



KEYSER MARSTON ASSOCIATES™
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

MEMORANDUM

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AFFORDABLE HOUSING
ECONOMIC DEVELOPMENT

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To: Ms. Rebecca Garcia
City of Morgan Hill

From: Debbie Kern

Date: March 28, 2016

Subject: Analysis of the Impact of the Below Market Rate (BMR) requirements of the City's Residential Development Control System (RDCS) on Development Economics

In accordance with your request, Keyser Marston Associates, Inc. (KMA) has evaluated the impacts of the BMR provisions of the City's RDCS on the development economics of new residential development. The purpose of this review is three-fold:

1. To estimate the cost of providing on-site BMR units relative to the current in-lieu fee;
2. To recommend changes to the in-lieu fee amount so that it more closely approximates the cost of providing on-site units; and
3. To recommend program changes that will provide long term support for administration of the City's BMR program.

For purposes of this analysis, we have selected eight (8) residential developments that are currently marketing units in Morgan Hill to serve as prototypes for this analysis. The eight projects represent a range of residential product types in terms of density, lot size, price point, and unit size. This memorandum summarizes the findings of our review.

A. Recommendations

- 1) ***Increase the BMR fee so that it is more closely aligned with the cost of providing BMR units on-site and with the fees of other jurisdictions.*** The program's current in-lieu fee of \$150,000 per owed BMR unit is significantly less than the cost of providing an on-site BMR unit and what is charged by surveyed jurisdictions in the Bay Area.

- 2) **Recommended fee structure and amounts.** We recommend that the City either:
- a) Replace the current fee of \$150,000 per required BMR unit with a schedule of fees that apply to each project's square footage. We suggest that the fee vary by product type and be within the following ranges:
 - \$8 to \$10 per square foot for condominiums;
 - \$10 to \$12 per square foot for townhomes;
 - \$14 to \$16 per square foot for single family detached homes with lots less than 9,000 sf;
 - \$16 to \$17 per square foot for single family detached homes with lots equal to or larger than 9,000 square feet
 - These fees could be increased annually by the builder's cost index.
 - b) Replace the current per BMR unit fee with a schedule of fees that apply to each project's sales revenues, as follows:
 - 3% to 4% of value for projects with homes priced less than \$875,000;
 - 4% to 5% of value for projects with homes priced at \$875,000 or higher.
- 3) ***Options for Raising More Fee Revenue.*** Fee revenue is used to administer the existing stock of BMR units, create a reserve to administer the program during years in which there is little construction, and provide financial assistance for the construction of new deeply affordable rental units. There are a variety of alternatives for in-lieu fee application:
- a) Require the payment of a fee for all fractional units, or
 - b) Increase the fraction threshold for triggering the development of an additional on-site unit from, say, .50 to .80, or
 - c) Reduce or eliminate the on-site requirements of the large lot, low density projects but increase the fee charged on these low density projects.

B. Residential Prototypes/Case Studies

The residential developments selected to serve as "prototypical" projects for this analysis are as follows:

Development	Type	Avg. Lot Size – SF	Avg. Price
<i>Madrone Plaza II</i>	<i>Townhome</i>	<i>NA</i>	<i>\$555,000</i>
<i>Brighton Oaks</i>	<i>Townhome</i>	<i>NA</i>	<i>\$592,000</i>
<i>Cypress/Tilton Park</i>	<i>Townhome</i>	<i>NA</i>	<i>\$653,000</i>
<i>Loden Place</i>	<i>Detached</i>	<i>3,600</i>	<i>\$766,000</i>
<i>Sonebridge</i>	<i>Detached</i>	<i>6,000</i>	<i>\$767,000</i>
<i>Terra Mia</i>	<i>Detached</i>	<i>7,500</i>	<i>\$881,000</i>
<i>Paseo Seville</i>	<i>Detached</i>	<i>7,000</i>	<i>\$925,000</i>
<i>Amadora</i>	<i>Detached</i>	<i>21,600</i>	<i>\$1,233,000</i>

The firm of Real Estate Economics tracks and publishes profiles of new residential communities that are being marketed, including the eight selected projects. We used the unit mix and pricing data in the profiles to understand the prices of market rate homes by unit size. We estimated the number of BMR units required of the current marketing phase by applying the current RDCS point structure to the project's unit mix. The actual BMR requirements that apply to each of the prototype projects may vary from the requirements embodied in the current point schedule because this analysis is evaluating only a marketing phase of the project and the projects are, in many cases, neighborhoods of larger developments that obtained entitlements many years ago under different requirements. For consistency purposes, we have applied the current point system to each of the projects to understand the relative impacts of the BMR point system to the range of prototypes.

C. Cost of Meeting 8% BMR requirements of the City's Residential Development Control System (RDCS)

The RDCS' standards and criteria enable for-sale residential developments to receive 13 to 15 points if 8% of the project's units are deed restricted affordable units for Low to Moderate-income households (73% -120% AMI). The requirements vary by product type. In summary the requirements are as follows:

	Condominiums	Townhouses	R-2 SFD & R-1 7000	R-1 9000 & above lot size
13 points	4% of units at 70% AMI and 4% at 90% AMI	4% at 73% AMI and 4% at 100% AMI	4% at 76% AMI and 4% at 110% AMI	4% at 80% AMI and 4% at 120% AMI
14 points	6% at 70% AMI and 2% at 90% AMI	6% at 73% AMI and 2% at 100% AMI	6% at 76% AMI and 2% at 110% of AMI	6% at 80% AMI and 2% at 120% AMI
15 points	8% at 65% AMI	8% at 70% AMI	8% at 75% AMI	8% at 80% AMI

The required level of affordability of the BMR units is inversely related to the density of the project, with condominiums¹ being required to provide BMR units in the 65% to 90% AMI range, while large-lot projects are required to provide BMR units in the 80% to 120% AMI range. Deeper levels of affordability (i.e. below 65% AMI) are addressed by the RDCS' provisions applicable to rental housing developments.

The current maximum prices for BMR units are as follows:

Maximum BMR Prices			
	2br	3br	4br
Low - 65%	\$201,500	\$229,450	\$250,250
Low - 70%	\$217,000	\$247,100	\$269,500
Low - 73%	\$226,300	\$257,690	\$281,050
Low - 75%	\$232,500	\$264,750	\$288,750
Low- 76%	\$235,600	\$268,280	\$292,600
Low - 80%	\$248,000	\$282,400	\$308,000
Median - 90%	\$279,000	\$317,700	\$346,500
Median - 100%	\$310,000	\$353,000	\$385,000
Median - 110%	\$341,000	\$388,300	\$423,500
Median - 120%	\$372,000	\$423,600	\$462,000

Source: City of Morgan Hill.

