

**MIXED-USE - IN CENTRAL BUSINESS DISTRICT**

**Assumptions in this model:**

**March 30, 2007**

35,500 sq ft lot zoned C-2. Start with 32,000 net sq ft of residential + 15,000 of commercial. 15 market rate units in the base density. Inclusionary units are density bonus units by right.

However, the applicant will not be entitled to added size or bulk by right. So, market-rate residential and/or commercial floor areas will have to decrease as inclusionary units are added.

The floor area added by the required inclusionary units will be deducted from the floor area of the market units.

Also, for each inclusionary unit, 300 sq ft will be deducted from the commercial area to provide room for 1 required parking space per residential unit

The space deducted from the commercial is needed for the additional residential parking, so cannot be added back into the residential space, unlike the model for outside the CBD

**BASE DENSITY CALCULATION:**

Bedroom count:	1 BD	2 BD	3 BD	Total
Lot area required per unit:	1,840	2,320	2,800	
Number of units:	<b>3</b>	<b>8</b>	<b>4</b>	<b>15</b>
Total lot area required:	5,520	18,560	11,200	35,280

**Number of Inclusionary Units Required with 15 Base-Density Units:**

15%	2
20%	3
25%	4
30%	5

**MIXED-USE - CENTRAL BUSINESS DISTRICT**

**NO INCLUSIONARY**

Start with 32,000 sq ft of residential and 15,000 sq ft of commercial

**I. RESIDENTIAL UNIT MIX AND SIZES**

	Bedrooms	Net Sq Ft	Gross Sq Ft	# Units	Total Net	Total Gross
Inclusionary:	2 BD	1,000	1,070	0	-	-
	3 BD	1,300	1,391	0	-	-
				0	-	-

Reduce market rate floor area by floor area of inclusionary units:

32,000 sq ft of original market floor area less 0 = 32,000 market residen.

Reduce commercial floor area by 300 sq ft for each inclusionary unit

15,000 sq ft of commercial floor area less 0 = 15,000 sq ft comm'l

Note: Don't add commercial floor area reduction back to market rate residential area in this model

Market-Rate:	1 BD	1,200	1,284	3	3,600	3,852
	2 BD	2,250	2,408	8	18,000	19,260
	3 BD	2,600	2,782	4	10,400	11,128
				15	32,000	34,240

Residential Sq. Footage (stays at 32,000 for each inclus %):	32,000	34,240
Commercial Sq. Footage (decreases by 300 for each inclusionary unit):	15,000	15,600
Combined Sq. Footage:	47,000	

**Parking Provided:**

Required Residential	1 sp per unit	15	
Additional Provided for Market-rate Units	1 sp per unit	15	
Required Commercial	1 sp/500 sq ft	30.0	30.0 rounded up
		60.0	

Parking podium sq ft = 2500 sq ft access + (# spaces x 450 sq ft) = 29,500

**II. DEVELOPMENT COSTS**

	Gross Sq Ft	Cost/sf	Cost
Land:	35,500	\$160	\$ 5,680,000
Underground parking/podium:	29,500	\$150	\$ 4,425,000
Commercial:	15,600	\$200	\$ 3,120,000
Market-Rate Residential:	34,240	\$300	\$ 10,272,000
Affordable Residential	-	\$250	\$ -
Financing (8% of above costs):			\$ 1,879,760
Soft costs (12% of above costs):			\$ 2,819,640
<b>Total Development Cost:</b>			<b>\$ 28,196,400 \$ 28,196,400</b>

**II. SALES REVENUE**

**A. Market rate units (private garages and private elevators)**

Bedrooms	Net Sq Ft	Price/ sf	Sale Price	# Units	Total
1 BD	1,200	\$ 850	\$ 1,020,000	3	\$ 3,060,000
2 BD	2,250	\$ 825	\$ 1,856,250	8	\$ 14,850,000
3 BD	2,600	\$ 825	\$ 2,145,000	4	\$ 8,580,000
<b>Total</b>				15	\$ 26,490,000

**B. Affordable Inclusionary Units**

Bedrooms	Sale Price	# Units	Total
2 BD	\$ 268,400	0	\$ -
3 BD	\$ 320,600	0	\$ -
<b>Total</b>		0	\$ -

