

**RIVER DISTRICT
HOUSING IMPLEMENTATION STRATEGY
ANNUAL REPORT**

March 2005

Prepared By:

Portland Development Commission
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For more information on this Annual Report, or to obtain copies of the 1999 River District Housing Implementation Strategy Update or the Development Agreement between the City and HSP, please contact Bruce Allen at (503) 823-3357 or Leah Greenwood at (503) 823-3299.

RIVER DISTRICT HOUSING IMPLEMENTATION STRATEGY ANNUAL REPORT Fiscal Year 2003/2004

Executive Summary

The River District Housing Strategy was adopted in 1994 and amended in 1999. The Strategy calls for the creation of 5,000 new housing units over a 20-year period. In addition, the new units will represent a range of housing that reflects the income diversity of the city as a whole. To achieve this purpose, the Strategy sets targets by income ranges based on median family income.

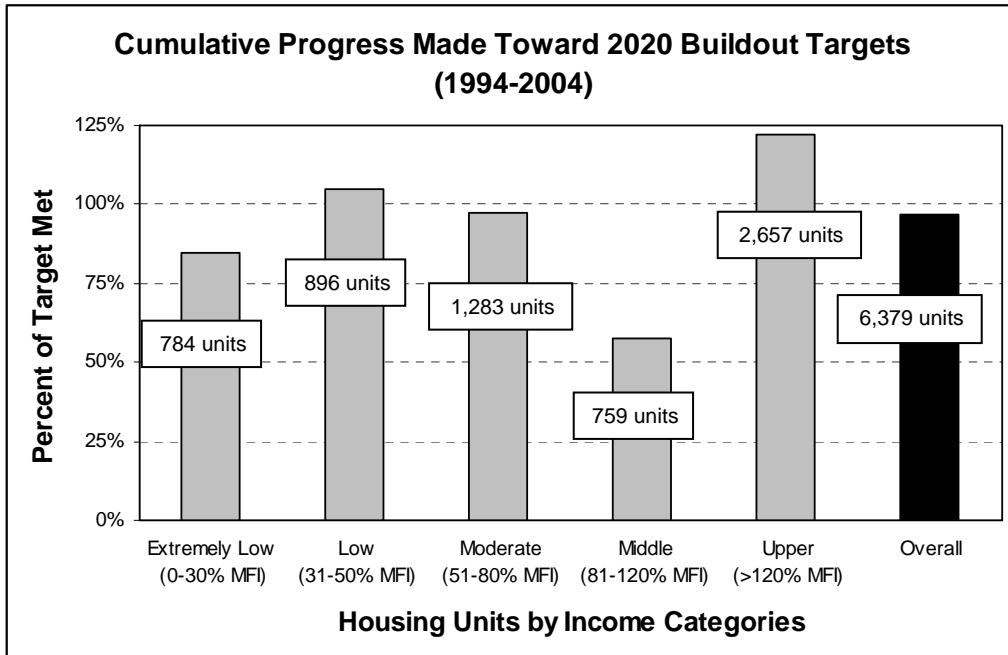
The purpose of the report is to monitor progress made by the City and private developers in implementing the policy objectives of the Housing Strategy. Key highlights from the Fiscal Year 2003/2004 Annual Report include:

Unit Production Goal: 5,000 new units in the River District, resulting in a total of 6,594 units by 2020.

⇒ *Status:* Housing development in the River District has occurred faster than anticipated. As of June 30, 2004, 6,379 units in 44 projects were either completed or underway. This represents 97% of the 6,594 unit target.

Income Targets: Units should be affordable to a range of households reflective of the income distribution of residents throughout the city of Portland.

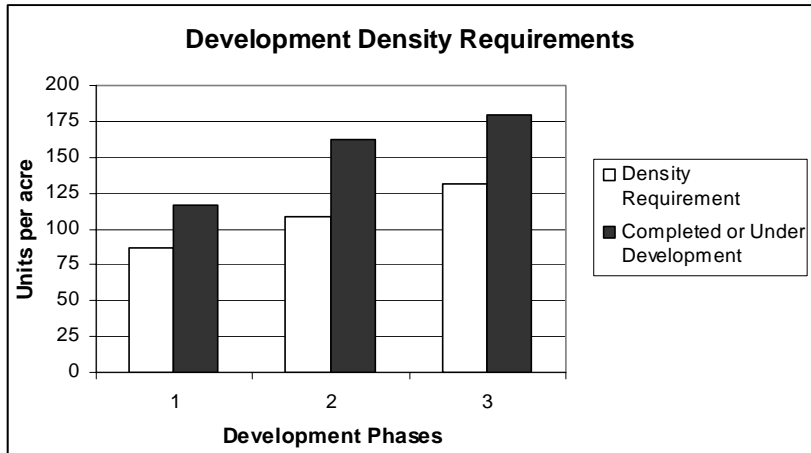
⇒ *Status:* Production of units by income has been uneven. Development exceeded the citywide target in the low (31-50% MFI) and upper (over 120% MFI) income categories, but fell short in all the other income ranges.



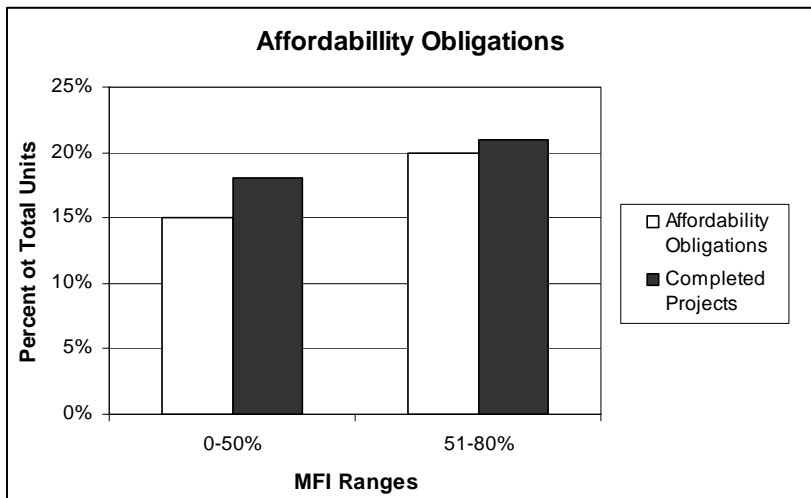
Hoyt Street Properties: The master development agreement includes development density, affordability, and unit size obligations.