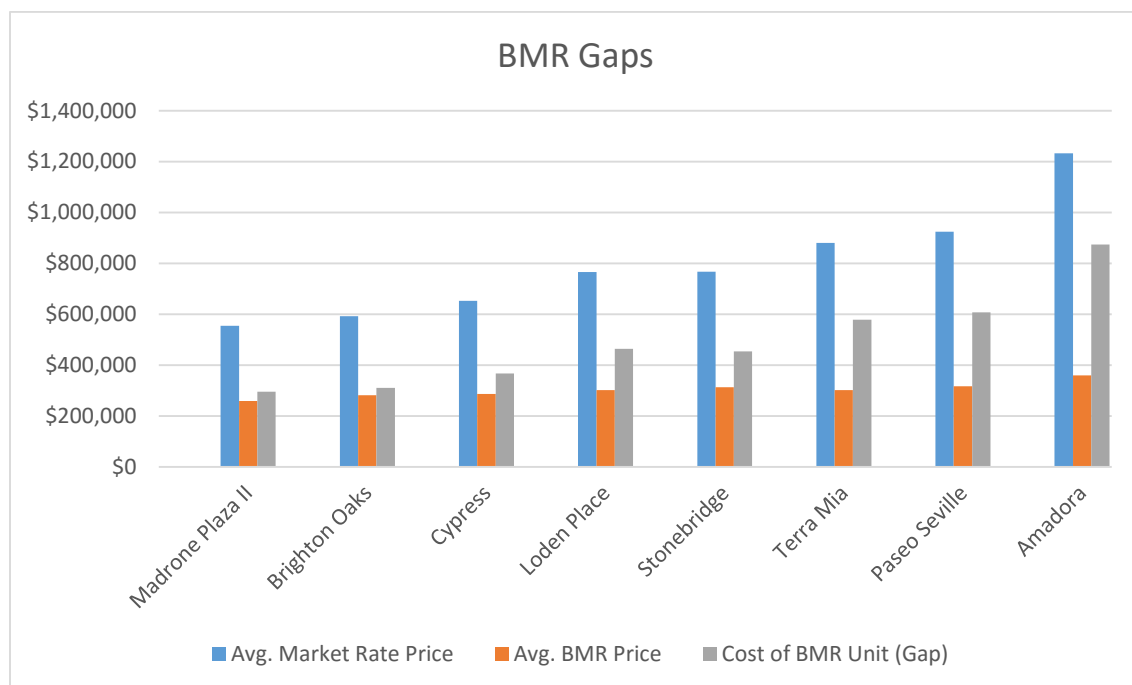
Under the RDCS' regulations, when the application of the 8% requirement yields a fraction of a unit, fractions of 50% or more trigger the requirement that a BMR unit be built on-site. Fractions of less than 50% trigger the requirement that the applicant pay an in-lieu fee equal to \$150,000 times the applicable fraction. For example, if a project has 23 units, the 8% BMR requirement results in the need for 1.84 units, and the project is required to provide two (2) on-site BMR units. If, however, the project has 53 units, then the 8% requirement yields the requirement to provide 4.24 BMR units. In this case, the project is required to build four (4) on-site units and pay a fee of \$36,000 (.24 X \$150,000).

For each of the prototypes, we have estimated the potential revenues if all units in the marketing phase were to be sold as market rate units, calculated the BMR requirements under each point structure, estimated the sales revenues of the phase assuming that the BMR requirements are met and estimated the net cost to the project associated with meeting the BMR requirements.

¹ While the RDCS specifies requirements for condominium projects, currently there are no projects that have self-identified as being condominiums.

The findings of the analysis are summarized in Table 1. The analysis for each project is provided in the Appendix Tables. The key findings are as follows:

- ***Market rate prices are generally inversely correlated with density.***
The lower the density, the higher the price of the home. Townhomes are in the \$550,000 to \$650,000 range, the medium density detached homes range from \$765,000 to \$925,000 and the low density homes are priced above \$1.2 million.
- ***The average BMR prices that apply to the prototypes range from \$278,000 for a townhome project to \$359,000 for the low density detached project.***
- ***The gap between BMR prices and market rate prices ranges from approximately \$275,000 to \$875,000 per unit, with the gap inversely correlated to density and positively correlated to market rate prices.***
This is due to the consideration that BMR prices are tied to the number of bedrooms. Even though low density projects provide BMR units at a higher AMI than condominium projects, the AMI differences do not fully offset the large gap between permitted BMR prices and market rate prices.



- ***With a gap of \$275,000 to \$875,000 per unit, the cost of providing an on-site BMR unit is obviously much greater than the cost of the current in-lieu fee of \$150,000 per unit.*** Because of the difference in cost, there is definitely an incentive for developers to desire to pay in-lieu fees instead of providing on-site units.

- ***Satisfying the BMR requirement reduces sales revenues by approximately 4% to 7% relative to a 100% market rate project.***

The lower end of the range is associated with the impact to the higher density, less-expensive product types while the higher-end of the range is the impact to the lower density, more-expensive homes.

- ***The BMR cost (gap between market rate price and BMR price) increases with the target number of RDCS points.***

For example, the cost to the Cypress townhome project to achieve 13 points is approximately \$378,000 for each BMR unit required. The cost to achieve 15 points is \$441,000 per BMR unit. For a medium density detached project, such as Paseo Seville, the cost to achieve 13 points is \$632,000 per BMR unit or \$712,000 per BMR unit to achieve 15 points.

D. In-lieu Fees of other Jurisdictions

We have prepared a summary of the inclusionary/in-lieu fee programs of selected other Bay Area communities, as provided in Table 2. As shown, the on-site inclusionary requirements range from 10% to 15% of on-site units, which exceed the RDCS' requirement of 8%. All of the selected jurisdictions have in-lieu fee provisions, but they range from applying only to fractional units to being available at the developer's discretion to meet the entire on-site obligation. The in-lieu fee is expressed as a per square foot fee applied to the entire project, a percent of sales revenues of the entire project, or a fee per affordable unit owed. With the exception of Santa Clara's program (and perhaps San Francisco's), all of the surveyed jurisdictions charge an in-lieu fee that is likely to be less costly to a developer than building on-site units. The cities with a per square foot fee include Cupertino, San Jose, and Fremont, with the fee ranging from \$15 per sf to \$22.50 per sf. The cities with fees expressed as a percentage of sales revenues include: Mountain View, Sunnyvale, and Palo Alto, with the fee ranging from 3% of sales revenue to 7.5% of sales revenue. Santa Clara permits the payment of an in-lieu fee only for fractional units and the fraction is applied to the full on-site gap. San Francisco's in-lieu fee is expressed as a fee per BMR unit, with the amount per unit tied to the number of bedrooms in a unit. San Francisco's fees range from \$198,000 for a one bedroom BMR unit to \$417,799 for a 3 bedroom BMR unit.²

