

Portland Development Commission

Commonly Used Terms and Acronyms

Acq: Acquisition

Acquisition: the cost of purchasing the land or land and buildings to be developed.

Acquisition/Rehab: A project where the purchase of land and buildings and construction rehabilitation of the property are both included in the loan request. **Affordable Housing:** housing affordable to persons or families whose income is at or below 60 percent of MFI. (Housing affordability is imputed at thirty percent or less of gross income at 60 percent MFI).

Affordability / Affordable: describes the relationship between household income, housing costs and established standard of affordability. The PDC's standard for "Affordable" means the following:

1. For rental housing: the PDC utilizes the HUD affordability standard, which states that the rent plus expenses associated with occupancy, such as tenant paid utilities or fees, does not exceed 30% of the gross household income, based on unit size, at the level of the rent restriction. (Please see the appendix of this document for current HUD rent standards by percentage of Median Family Income.)
2. For homeownership units: the purchase price, for which the sum of debt service and housing expenses (including an allowance for utilities and other required ownership fees), when compared to the annual gross income for a family, adjusted for family size, does not preclude conventional mortgage financing.

"After" Value: the property's market value based on the probable condition of the property after completion of the proposed rehabilitation or construction as determined by a certified fee appraiser or a PDC staff.

Agr: Agricultural

Allowed Expenses: the sum of the following: (A) Operating Expenses, (B) all deposits to cash reserves established and funded for payment of anticipated or contingent partnership expenses that must be paid pursuant to a loan agreement to which the Project Sponsor is a party, plus (C) payments pursuant to the Preferred Developer Promissory Notes for deferred developer fees, to the extent the total capitalized fee and deferred fee do not exceed the PDC's Maximum Allowable Developer Fee, less equity requirements not funded through other contributions.

AMI: Area Median Income

APNBA: Alliance of Portland Neighborhood Assoc.

"As Is" Value: the property's current market value as determined by a certified fee appraiser or the most recent assessed value by the County Assessor as verified or modified by PDC staff.

Asst: Assistance

AW: Airport Way

Beav: Beaverton

BES: Brown Field Regulations, Bureau of Environmental Services

BHCD: Bureau of Housing and Community Development, City of Portland

BID: Business Improvement District

BIT: Bureau of Information Technology, City of Portland

Bldg: Building

BOP: Bureau of Planning, City of Portland

Bridge Loan: loan funds available to fund project costs on an interim basis, until other debt and/or equity sources are available for the project. This is sometimes considered part of the construction loan, but most specifically refers to a period after completion of construction until permanent or take out financing is available.

BTPW: Bureau of Transportation, Parks and Water, City of Portland

Bus: Business

c/w: Citywide

Cash Flow Payment: a payment required by the PDC from Project Sponsors of projects receiving direct financial assistance financing including Housing Development Subordinate Loans and Equity Gap Contributions. This payment is in addition or in lieu of regular loan payments required by the PDC. For information on how PDC determines the required amount of Cash Flow Payments see Section 3.2.A and 3.2.B.

CDBG: Community Development Block Grant, Federal

CDC: Community Development Corporation

CDN: Community Development Network

CES: Central Eastside

Comm.: Community

Commitment (PDC Commitment): a statement in writing representing the PDC's legal commitment to a Project Sponsor that it will loan or contribute a certain amount of funds at a particular rate of interest, contingent upon specific conditions being met by a Project Sponsor.

Construction Loan: a short-term loan usually made to finance the actual construction or renovation of improvements on land. The funds are disbursed as needed or in accordance with a prearranged plan and the money is repaid on completion of a project usually from the proceeds of a permanent loan.

Commitment (PDC Commitment): a statement in writing representing PDC's legal commitment to a borrower that it will loan a certain amount of funds at a particular rate of interest, contingent upon specific conditions being met by a borrower.

Cult'l: Cultural

DA: Development Agreement

DCR: [Debt Coverage Ratio](#)

DDA: Disposition and Development Agreement

Debt Coverage Ratio (DCR): the ratio equal to net operating income divided by regularly scheduled (amortized) loan payments.

Deed Restrictions: legal document recorded against the completed property or project. (See also 'long-term affordability period').

