12th & Jefferson Study
Portland Development Commission
March 14, 2005

1 - Jefferson West Site
2 - Replacement Site
3 - Plaid Pantry Site
4 - Salmon/Main Surface Lot
In 2001, Portland Development Commission purchased the Jefferson West Apartments located at 1101-1139 SW Jefferson. The property included 50 Single Room Occupancy (SRO) units that were under a HUD Section 8 contract, 32 open-market one-bedroom units and 15,000 square feet of commercial space. The Commission acquired the Jefferson West Apartments to preserve the Section 8 subsidy and affordability of the housing units.

Rather than transfer the property to a mission-driven non-profit housing developer, the Commission maintained ownership because the property is:

- **Identified as a Key Redevelopment Site:** The property is approx. 16,000 square feet with three street frontages directly west of the Museum Place multi-block redevelopment. The property was considered to have great potential as market rate housing.

- **Identified as a Barrier to Revitalization:** There are neighborhood concerns that continued operation of the Jefferson West in its current condition was a barrier to neighborhood revitalization and private investment on adjacent and nearby parcels. Common complaints about the property included empty and substandard retail space, tenants loitering or smoking on the sidewalk in front of the building, and drug use and sales.

- **Poor Quality Housing:** The Jefferson West Apartments is nearly 90 years old and is need of substantial rehabilitation of all major building systems. In addition, the configuration of the building is not conducive to quality property management and does not provide high quality housing, with units as small as 115 square feet, and shared bathroom and kitchen facilities.

The following report analyzes some key assumptions and development scenarios for four properties, providing massing diagrams and financial analysis that estimates funding gaps.

First, it looks at multiple options to preserve or replace the Jefferson West Apartments. The Jefferson West is approaching physical obsolescence and a plan for either substantial upgrades or replacement of those units is necessary to achieve Central City No Net Loss Goals. The goal of this analysis is to inform a decision about whether the Commission should rehabilitate the existing Jefferson West Apartments, or replace the units in a new development both on-site or at a nearby property.

Second, the report tests the assumption that the Jefferson West property is a viable market rate redevelopment site. The report looks at redevelopment options that include mixed-income rental housing and market-rate condominiums assessing development and market potential.

Lastly, the report looks at the market-rate redevelopment potential of two key properties near the PDC-owned property. The intent of this analysis is to determine the development potential of adjacent sites and determine if redevelopment is feasible without further public subsidy.

The final page of the report provides a summary analysis of Jefferson West Replacement and Preservation options.

**Key Findings:**

1. Renovation of the Jefferson West will not address concerns about housing configuration, small units, lack of common space, and quality of the occupied retail spaces.

2. New construction to replace the Jefferson West provides the opportunity to upgrade unit sizes and types, addressing neighborhood and property management concerns.

3. Replacement of the Jefferson West off-site is more cost effective than renovation or on-site replacement.

4. Condominiums are financially viable without public assistance on the PDC-owned property.

5. Condominiums are financially viable on the two nearby properties.

6. Market-rate or mixed-income rental housing would require significant public subsidy on any of the study properties due to the inability to leverage LIHTC subsidy and the weakness of the rental market.

7. Due to marketable parking ratios and parking inefficiencies and costs on a ½-block site, it is difficult to maximize the FAR in any of the development scenarios analyzed.
This concept explores the option of renovating the existing structure, providing new storefront, metal canopy, lighting and refurbishing the exterior brick walls. New mechanical and electrical systems, all new interior finishes and fixtures and a building fire sprinkler system. The unit count would remain as 50/sro's, 30/1-bedrooms and 2/2-bedrooms. The existing units some as small as 115sf would also maintain current shared facilities such as bathrooms and kitchen areas even though they are receiving new fixtures and finishes. A new roof membrane and new operable high efficiency window units would be installed. Also there would be modifications to the ground floor vacant retail spaces allowing for more open and flexible retail tenant areas.