To compare Morgan Hill's in lieu fee of \$150,000 per BMR unit, using the eight prototypes as case studies, we have converted the per unit fee to an amount per square foot of building area and a percentage of sales value. As shown on Table 3, on a per

² While San Francisco has a 12% on-site requirement, if a project pays fees in-lieu of providing on-site BMR units, the fee is calculated assuming a 20% BMR requirement.

square foot basis, Morgan Hill's current in-lieu fee translates into a fee ranging from \$2.98 per square foot (Amadora project) to \$6.59 per square foot (Cypress/Tilton Park project). This per square foot fee is significantly less than the \$15 to \$22.50 per square foot charged by the other surveyed jurisdictions. Morgan Hill's fee approximates 1% to 2% of sales revenue, which is less than the range of 3% to 7.5% of sales revenue charged by the surveyed jurisdictions.

To formulate recommendations for the City's in-lieu fee, for each of the eight prototype projects, we have calculated the per unit in-lieu fee amount that would be generated by a range of "percent of value" fees and a range of "per square foot" fees and then compared the derived per BMR unit fees to the cost of providing on-site units. The analysis is presented in Table 4. As shown, the "percent of value" structure yields amounts that correspond well with the on-site gap. A fee amount of 4% of sales revenues would be somewhat less than the cost of providing on-site units for projects with unit prices of less than \$875,000. For projects with unit prices in excess of \$850,000, a fee amount of 5% of sales revenues would approach but not exceed the cost of providing on-site units. These percentages are within the 3% to 7.5% range charged by other communities. While this structure is closely aligned with on-site gaps, it is more complicated to administer than a per square foot or per unit fee as the City will need information on actual unit prices in order to apply the fee. This would require delaying payment until a certain portion of the units have sold.

A per square foot fee structure is somewhat positively correlated with unit sizes but not as closely as is the nexus between percent of revenue and unit prices. As shown, for the townhome projects, a fee of up to \$12 per square foot would generally approach the cost of providing units on-site. For single family detached homes, a fee of \$16 per square foot would be less than the cost of providing on-site units for 5 of the six prototypes. However, a \$16 fee would exceed the cost of providing an on-site unit at the Stonebridge project but would fall far short of the on-site costs for Terra Mia and Paseo Seville, which would support a fee in the \$19 to \$20 per square foot range. While the per square foot structure does not correlate to on-site gaps as closely as prices, it has the benefit of being easier to administer as unit sizes are known at the time that building permits are issued.

Table 1
Summary of Cost of Providing BMR Units
City of Morgan Hill

Name of Project	Madrone Plaza II	Brighton Oaks	Cypress / Tilton Park	Loden Place	Stonebridge	Terra Mia	Paseo Seville	Amadora
Type of Project	Townhouse	Townhouse	Townhouse	SF - R-1 7000	SF - R-1 7000	SF - R-1 7000	SF - R-1 7000	R-1 9000 & Above
Avg. Lot Size	NA	NA	NA	3,600	6,000	7,500	7,000	21,600
Avg. Unit Size	1,844	1,832	1,820	2,242	2,510	2,338	2,323	4,025
Developer	Taylor Morrison	Lyon Homes	KB Home	City Ventures	Meritage Homes	Dividend Homes	KB Home	Dividend Homes
Num. Units in Phase	56	100	23	41	82	68	23	23
8% BMR Requirement	4.48	8	1.84	3.28	6.56	5.44	1.84	1.84
Avg. Market Rate Price	\$555,000	\$592,000	\$653,000	\$766,000	\$767,000	\$881,000	\$925,000	\$1,233,000
Avg. BMR Price	\$278,000	\$278,000	\$286,000	\$302,000	\$313,000	\$302,000	\$317,000	\$359,000
Cost of BMR Unit (Gap)	\$277,000	\$314,000	\$367,000	\$464,000	\$454,000	\$579,000	\$608,000	\$874,000
Gap as a % of Mkt. Price	50%	53%	56%	61%	59%	66%	66%	71%
BMR Requirement	4 on-site; fee for .48 units	8 on-site	2 on-site	3 on-site; fee for .28 units	7 on-site	5 on-site units; fee for .44 units	2 on-site	2 on-site
Foregone Revenue Due to BMR Units as a % of Potential 100% Mkt. Rate Revenue	3.5% to 4.2%	3.8% to 4.4%	4.6% to 5.4%	4.4% to 4.8%	4.6% to 5.5%	4.5% to 5.0%	5.5% to 6.2%	6.0% to 6.5%
Foregone Revenue per BMR Unit								
13 Points	\$239,000	\$282,966	\$378,000	\$418,378	\$442,869	\$498,000	\$632,000	\$922,259
14 Points	\$261,000	\$306,187	\$378,000	\$418,378	\$481,119	\$522,000	\$637,000	\$922,259
15 Points	\$291,000	\$330,015	\$441,000	\$458,296	\$523,282	\$548,000	\$712,000	\$1,005,955

