

185074

Exhibit A

Legal Description of the Property

EXHIBIT "A"

[LEGAL DESCRIPTION]

Lot 5, UNION STATION in the City of Portland, County of Multnomah and State of Oregon.

## Exhibit B – Terms of PHB Financing

<b>Borrower:</b>	Yards at Union Station C LP (or affiliated entity)
<b>Source:</b>	River District URA FY 2011-12
<b>Type and Amount:</b>	<p><b>Note 1</b> – \$565,000 -Cash Flow Share Note (CFSN)</p> <p><b>Note 2</b> – \$4,400,000 - Cash Flow Share Note (CFSN, behind Note 1)</p>
<b>Interest Rate:</b>	<p><b>Note 1</b> – 0% during construction, 1% during permanent</p> <p><b>Note 2</b> – 0% during construction, 1% during permanent</p>
<b>Term:</b>	<p><b>Note 1</b> – <u><b>No construction period on note 1.</b></u> Repayment period starts at the conversion to permanent of Note 2.</p> <p><u><b>Permanent Loan:</b></u> 40 years</p> <p><b>Note 2</b> - <u><b>Construction Period:</b></u> 24 months, with two three month administrative extensions available upon written request by borrower</p> <p><u><b>Permanent Loan:</b></u> 40 years</p>
<b>Repayment:</b>	<p><b>Note 1</b> –</p> <p><u><b>Permanent Loan:</b></u> Scheduled annual cash flow payments of \$14,153.33 from excess cash flow</p> <p><b>Note 2</b> –</p> <p><u><b>Permanent Loan:</b></u> Excess cash flow available after payment on Note 1</p>
<b>Collateral:</b>	<b>Notes 1 and 2</b> – Subordinate trust deed (2 <sup>nd</sup> position)
<b>Cash Flow Sharing:</b>	<p><b>Note 1</b></p> <p>PHB will receive 50% of excess cash flow, after the following:</p> <p><b>Priority Payments:</b></p> <ul style="list-style-type: none"> <li>• Years 1 through 15. Investor services (asset mgmt) fee of \$4,500 escalating at 2% per year, may accrue</li> <li>• Through Year 15, unpaid credit adjusters</li> <li>• Through Year 15, amount sufficient to pay limited partner federal income taxes on taxable partnership income (investor requirement)</li> <li>• Through Year 15, replenish operating reserves, if needed</li> </ul>

## Exhibit B – Terms of PHB Financing

	<ul style="list-style-type: none"><li>Through Year 15, repayment to GP on operating deficit contributions</li><li>Deferred developer fee</li></ul> <p><b><u>Note 2</u></b></p> <p>PHB will receive 50% of excess cash flow, after the following:</p> <p><b>Priority Payments:</b></p> <ul style="list-style-type: none"><li>All Note 1 Priority Payments</li><li>Scheduled PHB cash flow payment on Note 1</li></ul>									
<b>Cost Savings:</b>	<p>Cost savings will be split between PHB and Borrower(s) as follows:</p> <p><b><u>Note 1</u></b></p> <ul style="list-style-type: none"><li>No cost savings available</li></ul> <p><b><u>Note 2</u></b></p> <table><tr><td></td><td>Hard costs</td><td>Soft Costs</td></tr><tr><td>Borrower</td><td>75%</td><td>-</td></tr><tr><td>PHB</td><td>25%</td><td>100%</td></tr></table>		Hard costs	Soft Costs	Borrower	75%	-	PHB	25%	100%
	Hard costs	Soft Costs								
Borrower	75%	-								
PHB	25%	100%								
<b>Disbursements:</b>	<p><b><u>Note 1</u></b> – Seller-financed note will not have disbursements</p> <p><b><u>Note 2</u></b> – PHB will have an accelerated pay in schedule initially, up to 50% until senior lender begins disbursing, then pari passu with senior lender. Retainage will be 5% of general contractor’s contract amount or 10% of PHB total funding amount held until expiration of the 75 day lien waiver period.</p>									
<b>Developer Fee:</b>	<p>The combined capitalized developer fee (currently forecast at \$903,564) is payable according to PHB policy, or per investor requirement (whichever is more conservative) is 35% at closing, 55% throughout course of construction, and 10% at completion.</p>									
<b>Sponsor Equity:</b>	<p>Although the developer has self-funded \$1.4 million in predevelopment funds, the project has not solicited state grants or other typical grant funds. The permanent leave in equity is zero, which does not meet the 2% hurdle. The deferred developer fee of</p>									

	\$397,222 is at risk and is equity to the project until repaid from excess cash flow.
<b>Replacement Reserves:</b>	In addition to a capitalized reserve, replacement reserves are set at \$300 per unit per year by the end of Year 1, escalating at 3% per annum thereafter. PHB shall be party to reserves agreement during term of the PHB affordability covenant.
<b>Recourse</b>	With recourse during construction, thereafter without recourse
<b>Change Orders</b>	\$5,000 per occurrence, \$25,000 cumulatively

## Exhibit C – Portland Housing Bureau Report and Recommendation



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CITY OF  
**PORTLAND, OREGON**  

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PORTLAND HOUSING BUREAU

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Nick Fish, Commissioner

Traci Manning, Director

421 SW 6<sup>th</sup> Avenue, Suite 500Portland OR 97204

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**DATE:** October 18, 2011  
**TO:** Planning and Sustainability Commission  
**FROM:** Portland Housing Bureau Investment Committee

Submitted by: Siobain Beddow Portland Housing Bureau

**SUBJECT: RECOMMEND APPROVAL TO THE CITY BUREAU of PLANNING and SUSTAINABILITY COMMISSION OF A TEN YEAR LIMITED PROPERTY TAX EXEMPTION FOR A NEW RESIDENTIAL TRANSIT ORIENTED DEVELOPMENT KNOWN AS THE YARDS AT UNION STATION PHASE C**

**Background**

Yards at Union Station C (project) is a proposed new construction five story wood frame, 80 unit multifamily project on Union Station Lot 5 currently owned by the City of Portland. Representing the final phase of a multi-phase mixed-use development more widely described as Yards at Union Station, it constitutes an entirely affordable conclusion to the development agreement for this city-owned site.

During the pre-application meeting for the project, the reviewers suggested that the abatement should be longer than 10 years, given that the project is entirely affordable and required to stay that way for 30 years by the state, and 60 years by the city of Portland. Due to bond covenants governing the granting of tax abatement in the River District Urban Renewal area, and the cost and time to gain an exception from those covenants given financial market pressures, only the ten year abatement recommendation is being made at this time. This project will have to come back for a renewal request at a future date in order to remain viable at its restricted rent levels. For confirmation of this, see what happens to the project's NOI and debt coverage ratio in Year 11, when full bore taxes resume, if all the assumptions in the pro forma hold.

This project is somewhat unusual in that it does not have permanent vestment of developer equity. There is usually something in this regard as to land which has been held for

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development if nothing else, but in this case, the city owns the land. The developer has deferred 44% of the developer fee on this project, which is capital at risk, but is considered temporary for purposes of calculating a return as full payment of deferred fees are expected within 10 years of operations per projections in pro forma.

If this project were being developed by a non-profit, it would be eligible for permanent tax abatement on both the land and improvements under Portland City Code§3.101.