- renovation of all existing units and vacant retail spaces on ground floor only
- maintains shared service areas
- unit sizes remain small
- full seismic upgrade (not included)
This section diagram shows the potential fill in floor area allowing for a more flexible, open and accessible retail area.

**PROGRAM 1A**

**Project Development Costs**

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
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<tr>
<td>Hard Costs</td>
<td>$5,715,585</td>
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<tr>
<td>Soft Costs</td>
<td>$1,428,896</td>
</tr>
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<td>Developers Fee</td>
<td>$428,669</td>
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<td><strong>Total Cost</strong></td>
<td>$10,133,150</td>
</tr>
</tbody>
</table>

**Stabilized Operating Income (Year 3)**

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apartment</td>
<td>$416,001</td>
</tr>
<tr>
<td>Parking</td>
<td>$0</td>
</tr>
<tr>
<td>Retail</td>
<td>$249,900</td>
</tr>
<tr>
<td>Ancillary Income</td>
<td>$4,160</td>
</tr>
<tr>
<td>Less Operating Expenses</td>
<td>($296,732)</td>
</tr>
<tr>
<td>Less Capital Reserves</td>
<td>($179,021)</td>
</tr>
<tr>
<td><strong>Net Operating Income</strong></td>
<td>$365,409</td>
</tr>
</tbody>
</table>

**Assumptions/Notes**

- 25% of construction costs
- 6% of hard and soft costs
- PDC purchase price

**Floor area/unit count summary**

<table>
<thead>
<tr>
<th>Level</th>
<th>Area (sf)</th>
<th>retail (sf)</th>
<th>parking (spaces)</th>
<th>2bdrm</th>
<th>1bdrm</th>
<th>studio</th>
<th>sro</th>
</tr>
</thead>
<tbody>
<tr>
<td>3rd floor</td>
<td>14,289</td>
<td>1</td>
<td>15</td>
<td>26</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2nd floor</td>
<td>14,289</td>
<td>1</td>
<td>15</td>
<td>26</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st floor</td>
<td>7,573</td>
<td>0</td>
<td>2</td>
<td>30</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ground floor</td>
<td>14,289</td>
<td>1</td>
<td>15</td>
<td>26</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Total Area</strong></td>
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</table>

**Financing**

- **Interest**: 6.25% rate
- **Amortization**: 25 years
- **NOI**: $292,327
- **1.25 Debt Coverage Ratio**: 3,692,849
- **Max Payment**: ($10,133,150) / ($123,575) per unit (includes retail)
- **Loan Amount**: $3,692,849
- **Loan Value**: $3,692,849
- **Tax Credit**: $3,006,775
- **Gap/Subsidy Required**: ($3,433,526) / ($41,872) per unit

**Notes**

1) Per unit summaries are blended averages for the project and may include project costs and revenues related to retail, parking, or other project components.

2) Lender may or may not include retail rent in calculating supportable loan value. Excluding retail rent would increase the required subsidy by approximately $2,500,000.

3) Tax Credit calculation includes the following assumptions:

- **$7,573,150**: Total hard costs, soft costs, and developer fees
- **74.1% of SF devoted to affordable housing**
- **7.98% LIHTC rate**
- **$448,098 Annual Allocation**
- **8.00% Discount rate for sale of ten year tax credits**
- **$3,006,775 LIHTC sale value**

**NOTE:** This cost model does not reflect a potential required seismic upgrade to the existing structure. Preliminary investigation showed reinforced concrete at certain areas of the structure. If the structure is not URM (Un-Reinforced Masonry), then the seismic upgrade would be less costly, however until further investigation is taken the scope of upgrade can not be specifically determined.
Jefferson West
Replacement

This concept study explores the replacement of the existing program elements into a new building of similar scale and footprint as the existing. The retail floor would have a strong presence with full height storefront systems and open flexible tenant spaces. The existing SRO units (115sf-290sf) would be replaced with larger studios (310sf), each with individual kitchens and bathrooms and all units would be provided with improved natural daylighting and natural ventilation. Exterior roof deck courtyard provides "common" space for tenants.

