

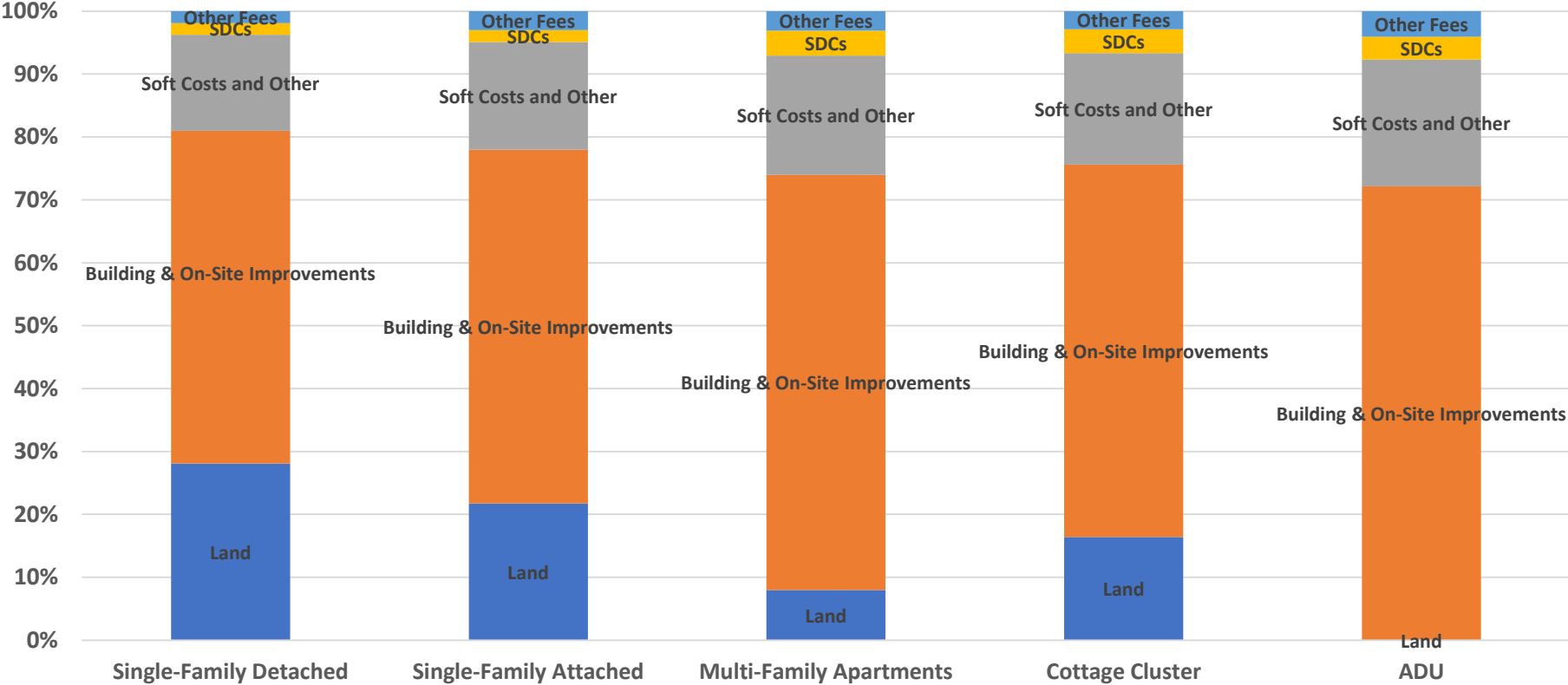
Financial Feasibility Analysis Background

- Evaluated five prototypes:
 - Single family detached,
 - Single family attached / townhome,
 - Multifamily / garden apartments,
 - Cottage cluster,
 - ADU
- Tested three scenarios:
 - Status quo: existing SDCs and building/permitting fees
 - Option 12: reduced SDCS by 50 percent
 - Option 20-B: CET of 1%

