVL per Site SF</i>	-\$1,368

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-5, 80% AMI IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	Non CC-5
Development Cost	High
Revenue	High
IH Option	80%
Location	Non-Central C
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		298
<i>Affordable (% - count)</i>	20%	60
<i>Market Rate (% - count)</i>	80%	238
Leasable Residential sq. ft.		169,950
Leasable Retail sq. ft.		0
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		199,941
Total Parking Spaces		149
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		<i>Underground</i>
Number of Stories		13-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	24	95	119
1-BR	600	0	30	119	149
2-BR	900	0	6	24	30
3-BR	1,000	0	0	0	0
All Units		0	60	238	298

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	60	20%	238	80%	298
<i>Avg. Affordability (% AMI)</i>		80%			n.a.
Leasable Sq. Ft.	34,200		135,750		169,950
Total Sq. Ft.	40,235		159,706		199,941
Parking Spaces		30		119	149
<i>Parking Space/du</i>		0.5		0.5	0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$415
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$17,262
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)

Parking (per space)	\$200
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$2.25

Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$82,975,515
Commercial TIs	\$0
Parking Cost	\$8,940,000
Soft Costs	\$16,544,793
Service District Charge	\$5,144,089
Affordable Housing In-Lieu	n.a.
Subtotal	\$113,604,396

Construction Financing

Const. Loan Fees	\$1,192,846
Const. Loan Interest	\$4,652,100
Developer Fee	\$3,408,132

Total Development Cost \$122,857,474

<i>Per Unit</i>	\$412,273
<i>Per Net SF</i>	\$723
<i>Per Gross SF</i>	\$614

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	7,773,390
Less Vacancy	(\$388,670)
Less Operating Expenses	(\$2,176,549)
Net Operating Income	\$5,208,171

Development Cost/Subsidy

Total Development Cost	122,857,474
Construction Excise Tax Exemption	(\$228,629)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$1,476,618)
Total Cost, Incl. Subsidies	\$121,152,227

Market Cap Rate 4.7%

Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value -\$28,972,204

<i>RLV Per Unit</i>	-\$97,222
<i>RVL per Site SF</i>	-\$1,449

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-5, In-Lieu Fee IH Option, High Development Cost, High Revenue

Assumptions	
Prototype	Non CC-5
Development Cost	High
Revenue	High
IH Option	In-Lieu Fee
Location	Non-Central C
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		298
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	298
Leasable Residential sq. ft.		169,950
Leasable Retail sq. ft.		0
Circulation & Communal Space		15%
Total Project sq.ft		199,941
Total Parking Spaces		149
Parking spaces per du		0.50
Parking Space Type		Underground
Number of Stories		13-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	119	119
1-BR	600	0	0	149	149
2-BR	900	0	0	30	30
3-BR	1,000	0	0	0	0
All Units		0	0	298	298

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	0	0%	298	100%	298
Avg. Affordability (% AMI)		n.a.			n.a.
Leasable Sq. Ft.		0	169,950		169,950
Total Sq. Ft.		0	199,941		199,941
Parking Spaces		0	149		149
Parking Space/du		n.a.	0.5		0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$415
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$17,262
Affordable Housing In-lieu fee per gsf	\$23
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,868
1-BR	\$1,096	\$1,496	\$2,250
2-BR	\$1,310	\$1,790	\$2,925
3-BR	\$1,508	\$2,062	\$3,250

Other Residential Income (Per Month)

Parking (per space)	\$200
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$2.25

Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$82,975,515
Commercial TIs	\$0
Parking Cost	\$8,940,000
Soft Costs	\$16,544,793
Service District Charge	\$5,144,089
Affordable Housing In-Lieu	\$4,598,643
Subtotal	\$118,203,039

Construction Financing

Const. Loan Fees	\$1,241,132
Const. Loan Interest	\$4,840,414
Developer Fee	\$3,546,091

Total Development Cost \$127,830,677

Per Unit	\$428,962
Per Net SF	\$752
Per Gross SF	\$639

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	8,386,470
Less Vacancy	(\$419,324)
Less Operating Expenses	(\$2,348,212)
Net Operating Income	\$5,618,935

