Housing Production Report
Fiscal Year 2001/2002

October 2003

Portland Development Commission

PDC Housing Production Report – FY 2001/2002

Executive Summary

In January 2003, the Commission adopted a resolution to increase housing production to assist an estimated 13,550 units or households from 2001-2011. PDC has committed to this goal. The resolution illustrated the Commission's focus on affordable rental housing and first-time homebuyers. Efforts are underway to identify resources to achieve an even greater affordable and market-rate production goal of 20,000 units or households from 2001-2011. This aggressive goal of 20,000 units or households represents an aggregate of PDC, city and regional housing production goals, policy directives, and housing implementation strategies.

The goals have been broken down in the following categories that cross the spectrum of PDC programs and projects:

- 1,500 rental rehab preservation units
- 6,400 new low-income rental units
- 4,500 new market rate rental units
- 3,000 new homeownership units
- 3,000 first-time homebuyers
- 1,600 homes repaired

This report has been developed to track progress on the overall PDC housing production goal. PDC will publish this report annually providing annual progress as well as the aggregate activity starting in Fiscal Year 2001/2002 through 2010/2011.

Fiscal Year 2001/2002 Production Highlights:

This report shows that in FY 01/02 PDC closed financing on and/or granted an incentive to:

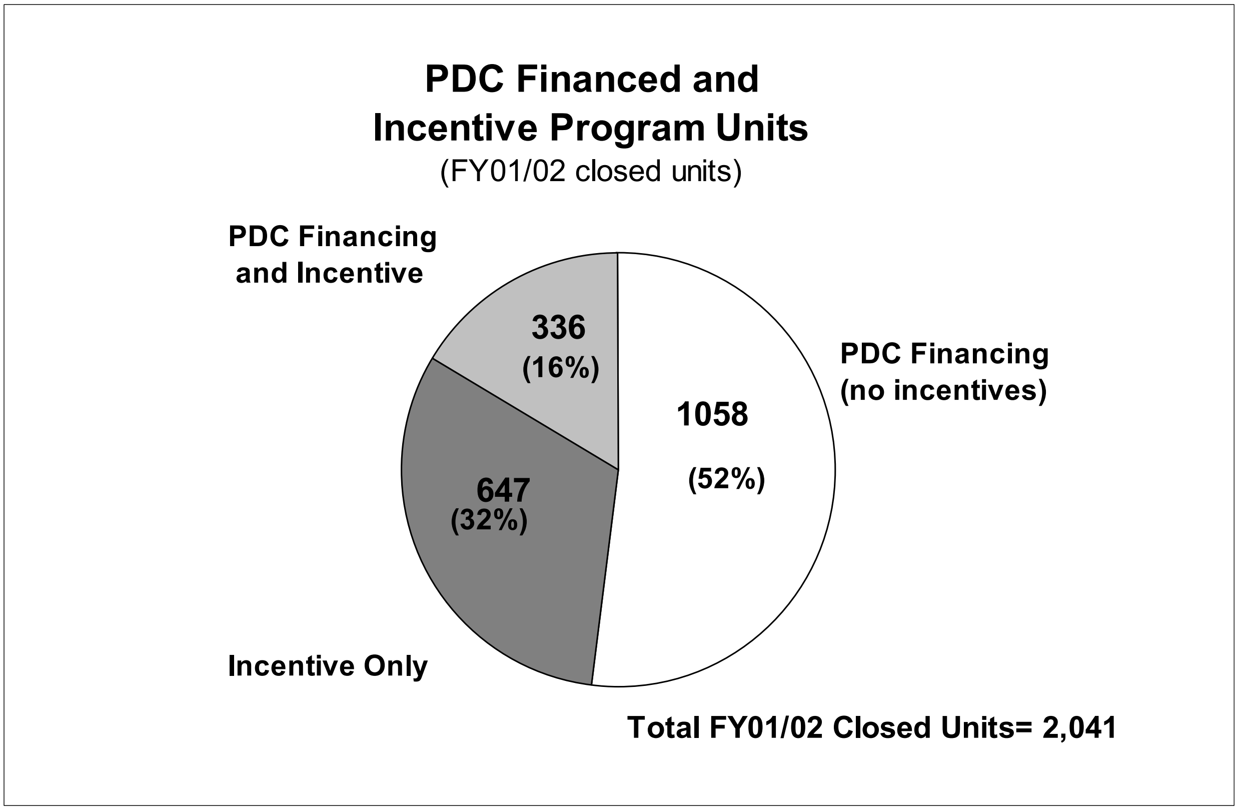
	% of 2011 Goal	% of Dollars
382 rental rehab preservation units	25%	35%
429 new low-income rental units	7%	38%
252 new market rate rental units	6%	9%
828 new homeownership units	28%	5%
40 first-time homebuyers	1%	6%
117 homes repaired	8%	7%

The information above demonstrates these goals are reachable. Ideally, 10% of the goal should be reached each year in order to meet the 10 year goal. PDC exceeded this 10% threshold for rental rehab preservation units and new homeownership units. Three categories were slightly below the 10% threshold: homes repaired, new low-income rental units, and new market rate rental units. The area that fell significantly short of the 10% threshold was first-time homebuyers. However, efforts are currently underway to expand first mortgage products offered through PDC.

This report is organized by production goal category and includes projects that have received PDC direct financial assistance and/or a benefit from an incentive program administered by PDC. These incentives include tax abatement, system development charge waiver and fee waiver. Chart 1 compares the proportion of units receiving PDC direct financing only, incentives only and a combination of both.

Of all of the units or households assisted (closed loans/assistance), 16% received PDC financing and incentives, 52% received PDC financing only, and 32% received PDC incentives only (Chart 1).

Chart 1: PDC Financed and Incentive Program Units



Of all of the housing units (not homebuyer or home repair assistance) receiving PDC direct financial assistance:

- 268 units were 0-30% MFI and received 43% of the total dollars (over $11.6 mil)
- 649 units were 0- 60% MFI and received 82% of the total dollars (over $22.2 mil)
- 515 units were above 60% MFI, but only received 18% of the total dollars ($4.79 mil)
- Tax increment financing (TIF) funded about 83% of all new low-income housing developed (units and dollars)
- Of the total TIF expenditures, 71% of the dollars were toward affordable housing preservation or development

PDC Housing Production Report – FY 2001/2002

In January, 2003 PDC committed to a goal to increase housing production over a 10 year period. The Commission adopted a resolution to increase housing production to assist an estimated 13,550 units or households from 2001-2011. The resolution illustrated the Commission's focus on affordable rental housing and first-time homebuyers. Efforts are underway to identify resources to achieve an even greater affordable and market-rate production goal of 20,000 units or households from 2001-2011. In developing this aggressive production goal of assisting 20,000 units or households, PDC considered PDC, city and regional housing production goals, policy directives, and housing implementation strategies.

