



SAN FRANCISCO PLANNING DEPARTMENT

MEMORANDUM

TO: Interested Parties
FROM: Sarah Dennis, Senior Planner
DATE: February 27, 2008
SUBJECT: Eastern Neighborhoods DRAFT Financial Analysis

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Key policy goals of the Eastern Neighborhoods Plans, as stated in the December 2007 Draft Area Plans, are to ensure a future for PDR businesses in the city; provide a significant amount of new housing affordable to low, moderate and middle income families and individuals; and to provide “complete neighborhoods” that provide appropriate amenities for these new residents. The plan obligates all new development within the Eastern Neighborhoods to contribute towards these goals through land use requirements and restrictions, by providing a contribution towards affordable housing needs and by paying for a reasonable share of their impact on the neighborhood’s infrastructure.

- All residential and nonresidential uses are required to address affordable housing needs through the City’s inclusionary program, Jobs-Housing Linkage Program or through new affordable housing options specific to Eastern Neighborhoods.
- All residential and nonresidential uses are required to mitigate their impact on open space, transportation, and community facilities through payment of an impact fee.

As is the case in all other areas of the City, the affordable housing policies and impact fees have been carefully calibrated to be aggressive, but in most cases still financially feasible. From the Department’s perspective, it is important that the fee levels and the affordable housing policies be achievable, and further the City’s policy goal to provide a significant amount of new housing.

The Plans’ Proposal

Because the plan strives to meet these two goals of affordability and improved neighborhoods, yet recognizes that too high a burden might work against the City’s continuing goal of incentivizing housing development, the Plans’ proposal scales the imposition of requirements. Existing districts where residential and commercial uses were permitted as-of-right are obliged to provide a greater source of revenue towards neighborhood improvements via an increasing impact fee, while zoning districts previously reserved for industrial uses are charged with providing a greater amount of affordable housing.

- Existing Residential/Commercial Zones: In order to address needs for neighborhood infrastructure, the plan proposes an impact fee across all Eastern

Neighborhood zoning districts that will fund neighborhood improvements and infrastructure related to new development. Within existing Residential and Commercial Zones- former SLR, SSO, NC and R districts – this impact fee is proposed to tier upwards as development potential increases, focusing development’s contribution to the neighborhood towards improved neighborhood infrastructure.

- Formerly Industrial Zones: In order to address housing needs, the area plans creates new mixed use districts in the formerly industrial areas (SLI, M1, M2 and C-M) where housing was either not permitted or required a conditional use authorization. These areas are being rezoned to be allow housing production in conjunction with PDR and other workplace uses, provided the housing meets higher affordability requirements. In contrast to existing residential and commercially zoned, the plan intentionally focuses the development’s contribution to the neighborhood on expanded affordability.

In many of these formerly industrial areas, the plan allows for greater development intensity than currently permitted, while in others, no significant gain occurs. This mix means that some parcels will be subject to increased cost burdens as affordability requirements tier upwards from today’s requirements, which may discourage housing production and preserve existing uses on many parcels. The result is an intended mix of increased residential uses, greater affordability, and preservation of existing uses.

Within these zones, the plan provides greater flexibility in the way affordable housing requirements can be met so that higher percentages of affordability are actually achievable. The two new alternatives in lieu of traditional inclusionary requirements are:

- Middle Income Alternative, which allows provision of units to households above the 100% AMI threshold of the City’s inclusionary ordinance but well below the 200% AMI required for market rate homes, and
- Land Dedication, which allows property developers to set aside a portion of their site for the construction of affordable housing by the City.

These new alternatives are intended to be financially equal to or better than the proposed inclusionary housing options for these sites.

Financial Analysis

The attached package conveys the results of a DRAFT analysis intended to assess financial feasibility. The package compares what projects sponsors would be enabled to do under current conditions against the conditions of the rezoning, including new fee and housing requirements. It assumes that all projects receive the benefits of the plan, including the neighborhood improvements and general quality of life increases that will come with the plan, the ability to reduce environmental analysis by tiering off the EN Plan EIR, the ability to construct housing as-of-right (i.e. without CU), and the quantifiable benefits where additional development potential is conferred, through density increases, and height increases.

The attached package begins from the premise that the increased value gained through these benefits should be shared with property owners and developers, in order to incentivize positive change. The analysis is based on a goal of increasing value for property owners and developers where additional development potential is conferred, while acquiring fee revenue and affordable housing units to meet the stated infrastructure and housing needs.

Organization

The attached materials include the following:

- Table A. Development Assumptions
- Table B. Summary of Tiers and Policy Proposals (Residential Development)
- Tables 1-10. Land Residual Models

The development assumptions table (Table A) explains the assumptions and calculation methodology underlying the land residual analysis. Table B summarizes proposed policies and tier levels for residential development within the Eastern Neighborhoods. The following Tables 1-10 represent detailed land residual analyses that were used to develop the proposals.

Table A
Development Assumptions
San Francisco Eastern Neighborhoods

A.1 Building Prototypes

	Building Prototype EN-1 Low Rise Podium	Building Prototype EN-2 Mid Rise Podium 1	Building Prototype EN-3 Mid Rise Podium 2
Zoning Standards			
Existing Zoning	NC, RM-2, RSD, M-1, M-2, SSO, SLI	N/A	N/A
Proposed Zoning	NC-D, RTO, MUP/UMU	MUP/UMU, MOU, RTO, UMU-S	MUR/UMU, UMU-S
Development Program			
Building Type ^a	Type V (Wood Frame)	Type II (Steel Frame)	Type I (Concrete/Steel)
Height	40 to 55 Feet	65 Feet	85 Feet
Total Stories	4 to 5 Floors	6 Floors	8 Floors
Ground Floor	PDR/Commercial/Parking--No Revenue		
Residential Stories	3 to 4 Floors	5 Floors	7 Floors
Residential Lot Coverage	75%	75%	75%
Residential Building Efficiency	80%	80%	80%
Average Unit Size (Net) ^b	700 to 1,200 Square Feet	700 to 925 Square Feet	925 Square Feet
Revenue			
Market Rate Sales Price ^{a,b}	\$717 to \$792 Per NSF	\$780 to \$819 Per NSF	\$832 Per NSF
Below Market Rate Sales Price ^b	See below	See below	See below
Moderate Income Sales Price ^b	See below	See below	See below
Sales Expense	4.0%	4.0%	4.0%
Building Costs			
Hard Construction (incl. parking) ^{a,b}	\$276 to \$315 Per NSF	\$313 to \$333 Per NSF	\$351 Per NSF
Governmental Fees			
<i>Permits and Processing Charges^a</i>	\$6,000 Per Unit	\$6,000 Per Unit	\$6,000 Per Unit
<i>PUC Fees (water and sewer)</i>	\$3,893 Per Unit	\$3,893 Per Unit	\$3,893 Per Unit
<i>Inclusionary Housing In-Lieu Fee^c</i>	\$0 Per Unit	\$0 Per Unit	\$59,031 - \$82,644 Per Unit
<i>School Impact Fee^d</i>	\$2.24 Per NSF	\$2.24 Per NSF	\$2.24 Per NSF
<i>EN Public Benefits Fee^d</i>	\$10 Per NSF	\$10-\$15 Per NSF	\$10-\$20 Per NSF
Other Soft Costs ^{a,c}	\$100 Per NSF	\$100 Per NSF	\$100 Per NSF
Construction Financing ^{a,c}	\$28 Per NSF	\$33 Per NSF	\$36 Per NSF
Total Building Costs	\$414 to \$469 Per NSF	\$469 to \$492 Per NSF	\$584 to \$606 Per NSF
Developer Returns			
Return on Net Sales ^a	15.4%	17.5%	18.5%