DEQ: Department of Environmental Equality

Designated Affordable Units: units that must be affordable to, and occupied by, households earning at or below an agreed upon income level, as determined by the PDC and the Project Sponsor. The number, type and targeted household incomes of the Designated Affordable Units are recorded in the PDC loan documents as conditions of the loan or other financing agreements. Generally, the PDC requires the following:

1. For rental properties, the PDC restricts the maximum allowable rents that may be charged and tenants to whom units may be rented for an agreed upon length of time.
2. For For-Sale properties, the PDC restricts the maximum allowable sales price and requires that the units be sold to households that meet the targeted income criteria.

Designated Distressed Areas: a residential area of the city that the Planning Commission designates for special assistance programs (e.g. limited property tax exemption) by virtue of the deterioration or the housing stock.

Dev: Development

Developer: is the central member of the development team who is responsible for coordinating all aspects of the transaction. The developer may assume other roles such as general contractor, property manager, and general partner of the partnership that owns the property. Both for-profit and not-for-profit organizations are developers of affordable housing; sometimes they form joint ventures.

Developer Fees: developer fees include developer overhead, profit, and fees for services normally performed by the developer such as development consultant fees, and project management.

Development Budget: a development budget includes preliminary construction line item costs, site acquisition costs, off-site costs (if applicable), soft costs, and other detailed cost information pertinent to the project.

Development Consultant: an individual or group of individuals hired by developer(s) who generally is responsible for budget preparation, application preparation, compliance with funding requirements, and other technical details of the project. Development consultant fees are considered a part of developer fees.

Development Team: group of individuals or firms who carry out a development project, usually including the developer, the architect and engineer, the contractor, legal counsel, accountant and the development (technical) consultant.

Dist: District

DOS: Development Opportunity Services

DT: Downtown

Dwelling Unit: A building, or a portion of a building, that has independent living facilities including provisions for sleeping, cooking and sanitation, and that is designed for residential occupancy.

EAH: Employee Assisted Housing

ED: Economic Development

EDA: Economic Development Administrator

EDI: Economic Development Initiative

Eligible Non-Profit Organization: organizations must be one of the following:

1. A 501(c)(3), 501(c)(4), or 501(c)(6) corporation,
2. A certified Housing Authority, or
3. A Limited Partnership or Limited Liability Corporation which includes one or more organizations which qualify under definition 1 above, and meet both of the following:
 - A. the 501 (c)(3) or (c)(4) organization or a certified Housing Authority has regular, continuous and substantial activity in the development and operation of the portion of the project seeking financing available only to non-profit organizations, and
 - B. the public investment can be demonstrated to further one or more of the objectives of the tax exempt non-profit entity.

Emp: Employee

EPA: Environmental Protection Agency

Equity: the "after value," or if not documented, the "as is" value of the property less all indebtedness secured by the property.

ESA: Endangered Species Act

ESC: Executive Steering Committee

Excess Cash Flow: the amount, if any, by which Net Cash Flow exceeds 115% of Permitted Loan Payments or \$600 per unit, whichever is greater.

Extremely Low Income Households: means household income at or below 30% MFI.

Fac: Facility

Family: for the purposes of this RFP, a family will be considered as one or more persons, whether or not related, living together in a dwelling unit.

Family Housing: housing unit(s) two bedrooms or larger.

FAP: Financial Assistance Program

FAR: Floor Area Ratio

Fin: Finance/Financial

First-Time Homebuyer: an individual who has not held ownership interest in real property in the three years prior to application for PDC funds.

Floor Area Ratio (FAR): A measure of development intensity. FAR is the ratio of the amount of floor area of a building to the amount of area of its site.

Funded Affordable Unit: A unit, which serves households and has its rents set at a level which make it available to tenants with less than 80% of MFI, and require PDC gap funding to make the unit economically feasible as defined by PDC underwriting criteria.

Gen: General

GIS (Graphic Information Systems): GIS technology is used to develop maps that depict resources or features such as soil types, population densities, land uses, transportation corridors, waterways, etc. GIS computer programs link features commonly seen on maps (such as roads, town boundaries, water bodies) with related information not usually presented on maps, such as type of road surface, population, type of agriculture, type of vegetation, or water quality information. A GIS is a unique information system in which individual observations can be spatially referenced to each other.

Green Building or Green Design: Building design that yields environmental benefits, such as savings in energy, building materials, and water consumption, or reduced waste generation.

