AFFORDABLE HOUSING

DENSITY BONUS PROGRAM

FINANCIAL ANALYSIS

FOR THE JP/ROX PLANNING AREA

CITY OF BOSTON

Boston Redevelopment Authority

Department of Neighborhood Development

Boston Housing Innovation Lab

PURPOSE AND METHODOLOGY

Purpose. This review is to determine the affordable density bonus policy that optimizes affordability in rental projects, based on the goals voiced by the Jamaica Plain and Roxbury communities while maintaining the financial feasibility of proposed projects. This analysis looks at the market conditions the PLAN JP/ROX corridor and other "mid-market" areas of Boston that are neither the high-price downtown communities, nor are lower-priced areas where the market still furnishes affordability to some degree.

Acknowledgement. This analysis is based on the financial modeling developed by the Byrne-McKinney consulting firm, a highly-respected authority on development finance that has consulted for many large and small corporate and governmental entities on residential and commercial development finance.

Study Method. This analysis uses the "value sharing" methodology to analyze density bonuses. When government allows increased density, economic value is created from that density. That value goes to some or all of three parties: 1) the developer through higher rates of return, 2) that landowner through higher real-estate prices, or 3) the public through increased public benefits such as infrastructure or affordable housing. This analysis seeks to maximize that amount of value that goes to the public in the form of affordable housing while still ensuring the financial feasibility of development. For this document, "affordable housing" refers to housing units that are deed restricted for income eligible tenants or buyers.

Base Condition. A density bonus needs to be a bonus over some base condition, over which there is value to be shared and applied to public benefits. The base condition for this study is a Floor Area Ratio of 2.0, with zero limitations on lot coverage. This study assumes a transit-oriented location with an on-site parking requirement of .75 spaces per unit.

KEY DEVELOPMENT UNDERWRITING PRINCIPLES

Entrepreneurial Return. Byrne-McKinney established a floor internal unlevered rate of return criteria ("Entrepreneurial Return") of 6.0%. This Entrepreneurial Return is a common threshold investors or bankers require in order to fund a development[1]. This return rate provides lenders/investors with a necessary margin of comfort such that that even if rents are lower or vacancies are higher than planned, the project will remain financially viable and their capital is not at undue risk. While New York City required a 10% return rate for their density bonus analysis, the City's expert on this issue believes that a 6% return rate is possible in Boston - getting financing at this rate of return will be difficult but not impossible. At rates below this level, developers likely will not be able to finance their project and will need to hold their

[1] Some sources suggest the threshold is higher in the 7% range: http://www.fantinigorga.com/publications/Feasibility.pdf

property until market conditions improve or sell to a speculator that will wait for the better market.

Construction Costs. Byrne McKinney started with a city-wide construction cost model and refined it based on their extensive experience with private sector clients. This model includes changes to construction cost estimates that are in line with recent development in the JP/ROX area. See Appendix for specific construction cost breakdowns.

Unit Mixes and Sizes. The unit mix is shown below and explains how the 810 net square feet (NSF) per unit was chosen for the development modeling.

Unit Type	Share of total	NSF/Unit
Studio	15%	500
1	55%	750
2	25%	1,000
3	5%	1,350
ALL	**100%**	**810**

The 950 gross square foot (GSF) per unit number for calculating construction costs is based on the 810 (NSF) of rentable space times a construction efficiency rate of 85%. NSF is the rentable space that drives the rents calculations; GSF is the actual amount of built space that drives the construction calculations. NSF/GSF = .85.

Rents. After considerable input from the community, rents for density bonus units were set to be affordable to households with incomes less than 50% of AMI. Rents for units in the "base" of the zoning are set at 70% of AMI. As a result, rents for income restricted units are those rents established for units created under the Inclusionary Development Policy. For comparison purposes the 100% AMI rent is also shown.

Unit Type	50% AMI	70% AMI	100% AMI
Studio	$760	$1,065	$1,521
1	$887	$1,242	$1,774
2	$1,013	$1,419	$2,027
3	$1,140	$1,597	$2,281

The market rent should be based on new construction units, ideally within the study area. After research into available rentals within the SPA, it was found that the new rentals at the MetroMark at 3611 Washington Street provide a strong signal as to what is achievable for

market rents in the area. The following are the average rents and average rents per square foot for units available on 6/15/2016 in this example development:

Unit Type	Average Rent	Average Rent per Sq Ft
Studio	$2,087	$4.14
1	$2,538	$3.68
2	$2,983	$3.04
3	$3,818	$3.13

The overall rent per square foot for each income/market category was determined by combining the rent and rent per square foot data with the unit size and share of total units assumptions found in the table above. The resulting rent per square foot for modeling purposes was $1.17/sq ft for 50% AMI units, $1.64/sq ft for 70% AMI units, and $3.56/sq ft for market rate units. The rent assumptions are very important and drive the density bonus calculations; it determines the amount of value to be shared. Lower market values than this will result in less value to be shared for affordable housing benefits. Higher market values will result in more value to be shared for higher affordability benefits. Please note that the modeling done in the sections below is very sensitive to changes in rents.

Cash-in-Lieu Payments. Under Inclusionary Development Policy, developers can, under certain circumstances, opt to contribute to the IDP Fund instead of providing the units on-site ("cash-in-lieu)". The City of Boston prefers that units be on-site as this ensures income diversity in the building as well as in the neighborhood and ensures that affordable units come online at the same time as market units. For this model, the current cash-in-lieu payment required for Jamaica Plain of $300,000 was assumed for the entire area, though the payment requirement is $200,000 in Roxbury.

Non-Housing Community Benefits. The community expressed a strong desire that benefits accruing from a density bonus should focus on housing. As a result, non-housing community benefits were not calculated for this exercise. While zoning will establish certain other benefits related to set-backs and lot coverage (which can be used to create open space), to the extent other non-housing benefits are to be obtained, they will need to be bought by reducing the overall affordable housing commitment.

DEVELOPER DECISION-MAKING MODELING

Modeling Methodology. The following analysis assumes a base FAR of 2.0 and an underlying inclusionary rate of 13% at 70% of Area Median Income "AMI" (pursuant to the citywide Inclusionary Development Policy "IDP"). Increasing affordability and lowering the income-targets is only feasible for projects that accept the density bonus program. Additional affordability will be calculated as a subsection of the bonus with the affordable units set at 50%

of AMI. For example a project that takes the bonus density will be required to set aside 13% of the base units at 70% of AMI and an additional percentage of the bonus units at 50% of AMI.

The developer/City decision making modeling involves three key decision-making points:

1. If the affordability rate and income targeting of the density bonus results in a higher entrepreneurial return than can be achieved without the bonus, developers will accept the terms of the bonus and create more on-site units with higher affordability than the base IDP option. Without a higher return, the developer has no incentive to take the bonus;
2. If the affordability rate and income targeting results in a lower entrepreneurial return than the base option, but the City can remedy that by allowing the developer to pay a cash-in-lieu payment to the IDP Fund (which supports the development of affordable housing) to make the project financially feasible, the developer will accept the terms of the bonus and build the full number of units meeting their affordability obligations through a combination of on-site and cash-in-lieu; and
3. If the affordability rate and income targeting results in a lower entrepreneurial return than the Base Option, and the cash-in-lieu option is unable to create financial viability, the Developer will reject the bonus and, where the base zoning does NOT allow residential uses, not build at all or, if the base zoning does allow residential, build fewer total and possible no affordable units.

While an off-site option is possible, it has not been provided for in the Density Bonus program, because the primary reason for the Density Bonus is to optimize the number of on-site affordable units in the JP/ROX area. However, if a developer were to present an offsite option to the City in exchange for the Density Bonus, the City would consider it if it met at least one of the following two tests: 1) a substantially greater numbers of affordable units would be created *within the JP/ROX area*, and/or 2) the same number of units as would have been produced on-site but the off-site project will have substantially deeper affordability levels and be located *within the JP/ROX area*. Further modeling of this is not possible without detailed proposal of a specific off-site project.

