

**HOUSING NEEDS STUDY
FLORENCE, OREGON**

AS OF

September 12, 2006

PREPARED FOR

**Mr. Rodger Bennett
City Manager
City of Florence
250 Highway 101
Florence, Oregon 97439-7628**

PREPARED BY

**Sylvia C. McFarland, MAI
Real Estate Appraiser and Consultant
4535 S.W. 96th Avenue
Beaverton, Oregon 97005-3329**

Sylvia C. McFarland, MAI
Real Estate Appraiser and Consultant

September 25, 2006

Mr. Rodger Bennett
City Manager
City of Florence
250 Highway 101
Florence, Oregon 97439-7628

RE: Housing Needs Study, Florence, Oregon
 SCM No. 06-383

Dear Mr. Bennett:

As requested, I have completed a housing needs study for the purpose of formulating my opinion as to the unmet demand for affordable housing in Florence, as well as providing information regarding market rents, affordable rents, and housing prices. The city as well as developers and non-profit organizations are the intended users of this study, which will be used for planning purposes in preparation for development of affordable housing.

In determining the unmet demand for affordable housing units in Florence, I used HUD SOCDS data from the 2000 Census, surveyed property managers of market-rate and affordable rental housing in Florence, and surveyed several of the major employers in Florence to estimate the unmet need.

The following table details my estimate of the allocation of unmet need for 265 affordable housing units in Florence.

**Projected Unmet Need by Income Band
Florence**

Type	< 30%	30% to 40%	40% to 50%	50% to 60%
One-bedroom	104	50	45	(8)
Two-bedroom	27	8	8	3
Three-bedroom	28	-	-	-
Total	159	58	53	(5)

Source: SOCDS CHAS Data

The only two apartment complexes that have been built since 1981 in Florence, were both built as condominiums, and are a series of four-plexes. The ones on Jasper Lane are two-bedroom 2.5-bath units with attached garages. They are 1,200 square feet and rent for \$950 (\$0.79 per square foot). The ones on Whispering Pines are two-bedroom 1.5-bath units with open parking only. They are 1,000 square feet and rent for \$750 to \$850 (\$0.75 to \$0.85 per square foot).

Mr. Rodger Bennett
September 25, 2006
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The remaining complexes were built between the 1940s and 1981. They indicated one-bedroom rents in the range of \$400 to \$585; two-bedroom rents in the range of \$495 to \$700; and two three-bedroom units that rent for \$650. As you can see, there is considerable overlap in rents with quality and condition contributing to the differences. Some of the owners are in the process of or have rehabbed their units. They are able to get significant premiums for the rehabbed units.

Rents for two-bedroom homes or duplexes range from \$645 to \$900. Rents for three-bedroom homes range from \$875 to \$1,100. One four-bedroom home rents for \$1,200.

With the exception of the four-plexes on Jasper Lane and Whispering Pines, which are in initial lease-up, there are not any vacant apartment units. (I was unable to reach the manager at Sunset Apartments, though there was no vacancy sign, and no listing in the newspaper. Ten months ago, he had three vacancies.)

Oak Terrace is the only family complex with set rents. At \$370 for two-bedroom units and \$425 for three-bedroom units, these rents are significantly lower than the older market-rate two-bedroom rents (\$495 to \$700) and three-bedroom rents (\$650). The maximum allowed household income for tenants at Oak Terrace is 50 percent of median, which for a household of 3 persons (two-bedroom unit) is \$24,600 and for a household of 4.5 persons (three-bedroom unit) is \$28,450. Not surprisingly, the manager has 33 people on her waiting list.

These analyses and conclusions are effective as of the date of my inspection of the comparables of September 12, 2006.

This report is subject to the Limiting Conditions, Certification and Special Assumptions contained herein. It has been made in conformity with, and is subject to, the requirements of the Appraisal Institute. This report is meant to comply with the Uniform Standards of Professional Appraisal Practice.

The following report is a summary of the pertinent data and analyses used in arriving at my conclusions.

Sincerely,

Sylvia C. McFarland, MAI
Oregon Certified General Appraiser
C000044, expires August 31, 2007

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ADDENDA

2006 Lane County LIHTC Incomes and Utility Allowances
Qualifications - Sylvia C. McFarland, MAI

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- * The statements of fact contained in this report are true and correct.
- * The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- * I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
- * I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- * My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- * My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction of value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- * My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Requirements of the Code of Professional Ethics of the Appraisal Institute and the Uniform Standards of Professional Practice.
- * I, Sylvia C. McFarland inspected the exterior of all of the comparables, except the two houses on Park Village Loop, on September 12, 2006.
- * No one provided significant real property appraisal or appraisal consulting assistance to the person signing this certification.
- * The use of this report is subject to the requirements of the Appraisal Institute relating to review by it's duly authorized representatives.
- * As of the date of this report, Sylvia C. McFarland, MAI has completed the requirements of the continuing education program of the Appraisal Institute.
- * Sylvia C. McFarland is currently certified in the State of Oregon (C000044) and in the State of Washington (1100131).

Sylvia C. McFarland, MAI

September 25, 2006
Date

ASSUMPTIONS AND LIMITING CONDITIONS

This report is made expressly subject to the conditions and stipulations following:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
3. All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.
4. Possession of this report, or a copy thereof, does not carry with it the right of publication.
5. The appraiser, by reason of this market study, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.
6. Neither all nor any part of the contents of this report shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
7. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.

SUMMARY OF SALIENT FACTS

Unmet Need

The following table details my estimate of the allocation of unmet need for 265 affordable housing units in Florence.

Projected Unmet Need by Income Band Florence

Type	< 30%	30% to 40%	40% to 50%	50% to 60%
One-bedroom	104	50	45	(8)
Two-bedroom	27	8	8	3
Three-bedroom	28	-	-	-
Total	159	58	53	(5)

Source: SOCDs CHAS Data

Date of Analysis

These analyses and conclusions are effective as of the date of my inspection of the comparables of September 12, 2006.

INTRODUCTION

Clients and Intended Users

The City of Florence is the client for this market study. The intended users of this report are developers and non-profit organizations planning to develop residential housing in the Florence area.

Intended Use

The intended use of this market study is to provide basic information to the intended users as to housing needs in Florence. This report is not intended to be used to meet Oregon Housing's market study requirements for tax credits.

Identification of the Property

There is no particular property that is the subject of this market study.

Description and Scope of the Market Study

I inspected the Florence area, looked at and analyzed 2000 Census Data, and talked to several of the major employers in Florence. Using dexonline.com for apartment complexes and property managers, I surveyed most of the market-rate and affordable apartment complexes in Florence. In addition, I surveyed a representative sample of small plexes, condominiums for rent, and single-family houses for rent. Using the demographic information as well as the information provided by the major employers, apartment managers, and property, managers, I estimated unmet need for housing affordable by households making less than 60 percent of median in Florence.

Using the information provided by the property managers, I discussed current market rental and vacancy rates for apartments, plexes, and single-family houses in Florence. I also discussed affordable apartment rental and vacancy rates.

Date of the Market Study

The effective date of this market study is the date of inspection of the comparables, September 12, 2006.

Regional Map



REGIONAL DESCRIPTION

The city of Florence is located in Lane County. The map on the previous page shows Lane County and portions of surrounding counties in west-central Oregon. A map of Florence is found between this *Regional Description* and the following *Neighborhood Description*.

Location

Lane County is located in the west-central area of the state of Oregon. It extends from the Cascade Mountains, west to the Pacific Ocean. The Portland-Vancouver metropolitan area, the largest population center in Oregon and southwest Washington, lies 110 miles, or 2 hour's drive to the north.

Lane County is bounded on the north by Lincoln, Benton, and Linn Counties, on the west by the Pacific Ocean, on the east by Deschutes County, and on the south by Douglas County.

Transportation Network

Florence is located near the southwest corner of Lane County, on the Pacific Ocean. Hwy 101 runs north/south along the coast, through Florence, and extends north through Washington, and south through California. Highway 126 runs east/west from Florence, through Eugene/Springfield and extends east to Highways 242 and 20, which provide access to Bend, in Central Oregon. Highway 20 extends further east through Burns and on to the Idaho border, where it joins with I-84, which is a major east/west freeway extending from Portland, through Idaho, and then down into Utah. Interstate 5 (I-5) runs north/south, dividing Eugene from Springfield, and extends north through Washington to the Canadian border, and south through California to the Mexican border.

Population

My descriptions and discussions on the demographic factors under this heading and for employment and other market factors under subsequent headings have been drawn from a variety of sources. The population figures in the following table include only the four largest cities in Lane County. The 2000 and 1990 population figures are from the U.S. Census. The 2004 and 2010 population figures are from the Center for Population Research.

Population Changes 1990-2005 Forecasted Population 2010

Municipality	1990 Census	Annual Change 1990-2000	2000 Census	Annual Change 2000-05	2005 Estimate	Forecasted	
						Annual Change 2000-10	2010 Forecast
Florence	5,162	3.5%	7,263	2.4%	8,185		
Eugene	112,669	2.0%	137,799	1.2%	146,160		
Springfield	44,683	1.7%	52,729	1.2%	55,855		
Cottage Grove	7,402	1.4%	8,537	1.3%	9,110		
Lane County	282,912	1.3%	322,959	0.8%	336,085	0.7%	347,494
Oregon	2,842,321	1.9%	3,421,399	1.2%	3,631,440	1.2%	3,843,900

Source: 2000 & 1990 Census and Population Research Center

While growth was very low and sometimes negative from 1980 to 1990, it improved in the 1990s, with Florence growing at a faster rate than the other municipalities, the county, and the state as a whole.

The forecasted population for 2010 was done in 2003. At the same time they forecasted 2005 population. The 2005 estimate for Lane County is only 0.67 percent higher than the 2005 forecasted population, while the 2005 estimate for Oregon is 0.37 percent higher than the 2005 forecasted population. Thus, it is likely that the 2010 forecast for Lane County is on the conservative side, and that Florence will grow at a faster rate than is forecast for Lane County.

Residential Housing

Housing Stock

The following table compares the distribution of housing units by type (single-family, 2 to 4 units, etc.) in Florence and Lane County, as of the 2000 census.

Units in Structure - All Housing Units

Year Built	Florence		Lane County	
	No.	%	No.	%
Single-Family		0.0%	91,687	66.0%
Duplex		0.0%	4,771	3.4%
3 or 4		0.0%	5,483	3.9%
5 to 9		0.0%	5,475	3.9%
10 to 19	3,540	24.3%	4,675	3.4%
20 or more	7,755	53.2%	10,773	7.8%
MH,RV,Boat	<u>3,281</u>	<u>22.5%</u>	<u>16,082</u>	<u>11.6%</u>
Total	14,576	100.0%	138,946	100.0%

Source: 2000 U.S. Census

Florence has a lower ratio of single-family homes and a higher ratio of mobile homes, R.V.s, and boats than Lane County as a whole. It is likely that some of the difference is due to the number of vacation homes in Florence as compared to the county as a whole.

Housing Unit Age

The following table compares the age of the housing stock Florence and Lane County.

Year Structure Built - All Housing Units

Year Built	Florence		Lane County	
	No.	%	No.	%
1999 to 3/2000	103	2.8%	2,558	2.0%
1990 to 1999	1,252	34.5%	22,193	17.0%
1980 to 1989	725	20.0%	12,505	9.6%
1970 to 1979	987	27.2%	34,233	26.2%
1960 to 1969	222	6.1%	22,191	17.0%
1950 to 1959	173	4.8%	15,596	12.0%
1940 to 1949	117	3.2%	10,743	8.2%
1939 and earlier	49	1.4%	10,434	8.0%
Total	3,628	100.0%	130,453	100.0%

Source: 2000 U.S. Census

Florence has a much higher ratio of 1990-built housing units, and lower ratios housing units built prior to 1970 than the county as a whole. This is likely due to the increasing attraction of Florence as a vacation community with increasing numbers of vacation homes. In addition, with the population increasing at a faster rate than for the county as a whole, it would follow that there would be more newer housing units in Florence.

Housing Units by Tenure

The next table shows the ratio of housing units that were rented, owner-occupied, and vacant as of the 2000 census. Florence has slightly lower ratios of renter-occupied housing units than the county and the state as a whole, but its ratio of vacant units was much higher. Almost half (46.4 percent) of the vacant units were housing units used for seasonal, recreation, or occasional use.

Occupied Housing Units by Tenure All Households

Census Tract	Renter	Owner	%	%
			Renter Units	Vacant Units
Florence	1,157	2,407	32.5%	14.6%
Lane County	49,245	81,208	37.7%	6.1%
Oregon	476,833	856,890	35.8%	8.2%

Source: 2000 Census

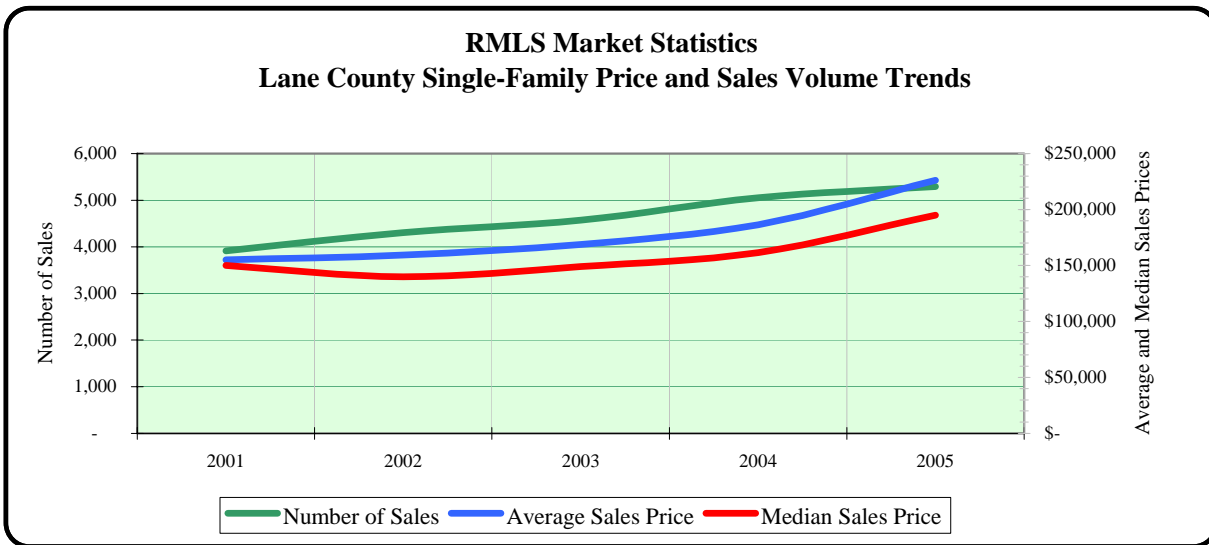
Multi-Family Real Estate Market

There is no published data on the multi-family market in either Florence, or the county as a whole. My survey of the rental market in Florence, as well as Newport and Lincoln City, suggest that apartment vacancy rates on the coast are low. According to the Fall 2005 *Duncan & Brown Apartment Report*, apartment vacancy rates in Eugene, over the last 16 years have averaged less than 3 percent, with only

one year over 5 percent (Fall 2003). The vacancy rate for the metropolitan area as a whole was 1.21 percent as of the date of the survey, which is the lowest rate since the fall of 1994.

Single-Family Real Estate Market

As can be seen below, Lane County has enjoyed five years of growth in single-family home prices and sales volume. Average home prices have increased from \$155,089 in 2001 to \$226,090 in 2005. The Median Sales Price dipped in 2002, but has increased since then. Sales volume has increased from 3,915 to 5,295 sales per year.



Month	2001			2002		
	Sales Price		No. of Sales	Sales Price		No. of Sales
	Median	Average		Median	Average	
Annual	\$ 149,925	\$ 155,089	3,915	\$ 140,000	\$ 159,399	4,304
% Change between years					2.8%	9.9%

Month	2003			2004			2005		
	Sales Price		No. of Sales	Sales Price		No. of Sales	Sales Price		No. of Sales
	Median	Average		Median	Average		Median	Average	
Annual	\$ 149,000	\$ 168,762	4,569	\$ 161,500	\$ 186,527	5,056	\$ 195,000	\$ 226,090	5,295
% Change between years		5.9%	6.2%		10.5%	10.7%		21.2%	4.7%

Economic Factors

The economy of Lane County is primarily based on retail trade, services, and government.

Employment

The following table below shows non-farm "covered employment" in Lane County for 2005, 2004, 2003 and 2002. As you can see, approximately 1,600 jobs were gained between 2002 and 2004, with an additional 5,900 added in 2005. The categories with the largest percentage gains were Financial Activities and Transportation/Warehousing/Utilities. The categories with the largest percentage losses

were Information and Nondurable Manufacturing. Unemployment in June 2006 was 5.6 percent, down from 6.4 percent in June 2005. Unemployment in the State of Oregon in June 2006 was 5.4 percent, down from 6.3 percent in June 2005.

