



PLANNING COMMISSION REGULAR SESSION AGENDA
Monday, April 08, 2019 - 7:00 PM
City Hall, Council Chambers, 169 SW Coast Hwy, Newport, OR 97365

The meeting location is accessible to persons with disabilities. A request for an interpreter for the DEAF AND HARD OF HEARING, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting to Peggy Hawker, City Recorder at 541.574.0613.

The agenda may be amended during the meeting to add or delete items, change the order of agenda items, or discuss any other business deemed necessary at the time of the meeting.

1. CALL TO ORDER AND ROLL CALL

2. APPROVAL OF MINUTES

2.A Approval of the Planning Commission Work Session Meeting Minutes of February 25, 2019.

[Draft PC Work Session 02-25-19.pdf](#)

2.B Approval of the Planning Commission Regular Session Meeting Minutes of February 25, 2019.

[Draft PC Minutes 02-25-19.pdf](#)

3. CITIZENS/PUBLIC COMMENT

A Public Comment Roster is available immediately inside the Council Chambers. Anyone who would like to address the Planning Commission on any matter not on the agenda will be given the opportunity after signing the Roster. Each speaker should limit comments to three minutes. The normal disposition of these items will be at the next scheduled Planning Commission meeting.

4. ACTION ITEMS

5. PUBLIC HEARINGS

5.A File 1-MISC-19: Multiple Unit Housing Property Tax Exemption (MUPTE) for the Surf View Village 110 Unit Apartment Complex.

[File 1-MISC-19.pdf](#)

6. NEW BUSINESS

7. UNFINISHED BUSINESS

8. DIRECTOR COMMENTS

9. ADJOURNMENT

Draft MINUTES
City of Newport Planning Commission
Work Session
Newport City Hall Conference Room A
February 25, 2019
6:00 p.m.

Planning Commissioners Present: Jim Patrick, Lee Hardy, Bob Berman, Mike Franklin, Rod Croteau, and Jim Hanselman.

Planning Commissioners Absent: Bill Branigan (*excused*).

PC Citizens Advisory Committee Members Absent: Dustin Capri (*excused*).

Public Members Present: Mona Linstromberg, Roland Woodcock, Sonny Woodcock, and Madeline Shannon

City Staff Present: Community Development Director (CDD) Derrick Tokos; and Executive Assistant, Sherri Marineau.

1. **Call to Order.** Chair Patrick called the Planning Commission work session to order at 6:00 p.m.
2. **Unfinished Business.** No unfinished business.
- A. **Potential Amendments to NMC Chapter 14.21, Geologic Hazards Overlay.** Tokos noted this discussion was a follow up on the discussion on the January 28th work session meeting where Mona Linstromberg asked for a review of the geologic hazards overlay. He acknowledged the letter that was submitted by Linstromberg that he handed out to the Commission at the meeting. Tokos noted the changes that were done to the Guidelines. Croteau asked if the words “most recent edition of” should be used instead of “as of the effective date”. Tokos thought this made sense. Berman asked if “oceanfront properties” would be defined. Hardy said this would be any property that extended down to the shoreline. Tokos thought it was straightforward enough that if the property extended down to the shore, it was oceanfront.

Tokos said he thought it was prudent to run the code changes by a couple of engineers. Berman thought the application should have permission from the property owner to have a licensed peer reviewer enter their property. Tokos said this was fine but the question was more about if they wanted to compel a peer reviewer to do a site review. Hardy and Berman thought it was important. Croteau thought a peer reviewer needed to be familiar with coastal geography. Hanselman thought a site visit by a peer reviewer would be the best chance to get an accurate review and illuminate anything that was missed in the original geologic report. The Commission was in general agreement to add text that the peer reviewer would be required to make a site visit as part of their review. Tokos would add this.

Hardy asked about why there was a change from a 20 year to 25 year occurrence for storm design storm. Tokos said it was required now and was a more conservative design. Hardy asked what the 20 year was then. He said there wasn't a standard from Public Works before and was a number they came up with. Croteau said normally a peer reviewer would make a recommendation and asked what happened when the peer review said they hadn't done enough. He wondered if the clock would restart if they had to go back again. Tokos said it was set up so the report wouldn't be complete meaning the clock would not have started yet. Hardy asked if there was a time limit for completing the application. Tokos said legally it was six months and they would be subject to the new rules. If the rules weren't changing, then not really.

Tokos noted that in the active side areas they would pick up more slide areas such as March Street where it wasn't so easy to visually see that the area was sliding. Berman asked if the intent was to put both geologic professionals on retainer. Tokos said typically it was a firm that had both on staff. Berman asked if this would cost the City anything when there were no applications in play. Tokos said they would run a parallel

resolution that had no cost the city. Berman asked if there would be any cost for the engineers. Tokos said no, they would be on retainer and there would be a competitive process for the selection. It would be a pay as you go scenario. Patrick asked if there needed to be a backup. Tokos felt there needed to be at least two firms on retainer. He said he would reach out to Tim Gross to see who they should talk to.

Tokos said he would initiate the legislative process. Berman asked Linstromberg if she had any comments. She said she was pleased with the direction the Commissioners were going.

3. New Business.

- A. Discussion on Interactive Real Estate Display in Nye Beach. Tokos said that Roland and Sonny Woodcock were present to give a presentation on their thoughts on an interactive real estate display. He said the question would be if the Commission felt it would be something permissible, then they determine if it was a sign or not. If it was, they would need to give their thoughts on modifying the sign code.

Roland introduced himself and his marketing director Sonny. He said they loved the charm of Nye Beach and didn't want to bring anything into the community that would ruin the feel of the neighborhood. Roland said this type of sign directly addressed what people visiting Nye Beach needed. He described how the display would enhance the tourist experience by having an interactive display. The display would let people window shop and give a feeling of "just looking".

Roland described how they were re-defining the real estate brokerage experience with the display. He showed photographs of the office and how it had been transformed for the new experience. The display would be in the "dream room" and would allow people to look through the display so people could choose to come inside if they wanted more information. Sonny said she envisioned the display being a creative way to share information on what was happening in the area by including things such as an event calendar.

Roland explained the research they did on a message board versus touch screen displays. This included the EMB screens having to be extremely bright versus touch screens that are less bright. He noted that EMB screens weren't interactive. They wanted to make sure to get a touch screen that wasn't very bright. Touch screens were interactive and provided information relevant to an individual who requested it. Their display will be 42 inches and was considered a smaller display.

Roland showed photos of people interacting with displays. Patrick asked if these were inside the glass. Roland said yes, and the beauty of them was that people could interactive with the display from the sidewalk through the window glass without entering the business. Croteau asked what the dream room was for. Sonny said it would have printed materials and have a touch screen search there. The display would allow people to get information in real time even when the office was closed.

Franklin asked if the display was on 24 hours. He also asked if it wasn't being used in a certain timeframe, did it dim and sort through photos. Sonny said it was self-dimming. Roland said it was user selectable to have it run through images or have it static. Franklin was concerned about the images not being able to switch within five minutes and having a bright light that would distract drivers. He asked how would it be set up. Woodcock showed where the display would be placed on Coast Street. He said hopefully they would get the Commission's approval to do this type of display and work on how the display would be configured. Sonny said it wasn't designed to grab attention from the street but was more about interactive from the sidewalk. Roland asked the Commission to consider this type of display in Nye Beach.

Patrick asked for a discussion. Tokos explained that this change would mean a revision to the code and he needed to know if the Commission was open to the concept and if Woodcock needed to submit an application. Berman said there were several provisions in the code that wouldn't allow this and the Nye Beach overlay would negate this as well. Tokos said it fell under electric signs. Patrick said he was in favor of this and there would have to be a category for this because it wasn't really a sign and could be considered a TV. They would have to build an ordinance for everybody, not just one person. Franklin said for him it came down to lighting. Patrick said there was interest for this and asked if the Commission wanted an application submitted

or if they wanted to take it up themselves. Berman said if they could do it without any costs, he would like to see a written proposal of Woodcock's presentation so they could refer to it. Croteau said they had to be careful because it was setting a precedence for other businesses. He felt there needed to be a more throughout look at the Nye Beach area and wanted it considered in a more comprehensive way.

Franklin feared that every other business would have an interactive menu out front and how it would change the landscape of Nye Beach. He was worried about every other business having a display that could be distracting for drivers. He liked the idea of this but felt they could fix the issue if they put up a barrier from the sidewalk that wouldn't obstruct people who were driving by. Hanselman was concerned about this particular screen being self-dimming. He would want to know if the screen was available to operate on two different light settings. Patrick felt they could run parameters around the height of the screen. They could write a code that made it usable to the business but didn't detract from everyone else. He said a work session could be used for input on this in the Nye Beach and Bayfront areas. Tokos said what he was hearing was that the Commission was interested in seeing more details of a concept from Woodcock, then do another work session on this and decide if the Commission or Woodcock would initiate it.

Franklin asked how much the unit would cost. Sonny said with the software it was around \$15,000. Without the software it was \$7,000. Roland said they were concerned about everyone getting a display and appreciated the concerns about this concept in Nye Beach. Franklin asked if there were any requirements on heights, especially for people in wheelchairs. Roland said the mock up showed a height of between three to four feet up to the screen and wasn't sure it would be accessible for wheelchairs. Roland said they were happy to lower it for accessibility if needed.

Tokos said what he was hearing was the Commission was open to Woodcock bringing back a more primed concept at another work session, and at that time they would decide if it was something they wanted to initiate or have Woodcock initiate. The Commission was in general agreement with this.

4. **Director's Comments.** No Director comments.
5. **Adjournment.** Having no further discussion, the meeting adjourned at 7:59 p.m.

Respectfully submitted,

Sherri Marineau,
Executive Assistant

Draft MINUTES
City of Newport Planning Commission
Regular Session
Newport City Hall Council Chambers
February 25, 2019

Planning Commissioners Present: Jim Patrick, Lee Hardy, Bob Berman, Mike Franklin, Rod Croteau, and Jim Hanselman.

Planning Commissioners Absent: Bill Branigan (*excused*).

City Staff Present: Community Development Director (CDD), Derrick Tokos; and Executive Assistant, Sherri Marineau.

1. **Call to Order & Roll Call.** Chair Patrick called the meeting to order in the City Hall Council Chambers at 7:00 p.m. On roll call, Commissioners Hardy, Berman, Croteau, Patrick, Franklin, and Hanselman were present.

2. **Approval of Minutes.**

A. Approval of the Planning Commission work and regular session meeting minutes of February 11, 2019.

MOTION was made by Commissioner Croteau, seconded by Commissioner Berman to approve the Planning Commission work and regular session meeting minutes of January 28, 2019 as written. The motion carried unanimously in a voice vote.

3. **Citizen/Public Comment.** None were heard.

4. **Action Items.**

A. **Motion to Initiate Code Amendments to NMC Chapter 14.21, Geologic Hazards Overlay.**

MOTION was made by Commissioner Croteau, seconded by Commissioner Hanselman to initiate the legislative process for code amendments to NMC Chapter 14.21, Geologic Hazards Overlay as amended at the work session meeting. The motion carried unanimously in a voice vote.

5. **Public Hearings.** At 7:02 p.m. Chair Patrick opened the public hearing portion of the meeting.

Chair Patrick read the statement of rights and relevance. He asked the Commissioners for declarations of conflicts of interest, ex parte contacts, bias, or site visits. Croteau reported a site visit. Patrick stated that he had performed work on the condo under consideration for the conditional use. Patrick called for objections to any member of the Planning Commission or the Commission as a whole hearing this matter; and none were heard.

A. **File No. File 4-CP-18.**

Tokos gave his staff report. He acknowledged the testimony submitted by Hilaire Bojonell that was handed out to the Commission during the hearing. Tokos said the amendments to the master plan would include changes to the Agate Beach State Recreation Site to scale back the parking area, a reduction to the paved footprint, putting in a multi-use field, and improving the beach access. It would also include changes at the Yaquina Bay State Recreation Site to improve mobility, add a site for community services, and give

strategies to maintain vegetation areas. The changes to the South Beach State Park would include an extension to Jetty Road, and a reconfiguration of the main park area that included structural improvements.

Tokos noted the only public comments he had received were concerning the South Beach State Park and how it affected marine life, the additional work needed to enhance wildlife viewing, and the concerns of people who lived in the area and how it impacted them.

Berman asked if enhancements in the procedural loop were needed, how would it get worked into the Plan. Tokos said this was a draft plan and wouldn't be finalized before the process was done by the Commission. Croteau asked if the plan could be done in separate parts for each area. Tokos said they could draft it so only the components could be done, but noted this was hard to do. This would mean that the parts that weren't included would have to come back as a new application.

Berman asked if the Plan was a City document. Tokos said it was. Berman asked if they would have to modify the document. Tokos said no, the administration of the Plan sets the rules for evaluating these types of changes and there has to be a reason to amend the Plan. Berman said that Attachment "E" had tables and costs shown and asked if it was relevant. Tokos said it was part of the current Parks Facilities element of the Comprehensive Plan. This would be addressed with the Park System Master Plan update.

Proponents: Ian Matthews, Planner with the Oregon Parks Department, and Preston Phillips, Central Coast District Manager for the Oregon Parks Department, addressed the Commission. Matthews gave some background on the project. He said that between 2015-2018 they had done several rounds of public outreach and it had been approved by the OPRD. They were taking the Plan to the local jurisdictions for land use approval before it was adopted on the state level. OPRD updated their master plans every 20 years to guide development in parks. These were long range plans that were unfunded and implemented as funds were available. Matthews explained the Plan was a road map of what OPRD wanted to accomplish.

Matthews noted that during their public outreach they had not received the input on the South Beach area that was submitted by Bojonell. He said that if they had received it, they would have taken it into consideration. Matthews said they had transferred the concept for the area from the 2013 plan to this plan and explained their reasoning for transferring it. He said with respect to impacts on wildlife, they weren't aware of marine mammal haul outs. He felt confident that OPRD wouldn't approve a project that would have significant detrimental impacts to marine mammals or other wildlife.

Berman asked if the plan was modifiable at this point. Matthews said it was. This was an amendment to the city's comprehensive plan and the State rules provided for the ability for local governments to make recommendations to OPRD. If there were desired changes, OPRD would review and provide feedback on if they would make the changes or they would provide reasons they weren't accepted. Matthews said that depending on the scope of the changes, they may need to go back to their Commission to get approval. Croteau asked why the tidelands access was chosen at the specific point. Matthews said this was transferred from the 2013 plan and he wasn't sure about the reasoning for it because he didn't participate in the plan at that time. The plan was to locate it in the general vicinity, but it could be moved. Croteau stated that he wanted it as far east as possible. He asked if a wildlife viewing platform was reasonable. Matthews said if the comment had been brought up during their review, they would have considered it. He said it might be something that could be constructed as the plan was written. Croteau asked if the parking lot sizes were determined by observations. Matthews said they did parking lot counts and this was taken from the 2013 plan. Franklin asked once the parking was put in, would parking on the side of the road be permitted. Phillips said there was always parking that might happen in graveled areas but as it existed now, the lots were very rarely filled.

Berman said on Attachment "I" there were several areas that weren't P-2 zoned. He asked if they would be included at some point. Tokos said most of these were R-4 zones which were not owned by the State Parks and privately owned.

Franklin asked where parking for the proposed disc golf course would be placed. Matthews said this would be in the middle lot. He said the eastern most lot was low priority and didn't see them building it any time soon.

Hanselman asked if the new diving access was being aligned with the locals at the same location. Phillips said there were a fair amount of divers that used the area currently.

Patrick liked what was being done at Agate Beach, and liked the Yaquina Bay plan except for the there being a crosswalk on the road instead of it wrapping around. He asked when salal and huckleberry ceased to be native vegetation and questioned why they needed to be taken out. Matthews said they worked with their regional naturalist specialist and because the salal was so dense, they would be removing it to deal with the transients. Not all of the salal would be removed, but a large area would be removed. They would be focusing on other vegetation that was more desirable such as rhododendrons. Patrick asked about putting a gate on Jetty Road so it could be an actual day use. Phillips said there was a gate there already but they only closed it for certain scenarios. There was a lot of legitimate use out there and the restrooms were closed down at 10 p.m. Phillips said that from a management standpoint, locking the gate wouldn't allow the restrooms to be used and not what they wanted to do.

Hanselman noted the Agate Beach Wayside on Oceanview Drive where there was the "Hamburger Lot" area that people parked to view the beach while eating lunch. He said if OPRD had any pull on the speed limit on Oceanview Drive, they should consider working on this. Matthews said he didn't know if they had any pull but didn't see why they would be opposed to this. He said he realized that people weren't using the tunnel at the Agate Beach area and they were working to directing people better to make the parking lot more relevant. Berman said if they were going to redirect pedestrians across the cross walk, it needed to have flashing lights for safety. Matthews said they would be happy to work on this. Franklin asked if there were plans to build a bridge to get over the creek after the tunnel. Phillips said no so much because there was constant movement of the creek.

Opponents: Mona Linstromberg addressed the Commission and said she was neutral on this. She noted the work State Parks had done at Ona Beach and Beaver Creek. She said the experience showed that State Parks was receptive to recommendations. She thought the Commissioners should give recommendations as they saw fit.

Bojonell addressed the PC and said the wildlife viewing didn't currently have an ADA accessible ramp and thought this would be a great addition. She noted that OMSI students visited the area and a viewing area would be good for them. She said she was a diver and the proposed area for diving was good. Bojonell also noted that the snowy plovers were on South Beach and the proposal for fat tire biking might be impacted by this.

Tokos made sure that the Commission understood the administrative rules that stated they had to act in 150 days and explained the procedures that would lead to the City Council reviewing the plan. If the City didn't act within 150 days, then OPRD's document would become the controlling document. Patrick asked when the clock started. Tokos said in December of 2018.

Hearing was closed at 7:46 pm.

Hanselman was satisfied with what was presented and didn't have comments. Franklin didn't have comments. Croteau said there were a lot of concerns and he didn't want them lost in the shuffle. He asked how the Commission would get those in the record to be considered. Tokos said this could be worked into a motion. The distinction would be whether or not it was a modification to the plan or simply a consideration they would address. Croteau thought a request to consider was more appropriate. Berman said he was inclined to modifying the plan and adopt the Commission's version, then down the road when the

development occurred it would have to be reconciled between the city and state plans. Tokos said what they adopted through this process would be what would apply within the city limits. If State Parks disagreed with this, they could appeal. Croteau said if the Commission made a hard recommendation they would know a better place to put the east access, for example, and why he wanted to keep it in line with a consideration. Hardy thought the recommendations were appropriate as presented. Patrick thought it was appropriate and thought the Commission should do a recommendation.

MOTION was made by Commissioner Croteau, seconded by Commissioner Franklin to approve a positive recommendation to the City Council for File No. 4-CP-18 to adopt the change to the Master Plan and request the State Parks Department give consideration to the tideland access placement, the parking lot size on the east, the possibility of adding an ADA accessible viewing platform, and a well-marked crosswalk at Agate Beach Wayside. The motion carried unanimously in a voice vote.

6. Unfinished Business.

A. Confirm Quorum for the March 21, 2019 Joint City Council/Planning Commission Parks System Master Plan Meeting Being Held at 6:00 p.m. in the Council Chambers.

Tokos asked for a confirmation that there would be a quorum of Commissioners at the March 21, 2019 Joint City Council meeting at 6 p.m. Croteau said he was a maybe. Berman was a yes. Hardy was a maybe. Patrick was a yes. Franklin and Hanselman were a yes.

7. Director Comments.

Tokos reported that the Short-Term Rental public hearing had been continued to the March 18, 2019 City Council regular session meeting and there would be a Council work session meeting on March 4, 2019 at 3 p.m. to discuss this. Tokos explained that there would not be any public testimony taken at the work session meeting as it would be an opportunity for the Council to have a discussion on what they had heard and how to proceed.

Tokos said the street vacation hearing would go before the Council on their March 4, 2019 meeting. He noted there would be a funding agreement with ODOT presented at that hearing date as well.

8. Adjournment. Having no further business, the meeting adjourned at 7:53 p.m.

Respectfully submitted,

Sherri Marineau
Executive Assistant

PLANNING STAFF MEMORANDUM
FILE No. 1-MISC-19

1. **Applicant:** Surf View Village, LLC (Daryn Murphy, Commonwealth Development, Corporation, Developer and Authorized Representative)
2. **Request:** Application for 10 year property tax exemption on structural improvements associated with the construction of a 110 unit apartment complex. All units will be affordable to households earning 60% or less of area median income.
3. **Location:** 101, 111, 121 and 131 NE 60th Street (formerly 6010, 6020, and 6138 N Coast Hwy)
4. **Legal Description:** Lincoln County Assessor's Tax Map 10-11-20, Tax Lots 01401 and 01402 and Tax Map 10-11-29-BA, Tax Lot 400.
5. **Lot Size:** Approximately 5.20 acres.
6. **Zoning:** R-4/"High Density Multi-Family Residential"
7. **Notification:** Notice of the Planning Commission hearing was published in the Newport News-Times on March 29, 2019. See Planning Staff Memorandum Attachment "O" (Notice of Public Hearing).
8. **Project Overview:** Surf View Village will be a privately developed and managed 110 unit affordable multi-family project. All units will be restricted for a minimum of 30 years to households earning 60% or less of area median income. Rent may not exceed 30% of the qualifying income. An Oregon Housing and Community Services (OHCS) publication listing the 2018 income and rent limits is enclosed (ref: Attachment "O").

The project consists of four, three-story multi-family buildings, all of which will take direct access off of NE 60th Street (ref: Site Plan, Attachment "D"). Developer has provided a unit mix and rent schedule, which reads as follows:

Unit Mix and Rent Schedule

Type	# of Units	Net Rent Rate	Gross Rent	Utility Allowance
One Bedroom	24	\$554	\$615	\$61
Two Bedroom	42	\$654	\$739	\$85
Three Bedroom	44	\$753	\$853	\$100

NE 60th Street will be reconstructed, with curb, gutter, sidewalk and lighting, from US 101 east to a point just past the easternmost driveway access to the site. Developer will also be constructing a northbound right turn lane from US 101 onto NE 60th Street, a multi-use path along the property's US 101 frontage, bus shelter, stormwater retention facilities, an on-site children's play area and landscaping amenities. Public water and sewer service is adequate to support the development (ref: City Engineer's letter, Attachment "E").

