

A PROPOSAL FOR ACTION | 2021

Building An Equitable Future: Workforce Housing + Generational Wealth for Young Black Professionals

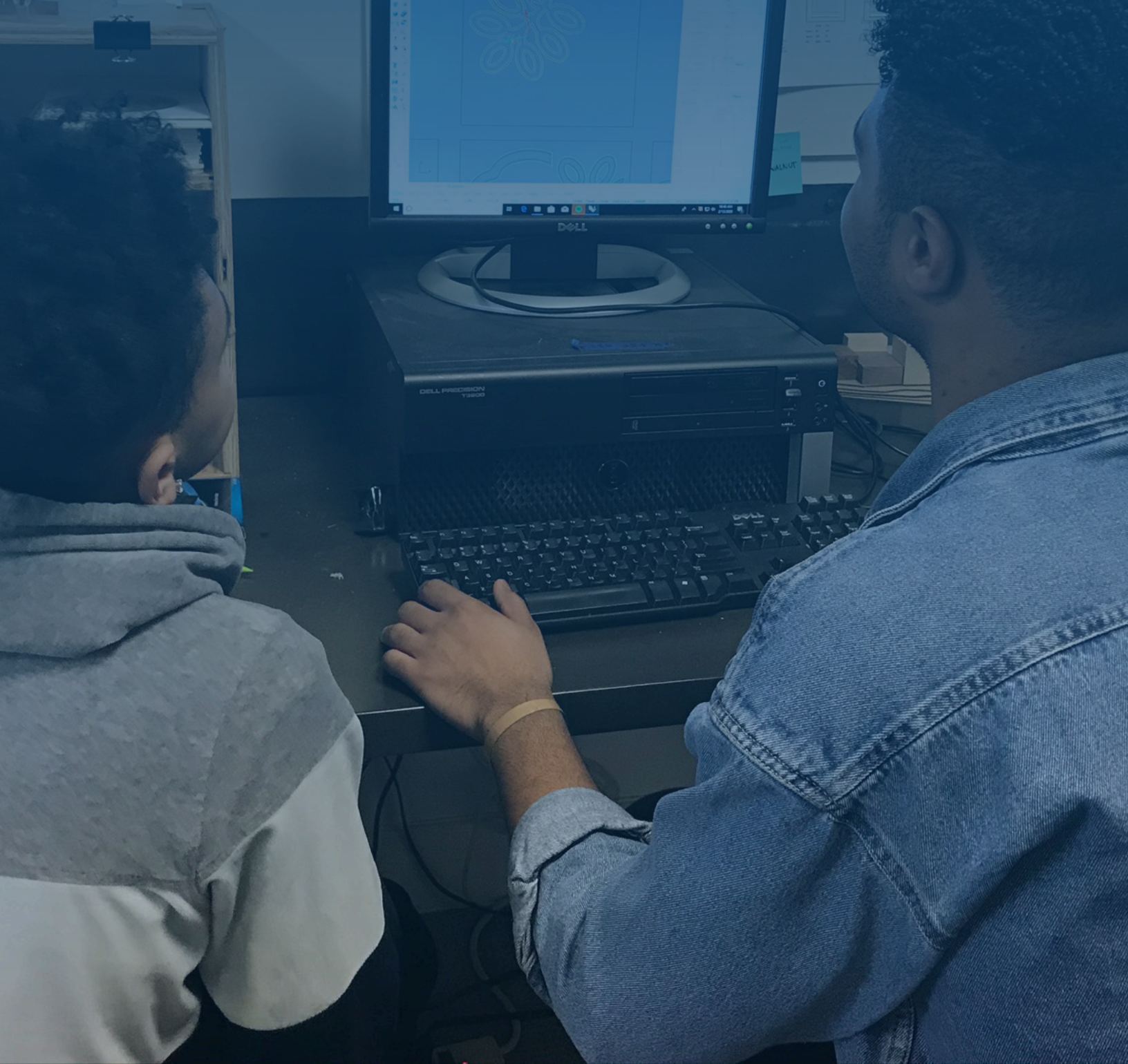


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PART I

Introduction

The Young Black Professionals (YBP) Workforce Housing initiative was born of a moment in time, the culmination of a history of systemic racism and inequality that burst forth onto the streets of America in the Spring of 2020.

Our collective witness to the devastating murders of George Floyd, Breonna Taylor and Ahmaud Arbery—tragedies in a long line of death and disregard for human life—struck a chord like never before. As a nation, we were called to action, beyond protesting or issuing statements. We were called to make change with a true material impact.

The YBP Initiative is an answer to this call for action. It is an investment in the Black community, supporting the long-term health and prosperity of Black lives. In isolation, a building project does very little to address the issue of wealth disparity; the YBP Workforce Housing strives to do much more. It seeks to demonstrate *what* a building can empower beyond its walls, creating opportunities for young Black professionals to thrive.

We envision an initiative that is achieved *by* the community, *for* the community, with generational wealth investment opportunity *from* the community. The YBP Workforce Housing will take many hands and organizations to make it a success. Several have already stepped forward, and it is our hope that you too will join us in discovering how investing in a community can allow everyone to rise together.



LEFT

2020 Portland, OR protests in support of the Movement for Black Lives.

Photography Credit: Mark Boling

Workforce Housing Manifesto



HISTORIC ALBINA NEIGHBORHOOD, 1962
The once-thriving center of Portland's Black community has faced continued disruption through forced displacement and gentrification.

ACKNOWLEDGING SYSTEMIC INJUSTICE

We acknowledge the ways in which we are inherently part of a system of deeply rooted injustice that has created vast inequities for the Black community in this country. Our silence on racial justice also places us at fault. The deaths of George Floyd, Breonna Taylor, Ahmaud Arbery, and countless others in the Black community who have been victims of systemic racism, are unacceptable.

The differential impacts of climate change on Black neighborhoods is unacceptable. The disparity in accumulated generational wealth between white and Black families is unacceptable. And while we cannot truly understand the pain this has caused the Black community, we are actively listening, learning and engaging our responsibility to create positive change.



We're bringing the fight to end systemic racism into what we do every day, attempting to make change in areas we can immediately affect.

Amy Donohue, AIA
Principal, Bora Architecture & Interiors

EXAMINING OUR ROLE IN THE SYSTEM

As AEC professionals, we have taken a hard look at our roles as individuals and as industry members in combating systemic racism. While we have sought to expand opportunities for young Black men and women through an increased presence in our studios and on our job sites, scant industry progress has been made. In Oregon there are just four registered Black architects, while the Black population in construction is less than 1%.

COMMITTING TO ACTION

These statistics confirm that we cannot wait for the profession to diversify. We must make the pipeline NOW, leveraging our design and construction skills to proactively change the tide of our industry.