Development Cost/Subsidy

Total Development Cost	127,830,677
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$127,830,677

Market Cap Rate 4.7%

Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value -\$28,380,502

RLV Per Unit	-\$95,237
RVL per Site SF	-\$1,419

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-5, 60% AMI IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	Non CC-5
Development Cost	Medium
Revenue	Medium
IH Option	60%
Location	Non-Central C
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		298
<i>Affordable (% - count)</i>	10%	30
<i>Market Rate (% - count)</i>	90%	268
Leasable Residential sq. ft.		169,950
Leasable Retail sq. ft.		0
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		199,941
Total Parking Spaces		149
<i>Parking spaces per du</i>		0.50
<i>Parking Space Type</i>		<i>Underground</i>
Number of Stories		13-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	12	0	107	119
1-BR	600	15	0	134	149
2-BR	900	3	0	27	30
3-BR	1,000	0	0	0	0
All Units		30	0	268	298

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	30	10%	268	90%	298
<i>Avg. Affordability (% AMI)</i>		60%			n.a.
Leasable Sq. Ft.		17,100		152,850	169,950
Total Sq. Ft.		20,118		179,823	199,941
Parking Spaces		15		134	149
<i>Parking Space/du</i>		0.5		0.5	0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$375
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$17,262
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,500
2-BR	\$1,310	\$1,790	\$2,025
3-BR	\$1,508	\$2,062	\$2,250

Other Residential Income (Per Month)	
Parking (per space)	\$50
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.00
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$74,977,875
Commercial TIs	\$0
Parking Cost	\$8,940,000
Soft Costs	\$15,105,218
Service District Charge	\$5,144,089
Affordable Housing In-Lieu	n.a.
Subtotal	\$104,167,181

Construction Financing

Const. Loan Fees	\$1,093,755
Const. Loan Interest	\$4,265,646

Developer Fee

	\$3,125,015
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Total Development Cost

	\$112,651,598
<i>Per Unit</i>	\$378,025
<i>Per Net SF</i>	\$663
<i>Per Gross SF</i>	\$563

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	5,678,118
Less Vacancy	(\$283,906)
Less Operating Expenses	(\$1,589,873)
Net Operating Income	\$3,804,339

Development Cost/Subsidy

Total Development Cost	112,651,598
Construction Excise Tax Exemption	(\$104,819)
SDC Waiver	(\$517,861)
10-YR Property Tax Exemption	(\$539,302)
Total Cost, Incl. Subsidies	\$111,489,615

Market Cap Rate

	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

	-\$44,156,181
<i>RLV Per Unit</i>	-\$148,175
<i>RVL per Site SF</i>	-\$2,208

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-5, 80% AMI IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	Non CC-5
Development Cost	Medium
Revenue	Medium
IH Option	80%
Location	Non-Central C
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		298
<i>Affordable (% - count)</i>	20%	60
<i>Market Rate (% - count)</i>	80%	238
Leasable Residential sq. ft.		169,950
Leasable Retail sq. ft.		0
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		199,941
Total Parking Spaces		149
<i>Parking spaces per du</i>		<i>0.50</i>
<i>Parking Space Type</i>		<i>Underground</i>
Number of Stories		13-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	24	95	119
1-BR	600	0	30	119	149
2-BR	900	0	6	24	30
3-BR	1,000	0	0	0	0
All Units		0	60	238	298

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	60	20%	238	80%	298
<i>Avg. Affordability (% AMI)</i>		80%			n.a.
Leasable Sq. Ft.	34,200		135,750		169,950
Total Sq. Ft.	40,235		159,706		199,941
Parking Spaces	30		119		149
<i>Parking Space/du</i>		0.5		0.5	0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$375
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$17,262
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,500
2-BR	\$1,310	\$1,790	\$2,025
3-BR	\$1,508	\$2,062	\$2,250

Other Residential Income (Per Month)	
Parking (per space)	\$50
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$2.00
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$74,977,875
Commercial TIs	\$0
Parking Cost	\$8,940,000
Soft Costs	\$15,105,218
Service District Charge	\$5,144,089
Affordable Housing In-Lieu	n.a.
Subtotal	\$104,167,181