⇒ *Status: HSP is exceeding all targets – development density, percentage of affordable units, and percentage of smaller sized units.*

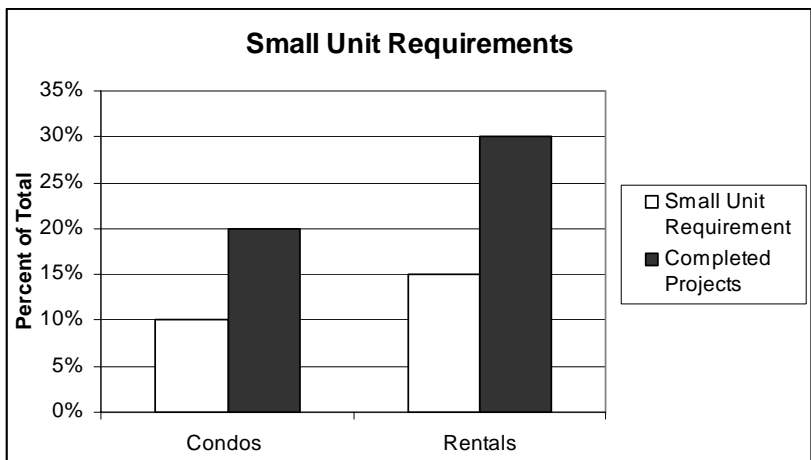
Development density requirements have increased at various phases of development. HSP exceeded the requirement in each phase of development.



The affordability obligation targets, based on percent of total units, were exceeded. Thus far, 182 units at 0-50% MFI have been constructed, as well as 216 units at 51-80% MFI.



To ensure some level of affordability in the long-term, 10% of the ownership units and 15% of the rental units are required to be less than 700 square feet. Actual production was double this requirement.



Background

In May 1994, the Portland City Council adopted Resolution #35274 directing PDC to develop a housing strategy for the River District Target Area. The geographic area addressed by the River District Housing Strategy (the Strategy), as well as this report, is the River District Target Area (River District). The target area was established by the Central City Plan as a subdistrict. It includes the portions of the River District and Downtown Waterfront Urban Renewal Areas that are north of East Burnside.

On December 21, 1994 the City Council adopted the Strategy. The Strategy was developed to help guide investment in the River District. It also sets forth objectives designed to assure that the River District will be developed at high residential densities, with rental and for-sale units serving a broad range of household income levels.

The Strategy calls for the creation of approximately 5,000 new housing units over a twenty year period, through new construction or rehabilitation/conversion. In addition, the City intends that income levels for residents of the River District will match that of the City as a whole. To achieve this purpose, the Strategy sets targets by income ranges (based on Median Family Income (MFI) categories).

In October 1998, Council created the River District Urban Renewal District. Concurrent with this action, PDC worked with staff from the Bureau of Planning and the Bureau of Housing & Community Development, and other interested parties from the community, to update the Strategy in response to concerns about a changing market that was resulting in rents increases and the dislocation of low-income people. This effort was completed in April 1999, and the River District Housing Implementation Strategy Update was formally adopted by the Portland City Council on June 16, 1999 by Resolution #35802. The updated Strategy includes more specific targets which are broken out into **five** income categories to better track the City's progress at addressing the need for extremely-low income (0 - 30% MFI) and middle income (80% - 120% MFI) housing.

Report Purpose and Content

The purpose of this report is to monitor the success with which the City and private developers have implemented the policy objectives of the Housing Strategy, specifically concerning the mix of income levels that new units serve. This report serves as the ninth annual report, incorporating data from projects built or under development since the original 1994 Strategy was adopted and through the end of the 2003/2004 fiscal year.

Exhibit A: For reference purposes, the most current corresponding US Housing and Urban Development Area Median Family Income (MFI) figures by family size, and affordable rent and utilities, are attached in Exhibit A.

Exhibits B & C: The project-specific data are shown in two charts: Exhibit B, which includes units developed 1994-1999; and Exhibit C, which summarizes units developed or

under development in 1999-2004 by type of housing and by income level, and indicates whether incentives (tax abatements, system development charge exemptions, and fee waivers) were used. Exhibit D illustrates the distribution of these housing units by geographic area and income level.

Exhibit E summarizes Hoyt Street Properties housing development activities in the area, and tracks the progress they are making toward achieving development agreement obligations.

Linking Citywide Income Distribution with Housing

The 5,000 new units called for in the Strategy are in addition to the 1,594 existing units reported in 1994 Strategy. Therefore, the build-out goal for 2020 is 6,594 units. In the 1999 HIS Update, the 2020 income targets were established based on the citywide household income distribution calculated from the 1990 US Census. The Income Profile for the City of Portland based on the 2000 US Census was reviewed. There were no significant differences between the two income profiles to warrant changing the income targets at this time. Both are presented in Table 1.

Table 1. Citywide Household Income Distribution

Median Family Income Range	Established in 1999 HIS Update (Based on 1990 Census)	Based on 2000 Census
0-30%	14%	14%
31-50%	13%	12%
51-80%	20%	20%
81-120%	20%	21%
Over 120%	33%	33%

Housing inventories in the River District were conducted in 1994 (when the Strategy was adopted), in 1999 (when the Strategy was updated), and again in 2002 as part of the Central City Housing Inventory. Table 2 shows a break down by income level of the units in completed projects at the time each inventory was conducted. The inventories are based on the rent level at the time of the inventory and not on long-term affordability restrictions. The inventories are based on voluntary survey information provided by rental property owners or managers and sales information from public tax records and property listings. Sales and rental information were available for over 90% of the housing units in the River District; therefore the total unit counts in Table 2 do not include all residential units in the River District.