a. Assumptions regarding building type, market rate sales value, hard construction costs, permitting/processing and school impact fees, construction financing, other soft costs, and developer returns based on KMA building prototypes produced for the Citywide Inclusionary Housing study (July 2006). Assumptions for the 65 foot building prototype were developed as a blend of the low rise and 85 foot prototypes, since KMA did not model 65 foot buildings. Cost and revenue assumptions have been adjusted to reflect current market conditions, construction and other cost increases, and variations due to unit size and parking. Tables on the next page detail these adjustments.

b. Assumptions and methodology underlying ranges described next page.

c. Buildings up to 65 feet assumed to meet inclusionary housing requirement through onsite production rather than in lieu fee. 85 foot buildings assumed to pay in lieu fee, with the average fee per unit depending on the unit mix and the required inclusionary percentage.

d. Fee to be charged under proposed zoning only. Fee range depends on level of upzoning per the Eastern Neighborhood Plan. Final fee not yet determined and subject to change.

e. Construction financing and other soft costs increased 5% per year (10.25% total) over KMA prototype values.

Table A
Development Assumptions
San Francisco Eastern Neighborhoods

A.2 Unit Size and Mix

Zoning/Building Constraints	Average Unit Size	Unit Mix (Studio/1BR/2BR/3BR)
1:800 density or 55' height limit	1200 sf	0% 0% 80% 20%
1:600 density or 40' height limit	1030 sf	0% 60% 30% 10%
no density limit, standard units	925 sf	0% 60% 30% 10%
no density limit, efficient units	700 sf	10% 50% 30% 10%

A.3 Hard Construction Cost Adjustment Assumptions

	Low Rise Podium	Mid Rise Podium 1	Mid Rise Podium 2
Baseline			
Base Hard Construction (incl. parking) ^a	\$275 Per NSF	\$300 Per NSF	\$330 Per NSF
Less included parking costs ^b	(\$32) Per NSF	(\$32) Per NSF	(\$32) Per NSF
Base Hard Construction (excl. parking)	\$243 Per NSF	\$268 Per NSF	\$298 Per NSF
Parking			
Parking Cost - Above Ground Structured ^c	\$20,000 Per Space	\$20,000 Per Space	\$20,000 Per Space
Parking Cost - Below Ground ^c	\$40,000 Per Space	\$40,000 Per Space	\$40,000 Per Space
Parking Space Size	350 Square Feet	350 Square Feet	350 Square Feet
Parking Ratio		Varies with zoning from .75:1 to 1:1	
Parking Location ^d	Above	Above or Above/Below	Above or Above/Below
Inflation			
Construction cost inflation 2006-2008 ^e	5% Per year	5% Per year	5% Per year
Unit Size			
925 - 1,030 square feet		No further cost adjustments	
700 square feet	\$10 Per NSF incr.	\$10 Per NSF incr.	\$10 Per NSF incr.
1,200 square feet	-\$10 Per NSF decr.	-\$10 Per NSF decr.	-\$10 Per NSF decr.

- a. KMA prototypes assumed one parking space per unit, located one story above ground and one story below ground.
- b. Estimated cost of parking included in KMA hard construction costs based on parking ratio and location.
- c. Costs based on Planning Department and Mayor's Office of Housing estimates used for BMR unbundled parking policy and other City analyses.
- d. Above ground parking assumed except where the required parking area exceeds the available ground floor area. Available ground floor area equals 100% of lot area less 1,000 square feet for entryway/lobby space.
- e. Engineering News Record (ENR), Building Cost Index (BCI) for San Francisco. Total inflation factor is 10.25% over 2 years.

A.4 Market Rate Sales Adjustment Assumptions

	Low Rise Podium	Mid Rise Podium 1	Mid Rise Podium 2
Baseline			
Base Market Rate Sales Price ^a	\$725 Per NSF	\$750 Per NSF	\$800 Per NSF
Parking			
Market Value of Parking Space ^b	\$50,000 Per Space	\$50,000 Per Space	\$50,000 Per Space
Market Conditions			
Change in market prices 2006-2008 ^c	+2% Per year	+2% Per year	+2% Per year
Unit Size			
925 - 1,030 square feet		No further price adjustments	
700 square feet	5% price increase	5% price increase	5% price increase
1,200 square feet	-5% price decrease	-5% price decrease	-5% price decrease

- a. Base market rate sales price includes one parking space per unit.
- b. Price of market rate units without parking assumed to be less than base value by this amount. Average market rate sales price adjusted in proportion to each building's parking ratio.
- c. Sales price adjustments applied to base prices before adjustment for parking.

Table A
Development Assumptions
San Francisco Eastern Neighborhoods

A.5 Below Market Rate Assumptions

	Inclusionary/Standard BMR		Middle Income
	Unit Pricing	In Lieu Fee^a	Unit Pricing
Pricing Assumptions			
Average Income Level ^b	100% SFMI		135% SFMI
Income Available for Housing	33%		38%
Downpayment	10%		10%
Interest Rate ^c	6.69%		6.69%
Sample Base Price			
Studio	\$172,734	\$187,308	\$256,556
1 BR	\$199,615	\$256,207	\$329,752
2 BR	\$226,496	\$343,256	\$372,938
3 BR	\$253,250	\$384,562	\$415,935
Unbundled Parking Assumptions^d			
Price of Units without Parking	Base price less cost of building parking (using cost assumptions above, pro rated by overall building parking ratio.		Same as standard BMR.
Price of Units with Parking	"No parking" price plus market value of parking space.		Same as standard BMR.

a. In lieu fee is paid per offsite inclusionary unit required. Average in lieu fee over all project units is the total fee times the inclusionary percentage.

b. Based on 2007 San Francisco Median Income (SFMI) published by the Mayor's Office of Housing (MOH).

c. 10 year rolling average, per MOH standard pricing calculations. See MOH website for standard assumptions on tax rate and HOA dues.

d. See MOH website for full description of the BMR unbundled parking policy.