APPLYING THE DENSITY BONUS TO POTENTIAL DEVELOPMENT IN THE JP/ROX STUDY AREA

Methodology. Early in the PLAN JP / ROX planning process, the community and City collaborated to identify parcels and areas that were "likely to change" and where folks would "like to see change". This exercise resulted in the identification of five clusters or focus areas principally consisting of underutilized and underdeveloped commercial/industrial parcels. Drawing from the Community Vision and the specific ideas and recommendations emerging from the Community Workshops, the BRA prepared a series of development scenarios within the focus areas to illustrate the form and character of potential new uses and buildings. To further understand each illustration, the potential site and building area was calculated. In the adjacent table, the resulting urban forms have been classified into seven density categories: IDP Exempt (under 10 units), Floor Area Ratio (FAR) <2, and FARs 2 to 6+. For example, the illustrations for parcels Egleston H, Forest Hills D, and Egleston E have a potential build-out in square footage, units, and a resulting FAR <2, and the number of units is calculated to be 240. The total square footage and resulting FAR is then used to model the percent of the density bonus square footage committed to affordable housing.

	SITE SF	RES SF	UNITS	RES FAR
TOTAL EXEMPT	**62,768**	**103,895**	**109**	**1.7**
FAR <2				
EGLESTON H	33,610	22,800	24	0.7
FOREST HILLS D	79,385	130,400	137	1.6
EGLESTON E	44,015	75,160	79	1.7
TOTAL FAR <2	**157,010**	**228,360**	**240**	**1.5**
FAR 2				
STONY B	25,890	48,260	51	2
EGLESTON A	12,620	25,800	27	2
EGLESTON B	14,270	26,785	28	2
EGLESTON F	19,590	40,300	42	2
EGLESTON I	20,885	39,990	42	2
TOTAL FAR 2	**93,255**	**181,135**	**191**	**2**
FAR 3				
JACKSON SQ E	28,635	84,515	89	3
GREEN ST A	43,385	129,000	136	3
GREEN ST B	14,769	48,000	51	3
EGLESTON D	6,760	17,155	18	3
EGLESTON G	20,010	56,150	59	3
TOTAL FAR 3	**113,559**	**334,820**	**352**	**3**
FAR 4				
JACKSON SQ A	22,686	90,555	95	4
JACKSON SQ D	43,225	166,070	175	4
GREEN ST C	12,923	50,400	53	4
GREEN ST D	46,923	183,000	193	4
EGLESTON C	49,525	178,195	188	4
TOTAL FAR 4	**175,282**	**668,220**	**703**	**4**
FAR 5				
JACKSON SQ B	21,345	107,690	113	5
JACKSON SQ F	29,030	132,055	139	5
TOTAL FAR 5	**50,375**	**239,745**	**252**	**5**
FAR 6+				
JACKSON SQ C	14,235	105,360	111	7
JACKSON SQ G	24,615	141,885	149	6
TOTAL FAR 6+	**38,850**	**247,245**	**260**	**6**
TOTAL	**691,099**	**2,003,420**	**2,109**	**3**

Notes:

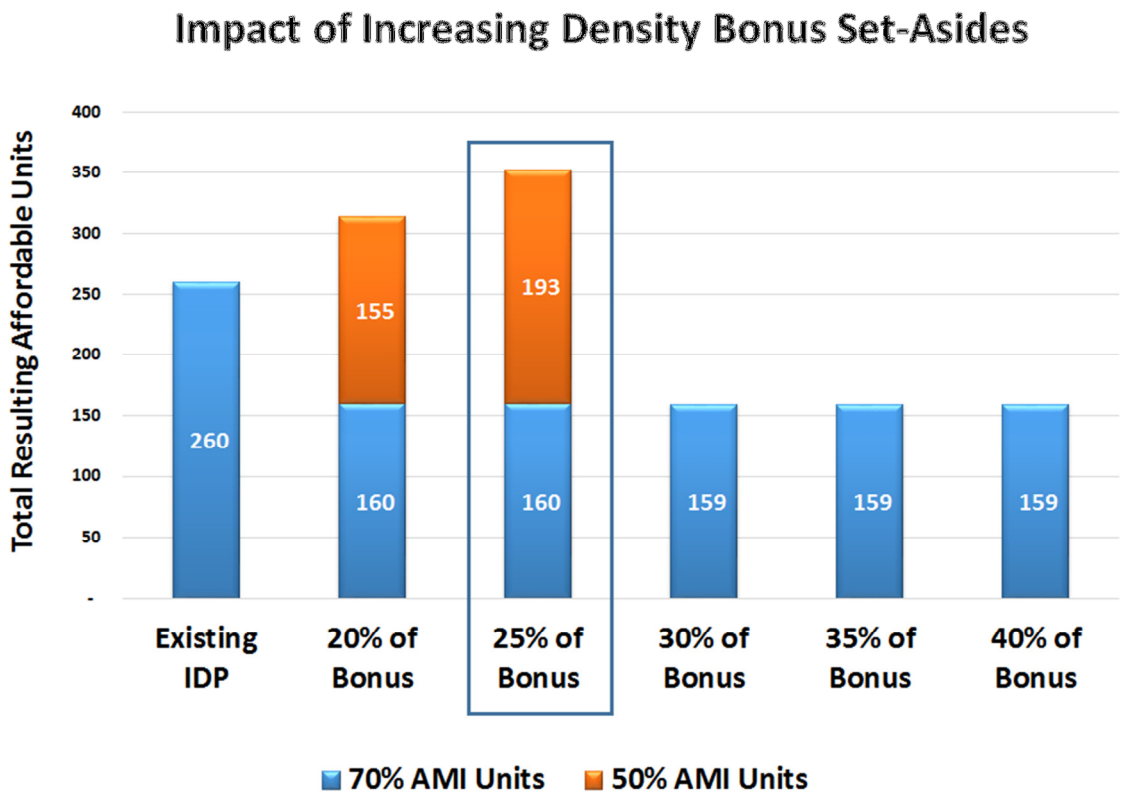
1. See attached PLAN JP/ROX map
2. These calculations are for illustrative and analysis purposes only, and do *not* represent City policy with respect to the development of any site. See appendix 1-7 for more detailed financial modeling.

Model Results

In this model, the total number of affordable units is a combination of the 13% of units in the base zoning, and an additional percentage of units created from the added density. As a result, the total number of affordable units will be a blend of these two percentages. For example, where the affordable unit rate for the density bonus is 25%, **the total affordability in a particular project will range from 17% to 21% depending on the density (higher FAR results in higher affordability).**

Shown below are the model results. On-site affordability is maximized at 25% affordability within the density bonus, and there is a rapid drop off at 30% percent where developers choose to build at an FAR those does not trigger the density bonus.

All affordable housing benefits are on-site. The cash-in-lieu payment of $300,000 is sufficiently high that, in the study area, it serves as a disincentive.