**C. Commercial Space**

Size	Price/ sf	Sale Price	Total
15,000	\$ 600	\$ 9,000,000	\$ 9,000,000

Gross Sales Proceeds:	\$ 35,490,000
Less 5% costs of sale/holding:	\$ 1,774,500
<b>Net Sales Proceeds:</b>	<b>\$ 33,715,500 \$ 33,715,500</b>

**Profit: \$ 5,519,100**  
**Percent Profit: 19.6%**

**MIXED-USE - CENTRAL BUSINESS DISTRICT**

**15% INCLUSIONARY**

Start with 32,000 sq ft of residential and 15,000 sq ft of commercial

**I. RESIDENTIAL UNIT MIX AND SIZES**

	Bedrooms	Net Sq Ft	Gross Sq Ft	# Units	Total Net	Total Gross
Inclusionary:	2 BD	1,000	1,070	1	1,000	1,070
	3 BD	1,300	1,391	1	1,300	1,391
				<u>2</u>	<u>2,300</u>	<u>2,461</u>

Reduce market rate floor area by floor area of inclusionary units:

32,000 sq ft of original market floor area less 2,300 = 29,700 market residen.

Reduce commercial floor area by 300 sq ft for each inclusionary unit

15,000 sq ft of commercial floor area less 600 = 14,400 sq ft comm'l

Note: Don't add commercial floor area reduction back to market rate residential area in this model

Market-Rate:	1 BD	1,200	1,284	3	3,600	3,852
	2 BD	2,100	2,247	8	16,800	17,976
	3 BD	2,325	2,488	4	9,300	9,951
				<u>15</u>	<u>29,700</u>	<u>31,779</u>

Residential Sq. Footage (stays at 32,000 for each inclus %):	32,000	34,240
Commercial Sq. Footage (decreases by 300 for each inclusionary unit):	<u>14,400</u>	<u>14,976</u>
Combined Sq. Footage:	46,400	

**Parking Provided:**

Required Residential	1 sp per unit	17	
Additional Provided for Market-rate Units	1 sp per unit	15	
Required Commercial	1 sp/500 sq ft	29.0	28.80 rounded up
		<u>61.0</u>	

Parking podium sq ft = 2500 sq ft access + (# spaces x 450 sq ft) = 29,950

**II. DEVELOPMENT COSTS**

	Gross Sq Ft	Cost/sf	Cost
Land:	35,500	\$160	\$ 5,680,000
Underground parking/podium:	29,950	\$150	\$ 4,492,500
Commercial:	14,976	\$200	\$ 2,995,200
Market-Rate Residential:	31,779	\$300	\$ 9,533,700
Affordable Residential	2,461	\$250	\$ 615,250
Financing (8% of above costs):			\$ 1,865,332
Soft costs (12% of above costs):			\$ 2,797,998
<b>Total Development Cost:</b>			<b>\$ 27,979,980 \$ 27,979,980</b>

**II. SALES REVENUE**

**A. Market rate units (private garages and private elevators)**

Bedrooms	Net Sq Ft	Price/ sf	Sale Price	# Units	Total
1 BD	1,200	\$ 850	\$ 1,020,000	3	\$ 3,060,000
2 BD	2,100	\$ 825	\$ 1,732,500	8	\$ 13,860,000
3 BD	2,325	\$ 825	\$ 1,918,125	4	\$ 7,672,500
<b>Total</b>				<u>15</u>	<u>\$ 24,592,500</u>

**B. Affordable Inclusionary Units**

Bedrooms	Sale Price	# Units	Total
2 BD	\$ 268,400	1	\$ 268,400
3 BD	\$ 320,600	1	\$ 320,600
<b>Total</b>		<u>2</u>	<u>\$ 589,000</u>

**C. Commercial Space**

Size	Price/ sf	Sale Price	Total
14,400	\$ 600	\$ 8,640,000	\$ 8,640,000

Gross Sales Proceeds:	\$ 33,821,500
Less 5% costs of sale/holding:	\$ 1,691,100
<b>Net Sales Proceeds:</b>	<b>\$ 32,130,400 \$ 32,130,400</b>

**Profit: \$ 4,150,420**  
**Percent Profit: 14.8%**

**MIXED-USE - CENTRAL BUSINESS DISTRICT**

**20% INCLUSIONARY**

Start with 32,000 sq ft of residential and 15,000 sq ft of commercial

**I. RESIDENTIAL UNIT MIX AND SIZES**

	Bedrooms	Net Sq Ft	Gross Sq Ft	# Units	Total Net	Total Gross
<b>Inclusionary:</b>	2 BD	1,000	1,070	2	2,000	2,140
	3 BD	1,300	1,391	1	1,300	1,391
				<u>3</u>	<u>3,300</u>	<u>3,531</u>

Reduce market rate floor area by floor area of inclusionary units:

32,000 sq ft of original market floor area less 3,300 = 28,700 market residen.