Table 2. River District Housing Inventories

MFI Range	1994		1999		2002	
	#	%	#	%	#	%
0-30%	1,009	63%	564	17%	511	14%
31-50%	26	2%	492	15%	743	21%
51-80%	158	10%	879	27%	943	26%
81-120%	374	23%	522	16%	399	11%
Over 120%	27	2%	787	24%	1,001	28%
TOTAL	1,594	100%	3,244	100%	3,597	100%

The next inventory is underway and will be completed in June 2005. We expect the new inventory will show unit production has met, or is close to meeting, the total build-out target, but will not have meeting certain income distribution targets as illustrated in Table 3.

Table 3. River District Units Built or in Production (includes rental and ownership units)

Household Income Category	Build-Out Distribution Targets ¹		2002 Central City Housing Inventory ²		Units Completed Since 2002 Inventory		Units in Production		Total Units Built or in Production		Units Needed 2005-2020
	#	%	#	%	#	%	#	%	#	%	#
Extremely Low (0-30% MFI)	923	14%	511	14%	273	16%	0	0%	784	12%	139
Low (31-50% MFI)	857	13%	743	20%	81	5%	72	7%	896	14%	-39
Moderate (51-80% MFI)	1,319	20%	943	25%	210	12%	130	12%	1,283	20%	36
Middle (81-120% MFI)	1,319	20%	399	10%	241	14%	119	11%	759	12%	560
Upper (121%+ MFI)	2,176	33%	1,152	31%	894	53%	762	70%	2,657	42%	-632
TOTAL	6,594	100%	3,748	100%	1,699	100%	1,083	100%	6,379	100%	

¹ The targets are the same as the City income distribution profile, which is based on the 1990 Census.

² The 2002 Central City Inventory received income information for 3,597 out of 3,937 units (91%) in the River District.. Of the units without income information, 189 were “non-rent” units, e.g., shelter units, 1 was a rental unit, and 150 were condos. We assumed in the table above that the apartment and condos were over 120% MFI.

Table 3 shows the citywide targets as well as the unit breakdown by income level from the 2002 Central City Housing Inventory and the estimated units needed to diversity the housing stock. This information has been presented in previous River District reports.

It is important to note that the target goals for the River District are the percentages and not the actual unit numbers presented in Table 3. The units in the Build-Out Distribution Targets column are estimates based on the anticipated build out for the district (6,594). As build out exceeds the projected 6,594 units, additional units needed will be based on the estimated number required to match the citywide income distribution percentages. The Strategy will need to be updated to reflect likely build-out scenarios for the River District.

The 2002 inventory did not include units in production. However, in order to show the magnitude of market activity since that time, Table 3 shows the units completed since the 2002 Inventory, those under construction, and the units that have completed design review as of June 30, 2004, relative to the income targets.

Housing production in the River District is happening faster than anticipated. Ninety-seven percent of the 6,594 unit goal will be met when the in-production units are completed with the district set to expire in October 2020. The table illustrates that unit production has exceeded the goals for low-income units (31-50% MFI) and high income units (over 120% MFI), but a 139 unit gap remains for extremely low-income units (0-30% MFI) and there is a 560 unit gap in middle income units at 81-120% MFI.

Summary of Housing Production by Income Categories

Since the adoption of the original Strategy in 1994, 44 new construction projects have either been completed or are underway. This represents 4,942 new housing units (either completed or planned) over the last ten years.

Exhibit B attached at the end of the report is a summary of all of the new housing built in the River District 1994 through 1999, by the original (1994 Strategy) income categories. The number of new units developed in the five year period 1994 - 1999 was 1,492.

Exhibit C lists housing projects that had been built, were under construction, or had been submitted for design review between 1999 and 2004. This summary presents units by the five new income categories adopted as part of the 1999 HIS update and shows progress towards meeting new targets. These are all new housing units since the 1999 Annual Report and the 1999 HIS Update; there is no duplication of the units listed in Exhibit B and Exhibit C. Table 4, a summary of information from Exhibit C, indicates that since 1999 there have been 3,450 new units (completed or in production). Of these, 1,766 (51%) are homeownership units, and 1,684 (49%) are apartments.

Table 4. New Housing Units Completed Since 1999

Income Levels	New Units Since 1999
Extremely Low Income (0-30% MFI)	273 units (8%)
Low Income (31-50% MFI)	225 units (7%)
Moderate Income (51%-80% MFI)	480 units (14%)
Middle Income (81-120% MFI)	419 units (12%)
Upper Income (Over 120% MFI)	2,053 units (59%)
TOTAL	3,450 units (100%)

Apartments Converting to Condos: All 301 units at McCormick Pier, which originally counted in the 1999 HIS survey as rental units, are converting to condos by the summer of 2005. In addition, all 139 rental units in the Lexis (see Exhibit C) are in the process of being converted to condominiums and will be completed by Spring 2005.

Other Policy Objectives

Beyond the income targets, the Strategy included other objectives and requested that PDC monitor and report annually on progress towards meeting those objectives.

1. **Financial Resources:** The updated Strategy anticipated the need for approximately \$36 million to accomplish the housing targets. Since 1994, PDC has invested \$64.5 million of tax increment finance dollars toward housing development in the River District Target Area, and 97% of the 2020 housing unit goal has been reached. The Downtown Waterfront URA was recently extended four more years (until April 2008) with approval to issue \$42 million in additional bonds for a variety of revitalization projects, including housing development. PDC assistance is primarily in the form of low interest amortizing loans, non-amortizing gap financing, and construction financing on condos.