This report has been developed to track progress on the overall PDC housing production goal. PDC will publish this report annually providing annual progress as well as the aggregate activity starting in Fiscal Year 2001/2002 through 2010/2011. Other annual reports complementing this report are the Annual Housing Evaluation Report and Housing Implementation Strategy Consolidated Report. This report focuses on closed units, however committed units are also present. PDC has a legal obligation to fund projects in the committed status and once projects reach this status they are not likely to significantly change. Reserved units are not included in this report.

The 2011 goals have been broken down in the following categories which cross the spectrum of PDC programs and projects:

- 1,500 rental rehab preservation units
- 6,400 new low-income rental units
- 4,500 new market rate rental units
- 3,000 new homeownership units
- 3,000 first-time homebuyers
- 1,600 homes repaired

Success of achieving these goals is predicated on resource development efforts and the continued availability of tax increment financing. This report includes projects financed with tax increment financing (TIF), federal funds (CDBG and HOME), the Housing Investment Fund (HIF) and Fannie Mae Home Style Loans starting in 1996. HIF made available $30 million for approximately 2,800 housing units across similar housing production goals as listed above. The HIF funds have all been spent, therefore future housing production will rely heavily on TIF, federal funds and new resources. TIF dollars may be and are spent on housing projects however housing is not the only goal of the TIF dollars. TIF also finances revitalization and balanced community goals. TIF and federal funds are not sufficient to meet the 2011 housing production goals thus other new resources are needed.

Production Goals Directives

- The new production goal brings together various approved policies and stated numeric goals into a unified housing production goal. These consolidated targets enable the agency and its partners to more clearly determine direction, impacts and priorities when allocating resources.
- The City of Portland has joined other jurisdictions in committing to absorb population growth by increasing housing production to meet growth management goals established by the Metro Regional Government.
- Both the Consolidated Plan 2000-2005 and the Regional Affordable Housing Strategy (17,000 affordable units in Portland by 2017) recognize the lack of affordable housing in the region and project a shortage to continue into the next decades. PDC's increased production is a commitment to help close the gap on affordable housing by increasing preservation and production over the next decade.

- The 1996-2001 Auditor's Report on Housing Production illustrated that City incentives, programs and projects impacted 41% of new housing production during this time period. The Report demonstrated the important role PDC and the City and their partners have played in keeping housing production at levels congruent with City and regional growth management targets.
- Increased production is also supported by several City area plans such as the Central City Plan which targets the addition of 15,000 units to the Central City by 2015.
- City Council adopted a No Net Loss goal of preserving or replacing 1200 units of affordable housing within the Central City by 2006.
- As part of urban renewal planning, the Commission has adopted production targets for new and existing districts. The addition of several new urban renewal districts such as the Gateway, North Macadam, Interstate Corridor, and Lents Town Center in the last five years has created greater funding opportunities for increased housing production.
- There is a commitment to close the homeownership gap for minority and first-time homebuyers by increasing homeownership citywide.

Assumptions for Reaching Targets

- Federal funds (HOME and CDBG) as well as Housing Investment Funds are programmed based on adopted resolutions of City Council and policy mandates.
- The use of urban renewal funds and incentives available such as tax abatement has attracted and will likely continue to attract new housing development to new and existing urban renewal areas.
- Achieving these housing production goals is predicated on development of new resources and partnerships. The Commission is pursuing new funding resources
- PDC has partnered with the State and Portland Housing Center to create and expand first mortgage products
- The Historic Rehabilitation Fund is being developed through a public-private investment partnership utilizing Federal Historic Rehabilitation Tax Credits and seismic retrofit funds.

Challenges

- Resources that leverage current sources of funding will become increasingly important in broadening the base of funding.
- Hard decisions in allocating limited resources will hinge on the specific issues of location, land availability, construction costs that vary by building type, decisions on size/number of units built and incomes/populations served, and an overall strategy of investment goals of the Commission.
- PDC will continue to seek partnerships with city and regional partners in pursuit of new and emerging resources. Success of these initiatives is necessary to achieve these aggressive production targets.
- Creating financially sustainable projects that serve those most in need in partnership with developers committed to the social housing agenda.

1. 1,500 Rental Rehab Preservation Units

PDC has a number of policy directives toward the preservation of low-income rental housing including (1) the City Preservation Ordinance which seeks the preservation of federally and locally subsidized low-income housing projects, (2) the Central City No Net Loss policy which seeks to maintain the existing number of low-income housing units at or below 60% MFI in the Central City, and (3) various urban renewal strategies that specifically address affordable housing preservation.

In FY 01/02, PDC financed three multifamily rental rehab preservation projects and one single family rental rehab preservation project totaling 154 closed units. Two additional units received only an incentive. Three projects (226 units) were funded with a Preservation Line of Credit which is a City administered line of credit to purchase preservation projects. Disposition plans for Preservation Line of Credit projects are developed within 2-3 years of purchase. All of these units were at or below 60% MFI and 49% of the units receiving PDC financial assistance were at or below 30% MFI. Thirty-six percent of the funding for these units was tax increment financing.

Table 1: Rental Rehab Preservation – PDC Direct Financing & Incentive Programs Closed in FY01/02

Project	Location	Fund Type: TIF	Fund Type: Federal	Fund Type: Other	Total	Incentive Program
Fairfield Apartments*	Downtown Waterfront URA	$1,030,000 82 units		$430,000 0 units	$1,460,000 82 units	
Fountain Place*	Downtown Waterfront URA			$2,699,550 64 units	$2,699,550 64 units	
Jefferson West*	Downtown Waterfront URA			$2,600,000 80 units	$2,600,000 80 units	
YWCA of Greater Portland	Downtown Waterfront URA	$3,235,000 36 units			$3,235,000 36 units	
Park Terrace	Interstate URA		$1,793,043 88 units		$1,793,043 88 units	
St. Vincent DePaul Plaza**	Interstate URA		$99,870 29 units		$99,870 29 units	
PCRI- 1773 NE Junior	Citywide		$99,274 1 unit		$99,274 1 unit	Fee Wavier Rental 1 unit
Incentive Only***	Citywide					Fee Wavier Rental 1 unit
Incentive Only	Citywide					Rental Rehab Tax Abatement 1 unit
Sub Totals		$4,265,000 118 units	$1,992,187 118 units	$5,729,550 144 units	**$11,986,737 380 units**	**Unduplicated Incentive Units 2 units**

*These projects were acquired with a Preservation Line of Credit. A permanent disposition strategy did not occur during this reporting period.
**This project consisted of code up-grades only.
***Incentive-only units received a tax abatement, system development charge waiver and/or a fee waiver but not PDC direct financial assistance.