**Nonfarm Employment
Lane County**

	2005		2004		2003		2002		2002-05
	Total	%	Total	%	Total	%	Total	%	Change
Construction/Mining	8,200	5.5%	7,700	5.4%	7,500	5.3%	7,600	5.3%	7.9%
Durable Goods Mfg.	16,100	10.8%	15,300	10.6%	14,500	10.3%	14,700	10.3%	9.5%
Nondurable Mfg.	4,000	2.7%	4,100	2.9%	4,100	2.9%	4,200	3.0%	-4.8%
Wholesale Trade	5,700	3.8%	5,600	3.9%	5,100	3.6%	5,200	3.7%	9.6%
Retail Trade	18,900	12.6%	18,300	12.7%	18,400	13.0%	18,500	13.0%	2.2%
Trans/Ware/Util	3,100	2.1%	2,900	2.0%	2,700	1.9%	2,700	1.9%	14.8%
Information	3,500	2.3%	3,300	2.3%	3,500	2.5%	3,700	2.6%	-5.4%
Financial Activities	8,300	5.5%	7,700	5.4%	7,500	5.3%	7,200	5.1%	15.3%
Prof & Business Services	15,600	10.4%	15,500	10.8%	14,700	10.4%	15,000	10.6%	4.0%
Educational Services	1,400	0.9%	1,300	0.9%	1,400	1.0%	1,300	0.9%	7.7%
Health Care & Social Asst.	17,800	11.9%	17,300	12.0%	17,100	12.1%	17,200	12.1%	3.5%
Leisure & Hospitality	13,900	9.3%	13,600	9.5%	13,500	9.6%	13,500	9.5%	3.0%
Other Services	4,900	3.3%	4,900	3.4%	5,000	3.5%	5,000	3.5%	-2.0%
Government	28,200	18.9%	26,200	18.2%	26,200	18.6%	26,300	18.5%	7.2%
Total Covered Employment	149,600	100.0%	143,700	100.0%	141,200	100.0%	142,100	100.0%	5.3%

Source: OLMIS

The following table shows the largest employers in Lane County. PeaceHealth Corporation is the largest employer and represents less than 3.0 percent of the number of employees in the county. Thus, no one employer dominates Lane County employment. It is noteworthy, however, that of the top 15 employers, eight are either government or education, two are medical and two make recreational vehicles.

Major Employers – Lane County

No.	Employer	Employees
1	PeaceHealth Corporation	4,300
2	University of Oregon	3,676
3	Lane Community College	2,531
4	Monaco Coach Corp.	2,400
5	Eugene School District	2,025
6	U.S. Government	1,800
7	Lane County	1,786
8	Country Coach	1,600
9	City of Eugene	1,452
10	Springfield School District	1,162
11	State of Oregon	1,100
12	Hynix Semiconductor	931
13	McKenzie-Willamette Medical	750
14	Symantec Corporation	700
15	PSC Scanning	600

Employment Trends

The following table shows the employment and unemployment trends over the last ten years in the Eugene/Springfield Metro Area (which encompasses all of Lane County). Employment has increased 10.3 percent over the last ten years, while unemployment has increased from 5.3 percent to 6.1 percent.

Employment and Unemployment Trends Eugene/Springfield Metro Area

Year	Employment	% Change	Unempl.	Rate
1995	148,356		8,310	5.3%
1996	150,784	1.6%	8,786	5.5%
1997	150,877	0.1%	8,733	5.5%
1998	155,384	3.0%	9,402	5.7%
1999	157,720	1.5%	8,822	5.3%
2000	161,226	2.2%	9,184	5.4%
2001	158,233	-1.9%	11,617	6.8%
2002	159,774	1.0%	12,287	7.1%
2003	158,961	-0.5%	13,869	8.0%
2004	160,416	0.9%	12,589	7.3%
2005	163,668	2.0%	10,683	6.1%
Total Change		10.3%		

Source: U.S. Bureau of Labor Statistics

According to the Oregon Employment Department, Non-farm employment is expected to increase 14.8 percent between 2004 and 2014. This is down from the 20.4 percent growth between 1992 and 2002. The industries expected to add the most jobs in the Eugene/Springfield Metro Area between 2004 and 2014 are as follows:

Industry Changes - Eugene/Springfield 2004 - 2014

Industry	Job Increases	% Growth
Health Services	4,700	27.2%
Professional and Business Services	4,400	28.4%
Retail Trade	2,300	12.6%
Government	2,200	8.4%

Source: Oregon Employment Department Workforce Analysis

An Indian Casino opened in Florence last year, and the tribes employ over 200 people in Florence. According to 2000 Census data, 3,962, or 9.2 percent of Lane County area residents were self-employed compared with 8.9 percent statewide and 6.6 percent nationally.

Income

Per capita income grew at an annual rate of 3.1 percent in the Eugene/Springfield Metropolitan Area and 3.2 percent in the state of Oregon, from 1997 to 2004. The actual individual annual increases varied from

year to year. With the projected job growth concentrated in the Service sectors, it is not unreasonable to assume that, on average per capita incomes will increase at a rate below 3 percent per year.

**Per-Capita Personal Income
1997 to 2004**

Area	1997	1998	1999	2000	2001	2002	2003	2004	Annual Increase
Lane County	\$22,494	\$23,601	\$24,318	\$25,500	\$25,954	\$26,531	\$26,445	\$27,788	3.1%
Oregon	\$24,469	\$25,542	\$26,480	\$28,097	\$28,507	\$28,924	\$29,161	\$30,561	3.2%

Source: Bureau of Economic Analysis: Regional Economic Accounts

Consumer Price Index

The following table shows the historical annual change in the Consumer Price Index (CPI) for the U.S. as a whole, and for the Portland/Salem Metropolitan area.

From 1995 through 1999, Portland/Salem’s CPI increased at a faster rate than for the country as a whole. That changed in 2000 through 2005.

C.P.I. - Portland-Salem and U.S.

Year	Portland-Salem	U.S.A.
1995	2.9%	2.8%
1996	3.5%	3.0%
1997	3.4%	2.3%
1998	1.9%	1.6%
1999	3.3%	2.2%
2000	3.1%	3.4%
2001	2.5%	2.8%
2002	0.8%	1.6%
2003	1.4%	2.3%
2004	2.6%	2.7%
2005	2.6%	3.4%

Source: Bureau of Labor Statistics

Education

Lane County residents have access to several universities and colleges. They include Eugene Bible College, Lane Community College, Linfield College, Northwest Christian College, Pacific University, Pioneer Pacific College, and University of Oregon. Oregon State University is located in Corvallis. Lane Community College has a branch in Florence.

Facilities and Community

Sacred Heart Hospital is the regional hospital and largest hospital between Portland and San Francisco, with 432 beds. It is located in Eugene. Peace Harbor Hospital in Florence is located at 400 Ninth Street. It is a 21-bed acute care hospital. The Siuslaw River borders Florence to the south and to the west. The

Oregon Dunes National Recreation Park is located between the Siuslaw River and the Pacific Ocean. The Siuslaw National Forest borders Florence to the east. Thus, there are plenty of opportunities for outdoor recreation in and around Florence.

Summary

Lane County is located in the west-central area of Oregon. It is served by I-5, the major north/south freeway serving the west coast of the United States. Eugene is also served by east/west highways which provide access west to the coast, and east to Bend in Central Oregon, and further east to I-84 near the Idaho border. Growth in Florence in the 1990s and early 2000s exceeded that of the Portland Metropolitan Area and the State as a whole, while Lane County has lagged behind Portland and the State. Growth in per capita income in Lane County has been marginally lower than the state as a whole, since 1997. Employment is dominated by Government, Retail Trade, and Health Care & Social Assistance. In Florence, Tourism is a major employer.

Neighborhood Map



NEIGHBORHOOD DESCRIPTION

The town of Florence is considered to be the subject neighborhood. With a population of 8,135, and its distance from other towns of comparable or larger size, Florence is a small enough community that any housing development will draw from the entire town. The map on the previous page shows Florence and its relationship to the Hwy. 101 and Hwy 126.

Florence is located 60 miles west of Eugene, with an approximately driving time of 1.25 hours. Both Hwy. 101 and Hwy 126 go through Florence, intersecting in the southern portion of the town. The Rhody Express provides bus service around Florence Monday through Friday between 10:00 a.m. and 4:00 p.m., with two routes. It costs \$1.00 to ride the bus for the day. (Please see route map at the end of this *Neighborhood Description*.)

Employment

According to a March 20, 2006 article by Michael Meyers of the Oregon Employment Department, employment in the Florence area (Florence, Mapleton, Dunes City, and Westlake), is dominated by two industries: retail trade and leisure and hospitality. These two industries represent nearly 40 percent of the employment in the Florence area. (These figures are from 2004.)

Some of the major employers in Florence are detailed in the table below. As you can see, they expect employment to remain stable or increase. The Three Rivers Casino will be opening a new casino and hotel in 2007. They expect to almost double their employment from 236 to approximately 450. PeaceHealth, also expects continued growth in employment. Don Bourland of the Human Resources department at PeaceHealth indicated that is due to a couple of factors. The first is the aging population which requires increased health care. The second is the increasing sophistication of health care, which adds to demand for services and therefore increased employment.

Major Florence Employers

Employer	Number Employees 2005	Number Employees 2006	Number Employees Proj. 2007	Employees Earning <\$35,000	Employees Earning <\$18,000	Employees <\$35,000 w/ working spouse	Employees living outside Florence
Peace Health	410	440	470	25 to 30%		50 to 60%	< 10%
Three Rivers Casino	216	236	450			90%	20%
School District	175	175	175	50%	60	>50%	10%
Fred Meyer	170	170	170	"High"		75 to 80%	25%
City of Florence	54	57	60	12%		80%	33%

Approximately 167 of the employees of these five employers live outside of Florence. Three of the five human resources managers estimated that the vast majority of those employees were living outside of Florence due to the lower cost of housing in the surrounding communities. They indicated that employees are living in Mapleton, Coquille, North Bend, Newport, and Eugene. Obviously, some of these employees are living in the other communities due to allegiance to that community as opposed to housing costs.

Based on information from the employers, I am estimating that between 400 and 500 employees make less than \$35,000, which would be approximately 60 percent of median for a family of four. Many of these employees have working spouses which would increase their household income above \$35,000 and therefore above 60 percent of median. I estimate that approximately 100 of these employees have household incomes of less than 60 percent of median.

As can be seen on the southern portion of the Florence Comprehensive Plan map, found at the end of this *Neighborhood Description* section of the report, there is quite a bit of public land in the southern section of Florence. Commercial is situated along Highway 101, and in the Old Town area of the city. Industrial is located to the west.

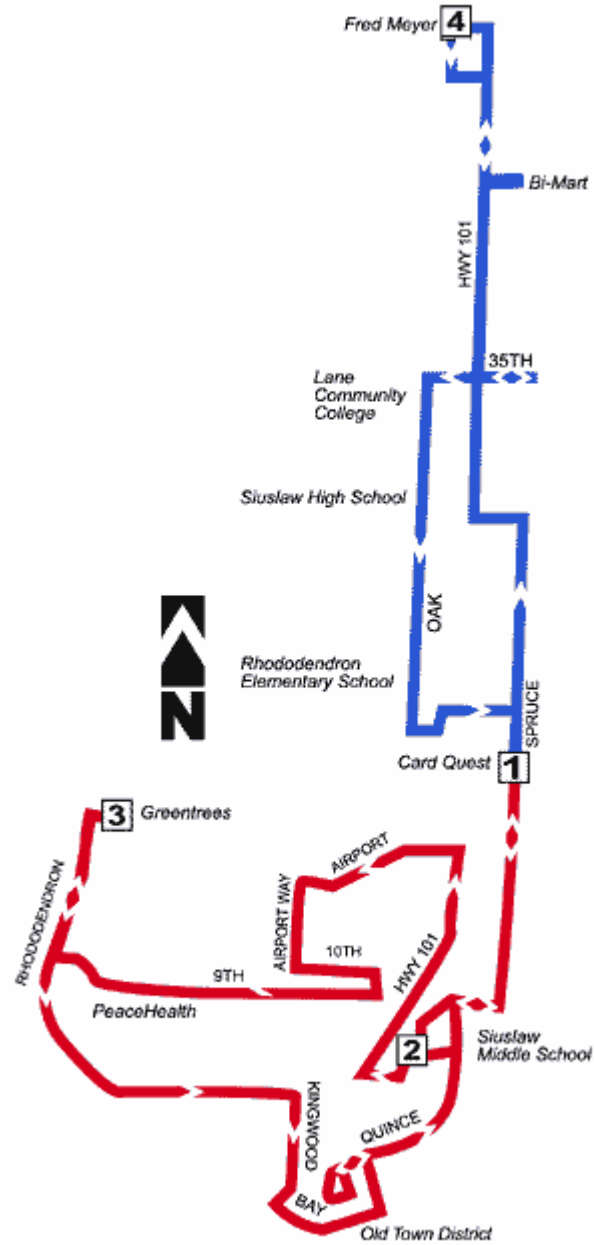
There are several small markets in Florence, and two major grocery stores. Safeway is located at Hwy. 101 and 7th. Fred Meyer is located at the north end of Florence, also on Hwy. 101. Both are served by the Rhody Express bus service. Peace Harbor Hospital, with offices for numerous doctors with a variety of specialties, is located at 400 Ninth Street. The city of Florence provides police service. Siuslaw Valley Fire and Rescue provides fire and ambulance service.

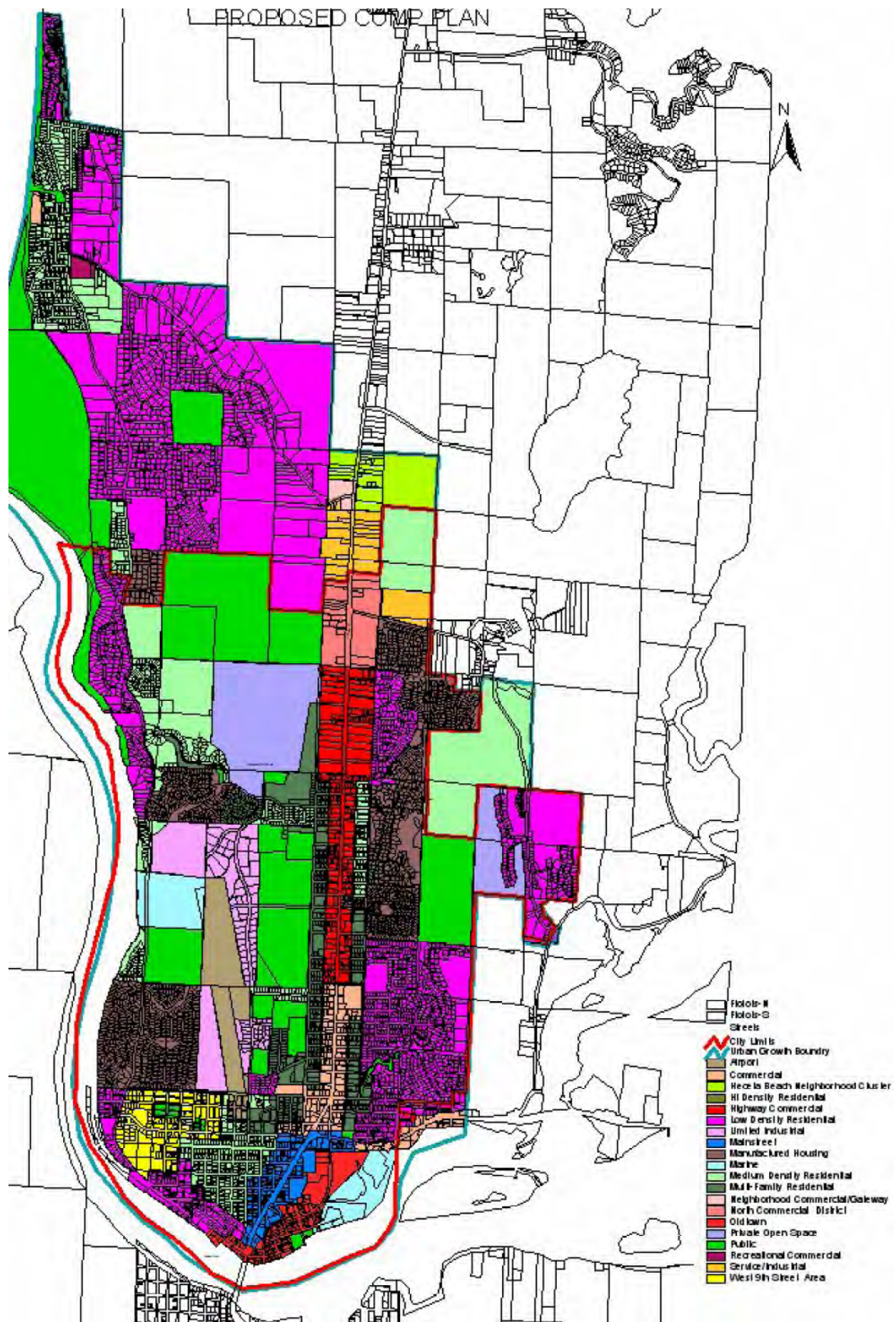
As discussed in the *Regional Description* section of this report, The Siuslaw River, the Oregon Dunes National Recreation Park, the Siuslaw Forest, along with the Sea Lion Caves, Heceta Head Lighthouse, Oregon Coast Aquarium, casinos, and outlet malls provide a wide variety of opportunities to enjoy Florence.