- new structure with larger units (310-700sf)
- incorporates "common" courtyard space
- all units have bathroom and kitchen
- improved natural ventilation and natural daylighting
- no parking provided
Levels 2-5 are planned for studios, 1 & 2 bedroom units for affordable housing, this concept provides a centralized core with access to a common service area and access to an exterior courtyard with views to the west. The North-South orientation of the building allows for ideal natural daylighting strategies, the south side would have overhang protection to minimize direct exposure. Each unit with this configuration can take advantage of natural ventilation if desired. All units to be fully contained and sizes of units have been increased to a range of 310sf-700sf.

The ground floor maximizes the retail presence on all 3 sides, covered canopies, large display windows, signage and appropriate lighting will provide a strong position for retail tenants. Service access is located on Jefferson. The main lobby entrance is on 11th avenue adjacent to the Streetcar stop and oriented towards Eliot Tower. There would be no on grade or below grade parking.

The typical units as shown will be modified to fit the exact configuration of the final building concept. All units are to have natural daylight and the opportunity for natural ventilation when desired.

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**PROGRAM 1B**

<table>
<thead>
<tr>
<th>Project Development Costs</th>
<th>Assumptions/Notes</th>
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<td>Acquisition Cost</td>
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<tr>
<td>Hard Costs</td>
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<tr>
<td>Soft Costs</td>
<td>$1,903,836</td>
</tr>
<tr>
<td>Developers Fee</td>
<td>$571,151</td>
</tr>
<tr>
<td>Total Cost</td>
<td>$12,650,329</td>
</tr>
</tbody>
</table>

Stabilized Operating Income (Year 3)

- **Apartment**: $431,409, $5,261 per unit
- **Parked**: $0, $0
- **Retail**: $225,250, $17 per square foot
- **Ancillary Income**: $4,314, $53 per unit
- **Less Operating Expenses**: ($286,732), ($3,497) per unit
- **Less Capital Reserves**: ($17,921), ($219) per unit
- **Net Operating Income**: $356,320, $4,345 per unit

Financing

- **Interest**: 6.25% rate
- **Amortization**: 25 years
- **NOI**: $356,320
- **Max Payment**: $285,056, 1.25 Debt Coverage Ratio
- **Loan Amount**: $3,601,000
- **Project Cost**: ($12,650,329), ($154,272) per unit
- **Loan Value**: $3,601,000, $43,915 per unit
- **Tax Credit**: ($4,293,092), $52,355 per unit (9% tax credit program)
- **Gap/Subsidy Required**: ($4,756,238), ($58,003) per unit

Notes:
1) Per unit summaries are blended averages for the project and may include project costs and revenues related to retail, parking, or other project components.
2) Lender may or may not include retail rent in calculating supportable loan value. Excluding retail rent would increase the required subsidy by approximately $2,250,000.
3) Tax Credit calculation includes the following assumptions:

- $10,039,329 Total hard costs, soft costs, and developer fees
- 79.5% of SF devoted to affordable housing
- 7.98% LIHTC rate
- $639,797 Annual allocation
- 8.00% Discount rate for sale of ten year tax credits
- $2,090,092 LIHTC sale value

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*Max. FAR 135,464sf (before bonuses)
Jefferson West  
Mixed Income Rental  

This concept study explores the replacement of the existing program elements into a new building of similar scale and footprint at the base and expands with a tower above to maximize the FAR potential. The retail floor has a strong presence and open flexible space. The units above are accessed by separate lobbies, market rate lobby located on 11th avenue across from Eliot Tower and an affordable unit lobby with a 12th avenue address. Natural daylighting and natural ventilation could be implemented into the concept design throughout. This concept currently has two exterior courtyard spaces and interior service spaces to be programmed. The tower units provide views to the mountains and west hills beyond and could be further developed with balconies and other amenities.