A substantial portion of the projects financing comes from Low Income Housing Tax Credits (LIHTC) and the State of Oregon Local Innovation and Fast Track Housing Program (LIFT). The Developer notes that, as with all affordable housing developments that utilize LIHTC, the primary incentive to the developer is through a capitalized developer fee and the primary incentive to the project’s investors are federal tax credits. Developer has outlined the funding sources, and development costs of the project, which are summarized as follows:

Summary of Sources and Uses

Sources		
LIHTC Equity	\$ 8,156,294	37%
OHCS LIFT	\$ 10,945,000	50%
Serviceable Debt	\$ 2,838,089	13%
Cash Flow During Lease-up	\$ 104,473	0%
Total	\$ 22,043,855	100%

Uses		
Land Cost	\$ 1,852,500	8%
Construction Costs	\$ 16,430,105	69%
Soft Costs, Including A&E	\$ 2,547,624	11%
Developer Fee (overhead and profit)	\$ 2,400,000	10%
Capitalized Operating Reserve	\$ 444,960	2%
Total	\$ 23,675,189	100%
GAP	\$ 1,631,334	

Developer is seeking the property tax exemption to improve cash flow for the first 10 years of operation so that a portion of their fee (i.e. the funding gap) can be financed over that period of time. This is shown as the 2nd mortgage on the applicant’s 15-year pro forma spreadsheet, increasing serviceable debt to \$4,469,423 and corresponding annual debt payments (ref: Attachment "H"). The second mortgage would carry no interest or fees. If granted, it is anticipated that Developer will realize \$1,663,581 in tax savings on structural improvements over a 10 year period, which is sufficient to offset the financed portion of the developer fee.

The amount of the tax relief is as substantial as it is because Lincoln County elected to participate in the MUPTE program (Resolution No. 17-25-10B). The combined levying authority of the City of Newport and the four Lincoln County taxing districts exceeds 51% of the total rate of taxation, meaning that, under state law, an applicant is eligible for full relief from the tax on structural improvements. City of Newport’s levy is roughly 40% of the total, meaning that it will forgo a little more than \$665,000 in taxes over 10 years if the request is approved.

Property proposed for development was the former Agate Beach RV Park. The property was developed with 25 RV spaces and two mobile homes. In November of 2018 the RV Park was closed and occupants moved their vehicles to other locations. The developer indicates, in their narrative, that they were relocating the households occupying the mobile homes.

Additional details about the project are included in the applicant’s project overview and financial assumption narratives (ref: Attachments "C" and "G").

9. **Required Findings:** The Community Development Director is charged with preparing a report to the Planning Commission about whether or not the application meets the criteria of NMC 3.25.030, and to provide any other comments about the project's financial projections that might inform the Commission's decision making process. Additionally, the applicant's pro forma must be reviewed by an independent outside professional consultant, with the results of that analysis being provided to the Commission (NMC 3.25.060(A)(3)). Below are the criteria listed in NMC 3.25.030, followed by staff analysis in "*italics*."

A. Financial need for the exemption:

1. The project could not financially be built "but for" the tax exemption. The burden is on the applicant to demonstrate that absent of the exemption the project would not be financially viable. The project pro-forma must show that the property tax exemption is necessary for the project to be proceed.

Developer has provided 15 year project pro forma spreadsheets illustrating cash flow with and without the 10 year property tax exemption (ref: Attachments "H" and "I") and explains the financial assumptions in narrative form (ref: Attachment "G"). The pro forma has been reviewed by Jerry Johnson, Johnson Economics, LLC, an independent financial consultant retained by the City of Newport to evaluate the application. His full report is enclosed as Attachment "J." A copy of the Developer's application was also provided to Lincoln County Assessor, Joe Davidson, who provided a figure for year one taxes likely to be generated by the project (ref: Attachment "N") and advised the applicant and staff that a 3 percent per year escalation rate should be assumed.

After reviewing the pro forma, Mr. Johnson concluded that the assumptions and projections provided by the developer should be viewed as credible and reliable, and that it is his judgement that the project would not be viable without the availability of the property tax exemption. He indicates that, without the exemption, indicated returns would be insufficient for a developer to incur the development risk for the project and that with the 10 year property tax exemption, the project is likely viable. Mr. Johnson acknowledges that his analysis relies upon information provided by the applicant but points out that the assumptions made are in line with other projects his firm has reviewed.

Mr. Johnson further notes that the primary impact of the tax exemption is a reduction in operating costs for a set period of time, which allows the Developer to defer development fees via the no interest loan.

The report by Johnson Economics, LLC refers to the developer fee as reflecting an 11.7% profit. Staff sought further clarification on that point, which Mr. Johnson addressed in a 3/15/19 email (Attachment "K"). It is his view that overhead for this type of project should be in the range of 5-6% or possibly a bit more due to the complexity, with the remaining 5% or so being profit, which he believes is low given the nature of the project. In a separate email, Developer confirmed that overhead should be roughly half of the 11.7% with profit being the balance (Attachment "L"), which is consistent with what Johnson Economics, LLC believes is appropriate.

Considering the above, it is reasonable for the Planning Commission to rely upon analysis by Johnson Economics, LLC as evidence that the project could not be financially built "but for" the tax exemption.

2. The project pro-forma must include:
 - i. Ten-year pro-forma with MUPTE.
 - ii. Ten-year pro-forma without MUPTE.
 - iii. Analysis of the projected ten-year cash-on-cash rates of return on investment for the proposed project. This should be calculated as the ratio of net cash flow, after debt service, to initial equity investment (cash and land).
 - iv. List of assumptions made to create the pro-formas, including a description of how property taxes were estimated for the without MUPTE pro-forma and the affordable housing fee or rent levels.
 - v. Development budget.
 - vi. Sources and uses of financing, including a description and the monetary value of any other public assistance, including but not limited to grants, loans, loan guarantees, rent subsidies, fee waivers, or other tax incentives, which the property is receiving or which the applicant plans to seek.

The above referenced information is contained in the applicant's project overview (Attachment "C"), financial assumptions narrative (Attachment "G"), and pro forma spreadsheets (Attachments "H" and "I").

B. Project eligibility.

1. Projects must be located within the taxing jurisdiction of the City of Newport and:
 - i. Within ¼ mile of fixed route transit service.
 - ii. Within an R-3 Zone or an R-4 Zone or a C-1 or C-3 Zone south of NE 4th St.
 - iii. Entirely outside of known hazard areas, including Active Erosion Hazard Zones, Active Landslide Hazard Zones, High Risk Bluff Hazard Zones, High Risk Dune Hazard Zones, Other Landslide Hazard Zones, and the "XXL" tsunami inundation area boundary, as depicted on the maps titled "Local Source (Cascadia Subduction Zone) Tsunami Inundation Map Newport North, Oregon" and "Local Source (Cascadia Subduction Zone) Tsunami Inundation Map Newport South, Oregon" produced by the Oregon Department of Geology and Mineral Industries (DOGAMI), dated February 8, 2013.

The project is adjacent to US 101, a fixed transit route served by Lincoln County Transit. There is presently an unsheltered, posted stop along the properties US 101 frontage. With this project, developer will enhance the stop by constructing a bus shelter, with associated connecting pathways and lighting. The property is zoned R-4 and is not located within the listed geologic hazard or tsunami inundation areas.

2. The project will be housing which is completed on or before the date specified in ORS 307.637 (Deadlines for actions required for exemption).

The referenced statute specifies that an application for tax exemption of this type be submitted on or before January 1, 2022, in cases where multi-family housing will be subject to a low income housing assistance contract with an agency or subdivision of this state or the United States. Developer will be subject to such a contract with Oregon Housing and Community Services in order to leverage LIFT and LIHTC funds. This application has been submitted in advance of the statutory deadline.

- C. The applicant must propose and agree to include in the proposed project one or more elements benefitting the general public, as detailed in NMC 3.25.040.

NMC 3.25.040 addresses two forms of public benefit. The first is a green building requirement that can be satisfied if the Developer demonstrates that the project will perform at least 10% more efficiently than performance established in the Oregon Energy Efficiency Specialty Code or similar code adopted by the State of Oregon (NMC 3.25.040(A)(2)). Developer is utilizing the Earth Advantage Multifamily Certification process to establish that the 10% benchmark will be met. Earth Advantage, Inc., is a company based out of Portland Oregon that promotes energy efficiency, sustainability, and quality construction via a point based certification process. Developer submitted a copy of the Earth Advantage Multifamily points worksheets identifying the specific design elements they have included in the project to address the energy efficiency requirement (Attachment "F"). The City has worked with developers of single-family homes in the Wilder planned development to achieve earth advantage certification, and would stipulate on building permits that Earth Advantage, Inc. certify that the 10 percent benchmark was met prior to certificates of occupancy being granted.

The second form of public benefit is a requirement that at least 10 percent of the units be affordable to households earning 60 percent or less of the area median income during the period of time the tax exemption is in effect (NMC 3.25.040(B)(1)). By leveraging both LIFT and LIHTC resources, Developer will be contractually obligated by OHCS to make 100 percent of the units affordable at 60% of area median family income for a period of 30 years (ref: Attachment "R"). It is reasonable for the City to rely upon the OHCS contract as evidence that the multi-family units will be available at the required price points while the tax exemption is effective.

10. **Other Considerations:** In his report, Mr. Johnson expresses a concern regarding the project's ongoing ability to service its debt, as debt coverage ratios are projected to erode over time. This would occur after the 10 year tax exemption expires, and the concern is framed in the context of what a lender may or may not find acceptable. Developer responded that if net operating income falls short, they will have a capitalized operating reserve that can be drawn upon. The reserve will be funded in the amount of \$369,000 once the project is completed (ref: Attachment "M").

The Planning Commission need not address the question of a lenders "risk tolerance" in that it is not directly related to the City's approval standards. If OHCS or a private lender have fundamental concerns about the Developer's capacity to service debt then it is unlikely funds would be made available for the project, and the tax exemption would become a moot issue. It is; however, relevant to note that the Developer is not indicating that they expect the tax exemption would need to be extended beyond 10 years, which is something this type of project would be eligible for under NMC 3.25.020(F).

A 10 year tax exemption in the amount of \$1,663,581 is a substantial sum. However, the Commission should keep in mind that such taxes would only be collected if the project is constructed, which is unlikely to occur without the exemption.

Including the tax exemption, roughly 88% of the funding for this project (i.e. more than \$20.7 million dollars) is in the form of federal, state or local subsidies. This amounts to about \$188,700 of subsidy per housing unit. The City's Housing Needs and Buildable Lands Inventory establishes that there is a clear need for multi-family rental housing at these price points, and this request illustrates the funding challenges inherent to achieving that objective. Additionally, the application

highlights how this tax exemption program, which the Planning Commission and City Council committed to pursuing in 2014 (Ordinance No. 2076) and implemented in 2017 (Ordinance No. Ordinance No. 2115), can be the critical piece of a funding package that allows a project to move forward.

11. **Conclusion and Recommendation:** Considering the above, staff concludes that the approval standards outlined in NMC 3.25.030 have been met and that a 10-year tax exemption on structural improvements associated with this project should be granted.

Now that the Planning Commission is in receipt of this report, it is charged with holding a public hearing to evaluate the application and provide a recommendation to the City Council. Such recommendation must be based upon whether or not the criteria in NMC 3.25.030, which are set forth in this report, have or have not been satisfied.

Planning Staff Memorandum Attachments:

- Attachment "A" – Application Form
- Attachment "B" – Property Deed
- Attachment "C" – Applicant's Narrative and Project Overview
- Attachment "D" – Site Plan by Excel Engineering, dated 11/30/18 (reduced)
- Attachment "E" – City Engineer's Infrastructure Requirements Letter, dated 1/25/19
- Attachment "F" – Earth Advantage Multi-Family Energy Efficiency Scoring Sheets
- Attachment "G" – Applicant's Financial Assumptions Narrative
- Attachment "H" – 15-Year Pro Forma Spreadsheet (with 10-year tax exemption)
- Attachment "I" – 15-Year Pro Forma Spreadsheet (without exemption)
- Attachment "J" – Pro Forma Review by Johnson Economics, LLC, dated 3/15/19
- Attachment "K" – Email from Jerry Johnson, dated 3/15/19
- Attachment "L" – Email from Daryn Murphy, dated 3/15/19
- Attachment "M" – Email from Daryn Murphy, dated 3/29/19
- Attachment "N" – Email from Joe Davidson, Lincoln county Assessor, dated 2/13/19
- Attachment "O" – Table listing portfolio of Commonwealth properties
- Attachment "P" – OHCS 2018 Income and Rent Limits
- Attachment "Q" – OHCS Lift Program Factsheet
- Attachment "R" – Legal Notice of Public Hearing



Derrick I. Tokos, AICP
Community Development Director
City of Newport

April 4, 2019

CITY OF NEWPORT
 169 SW COAST HWY
 NEWPORT, OREGON 97365



Attachment "A"
 1-MISC-19
 Community Development
 Department
 phone: 541.574.0629
 fax: 541.574.0644
<http://newportoregon.gov>

MULTIPLE UNIT HOUSING PROPERTY TAX EXEMPTION (MUPTE)		
REF: NMC CHAPTER 3.25		
APPLICANT INFORMATION		
Applicant Name: Surf View Village LLC		
Address: PO Box 1658	City/State: Fond du Lac, WI	Zip: 54936
Contact Person: Daryn Murphy	Phone: 503-956-2970	Email: d.murphy@commowealthco.net
Additional Contact Information (if applicable):	Housing Project Name: Surf View Village	
A		
Assessor's Property Acct No.: R463023, R465428, R210748	Map Taxlot No. : 10-11-20-00-01401-00, 10-11-20-00-1402-00, 10-11-29-BA-00400-00	
Site Location Address: 6138, 6020, 6010 N Coast Highway Newport, OR 97365 (if no address available, give a written description)		
CURRENT USE AND SITE INFORMATION		
Current Zoning: R4	Parcel Size: 5.20 ac	Maximum Density Allowed: 179 units
Assessed Value of Land: \$520,000	Assessed Value of Improvements: \$265,290	
Current Property Taxes: \$13,819.99		
Is existing sound housing or housing that can be rehabilitated on the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
PROPOSED PROJECT INFORMATION (All Structures)		
Density of Proposed Project (units per net acre): 21.1	Proposed No. of Parking Spaces: 163	
Building Footprint (sq. ft.): 36,600	Residential Square Footage (sq. ft.):113,972	
Commercial Square Footage (sq. ft.):0	No. of Dwelling Units: 110	
The commercial portion of a project is eligible for exemption if it is deemed a public benefit by City Council. Do you want the City Council to consider exemption the commercial portion of the project? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

Office Use Only	
Date Received: _____	Application #: _____

Application Fee - \$4500 - received:

UNIT MIX

Unit Size	#	Avg. Square Feet Per Unit	Proposed Avg. Rental Rate
Studio / efficiency			
One bedroom	24	625	615 (gross – inc UA)
Two bedroom	42	845	739 (gross – inc UA)
Three bedroom	44	1088	853 (gross – inc UA)
Four bedroom			
Five bedroom			
Commercial/retail			
ADA Accessible	8		
Parking – off-street	163		
Parking – on-street			

CONFIRMATION OF PROJECT ELIGIBILITY

1. If new construction, the project contains three or more rental units **OR** if a remodel the project adds two or more rental units.

2. No part of the project will be used for transient accommodations, including hotels, motels, or vacation rentals.

3. The project is within ¼ mile of fixed route transit service (bus route).

4. The project is within an R-3 Zone or an R-4 Zone, or a C-1 or C-3 Zone south of NE 4th St.

5. The project is entirely outside of known hazard areas, including Active Erosion Hazard Zones, Active Landslide Hazard Zones, High Risk Bluff Hazard Zones, High Risk Dune Hazard Zones, Other Landslide Hazard Zones, and the “XXL” tsunami inundation area boundary.

Check here to indicate that the project meets these eligibility requirements: Yes No

GREEN BUILDING FEATURES

* Green building requirements apply only to the residential occupancy areas and common areas such as hallways, stairwells, centralized HVAC or hot water heating, and laundry facilities. The requirements do not apply to the commercial areas or ancillary amenities such as parking garages and recreation facilities.

Check the box below to indicate which green building requirement the project will meet.

- A. The project will conform to the 2011 Oregon Reach Code.
- B. The project will perform at least 10% more efficiently than the performance established in the Oregon Energy Efficiency Specialty Code (OEESC).
- C. The project will perform at least 10% more efficiently than the performance established in a similar code adopted by the State of Oregon.

AFFORDABLE HOUSING REQUIREMENT

Check the box below to indicate which affordable housing requirement the project will meet. Income and rent tables can be found through the Community Development Page on City's website. The Affordable Housing Worksheet on page 5 must be completed if options A or B are selected below.

- A. A minimum of 20 percent of the number of units will be affordable to households earning 80% or less of the area median family income (MFI).
- B. A minimum of 10 percent of the number of units will be affordable to households Earning 60% or less of the area median family income (MFI)
- C. The owner of the project shall pay to the City an Affordable Housing Fee equal to 10% of the total property tax exemption

PUBLIC BENEFIT ALTERNATIVE

If the proposed project does not provide the public benefits listed above under "Green Building Features" and "Affordable Housing Requirement," the applicant may choose to provide information about the alternative public benefit of their project and request a hearing with the Planning Commission to show that the project will fulfill the purpose of the program in an alternative manner.

Would you like to request this hearing?

Yes

No

APPLICATION VERIFICATION

I swear or affirm that all information contained in this application is accurate and all statements are true.

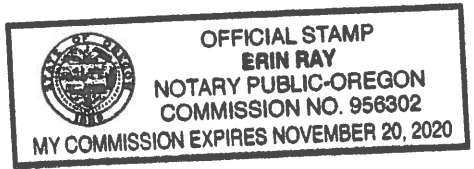
By:  Date: 1/30/19
Applicant Signature

State of OREGON

County of Multnomah

Signed and sworn to (or affirmed) before me on January 30 2019, by Danyla S. Murphy


Notary Public for Oregon



AFFORDABLE HOUSING WORKSHEET

Complete this worksheet for proposed projects that will include affordable housing units.

- * “Affordable” means: A rental rate which does not exceed 30% of the monthly maximum Median Family Income (MFI) levels for each unit size, including allowances for utilities that are either directly paid by tenants or billed back to tenants by the owner for reimbursement. No utility allowance is required for utilities paid by the owner and not reimbursed by the tenant. For approval purposes, applicants must document and use the utility estimates available from the Housing Authority of Lincoln County (HALC) to calculate monthly affordable rents in the pro-forma. These are included in the Appendix on pages A4-A8.
- * Measurement of household income and maximum affordable rents are to be determined using the U.S. Department of Housing and Urban Development’s, or its successor agency’s, annually published Median Family Income and Rent chart for Lincoln County for a family of one person (for a studio apartment), two persons (for a one-bedroom apartment), three persons (for a two-bedroom apartment), or four persons (for a three-bedroom apartment). For application purposes, the maximum incomes for affordable housing are included in the Appendix on page A3.
- * For **application purposes**, the maximum rental rates for the affordable units are included in the Appendix on page A3. In the table below, fill in the number of affordable units by size (second column from the left) and the proposed rents for the affordable units (right-hand column). These rents should also be in the pro-formas submitted with the application.

Total Dwelling Units in Project: 110 _____

Total Affordable-Income Units: 110 _____

Affordable Units as Percentage of Total Units: 100%*

Unit Size	Number of Units	Proposed Rental Rate
Studio		\$
1 bedroom	24	\$ 615
2 bedroom	42	\$ 739
3 bedroom	44	\$ 853
4 bedroom		\$

*For **setting affordable rental rates after construction**: The MFI is likely to change each year along with the maximum rental rates. During the tax exemption, the affordable units will need to conform with the MFI in effect at the time each unit is leased and have rents at or below the maximum rates. Each year, City staff will make the maximum rental rates available. Owners will need to review the maximum

rental rates before a lease is signed on the affordable units. Gross income from all sources must be considered for any adults living in the affordable unit and documented using the Tenant Income Certification Form included on the City's website.

RECORDING REQUESTED BY:



255 SW Coast Highway, Suite 100
Newport, OR 97365

AFTER RECORDING RETURN TO:

Order No.: WT0153969-LMD
Louie A. Lange III
Surf View Village, LLC
9 Sheboygan Street
Fond Du Lac, WI 54935

SEND TAX STATEMENTS TO:

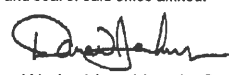

Surf View Village, LLC
9 Sheboygan Street
Fond Du Lac, WI 54935

APN: R463023
R465428
R210748

Map: 10-11-20-00-01401-00
10-11-20-00-01402-00
10-11-29-BA-00400-00

Lincoln County, Oregon
 12/05/2018 03:07:30 PM
 DOC-WD
 \$25.00 \$11.00 \$10.00 \$60.00 \$7.00
 Cnt=1 Pgs=5 Stn=20
 \$113.00

I, Dana W. Jenkins, County Clerk, do hereby certify that the within instrument was recorded in the Lincoln County Book of Records on the above date and time. WITNESS my hand and seal of said office affixed.