Summary

Florence is considered the subject neighborhood. Commercial development is located along Highway 101, as well as in the downtown core area. Florence is served by a hospital, parks, outdoor recreation, police, fire, and rescue services, with most services accessible within walking distance of the bus service.

Rhody Express Map





SUBJECT MARKET AREA

The primary market area for residential development is judged to be the City of Florence. The secondary market area would be that portion of Lane County situated closer to Florence than to Eugene.

Population

The following table shows the 2004 population estimate as well as the 2000 and 1990 census figures for Cottage Grove, Florence, Eugene, and Springfield, and (the four largest cities in Lane County) as well as Lane County and the state of Oregon. As you can see, Florence has grown at a faster rate than any of the other municipalities.

Population Changes 1990-2005

Municipality	2005 Estimate	Annual Change	2000 Census	Annual Change	1990 Census
Florence	8,185	2.4%	7,263	3.5%	5,162
Eugene	146,160	1.2%	137,799	2.0%	112,669
Springfield	55,855	1.2%	52,729	1.7%	44,683
Cottage Grove	9,110	1.3%	8,537	1.4%	7,402
Lane County	336,085	0.8%	322,959	1.3%	282,912
Oregon	3,631,440	1.2%	3,421,399	1.9%	2,842,321

Source: 2000 & 1990 Census and Population Research Center

Households

The following table shows the number of households. As you can see, the rate of household growth in the 1990s exceeded that of population growth, suggesting that average household size was reduced.

Household Changes 1990-2000

Census Tract	2000 (Census)	1990 Census	Annual Change
Florence	3,564	2,299	4.5%
Eugene	61,444	46,274	2.9%
Springfield	21,500	17,447	2.1%
Cottage Grove	3,430	2,802	2.0%
Lane County	138,946	110,799	2.3%
Oregon	1,452,709	1,103,313	2.8%

Source: 2000 Census & 1990 Census

Household Tenure

The following table shows the ratio of renter-occupied housing units for all households. As you can see, Florence has a lower ratio of renter-occupied housing units than Lane County and the state of Oregon. Florence has a higher ratio of vacant housing units than the county and state as a whole. This is due, in part to the higher ratio of vacation homes in Florence as compared to the county and state.

Occupied Housing Units by Tenure All Households

Census Tract	Renter	Owner	% Renter Units	% Vacant Units
Florence	1,157	2,407	32.5%	14.6%
Lane County	49,245	81,208	37.7%	6.1%
Oregon	476,833	856,890	35.8%	8.2%

Source: 2000 Census

The table below shows the allocation of the vacant units. As you can see, the vacancy rate for rental units in Florence was significantly higher in 2000 than it was in Lane County and Oregon. Similarly, the ratio of For Sale units was also higher in Florence. The percentage of the vacant units which were for Seasonal, recreational or occasional use was 46 percent in Florence as compared to 22 percent in Lane County and 33 percent in Oregon. This is due to Florence's location on the coast.

Vacancy Status

Municipality	Rental	For Sale	Seasonal	Migrant	Other
Florence	13%	4%	46%	0%	8%
Lane County	7%	2%	22%	0%	7%
Oregon	8%	3%	33%	0%	8%

Source: 2000 Census

Notes: The vacancies for Rental and For Sale are the ratios of vacant rental (or for sale units) divided by total Rental (or total For Sale Units). The remaining categories are the vacant units in that category divided by the total number of vacant units.

Age of Housing

The following table shows the age of renter-occupied housing units in Florence and Lane County. As with all housing units, Florence's rental housing stock is newer than that of the county as a whole. Florence has a higher ratio of renter-occupied housing units built since 1980 than the county as a whole.

Year Structure Built - Renter-Occupied Units

Year Built	Florence		Lane County	
	No.	%	No.	%
1999 to 3/2000	56	4.8%	1,014	2.1%
1990 to 1999	286	24.5%	7,753	15.7%
1980 to 1989	235	20.2%	4,711	9.6%
1970 to 1979	319	27.4%	13,626	27.7%
1960 to 1969	113	9.7%	9,218	18.7%
1950 to 1959	111	9.5%	5,355	10.9%
1940 to 1949	38	3.3%	3,669	7.5%
1939 and earlier	<u>8</u>	<u>0.7%</u>	<u>3,899</u>	<u>7.9%</u>
Total	1,166	100.0%	49,245	100.0%

Source: 2000 U.S. Census

Household Income – Renter Households

With the exception of households making less than \$5,000 Florence had a higher ratio of renter households in the under \$35,000 income range than Lane County as of 1999.

Household Income - 1999 Renter Households

Income Band	Florence		Lane County	
	No.	%	No.	%
Less than \$5,000	34	2.9%	4,167	8.5%
\$5,000 to \$9,999	200	17.2%	6,334	12.9%
\$10,000 to \$14,999	179	15.4%	5,686	11.5%
\$15,000 to \$19,999	154	13.2%	5,357	10.9%
\$20,000 to \$24,999	116	9.9%	4,615	9.4%
\$25,000 to \$34,999	204	17.5%	8,155	16.6%
\$35,000 to \$49,999	155	13.3%	7,713	15.7%
\$50,000 to \$74,999	81	6.9%	4,965	10.1%
\$75,000 to \$99,999	8	0.7%	1,290	2.6%
\$100,000 or more	<u>35</u>	<u>3.0%</u>	<u>963</u>	<u>2.0%</u>
Totals	1,166	100.0%	49,245	100.0%

Source: 2000 Census

Summary and Conclusions

The population and number of households have grown at a faster rate in Florence than in Lane County and the state of Oregon, since 1990. Household growth has been faster than population growth suggesting that household size is going down. Florence has a lower ratio of renter-occupied housing units than the county as a whole. Due in part to the comparatively high ratio of seasonal/recreational homes in Florence, Florence had a higher vacancy rate than Lane County or Oregon as of the 2000 Census. Florence has a higher ratio of renter households in the under \$34,000 income ranges, with the exception of the under-\$5,000 category, than Lane County as a whole.

RESIDENTIAL MARKET OVERVIEW

My discussion of the residential market will focus on both supply and demand. Supply will be addressed first by a summary of single-family and multi-family construction trends for Florence. Multi-family demand will be discussed by an analysis of rents and vacancy rates in apartments along the central Oregon Coast, and in Florence.

Single and Multi-Family Residential Housing Supply

The table below shows the number of housing units at the start of 1990, and building permits added in each subsequent year through 2005 for Florence and for Lane County.

**Florence and Lane County
Residential Construction History**

Year	Florence				Lane County				Florence as % of Lane County	
	SF	MF	Total	SF as % of Total	SF	MF	Total	SF as % of Total	SF	MF
Pre-1990	1,181	560	1,741	67.8%	77,791	24,025	101,816	76.4%	1.5%	2.3%
1990	23	6	29	79.3%	880	1,024	1,904	46.2%	2.6%	0.6%
1991	40	14	54	74.1%	994	104	1,098	90.5%	4.0%	13.5%
1992	47	6	53	88.7%	1,664	492	2,156	77.2%	2.8%	1.2%
1993	63	32	95	66.3%	1,254	234	1,488	84.3%	5.0%	13.7%
1994	62	46	108	57.4%	1,405	588	1,993	70.5%	4.4%	7.8%
1995	47	6	53	88.7%	984	1,459	2,443	40.3%	4.8%	0.4%
1996	144	114	258	55.8%	1,410	722	2,132	66.1%	10.2%	15.8%
1997	49	5	54	90.7%	1,231	1,284	2,515	48.9%	4.0%	0.4%
1998	53	61	114	46.5%	1,334	661	1,995	66.9%	4.0%	9.2%
1999	43	7	50	86.0%	1,161	673	1,834	63.3%	3.7%	1.0%
2000	20	0	20	100.0%	1,153	177	1,330	86.7%	1.7%	0.0%
2001	56	2	58	96.6%	1,217	178	1,395	87.2%	4.6%	1.1%
2002	69	8	77	89.6%	1,401	225	1,626	86.2%	4.9%	3.6%
2003	59	29	88	67.0%	1,349	191	1,540	87.6%	4.4%	15.2%
2004	66	41	107	61.7%	1,348	400	1,748	77.1%	4.9%	10.3%
2005	64	47	111	57.7%	1,492	769	2,261	66.0%	4.3%	6.1%
1990 thru 2005	905	424	1,329	68.1%	20,277	9,181	29,458	68.8%	4.5%	4.6%
Total Supply (2005)	2,086	984	3,070	67.9%	98,068	33,206	131,274	74.7%	2.1%	3.0%
Percent Increase	76.6%	75.7%	76.3%		26.1%	38.2%	28.9%			
Avg Annual Additions										
1990 thru 1994	47	21	68	69.3%	1,239	488	1,728	71.7%	3.8%	4.3%
1995 thru 1999	67	39	106	63.5%	1,224	960	2,184	56.0%	5.5%	4.0%
2000 thru 2005	56	21	77	72.5%	1,327	323	1,650	80.4%	4.2%	6.5%

Source: Oregon Building Permits by County and U.S. Census

There were almost 102,000 housing units in Lane County at the start of 1990, with 1.5 percent of the single-family houses and 2.3 percent of the multi-family housing units located in Florence.

Florence's share of single-family development has been in the range of 1.7 to 10.2 percent between 1990 and 2005. Meanwhile, its share of multi-family development was less consistent, ranging from zero to 15.8 percent of Lane County as a whole.

Florence's share of Lane County's multi-family units increased from 2.3 percent to 3.0 percent by December 2005. The ratio of single-family to total housing units increased from 67.8 percent at the beginning of 1990 to 67.9 percent by December 2005.

Single-Family Residential Demand

As seen in the *Regional Description* section of this report, single-family residential home sales volume in Lane County as a whole, have increased between 4.7 percent and 10.7 percent per year since 2001. Average home prices have also increased between 2.8 percent and 21.2 percent per year since 2001. The averaged sales price was \$186,527 in 2004, increasing to \$226,090 in 2005.

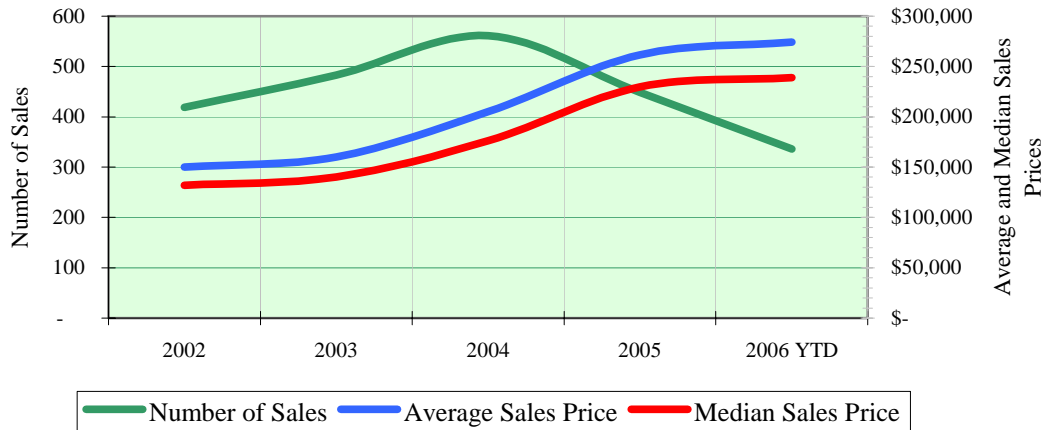
For analysis of the single-family market in Florence, I have relied on data provided to me by Tawfik Ahdab, an Oregon State Certified Residential Appraiser with Pacific Valuation Group, located in Eugene Oregon. Mr. Tawfik specializes in the Florence market area. He obtained his data from Florence MLS and Paragon MLS. The two MLS systems categorize the greater Florence area as including the neighborhoods identified as Beach, East, North, South, Town, Reedsport, Waldport, and Yachats, as well as all subdivisions in the city of Florence. Thus, this data includes a larger area than the city limits of Florence.

The greater Florence area enjoyed increasing sales volume from 2002 (419 sales) through 2004 (561 sales), with volume dropping in 2005 (449 sales). In the first six months of 2006, there were 168 sales for an annualized total of 336 sales, a drop of 25 percent from 2005.

Average prices increased 7 percent from 2002 to 2003, and 28 percent from 2003 to 2004 and from 2004 to 2005. In the first two quarters of 2006, average prices are up over the first two quarters of 2005, though the average price in the second quarter of 2006 is down nine percent from the average price in the first quarter of 2006. In 2005, the average price dropped only slightly more than a half percent from the first to second quarter. The average home price increased from \$149,987 in 2002 to \$274,268 in the first six months of 2006, for a total increase of almost 83 percent in just 3.5 years.

Thus, as with many markets throughout the state and the country, Florence is seeing a softening of the single-family sales market. The graph on the following page shows the trend of sales volume, average home price and median home price for the years 2002 through 2005 and the first six months of 2006 (annualized).

RMLS Market Statistics Greater Florence Single-Family Price and Sales Volume Trends

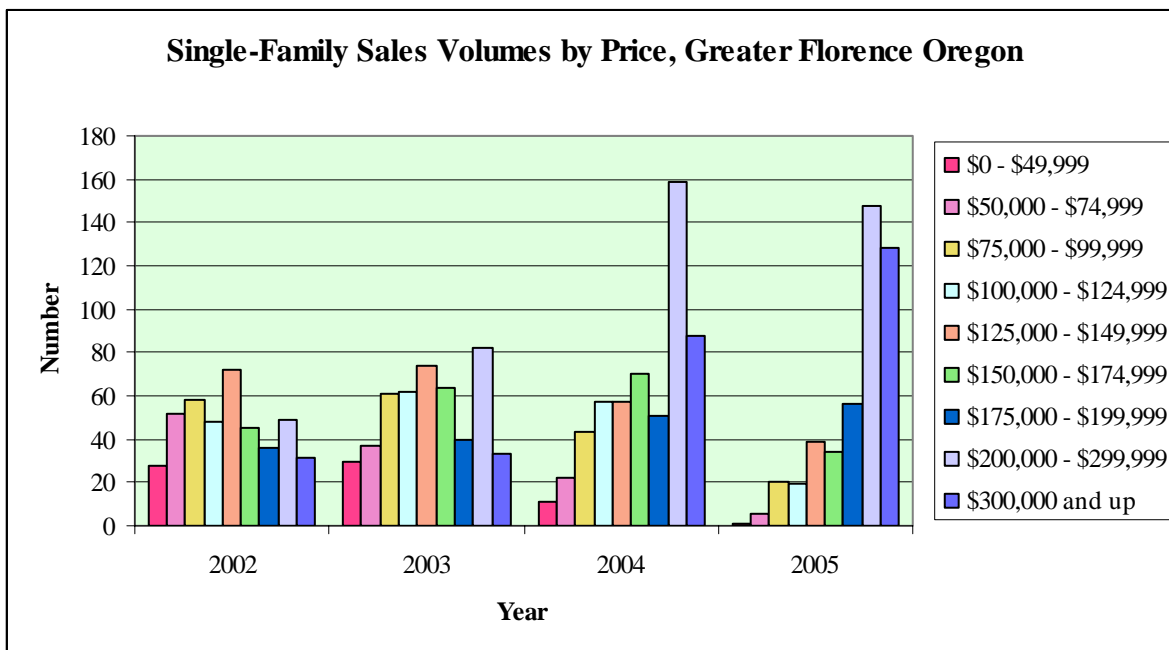


Month	2002		
	Sales Price		No. of Sales
	Median	Average	
Annual	\$ 132,000	\$ 149,987	419
% Change between years			

Month	2003				2004		
	Sales Price		No. of Sales		Sales Price		No. of Sales
	Median	Average			Median	Average	
Annual	\$ 140,000	\$ 160,124	483		\$ 176,400	\$ 205,176	561
% Change between years		6.8%	15.3%			28.1%	16.1%

Month	2005				June 2006 YTD Annualized		
	Sales Price		No. of Sales		Sales Price		No. of Sales
	Median	Average			Median	Average	
Annual	\$ 229,900	\$ 261,604	449		\$ 239,000	\$ 274,268	336
% Change between years		27.5%	-20.0%			4.8%	-25.2%

The graph below shows the trends in sales volumes for homes at various price levels. As you can see, over the last four years, the volume of sales at the lower price levels has decreased, while the volume of those at the upper price levels has increased.



