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DRAFT

**FEASIBILITY ANALYSIS,
HISTORICAL PERFORMANCE and
CASE STUDY RESEARCH**

Supporting Proposed Updates to the

MIXED INCOME HOUSING ORDINANCE

Prepared for

City of Sacramento

Prepared by

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1.0 EXECUTIVE SUMMARY

The City of Sacramento's ("City") is pursuing a comprehensive update to its Mixed Income Housing Ordinance ("MIHO"). This report provides an analysis of financial feasibility, a review of the historic performance of the MIHO, and provides information on inclusionary programs regionally and nationally to support the proposed update.

The MIHO requires payment of an affordable housing impact fee for all new housing units and large subdivisions to assist with the provision of housing for a variety of incomes and household types. The fee-generated revenue is placed in the citywide Housing Trust Fund administered by the Sacramento Housing and Redevelopment Agency (SHRA). Funds are used to develop affordable housing units with the goal of increasing the supply of housing for very low and low-income workers.

When the MIHO was last updated in 2015, the City was just emerging from the Great Recession and foreclosure crisis. Inclusionary requirements could not legally be applied to rentals. Inclusionary programs had been the subject of a court challenge and a petition for review by the U.S. Supreme Court was pending. High density housing development was in its nascent stages. These conditions informed the establishment of the fee-based program in place today.

Since 2015, high density development has become well established through numerous built projects. Authority to implement inclusionary programs was re-affirmed and broadened to include rental developments. The City experienced a sustained period of strong housing development activity, although feasibility has recently become more challenging. As the landscape for housing development and inclusionary programs has continued to evolve, the City is pursuing an update to the MIHO for the years ahead.

Feasibility Analysis Findings

The feasibility analysis examines the financial feasibility of a range of for-sale and rental residential development types in Sacramento across five separate submarkets, described in detail in Section 2.4. These submarkets include:

1. Central City,
2. Southern Neighborhoods,
3. North Sacramento and South Natomas,
4. North Natomas, and
5. Inner South and East Neighborhoods.

The feasibility analysis incorporates the proposed increase to the Department of Utilities' Impact Fees. If proposed fees change materially prior to City Council adoption, the feasibility analysis may need to be updated.

Residential development has been broadly feasible in Sacramento, as demonstrated by the substantial development activity experienced in recent years. However, favorable conditions have given way to a more challenging environment as higher interest rates have put downward pressure on home prices and slowed sales activity, while softening rents, more conservative underwriting, and higher financing costs have contributed to greater feasibility challenges for rentals. When feasibility is evaluated under current more challenging market conditions:

- Rental projects are challenged and unable to support an increase in fees or an on-site affordability requirement.
- Support for an increase in affordable housing fees is limited to for-sale projects in the Central City and Inner South and East Neighborhoods submarkets.
- Only for-sale projects within the Inner South and East Neighborhoods submarket were found to support an on-site affordability requirement at a modest level of 5%, or 10% if affordable units are priced at 110% of Area Median Income (AMI).

Residential development projects are more likely to move forward when market conditions support feasibility or when developers expect conditions to have improved by the time units are being marketed for sale or lease. In recognition of this dynamic, the feasibility of alternative affordable housing requirements is also tested relative to a baseline pro forma for projects that are feasible under current requirements, consistent with conditions that prevailed until recently. Results are as follows:

- For-sale projects support an on-site affordable unit requirement of up to 10% at 90% of AMI in three of five submarkets, and 5% at 90% AMI in all areas, with the exception of lower density single unit projects in the North Sacramento and South Natomas submarket, where pricing is lower.
- For rental projects, feasibility is challenged by even a modest on-site affordability requirement, unless a fee option is provided. The Central City submarket and Inner South and East Neighborhoods were the only submarkets found to support a modest on-site affordability requirement of 5%, at either 60% or 80% AMI in Central City, and at 80% AMI only in the Inner South and East Neighborhoods submarket.
- Larger master plans able to deliver affordable units in a stand-alone multi-family affordable project leveraging tax credits have a greater ability to support an on-site affordability requirement.
- For-sale projects support affordable housing fees up to \$10 per square foot in four of five submarkets, the North Sacramento and South Natomas submarket being the exception.

Support for higher fees is indicated in North Natomas and Inner South and East Neighborhoods submarket.

- For rental projects, removal of existing incentives including the \$0 rate for higher density projects and the Housing Incentive Zone is supported. In addition, fees up to \$10 per square foot are supported in the Inner South and East Neighborhoods submarket and \$15 in the Central City submarket.

Best Practices

Themes that emerged from the review of programs in other jurisdictions regionally and nationally included the following:

- Larger cities with diverse market conditions typically distinguish requirements by geography or market area.
- Providing a fee option coupled with incentives for projects to provide units on-site is a common approach among larger cities.
- A menu of compliance options can provide flexibility to projects in meeting requirements while allowing the program to serve a broader range of income levels.
- For larger master plans, the practice of requiring inclusion of affordable units within the development, generally in one or more standalone multifamily affordable projects, has a successful track record both in Sacramento and elsewhere in the region.

2.0 INTRODUCTION AND SUMMARY OF FINDINGS

The City of Sacramento's ("City") is pursuing a comprehensive update to its Mixed Income Housing Ordinance ("MIHO"). This report was prepared to support the City in updating the MIHO. This report was prepared by Keyser Marston Associates, Inc. (KMA) on behalf of the City and includes the following components:

- **Historic Performance of the MIHO** (Section 3) – Market rate and affordable housing production under the MIHO was examined and two "what if" scenarios regarding alternatives to requirements enacted in 2015 are explored.
- **Financial Feasibility Analysis** (Section 4) – The financial feasibility analysis evaluates the ability of residential developments to sustain existing or modified affordable housing requirements.
- **Developer Interviews** (Section 5) – Feedback from a series of interviews with local development professionals is summarized.
- **Other Communities** (Section 6) – affordable housing requirements in communities throughout the Sacramento Area Council of Governments (SACOG) region and select large cities are summarized and in-depth case study summaries are included for four local and three national examples.

2.1 Existing MIHO Requirements

The City's existing MIHO establishes a Housing Impact Fee (HIF) applicable to new residential developments throughout the city. The HIF-generated revenue is transferred to the Housing Trust Fund, which is administered by SHRA to develop affordable housing units with the goal of increasing the supply of housing for very low and low-income households earning up to 80 percent of the area median income.

FY 2023-24 HIF rates are as follows:

- \$3.54 per square foot for multifamily and single unit developments;
- \$1.53 per square foot in Housing Incentive Zones (see map Section 3.4);
- \$0 for multi-unit projects over 40 dwelling units per acre; and
- \$0 for single-unit and duplex projects over 20 units per acre.

Projects that include at least 10% affordable units are exempt from the HIF.

Projects over 100 gross acres in size are required to have an approved Mixed Income Housing Strategy that identifies how the project will provide housing for a variety of incomes and family types. The six projects with approved mixed income housing strategies all include on-site

affordable units, typically provided by partnering with an affordable developer or dedicating a site for affordable housing. Provided affordable units are credited toward the HIF amount due.

2.2 MIHO History and Historic Performance

The MIHO was originally established in 2000 (“2000 Ordinance”) as an inclusionary policy. The 2000 Ordinance was focused on new growth areas (see map Section 3.2) and required projects in these areas to provide 15% affordable units (mix of Very Low and Low). Most large-scale developments satisfied the inclusionary obligation by partnering with an affordable housing developer that provided affordable units in a stand-alone multifamily project financed using low income housing tax credits (LIHTC). A total of 1,985 affordable units were produced under the 2000 Ordinance, counting units that exceeded the 15% requirement¹, and 1,557 units were produced (average of 104 per year) if only units required to meet the 15% requirement are counted. Market rate developers typically provided land and a cash contribution for a portion of the financial gap for these projects, with the rest provided through tax credits and other public subsidy sources.

Market rate and affordable housing development under the 2000 Ordinance was robust during the period from 2000 to 2007. Then, from 2009 to 2014, the Great Recession brought housing development to a near halt. When Sacramento began to emerge from the Great Recession, the development landscape was significantly changed. There was a transition away from large-scale greenfield developments toward smaller infill residential development at higher densities, although still in its nascent stages. The end of redevelopment in California substantially reduced availability of local funding for affordable housing. Legal authority to implement inclusionary programs was under scrutiny through a case before the California Supreme Court and a subsequent petition for U.S. Supreme Court review. A separate ruling precluded application of inclusionary programs to rental housing. These factors set the stage for amendments to the program in 2015 (“2015 Ordinance”), which included expansion of the program citywide and conversion to a fee-based program in light of the uncertain legal environment and recent loss of redevelopment funding.

Under the 2015 Ordinance, a total of \$6.6 million in HIF was collected through the end of 2021. As of November 2022, \$4.7 million of these funds had been committed to three affordable housing projects with a combined 449 units. Of these 449 affordable units, SHRA attributes 27 workforce affordable housing units to the HIF funding based on a formula tied to the per unit financial gap, which is different from the approach used to track affordable production under the 2000 Ordinance of counting all units provided to meet the 15% requirement, regardless of how funded. An additional 407 units are included in affordable projects built as part of mixed income housing strategies for large acreage projects.

¹ Affordable projects sometimes exceeded the size needed to meet the 15% requirement.

Meaningful comparison of outcomes between the two ordinances is challenging because market conditions were fundamentally different, the types of housing being built differed, and production of affordable units was measured differently. While the 2000 Ordinance was in place, greenfield development was more prevalent, land values and development costs were lower, and local funding to offset the cost of affordable units was more available through the former redevelopment agency, contributing to the success of the program during this period. However, the success of the 2000 Ordinance could not have been replicated with the higher density rental and in-fill market rate projects that became more prevalent after 2015, as demonstrated by the findings of the feasibility analysis indicating such projects would face significant feasibility challenges with a 15% on-site requirement.

2.3 Market Conditions

Sacramento has experienced a sustained period where both for-sale and rental residential development have been broadly feasible. However, over the past year, conditions have shifted, and feasibility has become more challenging.

The for-sale housing market experienced a boom period during the pandemic driven by a confluence of factors, including historically low interest rates and increased demand, which drove a substantial escalation in prices. The for-sale housing market has now cooled substantially, driven by rising interest rates. Sales activity slowed through the second half of 2022 as borrowing costs increased, pushing some buyers out of the market and encouraging others to wait for a pricing correction. Despite less favorable conditions, homebuilders have expressed optimism of a return to stronger market conditions in a year or two. A healthy economy with low unemployment, chronic undersupply of housing, and potential for moderating interest rates once inflation cools, support optimism that stronger conditions will return relatively soon.

Recent shifts in the market have also altered conditions that supported a sustained period of strong feasibility for rental housing development. Emerging trends that are constraining feasibility include rising vacancy rates driven by a large supply of new units being delivered to the market, softening rental rates, higher development costs relative to earlier in the cycle, increased financing costs driven by higher interest rates, and upward pressure on cap rates and returns that investors are seeking in the current investment climate. These factors point to a likely pause or slowdown in new rental construction starts. Rental developers interviewed for this assignment viewed more challenging conditions as temporary and advised that they were continuing to look for ways to move forward with current projects, and/or to position projects to move forward when conditions improve.

The feasibility analysis addresses both:

- “Current market conditions,” which incorporates market data available at the time of analysis preparation in winter / spring 2023; and
- “Recent more favorable conditions,” which incorporates market data on rents and home prices available as of spring / summer 2022, interest rates preceding the significant escalation in rates over the course of 2022, and representing a baseline condition in which projects were broadly feasible under existing requirements, as evidenced by substantial recent development activity.

Scenarios addressing more favorable conditions are provided to enable an understanding of the impacts of potential policy changes relative to feasible projects. This approach aligns, in concept, with the way some developers have indicated that they are approaching the current market, by looking to weather a correction while positioning future projects to move forward as conditions improve.

2.4 Prototypes and Submarkets

The feasibility analysis evaluates “prototypical” or representative residential projects in various locations or “submarkets” within Sacramento. The following residential unit types are evaluated:

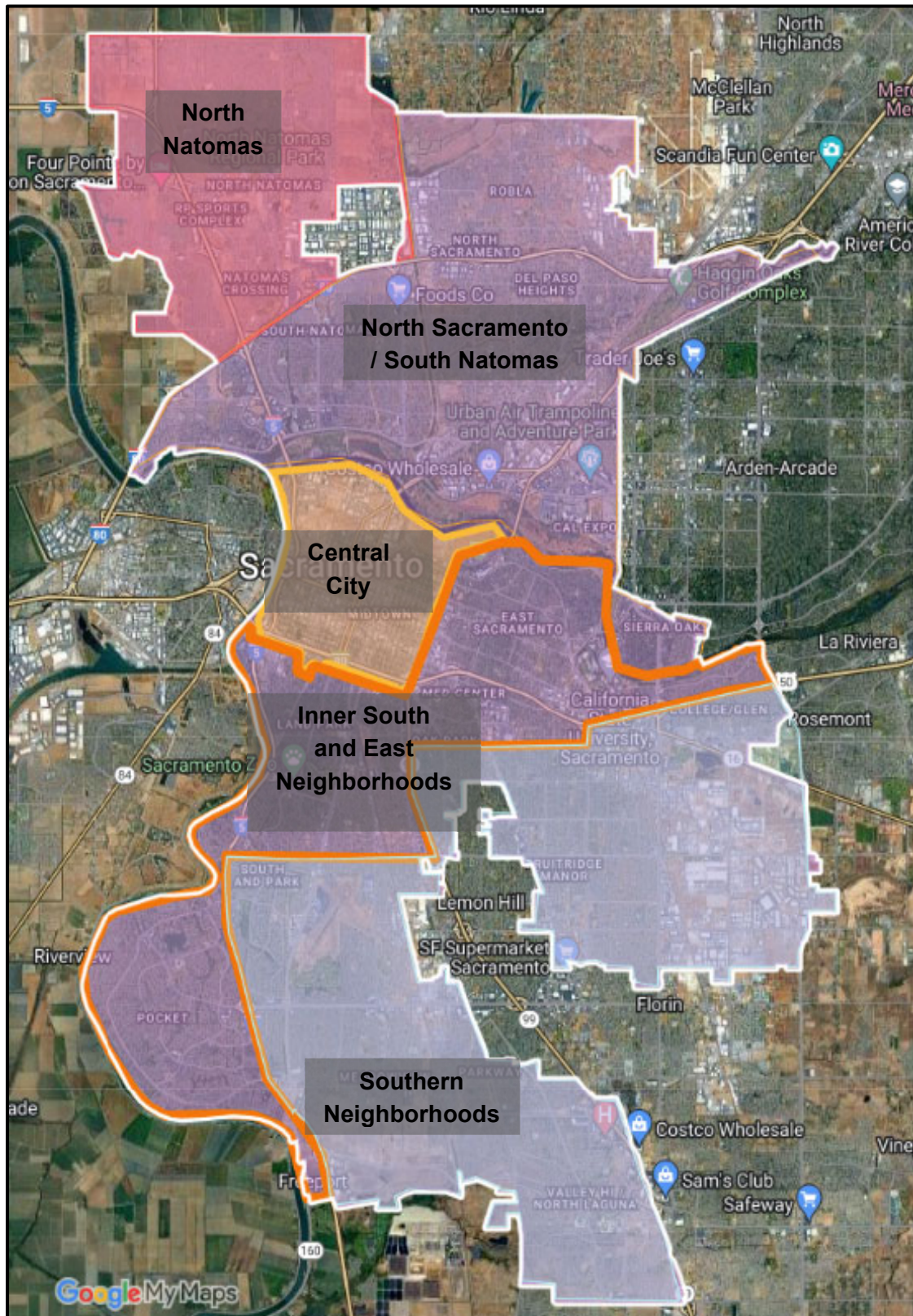
- Single Family Detached
- Small Lot Single Family
- Attached Townhomes
- Rental Apartments

The prototypes are evaluated within five geographic “subareas” or “submarkets” as summarized in Table 2-1 and Map 1. The purpose is to capture differences in market and feasibility conditions and variations in the types of housing being built. Prototypes are customized by submarket as described in Section 4.

Table 2-1. Overview of Submarkets		
	Submarket	Description
1	Central City	Includes Railyards, River District, Central City Specific Plan
2	Southern Neighborhoods	Bounded by I-5, Fruitridge, Broadway, 65th, US. 50, southern City limits.
3	North Sacramento and South Natomas	North of American River Except North Natomas
4	North Natomas	North of I-80, West of Steelhead Creek
5	Inner South and East Neighborhoods	South of American River to Fruitridge / Broadway / US-50, plus West of the I-5

Note: See map on the following page.

Map 1. Geographic Areas Addressed (Submarkets)



2.5 Household Income Categories

The analysis addresses the following income categories defined by the California Department of Housing and Community Development (HCD) in relation to the Area Median Income (AMI):

- Very Low Income: households earning up to 50% of AMI;
- Low Income: households earning over 50% of AMI, up to 80% of AMI; and
- Moderate Income: households earning over 80% of AMI, up to 120% of AMI.

For reference, the 2023 median income for a family of four in Sacramento County is \$113,900. Table 4-3 identifies income limits for each income category and household size. Affordable rents and home prices used in this analysis are shown in Table 2-2 for an example unit size. See Table 4-4 and 4-5 for additional unit sizes.

Table 2-2. Affordable Prices and Rents			
Affordable Sales Prices three bedroom unit example		Affordable Rent two bedroom unit example	
Low Income, 70% of AMI	\$205,400	Very Low Income, 50% of AMI	\$1,147 / Month
Moderate Income, 90% of AMI	\$333,600	Low Income, 60% of AMI	\$1,404 / Month
Moderate Income, 110% of AMI	\$419,000	Low Income, 80% of AMI	\$1,916 / Month

Based on 2023 Income Limits. Affordable rents are net of utility allowance.

See Appendix A Tables 11 and 12 for additional unit sizes and supporting calculations.

Moderate prices at 110% of AMI and Low income rents at 80% of AMI are near average market rate rents and sales prices in Sacramento², inclusive of both newer and older existing units. This is an indication 110% AMI for-sale units and 80% AMI rental units provide limited affordability benefits in the Sacramento market relative to market rate housing and a focus on lower income levels may be warranted.

2.6 Feasibility Analysis Findings

The feasibility analysis evaluates the development economics of the prototype projects and the viability of existing and potential modified affordable housing requirements. This feasibility analysis is intended to reflect prototypical projects in Sacramento, but it is recognized that the economics of some projects may look better, and some may look worse than those of the prototypes analyzed.

Feasibility findings with existing housing impact and utility fees are summarized in Table 2-2 under current market conditions and recent more favorable conditions.

² The average market rate rent in Sacramento reported by Costar is approximately \$1,650 per month, which is less than the 80% AMI rent for a two-bedroom. Sacramento's median home price was approximately \$455,000 as of March 2023 according to Redfin, about 9% higher than the 110% AMI pricing for a three bedroom home.

Table 2-2. Summary of Feasibility Findings with Current Utility Fees and Housing Impact Fees

	Current Market Conditions, Existing Utility Fees, Existing HIF ⁽¹⁾	Recent More Favorable Conditions, Existing Utility Fees, Existing HIF ⁽¹⁾
Single Family Detached	Marginally feasible or infeasible in most submarkets, feasible in North Natomas.	Feasible in all submarkets
Small Lot SFD or Townhomes	Feasible in most submarkets, Marginally feasible in North Sacramento and South Natomas	Feasible in all submarkets
Rentals	Infeasible in most submarkets, Marginally feasible for Central City higher density	Feasible in all submarkets

(1) Incorporates existing \$0 HIF rate for higher density projects and reduced HIF rates within the housing incentive zone.

Under recent more favorable market conditions, the rental and for-sale prototypes were found to be broadly feasible, consistent with the robust development activity the city has been experiencing. However, the feasibility of both for-sale and rental projects has become more challenging under current market conditions. Downward pressure on prices and higher financing costs in today's market have eroded the economics of for-sale projects. A combination of softening rents, upward pressure on cap rates and return requirements, and higher financing costs have contributed to a deterioration in the economics of rental projects.

Scenario Testing

A wide range of scenarios are tested regarding affordable housing fees and on-site affordable unit requirements.

- Base Case for comparison: existing housing impact fees and existing utility fees.
- On-Site Affordable Units, with 5%, 10% and 15% affordable units and proposed utility fees
 - Affordable pricing at Low (70% of AMI) and Moderate at 90% and 110% of AMI;
 - Affordable rents at Very Low (50% AMI), and Low at 60% and 80% of AMI.
- Provision of affordable units in a stand-alone LIHTC affordable project was evaluated in certain subareas. This solution will likely be limited to larger master plans with adequate scale to set aside a site for a stand-alone affordable project.
- Affordable housing fee scenarios – potential fee levels from retention of the existing housing impact fee rate up to an increased fee of \$20 per square foot.

Scenario testing measures the impact of alternative affordable housing requirements relative to a base case pro forma for a feasible project under recent more favorable market conditions and with existing requirements in place. Evaluating impacts relative to a feasible project allows the impact of potential modified requirements to be understood apart from recent adverse changes in market conditions.

Scenarios incorporate proposed increased utility fees except where otherwise noted. Proposed increased utility fees are a material consideration as they add between \$5 and \$14 per square foot to development costs. If the proposed fees change materially prior to City Council adoption, the feasibility analysis may need to be updated.

For-Sale Projects Scenario Testing

Results of the scenario testing for for-sale projects are summarized in Table 2-3.

Table 2-3. For Sale Project Scenario Testing											
Assuming Prior Market Conditions and Proposed Utility Fees Except as Noted											
No.	Description	App A Table	Central City	Southern Neighborhoods		N. Sacramento and South Natomas		North Natomas		Inner South and East	
			Townhome	SF	Sm lot	SF	Sm lot	SF	Sm lot	SF	Sm lot
1	Current Market, Proposed Utility Fees, Existing HIF	5A	F	M	M	I	I	M	M	M	F
2	Current Market, Existing HIF & Utility Fee	5B	F	M	F	I	M	F	F	M	F
3	Prior Market, Existing HIF & Utility Fees	5C	F	F	F	F	F	F	F	F	F
4	5% Moderate at 110% AMI	5D	F	F	F	M	F	F	F	F	F
5	5% Moderate at 90% AMI	5E	F	F	F	M	F	F	F	F	F
6	5% Low at 70% AMI	5F	F	F	F	M	F	F	F	F	F
7	10% Moderate at 110% AMI	5G	F	F	F	M	F	F	F	F	F
8	10% Moderate at 90% AMI	5H	F	F	F	M	F	F	F	M	F
9	10% Low at 70% AMI	5I	F	M	F	I	M	F	F	M	F
10	15% Moderate at 110% AMI	5J	F	F	F	M	F	F	F	M	F
11	15% Moderate at 90% AMI	5K	M	M	F	M	F	F	F	M	F
12	15% Low at 70% AMI	5L	M	M	M	I	I	M	F	M	F
13	10% in Stand-Alone LIHTC Project ⁽¹⁾	5M	n/a	F	F	M	F	F	F	n/a	n/a
14	15% in Stand-Alone LIHTC Project ⁽¹⁾	5N	n/a	F	F	M	F	F	F	n/a	n/a
15	20% in Stand-Alone LIHTC Project ⁽¹⁾	5O	n/a	F	F	M	F	F	F	n/a	n/a
16	No Change to HIF	5P	F	F	F	M	F	F	F	F	F
17	Existing HIF with incentives removed	5Q	F	F	F	M	F	F	F	F	F
18	HIF @\$5/SF	5R	F	F	F	M	F	F	F	F	F
19	HIF @\$7.50/SF	5S	F	F	F	M	F	F	F	F	F
20	HIF @\$10/SF	5T	F	F	F	I	M	F	F	F	F
21	HIF @\$15/SF	5U	F	M	M	I	M	F	F	F	F
22	HIF @\$20/SF	5V	F	M	M	I	I	F	F	F	F

(1) Primarily an option for larger master plans. Would have an average affordability level of 60% AMI or less. This option is not likely to be practical for most projects in Central City and Inner South and East Neighborhoods based on typically smaller site / project size, thus lacking the scale to do a separate stand-alone LIHTC project.

F= Feasible

M= Marginal Feasibility

I= Infeasible / Challenged

The North Sacramento and South Natomas for-sale prototypes show the weakest feasibility across all scenarios, indicating greater sensitivity to potential increases in requirements, driven by the lower market pricing in this area.

The Southern neighborhood prototypes remained in a feasible range with requirements up to 10% Moderate units or an increased housing impact fee of up to \$10 per square foot.

Projects in the Central City, North Natomas, and small lot single family projects in the Inner South and East Neighborhoods remained in a feasible range with up to 10% Low or 15% at 110% of AMI, or fees up to \$20 per square foot.

Table 4-19 provides another version of the for-sale scenario testing in which current less favorable market conditions are assumed in all scenarios. As shown, projects in the Central City can absorb an increase in the HIF to \$7.50 plus the proposed utility fees. Projects in the Inner South and East neighborhoods could support a 5% on-site requirement, 10% at 110% AMI, or fees up to \$15 per square foot; however, projects in all other submarkets would be challenged by any increase in requirements with current less favorable market conditions and proposed utility fees.

Rental Project Scenario Testing

Results of the scenario testing for rental projects are summarized in Table 2-4. The combination of proposed increased utility fees and an on-site affordability requirement was found to be challenging for rental projects to sustain, even at a modest 5% affordability requirement. Projects were able to sustain increased utility fees and application of the full existing HIF rate to all projects (removing the \$0 rate for higher density and Housing Incentive Zone). Projects in some areas were able to sustain a larger increase in fees, as indicated. The greater sensitivity to increased requirements in rental projects compared to for-sale is partly a function of proposed utility fees that are estimated to be higher for rental projects on a per square foot basis compared to for-sale projects.

Table 2-4. Rental Project Scenario Testing*Assuming Prior Market Conditions and Proposed Utility Fees Except as Noted*

No.	Description	App A Table	Central City		Southern Neighborhoods	North Sacramento and South Natomas	North Natomas	Inner South and East
			Med Den	High Den				
1	Current Mkt, Proposed Utility Fees, Existing HIF	6A	I	I	I	I	I	I
2	Current Market, Existing HIF & Utility Fee	6B	I	M	I	I	I	I
3	Prior Market, Existing HIF & Utility Fees (Base Case for scenarios 4-19)	6C	F	F	F	F	F	F
4	5% Low @80% AMI	6D	F	F	M	M	M	F
5	5% Low @60% AMI	6E	F	F	M	M	M	M
6	5% Very Low @50% AMI	6F	M	F	M	M	M	M
7	10% Low @80% AMI	6G	M	F	M	M	M	M
8	10% Low @60% AMI	6H	M	F	I	I	I	I
9	10% Very Low @50% AMI	6I	I	F	I	I	I	I
10	15% Low @80% AMI	6J	M	F	I	I	I	M
11	15% Low @60% AMI	6K	I	M	I	I	I	I
12	15% Very Low @50% AMI	6L	I	I	I	I	I	I
13	No Change to HIF	6M	F	F	F	F	F	F
14	HIF @\$5/SF	6N	F	F	M	F	M	F
15	HIF @\$7.50/SF	6O	F	F	M	M	M	F
16	HIF @\$10/SF	6P	F	F	M	M	M	F
17	HIF @\$15/SF	6Q	F	F	M	M	M	M
18	HIF @\$20/SF	6R	M	F	I	M	I	M
19	Existing HIF with incentives removed	6S	F	F	F	F	F	F

F= Feasible

M= Marginal Feasibility

I= Infeasible / Challenged

When the rental project scenario testing is performed assuming current less favorable market conditions, all scenarios with increased affordable housing requirements and the proposed increased utility fees are infeasible, as projects are challenged even with existing requirements.

2.7 Compliance Costs and Other Metrics

The cost of complying with alternative affordable housing requirements was expressed as a cost per square to assist in understanding the relative impact of various fee and on-site alternatives on the economics of residential development projects. This analysis is provided in Section 4.15 in a series of charts. Costs associated with on-site affordable units are generally higher where there is a larger gap between market rate and affordable prices and rents. Providing affordable units on-site often far exceeds the cost associated with the affordable housing fee scenarios that were evaluated.

An analysis of the change in prices or rents that would be sufficient to offset the cost of affordable housing requirements is provided in Section 4.17. Other metrics are provided in the appendix including the impact of increased requirements to residual land values, and aggregate fees, permits and affordable housing costs as a percentage of the total development cost of a project.

2.8 Requirements in Other Jurisdictions and Case Study Research

Section 6 presents a summary of affordable housing requirements in other jurisdictions. Requirements are summarized for jurisdictions in the SACOG region as well as select larger cities nationally.

Following are themes identified through the review of local programs:

- Within the SACOG region, eleven of the seventeen jurisdictions with a population over 50,000 have an affordable housing requirement for residential developments.
- Among local programs, a 10% onsite option or requirement is the most prevalent.
- Most local programs allow use of fees to meet the requirement. Fees are assessed in a wide range of formats, including per square foot, per affordable unit, per market rate unit, and as a percentage of sales price. Some programs require approval for use of in-lieu fees, including Davis for projects over 200 units, and West Sacramento, which requires approval to use fees but has usually granted it.
- Programs with onsite requirements allow for alternative compliance options including land dedication and offsite construction. Additional compliance options allowed in some jurisdictions include acquisition and rehabilitation of affordable units, credits for excess affordable units produced by other projects, preservation of existing units, and custom proposals. Use of alternatives generally requires approval.

The review of large city programs, including Atlanta, Boston, Chicago, Denver, Los Angeles, Portland, San Diego, San Jose, Seattle, identified the following:

- Six of the large cities have city-wide programs, three have programs triggered by rezoning, and one applies requirements only in certain areas;
- Nearly all large cities vary on-site requirements and/or fees by market area or zone;
- On-site requirements range from a low of 5% to a high of 20%.
- Some programs provide multiple options, with the inclusionary percentage varying depending on the AMI level of the affordable units provided.
- All of the large city programs have a fee option, with approximately half assessed per square foot and half on a per unit basis.

- Several of the programs provide incentives for projects that include units on-site, such as additional density, parking reductions, or property tax exemptions.

A more in-depth review of programs in seven selected communities is provided in Section 6, including: Davis, Folsom Roseville, West Sacramento, Denver, Portland, and San Jose. Some highlights from this more in-depth review include:

- Each jurisdiction determines the appropriate balance between requiring or encouraging onsite units and collecting fee revenues. Onsite units have the benefits of creating mixed income housing, building affordable units at the same time as the market rate units, and encouraging market rate developers to produce units cost-effectively. Collecting fee revenues creates a funding source that cities can leverage to provide gap funding for 100% affordable projects, with the potential to develop more units at deeper affordability levels.
- Unless fees are set at a level to encourage onsite units, developers tend to choose a fee option if it is available. Many cities have onsite requirements with an in-lieu fee option that in practice is mainly a fee-based program.
- Incentives can be effective in encouraging policy goals if they are meaningful in the local market. The value of density bonuses, for example, varies widely by jurisdiction and neighborhood.
- Large cities with diverse market areas tend to vary requirements and incentives by geographic area.
- The large cities surveyed (Portland, Denver, San Jose) have newer programs. A key feature of all three programs is a menu of compliance choices for developers. The menus provide flexibility and ideally will create a range of affordable unit types in the city.

3.0 HISTORIC PERFORMANCE OF MIXED INCOME HOUSING ORDINANCE

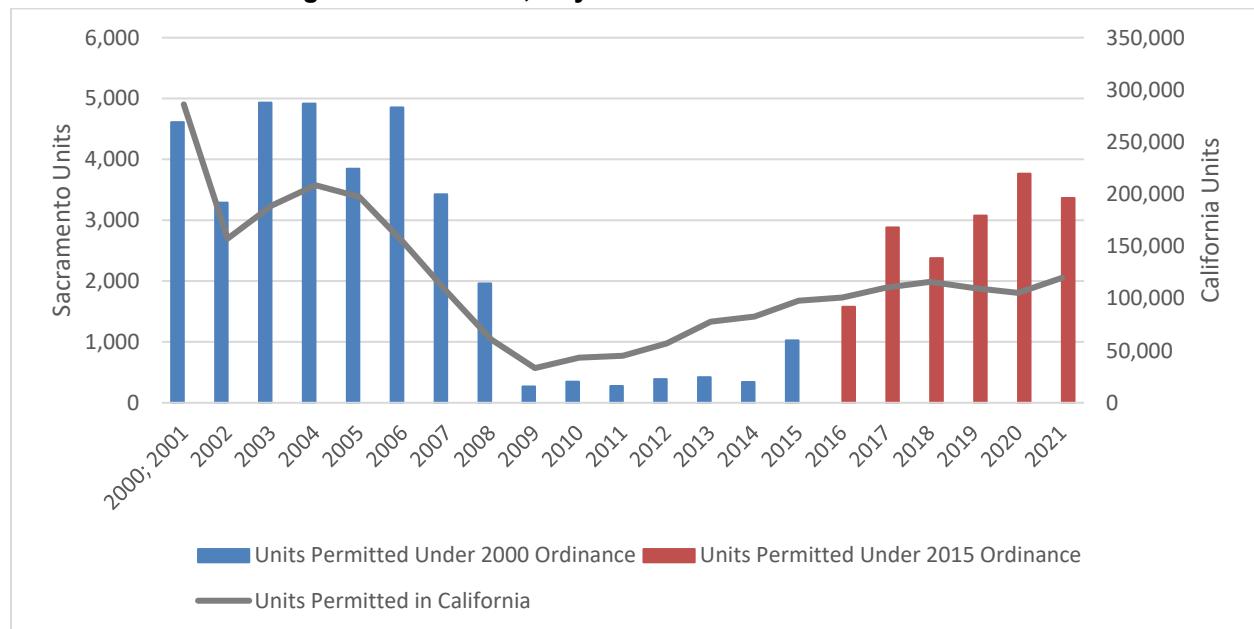
The following section examines the historic performance of the City of Sacramento's Mixed Income Housing Ordinance as originally adopted in 2000 ("2000 Ordinance") and revised in 2015 ("2015 Ordinance"). The following metrics are examined:

- Total housing production;
- Inclusionary unit production;
- Funding sources for the affordable units that were produced;
- Forgone revenue as a result of the 2015 Ordinance \$0 Housing Impact Fee rate for high-density development; and
- Inclusionary unit production had the 2000 Ordinance remained in place.

3.1 Citywide Total Housing Production Since 2000

Chart 3-1 shows the number of total housing units permitted in the City under the 2000 and 2015 Ordinances. Blue bars show units permitted while the 2000 Ordinance was in effect. Red bars show units permitted after adoption of the 2015 Ordinance. For comparison, the gray line with the axis on the right shows total housing units permitted in California over the same time period.

Chart 3-1. Total Housing Units Permitted, City of Sacramento



Source: City of Sacramento, Housing Element Progress Reports and U.S. Census Bureau.

Housing production during the 2000-2008 period consisted primarily of greenfield developments within new growth areas of the city, mainly within large master-planned communities. Housing production slowed in 2007 and 2008, and essentially stopped in 2009 as the Great Recession made new development infeasible. Housing production remained minimal from 2009 through

2014 during the Great Recession and foreclosure crisis as home prices plunged nearly 50% from their peak.³ Recovery from the Great Recession took longer to gain momentum in Sacramento relative to California as a whole, as illustrated by the statewide trend line, due to differential impacts of the foreclosure crises on certain communities, including Sacramento.

In 2015, housing production began to increase as the market recovery took hold and rising rents and home values helped make projects feasible again. There was also a transition toward a larger share of infill residential development at higher densities. Prior to 2015, higher density housing was rarely built without a subsidy. According to the City's Housing Element 2021-2029, by December 2020, approximately 73% of units in the development pipeline were in higher density multi-unit or attached housing. The remaining 27% consisted of lower-density single-unit developments. Approximately 60 percent of pipeline units were in large master-planned communities, such as the Railyards, Delta Shores, and the Panhandle. The remaining 40 percent of the residential pipeline were in individual infill developments, which include market rate condominiums, multifamily development, and mixed-use projects.

Table 3-1 summarizes the number of housing units permitted since 2000. While the 2000 Ordinance was in place, approximately 35,000 total units were permitted, representing an average of approximately 2,200 units per year over the entire period and 3,700 units per year excluding the 2008 to 2015 period impacted by the Great Recession. Under the 2015 Ordinance, a total of approximately 17,000 units were permitted, an average of approximately 2,800 units per year.

Table 3-1. Housing Units Permitted Citywide		
Time Period	Total	Annual Average
2000 – 2007	29,873	3,734
2008 – 2015 (Great Recession)	<u>5,014</u>	<u>627</u>
Subtotal, 2000 - 2015	34,887	2,180
2016 – 2021	17,037	2,840
Total, 2000-2021	56,938	2,588

Source: Housing Element Annual Progress Reports, City of Sacramento.

Although the time periods shown in Table 3-1 are organized to enable a comparison between housing production under the two ordinances, trends are not attributable to differences in the ordinances, as evidenced by:

- A similar pattern of housing production state-wide.
- The periods of robust housing production that occurred under both ordinances; and

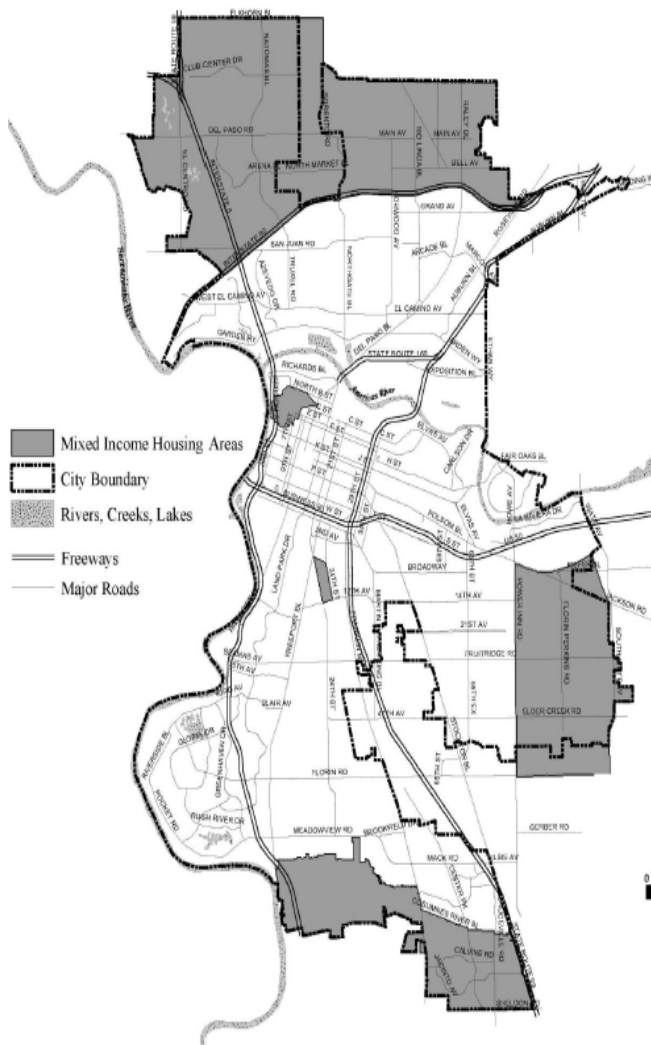
³ Based on data from the U.S. Federal Housing Finance Agency, All-Transactions House Price Index for Sacramento-Roseville-Folsom, CA (MSA) [ATNHPIUS40900Q], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/ATNHPIUS40900Q>, November 1, 2022.

- The shift towards high-density infill developments in the post-2015 period that, while paying a \$0 fee rate under the 2015 Ordinance, were also generally not subject to the 2000 Ordinance due to location, such that the increase in infill housing production cannot be attributed to the ordinance change.

Market cycles, a diminishing supply of greenfield sites on the periphery of the City, and the trend toward multifamily infill projects are the driving forces behind the pattern seen in the housing production data.

3.2 Historical Performance: 2000 Mixed Income Housing Ordinance

Map 2. Map of Areas Subject to 2000 Ordinance



The 2000 Ordinance required all residential developments of 10 or more units located in new growth areas of the city to set aside 15% of the housing as affordable, with 10% set aside for very low income households and 5% for low income households.

Map 2 shows the new growth areas that were subject to the 2000 Ordinance, which consisted of greenfield development areas on northern, southern and eastern edges of the city, future annexation areas, and two large-acreage redevelopment sites previously used as railyards.

Most large-scale developments chose to satisfy the inclusionary obligation by partnering with an affordable housing developer. Typically, market rate projects would donate land and make a cash contribution to a stand-alone multifamily project financed with low income housing tax credits (LIHTC). The market rate projects would generally fund a portion of the gap, but affordable projects typically also received other public subsidy sources, including through SHRA. Local subsidies to offset the cost of inclusionary requirements were more common prior to the 2012

dissolution of redevelopment agencies in California, through use of housing set aside funds.

Smaller market rate developments, for whom partnering with a third-party affordable developer may not have been feasible, typically constructed for-sale affordable units onsite. In total, approximately 88% of the affordable units provided were in multifamily LIHTC projects and 12% were for-sale inclusionary units.

Table 3-2 summarizes the inclusionary units produced under the 2000 Ordinance by market rate project. Approximately half of the stand-alone tax credit projects produced affordable units that exceeded the developer's 15% inclusionary obligation. Including affordable units produced in excess of the inclusionary unit obligation, there are a total of 1,985 affordable units produced as a result of the 2000 Ordinance. If only those affordable units that were required to meet the 15% requirement are counted, the number of affordable units produced under the 2000 Ordinance totals 1,557 units.

The "Affordable Units in Project" column in Table 3-2 identifies the total number of income-restricted units. The "Inclusionary Requirement Units" column shows the number of units restricted to meet the requirements of the 2000 Ordinance. While not provided to meet the requirement, the excess affordable units could arguably be attributed to the 2000 Ordinance as well, since the units were part of a project built to satisfy the requirements. For this reason, both figures are provided.

Table 3-2. Inclusionary Units Produced Under 2000 Ordinance				
Project/Subdivision	Inclusionary Project	Address	Affordable Units in Project	Inclusionary Requirement Units
Multifamily Rental Inclusionary Units Provided				
Cambay West	Terracina Meadows Apts	4500 Tynebourne Street	120	70
The Meadows	Natomas Park Apts	1850 Club Center Drive	93	22
Parkview	Atrium Court Apts	3801 Duckhorn Drive	179	126
Parkview	The Lofts at Natomas	3351 Duckhorn Drive	38	37
Natomas Park Commons / Cottages	Northpointe Apts	2101 Zurlo Way	144	30
Silverado Creek	Silverado Creek Apts	8501 Bruceville Road	135	81
JMA N. Natomas / Village Greens	Westview Ranch Apts	500 Bankside Way	126	126
Natomas Field	Vintage at Natomas Field	4000 Alan Shepard St	199	171
Natomas Central	Valencia Point Apts	3600 Del Paso Road	166	166
Natomas Central	Hurley Creek Apts	4275 El Centro Road	206	206
Natomas Place	Willow Glen Apts	1625 Scarlet Ash Avenue	134	134
College Square	Copperstone Apts	8000 West Stockton Blvd	102	56
Wolf Ranch Condominiums	Wolf Ranch Condos	7200 Jacinto Ave	24	24
Curtis Park Railyards	Curtis Park Senior Apts	2315 10th Ave	90	79
Subtotal, Multifamily Rental			1,756	1,328
For Sale Inclusionary Units Provided				
Parkview	Ryland - Parkview	2883 Frigate Bird Drive	2	2
Parkview	Ryland - Las Casitas	253 Dragonfly Circle	5	5
Meadowview Estates	JTS - The Meadows	1954 Bonavista Way	19	19
Sheldon Whitehouse	Serenade (Centex)	8607 Statue Way	8	8
Machado	Beazer-Nottingham (Vintage at Natomas)	3767 Naturita Way	4	4
Riverdale	Beazer-Riverdale North	2748 San Juan Road	27	27
Astoria Place	Astoria Place	4111 Vowell Street	6	6
Alta Vista Meadows	Alta Vista Meadows	4660 Debralee Way	8	8
Cameron V	Serenade (CamV)	6 Press Court	4	4
Sheldon 20	Centex Serenade II	8706 Longwill Way	14	14
North Laguna Pointe	Laguna Pointe Condos	7515 Sheldon Rd #15102	23	23
Sheldon Farms	Sheldon Farms	8581 Neapolitan Way	15	15
Wickford Square	Wickford Square	100 Cinema Street	15	15
Dry Creek Pointe	Dry Creek Pointe		4	4
Jessie Ave Condos	Jessie Ave Condos		9	9
Patterson Subdivision	Meadow Vista		9	9
Strawberry Field	Strawberry Field		22	22
Sycamore Park	Sycamore Park		3	3
Bruceville Amer. Dream	Woodside Homes	Forte/Staccato Sts.	7	7
Somerset Development	Somerset	220 Ashwick Loop	25	25
Subtotal, For-Sale			229	229
TOTAL, ALL UNITS			1,985	1,557

Source: SHRA

3.3 Funding Sources for Multifamily Affordable Units Produced Under 2000 Ordinance

Funding sources utilized to finance the multifamily projects built under the 2000 Ordinance are summarized in Table 3-3 for 12 of the 14 multifamily projects for which this information could be identified. For these 12 projects, market rate developers donated the site on which affordable projects were built for two thirds of the projects and contributed an average of approximately \$9,000 per affordable unit in additional funding. The balance of funding for the affordable units came from LIHTCs and tax exempt debt (77%), the Sacramento Housing and Redevelopment Agency (SHRA) (6%), deferral of developer fees by the affordable developers (4%), and State and other funding sources (10%). On average, SHRA provided approximately \$11,000 in assistance per affordable unit produced for these 12 projects.

Project	Year	Market Developer contributed land ⁽¹⁾	Funding Source as % of Total Development Cost				
			Developer funding ⁽²⁾	LIHTC + TE Debt ⁽³⁾	Deferred Fee ⁽⁴⁾	SHRA	State / Other
Natomas Park	2002	No	1%	84%	3%	4%	7%
Atrium Court	2002	No	1%	83%	7%	7%	3%
Lofts at Natomas	2002	No	1%	92%	5%	0%	2%
Northpointe Park	2003	No	0%	78%	10%	4%	7%
Silverado Creek	2005	Yes	6%	82%	0%	8%	3%
Westview Ranch	2006	Yes	8%	75%	7%	7%	3%
Vintage at Natomas Field	2006	Yes	17%	76%	5%	0%	2%
Valencia Point	2006	Yes	7%	75%	0%	4%	14%
Hurley Creek	2006	Yes	7%	79%	0%	4%	10%
Copperstone	2009	Yes	4%	73%	5%	13%	4%
Willow Glen	2010	Yes	4%	58%	3%	4%	31%
Curtis Park Court	2014	Yes	0%	66%	1%	15%	18%
Average			5%	77%	4%	6%	9%

(1) Inferred from reported land costs. Affordable projects with no or minimal land costs are assumed to have received a donated site from the market rate developer.

(2) In most cases, data on financing sources does not specify whether contributions are by the market rate or affordable developer but are assumed to be by the market rate developer for purposes of this summary, with the exception of deferred developer fees identified in a separate column.

(3) For Curtis Park Court, this column represents 9% LIHTC and a conventional loan.

(4) Affordable housing developers typically receive a development fee to fund their operational costs out of the project budget for each affordable development. Generally, a portion is funded upfront, and a portion is "deferred" and paid out of net rental revenue after the project is complete. Deferral of fees reduces the need for other upfront funding and so is treated as a funding source.

LIHTC = Low Income Housing Tax Credits. TE Debt = Tax Exempt Debt. SHRA = Sacramento Housing and Redevelopment Agency.

Source: SHRA.

For illustration, market rate developer contributions to the affordable projects in Table 3-3 were converted to an illustrative dollar per square foot cost. Assuming a historic land value of \$11,000

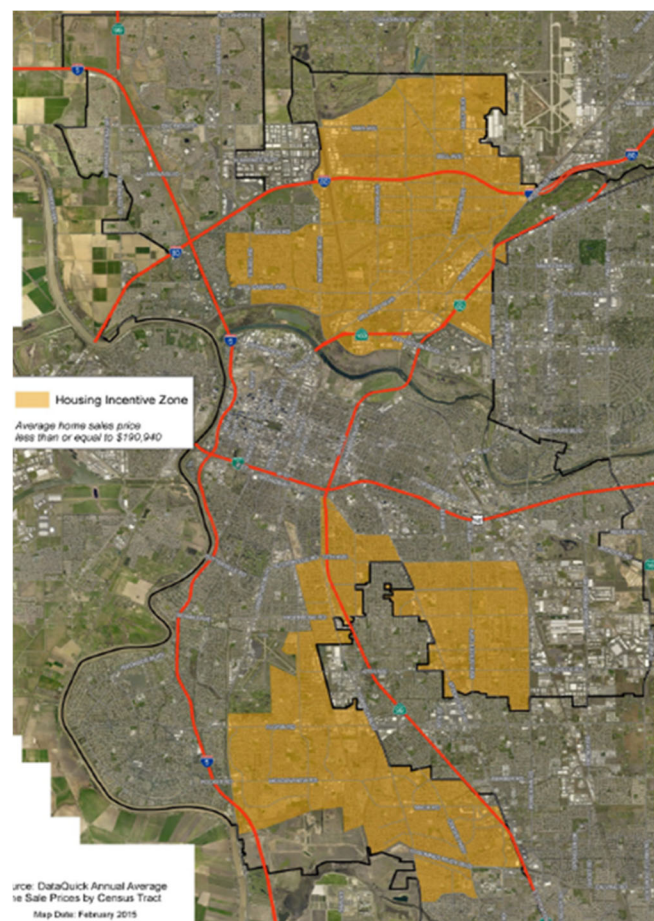
per affordable unit⁴ and an average unit size of approximately 1,800 square feet for the primarily single-unit market rate developments that were subject to the 2000 Ordinance, the cash and land contributed by market rate developers to affordable projects during the 2002 to 2014 period are estimated to equate to roughly \$1.60 per square foot of the market rate units.⁵ *This is a historic figure and not representative of the current cost of meeting a similarly structured requirement.* For comparison, the fee under the 2015 Ordinance was \$2.58 outside of the Housing Incentive Zone at the time of adoption, and thus was similar to the per square foot cost projects were incurring in complying with the 2000 Ordinance, at that time.

3.4 Historical Performance: 2015 Ordinance

The City revised its Mixed Income Housing Ordinance in November 2015 to convert to a housing impact fee program and expand the program citywide. The FY 2022-23 Housing Impact Fee (HIF) is \$3.49 per square foot for multifamily and single unit developments. A fee of \$1.51 per square foot applies in Housing Incentive Zones, shown on Map 3, which were defined based on having home prices below a certain threshold as of 2015. These fees are adjusted automatically each year based on increases in the construction cost index. Multifamily projects over 40 dwelling units per acre and single unit and duplex projects over 20 units per acre are eligible for a \$0 rate. Projects that include at least 10% affordable units are exempt from the fee requirement.

Since going into effect in late 2015, the HIF has generated \$6.6 million in revenues, including interest. SHRA has received \$6.4 million including interest, averaging \$1.0 million per year. As of November 2022, SHRA has committed \$4.7 million of these funds to assist three affordable housing projects with a combined total of 449 units. The City has received \$193,000 (3.2%) for the City's administrative expenses, SHRA has used \$485,000 (8%) in

Map 3. Housing Incentive Zone Map



⁴ This illustrative \$11,000 per unit historic land value assumption is based on the average per unit land cost reported for five of the projects listed in Table 3-3 for which land costs were reported.

⁵ Estimated based on the following calculation: Average historic developer contribution (\$9,000 + 66% of \$11,000 land donation) times inclusionary requirement per market rate unit (15% inclusionary divided by 85% market rate) divided by a market rate unit size of 1,800 sf = \$1.60 per square foot effective cost for market rate units.

administrative expenses, leaving \$1.2 million available for additional affordable housing commitments.

Annual revenue and expenditure data through 2021 was provided by SHRA and the City and is shown in Table 3-4.

Table 3-4. Housing Impact Fee Revenues and Expenditures							
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>TOTAL</u>
Fee Revenues Collected							
SHRA Revenues	\$565,192	\$1,103,186	\$626,768	\$2,179,716	\$1,059,719	\$695,522	\$6,230,103
City Revenues	\$17,080	\$34,063	\$17,759	\$63,696	\$39,640	\$21,011	\$193,250
Interest Earned		\$6,563	\$30,399	\$51,530	\$56,907	\$22,963	\$168,362
Total Income	\$582,272	\$1,143,812	\$674,926	\$2,294,942	\$1,156,266	\$739,496	\$6,591,715
Expenses							
SHRA Administration	\$73,259	\$35,137	\$60,757	\$163,275	\$57,985	\$94,741	\$485,154
City Administration	\$17,080	\$34,063	\$17,759	\$63,696	\$39,640	\$21,011	\$193,250
Projects					\$2,300,000	\$510,839	\$2,810,839
Total Expenses	\$90,339	\$69,200	\$78,516	\$226,971	\$2,397,625	\$626,591	\$3,489,243
Ending Balance	\$491,933	\$1,566,545	\$2,162,955	\$4,230,926	\$2,989,567	\$3,102,472	\$3,102,472
Funds Disbursed after 2021 ⁽¹⁾							\$1,889,161
Total Funding Spent on Projects							\$4,700,000
Adjusted Ending Balance							\$1,213,311

¹ Includes remainder of funding for 4995 Stockton and an SHRA 2022 commitment to provide \$1.4 million to Mirasol Block D. See Table 3-5.

Source; SHRA, City.

3.5 Affordable Unit Production Attributed to HIF Funding by SHRA

There are a total of 449 affordable units in the three projects SHRA has funded or committed to fund using HIF funds, shown in Table 3-5. Of these 449 units, SHRA attributes production of 27 units to the HIF funding. The 27-unit figure is based on the amount of HIF funds contributed divided by the maximum per unit subsidy specified in U.S. Department of Housing and Urban Development (HUD) regulations. This methodology reflects HIF funding covering a large share of the public subsidy for the 27 units. This is different than how affordable units were counted under the 2000 Ordinance, where all restricted units necessary to meet the 15% requirement were counted, although developer funding and contributed land typically represented a smaller share of the overall subsidy required.

Table 3-5. Mixed Income Housing Fund Expenditures				
Project Name	Capitol Park	4995 Stockton	Mirasol Block D	Combined Total
Amount	\$2,300,000	\$1,000,000	\$1,400,000	\$4,700,000
Number of MIHO Units	16	5	6	27
Total Regulated Affordable Units	134	200	115	449

Source: SHRA. "MIHO Units" are Mixed Income Housing Ordinance units, "Total Affordable Units" are the total number of affordable housing units in the project.

3.6 Additional Units Provided Under Large Sites Provision of 2015 Ordinance

The 2015 Ordinance requires projects larger than 100 acres to submit a Mixed Income Housing Strategy for City approval. Six projects were identified with Mixed Income Housing Strategies approved under the 2015 Ordinance. Table 3-6 summarizes the strategies. The strategies include a mix of approaches including: land dedication to SHRA for multifamily affordable housing development, onsite units incorporated into the project, a stand-alone affordable development, and HIF payment. Most strategies include more than one compliance method for providing affordable units.

Table 3-6. 2015 Ordinance Large Sites - Mixed Income Housing Strategies		
Project	Market Rate Units	Affordable Units
Railyards	6,000 - 10,000 units	600 units @ 40% - 60% AMI. Half can be provided by land dedication.
Innovation Park (Former Sleep Train Arena Site)	Est. 3,000 units. High density (20 -150 dua)	10% Low income units and 2.0 acre affordable site (150 units).
Delta Shores	5,921 market rate units	Land dedication to SHRA for 429 affordable units (7%).
Panhandle	1,662 single family units	Housing impact fees (\$7.7 million) and 16 affordable units.
Greenbriar	2,526 single family and multifamily	189 affordable senior units plus two manager units.
Aspen 1/New Brighton	1,365 total units, single family and multifamily	10% of units (137 units)

Of the six large site mixed income housing strategies, two have produced inclusionary units so far – the Railyards and Greenbriar. The Railyards project donated land and provided 24% of the funding for "The AJ", which is an apartment building with 20% of the units restricted to 50% AMI and the rest of the units at market rate. The project received tax-exempt financing and 4% tax credits. SHRA did not provide financial assistance for these units. The Railyards project also donated land and funding for "The Wong Center," in which 149 affordable senior units are under construction. The project received tax-exempt bond financing and 4% tax credits; the City provided \$3.5 million in financing through SHRA. The Northlake Senior Apartments were built as part of the Greenbriar project's compliance with the 2015 Ordinance. The project received tax-exempt financing and 4% tax credits and no SHRA assistance.

Table 3-7. Affordable Units Produced, 2015 Ordinance, Large Sites – Mixed Income Housing Strategies		
Project Name	Address	Inclusionary Units
Railyards Block 48 (The AJ)	305 6 th Street	69
The Wong Center	331 J Street	149
Northlake (Greenbriar)	3500 Hammock Ave	189
Affordable Units Produced through Large Site Mixed Income Housing Strategies, 2015 Ordinance		407

3.7 Funding Sources for Multifamily Affordable Units Produced under 2015 Ordinance

Table 3-8 summarizes finance sources for the affordable units produced under the 2015 Ordinance. This includes the three projects that received HIF funds, and the three projects built as part of large site mixed income housing strategies.

For the SHRA-Funded projects, funding came from LIHTCs and tax exempt bonds (58%), HIF funds (2%), other SHRA funding (16%), deferred fees by the affordable developers (2%), general partner / affordable developer funds (7%), and State and other funding sources (14%).

For the large site mixed income strategy projects, funding came from LIHTCs, tax exempt bonds and permanent loans (72%), market rate developer funds (15%), deferred fees by the affordable developers (1%), affordable developer funds (2%), City funding provided through SHRA (1%), and other sources (8%).

Table 3-8. Summary of Funding Sources for Affordable Units Produced Under the 2015 Ordinance

Project	Year	Total Aff. Units	Mkt Rate developer contributed land	Funding Source as % of Total Development Cost					
				Mkt Rate Dev funds / HIF Funds	LIHTC, TE Debt, Perm Loan	Deferred Fee ⁽²⁾	GP / Aff. Dev. Funds	Other SHRA Loans / Grants	State & Other
Capitol Park	2020	134	no	3%	30%	0%	15%	25%	27%
4995 Stockton	2021	198	no	1%	75%	3%	6%	14%	0%
Mirasol Block D	2022	115	N/A(leased)	2%	62%	4%	0%	9%	23%
Wtd. Average, HIF-Funded Units				2%	58%	2%	7%	16%	14%
Railyards Block 48 (The AJ) ⁽¹⁾	2021	69	yes	24%	74%	1%	0%	0%	2%
The Wong Center	2021	149	yes	4%	55%	2%	6%	6%	27%
Northlake (Greenbriar)	2022	191	partial	0%	91%	4%	5%	0%	0%
Wtd. Average, Large Site Mixed Income Strategy Units				15%	72%	1%	2%	1%	8%
Combined Average				9%	65%	2%	5%	9%	11%

(1) 80% market, 20% affordable project.

(2) Affordable housing developers typically receive a development fee to fund their operational costs out of the project budget for each affordable development. Generally, a portion is funded upfront, and a portion is “deferred” and paid out of net rental revenue after the project is complete. Deferral of fees reduces the need for other upfront funding and so is treated as a funding source.

LIHTC = Low Income Housing Tax Credits. TE Debt = Tax Exempt Debt. SHRA = Sacramento Housing and Redevelopment Agency.

Source: SHRA, LIHTC applications, City of Sacramento staff reports. Totals may not add due to rounding.

3.8 Forgone Revenue from \$0 Housing Impact Fee Rate for High-Density Projects

When the HIF was adopted in 2015, fee levels for high density projects were set to \$0 per square foot (“\$0 HIF Rate”). High density was defined as 20 dwelling units per net acre or more for single-units and duplexes, and 40 dwelling units per net acre or more for multifamily projects. The City provided data on projects that were eligible for the \$0 HIF Rate based on their density. Table 3-9 calculates the forgone fee revenue for projects that qualified for the high-density \$0 HIF Rate. In total, nearly 3 million square feet of multifamily and almost 500,000 square feet of single unit / duplex development were eligible for the \$0 HIF rate due to the density of the project. A total of \$9.8 million would have been owed had the full HIF rate applied to these projects.

This \$9.8 million in forgone HIF revenue assumes projects would have moved forward had the full HIF rate applied, although we cannot categorically affirm this. This assumption aligns with the Section 4 findings indicating projects were generally feasible at the full HIF rate under prior market conditions. Each project is unique, went forward at slightly different times, and would have evaluated the decision to move forward based on the facts and expectations at the time.

Table 3-9. Forgone Fee Revenue from \$0 HIF Rate for High-Density Development				
Project Type	Fiscal Year Issued	High-Density Square Footage	Housing Impact Fee Rate (rate that would have applied, but for the \$0 HIF rate)	Forgone Fee Revenue (amount that would have been due, but for the \$0 HIF Rate)
Multifamily Projects (Commercial Permits)	2016/17	13,654	\$2.58	\$35,227
	2017/18	559,727	\$2.68	\$1,500,068
	2018/19	229,429	\$2.77	\$635,518
	2019/20	1,154,771	\$2.78	\$3,210,263
	2020/21	364,229	\$2.95	\$1,074,476
	2021/22	554,189	\$3.03	\$1,679,193
	2022/23YTD	95,190	\$3.49	\$332,213
	Total, MF	2,971,189		\$8,466,958
Single-Unit/Duplex (Residential Permits)	2016/17	89,992	\$2.58	\$232,179
	2017/18	48,860	\$2.68	\$130,945
	2018/19	99,019	\$2.77	\$274,283
	2019/20 ⁽¹⁾	152,034	\$2.78	\$418,725
	2020/21	64,099	\$2.95	\$189,092
	2021/22	35,670	\$3.03	\$108,080
	2022/23YTD	2,898	\$3.49	\$10,114
	Total, SF	492,572		\$1,363,418
Total, All \$0 Fee High-Density Projects		3,463,761		\$9,830,376

(1) Two units located in Incentive Zone; reduced fee of \$1.20 psf assessed.

Source: City of Sacramento.

3.9 Exemptions and \$0 Housing Impact Fee Rate Units

The 2015 Ordinance allows for HIF exemptions for the following project types: second residential units, developments with 10% regulated low income housing units, a new single-unit dwelling built by an owner-builder, projects with an in-force development agreement adopted prior to the 2015 Ordinance, development projects that were not previously subject to the 2000 Ordinance that received approval of site plan and design review and/or a tentative map prior to November 1, 2015, and multi-unit dwelling developments that submitted an application for Site Plan and Design Review (SPDR) prior to November 1, 2015. Projects that are eligible for the \$0 HIF rate include the higher density projects discussed above, and projects that are converting a non-residential use to residential use. The City provided data on projects that received an exemption from the HIF or paid a \$0 HIF rate. The number of units that received each of the exemptions is shown in Table 3-10.

Table 3-10. Exemptions and \$0 Fee Projects, 11/1/2015 through 12/9/2022

<u>\$0 Housing Impact Fee</u>	<u>Units</u>
Multifamily High Density	4,034
Single Family High Density	419
<u>Conversion of Non-Residential to Residential</u>	<u>601</u>
Total, \$0 Housing Impact Fee	5,054
<u>Exemptions</u>	
Approved SPDR or Tentative Map Prior to 11/1/2015	2,648
SPDR Submitted for Multi-Unit Development Prior to 11/1/2015	566
10% Low Income Housing Units	1,610
In-force Development Agreement Prior to 2000	1,610
Second Residential Unit	558
<u>Single Family Home Built by Owner-Builder</u>	<u>108</u>
Total, Exempted Units	7,100
Total Number of Units Receiving Exemptions / \$0 Fee	12,154

Source: City of Sacramento

3.10 What-If Analysis: Applying the 2000 Ordinance to Projects Permitted Since 2015

This section summarizes a “what-if” analysis that estimates how many inclusionary units would have been produced had the 2000 Ordinance remained in effect. KMA used HIF collection data provided by the City to identify projects that would have been subject to the 2000 Ordinance, had it remained in effect. The 2000 Ordinance applied only in certain geographic areas, and it applied only to projects with more than 10 units. Therefore, projects outside of the new growth areas were excluded from the analysis, as were projects with fewer than 10 units.

As shown in Table 3-11, an estimated 812 market rate units built during the November 2015 to October 2022 period would have been required to provide inclusionary units under the 2000 Ordinance, had it remained in effect, instead of paying the HIF. Had the 2000 Ordinance applied instead, the 15% inclusionary requirement would have resulted in a requirement for 120 inclusionary units. Instead of providing these 120 units, an aggregate of \$3.6 million in HIFs was paid, which equates to approximately \$30,000 per forgone inclusionary unit. The remaining approximately \$3.0 million of the \$6.6 million in total HIF collections were from small projects and geographic areas that were not subject to the 2000 Ordinance.

Table 3-11. Estimated Number of Forgone Inclusionary Units

<u>Project</u>	<u>Type</u>	<u># of Units in Project ⁽¹⁾</u>	<u>15% of units in Project</u>	<u>Impact Fees Paid</u>
50 Regency Park Circle	Condos	42	6	\$155,319
Bruceville Terrace	SFD	85	13	\$499,597
Calistoga	SFD	35	5	\$191,785
Cottages at Laguna	Condos / Rental	62	9	\$153,197
Entrada	SFD	89	13	\$467,439
Renaissance at Dry Creek	SFD/ Half-plex	51	8	\$92,902
Rio Villas / Riverland	SFD	36	5	\$75,888
Serenade Duets	Half-plex	10	2	\$350,280
Shasta Ridge / Silverleaf	SFD	35	5	\$237,975
Sheldon Apartments	Rentals	289	43	\$1,156,163
Westshore / Natomas Village	SFD	22	3	\$99,227
Wickford Square	SFD	56	8	\$123,818
Total		812	120	\$3,603,592

(1) Condos/rentals: estimated from permitting and assessor's data. SFD/Half-plex: number of units that paid housing impact fee.

Source: City of Sacramento.

The remaining units located in new growth areas that were permitted after the 2015 Ordinance went into effect either had already satisfied their inclusionary obligation, had an adopted MIHS that provided affordable housing (which was credited towards the fee), had a development agreement adopted prior to the 2000 Ordinance that exempted the project from both the 2000 and 2015 ordinances, or received one of the other exemptions.

3.11 2000 and 2015 Ordinances: Different Policies for Differing Conditions

Market rate and affordable housing production in Sacramento has evolved since 2000 for many reasons. For most of the 2000s, housing production was characterized by greenfield developments of master-planned communities within new growth areas of the city. The scale of these market-rate projects combined with low land values and the availability of funding for affordable housing allowed for developments to comply with the 2000 Ordinance by partially funding units in stand-alone affordable projects developed by third parties. The affordable units received additional funding from SHRA, 4% tax credits and tax-exempt bonds.

The Great Recession brought housing development to a near halt from 2009 to 2014. By the time Sacramento began to emerge from the Great Recession, the development landscape was significantly changed. In Sacramento, there was a transition away from large-scale greenfield developments toward smaller infill residential development at higher densities, although still in its nascent stages. The end of redevelopment in California substantially reduced availability of local funding for affordable housing. Land and construction costs increased. Legal authority to implement inclusionary programs was under scrutiny through a case before the California

Supreme Court and a subsequent petition for U.S. Supreme Court review. A separate ruling precluded application of inclusionary programs to rental housing. These factors set the stage for amendments to the program in 2015, including expansion of the program citywide and conversion to a fee-based program in light of the uncertain legal environment and recent loss of redevelopment funding. The \$0 HIF rate for higher density development was aimed at encouraging higher density projects that had historically faced greater feasibility challenges.

Since adoption of the 2015 Ordinance, high density development in Sacramento has become well established. The legal authority to implement inclusionary programs was re-affirmed and broadened to include rental developments through a change in State law. Costs have continued to escalate, weighing on market rate projects and pushing affordable projects to cobble together additional layers of funding. Rising interest rates have created new headwinds for the housing market, pushing some homebuyers out of the market. As the landscape for housing development and inclusionary programs has continued to evolve since the 2015 Ordinance was adopted, the City is now pursuing an update to the Ordinance for the years ahead.

4.0 FINANCIAL FEASIBILITY ANALYSIS

This section presents a financial feasibility analysis addressing a range of residential development types in Sacramento and the ability to sustain alternative affordable housing fee and on-site inclusionary requirements. The purpose is to help inform the design of updated requirements at levels that are sustainable for market rate projects and to provide information regarding how alternatives requirements compare in terms of effects on the economics of new residential development projects.

4.1 Housing Market Context

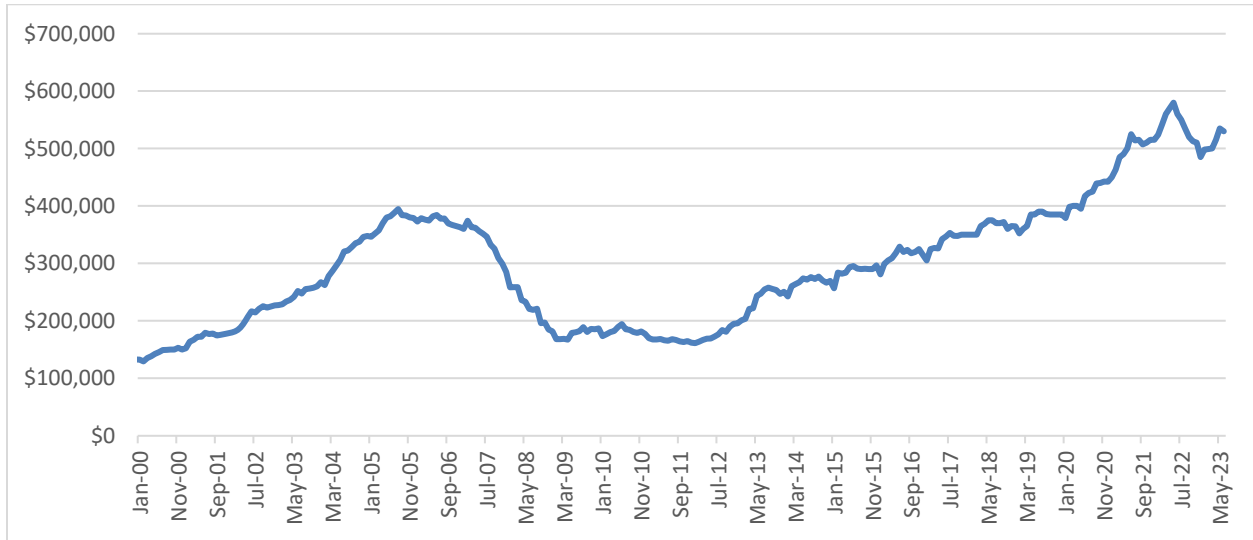
For-Sale Housing Market

After a boom period during the pandemic driven by a confluence of factors, including historically low interest rates and increased demand, which drove a substantial escalation in prices, the for-sale housing market has cooled substantially. Median prices countywide rose 360% over a ten-year period from 2012 to their peak in mid-2022. Since peaking in mid-2022, median prices have declined approximately 9%, driven by the increase in mortgage interest rates.

Sales activity slowed through the second half of 2022 as borrowing costs increased, pushing some buyers out of the market and encouraging others to wait for an anticipated pricing correction. Existing homeowners who locked in very low rates that were available until recently now have a powerful incentive to remain in their existing home, which has stifled demand from “move up” buyers but has also contributed to limited inventory and may be helping to offset downward pressure on pricing associated with rising interest rates.

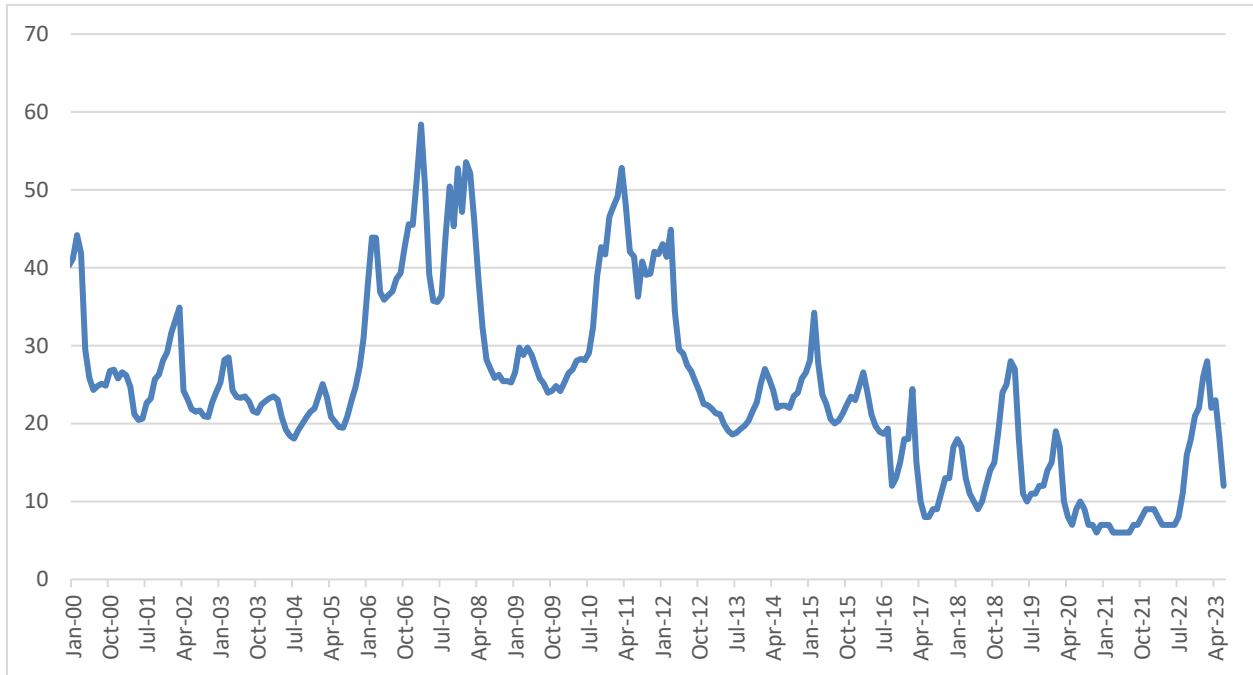
Charts 4-1, 4-2 and 4-3 on the following pages show longer-term trends in median prices and median number of days units are on the market, as well as a shorter term view of pricing trends.

Chart 4-1. Median Home Prices, Sacramento County



Source: California Association of Realtors

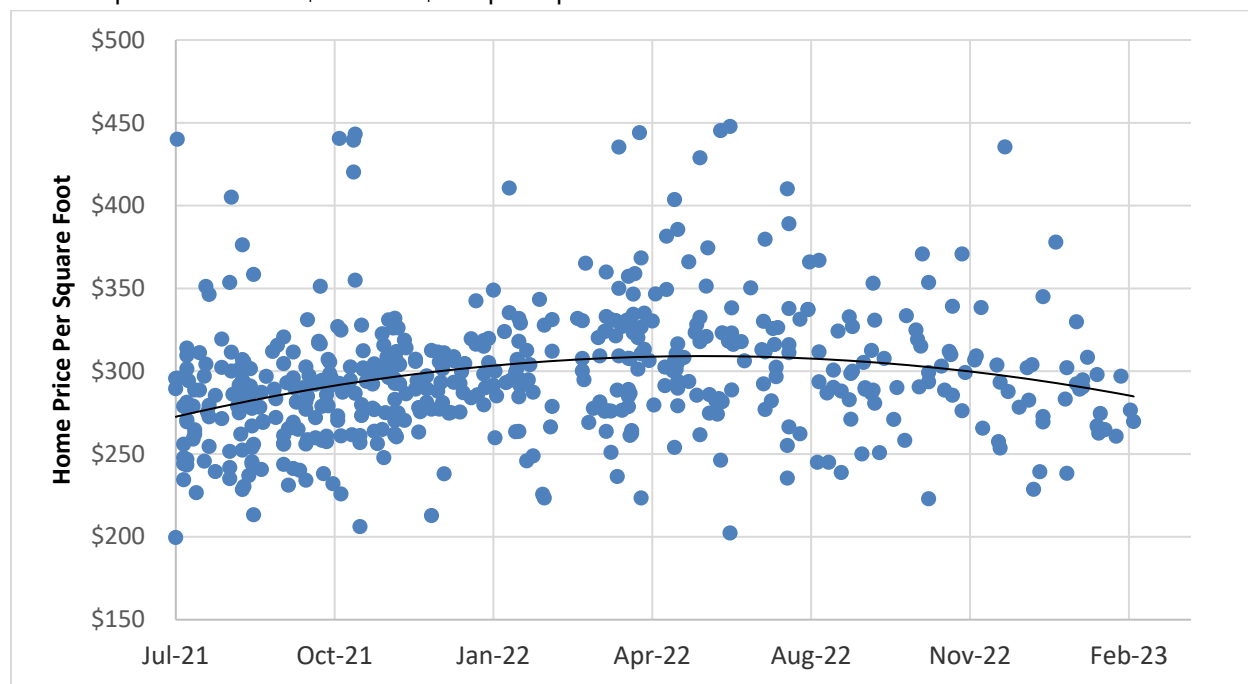
Chart 4-2. Median Number of Days on Market, Sacramento County



Source: California Association of Realtors

Chart 4-3. Trend in Home Sale Prices Per Square Foot, City of Sacramento

Sales between July 2021 and February 2023 of units built since 1990 between 1,700 and 2,200 square feet and priced between \$200 and \$450 per square foot.⁶



Source: CoreLogic

Despite currently less favorable conditions, homebuilders have expressed optimism of a return to stronger market conditions in a year or two. As homebuilder Lennar put it in their 2022 annual report:

..... very limited new home inventory, existing homeowners protecting extremely low mortgage interest rates, and a now chronic production shortfall over the past decade, have left the industry in the middle of what we believe can be a fairly short duration correction without an inventory overhang to resolve, since the fundamental underpinnings of supply and demand in the housing market remain strong.⁷

Multiple local homebuilders shared the optimism that current conditions may represent more of a shorter-term correction than a sustained downturn. A healthy economy with low unemployment, chronic undersupply of housing, and potential for moderating interest rates once inflation cools, support this optimism. Local builders are proceeding with pipeline projects on the expectation of improved conditions on the horizon and are looking to position themselves to take advantage of it.

⁶ This narrow band of unit sizes is intended to isolate trends in pricing from changes in the types of units that are being sold.

⁷ Lennar 2022 annual report accessed at <https://investors.lennar.com/~media/Files/L/Lennar-IR-V3/documents/annual-reports/2022-annual-report-v1.pdf>

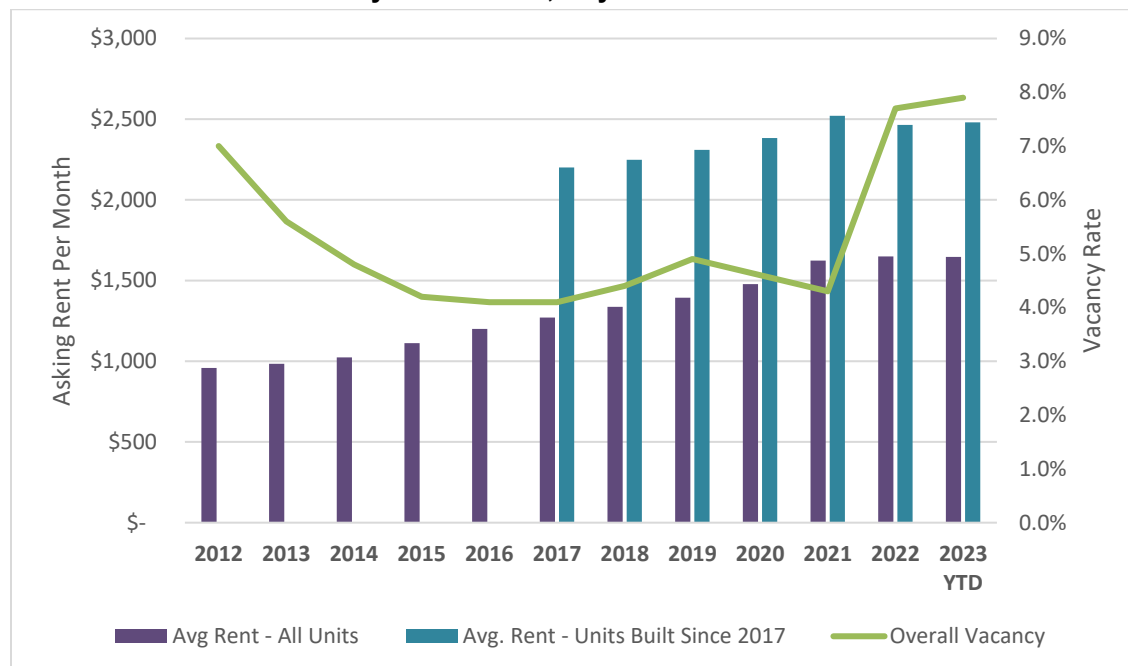
Cooling market conditions have also helped to rein in construction cost increases, which had escalated substantially during the pandemic. Multiple local developers indicated that construction costs have decreased relative to 2022, driven by an increase in the number of contractors bidding on work, more competitive bidding, as well as an easing of pandemic-related supply chain issues, although costs are still higher than pre-pandemic.

Rental Housing Market Trends

Sacramento has experienced a strong cycle for development of new rental housing with approximately 5,000 rental units produced in five years. Strong feasibility for development of new rentals has been supported by rapid escalation in market rents; interest in living in the urban core; supportive City land use policies aimed at encouraging new housing such as flexibility on density and parking; and a favorable investment climate and low interest rate environment that put upward pressure on valuations of completed projects and downward pressure on the returns needed for feasibility.

Chart 4-4 shows trends in rents and vacancy rates since 2012. Average rents in Sacramento increased approximately 70% over the 2012 to 2022 period to approximately \$1,650 per month. Rents for newly built apartments reflect an approximately 50% premium over averages for existing units. As a large supply of new units have been delivered to the market over the last year, vacancy rates have risen from a low near 4% to approaching 8%. Average rents for newly built units have also decreased slightly from their 2021 peak. Vacancy rates in new projects are currently substantially higher than these averages as lease up of newly delivered units occurs.

Chart 4-4. Rents and Vacancy Rate Trends, City of Sacramento



Source: CoStar

Recent shifts in the market have altered the conditions that supported a sustained period of strong feasibility for rentals. Emerging trends that are now constraining feasibility of rentals include:

- The historically large number of new rental units under construction or recently completed are placing downward pressure on rents, as the market absorbs the new units.
- Development costs have increased substantially from earlier in the market cycle. Until recently, these rising costs could be sustained by rising rents, increasing market values, and strong demand. However, rent growth has now peaked and turned slightly negative.
- Rising interest rates mean projects must achieve higher returns to justify development risk relative to safer investment alternatives which now pay far higher interest rates than a year or two ago. Higher borrowing costs means a given amount of rental income can no longer support the same level of debt, which places downward pressure on building valuations, upward pressure on cap rates, and upward pressure on the returns a project must generate to attract investors. Rising interest rates also increase the cost of construction financing, adding to development cost.
- Rental developers are reporting that some equity investors have paused further investments in new projects or are waiting until it is clearer how the market will respond to the new supply now under construction and other market changes. Some investors are reportedly demanding substantially higher returns, which projects are unable to support.

These factors suggest a pause or slowdown in new rental construction starts is likely until conditions improve. Examples of market adjustments that would support improved feasibility include reduced land prices, more competitive bidding by contractors, renewed rent growth, moderating interest rates, renewed interest by equity investors, or some combination of these factors.

Rental developers interviewed for this assignment viewed the current more challenging conditions for rental feasibility as temporary and many indicated they would continue to pursue opportunities for future projects in Sacramento. Developers expressed optimism that projects currently experiencing challenges securing financing, eventually would be financed and move forward. In fact, one developer was closing on construction financing for a local rental project on the day interviewed. Land transactions for multifamily development sites in late 2022, including a multifamily site in Delta Shores⁸ and a site in downtown⁹, also demonstrate optimism among

⁸ <https://www.bizjournals.com/sacramento/news/2022/11/04/jackson-square-properties-delta-shores.html>

⁹ <https://www.bizjournals.com/sacramento/news/2022/11/23/skk-buys-cascade-site-d-s.html>

market participants that multifamily development will “pencil” in the future, although several state that they are looking for opportunities at a low land basis.

4.2 Analysis Limitations

This analysis, by its nature, can only provide an overview-level assessment of development economics because it is based on prototypical projects rather than specific projects. Every project has unique characteristics that will dictate rents or sale prices supported by the market as well as development costs and developer return requirements. Each developer will assess the project’s risk and return and assemble project financing differently. This feasibility analysis is intended to reflect prototypical projects in Sacramento, but it is recognized that the economics of some projects may look better, and some may look worse than those of the prototypes analyzed.

The feasibility analysis represents a snapshot of real estate market conditions as of the time this analysis was prepared in winter and early spring 2023. Real estate development economics are fluid and are impacted by constantly changing conditions with regard to rent potential and sale prices, construction costs, land costs, and costs of financing. A year or two from now, conditions will undoubtedly be different than they are today.

4.3 Subareas Evaluated

The feasibility analysis provides separate findings for five geographic “subareas” or “submarkets” of Sacramento. The purpose is to capture differences in market and feasibility conditions by location, and to capture variation in the types of housing, unit sizes, and density of housing being built by area. The five submarkets are identified in Table 4-1 and are shown in map form in Section 2.4. Submarkets were selected based on a review of development activity and market data, with a goal of grouping areas that are seeing similar projects at similar prices and rents. City staff provided input on the submarket definitions and feedback was also solicited as part of a Housing Policy Working Group meeting in September 2022.

Table 4-1. Submarkets		
	Subarea Name	Description
1	Central City	Includes Railyards, River District, Central City Specific Plan
2	Southern Neighborhoods	Bounded by I-5, Fruitridge, Broadway, 65th, US. 50, southern City limits.
3	North Sacramento and South Natomas	North of American River Except North Natomas
4	North Natomas	North of I-80, West of Steelhead Creek
5	Inner South and East Neighborhoods	South of American River to Fruitridge / Broadway / US-50, plus West of the I-5

4.4 Residential Prototypes

For purposes of this feasibility analysis, KMA analyzed the following residential unit types:

- Single Family Detached
- Small Lot Single Family
- Attached Townhomes
- Rental apartments
 - Higher density (7-8 stories, wood frame over a podium)
 - Medium density rentals (4-5 stories, surface or tuck under parking)
 - Lower density rentals (3-4 stories, surface or tuck under parking)

These prototypes are based on projects in the City's current development pipeline and are intended as representative of the range of projects the City is currently seeing. Prototypes are customized for each submarket in terms of representative average unit sizes and densities, as summarized in Table 4-2. Appendix B Tables 2A to 2E provide a summary of the pipeline projects reviewed by KMA in identifying programmatic assumptions for the prototypes. Programmatic details and estimated pricing were reviewed as part of a Housing Policy Working Group meeting in September 2022 and were circulated by email for review and input at that time.