Reduce commercial floor area by 300 sq ft for each inclusionary unit

15,000 sq ft of commercial floor area less 900 = 14,100 sq ft comm'l

Note: Don't add commercial floor area reduction back to market rate residential area in this model

<b>Market-Rate:</b>	1 BD	1,200	1,284	3	3,600	3,852
	2 BD	2,000	2,140	8	16,000	17,120
	3 BD	2,275	2,434	4	9,100	9,737
				<u>15</u>	<u>28,700</u>	<u>30,709</u>

Residential Sq. Footage (stays at 32,000 for each inclus %):	32,000	34,240
Commercial Sq. Footage (decreases by 300 for each inclusionary unit):	<u>14,100</u>	<u>14,664</u>
Combined Sq. Footage:	46,100	

**Parking Provided:**

Required Residential	1 sp per unit	18	
Additional Provided for Market-rate Units	1 sp per unit	15	
Required Commercial	1 sp/500 sq ft	<u>29.0</u>	28.20 rounded up
		62.0	

Parking podium sq ft = 2500 sq ft access + (# spaces x 450 sq ft) = 30,400

**II. DEVELOPMENT COSTS**

	Gross Sq Ft	Cost/sf	Cost
Land:	35,500	\$160	\$ 5,680,000
Underground parking/podium:	30,400	\$150	\$ 4,560,000
Commercial:	14,664	\$200	\$ 2,932,800
Market-Rate Residential:	30,709	\$300	\$ 9,212,700
Affordable Residential:	3,531	\$250	\$ 882,750
Financing (8% of above costs):			\$ 1,861,460
Soft costs (12% of above costs):			\$ 2,792,190
<b>Total Development Cost:</b>			<b>\$ 27,921,900 \$ 27,921,900</b>

**II. SALES REVENUE**

**A. Market rate units (private garages and private elevators)**

Bedrooms	Net Sq Ft	Price/ sf	Sale Price	# Units	Total
1 BD	1,200	\$ 850	\$ 1,020,000	3	\$ 3,060,000
2 BD	2,000	\$ 825	\$ 1,650,000	8	\$ 13,200,000
3 BD	2,275	\$ 825	\$ 1,876,875	4	\$ 7,507,500
<b>Total</b>				<b>15</b>	<b>\$ 23,767,500</b>

**B. Affordable Inclusionary Units**

Bedrooms	Sale Price	# Units	Total
2 BD	\$ 268,400	2	\$ 536,800
3 BD	\$ 320,600	1	\$ 320,600
<b>Total</b>		<b>3</b>	<b>\$ 857,400</b>

**C. Commercial Space**

Size	Price/ sf	Sale Price	Total
14,100	\$ 600	\$ 8,460,000	\$ 8,460,000

Gross Sales Proceeds:	\$ 33,084,900
Less 5% costs of sale/holding:	\$ 1,654,200
<b>Net Sales Proceeds:</b>	<b>\$ 31,430,700 \$ 31,430,700</b>

**Profit: \$ 3,508,800**  
**Percent Profit: 12.6%**

**MIXED-USE - CENTRAL BUSINESS DISTRICT**

**25% INCLUSIONARY**

Start with 32,000 sq ft of residential and 15,000 sq ft of commercial

**I. RESIDENTIAL UNIT MIX AND SIZES**

	Bedrooms	Net Sq Ft	Gross Sq Ft	# Units	Total Net	Total Gross
<b>Inclusionary:</b>	2 BD	1,000	1,070	3	3,000	3,210
	3 BD	1,300	1,391	1	1,300	1,391
				<b>4</b>	<b>4,300</b>	<b>4,601</b>

Reduce market rate floor area by floor area of inclusionary units:

32,000 sq ft of original market floor area less 4,300 = 27,700 market residen.

