

# Housing Production Report Fiscal Year 2005/2006

June 2007

*Investing in Portland's Future*

**PDC**

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PORTLAND DEVELOPMENT COMMISSION

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# Executive Summary

In January 2003, the Commission adopted a resolution to increase housing production to assist an estimated 13,550 units or households from 2001-2011. The resolution illustrated the Commission’s primary focus on affordable rental housing and first-time homebuyers. PDC’s has committed to an even greater affordable and market-rate production target of 17,000 units and 3,000 homebuyers—**20,000 units or households**—from 2001 to 2011. This aggressive target represents an aggregate of PDC, city and regional housing production goals, policy directives and urban renewal housing implementation strategies.

The 20,000 unit production target has been broken down in the following categories that cross the spectrum of PDC programs and projects:

- 1,500 rental rehab preservation units (0-60% MFI)
  - 6,400 new low-income rental units (0-60% MFI)
  - 4,500 new market rate rental units (>60% MFI)
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- 12,400 Rental Housing Units**
- 3,000 new homeownership units
  - 1,600 homes repaired (owner-occupied)
  - 3,000 first-time homebuyers
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- 7,600 Homeownership Units and First-Time Homebuyers**

This report has been developed to track progress on the overall PDC housing production by the categories listed above. PDC publishes this report annually providing both the annual progress summary, as well as the aggregate activity, starting in Fiscal Year 2001/2002 through 2010/2011. Next year PDC will begin tracking progress toward the recently adopted Tax Increment Financing for Affordable Housing Policy (TIF Set Aside) which took effect for Fiscal Year 2006/2007.

## FY05/06 Summary

The chart below summarizes PDC housing activity for FY05/06. This information includes projects funded with Tax Increment Financing (TIF), Community Development Block Grant (CDBG), HOME, City Housing Investment Fund, City Housing Opportunity Bond, tax abatements, system development charge exemptions, and pass through homeownership mortgage funds from Fannie Mae and the Oregon Residential Bond program.

<b>Units:</b>	Total Units and Buyers	% of Total Units and Buyers	Total PDC Dollars	% of Total PDC Dollars
Rental rehab preservation	107	7%	3,798,908	30%
New low-income rental units	212	15%	1,080,282	8%
New market rate rental units	134	9%	2,532,124	20%
New homeownership units	592	41%	0	0%
Homes repaired	212	15%	2,552,488	20%
<b>Homebuyers:</b>				
First-time homebuyers	204	6%	2,884,442	22%
<b>Total Units and Homebuyers</b>	<b>1,461</b>		<b>12,848,244</b>	<b>Total Dollars</b>

Highlights of PDC’s housing activity in FY05/06 include:

- 1461 units and homebuyers received direct financial assistance and development incentives in FY 05/06.
  - 1008 units were homeownership housing or buyers (69% of units)
  - 453 units were rental housing (31% of units)

- The total amount of housing dollars (loans and grants) from all sources of funds closed in FY05/06 was \$12.8 million.
  - \$5.4 million went toward homeownership: first-time homebuyers and owner-occupied home repair loans (45% of total expenditures), and
  - \$7.4 million went toward rental housing: new production and preservation (55% of total expenditures).
- Of the total dollars closed on housing loans or grants:
  - 17% were funded with tax increment financing.
  - 42% federal funds
  - 11% came from the City Housing Investment Fund (HIF)
  - 29% came from Fannie Mae HomeStyle and Oregon Residential Bond pass through funds.
- Of the TIF spent on housing in FY05/06, 43% was spent on market-rate rental, 30% went to rental rehab preservation, 21% to home repair, and 6% to first-time homebuyers.
- All of the new low-income rental units developed in FY05/06 were funded with federal dollars.
- Sixty seven percent of the units/buyers that received direct financial assistance in FY05/06 were below 60% median family income (MFI).
  - 16% of the units were at 0-30% MFI (90 units)
  - 29% of the units were at 31-50% MFI (162 units)
  - 22% of the units were at 51-60% MFI (126 units)

The following table shows the sum total of FY01/02 through FY05/06 closed PDC financing and/or a City administered incentives for units and homebuyers.

**Year Five Progress on 10-Year 20,000 Production Goals (FY2001/2002 through FY2005/2006)**

	Total Units and Buyers	% of 10 year goal
<b>Units:</b>		
1500 Rental rehab preservation	824 units	55%
6400 New low-income rental units	2,667 units	42%
4500 New market rate rental units	1,669 units	37%
3000 New homeownership units	3,165 units	106%
1600 Homes repaired	1,040 units	65%
<b>Homebuyers:</b>		
3000 First-time homebuyers	524 buyers	17%
<b>Total Units and Homebuyers:</b>		9,889

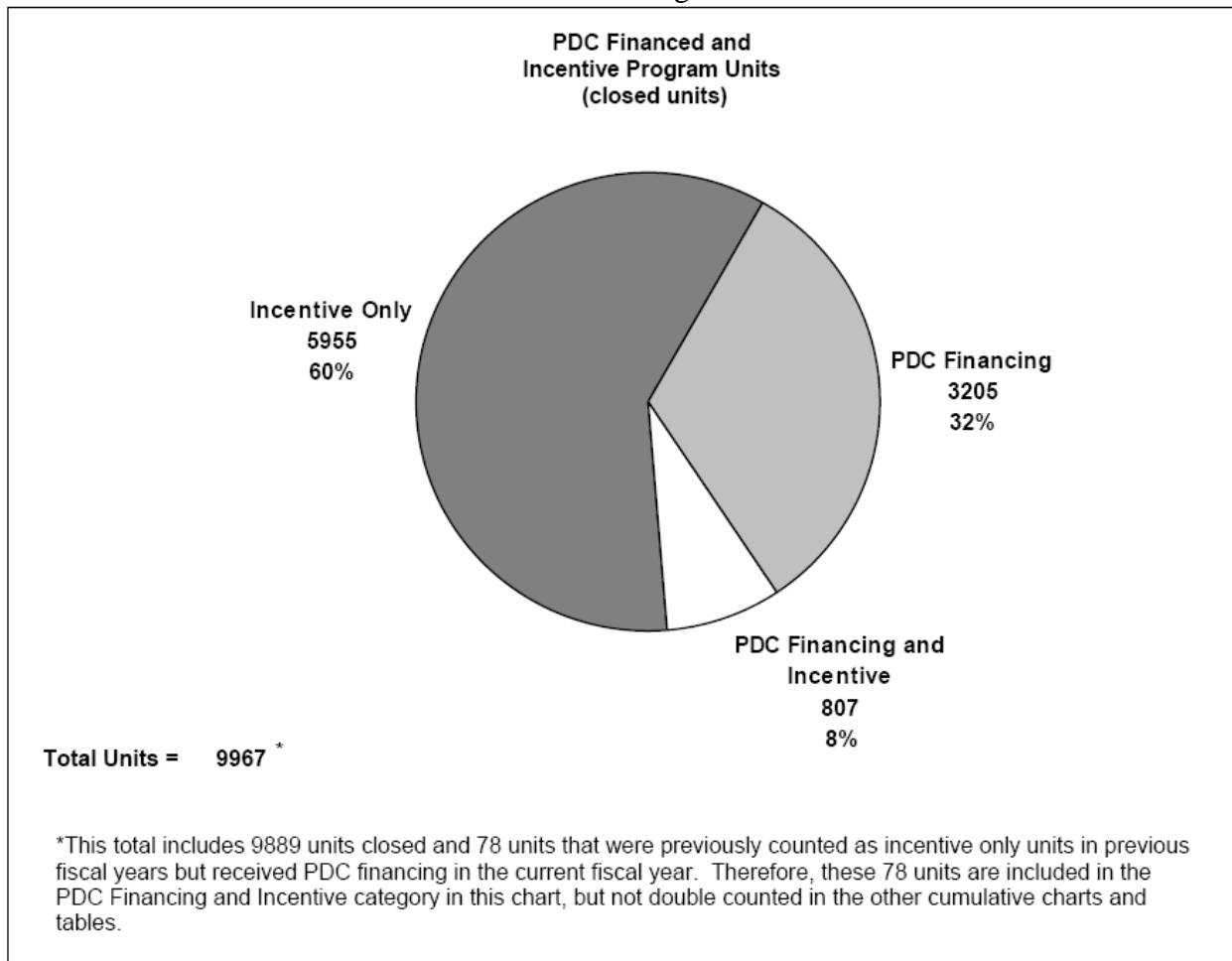
In the fifth year of production toward the 2011 goals, ideally at least 50% of the goal should be met. Below are some summary highlights of PDC's housing activity from FY01/02 through FY05/06:

- Progress on the housing production goals has ranged dramatically between the different categories:
  - PDC is behind in the following production areas with goals less than 50% complete: New Low Income Rental Housing, New Market Rate Rental Housing, and First-time Homebuyers.

- Rental Rehab/Preservation is on track with 55% of the goal achieved.
- New Homeownership unit development has exceeded the 10-Year goal, while Owner-Occupied Homes Repaired is also on track to exceed the 10-Year goal early.
- Of the total housing/homebuyers supported from FY01/02 through FY05/06:
  - The majority of units (60%) received only an incentive and no PDC financing
  - Almost one-third of the units only received PDC financing
  - 8% of the units received both an incentive and PDC financing
  - 81% of the direct financial assistance dollars went toward units/buyers below 60% MFI

The chart below shows the number of units receiving PDC direct financing, PDC administered incentives or a combination of both for five fiscal years (FY01/02- FY05/06).

FY 01/02-FY05/05 PDC Financed and Incentive Program Units



As this annual report expands over multiple years, the presentation of the total unit count becomes increasingly complex as approval for incentives and financing is spread over multiple fiscal years. Careful explanations are given throughout the report in the form of footnotes to explain how double counting was avoided. Each year we evaluate how production is reported and make revisions to ensure the highest level of accuracy and clarity.

## ***PDC Housing Production Report – FY 2005/2006***

In January 2003, the Commission adopted a resolution to increase housing production to assist an estimated 13,550 units or households from 2001-2011. The resolution illustrated the Commission's primary focus on affordable rental housing and first-time homebuyers. PDC's has committed to an even greater affordable and market-rate production target of 17,000 units and 3,000 households—***20,000 units or households***—from 2001 to 2011. This aggressive target represents an aggregate of PDC, city and regional housing production goals, policy directives and urban renewal housing implementation strategies.