Other considerations as to equity and developer contribution are set forth in the table below. Imputed equity is \$227,897 by virtue of the amount of developer fee that could have been budgeted.

<b>Budgeted Developer Fee</b>	<b>Max Allowed Dev Fee</b>	<b>Difference is Developer fee Foregone</b>	<b>Developer funded predevelopment costs</b>
\$903,564	\$1,131,461	\$227,897	\$1,419,156

**Developer Funded Predevelopment Costs**

Architect and Engineering	\$884,090
Permits	\$132,927
Legal & Acctg	\$107,576
Financing	\$294,563
<b>Total</b>	<b>\$1,419,156.00</b>

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**Project Description**

The project will have 6 studios, 48 one-bedroom and 26 two- bedroom units, with 48 uncovered parking spaces equating to a .60:1 parking ratio. Located conveniently to transportation routes and public transit, community amenities will includes a community room, lounge and fitness center on the ground floor. Bike storage will be available in the north garage, and each floor will have storage units available, for a fee. Laundry facilities are communally located on the 2<sup>nd</sup> and 3<sup>rd</sup> floors.

Openings in the parking area screenwall and the windows, doorways, and varied color panels on the northern-most portion of this wall will provide a human scale and interest to the ground level of the building along the NW Naito Parkway and NW Ironside Terrace sidewalks. The surface parking area will be screened from views from the street by the building and from the railyard by the fence and landscaping along that property boundary. Proposed landscaping in the area of this space will help integrate the surface parking area with the adjacent building. Unit density is 78 per acre, exceeding the 3.103 Portland city code density requirements. Though density is not a requirement for 3.104, the 3.103 public benefit requirement around density is 68 units per acre. The building footprint will cover 95% of the lot.

Project's development team includes GSL Partners (Skip Grodahl et al.) and Otak Architects.

**Proposed Unit Mix and Affordability (preliminary):**

Unit type	Count	MFI	Pro forma Monthly gross rents (including an allowance for utilities)
Studio	6	60%	646
One BR	48	60%	806
Two BR	26	60%	969
<b>Total Units</b>	<b>80</b>		

**Public Benefits**

The Project will provide the following additional public benefits, as required by the City Code (Chapter 3.104.040):

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*Rental Rates.* Code requires that 15%, the rentable residential units be affordable at rents at or below 60% of median family income. All of the units in this project meet this affordability requirement.

Additionally, the project plans to include the following public benefits.

*Zip Car space:* The project will offer two spaces for Zip Cars.

*Permanent dedications for public use:* The project will be connected to pedestrian paths and create a walkway to an existing pedestrian bridge.

*Open spaces available to the general public:* A community room will be available to both residents of the project and the general public upon request.

*Increased affordability:* The minimum affordability is met, but because more than 25% of the units will be at rents at or below 60% MFI, the project qualifies for the additional public benefit due to affordability.

This meets the second level test city code requirement from a selection of options in §3.104.040(D)

### **Financial Evaluation**

The total development budget for this phase of the Project is an estimated \$15 million. Project financing is set forth in the Sources and Uses section on page 4. Project requires approximately \$4.4 million in River District Rif that is subject to underwriting and approval by PHB's Investment Committee and Portland's City Council. Staff will present a recommendation for action to HIC and City Council along with a disposition and development agreement by February 2012. The 10-year income projections derived from the pro formae show:

- Scenario 1 - the financial performance of the Project with the tax abatement, and
- Scenario 2 - the financial performance of the Project without the tax abatement.
- Scenario 3 - the financial performance of the Project with the rents necessary to achieve feasibility without the tax abatement, setting the return equal to that of the financial performance with the tax abatement.

In none of the scenarios does the return exceed the 10% threshold.

As shown in Scenario 1, the Project's rate of return<sup>1</sup> with the abatement is incalculable during the 10-year period of the abatement. The reason for this is that there is no equity contributed permanently to the project by the developer. \$397,222 of the projected \$903,564 in developer fees is

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<sup>1</sup> 10 year average cash on cash



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being deferred. The project is only attractive for financing with the abatement granted, as most banks are currently requiring debt service coverage ratios of 1.20 or better in order to make a loan.

As shown in Scenario 2, the Project's rate of return without the tax abatement is also incalculable during the 10-year period. Staff again evaluated the need for the abatement according to the lender required debt service coverage ratio. Without the abatement, the project would not qualify for financing it has proven it can obtain with the abatement, due to its low debt service coverage ratio. According to materials submitted with the application, the annual unabated property tax is estimated at \$69,010 (\$862 per unit) in the first year, escalating thereafter.

As shown in Scenario 3, staff imputed rents which arrive at the lender required debt service coverage ratio as with the abatement in order to determine how much higher the rents would need to be to achieve the same result. Rents without the abatement would need to be an average of \$7 a month per unit higher overall, causing all but the six studios to exceed the 60% MFI rent levels.

The estimated ten-year value of exempted tax revenue is approximately \$574,081 in today's dollars assuming a 6 percent discount rate, a three percent annual assessment increase and \$21.72 per \$1,000 mil rate. Of that total, 32%, or \$183,706 is attributable to City of Portland foregone revenue.

#### River District URA Bond Covenant Requirements

The city's Debt Manager has reviewed the abatement, which is not in conflict with any existing bond covenants.

#### SOURCES AND USES:

		per unit	per person	per sq ft
		80	156	89,751
Uses				
Acquisition	\$565,000	7,063	3,622	6
Construction	\$11,204,553	140,057	71,824	125
Development	\$2,373,704	29,671	15,216	26
Developer Fee	\$903,564	11,295	5,792	10
<b>Total Uses</b>	<b>\$15,046,821.00</b>	<b>188,085</b>	<b>96,454</b>	<b>168</b>

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Sources				
City Real Estate Advisors -LIHTC	\$4,854,399	60,680	31,118	54
Deferred dev fee	\$397,222	4,965	2,546	4
PHB TIF	\$4,400,000	55,000	28,205	49
Tax Exempt Bond Funding – Chase private placement	\$4,830,200	60,378	30,963	54
PHB Seller Financed note	\$565,000	7,063	3,622	6
<b>Total Sources</b>	<b>\$15,046,821.00</b>	<b>188,085</b>	<b>96,454</b>	<b>168</b>

New construction cost per square foot of \$125 per square foot in hard costs appears modest for construction of this type in this area.

**CONDITIONS:**

The project will be required to carry an extended use agreement, according to the terms of §3.104.055(D).

**RECOMMENDATION:**

Recommend the approval of a ten-year property tax abatement for Yards Phase C Limited Partnership (or affiliated entity) to the Planning Commission and City Council because the project meets the financial feasibility test and public benefits requirements set forth in Section 3.104 of Portland's City Code.