Reduce commercial floor area by 300 sq ft for each inclusionary unit

15,000 sq ft of commercial floor area less 1,200 = 13,800 sq ft comm'l

Note: Don't add commercial floor area reduction back to market rate residential area in this model

<b>Market-Rate:</b>	1 BD	1,200	1,284	3	3,600	3,852
	2 BD	1,900	2,033	8	15,200	16,264
	3 BD	2,225	2,381	4	8,900	9,523
				<b>15</b>	<b>27,700</b>	<b>29,639</b>

Residential Sq. Footage (stays at 32,000 for each inclus %):	32,000	34,240
Commercial Sq. Footage (decreases by 300 for each inclusionary unit):	13,800	14,352
Combined Sq. Footage:	45,800	

**Parking Provided:**

Required Residential	1 sp per unit	19	
Additional Provided for Market-rate Units	1 sp per unit	15	
Required Commercial	1 sp/500 sq ft	28.0	27.60 rounded up
		<b>62.0</b>	

Parking podium sq ft = 2500 sq ft access + (# spaces x 450 sq ft) = 30,400

**II. DEVELOPMENT COSTS**

	Gross Sq Ft	Cost/sf	Cost
Land:	35,500	\$160	\$ 5,680,000
Underground parking/podium:	30,400	\$150	\$ 4,560,000
Commercial:	14,352	\$200	\$ 2,870,400
Market-Rate Residential:	29,639	\$300	\$ 8,891,700
Affordable Residential	4,601	\$250	\$ 1,150,250
Financing (8% of above costs):			\$ 1,852,188
Soft costs (12% of above costs):			\$ 2,778,282
<b>Total Development Cost:</b>			<b>\$ 27,782,820 \$ 27,782,820</b>

**II. SALES REVENUE**

**A. Market rate units (private garages and private elevators)**

Bedrooms	Net Sq Ft	Price/ sf	Sale Price	# Units	Total
1 BD	1,200	\$ 850	\$ 1,020,000	3	\$ 3,060,000
2 BD	1,900	\$ 825	\$ 1,567,500	8	\$ 12,540,000
3 BD	2,225	\$ 825	\$ 1,835,625	4	\$ 7,342,500
<b>Total</b>				<b>15</b>	<b>\$ 22,942,500</b>

**B. Affordable Inclusionary Units**

Bedrooms	Sale Price	# Units	Total
2 BD	\$ 268,400	3	\$ 805,200
3 BD	\$ 320,600	1	\$ 320,600
<b>Total</b>		<b>4</b>	<b>\$ 1,125,800</b>

**C. Commercial Space**

Size	Price/ sf	Sale Price	Total
13,800	\$ 600	\$ 8,280,000	\$ 8,280,000

Gross Sales Proceeds:	\$ 32,348,300
Less 5% costs of sale/holding:	\$ 1,617,400
<b>Net Sales Proceeds:</b>	<b>\$ 30,730,900 \$ 30,730,900</b>

**Profit: \$ 2,948,080**  
**Percent Profit: 10.6%**

**MIXED-USE - CENTRAL BUSINESS DISTRICT**

**30% INCLUSIONARY**

Start with 32,000 sq ft of residential and 15,000 sq ft of commercial

**I. RESIDENTIAL UNIT MIX AND SIZES**

	Bedrooms	Net Sq Ft	Gross Sq Ft	# Units	Total Net	Total Gross
<b>Inclusionary:</b>	2 BD	1,000	1,070	4	4,000	4,280
	3 BD	1,300	1,391	1	1,300	1,391
				<b>5</b>	<b>5,300</b>	<b>5,671</b>

Reduce market rate floor area by floor area of inclusionary units:

32,000 sq ft of original market floor area less 5,300 = 26,700 market residen.

