

## **ORDINANCE No.**

Amend Ordinance 180547 to allow funds to be used for homeownership for households with incomes up to 100% MFI under certain conditions and adopt Income Guidelines for the Affordable Housing Tax Increment Financing (TIF) Set Aside Policy. (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The Comprehensive Plan Housing Policy provides the overall policy framework for City housing goals, programs, and funding decisions.
2. The City of Portland has adopted several specific housing priorities including “Home Again: A 10-year Plan to End Homelessness in Portland and Multnomah County,” No Net Loss for Affordable Housing in the Central City, the Affordable Housing Preservation Ordinance, and Operation HOME, the campaign to increase minority homeownership rates in the city.
3. Affordable housing for working families, people with disabilities, seniors, and low income households earning at or below 80% MFI is a high priority for the city of Portland.
4. According to ORS 457.085 (3), urban renewal plans, including tax increment fund (TIF) expenditures, must comply with the City’s Comprehensive Plan and adopted Economic Development Plans.
5. According to ORS 457.095 and 457.220, City Council approves each urban renewal plan for a new urban renewal district and substantial amendments to each urban renewal plan.
6. To achieve the city’s redevelopment goals, the Portland Development Commission (PDC) must have the flexibility to respond to changing market conditions, emerging opportunities, and the availability of other public and private financial resources.
7. The City Council adopted Resolution No. 36403 on April 26, 2006, declaring its intent to establish a Tax Increment Funding Set Aside for affordable housing and asking PDC to present research and implementation options that would create such a set aside or other guaranteed funding source for housing affordable to households with incomes at or below 80% MFI.
8. The City Council adopted Ordinance 180547 on October 25, 2006, which established a set aside of TIF resources for the development, preservation and rehabilitation of housing affordable to households with incomes below 80% of median family income (MFI).
9. In Ordinance 180547 Council directed PDC to present recommended allocation guidelines by income categories to the City Council.

10. PDC has completed a public participation effort to engage individual stakeholders and groups in a discussion of the appropriate income guidelines.
11. PDC has adopted Tax Increment Financing for Affordable Housing Income Guidelines (Exhibit B) and forwarded them to the City Council for adoption and inclusion in the Tax Increment Financing for Affordable Housing Set Aside Policy.
12. The Tax Increment Financing for Affordable Housing Income Guidelines adopted and forwarded to City Council restricts homeownership investment up to 80% median family income (MFI) and below, except for the development of, or homebuyer assistance to, units with three bedrooms or more which are restricted to 100% MFI and below.

NOW, THEREFORE, the Council directs:

1. The directive section of Ordinance No. 180547 is amended as shown below:
  - a. It is the policy of the City of Portland that 30% of Tax Increment Financing (TIF) over the life of an Urban Renewal District shall be dedicated to the development, preservation and rehabilitation of housing affordable to households with incomes below 80% median family income.
  - b. This Tax Increment Financing for Affordable Housing Set Aside Policy is hereby amended to allow funds to also be used for the development of, or homebuyer assistance to, units with three bedrooms or more which are restricted to 100% MFI and below. The purpose and intention of this amendment is to provide financing for programs that encourage homeownership within the City of Portland for families with children to the extent permitted under federal, state, and local Fair Housing Laws. For these units in the central city PDC will require binding long term affordability calculated, in part, based on purchaser household size.
  - c. This policy shall apply to all new urban renewal districts and substantial amendments to existing renewal districts after November 1, 2007.
  - d. In approving the Urban Renewal Plan for a new district or a substantial amendment to the Urban Renewal Plan for an existing district, City Council will consider whether the Plan meets this Set Aside policy, and if not, explain the exception to this policy.
  - e. This policy shall apply to existing urban renewal districts in the manner outlined in Attachment A: *Tax Increment Financing Set Aside Implementation Plan*.
  - f. ~~PDC will present recommended allocation guidelines for the TIF Affordable Housing Implementation Plan to the City Council by December 31, 2006. These allocation guidelines will be consistent with those outlined in Resolution 36404 adopted by City Council April 26, 2006 and include the following categories: 0-30% median family income (MFI), 31-50% MFI, and 50-80% MFI to ensure that housing is available for low income seniors, people with disabilities, and low income working families in redevelopment areas across the City.~~ The City Council hereby adopts *The PDC Tax Increment Financing for Affordable Housing Proposed Income Guidelines* which are

herein outlined in Attachment B.