Greenway: A linear open space; a corridor composed of natural vegetation. Greenways can be used to create connected networks of open space that include traditional parks and natural areas.

Gross Revenues: all cash and cash equivalents (i.e., any item immediately convertible to cash without substantial discount or reduction) received by the Project Sponsor that is specified as gross revenue on the Pro Forma attached as Exhibit C of a PDC loan agreement, but not including proceeds from refinancing, loans, capital contributions, tenant security deposits that the Project Sponsor is obligated to return, and any rentals paid more than one month in advance during a Fiscal Year.

GW: Gateway

HAMFI: Household Adjusted Median Family Income

HAP: Housing Authority of Portland

Hard Costs: include but not limited to all costs incurred in bringing a building to completion not including land acquisition, finance or sales costs.

HCDC: Housing and Community Development Commission

HDF: Housing Development Finance

HEG: Housing Evaluation Group

HIF: Housing Investment Fund

HIS: Housing Implementation Strategy

Historic Area: An area or building in which historic events occurred, or one which has special value due to architectural or cultural features relating to the heritage of the community. Elements in historic areas have significance that necessitates preservation or conservation.

HOAC: Home Ownership Advisory Committee

HOME: Funding source HUD for housing a federal Housing Program

Household Adjusted Median Family Income (HAMFI): see [Median Family Income](#)

Household Income: the gross household income computed in conformity with HUD income limits.

Hsg: Housing

HSP: Hoyt Street Properties

HUD: Housing and Urban Development, US Department of

IGA: Inter-Governmental Agreement

Imprv: Improvement(s)

Income: means gross household income computed in conformity with HUD income limits. Indirect Costs: architectural, engineering, technical consultant, legal fees, application and loan fees, market study costs, etc. as distinguished from land and construction costs.

Income Level Category: the PDC utilizes the following categories of Median Family Income, as adjusted for household size, (HAMFI) to allocate resources for the development of housing that serves targeted populations in the City of Portland:

1. Extremely Low Income: Households with incomes from 0 to 30% HAMFI.
2. Very Low Income: Households with incomes from 31 to 50% HAMFI.
3. Low Income Households: Households with incomes from 51 to 60% HAMFI.
(This term is also used generically to refer to all households at or below 60% HAMFI.)
4. Moderate Income: Households with incomes from 61 to 80% HAMFI.
5. Middle Income: Households with incomes 81% and 150% HAMFI.
6. High Income: Households with incomes over 151% HAMFI.

Indirect Costs: architectural, engineering, technical consultant, legal fees, application and loan fees, market study costs, etc. as distinguished from land and hard costs.

Infrast: [Infrastructure](#)

Infrastructure: Water and sewer lines, roads, urban transit lines, schools and other public facilities needed to support developed areas.

Innovative: Please see the appendix of this document for a detailed definition of "innovative".

IRR: [Internal Rate of Return](#)

Internal Rate of Return (IRR): the discount rate at which the present value of a project's cash flow income stream to the Project Sponsor equals the present value of the Project Sponsor's investment.

JumpStart: PDC temporary interest rate buydown program

LEAD: Lead Abatement

Lease-up Reserves: an amount, either paid-in capital or funded through a loan, which anticipates an initial occupancy vacancy or short term lease-up shortfall. This amount is legitimate in projects undergoing substantial rehabilitation or new construction, and only when construction rather than operations create vacancy.

LEED: Leadership in Energy and Environmental Design

LEM: Location Efficient Mortgage

LID: Local Improvement District

LIHTC: Low-Income Housing Tax Credits, Federal

Loan to Value (LTV): The total amount of all loans secured by subject property divided by the "after value" of the property expressed as a percentage. Grants requiring repayment only in the event of grant non-compliance, even if filed as a lien against the property, will not be considered loans for LTV calculation.

Long-Term Affordability Period: a period agreed to by funders and sponsors to ensure income and rent limits agreed to as condition of public funding through a recorded deed restriction on the project on a specified number of units in a project (See definition of funded affordable unit). Low-Income: means household income at or below 60 percent of MFI.

LTA: Limited Tax Abatement

LTV: [Loan to Value](#)

Market Rate Housing: housing for which rents are not suppressed or restricted to below rents of the surrounding community generally considered to be 80 percent MFI or above although 'market' varies by neighborhood and location.