- mixed income tower scheme with separate lobbies
- incorporates “common” courtyard spaces
- all units have bathroom and kitchen
- improved natural ventilation and natural daylighting
- parking provided

Concept Diagram - 1C
The upper level towers are market rate units with a mix of 2 bedroom, 1 bedroom and studios. Each unit takes advantage of opportunities for daylighting and natural ventilation, and has access to a common deck at the 6th level. The upper tower units take advantage of incredible views of the surrounding and distant mountains.

Levels 2-5 units are planned for affordable housing, this concept provides a large service area with access to an exterior courtyard and views to the west. The North-South orientation of the building allows for ideal natural daylighting strategies, the south side would have overhang protection to minimize direct exposure. Each unit with this configuration can take advantage of natural ventilation if desired. All units fully contained and range in size from 310-700sf.

The ground floor maximizes the retail presence on all 3 sides, covered canopies, large display windows, signage and appropriate lighting will provide a strong position for retail tenants. Service access is located on 12th avenue. Separate lobby entrances, market rate lobby on 11th avenue oriented towards Eliot Tower and the affordable unit lobby located on 12th avenue.

The financials/performa summary shows the following assumptions and notes:

**PROGRAM 1C**

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<thead>
<tr>
<th>Project Development Costs</th>
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<tr>
<td>Hard Costs</td>
<td>$25,095,539</td>
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<tr>
<td>Soft Costs</td>
<td>$6,273,885</td>
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<tr>
<td>Developers Fee</td>
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<tr>
<td>6% of hard and soft costs</td>
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<tr>
<td>Total Cost</td>
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Stabilized Operating Income (Year 3)

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<th></th>
<th>Per unit</th>
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<tr>
<td>Parking</td>
<td>$100,902</td>
</tr>
<tr>
<td>Retail</td>
<td>$170,000</td>
</tr>
<tr>
<td>Auxiliary Income</td>
<td>$10,056</td>
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<tr>
<td>Less Operating Expenses</td>
<td>($649,412)</td>
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<td>Less Capital Reserves</td>
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<td>$1,254,442</td>
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Financing

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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<tbody>
<tr>
<td>Interest</td>
<td>6.25% rate</td>
</tr>
<tr>
<td>Amortization</td>
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</tr>
<tr>
<td>NOI</td>
<td>$1,254,442</td>
</tr>
<tr>
<td>Max Payment</td>
<td>$1,003,553</td>
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<tr>
<td>1.25 Debt Coverage Ratio</td>
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<tr>
<td>Loan Amount</td>
<td>$12,677,477</td>
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Project Cost ($34,951,589) ($178,324) per unit

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Retail</td>
<td>$170,000</td>
</tr>
<tr>
<td>Apartment</td>
<td>$1,665,730</td>
</tr>
<tr>
<td>Loan Amount</td>
<td>$12,677,477</td>
</tr>
<tr>
<td>Tax Credit</td>
<td>$1,743,338</td>
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<tr>
<td>Gap/Subsidy Required</td>
<td>($259,809)</td>
</tr>
<tr>
<td>NOI</td>
<td>$1,254,442</td>
</tr>
<tr>
<td>L所得税</td>
<td>$104,749 per unit</td>
</tr>
<tr>
<td>Total Costs</td>
<td>$33,251,589</td>
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<tr>
<td>Total hard costs, soft costs, and developer fees</td>
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<tr>
<td>22.8% of SF devoted to affordable housing</td>
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<tr>
<td>3.42% LHTC rate</td>
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<tr>
<td>20.00% Discount rate for sale of ten year tax credits</td>
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<tr>
<td>$33,251,589 Total hard costs, soft costs, and developer fees</td>
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<tr>
<td>$1,743,338 LIHTC sale value</td>
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1) Per unit summaries are blended averages for the project and may include project costs and revenues related to retail, parking, or other project components.

2) Lender may or may not include retail rent in calculating supportable loan value. Excluding retail rent would increase the required subsidy by approximately $1,700,000.