Table B. Summary of Tiers and Policy Proposals – Residential Development
San Francisco Eastern Neighborhoods

Tier	Prototype	Description	Previous Zoning Districts	Fee	Inclusionary requirement	Alternatives		
						Middle Income	Land Dedication	
Existing Residential/ Comm. Zones	1	Projects with no height increase	SLR, RSD, SSO, NC, RM	\$10	15% onsite 20% offsite	x	x	Focused towards improved neighborhoods
	*2	Projects with 1-2 story height increase	SLR, RSD, SSO, NC, RM, *RSD	\$15	15% onsite 20% offsite	x	x	
	3	Projects with 3-4 story height increase	SLR, RSD, SSO, NC, RM	\$20	15% onsite 20% offsite	x	x	
Formerly Industrial Zones	A	UMU/Small site projects (< 1/2 acre)	M1, M2, CM, SLI	\$10	20% onsite 25% offsite	30 - 50%	x	Focused towards expanding affordability
	*B	UMU/Large site projects (>1/2 acre)	M1, M2, CM, *RSD	\$10	20% onsite 25% offsite	x	35 - 40%	
	C	UMU-S	SLI	\$10	23% onsite 28% offsite	x	50%	

*RSD parcels fall in these categories, depending on height increase

Table 1a
Residual Land Value
Tier 1, Existing Residential/Commercial Zones, Onsite IH
San Francisco Eastern Neighborhoods

	Current Zoning NC	Proposed Zoning NC-D	Difference
Site Area and Zoning			
Lot Size	20,000 Square Feet	20,000 Square Feet	
Lot Acreage	0.46 Acres	0.46 Acres	
Ground Floor Lot Coverage ^a	100%	100%	
Maximum Residential Lot Coverage (Above Ground Floor)	75%	75%	
Maximum Residential Density	200 Lot Sq. Ft. per Unit	N/A	No Density Increase
Development Program			
Description	Low Rise Podium	Low Rise Podium	
Maximum Height	50 Feet	55 Feet	5 Feet
Maximum Total Floors	5 Floors	5 Floors	0 Floors
Building Efficiency	80%	80%	
Residential			
Average Unit Size ^b	925 Square Feet	925 Square Feet	
Units per Floor ^c	13 Units	13 Units	
Maximum Units ^d	52 Units	52 Units	0 Units
Unit Mix	60% 1 BR 30% 2 BR 10% 3 BR	60% 1 BR 30% 2 BR 10% 3 BR	
Number of Market Rate Units	44 Units	44 Units	0 Units
Number of BMR Units ^e	8 Units	8 Units	0 Units
Parking			
Average Parking Ratio	1 Space per Unit	1 Space per Unit	
Revenue			
Market Rate Sales Price ^f	\$754 Per Net Square Foot	\$754 Per Net Square Foot	
Average MR Sales Price Adjusted for Parking ^g	\$697,718 Per MR Unit	\$697,718 Per MR Unit	
Base Price of BMR Units ^h	\$212,806 Per BMR Unit	\$212,806 Per BMR Unit	
Sales Expense	4.0%	4.0%	
Sales Net of Sales Expense	\$31,320,624 \$602,320 Per Unit \$651 Per NSF	\$31,320,624 \$602,320 Per Unit \$651 Per NSF	\$0
Building Costs^f			
Hard Construction (incl. parking)	\$292 Per NSF	\$292 Per NSF	
Governmental Fees	\$13 Per NSF	\$23 Per NSF	
<i>Permits and Processing Charges</i>	\$6,000 Per Unit	\$6,000 Per Unit	
<i>Water and Sewer Impact Fees</i>	\$3,893 Per Unit	\$3,893 Per Unit	
<i>Inclusionary Housing In-Lieu Feeⁱ</i>	\$0 Per Unit	\$0 Per Unit	
<i>School Impact Fee</i>	\$2.24 Per NSF	\$2.24 Per NSF	
<i>EN Public Benefits Fee^j</i>	\$0 Per NSF	\$10.00 Per NSF	\$10 Per NSF
Other Soft Costs	\$100 Per NSF	\$100 Per NSF	
Construction Financing	\$28 Per NSF	\$28 Per NSF	
Total Building Costs	\$20,790,887 \$399,825 Per Unit \$432 Per NSF	\$21,271,887 \$409,075 Per Unit \$442 Per NSF	\$481,000
Residual Land Value			
Return on Net Sales ^k	15.4%	15.4%	
Developer Margin	\$ 4,823,376 \$92,757 Per Unit	\$ 4,823,376 \$92,757 Per Unit	\$0
Land Value			
Per Unit	\$109,738 Per Unit	\$100,488 Per Unit	-\$9,250 Per Unit
Per Net Residential Square Foot	\$119 Per NRSF	\$109 Per NRSF	-\$10 Per NRSF
Per Gross Residential Square Foot	\$95 Per GRSF	\$87 Per GRSF	-\$8 Per GRSF
Per Lot Square Foot	\$285 Per LSF	\$261 Per LSF	-\$24 Per LSF
Per Acre of Land	\$12,428,454 Per Acre	\$11,380,836 Per Acre	-\$1,047,618 Per Acre
Representative Site Land Value	\$5,706,361	\$5,225,361	-\$481,000
<i>Site value increase as a percent of current zoning base</i>			-8.4%

a. Ground floor contains parking, entryway/lobby space, and potential neighborhood retail space in the remaining square footage. No costs or revenues are assumed for the ground floor other than those related to parking.

b. Standard average unit size is 925 sf per recent development proposals. Average unit size increases up to 1,200 sf when density restrictions limit unit count under current zoning.

c. Unit per floor estimates are based on gross unit square footage and estimated floor area; estimates round up when unit calculations are within 0.25 of the next full unit.

d. Maximum units under current zoning is constrained by building envelope limits rather than density controls. Estimated actual residential floors equals maximum.

e. Onsite Below Market Rate (BMR) units equal 15% of total units, rounded to the nearest whole number.

f. Market rate sales prices and building costs based on Citywide Inclusionary/KMA building prototypes, adjusted to reflect current market conditions and variations in unit sizes.

g. Market price of units without a parking space assumed to be \$50,000 less than units with parking. Average market price adjusted in proportion to the building's parking ratio.

h. BMR prices based on MOH 2007 sales prices and building unit mix. Actual BMR price adjusted according to MOH unbundled parking policy.

i. In-Lieu fee \$0, as development is meeting housing requirements with onsite production.

j. EN Public Benefits Fee to be charged under proposed zoning only. Proposed fee amount \$10.

k. Return on net sales targets based on Citywide Inclusionary/KMA building prototypes.