In addition, financial incentives have been used to support housing development in the River District. Of the 27 projects (completed or in-development) listed in Exhibit C, 11 received a PDC administered incentive.

2. **Loss of Housing:** The 1999 Updated Strategy also directed PDC to report on the number and income level of units lost each year due to expiring use Section 8 contracts, redevelopment or conversion to other uses, and increases in rent. The following information is based on the 2002 Central City Housing Inventory and will be updated when the inventory currently underway is completed in June 2005. Tables 5 and 6 appeared in the 2002 Annual Report and are presented again here for context. PDC completed a Central City Housing Inventory in the summer of 2002 that reflects the changes in unit affordability. Table 5 shows the affordability levels for **rental** housing by bedroom size for the River District from the 2002 Central City Housing Inventory.

Table 5: Bedroom Size and Rent Levels for Rental Units by MFI in the River District

	SRO	Studio	1 Bdrm	2 Bdrm	Total	% of Total
0-30%	509			2	511	18%
31-50%	506	236	1		743	26%
51-80%		287	496	160	943	33%
81-120%		23	227	133	383	13%
Over 120%			57	39	96	3%
Rent unknown or no rent collected*	190				190	7%
TOTAL UNITS	1,205	546	781	334	2,866	100%
% of TOTAL	42%	19%	27%	12%	100%	

* The data for this table came from the Central City Housing Inventory. The Inventory reported information on income level and bedroom size for 93% of the rental units in the River District. The units with missing rent information were 135 shelter units and 54 SRO units for special needs, where no rent is collected. In addition, one rental unit had no rent or bedroom size information.

The affordability of all units is presented in Table 6. Unrestricted units are on the open market and restricted units are generally provided by public or non-profit programs. Restricted occupancy describes any unit in which there are occupancy requirements

other than basic screening for tenancy and credit histories.

Table 6 shows a net loss of units in the 0-30% MFI units (from 22% to 19%) from 1999 to 2002, which was anticipated when the Housing Implementation Strategy was updated in 1999. However, there were significant increases in the overall number of restricted units for the income levels under 80% MFI. No project-based Section 8 housing has been lost since the adoption of the 1999 HIS Update.

Table 6: Restricted and Unrestricted Rental Units by MFI Level in the River District

MFI Ranges	All Units				Unrestricted				Restricted			
	1999 HIS		2002 CCHI*		1999 HIS		2002 CCHI		1999 HIS		2002 CCHI	
	#	%	#	%	#	%	#	%	#	%	#	%
0-30%	564	22%	511	19%	238	9%	158	6%	326	13%	353	13%
31-50%	492	19%	743	28%	258	10%	154	6%	234	9%	589	22%
51-80%	879	34%	943	35%	872	34%	337	13%	7	0%	606	23%
81-120%	505	20%	383	14%	505	20%	356	13%	0	0%	27	1%
Over 120%	136	5%	97	4%	139	5%	97	4%	0	0%	0	0%
TOTAL	2,579	100%	2,677	100%	2,012	78%	1,102	42%	567	22%	1,575	59%

* The data in this table came from the Central City Housing Inventory and had a response rate of 93%. Data for the 0-30% units includes 135 shelter units and 54 SRO units. One rental unit had no rent information and is assumed to be over 120% MFI.

3. Geographic Distribution of Housing Development: Exhibit D presents information on income level and location of units within 6 sub-districts of the River District Target Area. The data in the map include all projects completed or in production by the end of June 2004. All the ownership units are categorized as above 120% MFI, assuming no ownership units will sell below 120% MFI to subsequent buyers in the long term. This is different than Exhibits B and C which categorize the ownership units by the MFI level of the initial sale price.

Exhibit D shows the Old Town/Chinatown sub-district to have the highest concentration of extremely low (0-30% MFI) and low (31-50%) income housing in the River District. Low and moderate income housing units comprise 96% of the total housing units in Old Town/Chinatown. In addition, Old Town/Chinatown and Union Station sub-districts combined are almost entirely rental housing. The Central Pearl sub-district is predominately homeownership (58% of the units) with only 30% of the units affordable to households below 120% MFI.

The Waterfront sub-district is mostly rental housing; however, McCormick Pier is in the process of converting all 301 units from rental to ownership, which will result in the district being 100% ownership housing. The project is in the final phase of the conversion and should be completed by the summer of 2005. The Industrial sub-district currently has no housing, but has potential for housing development; mainly through infill and mixed use consistent with the zoning in the area (Central

Employment).

4. Serving a Broad Market Range: The Updated Strategy called for new housing to serve as broad a market range as possible, including Downtown workers, retirees, empty nesters, and families. A variety of amenities and services will be needed to attract and retain a diversity of household types in the District.
 - Demographics: PDC continues to gather information about demand for family units in the District. The following demographic information on the River District was collected from the 2000 Census data. The highlights are:
 - Comparing the 1990 and 2000 Census data, the River District population almost doubled from 2,223 to 4,302 people (an increase of 94%). The City's population over the same time period increased by 21%.
 - The number of children under age 18 in the River District grew 153% from 47 to 119 from 1990 to 2000. Of these children, 63% were age 5 and under. For the City the percentage of children 5 and under was 34%.
 - In 2000, the City and the River District had the same percentage of people age 55 to 64 years (8%) and River District had a lower percentage of people 65 years and over in 2000 (4%) compared to the City (12%).
 - From 1990 to 2000, there was an increase in the number of families in the River District from 82 to 312 families. However, families were still a small percentage of the households in the River District. In 2000, 13% of the households in the River District were families, while 38% of the households in the City were families in the same the year.
 - Housing Diversity: Progress continues to be made on creating a diversity of housing types and affordability.
 - The Station Place project was recently completed and consists of 176 affordable rental units for seniors. This is the first senior project in the Pearl District.
 - Praxis Partners started construction on The Sitka Apartments, an approximately 210-unit affordable project, the majority of units under 80% of MFI, on land acquired from Hoyt Street Properties. This project will fulfill the affordability requirements set forth in the City/Hoyt Street Properties Development Agreement as more market-rate projects come on line.
 - PDC staff are initiating a family-oriented housing market and project feasibility study for the River District Area. The findings will be completed by the summer of 2005.
 - Infrastructure: The City has made a significant investment in infrastructure improvements in the District, such as the removal and reconstruction of the Lovejoy Ramp, the Portland Streetcar, open space improvements, parking, and other right-of-way improvements. PDC recently constructed a 420-car parking facility as part of the Station Place project. This garage is centrally located at NW Ninth Avenue and NW Lovejoy Street and will serve numerous adjacent users as well as the district as a whole.