3) Tax Credit calculation includes the following assumptions:

- $33,251,589 Total hard costs, soft costs, and developer fees
- 22.8% of SF devoted to affordable housing
- 3.42% LIHTC rate
- $259,809 Annual Allocation
- 8.00% Discount rate for sale of ten year tax credits
- $1,743,338 LIHTC sale value
This concept study explores the opportunity of a mixed income condo unit building. The retail floor has a strong presence to three sides and provides open flexible space. The entry lobby is positioned directly adjacent to Eliot Tower and the Streetcar on SW 11th avenue. All units take advantage of natural daylighting and natural ventilation. This concept currently has two exterior courtyard spaces and interior service spaces to be programmed. The units range from 600-1200sf in size and the tower units provide views to the mountains and west hills beyond and could be further developed with balconies and other amenities.

- mixed income tower scheme
- exterior “common” courtyard spaces
- larger size units ranging from 600-1200sf
- improved natural ventilation and natural daylighting
- 2 levels of below grade parking

Jefferson West
Mixed Income Condo

Concept Diagram - 1D
The typical units as shown will be modified to fit the exact configuration of the final building concept. All units are to have natural daylight and the opportunity for natural ventilation when desired.

The upper level towers are a mix of 2 bedroom, 1 bedroom and studio units. Each unit takes advantage of opportunities for daylighting and natural ventilation, and has access to a common deck at the 6th level. The upper tower units take advantage of incredible views of the surrounding and distant mountains.

Levels 2-5 are planned for studios, 1 and 2 bedroom condo’s. The orientation and footprint of the tower allows for ideal natural daylighting strategies, the south side would have overhang protection to minimize direct exposure. Each unit with this configuration can take advantage of natural ventilation if desired. Courtyard and Patio access on levels 2 and 6.

The ground floor maximizes the retail presence on all 3 sides, covered canopies, large display windows, signage and appropriate lighting will provide a strong position for retail tenants. Service access is located on SW Jefferson street. The main lobby entrance is on 11th avenue adjacent the Streetcar stop and oriented towards Eliot Tower.

Below grade parking, eco roof @ 30% coverage and 74 units greater than 750sf provide up to approx. 91,500sf bonus area.

New building (TOWER) as Market rate (parking assumptions .87 parking spaces per unit)

<table>
<thead>
<tr>
<th>levels</th>
<th>areas (sf)</th>
<th>retail (sf)</th>
<th>parking (spaces)</th>
<th>2bdm</th>
<th>1bdm</th>
<th>studio</th>
<th>sro</th>
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</thead>
<tbody>
<tr>
<td>6th-15th floors</td>
<td>7,000 sf</td>
<td>1000 sf</td>
<td>10</td>
<td>2500</td>
<td>9300</td>
<td>1110</td>
<td>110</td>
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<tr>
<td>2nd-5th floors</td>
<td>12,000 sf</td>
<td>2200 sf</td>
<td>15.1</td>
<td>3110</td>
<td>3110</td>
<td>5120</td>
<td>120</td>
</tr>
<tr>
<td>ground floor</td>
<td>16,700 sf</td>
<td>3000 sf</td>
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<td>3910</td>
<td>3910</td>
<td>5920</td>
<td>120</td>
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<tr>
<td>below grade -1</td>
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<td>45</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>below grade -2</td>
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<td>45</td>
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<tr>
<td>TOTAL AREA</td>
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<td></td>
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<td>TOTAL UNITS</td>
<td>104</td>
<td></td>
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</table>

*Bonus: (42,000sf+36,000sf+1,500sf+12,000sf) = 91,500 sf

Notes:
1) Analysis includes the capitalized value of potential retail rents. In actual practice, the space may or may not be sold.
2) Analysis assumes units are sold at a rate of 5 units per month with reservations occurring during the construction period and converted to sales at the completion of construction. This yields a project sellout concurrent with the completion of construction (18 months).
This concept study explores the replacement of the existing Jefferson West program elements into a new building of similar scale and footprint around the corner from the original site. The retail floor has a strong presence towards 11th Avenue and provides open flexible space. The units above are studios, 1 & 2 bedroom units with access to an internal exterior courtyard. Natural daylighting and natural ventilation could be implemented into the concept design throughout. This concept also has interior service spaces to be programmed. All units could be further developed with balconies and other amenities. The site is a smaller mid block parcel that prohibits underground parking because of efficiencies and side setbacks are needed for natural daylighting and ventilation.

