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**PRELIMINARY PROJECT ECONOMIC ANALYSIS FOR
CITY OF DAVIS AFFORDABLE HOUSING ORDINANCE**

DAVIS, CALIFORNIA

**Prepared for:
CITY OF DAVIS**



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Real Estate – Planning – Economic Development

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I. Introduction and Purpose

The primary purpose of this summary report is to present preliminary information related to the projected economic implications of potential affordable housing ordinance requirements on certain urban scale residential ownership and rental development prototypes. The project economic analysis summarized in this report addresses the estimated financial feasibility (including profitability) information for certain identified residential ownership and rental development prototypes.

The preliminary project economic information presented in this report can be used by the City of Davis to inform the process being undertaken by the City of Davis in regard to its consideration of amending its existing Affordable Housing Ordinance as it relates to the identified residential ownership and rental development prototypes addressed in this memorandum. Specifically the preliminary project economic analysis is intended to:

1. Present preliminary information regarding a development pro-forma/net project value (return-on-investment) for each of the four subject residential/mixed-use development prototypes as prescribed by the City of Davis based on certain identified development cost, revenue, financing and investment assumptions.
2. Present preliminary information regarding the projected implication of certain affordable housing requirements – specifically affordable housing fee and on-site affordable housing units with a density bonus - on the estimated net project value (return-on-investment) of the four subject residential/mixed-use development prototypes.

II. Approach of Analysis

The preliminary project economic analysis includes estimated development pro-forma information for the identified residential and mixed-use development prototypes described below. The estimated development pro-forma information includes estimates of total development costs (including land, site development, building construction, indirect and financing costs) and income/revenue for each of the identified development prototypes in order to synthesize the economics into estimates of project value.

In addition the preliminary project economic analysis: a) takes into account prospective affordable housing requirements (using an affordable housing fee or on-site affordable housing units with a density bonus); and b) addresses the projected return-on-investment to a prospective private developer in terms of profitability and whether the development achieves the targeted return-on-investment thresholds resulting from implementation of the prototypical development.

A. Affordable Housing Requirement Alternatives

For each of the identified residential and mixed-use development prototypes described below, an estimated development pro-forma is presented based on the alternatives listed below:

1. Market rate development with no affordable housing requirements;
2. Market rate/affordable development with an affordable housing fee; and
3. Market rate/affordable development with on-site affordable units and a density bonus.

The preliminary project economic analysis is intended to present a development pro-forma model that can be used by the City to identify and evaluate the potential economic implications of the City's Affordable Housing Ordinance requirements (e.g. minimum number of units within a development before applying the requirements, percentage of units within a development subject to the ordinance requirements, etc.) that may be considered by the City for the identified residential development prototypes.

B. Residential and Mixed-Use Development Prototypes

The residential and mixed-use development prototypes addressed by the preliminary project economic analysis as prescribed by the City of Davis include both ownership housing, rental housing and commercial development are described in detail in Attachment A to this report, and summarized below:

- **Prototype No. 1: Stacked Condominiums –Three-Story Building (Large Site)**
This prototype includes three-story stacked condominium building(s) with three levels of ownership units adjacent to/above individual attached garages at an overall average density of approximately 30 units per acre, and average unit size of 1,300 square feet.
- **Prototype No. 1A: Stacked Condominiums –Three-Story Building (Small Site)**
This prototype includes three-story stacked condominium building(s) with three levels of ownership units adjacent to/above individual attached garages at an overall average density of approximately 30 units per acre, and average unit size of 1,300 square feet.
- **Prototype No. 2: Stacked Condominiums – Five-Story Building**
This prototype includes five-story stacked condominium building with four levels of ownership units above ground floor podium and surface parking at an overall average density of approximately 60 units per acre, and average unit size of 1,300 square feet – assuming a site area of 2.0 acres.
- **Prototype No. 3: Vertical Mixed-Use (Ownership Housing/Commercial) – Five-Story Building**
This prototype includes five-story vertical mixed-use building with four levels of ownership housing units above ground floor commercial and podium parking at an overall average density of approximately 60 units per acre, and average unit size of 1,300 square feet.
- **Prototype No. 4: Vertical Mixed-Use (Rental Housing/Commercial) –Five-Story Building**
This prototype includes five-story vertical mixed-use building with four levels of rental housing units above ground floor commercial and podium parking at an overall average density of approximately 70 units per acre, and average unit size of 900 square feet.

For purposes of this preliminary project economic analysis, the identified residential and mixed-use prototype alternatives are assumed to each be developed on a hypothetical 2.0 acre infill development site within the current urbanized area of the City of Davis - with exception for Prototype No. 1A which is based on a 0.5 acre site.

III. **Preliminary Conclusions Drawn from Preliminary Project Economic Analysis**

This section is intended to provide the City with some preliminary conclusions regarding the results of the preliminary project economic analysis for the subject development prototypes addressed in the report as related to the potential estimated effect(s) of imposing potential initial affordable housing requirements as set forth in this report.

A. Market Rate Housing without Affordable Housing Requirements

1. The preliminary project economic analysis for the market-rate stacked condominium and vertical mixed-use (ownership housing/commercial) development prototypes without any affordable housing requirements (see Attachments C-1, D-1, E-1 and F-1) indicates an estimated net project value that yields an estimated return-on-investment generally within (or close to) both the assumed targeted return-on-investment thresholds based on percentage of gross sales revenue (10% to 12%) and percentage of estimated total development cost (15% to 20%).

2. The preliminary project economic analysis for the vertical mixed-use (rental housing/commercial) development prototype (see Attachment G-1) estimates a net project value that yields an estimated return-on-investment (percentage of estimated total development cost) within the assumed targeted range (15% to 20%).

B. Market Rate/Affordable Development with Affordable Housing Fee

1. The preliminary project economic analysis indicates that imposition of an affordable housing fee (using the City prescribed \$75,000 per unit) for the required number of affordable housing units (using either 10% or 5% of total number of units) for the stacked condominium and vertical mixed-use (ownership housing) development prototypes (Prototype Nos. 1, 1A and 2) has an effect of reducing the estimated return-on-investment based on a percentage of estimated gross sales revenue factor to levels that are either just at or below the targeted threshold for this return-on-investment factor. The 5% requirement clearly has less of a negative impact on the projected economics for the these four subject development prototypes making such development still possible.

Imposition of an affordable housing fee (using the City prescribed \$75,000 per unit) reduces the return-on-investment based on based on a percentage of estimated total development cost factor to levels that are below the assumed targeted threshold of 15% to 20% of estimated total development cost thereby making such development unlikely to occur.

2. The preliminary project economic analysis indicates that the imposition of an affordable housing fee (using the City prescribed \$75,000 per unit) for the required number of affordable housing units (using either 10% or 5% of total number of units) for the vertical mixed-use (rental housing/commercial) development prototype (Prototype No. 4) has the effect of reducing the estimated return-on-investments based on percentage of estimated total development to a level that is either at or slightly below the assumed targeted threshold of 15% to 20% of estimated total development cost – thereby making the such development either only possible or unlikely to occur.

C. Market Rate/Affordable Development with On-site Affordable Housing Units and Density Bonus

1. The preliminary project economic analysis indicates that the imposition of on-site affordable housing units (using 10% or 5% of total number of units) with a density bonus (one-for-one) for the stacked condominium and vertical mixed-use (ownership housing/commercial) development prototypes (Prototype Nos. 1, 1A, 2 and 3) has the effect of reducing the estimated return-on-investment based on a percentage of estimated gross sales revenue factor to level that might make such development only possible or unlikely to occur – even with the increased number of units resulting from the density bonus. The 5% requirement clearly has less of a negative impact on the projected economics for the these four subject development prototypes making such development still possible.

Imposition of on-site affordable housing unit requirement reduces the return-on-investment based on a percentage of estimated total development factor cost to a level that is below the assumed targeted threshold of 15% to 20% of estimated total development cost thereby making such development unlikely to occur.

2. The preliminary project economic analysis indicates that the imposition of on-site affordable housing units (using 10% or 5% of total number of units) with a density bonus (one-for-one) for the vertical mixed-use (rental housing/commercial) development prototype (Prototype No. 4) has the effect of reducing the estimated return-on-investment based on a percentage of estimated total development cost factor to a level that is either well below the assumed targeted threshold using the 10% requirement and just at assumed targeted threshold using the 5% requirement.

D. Summary of Preliminary Conclusions in Relation to Development Potential of Prototypes

The table on the following page presents a summary of the preliminary conclusions drawn from the preliminary project economic analysis regarding targeted return-on-investment assumptions. For each prototype alternative the table indicates whether the potential development would be likely, possible or unlikely in relation to the estimated implication of each of the indicated affordable housing requirement alternatives (specifically the inclusion of a prescribed affordable housing fee or inclusion of on-site affordable housing units with a density bonus) and the assumed targeted return-on-investment thresholds (percentage of gross sales revenue (10% to 12%) and percentage of total development cost (15% to 20%)). As indicated in Table 1:

- It appears that all of the market rate residential/mixed-use development prototypes without any affordable housing requirement would either be “likely” or “possible” to occur based estimated return-on-investments within or near the assumed targeted threshold ranges (10% to 12% of gross sales revenue for the ownership housing and 15% to 20% of total development cost for ownership housing/mixed-use (residential and commercial) development).
- The imposition of an affordable housing fee (using the City prescribed \$75,000 per unit) has the effect of reducing the estimated return-on-investment for certain development prototypes to levels that make such developments either only “possible” or “unlikely” to occur. These include Prototype Nos. 1 and 1A as “unlikely” based on the estimated return-on-investment using percentage of total development cost as a factor; and Prototype Nos. 2, 3 and 4 as only “possible” or “unlikely” based on the estimated return-on-investment (using percentage of total development cost (Prototype Nos. 2 and 4) and percentage of gross sales revenue (Prototype No. 3) as factors).
- The imposition of on-site affordable housing units (10% of total number of units) with a density bonus (one-for-one) has the effect of reducing the estimated return-on-investment for certain development prototypes to levels that make such developments either only “possible” or “unlikely” to occur. These would include Prototype Nos. 2, 3, and 4 as only “possible” or “unlikely” based on the estimated return-on-investment (using percentage of total development cost (Prototype Nos. 2 and 4) and percentage of gross sales revenue (Prototype No. 3) as factors).

Given the information presented above, the City should give consideration to the extent of any affordable housing requirements (in terms of the size of development subject to affordable housing requirements, the extent of an affordable housing fee, and/or the percentage of required units) are targeted to a level that would allow a proposed stacked condominium and/or vertical mixed-use development prototype to be developed with an acceptable return-on-investment to a private developer. The City might give consideration to affordable housing provisions that relate more directly to the type of urban scale development addressed in this report due to the extent of the overall development costs associated with such development – primarily due to the multi-level (three to five story buildings) style of construction for all of the evaluated development prototypes, and inclusion of podium/structured parking in Prototypes Nos. 3, 4 and 5 – including:

- 1) establishing a minimum sized residential/mixed-use development before imposing an affordable housing requirement;
- 2) establishing an affordable housing fee that may vary depending on the type (ownership, rental, etc.) and size (number of units, size of units) of a proposed residential/mixed-use development; and
- 3) establishing a reasonable level for the required percentage of affordable housing units depending on the type and size of a proposed residential/mixed-use development.

Table 1:
Summary of Results of Preliminary Project Economic Analysis Related to Targeted Return-on-Investment (1)

Prototype Alternative	Affordable Housing Requirements					
	No Affordable Housing Requirement	With Affordable Housing Fee		On-site Affordable Housing		
			10% of Units	5% of Units	10% of Units	5% of Units
No. 1: Stacked Condominiums - Three-Story Building (Large Site)(2)						
% of Gross Sales Revenue	14%	13%	NA	15%	NA	
% of Total Development Cost	17%	14%	NA	17%	NA	
No. 1A: Stacked Condominiums - Three-Story Building (Small Site)(3)						
% of Gross Sales Revenue	15%	12%	NA	14%	NA	
% of Total Development Cost	18%	14%	NA	16%	NA	
No. 2: Stacked Condominiums - Five-Story Building (4)						
% of Gross Sales Revenue	12%	10%	11%	11%	12%	
% of Total Development Cost	15%	12%	13%	12%	14%	
No. 3: Vertical Mixed-Use (Ownership Housing / Commercial) Five-Story Building (5)						
% of Gross Sales Revenue (Housing Only)	11%	9%	10%	8%	10%	
% of Total Development Cost (Commercial Only)	20%	20%	20%	20%	20%	
No. 4: Vertical Mixed-Use (Rental Housing and Commercial) - Five-Story Building (6)						
% of Gross Sales Revenue	NA	NA	NA	NA	NA	
% of Total Development Cost	17%	14%	16%	11%	15%	
Legend						
= Likely = Possible = Unlikely						
Footnotes:						
(1) Estimated figures for return-on-investment rounded to the nearest whole number; targeted return-on-investment are 10% to 15% of gross sales revenue and 15% to 20% of total development cost						
(2) For ownership housing prototypes; return-on-investment is based on estimated net project value in relation to estimated gross sales revenue; large site is defined as 2.0 acres						
(3) For ownership housing prototypes; return-on-investment is based on estimated net project value in relation to estimated gross sales revenue; small site is defined as 0.5 acre						
(4) For ownership housing prototypes; return-on-investment is based on estimated net project value in relation to estimated gross sales revenue						
(5) For ownership housing/commercial space prototype alternative; return-on-investment is based on estimated net project value in relation to estimated gross sales revenue for the ownership housing component and estimated net project value in relation to estimated total development cost for the commercial space component						
(6) For rental housing/commercial space prototype alternative, return-on-investment is based on estimated net project value in relation to total development cost						

IV. Cost, Revenue, Financing and Investment Assumptions Used in Preparing Preliminary Project Economic Analysis

The preliminary project economic analysis is based on a series of cost, revenue, financing and investment assumptions which are described in detail in Attachment B and summarized below.

A. Development Cost Assumptions

Direct Construction Cost Assumptions

Based on our interviews with developers, prior experience, and review of applicable industry standards, we assumed the following direct construction cost factors related to the proposed residential ownership, residential rental and ancillary retail uses addressed in the preliminary project economic analysis.

- Land - \$10 per square foot of site area
- Public infrastructure - \$3 per square foot of site area
- On-site development - \$12 per square foot of site area
- Building Construction
 - Residential ownership units - \$130 to \$145 per square foot plus 1.0% for upgrades / options
 - Residential rental units - \$130 to \$135 per square foot
 - Ancillary retail - \$100 to \$110 per square foot plus \$50 to \$90 for tenant improvements
- General contractor – 20% including insurance, overhead, profit
- Contingency – 7%

Indirect Cost Assumptions

Based on our prior experience and review of applicable industry standards, we assumed certain indirect construction cost factors related to the proposed residential ownership, residential rental and ancillary retail uses. These indirect cost factors include entitlements, architecture/engineering, municipal permits/fees, property taxes, insurance, developer overhead, marketing expenses, leasing commissions, warranty reserve (residential ownership), developer fee and contingency. Overall the assumed indirect costs equate to approximately 28% to 31% of the estimated direct construction costs.

The municipal permits and fees cost factor includes City of Davis impact fees (roadways, storm sewer, parks, open space, public safety, general facilities, water and sewer), water/sanitary sewer connection fees, building permit fees and school impact fees as provided by the City staff.

B. Financing and Investment Assumptions

The preliminary project economic analysis includes certain financing and investment assumptions related to construction loan, permanent loan and targeted investment returns for the proposed residential ownership, multiple-family residential rental and ancillary retail uses. For purposes of this preliminary analysis we used a construction loan-to-cost ratio of 65% (requiring 35% equity), 6% interest rate, construction loan fees/costs of 2% and a build-out period of 12 to 18 months per phase of development. Overall the assumed financing costs equate to approximately 5% to 6% of the estimated direct construction costs.

The assumed targeted return on investment for the residential ownership units is 10% to 12% of the estimated gross sales revenue; and the assumed return-on-investment for the multiple-family residential rental and ancillary retail uses is 15% to 20% of estimated total development cost. These targeted returns on investment appear to be reasonable given the extent of the entitlement risk, market risk, estimated costs of development and estimated timing to deliver and complete the proposed development

C. Income and Revenue Assumptions

The preliminary project economic analysis includes certain estimated income, sales and operating expense assumptions for the residential ownership, multiple-family residential rental and ancillary retail uses within the identified residential and mixed-use development prototypes.

Residential Ownership Units

For the proposed residential ownership units we have assumed the base unit sales prices to be approximately \$300 to \$345 per square foot depending on the type of unit. The average unit size is 1,300 square feet with average unit sales prices from \$390,000 to \$450,000, depending on the unit type. This range of base unit sale prices is based on a review of base sale prices for similar urban scale for-sale units in the greater Sacramento area, with upward adjustments for the Davis market. In addition there is estimated upgrade income based on 2% to 3% of the estimated base unit sale prices, and estimated sale, closing, commission and title/escrow costs (approximately 3.5% of the unit sale prices).

Multiple-Family Residential Rental Units

Monthly rents for the proposed multiple-family residential rental units are assumed to be approximately \$2.20 per square foot of leasable area – this translates into monthly rents of approximately \$1,980 for an average 900 square foot unit. Operating expenses are assumed to be 25% of the estimated effective gross rental income with a 5% vacancy factor.

Ancillary Commercial

Retail monthly rents are assumed to be approximately \$2.00 (triple net) per square foot of lease space for non-food uses, and approximately \$3.00 (triple net) per square foot of lease space for food uses. Monthly tenant reimbursements are estimated to be an average of \$0.50 per square foot of lease space with monthly operating expenses estimated at \$0.67 per square foot - with a 5% vacancy factor.

D. Affordable Housing Requirement Assumptions

As indicated above the preliminary project economic analysis includes an estimated development pro-forma for three market rate and market rate/affordable development alternatives for each of the four identified residential/mixed-use development prototypes. The market rate and market rate/affordable development alternatives are:

- Market rate development without affordable housing requirement;
- Market rate/affordable development with an affordable housing fee; and
- Market rate/affordable development with on-site affordable units and a density bonus.

The specific affordable housing requirements used in the estimated development pro-forma for the two market rate/affordable development alternatives are described below.