This report has been developed to track progress on the overall PDC housing production target. PDC publishes this report annually providing both an annual progress summary, as well as the aggregate activity, starting in Fiscal 2001/2002 through 2011/2012. This report summarizes units in which financing has closed ("closed units"). Projects that have received a formal commitment for financing are also presented as "committed units". PDC has a legal obligation to fund projects in the committed status and once projects reach this status they are not likely to significantly change. Units that have received a reservation or are in early predevelopment, commonly reported as "reserved units," are not included in this report. All units in that are closed or committed or units with incentives received in FY05/06 are included in this report.

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

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

Success of achieving these targets is predicated on resource development efforts and the continued availability of tax increment financing. This report includes projects financed with Tax Increment Financing (TIF), federal funds (CDBG and HOME), the Housing Investment Fund (HIF), and Fannie Mae HomeStyle and Oregon Residential Bond home mortgage loans. Future housing production will rely heavily on TIF, federal funds and new resources such as the Housing Opportunity Bond. TIF dollars are spent on housing projects, however housing is not the only goal of the TIF dollars. TIF also finances revitalization and economic development projects and programs. We recognize that TIF and federal funds alone are not sufficient to meet the 2011 housing production targets thus other new resources are needed.

### **Production Target Directives**

The production target brings together various approved policies and stated numeric goals into a unified housing production target for the Commission. A goal of establishing consolidated targets is to enable the agency and its partners to more clearly determine direction, impacts and priorities when allocating resources. The 20,000 unit and household target is intended to address the following goals and priorities:

- The City of Portland has joined other jurisdictions in committing to absorb population growth by increasing housing production to meet growth management goals established by the Metro Regional Government.
- Both the Consolidated Plan 2005-2010 and the Regional Affordable Housing Strategy (17,000 affordable units in Portland by 2017) recognize the lack of affordable housing in the region and project the shortage to continue into the next decades.
- Increased production is supported by several City area plans, such as the Central City Plan which targets the addition of 15,000 units to the Central City by 2015.
- City Council adopted a Central City No Net Loss policy with a specific goal of preserving or replacing 1,200 units of affordable housing within the Central City by 2006.

- As part of the “10-Year Plan to End Homelessness,” the City Council set a goal of developing 2,200 new permanent supportive housing units for chronically homeless individuals and homeless families with special needs.
- As part of urban renewal planning, the Commission has adopted production targets for new and existing districts. The addition of several new urban renewal districts such as the Gateway, North Macadam, Interstate Corridor, and Lents Town Center in the last five years has created greater funding opportunities for increased housing production. In contrast, two long standing Downtown urban renewal areas, South Park Blocks and Downtown Waterfront which have contributed significant resources to affordable housing in their final years.
- There is a commitment to close the homeownership gap for minority and first-time homebuyers by increasing homeownership citywide.

## **Tax Increment Financing For Affordable Housing Policy**

In October both the PDC Board of Commissioners and the City Council adopted the Tax Increment Financing for Affordable Housing (TIF Set Aside) Implementation Plan which established a 30% set aside in the new districts (Interstate Corridor Urban Renewal Area, Gateway Regional Center Urban Renewal Area, Lents Town Center Urban Renewal Area and North Macadam Urban Renewal Area) and South Park Blocks Urban Renewal Area, and includes separate percentages for Downtown Waterfront Urban Renewal Area, Oregon Convention Center Urban Renewal Area and the Central Eastside Urban Renewal Area. This policy establishes minimum spending requirements for low-income rental housing and affordable homeownership programs.

Subsequently, in February 2007, the PDC adopted income guidelines for the TIF Set Aside. The City Council adopted the same guidelines in April 2007. The income guidelines set minimum and maximum spending levels for 0-30 MFI Rental Housing, 31-60% MFI Rental and Ownership Housing, and 61-80%/100% Ownership Housing programs.

The policy was retroactive to July 1, 2006. FY2006/2007 will be the first year in which progress on the TIF Set Aside is reported either as part of this annual Housing Unit Production Report or a separate report.

## **Assumptions for Reaching Targets**

Achieving the housing production targets is predicated on the continued availability of existing local and federal resources, as well as the development of new resources and partnerships. Primary assumptions for reaching the productions targets include:

- Federal funds (HOME and CDBG), Housing Investment Funds and Housing Opportunity Bond are programmed based on City Council policy mandates.
- The use of urban renewal funds and incentives will be employed to provide a range of new housing development in urban renewal areas.
- Incentive programs such as the various tax abatements, system development charge exemptions and fee waiver programs remain available for affordable housing.
- PDC continues to leverage federal Low Income Housing Tax Credits, and Historic Tax Credits to support housing and mixed-use development.
- PDC and the City identify new resources to support the development of affordable housing.
- Incentive programs remain available for market-rate and mixed-income transit oriented development and Central City rental housing.
- PDC identifies resources and tools for the development of market rate rental housing in the Central City.
- PDC expands its homebuyer programs to include a broader range of first mortgage products and leverage private resources.
- PDC expands its urban renewal spending to support first-time homeownership goals.
- PDC and the City identify new resources to support first-time homeownership goals.

PDC and the City have had some accomplishments in developing new resources included assisting the City in securing \$9 million through a Housing Revenue Bond (Housing Opportunity Bond), receiving a new Lead Grant for home repair totaling \$3 million from the federal government, and securing \$844,040 of HUD grants for affordable housing development in North Macadam.

Additional resource development activities include:

- Working with our funding partners to coordinate capital, service and operating subsidies to ensure long-term sustainable permanent affordable housing is developed and resources are more effectively leveraged.
- Working with the City to identify new City resources in support of affordable rental housing.
- Supporting the Housing Alliance in their efforts to establish a long-term funding mechanism at the State level, including advocating for \$100 million statewide allocation in support of affordable rental and ownership housing.

In contrast, the City has also either altered or put programs on hold that had previously supported the development of market rate rental housing. In October 2005, the City put a moratorium on the New Multiple Housing Unit/Central City Housing Tax Exemption program which had been the primary tool for new market rate rental housing development over the last ten or more years. In addition, there has been a lack of support for PDC directly investing in the development of market rate rental housing. Since the moratorium has been in place, no new “incentive-only” market rate rental housing units have been developed in the Central City.

Resource development has also focused on how to increase the activity and effectiveness in achieving the first-time homebuyer goals. PDC has expanded its authority to do first mortgage lending allowing PDC to leverage private resources to serve more first-time homebuyers, created new homebuyer assistance programs (JumpStart), and made revisions to its homebuyer assistance program to make them more effective in the current market environment. The City also re-established the Single Family Limited Tax Abatement Program reinstating an important tool for first-time homebuyers.

PDC continues to focus efforts on increasing activity and effectiveness in achieving the first-time homebuyer goal including:

- Partnering with BHCD to staff the City of Portland on Operation HOME-- a comprehensive citywide homeownership initiative to close Portland’s minority homeownership gap and to expand first-time homebuyer opportunities.
- Continued evaluation of the products and services PDC and partners provide and how they can be expanded or modified to better serve community needs.
- Exploring opportunities to leverage New Market Tax Credits and establishing a construction revolving loan fund leverage private resources to develop new affordable homeownership units targeted to first-time homebuyers.

As federal funding cuts continue and the City is forced to make some hard decisions related to housing priorities, PDC will face challenges in achieving the aggressive unit production goals. The reduction of federal funding has resulted in the elimination of the PDC home repair program available citywide. The effects will be evident in fiscal year 2006/2007 when the program is discontinued and home repair is only available in urban renewal areas. In addition, as permanent supportive housing (PSH) serving extremely low income households becomes a major priority for city funding, this will result in lower unit production because PSH units require a greater level of subsidy to be viable.

## **Reporting Methodology**

Each year the method for tabulating and reporting progress toward the housing production targets is refined. The allocation of funding and incentives toward housing projects is complex and often spans many years and phases for an individual project. This section of the report is intended to provide clarity on the reporting process.

In previous Unit Production Reports the goal was 20,000 *units or households* and the production target was intended to be an “unduplicated” goal meaning that no unit or household was counted toward more than one goal. However, a decision was made for the FY04/05 report to refine that goal. In order to more accurately reflect the fact that some units meet dual goals of contributing toward the unit goal and also assisting individual first-time homebuyers, the new goal will be 17,000 units produced or assisted and 3,000 first-time homebuyers assisted. There will be a small amount of duplication between unit and homebuyer counts because, periodically, PDC finances a unit’s production and also directly assists a first-time homebuyer financially to purchase that unit. In a case such as this, the unit will be counted toward the 17,000 unit goal and the homebuyer will be counted toward the 3,000 first-time homebuyer goal. In past years these units have only counted once toward the 20,000 unit goal. In this report, however, the units from past years qualifying for multiple categories are added back into the grand total. In past Unit Production Reports these units have been included in the category totals and subtracted out of the grand total. With the new methodology of differentiating between the 17,000 unit goal and the 3,000 homebuyer goal these units from past years are added to the grand totals at the end of the report.



**A) 1,500 Rental Rehab Preservation Units**

PDC has a number of policy directives toward the preservation of low-income rental housing including:

- *City Preservation Ordinance* – Preserve federally and locally subsidized low-income housing projects.
- *Central City No Net Loss* – Maintain through preservation or replacement the existing number of housing units affordable to households at 60% MFI and below. Preserve or replace 1,200 units at or below 60% MFI in the Central City by 2006 (2001-2006).
- *Urban Renewal Housing Strategies* – PDC has adopted the Downtown Housing Strategy, Lloyd District Housing Strategy, Interstate Corridor URA Housing Strategy and Central Eastside Housing Strategy that all establish goals to preserve or replace affordable rental housing for residents with household incomes of 0-60% MFI. The Lents Town Center Urban Renewal Area has established a priority to rehabilitate existing low income housing.

In FY05/06, \$3.8 million was spent on 107 Rental Rehab Preservation units. The majority of those dollars were federal funds. \$700,000 of tax increment financing (TIF) was spent in the Oregon Convention Center URA to preserve 24 units in the Urban League Project.