Table 1b
Residual Land Value
Tier 1, Existing Residential/Commercial Zones, Onsite IH
San Francisco Eastern Neighborhoods

	Current Zoning NC	Proposed Zoning NC-D	Difference
Site Area and Zoning			
Lot Size	20,000 Square Feet	20,000 Square Feet	
Lot Acreage	0.46 Acres	0.46 Acres	
Ground Floor Lot Coverage ^a	100%	100%	
Maximum Residential Lot Coverage (Above Ground Floor)	75%	75%	
Maximum Residential Density	600 Lot Sq. Ft. per Unit	N/A	Density Increase
Development Program			
Description	Low Rise Podium	Low Rise Podium	
Maximum Height	50 Feet	55 Feet	5 Feet
Maximum Total Floors	5 Floors	5 Floors	0 Floors
Building Efficiency	80%	80%	
Residential			
Average Unit Size ^b	1,200 Square Feet	925 Square Feet	
Units per Floor ^c	10 Units	13 Units	
Maximum Units ^d	33 Units	52 Units	19 Units
Unit Mix	0% 1 BR 80% 2 BR 20% 3 BR	60% 1 BR 30% 2 BR 10% 3 BR	
Number of Market Rate Units	28 Units	44 Units	16 Units
Number of BMR Units ^e	5 Units	8 Units	3 Units
Parking			
Average Parking Ratio	1 Space per Unit	1 Space per Unit	
Revenue			
Market Rate Sales Price ^f	\$717 Per Net Square Foot	\$754 Per Net Square Foot	
Average MR Sales Price Adjusted for Parking ^g	\$859,891 Per MR Unit	\$697,718 Per MR Unit	
Base Price of BMR Units ^h	\$859,891 Per MR Unit	\$697,718 Per MR Unit	
Base Price of BMR Units ^h	\$231,589 Per BMR Unit	\$212,806 Per BMR Unit	
Sales Expense	4.0%	4.0%	
Sales Net of Sales Expense	\$24,359,647 \$738,171 Per Unit \$615 Per NSF	\$31,320,624 \$602,320 Per Unit \$651 Per NSF	\$6,960,978
Building Costs^f			
Hard Construction (incl. parking)	\$276 Per NSF	\$292 Per NSF	
Governmental Fees	\$10 Per NSF	\$23 Per NSF	
Permits and Processing Charges	\$6,000 Per Unit	\$6,000 Per Unit	
Water and Sewer Impact Fees	\$3,893 Per Unit	\$3,893 Per Unit	
Inclusionary Housing In-Lieu Fee ⁱ	\$0 Per Unit	\$0 Per Unit	
School Impact Fee	\$2.24 Per NSF	\$2.24 Per NSF	
EN Public Benefits Fee ^j	\$0 Per NSF	\$10.00 Per NSF	\$10 Per NSF
Other Soft Costs	\$100 Per NSF	\$100 Per NSF	
Construction Financing	\$28 Per NSF	\$28 Per NSF	
Total Building Costs	\$16,407,435 \$497,195 Per Unit \$414 Per NSF	\$21,271,887 \$409,075 Per Unit \$442 Per NSF	\$4,864,452
Residual Land Value			
Return on Net Sales ^k	15.4%	15.4%	
Developer Margin	\$ 3,751,386 \$113,678 Per Unit	\$ 4,823,376 \$92,757 Per Unit	\$1,071,991
Land Value			
Per Unit	\$127,298 Per Unit	\$100,488 Per Unit	-\$26,810 Per Unit
Per Net Residential Square Foot	\$106 Per NRSF	\$109 Per NRSF	\$3 Per NRSF
Per Gross Residential Square Foot	\$85 Per GRSF	\$87 Per GRSF	\$2 Per GRSF
Per Lot Square Foot	\$210 Per LSF	\$261 Per LSF	\$51 Per LSF
Per Acre of Land	\$9,149,399 Per Acre	\$11,380,836 Per Acre	\$2,231,437 Per Acre
Representative Site Land Value	\$4,200,826	\$5,225,361	\$1,024,535
Site value increase as a percent of current zoning base			24.4%

a. Ground floor contains parking, entryway/lobby space, and potential neighborhood retail space in the remaining square footage. No costs or revenues are assumed for the ground floor other than those related to parking.

b. Standard average unit size is 925 sf per recent development proposals. Average unit size increases up to 1,200 sf when density restrictions limit unit count under current zoning.

c. Unit per floor estimates are based on gross unit square footage and estimated floor area; estimates round up when unit calculations are within 0.25 of the next full unit.

d. Maximum units under current zoning is constrained by density controls rather than building envelope limits. Estimated actual residential floors based on maximum units.

e. Onsite Below Market Rate (BMR) units equal 15% of total units, rounded to the nearest whole number.

f. Market rate sales prices and building costs based on Citywide Inclusionary/KMA building prototypes, adjusted to reflect current market conditions and variations in unit sizes.

g. Market price of units without a parking space assumed to be \$50,000 less than units with parking. Average market price adjusted in proportion to the building's parking ratio.

h. BMR prices based on MOH 2007 sales prices and building unit mix. Actual BMR price adjusted according to MOH unbundled parking policy.

i. In-Lieu fee \$0, as development is meeting housing requirements with onsite production.

j. EN Public Benefits Fee to be charged under proposed zoning only. Proposed fee amount \$10.

k. Return on net sales targets based on Citywide Inclusionary/KMA building prototypes.

Table 2
Residual Land Value
Tier 2, Existing Residential/Commercial Zones, Onsite IH
San Francisco Eastern Neighborhoods