Total Rental Rehab Preservation Closed Units (unduplicated)	**382 units**

Table 2: Rental Rehab Preservation – PDC Direct Financing & Incentive Programs Committed in FY01/02

Project	Location	Fund Type TIF	Federal	Other	Total	Incentive Program
Roselawn Cottage and Lodge	Citywide			$100,000 3 units	$100,000 3 units	Rental Rehab Tax Abatement 3 units
Sub Totals				$100,000 3 units	**$100,000** **3 units**	**Unduplicated Incentive Units** **0 units**

Total Rental Rehab Preservation Committed Units (unduplicated)	**3 units**

Table 3 contains information on three projects financially restructured in FY01/02. New units were not created in these projects, however 161 units were preserved as affordable units. The restructure projects reported are for debt modification without new resources. These 161 units are not count toward the 1,500 unit goal since they are not new units.

Table 3: Preservation of Existing Projects

Project	Location	Fund Type TIF	Federal	Other	Total
Gladys McCoy Village	Citywide	$69,523	$63,023 55 units		$132,546 55 units
Maya Angelou Apartments	Citywide	22 units	$675,008 21 units		$675,008 43 units
Patton Home	Citywide			$823,125 63 units	$823,125 63 units
Sub Totals		$69,523 22 units	$738,031 76 units	$823,125 63 units	**$1,630,679** **161 units**

Total Existing Preservation Units (unduplicated)	**161 units**

Table 4: Grand Total of Rental Rehab Preservation Units (excludes existing units)

	Fund Type TIF	Federal	Other	**Total** (excludes incentive - only units)	**Incentive Only Units** (unduplicated units)	**Total Units** (unduplicated)
Total	$4,265,000 118 units	$1,992,187 118 units	$5,829,550 147 units	**$12,086,737** **383 units**	**2 units**	**385 units**

Table 5: Summary of Rental Rehab Preservation Units by Income Levels
(incentive-only units excluded)*

	Income Level (% MFI) 0-30	31-50	51-60	61-80	81+	Total
Units	147**	98	58			303
Dollars	$4,794,870	$2,197,976	$2,493,892			$9,486,738
$/unit	$32,618	$22,428	$42,998			$31,405
Closed Total Units	147	98	55			300
% of Total Closed	49%	33%	18%			100%
Committed Total Units			3			3
% of Total Committed			100%			100%

* Jefferson West is excluded from this table because dollars by MFI level were not available at the time of printing. This project has 50 units at 0-30% MFI, 28 units at 31-50% MFI and 2 units at 51-60% MFI.
**29 of these units were in the St. Vincent DePaul project and consisted of code up-grades only.

See Table 10 for units by income level of both Rental Rehab Preservation units and New Low-Income Rental units (all units at or below 60% MFI).

2. 6,400 New Low Income Rental Units (below 60% MFI)

Eight new low-income rental projects (349 units) received PDC financing in FY01/02 and 80 units received only an incentive. Of the 349 closed units receiving PDC financing, 290 (83%) received tax increment funds which comprise 84% of the closed dollars. About a third of the closed units were at or below 30% MFI and 43% were between 51-60% MFI (Table 9).

Table 6: New Low-Income Rental - PDC Direct Financing & Incentive Programs Closed in FY01/02

Project	Location	Fund Type: TIF	Federal	Other	Total	Incentive Program
Museum Place South	Downtown Waterfront URA	$1,500,000 28 units			$1,500,000 28 units	
Interstate Crossing	Interstate URA		$1,037,316 12 units		$1,037,316 12 units	SDC- Rental 12 units
Pacific Tower	River District URA	$4,328,448 156 units			$4,328,448 156 units	SDC-Rental 156 units
St. Francis	South Park Blocks URA	$4,977,624 106 units			$4,977,624 106 units	SDC-Rental 106 units
Carriage Hill Apartments	Citywide		$260,537 3 units		$260,537 3 units	SDC-Rental 3 units
Columbia Terrace	Citywide					SDC-Rental and Fee Waiver Rental 61 units
Johnson Creek Duplex	Citywide		$96,758 2 units		$96,758 2 units	
Los Jardines	Citywide		$346,793 6 units	$344,562 36 units	$691,355 42 units	
Incentive Only	Interstate URA					Fee Waiver Rental 5 units
Incentive Only	Citywide					Tax Abatement, SDC and/or Fee Waiver 14 units
Sub Totals		$10,806,072 290 units	$1,741,404 23 units	$344,562 36 units	**$12,892,038** **349 units**	**Unduplicated Incentive Units** **80 units**

Total New Low-Income Rental Closed Units (unduplicated)	**429 units**

Table 7: New Low-Income Rental - PDC Direct Financing & Incentive Programs Committed in FY01/02

Project	Location	Fund Type: TIF	Federal	Other	Total	Incentive Program
Buka's Place	Interstate URA		$384,317 7 units		$384,317 7 units	SDC- Rental 6 units
Douglas Meadows	Citywide		$599,313 8 units		$599,313 8 units	SDC- Rental 8 units
NE 11th Avenue Housing	Citywide		$227,000 4 units		$227,000 4 units	
Sub Totals			$1,210,630 19 units		**$1,210,630** **19 units**	**Unduplicated Incentive Units** **0 units**

Total New Low-Income Rental Committed Units (unduplicated)	**19 units**

Table 8: Grand Total of New Low-Income Rental Units

	Fund Type			Total (excludes incentive only units)	Incentive Only Units (unduplicated units)	Total Units (unduplicated)
	TIF	Federal	Other			
Total	$10,806,072 290 units	$2,952,034 42 units	$344,562 36 units	$14,102,668 368 units	80 units	448 units

Table 9: Summary of New Low-Income Rental Units by Income Levels
(incentive only units excluded)

	Income Level (% MFI)					
	0-30	31-50	51-60	61-80	81+	Total
Units	127	90	151			368
Dollars	$6,861,656	$4,133,784	$3,107,228			$14,102,668
$/unit	$54,029	$45,931	$20,578			$38,323
Closed Total Units	121	77	151			349
% of Total Closed	35%	22%	43%			100%
Committed Total Units	6	13				19
% of Total Committed	32%	68%				100%

Table 10 combines the information for the Rental Rehab Preservation and the New Low-Income Rental closed units. Forty-one percent were 0-30% MFI, 27% were 31-50% MFI and 32% were 51-60% MFI.