	For-Sale		Rental		
	Single Family Detached	Small Lot Detached and Townhomes⁽¹⁾	Higher Density	Medium Density	Lower Density
Parking Type	Attached garage	Attached garage	Podium garage (0.75 spc/unit)	Surface / Tuck Under (0.5 spc/unit)	Surface / Tuck Under (1-1.5 spc/unit)
No. of Stories	one to two	two to three	7 to 8	4 to 5	3 to 4
Density (units per acre)					
North Natomas	9 dua	18 dua	N/A	N/A	30 dua
North Sacramento / South Natomas	9 dua	18 dua	N/A	N/A	30 dua
Central City	N/A	26 dua	200 dua	100 dua	N/A
Inner South and East Neighborhoods	8 dua	20 dua	N/A	N/A	37 dua
Southern Neighborhoods	11 dua	18 dua	N/A	N/A	30 dua
Average Unit Size (square feet)					
North Natomas	2,100 sf	1,600 sf	N/A	N/A	900 sf
North Sacramento / South Natomas	1,900 sf	1,500 sf	N/A	N/A	900 sf
Central City	N/A	1,850 sf	690 sf	770 sf	N/A
Inner South and East Neighborhoods	2,300 sf	1,700 sf	N/A	N/A	770 sf
Southern Neighborhoods	1,750 sf	1,450 sf	N/A	N/A	900 sf

(1) Analyzed as attached townhomes in Central City area and small lot detached homes in other locations.

4.5 Affordability Levels Addressed

The analysis includes evaluation of units affordable to the following household income categories:

- Very Low Income: households earning up to 50% of Area Median Income (AMI);
- Low Income: households earning over 50% of AMI, up to 80% of AMI; and
- Moderate Income: households earning over 80% of AMI, up to 120% of AMI

Households are categorized by income tier based on income limits published by the California Department of Housing and Community Development (HCD). For reference, the 2023 median income for a family of four in Sacramento County is \$113,900. Table 4-3 identifies income limits for each income category. Income limits increased by 11% from 2022.

Table 4-3: 2023 Sacramento County Income Limits							
Income Category	% of AMI	Household Size (Persons)					
		1	2	3	4	5	6
Very Low Income	50% AMI	\$37,550	\$42,900	\$48,250	\$53,600	\$57,900	\$62,200
Low Income	80% AMI	\$60,050	\$68,600	\$77,200	\$85,750	\$92,650	\$99,500
Median Income	100% AMI	\$79,750	\$91,100	\$102,500	\$113,900	\$123,000	\$132,100
Moderate Income	120% AMI	\$95,700	\$109,350	\$123,050	\$136,700	\$147,650	\$158,550

Source: California Department of Housing and Community Development, 2023 Income Limits.

AMI = Area Median Income

Affordable prices and rents for the income categories addressed in the analysis are shown in Table 4-4 and 4-5. Supporting calculations are provided in Appendix A Tables 11 and 12.

Table 4-4: 2023 Affordable Prices			
	<u>2-BR</u>	<u>3-BR</u>	<u>4-BR</u>
Low Income, 70% of AMI	\$187,000	\$205,400	\$219,700
Moderate Income, 90% of AMI	\$302,400	\$333,600	\$358,100
Moderate Income, 110% of AMI	\$379,400	\$419,000	\$450,400

Table 4-5: 2023 Affordable Rents (Monthly)				
	<u>Studio</u>	<u>1-BR</u>	<u>2-BR</u>	<u>3-BR</u>
Very Low Income, 50% of AMI	\$901	\$1,030	\$1,147	\$1,264
Low Income, 60% of AMI	\$1,100	\$1,258	\$1,404	\$1,549
Low Income, 80% of AMI	\$1,499	\$1,713	\$1,916	\$2,118

Estimated market rate prices and rents discussed in the following section were also translated into the estimated percentage of area median income that households would need to have to be able to afford the units. Estimates are presented in Table 4-6. As shown:

- Market prices for newly built for-sale housing are estimated to require between 86% to 241% of area median income to afford, depending on location and whether the household has a 20% cash down payment¹⁰.
- Market rate rents for newly built apartments are estimated to range from 102% of median to 120% of median, depending on location.

Market rents are estimated to be affordable to Moderate Income households in all areas (up to 120% AMI). Market prices in the North Sacramento / South Natomas, North Natomas, and Southern Neighborhoods submarkets are estimated to be within a range that Moderate Income households can afford, with some exceptions depending on the prototype and whether the homebuyer has a 20% cash down payment.

Table 4-6. Estimated Household Income (% of AMI) Required to Afford Market Prices and Rents for New Units					
	Single Family		Small Lot SFD and Attached		Rentals
	5% down payment	20% down payment	5% down payment	20% down payment	
North Natomas	155%	124%	128%	103%	108%
North Sacramento / South Natomas	123%	98%	108%	86%	102%
Central City*	n/a	n/a	221%	177%	116%
Inner South and East Neighborhoods	241%	193%	194%	155%	120%
Southern Neighborhoods	126%	101%	112%	90%	107%

* Estimate for rentals in the Central City area represents the average of the two rental prototypes.

4.6 Methodology for Financial Feasibility Analysis

The financial feasibility analysis estimates the costs to develop a new market rate residential project and the sales revenues or rental income that would be generated by the project upon completion. If the sales revenues or rental income are sufficient to support the development costs and generate a sufficient profit margin, the prototype is considered feasible. This approach to financial feasibility, known as a pro forma approach or income approach, is standard practice in the real estate industry and is utilized in one form or another by all developers when analyzing new construction projects.

This analysis organizes the pro forma as a “residual land value analysis,” meaning the pro forma solves for what the project can afford to pay for a development site based on the sales/income projections and the non-land acquisition costs of the project. It then compares the residual land values with land costs in the current market in order to test whether developers can afford to buy land and develop projects. For rentals, the pro forma analysis also identifies returns assuming purchase of a site at a representative land cost.

¹⁰ A 20% down payment reduces monthly mortgage payments and eliminates a need for mortgage insurance, this in turn reduces the income estimated to be needed to afford the unit, due to lower monthly housing costs.

4.7 Approach to Current Market Conditions

As evident from a substantial track record of recently completed projects, Sacramento has experienced a sustained period where residential development has been generally feasible. As described above, over the past year, conditions have become less favorable, and feasibility has become more challenging.

Developers interviewed for this assignment advised that they were continuing to look for ways to move forward with current projects, would continue to pursue opportunities for future projects in Sacramento, and would continue to make progress on predevelopment work for planned projects with the goal of positioning projects to move forward when conditions are right.

Given the on-the-ground evidence of recent strong feasibility conditions and optimism regarding improved conditions expressed by market participants, the pro forma analysis incorporates two scenarios with respect to market conditions:

- *Current Market Conditions* – which reflect softening of home prices and rents, higher financing costs, and increased threshold return on cost requirements for rentals. The analysis is based on market data available as of late winter / early spring 2023 when the analysis was prepared.
- *More Favorable Recent Conditions* – a pro forma reflecting more favorable recent conditions in which projects were broadly feasible is provided to allow the impact of affordable housing requirements on the economics of feasible projects to be understood. Scenarios based on recent more favorable conditions reflect market data on rents and home prices as of spring / summer 2022, interest rates available prior to the significant increase in rates occurring over the course of 2022, and a market cap rate for rental projects derived from multi-family property sales from 2020 through early 2022, prior to the recent increase in interest rates. The approach of testing how potential modified requirements impact the economics of projects, starting from a baseline of a feasible project under current requirements, is arguably more informative than evaluating how requirements would affect the economics of projects under conditions in which projects are less likely to move forward. This approach is also generally in line with how some developers indicated they are approaching current conditions, seeking to weather a correction in the market while positioning projects to take advantage of potentially improved conditions in the future.

4.8 Revenue / Supported Unit Values

For-Sale Project Sales Revenues

Market home prices were estimated based upon a review of prices for new homes being marketed for sale and resales of newer existing homes. Market data was originally reviewed, and prices were estimated in summer 2022. Pricing was subsequently adjusted downward as of winter 2023 based on updated pricing data for new homes and a review of trends in resale prices for existing homes. Pricing data for both periods is presented in Charts 4-5 and 4-6 on the following pages. Additional market data supporting pricing estimates is provided in Appendix B. Pricing estimates are summarized in Table 4-7.

Table 4-7. Estimated Home Prices					
	<u>Average Unit Size</u>	<u>Winter 2023 Estimate Price</u>	<u>Price/SF</u>	<u>Summer 2022 Estimate Price</u>	<u>Price/SF</u>
<u>Single Family Detached</u>					
North Natomas	2,100 sf	\$611,000	\$291	\$650,000	\$310
North Sacramento / South Natomas	1,900 sf	\$484,000	\$255	\$515,000	\$271
Inner South and East Neighborhoods	2,300 sf	\$940,000	\$409	\$1,000,000	\$435
Southern Neighborhoods	1,750 sf	\$484,000	\$277	\$515,000	\$294
<u>Small Lot SFD and Townhomes</u>					
North Natomas	1,600 sf	\$494,000	\$309	\$525,000	\$328
North Sacramento / South Natomas	1,500 sf	\$414,000	\$276	\$440,000	\$293
Central City	1,850 sf	\$817,000	\$442	\$860,000	\$465
Inner South and East Neighborhoods	1,700 sf	\$729,000	\$429	\$775,000	\$456
Southern Neighborhoods	1,450 sf	\$423,000	\$292	\$450,000	\$310

Chart 4-5. New Home Pricing by Subarea, Summer 2022, and Estimated Prototype Pricing

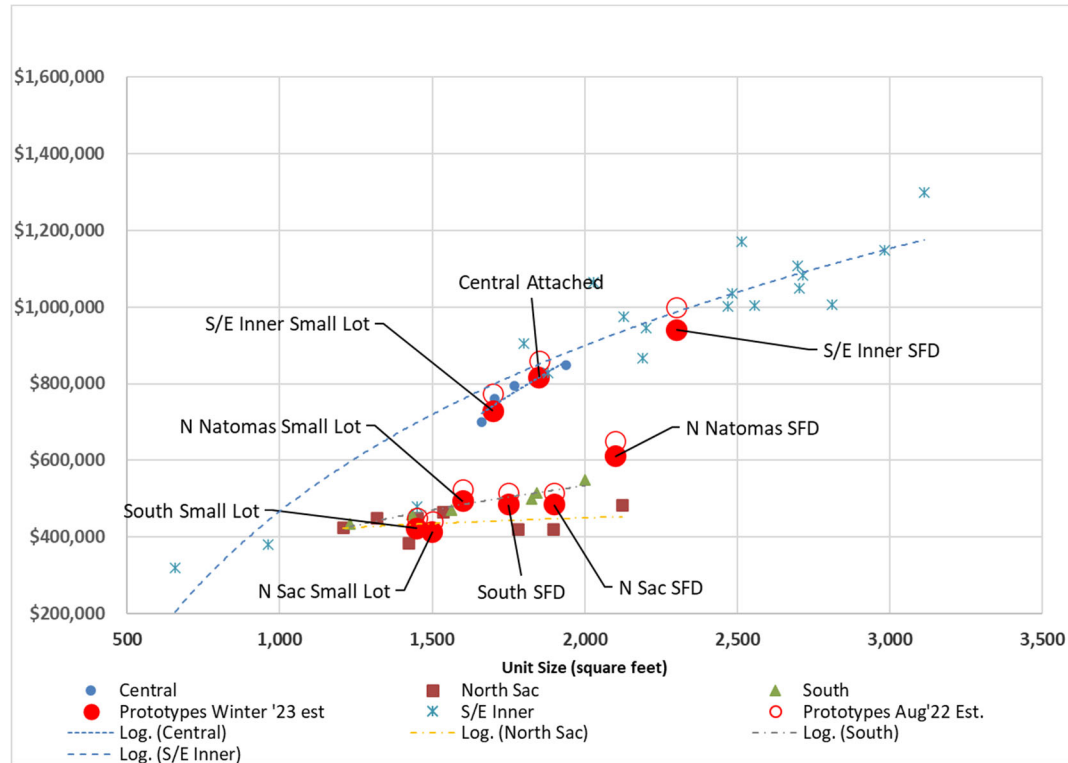
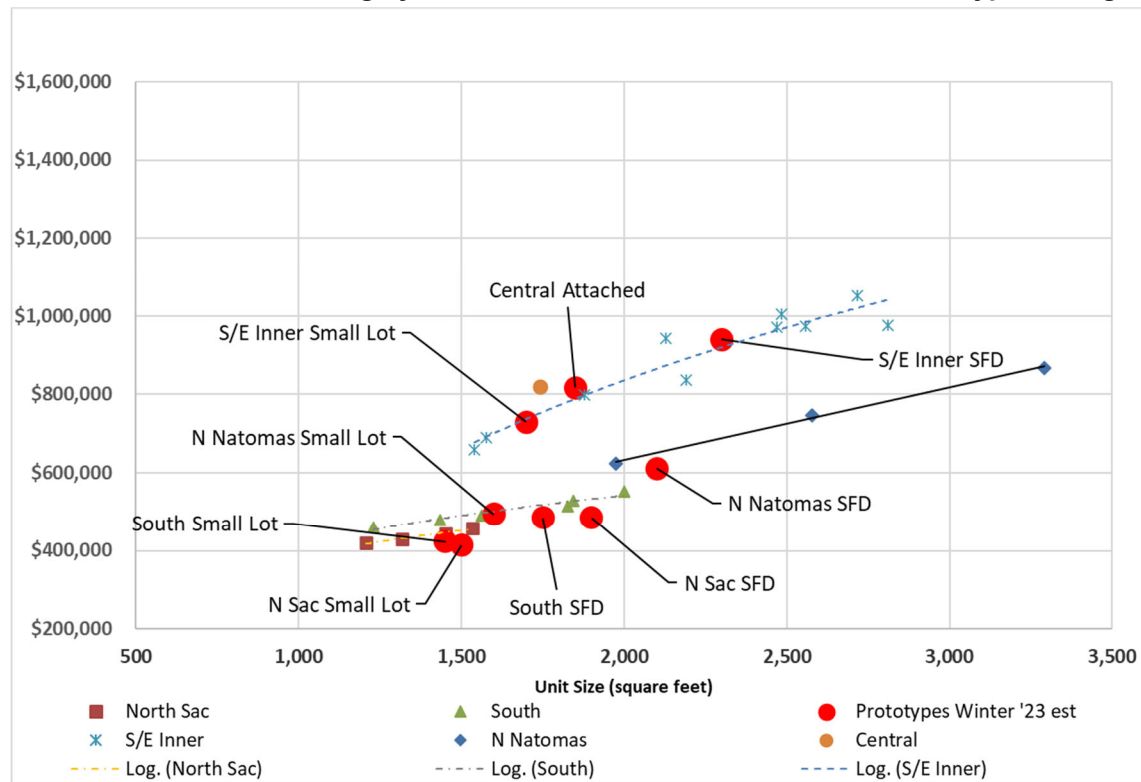


Chart 4-6. New Home Pricing by Subarea, Winter 2023, and Estimated Prototype Pricing



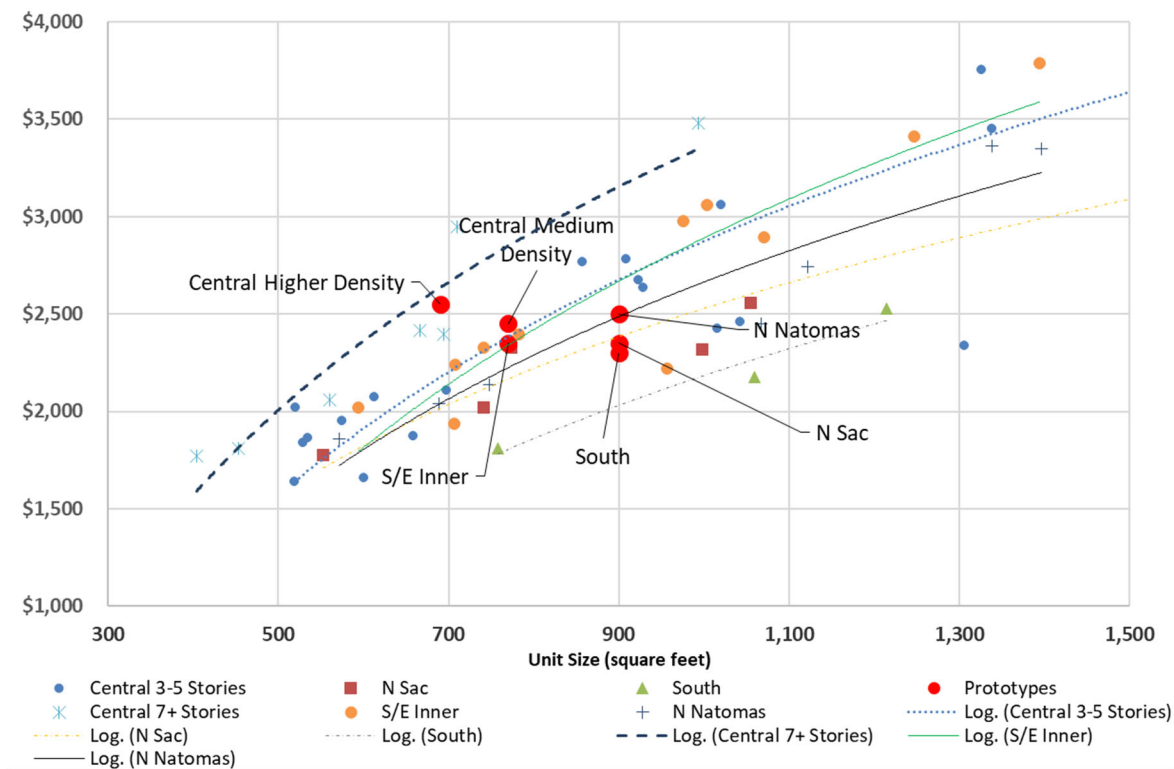
Rental Project Income

Rental income for the apartment prototypes is estimated based on rental data for recently built apartments in Sacramento by geographic area. Estimated rents are summarized in Table 4-8. Chart 4-7 shows rent data as of winter 2023 and rent estimates for each apartment prototype. Additional supporting data on market rents is provided in Appendix B. Comparing asking rents for the same properties in summer 2022 versus winter 2023, asking rents decreased within the Central City and North Sacramento / South Natomas area but appeared to be more stable in other locations. This is likely driven by absorption of a large supply of new units being delivered primarily in and around the Downtown.

Table 4-8. Market Rent Estimates

	Average Unit Size	Winter 2023 Estimate		Summer 2022 Estimate	
		Rent/Mo	Rent/SF/Mo	Rent/Mo	Rent/SF/Mo
North Natomas	900 sf	\$2,500	\$2.78	\$2,500	\$2.78
North Sacramento / South Natomas	900 sf	\$2,350	\$2.61	\$2,450	\$2.72
Central City - Medium Density	770 sf	\$2,450	\$3.18	\$2,600	\$3.38
Central City - Higher Density	690 sf	\$2,550	\$3.70	\$2,700	\$3.91
Inner South and East Neighborhoods	770 sf	\$2,350	\$3.05	\$2,350	\$3.05
Southern Neighborhoods	900 sf	\$2,300	\$2.56	\$2,300	\$2.56

Chart 4-7. Asking Rents, Recently Built Apartments, Winter 2023



For the Southern Neighborhoods subarea, only one newer rental property was identified, and it was built a few years prior to other comparables. As such rents in this subarea are estimated to exceed this comp.

Developer Investment Supported, Rental Projects

The first step in estimating the amount of developer investment that can be supported in a new rental development is to calculate Net Operating Income (NOI). NOI is equal to the annual rental income, minus operating expenses and a 5% allowance for credit loss and vacancy. As shown in Table 4-9, the NOI for market rate units is estimated to range from \$18,200 to \$23,400/unit/year depending on the submarket and average unit size under current market conditions.

NOI is divided by a return on cost (ROC)¹¹ to estimate the amount of developer investment (debt and equity) that can be supported by the rental income from the project. A 6.5% threshold developer return on cost is used, which represents a 1.5% spread over the 5% capitalization rate¹² applicable to the most recent newer multifamily property sale we identified in Sacramento, which occurred in August 2022 (H16 and Eleanor Apartments). Rising interest rates are placing upward pressure on cap rates, which in turn places upward pressure on the ROC developers need to finance projects. Published investor surveys show a market expectation that cap rates are likely to increase.

On this basis, the supported investment under current conditions with 100% market rate units is estimated to range from \$280,000 to \$361,000 depending on the prototype and estimated rents by area, as shown in Table 4-9.

Table 4-9. Net Operating Income and Investment Supported, Current Market, 100% Market Rate			
	Net Operating Income (NOI)	Return on Cost (ROC) Requirement	Developer Investment Supported (=NOI/ ROC)
North Natomas	\$20,210	6.5%	\$310,900
North Sacramento / South Natomas	\$18,500	6.5%	\$284,600
Central City - Medium Density	\$21,365	6.5%	\$328,700
Central City - Higher Density	\$23,465	6.5%	\$361,000
Inner South and East Neighborhoods	\$19,700	6.5%	\$303,100
Southern Neighborhoods	\$18,230	6.5%	\$280,500

Note: See Appendix A Table 6 for supporting details and estimates for other scenarios.

For scenarios based on prior more favorable market conditions, a lower threshold ROC of 6.05% is applied, which reflects a lower 4.7% cap rate, based on the average cap rate for four multifamily property sales, summarized in Appendix A Table 7, that occurred from 2020 through February 2022, prior to the significant rise and interest rates, and a spread of 1.35% over this

¹¹ Return on Cost (ROC) represents the ratio between net operating income and development cost of the project.

¹² A capitalization rate or "cap rate" represents the ratio between net operating income and the market value of the completed project.

average cap rate, between the 1.25% to 1.5% spread cited by multiple local multifamily developers.

4.9 Development Cost Estimates

The direct costs of development include all contractor labor and material costs to construct the project including general requirements, contractor fees, and contingencies. As shown in Table 4-10, the direct construction costs are estimated between \$194,000 to \$333,000/unit depending upon the unit type and size. Key variables with respect to direct costs include the size of the unit, the type of parking, and overall density. In general, higher density prototypes are more costly on a per square foot basis than lower density prototypes. The cost estimates have been made based on cost figures for current and pipeline projects provided by developers who are active in the local market, cost figures sourced to local developers included in official statements for recent Community Facilities District bonds, review of developer pro formas for similar building types, and third party sources such as RS Means and the Marshall and Swift Valuation Service.

	Unit Size	Direct Const	Fees and Permits ⁽¹⁾	Other Indirects	Financing	Builder Margin ⁽²⁾	Sales & Closing Costs	Development Cost, Builder Margin, <i>Except Land</i>
<u>Single Family Detached</u>								
North Natomas	2,100 sf	\$248,000	\$84,300	\$60,500	\$31,900	\$61,100	\$19,900	\$505,700
N Sacramento / S Natomas	1,900 sf	\$219,000	\$57,100	\$50,000	\$27,800	\$48,400	\$15,700	\$418,000
Inner South & East Neighborhoods	2,300 sf	\$315,000	\$65,900	\$87,200	\$50,700	\$94,000	\$30,600	\$643,400
Southern Neighborhoods	1,750 sf	\$217,000	\$56,800	\$49,800	\$26,300	\$48,400	\$15,700	\$414,000
<u>Small Lot SFD or Townhomes</u>								
North Natomas	1,600 sf	\$218,000	\$72,500	\$50,400	\$25,600	\$49,400	\$16,100	\$432,000
N Sacramento / S Natomas	1,500 sf	\$194,000	\$51,200	\$43,300	\$22,400	\$41,400	\$13,500	\$365,800
Central City	1,850 sf	\$333,000	\$61,200	\$81,100	\$41,900	\$81,700	\$26,600	\$625,500
Inner South & East Neighborhoods	1,700 sf	\$286,000	\$50,800	\$71,300	\$36,200	\$72,900	\$23,700	\$540,900
Southern Neighborhoods	1,450 sf	\$196,000	\$49,100	\$44,000	\$22,400	\$42,300	\$13,700	\$367,500
<u>Rentals</u>								
North Natomas	900 sf	\$261,200	\$43,200	\$37,400	\$20,200	n/a	n/a	\$362,000
N Sacramento / S Natomas	900 sf	\$261,200	\$30,800	\$37,400	\$18,500	n/a	n/a	\$347,900
Central City - Medium Density	770 sf	\$248,400	\$31,200	\$35,500	\$21,400	n/a	n/a	\$336,500
Central City - Higher Density	690 sf	\$267,000	\$30,700	\$38,200	\$23,500	n/a	n/a	\$359,400
Inner South & East Neighborhoods	770 sf	\$233,800	\$31,900	\$33,400	\$19,700	n/a	n/a	\$318,800
Southern Neighborhoods	900 sf	\$238,800	\$31,200	\$34,100	\$18,200	n/a	n/a	\$322,300

⁽¹⁾ Includes existing housing impact fee and proposed increased utility fees.

⁽²⁾ Threshold net builder profit margin estimated at 10% of sales. For rentals, developer returns are reflected as part of the return on cost used to identify supported investment, described in Section 4-8.

See Appendix A Tables 5 and 6 for additional information.

Indirect costs of development include architecture and engineering (A&E), municipal fees and permits costs, taxes, insurance, overhead, debt financing costs, etc. The higher density prototypes tend to have higher indirect costs on a per square foot basis because they have more complex design and engineering issues than single family homes and because they take longer to build, which increases financing costs.

Estimated fees and permit costs include proposed new utility fees that have not yet been adopted by the City. Proposed utility fees represent an estimated net increase of between \$7,900 and \$17,400 per unit over existing fees. For scenarios that include affordable housing on-site, the City's existing program of exempting affordable units from certain municipal fees is taken into consideration in the estimates.

Estimated financing costs under current market conditions reflect an interest rate of 9%. For scenarios that reflect prior more favorable conditions, an interest rate of 6% is applied.

The for-sale pro forma analyses reflect a threshold builder net profit margin of 10% of sales revenue. For rental projects, profit to the developer is captured as part of the return on cost, discussed in the prior section.

Total development cost plus a threshold builder profit margin is estimated to range from roughly \$319,000 to \$643,000/unit depending on the prototype, not including land, as summarized in Table 4-8. See Appendix A Tables 5 and 6 for additional details.

4.10 Residential Land Sales Values

Data on residential land sales was accessed from sources including CoStar, a third-party vendor of market data, reporting by the Sacramento Business Times on land transactions, and comparable sales presented in appraisals. Table 4-11 provides a summary of the residential land sale transactions by type.

- *Medium and High Density Residential Sites* – Land targeted for higher density development in the Central City area, generally at densities of 100 units per acre or more (consistent with the medium and high density apartment prototypes) sold at an average price of \$149 per land square foot and \$36,000 per unit based on nine transactions since 2019. Outside of the Central City, medium and high density sites were located mainly in the Inner South and East Neighborhoods subarea and had average pricing of \$73 per land square foot or \$45,000 per unit. Generally, sites targeted at higher densities were priced lower on a per unit basis, but higher on a per square foot basis, compared to development sites targeted for lower densities.
- *Lower Density Apartment Sites* – Land targeted for lower density apartment development outside of the Central City area, ranging from 21 to 40 units per acre,

(consistent with the lower density apartment prototype) sold at an average price of \$17 per land square foot and \$25,000 per unit based on 12 transactions since 2019.

- *Lower Density Single Family and Attached For-Sale sites* – Residential lots outside of the Central City area sold for an average price of \$26 per land square foot and \$125,000 per unit based on 18 transactions since 2019. The condition of lots at sale is an important consideration in pricing. Finished lots with necessary intract street and utility improvements will sell for a premium over lots without these improvements in place. Finished lots in Northlake sold for an average of \$24 per square foot and \$130,000 per unit. Finished lots in Parkbridge Village sold for an average of \$105,000 per unit and around \$20 per square foot.
- *Raw and Partially Improved Land* – Raw or partially improved land that lacks infrastructure necessary for development sold for an average of \$3 per square foot of land or \$23,000 per unit. Sales were primarily in the North Natomas area and consisted of land planned for development primarily at single family densities. Appendix A Table 9 provides two examples of horizontal land development costs for the Delta Shores and Northlake projects drawn from developer-reported information included in recent bond offering documents. For Delta Shores, the expenditure represents a cost of \$19 per land square foot and for Northlake \$12 per land square foot, not including land purchase and \$28 and \$17 per square foot, respectively, with land purchase costs included. This, along with the sales data for unimproved land, demonstrates that most of the value associated with finished lots within larger master plans is represented by horizontal improvements such as new streets and utilities that the developer makes in creating buildable lots. A small share of finished lot values for greenfield development sites is represented by the underlying value of raw land prior to infrastructure improvements and entitlements.
- *Commercial and Industrial Land* – since some residential sites in areas with limited land availability occur on former commercial and industrial properties, sales data for commercial land was also accessed. Prices averaged \$30 per square foot based on eleven transactions in the inner south and east neighborhoods and spanned a wide range of pricing from \$13 to \$95 per square foot.

Table 4-11. Residential Land Sale Transactions, 2019 to 2022

Development Type	No. of Sales	Average Density	Sale Price		
			Min.	Max.	Average ⁽¹⁾
Apartment Sites					
Medium & High Density, Central City (99 - 208 du/ac)	9	181 dua			
Land Price/ sf land			\$83	\$201	\$149
Land Price/ unit			\$22,000	\$64,000	\$36,000
Medium Density, outside Central City (63-110 du/ac)	5	70 dua			
Land Price/ sf land			\$62	\$101	\$73
Land Price/ unit			\$22,000	\$50,000	\$45,000
Lower Density Apartment Sites (21-40 du/ac)	12	29 dua			
Land Price/ sf land			\$8	\$30	\$17
Land Price/ unit			\$13,000	\$45,000	\$25,000
Commercial / Industrial Land, Inner S&E Neigh.	11	n/a	\$13	\$95	\$30
Land Price/ sf land					
For-Sale Residential Development Sites					
Residential Lots	18	9 dua			
Land Price/ sf land			\$11	\$41	\$26
Land Price/ unit			\$45,000	\$341,000	\$125,000
Raw Land and Paper Lots (lacks infrastructure)	6	6 dua			
Land Price/ sf land			\$1	\$6	\$3
Land Price/ unit			\$4,000	\$36,000	\$23,000

(1) Averages weighted based on land area and unit count, for price per square foot and price per unit, respectively.

dua = dwelling units per acre. See Appendix A, Table 8 for details.

The land sale data described above was used to estimate land costs by prototype project, as shown in Table 4-12. Figures represent the supported land value targeted in the analysis for a project to be identified as feasible.

Table 4-12. Land Cost Estimates, Prototype Projects (Supported Land Values for Feasible Project)

	Values Per Square Foot of Land			Values Per Residential Unit		
	Single Family	Small Lot and Attached	Rental	Single Family	Small Lot and Attached	Rental
Central City	N/A	\$120	Med. Dens: \$103 High Dens: \$161	N/A	\$201,000	Med. Dens: \$45,000 High Dens: \$35,000
Inner South and East Neighborhoods	\$65	\$80	\$42	\$354,000	\$174,000	\$50,000
North Natomas	\$25	\$30	\$17	\$121,000	\$73,000	\$25,000
North Sacramento / South Natomas	\$25	\$30	\$17	\$121,000	\$73,000	\$25,000
Southern Neighborhoods	\$25	\$30	\$17	\$99,000	\$73,000	\$25,000

4.11 Feasibility Analysis Findings

The financial feasibility analysis is based on the relationship between the project's revenue potential, the estimated development costs, and a reasonable developer return commensurate with the cost of funds and development risk.

For-Sale Projects Feasibility Analysis Approach – The pro forma analysis for for-sale projects is structured as a residual value analysis. Residual land values are derived by subtracting the development costs and builder profit margin before land acquisition from the estimated net sales revenues. If the residual value exceeds the cost to acquire a site for development, the prototype is generally determined to be feasible. If the residual value is less than the cost to acquire and prepare the site, the prototype will need to address economic challenges. The for-sale pro forma provides a land residual for a finished lot condition and must be compared to values for finished lots with intract and backbone streets in place.

Rental Project Feasibility Analysis Approach -The pro forma analysis for rental projects is, like for-sale projects, structured as a residual value analysis. With the land values supported by the economics of rental projects compared to land costs as one metric for evaluating feasibility. An additional metric presented is the total development cost as a percentage of the amount of debt and equity investment that can be supported by the rental income from the project. Land values are a smaller share of overall development costs for rental projects than with for-sale projects and tend to be far more sensitive to changes in the pro forma. The additional metric is provided as a separate indicator of feasibility tied to overall project economics.

Each prototype project is placed into one of the following three feasibility categories for each scenario that is tested:

- 1) *Feasible* – project type is generally feasible and likely to develop.
- 2) *Marginal Feasibility* – projects type has weaker feasibility and may require some improvement in its economics to move forward.
- 3) *Infeasible / Challenged* – project type has more challenging feasibility and is not likely to move forward without more significant improvements to the pro forma, such as higher prices and rents or lower costs.

Table 4-13 shows the specific criteria applied in placing projects into these three feasibility categories. While criteria used with for-sale and rental projects are expressed differently, they are roughly equivalent¹³.

¹³ For example, if a for-sale project supports a land value within 10% of prevailing land costs, the threshold used to determine feasibility, its development costs plus a builder margin would be within 2% to 4% of project revenues, which is roughly equivalent to the feasibility criteria applied to rental projects.

Table 4-13. Feasibility Criteria		
Feasibility Category	For-Sale Feasibility Criteria	Rental Feasibility Criteria
Feasible	Sales revenues support the development cost of the project, threshold developer return, and purchase of a site at prevailing land costs (within 10% of estimated land cost).	Development costs including land are in balance with the developer investment supported by the project's rental income (within 3%).
Marginal Feasibility	Supported land value of 70% or more of the estimated land cost	Development costs including land are more than the developer investment that can be supported by the project's rental income, but within 3-7%.
Infeasible / Challenged	Supported land value less than 70% of the estimated land cost	Development costs including land significantly exceed (by more than 7%) the developer investment supported by the project's rental income.

4.12 Feasibility Findings: For-Sale Projects

Findings with current market conditions and proposed new utility fees – Table 4-14 summarizes the residual land value conclusions for the for-sale prototypes under current market conditions, assuming proposed new utility fees, and assuming payment of the City's existing housing impact fee (with all the existing incentives in place including the \$0 fee for higher density). The financial feasibility analysis shows that for-sale projects are being challenged by downward pressure on prices, the new utility fees that are proposed, and higher financing costs in today's market. The only prototypes classified as feasible are the small lot and attached prototypes in the Central City and Inner South and East neighborhoods, supported by higher pricing in those locations. The other prototypes had more marginal feasibility based on supported land values below prevailing land costs. The North Sacramento / South Natomas prototypes were found to be infeasible, driven primarily by lower sales prices. The supporting pro forma table for this scenario is provided in Appendix A Table 5A.

Table 4-14. For-Sale Feasibility Findings, Current Market Conditions, Proposed Utility Fees, Existing HIF

	Unit Size	Sales Prices	Development Cost Excluding Land	Supported Land Value	Estimated Land Cost	Supported Land Value as % of Land Cost	Feasibility Conclusion
<u>Single Family Detached</u>							
North Natomas	2,100 sf	\$611,000	(\$505,700)	\$105,300	\$121,000	87%	M
N Sacramento / S Natomas	1,900 sf	\$484,000	(\$418,000)	\$66,000	\$121,000	55%	I
Inner South and East Neighborhoods	2,300 sf	\$940,000	(\$643,400)	\$296,600	\$354,000	84%	M
Southern Neighborhoods	1,750 sf	\$484,000	(\$414,000)	\$70,000	\$99,000	71%	M
<u>Small Lot SFD and Townhomes</u>							
North Natomas	1,600 sf	\$494,000	(\$432,000)	\$62,000	\$73,000	85%	M
N Sacramento / S Natomas	1,500 sf	\$414,000	(\$365,800)	\$48,200	\$73,000	66%	I
Central City	1,850 sf	\$817,000	(\$625,500)	\$191,500	\$201,000	95%	F
Inner South and East Neighborhoods	1,700 sf	\$729,000	(\$540,900)	\$188,100	\$174,000	108%	F
Southern Neighborhoods	1,450 sf	\$423,000	(\$367,500)	\$55,500	\$73,000	76%	M
F= Feasible							
M= Marginal Feasibility							
I= Infeasible / Challenged							

Findings with prior market conditions and existing utility fees – Feasibility was also tested under recent more favorable market conditions, before rising interest rates began to have more of an impact on pricing, and with current lower utility fees. Findings are shown in Table 4-15. As shown, the for-sale prototype projects are identified as generally feasible, which is consistent with the fact that substantial new market rate development has been occurring. The supporting pro forma table for this scenario is provided in Appendix A Table 5C.

Table 4-15. For-Sale Feasibility Findings, Prior More Favorable Market Conditions, Existing Utility Fees, Existing HIF

	Unit Size	Sales Price or Supported Investment Per Unit	Development Cost Excluding Land	Supported Land Value	Estimated Land Cost Per Unit	Supported Land Value as % of Land Cost	Feasibility Conclusion
<u>Single Family Detached</u>							
North Natomas	2,100 sf	\$650,000	(\$493,400)	\$156,600	\$121,000	129%	F
N Sacramento / S Natomas	1,900 sf	\$515,000	(\$401,600)	\$113,400	\$121,000	94%	F
Inner South & East Neighborhoods	2,300 sf	\$1,000,000	(\$622,400)	\$377,600	\$354,000	107%	F
Southern Neighborhoods	1,750 sf	\$515,000	(\$401,800)	\$113,200	\$99,000	114%	F
<u>Small Lot SFD and Townhomes</u>							
North Natomas	1,600 sf	\$525,000	(\$420,200)	\$104,800	\$73,000	144%	F
N Sacramento / S Natomas	1,500 sf	\$440,000	(\$350,400)	\$89,600	\$73,000	123%	F
Central City	1,850 sf	\$860,000	(\$603,800)	\$256,200	\$201,000	127%	F
Inner South & East Neighborhoods	1,700 sf	\$775,000	(\$524,100)	\$250,900	\$174,000	144%	F
Southern Neighborhoods	1,450 sf	\$450,000	(\$355,800)	\$94,200	\$73,000	129%	F
F= Feasible							
M= Marginal Feasibility							
I= Infeasible / Challenged							

4.13 Feasibility Findings: Rental Projects

Rental findings with current market conditions and proposed new utility fees – Table 4-16 summarizes the residual land value conclusions for the rental prototypes under current market conditions, assuming proposed new utility fees, and assuming payment of the City's existing housing impact fee (with all the existing incentives in place including the \$0 fee for higher density). The financial feasibility analysis shows that rental projects are currently challenged, despite a recent and sustained period of strength in the Sacramento market. A combination of softening rents, upward pressure on cap rates and return requirements from rising interest rates, higher financing costs, and the proposed increase in utility fees results in deterioration of the economics of rental projects. As indicated in Table 4-16, all of the prototype rental projects were found to be infeasible in this scenario. Development costs are out of balance with the amount of investment supported by rental income. As shown, the rental income from the prototype projects is estimated to support only approximately 76% to 92% of estimated development costs. A more detailed pro forma table is provided in Appendix A, Table 6A.

Table 4-16. Rental Feasibility Findings, Current Market Conditions, New Utility Fees, Existing HIF								
	Unit Size	Developer Investment Supported by Rent	Dev. Cost, Except Land	Supported Land Value	Land Cost Per Unit	Dev. Cost with Land	Investment Supported by Rents as % of Dev Cost	Feasibility Finding
North Natomas	900 sf	\$310,900	(\$362,000)	(\$51,100)	\$25,000	\$387,000	80%	I
N. Sacramento / S. Natomas	900 sf	\$284,600	(\$347,900)	(\$63,300)	\$25,000	\$372,900	76%	I
Central City - Med. Density	770 sf	\$328,700	(\$336,500)	(\$7,800)	\$45,000	\$381,500	86%	I
Central City - High Density	690 sf	\$361,000	(\$359,400)	\$1,600	\$35,000	\$394,400	92%	I
Inner South & East Neighborhoods	770 sf	\$303,100	(\$318,800)	(\$15,700)	\$50,000	\$368,800	82%	I
Southern Neighborhoods	900 sf	\$280,500	(\$322,300)	(\$41,800)	\$25,000	\$347,300	81%	I
F= Feasible								
M= Marginal Feasibility								
I= Infeasible / Challenged								

Rental feasibility findings with more favorable recent conditions and current utility fees – Feasibility was also tested under recent more favorable market conditions and existing utility fees. Findings are presented in Table 4-17. Rents in this scenario are 4% to 6% higher than estimates under current conditions for the North Sacramento / South Natomas and Central City prototypes and are the same for other areas (softening of rents appears greater in the Central City where more new units are undergoing initial lease up). The threshold return on cost was set at 6.05%, as described above, based on lower recent cap rates. Financing costs are lower based on lower recent interest rates. Development costs were adjusted to reverse a portion of recent escalation. In essence, this scenario models the economics of rental projects as they existed under recent conditions that supported a robust period for rental development activity in Sacramento, although these conditions have since deteriorated. As shown, development costs are in balance with the developer investment supported by the rental income from the project. The supporting pro forma table for this scenario is provided in Appendix A, Table 6C.

Table 4-17. Rental Feasibility Findings, Prior More Favorable Market Conditions, Existing Utility Fees, Existing HIF

	Unit Size	Developer Investment Supported by Rent	Dev. Cost, Except Land	Supported Land Value	Land Cost Per Unit	Dev. Cost with Land	Investment Supported by Rents as % of Dev Cost	Feasibility Finding
North Natomas	900 sf	\$334,000	(\$310,300)	\$23,700	\$25,000	\$335,300	100%	F
N. Sacramento / S. Natomas	900 sf	\$324,600	(\$295,300)	\$29,300	\$25,000	\$320,300	101%	F
Central City - Med. Density	770 sf	\$381,400	(\$322,600)	\$58,800	\$45,000	\$367,600	104%	F
Central City - High Density	690 sf	\$416,100	(\$344,900)	\$71,200	\$35,000	\$379,900	110%	F
Inner South & East Neighborhoods	770 sf	\$325,600	(\$269,200)	\$56,400	\$50,000	\$319,200	102%	F
Southern Neighborhoods	900 sf	\$301,300	(\$274,600)	\$26,700	\$25,000	\$299,600	101%	F

F= Feasible

M= Marginal Feasibility

I= Infeasible / Challenged

4.14 Scenario Testing

As described above, two versions of the pro forma were developed, one assuming current market conditions, for which project feasibility is weaker, even under existing requirements, and one based on more favorable recent conditions when projects were generally feasible. Scenario testing measures the impact of alternative affordable housing requirements and increased utility fees relative to a base case pro forma for a feasible project under recent more favorable market conditions. Projects are likely to proceed when conditions support improved feasibility or when there is an expectation improved conditions will exist by the time new units are marketed for sale or rent. The approach of evaluating impacts relative to a feasible project allows the impact of potential requirements to be understood apart from recent adverse changes in market conditions. Scenarios assume increased utility fees unless otherwise noted.

- Base Case for comparison: existing housing impact fees and existing utility fees.
- On-Site Affordable Units, with 5%, 10% and 15% affordable units and new utility fees
 - Affordable pricing at Low (70% of AMI) and Moderate at 90% and 110% of AMI;
 - Affordable rents at Very Low (50% AMI), and Low at 60% and 80% of AMI.
- Provision of affordable units in a stand-alone LIHTC affordable project was evaluated in certain subareas. This solution will likely be limited to larger master plans with adequate scale to set aside a site for a stand-alone affordable project.
- Affordable Housing Fee Scenarios – potential fee levels were tested at a range of fee levels ranging from retention of the existing housing impact fee up to an increased rate of \$20 per square foot of net livable area.

For-Sale Projects Scenario Testing

Results of the scenario testing for for-sale projects are summarized in Table 4-18.

The North Sacramento and South Natomas for-sale prototypes show the weakest feasibility across all scenarios, indicating greater sensitivity to potential increases in requirements, driven by the lower market pricing in this area.

The Southern Neighborhood prototypes remained in a feasible range with requirements up to 10% Moderate units or an increased housing impact fee of up to \$10 per square foot.

Projects in the Central City, North Natomas, and small lot single family projects in the Inner South and East Neighborhoods remained in a feasible range with up to 10% Low or 15% Moderate units or fees up to \$20 per square foot.

Providing affordable units in a separate stand-alone affordable project supported by tax credits and other funding sources in conjunction with a non-profit partner could reduce the cost of producing the affordable units and generally enhances feasibility relative to providing for-sale affordable units. However, this is mainly an option for larger master plans and most smaller projects will not have sufficient scale or an appropriate site for a standalone tax credit rental project to be a workable option.

Table 4-18. For Sale Project Scenario Testing*Assuming Prior Market Conditions and Proposed Utility Fees Except as Noted*

No.	Description	App A Table	Central City	Southern Neighborhoods		North Sacramento and South Natomas		North Natomas		Inner South and East	
			Townhome	SF	Sm lot	SF	Sm lot	SF	Sm lot	SF	Sm lot
1	Current Market, Proposed Utility Fees, Existing HIF	5A	F	M	M	I	I	M	M	M	F
2	Current Market, Existing Utility & HIF	5B	F	M	F	I	M	F	F	M	F
3	Prior Market, Existing HIF & Utility Fees (Base Case for scenarios 4 to 22)	5C	F	F	F	F	F	F	F	F	F
4	5% Moderate at 110% AMI	5D	F	F	F	M	F	F	F	F	F
5	5% Moderate at 90% AMI	5E	F	F	F	M	F	F	F	F	F
6	5% Low at 70% AMI	5F	F	F	F	M	F	F	F	F	F
7	10% Moderate at 110% AMI	5G	F	F	F	M	F	F	F	F	F
8	10% Moderate at 90% AMI	5H	F	F	F	M	F	F	F	M	F
9	10% Low at 70% AMI	5I	F	M	F	I	M	F	F	M	F
10	15% Moderate at 110% AMI	5J	F	F	F	M	F	F	F	M	F
11	15% Moderate at 90% AMI	5K	M	M	F	M	F	F	F	M	F
12	15% Low at 70% AMI	5L	M	M	M	I	I	M	F	M	F
13	10% in Stand-Alone LIHTC Project ⁽¹⁾	5M	n/a	F	F	M	F	F	F	n/a	n/a
14	15% in Stand-Alone LIHTC Project ⁽¹⁾	5N	n/a	F	F	M	F	F	F	n/a	n/a
15	20% in Stand-Alone LIHTC Project ⁽¹⁾	5O	n/a	F	F	M	F	F	F	n/a	n/a
16	No Change to HIF	5P	F	F	F	M	F	F	F	F	F
17	Existing HIF with incentives removed	5Q	F	F	F	M	F	F	F	F	F
18	HIF @\$5/SF	5R	F	F	F	M	F	F	F	F	F
19	HIF @\$7.50/SF	5S	F	F	F	M	F	F	F	F	F
20	HIF @\$10/SF	5T	F	F	F	I	M	F	F	F	F
21	HIF @\$15/SF	5U	F	M	M	I	M	F	F	F	F
22	HIF @\$20/SF	5V	F	M	M	I	I	F	F	F	F

(1) Primarily an option for larger master plans. Would have an average affordability level of 60% AMI or less. This option is not likely to be practical for most projects in Central City and Inner South and East Neighborhoods based on typically smaller site / project size, thus lacking the scale to do a separate stand-alone LIHTC project.

F= Feasible

M= Marginal Feasibility

I= Infeasible / Challenged

Table 4-19 provides another version of the for-sale scenario testing in which current less favorable market conditions are assumed in all scenarios. As shown, projects in the Central City can absorb an increase in the HIF to \$7.50 plus the proposed new utility fees. Small lot single family projects in the Inner South and East Neighborhoods could support a 5% on-site requirement, 10% at 110% AMI, or fees up to \$15 per square foot; however, projects in other submarkets would be challenged by any increase in requirements with current less favorable market conditions and proposed new utility fees.

Table 4-19. For Sale Project Scenario Testing*Assuming Current Market Conditions and Proposed Utility Fees*

No.	Description	App A Table	Central City	Southern Neighborhoods		North Sacramento and South Natomas		North Natomas		Inner South and East	
			Townhome	SF	Sm lot	SF	Sm lot	SF	Sm lot	SF	Sm lot
4	5% Moderate at 110% AMI	5D	M	M	M	I	I	F	F	M	F
5	5% Moderate at 90% AMI	5E	M	I	M	I	I	M	M	M	F
6	5% Low at 70% AMI	5F	M	I	I	I	I	M	M	M	F
7	10% Moderate at 110% AMI	5G	M	M	M	I	M	M	F	M	F
8	10% Moderate at 90% AMI	5H	M	I	I	I	I	M	M	M	M
9	10% Low at 70% AMI	5I	M	I	I	I	I	I	I	M	M
10	15% Moderate at 110% AMI	5J	M	M	M	I	M	M	F	M	M
11	15% Moderate at 90% AMI	5K	I	I	I	I	I	M	M	I	M
12	15% Low at 70% AMI	5L	I	I	I	I	I	I	I	I	M
13	10% in Stand-Alone LIHTC Project ⁽¹⁾	5M	n/a	M	M	I	I	F	M	n/a	n/a
14	15% in Stand-Alone LIHTC Project ⁽¹⁾	5N	n/a	I	I	I	I	F	M	n/a	n/a
15	20% in Stand-Alone LIHTC Project ⁽¹⁾	5O	n/a	I	I	I	I	M	M	n/a	n/a
16	Current HIF + proposed Utility Fees	5P	F	M	M	I	I	M	M	M	F
17	Existing HIF with incentives removed	5Q	F	I	I	I	I	M	M	M	F
18	HIF @\$5/SF	5R	F	I	I	I	I	M	M	M	F
19	HIF @\$7.50/SF	5S	F	I	I	I	I	M	M	M	F
20	HIF @\$10/SF	5T	M	I	I	I	I	M	I	M	F
21	HIF @\$15/SF	5U	M	I	I	I	I	I	I	M	F
22	HIF @\$20/SF	5V	M	I	I	I	I	I	I	M	M

(1) Primarily an option for larger master plans. Would have an average affordability level of 60% AMI or less. This option is not likely to be practical for most projects in Central City and Inner South and East Neighborhoods based on typically smaller site / project size, thus lacking the scale to do a separate stand-alone LIHTC project.

F= Feasible

M= Marginal Feasibility

I= Infeasible / Challenged

Rental Project Scenario Testing

Results of the scenario testing for rental projects are summarized in Table 4-20. The combination of proposed increased utility fees and an on-site affordability requirement was found to be challenging for rental projects to sustain, even at a relatively modest 5% affordability requirement. Projects were able to sustain increased utility fees and application of the full existing HIF rate to all projects (removing the \$0 rate for higher density). Projects in some areas were able to sustain a larger increase in fees, as indicated. The greater sensitivity to increased requirements in rental projects compared to for-sale is partly a function of proposed utility fees that are estimated to be higher for rental projects on a per square foot basis compared to for-sale projects.

Table 4-20. Rental Project Scenario Testing*Assuming Prior Market Conditions and Proposed Utility Fees Except as Noted*

No.	Description	App A Table	Central City		Southern Neighborhoods	North Sacramento and South Natomas	North Natomas	Inner South and East
			Med Den	High Den				
1	Current Mkt, Proposed Utility Fees, Existing HIF	6A	I	I	I	I	I	I
2	Current Mkt, Existing Utility and HIF	6B	I	M	I	I	I	I
3	Prior Market, Existing HIF & Utility Fees (Base Case for scenarios 4-19)	6C	F	F	F	F	F	F
4	5% Low @80% AMI	6D	F	F	M	M	M	F
5	5% Low @60% AMI	6E	F	F	M	M	M	M
6	5% Very Low @50% AMI	6F	M	F	M	M	M	M
7	10% Low @80% AMI	6G	M	F	M	M	M	M
8	10% Low @60% AMI	6H	M	F	I	I	I	I
9	10% Very Low @50% AMI	6I	I	F	I	I	I	I
10	15% Low @80% AMI	6J	M	F	I	I	I	M
11	15% Low @60% AMI	6K	I	M	I	I	I	I
12	15% Very Low @50% AMI	6L	I	I	I	I	I	I
13	No Change to HIF	6M	F	F	F	F	F	F
14	HIF @\$5/SF	6N	F	F	M	F	M	F
15	HIF @\$7.50/SF	6O	F	F	M	M	M	F
16	HIF @\$10/SF	6P	F	F	M	M	M	F
17	HIF @\$15/SF	6Q	F	F	M	M	M	M
18	HIF @\$20/SF	6R	M	F	I	M	I	M
19	Existing HIF with incentives removed	6S	F	F	F	F	F	F

F= Feasible

M= Marginal Feasibility

I= Infeasible / Challenged

If the scenario testing in Table 4-20 were performed assuming current less favorable market conditions, all the scenarios with increased affordable housing requirements and proposed increased utility fees would be identified as infeasible.

4.15 Compliance Cost Analysis

The cost of complying with alternative affordable housing requirements was expressed as a cost per net square foot of livable area within the project. The purpose is to assist in understanding the relative impact of various alternatives on the economics of residential development projects. The proposed net increase in utility fees is illustrated and is reflected in all scenarios.

The identified dollar per square foot costs of providing affordable units within the project is based on the net impact to the pro forma from setting aside a share of units at affordable prices

and rents. The term “cost” is used, although technically the impact of an affordability restriction is forgone rent revenue or sales proceeds. Costs are higher where there is a larger difference between market rate and affordable prices and rents.

Charts 4-8 through 4-10 present the results of the compliance cost analysis for for-sale projects. Charts 4-11 through 4-13 present the compliance cost analysis for rental projects. Where there are multiple prototypes within a particular subarea, an average of the two prototypes is presented in the charts. The North Natomas, Southern Neighborhoods and North Sacramento and South Natomas submarkets are combined as an average given similar compliance costs. Supporting analysis is provided in Appendix A Tables 2A and 2B.

Chart 4-8. Per Square Foot Costs, Alternative Requirements, For-Sale Projects, Central City

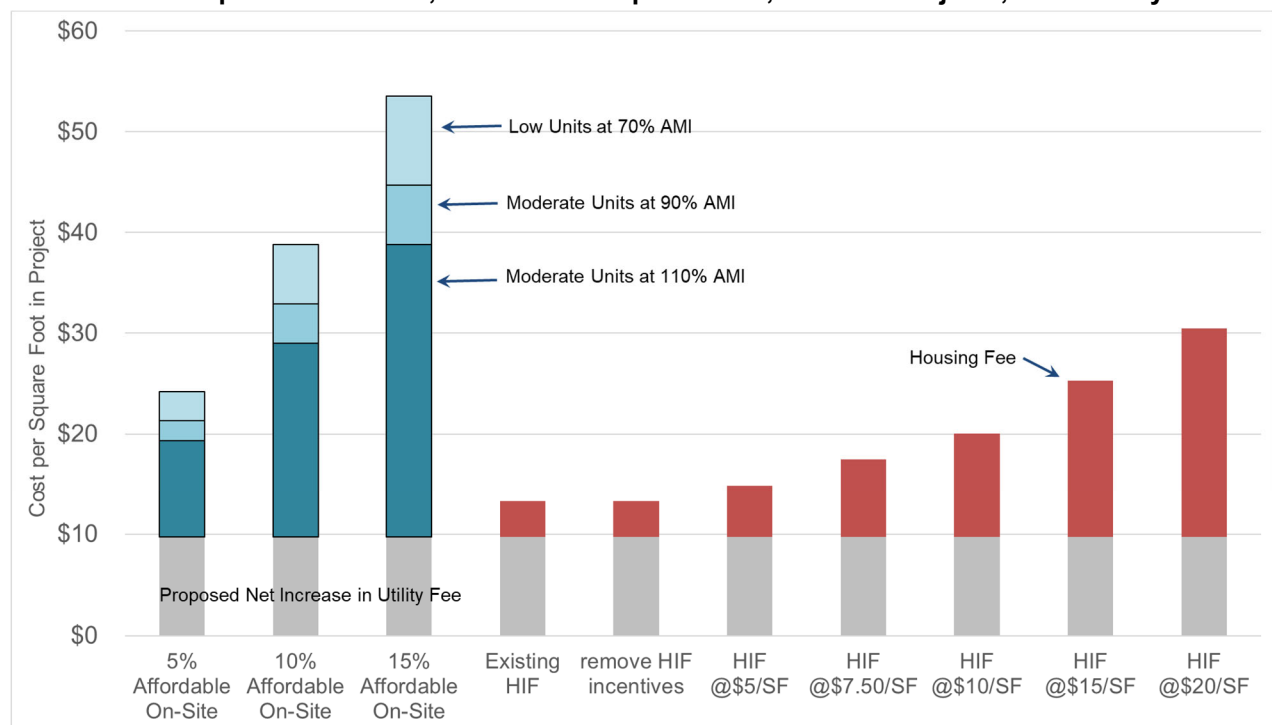


Chart 4-9. Per Square Foot Costs, Alternative Requirements, Inner South and East Neighborhoods For-Sale

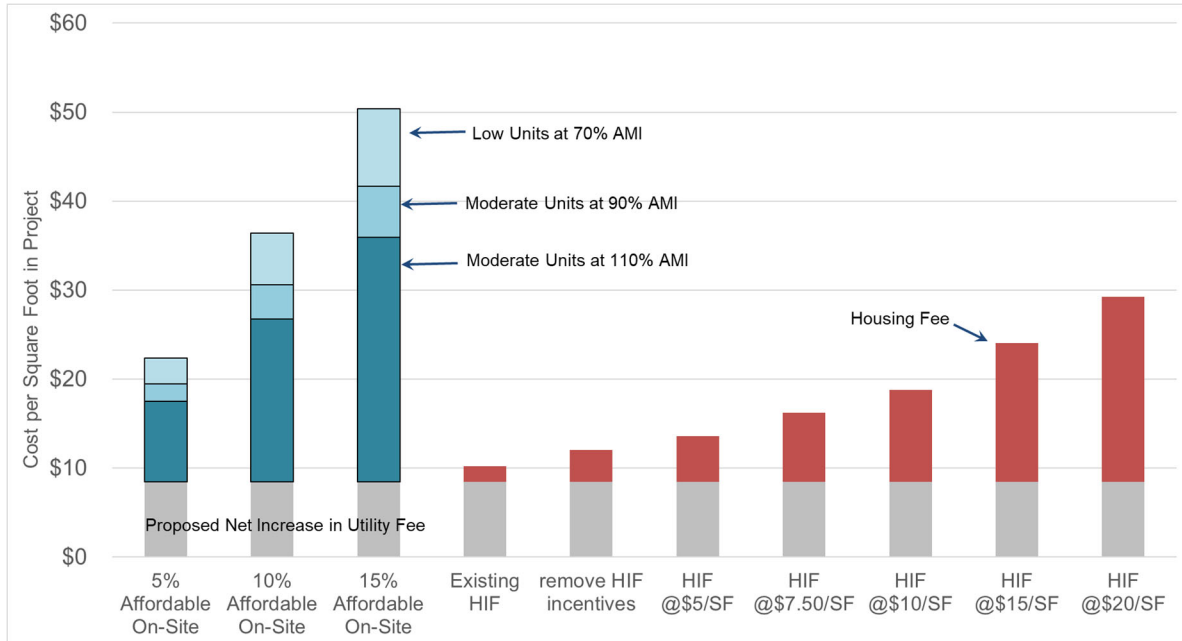


Chart 4-10. Per Square Foot Costs, Alternative Requirements, Average of Three Submarkets: Southern Neighborhoods, N. Natomas, and N. Sacramento / S. Natomas Submarkets, For-Sale

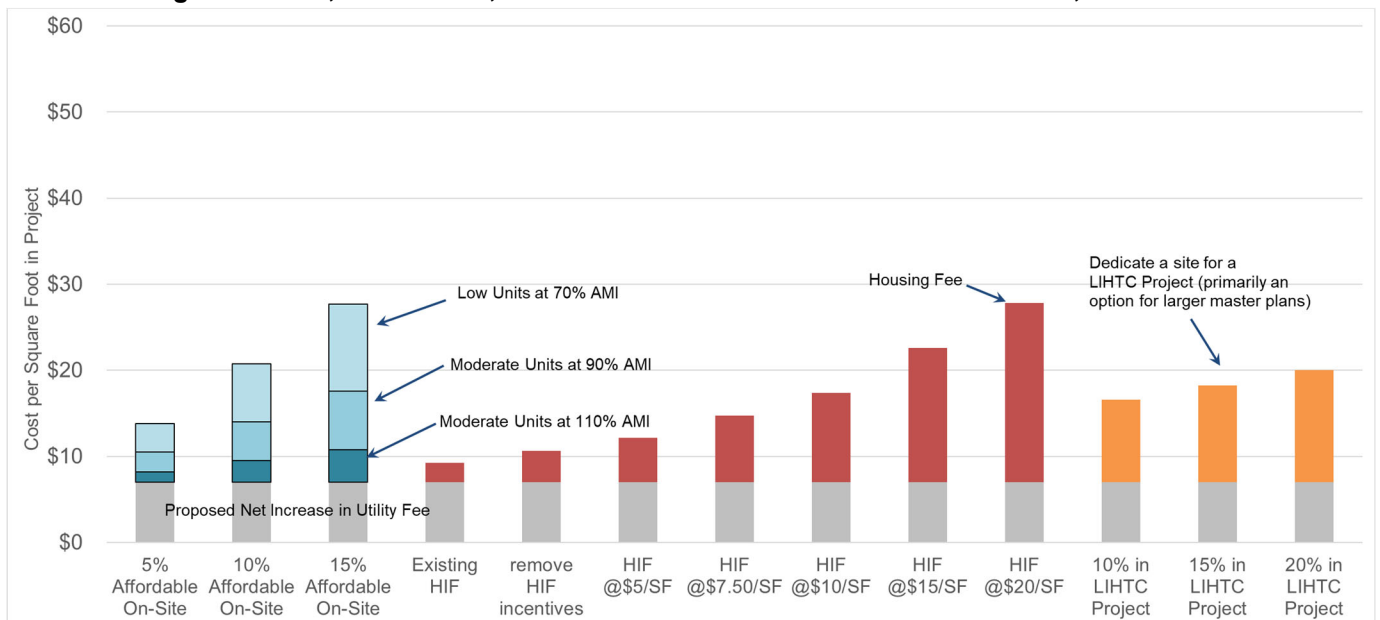


Chart 4-11. Per Square Foot Costs, Alternative Requirements, Rental Projects, Central City

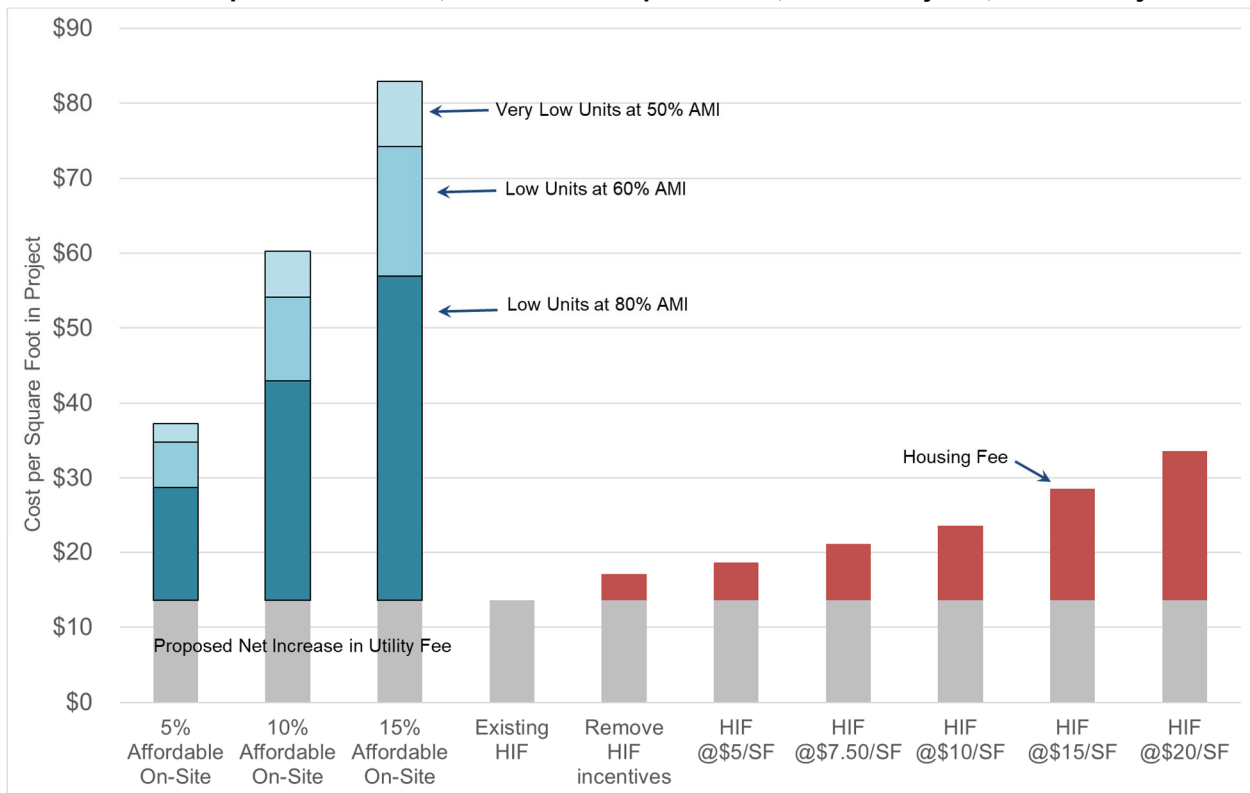


Chart 4-12. Per Square Foot Costs, Alternative Requirements, Inner South and East Neighborhoods, Rental Projects

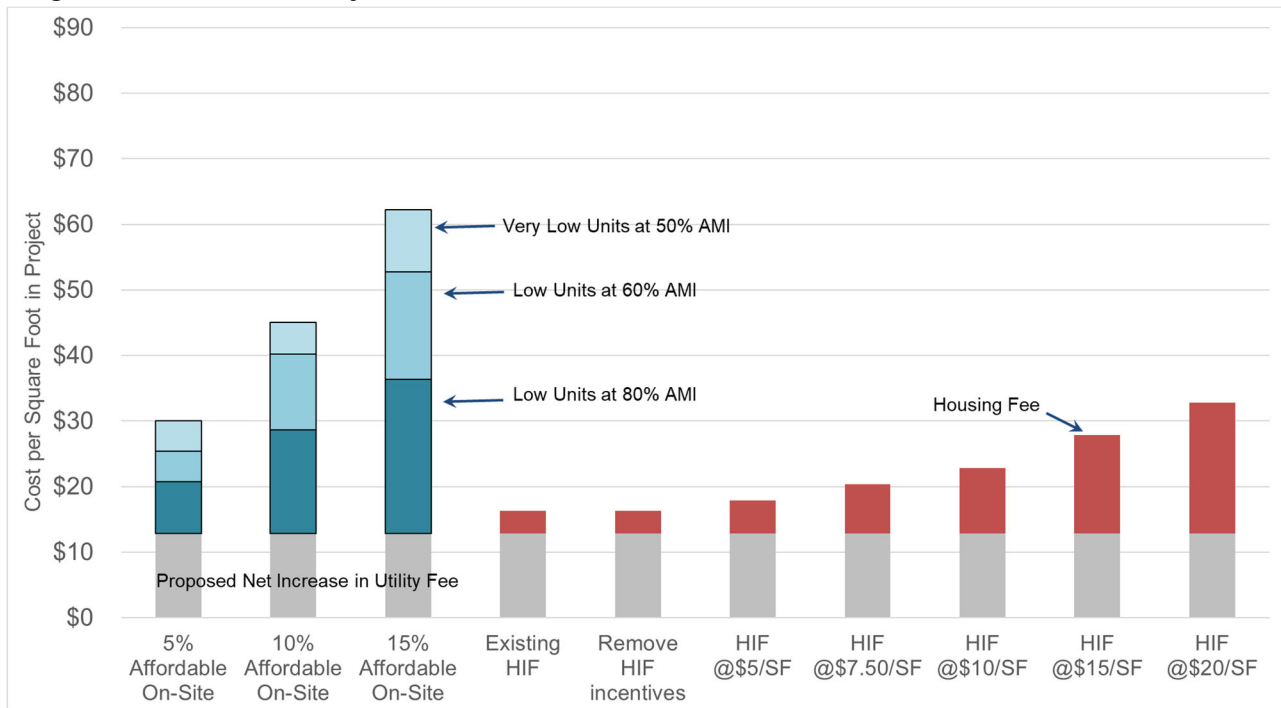
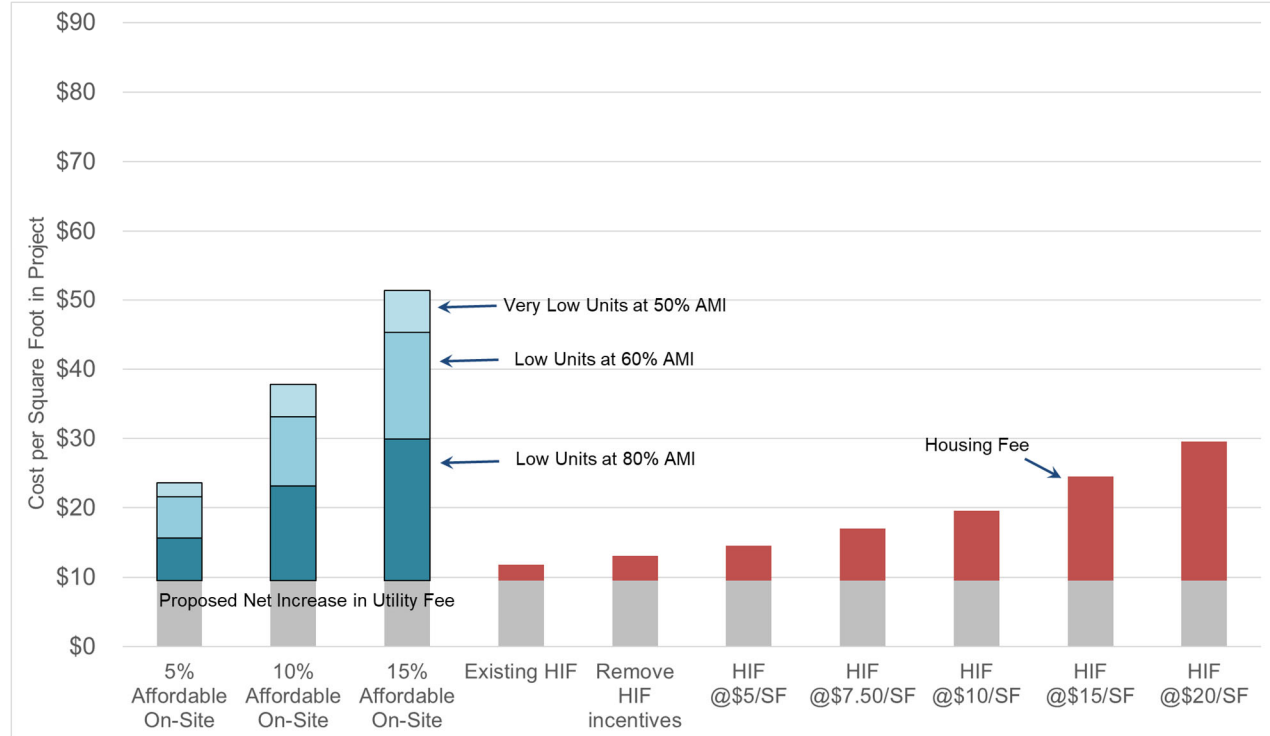


Chart 4-13. Per Square Foot Costs, Alternative Requirements, Average of Three Submarkets: Southern Neighborhoods, N. Natomas, and N. Sacramento / S. Natomas Submarkets, Rentals



Additional metrics to assist in evaluating the alternative affordable housing requirements are provided in the appendix including:

- Estimated impact on residual land values (Appendix A Tables 3A and 3B); and
- Combined cost of fees, permits and affordable housing requirements as a percentage of total development costs of the project (Appendix A Tables 4A and 4B).

4.16 Potential Ways Development Projects May Respond to an Increased Requirement

There are a variety of ways development projects could potentially respond to a new or significantly increased requirement, just as projects adapt to fluctuations in home prices, rents, construction costs and other factors. A minor change in costs may not result in a substantive adjustment to the economics of projects and may not lead to material effects, while a more substantive change might elicit one or more of the following possible outcomes:

- *Adjustments to Land Costs* – Developers purchase development sites at values that will allow for financially feasible projects. When a housing fee or inclusionary housing requirement is in place, developers “price in” the requirement when evaluating a project’s economics and negotiating the purchase price for development sites. When affordable housing fees or inclusionary requirements are increased, it is possible that downward pressure on land costs could result as developers adjust what they can afford

to pay for land. This downward pressure on land prices can, to some degree, bring costs back into better balance with the overall economics supported by projects. While adjustments to land costs are possible, several factors limit the extent to which adjustments can occur. Existing uses on a site that generate income or alternative land uses that compete for a site will tend to dampen the potential for downward adjustments to land price. Landowners have expectations regarding the value of their property and may hold the property off the market rather than accept a less attractive price, especially if the property is generating income, or it may take time for pricing expectations to adjust. For larger master plan developments with substantial infrastructure requirements, a reduction in the value supported by the residential units affects the resources available to fund infrastructure and constrains the ability to absorb reduced land values while maintaining a viable financing plan for required infrastructure. As indicated in the analysis in Appendix A Tables 3A and 3B, adjustments to land values needed to absorb potential modified requirements can be quite substantial depending on the scenario, suggesting that adjustments to land values are unlikely to be the only shock absorber needed for projects to adapt to a substantial increase in requirements, particularly with respect to rentals.

- *Improving Market Conditions Sustain Feasibility* – When prices and rents are rising, it can help absorb the cost of a new requirement and allow projects to move forward despite an added cost.
- *Narrower Range of Market Conditions where Projects Pencil* – If a new requirement makes projects significantly more challenging, projects may only move forward under a narrower range of market conditions, or in the extreme case, not at all. For example, following a downturn in the market, once conditions begin to improve again and new development projects start to move forward, a significant new requirement could increase the length of time for projects to begin moving again. In effect, projects may wait for market conditions to support somewhat higher market prices or rents before they move forward. In the extreme case, projects may not develop at all if requirements are too high for any market condition the jurisdiction is likely to see.
- *Shift in Development to Other Communities* – If a new requirement makes it substantially more costly to build in the City of Sacramento relative to other nearby communities, projects in nearby communities may “pencil” before projects in the City of Sacramento do. This could result in other communities absorbing a larger share of new residential development compared to the City of Sacramento. As we all know, decisions about where to live often balance a complex set of considerations, personnel preferences, and connections to place and family. As the urban core of the region and capital of California, Sacramento will always have something special to offer. These factors may mitigate, to some degree, the potential that development would shift elsewhere.

Changes that represent a tiny fraction of the overall development cost of a project may not have a material effect. For more substantive changes, a combination of all the above adjustments may occur, or changes may be weighted toward one type of adjustment or another, depending on conditions specific to the jurisdiction. For example, a community or neighborhood where market conditions are very strong and supply is very limited may see new requirements absorbed mainly through adjustments to land values, while a community where market conditions are not as strong and potential purchasers of new units tend to be more cost sensitive may be more likely to see projects shift toward other jurisdictions or move forward under a narrower set of market conditions.

4.17 Changes in Prices and Rents Sufficient to Offset Cost of Increased Affordable Housing Requirements

To the extent market prices and rents increase, it can help absorb the cost of a new or increased requirement. Tables 4-21 and 4-22 illustrate market price and rent increases that would be adequate on their own to fully offset the incremental cost of changes in affordable housing requirements. Development costs are held constant for this illustration and adjustments would have been larger if costs were assumed to move in the same direction as prices and rents. Figures reflect changes to affordable housing requirements only and do not include adjustments based on proposed utility fee increases.

Table 4-21. Market Price Increase Sufficient to Offset Incremental Cost of Affordable Housing Requirements

	Central City	Southern Neighborhoods	North Sacramento and South Natomas	North Natomas	Inner South and East Neighborhoods				
	Townhome	SF	SF sm lot	SF	SF sm lot	SF	SF sm lot	SF	SF sm lot
5% Moderate at 110% AMI	1.8%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	2.5%
5% Moderate at 90% AMI	2.4%	1.1%	0.7%	1.0%	0.4%	0.8%	0.2%	2.6%	3.2%
5% Low at 70% AMI	3.2%	2.5%	2.3%	2.4%	2.2%	2.0%	1.6%	3.3%	4.1%
10% Moderate at 110% AMI	5.0%	1.0%	0%	0.8%	0.0%	1.8%	0.0%	5.5%	5.4%
10% Moderate at 90% AMI	6.2%	3.1%	2.1%	2.9%	1.7%	3.5%	2.0%	6.6%	6.7%
10% Low at 70% AMI	8.0%	6.2%	5.6%	6.1%	5.3%	6.0%	5.0%	8.2%	8.7%
15% Moderate at 110% AMI	8.6%	2.1%	0.1%	1.7%	0%	3.7%	0.9%	9.4%	8.6%
15% Moderate at 90% AMI	10.5%	5.3%	3.8%	5.0%	3.1%	6.4%	4.1%	11.2%	10.7%
15% Low at 70% AMI	13.3%	10.2%	9.3%	10.1%	9.0%	10.4%	8.9%	13.7%	13.9%
10% in Stand-Alone LIHTC Project ⁽¹⁾	n/a	0.4%	0.6%	0.4%	0.6%	0%	0%	n/a	n/a
15% in Stand-Alone LIHTC Project ⁽¹⁾	n/a	1.1%	1.3%	1.0%	1.4%	0%	0.3%	n/a	n/a
20% in Stand-Alone LIHTC Project ⁽¹⁾	n/a	1.8%	2.2%	1.8%	2.2%	0.5%	1.0%	n/a	n/a
Remove HIF Incentives	0.0%	0.9%	0.8%	1.0%	0.9%	0.0%	0.0%	0.0%	0.0%
HIF @\$5/SF	0.4%	1.6%	1.5%	1.7%	1.5%	0.6%	0.5%	0.4%	1.4%
HIF @\$7.50/SF	1.1%	2.6%	2.5%	2.9%	2.7%	1.7%	1.5%	1.2%	2.1%
HIF @\$10/SF	1.8%	3.8%	3.6%	4.1%	3.7%	2.7%	2.5%	1.9%	2.8%
HIF @\$15/SF	3.2%	6.0%	5.7%	6.4%	6.0%	4.8%	4.5%	3.4%	4.3%
HIF @\$20/SF	4.6%	8.2%	7.8%	8.9%	8.2%	6.9%	6.5%	4.9%	5.7%

(1) Primarily an option for larger master plans. Would have an average affordability level of 60% AMI or less. This option is not likely to be practical for most projects in the Central City and Inner South and East neighborhoods based on typically smaller site / project size, thus lacking the scale to do a separate stand-alone LIHTC project.

Table 4-22. Market Rent Increase Sufficient to Offset Incremental Cost of Affordable Housing Requirements

Scenario	Central City		Southern Neighborhoods	N. Sacramento & South Natomas	North Natomas	Inner South and East Neighborhoods
	Med Den	High Den.				
5% Low @80% AMI	2.4%	2.9%	1.1%	1.3%	0.9%	1.0%
5% Low @60% AMI	3.3%	3.8%	2.2%	2.4%	1.9%	2.1%
5% Very Low @50% AMI	3.7%	4.2%	2.7%	2.9%	2.4%	2.6%
10% Low @80% AMI	4.6%	5.8%	2.7%	3.2%	2.7%	2.8%
10% Low @60% AMI	6.6%	7.6%	5.0%	5.4%	4.9%	5.0%
10% Very Low @50% AMI	7.5%	8.5%	6.2%	6.5%	5.9%	6.1%
15% Low @80% AMI	7.5%	9.0%	4.4%	5.3%	4.7%	4.9%
15% Low @60% AMI	10.6%	11.9%	8.1%	8.8%	8.1%	8.3%
15% Very Low @50% AMI	12.2%	13.3%	10.0%	10.5%	9.8%	10.1%
HIF @\$5/SF	0.8%	0.7%	0.8%	0.7%	0.3%	0.3%
HIF @\$7.50/SF	1.2%	1.1%	1.3%	1.2%	0.8%	0.7%
HIF @\$10/SF	1.6%	1.4%	1.8%	1.7%	1.3%	1.2%
HIF @\$15/SF	2.5%	2.1%	2.9%	2.7%	2.3%	2.1%
HIF @\$20/SF	3.3%	2.9%	4.0%	3.8%	3.3%	3.0%
Remove existing HIF incentives	0.6%	0.5%	0.4%	0.4%	0.0%	0.0%

5.0 DEVELOPMENT COMMUNITY CONTACTS

KMA reached out to developers active in the Sacramento market to help inform the feasibility analysis and to supplement available market data. Development professionals with the following organizations were interviewed:

- SKK Developments
- Anthem Properties
- St. Anton Communities
- Signature Homes
- Urban Capital
- Next Generation Capital
- Bardis Homes
- Jamboree Housing
- Mutual Housing
- 29th Street Capital

In addition to the developers listed above, KMA contacted approximately seven additional developers who either declined or did not respond to one or more requests for an interview.

The developers we spoke with provided a wide range of insights on topics including market conditions, construction and development cost estimates, expectations regarding their own projects, how affordable housing obligations affect their pro forma, preferences regarding on-site units versus fee payment, among other topics. The following themes emerged from these developer interviews:

1. *Feasibility has become challenging for new rentals* – Although Sacramento has experienced a cycle of strong feasibility for new rental developments; recent shifts in market conditions have eroded the more favorable conditions that existing until recently. Key factors that have impacted feasibility of rentals include:
 - Thousands of units are now under construction or have been recently completed. New deliveries of completed projects have caused rents to soften. The ability of the market to absorb this level of new supply has not been tested.
 - Development costs have increased substantially from the early years of the strong cycle for rental development that Sacramento has experienced. Previously, rising costs were offset by rising rents and strong demand; however, rent growth has abated.
 - Remote work has persisted, reducing the daytime population that contributes to the vibrancy of the urban core and the incentive to live near work, reducing the attractiveness of rentals within the Central City and contributing to softening rents.

- Cap rates have been drifting upward, which in turn places upward pressure on the returns needed for a project to pencil.
 - Rising interest rates mean projects must achieve higher returns to justify development risk relative to safer investment alternatives such as U.S. treasuries, which now pay much higher interest rates.
 - Developers are being more cautious about underwriting, for example, not projecting rents will continue to trend upward.
 - Some equity investors have exited the market or are waiting until it is clearer how the market will respond to the new supply now under construction and other market changes. Some equity investors are seeking substantially higher returns that many projects are not able to support.
2. *Adverse conditions are viewed as temporary* – Adverse conditions for rental development are viewed as potentially temporary or cyclical in nature. Rental developers expressed greater optimism regarding the medium- to longer-term time horizon and were exploring approaches to move forward with the pipeline projects they have, are continuing to seek equity investors, and / or are positioning projects to move ahead when conditions improve. Despite a challenging environment one developer was closing on construction financing for a new rental project and another had applied for building permits for a multifamily project. Others are pursuing sites for future projects at lower land prices. Examples of adjustments that were cited as potentially enabling projects to move forward include changes in expectations for land prices, more competitive bidding by contractors, more favorable market conditions (rent growth), renewed interest by equity investors, or some combination of these.
3. *For-sale housing market conditions* – For-sale developers noted that the market slowed substantially in the second half of 2022 as many buyers stayed on the sidelines. With interest rates peaking in late fall and then dropping somewhat, buyers began to come back into the market and sales picked up. For-sale developers agreed that current market conditions are less favorable than they have been, but opinions varied regarding both current conditions and near-term expectations for improvement. On the more optimistic side, there was an expectation for a “normal” year in 2023 and a good year in 2024 and confidence about moving forward with current projects. Another characterized current conditions as not great but not as adverse as the great recession, with optimism for significant improvement by 2025. On the more pessimistic end of the spectrum, a substantial drop in pricing of 15% to 20% was cited, with differential impacts to the middle of the pricing spectrum oriented to “move-up” buyers, who now have little incentive to sell their existing home and give up existing favorable interest rates on current mortgages. Developers cited a lack of supply as something that would help drive a recovery.

4. *Costs* – A number of developers interviewed provided information regarding current construction costs, which helped inform development of the pro forma analysis described in the prior section. Several developers confirmed that construction costs have decreased from last year as contractor bids have become more competitive and lumber pricing has eased. Cost decreases in the range of 10 to 15% were cited relative to last year, although still higher than in 2019, before the pandemic.
5. *Fees versus on-site requirements* – Several developers expressed a strong preference to have a fee option and strongly encouraged the City to consider retention of the fee option rather than move toward a mandatory requirement to include affordable units within the project. One developer cited greater uncertainty regarding the ultimate cost of an affordable housing obligation compared to a fee requirement that makes the fee much easier to evaluate during the predevelopment stage. One developer cited very high gaps between market prices and affordable prices for an on-site for-sale product. Providing a site for an affordable project financed with Low Income Housing Tax Credits within a larger master plan community was seen as a more favorable solution that would not present the same challenges as a mixed income on-site requirement would, and several developers had experience with this approach. One market rate developer was somewhat of an outlier in indicating a more optimistic view that developers could make an on-site affordable unit requirement work, presuming incomes in the moderate range are targeted and cautioning that flexibility on the City's part was very important. One developer indicated that proposed changes to the MIHO are viewed as a "threat" and expressed concerns an on-site requirement or significantly increased fee would substantially impair the feasibility of projects, particularly given a more challenging environment at this time.
6. *Property management considerations* – Several developers cited property management and service delivery challenges with including a limited number of on-site affordable units dispersed within a larger market rate rental project. The reason is that market rate property managers and owners do not have experience qualifying households for occupancy of affordable units and are not equipped to provide supportive services to those who need it. With only a small number of affordable units, projects would likely lack the scale needed to hire a dedicated property manager with the relevant expertise.
7. *Value of Density Bonus* – Several developers suggested that a density bonus, which is available through State law, would be unlikely to encourage them to include affordable units on-site in the Sacramento market. In part, this is due to sufficient flexibility in zoning regulations, such that a density bonus was not seen as necessary. Another factor was the expectation that including affordable units on-site would be challenging financially. Some developers expressed a favorable view of density bonus policies generally, without indicating whether such a policy is likely to be utilized in the Sacramento context.