- g. PDC will report affordable housing expenditures by tenure (rental and homeownership), by income level, by unit size (number of bedrooms) and by urban renewal district annually to City Council and, if necessary, recommend changes to income guidelines to achieve maximum public benefit in housing projects.
- h. City Council and PDC will review the implementation of this policy and its impacts on other city policies and priorities in the annual budget process.
- i. By December 2010 the City Council and PDC will conduct a thorough review of this policy and its impact on tax increment revenues, city housing and other goals. At that time they will consider changes to program, if necessary.
- j. The Tax Increment Financing for Affordable Housing Policy and the attached Implementation Plan and Income Guidelines are binding City Policy under Section 1.07.020 A of the City Code.

Adopted by the Council:  Prepared by: Margaret Bax	<b>GARY BLACKMER</b> Auditor of the City of Portland By  Deputy
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Agenda No.  
**ORDINANCE**

Title

Amend Ordinance 180547 to allow funds to be used for homeownership for households with income up to 100% MFI under certain conditions and adopt Income Guidelines for the Affordable Housing Tax Increment Financing (TIF) Set Aside Policy.

INTRODUCED BY	DATE FILED:
Mayor Tom Potter Commissioner Erik Sten	Gary Blackmer Auditor of the City of Portland
NOTED BY COMMISSIONER	
Affairs	By: _____ Deputy
Finance and Administration	For Meeting of:
Safety	<b>ACTION TAKEN:</b>
Utilities	
Works	
BUREAU APPROVAL	
Bureau: Mayor Potter	
Prepared by      Date Margaret Bax    March 27, 2007	
Budget Impact Review: ____ Completed <input checked="" type="checkbox"/> Not Required	
Include in PPD: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Filename:	
Bureau Head: Mayor Potter	

AGENDA		FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
			YEAS	NAYS	
Consent	Regular <input checked="" type="checkbox"/>	Adams	Adams		
NOTED BY		Leonard	Leonard		
City Attorney		Saltzman	Saltzman		
		Sten	Sten		
		Potter	Potter		

**TAX INCREMENT FINANCING SETASIDE FOR  
AFFORDABLE HOUSING**

**POLICY IMPLEMENTATION PLAN**

**Housing Commissioner Recommendation**  
October 12, 2006

1. **“NEW DISTRICTS”:** Establish policy that all URAs with bonding authority beyond June 30, 2011 spend a minimum of 30% of total tax increment resources on Affordable Housing.

*“New District” Policy applies to:*

- *North Macadam*
- *River District*
- *Interstate Corridor*
- *Lents Town Center*
- *Gateway Regional Center*