Core Partners + Vision

Bora Architecture & Interiors and Andersen Construction, in partnership with Self Enhancement Inc. (SEI) and Portland Community College, are working together to create a home for young Black professionals in Portland interested in a career in the AEC industry—a place where they can live together in community to support one another in a city where few share their lived experience as a person of color.

THE VISION AT A GLANCE

Most residents will participate in the three-year *Professional Apprenticeship Program* (see sidebar), an initiative that mentors high school and college graduates toward careers in construction management, architecture and engineering trade in Portland. A mentor for these efforts will live on site, programming activities and offering guidance to residents. Discounted market-rate rents will be paid monthly by participants in the initial few years of the program.

This community housing will feature small living units with shared amenities such as kitchens, living rooms, a movement studio, a library, a music room or a movie screening room. A central hub will host after-hours gatherings and neighborhood events, while ground-floor retail will invite in local businesses.

The YBP housing endeavor will demonstrate a design-build collaboration, capitalizing on the expertise of all partners in the room. The team aspires to reuse as many pre-existing building products as possible, taking advantage of the supplies Andersen currently houses in their construction yard, as well as other recycled materials available.

CORE PARTNERS

Andersen Construction
Joel Andersen

Self Enhancement Inc. (SEI)
Anthony DeLoney

Bora Architecture & Interiors
Amy Donohue

HMS Development
Ndamukong Suh & Joel Andersen

RLand Development
Landon Crowell

The AEC Professional Apprenticeship Program

The AEC Professional Apprenticeship Program is intended to serve Portland residents interested in careers in construction, architecture and engineering. The primary goal is to build a close-knit community of young, Black professionals in the AEC industry so that in the future, as they assume roles of leadership in their respective fields and organizations, they will have a strong foundation to draw on for future relationships and opportunities.

Participants will be encouraged to apply for 3-year residencies in which they will work for businesses in the Portland AEC community and take PCC courses in accounting, business, marketing and other related subject areas. SEI, as a partner in the program, will master-lease the residential buildings—facilitating applications for jobs and housing, as well as providing mentorship to apprentices.

Residents will earn a starting salary of 60% AMI, a figure that will increase to 80% AMI as they progress through the three years. Employers will cover health insurance and TriMet passes. Rent will be fixed at the corresponding 60% level. At the end of their tenure in the program, participants will be given a savings bonus of \$25,000. Graduates will be invited to return annually to share their stories with current young professional apprentices to continue the momentum.

As creators of the physical world, architects, engineers and contractors have a critical role to play in reimagining a just society. This community housing development will be a model, economically feasible and self-sustaining, sparking more projects of this kind to be built through private development in Portland and beyond. We are hopeful that through this first step of collaboration, our industry—and the world it serves—will change.



INTERNSHIP PROGRAM

The three-year program will offer young Black professionals the opportunity to gain experience and work on a variety of projects.

Background Story

1 Envisioning a New Paradigm

In June of 2020, moved to take immediate action to advance BIPOC engagement in the construction industry, Joel Andersen of Andersen Construction placed a call to Anthony DeLoney of Self Enhancement Incorporated (SEI). Andersen and SEI had been collaborating on a program called Trade Up, making pathways for young people in the community to enter the construction trades.

But this effort was different. Joel sought to bring BIPOC from the community into the management side of construction by creating a Professional Management Apprenticeship Program. For too long the construction industry had focused on new hires from university engineering programs, which had virtually no engagement from the community. But in a world of increasing change and inequity it became clear that there was no time to wait the 5 to 6 years it would take to get the community more involved through these programs. Change was needed now.

Anthony immediately saw the potential in the proposal. As the idea for a Professional Management Apprenticeship Program started to develop, other opportunities started to present themselves.



2 Designing to Meet the Mo(ve)ment

Amy Donohue is a Principal with Bora Architecture & Interiors. In May of 2020, one of Bora's young designers, Nikolas Tucker, wrote a raw letter to his co-workers sharing his lived experience as a Black man in the U.S., in Portland and at Bora. It was a powerful statement and a call to action for the firm. Amy and her co-workers took notice and wanted to do something meaningful toward ending systemic racism. Pulling this fight into their everyday work, Bora devised the idea of creating affordable housing for young Black architects as a way to remove the barriers hindering entry into a historically white profession. However, while Bora could share its design skills for such an undertaking, it lacked the capital and land to make it a reality.

At a meeting over the summer, Joel and Amy found themselves discussing how business was being handled in light of a global pandemic and a social revolution. As the conversation evolved, Amy brought up Bora's desire to develop a housing project to end systemic racism. Joel, in turn, shared his efforts for the Professional Management Apprenticeship Program and his partnership with SEI. Out of this synergy a new idea suddenly birthed: *What if we created community housing for both construction apprentices and architectural interns?*



3 Developing the Concept

HMS Development is a real estate development started by Joel Andersen and his friend Ndamukong Suh. Both are from Portland and are committed to actively improving their city through community development. After his discussion with Amy, Joel reached out to Suh to discuss the opportunity. This was a deal worth pursuing.

HMS, in turn, had been working with local black developer Landon Crowell of RLand Development on a project in the city center which had hit a wall trying to get off the ground. When HMS pitched the idea of a project developed in partnership with Black developers for young Black professionals to Landon and his group, they loved it.

As Amy and Joel started to develop the concept plan, word started getting out. A previous relationship led to a conversation with Home Forward, Portland's housing authority. When they heard about the concept, they were interested. And had land.

4 Becoming Real

In a matter of months the idea had developed into the potential of not one—but two—workforce housing projects that would be built for young Black professionals. Fair housing rules prevent targeted support for any specific community based on race, so developing a housing project specifically for the benefit of young Black professionals required an alternate approach: a partnership with SEI.

With Andersen, Bora, SEI, RLand Development, HMS, and other partners ready to support with land and resources, the team had formed to tackle this impactful project.