8. *Impact of New Requirements* - Several developers indicated that the cost of affordable housing requirements comes out of residual land value while several other developers suggested that costs are passed on to market rate home buyers and renters.
9. *Affordable Housing Projects Financed with LIHTCs* – At least three of the developers interviewed had experience with 100% affordable projects. The following summarizes feedback that relates to 100% affordable projects financed with tax credits:
- Land is one of the most important factors for an affordable project to move forward. Not all sites are equal, sites in areas where projects are able to earn the required points for access to amenities is important and location in a high resource area is also a benefit.
 - A minimum project size of 50 to 80 units was cited while a project size of 120 to 150 units was cited as preferable. Smaller projects were cited as more difficult due to a lack of operating economies of scale for property management and services.
 - Recently there has been more funding for affordable housing available through the State, but the private activity bond volume cap has been reached, which has made securing tax exempt bonds and 4% tax credit financing competitive and resulted in a backlog of projects.
 - The ordinance should allow sufficient flexibility so that 100% affordable projects can respond to how funding is prioritized at the State level, which changes over time.
 - Fee waivers for affordable units that the City provides are very helpful. Expediting plan check or putting affordable units at the front of the line would also be helpful.
 - Providing a seamless or more coordinated process between the City, County and SHRA would be helpful for supporting affordable projects.
 - One affordable developer raised concerns regarding SHRA fees and requirements as adding cost and time to affordable projects relative to other jurisdictions. One example cited was requiring affordable units to use more costly materials for countertops.
 - State subsidy sources typically require payment of prevailing wage, which results in higher development costs in the range of 20% to 40%. Some affordable developers have a model of avoiding the payment of prevailing wage by structuring projects in a manner that avoids pursuing certain subsidy sources that would trigger prevailing wage, but this approach also drives what affordability levels the project is able to serve.
 - Affordable developers were asked to provide feedback on whether or how an inclusionary requirement affects their financing, given concerns raised by building

industry representatives to that effect. In response, it was clarified that, if a LIHTC affordable project is being built to meet an inclusionary requirement for a market rate project, there can be scoring implications for certain project types in certain locations under the 9% tax credit program but not the 4% tax credit program. Under the 9% tax credit program, large family projects located in a High or Highest Resource area¹⁴ are eligible to receive a scoring boost that can help them secure financing, but only if the project is not also satisfying an inclusionary requirement. In contrast, with the 4% tax credit and tax exempt bond program, projects meeting an inclusionary requirement are eligible for the same scoring boost as other projects in a High or Highest Resource Area. While there are provisions related to adjustments to threshold basis limits as well, which place upper limits on amounts considered for calculation of tax credits, we were advised threshold basis limits are generally not an operative constraint in the Sacramento market because the eligible basis on which tax credits are calculated is generally below threshold basis limits.

¹⁴ A map showing the location of these areas is available here: <https://belonging.berkeley.edu/2023-ctcac-hcd-opportunity-map>. The North Natomas, Inner South and East and Central City submarkets include areas designated as High or Highest Resource, but designations vary by U.S. Census tract.

6.0 REQUIREMENTS IN OTHER JURISDICTIONS AND CASE STUDIES

Understanding affordable housing requirements in other jurisdictions can provide helpful context in considering revised requirements for the City of Sacramento. This section provides an overview of inclusionary programs and affordable housing fees in jurisdictions within the Sacramento region as well as other large cities. A more in-depth review is provided for the following seven cities: West Sacramento, Roseville, Folsom, Davis, Denver, Portland, and San Jose.

6.1 Local Jurisdiction Requirements

An overview of affordable housing requirements applicable to residential development in ten local jurisdictions and the City of Sacramento is provided in Table 6-1. The jurisdictions include cities within the SACOG area with populations over 50,000 plus Yolo, Sacramento, Sutter and Placer Counties. The summary provides an overview of the basic requirements (affordable units onsite, affordable housing impact fees, etc.) and alternative compliance options, organized by type of program.

Table 6-1. Affordable Housing Requirements, SACOG Region, Jurisdictions with Population over 50,000			
Program Type	Ownership Housing Only	Both Rental and Ownership	
Impact fees only		Elk Grove	
Choice of fee or on-site units	Folsom	Sacramento Sutter County Sacramento County Placer County**	
On-site units are required; alternatives by approval only		West Sacramento Yolo County* Davis	
Other program structures	Roseville (Requirements vary by Specific Plan and parcel.) Rancho Cordova (Affordable Housing Plans in certain areas.)		
SACOG cities and counties over 50,000 with no program	El Dorado County Yuba County	Citrus Heights Yuba City	Lincoln Rocklin

*Allows fees for smaller projects.

** Requires units for large projects.

Table 6-2 provides information regarding the provisions of each program, including:

- Population from the US Census Bureau and the California Department of Finance.
- Year adopted or most recently updated.
- Program requirements including whether the program requires onsite units, a fee payment, offsite units, or a choice. While some cities technically offer a choice, the fee payment is often significantly less costly than onsite units, suggesting that most projects are likely to pay the fee.

- Minimum project size. Many programs exempt small projects, either from providing onsite units (allowing fee payment instead of units) or from any housing obligation. The minimum project size is presented by unit tenure and is shown separately for fee payment and build requirements.
- Onsite Requirement / Option. Percent of units required and income level of the affordable units.
- Impact / In-lieu Fee. Current fee levels and how the fees are assessed.
- Deed Restriction Term. The length of the deed restriction for the inclusionary units by tenure.
- Other Compliance Options. Alternative compliance options such as off-site units and dedicating land for affordable housing. Some programs require City/County approval of these options, while others allow them by right.

The review of local programs identified the following:

- Many local programs have a 10% onsite option or requirement, including Sacramento, Folsom, West Sacramento, Placer County and Roseville. Yolo County and Davis have higher onsite percentages, while Sutter County has a lower requirement.
- Fees in the Greater Sacramento area are assessed in a wide range of formats, including per square foot of market rate units, a flat rate per affordable unit owed, a flat rate per market rate unit, and 1% of the lowest market sales price in the project.
- Programs with onsite requirements allow for alternative compliance options including land dedication and offsite construction. Additional compliance options allowed in some jurisdictions include acquisition and rehabilitation of affordable units, credits, preservation of existing units and custom proposals. Most require approval from the jurisdiction.

The information is summarized from ordinances, guidelines, staff reports, and fee resolutions. For more detailed information, please consult the source documents or city/county staff.

Table 6-2				
	City of Sacramento	City of Folsom	City of West Sacramento	City of Elk Grove
Population	528,001	83,269	55,064	177,558
Year Adopted / Updated	Adopted 2000; Updated 2015	Updated 2013	Updated 2014 / 2020	Adopted 2013
Base Obligation	Fee w/ onsite option	For sale units only - onsite requirement w/ fee option.	Onsite requirement.	Fee per unit.
Minimum Project Size - Rental				
For In-lieu/Impact Fee	1	No rental req.	n/a	1
For Build Requirement	n/a		5	n/a
Minimum Project Size - For Sale				
For In-lieu/Impact Fee	1	10 units	n/a	1
For Build Requirement	n/a	n/a	5	n/a
Onsite Requirement/Option	Projects providing at least 10% affordable units are exempt from the HIF	FS: 3% VL and 7% Low	R: 5% VL and 5% Low FS: 10% Low	none
Income Levels for Pricing	Low @ 80% AMI	Not specified.	R: VL @ 50%AMI, L @ 60% AMI or in accordance with funding programs used to finance units FS: 70% AMI	n/a
Impact / In-Lieu Fee	1-2 units <20 dua: \$3.49 psf Multi-units <40 dua: \$3.49 psf Housing Incentive Zn: \$1.51 psf high density, converted units: \$0 (22-23 rates)	FS: 1% of the lowest priced for-sale unit multiplied by # of units in project For custom lot subdivisions, 0.5% of estimated cost of least expensive e home anticipated, multiplied by # of units	w/Council approval: \$7,551/ mkt unit	1-2 units: \$6,030 / unit 3 + units: \$3,617 / unit
Deed Restriction Term	30 years	FS: 20 years / R: 30 years	FS: 45 years R: 55 years	n/a
Other Compliance Options	None specified.	Off-site units, Credits, Land dedication, Acq/rehab, other proposals approved by City Council.	FS projects can provide rental units. With Council approval: Acq/rehab, off-site units, preservation of units, other proposals.	
Comments		Fee deferrals and modified development standards available for on-site units. 75 units have been created. From 2014-6/2022, no onsite units were produced and \$16 million in in-lieu fees were collected. The city has assisted six affordable projects with the fee revenue.	Regulatory and financial incentives may be considered.	

Abbreviations: FS - For Sale, R - Rental, Mod - Moderate Income, L - Low Income, VL - Very Low Income, ELI - Extremely Low Income
psf - per square foot, dua - dwelling upsf - per square foot, dua - dwelling units per acre

Population Data for cities from US Census and unincorporated county populations from CA Dept. of Finance.

Chart data from City / County websiteChart data from City / County websites, Housing Elements, Municipal Codes, etc.

Notes: This chart presents an overview, and as a result, terms are simplified. For use other than general comparison, please consult the code and staff of the jurisdiction.

Table 6-2	Affordable Housing Requirements Survey			
	City of Davis	City of Roseville	City of Rancho Cordova	Yolo County
Population	67,084	154,817	80,598	35,991 (unincorporated)
Year Adopted / Updated	1990, temporary amendment 2018. Update in process.	1988	The City has a Housing Element Policy that requires new residential projects within the newly developing areas of the City (generally in the large, vacant areas south of Highway 50) to include an Affordable Housing Plan for the project that identifies the project's plan for providing affordable housing. These areas are typically high resource and promote inclusion of affordable housing in high opportunity areas. Compliance options includes onsite affordable units, land dedication, rehab of existing units, or in-lieu fees. For example, the Affordable Housing Plan for Jaeger Ranch (K. Hovnanian) includes in-lieu fees of \$3,808 to \$4,800 per unit, depending on unit type.	2015
Base Obligation	Onsite units.	Onsite units.		Onsite
Minimum Project Size - Rental		The City of Roseville does not have a city-wide inclusionary housing policy but has a General Plan Goal that 10% of all new housing units will be affordable to moderate, low and very low income households. The goal is implemented through the City's Specific Plans, which assign affordable housing obligations on a parcel-by-parcel basis.		
For In-lieu/Impact Fee	5			1
For Build Requirement	temporary amendment - city may approve fee pmt.			7
Minimum Project Size - For Sale				
For In-lieu/Impact Fee	5			1
For Build Requirement	200 (partial build requirement)			FS: 10
Onsite Requirement/Option	FS: SFD on lots > 5,000 sf, 25%. SFD on lots <5,000 sf, 15%. Attached, 10%. Stacked condos or mixed use, 5%. R: temporary requirement is 5% L, 5% VL and 5% ELI . Percent of units, bedrooms, or beds.	FS: 10% (4% VL, 4% L, 2% Mod) R: 10% (5% Low, 5% VL)		FS: 10% Low and 10% Mod R: 20+ units: 25% VL and 10% Low R: 7-19 units: 15% VL and 10% Low
Income Levels for Pricing	FS: Moderate, with average at 100%. R in FS projects: <65% AMI average, with 80% max. R: Low @ 80%, VL @ 50%, ELI @ 30%			Not specified.
Impact / In-Lieu Fee	\$78,150 per affordable unit with Council approval (Fees can only be paid for up to 50% of obligation in projects with 200+ dwelling units.)	Case-by-case and currently \$278,849		Sliding scale based on units in project. Single units fee \$1,292 (FS) and \$1,761 (R). Full fee: \$12,920 (FS) and \$17,610 (R)
Deed Restriction Term	R: In perpetuity FS: Capped appreciation, city has right of first refusal.			FS: 20 years (resets at sale) R: permanent
Other Compliance Options	Developer may proposed an individualized program. Acquisition and deed-restriction of existing units with 30+ year lifespan. Land dedication. Temporary Amendment allows for an ongoing payment of funds from the project (at least annual).			Offsite, Land Dedication
Comments	FS units must be >50% 3BR, with remainder 2BR. Onsite units that meet state density bonus requirements are also awarded one-for-one city density bonus. Small projects (<15 units) in city core may request financial assistance from City, pay fee, or use combination fee/ onsite.	City has had the 10% Affordable Housing Goal since inception and has produced over 3,500 units.		

Abbreviations: FS - For Sale, R - Rental, Mod - Moderate Income, L - Low Income, VL - Very Low Income, ELI - Extremely Low Income
psf - per square foot, dua - dwelling units per acre

Population Data for cities from US Census and unincorporated county populations from CA Dept. of Finance.

Chart data from City / County websites, Housing Elements, Municipal Codes, etc.

Notes: This chart presents an overview, and as a result, terms are simplified. For use other than general comparison, please consult the code and staff of the jurisdiction.

Table 6-2 Affordable Housing Requirements Survey			
	Sutter County	Sacramento County	Placer County
Population	20,078 (unincorporated)	603,090 (unincorporated)	112,788 (unincorporated)
Year Adopted / Updated	1995	2014	2020
Base Obligation	Onsite	Fee	Onsite
Minimum Project Size - Rental			
For In-lieu/Impact Fee	10	1	8
For Build Requirement	n/a	n/a	100
Minimum Project Size - For Sale			
For In-lieu/Impact Fee	10	1	8
For Build Requirement	n/a	n/a	100
Onsite Requirement/Option	FS: 5% Mod R: 2.5% VL and 2.5% Low	The fee amount owed is converted to units owed based on the "Average Public Subsidy/Unit."	For Sale: Specific Plan/ Master Plan: 10% (4% VL, 4% L, 2% Mod) All Other: 10% Mod Rentals: Specific Plan/ Master Plan: 10% (4% VL, 4% L, 2% Mod) All Other: 10% (4% VL, 6% L)
Income Levels for Pricing	Not specified	Low @ 80%, VL @ 50%	Not specified.
Impact / In-Lieu Fee	\$28,900/unit owed (10% of CA HOME single family max purchase price for County)	\$3.66 psf	\$2.45 psf
Deed Restriction Term	FS: 5 years R: 5 years	FS: 30 years R: 55 years	55 years
Other Compliance Options	Off-site construction, land dedication	Onsite units, land dedication, purchase credits banked with SHRA.	Equivalency proposals may be submitted with alternative compliance actions.
Comments	Projects with onsite units may receive fast track processing, fee waivers, reduction of design standards, infrastructure improvements, technical and financial assistance.	Mixed income developments at a density of at least 17 dua with 20% low onsite are exempt.	Residential projects with 50% of units smaller than 1,600 sf are exempt. Mixed use projects with >70% residential are exempt. Infill sites and sites located in "transit priority area" are exempt. Incentives available include fee waivers and priority processing.

Abbreviations: FS - For Sale, R - Rental, Mod - Moderate Income, L - Low Income, VL - Very Low Income, ELI - Extremely Low Income
psf - per square foot, dua - dwelling units per acre

Population Data for cities from US Census and unincorporated county populations from CA Dept. of Finance.

Chart data from City / County websites, Housing Elements, Municipal Codes, etc.

Notes: This chart presents an overview, and as a result, terms are simplified. For use other than general comparison, please consult the

6.2 Large City Inclusionary Programs

Inclusionary requirements for nine major cities with inclusionary programs are summarized in Table 6-3. The jurisdictions include Atlanta, Boston, Chicago, Denver, Los Angeles, Portland, San Diego, San Jose, and Seattle. Six have city-wide programs, three have programs that are triggered by rezoning, and one program applies in certain geographic zones of the city (Los Angeles has both a city-wide program and a program triggered by rezoning). Of the nine cities surveyed, only Los Angeles has an impact fee program, while the others all have inclusionary requirements with an in-lieu option. All allow payment of fees with approximately half assessed per square foot and half on a per unit basis.

City	Applies to	Program Type	On-Site Inclusionary Percentage	Fee Structure	Description	Year Adopted
Atlanta	Certain zones	Inclusionary with fee option	10 to 15%	Per Unit	Requires 15% at 80% AMI or 10% at 60% AMI. In-lieu fee varies by area. Menu of incentives for projects subject to ordinance.	2018
Boston	Rezoning	Inclusionary with fee option	13%	Per Unit	Triggered by re-zoning, City land or assistance. 13% on-site affordable. In-lieu fee varies by zone. Update pending.	2000, updated 2015
Chicago	Rezoning	Inclusionary with fee option	8% to 20%	Per Unit	Rental: 10-20% depending on AMI level and location. Ownership: 8% to 20% depending on AMI level and location. In-lieu fee option per unit owed that varies by zone and share of required units provided on-site.	2007, updated 2021
Denver	Citywide	Inclusionary with fee option	8% to 15%	Per Unit	New on-site requirement of 8% to 15% depending on zone and AMI level; parking and fee reductions apply for onsite units; density bonus available for projects exceeding base requirements. Replaced a prior fee program, which was preceded by an inclusionary requirement.	2001 amended 2017, 2022
Los Angeles	Varies by program	Impact Fee; Inclusionary (triggered by rezoning); Density bonus and incentive (transit areas)	varies by program	both per square foot and per unit fees used (varies by program)	City-wide impact fee program + an inclusionary program triggered by rezonings that comes with a prevailing wage requirement + density bonus and incentive program substantially exceeding State density bonus focused on transit-rich locations.	2017; 2016

Table 6-3. Large City Inclusionary Program Overview

City	Applies to	Program Type	On-Site Inclusionary Percentage	Fee Structure	Description	Year Adopted
Portland	Citywide	Inclusionary with fee option	10% to 20%	Per Square Foot	20% inclusionary with option of 10% at lower AMI. In-lieu fee applies on per square foot basis and varies by market area. Incentives for on-site units include property tax and excise tax exemptions, parking requirement exemptions, density / FAR bonus.	2016
San Diego	Citywide	Inclusionary with fee option	10 to 15%	Per Square Foot	Rental: 10% at low or very low; For-sale 10% at median or 15% at moderate.	2003, updated 2019
San Jose	Citywide	Inclusionary with fee option	15%	Per Square Foot	15% inclusionary requirement. Rental requirement split between three income categories with in-lieu fee varying based on AMI level and percent affordable units on-site. Fee structure provides large incentive for at least 5% on-site.	2010; in litigation until 2015; amended 2021
Seattle	Citywide	Inclusionary with fee option	5% to 11%	Per Square Foot	Inclusionary percentage from 5% to 11% depending on market area and level of up zoning that occurred. In-lieu fee varies by market area and zone.	2016 amended 2019

6.3 Additional Review of Select Local and Large City Programs

Of the programs surveyed, seven were selected for more in-depth research. Selections were made by the City and informed by input from the City's Housing Policy Working Group. Four local cities were chosen: West Sacramento, Roseville, Folsom and Davis. Three large cities were chosen: Denver, Portland and San Jose.

KMA accessed available information regarding program provisions and contacted city staff in each community to help provide a more in-depth understanding of how the programs work in practice. Following are highlights and key themes that emerged from this review:

- Each jurisdiction determines the appropriate balance between onsite units and collecting fee revenues. Onsite units have the benefits of creating mixed income housing, building affordable units at the same time as the market rate units, and encouraging market rate developers to produce units cost-effectively. Collecting fee revenues creates a funding source that cities can leverage to provide gap funding for 100% affordable projects, with the potential to develop more units at deeper affordability levels.
- Unless fees are set at a level to encourage onsite units, developers tend to choose a fee option if it is available. Many cities have onsite requirements with an in-lieu fee option

that in practice are essentially a fee-only program. Cities that set fees high enough to encourage onsite units have had success with developers building units onsite.

- Incentives can be effective in encouraging policy goals if they are meaningful in the local market. The value of density bonuses, for example, varies widely by jurisdiction and neighborhood. Portland and West Sacramento vary incentives by geographic area.
- Cities with diverse market areas can vary requirements and incentives by geographic area or a measure of local market strength. For example, Denver’s requirements vary by the median land value per square foot for each census tract, with stronger requirements in tracts with higher land values. Portland’s fees and incentives are different in two of the city’s Plan Areas.
- The large cities surveyed (Portland, Denver, San Jose) have newer programs. A key feature of all three programs is a menu of compliance choices for developers. The choices are calibrated by the cities to encourage certain policy goals, such as onsite units in general or units at particular income levels. The menus provide flexibility for developers and ideally will create a range of affordable unit types in the city.
- The City of Denver designates sites larger than 10 acres and sites receiving public financing as “High Impact Developments,” and requires an enhanced approval process with public engagement for these projects.
- Both Portland and Davis allow inclusionary obligations to be determined by the number of bedrooms instead of the number of units. The cities’ programs differ in how they are structured, but both allow developers to set aside fewer larger units, which can benefit both the city and the developer.

Housing production figures over a historic period are cited for each of the seven jurisdictions. For purposes of comparison, figures for the City of Sacramento and State of California are provided in Table 6-4:

Table 6-4. City of Sacramento and State of California Housing Permitting					
	City of Sacramento			Statewide	
10-Year Housing Permitted ¹					
Very Low and Low:	4,133	20%		126,488	13%
Moderate:	8,927	43%		119,301	12%
Above Moderate:	<u>7,649</u>	<u>37%</u>		<u>761,412</u>	<u>76%</u>
Ten-Year Total:	20,709	100%		1,007,201	100%
Units Per 1,000 Residents ²					
Total Units	39 units per 1,000 residents			26 units per 1,000 residents	
Low and Very Low Units	8 units per 1,000 residents			3 units per 1,000 residents	

1. 2013-2022. Annual Housing Element Progress Report data, CA Housing and Community Development.

2. Based on population as of July 1, 2022, from US Census Bureau (528,001 and 39,029,342).

WEST SACRAMENTO



Program History and Requirements

The City of West Sacramento first adopted a citywide ordinance in 2005; it was significantly modified in 2014, with additional revisions in 2020. The ordinance requires 10 percent of all multifamily rental units be made available at affordable rents, with half at Very Low and half at Low. Ten percent of all for-sale units must be made available at affordable prices to Low Income households. Rental units can be substituted for for-sale units. Inclusionary units must generally be built on-site and dispersed throughout the project to avoid over-concentration of inclusionary units.

Population	55,064
Land Area	21 square miles
Adopted	2005, amended in 2014 and 2020
Program Structure	Inclusionary requirement, in-lieu fee with approval
Inclusionary Percentage	10%
Income Levels for Inclusionary Units	Rental: Very Low and Low For-Sale: Low
In-Lieu Fee Amount	\$7,551/ market rate unit, (in-lieu fee option requires Council approval)
10-Year Housing Permitted ¹	
Very Low and Low:	268 8%
Moderate:	1,457 46%
Above Moderate:	<u>1,464</u> <u>46%</u>
Ten-Year Total	3,189 100%
Units Per 1,000 Residents	
Total Units	58 units per 1,000 residents
Low and Very Low Units	5 units per 1,000 residents
¹ 2013-2022. Sources: US Census, Housing Element Annual Progress Reports.	

Units must be similar in materials and appearance to market rate units within the same subdivision. Inclusionary units may be smaller than market rate units but must contain at least 90 percent of the interior living space of the smallest market rate unit. The number of bedrooms in multifamily rental inclusionary units should be generally consistent with the bedroom mix of market rate units within the same residential project. The minimum affordability term is 55 years for rental units and 45 years for for-sale units.

The ordinance provides alternatives to the onsite requirements including payment of in-lieu fees (which are placed in the City's Housing Trust Fund); acquiring, rehabilitating, and converting existing market rate units to inclusionary units; construction of inclusionary housing units at an off-site location; or acquiring and preserving at-risk affordable rental units. The in-lieu fee is currently set at \$7,551 per market rate unit for both rental and for-sale units. Approval of an alternative is solely at the discretion of the City Council.

The City Council approves payment of in-lieu fees only if the Council determines that doing so would advance the goals set out in the City's Housing Element. For example, the City might allow fee payment if a project is located in a neighborhood with significant existing affordable

housing, or if the City has identified a 100% affordable project in the development pipeline that it would like to provide with funding assistance. West Sacramento states that it has a clear preference for onsite compliance but in practice has approved use of in-lieu fees for most projects.

In-lieu fees are deposited into the City's Housing Trust Fund and are used to promote development of affordable housing as follows:

- Gap financing loans to residential projects containing affordable housing;
- Infrastructure improvements in support of affordable housing; and
- Predevelopment activities in support of affordable housing.

A unique feature of the program is the City's incentives within the City's priority Urban Infill Area (UIA), if an applicant's project is located within the City's priority Urban Infill Area (UIA), the project may be eligible for the Urban Infill Area Incentive and subsequent discount on their in-lieu

Projects in the West Sacramento's Urban Infill Area may qualify for reductions in in-lieu fees based on inclusion of features such as structured parking, public open space, and ground floor commercial.

fee. UIA Incentive discounts are granted based on the adjusted density of a project. The adjusted density allows applicants to receive dwelling unit equivalents (DUEs) for project features such as structured parking, public open space, and ground floor commercial space. The objective of the UIA Incentive is to facilitate development in the City's priority Urban Infill Areas where development costs are typically higher than in other areas of the City. This incentive program is designed to encourage the type of development that the City would like to see in these areas of the City. The City tends to accept in-lieu fee payments for projects in the UIA because there is a significant amount of existing affordable housing in these areas and the City does not want to create an over-concentration of affordable housing in a particular area.

Affordable Housing Production

Since 2014, 14 projects were approved to satisfy the inclusionary requirement through in-lieu fee payment with aggregate in-lieu fee revenue from the 14 projects of \$6.3 million. Just one project, the KIND project, provided unassisted onsite rental units. The KIND project provided 23 deed restricted Low Income units.

The City assisted several affordable housing projects using in-lieu fee funds in the Housing Trust Fund. Recent projects include Mercy Housing's 85-unit permanent supportive housing project, which leveraged approximately \$3.7 million in local funds for the \$30+ million project, and Jamboree's proposed West Gateway Place Phase II 59-unit affordable housing development, which will leverage approximately \$2.7 million in local Housing Trust Funds for the \$24 million project. The City also assisted the earlier phase of the West Gateway Place project,

which created 76 units of affordable housing, and The Rivermark Apartments, which created 69 units.

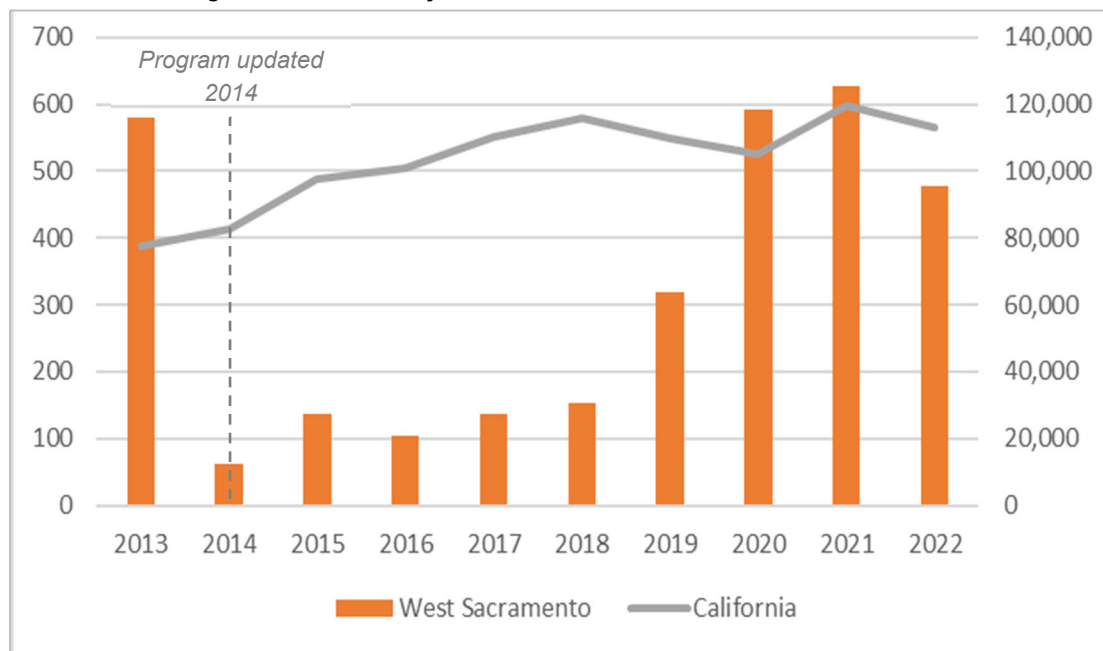
In total, the City's inclusionary housing program contributed to the development of 312 affordable units since 2014, including 23 units produced within the market rate development and 289 units within affordable housing developments assisted using in-lieu fee funds.

Overall, Very Low and Low income units represented 8% of total housing permitted between 2013 and 2022. Units affordable to Moderate Income households represented an additional 46% of all housing permitted during that time period.

Overall Housing Production Trends

Chart 6-1 shows overall trends in housing unit production in West Sacramento over the prior ten years. There was a robust level of permitting in 2013, followed by a reduced level of permitting over the succeeding five years, and then a return to more robust housing production over the 2019 to 2022 period. Over the prior ten years, 58 units were produced per 1,000 residents, approximately double the statewide rate. The City updated its inclusionary program in 2014. The 2014 modifications to the inclusionary housing program were designed to reduce the financial impact of the program on market rate development, by lowering the onsite percentage, introducing an in-lieu fee option, and allowing developers to propose alternative compliance strategies. Housing production in West Sacramento was reduced in the years immediately following the program changes, although requirements had been reduced, which suggests that this production trend was not attributable to changes in the inclusionary program. The pace of housing development over the period, double the per capita rate statewide, suggests projects are generally able to sustain the City's requirements.

Chart 6-1. Housing Units Permitted by Year, West Sacramento



Program Effectiveness

West Sacramento's inclusionary ordinance provides the City with flexibility to accept alternative compliance options when it is in the City's best interest to do so, and otherwise requires onsite units. City staff indicate that the combination of flexibility and control provided by the program's structure enables the City to achieve a variety of affordable housing objectives. In addition, the ordinance provides incentives to encourage development of desired housing types in certain areas of the City. City staff believe that these incentives have been effective in encouraging high-density housing in the City's priority Urban Infill Areas.

The program requires onsite for sale units at Low Income. As noted above, just one project has provided on-site for-sale Low Income units since 2014 with the remaining projects paying in-lieu fees. Ownership units at the Low Income level can be challenging administratively, as it is sometimes difficult to find qualified buyers. In addition, the lower price point can make feasibility challenging for developers. This is an issue future updates to the program may seek to address. The flat-rate per unit in-lieu fee structure for both rental and for-sale projects is another feature staff indicated the City may consider revising as part of a future update.

ROSEVILLE



Program History and Requirements

The City of Roseville does not have a city-wide inclusionary housing policy but has a General Plan Goal that 10% of all new housing units will be affordable to moderate, low and very low income households. The goal is implemented through the City's specific plans, which assign affordable housing obligations on a parcel-by-parcel basis. A specific plan is a comprehensive planning document that guides the development of a defined geographic area.

Population	154,817
Land Area	44 square miles
Adopted	1988
Program Structure	General Plan policy implemented through Specific Plans. Onsite units.
Inclusionary Percentage	10%
Income Levels for Inclusionary Units	Rental: Low, Very Low For Sale: Moderate, Low, Very Low
In-Lieu Fee Amount	\$278,849 / aff unit w/approval
10-Year Housing Permitted ¹	
Very Low and Low:	380 3%
Moderate:	4,645 39%
Above Moderate:	<u>6,959</u> <u>58%</u>
Ten-Year Total	11,984 100%
Units Per 1,000 Residents	
Total Units	77 units per 1,000 residents
Low and Very Low Units	3 units per 1,000 residents
¹ 2013-2022 Sources: US Census, Housing Element Annual Progress Reports.	

The City of Roseville has sixteen subareas that have been planned for urban development. These include an Infill Area, the North Industrial area, and fourteen specific plan areas. Within each specific plan, the City identifies certain parcels that carry affordable housing obligations. The number of required affordable units, whether the units are rental or for-sale, and the income levels of the units are specified.

The City's specific plans vary widely. In general, each specific plan estimates the total housing that will be built in the plan area, and then calculates the minimum affordable housing obligation at 10% of the total. The plans then identify the specific parcels that will include affordable units to achieve the 10% goal, with a mix of income levels specified in the General Plan policy (20% middle – defined as 80 to 100% AMI, 40% low and 40% very low). A table excerpted from the City's Sierra Vista Specific Plan is included here as an example.

Parcel	Land Use	Total Units in Parcel	Total Affordable Allocation	Very Low Income Rental	Low Income Rental	Middle ² Income Purchase
CG-20	MDR	44	20			20
CO-20	MDR	84	34			34
DF-20 ¹	MDR	113	23	9	9	5
KT-20	MDR	202	31			31
CG-31	HDR	420	80	40	40	
FD-32	HDR	178	43			43
FD-34	HDR	172	172	86	86	
KT-30	HDR	150	124	62	62	
JM-30 ⁴	HDR	176	176	88	88	
WB-30	HDR	237	237 ³	68	169 ³	
WB-32	HDR	128	128 ³	92	36 ³	
Total			1,068³	445	490³	133

¹ Carriage units are intended to fulfill the very-low and low income obligation
² Middle-income purchase unit obligations may also be fulfilled via additional low-income rental units. 41 middle-income units were converted to low-income units via the Westbrook SPA approved in 2016.

³ Includes 162 units transferred to Westbrook from WRSP Parcel W-16.

⁴ Parcel JM-30 includes 8 units (4 Very-Low and 4 Low) transferred from NRSP Parcel M-31 (File #PL17-0204), 5 units transferred from SVSP Parcel JM-40 (File #PL20-0103), and 12 units transferred from SVSP Parcel JM-21 (File #PL20-0191).

NOTE: SVSP Section 5.4 allows for the transfer of affordable units. Check with the Housing Division to confirm current affordable housing obligations.

Alternatives to onsite construction vary by specific plan. Typical alternatives include an in-lieu fee, transfers/credits, density bonuses, and allowing carriage units or granny flats in lower density areas. Compliance strategies also vary by specific plan area, with some plan areas building out according to the plan and others involving trading of affordable housing obligations across parcels. The City does not allow clusters of affordable housing development but does encourage and prefer 100% affordable projects funded with Low Income Housing Tax Credits. Occasionally, the City will provide financial assistance to these 100% affordable developments, but not typically. Market rate parcels are generally allowed to be built out independently of the timing of the affordable units, such that the market rate development can go forward even if the affordable units are not yet built.

The City's in-lieu fee is based on average development costs of recent affordable housing units. It is currently set at \$278,849 per affordable unit. Not all Specific Plan Areas allow for payment of an in-lieu fee. In general, the City Council requires projects to build affordable units instead of paying a fee. City staff estimates that only 10% of projects comply through in-lieu fee payment. A recent example of a project that paid an in-lieu fee is a small ownership project that owed two affordable units; the City requested an in-lieu fee based on the affordability gap of the ownership units (the difference between the market price and the restricted price) and the developer agreed to pay the city \$700,000 instead of providing the units.

The inventory of parcels with affordable housing obligations is published on the City's website. Since the program was adopted, the City has seen a wide range of compliance strategies, depending on market conditions, project feasibility, and the attributes of specific sites.

Affordable Housing Production

According to the City, a total of 3,509 affordable units have been developed as part of the Roseville Affordable Housing Program, with 78% rental units and 22% for sale units. This production total amounts to an average of approximately 110 affordable units developed per year, although permitting for Very Low and Low income units has been at a pace of 38 units per year over the last ten years. The City recently announced \$10 million in funding commitments to three proposed multifamily rental affordable housing developments, totaling 264 new affordable units.

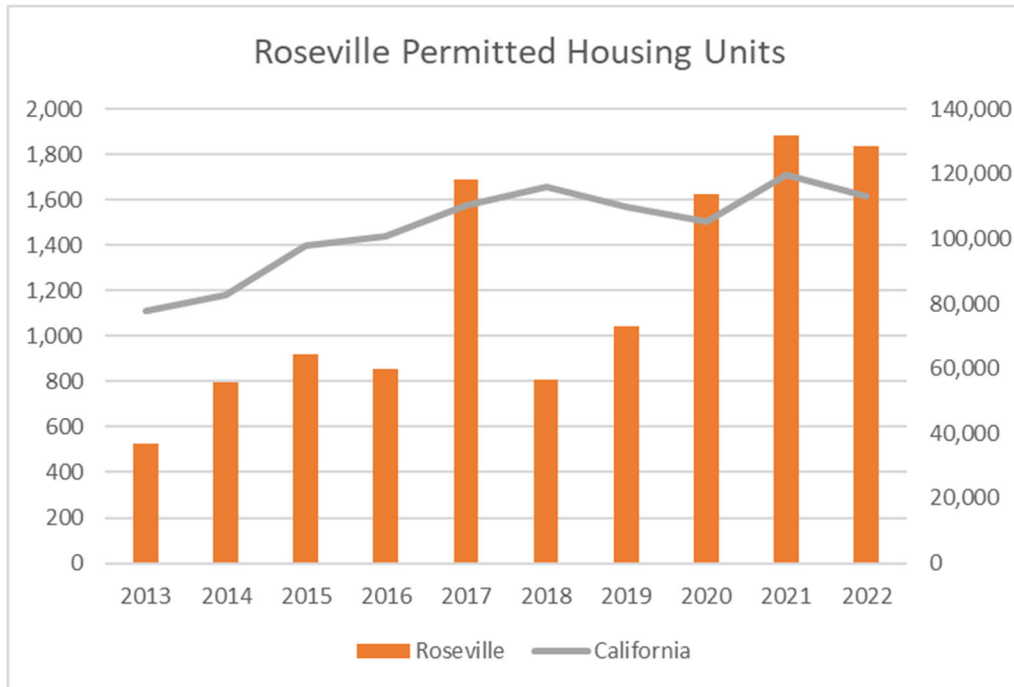
According to the City's Housing Element Program Reports, permitting for Very Low and Low Income units represented only 3% of all permitted units between 2013 and 2022. Units affordable to Moderate Income represented almost 40% of all permitted units.

Overall Housing Production Trends

Roseville experienced robust housing production over the past ten years, approximately three times the statewide average per capita housing production. Roseville's program was in place

over the duration of the ten year period, thus the robust housing production that occurred provides a good indicator that projects are able to sustain the cost of complying with Roseville's policy.

Chart 6-2. Housing Units Permitted by Year, Roseville



Program Effectiveness

According to the City, the success of this program is due to the City's commitment to its goal and its collaborative process with development proposals in the production of this housing, as well as partnerships with local affordable housing developers. The City has a reputation of requiring affordable units to be built and does not typically allow developers to pay in-lieu fees. The City's program is well-established, consistent, and predictable, allowing developers to predict and plan their compliance.

Consistency and predictability allow landowners and developers to predict and plan their compliance

FOLSOM



Program History and Requirements

The City of Folsom has an inclusionary housing program that requires developers of all new for-sale residential projects greater than 10 units to include at least 10% of their units as affordable to lower-income households. The City does not apply inclusionary requirements to rentals.

Population	83,269
Land Area	28 sq. miles
Adopted	2002, amended 2013
Program Structure	Inclusionary requirement w/ fee option, for sale units only.
Inclusionary Percentage	10%
Income Levels for Inclusionary Units	For Sale: Low and Very Low
In-Lieu Fee Amount	1% of sales price for lowest priced unit per market rate unit.
10-Year Housing Permitted ¹	
Very Low and Low:	468 8%
Moderate:	884 15%
Above Moderate:	<u>4,600</u> <u>77%</u>
Ten-Year Total	5,952 100%
Units Per 1,000 Residents	
Total Units	71 units per 1,000 residents
Low and Very Low Units	6 units per 1,000 residents
¹ 2013-2022.	
Sources: US Census, Housing Element Annual Progress Reports.	

First established in 2002, the City's inclusionary program has undergone several revisions, including significant revisions in 2013, which reduced the inclusionary requirement from 15% to 10%, added an in-lieu fee alternative, and removed inclusionary requirements pertaining to rental units. Since then, all developments have paid the in-lieu fee instead of providing units onsite.

The in-lieu fee is set at 1% of the sales price for the lowest priced unit in the development multiplied by the total number of units in the project. The in-lieu fee is payable at the time of the building permit on a per-unit basis. Once the in-lieu fee has been set for an initial twelve months, the amount of the fee is evaluated on January 1st of each following year. In the event the lowest priced for-sale residential unit or anticipated home in the subdivision changes by ten percent or more, the amount of the in-lieu fee is adjusted for the remaining units or lots in the subdivision. The fee is typically in the range of \$6,000 - \$10,000 per market rate unit.

Folsom's onsite requirement paired with a low in-lieu fee is effectively a fee-based program.

Affordable Housing Production

Prior to 2013, when the in-lieu fee option was added, the City's inclusionary program produced about 80 deed-restricted affordable ownership condominiums. These units are still deed-restricted and typically owned by seniors.

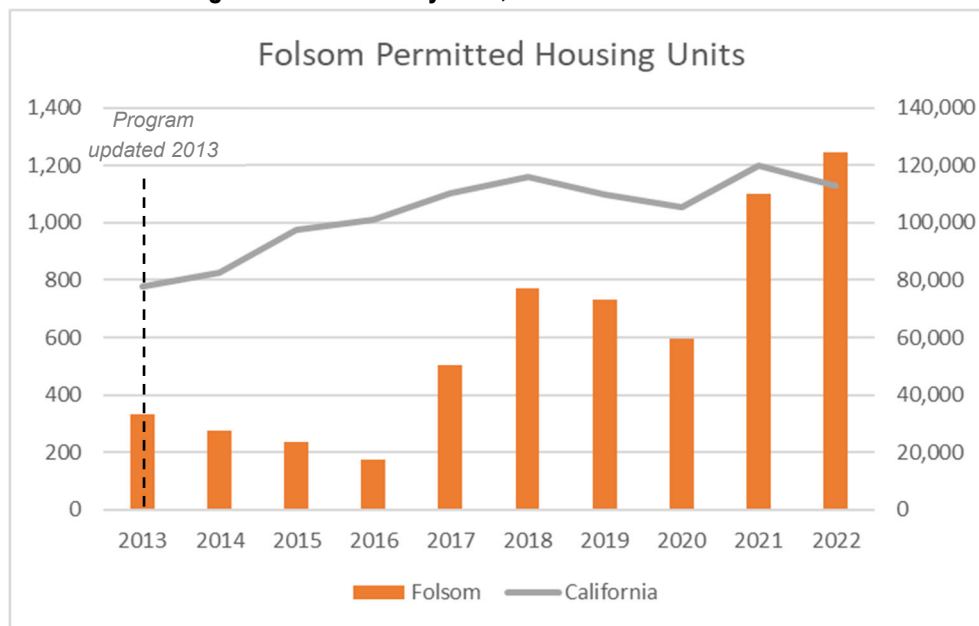
From 2013 through June 2022, the City collected \$16 million in in-lieu fees. Since 2013, the City's Housing Fund has assisted six affordable rental projects. (The City's Housing Fund is primarily funded by inclusionary in-lieu fees, with some additional funding from commercial linkage fees and former redevelopment bond funds) The projects include Bidwell Pointe Apartments (100 low-income units), Talavera Ridge Apartments (6 extremely-low-income units), the Parkway Apartments (72 low-income units), Bidwell Place Apartments (75 units), Sage Senior (110 units), and Mangini Place (150 units).

Overall, Very Low and Low income units represented 8% of total housing permitted between 2013 and 2022. Units affordable to Moderate Income households represented an additional 15% of all housing permitted.

Overall Housing Production Trends

Housing production in Folsom was low during the 2013 to 2016 period but has increased since then. Over the prior ten years, 71 units were permitted per 1,000 in population, approximately three times the statewide average. The housing production data suggests that projects are able to sustain Folsom's inclusionary requirements. Changes to the program enacted in 2013 were designed to reduce the financial impact of the program on market rate development, by lowering the onsite percentage, introducing an in-lieu fee option and allowing developers to propose alternative compliance strategies. It also removed an inclusionary obligation on rental housing. Despite the reduction in requirements, the City continued to experience low permitting activity for several years, which suggests the low rate of production early in the period may have been driven by market conditions or other factors and not attributable to changes in the inclusionary policy.

Chart 6-3. Housing Units Permitted by Year, Folsom



Program Effectiveness

The City of Folsom experienced rapid growth over the past few years and the fee-based program has been successful in generating funds that the City uses to assist in the production of affordable rental housing. The structure of the fee (1% of the lowest sales price of the market rate units) is more difficult to administer than a typical per square foot or per unit fee, as it creates a timing issue and can be complicated for large projects. The City may consider moving toward a fee per square foot if the program is updated in the future, as it is easier to administer and apply. The City has explored expanding the program to include rental development but has chosen not to move forward with this so far. City staff indicated that updating the ordinance would have limited impact, at least in the near term, as most pipeline development projects have development agreements in place that lock in compliance with the existing ordinance.

In on-going monitoring and compliance of the stock of approximately 80 affordable ownership units that were produced prior to program changes adopted in 2013, some challenges have arisen due to homeowner misunderstandings or gaps in communication regarding the nature of resale restrictions that apply to inclusionary units and fluctuations in affordable resale prices that have occurred due to changes in mortgage interest rates.



Program History and Requirements

The City of Davis adopted an inclusionary ordinance in 1990 and has updated the program several times since. The City is currently in the process of updating the inclusionary requirements for rental projects.

Davis's current requirement is as follows:

Rental Projects

- Rental units within vertical mixed-use development must provide 5% at Low.
- Rental projects with 20 or more units, other than vertical mixed use projects, are required to set aside 10% of units at Very-Low Income and 25% of units at Low Income.
- Smaller rental projects (5 to 19 units), other than vertical mixed use projects, are required to set aside 10% at Very Low and 15% at Low.
- See also the temporary rental requirements listed below.

For-Sale Projects

- Single family detached projects with large lots (5,000 sf or larger) are required to set aside 25% at Moderate, while single family detached projects with smaller lots (<5,000 sf) are required to set aside 15% at Moderate. (Projects in Davis have been primarily higher density, with few single family detached projects.)
- Single family attached units are required to provide 10% at Moderate.

Population	67,048
Land Area	10 square miles
Adopted / Updated	1990, temporary update 2018. Update in process.
Program Structure	Inclusionary requirement, in-lieu fee with approval.
Inclusionary Percentage	Rental: 15% (temporary requirement) For Sale: 5% - 25%, depending on unit type and size.
Income Levels for Inclusionary Units	Rental: Low, Very Low, Extremely Low For Sale: Moderate
In-Lieu Fee Amount	\$78,150 per affordable unit, with approval.
10-Year Housing Permitted ¹	
Very Low and Low:	316 18%
Moderate:	752 43%
Above Moderate:	<u>666</u> <u>38%</u>
Ten-Year Total	1,734 100%
Units Per 1,000 Residents	
Total Units	26 units per 1,000 residents
Low and Very Low Units	5 units per 1,000 residents
¹ 2013-2022	
Sources: US Census, Housing Element Annual Progress Reports.	

Adoption of AB 1505 spurred Davis to temporarily reduce its rental inclusionary requirements; reduction may become permanent.

- Stacked condominiums or ownership units within vertical mixed-use development must provide 5% at Moderate.

Projects with fewer than five units are exempt.

Temporary Rental Inclusionary Requirement

In 2018, the City Council “temporarily” amended its rental inclusionary requirements in response to enactment of AB 1505 (which restored the ability to implement inclusionary requirements for rentals statewide, effective January 1, 2018). Temporary requirements were meant to serve as a bridge until the City could complete a comprehensive update, the change added an alternative affordable housing requirement option:

- Rental projects may provide affordable units onsite, 15% of units or 15% of bedrooms, with an even mix of Low, Very Low, and Extremely Low Income units.

Alternatives

Compliance options for rental projects under the permanent ordinance are limited to onsite construction and land dedication. In addition, the City allows for an individualized compliance program as long as it generates an equivalent level of affordability as the onsite requirement. The temporary requirements allow rental projects to propose alternative compliance strategies, including but not limited to “providing affordable housing by bedroom or individual bed, or pledging to the city a continuing payment of funds to be submitted to the city at least annually.”

The temporary requirements also allow the City Council to consider several factors in determining whether to approve an alternative rental affordable housing proposal, including whether the project meets a specific housing need, includes unusually high infrastructure costs or other cost burdens, includes a public subsidy or other public financing from a source other than the City, or provides a deeper level of affordability such as the extremely low income level. Further, the Council may, at its discretion, require a higher total percentage for larger market rate projects that have greater economies of scale, or require a lesser percentage for smaller projects that have lesser economies of scale. The sunset date on this temporary amendment has been extended multiple times and was June 30, 2023, as of the time of review.

Compliance options for for-sale developments with fewer than 200 units include:

- On-site construction of affordable ownership or rental units;
- Acquisition and recordation of permanent affordability restrictions on existing housing units within the city;
- Dedication of an affordable housing site; and/or
- Payment of in-lieu fees, if approved by the City Council.

Compliance options for for-sale developments with more than 200 units include:

- On-site construction of affordable ownership units;
- On-site construction of affordable rental units;
- On-site construction of accessory dwelling units for rental to fulfill up to half of the requirement;
- Payment of in-lieu fees for no more than 50 percent of the affordable housing obligation of the project, if approved by the City Council; and/or
- Dedication of an affordable housing site.

An alternative approach to meeting affordable housing requirements may be approved if it provides equal or greater affordability. On-site construction of affordable units for ownership developments must provide a mix of two- and three-bedroom units, with at least 50 percent three-bedroom units. Smaller and larger size units can be provided depending on local housing needs and project character.

Payment of in-lieu fees must be approved by the City Council. The payments are determined according to the adopted fee schedule revised annually. The housing in-lieu fee is currently \$78,150 per affordable unit. Discounts are given for vertical mixed-use projects and projects that include 75 percent stacked condominiums.

Incentives

The City awards a one-for-one density bonus for projects that include on-site affordable units. The City also typically offers reduced parking standards for projects that provide affordable units.

In addition, city staff will work with the developers of small projects (15 units or fewer) located within the City's core area to provide construction subsidies to encourage onsite affordable units, as necessary. These projects are eligible to pay the in-lieu fee as well, or a combination of the in-lieu fee and onsite compliance.

Affordable Housing Production

Approximately 1,800 affordable units have been produced since the adoption of the ordinance in 1990, with 1,100 of those units remaining permanently affordable. The City cites the variety of development types that have been provided to meet the housing needs of the community as one of the biggest accomplishments of the program. There are affordable homes and apartments, for rent and for purchase, spread throughout the City, in mixed income developments, and 100% affordable developments. There are cooperative housing projects, senior-specific housing, and supportive housing for individuals with special needs.

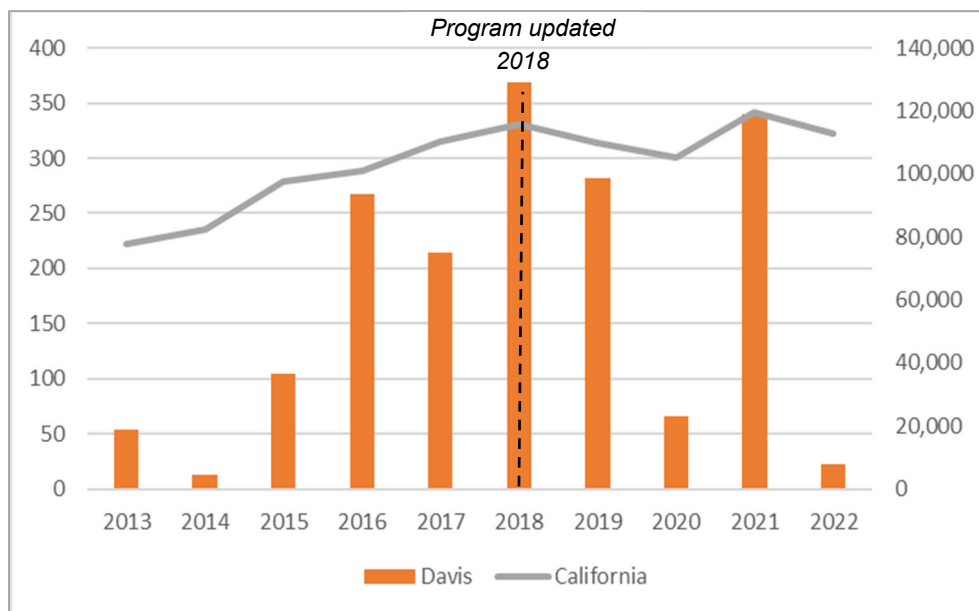
According to City staff, developers choose a wide range of compliance options, including onsite, land dedication, in-lieu fees, and individualized housing plans. One development project will provide profit-sharing with the Housing Trust Fund, with annual payments in perpetuity based on the revenue stream of the development. Projects that are eligible to pay the in-lieu fee typically select the fee option, as the fee is set below the cost of other compliance options.

Overall, Very Low and Low income units represented 18% of total housing permitted between 2013 and 2022, the largest share among the local jurisdictions reviewed, and just below the City of Sacramento, which was at 20%. Units affordable to Moderate Income households represented an additional 43% of all housing permitted.

Overall Housing Production Trends

Housing production in Davis over the last decade equated to 26 units per 1,000 residents, matching the Statewide average, but less than the City of Sacramento figure at 39 units per 1,000 residents and the other regional comparisons cited above. A range of factors including availability of land, zoning policies, City fees and other requirements, and / or the City's inclusionary policy may have influenced the comparatively muted housing production level. The trends data does not allow the influence of the inclusionary housing policy to be separated from other factors that may be influencing the pattern in Davis. Although low relative to the other jurisdictions cited, market rate housing development activity is occurring. Trends in Davis have tended to be "lumpy," which may indicate larger multi-family projects pulling permits in particular years. The section below details the City's current and forthcoming efforts to ensure that the program is creating affordable housing without constraining overall housing production.

Chart 6-4. Housing Units Permitted by Year, Davis



Proposed Update

The City's Housing Element includes a plan to undertake a comprehensive update to the City's Affordable Housing Ordinance. The process for updating the ordinance includes conducting a study to determine appropriate inclusionary proportions and affordability levels, analyze in-lieu fees and other alternatives to providing units on site, and evaluate other parameters of the ordinance as appropriate. As a part of the update process, the City will evaluate whether new policies increase affordable housing opportunities throughout the City to avoid over concentration of affordable housing in any particular area of the City.

The City is currently conducting a comprehensive review of the inclusionary requirements for rental developments, with a goal of adopting a permanent ordinance before the temporary requirements sunset in June 2023. A feasibility analysis of multifamily rental housing was presented to City Council in January 2023, as part of this update process. Based on the findings of the feasibility analysis, it is likely that the City will adopt an onsite requirement similar to the temporary requirement, with alternative compliance options that provide flexibility for developers. If the updated ordinance still allows for payment of an in-lieu fee, it is likely that the City will update the in-lieu fee to more accurately reflect the affordability gap between market rate and affordable inclusionary units.

PORTLAND



Program History and Requirements

The City of Portland adopted an Inclusionary Housing ordinance in 2016, in response to a change in Oregon law that reversed a statewide ban on inclusionary ordinances.

Oregon law places the following limits on

inclusionary housing ordinances:

- Cities cannot require more than 20% of units to be affordable,
- Affordable rents and prices must be at a level affordable to households earning 80% of Median Family Income (MFI) or higher (providing alternative compliance options at income levels less than 80% of MFI is permitted),
- Inclusionary housing ordinances can only apply to multifamily structures with 20 or more units,
- Cities must provide incentives, and
- There must be a fee option.

Compliance Options

Consistent with the maximums permitted under Oregon law, Portland requires projects with 20 or more units to set aside 20% of units at a rent or price affordable to households earning 80% of MFI. To qualify for the affordable units, renters must have an income of 80% of MFI or below while purchasers of for-sale affordable units must have incomes of 100% AML or below.

Alternatively, developers may choose one of the following compliance options:

- Set aside 10% of units at 60% MFI.
- Build units offsite equal to 20% of units at 60% MFI or 10% at 30% MFI.

Population	635,067
Land Area	133 square miles
Adopted / Updated	2016
Program Structure	Inclusionary requirement w/ fee option.
Inclusionary Percentage	20%
Income Levels for Inclusionary Units	80% Median Family Income
In-Lieu Fee Amount	\$23 - \$27 per gross square foot.
10-Year Housing Permitted, 2012-2021	
Multi-Family: 35,601 Single-Family: 7,146 Ten-Year Total 42,747	
City-Regulated Affordable Units (<80% AML) 2015-2022:	7,780
Units Per 1,000 Residents	67 units per 1,000 residents

Sources: US Census, City of Portland Housing Bureau.

- Establish affordability restrictions for existing offsite units, equal to 25% at 60% MFI or 15% at 30% MFI.
- Provide a modified percentage of affordable units that maintains the same total number of bedrooms within the affordable units (“reconfiguration of bedrooms option”).
- Payment of an in-lieu fee of \$23 per gross square foot, or \$27 in the Central City and Gateway Plan Districts.



Affordable renter households must have an income at or below the identified income level to be eligible, while purchasers of for-sale affordable units may have incomes that exceed the level used to set affordable prices by up to 20%.

Incentives

The City’s program provides a range of incentives designed to reduce compliance costs and encourage onsite units. Incentives include a 10-year property tax exemption for affordable units, construction excise tax exemption for affordable units, parking exemptions, FAR bonuses, and System Development Charge (impact fee) exemptions for the affordable units. Projects located in the Central City Plan District with an FAR of 5 or greater that provide inclusionary units are eligible to receive the 10-year property tax exemption on the full residential portion of the building, not just the affordable units.

Incentives offered under Portland’s inclusionary program vary by geographic area.

For projects with multiple buildings, inclusionary units may be consolidated in one building onsite. The consolidated building is not eligible to receive subsidy funding from the Portland Housing Bureau.

The City is currently conducting a “Calibration Study” to examine and assess the Inclusionary Housing program. In particular, the City is studying adjustments to the program for for-sale projects, offsite production of units, the reconfiguring of bedrooms option, and possible changes to the tax-exemption incentive.

Affordable Housing Production

Since the program’s inception in 2017, privately funded market rate projects have provided 332 inclusionary units. An additional 274 inclusionary units are under construction and 327 are in permitting. There are 990 projected affordable units in predevelopment. The units are an even mix of income targeting between 60% and 80% MFI. The City collected in-lieu fee revenues

from one project totaling \$4.2 million. The City has not yet allocated the fee revenues to an affordable project.

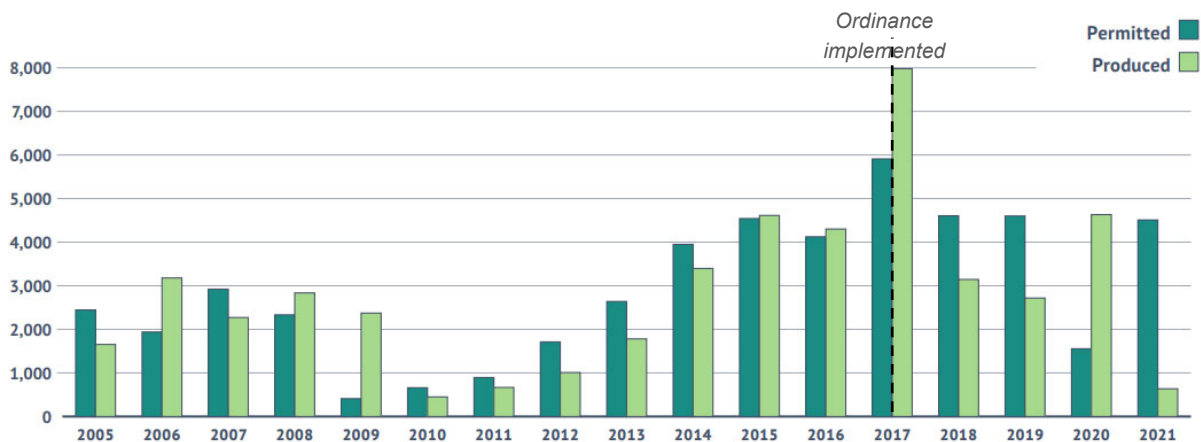
Compliance Options Being Utilized

The City's program is designed to comply with state law while providing incentives to achieve policy goals. In particular, the City is most interested in inclusionary units at 60% MFI. The program has been successful in achieving this outcome, as most projects comply by setting aside units onsite, and almost half of the units are set at 60% MFI. The in-lieu fee option, which is set at a level to encourage the production of units, has only been used by one project. In addition, one developer has complied with the ordinance by providing offsite units (two buildings "sent" their inclusionary units to a third building in the same neighborhood with similar units). Developers have chosen to reconfigure the bedroom mix of the inclusionary units in order to provide fewer overall units, particularly in the Central City Plan Area, where the tax exemption incentives can apply to the entire building in certain circumstances.

Overall Housing Production Trends

Charts 6-5 and 6-6 show multi-family and single family housing production trends in Portland since 2005. The chart was prepared by the City as part of its *2022 State of Housing* report.

Chart 6-5. Multifamily Units Permitted and Produced by Year, Portland



Source: Multnomah County, Portland Tax Lot Data 2022, Metro Multifamily Inventory 2022, and City of Portland, Bureau of Development Services, 2022

Chart 6-6. Single Family Units Permitted and Produced by Year, Portland



Source: Multnomah County, Portland Tax Lot Data 2022, Metro Multifamily Inventory 2022, and City of Portland, Bureau of Development Services, 2022

The City experienced a spike in permits and completions of multifamily units in 2017, just prior to the effective date of the Inclusionary Housing requirements, with permits issued in the subsequent years less than this peak year. Critics of the program point to the decline in housing production from this peak as evidence that the inclusionary housing program has slowed overall housing production in the city.

The Portland Housing Bureau conducts periodic reviews of the Inclusionary Housing program options and incentives in an effort to monitor the effect and impact of the program. In addition, the City produces an annual “State of Housing” report, which provides a comprehensive look at the Portland housing market. The city’s periodic reviews and the State of Housing reports suggest that the reduction in housing permitting and production since 2017 may have been a result of several factors, including a natural decline after the large spike and broader economic conditions.

In 2017, annual housing production and permitting levels peaked higher than any point in nearly two decades, as many developers rushed to submit permit applications prior to the February 2017 effective date of the City’s new Inclusionary Housing requirements. This was especially true for multifamily housing development, which saw more than 6,000 permits issued—a record high—and 8,000 units produced that year. Both production and permitting have since declined and are closer to historic averages, with an average of 2,347 multifamily units produced annually in both 2019 and 2020. These declines were not only seen in Portland but also in surrounding cities in Washington and Clackamas counties, due in large part to rising construction and labor costs, and tariff uncertainties, followed by the economic impacts of the COVID-19 pandemic in 2020. While the drop in new construction permits in 2020 to 1,555 seemed to signal an impending slowdown in housing production, permitting levels rebounded in 2021 with 4,257 permits issued.¹⁵

¹⁵ 2021 State of Housing, Portland Housing Bureau.

The City's program applies to projects with 20 units or more, leading to the question of whether developers are producing smaller projects than they otherwise would have (19 or fewer units), or building multiple smaller buildings on a site to avoid the program's requirements. As part of the current Inclusionary Housing Calibration study, the City analyzed this question and found the following:

The most significant finding is that 12-to-19-unit buildings do not make up a large share of housing production. Less than 10 percent of the last three years of housing units produced are within 12-to-19-unit buildings. Most 12-to-19-unit buildings are built on smaller lots that accommodate smaller building types. In terms of projects with multiple buildings on one site, this type of evasion of IH requirements has only happened six times in the past three years (four instances in 2019, once in 2020 and once again in 2021). In conclusion, the avoidance of Inclusionary Housing requirements by building just below the threshold of the requirements is not prevalent within recent years of housing production trends.¹⁶

The City continues to conduct reviews and in-depth analyses of housing production and the inclusionary housing ordinance to calibrate the program to best achieve the City's housing goals.

¹⁶ 12-to-19-Unit Building Production Analysis, Bureau of Planning and Sustainability, City of Portland, December 2022.

DENVER



Program History and Requirements

In 2021, Colorado passed state legislation enabling cities to apply inclusionary housing requirements to rental projects. The new law requires cities to offer options and at least one alternative to onsite compliance. In addition, it requires incentives to help offset the cost of compliance.

Population	713,252
Land Area	153 square miles
Adopted / Updated	2001, updated 2017, 2022
Program Structure	Inclusionary requirement w/ fee option
Inclusionary Percentage	8% - 15%, depending on income level, unit type, market area
Income Levels for Inclusionary Units	Rental: 60% or 70% (average) For Sale: 80% or 90% (average)
In-Lieu Fee Amount	\$250,000 - \$478,000, depending on unit type and market area
10-Year Housing Units Permitted, 2012-2021	73,941
10-Year Affordable Units Produced (<100% AMI), 2011-2020	5,759
Units Per 1,000 Residents	
Total Units	104 units per 1,000 residents
Low and Very Low Units	8 units per 1,000 residents
<i>Sources: US Census; Denver Housing Market Analysis, Root Policy Research, 2022.</i>	

Following enactment of the new State legislation, the City of Denver adopted its “Expanding Housing Affordability” policy, which modified the City’s existing affordable housing linkage fee, adopted in 2017.

Base Requirement

Residential developments of 10 or more units must set aside 8% to 15% of the units as affordable or pay an in-lieu fee. The in-lieu fee ranges from \$250,000 to \$478,000 depending on unit type and market area. The City offers incentives including flexible parking requirements, height incentives and permit fee reductions to help offset the cost of the inclusionary units.

Projects less than ten units are required to pay the affordable housing linkage fee that was previously in place, but the amount is being increased and is set to be fully phased in by July 2025. For units less than 1,600 square feet, the fully phased in fee will be \$5 per square foot. For units larger than 1,600 square feet, the fee will be \$8 per square foot. (The fee for other residential uses such as congregate living will be \$7 per square foot.)

The Expanding Housing Affordability program establishes two distinct market areas with differing requirements. Market areas are updated every three years and are based on the median land value per square foot by census tract. The market areas are:

- High Market Areas, which includes census tracts with a median land value equal to five (5) or more times greater than the citywide median land value; and
- Typical Market Areas, which include all other census tracts.

Denver's requirements vary by market area.

In Typical Market Areas, projects with 10 or more units can choose to set aside 8% of units at 60% AMI (rental) and 80% AMI (ownership), or 12% at an effective average of 70% AMI (rental) and 90% AMI (ownership). In High Market Areas, the onsite percentages increase to 10% and 15% of total dwelling units.

Incentives

There are three base incentives for projects providing onsite affordable units. Projects are eligible for a building permit fee reduction equal to \$6,500 per affordable unit in Typical Market Areas and \$10,000 per affordable unit in High Market Areas. Projects are also eligible for a reduced parking standard. Ground floor commercial uses in residential buildings providing onsite affordable units are exempt from paying the affordable housing linkage fee.



Projects that set aside a higher percentage of affordable units are eligible for an increase in building height and floor area ratio and an exemption from parking requirements, in addition to the base incentives. In Typical Market Areas, enhanced incentives are available to projects that provide 10% at 60% AMI (rental) and 80% AMI (ownership), or 15% at an average of 70% AMI (rental) and 90% (owner). In High Market Areas, the percentage thresholds to qualify for enhanced incentives are 12% and 18%, depending on the income level of the units.

Alternatives

Consistent with state law in Colorado, Denver provides an in-lieu fee option, in the amounts shown in the table below. Fees are adjusted annually based on the CPI-U index.

Denver In-Lieu Fees			
Market Area	Onsite Percentage to be used for the Fee Calculations	Development Types	Fee per affordable unit required
High Market Area	10% of dwelling units	Rental development	\$311,000
		Ownership development	\$478,000
Typical Market Area	8% of dwelling units	Townhouses	\$250,000
		Ownership development, dwelling units other than townhouses	\$408,000
		Rental development of one to seven stories	\$250,000
		Rental development of eight or more stories	\$295,000

Affordable units must remain affordable for 99 years. Units must be functionally equivalent in construction and appearance, interspersed among the other units in the development, and proportionate in the number of bedrooms.

Applicants may propose an alternative approach to satisfy the requirements of the Expanded Housing Affordability policy, such as land dedication, deeper affordability, larger family units, or offsite units. The applicant must demonstrate how the proposed alternative provides outcomes that better support the city's goals and policies. Alternatives may be approved at the staff level.

The City designates large projects (10 or more acres) or projects receiving public financing as "High Impact Developments." High Impact Developments must finalize and record a compliance plan approved by the City. The plan must demonstrate how the proposed development meets or exceeds the affordability requirements, and it must also be informed by and responsive to a documented community engagement process.

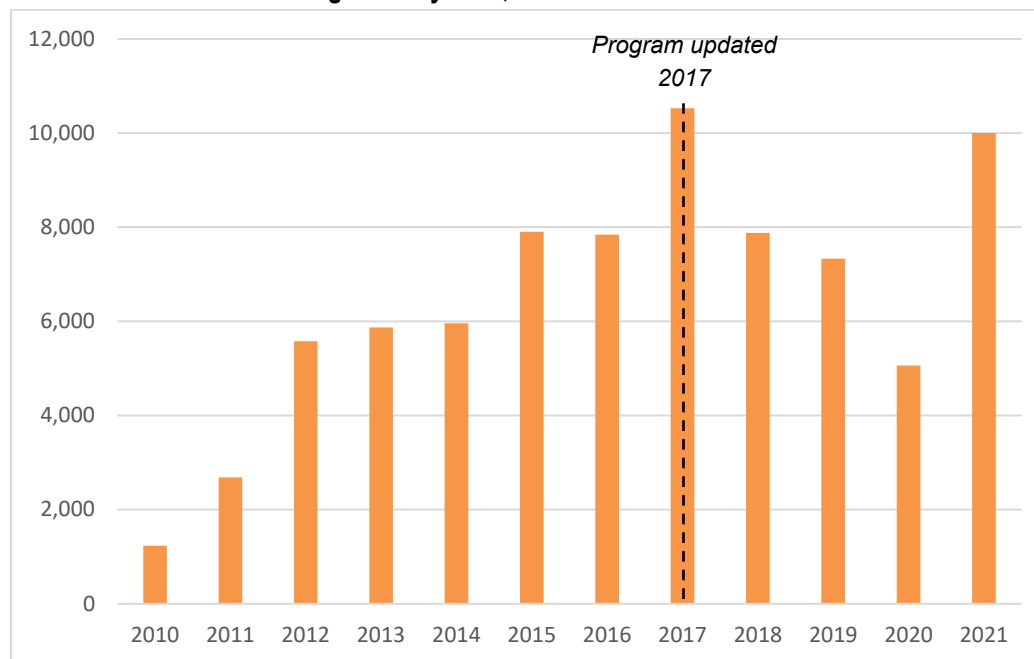
Affordable Housing Production

The prior affordable housing linkage fee program, which also applies to non-residential development, generated \$24 million in fees between 2017 and 2020. Under that program, onsite units were allowed as an alternative to the fee, but no incentives were provided. Only three affordable units were provided on-site under the former program between 2017 and 2020. The Expanding Housing Affordability ordinance went into effect July 1, 2022; however, projects approved since then and through June 2023 are grandfathered under the prior linkage fee program rules and are not subject to the new program. As such there is not yet data on housing production under the new program.

Overall Housing Production Trends

Chart 6-7 shows housing unit permitting since 2010. There was an elevated level of permitting in 2017, prior to the effective date of the new 2017 affordable housing fee. Permitting was also elevated in 2021, which may be due in part to the impending new inclusionary ordinance. On a per capita basis, Denver's housing production exceeded all of the other comparisons, which may be driven by a range of factors including population growth in the Denver metro area, differences in costs, among others. The housing production data is an indication that projects were able to sustain the affordable housing fee requirements in place prior to 2022. The City's new inclusionary policy took effect in mid-2022 but has provisions for qualifying pipeline projects to proceed under prior fee requirements through June 2023; therefore, there is no data yet on housing production trends under the new ordinance.

Chart 6-7. Permitted Housing Units by Year, Denver



SAN JOSE



Program History and Requirements

San Jose has had an inclusionary policy since 1988. The 1988 program applied only within redevelopment areas, which covered extensive areas of the City, and required 20% of units to be affordable. The program was expanded citywide in 2010. The citywide program was scheduled to take effect in January 2013; however, the California Building Industry Association (CBIA) sued the City. Implementation was suspended while the litigation proceeded through superior court, appeals court, and finally to the California Supreme Court. The California Supreme Court ruled in favor of the City, upholding the ability of cities to implement inclusionary policies. A petition for review by the United States Supreme Court was denied in 2016. This cleared the way for the City to begin implementing its citywide inclusionary program in 2016, replacing the redevelopment area policy which had been continuously implemented through that point.

Population	971,233
Land Area	178 square miles
Adopted / Updated	1988; expanded Citywide 2010; first implemented 2016; amended 2021
Program Structure	Inclusionary w/ fee option
Inclusionary Percentage	15%
Income Levels for Inclusionary Units	R: 5% each at Very Low, Low, Median FS: 15% at Moderate
In-Lieu Fee Amount	<u>Rental</u> Moderate Market Areas: \$19.68/SF net livable area Strong Market Areas: \$45.26/SF net livable area <u>For-Sale</u> \$26.32/SF net livable area
10-Year Housing Permitted ¹	
Very Low and Low:	3,140 12%
Moderate:	2,873 11%
Above Moderate:	<u>19,590</u> <u>77%</u>
Ten-Year Total	25,603 100%
Units Per 1,000 Residents	
Total Units	26 units per 1,000 residents
Low and Very Low Units	3 units per 1,000 residents
¹ 2013-2022. Sources: US Census, Housing Element Annual Progress Reports.	

Affordable Housing Impact Fee Program

While litigation over the City's program was pending, the City adopted a separate affordable housing impact fee ("AHIF") program in 2014 that applied to rental developments. The fee was set at an initial rate of \$17 per square foot and had escalated to \$19.61 per square foot as of FY 22-23. Adoption of the AHIF program occurred during a period when inclusionary requirements could not be applied to rental developments based on a separate court ruling (*Palmer*). The ability to apply inclusionary requirements to rentals was restored through enactment of AB 1505 in 2017, at which point the City began a process of transitioning away

from its AHIF program and toward a single inclusionary policy for both rental and for sale projects. As a number of projects were entitled under the AHIF policy, the City has continued to collect fees under the program as the transition process occurs.

2010 Citywide Inclusionary Ordinance

The City's 2010 original citywide inclusionary ordinance reflected the following requirement:

- On-site affordable requirement of 15%
 - For-sale projects must provide moderate income units priced at 110% of AMI.
 - Rental projects are required to provide a mix of Very Low (50% AMI) and Moderate units with rents at 80% of AMI, which mirrored redevelopment law production requirements.
- In-lieu fees were permitted for all projects and were structured on a flat per affordable unit basis. In-lieu fees for rental projects were \$125,000 per affordable unit and fees for for-sale projects were \$157,858 per affordable unit prior to the 2021 amendments of the program. The calculation of the in-lieu fee due is based on a higher 20% requirement.
- Other alternatives permitted under the 2010 ordinance included land dedication, credits for surplus inclusionary units, acquisition and rehab of existing units, among others.

2021 Amended Citywide Ordinance

In 2021, the City implemented a comprehensive set of updates to the inclusionary ordinance which included a modification of the structure of the in-lieu fee from a per unit basis to a per square foot basis and a restructuring of requirements to add additional flexibility to the program and encourage rental projects to provide a portion of required affordable units on-site.

The basic 15% requirement was maintained but the mix of affordability levels for rentals was modified away from the old redevelopment law standards toward a mix of 5% at each of three income levels, Median (100% AMI), Low (60% AMI) and Very Low (50% AMI). The smallest project size subject to the ordinance was reduced to ten units from twenty. Flexibility was added to allow clustering of affordable units where required by financing sources.

San Jose's new rental in-lieu fee structure provides a powerful incentive for rental projects to include at least 5% inclusionary units on-site.

In-lieu fees for rentals were distinguished by market area. Higher fees apply in "strong market areas," identified based on a greater level of development activity. The majority of the City's

geography is designated a “moderate market area” in which a lower in-lieu fee rate that mirrors the prior affordable housing impact fee rate applies. In-lieu fees for for-sale units are at a flat per square foot rate across market areas.

The revised rental in-lieu fee structure is designed to provide a powerful incentive for rental projects in strong market areas to provide at least 5% inclusionary units on-site. The full in-lieu fee rate for rentals in strong market areas is \$45.26 per square foot; however, by providing 5% affordable units within the project, the in-lieu fee is reduced by over half to \$19.68 per square foot for median income units, \$13.13 for 60% AMI units and \$10.60 for 50% AMI units. This translates into an effective reduction in in-lieu fees of \$420,000 to \$583,000 per affordable unit provided within the project¹⁷, depending on the income level, providing a strong incentive to include the affordable units on-site. Providing 5% affordable units at 50% of AMI also qualifies the project for a 20% density bonus under State law.

In-Lieu Fees (22-23 rates), City of San Jose, Rentals			
	Affordable rents	Strong Market	Moderate Market
No Inclusionary Units	n/a	\$45.26	\$19.68
5% Inclusionary Units On-Site	100% AMI rents	\$19.68	\$12.49
	60% AMI rents	\$13.13	\$8.34
	50% AMI rents	\$10.60	\$6.73
10% Inclusionary Units On-Site	100% AMI & 60% AMI	\$11.11	\$7.05
	100% AMI & 50% AMI	\$8.58	\$5.44
	60% AMI & 50% AMI	\$2.02	\$1.28
	30% AMI	\$0.00	\$0.00

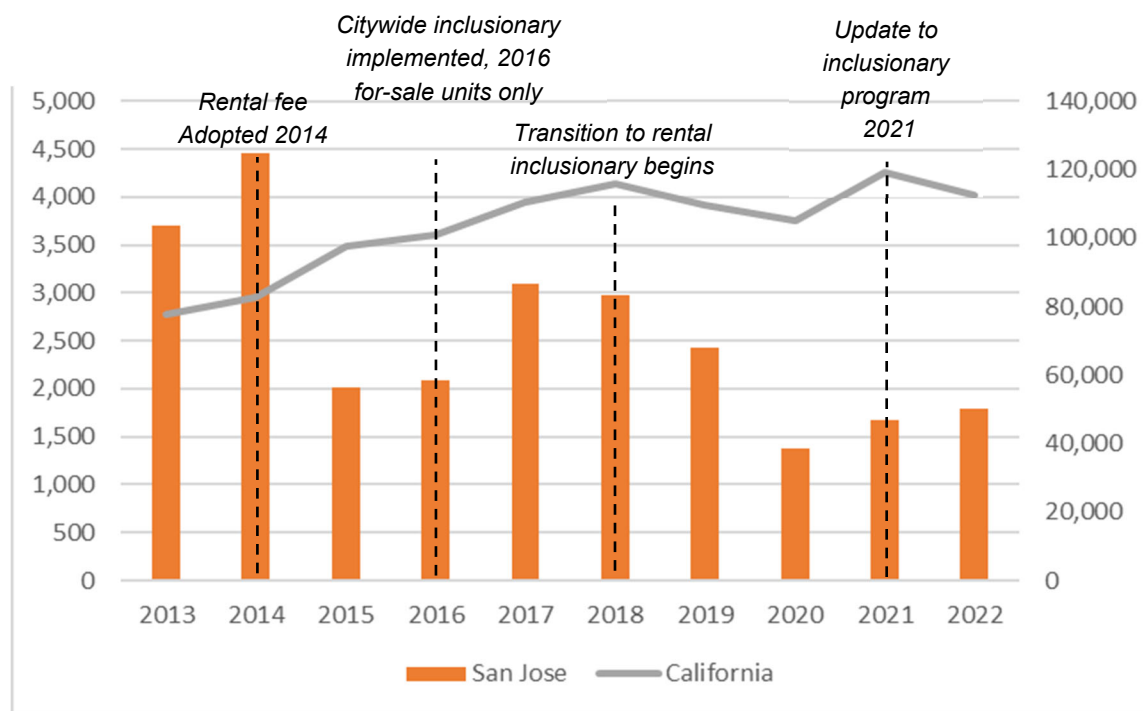
Overall Housing Production Trends

The overall level of housing production in San Jose, at 26 units per 1,000 in population over the past decade is consistent with the statewide average. Most housing units being built in San Jose are multi-family. The City experienced a robust level of multifamily permitting activity in 2013 and 2014 driven by favorable conditions for these projects. The pace of multifamily development slowed in the latter half of the decade. Feasibility studies conducted on behalf of San Jose have indicated that rising construction costs contributed to greater feasibility challenges for market rate multi-family projects in San Jose compared to cities in the West Valley and Peninsula where higher rents are achievable and better able to support rising costs. The City also reached a limit under its North San Jose Development Policy, which resulted from a settlement agreement, which prevented additional housing units from being built within an area that had attracted significant housing development.

¹⁷ Assuming a 900 square foot average unit size.

The City's inclusionary policies underwent four major changes over the prior decade, as noted in Chart 6-8. Policy changes have included provisions allowing pipeline projects to proceed under prior requirements, such that adoption dates don't necessarily provide clear delineation between the policies applicable to specific projects in specific years. For example, the AHIF was adopted in 2014; however, projects were generally exempt if they received approvals prior to June 30, 2016, and no fees were paid until fiscal year 2017-18. As such, reduced permitting activity in 2015 and 2016 would not be attributable to the AHIF, as projects built in these years were not subject to the AHIF. The complexity of four separate policy changes, pipeline provisions of the programs, the shifts in market dynamics and rising construction costs, and the cap on units in the North San Jose area make it difficult to draw any meaningful conclusions from the permitting data regarding the influence the City's inclusionary policies might or might not have had on market rate housing production over the period, as distinct from other factors.

Chart 6-8. Permitted Housing Units by Year, San Jose



Outcomes

1988 Redevelopment Area Inclusionary Policy

The 1988 inclusionary policy that applied within former redevelopment areas until 2016 created 1,780 total income-restricted affordable units (comprised of 346 for-sale homes and 1,434 rental units) on-site within 52 separate mixed income projects (representing approximately 19% of the

units within the 52 projects subject to the 1988 policy), primarily between 1996 and 2017. According to a City staff report, all of these affordable units were built without a financial subsidy from the redevelopment agency. In addition, a total of \$21 million in-lieu fees were paid, and an additional \$16 million in-lieu fees remained to be collected from projects that had not yet fully built out. These in-lieu fee funds were committed to assist affordable projects around the city and a first-time homebuyer program.

AHIF Program

The City first collected affordable housing impact fees under its AHIF program in FY 2017-18 and had collected \$21 million through 2021-22. Funds were committed to three affordable projects including \$2.2 million a 14-unit habitat for humanity project (101 S Jackson), \$5.4 million to Kelsey Ayer Station (115 units), and \$5 million to Parkmoor Community Apartments (81 units).

Citywide Inclusionary Policy

Of the seven projects that submitted compliance plans under the original citywide policy from 2016 to 2019, all but one project planned to comply through in-lieu fee payment. One 494-unit rental project proposed to provide on-site affordable rental units. The cost of including affordable units on-site was determined to be significantly higher than the cost of the in-lieu fee, based on a 2019 analysis.

The 2021 amendments to the citywide policy were designed to produce more on-site inclusionary units by strengthening the incentives to do so and incorporating additional flexibility into the program for projects that do provide on-site affordable units. Data on compliance options proposed by applicants since the 2021 amendments were adopted show that the City has been successful in encouraging projects to provide affordable units on-site. Applicants are proposing a variety of compliance options to meet the requirements of the ordinance including on-site units, in-lieu fees, and a mix of units and fees. Staff indicated that three options have seen particular interest:

- Providing 5% rental units at 100% of AMI + payment of an in-lieu fee for the remaining 10% requirement.
- Partnering with an affordable developer and clustering the required inclusionary units on a portion of the site.
- A combination of methods or alternative proposed by the applicant that provides the same or greater affordability.

Satisfying the entire inclusionary obligation with in-lieu fees has become less common than it once was and represented only about one third of a sampling of 29 affordable housing compliance plans for proposed projects.

While the policy has been successful in encouraging on-site affordable units, some challenges have emerged based on the track record with the revised ordinance to date. Specifically, some applicants have used the option to propose an alternative compliance method to push the boundaries of the flexibility under the program including by requesting modification of standards that may not align with the intent, although use of this option remains subject to City approval. Another challenge has resulted from the rapid increases in published income limits for Santa Clara County, which have increased by 28% in the four years since the proposed policy was initially brought to Council in a 2019 study session. With this rapid increase in income limits and therefore affordable rents, the affordability benefit originally associated with the 100% AMI tier is greatly reduced or eliminated under current market conditions. In part because 100% AMI rents are now effectively at or near market, use of the option to provide 5% of rental units at 100% of AMI and qualify for a reduced in-lieu fee has been common.