	Current Zoning RM-2	Proposed Zoning RTO	Difference
Site Area and Zoning			
Lot Size	20,000 Square Feet	20,000 Square Feet	
Lot Acreage	0.46 Acres	0.46 Acres	
Ground Floor Lot Coverage ^a	100%	100%	
Maximum Residential Lot Coverage (Above Ground Floor)	75%	75%	
Maximum Residential Density	600 Lot Sq. Ft. per Unit	N/A	Density Increase
Development Program			
Description	Low Rise Podium	Mid Rise Podium 1	
Maximum Height	40 Feet	65 Feet	25 Feet
Maximum Total Floors	4 Floors	6 Floors	2 Floors
Building Efficiency	80%	80%	
Residential			
Average Unit Size ^b	1030 Square Feet	925 Square Feet	
Units per Floor ^c	11 Units	13 Units	
Maximum Units ^d	33 Units	65 Units	32 Units
Unit Mix	60% 1 BR 30% 2 BR 10% 3 BR	60% 1 BR 30% 2 BR 10% 3 BR	
Number of Market Rate Units	28 Units	55 Units	27 Units
Number of BMR Units ^e	5 Units	10 Units	5 Units
Parking			
Average Parking Ratio	1 Space per Unit	1 Space per Unit	
Revenue			
Market Rate Sales Price ^f	\$754 Per Net Square Foot	\$780 Per Net Square Foot	
Average MR Sales Price Adjusted for Parking ^g	\$776,919 Per MR Unit	\$721,778 Per MR Unit	
Base Price of BMR Units ^h	\$212,806 Per BMR Unit	\$212,806 Per BMR Unit	
Sales Expense	4.0%	4.0%	
Sales Net of Sales Expense	\$22,039,203 \$667,855 Per Unit \$648 Per NSF	\$40,385,286 \$621,312 Per Unit \$672 Per NSF	\$18,346,083
Building Costs^f			
Hard Construction (incl. parking)	\$289 Per NSF	\$323 Per NSF	
Governmental Fees	\$12 Per NSF	\$28 Per NSF	
Permits and Processing Charges	\$6,000 Per Unit	\$6,000 Per Unit	
Water and Sewer Impact Fees	\$3,893 Per Unit	\$3,893 Per Unit	
Inclusionary Housing In-Lieu Fee ⁱ	\$0 Per Unit	\$0 Per Unit	
School Impact Fee	\$2.24 Per NSF	\$2.24 Per NSF	
EN Public Benefits Fee ^j	\$0 Per NSF	\$15.00 Per NSF	\$15 Per NSF
Other Soft Costs	\$100 Per NSF	\$100 Per NSF	
Construction Financing	\$28 Per NSF	\$33 Per NSF	
Total Building Costs	\$14,572,282 \$441,584 Per Unit \$429 Per NSF	\$29,121,668 \$448,026 Per Unit \$484 Per NSF	\$14,549,386
Residual Land Value			
Return on Net Sales ^k	15.4%	17.5%	
Developer Margin	\$ 3,394,037 \$102,850 Per Unit	\$ 7,067,425 \$108,730 Per Unit	\$3,673,388
Land Value			
Per Unit	\$123,421	\$64,557	-\$58,864 Per Unit
Per Net Residential Square Foot	\$120	\$70	-\$50 Per NRSF
Per Gross Residential Square Foot	\$96	\$56	-\$40 Per GRSF
Per Lot Square Foot	\$204	\$210	\$6 Per LSF
Per Acre of Land	\$8,870,741	\$9,139,308	\$268,567 Per Acre
Representative Site Land Value	\$4,072,884	\$4,196,193	\$123,309
<i>Site value increase as a percent of current zoning base</i>			3.0%

- a. Ground floor contains parking, entryway/lobby space, and potential neighborhood retail space in the remaining square footage. No costs or revenues are assumed for the ground floor other than those related to parking.
- b. Standard average unit size is 925 sf per recent development proposals. Average unit size increases up to 1,200 sf when density restrictions limit unit count under current zoning.
- c. Unit per floor estimates are based on gross unit square footage and estimated floor area; estimates round up when unit calculations are within 0.25 of the next full unit.
- d. Maximum units under current zoning is constrained by building envelope limits rather than density controls. Estimated actual residential floors equals maximum.
- e. Onsite Below Market Rate (BMR) units equal 15% of total units, rounded to the nearest whole number.
- f. Market rate sales prices and building costs based on Citywide Inclusionary/KMA building prototypes, adjusted to reflect current market conditions and variations in unit sizes.
- g. Market price of units without a parking space assumed to be \$50,000 less than units with parking. Average market price adjusted in proportion to the building's parking ratio.
- h. BMR prices based on MOH 2007 sales prices and building unit mix. Actual BMR price adjusted according to MOH unbundled parking policy.
- i. In-Lieu fee \$0, as development is meeting housing requirements with onsite production.
- j. EN Public Benefits Fee to be charged under proposed zoning only. Proposed fee amount \$15.
- k. Return on net sales targets based on Citywide Inclusionary/KMA building prototypes.

Table 3
Residual Land Value
Tier 3, Existing Residential/Commercial Zones, Current: Onsite IH, Proposed: Offsite IH
San Francisco Eastern Neighborhoods

	Current Zoning SSO/SLR	Proposed Zoning MUR/UMU	Difference
Site Area and Zoning			
Lot Size	20,000 Square Feet	20,000 Square Feet	
Lot Acreage	0.46 Acres	0.46 Acres	
Ground Floor Lot Coverage ^a	100%	100%	
Maximum Residential Lot Coverage (Above Ground Floor)	75%	75%	
Maximum Residential Density	200 Lot Sq. Ft. per Unit	N/A	No Density Increase
Development Program			
Description	Low Rise Podium	Mid Rise Podium 2	
Maximum Height	40 Feet	85 Feet	45 Feet
Maximum Total Floors	4 Floors	8 Floors	4 Floors
Building Efficiency	80%	80%	
Residential			
Average Unit Size ^b	925 Square Feet	925 Square Feet	
Units per Floor ^c	13 Units	13 Units	
Maximum Units ^d	39 Units	91 Units	52 Units
Unit Mix	60% 1 BR 30% 2 BR 10% 3 BR	60% 1 BR 30% 2 BR 10% 3 BR	
Number of Market Rate Units	33 Units	91 Units	58 Units
Number of BMR Units ^e	6 Units	0 Units	-6 Units
Parking			
Average Parking Ratio	1 Space per Unit	0.75 Space per Unit	
Revenue			
Market Rate Sales Price ^f	\$754 Per Net Square Foot	\$832 Per Net Square Foot	
Average MR Sales Price Adjusted for Parking ^g	\$697,718 Per MR Unit	\$769,896 Per MR Unit	
Base Price of BMR Units ^h	\$697,718 Per MR Unit	\$757,808 Per MR Unit	
Base Price of BMR Units ^h	\$212,806 Per BMR Unit	\$0 Per BMR Unit	
Sales Expense	4.0%	4.0%	
Sales Net of Sales Expense	\$23,490,468 \$602,320 Per Unit \$651 Per NSF	\$66,202,115 \$727,496 Per Unit \$786 Per NSF	\$42,711,646
Building Costs^f			
Hard Construction (incl. parking)	\$292 Per NSF	\$351 Per NSF	
Governmental Fees	\$13 Per NSF	\$97 Per NSF	
Permits and Processing Charges	\$6,000 Per Unit	\$6,000 Per Unit	
Water and Sewer Impact Fees	\$3,893 Per Unit	\$3,893 Per Unit	
Inclusionary Housing In-Lieu Fee ⁱ	\$0 Per Unit	\$59,031 Per Unit	
School Impact Fee	\$2.24 Per NSF	\$2.24 Per NSF	
EN Public Benefits Fee ^j	\$0 Per NSF	\$20.00 Per NSF	\$20 Per NSF
Other Soft Costs	\$100 Per NSF	\$100 Per NSF	
Construction Financing	\$28 Per NSF	\$36 Per NSF	
Total Building Costs	\$15,593,165 \$399,825 Per Unit \$432 Per NSF	\$49,131,648 \$539,908 Per Unit \$584 Per NSF	\$33,538,483
Residual Land Value			
Return on Net Sales ^k	15.4%	18.5%	
Developer Margin	\$ 3,617,532 \$92,757 Per Unit	\$ 12,247,391 \$134,587 Per Unit	\$8,629,859
Land Value			
Per Unit	\$109,738	\$53,001	-\$56,737 Per Unit
Per Net Residential Square Foot	\$119	\$57	-\$61 Per NRSF
Per Gross Residential Square Foot	\$95	\$46	-\$49 Per GRFSF
Per Lot Square Foot	\$214	\$241	\$27 Per LSF
Per Acre of Land	\$9,321,341	\$10,504,657	\$1,183,317 Per Acre
Representative Site Land Value	\$4,279,771	\$4,823,075	\$543,304
<i>Site value increase as a percent of current zoning base</i>			12.7%

a. Ground floor contains parking, entryway/lobby space, and potential neighborhood retail space in the remaining square footage. No costs or revenues are assumed for the ground floor other than those related to parking.

