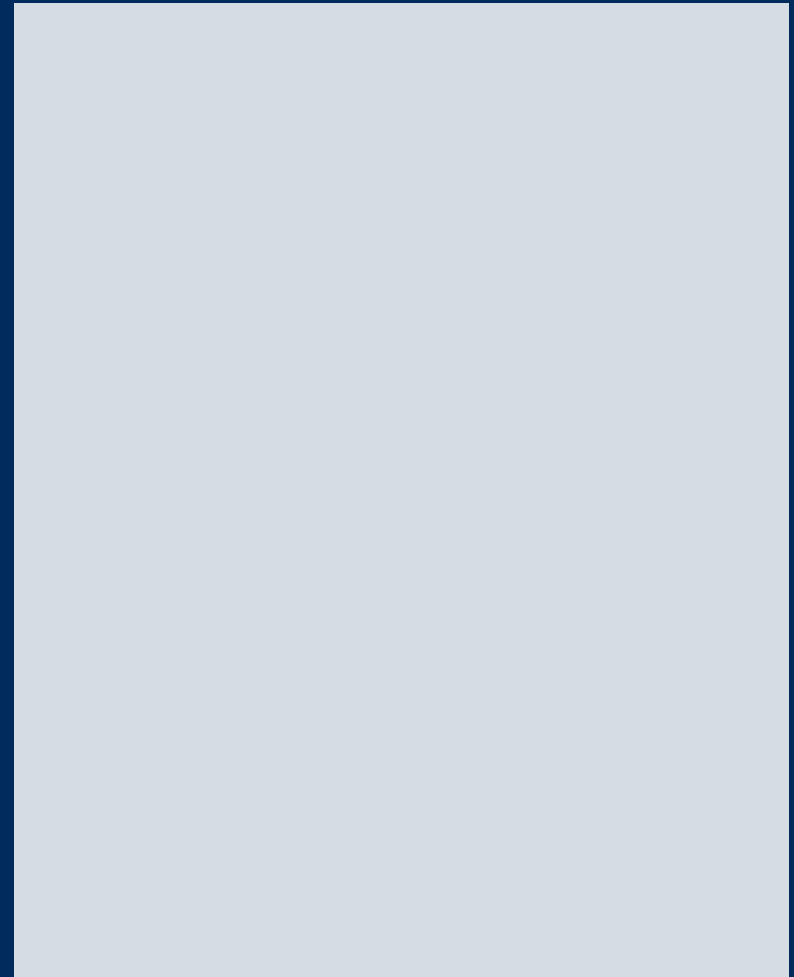


Current Central City Bonuses

- 18 bonuses
- Not calibrated to market
- Reflect old priorities



Current Central City Transfers

- 6 transfers
- Reflect old priorities
- Private transactions - not tracked well



Developer Input

- Interviews & Roundtables 2/19/15 and 6/22/15
 - Sean Hubert, Central City Concern
 - Ed McNamara, Turtle Island Development
 - Julie Garver, Innovative Housing NW
 - Phil Beyl, GBD Architects
 - Dike Dame, Williams & Dame Development, Inc.
 - Dan Petrusich, Melvin Mark Companies
 - Kurtis Fusaro, Gerding Edlen Development
 - Scott Maclean, Senior VP, Norris, Beggs and Simpson (broker)
 - Charlotte Larson, VP, Urban Works Real Estate (broker)
 - Mark Edlen, Gerding Edlen
 - Sarah Zahn, Gerding Edlen
 - Katherine Schultz, GBD Architects

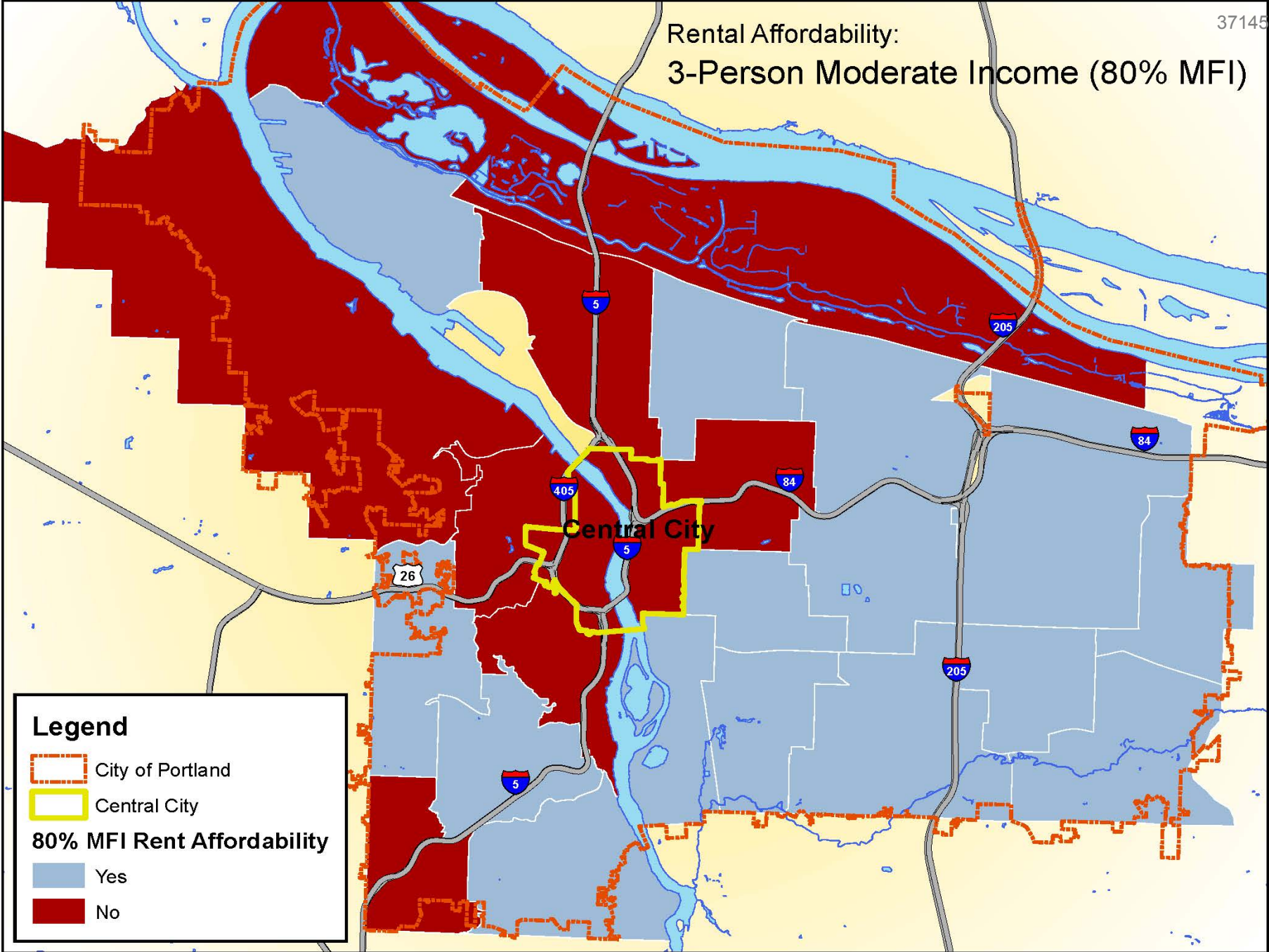
1. Bonus for affordable housing on-site and/or payment into affordable housing fund.
2. 80% MFI units with 60 year affordability.
3. Promote on-site development of units.
4. Have fewer bonus options to prioritize affordable housing.
5. Retain current limits on the amount of bonus FAR that can be earned per site.