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APPENDIX A - PART A

FINANCIAL FEASIBILITY ANALYSIS SUMMARY TABLES

Appendix A Table 1A

Summary of Scenario Testing, For-Sale, Assuming Prior More Favorable Market Conditions for Scenario Testing

Feasibility Analysis

Sacramento MIHO Review

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Scenario	Appendix A Table	Central City	Southern Neighborhoods		North Sacramento and South Natomas		North Natomas		Inner South and East Neighborhoods	
		Townhome	SF	SF sm lot	SF	SF sm lot	SF	SF sm lot	SF	SF sm lot

Existing HIF, Current and Prior Market Conditions, With and Without New Utility Fees

1 Current Market, Proposed Utility Fees, Existing HIF	Table 5A	F	M	M	I	I	M	M	M	F
2 Current Market, Existing Utility Fees, Existing HIF	Table 5B	F	M	F	I	M	F	F	M	F
3 Prior Market, Existing Utility Fees, Existing HIF	Table 5C	F	F	F	F	F	F	F	F	F

5% On-Site For-Sale Affordable Units

4 Prior Market, Proposed Utility Fees, 5% @ Mod@110% AMI	Table 5D	F	F	F	M	F	F	F	F	F
5 Prior Market, Proposed Utility Fees, 5% @ Mod@90% AMI	Table 5E	F	F	F	M	F	F	F	F	F
6 Prior Market, Proposed Utility Fees, 5% @ Low @70% AMI	Table 5F	F	F	F	M	F	F	F	F	F

10% On-Site For-Sale Affordable Units

7 Prior Market, Proposed Utility Fees, 10% @ Mod@110% AMI	Table 5G	F	F	F	M	F	F	F	F	F
8 Prior Market, Proposed Utility Fees, 10% @ Mod@90% AMI	Table 5H	F	F	F	M	F	F	F	M	F
9 Prior Market, Proposed Utility Fees, 10% @ Low@70% AMI	Table 5I	F	M	F	I	M	F	F	M	F

15% On-Site For-Sale Affordable Units

10 Prior Market, Proposed Utility Fees, 15% @ Mod@110% AMI	Table 5J	F	F	F	M	F	F	F	M	F
11 Prior Market, Proposed Utility Fees, 15% @ Mod@90% AMI	Table 5K	M	M	F	M	F	F	F	M	F
12 Prior Market, Proposed Utility Fees, 15% @ Low@70% AMI	Table 5L	M	M	M	I	I	M	F	M	F

Include Stand-Alone LIHTC Affordable Project (primarily an option for larger master plans)

13 Prior Market, Proposed Utility Fees, 10% in LIHTC Project	Table 5M	n/a	F	F	M	F	F	F	n/a	n/a
14 Prior Market, Proposed Utility Fees, 15% in LIHTC Project	Table 5N	n/a	F	F	M	F	F	F	n/a	n/a
15 Prior Market, Proposed Utility Fees, 20% in LIHTC Project	Table 5O	n/a	F	F	M	F	F	F	n/a	n/a

n/a = not likely to be practical based on typically smaller site / project size

Affordable Housing Fee Scenarios

16 Prior Market, Proposed Utility Fees, Existing HIF	Table 5P	F	F	F	M	F	F	F	F	F
17 Prior Market, Proposed Utility Fees, remove HIF incentives	Table 5Q	F	F	F	M	F	F	F	F	F
18 Prior Market, Proposed Utility Fees, HIF @\$5/SF	Table 5R	F	F	F	M	F	F	F	F	F
19 Prior Market, Proposed Utility Fees, HIF @\$7.50/SF	Table 5S	F	F	F	M	F	F	F	F	F
20 Prior Market, Proposed Utility Fees, HIF @\$10/SF	Table 5T	F	F	F	I	M	F	F	F	F
21 Prior Market, Proposed Utility Fees, HIF @\$15/SF	Table 5U	F	M	M	I	M	F	F	F	F
22 Prior Market, Proposed Utility Fees, HIF @\$20/SF	Table 5V	F	M	M	I	I	F	F	F	F

F= Feasible

M= Marginal Feasibility

I= Infeasible / Challenged

Appendix A Table 1B

Summary of Scenario Testing, For-Sale, Assuming Current Market Condition for Scenario Testing

Feasibility Analysis

Sacramento MIHO Review

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Scenario	Central City	Southern Neighborhoods		North Sacramento and South Natomas		North Natomas		Inner South & East and West of I-5	
	Townhome	SF	SF sm lot	SF	SF sm lot	SF	SF sm lot	SF	SF sm lot

Existing HIF, Current and Prior Market Conditions, With and Without Proposed Utility Fees

5% On-Site For-Sale Affordable Units

4 Current Market, Proposed Utility Fees, 5% @ Mod@110% AMI	M	M	M	I	I	F	F	M	F
5 Current Market, Proposed Utility Fees, 5% @ Mod@90% AMI	M	I	M	I	I	M	M	M	F
6 Current Market, Proposed Utility Fees, 5% @ Low @70% AMI	M	I	I	I	I	M	M	M	F

10% On-Site For-Sale Affordable Units

7 Current Market, Proposed Utility Fees, 10% @ Mod@110% AMI	M	M	M	I	M	M	F	M	F
8 Current Market, Proposed Utility Fees, 10% @ Mod@90% AMI	M	I	I	I	I	M	M	M	M
9 Current Market, Proposed Utility Fees, 10% @ Low@70% AMI	M	I	I	I	I	I	I	M	M

15% On-Site For-Sale Affordable Units

10 Current Market, Proposed Utility Fees, 15% @ Mod@110% AMI	M	M	M	I	M	M	F	M	M
11 Current Market, Proposed Utility Fees, 15% @ Mod@90% AMI	I	I	I	I	I	M	M	I	M
12 Current Market, Proposed Utility Fees, 15% @ Low@70% AMI	I	I	I	I	I	I	I	I	M

Include Stand-Alone LIHTC Affordable Project (primarily an option for larger master plans)

13 Current Market, Proposed Utility Fees, 10% in LIHTC Project	n/a	M	M	I	I	F	M	n/a	n/a
14 Current Market, Proposed Utility Fees, 15% in LIHTC Project	n/a	I	I	I	I	F	M	n/a	n/a
15 Current Market, Proposed Utility Fees, 20% in LIHTC Project	n/a	I	I	I	I	M	M	n/a	n/a

n/a = not likely to be practical based on typically smaller site / project size

Affordable Housing Fee Scenarios

16 Current Market, Proposed Utility Fees, Existing HIF	F	M	M	I	I	M	M	M	F
17 Current Market, Proposed Utility Fees, remove HIF incentives	F	I	I	I	I	M	M	M	F
18 Current Market, Proposed Utility Fees, HIF @\$5/SF	F	I	I	I	I	M	M	M	F
19 Current Market, Proposed Utility Fees, HIF @\$7.50/SF	F	I	I	I	I	M	M	M	F
20 Current Market, Proposed Utility Fees, HIF @\$10/SF	M	I	I	I	I	M	I	M	F
21 Current Market, Proposed Utility Fees, HIF @\$15/SF	M	I	I	I	I	I	I	M	F
22 Current Market, Proposed Utility Fees, HIF @\$20/SF	M	I	I	I	I	I	I	M	M

F= Feasible

M= Marginal Feasibility

I= Infeasible / Challenged

Appendix A Table 1C

Summary of Scenario Testing, Rentals, Assuming Prior More Favorable Market Conditions for Scenario Testing

Feasibility Analysis

Sacramento MIHO Review

DRAFT

Scenario	Appendix A Table	Central City	Southern Neighborhoods	North Sacramento and South Natomas	North Natomas	Inner South and East Neighborhoods
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Med Density High Density

Existing HIF, Current and Prior Market Conditions, With and Without Proposed Utility Fees

1	Current Mkt, Proposed Utility Fees, Existing HIF	Table 6A	I	I	I	I	I
2	Current Mkt, Existing Utility Fees, Existing HIF	Table 6B	I	M	I	I	I
3	Prior Mkt, Existing Utility Fees, Existing HIF	Table 6C	F	F	F	F	F

5% On-Site Affordable Units

4	Prior Mkt, Proposed Utility Fees, 5% Low @80% AMI	Table 6D	F	F	M	M	F
5	Prior Mkt, Proposed Utility Fees, 5% Low @60% AMI	Table 6E	F	F	M	M	M
6	Prior Mkt, Proposed Utility Fees, 5% Very Low @50% AMI	Table 6F	M	F	M	M	M

10% On-Site Affordable Units

7	Prior Mkt, Proposed Utility Fees, 10% Low @80% AMI	Table 6G	M	F	M	M	M
8	Prior Mkt, Proposed Utility Fees, 10% Low @60% AMI	Table 6H	M	F	I	I	I
9	Prior Mkt, Proposed Utility Fees, 10% Very Low @50% AMI	Table 6I	I	F	I	I	I

15% On-Site Affordable Units

10	Prior Mkt, Proposed Utility Fees, 15% Low @80% AMI	Table 6J	M	F	I	I	M
11	Prior Mkt, Proposed Utility Fees, 15% Low @60% AMI	Table 6K	I	M	I	I	I
12	Prior Mkt, Proposed Utility Fees, 15% Very Low @50% AMI	Table 6L	I	I	I	I	I

Affordable Housing Fee Scenarios

13	Prior Mkt, Proposed Utility Fees, Existing HIF	Table 6M	F	F	F	F	F
14	Prior Mkt, Proposed Utility Fees, HIF @\$5/SF	Table 6N	F	F	M	F	F
15	Prior Mkt, Proposed Utility Fees, HIF @\$7.50/SF	Table 6O	F	F	M	M	F
16	Prior Mkt, Proposed Utility Fees, HIF @\$10/SF	Table 6P	F	F	M	M	F
17	Prior Mkt, Proposed Utility Fees, HIF @\$15/SF	Table 6Q	F	F	M	M	M
18	Prior Mkt, Proposed Utility Fees, HIF @\$20/SF	Table 6R	M	F	I	M	M
19	Prior Mkt, Proposed Utility Fees, remove HIF incentives	Table 6S	F	F	F	F	F

F= Feasible

M= Marginal Feasibility

I= Infeasible / Challenged

Appendix A Table 1D

Summary of Scenario Testing, Rentals, Assuming Current Market Condition for Scenario Testing

Feasibility Analysis

Sacramento MIHO Review

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Scenario	Appendix A Table	Central City		Southern Neighborhoods	North Sacramento and South Natomas	North Natomas	Inner South and East Neighborhoods
		Med Density	High Density				

5% On-Site Affordable Units

4	Current Mkt, Proposed Utility Fees, 5% Low @80% AMI	Table 6D	I	I	I	I	I
5	Current Mkt, Proposed Utility Fees, 5% Low @60% AMI	Table 6E	I	I	I	I	I
6	Current Mkt, Proposed Utility Fees, 5% Very Low @50% AMI	Table 6F	I	I	I	I	I

10% On-Site Affordable Units

7	Current Mkt, Proposed Utility Fees, 10% Low @80% AMI	Table 6G	I	I	I	I	I
8	Current Mkt, Proposed Utility Fees, 10% Low @60% AMI	Table 6H	I	I	I	I	I
9	Current Mkt, Proposed Utility Fees, 10% Very Low @50% AMI	Table 6I	I	I	I	I	I

15% On-Site Affordable Units

10	Current Mkt, Proposed Utility Fees, 15% Low @80% AMI	Table 6J	I	I	I	I	I
11	Current Mkt, Proposed Utility Fees, 15% Low @60% AMI	Table 6K	I	I	I	I	I
12	Current Mkt, Proposed Utility Fees, 15% Very Low @50% AMI	Table 6L	I	I	I	I	I

Affordable Housing Fee Scenarios

13	Current Mkt, Proposed Utility Fees, Existing HIF	Table 6M	I	I	I	I	I
14	Current Mkt, Proposed Utility Fees, HIF @\$5/SF	Table 6N	I	I	I	I	I
15	Current Mkt, Proposed Utility Fees, HIF @\$7.50/SF	Table 6O	I	I	I	I	I
16	Current Mkt, Proposed Utility Fees, HIF @\$10/SF	Table 6P	I	I	I	I	I
17	Current Mkt, Proposed Utility Fees, HIF @\$15/SF	Table 6Q	I	I	I	I	I
18	Current Mkt, Proposed Utility Fees, HIF @\$20/SF	Table 6R	I	I	I	I	I
19	Current Mkt, Proposed Utility Fees, remove HIF incentives	Table 6S	I	I	I	I	I

F= Feasible

M= Marginal Feasibility

I= Infeasible / Challenged

Appendix A Table 2A

Dollar Per Square Foot Cost Relative to Existing Requirements: For-Sale

Feasibility Analysis

Sacramento MIHO Review

DRAFT

Scenario	Appendix A Table	Central City	Southern Neighborhoods		North Sacramento and South Natomas		North Natomas		Inner South and East Neighborhoods	
Dollar Per Square Foot Cost Increase Relative to Existing Requirements (includes combined impact of affordable housing changes and utility fee increase)		Townhome	SF	SF sm lot	SF	SF sm lot	SF	SF sm lot	SF	SF sm lot

3	Prior Market, No Change in Requirements	Table 5C	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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5% On-Site For-Sale Affordable Units

4	Prior Market, Proposed Utility Fees, 5% @ Mod@110% AMI	Table 5D	\$16	\$6	\$6	\$7	\$7	\$5	\$4	\$14	\$17
5	Prior Market, Proposed Utility Fees, 5% @ Mod@90% AMI	Table 5E	\$18	\$8	\$9	\$9	\$10	\$7	\$7	\$16	\$20
6	Prior Market, Proposed Utility Fees, 5% @ Low@70% AMI	Table 5F	\$21	\$11	\$12	\$12	\$14	\$10	\$10	\$18	\$23

10% On-Site For-Sale Affordable Units

7	Prior Market, Proposed Utility Fees, 10% @ Mod@110% AMI	Table 5G	\$26	\$8	\$6	\$8	\$7	\$9	\$6	\$24	\$26
8	Prior Market, Proposed Utility Fees, 10% @ Mod@90% AMI	Table 5H	\$29	\$12	\$11	\$12	\$12	\$12	\$11	\$28	\$30
9	Prior Market, Proposed Utility Fees, 10% @ Low@70% AMI	Table 5I	\$35	\$18	\$19	\$19	\$20	\$18	\$18	\$33	\$37

15% On-Site For-Sale Affordable Units

10	Prior Market, Proposed Utility Fees, 15% @ Mod@110% AMI	Table 5J	\$35	\$9	\$7	\$9	\$7	\$12	\$8	\$34	\$34
11	Prior Market, Proposed Utility Fees, 15% @ Mod@90% AMI	Table 5K	\$41	\$16	\$14	\$16	\$14	\$18	\$15	\$39	\$41
12	Prior Market, Proposed Utility Fees, 15% @ Low@70% AMI	Table 5L	\$50	\$25	\$26	\$25	\$26	\$26	\$25	\$47	\$50

Include Stand-Alone LIHTC Affordable Project (primarily an option for larger master plans)

13	Prior Market, Proposed Utility Fees, 10% in LIHTC Project	Table 5M	n/a	\$7	\$9	\$8	\$11	\$4	\$6	n/a	n/a
14	Prior Market, Proposed Utility Fees, 15% in LIHTC Project	Table 5N	n/a	\$9	\$11	\$10	\$13	\$5	\$7	n/a	n/a
15	Prior Market, Proposed Utility Fees, 20% in LIHTC Project	Table 5O	n/a	\$10	\$13	\$11	\$15	\$6	\$9	n/a	n/a

n/a = not likely to be practical based on typically smaller site / project size

Affordable Housing Fee Scenarios

16	Prior Market, Proposed Utility Fees, Existing HIF	Table 5P	\$10	\$6	\$7	\$8	\$9	\$5	\$7	\$8	\$9
17	Prior Market, Proposed Utility Fees, remove HIF incentives	Table 5Q	\$10	\$8	\$9	\$10	\$11	\$5	\$7	\$8	\$13
18	Proposed Utility Fees, HIF @\$5/SF	Table 5R	\$11	\$10	\$11	\$11	\$13	\$7	\$8	\$9	\$14
19	Proposed Utility Fees, HIF @\$7.50/SF	Table 5S	\$14	\$12	\$14	\$14	\$16	\$9	\$11	\$12	\$17
20	Proposed Utility Fees, HIF @\$10/SF	Table 5T	\$17	\$15	\$16	\$16	\$18	\$12	\$13	\$15	\$19
21	Proposed Utility Fees, HIF @\$15/SF	Table 5U	\$22	\$20	\$21	\$22	\$23	\$17	\$19	\$20	\$25
22	Proposed Utility Fees, HIF @\$20/SF	Table 5V	\$27	\$25	\$27	\$27	\$29	\$22	\$24	\$25	\$30

Note: figures are calculated using the pro forma results and reflect the net change in supported land value per square foot of net livable area.

Appendix A Table 2B

Dollar Per Square Foot Cost Relative to Existing Requirements: Rentals

Feasibility Analysis

Sacramento MIHO Review

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Scenario	Appendix A Table	Central City	Southern Neighborhoods	North Sacramento and South Natomas	North Natomas	Inner South and East Neighborhoods
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Dollar Per Square Foot Cost Increase Relative to Existing Requirements

(includes combined impact of affordable housing changes and utility fee increase)

3	No Change	Table 6C	\$0	\$0	\$0	\$0	\$0
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5% On-Site Affordable Units

4	Proposed Utility Fees, 5% Low @80% AMI	Table 6D	\$25	\$33	\$12	\$16	\$12	\$17
5	Proposed Utility Fees, 5% Low @60% AMI	Table 6E	\$32	\$38	\$18	\$22	\$18	\$22
6	Proposed Utility Fees, 5% Very Low @50% AMI	Table 6F	\$34	\$40	\$20	\$24	\$20	\$26

10% On-Site Affordable Units

7	Proposed Utility Fees, 10% Low @80% AMI	Table 6G	\$37	\$49	\$19	\$23	\$20	\$25
8	Proposed Utility Fees, 10% Low @60% AMI	Table 6H	\$46	\$62	\$29	\$33	\$30	\$37
9	Proposed Utility Fees, 10% Very Low @50% AMI	Table 6I	\$54	\$67	\$33	\$39	\$34	\$42

15% On-Site Affordable Units

10	Proposed Utility Fees, 15% Low @80% AMI	Table 6J	\$49	\$65	\$24	\$32	\$27	\$33
11	Proposed Utility Fees, 15% Low @60% AMI	Table 6K	\$66	\$83	\$40	\$46	\$43	\$49
12	Proposed Utility Fees, 15% Very Low @50% AMI	Table 6L	\$75	\$91	\$46	\$52	\$49	\$59

Affordable Housing Fee Scenarios (net increase above existing, including Proposed Utility fees)

13	Proposed Utility Fees Only, No HIF Change	Table 6M	\$13	\$14	\$9	\$11	\$9	\$13
14	Proposed Utility Fees, HIF @\$5/SF	Table 6N	\$18	\$19	\$12	\$15	\$10	\$14
15	Proposed Utility Fees, HIF @\$7.50/SF	Table 6O	\$20	\$22	\$15	\$17	\$13	\$17
16	Proposed Utility Fees, HIF @\$10/SF	Table 6P	\$23	\$24	\$17	\$20	\$15	\$19
17	Proposed Utility Fees, HIF @\$15/SF	Table 6Q	\$28	\$29	\$22	\$25	\$20	\$24
18	Proposed Utility Fees, HIF @\$20/SF	Table 6R	\$33	\$34	\$27	\$30	\$25	\$29
19	Prior Mkt, Proposed Utility Fees, remove HIF incentives	Table 6S	\$16	\$18	\$11	\$13	\$9	\$13

Note: Figures are calculated using the pro forma results and reflect the net change in supported land value per square foot of net rentable area.

Appendix A Table 3A

Percentage Change In Residual Land Value: For-Sale

Feasibility Analysis

Sacramento MIHO Review

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Scenario		Appendix A Table	Central City	Southern Neighborhoods		North Sacramento and South Natomas		North Natomas		Inner South and East Neighborhoods	
Percentage Change In Residual Land Value			Townhome	SF	SF sm lot	SF	SF sm lot	SF	SF sm lot	SF	SF sm lot
3	Prior Market, No Change in Requirements	Table 5C	0%	0%	0%	0%	0%	0%	0%	0%	0%
Baseline Residual Land Value/Unit for Feasible Project			\$256,200	\$113,200	\$94,200	\$113,400	\$89,600	\$156,600	\$104,800	\$377,600	\$250,900

5% On-Site For-Sale Affordable Units

4	Prior Market, Proposed Utility Fees, 5% @ Mod@110% AMI	Table 5D	-11%	-9%	-9%	-12%	-12%	-7%	-7%	-9%	-12%
5	Prior Market, Proposed Utility Fees, 5% @ Mod@90% AMI	Table 5E	-13%	-13%	-13%	-15%	-17%	-9%	-10%	-10%	-13%
6	Prior Market, Proposed Utility Fees, 5% @ Low@70% AMI	Table 5F	-15%	-18%	-19%	-20%	-23%	-13%	-16%	-11%	-15%

10% On-Site For-Sale Affordable Units

7	Prior Market, Proposed Utility Fees, 10% @ Mod@110% AMI	Table 5G	-18%	-12%	-10%	-14%	-12%	-11%	-9%	-15%	-17%
8	Prior Market, Proposed Utility Fees, 10% @ Mod@90% AMI	Table 5H	-21%	-19%	-18%	-21%	-20%	-16%	-17%	-17%	-20%
9	Prior Market, Proposed Utility Fees, 10% @ Low@70% AMI	Table 5I	-25%	-28%	-29%	-31%	-33%	-24%	-27%	-20%	-25%

15% On-Site For-Sale Affordable Units

10	Prior Market, Proposed Utility Fees, 15% @ Mod@110% AMI	Table 5J	-25%	-14%	-10%	-16%	-11%	-16%	-12%	-21%	-23%
11	Prior Market, Proposed Utility Fees, 15% @ Mod@90% AMI	Table 5K	-30%	-24%	-22%	-26%	-24%	-24%	-23%	-24%	-28%
12	Prior Market, Proposed Utility Fees, 15% @ Low@70% AMI	Table 5L	-36%	-39%	-40%	-42%	-43%	-35%	-39%	-29%	-34%

Include Stand-Alone LIHTC Affordable Project (primarily an option for larger master plans)

13	Prior Market, Proposed Utility Fees, 10% in LIHTC Project	Table 5M	n/a	-11%	-14%	-14%	-18%	-5%	-9%	n/a	n/a
14	Prior Market, Proposed Utility Fees, 15% in LIHTC Project	Table 5N	n/a	-13%	-17%	-16%	-21%	-7%	-11%	n/a	n/a
15	Prior Market, Proposed Utility Fees, 20% in LIHTC Project	Table 5O	n/a	-16%	-20%	-19%	-24%	-8%	-14%	n/a	n/a

n/a = not likely to be practical based on typically smaller site / project size

Affordable Housing Fee Scenarios

16	Prior Market, Proposed Utility Fees, Existing HIF	Table 5P	-7%	-9%	-11%	-13%	-16%	-7%	-10%	-5%	-6%
17	Prior Market, Proposed Utility Fees, remove HIF incentives	Table 5Q	-7%	-13%	-15%	-16%	-19%	-7%	-10%	-5%	-9%
18	Proposed Utility Fees, HIF @\$5/SF	Table 5R	-8%	-15%	-17%	-19%	-22%	-9%	-13%	-6%	-10%
19	Proposed Utility Fees, HIF @\$7.50/SF	Table 5S	-10%	-19%	-21%	-23%	-26%	-12%	-16%	-7%	-11%
20	Proposed Utility Fees, HIF @\$10/SF	Table 5T	-12%	-23%	-25%	-28%	-30%	-16%	-20%	-9%	-13%
21	Proposed Utility Fees, HIF @\$15/SF	Table 5U	-16%	-31%	-33%	-36%	-39%	-23%	-28%	-12%	-17%
22	Proposed Utility Fees, HIF @\$20/SF	Table 5V	-19%	-39%	-41%	-45%	-48%	-30%	-36%	-15%	-20%

Note: includes combined impact of affordable housing changes and proposed utility fee increase.

Appendix A Table 3B
Percentage Change In Residual Land Value: Rental
Feasibility Analysis
Sacramento MIHO Review

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Scenario	Appendix A Table	Central City	Southern Neighborhoods	North Sacramento and South Natomas	North Natomas	Inner South and East Neighborhoods
Percentage Change In Residual Land Value		Med Density	High Density			
3 No Change	Table 6C	0%	0%	0%	0%	0%
Baseline Residual Land Value/Unit for Feasible Project		\$58,800	\$71,200	\$26,700	\$29,300	\$23,700
				\$56,400		

5% On-Site Affordable Units

4 Proposed Utility Fees, 5% Low @80% AMI	Table 6D	-33%	-32%	-41%	-51%	-45%	-24%
5 Proposed Utility Fees, 5% Low @60% AMI	Table 6E	-42%	-37%	-61%	-69%	-67%	-30%
6 Proposed Utility Fees, 5% Very Low @50% AMI	Table 6F	-45%	-39%	-68%	-75%	-75%	-36%

10% On-Site Affordable Units

7 Proposed Utility Fees, 10% Low @80% AMI	Table 6G	-49%	-47%	-64%	-72%	-77%	-34%
8 Proposed Utility Fees, 10% Low @60% AMI	Table 6H	-61%	-60%	-98%	-102%	-115%	-50%
9 Proposed Utility Fees, 10% Very Low @50% AMI	Table 6I	-70%	-65%	-111%	-121%	-130%	-57%

15% On-Site Affordable Units

10 Proposed Utility Fees, 15% Low @80% AMI	Table 6J	-64%	-63%	-81%	-99%	-102%	-45%
11 Proposed Utility Fees, 15% Low @60% AMI	Table 6K	-86%	-80%	-135%	-142%	-162%	-67%
12 Proposed Utility Fees, 15% Very Low @50% AMI	Table 6L	-98%	-88%	-155%	-161%	-185%	-80%

Affordable Housing Fee Scenarios

13 Proposed Utility Fees Only, No HIF Change	Table 6M	-17%	-14%	-29%	-34%	-33%	-18%
14 Proposed Utility Fees, HIF @\$5/SF	Table 6N	-23%	-19%	-41%	-45%	-39%	-20%
15 Proposed Utility Fees, HIF @\$7.50/SF	Table 6O	-27%	-21%	-49%	-53%	-48%	-23%
16 Proposed Utility Fees, HIF @\$10/SF	Table 6P	-30%	-24%	-58%	-60%	-58%	-26%
17 Proposed Utility Fees, HIF @\$15/SF	Table 6Q	-36%	-28%	-75%	-76%	-77%	-33%
18 Proposed Utility Fees, HIF @\$20/SF	Table 6R	-43%	-33%	-91%	-91%	-96%	-40%
19 Prior Mkt, Proposed Utility Fees, remove HIF incentives	Table 6S	-21%	-17%	-36%	-41%	-33%	-18%

Note: includes combined impact of affordable housing changes and proposed utility fee increase.

Appendix A Table 4A

Total Fees/Permits/Affordable Housing Costs as % of Total Development Cost of Unit: For-Sale

Feasibility Analysis

Sacramento MIHO Review

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Scenario	Appendix A Table	Central City	Southern Neighborhoods		North Sacramento and South Natomas		North Natomas		Inner South and East Neighborhoods	
		Townhome	SF	SF sm lot	SF	SF sm lot	SF	SF sm lot	SF	SF sm lot

3 Existing Requirements	Table 5C	6.4%	10.7%	10.6%	9.5%	10.3%	14.0%	14.7%	5.8%	6.1%
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5% On-Site For-Sale Affordable Units

4 Prior Market, Proposed Utility Fees, 5% @ Mod@110% AMI	Table 5D	9.2%	12.1%	11.7%	11.2%	12.0%	14.1%	14.5%	8.4%	10.4%
5 Prior Market, Proposed Utility Fees, 5% @ Mod@90% AMI	Table 5E	9.7%	12.9%	12.7%	12.1%	13.0%	14.8%	15.4%	8.8%	11.1%
6 Prior Market, Proposed Utility Fees, 5% @ Low@70% AMI	Table 5F	10.5%	14.2%	14.2%	13.3%	14.5%	15.9%	16.7%	9.5%	12.0%

10% On-Site For-Sale Affordable Units

7 Prior Market, Proposed Utility Fees, 10% @ Mod@110% AMI	Table 5G	11.6%	12.5%	11.6%	11.5%	11.6%	15.3%	14.8%	10.9%	12.6%
8 Prior Market, Proposed Utility Fees, 10% @ Mod@90% AMI	Table 5H	12.6%	14.2%	13.6%	13.2%	13.7%	16.7%	16.6%	11.9%	13.8%
9 Prior Market, Proposed Utility Fees, 10% @ Low@70% AMI	Table 5I	14.2%	16.8%	16.5%	15.7%	16.7%	18.9%	19.2%	13.2%	15.6%

15% On-Site For-Sale Affordable Units

10 Prior Market, Proposed Utility Fees, 15% @ Mod@110% AMI	Table 5J	14.0%	12.9%	11.5%	11.8%	11.2%	16.4%	15.0%	13.5%	14.8%
11 Prior Market, Proposed Utility Fees, 15% @ Mod@90% AMI	Table 5K	15.6%	15.5%	14.5%	14.3%	14.2%	18.6%	17.7%	14.9%	16.6%
12 Prior Market, Proposed Utility Fees, 15% @ Low@70% AMI	Table 5L	17.9%	19.4%	18.9%	18.0%	18.8%	21.9%	21.8%	16.9%	19.3%

Include Stand-Alone LIHTC Affordable Project (primarily an option for larger master plans)

13 Prior Market, Proposed Utility Fees, 10% in LIHTC Project	Table 5M	n/a	13.5%	14.0%	12.7%	14.5%	14.5%	16.1%	n/a	n/a
14 Prior Market, Proposed Utility Fees, 15% in LIHTC Project	Table 5N	n/a	14.6%	15.3%	13.8%	15.8%	15.4%	17.2%	n/a	n/a
15 Prior Market, Proposed Utility Fees, 20% in LIHTC Project	Table 5O	n/a	15.8%	16.7%	14.9%	17.2%	16.4%	18.5%	n/a	n/a

n/a = not likely to be practical based on typically smaller site / project size

Affordable Housing Fee Scenarios

16 Prior Market, Proposed Utility Fees, Existing HIF	Table 5P	8.6%	12.8%	13.0%	12.1%	13.5%	15.6%	16.7%	7.7%	8.3%
17 Prior Market, Proposed Utility Fees, remove HIF incentives	Table 5Q	8.6%	14.3%	14.4%	13.7%	15.0%	15.6%	16.7%	7.7%	10.2%
18 Proposed Utility Fees, HIF @\$5/SF	Table 5R	9.4%	15.4%	15.5%	14.8%	16.1%	16.7%	17.7%	8.5%	11.0%
19 Proposed Utility Fees, HIF @\$7.50/SF	Table 5S	10.7%	17.2%	17.2%	16.7%	18.0%	18.5%	19.4%	9.8%	12.3%
20 Proposed Utility Fees, HIF @\$10/SF	Table 5T	11.9%	18.9%	18.9%	18.5%	19.7%	20.2%	21.0%	11.0%	13.6%
21 Proposed Utility Fees, HIF @\$15/SF	Table 5U	14.4%	22.4%	22.3%	22.0%	23.2%	23.6%	24.3%	13.5%	16.1%
22 Proposed Utility Fees, HIF @\$20/SF	Table 5V	16.7%	25.7%	25.5%	25.4%	26.5%	26.9%	27.4%	16.0%	18.6%

Proposed Utility Fee Increase as % of Development Cost

2.3% 2.0% 2.4% 2.6% 3.2% 1.6% 2.0% 1.9% 2.3%

Appendix A Table 4B

Total Fees/Permits/Affordable Housing Costs as % of Total Development Cost of Unit: Rental

Feasibility Analysis

Sacramento MIHO Review

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Scenario	Appendix A Table	Central City	Southern Neighborhoods	North Sacramento and South Natomas	North Natomas	Inner South and East Neighborhoods
		Med Density	High Density			

3	No Change	Table 6C	5.8%	5.5%	7.8%	6.5%	10.5%	6.9%
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5% On-Site Affordable Units

4	Proposed Utility Fees, 5% Low @80% AMI	Table 6D	10.5%	10.9%	10.6%	10.2%	12.3%	9.8%
5	Proposed Utility Fees, 5% Low @60% AMI	Table 6E	11.9%	11.9%	12.4%	11.8%	13.9%	10.9%
6	Proposed Utility Fees, 5% Very Low @50% AMI	Table 6F	12.4%	12.3%	13.0%	12.4%	14.4%	12.0%

10% On-Site Affordable Units

7	Proposed Utility Fees, 10% Low @80% AMI	Table 6G	12.8%	13.6%	12.5%	11.9%	14.3%	11.4%
8	Proposed Utility Fees, 10% Low @60% AMI	Table 6H	14.8%	15.9%	15.5%	14.7%	17.0%	14.2%
9	Proposed Utility Fees, 10% Very Low @50% AMI	Table 6I	16.2%	16.9%	16.6%	16.3%	18.1%	15.4%

15% On-Site Affordable Units

10	Proposed Utility Fees, 15% Low @80% AMI	Table 6J	15.1%	16.3%	13.8%	14.2%	15.8%	13.0%
11	Proposed Utility Fees, 15% Low @60% AMI	Table 6K	18.5%	19.6%	18.6%	18.1%	20.2%	17.0%
12	Proposed Utility Fees, 15% Very Low @50% AMI	Table 6L	20.5%	21.0%	20.4%	19.8%	21.8%	19.3%

Affordable Housing Fee Scenarios

13	Proposed Utility Fees Only, No HIF Change	Table 6M	8.3%	7.9%	10.1%	9.3%	12.6%	9.7%
14	Proposed Utility Fees, HIF @\$5/SF	Table 6N	10.2%	9.6%	12.0%	11.1%	13.3%	10.4%
15	Proposed Utility Fees, HIF @\$7.50/SF	Table 6O	11.2%	10.4%	13.4%	12.4%	14.5%	11.5%
16	Proposed Utility Fees, HIF @\$10/SF	Table 6P	12.1%	11.2%	14.7%	13.6%	15.7%	12.5%
17	Proposed Utility Fees, HIF @\$15/SF	Table 6Q	14.0%	12.8%	17.3%	16.1%	18.0%	14.7%
18	Proposed Utility Fees, HIF @\$20/SF	Table 6R	15.8%	14.4%	19.9%	18.4%	20.3%	16.8%
19	Prior Mkt, Proposed Utility Fees, remove HIF incentives	Table 6S	9.6%	9.1%	11.3%	10.4%	12.6%	9.7%

Proposed Utility Fee Increase as % of Development Cost

2.5%	2.4%	2.3%	2.9%	2.1%	2.8%
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APPENDIX A - PART B

FOR-SALE PRO FORMA TABLES

Appendix A Table 5A
For-Sale Pro Forma
Feasibility Analysis
Sacramento MIHO Review

Page 1 of 3

Current Market (downward pricing trend / more incentives, higher interest)
Existing HIF Requirement
New Water/Sewer/Drainage Fees
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		Central City		Southern Neighborhoods			
		Attached Townhomes		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,850 sf		1,750 sf		1,450 sf	
Average Number of Bedrooms		2.8 bedrooms		3.25 bedrooms		3.0 bedrooms	
Density		26 du/acre		11 du/acre		18 du/acre	
Stories/ Construction Type		3 stories/ wood		1-2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%	\$442	\$817,000	\$277	\$484,000	\$292	\$423,000
Low	0%	\$109	\$201,720	\$119	\$208,975	\$142	\$205,400
Mod@90% AMI	0%	\$177	\$327,360	\$194	\$339,725	\$230	\$333,600
Mod@110% AMI	0%	<u>\$222</u>	<u>\$411,080</u>	<u>\$244</u>	<u>\$426,850</u>	<u>\$289</u>	<u>\$419,000</u>
Average Gross Sales Price		\$442	\$817,000	\$277	\$484,000	\$292	\$423,000
<Less> Closing Costs	3.25% sales	<u>(\$14)</u>	<u>(\$26,600)</u>	<u>(\$9)</u>	<u>(\$15,700)</u>	<u>(\$9)</u>	<u>(\$13,700)</u>
Revenue Net of Sales Expense		\$427	\$790,400	\$268	\$468,300	\$282	\$409,300
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$180	\$333,000	\$124	\$217,000	\$135	\$196,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$30	\$54,700	\$31	\$54,100	\$32	\$46,900
Housing Impact Fee		\$4	\$6,500	\$2	\$2,700	\$2	\$2,200
Marketing	1.5% sales	\$7	\$12,300	\$4	\$7,300	\$4	\$6,300
Warranty/Insurance	1.75% sales	\$8	\$14,300	\$5	\$8,500	\$5	\$7,400
Other Indirects	9% directs	\$16	\$30,000	\$11	\$19,500	\$12	\$17,600
Builder Overhead/G&A	3% sales	\$13	\$24,500	\$8	\$14,500	\$9	\$12,700
Financing		\$23	\$41,900	\$15	\$26,300	\$15	\$22,400
Total House Costs		\$280	\$517,200	\$200	\$349,900	\$215	\$311,500
Finished Lot Residual							
Net Sales Revenue		\$427	\$790,400	\$268	\$468,300	\$282	\$409,300
<Less> Development Costs		<u>(\$280)</u>	<u>(\$517,200)</u>	<u>(\$200)</u>	<u>(\$349,900)</u>	<u>(\$215)</u>	<u>(\$311,500)</u>
<Less> Net Builder Profit	10% sales		<u>(\$81,700)</u>		<u>(\$48,400)</u>		<u>(\$42,300)</u>
Lot Value (Finished Lot)		\$191,500		\$70,000		\$55,500	
		<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>
Residual Lot Value		\$115	\$5.0	\$18	\$0.8	\$23	\$1.0
Lot Cost Estimate		\$120	\$5.2	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Feasible		Marginal Feasibility		Marginal Feasibility	

		North Sacramento and South Natomas				North Natomas			
		Single Family Detached		Small Lot Detached		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,900 sf		1,500 sf		2,100 sf		1,600 sf	
Average Number of Bedrooms		3.60 bedrooms		3.3 bedrooms		3.6 bedrooms		3.3 bedrooms	
Density		9 du/acre		18 du/acre		9 du/acre		18 du/acre	
Stories/ Construction Type		2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%	\$255	\$484,000	\$276	\$414,000	\$291	\$611,000	\$309	\$494,000
Low	0%	\$113	\$213,980	\$140	\$209,690	\$102	\$213,980	\$131	\$209,690
Mod@90% AMI	0%	\$183	\$348,300	\$227	\$340,950	\$166	\$348,300	\$213	\$340,950
Mod@110% AMI	0%	<u>\$230</u>	<u>\$437,840</u>	<u>\$286</u>	<u>\$428,420</u>	<u>\$208</u>	<u>\$437,840</u>	<u>\$268</u>	<u>\$428,420</u>
Average Gross Sales Price		\$255	\$484,000	\$276	\$414,000	\$291	\$611,000	\$309	\$494,000
<Less> Closing Costs	3.25% sales	(\$8)	(\$15,700)	(\$9)	(\$13,500)	(\$9)	(\$19,900)	(\$10)	(\$16,100)
Revenue Net of Sales Expense		\$246	\$468,300	\$267	\$400,500	\$281	\$591,100	\$299	\$477,900
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$115	\$219,000	\$129	\$194,000	\$118	\$248,000	\$136	\$218,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$29	\$54,200	\$33	\$48,900	\$37	\$76,900	\$42	\$66,800
Housing Impact Fee		\$2	\$2,900	\$2	\$2,300	\$4	\$7,400	\$4	\$5,700
Marketing	1.5% sales	\$4	\$7,300	\$4	\$6,200	\$4	\$9,200	\$5	\$7,400
Warranty/Insurance	1.75% sales	\$4	\$8,500	\$5	\$7,200	\$5	\$10,700	\$5	\$8,600
Other Indirects	9% directs	\$10	\$19,700	\$12	\$17,500	\$11	\$22,300	\$12	\$19,600
Builder Overhead/G&A	3% sales	\$8	\$14,500	\$8	\$12,400	\$9	\$18,300	\$9	\$14,800
Financing		\$15	\$27,800	\$15	\$22,400	\$15	\$31,900	\$16	\$25,600
Total House Costs		\$186	\$353,900	\$207	\$310,900	\$202	\$424,700	\$229	\$366,500
Finished Lot Residual									
Net Sales Revenue		\$246	\$468,300	\$267	\$400,500	\$281	\$591,100	\$299	\$477,900
<Less> Development Costs		(\$186)	(\$353,900)	(\$207)	(\$310,900)	(\$202)	(\$424,700)	(\$229)	(\$366,500)
<Less> Net Builder Profit	10% sales		(\$48,400)		(\$41,400)		(\$61,100)		(\$49,400)
Lot Value (Finished Lot)		\$66,000		\$48,200		\$105,300		\$62,000	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$14	\$0.6	\$21	\$0.9	\$21	\$0.9	\$25	\$1.1
Lot Cost Estimate		\$25	\$1.1	\$30	\$1.3	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Infeasible / Challenged		Infeasible / Challenged		Marginal Feasibility		Marginal Feasibility	

Inner South and East Neighborhoods					
		Single Family Detached		Small Lot Detached	
Living Area Net SF		2,300 sf		1,700 sf	
Average Number of Bedrooms		3.5 bedrooms		3.0 bedrooms	
Density		8 du/acre		20 du/acre	
Stories/ Construction Type		1-2 stories/ wood		3 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%	\$409	\$940,000	\$429	\$729,000
Low	0%	\$92	\$212,550	\$121	\$205,400
Mod@90% AMI	0%	\$150	\$345,850	\$196	\$333,600
Mod@110% AMI	0%	<u>\$189</u>	<u>\$434,700</u>	<u>\$246</u>	<u>\$419,000</u>
Average Gross Sales Price		\$409	\$940,000	\$429	\$729,000
<Less> Closing Costs	3.25% sales	<u>(\$13)</u>	<u>(\$30,600)</u>	<u>(\$14)</u>	<u>(\$23,700)</u>
Revenue Net of Sales Expense		\$395	\$909,400	\$415	\$705,300
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$137	\$315,000	\$168	\$286,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$25	\$57,800	\$30	\$50,800
Housing Impact Fee		\$4	\$8,100	\$0	\$0
Marketing	1.5% sales	\$6	\$14,100	\$6	\$10,900
Warranty/Insurance	1.75% sales	\$7	\$16,500	\$8	\$12,800
Other Indirects	9% directs	\$12	\$28,400	\$15	\$25,700
Builder Overhead/G&A	3% sales	\$12	\$28,200	\$13	\$21,900
Financing		\$22	\$50,700	\$21	\$36,200
Total House Costs		\$226	\$518,800	\$261	\$444,300
Finished Lot Residual					
Net Sales Revenue		\$395	\$909,400	\$415	\$705,300
<Less> Development Costs		<u>(\$226)</u>	<u>(\$518,800)</u>	<u>(\$261)</u>	<u>(\$444,300)</u>
<Less> Net Builder Profit	10% sales		<u>(\$94,000)</u>		<u>(\$72,900)</u>
Lot Value (Finished Lot)		\$296,600		\$188,100	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$55	\$2.4	\$87	\$3.8
Lot Cost Estimate		\$65	\$2.8	\$80	\$3.5
Feasibility Finding		Marginal Feasibility		Feasible	

		Central City		Southern Neighborhoods			
		Attached Townhomes		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,850 sf		1,750 sf		1,450 sf	
Average Number of Bedrooms		2.8 bedrooms		3.25 bedrooms		3.0 bedrooms	
Density		26 du/acre		11 du/acre		18 du/acre	
Stories/ Construction Type		3 stories/ wood		1-2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%	\$442	\$817,000	\$277	\$484,000	\$292	\$423,000
Low	0%	\$109	\$201,720	\$119	\$208,975	\$142	\$205,400
Mod@90% AMI	0%	\$177	\$327,360	\$194	\$339,725	\$230	\$333,600
Mod@110% AMI	0%	<u>\$222</u>	<u>\$411,080</u>	<u>\$244</u>	<u>\$426,850</u>	<u>\$289</u>	<u>\$419,000</u>
Average Gross Sales Price		\$442	\$817,000	\$277	\$484,000	\$292	\$423,000
<Less> Closing Costs	3.25% sales	<u>(\$14)</u>	<u>(\$26,600)</u>	<u>(\$9)</u>	<u>(\$15,700)</u>	<u>(\$9)</u>	<u>(\$13,700)</u>
Revenue Net of Sales Expense		\$427	\$790,400	\$268	\$468,300	\$282	\$409,300
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$180	\$333,000	\$124	\$217,000	\$135	\$196,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$20	\$37,400	\$25	\$43,900	\$25	\$36,700
Housing Impact Fee		\$4	\$6,500	\$2	\$2,700	\$2	\$2,200
Marketing	1.5% sales	\$7	\$12,300	\$4	\$7,300	\$4	\$6,300
Warranty/Insurance	1.75% sales	\$8	\$14,300	\$5	\$8,500	\$5	\$7,400
Other Indirects	9% directs	\$16	\$30,000	\$11	\$19,500	\$12	\$17,600
Builder Overhead/G&A	3% sales	\$13	\$24,500	\$8	\$14,500	\$9	\$12,700
Financing		\$22	\$40,800	\$15	\$25,600	\$15	\$21,800
Total House Costs		\$270	\$498,800	\$194	\$339,000	\$207	\$300,700
Finished Lot Residual							
Net Sales Revenue		\$427	\$790,400	\$268	\$468,300	\$282	\$409,300
<Less> Development Costs		<u>(\$270)</u>	<u>(\$498,800)</u>	<u>(\$194)</u>	<u>(\$339,000)</u>	<u>(\$207)</u>	<u>(\$300,700)</u>
<Less> Net Builder Profit	10% sales		<u>(\$81,700)</u>		<u>(\$48,400)</u>		<u>(\$42,300)</u>
Lot Value (Finished Lot)			\$209,900		\$80,900		\$66,300
		<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>
Residual Lot Value		\$126	\$5.5	\$21	\$0.9	\$28	\$1.2
Lot Cost Estimate		\$120	\$5.2	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Feasible		Marginal Feasibility		Feasible	

		North Sacramento and South Natomas				North Natomas			
		Single Family Detached		Small Lot Detached		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,900 sf		1,500 sf		2,100 sf		1,600 sf	
Average Number of Bedrooms		3.60 bedrooms		3.3 bedrooms		3.6 bedrooms		3.3 bedrooms	
Density		9 du/acre		18 du/acre		9 du/acre		18 du/acre	
Stories/ Construction Type		2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%	\$255	\$484,000	\$276	\$414,000	\$291	\$611,000	\$309	\$494,000
Low	0%	\$113	\$213,980	\$140	\$209,690	\$102	\$213,980	\$131	\$209,690
Mod@90% AMI	0%	\$183	\$348,300	\$227	\$340,950	\$166	\$348,300	\$213	\$340,950
Mod@110% AMI	0%	<u>\$230</u>	<u>\$437,840</u>	<u>\$286</u>	<u>\$428,420</u>	<u>\$208</u>	<u>\$437,840</u>	<u>\$268</u>	<u>\$428,420</u>
Average Gross Sales Price		\$255	\$484,000	\$276	\$414,000	\$291	\$611,000	\$309	\$494,000
<Less> Closing Costs	3.25% sales	<u>(\$8)</u>	<u>(\$15,700)</u>	<u>(\$9)</u>	<u>(\$13,500)</u>	<u>(\$9)</u>	<u>(\$19,900)</u>	<u>(\$10)</u>	<u>(\$16,100)</u>
Revenue Net of Sales Expense		\$246	\$468,300	\$267	\$400,500	\$281	\$591,100	\$299	\$477,900
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$115	\$219,000	\$129	\$194,000	\$118	\$248,000	\$136	\$218,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$21	\$40,400	\$24	\$35,400	\$32	\$66,600	\$35	\$56,600
Housing Impact Fee		\$2	\$2,900	\$2	\$2,300	\$4	\$7,400	\$4	\$5,700
Marketing	1.5% sales	\$4	\$7,300	\$4	\$6,200	\$4	\$9,200	\$5	\$7,400
Warranty/Insurance	1.75% sales	\$4	\$8,500	\$5	\$7,200	\$5	\$10,700	\$5	\$8,600
Other Indirects	9% directs	\$10	\$19,700	\$12	\$17,500	\$11	\$22,300	\$12	\$19,600
Builder Overhead/G&A	3% sales	\$8	\$14,500	\$8	\$12,400	\$9	\$18,300	\$9	\$14,800
Financing		\$14	\$26,900	\$14	\$21,500	\$15	\$31,300	\$16	\$25,000
Total House Costs		\$179	\$339,200	\$198	\$296,500	\$197	\$413,800	\$222	\$355,700
Finished Lot Residual									
Net Sales Revenue		\$246	\$468,300	\$267	\$400,500	\$281	\$591,100	\$299	\$477,900
<Less> Development Costs		<u>(\$179)</u>	<u>(\$339,200)</u>	<u>(\$198)</u>	<u>(\$296,500)</u>	<u>(\$197)</u>	<u>(\$413,800)</u>	<u>(\$222)</u>	<u>(\$355,700)</u>
<Less> Net Builder Profit	10% sales		<u>(\$48,400)</u>		<u>(\$41,400)</u>		<u>(\$61,100)</u>		<u>(\$49,400)</u>
Lot Value (Finished Lot)		\$80,700		\$62,600		\$116,200		\$72,800	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$16	\$0.7	\$25	\$1.1	\$23	\$1.0	\$30	\$1.3
Lot Cost Estimate		\$25	\$1.1	\$30	\$1.3	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Infeasible / Challenged		Marginal Feasibility		Feasible		Feasible	

Inner South and East Neighborhoods					
		Single Family Detached		Small Lot Detached	
Living Area Net SF		2,300 sf		1,700 sf	
Average Number of Bedrooms		3.5 bedrooms		3.0 bedrooms	
Density		8 du/acre		20 du/acre	
Stories/ Construction Type		1-2 stories/ wood		3 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%	\$409	\$940,000	\$429	\$729,000
Low	0%	\$92	\$212,550	\$121	\$205,400
Mod@90% AMI	0%	\$150	\$345,850	\$196	\$333,600
Mod@110% AMI	0%	\$189	\$434,700	\$246	\$419,000
Average Gross Sales Price		\$409	\$940,000	\$429	\$729,000
<Less> Closing Costs	3.25% sales	(\$13)	(\$30,600)	(\$14)	(\$23,700)
Revenue Net of Sales Expense		\$395	\$909,400	\$415	\$705,300
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$137	\$315,000	\$168	\$286,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$18	\$40,500	\$21	\$36,100
Housing Impact Fee		\$4	\$8,100	\$0	\$0
Marketing	1.5% sales	\$6	\$14,100	\$6	\$10,900
Warranty/Insurance	1.75% sales	\$7	\$16,500	\$8	\$12,800
Other Indirects	9% directs	\$12	\$28,400	\$15	\$25,700
Builder Overhead/G&A	3% sales	\$12	\$28,200	\$13	\$21,900
Financing		\$22	\$49,600	\$21	\$35,200
Total House Costs		\$218	\$500,400	\$252	\$428,600
Finished Lot Residual					
Net Sales Revenue		\$395	\$909,400	\$415	\$705,300
<Less> Development Costs		(\$218)	(\$500,400)	(\$252)	(\$428,600)
<Less> Net Builder Profit	10% sales		(\$94,000)		(\$72,900)
Lot Value (Finished Lot)		\$315,000		\$203,800	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$57	\$2.5	\$94	\$4.1
Lot Cost Estimate		\$65	\$2.8	\$80	\$3.5
Feasibility Finding		Marginal Feasibility		Feasible	

Appendix A Table 5C
For-Sale Pro Forma
Feasibility Analysis
Sacramento MIHO Review

More Favorable Recent Conditions (higher pricing/fewer incentives, lower interest)

Existing HIF Requirement

Existing Water/Sewer/Drainage Fees

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		Central City		Southern Neighborhoods			
		Attached Townhomes		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,850 sf		1,750 sf		1,450 sf	
Average Number of Bedrooms		2.8 bedrooms		3.25 bedrooms		3.0 bedrooms	
Density		26 du/acre		11 du/acre		18 du/acre	
Stories/ Construction Type		3 stories/ wood		1-2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%	\$465	\$860,000	\$294	\$515,000	\$310	\$450,000
Low	0%	\$109	\$201,720	\$119	\$208,975	\$142	\$205,400
Mod@90% AMI	0%	\$177	\$327,360	\$194	\$339,725	\$230	\$333,600
Mod@110% AMI	0%	<u>\$222</u>	<u>\$411,080</u>	<u>\$244</u>	<u>\$426,850</u>	<u>\$289</u>	<u>\$419,000</u>
Average Gross Sales Price		\$465	\$860,000	\$294	\$515,000	\$310	\$450,000
<Less> Closing Costs	3% sales	<u>(\$15)</u>	<u>(\$28,000)</u>	<u>(\$10)</u>	<u>(\$16,700)</u>	<u>(\$10)</u>	<u>(\$14,600)</u>
Revenue Net of Sales Expense		\$450	\$832,000	\$285	\$498,300	\$300	\$435,400
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$180	\$333,000	\$124	\$217,000	\$135	\$196,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$20	\$37,400	\$25	\$43,900	\$25	\$36,700
Housing Impact Fee		\$4	\$6,500	\$2	\$2,700	\$2	\$2,200
Marketing	1.5% sales	\$7	\$12,900	\$4	\$7,700	\$5	\$6,800
Warranty/Insurance	1.75% sales	\$8	\$15,100	\$5	\$9,000	\$5	\$7,900
Other Indirects	9% directs	\$16	\$30,000	\$11	\$19,500	\$12	\$17,600
Builder Overhead/G&A	3% sales	\$14	\$25,800	\$9	\$15,500	\$9	\$13,500
Financing		\$16	\$29,100	\$10	\$18,300	\$11	\$15,500
Total House Costs		\$265	\$489,800	\$191	\$333,600	\$204	\$296,200
Finished Lot Residual							
Net Sales Revenue		\$450	\$832,000	\$285	\$498,300	\$300	\$435,400
<Less> Development Costs		(\$265)	(\$489,800)	(\$191)	(\$333,600)	(\$204)	(\$296,200)
<Less> Net Builder Profit	10% sales		(\$86,000)		(\$51,500)		(\$45,000)
Lot Value (Finished Lot)		\$256,200		\$113,200		\$94,200	
		<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>
Residual Lot Value		\$154	\$6.7	\$28	\$1.2	\$39	\$1.7
Lot Cost Estimate		\$120	\$5.2	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Feasible		Feasible		Feasible	

		North Sacramento and South Natomas				North Natomas			
		Single Family Detached		Small Lot Detached		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,900 sf		1,500 sf		2,100 sf		1,600 sf	
Average Number of Bedrooms		3.60 bedrooms		3.3 bedrooms		3.6 bedrooms		3.3 bedrooms	
Density		9 du/acre		18 du/acre		9 du/acre		18 du/acre	
Stories/ Construction Type		2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%	\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
Low	0%	\$113	\$213,980	\$140	\$209,690	\$102	\$213,980	\$131	\$209,690
Mod@90% AMI	0%	\$183	\$348,300	\$227	\$340,950	\$166	\$348,300	\$213	\$340,950
Mod@110% AMI	0%	<u>\$230</u>	<u>\$437,840</u>	<u>\$286</u>	<u>\$428,420</u>	<u>\$208</u>	<u>\$437,840</u>	<u>\$268</u>	<u>\$428,420</u>
Average Gross Sales Price		\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
<Less> Closing Costs	3% sales	<u>(\$9)</u>	<u>(\$16,700)</u>	<u>(\$10)</u>	<u>(\$14,300)</u>	<u>(\$10)</u>	<u>(\$21,100)</u>	<u>(\$11)</u>	<u>(\$17,100)</u>
Revenue Net of Sales Expense		\$262	\$498,300	\$284	\$425,700	\$299	\$628,900	\$317	\$507,900
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$115	\$219,000	\$129	\$194,000	\$118	\$248,000	\$136	\$218,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$21	\$40,400	\$24	\$35,400	\$32	\$66,600	\$35	\$56,600
Housing Impact Fee		\$2	\$2,900	\$2	\$2,300	\$4	\$7,400	\$4	\$5,700
Marketing	1.5% sales	\$4	\$7,700	\$4	\$6,600	\$5	\$9,800	\$5	\$7,900
Warranty/Insurance	1.75% sales	\$5	\$9,000	\$5	\$7,700	\$5	\$11,400	\$6	\$9,200
Other Indirects	9% directs	\$10	\$19,700	\$12	\$17,500	\$11	\$22,300	\$12	\$19,600
Builder Overhead/G&A	3% sales	\$8	\$15,500	\$9	\$13,200	\$9	\$19,500	\$10	\$15,800
Financing		\$10	\$19,200	\$10	\$15,400	\$11	\$22,300	\$11	\$17,800
Total House Costs		\$175	\$333,400	\$195	\$292,100	\$194	\$407,300	\$219	\$350,600
Finished Lot Residual									
Net Sales Revenue		\$262	\$498,300	\$284	\$425,700	\$299	\$628,900	\$317	\$507,900
<Less> Development Costs		<u>(\$175)</u>	<u>(\$333,400)</u>	<u>(\$195)</u>	<u>(\$292,100)</u>	<u>(\$194)</u>	<u>(\$407,300)</u>	<u>(\$219)</u>	<u>(\$350,600)</u>
<Less> Net Builder Profit	10% sales		<u>(\$51,500)</u>		<u>(\$44,000)</u>		<u>(\$65,000)</u>		<u>(\$52,500)</u>
Lot Value (Finished Lot)		\$113,400		\$89,600		\$156,600		\$104,800	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$23	\$1.0	\$37	\$1.6	\$32	\$1.4	\$44	\$1.9
Lot Cost Estimate		\$25	\$1.1	\$30	\$1.3	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Feasible		Feasible		Feasible		Feasible	

Inner South and East Neighborhoods						
			Single Family Detached		Small Lot Detached	
Living Area Net SF			2,300 sf		1,700 sf	
Average Number of Bedrooms			3.5 bedrooms		3.0 bedrooms	
Density			8 du/acre		20 du/acre	
Stories/ Construction Type			1-2 stories/ wood		3 stories/ wood	
Parking Ratio/ Type			2.0 garage		2.0 garage	
Revenue			Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%		\$435	\$1,000,000	\$456	\$775,000
Low	0%		\$92	\$212,550	\$121	\$205,400
Mod@90% AMI	0%		\$150	\$345,850	\$196	\$333,600
Mod@110% AMI	0%		<u>\$189</u>	<u>\$434,700</u>	<u>\$246</u>	<u>\$419,000</u>
Average Gross Sales Price			\$435	\$1,000,000	\$456	\$775,000
<Less> Closing Costs	3% sales		<u>(\$14)</u>	<u>(\$32,500)</u>	<u>(\$15)</u>	<u>(\$25,200)</u>
Revenue Net of Sales Expense			\$421	\$967,500	\$441	\$749,800
Development Costs			Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs			\$137	\$315,000	\$168	\$286,000
Fees & Permits, excl. hsg	Appendix A Table 13		\$18	\$40,500	\$21	\$36,100
Housing Impact Fee			\$4	\$8,100	\$0	\$0
Marketing	1.5% sales		\$7	\$15,000	\$7	\$11,600
Warranty/Insurance	1.75% sales		\$8	\$17,500	\$8	\$13,600
Other Indirects	9% directs		\$12	\$28,400	\$15	\$25,700
Builder Overhead/G&A	3% sales		\$13	\$30,000	\$14	\$23,300
Financing			\$15	\$35,400	\$15	\$25,100
Total House Costs			\$213	\$489,900	\$248	\$421,400
Finished Lot Residual						
Net Sales Revenue			\$421	\$967,500	\$441	\$749,800
<Less> Development Costs			(\$213)	(\$489,900)	(\$248)	(\$421,400)
<Less> Net Builder Profit	10% sales			(\$100,000)		(\$77,500)
Lot Value (Finished Lot)				\$377,600		\$250,900
			<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value			\$69	\$3.0	\$115	\$5.0
Lot Cost Estimate			\$65	\$2.8	\$80	\$3.5
Feasibility Finding			Feasible		Feasible	

		Central City		Southern Neighborhoods			
		Attached Townhomes		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,850 sf		1,750 sf		1,450 sf	
Average Number of Bedrooms		2.8 bedrooms		3.25 bedrooms		3.0 bedrooms	
Density		26 du/acre		11 du/acre		18 du/acre	
Stories/ Construction Type		3 stories/ wood		1-2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	95%	\$465	\$860,000	\$294	\$515,000	\$310	\$450,000
Low	0%	\$109	\$201,720	\$119	\$208,975	\$142	\$205,400
Mod@90% AMI	0%	\$177	\$327,360	\$194	\$339,725	\$230	\$333,600
Mod@110% AMI	5%	<u>\$222</u>	<u>\$411,080</u>	<u>\$244</u>	<u>\$426,850</u>	<u>\$289</u>	<u>\$419,000</u>
Average Gross Sales Price		\$453	\$837,554	\$292	\$510,593	\$309	\$448,450
<Less> Closing Costs	3.25% sales	<u>(\$15)</u>	<u>(\$27,200)</u>	<u>(\$9)</u>	<u>(\$16,600)</u>	<u>(\$10)</u>	<u>(\$14,600)</u>
Revenue Net of Sales Expense		\$438	\$810,354	\$282	\$493,993	\$299	\$433,850
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$180	\$333,000	\$124	\$217,000	\$135	\$196,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$29	\$53,300	\$30	\$53,100	\$32	\$46,000
Housing Impact Fee		\$0	\$0	\$0	\$0	\$0	\$0
Marketing	1.5% sales	\$7	\$12,900	\$4	\$7,700	\$5	\$6,800
Warranty/Insurance	1.75% sales	\$8	\$15,100	\$5	\$9,000	\$5	\$7,900
Other Indirects	9% directs	\$16	\$30,000	\$11	\$19,500	\$12	\$17,600
Builder Overhead/G&A	3% sales	\$14	\$25,800	\$9	\$15,500	\$9	\$13,500
Financing		\$16	\$29,500	\$11	\$18,600	\$11	\$15,800
Total House Costs		\$270	\$499,600	\$195	\$340,400	\$209	\$303,600
Finished Lot Residual							
Net Sales Revenue		\$438	\$810,354	\$282	\$493,993	\$299	\$433,850
<Less> Development Costs		(\$270)	(\$499,600)	(\$195)	(\$340,400)	(\$209)	(\$303,600)
<Less> Net Builder Profit	10% sales		(\$83,755)		(\$51,059)		(\$44,845)
Lot Value (Finished Lot)		\$227,000		\$102,500		\$85,400	
		<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>
Residual Lot Value		\$135	\$5.9	\$25	\$1.1	\$34	\$1.5
Lot Cost Estimate		\$120	\$5.2	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Feasible		Feasible		Feasible	

		North Sacramento and South Natomas				North Natomas			
		Single Family Detached		Small Lot Detached		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,900 sf		1,500 sf		2,100 sf		1,600 sf	
Average Number of Bedrooms		3.60 bedrooms		3.3 bedrooms		3.6 bedrooms		3.3 bedrooms	
Density		9 du/acre		18 du/acre		9 du/acre		18 du/acre	
Stories/ Construction Type		2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	95%	\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
Low	0%	\$113	\$213,980	\$140	\$209,690	\$102	\$213,980	\$131	\$209,690
Mod@90% AMI	0%	\$183	\$348,300	\$227	\$340,950	\$166	\$348,300	\$213	\$340,950
Mod@110% AMI	5%	<u>\$230</u>	<u>\$437,840</u>	<u>\$286</u>	<u>\$428,420</u>	<u>\$208</u>	<u>\$437,840</u>	<u>\$268</u>	<u>\$428,420</u>
Average Gross Sales Price		\$269	\$511,142	\$293	\$439,421	\$304	\$639,392	\$325	\$520,171
<Less> Closing Costs	3.25% sales	<u>(\$9)</u>	<u>(\$16,600)</u>	<u>(\$10)</u>	<u>(\$14,300)</u>	<u>(\$10)</u>	<u>(\$20,800)</u>	<u>(\$11)</u>	<u>(\$16,900)</u>
Revenue Net of Sales Expense		\$260	\$494,542	\$283	\$425,121	\$295	\$618,592	\$315	\$503,271
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$115	\$219,000	\$129	\$194,000	\$118	\$248,000	\$136	\$218,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$28	\$53,100	\$32	\$47,900	\$36	\$75,200	\$41	\$65,200
Housing Impact Fee		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Marketing	1.5% sales	\$4	\$7,700	\$4	\$6,600	\$5	\$9,800	\$5	\$7,900
Warranty/Insurance	1.75% sales	\$5	\$9,000	\$5	\$7,700	\$5	\$11,400	\$6	\$9,200
Other Indirects	9% directs	\$10	\$19,700	\$12	\$17,500	\$11	\$22,300	\$12	\$19,600
Builder Overhead/G&A	3% sales	\$8	\$15,500	\$9	\$13,200	\$9	\$19,500	\$10	\$15,800
Financing		\$10	\$19,600	\$11	\$15,800	\$11	\$22,400	\$11	\$17,900
Total House Costs		\$181	\$343,600	\$202	\$302,700	\$195	\$408,600	\$221	\$353,600
Finished Lot Residual									
Net Sales Revenue		\$260	\$494,542	\$283	\$425,121	\$295	\$618,592	\$315	\$503,271
<Less> Development Costs		<u>(\$181)</u>	<u>(\$343,600)</u>	<u>(\$202)</u>	<u>(\$302,700)</u>	<u>(\$195)</u>	<u>(\$408,600)</u>	<u>(\$221)</u>	<u>(\$353,600)</u>
<Less> Net Builder Profit	10% sales		<u>(\$51,114)</u>		<u>(\$43,942)</u>		<u>(\$63,939)</u>		<u>(\$52,017)</u>
Lot Value (Finished Lot)		\$99,800		\$78,500		\$146,100		\$97,700	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$21	\$0.9	\$32	\$1.4	\$30	\$1.3	\$41	\$1.8
Lot Cost Estimate		\$25	\$1.1	\$30	\$1.3	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Marginal Feasibility		Feasible		Feasible		Feasible	

Inner South and East Neighborhoods					
		Single Family Detached		Small Lot Detached	
Living Area Net SF		2,300 sf		1,700 sf	
Average Number of Bedrooms		3.5 bedrooms		3.0 bedrooms	
Density		8 du/acre		20 du/acre	
Stories/ Construction Type		1-2 stories/ wood		3 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	95%	\$435	\$1,000,000	\$456	\$775,000
Low	0%	\$92	\$212,550	\$121	\$205,400
Mod@90% AMI	0%	\$150	\$345,850	\$196	\$333,600
Mod@110% AMI	5%	<u>\$189</u>	<u>\$434,700</u>	<u>\$246</u>	<u>\$419,000</u>
Average Gross Sales Price		\$422	\$971,735	\$445	\$757,200
<Less> Closing Costs	3.25% sales	<u>(\$14)</u>	<u>(\$31,600)</u>	<u>(\$14)</u>	<u>(\$24,600)</u>
Revenue Net of Sales Expense		\$409	\$940,135	\$431	\$732,600
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$137	\$315,000	\$168	\$286,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$25	\$56,400	\$29	\$49,600
Housing Impact Fee		\$0	\$0	\$0	\$0
Marketing	1.5% sales	\$7	\$15,000	\$7	\$11,600
Warranty/Insurance	1.75% sales	\$8	\$17,500	\$8	\$13,600
Other Indirects	9% directs	\$12	\$28,400	\$15	\$25,700
Builder Overhead/G&A	3% sales	\$13	\$30,000	\$14	\$23,300
Financing		\$16	\$35,700	\$15	\$25,700
Total House Costs		\$217	\$498,000	\$256	\$435,500
Finished Lot Residual					
Net Sales Revenue		\$409	\$940,135	\$431	\$732,600
<Less> Development Costs		(\$217)	(\$498,000)	(\$256)	(\$435,500)
<Less> Net Builder Profit	10% sales		(\$97,174)		(\$75,720)
Lot Value (Finished Lot)		\$345,000		\$221,400	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$64	\$2.8	\$101	\$4.4
Lot Cost Estimate		\$65	\$2.8	\$80	\$3.5
Feasibility Finding		Feasible		Feasible	

		Central City		Southern Neighborhoods			
		Attached Townhomes		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,850 sf		1,750 sf		1,450 sf	
Average Number of Bedrooms		2.8 bedrooms		3.25 bedrooms		3.0 bedrooms	
Density		26 du/acre		11 du/acre		18 du/acre	
Stories/ Construction Type		3 stories/ wood		1-2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	95%	\$465	\$860,000	\$294	\$515,000	\$310	\$450,000
Low	0%	\$109	\$201,720	\$119	\$208,975	\$142	\$205,400
Mod@90% AMI	5%	\$177	\$327,360	\$194	\$339,725	\$230	\$333,600
Mod@110% AMI	0%	<u>\$222</u>	<u>\$411,080</u>	<u>\$244</u>	<u>\$426,850</u>	<u>\$289</u>	<u>\$419,000</u>
Average Gross Sales Price		\$450	\$833,368	\$289	\$506,236	\$306	\$444,180
<Less> Closing Costs	3.25% sales	<u>(\$15)</u>	<u>(\$27,100)</u>	<u>(\$9)</u>	<u>(\$16,500)</u>	<u>(\$10)</u>	<u>(\$14,400)</u>
Revenue Net of Sales Expense		\$436	\$806,268	\$280	\$489,736	\$296	\$429,780
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$180	\$333,000	\$124	\$217,000	\$135	\$196,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$29	\$53,300	\$30	\$53,100	\$32	\$46,000
Housing Impact Fee		\$0	\$0	\$0	\$0	\$0	\$0
Marketing	1.5% sales	\$7	\$12,900	\$4	\$7,700	\$5	\$6,800
Warranty/Insurance	1.75% sales	\$8	\$15,100	\$5	\$9,000	\$5	\$7,900
Other Indirects	9% directs	\$16	\$30,000	\$11	\$19,500	\$12	\$17,600
Builder Overhead/G&A	3% sales	\$14	\$25,800	\$9	\$15,500	\$9	\$13,500
Financing		\$16	\$29,500	\$11	\$18,600	\$11	\$15,800
Total House Costs		\$270	\$499,600	\$195	\$340,400	\$209	\$303,600
Finished Lot Residual							
Net Sales Revenue		\$436	\$806,268	\$280	\$489,736	\$296	\$429,780
<Less> Development Costs		<u>(\$270)</u>	<u>(\$499,600)</u>	<u>(\$195)</u>	<u>(\$340,400)</u>	<u>(\$209)</u>	<u>(\$303,600)</u>
<Less> Net Builder Profit	10% sales		<u>(\$83,337)</u>		<u>(\$50,624)</u>		<u>(\$44,418)</u>
Lot Value (Finished Lot)			\$223,300		\$98,700		\$81,800
		<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>
Residual Lot Value		\$133	\$5.8	\$25	\$1.1	\$34	\$1.5
Lot Cost Estimate		\$120	\$5.2	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Feasible		Feasible		Feasible	

		North Sacramento and South Natomas				North Natomas			
		Single Family Detached		Small Lot Detached		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,900 sf		1,500 sf		2,100 sf		1,600 sf	
Average Number of Bedrooms		3.60 bedrooms		3.3 bedrooms		3.6 bedrooms		3.3 bedrooms	
Density		9 du/acre		18 du/acre		9 du/acre		18 du/acre	
Stories/ Construction Type		2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	95%	\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
Low	0%	\$113	\$213,980	\$140	\$209,690	\$102	\$213,980	\$131	\$209,690
Mod@90% AMI	5%	\$183	\$348,300	\$227	\$340,950	\$166	\$348,300	\$213	\$340,950
Mod@110% AMI	0%	<u>\$230</u>	<u>\$437,840</u>	<u>\$286</u>	<u>\$428,420</u>	<u>\$208</u>	<u>\$437,840</u>	<u>\$268</u>	<u>\$428,420</u>
Average Gross Sales Price		\$267	\$506,665	\$290	\$435,048	\$302	\$634,915	\$322	\$515,798
<Less> Closing Costs	3.25% sales	<u>(\$9)</u>	<u>(\$16,500)</u>	<u>(\$9)</u>	<u>(\$14,100)</u>	<u>(\$10)</u>	<u>(\$20,600)</u>	<u>(\$11)</u>	<u>(\$16,800)</u>
Revenue Net of Sales Expense		\$258	\$490,165	\$281	\$420,948	\$293	\$614,315	\$312	\$498,998
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$115	\$219,000	\$129	\$194,000	\$118	\$248,000	\$136	\$218,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$28	\$53,100	\$32	\$47,900	\$36	\$75,200	\$41	\$65,200
Housing Impact Fee		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Marketing	1.5% sales	\$4	\$7,700	\$4	\$6,600	\$5	\$9,800	\$5	\$7,900
Warranty/Insurance	1.75% sales	\$5	\$9,000	\$5	\$7,700	\$5	\$11,400	\$6	\$9,200
Other Indirects	9% directs	\$10	\$19,700	\$12	\$17,500	\$11	\$22,300	\$12	\$19,600
Builder Overhead/G&A	3% sales	\$8	\$15,500	\$9	\$13,200	\$9	\$19,500	\$10	\$15,800
Financing		\$10	\$19,600	\$11	\$15,800	\$11	\$22,400	\$11	\$17,900
Total House Costs		\$181	\$343,600	\$202	\$302,700	\$195	\$408,600	\$221	\$353,600
Finished Lot Residual									
Net Sales Revenue		\$258	\$490,165	\$281	\$420,948	\$293	\$614,315	\$312	\$498,998
<Less> Development Costs		<u>(\$181)</u>	<u>(\$343,600)</u>	<u>(\$202)</u>	<u>(\$302,700)</u>	<u>(\$195)</u>	<u>(\$408,600)</u>	<u>(\$221)</u>	<u>(\$353,600)</u>
<Less> Net Builder Profit	10% sales		<u>(\$50,667)</u>		<u>(\$43,505)</u>		<u>(\$63,492)</u>		<u>(\$51,580)</u>
Lot Value (Finished Lot)		\$95,900		\$74,700		\$142,200		\$93,800	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$21	\$0.9	\$30	\$1.3	\$30	\$1.3	\$39	\$1.7
Lot Cost Estimate		\$25	\$1.1	\$30	\$1.3	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Marginal Feasibility		Feasible		Feasible		Feasible	

Inner South and East Neighborhoods						
			Single Family Detached		Small Lot Detached	
Living Area Net SF			2,300 sf		1,700 sf	
Average Number of Bedrooms			3.5 bedrooms		3.0 bedrooms	
Density			8 du/acre		20 du/acre	
Stories/ Construction Type			1-2 stories/ wood		3 stories/ wood	
Parking Ratio/ Type			2.0 garage		2.0 garage	
Revenue			Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	95%		\$435	\$1,000,000	\$456	\$775,000
Low	0%		\$92	\$212,550	\$121	\$205,400
Mod@90% AMI	5%		\$150	\$345,850	\$196	\$333,600
Mod@110% AMI	0%		<u>\$189</u>	<u>\$434,700</u>	<u>\$246</u>	<u>\$419,000</u>
Average Gross Sales Price			\$421	\$967,293	\$443	\$752,930
<Less> Closing Costs	3.25% sales		<u>(\$14)</u>	<u>(\$31,400)</u>	<u>(\$14)</u>	<u>(\$24,500)</u>
Revenue Net of Sales Expense			\$407	\$935,893	\$428	\$728,430
Development Costs			Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs			\$137	\$315,000	\$168	\$286,000
Fees & Permits, excl. hsg	Appendix A Table 13		\$25	\$56,400	\$29	\$49,600
Housing Impact Fee			\$0	\$0	\$0	\$0
Marketing	1.5% sales		\$7	\$15,000	\$7	\$11,600
Warranty/Insurance	1.75% sales		\$8	\$17,500	\$8	\$13,600
Other Indirects	9% directs		\$12	\$28,400	\$15	\$25,700
Builder Overhead/G&A	3% sales		\$13	\$30,000	\$14	\$23,300
Financing			\$16	\$35,700	\$15	\$25,700
Total House Costs			\$217	\$498,000	\$256	\$435,500
Finished Lot Residual						
Net Sales Revenue			\$407	\$935,893	\$428	\$728,430
<Less> Development Costs			(\$217)	(\$498,000)	(\$256)	(\$435,500)
<Less> Net Builder Profit				(\$96,729)		(\$75,293)
Lot Value (Finished Lot)				\$341,200		\$217,600
			<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value			\$62	\$2.7	\$101	\$4.4
Lot Cost Estimate			\$65	\$2.8	\$80	\$3.5
Feasibility Finding			Feasible		Feasible	

		Central City		Southern Neighborhoods			
		Attached Townhomes		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,850 sf		1,750 sf		1,450 sf	
Average Number of Bedrooms		2.8 bedrooms		3.25 bedrooms		3.0 bedrooms	
Density		26 du/acre		11 du/acre		18 du/acre	
Stories/ Construction Type		3 stories/ wood		1-2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	95%	\$465	\$860,000	\$294	\$515,000	\$310	\$450,000
Low	5%	\$109	\$201,720	\$119	\$208,975	\$142	\$205,400
Mod@90% AMI	0%	\$177	\$327,360	\$194	\$339,725	\$230	\$333,600
Mod@110% AMI	0%	<u>\$222</u>	<u>\$411,080</u>	<u>\$244</u>	<u>\$426,850</u>	<u>\$289</u>	<u>\$419,000</u>
Average Gross Sales Price		\$447	\$827,086	\$286	\$499,699	\$302	\$437,770
<Less> Closing Costs	3.25% sales	<u>(\$15)</u>	<u>(\$26,900)</u>	<u>(\$9)</u>	<u>(\$16,200)</u>	<u>(\$10)</u>	<u>(\$14,200)</u>
Revenue Net of Sales Expense		\$433	\$800,186	\$276	\$483,499	\$292	\$423,570
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$180	\$333,000	\$124	\$217,000	\$135	\$196,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$29	\$53,300	\$30	\$53,100	\$32	\$46,000
Housing Impact Fee		\$0	\$0	\$0	\$0	\$0	\$0
Marketing	1.5% sales	\$7	\$12,900	\$4	\$7,700	\$5	\$6,800
Warranty/Insurance	1.75% sales	\$8	\$15,100	\$5	\$9,000	\$5	\$7,900
Other Indirects	9% directs	\$16	\$30,000	\$11	\$19,500	\$12	\$17,600
Builder Overhead/G&A	3% sales	\$14	\$25,800	\$9	\$15,500	\$9	\$13,500
Financing		\$16	\$29,500	\$11	\$18,600	\$11	\$15,800
Total House Costs		\$270	\$499,600	\$195	\$340,400	\$209	\$303,600
Finished Lot Residual							
Net Sales Revenue		\$433	\$800,186	\$276	\$483,499	\$292	\$423,570
<Less> Development Costs		(\$270)	(\$499,600)	(\$195)	(\$340,400)	(\$209)	(\$303,600)
<Less> Net Builder Profit	10% sales		(\$82,709)		(\$49,970)		(\$43,777)
Lot Value (Finished Lot)			\$217,900		\$93,100		\$76,200
		<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>
Residual Lot Value		\$131	\$5.7	\$23	\$1.0	\$32	\$1.4
Lot Cost Estimate		\$120	\$5.2	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Feasible		Feasible		Feasible	

		North Sacramento and South Natomas				North Natomas			
		Single Family Detached		Small Lot Detached		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,900 sf		1,500 sf		2,100 sf		1,600 sf	
Average Number of Bedrooms		3.60 bedrooms		3.3 bedrooms		3.6 bedrooms		3.3 bedrooms	
Density		9 du/acre		18 du/acre		9 du/acre		18 du/acre	
Stories/ Construction Type		2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	95%	\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
Low	5%	\$113	\$213,980	\$140	\$209,690	\$102	\$213,980	\$131	\$209,690
Mod@90% AMI	0%	\$183	\$348,300	\$227	\$340,950	\$166	\$348,300	\$213	\$340,950
Mod@110% AMI	0%	<u>\$230</u>	<u>\$437,840</u>	<u>\$286</u>	<u>\$428,420</u>	<u>\$208</u>	<u>\$437,840</u>	<u>\$268</u>	<u>\$428,420</u>
Average Gross Sales Price		\$263	\$499,949	\$286	\$428,485	\$299	\$628,199	\$318	\$509,235
<Less> Closing Costs	3.25% sales	<u>(\$9)</u>	<u>(\$16,200)</u>	<u>(\$9)</u>	<u>(\$13,900)</u>	<u>(\$10)</u>	<u>(\$20,400)</u>	<u>(\$10)</u>	<u>(\$16,600)</u>
Revenue Net of Sales Expense		\$255	\$483,749	\$276	\$414,585	\$289	\$607,799	\$308	\$492,635
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$115	\$219,000	\$129	\$194,000	\$118	\$248,000	\$136	\$218,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$28	\$53,100	\$32	\$47,900	\$36	\$75,200	\$41	\$65,200
Housing Impact Fee		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Marketing	1.5% sales	\$4	\$7,700	\$4	\$6,600	\$5	\$9,800	\$5	\$7,900
Warranty/Insurance	1.75% sales	\$5	\$9,000	\$5	\$7,700	\$5	\$11,400	\$6	\$9,200
Other Indirects	9% directs	\$10	\$19,700	\$12	\$17,500	\$11	\$22,300	\$12	\$19,600
Builder Overhead/G&A	3% sales	\$8	\$15,500	\$9	\$13,200	\$9	\$19,500	\$10	\$15,800
Financing		\$10	\$19,600	\$11	\$15,800	\$11	\$22,400	\$11	\$17,900
Total House Costs		\$181	\$343,600	\$202	\$302,700	\$195	\$408,600	\$221	\$353,600
Finished Lot Residual									
Net Sales Revenue		\$255	\$483,749	\$276	\$414,585	\$289	\$607,799	\$308	\$492,635
<Less> Development Costs		<u>(\$181)</u>	<u>(\$343,600)</u>	<u>(\$202)</u>	<u>(\$302,700)</u>	<u>(\$195)</u>	<u>(\$408,600)</u>	<u>(\$221)</u>	<u>(\$353,600)</u>
<Less> Net Builder Profit	10% sales		<u>(\$49,995)</u>		<u>(\$42,848)</u>		<u>(\$62,820)</u>		<u>(\$50,923)</u>
Lot Value (Finished Lot)		\$90,200		\$69,000		\$136,400		\$88,100	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$18	\$0.8	\$28	\$1.2	\$28	\$1.2	\$37	\$1.6
Lot Cost Estimate		\$25	\$1.1	\$30	\$1.3	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Marginal Feasibility		Feasible		Feasible		Feasible	

Inner South and East Neighborhoods					
		Single Family Detached		Small Lot Detached	
Living Area Net SF		2,300 sf		1,700 sf	
Average Number of Bedrooms		3.5 bedrooms		3.0 bedrooms	
Density		8 du/acre		20 du/acre	
Stories/ Construction Type		1-2 stories/ wood		3 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	95%	\$435	\$1,000,000	\$456	\$775,000
Low	5%	\$92	\$212,550	\$121	\$205,400
Mod@90% AMI	0%	\$150	\$345,850	\$196	\$333,600
Mod@110% AMI	0%	<u>\$189</u>	<u>\$434,700</u>	<u>\$246</u>	<u>\$419,000</u>
Average Gross Sales Price		\$418	\$960,628	\$439	\$746,520
<Less> Closing Costs	3.25% sales	<u>(\$14)</u>	<u>(\$31,200)</u>	<u>(\$14)</u>	<u>(\$24,300)</u>
Revenue Net of Sales Expense		\$404	\$929,428	\$425	\$722,220
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$137	\$315,000	\$168	\$286,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$25	\$56,400	\$29	\$49,600
Housing Impact Fee		\$0	\$0	\$0	\$0
Marketing	1.5% sales	\$7	\$15,000	\$7	\$11,600
Warranty/Insurance	1.75% sales	\$8	\$17,500	\$8	\$13,600
Other Indirects	9% directs	\$12	\$28,400	\$15	\$25,700
Builder Overhead/G&A	3% sales	\$13	\$30,000	\$14	\$23,300
Financing		\$16	\$35,700	\$15	\$25,700
Total House Costs		\$217	\$498,000	\$256	\$435,500
Finished Lot Residual					
Net Sales Revenue		\$404	\$929,428	\$425	\$722,220
<Less> Development Costs		(\$217)	(\$498,000)	(\$256)	(\$435,500)
<Less> Net Builder Profit	10% sales		<u>(\$96,063)</u>		<u>(\$74,652)</u>
Lot Value (Finished Lot)		\$335,400		\$212,100	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$62	\$2.7	\$96	\$4.2
Lot Cost Estimate		\$65	\$2.8	\$80	\$3.5
Feasibility Finding		Feasible		Feasible	

		Central City		Southern Neighborhoods			
		Attached Townhomes		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,850 sf		1,750 sf		1,450 sf	
Average Number of Bedrooms		2.8 bedrooms		3.25 bedrooms		3.0 bedrooms	
Density		26 du/acre		11 du/acre		18 du/acre	
Stories/ Construction Type		3 stories/ wood		1-2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	90%	\$465	\$860,000	\$294	\$515,000	\$310	\$450,000
Low	0%	\$109	\$201,720	\$119	\$208,975	\$142	\$205,400
Mod@90% AMI	0%	\$177	\$327,360	\$194	\$339,725	\$230	\$333,600
Mod@110% AMI	10%	<u>\$222</u>	<u>\$411,080</u>	<u>\$244</u>	<u>\$426,850</u>	<u>\$289</u>	<u>\$419,000</u>
Average Gross Sales Price		\$441	\$815,108	\$289	\$506,185	\$308	\$446,900
<Less> Closing Costs	3.25% sales	<u>(\$14)</u>	<u>(\$26,500)</u>	<u>(\$9)</u>	<u>(\$16,500)</u>	<u>(\$10)</u>	<u>(\$14,500)</u>
Revenue Net of Sales Expense		\$426	\$788,608	\$280	\$489,685	\$298	\$432,400
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$180	\$333,000	\$124	\$217,000	\$135	\$196,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$28	\$51,900	\$30	\$52,100	\$31	\$45,000
Housing Impact Fee		\$0	\$0	\$0	\$0	\$0	\$0
Marketing	1.5% sales	\$7	\$12,900	\$4	\$7,700	\$5	\$6,800
Warranty/Insurance	1.75% sales	\$8	\$15,100	\$5	\$9,000	\$5	\$7,900
Other Indirects	9% directs	\$16	\$30,000	\$11	\$19,500	\$12	\$17,600
Builder Overhead/G&A	3% sales	\$14	\$25,800	\$9	\$15,500	\$9	\$13,500
Financing		\$16	\$29,400	\$11	\$18,500	\$11	\$15,800
Total House Costs		\$269	\$498,100	\$194	\$339,300	\$209	\$302,600
Finished Lot Residual							
Net Sales Revenue		\$426	\$788,608	\$280	\$489,685	\$298	\$432,400
<Less> Development Costs		(\$269)	(\$498,100)	(\$194)	(\$339,300)	(\$209)	(\$302,600)
<Less> Net Builder Profit	10% sales		<u>(\$81,511)</u>		<u>(\$50,619)</u>		<u>(\$44,690)</u>
Lot Value (Finished Lot)			\$209,000		\$99,800		\$85,100
		<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>
Residual Lot Value		\$124	\$5.4	\$25	\$1.1	\$34	\$1.5
Lot Cost Estimate		\$120	\$5.2	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Feasible		Feasible		Feasible	

		North Sacramento and South Natomas				North Natomas			
		Single Family Detached		Small Lot Detached		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,900 sf		1,500 sf		2,100 sf		1,600 sf	
Average Number of Bedrooms		3.60 bedrooms		3.3 bedrooms		3.6 bedrooms		3.3 bedrooms	
Density		9 du/acre		18 du/acre		9 du/acre		18 du/acre	
Stories/ Construction Type		2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	90%	\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
Low	0%	\$113	\$213,980	\$140	\$209,690	\$102	\$213,980	\$131	\$209,690
Mod@90% AMI	0%	\$183	\$348,300	\$227	\$340,950	\$166	\$348,300	\$213	\$340,950
Mod@110% AMI	10%	<u>\$230</u>	<u>\$437,840</u>	<u>\$286</u>	<u>\$428,420</u>	<u>\$208</u>	<u>\$437,840</u>	<u>\$268</u>	<u>\$428,420</u>
Average Gross Sales Price		\$267	\$507,284	\$293	\$438,842	\$299	\$628,784	\$322	\$515,342
<Less> Closing Costs	3.25% sales	<u>(\$9)</u>	<u>(\$16,500)</u>	<u>(\$10)</u>	<u>(\$14,300)</u>	<u>(\$10)</u>	<u>(\$20,400)</u>	<u>(\$10)</u>	<u>(\$16,700)</u>
Revenue Net of Sales Expense		\$258	\$490,784	\$283	\$424,542	\$290	\$608,384	\$312	\$498,642
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$115	\$219,000	\$129	\$194,000	\$118	\$248,000	\$136	\$218,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$27	\$52,000	\$31	\$46,900	\$35	\$73,600	\$40	\$63,600
Housing Impact Fee		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Marketing	1.5% sales	\$4	\$7,700	\$4	\$6,600	\$5	\$9,800	\$5	\$7,900
Warranty/Insurance	1.75% sales	\$5	\$9,000	\$5	\$7,700	\$5	\$11,400	\$6	\$9,200
Other Indirects	9% directs	\$10	\$19,700	\$12	\$17,500	\$11	\$22,300	\$12	\$19,600
Builder Overhead/G&A	3% sales	\$8	\$15,500	\$9	\$13,200	\$9	\$19,500	\$10	\$15,800
Financing		\$10	\$19,600	\$11	\$15,800	\$11	\$22,300	\$11	\$17,900
Total House Costs		\$180	\$342,500	\$201	\$301,700	\$194	\$406,900	\$220	\$352,000
Finished Lot Residual									
Net Sales Revenue		\$258	\$490,784	\$283	\$424,542	\$290	\$608,384	\$312	\$498,642
<Less> Development Costs		<u>(\$180)</u>	<u>(\$342,500)</u>	<u>(\$201)</u>	<u>(\$301,700)</u>	<u>(\$194)</u>	<u>(\$406,900)</u>	<u>(\$220)</u>	<u>(\$352,000)</u>
<Less> Net Builder Profit	10% sales		<u>(\$50,728)</u>		<u>(\$43,884)</u>		<u>(\$62,878)</u>		<u>(\$51,534)</u>
Lot Value (Finished Lot)		\$97,600		\$79,000		\$138,600		\$95,100	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$21	\$0.9	\$32	\$1.4	\$28	\$1.2	\$39	\$1.7
Lot Cost Estimate		\$25	\$1.1	\$30	\$1.3	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Marginal Feasibility		Feasible		Feasible		Feasible	