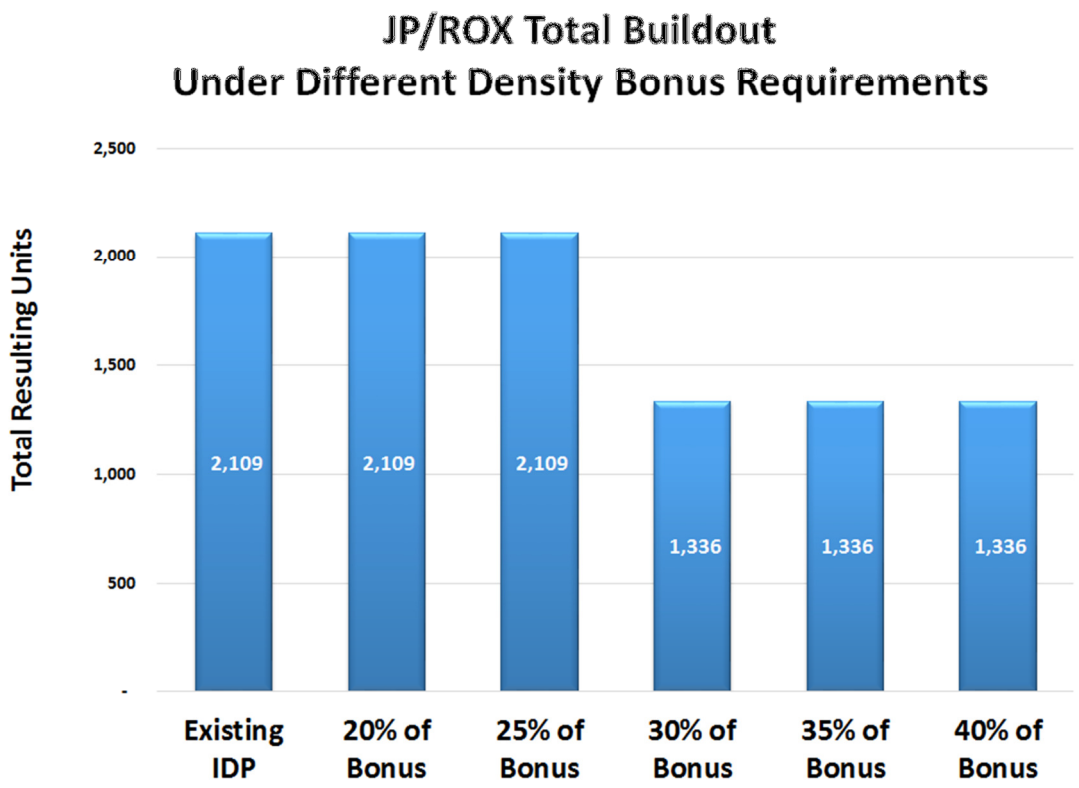


At each level of affordability required the following results:

- Where only the citywide IDP policy is in effect, 232 income-restricted/affordable units are created, but all are at 70% of AMI.

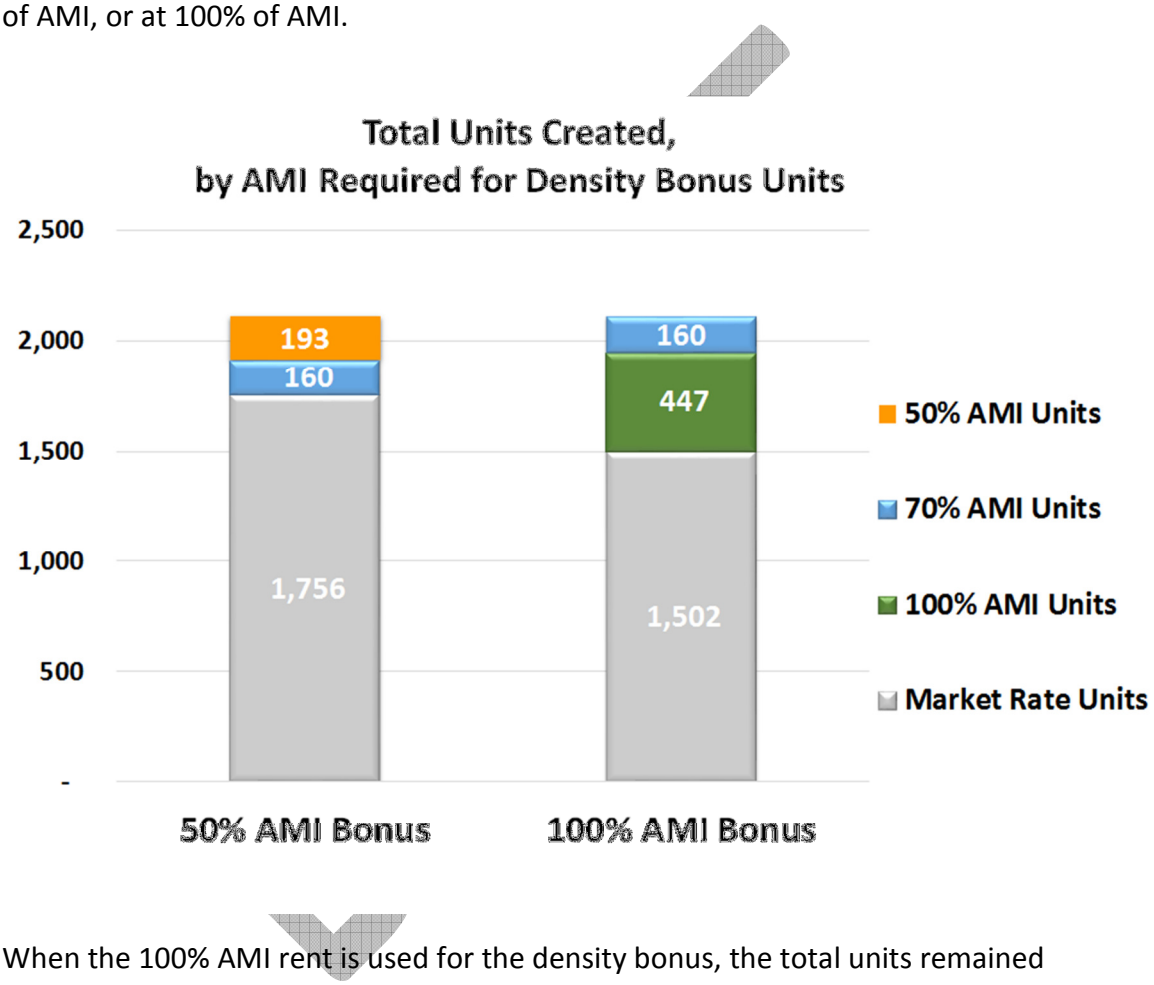
- Where 20% of the density bonus is dedicated to households with incomes less than 50% of AMI, 292 income restricted units are created, of which 155 are at 50% of AMI.
- At 25% of the density bonus, affordability is maximized, both in terms of the total number of units (353) as well as the number of units at 50% of AMI (193).
- At 30% of density bonus, the developer decision-making process is shown clearly. Since the cash-in-lieu option does not contribute to feasibility, developers will opt out of the density bonus program and build at an FAR that only requires IDP. At this point, the number of affordable units created drops from 353 to 159, and all are rented to households at 70% of AMI.

Total Build-Out. Shown below is the total build-out of privately developed projects expected for the JP/ROX study area, at different affordability rates for the density bonus. At the 25% density bonus, both affordability and total units are maximized, with 2,109 total units. Because developers start opting out of the bonus after 25%, the total volume of production drops as well. With a 30% affordability requirement, total production drops by 772 units as all developers opt for low-density development with lower affordability requirements.