**Attachments:**

Attachment 1: Scenario 1 – With tax abatement

Attachment 2: Scenario 2 – Without tax abatement

Attachment 3: Scenario 3 – Rents needed without abatement to produce same return as with abatement

Attachment 4: RE taxes for 10 years and NPV



Year 16 (2028)	Year 17 (2029)	Year 18 (2030)	Year 19 (2031)	Year 20 (2032)	Year 21 (2033)	Year 22 (2034)	Year 23 (2035)	Year 24 (2036)	Year 25 (2037)	Year 26 (2038)	Year 27 (2039)	Year 28 (2040)	Year 29 (2041)	Year 30 (2042)
59,304	60,490	61,700	62,934	64,193	65,477	66,786	68,122	69,484	70,874	72,292	73,737	75,212	76,716	78,251
593,043	604,904	617,002	629,342	641,929	654,768	667,863	681,220	694,845	708,742	722,917	737,375	752,122	767,165	782,508
385,478	393,188	401,052	409,073	417,254	425,599	434,111	442,793	451,649	460,682	469,896	479,294	488,880	498,657	508,630
1,037,826	1,058,583	1,079,754	1,101,349	1,123,376	1,145,844	1,168,761	1,192,136	1,215,979	1,240,298	1,265,104	1,290,406	1,316,214	1,342,539	1,369,389
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
67,590	68,941	70,320	71,727	73,161	74,624	76,117	77,639	79,192	80,776	82,391	84,039	85,720	87,434	89,183
3,965	4,044	4,125	4,208	4,292	4,378	4,465	4,554	4,646	4,738	4,833	4,930	5,028	5,129	5,232
(55,469)	(56,578)	(57,710)	(58,864)	(60,041)	(61,242)	(62,467)	(63,716)	(64,991)	(66,291)	(67,616)	(68,969)	(70,348)	(71,755)	(73,190)
\$ 1,053,911	\$ 1,074,990	\$ 1,096,489	\$ 1,118,419	\$ 1,140,788	\$ 1,163,603	\$ 1,186,875	\$ 1,210,613	\$ 1,234,825	\$ 1,259,522	\$ 1,284,712	\$ 1,310,406	\$ 1,336,614	\$ 1,363,347	\$ 1,390,614
1,053,911	1,074,990	1,096,489	1,118,419	1,140,788	1,163,603	1,186,875	1,210,613	1,234,825	1,259,522	1,284,712	1,310,406	1,336,614	1,363,347	1,390,614
28,885	29,751	30,644	31,563	32,510	33,485	34,490	35,525	36,590	37,688	38,819	39,983	41,183	42,418	43,691
84,600	87,138	89,752	92,445	95,218	98,075	101,017	104,047	107,169	110,384	113,695	117,106	120,620	124,238	127,965
28,885	29,751	30,644	31,563	32,510	33,485	34,490	35,525	36,590	37,688	38,819	39,983	41,183	42,418	43,691
40,078	41,280	42,518	43,794	45,108	46,461	47,855	49,290	50,769	52,292	53,861	55,477	57,141	58,855	60,621
46,496	47,891	49,328	50,808	52,332	53,902	55,519	57,185	58,900	60,667	62,487	64,362	66,293	68,281	70,330
4,493	4,628	4,767	4,910	5,057	5,209	5,365	5,526	5,692	5,863	6,038	6,220	6,406	6,598	6,796
6,419	6,611	6,810	7,014	7,224	7,441	7,664	7,894	8,131	8,375	8,626	8,885	9,152	9,426	9,709
62,062	63,924	65,842	67,817	69,851	71,947	74,105	76,328	78,618	80,977	83,406	85,908	88,486	91,140	93,874
60,547	62,364	64,235	66,162	68,146	70,191	72,296	74,465	76,699	79,000	81,370	83,811	86,326	88,916	91,583
56,165	57,850	59,585	61,373	63,214	65,110	67,064	69,076	71,148	73,282	75,481	77,745	80,077	82,480	84,954
25,675	26,446	27,239	28,056	28,898	29,765	30,658	31,577	32,525	33,500	34,505	35,541	36,607	37,705	38,836
64,132	66,056	68,038	70,079	72,181	74,347	76,577	78,874	81,241	83,678	86,188	88,774	91,437	94,180	97,006
28,885	29,751	30,644	31,563	32,510	33,485	34,490	35,525	36,590	37,688	38,819	39,983	41,183	42,418	43,691
107,515	110,741	114,063	117,485	121,009	124,640	128,379	132,230	136,197	140,283	144,492	148,826	153,291	157,890	162,627
\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600
38,513	39,668	40,858	42,084	43,347	44,647	45,986	47,366	48,787	50,251	51,758	53,311	54,910	56,558	58,254
\$ 693,950	\$ 714,450	\$ 735,566	\$ 757,315	\$ 779,716	\$ 802,790	\$ 826,555	\$ 851,034	\$ 876,247	\$ 902,216	\$ 928,965	\$ 956,516	\$ 984,893	\$ 1,014,122	\$ 1,044,228
\$ 693,950	\$ 714,450	\$ 735,566	\$ 757,315	\$ 779,716	\$ 802,790	\$ 826,555	\$ 851,034	\$ 876,247	\$ 902,216	\$ 928,965	\$ 956,516	\$ 984,893	\$ 1,014,122	\$ 1,044,228
66%	66%	67%	68%	68%	69%	70%	70%	71%	72%	72%	73%	74%	74%	75%
\$ 359,962	\$ 360,539	\$ 360,924	\$ 361,104	\$ 361,071	\$ 360,814	\$ 360,320	\$ 359,579	\$ 358,578	\$ 357,305	\$ 355,747	\$ 353,890	\$ 351,721	\$ 349,225	\$ 346,386
\$ 359,962	\$ 360,539	\$ 360,924	\$ 361,104	\$ 361,071	\$ 360,814	\$ 360,320	\$ 359,579	\$ 358,578	\$ 357,305	\$ 355,747	\$ 353,890	\$ 351,721	\$ 349,225	\$ 346,386
1.09	1.10	1.10	1.10	1.10	1.10	1.09	1.09	1.09	1.09	1.08	1.08	1.07	1.06	1.05
\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091
\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091
\$ 30,871	\$ 31,448	\$ 31,833	\$ 32,013	\$ 31,980	\$ 31,723	\$ 31,229	\$ 30,488	\$ 29,487	\$ 28,214	\$ 26,656	\$ 24,799	\$ 22,630	\$ 20,134	\$ 17,295
\$ 30,871	\$ 31,448	\$ 31,833	\$ 32,013	\$ 31,980	\$ 31,723	\$ 31,229	\$ 30,488	\$ 29,487	\$ 28,214	\$ 26,656	\$ 24,799	\$ 22,630	\$ 20,134	\$ 17,295
30,871	31,448	31,833	32,013	31,980	31,723	31,229	30,488	29,487	28,214	26,656	24,799	22,630	20,134	17,295
15,435	15,724	15,916	16,007	15,990	15,861	15,615	15,244	14,744	14,107	13,328	12,400	11,315	10,067	8,647
15,435	15,724	15,916	16,007	15,990	15,861	15,615	15,244	14,744	14,107	13,328	12,400	11,315	10,067	8,647
\$ 15,435	\$ 15,724	\$ 15,916	\$ 16,007	\$ 15,990	\$ 15,861	\$ 15,615	\$ 15,244	\$ 14,744	\$ 14,107	\$ 13,328	\$ 12,400	\$ 11,315	\$ 10,067	\$ 8,647