b. Standard average unit size is 925 sf per recent development proposals. Average unit size increases up to 1,200 sf when density restrictions limit unit count under current zoning.

c. Unit per floor estimates are based on gross unit square footage and estimated floor area; estimates round up when unit calculations are within 0.25 of the next full unit.

d. Maximum units under current zoning is constrained by building envelope limits rather than density controls. Estimated actual residential floors equals maximum.

e. Inclusionary housing requirement fulfilled by 15% onsite requirements under current zoning and in-lieu fee at 20% under proposed zoning.

f. Market rate sales prices and building costs based on Citywide Inclusionary/KMA building prototypes, adjusted to reflect current market conditions and variations in unit sizes.

g. Market price of units without a parking space assumed to be \$50,000 less than units with parking. Average market price adjusted in proportion to the building's parking ratio.

h. BMR prices based on MOH 2007 sales prices and building unit mix. Actual BMR price adjusted according to MOH unbundled parking policy.

i. In-Lieu fee under current zoning \$0 (onsite production); under proposed zoning, in-lieu fee calculated in proportion to unit mix and according to 20% off-site requirement.

j. EN Public Benefits Fee to be charged under proposed zoning only. Proposed fee amount \$20.

k. Return on net sales targets based on Citywide Inclusionary/KMA building prototypes.

Table 4
Residual Land Value
Tier 3, Formerly RSD Zone, Current: Onsite IH, Proposed: 25% Required Offsite
San Francisco Eastern Neighborhoods

	Current Zoning RSD	Proposed Zoning MUR/UMU	Difference
Site Area and Zoning			
Lot Size	20,000 Square Feet	20,000 Square Feet	
Lot Acreage	0.46 Acres	0.46 Acres	
Ground Floor Lot Coverage ^a	100%	100%	
Maximum Residential Lot Coverage (Above Ground Floor)	75%	75%	
Maximum Residential Density	200 Lot Sq. Ft. per Unit	N/A	No Density Increase
Development Program			
Description	Low Rise Podium	Mid Rise Podium 2	
Maximum Height	40 Feet	85 Feet	45 Feet
Maximum Total Floors	4 Floors	8 Floors	4 Floors
Building Efficiency	80%	80%	
Residential			
Average Unit Size ^b	925 Square Feet	925 Square Feet	
Units per Floor ^c	13 Units	13 Units	
Maximum Units ^d	39 Units	91 Units	52 Units
Unit Mix	60% 1 BR 30% 2 BR 10% 3 BR	60% 1 BR 30% 2 BR 10% 3 BR	
Number of Market Rate Units	33 Units	91 Units	58 Units
Number of BMR Units ^e	6 Units	0 Units	-6 Units
Parking			
Average Parking Ratio	1 Space per Unit	0.75 Space per Unit	
Revenue			
Market Rate Sales Price ^f	\$754 Per Net Square Foot \$697,718 Per MR Unit	\$832 Per Net Square Foot \$769,896 Per MR Unit	
Average MR Sales Price Adjusted for Parking ^g	\$697,718 Per MR Unit	\$757,808 Per MR Unit	
Base Price of BMR Units ^h	\$212,806 Per BMR Unit	\$0 Per BMR Unit	
Sales Expense	4.0%	4.0%	
Sales Net of Sales Expense	\$23,490,468 \$602,320 Per Unit \$651 Per NSF	\$66,202,115 \$727,496 Per Unit \$786 Per NSF	\$42,711,646
Building Costs^f			
Hard Construction (incl. parking)	\$292 Per NSF	\$351 Per NSF	
Governmental Fees	\$13 Per NSF	\$103 Per NSF	
Permits and Processing Charges	\$6,000 Per Unit	\$6,000 Per Unit	
Water and Sewer Impact Fees	\$3,893 Per Unit	\$3,893 Per Unit	
Inclusionary Housing In-Lieu Fee ⁱ	\$0 Per Unit	\$73,789 Per Unit	
School Impact Fee	\$2.24 Per NSF	\$2.24 Per NSF	
EN Public Benefits Fee ^j	\$0 Per NSF	\$10.00 Per NSF	
Other Soft Costs	\$100 Per NSF	\$100 Per NSF	
Construction Financing	\$28 Per NSF	\$36 Per NSF	
Total Building Costs	\$15,593,165 \$399,825 Per Unit \$432 Per NSF	\$49,632,864 \$545,416 Per Unit \$590 Per NSF	\$34,039,698
Residual Land Value			
Return on Net Sales ^k	15.4%	18.5%	
Developer Margin	\$3,617,532 \$92,757 Per Unit	\$12,247,391 \$134,587 Per Unit	\$8,629,859
Land Value			
Per Unit	\$109,738	\$47,493	-\$62,245 Per Unit
Per Net Residential Square Foot	\$119	\$51	-\$67 Per NRSF
Per Gross Residential Square Foot	\$95	\$41	-\$54 Per GRSF
Per Lot Square Foot	\$214	\$216	\$2 Per LSF
Per Acre of Land	\$9,321,341	\$9,413,011	\$91,670 Per Acre
Representative Site Land Value	\$4,279,771	\$4,321,860	\$42,089
<i>Site value increase as a percent of current zoning base</i>			1.0%

- a. Ground floor contains parking, entryway/lobby space, and potential neighborhood retail space in the remaining square footage. No costs or revenues are assumed for the ground floor other than those related to parking.
- b. Standard average unit size is 925 sf per recent development proposals. Average unit size increases to up to 1,200 sf when density restrictions limit unit count under current zoning.
- c. Unit per floor estimates are based on gross unit square footage and estimated floor area; estimates round up when unit calculations are within 0.25 of the next full unit.
- d. Maximum units under current zoning is constrained by building envelope limits rather than density controls.
- e. Inclusionary housing requirement fulfilled by 15% onsite requirements under current zoning and in-lieu fee at 25% under proposed zoning.
- f. Market rate sales price and building costs based on Citywide Inclusionary/KMA building prototypes, adjusted to reflect current market conditions and variations in unit sizes.
- g. Market price of units without a parking space assumed to be \$50,000 less than units with parking. Average market price adjusted in proportion to the building's parking ratio.
- h. BMR prices based on MOH 2007 sales prices and building unit mix. Actual BMR price adjusted according to MOH unbundled parking policy.
- i. In-Lieu fee under current zoning \$0 (onsite production); under proposed zoning, in-lieu fee calculated in proportion to unit mix and according to 25% off-site requirement.
- j. EN Public Benefits Fee to be charged under proposed zoning only. Proposed fee amount \$10.
- k. Return on net sales targets based on Citywide Inclusionary/KMA building prototypes.