PDC administers a grant from the U.S. Department of Housing and Urban Development to identify and reduce lead-based paint hazards in Multnomah, Clackamas, Washington and Clark (Washington State) counties and the cities of Beaverton, Gresham and Portland. Grants are awarded to owner-occupied homes and Section-8 rental properties. Owner occupied units are eligible if the household income is at or below 80% MFI. There are no long term affordability requirements attached to the grants. In FY 05/06, 6 low income rental units received Lead Paint Grants.

**Table 1: Rental Rehab Preservation Projects- PDC Financing and Incentive Programs**

*Closed in FY05/06*

Project	Location	Fund Type			Incentives
		Federal	TIF	Total	
BRIDGEVIEW APTS, ST. JOHNS	Citywide	\$904,233 13 units	\$0 0	\$904,233 13 units	
OUR HOUSE	Citywide	\$645,000 14 units	\$0 0	\$645,000 14 units	
URBAN LEAGUE	Oregon Convention Center	\$494,000 24 units	\$700,000 24 units	\$1,214,000 24 units	
WEIDLER COMMONS	Citywide	\$1,025,000 50 units	\$0 0	\$1,025,000 50 units	
LEAD PAINT PROGRAM	Interstate Corridor	\$12,925 2 units	\$0 0	\$12,925 2 units	
LEAD PAINT PROGRAM	Interstate	\$32,414 4 units	\$0 0	\$32,414 4 units	
<b>Subtotals</b>		\$3,113,572 107 units	\$700,000 24 units	\$3,833,572 107 units	

**Total Rental Rehab Preservation Closed Units (unduplicated) 107 units**

Table 2 shows PDC financed units by median income level. All 107 units preserved were below 60% Median Family Income (MFI). The majority of the units (53%) and dollars (74%) went to rehabilitate/preserve units below 50% MFI.

**Table 2: Summary of Rental Rehab Preservation Units by Income Level**  
(incentive-only units excluded) *Closed in FY05/06*

	Income Level (%MFI)					Total
	0-30	31-50	51-60	61-80	81+	
<b>Units</b>	33 units	24 units	50 units			107 units
<b>Dollars</b>	\$1,619,267	\$1,214,000	\$979,641			\$3,812,908
<b>\$/unit</b>	\$49,069	\$50,583	\$19,593			\$35,635
<b>% of Units Closed</b>	31%	22%	47%			100%

Table 3 contains information on projects financially restructured in FY05/06. New units were not created in these projects; however, 326 units were preserved as affordable units. These units are not counted toward the 1,500 unit goal since they are not new units, nor were significantly rehabilitated in a manner where the public investment was used for capital improvements. In FY04/05, \$1.9 million of HOME and CDBG loans and Lead grants were granted to Portland Community Reinvestment Incorporated to restructure and preserve 148 units of affordable housing that was previously owned by ACDC. In addition, the Reach CDI owned Grand Oaks Trio did not have new resources invested, but \$614,087 of existing debt was restructured.

**Table 3: Preservation of Existing Projects (Restructures), FY05/06**

Project	Location	Fund Type				Total	Incentives
		Federal	City	Other			
ACDC	Citywide	\$0 0	\$0 0	\$0 0	\$0 148 units		
COUNTRY SQUIRE APT RESTRUCTURE	Lents Town Center	\$61,965 32 units	\$0 0	\$0 0	\$61,965 32 units		
GRAND OAKS TRIO	Central Eastside	\$0 0	\$0 0	\$0 0	\$0 146 units		
<b>Subtotals</b>		\$61,965 32 units		\$0 148 units	\$61,965 326 units		

<b>Total Existing Preservation Units (unduplicated)</b>	<b>326 units</b>
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## **B) 6,400 New Low Income Rental Units**

Units built in this category support the following City policies and PDC strategies:

- *Central City No Net Loss* – Maintain through preservation or replacement the existing number of housing units affordable to households at 60% MFI and below. Preserve or replace 1,200 units at or below 60% MFI in the Central City by 2006 (2001-2006).
- *10-Year Plan to End Homelessness* – Develop 2,200 new permanent supportive housing units for chronically homeless individuals and homeless families with special needs.
- *Urban Renewal Housing Strategies* – New affordable rental housing construction is a stated goal in each of the adopted urban renewal housing strategies. Strategies have been adopted for Downtown, River District, Lloyd District, North Macadam, Interstate, Lents, Gateway and the Central Eastside.

In FY05/06, \$1.6 million was spent to create 124 New Low Income Rental Units. All of the New Low-Income Rental units were funded with federal dollars.

One hundred seventy units received SDC waivers. As discussed in the methodology section, most of the SDC only units have either received public financing that was reported in previous years or that will be reported next year. The 22 units in the Central Eastside were for the Clark Center Annex. PDC has also committed \$1.3 million of federal funds to the Clark Center Annex (see Table 6). The Clara Vista project, which received SDC waivers on 26 units, received \$1.1 million in federal funds in FY 04/05. The New Columbia project also received 66 SDC waivers in the Interstate Corridor URA. The entire New Columbia Project (including parks and infrastructure improvements) was funded with other City revenue including Tax Increment Financing from the Interstate Corridor URA.

### **Table 4: New Low Income Rental Units- PDC Financing and Incentive Units**

*Closed in FY05/06*

Project	Location	Fund Type			Total	Incentives
		Federal	TIF	City		
LINCOLN WOODS	Citywide	\$450,000 69 units			\$450,000 69 units	
VILLAGE AT THE HEADWATERS (SENIO	Citywide	\$641,742 55 units			\$641,742 55 units	55 units
*FIR GROVE APARTMENTS	Citywide	\$68,124 30 units			\$68,124 30 units	30 units
*ROSELYN VILLA	Citywide	\$396,977 4 units			\$396,977 4 units	4 units
*SDC	Citywide					44 units
SDC	Central Eastside					22 units
SDC	Interstate					66 units
<b>Subtotals</b>		\$1,556,843 124 units	0	0	\$1,556,843 124 units	88 units

<b>Total New Low Income Rental Closed Units (unduplicated)</b>	<b>212 units</b>
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\*The units in these projects were counted in a previous year so only the dollars are included in the totals

Table 5 summarizes new low income units by median family income. The majority (58%) of New Low Income Rental units and dollars in FY05/06 were between 31-50% MFI. A third of the units were between 51-60% MFI and 6% were under 30% MFI.

**Table 5: Summary of New Low Income Rental Units by Income Level**  
(incentive-only units excluded) *Closed in FY05/06*

	Income Level (%MFI)					Total
	0-30	31-50	51-60	61-80	81+	
<b>Units</b>	10 units	94 units	54 units			158 units
<b>Dollars</b>	\$157,101	\$731,406	\$656,876			\$1,545,383
<b>\$/unit</b>	\$15,710	\$7,781	\$12,164			\$9,781
<b>% of Units Closed</b>	6%	58%	34%			100%

Table 6 summarizes projects that PDC has committed funding towards in FY05-06, but has not closed. PDC administers the City's Housing Opportunity Bond but because the funds do not come through PDC, the unit count is not included in this report. Several projects were closed in 05/06 that received these funds including Clark Center Annex, Howard House, Rose Quarter, and Leander Court. Both the Clark Center and Rose Quarter received other PDC funding (federal funding and TIF Funding) and have been included in this or previous reports.

**Table 6: New Low Income Rental Units- PDC Financing and Incentive Units**  
*Committed in FY05/06*

Project	Location	Fund Type				Incentives
		Federal	TIF	City	Total	
CLARK CENTER ANNEX	Central Eastside	\$1,319,400 22 units	\$0 0	\$0 0	\$1,319,400 22 units	
<b>Subtotals</b>		\$1,319,400 22 units	\$0 0	\$0 0	\$1,319,400 22 units	

**Total New Low Income Rental Committed Units (unduplicated) 22 units**

## Summary of Low Income Rental Units

(Rental Rehab Preservation and New Low Income Rental units)

Table 7 represents all closed units under 60% MFI including both Rental Rehab Preservation and New Low Income Rental units by income level for FY05/06. A total of 266 units affordable to households below 60% MFI were either preserved or created. The majority of units (60%) were under 50% MFI.

Units located in the Central City contribute directly to the City's Central City No Net Loss policy, including the Grand Oaks Trio and Clark Center Annex.

**Table 7: Summary of Rental Rehab Preservation and New Low-Income Rental Units by Income Level Closed in FY05/06**

	Income Level (%MFI)					Total
	0-30	31-50	51-60	61-80	81+	
<b>Rehab Units</b>	33 units	24 units	51 units			108 units
<b>% of Rehab Units</b>	31%	22%	47%			100%
<b>New Units</b>	10 units	94 units	54 units			158 units
<b>% of New Units</b>	6%	59%	34%			100%
<b>Total Units</b>	43 units	118 units	105 units			266 units
<b>% of Total Units</b>	16%	44%	39%			100%

### Four Year Summary of Low Income Rental Units, FY01/02 – FY05/06

Table 8 shows a five year summary of units at or below 60% MFI for FY01/02 – FY05/06. A total of 2,791 units have been rehabilitated or built between 2001-2006. The split across income level categories was fairly equal with each category receiving about one-third of the units. Twenty nine percent of the units affordable to households below 60% MFI were rehab/preservation units. The remaining 71% were newly constructed units.

**Table 8: FY01/02- FY05/06 Summary of Rental Rehab Preservation and New Low-Income Rental Units by Income Level from Closed in FY01/02-05/06**

	Income Level (%MFI)					Total
	0-30	31-50	51-60	61-80	81+	
<b>Rehab Units</b>	382 units	302 units	113 units			797 units
<b>% of Rehab Units</b>	48%	38%	14%			100%
<b>New Units</b>	480 units	615 units	898 units			1993 units
<b>% of New Units</b>	24%	31%	45%			100%
<b>Total Units</b>	862 units	917 units	1011 units			2790 units
<b>% of Total Units</b>	31%	33%	36%			100%

### **C) 4,500 Market Rate Rental Units (above 60% MFI)**

As part of larger revitalization, transit oriented development and growth management goals, PDC supports the development of market rate rental housing. Many of these market rate units are within mixed-income projects that include low-income units as well. PDC generally finances market rate units with amortizing debt, therefore funds are expected to be repaid with accrued interest.