YBP Ankeny

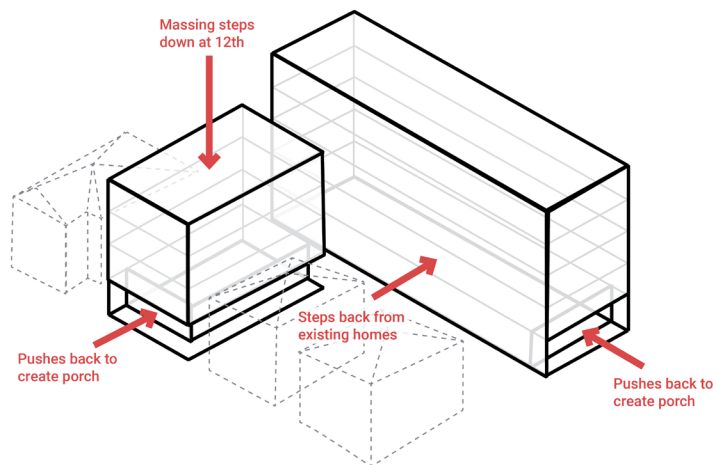
YBP Ankeny will be built on an L-shaped lot located on SE 11th and SE Ankeny in the heart of the city. The land is owned by Landon Crowell and RLand Development and carries a modest amount of debt of \$583,000. RLand will contribute the land to the project at a rate of \$1,000,000, so after the debt service is retired there will be a \$417,000 equity contribution. The challenging configuration of the site's "L" shape accommodates a prefabricated modular unit construction type.

The Ankeny site is located within the Design Review District Overlay, making it subject to a more robust design effort and a longer design review and potential appeal. While more challenging from a zoning perspective, this location allows the project to be built taller and with more units.

YBP Ankeny will consist of 41 units, with a total height of 5 stories. 5 levels of wood-framed modular housing will sit atop a concrete podium level. Each floor will include shared laundry facilities and communal areas to encourage relationship development among residents, while also providing them opportunities to host events and educational meetings.

YBP ANKENY STATS

Unit Count 41 Apartments	Shared Amenities Laundry Facilities
Height 5 Stories	Communal Gathering Spaces
Size 19,370 sf (approx)	



Landon's Story

Landon Crowell, founder of RLand Development Co, grew up in Portland, attended Benson High School, and has owned and managed properties around Portland for over 30 years. Landon bought his first rental at the age of 18 on contract, with his first properties in North and Northeast Portland in the '80s and '90s.

In 2004, Landon purchased the Ankeny property and worked on the designs for many years until coming into partnership with RLand Development in 2016.

With RLand Development, Landon's goal was to create a wholly black-owned development group for the sole purpose of modeling development and economic empowerment while demonstrating wealth-building. This vision also involved partnering with Portland Opportunities Industrialization Center as a teaching tool to serve the community's most vulnerable and at-risk individuals.

RLand Development initially started out with a focus on affordable housing and green development with solar panels. But trying to work through the City's maze to figure out how their system works was a complicated and tangled process.

RLand Development then decided to shift its attention toward market-rate housing with an emphasis toward sustainability and green development. The design encompassed a southside solar photovoltaic array, EV charging stations, and SMART technology living system. This unprecedented design would have been one of the first Zero Energy buildings in Portland.

However, insurmountable funding hurdles squelched this dream as well. So when HMS offered to collaborate with RLand Development to accomplish their goal of demonstration development, economic empowerment, and employment goals for the most vulnerable through the Young Black Professionals Workforce Housing Project, it seemed like a perfect fit.

“**When we set out on this journey I knew I would need strong partners who believed in the vision. I wasn't sure how this would work, but when you are persistent, perseverance pays off in the end. Now we are seeing our vision come to fruition.**”

Landon Crowell
Founder, RLand Development Co.



TOP ROW

Landon Crowell (front left, in suit and hat) with supporters on the Ankeny Site.

Conceptual rendering of building elevation on 12th Ave.

RIGHT

Along 12th, the ground floor steps back from the property line, to align with the face of the house to the south.

A front porch and living room face the street mimicking the ground level program of the existing homes along the block.

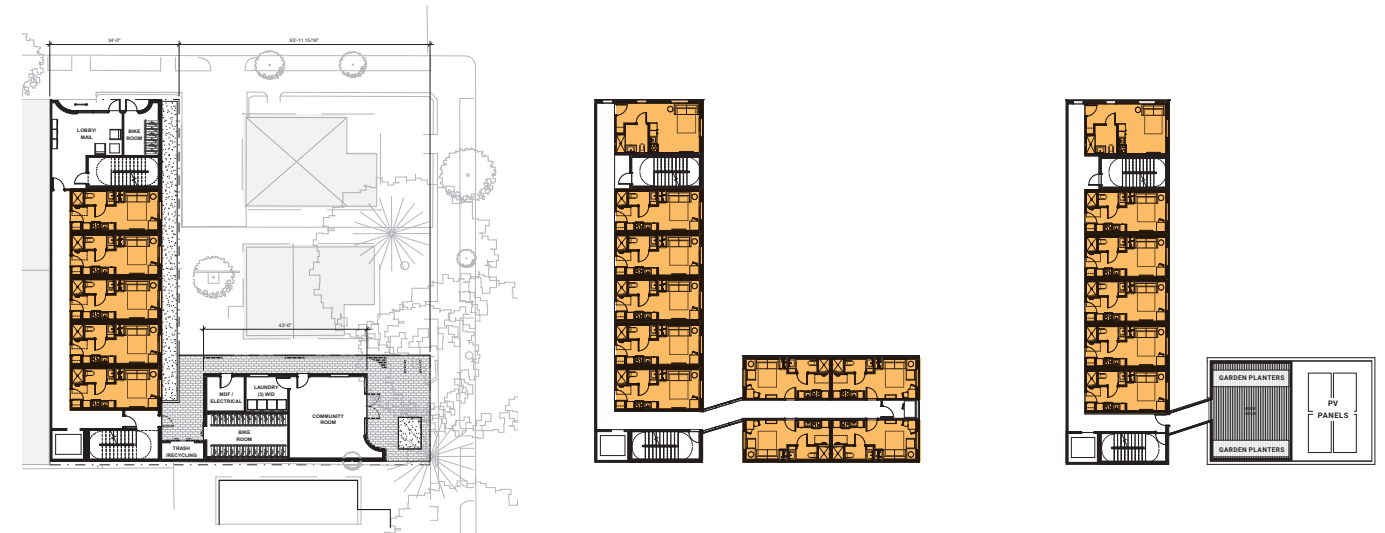


FLOORPLANS BELOW

Left: Ground Floor

Center: Levels 2-4

Right: Level 5



YBP Holgate

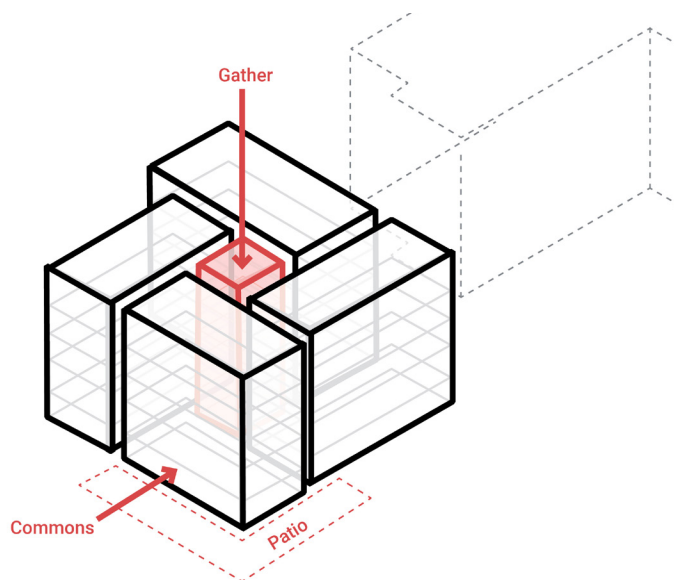
YBP Holgate is centrally located on a corner lot at the intersection of SE 38th and SE Holgate Street, accessing multiple mass transit lines and within walking distance of two grocers, Trader Joe's and Safeway. We anticipate the ground will be land-leased to the YBP team at a very gracious initial 50-year rate of \$1 per year, with two 25-year renewal options at the same rate.