Approach & Key Assumptions

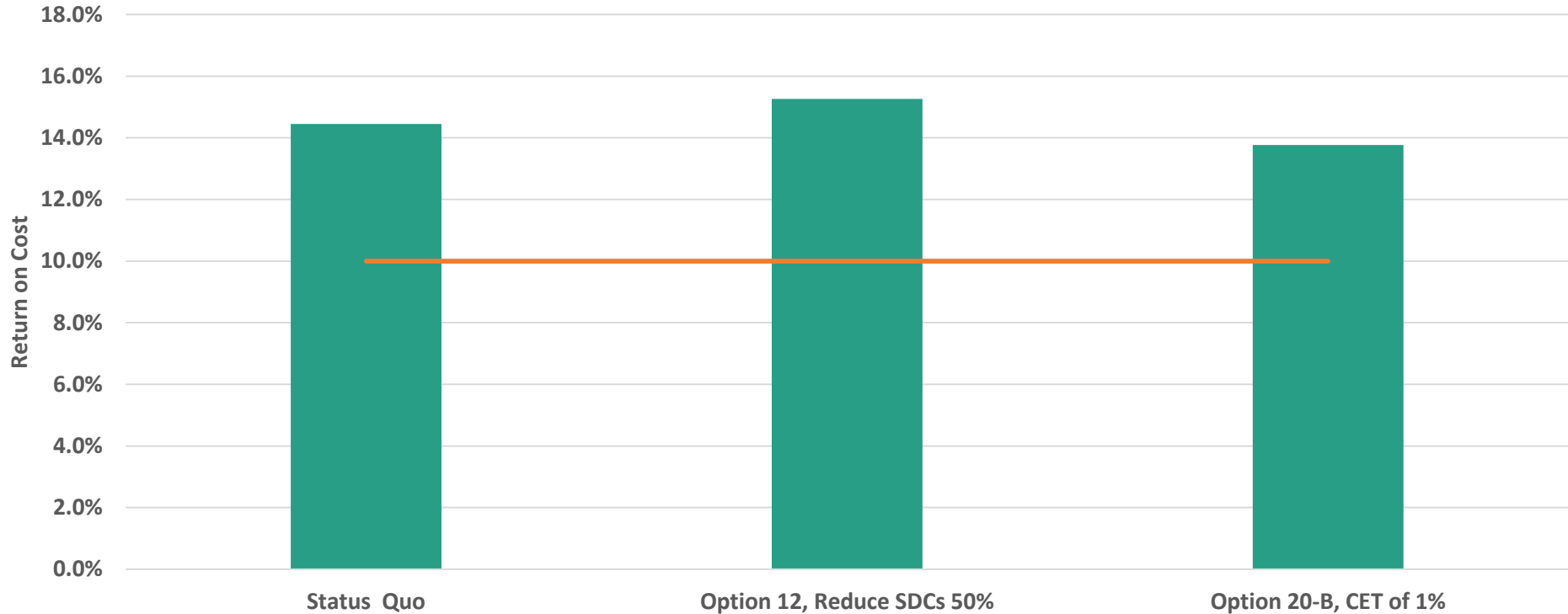
- Preliminary results, information could change subject to additional data
- Costs and revenues based on citywide average data, City of Eugene data, developer interviews, and industry standards
- Feasibility of individual projects depends on site characteristics, location within the City, other specific factors
- Measures of financial feasibility
 - For sale: $\text{return on cost} = (\text{Sales proceeds} - \text{cost}) / \text{cost}$
 - For rent: $\text{yield on cost} = (\text{Annual NOI} - \text{cost}) / \text{cost}$
 - Thresholds tied to reported developer expectations and market capitalization rates

Development Costs



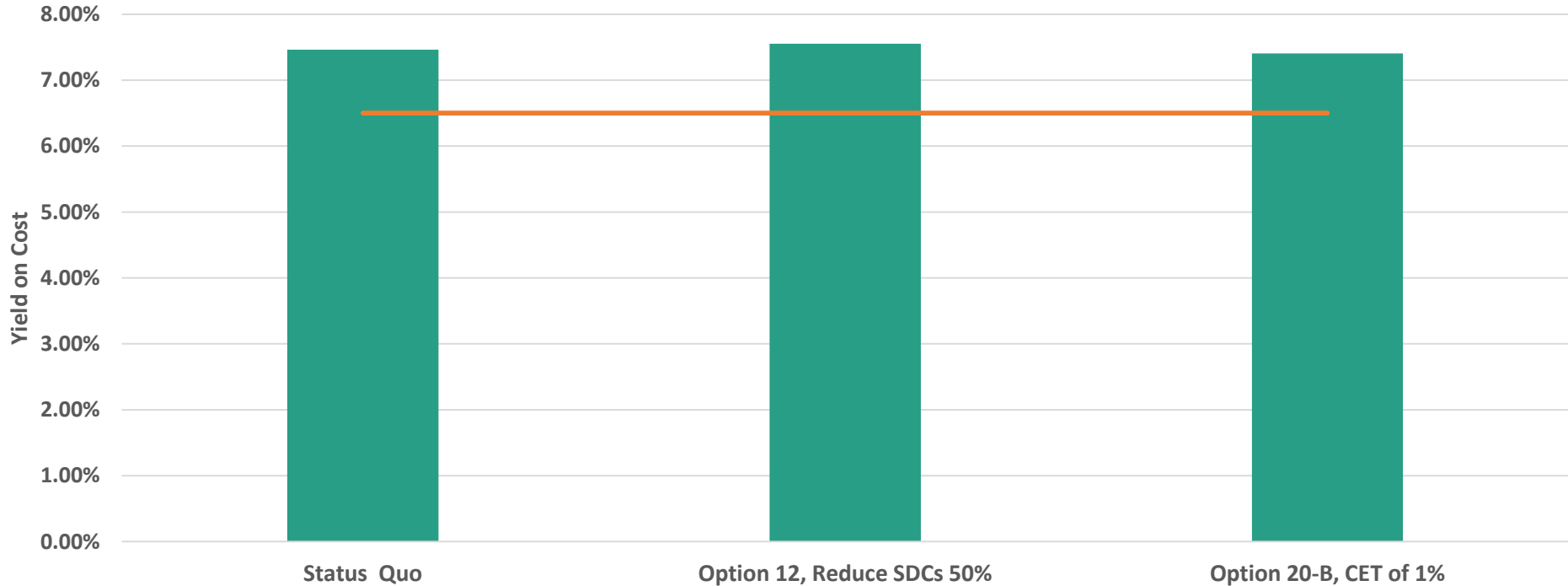
Sources: RS Means, 2018; Similar pro formas; City of Eugene, 2018; Strategic Economics, 2018.