Dana W. Jenkins, Lincoln County Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE

(\$1,850,000.00)

STATUTORY WARRANTY DEED

John Edward Wiles and John M. Becker, Grantor, conveys and warrants to Surf View Village, LLC, a Wisconsin limited liability company, Grantee, the following described real property, free and clear of encumbrances except as specifically set forth below, situated in the County of Lincoln, State of Oregon:

PARCEL I:

A tract of land located in the Southwest one-quarter of Section 20, Township 10 South, Range 11 West of the Willamette Meridian, Lincoln County, Oregon, said tract being a portion of the tract of land conveyed from Richard and Elaine Crandall to Three J's LLC, recorded in Microfilm 357, page 1294, Lincoln County Film Records, said portion being more particularly described as follows:

Commencing at the South one-quarter corner of said Section 20; thence North 00° 02' 42" West, along the North-South Centerline of said Section 20, 29.80 feet to the Southeast corner of the Frank Passarelli tract as described in Volume 67, page 687 of Lincoln County Film Records; thence along the South line of said Passarelli tract North 89° 50' 09" West 774.76 feet to the Center of a creek; said point being the true point of beginning of the following described tract; thence along the center of said creek the following courses and distances: thence North 42° 14' 45" West 47.76 feet; thence North 22° 08' 53" West 41.09 feet; thence North 47° 58' 03" West 159.93 feet; thence North 22° 00' 00" West 52.00 feet; thence North 08° 12' 28" East 95.86 feet to the South boundary of that tract of land conveyed from Nicholas P. Clainos to Newport Village, LLC, recorded June 30, 2005 in Document #200510053, Lincoln County Deed Records; thence along said South boundary North 89° 50' 52" West 431.35 feet to the easterly right of way of U.S. Highway #101; thence along said right of way on the arc of a 10317.40 foot radius curve to the left, the long chord of which bears South 11° 22' 02" East 329.68 feet for an arc distance of 329.66 feet; thence South 89° 50' 09" East 538.56 feet to the true point of beginning.

STATUTORY WARRANTY DEED

(continued)

PARCEL II:

A tract of land located in the Southwest one-quarter of Section 20, Township 10 South, Range 11 West of the Willamette Meridian, Lincoln County, Oregon, said tract being a portion of the tract of land conveyed from Mike Fort to Three J's, LLC, recorded in Microfilm 372, page 1551, Lincoln County Film Records, said portion being more particularly described as follows:

Commencing at the South one-quarter corner of said Section 20; thence North 00° 02' 42" West, along the North-South Centerline of said Section 20, 29.80 feet to the Southeast corner of the Frank Passarelli tract as described in Volume 67, page 687 of Lincoln County Film Records; thence along the South line of said Passarelli tract North 89° 50' 09" West 774.76 feet to the Center of a creek; said point being the true point of beginning of the following described tract; thence continuing along said South line of the Passarelli tract North 89° 50' 09" West 538.56 feet to the East right of way of Oregon Coast Highway #101; thence Southeasterly along said right of way to the South line of said Section 20; thence South 89° 50' 09" East 560.58 feet, more or less, to the Center of aforementioned creek; thence North 42° 14' 45" West, along the center of said creek, 40.36 feet to the true point of beginning.

PARCEL III:

The North 100 feet of that part of the Northwest quarter of the Northeast quarter of the Northwest quarter of Section 29, Township 10 South, Range 11 West, Willamette Meridian, in Lincoln County, Oregon, lying Easterly of the Easterly right of way line of the Oregon Coast Highway.

EXCEPTING THEREFROM that portion conveyed to the State of Oregon by and through its State Highway Commission.

THE TRUE AND ACTUAL CONSIDERATION FOR THIS CONVEYANCE IS ONE MILLION EIGHT HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$1,850,000.00). (See ORS 93.030).

Subject to:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

STATUTORY WARRANTY DEED
(continued)

IN WITNESS WHEREOF, the undersigned have executed this document on the date(s) set forth below.

Dated: 12/5/18

[Signature]
John Edward Wiles

[Signature]
John M. Becker

State of Oregon
County of Lincoln

This instrument was acknowledged before me on 12-5-18 by John Edward Wiles and John M. Becker.

[Signature]
Notary Public - State of Oregon

My Commission Expires: 12-4-20

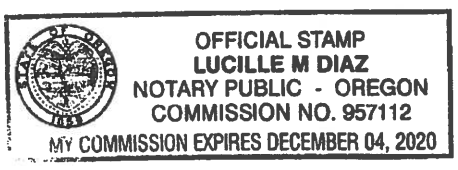


EXHIBIT "A"
Exceptions

Subject to:

Rights of the public to any portion of the Land lying within the area commonly known as roads and highways.

Any adverse claim based upon the assertion that:

- a) Said Land or any part thereof is now or at any time has been below the highest of the high watermarks of unnamed creek, in the event the boundary of said unnamed creek has been artificially raised or is now or at any time has been below the high watermark, if said unnamed creek is in its natural state.
- b) Some portion of said Land has been created by artificial means or has accreted to such portion so created.
- c) Some portion of said Land has been brought within the boundaries thereof by an avulsive movement of unnamed creek, or has been formed by accretion to any such portion.

Rights and easements for navigation and fishery which may exist over that portion of said Land lying beneath the waters of unnamed creek.

Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of: Central Lincoln People's Utility District
Recording Date: August 1, 1951
Recording No: Book 147, Page 24
(Parcel I and II - Exact location unknown)

Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Recording Date: February 3, 1936
Recording No: Book 72, Page 64
(Parcel I and II - Exact location unknown)

Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of: The Agate Beach Water District
Recording Date: October 23, 1945
Recording No: Book 107, Page 176
(Parcel III - Exact location unknown)

Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of: Pacific Northwest Bell Telephone Company
Recording Date: April 11, 1984
Recording No: Book 149, Page 374
(Parcel III)

Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of: Newport Village, LLC
Recording Date: November 18, 2005
Recording No: 200518575

EXHIBIT "A"
Exceptions

Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of: Falcon Telecable
Recording Date: May 20, 2016
Recording No: 2016-04763
(Parcel I)

Note: the above easement contains an incorrect legal description

Manufactured homes are personal property unless exempted from title and registration requirements pursuant to ORS 446.561 to 446.646 and the related regulations. The manufactured home located on the herein described property is not so exempted. Accordingly, no manufactured housing endorsement (OTIRO 207-06, 207.1-06 or 207.2-06) may be issued.

Existing leases and tenancies, if any, and any interests that may appear upon examination of such leases.

Easements, claims of easement and other claims or rights not shown by the public record but which could be ascertained by an inspection, accurate survey or inquiry of persons in possession thereof; reservations or exceptions in patents or acts authorizing the issuance thereof; water rights, claims or title to water.

Surf View Village

MUPTE Application Attachments

January 2019

Project Description

Surf View Village will consist of 110 new affordable housing units in Newport's Agate Beach area. The project will be 100% affordable to households earning 60% or less of Area Median Income (AMI). Surf View Village will be funded in part by Oregon Housing and Community Services through its Local Innovative and Fast Track (LIFT) Housing Program. The project will also be funded with 4% federal tax credits (LIHTC). The development will include four new multifamily buildings, all of wood frame construction and all adhering to Earth Advantage Green Building standards.

Commonwealth Development Corporation is leading the development of Surf View Village. Its affiliated general contractor (Commonwealth Construction Corporation) and its affiliated property management company (Commonwealth Management Corporation) will be integral members of the team. Commonwealth and its affiliated companies have developed, built and manage over 2000 units of affordable housing in twelve states. Commonwealth has completed over 50 similar projects.

Unit Mix and Rent Schedule

Type	Income Limit	# of Units	Net Rental Rate	Gross Rent	Utility Allowance
One Bedroom	60%	24	554	615	61
Two Bedroom	60%	42	654	739	85
Three Bedroom	60%	44	753	853	100

Building Information

Type	# of Units	Square Footage	# of Stories
Building 1	24	24456	3
Building 2	24	24456	3
Building 3	22	22154	3
Building 4	40	42906	3

Site Information

- Approximate Acreage: 5.20
- Landscape/ Open Space upon completion: 47.9%
- Site Amenities: play structure, site lighting, bus stop, multimodal path

Surf View Village

MUPTE Application Attachments

January 2019

Existing or Prior Use of the Property

The development site consists of the former Agate Beach RV Park. Prior to Commonwealth purchasing the property it had been used as a short-term stay RV Park. The property had approximately 25 spaces for RVs and two mobile homes. Upon closure of the RV park in November 2018, all former RV space occupants moved their vehicles to other locations in Newport. Commonwealth is in the process of relocating the two households occupying the mobile homes. The site has received a clear Phase I Environmental Site Assessment.

SITE INFORMATION:

PROPERTY AREA: APEA = 218,741 S.F. (5.02 ACRES).
 EXISTING ZONING: R-4; RESIDENTIAL HIGH DENSITY MULTI-FAMILY
 PROPOSED ZONING: R-4; RESIDENTIAL HIGH DENSITY MULTI-FAMILY
 PROPOSED USE: MULTI-FAMILY
 AREA OF SITE DISTURBANCE: 4.0 ACRES

SETBACKS: BUILDING: FRONT = 15' (OR 20' PRIMARY/10' SECONDARY)
 SIDE = 5'
 REAR = 10'
 PAVEMENT: FRONT = 0'
 SIDE = 0'
 REAR = 0'

PROPOSED BUILDING HEIGHT 35' (MAY HEIGHT 35')

PARKING REQUIRED: 1 SPACE PER UNIT FOR 1ST 4 UNITS + 1.5 SPACES/
 EACH ADD UNIT (163 SPACES FEQ.)
 PARKING PROVIDED: 163 SPACES (8 H.L. ACCESSIBLE)
 HANDICAP 'TALLS' REQUIRED: 6 PROVIDED: 8
 LANDSCAPE REQUIREMENTS: MIN. LANDSCAPE SURFACE PATIO 5%

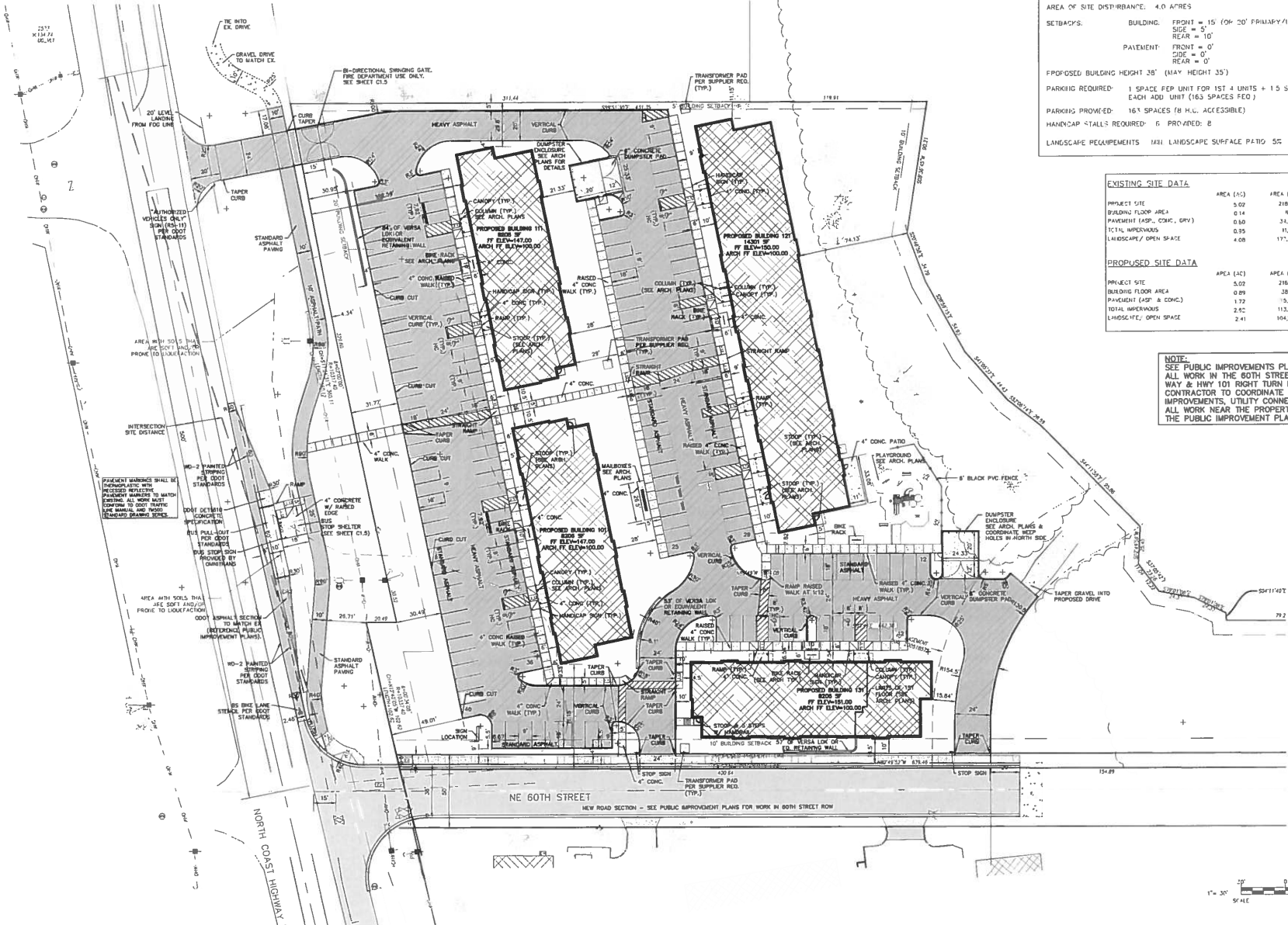
EXISTING SITE DATA

	AREA (AC)	AREA (SF)	RAIO
PROJECT SITE	5.02	218,741	3.81
BUILDING FLOOR AREA	0.14	4,114	2.81
PAVEMENT (ASP., CONC., GRV.)	0.50	31,917	16.02
TOTAL IMPERVIOUS	0.35	11,166	18.83
LANDSCAPE/ OPEN SPACE	4.68	177,522	81.18

PROPOSED SITE DATA

	AREA (AC)	AREA (SF)	RAIO
PROJECT SITE	5.02	218,741	1.85
BUILDING FLOOR AREA	0.89	38,401	1.85
PAVEMENT (ASP. & CONC.)	1.72	5,096	34.28
TOTAL IMPERVIOUS	2.52	113,157	32.19
LANDSCAPE/ OPEN SPACE	2.41	104,841	4.92

NOTE:
 SEE PUBLIC IMPROVEMENTS PLAN SET FOR ALL WORK IN THE 60TH STREET RIGHT OF WAY & HWY 101 RIGHT TURN LANE. CONTRACTOR TO COORDINATE PRIVATE SITE IMPROVEMENTS, UTILITY CONNECTIONS, AND ALL WORK NEAR THE PROPERTY LINE WITH THE PUBLIC IMPROVEMENT PLAN SET.



PROJECT INFORMATION

FAMILY APARTMENTS
SURF VIEW VILLAGE
 N COAST HIGHWAY • NEWPORT, OR 97365

PROFESSIONAL SEAL

SHEET DATES

ISSUE DATE	NOV 30, 2018
REVISIONS	

JOB NUMBER
1833680

SHEET NUMBER

C1.2 29



SITE PLAN



CITY OF NEWPORT
PUBLIC WORKS
169 SW COAST HWY
NEWPORT, OREGON 97365
<http://www.newportoregon.gov/>
(541) 574-3366

January 25, 2019

RE: Multiple Unit Housing Property Tax Exemption (MUPTE)
Surf View Village Proposed Development

To Whom it May Concern:

In conjunction with a MUPTE application that Commonwealth Development Corporation intends to submit to the City of Newport for Surf View Village ("Project"), we have been asked to comment on the capacity of existing utilities and infrastructure to serve the Project.

1. Water main sizes and locations, and pumps needed, if any, to serve the project

The City has a 12" water main that fronts the property on Hwy 101. This main in conjunction with the proposed site improvements are sufficient to serve the proposed development. No pumps are needed.

2. Sewer mains sizes and locations, and pumping facilities needed, if any, to serve the project

The existing 10" waste water main is sufficient to serve the proposed development. No pumping facilities are needed.

3. Storm drainage facilities needed, if any, to handle any increased flow or concentration of surface drainage from the project, or detention or retention facilities that could be used to eliminate need for additional conveyance capacity, without increasing erosion or flooding

Preliminary plans for the Project include on-site stormwater detention facilities that discharge to the Hwy 101 ditches and into the existing public storm water conveyance system. The modeling indicates that the existing systems can support the stormwater from the proposed project with the improvements as identified in the preliminary plans.

4. Street improvements outside of the proposed development that may be needed to adequately handle traffic generated from the proposed development

The developer will be required to complete street improvements on NE 60th Street that will include additional right of way dedication, grading, pavement, curb, sidewalk and gutter. The developer will also be obligated to construct a right turn lane on the northbound side of Highway 101 to the south of NE 60th Street.

Sincerely,

Timothy Gross, PE
Director of Public Works/City Engineer
t.gross@newportoregon.gov
P| 541-574-3369
F| 541-265-3301

Earth Advantage Homes® Multifamily Points Worksheet - 2012

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 Project Team Leader (Email / No.): d.murphy@commonwealthco.net 503-956-2970

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Updated by: **Duane Woik**
 Dated: **Month/Date/Year**

Dark "Grey" Shaded Measures are REQUIRED AF = Accountability Form EA = Earth Advantage *NOTE: Upon review & approval by EA, incl. but not limited to meeting prerequisites, satisfactory testing/inspections (pre-drywall, final) signed off by EA Rater, measures fulfilled, AFs remitted & fees paid.	Energy	Health	Land	Materials	Water	Sub-Total	Target	Minimum Points Required in each Resource Category	Required Minimum %
	Modeled	15	15	20	10	86	Pick from list	Silver Certification Total = 70	10.0%
Projected:	5	19	15	27	20	86	Preliminary	Gold Certification Total = 90	Preliminary Points Awarded
Maybe:	10	2	3	2	5	22	Silver	Platinum Certification Total = 120	10
Final:	0	0	0	0	0	Incomplete	Final (see *NOTE)		
							Incomplete		

SELECT	Energy	Health	Land	Materials	Water	FINAL	Pts / Req.	CHAMPION	SUPPL. SUPPORT DOCs
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1 Site Planning											
1.1 Site Protection											
		Potential:	0	11	16	4	9	Actual: 20 out of 40			
AF	1.1.1	Access to Public Transit – within a 1/2 mile	Yes	0	1	1	0	0	No	H 1 L 1	
AF	1.1.2	Access to Household Services – Min. 6 within 1/2 mile	N/A						No	H 1 L 1	
AF	1.1.3	Develop, Post and Implement Erosion Control Site Plan	Yes	0	0	0	0	0	No	Required	
AF	1.1.4	Existing Trees: Number of trees 4" caliper or larger saved 0-50% / 51 - 100%	Yes	0	0	1	0	1	No	L 1/2 W 1	
	1.1.5	Stormwater Control: Bio-retention system onsite – 100% of site	Maybe	0	0	2	0	2	No	L 2 W 2	
AF	1.1.6	Onsite Infiltration System: For roof drains	Yes	0	1	1	0	1	No	L 1 W 1	
	1.1.7	Compostable Erosion Control Amendment: 2" minimum used during construction	N/A						No	L 1 W 1	
	1.1.8	Preserve Natural Features	Yes	0	0	1	0	0	No	L 1	
	1.1.9	Label Storm Drain or Inlets: discourages dumping of pollutants	Yes	0	0	0	0	1	No	W 1	
	1.1.10	Pervious Surface: Percentage of hardscape - 25-50% / >51%	N/A						No	L 1/2 W 2	
AF	1.1.11	EA Specifications Included in Construction Documents	Yes	0	0	0	0	0	No	Required	
AF	1.1.12	Tree Preservation Plan	Yes	0	0	1	0	1	No	L 1 W 1	
	1.1.13	Reduced Onsite Parking: 25-50% / >51%	N/A			0			No	L 1/2	
	1.1.14	Alternative Transportation Accomodation: bike racks / flex car / electric charging station	N/A						No	H 1/2/3	
	1.1.15	Shared Spaces: laundry / guest quarters	N/A						No	L 1 M 1/2	
	1.1.16	Community Gathering Space:	Yes	0	2	1	2	0	No	H 1/2/3/4 L 1 M 2	Indoor, outdoor,
	1.1.17	Green Team Meeting:	Yes	0	0	0	0	0	No	Required	
	1.1.18	Energy Modeling: Appropriate energy modeling	Yes	Model	0	0	0	0	No	Required	
1.2 Land Use											
		Potential:	0	1	14	6	0	Actual: 3 out of 21			
	1.2.1	Infill Site: Build project on land in existing neighborhood	N/A						No	L 1	
AF	1.2.2	Site Size: 20 / 30 / 40 units per acre of developable land	N/A			0			No	L 2/3/4 M 1	

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							Incomplete		

SELECT				Energy	Health	Land	Materials	Water	FINAL	Pts / Req.	CHAMPION	SUPPL. SUPPORT DOCS
<input type="checkbox"/>	1.2.3	Unit Size: No larger than 1000/750/500 sq ft.	Yes	0	0	1	2	0	No	L 1/2/3 M 2/3/4	840 SF	
AF	1.2.4	Build on Greyfield or Brownfield	N/A			0			No	L 2/4		
<input type="checkbox"/>	1.2.5	Mixed Use Building	N/A						No	H 1 L 2 M 1		

2 Waste Management												
2.1 Waste Management												
				Potential:	0	0	3	0	0	Actual: 1 out of 3		
AF	2.1.1	Develop and Implement Waste Management Reduction Plan	Yes	0	0	0	0	0	No	Required		
AF	2.1.2	Recycle 95% of Wood & Cardboard	Yes	0	0	0	0	0	No	Required		
AF	2.1.3	Recycle 95% Drywall	N/A						No	L 1		
<input type="checkbox"/>	2.1.4	Concrete clean out pit	Yes	0	0	1	0	0	No	L 1		
AF	2.1.5	On-Site Recycling and Reuse	N/A						No	L 1		

3 Building Envelope and Systems Resource Efficient Foundation and Shell Systems												
3.1 Durability Strategies												
				Potential:	0	0	0	5	0	Actual: 4 out of 5		
<input type="checkbox"/>	3.1.1	Sheathing: Plywood for Walls & Roof	Yes	0	0	0	1	0	No	M 1		
AF	3.1.2	Integrated Weather Barrier, Window & Door Flashing System: Installed properly	Yes	0	0	0	0	0	No	Required		
AF	3.1.3	Rainscreen Wall System: Airspace under masonry cladding = 3/8"	Yes	0	0	0	0	0	No	Required		
AF	3.1.4	Rainscreen Wall System: 3/8" airspace under siding (whole building)	Yes	0	0	0	3	0	No	M 3		
<input type="checkbox"/>	3.1.5	Low-Point Drain: Mechanical room & crawl space	N/A						No	M 1		