The project location does not require review by the Design Commission, expediting the design and permitting process. The site has different zoning requirements than the Ankeny property, including a lower height limit and several setbacks at the single-family residential streets.

YBP Holgate will consist of 75 units, with a total height of 5 stories. 5 levels of wood-framed modular housing will sit atop a concrete slab on grade. The concept design of the Holgate site will be a pinwheel shape to maximize its larger square shape. Similar to the YBP Ankeny program, each floor will feature shared laundry and communal spaces to cultivate residential camaraderie while allowing room for events and educational gatherings.

YBP HOLGATE STATS

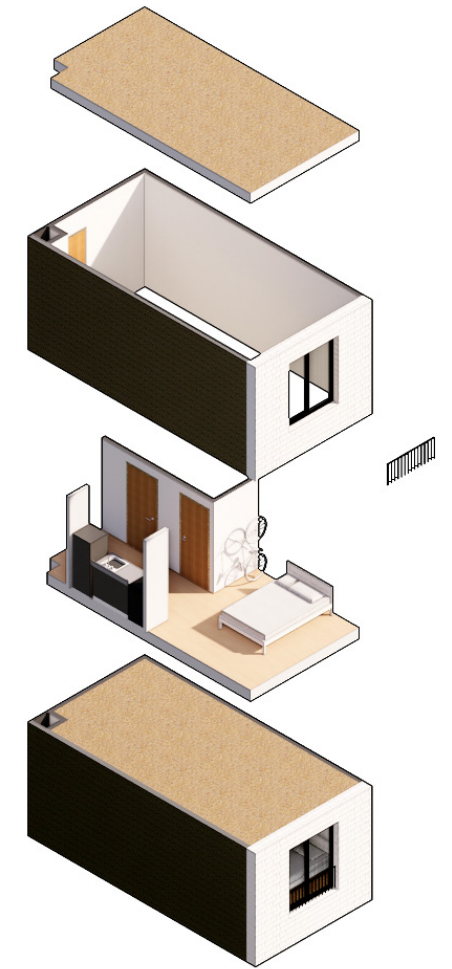
Unit Count 75 Studio Apartments	Height 5 Stories	Shared Amenities Laundry Facilities
	Size 34,100 sf (approx)	Communal Gathering Spaces



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[This proposal] is the most visionary and revolutionary strategy I have seen in a long time. It is a sustainable model that I am sure will generate a lot of interest and involvement.

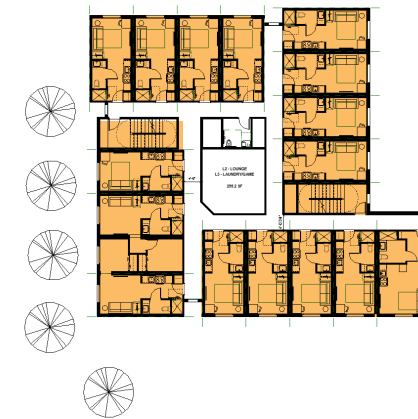
The sheer fact you have these different partners collaborating around the concepts of social justice and equity in creating something with generational impact is a true example of building community.

Michelle H.
Community Member, Allen Temple Church, Portland OR



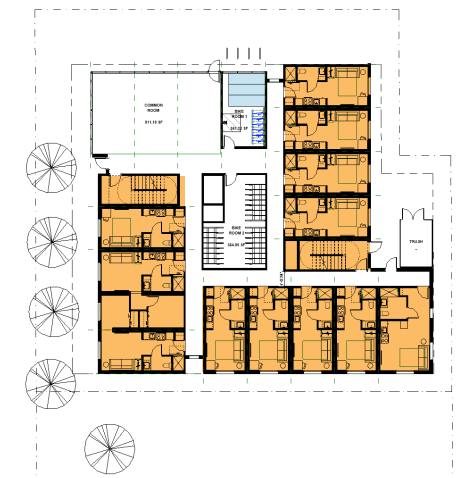
FLOORPLANS

Left: Levels 4-5
Center: Levels 2-3
Right: Ground Floor



HOLGATE UNIT DIAGRAM

Located at the corner of SE Holgate and SE 38th, the YBP Holgate project will house more than 50 affordable housing apartments with immediate access to public transit and the city's network of bike lanes.



Housing Model: Providing Opportunities through Modular Construction

THE OPPORTUNITY TO BUILD

The concept behind the YBP communities was to create well-designed, affordable housing that served to break the pattern of systemic racism. As this idea continued to take hold, the question became: *Where else can we extend this effort towards stamping out racism?* The focus shifted to the build.

The YBP Ankeny project is bound to very narrow site constraints and, as such, would be difficult and expensive to field-construct. We thus shifted to the idea of modular construction—prefabricated housing units that would be stacked on top of each other. With the exterior cladding, windows and interior finishes (with the exception of the flooring and toilet) already in place, the units would be nearly complete by the time they shipped to the site.

Partnering with Indie Dwell, a Certified B-Corp out of Caldwell, Idaho, we developed a 288-sf modular studio unit to be fabricated in Idaho and installed on the site in Portland.

CONSTRUCTION APPRENTICESHIPS

Guided by a dedication to mentorship, the YBP projects are partnering with local pre-apprentice programs that specifically focus on bringing the community and women into the construction industry. The effort will create a series of entry-level construction jobs to allow for true hands-on experience and exposure to the trades.

Because each modular unit will effectively be a freestanding home, the assembly of the units will provide interns with tremendous exposure to not only learn how projects are assembled, but also to the diversity of components that comprise them. Additionally, the pre-apprentices will be working side-by-side with the professional leads, affording them even greater exposure to a potential career in the industry.

The units will stack on top of each other in the factory as well as on the site. The many benefits of this effort is that the projects will be a total of 125 units, with a high degree of repeatability; a total of three different unit types will allow for maximum efficiency.