Residential Income			#	Monthly	Utility	Monthly	Percent	Annual	Annual	Stabilized Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	
Annual Inflation Factor = 2%			Units	Gross Rent	Allowance	Net Rent	Median Income	Per Unit		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
						2011 \$		2011 \$	2011 \$	(2013)	(2014)	(2015)	(2016)	(2017)	(2018)	(2019)	(2020)	(2021)	(2022)	(2023)	(2024)	(2025)	(2026)	(2027)
Studio			6	646	46	600	51.3%	7,200	43,200	44,064	44,945	45,844	46,761	47,696	48,650	49,623	50,616	51,628	52,661	53,714	54,788	55,884	57,001	58,142
1 BR			48	806	56	750	59.7%	9,000	432,000	440,640	449,453	458,442	467,611	476,963	486,502	496,232	506,157	516,280	526,606	537,138	547,880	558,838	570,015	581,415
2 BR			26	969	69	900	59.8%	10,800	280,800	286,416	292,144	297,987	303,947	310,026	316,226	322,551	329,002	335,582	342,294	349,140	356,122	363,245	370,510	377,920
Subtotal Rents								-	756,000	771,120	786,542	802,273	818,319	834,685	851,379	868,406	885,774	903,490	921,560	939,991	958,791	977,967	997,526	1,017,476
Parking (45 spaces)								50,220	50,220	51,224	52,249	52,249	53,294	54,360	55,447	56,556	57,687	58,841	60,018	61,218	62,442	63,691	64,965	66,264
Application fees								2,946	2,946	2,946	3,005	3,065	3,126	3,189	3,253	3,318	3,384	3,452	3,521	3,591	3,663	3,736	3,811	3,887
Total Misc Income			80																					
Less res vacancy (5%)			5%						(40,458)	(41,265)	(42,090)	(42,879)	(43,737)	(44,612)	(45,504)	(46,414)	(47,342)	(48,289)	(49,255)	(50,240)	(51,245)	(52,270)	(53,315)	(54,381)
Effective Gross Residential								9,609	\$ 768,708	\$ 784,026	\$ 799,706	\$ 814,708	\$ 831,002	\$ 847,622	\$ 864,574	\$ 881,866	\$ 899,503	\$ 917,493	\$ 935,843	\$ 954,560	\$ 973,651	\$ 993,124	\$ 1,012,987	\$ 1,033,246
Effective Gross Income										784,026	799,706	814,708	831,002	847,622	864,574	881,866	899,503	917,493	935,843	954,560	973,651	993,124	1,012,987	1,033,246
Residential Expenses																								
Annual Inflation Factor = 3%																								
Insurance			3%					\$ 225	\$18,000	18,540	19,096	19,669	20,259	20,867	21,493	22,138	22,802	23,486	24,190	24,916	25,664	26,434	27,227	28,043
electric			3.00%					\$ 659	\$52,720	54,302	55,931	57,609	59,337	61,117	62,950	64,839	66,784	68,788	70,851	72,977	75,166	77,421	79,744	82,136
Water/Sewer			3%					\$ 225	\$18,000	18,540	19,096	19,669	20,259	20,867	21,493	22,138	22,802	23,486	24,190	24,916	25,664	26,434	27,227	28,043
Repairs and Maintenance			3%					\$ 312	\$24,975	25,724	26,496	27,291	28,110	28,953	29,821	30,716	31,638	32,587	33,564	34,571	35,608	36,677	37,777	38,910
General Maintenance			3%					\$ 362	\$28,975	29,844	30,740	31,662	32,612	33,590	34,598	35,636	36,705	37,806	38,940	40,108	41,311	42,551	43,827	45,142
Compliance Monitoring			3%					\$ 35	\$2,800	2,884	2,971	3,060	3,151	3,246	3,343	3,444	3,547	3,653	3,763	3,876	3,992	4,112	4,235	4,362
Unit turnover								\$ 50	\$4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219	5,376	5,537	5,703	5,874	6,050	6,232
Onsite Mgmt								\$ 483	\$38,675	39,835	41,030	42,261	43,529	44,835	46,180	47,565	48,992	50,462	51,976	53,535	55,141	56,796	58,499	60,254
Offsite Mgmt								\$ 472	\$ 37,731	38,863	40,029	41,230	42,467	43,741	45,053	46,404	47,797	49,230	50,707	52,229	53,795	55,409	57,072	58,784
Payroll			3%					\$ 438	\$35,000	36,050	37,132	38,245	39,393	40,575	41,792	43,046	44,337	45,667	47,037	48,448	49,902	51,399	52,941	54,529
Landscape			3.00%					\$ 200	\$16,000	16,480	16,974	17,484	18,008	18,548	19,105	19,678	20,268	20,876	21,503	22,148	22,812	23,497	24,201	24,927
Administrative and Leasing			3.00%					\$ 500	\$39,965	41,164	42,399	43,671	44,981	46,330	47,720	49,152	50,626	52,145	53,710	55,321	56,981	58,690	60,451	62,264
RE taxes (land)			3.00%					\$ 225	\$18,000	18,540	19,096	19,669	20,259	20,867	21,493	22,138	22,802	23,486	24,190	24,916	25,664	26,434	27,227	28,043
RE taxes (improvements)			3.00%					\$ 838	\$67,000	69,010	71,080	73,213	75,409	77,671	80,002	82,402	84,874	87,420	90,042	92,744	95,526	98,392	101,344	104,384
OHCS Bond Admin Fee			3.0%					\$ 133	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600
Replacement reserve			3%					\$ 300	\$ 24,000	24,720	25,462	26,225	27,012	27,823	28,657	29,517	30,402	31,315	32,254	33,222	34,218	35,245	36,302	37,391
								\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
								\$ 5,456	\$ 436,441	\$ 449,216	\$ 462,375	\$ 475,928	\$ 489,888	\$ 504,266	\$ 519,076	\$ 534,331	\$ 550,043	\$ 566,226	\$ 582,895	\$ 600,064	\$ 617,747	\$ 635,962	\$ 654,723	\$ 674,046
Total Residential Expenses								\$5,456	\$ 436,441	\$ 449,216	\$ 462,375	\$ 475,928	\$ 489,888	\$ 504,266	\$ 519,076	\$ 534,331	\$ 550,043	\$ 566,226	\$ 582,895	\$ 600,064	\$ 617,747	\$ 635,962	\$ 654,723	\$ 674,046
Project Net Operating Income									\$ (436,441)	\$ 334,810	\$ 337,332	\$ 338,780	\$ 341,114	\$ 343,356	\$ 345,498	\$ 347,535	\$ 349,461	\$ 351,267	\$ 352,948	\$ 354,496	\$ 355,904	\$ 357,162	\$ 358,264	\$ 359,200
Total Project NOI									\$ (436,441)	\$ 334,810	\$ 337,332	\$ 338,780	\$ 341,114	\$ 343,356	\$ 345,498	\$ 347,535	\$ 349,461	\$ 351,267	\$ 352,948	\$ 354,496	\$ 355,904	\$ 357,162	\$ 358,264	\$ 359,200
Debt Coverage Ratio										1.02	1.03	1.03	1.04	1.04	1.05	1.06	1.06	1.07	1.07	1.08	1.08	1.09	1.09	1.09
Available for Debt Service									\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091
Debt Service - and Priority Payments																								
Estimated debt service			4830000	term	20.5 yrs			\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)
Cash Flow			5.50%	amort	30 yrs			\$ 5,719	\$ 8,241	\$ 9,689	\$ 12,023	\$ 14,265	\$ 16,407	\$ 18,444	\$ 20,370	\$ 22,176	\$ 23,857	\$ 25,405	\$ 26,813	\$ 28,071	\$ 29,173	\$ 30,109		
Initial equity investment																								
Net Cash Flow										5,719	8,241	9,689	12,023	14,265	16,407	18,444	20,370	22,176	23,857	25,405	26,813	28,071	29,173	30,109