Construction Financing

Const. Loan Fees	\$1,093,755
Const. Loan Interest	\$4,265,646

Developer Fee

	\$3,125,015
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Total Development Cost

	\$112,651,598
<i>Per Unit</i>	\$378,025
<i>Per Net SF</i>	\$663
<i>Per Gross SF</i>	\$563

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	5,767,290
Less Vacancy	(\$288,365)
Less Operating Expenses	(\$1,614,841)
Net Operating Income	\$3,864,084

Development Cost/Subsidy

Total Development Cost	112,651,598
Construction Excise Tax Exemption	(\$209,638)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$1,095,543)
Total Cost, Incl. Subsidies	\$111,346,416

Market Cap Rate

	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

	-\$42,955,544
<i>RLV Per Unit</i>	-\$144,146
<i>RVL per Site SF</i>	-\$2,148

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-5, In-Lieu Fee IH Option, Medium Development Cost, Medium Revenue

Assumptions	
Prototype	Non CC-5
Development Cost	Medium
Revenue	Medium
IH Option	In-Lieu Fee
Location	Non-Central C
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		298
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	298
Leasable Residential sq. ft.		169,950
Leasable Retail sq. ft.		0
Circulation & Communal Space	15%	
Total Project sq.ft		199,941
Total Parking Spaces		149
Parking spaces per du		0.50
Parking Space Type		Underground
Number of Stories		13-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	119	119
1-BR	600	0	0	149	149
2-BR	900	0	0	30	30
3-BR	1,000	0	0	0	0
All Units		0	0	298	298

Summary	Affordable	Market-Rate	Total
Number of Units (# - %)	0 0%	298 100%	298
Avg. Affordability (% AMI)	n.a.		n.a.
Leasable Sq. Ft.	0	169,950	169,950
Total Sq. Ft.	0	199,941	199,941
Parking Spaces	0	149	149
Parking Space/du	n.a.	0.5	0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$375
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$17,262
Affordable Housing In-lieu fee per gsf	\$23
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,463
1-BR	\$1,096	\$1,496	\$1,500
2-BR	\$1,310	\$1,790	\$2,025
3-BR	\$1,508	\$2,062	\$2,250

Other Residential Income (Per Month)

Parking (per space)	\$50
Other Income (Per Unit)	\$80
Retail Rent (NNN per sq. ft.)	\$2.00

Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$74,977,875
Commercial TIs	\$0
Parking Cost	\$8,940,000
Soft Costs	\$15,105,218
Service District Charge	\$5,144,089
Affordable Housing In-Lieu	\$4,598,643
Subtotal	\$108,765,824

Construction Financing

Const. Loan Fees	\$1,142,041
Const. Loan Interest	\$4,453,960
Developer Fee	\$3,262,975

Total Development Cost \$117,624,800

Per Unit	\$394,714
Per Net SF	\$692
Per Gross SF	\$588

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	5,874,930
Less Vacancy	(\$293,747)
Less Operating Expenses	(\$1,644,980)
Net Operating Income	\$3,936,203

Development Cost/Subsidy

Total Development Cost	117,624,800
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$117,624,800

Market Cap Rate 4.7%

Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value -\$47,957,489

RLV Per Unit	-\$160,931
RVL per Site SF	-\$2,398

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-5, 60% AMI IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	Non CC-5
Development Cost	Low
Revenue	Low
IH Option	60%
Location	Non-Central C
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		298
<i>Affordable (% - count)</i>	10%	30
<i>Market Rate (% - count)</i>	90%	268
Leasable Residential sq. ft.		169,950
Leasable Retail sq. ft.		0
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		199,941
Total Parking Spaces		149
<i>Parking spaces per du</i>		<i>0.50</i>
<i>Parking Space Type</i>		<i>Underground</i>
Number of Stories		13-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	12	0	107	119
1-BR	600	15	0	134	149
2-BR	900	3	0	27	30
3-BR	1,000	0	0	0	0
All Units		30	0	268	298