Table 10: Rental Rehab Preservation and New Low-Income Closed Units (under 60% MFI)

	Income Level (% MFI)					
	0-30	31-50	51-60	61-80	81+	Total
Rehab Units	147	98	55			300
% Rehab Units	49%	33%	18%			100%
New Units	121	77	151			349
% New Units	35%	22%	43%			100%
Total Units	268	175	206			649
% of Total Units	41%	27%	32%			100%

3. 4,500 Market Rate Rental Units (above 60% MFI)

As part of larger revitalization, transit oriented development and growth management goals, PDC supports the development of market rate rental housing. Many of these market rate units are within mixed-income projects that include low-income units as well.

Because PDC finances mixed-income projects, some projects may cross into more than one category. However, only those units qualifying for each category are counted in that category, therefore no units are double counted. In this report the following projects span more than one category: St. Vincent DePaul Plaza, Museum place South, St. Francis, Fountain Place Apartments, Roselawn Cottage and Lodge and Clinton Ridge Apartments. .

PDC generally finances market rate units with amortizing debt, therefore funding is expected to be paid back to PDC. All the projects in Table 11 received amortizing debt except for the St. Francis which received equity gap financing.

In FY01/02, three market rate rental projects (195 units) receiving tax increment financing closed. One project was financed with a Preservation Line of Credit (16 market rate units). In addition, 41 units received only an incentive for a total of 252 market rate rental units closed in FY01/02. Of all the units, 20% were between 61-80% MFI and 80% were above 80% MFI (Table 13).

Table 11: Market Rate Rental - PDC Direct Financing & Incentive Programs Closed in FY01/02

Project	Location	Fund Type: TIF	Federal	Other	Total	Incentive Program
St. Vincent DePaul Plaza	Interstate URA		$0* 1 unit		$0 1 unit	
Fountain Place Apartments**	Downtown Waterfront URA			$674,888 16 units	$674,888 16 units	
Museum Place South	Downtown Waterfront URA	$1,500,000 112 units			$1,500,000 112 units	
St. Francis	Downtown Waterfront URA	$372,376 26 units***			$372,376 26 units	
GSL Yards Phase S-Union Station	River District URA	$380,000 56 units			$380,000 56 units	
Incentive Only	Citywide					SDC-Rental**** 41 units
Sub Totals		$2,252,376 194 units	$0 1 unit	$674,888 16 units	**$2,927,264** **211 units**	**Unduplicated Incentive Units** **41 units**

* Projects listed with units but no dollars are projects with mixed-income units and the affordable units appear in either section 1 or 2 of this report.
**Fountain Place was financed by a Preservation Line of Credit.
*** 16 of these 26 units are affordable at 61-80% MFI and 10 units are considered market rate.
**** These units received a Parks SDC which has an income limit of 80% MFI.

Total Market Rate Rental Closed Units (unduplicated)	**252 units**

Table 12: Grand Total of Market Rate Rental Units

	Fund Type: TIF	Federal	Other	Total (excludes incentive only units)	Incentive Only Units (unduplicated units)	Total Units (unduplicated)
Total	$2,252,376 194 units	$0 1 units	$674,888 16 units	$2,927,264 211 units	41 units	252 units

Table 13: Summary of Market Rate Rental Units by Income Levels
(incentive only units excluded)

	Income Level (% MFI): 0-30	31-50	51-60	61-80	81+	Total
Units				42	169	211
Dollars				$1,036,052	$1,891,212	$2,927,264
$/unit				$ 24,668	$10,807	$13,873
Closed Total Units				42	169	211
% of Total Closed				20%	80%	100%

4. 3,000 New Homeownership Units

PDC supports the development of homeownership units in a number of different ways, with the majority of the units receiving only a tax abatement rather than direct financial assistance. When funding homeownership units, PDC generally funds construction financing with below market interest rates but not permanent financing. Therefore, the PDC funds in these projects typically are repaid within a short timeframe of 2 to 4 years.

Three projects comprising of 302 homeowner units were closed in FY01/02. The two large projects (Streetcar Lofts and Marshall Wells) were financed with tax increment funds. A larger portion of the homeownership units closed in FY01/02 received only an incentive (524 units). Of the units receiving PDC financial assistance, 99% were above 80% MFI.

When financing multifamily homeowership projects, PDC aims to lower the sales price of a portion of the units. In the Marshall Wells condo the average proposed sales price for the PDC financed units was $132,295 and $142,290. Market rate units sold for as much as $326,312 in the Streetcar Lofts and $447,344 in Marshall Wells.

Table 14: New Homeownership Projects - PDC Direct Financing & Incentive Programs Closed in FY01/02*

		Fund Type				Incentive Program
Project	**Location**	**TIF**	**Federal**	**Other**	**Total**	
Marshall Wells	River District URA	$1,000,000 164 units			$1,000,000 164 units	
Streetcar Lofts	River District URA	$800,000 138 units			$800,000 138 units	
Rodney Street Townhomes**	Citywide			$68,340 2 units	$68,340 2 units	
Mosaic Condos	Downtown Waterfront URA					20 SDC-Owner 20 units***
Incentive Only Units	Interstate URA					Tax Abatement, SDC, and/or Fee Waiver 97 units
Incentive Only Units	Lents URA					Tax Abatement, SDC, and/or Fee Waiver 57 units
OR Convention Center Incentive Units	OR Convention Center URA					Tax Abatement 1 unit
Citywide Incentive Only Units	Citywide					Tax Abatement, SDC, and/or Fee Waiver 349 units
Sub Totals		$1,800,000 302 units		$68,340 2 units	**$1,868,340 304 units**	**Unduplicated Incentive Units 524 units**

* PDC funding of homeownership units is generally construction financing with below market interest rates and typically repaid within a short timeframe of 2 to 4 years.
**The construction financing for this project was repaid in FY02/03 with a Land Trust grant (funded by CDBG dollars) provided by PDC.
***These 20 SDC's will likely be repaid to PDC because the buyers' incomes do not qualify for the incentive.