Priority Payments, in order of payment																								
Deferred dev fee (1)								\$ 397,222	\$0	\$0	\$39,386	\$41,505	\$43,607	\$45,691	\$47,755	\$49,795	\$51,810	\$53,797	\$23,875					
Investor services (2)			2%					\$ 4,500	4,500	4,590	4,682	4,775	4,871	4,968	5,068	5,169	5,272	5,378	5,485	5,595	5,707	5,821	5,938	-
										-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Post priority cash flow																								
Excess Cash Flow										1,219	3,651	(34,379)	(34,257)	(34,214)	(34,253)	(34,378)	(34,595)	(34,906)	(35,318)	(3,955)	21,218	22,364	23,352	24,171
PHB share of Excess Cash Flow			50%	contingent debt payment						609	1,825	(17,189)	(17,129)	(17,107)	(17,126)	(17,189)	(17,297)	(17,453)	(17,659)	(1,977)	10,609	11,182	12,086	
Borrower share of Excess Cash Flow			50%							609	1,825	(17,189)	(17,129)	(17,107)	(17,126)	(17,189)	(17,297)	(17,453)	(17,659)	(1,977)	10,609	11,182	12,086	
Net borrower cash flow								\$ -	\$ 609	\$ 1,825	\$ (17,189)	\$ (17,129)	\$ (17,107)	\$ (17,126)	\$ (17,189)	\$ (17,297)	\$ (17,453)	\$ (17,659)	\$ (1,977)	\$ 10,609	\$ 11,182	\$ 11,676	\$ 12,086	
Internal Rate of Return																								
Annual return			10 yr						#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Year 16 (2028)	Year 17 (2029)	Year 18 (2030)	Year 19 (2031)	Year 20 (2032)	Year 21 (2033)	Year 22 (2034)	Year 23 (2035)	Year 24 (2036)	Year 25 (2037)	Year 26 (2038)	Year 27 (2039)	Year 28 (2040)	Year 29 (2041)	Year 30 (2042)
59,304	60,490	61,700	62,934	64,193	65,477	66,786	68,122	69,484	70,874	72,292	73,737	75,212	76,716	78,251
593,043	604,904	617,002	629,342	641,929	654,768	667,863	681,220	694,845	708,742	722,917	737,375	752,122	767,165	782,508
385,478	393,188	401,052	409,073	417,254	425,599	434,111	442,793	451,649	460,682	469,896	479,294	488,880	498,657	508,630
1,037,826	1,058,583	1,079,754	1,101,349	1,123,376	1,145,844	1,168,761	1,192,136	1,215,979	1,240,298	1,265,104	1,290,406	1,316,214	1,342,539	1,369,389
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
67,590	68,941	70,320	71,727	73,161	74,624	76,117	77,639	79,192	80,776	82,391	84,039	85,720	87,434	89,183
3,965	4,044	4,125	4,208	4,292	4,378	4,465	4,554	4,646	4,738	4,833	4,930	5,028	5,129	5,232
(55,469)	(56,578)	(57,710)	(58,864)	(60,041)	(61,242)	(62,467)	(63,716)	(64,991)	(66,291)	(67,616)	(68,969)	(70,348)	(71,755)	(73,190)
\$ 1,053,911	\$ 1,074,990	\$ 1,096,489	\$ 1,118,419	\$ 1,140,788	\$ 1,163,603	\$ 1,186,875	\$ 1,210,613	\$ 1,234,825	\$ 1,259,522	\$ 1,284,712	\$ 1,310,406	\$ 1,336,614	\$ 1,363,347	\$ 1,390,614
1,053,911	1,074,990	1,096,489	1,118,419	1,140,788	1,163,603	1,186,875	1,210,613	1,234,825	1,259,522	1,284,712	1,310,406	1,336,614	1,363,347	1,390,614
28,885	29,751	30,644	31,563	32,510	33,485	34,490	35,525	36,590	37,688	38,819	39,983	41,183	42,418	43,691
84,600	87,138	89,752	92,445	95,218	98,075	101,017	104,047	107,169	110,384	113,695	117,106	120,620	124,238	127,965
28,885	29,751	30,644	31,563	32,510	33,485	34,490	35,525	36,590	37,688	38,819	39,983	41,183	42,418	43,691
40,078	41,280	42,518	43,794	45,108	46,461	47,855	49,290	50,769	52,292	53,861	55,477	57,141	58,855	60,621
46,496	47,891	49,328	50,808	52,332	53,902	55,519	57,185	58,900	60,667	62,487	64,362	66,293	68,281	70,330
4,493	4,628	4,767	4,910	5,057	5,209	5,365	5,526	5,692	5,863	6,038	6,220	6,406	6,598	6,796
6,419	6,611	6,810	7,014	7,224	7,441	7,664	7,894	8,131	8,375	8,626	8,885	9,152	9,426	9,709
62,062	63,924	65,842	67,817	69,851	71,947	74,105	76,328	78,618	80,977	83,406	85,908	88,486	91,140	93,874
60,547	62,364	64,235	66,162	68,146	70,191	72,296	74,465	76,699	79,000	81,370	83,811	86,326	88,916	91,583
56,165	57,850	59,585	61,373	63,214	65,110	67,064	69,076	71,148	73,282	75,481	77,745	80,077	82,480	84,954
25,675	26,446	27,239	28,056	28,898	29,765	30,658	31,577	32,525	33,500	34,505	35,541	36,607	37,705	38,836
64,132	66,056	68,038	70,079	72,181	74,347	76,577	78,874	81,241	83,678	86,188	88,774	91,437	94,180	97,006
28,885	29,751	30,644	31,563	32,510	33,485	34,490	35,525	36,590	37,688	38,819	39,983	41,183	42,418	43,691
107,515	110,741	114,063	117,485	121,009	124,640	128,379	132,230	136,197	140,283	144,492	148,826	153,291	157,890	162,627
\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600
38,513	39,668	40,858	42,084	43,347	44,647	45,986	47,366	48,787	50,251	51,758	53,311	54,910	56,558	58,254
\$ 693,950	\$ 714,450	\$ 735,566	\$ 757,315	\$ 779,716	\$ 802,790	\$ 826,555	\$ 851,034	\$ 876,247	\$ 902,216	\$ 928,965	\$ 956,516	\$ 984,893	\$ 1,014,122	\$ 1,044,228
\$ 693,950	\$ 714,450	\$ 735,566	\$ 757,315	\$ 779,716	\$ 802,790	\$ 826,555	\$ 851,034	\$ 876,247	\$ 902,216	\$ 928,965	\$ 956,516	\$ 984,893	\$ 1,014,122	\$ 1,044,228
66%	66%	67%	68%	68%	69%	70%	70%	71%	72%	72%	73%	74%	74%	75%
\$ 359,962	\$ 360,539	\$ 360,924	\$ 361,104	\$ 361,071	\$ 360,814	\$ 360,320	\$ 359,579	\$ 358,578	\$ 357,305	\$ 355,747	\$ 353,890	\$ 351,721	\$ 349,225	\$ 346,386
\$ 359,962	\$ 360,539	\$ 360,924	\$ 361,104	\$ 361,071	\$ 360,814	\$ 360,320	\$ 359,579	\$ 358,578	\$ 357,305	\$ 355,747	\$ 353,890	\$ 351,721	\$ 349,225	\$ 346,386
1.09	1.10	1.10	1.10	1.10	1.10	1.09	1.09	1.09	1.09	1.08	1.08	1.07	1.06	1.05
\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091
\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)
\$ 30,871	\$ 31,448	\$ 31,833	\$ 32,013	\$ 31,980	\$ 31,723	\$ 31,229	\$ 30,488	\$ 29,487	\$ 28,214	\$ 26,656	\$ 24,799	\$ 22,630	\$ 20,134	\$ 17,295
30,871	31,448	31,833	32,013	31,980	31,723	31,229	30,488	29,487	28,214	26,656	24,799	22,630	20,134	17,295
15,435	15,724	15,916	16,007	15,990	15,861	15,615	15,244	14,744	14,107	13,328	12,400	11,315	10,067	8,647
15,435	15,724	15,916	16,007	15,990	15,861	15,615	15,244	14,744	14,107	13,328	12,400	11,315	10,067	8,647
\$ 15,435	\$ 15,724	\$ 15,916	\$ 16,007	\$ 15,990	\$ 15,861	\$ 15,615	\$ 15,244	\$ 14,744	\$ 14,107	\$ 13,328	\$ 12,400	\$ 11,315	\$ 10,067	\$ 8,647