Reduce commercial floor area by 300 sq ft for each inclusionary unit

15,000 sq ft of commercial floor area less 1,500 = 13,500 sq ft comm'l

Note: Don't add commercial floor area reduction back to market rate residential area in this model

<b>Market-Rate:</b>	1 BD	1,200	1,284	3	3,600	3,852
	2 BD	1,800	1,926	8	14,400	15,408
	3 BD	2,175	2,327	4	8,700	9,309
				<b>15</b>	<b>26,700</b>	<b>28,569</b>

Residential Sq. Footage (stays at 32,000 for each inclus %):	32,000	34,240
Commercial Sq. Footage (decreases by 300 for each inclusionary unit):	13,500	14,040
Combined Sq. Footage:	45,500	

**Parking Provided:**

Required Residential	1 sp per unit	20	
Additional Provided for Market-rate Units	1 sp per unit	15	
Required Commercial	1 sp/500 sq ft	27.0	27.00 rounded up
		<b>62.0</b>	

Parking podium sq ft = 2500 sq ft access + (# spaces x 450 sq ft) = 30,400

**II. DEVELOPMENT COSTS**

	Gross Sq Ft	Cost/sf	Cost
Land:	35,500	\$160	\$ 5,680,000
Underground parking/podium:	30,400	\$150	\$ 4,560,000
Commercial:	14,040	\$200	\$ 2,808,000
Market-Rate Residential:	28,569	\$300	\$ 8,570,700
Affordable Residential:	5,671	\$250	\$ 1,417,750
Financing (8% of above costs):			\$ 1,842,916
Soft costs (12% of above costs):			\$ 2,764,374
<b>Total Development Cost:</b>			<b>\$ 27,643,740 \$ 27,643,740</b>

**II. SALES REVENUE**

**A. Market rate units (private garages and private elevators)**

Bedrooms	Net Sq Ft	Price/ sf	Sale Price	# Units	Total
1 BD	1,200	\$ 850	\$ 1,020,000	3	\$ 3,060,000
2 BD	1,800	\$ 825	\$ 1,485,000	8	\$ 11,880,000
3 BD	2,175	\$ 825	\$ 1,794,375	4	\$ 7,177,500
<b>Total</b>				<b>15</b>	<b>\$ 22,117,500</b>

**B. Affordable Inclusionary Units**

Bedrooms	Sale Price	# Units	Total
2 BD	\$ 268,400	4	\$ 1,073,600
3 BD	\$ 320,600	1	\$ 320,600
<b>Total</b>		<b>5</b>	<b>\$ 1,394,200</b>

**C. Commercial Space**

Size	Price/ sf	Sale Price	Total
13,500	\$ 600	\$ 8,100,000	\$ 8,100,000

Gross Sales Proceeds:	\$ 31,611,700
Less 5% costs of sale/holding:	\$ 1,580,600
<b>Net Sales Proceeds:</b>	<b>\$ 30,031,100 \$ 30,031,100</b>

**Profit: \$ 2,387,360**  
**Percent Profit: 8.6%**

INCLUSIONARY HOUSING ORDINANCE PROPOSED REVISIONS  
 MODEL - FINANCIAL IMPACT OF VARIOUS PERCENTAGE REQUIREMENTS  
 March 30, 2007

**MIXED-USE - CENTRAL BUSINESS DISTRICT**

**If Inclusionary Units are Built on-site**

	# Inclusionary Units	Project cost	Net Sales Revenue	Profit	% Profit	Loss of Profit	Profit Loss per Inclusionary Unit
No Inclusionary	0	\$ 28,196,400	\$ 33,715,500	\$ 5,519,100	19.6%		
15%	2	\$ 27,979,980	\$ 32,130,400	\$ 4,150,420	14.8%	\$ 1,368,680	\$ 684,340
20%	3	\$ 27,921,900	\$ 31,430,700	\$ 3,508,800	12.6%	\$ 2,010,300	\$ 670,100
25%	4	\$ 27,782,820	\$ 30,730,900	\$ 2,948,080	10.6%	\$ 2,571,020	\$ 642,755
30%	5	\$ 27,643,740	\$ 30,031,100	\$ 2,387,360	8.6%	\$ 3,131,740	\$ 626,348

**If In-Lieu Fee is Paid**

	# Inclusionary Units Waived	Project cost	Net Sales Revenue	Less In-Lieu Fee	Profit	% Profit
15%	2	\$ 28,196,400	\$ 33,715,500	\$ 634,000	\$ 4,885,100	17.3%
20%	3	\$ 28,196,400	\$ 33,715,500	\$ 951,000	\$ 4,568,100	16.2%
25%	4	\$ 28,196,400	\$ 33,715,500	\$ 1,268,000	\$ 4,251,100	15.1%
30%	5	\$ 28,196,400	\$ 33,715,500	\$ 1,585,000	\$ 3,934,100	14.0%