Table 5a
Residual Land Value
Tier A, Formerly Industrial Zone, Middle Income @ 40% (135% AMI)
San Francisco Eastern Neighborhoods

	Current Zoning M-1	Proposed Zoning MUP/UMU	Difference
Site Area and Zoning			
Lot Size	15,000 Square Feet	15,000 Square Feet	
Lot Acreage	0.34 Acres	0.34 Acres	
Ground Floor Lot Coverage ^a	100%	100%	
Maximum Residential Lot Coverage (Above Ground Floor)	75%	75%	
Maximum Residential Density	800 Lot Sq. Ft. per Unit	N/A	Density Increase
Development Program			
Description	Low Rise Podium	Low Rise Podium	
Maximum Height	50 Feet	50 Feet	0 Feet
Maximum Total Floors	5 Floors	5 Floors	0 Floors
Building Efficiency	80%	80%	
Residential			
Average Unit Size ^b	1200 Square Feet	700 Square Feet	
Units per Floor ^c	7 Units	13 Units	
Maximum Units ^d	19 Units	52 Units	33 Units
Unit Mix	0% 1 BR 80% 2 BR 20% 3 BR	60% Studio/1 BR 30% 2 BR 10% 3 BR	
Number of Market Rate Units	16 Units	31 Units	15 Units
Number of Units @ 100% AMI	3 Units	0 Units	-3 Units
Number of Units @ 135% AMI	0 Units	21 Units	21 Units
Number of BMR Units/Middle Income Units ^e	3 Units	21 Units	18 Units
Parking			
Average Parking Ratio	1 Space per Unit	1 Space per Unit	
Revenue			
Market Rate Sales Price ^f	\$717 Per Net Square Foot \$859,891 Per MR Unit	\$792 Per Net Square Foot \$554,403 Per MR Unit	
Average MR Sales Price Adjusted for Parking ^g	\$859,891 Per MR Unit \$717 Per NSF	\$554,403 Per MR Unit \$792 Per NSF	
Base Price of 100% AMI Units	\$231,589 Per BMR Unit ^h	N/A Per BMR Unit ^h	
Base Price of 135% AMI Units	N/A	\$353,824 Per Middle Inc. Unit ^h	
Sales Expense	4.0%	4.0%	
Sales Net of Sales Expense	\$13,955,392 \$734,494 Per Unit \$612 Per NSF	\$24,112,099 \$463,694 Per Unit \$662 Per NSF	\$10,156,708
Building Costsⁱ			
Hard Construction (incl. parking)	\$276 Per NSF	\$315 Per NSF	
Governmental Fees	\$10 Per NSF	\$26 Per NSF	
Permits and Processing Charges	\$6,000 Per Unit	\$6,000 Per Unit	
Water and Sewer Impact Fees	\$3,893 Per Unit	\$3,893 Per Unit	
Inclusionary Housing In-Lieu Fee ^j	\$0 Per Unit	\$0 Per Unit	
School Impact Fee	\$2.24 Per NSF	\$2.24 Per NSF	
EN Public Benefits Fee ^k	\$0 Per NSF	\$10.00 Per NSF	
Other Soft Costs	\$100 Per NSF	\$100 Per NSF	
Construction Financing	\$28 Per NSF	\$28 Per NSF	
Total Building Costs	\$9,446,705 \$497,195 Per Unit \$414 Per NSF	\$17,081,080 \$328,482 Per Unit \$469 Per NSF	\$7,634,375
Residual Land Value			
Return on Net Sales ^l	15.4%	15.4%	
Developer Margin	\$ 2,149,130 \$113,112 Per Unit	\$ 3,713,263 \$71,409 Per Unit	\$1,564,133
Land Value			
Per Unit	\$124,187	\$63,803	-\$60,384 Per Unit
Per Net Residential Square Foot	\$103	\$91	-\$12 Per NRSF
Per Gross Residential Square Foot	\$83	\$73	-\$10 Per GRSF
Per Lot Square Foot	\$157	\$221	\$64 Per LSF
Per Acre of Land	\$6,852,152	\$9,634,764	\$2,782,612 Per Acre
Representative Site Land Value	\$2,359,557	\$3,317,756	\$958,200
<i>Site value increase as a percent of current zoning base</i>			40.6%

- a. Ground floor contains parking, entryway/lobby space, and potential neighborhood retail space in the remaining square footage. No costs or revenues are assumed for the ground floor other than those related to parking.
- b. Standard average unit size is 925 sf per recent development proposals. Average unit size increases up to 1,200 sf when density restrictions limit unit count under current zoning. Average unit size decreases to 700 sf for efficiently designed Middle Income units.
- c. Unit per floor estimates are based on gross unit square footage and estimated floor area; estimates round up when unit calculations are within 0.25 of the next full unit.
- d. Maximum units under current zoning is constrained by density controls rather than building envelope limits. Estimated actual residential floors based on maximum units.
- e. Onsite Below Market Rate (BMR) units equal 15% of total units (current zoning) and Middle Income units equal 40% of total units (proposed), rounded to the nearest whole number.
- f. Market rate sales prices and building costs based on Citywide Inclusionary/KMA building prototypes, adjusted to reflect current market conditions and variations in unit sizes.
- g. Market price of units without a parking space assumed to be \$50,000 less than units with parking. Average market price adjusted in proportion to the building's parking ratio.
- h. BMR prices based on MOH 2007 sales prices and building unit mix. Actual BMR price adjusted according to MOH unbundled parking policy. Middle Income price set to be affordable to households at 135% of AMI, assuming households spend 38% of income on all housing costs and a 30-year fixed mortgage with a 6.7% interest rate.
- i. In-Lieu fee \$0, as development is meeting housing requirements with onsite production.
- j. EN Public Benefits Fee to be charged under proposed zoning only. Proposed fee amount \$10.
- k. Return on net sales targets based on Citywide Inclusionary/KMA building prototypes.