If you assume that a family of four making 60 percent of median - \$32,820, could afford a down payment of 5 percent to 10 percent, and had no other debt, they could afford monthly payments of principal, interest, taxes, and insurance of \$766 (28 percent of gross income) to \$903 (33 percent of gross income). If we assume a 6.5 percent interest rate, 30-year amortization, taxes of \$600 per year, and insurance of \$200 per year, they could afford a home in the range of \$108,000 to \$139,000. (This is based on information found on KeyBank’s mortgage calculator web site.)

In 2005, there were 69 (15.4 percent) of the 449 homes sold in the greater Florence area priced at less than \$139,000. Some of these sales were likely outside the Florence city limits. I looked at a couple real estate brokers’ web pages looking for houses available for sale in the range of \$75,000 to \$150,000. There were 44 houses available in that price range. However, most appear to be manufactured houses or recreational vehicles.

I talked to Rose at United Country West Coast Realty (541-997-8485), James at Prudential Pacific Properties (541-997-6000), and Lynette at Coldwell Banker (800-999-5343). They indicated that most of the homes available for sale at under \$150,000 would be older manufactured homes, some of which are not in very good condition, and some of which are not financeable. In addition, most of them are in gated communities with age restrictions that limit owners to people over aged 55.

The brokers felt that families making less than 60 percent of median would choose to either rent apartments or buy homes outside of Florence where prices are lower for the size and condition of the housing unit. One broker indicated that in the seven years he has been in the real estate business, he has sold two houses to locals with the rest being sold to people moving in from outside of the area, mostly retirees. Thus, retirees are bringing equity from homes owned outside the area, likely in more expensive markets, and they have been pushing prices upward. They did feel that the upward trend in prices has recently reversed, with many homes listed for sale dropping their listing prices.

Multi-Family Residential Demand

As shown in the table at the beginning of this *Residential Market Overview*, over 9,100 multi-family housing units were added between 1990 and December 2005 in Lane County. Florence represented 424 of those multi-family units, or 4.5 percent of the total apartment units added in Lane County in the 15-year period.

The State of Oregon's Housing and Community Services Department lists eight projects they have funded in Florence. Those complexes are listed below and total 185 units. Only the 48-unit Oak Terrace serves families. Of the 185 Section 42 units, the 18-unit New Winds project will be starting construction in October. There are 186 additional units in five projects, funded by other entities (H.U.D., etc.) in Florence. These complexes serve the chronically mentally ill, developmentally disabled, disabled, elderly, and families.

Subsidized Housing in Florence

Name	Address	Units	Population
<i>Section 42</i>			
18th Street Project	2345 18th Street	1	DD
First Street Group Home	1567 First Street	1	DD
Munsel Park	2021 Twelfth	44	Dis,Eld
New Winds	SEC 8th & Laurel	18	CMI
Oak Terrace Apts	2350-2490 Oak St.	48	Fam
Spruce Street Remodel	1410 Spruce Street	1	Fam
Tanglewood	15th & Spruce	40	Eld.
Windsong Senior Apts.	1365 Spruce Street	<u>32</u>	Eld
Total - Section 42		185	
<i>Other</i>			
Shorewood	1451 Spruce	73	Cong
Laurelwood Homes	11th & Maple	30	Eld,Fam
The Pines	1550 W. 15th	25	Fam
Siuslaw Dunes	1750 43rd	45	Fam
1320 Eighth Street	1320 8th Street	<u>13</u>	N/A
Total Other		186	

In 1999, 60 percent of median for a household of four persons in Lane County was \$27,066. In the *Subject Market Area* section of this report, census figures showed that approximately 725 renter households had incomes of less than \$27,066 in Florence. Thus, the subsidized housing units have penetrated approximately 51 percent of the income-eligible households in the market area.

Components of Demand

There are several factors impacting housing demand and unmet need in Florence. The first is the increasing number of **retirees** moving to Florence and buying homes with equity from other places. The second is the number of housing units owned by persons using the homes as **vacation homes**. These two factors have increased demand for single-family homes, and contributed to the rise in prices. As

mentioned earlier, anecdotal information suggests that retirees represent the largest share of home buyers in Florence over the last several years.

The third is increasing **employment**. This also attracts households from outside the Florence area into the Florence housing market. Don Bourland of PeaceHealth said that the shortage of available housing stock at all price points has negatively impacted their ability to recruit employees to Florence. Approximately ten percent of their 440 employees live outside of Florence, due to the difficulty of finding affordable housing in Florence. Bob Garcia, Economic Development Director of the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians estimated that 20 percent of their 236 employees at the Three Rivers Casino live outside of Florence. The school district estimated that 10 percent of their 175 employees live outside of Florence. Fred Meyer estimated that 25 percent of their 170 employees live outside of Florence. Barb Miller of the City of Florence said that 19 of their employees live outside the city limits, though 18 of them are within the Florence school district, and she feels they live outside the city limits due to a desire to live in a more rural setting.

Peace Health is projecting an increase of 30 employees over the next year. Three Rivers Casino is projecting an increase of 214 employees, due to opening a new casino and hotel within the next year. Peace Health estimates that 25 percent to 30 percent of their employees make less than \$35,000 per year. Three Rivers Casino did not indicate. The various employers estimated that between 60 and 90 percent of their employees making less than \$35,000 were in two-wage-earner households.

Vacancy and Rents

I surveyed nine market-rate apartment complexes in Florence, comprising a total of 118 housing units. The complexes were built between the 1940s and 1981. They indicated one-bedroom rents in the range of \$400 to \$585, two-bedroom rents in the range of \$495 to \$700, and three-bedroom rents in the range of \$650 to \$725. Of the 118 units surveyed, none (0 percent) were vacant. Please note that I attempted, without success to survey the Sunset Apartments. I did talk to the manager last October. At that time his 32 one-bedroom rents were at \$400, and he had three vacancies. Although the information is almost a year old, I included it in the rent survey.

In addition to the apartment complexes, I surveyed several duplexes and single-family rentals. They indicated two-bedroom rents in the range of \$750 to \$950 for units built since 2000, and \$645 to \$900 for units built in the 1980s. They indicated three-bedroom rents in the range of \$875 to \$1,050. The ages ranged from the 1970s to 1990s. There was one four-bedroom unit, completed in 2006, which rents for \$1,200. Eight of the two-bedroom units completed in 2006 were vacant. Their rents ranged from \$750 to \$950. There is some demand for furnished units. The furnishings result in a \$350 increase over the base rent.

I surveyed seven affordable complexes, comprising a total of 264 units. Of the 264 units, 148 were family units of which 100 were Section 8 or Public Housing Units with tenants paying 30 percent of their income toward rent. Only Oak Terrace with 48 units has set rents for families. They are \$370 for two-bedroom units and \$425 for three-bedroom units. There was only one vacancy in the 148 family units for a vacancy rate of 0.7 percent.

The remaining 116 affordable units are for elderly and/or disabled tenants. Of the 116 elderly units, 76 charge tenants 30 percent of their income toward rent. Tanglewood, with 40 units has set rents. They have 30 percent units, 40 percent units, 50 percent units, and 60 percent units, with 26 of the 40 being at 60 percent rents. Their one-bedroom rents range from \$262 to \$481 and their two-bedroom rents range from \$313 to \$619. In the elderly units I surveyed, there were five vacancies, or 2.3 percent. Two of

those vacant units were in Tanglewood, which was completed in December 2005, and has not yet absorbed all their units. Both are two-bedroom units (40 percent and 50 percent units.)

Wait Lists

Section 8 - According to Jill Fields of Housing and Community Services Agency of Lane County (H.A.C.S.A.), as of April 10, 2006, there were 5,483 households on the Section 8 waiting list for Lane County. The wait list was closed to new applicants in October 2005, and will remain closed until the wait time is judged to be between 18 and 24 months. The current wait time is 40 to 42 months.

Of the 5,483 households on the wait list, 8 percent are elderly, and 32 percent have a disabled family member. The elderly and disabled households may overlap. Forty-two percent want one-bedroom units, 37 percent want two-bedroom units, 18.5 percent want three-bedroom units, and 2 percent want four or more bedrooms. Almost 96 percent make less than 30 percent of median. Ms. Fields indicated that household income of the applicants usually changes between the time they apply and the time they receive vouchers. It appears that on average, their income increases.

Two percent of the current Section 8 voucher holders live in Florence, implying that **110 households** on the waiting list want to live in Florence.

Apartment Complex Wait Lists – Six of the seven affordable complexes in Florence have waiting lists. They have a combined total of **193 households** on their waiting lists, of which **131 households** are waiting for family units.

Rental Concessions – None of the landlords are offering rental concessions.

Anecdotal Information – Sue Hogue, who manages and owns the Kingswood Apartments said that she lives in her complex and is friends with her tenants. It is difficult for her to raise her rents, because she knows her tenants can not afford to pay more, and she is friends with them. With sixteen units, she loses an average of two tenants per year, which is a very low turn over rate.

Susan is the manager of the six-plex on 22nd Street. Three of her tenants have been in their units for three or more years, and two have been there for more than one year. One of her tenants is struggling as her hours were reduced from when she moved into the unit.

Barbara, who manages four complexes indicated that she has very little turnover. A couple people have bought homes. The remaining turnover is due to an inability to keep up with the rent, due to a reduction in hours or a lost job

One manager indicated she gets a lot of requests for three-bedroom units at less than \$1,000. Another indicated that pets are an issue, because many apartments don't allow pets.

Most of the managers indicated that most of their tenants were either working in the service retail industry or in health care. There were also a few laborers and fishermen. Seasonal laborers have a very difficult time. Many of the tenants are two-wage-earner households.

Demographic Analysis - H.U.D.'s State of Cities Data Systems (SOCDS) Comprehensive Housing Affordability Study (CHAS), as of the 2000 Census, provides information for each municipality regarding the number of renter and owner-occupied households by income level (less than 30 percent of median, 30 percent to 50 percent of median, 50 percent to 80 percent, and over 80 percent of median). In addition, they show the ratio of those households that are in housing units with problems, that cost more than 30

percent of their income, and that cost more than 50 percent of their income. They break these households up into the following demographic categories: Elderly (1 and 2 members), Small related (2 to 4 members), Large Related (5 or more members) and Other. They also break these households up by whether they are renters or owner-occupants. In the analysis of renter households, I assumed that all elderly and Other would occupy one-bedroom units, all Small related would occupy two-bedroom units, and all Large Related would occupy three-bedroom units or larger.

Using those figures, I have calculated the number of households for each unit type, as of the 2000 Census, the number of housing units with non-economic problems, and the number of households with a cost burden in excess of 50 percent of their household income, each by income band. Using the Center for Population Research’s estimated population growth from 2000 to 2005 (which for Florence was 2.4 percent per year), I trended the data to 2007. I then subtracted the Tanglewood units, which were completed in 2005.

I estimated that one-third of the households living in problem housing units and/or paying in excess of 50 percent of their income toward rent, would not choose to move into affordable housing, and subtracted that from the combined total of problem housing units and households paying in excess of 50 percent of their income toward rent. The net total is the calculated unmet need for that size of housing units at each income band level.

Renter Households - The following three tables show those calculations for each of the three rental unit types.

This data suggests prospective net unmet need for **72** one-bedroom rental units, **19** two-bedroom rental units, and **8** three-bedroom rental units at rents affordable by households making between less than 60 percent of median.

One-bedroom Renter Households - Florence

Type	< 30%	30% to 40%	40% to 50%	50% to 60%
2000				
Other & Elderly HHs	169	103	103	59
Housing Units with problems	-	-	-	-
Cost burden > 50%	75	30	30	7
2007 Trended				
Other & Elderly HHs	200	121	121	70
Housing Units with problems	-	-	-	-
Cost burden > 50%	89	35	35	8
Less: New Housing Unit Supply	(18)	(4)	(9)	(26)
Less: HH that will choose other options	(29)	(12)	(12)	(3)
Unmet Need - One-bedroom	41	20	15	(21)

Source: SOCDS CHAS Data

Two-bedroom Renter Households - Florence

Type	< 30%	30% to 40%	40% to 50%	50% to 60%
2000				
2 - 4 person HHs	54	35	35	40
Housing Units with problems	-	-	-	-
Cost burden > 50%	14	5	5	-
2007 Trended				
2 - 4 person HHs	64	41	41	47
Housing Units with problems	-	-	-	-
Cost burden > 50%	17	6	6	-
Less: New Housing Unit Supply	-	-	-	-
Less: HH that will choose other options	(5)	(2)	(2)	-
Unmet Need - Two-bedroom	11	4	4	-
Source: SOCDs CHAS Data				

Three-bedroom Renter Households - Florence

Type	< 30%	30% to 40%	40% to 50%	50% to 60%
2000				
5 + person HHs	10	-	-	7
Housing Units with problems	-	-	-	-
Cost burden > 50%	10	-	-	-
2007 Trended				
5 + person HHs	12	-	-	8
Housing Units with problems	-	-	-	-
Cost burden > 50%	12	-	-	-
Less: New Housing Unit Supply	-	-	-	-
Less: HH that will choose other options	(4)	-	-	-
Unmet Need - Three-bedroom	8	-	-	-
Source: SOCDs CHAS Data				

Total Unmet Need for Affordable Rental Housing – The demographic data suggests unmet need for **99** one-bedroom, two-bedroom, and three-bedroom units at rents affordable by households making less than 60 percent of median. As discussed earlier, there are an estimated 110 households on the Section 8 waiting list in Lane County that would likely prefer to live in Florence. This is approximately ten percent higher than indicated by the demographic information. The combined total of the waiting lists at the affordable family complexes in Florence is 131 households, though there is likely duplication on these lists. The snapshot vacancy rate at the affordable complexes is low (2.3 percent), with the family units being extremely low (0.7 percent). In fact, with the exception of the new duplexes and the single-family homes, the market-rate apartment units are all at rents that would be affordable by households making less than 60 percent of median. Of the 118 units surveyed this year, none are vacant. Therefore, the

overall vacancy rate for affordable and market-rate units (266) affordable by households making less than 60 percent of median, is 0.38 percent.

Owner-Occupied Housing - The following three tables show those calculations for each of the three categories of owner-occupied housing.

This data, which is based on 2000 Census data suggests that there are a significant number of households in owner-occupied housing which they can not afford and/or can not adequate maintain. It suggests prospective net unmet need for **136** units for the Elderly and “Other” householders and **47** units for non-elderly households of two or more persons, with household income of less than 60 percent of median. The vast majority of this demand is due to affordability as opposed to housing with problems. Thus, it is likely that household income dropped subsequent to the purchase of the homes.

Elderly & Other Owner Households - Florence

Type	< 30%	30% to 40%	40% to 50%	50% to 60%
2000				
Other & Elderly HHs	168	158	158	122
Housing Units with problems	10	5	5	-
Cost burden > 50%	69	33	33	17
2007 Trended				
Other & Elderly HHs	199	186	186	144
Housing Units with problems	12	6	6	-
Cost burden > 50%	82	38	38	20
Less: New Housing Unit Supply	-	-		
Less: HH that will choose other o	(31)	(15)	(15)	(7)
Unmet Need - One-bedroom	63	30	30	13
Source: SOCDs CHAS Data				

Two to Four-Person Owner Households - Florence

Type	< 30%	30% to 40%	40% to 50%	50% to 60%
2000				
2 - 4 person HHs	30	12	12	20
Housing Units with problems	-	-	-	-
Cost burden > 50%	20	5	5	3
2007 Trended				
2 - 4 person HHs	35	14	14	23
Housing Units with problems	-	-	-	-
Cost burden > 50%	24	6	6	4
Less: New Housing Unit Supply	-	-	-	-
Less: HH that will choose other o	(8)	(2)	(2)	(1)
Unmet Need - Two-bedroom	16	4	4	3
Source: SOCDs CHAS Data				

Five-Person or Larger Owner Households - Florence

Type	< 30%	30% to 40%	40% to 50%	50% to 60%
2000				
5 + person HHs	25	5	5	5
Housing Units with problems	-	-	-	-
Cost burden > 50%	25	-	-	-
2007 Trended				
5 + person HHs	30	6	6	5
Housing Units with problems	-	-	-	-
Cost burden > 50%	30	-	-	-
Less: New Housing Unit Supply	-	-	-	-
Less: HH that will choose other o	(10)	-	-	-
Unmet Need - Larger Homes	20	-	-	-
Source: SOCDs CHAS Data				

Total Unmet Need for Affordable Owner-Occupied Housing – The demographic data suggests that **183** owner-occupants can not afford and/or can not maintain their homes.

Comments - The anecdotal information suggests that family households making less than 60 percent of median have little if any choices in owner-occupied housing in Florence. While there are houses on the market in the under \$140,000 price range most, if not all, are either manufactured homes or recreational vehicles, which are either not financeable and/or are in gated communities where the minimum age is 55 years. Real estate brokers reported receiving numerous phone calls requesting houses for sale at prices of under \$150,000, and they were unable to help the prospective buyers.