- Parks: In October 1998, City Council adopted the recommendations of the Tanner Creek Park & Water Feature Steering Committee. This open space plan calls for the creation of two full City park blocks and a 2.1 acre neighborhood park on land currently owned by Hoyt Street Properties, along with the phased creation of a major riverfront park.
 - Jamison Square, the first park block, was completed and opened in the Summer of 2000. It immediately became a popular park attracting users from the surrounding neighborhoods as well as the City as a whole.
 - The second park, North Park Square, is under construction and is scheduled to be completed by the summer of 2005.
 - Finally, PDC acquired a third park site from Hoyt Street Properties in 2004. This park is significant in that it will be twice as large as the first two parks and will be designed to include large playfields for informal sports. This should also serve as an amenity to attract more families with children to the district.
 - Schools: The Emerson School, a new charter school, opened in the district. It is located in the former site of the Montessori School, which recently relocated to a new and larger facility at NW 15th Avenue and NW Thurman Street in the River District. With two schools now located in the district, this should serve as an incentive to attract more families with children.
 - Grocery: Whole Foods Grocery opened in the River District in Summer 2002, and discussions continue to identify another full service grocery store for the area.
 - Drug Store: Rite-Aid opened in March 2005 in the 10th @ Hoyt building.
 - Community & Social Services: The Union Gospel Mission is proposing to develop an improved drug and alcohol recovery facility at West Burnside and NW Third Avenue. The facility will be able to serve up to 70 clients. This facility is scheduled to be completed in Summer 2006.
5. Density and Affordability: The 1994 Strategy called for PDC to draft a Master Development Agreement with the major property owner, Hoyt Street Properties (HSP), spelling out the obligations and commitments of the parties to achieve density and affordability targets. The Agreement establishes a series of mutual, contingent obligations, including the property owner's guarantee to develop at high densities for a mix of incomes consistent with the Strategy, subject to the City's commitment to finance certain public improvements including the Lovejoy Ramp removal, the Portland Streetcar, and open space improvements.

At this point in time, HSP is exceeding all targets by income, density and unit size. See additional information about the Agreement in Exhibit E.

Exhibit A
CLASSIFICATION OF INCOME
AND AFFORDABLE RENTAL RATES
Revised February 2005

For a Family of Four (\$67,900 Year 2005)

Income Category (% of MFI)*	Income Range	Affordable Monthly Rents
Extremely Low (0-30% of MFI)	\$0 - \$20,350	\$0 - \$509
Low (31-50% of MFI)	\$20,351 - \$33,950	\$510 - \$849
Moderate (51-80% of MFI)	\$33,951 - \$54,300	\$850 - \$1,358
Middle (81-120% of MFI)	\$54,301 - \$81,500	\$1,359 - \$2,038
Upper (121%+ MFI)	\$81,501+	\$2,039+

For a Family of Three (\$61,100 Year 2005)

Income Category (% of MFI)*	Income Range	Affordable Monthly Rents
Extremely Low (0-30% of MFI)	\$0 - \$18,350	\$0 - \$459
Low (31-50% of MFI)	\$18,351 - \$30,550	\$460 - \$764
Moderate (51-80% of MFI)	\$30,551 - \$48,900	\$765 - \$1,223
Middle (81-120% of MFI)	\$48,901 - \$73,350	\$1,224 - \$1,834
Upper (121%+ MFI)	\$73,351+	\$1,835+

For a Family of Two (\$54,300 Year 2005)

Income Category (% of MFI)*	Income Range	Affordable Monthly Rents
Extremely Low (0-30% of MFI)	\$0 - \$16,300	\$0 - \$408
Low (31-50% of MFI)	\$16,301 - \$27,150	\$409 - \$679
Moderate (51-80% of MFI)	\$27,151 - \$43,450	\$680 - \$1,086
Middle (81-120% of MFI)	\$43,451 - \$65,200	\$1,087 - \$1,630
Upper (121%+ MFI)	\$65,201+	\$1,631+

For a Household of One (\$47,450 Year 2005)

Income Category (% of MFI)*	Income Range	Affordable Monthly Rents
Extremely Low (0-30% of MFI)	\$0 - \$14,250	\$0 - \$382
Low (31-50% of MFI)	\$14,251 - \$23,750	\$383 - \$636
Moderate (51-80% of MFI)	\$23,751 - \$38,000	\$637 - \$1,018
Middle (81-120% of MFI)	\$38,001 - \$57,050	\$1,019 - \$1,528
Upper (121%+ MFI)	\$57,051+	\$1,529+

* MFI = Median Family Income adjusted for family size as determined annually by HUD for the Portland Metropolitan Area