- low income low-rise scheme
- exterior “common” courtyard space
- larger size units ranging from 310-700sf
- improved natural ventilation and natural daylighting
- no parking
- small size site (mid block constraints)
Levels 2-5 are planned for studios, 1 & 2 bedroom units for affordable/subsidized housing, this concept provides a large central courtyard providing daylight and ventilation to all interior units, common service area with access to this exterior courtyard. Each unit with this configuration can take advantage of natural ventilation if desired. All units to be fully contained and sizes of units have a range of 310sf-700sf. There are an additional 2 2-bedroom units and 2 studios above the existing Jefferson West program.

The ground floor maximizes the retail presence on 11th Avenue, covered canopies, large display windows, signage and appropriate lighting will provide a strong position for retail tenants. Lobby entrance is also on 11th Avenue with retail on both sides.

The typical units as shown will be modified to fit the exact configuration of the final building concept. All units are to have natural daylight and the opportunity for natural ventilation when desired.

**typical unit diagrams**

**floor area/unit count summary**

New building with existing program (replacement - no parking)

<table>
<thead>
<tr>
<th>levels</th>
<th>areas (sf)</th>
<th>retail (sf)</th>
<th>parking (spaces)</th>
<th>2bd (sf)</th>
<th>1bd (sf)</th>
<th>studio (sf)</th>
<th>sro (sf)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st floor</td>
<td>11,960</td>
<td>2</td>
<td>15</td>
<td>26</td>
<td>26</td>
<td>2</td>
<td>3</td>
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<tr>
<td>2nd floor</td>
<td>11,960</td>
<td>2</td>
<td>15</td>
<td>26</td>
<td>26</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>3rd floor</td>
<td>11,960</td>
<td>2</td>
<td>15</td>
<td>26</td>
<td>26</td>
<td>2</td>
<td>3</td>
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<tr>
<td>4th floor</td>
<td>11,960</td>
<td>2</td>
<td>15</td>
<td>26</td>
<td>26</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>5th floor*</td>
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<td>30</td>
<td>52</td>
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<td></td>
<td></td>
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<tr>
<td>6th floor*</td>
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<td>52</td>
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<td></td>
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<tr>
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<td>30</td>
<td>52</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

*Bonus: = 0 sf

*Max. FAR 120,000sf (before bonuses)

**Stabilized Operating Income (Year 3)**

<table>
<thead>
<tr>
<th></th>
<th>Ap</th>
<th>Parking</th>
<th>Retail</th>
<th>Ancillary Income</th>
<th>Less Operating Expenses</th>
<th>Less Capital Reserves</th>
<th>Net Operating Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$456,061</td>
<td>$0</td>
<td>$153,000</td>
<td>$4,561</td>
<td>($300,718)</td>
<td>($18,795)</td>
<td>$294,108</td>
</tr>
</tbody>
</table>

**Financing**

<table>
<thead>
<tr>
<th></th>
<th>Interest 6.25%</th>
<th>Amortization 25 years</th>
<th>NOI $294,108</th>
<th>Max Payment $235,286</th>
<th>Loan Amount $2,972,275</th>
</tr>
</thead>
</table>

1) Per unit summaries are blended averages for the project and may include project costs and revenues related to retail, parking, or other project components.

2) Lender may or may not include retail rent in calculating supportable loan value. Excluding retail rent would increase the required subsidy by approximately $1,500,000.