1. Ownership Housing

For the proposed ownership housing use the initial assumed affordable housing requirement is 10% of the total number of units with a one-for-one density bonus for all units provided through on-site construction or land dedication. Units developed on-site are required to serve low and moderate income households with an average affordable unit sale price for a household at 100% of area median income (AMI). If not developed on-site there is either an in-lieu fee of \$75,000 per required number of affordable housing units, or land dedication (minimum of two acres).

For purposes of the preliminary project economic analysis the average affordable unit sale price is assumed to be \$275,827 for a two-bedroom unit and \$309,847 for a three-bedroom unit after adjustments for assessments, homeowners association fees, etc.

2. Multiple-Family Rental Housing

For the proposed multiple family residential units developed on-site the initial assumed affordable housing requirement for projects of 15 units or more is 10% of the total number of units (before one-for-one density bonus) with 5% at rents affordable to households earning 80% of the area median income and 5% of the rents at affordable to households earning 50% of area median income. If units are not developed on-site then a project can offer an in-lieu fee of \$75,000 per required number of affordable housing units, or land dedication (minimum of two acres). Based on information provided by the City of Davis the maximum monthly rents (including utility allowance) are assumed to be as follows:

<u>Bedrooms</u>	<u>Very Low Income (50% of AMI)</u>	<u>Low Income (80% of AMI)</u>
1-bedroom	\$ 669.00	\$1,129.00
2-bedroom	\$ 743.25	\$1,260.75
3-bedroom	\$ 806.25	\$1,382.50

V. Summary of Synthesized Results of Preliminary Project Economic Analysis

The estimated development pro-forma information for each of the residential and residential/mixed-use development prototypes is presented in Attachments C-1 through G-5 to this report. A summary of the results from the estimated development pro-forma information is presented below.

A. Prototype No. 1: Stacked Condominiums - Three-Story Building (Large Site)

Attachments C-1 through C-3 present the estimated development pro-forma information for this development prototype (on a 2.0 acre site) which includes three-story stacked condominium building(s) with three levels of ownership units adjacent to/above individual attached garages at an overall average density of approximately 30 units per acre.

Attachment C-1 presents the estimated development pro-forma information for a market rate development without any affordable housing requirements. As indicated the estimated development pro-forma indicates an estimated net project value of approximately \$3.5 million which provides for an estimated return-on-investment of approximately 14.2% of gross sales revenue and 17.2% of total development cost. These estimated returns are within (or above) the assumed targeted return-on-investment ranges for the residential ownership units of 10% to 12% of the estimated gross sales revenue, and 15% to 20% of estimated total development cost.

Attachment C-2 presents the estimated development pro-forma information for a market rate/affordable development with inclusion of an affordable housing fee for the required 6 units of affordable housing (\$75,000 per required affordable housing unit – or \$450,000 for the 6 units). As indicated imposing an affordable housing fee:

- 1) reduces the estimated net project value to approximately \$3.0 million (a decrease of approximately \$0.5 million;
- 2) reduces the estimated return-on-investment based on percentage of gross sales to approximately 12.6% (from approximately 14.2% in Attachment C-1) which is still within the assumed targeted range for that return-on-investment indicator; and

- 3) reduces the return-on-investment based on percentage of total development cost to approximately 14.5% (from 17.2% in Attachment C-1) which is below the acceptable targeted range for that return-on-investment indicator.

Attachment C-3 presents the estimated development pro-forma information for a market rate/affordable development with 6 units of on-site affordable housing (based on 10% of the total 60 units) with a one-for-one density bonus based on the extent of on-site affordable housing units – increasing the total number of units from 60 to 66 units. As indicated developing the on-site affordable housing units with the related density bonus:

- 1) increases the estimated net project value to approximately \$3.8 million (an increase of approximately \$0.3 million from Attachment C-1);
- 2) maintains the estimated return-on-investment based on percentage of gross sales at approximately 14.7% (due to the increased number of total units from 60 to 66 units) which is within the assumed targeted range for that return-on-investment indicator; and
- 3) maintains the return-on-investment based on percentage of total development cost at approximately 17.2% (same as in Attachment C-1) which is within the acceptable targeted range for that return-on-investment indicator.

B. Prototype No. 1: Stacked Condominiums - Three-Story Building (Small Site)

Attachments D-1 through D-3 present the estimated development pro-forma information for this prototype (on a 0.5 acre site) which includes three-story stacked condominium building(s) with three levels of ownership units adjacent to/above individual attached garages at an overall average density of approximately 30 units per acre.

Attachment D-1 presents the estimated development pro-forma information for a market rate development without any affordable housing requirements. As indicated the estimated development pro-forma indicates an estimated net project value of approximately \$919,000 which provides for an estimated return-on-investment of approximately 14.5% of gross sales revenue and 17.6% of total development cost. These estimated returns are within (or above) the assumed targeted return-on-investment ranges for the residential ownership units of 10% to 12% of the estimated gross sales revenue, and 15% to 20% of estimated total development cost.

Attachment D-2 presents the estimated development pro-forma information for a market rate/affordable development with inclusion of an affordable housing fee for the required 6 units of affordable housing (\$75,000 per required affordable housing unit – or \$450,000 for the 6 units). As indicated imposing an affordable housing fee:

- 1) reduces the estimated net project value to approximately \$755,000 (a decrease of approximately \$165,000);
- 2) reduces the estimated return-on-investment based on percentage of gross sales to approximately 12.3% (from approximately 14.5% in Attachment D-1) which is still within the assumed targeted range for that return-on-investment indicator; and
- 3) reduces the return-on-investment based on percentage of total development cost to approximately 14.0% (from 17.6% in Attachment D-1) which is below the acceptable targeted range for that return-on-investment indicator.

Attachment D-3 presents the estimated development pro-forma information for a market rate/affordable development with 6 units of on-site affordable housing (based on 10% of the total 60 units) with a one-for-one density bonus based on the extent of on-site affordable housing units – increasing the total

number of units from 60 to 66 units. As indicated developing the on-site affordable housing units with the related density bonus:

- 1) slightly increases the estimated net project value to approximately \$948,000 (from \$919,000 in Attachment D-1);
- 2) slightly decreases the estimated return-on-investment based on percentage of gross sales at approximately 14.1% (from approximately 14.5% in Attachment D-1) which is within the assumed targeted range for that return-on-investment indicator; and
- 3) slightly decreases the return-on-investment based on percentage of total development cost to approximately 16.4% (from approximately 17.6% in Attachment D-1) which is within the acceptable targeted range for that return-on-investment indicator.

C. Prototype No. 2: Stacked Condominiums – Five-Story Building

Attachments E-1 through E-5 present the estimated development pro-forma information for this development prototype which includes five-story stacked condominium building with four levels of ownership units above ground floor podium and surface parking at an overall average density of approximately 60 units per acre. Attachment E-1 presents information regarding a market-rate development without any affordable housing requirements; Attachments E-2 and E-3 present information regarding a market-rate/affordable development with an affordable housing fee of 10% and 5%, respectively; and Attachments E-4 and E-5 present information regarding a market-rate/affordable development with on-site affordable housing units using 10% and 5% of the units, respectively.

Attachment E-1 presents the estimated development pro-forma information for a market rate development without any affordable housing requirements. As indicated the estimated development pro-forma indicates an estimated net project value of approximately \$6.7 million which provides for an estimated return-on-investment of approximately 12.3% of gross sales revenue and 14.6% of total development cost. These estimated returns are within or near the assumed targeted return-on-investment threshold for the residential ownership units of 10% to 12% of estimated gross sales revenue, and 15% to 20% of estimated total development cost.

Attachment E-2 presents the estimated development pro-forma information for a market rate/affordable development with inclusion of an affordable housing fee based on 10% of the total 120 units (\$75,000 per required affordable housing unit – or \$900,000 for the 12 units). As indicated imposing an affordable housing fee:

- 1) reduces the estimated net project value to approximately \$5.7 million (a decrease of approximately \$1.0 million);
- 2) reduces the estimated return-on-investment based on percentage of gross sales to approximately 10.5% (from approximately 12.3% in Attachment E-1) which is still within lower range of the assumed targeted threshold for that return-on-investment indicator; and
- 3) reduces the return-on-investment based on percentage of total development cost to approximately 12.2% (from 14.6% in Attachment E-1) which is well below the acceptable targeted threshold for that return-on-investment indicator.

Attachment E-3 presents the estimated development pro-forma information for a market rate/affordable development with inclusion of an affordable housing fee based on 5% of the total 120 units (\$75,000 per required affordable housing unit – or \$450,000 for the 6 units). As indicated imposing an affordable housing fee:

- 1) reduces the estimated net project value to approximately \$6.2 million (a decrease of approximately \$0.5 million);

- 2) reduces the estimated return-on-investment based on percentage of gross sales to approximately 11.4% (from approximately 12.3% in Attachment E-1) which is still within lower range of the assumed targeted threshold for that return-on-investment indicator; and
- 3) reduces the return-on-investment based on percentage of total development cost to approximately 13.4% (from 14.6% in Attachment E-1) which is well below the acceptable targeted threshold for that return-on-investment indicator.

Attachment E-4 presents the estimated development pro-forma information for a market rate/affordable development with 12 units of on-site affordable housing (based on 10% of the total 120 units) with a one-for-one density bonus based on the extent of on-site affordable housing units – increasing the total number of units from 120 to 132 units. As indicated developing the on-site affordable housing units with the related density bonus:

- 1) reduces the estimated net project value to approximately \$6.1 million (a decrease of approximately \$0.6 million from Attachment E-1);
- 2) reduces the estimated return-on-investment based on percentage of gross sales to approximately 10.5% (from approximately 12.3% in Attachment E-1) which is still within the assumed targeted threshold for that return-on-investment indicator; and
- 3) reduces the estimated return-on-investment based on percentage of total development cost to approximately 12.2% (from approximately 14.6% Attachment E-1) which is well below the acceptable targeted threshold for that return-on-investment indicator.

Attachment E-5 presents the estimated development pro-forma information for a market rate/affordable development with 6 units of on-site affordable housing (based on 5% of the total 120 units) with a one-for-one density bonus based on the extent of on-site affordable housing units – increasing the total number of units from 120 to 126 units. As indicated developing the on-site affordable housing units with the related density bonus:

- 1) reduces the estimated net project value to approximately \$6.4 million (a decrease of approximately \$0.3 million from Attachment E-1);
- 2) reduces the estimated return-on-investment based on percentage of gross sales to approximately 11.5% (from approximately 12.3% in Attachment E-1) which is still within the assumed targeted threshold for that return-on-investment indicator; and
- 3) reduces the estimated return-on-investment based on percentage of total development cost to approximately 13.5% (from approximately 14.6% Attachment E-1) which is well below the acceptable targeted threshold for that return-on-investment indicator.

D. Prototype No. 3: Vertical Mixed-Use (Ownership Housing/Commercial) – Five-Story Building

Attachments F-1 through F-5 present the estimated development pro-forma information for this development prototype which includes five-story vertical mixed-use building with four levels of ownership housing units above ground floor commercial/podium parking at an average density of approximately 60 units per acre. Attachment F-1 presents information regarding a market-rate development without any affordable housing requirements; Attachments F-2 and F-3 present information regarding a market-rate/affordable development with an affordable housing fee of 10% and 5%, respectively; and Attachments F-4 and F-5 present information regarding a market-rate/affordable development with on-site affordable housing units using 10% and 5% of the units, respectively.

Attachment F-1 presents the estimated development pro-forma information for a market rate development without any affordable housing requirements. As indicated the estimated development pro-forma indicates an estimated net project value of approximately \$6.5 million which provides for an estimated return-on-investment of approximately 10.8% of gross sales revenue (within the assumed

targeted thresholds of 10% to 12% of the estimated gross sales revenue), and 19.7% of total development cost for the commercial space component only (within the assumed targeted range (15% to 20%) based on percentage of estimated total development cost).

Attachment F-2 presents the estimated development pro-forma information for a market rate/affordable development with inclusion of an affordable housing fee based on 10% of the total 120 units (\$75,000 per required affordable housing unit – or \$900,000 for the 12 units). As indicated imposing an affordable housing fee:

- 1) reduces the estimated net project value to approximately \$5.5 million (a decrease of approximately \$1.0 million);
- 2) slightly decreases the estimated return-on-investment based on percentage of gross sales to approximately 8.9% (from approximately 10.8% in Attachment F-1) which is within the assumed targeted threshold for that return-on-investment indicator; and
- 3) maintains the return-on-investment based on percentage of total development cost at approximately 19.7% for the commercial space component only (same as in Attachment F-1) which is within the acceptable targeted range for that return-on-investment indicator.

Attachment F-3 presents the estimated development pro-forma information for a market rate/affordable development with inclusion of an affordable housing fee based on 5% of the total 120 units (\$75,000 per required affordable housing unit – or \$450,000 for the 6 units). As indicated imposing an affordable housing fee:

- 1) reduces the estimated net project value to approximately \$6.0 million (a decrease of approximately \$0.5 million);
- 2) slightly decreases the estimated return-on-investment based on percentage of gross sales to approximately 9.8% (from approximately 10.8% in Attachment F-1) which is within the assumed targeted threshold for that return-on-investment indicator; and
- 3) maintains the return-on-investment based on percentage of total development cost at approximately 19.7% for the commercial space component only (same as in Attachment F-1) which is within the acceptable targeted range for that return-on-investment indicator.

Attachment F-4 presents the estimated development pro-forma information for a market rate/affordable development with 12 units of on-site affordable housing (based on 10% of the total 120 units) with a one-for-one density bonus based on the extent of on-site affordable housing units – increasing the total number of units from 120 to 132 units. As indicated developing the on-site affordable housing units with the related density bonus:

- 1) reduces the estimated net project value slightly to approximately \$5.4 million (a decrease of approximately \$1.1 million from Attachment F-1);
- 2) reduces the estimated return-on-investment based on percentage of gross sales to approximately 8.3% (from approximately 10.8% in Attachment F-1) which is below the assumed targeted threshold for that return-on-investment indicator; and
- 3) maintains the return-on-investment based on percentage of total development cost at approximately 20.2% for the commercial space component only (same as in Attachment F-1) which is within the acceptable targeted range for that return-on-investment indicator.

Attachment F-5 presents the estimated development pro-forma information for a market rate/affordable development with 6 units of on-site affordable housing (based on 5% of the total 120 units) with a one-for-one density bonus based on the extent of on-site affordable housing units – increasing the total number of units from 120 to 126 units. As indicated developing the on-site affordable housing units with the related density bonus:

- 1) reduces the estimated net project value slightly to approximately \$6.0 million (a decrease of approximately \$0.5 million from Attachment F-1);
- 2) reduces the estimated return-on-investment based on percentage of gross sales to approximately 9.5% (from approximately 10.8% in Attachment F-1) which is below the assumed targeted threshold for that return-on-investment indicator; and
- 3) maintains the return-on-investment based on percentage of total development cost at approximately 20.0% for the commercial space component only (same as in Attachment F-1) which is within the acceptable targeted range for that return-on-investment indicator

E. Prototype No. 4: Vertical Mixed-Use (Rental Housing/Commercial) – Five-Story Building

Attachments G-1 through G-5 present the estimated development pro-forma information for this development prototype which includes five-story vertical mixed-use building with four levels of rental housing units above ground floor commercial and podium parking at an average density of approximately 70 units per acre. Attachment G-1 presents information regarding a market-rate development without any affordable housing requirements; Attachments G-2 and G-3 present information regarding a market-rate/affordable development with an affordable housing fee of 10% and 5%, respectively; and Attachments G-4 and G-5 present information regarding a market-rate/affordable development with on-site affordable housing units using 10% and 5% of the units, respectively.

Attachment G-1 presents the estimated development pro-forma information for a market rate development without any affordable housing requirements. As indicated the estimated development pro-forma indicates an estimated net project value of approximately \$7.3 million which provides for an estimated return-on-investment of 17.3% of total development cost. This estimated return is within the assumed targeted return-on-investment range of 15% to 20% of estimated total development cost.

Attachment G-2 presents the estimated development pro-forma information for a market rate/affordable development with inclusion of an affordable housing fee for the required 14 units of affordable housing based on 10% of the 140 total units (\$75,000 per required affordable housing unit – or \$1,050,000 for the 14 units). As indicated imposing an affordable housing fee:

- 1) reduces the estimated net project value to approximately \$6.1 million (a decrease of approximately \$1.2 million (from approximately \$7.3 million in Attachment G-1); and
- 2) reduces the estimated return-on-investment based on percentage of estimated total development cost to approximately 14.2% (from approximately 17.3% in Attachment G-1).

Attachment G-3 presents the estimated development pro-forma information for a market rate/affordable development with inclusion of an affordable housing fee for the required 7 units of affordable housing based on 5% of the 140 total units (\$75,000 per required affordable housing unit – or \$525,000 for the 7 units). As indicated imposing an affordable housing fee:

- 1) reduces the estimated net project value to approximately \$6.7 million (a decrease of approximately \$0.6 million (from approximately \$7.3 million in Attachment G-1); and
- 2) reduces the estimated return-on-investment based on percentage of estimated total development cost to approximately 15.7% (from approximately 17.3% in Attachment G-1).

Attachment G-4 presents the estimated development pro-forma information for a market rate/affordable development with 14 units of on-site affordable housing (based on 10% of the total 140 units) with a one-for-one density bonus based on the extent of on-site affordable housing units – increasing the total number of units from 140 to 154 units. As indicated developing the on-site affordable housing units with the related density bonus:

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- 1) reduces the estimated net project value to approximately \$5.0 million (a decrease of approximately \$2.3 million (from approximately \$7.3 million in Attachment G-1); and
- 2) reduces the estimated return-on-investment based on percentage of estimated total development cost to approximately 11.0% (a decrease from approximately 17.3% in Attachment G-1).

Attachment G-5 presents the estimated development pro-forma information for a market rate/affordable development with 7 units of on-site affordable housing (based on 5% of the total 140 units) with a one-for-one density bonus based on the extent of on-site affordable housing units – increasing the total number of units from 140 to 147 units. As indicated developing the on-site affordable housing units with the related density bonus:

- 1) reduces the estimated net project value to approximately \$6.5 million (a decrease of approximately \$0.8 million (from approximately \$7.3 million in Attachment G-1); and
- 2) reduces the estimated return-on-investment based on percentage of estimated total development cost to approximately 14.7% (a decrease from approximately 17.3% in Attachment G-1).