Based on data provided earlier in this report, the average home price in Florence increased from \$149,987 in 2002 to \$261,604 in 2005, an increase of 74.4 percent. During that same time period, median household income in Lane County (figures for Florence are not available) increased from \$43,800 to \$54,300, an increase of 23.4 percent. Thus, wages have not kept pace with housing ownership costs in Florence. Unfortunately, similar figures are not available for rents. I did survey some of the same apartment complexes in October 2005. Some of them have had rent increases in the last year, but some have not. At least some of the units with increases, have been renovated in the last year.

While verifiable statistics are not available, it is likely that those households at the lower end of the income ranges (less than 60 percent of median) are finding it more difficult to find affordable housing in Florence. Some of them have chosen to live outside of the Florence area and commute in, to get better quality housing for less money. This option becomes more challenging as gas prices increase.

Again, the demographic unmet need analysis above was based on 2000 Census data. Since that time, housing prices have increased at a much higher rate than wages. It is possible that some of the owner-occupant households that could not afford their homes in 2000 have since sold them and found more affordable housing, possibly in Florence, but likely outside of Florence. It is also possible that owners that could afford their homes in 2000 had adjustable rate mortgages, and now can not afford their homes.

Proposed Supply

According to the Florence City Planner, there are no apartments proposed in Florence.

Conclusion

I have estimated that deteriorating conditions since 2000, due to a combination of escalating home ownership costs, adjustable rate mortgages, and wages not keeping up with housing costs have offset any owners who have sold the homes they could not longer afford and moved into affordable housing elsewhere. I have concluded to combined unmet need for rental and owner-occupied housing affordable by households making less than 60 percent of median of **265 units**. Since most of the owner-occupants that could not afford their homes in 2000 had household income of less than 30 percent of median, and since there is very few homes available for sale that would be affordable by households making less than 60 percent of median, I have categorized the owner-occupants in the same way as the renter households, with “Elderly” and “Other” households in one-bedroom units, “Two to Four-Person Households” in two-bedroom units, and “Five-Person or Larger Households” in three-bedroom units. Thus, the projected unmet need is **191** one-bedroom units, **46** two-bedroom units, and **28** three-bedroom units affordable by households making between less than 60 percent of median.

**Projected Unmet Need by Income Band
Florence**

Type	< 30%	30% to 40%	40% to 50%	50% to 60%
One-bedroom	104	50	45	(8)
Two-bedroom	27	8	8	3
Three-bedroom	28	-	-	-
Total	159	58	53	(5)

Source: SOCDs CHAS Data

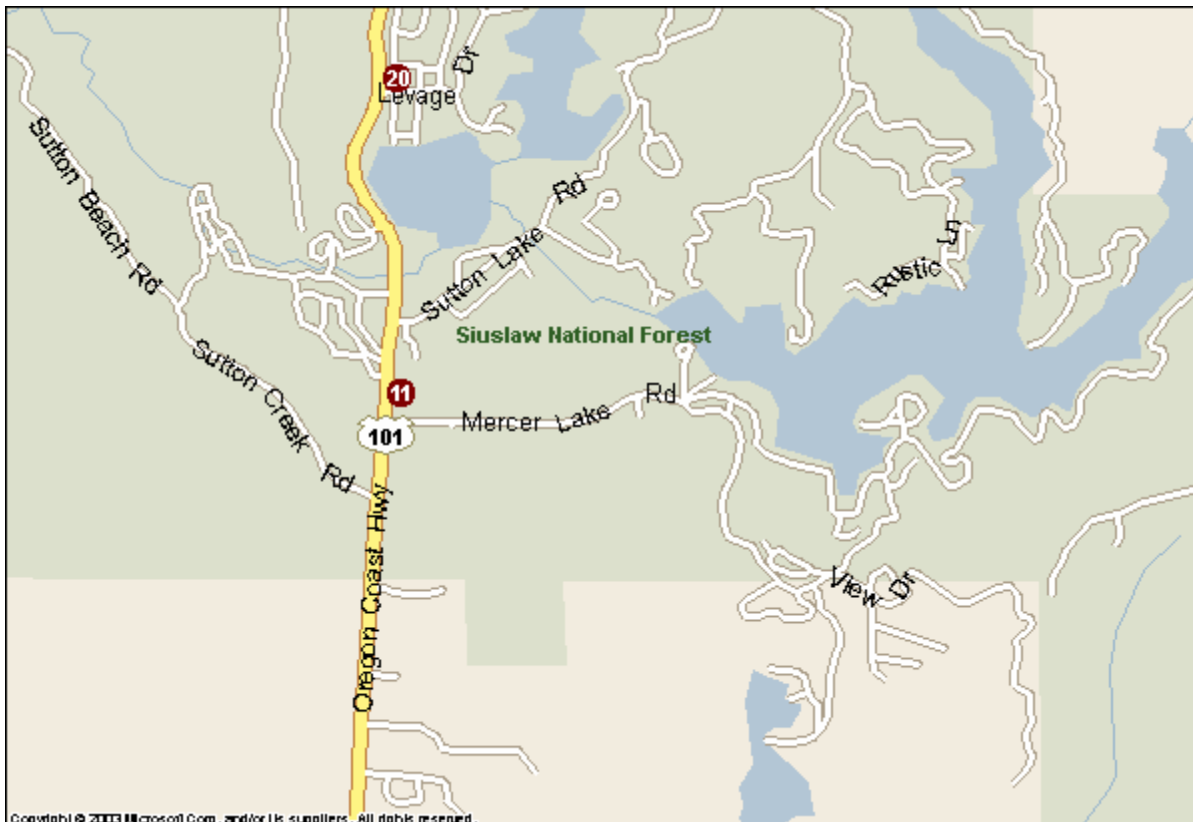
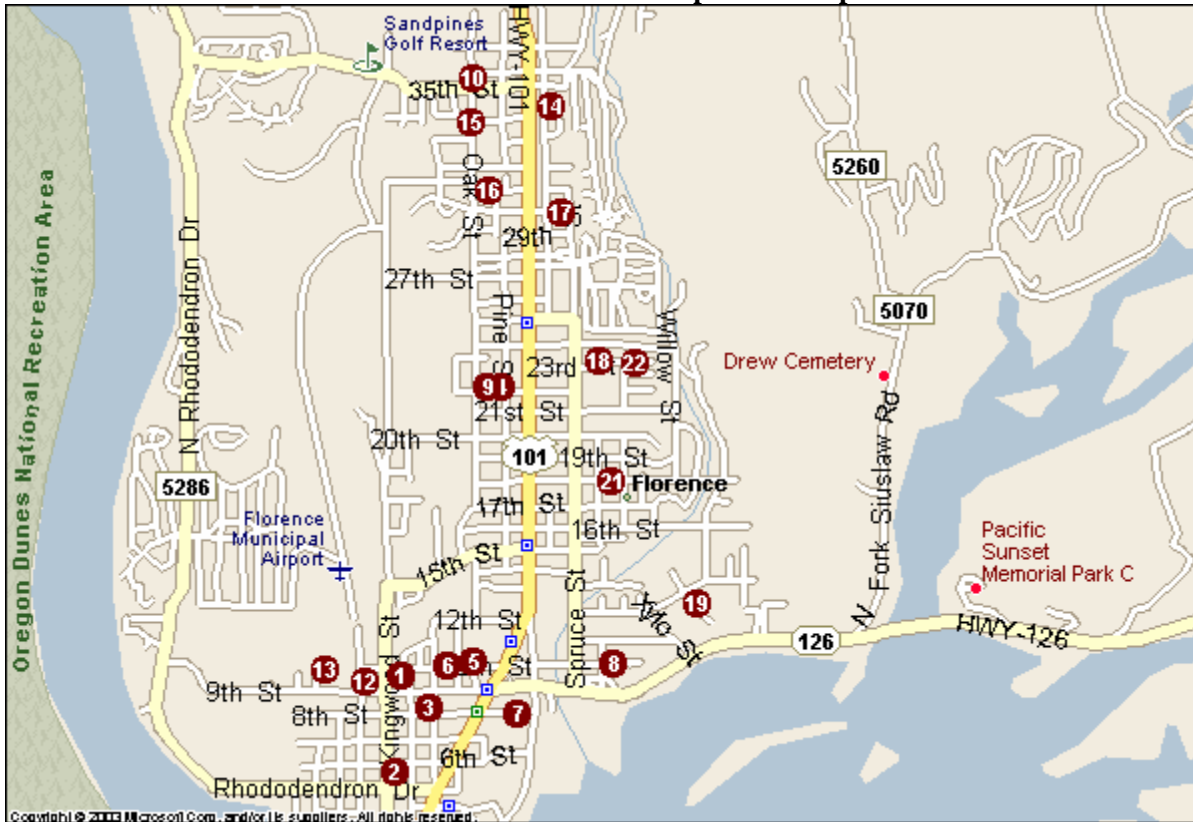
RENT COMPARABLES

In looking for rent comparables, I looked for apartment complexes listed in the phone book in Florence. I also drove around Florence looking for apartment complexes, and talked to several local property managers. The first set of comparables includes market-rate apartments, plexes, duplexes, and single-family houses. After a discussion of the market rent comparables, I have included seven affordable comparables. Both set of rent comparables represent the vast majority of apartment complexes and a representative sample of duplexes and single-family homes. It is not an exhaustive survey.

The maps on the following page show the location of these rent comparables. The first map includes the main part of Florence and 20 of the 22 comparables. The second map is an area north of the first map. (There is a gap between what is shown on the two maps.) It shows the location of two of the comparables. Details of the individual rent comparables are found on the succeeding pages.

Please note that I made numerous attempts to talk to the manager at the Sunset Apartments and left him several messages which he did not return. I did talk to him in October 2005, and have included that information, though it is almost a year out of date.

Florence Market Rent Comparable Map



Rent Comparable No. 1: Courtyard Apartments



Address: 1260 Tenth Street, Florence

Number of Units: 23

Year Built: 1970s

Quality/Condition/Style: Average quality, good condition, two-story wood-frame apartment

Parking: One open space per unit plus two visitor spaces, which is inadequate.

Common Areas: Laundry room

Unit Amenities: Refrigerator, and range/oven.

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
19	1/1	700 SF	\$400	0
1	2/1	900 SF	Mgr.	0
1	Studio	550 SF	\$375	0

Utilities Included: Water/sewer and Garbage

Confirmed By: Susan, 541-997-7368 (8/28/06 SM)

Comments:

She requires tenants make 2.5 times the rent in income with most making close to that amount. This complex was remodeled two years ago, and the owner has decided to convert the complex to condominiums. Thus, as units empty, they will not be re-leased.

Rent Comparable No. 2: Kingwood Apartments



Address: 570 Kingwood, Florence
Number of Units: 16
Year Built: 1981
Quality/Condition/Style: Average plus quality, good condition, two-story wood-frame apartment
Parking: 1.5 spaces per unit, which is adequate
Common Areas: Patio and Laundry room
Unit Amenities: Refrigerator, range/oven, and disposal

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
11	1/1	700 – 750 SF	\$475 - \$585	0
5	2/1	1,000 SF	\$600	0

Rent Comments: The difference in rent is due to the size of the unit, whether there is a fireplace, and the timing of when the tenant moved into the complex. These rents are flat from ten months ago.

Utilities Included: Water/sewer and Garbage

Confirmed By:

Sue Hogue, 541-991-7773 (8/28/06 SM)

Tenant Demographics:

She requires tenants make three times the rent in income. Approximately half of her tenants are in service jobs with the other half in professional jobs. She has three on her waiting list. She recently listed the property for sale at \$1,300,000. She feels her rents are under market, but is reticent to raise the rents for tenants that have been there for awhile.

Rent Comparable No. 3: Sunset Apartments of Oregon



Location: 1340 Ninth, Florence

No. of Units: 32

Year Built: 1981

Quality/Condition/Style: Average plus quality, average condition, two-story wood-frame apartment

Parking: One per unit, which is adequate

Common Areas: Laundry room

Unit Amenities: Refrigerator, and range/oven.

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
32	1/1	550 SF	\$400	3

Move-in Incentives: None

Utilities Included: Water/sewer and Garbage

Site Contact: Jason, 541-997-6479 (10/21/05 SM)

Tenant Demographics: Tenants are required to make three times the rent.

Rent Comparable No. 4:



Address: 1675 W. 22nd, Florence
Number of Units: 6
Year Built: Late 1970s or early 1980s
Quality/Condition/Style: Average quality, average condition, one-story wood-frame apartment
Parking: Open spaces only
Unit Amenities: Refrigerator, and range/oven.

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
6	2/1	N/A	\$495	0

Rent Comments: Tenants who have been in the units for awhile pay \$475, with new tenants paying \$495. These rents are flat from ten months ago.

Utilities Included: Water/sewer and Garbage

Tenant Demographics: She requires tenants make 2.5 times the rent in income, with most making close to that amount. One tenant's income recently dropped due to a job loss. She is hoping to move into an affordable unit. Three of the

tenants have been there more than three years, and two have been there more than one year.

Confirmed By:

Susan, 541-997-7368 (8/28/06 SM)

Comments:

She feels these are the nicest two-bedroom units in town. She does not keep a waiting list, due to low turnover. When a tenant gives notice, they typically have several friends approach the manager about renting the vacant unit.

Rent Comparable No. 5: Gold Coast Apartments



Address: 1575 W. Tenth, Florence

Number of Units: 14

Year Built: 1979

Quality/Condition/Style: Average quality, good condition, one-story wood-frame apartment

Parking: Open Parking

Common Areas: Laundry room

Unit Amenities: Refrigerator, range/oven, and disposal. Units have large patios.

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
6	1/1	720 SF	\$500	0
8	2/1	852 SF	\$585	0

Utilities Included: Water/sewer and Garbage

Confirmed By: Barbara, 541-997-8098 (9/6/06 SM)

Comments: The two-bedroom rents are up \$20 from a year ago.

Barbara manages four complexes. She has very little turnover. Typically, tenants leave to either buy a house or due to their job situation. Some work seasonally, and others get laid off or are unable to keep up with the rent. She will work with tenants, and in some cases accepts a portion of the rent payment three times per month. Typically units are occupied by two wage earners, who work in service retail, restaurants, health care, or fishing. Most work in Florence.

Her screening criteria are strictly based on their criminal background. She lets the prospective tenant determine if they can afford the rent.

She does not keep a waiting list, but fills units on a first-come, first-served basis.

Rent Comparable No. 6: Colonial Coast Apartments



Location: 1475 W. Tenth
No. of Units: 8
Year Built: 1978
Quality/Condition/Style: Average quality, good condition, two-story wood-frame apartment
Parking: Open spaces
Common Areas: None
Unit Amenities: Refrigerator, range/oven, and disposal.

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
7	2/1	750 SF	\$585	0
1	3/1	N/A	\$650	0

Utilities Included: Water/sewer and Garbage
Site Contact: Barbara, 541-997-8098 (9/6/06 SM)
Comments: The two-bedroom rents are up \$35 from a year ago.

Rent Comparable No. 7: Timbers



Address: 1750 E. Eighth Florence

Number of Units: 25

Year Built: 1979

Quality/Condition/Style: Average quality, good condition, two-story wood-frame apartment

Parking: 1.5 open spaces per unit.

Common Areas: Laundry room

Unit Amenities: Disposal, refrigerator, and range/oven.

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
24	2/1	850 SF	\$585	0
1	3/1	N/A	\$650	0

Move-in Incentives: None.

Utilities Included: Water/sewer and Garbage

Confirmed By: Barbara, 541-997-8098 (9/6/06 SM)

Comments: The two-bedroom rents are up \$20 from a year ago.

Rent Comparable No. 8: Pine Grove Condominiums



Address: 2153 Tenth, Florence

Number of Units: 8

Year Built: 1979

Quality/Condition/Style: Above average quality, average condition, two-story wood-frame apartment

Parking: 1.5 open spaces per unit.

Common Areas: Laundry room

Unit Amenities: Disposal, dishwasher, refrigerator, and range/oven. All units have washer/dryer hookups. Some have washer/dryer units.

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
8	2/1	900 SF	\$700	0

Move-in Incentives: None.

Utilities Included: Water/sewer and Garbage
Confirmed By: Barbara, 541-997-8098 (9/6/06 SM)
Comments: These rents are up \$75 from a year ago.

Rent Comparable No. 9: Driftwood



Address: 1621 W. 22nd, Florence

Number of Units: 8

Year Built: 1970s

Quality/Condition/Style: Average quality, average condition, two-story wood-frame apartment

Parking: 1.25 open spaces per unit, which is adequate.

Common Areas: Barbecue area

Unit Amenities: Disposal, refrigerator, and range/oven.

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
8	2/1	825 SF	\$550 - \$650	0

Move-in Incentives: None. Rent range depends on whether unit has been rehabilitated.