Total New Homeownership Units (unduplicated)	**828 units**

Table 15: Summary of New Homeownership Units by Income Levels
(incentive only units excluded)

	Income Level (% MFI)					Total
	0-30	31-50	51-60	61-80	81+	
Units				2	302	304
Dollars				$68,340	$1,800,000	$1,868,340
$/unit				$34,170	$5,960	$6,146
Closed Total Units				2	302	304
% of Total Closed				1%	99%	100%
Committed Total Units						
% of Total Committed						

5. Assist 3,000 First Time Homebuyers

PDC recognizes homeownership as an effective tool for resident wealth creation and asset building, as well as increasing neighborhood stability and diversity. PDC focuses its homebuyer assistance on helping people purchase their first home.

PDC supports homebuyers by incenting homeownership units through construction financing of homeownership units (as presented in section 4 above) as well as providing homebuyer financing. One of the closed new homeownership projects (Streetcar Lofts) received both PDC financial assistance and assistance directly to the homebuyer; these units are not double counted in the summary table (Table 25) at the end of the report.

In FY01/02, PDC provided 40 first-time homebuyers with loans to purchase homes. Nearly all the funding for these loans came from tax increment funds. Forty percent of the loans went to homebuyers with income between 61-80% MFI and 12% went to homebuyer with income below 60% MFI. Nine percent of these loans went to minority homebuyers and 85% went to white homebuyers (the ethnicity for 6% of the loans was unspecified).

Table 16: First Time Homebuyers Loans - PDC Direct Financing & Incentives Closed in FY01/02

		Fund Type			
Project	**Location**	**TIF**	**Federal**	**Other**	**Total**
Home Buyer-Lents	Lents URA	$117,000 5 buyers	$15,000 1 buyer		$132,000 1 buyer
SAM	Downtown Waterfront URA	$1,590,097* 25 buyers			$1,590,097 25 buyers
SAM	River District URA	$201,434** 7 buyers			$201,434 7 buyers
SAM	South Park Blocks URA	$19,300 1 buyer***			$19,300 1 buyer
SAM	Citywide		$25,000 1 buyer		$25,000 1 buyer
Total		$1,927,831 38 units	$40,000 2 buyer		**$1,967,831** **40 buyers**

* SAMs for Old Town Lofts.
** SAMs for Streetcar Lofts. These 7 units are also included in Table 14.
*** 1 SAM for Cornerstone (the majority of the Cornerstone SAMs were closed in FY00/01).

Table 17: Summary of First-Time Homebuyer Units by Income Levels

	Income Level (% MFI)					Total
	0-30	31-50	51-60	61-80	81+	
Units		3 buyers	2 buyers	16 buyers	19 buyers	**40 buyers**
Dollars		$70,000	$45,000	$1,013,088	$839,743	**$1,967,831**
$/ buyer		$23,333	$22,500	$63,318	$44,197	**$49,196**
% of Total Buyers	0%	7%	5%	40%	48%	**100%**

6. 1,600 Homes Repaired

PDC provides loans to homebuyers for rehab of their homes. In FY01/02, 111 owners received assistance from PDC for home repairs. The majority of funds for these loans were federal dollars. Another 6 owners received Fannie Mae Home Style loans which is a first mortgage program and not funded with PDC dollars. About three quarters of the loans went to owners below 60% MFI with 27% for owners below 30%. Nineteen percent of the loans went to minority homeowners and 76% went to white homeowners (the ethnicity for 5 % of the loans was unspecified).

Table 18: Home Repair - PDC Direct Financing & Incentives Closed in FY01/02

		Fund Type			
Project	**Location**	**TIF**	**Federal**	**Other**	**Total**
Owner Rehab-Lents	Lents URA	$96,969 7 owners			$96,969 7 owners
Owner Rehab-Interstate	Interstate URA		$375,273 19 owners		$375,273 19 owners
Owner- Rehab-Citywide	Citywide		$762,779 82 owners	$49,908 3 owners	$876,760 85 owners
Total		$96,969 7 owners	$1,138,052 101 owners	$49,908 3 owners	**$1,284,929 111 owners**

Table 19: Home Repair - PDC Direct Financing & Incentive Programs Committed in FY01/02

		Fund Type			
Project	**Location**	**TIF**	**Federal**	**Other**	**Total**
Owner Rehab-Lents	Lents URA		$20,000 1 owner		$20,000 1 owner
Owner Rehab-Interstate	Interstate URA		$36,017 4 owners		$36,017 4 owners
Total			$56,017 5 owners		**$56,017 5 owners**

Table 20: Fannie Mae Home Style Loans Closed in FY01/02

		Fund Type
Project	**Location**	**Fannie Mae Home Style Loan**
Fannie Mae	Citywide	$382,200 2 owners
Fannie Mae Remodel	Citywide	$678,500 4 owners
Total		**$1,060,700 6 owners**

Table 21: Grand Total of Home Repair Loans

	Fund Type				
	TIF	Federal	Fannie Mae Home Style Loans	Other	Total (unduplicated)
Total	$96,969 7 owners	$1,194,069 106 owners	$1,060,700 6 owners	$49,908 3 owners	$2,304,677 122 owners

Table 22: Summary of Home Repair Loans by Income Levels
(includes Fannie Mae Home Style Loans)