Inner South and East Neighborhoods					
		Single Family Detached		Small Lot Detached	
Living Area Net SF		2,300 sf		1,700 sf	
Average Number of Bedrooms		3.5 bedrooms		3.0 bedrooms	
Density		8 du/acre		20 du/acre	
Stories/ Construction Type		1-2 stories/ wood		3 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	90%	\$435	\$1,000,000	\$456	\$775,000
Low	0%	\$92	\$212,550	\$121	\$205,400
Mod@90% AMI	0%	\$150	\$345,850	\$196	\$333,600
Mod@110% AMI	10%	<u>\$189</u>	<u>\$434,700</u>	<u>\$246</u>	<u>\$419,000</u>
Average Gross Sales Price		\$410	\$943,470	\$435	\$739,400
<Less> Closing Costs	3.25% sales	<u>(\$13)</u>	<u>(\$30,700)</u>	<u>(\$14)</u>	<u>(\$24,000)</u>
Revenue Net of Sales Expense		\$397	\$912,770	\$421	\$715,400
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$137	\$315,000	\$168	\$286,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$24	\$55,000	\$28	\$48,400
Housing Impact Fee		\$0	\$0	\$0	\$0
Marketing	1.5% sales	\$7	\$15,000	\$7	\$11,600
Warranty/Insurance	1.75% sales	\$8	\$17,500	\$8	\$13,600
Other Indirects	9% directs	\$12	\$28,400	\$15	\$25,700
Builder Overhead/G&A	3% sales	\$13	\$30,000	\$14	\$23,300
Financing		\$16	\$35,700	\$15	\$25,700
Total House Costs		\$216	\$496,600	\$255	\$434,300
Finished Lot Residual					
Net Sales Revenue		\$397	\$912,770	\$421	\$715,400
<Less> Development Costs		(\$216)	(\$496,600)	(\$255)	(\$434,300)
<Less> Net Builder Profit	10% sales		<u>(\$94,347)</u>		<u>(\$73,940)</u>
Lot Value (Finished Lot)		\$321,800		\$207,200	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$60	\$2.6	\$94	\$4.1
Lot Cost Estimate		\$65	\$2.8	\$80	\$3.5
Feasibility Finding		Feasible		Feasible	

		Central City		Southern Neighborhoods			
		Attached Townhomes		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,850 sf		1,750 sf		1,450 sf	
Average Number of Bedrooms		2.8 bedrooms		3.25 bedrooms		3.0 bedrooms	
Density		26 du/acre		11 du/acre		18 du/acre	
Stories/ Construction Type		3 stories/ wood		1-2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	90%	\$465	\$860,000	\$294	\$515,000	\$310	\$450,000
Low	0%	\$109	\$201,720	\$119	\$208,975	\$142	\$205,400
Mod@90% AMI	10%	\$177	\$327,360	\$194	\$339,725	\$230	\$333,600
Mod@110% AMI	0%	<u>\$222</u>	<u>\$411,080</u>	<u>\$244</u>	<u>\$426,850</u>	<u>\$289</u>	<u>\$419,000</u>
Average Gross Sales Price		\$436	\$806,736	\$284	\$497,473	\$302	\$438,360
<Less> Closing Costs	3.25% sales	<u>(\$14)</u>	<u>(\$26,200)</u>	<u>(\$9)</u>	<u>(\$16,200)</u>	<u>(\$10)</u>	<u>(\$14,200)</u>
Revenue Net of Sales Expense		\$422	\$780,536	\$275	\$481,273	\$293	\$424,160
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$180	\$333,000	\$124	\$217,000	\$135	\$196,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$28	\$51,900	\$30	\$52,100	\$31	\$45,000
Housing Impact Fee		\$0	\$0	\$0	\$0	\$0	\$0
Marketing	1.5% sales	\$7	\$12,900	\$4	\$7,700	\$5	\$6,800
Warranty/Insurance	1.75% sales	\$8	\$15,100	\$5	\$9,000	\$5	\$7,900
Other Indirects	9% directs	\$16	\$30,000	\$11	\$19,500	\$12	\$17,600
Builder Overhead/G&A	3% sales	\$14	\$25,800	\$9	\$15,500	\$9	\$13,500
Financing		\$16	\$29,400	\$11	\$18,500	\$11	\$15,800
Total House Costs		\$269	\$498,100	\$194	\$339,300	\$209	\$302,600
Finished Lot Residual							
Net Sales Revenue		\$422	\$780,536	\$275	\$481,273	\$293	\$424,160
<Less> Development Costs		(\$269)	(\$498,100)	(\$194)	(\$339,300)	(\$209)	(\$302,600)
<Less> Net Builder Profit	10% sales		<u>(\$80,674)</u>		<u>(\$49,747)</u>		<u>(\$43,836)</u>
Lot Value (Finished Lot)			\$201,800		\$92,200		\$77,700
		<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>
Residual Lot Value		\$119	\$5.2	\$23	\$1.0	\$32	\$1.4
Lot Cost Estimate		\$120	\$5.2	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Feasible		Feasible		Feasible	

		North Sacramento and South Natomas				North Natomas			
		Single Family Detached		Small Lot Detached		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,900 sf		1,500 sf		2,100 sf		1,600 sf	
Average Number of Bedrooms		3.60 bedrooms		3.3 bedrooms		3.6 bedrooms		3.3 bedrooms	
Density		9 du/acre		18 du/acre		9 du/acre		18 du/acre	
Stories/ Construction Type		2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	90%	\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
Low	0%	\$113	\$213,980	\$140	\$209,690	\$102	\$213,980	\$131	\$209,690
Mod@90% AMI	10%	\$183	\$348,300	\$227	\$340,950	\$166	\$348,300	\$213	\$340,950
Mod@110% AMI	0%	<u>\$230</u>	<u>\$437,840</u>	<u>\$286</u>	<u>\$428,420</u>	<u>\$208</u>	<u>\$437,840</u>	<u>\$268</u>	<u>\$428,420</u>
Average Gross Sales Price		\$262	\$498,330	\$287	\$430,095	\$295	\$619,830	\$317	\$506,595
<Less> Closing Costs	3.25% sales	<u>(\$9)</u>	<u>(\$16,200)</u>	<u>(\$9)</u>	<u>(\$14,000)</u>	<u>(\$10)</u>	<u>(\$20,100)</u>	<u>(\$10)</u>	<u>(\$16,500)</u>
Revenue Net of Sales Expense		\$254	\$482,130	\$277	\$416,095	\$286	\$599,730	\$306	\$490,095
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$115	\$219,000	\$129	\$194,000	\$118	\$248,000	\$136	\$218,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$27	\$52,000	\$31	\$46,900	\$35	\$73,600	\$40	\$63,600
Housing Impact Fee		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Marketing	1.5% sales	\$4	\$7,700	\$4	\$6,600	\$5	\$9,800	\$5	\$7,900
Warranty/Insurance	1.75% sales	\$5	\$9,000	\$5	\$7,700	\$5	\$11,400	\$6	\$9,200
Other Indirects	9% directs	\$10	\$19,700	\$12	\$17,500	\$11	\$22,300	\$12	\$19,600
Builder Overhead/G&A	3% sales	\$8	\$15,500	\$9	\$13,200	\$9	\$19,500	\$10	\$15,800
Financing		\$10	\$19,600	\$11	\$15,800	\$11	\$22,300	\$11	\$17,900
Total House Costs		\$180	\$342,500	\$201	\$301,700	\$194	\$406,900	\$220	\$352,000
Finished Lot Residual									
Net Sales Revenue		\$254	\$482,130	\$277	\$416,095	\$286	\$599,730	\$306	\$490,095
<Less> Development Costs		<u>(\$180)</u>	<u>(\$342,500)</u>	<u>(\$201)</u>	<u>(\$301,700)</u>	<u>(\$194)</u>	<u>(\$406,900)</u>	<u>(\$220)</u>	<u>(\$352,000)</u>
<Less> Net Builder Profit	10% sales		<u>(\$49,833)</u>		<u>(\$43,010)</u>		<u>(\$61,983)</u>		<u>(\$50,660)</u>
Lot Value (Finished Lot)		\$89,800		\$71,400		\$130,800		\$87,400	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$18	\$0.8	\$30	\$1.3	\$28	\$1.2	\$37	\$1.6
Lot Cost Estimate		\$25	\$1.1	\$30	\$1.3	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Marginal Feasibility		Feasible		Feasible		Feasible	

Inner South and East Neighborhoods					
Single Family Detached			Small Lot Detached		
Living Area Net SF	2,300 sf		1,700 sf		
Average Number of Bedrooms	3.5 bedrooms		3.0 bedrooms		
Density	8 du/acre		20 du/acre		
Stories/ Construction Type	1-2 stories/ wood		3 stories/ wood		
Parking Ratio/ Type	2.0 garage		2.0 garage		
Revenue	Per SF	Per Unit	Per SF	Per Unit	
Market Rate Units 90%	\$435	\$1,000,000	\$456	\$775,000	
Low 0%	\$92	\$212,550	\$121	\$205,400	
Mod@90% AMI 10%	\$150	\$345,850	\$196	\$333,600	
Mod@110% AMI 0%	<u>\$189</u>	<u>\$434,700</u>	<u>\$246</u>	<u>\$419,000</u>	
Average Gross Sales Price	\$406	\$934,585	\$430	\$730,860	
<Less> Closing Costs 3.25% sales	<u>(\$13)</u>	<u>(\$30,400)</u>	<u>(\$14)</u>	<u>(\$23,800)</u>	
Revenue Net of Sales Expense	\$393	\$904,185	\$416	\$707,060	
Development Costs	Per NSF	Per Unit	Per NSF	Per Unit	
Direct House Costs	\$137	\$315,000	\$168	\$286,000	
Fees & Permits, excl. hsg Appendix A Table 13	\$24	\$55,000	\$28	\$48,400	
Housing Impact Fee	\$0	\$0	\$0	\$0	
Marketing 1.5% sales	\$7	\$15,000	\$7	\$11,600	
Warranty/Insurance 1.75% sales	\$8	\$17,500	\$8	\$13,600	
Other Indirects 9% directs	\$12	\$28,400	\$15	\$25,700	
Builder Overhead/G&A 3% sales	\$13	\$30,000	\$14	\$23,300	
Financing	\$16	\$35,700	\$15	\$25,700	
Total House Costs	\$216	\$496,600	\$255	\$434,300	
Finished Lot Residual					
Net Sales Revenue	\$393	\$904,185	\$416	\$707,060	
<Less> Development Costs	(\$216)	(\$496,600)	(\$255)	(\$434,300)	
<Less> Net Builder Profit 10% sales		<u>(\$93,459)</u>		<u>(\$73,086)</u>	
Lot Value (Finished Lot)		\$314,100		\$199,700	
	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	
Residual Lot Value	\$57	\$2.5	\$92	\$4.0	
Lot Cost Estimate	\$65	\$2.8	\$80	\$3.5	
Feasibility Finding	Marginal Feasibility		Feasible		

		Central City		Southern Neighborhoods			
		Attached Townhomes		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,850 sf		1,750 sf		1,450 sf	
Average Number of Bedrooms		2.8 bedrooms		3.25 bedrooms		3.0 bedrooms	
Density		26 du/acre		11 du/acre		18 du/acre	
Stories/ Construction Type		3 stories/ wood		1-2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	90%	\$465	\$860,000	\$294	\$515,000	\$310	\$450,000
Low	10%	\$109	\$201,720	\$119	\$208,975	\$142	\$205,400
Mod@90% AMI	0%	\$177	\$327,360	\$194	\$339,725	\$230	\$333,600
Mod@110% AMI	0%	<u>\$222</u>	<u>\$411,080</u>	<u>\$244</u>	<u>\$426,850</u>	<u>\$289</u>	<u>\$419,000</u>
Average Gross Sales Price		\$429	\$794,172	\$277	\$484,398	\$293	\$425,540
<Less> Closing Costs	3.25% sales	<u>(\$14)</u>	<u>(\$25,800)</u>	<u>(\$9)</u>	<u>(\$15,700)</u>	<u>(\$10)</u>	<u>(\$13,800)</u>
Revenue Net of Sales Expense		\$415	\$768,372	\$268	\$468,698	\$284	\$411,740
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$180	\$333,000	\$124	\$217,000	\$135	\$196,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$28	\$51,900	\$30	\$52,100	\$31	\$45,000
Housing Impact Fee		\$0	\$0	\$0	\$0	\$0	\$0
Marketing	1.5% sales	\$7	\$12,900	\$4	\$7,700	\$5	\$6,800
Warranty/Insurance	1.75% sales	\$8	\$15,100	\$5	\$9,000	\$5	\$7,900
Other Indirects	9% directs	\$16	\$30,000	\$11	\$19,500	\$12	\$17,600
Builder Overhead/G&A	3% sales	\$14	\$25,800	\$9	\$15,500	\$9	\$13,500
Financing		\$16	\$29,400	\$11	\$18,500	\$11	\$15,800
Total House Costs		\$269	\$498,100	\$194	\$339,300	\$209	\$302,600
Finished Lot Residual							
Net Sales Revenue		\$415	\$768,372	\$268	\$468,698	\$284	\$411,740
<Less> Development Costs		(\$269)	(\$498,100)	(\$194)	(\$339,300)	(\$209)	(\$302,600)
<Less> Net Builder Profit	10% sales		<u>(\$79,417)</u>		<u>(\$48,440)</u>		<u>(\$42,554)</u>
Lot Value (Finished Lot)			\$190,900		\$81,000		\$66,600
		<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>
Residual Lot Value		\$115	\$5.0	\$21	\$0.9	\$28	\$1.2
Lot Cost Estimate		\$120	\$5.2	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Feasible		Marginal Feasibility		Feasible	

		North Sacramento and South Natomas				North Natomas			
		Single Family Detached		Small Lot Detached		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,900 sf		1,500 sf		2,100 sf		1,600 sf	
Average Number of Bedrooms		3.60 bedrooms		3.3 bedrooms		3.6 bedrooms		3.3 bedrooms	
Density		9 du/acre		18 du/acre		9 du/acre		18 du/acre	
Stories/ Construction Type		2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	90%	\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
Low	10%	\$113	\$213,980	\$140	\$209,690	\$102	\$213,980	\$131	\$209,690
Mod@90% AMI	0%	\$183	\$348,300	\$227	\$340,950	\$166	\$348,300	\$213	\$340,950
Mod@110% AMI	0%	<u>\$230</u>	<u>\$437,840</u>	<u>\$286</u>	<u>\$428,420</u>	<u>\$208</u>	<u>\$437,840</u>	<u>\$268</u>	<u>\$428,420</u>
Average Gross Sales Price		\$255	\$484,898	\$278	\$416,969	\$289	\$606,398	\$308	\$493,469
<Less> Closing Costs	3.25% sales	<u>(\$8)</u>	<u>(\$15,800)</u>	<u>(\$9)</u>	<u>(\$13,600)</u>	<u>(\$9)</u>	<u>(\$19,700)</u>	<u>(\$10)</u>	<u>(\$16,000)</u>
Revenue Net of Sales Expense		\$247	\$469,098	\$269	\$403,369	\$279	\$586,698	\$298	\$477,469
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$115	\$219,000	\$129	\$194,000	\$118	\$248,000	\$136	\$218,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$27	\$52,000	\$31	\$46,900	\$35	\$73,600	\$40	\$63,600
Housing Impact Fee		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Marketing	1.5% sales	\$4	\$7,700	\$4	\$6,600	\$5	\$9,800	\$5	\$7,900
Warranty/Insurance	1.75% sales	\$5	\$9,000	\$5	\$7,700	\$5	\$11,400	\$6	\$9,200
Other Indirects	9% directs	\$10	\$19,700	\$12	\$17,500	\$11	\$22,300	\$12	\$19,600
Builder Overhead/G&A	3% sales	\$8	\$15,500	\$9	\$13,200	\$9	\$19,500	\$10	\$15,800
Financing		\$10	\$19,600	\$11	\$15,800	\$11	\$22,300	\$11	\$17,900
Total House Costs		\$180	\$342,500	\$201	\$301,700	\$194	\$406,900	\$220	\$352,000
Finished Lot Residual									
Net Sales Revenue		\$247	\$469,098	\$269	\$403,369	\$279	\$586,698	\$298	\$477,469
<Less> Development Costs		<u>(\$180)</u>	<u>(\$342,500)</u>	<u>(\$201)</u>	<u>(\$301,700)</u>	<u>(\$194)</u>	<u>(\$406,900)</u>	<u>(\$220)</u>	<u>(\$352,000)</u>
<Less> Net Builder Profit	10% sales		<u>(\$48,490)</u>		<u>(\$41,697)</u>		<u>(\$60,640)</u>		<u>(\$49,347)</u>
Lot Value (Finished Lot)		\$78,100		\$60,000		\$119,200		\$76,100	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$16	\$0.7	\$25	\$1.1	\$25	\$1.1	\$32	\$1.4
Lot Cost Estimate		\$25	\$1.1	\$30	\$1.3	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Infeasible / Challenged		Marginal Feasibility		Feasible		Feasible	

Inner South and East Neighborhoods					
Single Family Detached			Small Lot Detached		
Living Area Net SF	2,300 sf		1,700 sf		
Average Number of Bedrooms	3.5 bedrooms		3.0 bedrooms		
Density	8 du/acre		20 du/acre		
Stories/ Construction Type	1-2 stories/ wood		3 stories/ wood		
Parking Ratio/ Type	2.0 garage		2.0 garage		
Revenue	Per SF	Per Unit	Per SF	Per Unit	
Market Rate Units 90%	\$435	\$1,000,000	\$456	\$775,000	
Low 10%	\$92	\$212,550	\$121	\$205,400	
Mod@90% AMI 0%	\$150	\$345,850	\$196	\$333,600	
Mod@110% AMI 0%	<u>\$189</u>	<u>\$434,700</u>	<u>\$246</u>	<u>\$419,000</u>	
Average Gross Sales Price	\$401	\$921,255	\$422	\$718,040	
<Less> Closing Costs 3.25% sales	<u>(\$13)</u>	<u>(\$29,900)</u>	<u>(\$14)</u>	<u>(\$23,300)</u>	
Revenue Net of Sales Expense	\$388	\$891,355	\$409	\$694,740	
Development Costs	Per NSF	Per Unit	Per NSF	Per Unit	
Direct House Costs	\$137	\$315,000	\$168	\$286,000	
Fees & Permits, excl. hsg Appendix A Table 13	\$24	\$55,000	\$28	\$48,400	
Housing Impact Fee	\$0	\$0	\$0	\$0	
Marketing 1.5% sales	\$7	\$15,000	\$7	\$11,600	
Warranty/Insurance 1.75% sales	\$8	\$17,500	\$8	\$13,600	
Other Indirects 9% directs	\$12	\$28,400	\$15	\$25,700	
Builder Overhead/G&A 3% sales	\$13	\$30,000	\$14	\$23,300	
Financing	\$16	\$35,700	\$15	\$25,700	
Total House Costs	\$216	\$496,600	\$255	\$434,300	
Finished Lot Residual					
Net Sales Revenue	\$388	\$891,355	\$409	\$694,740	
<Less> Development Costs	(\$216)	(\$496,600)	(\$255)	(\$434,300)	
<Less> Net Builder Profit 10% sales		(\$92,126)		(\$71,804)	
Lot Value (Finished Lot)		\$302,600		\$188,600	
	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	
Residual Lot Value	\$55	\$2.4	\$87	\$3.8	
Lot Cost Estimate	\$65	\$2.8	\$80	\$3.5	
Feasibility Finding	Marginal Feasibility		Feasible		

		Central City		Southern Neighborhoods			
		Attached Townhomes		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,850 sf		1,750 sf		1,450 sf	
Average Number of Bedrooms		2.8 bedrooms		3.25 bedrooms		3.0 bedrooms	
Density		26 du/acre		11 du/acre		18 du/acre	
Stories/ Construction Type		3 stories/ wood		1-2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	85%	\$465	\$860,000	\$294	\$515,000	\$310	\$450,000
Low	0%	\$109	\$201,720	\$119	\$208,975	\$142	\$205,400
Mod@90% AMI	0%	\$177	\$327,360	\$194	\$339,725	\$230	\$333,600
Mod@110% AMI	15%	<u>\$222</u>	<u>\$411,080</u>	<u>\$244</u>	<u>\$426,850</u>	<u>\$289</u>	<u>\$419,000</u>
Average Gross Sales Price		\$428	\$792,662	\$287	\$501,778	\$307	\$445,350
<Less> Closing Costs	3.25% sales	<u>(\$14)</u>	<u>(\$25,800)</u>	<u>(\$9)</u>	<u>(\$16,300)</u>	<u>(\$10)</u>	<u>(\$14,500)</u>
Revenue Net of Sales Expense		\$415	\$766,862	\$277	\$485,478	\$297	\$430,850
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$180	\$333,000	\$124	\$217,000	\$135	\$196,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$27	\$50,500	\$29	\$51,100	\$30	\$44,100
Housing Impact Fee		\$0	\$0	\$0	\$0	\$0	\$0
Marketing	1.5% sales	\$7	\$12,900	\$4	\$7,700	\$5	\$6,800
Warranty/Insurance	1.75% sales	\$8	\$15,100	\$5	\$9,000	\$5	\$7,900
Other Indirects	9% directs	\$16	\$30,000	\$11	\$19,500	\$12	\$17,600
Builder Overhead/G&A	3% sales	\$14	\$25,800	\$9	\$15,500	\$9	\$13,500
Financing		\$16	\$29,400	\$11	\$18,500	\$11	\$15,800
Total House Costs		\$268	\$496,700	\$193	\$338,300	\$208	\$301,700
Finished Lot Residual							
Net Sales Revenue		\$415	\$766,862	\$277	\$485,478	\$297	\$430,850
<Less> Development Costs		(\$268)	(\$496,700)	(\$193)	(\$338,300)	(\$208)	(\$301,700)
<Less> Net Builder Profit	10% sales		<u>(\$79,266)</u>		<u>(\$50,178)</u>		<u>(\$44,535)</u>
Lot Value (Finished Lot)			\$190,900		\$97,000		\$84,600
		<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>
Residual Lot Value		\$115	\$5.0	\$25	\$1.1	\$34	\$1.5
Lot Cost Estimate		\$120	\$5.2	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Feasible		Feasible		Feasible	

		North Sacramento and South Natomas				North Natomas			
		Single Family Detached		Small Lot Detached		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,900 sf		1,500 sf		2,100 sf		1,600 sf	
Average Number of Bedrooms		3.60 bedrooms		3.3 bedrooms		3.6 bedrooms		3.3 bedrooms	
Density		9 du/acre		18 du/acre		9 du/acre		18 du/acre	
Stories/ Construction Type		2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	85%	\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
Low	0%	\$113	\$213,980	\$140	\$209,690	\$102	\$213,980	\$131	\$209,690
Mod@90% AMI	0%	\$183	\$348,300	\$227	\$340,950	\$166	\$348,300	\$213	\$340,950
Mod@110% AMI	15%	<u>\$230</u>	<u>\$437,840</u>	<u>\$286</u>	<u>\$428,420</u>	<u>\$208</u>	<u>\$437,840</u>	<u>\$268</u>	<u>\$428,420</u>
Average Gross Sales Price		\$265	\$503,426	\$292	\$438,263	\$294	\$618,176	\$319	\$510,513
<Less> Closing Costs	3.25% sales	<u>(\$9)</u>	<u>(\$16,400)</u>	<u>(\$9)</u>	<u>(\$14,200)</u>	<u>(\$10)</u>	<u>(\$20,100)</u>	<u>(\$10)</u>	<u>(\$16,600)</u>
Revenue Net of Sales Expense		\$256	\$487,026	\$283	\$424,063	\$285	\$598,076	\$309	\$493,913
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$115	\$219,000	\$129	\$194,000	\$118	\$248,000	\$136	\$218,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$27	\$50,900	\$31	\$45,800	\$34	\$71,900	\$39	\$62,000
Housing Impact Fee		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Marketing	1.5% sales	\$4	\$7,700	\$4	\$6,600	\$5	\$9,800	\$5	\$7,900
Warranty/Insurance	1.75% sales	\$5	\$9,000	\$5	\$7,700	\$5	\$11,400	\$6	\$9,200
Other Indirects	9% directs	\$10	\$19,700	\$12	\$17,500	\$11	\$22,300	\$12	\$19,600
Builder Overhead/G&A	3% sales	\$8	\$15,500	\$9	\$13,200	\$9	\$19,500	\$10	\$15,800
Financing		\$10	\$19,500	\$10	\$15,700	\$11	\$22,200	\$11	\$17,800
Total House Costs		\$180	\$341,300	\$200	\$300,500	\$193	\$405,100	\$219	\$350,300
Finished Lot Residual									
Net Sales Revenue		\$256	\$487,026	\$283	\$424,063	\$285	\$598,076	\$309	\$493,913
<Less> Development Costs		<u>(\$180)</u>	<u>(\$341,300)</u>	<u>(\$200)</u>	<u>(\$300,500)</u>	<u>(\$193)</u>	<u>(\$405,100)</u>	<u>(\$219)</u>	<u>(\$350,300)</u>
<Less> Net Builder Profit	10% sales		<u>(\$50,343)</u>		<u>(\$43,826)</u>		<u>(\$61,818)</u>		<u>(\$51,051)</u>
Lot Value (Finished Lot)		\$95,400		\$79,700		\$131,200		\$92,600	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$21	\$0.9	\$32	\$1.4	\$28	\$1.2	\$39	\$1.7
Lot Cost Estimate		\$25	\$1.1	\$30	\$1.3	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Marginal Feasibility		Feasible		Feasible		Feasible	

Inner South and East Neighborhoods						
			Single Family Detached		Small Lot Detached	
Living Area Net SF			2,300 sf		1,700 sf	
Average Number of Bedrooms			3.5 bedrooms		3.0 bedrooms	
Density			8 du/acre		20 du/acre	
Stories/ Construction Type			1-2 stories/ wood		3 stories/ wood	
Parking Ratio/ Type			2.0 garage		2.0 garage	
Revenue			Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	85%		\$435	\$1,000,000	\$456	\$775,000
Low	0%		\$92	\$212,550	\$121	\$205,400
Mod@90% AMI	0%		\$150	\$345,850	\$196	\$333,600
Mod@110% AMI	15%		<u>\$189</u>	<u>\$434,700</u>	<u>\$246</u>	<u>\$419,000</u>
Average Gross Sales Price			\$398	\$915,205	\$424	\$721,600
<Less> Closing Costs	3.25% sales		<u>(\$13)</u>	<u>(\$29,700)</u>	<u>(\$14)</u>	<u>(\$23,500)</u>
Revenue Net of Sales Expense			\$385	\$885,505	\$411	\$698,100
Development Costs			Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs			\$137	\$315,000	\$168	\$286,000
Fees & Permits, excl. hsg	Appendix A Table 13		\$23	\$53,600	\$28	\$47,200
Housing Impact Fee			\$0	\$0	\$0	\$0
Marketing	1.5% sales		\$7	\$15,000	\$7	\$11,600
Warranty/Insurance	1.75% sales		\$8	\$17,500	\$8	\$13,600
Other Indirects	9% directs		\$12	\$28,400	\$15	\$25,700
Builder Overhead/G&A	3% sales		\$13	\$30,000	\$14	\$23,300
Financing			\$15	\$35,600	\$15	\$25,600
Total House Costs			\$215	\$495,100	\$255	\$433,000
Finished Lot Residual						
Net Sales Revenue			\$385	\$885,505	\$411	\$698,100
<Less> Development Costs			(\$215)	(\$495,100)	(\$255)	(\$433,000)
<Less> Net Builder Profit				(\$91,521)		(\$72,160)
Lot Value (Finished Lot)				\$298,900		\$192,900
			<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value			\$55	\$2.4	\$90	\$3.9
Lot Cost Estimate			\$65	\$2.8	\$80	\$3.5
Feasibility Finding			Marginal Feasibility		Feasible	

		Central City		Southern Neighborhoods			
		Attached Townhomes		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,850 sf		1,750 sf		1,450 sf	
Average Number of Bedrooms		2.8 bedrooms		3.25 bedrooms		3.0 bedrooms	
Density		26 du/acre		11 du/acre		18 du/acre	
Stories/ Construction Type		3 stories/ wood		1-2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	85%	\$465	\$860,000	\$294	\$515,000	\$310	\$450,000
Low	0%	\$109	\$201,720	\$119	\$208,975	\$142	\$205,400
Mod@90% AMI	15%	\$177	\$327,360	\$194	\$339,725	\$230	\$333,600
Mod@110% AMI	0%	<u>\$222</u>	<u>\$411,080</u>	<u>\$244</u>	<u>\$426,850</u>	<u>\$289</u>	<u>\$419,000</u>
Average Gross Sales Price		\$422	\$780,104	\$279	\$488,709	\$298	\$432,540
<Less> Closing Costs	3.25% sales	<u>(\$14)</u>	<u>(\$25,400)</u>	<u>(\$9)</u>	<u>(\$15,900)</u>	<u>(\$10)</u>	<u>(\$14,100)</u>
Revenue Net of Sales Expense		\$408	\$754,704	\$270	\$472,809	\$289	\$418,440
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$180	\$333,000	\$124	\$217,000	\$135	\$196,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$27	\$50,500	\$29	\$51,100	\$30	\$44,100
Housing Impact Fee		\$0	\$0	\$0	\$0	\$0	\$0
Marketing	1.5% sales	\$7	\$12,900	\$4	\$7,700	\$5	\$6,800
Warranty/Insurance	1.75% sales	\$8	\$15,100	\$5	\$9,000	\$5	\$7,900
Other Indirects	9% directs	\$16	\$30,000	\$11	\$19,500	\$12	\$17,600
Builder Overhead/G&A	3% sales	\$14	\$25,800	\$9	\$15,500	\$9	\$13,500
Financing		\$16	\$29,400	\$11	\$18,500	\$11	\$15,800
Total House Costs		\$268	\$496,700	\$193	\$338,300	\$208	\$301,700
Finished Lot Residual							
Net Sales Revenue		\$408	\$754,704	\$270	\$472,809	\$289	\$418,440
<Less> Development Costs		(\$268)	(\$496,700)	(\$193)	(\$338,300)	(\$208)	(\$301,700)
<Less> Net Builder Profit	10% sales		<u>(\$78,010)</u>		<u>(\$48,871)</u>		<u>(\$43,254)</u>
Lot Value (Finished Lot)		\$180,000		\$85,600		\$73,500	
		<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>
Residual Lot Value		\$108	\$4.7	\$21	\$0.9	\$30	\$1.3
Lot Cost Estimate		\$120	\$5.2	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Marginal Feasibility		Marginal Feasibility		Feasible	

		North Sacramento and South Natomas				North Natomas			
		Single Family Detached		Small Lot Detached		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,900 sf		1,500 sf		2,100 sf		1,600 sf	
Average Number of Bedrooms		3.60 bedrooms		3.3 bedrooms		3.6 bedrooms		3.3 bedrooms	
Density		9 du/acre		18 du/acre		9 du/acre		18 du/acre	
Stories/ Construction Type		2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	85%	\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
Low	0%	\$113	\$213,980	\$140	\$209,690	\$102	\$213,980	\$131	\$209,690
Mod@90% AMI	15%	\$183	\$348,300	\$227	\$340,950	\$166	\$348,300	\$213	\$340,950
Mod@110% AMI	0%	<u>\$230</u>	<u>\$437,840</u>	<u>\$286</u>	<u>\$428,420</u>	<u>\$208</u>	<u>\$437,840</u>	<u>\$268</u>	<u>\$428,420</u>
Average Gross Sales Price		\$258	\$489,995	\$283	\$425,143	\$288	\$604,745	\$311	\$497,393
<Less> Closing Costs	3.25% sales	<u>(\$8)</u>	<u>(\$15,900)</u>	<u>(\$9)</u>	<u>(\$13,800)</u>	<u>(\$9)</u>	<u>(\$19,700)</u>	<u>(\$10)</u>	<u>(\$16,200)</u>
Revenue Net of Sales Expense		\$250	\$474,095	\$274	\$411,343	\$279	\$585,045	\$301	\$481,193
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$115	\$219,000	\$129	\$194,000	\$118	\$248,000	\$136	\$218,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$27	\$50,900	\$31	\$45,800	\$34	\$71,900	\$39	\$62,000
Housing Impact Fee		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Marketing	1.5% sales	\$4	\$7,700	\$4	\$6,600	\$5	\$9,800	\$5	\$7,900
Warranty/Insurance	1.75% sales	\$5	\$9,000	\$5	\$7,700	\$5	\$11,400	\$6	\$9,200
Other Indirects	9% directs	\$10	\$19,700	\$12	\$17,500	\$11	\$22,300	\$12	\$19,600
Builder Overhead/G&A	3% sales	\$8	\$15,500	\$9	\$13,200	\$9	\$19,500	\$10	\$15,800
Financing		\$10	\$19,500	\$10	\$15,700	\$11	\$22,200	\$11	\$17,800
Total House Costs		\$180	\$341,300	\$200	\$300,500	\$193	\$405,100	\$219	\$350,300
Finished Lot Residual									
Net Sales Revenue		\$250	\$474,095	\$274	\$411,343	\$279	\$585,045	\$301	\$481,193
<Less> Development Costs		<u>(\$180)</u>	<u>(\$341,300)</u>	<u>(\$200)</u>	<u>(\$300,500)</u>	<u>(\$193)</u>	<u>(\$405,100)</u>	<u>(\$219)</u>	<u>(\$350,300)</u>
<Less> Net Builder Profit	10% sales		<u>(\$49,000)</u>		<u>(\$42,514)</u>		<u>(\$60,475)</u>		<u>(\$49,739)</u>
Lot Value (Finished Lot)		\$83,800		\$68,300		\$119,500		\$81,200	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$18	\$0.8	\$28	\$1.2	\$25	\$1.1	\$34	\$1.5
Lot Cost Estimate		\$25	\$1.1	\$30	\$1.3	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Marginal Feasibility		Feasible		Feasible		Feasible	

Inner South and East Neighborhoods					
Single Family Detached			Small Lot Detached		
Living Area Net SF	2,300 sf		1,700 sf		
Average Number of Bedrooms	3.5 bedrooms		3.0 bedrooms		
Density	8 du/acre		20 du/acre		
Stories/ Construction Type	1-2 stories/ wood		3 stories/ wood		
Parking Ratio/ Type	2.0 garage		2.0 garage		
Revenue	Per SF	Per Unit	Per SF	Per Unit	
Market Rate Units 85%	\$435	\$1,000,000	\$456	\$775,000	
Low 0%	\$92	\$212,550	\$121	\$205,400	
Mod@90% AMI 15%	\$150	\$345,850	\$196	\$333,600	
Mod@110% AMI 0%	<u>\$189</u>	<u>\$434,700</u>	<u>\$246</u>	<u>\$419,000</u>	
Average Gross Sales Price	\$392	\$901,878	\$417	\$708,790	
<Less> Closing Costs 3.25% sales	<u>(\$13)</u>	<u>(\$29,300)</u>	<u>(\$14)</u>	<u>(\$23,000)</u>	
Revenue Net of Sales Expense	\$379	\$872,578	\$403	\$685,790	
Development Costs	Per NSF	Per Unit	Per NSF	Per Unit	
Direct House Costs	\$137	\$315,000	\$168	\$286,000	
Fees & Permits, excl. hsg Appendix A Table 13	\$23	\$53,600	\$28	\$47,200	
Housing Impact Fee	\$0	\$0	\$0	\$0	
Marketing 1.5% sales	\$7	\$15,000	\$7	\$11,600	
Warranty/Insurance 1.75% sales	\$8	\$17,500	\$8	\$13,600	
Other Indirects 9% directs	\$12	\$28,400	\$15	\$25,700	
Builder Overhead/G&A 3% sales	\$13	\$30,000	\$14	\$23,300	
Financing	\$15	\$35,600	\$15	\$25,600	
Total House Costs	\$215	\$495,100	\$255	\$433,000	
Finished Lot Residual					
Net Sales Revenue	\$379	\$872,578	\$403	\$685,790	
<Less> Development Costs	(\$215)	(\$495,100)	(\$255)	(\$433,000)	
<Less> Net Builder Profit 10% sales		(\$90,188)		(\$70,879)	
Lot Value (Finished Lot)		\$287,300		\$181,900	
	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	
Residual Lot Value	\$53	\$2.3	\$83	\$3.6	
Lot Cost Estimate	\$65	\$2.8	\$80	\$3.5	
Feasibility Finding	Marginal Feasibility		Feasible		

		Central City		Southern Neighborhoods			
		Attached Townhomes		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,850 sf		1,750 sf		1,450 sf	
Average Number of Bedrooms		2.8 bedrooms		3.25 bedrooms		3.0 bedrooms	
Density		26 du/acre		11 du/acre		18 du/acre	
Stories/ Construction Type		3 stories/ wood		1-2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	85%	\$465	\$860,000	\$294	\$515,000	\$310	\$450,000
Low	15%	\$109	\$201,720	\$119	\$208,975	\$142	\$205,400
Mod@90% AMI	0%	\$177	\$327,360	\$194	\$339,725	\$230	\$333,600
Mod@110% AMI	0%	<u>\$222</u>	<u>\$411,080</u>	<u>\$244</u>	<u>\$426,850</u>	<u>\$289</u>	<u>\$419,000</u>
Average Gross Sales Price		\$411	\$761,258	\$268	\$469,096	\$285	\$413,310
<Less> Closing Costs	3.25% sales	<u>(\$13)</u>	<u>(\$24,700)</u>	<u>(\$9)</u>	<u>(\$15,200)</u>	<u>(\$9)</u>	<u>(\$13,400)</u>
Revenue Net of Sales Expense		\$398	\$736,558	\$259	\$453,896	\$276	\$399,910
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$180	\$333,000	\$124	\$217,000	\$135	\$196,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$27	\$50,500	\$29	\$51,100	\$30	\$44,100
Housing Impact Fee		\$0	\$0	\$0	\$0	\$0	\$0
Marketing	1.5% sales	\$7	\$12,900	\$4	\$7,700	\$5	\$6,800
Warranty/Insurance	1.75% sales	\$8	\$15,100	\$5	\$9,000	\$5	\$7,900
Other Indirects	9% directs	\$16	\$30,000	\$11	\$19,500	\$12	\$17,600
Builder Overhead/G&A	3% sales	\$14	\$25,800	\$9	\$15,500	\$9	\$13,500
Financing		\$16	\$29,400	\$11	\$18,500	\$11	\$15,800
Total House Costs		\$268	\$496,700	\$193	\$338,300	\$208	\$301,700
Finished Lot Residual							
Net Sales Revenue		\$398	\$736,558	\$259	\$453,896	\$276	\$399,910
<Less> Development Costs		<u>(\$268)</u>	<u>(\$496,700)</u>	<u>(\$193)</u>	<u>(\$338,300)</u>	<u>(\$208)</u>	<u>(\$301,700)</u>
<Less> Net Builder Profit	10% sales		<u>(\$76,126)</u>		<u>(\$46,910)</u>		<u>(\$41,331)</u>
Lot Value (Finished Lot)			\$163,700		\$68,700		\$56,900
		<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>
Residual Lot Value		\$99	\$4.3	\$18	\$0.8	\$23	\$1.0
Lot Cost Estimate		\$120	\$5.2	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Marginal Feasibility		Marginal Feasibility		Marginal Feasibility	

		North Sacramento and South Natomas				North Natomas			
		Single Family Detached		Small Lot Detached		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,900 sf		1,500 sf		2,100 sf		1,600 sf	
Average Number of Bedrooms		3.60 bedrooms		3.3 bedrooms		3.6 bedrooms		3.3 bedrooms	
Density		9 du/acre		18 du/acre		9 du/acre		18 du/acre	
Stories/ Construction Type		2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	85%	\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
Low	15%	\$113	\$213,980	\$140	\$209,690	\$102	\$213,980	\$131	\$209,690
Mod@90% AMI	0%	\$183	\$348,300	\$227	\$340,950	\$166	\$348,300	\$213	\$340,950
Mod@110% AMI	0%	<u>\$230</u>	<u>\$437,840</u>	<u>\$286</u>	<u>\$428,420</u>	<u>\$208</u>	<u>\$437,840</u>	<u>\$268</u>	<u>\$428,420</u>
Average Gross Sales Price		\$247	\$469,847	\$270	\$405,454	\$278	\$584,597	\$299	\$477,704
<Less> Closing Costs	3.25% sales	<u>(\$8)</u>	<u>(\$15,300)</u>	<u>(\$9)</u>	<u>(\$13,200)</u>	<u>(\$9)</u>	<u>(\$19,000)</u>	<u>(\$10)</u>	<u>(\$15,500)</u>
Revenue Net of Sales Expense		\$239	\$454,547	\$262	\$392,254	\$269	\$565,597	\$289	\$462,204
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$115	\$219,000	\$129	\$194,000	\$118	\$248,000	\$136	\$218,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$27	\$50,900	\$31	\$45,800	\$34	\$71,900	\$39	\$62,000
Housing Impact Fee		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Marketing	1.5% sales	\$4	\$7,700	\$4	\$6,600	\$5	\$9,800	\$5	\$7,900
Warranty/Insurance	1.75% sales	\$5	\$9,000	\$5	\$7,700	\$5	\$11,400	\$6	\$9,200
Other Indirects	9% directs	\$10	\$19,700	\$12	\$17,500	\$11	\$22,300	\$12	\$19,600
Builder Overhead/G&A	3% sales	\$8	\$15,500	\$9	\$13,200	\$9	\$19,500	\$10	\$15,800
Financing		\$10	\$19,500	\$10	\$15,700	\$11	\$22,200	\$11	\$17,800
Total House Costs		\$180	\$341,300	\$200	\$300,500	\$193	\$405,100	\$219	\$350,300
Finished Lot Residual									
Net Sales Revenue		\$239	\$454,547	\$262	\$392,254	\$269	\$565,597	\$289	\$462,204
<Less> Development Costs		<u>(\$180)</u>	<u>(\$341,300)</u>	<u>(\$200)</u>	<u>(\$300,500)</u>	<u>(\$193)</u>	<u>(\$405,100)</u>	<u>(\$219)</u>	<u>(\$350,300)</u>
<Less> Net Builder Profit	10% sales		<u>(\$46,985)</u>		<u>(\$40,545)</u>		<u>(\$58,460)</u>		<u>(\$47,770)</u>
Lot Value (Finished Lot)		\$66,300		\$51,200		\$102,000		\$64,100	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$14	\$0.6	\$21	\$0.9	\$21	\$0.9	\$28	\$1.2
Lot Cost Estimate		\$25	\$1.1	\$30	\$1.3	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Infeasible / Challenged		Infeasible / Challenged		Marginal Feasibility		Feasible	

Inner South and East Neighborhoods					
Single Family Detached			Small Lot Detached		
Living Area Net SF	2,300 sf		1,700 sf		
Average Number of Bedrooms	3.5 bedrooms		3.0 bedrooms		
Density	8 du/acre		20 du/acre		
Stories/ Construction Type	1-2 stories/ wood		3 stories/ wood		
Parking Ratio/ Type	2.0 garage		2.0 garage		
Revenue	Per SF	Per Unit	Per SF	Per Unit	
Market Rate Units 85%	\$435	\$1,000,000	\$456	\$775,000	
Low 15%	\$92	\$212,550	\$121	\$205,400	
Mod@90% AMI 0%	\$150	\$345,850	\$196	\$333,600	
Mod@110% AMI 0%	<u>\$189</u>	<u>\$434,700</u>	<u>\$246</u>	<u>\$419,000</u>	
Average Gross Sales Price	\$383	\$881,883	\$406	\$689,560	
<Less> Closing Costs 3.25% sales	<u>(\$12)</u>	<u>(\$28,700)</u>	<u>(\$13)</u>	<u>(\$22,400)</u>	
Revenue Net of Sales Expense	\$371	\$853,183	\$392	\$667,160	
Development Costs	Per NSF	Per Unit	Per NSF	Per Unit	
Direct House Costs	\$137	\$315,000	\$168	\$286,000	
Fees & Permits, excl. hsg Appendix A Table 13	\$23	\$53,600	\$28	\$47,200	
Housing Impact Fee	\$0	\$0	\$0	\$0	
Marketing 1.5% sales	\$7	\$15,000	\$7	\$11,600	
Warranty/Insurance 1.75% sales	\$8	\$17,500	\$8	\$13,600	
Other Indirects 9% directs	\$12	\$28,400	\$15	\$25,700	
Builder Overhead/G&A 3% sales	\$13	\$30,000	\$14	\$23,300	
Financing	\$15	\$35,600	\$15	\$25,600	
Total House Costs	\$215	\$495,100	\$255	\$433,000	
Finished Lot Residual					
Net Sales Revenue	\$371	\$853,183	\$392	\$667,160	
<Less> Development Costs	(\$215)	(\$495,100)	(\$255)	(\$433,000)	
<Less> Net Builder Profit 10% sales		(\$88,188)		(\$68,956)	
Lot Value (Finished Lot)		\$269,900		\$165,200	
	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	
Residual Lot Value	\$51	\$2.2	\$76	\$3.3	
Lot Cost Estimate	\$65	\$2.8	\$80	\$3.5	
Feasibility Finding	Marginal Feasibility		Feasible		

		Southern Neighborhoods				North Sacramento and South Natomas				North Natomas			
		Single Family Detached		Small Lot Detached		Single Family Detached		Small Lot Detached		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,750 sf		1,450 sf		1,900 sf		1,500 sf		2,100 sf		1,600 sf	
Average Number of Bedrooms		3.25 bedrooms		3.0 bedrooms		3.60 bedrooms		3.3 bedrooms		3.6 bedrooms		3.3 bedrooms	
Density		11 du/acre		18 du/acre		9 du/acre		18 du/acre		9 du/acre		18 du/acre	
Stories/ Construction Type		1-2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%	\$294	\$515,000	\$310	\$450,000	\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
Low	0%	\$119	\$208,975	\$142	\$205,400	\$113	\$213,980	\$140	\$209,690	\$102	\$213,980	\$131	\$209,690
Mod@90% AMI	0%	\$194	\$339,725	\$230	\$333,600	\$183	\$348,300	\$227	\$340,950	\$166	\$348,300	\$213	\$340,950
Mod@110% AMI	0%	<u>\$244</u>	<u>\$426,850</u>	<u>\$289</u>	<u>\$419,000</u>	<u>\$230</u>	<u>\$437,840</u>	<u>\$286</u>	<u>\$428,420</u>	<u>\$208</u>	<u>\$437,840</u>	<u>\$268</u>	<u>\$428,420</u>
Average Gross Sales Price		\$294	\$515,000	\$310	\$450,000	\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
<Less> Closing Costs	3.25% sales	<u>(\$10)</u>	<u>(\$16,700)</u>	<u>(\$10)</u>	<u>(\$14,600)</u>	<u>(\$9)</u>	<u>(\$16,700)</u>	<u>(\$10)</u>	<u>(\$14,300)</u>	<u>(\$10)</u>	<u>(\$21,100)</u>	<u>(\$11)</u>	<u>(\$17,100)</u>
Revenue Net of Sales Expense		\$285	\$498,300	\$300	\$435,400	\$262	\$498,300	\$284	\$425,700	\$299	\$628,900	\$317	\$507,900
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$124	\$217,000	\$135	\$196,000	\$115	\$219,000	\$129	\$194,000	\$118	\$248,000	\$136	\$218,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$31	\$54,100	\$32	\$46,900	\$29	\$54,200	\$33	\$48,900	\$37	\$76,900	\$42	\$66,800
LIHTC Site/Cash Contrib.	Appendix A Table 10	\$2	\$4,300	\$3	\$4,300	\$2	\$4,300	\$3	\$4,300	\$2	\$4,300	\$3	\$4,300
Marketing	1.5% sales	\$4	\$7,700	\$5	\$6,800	\$4	\$7,700	\$4	\$6,600	\$5	\$9,800	\$5	\$7,900
Warranty/Insurance	1.75% sales	\$5	\$9,000	\$5	\$7,900	\$5	\$9,000	\$5	\$7,700	\$5	\$11,400	\$6	\$9,200
Other Indirects	9% directs	\$11	\$19,500	\$12	\$17,600	\$10	\$19,700	\$12	\$17,500	\$11	\$22,300	\$12	\$19,600
Builder Overhead/G&A	3% sales	\$9	\$15,500	\$9	\$13,500	\$8	\$15,500	\$9	\$13,200	\$9	\$19,500	\$10	\$15,800
Financing		\$11	\$18,800	\$11	\$16,100	\$10	\$19,900	\$11	\$16,000	\$11	\$22,600	\$11	\$18,200
Total House Costs		\$198	\$345,900	\$213	\$309,100	\$184	\$349,300	\$205	\$308,200	\$198	\$414,800	\$225	\$359,800
Finished Lot Residual													
Net Sales Revenue		\$285	\$498,300	\$300	\$435,400	\$262	\$498,300	\$284	\$425,700	\$299	\$628,900	\$317	\$507,900
<Less> Development Costs		<u>(\$198)</u>	<u>(\$345,900)</u>	<u>(\$213)</u>	<u>(\$309,100)</u>	<u>(\$184)</u>	<u>(\$349,300)</u>	<u>(\$205)</u>	<u>(\$308,200)</u>	<u>(\$198)</u>	<u>(\$414,800)</u>	<u>(\$225)</u>	<u>(\$359,800)</u>
<Less> Net Builder Profit	10% sales		<u>(\$51,500)</u>		<u>(\$45,000)</u>		<u>(\$51,500)</u>		<u>(\$44,000)</u>		<u>(\$65,000)</u>		<u>(\$52,500)</u>
Lot Value (Finished Lot)		\$100,900		\$81,300		\$97,500		\$73,500		\$149,100		\$95,600	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$25	\$1.1	\$34	\$1.5	\$21	\$0.9	\$30	\$1.3	\$30	\$1.3	\$39	\$1.7
Lot Cost Estimate		\$25	\$1.1	\$30	\$1.3	\$25	\$1.1	\$30	\$1.3	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Feasible		Feasible		Marginal Feasibility		Feasible		Feasible		Feasible	

Appendix A Table 5N
For-Sale Pro Forma
Feasibility Analysis
Sacramento MIHO Review

More Favorable Recent Conditions (higher pricing/fewer incentives, lower interest)
Include Standalone LIHTC Project Equiv to 15% of Units
New Water/Sewer/Drainage Fees
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		Southern Neighborhoods				North Sacramento and South Natomas				North Natomas			
		Single Family Detached		Small Lot Detached		Single Family Detached		Small Lot Detached		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,750 sf		1,450 sf		1,900 sf		1,500 sf		2,100 sf		1,600 sf	
Average Number of Bedrooms		3.25 bedrooms		3.0 bedrooms		3.60 bedrooms		3.3 bedrooms		3.6 bedrooms		3.3 bedrooms	
Density		11 du/acre		18 du/acre		9 du/acre		18 du/acre		9 du/acre		18 du/acre	
Stories/ Construction Type		1-2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%	\$294	\$515,000	\$310	\$450,000	\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
Low	0%	\$119	\$208,975	\$142	\$205,400	\$113	\$213,980	\$140	\$209,690	\$102	\$213,980	\$131	\$209,690
Mod@90% AMI	0%	\$194	\$339,725	\$230	\$333,600	\$183	\$348,300	\$227	\$340,950	\$166	\$348,300	\$213	\$340,950
Mod@110% AMI	0%	<u>\$244</u>	<u>\$426,850</u>	<u>\$289</u>	<u>\$419,000</u>	<u>\$230</u>	<u>\$437,840</u>	<u>\$286</u>	<u>\$428,420</u>	<u>\$208</u>	<u>\$437,840</u>	<u>\$268</u>	<u>\$428,420</u>
Average Gross Sales Price		\$294	\$515,000	\$310	\$450,000	\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
<Less> Closing Costs	3.25% sales	<u>(\$10)</u>	<u>(\$16,700)</u>	<u>(\$10)</u>	<u>(\$14,600)</u>	<u>(\$9)</u>	<u>(\$16,700)</u>	<u>(\$10)</u>	<u>(\$14,300)</u>	<u>(\$10)</u>	<u>(\$21,100)</u>	<u>(\$11)</u>	<u>(\$17,100)</u>
Revenue Net of Sales Expense		\$285	\$498,300	\$300	\$435,400	\$262	\$498,300	\$284	\$425,700	\$299	\$628,900	\$317	\$507,900
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$124	\$217,000	\$135	\$196,000	\$115	\$219,000	\$129	\$194,000	\$118	\$248,000	\$136	\$218,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$31	\$54,100	\$32	\$46,900	\$29	\$54,200	\$33	\$48,900	\$37	\$76,900	\$42	\$66,800
LIHTC Site/Cash Contrib.	Appendix A Table 10	\$4	\$6,900	\$5	\$6,900	\$4	\$6,900	\$5	\$6,900	\$3	\$6,900	\$4	\$6,900
Marketing	1.5% sales	\$4	\$7,700	\$5	\$6,800	\$4	\$7,700	\$4	\$6,600	\$5	\$9,800	\$5	\$7,900
Warranty/Insurance	1.75% sales	\$5	\$9,000	\$5	\$7,900	\$5	\$9,000	\$5	\$7,700	\$5	\$11,400	\$6	\$9,200
Other Indirects	9% directs	\$11	\$19,500	\$12	\$17,600	\$10	\$19,700	\$12	\$17,500	\$11	\$22,300	\$12	\$19,600
Builder Overhead/G&A	3% sales	\$9	\$15,500	\$9	\$13,500	\$8	\$15,500	\$9	\$13,200	\$9	\$19,500	\$10	\$15,800
Financing		\$11	\$18,900	\$11	\$16,200	\$11	\$20,000	\$11	\$16,100	\$11	\$22,700	\$11	\$18,300
Total House Costs		<u>\$199</u>	<u>\$348,600</u>	<u>\$215</u>	<u>\$311,800</u>	<u>\$185</u>	<u>\$352,000</u>	<u>\$207</u>	<u>\$310,900</u>	<u>\$199</u>	<u>\$417,500</u>	<u>\$227</u>	<u>\$362,500</u>
Finished Lot Residual													
Net Sales Revenue		\$285	\$498,300	\$300	\$435,400	\$262	\$498,300	\$284	\$425,700	\$299	\$628,900	\$317	\$507,900
<Less> Development Costs		<u>(\$199)</u>	<u>(\$348,600)</u>	<u>(\$215)</u>	<u>(\$311,800)</u>	<u>(\$185)</u>	<u>(\$352,000)</u>	<u>(\$207)</u>	<u>(\$310,900)</u>	<u>(\$199)</u>	<u>(\$417,500)</u>	<u>(\$227)</u>	<u>(\$362,500)</u>
<Less> Net Builder Profit	10% sales		<u>(\$51,500)</u>		<u>(\$45,000)</u>		<u>(\$51,500)</u>		<u>(\$44,000)</u>		<u>(\$65,000)</u>		<u>(\$52,500)</u>
Lot Value (Finished Lot)		\$98,200		\$78,600		\$94,800		\$70,800		\$146,400		\$92,900	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$25	\$1.1	\$32	\$1.4	\$21	\$0.9	\$30	\$1.3	\$30	\$1.3	\$39	\$1.7
Lot Cost Estimate		\$25	\$1.1	\$30	\$1.3	\$25	\$1.1	\$30	\$1.3	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Feasible		Feasible		Marginal Feasibility		Feasible		Feasible		Feasible	

Appendix A Table 50
For-Sale Pro Forma
Feasibility Analysis
Sacramento MIHO Review

More Favorable Recent Conditions (higher pricing/fewer incentives, lower interest)
Include Standalone LIHTC Project Equiv to 20% of Units
New Water/Sewer/Drainage Fees
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		Southern Neighborhoods				North Sacramento and South Natomas				North Natomas			
		Single Family Detached		Small Lot Detached		Single Family Detached		Small Lot Detached		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,750 sf		1,450 sf		1,900 sf		1,500 sf		2,100 sf		1,600 sf	
Average Number of Bedrooms		3.25 bedrooms		3.0 bedrooms		3.60 bedrooms		3.3 bedrooms		3.6 bedrooms		3.3 bedrooms	
Density		11 du/acre		18 du/acre		9 du/acre		18 du/acre		9 du/acre		18 du/acre	
Stories/ Construction Type		1-2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%	\$294	\$515,000	\$310	\$450,000	\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
Low	0%	\$119	\$208,975	\$142	\$205,400	\$113	\$213,980	\$140	\$209,690	\$102	\$213,980	\$131	\$209,690
Mod@90% AMI	0%	\$194	\$339,725	\$230	\$333,600	\$183	\$348,300	\$227	\$340,950	\$166	\$348,300	\$213	\$340,950
Mod@110% AMI	0%	<u>\$244</u>	<u>\$426,850</u>	<u>\$289</u>	<u>\$419,000</u>	<u>\$230</u>	<u>\$437,840</u>	<u>\$286</u>	<u>\$428,420</u>	<u>\$208</u>	<u>\$437,840</u>	<u>\$268</u>	<u>\$428,420</u>
Average Gross Sales Price		\$294	\$515,000	\$310	\$450,000	\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
<Less> Closing Costs	3.25% sales	<u>(\$10)</u>	<u>(\$16,700)</u>	<u>(\$10)</u>	<u>(\$14,600)</u>	<u>(\$9)</u>	<u>(\$16,700)</u>	<u>(\$10)</u>	<u>(\$14,300)</u>	<u>(\$10)</u>	<u>(\$21,100)</u>	<u>(\$11)</u>	<u>(\$17,100)</u>
Revenue Net of Sales Expense		\$285	\$498,300	\$300	\$435,400	\$262	\$498,300	\$284	\$425,700	\$299	\$628,900	\$317	\$507,900
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$124	\$217,000	\$135	\$196,000	\$115	\$219,000	\$129	\$194,000	\$118	\$248,000	\$136	\$218,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$31	\$54,100	\$32	\$46,900	\$29	\$54,200	\$33	\$48,900	\$37	\$76,900	\$42	\$66,800
LIHTC Site/Cash Contrib.	Appendix A Table 10	\$6	\$9,800	\$7	\$9,800	\$5	\$9,800	\$7	\$9,800	\$5	\$9,800	\$6	\$9,800
Marketing	1.5% sales	\$4	\$7,700	\$5	\$6,800	\$4	\$7,700	\$4	\$6,600	\$5	\$9,800	\$5	\$7,900
Warranty/Insurance	1.75% sales	\$5	\$9,000	\$5	\$7,900	\$5	\$9,000	\$5	\$7,700	\$5	\$11,400	\$6	\$9,200
Other Indirects	9% directs	\$11	\$19,500	\$12	\$17,600	\$10	\$19,700	\$12	\$17,500	\$11	\$22,300	\$12	\$19,600
Builder Overhead/G&A	3% sales	\$9	\$15,500	\$9	\$13,500	\$8	\$15,500	\$9	\$13,200	\$9	\$19,500	\$10	\$15,800
Financing		\$11	\$19,000	\$11	\$16,300	\$11	\$20,100	\$11	\$16,300	\$11	\$22,900	\$12	\$18,500
Total House Costs		\$201	\$351,600	\$217	\$314,800	\$187	\$355,000	\$209	\$314,000	\$200	\$420,600	\$229	\$365,600
Finished Lot Residual													
Net Sales Revenue		\$285	\$498,300	\$300	\$435,400	\$262	\$498,300	\$284	\$425,700	\$299	\$628,900	\$317	\$507,900
<Less> Development Costs		<u>(\$201)</u>	<u>(\$351,600)</u>	<u>(\$217)</u>	<u>(\$314,800)</u>	<u>(\$187)</u>	<u>(\$355,000)</u>	<u>(\$209)</u>	<u>(\$314,000)</u>	<u>(\$200)</u>	<u>(\$420,600)</u>	<u>(\$229)</u>	<u>(\$365,600)</u>
<Less> Net Builder Profit	10% sales		<u>(\$51,500)</u>		<u>(\$45,000)</u>		<u>(\$51,500)</u>		<u>(\$44,000)</u>		<u>(\$65,000)</u>		<u>(\$52,500)</u>
Lot Value (Finished Lot)		\$95,200		\$75,600		\$91,800		\$67,700		\$143,300		\$89,800	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$23	\$1.0	\$32	\$1.4	\$18	\$0.8	\$28	\$1.2	\$30	\$1.3	\$37	\$1.6
Lot Cost Estimate		\$25	\$1.1	\$30	\$1.3	\$25	\$1.1	\$30	\$1.3	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Feasible		Feasible		Marginal Feasibility		Feasible		Feasible		Feasible	

		Central City		Southern Neighborhoods			
		Attached Townhomes		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,850 sf		1,750 sf		1,450 sf	
Average Number of Bedrooms		2.8 bedrooms		3.25 bedrooms		3.0 bedrooms	
Density		26 du/acre		11 du/acre		18 du/acre	
Stories/ Construction Type		3 stories/ wood		1-2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%	\$465	\$860,000	\$294	\$515,000	\$310	\$450,000
Low	0%	\$109	\$201,720	\$119	\$208,975	\$142	\$205,400
Mod@90% AMI	0%	\$177	\$327,360	\$194	\$339,725	\$230	\$333,600
Mod@110% AMI	0%	<u>\$222</u>	<u>\$411,080</u>	<u>\$244</u>	<u>\$426,850</u>	<u>\$289</u>	<u>\$419,000</u>
Average Gross Sales Price		\$465	\$860,000	\$294	\$515,000	\$310	\$450,000
<Less> Closing Costs	3.25% sales	<u>(\$15)</u>	<u>(\$28,000)</u>	<u>(\$10)</u>	<u>(\$16,700)</u>	<u>(\$10)</u>	<u>(\$14,600)</u>
Revenue Net of Sales Expense		\$450	\$832,000	\$285	\$498,300	\$300	\$435,400
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$180	\$333,000	\$124	\$217,000	\$135	\$196,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$30	\$54,700	\$31	\$54,100	\$32	\$46,900
Housing Impact Fee		\$4	\$6,500	\$2	\$2,700	\$2	\$2,200
Marketing	1.5% sales	\$7	\$12,900	\$4	\$7,700	\$5	\$6,800
Warranty/Insurance	1.75% sales	\$8	\$15,100	\$5	\$9,000	\$5	\$7,900
Other Indirects	9% directs	\$16	\$30,000	\$11	\$19,500	\$12	\$17,600
Builder Overhead/G&A	3% sales	\$14	\$25,800	\$9	\$15,500	\$9	\$13,500
Financing		\$16	\$29,800	\$11	\$18,700	\$11	\$16,000
Total House Costs		\$274	\$507,800	\$197	\$344,200	\$212	\$306,900
Finished Lot Residual							
Net Sales Revenue		\$450	\$832,000	\$285	\$498,300	\$300	\$435,400
<Less> Development Costs		(\$274)	(\$507,800)	(\$197)	(\$344,200)	(\$212)	(\$306,900)
<Less> Net Builder Profit	10% sales		(\$86,000)		(\$51,500)		(\$45,000)
Lot Value (Finished Lot)		\$238,200		\$102,600		\$83,500	
		<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>
Residual Lot Value		\$142	\$6.2	\$25	\$1.1	\$34	\$1.5
Lot Cost Estimate		\$120	\$5.2	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Feasible		Feasible		Feasible	

		North Sacramento and South Natomas				North Natomas			
		Single Family Detached		Small Lot Detached		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,900 sf		1,500 sf		2,100 sf		1,600 sf	
Average Number of Bedrooms		3.60 bedrooms		3.3 bedrooms		3.6 bedrooms		3.3 bedrooms	
Density		9 du/acre		18 du/acre		9 du/acre		18 du/acre	
Stories/ Construction Type		2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%	\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
Low	0%	\$113	\$213,980	\$140	\$209,690	\$102	\$213,980	\$131	\$209,690
Mod@90% AMI	0%	\$183	\$348,300	\$227	\$340,950	\$166	\$348,300	\$213	\$340,950
Mod@110% AMI	0%	<u>\$230</u>	<u>\$437,840</u>	<u>\$286</u>	<u>\$428,420</u>	<u>\$208</u>	<u>\$437,840</u>	<u>\$268</u>	<u>\$428,420</u>
Average Gross Sales Price		\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
<Less> Closing Costs	3.25% sales	<u>(\$9)</u>	<u>(\$16,700)</u>	<u>(\$10)</u>	<u>(\$14,300)</u>	<u>(\$10)</u>	<u>(\$21,100)</u>	<u>(\$11)</u>	<u>(\$17,100)</u>
Revenue Net of Sales Expense		\$262	\$498,300	\$284	\$425,700	\$299	\$628,900	\$317	\$507,900
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$115	\$219,000	\$129	\$194,000	\$118	\$248,000	\$136	\$218,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$29	\$54,200	\$33	\$48,900	\$37	\$76,900	\$42	\$66,800
Housing Impact Fee		\$2	\$2,900	\$2	\$2,300	\$4	\$7,400	\$4	\$5,700
Marketing	1.5% sales	\$4	\$7,700	\$4	\$6,600	\$5	\$9,800	\$5	\$7,900
Warranty/Insurance	1.75% sales	\$5	\$9,000	\$5	\$7,700	\$5	\$11,400	\$6	\$9,200
Other Indirects	9% directs	\$10	\$19,700	\$12	\$17,500	\$11	\$22,300	\$12	\$19,600
Builder Overhead/G&A	3% sales	\$8	\$15,500	\$9	\$13,200	\$9	\$19,500	\$10	\$15,800
Financing		\$10	\$19,800	\$11	\$15,900	\$11	\$22,800	\$11	\$18,300
Total House Costs		\$183	\$347,800	\$204	\$306,100	\$199	\$418,100	\$226	\$361,300
Finished Lot Residual									
Net Sales Revenue		\$262	\$498,300	\$284	\$425,700	\$299	\$628,900	\$317	\$507,900
<Less> Development Costs		<u>(\$183)</u>	<u>(\$347,800)</u>	<u>(\$204)</u>	<u>(\$306,100)</u>	<u>(\$199)</u>	<u>(\$418,100)</u>	<u>(\$226)</u>	<u>(\$361,300)</u>
<Less> Net Builder Profit	10% sales		<u>(\$51,500)</u>		<u>(\$44,000)</u>		<u>(\$65,000)</u>		<u>(\$52,500)</u>
Lot Value (Finished Lot)		\$99,000		\$75,600		\$145,800		\$94,100	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$21	\$0.9	\$32	\$1.4	\$30	\$1.3	\$39	\$1.7
Lot Cost Estimate		\$25	\$1.1	\$30	\$1.3	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Marginal Feasibility		Feasible		Feasible		Feasible	

Inner South and East Neighborhoods						
			Single Family Detached		Small Lot Detached	
Living Area Net SF			2,300 sf		1,700 sf	
Average Number of Bedrooms			3.5 bedrooms		3.0 bedrooms	
Density			8 du/acre		20 du/acre	
Stories/ Construction Type			1-2 stories/ wood		3 stories/ wood	
Parking Ratio/ Type			2.0 garage		2.0 garage	
Revenue			Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%		\$435	\$1,000,000	\$456	\$775,000
Low	0%		\$92	\$212,550	\$121	\$205,400
Mod@90% AMI	0%		\$150	\$345,850	\$196	\$333,600
Mod@110% AMI	0%		<u>\$189</u>	<u>\$434,700</u>	<u>\$246</u>	<u>\$419,000</u>
Average Gross Sales Price			\$435	\$1,000,000	\$456	\$775,000
<Less> Closing Costs	3.25% sales		<u>(\$14)</u>	<u>(\$32,500)</u>	<u>(\$15)</u>	<u>(\$25,200)</u>
Revenue Net of Sales Expense			\$421	\$967,500	\$441	\$749,800
Development Costs			Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs			\$137	\$315,000	\$168	\$286,000
Fees & Permits, excl. hsg	Appendix A Table 13		\$25	\$57,800	\$30	\$50,800
Housing Impact Fee			\$4	\$8,100	\$0	\$0
Marketing	1.5% sales		\$7	\$15,000	\$7	\$11,600
Warranty/Insurance	1.75% sales		\$8	\$17,500	\$8	\$13,600
Other Indirects	9% directs		\$12	\$28,400	\$15	\$25,700
Builder Overhead/G&A	3% sales		\$13	\$30,000	\$14	\$23,300
Financing			\$16	\$36,200	\$15	\$25,800
Total House Costs			\$221	\$508,000	\$257	\$436,800
Finished Lot Residual						
Net Sales Revenue			\$421	\$967,500	\$441	\$749,800
<Less> Development Costs			(\$221)	(\$508,000)	(\$257)	(\$436,800)
<Less> Net Builder Profit	10% sales			(\$100,000)		(\$77,500)
Lot Value (Finished Lot)				\$359,500		\$235,500
			<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value			\$67	\$2.9	\$108	\$4.7
Lot Cost Estimate			\$65	\$2.8	\$80	\$3.5
Feasibility Finding			Feasible		Feasible	

Appendix A Table 5Q
For-Sale Pro Forma
Feasibility Analysis
Sacramento MIHO Review

More Favorable Recent Conditions (higher pricing/fewer incentives, lower interest)
HIF (existing rate, no incentives)
New Water/Sewer/Drainage Fees
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		Central City		Southern Neighborhoods			
		Attached Townhomes		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,850 sf		1,750 sf		1,450 sf	
Average Number of Bedrooms		2.8 bedrooms		3.25 bedrooms		3.0 bedrooms	
Density		26 du/acre		11 du/acre		18 du/acre	
Stories/ Construction Type		3 stories/ wood		1-2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%	\$465	\$860,000	\$294	\$515,000	\$310	\$450,000
Low	0%	\$109	\$201,720	\$119	\$208,975	\$142	\$205,400
Mod@90% AMI	0%	\$177	\$327,360	\$194	\$339,725	\$230	\$333,600
Mod@110% AMI	0%	<u>\$222</u>	<u>\$411,080</u>	<u>\$244</u>	<u>\$426,850</u>	<u>\$289</u>	<u>\$419,000</u>
Average Gross Sales Price		\$465	\$860,000	\$294	\$515,000	\$310	\$450,000
<Less> Closing Costs	3.25% sales	<u>(\$15)</u>	<u>(\$28,000)</u>	<u>(\$10)</u>	<u>(\$16,700)</u>	<u>(\$10)</u>	<u>(\$14,600)</u>
Revenue Net of Sales Expense		\$450	\$832,000	\$285	\$498,300	\$300	\$435,400
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$180	\$333,000	\$124	\$217,000	\$135	\$196,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$30	\$54,700	\$31	\$54,100	\$32	\$46,900
HIF (existing rate, no incentives)		\$4	\$6,500	\$4	\$6,200	\$4	\$5,100
Marketing	1.5% sales	\$7	\$12,900	\$4	\$7,700	\$5	\$6,800
Warranty/Insurance	1.75% sales	\$8	\$15,100	\$5	\$9,000	\$5	\$7,900
Other Indirects	9% directs	\$16	\$30,000	\$11	\$19,500	\$12	\$17,600
Builder Overhead/G&A	3% sales	\$14	\$25,800	\$9	\$15,500	\$9	\$13,500
Financing		\$16	\$29,800	\$11	\$18,900	\$11	\$16,100
Total House Costs		\$274	\$507,800	\$199	\$347,900	\$214	\$309,900
Finished Lot Residual							
Net Sales Revenue		\$450	\$832,000	\$285	\$498,300	\$300	\$435,400
<Less> Development Costs		(\$274)	(\$507,800)	(\$199)	(\$347,900)	(\$214)	(\$309,900)
<Less> Net Builder Profit	10% sales		(\$86,000)		(\$51,500)		(\$45,000)
Lot Value (Finished Lot)		\$238,200		\$98,900		\$80,500	
		<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>
Residual Lot Value		\$142	\$6.2	\$25	\$1.1	\$32	\$1.4
Lot Cost Estimate		\$120	\$5.2	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Feasible		Feasible		Feasible	

		North Sacramento and South Natomas				North Natomas			
		Single Family Detached		Small Lot Detached		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,900 sf		1,500 sf		2,100 sf		1,600 sf	
Average Number of Bedrooms		3.60 bedrooms		3.3 bedrooms		3.6 bedrooms		3.3 bedrooms	
Density		9 du/acre		18 du/acre		9 du/acre		18 du/acre	
Stories/ Construction Type		2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%	\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
Low	0%	\$113	\$213,980	\$140	\$209,690	\$102	\$213,980	\$131	\$209,690
Mod@90% AMI	0%	\$183	\$348,300	\$227	\$340,950	\$166	\$348,300	\$213	\$340,950
Mod@110% AMI	0%	<u>\$230</u>	<u>\$437,840</u>	<u>\$286</u>	<u>\$428,420</u>	<u>\$208</u>	<u>\$437,840</u>	<u>\$268</u>	<u>\$428,420</u>
Average Gross Sales Price		\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
<Less> Closing Costs	3.25% sales	<u>(\$9)</u>	<u>(\$16,700)</u>	<u>(\$10)</u>	<u>(\$14,300)</u>	<u>(\$10)</u>	<u>(\$21,100)</u>	<u>(\$11)</u>	<u>(\$17,100)</u>
Revenue Net of Sales Expense		\$262	\$498,300	\$284	\$425,700	\$299	\$628,900	\$317	\$507,900
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$115	\$219,000	\$129	\$194,000	\$118	\$248,000	\$136	\$218,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$29	\$54,200	\$33	\$48,900	\$37	\$76,900	\$42	\$66,800
HIF (existing rate, no incentives)		\$4	\$6,700	\$4	\$5,300	\$4	\$7,400	\$4	\$5,700
Marketing	1.5% sales	\$4	\$7,700	\$4	\$6,600	\$5	\$9,800	\$5	\$7,900
Warranty/Insurance	1.75% sales	\$5	\$9,000	\$5	\$7,700	\$5	\$11,400	\$6	\$9,200
Other Indirects	9% directs	\$10	\$19,700	\$12	\$17,500	\$11	\$22,300	\$12	\$19,600
Builder Overhead/G&A	3% sales	\$8	\$15,500	\$9	\$13,200	\$9	\$19,500	\$10	\$15,800
Financing		\$11	\$20,000	\$11	\$16,100	\$11	\$22,800	\$11	\$18,300
Total House Costs		\$185	\$351,800	\$206	\$309,300	\$199	\$418,100	\$226	\$361,300
Finished Lot Residual									
Net Sales Revenue		\$262	\$498,300	\$284	\$425,700	\$299	\$628,900	\$317	\$507,900
<Less> Development Costs		<u>(\$185)</u>	<u>(\$351,800)</u>	<u>(\$206)</u>	<u>(\$309,300)</u>	<u>(\$199)</u>	<u>(\$418,100)</u>	<u>(\$226)</u>	<u>(\$361,300)</u>
<Less> Net Builder Profit	10% sales		<u>(\$51,500)</u>		<u>(\$44,000)</u>		<u>(\$65,000)</u>		<u>(\$52,500)</u>
Lot Value (Finished Lot)		\$95,000		\$72,400		\$145,800		\$94,100	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$21	\$0.9	\$30	\$1.3	\$30	\$1.3	\$39	\$1.7
Lot Cost Estimate		\$25	\$1.1	\$30	\$1.3	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Marginal Feasibility		Feasible		Feasible		Feasible	

Inner South and East Neighborhoods					
Single Family Detached			Small Lot Detached		
Living Area Net SF	2,300 sf		1,700 sf		
Average Number of Bedrooms	3.5 bedrooms		3.0 bedrooms		
Density	8 du/acre		20 du/acre		
Stories/ Construction Type	1-2 stories/ wood		3 stories/ wood		
Parking Ratio/ Type	2.0 garage		2.0 garage		
Revenue	Per SF	Per Unit	Per SF	Per Unit	
Market Rate Units 100%	\$435	\$1,000,000	\$456	\$775,000	
Low 0%	\$92	\$212,550	\$121	\$205,400	
Mod@90% AMI 0%	\$150	\$345,850	\$196	\$333,600	
Mod@110% AMI 0%	<u>\$189</u>	<u>\$434,700</u>	<u>\$246</u>	<u>\$419,000</u>	
Average Gross Sales Price	\$435	\$1,000,000	\$456	\$775,000	
<Less> Closing Costs 3.25% sales	<u>(\$14)</u>	<u>(\$32,500)</u>	<u>(\$15)</u>	<u>(\$25,200)</u>	
Revenue Net of Sales Expense	\$421	\$967,500	\$441	\$749,800	
Development Costs	Per NSF	Per Unit	Per NSF	Per Unit	
Direct House Costs	\$137	\$315,000	\$168	\$286,000	
Fees & Permits, excl. hsg Appendix A Table 13	\$25	\$57,800	\$30	\$50,800	
HIF (existing rate, no incentives)	\$4	\$8,100	\$4	\$6,000	
Marketing 1.5% sales	\$7	\$15,000	\$7	\$11,600	
Warranty/Insurance 1.75% sales	\$8	\$17,500	\$8	\$13,600	
Other Indirects 9% directs	\$12	\$28,400	\$15	\$25,700	
Builder Overhead/G&A 3% sales	\$13	\$30,000	\$14	\$23,300	
Financing	\$16	\$36,200	\$15	\$26,000	
Total House Costs	\$221	\$508,000	\$261	\$443,000	
Finished Lot Residual					
Net Sales Revenue	\$421	\$967,500	\$441	\$749,800	
<Less> Development Costs	(\$221)	(\$508,000)	(\$261)	(\$443,000)	
<Less> Net Builder Profit 10% sales		(\$100,000)		(\$77,500)	
Lot Value (Finished Lot)		\$359,500		\$229,300	
	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	
Residual Lot Value	\$67	\$2.9	\$106	\$4.6	
Lot Cost Estimate	\$65	\$2.8	\$80	\$3.5	
Feasibility Finding	Feasible		Feasible		

Appendix A Table 5R
For-Sale Pro Forma
Feasibility Analysis
Sacramento MIHO Review

More Favorable Recent Conditions (higher pricing/fewer incentives, lower interest)
Housing Fee @ \$5/SF
New Water/Sewer/Drainage Fees
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		Central City		Southern Neighborhoods			
		Attached Townhomes		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,850 sf		1,750 sf		1,450 sf	
Average Number of Bedrooms		2.8 bedrooms		3.25 bedrooms		3.0 bedrooms	
Density		26 du/acre		11 du/acre		18 du/acre	
Stories/ Construction Type		3 stories/ wood		1-2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%	\$465	\$860,000	\$294	\$515,000	\$310	\$450,000
Low	0%	\$109	\$201,720	\$119	\$208,975	\$142	\$205,400
Mod@90% AMI	0%	\$177	\$327,360	\$194	\$339,725	\$230	\$333,600
Mod@110% AMI	0%	<u>\$222</u>	<u>\$411,080</u>	<u>\$244</u>	<u>\$426,850</u>	<u>\$289</u>	<u>\$419,000</u>
Average Gross Sales Price		\$465	\$860,000	\$294	\$515,000	\$310	\$450,000
<Less> Closing Costs	3.25% sales	<u>(\$15)</u>	<u>(\$28,000)</u>	<u>(\$10)</u>	<u>(\$16,700)</u>	<u>(\$10)</u>	<u>(\$14,600)</u>
Revenue Net of Sales Expense		\$450	\$832,000	\$285	\$498,300	\$300	\$435,400
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$180	\$333,000	\$124	\$217,000	\$135	\$196,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$30	\$54,700	\$31	\$54,100	\$32	\$46,900
Housing Fee @ \$5/SF		\$5	\$9,300	\$5	\$8,800	\$5	\$7,300
Marketing	1.5% sales	\$7	\$12,900	\$4	\$7,700	\$5	\$6,800
Warranty/Insurance	1.75% sales	\$8	\$15,100	\$5	\$9,000	\$5	\$7,900
Other Indirects	9% directs	\$16	\$30,000	\$11	\$19,500	\$12	\$17,600
Builder Overhead/G&A	3% sales	\$14	\$25,800	\$9	\$15,500	\$9	\$13,500
Financing		\$16	\$30,000	\$11	\$19,000	\$11	\$16,200
Total House Costs		\$276	\$510,800	\$200	\$350,600	\$215	\$312,200
Finished Lot Residual							
Net Sales Revenue		\$450	\$832,000	\$285	\$498,300	\$300	\$435,400
<Less> Development Costs		(\$276)	(\$510,800)	(\$200)	(\$350,600)	(\$215)	(\$312,200)
<Less> Net Builder Profit	10% sales		(\$86,000)		(\$51,500)		(\$45,000)
Lot Value (Finished Lot)		\$235,200		\$96,200		\$78,200	
		<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>
Residual Lot Value		\$140	\$6.1	\$25	\$1.1	\$32	\$1.4
Lot Cost Estimate		\$120	\$5.2	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Feasible		Feasible		Feasible	

		North Sacramento and South Natomas				North Natomas			
		Single Family Detached		Small Lot Detached		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,900 sf		1,500 sf		2,100 sf		1,600 sf	
Average Number of Bedrooms		3.60 bedrooms		3.3 bedrooms		3.6 bedrooms		3.3 bedrooms	
Density		9 du/acre		18 du/acre		9 du/acre		18 du/acre	
Stories/ Construction Type		2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%	\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
Low	0%	\$113	\$213,980	\$140	\$209,690	\$102	\$213,980	\$131	\$209,690
Mod@90% AMI	0%	\$183	\$348,300	\$227	\$340,950	\$166	\$348,300	\$213	\$340,950
Mod@110% AMI	0%	<u>\$230</u>	<u>\$437,840</u>	<u>\$286</u>	<u>\$428,420</u>	<u>\$208</u>	<u>\$437,840</u>	<u>\$268</u>	<u>\$428,420</u>
Average Gross Sales Price		\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
<Less> Closing Costs	3.25% sales	<u>(\$9)</u>	<u>(\$16,700)</u>	<u>(\$10)</u>	<u>(\$14,300)</u>	<u>(\$10)</u>	<u>(\$21,100)</u>	<u>(\$11)</u>	<u>(\$17,100)</u>
Revenue Net of Sales Expense		\$262	\$498,300	\$284	\$425,700	\$299	\$628,900	\$317	\$507,900
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$115	\$219,000	\$129	\$194,000	\$118	\$248,000	\$136	\$218,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$29	\$54,200	\$33	\$48,900	\$37	\$76,900	\$42	\$66,800
Housing Fee @ \$5/SF		\$5	\$9,500	\$5	\$7,500	\$5	\$10,500	\$5	\$8,000
Marketing	1.5% sales	\$4	\$7,700	\$4	\$6,600	\$5	\$9,800	\$5	\$7,900
Warranty/Insurance	1.75% sales	\$5	\$9,000	\$5	\$7,700	\$5	\$11,400	\$6	\$9,200
Other Indirects	9% directs	\$10	\$19,700	\$12	\$17,500	\$11	\$22,300	\$12	\$19,600
Builder Overhead/G&A	3% sales	\$8	\$15,500	\$9	\$13,200	\$9	\$19,500	\$10	\$15,800
Financing		\$11	\$20,100	\$11	\$16,200	\$11	\$22,900	\$12	\$18,400
Total House Costs		\$187	\$354,700	\$208	\$311,600	\$201	\$421,300	\$227	\$363,700
Finished Lot Residual									
Net Sales Revenue		\$262	\$498,300	\$284	\$425,700	\$299	\$628,900	\$317	\$507,900
<Less> Development Costs		<u>(\$187)</u>	<u>(\$354,700)</u>	<u>(\$208)</u>	<u>(\$311,600)</u>	<u>(\$201)</u>	<u>(\$421,300)</u>	<u>(\$227)</u>	<u>(\$363,700)</u>
<Less> Net Builder Profit	10% sales		<u>(\$51,500)</u>		<u>(\$44,000)</u>		<u>(\$65,000)</u>		<u>(\$52,500)</u>
Lot Value (Finished Lot)		\$92,100		\$70,100		\$142,600		\$91,700	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$18	\$0.8	\$30	\$1.3	\$30	\$1.3	\$39	\$1.7
Lot Cost Estimate		\$25	\$1.1	\$30	\$1.3	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Marginal Feasibility		Feasible		Feasible		Feasible	

Inner South and East Neighborhoods					
Single Family Detached			Small Lot Detached		
Living Area Net SF	2,300 sf		1,700 sf		
Average Number of Bedrooms	3.5 bedrooms		3.0 bedrooms		
Density	8 du/acre		20 du/acre		
Stories/ Construction Type	1-2 stories/ wood		3 stories/ wood		
Parking Ratio/ Type	2.0 garage		2.0 garage		
Revenue	Per SF	Per Unit	Per SF	Per Unit	
Market Rate Units 100%	\$435	\$1,000,000	\$456	\$775,000	
Low 0%	\$92	\$212,550	\$121	\$205,400	
Mod@90% AMI 0%	\$150	\$345,850	\$196	\$333,600	
Mod@110% AMI 0%	<u>\$189</u>	<u>\$434,700</u>	<u>\$246</u>	<u>\$419,000</u>	
Average Gross Sales Price	\$435	\$1,000,000	\$456	\$775,000	
<Less> Closing Costs 3.25% sales	<u>(\$14)</u>	<u>(\$32,500)</u>	<u>(\$15)</u>	<u>(\$25,200)</u>	
Revenue Net of Sales Expense	\$421	\$967,500	\$441	\$749,800	
Development Costs	Per NSF	Per Unit	Per NSF	Per Unit	
Direct House Costs	\$137	\$315,000	\$168	\$286,000	
Fees & Permits, excl. hsg Appendix A Table 13	\$25	\$57,800	\$30	\$50,800	
Housing Fee @ \$5/SF	\$5	\$11,500	\$5	\$8,500	
Marketing 1.5% sales	\$7	\$15,000	\$7	\$11,600	
Warranty/Insurance 1.75% sales	\$8	\$17,500	\$8	\$13,600	
Other Indirects 9% directs	\$12	\$28,400	\$15	\$25,700	
Builder Overhead/G&A 3% sales	\$13	\$30,000	\$14	\$23,300	
Financing	\$16	\$36,300	\$15	\$26,200	
Total House Costs	\$222	\$511,500	\$262	\$445,700	
Finished Lot Residual					
Net Sales Revenue	\$421	\$967,500	\$441	\$749,800	
<Less> Development Costs	(\$222)	(\$511,500)	(\$262)	(\$445,700)	
<Less> Net Builder Profit 10% sales		(\$100,000)		(\$77,500)	
Lot Value (Finished Lot)		\$356,000		\$226,600	
	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	
Residual Lot Value	\$64	\$2.8	\$103	\$4.5	
Lot Cost Estimate	\$65	\$2.8	\$80	\$3.5	
Feasibility Finding	Feasible		Feasible		