Utilities Included: Water/sewer and Garbage

Confirmed By: Shannon, 541-997-1351 (9/6/06 SM)

Comments:

She requires tenants make two times the rent, with most making close to that amount. Most work in the service industry and are single. About half of her tenants are long-term. Typically, those tenants that do leave have rent issues, due to a lost job.

She does not keep a waiting list, but does have lots of request for these units.

Rent Comparable No. 10: 3530 Oak



Address: 3530 Oak, Florence
Number of Units: 6
Year Built: 1970s
Quality/Condition/Style: Average quality, average condition, two-story wood-frame apartment
Parking: Open spaces
Common Areas: None
Unit Amenities: Disposal, dishwasher, refrigerator, range/oven, and washer/dryer units

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
6	2/1	900 SF	\$600 - \$625	0

Move-in Incentives: None. Rent range depends on whether unit has been rehabilitated.
Utilities Included: Water/sewer and Garbage
Confirmed By: Shannon, 541-997-1351 (9/6/06 SM)

Rent Comparable No. 11: Haseta Apartments



Address: 87687 Hwy. 101, Florence
Number of Units: 10
Year Built: 1940s
Quality/Condition/Style: Below average quality, average condition
Parking: Open spaces
Common Areas: None
Unit Amenities: Refrigerator and range/oven

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
4	1/1	N/A	\$535 - \$545	0*
6	2/1	N/A	\$535 - \$650	0*

Rent Comments: Rent range depends on whether unit has been rehabilitated and its size and configuration. Three of the one-bedroom units and one of the two-bedroom units are currently being rehabilitated and are not available for lease.

Utilities Included:

Water/sewer and Garbage

Confirmed By:

Linda Westphal, 541-997-8277 (9/6/06 SM)

Comments:

She requires that tenants make three times the rent in income, with most making close to that amount. Tenants work in Florence. Two work in construction, one is retired, one is in the Coast Guard, and one is a nurse. There are children in one of the units only. She does not keep a waiting list.

Condominium Rent No. 12: 953-955 Jasper Lane



Address: 953-955 Jasper Lane, Florence
Number of Units: 12
Year Built: 2006
Quality/Condition/Style: Above average quality, excellent condition
Parking: One-car garage
Unit Amenities: Disposal, dishwasher, refrigerator, range/oven, microwave, and washer/dryer hookup

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
12	2/2.5	1,200 SF	\$950	2

Utilities Included: None
Confirmed By: Neuel Rutledge, 541-997-6235 (9/6/06 SM)

Condominium Rent No. 13: 820 Whispering Pines



Address: 820 Whispering Pines, Florence
Year Built: 2006
Quality/Condition/Style: Average quality, excellent condition
Parking: Open Parking Only
Unit Amenities: Disposal, dishwasher, refrigerator, range/oven, microwave, and washer/dryer hookup

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
“Several”	2/1.5	1,000 SF	\$750 - \$850	6

Rent Comments: Lower units are \$850.
Utilities Included: None
Confirmed By: Neuel Rutledge, 541-997-6235 (9/6/06 SM)
Comments: He requires four times the rent in income. These units are also available for sale, with an asking price on the lower units of \$184,500. There are 12 to 16 completed units. There will be 44 units when completed.

House Rent No. 14: 122 and 124 Park Village Loop

No Picture Available

Address: 122 and 124 Park Village Loop, Florence
Year Built: 2005
Quality/Condition/Style: Above average quality, very good condition,
Parking: Two-car garage
Unit Amenities: Disposal, dishwasher, refrigerator, range/oven, microwave, and washer/dryer hookup

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
1	3/2	1,500 SF	\$1,100	0
1	4/3	1,700 SF	\$1,200	0

Utilities Included: None
Confirmed By: Neuel Rutledge, 541-997-6235 (9/6/06 SM)
Comments: Similarly-sized homes on this street are selling in the range of \$255,000 to \$269,000.

House Rent No. 15:

3397 Oak



Address: 3397 Oak, Florence

Year Built: 2003

Quality/Condition/Style: Above average quality, very good condition,

Parking: Two-car garage

Unit Amenities: Disposal, dishwasher, refrigerator, range/oven, microwave, and washer/dryer units

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
2	2/2	1,100 SF	\$850	0

Utilities Included: None

Confirmed By: Shannon, 541-997-1351 (9/6/06 SM)

Comments: She requires a one-year lease on houses. Tenants typically have more professional jobs (as opposed to service retail in the apartments). Some tenants stay in houses for a long time, others leave due to affordability issues.

Prospective tenants looking at houses prefer three-bedroom/two-bath units, which are in short supply (as compared to two-bedroom units). The biggest need in apartments is affordability, which she defines as \$450 for one-bedroom units and less than \$550 for two-bedroom units.

She said there are not enough houses available for prospective tenants. Pets are an issue. Many property owners will not allow pets, and many prospective tenants have them.

House Rent No. 16: 1637 W. 31st



Address: 1637 W. 31st, Florence
Number of Units: 2
Year Built: 1980s
Quality/Condition/Style: Above average quality, average condition
Parking: Garage
Common Areas: None
Unit Amenities: Refrigerator, dishwasher, disposal, and range/oven

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
2	2/1	N/A	\$900	0

Utilities Included: None
Confirmed By: Linda Westphal, 541-997-8277 (9/6/06 SM)

House Rent No. 17: 1924 E. 30th



Address: 1924 E. 30th, Florence
Number of Units: 2
Year Built: 1980s
Quality/Condition/Style: Above average quality, average condition
Parking: Garage
Common Areas: None
Unit Amenities: Refrigerator, dishwasher, and range/oven

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
2	2/1	N/A	\$645	0

Utilities Included: None
Confirmed By: Linda Westphal, 541-997-8277 (9/6/06 SM)

House Rent No. 18:

2110 E. 23rd



Address: 2110 E. 23rd, Florence
Year Built: 1996
Quality/Condition/Style: Above average quality, good condition
Parking: Two-car garage
Unit Amenities: Disposal, dishwasher, refrigerator, range/oven

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
1	3/2	N/A	\$1,050	0

Utilities Included: None
Confirmed By: Linda Westphal, 541-997-8277 (9/6/06 SM)
Comments: She gets the most calls for three-bedroom/two-bath units at under \$1,000. Typically, prospective tenants ask what she has at a certain price, as opposed to unit size.

House Rent No. 19:

1220 Yew Street



Address: 1220 Yew Street, Florence

Year Built: 1996

Quality/Condition/Style: Average quality, good condition,

Parking: Two-car garage

Unit Amenities: Disposal, dishwasher, refrigerator, range/oven, microwave, and washer/dryer unit

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
1	3/2	1,300 SF	\$925	0

Utilities Included: None

Confirmed By: Shannon, 541-997-1351 (9/6/06 SM)

House Rent No. 20:

89379 Shorecrest Dr.



Address: 89379 Shorecrest Drive, Florence

Year Built: 1992

Quality/Condition/Style: Average quality, good condition,

Parking: Detached garage

Unit Amenities: Dishwasher, refrigerator, range/oven, microwave, and washer/dryer hookups

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
1	3/2	1,200 SF	\$875	0

Utilities Included: None

Confirmed By: Shannon, 541-997-1351 (9/6/06 SM)

Comments: This is the nicest house on the street. There are five or six older and smaller manufactured homes for sale on the west side of the street, which back onto Hwy. 101. Sutton Lake is two blocks south.

House Rent No. 21:

1938 E. 18th



Address: 1938 E. 18th, Florence

Year Built: 1970s

Quality/Condition/Style: Above average quality, average condition

Parking: Two-car garage

Unit Amenities: Disposal, dishwasher, refrigerator, range/oven, fireplace

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
1	3/2	N/A	\$925	0

Utilities Included: None

Confirmed By: Linda Westphal, 541-997-8277 (9/6/06 SM)

House Rent No. 22:

2235 23rd



Address: 2235 23rd, Florence

Year Built: 1972

Quality/Condition/Style: Above average quality, good condition

Parking: Two-car garage

Unit Amenities: Disposal, dishwasher, refrigerator, range/oven, microwave, and washer/dryer hookup

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
1	3/2	1,70 SF	\$1,000	0

Utilities Included: None

Confirmed By: Neuel Rutledge, 541-997-6235 (9/6/06 SM)

Summary of Market-Rate Apartment Rent Comparables

No.	Name/Location	Year Built	Total Units	Vacancy	No. Units	Unit Type	No. Vacant	Min. Rent	Max. Rent	Min. Unit SF	Max. Unit SF	Min Rent/sf	Max Rent/sf
1	Courtyard 1260 Tenth Street Florence	1960	23	0 0.0%	23	1/1	0	\$400	\$400	750	750	\$0.53	\$0.53
2	Kingwood 570 Sixth Florence	1981	16	0 0.0%	11 5	1/1 2/1	0 0	\$475 \$600	\$585 \$600	700 1,000	750 1,000	\$0.68 \$0.60	\$0.78 \$0.60
3	Sunset Apartments 1340 Ninth Florence	1981	32	3 9.4%	32	1/1	3	\$400	\$400	550	550	\$0.73	\$0.73
4	1675 W. 22nd Florence	1970s	6	0 0.0%	6	2/1	0	\$495	\$495	N/A	N/A	N/A	N/A
5	Gold Coast 1575 W. Tenth Florence	1979	14	0 0.0%	6 8	1/1 2/1	0 0	\$500 \$585	\$500 \$585	720 852	720 852	\$0.69 \$0.69	\$0.69 \$0.69
6	Colonial Coast 1475 W. Tenth Florence	1978	8	0 0.0%	7 1	2/1 3/1	0 0	\$585 \$650	\$585 \$650	750 N/A	750 N/A	\$0.78 N/A	\$0.78 N/A
7	Timbers 1750 E. Eighth Florence	1979	25	0 0.0%	24 1	2/1 3/1	0 0	\$585 \$650	\$585 \$650	850 N/A	850 N/A	\$0.69 N/A	\$0.69 N/A
8	Pinegrove 2153 Tenth Florence	1979	8	0 0.0%	8	2/1	0	\$700	\$700	900	900	\$0.78	\$0.78
9	Driftwood 1621 W. 22nd Florence	1970s	8	0 0.0%	8	2/1	0	\$550	\$650	800	850	\$0.69	\$0.76
10	3530 Oak Florence	1970s	6	0 0.0%	6	2/1	0	\$600	\$625	900	900	\$0.67	\$0.69
11	87687 Hwy 101 Florence	1940s	10	0 0.0%	4 6	1/1 2/1	0 0	\$535 \$535	\$545 \$650	N/A N/A	N/A N/A	N/A N/A	N/A N/A
12	953 - 955 Jasper Lane Florence	2006	12	2 16.7%	12	2/2.5	2	\$950	\$950	1,200	1,200	\$0.79	\$0.79
13	820 Whispering Pines Florence	2006	12	6 50.0%	12	2/1.5	6	\$750	\$850	1,000	1,000	\$0.75	\$0.85

Summary of Market-Rate House/Duplex Rent Comparables

No.	Name/Location	Year Built	Total Units	Vacancy	No. Units	Unit Type	No. Vacant	Min. Rent	Max. Rent	Min. Unit SF	Max. Unit SF	Min Rent/sf	Max Rent/sf
14	122 & 124 Park Village Loop, Florence	2005	2	0	1	3/2	0	\$1,100	\$1,100	1,500	1,500	\$0.73	\$0.73
				0.0%	1	4/3	0	\$1,200	\$1,200	1,700	1,700	\$0.71	\$0.71
15	3397 Oak St. Florence	2004	2	0	2	2/2	0	\$850	\$850	1,100	1,100	\$0.77	\$0.77
				0.0%									
16	1637 W. 31st Florence	1980s	2	0	2	2/1	0	\$900	\$900	N/A	N/A	N/A	N/A
				0.0%									
17	1924 E. 30th Florence	1980s	2	0	2	2/1	0	\$645	\$645	N/A	N/A	N/A	N/A
				0.0%									
18	2110 E. 23rd Florence	1996	1	0	1	3/2	0	\$1,050	\$1,050	N/A	N/A	N/A	N/A
				0.0%									
19	1220 Yew St. Florence	1996	1	0	1	3/2	0	\$925	\$925	1,300	1,300	\$0.71	\$0.71
				0.0%									
20	89379 Shorecrest Florence	1992	1	0	1	3/2	0	\$875	\$875	1,200	1,200	\$0.73	\$0.73
				0.0%									
21	1938 E. 18th Florence	1970s	1	0	1	3/2	0	\$925	\$925	N/A	N/A	N/A	N/A
				0.0%									
22	2235 23rd Florence	1972	1	0	1	3/2	0	\$1,000	\$1,000	1,700	1,700	\$0.59	\$0.59
				0.0%									

Rents

The spreadsheets on the previous two pages summarize the pertinent details regarding the market rent apartment and house/duplex comparables.

The only two apartment complexes that have been built since 1981 in Florence, were both built as condominiums, and are a series of four-plexes. The ones on Jasper Lane are two-bedroom 2.5-bath units with attached garages. They are 1,200 square feet and rent for \$950 (\$0.79 per square foot). The ones on Whispering Pines are two-bedroom 1.5-bath units with open parking only. They are 1,000 square feet and rent for \$750 to \$850 (\$0.75 to \$0.85 per square foot).

The remaining complexes were built between the 1940s and 1981. They indicated one-bedroom rents in the range of \$400 to \$585; two-bedroom rents in the range of \$495 to \$700; and two three-bedroom units that rent for \$650. As you can see, there is considerable overlap in rents with quality and condition contributing to the differences. Some of the owners are in the process of or have rehabbed their units. They are able to get significant premiums for the rehabbed units.

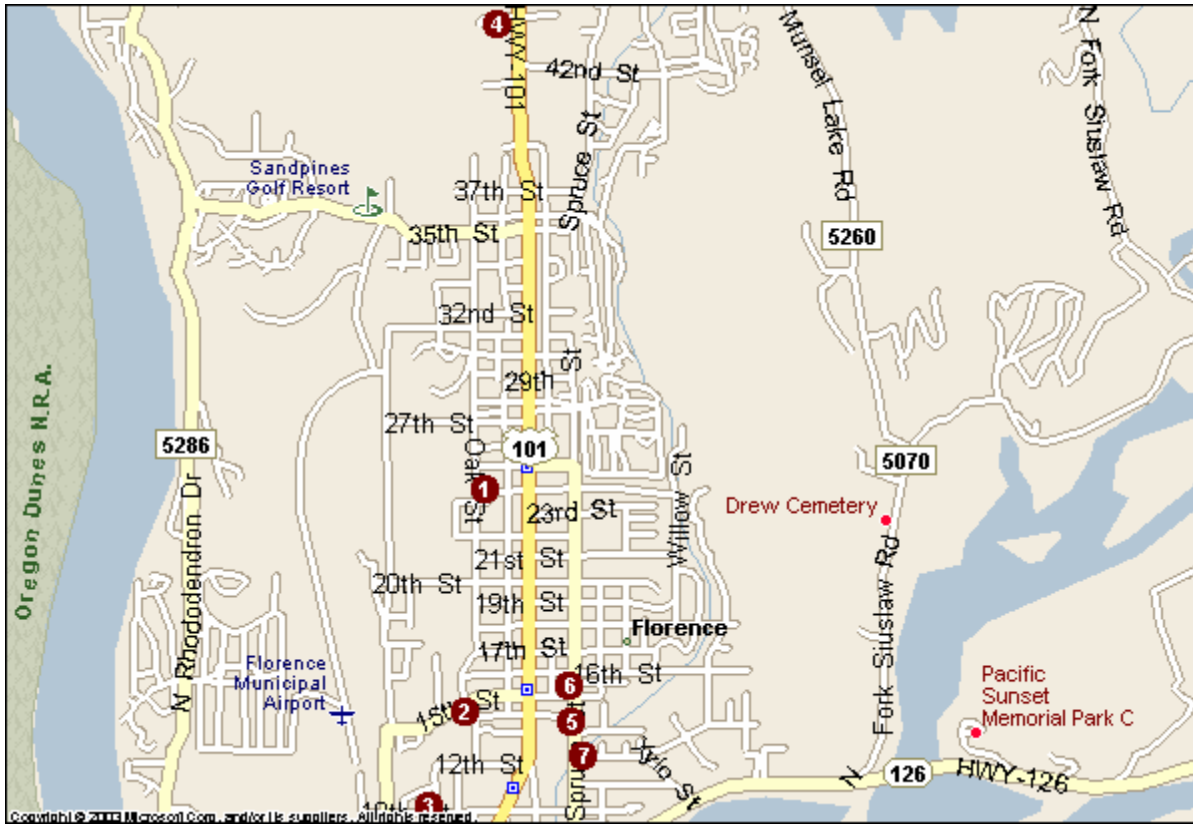
Rents for two-bedroom homes or duplexes range from \$645 to \$900. Rents for three-bedroom homes range from \$875 to \$1,100. One four-bedroom home rents for \$1,200.

