

UHT HOUSING PROGRAM & PHASE 2 OPTIONS

At the UHT CPC Design Day in February, the Committee **PROVIDED DIRECTION—see next page**—to the development team on the housing program, affordability, and phasing strategy.

The UHT CPC expressed desire for a mixed-income residential community in the project, offering a mix of ownership and rental units, and attempting to achieve multiple affordability levels:

- 1/3—Northside Attainable (< 50% AMI)
- 1/3—Workforce Affordable (60% AMI)
- 1/3—Market Rate (> 70% AMI)

How the phasing occurs depends on the following:

- Availability of affordable housing financing resources (Low-Income Housing Tax Credits (LIHTC), Affordable Housing Trust Funds, City subsidy, etc.)
 - *Example: It is virtually impossible for one developer to receive LIHTC funding and other required subsidies for 3 affordable housing projects at one-time. Therefore, if the UHT CPC desires “Senior Affordable” in Phase 1, it requires moving parcel 1B “Family Affordable” or parcel 6A “Workforce Affordable” into a later phase—which we do not recommend.*
- Market Rate Projects—Feasibility depends on local market conditions and comparable rents achieved nearby. The current market conditions for apartments in general, plus the rents currently being achieved in North would making financing a “Market Rate” rental project difficult in Phase 1. Additionally, the UHT CPC expressed concern that Market Rate in Phase 1 would accelerate gentrification. Therefore, **in order to deliver housing that meets the needs of current residents, at an affordability point that reduces the impacts of gentrification, we recommend that any Market Rate projects be considered in Phase 2.**

The introduction of Market Rate after the Attainable/Affordable housing is delivered achieves the UHT CPC’s desire for a mixed-income community. Market Rate in Phase 2 brings higher incomes to the project to support the ground floor retail and services and limits the impacts of gentrification by keeping the early phase housing attainable and affordable to residents who need it most.

The development team believes the Phase 1 housing should be focused on the new park in order to increase activity and “keep eyes on the green space.” This increases safety for the residents, and sense of ownership over the park improvements, and is achieved by developing parcel 1B and 6A in Phase 1.

Additionally, riverfront and park adjacent housing are generally the most desirable living locations—typically pricing-out lower and middle-income residents. Therefore, the development team believes it is imperative to deliver the Phase 1 housing at an affordable price point, to ensure the first residents of the new Upper Harbor community receive the benefits of living affordably in the most desirable locations within the project.

The following slides provide:

- **More context for the Phase 2 recommendation points/options for parcel 1B: Senior and parcel 7A: Higher density**
- **Detail/breakdown of the affordability strategy for Phase 1 and Phase 2 (for both Senior rental and Senior ownership options.)**

UHT HOUSING PROGRAM & PHASE 2 OPTIONS

CPC RECOMMENDATION POINTS FOR COORDINATED PLAN	STATUS (September 2020)	Reference Materials
RESIDENTIAL UNITS		
<p>1. Does the Development's team strategy of creating an intentional Mixed Income community open to a wide variety of demographics satisfy the vision for the project?</p>	<p>DIRECTION PROVIDED</p> <p>During the design day, the CPC recommended modifications to the proposed mixed-income affordability strategy housing which included:</p> <ul style="list-style-type: none"> • Structure affordability levels in the first phase of the development to be attainable for current Northside Residents, with at least 65% of the units affordable to those with household incomes at or below 50% of the Area Median Income • Provide senior housing, either in the form of affordable senior rental or cooperative housing • Provide home ownership opportunities that are affordable to current Northside residents in every development <p>Affordability strategy for Phase II parcels would be determined following review of impacts of Phase I.</p>	<p>7/22/20 CPC</p>
<p>2. What is the right timing and phasing for the housing developments?</p>	<p>DIRECTION PROVIDED</p> <p>Phase 1 includes parcels 1B and 6A. The development team is seeking to obtain funding for both projects simultaneously in order to address the housing crisis as quickly as possible. Phase 2 will include parcel 1A and 7.</p>	<p>7/22/20 CPC</p>

PHASE 1 HOUSING PARCELS

1B: Mixed-Income Affordable

- 75 Apartments
- 1, 2 & 3 BR
- 15 Townhomes (ownership)

6A: Mixed-Income Affordable

- 160 Apartments
- 1, 2, 3 BR
- 17 Townhomes (ownership)

PHASE 2 HOUSING PARCELS

7A

PROGRAM OPTIONS

High Density Rental
(150 apartments + 15 live/work units)

Medium Density Rental
(80 apartments + 15 live/work units)

Senior Cooperative
(78 cooperative units)

Senior Rental
(72 apartments + 6 townhomes)