		Central City		Southern Neighborhoods			
		Attached Townhomes		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,850 sf		1,750 sf		1,450 sf	
Average Number of Bedrooms		2.8 bedrooms		3.25 bedrooms		3.0 bedrooms	
Density		26 du/acre		11 du/acre		18 du/acre	
Stories/ Construction Type		3 stories/ wood		1-2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%	\$465	\$860,000	\$294	\$515,000	\$310	\$450,000
Low	0%	\$109	\$201,720	\$119	\$208,975	\$142	\$205,400
Mod@90% AMI	0%	\$177	\$327,360	\$194	\$339,725	\$230	\$333,600
Mod@110% AMI	0%	<u>\$222</u>	<u>\$411,080</u>	<u>\$244</u>	<u>\$426,850</u>	<u>\$289</u>	<u>\$419,000</u>
Average Gross Sales Price		\$465	\$860,000	\$294	\$515,000	\$310	\$450,000
<Less> Closing Costs	3.25% sales	<u>(\$15)</u>	<u>(\$28,000)</u>	<u>(\$10)</u>	<u>(\$16,700)</u>	<u>(\$10)</u>	<u>(\$14,600)</u>
Revenue Net of Sales Expense		\$450	\$832,000	\$285	\$498,300	\$300	\$435,400
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$180	\$333,000	\$124	\$217,000	\$135	\$196,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$30	\$54,700	\$31	\$54,100	\$32	\$46,900
Housing Fee @ \$7.5/SF		\$8	\$13,900	\$8	\$13,100	\$8	\$10,900
Marketing	1.5% sales	\$7	\$12,900	\$4	\$7,700	\$5	\$6,800
Warranty/Insurance	1.75% sales	\$8	\$15,100	\$5	\$9,000	\$5	\$7,900
Other Indirects	9% directs	\$16	\$30,000	\$11	\$19,500	\$12	\$17,600
Builder Overhead/G&A	3% sales	\$14	\$25,800	\$9	\$15,500	\$9	\$13,500
Financing		\$16	\$30,200	\$11	\$19,200	\$11	\$16,400
Total House Costs		\$279	\$515,600	\$203	\$355,100	\$218	\$316,000
Finished Lot Residual							
Net Sales Revenue		\$450	\$832,000	\$285	\$498,300	\$300	\$435,400
<Less> Development Costs		(\$279)	(\$515,600)	(\$203)	(\$355,100)	(\$218)	(\$316,000)
<Less> Net Builder Profit	10% sales		(\$86,000)		(\$51,500)		(\$45,000)
Lot Value (Finished Lot)		\$230,400		\$91,700		\$74,400	
		<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>
Residual Lot Value		\$138	\$6.0	\$23	\$1.0	\$30	\$1.3
Lot Cost Estimate		\$120	\$5.2	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Feasible		Feasible		Feasible	

		North Sacramento and South Natomas				North Natomas			
		Single Family Detached		Small Lot Detached		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,900 sf		1,500 sf		2,100 sf		1,600 sf	
Average Number of Bedrooms		3.60 bedrooms		3.3 bedrooms		3.6 bedrooms		3.3 bedrooms	
Density		9 du/acre		18 du/acre		9 du/acre		18 du/acre	
Stories/ Construction Type		2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%	\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
Low	0%	\$113	\$213,980	\$140	\$209,690	\$102	\$213,980	\$131	\$209,690
Mod@90% AMI	0%	\$183	\$348,300	\$227	\$340,950	\$166	\$348,300	\$213	\$340,950
Mod@110% AMI	0%	<u>\$230</u>	<u>\$437,840</u>	<u>\$286</u>	<u>\$428,420</u>	<u>\$208</u>	<u>\$437,840</u>	<u>\$268</u>	<u>\$428,420</u>
Average Gross Sales Price		\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
<Less> Closing Costs	3.25% sales	<u>(\$9)</u>	<u>(\$16,700)</u>	<u>(\$10)</u>	<u>(\$14,300)</u>	<u>(\$10)</u>	<u>(\$21,100)</u>	<u>(\$11)</u>	<u>(\$17,100)</u>
Revenue Net of Sales Expense		\$262	\$498,300	\$284	\$425,700	\$299	\$628,900	\$317	\$507,900
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$115	\$219,000	\$129	\$194,000	\$118	\$248,000	\$136	\$218,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$29	\$54,200	\$33	\$48,900	\$37	\$76,900	\$42	\$66,800
Housing Fee @ \$7.5/SF		\$8	\$14,300	\$8	\$11,300	\$8	\$15,800	\$8	\$12,000
Marketing	1.5% sales	\$4	\$7,700	\$4	\$6,600	\$5	\$9,800	\$5	\$7,900
Warranty/Insurance	1.75% sales	\$5	\$9,000	\$5	\$7,700	\$5	\$11,400	\$6	\$9,200
Other Indirects	9% directs	\$10	\$19,700	\$12	\$17,500	\$11	\$22,300	\$12	\$19,600
Builder Overhead/G&A	3% sales	\$8	\$15,500	\$9	\$13,200	\$9	\$19,500	\$10	\$15,800
Financing		\$11	\$20,300	\$11	\$16,300	\$11	\$23,100	\$12	\$18,500
Total House Costs		\$189	\$359,700	\$210	\$315,500	\$203	\$426,800	\$230	\$367,800
Finished Lot Residual									
Net Sales Revenue		\$262	\$498,300	\$284	\$425,700	\$299	\$628,900	\$317	\$507,900
<Less> Development Costs		<u>(\$189)</u>	<u>(\$359,700)</u>	<u>(\$210)</u>	<u>(\$315,500)</u>	<u>(\$203)</u>	<u>(\$426,800)</u>	<u>(\$230)</u>	<u>(\$367,800)</u>
<Less> Net Builder Profit	10% sales		<u>(\$51,500)</u>		<u>(\$44,000)</u>		<u>(\$65,000)</u>		<u>(\$52,500)</u>
Lot Value (Finished Lot)		\$87,100		\$66,200		\$137,100		\$87,600	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$18	\$0.8	\$28	\$1.2	\$28	\$1.2	\$37	\$1.6
Lot Cost Estimate		\$25	\$1.1	\$30	\$1.3	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Marginal Feasibility		Feasible		Feasible		Feasible	

Inner South and East Neighborhoods						
			Single Family Detached		Small Lot Detached	
Living Area Net SF			2,300 sf		1,700 sf	
Average Number of Bedrooms			3.5 bedrooms		3.0 bedrooms	
Density			8 du/acre		20 du/acre	
Stories/ Construction Type			1-2 stories/ wood		3 stories/ wood	
Parking Ratio/ Type			2.0 garage		2.0 garage	
Revenue			Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%		\$435	\$1,000,000	\$456	\$775,000
Low	0%		\$92	\$212,550	\$121	\$205,400
Mod@90% AMI	0%		\$150	\$345,850	\$196	\$333,600
Mod@110% AMI	0%		<u>\$189</u>	<u>\$434,700</u>	<u>\$246</u>	<u>\$419,000</u>
Average Gross Sales Price			\$435	\$1,000,000	\$456	\$775,000
<Less> Closing Costs	3.25% sales		<u>(\$14)</u>	<u>(\$32,500)</u>	<u>(\$15)</u>	<u>(\$25,200)</u>
Revenue Net of Sales Expense			\$421	\$967,500	\$441	\$749,800
Development Costs			Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs			\$137	\$315,000	\$168	\$286,000
Fees & Permits, excl. hsg	Appendix A Table 13		\$25	\$57,800	\$30	\$50,800
Housing Fee @ \$7.5/SF			\$8	\$17,300	\$8	\$12,800
Marketing	1.5% sales		\$7	\$15,000	\$7	\$11,600
Warranty/Insurance	1.75% sales		\$8	\$17,500	\$8	\$13,600
Other Indirects	9% directs		\$12	\$28,400	\$15	\$25,700
Builder Overhead/G&A	3% sales		\$13	\$30,000	\$14	\$23,300
Financing			\$16	\$36,600	\$15	\$26,300
Total House Costs			\$225	\$517,600	\$265	\$450,100
Finished Lot Residual						
Net Sales Revenue			\$421	\$967,500	\$441	\$749,800
<Less> Development Costs			(\$225)	(\$517,600)	(\$265)	(\$450,100)
<Less> Net Builder Profit	10% sales			(\$100,000)		(\$77,500)
Lot Value (Finished Lot)				\$349,900		\$222,200
			<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value			\$64	\$2.8	\$101	\$4.4
Lot Cost Estimate			\$65	\$2.8	\$80	\$3.5
Feasibility Finding			Feasible		Feasible	

Appendix A Table 5T
For-Sale Pro Forma
Feasibility Analysis
Sacramento MIHO Review

More Favorable Recent Conditions (higher pricing/fewer incentives, lower interest)
Housing Fee @ \$10/SF
New Water/Sewer/Drainage Fees
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		Central City		Southern Neighborhoods			
		Attached Townhomes		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,850 sf		1,750 sf		1,450 sf	
Average Number of Bedrooms		2.8 bedrooms		3.25 bedrooms		3.0 bedrooms	
Density		26 du/acre		11 du/acre		18 du/acre	
Stories/ Construction Type		3 stories/ wood		1-2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%	\$465	\$860,000	\$294	\$515,000	\$310	\$450,000
Low	0%	\$109	\$201,720	\$119	\$208,975	\$142	\$205,400
Mod@90% AMI	0%	\$177	\$327,360	\$194	\$339,725	\$230	\$333,600
Mod@110% AMI	0%	<u>\$222</u>	<u>\$411,080</u>	<u>\$244</u>	<u>\$426,850</u>	<u>\$289</u>	<u>\$419,000</u>
Average Gross Sales Price		\$465	\$860,000	\$294	\$515,000	\$310	\$450,000
<Less> Closing Costs	3.25% sales	<u>(\$15)</u>	<u>(\$28,000)</u>	<u>(\$10)</u>	<u>(\$16,700)</u>	<u>(\$10)</u>	<u>(\$14,600)</u>
Revenue Net of Sales Expense		\$450	\$832,000	\$285	\$498,300	\$300	\$435,400
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$180	\$333,000	\$124	\$217,000	\$135	\$196,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$30	\$54,700	\$31	\$54,100	\$32	\$46,900
Housing Fee @ \$10/SF		\$10	\$18,500	\$10	\$17,500	\$10	\$14,500
Marketing	1.5% sales	\$7	\$12,900	\$4	\$7,700	\$5	\$6,800
Warranty/Insurance	1.75% sales	\$8	\$15,100	\$5	\$9,000	\$5	\$7,900
Other Indirects	9% directs	\$16	\$30,000	\$11	\$19,500	\$12	\$17,600
Builder Overhead/G&A	3% sales	\$14	\$25,800	\$9	\$15,500	\$9	\$13,500
Financing		\$16	\$30,400	\$11	\$19,400	\$11	\$16,500
Total House Costs		\$281	\$520,400	\$206	\$359,700	\$220	\$319,700
Finished Lot Residual							
Net Sales Revenue		\$450	\$832,000	\$285	\$498,300	\$300	\$435,400
<Less> Development Costs		(\$281)	(\$520,400)	(\$206)	(\$359,700)	(\$220)	(\$319,700)
<Less> Net Builder Profit	10% sales		(\$86,000)		(\$51,500)		(\$45,000)
Lot Value (Finished Lot)			\$225,600		\$87,100		\$70,700
		<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>
Residual Lot Value		\$135	\$5.9	\$23	\$1.0	\$30	\$1.3
Lot Cost Estimate		\$120	\$5.2	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Feasible		Feasible		Feasible	

		North Sacramento and South Natomas				North Natomas			
		Single Family Detached		Small Lot Detached		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,900 sf		1,500 sf		2,100 sf		1,600 sf	
Average Number of Bedrooms		3.60 bedrooms		3.3 bedrooms		3.6 bedrooms		3.3 bedrooms	
Density		9 du/acre		18 du/acre		9 du/acre		18 du/acre	
Stories/ Construction Type		2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%	\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
Low	0%	\$113	\$213,980	\$140	\$209,690	\$102	\$213,980	\$131	\$209,690
Mod@90% AMI	0%	\$183	\$348,300	\$227	\$340,950	\$166	\$348,300	\$213	\$340,950
Mod@110% AMI	0%	<u>\$230</u>	<u>\$437,840</u>	<u>\$286</u>	<u>\$428,420</u>	<u>\$208</u>	<u>\$437,840</u>	<u>\$268</u>	<u>\$428,420</u>
Average Gross Sales Price		\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
<Less> Closing Costs	3.25% sales	<u>(\$9)</u>	<u>(\$16,700)</u>	<u>(\$10)</u>	<u>(\$14,300)</u>	<u>(\$10)</u>	<u>(\$21,100)</u>	<u>(\$11)</u>	<u>(\$17,100)</u>
Revenue Net of Sales Expense		\$262	\$498,300	\$284	\$425,700	\$299	\$628,900	\$317	\$507,900
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$115	\$219,000	\$129	\$194,000	\$118	\$248,000	\$136	\$218,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$29	\$54,200	\$33	\$48,900	\$37	\$76,900	\$42	\$66,800
Housing Fee @ \$10/SF		\$10	\$19,000	\$10	\$15,000	\$10	\$21,000	\$10	\$16,000
Marketing	1.5% sales	\$4	\$7,700	\$4	\$6,600	\$5	\$9,800	\$5	\$7,900
Warranty/Insurance	1.75% sales	\$5	\$9,000	\$5	\$7,700	\$5	\$11,400	\$6	\$9,200
Other Indirects	9% directs	\$10	\$19,700	\$12	\$17,500	\$11	\$22,300	\$12	\$19,600
Builder Overhead/G&A	3% sales	\$8	\$15,500	\$9	\$13,200	\$9	\$19,500	\$10	\$15,800
Financing		\$11	\$20,500	\$11	\$16,500	\$11	\$23,400	\$12	\$18,700
Total House Costs		\$192	\$364,600	\$213	\$319,400	\$206	\$432,300	\$233	\$372,000
Finished Lot Residual									
Net Sales Revenue		\$262	\$498,300	\$284	\$425,700	\$299	\$628,900	\$317	\$507,900
<Less> Development Costs		<u>(\$192)</u>	<u>(\$364,600)</u>	<u>(\$213)</u>	<u>(\$319,400)</u>	<u>(\$206)</u>	<u>(\$432,300)</u>	<u>(\$233)</u>	<u>(\$372,000)</u>
<Less> Net Builder Profit	10% sales		<u>(\$51,500)</u>		<u>(\$44,000)</u>		<u>(\$65,000)</u>		<u>(\$52,500)</u>
Lot Value (Finished Lot)		\$82,200		\$62,300		\$131,600		\$83,400	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$16	\$0.7	\$25	\$1.1	\$28	\$1.2	\$34	\$1.5
Lot Cost Estimate		\$25	\$1.1	\$30	\$1.3	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Infeasible / Challenged		Marginal Feasibility		Feasible		Feasible	

Inner South and East Neighborhoods					
Single Family Detached			Small Lot Detached		
Living Area Net SF	2,300 sf		1,700 sf		
Average Number of Bedrooms	3.5 bedrooms		3.0 bedrooms		
Density	8 du/acre		20 du/acre		
Stories/ Construction Type	1-2 stories/ wood		3 stories/ wood		
Parking Ratio/ Type	2.0 garage		2.0 garage		
Revenue	Per SF	Per Unit	Per SF	Per Unit	
Market Rate Units 100%	\$435	\$1,000,000	\$456	\$775,000	
Low 0%	\$92	\$212,550	\$121	\$205,400	
Mod@90% AMI 0%	\$150	\$345,850	\$196	\$333,600	
Mod@110% AMI 0%	<u>\$189</u>	<u>\$434,700</u>	<u>\$246</u>	<u>\$419,000</u>	
Average Gross Sales Price	\$435	\$1,000,000	\$456	\$775,000	
<Less> Closing Costs 3.25% sales	<u>(\$14)</u>	<u>(\$32,500)</u>	<u>(\$15)</u>	<u>(\$25,200)</u>	
Revenue Net of Sales Expense	\$421	\$967,500	\$441	\$749,800	
Development Costs	Per NSF	Per Unit	Per NSF	Per Unit	
Direct House Costs	\$137	\$315,000	\$168	\$286,000	
Fees & Permits, excl. hsg Appendix A Table 13	\$25	\$57,800	\$30	\$50,800	
Housing Fee @ \$10/SF	\$10	\$23,000	\$10	\$17,000	
Marketing 1.5% sales	\$7	\$15,000	\$7	\$11,600	
Warranty/Insurance 1.75% sales	\$8	\$17,500	\$8	\$13,600	
Other Indirects 9% directs	\$12	\$28,400	\$15	\$25,700	
Builder Overhead/G&A 3% sales	\$13	\$30,000	\$14	\$23,300	
Financing	\$16	\$36,800	\$16	\$26,500	
Total House Costs	\$228	\$523,500	\$267	\$454,500	
Finished Lot Residual					
Net Sales Revenue	\$421	\$967,500	\$441	\$749,800	
<Less> Development Costs	(\$228)	(\$523,500)	(\$267)	(\$454,500)	
<Less> Net Builder Profit 10% sales		(\$100,000)		(\$77,500)	
Lot Value (Finished Lot)		\$344,000		\$217,800	
	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	
Residual Lot Value	\$64	\$2.8	\$101	\$4.4	
Lot Cost Estimate	\$65	\$2.8	\$80	\$3.5	
Feasibility Finding	Feasible		Feasible		

		Central City		Southern Neighborhoods			
		Attached Townhomes		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,850 sf		1,750 sf		1,450 sf	
Average Number of Bedrooms		2.8 bedrooms		3.25 bedrooms		3.0 bedrooms	
Density		26 du/acre		11 du/acre		18 du/acre	
Stories/ Construction Type		3 stories/ wood		1-2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%	\$465	\$860,000	\$294	\$515,000	\$310	\$450,000
Low	0%	\$109	\$201,720	\$119	\$208,975	\$142	\$205,400
Mod@90% AMI	0%	\$177	\$327,360	\$194	\$339,725	\$230	\$333,600
Mod@110% AMI	0%	<u>\$222</u>	<u>\$411,080</u>	<u>\$244</u>	<u>\$426,850</u>	<u>\$289</u>	<u>\$419,000</u>
Average Gross Sales Price		\$465	\$860,000	\$294	\$515,000	\$310	\$450,000
<Less> Closing Costs	3.25% sales	<u>(\$15)</u>	<u>(\$28,000)</u>	<u>(\$10)</u>	<u>(\$16,700)</u>	<u>(\$10)</u>	<u>(\$14,600)</u>
Revenue Net of Sales Expense		\$450	\$832,000	\$285	\$498,300	\$300	\$435,400
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$180	\$333,000	\$124	\$217,000	\$135	\$196,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$30	\$54,700	\$31	\$54,100	\$32	\$46,900
Housing Fee @ \$15/SF		\$15	\$27,800	\$15	\$26,300	\$15	\$21,800
Marketing	1.5% sales	\$7	\$12,900	\$4	\$7,700	\$5	\$6,800
Warranty/Insurance	1.75% sales	\$8	\$15,100	\$5	\$9,000	\$5	\$7,900
Other Indirects	9% directs	\$16	\$30,000	\$11	\$19,500	\$12	\$17,600
Builder Overhead/G&A	3% sales	\$14	\$25,800	\$9	\$15,500	\$9	\$13,500
Financing		\$17	\$30,800	\$11	\$19,800	\$12	\$16,800
Total House Costs		\$287	\$530,100	\$211	\$368,900	\$226	\$327,300
Finished Lot Residual							
Net Sales Revenue		\$450	\$832,000	\$285	\$498,300	\$300	\$435,400
<Less> Development Costs		(\$287)	(\$530,100)	(\$211)	(\$368,900)	(\$226)	(\$327,300)
<Less> Net Builder Profit	10% sales		(\$86,000)		(\$51,500)		(\$45,000)
Lot Value (Finished Lot)			\$215,900		\$77,900		\$63,100
		<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>
Residual Lot Value		\$129	\$5.6	\$21	\$0.9	\$25	\$1.1
Lot Cost Estimate		\$120	\$5.2	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Feasible		Marginal Feasibility		Marginal Feasibility	

		North Sacramento and South Natomas				North Natomas			
		Single Family Detached		Small Lot Detached		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,900 sf		1,500 sf		2,100 sf		1,600 sf	
Average Number of Bedrooms		3.60 bedrooms		3.3 bedrooms		3.6 bedrooms		3.3 bedrooms	
Density		9 du/acre		18 du/acre		9 du/acre		18 du/acre	
Stories/ Construction Type		2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%	\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
Low	0%	\$113	\$213,980	\$140	\$209,690	\$102	\$213,980	\$131	\$209,690
Mod@90% AMI	0%	\$183	\$348,300	\$227	\$340,950	\$166	\$348,300	\$213	\$340,950
Mod@110% AMI	0%	<u>\$230</u>	<u>\$437,840</u>	<u>\$286</u>	<u>\$428,420</u>	<u>\$208</u>	<u>\$437,840</u>	<u>\$268</u>	<u>\$428,420</u>
Average Gross Sales Price		\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
<Less> Closing Costs	3.25% sales	<u>(\$9)</u>	<u>(\$16,700)</u>	<u>(\$10)</u>	<u>(\$14,300)</u>	<u>(\$10)</u>	<u>(\$21,100)</u>	<u>(\$11)</u>	<u>(\$17,100)</u>
Revenue Net of Sales Expense		\$262	\$498,300	\$284	\$425,700	\$299	\$628,900	\$317	\$507,900
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$115	\$219,000	\$129	\$194,000	\$118	\$248,000	\$136	\$218,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$29	\$54,200	\$33	\$48,900	\$37	\$76,900	\$42	\$66,800
Housing Fee @ \$15/SF		\$15	\$28,500	\$15	\$22,500	\$15	\$31,500	\$15	\$24,000
Marketing	1.5% sales	\$4	\$7,700	\$4	\$6,600	\$5	\$9,800	\$5	\$7,900
Warranty/Insurance	1.75% sales	\$5	\$9,000	\$5	\$7,700	\$5	\$11,400	\$6	\$9,200
Other Indirects	9% directs	\$10	\$19,700	\$12	\$17,500	\$11	\$22,300	\$12	\$19,600
Builder Overhead/G&A	3% sales	\$8	\$15,500	\$9	\$13,200	\$9	\$19,500	\$10	\$15,800
Financing		\$11	\$20,900	\$11	\$16,800	\$11	\$23,800	\$12	\$19,100
Total House Costs		\$197	\$374,500	\$218	\$327,200	\$211	\$443,200	\$238	\$380,400
Finished Lot Residual									
Net Sales Revenue		\$262	\$498,300	\$284	\$425,700	\$299	\$628,900	\$317	\$507,900
<Less> Development Costs		<u>(\$197)</u>	<u>(\$374,500)</u>	<u>(\$218)</u>	<u>(\$327,200)</u>	<u>(\$211)</u>	<u>(\$443,200)</u>	<u>(\$238)</u>	<u>(\$380,400)</u>
<Less> Net Builder Profit	10% sales		<u>(\$51,500)</u>		<u>(\$44,000)</u>		<u>(\$65,000)</u>		<u>(\$52,500)</u>
Lot Value (Finished Lot)		\$72,300		\$54,500		\$120,700		\$75,000	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$16	\$0.7	\$23	\$1.0	\$25	\$1.1	\$32	\$1.4
Lot Cost Estimate		\$25	\$1.1	\$30	\$1.3	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Infeasible / Challenged		Marginal Feasibility		Feasible		Feasible	

Inner South and East Neighborhoods					
Single Family Detached			Small Lot Detached		
Living Area Net SF	2,300 sf		1,700 sf		
Average Number of Bedrooms	3.5 bedrooms		3.0 bedrooms		
Density	8 du/acre		20 du/acre		
Stories/ Construction Type	1-2 stories/ wood		3 stories/ wood		
Parking Ratio/ Type	2.0 garage		2.0 garage		
Revenue	Per SF	Per Unit	Per SF	Per Unit	
Market Rate Units 100%	\$435	\$1,000,000	\$456	\$775,000	
Low 0%	\$92	\$212,550	\$121	\$205,400	
Mod@90% AMI 0%	\$150	\$345,850	\$196	\$333,600	
Mod@110% AMI 0%	<u>\$189</u>	<u>\$434,700</u>	<u>\$246</u>	<u>\$419,000</u>	
Average Gross Sales Price	\$435	\$1,000,000	\$456	\$775,000	
<Less> Closing Costs 3.25% sales	<u>(\$14)</u>	<u>(\$32,500)</u>	<u>(\$15)</u>	<u>(\$25,200)</u>	
Revenue Net of Sales Expense	\$421	\$967,500	\$441	\$749,800	
Development Costs	Per NSF	Per Unit	Per NSF	Per Unit	
Direct House Costs	\$137	\$315,000	\$168	\$286,000	
Fees & Permits, excl. hsg Appendix A Table 13	\$25	\$57,800	\$30	\$50,800	
Housing Fee @ \$15/SF	\$15	\$34,500	\$15	\$25,500	
Marketing 1.5% sales	\$7	\$15,000	\$7	\$11,600	
Warranty/Insurance 1.75% sales	\$8	\$17,500	\$8	\$13,600	
Other Indirects 9% directs	\$12	\$28,400	\$15	\$25,700	
Builder Overhead/G&A 3% sales	\$13	\$30,000	\$14	\$23,300	
Financing	\$16	\$37,300	\$16	\$26,900	
Total House Costs	\$233	\$535,500	\$273	\$463,400	
Finished Lot Residual					
Net Sales Revenue	\$421	\$967,500	\$441	\$749,800	
<Less> Development Costs	(\$233)	(\$535,500)	(\$273)	(\$463,400)	
<Less> Net Builder Profit 10% sales		(\$100,000)		(\$77,500)	
Lot Value (Finished Lot)		\$332,000		\$208,900	
	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	
Residual Lot Value	\$62	\$2.7	\$96	\$4.2	
Lot Cost Estimate	\$65	\$2.8	\$80	\$3.5	
Feasibility Finding	Feasible		Feasible		

		Central City		Southern Neighborhoods			
		Attached Townhomes		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,850 sf		1,750 sf		1,450 sf	
Average Number of Bedrooms		2.8 bedrooms		3.25 bedrooms		3.0 bedrooms	
Density		26 du/acre		11 du/acre		18 du/acre	
Stories/ Construction Type		3 stories/ wood		1-2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%	\$465	\$860,000	\$294	\$515,000	\$310	\$450,000
Low	0%	\$109	\$201,720	\$119	\$208,975	\$142	\$205,400
Mod@90% AMI	0%	\$177	\$327,360	\$194	\$339,725	\$230	\$333,600
Mod@110% AMI	0%	<u>\$222</u>	<u>\$411,080</u>	<u>\$244</u>	<u>\$426,850</u>	<u>\$289</u>	<u>\$419,000</u>
Average Gross Sales Price		\$465	\$860,000	\$294	\$515,000	\$310	\$450,000
<Less> Closing Costs	3.25% sales	<u>(\$15)</u>	<u>(\$28,000)</u>	<u>(\$10)</u>	<u>(\$16,700)</u>	<u>(\$10)</u>	<u>(\$14,600)</u>
Revenue Net of Sales Expense		\$450	\$832,000	\$285	\$498,300	\$300	\$435,400
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$180	\$333,000	\$124	\$217,000	\$135	\$196,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$30	\$54,700	\$31	\$54,100	\$32	\$46,900
Housing Fee @ \$20/SF		\$20	\$37,000	\$20	\$35,000	\$20	\$29,000
Marketing	1.5% sales	\$7	\$12,900	\$4	\$7,700	\$5	\$6,800
Warranty/Insurance	1.75% sales	\$8	\$15,100	\$5	\$9,000	\$5	\$7,900
Other Indirects	9% directs	\$16	\$30,000	\$11	\$19,500	\$12	\$17,600
Builder Overhead/G&A	3% sales	\$14	\$25,800	\$9	\$15,500	\$9	\$13,500
Financing		\$17	\$31,200	\$11	\$20,100	\$12	\$17,200
Total House Costs		\$292	\$539,700	\$216	\$377,900	\$231	\$334,900
Finished Lot Residual							
Net Sales Revenue		\$450	\$832,000	\$285	\$498,300	\$300	\$435,400
<Less> Development Costs		(\$292)	(\$539,700)	(\$216)	(\$377,900)	(\$231)	(\$334,900)
<Less> Net Builder Profit	10% sales		(\$86,000)		(\$51,500)		(\$45,000)
Lot Value (Finished Lot)			\$206,300		\$68,900		\$55,500
		<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$/M/Acre Land</u>
Residual Lot Value		\$124	\$5.4	\$18	\$0.8	\$23	\$1.0
Lot Cost Estimate		\$120	\$5.2	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Feasible		Marginal Feasibility		Marginal Feasibility	

		North Sacramento and South Natomas				North Natomas			
		Single Family Detached		Small Lot Detached		Single Family Detached		Small Lot Detached	
Living Area Net SF		1,900 sf		1,500 sf		2,100 sf		1,600 sf	
Average Number of Bedrooms		3.60 bedrooms		3.3 bedrooms		3.6 bedrooms		3.3 bedrooms	
Density		9 du/acre		18 du/acre		9 du/acre		18 du/acre	
Stories/ Construction Type		2 stories/ wood		2 stories/ wood		2 stories/ wood		2 stories/ wood	
Parking Ratio/ Type		2.0 garage		2.0 garage		2.0 garage		2.0 garage	
Revenue		Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%	\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
Low	0%	\$113	\$213,980	\$140	\$209,690	\$102	\$213,980	\$131	\$209,690
Mod@90% AMI	0%	\$183	\$348,300	\$227	\$340,950	\$166	\$348,300	\$213	\$340,950
Mod@110% AMI	0%	<u>\$230</u>	<u>\$437,840</u>	<u>\$286</u>	<u>\$428,420</u>	<u>\$208</u>	<u>\$437,840</u>	<u>\$268</u>	<u>\$428,420</u>
Average Gross Sales Price		\$271	\$515,000	\$293	\$440,000	\$310	\$650,000	\$328	\$525,000
<Less> Closing Costs	3.25% sales	<u>(\$9)</u>	<u>(\$16,700)</u>	<u>(\$10)</u>	<u>(\$14,300)</u>	<u>(\$10)</u>	<u>(\$21,100)</u>	<u>(\$11)</u>	<u>(\$17,100)</u>
Revenue Net of Sales Expense		\$262	\$498,300	\$284	\$425,700	\$299	\$628,900	\$317	\$507,900
Development Costs		Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs		\$115	\$219,000	\$129	\$194,000	\$118	\$248,000	\$136	\$218,000
Fees & Permits, excl. hsg	Appendix A Table 13	\$29	\$54,200	\$33	\$48,900	\$37	\$76,900	\$42	\$66,800
Housing Fee @ \$20/SF		\$20	\$38,000	\$20	\$30,000	\$20	\$42,000	\$20	\$32,000
Marketing	1.5% sales	\$4	\$7,700	\$4	\$6,600	\$5	\$9,800	\$5	\$7,900
Warranty/Insurance	1.75% sales	\$5	\$9,000	\$5	\$7,700	\$5	\$11,400	\$6	\$9,200
Other Indirects	9% directs	\$10	\$19,700	\$12	\$17,500	\$11	\$22,300	\$12	\$19,600
Builder Overhead/G&A	3% sales	\$8	\$15,500	\$9	\$13,200	\$9	\$19,500	\$10	\$15,800
Financing		\$11	\$21,400	\$11	\$17,200	\$12	\$24,300	\$12	\$19,400
Total House Costs		\$202	\$384,500	\$223	\$335,100	\$216	\$454,200	\$243	\$388,700
Finished Lot Residual									
Net Sales Revenue		\$262	\$498,300	\$284	\$425,700	\$299	\$628,900	\$317	\$507,900
<Less> Development Costs		<u>(\$202)</u>	<u>(\$384,500)</u>	<u>(\$223)</u>	<u>(\$335,100)</u>	<u>(\$216)</u>	<u>(\$454,200)</u>	<u>(\$243)</u>	<u>(\$388,700)</u>
<Less> Net Builder Profit	10% sales		<u>(\$51,500)</u>		<u>(\$44,000)</u>		<u>(\$65,000)</u>		<u>(\$52,500)</u>
Lot Value (Finished Lot)		\$62,300		\$46,600		\$109,700		\$66,700	
		<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value		\$14	\$0.6	\$18	\$0.8	\$23	\$1.0	\$28	\$1.2
Lot Cost Estimate		\$25	\$1.1	\$30	\$1.3	\$25	\$1.1	\$30	\$1.3
Feasibility Finding		Infeasible / Challenged		Infeasible / Challenged		Feasible		Feasible	

Inner South and East Neighborhoods						
			Single Family Detached		Small Lot Detached	
Living Area Net SF			2,300 sf		1,700 sf	
Average Number of Bedrooms			3.5 bedrooms		3.0 bedrooms	
Density			8 du/acre		20 du/acre	
Stories/ Construction Type			1-2 stories/ wood		3 stories/ wood	
Parking Ratio/ Type			2.0 garage		2.0 garage	
Revenue			Per SF	Per Unit	Per SF	Per Unit
Market Rate Units	100%		\$435	\$1,000,000	\$456	\$775,000
Low	0%		\$92	\$212,550	\$121	\$205,400
Mod@90% AMI	0%		\$150	\$345,850	\$196	\$333,600
Mod@110% AMI	0%		<u>\$189</u>	<u>\$434,700</u>	<u>\$246</u>	<u>\$419,000</u>
Average Gross Sales Price			\$435	\$1,000,000	\$456	\$775,000
<Less> Closing Costs	3.25% sales		<u>(\$14)</u>	<u>(\$32,500)</u>	<u>(\$15)</u>	<u>(\$25,200)</u>
Revenue Net of Sales Expense			\$421	\$967,500	\$441	\$749,800
Development Costs			Per NSF	Per Unit	Per NSF	Per Unit
Direct House Costs			\$137	\$315,000	\$168	\$286,000
Fees & Permits, excl. hsg	Appendix A Table 13		\$25	\$57,800	\$30	\$50,800
Housing Fee @ \$20/SF			\$20	\$46,000	\$20	\$34,000
Marketing	1.5% sales		\$7	\$15,000	\$7	\$11,600
Warranty/Insurance	1.75% sales		\$8	\$17,500	\$8	\$13,600
Other Indirects	9% directs		\$12	\$28,400	\$15	\$25,700
Builder Overhead/G&A	3% sales		\$13	\$30,000	\$14	\$23,300
Financing			\$16	\$37,800	\$16	\$27,300
Total House Costs			\$238	\$547,500	\$278	\$472,300
Finished Lot Residual						
Net Sales Revenue			\$421	\$967,500	\$441	\$749,800
<Less> Development Costs			(\$238)	(\$547,500)	(\$278)	(\$472,300)
<Less> Net Builder Profit	10% sales			(\$100,000)		(\$77,500)
Lot Value (Finished Lot)			\$320,000		\$200,000	
			<u>\$/Land SF</u>	<u>\$M/Acre Land</u>	<u>\$/Land SF</u>	<u>\$M/Acre Land</u>
Residual Lot Value			\$60	\$2.6	\$92	\$4.0
Lot Cost Estimate			\$65	\$2.8	\$80	\$3.5
Feasibility Finding			Feasible		Feasible	

APPENDIX A - PART C

RENTAL PRO FORMA TABLES

Appendix A Table 6A
Rental Pro Forma
Feasibility Analysis
Sacramento MIHO Review

Page 1 of 2

Current Market Conditions
Existing HIF Requirement
New Water/Sewer/Drainage Fee
DRAFT

	Central City						Southern Neighborhoods		
	Medium Density Rental			Higher Density Rental			Lower Density Rental		
Average Unit Size	770 sf/unit			690 sf/unit			900 sf/unit		
Average No. of Bedrooms	1.05 br/unit			0.80 br/unit			1.50 br/unit		
Residential Density	100 units/acre			200 units/acre			30 units/acre		
Parking Type	Surface / tuck under			Structured parking			Surface / tuck under		
Parking Ratio	0.50 sp/unit			0.75 sp/unit			1.5 sp/unit		
Building type	5 stories wood / slab on grade			8 stories, wood over podium			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,450	\$3.18	100%	\$2,550	\$3.70	100%	\$2,300	\$2.56	100%
Very Low Inc. (50% AMI)	\$1,032	\$1.34	0%	\$1,002	\$1.45	0%	\$1,088	\$1.21	0%
Low Income (60% AMI)	\$1,261	\$1.64	0%	\$1,224	\$1.77	0%	\$1,330	\$1.48	0%
Low Income (80% AMI)	<u>\$1,720</u>	<u>\$2.23</u>	<u>0%</u>	<u>\$1,669</u>	<u>\$2.42</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>
Weighted Average	\$2,450	\$3.18	100%	\$2,550	\$3.70	100%	\$2,300	\$2.56	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$29,400	\$38	90%	\$30,600	\$44	88%	\$27,600	\$31	94%
Other/Pkg Income	\$3,300	\$4	10%	\$4,100	\$6	12%	\$1,800	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,635)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,735)</u>	<u>(\$3)</u>	<u>-5%</u>	<u>(\$1,470)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$31,065	\$40	95%	\$32,965	\$48	95%	\$27,930	\$31	95%
(Less) OPEX	<u>(\$9,700)</u>	<u>(\$13)</u>	<u>-30%</u>	<u>(\$9,500)</u>	<u>(\$14)</u>	<u>-27%</u>	<u>(\$9,700)</u>	<u>(\$11)</u>	<u>-33%</u>
Total NOI	\$21,365	\$28	65%	\$23,465	\$34	68%	\$18,230	\$20	62%
<i>Threshold Return on Cost</i>	6.50%			6.50%			6.50%		
Supported Investment	\$328,700	\$427		\$361,000	\$523		\$280,500	\$312	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$236,600	\$307	100%	\$254,300	\$369	100%	\$227,400	\$253	100%
Contingency	\$11,800	\$15	5%	\$12,700	\$18	5%	\$11,400	\$13	5%
Fees & Permits, excl. housing	\$31,200	\$41	13%	\$30,700	\$44	12%	\$29,800	\$33	13%
Housing Impact Fee (current)	\$0	\$0	0%	\$0	\$0	0%	\$1,400	\$2	1%
A&E/Taxes/Ins./other indirects	\$26,000	\$34	11%	\$28,000	\$41	11%	\$25,000	\$28	11%
Overhead/Admin	\$9,500	\$12	4%	\$10,200	\$15	4%	\$9,100	\$10	4%
Financing	<u>\$21,400</u>	<u>\$28</u>	<u>9%</u>	<u>\$23,500</u>	<u>\$34</u>	<u>9%</u>	<u>\$18,200</u>	<u>\$20</u>	<u>8%</u>
Total Costs, before land	\$336,500	\$437	142%	\$359,400	\$521	141%	\$322,300	\$358	142%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	(\$7,800)	(\$18)	-\$0.8M	\$1,600	\$7	\$0.3M	(\$41,800)	(\$29)	-\$1.3M
Land Cost Estimate	\$45,000	\$103	\$4.5M	\$35,000	\$161	\$7.0M	\$25,000	\$17	\$0.8M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$381,500	\$495	116.1%	\$394,400	\$572	109.3%	\$347,300	\$386	123.8%
Feasibility Finding	Infeasible / Challenged			Infeasible / Challenged			Infeasible / Challenged		

Appendix A Table 6A
Rental Pro Forma
Feasibility Analysis
Sacramento MIHO Review

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Current Market Conditions
Existing HIF Requirement
New Water/Sewer/Drainage Fee
DRAFT

	North Sacramento and South Natomas			North Natomas			Inner South and East Neighborhoods		
	Lower Density Rental			Lower Density Rental			Lower Density Rental		
Average Unit Size	900 sf/unit			900 sf/unit			770 sf/unit		
Average No. of Bedrooms	1.50 br/unit			1.50 br/unit			1.10 br/unit		
Residential Density	30 units/acre			30 units/acre			37 units/acre		
Parking Type	Surface / tuck under			Surface / tuck under			Surface / tuck under		
Parking Ratio	1.5 sp/unit			1.5 sp/unit			1.0 sp/unit		
Building type	3-4 story wood frame			3-4 story wood frame			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,350	\$2.61	100%	\$2,500	\$2.78	100%	\$2,350	\$3.05	100%
Very Low Inc. (50% AMI)	\$1,088	\$1.21	0%	\$1,088	\$1.21	0%	\$1,040	\$1.35	0%
Low Income (60% AMI)	\$1,330	\$1.48	0%	\$1,330	\$1.48	0%	\$1,270	\$1.65	0%
Low Income (80% AMI)	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,732</u>	<u>\$2.25</u>	<u>0%</u>
Weighted Average	\$2,350	\$2.61	100%	\$2,500	\$2.78	100%	\$2,350	\$3.05	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$28,200	\$31	94%	\$30,000	\$33	94%	\$28,200	\$37	94%
Other/Pkg Income	\$1,800	\$2	6%	\$1,800	\$2	6%	\$1,800	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,500)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,590)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,500)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$28,500	\$32	95%	\$30,210	\$34	95%	\$28,500	\$37	95%
(Less) OPEX	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-33%</u>	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-31%</u>	<u>(\$8,800)</u>	<u>(\$11)</u>	<u>-29%</u>
Total NOI	\$18,500	\$21	62%	\$20,210	\$22	64%	\$19,700	\$26	66%
<i>Threshold Return on Cost</i>	6.50%			6.50%			6.50%		
Supported Investment	\$284,600	\$316		\$310,900	\$345		\$303,100	\$394	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$248,800	\$276	100%	\$248,800	\$276	100%	\$222,700	\$289	100%
Contingency	\$12,400	\$14	5%	\$12,400	\$14	5%	\$11,100	\$14	5%
Fees & Permits, excl. housing	\$29,400	\$33	12%	\$40,000	\$44	16%	\$29,200	\$38	13%
Housing Impact Fee (current)	\$1,400	\$2	1%	\$3,200	\$4	1%	\$2,700	\$4	1%
A&E/Taxes/Ins./other indirects	\$27,400	\$30	11%	\$27,400	\$30	11%	\$24,500	\$32	11%
Overhead/Admin	\$10,000	\$11	4%	\$10,000	\$11	4%	\$8,900	\$12	4%
Financing	<u>\$18,500</u>	<u>\$21</u>	<u>7%</u>	<u>\$20,200</u>	<u>\$22</u>	<u>8%</u>	<u>\$19,700</u>	<u>\$26</u>	<u>9%</u>
Total Costs, before land	\$347,900	\$387	140%	\$362,000	\$402	145%	\$318,800	\$414	143%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	(\$63,300)	(\$44)	-\$1.9M	(\$51,100)	(\$35)	-\$1.5M	(\$15,700)	(\$13)	-\$0.6M
Land Cost Estimate	\$25,000	\$17	\$0.8M	\$25,000	\$17	\$0.8M	\$50,000	\$42	\$1.9M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$372,900	\$414	131.0%	\$387,000	\$430	124.5%	\$368,800	\$479	121.7%
Feasibility Finding	Infeasible / Challenged			Infeasible / Challenged			Infeasible / Challenged		

Appendix A Table 6B
Rental Pro Forma
Feasibility Analysis
Sacramento MIHO Review

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Current Market Conditions
Existing HIF Requirement
Existing Water/Sewer/Drainage Fee
DRAFT

	Central City						Southern Neighborhoods		
	Medium Density Rental			Higher Density Rental			Lower Density Rental		
Average Unit Size	770 sf/unit			690 sf/unit			900 sf/unit		
Average No. of Bedrooms	1.05 br/unit			0.80 br/unit			1.50 br/unit		
Residential Density	100 units/acre			200 units/acre			30 units/acre		
Parking Type	Surface / tuck under			Structured parking			Surface / tuck under		
Parking Ratio	0.50 sp/unit			0.75 sp/unit			1.5 sp/unit		
Building type	5 stories wood / slab on grade			8 stories, wood over podium			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,450	\$3.18	100%	\$2,550	\$3.70	100%	\$2,300	\$2.56	100%
Very Low Inc. (50% AMI)	\$1,032	\$1.34	0%	\$1,002	\$1.45	0%	\$1,088	\$1.21	0%
Low Income (60% AMI)	\$1,261	\$1.64	0%	\$1,224	\$1.77	0%	\$1,330	\$1.48	0%
Low Income (80% AMI)	<u>\$1,720</u>	<u>\$2.23</u>	<u>0%</u>	<u>\$1,669</u>	<u>\$2.42</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>
Weighted Average	\$2,450	\$3.18	100%	\$2,550	\$3.70	100%	\$2,300	\$2.56	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$29,400	\$38	90%	\$30,600	\$44	88%	\$27,600	\$31	94%
Other/Pkg Income	\$3,300	\$4	10%	\$4,100	\$6	12%	\$1,800	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,635)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,735)</u>	<u>(\$3)</u>	<u>-5%</u>	<u>(\$1,470)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$31,065	\$40	95%	\$32,965	\$48	95%	\$27,930	\$31	95%
(Less) OPEX	<u>(\$9,700)</u>	<u>(\$13)</u>	<u>-30%</u>	<u>(\$9,500)</u>	<u>(\$14)</u>	<u>-27%</u>	<u>(\$9,700)</u>	<u>(\$11)</u>	<u>-33%</u>
Total NOI	\$21,365	\$28	65%	\$23,465	\$34	68%	\$18,230	\$20	62%
<i>Threshold Return on Cost</i>	6.50%			6.50%			6.50%		
Supported Investment	\$328,700	\$427		\$361,000	\$523		\$280,500	\$312	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$236,600	\$307	100%	\$254,300	\$369	100%	\$227,400	\$253	100%
Contingency	\$11,800	\$15	5%	\$12,700	\$18	5%	\$11,400	\$13	5%
Fees & Permits, excl. housing	\$21,300	\$28	9%	\$20,800	\$30	8%	\$22,000	\$24	10%
Housing Impact Fee (current)	\$0	\$0	0%	\$0	\$0	0%	\$1,400	\$2	1%
A&E/Taxes/Ins./other indirects	\$26,000	\$34	11%	\$28,000	\$41	11%	\$25,000	\$28	11%
Overhead/Admin	\$9,500	\$12	4%	\$10,200	\$15	4%	\$9,100	\$10	4%
Financing	<u>\$21,400</u>	<u>\$28</u>	<u>9%</u>	<u>\$23,500</u>	<u>\$34</u>	<u>9%</u>	<u>\$18,200</u>	<u>\$20</u>	<u>8%</u>
Total Costs, before land	\$326,600	\$424	138%	\$349,500	\$507	137%	\$314,500	\$349	138%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$2,100	\$5	\$0.2M	\$11,500	\$53	\$2.3M	(\$34,000)	(\$23)	-\$1.0M
Land Cost Estimate	\$45,000	\$103	\$4.5M	\$35,000	\$161	\$7.0M	\$25,000	\$17	\$0.8M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$371,600	\$483	113.1%	\$384,500	\$557	106.5%	\$339,500	\$377	121.0%
Feasibility Finding	Infeasible / Challenged			Marginal Feasibility			Infeasible / Challenged		

Appendix A Table 6B
Rental Pro Forma
Feasibility Analysis
Sacramento MIHO Review

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Current Market Conditions
Existing HIF Requirement
Existing Water/Sewer/Drainage Fee
DRAFT

	North Sacramento and South Natomas			North Natomas			Inner South and East Neighborhoods		
	Lower Density Rental			Lower Density Rental			Lower Density Rental		
Average Unit Size	900 sf/unit			900 sf/unit			770 sf/unit		
Average No. of Bedrooms	1.50 br/unit			1.50 br/unit			1.10 br/unit		
Residential Density	30 units/acre			30 units/acre			37 units/acre		
Parking Type	Surface / tuck under			Surface / tuck under			Surface / tuck under		
Parking Ratio	1.5 sp/unit			1.5 sp/unit			1.0 sp/unit		
Building type	3-4 story wood frame			3-4 story wood frame			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,350	\$2.61	100%	\$2,500	\$2.78	100%	\$2,350	\$3.05	100%
Very Low Inc. (50% AMI)	\$1,088	\$1.21	0%	\$1,088	\$1.21	0%	\$1,040	\$1.35	0%
Low Income (60% AMI)	\$1,330	\$1.48	0%	\$1,330	\$1.48	0%	\$1,270	\$1.65	0%
Low Income (80% AMI)	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,732</u>	<u>\$2.25</u>	<u>0%</u>
Weighted Average	\$2,350	\$2.61	100%	\$2,500	\$2.78	100%	\$2,350	\$3.05	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$28,200	\$31	94%	\$30,000	\$33	94%	\$28,200	\$37	94%
Other/Pkg Income	\$1,800	\$2	6%	\$1,800	\$2	6%	\$1,800	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,500)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,590)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,500)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$28,500	\$32	95%	\$30,210	\$34	95%	\$28,500	\$37	95%
(Less) OPEX	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-33%</u>	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-31%</u>	<u>(\$8,800)</u>	<u>(\$11)</u>	<u>-29%</u>
Total NOI	\$18,500	\$21	62%	\$20,210	\$22	64%	\$19,700	\$26	66%
<i>Threshold Return on Cost</i>	6.50%			6.50%			6.50%		
Supported Investment	\$284,600	\$316		\$310,900	\$345		\$303,100	\$394	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$248,800	\$276	100%	\$248,800	\$276	100%	\$222,700	\$289	100%
Contingency	\$12,400	\$14	5%	\$12,400	\$14	5%	\$11,100	\$14	5%
Fees & Permits, excl. housing	\$19,300	\$21	8%	\$32,100	\$36	13%	\$19,300	\$25	9%
Housing Impact Fee (current)	\$1,400	\$2	1%	\$3,200	\$4	1%	\$2,700	\$4	1%
A&E/Taxes/Ins./other indirects	\$27,400	\$30	11%	\$27,400	\$30	11%	\$24,500	\$32	11%
Overhead/Admin	\$10,000	\$11	4%	\$10,000	\$11	4%	\$8,900	\$12	4%
Financing	<u>\$18,500</u>	<u>\$21</u>	<u>7%</u>	<u>\$20,200</u>	<u>\$22</u>	<u>8%</u>	<u>\$19,700</u>	<u>\$26</u>	<u>9%</u>
Total Costs, before land	\$337,800	\$375	136%	\$354,100	\$393	142%	\$308,900	\$401	139%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	(\$53,200)	(\$37)	-\$1.6M	(\$43,200)	(\$30)	-\$1.3M	(\$5,800)	(\$5)	-\$0.2M
Land Cost Estimate	\$25,000	\$17	\$0.8M	\$25,000	\$17	\$0.8M	\$50,000	\$42	\$1.9M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$362,800	\$403	127.5%	\$379,100	\$421	121.9%	\$358,900	\$466	118.4%
Feasibility Finding	Infeasible / Challenged			Infeasible / Challenged			Infeasible / Challenged		

Appendix A Table 6C
Rental Pro Forma
Feasibility Analysis
Sacramento MIHO Review
More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)

Existing HIF Requirement
Existing Water/Sewer/Drainage Fee
DRAFT

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	Central City						Southern Neighborhoods		
	Medium Density Rental			Higher Density Rental			Lower Density Rental		
Average Unit Size	770 sf/unit			690 sf/unit			900 sf/unit		
Average No. of Bedrooms	1.05 br/unit			0.80 br/unit			1.50 br/unit		
Residential Density	100 units/acre			200 units/acre			30 units/acre		
Parking Type	Surface / tuck under			Structured parking			Surface / tuck under		
Parking Ratio	0.50 sp/unit			0.75 sp/unit			1.5 sp/unit		
Building type	5 stories wood / slab on grade			8 stories, wood over podium			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,600	\$3.38	100%	\$2,700	\$3.91	100%	\$2,300	\$2.56	100%
Very Low Inc. (50% AMI)	\$1,032	\$1.34	0%	\$1,002	\$1.45	0%	\$1,088	\$1.21	0%
Low Income (60% AMI)	\$1,261	\$1.64	0%	\$1,224	\$1.77	0%	\$1,330	\$1.48	0%
Low Income (80% AMI)	<u>\$1,720</u>	<u>\$2.23</u>	<u>0%</u>	<u>\$1,669</u>	<u>\$2.42</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>
Weighted Average	\$2,600	\$3.38	100%	\$2,700	\$3.91	100%	\$2,300	\$2.56	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$31,200	\$41	90%	\$32,400	\$47	89%	\$27,600	\$31	94%
Other/Pkg Income	\$3,300	\$4	10%	\$4,100	\$6	11%	\$1,800	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,725)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,825)</u>	<u>(\$3)</u>	<u>-5%</u>	<u>(\$1,470)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$32,775	\$43	95%	\$34,675	\$50	95%	\$27,930	\$31	95%
(Less) OPEX	<u>(\$9,700)</u>	<u>(\$13)</u>	<u>-28%</u>	<u>(\$9,500)</u>	<u>(\$14)</u>	<u>-26%</u>	<u>(\$9,700)</u>	<u>(\$11)</u>	<u>-33%</u>
Total NOI	\$23,075	\$30	67%	\$25,175	\$36	69%	\$18,230	\$20	62%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$381,400	\$495		\$416,100	\$603		\$301,300	\$335	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$236,600	\$307	100%	\$254,300	\$369	100%	\$197,900	\$220	100%
Contingency	\$11,800	\$15	5%	\$12,700	\$18	5%	\$9,900	\$11	5%
Fees & Permits, excl. housing	\$21,300	\$28	9%	\$20,800	\$30	8%	\$22,000	\$24	11%
Housing Impact Fee (current)	\$0	\$0	0%	\$0	\$0	0%	\$1,400	\$2	1%
A&E/Taxes/Ins./other indirects	\$26,000	\$34	11%	\$28,000	\$41	11%	\$21,800	\$24	11%
Overhead/Admin	\$9,500	\$12	4%	\$10,200	\$15	4%	\$7,900	\$9	4%
Financing	<u>\$17,400</u>	<u>\$23</u>	<u>7%</u>	<u>\$18,900</u>	<u>\$27</u>	<u>7%</u>	<u>\$13,700</u>	<u>\$15</u>	<u>7%</u>
Total Costs, before land	\$322,600	\$419	136%	\$344,900	\$500	136%	\$274,600	\$305	139%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$58,800	\$135	\$5.9M	\$71,200	\$327	\$14.2M	\$26,700	\$18	\$0.8M
Land Cost Estimate	\$45,000	\$103	\$4.5M	\$35,000	\$161	\$7.0M	\$25,000	\$17	\$0.8M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$367,600	\$477	96.4%	\$379,900	\$551	91.3%	\$299,600	\$333	99.4%
Feasibility Finding	Feasible			Feasible			Feasible		

Appendix A Table 6C

Rental Pro Forma

Feasibility Analysis

Sacramento MIHO Review

More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)

Existing HIF Requirement

Existing Water/Sewer/Drainage Fee

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	North Sacramento and South Natomas			North Natomas			Inner South and East Neighborhoods		
	Lower Density Rental			Lower Density Rental			Lower Density Rental		
Average Unit Size	900 sf/unit			900 sf/unit			770 sf/unit		
Average No. of Bedrooms	1.50 br/unit			1.50 br/unit			1.10 br/unit		
Residential Density	30 units/acre			30 units/acre			37 units/acre		
Parking Type	Surface / tuck under			Surface / tuck under			Surface / tuck under		
Parking Ratio	1.5 sp/unit			1.5 sp/unit			1.0 sp/unit		
Building type	3-4 story wood frame			3-4 story wood frame			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,450	\$2.72	100%	\$2,500	\$2.78	100%	\$2,350	\$3.05	100%
Very Low Inc. (50% AMI)	\$1,088	\$1.21	0%	\$1,088	\$1.21	0%	\$1,040	\$1.35	0%
Low Income (60% AMI)	\$1,330	\$1.48	0%	\$1,330	\$1.48	0%	\$1,270	\$1.65	0%
Low Income (80% AMI)	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,732</u>	<u>\$2.25</u>	<u>0%</u>
Weighted Average	\$2,450	\$2.72	100%	\$2,500	\$2.78	100%	\$2,350	\$3.05	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$29,400	\$33	94%	\$30,000	\$33	94%	\$28,200	\$37	94%
Other/Pkg Income	\$1,800	\$2	6%	\$1,800	\$2	6%	\$1,800	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,560)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,590)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,500)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$29,640	\$33	95%	\$30,210	\$34	95%	\$28,500	\$37	95%
(Less) OPEX	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-32%</u>	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-31%</u>	<u>(\$8,800)</u>	<u>(\$11)</u>	<u>-29%</u>
Total NOI	\$19,640	\$22	63%	\$20,210	\$22	64%	\$19,700	\$26	66%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$324,600	\$361		\$334,000	\$371		\$325,600	\$423	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$216,500	\$241	100%	\$216,500	\$241	100%	\$193,700	\$252	100%
Contingency	\$10,800	\$12	5%	\$10,800	\$12	5%	\$9,700	\$13	5%
Fees & Permits, excl. housing	\$19,300	\$21	9%	\$32,100	\$36	15%	\$19,300	\$25	10%
Housing Impact Fee (current)	\$1,400	\$2	1%	\$3,200	\$4	1%	\$2,700	\$4	1%
A&E/Taxes/Ins./other indirects	\$23,800	\$26	11%	\$23,800	\$26	11%	\$21,300	\$28	11%
Overhead/Admin	\$8,700	\$10	4%	\$8,700	\$10	4%	\$7,700	\$10	4%
Financing	<u>\$14,800</u>	<u>\$16</u>	<u>7%</u>	<u>\$15,200</u>	<u>\$17</u>	<u>7%</u>	<u>\$14,800</u>	<u>\$19</u>	<u>8%</u>
Total Costs, before land	\$295,300	\$328	136%	\$310,300	\$345	143%	\$269,200	\$350	139%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$29,300	\$20	\$0.9M	\$23,700	\$16	\$0.7M	\$56,400	\$48	\$2.1M
Land Cost Estimate	\$25,000	\$17	\$0.8M	\$25,000	\$17	\$0.8M	\$50,000	\$42	\$1.9M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$320,300	\$356	98.7%	\$335,300	\$373	100.4%	\$319,200	\$415	98.0%
Feasibility Finding	Feasible			Feasible			Feasible		

Appendix A Table 6D

Rental Pro Forma

Feasibility Analysis

Sacramento MIHO Review

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More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)

5% of Units at 80% AMI

New Water/Sewer/Drainage Fee

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	Central City						Southern Neighborhoods		
	Medium Density Rental			Higher Density Rental			Lower Density Rental		
Average Unit Size	770 sf/unit			690 sf/unit			900 sf/unit		
Average No. of Bedrooms	1.05 br/unit			0.80 br/unit			1.50 br/unit		
Residential Density	100 units/acre			200 units/acre			30 units/acre		
Parking Type	Surface / tuck under			Structured parking			Surface / tuck under		
Parking Ratio	0.50 sp/unit			0.75 sp/unit			1.5 sp/unit		
Building type	5 stories wood / slab on grade			8 stories, wood over podium			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,600	\$3.38	95%	\$2,700	\$3.91	95%	\$2,300	\$2.56	95%
Very Low Inc. (50% AMI)	\$1,032	\$1.34	0%	\$1,002	\$1.45	0%	\$1,088	\$1.21	0%
Low Income (60% AMI)	\$1,261	\$1.64	0%	\$1,224	\$1.77	0%	\$1,330	\$1.48	0%
Low Income (80% AMI)	<u>\$1,720</u>	<u>\$2.23</u>	<u>5%</u>	<u>\$1,669</u>	<u>\$2.42</u>	<u>5%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>5%</u>
Weighted Average	\$2,560	\$3.32	100%	\$2,650	\$3.84	100%	\$2,280	\$2.53	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$30,720	\$40	91%	\$31,800	\$46	89%	\$27,360	\$30	94%
Other/Pkg Income	\$3,100	\$4	9%	\$3,800	\$6	11%	\$1,700	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,691)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,780)</u>	<u>(\$3)</u>	<u>-5%</u>	<u>(\$1,453)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$32,129	\$42	95%	\$33,820	\$49	95%	\$27,607	\$31	95%
(Less) OPEX	<u>(\$9,700)</u>	<u>(\$13)</u>	<u>-29%</u>	<u>(\$9,500)</u>	<u>(\$14)</u>	<u>-27%</u>	<u>(\$9,700)</u>	<u>(\$11)</u>	<u>-33%</u>
Total NOI	\$22,429	\$29	66%	\$24,320	\$35	68%	\$17,907	\$20	62%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$370,700	\$481		\$402,000	\$583		\$296,000	\$329	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$236,600	\$307	100%	\$254,300	\$369	100%	\$197,900	\$220	100%
Contingency	\$11,800	\$15	5%	\$12,700	\$18	5%	\$9,900	\$11	5%
Fees & Permits, excl. housing	\$30,300	\$39	13%	\$29,800	\$43	12%	\$29,200	\$32	15%
Housing Impact Fee	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	0%
A&E/Taxes/Ins./other indirects	\$26,000	\$34	11%	\$28,000	\$41	11%	\$21,800	\$24	11%
Overhead/Admin	\$9,500	\$12	4%	\$10,200	\$15	4%	\$7,900	\$9	4%
Financing	<u>\$16,900</u>	<u>\$22</u>	<u>7%</u>	<u>\$18,300</u>	<u>\$27</u>	<u>7%</u>	<u>\$13,500</u>	<u>\$15</u>	<u>7%</u>
Total Costs, before land	\$331,100	\$430	140%	\$353,300	\$512	139%	\$280,200	\$311	142%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$39,600	\$91	\$4.0M	\$48,700	\$224	\$9.7M	\$15,800	\$11	\$0.5M
Land Cost Estimate	\$45,000	\$103	\$4.5M	\$35,000	\$161	\$7.0M	\$25,000	\$17	\$0.8M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$376,100	\$488	101.5%	\$388,300	\$563	96.6%	\$305,200	\$339	103.1%
Feasibility Finding	Feasible			Feasible			Marginal Feasibility		

Appendix A Table 6D

Rental Pro Forma

Feasibility Analysis

Sacramento MIHO Review

More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)

5% of Units at 80% AMI

New Water/Sewer/Drainage Fee

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	North Sacramento and South Natomas			North Natomas			Inner South and East Neighborhoods		
	Lower Density Rental			Lower Density Rental			Lower Density Rental		
Average Unit Size	900 sf/unit			900 sf/unit			770 sf/unit		
Average No. of Bedrooms	1.50 br/unit			1.50 br/unit			1.10 br/unit		
Residential Density	30 units/acre			30 units/acre			37 units/acre		
Parking Type	Surface / tuck under			Surface / tuck under			Surface / tuck under		
Parking Ratio	1.5 sp/unit			1.5 sp/unit			1.0 sp/unit		
Building type	3-4 story wood frame			3-4 story wood frame			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,450	\$2.72	95%	\$2,500	\$2.78	95%	\$2,350	\$3.05	95%
Very Low Inc. (50% AMI)	\$1,088	\$1.21	0%	\$1,088	\$1.21	0%	\$1,040	\$1.35	0%
Low Income (60% AMI)	\$1,330	\$1.48	0%	\$1,330	\$1.48	0%	\$1,270	\$1.65	0%
Low Income (80% AMI)	<u>\$1,814</u>	<u>\$2.02</u>	<u>5%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>5%</u>	<u>\$1,732</u>	<u>\$2.25</u>	<u>5%</u>
Weighted Average	\$2,420	\$2.69	100%	\$2,470	\$2.74	100%	\$2,320	\$3.01	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$29,040	\$32	94%	\$29,640	\$33	95%	\$27,840	\$36	94%
Other/Pkg Income	\$1,700	\$2	6%	\$1,700	\$2	5%	\$1,700	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,537)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,567)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,477)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$29,203	\$32	95%	\$29,773	\$33	95%	\$28,063	\$36	95%
(Less) OPEX	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-33%</u>	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-32%</u>	<u>(\$8,800)</u>	<u>(\$11)</u>	<u>-30%</u>
Total NOI	\$19,203	\$21	62%	\$19,773	\$22	63%	\$19,263	\$25	65%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$317,400	\$353		\$326,800	\$363		\$318,400	\$414	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$216,500	\$241	100%	\$216,500	\$241	100%	\$193,700	\$252	100%
Contingency	\$10,800	\$12	5%	\$10,800	\$12	5%	\$9,700	\$13	5%
Fees & Permits, excl. housing	\$28,700	\$32	13%	\$39,000	\$43	18%	\$28,400	\$37	15%
Housing Impact Fee	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	0%
A&E/Taxes/Ins./other indirects	\$23,800	\$26	11%	\$23,800	\$26	11%	\$21,300	\$28	11%
Overhead/Admin	\$8,700	\$10	4%	\$8,700	\$10	4%	\$7,700	\$10	4%
Financing	<u>\$14,400</u>	<u>\$16</u>	<u>7%</u>	<u>\$14,900</u>	<u>\$17</u>	<u>7%</u>	<u>\$14,500</u>	<u>\$19</u>	<u>7%</u>
Total Costs, before land	\$302,900	\$337	140%	\$313,700	\$349	145%	\$275,300	\$358	142%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$14,500	\$10	\$0.4M	\$13,100	\$9	\$0.4M	\$43,100	\$37	\$1.6M
Land Cost Estimate	\$25,000	\$17	\$0.8M	\$25,000	\$17	\$0.8M	\$50,000	\$42	\$1.9M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$327,900	\$364	103.3%	\$338,700	\$376	103.6%	\$325,300	\$422	102.2%
Feasibility Finding	Marginal Feasibility			Marginal Feasibility			Feasible		

Appendix A Table 6E

Rental Pro Forma

Feasibility Analysis

Sacramento MIHO Review

More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)

5% of Units at 60% AMI

New Water/Sewer/Drainage Fee

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	Central City						Southern Neighborhoods		
	Medium Density Rental			Higher Density Rental			Lower Density Rental		
Average Unit Size	770 sf/unit			690 sf/unit			900 sf/unit		
Average No. of Bedrooms	1.05 br/unit			0.80 br/unit			1.50 br/unit		
Residential Density	100 units/acre			200 units/acre			30 units/acre		
Parking Type	Surface / tuck under			Structured parking			Surface / tuck under		
Parking Ratio	0.50 sp/unit			0.75 sp/unit			1.5 sp/unit		
Building type	5 stories wood / slab on grade			8 stories, wood over podium			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,600	\$3.38	95%	\$2,700	\$3.91	95%	\$2,300	\$2.56	95%
Very Low Inc. (50% AMI)	\$1,032	\$1.34	0%	\$1,002	\$1.45	0%	\$1,088	\$1.21	0%
Low Income (60% AMI)	\$1,261	\$1.64	5%	\$1,224	\$1.77	5%	\$1,330	\$1.48	5%
Low Income (80% AMI)	<u>\$1,720</u>	<u>\$2.23</u>	<u>0%</u>	<u>\$1,669</u>	<u>\$2.42</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>
Weighted Average	\$2,530	\$3.29	100%	\$2,630	\$3.81	100%	\$2,250	\$2.50	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$30,360	\$39	91%	\$31,560	\$46	89%	\$27,000	\$30	94%
Other/Pkg Income	\$3,100	\$4	9%	\$3,800	\$6	11%	\$1,700	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,673)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,768)</u>	<u>(\$3)</u>	<u>-5%</u>	<u>(\$1,435)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$31,787	\$41	95%	\$33,592	\$49	95%	\$27,265	\$30	95%
(Less) OPEX	<u>(\$9,700)</u>	<u>(\$13)</u>	<u>-29%</u>	<u>(\$9,500)</u>	<u>(\$14)</u>	<u>-27%</u>	<u>(\$9,700)</u>	<u>(\$11)</u>	<u>-34%</u>
Total NOI	\$22,087	\$29	66%	\$24,092	\$35	68%	\$17,565	\$20	61%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$365,100	\$474		\$398,200	\$577		\$290,300	\$323	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$236,600	\$307	100%	\$254,300	\$369	100%	\$197,900	\$220	100%
Contingency	\$11,800	\$15	5%	\$12,700	\$18	5%	\$9,900	\$11	5%
Fees & Permits, excl. housing	\$30,300	\$39	13%	\$29,800	\$43	12%	\$29,200	\$32	15%
Housing Impact Fee	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	0%
A&E/Taxes/Ins./other indirects	\$26,000	\$34	11%	\$28,000	\$41	11%	\$21,800	\$24	11%
Overhead/Admin	\$9,500	\$12	4%	\$10,200	\$15	4%	\$7,900	\$9	4%
Financing	<u>\$16,600</u>	<u>\$22</u>	<u>7%</u>	<u>\$18,100</u>	<u>\$26</u>	<u>7%</u>	<u>\$13,200</u>	<u>\$15</u>	<u>7%</u>
Total Costs, before land	\$330,800	\$430	140%	\$353,100	\$512	139%	\$279,900	\$311	141%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$34,300	\$79	\$3.4M	\$45,100	\$207	\$9.0M	\$10,400	\$7	\$0.3M
Land Cost Estimate	\$45,000	\$103	\$4.5M	\$35,000	\$161	\$7.0M	\$25,000	\$17	\$0.8M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$375,800	\$488	102.9%	\$388,100	\$562	97.5%	\$304,900	\$339	105.0%
Feasibility Finding	Feasible			Feasible			Marginal Feasibility		

Appendix A Table 6E

Rental Pro Forma

Feasibility Analysis

Sacramento MIHO Review

More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)

5% of Units at 60% AMI

New Water/Sewer/Drainage Fee

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	North Sacramento and South Natomas			North Natomas			Inner South and East Neighborhoods		
	Lower Density Rental			Lower Density Rental			Lower Density Rental		
Average Unit Size	900 sf/unit			900 sf/unit			770 sf/unit		
Average No. of Bedrooms	1.50 br/unit			1.50 br/unit			1.10 br/unit		
Residential Density	30 units/acre			30 units/acre			37 units/acre		
Parking Type	Surface / tuck under			Surface / tuck under			Surface / tuck under		
Parking Ratio	1.5 sp/unit			1.5 sp/unit			1.0 sp/unit		
Building type	3-4 story wood frame			3-4 story wood frame			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,450	\$2.72	95%	\$2,500	\$2.78	95%	\$2,350	\$3.05	95%
Very Low Inc. (50% AMI)	\$1,088	\$1.21	0%	\$1,088	\$1.21	0%	\$1,040	\$1.35	0%
Low Income (60% AMI)	\$1,330	\$1.48	5%	\$1,330	\$1.48	5%	\$1,270	\$1.65	5%
Low Income (80% AMI)	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,732</u>	<u>\$2.25</u>	<u>0%</u>
Weighted Average	\$2,390	\$2.66	100%	\$2,440	\$2.71	100%	\$2,300	\$2.99	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$28,680	\$32	94%	\$29,280	\$33	95%	\$27,600	\$36	94%
Other/Pkg Income	\$1,700	\$2	6%	\$1,700	\$2	5%	\$1,700	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,519)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,549)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,465)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$28,861	\$32	95%	\$29,431	\$33	95%	\$27,835	\$36	95%
(Less) OPEX	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-33%</u>	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-32%</u>	<u>(\$8,800)</u>	<u>(\$11)</u>	<u>-30%</u>
Total NOI	\$18,861	\$21	62%	\$19,431	\$22	63%	\$19,035	\$25	65%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$311,800	\$346		\$321,200	\$357		\$314,600	\$409	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$216,500	\$241	100%	\$216,500	\$241	100%	\$193,700	\$252	100%
Contingency	\$10,800	\$12	5%	\$10,800	\$12	5%	\$9,700	\$13	5%
Fees & Permits, excl. housing	\$28,700	\$32	13%	\$39,000	\$43	18%	\$28,400	\$37	15%
Housing Impact Fee	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	0%
A&E/Taxes/Ins./other indirects	\$23,800	\$26	11%	\$23,800	\$26	11%	\$21,300	\$28	11%
Overhead/Admin	\$8,700	\$10	4%	\$8,700	\$10	4%	\$7,700	\$10	4%
Financing	<u>\$14,200</u>	<u>\$16</u>	<u>7%</u>	<u>\$14,600</u>	<u>\$16</u>	<u>7%</u>	<u>\$14,300</u>	<u>\$19</u>	<u>7%</u>
Total Costs, before land	\$302,700	\$336	140%	\$313,400	\$348	145%	\$275,100	\$357	142%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$9,100	\$6	\$0.3M	\$7,800	\$5	\$0.2M	\$39,500	\$34	\$1.5M
Land Cost Estimate	\$25,000	\$17	\$0.8M	\$25,000	\$17	\$0.8M	\$50,000	\$42	\$1.9M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$327,700	\$364	105.1%	\$338,400	\$376	105.4%	\$325,100	\$422	103.3%
Feasibility Finding	Marginal Feasibility			Marginal Feasibility			Marginal Feasibility		

Appendix A Table 6F
Rental Pro Forma
Feasibility Analysis
Sacramento MIHO Review

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More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)
5% of Units at 50% AMI
New Water/Sewer/Drainage Fee
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	Central City						Southern Neighborhoods		
	Medium Density Rental			Higher Density Rental			Lower Density Rental		
Average Unit Size	770 sf/unit			690 sf/unit			900 sf/unit		
Average No. of Bedrooms	1.05 br/unit			0.80 br/unit			1.50 br/unit		
Residential Density	100 units/acre			200 units/acre			30 units/acre		
Parking Type	Surface / tuck under			Structured parking			Surface / tuck under		
Parking Ratio	0.50 sp/unit			0.75 sp/unit			1.5 sp/unit		
Building type	5 stories wood / slab on grade			8 stories, wood over podium			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,600	\$3.38	95%	\$2,700	\$3.91	95%	\$2,300	\$2.56	95%
Very Low Inc. (50% AMI)	\$1,032	\$1.34	5%	\$1,002	\$1.45	5%	\$1,088	\$1.21	5%
Low Income (60% AMI)	\$1,261	\$1.64	0%	\$1,224	\$1.77	0%	\$1,330	\$1.48	0%
Low Income (80% AMI)	<u>\$1,720</u>	<u>\$2.23</u>	<u>0%</u>	<u>\$1,669</u>	<u>\$2.42</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>
Weighted Average	\$2,520	\$3.27	100%	\$2,620	\$3.80	100%	\$2,240	\$2.49	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$30,240	\$39	91%	\$31,440	\$46	89%	\$26,880	\$30	94%
Other/Pkg Income	\$3,100	\$4	9%	\$3,800	\$6	11%	\$1,700	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,667)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,762)</u>	<u>(\$3)</u>	<u>-5%</u>	<u>(\$1,429)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$31,673	\$41	95%	\$33,478	\$49	95%	\$27,151	\$30	95%
(Less) OPEX	<u>(\$9,700)</u>	<u>(\$13)</u>	<u>-29%</u>	<u>(\$9,500)</u>	<u>(\$14)</u>	<u>-27%</u>	<u>(\$9,700)</u>	<u>(\$11)</u>	<u>-34%</u>
Total NOI	\$21,973	\$29	66%	\$23,978	\$35	68%	\$17,451	\$19	61%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$363,200	\$472		\$396,300	\$574		\$288,400	\$320	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$236,600	\$307	100%	\$254,300	\$369	100%	\$197,900	\$220	100%
Contingency	\$11,800	\$15	5%	\$12,700	\$18	5%	\$9,900	\$11	5%
Fees & Permits, excl. housing	\$30,300	\$39	13%	\$29,800	\$43	12%	\$29,200	\$32	15%
Housing Impact Fee	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	0%
A&E/Taxes/Ins./other indirects	\$26,000	\$34	11%	\$28,000	\$41	11%	\$21,800	\$24	11%
Overhead/Admin	\$9,500	\$12	4%	\$10,200	\$15	4%	\$7,900	\$9	4%
Financing	<u>\$16,500</u>	<u>\$21</u>	<u>7%</u>	<u>\$18,000</u>	<u>\$26</u>	<u>7%</u>	<u>\$13,100</u>	<u>\$15</u>	<u>7%</u>
Total Costs, before land	\$330,700	\$429	140%	\$353,000	\$512	139%	\$279,800	\$311	141%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$32,500	\$75	\$3.3M	\$43,300	\$199	\$8.7M	\$8,600	\$6	\$0.3M
Land Cost Estimate	\$45,000	\$103	\$4.5M	\$35,000	\$161	\$7.0M	\$25,000	\$17	\$0.8M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$375,700	\$488	103.4%	\$388,000	\$562	97.9%	\$304,800	\$339	105.7%
Feasibility Finding	Marginal Feasibility			Feasible			Marginal Feasibility		

Appendix A Table 6F

Rental Pro Forma

Feasibility Analysis

Sacramento MIHO Review

More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)

5% of Units at 50% AMI

New Water/Sewer/Drainage Fee

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	North Sacramento and South Natomas			North Natomas			Inner South and East Neighborhoods		
	Lower Density Rental			Lower Density Rental			Lower Density Rental		
Average Unit Size	900 sf/unit			900 sf/unit			770 sf/unit		
Average No. of Bedrooms	1.50 br/unit			1.50 br/unit			1.10 br/unit		
Residential Density	30 units/acre			30 units/acre			37 units/acre		
Parking Type	Surface / tuck under			Surface / tuck under			Surface / tuck under		
Parking Ratio	1.5 sp/unit			1.5 sp/unit			1.0 sp/unit		
Building type	3-4 story wood frame			3-4 story wood frame			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,450	\$2.72	95%	\$2,500	\$2.78	95%	\$2,350	\$3.05	95%
Very Low Inc. (50% AMI)	\$1,088	\$1.21	5%	\$1,088	\$1.21	5%	\$1,040	\$1.35	5%
Low Income (60% AMI)	\$1,330	\$1.48	0%	\$1,330	\$1.48	0%	\$1,270	\$1.65	0%
Low Income (80% AMI)	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,732</u>	<u>\$2.25</u>	<u>0%</u>
Weighted Average	\$2,380	\$2.64	100%	\$2,430	\$2.70	100%	\$2,280	\$2.96	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$28,560	\$32	94%	\$29,160	\$32	94%	\$27,360	\$36	94%
Other/Pkg Income	\$1,700	\$2	6%	\$1,700	\$2	6%	\$1,700	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,513)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,543)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,453)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$28,747	\$32	95%	\$29,317	\$33	95%	\$27,607	\$36	95%
(Less) OPEX	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-33%</u>	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-32%</u>	<u>(\$8,800)</u>	<u>(\$11)</u>	<u>-30%</u>
Total NOI	\$18,747	\$21	62%	\$19,317	\$21	63%	\$18,807	\$24	65%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$309,900	\$344		\$319,300	\$355		\$310,900	\$404	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$216,500	\$241	100%	\$216,500	\$241	100%	\$193,700	\$252	100%
Contingency	\$10,800	\$12	5%	\$10,800	\$12	5%	\$9,700	\$13	5%
Fees & Permits, excl. housing	\$28,700	\$32	13%	\$39,000	\$43	18%	\$28,400	\$37	15%
Housing Impact Fee	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	0%
A&E/Taxes/Ins./other indirects	\$23,800	\$26	11%	\$23,800	\$26	11%	\$21,300	\$28	11%
Overhead/Admin	\$8,700	\$10	4%	\$8,700	\$10	4%	\$7,700	\$10	4%
Financing	<u>\$14,100</u>	<u>\$16</u>	<u>7%</u>	<u>\$14,500</u>	<u>\$16</u>	<u>7%</u>	<u>\$14,100</u>	<u>\$18</u>	<u>7%</u>
Total Costs, before land	\$302,600	\$336	140%	\$313,300	\$348	145%	\$274,900	\$357	142%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$7,300	\$5	\$0.2M	\$6,000	\$4	\$0.2M	\$36,000	\$31	\$1.3M
Land Cost Estimate	\$25,000	\$17	\$0.8M	\$25,000	\$17	\$0.8M	\$50,000	\$42	\$1.9M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$327,600	\$364	105.7%	\$338,300	\$376	106.0%	\$324,900	\$422	104.5%
Feasibility Finding	Marginal Feasibility			Marginal Feasibility			Marginal Feasibility		

Appendix A Table 6G

Rental Pro Forma

Feasibility Analysis

Sacramento MIHO Review

More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)

10% of Units at 80% AMI

New Water/Sewer/Drainage Fee

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	Central City						Southern Neighborhoods		
	Medium Density Rental			Higher Density Rental			Lower Density Rental		
Average Unit Size	770 sf/unit			690 sf/unit			900 sf/unit		
Average No. of Bedrooms	1.05 br/unit			0.80 br/unit			1.50 br/unit		
Residential Density	100 units/acre			200 units/acre			30 units/acre		
Parking Type	Surface / tuck under			Structured parking			Surface / tuck under		
Parking Ratio	0.50 sp/unit			0.75 sp/unit			1.5 sp/unit		
Building type	5 stories wood / slab on grade			8 stories, wood over podium			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,600	\$3.38	90%	\$2,700	\$3.91	90%	\$2,300	\$2.56	90%
Very Low Inc. (50% AMI)	\$1,032	\$1.34	0%	\$1,002	\$1.45	0%	\$1,088	\$1.21	0%
Low Income (60% AMI)	\$1,261	\$1.64	0%	\$1,224	\$1.77	0%	\$1,330	\$1.48	0%
Low Income (80% AMI)	<u>\$1,720</u>	<u>\$2.23</u>	<u>10%</u>	<u>\$1,669</u>	<u>\$2.42</u>	<u>10%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>10%</u>
Weighted Average	\$2,510	\$3.26	100%	\$2,600	\$3.77	100%	\$2,250	\$2.50	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$30,120	\$39	91%	\$31,200	\$45	90%	\$27,000	\$30	94%
Other/Pkg Income	\$3,000	\$4	9%	\$3,600	\$5	10%	\$1,600	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,656)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,740)</u>	<u>(\$3)</u>	<u>-5%</u>	<u>(\$1,430)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$31,464	\$41	95%	\$33,060	\$48	95%	\$27,170	\$30	95%
(Less) OPEX	<u>(\$9,700)</u>	<u>(\$13)</u>	<u>-29%</u>	<u>(\$9,500)</u>	<u>(\$14)</u>	<u>-27%</u>	<u>(\$9,700)</u>	<u>(\$11)</u>	<u>-34%</u>
Total NOI	\$21,764	\$28	66%	\$23,560	\$34	68%	\$17,470	\$19	61%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$359,700	\$467		\$389,400	\$564		\$288,800	\$321	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$236,600	\$307	100%	\$254,300	\$369	100%	\$197,900	\$220	100%
Contingency	\$11,800	\$15	5%	\$12,700	\$18	5%	\$9,900	\$11	5%
Fees & Permits, excl. housing	\$29,300	\$38	12%	\$28,900	\$42	11%	\$28,600	\$32	14%
Housing Impact Fee	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	0%
A&E/Taxes/Ins./other indirects	\$26,000	\$34	11%	\$28,000	\$41	11%	\$21,800	\$24	11%
Overhead/Admin	\$9,500	\$12	4%	\$10,200	\$15	4%	\$7,900	\$9	4%
Financing	<u>\$16,400</u>	<u>\$21</u>	<u>7%</u>	<u>\$17,700</u>	<u>\$26</u>	<u>7%</u>	<u>\$13,100</u>	<u>\$15</u>	<u>7%</u>
Total Costs, before land	\$329,600	\$428	139%	\$351,800	\$510	138%	\$279,200	\$310	141%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$30,100	\$69	\$3.0M	\$37,600	\$173	\$7.5M	\$9,600	\$7	\$0.3M
Land Cost Estimate	\$45,000	\$103	\$4.5M	\$35,000	\$161	\$7.0M	\$25,000	\$17	\$0.8M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$374,600	\$486	104.1%	\$386,800	\$561	99.3%	\$304,200	\$338	105.3%
Feasibility Finding	Marginal Feasibility			Feasible			Marginal Feasibility		

Appendix A Table 6G

Rental Pro Forma

Feasibility Analysis

Sacramento MIHO Review

More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)

10% of Units at 80% AMI

New Water/Sewer/Drainage Fee

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	North Sacramento and South Natomas			North Natomas			Inner South and East Neighborhoods		
	Lower Density Rental			Lower Density Rental			Lower Density Rental		
Average Unit Size	900 sf/unit			900 sf/unit			770 sf/unit		
Average No. of Bedrooms	1.50 br/unit			1.50 br/unit			1.10 br/unit		
Residential Density	30 units/acre			30 units/acre			37 units/acre		
Parking Type	Surface / tuck under			Surface / tuck under			Surface / tuck under		
Parking Ratio	1.5 sp/unit			1.5 sp/unit			1.0 sp/unit		
Building type	3-4 story wood frame			3-4 story wood frame			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,450	\$2.72	90%	\$2,500	\$2.78	90%	\$2,350	\$3.05	90%
Very Low Inc. (50% AMI)	\$1,088	\$1.21	0%	\$1,088	\$1.21	0%	\$1,040	\$1.35	0%
Low Income (60% AMI)	\$1,330	\$1.48	0%	\$1,330	\$1.48	0%	\$1,270	\$1.65	0%
Low Income (80% AMI)	<u>\$1,814</u>	<u>\$2.02</u>	<u>10%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>10%</u>	<u>\$1,732</u>	<u>\$2.25</u>	<u>10%</u>
Weighted Average	\$2,390	\$2.66	100%	\$2,430	\$2.70	100%	\$2,290	\$2.97	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$28,680	\$32	95%	\$29,160	\$32	95%	\$27,480	\$36	94%
Other/Pkg Income	\$1,600	\$2	5%	\$1,600	\$2	5%	\$1,600	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,514)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,538)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,454)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$28,766	\$32	95%	\$29,222	\$32	95%	\$27,626	\$36	95%
(Less) OPEX	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-33%</u>	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-33%</u>	<u>(\$8,800)</u>	<u>(\$11)</u>	<u>-30%</u>
Total NOI	\$18,766	\$21	62%	\$19,222	\$21	62%	\$18,826	\$24	65%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$310,200	\$345		\$317,700	\$353		\$311,200	\$404	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$216,500	\$241	100%	\$216,500	\$241	100%	\$193,700	\$252	100%
Contingency	\$10,800	\$12	5%	\$10,800	\$12	5%	\$9,700	\$13	5%
Fees & Permits, excl. housing	\$28,000	\$31	13%	\$38,000	\$42	18%	\$27,600	\$36	14%
Housing Impact Fee	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	0%
A&E/Taxes/Ins./other indirects	\$23,800	\$26	11%	\$23,800	\$26	11%	\$21,300	\$28	11%
Overhead/Admin	\$8,700	\$10	4%	\$8,700	\$10	4%	\$7,700	\$10	4%
Financing	<u>\$14,100</u>	<u>\$16</u>	<u>7%</u>	<u>\$14,500</u>	<u>\$16</u>	<u>7%</u>	<u>\$14,200</u>	<u>\$18</u>	<u>7%</u>
Total Costs, before land	\$301,900	\$335	139%	\$312,300	\$347	144%	\$274,200	\$356	142%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$8,300	\$6	\$0.2M	\$5,400	\$4	\$0.2M	\$37,000	\$31	\$1.4M
Land Cost Estimate	\$25,000	\$17	\$0.8M	\$25,000	\$17	\$0.8M	\$50,000	\$42	\$1.9M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$326,900	\$363	105.4%	\$337,300	\$375	106.2%	\$324,200	\$421	104.2%
Feasibility Finding	Marginal Feasibility			Marginal Feasibility			Marginal Feasibility		