Table 2
Comparison of Below Market Rate Housing Programs
Morgan Hill BMR Study

WORKING DRAFT FOR REVIEW BY STAFF

	Cupertino	San Jose	Mountain View	Santa Clara	Sunnyvale	Fremont	Palo Alto	San Francisco
Year Adopted / Updated	Est. 1992; updated 2015	Est. 2010, suspended; update in process	Est. 1999; Rental Impact Fee in 2012; update in process	Est. 1995; updated 2006.	Updated 2015.	Est. nexus-based program in 2010; update in progress.	Est. 1974; nexus analysis in process.	Est. 1992; updated 2012.
Minimum Project Size For In-lieu Fee	1 unit	R: 3 units	FS: 3 units R: 5 units Mixed: 6 units	No fee	FS: 8 units R: 4 units	2 units	5 units	10 units
For Build Requirement	7 units	20 units (S)	10 units	10 units	20 units ¹	no build req.	5 units	n/a
For Sale Onsite Requirement Percent of Units	15%	15% (S)	10%	10%	12.5%	15%	Base: 15% 20% if site > 5 acres 25% if loss of rentals	12% onsite or 20% offsite
Income Level (% AMI)	1/2 @ 80-100% AMI 1/2 @ 100 - 120% AMI	FS- Moderate: 80-110% (S)	80% - 100% AMI	Moderate: 80-120%	Up to 120% AMI	Moderate: 80-110% (120% w/approval)	Base: 10% @ 80-100% 5% @ 100-120%	Onsite: 90% AMI Offsite: 70% AMI
Rental Onsite Option?	As alternative to fee.	No	As alternative to fee.	n/a	As alternative to fee.	No.	In Process	As alternative to fee.
Impact / In-Lieu Fee	FS: \$15 psf (detached), \$16.50 psf (townhome), \$20 psf (multifamily) Rental: \$20 psf (35 du/ac or less), \$25 psf (>35 du/ac)	R: \$17 psf Downtown highrises exempted for 5 years.	FS: 3% of sales price R: Current \$10.26 psf; City Council approved increase to \$17 psf	Fractional only: Fractional unit X difference between initial market value and affordable sales price	FS: 7% of sales price R: \$8.50 per nsf (4-7 units); \$17 per nsf (8+ units)	FS: \$19.50 per nsf (single family w/lots ≥6,000 SF are \$22.50 per nsf) R: \$19.50 per nsf	FS: 7.5% of sales price 10% of sales price is site > 5 acres 12.5% of sales price if loss of rental units ³	Per affordable unit owed based on 20% offsite rqgmt. Studio - \$198,008 1BR - \$268,960 2BR - \$366,369 3BR - \$417,799
Fractional Units	<.50 unit owed: pay fee .50+ unit owed: round	pay fee or provide unit (S)	pay fee or provide unit	pay fee or provide unit	pay fee or provide unit	pay fee or provide unit	pay fee or provide unit	pay fee or provide unit
Alternatives to Onsite Provision² Fee Option	6 or Fewer Units (Developer)	yes (Developer, S)	9 or Fewer Units (Developer)	yes (Developer, fractional only)	yes (City)	yes (Developer)	if infeasible onsite or offsite (City)	yes (Developer)
Land Dedication	yes	yes (City, S)	no	not specified	no	yes (City)	yes (City)	yes (City)
Offsite	yes	yes (S)	no	not specified	yes (City)	yes (City)	yes (City)	yes (Developer)
Other		Rehab units (City, S)			Purchase existing units and convert to affordable (City). Preserve & rehab expiring units (City).	Purchase existing units and convert to affordable (City). Preserve at-risk units (City).	Rehab units (City).	
Design of Inclusionary Units³ Smaller Units	not specified	no (S)	no	not specified	yes	no	no	minimum sizes
Lesser Interior Finishes	yes	yes (S)	no	not specified	no	yes	yes (FS only)	no
Other Design Standards	not specified			not specified		May be attached units; may be single story.		
Other Concessions	Fee waivers - park dedication and construction tax.	Downtown highrises exempted for 5 years.				Rental units in ownership project (City).		

¹Not specified in Ordinance, but City documents indicate that projects with fewer than 20 units are eligible to pay fee.

²Parentheses indicate which entity has discretion.

³Staff has recommended fees of \$95 for SFD and \$50 psf for all other unit types (including rental). (2/16 staff report)
Note: This chart presents an overview and terms have been simplified. Consult code and City staff for more information.
Abbreviations: R = Rental FS = For Sale PSF = Per Square Foot

NSF = Net Square Feet

S= Suspended

Table 3**Existing In-lieu Fee Amount Expressed as a Percent of Sales Revenue and as a Cost Per Square Feet of Building Area****Morgan Hill BMR Study**

	Project Prototypes							
	Madrone Paza II	Brighton Oaks	Cypress / Titlon Park	Loden Place	Stonebridge	Terra Mia	Paseo Seville	Amadora
Market rate Price	\$555,000	\$592,000	\$653,000	\$766,000	\$767,000	\$881,000	\$925,000	\$1,233,000
On-site Gap	\$277,000	\$314,000	\$367,000	\$464,000	\$454,000	\$579,000	\$608,000	\$874,000
In Lieu Fee per BMR U	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
SF	1,844	1,832	1,820	2,242	2,510	2,338	2,323	4,025
In Lieu Fee per SF	\$6.51	\$6.55	\$6.59	\$5.35	\$4.78	\$5.13	\$5.17	\$2.98
In-lieu fee as a % of Revenue	2%	2%	2%	2%	2%	1%	1%	1%

Table 4

Evaluation of BMR In-Lieu Fee Amounts Yielded by a Range of Alternative Fee Structures
Morgan Hill BMR Study

Project Prototypes								
	Madrone Paza II	Brighton Oaks	Cypress / Titlon Park	Loden Place	Stonebridge	Terra Mia	Paseo Seville	Amadora
On-site Gap	\$277,000	\$314,000	\$367,000	\$464,000	\$454,000	\$579,000	\$608,000	\$874,000
Fee per BMR Unit								
Per SF Fee								
20	\$461,000	\$458,000	\$455,000	\$561,000	\$628,000	\$585,000	\$581,000	\$1,006,000
19	\$438,000	\$435,000	\$432,000	\$532,000	\$596,000	\$555,000	\$552,000	\$956,000
18	\$415,000	\$412,000	\$410,000	\$504,000	\$565,000	\$526,000	\$523,000	\$906,000
17	\$392,000	\$389,000	\$387,000	\$476,000	\$533,000	\$497,000	\$494,000	\$855,000
16	\$369,000	\$366,000	\$364,000	\$448,000	\$502,000	\$468,000	\$465,000	\$805,000
15	\$346,000	\$344,000	\$341,000	\$420,000	\$471,000	\$438,000	\$436,000	\$755,000
14	\$323,000	\$321,000	\$319,000	\$392,000	\$439,000	\$409,000	\$407,000	\$704,000
13	\$300,000	\$298,000	\$296,000	\$364,000	\$408,000	\$380,000	\$377,000	\$654,000
12	\$277,000	\$275,000	\$273,000	\$336,000	\$377,000	\$351,000	\$348,000	\$604,000
11	\$254,000	\$252,000	\$250,000	\$308,000	\$345,000	\$321,000	\$319,000	\$553,000
10	\$231,000	\$229,000	\$228,000	\$280,000	\$314,000	\$292,000	\$290,000	\$503,000
% of Value Fee								
0.03	\$208,000	\$222,000	\$245,000	\$287,000	\$288,000	\$330,000	\$347,000	\$462,000
0.04	\$278,000	\$296,000	\$327,000	\$383,000	\$384,000	\$441,000	\$463,000	\$617,000
0.05	\$347,000	\$370,000	\$408,000	\$479,000	\$479,000	\$551,000	\$578,000	\$771,000
0.06	\$416,000	\$444,000	\$490,000	\$575,000	\$575,000	\$661,000	\$694,000	\$925,000
0.07	\$486,000	\$518,000	\$571,000	\$670,000	\$671,000	\$771,000	\$809,000	\$1,079,000

indicates fee amount that most closely approximates but does not exceed cost of providing BMR unit on-site.