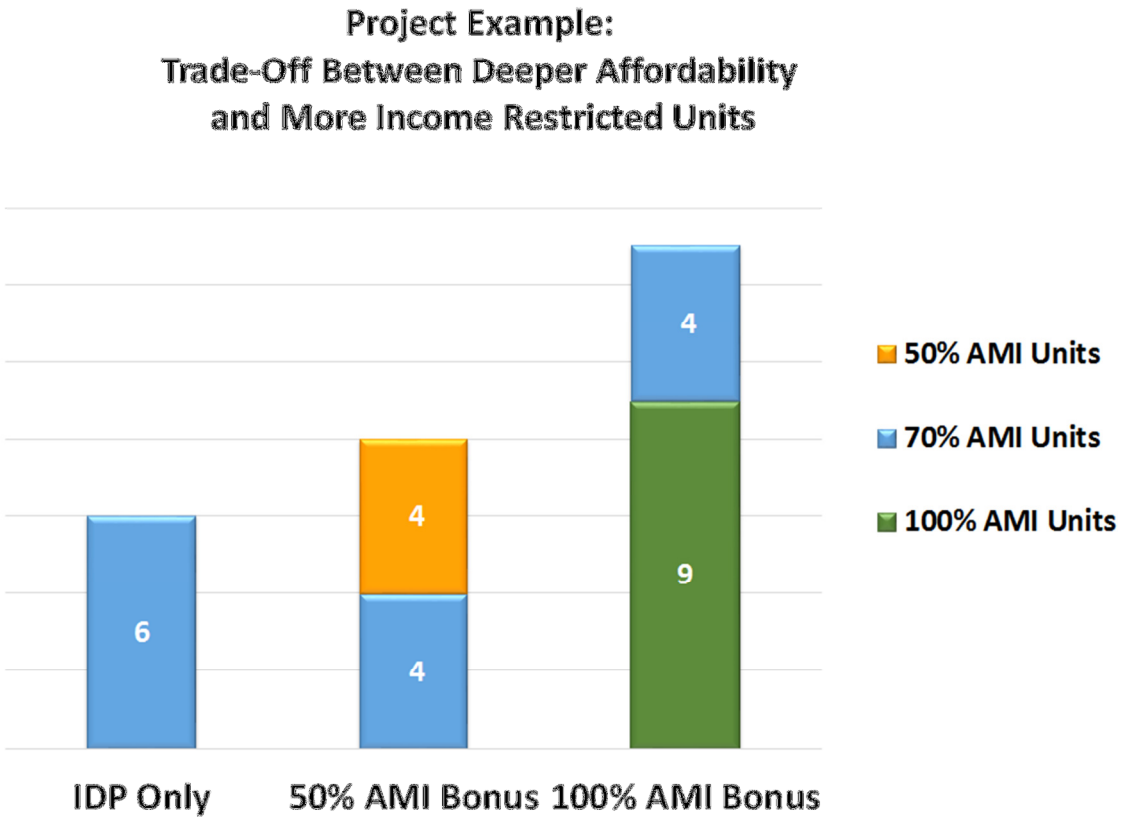
MODELING OPTIONS: COMPARING INCOME OPTIONS

Low Income Optimizing. The model in the previous section was built to optimize the number of units for low-income households. If developers are allowed to rent their units to middle-income households at higher rents that are still below full market rents, the development could support a larger number of income restricted units. This tradeoff can be seen in the following example, where the density bonus units are at either 50% of AMI, or at 100% of AMI.



When the 100% AMI rent is used for the density bonus, the total units remained unchanged, but the number of income restricted units increases by 245, to a total of 607 income restricted units, of which 160 would be at 70% of AMI, and 447 would be at 100% of AMI. At 100% AMI, the development could easily support 60% of the density bonus as income restricted. Based on the community input received through the JP/ROX planning process we believe the community would prefer that even though there is a decrease in the number of units provided, the goal is to maximize affordability for low-income households, meeting the needs of existing residents.

Project Example. To test the effects on a real project, a common cost effective building type of wood frame construction over a retail podium has been analyzed. The example project has 14,999 square feet of land and a base FAR of 2. The building square footage is 44,690 (resulting in an FAR of 3.1), and 44 units of housing. Under current IDP requirements, this development would create 6 affordable units at 70% of AMI. Under the proposed 50% AMI density bonus option (25% of the bonus density or additional units be affordable) would instead yield 4 units at 70% of AMI for the base FAR of 2 and 4 units at 50% of AMI for the bonus FAR (additional 1.1), for a total of 8 units. With the density bonus set at 100% of AMI (at 60% of the bonus density), the project still is feasible with an additional 5 income restricted units, for a total of 13 units. This option would yield 4 base units at 70% of AMI and 9 bonus units at 100% of AMI. See appendix 7 for the example pro forma.



FINANCIAL ANALYSIS APPENDICES

These appendices show the calculations used to analyze the financial feasibility of seven affordability options for six density levels. Highlighted in orange are cases where full on-site options are not financially feasible and the developer opts out of the density bonus program entirely.

Appendix 1	Base IDP Option, No Density Bonus
Appendix 2	20% @ 50% AMI ON BONUS UNITS
Appendix 3	25% @ 50% AMI ON BONUS UNITS
Appendix 4	30% @ 50% AMI ON BONUS UNITS
Appendix 5	35% @ 50% AMI ON BONUS UNITS
Appendix 6	40% @ 50% AMI ON BONUS UNITS
Appendix 7	EXAMPLE PRO FORMA

APPENDIX 1: JP/ROX DENSITY BONUS CALCULATIONS
Base IDP No Density Bonus

MODEL	Base Model <2 FAR		
SF LAND	157,010		
RESIDENTIAL SF	228,360		
GROSS SF UNIT	950		
TOTAL UNITS	240		
AFFORABLE @ 70% AMI	31		
AFFORDABLE @ 50% AMI	0		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$498,138	RENT	$1,328
RENTAL INCOME 50% AMI	$0	RENT	$948
RENTAL INCOME MARKET	$7,232,069	RENT	$2,884
PARKING INCOME	$540,853		
VACANCY	($361,603)		
OPERATING COSTS	($2,638,349)		
NET OPERATING INCOME	$5,271,108		
DEVELOPMENT			
CONSTRUCTION	$65,135,483		
LAND	$10,990,700		
SOFT	$11,800,000		
CASH-IN-LIEU	$0		
TOTAL	$87,926,183	PER UNIT	$365,782
RETURN: NET INCOME/COST	**6.0%**		

MODEL	Base IDP 2.0 FAR		
SF LAND	93,255		
RESIDENTIAL SF	181,135		
GROSS SF UNIT	950		
TOTAL UNITS	191		
AFFORABLE @ 70% AMI	25		
AFFORDABLE @ 50% AMI	0		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$395,123	RENT	$1,328
RENTAL INCOME 50% AMI	$0	RENT	$948
RENTAL INCOME MARKET	$5,744,131	RENT	$2,884
PARKING INCOME	$429,004		
VACANCY	($287,207)		
OPERATING COSTS	($2,093,454)		
NET OPERATING INCOME	$4,187,597		
DEVELOPMENT			
CONSTRUCTION	$51,665,422		
LAND	$6,527,850		
SOFT	$9,300,000		
CASH-IN-LIEU	$0		
TOTAL	$67,493,272	PER UNIT	$353,982
RETURN: NET INCOME/COST	**6.2%**		

MODEL	Bonus 3.0 FAR		
SF LAND	113,559		
RESIDENTIAL SF	334,820		
GROSS SF UNIT	950		
TOTAL UNITS	352		
AFFORABLE @ 70% AMI	46		
AFFORDABLE @ 50% AMI	46		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$730,367	RENT	$1,328
RENTAL INCOME 50% AMI	$0	RENT	$948
RENTAL INCOME MARKET	$10,623,182	RENT	$2,884
PARKING INCOME	$792,995		
VACANCY	($531,159)		
OPERATING COSTS	($3,870,165)		
NET OPERATING INCOME	$7,745,220		
DEVELOPMENT			
CONSTRUCTION	$95,501,237		
LAND	$7,949,130		
SOFT	$17,200,000		
CASH-IN-LIEU	$0		
TOTAL	$120,650,367	PER UNIT	$342,327
RETURN: NET INCOME/COST	**6.4%**		

MODEL	Bonus 4.0 FAR		
SF LAND	175,282		
RESIDENTIAL SF	668,220		
GROSS SF UNIT	950		
TOTAL UNITS	703		
AFFORABLE @ 70% AMI	91		
AFFORDABLE @ 50% AMI	91		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$1,457,637	RENT	$1,328
RENTAL INCOME 50% AMI	$0	RENT	$948
RENTAL INCOME MARKET	$21,177,158	RENT	$2,884
PARKING INCOME	$1,582,626		
VACANCY	($1,058,858)		
OPERATING COSTS	($7,721,652)		
NET OPERATING INCOME	$15,436,912		
DEVELOPMENT			
CONSTRUCTION	$190,597,446		
LAND	$12,269,751		
SOFT	$34,400,000		
CASH-IN-LIEU	$0		
TOTAL	$237,267,196	PER UNIT	$337,320
RETURN: NET INCOME/COST	**6.5%**		

MODEL	Bonus 5.0 FAR		
SF LAND	50,375		
RESIDENTIAL SF	239,745		
GROSS SF UNIT	950		
TOTAL UNITS	252		
AFFORABLE @ 70% AMI	33		
AFFORDABLE @ 50% AMI	33		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$522,973	RENT	$1,328
RENTAL INCOME 50% AMI	$0	RENT	$948
RENTAL INCOME MARKET	$7,612,704	RENT	$2,884
PARKING INCOME	$567,817		
VACANCY	($380,635)		
OPERATING COSTS	($2,771,767)		
NET OPERATING INCOME	$5,551,092		
DEVELOPMENT			
CONSTRUCTION	$68,382,845		
LAND	$3,526,250		
SOFT	$12,400,000		
CASH-IN-LIEU	$0		
TOTAL	$84,309,095	PER UNIT	$334,078
RETURN: NET INCOME/COST	**6.6%**		