Units built in this category support the following City policies and PDC strategies:

- *Urban Renewal Housing Strategies* – PDC has adopted the Downtown Housing Strategy, Lloyd District Housing Strategy, Interstate Corridor URA Housing Strategy, Lents Housing Strategy, Gateway Housing Strategy, North Macadam Housing Strategy and Central Eastside Housing Strategy that all establish goals for new housing including market rate rental housing. The River District Housing Strategy also has goals for housing above 60% MFI, but does not distinguish between rental and ownership goals.
- *Metro’s 2040 Growth Management Goals* – The City of Portland has committed to accommodating new housing in support of 2040 growth management goals.
- *Downtown Retail Strategy, South Park Blocks Urban Renewal Plan and Central City Plan* – Calls for the development of new market rate housing to support economic development and revitalization goals for Downtown Portland.

In FY05/06 PDC closed financing on 134 market rate rental units totaling \$2.5 million. TIF funds were used to finance the development of thirty units at the Crane Building in the River District URA. Ten units are restricted at or below 100% MFI for sixty years. The Headwaters Apartments received \$1.5 million from the Housing Investment Fund. The project includes 100 workforce units at or below 150% MFI. This project will be owned by the City and was also funded with City Lights Revenue Bonds. The remaining units listed are “manager units” for projects that include affordable housing units. Table 10 displays that all of the 135 Market Rate Rental units were above 80% MFI.

**Table 9: Market Rate Rental Units – PDC Financing and Incentive Units**  
*Closed in FY05/06*

Project	Location	Fund Type			Total	Incentives
		Federal	TIF	City		
BRIDGEVIEW APTS, ST. JOHNS **	Citywide	1 unit			\$0 1 unit	
CRANE BUILDING	River District		\$1,000,000 30 units		\$1,000,000 30 units	
HEADWATERS APARTMENTS	Citywide			\$1,500,000 100 units	\$1,500,000 100 units	
LINCOLN WOODS **	Citywide	1 unit			\$0 1 unit	
VILLAGE AT THE HEADWATERS (SENIOR HSING) **	Citywide	\$11,460 1 unit			\$11,460 1 unit	1 unit
WEIDLER COMMONS **	Citywide	\$20,664 1 unit			\$20,664 1 unit	
*FIR GROVE APARTMENTS **	Citywide	1 unit			\$0 1 unit	1 unit
<b>Subtotals</b>		\$32,124 4 units	\$1,000,000 30 units	\$1,500,000 100 units	\$2,532,124 134 units	0 units

<b>Total Market Rate Rental Closed Units (unduplicated)</b>	<b>134 units</b>
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\*The units in these projects were counted in a previous year.

\*\*These are mixed income projects and affordable units for these projects appear in sections A and B of this report. Refer to tables 1 and 4.

If units received financial assistance and incentives in the same year the incentives are not counted in the total.

**Table 10: Summary of Market Rate Rental Units by Income Level**  
(incentive-only units excluded) *FY05/06 Closed Units*

	Income Level (%MFI)					Total
	0-30	31-50	51-60	61-80	81+	
<b>Units</b>				0 units	135 units	135 units
<b>Dollars</b>				\$0	\$2,532,124	\$2,532,124
<b>\$/unit</b>				\$0	\$18,756	\$18,756
<b>% of Units Closed</b>				0%	100%	100%



## D) 3,000 New Homeownership Units

PDC supports the development of homeownership in a number of ways through direct financial assistance (long and short-term financing) and incentives.

Units built in this category support the following City policies and PDC strategies:

- *Urban Renewal Housing Strategies* – PDC has adopted the Downtown Housing Strategy, Lloyd District Housing Strategy, Interstate Corridor URA Housing Strategy, Lents Housing Strategy, Gateway Housing Strategy, North Macadam Housing Strategy and Central Eastside Housing Strategy that all establish goals for new housing including ownership housing.
- *Metro's 2040 Growth Management Goals* – The City of Portland has committed to accommodating new housing in support of 2040 growth management goals.
- There is a commitment by the City and PDC to close the homeownership gap for minority and first-time homebuyers by increasing homeownership citywide. One strategy to achieve this goal is to increase the number of affordable homeownership units in the City.

In November, 2005, the single family limited tax exemption program was reinstated resulting in a resurgence of incentive-only homeownership units. In FY05/06, all of the New Homeownership units only received incentives and no direct PDC financing. 592 new homeownership units utilized limited tax abatements, SDC waivers, and other fee waivers.

Fee waivers are granted only to nonprofit organizations. At the time of purchase the unit must be sold to a family at or below 100% MFI. LTAs, SDCs, and Fee waivers include affordability requirements. At the time of purchase PDC will tract whether the affordability target has been met. If the affordability target was not met, the properties are assessed taxes in full and the developer must pay the SDC.

### **Table 11: New Homeownership Units- PDC Financing and Incentive Programs**

*Closed in FY05/06*

Project	Location	Fund Type			Total	Incentives
		Federal	TIF	City		
Limited Tax Abatement	Lents					12 units
Limited Tax Abatement	Interstate					16 units
Limited Tax Abatement	Citywide					34 units
SDC	Lents					21 units
SDC	Interstate					105 units
SDC	Gateway					1 unit
SDC	Citywide					394 units
Fee Waiver	Lents					5 units
Fee Waiver	Interstate					4 units
<b>Subtotals</b>						592 units

<b>Total New Homeownership Closed Units (unduplicated)</b>	<b>592 units</b>
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SDC's from this category and added to the First Time Homowner category due to purchase by First Time Homebuyers:

111

## E) 1,600 Homes Repaired

PDC finances home repair loan and grant programs citywide and in urban renewal areas. PDC administers the City's home repair and lead-based paint programs using federal funds and has established specific urban renewal programs for home repair that include direct lending and contracting with local community organizations.

Units built in this category support the following City policies and PDC strategies:

- *Urban Renewal Housing Strategies* – In urban renewal areas with a significant number of single family homes—specifically Interstate Corridor and Lents Town Center--home repair and renovation goals have been established to increase neighborhood revitalization and help homeowners stay in their home.
- *Anti-Displacement*--Home repair is recognized as an anti-displacement tool for many lower income homeowners.

The majority (117) of the units that received a home repair loan were financed with federal dollars. \$490,884 TIF dollars were used to finance 96 Home Repair Loans. The majority (74%) of home repair loans were given to households earning less than 60% MFI.

FY05/06 is the last year in which federal funds were available for the PDC Home Repair Loan program citywide. After FY05/06 home repair loans will only be available in the Interstate Corridor and Lents Town Center urban renewal areas where tax increment financing has been budgeted for this program. PDC continues to administer a home repair program for the City of Beaverton and Portland's federally funded Lead Based Paint Grant program. PDC also operates a Sewer On Site program which provides financial assistance to connect residences to an existing sewer line.

PDC is also a qualified lender of the Fannie Mae HomeStyle Loan program which has brought in additional outside resources. These loans enable existing homeowners to refinance and renovate their homes. By doing this PDC is able to offer loan products that are otherwise unavailable with local resources. These resources are private resources (not local subsidies) that are only available for home mortgages. In FY05/06, PDC leveraged \$1,158,600 of private investor resources to fund first mortgages for moderate and middle income homeowners who refinanced and renovated their homes.

**Table 12: Home Repair Loans – PDC Financing and Incentive Units**  
*Closed in FY05/06 (includes loans made outside of the city of Portland)*

Project	Location	Fund Type				Total	Incentives
		Federal	TIF	City	Investor		
BEAVERTON - CDBG M/H	Interstate	\$57,034 15 units				\$57,034 15 units	
BEAVERTON - HOME	Interstate	\$99,119 7 units				\$99,119 7 units	
FANNIE MAE - STANDARD REFI	Interstate				\$648,600 3 units	\$648,600 3 units	
FANNIE MAE - STANDARD REFI	Interstate Corridor				\$315,000 1 unit	\$315,000 1 unit	
FANNIE MAE - STANDARD REFI	Lents Town Center				\$195,000 1 unit	\$195,000 1 unit	
GENERAL	Interstate	\$204,876 19 units				\$204,876 19 units	
GENERAL	Interstate Corridor	\$26,765 4 units	\$149,623 16 units			\$176,388 20 units	
GENERAL	Lents Town Center	\$10,594 1 unit	\$130,261 9 units			\$140,855 10 units	
INTEREST DEFERRAL	Lents Town Center		\$5,000 1 unit			\$5,000 1 unit	
Land Trust Grant	Lents Town Center		\$106,000 2 units			\$106,000 2 units	
LEAD PAINT PROGRAM	Interstate Corridor	\$75,965 7 units				\$75,965 7 units	
LEAD PAINT PROGRAM	Lents Town Center	\$4,925 1 unit				\$4,925 1 unit	
LEAD PAINT PROGRAM	Oregon Convention Center	\$13,726 1 unit				\$13,726 1 unit	
LEAD PAINT PROGRAM	Interstate	\$325,252 39 units				\$325,252 39 units	
REACH	Interstate		\$100,000 68 units			\$100,000 68 units	
SEWER ON SITE	Interstate	\$71,498 19 units				\$71,498 19 units	
SEWER ON SITE	Lents Town Center	\$13,250 4 units				\$13,250 4 units	
Limited Tax Abatement	Interstate						3 units
Limited Tax Abatement	Citywide						4 units
<b>Subtotals</b>		\$903,004 117 units	\$490,884 96 units		\$1,158,600 5 units	\$2,552,488 218 units	7 units

<b>Total Home Repair Closed Loans (unduplicated)</b>	<b>212 Units</b>
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This total subtracts units double counted in the above table in the amount of 13

**Table 13: Summary of Home Rehab Loans by Income Level**  
 FY05/06

	Income Level (%MFI)					Total
	0-30	31-50	51-60	61-80	81+	
<b>Units</b>	47 units	42 units	22 units	32 units	7 units	150 units
<b>Dollars</b>	\$367,659	\$417,065	\$307,153	\$280,254	\$1,080,357	\$2,452,488
<b>\$/unit</b>	\$7,823	\$9,930	\$13,962	\$8,758	\$154,337	\$16,350
<b>% of Total Closed</b>	31.3%	28.0%	14.7%	21.3%	4.7%	100%

## F) Assist 3,000 First Time Homebuyers

This category is set apart from the others in that the goals are *buyers* and not *units*. The difference is important because it allows for units in this category to qualify for other categories (New Homeownership Units and Home Repair). In FY05/06, two units/ buyers counted toward both home repair and first-time homebuyer goals, both were Portland Community Land Trust units. This category also includes units that receive a Water Bureau Homeowner SDC, requiring the buyers to be first-time homebuyers. Further information about the SDC is available in Appendix A.