Appendix: Supporting Tables

Appendix Table 1
Madrone Plaza 2 - Townhouse

	Plan	A	C	B	
Beds		3	3	3	
number of units		19	17	20	56
SF		1775	1821	1929	1,844
Market Rate Price		\$546,000	\$551,000	\$568,000	\$555,375
Potential Market Rate Revenue	\$10,374,000	\$9,367,000	\$11,360,000		\$31,101,000
Required Affordable Mix					
13 pts					
	Low - 73%				4.00%
	Median 100%				4.00%
14 pts					
	Low - 73%				6.00%
	Median 100%				2.00%
15 points					
	Low - 70%				8.00%
	Median 100%				0.00%
Required Number of Affordable Units					4.48
Required Fractional Unit Payment		0.48	\$150,000		\$72,000
Maximum Affordable Prices					
13 pts					
	Low - 73%	\$257,690	\$257,690	\$257,690	
	Median 100%	\$353,000	\$353,000	\$353,000	
14 pts					
	Low - 73%	\$257,690	\$257,690	\$257,690	
	Median 100%	\$353,000	\$353,000	\$353,000	
15 points					
	Low - 70%	\$247,100	\$247,100	\$247,100	
Number of Affordable Units					
13 pts					
	Low - 73%				2
	Median 100%				2
14 pts					
	Low - 73%				3
	Median 100%				1
15 points					
	Low - 70%				4
	Median 100%				0

Appendix Table 1
Madrone Plaza 2 - Townhouse

Unit Mix

13 points

Market Rate Units	52
Affordable Low	2
Affordable Median	2

14 points

Market Rate Units	52
Affordable Low	3
Affordable Median	1

15 points

Market Rate Units	52
Affordable Low	4
Affordable Median	0

Revenues

13 points

Market Rate Units	\$28,879,500
Affordable Low	\$515,380
Affordable Median	\$706,000
Less Fractional Unit Pmt	-\$72,000
Total Revenue	\$30,028,880

14 points

Market Rate Units	\$28,879,500
Affordable Low	\$773,070
Affordable Median	\$353,000
Less Fractional Unit Pmt	-\$72,000
Total Revenue	\$29,933,570

15 points

Market Rate Units	\$28,879,500
Affordable Low	\$988,400
Affordable Median	\$0
Less Fractional Unit Pmt	-\$72,000
Total Revenue	\$29,795,900

Foregone Revenue

13 points

Total	\$1,072,120
Per Affordable Unit	\$239,313

14 points

Total	\$1,167,430
Per Affordable Unit	\$260,587

15 points

Total	\$1,305,100
Per Unit	\$291,317

Appendix Table 2
Brighton Oaks - Townhome

								Total
Plan	1	2	3	4	5	6	7	
Beds	2	3	3	3	3	4	4	
Num. Units	11	16	15	16	14	15	13	100
% of unit mix	11%	16%	15%	16%	14%	15%	13%	100%
SF	1,175	1,512	1,668	1,794	1,952	2,222	2,440	1,832
Market Rate Price	\$551,000	\$561,000	\$571,000	\$591,000	\$601,000	\$641,000	\$621,000	\$591,600
Total Potential Rev.	\$6,061,000	\$8,976,000	\$8,565,000	\$9,456,000	\$8,414,000	\$9,615,000	\$8,073,000	\$59,160,000
					2br	3br	4br	Total Phase
Number of Units					11	61	28	100
Percent of Units					11%	61%	28%	100%
Market Rate Price					\$551,000	\$580,508	\$631,714	\$591,600
Required Affordable Mix								
13 pts								
Low - 73%					0.04	0.04	0.04	4.00%
Median - 100%					0.04	0.04	0.04	4.00%
14 pts								
Low - 73%					0.06	0.06	0.06	6.00%
Median - 100%					0.02	0.02	0.02	2.00%
15 points								
Low - 73%					0.08	0.08	0.08	8.00%
Median - 100%								
Required Number of Affordable Units								8.00
Required Fractional Unit Payment		0	150000					\$0
Affordable Prices								
13 pts								
Low - 73%					\$226,300	\$257,690	\$281,050	
Median - 100%					\$310,000	\$353,000	\$385,000	
14 pts								
Low - 73%					\$226,300	\$257,690	\$281,050	
Median - 100%					\$310,000	\$353,000	\$385,000	
15 points								
Low - 70%					\$217,000	\$247,100	\$269,500	
Required Number of Affordable Units								8
13 pts								
Low - 73%					1	2	1	4
Median - 100%					1	2	1	4
14 pts								
Low - 73%					1	3	2	6
Median - 100%					0	2		2
15 points								
Low - 70%					1	5	2	8
Unit Mix								
13 points								
Market Rate Units					9	57	26	92
Affordable Low					1	2	1	4
Affordable Median					1	2	1	4
14 points								
Market Rate Units					10	56	26	92
Affordable Low					1	3	2	6
Affordable Median					0	2	0	2
15 points								
Market Rate Units					10	56	26	92
Affordable Low					1	5	2	8
Affordable Median					0	0	0	0

Appendix Table 2
Brighton Oaks - Townhome

					Total
Revenues					
13 points					
Market Rate Units	\$4,959,000	\$33,088,967	\$16,424,571	\$54,472,539	
Affordable Low	\$226,300	\$515,380	\$281,050	\$1,022,730	
Affordable Median	\$310,000	\$706,000	\$385,000	\$1,401,000	
Less fractional unit in-lieu fee payment					\$0
Total Revenue					\$56,896,269
14 points					
Market Rate Units	\$5,510,000	\$32,508,459	\$16,424,571	\$54,443,030	
Affordable Low	\$226,300	\$773,070	\$562,100	\$1,561,470	
Affordable Median	\$0	\$706,000	\$0	\$706,000	
Less fractional unit in-lieu fee payment					\$0
Total Revenue					\$56,710,500
15 points					
Market Rate Units	\$5,510,000	\$32,508,459	\$16,424,571	\$54,443,030	
Affordable Low	\$217,000	\$1,235,500	\$539,000	\$1,991,500	
Affordable Median					\$0
Less fractional unit in-lieu fee payment					\$0
Total Revenue					\$56,434,530
Foregone Revenue with BMR Units					
13 points					
Total					\$2,263,731
Per Affordable Unit					\$282,966
14 points					
Total					\$2,449,500
Per Affordable Unit					\$306,187
15 points					
Total					\$2,725,470
Per Unit					\$340,684