MODEL	Bonus 6.0 FAR		
SF LAND	38,850		
RESIDENTIAL SF	247,245		
GROSS SF UNIT	950		
TOTAL UNITS	260		
AFFORABLE @ 70% AMI	34		
AFFORDABLE @ 50% AMI	34		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$539,333	RENT	$1,328
RENTAL INCOME 50% AMI	$0	RENT	$948
RENTAL INCOME MARKET	$7,820,323	RENT	$2,884
PARKING INCOME	$585,580		
VACANCY	($391,016)		
OPERATING COSTS	($2,855,615)		
NET OPERATING INCOME	$5,698,606		
DEVELOPMENT			
CONSTRUCTION	$70,522,082		
LAND	$2,719,500		
SOFT	$12,700,000		
CASH-IN-LIEU	$0		
TOTAL	$85,941,582	PER UNIT	$330,217
RETURN: NET INCOME/COST	**6.6%**		

APPENDIX 2: JP/ROX DENSITY BONUS CALCULATIONS

20% @ 50% AMI ON BONUS UNITS

MODEL	Base Model <2 FAR		
SF LAND	157,010		
RESIDENTIAL SF	228,360		
GROSS SF UNIT	950		
TOTAL UNITS	240		
AFFORABLE @ 70% AMI	31		
AFFORDABLE @ 50% AMI	0		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$498,138	RENT	$1,328
RENTAL INCOME 50% AMI	$0	RENT	$948
RENTAL INCOME MARKET	$7,232,069	RENT	$2,884
PARKING INCOME	$540,853		
VACANCY	($361,603)		
OPERATING COSTS	($2,638,349)		
NET OPERATING INCOME	$5,271,108		
DEVELOPMENT			
CONSTRUCTION	$65,135,483		
LAND	$10,990,700		
SOFT	$11,800,000		
CASH-IN-LIEU	$0		
TOTAL	$87,926,183	PER UNIT	$365,782
RETURN: NET INCOME/COST	**6.0%**		

MODEL	Base IDP 2.0 FAR		
SF LAND	93,255		
RESIDENTIAL SF	181,135		
GROSS SF UNIT	950		
TOTAL UNITS	191		
AFFORABLE @ 70% AMI	25		
AFFORDABLE @ 50% AMI	0		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$395,123	RENT	$1,328
RENTAL INCOME 50% AMI	$0	RENT	$948
RENTAL INCOME MARKET	$5,744,131	RENT	$2,884
PARKING INCOME	$429,004		
VACANCY	($287,207)		
OPERATING COSTS	($2,093,454)		
NET OPERATING INCOME	$4,187,597		
DEVELOPMENT			
CONSTRUCTION	$51,665,422		
LAND	$6,527,850		
SOFT	$9,300,000		
CASH-IN-LIEU	$0		
TOTAL	$67,493,272	PER UNIT	$353,982
RETURN: NET INCOME/COST	**6.2%**		

MODEL	Bonus 3.0 FAR		
SF LAND	113,559		
RESIDENTIAL SF	334,820		
GROSS SF UNIT	950		
TOTAL UNITS	352		
AFFORABLE @ 70% AMI	31		
AFFORDABLE @ 50% AMI	54		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$495,429	RENT	$1,328
RENTAL INCOME 50% AMI	$257,859	RENT	$948
RENTAL INCOME MARKET	$10,346,357	RENT	$2,884
PARKING INCOME	$792,995		
VACANCY	($517,318)		
OPERATING COSTS	($3,822,187)		
NET OPERATING INCOME	$7,553,135		
DEVELOPMENT			
CONSTRUCTION	$95,501,237		
LAND	$7,949,130		
SOFT	$17,200,000		
CASH-IN-LIEU	$0		
TOTAL	$120,650,367	PER UNIT	$342,327
RETURN: NET INCOME/COST	**6.3%**		

MODEL	Bonus 4.0 FAR		
SF LAND	175,282		
RESIDENTIAL SF	668,220		
GROSS SF UNIT	950		
TOTAL UNITS	703		
AFFORABLE @ 70% AMI	48		
AFFORDABLE @ 50% AMI	115		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$764,711	RENT	$1,328
RENTAL INCOME 50% AMI	$760,528	RENT	$948
RENTAL INCOME MARKET	$20,381,285	RENT	$2,884
PARKING INCOME	$1,582,626		
VACANCY	($1,019,064)		
OPERATING COSTS	($7,582,077)		
NET OPERATING INCOME	$14,888,009		
DEVELOPMENT			
CONSTRUCTION	$190,597,446		
LAND	$12,269,751		
SOFT	$34,400,000		
CASH-IN-LIEU	$0		
TOTAL	$237,267,196	PER UNIT	$337,320
RETURN: NET INCOME/COST	**6.3%**		

MODEL	Bonus 5.0 FAR		
SF LAND	50,375		
RESIDENTIAL SF	239,745		
GROSS SF UNIT	950		
TOTAL UNITS	252		
AFFORABLE @ 70% AMI	14		
AFFORDABLE @ 50% AMI	43		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$219,773	RENT	$1,328
RENTAL INCOME 50% AMI	$332,780	RENT	$948
RENTAL INCOME MARKET	$7,232,069	RENT	$2,884
PARKING INCOME	$567,817		
VACANCY	($361,603)		
OPERATING COSTS	($2,707,658)		
NET OPERATING INCOME	$5,283,179		
DEVELOPMENT			
CONSTRUCTION	$68,382,845		
LAND	$3,526,250		
SOFT	$12,400,000		
CASH-IN-LIEU	$0		
TOTAL	$84,309,095	PER UNIT	$334,078
RETURN: NET INCOME/COST	**6.3%**		

MODEL	Bonus 6.0 FAR		
SF LAND	38,850		
RESIDENTIAL SF	247,245		
GROSS SF UNIT	950		
TOTAL UNITS	260		
AFFORABLE @ 70% AMI	11		
AFFORDABLE @ 50% AMI	46		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$169,493	RENT	$1,328
RENTAL INCOME 50% AMI	$405,923	RENT	$948
RENTAL INCOME MARKET	$7,405,085	RENT	$2,884
PARKING INCOME	$585,580		
VACANCY	($370,254)		
OPERATING COSTS	($2,782,013)		
NET OPERATING INCOME	$5,413,813		
DEVELOPMENT			
CONSTRUCTION	$70,522,082		
LAND	$2,719,500		
SOFT	$12,700,000		
CASH-IN-LIEU	$0		
TOTAL	$85,941,582	PER UNIT	$330,217
RETURN: NET INCOME/COST	**6.3%**		

APPENDIX 3: JP/ROX DENSITY BONUS CALCULATIONS

25% @ 50% AMI ON BONUS UNITS

MODEL	Base Model <2 FAR		
SF LAND	157,010		
RESIDENTIAL SF	228,360		
GROSS SF UNIT	950		
TOTAL UNITS	240		
AFFORABLE @ 70% AMI	31		
AFFORDABLE @ 50% AMI	0		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$498,138	RENT	$1,328
RENTAL INCOME 50% AMI	$0	RENT	$948
RENTAL INCOME MARKET	$7,232,069	RENT	$2,884
PARKING INCOME	$540,853		
VACANCY	($361,603)		
OPERATING COSTS	($2,638,349)		
NET OPERATING INCOME	$5,271,108		
DEVELOPMENT			
CONSTRUCTION	$65,135,483		
LAND	$10,990,700		
SOFT	$11,800,000		
CASH-IN-LIEU	$0		
TOTAL	$87,926,183	PER UNIT	$365,782
RETURN: NET INCOME/COST	**6.0%**		

MODEL	Base IDP 2.0 FAR		
SF LAND	93,255		
RESIDENTIAL SF	181,135		
GROSS SF UNIT	950		
TOTAL UNITS	191		
AFFORABLE @ 70% AMI	25		
AFFORDABLE @ 50% AMI	0		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$395,123	RENT	$1,328
RENTAL INCOME 50% AMI	$0	RENT	$948
RENTAL INCOME MARKET	$5,744,131	RENT	$2,884
PARKING INCOME	$429,004		
VACANCY	($287,207)		
OPERATING COSTS	($2,093,454)		
NET OPERATING INCOME	$4,187,597		
DEVELOPMENT			
CONSTRUCTION	$51,665,422		
LAND	$6,527,850		
SOFT	$9,300,000		
CASH-IN-LIEU	$0		
TOTAL	$67,493,272	PER UNIT	$353,982
RETURN: NET INCOME/COST	**6.2%**		