Units built in this category support the following City policies and PDC strategies:

- *Operation HOME: Minority Homeownership*--Both PDC and the City of Portland have adopted goals to decrease the minority homeownership gap. PDC has established a specific goal to assist 2,500 first-time, minority homebuyers by 2010. A strategy to achieve this goal is by helping existing renters become homeowners.
- *Urban Renewal Housing Strategies* – In urban renewal areas with a significant number of single family homes, first-time homebuyer goals have been established to help new and existing residents become homeowners to promote housing stability and wealth creation.

PDC brings in outside resources and originates loans that are sold to either Fannie Mae (HomeStyle Loans) or the Oregon Residential State Bond program on the secondary market. By doing this PDC is able to offer loan products that are otherwise unavailable with local resources. These funds are only available as first time homebuyer loans, renovation loans, or refinances. PDC also offers shared appreciation mortgages (SAM). A SAM is gap financing that makes up the difference between what a homebuyer will support and the higher sales price of a property.

As illustrated in Table 14, one SAM loans, 2 land trust loans, nine ORL loans, and four Fannie Mae loans totaling \$2.9 million were closed. Table 15 highlights that the majority of buyers were over 80% MFI. All of the locally funded homebuyer assistance programs (SAMs) were provided to households with incomes at or below 80% MFI. The two Land Trust homes had buyers with incomes at or below 60% MFI.

**Table 14: First Time Homebuyer Loans- PDC Financing and Incentive Programs**  
*Closed in FY05/06*

Project	Location	Fund Type					Incentives
		Federal	TIF	City	Investor	Total	
FANNIE MAE - COMMUNITY PURCH	Interstate				\$630,216 3 units	\$630,216 3 units	
FANNIE MAE - STANDARD PURCH	Interstate				\$359,650 1 unit	\$359,650 1 unit	
Land Trust Grant	Lents Town Center		\$106,000 2 units			\$106,000 2 units	
OR State Bond	Lents Town Center				\$289,650 2 units	\$289,650 2 units	
OR State Bond	Interstate Corridor				\$520,260 2 units	\$520,260 2 units	
OR State Bond	Interstate				\$948,666 5 units	\$948,666 5 units	
SHARED APPRECIATION MORTGAGE	Lents Town Center		\$30,000 1 unit			\$30,000 1 unit	
LTA	Lents						12 units
LTA	Interstate						15 units
LTA	Citywide						50 units
<b>Subtotals</b>			\$136,000 3 units		\$2,748,442 13 units	\$2,884,442 16 units	77 units

<b>Total First Time Homebuyer Closed Loans (unduplicated)</b>	<b>93 units</b>
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SDC's counted in the New Homeownership Units category and added to this category due to purchase by First Time Homebuyers: 111

\*1 borrower received a Shared Appreciation Mortgage and a loan

**Table 15: Summary of Home Buyer Assistance Loans by Income Level**  
(Includes HomeStyle Loans), FY05/06

	Income Level (%MFI)					Total
	0-30	31-50	51-60	61-80	81+	
<b>Units</b>	0 units	2 units	1 units	3 units	9 units	15 units
<b>Dollars</b>	\$0	\$242,650	\$53,000	\$513,200	\$2,075,592	\$2,884,442
<b>\$/unit</b>	\$0	\$121,325	\$53,000	\$171,067	\$230,621	\$192,296
<b>% of Total Closed</b>	0.0%	13.3%	6.7%	20.0%	60.0%	100%

### G) FY05/06 Summary of Production and 2011 Production Goals

In FY05/06, the majority of units (58%) received only an incentive and no direct PDC financing. About a third of the units received PDC financing and no incentive during this fiscal year although may have been granted an incentive in a previous year (or possibly will receive an incentive in a later year). Six percent of the total units received both PDC financing and an incentive.

**Chart 1: PDC Financed and Incentive Program Units**

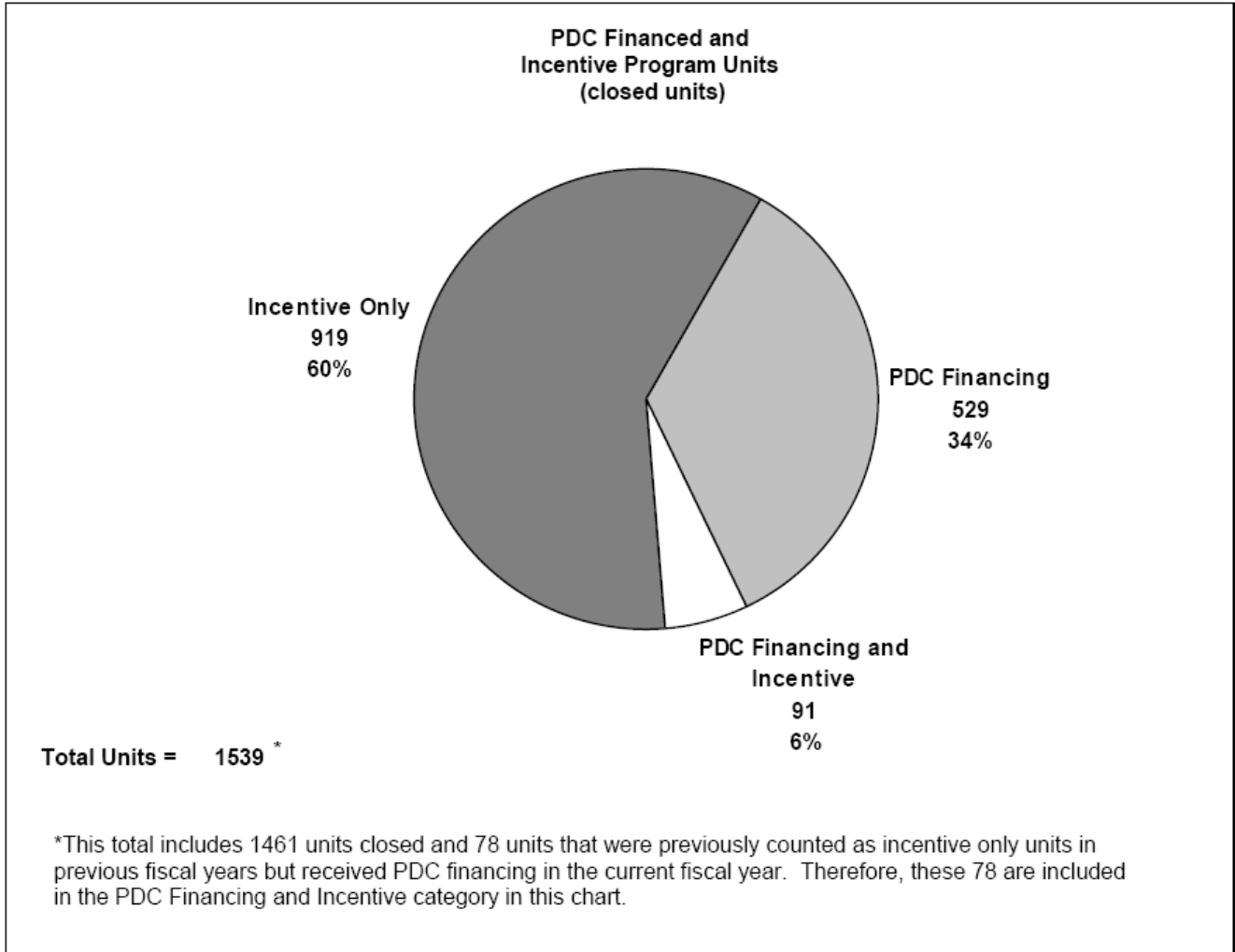


Chart 2 shows PDC financed and incentive units and buyers by category. With 670 units, new homeownership units had the majority of incentive only units. Nearly all rental rehab preservation, market rate rental production and home repair units were PDC financed.

