

MIXED-USE, OUTSIDE 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, 500 sq ft will be deducted from the commercial area to reduce required commercial parking by 2 spaces; this will provide for the additional required parking spaces for the inclusionary units.

The space deducted from the commercial will free up additional room for the residential units, so this can be added back to the residential floor area.

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:	3	8	4	15
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, OUTSIDE 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 500 sq ft for each inclusionary unit

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

Add commercial floor area reduction back to market rate residential area:

- + 32,000 = 32,000

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: 32,000 34,240

Commercial Sq. Footage: 15,000 15,600

Combined Sq. Footage (stays at 47,000 for each inclus %) 47,000

Parking Provided:

Required Residential	2 sp per unit	30	
Additional Provided for Market-rate Units	n/a	-	
Required Commercial	1 sp/250 sq ft	60	60.00 rounded up
		90	

Parking podium sq ft = 2,500 sq ft access + (# spaces x 350 sq ft) = 34,000

II. DEVELOPMENT COSTS

	Gross Sq Ft	Cost/sf	Cost
Land:	35,500	\$140	\$ 4,970,000
Underground parking/podium:	34,000	\$150	\$ 5,100,000
Commercial:	15,600	\$175	\$ 2,730,000
Market-Rate Residential:	34,240	\$260	\$ 8,902,400
Affordable Residential:	-	\$230	\$ -
Financing (8% of above costs):			\$ 1,736,192
Soft costs (12% of above costs):			\$ 2,604,288
Total Development Cost:			\$ 26,042,880 \$ 26,042,880

II. SALES REVENUE

A. Market rate units (2 covered parking, no private elevator)

Bedrooms	Net Sq Ft	Price/ sf	Sale Price	# Units	Total
1 BD	1,200	\$ 750	\$ 900,000	3	\$ 2,700,000
2 BD	2,250	\$ 725	\$ 1,631,250	8	\$ 13,050,000
3 BD	2,600	\$ 725	\$ 1,885,000	4	\$ 7,540,000
Total				15	\$ 23,290,000

B. Affordable Inclusionary Units

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

C. Commercial Space

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

Gross Sales Proceeds:	\$ 32,290,000
Less 5% costs of sale/holding:	\$ 1,614,500
Net Sales Proceeds:	\$ 30,675,500 \$ 30,675,500

Profit: \$ 4,632,620
Percent Profit: 17.8%

MIXED-USE, OUTSIDE 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
				2	2,300	2,461

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 500 sq ft for each inclusionary unit

15,000 sq ft of commercial floor area less 1,000 = 14,000 sq ft comm'l

Add commercial floor area reduction back to market rate residential area:

1,000 + 29,700 = 30,700

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
				15	29,700	31,779

Residential Sq. Footage: 32,000 34,240

Commercial Sq. Footage: 14,000 14,560

Combined Sq. Footage (stays at 47,000 for each inclus %) 46,000

Parking Provided:

Required Residential	2 sp per unit	34	
Additional Provided for Market-rate Units	n/a	-	
Required Commercial	1 sp/250 sq ft	56	56.00 rounded up
total		90	

Parking podium sq ft = 2,500 sq ft access + (# spaces x 350 sq ft) = 34,000

II. DEVELOPMENT COSTS

	Gross Sq Ft	Cost/sf	Cost
Land:	35,500	\$140	\$ 4,970,000
Underground parking/podium:	34,000	\$150	\$ 5,100,000
Commercial:	14,560	\$175	\$ 2,548,000
Market-Rate Residential:	31,779	\$260	\$ 8,262,540
Affordable Residential:	2,461	\$230	\$ 566,030
Financing (8% of above costs):			\$ 1,715,726
Soft costs (12% of above costs):			\$ 2,573,588
Total Development Cost:			\$ 25,735,884 \$ 25,735,884

II. SALES REVENUE

A. Market rate units (2 covered parking, no private elevator)

Bedrooms	Net Sq Ft	Price/ sf	Sale Price	# Units	Total
1 BD	1,200	\$ 750	\$ 900,000	3	\$ 2,700,000
2 BD	2,100	\$ 725	\$ 1,522,500	8	\$ 12,180,000
3 BD	2,325	\$ 725	\$ 1,685,625	4	\$ 6,742,500
Total				15	\$ 21,622,500

B. Affordable Inclusionary Units

Bedrooms	Sale Price	# Units	Total
2 BD	\$ 268,400	1	\$ 268,400
3 BD	\$ 320,600	1	\$ 320,600
Total		2	\$ 589,000