3.2 Foundation Systems												
				Potential:	0	1	0	0	0	Actual: 1 out of 1		
<input type="checkbox"/>	3.2.1	Wall Below Grade: R - 19 insulation required when applicable	N/A	Model					Yes	Required for Basements		
AF	3.2.2	Slab Insulation: Slab fully insulated (R10)	N/A	Model					No	Modeled		
<input type="checkbox"/>	3.2.3	Slab on Grade	Yes	0	1	0	0	0	No	H 1		

3.3 Wall Framing and Insulation												
				Potential:	0	0	0	2	0	Actual: 0 out of 2		
<input type="checkbox"/>	3.3.1	Intermediate Framing Techniques	Yes	Model	0	0	0	0	No	Required		
<input type="checkbox"/>	3.3.2	Advanced Framing Techniques	N/A	Model					No	Modeled M 2		

3.4 Attic Framing and Insulation												
				Potential:	0	2	0	0	0	Actual: 3 out of 11		

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							Incomplete		

SELECT	Energy	Health	Land	Materials	Water	FINAL	Pts / Req.	CHAMPION	SUPPL. SUPPORT DOCs		
<input type="checkbox"/> 3.3.3	Engineered Wood Studs	N/A				No	M 2				
<input type="checkbox"/> 3.3.4	Foam Exterior Insulation:	N/A		Model		No	Modeled				
<input type="checkbox"/> 3.3.5	Increased Wall Cavity Insulation	Maybe		Model	0	0	0	0	No	Modeled	R-23
<input type="checkbox"/> 3.3.6	Spray-In-Place Foam Insulation: Low density/High density	N/A		Model		No	Modeled H 1				
<input type="checkbox"/> 3.3.7	Structural Insulated Panel Roof & Wall System (SIPS)	N/A		Model		No	Modeled H 1 M 1/2				
AF 3.3.8	Panelized Wall Systems	N/A				No	M 2				
<input type="checkbox"/> 3.3.9	Insulated Concrete Forms System (ICF): Foam / Recycled	N/A		Model		No	Modeled				
<input type="checkbox"/> 3.4.1	Increased Ceiling Insulation: / Vault	Yes		Model	0	0	0	0	No	Modeled	R-49
<input type="checkbox"/> 3.4.2	Extended Eaves: Minimum extension - 24" from vertical	Yes		Model	0	0	2	0	No	Modeled M 2	
<input type="checkbox"/> 3.4.4	Energy or Raised Heel Truss	Yes		Model	0	0	1	0	No	Modeled M 1	12"
3.5 Floor Framing and Insulation		Potential:		0	0	0	3	0	Actual: 0 out of 3		
<input type="checkbox"/> 3.5.1	Increased Floor Insulation:	N/A		Model		No	Modeled				
<input type="checkbox"/> 3.5.2	Flooring Support System: 100% I-Joist system installed over crawl	N/A				No	M 1				
<input type="checkbox"/> 3.5.3	Flooring Support System: Open-web joist system used in building	N/A				No	M 2				
3.6 Roofing Material		Potential:		0	0	1	3	4	Actual: 1 out of 8		
<input type="checkbox"/> 3.6.1	Eco-Roof: Vegetated / green roof (1-25%/26-50%/51-75%/76-100%)	N/A				No	L 1 W 1/2/3/4				
AF 3.6.2	Recycled Content: Composite or Metal (50% Post-consumer)	N/A				No	M 2				
AF 3.6.3	Durable Roof: 40 year or greater warranty	Yes		0	0	0	1	0	No	M 1	
3.7: Exterior Materials		Potential:		0	0	0	7	0	Actual: 3 out of 7		
<input type="checkbox"/> 3.7.1	Fiber Cement: (1-50%/51-100%)	Yes		0	0	0	2	0	No	M 1/2	
<input type="checkbox"/> 3.7.2	Exterior Surface not Painted: (1-50%/51-100%)	N/A				No	M 1/2				
<input type="checkbox"/> 3.7.3	Durable Exterior Trim	Yes		0	0	0	1	0	No	M 1	
<input type="checkbox"/> 3.7.4	Outdoor Decking: Plastic lumber deck top (50% post-consumer)	N/A				No	M 1				

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SELECT	Energy	Health	Land	Materials	Water	FINAL	Pts / Req.	CHAMPION	SUPPL. SUPPORT DOCs
<input type="checkbox"/> 3.7.5 Outdoor Patio: Concrete or pavers						No	M 1		
3.8 Exterior Coatings									
							Potential: 0 1 1 4 0		Actual: 1 out of 6
<input type="checkbox"/> 3.8.1 Exterior Paint or Stain: Low VOC (150/gpl or lower) / Lifetime warranty		0	1	0	0	No	H 1 M 0/2		
<input type="checkbox"/> 3.8.2 Exterior Paint: Recycled content (min. 50% post-consumer)						No	L 1 M 2		

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Final:	0	0	0	0	0	Incomplete	Platinum Certification Total = 120	10
						Incomplete		

SELECT	Energy	Health	Land	Materials	Water	FINAL	Pts / Req.	CHAMPION	SUPPL. SUPPORT DOCs
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3.9 Windows Potential: 0 1 0 1 0 Actual: 0 out of 2

Measure ID	Description	Yes	Model	Health	Land	Materials	Water	FINAL	Pts / Req.	CHAMPION	SUPPL. SUPPORT DOCs
3.9.1	Window Efficiency Min U-Value 0.32:	Yes	Model	0	0	0	0	No	Required. Weighted Avg. U-Value.	.30 U-value	
3.9.2	Window Framing Material: Composite or wood with clad exterior	N/A						No	H 1 M 1		

3.10 Shell Resource Efficient Measures Potential: 0 1 10 6 0 Actual: 7 out of 17

Measure ID	Description	Yes	Model	Health	Land	Materials	Water	FINAL	Pts / Req.	CHAMPION	SUPPL. SUPPORT DOCs
3.10.1	Exterior Doors: Steel and/or Fiberglass (R5 min) (28 ft² exempt)	Yes	Model	0	0	1	0	No	Modeled M 1		
3.10.2	Recycled Content Insulation: Cellulose, Cotton or Fiberglass (25% - 50% / 51% and greater - Post-consumer)	Yes	0	0	1	1	0	No	L 1 M 1/2		
3.10.3	Blown-in Insulation System: Fiberglass or Cellulose	Yes	Model	0	0	1	0	No	Modeled M 1		
3.10.4	Certified No Added Urea Formaldehyde Insulation (100%)	Yes	0	1	0	0	0	No	H 1		
3.10.5	Concrete with Fly Ash or Slag: (15% - 24% mix / 25% or greater)	Yes	0	0	1	1	0	No	L 1/2 M 1/2		
3.10.6	FSC Certified Wood Products:	N/A						No	L 2/4/6/8		

4 Heating and Cooling Systems

4.1 Fireplace Un-vented fireplace not allowed Potential: 2 1 0 0 0 Actual: 0 out of 3

Measure ID	Description	Yes	Model	Health	Land	Materials	Water	FINAL	Pts / Req.	CHAMPION	SUPPL. SUPPORT DOCs
4.1.1	Gas Fireplace/Heater: Sealed Combustion, Direct Vent w/ electronic ignition	N/A						No	Required	E 2 H 1	

4.2 High Efficiency Heating/Cooling Equipment 100% MODELED

Measure ID	Description	Yes	Model	Health	Land	Materials	Water	FINAL	Pts / Req.	CHAMPION	SUPPL. SUPPORT DOCs
4.2.1	Design Heating/Cooling Loads Using Appropriate Industry Guidelines:	Yes	0	0	0	0	0	No	Required		
4.2.2	Forced Air Gas: Min. 92% AFUE furnace direct or power vent	0	Model					No	Modeled		
4.2.3	Heat Pump: Split System - min. HSPF 8.5 & SEER 13+ (Commissioning required)		Model					No	Modeled		
4.2.4	Ductless Heat Pump System: Min. HSPF 8.5 & SEER 13+		Model					No	Modeled		
4.2.5	Heat Pump: Geothermal, Groundwater, or Water Source		Model					No	Modeled		
4.2.6	Package Terminal Heat Pump: Recommended minimum efficiencies of 3.3 COP and 12.3 EER	0	Model					No	Modeled		
4.2.7	Integrated Space/Water Heating System: Turbonic/Hydronic		Model					No	Modeled		

4.3 Ductwork Actual: 0 out of 3

Measure ID	Description	Yes	Model	Health	Land	Materials	Water	FINAL	Pts / Req.	CHAMPION	SUPPL. SUPPORT DOCs
4.3.1	Design Duct System Using Appropriate Industry Guidelines: Manual D or equivalent	N/A						No	Required when applicable.		
4.3.2	Duct Leakage Test: Required when ducts are outside building envelope see measures guide for specifications	N/A	Model					No	Req. when applicable. Model H2		

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SELECT									
4.3.3 Zonal Pressure Relief						No	Required. H1		

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	Final:	0	0	0	0	Incomplete	Incomplete	Preliminary Points Awarded	
								10.0%	
								10	

SELECT	Energy	Health	Land	Materials	Water	FINAL	Pts / Req.	CHAMPION	SUPPL. SUPPORT DOCs
--------	--------	--------	------	-----------	-------	-------	------------	----------	---------------------

4.4 Additional Ductwork Measures Potential: 0 3 0 2 0 Actual: 5 out of 5

<input type="checkbox"/>	4.4.1	Protect Duct Vents:	N/A					No	Required.		
AF	4.4.2	Building Dry-out: No central heating system or propane used	Yes	0	1	0	2	0	No	H 1 M 2	
<input type="checkbox"/>	4.4.3	Non-ducted System	Yes	Model	2	0	0	0	No	Modeled H 2	

5 Infiltration/Air Sealing/Ventilation

5.1 Infiltration / Air Sealing 100% MODELED

<input type="checkbox"/>	5.1.1	Building Air Tightening Measures: Blower Door Test: average of 4.0 air changes per hour (ACH) at 50 Pascals	Yes	Model	0	0	0	0	No	Required Modeled See note for Pilot credit.	
<input type="checkbox"/>	5.1.2	Thermal Bypass Checklist: ENERGY STAR Checklist	Yes	Model	0	0	0	0	No	Required Modeled	

5.2 Whole-House Ventilation Potential: 0 7 0 3 0 Actual: 4 out of 10

<input type="checkbox"/>	5.2.1* 5.2.2* 5.2.3	Exhaust Only: See measures guide for specifications	Yes	Model	1	0	1	0	No	Modeled / 4 M 0 1 / 2	H 1 / 2
<input type="checkbox"/>	5.2.4	Bath Fans: Fans in full baths meet ENERGY STAR and ASHRAE 62.2 requirements.	Yes	0	0	0	0	0	No	Required	
<input type="checkbox"/>	5.2.5	Full Bath Fan Controls: - Occupancy/Automatic Timer/Humidistat	Yes	0	1	0	1	0	No	H 1 M 1	
AF	5.2.6	Kitchen Exhaust Fan: Meet ASHRAE 62.2 requirement	Yes	0	0	0	0	0	No	Required	
<input type="checkbox"/>	5.2.7	Exhaust System for Attached & Fully Enclosed Parking Garage: Automatic control on sensor							No	H 2	

6 Lighting, Appliances and Water Heating

6.1 Lighting Potential: 2 0 0 0 0 Actual: 1 out of 2

<input type="checkbox"/>	6.1.1	ENERGY STAR Lighting Package: 75%+ of fixtures are fitted with ENERGY STAR products	Yes	Model	0	0	0	0	No	Modeled Required	
<input type="checkbox"/>	6.1.2	ENERGY STAR Premium Lighting Package: 100% sockets are fitted with ENERGY STAR lights	Yes	Model	0	0	0	0	No	Modeled	
<input type="checkbox"/>	6.1.3	Screw In LED ENERGY STAR: 5% to 25%/26 to 50%- Can include common area and exterior	Yes	1	0	0	0	0	No	E 1	
<input type="checkbox"/>	6.1.4	Lighting Controls	N/A						No	E 1	

6.2 Appliances - when provided 100% MODELED

<input type="checkbox"/>	6.2.1	Dishwasher: ENERGY STAR spec	Yes	Model	0	0	0	0	No	Required when applicable. Modeled	
<input type="checkbox"/>	6.2.2	Clothes Washer: ENERGY STAR/GEE Tier 1, 2, 3 or equiv. spec	Yes	Model	0	0	0	0	No	Required when applicable. Modeled	
<input type="checkbox"/>	6.2.3	Refrigerator: ENERGY STAR spec	Yes	Model	0	0	0	0	No	Required when applicable. Modeled	

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Updated by: **Duane Woik**
 Dated: **Month/Date/Year**

	Energy	Health	Land	Materials	Water	Sub-Total	Target	Minimum Points Required in each Resource Category	Required Minimum %
Dark "Grey" Shaded Measures are REQUIRED	Modeled	15	15	20	10	86	Pick from list	Silver Certification Total = 70	10.0%
AF = Accountability Form	Projected: 5	19	15	27	20	86	Preliminary	Gold Certification Total = 90	Preliminary Points Awarded
EA = Earth Advantage	Maybe: 10	2	3	2	5	22	Silver	Platinum Certification Total = 120	10
*NOTE: Upon review & approval by EA, incl. but not limited to meeting prerequisites, satisfactory testing/inspections (pre-drywall, final) signed off by EA Rater, measures fulfilled, AFs remitted & fees paid.	Final: 0	0	0	0	0	Incomplete	Final (see *NOTE)		
							Incomplete		

SELECT	Energy	Health	Land	Materials	Water	FINAL	Pts / Req.	CHAMPION	SUPPL. SUPPORT DOCs
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6.3 Water Heating Must Select One -									
Potential: 1 0 0 2 0 Actual: 0 out of 3									
<input type="checkbox"/>	6.3.1	Gas High Efficiency: 60 gallon or less - 0.61 EF.	N/A				No	Modeled	
<input type="checkbox"/>	6.3.2	Electric High Efficiency: 70 gallon or less - 0.93 EF.	Yes				No	Modeled	
<input type="checkbox"/>	6.3.3	Tankless Gas: or greater EF 0.82	N/A				No	Modeled	
<input type="checkbox"/>	6.3.4	Sealed Combustion Water Heater: If located in conditioned space	N/A				No	Required when applicable. Modeled	
<input type="checkbox"/>	6.3.5	Heat Pump Water Heater: COP 2.0	N/A				No		
<input type="checkbox"/>	6.3.6	High Efficiency Central Boiler System: Greater than .82 EF	N/A				No	Modeled M 2	

7 Indoor Air Quality

7.1 Project Wide Air Quality Measures									
Potential: 0 6 0 0 0 Actual: 2 out of 6									
<input type="checkbox"/>	7.1.1	Third-Party Framing Lumber Moisture Test: 19% or lower (Testing conducted by EA or an EA Rater)	Yes				No	Required	
<input type="checkbox"/>	7.1.2	Air Filter: MERV 8, or higher					No	H1/2	
AF	7.1.3	Low VOC Sealants/Caulking: <50 VOC	Yes				No	PILOT v2: H 1/2 See note for pilot credit.	
AF	7.1.4	Low VOC Multipurpose Construction Adhesives: <70 VOC	Yes				No	H1	
AF	7.1.5	Low VOC Indoor Carpet & Pad Adhesives: <50 VOC	N/A				No	H 1	

7.2 Interior Surface Coatings

Potential: 0 4 1 2 0 Actual: 1 out of 7									
<input type="checkbox"/>	7.2.1	Wall & Ceiling Latex Paint: Low VOC (150 grams per liter)	Yes				No	Required	
<input type="checkbox"/>	7.2.2	Wall & Ceiling Latex Paint: Low VOC (<50 grams per liter)	N/A				No	H 1	
<input type="checkbox"/>	7.2.3	Trim Paint: Low VOC (150 grams per liter or less)	Yes				No	H 1	
AF	7.2.4	Clear Wood Finish: Low VOC (550/350 grams per liter or less)	N/A				No	H 1/2	
<input type="checkbox"/>	7.2.5	Recycled Content Paint	N/A				No	L 1 M 2	

8 Resource Efficient Building Materials

8.1 Locally Sourced Materials									
Potential: 0 0 8 4 0 Actual: 2 out of 12									
AF	8.1.1	Local Materials: Within 500 miles 1 point each - up to 4 items	Yes				No	L 1/2/3/4	Siding, wood,
<input type="checkbox"/>	8.1.2	Cradle-to-Cradle Certification: Minimum Silver certification up to four products	Maybe				No	L 1/2/3/4 M1/2/3/4	

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EA = Earth Advantage	Modeled	15	15	20	10	86	Preliminary	Silver Certification Total = 70	10.0%
*NOTE: Upon review & approval by EA, incl. but not limited to meeting prerequisites, satisfactory testing/inspections (pre-drywall, final) signed off by EA Rater, measures fulfilled, AFs remitted & fees paid.	Projected:	5	19	15	27	20	Silver	Gold Certification Total = 90	Preliminary Points Awarded
	Maybe:	10	2	3	2	5	Final (see *NOTE)	Platinum Certification Total = 120	10
	Final:	0	0	0	0	Incomplete	Incomplete		

SELECT	Energy	Health	Land	Materials	Water	FINAL	Pts / Req.	CHAMPION	SUPPL. SUPPORT DOCs
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8.2 Cabinets and Countertops Potential: 0 2 2 2 0 Actual: 2 out of 6

AF	8.2.1	Plywood: Base cabinet (formaldehyde-free)	Maybe	0	0	0	1	0	No	M 1		
AF	8.2.2	Urea-Formaldehyde Free: Shelves and/or cabinets	Maybe	0	1	0	0	0	No	H 1/2		
AF	8.2.3	Recycled Content Countertop: 25% Post-consumer content	N/A						No	L 1 M 1		
□	8.2.4	Built In Recycling Center in Unit:	N/A						No	L 1		
□	8.2.5	Project Wide Recycling Center: Recycling System	Yes	0	0	0	0	0	No	Required		

8.3 Millwork and Interior Trim Potential: 0 1 0 1 0 Actual: 0 out of 2

AF	8.3.1	Engineered Trim: finger-jointed	N/A						No	M 1		
AF	8.3.2	Urea-Formaldehyde Free Trim Material	N/A						No	H 1		

8.4 Finished Flooring Potential: 0 7 4 9 0 Actual: 6 out of 20

AF	8.4.1	FSC Certified Flooring / Reclaimed Flooring: 20% or greater	N/A						No	L 2 M 0/1 note for credit.	See	
□	8.4.2	Hard Surface: Finished floor (25-50% / 51-75% / 76-100%)	Yes	0	2	0	2	0	No	H 1/2/3 M 1/2/3		
□	8.4.3	Alternative Flooring: Finished slab on grade or other	N/A						No	M 1		
AF	8.4.4	Tile and/or Carpet: Post-consumer recycled content (20-50% / 51%-100%)	N/A						No	L 1/2 M 1/2		
AF	8.4.5 * 8.4.6 * 8.4.9	Carpet & Pad: Carpet & Rug Institute (CRI)	Yes	0	1	0	0	0	No	H 1/1/2/3		
AF	8.4.7	No Added Urea-Formaldehyde Underlayment: OSB, MDF, Exterior grade plywood	Yes	0	1	0	0	0	No	PILOT H 1		
□	8.4.8	Renewable Materials: Linoleum, Cork or Bamboo (5-20%/21-100%)	N/A						No	M 1/2		

9 Water Efficiency and Landscaping Potential: 3 0 1 0 12 Actual: 10 out of 15

□	9.1.1	Efficient Showerhead:	Yes	1	0	0	0	2	No	E 1 / PILOT v2: W 1/2 See note for pilot credit		
□	9.1.2	Efficient Lavatory Faucet: 1.5/0.5 gpm or less or Water Sense label	Yes	1	0	0	0	1	No	E 1 / PILOT v2: W 1/2 See note for pilot credit		
□	9.1.3	Efficient Kitchen Faucet: 1.5 gpm or less or Water Sense label	Yes	1	0	0	0	1	No	E 1 / PILOT v2: W 1		
□	9.1.4	High-Efficiency Toilet: WaterSense qualified toilet - 1.28 gpf	Yes	0	0	0	0	3	No	W3 PILOT v2: W 4 See note for pilot credit		

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		Modeled	15	15	20	10	86	Pick from list	
	Projected:	5	19	15	27	20	86	Preliminary	Silver Certification Total = 70
	Maybe:	10	2	3	2	5	22	Silver	Gold Certification Total = 90
	Final:	0	0	0	0	0	Incomplete	Final (see *NOTE)	Platinum Certification Total = 120
							Incomplete		

SELECT	Energy	Health	Land	Materials	Water	FINAL	Pts / Req.	CHAMPION	SUPPL. SUPPORT DOCs
<input type="checkbox"/>	9.1.5	Rainwater Collected: For non-potable indoor water use	N/A				No		L 1 W 4

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Energy	Health	Land	Materials	Water	Sub-Total	Target	Minimum Points Required in each Resource Category	Required Minimum %
Modeled	15	15	20	10	86	Pick from list		
Projected:	5	19	15	27	20	86	Silver Certification Total = 70	10.0%
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Final:	0	0	0	0	0	Incomplete	Platinum Certification Total = 120	10
						Incomplete		

SELECT	Energy	Health	Land	Materials	Water	FINAL	Pts / Req	CHAMPION	SUPPL. SUPPORT DOCS
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9.2 Irrigation Potential: 0 0 0 1 9 Actual: 5 out of 10

AF	9.2.1	Low-Volume Irrigation System	Yes		0	0	0	0	2	No	W 2		
AF	9.2.2	Hydro Zoning: Grouping of plants and lawn for watering	Yes		0	0	0	0	0	No	Required		
AF	9.2.3	Weather Based Irrigation Controller	Yes		0	0	0	0	3	No	W 3		
AF	9.2.4	No Permanent Irrigation Installed: All landscaping	N/A							No	M 1 W 4		

9.3 Landscaping Potential: 0 0 4 0 9 Actual: 10 out of 13

AF	9.3.1	Organic Matter: Added to soil - 2" tilled to 6-8" depth	Maybe		0	0	1	0	3	No	L 1 W 3		
AF	9.3.2	Test Soil: Implement Recommendations	Yes		0	0	2	0	2	No	L 2 W 2		
AF	9.3.3	Low Water-Use Plants: Drought tolerant - 45%/90%	Yes		0	0	0	0	1	No	W 1/2		
AF	9.3.4	Seeded Lawn: Low-water use mixes	N/A							No	W2 PILOT v 2: W 1 See note for pilot credit		
□	9.3.5	One Tree per 1000 sq. ft. of Developed Landscape Area	Yes		0	0	1	0	0	No	L 1		

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SELECT

Energy

Health

Land

Materials

Water

FINAL

Pts / Req.