- A) Policy will be applied to budgeted and expended resources *beginning July 1, 2006*
- B) The Policy will apply to any newly formed urban renewal area, subject to City Council adoption of URA Plan. PDC will work with the Office of Management and Finance to develop provisions that allow new districts to establish a timeline for which the 30% Set Aside will be implemented in instances where there is limited bonding capacity and taxable investments are necessary before tax increment is available sufficient to invest in affordable housing. The provision will ensure 30% of tax increment over the life of the district, but may allow for the investments to be delayed or less than 30% in the first five years of a district’s life.
- C) Policy will establish a requirement that *a minimum of 30% of all tax increment resources in each URA* with bonding authority beyond June 30, 2011 be spent on Affordable Housing.
- i) *In the first 5-year period (July 1, 2006 to June 30, 2011), North Macadam will be required to* a) spend at the level established by the Commission and City Council adopted funding plan, and b) spend a minimum of 30% beyond the 5-year period (i.e. the current 39% will not offset future expenditures).
- D) 30% will be achieved in each district in the remaining life of the district and reflected in PDC’s five year budget forecasts. The functional implementation plan will be developed by the PDC Finance Department in consultation with the Office of Management and Finance.
- E) *Community Facilities with programs primarily intended to serve low income people and homeless populations in support of adopted City policy* (such as youth shelters, homeless day center, drug and alcohol treatment, social services, congregate meal programs, etc.) will be eligible uses of the Affordable Housing funding.
- F) 30% Calculation:
- i) Initially the 30% calculation *will not include tax increment resources budgeted or expended on direct project staffing and benefits, administrative overhead, facilities, human resources*. These staffing and administrative expenses will be subtracted from the total tax increment budget and expenditures.

- ii) The 30% calculation will be calculated only on tax increment resources budgeted and expended for direct project costs on materials and services, financial assistance capital outlay (i.e. the purchase of goods, services, and property for affordable housing planning and development; expenses incurred from loans and grants, etc.), and associated onsite and offsite infrastructure improvements required for the development of an affordable housing project.
- iii) At the time PDC establishes a project cost accounting system that directly allocates and tracks activities by individual project and program, the calculation will change to include all tax increment expenditures.
- iv) ***In the first 5-year period (July 1, 2006 to June 30, 2011), North Macadam will be required to*** a) spend at the level established by the Commission and City Council adopted funding plan, and b) spend a minimum of 30% beyond the 5-year period (i.e. the current 39% will not offset future expenditures).

G) ***Income guidelines will be developed*** to guide investment of tax increment financing for affordable housing.

**Summary of Impact of Implementation Plan in “New Districts” July 1, 2006 – June 30, 2011**

Urban Renewal Area	Current Budget Forecast For Housing	% of Total Budget	Proposed Implementation Plan	% of Total Budget
Gateway URA	\$ 3,250,000	21%	\$ 4,575,000	30%
Interstate Corridor URA	\$10,326,000	24%	\$12,826,000	30%
Lents Town Ctr. URA	\$10,905,096	26%	\$12,684,142	30%
North Macadam URA	\$22,741,000	39%	\$22,741,000	39%
River District URA	\$20,080,917	29%	\$22,738,815	30%
<b>TOTAL URA</b>	<b>\$67,303,013</b>	<b>30%</b>	<b>\$75,564,957</b>	<b>33%</b>

2. **“EXPIRING DISTRICTS”:** The Tax Increment Financing Affordable Housing policy will not apply to urban renewal areas that do not have bonding authority beyond June 30, 2011.

*“Expiring District” Policy applies to:*

- *Oregon Convention Center*
- *Downtown Waterfront*
- *South Park Blocks*

- A) PDC will establish separate policies for each of the “Expiring” urban renewal areas to spend a minimum percentage of total tax increment resources on Affordable Housing beginning July 1, 2006.
- i) The calculation and expenditure eligibility will be determined using the same methodology set forth in Affordable Housing Policy #1 above.
  - ii) Affordable Housing Policy #1 will apply to any of the “expiring” districts if there is any action resulting in a substantial amendment (i.e. major boundary amendment or change in maximum indebtedness) to that district, subject to City Council adoption of URA Amendment.

**OREGON CONVENTION CENTER:** PDC will establish policy for the Oregon Convention Center Urban Renewal Area to spend *a minimum of 26%* of total tax increment resources on Affordable Housing.

**Summary of Impact of Implementation Plan in OCCURA July 1, 2006 – June 30, 2011**

Urban Renewal Area	Current Forecast	% of Total Budget	Proposed Housing Implementation Plan Minimum Requirement	% of Total Budget
Oregon Convention Ctr	\$ 2,404,303	9%	\$ 7,000,700	26%

**SOUTH PARK BLOCKS:** PDC will establish a policy for the South Park Blocks Urban Renewal Area to spend *a minimum of 30%* of total tax increment resources on Affordable Housing. PDC will not spend less than \$17,688,319 as is currently forecasted in the FY2006/2007 adopted budget.