Preliminary Project Economic Analysis for City of Davis Affordable Housing Ordinance

Caveats and Limitations

1. The preliminary project economic analysis contained in this document is based, in part, on data and information from secondary sources, including the City of Davis. A. Plescia & Co. believes that these sources are reliable, however, A. Plescia & Co. cannot guarantee the accuracy of such data and information.
2. The preliminary project economic analysis assumes that neither the local, regional or national economy will experience a major recession. If an unforeseen change occurs in either the local, regional or national economy the information contained in this document might not be valid.
3. The information contained in this preliminary project economic analysis is based on economic considerations, not political considerations. Therefore the preliminary information should not be construed as a representation or opinion that any required governmental approvals would be secured for any proposed development projects.
4. The preliminary analysis is based on the informed judgment of A. Plescia & Co. using the best available market, business and economic data and information that reflects current real estate market conditions as of the date of this preliminary analysis. The preliminary information and analysis should not be relied upon as sole input and basis for any final business decisions regarding any proposed development projects.
5. Any preliminary estimated land values, construction costs, financing costs, lease rates, sales income projections, etc. are based on the best available data and information as of the date of this preliminary analysis. No warranty or representation, either expressed or otherwise, is made that these estimates would actually materialize.

**Attachment A:
 Summary of Residential and Mixed-Use Prototypes**

Prototype No. / Type	Site Area		Units		Gross Building Area			Floor-Area Ratio	Parking		
	Acres	SF	No.	Density	Residential	Commercial	Total		Type	No.	
No. 1: Stacked Condominiums Three-story buildings with two levels of units above individual attached garages		2.0	87,120	60	30.0	78,000	-	78,000	0.90	Individual Garages/ Surface	105
	With density bonus (1)	10%		66	33.0	86,000	-	86,000	0.99		116
		5%		NA	NA	NA		NA	NA		NA
No. 1A: Stacked Condominiums Three-story buildings with two levels of units above individual attached garages		0.5	21,780	15	30.0	20,000	-	20,000	0.92	Individual Garages/ Surface	26
	With density bonus (1)	10%		17	34.0	22,500	-	22,500	1.03		30
		5%		NA	NA	NA		NA	NA		NA
No. 2: Stacked Condominiums Five-story building with four levels of units above ground floor parking		2.0	87,120	120	60.0	184,000	-	184,000	2.11	Podium/ Surface	210
	With density bonus (1)	10%		132	66.0	202,000	-	202,000	2.32		231
		5%		126	63.0	193,000	-	193,000	2.22		220
No. 3: Vertical Mixed-Use (Ownership) Five-story building with four levels of units above ground floor parking/retail		2.0	87,120	120	60.0	185,000	15,000	200,000	2.30	Podium/ Surface	210
	With density bonus (1)	10%		132	66.0	200,000	15,000	215,000	2.47		231
		5%		126	63.0	194,000	15,000	209,000	2.40		220
No. 4: Vertical Mixed-Use (Rental) Five-story building with four levels of units above ground floor parking/retail		2.0	87,120	140	70.0	150,000	15,000	165,000	1.89	Podium/ Surface	245
	With density bonus (1)	10%		154	77.0	165,000	15,000	180,000	2.07		270
		5%		147	74.0	158,000	15,000	173,000	1.99		257

Footnotes:

(1) Based on a one-for-one density bonus associated with provision of on-site affordable housing units (10% for Prototype Nos. 1 and 1A, and both 10% and 5% for Prototype Nos. 2, 3 and 4)

**Attachment B:
Cost, Revenue, Financing and Investment Assumptions**

Development Cost Assumptions (as applicable to each land use type)

Land

Purchase Price \$10 per square foot

Direct Construction

Off-site Improvements \$3 per square foot of net site area

Site Development \$12 per square foot of site area

Building Construction

Residential Ownership

Base Construction \$130 to \$145 per square foot of gross building area (including structured parking) depending on construction type

Options / Upgrades 1.0% of estimated base construction cost

Residential Rental \$130 to \$135 per square foot of gross building area (including structured parking)

Retail

Base Construction \$100 to \$110 per square foot of gross building area

Tenant Improvements \$40 to \$60 per square foot - non-food uses; and \$80 to \$100 per square foot - food uses

Parking

Surface \$12 per square foot of site area

Structured - Podium \$50 per square foot of parking area (included in base construction cost)

Structured - Garage \$60 per square foot of parking area (included in base construction cost)

General Contractor 20% of estimated direct construction cost for insurance, overhead and profit

Contingency 5% of estimated direct construction cost

Indirect

Entitlements \$2.50 per square foot of gross building area

Architecture / Engineering 5% of estimated direct construction cost of vertical & horizontal improvements

Municipal Permits & Fees Based on City of Davis Impact Fee Schedule

Affordable Housing Fee In-lieu fee of \$75,000 per unit or land dedication (2.0 acre minimum) if units not developed on site

Taxes & Insurance 1% of estimated direct construction cost

General & Administration 1% of estimated direct construction cost

Legal & Accounting 1% of estimated direct construction cost

Marketing Expense 1.5% of estimated gross sales revenue - residential ownership

Leasing Commissions (Commercial) 5% of lease income - initial 5-year term (retail)

Warranty Reserves 1.25% of estimated gross sales revenue -residential ownership

Developer Fee 4% of estimated direct construction cost

Contingency 5% of estimated indirect costs

Financing

Construction Loan Fee & Costs 2% of estimated loan amount based on 65% loan-to-cost ratio

Interest during Construction 6% interest rate / 12 to 18 month construction period

**Attachment B:
Cost, Revenue, Financing and Investment Assumptions**

Residential (Ownership) Income Assumptions

Market Rate Units

Base Sales Price	\$300 to \$345 per square foot depending in product type
Options / Upgrades	2% to 3% of estimated base sales price
Sales / Closing Costs	
Commissions	3% of estimated sales price (including builder sales commission)
Title / Escrow Costs	0.5% of estimated sale price

Affordable Units

No. of Units	5% to 10% of attached single-family units with one-for-one density bonus for units provided through construction on-site or land dedication
Max. Sales Prices	Affordable to low/moderate income households; average 100% AMI ; maximum unit sales price of \$275,827 for a 2-bedroom unit and \$309,847 for a 3-bedroom unit (adjusted for assessments, HOA, etc.)
Sales / Closing Costs	
Commissions	3% of estimated sales price (including builder sales commission)
Title / Escrow Costs	0.5% of estimated sale price

Residential (Ownership) Financing and Investment Assumptions

Construction Loan-to-Cost Ratio	65% of estimated total development cost
Amount of Equity	35% of estimated total development cost
Construction Loan Interest Rate	6%
Construction Period	18-month build-out / sales period per phase
Targeted Return on Investment	15% to 20% of development cost; 10% to 12% of gross sales revenue

Residential (Rental) Income and Expense Assumptions

Market Rate Units

Rent Per Square Foot / Month	\$2.20 per square foot (average)
Parking Income	Included in rent
Other Income	3% of estimated gross rental income
Vacancy Rate	4% to 5%
Operating Expenses	25% of estimated effective gross rental income

Affordable Units

Maximum Rent / Month (including utility allowance)	
1-bedroom	\$1,129.00 - low income; \$669.00 - very low income
2-bedroom	\$1,126.75 - low income; \$743.25 - very low income
3-bedroom	\$1,382.50 - low income; \$806.25 - very low income
Vacancy Rate	5%
Operating Expenses	25% of estimated effective gross rental income

**Attachment B:
Cost, Revenue, Financing and Investment Assumptions**

Residential (Rental) Financing and Investment Assumptions

Construction Loan	
Loan-to-Cost Ratio	65% of estimated total development cost
Interest Rate	6%
Construction Period	18-month build-out / lease-up period
Permanent Loan	
Loam-to-Value Ratio	65% of estimated project value
Interest Rate	6%
Term	20 to 25 years
Capitalization Rate	5.5% to 6.0%
Targeted Profit Margin	15% to 20% of estimated total development cost 10% to 15% of equity investment

Commercial Income and Expenses Assumptions

Annual Rents	\$24 per square foot (NNN) - non-food uses; \$36 per square foot (NNN) - food uses
Tenant Reimbursements	\$6.00 per square foot
Vacancy Rate	7%
Operating Expenses	\$8.00 per square foot per year

Commercial Financing and Investment Assumptions

Construction Loan	
Loan-to-Cost Ratio	65% of estimated total development cost
Interest Rate	6%
Construction Period	18-month build-out / lease-up period per phase
Permanent Loan	
Loam-to-Value Ratio	65% of estimated project value
Interest Rate	6%
Term	20 to 25 years
Capitalization Rate	6.5% to 7.0%
Targeted Return on Investment	15% to 20% of development cost; 10% to 15% of equity investment

Attachment C-1:

Prototype No. 1: Stacked Condominiums (Three-Story) - Market Rate (Large Site)
No Affordable Housing Requirements

	Assumptions	Total	Per SF (Bldg.)	Per Unit
PRODUCT				
Site Area				
Acres	2.00			
Square Feet	87,120			
No. of Units	60			
Density (Units/Acre)	30.0			
Residential Building Area				
Gross	78,000			
Net	78,000			
Floor-Area-Ratio	0.90			
Parking (Surface/Tuck-under)				
Spaces	105			
Ratio	1.75			
DEVELOPMENT COST				
<u>Land</u>				
Purchase Price		\$ 871,200	\$ 11.17	\$ 14,520
Subtotal		\$ 871,200	\$ 11.17	\$ 14,520
<u>Direct Construction</u>				
Off-site Infrastructure		\$ 217,800	\$ 2.79	\$ 3,630
Site Development		\$ 1,045,440	\$ 13.40	\$ 17,424
Building Construction		\$ 10,140,000	\$ 130.00	\$ 169,000
Options / Upgrades		\$ 101,400	\$ 1.30	\$ 1,690
Structured Parking		\$ -	\$ -	\$ -
General Contractor		\$ 2,300,928	\$ 29.50	\$ 38,349
Contingency		\$ 805,325	\$ 10.32	\$ 13,422
Subtotal		\$ 14,610,893	\$ 187.32	\$ 243,515
<u>Indirect Costs</u>				
Entitlement		\$ 195,000	\$ 2.50	\$ 3,250
Architecture / Engineering		\$ 575,232	\$ 7.37	\$ 9,587
Municipal Fees		\$ 2,184,000	\$ 28.00	\$ 36,400
Affordable Housing Fee		\$ -	\$ -	\$ -
Taxes & Insurance		\$ 146,109	\$ 1.87	\$ 2,435
General & Administration		\$ 146,109	\$ 1.87	\$ 2,435
Legal & Accounting		\$ 146,109	\$ 1.87	\$ 2,435
Marketing Expense		\$ 219,163	\$ 2.81	\$ 3,653
Warranty Reserve		\$ 302,250	\$ 3.88	\$ 5,038
Contingency		\$ 195,699	\$ 2.51	\$ 3,262
Subtotal		\$ 4,109,671	\$ 52.69	\$ 68,495

Attachment C-1:

Prototype No. 1: Stacked Condominiums (Three-Story) - Market Rate (Large Site)
No Affordable Housing Requirements

	Assumptions	Total	Per SF (Bldg.)	Per Unit
Financing				
Construction Loan Expense		\$ 254,693	\$ 3.27	\$ 4,245
Interest during Construction		\$ 573,059	\$ 7.35	\$ 9,551
Subtotal		\$ 827,752	\$ 10.61	\$ 13,796
			\$ -	
Total		\$ 20,419,516	\$ 261.79	\$ 340,325
REVENUE & INCOME				
<u>Market Rate Units</u>				
No. of Units	60			
Building Area (SF)	78,000			
Base Sales Price				
Per SF		\$ 310		
Per Unit (Average)		\$ 403,000		
Sales Revenue				
Base Price		\$ 24,180,000	\$ 310.00	\$ 403,000
Options / Upgrades		\$ 604,500	\$ 7.75	\$ 10,075
Subtotal		\$ 24,784,500	\$ 317.75	\$ 413,075
<u>Affordable Units</u>				
No. of Units				
Building Area (SF)				
Sales Price				
Per SF				
Per Unit (Average)				
Sales Revenue				
Total Sales Revenue		\$ 24,784,500	\$ 317.75	\$ 413,075
Sales / Closing Costs				
Commissions		\$ 725,400	\$ 9.30	\$ 12,090
Title / Escrow		\$ 123,923	\$ 1.59	\$ 2,065
Total		\$ 849,323	\$ 10.89	\$ 14,155
Net Sales Revenue		\$ 23,935,178	\$ 306.86	\$ 398,920
Less: Development Cost		\$ 20,419,516	\$ 261.79	\$ 340,325
NET PROJECT VALUE				
Total		\$ 3,515,662	\$ 45.07	\$ 58,594
% of Development Cost		17.2%		
% of Total Sales Revenue		14.2%		

Attachment C-2:

Prototype No. 1: Stacked Condominiums (Three-Story) - Market Rate/Affordable (Large Site)

Includes Affordable Housing Fee (10% of Units)

	Assumptions	Total	Per SF (Bldg.)	Per Unit
PRODUCT				
Site Area				
Acres	2.00			
Square Feet	87,120			
No. of Units	60			
Density (Units/Acre)	30.0			
Residential Building Area				
Gross	78,000			
Net	78,000			
Floor-Area-Ratio	0.90			
Parking (Surface/Tuck-under)				
Spaces	105			
Ratio	1.75			
DEVELOPMENT COST				
<u>Land</u>				
Purchase Price		\$ 871,200	\$ 11.17	\$ 14,520
Subtotal		\$ 871,200	\$ 11.17	\$ 14,520
<u>Direct Construction</u>				
Off-site Infrastructure		\$ 217,800	\$ 2.79	\$ 3,630
Site Development		\$ 1,045,440	\$ 13.40	\$ 17,424
Building Construction		\$ 10,140,000	\$ 130.00	\$ 169,000
Options / Upgrades		\$ 101,400	\$ 1.30	\$ 1,690
Structured Parking		\$ -	\$ -	\$ -
General Contractor		\$ 2,300,928	\$ 29.50	\$ 38,349
Contingency		\$ 805,325	\$ 10.32	\$ 13,422
Subtotal		\$ 14,610,893	\$ 187.32	\$ 243,515
<u>Indirect Costs</u>				
Entitlement		\$ 195,000	\$ 2.50	\$ 3,250
Architecture / Engineering		\$ 575,232	\$ 7.37	\$ 9,587
Municipal Fees		\$ 2,184,000	\$ 28.00	\$ 36,400
Affordable Housing Fee		\$ 450,000	\$ 5.77	\$ 7,500
Taxes & Insurance		\$ 146,109	\$ 1.87	\$ 2,435
General & Administration		\$ 146,109	\$ 1.87	\$ 2,435
Legal & Accounting		\$ 146,109	\$ 1.87	\$ 2,435
Marketing Expense		\$ 219,163	\$ 2.81	\$ 3,653
Warranty Reserve		\$ 302,250	\$ 3.88	\$ 5,038
Contingency		\$ 218,199	\$ 2.80	\$ 3,637
Subtotal		\$ 4,582,171	\$ 58.75	\$ 76,370

Attachment C-2:

Prototype No. 1: Stacked Condominiums (Three-Story) - Market Rate/Affordable (Large Site)

Includes Affordable Housing Fee (10% of Units)

	Assumptions	Total	Per SF (Bldg.)	Per Unit
Financing				
Construction Loan Expense		\$ 260,835	\$ 3.34	\$ 4,347
Interest during Construction		\$ 586,880	\$ 7.52	\$ 9,781
Subtotal		\$ 847,715	\$ 10.87	\$ 14,129
			\$ -	\$ -
Total		\$ 20,911,979	\$ 268.10	\$ 348,533
REVENUE & INCOME				
<u>Market Rate Units</u>				
No. of Units	60			
Building Area (SF)	78,000			
Base Sales Price				
Per SF		\$ 310		
Per Unit (Average)		\$ 403,000		
Sales Revenue				
Base Price		\$ 24,180,000	\$ 310.00	\$ 403,000
Options / Upgrades		\$ 604,500	\$ 7.75	\$ 10,075
Subtotal		\$ 24,784,500	\$ 317.75	\$ 413,075
<u>Affordable Units</u>				
No. of Units				
Building Area (SF)				
Sales Price				
Per SF				
Per Unit (Average)				
Sales Revenue				
Total Sales Revenue		\$ 24,784,500	\$ 317.75	\$ 413,075
Sales / Closing Costs				
Commissions		\$ 725,400	\$ 9.30	\$ 12,090
Title / Escrow		\$ 123,923	\$ 1.59	\$ 2,065
Total		\$ 849,323	\$ 10.89	\$ 14,155
Net Sales Revenue		\$ 23,935,178	\$ 306.86	\$ 398,920
Less: Development Cost		\$ 20,911,979	\$ 268.10	\$ 348,533
NET PROJECT VALUE				
Total		\$ 3,023,199	\$ 38.76	\$ 50,387
% of Development Cost		14.5%		
% of Total Sales Revenue		12.6%		

Attachment C-3:

Prototype No. 1: Stacked Condominiums (Three-Story) - Market Rate/Affordable (Large Site)
On-site Affordable Housing Units (10% of Units) / With Density Bonus

	Assumptions	Total	Per SF (Bldg.)	Per Unit
PRODUCT				
Site Area				
Acres	2.00			
Square Feet	87,120			
No. of Units				
Base Number	60			
Density Bonus	6			
Total	66			
Density (Units/Acre)	33.0			
Residential Building Area				
Gross	86,000			
Net	86,000			
Floor-Area-Ratio	0.99			
Parking (Surface/Tuck-under)				
Spaces	116			
Ratio	1.75			
DEVELOPMENT COST				
<u>Land</u>				
Purchase Price		\$ 871,200	\$ 10.13	\$ 13,200
Subtotal		\$ 871,200	\$ 10.13	\$ 13,200
<u>Direct Construction</u>				
Off-site Infrastructure		\$ 217,800	\$ 2.53	\$ 3,300
Site Development		\$ 1,045,440	\$ 12.16	\$ 15,840
Building Construction		\$ 11,180,000	\$ 130.00	\$ 169,394
Options / Upgrades		\$ 111,800	\$ 1.30	\$ 1,694
Structured Parking		\$ -	\$ -	\$ -
General Contractor		\$ 2,511,008	\$ 29.20	\$ 38,046
Contingency		\$ 878,853	\$ 10.22	\$ 13,316
Subtotal		\$ 15,944,901	\$ 185.41	\$ 241,589
<u>Indirect Costs</u>				
Entitlement		\$ 215,000	\$ 2.50	\$ 3,258
Architecture / Engineering		\$ 627,752	\$ 7.30	\$ 9,511
Municipal Fees		\$ 2,408,000	\$ 28.00	\$ 36,485
Affordable Housing Fee		\$ -	\$ -	\$ -
Taxes & Insurance		\$ 159,449	\$ 1.85	\$ 2,416
General & Administration		\$ 159,449	\$ 1.85	\$ 2,416
Legal & Accounting		\$ 159,449	\$ 1.85	\$ 2,416
Marketing Expense		\$ 239,174	\$ 2.78	\$ 3,624
Warranty Reserve		\$ 303,025	\$ 3.52	\$ 4,591
Contingency		\$ 213,565	\$ 2.48	\$ 3,236
Subtotal		\$ 4,484,862	\$ 52.15	\$ 67,952