Appendix Table 3
Cypress/Tilton Park - Townhouse

Plan	1	2	3	0	0	0	0	
Beds	3	3	3	0	0	0	0	
Num. Units	8	9	6	0	0	0	0	23
% of unit mix	35%	39%	26%	0%	0%	0%	0%	100%
SF	1,703	1,809	1,992	0	0	0	0	1,820
Market Rate Price	\$640,000	\$653,000	\$670,000	\$0	\$0	\$0	\$0	\$652,913
Total Potential Rev.	\$5,120,000	\$5,877,000	\$4,020,000	\$0	\$0	\$0	\$0	\$15,017,000

	Avg.			3br	4br	5br	Total Phase
Number of Units				23	0	0	23
Percent of Units				100%	0%	0%	100%
Market Rate Price				\$652,913	\$0	\$0	\$652,913

Required Affordable Mix

13 pts							
	Low - 73%			0.04	0.04		4.00%
	Median 100%			0.04	0.04		4.00%
14 pts							
	Low - 73%			0.06	0.06		6.00%
	Median 100%			0.02	0.02		2.00%
15 points							
	Low - 70%			0.08	0.08		8.00%

Affordable Prices

13 pts							
	Low - 73%			\$257,690	\$281,050		
	Median 100%			\$353,000	\$385,000		
14 pts							
	Low - 73%			\$257,690	\$281,050		
	Median 100%			\$353,000	\$385,000		
15 points							
	Low - 70%			\$247,100	\$269,500		

Required Number of Affordable Units

13 pts							1.84
	Low - 73%			1	0		1
	Median 100%			1	0		1
14 pts							
	Low - 73%			1	0		1
	Median 100%			1	0		1
15 points							
	Low - 70%			2	0		2

Unit Mix

13 points							
Market Rate Units				21	0	0	21
Affordable Low				1	0		1
Affordable Median				1	0		1
14 points							
Market Rate Units				21	0	0	21
Affordable Low				1	0	0	1
Affordable Median				1	0	0	1
15 points							
Market Rate Units				21	0	0	21
Affordable Low				2	0	0	2
Affordable Median				0	0	0	0

Appendix Table 3
Cypress/Tilton Park - Townhouse

Revenues

13 points

Market Rate Units	13,711,174	0	0	13,711,174
Affordable Low	\$257,690	\$0	\$0	\$257,690
Affordable Median	\$353,000	\$0	\$0	\$353,000
Total Revenue				\$14,321,864

14 points

Market Rate Units	13,711,174	0	0	\$13,711,174
Affordable Low	\$257,690	\$0	\$0	\$257,690
Affordable Median	\$353,000	\$0	\$0	\$353,000
Total Revenue				\$14,321,864

15 points

Market Rate Units	13,711,174	0	0	13,711,174
Affordable Low	\$494,200	\$0	\$0	\$494,200
Affordable Median				\$0
Total Revenue				\$14,205,374

Foregone Revenue

13 points

Total				\$695,136
Per Affordable Unit				\$377,791

14 points

Total				\$695,136
Per Affordable Unit				\$377,791

15 points

Total				\$811,626
Per Unit				\$441,101

Appendix Table 4
Loden Place, Detached; R-2 SFD & R-1 7000

								Total
Plan	6	5	1	2	3	4		
Beds	3	3	3	3	4	4	5	
Num. Units	7	4	7	7	8	8	0	41
% of unit mix	17%	10%	17%	17%	20%	20%	0%	100%
SF	1,520	1,788	1,834	2,118	2,810	2,996	0	2,242
Market Rate Price	\$703,000	\$710,000	\$719,000	\$749,000	\$828,000	\$845,000	\$0	\$766,366
Total Potential Rev.	\$4,921,000	\$2,840,000	\$5,033,000	\$5,243,000	\$6,624,000	\$6,760,000	\$0	\$31,421,000
					3br	4br	5br	Total Phase
Number of Units					25	16	0	41
Percent of Units					61%	39%	0%	100%
Market Rate Price					\$721,480	\$836,500	NA	\$766,366
Required Affordable Mix								
13 pts								
Low - 76%					0.04	0.04		4.00%
Median 110%					0.04	0.04		4.00%
14 pts								
Low - 76%					0.06	0.06		6.00%
Median 110%					0.02	0.02		2.00%
15 points								
Low - 75%					0.08	0.08		8.00%
Affordable Prices								
13 pts								
Low - 76%					\$268,280	\$292,600		
Median 110%					\$388,300	\$423,500		
14 pts								
Low - 76%					\$268,280	\$292,600		
Median 110%					\$388,300	\$423,500		
15 points								
Low - 75%					\$264,750	\$288,750		
Required Number of Affordable Units								3.28
13 pts								
Low - 76%					1.00	1.00		2.00
Median 110%					1.00	0.00		1.00
14 pts								
Low - 76%					1.00	1.00		2.00
Median 110%					1.00	0.00		1.00
15 points								
Low - 75%					2.00	1.00		3.00
Unit Mix								
13 points								
Market Rate Units					23	15	0	38
Affordable Low					1	1		2
Affordable Median					1	0		1
14 points								
Market Rate Units					23	15	0	38
Affordable Low					1	1	0	2
Affordable Median					1	0	0	1
15 points								
Market Rate Units					23	15	0	38
Affordable Low					2	1	0	3

Appendix Table 4**Loden Place, Detached; R-2 SFD & R-1 7000****Revenues****13 points**

Market Rate Units			\$16,594,040	\$12,547,500	\$0	\$29,141,540
Affordable Low			\$268,280	\$292,600	\$0	\$560,880
Affordable Median			\$388,300	\$0	\$0	\$388,300
Fractional in-lieu pmt	0.28	\$150,000				-\$42,000
Total Revenue						\$30,048,720

14 points

Market Rate Units			\$16,594,040	\$12,547,500	\$0	\$29,141,540
Affordable Low			\$268,280	\$292,600	\$0	\$560,880
Affordable Median			\$388,300	\$0	\$0	\$388,300
Fractional in-lieu pmt	0.28	\$150,000				-\$42,000
Total Revenue						\$30,048,720

15 points

Market Rate Units			\$16,594,040	\$12,547,500	\$0.00	\$29,141,540
Affordable Low			\$529,500	\$288,750	\$0	\$818,250
Affordable Median						\$0
Fractional in-lieu pmt	0.28	\$150,000				-\$42,000
Total Revenue						\$29,917,790