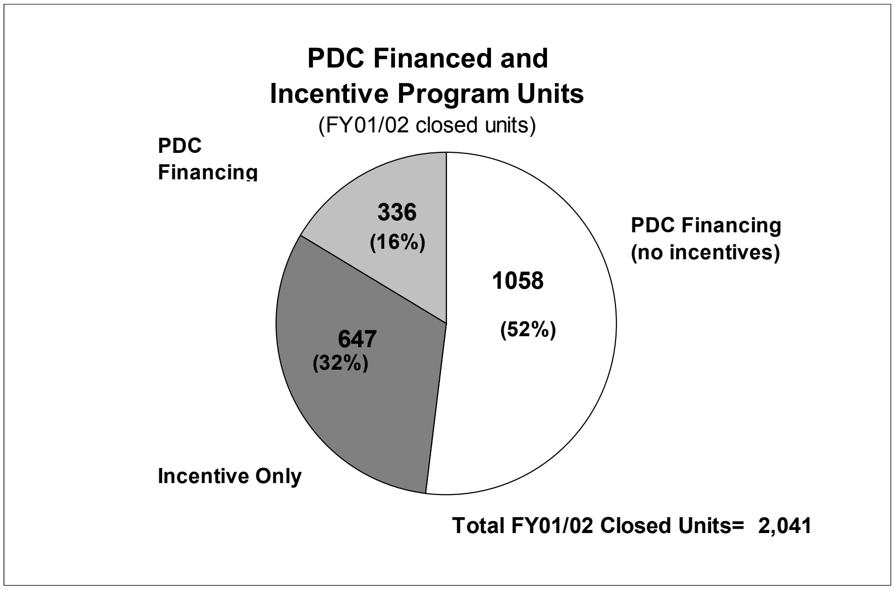
	Income Level (% MFI)					Total
	0-30	31-50	51-60*	61-80	81+**	
Units	33	44	18	20	7	122
Dollars	$475,209	$513,515	$245,070	$166,328	$1,001,524	$2,401,646
$/unit	$14,400	$11,671	$13,615	$8,316	$143,075	$19,686
Closed Total Units	32	42	16	20	7	117
% of Total Closed	27%	36%	14%	17%	6%	100%
Committed Total Units	1	2	2			5
% of Total Committed	20%	40%	40%			100%
% of Total Units	27%	36%	15%	16%	6%	100%

*This includes 2 Fannie Mae Home Style loans totally $82,500 which were 1st mortgages and not PDC subsidy.
**This includes 4 Fannie Mae Home Style loans totally $678,500 which were 1st mortgages and not PDC subsidy.

Summary FY01/02 Production and 2011 Production Goals

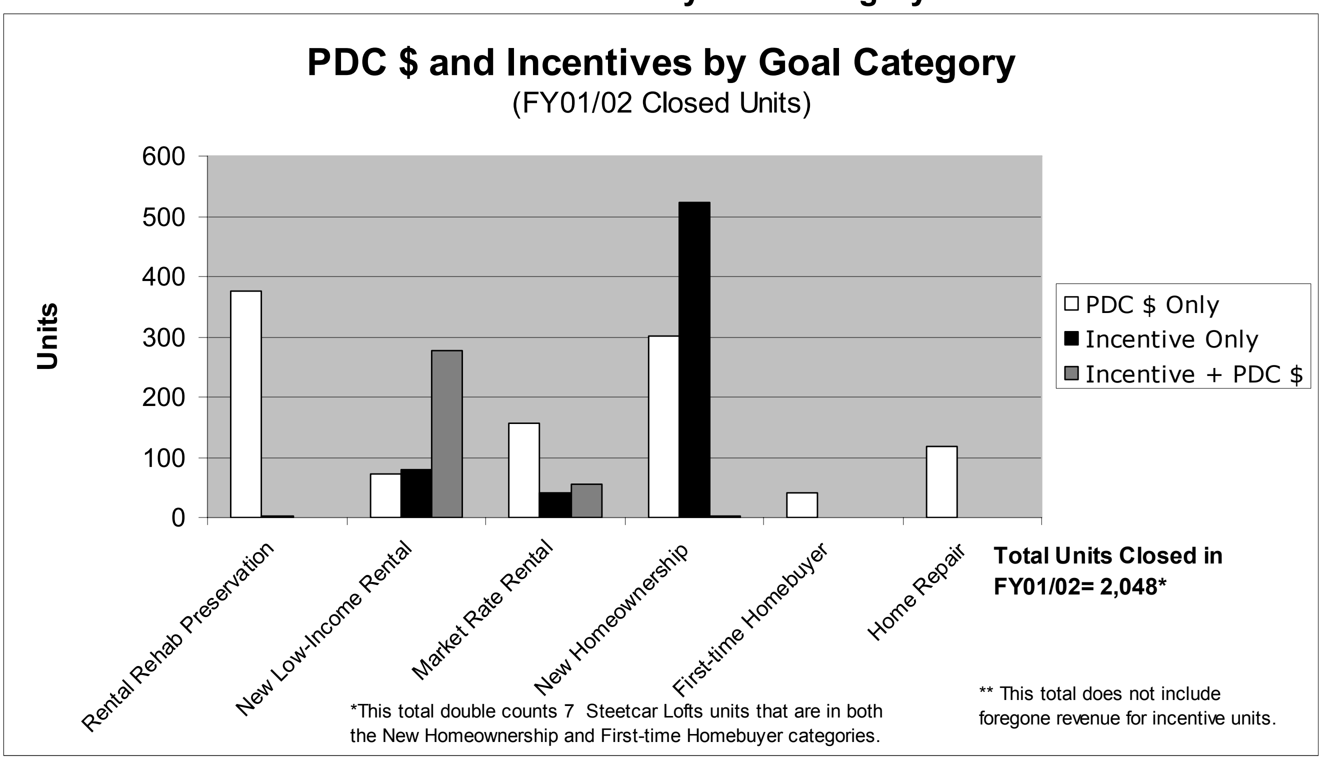
Charts 1 and 2 compare the number of units that received PDC financing only, PDC financing and an incentive, and only an incentive in FY01/02. Over half (52%) of the units closed in FY01/01 received PDC financing and no incentive, nearly a third received only an incentive and no PDC financing, and 16% received both.

Chart 1: PDC Financed and Incentive Program Units



A large proportion of the homeownership units received only an incentive. Most of the new low-income rental units received PDC financing and an incentive while nearly all of the closed rental rehab preservation units received only PDC dollars and no incentive.

Chart 2: PDC Financed and Incentive Units by Goal Category



The majority of the PDC financed units closed in FY01/02 were financed with TIF (68%) and the majority of the dollars spent were TIF (59%). Fifteen percent of the units were funded with federal dollars and comprised 16% of the total dollars spent. A quarter of the dollars were from sources other than TIF and federal.