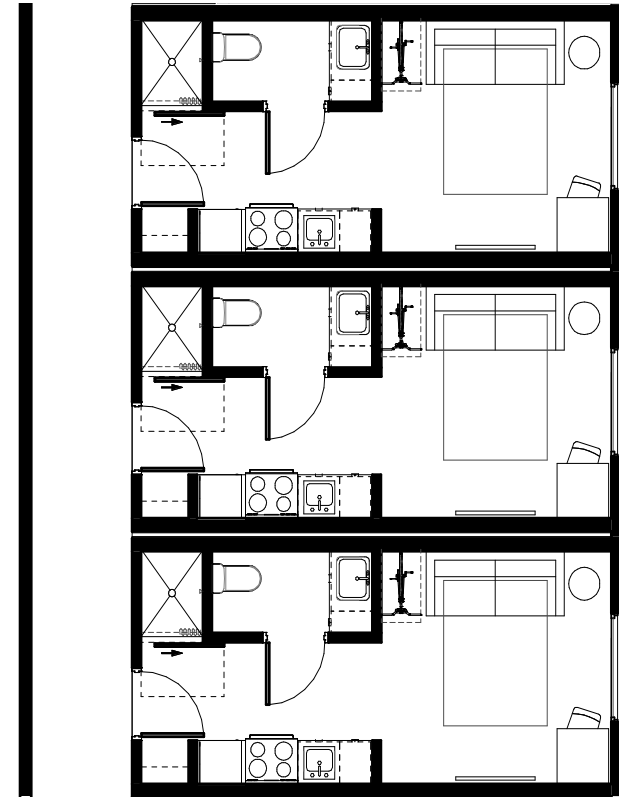
FUTURE EXPLORATION OF MASS TIMBER MODULAR

In the future, we would like to take advantage of mass timber construction, leveraging the potential of Cross Laminated Timber (CLT) or Mass Plywood (MPP). These are both strong local products, offering the possibility to expedite construction as well as showcase a sustainable, healthy product on the interior ceiling of each unit.

Unfortunately, CLT or MPP is not yet being employed by modular builders. We believe there is the potential to develop a local prefabrication facility using locally sourced materials and locally manufactured CLT and MPP.

“
It is these types of initiatives, investments and commitments that will set the table for us to make serious change in this country. It is when you unleash your imagination and dare to dream like this our youth can see no limits to what can be achieved.

Michelle H.
 Community Member, Allen Temple Church, Portland OR



ABOVE

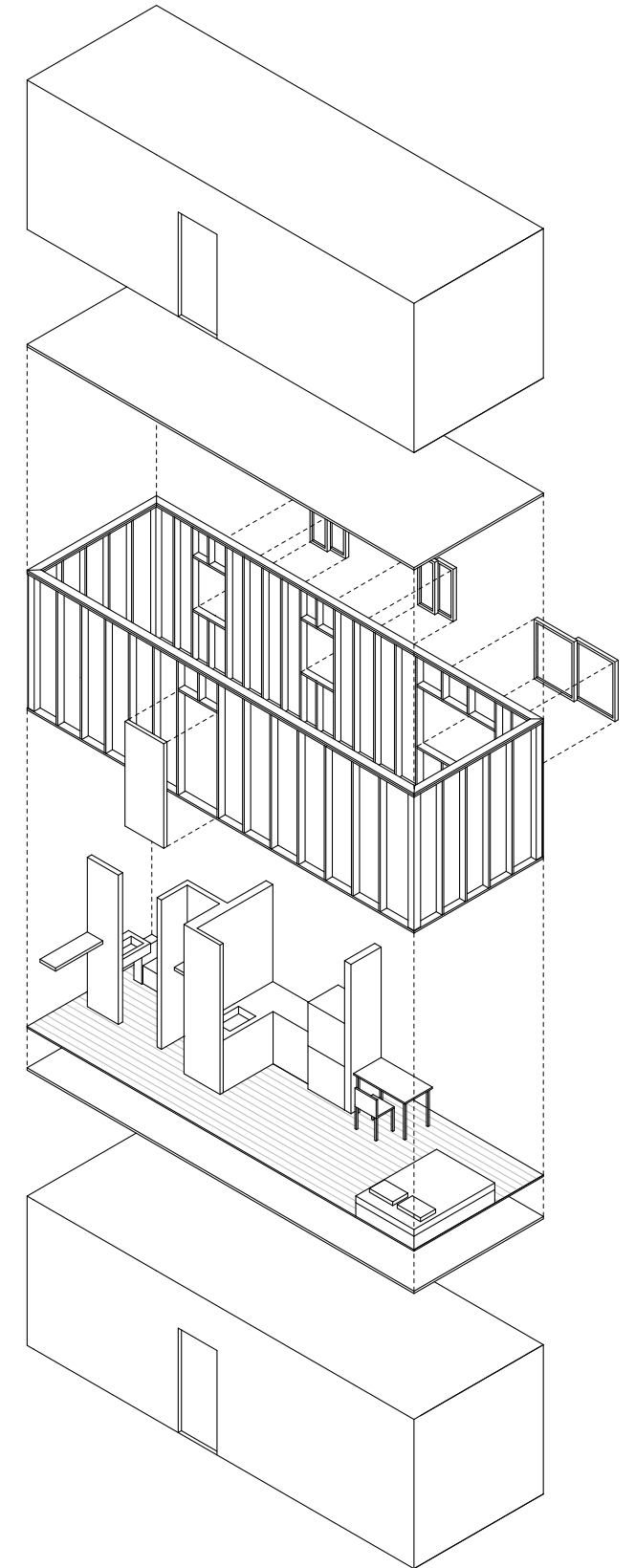
Studio units will include kitchen, bath and pull-down murphy bed. Larger community amenities will host gathering and social events.

RIGHT

Completed modules – comprised of cold formed steel frame and stud walls – stack in the field for speed of construction.

BELOW

Modular construction on one of Andersen’s development sites.



Team of Partners

Core Partners

ANDERSEN CONSTRUCTION

Andersen Construction is a third-generation, family-owned construction company with more than 70 years of experience focusing on multifamily, commercial, educational and health care construction projects. They are active in supporting the community through their philanthropic arm, Andersen Construction Foundation.

BORA ARCHITECTURE & INTERIORS

Bora Architecture & Interiors is a 65-person, national design practice based in Portland, Oregon. With health, equity and sustainability essential to the firm's pursuit of inspiring architecture, Bora is committed to creating transformative environments that shape communities and elevate the human experience.