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	30	10%	268	90%	298
<i>Avg. Affordability (% AMI)</i>		60%			n.a.
Leasable Sq. Ft.	17,100		152,850		169,950
Total Sq. Ft.	20,118		179,823		199,941
Parking Spaces	15		134		149
<i>Parking Space/du</i>		0.5		0.5	0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$330
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$17,262
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,125
1-BR	\$1,096	\$1,496	\$1,200
2-BR	\$1,310	\$1,790	\$1,575
3-BR	\$1,508	\$2,062	\$1,750

Other Residential Income (Per Month)	
Parking (per space)	\$0
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$1.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$65,980,530
Commercial TIs	\$0
Parking Cost	\$8,940,000
Soft Costs	\$13,485,695
Service District Charge	\$5,144,089
Affordable Housing In-Lieu	n.a.
Subtotal	\$93,550,314

Construction Financing

Const. Loan Fees	\$982,278
Const. Loan Interest	\$3,830,885
Developer Fee	\$2,806,509

Total Development Cost

\$101,169,987	
<i>Per Unit</i>	\$339,497
<i>Per Net SF</i>	\$595
<i>Per Gross SF</i>	\$506

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	4,536,168
Less Vacancy	(\$226,808)
Less Operating Expenses	(\$1,270,127)
Net Operating Income	\$3,039,233

Development Cost/Subsidy

Total Development Cost	101,169,987
Construction Excise Tax Exemption	(\$94,137)
SDC Waiver	(\$517,861)
10-YR Property Tax Exemption	(\$430,841)
Total Cost, Incl. Subsidies	\$100,127,148

Market Cap Rate

4.7%	
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

-\$46,335,421	
<i>RLV Per Unit</i>	-\$155,488
<i>RVL per Site SF</i>	-\$2,317

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-5, 80% AMI IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	Non CC-5
Development Cost	Low
Revenue	Low
IH Option	80%
Location	Non-Central C
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		298
<i>Affordable (% - count)</i>	20%	60
<i>Market Rate (% - count)</i>	80%	238
Leasable Residential sq. ft.		169,950
Leasable Retail sq. ft.		0
<i>Circulation & Communal Space</i>	15%	
Total Project sq.ft		199,941
Total Parking Spaces		149
<i>Parking spaces per du</i>		<i>0.50</i>
<i>Parking Space Type</i>		<i>Underground</i>
Number of Stories		13-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	24	95	119
1-BR	600	0	30	119	149
2-BR	900	0	6	24	30
3-BR	1,000	0	0	0	0
All Units		0	60	238	298

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	60	20%	238	80%	298
<i>Avg. Affordability (% AMI)</i>		80%			n.a.
Leasable Sq. Ft.	34,200		135,750		169,950
Total Sq. Ft.	40,235		159,706		199,941
Parking Spaces		30		119	149
<i>Parking Space/du</i>		<i>0.5</i>		<i>0.5</i>	<i>0.5</i>

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$330
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$17,262
Affordable Housing In-lieu fee per gsf	n.a.
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,125
1-BR	\$1,096	\$1,496	\$1,200
2-BR	\$1,310	\$1,790	\$1,575
3-BR	\$1,508	\$2,062	\$1,750

Other Residential Income (Per Month)	
Parking (per space)	\$0
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$1.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$65,980,530
Commercial TIs	\$0
Parking Cost	\$8,940,000
Soft Costs	\$13,485,695
Service District Charge	\$5,144,089
Affordable Housing In-Lieu	n.a.
Subtotal	\$93,550,314

Construction Financing

Const. Loan Fees	\$982,278
Const. Loan Interest	\$3,830,885

Developer Fee

	\$2,806,509
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Total Development Cost

	\$101,169,987
<i>Per Unit</i>	\$339,497
<i>Per Net SF</i>	\$595
<i>Per Gross SF</i>	\$506

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	4,753,140
Less Vacancy	(\$237,657)
Less Operating Expenses	(\$1,330,879)
Net Operating Income	\$3,184,604

Development Cost/Subsidy

Total Development Cost	101,169,987
Construction Excise Tax Exemption	(\$188,273)
SDC Waiver	\$0
10-YR Property Tax Exemption	(\$902,897)
Total Cost, Incl. Subsidies	\$100,078,816

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$43,714,147
<i>RLV Per Unit</i>	-\$146,692
<i>RVL per Site SF</i>	-\$2,186

Source: BAE, 2023.