**Summary of Impact of Implementation Plan in SPBURA July 1, 2006 – June 30, 2011**

Urban Renewal Area	Current Forecast	% of Total Budget	Proposed Housing Implementation Plan Minimum Requirement	% of Total Budget
South Park Blocks URA	\$17,688,319	34%	\$17,688,319	34%

**DOWNTOWN WATERFRONT:** PDC will establish a policy for the Downtown Waterfront Urban Renewal Area to spend *a minimum of 22%* of total tax increment resources on Affordable Housing.

**Summary of Impact of Implementation Plan in SPBURA July 1, 2006 – June 30, 2011**

Urban Renewal Area	Current Forecast	% of Total Budget	Proposed Housing Implementation Plan Minimum Requirement	% of Total Budget
Downtown Waterfront	\$10,850,000	15%	\$16,000,000	22%

**3. “INDUSTRIAL DISTRICTS”: The Tax Increment Financing Affordable Housing policy will not apply to Industrial Urban Renewal Areas established on or before July 1, 2006.**

- A) Airport Way and the Willamette Industrial urban renewal areas will have no requirement for budgeting or spending on Affordable Housing.
- B) PDC will establish a separate policy for the Central Eastside Urban Renewal to spend a certain percentage of total tax increment resources on Affordable Housing beginning July 1, 2006.

**CENTRAL EASTSIDE:** PDC will establish a policy for the Central Eastside Urban Renewal Area to spend according to the following provisions:

- i) *A minimum of \$5,100,000* of tax increment resources on Affordable Housing *for first \$35 million* of debt issued after July 1, 2006.
- ii) *A minimum of 30%* of total tax increment resources on Affordable Housing for any *additional debt issued beyond \$35 million* during the life of the district. (up to an additional \$4.8M for affordable housing)
- iii) Policy will be applied to budgeted and expended resources beginning July 1, 2006
- iv) The calculation and expenditure eligibility will be determined using the same methodology set forth in the Affordable Housing Policy #1 above.

**Summary of Impact of Implementation Plan in CESURA July 1, 2006 – June 30, 2011**

Urban Renewal Area	Current Forecast	% of Total Budget	Proposed Housing Implementation Plan Minimum Requirement	% of Total Budget*
Central Eastside URA	\$5,100,000	15%	\$5,100,000	15%

\*CES budget forecasts have not yet been made by PDC and OMF. This table assumes only the initial \$35 million bonding authority will be available the first five years.

**4. The Tax Increment Financing Affordable Housing Policy will become part of the annual PDC budgeting process.**

- A) The Affordable Housing allocation will occur as part of PDC's current budget process.
- B) PDC will identify five-year dollar target per policy and work with stakeholders in the current budget process to reallocate resources to achieve targets.
- C) PDC Finance working with OMF to determine how to operationalize the Policy and ensure that Affordable Housing budgets are segregated and allow for “carryforward” in the event funds are not spent in a particular budget year.

**5. PDC will report annually on the Tax Increment Financing Affordable Housing Policy**

- A) PDC will report to the PDC Board and Housing and Community Development Commission as part of the annual Housing Unit Production Report. The report will include Affordable Housing expenditures as a percent of total tax increment expenditures as well as the resulting housing and community facilities production.
- B) PDC will also report on tax increment expenditures and Affordable Housing production as part of the City Auditor’s Services, Efforts and Accomplishments Report.