C. Commercial Space

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

Gross Sales Proceeds: \$ 30,611,500

Less 5% costs of sale/holding: \$ 1,530,600

Net Sales Proceeds: \$ 29,080,900 \$ 29,080,900

Profit: \$ 3,345,016
Percent Profit: 13.0%

MIXED-USE, OUTSIDE 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
Inclusionary:	2 BD	1,000	1,070	2	2,000	2,140
	3 BD	1,300	1,391	1	1,300	1,391
				3	3,300	3,531

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 500 sq ft for each inclusionary unit

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

Add commercial floor area reduction back to market rate residential area:

1,500 + 28,700 = 30,200

Market-Rate:	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
				15	28,700	30,709

Residential Sq. Footage: 32,000 34,240

Commercial Sq. Footage: 13,500 14,040

Combined Sq. Footage (stays at 47,000 for each inclus %) 45,500

Parking Provided:

Required Residential	2 sp per unit	36	
Additional Provided for Market-rate Units	n/a	-	
Required Commercial	1 sp/250 sq ft	54	54.00 rounded up
total		90	

Parking podium sq ft = 2,500 sq ft access + (# spaces x 350 sq ft) = 34,000

II. DEVELOPMENT COSTS

	Gross Sq Ft	Cost/sf	Cost
Land:	35,500	\$140	\$ 4,970,000
Underground parking/podium:	34,000	\$150	\$ 5,100,000
Commercial:	14,040	\$175	\$ 2,457,000
Market-Rate Residential:	30,709	\$260	\$ 7,984,340
Affordable Residential:	3,531	\$230	\$ 812,130
Financing (8% of above costs):			\$ 1,705,878
Soft costs (12% of above costs):			\$ 2,558,816
Total Development Cost:			\$ 25,588,164 \$ 25,588,164

II. SALES REVENUE

A. Market rate units (2 covered parking, no private elevator)

Bedrooms	Net Sq Ft	Price/ sf	Sale Price	# Units	Total
1 BD	1,200	\$ 750	\$ 900,000	3	\$ 2,700,000
2 BD	2,000	\$ 725	\$ 1,450,000	8	\$ 11,600,000
3 BD	2,275	\$ 725	\$ 1,649,375	4	\$ 6,597,500
Total				15	\$ 20,897,500

B. Affordable Inclusionary Units

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

C. Commercial Space

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

Gross Sales Proceeds:	\$ 29,854,900
Less 5% costs of sale/holding:	\$ 1,492,700
Net Sales Proceeds:	\$ 28,362,200 \$ 28,362,200

Profit: \$ 2,774,036
Percent Profit: 10.8%

MIXED-USE, OUTSIDE 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
Inclusionary:	2 BD	1,000	1,070	3	3,000	3,210
	3 BD	1,300	1,391	1	1,300	1,391
				4	4,300	4,601

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 500 sq ft for each inclusionary unit

15,000 sq ft of commercial floor area less 2,000 = 13,000 sq ft comm'l

Add commercial floor area reduction back to market rate residential area:

2,000 + 27,700 = 29,700

Market-Rate:	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
			15	27,700	29,639	

Residential Sq. Footage: 32,000 34,240

Commercial Sq. Footage: 13,000 13,520

Combined Sq. Footage (stays at 47,000 for each inclus %) 45,000

Parking Provided:

Required Residential	2 sp per unit	38	
Additional Provided for Market-rate Units	n/a	-	
Required Commercial	1 sp/250 sq ft	52	52.00 rounded up
total		90	

Parking podium sq ft = 2,500 sq ft access + (# spaces x 350 sq ft) = 34,000

II. DEVELOPMENT COSTS

	Gross Sq Ft	Cost/sf	Cost
Land:	35,500	\$140	\$ 4,970,000
Underground parking/podium:	34,000	\$150	\$ 5,100,000
Commercial:	13,520	\$175	\$ 2,366,000
Market-Rate Residential:	29,639	\$260	\$ 7,706,140
Affordable Residential	4,601	\$230	\$ 1,058,230
Financing (8% of above costs):			\$ 1,696,030
Soft costs (12% of above costs):			\$ 2,544,044
Total Development Cost:			\$ 25,440,444 \$ 25,440,444

II. SALES REVENUE

A. Market rate units (2 covered parking, no private elevator)

Bedrooms	Net Sq Ft	Price/ sf	Sale Price	# Units	Total
1 BD	1,200	\$ 750	\$ 900,000	3	\$ 2,700,000
2 BD	1,900	\$ 725	\$ 1,377,500	8	\$ 11,020,000
3 BD	2,225	\$ 725	\$ 1,613,125	4	\$ 6,452,500
Total				15	\$ 20,172,500