SELF ENHANCEMENT INC. (SEI)

Self Enhancement, Inc. (SEI) was established in 1981, by Tony Hopson, Sr., a lifelong North Portland resident and community leader. It began as a one-week summer basketball camp aimed at providing a positive alternative for African American teens living in an area of Portland that was leaving them behind.

Today, SEI is a comprehensive, one-stop resource for youth and families, primarily African Americans and others living in poverty or seeking culturally responsive services. It is also one of the city's leading multi-service organizations, providing thousands of youth, families, and adults with a wide array of education and social services on an annual basis. SEI's strength is in its ability to meet the complex needs of the children and families it serves, including helping people to overcome cultural, educational and economic barriers.

SEI is committed to helping youth and families realize their full potential. SEI believes that every child has a gift and that it is our shared responsibility to help every child find that gift. By expanding learning opportunities and teaching every child that "Life Has Options," SEI is seeing amazing results proving that SEI is the solution.

HMS DEVELOPMENT

HMS Development is a real estate development company in Portland led by Ndamukong Suh and Joel Andersen. With a focus on partnerships with landowners, HMS is a developer of multi-family assets with a focus on engaging the community. HMS will serve as developer for the YBP communities.

RLAND DEVELOPMENT

RLand Development is a multi-member and wholly owned black development company. Their vision is to demonstrate economic empowerment through development while building wealth.

BELOW

SEI's 2019 "Trade Up!" job fair.



Community Engagement + Empowerment Partners

OREGON TRADESWOMEN

Oregon Tradeswomen promotes success for women in the trades through education, leadership, and mentorship. We were founded in 1989 on the principles that women deserve and can attain economic self-sufficiency by pursuing careers in the construction, manufacturing, mechanical, and utility trades while helping and encouraging the trades industry to build a diverse workforce.

Twenty-nine years strong, Oregon Tradeswomen offers innovative trades-based training programs, trades awareness activities and technical assistance to organizations seeking to be inclusive of women in their trade occupations.

PORTLAND OPPORTUNITIES INDUSTRIALIZATION CENTER + ROSEMARY ANDERSON HIGH SCHOOL (POIC+RAHS)

POIC+RAHS provides the highest quality services in education, mentoring, family outreach, employment training, and placement. Rosemary Anderson is an accredited alternative high school serving students who are looking for small classes, inspiring teachers, and more whole-life support as they work towards completing their diploma or GED.

Each student receives individual support from our team of teachers and career training advocates, who works with students to find the best path forward in school and in career preparation. Once connected to our team, we continue to provide mentoring after graduation through the transition to college or career training, and stay with the student until the age of 25.

RAHS operates in five locations, with one shared syllabus and educational philosophy. Our schools are located in North Portland, New Columbia and East Portland/Gresham.

FIRST REPUBLIC BANK

Founded in 1985, First Republic and its subsidiaries offer private banking, private business banking and private wealth management, including investment, trust and brokerage services. First Republic specializes in delivering exceptional, relationship-based service and offers a complete line of products, including residential, commercial and personal loans, deposit services, and wealth management.

Timeline + Investment

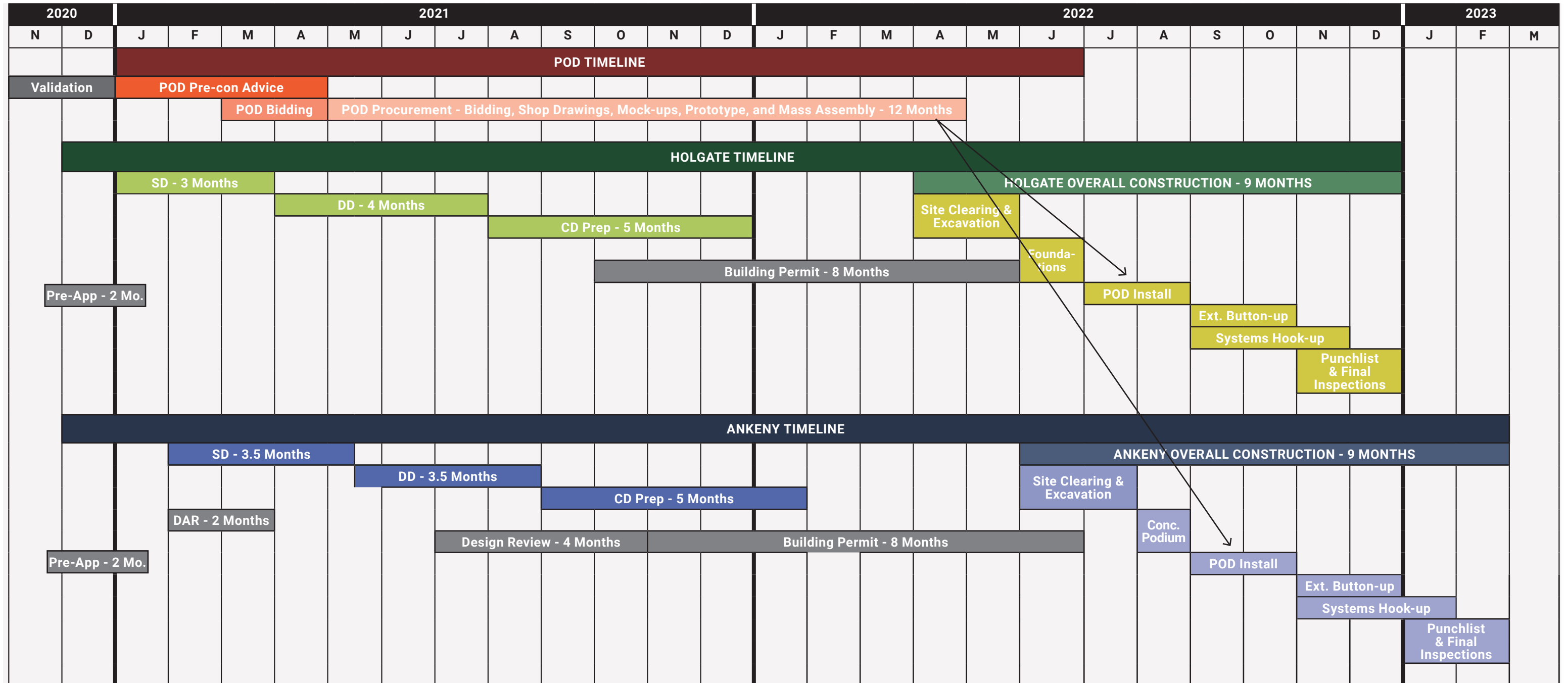
TIMELINE DRIVERS + CONSIDERATIONS

The project's initial intake to the city was December 2020, with the opportunity to outline the projects and ask questions as part of the Pre-Application process. The initial design effort will focus on the development of the modular units as they will need to be approved through the State of Oregon for permitting separate from the building permits issued by the City of Portland. The design review process will be a significant driver to the projects' overall timeline.