**Chart 2: PDC Financed and Incentive Program Units by Goal Category**



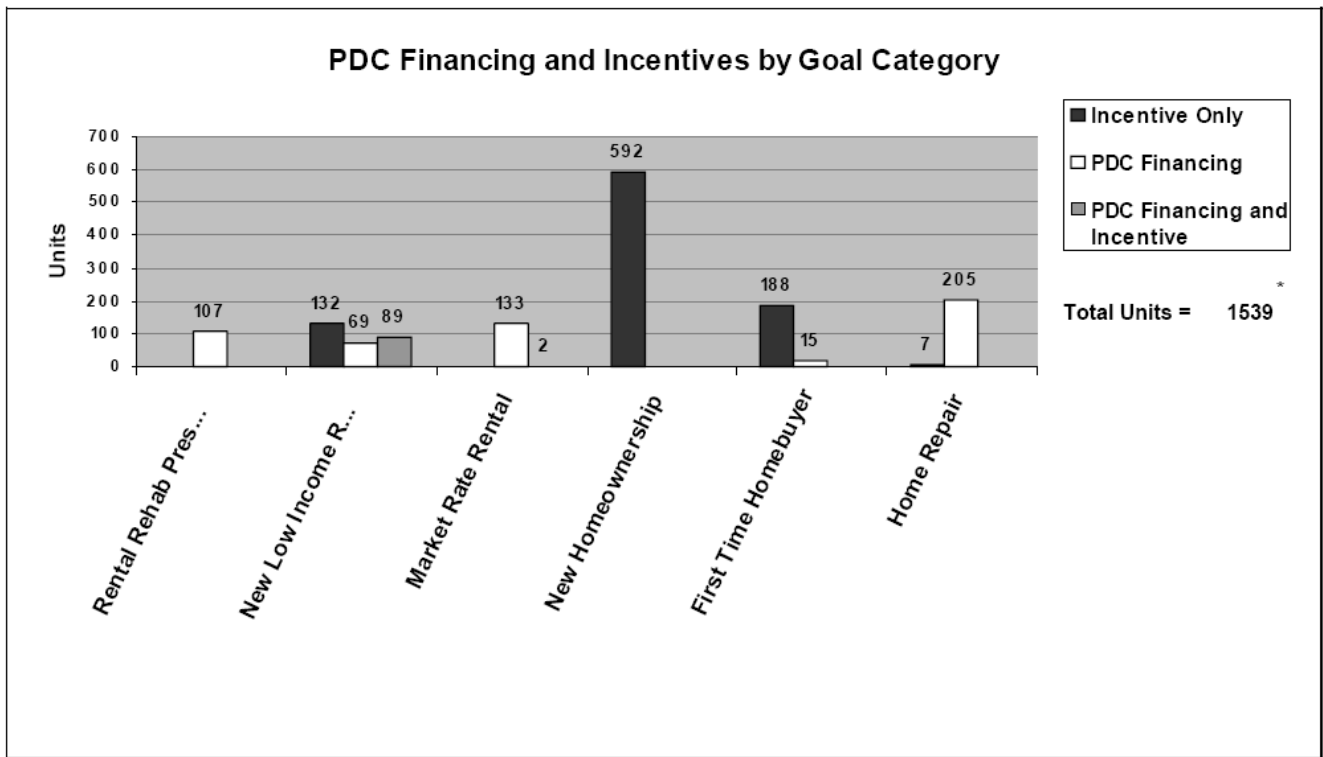
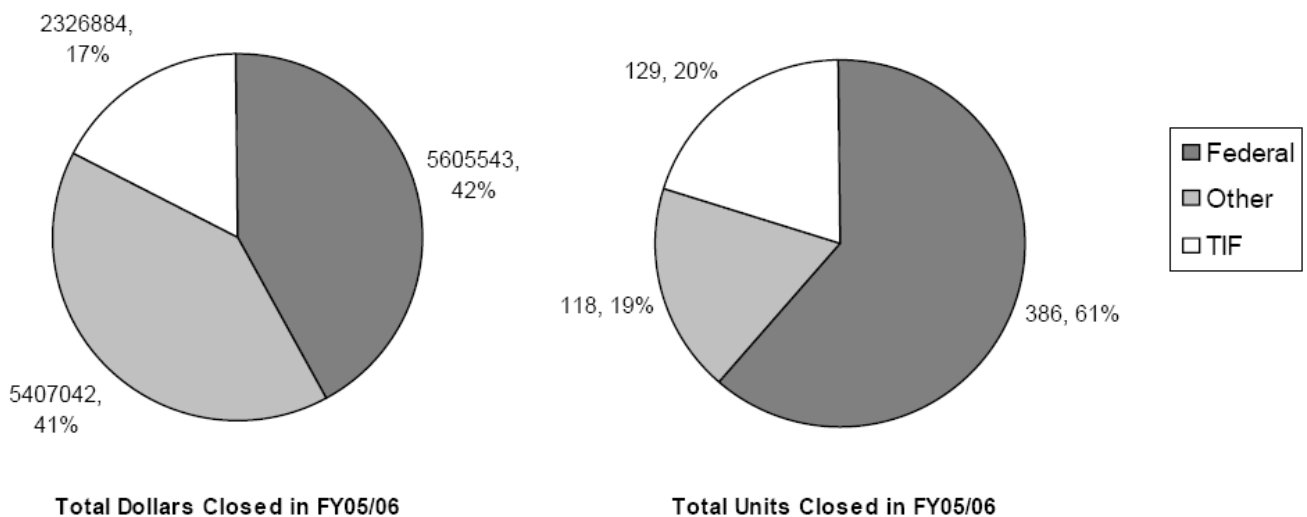


Chart 3 shows the type of funds used to finance FY05/06 units. Sixty one percent of the units were financed with federal dollars, totaling 42% of the total dollars.

Seventeen percent of the total dollars were TIF and 20% of the total units were funded with TIF. Other sources of funds (Housing Investment Fund, Fannie Mae HomeStyle Loans and Oregon Residential Loans) accounted for 41% of the dollars and 19% of the units.

**Chart 3: FY05/06 PDC Financed Units by Fund Type**



There are 24 units in the above chart that are categorized in all three Fund Types as the Urban League project had multiple funding sources. Also, one project, Peninsula Children's Center, which closed during FY05/06 had no units, but received \$42,672 in financial assistance.

**Chart 4: Fund Type by Goal Category-**

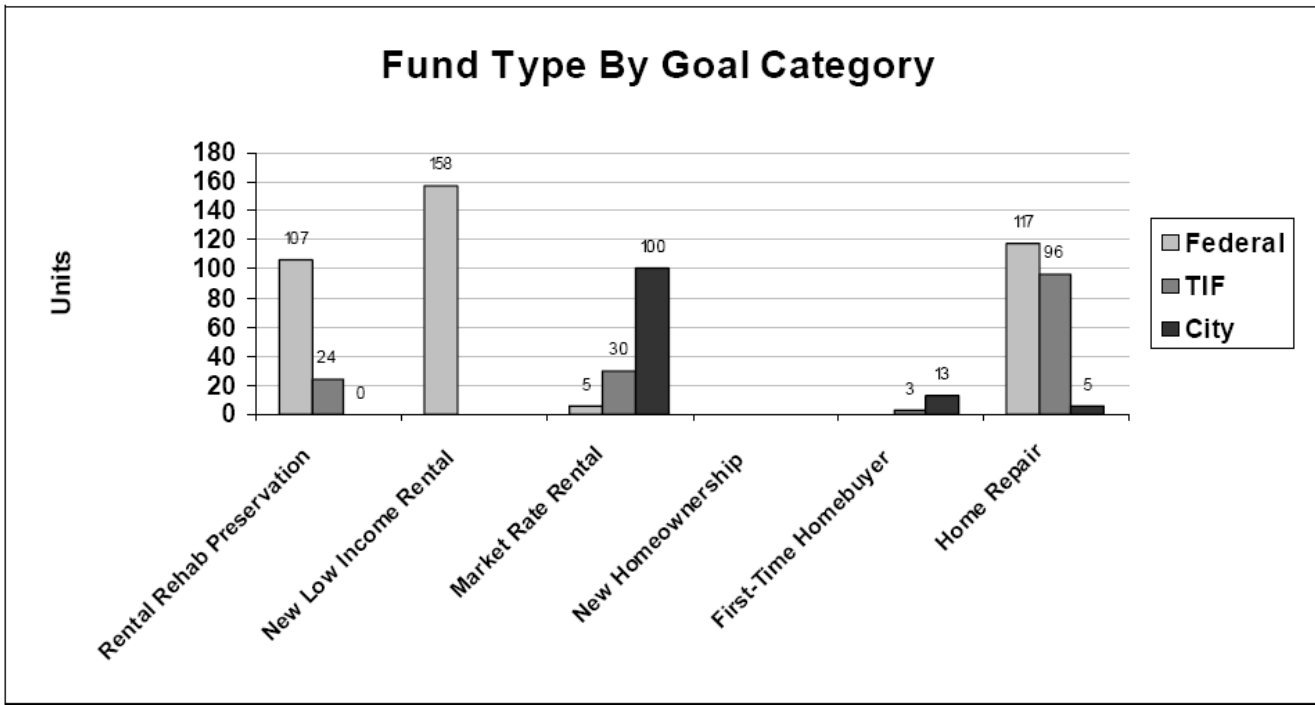


Chart 5 illustrates the TIF dollars by goal category. Of the \$2.3 million TIF dollars, 30% funded rental rehab preservation projects units and 43% went towards market rate rental units. Home repair received 25% of the TIF dollars. The remaining 6% of TIF went to first-time homebuyers.

**Chart 5: Tax Increment Dollars and Units by Goal Category FY05/06**

## Tax Increment Dollars by Goal Category

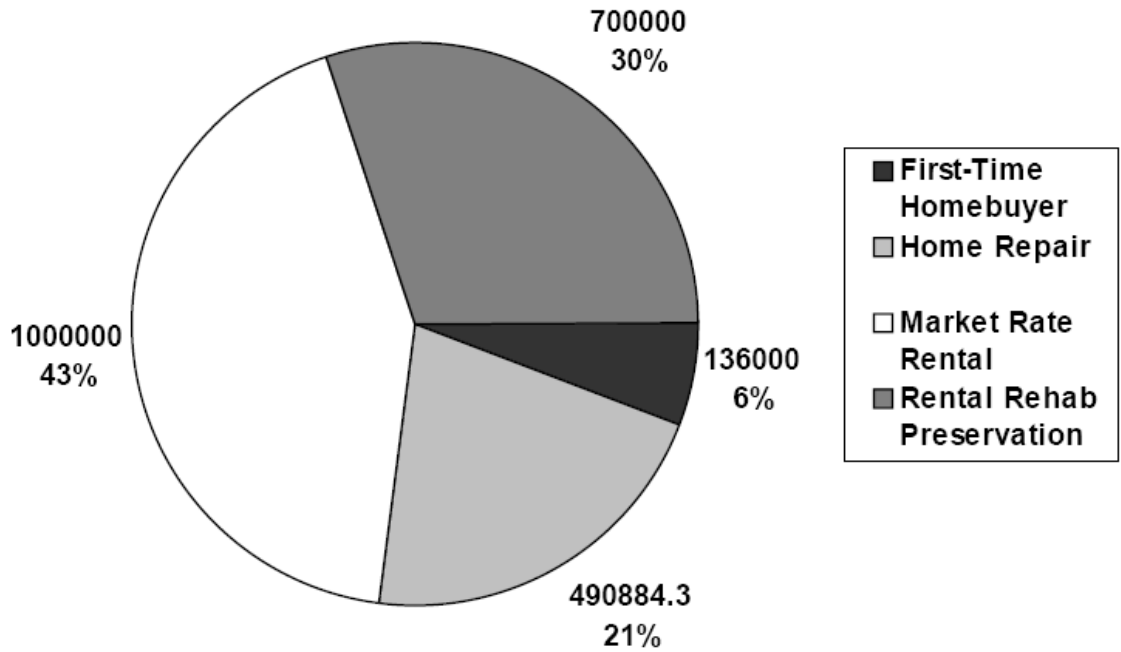


Table 16 is a summary of all units/buyers that received direct financial assistance in FY05/06 by income level. Sixty seven percent of the units/buyers that received assistance in FY05/06 were below 60% MFI. Forty one percent of PDC direct financial assistance dollars supported the development and renovation of low-income rental housing and the remaining resources supported low and moderate income homeowners and first time homebuyers.