CHAMPION

SUPPL. SUPPORT DOCS

10 Solar Thermal and Photovoltaic

10.1 Solar Thermal and Photovoltaic		Potential:	2+	0	0	0	0	0	Actual: 0 out of 2+	
<input type="checkbox"/>	10.1.1	Photovoltaic (PV) Systems:	N/A		Model				No	Modeled
<input type="checkbox"/>	10.1.2	Solar Ready for Photovoltaic: Pre-wired or conduit in place for future photovoltaic hookup	N/A						No	M 1
<input type="checkbox"/>	10.1.3	Solar Water Heater System	N/A		Model				No	Modeled
<input type="checkbox"/>	10.1.4	Solar Hot Water: Pre-plumbed piping for future hookup	N/A						No	M 2

11 Earth Advantage Bonus and Innovative New Measures

11.1 Bonus and Innovative New Measures		Potential:	1	4	0	3	1	Actual: 6 out of TBD		
AF	11.1.1	Green Cleaning Products and Methods:	N/A					No	H 1	
AF	11.1.2	Occupant Guide	Maybe	0	1	0	1	0	No	H 1 M 1
AF	11.1.3	Building Manager Manual	Yes	1	0	0	0	1	No	E 1 W 1
<input type="checkbox"/>	11.1.4	Wall Mock-Up: Provide a mock-up prior to installing WRB and siding/cladding	Yes	0	0	0	2	0	No	M 2
AF	11.1.5	Preoccupancy Flush.	N/A						No	H 2
AF	11.1.6	Innovative New Measure:							No	TBD
AF	11.1.7	Innovative New Measure:							No	TBD

Executive Summary

Surf View Village is a proposed 110-unit affordable multifamily development. All units will be restricted for a minimum of 30 years to households earning 60% or less of Area Median Income. The project is financed in part with 4% Low Income Housing Tax Credits (LIHTC) and State of Oregon Local Innovation and Fast Track Housing Program (LIFT). As with all affordable housing developments that utilize LIHTC, the primary incentive to the developer is through a capitalized developer fee and the primary incentive to the project’s investors are federal tax credits. As such, the analysis below will demonstrate the impact on project sources and uses with and without real estate tax expense. An analysis of cash-on-cash rates of return will not be provided as the financing mechanism for affordable housing is typically not dependent on cash flow returns to equity investors. Rather investors benefit from federal tax credits and passive losses.

Summary of Sources and Uses

Sources		
LIHTC Equity	\$ 8,156,294	34%
OHCS LIFT	\$ 10,945,000	46%
Serviceable Debt	\$ 4,469,423	19%
Cash Flow During Lease-up	\$ 104,473	1%
	\$ 23,675,189	

Uses		
Land Cost	\$ 1,852,500	8%
Construction Costs	\$ 16,430,105	69%
Financing Charges and Interest Carry	\$ 1,455,584	6%
Permits/Impact Fees	\$ 412,500	2%
Soft Costs, including A&E	\$ 3,079,540	13%
Capitalized Operating Reserve	\$ 444,960	2%
	\$ 23,675,189	

Low Income Housing Tax Credits (LIHTC)

Surf View Village will earn LIHTC that will be sold to the project’s investors. The Housing Credit is the single most important federal resource available to support the development and rehabilitation of affordable housing – currently financing about 90 percent of all new affordable housing development.

How the credit works:

- Federal tax credits are allocated to state housing finance agencies by a formula based on population.

Surf View Village

List of Financial Assumptions/Narrative

- Each state agency establishes its affordable housing priorities and developers compete for an award of tax credits based on how well their projects satisfy the state's housing needs.
- Developers receiving an award use the tax credits to raise equity capital from investors in their developments.
- The tax credits are claimed over a 10-year period but the property must be maintained as affordable housing for a minimum of 30 years.
- Because tax credits can be recaptured for any noncompliance, investors maintain close supervision over the properties to ensure their long-term viability and compliance with IRS and state allocating agency requirements.

Units funded by the Housing Credit must be affordable for people earning no more than 60 percent of the area median income (AMI), although most residents have far lower incomes.

Rent may not exceed 30 percent of the qualifying income.

Operating Expense Assumptions

Operating expenses shown on the attached financial projections have been vetted and approved by our project funders including Oregon Housing and Community Services. Affordable housing projects operate with much higher expenses than conventional market rate developments. Affordable projects tend to have more staffing and higher maintenance and administrative costs. Oversight of these projects comes from various state agencies, private investors, lenders and the Internal Revenue Service. Therefore compliance, accounting and legal costs are higher than market rate projects. Affordable projects are also held for longer periods of time when compared to conventional projects which are often sold every 5-7 years. This results in the need for higher maintenance expenses as we don't have the option to recapitalize the project before the end of the 15-year initial tax credit period.

The attached projections show annual operating expenses of \$4,296 per unit per year, excluding real estate taxes on improvements and required replacement reserves. Commonwealth operates over 1500 stabilized units of affordable housing. Below is a comparison of our portfolio averages to projections for Surf View Village:

	Ave. Commonwealth Portfolio	Surf View Projections
Operating Expenses	\$4,764*	\$4,296
Real Estate Taxes	\$427	\$1,318
Replacement Reserve	\$300	\$350**
	\$5,491	\$5,964

*Figures above are per unit per annum

**OHCS requires \$350 on new projects.

The assumed property tax expense in the financial projections was derived from discussions with the Lincoln County Assessor. Based on preliminary data for the project

Surf View Village

List of Financial Assumptions/Narrative

and forecasting out to project stabilization, the Assessor concluded that the annual tax on improvements will be approximately \$145,000 and tax on the land value will be \$9,350.

An annual 3% escalator has been applied to all operating expense in the financial projections, which is an industry standard.

The assumed vacancy rate in the projections is 3%. Industry standard for underwriting purposes is 5-7%, but current market conditions suggest that the actual vacancy rate will be lower upon completion of construction.

MUPTE

It is the intent of Commonwealth and Surf View Village LLC to use the savings generated by the MUPTE to service subordinate debt on the project, thereby closing the gap. The attached projections show that without the MUPTE, the funding gap is approximately \$1.6MM, the result of lower Net Operating Income (NOI).

The second mortgage to be serviced by increased NOI resulting from the MUPTE will be provided by Commonwealth Development. We will be making a subordinate loan to the property. Under the scenario assuming full payment of real estate taxes, there's no ability to service subordinate debt. To close the funding gap without benefit of the MUPTE would require rents to be increased for all units by \$110 per month on average.

If approved, we understand the MUPTE is a 10-year exemption. The project will maintain a capitalized operating reserve, funded at completion of construction, which can be used to cover any operating shortfalls starting in Year 11 that could result from having to pay full taxes.

Public Benefits

Green Building

Surf View Village will follow the Earth Advantage green building path. A detailed checklist for that program, including measures the project will adopt, is attached to this application.

Transit Oriented Development

The development site for Surf View Village is located adjacent to a bus stop for the Intercity Bus System. Our team has been working closely with the City of Newport and Lincoln County Transit to enhance the existing stop at the property. A new bus shelter and bus pull-out will be constructed in conjunction with the project. We will also be building a new multi-modal path on the western side of our property adjacent to Highway 101 that will connect to the bus shelter and to future path expansion.

Surf View Village

List of Financial Assumptions/Narrative

Leverage of Local Financial Commitment

Surf View Village will be Newport's first large affordable housing development in over a decade. With all units restricted at 60% of Area Median Income, the benefits to the community and the workforce are immeasurable. In attracting scarce affordable housing resources to Newport, Oregon Housing and Community Services (OHCS) assessed our project proposal, the need in the community and the commitment of the city. As part of that assessment, OHCS looks for local financial commitment from the municipality to determine the City's commitment to the project and the state's investment. When we applied to OHCS for competitive funding, we made it clear that the City recently adopted incentives to attract more affordable and workforce housing development. It's hard to determine how much weight the City's adoption of the MUPTE had in OHCS' decision to award funding to Surf View Village, but invariably it had a significant impact.

PROJECT FINANCIAL ANALYSIS
15 YEAR PRO FORMA

Surf View Village

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
REVENUE																
Annual % Inflation		2%														
Gross Rent Revenue		886,752	904,487	922,577	941,028	959,849	979,046	998,627	1,018,599	1,038,971	1,059,751	1,080,946	1,102,565	1,124,616	1,147,108	1,170,050
Misc. & Commercial		15,840	16,157	16,480	16,810	17,146	17,489	17,838	18,195	18,559	18,930	19,309	19,695	20,089	20,491	20,901
Less Vacancy	3%	(27,078)	(27,135)	(27,677)	(28,231)	(28,795)	(29,371)	(29,959)	(30,558)	(31,169)	(31,793)	(32,428)	(33,077)	(33,738)	(34,413)	(35,102)
Total Income		875,514	893,509	911,379	929,607	948,199	967,163	986,506	1,006,237	1,026,361	1,046,888	1,067,826	1,089,183	1,110,966	1,133,186	1,155,849
Annual % Inflation		3%														
Operating Expenses																
	Per Unit															
Office/Advertising	\$ 305	33,550	34,557	35,593	36,661	37,761	38,894	40,060	41,262	42,500	43,775	45,088	46,441	47,834	49,269	50,747
Personnel	\$ 825	90,750	93,473	96,277	99,165	102,140	105,204	108,360	111,611	114,959	118,408	121,960	125,619	129,388	133,269	137,268
Utilities (Sewer/Water & Common Area and Trash)	\$ 1,136	125,000	128,750	132,613	136,591	140,689	144,909	149,257	153,734	158,346	163,097	167,990	173,029	178,220	183,567	189,074
Land Taxes	\$ 85	9,350	9,631	9,919	10,217	10,524	10,839	11,164	11,499	11,844	12,200	12,566	12,943	13,331	13,731	14,143
Insurance	\$ 314	34,563	35,600	36,668	37,768	38,901	40,068	41,270	42,508	43,783	45,097	46,450	47,843	49,279	50,757	52,280
Resident Services	\$ 100	11,000	11,330	11,670	12,020	12,381	12,752	13,135	13,529	13,934	14,353	14,783	15,227	15,683	16,154	16,638
Grounds, Extermination	\$ 159	17,500	18,025	18,566	19,123	19,696	20,287	20,896	21,523	22,168	22,834	23,519	24,224	24,951	25,699	26,470
Maintenance Payroll	\$ 479	52,650	54,230	55,856	57,532	59,258	61,036	62,867	64,753	66,695	68,696	70,757	72,880	75,066	77,318	79,638
Repairs & Maint.	\$ 250	27,500	28,325	29,175	30,050	30,951	31,880	32,836	33,822	34,836	35,881	36,958	38,066	39,208	40,385	41,596
Property Mgmt.	\$ 478	52,531	54,107	55,730	57,402	59,124	60,898	62,725	64,606	66,545	68,541	70,597	72,715	74,896	77,143	79,458
Accounting/Audit	\$ 120	13,200	13,596	14,004	14,424	14,857	15,302	15,761	16,234	16,721	17,223	17,740	18,272	18,820	19,385	19,966
Compliance	\$ 45	4,950	5,099	5,251	5,409	5,571	5,738	5,911	6,088	6,271	6,459	6,652	6,852	7,058	7,269	7,487
Subtotal	\$ 4,296	\$ 472,544	\$ 486,720	\$ 501,322	\$ 516,361	\$ 531,852	\$ 547,808	\$ 564,242	\$ 581,169	\$ 598,604	\$ 616,563	\$ 635,059	\$ 654,111	\$ 673,735	\$ 693,947	\$ 714,765
NOI Before Taxes and Reserves		402,970	406,789	410,058	413,246	416,347	419,355	422,264	425,067	427,757	430,326	432,767	435,072	437,232	439,239	441,084
Less Estimated Taxes	\$ -	-	-	-	-	-	-	-	-	-	-	194,868	200,714	206,735	212,937	219,326
Less Required Reserves	\$ 350	38,500	39,655	40,845	42,070	43,332	44,632	45,971	47,350	48,771	50,234	51,741	53,293	54,892	56,539	58,235
Available for Debt Service		364,470	367,134	369,213	371,176	373,015	374,723	376,293	377,717	378,986	380,092	186,158	181,065	175,605	169,763	163,524
1st Mortgage Debt Service (1.20 DCR, 5.5%, 35 yrs)	\$2,838,089	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892
2nd Mortgage (10 yr, 0%)	\$1,631,334	\$163,133	\$163,133	\$163,133	\$163,133	\$163,133	\$163,133	\$163,133	\$163,133	\$163,133	\$163,133					
Net Cash Flow		18,445	21,109	23,188	25,150	26,989	28,698	30,268	31,692	32,961	34,067	3,266	(1,827)	(7,287)	(13,129)	(19,368)
DCR - 1st Mortgage		1.99	2.01	2.02	2.03	2.04	2.05	2.06	2.07	2.07	2.08	1.02	0.99	0.96	0.93	0.89
DCR - All Debt		1.05	1.06	1.07	1.07	1.08	1.08	1.09	1.09	1.10	1.10	1.02	0.99	0.96	0.93	0.89

Total Development Costs	\$ 23,675,189
LIHTC Equity	\$ 8,156,294
OHCS LIFT	\$ 10,945,000
Lease-up Cash Flow	\$ 104,473
Serviceable Debt	\$ 4,469,423
Gap	\$ (0)

PROJECT FINANCIAL ANALYSIS
15 YEAR PRO FORMA

Surf View Village

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
REVENUE																
Annual % Inflation	2%															
Gross Rent Revenue		886,752	904,487	922,577	941,028	959,849	979,046	998,627	1,018,599	1,038,971	1,059,751	1,080,946	1,102,565	1,124,616	1,147,108	1,170,050
Misc. & Commercial		15,840	16,157	16,480	16,810	17,146	17,489	17,838	18,195	18,559	18,930	19,309	19,695	20,089	20,491	20,901
Less Vacancy	3%	(27,078)	(27,135)	(27,677)	(28,231)	(28,795)	(29,371)	(29,959)	(30,558)	(31,169)	(31,793)	(32,428)	(33,077)	(33,738)	(34,413)	(35,102)
Total Income		875,514	893,509	911,379	929,607	948,199	967,163	986,506	1,006,237	1,026,361	1,046,888	1,067,826	1,089,183	1,110,966	1,133,186	1,155,849
Annual % Inflation	3%															
Operating Expenses																
	Per Unit															
Office/Advertising	\$ 305	33,550	34,557	35,593	36,661	37,761	38,894	40,060	41,262	42,500	43,775	45,088	46,441	47,834	49,269	50,747
Personnel	\$ 825	90,750	93,473	96,277	99,165	102,140	105,204	108,360	111,611	114,959	118,408	121,960	125,619	129,388	133,269	137,268
Utilities (Sewer/Water & Common Area and Trash)	\$ 1,136	125,000	128,750	132,613	136,591	140,689	144,909	149,257	153,734	158,346	163,097	167,990	173,029	178,220	183,567	189,074
Land Taxes	\$ 85	9,350	9,631	9,919	10,217	10,524	10,839	11,164	11,499	11,844	12,200	12,566	12,943	13,331	13,731	14,143
Insurance	\$ 314	34,563	35,600	36,668	37,768	38,901	40,068	41,270	42,508	43,783	45,097	46,450	47,843	49,279	50,757	52,280
Resident Services	\$ 100	11,000	11,330	11,670	12,020	12,381	12,752	13,135	13,529	13,934	14,353	14,783	15,227	15,683	16,154	16,638
Grounds, Extermination	\$ 159	17,500	18,025	18,566	19,123	19,696	20,287	20,896	21,523	22,168	22,834	23,519	24,224	24,951	25,699	26,470
Maintenance Payroll	\$ 479	52,650	54,230	55,856	57,532	59,258	61,036	62,867	64,753	66,695	68,696	70,757	72,880	75,066	77,318	79,638
Repairs & Maint.	\$ 250	27,500	28,325	29,175	30,050	30,951	31,880	32,836	33,822	34,836	35,881	36,958	38,066	39,208	40,385	41,596
Property Mgmt.	\$ 478	52,531	54,107	55,730	57,402	59,124	60,898	62,725	64,606	66,545	68,541	70,597	72,715	74,896	77,143	79,458
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Compliance	\$ 45	4,950	5,099	5,251	5,409	5,571	5,738	5,911	6,088	6,271	6,459	6,652	6,852	7,058	7,269	7,487
Subtotal	\$ 4,296	\$ 472,544	\$ 486,720	\$ 501,322	\$ 516,361	\$ 531,852	\$ 547,808	\$ 564,242	\$ 581,169	\$ 598,604	\$ 616,563	\$ 635,059	\$ 654,111	\$ 673,735	\$ 693,947	\$ 714,765
NOI Before Taxes and Reserves		402,970	406,789	410,058	413,246	416,347	419,355	422,264	425,067	427,757	430,326	432,767	435,072	437,232	439,239	441,084
Less Estimated Taxes	\$ 1,318	145,000	149,350	153,831	158,445	163,199	168,095	173,138	178,332	183,682	189,192	194,868	200,714	206,735	212,937	219,326
Less Required Reserves	\$ 350	38,500	39,655	40,845	42,070	43,332	44,632	45,971	47,350	48,771	50,234	51,741	53,293	54,892	56,539	58,235
Available for Debt Service		219,470	217,784	215,382	212,730	209,816	206,628	203,156	199,385	195,305	190,900	186,158	181,065	175,605	169,763	163,524
1st Mortgage Debt Service (1.20 DCR, 5.5%, 35 yrs)	\$2,838,089	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892
2nd Mortgage (10 yr, 0%)		\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Flow		36,578	34,892	32,491	29,838	26,924	23,737	20,264	16,493	12,413	8,008	3,266	(1,827)	(7,287)	(13,129)	(19,368)
DCR - 1st Mortgage		1.20	1.19	1.18	1.16	1.15	1.13	1.11	1.09	1.07	1.04	1.02	0.99	0.96	0.93	0.89
DCR - All Debt		1.20	1.19	1.18	1.16	1.15	1.13	1.11	1.09	1.07	1.04	1.02	0.99	0.96		

Total Development Costs	\$ 23,675,189
LIHTC Equity	\$ 8,156,294
OHCS LIFT	\$ 10,945,000
Lease-up Cash Flow	\$ 104,473
Serviceable Debt	\$ 2,838,089
Gap	\$ 1,631,334



MEMORANDUM

DATE: March 15, 2019

To: Derrick Tokos
Community Development Director
City of Newport
169 SW Coast Highway
Newport, OR 97365

FROM: Jerry Johnson
JOHNSON ECONOMICS, LLC

SUBJECT: Review of MUPTE Application, Surf View Village LLC

Johnson Economics was asked to provide an independent review of an application the City's Multi-Unit Property Tax Exemption (MUPTE). The application reviewed was submitted by Surf View Village LLC and reflects a 110-unit income-restricted rental apartment project with 163 parking spaces. The purpose of our review was to establish whether or not the project would be expected to be built in the absence of the MUPTE.

The MUPTE is a ten-year property tax exemption. The net impact of the program is a reduction in annual costs for the period associated with property taxes, which can provide a substantive boost to project viability. Our analysis included a review of the project's viability with and without the MUPTE program. The information used in our analysis was largely derived from materials submitted as part of the application. Appendix A includes a glossary of terms.

A. PROGRAM

The proposed development program for the site would include 110 rental apartment units priced at levels affordable to households earning 60% of Median Family Income (MFI). The project would use 4% Low Income Housing Tax Credits (LIHTC), as well as a grant from the Local Innovation and Fast Track (LIFT) Housing Program. Both of these programs are administered by Oregon Housing and Community Services (OHCS). In exchange for these contributions the developer has committed to retaining rents at affordable levels for a thirty-year period.

The project will be wood frame construction developed to Earth Advantage Green Building standards. The program will include one, two, and three-bedroom units, with an average unit size of 894 square feet. Current rents, including a utility allowance, will range from \$615 to 853 per month, with an average monthly rent of \$758 for the project. This translates into per square foot gross rents of \$0.85 per square foot.



SUMMARY OF RESIDENTIAL PROGRAM AND PRICING (2019 \$s)

	Units			Proposed Rents*	
	#	% Mix	Size/SF	Month	PSF
One Bedroom	24	21.8%	625	\$615	\$0.98
Two Bedroom	42	38.2%	845	\$739	\$0.87
Three Bedroom	44	40.0%	1,088	\$853	\$0.78
Total/Weighted Average	110	100.0%	894	\$758	\$0.85

B. ASSUMPTIONS

A number of assumptions must be made in order to evaluate the viability of the development program. The applicant's income assumptions are viewed as unusually reliable, as the project's assumed rents are intentionally set significantly below achievable market rents. The average residential lease rate is assumed at \$758 per month, escalated at an average annual rate of 2.0%. Operating cost assumptions were roughly \$6,000 per unit annually assuming property taxes, and just under \$4,300 if an abatement is assumed. These operating costs are slightly above the median numbers for newer garden style we have worked on. The applicant cites the additional costs associated with affordable housing projects as the reason for this variance, including ongoing reporting to OHCS. This appears supportable by the experience of other projects in their portfolio.

While income is assumed to escalate at an average annual rate of 2.0%, expenses are projected to escalate at 3.0% per year. Stabilized vacancy is assumed at 3%, which is low for a market rate project but a defensible assumption for an affordable housing project.