YBP housing communities will open in early 2023

The overall YBP project will split into two parallel tracts: (1) The design and permitting of the building and, (2) the design and permitting of the units. As Bora will be working on both designs simultaneously, Andersen will be working with the pre-apprenticeship programs on developing the modular build plan.

Weather will be a key factor in the successful installation of the prefabricated units. The units will be waterproofed for shipping, but even still, the optimal time of year will be to erect the units between June and September. Equipped with those dates and the permitting process as a guiding principle, the YBP housing communities will be slated to open in the first quarter of 2023.



Altruism + Capitalism

The entire effort of this endeavor has been to end systemic racism—or at least to start to move the needle. As the project has continued to evolve through synergies and shared opportunities, another new idea emerged: ALT+CAP, the intersection of Altruism and Capitalism.

It's a call to move people to invest in an effort, an undertaking or—in this case—a project, with benefits not only creating a return for major investors, but also for others who can't provide the same level of investment.

The YBP projects are actively working to break down the systemic barriers that exist at every turn of the real estate development, design and construction industry. Of all of the barriers to overcome, investing in real estate is at the pinnacle in terms of access. Through YBP we are working to dismantle barriers by creating communities for young Black professionals, utilizing Black developers to assemble housing, having a Black architect involved in the design, and realizing the building and assembly by pre-apprentices. Yet even with all this, the project does very little to address the wealth gap that exists in a pervasive state.

ALT+CAP was conceived to address that very issue, to give all community members a chance to be involved with these projects. The idea will be that every capital investor will be a part of closing the wealth gap and earning a profit in the process. The ask from investors is that 5% of their initial investment be contributed to a newly formed Black Community Development Fund. The 5% contribution to the fund would be used to match individual community investors at any rate they are able to contribute. This will, in effect, create a double return on their investment.

For example, if a community member invested \$500, the fund would match that \$500, allowing that particular investor a total contribution amount of \$1,000. Whether the initial investment is large or small, it matters and is materially significant to the project. The idea is to give community members the opportunity to make investments in real estate that create perpetual returns, not unlike an appreciating annuity.

A further expansion of this idea is to provide a \$1 per hour contribution to each pre-apprentice that works on the project. In effect, every worker involved in the project will have a chance to earn residual, ongoing income. The idea is to create the beginnings of the education process into real estate investing and investing as a whole. This allows investors to be not only proud of the work they helped put in place, but to have true ownership in it as well.



Alt+Cap in my opinion is an acknowledgement. An acknowledgment that earning money and caring for others can happen in the same space.

Myself and my fellow investors in the YBP project are aware that there are multiple systemic obstacles, that prevent members in the community from developing wealth.

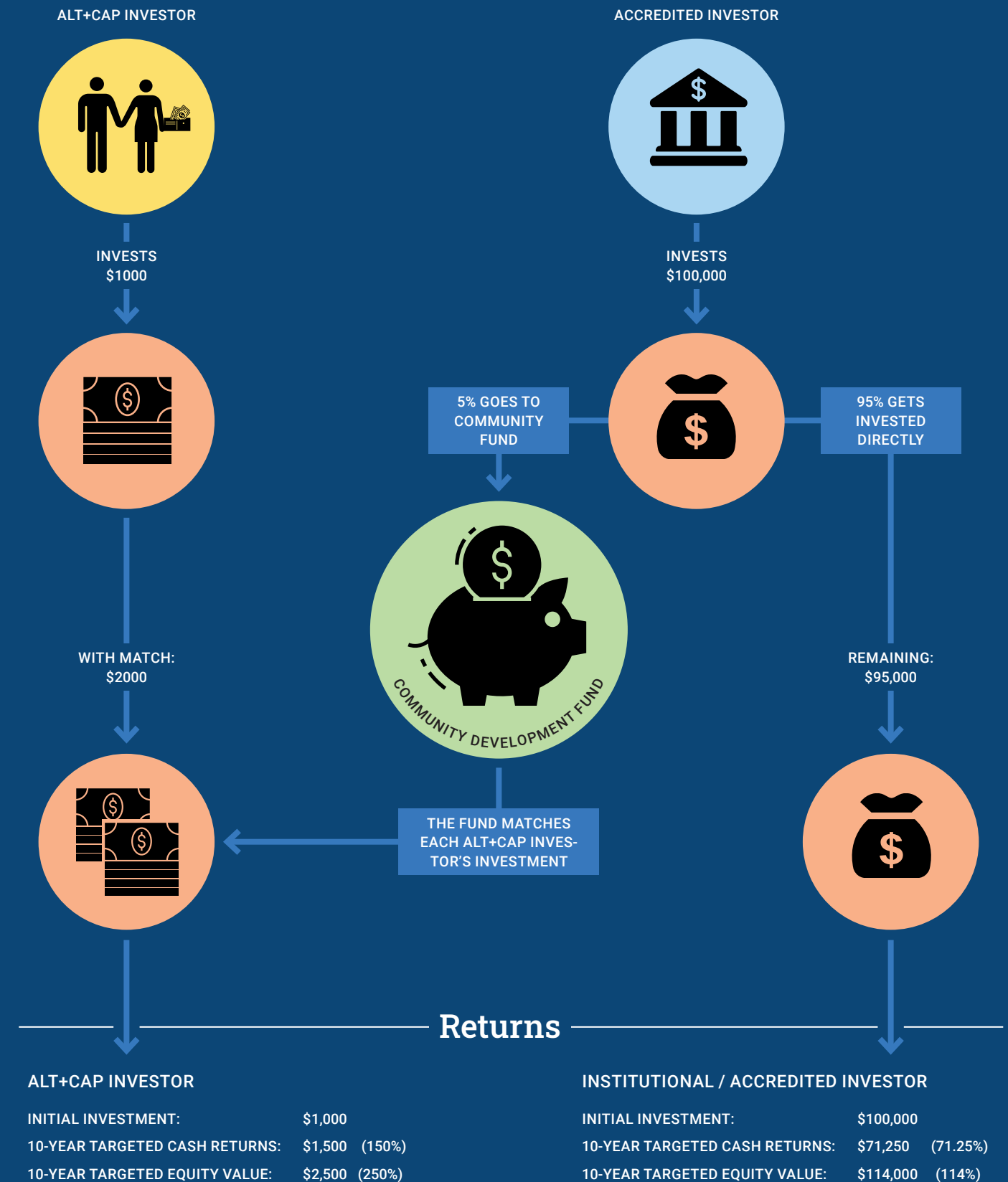
Investor commitment to match individual community investments provides an opportunity that is traditionally only available to a small number of people.