Exhibit B

RIVER DISTRICT HOUSING PROJECTS: UNITS DEVELOPED 1994 - 1999

Name/Location		Unit Count		Income Mix	Current Status
1	Yards at Union Station Phases A & B	Rentals	73 214 <u>192</u> 479	Low Income Moderate Middle / Upper Total	Phase A completed April 1998; Phase B completed April 2000
2	Chown Pella NW 13th & Glisan	Condos	64	Middle / Upper	Completed November 1996
3	McKenzie Lofts NW 12th & Glisan	Condos	64	Middle / Upper	Completed Fall 1997
4	Irving Street Townhouses NW 12th & Irving	Condos	14	Middle / Upper	Completed Fall 1996
5	Pearl Lofts NW 10th & Hoyt	Condos	23	Middle / Upper	Completed August 1994
6	Hoyt Commons NW 12th & Hoyt	Condos	48	Middle / Upper	Completed December 1995
7	Pearl Court NW Ninth & Johnson	Rentals	110 <u>89</u> 199	Low Income Moderate Total	Completed Fall 1997
8	Pearl Townhomes NW 11th & Hoyt	Condos	10	Middle / Upper	Completed early 1997
9	Modern Confectionary Lofts NW 13 th & Hoyt	Condos	6	Middle / Upper	Completed 1998
10	Riverstone	Condos	120	Middle / Upper	Completed September 1998
11	Fifth Avenue Place NW Fifth & Everett	Rentals	70	Moderate	Completed February 1999
12	Fifth Avenue Court NW Fifth & Davis	Rentals	48 <u>48</u> 96	Moderate Middle / Upper Total	Completed July 1999
13	Royal Palm¹ NW Third & Flanders	Rentals	8 21 <u>1</u> 30	Extremely Low Moderate Middle / Upper Total	Completed April 1997
14	McDonald Center NW Sixth & Couch	Rentals	54	Low Income (Assisted Living)	Completed July 1999
15	North Park Lofts NW Eighth & Everett	Condos	66	Middle / Upper	Completed October 1999
16	Kearney Plaza NW 11 th & NW Kearney	Rentals	18 <u>113</u> 131	Moderate Middle / Upper Total	Completed Summer 2000
17	Park Northwest NW Park & Flanders	Condos	18	Middle / Upper	Completed Summer 2000

Exhibit B Summary

Income Range	New Units 1994-1999
Extremely Low/Low Income Units (0–50% MFI)	314 units (21%)
Moderate Income Units (51-80% MFI)	440 units (29%)
Middle/Upper Income Units (Over 80% MFI)	738 units (50%)
TOTAL	1,492 units (100%)

¹ The Royal Palm represents a net increase of only two units, since the building was already listed in the Central City Housing inventory as a 28-unit SRO. This net increase is reflected in the Summary.

Exhibit C

RIVER DISTRICT HOUSING PROJECTS: UNITS DEVELOPED 1999 - PRESENT

Name/ Location		Unit Count		Income Mix ²	Incentive Received	Current Status
1	Tanner Place 726 NW 11th Avenue	Condos	120	Over 120% MFI		Completed Winter 1999/2000
2	Johnson Townhouses NW 11th & Johnson	Condos	13	Over 120% MFI		Completed February 2000
3	Gregory Lofts 1122 NW Glisan	Condos	134	Over 120% MFI		Completed May 2001
4	Pearl Townhomes NW 11th and Hoyt	Condos	13	Over 120% MFI		Completed August 2000
5	Old Town Lofts 411 NW Flanders	Condos	20 8 <u>32</u> 60	51-80% MFI 81-100% MFI Over 120% MFI	Tax Abatement (partial)	Completed July 2001
6	Lovejoy Station 1040 NW 10th	Rentals	72 <u>109</u> 181	31-50% MFI 51-80% MFI Total	SDC Exemption	Completed Fall 2001
7	Streetcar Lofts NW 11th & Lovejoy	Condos	51 83 134	81-120% MFI Over 120% MFI Total	Tax Abatement (partial)	Completed Fall 2001
8	NW Sixth & Couch	Rentals	11 2 13	51-80% MFI Over 120% MFI Total		Completed Spring 2002
9	Danmoore Replacement* NW 8 th & Burnside	Rentals	180	0-30% MFI		Completed Fall 2004
10	Marshall Wells Lofts* 1420 NW Lovejoy	Condos	40 <u>124</u> 164	81-120% MFI Over 120% MFI Total		Completed Fall 2002
11	Pacific Tower* NW 4th & Flanders	Rentals	17 <u>139</u> 156	0-30% MFI 51-80% MFI Total	Tax Abatement SDC Exemption	Completed Summer 2003
12	Yards at Union Station* Phase S NW Naito Parkway	Rentals	10 <u>46</u> <u>56</u>	51-80% MFI 81-120% MFI Total	Tax Abatement	Completed Spring 2003
13	Station Place* NW 9 th & Lovejoy	Rentals	76 81 <u>19</u> 176	0-30% MFI 31-50% MFI 51-80% MFI	Tax Abatement SDC Exemption	Completed February 2005
14	Bridgeport Condos* NW 11 th & Northrup	Condos	123	Over 120%		Completed Fall 2003

Note: Only includes new units constructed or under construction that were not included in the April 1999 River District Housing Implementation Strategy Update.