MODEL	Bonus 3.0 FAR		
SF LAND	113,559		
RESIDENTIAL SF	334,820		
GROSS SF UNIT	950		
TOTAL UNITS	352		
AFFORABLE @ 70% AMI	31		
AFFORDABLE @ 50% AMI	59		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$495,429	RENT	$1,328
RENTAL INCOME 50% AMI	$322,324	RENT	$948
RENTAL INCOME MARKET	$10,138,738	RENT	$2,884
PARKING INCOME	$792,995		
VACANCY	($506,937)		
OPERATING COSTS	($3,802,723)		
NET OPERATING INCOME	$7,439,825		
DEVELOPMENT			
CONSTRUCTION	$95,501,237		
LAND	$7,949,130		
SOFT	$17,200,000		
CASH-IN-LIEU	$0		
TOTAL	$120,650,367	PER UNIT	$342,327
RETURN: NET INCOME/COST	**6.2%**		

MODEL	Bonus 4.0 FAR		
SF LAND	175,282		
RESIDENTIAL SF	668,220		
GROSS SF UNIT	950		
TOTAL UNITS	703		
AFFORABLE @ 70% AMI	48		
AFFORDABLE @ 50% AMI	132		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$764,711	RENT	$1,328
RENTAL INCOME 50% AMI	$950,660	RENT	$948
RENTAL INCOME MARKET	$19,793,030	RENT	$2,884
PARKING INCOME	$1,582,626		
VACANCY	($989,652)		
OPERATING COSTS	($7,526,928)		
NET OPERATING INCOME	$14,574,449		
DEVELOPMENT			
CONSTRUCTION	$190,597,446		
LAND	$12,269,751		
SOFT	$34,400,000		
CASH-IN-LIEU	$0		
TOTAL	$237,267,196	PER UNIT	$337,320
RETURN: NET INCOME/COST	**6.1%**		

MODEL	Bonus 5.0 FAR		
SF LAND	50,375		
RESIDENTIAL SF	239,745		
GROSS SF UNIT	950		
TOTAL UNITS	252		
AFFORABLE @ 70% AMI	14		
AFFORDABLE @ 50% AMI	50		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$219,773	RENT	$1,328
RENTAL INCOME 50% AMI	$415,975	RENT	$948
RENTAL INCOME MARKET	$6,989,846	RENT	$2,884
PARKING INCOME	$567,817		
VACANCY	($349,492)		
OPERATING COSTS	($2,684,949)		
NET OPERATING INCOME	$5,158,971		
DEVELOPMENT			
CONSTRUCTION	$68,382,845		
LAND	$3,526,250		
SOFT	$12,400,000		
CASH-IN-LIEU	$0		
TOTAL	$84,309,095	PER UNIT	$334,078
RETURN: NET INCOME/COST	**6.1%**		

MODEL	Bonus 6.0 FAR		
SF LAND	38,850		
RESIDENTIAL SF	247,245		
GROSS SF UNIT	950		
TOTAL UNITS	260		
AFFORABLE @ 70% AMI	11		
AFFORDABLE @ 50% AMI	55		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$169,493	RENT	$1,328
RENTAL INCOME 50% AMI	$507,404	RENT	$948
RENTAL INCOME MARKET	$7,093,656	RENT	$2,884
PARKING INCOME	$585,580		
VACANCY	($354,683)		
OPERATING COSTS	($2,752,817)		
NET OPERATING INCOME	$5,248,633		
DEVELOPMENT			
CONSTRUCTION	$70,522,082		
LAND	$2,719,500		
SOFT	$12,700,000		
CASH-IN-LIEU	$0		
TOTAL	$85,941,582	PER UNIT	$330,217
RETURN: NET INCOME/COST	**6.1%**		

APPENDIX 4: JP/ROX DENSITY BONUS CALCULATIONS

30% @ 50% AMI ON BONUS UNITS

MODEL	Base Model <2 FAR		
SF LAND	157,010		
RESIDENTIAL SF	228,360		
GROSS SF UNIT	950		
TOTAL UNITS	240		
AFFORABLE @ 70% AMI	31		
AFFORDABLE @ 50% AMI	0		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$498,138	RENT	$1,328
RENTAL INCOME 50% AMI	$0	RENT	$948
RENTAL INCOME MARKET	$7,232,069	RENT	$2,884
PARKING INCOME	$540,853		
VACANCY	($361,603)		
OPERATING COSTS	($2,638,349)		
NET OPERATING INCOME	$5,271,108		
DEVELOPMENT			
CONSTRUCTION	$65,135,483		
LAND	$10,990,700		
SOFT	$11,800,000		
CASH-IN-LIEU	$0		
TOTAL	$87,926,183	PER UNIT	$365,782
RETURN: NET INCOME/COST	**6.0%**		

MODEL	Base IDP 2.0 FAR		
SF LAND	93,255		
RESIDENTIAL SF	181,135		
GROSS SF UNIT	950		
TOTAL UNITS	191		
AFFORABLE @ 70% AMI	25		
AFFORDABLE @ 50% AMI	0		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$395,123	RENT	$1,328
RENTAL INCOME 50% AMI	$0	RENT	$948
RENTAL INCOME MARKET	$5,744,131	RENT	$2,884
PARKING INCOME	$429,004		
VACANCY	($287,207)		
OPERATING COSTS	($2,093,454)		
NET OPERATING INCOME	$4,187,597		
DEVELOPMENT			
CONSTRUCTION	$51,665,422		
LAND	$6,527,850		
SOFT	$9,300,000		
CASH-IN-LIEU	$0		
TOTAL	$67,493,272	PER UNIT	$353,982
RETURN: NET INCOME/COST	**6.20%**		

MODEL	Bonus 3.0 FAR		
SF LAND	113,559		
RESIDENTIAL SF	334,820		
GROSS SF UNIT	950		
TOTAL UNITS	352		
AFFORABLE @ 70% AMI	31		
AFFORDABLE @ 50% AMI	65		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$495,429	RENT	$1,328
RENTAL INCOME 50% AMI	$386,788	RENT	$948
RENTAL INCOME MARKET	$9,931,118	RENT	$2,884
PARKING INCOME	$792,995		
VACANCY	($496,556)		
OPERATING COSTS	($3,783,258)		
NET OPERATING INCOME	$7,326,516		
DEVELOPMENT			
CONSTRUCTION	$95,501,237		
LAND	$7,949,130		
SOFT	$17,200,000		
CASH-IN-LIEU	$0		
TOTAL	$120,650,367	PER UNIT	$342,327
RETURN: NET INCOME/COST	**6.07%**	**Opt-Out**	

MODEL	Bonus 4.0 FAR		
SF LAND	175,282		
RESIDENTIAL SF	668,220		
GROSS SF UNIT	950		
TOTAL UNITS	703		
AFFORABLE @ 70% AMI	48		
AFFORDABLE @ 50% AMI	148		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$764,711	RENT	$1,328
RENTAL INCOME 50% AMI	$1,140,792	RENT	$948
RENTAL INCOME MARKET	$19,204,776	RENT	$2,884
PARKING INCOME	$1,582,626		
VACANCY	($960,239)		
OPERATING COSTS	($7,471,779)		
NET OPERATING INCOME	$14,260,888		
DEVELOPMENT			
CONSTRUCTION	$190,597,446		
LAND	$12,269,751		
SOFT	$34,400,000		
CASH-IN-LIEU	$0		
TOTAL	$237,267,196	PER UNIT	$337,320
RETURN: NET INCOME/COST	**6.01%**	**Opt-Out**	