Foregone Revenue with BMR Units**13 points**

Total						\$1,372,280
Per Affordable Unit						\$418,378

14 points

Total						\$1,372,280
Per Affordable Unit						\$418,378

15 points

Total						\$1,503,210
Per Unit						\$458,296

Appendix Table 5
Stonebridge - Detached; \$-2 SFD &R-1 7000

								Total
Plan	1	2	3	4	5	6	7	
Beds	3	3	3	3	4	4	5	
Num. Units	8	9	14	15	14	11	11	82
% of unit mix	10%	11%	17%	18%	17%	13%	13%	100%
SF	1,819	1,909	2,110	2,341	2,640	3,130	3,455	2,510
Market Rate Price	\$589,950	\$599,950	\$761,990	\$771,990	\$801,990	\$861,990	\$891,990	\$766,933
Total Potential Rev.	\$4,719,600	\$5,399,550	\$10,667,860	\$11,579,850	\$11,227,860	\$9,481,890	\$9,811,890	\$62,888,500
						3br	4br + 5br	Total Phase
Number of Units						46	36	82
Percent of Units						56%	44%	100%
Market Rate Price						\$703,627	\$847,823	\$766,933
Required Affordable Mix								
13 pts								
Low - 76%						0.04	0.04	4.00%
Median - 110%						0.04	0.04	4.00%
14 pts								
Low - 76%						0.06	0.06	6.00%
Median - 110%						0.02	0.02	2.00%
15 points								
Low - 75%						0.08	0.08	8.00%
Required Number of Affordable Units								
								6.56
Required Fractional Unit Payment								
		0	150000					\$0
Affordable Prices								
13 pts								
Low - 76%						\$268,280	\$292,600	
Median - 110%						\$388,300	\$423,500	
14 pts								
Low - 76%						\$268,280	\$292,600	
Median - 110%						\$388,300	\$423,500	
15 points								
Low - 75%						\$264,750	\$288,750	
Required Number of Affordable Units								
								6.56
13 pts								
Low - 76%						2	1	3
Median - 110%						2	2	4
14 pts								
Low - 76%						3	2	5
Median - 110%						1	1	2
15 points								
Low - 75%						4	3	7
Unit Mix								
13 points								
Market Rate Units						42	33	75
Affordable Low						2	1	3
Affordable Median						2	2	4
14 points								
Market Rate Units						42	33	75
Affordable Low						3	2	5
Affordable Median						1	1	2
15 points								
Market Rate Units						42	33	75
Affordable Low						4	3	7
Affordable Median						0	0	0

Appendix Table 5
Stonebridge - Detached; \$-2 SFD &R-1 7000

	Total		
Revenues			
13 points			
Market Rate Units	\$29,552,350	\$27,978,170	\$57,530,520
Affordable Low	\$536,560	\$292,600	\$829,160
Affordable Median	\$776,600	\$847,000	\$1,623,600
Less fractional unit in-lieu fee payment			\$0
Total Revenue			\$59,983,280
14 points			
Market Rate Units	\$29,552,350	\$27,978,170	\$57,530,520
Affordable Low	\$804,840	\$585,200	\$1,390,040
Affordable Median	\$388,300	\$423,500	\$811,800
Less fractional unit in-lieu fee payment			\$0
Total Revenue			\$59,732,360
15 points			
Market Rate Units	\$29,552,350	\$27,978,170	\$57,530,520
Affordable Low	\$1,059,000	\$866,250	\$1,925,250
Affordable Median			\$0
Less fractional unit in-lieu fee payment			\$0
Total Revenue			\$59,455,770
Foregone Revenue with BMR Units			
13 points			
Total			\$2,905,220
Per Affordable Unit			\$442,869
14 points			
Total			\$3,156,140
Per Affordable Unit			\$481,119
15 points			
Total			\$3,432,730
Per Unit			\$523,282

Appendix Table 6
Terra Mia - Detached; R-2 SFD & R-1 7000

								Total
Plan	1	2	3	4	5	6	7	
Beds	3	4	3	3	4	4	5	
Num. Units	10	9	13	11	9	10	6	68
% of unit mix	15%	13%	19%	16%	13%	15%	9%	100%
SF	1,567	1,647	1,817	2,289	2,960	3,081	3,705	2,338
Market Rate Price	\$719,000	\$745,000	\$795,000	\$935,000	\$995,000	\$999,000	\$1,069,000	\$880,500
Total Potential Rev.	\$7,190,000	\$6,705,000	\$10,335,000	\$10,285,000	\$8,955,000	\$9,990,000	\$6,414,000	\$59,874,000
					3br	4br	5br	Total Phase
Number of Units					34	28	6	68
Percent of Units					50%	41%	9%	100%
Market Rate Price					\$817,941	\$916,071	\$1,069,000	\$880,500
Required Affordable Mix								
13 pts								
Low - 76%					0.04	0.04		4.00%
Median 110%					0.04	0.04		4.00%
14 pts								
Low - 76%					0.06	0.06		6.00%
Median 110%					0.02	0.02		2.00%
15 points								
Low - 75%					0.08	0.08		8.00%
Affordable Prices								
13 pts								
Low - 76%					\$268,280	\$292,600		
Median 110%					\$388,300	\$423,500		
14 pts								
Low - 76%					\$268,280	\$292,600		
Median 110%					\$388,300	\$423,500		
15 points								
Low - 75%					\$264,750	\$288,750		
Required Number of Affordable Units								5.44
Required Fractional Payment								\$66,000
13 pts		0.44	\$150,000					
Low - 76%					2	1		3
Median 110%					1	1		2
14 pts								
Low - 76%					2	2		4
Median 110%					1	0		1
15 points								
Low - 75%					3	2		5
Unit Mix								
13 points								
Market Rate Units					31	26	6	63
Affordable Low					2	1		3
Affordable Median					1	1		2
14 points								
Market Rate Units					31	26	6	63
Affordable Low					2	2	0	4
Affordable Median					1	0	0	1
15 points								
Market Rate Units					31	26	6	63
Affordable Low					3	2	0	5
Affordable Median					0	0	0	0