3) Tax Credit calculation includes the following assumptions:

- $8,731,990 Total hard costs, soft costs, and developer fees
- 84.7% of SF devoted to affordable housing
- 7.98% LIHTC rate
- $590,519 Annual Allocation
- 8.00% Discount rate for sale of ten year tax credits
- $3,962,433 LIHTC sale value

**NOTE:** This site has a lower demolition cost then the Jefferson West site for new construction and the layout provides greater building efficiencies that result in a slightly lower construction cost.
This concept study explores the opportunity of a market rate unit building on an approx. site of 20,000sf. The site is located directly across the street from Museum Place and adjacent to Eliot Tower. The retail floor has a strong presence and open flexible space. At the 2nd level a courtyard provides a great “commons” area for tenants. The main lobby is off of 11th Avenue and the Streetcar. The orientation and configuration provides ideal natural daylighting and natural ventilation strategies. This concept also has two exterior courtyard spaces and an interior common space to be programmed. The tower units provide views to the mountains and west hills beyond and could be further developed with balconies and other amenities.

- market rate tower scheme
- 2 exterior “common” courtyard spaces
- larger size units ranging from 380-800sf
- improved natural ventilation and natural daylighting
- 2 levels of below grade parking
- appropriate scale to Eliot Tower

Concept Diagram - 3A

SW 11th Avenue
Plaid Pantry Site
Market Rate
Levels 2-16 are planned for market rate units, this concept provides a large exterior courtyard and views to the west. The North-South orientation of the building allows for ideal natural daylighting strategies, the south side would have overhang protection to minimize direct exposure. Each unit with this configuration can take advantage of natural ventilation if desired. The scale of the 16 story building is similar to the adjacent Eliot Tower. The ground floor maximizes the retail presence on all 3 sides, covered canopies, large display windows, signage and appropriate lighting will provide a strong position for retail tenants. Service access is located on Jefferson. Main lobby entrance, is on 11th avenue adjacent to Streetcar and across from Museum Place.

Below grade parking, eco roof @ 30% coverage and 60 units greater than 750sf provide up to approx. 99,800sf bonus area.

Note: less than 50% parking ratio

The typical units as shown will be modified to fit the exact configuration of the final building concept. All units are to have natural daylight and the opportunity for natural ventilation when desired.

Note: less than 50% parking ratio

Below grade parking, eco roof @ 30% coverage and 60 units greater than 750sf provide up to approx. 99,800sf bonus area.

Note: less than 50% parking ratio

## Typical Unit Diagrams

### 2 Bedroom Unit

![Typical 2 Bedroom Unit Diagram]

### 1 Bedroom Unit

![Typical 1 Bedroom Unit Diagram]

### Studio Unit

![Typical Studio Unit Diagram]

---

**Program 3A**

### Project Development Costs

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Land Costs</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Hard Costs</td>
<td>$28,830,826</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>$7,207,707</td>
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<tr>
<td>Developers Fee</td>
<td>$0</td>
</tr>
<tr>
<td>Total Cost</td>
<td>$38,038,533</td>
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### Stabilized Operating Income (Year 3)

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOI</td>
<td>$2,289,437</td>
</tr>
<tr>
<td>Less Operating Expenses</td>
<td>($932,905)</td>
</tr>
<tr>
<td>Less Capital Reserves</td>
<td>($59,007)</td>
</tr>
<tr>
<td>Net Operating Income</td>
<td>$2,289,437</td>
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</tbody>
</table>

### Financing

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Amount</td>
<td>$23,137,221</td>
</tr>
<tr>
<td>Project Cost</td>
<td>$38,038,533</td>
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<tr>
<td>Loan Amount2</td>
<td>$23,137,221</td>
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<tr>
<td>Equity Required</td>
<td>$14,901,311</td>
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</table>

### Project Return

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Pre Tax Income</td>
<td>$457,887</td>
</tr>
<tr>
<td>Return on Investment</td>
<td>1.2%</td>
</tr>
<tr>
<td>Return on Equity</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

1) Per unit summaries are blended averages for the project and may include project costs and revenues related to retail, parking, or other project components.