Attachment C-3:

Prototype No. 1: Stacked Condominiums (Three-Story) - Market Rate/Affordable (Large Site)
On-site Affordable Housing Units (10% of Units) / With Density Bonus

	Assumptions	Total	Per SF (Bldg.)	Per Unit
Financing				
Construction Loan Expense		\$ 276,913	\$ 3.22	\$ 4,196
Interest during Construction		\$ 623,053	\$ 7.24	\$ 9,440
Subtotal		\$ 899,966	\$ 10.46	\$ 13,636
			\$ -	\$ -
Total		\$ 22,200,929	\$ 258.15	\$ 336,378
REVENUE & INCOME				
<u>Market Rate Units</u>				
No. of Units	60			
Building Area (SF)	78,200			
Base Sales Price				
Per SF		\$ 310		
Per Unit (Average)		\$ 404,033		
Sales Revenue				
Base Price		\$ 24,242,000	\$ 310.00	\$ 404,033
Options / Upgrades		\$ 606,050	\$ 7.75	\$ 10,101
Subtotal		\$ 24,848,050	\$ 317.75	\$ 414,134
<u>Affordable Units</u>				
No. of Units	6			
Building Area (SF)	7,800			
Sales Price/Per Unit				
2-bedroom	\$ 275,827			
3-bedroom	\$ 309,847			
Sales Revenue		\$ 2,032,849	\$ 260.62	\$ 338,808
Total Sales Revenue		\$ 26,880,899	\$ 312.57	\$ 407,286
Sales / Closing Costs				
Commissions		\$ 727,260	\$ 8.46	\$ 11,019
Title / Escrow		\$ 124,240	\$ 1.44	\$ 1,882
Total		\$ 851,500	\$ 9.90	\$ 12,902
Net Sales Revenue		\$ 26,029,399	\$ 302.67	\$ 394,385
Less: Development Cost		\$ 22,200,929	\$ 258.15	\$ 336,378
NET PROJECT VALUE				
Total		\$ 3,828,470	\$ 44.52	\$ 58,007
% of Development Cost		17.2%		
% of Total Sales Revenue		14.7%		

Attachment D-1:

Prototype No. 1A: Stacked Condominiums (Three-Story) - Market Rate (Small Site)
No Affordable Housing Requirements

	Assumptions	Total	Per SF (Bldg.)	Per Unit
PRODUCT				
Site Area				
Acres	0.50			
Square Feet	21,780			
No. of Units	15			
Density (Units/Acre)	30.0			
Residential Building Area				
Gross	20,000			
Net	20,000			
Floor-Area-Ratio	0.92			
Parking (Surface/Tuck-under)				
Spaces	26			
Ratio	1.75			
DEVELOPMENT COST				
<u>Land</u>				
Purchase Price		\$ 217,800	\$ 2.79	\$ 3,630
Subtotal		\$ 217,800	\$ 2.79	\$ 3,630
<u>Direct Construction</u>				
Off-site Infrastructure		\$ 54,450	\$ 0.70	\$ 908
Site Development		\$ 261,360	\$ 3.35	\$ 4,356
Building Construction		\$ 2,600,000	\$ 33.33	\$ 43,333
Options / Upgrades		\$ 26,000	\$ 0.33	\$ 433
Structured Parking		\$ -	\$ -	\$ -
General Contractor		\$ 588,362	\$ 7.54	\$ 9,806
Contingency		\$ 205,927	\$ 2.64	\$ 3,432
Subtotal		\$ 3,736,099	\$ 47.90	\$ 62,268
<u>Indirect Costs</u>				
Entitlement		\$ 50,000	\$ 0.64	\$ 833
Architecture / Engineering		\$ 147,091	\$ 1.89	\$ 2,452
Municipal Fees		\$ 560,000	\$ 7.18	\$ 9,333
Affordable Housing Fee		\$ -	\$ -	\$ -
Taxes & Insurance		\$ 37,361	\$ 0.48	\$ 623
General & Administration		\$ 37,361	\$ 0.48	\$ 623
Legal & Accounting		\$ 37,361	\$ 0.48	\$ 623
Marketing Expense		\$ 56,041	\$ 0.72	\$ 934
Warranty Reserve		\$ 77,500	\$ 0.99	\$ 1,292
Contingency		\$ 50,136	\$ 0.64	\$ 836
Subtotal		\$ 1,052,851	\$ 13.50	\$ 17,548

Attachment D-1:

Prototype No. 1A: Stacked Condominiums (Three-Story) - Market Rate (Small Site)
No Affordable Housing Requirements

	Assumptions	Total	Per SF (Bldg.)	Per Unit
Financing				
Construction Loan Expense		\$ 65,088	\$ 0.83	\$ 1,085
Interest during Construction		\$ 146,447	\$ 1.88	\$ 2,441
Subtotal		\$ 211,535	\$ 2.71	\$ 3,526
			\$ -	
Total		\$ 5,218,285	\$ 66.90	\$ 86,971
REVENUE & INCOME				
<u>Market Rate Units</u>				
No. of Units	15			
Building Area (SF)	20,000			
Base Sales Price				
Per SF		\$ 310		
Per Unit (Average)		\$ 413,333		
Sales Revenue				
Base Price		\$ 6,200,000	\$ 79.49	\$ 103,333
Options / Upgrades		\$ 155,000	\$ 1.99	\$ 2,583
Subtotal		\$ 6,355,000	\$ 81.47	\$ 105,917
<u>Affordable Units</u>				
No. of Units				
Building Area (SF)				
Sales Price				
Per SF				
Per Unit (Average)				
Sales Revenue				
Total Sales Revenue		\$ 6,355,000	\$ 81.47	\$ 105,917
Sales / Closing Costs				
Commissions		\$ 186,000	\$ 2.38	\$ 3,100
Title / Escrow		\$ 31,775	\$ 0.41	\$ 530
Total		\$ 217,775	\$ 2.79	\$ 3,630
Net Sales Revenue		\$ 6,137,225	\$ 78.68	\$ 102,287
Less: Development Cost		\$ 5,218,285	\$ 66.90	\$ 86,971
NET PROJECT VALUE				
Total		\$ 918,940	\$ 11.78	\$ 15,316
% of Development Cost		17.6%		
% of Total Sales Revenue		14.5%		

Attachment D-2:

Prototype No. 1A: Stacked Condominiums (Three-Story) - Market Rate/Affordable (Small Site)
Includes Affordable Housing Fee (10% of Units)

	Assumptions	Total	Per SF (Bldg.)	Per Unit
PRODUCT				
Site Area				
Acres	0.50			
Square Feet	21,780			
No. of Units	15			
Density (Units/Acre)	30.0			
Residential Building Area				
Gross	20,000			
Net	20,000			
Floor-Area-Ratio	0.92			
Parking (Surface/Tuck-under)				
Spaces	26			
Ratio	1.75			
DEVELOPMENT COST				
<u>Land</u>				
Purchase Price		\$ 217,800	\$ 2.79	\$ 3,630
Subtotal		\$ 217,800	\$ 2.79	\$ 3,630
<u>Direct Construction</u>				
Off-site Infrastructure		\$ 54,450	\$ 0.70	\$ 908
Site Development		\$ 261,360	\$ 3.35	\$ 4,356
Building Construction		\$ 2,600,000	\$ 33.33	\$ 43,333
Options / Upgrades		\$ 26,000	\$ 0.33	\$ 433
Structured Parking		\$ -	\$ -	\$ -
General Contractor		\$ 588,362	\$ 7.54	\$ 9,806
Contingency		\$ 205,927	\$ 2.64	\$ 3,432
Subtotal		\$ 3,736,099	\$ 47.90	\$ 62,268
<u>Indirect Costs</u>				
Entitlement		\$ 50,000	\$ 0.64	\$ 833
Architecture / Engineering		\$ 147,091	\$ 1.89	\$ 2,452
Municipal Fees		\$ 560,000	\$ 7.18	\$ 9,333
Affordable Housing Fee		\$ 150,000	\$ 1.92	\$ 2,500
Taxes & Insurance		\$ 37,361	\$ 0.48	\$ 623
General & Administration		\$ 37,361	\$ 0.48	\$ 623
Legal & Accounting		\$ 37,361	\$ 0.48	\$ 623
Marketing Expense		\$ 56,041	\$ 0.72	\$ 934
Warranty Reserve		\$ 77,500	\$ 0.99	\$ 1,292
Contingency		\$ 57,636	\$ 0.74	\$ 961
Subtotal		\$ 1,210,351	\$ 15.52	\$ 20,173

Attachment D-2:

Prototype No. 1A: Stacked Condominiums (Three-Story) - Market Rate/Affordable (Small Site)
Includes Affordable Housing Fee (10% of Units)

	Assumptions	Total	Per SF (Bldg.)	Per Unit
Financing				
Construction Loan Expense		\$ 67,135	\$ 0.86	\$ 1,119
Interest during Construction		\$ 151,054	\$ 1.94	\$ 2,518
Subtotal		\$ 218,190	\$ 2.80	\$ 3,636
			\$ -	\$ -
Total		\$ 5,382,439	\$ 69.01	\$ 89,707
REVENUE & INCOME				
<u>Market Rate Units</u>				
No. of Units	15			
Building Area (SF)	20,000			
Base Sales Price				
Per SF		\$ 310		
Per Unit (Average)		\$ 413,333		
Sales Revenue				
Base Price		\$ 6,200,000	\$ 79.49	\$ 103,333
Options / Upgrades		\$ 155,000	\$ 1.99	\$ 2,583
Subtotal		\$ 6,355,000	\$ 81.47	\$ 105,917
<u>Affordable Units</u>				
No. of Units				
Building Area (SF)				
Sales Price				
Per SF				
Per Unit (Average)				
Sales Revenue				
Total Sales Revenue		\$ 6,355,000	\$ 81.47	\$ 105,917
Sales / Closing Costs				
Commissions		\$ 186,000	\$ 2.38	\$ 3,100
Title / Escrow		\$ 31,775	\$ 0.41	\$ 530
Total		\$ 217,775	\$ 2.79	\$ 3,630
Net Sales Revenue		\$ 6,137,225	\$ 78.68	\$ 102,287
Less: Development Cost		\$ 5,382,439	\$ 69.01	\$ 89,707
NET PROJECT VALUE				
Total		\$ 754,786	\$ 9.68	\$ 12,580
% of Development Cost		14.0%		
% of Total Sales Revenue		12.3%		

Attachment D-3:

Prototype No. 1A: Stacked Condominiums (Three-Story) - Market Rate/Affordable (Small Site)
On-site Affordable Housing Units (10% of Units) / With Density Bonus

	Assumptions	Total	Per SF (Bldg.)	Per Unit
PRODUCT				
Site Area				
Acres	0.50			
Square Feet	21,780			
No. of Units				
Base Number	15			
Density Bonus	2			
Total	17			
Density (Units/Acre)	34.0			
Residential Building Area				
Gross	22,500			
Net	22,500			
Floor-Area-Ratio	1.03			
Parking (Surface/Tuck-under)				
Spaces	30			
Ratio	1.75			
DEVELOPMENT COST				
<u>Land</u>				
Purchase Price		\$ 217,800	\$ 2.53	\$ 3,300
Subtotal		\$ 217,800	\$ 2.53	\$ 3,300
<u>Direct Construction</u>				
Off-site Infrastructure		\$ 54,450	\$ 0.63	\$ 825
Site Development		\$ 261,360	\$ 3.04	\$ 3,960
Building Construction		\$ 2,925,000	\$ 34.01	\$ 44,318
Options / Upgrades		\$ 29,250	\$ 0.34	\$ 443
Structured Parking		\$ -	\$ -	\$ -
General Contractor		\$ 654,012	\$ 7.60	\$ 9,909
Contingency		\$ 228,904	\$ 2.66	\$ 3,468
Subtotal		\$ 4,152,976	\$ 48.29	\$ 62,924
<u>Indirect Costs</u>				
Entitlement		\$ 56,250	\$ 0.65	\$ 852
Architecture / Engineering		\$ 163,503	\$ 1.90	\$ 2,477
Municipal Fees		\$ 630,000	\$ 7.33	\$ 9,545
Affordable Housing Fee		\$ -	\$ -	\$ -
Taxes & Insurance		\$ 41,530	\$ 0.48	\$ 629
General & Administration		\$ 41,530	\$ 0.48	\$ 629
Legal & Accounting		\$ 41,530	\$ 0.48	\$ 629
Marketing Expense		\$ 62,295	\$ 0.72	\$ 944
Warranty Reserve		\$ 77,500	\$ 0.90	\$ 1,174
Contingency		\$ 55,707	\$ 0.65	\$ 844
Subtotal		\$ 1,169,844	\$ 13.60	\$ 17,725

Attachment D-3:

Prototype No. 1A: Stacked Condominiums (Three-Story) - Market Rate/Affordable (Small Site)
On-site Affordable Housing Units (10% of Units) / With Density Bonus

	Assumptions	Total	Per SF (Bldg.)	Per Unit
Financing				
Construction Loan Expense		\$ 72,028	\$ 0.84	\$ 1,091
Interest during Construction		\$ 162,063	\$ 1.88	\$ 2,456
Subtotal		\$ 234,091	\$ 2.72	\$ 3,547
			\$ -	\$ -
Total		\$ 5,774,711	\$ 67.15	\$ 87,496
REVENUE & INCOME				
<u>Market Rate Units</u>				
No. of Units	15			
Building Area (SF)	20,000			
Base Sales Price				
Per SF		\$ 310		
Per Unit (Average)		\$ 413,333		
Sales Revenue				
Base Price		\$ 6,200,000	\$ 79.28	\$ 103,333
Options / Upgrades		\$ 155,000	\$ 1.98	\$ 2,583
Subtotal		\$ 6,355,000	\$ 81.27	\$ 105,917
<u>Affordable Units</u>				
No. of Units	2			
Building Area (SF)	2,500			
Sales Price/Per Unit				
2-bedroom	\$ 275,827	\$ 275,827		
3-bedroom	\$ 309,847	\$ 309,847		
Sales Revenue		\$ 585,674	\$ 75.09	\$ 97,612
Total Sales Revenue		\$ 6,940,674	\$ 80.71	\$ 105,162
<u>Sales / Closing Costs</u>				
Commissions		\$ 186,000	\$ 2.16	\$ 2,818
Title / Escrow		\$ 31,775	\$ 0.37	\$ 481
Total		\$ 217,775	\$ 2.53	\$ 3,300
Net Sales Revenue		\$ 6,722,899	\$ 78.17	\$ 101,862
Less: Development Cost		\$ 5,774,711	\$ 67.15	\$ 87,496
NET PROJECT VALUE				
Total		\$ 948,188	\$ 11.03	\$ 14,366
% of Development Cost		16.4%		
% of Total Sales Revenue		14.1%		

Attachment E-1:

Prototype No. 2: Stacked Condominiums (Five-Story) - Market Rate
No Affordable Housing Requirements

	Assumptions	Total	Per SF (Bldg.)	Per Unit
PRODUCT				
Site Area				
Acres	2.0			
Square Feet	87,120			
No. of Units	120			
Density (Units/Acre)	60.0			
Residential Building Area				
Gross	184,000			
Net	156,000			
Floor-Area-Ratio	2.11			
Parking (Podium)				
Spaces	210			
Ratio	1.75			
DEVELOPMENT COST				
<u>Land</u>				
Purchase Price		\$ 871,200	\$ 4.73	\$ 7,260
Subtotal		\$ 871,200	\$ 4.73	\$ 7,260
<u>Direct Construction</u>				
Off-site Infrastructure		\$ 261,360	\$ 1.42	\$ 2,178
Site Development		\$ 1,045,440	\$ 5.68	\$ 8,712
Building Construction		\$ 24,840,000	\$ 135.00	\$ 207,000
Options / Upgrades		\$ 248,400	\$ 1.35	\$ 2,070
Structured Parking		\$ -	\$ -	\$ -
General Contractor		\$ 5,279,040	\$ 28.69	\$ 43,992
Contingency		\$ 1,847,664	\$ 10.04	\$ 15,397
Subtotal		\$ 33,521,904	\$ 182.18	\$ 279,349
<u>Indirect Costs</u>				
Entitlement		\$ 460,000	\$ 2.50	\$ 3,833
Architecture / Engineering		\$ 1,319,760	\$ 7.17	\$ 10,998
Municipal Fees		\$ 5,152,000	\$ 28.00	\$ 42,933
Affordable Housing Fee		\$ -	\$ -	\$ -
Taxes & Insurance		\$ 335,219	\$ 1.82	\$ 2,793
General & Administration		\$ 335,219	\$ 1.82	\$ 2,793
Legal & Accounting		\$ 335,219	\$ 1.82	\$ 2,793
Marketing Expense		\$ 502,829	\$ 2.73	\$ 4,190
Warranty Reserve		\$ 663,000	\$ 3.60	\$ 5,525
Contingency		\$ 455,162	\$ 2.47	\$ 3,793
Subtotal		\$ 9,558,408	\$ 51.95	\$ 79,653

Attachment E-1:

Prototype No. 2: Stacked Condominiums (Five-Story) - Market Rate
No Affordable Housing Requirements