Appendix Table 6**Terra Mia - Detached; R-2 SFD & R-1 7000**

				Total
Revenues				
13 points				
Market Rate Units	\$25,356,176	\$23,817,857	\$6,414,000	\$55,588,034
Affordable Low	\$536,560	\$292,600	\$0	\$829,160
Affordable Median	\$388,300	\$423,500	\$0	\$811,800
Less fractional unit in-lieu fee payment				-\$66,000
Total Revenue				\$57,162,994
14 points				
Market Rate Units	\$25,356,176	\$23,817,857	\$6,414,000	\$55,588,034
Affordable Low	\$536,560	\$585,200	\$0	\$1,121,760
Affordable Median	\$388,300	\$0	\$0	\$388,300
Less fractional unit in-lieu fee payment				-\$66,000
Total Revenue				\$57,032,094
15 points				
Market Rate Units	\$25,356,176	\$23,817,857	\$6,414,000	\$55,588,034
Affordable Low	\$794,250	\$577,500	\$0	\$1,371,750
Affordable Median				\$0
Less fractional unit in-lieu fee payment				-\$66,000
Total Revenue				\$56,893,784
Foregone Revenue with BMR Units				
13 points				
Total				\$2,711,006
Per Affordable Unit				\$498,347
14 points				
Total				\$2,841,906
Per Affordable Unit				\$522,409
15 points				
Total				\$2,980,216
Per Unit				\$547,834

Appendix Table 7

Paseo Seville - Detached; R-2 SFD & R-1 7000

Plan	1	2	3	4	5	6	7	
Beds	4	3	3	3	4	0	0	
Num. Units	3	3	7	5	5	0	0	23
% of unit mix	13%	13%	30%	22%	22%	0%	0%	100%
SF	1,878	2,151	2,299	2,337	2,714	0	0	2,323
Market Rate Price	\$880,000	\$780,000	\$925,000	\$965,000	\$1,000,000	\$0	\$0	\$925,217
Total Potential Rev.	\$2,640,000	\$2,340,000	\$6,475,000	\$4,825,000	\$5,000,000	\$0	\$0	\$21,280,000
	Avg.				3br	4br	5br	Total Phase
Number of Units					15	8	0	23
Percent of Units					65%	35%	0%	100%
Market Rate Price					\$909,333	\$955,000	\$0	\$925,217
Required Affordable Mix								
13 pts								
Low - 76%					0.04	0.04		4.00%
Median 110%					0.04	0.04		4.00%
14 pts								
Low - 76%					0.06	0.06		6.00%
Median 110%					0.02	0.02		2.00%
15 points								
Low - 75%					0.08	0.08		8.00%
Affordable Prices								
13 pts								
Low - 76%					\$268,280	\$292,600		
Median 110%					\$388,300	\$423,500		
14 pts								
Low - 76%					\$268,280	\$292,600		
Median 110%					\$388,300	\$423,500		
15 points								
Low - 75%					\$264,750	\$288,750		
Required Number of Affordable Units								
13 pts								
Low - 76%					1	0		1
Median 110%					1	0		1
14 pts								
Low - 76%					1			1
Median 110%					0	1		1
15 points								
Low - 75%					1	1		2
Unit Mix								
13 points								
Market Rate Units					13	8	0	21
Affordable Low					1	0		1
Affordable Median					1	0		1
14 points								
Market Rate Units					14	7	0	21
Affordable Low					1	0	0	1
Affordable Median					0	1	0	1
15 points								
Market Rate Units					14	7	0	21
Affordable Low					1	1	0	2
Affordable Median					0	0	0	0

Appendix Table 7
Paseo Seville - Detached; R-2 SFD & R-1 7000

Revenues

13 points

Market Rate Units	\$11,821,333	\$7,640,000	\$0	\$19,461,333
Affordable Low	\$268,280	\$0	\$0	\$268,280
Affordable Median	\$388,300	\$0	\$0	\$388,300
Total Revenue				\$20,117,913

14 points

Market Rate Units	\$12,730,667	\$6,685,000	\$0	\$19,415,667
Affordable Low	\$268,280	\$0	\$0	\$268,280
Affordable Median	\$0	\$423,500	\$0	\$423,500
Total Revenue				\$20,107,447

15 points

Market Rate Units	\$12,730,667	\$6,685,000	\$0	\$19,415,667
Affordable Low	\$264,750	\$288,750	\$0	\$553,500
Affordable Median				\$0
Total Revenue				\$19,969,167

Foregone Revenue

13 points

Total				\$1,162,087
Per Affordable Unit				\$631,569

14 points

Total				\$1,172,553
Per Affordable Unit				\$637,257

15 points

Total				\$1,310,833
Per Unit				\$712,409

Appendix Table 8
Amadora - R-1 9,000 & above lot size

	Plan	A	C	B	
Beds		4	4	4	
number of units		10	7	6	23
SF		3,349	4,050	5,123	4,025
Market Rate Price		\$1,150,000	\$1,270,000	\$1,330,000	\$1,233,478
Potential Market Rate Revenue	\$11,500,000	\$8,890,000	\$7,980,000		\$28,370,000
Required Affordable Mix					
13 pts					
	Low - 80%				4.00%
	Mod. 120%				4.00%
14 pts					
	Low - 80%				6.00%
	Mod. 120%				2.00%
15 points					
	Low - 80%				8.00%
	Mod. 120%				0.00%
Required Number of Affordable Units					1.84
Required Fractional Unit Payment			0	\$150,000	\$0
13 pts					
	Low - 80%	1			1
	Mod. 120%	1			1
14 pts					
	Low - 80%	1			1
	Mod. 120%	1			1
15 points					
	Low - 80%	2			2
	Mod. 120%				0
Unit Mix					
13 points					
Market Rate Units					21
Affordable Low					1
Affordable Median					1
14 points					
Market Rate Units					21
Affordable Low					1
Affordable Mod					1
15 points					
Market Rate Units					21
Affordable Low					2
Affordable Mod					0
Affordable Prices					
	Low - 80%	\$308,000	\$308,000	\$308,000	\$308,000
	Mod. 120%	\$462,000	\$462,000	\$462,000	\$462,000

Appendix Table 8
Amadora - R-1 9,000 & above lot size

Revenues

13 points

Market Rate Units	\$25,903,043
Affordable Low	\$308,000
Affordable Median	\$462,000
Less Fractional Unit Pmt	\$0
Total Revenue	\$26,673,043

14 points

Market Rate Units	\$25,903,043
Affordable Low	\$308,000
Affordable Median	\$462,000
Less Fractional Unit Pmt	\$0
Total Revenue	\$26,673,043

15 points

Market Rate Units	\$25,903,043
Affordable Low	\$616,000
Affordable Median	\$0
Less Fractional Unit Pmt	\$0
Total Revenue	\$26,519,043

Foregone Revenue

13 points

Total	\$1,696,957
Per Affordable Unit	\$922,259

14 points

Total	\$1,696,957
Per Affordable Unit	\$922,259

15 points

Total	\$1,850,957
Per Unit	\$1,005,955