AFFORDABILITY STRATEGY

Market Rate

Market Rate

Affordable

Market Rate

Affordable

Mixed Income

Green: Feasible In Phase 1

Yellow: Feasible in Future Phase – Assuming Improved Market Conditions and/or Availability of Subsidy Resources

Red: Not Feasible

Not currently viable. Current market rates do not support cost of construction without subsidy. Could be considered in Phase 2 depending on market analysis. **Generates highest ground lease payments and TIF \$.**

Not currently viable. Current market rates do not support cost of construction without subsidy. Could be considered in Phase 2 depending on market analysis. **Generates moderate ground lease payments and TIF \$.**

Medium density affordable is feasible but would require LIHTC financing and housing subsidies that would not be available for 4+ years given initial Phase 1 investment. Possible for Phase 2. **Generates lower ground lease payments.**

Could shift to Phase 1 if interest in pursuing market rate coop for seniors. Could explore grants to deliver 10% affordable for incomes below 80% AMI. **Generates higher ground lease payments and TIF \$.**

Medium density affordable is feasible but would require LIHTC financing and housing subsidies that would not be available for 4+ years given initial Phase 1 investment. Possible for Phase 2. **Generates lower ground lease payments.**

Not currently financially viable. The maximum ratio of market rate to affordable is 90:10, and even at that ratio, requires subsidy to support cost of new construction.

HOUSING PROGRAM OPTIONS: OWNERSHIP VS. RENTAL UNITS

Option 1: More Ownership, More Market Rate in Phase 2

Phase 1:

1A: Family Affordable Rental

75 Rental Units + 15 Townhomes

6A: Workforce Affordable Rental

140 Rental Units + 17 Townhomes

Phase 2:

1B: Senior Cooperative (Market Rate)

78 Coop Units

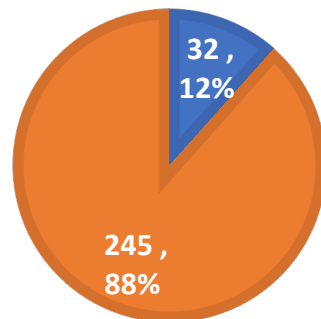
7A: Market Rate Rental (Higher Density)

150 Rental Units + 15 Live-Work Units

**This scenario achieves a higher amount of ownership*

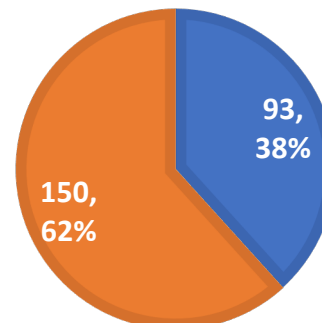
PHASE 1

■ Ownership (Townhomes) ■ Rental Units



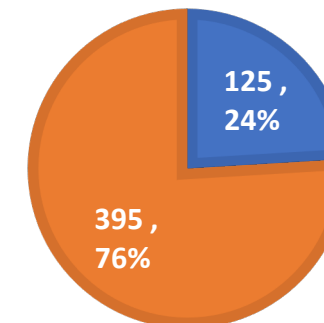
PHASE 2

■ Ownership (Townhomes + Senior + Live-Work) ■ Rental Units



TOTAL

■ Ownership (Townhomes + Senior + Live-Work) ■ Rental Units



Option 2: More Rental, More Affordable in Phase 2

Phase 1:

1A: Family Affordable Rental

75 Rental Units + 15 Townhomes

6A: Workforce Affordable Rental

140 Rental Units + 17 Townhomes

Phase 2:

1B: Senior Affordable Rental

72 Rental Units + 6 Townhomes

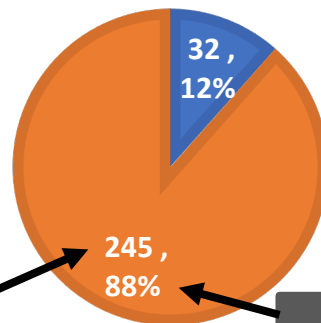
7A: Market Rate Rental (Higher Density)

150 Rental Units + 15 Live-Work Units

**This scenario achieves a higher amount of rental*

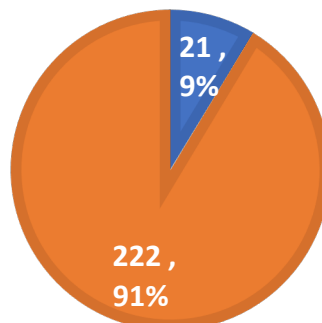
PHASE 1

■ Ownership (Townhomes) ■ Rental Units



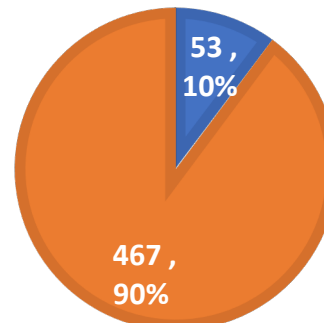
PHASE 2

■ Ownership (Townhomes + Senior + Live-Work) ■ Rental Units



TOTAL

■ Ownership (Townhomes + Senior + Live-Work) ■ Rental Units



HOUSING PROGRAM OPTIONS: AFFORDABILITY STRATEGY FOR RENTAL HOUSING

More Ownership, More Market Rate in Phase 2

Phase 1:

1A: Family Affordable Rental

75 Rental Units + 15 Townhomes

6A: Workforce Affordable Rental

140 Rental Units + 17 Townhomes

Phase 2:

1B: Senior Cooperative (Market Rate)

78 Coop Units

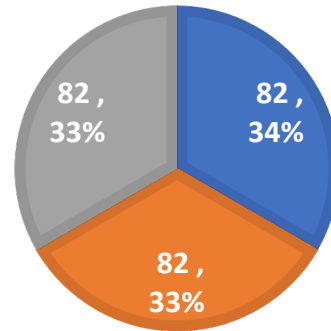
7A: Market Rate Rental (Higher Density)

150 Rental Units + 15 Live-Work Units

**This scenario achieves a higher amount of ownership and mix of incomes (41% OF UNITS AFFORDABLE BELOW 50% AMI, 24% OF UNITS AFFORDABLE AT 60% AMI, AND 35% OF UNITS AT MARKET RATE)*

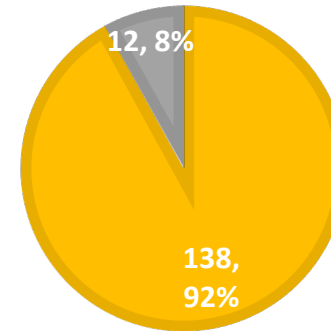
PHASE 1

- 1B/6A: 30% AMI
- 1B/6A: 50% AMI
- 1B/6A: 60% AMI



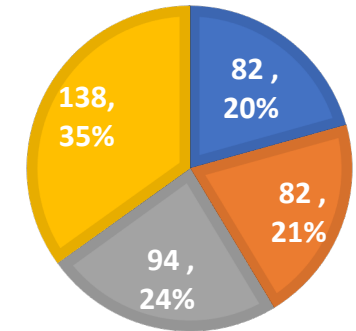
PHASE 2

- 7A: Market Rate
- 7A: Affordable



TOTAL

- 30% AMI
- 50% AMI
- 60% AMI
- Market Rate



More Rental, More Affordable in Phase 2

Phase 1:

1A: Family Affordable Rental

75 Rental Units + 15 Townhomes

6A: Workforce Affordable Rental

140 Rental Units + 17 Townhomes

Phase 2:

1B: Senior Affordable Rental

72 Rental Units + 6 Townhomes

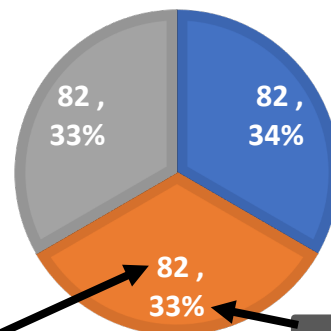
7A: Market Rate Rental (Higher Density)

150 Rental Units + 15 Live-Work Units

**This scenario achieves a higher amount of rental and more affordability (70% OF UNITS AFFORDABLE FOR THOSE MAKING 60% OF AMI OR LOWER)*

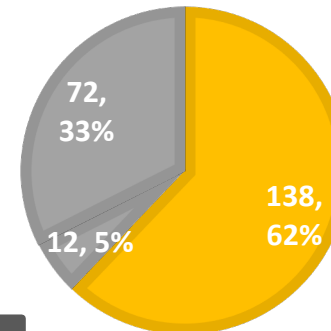
PHASE 1

- 1B/6A: 30% AMI
- 1B/6A: 50% AMI
- 1B/6A: 60% AMI



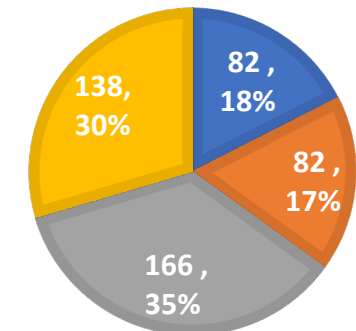
PHASE 2

- 7A: Market Rate
- 7A: Affordable
- 1A: Senior Affordable



TOTAL

- 30% AMI
- 50% AMI
- 60% AMI
- Market Rate



of Units % of Total Units