MODEL	Bonus 5.0 FAR		
SF LAND	50,375		
RESIDENTIAL SF	239,745		
GROSS SF UNIT	950		
TOTAL UNITS	252		
AFFORABLE @ 70% AMI	14		
AFFORDABLE @ 50% AMI	58		
CASHED OUT UNITS	14		
OPERATING			
RENTAL INCOME 70% AMI	$219,773	RENT	$1,328
RENTAL INCOME 50% AMI	$499,171	RENT	$948
RENTAL INCOME MARKET	$6,747,624	RENT	$2,884
PARKING INCOME	$567,817		
VACANCY	($337,381)		
OPERATING COSTS	($2,662,241)		
NET OPERATING INCOME	$5,034,763		
DEVELOPMENT			
CONSTRUCTION	$68,382,845		
LAND	$3,526,250		
SOFT	$12,400,000		
CASH-IN-LIEU	$4,200,000		
TOTAL	$88,509,095	PER UNIT	$350,721
RETURN: NET INCOME/COST	**5.69%**	**Opt-Out**	

MODEL	Bonus 6.0 FAR		
SF LAND	38,850		
RESIDENTIAL SF	247,245		
GROSS SF UNIT	950		
TOTAL UNITS	260		
AFFORABLE @ 70% AMI	11		
AFFORDABLE @ 50% AMI	64		
CASHED OUT UNITS	34		
OPERATING			
RENTAL INCOME 70% AMI	$169,493	RENT	$1,328
RENTAL INCOME 50% AMI	$608,884	RENT	$948
RENTAL INCOME MARKET	$6,782,227	RENT	$2,884
PARKING INCOME	$585,580		
VACANCY	($339,111)		
OPERATING COSTS	($2,723,621)		
NET OPERATING INCOME	$5,083,452		
DEVELOPMENT			
CONSTRUCTION	$70,522,082		
LAND	$2,719,500		
SOFT	$12,700,000		
CASH-IN-LIEU	$10,200,000		
TOTAL	$96,141,582	PER UNIT	$369,409
RETURN: NET INCOME/COST	**5.29%**	**Opt-Out**	

APPENDIX 5: JP/ROX DENSITY BONUS CALCULATIONS

35% @ 50% AMI ON BONUS UNITS

MODEL	Base Model <2 FAR		
SF LAND	157,010		
RESIDENTIAL SF	228,360		
GROSS SF UNIT	950		
TOTAL UNITS	240		
AFFORABLE @ 70% AMI	31		
AFFORDABLE @ 50% AMI	0		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$498,138	RENT	$1,328
RENTAL INCOME 50% AMI	$0	RENT	$948
RENTAL INCOME MARKET	$7,232,069	RENT	$2,884
PARKING INCOME	$540,853		
VACANCY	($361,603)		
OPERATING COSTS	($2,638,349)		
NET OPERATING INCOME	$5,271,108		
DEVELOPMENT			
CONSTRUCTION	$65,135,483		
LAND	$10,990,700		
SOFT	$11,800,000		
CASH-IN-LIEU	$0		
TOTAL	$87,926,183	PER UNIT	$365,782
RETURN: NET INCOME/COST	**6.0%**		

MODEL	Base IDP 2.0 FAR		
SF LAND	93,255		
RESIDENTIAL SF	181,135		
GROSS SF UNIT	950		
TOTAL UNITS	191		
AFFORABLE @ 70% AMI	25		
AFFORDABLE @ 50% AMI	0		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$398,520	RENT	$1,328
RENTAL INCOME 50% AMI	$0	RENT	$948
RENTAL INCOME MARKET	$5,744,131	RENT	$2,884
PARKING INCOME	$429,004		
VACANCY	($287,207)		
OPERATING COSTS	($2,093,773)		
NET OPERATING INCOME	$4,190,676		
DEVELOPMENT			
CONSTRUCTION	$51,665,422		
LAND	$6,527,850		
SOFT	$9,300,000		
CASH-IN-LIEU	$0		
TOTAL	$67,493,272	PER UNIT	$353,982
RETURN: NET INCOME/COST	**6.21%**		

MODEL	Bonus 3.0 FAR		
SF LAND	113,559		
RESIDENTIAL SF	334,820		
GROSS SF UNIT	950		
TOTAL UNITS	352		
AFFORABLE @ 70% AMI	31		
AFFORDABLE @ 50% AMI	40		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$495,429	RENT	$1,328
RENTAL INCOME 50% AMI	$451,253	RENT	$948
RENTAL INCOME MARKET	$9,758,102	RENT	$2,884
PARKING INCOME	$792,995		
VACANCY	($487,905)		
OPERATING COSTS	($3,767,038)		
NET OPERATING INCOME	$7,242,836		
DEVELOPMENT			
CONSTRUCTION	$95,501,237		
LAND	$7,949,130		
SOFT	$17,200,000		
CASH-IN-LIEU	$0		
TOTAL	$120,650,367	PER UNIT	$342,327
RETURN: NET INCOME/COST	**6.00%**	**Opt-Out**	

MODEL	Bonus 4.0 FAR		
SF LAND	175,282		
RESIDENTIAL SF	668,220		
GROSS SF UNIT	950		
TOTAL UNITS	703		
AFFORABLE @ 70% AMI	48		
AFFORDABLE @ 50% AMI	117		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$764,711	RENT	$1,328
RENTAL INCOME 50% AMI	$1,330,924	RENT	$948
RENTAL INCOME MARKET	$18,616,522	RENT	$2,884
PARKING INCOME	$1,582,626		
VACANCY	($930,826)		
OPERATING COSTS	($7,416,630)		
NET OPERATING INCOME	$13,947,327		
DEVELOPMENT			
CONSTRUCTION	$190,597,446		
LAND	$12,269,751		
SOFT	$34,400,000		
CASH-IN-LIEU	$0		
TOTAL	$237,267,196	PER UNIT	$337,320
RETURN: NET INCOME/COST	**5.88%**	**Opt-Out**	

MODEL	Bonus 5.0 FAR		
SF LAND	50,375		
RESIDENTIAL SF	239,745		
GROSS SF UNIT	950		
TOTAL UNITS	252		
AFFORABLE @ 70% AMI	14		
AFFORDABLE @ 50% AMI	51		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$219,773	RENT	$1,328
RENTAL INCOME 50% AMI	$582,366	RENT	$948
RENTAL INCOME MARKET	$6,470,798	RENT	$2,884
PARKING INCOME	$567,817		
VACANCY	($323,540)		
OPERATING COSTS	($2,636,288)		
NET OPERATING INCOME	$4,880,926		
DEVELOPMENT			
CONSTRUCTION	$68,382,845		
LAND	$3,526,250		
SOFT	$12,400,000		
CASH-IN-LIEU	$0		
TOTAL	$84,309,095	PER UNIT	$334,078
RETURN: NET INCOME/COST	**5.79%**	**Opt-Out**	

MODEL	Bonus 6.0 FAR		
SF LAND	38,850		
RESIDENTIAL SF	239,745		
GROSS SF UNIT	950		
TOTAL UNITS	252		
AFFORABLE @ 70% AMI	11		
AFFORDABLE @ 50% AMI	60		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$169,493	RENT	$1,328
RENTAL INCOME 50% AMI	$678,941	RENT	$948
RENTAL INCOME MARKET	$6,297,782	RENT	$2,884
PARKING INCOME	$567,817		
VACANCY	($314,889)		
OPERATING COSTS	($2,615,354)		
NET OPERATING INCOME	$4,783,790		
DEVELOPMENT			
CONSTRUCTION	$68,382,845		
LAND	$2,719,500		
SOFT	$12,400,000		
CASH-IN-LIEU	$0		
TOTAL	$83,502,345	PER UNIT	$330,882
RETURN: NET INCOME/COST	**5.73%**	**Opt-Out**	

APPENDIX 6: JP/ROX DENSITY BONUS CALCULATIONS

40% @ 50% AMI ON BONUS UNITS

MODEL	Base Model <2 FAR		
SF LAND	157,010		
RESIDENTIAL SF	228,360		
GROSS SF UNIT	950		
TOTAL UNITS	240		
AFFORABLE @ 70% AMI	31		
AFFORDABLE @ 50% AMI	0		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$498,138	RENT	$1,328
RENTAL INCOME 50% AMI	$0	RENT	$948
RENTAL INCOME MARKET	$7,232,069	RENT	$2,884
PARKING INCOME	$540,853		
VACANCY	($361,603)		
OPERATING COSTS	($2,638,349)		
NET OPERATING INCOME	$5,271,108		
DEVELOPMENT			
CONSTRUCTION	$65,135,483		
LAND	$10,990,700		
SOFT	$11,800,000		
CASH-IN-LIEU	$0		
TOTAL	$87,926,183	PER UNIT	$365,782
RETURN: NET INCOME/COST	**6.0%**		

