



5020 Condominium Project Update – November 1, 2018

Since Proud Ground's last presentation to the North Northeast Housing Strategy Oversight Committee in Spring 2018, the team has continued to work in partnership with Habitat for Humanity Portland/Metro East and its experienced and diverse development team, to complete schematic design of the now, 64 unit, six-story condo building at the corner of NE Alberta and N. Interstate. Through August, Proud Ground raised over \$227,000 in grants to keep the project work moving forward.

Last month, the team added a sixth floor (using available allowed floor area ratio) adding more market rate units to provide cross-subsidization for the affordable units due to the increased project costs. The key contributors to the increased costs were the continuing escalation of construction costs, new ground floor activation, including commercial space and zoning requirements imposed by the City of Portland during the July Pre-App Conference. Throughout the pre-development process, Proud Ground has maintained its commitment to providing a mix of forty, 2 and 3 bedroom units with affordability levels ranging from 35% to 100% AMI for Preference Policy families. With this project, Proud Ground will provide families viable, affordable units to reestablish their roots in N/NE Portland through homeownership. By absorbing costs through cross-subsidization, Proud Ground has kept this project moving forward.

In September, Proud Ground was awarded a LIFT grant from the State of Oregon for \$1.625 million - the largest project award statewide and the only project in the City of Portland in the first homeownership funding round that targets people of color for ownership. With the receipt of the LIFT award, and the addition of the sixth floor, Proud Ground has been able to achieve a balanced pro forma which anticipates a Transit Oriented Development (TOD) Grant award from Metro and some other pending grants. Currently, Proud Ground is finalizing an approved pre-development loan for up to \$1 million of the \$5 million reservation of funds committed by the Portland Housing Bureau, to support the remaining pre-development work for the project.

Proud Ground continues to work with the Portland Housing Bureau, in collaborative with the Portland Housing Center, and its AAAH Collaborative Partners to identify and educate potential Preference Policy clients about the development. Proud Ground has scheduled a meeting with the Overlook Neighborhood Board on November 6th, and will commence information meetings with a broad list of other community leaders and service providers upon completion of the negotiations on the pre-development loan.

The team is excited about the progress it has made. The schedule benchmarks for completion of several critical stages of the project have been modified due to the addition of the 6th floor to the building. Construction is now scheduled to start in November 2019, and be completed in Feb 2021.

This project will be the first of its kind - an affordable multi-family, mixed-income, transit-oriented, and energy efficient building designed to welcome Preference Policy families back into the heart of the neighborhood. Proud Ground hopes that the 5020 Condos project will be a beacon of stability and resilience for the resident families, and will serve as an example of what can be done to create permanently affordable home ownership opportunities for families of color with lower incomes in N/NE Portland. Thank you for your continued support and interest in the project.

Please direct questions to Jeana Woolley, Owner's Rep Consultant for Proud Ground.