**Analysis of the Impact of the Tax Increment Financing For Affordable Housing Policy and Implementation Plan**  
July 1, 2006 through June 30, 2011

<b>"Newer" URAs</b>	<b>Current Total URA Budget Forecast</b>	<b>Current Housing Forecast</b>	<b>Proposed Housing Implementation Plan Minimum Requirement</b>	<b>Proposed Housing Minimum %</b>
Gateway	\$15,195,920	\$3,250,000	\$4,575,000	30%
Interstate	\$42,652,589	\$10,326,000	\$12,826,000	30%
Lents	\$41,280,473	\$10,905,096	\$12,684,142	30%
North Macadam	\$58,566,000	\$22,741,000	\$22,741,000	39%
River District	\$69,129,383	\$20,080,917	\$22,738,815	30%
<b>TOTAL</b>	<b>\$226,824,365</b>	<b>\$67,303,013</b>	<b>\$75,564,957</b>	
		30%	33%	33%

  

<b>"Expiring" URAs</b>	<b>Current Total URA Budget Forecast</b>	<b>Current Housing Forecast</b>	<b>Proposed Housing Implementation Plan Minimum Requirement</b>	<b>Proposed Housing Minimum %</b>
DT Waterfront	\$72,712,231	\$10,850,000	\$16,000,000	22%
OR Convention Ctr	\$26,929,639	\$2,404,303	\$7,000,700	26%
South Park Blocks	\$51,635,616	\$17,688,319	\$17,688,319	30%

  

<b>Industrial URAs</b>	<b>Current Total URA Budget Forecast</b>	<b>Current Housing Forecast</b>	<b>Proposed Housing Implementation Plan Minimum Requirement</b>	<b>Proposed Housing Minimum %</b>
Airport Way	\$6,172,329	\$0	\$0	0%
Willamette Indust.	\$6,572,519	\$0	\$0	0%
Central Eastside*	\$56,445,608	\$5,100,000	\$5,100,000	NA

  

<b>Total Impact:</b>	<b>Current Total URA Budget Forecast</b>	<b>Current Housing Forecast</b>	<b>Proposed Housing Implementation Plan Minimum Requirement</b>	
All URAs	\$447,292,307	\$103,345,635	\$121,353,976	
		<b>Additional Resources:</b>		<b>\$18,1008,341</b>

\* based on assumption that only the first \$35 million of bonding authority will be available in the five-year forecast period. Additional resources above \$35 million will be subject to a 30% set aside for affordable housing.

**TAX INCREMENT FINANCING FOR AFFORDABLE HOUSING**

**Income Guidelines**  
**April 5, 2007**

**1. Neighborhood Urban Renewal Areas:** The Neighborhood urban renewal areas include:

- Interstate Corridor Urban Renewal Area (ICURA)
- Lents Town Center Urban Renewal Area (LTCURA)
- Gateway Regional Center Urban Renewal Area (GWURA)
- Oregon Convention Center Urban Renewal Area (OCCURA)

Proposed Income Guidelines: Resource allocations will meet the following criteria:

Income/Spending Category (MFI/housing type)	Proposed Income Guidelines	Estimated Unit Potential FY06/07 – FY11/12 <sup>1</sup>
0-30% MFI Rental Housing	35% - 50%	ICURA - 60-85 units LTCURA - 50-70 units GWURA - 20-30 units OCCURA - 35-50 units
31-60% MFI Rental & 0-60% Homeownership	20% - 45%	ICURA - 65-150 units LTCURA - 55-125 units GWURA - 20-50 units OCCURA - 30-75 units
61-80% (100% <sup>2</sup> ) Homeownership	20% - 40%	ICURA - 65-140 units LTCURA - 55-115 units GWURA - 20-45 units OCCURA - 50-100 units
Low Income Community Facilities	0% - 10%	Not applicable

<sup>1</sup> Estimated unit potential was based on the following assumptions:

- 0-30% MFI Rental Housing Subsidy: In Neighborhood URAs, assumes \$80,000 - \$120,000 per unit subsidy required. Lower subsidy for rehabbed unit and higher subsidy for family sized units. (unit range \$100,000/unit)
- 31-60% MFI Rental Housing or Homeownership Subsidy: In Neighborhood URAs, assumes \$25,000 - \$100,000 per unit subsidy required. Lower subsidy for homeowner home repair and higher subsidy for new construction rental and homeownership. (unit range based on averaged \$50,000/unit)
- 61-100% MFI Homeownership Subsidy: In Neighborhood URAs, \$20,000 - \$75,000 per unit subsidy required. Lower subsidy for 100% MFI units and home repair and higher subsidy for 61-80% MFI homeownership. (unit range based on averaged \$50,000/unit)

<sup>2</sup> Homeownership investments are restricted to 80% median family income (MFI) and below, except for the development of or homebuyer assistance to units with three bedrooms or more which are restricted to 100% MFI and below.

**2. River District and North Macadam Urban Renewal Areas:** The following guidelines apply to the River District Urban Renewal Area (RDURA) and North Macadam Urban Renewal Area (NMURA).

Proposed Income Guidelines: Resource allocations will meet the following criteria:

Income/Spending Category (MFI/housing type)	Proposed Income Guidelines	Estimated Unit Potential FY06/07 – FY11/12 <sup>1</sup>
0-30% MFI Rental Housing	50% - 70%	RDURA - 140-195 units NMURA - 135-190 units
31-60% MFI Rental & 0-60% Homeownership <sup>3</sup>	20% - 40%	RDURA - 90-180 units NMURA - 85-175 units
61-80% (100% <sup>2</sup> ) Homeownership	0% - 20%	RDURA - 0-70 units NMURA - 0-65 units
Low Income Community Facilities <sup>4</sup>	0% - 10%	Not applicable

<sup>1</sup> Estimated unit potential was based on the following assumptions:

- 0-30% MFI Rental Housing Subsidy: In River District and North Macadam URAs, assumes \$100,000 - \$140,000 per unit subsidy required for new construction. (unit range based on averaged \$120,000/unit)
- 31-60% MFI Rental Housing or Homeownership Subsidy: In River District and North Macadam URAs, assumes \$60,000 - \$100,000 per unit subsidy required for new construction rental. (unit range based on \$75,000/unit)
- 61-100% MFI Homeownership Subsidy: In River District and North Macadam URAs, assumes \$75,000-\$130,000 per unit subsidy required for new homeownership. Lower subsidy for 100% MFI and higher subsidy for 61-80% MFI. (unit range based on \$100,000/unit)

<sup>2</sup> Homeownership investments are restricted to 80% median family income (MFI) and below, except for the development of or homebuyer assistance to units with three bedrooms or more which are restricted to 100% MFI and below.

<sup>3</sup> It is not anticipated that 0-60% MFI Homeownership will be achieved in the Central City due to the cost, but the Income Guidelines do not preclude this investment if new innovative models are developed.

<sup>4</sup> In North Macadam, if spending levels allowed in this category are not spent, they can be reallocated to the other spending categories resulting in excess spending above of the allowed maximums.

**3. Central Eastside Urban Renewal Area:** The following guidelines will apply to the Central Eastside Urban Renewal Area (CESURA)

Proposed Income Guidelines: Resource allocations will meet the following criteria:

Income/Spending Category (MFI/housing type)	Proposed Income Guidelines	Estimated Unit Potential FY06/07 – FY11/12 <sup>1</sup>
0-30% MFI Rental Housing	35% - 50%	CESURA - 35-50 units
31-60% MFI Rental & 0-60% Homeownership <sup>3</sup>	20% - 50%	CESURA - 25-70 units
61-80% (100% <sup>2</sup> ) Homeownership	10% - 30%	CESURA - 15-40 units
Low Income Community Facilities	0% - 25%	Not applicable

<sup>1</sup> Estimated unit potential was based on the following assumptions:

- 0-30% MFI Rental Housing Subsidy: In the Central Eastside URA, assumes \$60,000-120,000 per unit subsidy required. Lower subsidy for rehabbed unit and higher subsidy for new construction. (unit range based on 35% of funds at \$120,000/unit to 90% of funds at \$80,000/unit)
- 31-60% MFI Rental Housing or Homeownership Subsidy: In the Central Eastside, assumes \$50,000-100,000 per unit subsidy required. Lower subsidy for rehabbed units and higher subsidy for new construction rental or homeownership. (unit range based on \$75,000/unit)
- 61-100% MFI Homeownership Subsidy: In the Central Eastside URA, \$50,000-\$100,000 per unit subsidy required. Lower subsidy for 100% MFI and higher subsidy for 61-80% MFI and family sized units. (unit range based on \$75,000/unit)

<sup>2</sup> Homeownership investments are restricted to 80% median family income (MFI) and below, except for the development of or homebuyer assistance to units with three bedrooms or more which are restricted to 100% MFI and below.

<sup>3</sup> It is not anticipated that 0-60% MFI Homeownership will be achieved in the Central City due to the cost, but the Income Guidelines do not preclude this investment if new innovative models are developed.

**4. Downtown Waterfront Urban Renewal Area:** The following income guidelines will apply to the Downtown Waterfront Urban Renewal Area DTWURA:

Proposed Income Guidelines: Resource allocations will meet the following criteria:

Income/Spending Category (MFI/housing type)	Proposed Income Guidelines	Estimated Unit Potential FY06/07 – FY11/12 <sup>1</sup>
0-30% MFI Rental Housing	50% - 70%	DTWURA - 250-375 units
31-60% MFI Rental & 0-60% Homeownership <sup>3</sup>	20% - 40%	DTWURA - 90-120 units
61-80% (100% <sup>2</sup> ) Homeownership	0% - 20%	DTWURA - 0-40 units
Low Income Community Facilities	0% - 25%	Not applicable

**5. South Park Blocks Urban Renewal Area:** The following income guidelines will apply to the South Park Blocks Urban Renewal Area (SPBURA):

Proposed Income Guidelines: Resource allocations will meet the following criteria:

Income/Spending Category (MFI/housing type)	Proposed Income Guidelines	Estimated Unit Potential FY06/07 – FY11/12 <sup>1</sup>
0-30% MFI Rental Housing	75% - 90%	SPBURA - 300-400 units
31-60% MFI Rental & 0-60% Homeownership <sup>3</sup>	10% - 25%	SPBURA - 25-70 units
61-80% (100%*) Homeownership <sup>2</sup>	0% - 10%	SPBURA - 0-20 units
Low Income Community Facilities	0% - 10%	Not applicable

<sup>1</sup> Estimated unit potential was based on the following assumptions:

- 0-30% MFI Rental Housing Subsidy: In the Downtown Waterfront and South Park Blocks URAs, per unit subsidy required and unit production based on actual projects in progress.
- 31-60% MFI Rental Housing or Homeownership Subsidy: In the Downtown Waterfront URAs, assumes \$50,000-100,000 per unit subsidy required. Lower subsidy for rehabbed units and higher subsidy for new construction rental or homeownership. (unit range based on \$75,000/unit); In the South Park Blocks URA, per unit subsidy required and unit production based on actual projects in progress.

- 61-100% MFI Homeownership Subsidy: In the Downtown Waterfront and South Park Blocks URAs, assumes \$75,000-\$130,000 per unit subsidy required. Lower subsidy for 100% MFI and higher subsidy for 61-80% MFI and family sized units. (unit range based on \$100,000/unit)

<sup>2</sup> Homeownership investments are restricted to 80% median family income (MFI) and below, except for the development of or homebuyer assistance to units with three bedrooms or more which are restricted to 100% MFI and below.

<sup>3</sup> It is not anticipated that 0-60% MFI Homeownership will be achieved in the Central City due to the cost, but the Income Guidelines do not preclude this investment if new innovative models are developed.