Residential Income																						
Annual Inflation Factor = 2%			#	Monthly	Utility	Monthly	Percent	Annual	Annual	Stabilized Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year
			Units	Gross Rent	Allowance	Net Rent	Median	Per Unit		1	2	3	4	5	6	7	8	9	10	11	12	13
						2011 \$	Income	2011 \$	2011 \$	(2013)	(2014)	(2015)	(2016)	(2017)	(2018)	(2019)	(2020)	(2021)	(2022)	(2023)	(2024)	(2025)
Studio			6	724	46	678	57.5%	8,136	48,816	49,792	50,788	51,804	52,840	53,897	54,975	56,074	57,196	58,340	59,506	60,697	61,910	63,149
1 BR			48	384	56	828	65.5%	9,936	476,928	486,467	496,196	506,120	516,242	526,567	537,098	547,840	558,797	569,973	581,373	593,000	604,860	616,957
2 BR			26	1,047	69	978	64.6%	11,736	305,136	311,239	317,463	323,813	330,289	336,895	343,633	350,505	357,515	364,666	371,959	379,398	386,986	394,726
Subtotal Rents								-	830,880	847,498	864,448	881,737	899,371	917,359	935,706	954,420	973,508	992,979	1,012,838	1,033,095	1,053,757	1,074,832
Parking (45 spaces)										-	-	-	-	-	-	-	-	-	-	-	-	-
Application fees								50,220	50,220	51,224	52,249	52,249	53,294	54,360	55,447	56,556	57,687	58,841	60,018	61,218	62,442	63,691
Total Misc Income								2,946	2,946	2,946	3,005	3,065	3,126	3,189	3,253	3,318	3,384	3,452	3,521	3,591	3,663	3,736
Less res vacancy (5%)			80	per unit more																		
Effective Gross Residential										(44,202)	(45,083)	(45,985)	(46,853)	(47,790)	(48,745)	(49,720)	(50,715)	(51,729)	(52,764)	(53,819)	(54,895)	(55,993)
								10,498	\$ 839,844	\$ 856,585	\$ 873,716	\$ 890,198	\$ 908,002	\$ 926,162	\$ 944,685	\$ 963,579	\$ 982,850	\$ 1,002,507	\$ 1,022,558	\$ 1,043,009	\$ 1,063,869	\$ 1,085,146
Effective Gross Income										856,585	873,716	890,198	908,002	926,162	944,685	963,579	982,850	1,002,507	1,022,558	1,043,009	1,063,869	1,085,146
Residential Expenses																						
Annual Inflation Factor = 3%																						
Insurance								\$ 225	\$18,000	18,540	19,096	19,669	20,259	20,867	21,493	22,138	22,802	23,486	24,190	24,916	25,664	26,434
electric								\$ 659	\$52,720	54,302	55,931	57,609	59,337	61,117	62,950	64,839	66,784	68,788	70,851	72,977	75,166	77,421
Water/Sewer								\$ 225	\$18,000	18,540	19,096	19,669	20,259	20,867	21,493	22,138	22,802	23,486	24,190	24,916	25,664	26,434
Repairs and Maintenance								\$ 312	\$24,975	25,724	26,496	27,291	28,110	28,953	29,821	30,716	31,638	32,587	33,564	34,571	35,608	36,677
General Maintenance								\$ 362	\$28,975	29,844	30,740	31,662	32,612	33,590	34,598	35,636	36,705	37,806	38,940	40,108	41,311	42,551
Compliance Monitoring								\$ 35	\$2,800	2,884	2,971	3,060	3,151	3,246	3,343	3,444	3,547	3,653	3,763	3,876	3,992	4,112
Unit turnover								\$ 50	\$4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219	5,376	5,537	5,703	5,874
Onsite Mgmt								\$ 483	\$38,675	39,835	41,030	42,261	43,529	44,835	46,180	47,565	48,992	50,462	51,976	53,535	55,141	56,796
Offsite Mgmt								\$ 472	\$ 37,731	38,863	40,029	41,230	42,467	43,741	45,053	46,404	47,797	49,230	50,707	52,229	53,795	55,409
Payroll								\$ 438	\$35,000	36,050	37,132	38,245	39,393	40,575	41,792	43,046	44,337	45,667	47,037	48,448	49,902	51,399
Landscape								\$ 200	\$16,000	16,480	16,974	17,484	18,008	18,548	19,105	19,678	20,268	20,876	21,503	22,148	22,812	23,497
Administrative and Leasing								\$ 500	\$39,965	41,164	42,399	43,671	44,981	46,330	47,720	49,152	50,626	52,145	53,710	55,321	56,981	58,690
RE taxes (land)								\$ 225	\$18,000	18,540	19,096	19,669	20,259	20,867	21,493	22,138	22,802	23,486	24,190	24,916	25,664	26,434
RE taxes (improvements)								\$ 838	\$67,000	69,010	71,080	73,213	75,409	77,671	80,002	82,402	84,874	87,420	90,042	92,744	95,526	98,392
OHCS Bond Admin Fee								\$ 133	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600
Replacement reserve								\$ 300	\$ 24,000	24,720	25,462	26,225	27,012	27,823	28,657	29,517	30,402	31,315	32,254	33,222	34,218	35,245
								\$ 5,456	\$ 436,441	\$ 449,216	\$ 462,375	\$ 475,928	\$ 489,888	\$ 504,266	\$ 519,076	\$ 534,331	\$ 550,043	\$ 566,226	\$ 582,895	\$ 600,064	\$ 617,747	\$ 635,962
Total Residential Expenses								\$5,456	\$ 436,441	\$ 449,216	\$ 462,375	\$ 475,928	\$ 489,888	\$ 504,266	\$ 519,076	\$ 534,331	\$ 550,043	\$ 566,226	\$ 582,895	\$ 600,064	\$ 617,747	\$ 635,962
									52%	52%	53%	53%	54%	54%	55%	55%	56%	56%	57%	58%	58%	59%
Project Net Operating Income								\$ (436,441)	\$ 407,368	\$ 411,342	\$ 414,270	\$ 418,114	\$ 421,895	\$ 425,609	\$ 429,248	\$ 432,808	\$ 436,281	\$ 439,663	\$ 442,945	\$ 446,121	\$ 449,184	\$ 452,126
Total Project NOI								\$ (436,441)	\$ 407,368	\$ 411,342	\$ 414,270	\$ 418,114	\$ 421,895	\$ 425,609	\$ 429,248	\$ 432,808	\$ 436,281	\$ 439,663	\$ 442,945	\$ 446,121	\$ 449,184	\$ 452,126
Debt Coverage Ratio										1.24	1.25	1.26	1.27	1.28	1.29	1.30	1.32	1.33	1.34	1.35	1.36	1.36
Available for Debt Service								\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091
Debt Service - and Priority Payments																						
Estimated debt service			4830000	term	20.5 yrs			\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)
Cash Flow			5.50%		amort 30 yrs			\$ 78,277	\$ 82,251	\$ 85,179	\$ 89,023	\$ 92,804	\$ 96,518	\$ 100,157	\$ 103,717	\$ 107,190	\$ 110,572	\$ 113,854	\$ 117,030	\$ 120,093	\$ 123,035	\$ 125,849
Initial equity investment																						
Net Cash Flow										78,277	82,251	85,179	89,023	92,804	96,518	100,157	103,717	107,190	110,572	113,854	117,030	120,093
Priority Payments, in order of payment																						
Deferred dev fee (1)								\$ 397,222	\$ 0	\$ 0	\$39,386	\$41,505	\$43,607	\$45,691	\$47,755	\$49,795	\$51,810	\$53,797	\$23,875			
Investor services (2)			2%					\$ 4,500	4,500	4,590	4,682	4,775	4,871	4,968	5,068	5,169	5,272	5,378	5,485	5,595	5,707	5,821
										-	-	-	-	-	-	-	-	-	-	-	-	-
Post priority cash flow																						
Excess Cash Flow										73,777	77,661	81,111	84,743	88,326	91,858	95,335	98,753	102,108	105,397	108,624	111,793	114,886
PHB share of Excess Cash Flow			50%	contingent debt payment						36,889	38,830	40,556	42,371	44,229	46,133	48,086	50,088	52,139	54,240	56,391	58,592	60,843
Borrower share of Excess Cash Flow			50%							36,889	38,830	40,556	42,371	44,229	46,133	48,086	50,088	52,139	54,240	56,391	58,592	60,843
Net borrower cash flow								\$ -	\$ 36,889	\$ 38,830	\$ 40,556	\$ 42,371	\$ 44,229	\$ 46,133	\$ 48,086	\$ 50,088	\$ 52,139	\$ 54,240	\$ 56,391	\$ 58,592	\$ 60,843	\$ 63,094
Internal Rate of Return								10 yr	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Annual return																						