	Assumptions	Total	Per SF (Bldg.)	Per Unit
Financing				
Construction Loan Expense		\$ 571,370	\$ 3.11	\$ 4,761
Interest during Construction		\$ 1,285,582	\$ 6.99	\$ 10,713
Subtotal		\$ 1,856,951	\$ 10.09	\$ 15,475
Total		\$ 45,808,463	\$ 248.96	\$ 381,737
REVENUE & INCOME				
<u>Market Rate Units</u>				
No. of Units	120			
Building Area (SF)	156,000			
Base Sales Price				
Per SF	\$ 340			
Per Unit (Average)	\$ 442,000			
Sales Revenue				
Base Price		\$ 53,040,000	\$ 288.26	\$ 442,000
Options / Upgrades		\$ 1,326,000	\$ 7.21	\$ 11,050
Subtotal		\$ 54,366,000	\$ 295.47	\$ 453,050
<u>Affordable Units</u>				
No. of Units				
Building Area (SF)				
Sales Price				
Per SF				
Per Unit (Average)				
Sales Revenue				
Total Sales Revenue		\$ 54,366,000	\$ 295.47	\$ 453,050
Sales / Closing Costs				
Commissions		\$ 1,591,200	\$ 8.65	\$ 13,260
Title / Escrow		\$ 271,830	\$ 1.48	\$ 2,265
Total		\$ 1,863,030	\$ 10.13	\$ 15,525
Net Sales Revenue		\$ 52,502,970	\$ 285.34	\$ 437,525
Less: Development Cost		\$ 45,808,463	\$ 248.96	\$ 381,737
NET PROJECT VALUE				
Total		\$ 6,694,507	\$ 36.38	\$ 55,788
% of Development Cost		14.6%		
% of Total Sales Revenue		12.3%		

Attachment E-2:

Prototype No. 2: Stacked Condominiums (Five-Story) - Market Rate/Affordable
Includes Affordable Housing Fee (10% of Units)

	Assumptions	Total	Per SF (Bldg.)	Per Unit
PRODUCT				
Site Area				
Acres	2.0			
Square Feet	87,120			
No. of Units	120			
Density (Units/Acre)	60.0			
Residential Building Area				
Gross	184,000			
Net	156,000			
Floor-Area-Ratio	2.11			
Parking (Podium)				
Spaces	210			
Ratio	1.75			
DEVELOPMENT COST				
<u>Land</u>				
Purchase Price		\$ 871,200	\$ 4.73	\$ 7,260
Subtotal		\$ 871,200	\$ 4.73	\$ 7,260
<u>Direct Construction</u>				
Off-site Infrastructure		\$ 261,360	\$ 1.42	\$ 2,178
Site Development		\$ 1,045,440	\$ 5.68	\$ 8,712
Building Construction		\$ 24,840,000	\$ 135.00	\$ 207,000
Options / Upgrades		\$ 248,400	\$ 1.35	\$ 2,070
Structured Parking		\$ -	\$ -	\$ -
General Contractor		\$ 5,279,040	\$ 28.69	\$ 43,992
Contingency		\$ 1,847,664	\$ 10.04	\$ 15,397
Subtotal		\$ 33,521,904	\$ 182.18	\$ 279,349
<u>Indirect Costs</u>				
Entitlement		\$ 460,000	\$ 2.50	\$ 3,833
Architecture / Engineering		\$ 1,319,760	\$ 7.17	\$ 10,998
Municipal Fees		\$ 5,152,000	\$ 28.00	\$ 42,933
Affordable Housing Fee		\$ 900,000	\$ 4.89	\$ 7,500
Taxes & Insurance		\$ 335,219	\$ 1.82	\$ 2,793
General & Administration		\$ 335,219	\$ 1.82	\$ 2,793
Legal & Accounting		\$ 335,219	\$ 1.82	\$ 2,793
Marketing Expense		\$ 502,829	\$ 2.73	\$ 4,190
Warranty Reserve		\$ 663,000	\$ 3.60	\$ 5,525
Contingency		\$ 500,162	\$ 2.72	\$ 4,168
Subtotal		\$ 10,503,408	\$ 57.08	\$ 87,528

Attachment E-2:

Prototype No. 2: Stacked Condominiums (Five-Story) - Market Rate/Affordable
Includes Affordable Housing Fee (10% of Units)

	Assumptions	Total	Per SF (Bldg.)	Per Unit
Financing				
Construction Loan Expense		\$ 583,655	\$ 3.17	\$ 4,864
Interest during Construction		\$ 1,313,223	\$ 7.14	\$ 10,944
Subtotal		\$ 1,896,878	\$ 10.31	\$ 15,807
Total		\$ 46,793,390	\$ 254.31	\$ 389,945
REVENUE & INCOME				
<u>Market Rate Units</u>				
No. of Units	120			
Building Area (SF)	156,000			
Base Sales Price				
Per SF	\$ 340			
Per Unit (Average)	\$ 442,000			
Sales Revenue				
Base Price		\$ 53,040,000	\$ 288.26	\$ 442,000
Options / Upgrades		\$ 1,326,000	\$ 7.21	\$ 11,050
Subtotal		\$ 54,366,000	\$ 295.47	\$ 453,050
<u>Affordable Units</u>				
No. of Units				
Building Area (SF)				
Sales Price				
Per SF				
Per Unit (Average)				
Sales Revenue				
Total Sales Revenue		\$ 54,366,000	\$ 295.47	\$ 453,050
Sales / Closing Costs				
Commissions		\$ 1,591,200	\$ 8.65	\$ 13,260
Title / Escrow		\$ 271,830	\$ 1.48	\$ 2,265
Total		\$ 1,863,030	\$ 10.13	\$ 15,525
Net Sales Revenue		\$ 52,502,970	\$ 285.34	\$ 437,525
Less: Development Cost		\$ 46,793,390	\$ 254.31	\$ 389,945
NET PROJECT VALUE				
Total		\$ 5,709,580	\$ 31.03	\$ 47,580
% of Development Cost		12.2%		
% of Total Sales Revenue		10.5%		

Attachment E-3:

Prototype No. 2: Stacked Condominiums (Five-Story) - Market Rate/Affordable
Includes Affordable Housing Fee (5% of Units)

	Assumptions	Total	Per SF (Bldg.)	Per Unit
PRODUCT				
Site Area				
Acres	2.0			
Square Feet	87,120			
No. of Units	120			
Density (Units/Acre)	60.0			
Residential Building Area				
Gross	184,000			
Net	156,000			
Floor-Area-Ratio	2.11			
Parking (Podium)				
Spaces	210			
Ratio	1.75			
DEVELOPMENT COST				
<u>Land</u>				
Purchase Price		\$ 871,200	\$ 4.73	\$ 7,260
Subtotal		\$ 871,200	\$ 4.73	\$ 7,260
<u>Direct Construction</u>				
Off-site Infrastructure		\$ 261,360	\$ 1.42	\$ 2,178
Site Development		\$ 1,045,440	\$ 5.68	\$ 8,712
Building Construction		\$ 24,840,000	\$ 135.00	\$ 207,000
Options / Upgrades		\$ 248,400	\$ 1.35	\$ 2,070
Structured Parking		\$ -	\$ -	\$ -
General Contractor		\$ 5,279,040	\$ 28.69	\$ 43,992
Contingency		\$ 1,847,664	\$ 10.04	\$ 15,397
Subtotal		\$ 33,521,904	\$ 182.18	\$ 279,349
<u>Indirect Costs</u>				
Entitlement		\$ 460,000	\$ 2.50	\$ 3,833
Architecture / Engineering		\$ 1,319,760	\$ 7.17	\$ 10,998
Municipal Fees		\$ 5,152,000	\$ 28.00	\$ 42,933
Affordable Housing Fee		\$ 450,000	\$ 2.45	\$ 3,750
Taxes & Insurance		\$ 335,219	\$ 1.82	\$ 2,793
General & Administration		\$ 335,219	\$ 1.82	\$ 2,793
Legal & Accounting		\$ 335,219	\$ 1.82	\$ 2,793
Marketing Expense		\$ 502,829	\$ 2.73	\$ 4,190
Warranty Reserve		\$ 663,000	\$ 3.60	\$ 5,525
Contingency		\$ 477,662	\$ 2.60	\$ 3,981
Subtotal		\$ 10,030,908	\$ 54.52	\$ 83,591

Attachment E-3:

Prototype No. 2: Stacked Condominiums (Five-Story) - Market Rate/Affordable
Includes Affordable Housing Fee (5% of Units)

	Assumptions	Total	Per SF (Bldg.)	Per Unit
Financing				
Construction Loan Expense		\$ 577,512	\$ 3.14	\$ 4,813
Interest during Construction		\$ 1,299,402	\$ 7.06	\$ 10,828
Subtotal		\$ 1,876,915	\$ 10.20	\$ 15,641
Total		\$ 46,300,926	\$ 251.64	\$ 385,841
REVENUE & INCOME				
<u>Market Rate Units</u>				
No. of Units	120			
Building Area (SF)	156,000			
Base Sales Price				
Per SF	\$ 340			
Per Unit (Average)	\$ 442,000			
Sales Revenue				
Base Price		\$ 53,040,000	\$ 288.26	\$ 442,000
Options / Upgrades		\$ 1,326,000	\$ 7.21	\$ 11,050
Subtotal		\$ 54,366,000	\$ 295.47	\$ 453,050
<u>Affordable Units</u>				
No. of Units				
Building Area (SF)				
Sales Price				
Per SF				
Per Unit (Average)				
Sales Revenue				
Total Sales Revenue		\$ 54,366,000	\$ 295.47	\$ 453,050
Sales / Closing Costs				
Commissions		\$ 1,591,200	\$ 8.65	\$ 13,260
Title / Escrow		\$ 271,830	\$ 1.48	\$ 2,265
Total		\$ 1,863,030	\$ 10.13	\$ 15,525
Net Sales Revenue		\$ 52,502,970	\$ 285.34	\$ 437,525
Less: Development Cost		\$ 46,300,926	\$ 251.64	\$ 385,841
NET PROJECT VALUE				
Total		\$ 6,202,044	\$ 33.71	\$ 51,684
% of Development Cost		13.4%		
% of Total Sales Revenue		11.4%		

Attachment E-4:

**Prototype No. 2: Stacked Condominiums (Five-Story) - Market Rate/Affordable
On-site Affordable Housing Units (10% of Units) / With Density Bonus**

	Assumptions	Total	Per SF (Bldg.)	Per Unit
PRODUCT				
Site Area				
Acres	2.0			
Square Feet	87,120			
No. of Units				
Base Number	120			
Density Bonus	12			
Total	132			
Density (Units/Acre)	66.0			
Residential Building Area				
Gross	202,000			
Net	172,000			
Floor-Area-Ratio	2.32			
Parking (Podium)				
Spaces	231			
Ratio	1.75			
DEVELOPMENT COST				
<u>Land</u>				
Purchase Price		\$ 871,200	\$ 4.31	\$ 6,600
Subtotal		\$ 871,200	\$ 4.31	\$ 6,600
<u>Direct Construction</u>				
Off-site Infrastructure		\$ 261,360	\$ 1.29	\$ 1,980
Site Development		\$ 1,045,440	\$ 5.18	\$ 7,920
Building Construction		\$ 27,270,000	\$ 135.00	\$ 206,591
Options / Upgrades		\$ 272,700	\$ 1.35	\$ 2,066
Structured Parking		\$ -	\$ -	\$ -
General Contractor		\$ 5,769,900	\$ 28.56	\$ 43,711
Contingency		\$ 2,019,465	\$ 10.00	\$ 15,299
Subtotal		\$ 36,638,865	\$ 181.38	\$ 277,567
<u>Indirect Costs</u>				
Entitlement		\$ 505,000	\$ 2.50	\$ 3,826
Architecture / Engineering		\$ 1,442,475	\$ 7.14	\$ 10,928
Municipal Fees		\$ 5,656,000	\$ 28.00	\$ 42,848
Affordable Housing Fee		\$ -	\$ -	\$ -
Taxes & Insurance		\$ 366,389	\$ 1.81	\$ 2,776
General & Administration		\$ 366,389	\$ 1.81	\$ 2,776
Legal & Accounting		\$ 366,389	\$ 1.81	\$ 2,776
Marketing Expense		\$ 549,583	\$ 2.72	\$ 4,164
Warranty Reserve		\$ 663,000	\$ 3.28	\$ 5,023
Contingency		\$ 495,761	\$ 2.45	\$ 3,756
Subtotal		\$ 10,410,985	\$ 51.54	\$ 78,871

Attachment E-4:

**Prototype No. 2: Stacked Condominiums (Five-Story) - Market Rate/Affordable
On-site Affordable Housing Units (10% of Units) / With Density Bonus**

	Assumptions	Total	Per SF (Bldg.)	Per Unit
Financing				
Construction Loan Expense		\$ 622,974	\$ 3.08	\$ 4,719
Interest during Construction		\$ 1,401,691	\$ 6.94	\$ 10,619
Subtotal		\$ 2,024,664	\$ 10.02	\$ 15,338
Total		\$ 49,945,714	\$ 247.26	\$ 378,377
REVENUE & INCOME				
<u>Market Rate Units</u>				
No. of Units	120			
Building Area (SF)	156,000			
Base Sales Price				
Per SF	\$ 340			
Per Unit (Average)	\$ 442,000			
Sales Revenue				
Base Price		\$ 53,040,000	\$ 262.57	\$ 401,818
Options / Upgrades		\$ 1,326,000	\$ 6.56	\$ 10,045
Subtotal		\$ 54,366,000	\$ 269.14	\$ 411,864
<u>Affordable Units</u>				
No. of Units	12			
Building Area (SF)	16,000			
Sales Price				
2-bedroom	\$ 275,827	\$ 1,654,962		
3-bedroom	\$ 309,847	\$ 1,859,082		
Sales Revenue		\$ 3,514,044	\$ 17.40	\$ 26,622
Total Sales Revenue		\$ 57,880,044	\$ 286.53	\$ 438,485
Sales / Closing Costs				
Commissions		\$ 1,591,200	\$ 7.88	\$ 12,055
Title / Escrow		\$ 271,830	\$ 1.35	\$ 2,059
Total		\$ 1,863,030	\$ 9.22	\$ 14,114
Net Sales Revenue		\$ 56,017,014	\$ 277.31	\$ 424,371
Less: Development Cost		\$ 49,945,714	\$ 247.26	\$ 378,377
NET PROJECT VALUE				
Total		\$ 6,071,300	\$ 30.06	\$ 45,995
% of Development Cost		12.2%		
% of Total Sales Revenue		10.5%		

Attachment E-5:

**Prototype No. 2: Stacked Condominiums (Five-Story) - Market Rate/Affordable
On-site Affordable Housing Units (5% of Units) / With Density Bonus**

	Assumptions	Total	Per SF (Bldg.)	Per Unit
PRODUCT				
Site Area				
Acres	2.0			
Square Feet	87,120			
No. of Units				
Base Number	120			
Density Bonus	6			
Total	126			
Density (Units/Acre)	63.0			
Residential Building Area				
Gross	193,000			
Net	164,000			
Floor-Area-Ratio	2.22			
Parking (Podium)				
Spaces	220			
Ratio	1.75			
DEVELOPMENT COST				
<u>Land</u>				
Purchase Price		\$ 871,200	\$ 4.31	\$ 6,600
Subtotal		\$ 871,200	\$ 4.31	\$ 6,600
<u>Direct Construction</u>				
Off-site Infrastructure		\$ 261,360	\$ 1.29	\$ 1,980
Site Development		\$ 1,045,440	\$ 5.18	\$ 7,920
Building Construction		\$ 26,055,000	\$ 128.99	\$ 197,386
Options / Upgrades		\$ 260,550	\$ 1.29	\$ 1,974
Structured Parking		\$ -	\$ -	\$ -
General Contractor		\$ 5,524,470	\$ 27.35	\$ 41,852
Contingency		\$ 1,933,565	\$ 9.57	\$ 14,648
Subtotal		\$ 35,080,385	\$ 173.67	\$ 265,760
<u>Indirect Costs</u>				
Entitlement		\$ 482,500	\$ 2.39	\$ 3,655
Architecture / Engineering		\$ 1,381,118	\$ 6.84	\$ 10,463
Municipal Fees		\$ 5,404,000	\$ 26.75	\$ 40,939
Affordable Housing Fee		\$ -	\$ -	\$ -
Taxes & Insurance		\$ 350,804	\$ 1.74	\$ 2,658
General & Administration		\$ 350,804	\$ 1.74	\$ 2,658
Legal & Accounting		\$ 350,804	\$ 1.74	\$ 2,658
Marketing Expense		\$ 526,206	\$ 2.60	\$ 3,986
Warranty Reserve		\$ 663,850	\$ 3.29	\$ 5,029
Contingency		\$ 475,504	\$ 2.35	\$ 3,602
Subtotal		\$ 9,985,589	\$ 49.43	\$ 75,648

Attachment E-5:

**Prototype No. 2: Stacked Condominiums (Five-Story) - Market Rate/Affordable
On-site Affordable Housing Units (5% of Units) / With Density Bonus**

	Assumptions	Total	Per SF (Bldg.)	Per Unit
Financing				
Construction Loan Expense		\$ 597,183	\$ 2.96	\$ 4,524
Interest during Construction		\$ 1,343,662	\$ 6.65	\$ 10,179
Subtotal		\$ 1,940,846	\$ 9.61	\$ 14,703
Total		\$ 47,878,019	\$ 237.02	\$ 362,712
REVENUE & INCOME				
<u>Market Rate Units</u>				
No. of Units	120			
Building Area (SF)	156,200			
Base Sales Price				
Per SF	\$ 340			
Per Unit (Average)	\$ 442,567			
Sales Revenue				
Base Price		\$ 53,108,000	\$ 262.91	\$ 402,333
Options / Upgrades		\$ 1,327,700	\$ 6.57	\$ 10,058
Subtotal		\$ 54,435,700	\$ 269.48	\$ 412,392
<u>Affordable Units</u>				
No. of Units	6			
Building Area (SF)	7,800			
Sales Price				
2-bedroom	\$ 275,827	\$ 827,481		
3-bedroom	\$ 309,847	\$ 929,541		
Sales Revenue		\$ 1,757,022	\$ 8.70	\$ 13,311
Total Sales Revenue		\$ 56,192,722	\$ 278.18	\$ 425,702
Sales / Closing Costs				
Commissions		\$ 1,593,240	\$ 7.89	\$ 12,070
Title / Escrow		\$ 272,179	\$ 1.35	\$ 2,062
Total		\$ 1,865,419	\$ 9.23	\$ 14,132
Net Sales Revenue		\$ 54,327,304	\$ 268.95	\$ 411,570
Less: Development Cost		\$ 47,878,019	\$ 237.02	\$ 362,712
NET PROJECT VALUE				
Total		\$ 6,449,284	\$ 31.93	\$ 48,858
% of Development Cost		13.5%		
% of Total Sales Revenue		11.5%		