Chart 3: PDC Financed Units by Fund Type

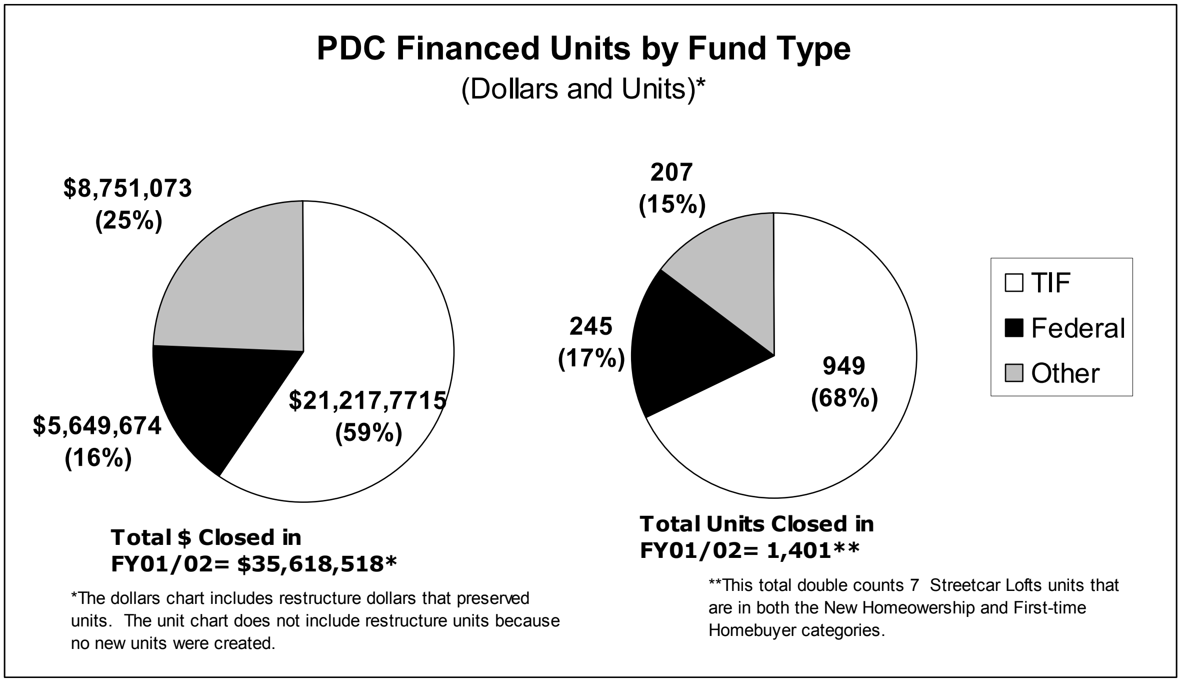
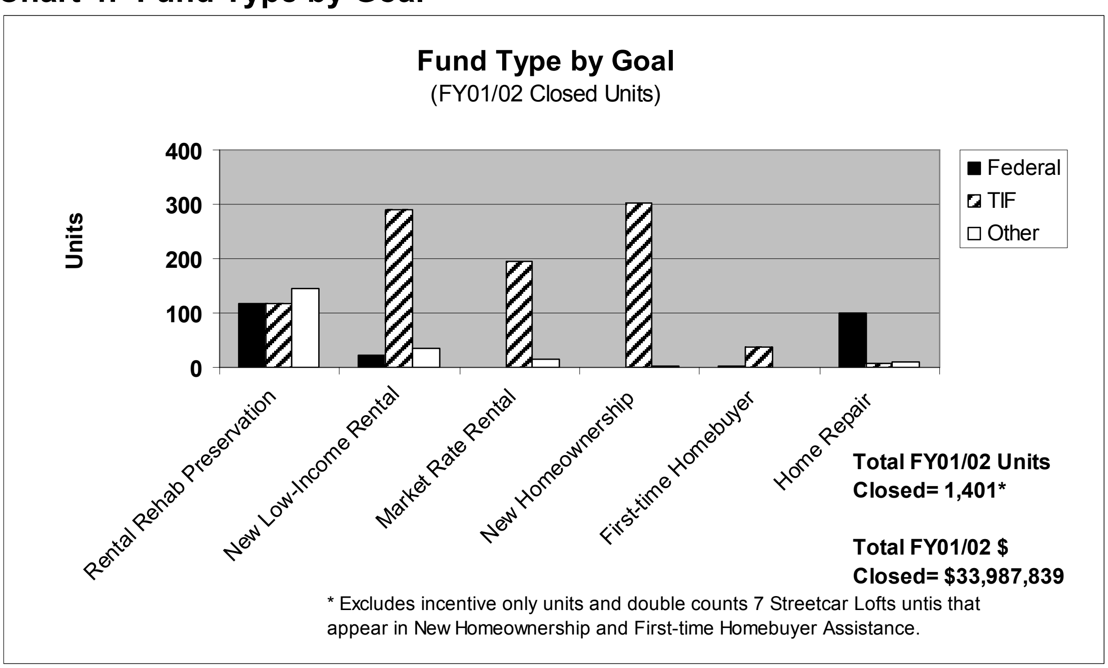


Chart 4 compares the type of funding used to finance units in each of the categories. Sixty-eight percent of all the PDC financed units closed in FY01/02 were financed with TIF. Nearly all of the new low-income rental, new market rate rental and new homeownership units were TIF financed. The majority of home repair loans were financed with federal dollars.

Chart 4: Fund Type by Goal



Of the tax increment financed units 32% were new homeownership, 31% were new low-income rental and 20% were market rate rental (Chart 5). However, of the TIF dollars, more than half (51%) were for new low-income rental units, 9% were for new homeownership and 11% were for market rate rental The difference between the proportion of dollars spent in each category and the proportion of units produced in each category is due to the higher cost of producing lower income units.