I look forward to meeting and working with our new community partners and hopefully stimulating a movement, that creates more Alt+Cap investment opportunities within the local community in the future.

Julius Thomas
Project Investor, Retired Professional Athlete (NFL)



How ALT + CAP Works



The Financing + Project Proforma

A SINGULAR INVESTMENT FOR ECONOMY OF SCALE

The YBP housing projects will be treated as singular investment, with every investor's contribution bifurcated equally into both projects. This will allow for both Holgate and Ankeny to be equitized and share in a blended return. The greater mass of the two projects combined will help with the economy of scale in design, construction, development and financing.

The projects are being underwritten to an expected debt-to-equity ratio of 65% to 35% and will be pursuing lending services through First Republic Bank. The target interest rate is in the range of 3.60%-3.85%. The targeted term of the initial construction to mini-permanent loan will be three years on both projects; upon stabilization the projects are targeting refinancing through a Fannie Mae, Freddie Mac or HUD program. These programs are designed to provide high-leverage, low-interest loans on long-term, fully amortizing schedules.

The underwriting of the project assumes a refinance in Year Two of stabilization on a 35-year note at a 4% interest rate. The refinance has two potential limiters that could affect the total refinance amount: (1) The first limit is capped at 85% of the stabilized market value of the projects, and (2) the Net Operating Income (NOI) is constrained to a 1.173 multiple. With these limitations in place, the projects will produce a return of initial capital which will be returned on a pro-rata basis to all of the investors.

The intention of the assets will be to hold the projects into perpetuity, creating an evergreen return. The value in owning the assets long-term is that it will not only create a quarterly distribution of income, forevermore and to future generations, but it will also allow ownership of an appreciating asset that will have a declining debt balance eventually reaching zero. As the asset is owned free and clear, it will provide opportunities to refinance at future dates to withdraw and redistribute to all of the investors.

“**When Joel Andersen and I created HMS Development, this is the type of project we hoped to one day be part of—creating developments that inspire the next generation of Black leadership. This program is an investment in Portland’s future, and I’m eager for the city to see how much we can grow when we support our talented youth.**”

Ndamukong Suh
HMS Development Co-Founder, Professional Athlete (NFL)

The project investors will be treated equally on their investments, pari passu. The development team of HMS will earn a development fee for assembling the project, but all of the investors will be treated equally. Every dollar invested in the project will determine the total percentage of project ownership. As the project begins to perform, the income, expenses, depreciation and interest expense will be shared on a pro-rata basis to all investors.

Proforma



ABOVE
Julius Thomas as a student Athlete with Portland State University



As a child I never imagined being able to own a piece of a large-scale real estate development. I didn't know anyone that had ownership in an investment outside of owning a home. However, my life and its circumstances have changed. Because of my beginnings, I am aware of my blessings, and the opportunities afforded to me.

This awareness allows me to acknowledge the difficult conditions that so many individuals in the community face. This is what makes providing opportunities to partner with members of the Portland community so personally meaningful.

Julius Thomas
Project Investor, Retired Professional Athlete (NFL)

YBP ANKENY & HOLGATE APARTMENTS: 10-YEAR CASH FLOW ANALYSIS

EQUITY STACK:	ALT+CAP:	OWN %:
TOTAL EQUITY:	\$ 7,402,334.19	\$ 7,402,334.19
HMS CAPITAL:	\$ 4,932,217.47	\$ 4,685,606.60
R Land Development:	\$ 400,000.00	\$ 380,000.00
Julius Thomas:	\$ 300,000.00	\$ 285,000.00
Orlando Williams:	\$ 200,000.00	\$ 190,000.00
Martell Webster:	\$ 200,000.00	\$ 190,000.00
INVESTOR 1:	\$ 200,000.00	\$ 190,000.00
INVESTOR 2:	\$ 200,000.00	\$ 190,000.00
INVESTOR 3:	\$ 200,000.00	\$ 190,000.00
INVESTOR 4:	\$ 200,000.00	\$ 190,000.00
INVESTOR 5:	\$ 200,000.00	\$ 190,000.00
ALT+CAP COMMUNITY	\$ 370,116.71	\$ 721,727.58
CASH EQUITY TOTAL:	\$ 7,402,334.18	\$ 7,402,334.18
LOAN AMOUNT:	\$ 13,747,192.05	\$ 13,747,192.05
REQUESTED LTC:	65.00%	65.00%

FINANCIAL SUMMARY	
Total Project Development Cost:	\$ 21,149,526.24
Total Cash Investment:	\$ 7,402,334.19
Total Amount Financed:	\$ 13,747,192.05
First Full Year Net Operating Income: 2023	\$ 1,072,934.56
Stabilized Net Operating Income	\$ 1,072,934.56
Construction Financing Interest Rate:	3.75%
Perm Financing Interest Rate:	3.75%
Amortization Period:	30
Annual Loan Payment:	\$ (658,872.00)
Depreciation Basis:	\$ 20,899,526.24

HUD REFINANCE 2025	RATE:	4.00%	AMORTIZATION:	35
Stabilized NOI @4.5 CAP Rate:				\$24,806,247.13
HUD Max Debt at LTV 85%:				\$21,085,310.06
Debt Service Coverage of 1.173%:				\$951,646.31
HUD Max Debt with DSC of 1.173%:				\$18,250,000.00
Original Project Development Budget:				\$ 21,149,526.24
Refinanced Loan Amount:				\$ 18,250,000.00
Refinanced Project Equity Required:				\$ 2,899,526.24

Contributors

ANDERSEN CONSTRUCTION

Joel Andersen
Brad Nile
Aadne Tønning
Libby Corliss
Mike Cash

BORA ARCHITECTURE & INTERIORS

Amy Donohue
Brad Demby
Brian Squillace
Leslie Cliffe
Thuy Le
Sophia Austrins
Nik Tucker
Josh Mao
CJ Chang
Karim Hassanein

HOLMES STRUCTURES

Eric McDonnell
Bassam Bazzi
Cliff Horton

PAE ENGINEERS

Brad Wilson
Sydney Mills
Ruwan Jayaweera
Chris Morgan
Prosper Tumuse
Forest Tanier-Gesner

SAMATA ELECTRICAL ENGINEERS

Jenny Streb

VEGA CIVIL ENGINEERING

Martha Williamson

GROUND WORKSHOP

Tommy Solomon

Contact

ANDERSEN CONSTRUCTION

Joel Andersen, CEO
P | 503.283.6712
E | jandersen@andersen-construct.com

BORA ARCHITECTURE & INTERIORS

Amy Donohue, Partner
P | 503.226.1575
E | donohue@bora.co