Attachment F-1:

Prototype No. 3: Vertical Mixed-Use (Ownership) - Market Rate (Five-Story)
No Affordable Housing Requirements

	Assumptions	Total	Residential	Commercial	Per SF (Bldg.)
PRODUCT					
Site Area					
Acres	2.00				
Square Feet	87,120				
No. of Units	120				
Density (Units/Acre)	60.0				
Building Area (Gross)					
Residential	185,000				
Commercial	15,000				
Total	200,000				
Floor-Area-Ratio	2.30				
Parking (Podium/Surface)					
Spaces	210				
Ratio	1.75				
DEVELOPMENT COST					
<u>Land</u>					
Purchase Price		\$ 871,200	\$ 805,860	\$ 65,340	\$ 4.36
Subtotal		\$ 871,200	\$ 805,860	\$ 65,340	\$ 4.36
<u>Direct Construction</u>					
Off-site Infrastructure		\$ 261,360	\$ 241,758	\$ 19,602	\$ 1.31
Site Development		\$ 1,045,440	\$ 967,032	\$ 78,408	\$ 5.23
Residential Construction					\$ -
Base		\$ 25,900,000	\$ 25,900,000	\$ -	\$ 129.50
Options / Upgrades		\$ 259,000	\$ 259,000	\$ -	\$ 1.30
Commercial Construction					\$ -
Base		\$ 1,500,000	\$ -	\$ 1,500,000	\$ 7.50
Tenant Improvements		\$ 975,000	\$ -	\$ 975,000	\$ 4.88
Structured Parking		\$ -	\$ -	\$ -	\$ -
General Contractor		\$ 5,793,160	\$ 5,473,558	\$ 319,602	\$ 28.97
Contingency		\$ 2,027,606	\$ 1,915,745	\$ 111,861	\$ 10.14
Subtotal		\$ 37,761,566	\$ 34,757,093	\$ 3,004,473	\$ 188.81
<u>Indirect Costs</u>					
Entitlement		\$ 500,000	\$ 462,500	\$ 37,500	\$ 2.50
Architecture / Engineering		\$ 1,448,290	\$ 1,368,390	\$ 79,901	\$ 7.24
Municipal Fees		\$ 5,600,000	\$ 5,180,000	\$ 420,000	\$ 28.00
Affordable Housing Fee		\$ -	\$ -	\$ -	\$ -
Taxes & Insurance		\$ 377,616	\$ 347,571	\$ 30,045	\$ 1.89
General & Administration		\$ 377,616	\$ 347,571	\$ 30,045	\$ 1.89

Attachment F-1:

Prototype No. 3: Vertical Mixed-Use (Ownership) - Market Rate (Five-Story)
No Affordable Housing Requirements

	Assumptions	Total		Per SF (Bldg.)
Legal & Accounting	\$ 377,616	\$ 347,571	\$ 30,045	
Marketing Expense	\$ 566,423	\$ 521,356	\$ 45,067	\$ 2.83
Warranty Reserve	\$ 684,922	\$ 684,922	\$ -	\$ 3.42
Leasing Commissions	\$ 121,500	\$ -	\$ 121,500	\$ 0.61
Contingency	\$ 477,743	\$ 445,615	\$ 32,128	\$ 2.39
Subtotal	\$ 10,531,726	\$ 9,705,496	\$ 826,230	\$ 52.66
<u>Financing</u>				
Construction Loan Expense	\$ 639,138	\$ 588,490	\$ 50,649	\$ 3.20
Interest during Construction	\$ 1,438,061	\$ 1,324,102	\$ 113,959	\$ 7.19
Subtotal	\$ 2,077,200	\$ 1,912,592	\$ 164,608	\$ 10.39
Total	\$ 51,241,692	\$ 47,181,042	\$ 4,060,650	\$ 256.21
REVENUE & INCOME				
<u>Market Rate Units</u>				
No. of Units	120			
Unit Sales Area (SF)	157,250			
Base Sales Price				
Per SF	\$ 345			
Per Unit (Average)	\$ 452,094			
Sales Revenue				
Base Price		\$ 54,251,250		\$ 271.26
Options / Upgrades		\$ 542,513		\$ 2.71
Subtotal		\$ 54,793,763		\$ 273.97
<u>Affordable Units</u>				
No. of Units				
Building Area (SF)				
Sales Price				
Per SF				
Per Unit (Average)				
Sales Revenue				
Total Sales Revenue		\$ 54,793,763		\$ 273.97
Sales / Closing Costs				
Commissions		\$ 1,643,813		\$ 8.22
Title / Escrow		\$ 273,969		\$ 1.37
Total		\$ 1,917,782		\$ 9.59
Net Sales Revenue		\$ 52,875,981		\$ 264.38

Attachment F-1:

Prototype No. 3: Vertical Mixed-Use (Ownership) - Market Rate (Five-Story)
No Affordable Housing Requirements

	Assumptions	Total	Per SF (Bldg.)	
<u>Commercial</u>				
Lease Area			15,000	
Lease Rate/SF			\$ 27.00	
Lease Income			\$ 405,000	
Tenant Reimbursements			\$ 90,000	
Gross Operating Income			\$ 495,000	
Less: Vacancy			\$ 34,650	
Less: Operating Expenses			\$ 120,000	
Net Operating Income			\$ 340,350	
Estimated Project Value			\$ 4,862,143	\$ 24.31
Total Project Value	\$ 57,738,124	\$ 52,875,981	\$ 4,862,143	\$ 288.69
Less: Development Cost	\$ 51,241,692	\$ 47,181,042	\$ 4,060,650	\$ 256.21
NET PROJECT VALUE				
Total	\$ 6,496,432	\$ 5,694,939	\$ 801,493	\$ 32.48
% of Development Cost			19.7%	
% of Total Sales Revenue		10.8%		

Attachment F-2:

Prototype No. 3: Vertical Mixed-Use (Ownership) - Market Rate/Affordable (Five-Story)
Includes Affordable Housing Fee (10% of Units)

	Assumptions	Total	Residential	Commercial	Per SF (Bldg.)
PRODUCT					
Site Area					
Acres	2.00				
Square Feet	87,120				
No. of Units	120				
Density (Units/Acre)	60.0				
Building Area (Gross)					
Residential	185,000				
Commercial	15,000				
Total	200,000				
Floor-Area-Ratio	2.30				
Parking (Podium/Surface)					
Spaces	210				
Ratio	1.75				
DEVELOPMENT COST					
<u>Land</u>					
Purchase Price		\$ 871,200	\$ 805,860	\$ 65,340	\$ 4.36
Subtotal		\$ 871,200	\$ 805,860	\$ 65,340	\$ 4.36
<u>Direct Construction</u>					
Off-site Infrastructure		\$ 261,360	\$ 241,758	\$ 19,602	\$ 1.31
Site Development		\$ 1,045,440	\$ 967,032	\$ 78,408	\$ 5.23
Residential Construction					\$ -
Base		\$ 25,900,000	\$ 25,900,000	\$ -	\$ 129.50
Options / Upgrades		\$ 259,000	\$ 259,000	\$ -	\$ 1.30
Commercial Construction					\$ -
Base		\$ 1,500,000	\$ -	\$ 1,500,000	\$ 7.50
Tenant Improvements		\$ 975,000	\$ -	\$ 975,000	\$ 4.88
Structured Parking		\$ -	\$ -	\$ -	\$ -
General Contractor		\$ 5,793,160	\$ 5,473,558	\$ 319,602	\$ 28.97
Contingency		\$ 2,027,606	\$ 1,915,745	\$ 111,861	\$ 10.14
Subtotal		\$ 37,761,566	\$ 34,757,093	\$ 3,004,473	\$ 188.81
<u>Indirect Costs</u>					
Entitlement		\$ 500,000	\$ 462,500	\$ 37,500	\$ 2.50
Architecture / Engineering		\$ 1,448,290	\$ 1,368,390	\$ 79,901	\$ 7.24
Municipal Fees		\$ 5,600,000	\$ 5,180,000	\$ 420,000	\$ 28.00
Affordable Housing Fee		\$ 900,000	\$ 900,000	\$ -	\$ 4.50
Taxes & Insurance		\$ 377,616	\$ 347,571	\$ 30,045	\$ 1.89
General & Administration		\$ 377,616	\$ 347,571	\$ 30,045	\$ 1.89

Attachment F-2:

Prototype No. 3: Vertical Mixed-Use (Ownership) - Market Rate/Affordable (Five-Story)
Includes Affordable Housing Fee (10% of Units)

	Assumptions	Total		Per SF (Bldg.)
Legal & Accounting	\$ 377,616	\$ 347,571	\$ 30,045	
Marketing Expense	\$ 566,423	\$ 521,356	\$ 45,067	\$ 2.83
Warranty Reserve	\$ 684,922	\$ 684,922	\$ -	\$ 3.42
Leasing Commissions	\$ 121,500	\$ -	\$ 121,500	\$ 0.61
Contingency	\$ 522,743	\$ 490,615	\$ 32,128	\$ 2.61
Subtotal	\$ 11,476,726	\$ 10,650,496	\$ 826,230	\$ 57.38
Financing				
Construction Loan Expense	\$ 651,423	\$ 600,775	\$ 50,649	\$ 3.26
Interest during Construction	\$ 1,465,703	\$ 1,351,743	\$ 113,959	\$ 7.33
Subtotal	\$ 2,117,126	\$ 1,952,518	\$ 164,608	\$ 10.59
Total	\$ 52,226,618	\$ 48,165,968	\$ 4,060,650	\$ 261.13
REVENUE & INCOME				
<u>Market Rate Units</u>				
No. of Units	120			
Unit Sales Area (SF)	157,250			
Base Sales Price				
Per SF	\$ 345			
Per Unit (Average)	\$ 452,094			
Sales Revenue				
Base Price		\$ 54,251,250		\$ 271.26
Options / Upgrades		\$ 542,513		\$ 2.71
Subtotal		\$ 54,793,763		\$ 273.97
<u>Affordable Units</u>				
No. of Units				
Building Area (SF)				
Sales Price				
Per SF				
Per Unit (Average)				
Sales Revenue				
Total Sales Revenue		\$ 54,793,763		\$ 273.97
Sales / Closing Costs				
Commissions		\$ 1,643,813		\$ 8.22
Title / Escrow		\$ 273,969		\$ 1.37
Total		\$ 1,917,782		\$ 9.59
Net Sales Revenue		\$ 52,875,981		\$ 264.38

Attachment F-2:

Prototype No. 3: Vertical Mixed-Use (Ownership) - Market Rate/Affordable (Five-Story)
Includes Affordable Housing Fee (10% of Units)

	Assumptions		Total		Per SF (Bldg.)	
<u>Commercial</u>						
Lease Area				15,000		
Lease Rate/SF			\$	27.00		
Lease Income			\$	405,000		
Tenant Reimbursements			\$	90,000		
Gross Operating Income			\$	495,000		
Less: Vacancy			\$	34,650		
Less: Operating Expenses			\$	120,000		
Net Operating Income			\$	340,350		
Estimated Project Value			\$	4,862,143	\$ 24.31	
Total Project Value	\$	57,738,124	\$	52,875,981	\$ 4,862,143	\$ 288.69
Less: Development Cost	\$	52,226,618	\$	48,165,968	\$ 4,060,650	\$ 261.13
NET PROJECT VALUE						
Total	\$	5,511,506	\$	4,710,013	\$ 801,493	\$ 27.56
% of Development Cost					19.7%	
% of Total Sales Revenue				8.9%		

Attachment F-3:

Prototype No. 3: Vertical Mixed-Use (Ownership) - Market Rate/Affordable (Five-Story)
Includes Affordable Housing Fee (5% of Units)

	Assumptions	Total	Residential	Commercial	Per SF (Bldg.)
PRODUCT					
Site Area					
Acres	2.00				
Square Feet	87,120				
No. of Units	120				
Density (Units/Acre)	60.0				
Building Area (Gross)					
Residential	185,000				
Commercial	15,000				
Total	200,000				
Floor-Area-Ratio	2.30				
Parking (Podium/Surface)					
Spaces	210				
Ratio	1.75				
DEVELOPMENT COST					
<u>Land</u>					
Purchase Price		\$ 871,200	\$ 805,860	\$ 65,340	\$ 4.36
Subtotal		\$ 871,200	\$ 805,860	\$ 65,340	\$ 4.36
<u>Direct Construction</u>					
Off-site Infrastructure		\$ 261,360	\$ 241,758	\$ 19,602	\$ 1.31
Site Development		\$ 1,045,440	\$ 967,032	\$ 78,408	\$ 5.23
Residential Construction					\$ -
Base		\$ 25,900,000	\$ 25,900,000	\$ -	\$ 129.50
Options / Upgrades		\$ 259,000	\$ 259,000	\$ -	\$ 1.30
Commercial Construction					\$ -
Base		\$ 1,500,000	\$ -	\$ 1,500,000	\$ 7.50
Tenant Improvements		\$ 975,000	\$ -	\$ 975,000	\$ 4.88
Structured Parking		\$ -	\$ -	\$ -	\$ -
General Contractor		\$ 5,793,160	\$ 5,473,558	\$ 319,602	\$ 28.97
Contingency		\$ 2,027,606	\$ 1,915,745	\$ 111,861	\$ 10.14
Subtotal		\$ 37,761,566	\$ 34,757,093	\$ 3,004,473	\$ 188.81
<u>Indirect Costs</u>					
Entitlement		\$ 500,000	\$ 462,500	\$ 37,500	\$ 2.50
Architecture / Engineering		\$ 1,448,290	\$ 1,368,390	\$ 79,901	\$ 7.24
Municipal Fees		\$ 5,600,000	\$ 5,180,000	\$ 420,000	\$ 28.00
Affordable Housing Fee		\$ 450,000	\$ 450,000	\$ -	\$ 2.25
Taxes & Insurance		\$ 377,616	\$ 347,571	\$ 30,045	\$ 1.89
General & Administration		\$ 377,616	\$ 347,571	\$ 30,045	\$ 1.89

Attachment F-3:

Prototype No. 3: Vertical Mixed-Use (Ownership) - Market Rate/Affordable (Five-Story)
Includes Affordable Housing Fee (5% of Units)

	Assumptions	Total		Per SF (Bldg.)
Legal & Accounting	\$ 377,616	\$ 347,571	\$ 30,045	
Marketing Expense	\$ 566,423	\$ 521,356	\$ 45,067	\$ 2.83
Warranty Reserve	\$ 684,922	\$ 684,922	\$ -	\$ 3.42
Leasing Commissions	\$ 121,500	\$ -	\$ 121,500	\$ 0.61
Contingency	\$ 500,243	\$ 468,115	\$ 32,128	\$ 2.50
Subtotal	\$ 11,004,226	\$ 10,177,996	\$ 826,230	\$ 55.02
Financing				
Construction Loan Expense	\$ 645,281	\$ 594,632	\$ 50,649	\$ 3.23
Interest during Construction	\$ 1,451,882	\$ 1,337,923	\$ 113,959	\$ 7.26
Subtotal	\$ 2,097,163	\$ 1,932,555	\$ 164,608	\$ 10.49
Total	\$ 51,734,155	\$ 47,673,505	\$ 4,060,650	\$ 258.67
REVENUE & INCOME				
<u>Market Rate Units</u>				
No. of Units	120			
Unit Sales Area (SF)	157,250			
Base Sales Price				
Per SF	\$ 345			
Per Unit (Average)	\$ 452,094			
Sales Revenue				
Base Price		\$ 54,251,250		\$ 271.26
Options / Upgrades		\$ 542,513		\$ 2.71
Subtotal		\$ 54,793,763		\$ 273.97
<u>Affordable Units</u>				
No. of Units				
Building Area (SF)				
Sales Price				
Per SF				
Per Unit (Average)				
Sales Revenue				
Total Sales Revenue		\$ 54,793,763		\$ 273.97
Sales / Closing Costs				
Commissions		\$ 1,643,813		\$ 8.22
Title / Escrow		\$ 273,969		\$ 1.37
Total		\$ 1,917,782		\$ 9.59
Net Sales Revenue		\$ 52,875,981		\$ 264.38

Attachment F-3:

Prototype No. 3: Vertical Mixed-Use (Ownership) - Market Rate/Affordable (Five-Story)
Includes Affordable Housing Fee (5% of Units)

	Assumptions		Total		Per SF (Bldg.)	
<u>Commercial</u>						
Lease Area				15,000		
Lease Rate/SF			\$	27.00		
Lease Income			\$	405,000		
Tenant Reimbursements			\$	90,000		
Gross Operating Income			\$	495,000		
Less: Vacancy			\$	34,650		
Less: Operating Expenses			\$	120,000		
Net Operating Income			\$	340,350		
Estimated Project Value			\$	4,862,143	\$ 24.31	
Total Project Value	\$	57,738,124	\$	52,875,981	\$ 4,862,143	\$ 288.69
Less: Development Cost	\$	51,734,155	\$	47,673,505	\$ 4,060,650	\$ 258.67
NET PROJECT VALUE						
Total	\$	6,003,969	\$	5,202,476	\$ 801,493	\$ 30.02
% of Development Cost					19.7%	
% of Total Sales Revenue				9.8%		

Attachment F-4:

Prototype No. 3: Vertical Mixed-Use (Ownership) - Market Rate/Affordable (Five-Story)
On-site Affordable Housing Units (10% of Units) / With Density Bonus