Year 16 (2028)	Year 17 (2029)	Year 18 (2030)	Year 19 (2031)	Year 20 (2032)	Year 21 (2033)	Year 22 (2034)	Year 23 (2035)	Year 24 (2036)	Year 25 (2037)	Year 26 (2038)	Year 27 (2039)	Year 28 (2040)	Year 29 (2041)	Year 30 (2042)
67,014	68,354	69,721	71,116	72,538	73,989	75,469	76,978	78,517	80,088	81,690	83,323	84,990	86,690	88,423
654,720	667,814	681,171	694,794	708,690	722,864	737,321	752,067	767,109	782,451	798,100	814,062	830,343	846,950	863,889
418,886	427,264	435,809	444,526	453,416	462,484	471,734	481,169	490,792	500,608	510,620	520,833	531,249	541,874	552,712
1,140,620	1,163,433	1,186,701	1,210,435	1,234,644	1,259,337	1,284,524	1,310,214	1,336,418	1,363,147	1,390,410	1,418,218	1,446,582	1,475,514	1,505,024
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
67,590	68,941	70,320	71,727	73,161	74,624	76,117	77,639	79,192	80,776	82,391	84,039	85,720	87,434	89,183
3,965	4,044	4,125	4,208	4,292	4,378	4,465	4,554	4,646	4,738	4,833	4,930	5,028	5,129	5,232
(60,609)	(61,821)	(63,057)	(64,318)	(65,605)	(66,917)	(68,255)	(69,620)	(71,013)	(72,433)	(73,882)	(75,359)	(76,867)	(78,404)	(79,972)
\$ 1,151,566	\$ 1,174,597	\$ 1,198,089	\$ 1,222,051	\$ 1,246,492	\$ 1,271,422	\$ 1,296,850	\$ 1,322,787	\$ 1,349,243	\$ 1,376,228	\$ 1,403,752	\$ 1,431,827	\$ 1,460,464	\$ 1,489,673	\$ 1,519,467
1,151,566	1,174,597	1,198,089	1,222,051	1,246,492	1,271,422	1,296,850	1,322,787	1,349,243	1,376,228	1,403,752	1,431,827	1,460,464	1,489,673	1,519,467
28,885	29,751	30,644	31,563	32,510	33,485	34,490	35,525	36,590	37,688	38,819	39,983	41,183	42,418	43,691
84,600	87,138	89,752	92,445	95,218	98,075	101,017	104,047	107,169	110,384	113,695	117,106	120,620	124,238	127,965
28,885	29,751	30,644	31,563	32,510	33,485	34,490	35,525	36,590	37,688	38,819	39,983	41,183	42,418	43,691
40,078	41,280	42,518	43,794	45,108	46,461	47,855	49,290	50,769	52,292	53,861	55,477	57,141	58,855	60,621
46,496	47,891	49,328	50,808	52,332	53,902	55,519	57,185	58,900	60,667	62,487	64,362	66,293	68,281	70,330
4,493	4,628	4,767	4,910	5,057	5,209	5,365	5,526	5,692	5,863	6,038	6,220	6,406	6,598	6,796
6,419	6,611	6,810	7,014	7,224	7,441	7,664	7,894	8,131	8,375	8,626	8,885	9,152	9,426	9,709
62,062	63,924	65,842	67,817	69,851	71,947	74,105	76,328	78,618	80,977	83,406	85,908	88,486	91,140	93,874
60,547	62,364	64,235	66,162	68,146	70,191	72,296	74,465	76,699	79,000	81,370	83,811	86,326	88,916	91,583
56,165	57,850	59,585	61,373	63,214	65,110	67,064	69,076	71,148	73,282	75,481	77,745	80,077	82,480	84,954
25,675	26,446	27,239	28,056	28,898	29,765	30,658	31,577	32,525	33,500	34,505	35,541	36,607	37,705	38,836
64,132	66,056	68,038	70,079	72,181	74,347	76,577	78,874	81,241	83,678	86,188	88,774	91,437	94,180	97,006
28,885	29,751	30,644	31,563	32,510	33,485	34,490	35,525	36,590	37,688	38,819	39,983	41,183	42,418	43,691
107,515	110,741	114,063	117,485	121,009	124,640	128,379	132,230	136,197	140,283	144,492	148,826	153,291	157,890	162,627
\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600	\$10,600
38,513	39,668	40,858	42,084	43,347	44,647	45,986	47,366	48,787	50,251	51,758	53,311	54,910	56,558	58,254
\$ 693,950	\$ 714,450	\$ 735,566	\$ 757,315	\$ 779,716	\$ 802,790	\$ 826,555	\$ 851,034	\$ 876,247	\$ 902,216	\$ 928,965	\$ 956,516	\$ 984,893	\$ 1,014,122	\$ 1,044,228
\$ 693,950	\$ 714,450	\$ 735,566	\$ 757,315	\$ 779,716	\$ 802,790	\$ 826,555	\$ 851,034	\$ 876,247	\$ 902,216	\$ 928,965	\$ 956,516	\$ 984,893	\$ 1,014,122	\$ 1,044,228
60%	61%	61%	62%	63%	63%	64%	64%	65%	66%	66%	67%	67%	68%	69%
\$ 457,616	\$ 460,147	\$ 462,523	\$ 464,736	\$ 466,776	\$ 468,632	\$ 470,295	\$ 471,753	\$ 472,996	\$ 474,011	\$ 474,787	\$ 475,312	\$ 475,571	\$ 475,551	\$ 475,239
\$ 457,616	\$ 460,147	\$ 462,523	\$ 464,736	\$ 466,776	\$ 468,632	\$ 470,295	\$ 471,753	\$ 472,996	\$ 474,011	\$ 474,787	\$ 475,312	\$ 475,571	\$ 475,551	\$ 475,239
1.39	1.40	1.41	1.41	1.42	1.42	1.43	1.43	1.44	1.44	1.44	1.44	1.45	1.45	1.44
\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091	\$ 329,091
\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)	\$ (329,091)
\$ 128,525	\$ 131,056	\$ 133,432	\$ 135,645	\$ 137,685	\$ 139,541	\$ 141,204	\$ 142,662	\$ 143,905	\$ 144,920	\$ 145,696	\$ 146,221	\$ 146,480	\$ 146,460	\$ 146,148
128,525	131,056	133,432	135,645	137,685	139,541	141,204	142,662	143,905	144,920	145,696	146,221	146,480	146,460	146,148
64,263	65,528	66,716	67,823	68,842	69,771	70,602	71,331	71,952	72,460	72,848	73,110	73,240	73,230	73,074
64,263	65,528	66,716	67,823	68,842	69,771	70,602	71,331	71,952	72,460	72,848	73,110	73,240	73,230	73,074
\$ 64,263	\$ 65,528	\$ 66,716	\$ 67,823	\$ 68,842	\$ 69,771	\$ 70,602	\$ 71,331	\$ 71,952	\$ 72,460	\$ 72,848	\$ 73,110	\$ 73,240	\$ 73,230	\$ 73,074