B. Affordable Inclusionary Units

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

C. Commercial Space

Size	Price/ sf	Sale Price	Total
13,000	\$ 600	\$ 7,800,000	\$ 7,800,000

Gross Sales Proceeds:	\$ 29,098,300
Less 5% costs of sale/holding:	\$ 1,454,900
Net Sales Proceeds:	\$ 27,643,400 \$ 27,643,400

Profit: \$ 2,202,956
Percent Profit: 8.7%

MIXED-USE, OUTSIDE 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
Inclusionary:	2 BD	1,000	1,070	4	4,000	4,280
	3 BD	1,300	1,391	1	1,300	1,391
				5	5,300	5,671

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 500 sq ft for each inclusionary unit

15,000 sq ft of commercial floor area less 2,500 = 12,500 sq ft comm'l

Add commercial floor area reduction back to market rate residential area:

2,500 + 26,700 = 29,200

Market-Rate:	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
				15	26,700	28,569

Residential Sq. Footage: 32,000 34,240

Commercial Sq. Footage: 12,500 13,000

Combined Sq. Footage (stays at 47,000 for each inclus %) 44,500

Parking Provided:

Required Residential	2 sp per unit	40	
Additional Provided for Market-rate Units	n/a	-	
Required Commercial	1 sp/250 sq ft	50	50.00 rounded up
total		90	

Parking podium sq ft = 2,500 sq ft access + (# spaces x 350 sq ft) = 34,000

II. DEVELOPMENT COSTS

	Gross Sq Ft	Cost/sf	Cost
Land:	35,500	\$140	\$ 4,970,000
Underground parking/podium:	34,000	\$150	\$ 5,100,000
Commercial:	13,000	\$175	\$ 2,275,000
Market-Rate Residential:	28,569	\$260	\$ 7,427,940
Affordable Residential	5,671	\$230	\$ 1,304,330
Financing (8% of above costs):			\$ 1,686,182
Soft costs (12% of above costs):			\$ 2,529,272
Total Development Cost:			\$ 25,292,724 \$ 25,292,724

II. SALES REVENUE

A. Market rate units (2 covered parking, no private elevator)

Bedrooms	Net Sq Ft	Price/ sf	Sale Price	# Units	Total
1 BD	1,200	\$ 750	\$ 900,000	3	\$ 2,700,000
2 BD	1,800	\$ 725	\$ 1,305,000	8	\$ 10,440,000
3 BD	2,175	\$ 725	\$ 1,576,875	4	\$ 6,307,500
Total				15	\$ 19,447,500

B. Affordable Inclusionary Units

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

C. Commercial Space

Size	Price/ sf	Sale Price	Total
12,500	\$ 600	\$ 7,500,000	\$ 7,500,000

Gross Sales Proceeds: \$ 28,341,700

Less 5% costs of sale/holding: \$ 1,417,100

Net Sales Proceeds: \$ 26,924,600 \$ 26,924,600

Profit: \$ 1,631,876

Percent Profit: 6.5%

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

MIXED-USE, OUTSIDE 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	\$ 26,042,880	\$ 30,675,500	\$ 4,632,620	17.8%		
15%		2	\$ 25,735,884	\$ 29,080,900	\$ 3,345,016	13.0%	\$ 1,287,604	\$ 643,802
20%		3	\$ 25,588,164	\$ 28,362,200	\$ 2,774,036	10.8%	\$ 1,858,584	\$ 619,528
25%		4	\$ 25,440,444	\$ 27,643,400	\$ 2,202,956	8.7%	\$ 2,429,664	\$ 607,416
30%		5	\$ 25,292,724	\$ 26,924,600	\$ 1,631,876	6.5%	\$ 3,000,744	\$ 600,149

If In-Lieu Fee is Paid		# Inclusionary Units Waived	Project cost	Net Sales Revenue	Less In-Lieu Fee	Profit	% Profit
15%		2	\$ 26,042,880	\$ 30,675,500	\$ 634,000	\$ 3,998,620	15.4%
20%		3	\$ 26,042,880	\$ 30,675,500	\$ 951,000	\$ 3,681,620	14.1%
25%		4	\$ 26,042,880	\$ 30,675,500	\$ 1,268,000	\$ 3,364,620	12.9%
30%		5	\$ 26,042,880	\$ 30,675,500	\$ 1,585,000	\$ 3,047,620	11.7%