The primary loan assumed is from the LIFT Program, with an annual interest rate of 5.5%, a 35-year amortization period, and a minimum debt coverage ratio of 1.20. A subordinated loan is also assumed under the MUPTE scenario of \$1.66 million, which would be provided by the developer and would have no interest or fees. The terms for both assumed sources of debt are more favorable than what is available in the private commercial market.



Construction costs were derived from the application and reflect a total cost of \$23,675,000 in current dollars for the project. Land acquisition was \$1.8 million, hard costs are estimated at \$15.6 million, and soft costs are estimated at \$2.2 million. An additional \$2.4 million is assumed in developer profit, reflecting an 11.7% profit on costs accrued.

The eligible basis for tax credits is estimated at \$20.4 million, with a 130% bonus allowed based on the census tract. This provides an adjusted eligible basis of \$26.6 million, with requested annual credit amount of \$877,109. Assuming a conversion ratio of 93% yields equity proceeds of \$2,456,294 for the credits.

C. VIABILITY OF PROJECT

Baseline Scenario

The baseline scenario reflects the project and does not assume any benefit from the MUPTE. The project would cost an estimated \$23.7 million to develop, which includes a developer profit of \$2.4 million. The developer profit is inclusive of expenses accrued and represents gross as opposed to net profit. It is our opinion that the developer profit assumed in these costs is appropriate, and a lower return would not justify the significant expense and risk assumed by the developer in this type of project.

The sources would include equity from the sale of the tax credits, a grant through the LIFT program, a primary loan limited by the debt coverage ratios required by the lender, and some cash flow during lease up. The project is assuming \$99,500 per unit from the LIFT program, at the top of allowable program

The primary loan amount is limited by a minimum debt coverage ratio of 1.20. While the cash flow shows the project meeting this requirement initially, operating costs are projected to increase at a 50% higher rate than revenues, which erodes the project's ability to meet debt service obligations over time.

The applicant has provided projected cash flows for the project without the MUPTE program, which are summarized in the following cash flow:

ASSUMED DEVELOPMENT COSTS	
Land Acquisition	\$1,852,500
Hard Costs	
<i>Site Work</i>	\$866,113
<i>Construction</i>	\$15,563,992
Soft Costs	
<i>A&E</i>	\$451,330
<i>Insurance</i>	\$52,000
<i>Interest</i>	\$258,210
<i>Loan Fees</i>	\$150,000
<i>Legal</i>	\$55,000
<i>Taxes</i>	\$9,855
<i>Relocation</i>	\$24,750
<i>Title/Escrow</i>	\$75,250
<i>Permament Financing</i>	\$147,500
<i>Miscellaneous</i>	\$640,710
<i>Agency</i>	\$351,229
Developer Profit	\$2,400,000
Reserves	\$776,750
Total Development Costs	\$23,675,189

SOURCES	Total	%
LIHTC Equity	\$8,156,294	37%
OHCS LIFT	\$10,945,000	50%
Serviceable Debt	\$2,838,089	13%
Cash Flow During Lease Up	\$104,473	0%
Total	\$22,043,855	100%
USES	Total	%
Acquisition	\$1,852,500	8%
Construction Costs	\$16,430,105	69%
Soft Costs, Including A&E	\$2,547,624	11%
Developer Profit	\$2,400,000	10%
Capitalized Operating Reserve	\$444,960	2%
Total	\$23,675,189	100%
GAP	\$1,631,334	



SIMPLIFIED CASH FLOW
15-YEAR CASH FLOW WO/MUPTTE

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
REVENUE															
Gross Rent Revenue	\$886,752	\$904,487	\$922,577	\$941,028	\$959,849	\$979,046	\$998,627	\$1,018,599	\$1,038,971	\$1,059,751	\$1,080,946	\$1,102,565	\$1,124,616	\$1,147,108	\$1,170,050
Misc. & Commercial	\$15,840	\$16,157	\$16,480	\$16,810	\$17,146	\$17,489	\$17,838	\$18,195	\$18,559	\$18,930	\$19,309	\$19,695	\$20,089	\$20,491	\$20,901
Less Vacancy	(\$27,078)	(\$27,135)	(\$27,677)	(\$28,231)	(\$28,795)	(\$29,371)	(\$29,959)	(\$30,558)	(\$31,169)	(\$31,793)	(\$32,428)	(\$33,077)	(\$33,738)	(\$34,413)	(\$35,102)
Total Income	\$875,514	\$893,509	\$911,379	\$929,607	\$948,199	\$967,163	\$986,506	\$1,006,237	\$1,026,361	\$1,046,888	\$1,067,826	\$1,089,183	\$1,110,966	\$1,133,186	\$1,155,849
EXPENSES															
Operating Expenses	\$472,544	\$486,720	\$501,322	\$516,361	\$531,852	\$547,808	\$564,242	\$581,169	\$598,604	\$616,563	\$635,059	\$654,111	\$673,735	\$693,947	\$714,765
NOI Before Taxes and Reserves	\$402,970	\$406,789	\$410,058	\$413,246	\$416,347	\$419,355	\$422,264	\$425,067	\$427,757	\$430,326	\$432,767	\$435,072	\$437,232	\$439,239	\$441,084
Less Estimated Taxes	145,000	149,350	153,831	158,445	163,199	168,095	173,138	178,332	183,682	189,192	194,868	200,714	206,735	212,937	219,326
Less Required Reserves	38,500	39,655	40,845	42,070	43,332	44,632	45,971	47,350	48,771	50,234	51,741	53,293	54,892	56,539	58,235
NOI Available for Debt Service	\$219,470	\$217,784	\$215,382	\$212,730	\$209,816	\$206,628	\$203,156	\$199,385	\$195,305	\$190,900	\$186,158	\$181,065	\$175,605	\$169,763	\$163,524
1st Mortgage Debt Service (1.20 DCR, 5.5%, 35 yrs)	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892
2nd Mortgage (10 yr, 0%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Flow	\$36,578	\$34,892	\$32,491	\$29,838	\$26,924	\$23,737	\$20,264	\$16,493	\$12,413	\$8,008	\$3,266	(\$1,827)	(\$7,287)	(\$13,129)	(\$19,368)
DCR - 1st Mortgage	1.20	1.19	1.18	1.16	1.15	1.13	1.11	1.09	1.07	1.04	1.02	0.99	0.96	0.93	0.89
DCR - All Debt	1.20	1.19	1.18	1.16	1.15	1.13	1.11	1.09	1.07	1.04	1.02	0.99	0.96	0.93	0.89

The preceding table presents a fifteen-year cash flow for the development assuming stabilization in year 1 and does not include a reversion value. As shown, the debt coverage ratio for the primary loan decreases below the allowable level, yielding a negative net cash flow in out years.

Under this scenario, the sources do not cover the uses by \$1,6 million, which is identified as the viability gap. If the development proceeded under these assumptions, the developer profit would be reduced to less than \$770,000. This would be inadequate to induce development, providing only a 3.6% return for the expenses borne and risks assumed.

MUPTTE Scenario

The second scenario uses the same income and expense assumptions as the baseline scenario, with the addition of an assumed ten-year tax exemption. The use of the MUPTTE reduces operating costs significantly during the first ten years (starting in year 1 in the cash flow table), increasing cash flow available for debt service. The developer assumes that the MUPTTE savings will be used to service a subordinate loan by Commonwealth. This loan would carry no interest or fees and provides for almost full recovery of the \$1.66 million in savings over the ten-year duration of the abatement.

As with the baseline scenario, the differential rate of change in the revenues and costs show the debt coverage ratio for the primary loan falling below 1.20 after the first year, and then dropping below 1.0 in year 11.

SOURCES	Total	%
LIHTC Equity	\$8,156,294	34%
OHCS LIFT	\$10,945,000	46%
Serviceable Debt	\$4,469,423	19%
Cash Flow During Lease Up	\$104,473	0%
Total	\$23,675,189	100%
USES	Total	%
Acquisition	\$1,852,500	8%
Construction Costs	\$16,430,105	69%
Soft Costs, Including A&E	\$2,547,624	11%
Developer Profit	\$2,400,000	10%
Capitalized Operating Reserve	\$444,960	2%
Total	\$23,675,189	100%
GAP	\$0	



SIMPLIFIED CASH FLOW
15-YEAR CASH FLOW W/MUPT

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
REVENUE															
Gross Rent Revenue	\$886,752	\$904,487	\$922,577	\$941,028	\$959,849	\$979,046	\$998,627	\$1,018,599	\$1,038,971	\$1,059,751	\$1,080,946	\$1,102,565	\$1,124,616	\$1,147,108	\$1,170,050
Misc. & Commercial	\$15,840	\$16,157	\$16,480	\$16,810	\$17,146	\$17,489	\$17,838	\$18,195	\$18,559	\$18,930	\$19,309	\$19,695	\$20,089	\$20,491	\$20,901
Less Vacancy	(\$27,078)	(\$27,135)	(\$27,677)	(\$28,231)	(\$28,795)	(\$29,371)	(\$29,959)	(\$30,558)	(\$31,169)	(\$31,793)	(\$32,428)	(\$33,077)	(\$33,738)	(\$34,413)	(\$35,102)
Total Income	\$875,514	\$893,509	\$911,379	\$929,607	\$948,199	\$967,163	\$986,506	\$1,006,237	\$1,026,361	\$1,046,888	\$1,067,826	\$1,089,183	\$1,110,966	\$1,133,186	\$1,155,849
EXPENSES															
Operating Expenses	\$472,544	\$486,720	\$501,322	\$516,361	\$531,852	\$547,808	\$564,242	\$581,169	\$598,604	\$616,563	\$635,059	\$654,111	\$673,735	\$693,947	\$714,765
NOI Before Taxes and Reserves	\$402,970	\$406,789	\$410,058	\$413,246	\$416,347	\$419,355	\$422,264	\$425,067	\$427,757	\$430,326	\$432,767	\$435,072	\$437,232	\$439,239	\$441,084
Less Estimated Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$194,868	\$200,714	\$206,735
Less Required Reserves	\$38,500	\$39,655	\$40,845	\$42,070	\$43,332	\$44,632	\$45,971	\$47,350	\$48,771	\$50,234	\$51,741	\$53,293	\$54,892	\$56,539	\$58,235
NOI Available for Debt Service	\$364,470	\$367,134	\$369,213	\$371,176	\$373,015	\$374,723	\$376,293	\$377,717	\$378,986	\$380,092	\$186,158	\$181,065	\$175,605	\$169,763	\$163,524
1st Mortgage Debt Service (1.20 DCR, 5.5%, 35 yrs)	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892	\$182,892
2nd Mortgage (10 yr, 0%)	\$163,133	\$163,133	\$163,133	\$163,133	\$163,133	\$163,133	\$163,133	\$163,133	\$163,133	\$163,133	\$163,133	\$163,133	\$163,133	\$163,133	\$163,133
Net Cash Flow	\$18,445	\$21,109	\$23,188	\$25,150	\$26,989	\$28,698	\$30,268	\$31,692	\$32,961	\$34,067	\$3,266	(\$1,827)	(\$7,287)	(\$13,129)	(\$19,368)
DCR - 1st Mortgage	1.99	2.01	2.02	2.03	2.04	2.05	2.06	2.07	2.07	2.08	1.02	0.99	0.96	0.93	0.89
DCR - All Debt	1.05	1.06	1.07	1.07	1.08	1.08	1.09	1.09	1.10	1.10	1.02	0.99	0.96	0.93	0.89

D. CONCLUSION

The assumptions and projections provided by the applicant have been reviewed and we find them credible and reliable. Our analysis indicates that the project would not be viable without availability of the MUPT using the assumptions outlined. The indicated returns are below what we would consider adequate for the developer to incur the development risk for this project. Inclusion of the MUPT over a ten-year period would likely make this project viable.

The primary impact of the MUPT program is a reduction in operating costs for a set period of time, which in this case has been applied to a subordinated loan from the developer. This loan will in effect reflect a deferral of development fees and fees and interest are not being assumed on this debt.

Many of the assumptions used are reliant upon the information provided by the applicant, but this information appears consistent with other projects we have reviewed. We have concern regarding the project's ongoing ability to service its debt as debt coverage ratios are projected to erode over time. The lender may be willing to accept this anticipated condition but it should be confirmed.



APPENDIX A: GLOSSARY OF TERMS

Capitalization Rate or Cap Rate – The rate of return used to derive the capital value of an income stream. The value of a real estate asset is commonly set on the basis of dividing net operating income (NOI) by a capitalization rate.

Debt Coverage Ratio – Defined as net operating income divided by annual debt service. This measure is often used as underwriting criteria for income property mortgage loans, and limits the amount of debt that can be borrowed. Standard minimum debt coverage ratios would be in the 1.20 to 1.30 range. A debt coverage ratio of 1.20 indicates that in your first year of stabilized occupancy, your net operating income (NOI, gross income less expenses) is equal to 120% of your debt service requirements (principal and interest).

Equity – The interest or value that the owner has in real estate over and above the liens held against it.

LIFT Program - The Local Innovation and Fast Track (LIFT) Housing Program's objective is to build new affordable housing for low income households, especially families. Oregon Housing and Community Services (OHCS) and its partners use this funding to add to the supply of affordable housing, in particular, for historically underserved communities. The use of general obligation, Article XI Q bonds means that the state either needs to own or operate the asset. OHCS has identified several approaches to fulfill this requirement:

- *Through operating the property: The State of Oregon would be a limited partner or member. OHCS would be responsible for key aspects of the housing including: hiring and firing of the property management firm, leasing criteria, major repairs, and other substantive operating policies.*
- *Through an ownership interest: There are a number of potential pathways to fulfill the ownership requirement, which revolve around a fee simple ownership structure. This may include a tenancy in common model, or ownership of the land by OHCS with an unsubordinated land lease.*

Low Income Housing Tax Credit – The Low-Income Housing Tax Credit (LIHTC) is a dollar-for-dollar tax credit in the United States for affordable housing investments, providing annual credits of either 4% or 9% for a ten-year period on qualified expenses. It gives incentives for the utilization of private equity in the development of affordable housing. The maximum rent that can be charged is based upon the Area Median Income ("AMI") and a percentage target such as 60% AMI. Oregon Housing and Community Services administers the program for the State of Oregon.

Net Operating Income (NOI) – Income from property after operating expenses have been deducted, but before deducting income taxes and financing expenses.

Derrick Tokos

From: Jerry Johnson <jwj@johnsoneconomics.com>
Sent: Friday, March 15, 2019 11:22 AM
To: Derrick Tokos
Subject: RE: Surf View MUPTTE Review

It is interesting in that they don't break out developer fee and profit. We would typically expect a developer fee at about 5% to 6% of cost for this type of project, maybe a bit more due to the complexity. This covers very tangible expenses such as time and overhead associated with putting the deal together. The second portion would be profit, and in this case it looks closer to 5% of costs. This is actually quite low in light of the fact that they have risk in construction (delivering the product on time and within budget), marketing (filling the project and achieving forecasted rent levels, not really much of an issue for affordable projects), and operations (hitting their operating ratios). For a private developer the expectation is that the project will be worth more than it costs to construct, but that is not the case for affordable projects.

Jerry

From: Derrick Tokos <D.Tokos@NewportOregon.gov>
Sent: Friday, March 15, 2019 11:15 AM
To: 'jwj@johnsoneconomics.com' <jwj@johnsoneconomics.com>
Subject: RE: Surf View MUPTTE Review

Jerry,

I anticipate that our policy-makers will key in on the developer profit. You indicate in the memo that a gross profit of 11.7 percent is appropriate and a lower return would not be justified. What kind of profit range would you typically expect to see for projects of this nature?

Derrick I. Tokos, AICP
Community Development Director
City of Newport
169 SW Coast Highway
Newport, OR 97365
ph: 541.574.0626 fax: 541.574.0644
d.tokos@newportoregon.gov

From: Jerry Johnson [<mailto:jwj@johnsoneconomics.com>]
Sent: Friday, March 15, 2019 10:43 AM
To: Derrick Tokos <D.Tokos@NewportOregon.gov>
Subject: RE: Surf View MUPTTE Review

Sorry Derrick. It looks like the margin shifted on me right at the end. An adjusted memo is attached.

Derrick Tokos

From: Daryn Murphy <d.murphy@commonwealthco.net>
Sent: Friday, March 15, 2019 12:42 PM
To: Derrick Tokos
Cc: Rachel Cotton
Subject: RE: Application for Multiple Unit Property Tax Exemption

It's tough to pinpoint a percentage, but I know when I was with a developer in Portland we would shoot for 50% profitability after all overhead was covered. I would guess Commonwealth has the same targets. I ran some quick numbers on staffing and who's working on the project and assuming about 25% of their time is dedicated to Surf View. 50% is a good estimate.

From: Derrick Tokos <D.Tokos@NewportOregon.gov>
Sent: Friday, March 15, 2019 12:00 PM
To: 'Daryn Murphy' <d.murphy@commonwealthco.net>
Cc: Rachel Cotton <r.cotton@newportoregon.gov>
Subject: RE: Application for Multiple Unit Property Tax Exemption

Daryn... we get what you are saying. Is there any way you can give us a percentage estimate of how much of the 11.7% is likely to cover expenses as opposed to profit?

Derrick

From: Daryn Murphy [<mailto:d.murphy@commonwealthco.net>]
Sent: Friday, March 15, 2019 11:50 AM
To: Derrick Tokos <D.Tokos@NewportOregon.gov>
Cc: Rachel Cotton <R.Cotton@NewportOregon.gov>
Subject: RE: Application for Multiple Unit Property Tax Exemption

I think to frame it as "profit" is a little misleading. The fee we receive has to cover all staff time associated with the project for me, all of the people that support me, my managers, accounting dept, etc. The lifecycle of the project is usually 3-5 years from when we very first start working on it to when it's complete and stabilized. In the case of Surf View, we started looking around for a development site in mid 2017. If completion occurs as scheduled in mid 2020 and the project stabilizes by 12/31/20, that's 3.5 years.

It's also important to note that the developer fee is another contingency line item in the budget. If construction costs go up, our fee gets decreased. That's actually be happening a lot lately, particularly with materials. The fee also has to cover the tax credit guarantees we provide to the investor. If lease-up is slower than expected, the investor reduces their equity and our fee decreases proportionally. If interest rates go up during construction, we could have to reduce our fee to offset that.

Starting in late 2017, our industry first had to weather federal tax reform and then large construction cost increases. We have a half dozen projects that were in process last year where our fee will be \$0 and in some cases the owner is putting additional money in.

That was probably more than you wanted, but hope it helps.

From: Derrick Tokos <D.Tokos@NewportOregon.gov>
Sent: Friday, March 15, 2019 11:35 AM
To: 'Daryn Murphy' <d.murphy@commonwealthco.net>
Cc: Rachel Cotton <r.cotton@newportoregon.gov>
Subject: RE: Application for Multiple Unit Property Tax Exemption

Will do. One additional issue that I am hoping you can clarify is the portion of the developer fee that is intended to cover your expenses in rolling out the project versus your expected profit. The financial consultant frames your developer fee as 11.7% gross profit, and that is likely to catch the eye of our policy-makers.

Derrick

From: Daryn Murphy [<mailto:d.murphy@commonwealthco.net>]
Sent: Friday, March 15, 2019 11:26 AM
To: Derrick Tokos <D.Tokos@NewportOregon.gov>
Cc: Rachel Cotton <R.Cotton@NewportOregon.gov>
Subject: RE: Application for Multiple Unit Property Tax Exemption

Great. Thanks. April 8th works for me and it's on my calendar.

I'll review the attached.

From: Derrick Tokos <D.Tokos@NewportOregon.gov>
Sent: Friday, March 15, 2019 11:19 AM
To: 'Daryn Murphy' <d.murphy@commonwealthco.net>
Cc: Rachel Cotton <r.cotton@newportoregon.gov>
Subject: RE: Application for Multiple Unit Property Tax Exemption

Hi Daryn,

Attached is a copy of the financial consultants report. They conclude that the MUPTE is needed, but did express a concern about the project's ongoing ability to service debt after 10 years. It would be helpful if you could address that point.

The next step is the Planning Commission hearing. How does April 8th work for you? The meeting would be at 6:00 pm here at City Hall.

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 Community Development Director
 City of Newport
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 ph: 541.574.0626 fax: 541.574.0644
d.tokos@newportoregon.gov

From: Daryn Murphy [<mailto:d.murphy@commonwealthco.net>]
Sent: Saturday, March 09, 2019 9:18 AM
To: Rachel Cotton <R.Cotton@NewportOregon.gov>; Derrick Tokos <D.Tokos@NewportOregon.gov>
Subject: RE: Application for Multiple Unit Property Tax Exemption

Derrick Tokos

From: Daryn Murphy <d.murphy@commonwealthco.net>
Sent: Friday, March 29, 2019 11:04 AM
To: Derrick Tokos
Cc: Rachel Cotton
Subject: RE: Application for Multiple Unit Property Tax Exemption

Sorry about that. We're confident the project will be able to service the debt after the MUPTe expires given our projections. If net operating income falls short, we'll have a capitalized operating reserve that could be used as a back up option. That reserve will be funded at completion and it's estimated to be \$369,000. That reserve will remain with the project and is explicitly to be used to fund any operating deficits. We don't anticipate having to use the reserve in Years 1-10, so we expect the full balance to be available when the project starts paying full property taxes.

From: Derrick Tokos <D.Tokos@NewportOregon.gov>
Sent: Friday, March 29, 2019 10:56 AM
To: 'Daryn Murphy' <d.murphy@commonwealthco.net>
Cc: Rachel Cotton <r.cotton@newportoregon.gov>
Subject: RE: Application for Multiple Unit Property Tax Exemption

Hi Daryn,

Just touching base regarding the upcoming hearing. I intend to get you a copy of the staff report by Tuesday of next week. Materials will be distributed to our Planning Commission on Thursday. That said, I don't know that I received a response from you regarding the issue below (highlighted). Do you have any thoughts on how to address that concern?

