

Addendum to Variance Request/Question 2, for 5/9 Romasco Lane, Portland

When we purchased this lot, we based our projected costs and profit on the city's recorded sq. footage (3798). We knew R 6 zoning was under going revisions and have intentionally held our project until these changes have been ratified.

We intended to offer more affordable living on the hill, and also knew that Romasco is an area that will not support a certain price point currently. This project was enticing and worth our risk, because the formula would have allowed us to build 4 units of 1000 sq. feet, plus a top 5th unit of 1400 sq. feet. These units would have offer more sq. footage at a more reasonable cost. This would off set the less desirable location of Romasco Lane, which has yet to equal other parts of the hill.

When we met with the commercial lender, they realized that our 5th unit would most likely sell for a higher price and much faster than the bottom floors, which have no views, street noise and limited sunlight.

Now we have discovered (see attachments) that we are short a significant sq. footage from the published tax map. Not only will we have to shrink our foot print and offer smaller units at less profits, we also lack sq. footage to complete our 5th unit.

Our projected costs to build a 5 unit building is approximately \$ 1.2 million, and we anticipate a profit of about 22% gross. If we eliminate that 5th unit and build only 4 units, it will still cost approximately \$970,000 to build and we will lose the most profitable unit (approximately \$ 200,000 of gross profit)

The projected margin based on actual footage is too thin and we have just lost one potential private lender because of this new information. This is a serious financial hardship for us and we are now in jeopardy of the commercial financing as well. No large commercial lender would touch this project with the current sq. footage and projections.

We are first time and small project developers that believe in the hill. This small, odd shaped lot can offer tremendous opportunity for 5 buyers to live on Romasco Lane, but we need your support to honor the city tax map and let us do this project.