With the exception of the four-plexes on Jasper Lane and Whispering Pines, which are in initial lease-up, there are not any vacant apartment units. (I was unable to reach the manager at Sunset Apartments, though there was no vacancy sign, and no listing in the newspaper. Ten months ago, he had three vacancies.)

Affordable Rent

The map on the following page shows the location of the affordable rent comparable. Write-ups of the comparables follow the map.

Florence Affordable Rent Comparable Map



Rent Comparable No. 1: Oak Terrace Apartments



Address: 2350 – 2490 Oak, Florence
Project Type: Section 42
Number of Units: 48
Year Built: 1999
Quality/Condition/Style: Average quality, good condition, two-story wood-frame apartment
Parking: There are 1.5 spaces per unit.
Common Areas: Playground, community room, garden, and laundry
Unit Amenities: Refrigerator and range/oven.

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
24	2/1	852 SF	\$370	0
24	3/2	1,242 SF	\$425	1

Utilities Included: Water/sewer and garbage.
Confirmed By: Melissa at St. Vincent de Paul, 866-739-0867 (8/29/06 SM)

Tenant Demographics:

Five percent of tenants are singles, five percent are couples, with the remaining 90 percent families. Approximately one third of the tenants are on S.S.I. due to being either disabled or seniors. The remaining two thirds typically work in service retail, including 7-11, restaurants, and the St. Vincent de Paul Store. (Employees at the St. Vincent de Paul store that work 32 hours a week or more receive health benefits.)

With the exception of less than a handful of all tenants who have lived at Oak Terrace since it opened, all lived in Florence prior to moving to Oak Terrace. A few had lived in Florence, moved out of Florence to obtain affordable housing, and then returned to Florence due to the availability of Oak Terrace. The on-site managers are one of the tenants that moved from outside of Florence.

Maximum income is 50 percent of median. She has 33 people on the waiting list.

Rent Comparable No. 2: The Pines



Address: 1550 15th, Florence
Project Type: Section 8
Number of Units: 25
Year Built: 1970s
Quality/Condition/Style: Average quality, average condition, one-story wood-frame apartment
Parking: Open parking only
Common Areas: None
Unit Amenities: Refrigerator, and range/oven.

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
11	2/1	760 SF	30% of income	0
14	3/1	840 SF	30% of income	0

Utilities Included: Water/sewer and Garbage.
Wait List: His waiting list ranges from ten to 100.
Tenant Demographics: All of the tenants are families. Ninety percent work, all in Florence. They are a mix of labor and service retail jobs.
Confirmed By: Bob, 541-997-2022 (9/7/06 SM)

Rent Comparable No. 3: Laurelwood Homes



Address: 11th and Maple, Florence

Project Type: Public Housing

Number of Units: 30

Year Built: 1961

Quality/Condition/Style: Average quality, average condition, one-story wood-frame duplexes

Parking: Open parking only

Common Areas: Playground and community room

Unit Amenities: Refrigerator, and range/oven.

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
6	1/1	N/A	30% of income	0
14	2/1	N/A	30% of income	0
6	3/1	N/A	30% of income	0
4	4/1	N/A	30% of income	0

Utilities Included: Water/sewer and Garbage.

Wait List: There is one waiting list for public housing for all of Lane County. Applicants can express willingness to locate outside the Eugene/Springfield area and have a shorter wait for housing. For outlying areas, the wait is six months to a year.

Tenant Demographics: Maximum income is 50 percent of median. There are 35 adults, of which ten have jobs and an additional two are aides at the complex and receive a small stipend. Two receive temporary assistance, three have pensions, nine receive SSI, twelve receive Social Security, two receive child support, and three receive income from a category not previously listed.

Confirmed By: John Dimboni (HACSA), 541-682-2585 (9/08/06 SM)

Rent Comparable No. 4: Siuslaw Dunes Apartments



Address: 1750 43rd, Florence

Project Type: Section 8 Family

Number of Units: 45

Year Built: 1982

Quality/Condition/Style: Average quality, good condition, two-story wood-frame apartments

Parking: Open parking only

Common Areas: Playground

Unit Amenities: Refrigerator, and range/oven

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
6	1/1	500 SF	30 % of income	0
31	2/1	804 - 829 SF	30 % of income	0
8	3/1.5	1,040 SF	30 % of income	0

Utilities Included: Water/sewer and Garbage.

Confirmed By:

Ken, 541-997-6036 (8/29/06 SM)

Tenant Demographics:

Two percent of the tenants are singles, 3 percent are couples, and 95 percent are families. The maximum income is 50 percent of median. She has 20 on the waiting list for one-bedroom units, ten for two-bedroom units, and 18 for three-bedroom units. She loses six to ten tenants per year. Approximately half of her tenants are employed, working at the casino, Subway, Elks Lodge and other service retail jobs.

Prospective tenants are living with relatives, commuting from out of town, etc.

Rent Comparable No. 5: Windsong Senior Apartments



Address: 1365 Spruce, Florence

Project Type: Section 42

Number of Units: 32

Year Built: 1994

Quality/Condition/Style: Average quality, good condition, two-story wood-frame, central hall-plan apartment

Parking: Open spaces

Common Areas: Community room

Unit Amenities: Refrigerator, and range/oven.

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
29	1/1	625 SF	30% of Income	0
3	2/1	810 SF	30% of Income	0

Utilities Included: Water/sewer and garbage.

Confirmed By: Katy, 541-997-5398 (8/29/06 SM)

Tenant Demographics: Three percent of tenants are couples, with the remaining 97 percent being singles. The maximum income is 60 percent of median.

Wait List: She has 19 people on her waiting list. She has lost two tenants since February 2006.

Rent Comparable No. 6: Tanglewood Senior Apartments



Address: 1956 16th, Florence

Project Type: Section 42 Elderly

Number of Units: 40

Year Built: December 2005

Quality/Condition/Style: Average quality, excellent condition, two-story wood-frame, central hall-plan apartment

Parking: Open spaces

Common Areas: Community rooms (2)

Unit Amenities: Refrigerator, range/oven, and dishwasher.

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
36	1/1	742 SF	\$262, \$363, \$465, \$481	0
3	2/1	1,014 SF	\$313, \$436, \$558, \$619	2

Rent Comments: Rents are at 30 percent, 40 percent, 50 percent and 60 percent of median. Twenty-six of the units are at the 60 percent rents.

Utilities Included: Water/sewer and garbage.

Confirmed By: Betty, 541-997-8817 (8/29/06 SM)

Tenant Demographics: Five percent of tenants are couples, with the remaining 95 percent being singles. The maximum income is 60 percent of median.

Wait List: She has 8 people on her waiting list for one-bedroom units at the lower rent levels.

Absorption: They have absorbed 38 of the 40 units since completion in December 2005, for an average absorption rate of four units per month.

Rent Comparable No. 7: Munsel Park Apartments



Address: 2021 12th Street, Florence

Project Type: Disabled and Elderly

Number of Units: 44

Year Built: 1976 and 1980

Quality/Condition/Style: Average quality, average condition, two-story wood-frame apartment

Parking: Open parking only.

Common Areas: Community Room

Unit Amenities: Refrigerator, range/oven.

Unit Rents

No.	Bed/Baths	Sq. Ft.	Rent	# Vacant
36	1/1	648 SF	30% of income	2
8	2/1	748 SF	30% of income	0

Rent Comments: The maximum rent is \$410 for the one-bedroom units and \$460 for the two-bedroom units. None of the tenants are paying the maximum rent.

Utilities Included: Water/sewer and garbage.

Confirmed By: Ken, 541-997-2661 (8/29/06 SM)

Tenant Demographics: 95 percent are singles and 5 percent are couples. The maximum income is 60 percent of median. He has 20 people on the waiting list.

Summary of Low-Income Apartment Rent Comparables

No.	Name/Location	Year Built	Total Units	Type Complex	Program	Vacancy	Wait List	No. Units	MFI	Unit Type	Min. Aff.	Max. Aff.	Min. S.F.	Max. S.F.
1	Oak Terrace	1999	48	Family	LIHTC	1	33	24	50%	2/1	\$370	\$370	852	852
	2350 Oak			Garden	Family	2.1%		35	3/2	\$425	\$425	1,242	1,242	
	Florence			Walkup										
2	The Pines	1970s	25	Family	Section 8	0	50	11	50%	2/1	30% of income		760	760
	1550 15th			Garden	Family	0.0%		14	3/1	30% of income		840	840	
	Florence			Walkup										
3	Laurelwood Homes	1961	30	Family	PHA	0	N/A	6	50%	1/1	30% of income		N/A	N/A
	11th & Maple			Garden	Family	0.0%		12	2/1	30% of income		N/A	N/A	
	Florence			Walkup				34	3/1	30% of income		N/A	N/A	
								8	4/1	30% of income		N/A	N/A	
4	Siuslaw Dunes	1982	45	Family	Section 8	0	20	6	50%	1/1	30% of income		500	500
	1750 43rd			Garden	Family	0.0%		10	31	2/1	30% of income		804	829
	Florence			Walkup				18	8	3/1.5	30% of income		1,040	1,040
5	Windsong Senior	1994	32	Elderly	LIHTC	1	19	29	60%	1/1	30% of income		625	625
	1365 Spruce			Elevator		3.1%		3	2/1	30% of income		810	810	
	Florence			Central Hall										
6	Tanglewood	2005	40	Elderly	LIHTC	2	8	36	30%	1/1	\$262	\$481	742	742
	1956 16th			Elevator		5.0%		4	to	2/1	\$313	\$619	1,014	1,014
	Florence			Central Hall					60%					
7	Munsel Park	1976	44	Elderly	Section 8	2	35	36	60%	1/1	30% of income		648	648
	2021 12th St.	1980		Garden		4.5%		8	2/1	30% of income		748	748	
	Florence			Walk up										

Subsidized Rent Analysis

The chart on the preceding page summarizes the rental information from the seven subsidized rent comparables. As you can see, four of the complexes are family complexes, and three are senior/disabled complexes. Five of the seven charge tenants 30 percent of their income toward rent and utilities, while the other two have set rents. Oak Terrace is the only family complex with set rents. At \$370 for two-bedroom units and \$425 for three-bedroom units, these rents are significantly lower than the older market-rate two-bedroom rents (\$495 to \$700) and three-bedroom rents (\$650). The maximum allowed household income for tenants at Oak Terrace is 50 percent of median, which for a household of 3 persons (two-bedroom unit) is \$24,600 and for a household of 4.5 persons (three-bedroom unit) is \$28,450. Not surprisingly, the manager has 33 people on her waiting list.

H.U.D. assumes that 1.5 persons per bedroom, in their calculation of affordable rents. Thus, they assume 1.5 persons in a one-bedroom unit, three persons in a two-bedroom unit, etc. They assume that a family can afford 30 percent of their monthly household income for rent and utilities. The utility allowances were provided by Housing and Community Services, the Section 8 provider in Lane County. The table below shows the Lane County 2006 calculated rents at various income levels for one-bedroom, two-bedroom, three-bedroom, and four-bedroom units.

**Median Family Income and Rents
Lane County**

Family Sizes/ Median Income	Incomes 2006	2006 Allowed Rents	Less Utility Allow	2006 Adjusted Rents
<i>Family of 1.5</i>				
40%	\$16,420	\$411	\$ (46)	\$365
50%	\$20,525	\$513	\$ (46)	\$467
60%	\$24,630	\$616	\$ (46)	\$570
<i>Family of 3</i>				
40%	\$19,680	\$492	\$ (57)	\$435
50%	\$24,600	\$615	\$ (57)	\$558
60%	\$29,520	\$738	\$ (57)	\$681
<i>Family of 4.5</i>				
40%	\$22,760	\$569	\$ (64)	\$505
50%	\$28,450	\$711	\$ (64)	\$647
60%	\$34,140	\$854	\$ (64)	\$790
<i>Family of 6</i>				
40%	\$25,400	\$635	\$ (73)	\$562
50%	\$31,750	\$794	\$ (73)	\$721
60%	\$38,100	\$953	\$ (73)	\$880

Conclusions

In determining the unmet demand for affordable housing units in Florence, I used HUD SOCDs data from the 2000 Census, surveyed property managers of market-rate and affordable rental housing in Florence, and surveyed several of the major employers in Florence to estimate the unmet need.

The following table details my estimate of the allocation of unmet need for 265 affordable housing units in Florence.

Projected Unmet Need by Income Band Florence

Type	< 30%	30% to 40%	40% to 50%	50% to 60%
One-bedroom	104	50	45	(8)
Two-bedroom	27	8	8	3
Three-bedroom	28	-	-	-
Total	159	58	53	(5)

Source: SOCDs CHAS Data

The only two apartment complexes that have been built since 1981 in Florence, were both built as condominiums, and are a series of four-plexes. The ones on Jasper Lane are two-bedroom 2.5-bath units with attached garages. They are 1,200 square feet and rent for \$950 (\$0.79 per square foot). The ones on Whispering Pines are two-bedroom 1.5-bath units with open parking only. They are 1,000 square feet and rent for \$750 to \$850 (\$0.75 to \$0.85 per square foot).

The remaining complexes were built between the 1940s and 1981. They indicated one-bedroom rents in the range of \$400 to \$585; two-bedroom rents in the range of \$495 to \$700; and two three-bedroom units that rent for \$650. As you can see, there is considerable overlap in rents with quality and condition contributing to the differences. Some of the owners are in the process of or have rehabbed their units. They are able to get significant premiums for the rehabbed units.

Rents for two-bedroom homes or duplexes range from \$645 to \$900. Rents for three-bedroom homes range from \$875 to \$1,100. One four-bedroom home rents for \$1,200.

With the exception of the four-plexes on Jasper Lane and Whispering Pines, which are in initial lease-up, there are not any vacant apartment units. (I was unable to reach the manager at Sunset Apartments, though there was no vacancy sign, and no listing in the newspaper. Ten months ago, he had three vacancies.)

Oak Terrace is the only family complex with set rents. At \$370 for two-bedroom units and \$425 for three-bedroom units, these rents are significantly lower than the older market-rate two-bedroom rents (\$495 to \$700) and three-bedroom rents (\$650). The maximum allowed household income for tenants at Oak Terrace is 50 percent of median, which for a household of 3 persons (two-bedroom unit) is \$24,600 and for a household of 4.5 persons (three-bedroom unit) is \$28,450. Not surprisingly, the manager has 33 people on her waiting list.

This report is subject to the Limiting Conditions, Certification and Special Assumptions contained herein. It has been made in conformity with, and is subject to, the requirements of the Appraisal Institute. This report is meant to comply with the Uniform Standards of Professional Appraisal Practice.

PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
d, OR MSA								
Y 2006 MFI: 58800	12350	14100	15900	17650	19050	20450	21900	23300
30% OF MEDIAN								
VERY LOW INCOME	20600	23500	26450	29400	31750	34100	36450	38800
LOW-INCOME	32950	37650	42350	47050	50800	54600	58350	62100
vallis, OR MSA								
Y 2006 MFI: 68100	14300	16350	18400	20450	22100	23700	25350	27000
30% OF MEDIAN								
VERY LOW INCOME	23850	27250	30650	34050	36750	39500	42200	44950
LOW-INCOME	38150	43600	49050	54500	58850	63200	67600	71950
ene-Springfield, OR MSA								
Y 2006 MFI: 54700	11500	13100	14750	16400	17700	19000	20350	21650
30% OF MEDIAN								
VERY LOW INCOME	19150	21900	24600	27350	29550	31750	33900	36100
LOW-INCOME	30650	35000	39400	43750	47250	50750	54250	57750
ford, OR MSA								
Y 2006 MFI: 52900	11100	12700	14250	15850	17100	18400	19650	20900
30% OF MEDIAN								
VERY LOW INCOME	18500	21150	23800	26450	28550	30700	32800	34900
LOW-INCOME	29600	33850	38050	42300	45700	49050	52450	55850
tland-Vancouver-Beaverton, OR-WA MSA								
Y 2006 MFI: 66900	14250	16300	18350	20350	22000	23650	25250	26900
30% OF MEDIAN								
VERY LOW INCOME	23750	27150	30550	33950	36650	39400	42100	44800
LOW-INCOME	38000	43450	48900	54300	58650	63000	67350	71700
em, OR MSA								
Y 2006 MFI: 56600	11950	13650	15350	17050	18400	19800	21150	22500
30% OF MEDIAN								
VERY LOW INCOME	19900	22700	25550	28400	30650	32950	35200	37500
LOW-INCOME	31800	36350	40900	45450	49100	52700	56350	60000
er County, OR								
Y 2006 MFI: 44000	10150	11600	13050	14500	15650	16800	18000	19150
30% OF MEDIAN								
VERY LOW INCOME	16900	19300	21750	24150	26100	28000	29950	31900
LOW-INCOME	27050	30900	34800	38650	41750	44850	47950	51000
tsop County, OR								
Y 2006 MFI: 53900	11300	12900	14550	16150	17450	18750	20050	21300
30% OF MEDIAN								
VERY LOW INCOME	18850	21550	24250	26950	29100	31250	33400	35550
LOW-INCOME	30150	34500	38800	43100	46550	50000	53450	56900
s County, OR								
Y 2006 MFI: 45900	10150	11600	13050	14500	15650	16800	18000	19150
30% OF MEDIAN								
VERY LOW INCOME	16900	19300	21750	24150	26100	28000	29950	31900
LOW-INCOME	27050	30900	34800	38650	41750	44850	47950	51000
ok County, OR								
Y 2006 MFI: 49400	10350	11850	13300	14800	16000	17150	18350	19550
30% OF MEDIAN								
VERY LOW INCOME	17300	19750	22250	24700	26700	28650	30650	32600
LOW-INCOME	27650	31600	35550	39500	42650	45800	49000	52150
ry County, OR								
Y 2006 MFI: 43100	10150	11600	13050	14500	15650	16800	18000	19150
30% OF MEDIAN								
VERY LOW INCOME	16900	19300	21750	24150	26100	28000	29950	31900
LOW-INCOME	27050	30900	34800	38650	41750	44850	47950	51000
glas County, OR								
Y 2006 MFI: 47800	10150	11600	13050	14500	15650	16800	18000	19150
30% OF MEDIAN								
VERY LOW INCOME	16900	19300	21750	24150	26100	28000	29950	31900
LOW-INCOME	27050	30900	34800	38650	41750	44850	47950	51000

1505/ 675 - 8335 To: Sylvia.