What could a new affordable housing bonus produce?

- **If all affordable units are built on-site:**
35-60 affordable units per year;
800 to 1,300 units over 20 years
- **If all projects chose in-lieu payment:**
Up to \$120-200 million over 20 years



Rental Affordability: 3-Person Moderate Income (80% MFI)



Legend

- City of Portland
- Central City

80% MFI Rent Affordability

- Yes
- No

Who are typical 60 -80% MFI households?

37145

Portland: What percentage of different communities earn 60-80% MFI?

White	16% of all White Households
Black	11% of all Black Households
Native American	9% of all Native American Households
Asian	15% of Asian Households
Hawaiian-Pacific Islander	28% of Hawaiian-Pacific Islander Households
Hispanic-Latino	19% of Latino Households
All Communities of Color	17% of all households of Communities of Color



GERDING EDLEN
PEOPLE · PLANET · PROSPERITY

FAR Bonus Analysis JULY 9, 2015

PROGRAM ASSUMPTIONS

	Base with Residential Bonus		15% Requirement		25% Requirement	
Total Gross Square Feet	51,900		51,900		51,900	
Additional FAR Required	0		11,900		11,900	
Affordability Requirement	0		1,785		2,975	
Total Rentable Square Feet (RSF)	38,850		38,850		38,850	
Average Unit Size	670		670		670	
Unit Mix:	<i>Market</i>	<i>80% MFI</i>	<i>Market</i>	<i>80% MFI</i>	<i>Market</i>	<i>80% MFI</i>
Lofts	3	0	3	0	3	0
Studios	5	0	4	1	4	1
1 Bedroom	40	0	39	1	37	3
2 Bedroom	10	0	9	1	9	1
Total Units	58	0	55	3	53	5
Parking:						
# Stalls /Stalls per Unit	31 /0.55		31 /0.55		31 /0.55	

REVENUE ASSUMPTIONS

	Base with Residential Bonus	15%	25%	
Apartments:				
Average Rent per RSF	\$2.76	\$2.69	\$2.66	
Parking:				
Rent per Stall per Month	\$125.00	\$125.00	\$125.00	
2015 HUD Income Limits				
Household Size	1	1.5	2	3
80%	41,200	44,125	47,050	52,950
Rent Limits at 80% MFI				
Studio	983			
1 BR	1,041			
2 BR	1,247			

EXPENSE ASSUMPTIONS

Operating Expenses per Unit per Year	\$4,500
Property Taxes per Unit per Year	\$2,500
Vacancy	5%

PROJECT COST

Item	Amount
Due Diligence	30,000
Land Cost	1,700,000
General Contractor Construction Cost	9,981,000
Other Construction Hard Cost	120,000
Architecture & Engineering	762,000
Permits & Fees	1,200,000
Other Soft Costs	580,000
Contingencies	719,000
Developer Fee	634,000
Financing Costs	457,000
Total	16,183,000

FINANCING ASSUMPTIONS & ANALYSIS

	Base with Residential Bonus	15%	25%
Financing Assumptions:			
Maximum Loan to Value	62%	62%	62%
Required Debt Coverage Ratio	1.2	1.2	1.2
Interest Rate to Size Loan	5.75%	5.75%	5.75%
Interest Rate (Mini-perm)	3.50%	3.50%	3.50%
Interest Rate (Perm)	4.50%	4.50%	4.50%
Financial Analysis:			
Minimum Rental Constant Required for Feasible Project	5.60%	5.60%	5.60%
Calculated Rental Constant	5.60%	5.40%	5.30%
Note: Rental Constant = Net Operating Income divided by Total Project Cost			

July 9, 2015

City Council Hearing

Late Fall 2015

CC2035 Public Discussion Draft

Early Spring 2016

CC2035 Hearings @ Planning and
Sustainability Commission

July 2016

CC2035 Hearings @ City Council