	Assumptions	Total	Residential	Commercial	Per SF (Bldg.)
PRODUCT					
Site Area					
Acres	2.00				
Square Feet	87,120				
No. of Units					
Base Number	120				
Density Bonus	12				
Total	132				
Density (Units/Acre)	66.0				
Building Area (Gross)					
Residential	200,000				
Commercial	15,000				
Total	215,000				
Floor-Area-Ratio	2.47				
Parking (Podium/Surface)					
Spaces	231				
Ratio	1.75				
DEVELOPMENT COST					
<u>Land</u>					
Purchase Price		\$ 871,200	\$ 810,419	\$ 60,781	\$ 4.36
Subtotal		\$ 871,200	\$ 810,419	\$ 60,781	\$ 4.36
<u>Direct Construction</u>					
Off-site Infrastructure		\$ 261,360	\$ 243,126	\$ 18,234	\$ 1.31
Site Development		\$ 1,045,440	\$ 972,502	\$ 72,938	\$ 5.23
Residential Construction					\$ -
Base		\$ 28,000,000	\$ 28,000,000	\$ -	\$ 140.00
Options / Upgrades		\$ 280,000	\$ 280,000	\$ -	\$ 1.40
Commercial Construction					\$ -
Base		\$ 1,500,000	\$ -	\$ 1,500,000	\$ 7.50
Tenant Improvements		\$ 975,000	\$ -	\$ 975,000	\$ 4.88
Structured Parking		\$ -	\$ -	\$ -	\$ -
General Contractor		\$ 6,217,360	\$ 5,899,126	\$ 318,234	\$ 31.09
Contingency		\$ 2,176,076	\$ 2,064,694	\$ 111,382	\$ 10.88
Subtotal		\$ 40,455,236	\$ 37,459,447	\$ 2,995,789	\$ 202.28
<u>Indirect Costs</u>					
Entitlement		\$ 537,500	\$ 500,000	\$ 37,500	\$ 2.69
Architecture / Engineering		\$ 1,554,340	\$ 1,474,781	\$ 79,559	\$ 7.77
Municipal Fees		\$ 6,020,000	\$ 5,600,000	\$ 420,000	\$ 30.10

Attachment F-4:

Prototype No. 3: Vertical Mixed-Use (Ownership) - Market Rate/Affordable (Five-Story)
On-site Affordable Housing Units (10% of Units) / With Density Bonus

	Assumptions	Total	Residential	Commercial	Per SF (Bldg.)
Affordable Housing Fee		\$ -	\$ -	\$ -	\$ -
Taxes & Insurance		\$ 404,552	\$ 374,594	\$ 29,958	\$ 2.02
General & Administration		\$ 404,552	\$ 374,594	\$ 29,958	\$ 2.02
Legal & Accounting		\$ 404,552	\$ 374,594	\$ 29,958	
Marketing Expense		\$ 606,829	\$ 561,892	\$ 44,937	\$ 3.03
Warranty Reserve		\$ 673,041	\$ 673,041	\$ -	\$ 3.37
Leasing Commissions		\$ 121,500	\$ -	\$ 121,500	\$ 0.61
Contingency		\$ 510,041	\$ 477,945	\$ 32,096	\$ 2.55
Subtotal		\$ 11,236,907	\$ 10,411,442	\$ 825,465	\$ 56.18
Financing					
Construction Loan Expense		\$ 683,323	\$ 632,857	\$ 50,466	\$ 3.42
Interest during Construction		\$ 1,537,478	\$ 1,423,928	\$ 113,550	\$ 7.69
Subtotal		\$ 2,220,801	\$ 2,056,785	\$ 164,016	\$ 11.10
Total		\$ 54,784,144	\$ 50,738,094	\$ 4,046,051	\$ 273.92
REVENUE & INCOME					
<u>Market Rate Units</u>					
No. of Units	120				
Unit Sales Area (SF)	154,500				
Base Sales Price					
Per SF	\$ 340				
Per Unit (Average)	\$ 437,750				
Sales Revenue					
Base Price			\$ 52,530,000		\$ 262.65
Options / Upgrades			\$ 1,313,250		\$ 6.57
Subtotal			\$ 53,843,250		\$ 269.22
<u>Affordable Units</u>					
No. of Units	12				
Building Area (SF)	15,500				
Sales Price					
2-Bedroom Unit	\$ 275,827		\$ 1,654,962		
3-Bedroom Unit	\$ 309,847		\$ 1,859,082		
Sales Revenue			\$ 3,514,044		
Total Sales Revenue			\$ 57,357,294		\$ 269.22
Sales / Closing Costs					
Commissions			\$ 1,720,719		\$ 8.60
Title / Escrow			\$ 286,786		\$ 1.43
Total			\$ 2,007,505		\$ 10.04
Net Sales Revenue			\$ 55,349,789		\$ 276.75

Attachment F-4:

Prototype No. 3: Vertical Mixed-Use (Ownership) - Market Rate/Affordable (Five-Story)
On-site Affordable Housing Units (10% of Units) / With Density Bonus

	Assumptions		Total		Per SF (Bldg.)	
<u>Commercial</u>						
Lease Area				15,000		
Lease Rate/SF			\$	27.00		
Lease Income			\$	405,000		
Tenant Reimbursements			\$	90,000		
Gross Operating Income			\$	495,000		
Less: Vacancy			\$	34,650		
Less: Operating Expenses			\$	120,000		
Net Operating Income			\$	340,350		
Estimated Project Value			\$	4,862,143	\$ 24.31	
Total Project Value	\$	60,211,932	\$	55,349,789	\$ 4,862,143	\$ 301.06
Less: Development Cost	\$	54,784,144	\$	50,738,094	\$ 4,046,051	\$ 273.92
NET PROJECT VALUE						
Total	\$	5,427,787	\$	4,611,695	\$ 816,092	\$ 27.14
% of Development Cost					20.2%	
% of Total Sales Revenue				8.3%		

Attachment F-5:

Prototype No. 3: Vertical Mixed-Use (Ownership) - Market Rate/Affordable (Five-Story)
On-site Affordable Housing Units (5% of Units) / With Density Bonus

	Assumptions	Total	Residential	Commercial	Per SF (Bldg.)
PRODUCT					
Site Area					
Acres	2.00				
Square Feet	87,120				
No. of Units					
Base Number	120				
Density Bonus	6				
Total	126				
Density (Units/Acre)	63.0				
Building Area (Gross)					
Residential	194,000				
Commercial	15,000				
Total	209,000				
Floor-Area-Ratio	2.40				
Parking (Podium/Surface)					
Spaces	220				
Ratio	1.75				
DEVELOPMENT COST					
<u>Land</u>					
Purchase Price		\$ 871,200	\$ 808,674	\$ 62,526	\$ 4.36
Subtotal		\$ 871,200	\$ 808,674	\$ 62,526	\$ 4.36
<u>Direct Construction</u>					
Off-site Infrastructure		\$ 261,360	\$ 242,602	\$ 18,758	\$ 1.31
Site Development		\$ 1,045,440	\$ 970,408	\$ 75,032	\$ 5.23
Residential Construction					\$ -
Base		\$ 27,160,000	\$ 27,160,000	\$ -	\$ 135.80
Options / Upgrades		\$ 271,600	\$ 271,600	\$ -	\$ 1.36
Commercial Construction					\$ -
Base		\$ 1,500,000	\$ -	\$ 1,500,000	\$ 7.50
Tenant Improvements		\$ 975,000	\$ -	\$ 975,000	\$ 4.88
Structured Parking		\$ -	\$ -	\$ -	\$ -
General Contractor		\$ 6,047,680	\$ 5,728,922	\$ 318,758	\$ 30.24
Contingency		\$ 2,116,688	\$ 2,005,123	\$ 111,565	\$ 10.58
Subtotal		\$ 39,377,768	\$ 36,378,655	\$ 2,999,113	\$ 196.89
<u>Indirect Costs</u>					
Entitlement		\$ 522,500	\$ 485,000	\$ 37,500	\$ 2.61
Architecture / Engineering		\$ 1,511,920	\$ 1,432,231	\$ 79,689	\$ 7.56
Municipal Fees		\$ 5,852,000	\$ 5,432,000	\$ 420,000	\$ 29.26

Attachment F-5:

Prototype No. 3: Vertical Mixed-Use (Ownership) - Market Rate/Affordable (Five-Story)
On-site Affordable Housing Units (5% of Units) / With Density Bonus

	Assumptions	Total	Residential	Commercial	Per SF (Bldg.)
Affordable Housing Fee		\$ -	\$ -	\$ -	\$ -
Taxes & Insurance		\$ 393,778	\$ 363,787	\$ 29,991	\$ 1.97
General & Administration		\$ 393,778	\$ 363,787	\$ 29,991	\$ 1.97
Legal & Accounting		\$ 393,778	\$ 363,787	\$ 29,991	
Marketing Expense		\$ 590,667	\$ 545,680	\$ 44,987	\$ 2.95
Warranty Reserve		\$ 683,931	\$ 683,931	\$ -	\$ 3.42
Leasing Commissions		\$ 121,500	\$ -	\$ 121,500	\$ 0.61
Contingency		\$ 497,429	\$ 465,321	\$ 32,108	\$ 2.49
Subtotal		\$ 10,961,279	\$ 10,135,522	\$ 825,757	\$ 54.81
<u>Financing</u>					
Construction Loan Expense		\$ 665,733	\$ 615,197	\$ 50,536	\$ 3.33
Interest during Construction		\$ 1,497,900	\$ 1,384,193	\$ 113,706	\$ 7.49
Subtotal		\$ 2,163,633	\$ 1,999,390	\$ 164,242	\$ 10.82
Total		\$ 53,373,880	\$ 49,322,242	\$ 4,051,639	\$ 266.87
REVENUE & INCOME					
<u>Market Rate Units</u>					
No. of Units	120				
Unit Sales Area (SF)	157,000				
Base Sales Price					
Per SF	\$ 340				
Per Unit (Average)	\$ 444,833				
Sales Revenue					
Base Price			\$ 53,380,000		\$ 266.90
Options / Upgrades			\$ 1,334,500		\$ 6.67
Subtotal			\$ 54,714,500		\$ 273.57
<u>Affordable Units</u>					
No. of Units	6				
Building Area (SF)	8,000				
Sales Price					
2-Bedroom Unit	\$ 275,827		\$ 827,481		
3-Bedroom Unit	\$ 309,847		\$ 929,541		
Sales Revenue			\$ 1,757,022		
Total Sales Revenue			\$ 56,471,522		\$ 273.57
Sales / Closing Costs					
Commissions			\$ 1,694,146		\$ 8.47
Title / Escrow			\$ 282,358		\$ 1.41
Total			\$ 1,976,503		\$ 9.88
Net Sales Revenue			\$ 54,495,019		\$ 272.48

Attachment F-5:

Prototype No. 3: Vertical Mixed-Use (Ownership) - Market Rate/Affordable (Five-Story)
On-site Affordable Housing Units (5% of Units) / With Density Bonus

	Assumptions	Total	Per SF (Bldg.)	
<u>Commercial</u>				
Lease Area			15,000	
Lease Rate/SF			\$ 27.00	
Lease Income			\$ 405,000	
Tenant Reimbursements			\$ 90,000	
Gross Operating Income			\$ 495,000	
Less: Vacancy			\$ 34,650	
Less: Operating Expenses			\$ 120,000	
Net Operating Income			\$ 340,350	
Estimated Project Value			\$ 4,862,143	\$ 24.31
Total Project Value	\$ 59,357,162	\$ 54,495,019	\$ 4,862,143	\$ 296.79
Less: Development Cost	\$ 53,373,880	\$ 49,322,242	\$ 4,051,639	\$ 266.87
NET PROJECT VALUE				
Total	\$ 5,983,281	\$ 5,172,777	\$ 810,504	\$ 29.92
% of Development Cost			20.0%	
% of Total Sales Revenue		9.5%		

Attachment G-1:

Prototype No. 4: Vertical Mixed-Use (Rental) - Market Rate
No Affordable Housing Requirements

	Assumptions	Total	Per SF (Bldg.)	Per Unit
PRODUCT				
Site Area				
Acres	2.00			
Square Feet	87,120			
No. of Units	140			
Density (Units/Acre)	70.0			
Building Area (Gross)				
Residential	150,000			
Commercial	15,000			
Total	165,000			
Floor-Area-Ratio	1.89			
Parking (Podium/Surface)				
Spaces	245			
Ratio	1.75			
DEVELOPMENT COST				
<u>Land</u>				
Purchase Price		\$ 871,200	\$ 5.12	\$ 6,222.86
Subtotal		\$ 871,200	\$ 5.12	\$ 6,222.86
<u>Direct Construction</u>				
Public Infrastructure		\$ 261,360	\$ 1.54	\$ 1,866.86
Site Development		\$ 1,045,440	\$ 6.15	\$ 7,467.43
Building Construction				
Residential		\$ 20,250,000	\$ 119.12	\$ 144,642.86
Commercial		\$ 1,500,000	\$ 8.82	\$ 10,714.29
Tenant Improvements		\$ 975,000	\$ 5.74	\$ 6,964.29
Structured Parking		\$ -	\$ -	\$ -
General Contractor		\$ 4,611,360	\$ 27.13	\$ 32,938.29
Contingency		\$ 1,613,976	\$ 9.49	\$ 11,528.40
Subtotal		\$ 30,257,136	\$ 177.98	\$ 216,122.40
<u>Indirect Costs</u>				
Entitlement		\$ 412,500	\$ 2.43	\$ 2,946.43
Architecture / Engineering		\$ 1,152,840	\$ 6.78	\$ 8,234.57
Municipal Fees		\$ 4,620,000	\$ 27.18	\$ 33,000.00
Affordable Housing Fee		\$ -		\$ -
Taxes & Insurance		\$ 302,571	\$ 1.78	\$ 2,161.22
General & Administration		\$ 302,571	\$ 1.78	\$ 2,161.22
Legal & Accounting		\$ 302,571	\$ 1.78	\$ 2,161.22

Attachment G-1:

Prototype No. 4: Vertical Mixed-Use (Rental) - Market Rate
No Affordable Housing Requirements

	Assumptions	Total	Per SF (Bldg.)	Per Unit
Marketing Expense		\$ 453,857	\$ 2.75	\$ 3,242
Leasing Commissions		\$ 101,250	\$ 0.61	\$ 723
Developer Fee		\$ 1,210,285	\$ 7.34	\$ 8,645
Contingency		\$ 382,408	\$ 2.32	\$ 2,731
Subtotal		\$ 9,240,855	\$ 56.01	\$ 66,006
<u>Financing</u>				
Construction Loan Expense		\$ 524,799	\$ 3.18	\$ 3,749
Interest during Construction		\$ 1,180,799	\$ 7.16	\$ 8,434
Subtotal		\$ 1,705,598	\$ 10.34	\$ 12,183
Total Development Cost		\$ 42,074,789	\$ 255.00	\$ 300,534
REVENUE & INCOME				
	<u>No. of Units</u>	<u>Lease Area (SF)</u>	<u>Monthly Rent/SF</u>	<u>Monthly Income</u>
<u>Market Rate Units</u>	140	127,500		
Rents			\$ 2.20	\$ 280,500
Other Income				\$ 8,415
Total Gross Income				\$ 288,915
Less: Vacancy				\$ 14,446
Effective Gross Income				\$ 274,469
Less: Operating Expenses				\$ 68,617
Net Operating Income				\$ 205,852
<u>Affordable Units</u>				
Rents				
1-bedroom				
2-bedroom				
3-bedroom				
Total				
Other Income				
Total Gross Income				
Less: Vacancy				
Effective Gross Income				
Less: Operating Expenses				
Net Operating Income				

Attachment G-1:

Prototype No. 4: Vertical Mixed-Use (Rental) - Market Rate
No Affordable Housing Requirements

<u>Commercial</u>				
Lease Area	15,000	\$	2.25	
Lease Rate/SF				
Lease Income			\$ 33,750	\$ 405,000
Tenant Reimbursements			\$ 7,500	\$ 90,000
Gross Operating Income			\$ 41,250	\$ 495,000
Less: Vacancy			\$ 2,888	\$ 34,650
Less: Operating Expenses			\$ 10,000	\$ 120,000
Net Operating Income			\$ 28,363	\$ 340,350
Total Net Operating Income			\$ 234,214	\$ 2,767,236
Estimated Project Value				
Residential				\$ 44,125,200
Commercial				\$ 5,236,154
Total				\$ 49,361,354
Less: Development Cost				\$ 42,074,789
NET PROJECT VALUE				
Total				\$ 7,286,565
% of Development Cost				17.3%

Attachment G-2:

Prototype No. 4: Vertical Mixed-Use (Rental) - Market Rate/Affordable
Includes Affordable Housing Fee (10% of Units)

	Assumptions	Total	Per SF (Bldg.)	Per Unit
PRODUCT				
Site Area				
Acres	2.00			
Square Feet	87,120			
No. of Units	140			
Density (Units/Acre)	70.0			
Building Area (Gross)				
Residential	150,000			
Commercial	15,000			
Total	165,000			
Floor-Area-Ratio	1.89			
Parking (Podium/Surface)				
Spaces	245			
Ratio	1.75			
DEVELOPMENT COST				
<u>Land</u>				
Purchase Price		\$ 871,200	\$ 5.12	\$ 6,222.86
Subtotal		\$ 871,200	\$ 5.12	\$ 6,222.86
<u>Direct Construction</u>				
Public Infrastructure		\$ 261,360	\$ 1.54	\$ 1,866.86
Site Development		\$ 1,045,440	\$ 6.15	\$ 7,467.43
Building Construction				
Residential		\$ 20,250,000	\$ 119.12	\$ 144,642.86
Commercial		\$ 1,500,000	\$ 8.82	\$ 10,714.29
Tenant Improvements		\$ 975,000	\$ 5.74	\$ 6,964.29
Structured Parking		\$ -	\$ -	\$ -
General Contractor		\$ 4,611,360	\$ 27.13	\$ 32,938.29
Contingency		\$ 1,613,976	\$ 9.49	\$ 11,528.40
Subtotal		\$ 30,257,136	\$ 177.98	\$ 216,122.40
<u>Indirect Costs</u>				
Entitlement		\$ 412,500	\$ 2.43	\$ 2,946.43
Architecture / Engineering		\$ 1,152,840	\$ 6.78	\$ 8,234.57
Municipal Fees		\$ 4,620,000	\$ 27.18	\$ 33,000.00
Affordable Housing Fee		\$ 1,050,000	\$ 6.18	\$ 7,500.00
Taxes & Insurance		\$ 302,571	\$ 1.78	\$ 2,161.22
General & Administration		\$ 302,571	\$ 1.78	\$ 2,161.22
Legal & Accounting		\$ 302,571	\$ 1.78	\$ 2,161.22

Attachment G-2:

Prototype No. 4: Vertical Mixed-Use (Rental) - Market Rate/Affordable
Includes Affordable Housing Fee (10% of Units)