Appendix A Table 6H
Rental Pro Forma
Feasibility Analysis
Sacramento MIHO Review

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More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)
10% of Units at 60% AMI
New Water/Sewer/Drainage Fee
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	Central City						Southern Neighborhoods		
	Medium Density Rental			Higher Density Rental			Lower Density Rental		
Average Unit Size	770 sf/unit			690 sf/unit			900 sf/unit		
Average No. of Bedrooms	1.05 br/unit			0.80 br/unit			1.50 br/unit		
Residential Density	100 units/acre			200 units/acre			30 units/acre		
Parking Type	Surface / tuck under			Structured parking			Surface / tuck under		
Parking Ratio	0.50 sp/unit			0.75 sp/unit			1.5 sp/unit		
Building type	5 stories wood / slab on grade			8 stories, wood over podium			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,600	\$3.38	90%	\$2,700	\$3.91	90%	\$2,300	\$2.56	90%
Very Low Inc. (50% AMI)	\$1,032	\$1.34	0%	\$1,002	\$1.45	0%	\$1,088	\$1.21	0%
Low Income (60% AMI)	\$1,261	\$1.64	10%	\$1,224	\$1.77	10%	\$1,330	\$1.48	10%
Low Income (80% AMI)	<u>\$1,720</u>	<u>\$2.23</u>	<u>0%</u>	<u>\$1,669</u>	<u>\$2.42</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>
Weighted Average	\$2,470	\$3.21	100%	\$2,550	\$3.70	100%	\$2,200	\$2.44	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$29,640	\$38	91%	\$30,600	\$44	89%	\$26,400	\$29	94%
Other/Pkg Income	\$3,000	\$4	9%	\$3,600	\$5	11%	\$1,600	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,632)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,710)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,400)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$31,008	\$40	95%	\$32,490	\$47	95%	\$26,600	\$30	95%
(Less) OPEX	<u>(\$9,700)</u>	<u>(\$13)</u>	<u>-30%</u>	<u>(\$9,500)</u>	<u>(\$14)</u>	<u>-28%</u>	<u>(\$9,700)</u>	<u>(\$11)</u>	<u>-35%</u>
Total NOI	\$21,308	\$28	65%	\$22,990	\$33	67%	\$16,900	\$19	60%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$352,200	\$457		\$380,000	\$551		\$279,300	\$310	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$236,600	\$307	100%	\$254,300	\$369	100%	\$197,900	\$220	100%
Contingency	\$11,800	\$15	5%	\$12,700	\$18	5%	\$9,900	\$11	5%
Fees & Permits, excl. housing	\$29,300	\$38	12%	\$28,900	\$42	11%	\$28,600	\$32	14%
Housing Impact Fee	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	0%
A&E/Taxes/Ins./other indirects	\$26,000	\$34	11%	\$28,000	\$41	11%	\$21,800	\$24	11%
Overhead/Admin	\$9,500	\$12	4%	\$10,200	\$15	4%	\$7,900	\$9	4%
Financing	<u>\$16,000</u>	<u>\$21</u>	<u>7%</u>	<u>\$17,300</u>	<u>\$25</u>	<u>7%</u>	<u>\$12,700</u>	<u>\$14</u>	<u>6%</u>
Total Costs, before land	\$329,200	\$428	139%	\$351,400	\$509	138%	\$278,800	\$310	141%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$23,000	\$53	\$2.3M	\$28,600	\$131	\$5.7M	\$500	\$0	\$0.0M
Land Cost Estimate	\$45,000	\$103	\$4.5M	\$35,000	\$161	\$7.0M	\$25,000	\$17	\$0.8M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$374,200	\$486	106.2%	\$386,400	\$560	101.7%	\$303,800	\$338	108.8%
Feasibility Finding	Marginal Feasibility			Feasible			Infeasible / Challenged		

Appendix A Table 6H

Rental Pro Forma

Feasibility Analysis

Sacramento MIHO Review

More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)

10% of Units at 60% AMI

New Water/Sewer/Drainage Fee

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	North Sacramento and South Natomas			North Natomas			Inner South and East Neighborhoods		
	Lower Density Rental			Lower Density Rental			Lower Density Rental		
Average Unit Size	900 sf/unit			900 sf/unit			770 sf/unit		
Average No. of Bedrooms	1.50 br/unit			1.50 br/unit			1.10 br/unit		
Residential Density	30 units/acre			30 units/acre			37 units/acre		
Parking Type	Surface / tuck under			Surface / tuck under			Surface / tuck under		
Parking Ratio	1.5 sp/unit			1.5 sp/unit			1.0 sp/unit		
Building type	3-4 story wood frame			3-4 story wood frame			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,450	\$2.72	90%	\$2,500	\$2.78	90%	\$2,350	\$3.05	90%
Very Low Inc. (50% AMI)	\$1,088	\$1.21	0%	\$1,088	\$1.21	0%	\$1,040	\$1.35	0%
Low Income (60% AMI)	\$1,330	\$1.48	10%	\$1,330	\$1.48	10%	\$1,270	\$1.65	10%
Low Income (80% AMI)	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,732</u>	<u>\$2.25</u>	<u>0%</u>
Weighted Average	\$2,340	\$2.60	100%	\$2,380	\$2.64	100%	\$2,240	\$2.91	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$28,080	\$31	95%	\$28,560	\$32	95%	\$26,880	\$35	94%
Other/Pkg Income	\$1,600	\$2	5%	\$1,600	\$2	5%	\$1,600	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,484)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,508)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,424)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$28,196	\$31	95%	\$28,652	\$32	95%	\$27,056	\$35	95%
(Less) OPEX	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-34%</u>	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-33%</u>	<u>(\$8,800)</u>	<u>(\$11)</u>	<u>-31%</u>
Total NOI	\$18,196	\$20	61%	\$18,652	\$21	62%	\$18,256	\$24	64%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$300,800	\$334		\$308,300	\$343		\$301,800	\$392	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$216,500	\$241	100%	\$216,500	\$241	100%	\$193,700	\$252	100%
Contingency	\$10,800	\$12	5%	\$10,800	\$12	5%	\$9,700	\$13	5%
Fees & Permits, excl. housing	\$28,000	\$31	13%	\$38,000	\$42	18%	\$27,600	\$36	14%
Housing Impact Fee	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	0%
A&E/Taxes/Ins./other indirects	\$23,800	\$26	11%	\$23,800	\$26	11%	\$21,300	\$28	11%
Overhead/Admin	\$8,700	\$10	4%	\$8,700	\$10	4%	\$7,700	\$10	4%
Financing	<u>\$13,700</u>	<u>\$15</u>	<u>6%</u>	<u>\$14,000</u>	<u>\$16</u>	<u>6%</u>	<u>\$13,700</u>	<u>\$18</u>	<u>7%</u>
Total Costs, before land	\$301,500	\$335	139%	\$311,800	\$346	144%	\$273,700	\$355	141%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	(\$700)	(\$0)	\$0.0M	(\$3,500)	(\$2)	-\$0.1M	\$28,100	\$24	\$1.0M
Land Cost Estimate	\$25,000	\$17	\$0.8M	\$25,000	\$17	\$0.8M	\$50,000	\$42	\$1.9M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$326,500	\$363	108.5%	\$336,800	\$374	109.2%	\$323,700	\$420	107.3%
Feasibility Finding	Infeasible / Challenged			Infeasible / Challenged			Infeasible / Challenged		

Appendix A Table 6I

Rental Pro Forma

Feasibility Analysis

Sacramento MIHO Review

More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)

10% of Units at 50% AMI

New Water/Sewer/Drainage Fee

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	Central City						Southern Neighborhoods		
	Medium Density Rental			Higher Density Rental			Lower Density Rental		
Average Unit Size	770 sf/unit			690 sf/unit			900 sf/unit		
Average No. of Bedrooms	1.05 br/unit			0.80 br/unit			1.50 br/unit		
Residential Density	100 units/acre			200 units/acre			30 units/acre		
Parking Type	Surface / tuck under			Structured parking			Surface / tuck under		
Parking Ratio	0.50 sp/unit			0.75 sp/unit			1.5 sp/unit		
Building type	5 stories wood / slab on grade			8 stories, wood over podium			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,600	\$3.38	90%	\$2,700	\$3.91	90%	\$2,300	\$2.56	90%
Very Low Inc. (50% AMI)	\$1,032	\$1.34	10%	\$1,002	\$1.45	10%	\$1,088	\$1.21	10%
Low Income (60% AMI)	\$1,261	\$1.64	0%	\$1,224	\$1.77	0%	\$1,330	\$1.48	0%
Low Income (80% AMI)	<u>\$1,720</u>	<u>\$2.23</u>	<u>0%</u>	<u>\$1,669</u>	<u>\$2.42</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>
Weighted Average	\$2,440	\$3.17	100%	\$2,530	\$3.67	100%	\$2,180	\$2.42	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$29,280	\$38	91%	\$30,360	\$44	89%	\$26,160	\$29	94%
Other/Pkg Income	\$3,000	\$4	9%	\$3,600	\$5	11%	\$1,600	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,614)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,698)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,388)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$30,666	\$40	95%	\$32,262	\$47	95%	\$26,372	\$29	95%
(Less) OPEX	<u>(\$9,700)</u>	<u>(\$13)</u>	<u>-30%</u>	<u>(\$9,500)</u>	<u>(\$14)</u>	<u>-28%</u>	<u>(\$9,700)</u>	<u>(\$11)</u>	<u>-35%</u>
Total NOI	\$20,966	\$27	65%	\$22,762	\$33	67%	\$16,672	\$19	60%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$346,500	\$450		\$376,200	\$545		\$275,600	\$306	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$236,600	\$307	100%	\$254,300	\$369	100%	\$197,900	\$220	100%
Contingency	\$11,800	\$15	5%	\$12,700	\$18	5%	\$9,900	\$11	5%
Fees & Permits, excl. housing	\$29,300	\$38	12%	\$28,900	\$42	11%	\$28,600	\$32	14%
Housing Impact Fee	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	0%
A&E/Taxes/Ins./other indirects	\$26,000	\$34	11%	\$28,000	\$41	11%	\$21,800	\$24	11%
Overhead/Admin	\$9,500	\$12	4%	\$10,200	\$15	4%	\$7,900	\$9	4%
Financing	<u>\$15,800</u>	<u>\$21</u>	<u>7%</u>	<u>\$17,100</u>	<u>\$25</u>	<u>7%</u>	<u>\$12,500</u>	<u>\$14</u>	<u>6%</u>
Total Costs, before land	\$329,000	\$427	139%	\$351,200	\$509	138%	\$278,600	\$310	141%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$17,500	\$40	\$1.8M	\$25,000	\$115	\$5.0M	(\$3,000)	(\$2)	-\$0.1M
Land Cost Estimate	\$45,000	\$103	\$4.5M	\$35,000	\$161	\$7.0M	\$25,000	\$17	\$0.8M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$374,000	\$486	107.9%	\$386,200	\$560	102.7%	\$303,600	\$337	110.2%
Feasibility Finding	Infeasible / Challenged			Feasible			Infeasible / Challenged		

Appendix A Table 6I

Rental Pro Forma

Feasibility Analysis

Sacramento MIHO Review

More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)

10% of Units at 50% AMI

New Water/Sewer/Drainage Fee

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	North Sacramento and South Natomas			North Natomas			Inner South and East Neighborhoods		
	Lower Density Rental			Lower Density Rental			Lower Density Rental		
Average Unit Size	900 sf/unit			900 sf/unit			770 sf/unit		
Average No. of Bedrooms	1.50 br/unit			1.50 br/unit			1.10 br/unit		
Residential Density	30 units/acre			30 units/acre			37 units/acre		
Parking Type	Surface / tuck under			Surface / tuck under			Surface / tuck under		
Parking Ratio	1.5 sp/unit			1.5 sp/unit			1.0 sp/unit		
Building type	3-4 story wood frame			3-4 story wood frame			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,450	\$2.72	90%	\$2,500	\$2.78	90%	\$2,350	\$3.05	90%
Very Low Inc. (50% AMI)	\$1,088	\$1.21	10%	\$1,088	\$1.21	10%	\$1,040	\$1.35	10%
Low Income (60% AMI)	\$1,330	\$1.48	0%	\$1,330	\$1.48	0%	\$1,270	\$1.65	0%
Low Income (80% AMI)	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,732</u>	<u>\$2.25</u>	<u>0%</u>
Weighted Average	\$2,310	\$2.57	100%	\$2,360	\$2.62	100%	\$2,220	\$2.88	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$27,720	\$31	95%	\$28,320	\$31	95%	\$26,640	\$35	94%
Other/Pkg Income	\$1,600	\$2	5%	\$1,600	\$2	5%	\$1,600	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,466)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,496)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,412)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$27,854	\$31	95%	\$28,424	\$32	95%	\$26,828	\$35	95%
(Less) OPEX	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-34%</u>	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-33%</u>	<u>(\$8,800)</u>	<u>(\$11)</u>	<u>-31%</u>
Total NOI	\$17,854	\$20	61%	\$18,424	\$20	62%	\$18,028	\$23	64%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$295,100	\$328		\$304,500	\$338		\$298,000	\$387	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$216,500	\$241	100%	\$216,500	\$241	100%	\$193,700	\$252	100%
Contingency	\$10,800	\$12	5%	\$10,800	\$12	5%	\$9,700	\$13	5%
Fees & Permits, excl. housing	\$28,000	\$31	13%	\$38,000	\$42	18%	\$27,600	\$36	14%
Housing Impact Fee	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	0%
A&E/Taxes/Ins./other indirects	\$23,800	\$26	11%	\$23,800	\$26	11%	\$21,300	\$28	11%
Overhead/Admin	\$8,700	\$10	4%	\$8,700	\$10	4%	\$7,700	\$10	4%
Financing	<u>\$13,400</u>	<u>\$15</u>	<u>6%</u>	<u>\$13,900</u>	<u>\$15</u>	<u>6%</u>	<u>\$13,600</u>	<u>\$18</u>	<u>7%</u>
Total Costs, before land	\$301,200	\$335	139%	\$311,700	\$346	144%	\$273,600	\$355	141%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	(\$6,100)	(\$4)	-\$0.2M	(\$7,200)	(\$5)	-\$0.2M	\$24,400	\$21	\$0.9M
Land Cost Estimate	\$25,000	\$17	\$0.8M	\$25,000	\$17	\$0.8M	\$50,000	\$42	\$1.9M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$326,200	\$362	110.5%	\$336,700	\$374	110.6%	\$323,600	\$420	108.6%
Feasibility Finding	Infeasible / Challenged			Infeasible / Challenged			Infeasible / Challenged		

Appendix A Table 6J

Rental Pro Forma

Feasibility Analysis

Sacramento MIHO Review

More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)

15% of Units at 80% AMI

New Water/Sewer/Drainage Fee

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	Central City						Southern Neighborhoods		
	Medium Density Rental			Higher Density Rental			Lower Density Rental		
Average Unit Size	770 sf/unit			690 sf/unit			900 sf/unit		
Average No. of Bedrooms	1.05 br/unit			0.80 br/unit			1.50 br/unit		
Residential Density	100 units/acre			200 units/acre			30 units/acre		
Parking Type	Surface / tuck under			Structured parking			Surface / tuck under		
Parking Ratio	0.50 sp/unit			0.75 sp/unit			1.5 sp/unit		
Building type	5 stories wood / slab on grade			8 stories, wood over podium			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,600	\$3.38	85%	\$2,700	\$3.91	85%	\$2,300	\$2.56	85%
Very Low Inc. (50% AMI)	\$1,032	\$1.34	0%	\$1,002	\$1.45	0%	\$1,088	\$1.21	0%
Low Income (60% AMI)	\$1,261	\$1.64	0%	\$1,224	\$1.77	0%	\$1,330	\$1.48	0%
Low Income (80% AMI)	<u>\$1,720</u>	<u>\$2.23</u>	<u>15%</u>	<u>\$1,669</u>	<u>\$2.42</u>	<u>15%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>15%</u>
Weighted Average	\$2,470	\$3.21	100%	\$2,550	\$3.70	100%	\$2,230	\$2.48	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$29,640	\$38	91%	\$30,600	\$44	90%	\$26,760	\$30	95%
Other/Pkg Income	\$2,800	\$4	9%	\$3,400	\$5	10%	\$1,500	\$2	5%
(Less) Vacancy/Bad Debt	<u>(\$1,622)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,700)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,413)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$30,818	\$40	95%	\$32,300	\$47	95%	\$26,847	\$30	95%
(Less) OPEX	<u>(\$9,700)</u>	<u>(\$13)</u>	<u>-30%</u>	<u>(\$9,500)</u>	<u>(\$14)</u>	<u>-28%</u>	<u>(\$9,700)</u>	<u>(\$11)</u>	<u>-34%</u>
Total NOI	\$21,118	\$27	65%	\$22,800	\$33	67%	\$17,147	\$19	61%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$349,100	\$453		\$376,900	\$546		\$283,400	\$315	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$236,600	\$307	100%	\$254,300	\$369	100%	\$197,900	\$220	100%
Contingency	\$11,800	\$15	5%	\$12,700	\$18	5%	\$9,900	\$11	5%
Fees & Permits, excl. housing	\$28,400	\$37	12%	\$28,000	\$41	11%	\$28,000	\$31	14%
Housing Impact Fee	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	0%
A&E/Taxes/Ins./other indirects	\$26,000	\$34	11%	\$28,000	\$41	11%	\$21,800	\$24	11%
Overhead/Admin	\$9,500	\$12	4%	\$10,200	\$15	4%	\$7,900	\$9	4%
Financing	<u>\$15,900</u>	<u>\$21</u>	<u>7%</u>	<u>\$17,100</u>	<u>\$25</u>	<u>7%</u>	<u>\$12,900</u>	<u>\$14</u>	<u>7%</u>
Total Costs, before land	\$328,200	\$426	139%	\$350,300	\$508	138%	\$278,400	\$309	141%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$20,900	\$48	\$2.1M	\$26,600	\$122	\$5.3M	\$5,000	\$3	\$0.2M
Land Cost Estimate	\$45,000	\$103	\$4.5M	\$35,000	\$161	\$7.0M	\$25,000	\$17	\$0.8M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$373,200	\$485	106.9%	\$385,300	\$558	102.2%	\$303,400	\$337	107.1%
Feasibility Finding	Marginal Feasibility			Feasible			Infeasible / Challenged		

Appendix A Table 6J

Rental Pro Forma

Feasibility Analysis

Sacramento MIHO Review

More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)

15% of Units at 80% AMI

New Water/Sewer/Drainage Fee

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	North Sacramento and South Natomas			North Natomas			Inner South and East Neighborhoods		
	Lower Density Rental			Lower Density Rental			Lower Density Rental		
Average Unit Size	900 sf/unit			900 sf/unit			770 sf/unit		
Average No. of Bedrooms	1.50 br/unit			1.50 br/unit			1.10 br/unit		
Residential Density	30 units/acre			30 units/acre			37 units/acre		
Parking Type	Surface / tuck under			Surface / tuck under			Surface / tuck under		
Parking Ratio	1.5 sp/unit			1.5 sp/unit			1.0 sp/unit		
Building type	3-4 story wood frame			3-4 story wood frame			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,450	\$2.72	85%	\$2,500	\$2.78	85%	\$2,350	\$3.05	85%
Very Low Inc. (50% AMI)	\$1,088	\$1.21	0%	\$1,088	\$1.21	0%	\$1,040	\$1.35	0%
Low Income (60% AMI)	\$1,330	\$1.48	0%	\$1,330	\$1.48	0%	\$1,270	\$1.65	0%
Low Income (80% AMI)	<u>\$1,814</u>	<u>\$2.02</u>	<u>15%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>15%</u>	<u>\$1,732</u>	<u>\$2.25</u>	<u>15%</u>
Weighted Average	\$2,350	\$2.61	100%	\$2,400	\$2.67	100%	\$2,260	\$2.94	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$28,200	\$31	95%	\$28,800	\$32	95%	\$27,120	\$35	95%
Other/Pkg Income	\$1,500	\$2	5%	\$1,500	\$2	5%	\$1,500	\$2	5%
(Less) Vacancy/Bad Debt	<u>(\$1,485)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,515)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,431)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$28,215	\$31	95%	\$28,785	\$32	95%	\$27,189	\$35	95%
(Less) OPEX	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-34%</u>	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-33%</u>	<u>(\$8,800)</u>	<u>(\$11)</u>	<u>-31%</u>
Total NOI	\$18,215	\$20	61%	\$18,785	\$21	62%	\$18,389	\$24	64%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$301,100	\$335		\$310,500	\$345		\$304,000	\$395	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$216,500	\$241	100%	\$216,500	\$241	100%	\$193,700	\$252	100%
Contingency	\$10,800	\$12	5%	\$10,800	\$12	5%	\$9,700	\$13	5%
Fees & Permits, excl. housing	\$27,400	\$30	13%	\$37,000	\$41	17%	\$26,700	\$35	14%
Housing Impact Fee	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	0%
A&E/Taxes/Ins./other indirects	\$23,800	\$26	11%	\$23,800	\$26	11%	\$21,300	\$28	11%
Overhead/Admin	\$8,700	\$10	4%	\$8,700	\$10	4%	\$7,700	\$10	4%
Financing	<u>\$13,700</u>	<u>\$15</u>	<u>6%</u>	<u>\$14,100</u>	<u>\$16</u>	<u>7%</u>	<u>\$13,800</u>	<u>\$18</u>	<u>7%</u>
Total Costs, before land	\$300,900	\$334	139%	\$310,900	\$345	144%	\$272,900	\$354	141%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$200	\$0	\$0.0M	(\$400)	(\$0)	\$0.0M	\$31,100	\$26	\$1.2M
Land Cost Estimate	\$25,000	\$17	\$0.8M	\$25,000	\$17	\$0.8M	\$50,000	\$42	\$1.9M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$325,900	\$362	108.2%	\$335,900	\$373	108.2%	\$322,900	\$419	106.2%
Feasibility Finding	Infeasible / Challenged			Infeasible / Challenged			Marginal Feasibility		

Appendix A Table 6K
Rental Pro Forma
Feasibility Analysis
Sacramento MIHO Review

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More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)
15% of Units at 60% AMI
New Water/Sewer/Drainage Fee
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	Central City						Southern Neighborhoods		
	Medium Density Rental			Higher Density Rental			Lower Density Rental		
Average Unit Size	770 sf/unit			690 sf/unit			900 sf/unit		
Average No. of Bedrooms	1.05 br/unit			0.80 br/unit			1.50 br/unit		
Residential Density	100 units/acre			200 units/acre			30 units/acre		
Parking Type	Surface / tuck under			Structured parking			Surface / tuck under		
Parking Ratio	0.50 sp/unit			0.75 sp/unit			1.5 sp/unit		
Building type	5 stories wood / slab on grade			8 stories, wood over podium			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,600	\$3.38	85%	\$2,700	\$3.91	85%	\$2,300	\$2.56	85%
Very Low Inc. (50% AMI)	\$1,032	\$1.34	0%	\$1,002	\$1.45	0%	\$1,088	\$1.21	0%
Low Income (60% AMI)	\$1,261	\$1.64	15%	\$1,224	\$1.77	15%	\$1,330	\$1.48	15%
Low Income (80% AMI)	<u>\$1,720</u>	<u>\$2.23</u>	<u>0%</u>	<u>\$1,669</u>	<u>\$2.42</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>
Weighted Average	\$2,400	\$3.12	100%	\$2,480	\$3.59	100%	\$2,150	\$2.39	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$28,800	\$37	91%	\$29,760	\$43	90%	\$25,800	\$29	95%
Other/Pkg Income	\$2,800	\$4	9%	\$3,400	\$5	10%	\$1,500	\$2	5%
(Less) Vacancy/Bad Debt	<u>(\$1,580)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,658)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,365)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$30,020	\$39	95%	\$31,502	\$46	95%	\$25,935	\$29	95%
(Less) OPEX	<u>(\$9,700)</u>	<u>(\$13)</u>	<u>-31%</u>	<u>(\$9,500)</u>	<u>(\$14)</u>	<u>-29%</u>	<u>(\$9,700)</u>	<u>(\$11)</u>	<u>-36%</u>
Total NOI	\$20,320	\$26	64%	\$22,002	\$32	66%	\$16,235	\$18	59%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$335,900	\$436		\$363,700	\$527		\$268,300	\$298	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$236,600	\$307	100%	\$254,300	\$369	100%	\$197,900	\$220	100%
Contingency	\$11,800	\$15	5%	\$12,700	\$18	5%	\$9,900	\$11	5%
Fees & Permits, excl. housing	\$28,400	\$37	12%	\$28,000	\$41	11%	\$28,000	\$31	14%
Housing Impact Fee	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	0%
A&E/Taxes/Ins./other indirects	\$26,000	\$34	11%	\$28,000	\$41	11%	\$21,800	\$24	11%
Overhead/Admin	\$9,500	\$12	4%	\$10,200	\$15	4%	\$7,900	\$9	4%
Financing	<u>\$15,300</u>	<u>\$20</u>	<u>6%</u>	<u>\$16,500</u>	<u>\$24</u>	<u>6%</u>	<u>\$12,200</u>	<u>\$14</u>	<u>6%</u>
Total Costs, before land	\$327,600	\$425	138%	\$349,700	\$507	138%	\$277,700	\$309	140%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$8,300	\$19	\$0.8M	\$14,000	\$64	\$2.8M	(\$9,400)	(\$6)	-\$0.3M
Land Cost Estimate	\$45,000	\$103	\$4.5M	\$35,000	\$161	\$7.0M	\$25,000	\$17	\$0.8M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$372,600	\$484	110.9%	\$384,700	\$558	105.8%	\$302,700	\$336	112.8%
Feasibility Finding	Infeasible / Challenged			Marginal Feasibility			Infeasible / Challenged		

Appendix A Table 6K

Rental Pro Forma

Feasibility Analysis

Sacramento MIHO Review

More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)

15% of Units at 60% AMI

New Water/Sewer/Drainage Fee

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	North Sacramento and South Natomas			North Natomas			Inner South and East Neighborhoods		
	Lower Density Rental			Lower Density Rental			Lower Density Rental		
Average Unit Size	900 sf/unit			900 sf/unit			770 sf/unit		
Average No. of Bedrooms	1.50 br/unit			1.50 br/unit			1.10 br/unit		
Residential Density	30 units/acre			30 units/acre			37 units/acre		
Parking Type	Surface / tuck under			Surface / tuck under			Surface / tuck under		
Parking Ratio	1.5 sp/unit			1.5 sp/unit			1.0 sp/unit		
Building type	3-4 story wood frame			3-4 story wood frame			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,450	\$2.72	85%	\$2,500	\$2.78	85%	\$2,350	\$3.05	85%
Very Low Inc. (50% AMI)	\$1,088	\$1.21	0%	\$1,088	\$1.21	0%	\$1,040	\$1.35	0%
Low Income (60% AMI)	\$1,330	\$1.48	15%	\$1,330	\$1.48	15%	\$1,270	\$1.65	15%
Low Income (80% AMI)	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,732</u>	<u>\$2.25</u>	<u>0%</u>
Weighted Average	\$2,280	\$2.53	100%	\$2,320	\$2.58	100%	\$2,190	\$2.84	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$27,360	\$30	95%	\$27,840	\$31	95%	\$26,280	\$34	95%
Other/Pkg Income	\$1,500	\$2	5%	\$1,500	\$2	5%	\$1,500	\$2	5%
(Less) Vacancy/Bad Debt	<u>(\$1,443)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,467)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,389)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$27,417	\$30	95%	\$27,873	\$31	95%	\$26,391	\$34	95%
(Less) OPEX	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-35%</u>	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-34%</u>	<u>(\$8,800)</u>	<u>(\$11)</u>	<u>-32%</u>
Total NOI	\$17,417	\$19	60%	\$17,873	\$20	61%	\$17,591	\$23	63%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$287,900	\$320		\$295,400	\$328		\$290,800	\$378	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$216,500	\$241	100%	\$216,500	\$241	100%	\$193,700	\$252	100%
Contingency	\$10,800	\$12	5%	\$10,800	\$12	5%	\$9,700	\$13	5%
Fees & Permits, excl. housing	\$27,400	\$30	13%	\$37,000	\$41	17%	\$26,700	\$35	14%
Housing Impact Fee	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	0%
A&E/Taxes/Ins./other indirects	\$23,800	\$26	11%	\$23,800	\$26	11%	\$21,300	\$28	11%
Overhead/Admin	\$8,700	\$10	4%	\$8,700	\$10	4%	\$7,700	\$10	4%
Financing	<u>\$13,100</u>	<u>\$15</u>	<u>6%</u>	<u>\$13,400</u>	<u>\$15</u>	<u>6%</u>	<u>\$13,200</u>	<u>\$17</u>	<u>7%</u>
Total Costs, before land	\$300,300	\$334	139%	\$310,200	\$345	143%	\$272,300	\$354	141%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	(\$12,400)	(\$9)	-\$0.4M	(\$14,800)	(\$10)	-\$0.4M	\$18,500	\$16	\$0.7M
Land Cost Estimate	\$25,000	\$17	\$0.8M	\$25,000	\$17	\$0.8M	\$50,000	\$42	\$1.9M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$325,300	\$361	113.0%	\$335,200	\$372	113.5%	\$322,300	\$419	110.8%
Feasibility Finding	Infeasible / Challenged			Infeasible / Challenged			Infeasible / Challenged		

Appendix A Table 6L

Rental Pro Forma

Feasibility Analysis

Sacramento MIHO Review

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More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)

15% of Units at 50% AMI

New Water/Sewer/Drainage Fee

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	Central City						Southern Neighborhoods		
	Medium Density Rental			Higher Density Rental			Lower Density Rental		
Average Unit Size	770 sf/unit			690 sf/unit			900 sf/unit		
Average No. of Bedrooms	1.05 br/unit			0.80 br/unit			1.50 br/unit		
Residential Density	100 units/acre			200 units/acre			30 units/acre		
Parking Type	Surface / tuck under			Structured parking			Surface / tuck under		
Parking Ratio	0.50 sp/unit			0.75 sp/unit			1.5 sp/unit		
Building type	5 stories wood / slab on grade			8 stories, wood over podium			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,600	\$3.38	85%	\$2,700	\$3.91	85%	\$2,300	\$2.56	85%
Very Low Inc. (50% AMI)	\$1,032	\$1.34	15%	\$1,002	\$1.45	15%	\$1,088	\$1.21	15%
Low Income (60% AMI)	\$1,261	\$1.64	0%	\$1,224	\$1.77	0%	\$1,330	\$1.48	0%
Low Income (80% AMI)	<u>\$1,720</u>	<u>\$2.23</u>	<u>0%</u>	<u>\$1,669</u>	<u>\$2.42</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>
Weighted Average	\$2,360	\$3.06	100%	\$2,450	\$3.55	100%	\$2,120	\$2.36	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$28,320	\$37	91%	\$29,400	\$43	90%	\$25,440	\$28	94%
Other/Pkg Income	\$2,800	\$4	9%	\$3,400	\$5	10%	\$1,500	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,556)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,640)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,347)</u>	<u>(\$1)</u>	<u>-5%</u>
Effective Gross Income	\$29,564	\$38	95%	\$31,160	\$45	95%	\$25,593	\$28	95%
(Less) OPEX	<u>(\$9,700)</u>	<u>(\$13)</u>	<u>-31%</u>	<u>(\$9,500)</u>	<u>(\$14)</u>	<u>-29%</u>	<u>(\$9,700)</u>	<u>(\$11)</u>	<u>-36%</u>
Total NOI	\$19,864	\$26	64%	\$21,660	\$31	66%	\$15,893	\$18	59%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$328,300	\$426		\$358,000	\$519		\$262,700	\$292	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$236,600	\$307	100%	\$254,300	\$369	100%	\$197,900	\$220	100%
Contingency	\$11,800	\$15	5%	\$12,700	\$18	5%	\$9,900	\$11	5%
Fees & Permits, excl. housing	\$28,400	\$37	12%	\$28,000	\$41	11%	\$28,000	\$31	14%
Housing Impact Fee	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	0%
A&E/Taxes/Ins./other indirects	\$26,000	\$34	11%	\$28,000	\$41	11%	\$21,800	\$24	11%
Overhead/Admin	\$9,500	\$12	4%	\$10,200	\$15	4%	\$7,900	\$9	4%
Financing	<u>\$14,900</u>	<u>\$19</u>	<u>6%</u>	<u>\$16,300</u>	<u>\$24</u>	<u>6%</u>	<u>\$12,000</u>	<u>\$13</u>	<u>6%</u>
Total Costs, before land	\$327,200	\$425	138%	\$349,500	\$507	137%	\$277,500	\$308	140%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$1,100	\$3	\$0.1M	\$8,500	\$39	\$1.7M	(\$14,800)	(\$10)	-\$0.4M
Land Cost Estimate	\$45,000	\$103	\$4.5M	\$35,000	\$161	\$7.0M	\$25,000	\$17	\$0.8M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$372,200	\$483	113.4%	\$384,500	\$557	107.4%	\$302,500	\$336	115.2%
Feasibility Finding	Infeasible / Challenged			Infeasible / Challenged			Infeasible / Challenged		

Appendix A Table 6L

Rental Pro Forma

Feasibility Analysis

Sacramento MIHO Review

More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)

15% of Units at 50% AMI

New Water/Sewer/Drainage Fee

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	North Sacramento and South Natomas			North Natomas			Inner South and East Neighborhoods		
	Lower Density Rental			Lower Density Rental			Lower Density Rental		
Average Unit Size	900 sf/unit			900 sf/unit			770 sf/unit		
Average No. of Bedrooms	1.50 br/unit			1.50 br/unit			1.10 br/unit		
Residential Density	30 units/acre			30 units/acre			37 units/acre		
Parking Type	Surface / tuck under			Surface / tuck under			Surface / tuck under		
Parking Ratio	1.5 sp/unit			1.5 sp/unit			1.0 sp/unit		
Building type	3-4 story wood frame			3-4 story wood frame			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,450	\$2.72	85%	\$2,500	\$2.78	85%	\$2,350	\$3.05	85%
Very Low Inc. (50% AMI)	\$1,088	\$1.21	15%	\$1,088	\$1.21	15%	\$1,040	\$1.35	15%
Low Income (60% AMI)	\$1,330	\$1.48	0%	\$1,330	\$1.48	0%	\$1,270	\$1.65	0%
Low Income (80% AMI)	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,732</u>	<u>\$2.25</u>	<u>0%</u>
Weighted Average	\$2,250	\$2.50	100%	\$2,290	\$2.54	100%	\$2,150	\$2.79	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$27,000	\$30	95%	\$27,480	\$31	95%	\$25,800	\$34	95%
Other/Pkg Income	\$1,500	\$2	5%	\$1,500	\$2	5%	\$1,500	\$2	5%
(Less) Vacancy/Bad Debt	<u>(\$1,425)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,449)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,365)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$27,075	\$30	95%	\$27,531	\$31	95%	\$25,935	\$34	95%
(Less) OPEX	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-35%</u>	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-35%</u>	<u>(\$8,800)</u>	<u>(\$11)</u>	<u>-32%</u>
Total NOI	\$17,075	\$19	60%	\$17,531	\$19	60%	\$17,135	\$22	63%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$282,200	\$314		\$289,800	\$322		\$283,200	\$368	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$216,500	\$241	100%	\$216,500	\$241	100%	\$193,700	\$252	100%
Contingency	\$10,800	\$12	5%	\$10,800	\$12	5%	\$9,700	\$13	5%
Fees & Permits, excl. housing	\$27,400	\$30	13%	\$37,000	\$41	17%	\$26,700	\$35	14%
Housing Impact Fee	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	0%
A&E/Taxes/Ins./other indirects	\$23,800	\$26	11%	\$23,800	\$26	11%	\$21,300	\$28	11%
Overhead/Admin	\$8,700	\$10	4%	\$8,700	\$10	4%	\$7,700	\$10	4%
Financing	<u>\$12,800</u>	<u>\$14</u>	<u>6%</u>	<u>\$13,200</u>	<u>\$15</u>	<u>6%</u>	<u>\$12,900</u>	<u>\$17</u>	<u>7%</u>
Total Costs, before land	\$300,000	\$333	139%	\$310,000	\$344	143%	\$272,000	\$353	140%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	(\$17,800)	(\$12)	-\$0.5M	(\$20,200)	(\$14)	-\$0.6M	\$11,200	\$10	\$0.4M
Land Cost Estimate	\$25,000	\$17	\$0.8M	\$25,000	\$17	\$0.8M	\$50,000	\$42	\$1.9M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$325,000	\$361	115.2%	\$335,000	\$372	115.6%	\$322,000	\$418	113.7%
Feasibility Finding	Infeasible / Challenged			Infeasible / Challenged			Infeasible / Challenged		

Appendix A Table 6M
Rental Pro Forma
Feasibility Analysis
Sacramento MIHO Review

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More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)
Existing HIF
New Water/Sewer/Drainage Fee
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	Central City						Southern Neighborhoods		
	Medium Density Rental			Higher Density Rental			Lower Density Rental		
Average Unit Size	770 sf/unit			690 sf/unit			900 sf/unit		
Average No. of Bedrooms	1.05 br/unit			0.80 br/unit			1.50 br/unit		
Residential Density	100 units/acre			200 units/acre			30 units/acre		
Parking Type	Surface / tuck under			Structured parking			Surface / tuck under		
Parking Ratio	0.50 sp/unit			0.75 sp/unit			1.5 sp/unit		
Building type	5 stories wood / slab on grade			8 stories, wood over podium			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,600	\$3.38	100%	\$2,700	\$3.91	100%	\$2,300	\$2.56	100%
Very Low Inc. (50% AMI)	\$1,032	\$1.34	0%	\$1,002	\$1.45	0%	\$1,088	\$1.21	0%
Low Income (60% AMI)	\$1,261	\$1.64	0%	\$1,224	\$1.77	0%	\$1,330	\$1.48	0%
Low Income (80% AMI)	<u>\$1,720</u>	<u>\$2.23</u>	<u>0%</u>	<u>\$1,669</u>	<u>\$2.42</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>
Weighted Average	\$2,600	\$3.38	100%	\$2,700	\$3.91	100%	\$2,300	\$2.56	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$31,200	\$41	90%	\$32,400	\$47	89%	\$27,600	\$31	94%
Other/Pkg Income	\$3,300	\$4	10%	\$4,100	\$6	11%	\$1,800	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,725)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,825)</u>	<u>(\$3)</u>	<u>-5%</u>	<u>(\$1,470)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$32,775	\$43	95%	\$34,675	\$50	95%	\$27,930	\$31	95%
(Less) OPEX	<u>(\$9,700)</u>	<u>(\$13)</u>	<u>-28%</u>	<u>(\$9,500)</u>	<u>(\$14)</u>	<u>-26%</u>	<u>(\$9,700)</u>	<u>(\$11)</u>	<u>-33%</u>
Total NOI	\$23,075	\$30	67%	\$25,175	\$36	69%	\$18,230	\$20	62%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$381,400	\$495		\$416,100	\$603		\$301,300	\$335	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$236,600	\$307	100%	\$254,300	\$369	100%	\$197,900	\$220	100%
Contingency	\$11,800	\$15	5%	\$12,700	\$18	5%	\$9,900	\$11	5%
Fees & Permits, excl. housing	\$31,200	\$41	13%	\$30,700	\$44	12%	\$29,800	\$33	15%
Housing Impact Fee (current)	\$0	\$0	0%	\$0	\$0	0%	\$1,400	\$2	1%
A&E/Taxes/Ins./other indirects	\$26,000	\$34	11%	\$28,000	\$41	11%	\$21,800	\$24	11%
Overhead/Admin	\$9,500	\$12	4%	\$10,200	\$15	4%	\$7,900	\$9	4%
Financing	<u>\$17,400</u>	<u>\$23</u>	<u>7%</u>	<u>\$18,900</u>	<u>\$27</u>	<u>7%</u>	<u>\$13,700</u>	<u>\$15</u>	<u>7%</u>
Total Costs, before land	\$332,500	\$432	141%	\$354,800	\$514	140%	\$282,400	\$314	143%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$48,900	\$112	\$4.9M	\$61,300	\$281	\$12.3M	\$18,900	\$13	\$0.6M
Land Cost Estimate	\$45,000	\$103	\$4.5M	\$35,000	\$161	\$7.0M	\$25,000	\$17	\$0.8M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$377,500	\$490	99.0%	\$389,800	\$565	93.7%	\$307,400	\$342	102.0%
Feasibility Finding	Feasible			Feasible			Feasible		

Appendix A Table 6M

Rental Pro Forma

Feasibility Analysis

Sacramento MIHO Review

More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)

Existing HIF

New Water/Sewer/Drainage Fee

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	North Sacramento and South Natomas			North Natomas			Inner South and East Neighborhoods		
	Lower Density Rental			Lower Density Rental			Lower Density Rental		
Average Unit Size	900 sf/unit			900 sf/unit			770 sf/unit		
Average No. of Bedrooms	1.50 br/unit			1.50 br/unit			1.10 br/unit		
Residential Density	30 units/acre			30 units/acre			37 units/acre		
Parking Type	Surface / tuck under			Surface / tuck under			Surface / tuck under		
Parking Ratio	1.5 sp/unit			1.5 sp/unit			1.0 sp/unit		
Building type	3-4 story wood frame			3-4 story wood frame			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,450	\$2.72	100%	\$2,500	\$2.78	100%	\$2,350	\$3.05	100%
Very Low Inc. (50% AMI)	\$1,088	\$1.21	0%	\$1,088	\$1.21	0%	\$1,040	\$1.35	0%
Low Income (60% AMI)	\$1,330	\$1.48	0%	\$1,330	\$1.48	0%	\$1,270	\$1.65	0%
Low Income (80% AMI)	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,732</u>	<u>\$2.25</u>	<u>0%</u>
Weighted Average	\$2,450	\$2.72	100%	\$2,500	\$2.78	100%	\$2,350	\$3.05	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$29,400	\$33	94%	\$30,000	\$33	94%	\$28,200	\$37	94%
Other/Pkg Income	\$1,800	\$2	6%	\$1,800	\$2	6%	\$1,800	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,560)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,590)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,500)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$29,640	\$33	95%	\$30,210	\$34	95%	\$28,500	\$37	95%
(Less) OPEX	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-32%</u>	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-31%</u>	<u>(\$8,800)</u>	<u>(\$11)</u>	<u>-29%</u>
Total NOI	\$19,640	\$22	63%	\$20,210	\$22	64%	\$19,700	\$26	66%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$324,600	\$361		\$334,000	\$371		\$325,600	\$423	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$216,500	\$241	100%	\$216,500	\$241	100%	\$193,700	\$252	100%
Contingency	\$10,800	\$12	5%	\$10,800	\$12	5%	\$9,700	\$13	5%
Fees & Permits, excl. housing	\$29,400	\$33	14%	\$40,000	\$44	18%	\$29,200	\$38	15%
Housing Impact Fee (current)	\$1,400	\$2	1%	\$3,200	\$4	1%	\$2,700	\$4	1%
A&E/Taxes/Ins./other indirects	\$23,800	\$26	11%	\$23,800	\$26	11%	\$21,300	\$28	11%
Overhead/Admin	\$8,700	\$10	4%	\$8,700	\$10	4%	\$7,700	\$10	4%
Financing	<u>\$14,800</u>	<u>\$16</u>	<u>7%</u>	<u>\$15,200</u>	<u>\$17</u>	<u>7%</u>	<u>\$14,800</u>	<u>\$19</u>	<u>8%</u>
Total Costs, before land	\$305,400	\$339	141%	\$318,200	\$354	147%	\$279,100	\$362	144%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$19,200	\$13	\$0.6M	\$15,800	\$11	\$0.5M	\$46,500	\$39	\$1.7M
Land Cost Estimate	\$25,000	\$17	\$0.8M	\$25,000	\$17	\$0.8M	\$50,000	\$42	\$1.9M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$330,400	\$367	101.8%	\$343,200	\$381	102.8%	\$329,100	\$427	101.1%
Feasibility Finding	Feasible			Feasible			Feasible		

Appendix A Table 6N
Rental Pro Forma
Feasibility Analysis
Sacramento MIHO Review

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More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)
Housing Fee @ \$5/NSF
New Water/Sewer/Drainage Fee
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	Central City						Southern Neighborhoods		
	Medium Density Rental			Higher Density Rental			Lower Density Rental		
Average Unit Size	770 sf/unit			690 sf/unit			900 sf/unit		
Average No. of Bedrooms	1.05 br/unit			0.80 br/unit			1.50 br/unit		
Residential Density	100 units/acre			200 units/acre			30 units/acre		
Parking Type	Surface / tuck under			Structured parking			Surface / tuck under		
Parking Ratio	0.50 sp/unit			0.75 sp/unit			1.5 sp/unit		
Building type	5 stories wood / slab on grade			8 stories, wood over podium			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,600	\$3.38	100%	\$2,700	\$3.91	100%	\$2,300	\$2.56	100%
Very Low Inc. (50% AMI)	\$1,032	\$1.34	0%	\$1,002	\$1.45	0%	\$1,088	\$1.21	0%
Low Income (60% AMI)	\$1,261	\$1.64	0%	\$1,224	\$1.77	0%	\$1,330	\$1.48	0%
Low Income (80% AMI)	<u>\$1,720</u>	<u>\$2.23</u>	<u>0%</u>	<u>\$1,669</u>	<u>\$2.42</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>
Weighted Average	\$2,600	\$3.38	100%	\$2,700	\$3.91	100%	\$2,300	\$2.56	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$31,200	\$41	90%	\$32,400	\$47	89%	\$27,600	\$31	94%
Other/Pkg Income	\$3,300	\$4	10%	\$4,100	\$6	11%	\$1,800	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,725)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,825)</u>	<u>(\$3)</u>	<u>-5%</u>	<u>(\$1,470)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$32,775	\$43	95%	\$34,675	\$50	95%	\$27,930	\$31	95%
(Less) OPEX	<u>(\$9,700)</u>	<u>(\$13)</u>	<u>-28%</u>	<u>(\$9,500)</u>	<u>(\$14)</u>	<u>-26%</u>	<u>(\$9,700)</u>	<u>(\$11)</u>	<u>-33%</u>
Total NOI	\$23,075	\$30	67%	\$25,175	\$36	69%	\$18,230	\$20	62%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$381,400	\$495		\$416,100	\$603		\$301,300	\$335	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$236,600	\$307	100%	\$254,300	\$369	100%	\$197,900	\$220	100%
Contingency	\$11,800	\$15	5%	\$12,700	\$18	5%	\$9,900	\$11	5%
Fees & Permits, excl. housing	\$31,200	\$41	13%	\$30,700	\$44	12%	\$29,800	\$33	15%
Housing Fee @ \$5/NSF	\$3,850	\$5	2%	\$3,450	\$5	1%	\$4,500	\$5	2%
A&E/Taxes/Ins./other indirects	\$26,000	\$34	11%	\$28,000	\$41	11%	\$21,800	\$24	11%
Overhead/Admin	\$9,500	\$12	4%	\$10,200	\$15	4%	\$7,900	\$9	4%
Financing	<u>\$17,400</u>	<u>\$23</u>	<u>7%</u>	<u>\$18,900</u>	<u>\$27</u>	<u>7%</u>	<u>\$13,700</u>	<u>\$15</u>	<u>7%</u>
Total Costs, before land	\$336,350	\$437	142%	\$358,250	\$519	141%	\$285,500	\$317	144%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$45,050	\$103	\$4.5M	\$57,850	\$266	\$11.6M	\$15,800	\$11	\$0.5M
Land Cost Estimate	\$45,000	\$103	\$4.5M	\$35,000	\$161	\$7.0M	\$25,000	\$17	\$0.8M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$381,350	\$495	100.0%	\$393,250	\$570	94.5%	\$310,500	\$345	103.1%
Feasibility Finding	Feasible			Feasible			Marginal Feasibility		

Appendix A Table 6N

Rental Pro Forma

Feasibility Analysis

Sacramento MIHO Review

More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)

Housing Fee @ \$5/NSF

New Water/Sewer/Drainage Fee

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	North Sacramento and South Natomas			North Natomas			Inner South and East Neighborhoods		
	Lower Density Rental			Lower Density Rental			Lower Density Rental		
Average Unit Size	900 sf/unit			900 sf/unit			770 sf/unit		
Average No. of Bedrooms	1.50 br/unit			1.50 br/unit			1.10 br/unit		
Residential Density	30 units/acre			30 units/acre			37 units/acre		
Parking Type	Surface / tuck under			Surface / tuck under			Surface / tuck under		
Parking Ratio	1.5 sp/unit			1.5 sp/unit			1.0 sp/unit		
Building type	3-4 story wood frame			3-4 story wood frame			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,450	\$2.72	100%	\$2,500	\$2.78	100%	\$2,350	\$3.05	100%
Very Low Inc. (50% AMI)	\$1,088	\$1.21	0%	\$1,088	\$1.21	0%	\$1,040	\$1.35	0%
Low Income (60% AMI)	\$1,330	\$1.48	0%	\$1,330	\$1.48	0%	\$1,270	\$1.65	0%
Low Income (80% AMI)	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,732</u>	<u>\$2.25</u>	<u>0%</u>
Weighted Average	\$2,450	\$2.72	100%	\$2,500	\$2.78	100%	\$2,350	\$3.05	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$29,400	\$33	94%	\$30,000	\$33	94%	\$28,200	\$37	94%
Other/Pkg Income	\$1,800	\$2	6%	\$1,800	\$2	6%	\$1,800	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,560)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,590)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,500)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$29,640	\$33	95%	\$30,210	\$34	95%	\$28,500	\$37	95%
(Less) OPEX	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-32%</u>	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-31%</u>	<u>(\$8,800)</u>	<u>(\$11)</u>	<u>-29%</u>
Total NOI	\$19,640	\$22	63%	\$20,210	\$22	64%	\$19,700	\$26	66%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$324,600	\$361		\$334,000	\$371		\$325,600	\$423	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$216,500	\$241	100%	\$216,500	\$241	100%	\$193,700	\$252	100%
Contingency	\$10,800	\$12	5%	\$10,800	\$12	5%	\$9,700	\$13	5%
Fees & Permits, excl. housing	\$29,400	\$33	14%	\$40,000	\$44	18%	\$29,200	\$38	15%
Housing Fee @ \$5/NSF	\$4,500	\$5	2%	\$4,500	\$5	2%	\$3,850	\$5	2%
A&E/Taxes/Ins./other indirects	\$23,800	\$26	11%	\$23,800	\$26	11%	\$21,300	\$28	11%
Overhead/Admin	\$8,700	\$10	4%	\$8,700	\$10	4%	\$7,700	\$10	4%
Financing	<u>\$14,800</u>	<u>\$16</u>	<u>7%</u>	<u>\$15,200</u>	<u>\$17</u>	<u>7%</u>	<u>\$14,800</u>	<u>\$19</u>	<u>8%</u>
Total Costs, before land	\$308,500	\$343	142%	\$319,500	\$355	148%	\$280,250	\$364	145%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$16,100	\$11	\$0.5M	\$14,500	\$10	\$0.4M	\$45,350	\$39	\$1.7M
Land Cost Estimate	\$25,000	\$17	\$0.8M	\$25,000	\$17	\$0.8M	\$50,000	\$42	\$1.9M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$333,500	\$371	102.7%	\$344,500	\$383	103.1%	\$330,250	\$429	101.4%
Feasibility Finding	Feasible			Marginal Feasibility			Feasible		

Appendix A Table 6O
Rental Pro Forma
Feasibility Analysis
Sacramento MIHO Review

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More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)
Housing Fee @ \$7.5/NSF
New Water/Sewer/Drainage Fee
DRAFT

	Central City						Southern Neighborhoods		
	Medium Density Rental			Higher Density Rental			Lower Density Rental		
Average Unit Size	770 sf/unit			690 sf/unit			900 sf/unit		
Average No. of Bedrooms	1.05 br/unit			0.80 br/unit			1.50 br/unit		
Residential Density	100 units/acre			200 units/acre			30 units/acre		
Parking Type	Surface / tuck under			Structured parking			Surface / tuck under		
Parking Ratio	0.50 sp/unit			0.75 sp/unit			1.5 sp/unit		
Building type	5 stories wood / slab on grade			8 stories, wood over podium			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,600	\$3.38	100%	\$2,700	\$3.91	100%	\$2,300	\$2.56	100%
Very Low Inc. (50% AMI)	\$1,032	\$1.34	0%	\$1,002	\$1.45	0%	\$1,088	\$1.21	0%
Low Income (60% AMI)	\$1,261	\$1.64	0%	\$1,224	\$1.77	0%	\$1,330	\$1.48	0%
Low Income (80% AMI)	<u>\$1,720</u>	<u>\$2.23</u>	<u>0%</u>	<u>\$1,669</u>	<u>\$2.42</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>
Weighted Average	\$2,600	\$3.38	100%	\$2,700	\$3.91	100%	\$2,300	\$2.56	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$31,200	\$41	90%	\$32,400	\$47	89%	\$27,600	\$31	94%
Other/Pkg Income	\$3,300	\$4	10%	\$4,100	\$6	11%	\$1,800	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,725)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,825)</u>	<u>(\$3)</u>	<u>-5%</u>	<u>(\$1,470)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$32,775	\$43	95%	\$34,675	\$50	95%	\$27,930	\$31	95%
(Less) OPEX	<u>(\$9,700)</u>	<u>(\$13)</u>	<u>-28%</u>	<u>(\$9,500)</u>	<u>(\$14)</u>	<u>-26%</u>	<u>(\$9,700)</u>	<u>(\$11)</u>	<u>-33%</u>
Total NOI	\$23,075	\$30	67%	\$25,175	\$36	69%	\$18,230	\$20	62%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$381,400	\$495		\$416,100	\$603		\$301,300	\$335	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$236,600	\$307	100%	\$254,300	\$369	100%	\$197,900	\$220	100%
Contingency	\$11,800	\$15	5%	\$12,700	\$18	5%	\$9,900	\$11	5%
Fees & Permits, excl. housing	\$31,200	\$41	13%	\$30,700	\$44	12%	\$29,800	\$33	15%
Housing Fee @ \$7.5/NSF	\$5,775	\$8	2%	\$5,175	\$8	2%	\$6,750	\$8	3%
A&E/Taxes/Ins./other indirects	\$26,000	\$34	11%	\$28,000	\$41	11%	\$21,800	\$24	11%
Overhead/Admin	\$9,500	\$12	4%	\$10,200	\$15	4%	\$7,900	\$9	4%
Financing	<u>\$17,400</u>	<u>\$23</u>	<u>7%</u>	<u>\$18,900</u>	<u>\$27</u>	<u>7%</u>	<u>\$13,700</u>	<u>\$15</u>	<u>7%</u>
Total Costs, before land	\$338,275	\$439	143%	\$359,975	\$522	142%	\$287,750	\$320	145%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$43,125	\$99	\$4.3M	\$56,125	\$258	\$11.2M	\$13,550	\$9	\$0.4M
Land Cost Estimate	\$45,000	\$103	\$4.5M	\$35,000	\$161	\$7.0M	\$25,000	\$17	\$0.8M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$383,275	\$498	100.5%	\$394,975	\$572	94.9%	\$312,750	\$348	103.8%
Feasibility Finding	Feasible			Feasible			Marginal Feasibility		

Appendix A Table 60

Rental Pro Forma

Feasibility Analysis

Sacramento MIHO Review

More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)

Housing Fee @ \$7.5/NSF

New Water/Sewer/Drainage Fee

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	North Sacramento and South Natomas			North Natomas			Inner South and East Neighborhoods		
	Lower Density Rental			Lower Density Rental			Lower Density Rental		
Average Unit Size	900 sf/unit			900 sf/unit			770 sf/unit		
Average No. of Bedrooms	1.50 br/unit			1.50 br/unit			1.10 br/unit		
Residential Density	30 units/acre			30 units/acre			37 units/acre		
Parking Type	Surface / tuck under			Surface / tuck under			Surface / tuck under		
Parking Ratio	1.5 sp/unit			1.5 sp/unit			1.0 sp/unit		
Building type	3-4 story wood frame			3-4 story wood frame			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,450	\$2.72	100%	\$2,500	\$2.78	100%	\$2,350	\$3.05	100%
Very Low Inc. (50% AMI)	\$1,088	\$1.21	0%	\$1,088	\$1.21	0%	\$1,040	\$1.35	0%
Low Income (60% AMI)	\$1,330	\$1.48	0%	\$1,330	\$1.48	0%	\$1,270	\$1.65	0%
Low Income (80% AMI)	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,732</u>	<u>\$2.25</u>	<u>0%</u>
Weighted Average	\$2,450	\$2.72	100%	\$2,500	\$2.78	100%	\$2,350	\$3.05	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$29,400	\$33	94%	\$30,000	\$33	94%	\$28,200	\$37	94%
Other/Pkg Income	\$1,800	\$2	6%	\$1,800	\$2	6%	\$1,800	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,560)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,590)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,500)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$29,640	\$33	95%	\$30,210	\$34	95%	\$28,500	\$37	95%
(Less) OPEX	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-32%</u>	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-31%</u>	<u>(\$8,800)</u>	<u>(\$11)</u>	<u>-29%</u>
Total NOI	\$19,640	\$22	63%	\$20,210	\$22	64%	\$19,700	\$26	66%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$324,600	\$361		\$334,000	\$371		\$325,600	\$423	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$216,500	\$241	100%	\$216,500	\$241	100%	\$193,700	\$252	100%
Contingency	\$10,800	\$12	5%	\$10,800	\$12	5%	\$9,700	\$13	5%
Fees & Permits, excl. housing	\$29,400	\$33	14%	\$40,000	\$44	18%	\$29,200	\$38	15%
Housing Fee @ \$7.5/NSF	\$6,750	\$8	3%	\$6,750	\$8	3%	\$5,775	\$8	3%
A&E/Taxes/Ins./other indirects	\$23,800	\$26	11%	\$23,800	\$26	11%	\$21,300	\$28	11%
Overhead/Admin	\$8,700	\$10	4%	\$8,700	\$10	4%	\$7,700	\$10	4%
Financing	<u>\$14,800</u>	<u>\$16</u>	<u>7%</u>	<u>\$15,200</u>	<u>\$17</u>	<u>7%</u>	<u>\$14,800</u>	<u>\$19</u>	<u>8%</u>
Total Costs, before land	\$310,750	\$345	144%	\$321,750	\$358	149%	\$282,175	\$366	146%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$13,850	\$10	\$0.4M	\$12,250	\$8	\$0.4M	\$43,425	\$37	\$1.6M
Land Cost Estimate	\$25,000	\$17	\$0.8M	\$25,000	\$17	\$0.8M	\$50,000	\$42	\$1.9M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$335,750	\$373	103.4%	\$346,750	\$385	103.8%	\$332,175	\$431	102.0%
Feasibility Finding	Marginal Feasibility			Marginal Feasibility			Feasible		

Appendix A Table 6P
Rental Pro Forma
Feasibility Analysis
Sacramento MIHO Review

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More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)
Housing Fee @ \$10/NSF
New Water/Sewer/Drainage Fee
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	Central City						Southern Neighborhoods		
	Medium Density Rental			Higher Density Rental			Lower Density Rental		
Average Unit Size	770 sf/unit			690 sf/unit			900 sf/unit		
Average No. of Bedrooms	1.05 br/unit			0.80 br/unit			1.50 br/unit		
Residential Density	100 units/acre			200 units/acre			30 units/acre		
Parking Type	Surface / tuck under			Structured parking			Surface / tuck under		
Parking Ratio	0.50 sp/unit			0.75 sp/unit			1.5 sp/unit		
Building type	5 stories wood / slab on grade			8 stories, wood over podium			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,600	\$3.38	100%	\$2,700	\$3.91	100%	\$2,300	\$2.56	100%
Very Low Inc. (50% AMI)	\$1,032	\$1.34	0%	\$1,002	\$1.45	0%	\$1,088	\$1.21	0%
Low Income (60% AMI)	\$1,261	\$1.64	0%	\$1,224	\$1.77	0%	\$1,330	\$1.48	0%
Low Income (80% AMI)	<u>\$1,720</u>	<u>\$2.23</u>	<u>0%</u>	<u>\$1,669</u>	<u>\$2.42</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>
Weighted Average	\$2,600	\$3.38	100%	\$2,700	\$3.91	100%	\$2,300	\$2.56	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$31,200	\$41	90%	\$32,400	\$47	89%	\$27,600	\$31	94%
Other/Pkg Income	\$3,300	\$4	10%	\$4,100	\$6	11%	\$1,800	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,725)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,825)</u>	<u>(\$3)</u>	<u>-5%</u>	<u>(\$1,470)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$32,775	\$43	95%	\$34,675	\$50	95%	\$27,930	\$31	95%
(Less) OPEX	<u>(\$9,700)</u>	<u>(\$13)</u>	<u>-28%</u>	<u>(\$9,500)</u>	<u>(\$14)</u>	<u>-26%</u>	<u>(\$9,700)</u>	<u>(\$11)</u>	<u>-33%</u>
Total NOI	\$23,075	\$30	67%	\$25,175	\$36	69%	\$18,230	\$20	62%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$381,400	\$495		\$416,100	\$603		\$301,300	\$335	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$236,600	\$307	100%	\$254,300	\$369	100%	\$197,900	\$220	100%
Contingency	\$11,800	\$15	5%	\$12,700	\$18	5%	\$9,900	\$11	5%
Fees & Permits, excl. housing	\$31,200	\$41	13%	\$30,700	\$44	12%	\$29,800	\$33	15%
Housing Fee @ \$10/NSF	\$7,700	\$10	3%	\$6,900	\$10	3%	\$9,000	\$10	5%
A&E/Taxes/Ins./other indirects	\$26,000	\$34	11%	\$28,000	\$41	11%	\$21,800	\$24	11%
Overhead/Admin	\$9,500	\$12	4%	\$10,200	\$15	4%	\$7,900	\$9	4%
Financing	<u>\$17,400</u>	<u>\$23</u>	<u>7%</u>	<u>\$18,900</u>	<u>\$27</u>	<u>7%</u>	<u>\$13,700</u>	<u>\$15</u>	<u>7%</u>
Total Costs, before land	\$340,200	\$442	144%	\$361,700	\$524	142%	\$290,000	\$322	147%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$41,200	\$95	\$4.1M	\$54,400	\$250	\$10.9M	\$11,300	\$8	\$0.3M
Land Cost Estimate	\$45,000	\$103	\$4.5M	\$35,000	\$161	\$7.0M	\$25,000	\$17	\$0.8M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$385,200	\$500	101.0%	\$396,700	\$575	95.3%	\$315,000	\$350	104.5%
Feasibility Finding	Feasible			Feasible			Marginal Feasibility		

Appendix A Table 6P

Rental Pro Forma

Feasibility Analysis

Sacramento MIHO Review

More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)

Housing Fee @ \$10/NSF

New Water/Sewer/Drainage Fee

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	North Sacramento and South Natomas			North Natomas			Inner South and East Neighborhoods		
	Lower Density Rental			Lower Density Rental			Lower Density Rental		
Average Unit Size	900 sf/unit			900 sf/unit			770 sf/unit		
Average No. of Bedrooms	1.50 br/unit			1.50 br/unit			1.10 br/unit		
Residential Density	30 units/acre			30 units/acre			37 units/acre		
Parking Type	Surface / tuck under			Surface / tuck under			Surface / tuck under		
Parking Ratio	1.5 sp/unit			1.5 sp/unit			1.0 sp/unit		
Building type	3-4 story wood frame			3-4 story wood frame			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,450	\$2.72	100%	\$2,500	\$2.78	100%	\$2,350	\$3.05	100%
Very Low Inc. (50% AMI)	\$1,088	\$1.21	0%	\$1,088	\$1.21	0%	\$1,040	\$1.35	0%
Low Income (60% AMI)	\$1,330	\$1.48	0%	\$1,330	\$1.48	0%	\$1,270	\$1.65	0%
Low Income (80% AMI)	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,732</u>	<u>\$2.25</u>	<u>0%</u>
Weighted Average	\$2,450	\$2.72	100%	\$2,500	\$2.78	100%	\$2,350	\$3.05	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$29,400	\$33	94%	\$30,000	\$33	94%	\$28,200	\$37	94%
Other/Pkg Income	\$1,800	\$2	6%	\$1,800	\$2	6%	\$1,800	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,560)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,590)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,500)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$29,640	\$33	95%	\$30,210	\$34	95%	\$28,500	\$37	95%
(Less) OPEX	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-32%</u>	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-31%</u>	<u>(\$8,800)</u>	<u>(\$11)</u>	<u>-29%</u>
Total NOI	\$19,640	\$22	63%	\$20,210	\$22	64%	\$19,700	\$26	66%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$324,600	\$361		\$334,000	\$371		\$325,600	\$423	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$216,500	\$241	100%	\$216,500	\$241	100%	\$193,700	\$252	100%
Contingency	\$10,800	\$12	5%	\$10,800	\$12	5%	\$9,700	\$13	5%
Fees & Permits, excl. housing	\$29,400	\$33	14%	\$40,000	\$44	18%	\$29,200	\$38	15%
Housing Fee @ \$10/NSF	\$9,000	\$10	4%	\$9,000	\$10	4%	\$7,700	\$10	4%
A&E/Taxes/Ins./other indirects	\$23,800	\$26	11%	\$23,800	\$26	11%	\$21,300	\$28	11%
Overhead/Admin	\$8,700	\$10	4%	\$8,700	\$10	4%	\$7,700	\$10	4%
Financing	<u>\$14,800</u>	<u>\$16</u>	<u>7%</u>	<u>\$15,200</u>	<u>\$17</u>	<u>7%</u>	<u>\$14,800</u>	<u>\$19</u>	<u>8%</u>
Total Costs, before land	\$313,000	\$348	145%	\$324,000	\$360	150%	\$284,100	\$369	147%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$11,600	\$8	\$0.3M	\$10,000	\$7	\$0.3M	\$41,500	\$35	\$1.5M
Land Cost Estimate	\$25,000	\$17	\$0.8M	\$25,000	\$17	\$0.8M	\$50,000	\$42	\$1.9M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$338,000	\$376	104.1%	\$349,000	\$388	104.5%	\$334,100	\$434	102.6%
Feasibility Finding	Marginal Feasibility			Marginal Feasibility			Feasible		

Appendix A Table 6Q
Rental Pro Forma
Feasibility Analysis
Sacramento MIHO Review

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More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)
Housing Fee @ \$15/NSF
New Water/Sewer/Drainage Fee
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	Central City						Southern Neighborhoods		
	Medium Density Rental			Higher Density Rental			Lower Density Rental		
Average Unit Size	770 sf/unit			690 sf/unit			900 sf/unit		
Average No. of Bedrooms	1.05 br/unit			0.80 br/unit			1.50 br/unit		
Residential Density	100 units/acre			200 units/acre			30 units/acre		
Parking Type	Surface / tuck under			Structured parking			Surface / tuck under		
Parking Ratio	0.50 sp/unit			0.75 sp/unit			1.5 sp/unit		
Building type	5 stories wood / slab on grade			8 stories, wood over podium			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,600	\$3.38	100%	\$2,700	\$3.91	100%	\$2,300	\$2.56	100%
Very Low Inc. (50% AMI)	\$1,032	\$1.34	0%	\$1,002	\$1.45	0%	\$1,088	\$1.21	0%
Low Income (60% AMI)	\$1,261	\$1.64	0%	\$1,224	\$1.77	0%	\$1,330	\$1.48	0%
Low Income (80% AMI)	<u>\$1,720</u>	<u>\$2.23</u>	<u>0%</u>	<u>\$1,669</u>	<u>\$2.42</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>
Weighted Average	\$2,600	\$3.38	100%	\$2,700	\$3.91	100%	\$2,300	\$2.56	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$31,200	\$41	90%	\$32,400	\$47	89%	\$27,600	\$31	94%
Other/Pkg Income	\$3,300	\$4	10%	\$4,100	\$6	11%	\$1,800	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,725)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,825)</u>	<u>(\$3)</u>	<u>-5%</u>	<u>(\$1,470)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$32,775	\$43	95%	\$34,675	\$50	95%	\$27,930	\$31	95%
(Less) OPEX	<u>(\$9,700)</u>	<u>(\$13)</u>	<u>-28%</u>	<u>(\$9,500)</u>	<u>(\$14)</u>	<u>-26%</u>	<u>(\$9,700)</u>	<u>(\$11)</u>	<u>-33%</u>
Total NOI	\$23,075	\$30	67%	\$25,175	\$36	69%	\$18,230	\$20	62%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$381,400	\$495		\$416,100	\$603		\$301,300	\$335	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$236,600	\$307	100%	\$254,300	\$369	100%	\$197,900	\$220	100%
Contingency	\$11,800	\$15	5%	\$12,700	\$18	5%	\$9,900	\$11	5%
Fees & Permits, excl. housing	\$31,200	\$41	13%	\$30,700	\$44	12%	\$29,800	\$33	15%
Housing Fee @ \$15/NSF	\$11,550	\$15	5%	\$10,350	\$15	4%	\$13,500	\$15	7%
A&E/Taxes/Ins./other indirects	\$26,000	\$34	11%	\$28,000	\$41	11%	\$21,800	\$24	11%
Overhead/Admin	\$9,500	\$12	4%	\$10,200	\$15	4%	\$7,900	\$9	4%
Financing	<u>\$17,400</u>	<u>\$23</u>	<u>7%</u>	<u>\$18,900</u>	<u>\$27</u>	<u>7%</u>	<u>\$13,700</u>	<u>\$15</u>	<u>7%</u>
Total Costs, before land	\$344,050	\$447	145%	\$365,150	\$529	144%	\$294,500	\$327	149%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$37,350	\$86	\$3.7M	\$50,950	\$234	\$10.2M	\$6,800	\$5	\$0.2M
Land Cost Estimate	\$45,000	\$103	\$4.5M	\$35,000	\$161	\$7.0M	\$25,000	\$17	\$0.8M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$389,050	\$505	102.0%	\$400,150	\$580	96.2%	\$319,500	\$355	106.0%
Feasibility Finding	Feasible			Feasible			Marginal Feasibility		

Appendix A Table 6Q

Rental Pro Forma

Feasibility Analysis

Sacramento MIHO Review

More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)

Housing Fee @ \$15/NSF

New Water/Sewer/Drainage Fee

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	North Sacramento and South Natomas			North Natomas			Inner South and East Neighborhoods		
	Lower Density Rental			Lower Density Rental			Lower Density Rental		
Average Unit Size	900 sf/unit			900 sf/unit			770 sf/unit		
Average No. of Bedrooms	1.50 br/unit			1.50 br/unit			1.10 br/unit		
Residential Density	30 units/acre			30 units/acre			37 units/acre		
Parking Type	Surface / tuck under			Surface / tuck under			Surface / tuck under		
Parking Ratio	1.5 sp/unit			1.5 sp/unit			1.0 sp/unit		
Building type	3-4 story wood frame			3-4 story wood frame			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,450	\$2.72	100%	\$2,500	\$2.78	100%	\$2,350	\$3.05	100%
Very Low Inc. (50% AMI)	\$1,088	\$1.21	0%	\$1,088	\$1.21	0%	\$1,040	\$1.35	0%
Low Income (60% AMI)	\$1,330	\$1.48	0%	\$1,330	\$1.48	0%	\$1,270	\$1.65	0%
Low Income (80% AMI)	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,732</u>	<u>\$2.25</u>	<u>0%</u>
Weighted Average	\$2,450	\$2.72	100%	\$2,500	\$2.78	100%	\$2,350	\$3.05	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$29,400	\$33	94%	\$30,000	\$33	94%	\$28,200	\$37	94%
Other/Pkg Income	\$1,800	\$2	6%	\$1,800	\$2	6%	\$1,800	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,560)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,590)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,500)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$29,640	\$33	95%	\$30,210	\$34	95%	\$28,500	\$37	95%
(Less) OPEX	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-32%</u>	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-31%</u>	<u>(\$8,800)</u>	<u>(\$11)</u>	<u>-29%</u>
Total NOI	\$19,640	\$22	63%	\$20,210	\$22	64%	\$19,700	\$26	66%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$324,600	\$361		\$334,000	\$371		\$325,600	\$423	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$216,500	\$241	100%	\$216,500	\$241	100%	\$193,700	\$252	100%
Contingency	\$10,800	\$12	5%	\$10,800	\$12	5%	\$9,700	\$13	5%
Fees & Permits, excl. housing	\$29,400	\$33	14%	\$40,000	\$44	18%	\$29,200	\$38	15%
Housing Fee @ \$15/NSF	\$13,500	\$15	6%	\$13,500	\$15	6%	\$11,550	\$15	6%
A&E/Taxes/Ins./other indirects	\$23,800	\$26	11%	\$23,800	\$26	11%	\$21,300	\$28	11%
Overhead/Admin	\$8,700	\$10	4%	\$8,700	\$10	4%	\$7,700	\$10	4%
Financing	<u>\$14,800</u>	<u>\$16</u>	<u>7%</u>	<u>\$15,200</u>	<u>\$17</u>	<u>7%</u>	<u>\$14,800</u>	<u>\$19</u>	<u>8%</u>
Total Costs, before land	\$317,500	\$353	147%	\$328,500	\$365	152%	\$287,950	\$374	149%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$7,100	\$5	\$0.2M	\$5,500	\$4	\$0.2M	\$37,650	\$32	\$1.4M
Land Cost Estimate	\$25,000	\$17	\$0.8M	\$25,000	\$17	\$0.8M	\$50,000	\$42	\$1.9M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$342,500	\$381	105.5%	\$353,500	\$393	105.8%	\$337,950	\$439	103.8%
Feasibility Finding	Marginal Feasibility			Marginal Feasibility			Marginal Feasibility		

Appendix A Table 6R
Rental Pro Forma
Feasibility Analysis
Sacramento MIHO Review

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More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)
Housing Fee @ \$20/NSF
New Water/Sewer/Drainage Fee
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	Central City						Southern Neighborhoods		
	Medium Density Rental			Higher Density Rental			Lower Density Rental		
Average Unit Size	770 sf/unit			690 sf/unit			900 sf/unit		
Average No. of Bedrooms	1.05 br/unit			0.80 br/unit			1.50 br/unit		
Residential Density	100 units/acre			200 units/acre			30 units/acre		
Parking Type	Surface / tuck under			Structured parking			Surface / tuck under		
Parking Ratio	0.50 sp/unit			0.75 sp/unit			1.5 sp/unit		
Building type	5 stories wood / slab on grade			8 stories, wood over podium			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,600	\$3.38	100%	\$2,700	\$3.91	100%	\$2,300	\$2.56	100%
Very Low Inc. (50% AMI)	\$1,032	\$1.34	0%	\$1,002	\$1.45	0%	\$1,088	\$1.21	0%
Low Income (60% AMI)	\$1,261	\$1.64	0%	\$1,224	\$1.77	0%	\$1,330	\$1.48	0%
Low Income (80% AMI)	<u>\$1,720</u>	<u>\$2.23</u>	<u>0%</u>	<u>\$1,669</u>	<u>\$2.42</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>
Weighted Average	\$2,600	\$3.38	100%	\$2,700	\$3.91	100%	\$2,300	\$2.56	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$31,200	\$41	90%	\$32,400	\$47	89%	\$27,600	\$31	94%
Other/Pkg Income	\$3,300	\$4	10%	\$4,100	\$6	11%	\$1,800	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,725)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,825)</u>	<u>(\$3)</u>	<u>-5%</u>	<u>(\$1,470)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$32,775	\$43	95%	\$34,675	\$50	95%	\$27,930	\$31	95%
(Less) OPEX	<u>(\$9,700)</u>	<u>(\$13)</u>	<u>-28%</u>	<u>(\$9,500)</u>	<u>(\$14)</u>	<u>-26%</u>	<u>(\$9,700)</u>	<u>(\$11)</u>	<u>-33%</u>
Total NOI	\$23,075	\$30	67%	\$25,175	\$36	69%	\$18,230	\$20	62%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$381,400	\$495		\$416,100	\$603		\$301,300	\$335	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$236,600	\$307	100%	\$254,300	\$369	100%	\$197,900	\$220	100%
Contingency	\$11,800	\$15	5%	\$12,700	\$18	5%	\$9,900	\$11	5%
Fees & Permits, excl. housing	\$31,200	\$41	13%	\$30,700	\$44	12%	\$29,800	\$33	15%
Housing Fee @ \$20/NSF	\$15,400	\$20	7%	\$13,800	\$20	5%	\$18,000	\$20	9%
A&E/Taxes/Ins./other indirects	\$26,000	\$34	11%	\$28,000	\$41	11%	\$21,800	\$24	11%
Overhead/Admin	\$9,500	\$12	4%	\$10,200	\$15	4%	\$7,900	\$9	4%
Financing	<u>\$17,400</u>	<u>\$23</u>	<u>7%</u>	<u>\$18,900</u>	<u>\$27</u>	<u>7%</u>	<u>\$13,700</u>	<u>\$15</u>	<u>7%</u>
Total Costs, before land	\$347,900	\$452	147%	\$368,600	\$534	145%	\$299,000	\$332	151%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$33,500	\$77	\$3.4M	\$47,500	\$218	\$9.5M	\$2,300	\$2	\$0.1M
Land Cost Estimate	\$45,000	\$103	\$4.5M	\$35,000	\$161	\$7.0M	\$25,000	\$17	\$0.8M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$392,900	\$510	103.0%	\$403,600	\$585	97.0%	\$324,000	\$360	107.5%
Feasibility Finding	Marginal Feasibility			Feasible			Infeasible / Challenged		

Appendix A Table 6R
Rental Pro Forma
Feasibility Analysis
Sacramento MIHO Review

More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)
Housing Fee @ \$20/NSF
New Water/Sewer/Drainage Fee
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	North Sacramento and South Natomas			North Natomas			Inner South and East Neighborhoods		
	Lower Density Rental			Lower Density Rental			Lower Density Rental		
Average Unit Size	900 sf/unit			900 sf/unit			770 sf/unit		
Average No. of Bedrooms	1.50 br/unit			1.50 br/unit			1.10 br/unit		
Residential Density	30 units/acre			30 units/acre			37 units/acre		
Parking Type	Surface / tuck under			Surface / tuck under			Surface / tuck under		
Parking Ratio	1.5 sp/unit			1.5 sp/unit			1.0 sp/unit		
Building type	3-4 story wood frame			3-4 story wood frame			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,450	\$2.72	100%	\$2,500	\$2.78	100%	\$2,350	\$3.05	100%
Very Low Inc. (50% AMI)	\$1,088	\$1.21	0%	\$1,088	\$1.21	0%	\$1,040	\$1.35	0%
Low Income (60% AMI)	\$1,330	\$1.48	0%	\$1,330	\$1.48	0%	\$1,270	\$1.65	0%
Low Income (80% AMI)	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,732</u>	<u>\$2.25</u>	<u>0%</u>
Weighted Average	\$2,450	\$2.72	100%	\$2,500	\$2.78	100%	\$2,350	\$3.05	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$29,400	\$33	94%	\$30,000	\$33	94%	\$28,200	\$37	94%
Other/Pkg Income	\$1,800	\$2	6%	\$1,800	\$2	6%	\$1,800	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,560)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,590)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,500)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$29,640	\$33	95%	\$30,210	\$34	95%	\$28,500	\$37	95%
(Less) OPEX	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-32%</u>	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-31%</u>	<u>(\$8,800)</u>	<u>(\$11)</u>	<u>-29%</u>
Total NOI	\$19,640	\$22	63%	\$20,210	\$22	64%	\$19,700	\$26	66%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$324,600	\$361		\$334,000	\$371		\$325,600	\$423	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$216,500	\$241	100%	\$216,500	\$241	100%	\$193,700	\$252	100%
Contingency	\$10,800	\$12	5%	\$10,800	\$12	5%	\$9,700	\$13	5%
Fees & Permits, excl. housing	\$29,400	\$33	14%	\$40,000	\$44	18%	\$29,200	\$38	15%
Housing Fee @ \$20/NSF	\$18,000	\$20	8%	\$18,000	\$20	8%	\$15,400	\$20	8%
A&E/Taxes/Ins./other indirects	\$23,800	\$26	11%	\$23,800	\$26	11%	\$21,300	\$28	11%
Overhead/Admin	\$8,700	\$10	4%	\$8,700	\$10	4%	\$7,700	\$10	4%
Financing	<u>\$14,800</u>	<u>\$16</u>	<u>7%</u>	<u>\$15,200</u>	<u>\$17</u>	<u>7%</u>	<u>\$14,800</u>	<u>\$19</u>	<u>8%</u>
Total Costs, before land	\$322,000	\$358	149%	\$333,000	\$370	154%	\$291,800	\$379	151%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$2,600	\$2	\$0.1M	\$1,000	\$1	\$0.0M	\$33,800	\$29	\$1.3M
Land Cost Estimate	\$25,000	\$17	\$0.8M	\$25,000	\$17	\$0.8M	\$50,000	\$42	\$1.9M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$347,000	\$386	106.9%	\$358,000	\$398	107.2%	\$341,800	\$444	105.0%
Feasibility Finding	Marginal Feasibility			Infeasible / Challenged			Marginal Feasibility		

Appendix A Table 6S

Rental Pro Forma

Feasibility Analysis

Sacramento MIHO Review

More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)

Existing HIF Rate but Remove Exemptions and Incentives

New Water/Sewer/Drainage Fee

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	Central City						Southern Neighborhoods		
	Medium Density Rental			Higher Density Rental			Lower Density Rental		
Average Unit Size	770 sf/unit			690 sf/unit			900 sf/unit		
Average No. of Bedrooms	1.05 br/unit			0.80 br/unit			1.50 br/unit		
Residential Density	100 units/acre			200 units/acre			30 units/acre		
Parking Type	Surface / tuck under			Structured parking			Surface / tuck under		
Parking Ratio	0.50 sp/unit			0.75 sp/unit			1.5 sp/unit		
Building type	5 stories wood / slab on grade			8 stories, wood over podium			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,600	\$3.38	100%	\$2,700	\$3.91	100%	\$2,300	\$2.56	100%
Very Low Inc. (50% AMI)	\$1,032	\$1.34	0%	\$1,002	\$1.45	0%	\$1,088	\$1.21	0%
Low Income (60% AMI)	\$1,261	\$1.64	0%	\$1,224	\$1.77	0%	\$1,330	\$1.48	0%
Low Income (80% AMI)	<u>\$1,720</u>	<u>\$2.23</u>	<u>0%</u>	<u>\$1,669</u>	<u>\$2.42</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>
Weighted Average	\$2,600	\$3.38	100%	\$2,700	\$3.91	100%	\$2,300	\$2.56	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$31,200	\$41	90%	\$32,400	\$47	89%	\$27,600	\$31	94%
Other/Pkg Income	\$3,300	\$4	10%	\$4,100	\$6	11%	\$1,800	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,725)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,825)</u>	<u>(\$3)</u>	<u>-5%</u>	<u>(\$1,470)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$32,775	\$43	95%	\$34,675	\$50	95%	\$27,930	\$31	95%
(Less) OPEX	<u>(\$9,700)</u>	<u>(\$13)</u>	<u>-28%</u>	<u>(\$9,500)</u>	<u>(\$14)</u>	<u>-26%</u>	<u>(\$9,700)</u>	<u>(\$11)</u>	<u>-33%</u>
Total NOI	\$23,075	\$30	67%	\$25,175	\$36	69%	\$18,230	\$20	62%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$381,400	\$495		\$416,100	\$603		\$301,300	\$335	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$236,600	\$307	100%	\$254,300	\$369	100%	\$197,900	\$220	100%
Contingency	\$11,800	\$15	5%	\$12,700	\$18	5%	\$9,900	\$11	5%
Fees & Permits, excl. housing	\$31,200	\$41	13%	\$30,700	\$44	12%	\$29,800	\$33	15%
Housing Impact Fee (current)	\$2,700	\$4	1%	\$2,400	\$3	1%	\$3,200	\$4	2%
A&E/Taxes/Ins./other indirects	\$26,000	\$34	11%	\$28,000	\$41	11%	\$21,800	\$24	11%
Overhead/Admin	\$9,500	\$12	4%	\$10,200	\$15	4%	\$7,900	\$9	4%
Financing	<u>\$17,400</u>	<u>\$23</u>	<u>7%</u>	<u>\$18,900</u>	<u>\$27</u>	<u>7%</u>	<u>\$13,700</u>	<u>\$15</u>	<u>7%</u>
Total Costs, before land	\$335,200	\$435	142%	\$357,200	\$518	140%	\$284,200	\$316	144%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$46,200	\$106	\$4.6M	\$58,900	\$270	\$11.8M	\$17,100	\$12	\$0.5M
Land Cost Estimate	\$45,000	\$103	\$4.5M	\$35,000	\$161	\$7.0M	\$25,000	\$17	\$0.8M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$380,200	\$494	99.7%	\$392,200	\$568	94.3%	\$309,200	\$344	102.6%
Feasibility Finding	Feasible			Feasible			Feasible		

Appendix A Table 6S

Rental Pro Forma

Feasibility Analysis

Sacramento MIHO Review

More Favorable Recent Conditions (higher rents, lower cap rate/ROC, lower interest, lower costs)

Existing HIF Rate but Remove Exemptions and Incentives

New Water/Sewer/Drainage Fee

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	North Sacramento and South Natomas			North Natomas			Inner South and East Neighborhoods		
	Lower Density Rental			Lower Density Rental			Lower Density Rental		
Average Unit Size	900 sf/unit			900 sf/unit			770 sf/unit		
Average No. of Bedrooms	1.50 br/unit			1.50 br/unit			1.10 br/unit		
Residential Density	30 units/acre			30 units/acre			37 units/acre		
Parking Type	Surface / tuck under			Surface / tuck under			Surface / tuck under		
Parking Ratio	1.5 sp/unit			1.5 sp/unit			1.0 sp/unit		
Building type	3-4 story wood frame			3-4 story wood frame			3-4 story wood frame		
<u>Rents</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Units</u>
Market Rate	\$2,450	\$2.72	100%	\$2,500	\$2.78	100%	\$2,350	\$3.05	100%
Very Low Inc. (50% AMI)	\$1,088	\$1.21	0%	\$1,088	\$1.21	0%	\$1,040	\$1.35	0%
Low Income (60% AMI)	\$1,330	\$1.48	0%	\$1,330	\$1.48	0%	\$1,270	\$1.65	0%
Low Income (80% AMI)	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,814</u>	<u>\$2.02</u>	<u>0%</u>	<u>\$1,732</u>	<u>\$2.25</u>	<u>0%</u>
Weighted Average	\$2,450	\$2.72	100%	\$2,500	\$2.78	100%	\$2,350	\$3.05	100%
<u>Operating Income</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Gross</u>
Gross Rent	\$29,400	\$33	94%	\$30,000	\$33	94%	\$28,200	\$37	94%
Other/Pkg Income	\$1,800	\$2	6%	\$1,800	\$2	6%	\$1,800	\$2	6%
(Less) Vacancy/Bad Debt	<u>(\$1,560)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,590)</u>	<u>(\$2)</u>	<u>-5%</u>	<u>(\$1,500)</u>	<u>(\$2)</u>	<u>-5%</u>
Effective Gross Income	\$29,640	\$33	95%	\$30,210	\$34	95%	\$28,500	\$37	95%
(Less) OPEX	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-32%</u>	<u>(\$10,000)</u>	<u>(\$11)</u>	<u>-31%</u>	<u>(\$8,800)</u>	<u>(\$11)</u>	<u>-29%</u>
Total NOI	\$19,640	\$22	63%	\$20,210	\$22	64%	\$19,700	\$26	66%
<i>Threshold Return on Cost</i>	6.05%			6.05%			6.05%		
Supported Investment	\$324,600	\$361		\$334,000	\$371		\$325,600	\$423	
<u>Development Costs excl. Land</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Direct</u>
Directs (incl. sitework)	\$216,500	\$241	100%	\$216,500	\$241	100%	\$193,700	\$252	100%
Contingency	\$10,800	\$12	5%	\$10,800	\$12	5%	\$9,700	\$13	5%
Fees & Permits, excl. housing	\$29,400	\$33	14%	\$40,000	\$44	18%	\$29,200	\$38	15%
Housing Impact Fee (current)	\$3,200	\$4	1%	\$3,200	\$4	1%	\$2,700	\$4	1%
A&E/Taxes/Ins./other indirects	\$23,800	\$26	11%	\$23,800	\$26	11%	\$21,300	\$28	11%
Overhead/Admin	\$8,700	\$10	4%	\$8,700	\$10	4%	\$7,700	\$10	4%
Financing	<u>\$14,800</u>	<u>\$16</u>	<u>7%</u>	<u>\$15,200</u>	<u>\$17</u>	<u>7%</u>	<u>\$14,800</u>	<u>\$19</u>	<u>8%</u>
Total Costs, before land	\$307,200	\$341	142%	\$318,200	\$354	147%	\$279,100	\$362	144%
	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>	<u>\$/Unit</u>	<u>\$/Land SF</u>	<u>\$/Acre</u>
Residual Land Value	\$17,400	\$12	\$0.5M	\$15,800	\$11	\$0.5M	\$46,500	\$39	\$1.7M
Land Cost Estimate	\$25,000	\$17	\$0.8M	\$25,000	\$17	\$0.8M	\$50,000	\$42	\$1.9M
	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>	<u>\$/Unit</u>	<u>\$/NSF</u>	<u>%Sup Inv.</u>
Development Cost incl Land	\$332,200	\$369	102.3%	\$343,200	\$381	102.8%	\$329,100	\$427	101.1%
Feasibility Finding	Feasible			Feasible			Feasible		

APPENDIX A - PART D

SUPPORTING DATA AND ANALYSES

Appendix A Table 7
Recent Multifamily Residential Property Transactions
Feasibility Analysis
Sacramento MIHO Review
Source: Costar

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Residential Property	Location	Year Built	Year Sold	Sale Price	Units	Price / Unit	Cap Rate	Floors	Unit Size
Eleanor and H16 Apartments	Central City	2020	2022	\$66,500,000	190	\$350,000	5.0%	5	638 sf
1430 Q	Central City	2020	2022	\$57,100,000	75	\$761,300	4.70%	8	1248 sf
Onyx Midtown Apartments	Central City	2020	2021	\$13,975,000	41	\$340,900	4.75%	3	677 sf
The Press	Central City	2020	2020	\$118,500,000	277	\$427,800	4.75%	5	696 sf
The Didion	Central City / Midtown		2022	\$8,375,000	12	\$697,917	4.62%	4	923 sf
The Flats at The Mill	Inner S&E	2020	2022	\$7,200,000	12	\$600,000		4	1246 sf
The Core Natomas	North Natomas	2020	2022	\$147,250,000	300	\$490,800	<4%	3	929 sf
The Eisley	North Sac / S Natomas	2021	2021	\$112,896,500	405	\$278,800		4	905 sf
Landing at College Square	South Sacramento	2017	2020	\$64,740,000	270	\$239,800			932 sf

**Appendix A Table 8
Residential Land Sales
Feasibility Analysis
Sacramento MIHO Review**

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Address	Location	Use	Land Acres	Est. Units	Est. Du/Ac	Price (\$/M)	Sale Year	\$/SF Land	\$/Unit	Notes
<i>Page 1/3</i>										
<u>High Density Apartment Sites, Central City</u>										
700 16th Street	Central	Apt	1.18	190	162	\$7.5	2019	\$146	\$39,000	
1500-1522 S Street	Central	Apt	0.73	123	167	\$5.2	2019	\$161	\$42,000	
1330 N St	Central	Apt	0.44	92	208	\$2.0	2019	\$104	\$22,000	pre-entitlemnt
1330 N St	Central	Apt	0.44	92	208	\$2.4	2022	\$125	\$26,000	post-entitlemnt
1208-1220 O Street	Central	Apt	0.52	51	99	\$3.0	2020	\$133	\$59,000	
2700 V St	Central	Apt	0.50	60	120	\$1.8	2020	\$83	\$30,000	
1705-1715 I St	Central	Apt	0.59	206	351	\$5.0	2022	\$195	\$24,000	
2101 J Street	Central	Apt	0.29	40	136	\$2.6	2022	\$199	\$64,000	
925 16th St	Central	Apt	0.42	73	173	\$3.7	2022	\$201	\$51,000	assembly
								Low:	\$83	\$22,000
								High:	\$201	\$64,000
								Weighted Average:	\$149	\$36,000
<u>High Density Apartment Sites, Other Locations</u>										
Maven on Broadway	Inner SE	Apt	6.29	408	65	\$20.5	2019	\$74.8	\$50,000	
6661 Folsom Blvd	Inner SE	Apt (aff)	1.44	130	90	\$4.8	2022	\$76	\$37,000	
1901 Broadway	Inner SE	Apt (aff)	1.27	140	110	\$5.6	2020	\$101	\$40,000	
2570 3rd	Inner S&E	Apt	7.07	444	63	\$20.5	2019	\$67	\$46,000	
3206 Broadway	S. Sac	Apt	0.22	21	95	\$0.6	2021	\$62	\$28,000	
								Low:	\$62	\$22,000
								High:	\$101	\$50,000
								Weighted Average:	\$73	\$45,000
<u>Lower Density Apartment Sites</u>										
2450 Natomas Park Dr	N Sac/ S Nat.	Apt	9.06	190	21	\$5.2	2021	\$13.0	\$27,000	
Venture Oaks Way	N Sac/ S Nat.	Apt	14.58	470	32	\$13.5	2022	\$21.3	\$29,000	in contract
3810 Gateway	North Natomas	Apt	10.50	303	29	\$5.6	2021	\$12.2	\$18,000	
Del Paso / El Centro	North Natomas	Aff apt	4.35	120	28	\$3.0	2022	\$15.8	\$25,000	
Terracina / Truxel Rd	North Natomas	Apt	8.46	200	24	\$4.4	2022	\$11.9	\$22,000	
Truxel Rd	North Natomas	senior	9.01	240	27	\$3.1	2019	\$7.9	\$13,000	
3701 E Commerce Way	North Natomas	apt	9.36	268	29	\$5.7	2021	\$14.0	\$21,000	
50 Regency Park Cir	North Natomas	for sale	1.60	44	28	\$1.4	2020	\$20.1	\$32,000	
7699 Klotz Ranch	S. Sac	Apt	10.20	266	26	\$5.7	2021	\$12.7	\$21,000	
8373 Bruceville Road	S. Sac	Apt	8.76	351	40	\$6.3	2022	\$16.4	\$18,000	
Delta shores	S. Sac	Apt	15	435	29	\$19.5	2022	\$29.8	\$45,000	est. units
7800 W Stockton Blvd	S. Sac	Apt (aff)	2.69	92	34	\$2.2	2021	\$18.3	\$23,000	
								Low:	\$7.9	\$13,000
								High:	\$29.8	\$45,000
								Weighted Average:	\$16.7	\$25,000

**Appendix A Table 8
Residential Land Sales
Feasibility Analysis
Sacramento MIHO Review**

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Address	Location	Use	Land Acres	Est. Units	Est. Du/Ac	Price (\$/M)	Sale Year	\$/SF Land	\$/Unit	Notes
Page 2/3										
Single Family and Duplex										
Parkbridge Village Lot Sales										
3819 Terraview St	N Sac/ S Nat.	SFR	19.57	151	8	\$15.8	2019	\$18.5	\$104,000	finished lots
Fong Ranch Rd	N Sac/ S Nat.	SFR	6.31	54	9	\$5.7	2020	\$20.6	\$105,000	finished lots
1 Fong Ranch Rd	N Sac/ S Nat.	SFR	11.32	108	10	\$5.7	2019	\$11.5	\$53,000	
Fong Ranch Rd	N Sac/ S Nat.	SFR	na	116	na	\$12.3	2019	na	\$106,000	finished lots
Greenbriar Lot Sales (finished lots)										
5627 Drifton Way	North Natomas	SFR	13.43	114	8	\$24.1	2022	\$41.2	\$211,000	
5627 Drifton Way	North Natomas	SFR	13.43	114	8	\$18.1	2021	\$31.0	\$159,000	
4106 Eventide Ave	North Natomas	SFR	21.58	166	8	\$28.0	2021	\$29.8	\$169,000	
W Elkhorn Blvd	North Natomas	SFR	20.40	173	8	\$18.7	2021	\$21.0	\$108,000	
W Elkhorn Blvd	North Natomas	SFR	15.77	79	5	\$11.6	2021	\$16.8	\$146,000	
W Elkhorn Blvd	North Natomas	SFR	34.80	145	4	\$17.2	2020	\$11.3	\$118,000	
Elk Horn Blvd	North Natomas	SFR	30.00	324	11	\$27.7	2022	<u>\$21.2</u>	<u>\$86,000</u>	
weighted average								\$24	\$130,000	
Sutter Park/Tim Lewis	Inner S&E	SFR	na	83	na	\$28.3	2019	na	\$341,000	res lots
2630 5th St	Inner S&E	n/a	1.16	22	19	\$1.9	2020	\$38	\$86,000	
6207 Riverside Blvd	Inner S&E	n/a	0.83	11	13	\$0.5	2020	\$14	\$45,000	
4371 Silver Cedar Ln	North Natomas	SFR	5.04	84	17	\$5.4	2019	\$24.4	\$64,000	
26 Crumpet Ct	S. Sac	SFR	1.39	21	15	\$1.3	2020	\$20.8	\$60,000	
6207 Riverside Blvd	S. Sac	SFR	0.83	11	13	\$0.5	2020	\$13.8	\$45,000	
								Low:	\$11.3	\$45,000
								High:	\$41.2	\$341,000
								Weighted Average:	\$26.1	\$125,000

Appendix A Table 8
Residential Land Sales
Feasibility Analysis
Sacramento MIHO Review

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Address	Location	Use	Land Acres	Est. Units	Est. Du/Ac	Price (\$/M)	Sale Year	\$/SF Land	\$/Unit	Notes
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Raw or Partially Improved Land for Single Family and Duplex

217 Silver Eagle Rd	North Natomas	SFR	12.7	85	7	\$0.3	2019	\$0.6	\$4,000	
Delta Shore / KB Hms	S. Sac	SFR	86.7	348	4	\$12.5	2022	\$3.3	\$36,000	
3387 Mas Amilos Way	North Natomas	SFR	10.9	117	11	\$0.5	2019	\$1.0	\$4,000	
2591 Edgewater Rd	North Natomas	SFR	8.1	65	8	\$1.1	2022	\$3.1	\$17,000	
Jessie Ave & Dry Creek	North Natomas	SFR	7.5	81	11	\$2.0	2021	\$6.2	\$25,000	
4101 Taylor Street	North Natomas	SFR	6.5	70	11	\$1.2	2022	\$4.3	\$17,000	
								Low:	\$0.6	\$4,000
								High:	\$6.2	\$36,000
								Weighted Average:	\$3.1	\$23,000

Commercial/Industrial Land Sales, Inner S&E Neighborhoods

707 Commons Dr	Inner S&E		1.43	n/a	n/a	\$2.1	2022	\$33	n/a	res planned
5617 Elvas Ave	Inner S&E		0.32	n/a	n/a	\$0.4	2020	\$29	n/a	
401 1st Ave	Inner S&E		0.65	n/a	n/a	\$0.8	2021	\$27	n/a	res planned
2212 15th Ave	Inner S&E		0.16	n/a	n/a	\$0.2	2022	\$24	n/a	
2380 16th Ave	Inner S&E		0.49	n/a	n/a	\$0.3	2022	\$13	n/a	
2832 34th St	Inner S&E		0.27	n/a	n/a	\$0.6	2022	\$53	n/a	
2000 Broadway	Inner S&E		0.36	n/a	n/a	\$1.5	2021	\$95	n/a	
3206 Broadway	Inner S&E		0.22	n/a	n/a	\$0.6	2021	\$63	n/a	
4024 Miller Way	Inner S&E		1.33	n/a	n/a	\$1.0	2020	\$17	n/a	
4690-4800 Riverside Bl	Inner S&E		0.32	n/a	n/a	\$0.2	2022	\$17	n/a	
4391 Stockton Blvd	S. Sac		0.72	n/a	n/a	\$0.5	2020	\$15	n/a	
								Low:	\$13.1	n/a
								High:	\$95.4	n/a
								Weighted Average:	\$29.8	n/a

Sources: CoStar, BBG Appraisal prepared for Railyards CFD No. 2018-1, Dated Aug 2022; Smith and Associates Appraisal prepared for Greenbriar CFD 2018-03, dated January, 2021. Sacramento Business Journal.