Financial Feasibility Threshold, Single Family, For Sale



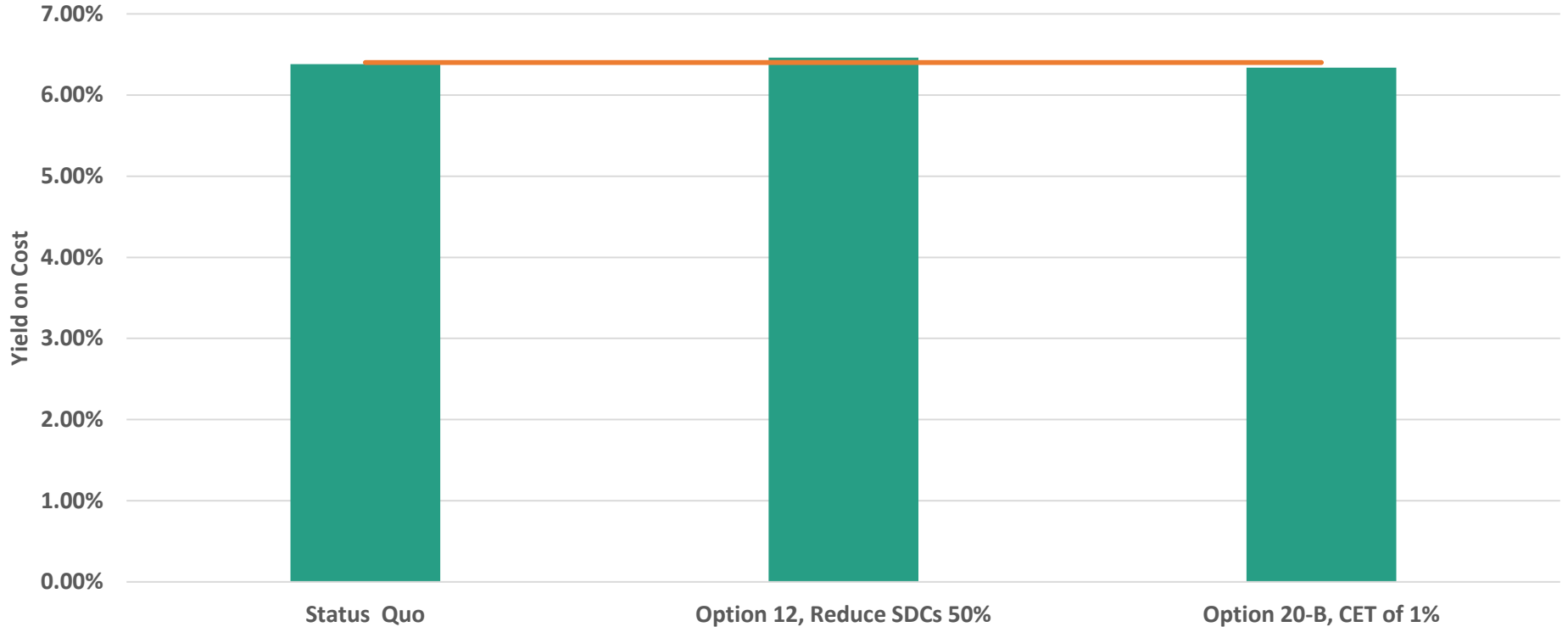
Source: RS Means, 2018; Similar pro formas; City of Eugene, 2018; Strategic Economics, 2018.

Financial Feasibility Threshold, Multifamily, For Rent



Source: RS Means, 2018; Similar pro formas; City of Eugene, 2018; Strategic Economics, 2018.

Financial Feasibility Threshold, Cottage Cluster, For Rent



Sources: RS Means, 2018; Similar pro formas; City of Eugene, 2018; Strategic Economics, 2018.