Chart 5: Tax Increment Financing Dollars and Units by Goal Category

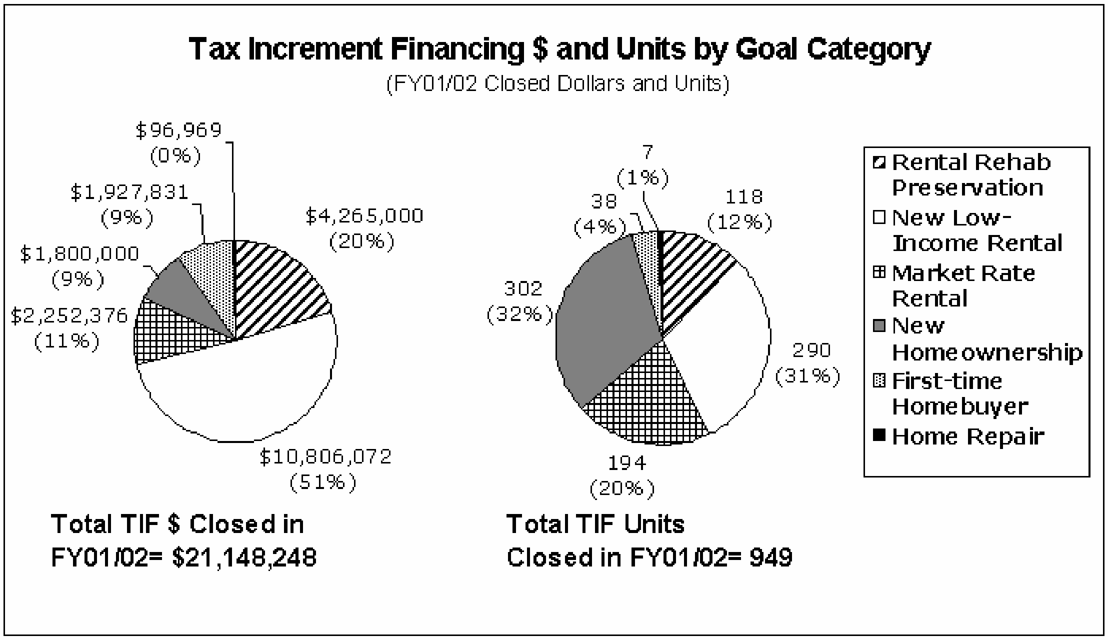


Table 23 shows 43% of the dollars closed in FY01/02 were for units below 30% MFI and 14% were for units above 80%. Over half (55%) of the units produced were below 60%. In terms of the homebuyer and home repair loans (Table 24), 60% were made to households below 60% MFI (20% to households below 30% MFI).

Table 23: Summary of FY01/02 Closed Projects by Income Level
(incentive-only units excluded)

	Income Level (% MFI)					
	0-30	31-50	51-60	61-80	81+	Total
Rental Rehab Preservation Units (below 60% MFI)						
Units	147**	98	55			300
Dollars	$4,794,870	$2,197,976	$2,393,892			$9,386,738
$/unit	$32,618	$22,428	$43,525			$31,286
% of Sub Total Closed	49%	33%	18%			100%
New Low-Income Rental Units (below 60% MFI)						
Units	121	77	151			349
Dollars	$6,881,107	$2,797,853	$3,213,078			$12,892,038
$/unit	$56,869	$36,336	$21,279			$36,940
% of Sub Total Closed	35%	22%	43%			100%
Market Rate Rental Units (above 60%)						
Units				42	169	211
Dollars				$1,036,052	$1,891,212	$2,927,264
$/unit				$ 24,668	$10,807	$13,873
% of Sub Total Closed				20%	80%	100%
New Homeownership Units						
Units				2	302	304
Dollars				$68,340	$1,800,000	$1,868,340
$/unit				$34,170	$5,960	$6,146
% of Sub Total Closed				1%	99%	100%
Total Closed Units	268	175	206	44	471	1,164
% Total Closed Units	23%	15%	18%	4%	41%	100%
Total Closed Dollars	$11,675,977	$4,995,829	$5,606,970	$1,104,392	$3,691,212	$27,074,380
% Total Closed Dollars	43%	18%	21%	4%	14%	100%

* 29 of these units were in the St. Vincent DePaul project and consisted of code up-grades only.

Table 24: Summary of First-Time Homebuyer and Home Repair Closed Loans by Income Levels

	Income Level (% MFI)					Total
	0-30	31-50	51-60	61-80	81+	
Units	32	45	18	36	26	157
Dollars	$545,209	$558,515	$1,300,158	$922,071	$1,043,524	$4,369,477
$/unit	$15,145	$12,142	$36,116	$25,613	$40,136	$27,831
% of Total Closed	20%	29%	11%	23%	17%	100%

In FY01/02, 2,041 closed units/loans received PDC financing and/or received a PDC administered incentive (Table 25). In terms of those units/loans receiving PDC financing, 27% were rental rehab preservation units, 25% were new low income rental units, 22% were new homeownership units, and 15% were market rate rental units (Table 25). When adding the incentive-only units to the units/loans receiving PDC financing, 40% were new homeownership units, 19% were rental rehab preservation units, 21% were new low-income rental units and 12% were market rate rental.

In terms of progress toward the 2011 goals, most of the categories came close to meeting or exceeding the 10% per year threshold. Twenty-five percent of the rental rehab preservation goal was reached and 28% percent of the new homeownership goal was reached. At the same time the first time homebuyer category was slow to make progress, however efforts are underway to increase first mortgage products offered through PDC.

Table 25: FY01/02 Closed Projects/ Loans and Production Goals (units)

Projects Closed in FY01/02	Production Goals: 1. 1,500 Rental Rehab Preservation Units	2. 6,400 New Low Income Rental Units	3. 4,500 Market Rate Rental Units	4. 3,000 New Homeownership Units	5. Assist 3,000 First Time Homebuyers	6. 1,600 Homes Repaired
Carriage Hill Apartments		3				
Fairfield Apartments	82					
Fannie Mae Home Style Loans						6
Fountain Place	64		16			
GSL- Yards Phase S- Union Station			56			
Home Buyer Loan- Lents					1	
Interstate Crossing		12				
Jefferson West	80					
Johnson Creek Duplex		2				
Los Jardines		42				
Marshall Wells Warehouse				164		
Museum Place		28	112			
Owner Rehab- Citywide						85
Owner Rehab- Interstate						19
Owner Rehab- Lents						7
Pacific Tower		156				
Park Terrace	88					
PCRI NE Junior	1					
Rodney St. Townhomes				2		
Shared Appreciation Mortgages					39	
St. Francis		106	26			
St. Vincent DePaul Plaza	29		1			
Streetcar Lofts				138		
YWCA	36					
Incentive-only Units	2	80	41	524		
Total (excluding incentive-only units)						
Total units	**380**	**349**	**211**	**304**	**40**	**117**
% Total	**27%**	**25%**	**15%**	**22%**	**3%**	**8%**
Total (including incentive-only units)						
Total units	**382**	**429**	**252**	**828**	**40**	**117**
% Total	**19%**	**21%**	**12%**	**40%**	**2%**	**6%**
% of 2011 Goal	**25%**	**7%**	**6%**	**28%**	**1%**	**8%**

Grand Total of Closed Units, FY01/02 2,041* units

*7 units in the Streetcar Lofts are listed as homebuyer assisted units (7 SAMs) and also as homeowner units (received PDC direct financial assistance) and are not double counted in this total.