* These projects were not included in the 2002 Housing Inventory

Name/Location		Unit Count		Income Mix	Incentive Received	Current Status
15	The Henry* NW 11 th & Couch	Condos	123	Over 120% MFI		Completed Winter 2005
16	Park Place* NW 11 th & Lovejoy	Condos	124	Over 120% MFI		Completed June 2004
17	The Lexis* 1125 NW 9th	Rentals	31 <u>108</u> 139	81-120% MFI Over 120% MFI	Tax Abatement	Completed May 2004 Converting to condos – expected completion by May 2005
18	The Edge* 805 NW 14 th	Condos	125	Over 120% MFI		Completed June 2004
19	Tenth @ Hoyt* 911 NW Hoyt	Rentals	42 124 <u>12</u> 178	51-80% MFI 81-120% MFI Over 120% MFI	Tax Abatement	Completed March 2004
20	Burlington Tower* 900 NW Lovejoy	Rentals	155	Over 120% MFI	Tax Abatement	Completed December 2004
21	Pinnacle* NW 9 th & Overton	Condos	176	Over 120% MFI		Under Construction Expected Completion May 2005
22	The Elizabeth* 315 NW 9th	Condos	182	Over 120% MFI		Under Construction Expected Completion Spring 2005
23	The Louisa 123 NW 12th	Rentals	111 <u>129</u> 240	81-120% MFI Over 120% MFI	Tax Abatement	Under Construction Expected Completion Spring 2005
24	The Avenue Lofts* 1438 NW Irving	Condos	170	Over 120% MFI		Completed Summer 2004
25	Riverscape Townhomes - Phase 1* NW 16th & Front	Condos	71	Over 120% MFI		Completed Design Review Begin Construction Spring 2005
26	Riverscape Townhomes - Phase 2* NW 16th & Front	Condos	34	Over 120% MFI		Completed Design Review Begin Construction Summer 2005
27	Sitka Apartments* 1230 NW 12th	Rentals	72 130 <u>8</u> 210	31-50% MFI 51-80% MFI 81-120% MFI	SDC Exemption	Under Construction Expected Completion Spring 2005

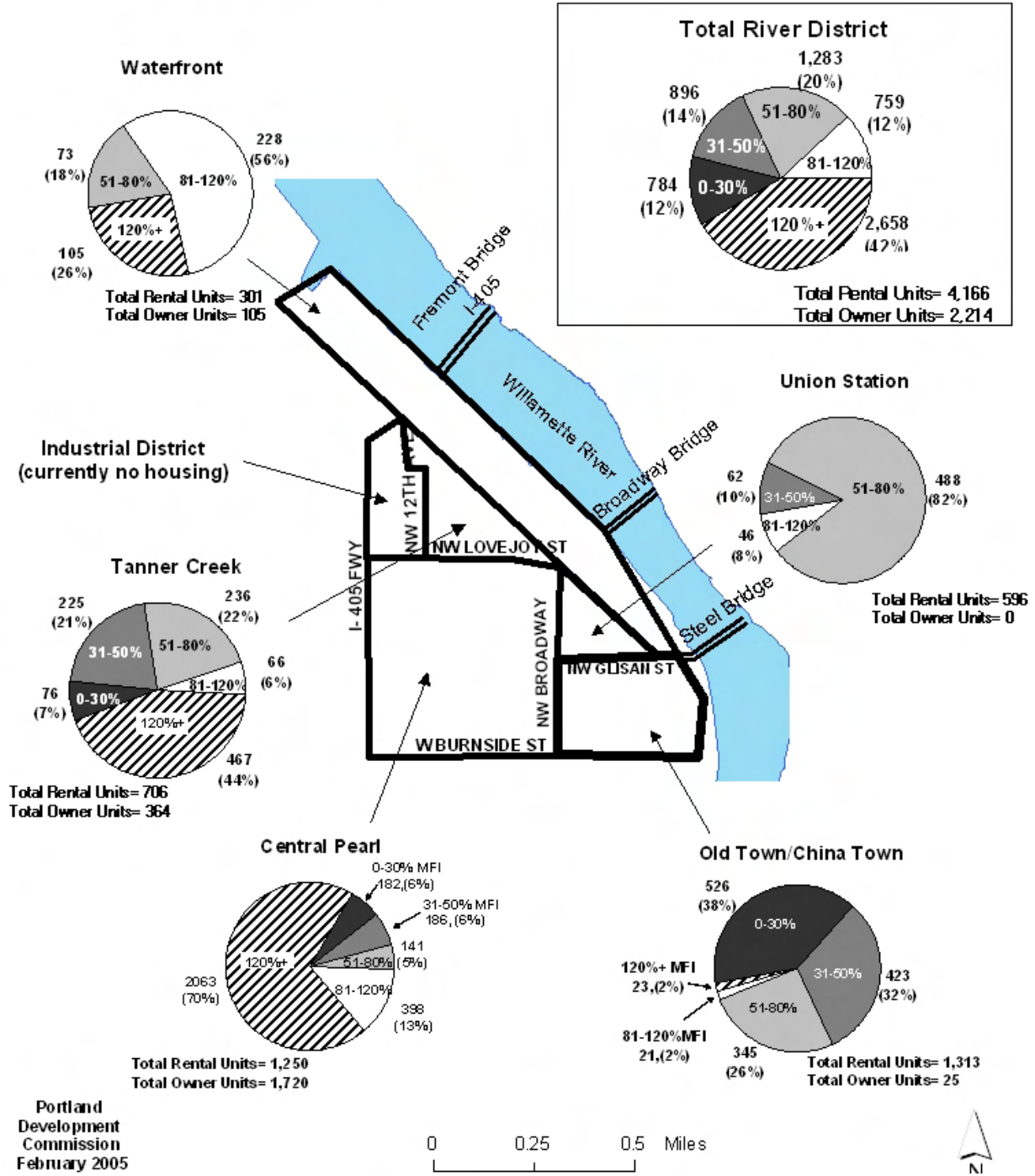
* These projects were not included in the 2002 Housing Inventory

Exhibit C Summary

Income Range	New Units Since 1999
Extremely Low Income (0–30% MFI)	273 units (8%)
Low Income (31-50% MFI)	225 units (7%)
Moderate Income (51%-80% MFI)	480 units (14%)
Middle Income (81-120% MFI)	419 units (12%)
Upper Income (Over 120% MFI)	2,053 units (59%)
TOTAL	3,450 units (100%)

Exhibit D RIVER DISTRICT TARGET AREA HOUSING BY MEDIAN FAMILY INCOME* LEVEL

(Totals included projects completed or in production by June 30, 2004)



*2005 Area Median Family Income for a family of four=\$67,900

Exhibit E
CITY OF PORTLAND/HOYT STREET PROPERTIES DEVELOPMENT AGREEMENT
(Originally Executed 1997; Amended and Restated 1999)

Development Agreement Density Obligations

Prior to the Agreement, HSP was subject to a requirement of 15 dwelling units per acre. Upon execution of the Agreement, HSP was obligated to construct at a density of at least 87 dwelling units per acre on its non-committed properties. At the same time, the City was required to begin construction of the Lovejoy Ramp project within 18 months of the execution of the Agreement in order to keep the Agreement in place. This time frame was extended pursuant to an amendment to the Agreement, so that the deadline for demolition of the ramp to commence was August 1, 1999. The demolition of the ramp began in July 1999 and was completed in September 1999.