	Assumptions	Total	Per SF (Bldg.)	Per Unit	
Marketing Expense		\$ 453,857	\$ 2.67	\$ 3,242	
Leasing Commissions		\$ 101,250	\$ 0.60	\$ 723	
Developer Fee		\$ 1,210,285	\$ 7.12	\$ 8,645	
Contingency		\$ 434,908	\$ 2.56	\$ 3,106	
Subtotal		\$ 10,343,355	\$ 60.84	\$ 73,881	
<u>Financing</u>					
Construction Loan Expense		\$ 539,132	\$ 3.17	\$ 3,851	
Interest during Construction		\$ 1,213,047	\$ 7.14	\$ 8,665	
Subtotal		\$ 1,752,179	\$ 10.31	\$ 12,516	
Total Development Cost		\$ 43,223,870	\$ 254.26	\$ 308,742	
REVENUE & INCOME					
	<u>No. of Units</u>	<u>Lease Area (SF)</u>	<u>Monthly Rent/SF</u>	<u>Monthly Income</u>	<u>Annual Income</u>
<u>Market Rate Units</u>	140	127,500			
Rents			\$ 2.20	\$ 280,500	\$ 3,366,000
Other Income				\$ 8,415	\$ 100,980
Total Gross Income				\$ 288,915	\$ 3,466,980
Less: Vacancy				\$ 14,446	\$ 173,349
Effective Gross Income				\$ 274,469	\$ 3,293,631
Less: Operating Expenses				\$ 68,617	\$ 866,745
Net Operating Income				\$ 205,852	\$ 2,426,886
<u>Affordable Units</u>					
Rents					
1-bedroom					
2-bedroom					
3-bedroom					
Total					
Other Income					
Total Gross Income					
Less: Vacancy					
Effective Gross Income					
Less: Operating Expenses					
Net Operating Income					

Attachment G-2:

Prototype No. 4: Vertical Mixed-Use (Rental) - Market Rate/Affordable
Includes Affordable Housing Fee (10% of Units)

<u>Commercial</u>				
Lease Area	15,000	\$	2.25	
Lease Rate/SF				
Lease Income			\$ 33,750	\$ 405,000
Tenant Reimbursements			\$ 7,500	\$ 90,000
Gross Operating Income			\$ 41,250	\$ 495,000
Less: Vacancy			\$ 2,888	\$ 34,650
Less: Operating Expenses			\$ 10,000	\$ 120,000
Net Operating Income			\$ 28,363	\$ 340,350
Total Net Operating Income			\$ 234,214	\$ 2,767,236
Estimated Project Value				
Residential				\$ 44,125,200
Commercial				\$ 5,236,154
Total				\$ 49,361,354
Less: Development Cost				\$ 43,223,870
NET PROJECT VALUE				
Total				\$ 6,137,484
% of Development Cost				14.2%

Attachment G-3:

Prototype No. 4: Vertical Mixed-Use (Rental) - Market Rate/Affordable
Includes Affordable Housing Fee (5% of Units)

	Assumptions	Total	Per SF (Bldg.)	Per Unit
PRODUCT				
Site Area				
Acres	2.00			
Square Feet	87,120			
No. of Units	140			
Density (Units/Acre)	70.0			
Building Area (Gross)				
Residential	150,000			
Commercial	15,000			
Total	165,000			
Floor-Area-Ratio	1.89			
Parking (Podium/Surface)				
Spaces	245			
Ratio	1.75			
DEVELOPMENT COST				
<u>Land</u>				
Purchase Price		\$ 871,200	\$ 5.12	\$ 6,222.86
Subtotal		\$ 871,200	\$ 5.12	\$ 6,222.86
<u>Direct Construction</u>				
Public Infrastructure		\$ 261,360	\$ 1.54	\$ 1,866.86
Site Development		\$ 1,045,440	\$ 6.15	\$ 7,467.43
Building Construction				
Residential		\$ 20,250,000	\$ 119.12	\$ 144,642.86
Commercial		\$ 1,500,000	\$ 8.82	\$ 10,714.29
Tenant Improvements		\$ 975,000	\$ 5.74	\$ 6,964.29
Structured Parking		\$ -	\$ -	\$ -
General Contractor		\$ 4,611,360	\$ 27.13	\$ 32,938.29
Contingency		\$ 1,613,976	\$ 9.49	\$ 11,528.40
Subtotal		\$ 30,257,136	\$ 177.98	\$ 216,122.40
<u>Indirect Costs</u>				
Entitlement		\$ 412,500	\$ 2.43	\$ 2,946.43
Architecture / Engineering		\$ 1,152,840	\$ 6.78	\$ 8,234.57
Municipal Fees		\$ 4,620,000	\$ 27.18	\$ 33,000.00
Affordable Housing Fee		\$ 525,000	\$ 3.09	\$ 3,750.00
Taxes & Insurance		\$ 302,571	\$ 1.78	\$ 2,161.22
General & Administration		\$ 302,571	\$ 1.78	\$ 2,161.22
Legal & Accounting		\$ 302,571	\$ 1.78	\$ 2,161.22

Attachment G-3:

Prototype No. 4: Vertical Mixed-Use (Rental) - Market Rate/Affordable
Includes Affordable Housing Fee (5% of Units)

	Assumptions	Total	Per SF (Bldg.)	Per Unit	
Marketing Expense		\$ 453,857	\$ 2.67	\$ 3,242	
Leasing Commissions		\$ 101,250	\$ 0.60	\$ 723	
Developer Fee		\$ 1,210,285	\$ 7.12	\$ 8,645	
Contingency		\$ 408,658	\$ 2.40	\$ 2,919	
Subtotal		\$ 9,792,105	\$ 57.60	\$ 69,944	
<u>Financing</u>					
Construction Loan Expense		\$ 531,966	\$ 3.13	\$ 3,800	
Interest during Construction		\$ 1,196,923	\$ 7.04	\$ 8,549	
Subtotal		\$ 1,728,889	\$ 10.17	\$ 12,349	
Total Development Cost		\$ 42,649,329	\$ 250.88	\$ 304,638	
REVENUE & INCOME					
	<u>No. of Units</u>	<u>Lease Area (SF)</u>	<u>Monthly Rent/SF</u>	<u>Monthly Income</u>	<u>Annual Income</u>
<u>Market Rate Units</u>	140	127,500			
Rents			\$ 2.20	\$ 280,500	\$ 3,366,000
Other Income				\$ 8,415	\$ 100,980
Total Gross Income				\$ 288,915	\$ 3,466,980
Less: Vacancy				\$ 14,446	\$ 173,349
Effective Gross Income				\$ 274,469	\$ 3,293,631
Less: Operating Expenses				\$ 68,617	\$ 866,745
Net Operating Income				\$ 205,852	\$ 2,426,886
<u>Affordable Units</u>					
Rents					
1-bedroom					
2-bedroom					
3-bedroom					
Total					
Other Income					
Total Gross Income					
Less: Vacancy					
Effective Gross Income					
Less: Operating Expenses					
Net Operating Income					

Attachment G-3:

Prototype No. 4: Vertical Mixed-Use (Rental) - Market Rate/Affordable
Includes Affordable Housing Fee (5% of Units)

<u>Commercial</u>				
Lease Area	15,000	\$	2.25	
Lease Rate/SF				
Lease Income			\$ 33,750	\$ 405,000
Tenant Reimbursements			\$ 7,500	\$ 90,000
Gross Operating Income			\$ 41,250	\$ 495,000
Less: Vacancy			\$ 2,888	\$ 34,650
Less: Operating Expenses			\$ 10,000	\$ 120,000
Net Operating Income			\$ 28,363	\$ 340,350
Total Net Operating Income			\$ 234,214	\$ 2,767,236
Estimated Project Value				
Residential				\$ 44,125,200
Commercial				\$ 5,236,154
Total				\$ 49,361,354
Less: Development Cost				\$ 42,649,329
NET PROJECT VALUE				
Total				\$ 6,712,025
% of Development Cost				15.7%

Attachment G-4:

**Prototype No. 4: Vertical Mixed-Use (Rental) - Market Rate/Affordable
On-site Affordable Housing Units (10% of Units) / With Density Bonus**

	Assumptions	Total	Per SF (Bldg.)	Per Unit
PRODUCT				
Site Area				
Acres	2.0			
Square Feet	87,120			
No. of Units				
Base Number	140			
Density Bonus	14			
Total	154			
Density (Units/Acre)	77			
Building Area (Gross)				
Residential	165,000			
Commercial	15,000			
Total	180,000			
Floor-Area-Ratio	2.07			
Parking (Podium/Surface)				
Spaces	270			
Ratio	1.25			
DEVELOPMENT COST				
<u>Land</u>				
Purchase Price		\$ 871,200	\$ 4.84	\$ 6,222.86
Subtotal		\$ 871,200	\$ 4.84	\$ 6,222.86
<u>Direct Construction</u>				
Public Infrastructure		\$ 261,360	\$ 1.45	\$ 1,866.86
Site Development		\$ 1,045,440	\$ 5.81	\$ 7,467.43
Building Construction				
Residential		\$ 22,275,000	\$ 123.75	\$ 159,107.14
Commercial		\$ 1,500,000	\$ 8.33	\$ 10,714.29
Tenant Improvements		\$ 975,000	\$ 5.42	\$ 6,964.29
Structured Parking		\$ -	\$ -	\$ -
General Contractor		\$ 5,016,360	\$ 27.87	\$ 35,831.14
Contingency		\$ 1,755,726	\$ 9.75	\$ 12,540.90
Subtotal		\$ 32,828,886	\$ 182.38	\$ 234,492.04
<u>Indirect Costs</u>				
Entitlement		\$ 450,000	\$ 2.50	\$ 3,214.29
Architecture / Engineering		\$ 1,254,090	\$ 6.97	\$ 8,957.79
Municipal Fees		\$ 5,040,000	\$ 28.00	\$ 36,000.00
Affordable Housing Fee		\$ -	\$ -	\$ -
Taxes & Insurance		\$ 328,289	\$ 1.82	\$ 2,344.92
General & Administration		\$ 328,289	\$ 1.82	\$ 2,344.92
Legal & Accounting		\$ 328,289	\$ 1.82	\$ 2,344.92

Attachment G-4:

**Prototype No. 4: Vertical Mixed-Use (Rental) - Market Rate/Affordable
On-site Affordable Housing Units (10% of Units) / With Density Bonus**

	Assumptions	Total	Per SF (Bldg.)	Per Unit	
Marketing Expense		\$ 492,433			
Leasing Commissions		\$ 101,250			
Developer Fee		\$ 1,313,155			
Contingency		\$ 416,132			
Subtotal		\$ 10,051,927			
<u>Financing</u>					
Construction Loan Expense		\$ 568,776			
Interest during Construction		\$ 1,279,746			
Subtotal		\$ 1,848,523			
Total Development Cost		\$ 45,600,536			
REVENUE & INCOME					
	No. of <u>Units</u>	Lease <u>Area (SF)</u>	Monthly <u>Rent/SF</u>	Monthly <u>Income</u>	Annual <u>Income</u>
<u>Market Rate Units</u>					
	140	127,500			
Rents			\$ 2.20	\$ 280,500	\$ 3,366,000
Other Income				\$ 8,415	\$ 100,980
Total Gross Income				\$ 288,915	\$ 3,466,980
Less: Vacancy				\$ 11,557	\$ 173,349
Effective Gross Income				\$ 277,358	\$ 3,293,631
Less: Operating Expenses				\$ 69,340	\$ 866,745
Net Operating Income				\$ 208,019	\$ 2,426,886
<u>Affordable Units</u>					
Rents					
1-bedroom	1		\$ 669.00	\$ 669	\$ 8,028
	2		\$ 1,129.00	\$ 1,129	\$ 13,548
2-bedroom	2		\$ 743.25	\$ 1,487	\$ 17,838
	5		\$ 1,260.75	\$ 2,522	\$ 30,258
3-bedroom	1		\$ 806.25	\$ 806	\$ 9,675
	3		\$ 1,382.50	\$ 1,383	\$ 16,590
Total	14	12,750		\$ 7,995	\$ 95,937
Other Income				\$ -	\$ -
Total Gross Income				\$ 7,995	\$ 95,937
Less: Vacancy				\$ 400	\$ 4,797
Effective Gross Income				\$ 7,595	\$ 91,140

Attachment G-4:

**Prototype No. 4: Vertical Mixed-Use (Rental) - Market Rate/Affordable
On-site Affordable Housing Units (10% of Units) / With Density Bonus**

Less: Operating Expenses		\$	1,899	\$	22,785
Net Operating Income		\$	5,696	\$	68,355
<u>Commercial</u>					
Lease Area	15,000	\$	2.25		
Lease Rate/SF					
Lease Income		\$	33,750	\$	405,000
Tenant Reimbursements		\$	7,500	\$	90,000
Gross Operating Income		\$	41,250	\$	495,000
Less: Vacancy		\$	2,888	\$	34,650
Less: Operating Expenses		\$	10,000	\$	120,000
Net Operating Income		\$	28,363	\$	340,350
Total Net Operating Income		\$	242,078	\$	2,835,591
Estimated Project Value					
Residential				\$	45,368,020
Commercial				\$	5,236,154
Total				\$	50,604,174
Less: Development Cost				\$	45,600,536
NET PROJECT VALUE					
Total				\$	5,003,638
% of Development Cost					11.0%

Attachment G-5:

**Prototype No. 4: Vertical Mixed-Use (Rental) - Market Rate/Affordable
On-site Affordable Housing Units (5% of Units) / With Density Bonus**

	Assumptions	Total	Per SF (Bldg.)	Per Unit
PRODUCT				
Site Area				
Acres	2.0			
Square Feet	87,120			
No. of Units				
Base Number	140			
Density Bonus	7			
Total	147			
Density (Units/Acre)	74			
Building Area (Gross)				
Residential	158,000			
Commercial	15,000			
Total	173,000			
Floor-Area-Ratio	1.99			
Parking (Podium/Surface)				
Spaces	257			
Ratio	1.25			
DEVELOPMENT COST				
<u>Land</u>				
Purchase Price		\$ 871,200	\$ 4.84	\$ 6,222.86
Subtotal		\$ 871,200	\$ 4.84	\$ 6,222.86
<u>Direct Construction</u>				
Public Infrastructure		\$ 261,360	\$ 1.45	\$ 1,866.86
Site Development		\$ 1,045,440	\$ 5.81	\$ 7,467.43
Building Construction				
Residential		\$ 21,330,000	\$ 118.50	\$ 152,357.14
Commercial		\$ 1,500,000	\$ 8.33	\$ 10,714.29
Tenant Improvements		\$ 975,000	\$ 5.42	\$ 6,964.29
Structured Parking		\$ -	\$ -	\$ -
General Contractor		\$ 4,827,360	\$ 26.82	\$ 34,481.14
Contingency		\$ 1,689,576	\$ 9.39	\$ 12,068.40
Subtotal		\$ 31,628,736	\$ 175.72	\$ 225,919.54
<u>Indirect Costs</u>				
Entitlement		\$ 432,500	\$ 2.40	\$ 3,089.29
Architecture / Engineering		\$ 1,206,840	\$ 6.70	\$ 8,620.29
Municipal Fees		\$ 4,844,000	\$ 26.91	\$ 34,600.00
Affordable Housing Fee		\$ -	\$ -	\$ -
Taxes & Insurance		\$ 316,287	\$ 1.76	\$ 2,259.20
General & Administration		\$ 316,287	\$ 1.76	\$ 2,259.20
Legal & Accounting		\$ 316,287	\$ 1.76	\$ 2,259.20

Attachment G-5:

**Prototype No. 4: Vertical Mixed-Use (Rental) - Market Rate/Affordable
On-site Affordable Housing Units (5% of Units) / With Density Bonus**

	Assumptions	Total	Per SF (Bldg.)	Per Unit	
Marketing Expense		\$ 474,431			
Leasing Commissions		\$ 101,250			
Developer Fee		\$ 1,265,149			
Contingency		\$ 400,394			
Subtotal		\$ 9,673,427			
<u>Financing</u>					
Construction Loan Expense		\$ 548,254			
Interest during Construction		\$ 1,233,571			
Subtotal		\$ 1,781,825			
Total Development Cost		\$ 43,955,187			
REVENUE & INCOME					
	No. of <u>Units</u>	Lease <u>Area (SF)</u>	Monthly <u>Rent/SF</u>	Monthly <u>Income</u>	Annual <u>Income</u>
<u>Market Rate Units</u>	140	127,900			
Rents			\$ 2.20	\$ 281,380	\$ 3,376,560
Other Income				\$ 8,441	\$ 101,297
Total Gross Income				\$ 289,821	\$ 3,477,857
Less: Vacancy				\$ 11,593	\$ 173,893
Effective Gross Income				\$ 278,229	\$ 3,303,964
Less: Operating Expenses				\$ 69,557	\$ 869,464
Net Operating Income				\$ 208,671	\$ 2,434,500
<u>Affordable Units</u>					
Rents					
1-bedroom	1		\$ 669.00	\$ 669	\$ 8,028
	1		\$ 1,129.00	\$ 1,129	\$ 13,548
2-bedroom	1		\$ 743.25	\$ 743	\$ 8,919
	2		\$ 1,260.75	\$ 1,261	\$ 15,129
3-bedroom	1		\$ 806.25	\$ 806	\$ 9,675
	1		\$ 1,382.50	\$ 1,383	\$ 16,590
Total	7	6,400		\$ 5,991	\$ 71,889
Other Income				\$ -	\$ -
Total Gross Income				\$ 5,991	\$ 71,889
Less: Vacancy				\$ 300	\$ 3,594
Effective Gross Income				\$ 5,691	\$ 68,295

Attachment G-5:

**Prototype No. 4: Vertical Mixed-Use (Rental) - Market Rate/Affordable
On-site Affordable Housing Units (5% of Units) / With Density Bonus**

Less: Operating Expenses		\$	1,423	\$	17,074
Net Operating Income		\$	4,268	\$	51,221
<u>Commercial</u>					
Lease Area	15,000	\$	2.25		
Lease Rate/SF					
Lease Income		\$	33,750	\$	405,000
Tenant Reimbursements		\$	7,500	\$	90,000
Gross Operating Income		\$	41,250	\$	495,000
Less: Vacancy		\$	2,888	\$	34,650
Less: Operating Expenses		\$	10,000	\$	120,000
Net Operating Income		\$	28,363	\$	340,350
Total Net Operating Income		\$	241,302	\$	2,826,071
Estimated Project Value					
Residential				\$	45,194,921
Commercial				\$	5,236,154
Total				\$	50,431,075
Less: Development Cost				\$	43,955,187
NET PROJECT VALUE					
Total				\$	6,475,888
% of Development Cost					14.7%