Median Family Income (MFI): current income limits adjusted for family size for the Portland-Vancouver metropolitan area determined by US Department of Housing and Urban Development (HUD). (Charts are available by request from PDC)

MFH: Multi-Family Housing

MFI: [Median Family Income](#)

Mgmt: Management

Minimum Investment Requirement: the minimum financial contribution a Project Sponsor must provide as a source of development financing to receive PDC direct financial assistance funds. (See section 3.4.F.)

Mixed-Income Project: a housing development open to persons or families at varying income levels. More specifically, the PDC uses the term Mixed-Income Housing to mean:

1. Rental housing projects that include both Designated Affordable Units affordable to households at or below 60% MFI and units affordable to households above 60% MFI, or
2. Homeownership projects that include both Designated Affordable Units affordable to households below 80% MFI and units affordable to households above 80% MFI.

Mixed Use Development: Mixed use developments include residential, commercial, and business accommodations in one area.

Mixed-Use Project: the combination on a site of residential uses with commercial or industrial uses. (This is different from the definition of Innovative, see appendix for a complete "innovative" definition.)

Mixed Income Housing: a housing development open to persons or families at varying income levels. More specifically at both affordable (below 60% MFI) and market rate income levels (above 60% MFI).

Mixed Use Housing: a development that includes housing and commercial space or property containing both residential and non-residential uses.

MPDU: Moderately Priced Dwelling Units

MOU: Memorandum of Understanding

MWESB: Minority-owned/Women-owned/Emerging Small Business

Net Cash Flow: the amount, if any, by which Net Operating Income exceeds the sum of Permitted Loan Payments and Required Reserve Contributions.

Net Operating Income: net revenues received from operation of the subject property, less total operating expenses.

New Construction/New Housing Development: newly built project.

NHP: Neighborhood Housing Program

NNL: No Net Loss

NMTC: New Market Tax Credit

OAHTC: Oregon Affordable Housing Tax Credits

OHCS: Oregon Housing and Community Services

OMF: Office of Management and Finance, City of Portland

Operating Budget (also Pro Forma): Pro forma, is a schedule that include a rent schedule, anticipated operating expenses, vacancy rates, and all other information pertinent to the operation of the property. Operating income and expenses are generally projected for at least ten years.

Operating Deficit Reserves: set-asides necessary to cover anticipated and unanticipated shortfalls in cash flow due to decreases in income or increases in expenses or debt service. Operating deficit reserves are different from lease-up reserves.

Operating Expenses: all reasonable and customary expenses incurred in operating the subject real estate, including (but not limited to) utilities, on-site and off-site management, insurance, property taxes, maintenance, replacement reserves, and administrative charges which are associated with any compliance monitoring or reporting required by funding sources. Operating Expenses do not include contributions to operating reserves, depreciation, interest or principal payments.

PDC Published Averages: Periodically, the PDC publishes its average funding amount per unit, per square foot, and per person served for new construction projects. These averages are broken down into Income Categories. Projects will be evaluated against these averages in the PDC approval process.

Permanent Loan: a long term loan, usually with a term between 10 and 40 years, the proceeds of which are used to repay a construction loan.

Permitted Loan Payments: the sum of the maximum debt service (including without limitation principal, interest, mortgage insurance premiums and credit enhancement fees such as letter of credit fees and/or other payment requirements) under any loans of the Project Sponsor relating to the project during the fiscal year. Permitted Loan Payments shall not include prepayments of principal not shown on the Pro Forma attached not consented to by the PDC in writing. Permitted Loan Payments shall not include any payments that are paid to an affiliate of the Project Sponsor.

PFF: Portland Family of Funds

PLOC: Preservation Line of Credit for Housing

Predevelopment funds: funding to cover up front project costs such as architectural, engineering, legal and environmental services that are incurred before the funds to pay for project construction are available to the developer.

Preservation Properties: Federally subsidized property now at risk of opting out or prepayment, which would result in the loss of affordability commitments and project based Section 8 subsidies. Pro forma Income and Expense: a statement showing the projected annual income and operating expenses of a project.

Pro forma: Pro forma, is a schedule that includes a rent schedule, anticipated operating expenses, vacancy rates, and all other information pertinent to the operation of the property. Operating income and expenses are generally projected for at least ten years.