Derrick I. Tokos, AICP
 Community Development Director
 City of Newport
 169 SW Coast Highway
 Newport, OR 97365
 ph: 541.574.0626 fax: 541.574.0644
d.tokos@newportoregon.gov

From: Daryn Murphy [<mailto:d.murphy@commonwealthco.net>]
Sent: Friday, March 15, 2019 11:26 AM
To: Derrick Tokos <D.Tokos@NewportOregon.gov>
Cc: Rachel Cotton <R.Cotton@NewportOregon.gov>
Subject: RE: Application for Multiple Unit Property Tax Exemption

Great. Thanks. April 8th works for me and it's on my calendar.

I'll review the attached.

From: Derrick Tokos <D.Tokos@NewportOregon.gov>
Sent: Friday, March 15, 2019 11:19 AM
To: 'Daryn Murphy' <d.murphy@commonwealthco.net>

Cc: Rachel Cotton <r.cotton@newportoregon.gov>
Subject: RE: Application for Multiple Unit Property Tax Exemption

Hi Daryn,

Attached is a copy of the financial consultants report. They conclude that the MUPTE is needed, but did express a concern about the project's ongoing ability to service debt after 10 years. It would be helpful if you could address that point.

The next step is the Planning Commission hearing. How does April 8th work for you? The meeting would be at 6:00 pm here at City Hall.

Derrick I. Tokos, AICP

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d.tokos@newportoregon.gov

From: Daryn Murphy [<mailto:d.murphy@commonwealthco.net>]
Sent: Saturday, March 09, 2019 9:18 AM
To: Rachel Cotton <R.Cotton@NewportOregon.gov>; Derrick Tokos <D.Tokos@NewportOregon.gov>
Subject: RE: Application for Multiple Unit Property Tax Exemption

Derrick/Rachel – see attached revised projections and updated narrative. As we discussed, I focused the numbers on the gap created by not having the MUPTE and the ability to service subordinate debt with the MUPTE. The subordinate debt is essentially us loaning in our developer fee and having that fee paid over 10 years. Similar to the previous analysis in some ways, but hopefully more clear.

Let me know if you have questions after you've had a chance to review. Thanks.

From: Rachel Cotton <R.Cotton@NewportOregon.gov>
Sent: Friday, March 8, 2019 12:10 PM
To: 'Daryn Murphy' <d.murphy@commonwealthco.net>; Derrick Tokos <d.tokos@newportoregon.gov>
Subject: RE: Application for Multiple Unit Property Tax Exemption

Thanks Daryn. I think the occupancies and per unit opex figures are helpful to see in terms of gaining an understanding of Commonwealth's larger portfolio and business model.

Sorry to have to miss the call this afternoon, but as you and I discussed yesterday I do think it makes sense to reformat the pro-forma around rent levels rather than the developer fee.

From: Daryn Murphy [<mailto:d.murphy@commonwealthco.net>]
Sent: Friday, March 08, 2019 11:48 AM
To: Derrick Tokos <D.Tokos@NewportOregon.gov>
Cc: Rachel Cotton <R.Cotton@NewportOregon.gov>
Subject: RE: Application for Multiple Unit Property Tax Exemption

Derrick Tokos

From: Joe Davidson <jdavidson@co.lincoln.or.us>
Sent: Wednesday, February 13, 2019 4:32 PM
To: Derrick Tokos
Cc: Daryn Murphy; Rachel Cotton; Kathy Leib
Subject: Re: Application for Multiple Unit Property Tax Exemption

Derrick,

As Daryn suggested, in addition to the highest and best use RMV of the improvements stated in my previous email, I'm supplying a specially assessed value to account for the governmental restrictions and reduced rents effective during the initial year of operation. This estimated starting value for the improvements = **\$10M**. A specially assessed valuation method will remain in effect for each year the restrictions are in place.

Assuming the \$10M improvement value were not exempt, **AV = \$8M and property taxes = \$145,000**. These figures are likely to change with actual income and expense data, as well as market data, after the first year of operation.

Land will be taxable regardless, so the property taxes associated with land (as stated in my previous email) should be considered in both projections.

Let me know if you have any questions.

Joe

On Tue, Feb 12, 2019 at 8:23 AM Derrick Tokos <D.Tokos@newportoregon.gov> wrote:

Hi Daryn... that would be helpful. A 1/3 reduction in the valuation of the structural improvements would be a significant change that should factored into the third-party pro forma review. Our policymakers will also be looking for as accurate a picture as possible of the anticipated tax exemption.

Derrick I. Tokos, AICP
Community Development Director
City of Newport
169 SW Coast Highway
Newport, OR 97365
ph: 541.574.0626 fax: 541.574.0644
d.tokos@newportoregon.gov

Company Name:

Commonwealth Real Estate Owned

Update date:

2/03/2019

Portfolio

No.	Name of Project	City	State	Total Number of Units	Number of LIHTC Units	Development Status	Date Placed in Service	Occup. %	Income from Commercial Space	Year End 12/31/18		Property Manager
										OPEX	Per Unit OPEX	
1	Craftsman Village of Plover	Plover	WI	40	39	In Service	6/1/2003	99%	\$0	\$207,243	\$5,181.08	Commonwealth Management
2	Sedgemoor	Elkhorn	WI	48	48	In Service	5/28/2003	99%	\$0	\$211,133	\$4,398.60	Commonwealth Management
3	Mission Village of Plover I	Plover	WI	36	35	In Service	6/1/2004	97%	\$0	\$154,256	\$4,284.89	Commonwealth Management
4	Craftsman Village of Appleton	Appleton	WI	64	63	In Service	10/1/2004	97%	\$0	\$385,703	\$6,026.61	Commonwealth Management
5	Mission Village of Plover II	Plover	WI	24	22	In Service	12/31/2005	98%	\$0	\$122,085	\$5,086.88	Commonwealth Management
6	New Village	Milwaukee	WI	24	24	In Service	6/31/2006	97%	\$0	\$132,678	\$5,528.25	Commonwealth Management
7	Fond du Lac Center	Milwaukee	WI	24	22	In Service	8/31/2006	98%	\$19,500	\$144,852	\$6,035.50	Commonwealth Management
8	Prince Hall	Milwaukee	WI	24	24	In Service	8/1/2008	95%	\$0	\$151,582	\$6,315.92	Commonwealth Management
9	St. Peters Place	Fond du Lac	WI	46	46	In Service	9/1/2009	96%	\$0	\$221,714	\$4,819.87	Commonwealth Management
10	Mission Village of Menasha	Menasha	WI	66	66	In Service	8/1/2010	99%	\$0	\$437,156	\$6,623.58	Commonwealth Management
11	Fond du Lac Townhomes	Fond du Lac	WI	48	48	In Service	8/1/2010	98%	\$0	\$268,272	\$5,589.00	Commonwealth Management
12	Lisbon Terrace	Milwaukee	WI	24	24	In Service	6/30/2011	98%	\$0	\$163,581	\$6,815.88	Commonwealth Management
13	William A. Passavant	Milwaukee	WI	51	51	In Service	7/1/2011	97%	\$0	\$271,028	\$5,314.27	Commonwealth Management
14	Townhomes of Craftsman Village	Plover	WI	44	43	In Service	9/29/2011	97%	\$0	\$263,125	\$5,980.11	Commonwealth Management
15	Mission Village of Sheboygan	Sheboygan	WI	76	76	In Service	11/15/2011	96%	\$0	\$416,283	\$5,477.41	Commonwealth Management
16	Lynndale Village	Grand Chute	WI	60	60	In Service	1/26/2012	97%	\$0	\$308,816	\$5,146.93	Commonwealth Management
17	Auxiliary Court	West Bend	WI	59	55	In Service	4/23/2012	99%	\$0	\$278,830	\$4,725.93	Commonwealth Management
18	Trinity Square Artist Lofts	Fond du Lac	WI	35	35	In Service	8/28/2012	97%	\$19,200	\$173,336	\$4,952.46	Commonwealth Management
19	Western Townhomes	Neeah	WI	68	64	In Service	10/29/2012	99%	N/A	\$352,357	\$5,181.72	Commonwealth Management
20	Pleasantview Townhomes	Plymouth	WI	24	23	In Service	11/26/2012	98%	N/A	\$113,075	\$4,711.46	Commonwealth Management
21	Indianhead Cottages	Mosinee	WI	24	23	In Service	11/26/2012	94%	N/A	\$148,802	\$6,200.08	Commonwealth Management
22	The Village on Water	Marinette	WI	49	42	In Service	11/26/2013	98%	N/A	\$240,244	\$4,902.94	Commonwealth Management
23	Riverside Senior Apartments	Fond du Lac	WI	46	41	In Service	11/1/2013	97%	\$8,400	\$228,578	\$4,969.09	Commonwealth Management
24	The Jefferson	Ripon	WI	24	23	In Service	9/30/2014	97%	N/A	\$106,264	\$4,427.67	Commonwealth Management
25	Historic Lincoln School	Shawano	WI	24	24	In Service	8/21/2014	95%	N/A	\$131,443	\$5,476.79	Commonwealth Management
26	Mission Village of Tahlequah	Tahlequah	OK	24	21	In Service	10/31/2014	97%	N/A	\$95,616	\$3,984.00	Commonwealth Management
27	Union Square Apartments	Appleton	WI	50	50	In Service	10/29/2015	98%	N/A	\$275,848	\$5,516.96	Commonwealth Management
28	Elementary School Apartments	Schofield	WI	36	33	In Service	12/1/2015	95%	N/A	\$180,700	\$5,019.44	Commonwealth Management
29	Mission Village of Pecos	Pecos	TX	60	49	In Service	8/11/2015	98%	N/A	\$274,136	\$4,568.93	Commonwealth Management
30	Newbury Place	Ripon	WI	40	40	In Service	3/31/2016	96%	N/A	\$172,009	\$4,300.23	Commonwealth Management
31	Columbia Square	Milwaukee	WI	22	22	In Service	4/1/2005	99%	N/A	\$139,485	\$6,340.23	Commonwealth Management
32	Mission Village of Dodgeville	Dodgeville	WI	40	40	Stabilized in 2017	7/29/2016	66%	N/A	\$184,573	\$4,614.33	Commonwealth Management
33	Mission Village of Monahans	Monahans	TX	49	44	Stabilized in 2017	11/5/2016	97%	N/A	\$190,011	\$3,877.78	Commonwealth Management
34	Mission Village of Jacksonville	Berlin	TX	48	48	Stabilized in 2017	8/31/2016	93%	N/A	\$306,761	\$6,390.85	Commonwealth Management
35	Mission Village of Greeley	Greeley	CO	50	46	Stabilized in 2017	10/21/2016	97%	N/A	\$215,219	\$4,304.38	Commonwealth Management
36	Station Square	Roy	UT	31	25	Stabilized in 2017	12/30/2016	96%	N/A	\$116,865	\$3,769.84	Third Party
37	Historic Berlin School Apts.	Berlin	WI	40	40	Stabilized in 2018	11/30/2016	96%	N/A	N/A		Commonwealth Management
38	Historic Blue Bell Lofts	Columbia City	IN	52	52	Stabilized in 2018	1/30/2017	95%	N/A	N/A		Commonwealth Management
39	Mission Village of Kaukauna	Kaukauna	WI	60	51	Stabilized in 2018	3/29/2017	97%	N/A	N/A		Commonwealth Management
40	Beacon Avenue Cottages	New London	WI	40	34	Stabilized in 2018	7/31/2017	96%	N/A	N/A		Commonwealth Management
41	Little Crow Lofts	Warsaw	IN	42	42	Stabilized in 2018	11/30/2017	93%	N/A	N/A		Commonwealth Management
42	Parish School Apartments	Fond du Lac	WI	47	40	Stabilized in 2018	3/23/2018	98%	N/A	N/A		Commonwealth Management
43	Garden View Senior Apartments	Elkhart	IN	55	55	Stabilized in 2018	6/28/2018	98%	N/A	N/A		Commonwealth Management
44	Lawler School Lofts	Prairie du Chien	WI	40	34	Stabilizing	10/30/2018	N/A	N/A	N/A		Commonwealth Management
45	Attwood Pointe Apartments	Florence	SC	52	52	Stabilized in 2018	6/5/2018	100%	N/A	N/A		Commonwealth Management
46	Historic Apartments on 4th	Mandan	ND	39	39	Stabilizing	12/18/2018	N/A	N/A	N/A		Third Party
47	Fourteen91 Lofts	Muncie	IN	72	72	Stabilizing	11/28/2018	N/A	N/A	N/A		Commonwealth Management
48	Cottages on Main	Hortonville	WI	40	34	Stabilizing	1/1/2019	N/A	N/A	N/A		Commonwealth Management
49	Historic Dunbar School	Oklahoma City	OK	52	52	Under Construction	N/A	N/A	N/A	N/A		Commonwealth Management
50	Edge Artist Flats	Fargo	ND	42	42	Under Construction	N/A	N/A	N/A	N/A		Third Party
51	15th Street Flats	Willmar	MN	47	47	Under Construction	N/A	N/A	N/A	N/A		Third Party
52	White Pines	Cloquet	MN	35	35	Under Construction	N/A	N/A	N/A	N/A		Third Party
53	Preserve at Chatham Parkway	Savannah	GA	144	144	Under Construction	N/A	N/A	N/A	N/A		Commonwealth Management
54	Sunset Village	N. Albany	OR	40	40	Under Construction	N/A	N/A	N/A	N/A		Commonwealth Management
55	Mission Village of Cheyenne	Cheyenne	WY	41	41	Under Construction	N/A	N/A	N/A	N/A		Commonwealth Management
56	The Ridge	Colorado Springs	CO	60	60	Under Construction	N/A	N/A	N/A	N/A		Commonwealth Management
57	Friar House Flats	Green Bay	WI	40	40	Under Construction	N/A	N/A	N/A	N/A		Commonwealth Management
58	Barton School Apartments	West Bend	WI	40	40	Under Construction	N/A	N/A	N/A	N/A		Commonwealth Management
				Units PIS	1,890	1,805						
				Units Total	2,622	2,525						
										Average	\$5,191	

2018 -- Income Limits for LIHTC & Tax-Exempt Bonds

Lincoln County, Oregon

For more detailed MTSP income limit information, please visit HUD's website:
<http://www.huduser.org/portal/datasets/mtsp.html>

Actual 2018 Median ³	\$54,700	
Actual 2016 Median ³	\$55,200	
Actual 2015 Median ³	\$57,800	
Ntntl Non-Metro 2018 Median	\$58,400	(applies to 9% credits only in non-metro areas)
2018 HERA Special Median	\$58,800	(applies to projects in existence before January 1, 2009)

Median Incomes calculated based on a 4-person household

What Income Limit Should You Use?

Is the location considered RURAL by USDA? (if yes, it is eligible to use the Ntntl Non-Metro Median for 9% projects)¹

YES Lincoln County is considered Rural. To verify current accuracy, please visit:

<http://eligibility.sc.gov.usda.gov/eligibility/welcomeAction.do?pageAction=sfp&NavKey=property@12>

--The following income limits indicate the highest income limit allowable--

Did the project exist ² in 2008?	Use: HERA Special 2018	
If NO, did it exist ² :	– 4% Tax Credit Project	– 9% Tax Credit Project
Between 1/1/09 - 3/27/16	Use: Actual Incomes 2015	Use: Ntntl Non-Metro 2018 ¹
Between 3/28/16 - 4/13/17	Use: Actual Incomes 2016	Use: Ntntl Non-Metro 2018 ¹
Between 4/14/17 - 3/31/18	Use: Actual Incomes 2018	Use: Ntntl Non-Metro 2018 ¹
On or After 4/1/18	Use: Actual Incomes 2018	Use: Ntntl Non-Metro 2018 ¹

Actual Income Limits 2018								
% MFI	1 Pers	2 Pers	3 Pers	4 Pers	5 Pers	6 Pers	7 Pers	8 Pers
30%	\$11,490	\$13,140	\$14,790	\$16,410	\$17,730	\$19,050	\$20,370	\$21,690
35%	\$13,405	\$15,330	\$17,255	\$19,145	\$20,685	\$22,225	\$23,765	\$25,305
40%	\$15,320	\$17,520	\$19,720	\$21,880	\$23,640	\$25,400	\$27,160	\$28,920
45%	\$17,235	\$19,710	\$22,185	\$24,615	\$26,595	\$28,575	\$30,555	\$32,535
50%	\$19,150	\$21,900	\$24,650	\$27,350	\$29,550	\$31,750	\$33,950	\$36,150
55%	\$21,065	\$24,090	\$27,115	\$30,085	\$32,505	\$34,925	\$37,345	\$39,765
60%	\$22,980	\$26,280	\$29,580	\$32,820	\$35,460	\$38,100	\$40,740	\$43,380
80%	\$30,640	\$35,040	\$39,440	\$43,760	\$47,280	\$50,800	\$54,320	\$57,840

Actual Income Limits 2016								
% MFI	1 Pers	2 Pers	3 Pers	4 Pers	5 Pers	6 Pers	7 Pers	8 Pers
30%	\$11,610	\$13,260	\$14,910	\$16,560	\$17,910	\$19,230	\$20,550	\$21,870
35%	\$13,545	\$15,470	\$17,395	\$19,320	\$20,895	\$22,435	\$23,975	\$25,515
40%	\$15,480	\$17,680	\$19,880	\$22,080	\$23,880	\$25,640	\$27,400	\$29,160
45%	\$17,415	\$19,890	\$22,365	\$24,840	\$26,865	\$28,845	\$30,825	\$32,805
50%	\$19,350	\$22,100	\$24,850	\$27,600	\$29,850	\$32,050	\$34,250	\$36,450
55%	\$21,285	\$24,310	\$27,335	\$30,360	\$32,835	\$35,255	\$37,675	\$40,095
60%	\$23,220	\$26,520	\$29,820	\$33,120	\$35,820	\$38,460	\$41,100	\$43,740
80%	\$30,960	\$35,360	\$39,760	\$44,160	\$47,760	\$51,280	\$54,800	\$58,320

Actual Income Limits 2015								
% MFI	1 Pers	2 Pers	3 Pers	4 Pers	5 Pers	6 Pers	7 Pers	8 Pers
30%	\$12,150	\$13,890	\$15,630	\$17,340	\$18,750	\$20,130	\$21,510	\$22,890
35%	\$14,175	\$16,205	\$18,235	\$20,230	\$21,875	\$23,485	\$25,095	\$26,705
40%	\$16,200	\$18,520	\$20,840	\$23,120	\$25,000	\$26,840	\$28,680	\$30,520
45%	\$18,225	\$20,835	\$23,445	\$26,010	\$28,125	\$30,195	\$32,265	\$34,335
50%	\$20,250	\$23,150	\$26,050	\$28,900	\$31,250	\$33,550	\$35,850	\$38,150
55%	\$22,275	\$25,465	\$28,655	\$31,790	\$34,375	\$36,905	\$39,435	\$41,965
60%	\$24,300	\$27,780	\$31,260	\$34,680	\$37,500	\$40,260	\$43,020	\$45,780
80%	\$32,400	\$37,040	\$41,680	\$46,240	\$50,000	\$53,680	\$57,360	\$61,040

HERA Special Income Limits 2018								
% MFI	1 Pers	2 Pers	3 Pers	4 Pers	5 Pers	6 Pers	7 Pers	8 Pers
30%	\$12,360	\$14,130	\$15,900	\$17,640	\$19,080	\$20,490	\$21,900	\$23,310
35%	\$14,420	\$16,485	\$18,550	\$20,580	\$22,260	\$23,905	\$25,550	\$27,195
40%	\$16,480	\$18,840	\$21,200	\$23,520	\$25,440	\$27,320	\$29,200	\$31,080
45%	\$18,540	\$21,195	\$23,850	\$26,460	\$28,620	\$30,735	\$32,850	\$34,965
50%	\$20,600	\$23,550	\$26,500	\$29,400	\$31,800	\$34,150	\$36,500	\$38,850
55%	\$22,660	\$25,905	\$29,150	\$32,340	\$34,980	\$37,565	\$40,150	\$42,735
60%	\$24,720	\$28,260	\$31,800	\$35,280	\$38,160	\$40,980	\$43,800	\$46,620
80%	\$32,960	\$37,680	\$42,400	\$47,040	\$50,880	\$54,640	\$58,400	\$62,160

Notes:

1: Only projects in Rural Areas are able to use the Non-Metro Medians, otherwise use applicable 4% limits. Projects with previous "Rural" designations that are no longer considered to be located in rural areas (by the USDA) are permitted to use the previous year's National Non-Metro income limits should they be higher than the current year's income limits. The National Non-Metro income limits are online here:

<http://www.oregon.gov/ohcs/pages/research-income-rent-limits.aspx>

2: Exist - defined by OHCS as the project's placed-in-service (PIS) date. Projects consisting of multiple buildings, where each building is being treated as part of a multiple building project (see line 8b on IRS Form 8609), will be considered as being "in existence" provided at least one building was PIS during the affected year.

3: Actual Median Income Limit indicated here is based on income limits though it is not necessarily the HUD Area Median Income

The incomes limits listed above are based on the Multifamily Tax Subsidy Program (MTSP) income limits published by HUD on April 1, 2018. Per Revenue Ruling 94-57, owners will have until May 15, 2018 to implement these new MTSP income limits (45 days from their effective date). Please note that all definitions and explanations herein may be subject to change upon later IRS and/or HUD clarification.

2018 -- Rents for LIHTC & Tax-Exempt Bonds

Lincoln County, Oregon



For more detailed MTSP income limit information, please visit HUD's website:
<http://www.huduser.org/portal/datasets/mlsp.html>

Actual 2018 Median ³	\$54,700	
Actual 2016 Median ³	\$55,200	
Actual 2015 Median ³	\$57,800	
Ntnl Non-Metro 2018 Median	\$58,400	(applies to 9% credits only in non-metro areas)
2018 HERA Special Median	\$58,800	(applies to projects in existence before January 1, 2009)

Median Incomes calculated based on a 4-person household

What Rents Should You Use?