Yards at Union Station C  
10 Year Foregone Revenue on Improvements

185074

	\$ Amount	
Year 1	69,010	escalated 3%
Year 2	71,080	
Year 3	73,213	
Year 4	75,409	
Year 5	77,671	
Year 6	80,002	
Year 7	82,402	
Year 8	84,874	
Year 9	87,420	
Year 10	90,042	
	<b>\$791,122</b>	sum total of abatements
	<b>\$574,080.65</b>	net present value of abatements

185074



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Chris Smith

Lai-Lani Ovalles

Irma Valdez

November 30, 2011

Mayor Adams and Portland City Council  
Portland City Hall  
1121 SW 4<sup>th</sup> Avenue  
Portland, OR 97204

**RE: Recommendation for Approval of a 10-Year Tax Exemption for  
The Yards at Union Station Phase C**

Dear Mayor Adams and Members of the Portland City Council:

On November 29<sup>th</sup>, 2011, the Portland Planning and Sustainability Commission (PSC) held a public hearing on a request for a 10-year tax exemption for *The Yards at Union Station Phase C* under the City's New, Multiple-Unit Housing (NMAUH) program. The regulations for this program are found in City Code Chapter 3.104. The project represented by GSL Properties Inc. requested this exemption. It will be a five storey wood frame, 80-unit affordable rental housing development located on 615 NW Naito Parkway. This will conclude the multi-phase, mixed-use development plan more widely described as Yards at Union Station. Further, the development of this final phase will constitute an entirely affordable conclusion to the development agreement of this city-owned site.

For the NMAUH program, the PSC's role is to determine the project's compliance with relevant city plans and policies as well as find that the level of public benefit provided by the applicant is sufficient to carry out the purposes of this property tax incentive. The Commission finds that the project will provide 80 new housing units affordable to households making at or below 60% MFI that will help meet the significant unmet needs of low-income households in an expensive rental market area that is a transit and jobs rich location. The Commission also finds that this project is consistent with and supportive of adopted *Comprehensive Plan* and other relevant sub area plans and policies. In particular, the Commission would like to note that the entire Yards project is a key component in the long term development of the River District.

Subsequent to the hearing, the PSC unanimously voted in favor of recommending approval of this request to City Council subject to the applicant providing all proposed public benefits:

- Zip Car space: The project offer two spaces for Zip Cars.
- Permanent dedications for public use: The project is connected to pedestrian paths and create a walkway to an existing pedestrian bridge.
- Open spaces available to the general public: A community room is available to both residents of the project and the general public upon request.



City of Portland, Oregon | Bureau of Planning and Sustainability | [www.portlandonline.com/bps](http://www.portlandonline.com/bps)  
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- Increased affordability: As proposed, all 80 units (100%) are rented to households at or below 60% MFI.

Additionally, the Commission would like to emphasize the importance of monitoring income eligibility and rent restrictions that will apply to households that will live in these units. The Commission would also like to note the City's success in getting housing diversity in the River District through astute planning and policy efforts.

*Recommendation: Approve the request for the 10-year tax exemption under the New Multiple Unit Housing (NMUH) Limited Tax Exemption (LTE) for The Yards at Union Station Phase C project and the parking associated with the development.*

Sincerely,



Andre' Baugh  
Chair, Portland Planning and Sustainability Commission

## Exhibit E – Yards at Union Station C

## Estimated Sources and Uses of Funds

## Sources and Uses (Permanent):

	\$	Per housing unit 80	Per person (156)	Per sq. ft (89,751)
<b>USES:</b>				
Acquisition Costs	565,000	7,063	3,622	6
Construction Costs	11,204,553	140,057	71,824	125
Development Costs	2,484,831	31,060	15,928	28
Developer and Consulting Fees	903,564	11,295	5,792	10
<b>Total Uses:</b>	<b>15,157,948</b>	<b>189,474</b>	<b>97,166</b>	<b>169</b>
<b>SOURCES:</b>				
Tax-exempt bonds	4,830,000	60,375		
LIHTC equity	4,675,073	58,438		
PHB River District TIF -	4,400,000	55,000		
Deferred developer fee	687,875	8,598		
PHB Seller financed note – cash flow share	\$565,000	7,063		
<b>Total Sources:</b>	<b>\$15,157,948</b>	<b>189,474</b>		