City of Portland Development Pro Forma, Prototype Non CC-5, In-Lieu Fee IH Option, Low Development Cost, Low Revenue

Assumptions	
Prototype	Non CC-5
Development Cost	Low
Revenue	Low
IH Option	In-Lieu Fee
Location	Non-Central C
Construction Type	Type 1

Development Program Assumptions

Site Size - acres / square feet	0.5	20,000
Total Units		298
Affordable (% - count)	0%	0
Market Rate (% - count)	100%	298
Leasable Residential sq. ft.		169,950
Leasable Retail sq. ft.		0
Circulation & Communal Space	15%	
Total Project sq.ft		199,941
Total Parking Spaces		149
Parking spaces per du		0.50
Parking Space Type		Underground
Number of Stories		13-Stories

Unit Mix and Affordability Levels

Unit Mix	Sq. Ft.	AMI-Level			
		60%	80%	MR	All
Studio	450	0	0	119	119
1-BR	600	0	0	149	149
2-BR	900	0	0	30	30
3-BR	1,000	0	0	0	0
All Units		0	0	298	298

Summary	Affordable		Market-Rate		Total
	#	%	#	%	
Number of Units (# - %)	0	0%	298	100%	298
Avg. Affordability (% AMI)		n.a.			n.a.
Leasable Sq. Ft.		0	169,950		169,950
Total Sq. Ft.		0	199,941		199,941
Parking Spaces		0	149		149
Parking Space/du		n.a.	0.5		0.5

Cost Assumptions

Construction	
Hard Cost per gross res/com sf	\$330
Commercial Tenant Improvement per sf	\$100
Parking cost per space	\$60,000
Soft Costs (% of hard costs)	18%
Service District Charge (per unit) (a)	\$17,262
Affordable Housing In-lieu fee per gsf	\$23
Developer Fee (% of hard and soft)	3%

Rental Revenue

Unit Type	Rental Rates by AMI		
	60%	80%	MR
Studio	\$1,042	\$1,415	\$1,125
1-BR	\$1,096	\$1,496	\$1,200
2-BR	\$1,310	\$1,790	\$1,575
3-BR	\$1,508	\$2,062	\$1,750

Other Residential Income (Per Month)

Parking (per space)	\$0
Other Income (Per Unit)	\$80

Retail Rent (NNN per sq. ft.)	\$1.50
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Operating Costs

Res Operating Cost (as % of gross revenue)	28.0%
Vacancy Rate, Residential	5%
Market Rate Cap Rate	4.7%

Financing

Construction-Period	
MR Loan-to-Cost	70%
Loan Fees	1.5%
Drawdown Factor	60%
Interest rate	6.5%
Loan Term (months)	18

Development Cost Analysis

	Total Project
Hard Cost	\$65,980,530
Commercial TIs	\$0
Parking Cost	\$8,940,000
Soft Costs	\$13,485,695
Service District Charge	\$5,144,089
Affordable Housing In-Lieu	\$4,598,643
Subtotal	\$98,148,957

Construction Financing

Const. Loan Fees	\$1,030,564
Const. Loan Interest	\$4,019,200

Developer Fee

Total Development Cost	\$106,143,190
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Per Unit	\$356,185
Per Net SF	\$625
Per Gross SF	\$531

Feasibility Analysis

	Total Project
Project Income	
Gross Scheduled Rents	4,605,180
Less Vacancy	(\$230,259)
Less Operating Expenses	(\$1,289,450)
Net Operating Income	\$3,085,471

Development Cost/Subsidy

Total Development Cost	\$106,143,190
Construction Excise Tax Exemption	\$0
SDC Waiver	\$0
10-YR Property Tax Exemption	\$0
Total Cost, Incl. Subsidies	\$106,143,190

Market Cap Rate

Market Cap Rate	4.7%
Developer Profit Spread	1.0%
Required Yield-on-Cost	5.7%

Residual Land Value

Residual Land Value	-\$51,533,090
RLV Per Unit	-\$172,930
RVL per Site SF	-\$2,577

Source: BAE, 2023.