Is the location considered RURAL by USDA? (if yes, it is eligible to use the Ntnl Non-Metro Median for 9% projects)¹

YES Lincoln County is considered Rural. To verify current accuracy, please visit:

<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfp&NavKey=property@12>

--The following rent limits indicate the highest rents allowable--

Did the project exist ² in 2008?	Use: HERA Special 2018	
If NO, did it exist ² :	-- 4% Tax Credit Project	-- 9% Tax Credit Project
Between 1/1/09 - 3/27/16	Use: Actual Incomes 2015	Use: Ntnl Non-Metro 2018 ¹
Between 3/28/16 - 4/13/17	Use: Actual Incomes 2016	Use: Ntnl Non-Metro 2018 ¹
Between 4/14/17 - 3/31/18	Use: Actual Incomes 2018	Use: Ntnl Non-Metro 2018 ¹
On or After 4/1/18	Use: Actual Incomes 2018	Use: Ntnl Non-Metro 2018 ¹

Rents based on Actual Income Limits 2018						
% MFI	0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5 Bdrm
30%	\$287	\$307	\$369	\$426	\$476	\$525
35%	\$335	\$359	\$431	\$497	\$555	\$613
40%	\$383	\$410	\$493	\$569	\$635	\$701
45%	\$430	\$461	\$554	\$640	\$714	\$788
50%	\$478	\$513	\$616	\$711	\$793	\$876
55%	\$526	\$564	\$677	\$782	\$873	\$963
60%	\$574	\$615	\$739	\$853	\$952	\$1,051
80%	\$766	\$821	\$986	\$1,138	\$1,270	\$1,402

Rents based on Actual Income Limits 2016						
% MFI	0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5 Bdrm
30%	\$290	\$310	\$372	\$430	\$480	\$530
35%	\$338	\$362	\$434	\$502	\$560	\$618
40%	\$387	\$414	\$497	\$574	\$641	\$707
45%	\$435	\$466	\$559	\$646	\$721	\$795
50%	\$483	\$518	\$621	\$718	\$801	\$883
55%	\$532	\$569	\$683	\$789	\$881	\$972
60%	\$580	\$621	\$745	\$861	\$961	\$1,060
80%	\$774	\$829	\$994	\$1,149	\$1,282	\$1,414

Rents based on Actual Income Limits 2015						
% MFI	0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5 Bdrm
30%	\$303	\$325	\$390	\$451	\$503	\$555
35%	\$354	\$379	\$455	\$526	\$587	\$647
40%	\$405	\$434	\$521	\$601	\$671	\$740
45%	\$455	\$488	\$586	\$676	\$754	\$832
50%	\$506	\$542	\$651	\$751	\$838	\$925
55%	\$556	\$596	\$716	\$827	\$922	\$1,017
60%	\$607	\$651	\$781	\$902	\$1,006	\$1,110
80%	\$810	\$868	\$1,042	\$1,203	\$1,342	\$1,480

Rents based on HERA Special Income Limits 2018						
% MFI	0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5 Bdrm
30%	\$309	\$331	\$397	\$459	\$512	\$565
35%	\$360	\$386	\$463	\$535	\$597	\$659
40%	\$412	\$441	\$530	\$612	\$683	\$753
45%	\$463	\$496	\$596	\$688	\$768	\$847
50%	\$515	\$551	\$662	\$765	\$853	\$941
55%	\$566	\$607	\$728	\$841	\$939	\$1,036
60%	\$618	\$662	\$795	\$918	\$1,024	\$1,130
80%	\$824	\$883	\$1,060	\$1,224	\$1,366	\$1,507

Notes:

1: Only projects in Rural Areas are able to use the Non-Metro Medians, otherwise use applicable 4% limits. Projects with previous "Rural" designations that are no longer considered to be located in rural areas (by the USDA) are permitted to use the previous year's National Non-Metro income limits should they be higher than the current year's income limits. The National Non-Metro income limits are online here:
<http://www.oregon.gov/ohcs/pages/research-income-rent-limits.aspx>

2: Exist - defined by OHCS as the project's placed-in-service (PIS) date. Projects consisting of multiple buildings, where each building is being treated as part of a multiple building project (see line 8b on IRS Form 8609), will be considered as being "in existence" provided at least one building was PIS during the affected year.

3: Actual Median Income Limit indicated here is based on income limits though it is not necessarily the HUD Area Median Income

The rent limits listed above are based on the Multifamily Tax Subsidy Program (MTSP) income limits published by HUD on April 1, 2018. Per Revenue Ruling 94-57, owners will have until May 15, 2018 to implement these new MTSP rent limits (45 days from their effective date). If the gross rent floors (established at credit allocation or the project's PIS date; refer to Revenue Procedure 94-57) are higher than the current rent limits, the gross rent floors may be used. However, income limits are still based on the current applicable rate. Utility allowances must continue to be deducted from rents to achieve the maximum tenant rents allowed. Please note that all definitions and explanations herein may be subject to change upon later IRS and/or HUD clarification.

Local Innovation and Fast Track (LIFT) Rental

Administered by OHCS Multifamily Housing Section

<p>Program Overview</p>	<p>The Local Innovation and Fast Track (LIFT) Rental Housing Program's objective is to build new affordable housing for low income households, in particular, families.</p> <p>OHCS worked with the Housing Stability Council and program stakeholders to develop a plan to efficiently use the newly committed funds and maximize the impact it will have in communities across the state. Key to the LIFT Rental program design was identifying an effective way to use the Article XI-Q bond funding for housing development; these funds require the state to own or operate any real property development that utilizes this resource which has not yet been utilized in housing development investments made by the state</p> <p>The primary goals of the LIFT Rental program are to create a large number of new affordable housing units to serve low income Oregonian families and to serve historically underserved communities, such as rural communities and communities of color.</p> <p>Additional goals of the LIFT Rental program are to provide affordable housing units to serve families in service as quickly as possible. Serve families through rental housing earning at or below 60% County Area Median Income (AMI) and families in homeownership earning at or below 80% County Area Median Income (AMI as defined in ORS); focusing on service connections including but not limited to those from the Oregon Department of Human Services (DHS) child welfare or family self-sufficiency programs, Community Action Agencies, Coordinated Care Organizations, and Homeownership Centers. Also, identify building strategies that require lower state subsidy or results in a lower cost of affordable housing development.</p> <p>Visit webpage for full program details at: https://www.oregon.gov/ohcs/Pages/lift-housing-development-program.aspx</p>
<p>Background</p>	<p>In 2015, the Oregon Legislature authorized and committed general obligation Article XI-Q bonds to fund low income housing projects through OHCS in the form of the LIFT Rental program. Using this new funding source will allow Oregon Housing and Community Services (OHCS) and its partners to add to the supply of affordable housing, in particular, for historically underserved communities. In 2017, the Oregon Legislature committed additional general obligation Article XI-Q bonds to fund LIFT.</p> <p>Article XI-Q Authorizes the State to incur indebtedness to provide funds to acquire, construct, remodel, repair, equip or furnish real or personal property that is or will be owned and/or operated by the State of Oregon.</p>

Eligibility/Project Requirements	<ul style="list-style-type: none"> • LIFT Rental funds are eligible for any net increase to housing; this can be through new construction of homeownership or rental housing units or the repurposing of existing non-housing structures to be homeownership or rental housing units. • When used without 4% LIHTC, a minimum affordability period of 20 years from the time the project is placed in service, or the length of time the Article XI-Q Bonds are outstanding, will be required. When used with 4% LIHTC, a minimum affordability period of 30 years from the time the project is placed in service, will be required. • In LIFT Rental Rental housing: 100% of the new units funded with LIFT Rental resources must be available for households earning at or below 60% AMI at the time of initial lease. Tenants may stay in their unit regardless of future income. • Minimum Construction Standards: <ol style="list-style-type: none"> 1. Methods: Both traditional and alternative methods of construction are allowable; construction which is innovative or contains costs is encouraged. 2. Quality: Construction that balances initial cost of building with on-going cost of operation for both the building owner and the tenants (energy standards); ensuring that additional costs are not passed on to tenants. 3. Durability: 30 year building standards. 4. Other Requirements: If other public capital or operating subsidy is used from any source, relevant requirements of those sources will be assumed to apply. • Sponsors need to demonstrate that the development team has relevant experience with the development and operation of affordable housing. • LIFT Rental Developer Fee is capped at a rate 2 percentage points less than allowed through federal tax credit projects as defined in the most recent OHCS Qualified Allocation Plan. • Because the LIFT Rental program is to be funded with Article XI-Q bonds, OHCS is required to assume either an ownership or operational role with the properties that receive LIFT Rental funding. • OHCS retains certain rights including but not limited to the hiring and firing of the property management firm, setting of rents, initial lease up, and use of reserves. <p>The State of Oregon, by and through Oregon Housing and Community Services (OHCS), will loan the LIFT Rental funds to the project in a first position wherein that first position could be shared with another primary lender and a repayment waterfall would be recorded along with the loan documents that establishes that the other primary lender receives any and all payment in advance of the state.</p>
Fund Availability	<p>Applications for LIFT Rental program funding are accepted as part of the department's Notice of Funding Availability (NOFA) application process. The NOFA awards funds that are subject to the solicited funding cap and has specific timelines for applications. Please contact OHCS for more information regarding the Department's NOFA process.</p>
Learn More / Resources	<p>To learn more about this program, please visit our webpage at: https://www.oregon.gov/ohcs/Pages/lift-housing-development-program.aspx</p>
Contact information	<p>For more information, contact Heather Pate at (503) 986-6757.</p>

**CITY OF NEWPORT
NOTICE OF A PUBLIC HEARING**

The Newport Planning Commission will hold a public hearing on Monday, April 8, 2019, at 7:00 p.m. in the City Hall Council Chambers to consider File 1-MISC-19, a request submitted by Commonwealth Development Corporation, PO Box 1658, Fond du Lac, WI 54936, for a Multiple Unit Housing Property Tax Exemption (MUPTE) for the development of the Surf View Village 110 unit apartment complex. The subject property is located at 6138, 6020 & 6010 N Coast Highway (Tax Map 10-11-20-00, Tax Lots 1401 & 1402, and Tax Map 10-11-29-BA, Tax Lot 400). The Planning Commission will take public testimony before making a recommendation to the City Council. A public hearing before the City Council will be held at a later date, and notice of the City Council hearing will also be provided. Pursuant to Newport Municipal Code (NMC) Section 3.25.030, the Planning Commission shall consider the following factors when making a recommendation to the City Council:

A) Financial need for the exemption: 1. The project could not financially be built "but for" the tax exemption. The burden is on the applicant to demonstrate that absent of the exemption the project would not be financially viable. The project pro-forma must show that the property tax exemption is necessary for the project to be proceed. 2. The project pro-forma must include: i. Ten-year pro-forma with MUPTE. ii. Ten-year pro-forma without MUPTE. iii. Analysis of the projected ten-year cash-on-cash rates of return on investment for the proposed project. iv. List of assumptions made to create the pro-formas, including a description of how property taxes were estimated for the without MUPTE pro-forma and the affordable housing fee or rent levels. v. Development budget. vi. Sources and uses of financing, including a description and the monetary value of any other public assistance, which the property is receiving or which the applicant plans to seek. B) Project eligibility: 1. Projects must be located within the taxing jurisdiction of the City of Newport and: i. Within ¼ mile of fixed route transit service. ii. Within an R-3 Zone or an R-4 Zone or a C-1 or C-3 Zone south of NE 4th St. iii. Entirely outside of known hazard areas. 2. The project will be housing which is completed on or before the date specified in ORS 307.637. C) The applicant must propose and agree to include in the proposed project one or more elements benefitting the general public, as detailed in NMC 3.25.040. Testimony and evidence must be directed toward the request above or other criteria, including criteria within the Comprehensive Plan and its implementing ordinances, which the person believes to apply to the decision. Failure to raise an issue with sufficient specificity to afford the city and the parties an opportunity to respond to that issue precludes an appeal, including to the Land Use Board of Appeals, based on that issue. Testimony may be submitted in written or oral form. Oral testimony and written testimony will be taken during the course of the public hearing. The hearing may include a report by staff, testimony from the applicant and proponents, testimony from opponents, rebuttal by the applicant, and questions and deliberation by the Planning Commission. Written testimony sent to the Community Development (Planning) Department, City Hall, 169 SW Coast Hwy, Newport, OR 97365, must be received by 5:00 p.m. the day of the hearing to be included as part of the hearing or must be personally presented during testimony at the public hearing. Pursuant to ORS 197.763 (6), any person prior to the conclusion of the initial public hearing may request a continuance of the public hearing or that the record be left open for at least seven days to present additional evidence, arguments, or testimony regarding the application. The staff report may be reviewed or a copy purchased at the Newport Community Development (Planning) Department (address above) seven days prior to the hearing. The file materials and the applicable criteria are available for inspection at no cost or copies may be purchased for reasonable cost at this address. Contact Derrick Tokos, Community Development Director (541) 574-0626; or email address d.tokos@newportoregon.gov (mailing address above).

(For publication once on Friday March 29, 2019)

was a natural collaboration and wonderful way to focus on sustainability and empower visitors to enjoy and protect our marine ecosystem," Collson said.

Arkoosh met Papish in a beginning ceramics class five years ago and reached out to him when developing the grant proposal for the project, which received \$12,000 from the National Oceanic and Atmospheric Administration's Preserve America Initiative. The initiative awards 10 small grants annually to projects highlight-

also created a wall display of 63 coaster-sized tiles depicting a chum salmon, an olive ridley turtle, a fin whale and other species laid over a NOAA nautical chart.

Rick Brown, a Newport-based program manager for NOAA, said the project is a great example of how a relatively small investment can make it possible to reach a lot of people.

"This gives us one more way of communicating science through art," Brown said. "Some people might not want to read anything, but if

from Oregon City was looking at the ceramics as his grandkids explored the visitor center. "It's a different way of showing stuff we need to hear about," Mack said. "It's three-dimensional, so (the exhibit) catches your eye. It's more than words on paper."

In addition to Oregon Sea Grant, other collaborators on the project included Oregon State University, NOAA's Northwest Fisheries Science Center, the headquarters for NOAA's Pacific fleet, and the U.S. Fish and Wildlife Service in Newport.

for the first time." To capture that musical interplay, Robb turned to Dennis Carter, veteran sound engineer and owner of Falcon Recording Studios. Carter is a mainstay in the Pacific Northwest recording scene, and Robb's longtime

studio they l less re among its, The Orego induct and C the ill

AUTHOR

Continued from page 1

this other family, close family that I have and never will meet or know. I have never been able to remove that from the forefront of my mind."

While exploring the lives of the characters shown in his quartet, Harper hopes to show the realities of America's history and add to the now growing number of diverse voices that are retelling that history with a wider

scope rather traditi and vc tives o at the forma "It s willing into tl ca," sa hope t in this will w assist count have b He what found

OTHELLO

Continued from page 1

The steampunk styling is being led by costume designer Ruth Wesson and complemented by Ram Papish.

Maislen's set design of underground New York is being realized by Ernest Brown.

New Visions Arts brings this timeless tragedy to the Silverman Stage of the Newport Performing Arts Center Fri-

days through Sundays, April 5 through April 21. Tickets are \$25/\$15 for students and can be purchased at the PAC box office, by phone at 541-265-2787 or online at coastarts.org or newvisionsarts.com.

PUBLIC NOTICES

LEGAL DEADLINES:

WEDNESDAY EDITION:
5:00pm
Thursday Prior

FRIDAY EDITION:
5:00PM
Tuesday Prior

M29 A05 (63-05)

PUBLIC AUCTION

Pursuant to ORS Chapter 819: Notice is hereby given that the following vehicle will be sold, for cash to the highest bidder, on 4/8/2019. The sale will be held at 10:00AM by CAR CARE TOW PRO INC., 2795 SE 23rd DR., LINCOLN CITY, OR. 2018 CHEV SILVERADO P/U VIN=3GCUKRE3JG286821. Amount due on lien \$9,072.00. Reputed owner(s) JORGE LOPEZ; RIVERMARK COMMUNITY CU M29 A05 (64-05)

LEGAL NOTICE

IN THE CIRCUIT COURT OF THE STATE OF OREGON FOR THE COUNTY OF LINCOLN (Probate Department) Case No. 19PB01533. NOTICE TO INTERESTED PERSONS; In the Matter of the Intestate Estate of George Winfield Henderson, Deceased. NOTICE IS HEREBY GIVEN that the undersigned has been appointed Personal Representative. All persons having claims against the Estate are required to present them, with vouchers attached, to the undersigned Personal Representative at P.O. Box 309, Toledo, OR 97391, within four months after the date of first publication of this Notice, or the claims may be barred. All persons whose rights may be affected by the proceedings may obtain additional information from the records of the Court, the Personal Representative, or the Attorney for the

Personal Representative. PERSONAL REPRESENTATIVE: Cathy Jo Farey 442 Ronsheimer Rd.; Penn Grove, CA 94951. PHONE: 707-779-2084 EMAIL: cfarey@sonic.net PREPARED AND SUBMITTED BY: Paul B. Osterlund, OSB#610632; Attorney for Personal Representative PO Box 309; 217 South Main Street Toledo, OR 97391-0309 PH: (541)336-2257 FX:(541) 336-2556 E-mail: paul@osterlundlaw.com. DATED AND FIRST PUBLISHED:03/29/2018, 2019; /s/ Cathy Jo Farey Personal Representative. M29; A05; A12 (66-12)

NOTICE OF BUDGET COMMITTEE MEETING

A public meeting of the Budget Committee of the Seal Rock Water District, Lincoln County, State of Oregon, to discuss the budget for the fiscal year July 1, 2019 to June 30, 2020 will be held at 1037 NW Grebe Street, Seal Rock, OR 97376. The meeting will take place on the 18th of April 2019 at 6:00 P.M. The purpose of the meeting is to receive the budget message and to receive comment from the public on the budget. This is a public meeting where deliberation of the Budget Committee will take place. Any person may appear at the meeting and discuss the proposed programs with the Budget Committee. A copy of the budget document may be inspected or obtained on or after April 15, 2019 at 1037 NW Grebe St., between the hours of 8:00 A.M. to 4:00 P.M. M29 A12 (67-12)

CITY OF NEWPORT NOTICE OF A PUBLIC HEARING

The Newport Planning Commission will hold a public hearing on Monday, April 8, 2019, at 7:00 p.m. in the City Hall Council Chambers to consider File 1-MISC-19, a request submitted by Commonwealth Development Corporation, PO Box 1658, Fond du Lac, WI 54936, for a Multiple Unit Housing Property Tax Exemption (MUPT) for the development of the Surf View Village 110 unit apartment complex. The subject property is located at 6138, 6020 & 6010 N Coast Highway (Tax Map 10-11-20-00, Tax Lots 1401 & 1402, and Tax Map 10-11-29-BA, Tax Lot 400). The Planning Commission will take public testimony before making a recommendation to the City Council. A public hearing before the City Council will be held at a later date, and notice of the City Council hearing will also be provided. Pursuant to Newport Municipal Code (NMC) Section 3.25.030, the Planning Commission shall consider the following factors when making a recommendation to the City Council: A) Financial need for the exemption: 1. The project could not financially be built "but for" the tax exemption. The burden is on the applicant to demonstrate that absent of the exemp-

tion the project would not be financially viable. The project pro-forma must show that the property tax exemption is necessary for the project to be proceed. 2. The project pro-forma must include: i. Ten-year pro-forma with MUPT. ii. Ten-year pro-forma without MUPT. iii. Analysis of the projected ten-year cash-on-cash rates of return on investment for the proposed project. iv. List of assumptions made to create the pro-formas, including a description of how property taxes were estimated for the without MUPT pro-forma and the affordable housing fee or rent levels. v. Development budget. vi. Sources and uses of financing, including a description and the monetary value of any other public assistance, which the property is receiving or which the applicant plans to seek. B) Project eligibility: 1. Projects must be located within the taxing jurisdiction of the City of Newport and: i. Within ¼ mile of fixed route transit service. ii. Within an R-3 Zone or an R-4 Zone or a C-1 or C-3 Zone south of NE 4th St. iii. Entirely outside of known hazard areas. 2. The project will be housing which is completed on or before the date specified in ORS 307.637. C) The applicant must propose and agree to include in the proposed project one

or more elements benefiting the general public, as detailed in NMC 3.25.040. Testimony and evidence must be directed toward the request above or other criteria, including criteria within the Comprehensive Plan and its implementing ordinances, which the person believes to apply to the decision. Failure to raise an issue with sufficient specificity to afford the city and the parties an opportunity to respond to that issue precludes an appeal, including to the Land Use Board of Appeals, based on that issue. Testimony may be submitted in written or oral form. Oral testimony and written testimony will be taken during the course of the public hearing. The hearing may include a report by staff, testimony from the applicant and proponents, testimony from opponents, rebuttal by the applicant, and questions and deliberation by the Planning Commission. Written testimony sent to the Community Development (Planning) Department, City Hall, 169 SW Coast Hwy, Newport, OR 97365, must be received by 5:00 p.m. the day of the hearing to be included as part of the hearing or must be personally presented during testimony at the public hearing. Pursuant to ORS 197.763 (6), any person prior to the conclusion of the initial public hearing

may request a continuance of the public hearing or that the record be left open for at least seven days to present additional evidence, arguments, or testimony regarding the application. The staff report may be reviewed or a copy purchased at the Newport Community Development (Planning) Department (address above) seven days prior to the hearing. The file materials and the applicable criteria are available for inspection at no cost or copies may be purchased for reasonable cost at this address. Contact Derrick Tokos, Community Development Director (541) 574-0626; or email address d.tokos@newportoregon.gov (mailing address above). M29 (59-29)

FORECLOSURE SALE

Foreclosure sale at South Beach Mini Storage, 4844 S Coast Hwy South Beach, OR 97366. Starting at 4:00PM on 4-12-2019 for unit's #C-2 rented by Tracy Price, #A-25 rented by A.C. Walton/Darcy Walton, and #B-9 rented by Jonah McCabe. M29 A05 (62-05)

FORECLOSURE SALE

Foreclosure sale at The Storage Place, 4822 S Coast Hwy South Beach, OR 97366. Starting at 4:00PM on 4-12-2019 for unit #55 rented by Harry Starr.

3/29/19