Project Sponsor: The project owner or entity entering into agreements with the PDC to obtain financing. Used in lieu of the term borrower, particularly for types of financing that are not loans (e.g. Equity Gap Contributions, fee waivers or tax exemptions).

Qualified Non-Profit Organization: a 501(c)(3) or 501(c)(4) corporation that demonstrates the capacity and experience to develop and/or manage rental housing. Newly formed non-profit organizations must show evidence of mission, board training and commitment, individual staff training, adequate financial strength and experience and capacity, which are commensurate to the proposed project.

Recourse Debt: debt repayment is based primarily on the property, but in the event of default to the extent the property cannot pay-off debt, the borrower is personally responsible for debt repayment.

Rehabilitation: repair, upgrade of units within existing structure.

Rent-up Reserve: see lease-up reserves

Replacement Reserves: an account maintained by the borrower, funding of which is treated as an operating expense and used for repair or replacement of a project's infrastructure, i.e. roof, plumbing, mechanical, etc. For new construction PDC requires replacement reserves of \$200 per unit per year.

Reservation of Funds: an informal set-aside of PDC direct financial assistance funds for a specific project that is valid for a limited period of time and evidenced by a Reservation Letter issued by the PDC. This is not a legal obligation to lend.

Reserves: money set aside to pay for future anticipated expenses.

Restricted Residential Unit: a housing unit in a PDC funded project that is restricted as to affordability and rent limitations for a specified period of time according to a written affordability agreement.

RFP: Request For Proposal

ROF: Reservation of Funds

SAM: Shared Appreciation Mortgage

SDC: System Development Charge

SEA: Efforts and Accomplishments Report

SG/CL: Smart Growth Fund (from the Enterprise Foundation)

Single-Family Housing: a detached housing structure that contains 1 dwelling unit.

Site Control: required for this RFP in the form of title, an option to purchase, a master lease agreement exceeding 99 years or other form of site control acceptable to PDC.

Special Needs Housing: housing unit(s) that are available to a specific population, such as elderly, disabled, homeless, or person in recovery.

Sponsor: see Developer.

Soft Costs: see Indirect Costs.

Sources and Uses: a schedule submitted as part of financing application that identifies the different sources of funding for the construction of the project and provides a line item identification of how these funds will be used in the construction process.

Special Needs Housing: housing unit(s) which are available to a specific population, such as elderly, disabled, homeless, or people recovering from drug or alcohol use.

Streetscape: The space between the buildings on either side of a street that defines its character. The elements of a streetscape include: building frontage/façade; landscaping (trees, yards, bushes, plantings, etc.); sidewalks; street paving; street furniture (benches, kiosks, trash receptacles, fountains, etc.); signs; awnings; and street lighting.

Sustainable Development: Development with the goal of preserving environmental quality, natural resources and livability for present and future generations. Sustainable initiatives work to ensure efficient use of resources.

Tax Increment Financing (TIF): A program designed to leverage private investment for economic development projects in a manner that enhances the benefits accrued to the public interest.

Term of Affordability: a specific period of time during which project rents are restricted for a specified number of units and during which the borrower agrees to provide annual operating data to verify compliance.

Threshold Criteria: minimum requirement proposals must meet to be considered by selection committee for funding.

TIF: [Tax Increment Financing](#)

Total Development Cost: all project related expenses including acquisition, refinancing, rehabilitation/construction, contingency, soft costs, closing, financing and developer's fees.

Transit Oriented Housing: housing development that addresses Region 2040 goals of increased density and improved utilization of public transportation systems. See definition of Innovative Projects and details of project requirements outlined in the Transit Oriented Tax Exemption guidelines.

Unit (of housing): a housing unit consists of one or more habitable rooms intended to be occupied by one family for living, sleeping, cooking, and eating; except in congregate housing, where certain facilities may be shared.

URA: Urban Renewal Area

Variance: The relaxation of requirements of a zoning district for a specific parcel or tract of land. Variances are often issued to avoid unnecessary hardships to a landowner.

Very Low Income: means household income at or below 50 percent of MFI.

Workforce housing: Workforce housing can be rental and ownership market housing units that are affordable to households with incomes from Moderately Priced Dwelling Units (MPDU) income limit up to Area Median Income (AMI).

Zoning: local regulations (i.e. City of Portland Bureau of Planning for this RFP) establishing the use of property and the size, height, and location of structures placed on it.

About PDC