MODEL	Base IDP 2.0 FAR		
SF LAND	93,255		
RESIDENTIAL SF	181,135		
GROSS SF UNIT	950		
TOTAL UNITS	191		
AFFORABLE @ 70% AMI	25		
AFFORDABLE @ 50% AMI	0		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$398,520	RENT	$1,328
RENTAL INCOME 50% AMI	$0	RENT	$948
RENTAL INCOME MARKET	$5,744,131	RENT	$2,884
PARKING INCOME	$429,004		
VACANCY	($287,207)		
OPERATING COSTS	($2,093,773)		
NET OPERATING INCOME	$4,190,676		
DEVELOPMENT			
CONSTRUCTION	$51,665,422		
LAND	$6,527,850		
SOFT	$9,300,000		
CASH-IN-LIEU	$0		
TOTAL	$67,493,272	PER UNIT	$353,982
RETURN: NET INCOME/COST	**6.2%**		

MODEL	Bonus 3.0 FAR		
SF LAND	113,559		
RESIDENTIAL SF	334,820		
GROSS SF UNIT	950		
TOTAL UNITS	352		
AFFORABLE @ 70% AMI	31		
AFFORDABLE @ 50% AMI	51		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$495,429	RENT	$1,328
RENTAL INCOME 50% AMI	$580,183	RENT	$948
RENTAL INCOME MARKET	$9,342,864	RENT	$2,884
PARKING INCOME	$792,995		
VACANCY	($467,143)		
OPERATING COSTS	($3,728,110)		
NET OPERATING INCOME	$7,016,218		
DEVELOPMENT			
CONSTRUCTION	$95,501,237		
LAND	$7,949,130		
SOFT	$17,200,000		
CASH-IN-LIEU	$0		
TOTAL	$120,650,367	PER UNIT	$342,327
RETURN: NET INCOME/COST	**5.8%**	**Opt Out**	

MODEL	Bonus 4.0 FAR		
SF LAND	175,282		
RESIDENTIAL SF	668,220		
GROSS SF UNIT	950		
TOTAL UNITS	703		
AFFORABLE @ 70% AMI	48		
AFFORDABLE @ 50% AMI	201		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$764,711	RENT	$1,328
RENTAL INCOME 50% AMI	$2,281,584	RENT	$948
RENTAL INCOME MARKET	$15,744,456	RENT	$2,884
PARKING INCOME	$1,582,626		
VACANCY	($787,223)		
OPERATING COSTS	($7,147,374)		
NET OPERATING INCOME	$12,438,781		
DEVELOPMENT			
CONSTRUCTION	$190,597,446		
LAND	$12,269,751		
SOFT	$34,400,000		
CASH-IN-LIEU	$0		
TOTAL	$237,267,196	PER UNIT	$337,320
RETURN: NET INCOME/COST	**5.2%**	**Opt Out**	

MODEL	Bonus 5.0 FAR		
SF LAND	50,375		
RESIDENTIAL SF	239,745		
GROSS SF UNIT	950		
TOTAL UNITS	252		
AFFORABLE @ 70% AMI	14		
AFFORDABLE @ 50% AMI	88		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$219,773	RENT	$1,328
RENTAL INCOME 50% AMI	$998,341	RENT	$948
RENTAL INCOME MARKET	$5,225,083	RENT	$2,884
PARKING INCOME	$567,817		
VACANCY	($261,254)		
OPERATING COSTS	($2,519,503)		
NET OPERATING INCOME	$4,230,258		
DEVELOPMENT			
CONSTRUCTION	$68,382,845		
LAND	$3,526,250		
SOFT	$12,400,000		
CASH-IN-LIEU	$0		
TOTAL	$84,309,095	PER UNIT	$334,078
RETURN: NET INCOME/COST	**5.0%**	**Opt Out**	

MODEL	Bonus 6.0 FAR		
SF LAND	38,850		
RESIDENTIAL SF	247,245		
GROSS SF UNIT	950		
TOTAL UNITS	260		
AFFORABLE @ 70% AMI	11		
AFFORDABLE @ 50% AMI	107		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$169,493	RENT	$1,328
RENTAL INCOME 50% AMI	$1,217,769	RENT	$948
RENTAL INCOME MARKET	$4,948,258	RENT	$2,884
PARKING INCOME	$585,580		
VACANCY	($247,413)		
OPERATING COSTS	($2,551,686)		
NET OPERATING INCOME	$4,122,000		
DEVELOPMENT			
CONSTRUCTION	$70,522,082		
LAND	$2,719,500		
SOFT	$12,700,000		
CASH-IN-LIEU	$0		
TOTAL	$85,941,582	PER UNIT	$330,217
RETURN: NET INCOME/COST	**4.8%**	**Opt Out**	

APPENDIX 7: EXAMPLE PRO FORMA

MODEL	Base IDP		
SF LAND	14,999		
RESIDENTIAL SF	44,690		
GROSS SF UNIT	1,016		
TOTAL UNITS	44		
AFFORABLE @ 70% AMI	6		
AFFORDABLE @ 50% AMI	0		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$101,942	RENT	$1,416
RENTAL INCOME 50% AMI	$0	RENT	$1,010
RENTAL INCOME MARKET	$1,401,495	RENT	$3,073
PARKING INCOME	$99,000		
VACANCY	($70,075)		
OPERATING COSTS	($491,228)		
NET OPERATING INCOME	$1,041,133		
DEVELOPMENT			
CONSTRUCTION	$12,667,144		
LAND	$1,049,930		
SOFT	$2,300,000		
CASH-IN-LIEU	$0		
TOTAL	$16,017,074	PER UNIT	$364,024
RETURN: NET INCOME/COST	**6.5%**		

MODEL	LOW INCOME OPTIMIZING		
SF LAND	14,999		
RESIDENTIAL SF	44,690		
GROSS SF UNIT	1,016		
TOTAL UNITS	44		
AFFORABLE @ 70% AMI	4		
AFFORDABLE @ 50% AMI	4		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$67,961	RENT	$1,416
RENTAL INCOME 50% AMI	$48,485	RENT	$1,010
RENTAL INCOME MARKET	$1,327,732	RENT	$3,073
PARKING INCOME	$99,000		
VACANCY	($66,387)		
OPERATING COSTS	($481,127)		
NET OPERATING INCOME	$995,664		
DEVELOPMENT			
CONSTRUCTION	$12,667,144		
LAND	$1,049,930		
SOFT	$2,300,000		
CASH-IN-LIEU	$0		
TOTAL	$16,017,074	PER UNIT	$364,024
RETURN: NET INCOME/COST	**6.2%**		

MODEL	INCREASING INCOME RESTRICTED UNITS		
SF LAND	14,999		
RESIDENTIAL SF	44,690		
GROSS SF UNIT	1,016		
TOTAL UNITS	44		
AFFORABLE @ 70% AMI (IDP)	4		
AFFORDABLE @ 70% AMI (Bonus)	9		
CASHED OUT UNITS	0		
OPERATING			
RENTAL INCOME 70% AMI	$67,961	RENT	$1,416
RENTAL INCOME 100% AMI	$219,113	RENT	$2,029
RENTAL INCOME MARKET	$1,143,325	RENT	$3,073
PARKING INCOME	$99,000		
VACANCY	($57,166)		
OPERATING COSTS	($463,839)		
NET OPERATING INCOME	$1,008,393		
DEVELOPMENT			
CONSTRUCTION	$12,667,144		
LAND	$1,049,930		
SOFT	$2,300,000		
CASH-IN-LIEU	$0		
TOTAL	$16,017,074	PER UNIT	$364,024
RETURN: NET INCOME/COST	**6.3%**		