**Table 16: Summary of FY05/06 Closed Loans and Grants by Income Level**  
*(incentive-only units excluded)*

	Income Level (%MFI)					Total
	0-30	31-50	51-60	61-80	81+	
<b>Rental Rehab Preservation (below 60% MFI)</b>						
Units	33	24	50			107
Dollars	\$1,619,267	\$1,214,000	\$979,641			\$3,812,908
\$/unit	\$49,069	\$50,583	\$19,593			\$35,635
% of Subtotal Units Closed	31%	22%	47%			100%
<b>New Low Income Rental (below 60% MFI)</b>						
Units	10	94	54			158
Dollars	\$157,101	\$731,406	\$656,876			\$1,545,383
\$/unit	\$15,710	\$7,781	\$12,164			\$9,781
% of Subtotal Units Closed	6%	59%	34%			100%
<b>Market Rate Rental (below 60% MFI)</b>						
Units				0	135	135
Dollars				\$0	\$2,532,124	\$2,532,124
\$/unit				\$0	\$18,756	\$18,756
% of Subtotal Units Closed				0%	100%	100%
<b>Home Repair</b>						
Units	47	42	22	32	7	150
Dollars	\$367,659	\$417,065	\$307,153	\$280,254	\$1,080,357	\$2,452,488
\$/unit	\$7,823	\$9,930	\$13,962	\$8,758	\$154,337	\$16,350
% of Subtotal Units Closed	31%	28%	15%	21%	5%	100%
<b>First-Time Homebuyer</b>						
Units	0	2	1	3	9	15
Dollars	\$0	\$242,650	\$53,000	\$513,200	\$2,075,592	\$2,884,442
\$/unit	\$0	\$121,325	\$53,000	\$171,067	\$230,621	\$192,296
% of Subtotal Units Closed	0%	13%	7%	20%	60%	100%
<b>Total Closed Units</b>	<b>90</b>	<b>162</b>	<b>126</b>	<b>35</b>	<b>151</b>	<b>564</b>
<b>Total Closed Dollars</b>	<b>\$2,144,027</b>	<b>\$2,552,121</b>	<b>\$1,943,670</b>	<b>\$793,454</b>	<b>\$5,688,073</b>	<b>\$13,121,345</b>
<b>\$/unit</b>	<b>\$23,823</b>	<b>\$15,754</b>	<b>\$15,426</b>	<b>\$22,670</b>	<b>\$37,669</b>	<b>\$23,265</b>
<b>% Total Units Closed</b>	<b>16%</b>	<b>29%</b>	<b>22%</b>	<b>6%</b>	<b>27%</b>	<b>100%</b>

**Table 17: FY05/06 Closed Projects/ Loans and Production Targets**

Projects Closed in FY03/04	Production Targets					
	1. 1,500 Rental Rehab Preservation Units	2. 6,400 New Low Income Rental Units	3. 4,500 Market Rate Rental Units	4. 3,000 New Homeownership Units	5. 1,600 Homes Repaired	6. Assist 3,000 First Time Homebuyers
VILLAGE AT THE HEADWATERS (SENIOR)	0	0	1	0	0	0
BRIDGEVIEW APTS, ST. JOHNS **	0	0	1	0	0	0
CRANE BUILDING	0	0	30	0	0	0
HEADWATERS APARTMENTS	0	0	100	0	0	0
LINCOLN WOODS	0	69	0	0	0	0
LINCOLN WOODS **	0	0	1	0	0	0
OUR HOUSE	14	0	0	0	0	0
BRIDGEVIEW APTS, ST. JOHNS	13	0	0	0	0	0
VILLAGE AT THE HEADWATERS (SENIOR)	0	55	0	0	0	0
WEIDLER COMMONS	50	0	0	0	0	0
WEIDLER COMMONS **	0	0	1	0	0	0
URBAN LEAGUE	24	0	0	0	0	0
*FIR GROVE APARTMENTS	0	30	0	0	0	0
*FIR GROVE APARTMENTS **	0	0	1	0	0	0
*ROSELYN VILLA	0	4	0	0	0	0
Owner Rehab Loans	6	0	0	0	218	16
Incentive Only	0	88	0	592	7	188
Incentive Only	0	44	0	0	0	0
<b>Total Units (excluding incentive only units)</b>						
<b>Total Units</b>	107	124	134	0	218	16
<b>% Total</b>	18%	21%	22%	0%	36%	3%
<b>Total Units (including incentive only units)</b>						
<b>Total Units</b>	107	256	134	592	225	204
<b>% Total</b>	7%	17%	9%	39%	15%	13%

## H) Summary of FY01/02- FY05/06 Production and Progress Toward 2011 Goals

The following tables include summary information for the first five years of reporting on the 2011 goals: from FY01/02- FY05/06.

Chart 6 presents the units for all five years. Over half of the total units developed had incentives only which were predominantly new homeownership units. A total of 45% of the units/buyers received PDC financing.

**Chart 6: FY01/02- FY05/06 PDC Financed and Incentive Units by Fund**

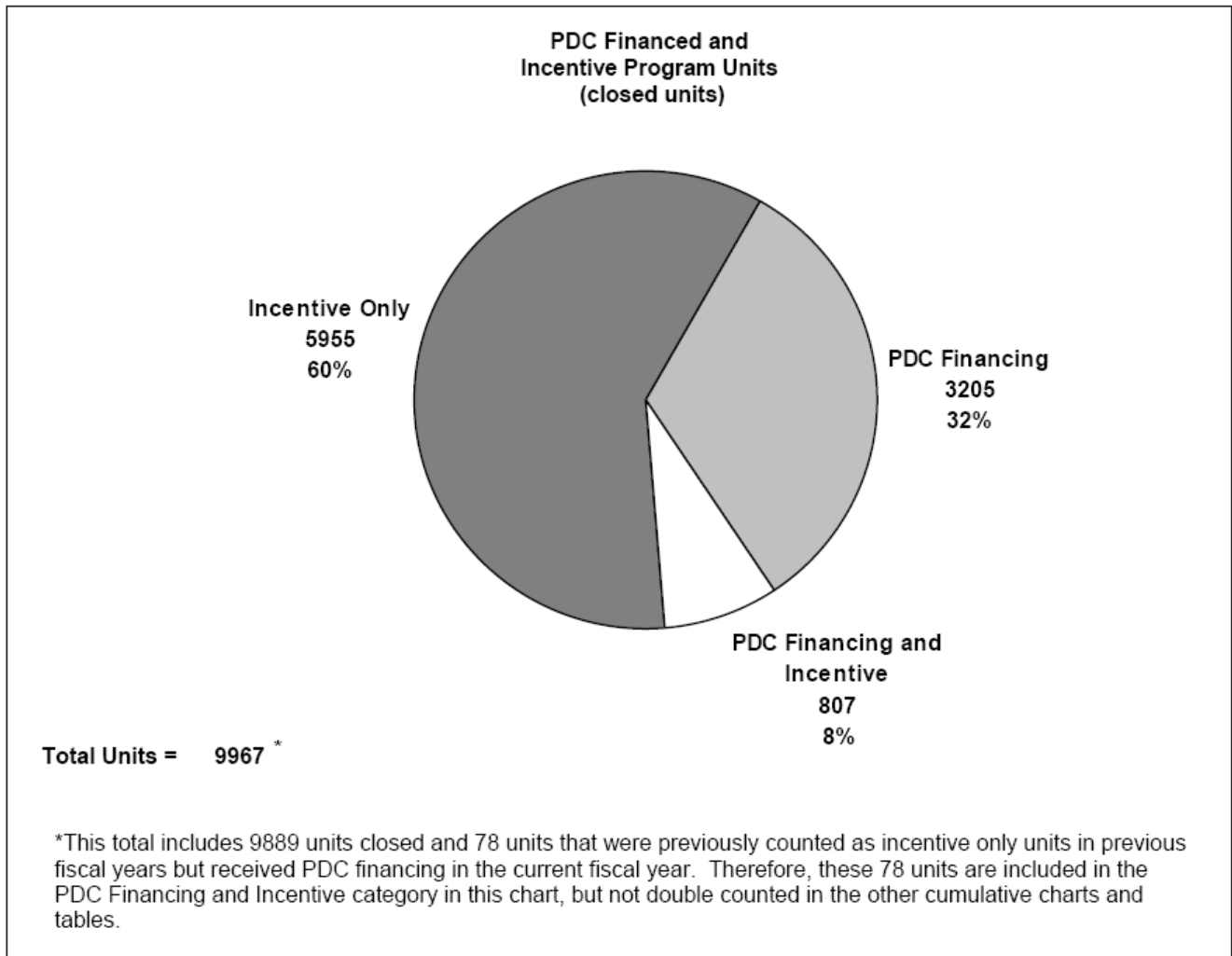


Chart 7 shows the percentage of each goal completed through FY05/06. In the fifth year of production toward the 2011 goals, ideally at least 50% of the goal should be met.

- Rental Rehab Preservation was just over 50% of the goal, staying on track to achieve the 10 year target of 1,500 units preserved.
- New Low Income Rental was just under the 50% goal.
- New Market Rate Rental was well below the goal.
- New Homeownership Units has surpassed the 10-year goal largely impart due to city incentive programs.
- Home Repair is at least one year ahead on achieving the goals, although it is expected home repair activity will decline in the following years with the Citywide program no longer available.
- First-time Homebuyers is extremely below the production goal.

- The overall target of 9,528 units is nearly half met with 49% of the unit production goal achieved.