INSIDE & OUTSIDE FLORENCE - MAPLETON - SWISS HOME -- CLUPD 4799

2005 UTILITY ALLOWANCE FOR COMBINATIONS

Includes Electricity	GAS		GAS		OIL		OIL		GAS	
	Sp Ht	Water Ht	Sp Ht	Water Ht	Sp Ht	Water Ht	Sp Ht	Water Ht	Sp Ht	Water Ht
CLPUD 4799 DD										
DBR										
MULTI	41	38	43							41
1BR										
SINGLE	44	53	56	60	58					57
MULTI	41	49	53							53
2BR										
SINGLE	68	67	69	78	74					71
MULTI	62	61	63							65
3BR										
SINGLE	79	80	79	95	86					82
MULTI	74	74	74							78
4BR										
SINGLE	91	90	90	109	99					92
MULTI	85	84	84							87
5BR										
SINGLE	102	101	101	123	111					102

ALL ELEC CLPUD	UTIL ALLOW
SINGLE:	
1BR	49
(House) 2BR	64
3BR	69
4BR	78
5BR	87
MULTI:	
(Duplex 0BR	35
or Apt., 1BR	46
or Multi 2BR	57
Plex) 3BR	64
4BR	73

UTILITY ALLOWANCE 2005

Non Electric Heat	_____
Elect for Lighting	_____
Elec/Lighting & Heat	_____
Water	_____
Sewer	_____
Garbage	_____
Well (1)	_____
Range (4)	_____
Refrigerator (5)	_____
Microwave (2)	_____
TOTAL	_____
NAME	_____
ADDR	_____
DATE	_____
Lease Up	_____ Annual

WATER ALLOWANCES	SEWER ALLOWANCES		GARBAGE RATES	
	Bdrm Allowance	Bdrm Allowance	Bdrm Allowance	Bdrm Allowance
Florence	0	Florence	0	14
Inside	1	Inside	1	14
City	2	City	2	14
	3		3	14
	4		4	24
	5		5	24
Florence	0	Florence	0	13
Outside	1	Outside	1	13
City	2	City	2	13
Heceta	3	Mapleton	3	13
Wir Dist	4		4	17
	5		5	17

Sylvia C. McFarland, MAI

Real Estate Appraiser and Consultant

APPRAISAL EXPERIENCE

I have specialized in the appraisal and review of complex income-producing real estate, including Section 42 L.I.H.T.C. affordable apartment complexes, since 1991. In addition, I do market studies of proposed affordable apartment complexes. Between 1988 and 1991, I primarily reviewed appraisal seminars for the Appraisal Institute. Between 1983 and 1987, I appraised income-producing properties. My clients have included several large and small banks, several government agencies (federal, state, and local), and several private clients, including community development corporations. A list of some of the properties appraised and reviewed over the last several years is found on the following pages.

EDUCATION

Courses:

All courses required for the MAI designation of the Appraisal Institute. Courses were taken between 1980 and 1985. Standards of Professional Practice was taken most recently in 2000. Highest and Best Use and Market Analysis was taken in 2003.

Seminars:

Numerous seminars on a wide variety of topics. Most recently took Scope of Work, 2006; USPAP Update, 2005; The Road Less Traveled: Special Purpose Properties, 2005; Analyzing Distressed Real Estate, 2005; Affordable Housing Conference, 2005; Introduction to GIS Applications for Real Estate Appraisal, 2004; Real Estate Fraud, 2001; Attacking and Defending an Appraisal, 2001; State of the Valuation Profession, 2001; Affordable Housing, 1999; Online Internet Search Strategies for Real Estate, 1999; Appraising from Blueprints, 1998.

General:

University of California at Davis - Bachelor of Arts	1975
Portland State University - Master of Business Administration	1980

EXPERIENCE

Sylvia C. McFarland, MAI; Appraisal and Consultation	1994 -
Anderson, Ostly & Glanville; Appraisal & Consultation	1990 - 1994
Appraisal Institute; Seminar Consultant	1988 - 1991
Property Counselors, Inc.; Appraisal & Consultation	1983 - 1987
Old Stone Mortgage Corporation; Loan Officer	1980 - 1983

PROFESSIONAL ORGANIZATIONS

Member, Appraisal Institute (MAI)
Have held numerous volunteer committee chair and committee member positions for State Chapter of the Appraisal Institute

LICENSE & CERTIFICATION

State Certified Appraiser, State of Oregon, Certificate No. C000044
State Certified Appraiser, State of Washington, Certificate No. 1100131
Real Estate Broker, State of Oregon
Oregon Certified Women Business Enterprise, No. 1305

Sylvia C. McFarland, MAI
List of Recent Appraisal and Consulting Assignments

Property Name	Assignment Type	Exist/ Prop	Property Type	City	State
<i>SUBSIDIZED MULTI-FAMILY PROPERTIES</i>					
Esperanza Court	Market Study	Proposed	Section 42 Family Apartments	Portland	Oregon
Royal Building	Appraisal	Proposed	Section 42 Family Apartments	Springfield	Oregon
Town Center Station	Market Study	Proposed	Section 42 Family Apartments	Portland	Oregon
Broadway Mixed Use	Appraisal	Proposed	Section 42 Family Apartments	Salem	Oregon
New Winds	Market Study	Proposed	Section 42 Special Needs	Florence	Oregon
West Town on Eighth	Appraisal	Proposed	Section 42 Family Apartments	Eugene	Oregon
Sabin C.D.C. Scattered Site	Appraisal	Existing	Section 42 Family Apartments	Portland	Oregon
Rickreal Creek	Market Study	Proposed	Section 42 Family Apartments	Dallas	Oregon
Mountain Laurel Lodge	Appraisal	Proposed	Section 42 Elderly Apartments	Bend	Oregon
Mount Scott	Appraisal	Proposed	Section 42 Family Apartments	Portland	Oregon
Hillside Terrace	Market Study	Existing	Section 42 Family Apartments	Coquille	Oregon
Jefferson Park	Market Study	Existing	Section 42 Elderly Apartments	Cottage Grove	Oregon
Vintage at Vancouver	Appraisal	Existing	Section 42 Elderly Apartments	Vancouver	Washington
Oleson Woods	Appraisal	Proposed	Section 42 Family Apartments	Portland	Oregon
Lincoln Woods	Market Study	Proposed	Section 42 Family Apartments	Portland	Oregon
Santa Clara	Appraisal	Proposed	Section 42 Family Apartments	Eugene	Oregon
Maya Angelou	Appraisal	Existing	Section 42 Family Apartments	Portland	Oregon
Country View	Appraisal	Existing	Section 42 Family Apartments	Portland	Oregon
Kateri Park	Appraisal	Proposed	Section 42 Family Apartments	Portland	Oregon
Hotel Alder	Market Study	Existing	Section 42 SRO	Portland	Oregon
Foster Townhomes	Appraisal	Proposed	Section 42 Family Apartments	Portland	Oregon
Caritas	Market Study	Proposed	Section 42 Family Apartments	Portland	Oregon
Grand Hotel	Appraisal	Proposed	Section 42 Family Apartments	Roseburg	Oregon
Tower at Station Place	Appraisal	Proposed	Section 42 Elderly Apartments	Portland	Oregon
Cascadia Village Apartments	Appraisal	Proposed	Section 42 Family Apartments	Vancouver	Washington
Newell Creek Apartments	Market Study	Existing	Section 42 Family Apartments	Oregon City	Oregon
Carolina 100 Apartments	Appraisal	Existing	Affordable Family Apartments	Lebanon	Oregon
Biltmore Hotel	Market Study	Existing	Section 42 SRO	Portland	Oregon
Douglas Meadows	Appraisal	Proposed	Section 42 Family Apartments	Portland	Oregon
Ridgeview Commons	Review	Proposed	Section 42 Family Apartments	Prineville	Oregon
Villa Capri Apartments	Appraisal	Proposed	Section 42 Family Apartments	Hillsboro	Oregon
Sheldon Village I & II	Appraisal	Proposed	Section 42 Family Apartments	Eugene	Oregon
Redwood Commons	Appraisal	Proposed	Section 42 Family Apartments	McMinnville	Oregon
Mountain View Estates	Appraisal	Proposed	Section 42 Family Apartments	Portland	Oregon
Maya Angelou	Appraisal	Existing	Section 42 Family Apartments	Portland	Oregon
Villa del Mar	Appraisal	Existing	Section 42 Family Apartments	Astoria	Oregon
Blue Ridge	Appraisal	Existing	Section 42 Family Apartments	Winston	Oregon
Housing Our Families Plexes	Appraisal	Proposed	Section 42 Family Plexes	Portland	Oregon
Meriwether Village Elderly	Appraisal	Existing	Affordable Elderly Apartments	Astoria	Oregon
Villa St. Rose Elderly	Appraisal	Proposed	Section 42 Elderly Apartments	Portland	Oregon
Rosemont Family Units	Appraisal	Proposed	Section 42 Family Apartments	Portland	Oregon
PCRI Plexes	Appraisal	Proposed	Section 42 Family Plexes	Portland	Oregon
Northslope Apartments	Appraisal	Rehab	Section 42 Family Apartments	Sutherlin	Oregon
Stagecoach Apartments	Appraisal	Proposed	Section 42 Family Apartments	Canyonville	Oregon
Rosemont Elderly	Market Study	Proposed	Section 42 Elderly Apartments	Portland	Oregon
Rondel Court Apartments	Review	Proposed	Section 42 Family Apartments	Mollala	Oregon
Sabin CDC Plexes	Appraisal	Proposed	Section 42 Family Plexes	Portland	Oregon
Oakwood Manor Apartments	Appraisal	Rehab	Section 42 Family Apartments	Eugene	Oregon
Russellville Commons	Market Study	Proposed	Market/Affordable Apartments	Portland	Oregon
West Park Orchards	Appraisal	Proposed	Section 42 Elderly Apartments	The Dalles	Oregon
Woodleaf Village Apartments	Review	Proposed	Section 42 Family Apartments	Eugene	Oregon
Family Apartments	Mkt Study	Proposed	Section 42 Family Apartments	Riddle	Oregon
Elderly Apartments	Mkt Study	Proposed	Section 42 Elderly Apartments	Winston	Oregon
Hacienda Large Family	Appraisal	Proposed	Section 42 Family Apartments	Portland	Oregon
Queens Heights Apartments	Appraisal	Rehab	Section 42 Family Apartments	Hood River	Oregon
Camar Apartments	Appraisal	Rehab	Section 42 Family Apartments	Portland	Oregon
Vuecrest Apartments	Mkt Study	Proposed	Section 42 Family Apartments	Hermiston	Oregon
Myrtle Terrace Apartments	Appraisal	Proposed	Section 42 Family Apartments	Myrtle Creek	Oregon
Sommerville Place	Appraisal	Proposed	Section 42 Family Apartments	Harrisburg	Oregon
Hailey Place Apartments	Appraisal	Proposed	Section 42 Family Apartments	Pendleton	Oregon
Wygant Street Housing	Appraisal	Proposed	Affordable Apartments	Portland	Oregon
GBC Senior Center	Appraisal	Proposed	Section 42 Elderly Apartments	Portland	Oregon

Sylvia C. McFarland, MAI
List of Recent Appraisal and Consulting Assignments

Property Name	Assignment Type	Exist/ Prop	Property Type	City	State
<i>COMMERCIAL PROPERTIES</i>					
Downtown Pendleton	Market Study	Proposed	Mixed Use Commercial/Housing	Pendleton	Oregon
Cimmiyotti Building	Appraisal	Existing	Mixed Use Retail/Apartments	Pendleton	Oregon
Standard Dairy	Appraisal	Proposed	Mixed Use Section 42/Lofts/Retail	Portland	Oregon
The Planing Mill	Review	Existing	Mixed-Use Industrial & Retail	Eugene	Oregon
Belmont Dairy	Review	Proposed	Mixed Use Section 42/Lofts/Retail	Portland	Oregon
LeMaster Daniels Building	Appraisal	Existing	Single-Tenant Office	Yakima	Washington
H.A.P. Building	Appraisal	Existing	Single-Tenant Office	Portland	Oregon
7700 Group Building	Appraisal	Existing	Single-Tenant Office	Portland	Oregon
LaClinica	Appraisal	Proposed	Multi-Tenant Office	Portland	Oregon
S.W. Family Clinic	Appraisal	Existing	Single-Tenant Office	Tigard	Oregon
Schwartz/Fujji	Appraisal	Exist/Prop	Multi-Tenant Office	Corvallis	Oregon
Tennant Office Building	Appraisal	Existing	Multi-Tenant Office	Bend	Oregon
Willamette Dental Office Building	Appraisal	Existing	Single-Tenant Office	Beaverton	Oregon
Parr Lumber	Review	Proposed	Retail	Hillsboro	Oregon
Ernst Home Improvement	Review	Proposed	Retail	Salem	Oregon
Walnut Avenue Mall	Review	Existing	Retail	Sun Valley	Idaho
Wells Fargo Bank Branch	Appraisal	Existing	Bank Branch	Pendleton	Oregon
Twin Cedars Mobile Home Park	Appraisal	Existing	Manufactured Housing Park	Lebanon	Oregon
Wells Fargo Bank Branch	Appraisal	Existing	Bank Branch	Yakima	Washington
First Interstate Bank Branch	Review	Existing	Bank Branch	Boise	Idaho
Parkside Subdivision	Appraisal	Proposed	Subdivision	LaCenter	Washington
Helen's View Subdivision	Appraisal	Proposed	Subdivision	Clark County	Washington
<i>INDUSTRIAL PROPERTIES</i>					
Dynagraphics	Appraisal	Existing	Warehouse	Portland	Oregon
HLW Teton Building	Appraisal	Existing	Warehouse	Tualatin	Oregon
Lake Oswego Commerce Center	Appraisal	Existing	Industrial Park	Lake Oswego	Oregon
Leonetti Building	Appraisal	Existing	Warehouse	Beaverton	Oregon
McFadden Building	Appraisal	Existing	Office/Warehouse	Beaverton	Oregon
Blue Bird Transfer Building	Appraisal	Existing	Warehouse	Tigard	Oregon
E.J. Bartells Building	Appraisal	Existing	Warehouse	Portland	Oregon
Columbia Stone Development	Appraisal	Proposed	Warehouse	Tualatin	Oregon
Boden Store Fixtures	Appraisal	Proposed	Warehouse and Manufacturing	Portland	Oregon
Wood Tape Manufacturing Fac.	Review	Proposed	Industrial Manufacturing	Everett	Washington
Chamberlain Manufacturing	Review	Existing	Industrial Manufacturing	Forest Grove	Oregon
U.S. Postal Service	Rent Survey	Existing	Industrial	Portland	Oregon
138th & Marine Drive	Appraisal	Vac Land	Industrial	Portland	Oregon
<i>MARKET-RATE MULTI-FAMILY PROPERTIES</i>					
Port St. Johns Apartments	Appraisal	Existing	Apartments	Portland	Oregon
Marshall Arms Apartments	Appraisal	Existing	Apartments	Portland	Oregon
Raliegth Court Apartments	Appraisal	Existing	Apartments	Portland	Oregon
Willow Pointe	Appraisal	Proposed	Apartments	Vancouver	Washington
Cable Village Apartments	Appraisal	Proposed	Apartments	Portland	Oregon