HSP's minimum required densities increase further as the City commits to other projects. An additional 22 units per acre (for a total of 109 units per acre) was required for all of HSP's uncommitted property when the City commenced construction of the Portland Streetcar project in May 1999. An additional 22 units per acre was required for all of HSP's uncommitted property south of NW Lovejoy Street when the City commenced construction of the Jamison Square in December 2000, making HSP's required minimum density 131 dwelling units per acre for uncommitted property south of NW Lovejoy Street. HSP's current required minimum density for uncommitted property north of NW Lovejoy Street is 131 dwelling units per acre. Table E-1 shows the density requirements, units and site area by project, and the total density for each of the density phases (87 units/acre, 109 units/acre and 131 units/acre).

Table E-1. HSP Projects by Density Requirements

Density Requirement	Projects	Actual Units	Site Area	Phase Density
87 units per acre	Riverstone Kearney Plaza Johnson Townhomes Tanner Place	120 condominium units 131 rental units 13 condominium units 120 condominium units	41,000 41,000 20,000 41,000	117 units/acre
109 units per acre	Streetcar Lofts Lovejoy Station Bridgeport Condos The Lexis The Pinnacle	134 condominium units 181 rental units 123 condominium units 139 rentals units 176 condominium units	41,000 41,000 41,000 40,000 40,000	162 units/acre
131 units per acre	Park Place Sitka Apartments	124 condominium units 210 rental units	41,000 40,000	180 units/acre
Overall		1,471 total units	427,000	150 units/acre

Properties committed prior to the City committing to construct any particular public improvement project are subject to a commensurately lower density requirement. HSP

receives a credit for any project constructed at a density exceeding the operative minimum density requirement such that future projects could be built at lower-than-minimum densities to the extent that credit has been accumulated. Eleven housing projects have been built, are under construction, or have been submitted for design review by HSP since the agreement was executed.

Together, these projects total 1,471 units, which equates to a density of 150 units per acre. This significantly exceeds the minimum density requirement (based on the split between pre- and post- Streetcar and pre- and post- Jamison Square requirements) of 1,037 units, or 106 units per acre. Therefore, HSP has a credit of 435 units.

Development Agreement Affordability Obligations

The Agreement also requires HSP to make “good faith efforts” to help achieve the City’s objectives regarding the creation of “housing types serving a population that reflects the income ranges of the City as a whole.” Specifically, HSP is obligated to provide the following minimum percentage of total units: 15% for extremely low and low incomes (i.e. households earning less than 50% of median income); and 20% for moderate incomes (i.e. up to 80% of median). HSP’s commitment is predicated on “the availability of public financial assistance,” recognizing the fact that moderate and low income housing within the Central City typically requires public financial assistance.

The Development Agreement requires that PDC and the Housing and Community Development Commission (HCDC) jointly monitor HSP’s progress in achieving its affordability goals upon the fifth, tenth and fifteenth anniversary of the effective date of the Agreement. There are provisions allowing the City acquisition of HSP property for the purposes of developing new property with affordable housing, in the event that HSP has not met the affordability target at the time of the five year intervals. Last year was the fifth anniversary report and HSP was in compliance with the Development Agreement at that point. The next formal assessment of the Development Agreement provisions will be in 2007 at the tenth anniversary.

A total of 1,021 units have been developed under the affordability terms of the Agreement (these include completed units only). Of these units, 182 (18%) are affordable to low income households up to 50% MFI; 216 units (21%) are affordable to moderate income households up to 80% MFI; and 623 units (61%) are affordable to middle and upper income households. These are all within the target ranges outlined in the Agreement, as shown in Table E-2. Please note: this table does not include the Sitka Apartments, because they are still under construction.

Table E-2: Hoyt Street Properties Activity

(includes completed projects only)

Projects	MFI Level		
	0-50%	51-80%	81%+
Condos			
Streetcar Lofts			134
Riverstone			120
Tanner Place			120
Johnson Townhomes			13
Bridgeport Condos			123
Total Condos			510
Rental			
Pearl Court	110	89	
Lovejoy Station	72	109	
Kearney Plaza		18	113
Total Rentals	182	216	113
TOTAL	182	216	623
% TOTAL	18%	21%	61%
HSP Development Agreement Goals	15%	20%	65%

Development Agreement Requirement to Develop Smaller Units

HSP is also required to develop smaller units. Fifteen percent of the rental units and 10% of the owner units must be less than 700 square feet. This provision of the Development Agreement was intended to help ensure some level of affordability, especially to first-time homeowners and renters, with or without public assistance. The smaller unit targets are shown in Table E-3. Of the completed HSP units in the River District, 20% of the owner units and 30% of the rental units are less than 700 square feet, therefore HSP remains in compliance with the 1999 Development Agreement in terms of small unit production.

Table E-3: Hoyt Street Properties Percentage of Small Units

(includes completed projects only)

	Target	# of Units < 700 sq ft	Total Units
Condos			
Streetcar Lofts		62	134
Riverstone		18	120
Tanner Place		16	120
Johnson Townhouses		0	13
Bridgeport Condos		6	123
TOTAL CONDOS		102	510
% of TOTAL	10%	20%	100%
Rentals			
Pearl Court			199
Lovejoy Station		92	181
Kearney Plaza		59	131
TOTAL RENTALS		151	511

% of TOTAL	15%	30%	100%
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