**Chart 7: Progress Toward 2011 Goals, FY01/02 – FY05/06**

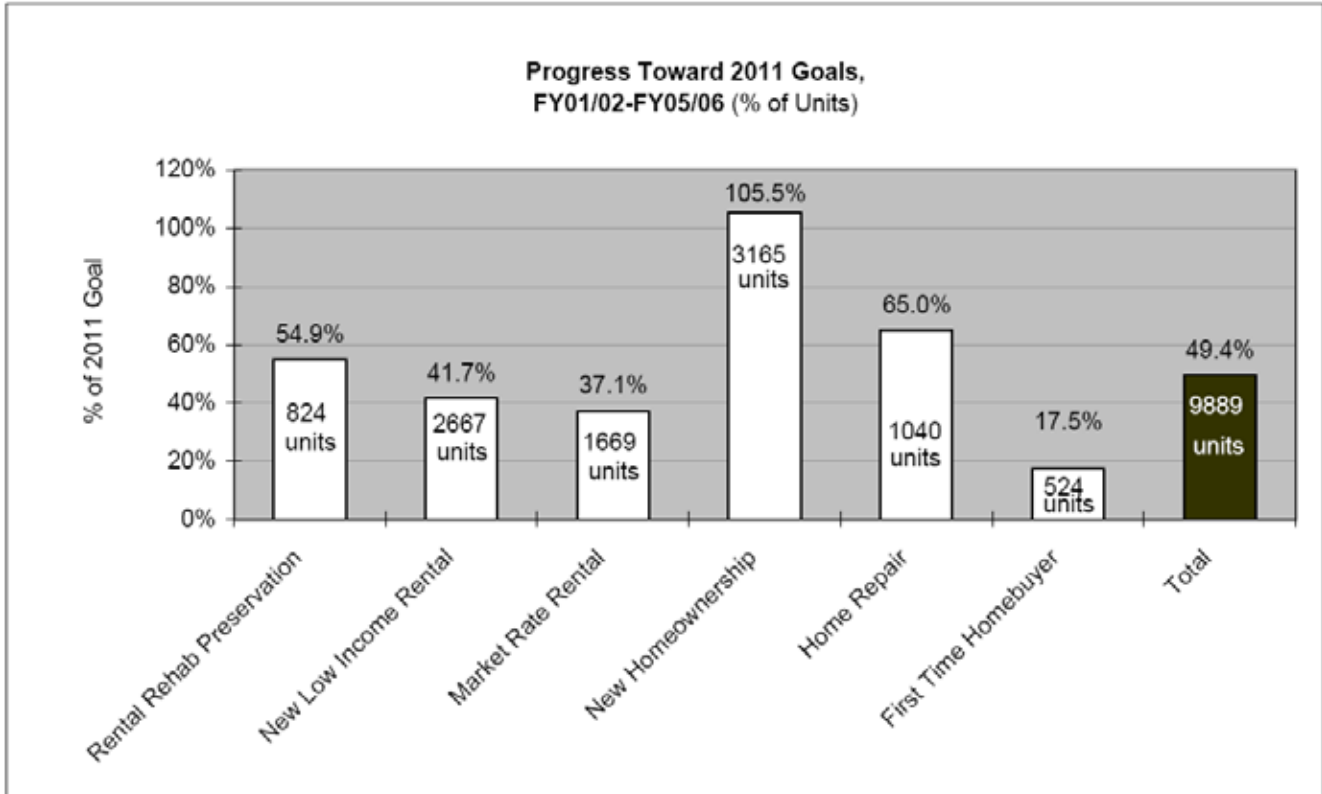


Table 18 is a summary of the five years of reporting by income (MFI level) for units receiving PDC financing (incentive only units are excluded). Of the total units, 75% were at or below 60% MFI and 81% of the dollars supported units at this MFI level. 23% of the units/homeowners were at 30% MFI or below.

**Table 18: Summary of FY01/02-FY05/06 Closed Units and Homebuyers by Income**  
*(excludes incentive only units)*



	Income Level (%MFI)					Total
	0-30	31-50	51-60	61-80	81+	
<b>1. Rental Rehab Preservation</b>						
Units	382	302	116			800
Dollars	\$11,850,357	\$6,444,718	\$4,439,196			\$22,734,271
\$/unit	\$31,022	\$21,340	\$38,269			\$28,418
% of Subtotal Units Closed	48%	38%	15%			100%
<b>2. New Low Income Rental</b>						
Units	480	615	898			1993
Dollars	25996131	24526360	16678016			\$67,200,507
\$/unit	\$54,159	\$39,880	\$18,572			\$33,718
% of Subtotal Units Closed	24%	31%	45%			100%
<b>3. Market Rate Rental</b>						
Units				65	325	390
Dollars				\$2,552,807	\$4,423,336	\$6,976,143
\$/unit				\$39,274	\$13,610	\$17,888
% of Subtotal Units Closed				17%	83%	100%
<b>4. Homeownership</b>						
Units				4	304	308
Dollars				\$93,770	\$1,800,000	\$1,893,770
\$/unit				\$23,443	\$5,921	\$6,149
% of Subtotal Units Closed				1%	99%	100%
<b>5. Home Repair Loans</b>						
Units	0	12	4	34	48	98
Dollars	\$0	\$821,495	\$128,000	\$3,127,665	\$4,035,768	\$8,112,928
\$/unit	\$0	\$68,458	\$32,000	\$91,990	\$84,079	\$82,785
% of Subtotal Units Closed	0%	12%	4%	35%	49%	100%
<b>6. First-Time Homebuyer Assistance</b>						
Units	245	335	119	149	26	874
Dollars	\$1,894,858	\$3,079,653	\$1,264,004	\$1,450,404	\$3,715,819	\$11,404,738
\$/unit	\$7,734	\$9,193	\$10,622	\$9,734	\$142,916	\$13,049
% of Subtotal Units Closed	28%	38%	14%	17%	3%	100%
<b>Total Closed Units</b>	862	929	1018	252	703	3764
<b>Total Closed Dollars</b>	\$37,846,488	\$31,792,573	\$21,245,212	\$7,224,646	\$13,974,923	\$112,083,842
<b>\$/unit</b>	\$43,905	\$34,222	\$20,870	\$28,669	\$19,879	\$29,778
<b>% Total Units Closed</b>	23%	25%	27%	7%	19%	100%

## **Appendix A: Reporting Methodology**

### **How PDC Financed Units are counted toward the 2011 goals:**

Units are counted toward the unit goals in the year the construction/permanent financing closes. Each goal section of the report includes a table on committed dollars to give an indication of the upcoming pipeline of projects. But, these units do not count toward the goals until their financing closes. A project is considered closed when the loan has been closed in escrow and a project is considered committed when the PDC Loan Committee approves the loan.

In order to avoid double counting, when a project receives acquisition dollars the units are not counted until the construction/permanent financing closes. The acquisition dollars will still be report in the year they close and the number of units noted in the report. However, in order to accurately represent the relationship between dollars and actual units, Acquisition Units are included in the Income Level tables throughout the report.

### **How Incentive Units are counted toward the 2011 goals:**

Incentive units (tax abatements, SDCs and fee waivers) are counted toward the unit goals in the year they are approved. When a project receives an incentive in one year and in another year PDC dollars are closed, the units is counted in both categories for the annual report but the units are not double counted in the cumulative report..

### **What goal do the Water Homeowner SDCs (requires first-time homebuyer status) count toward, First-time Homebuyer or New Homeownership Units?**

Water SDCs require that the owner be a first-time homebuyer and that the buyer have an income at or below 100% MFI. Once a unit with an approved Water Homeowner SDC is sold, the title company involved in the sale supplies PDC with verification of the homebuyer's income and first-time homebuyer status. If the homebuyer does not meet both requirements the SDC must be repaid. In terms of how to count these units for the purposes of the 2011 goals, once a unit is approved for a Water Homeowner SDC it is counted toward the New Homeownership goal. However, as PDC collects verification information on these units and the buyer meets both requirements then that unit will be shifted from the New Homeownership category and counted toward the First-Time Homebuyer goal. Therefore, each year a table showing verification status will be included in the report and updated with the numbers shifted between categories as appropriate.

In FY01/02 and FY02/03 the system for verifying the Water Homeowner SDCs was not consistent. A new system was recently established providing a more dependable tool for tracking these units. Therefore, adjustments will be made annually to the New Homeownership Units and First-Time Homebuyer sections of the report.

### **How are First Time Homebuyers counted toward goals:**

The housing production target includes a range of homeownership targets: 1) new homeownership *units*, 2) owner rehab *units*, and 3) first-time *homebuyers*. In some cases a unit may have been purchased by a first time homebuyer and also received PDC financing as a new homeownership or owner rehab unit. First-Time Homebuyer Units are counted in all categories for which they qualify and applied toward the 17,000 unit production goal and/or the 3,000 first-time homebuyer goal as appropriate. Thus, some units will be counted toward both the unit goal and the first-time homebuyer goal.

### **Mixed Income Rental Units**

Rental projects with units at income levels above and below 60% MFI appear in more than one category. The units at or below 60% MFI are counted toward the Rental Rehab Preservation goal or the New Rental Units goal and the units above 60% MFI are counted toward the Market Rate Rental goal.

## Appendix B: Water Bureau Homeowner SDC Verification

Adjustments are made annually to the New Homeownership Units and First-time Homebuyer sections of the report. The Table 20 below outlines: 1) units that were verified as First-Time Homebuyer, 2) units that did not meet the program guidelines and must repay the SDC exemption, and 3) whether eligibility has been verified.

Year	Location	# Approved and Reported*	Homebuyer Met Program Requirements**	Homebuyer Did Not Meet Program Requirements**	Not Verified
FY01/02	Citywide	241	9	4	228
	Interstate	5	0	0	5
	Lents	3	1	2	0
	South Park Blocks	1	0	0	1
	<b>Subtotal</b>	<b>250</b>	<b>10</b>	<b>6</b>	<b>234</b>
FY02/03	Citywide	314	20	21	271
	Interstate	2	0	0	2
	Lents	0	0	0	0
	<b>Subtotal</b>	<b>316</b>	<b>20</b>	<b>21</b>	<b>273</b>
FY03/04	Citywide	274	83	63	128
	Gateway	48	0	0	24
	Interstate	11	4	5	2
	Lents	15	10	3	2
	<b>Subtotal</b>	<b>348</b>	<b>97</b>	<b>71</b>	<b>156</b>
FY04/05	Citywide	235	59	51	121
	Gateway	42	0	0	42
	Interstate	58	35	9	12
	Lents	44	16	10	18
	Oregon Convention Center	15	1	3	11
	<b>Subtotal</b>	<b>394</b>	<b>111</b>	<b>73</b>	<b>204</b>
FY05/06	Citywide	314	8	11	282
	Gateway	1	0	0	1
	Interstate	120	9	14	79
	Lents	22	2	3	14
	<b>Subtotal</b>	<b>457</b>	<b>19</b>	<b>28</b>	<b>376</b>
<b>Total</b>		<b>1765</b>	<b>257</b>	<b>199</b>	<b>1243</b>