Appendix A Table 9
Infrastructure Costs Comps, Master Plan Developments
Feasibility Analysis
Sacramento MIHO Review

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Delta Shores, MDR 5 to 8

Source: Official Statement for the Improvement Area No. 2, Special Tax Bonds, 2022, Sourced to Signature Homes

Number of Units	421 For-Sale Units in Phase		
Acres	47.2 Acres in Phase		
Density	8.9 Units/Acre		
	<u>Total Cost</u> <u>(\$2022 est)</u>	<u>Cost Per Acre</u>	<u>Cost Per Unit</u>
Land Purchase from Master Developer	\$19,120,000	\$405,000	\$45,000
			Captures value of improvements by Master Developer + Affordable Site Dedication by Master Developer
Major Infrastructure	\$21,800,000	\$462,000	\$52,000
			Reflects share of costs paid by home builder
In-Tract Infrastructure	\$17,200,000	\$364,000	\$41,000
Total	\$58,120,000	\$1,231,000	\$138,000
Less: remove allocable share of cost of meeting affordable requirement	(\$900,000)	(\$19,000)	(\$2,000)
			Estimated value of 15.89 acre affordable site with approx. 8% of cost allocable to MDR 5 to 8 based on share of overall market rate units in Delta Shores.
Finished Lot Cost Before Cost of Affordable Housing Obligation	\$57,220,000	\$1,212,000	\$136,000
			cost of affordable obligation excluded as it is separately evaluated
	Per Square Foot	\$28	
Net Total Without Land Purchase		\$19	

Northlake Project, Improvement Area 1

Source: Official Statement for the Improvement Area No. 1, Special Tax Bonds, 2021, sourced to the developer of the project

Number of Units	1,137 Market Rate Units in Improvement Area 1 (not incl affordable site)		
Acres	201 Residential, not including open space, lake, community center parcels		
Density	5.7 Units/Acre		
	<u>Total Cost⁽¹⁾</u>	<u>Cost Per Acre</u>	<u>Cost Per Unit</u>
Land Purchase	\$43,079,217	\$214,000	\$38,000
			Inclusive of actual spend through date of the estimate allocation of total land cost to Improvement Area 1
Backbone and entitlements	\$66,057,765	\$329,000	\$58,000
Amenities	\$10,374,639	\$52,000	\$9,000
Habitat Conservation	\$11,476,350	\$57,000	\$10,000
Other	\$6,401,795	\$32,000	\$6,000
Intracts	\$51,636,192	\$257,000	\$45,000
Gross Total	\$189,025,957	\$941,000	\$166,000
Less: CFD Proceeds	(\$42,262,000)	(\$210,000)	(\$37,000)
			2021 bond proceeds reimburse portion of infrastructure costs
Less: Affordable Site Value	(\$2,143,785)	(\$11,000)	(\$2,000)
			allocable share of affordable obligation cost excluded as it is separately evaluated
Net Finished Lot Cost, before affordable housing costs	\$144,620,173	\$720,000	\$127,000
	Gross Total Per Square Foot	\$22	
	Net Total Per Square Foot	\$17	
Net Total Without Land Purchase		\$12	

(1) Cost figures inflated to 2023 based on the ENR Construction Cost Index, except for land purchase. May not capture full cost inflation as a substantial share of costs had been expended by Dec. 2020.

Appendix A Table 10
Estimated Cost, Provision of Units in Stand Alone LIHTC Project
Feasibility Analysis
Sacramento MIHO Review

DRAFT

Market Rate Developer Contributions to Affordable Projects within Larger Master Plan

	Railyards, Wong Center	North Lake	Delta Shores	Average	
	2021 est	2020 est	2022 value est.		
<u>Market Developer Contributions to Affordable</u>					
Site Size (acre)	2.66	7.54	15.89		
Value Per Square Foot	\$35	\$17	\$17		
Land Value Estimate	\$4,000,000	\$5,583,521	\$11,766,863		Wong Center reflects reported value while Northlake and Delta Shores reflect land values based on recent multi-family land sales
Less: Affordable Developer Land Payment	\$0	(\$500,000)	\$0		
Cash Contribution	\$2,228,000	none	none		
Total Contribution	\$6,228,000	\$5,083,521	\$11,766,863		
Affordable Units	149	189	429		
Market Rate Developer Contribution Per Affordable Unit	\$41,800	\$26,900	\$27,400	\$30,000	
			Contingency of 30%	\$9,000	

Estimated Market Rate Developer Contribution Per Affordable Unit, LIHTC Project	\$39,000
--	-----------------

Equivalent Amount Per Market Rate Unit in the Project

	<u>\$ per Mkt Unit</u>	
With 10% Affordable	\$4,333	= per unit amount x % affordable / % market rate
With 15% Affordable	\$6,882	
With 20% Affordable	\$9,750	

Appendix A Table 11
Affordable Rents
Feasibility Analysis
Sacramento MIHO Review

DRAFT

Unit Size		Studio	1-Bedroom Unit	2-Bedroom Unit	3-Bedroom Unit
Household Size		1-person HH	2-person HH	3-person HH	4-person HH
Median Income, 2023 ⁽¹⁾		\$79,750	\$91,100	\$102,500	\$113,900
Gross Rents					
Very Low	50%	\$997	\$1,139	\$1,281	\$1,424
Low @60%	60%	\$1,196	\$1,367	\$1,538	\$1,709
Low @80%	80%	\$1,595	\$1,822	\$2,050	\$2,278
Rents after Utility Allowance					
Very Low	50%	\$901	\$1,030	\$1,147	\$1,264
Low @60%	60%	\$1,100	\$1,258	\$1,404	\$1,549
Low @80%	80%	\$1,499	\$1,713	\$1,916	\$2,118
- Utilities (per month, all electric) ⁽²⁾		\$96	\$109	\$134	\$160

Notes:

(1) California Department of Housing and Community Development 2023 Income Limits for Sacramento County.

(2) Calculated using SHRA utility allowance calculator effective August 2022.

Appendix A Table 12
Affordable Home Price Calculation
Feasibility Analysis
Sacramento MIHO Review

DRAFT

Unit Size Household Size	Low Priced at 70% AMI			Moderate Priced at 90% AMI			Moderate Priced at 110% AMI		
	2-Bedroom Unit 3-person HH	3-Bedroom Unit 4-person HH	4-Bedroom Unit 5-person HH	2-Bedroom Unit 3-person HH	3-Bedroom Unit 4-person HH	4-Bedroom Unit 5-person HH	2-Bedroom Unit 3-person HH	3-Bedroom Unit 4-person HH	4-Bedroom Unit 5-person HH
Median Income, 2023	\$102,500	\$113,900	\$123,000	\$102,500	\$113,900	\$123,000	\$102,500	\$113,900	\$123,000
Percent of AMI for Pricing	70%	70%	70%	90%	90%	90%	110%	110%	110%
Annual Income	\$71,750	\$79,730	\$86,100	\$92,250	\$102,510	\$110,700	\$112,750	\$125,290	\$135,300
% Available for Housing Costs	30%	30%	30%	35%	35%	35%	35%	35%	35%
Income Available for Housing Costs	\$21,525	\$23,919	\$25,830	\$32,288	\$35,879	\$38,745	\$39,463	\$43,852	\$47,355
(Less) Property Taxes & Assessments	(\$2,897)	(\$3,181)	(\$3,402)	(\$4,686)	(\$5,166)	(\$5,546)	(\$5,876)	(\$6,490)	(\$6,978)
(Less) HOA	(\$1,200)	(\$1,380)	(\$1,500)	(\$1,200)	(\$1,380)	(\$1,500)	(\$1,200)	(\$1,380)	(\$1,500)
(Less) Utilities ⁽³⁾	(\$1,776)	(\$2,184)	(\$2,592)	(\$1,776)	(\$2,184)	(\$2,592)	(\$1,776)	(\$2,184)	(\$2,592)
(Less) Insurance	(\$1,100)	(\$1,200)	(\$1,250)	(\$1,100)	(\$1,200)	(\$1,250)	(\$1,100)	(\$1,200)	(\$1,250)
(Less) Mortgage Insurance	(\$1,420)	(\$1,560)	(\$1,668)	(\$2,297)	(\$2,533)	(\$2,719)	(\$2,881)	(\$3,182)	(\$3,422)
Income Available for Mortgage	\$13,132	\$14,415	\$15,418	\$21,228	\$23,415	\$25,138	\$26,629	\$29,416	\$31,613
Mortgage Amount	\$177,700	\$195,100	\$208,700	\$287,300	\$316,900	\$340,200	\$360,400	\$398,100	\$427,900
Down Payment (homebuyer cash)	\$9,300	\$10,300	\$11,000	\$15,100	\$16,700	\$17,900	\$19,000	\$20,900	\$22,500
Affordable Home Price Estimate	\$187,000	\$205,400	\$219,700	\$302,400	\$333,600	\$358,100	\$379,400	\$419,000	\$450,400

Assumptions

- Mortgage Interest Rate ⁽¹⁾	6.25%
- Down Payment	5.0%
- Property Taxes (% of sales price) ⁽²⁾	1.55%
- Mortgage Insurance (% loan Amt) ⁽⁴⁾	0.80%

	<u>2BR</u>	<u>3BR</u>	<u>4BR</u>
- HOA (per month)	\$100	\$115	\$125
- Utilities (per month, all electric) ⁽³⁾	\$148	\$182	\$216

Notes:

(1) Based on average of Freddie Mac Primary Mortgage Market Survey weekly 30-year fixed rate mortgage rates over the one-year period ending July 6, 2023.

(2) Based on average effective property tax rates for recent new home sales.

(3) Calculated using SHRA utility allowance calculator effective August 2022.

(4) Mortgage Insurance Premium rates for FHA loans over 15 years and a 95% loan to value ratio.

Appendix A Table 13
Estimated Fees and Permit Cost Detail
Feasibility Analysis
Sacramento MIHO Review

DRAFT

	Central City			Southern Neighborhoods			North Sacramento and South			North Natomas			Inner South and East Neighborhoods		
	Attached Townhomes	Medium Density Rental	Higher Density Rental	Single Family Detached	Small Lot Detached	Lower Density Rental	Single Family Detached	Small Lot Detached	Lower Density Rental	Single Family Detached	Small Lot Detached	Lower Density Rental	Single Family Detached	Small Lot Detached	Lower Density Rental
Density (dwelling units/acre)	26 dua	100 dua	200 dua	11 dua	18 dua	30 dua	9 dua	18 dua	30 dua	9 dua	18 dua	30 dua	8 dua	20 dua	37 dua
Average Unit Size	1,850 sf	770 sf	690 sf	1,750 sf	1,450 sf	900 sf	1,900 sf	1,500 sf	900 sf	2,100 sf	1,600 sf	900 sf	2,300 sf	1,700 sf	770 sf
Average No. of Bedrooms	2.8 BR	1.05 BR	0.8 BR	3.25 BR	3.0 BR	1.5 BR	3.6 BR	3.3 BR	1.5 BR	3.6 BR	3.3 BR	1.5 BR	3.5 BR	3.0 BR	1.1 BR
Estimated Fees Per Unit, Except Water, Sewer, Drainage															
Building Permit Processing	\$5,403	\$2,172	\$2,172	\$4,428	\$5,403	\$1,575	\$4,428	\$5,403	\$1,575	\$4,428	\$5,403	\$1,575	\$4,428	\$5,403	\$1,575
Plan check / processing	\$1,289	\$96	\$96	\$1,199	\$1,289	\$185	\$1,199	\$1,289	\$185	\$1,199	\$1,289	\$185	\$1,199	\$1,289	\$185
SASD Fee	n/a	n/a	n/a	\$6,479	\$2,701	\$2,701	n/a	n/a	n/a	\$6,479	\$4,859	\$2,701	n/a	n/a	n/a
Water Meter Fee	\$672	n/a	n/a	\$672	\$672	n/a	\$672	\$672	n/a	\$672	\$672	n/a	\$672	\$672	n/a
Construction Water Use	\$201	n/a	n/a	\$201	\$201	n/a	\$201	\$201	n/a	\$201	\$201	n/a	\$201	\$201	n/a
Regional Sanitation Fee	\$2,701	\$2,701	\$2,701	\$6,479	\$4,859	\$4,859	\$3,602	\$2,701	\$2,701	\$6,479	\$4,859	\$4,859	\$3,602	\$2,701	\$2,701
Park DIF	\$3,978	\$1,656	\$1,599	\$5,933	\$4,916	\$3,051	\$4,085	\$3,225	\$1,935	\$6,797	\$5,424	\$3,051	\$6,797	\$5,763	\$2,610
STA Mitigation Fee & admin	\$1,458	\$1,020	\$1,020	\$1,458	\$1,458	\$1,020	\$1,458	\$1,458	\$1,020	\$1,458	\$1,458	\$1,020	\$1,458	\$1,458	\$1,020
Citywide TDIF	\$1,644	\$861	\$861	\$1,644	\$1,644	\$944	\$1,644	\$1,644	\$944	\$573	\$573	\$330	\$2,740	\$2,740	\$1,574
School District	\$6,216	\$2,587	\$2,318	\$5,880	\$4,872	\$3,024	\$9,101	\$7,185	\$4,311	\$9,198	\$7,008	\$3,942	\$7,728	\$5,712	\$2,587
City Business Operations Tax	\$133	\$95	\$102	\$87	\$78	\$91	\$87	\$77	\$100	\$99	\$87	\$100	\$126	\$114	\$85
Construction Excise Tax	\$2,664	\$1,893	\$2,034	\$1,736	\$1,566	\$1,819	\$1,748	\$1,548	\$1,990	\$1,982	\$1,741	\$1,990	\$2,521	\$2,285	\$1,703
Residential Construction Tax	\$371	\$253	\$250	\$385	\$385	\$283	\$385	\$385	\$283	\$385	\$385	\$283	\$385	\$385	\$257
SAFCA DIF	\$3,885	\$924	\$828	\$3,675	\$3,045	\$1,080	\$3,990	\$3,150	\$1,080	\$4,410	\$3,360	\$1,080	\$4,830	\$3,570	\$924
Central City Impact Fee	\$2,968	\$2,968	\$2,732	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
North Natomas Dev Fee	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$12,755	\$12,755	\$7,864	n/a	n/a	n/a
North Natomas Habitat Cons	n/a	n/a	n/a	n/a	n/a	n/a	\$2,900	\$1,500	\$900	\$5,900	\$2,900	\$1,800	n/a	n/a	n/a
South Nat FBA (50% in area)	n/a	n/a	n/a	n/a	n/a	n/a	\$1,115	\$1,115	\$782	n/a	n/a	n/a	n/a	n/a	n/a
Subtotal, Except Utility Fees and HIF	\$33,582	\$17,226	\$16,715	\$40,255	\$33,088	\$20,632	\$36,615	\$31,553	\$17,805	\$63,015	\$52,973	\$30,780	\$36,687	\$32,292	\$15,221
Water, Sewer, Drainage - Existing (to be replaced)															
Water Development Fee	\$3,609	\$1,328	\$1,328	\$3,609	\$3,609	\$1,328	\$3,609	\$3,609	\$1,328	\$3,609	\$3,609	\$1,328	\$3,609	\$3,609	\$1,328
Combined Sewer Dev Fee	\$164	\$2,708	\$2,708	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$164	\$164	\$2,708
Sewer Dev fee	n/a	n/a	n/a	n/a	n/a	n/a	\$204.42	\$204.42	\$204.42	n/a	n/a	n/a	n/a	n/a	n/a
Subtotal Existing	\$3,774	\$4,036	\$4,036	\$3,609	\$3,609	\$1,328	\$3,814	\$3,814	\$1,532	\$3,609	\$3,609	\$1,328	\$3,774	\$3,774	\$4,036
Water, Sewer, Drainage - Proposed															
Water System DIF	\$13,493	\$8,905	\$8,905	\$13,493	\$13,493	\$8,905	\$13,493	\$13,493	\$8,905	\$13,493	\$13,493	\$8,905	\$13,493	\$13,493	\$8,905
Separated Sewer	n/a	n/a	n/a	n/a	n/a	n/a	\$3,565	\$3,565	\$2,353	n/a	n/a	n/a	n/a	n/a	n/a
Combined Sewer	\$7,635	\$5,039	\$5,039	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$7,635	\$5,039	\$5,039
Drainage fee - CS area	credited	credited	credited	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	credited	credited	credited
Storm Drainage Fee	n/a	n/a	n/a	\$390	\$330	\$297	\$477	\$330	\$297	\$413	\$292	\$297	n/a	n/a	n/a
Subtotal Proposed	\$21,128	\$13,945	\$13,945	\$13,883	\$13,823	\$9,202	\$17,535	\$17,388	\$11,555	\$13,906	\$13,785	\$9,202	\$21,128	\$18,532	\$13,945
Total Fees & Permits, Market Rate Units (Except HIF), Rounded															
With Existing Utility Fees	\$37,400	\$21,300	\$20,800	\$43,900	\$36,700	\$22,000	\$40,400	\$35,400	\$19,300	\$66,600	\$56,600	\$32,100	\$40,500	\$36,100	\$19,300
With Proposed Utility Fees	\$54,700	\$31,200	\$30,700	\$54,100	\$46,900	\$29,800	\$54,200	\$48,900	\$29,400	\$76,900	\$66,800	\$40,000	\$57,800	\$50,800	\$29,200
Total Fees and Permits, Affordable Units, Rounded (without fees eligible for \$0 rate: area fees, Park DIF, Utility Fees)															
With Existing Utility Fees	\$26,700	\$12,600	\$12,400	\$34,400	\$28,200	\$17,600	\$32,500	\$28,400	\$15,800	\$43,400	\$34,800	\$19,900	\$29,900	\$26,600	\$12,700
With Proposed Utility Fees	\$26,700	\$12,600	\$12,400	\$34,400	\$28,200	\$17,600	\$32,500	\$28,400	\$15,800	\$43,400	\$34,800	\$19,900	\$29,900	\$26,600	\$12,700

APPENDIX B

MARKET SURVEY TABLES

Central City			
Inclusive of Railyards, River District, and Central City Specific Plan boundaries			
	Attached Townhomes	Medium Density Rental	Higher Density Rental
Example Projects	Albright Village 9th and Broadway Icon	16 Powerhouse S3 Apartments The Fitzgerald The Didion The Richmond	Anthem 15S Cathedral Square 17 Central Sacramento Commons
Density (dwelling units/acre)	25 - 30 du/a	130 du/a	200 du/a
Number of Stories	3 story homes	4-5 stories	7-8 stories
Average Unit Size	1,850 sf	770 sf	690 sf
Bedroom Mix	20% 2 BR 80% 3 BR	30% Studios 40% 1 BR 25% 2 BR 5% 3 BR	35% Studios 50% 1 BR 15% 2 BR
Average No. of Bedrooms	2.8 BR	1.05 BR	0.8 BR
Parking Type	Attached garage	Surface / tuck under	Structured parking
Average Parking Spaces	2 spaces per DU	0.5 spaces per DU	0.75 spaces per DU
Current Market Estimate, Winter 2023			
Sales Price/Rent	\$817,000	\$2,450	\$2,550
per square foot	\$442	\$3.18	\$3.70
%Change from prior est.	-5%	-6%	-6%
Prior Estimate, Late Summer 2022			
Sales Price/Rent	\$860,000	\$2,600	\$2,700
per square foot	\$465	\$3.38	\$3.91







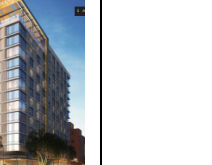
Southern Neighborhoods			
Bounded by I-5, Fruitridge, Broadway, 65th, US. 50, southern City limits			
	Single Family Detached	Small Lot Detached	Lower Density Rental
Example Projects	Delta Shores MDR-5 and MDR-8 Ventris Place	The Reserve Wickford Square	College Square Apartments Klotz Ranch Apts.
Density (dwelling units/acre)	6 - 13 dua	18 - 20 dua	25 - 35 dua
Number of Stories	1 and 2 story homes	2 story homes	3 to 4 stories
Average Unit Size	1,750 sf	1,450 sf	900 sf
Bedroom Mix	3 and 4 BR	3 BR	5% Studios 45% 1 BR 45% 2 BR 5% 3 BR
Average No. of Bedrooms	3.25 BR	3.0 BR	1.5 BR
Parking Type	Attached garage	Attached garage	Surface / tuck under
Average Parking Spaces	2-car garage	2-car garage	1.5 spaces per DU
Current Market Estimate, Winter			
Sales Price/Rent	\$484,000	\$423,000	\$2,300
per square foot	\$277	\$292	\$2.56
%Change from prior est.	-6%	-6%	0%
Prior Estimate, Late Summer			
Sales Price/Rent	\$515,000	\$450,000	\$2,300
per square foot	\$294	\$310	\$2.56


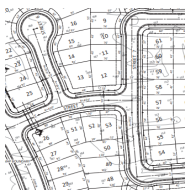




North Sacramento and South Natomas			
North of the American River, Except North Natomas			
	Single Family Detached	Small Lot Detached	Lower Density Rental
Example Projects	Morey Morrison San Juan Road Subdivision	The Reserve Wickford Square	Arden Gateway
Density (dwelling units/acre)	6 - 10 dua	15 - 25 dua	25 - 35 dua
Number of Stories	2 story homes	2 story homes	3 to 4 stories
Average Unit Size	1,900 sf	1,500 sf	900 sf
Bedroom Mix	50% 3 BR 40% 4 BR 10% 5 BR	70% 3 BR 30% 4 BR	5% Studios 45% 1 BR 45% 2 BR 5% 3 BR
Average No. of Bedrooms	3.6 BR	3.3 BR	1.5 BR
Parking Type	Attached garage	Attached garage	Surface / tuck under
Average Parking Spaces	2-car garage	2-car garage	1.5 spaces per DU
Current Market Estimate, Winter			
Sales Price/Rent	\$484,000	\$414,000	\$2,350
per square foot	\$255	\$276	\$2.61
%Change from prior est.	-6%	-6%	-4%
Prior Estimate, Late Summer			
Sales Price/Rent	\$515,000	\$440,000	\$2,450
per square foot	\$271	\$293	\$2.72





North Natomas			
North of I-80, West of Steelhead Creek			
	Single Family Detached	Small Lot Detached	Lower Density Rental
Example Projects	Northlake	The Reserve McKinley Village	Spanos Apts @ Natomas Crossing The Core Natomas Greenbriar Ph 2: Multifamily Medley Apartments
Density (dwelling units/acre)	6 - 10 dua	15 - 25 dua	25 - 35 dua
Number of Stories	2 story homes	2 story homes	3 to 4 stories
Average Unit Size	2,100 sf	1,600 sf	900 sf
Bedroom Mix	50% 3 BR 40% 4 BR 10% 5 BR	70% 3 BR 30% 4 BR	5% Studios 45% 1 BR 45% 2 BR 5% 3 BR
Average No. of Bedrooms	3.6 BR	3.3 BR	1.5 BR
Parking Type	Attached garage	Attached garage	Surface / tuck under
Average Parking Spaces	2-car garage	2-car garage	1.5 spaces per DU
Current Market Estimate, Winter			
Sales Price/Rent	\$611,000	\$494,000	\$2,500
per square foot	\$291	\$309	\$2.78
%Change from prior est.	-6%	-6%	0%
Prior Estimate, Late Summer			
Sales Price/Rent	\$650,000	\$525,000	\$2,500
per square foot	\$310	\$328	\$2.78





Inner South and East Neighborhoods			
South of American River to Fruitridge / Broadway / US-50, plus West of the I-5			
	Single Family Detached	Small Lot Detached	Lower Density Rental
Example Projects	Homes at Potrero Crocker Village Sutter Park	The Reserve McKinley Village	29SC Maven C Stockton Blvd - West Parcel
Density (dwelling units/acre)	6 - 10 du/a	18 - 20 du/a	35 - 40 du/a
Number of Stories	1 and 2 story homes	3 story homes	3 to 4 stories
Average Unit Size	2,300 sf	1,700 sf	770 sf
Bedroom Mix	3 and 4 BR	3 BR	15%: Studio 60% 1 BR 25% 2 BR
Average No. of Bedrooms	3.5 BR	3.0 BR	1.1 BR
Parking Type	Attached garage	Attached garage	Surface / tuck under
Average Parking Spaces	2-car garage	2-car garage	1 space per DU
Current Market Estimate, Winter			
Sales Price/Rent	\$940,000	\$729,000	\$2,350
per square foot	\$409	\$429	\$3.05
%Change from prior est.	-6%	-6%	0%
Prior Estimate, Late Summer			
Sales Price/Rent	\$1,000,000	\$775,000	\$2,350
per square foot	\$435	\$456	\$3.05



Unit Type	Single Family Detached Small Lot	Attached Duplex Units	Mixed Use Apartments	Mixed Use Apartments	Mixed Use Apartments	Mixed Use Apartments
						
Project Name	Albright Village	9th and Broadway Duplex Buildings	17 Central	Anthem 15S	Cathedral Square	Sacramento Commons Phase I
Location	1234 U Street	831 Broadway	1631 K Street	1500 - 1522 S Street	1018 - 1030 J Street	1585 5th Street
Developer	Reynen & Bardis Homes	Indie Capital	D&S Development	Anthem S St. Holding LP	Anthem Cathedral Square Holding LP	KW CapTowers, LLC
Status	Under Cxn	Under Cxn	Leasing	Under Cxn	Under Cxn	Under Cxn.
Site Size	.59 acres	0.59 acres	0.297 acres	0.74 acres	0.67 acres	3.8 acres
No. of Dwelling Units (du) notes	14 lots Net lot sizes: 1100 - 1960 sf	17 du	111 du	137 du	153 du	436 du incl. 24 live/work units
Density (du/ac)	23.7 dua	28.8 dua	373.7 dua	185.1 dua	228.4 dua	114.7 dua
Unit Size Range	3BR: 1742 sf and 1998 sf	1,925 - 2,014 sf	Studios: 419 - 558 sf 1 BRs: 633 - 919 sf 2 BRs: 1,026 - 1188 sf	Studios: 490 - 639 sf 1 BR: 672 - 858 sf 2 BR: 1006 - 1156 sf	Studios: 447 - 535 sf One BR: 590 - 813 sf Two BR: 955 - 1008 sf	Studios: 565 sf 1BRs: 625 - 715 sf 2BRs: 1,070 sf Live/work 1BRs: 1,390 sf 778 sf
Average Unit Size	1,888 sf		589 sf	786 sf	694 sf (est)	
Bedroom Mix	Studio 1-Bedrooms 2-Bedrooms 3-Bedrooms 4-Bedrooms 5-Bedrooms	Each unit contains a micro-studio unit and a 2 bedroom unit.	54% 44% 2%	31% 43% 26%	26% 57% 17%	26% 52% 22%
Avg No. Bedrooms	3.0 BRs		0.5 BRs	1.0 BRs	0.9 BRs	1.0 BRs
Building Type	3-story detached units.	Duplex dwellings in three 3 story buildings w/ community garden. Each unit has a micro-studio on ground floor and a 2 BR unit on two upper floors.	8 story residential with ground floor commercial. Type III over Type I podium	8 story Type IA and IIIA bldg with two levels of parking and six stories of residential, ground floor commercial.	7 story Type IA and IIIA with ground floor commercial. Two levels of parking, incl one underground.	Two identical 7 story buildings (5 over 2 level podium w/parking and one level underground. 2-level Live/work units in podium.
Parking	2 car attached garage.	Attached 1 car garages.	17 spaces on ground floor.	96 spaces	101 spaces	524 spaces (452 req'd.)
Notes	\$830,000 - \$920,000	\$833,000	Studios: \$1,756 - \$2,200 1BR: \$2,330 - \$3,400			



Unit Type	Addition Adding Apartment Units	Mixed Use Apartments	Addition Adding Apartment Units	Mixed Use Residential	Mixed Use Apartments	Convert Hotel to Apartments	Apartments / Hotel
							
Project Name	16 Powerhouse Addition	S3 Apartments (3rd & S)	Kind Project	The Fitzgerald	The Richmond	Hawthorne Apartments	Capitol Hotel and Apartments
Location	1612 P Street	1900 3rd St. Sacramento	1901 8th St.	1827 Broadway	1629 S Street	321 Bercut Dr	831 L Street
Developer	Demmon Partners	The Michaels Organization	Urban Elements	Trondheim Properties	Sutter Capital Group	Bercut-Railyard LLC	Hilton Hotels
Status	Under Cxn.	Under Cxn	Under Cxn	Approved	Approved	Under Cxn	Approved
Site Size	0.15 acres	2.23 acres	0.60 acres	0.28 acres	0.73 acres	6.74 acres	0.62 acres
No. of Dwelling Units (du) notes	23 du (addition)	187 du	72 du	51 du	47 du	281 du	61 du
Density (du/ac)	153.3 dua	83.9 dua	120.0 dua	182.1 dua	64.4 dua	41.7 dua	n/a
Unit Size Range	Studios: 584 sf 1BRs: 796 sf			Studios: 510 sf 1BRs: 720 and 840 sf 2 BRs: 1065 sf	495 sf - 890 sf		Studios: ~ 330 sf One BR: ~ 640 - 780 sf
Average Unit Size	705 sf			625 sf			
Bedroom Mix							
Studio	43%		79%	63%	13%	85%	46%
1-Bedrooms	57%		11%	29%	51%	3%	54%
2-Bedrooms			10%	8%	36%	12%	
3-Bedrooms							
4-Bedrooms							
5-Bedrooms							
Avg No. Bedrooms	0.6 BRs		0.3 BRs	0.5 BRs	1.2 BRs	0.3 BRs	0.5 BRs
Building Type	5 story addition with ground floor parking	5 story mixed use with ground floor retail with surface parking.	Partially demolish existing bldg, remodel a small commercial portion of it, and construct a new 3 story Type V addition.	5 story Type III-B cxn with ground floor commercial.	4 story Type V-A with ground floor commercial.	6 renovated 3 story buildings with 1 story commty bldg and restaurant onsite. Surface parking.	14 story bldg with 265 hotel rooms w/one floor underground pkg.
Parking	12 spaces structured parking. 0 req'd.	88 spaces +motorcycle & carshare space to meet req'd 94 spaces. (surface)	Waiver of 42% req'd spots. 15 suface spaces provided.	No parking provided.	57 stalls. (0 req'd.) Surface and tuck under	302 parking spaces, including 50 covered carports.	49 spaces
Notes						River District	

Unit Type	Single Family Detached	Single Family Detached	Single Family Detached	Small Lot Single Family	Apartments	Apartments
						
Project Name	Delta Shores MDR-5	Delta Shores MDR-8	Ventris Place	The Reserve	College Square Apartments	Klotz Ranch Apartments
Location	North of Delta Shores Circle	North of Delta Shores Circle	6441,6481 Jacinto Ave	Jacinto & Bruceville	8373 Bruceville Road	7699 Klotz Ranch
Developer	Signature Homes	Signature Homes	SKK Developments	Next Generation Capital	Majority Investments	Cora Properties
Status	Approved	Approved	Approved	Approved		Approved
Site Size	10.2 acres	11.9 acres	3.9 acres	3.2 acres	8.8 acres	12.7 acres
No. of Dwelling Units (du)	87 du	136 du	37 du	53 du	351 du	266 du
Density (du/ac)	8.5 dua	11.4 dua	9.5 dua	16.8 dua	40.1 dua	20.9 dua
Unit Size Range	(net acres)	(net acres)	2,720 sf min lot 1400 - 2000 sf	Lots: 1,500 - 2,000 sf 3BR: 1,393 - 1,586 sf	Studios: 465 - 640 sf 1 BR: 756 - 959 sf 2BR: 1028 - 1195 sf	One BR: 506 - 676 sf Two BR: 746 - 971 sf Three BR: 1,251 sf
Average Unit Size					750 sf (estimated)	
Bedroom Mix	Studio 1-Bedrooms 2-Bedrooms 3-Bedrooms 4-Bedrooms			100%	31% 51% 18%	48% 45% 7%
Avg No. Bedrooms				3.0 BRs	0.9 BRs	1.6 BRs
Building Type			2 story single family detached units.	2 story single family detached units, most w/alley-loaded garages. Amenity areas. Units appear attached.	11, 3-story Type V-A buildings with amenities and surface parking.	6, 4-story buildings with amenities, tuck-under and surface parking.
Parking				116 spaces, mix of covered and on-street.	351 spaces	537 parking spaces (260 req'd)
Notes			Land listed for sale: \$2.331,000 or \$63,000 / lot	"Missing Middle" housing.		

Unit Type	Single Family Detached	Single Family Detached	Apartments	Mixed Use Apartments
				
Project Name	Morey Morrison Subdivision	San Juan Road Subdivision	Arden Gateway	Sacramento Apartments
Location	51 Morey Avenue and 40 Morrison Avenue	920 San Juan Rd	1401 Arden Way	3201 Marysville Blvd
Developer	CEC Homes	SKK Developments	Debartolo Development	Heritage Vila
Status	Selling / Ready to Build	Approved	Approved	Entitlement Review
Site Size	17.2 (gross)	8.34 acres	24.3 acres	1.4 acres
No. of Dwelling Units (du)	101 lots	77 du	731 du	108 du
Density (du/ac) notes	5.9 dua Lots: 2480 - 5076 sf Avg: 3,000 sf	9.2 dua Lots: 1,793 - 2,427 sf	30.1 dua	76.6 dua
Unit Size Range	3BR: 1,449 sf - 1,539 sf 4BR: 1,965 - 2,068 sf	3BR: 1,296 - 1,415 sf	studio: 544 sf 1BR: 689, 798 sf 2BR: 998 - 1,196 sf 3BR: 1,297 sf THs: 1,642 - 1,765 sf 894 sf	1BR: 738 sf 2BR: 1,028 sf
Average Unit Size				918 sf
Bedroom Mix	Studio 1-Bedrooms 2-Bedrooms 3-Bedrooms 4-Bedrooms		5% 47% 40% 9%	38% 62%
Avg No. Bedrooms	3.3 BRs	3.0 BRs	1.5 BRs	1.6 BRs
Building Type	99 single family detached units and two park lots.	2 story homes with attached 2 car garages at the rear. 12 common lots including open space.	21, 3-story buildings, two phases.	5-story building with ground floor retail. Type IIIA over Type IA podium. 3,290 sf retail/rest.
Parking	Attached garages	Attached garages in the rear.	944 spaces provided (366 req) surface and garage parking	111 spaces provided.
Notes	Listed from ~ \$450,000			

Unit Type	Single Family	Single Family Attached Units	Condominiums (Townhome style)	Single Family Half-Plex and SF Detached plus ADUs - RENTALS	Apartments
	No photo available				
Project Name	Greenbriar Phase 2: Single Family Units	Northpointe Reserve	Arena Brownstone Living	Tanzanite	Spanos Apartments at Natomas Crossing
Location	Elkhorn Blvd & Hwy 99	Bridgecross & Honor Parkway	2549 Arena Blvd.	3575 Airport Rd.	3949 Truxel Road
Developer	Integral	Regency Park / Next Generation Capital	Innovate Natomas, Brooks Street	Alleghany Properties / New Growth Living	Spanos Corporation
Status		Approved	Entitlement Review	Under Construction	
Site Size	na	2.7 acres	8.0 acres	18.1 acres (gross)	10.3 acres
No. of Dwelling Units (du)	1,038 du	48 du	282 du	138 du	293 du
Density (du/ac) notes	9.2 du average Lot sizes 2,788 - 5,500 sf	17.8 du average Lots: 1,449 - 4,094 sf. Avg: 1,778 sf	35.4 du average	Lots: 2,502 - 4,174 sf	28.4 du average
Unit Size Range	"1500 - 4000 sf homes"	3BR: 1,393 - 1,411 sf	625 - 1100 sf	SFD: 3BRs, 1,501 sf Half-Plexes: 2BR w/1,013 sf and a 3BR with 1,572 sf and an ADU above the garage. 1,305 sf	Studios: 571 sf 1BR: 619 sf, 707 sf 2 BR: 798 - 1,148 sf 3 BR: 1,343 sf
Average Unit Size		1,400 sf (est)			882 sf
Bedroom Mix	Studio 1-Bedrooms 2-Bedrooms 3-Bedrooms 4-Bedrooms	100%	11% 53% 35%	47% 53%	7% 33% 53% 7%
Avg No. Bedrooms		3.0 BRs	1.2 BRs	2.5 BRs	1.6 BRs
Building Type		8, 2-story buildings with attached units. Shared amenities and open space.	12 buildings with 3 story walkups. Shared open space and courtyards.	130 single family half-plex (1 story attached to 2 story), 8, 2-story SFDs, 73 ADUs, clubhouse.	5, 4-story buildings with tuck-under garage parking and surface parking.
Parking		2 car garages for each unit. 12 additional spaces.	Attached and detached garages.	Attached garages facing private alleys. Units with ADUs have three-car garages.	551 total (440 req'd). 205 carport spaces, 89 garage, 257 spaces uncovered
Notes				"Built-to-rent" homes.	

Unit Type	Apartments	Apartments	Apartments	Master Planned Community - MIHO Compliance	Planned Unit Development - MIHO Compliance
	No photo available			No photo available	No photo available
Project Name	Greenbriar Phase 2: Multi Family Units	The Core Natomas	Medley Apartments	Greenbriar	Panhandle PUD
Location	Elkhorn Blvd & Hwy 99	2705 Orchard Lane	4170 East Commerce Way	North Natomas	North Natomas
Developer	Integral	Sunrise Luxury Living	Blue Mountain Communities		
Status		Constructed			
Site Size	9.2 acres	12.3 acres	6.4 acres	577.0 acres	465.5 acres
No. of Dwelling Units (du)	352 du	300 du	160 du	2,953 du	
Density (du/ac) notes	38.3 dua	24.4 dua	24.9 dua		
Unit Size Range	"400 - 700 sf apartments"	1BR: 735 sf, 764 sf 2BR: 1,036 - 1,193 sf 3BR: 1,393 sf	1BR: 735 sf 2BR: 1,050 sf 3BR: 1,135 sf	2,425 for-sale units, up to 528 rental units incl 189 affordable senior units. Densities range from 6 dua to 36 dua. 28.6 net acres of comml, 28.4 acres of parks, 40.9 acres of lakes, 9.9 acre school site and 57.9 acres open space. "Affordable by design" residential. Senior affordable units satisfy MIHO for the for-sale units (2,425 * 2,050 sf/unit * \$2.67 / \$70,182 = 189 units). Market rate rental units will have separate MIHO compliance.	1,662 single family residential "move-up housing" in the 3-8 dua range. School sites, parks, open space. Lots sizes will range from 3,000 - 14,500 sf (Village, Traditional and Estate lots). Homes will be 1200 sf - 3500 sf. In 2018, sales prices estimated \$350 - \$750k. MIHO compliance: 16 affordable units & \$7.7 million fee.
Average Unit Size		929 sf	953 sf		
Bedroom Mix Studio 1-Bedrooms 2-Bedrooms 3-Bedrooms 4-Bedrooms		53% 42% 5%	35% 50% 15%		
Avg No. Bedrooms		1.5 BRs	1.8 BRs		
Building Type		13, 3-story buildings with tuck-under garage parking and surface parking, plus 2, 1-story commty bldgs.	8, 3-story bldgs with tuck under and surface parking and a one-story clubhouse		
Parking		501 total (451 req'd). 203 garage spaces, 102 carports, 196 uncovered.	274 spaces (240 req'd)		
Notes					

Unit Type	Single Family Detached	Single Family Detached	Single Family Detached	Single Family Detached	Apartments	Mixed Use Apartments	Student Housing
							
Project Name	Fairgrounds Subdivision	Homes at Potrero	Sutter Park	Crocker Village	29SC Maven C Apartments	Stockton Blvd - West Parcel	The Wexler
Location	325 Fairgrounds Drive	1900 Potrero Way	5105 F Street	Crocker Drive & Portola Way	2629 5th Street	4601 10th Ave	6620 Folsom Blvd.
Developer	Western America	Next Generation Capital	Tim Lewis Communities	Blackpine Communities	29th St Capital	College Town International	Symphony Development
Status	Constructed	Selling	Selling	Selling			Constructed
Site Size	6.7 net acres	1.9 acres		13.2 acres	6.8 acres	1.5 acres	2.82 acres
No. of Dwelling Units (du)	68 du	14 du	88 du	117 du	252 du	130 du	223 du
Density (du/ac) notes	10.1 dua Lots: 3800 - 6000 sf	7.2 dua (net acres)	7 dua	8.9 dua (net acres)	37.3 dua (net acres)	86.7 dua	79.1 dua
Unit Size Range	3BRs: 1800 - 2700 sf	3BRs: 1,508 - 1,611 sf	1,500 - 3,100 sf	1,866 sf - 2,785 sf	Studios: 500 - 550 1BRs: 675 - 930 sf 2BRs: 925 - 960 sf	Studios: 400, 475 sf 1 BR: 500 - 650 sf 2 BR: 875 - 1100	1 BR: 483 sf 2BRs: 668 - 943 3 BRs: 1222 - 1266 sf 4BRs: 1107 - 1414 sf 5 BRs: 1540 - 1644 sf
Average Unit Size						632 sf	
Bedroom Mix	Studio 1-Bedrooms 2-Bedrooms 3-Bedrooms 4-Bedrooms		3, 4 and 5 BRs	3 and 4 BRs option for 5	25% 46% 29%	33% 53% 14%	9% 29% 7% 52%
Avg No. Bedrooms	3.0 BRs	3.0 BRs			1.0 BRs	0.8 BRs	3.1 BRs
Building Type	Single family detached lots.	Single family homes with 2 car attached garages.	1 and 2 story single family homes	1 and 2 story homes with a mix of front loaded and alley loaded garages.	8, 3-story garden apartments with 1 story commty building.	3 to 5 story building with a Type IA podium. Ground floor retail (1,000 sf) and parking.	3 buildings, 3, 5, and 6 stories, with 5 story parking structure.
Parking			Attached 2 car garages.	Attached 2 car garages	273 spaces (0.75 sp/unit)	130 parking spaces	330 spaces (319 residential). 253 req'd residential. Separate parking structure
Notes		Selling from low \$700,000s	Sold/selling from high \$700s - \$1.3 million +.	Selling in low \$1Ms.	Land sold 12/2019 for \$4.2 million		\$4 asking rents

		<u>Units</u>	<u>Square Feet</u>	<u>Asking Rent / Mo</u>		<u>Rent / SF</u>		<u>% Change</u>
				<u>summer 22</u>	<u>winter 23</u>	<u>summer 22</u>	<u>winter 23</u>	
Central City								
The Frederic		<i>Built in 2021. 8-story building. Density - 182 dua.</i>						
609 Capitol Mall								
	Studios	24	560	\$2,206	\$2,061	\$3.94	\$3.68	-7%
	One Bedroom	78	694	\$2,757	\$2,397	\$3.97	\$3.45	-13%
	Two Bedroom	60	993	\$3,452	\$3,479	\$3.48	\$3.50	1%
	Weighted Average	162	785	\$2,933	\$2,748	\$3.78	\$3.51	-6%
The Carlaw		<i>Built in 2020. Three-story building. Density: 42 dua.</i>						
1024 R St								
	Studios	8	575	\$1,950	\$1,950	\$3.39	\$3.39	0%
	One Bedroom	10	909	\$2,890	\$2,780	\$3.18	\$3.06	-4%
	Two Bedroom	8	1,338	\$3,450	\$3,450	\$2.58	\$2.58	0%
	Weighted Average	26	938	\$2,773	\$2,731	\$3.06	\$3.01	-2%
17 Central		<i>Built in 2022. 8-story building. Density: 383 dua</i>						
1026 17th St.								
	Studios	66	453	\$1,807	\$1,810	\$3.99	\$4.00	0%
	One Bedroom	45	666	\$2,466	\$2,416	\$3.70	\$3.63	-2%
	Weighted Average	111	539	\$2,074	\$2,056	\$3.87	\$3.85	-1%
Onyx Midtown		<i>Built in 2020. Three-story building. Density: 91 dua.</i>						
1818 X St.								
	One Bedroom	34	601	\$1,829	\$1,659	\$3.04	\$2.76	-9%
	Two Bedroom	7	1,042	\$2,459	\$2,460	\$2.36	\$2.36	0%
	Weighted Average	41	676	\$1,937	\$1,796	\$2.93	\$2.69	-7%
The Press		<i>Built in 2020. Five-story building with 310 garage spaces. Density: 109 dua.</i>						
1714 21st St								
	Studios	89	529	\$1,844	\$1,838	\$3.49	\$3.47	0%
	One Bedroom	137	698	\$2,193	\$2,110	\$3.14	\$3.02	-4%
	Two Bedroom	44	929	\$2,861	\$2,636	\$3.08	\$2.84	-8%
	Three Bedroom	7	1,326	\$3,785	\$3,755	\$2.85	\$2.83	-1%
	Weighted Average	277	696	\$2,227	\$2,148	\$3.24	\$3.08	-4%
The Mansion		<i>Built in 2022. Five-story wood frame. Density: 158 dua.</i>						
1517 H St.								
	Studios	47	520	\$1,921	\$2,018	\$3.69	\$3.88	5%
	One Bedroom	27	640	\$2,380	\$2,339	\$3.72	\$3.65	-2%
	Two Bedroom	74	982	\$3,136	\$3,146	\$3.19	\$3.20	0%
	Three Bedroom	38	1,531	\$4,802	\$4,807	\$3.14	\$3.14	0%
	Weighted Average	186	928	\$3,060	\$3,083	\$3.38	\$3.32	1%

	<u>Units</u>	<u>Square Feet</u>	<u>Asking Rent / Mo</u>		<u>Rent / SF</u>		<u>% Change</u>
Eleanor Apartments	<i>Built July 2021. Five-story building. Density: 161 dua.</i>						
501 16th St.							
Studios	25	535	\$1,613	\$1,864	\$3.01	\$3.48	16%
One Bedroom	40	613	\$2,184	\$2,073	\$3.56	\$3.38	-5%
Two Bedroom	30	1,020	\$3,252	\$3,062	\$3.19	\$3.00	-6%
Weighted Average	95	721	\$2,371	\$2,330	\$3.30	\$3.23	-2%
The Didion	<i>Built 2020. Four-story wood frame. Two garage spaces. Density: 80 dua.</i>						
2417 J St.	<i>Sold Feb 2022 for \$698,000/unit; 4.62% cap rate.</i>						
One Bedroom	12	923	\$2,774	\$2,673	\$3.01	\$2.90	-4%
Weighted Average	12	923	\$2,774	\$2,673	\$3.01	\$2.90	-4%
1430 Q	<i>Built in 2020. 8-story building. Density: 170 dua.</i>						
1430 Q St.	<i>Sold in Mar 2022 for \$761,000 per unit; 4.7% cap rate.</i>						
One Bedroom	32	857	\$2,694	\$2,768	\$3.14	\$3.23	3%
Two Bedroom	41	1,532	\$4,256	\$4,186	\$2.78	\$2.73	-2%
Three Bedroom	2	1,905	\$5,501	\$5,467	\$2.89	\$2.87	-1%
Weighted Average	75	1,254	\$3,623	\$3,615	\$2.94	\$2.88	0%
19J Apartments	<i>Built 2019. 11-story building.</i>						
1829 J St							
Studios	129	404	\$1,748	\$1,769	\$4.33	\$4.38	1%
One Bedroom	46	710	\$2,986	\$2,950	\$4.21	\$4.15	-1%
Weighted Average	175	484	\$2,073	\$2,079	\$4.29	\$4.29	0%

	Units	Square Feet	Asking Rent / Mo		Rent / SF		% Change
H16	Built 2020. Five-story building. Density: 161 dua.						
731 16th St.							
Studios	42	519	\$1,926	\$1,637	\$3.71	\$3.15	-15%
One Bedroom	41	659	\$2,296	\$1,873	\$3.48	\$2.84	-18%
Two Bedroom	12	1,016	\$3,015	\$2,424	\$2.97	\$2.39	-20%
Weighted Average	95	642	\$2,223	\$1,838	\$3.52	\$2.86	-17%

Inner South & East + West of I-5

The Flats at The Mill	<i>Built in 2020. Four-story wood frame with 12 tuck-under parking garages.</i>						
455-459 Tailoff Ln	<i>Currently in escrow. Sold in 2020 for \$4.45 M (\$371,000/unit); 6.13% cap rate.</i>						
Two Bedroom	12	1,247	\$3,475	\$3,410	\$2.79	\$2.73	-2%
Weighted Average	12	1,247	\$3,475	\$3,410	\$2.79	\$2.73	-2%

Gio Apartments	<i>Built in 2019. Five-story building. Density: 43 dua.</i>						
3675 T St.							
Studios	22	594	\$1,744	\$2,019	\$2.94	\$3.40	16%
One Bedroom	128	708	\$2,265	\$2,238	\$3.20	\$3.16	-1%
Two Bedroom	60	1,070	\$2,956	\$2,893	\$2.76	\$2.70	-2%
Three Bedroom	3	1,394	\$3,353	\$3,787	\$2.41	\$2.72	13%
Weighted Average	213	808	\$2,421	\$2,422	\$3.04	\$3.00	0%

Maven on Broadway	<i>Built in 2022. Three-story building. Density: 58 dua.</i>						
2570 3rd St							
One Bedroom	319	707	\$2,033	\$1,936	\$2.88	\$2.74	-5%
Two Bedroom	89	957	\$2,304	\$2,218	\$2.41	\$2.32	-4%
Weighted Average	408	762	\$2,092	\$1,998	\$2.77	\$2.62	-5%

The Angelino Luxury Apts.	<i>Built in 2019. Two-story buildings. Density: 43 dua.</i>						
945 48th St	<i>33 surface parking spaces.</i>						
One Bedroom	17	782	\$2,402	\$2,395	\$3.07	\$3.06	0%
Two Bedroom	3	1,003	\$3,069	\$3,059	\$3.06	\$3.05	0%
Weighted Average	20	815	\$2,502	\$2,495	\$3.07	\$3.06	0%

Sutter Triangle	<i>Built in 2021. Three-story wood frame, surface parking. Density: 35 dua.</i>						
533 53rd St.	<i>Sold in 2021 for \$754,545/unit; 4.53% cap rate.</i>						
One Bedroom	6	976	\$2,961	\$2,975	\$3.03	\$3.05	0%
Two Bedroom	5	741	\$2,314	\$2,325	\$3.12	\$3.14	0%
Weighted Average	11	869	\$2,667	\$2,680	\$3.07	\$3.08	0%

Southern Neighborhoods

The Landing at College Square	<i>Built in 2017. Three-story wood frame with 270 spc garage. Density: 26 dua.</i>						
7640 W Stockton Blvd.	<i>Sold Feb 2020 for \$240,000 / unit.</i>						
One Bedroom	126	758	\$1,879	\$1,808	\$2.48	\$2.39	-4%
Two Bedroom	120	1,059	\$2,176	\$2,177	\$2.05	\$2.06	0%
Three Bedroom	24	1,214	\$2,429	\$2,529	\$2.00	\$2.08	4%
Weighted Average	270	932	\$2,060	\$2,036	\$2.25	\$2.18	-1%

	Units	Square Feet	Asking Rent / Mo		Rent / SF		% Change
North Sacramento & South Natomas							
The Easley	Built in 2021. Four-story buildings. Density: 29 dua.						
1567 Bartlett Lane	518 surface parking spaces. Sold in June 2021 for \$279,000/unit.						
Studios	21	553	\$1,801	\$1,776	\$3.26	\$3.21	-1%
One Bedroom	199	741	\$2,144	\$2,022	\$2.89	\$2.73	-6%
Two Bedroom	159	1,055	\$2,655	\$2,556	\$2.52	\$2.42	-4%
Three Bedroom	26	1,530	\$3,339	\$3,241	\$2.18	\$2.12	-3%
Weighted Average	405	905	\$2,404	\$2,297	\$2.72	\$2.54	-4%
Sutter Green	Built in 2018. Three-story buildings.						
2205 Natomas Park Dr.							
One Bedroom	106	774	\$2,304	\$2,329	\$2.98	\$3.01	1%
Two Bedroom	142	998	\$2,869	\$2,320	\$2.87	\$2.32	-19%
Weighted Average	248	902	\$2,628	\$2,324	\$2.92	\$2.58	-12%
North Natomas							
Alira	Built in 2020. Four-story buildings. Density: 28 dua.						
4100 Innovator Lane	Sold in Dec 2020 for \$315,000 / unit.						
Studios	20	571	\$1,955	\$1,860	\$3.42	\$3.26	-5%
One Bedroom	133	689	\$2,084	\$2,040	\$3.02	\$2.96	-2%
Two Bedroom	120	1,067	\$2,336	\$2,450	\$2.19	\$2.30	5%
Three Bedroom	20	1,338	\$2,800	\$3,365	\$2.09	\$2.51	20%
Weighted Average	293	880	\$2,227	\$2,286	\$2.65	\$2.60	3%
The Core Natomas	Built in 2020. Three-story buildings w/surface parking.						
2745 Orchard Lane	Density: 26 dua. Sold in 2022 for \$491,000 / unit.						
One Bedroom	165	748	\$2,283	\$2,139	\$3.05	\$2.86	-6%
Two Bedroom	120	1,122	\$2,760	\$2,741	\$2.46	\$2.44	-1%
Three Bedroom	15	1,396	\$3,050	\$3,350	\$2.18	\$2.40	10%
Weighted Average	300	930	\$2,512	\$2,440	\$2.77	\$2.62	-3%

Source: CoStar.

Appendix B Table 4
Apartment Unit Mix
MIHO Review
Sacramento, CA

DRAFT

Recently Built Apartments

	Central 7+ Stories	Central 3-5 Stories	South	S/E Inner	N Sac S Natomas	N Natomas
Studios	49%	26%	0%	3%	3%	3%
One Bedroom	38%	41%	47%	71%	47%	50%
Two Bedroom	13%	27%	44%	25%	46%	40%
Three Bedroom	0%	6%	9%	0%	4%	6%
Studios	219	211	0	22	21	20
One Bedroom	169	333	126	470	305	298
Two Bedroom	60	216	120	169	301	240
Three Bedroom	0	47	24	3	26	35
No of Units in Data Set	448 units	807 units	270 units	664 units	653 units	593 units

Pipeline Project Apartments

Studios	31%	40%	18%	28%	4%	3%
One Bedroom	51%	43%	50%	48%	46%	42%
Two Bedroom	19%	17%	30%	24%	42%	48%
Three Bedroom	0%	0%	3%	0%	8%	8%
No of Units in Data Set	837 units	121 units	617 units	382 units	839 units	753 units

Blended Unit Mix - Pipeline and Recently Built

Studios	37%	28%	12%	12%	4%	3%
One Bedroom	46%	41%	49%	63%	46%	45%
Two Bedroom	17%	26%	34%	25%	44%	45%
Three Bedroom	0%	5%	5%	0%	6%	7%

Prototype Assumptions

Studios	35%	30%	5%	15%	5%	5%
One Bedroom	50%	40%	45%	60%	45%	45%
Two Bedroom	15%	25%	45%	25%	45%	45%
Three Bedroom	0%	5%	5%	0%	5%	5%
avg BRs	0.80	1.05	1.50	1.10	1.50	1.50

Appendix B Table 5
New Homes for Sale April 2022 and January 2023
MIHO Review
Sacramento, CA

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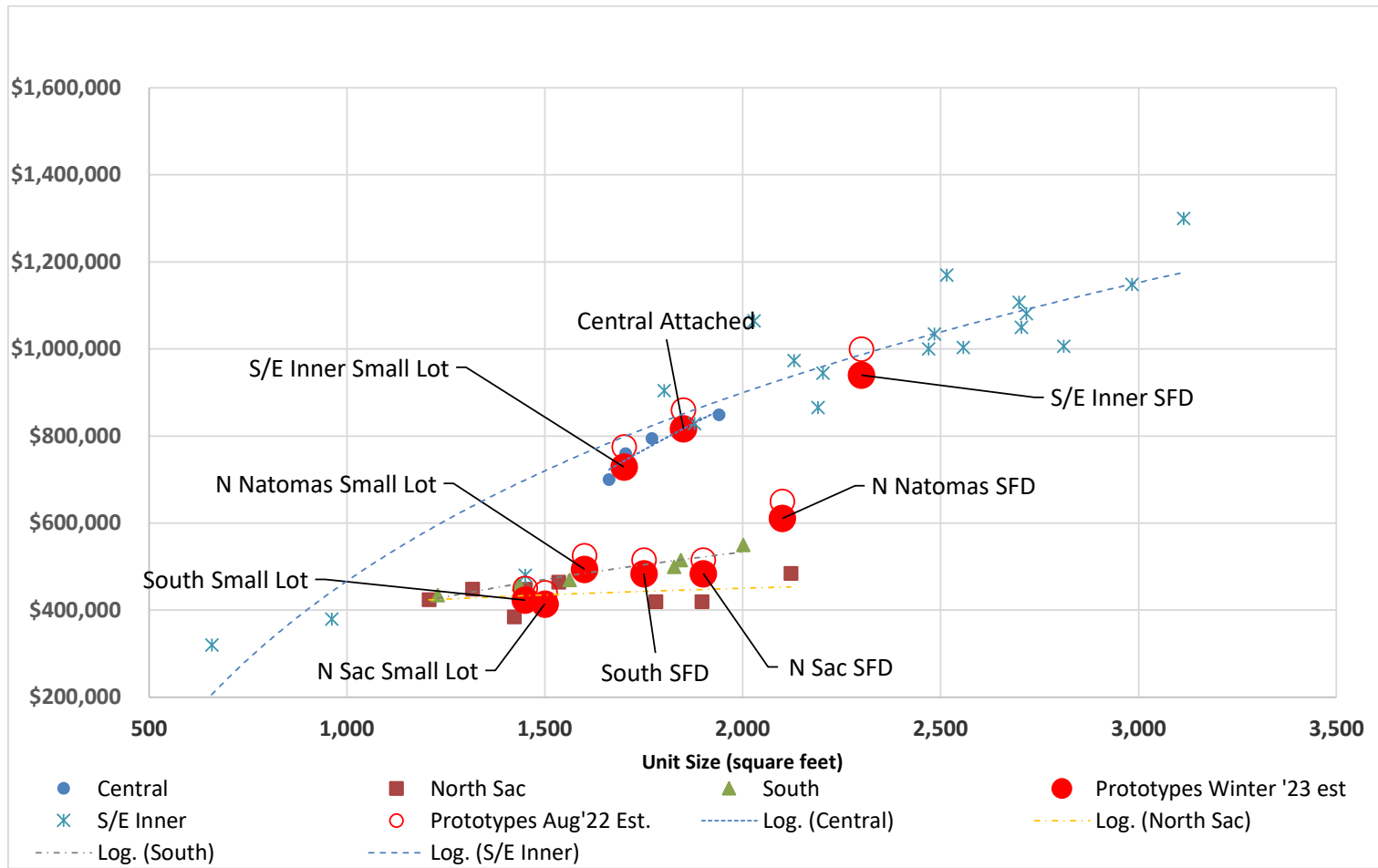
	<u>Square Feet</u>	<u>Lot Size</u>	<u>Sales Price</u> <u>Apr-22</u>	<u>Price / SF</u> <u>Apr-22</u>	<u>Sales Price</u> <u>Jan-23</u>	<u>Price / SF</u> <u>Jan-23</u>
<u>Central City</u>						
9th and Broadway <i>Attached duets. Two-bedroom units w/micro-studio rental unit.</i>						
Two Bedroom + Studi	1,770		\$795,000	\$449		
Two Bedroom + Studi	1,940		\$849,000	\$438		
Weighted Average	1,908		\$822,000	\$431	sold out / not avial.	
Icon <i>Attached townhomes</i>						
14th and C						
Three Bedroom	1,662		\$699,990	\$421		
Three Bedroom	1,704		\$759,990	\$446		
Weighted Average	1,683		\$729,990	\$434	sold out / not avial.	
<u>Inner South and East Neighborhoods</u>						
The Traditionals <i>Detached</i>						
Sutter Park						
Three Bedroom	2,028		\$1,065,000	\$525		
Four Bedroom	2,515		\$1,170,000	\$465		
Four Bedroom	2,698		\$1,108,000	\$411		
Five Bedroom	2,983		\$1,149,000	\$385		
Five Bedroom	3,114		\$1,300,000	\$417		
Weighted Average	2,667	5,500	\$1,158,400	\$434	sold out / not avial.	
The Classics <i>Detached. Small lot.</i>						
Sutter Park						
Three Bedroom	1,801		\$905,000	\$502		
Four Bedroom	2,202		\$945,000	\$429		
Four Bedroom	2,704		\$1,050,000	\$388		
Weighted Average	2,235	4,000	\$966,667	\$433	sold out / not avial.	
Central Lofts <i>Attached Townhomes</i>						
The Mill at Broadway						
One Bedroom	658		\$320,000	\$486		
Two Bedroom	961		\$380,000	\$395		
Three Bedroom	1,450		\$480,000	\$331		
Weighted Average	1,023		\$393,333	\$384	sold out / not avial.	
Alley Row <i>Detached. Alley-loaded.</i>						
Crocker Village						
Three Bedroom	2,129		\$970,230	\$456	\$943,730	\$443
Three Bedroom	2,484		\$1,031,160	\$415	\$1,004,660	\$404
Four Bedroom	2,716		\$1,078,330	\$397	\$1,051,830	\$387
Weighted Average	2,443	5,250	\$1,026,573 net of 3,500 incentives	\$420	\$1,000,073 net of 30,000 incentives	\$409 -3%
Potrero						
South Land Park						
Three Bedroom	1,540		n/a		\$659,900	\$429
Three Bedroom	1,577		n/a		\$689,900	\$437
	1,558				\$674,900	\$433

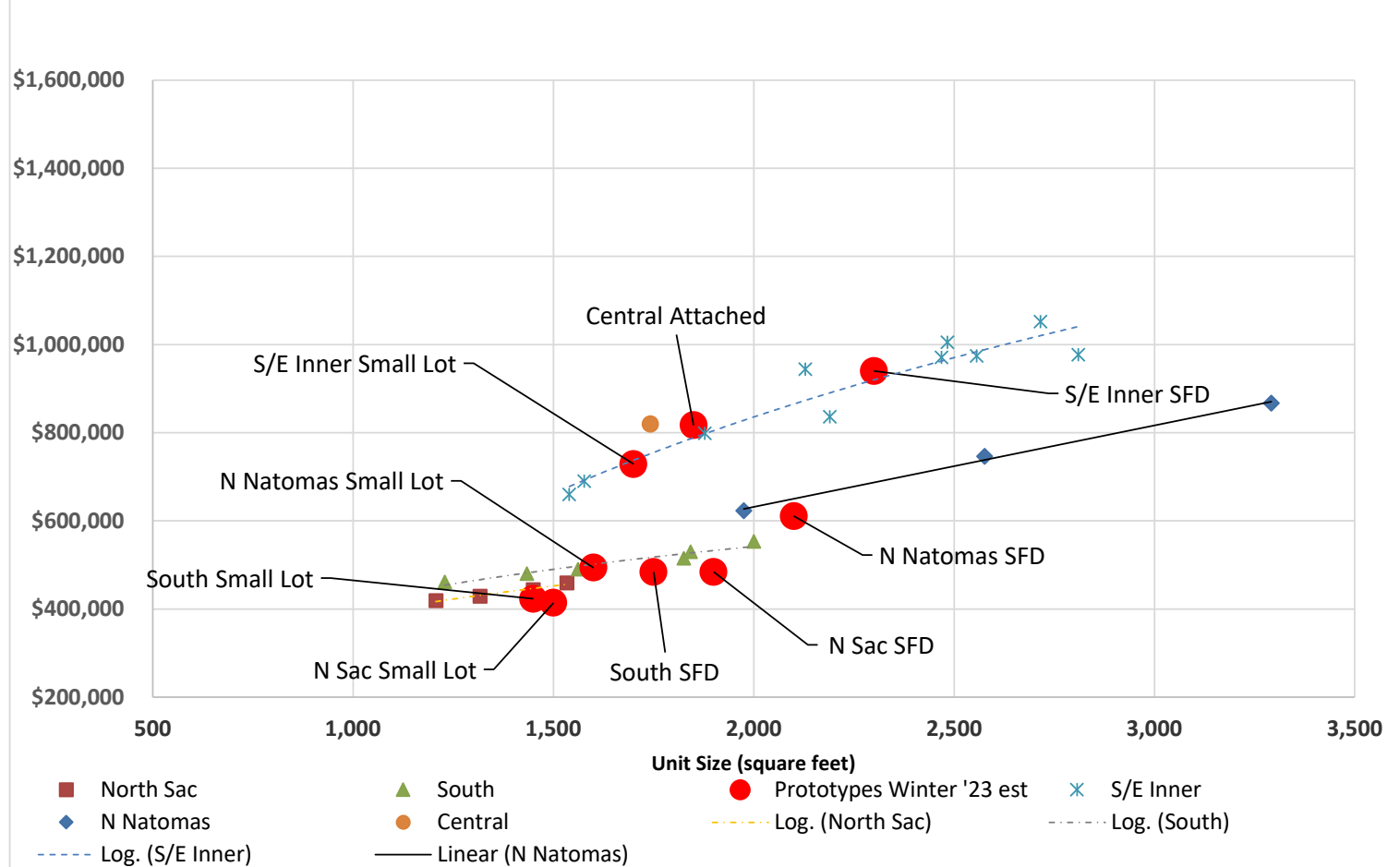
Appendix B Table 5
New Homes for Sale April 2022 and January 2023
MIHO Review
Sacramento, CA

DRAFT

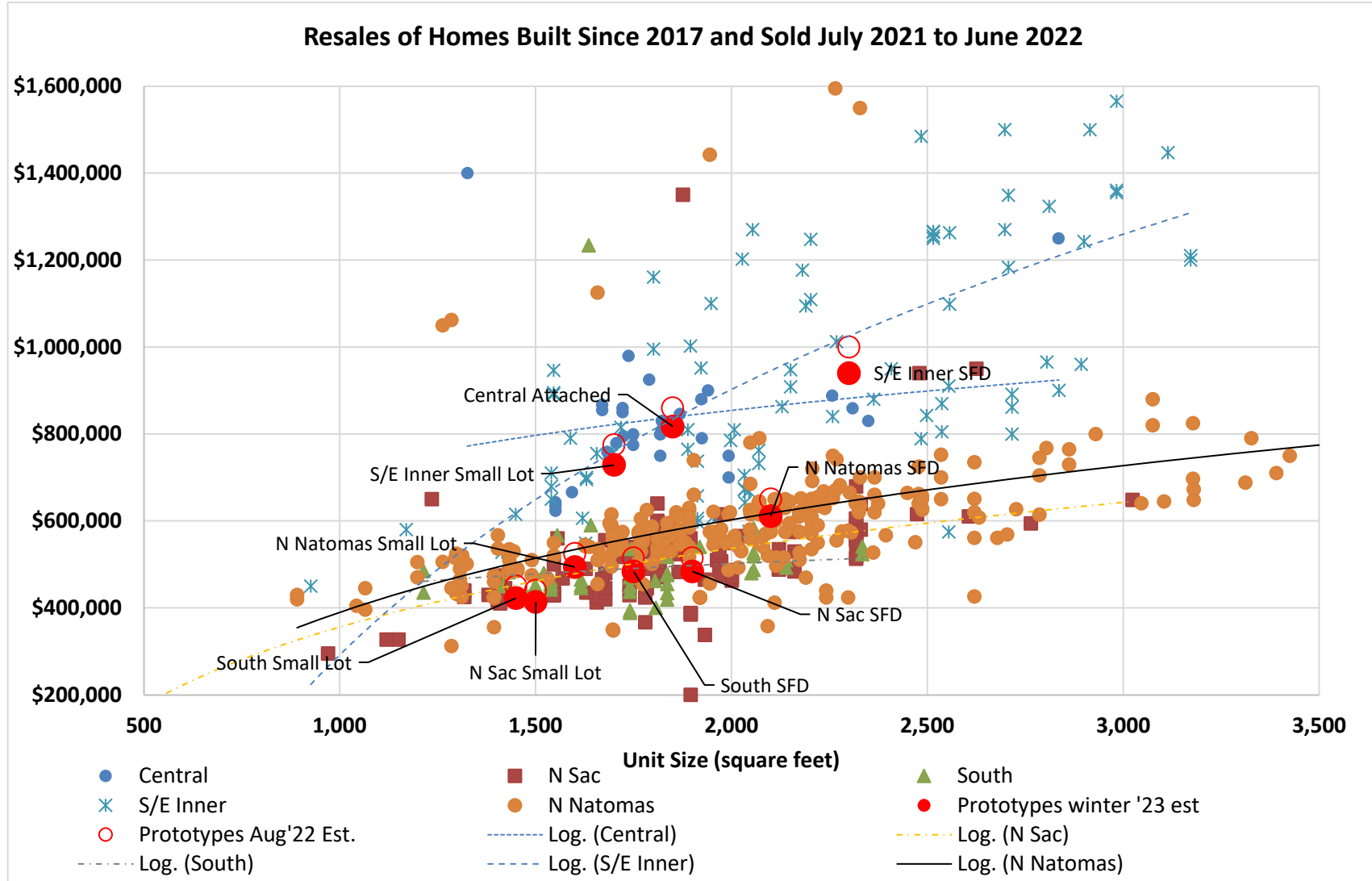
	<u>Square Feet</u>	<u>Lot Size</u>	<u>Sales Price</u>	<u>Price / SF</u>	<u>Sales Price</u>	<u>Price / SF</u>
Main Street	<i>Detached. Small lot.</i>					
Crocker Village						
Three Bedroom	1,878		\$823,730	\$439	\$798,730	\$425
Three Bedroom	2,190		\$860,730	\$393	\$835,730	\$382
Three Bedroom	2,469		\$995,730	\$403	\$970,730	\$393
Three Bedroom	2,557		\$998,730	\$391	\$973,730	\$381
Three Bedroom	2,811		\$1,001,730	\$356	\$976,730	\$347
Weighted Average	2,381	4,750	\$936,130 net of 5,000 incentives	\$393	\$911,130 net of 30,000 incentives	\$383 -3%
<u>Southern Neighborhoods</u>						
Wickford Square	<i>Detached. Small lot.</i>					
Two Bedroom	1,229		\$434,900	\$354	\$460,964	\$375
Three Bedroom	1,434		\$459,900	\$321	\$479,900	\$335
Three Bedroom	1,562		\$469,900	\$301	\$489,900	\$314
Three Bedroom	1,826		\$499,900	\$274	\$514,900	\$282
Four Bedroom	1,843		\$514,900	\$279	\$529,900	\$288
Four Bedroom	2,001		\$549,990	\$275	\$552,900	\$276
Weighted Average	1,649		\$486,248 net of 2,000 incentives	\$295	\$504,744 net of 25,000 incentives	\$306 4%
<u>North Sacramento and South Natomas</u>						
Morey Morrison	<i>Detached.</i>					
Three Bedroom	1,207		\$423,500	\$351	\$419,000	\$347
Three Bedroom	1,317		\$447,500	\$340	\$429,000	\$326
Three Bedroom	1,450		\$447,500	\$309	\$444,000	\$306
Three Bedroom	1,534		\$463,500	\$302	\$459,000	\$299
Weighted Average	1,377	3,000	\$445,500 net of 1,500 incentives	\$324	\$427,000 net of 20,000 incentives	\$310 -4%
Park Village	<i>Detached.</i>					
Three Bedroom	1,422		\$385,000	\$271		
Three Bedroom	1,780		\$420,000	\$236		
Four Bedroom	1,896		\$420,000	\$222		
Four Bedroom	2,121		\$485,000	\$229		
Weighted Average	1,804	5,000	\$427,500	\$237		
<u>North Natomas</u>						
Northlake	<i>Detached.</i>					
Three Bedroom	1,975		not included in survey		<u>list prices</u> \$623,000	\$315
Four Bedroom	2,577				\$746,000	\$290
Five Bedroom	3,292				\$867,000	\$263
	2,630				\$750,000	\$285

Source: The Gregory Group. List prices for Northlake units

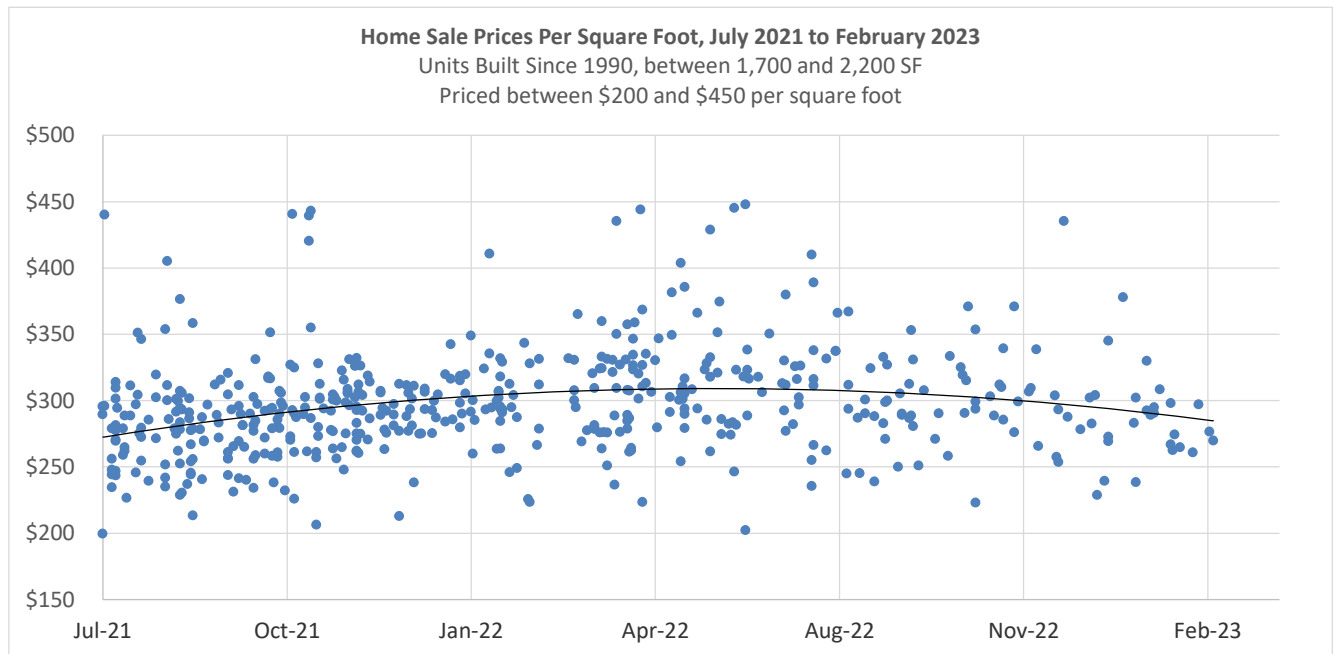




Source: Corelogic ListSource, 7/21/2022. See Appendix B Table 5 for underlying data.



Source: Corelogic ListSource, 7/21/2022.



Source: CoreLogic