2) Lender may or may not include retail rent in calculating supportable loan value. Excluding retail rent would increase the required subsidy by approximately $2,500,000.
This concept study explores the opportunity of a mixed income condo unit building on an approx. site of 20,000sf. Providing some moderate priced units below $200k. The retail floor has a strong presence and open flexible space. At ground level a courtyard provides better visibility and access to the new retail tenants. The units above are easily accessed by the main lobby off of SW Main street. Natural daylighting and natural ventilation would be provided in all units. This concept currently has two exterior courtyard spaces and interior common spaces to be programmed. The tower units provide views to the mountains and west hills beyond and could be further developed with balconies and other amenities.

- mixed income tower scheme
- 2 exterior “common” courtyard spaces
- larger size units ranging from 600-1,200sf
- improved natural ventilation and natural daylighting
- 2 levels of below grade parking
The upper level towers are a mix of 2 bedroom, 1 bedroom and studio units. Each unit takes advantage of opportunities for daylighting and natural ventilation, and has access to a common deck at the 6th level. The upper tower units take advantage of incredible views of the surrounding and distant mountains.

Levels 2-5 are planned for studios, 1&2 bedroom condo’s. Some of these lower units would be positioned towards a lower price point. The North-South orientation of the building allows for ideal natural daylighting strategies, the south side would have overhang protection to minimize direct exposure. Each unit with this configuration can take advantage of natural ventilation if desired. Porch access on level 2.

The ground floor maximizes the retail presence on all 3 sides, covered canopies, large display windows, signage and appropriate lighting will provide a strong position for retail tenants. Service access is located on SW Salmon street. Main tenant lobby is from SW Main street. A ground floor courtyard gives tenants better visibility and access.

Below grade parking, eco roof @ 30% coverage and 112 units greater than 750sf provide up to approx. 99,000sf bonus area.

The typical units as shown will be modified to fit the exact configuration of the final building concept. All units are to have natural daylight and the opportunity for natural ventilation when desired.
Summary of Jefferson West Replacement and Preservation Development Scenarios

1A Jefferson West Renovation

Financial Analysis: ($3,433,526) Funding Gap

Renovation of:
- 50 Section 8 SROs with shared kitchens & bathrooms
- 30 One-bedroom units at 45% MFI
- 2 Two-bedroom units at 45% MFI

Benefits
- Upgrade of building and housing
- Maintain federal Section 8 subsidy

Negatives
- Scenario does not include full seismic upgrade
- No interior renovation of occupied retail
- Maintains existing small SROs
- No exterior common space for tenant

1B Jefferson West Replacement

Financial Analysis: ($4,756,238) Funding Gap

Development of:
- 50 Studios at 30% MFI
- 30 One-bedroom units at 45% MFI
- 2 Two-bedroom units at 45% MFI

New Retail Space
- Exterior courtyard and rooftop garden

Benefits
- New building
- Upgraded unit sizes
- All units have own kitchen and bath
- Exterior open space
- High demolition costs and higher land cost

Negatives
- Lose federal Section 8 subsidy
- Temporary relocation of tenants during demolition and construction

1C Jefferson West Mixed-Income

Financial Analysis: ($20,530,774) Funding Gap

Development of:
- 50 Studios at 30% MFI
- 30 One-bedroom units at 45% MFI
- 2 Two-bedroom units at 45% MFI
- 12 Studios at market rate
- 70 One-bedroom units at market rate
- 32 Two-bedroom units at market rate

New Retail Space
- Exterior courtyard and rooftop garden

Benefits
- New building
- Upgraded unit sizes for replacement housing
- All units have own kitchen and bath
- New market rate rental housing
- Maximize development potential
- Exterior open space

Negatives
- Lose federal Section 8 subsidy
- Temporary relocation of tenants during demolition and construction
- Large funding gap

2A SW 11th Avenue Replacement

Financial Analysis: ($3,297,283) Funding Gap

Development of:
- 52 Studios at 30% MFI
- 30 One-bedroom units at 45% MFI
- 4 Two-bedroom units at 45% MFI

New Retail Space
- Exterior courtyard

Benefits
- New building
- Upgraded unit sizes
- All units have own kitchen and bath
- Exterior open space
- Minimize relocation impact on tenants
- Lower develop cost due to site efficiency

Negatives
- Lose federal Section 8 subsidy