Table 5b
Residual Land Value
Tier A, Formerly Industrial Zone, Middle Income @ 40% (135% AMI)
San Francisco Eastern Neighborhoods

	Current Zoning M-2	Proposed Zoning MUP/UMU	Difference
Site Area and Zoning			
Lot Size	15,000 Square Feet	15,000 Square Feet	
Lot Acreage	0.34 Acres	0.34 Acres	
Ground Floor Lot Coverage ^a	100%	100%	
Maximum Residential Lot Coverage (Above Ground Floor)	75%	75%	
Maximum Residential Density	800 Lot Sq. Ft. per Unit	N/A	Density Increase
Development Program			
Description	Low Rise Podium	Mid Rise Podium 1	
Maximum Height	40 Feet	65 Feet	25 Feet
Maximum Total Floors	4 Floors	6 Floors	2 Floors
Building Efficiency	80%	80%	
Residential			
Average Unit Size ^b	1200 Square Feet	700 Square Feet	
Units per Floor ^c	7 Units	13 Units	
Maximum Units ^d	19 Units	65 Units	46 Units
Unit Mix	0% 1 BR 80% 2 BR 20% 3 BR	60% Studio/1 BR 30% 2 BR 10% 3 BR	
Number of Market Rate Units	16 Units	39 Units	23 Units
Number of Units @ 100% AMI	3 Units	0 Units	-3 Units
Number of Units @ 135% AMI	0 Units	26 Units	26 Units
Number of BMR Units/Middle Income Units ^e	3 Units	26 Units	23 Units
Parking			
Average Parking Ratio	1 Space per Unit	0.75 Space per Unit	
Revenue			
Market Rate Sales Price ^f	\$717 Per Net Square Foot \$859,891 Per MR Unit	\$819 Per Net Square Foot \$573,521 Per MR Unit	
Average MR Sales Price Adjusted for Parking ^g	\$859,891 Per MR Unit \$717 Per NSF	\$561,213 Per MR Unit \$802 Per NSF	
Base Price of 100% AMI Units	\$231,589 Per BMR Unit ^h	N/A Per BMR Unit ^h	
Base Price of 135% AMI Units	N/A	\$353,824 Per Middle Inc. Unit ^h	
Sales Expense	4.0%	4.0%	
Sales Net of Sales Expense	\$13,955,392 \$734,494 Per Unit \$612 Per NSF	\$30,307,135 \$466,264 Per Unit \$666 Per NSF	\$16,351,743
Building Costs^f			
Hard Construction (incl. parking)	\$276 Per NSF	\$333 Per NSF	
Governmental Fees	\$10 Per NSF	\$26 Per NSF	
Permits and Processing Charges	\$6,000 Per Unit	\$6,000 Per Unit	
Water and Sewer Impact Fees	\$3,893 Per Unit	\$3,893 Per Unit	
Inclusionary Housing In-Lieu Fee ⁱ	\$0 Per Unit	\$0 Per Unit	
School Impact Fee	\$2.24 Per NSF	\$2.24 Per NSF	
EN Public Benefits Fee ^j	\$0 Per NSF	\$10.00 Per NSF	\$10 Per NSF
Other Soft Costs	\$100 Per NSF	\$100 Per NSF	
Construction Financing	\$28 Per NSF	\$33 Per NSF	
Total Building Costs	\$9,446,705 \$497,195 Per Unit \$414 Per NSF	\$22,395,763 \$344,550 Per Unit \$492 Per NSF	\$12,949,058
Residual Land Value			
Return on Net Sales ^k	15.4%	17.5%	
Developer Margin	\$ 2,149,130 \$113,112 Per Unit	\$ 5,303,749 \$81,596 Per Unit	\$3,154,618
Land Value			
Per Unit	\$124,187	\$40,117	-\$84,070 Per Unit
Per Net Residential Square Foot	\$103	\$57	-\$46 Per NRSF
Per Gross Residential Square Foot	\$83	\$46	-\$37 Per GRSF
Per Lot Square Foot	\$157	\$174	\$17 Per LSF
Per Acre of Land	\$6,852,152	\$7,572,540	\$720,387 Per Acre
Representative Site Land Value	\$2,359,557	\$2,607,624	\$248,067
<i>Site value increase as a percent of current zoning base</i>			10.5%

a. Ground floor contains parking, entryway/lobby space, and potential neighborhood retail space in the remaining square footage. No costs or revenues are assumed for the ground floor other than those related to parking.

b. Standard average unit size is 925 sf per recent development proposals. Average unit size increases up to 1,200 sf when density restrictions limit unit count under current zoning. Average unit size decreases to 700 sf for efficiently designed Middle Income units.

c. Unit per floor estimates are based on gross unit square footage and estimated floor area; estimates round up when unit calculations are within 0.25 of the next full unit.

d. Maximum units under current zoning is constrained by density controls rather than building envelope limits.

e. Onsite Below Market Rate (BMR) units equal 15% of total units (current zoning) and Middle Income units equal 40% of total units (proposed), rounded to the nearest whole number.

f. Market rate sales prices and building costs based on Citywide Inclusionary/KMA building prototypes, adjusted to reflect current market conditions and variations in unit sizes.

g. Market price of units without a parking space assumed to be \$50,000 less than units with parking. Average market price adjusted in proportion to the building's parking ratio.

h. BMR prices based on MOH 2007 sales prices and building unit mix. Actual BMR price adjusted according to MOH unbundled parking policy. Middle Income price set to be affordable to households at 135% of AMI, assuming households spend 38% of income on all housing costs and a 30-year fixed mortgage with a 6.7% interest rate.

i. In-Lieu fee \$0, as development is meeting housing requirements with onsite production.

j. EN Public Benefits Fee to be charged under proposed zoning only. Proposed fee amount \$10.

k. Return on net sales targets based on Citywide Inclusionary/KMA building prototypes.

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Table 6a
Residual Land Value
Tier B, Formerly Industrial Zone, Land Dedication @ 35%
San Francisco Eastern Neighborhoods

	Current Zoning M-1	Proposed Zoning UMU	Difference
Site Area and Zoning			
Lot Size	40,000 Square Feet	26,000 Square Feet	
Lot Acreage	0.92 Acres	0.60 Acres	
Ground Floor Lot Coverage ^a	100%	100%	
Maximum Residential Lot Coverage (Above Ground Floor)	75%	75%	
Maximum Residential Density	600 Lot Sq. Ft. per Unit	N/A	Density Increase
Development Program			
Description	Low Rise Podium	Low Rise Podium	
Maximum Height	50 Feet	55 Feet	5 Feet
Maximum Total Floors	5 Floors	5 Floors	0 Floors
Building Efficiency	80%	80%	
Residential			
Average Unit Size ^b	1200 Square Feet	925 Square Feet	
Units per Floor ^c	20 Units	17 Units	
Maximum Units ^d	67 Units	68 Units	1 Units
Unit Mix	0% 1 BR 80% 2 BR 20% 3 BR	60% 1 BR 30% 2 BR 10% 3 BR	
Number of Market Rate Units	57 Units	68 Units	11 Units
Number of BMR Units ^e	10 Units	0 Units	-10 Units
Parking			
Average Parking Ratio	1 Space per Unit	1 Space per Unit	
Revenue			
Market Rate Sales Price ^f	\$717 Per Net Square Foot \$859,891 Per MR Unit	\$754 Per Net Square Foot \$697,718 Per MR Unit	
Average MR Sales Price Adjusted for Parking ^g	\$859,891 Per MR Unit	\$697,718 Per MR Unit	
Base Price of BMR Units ^h	\$231,589 Per BMR Unit	\$0 Per BMR Unit	
Sales Expense	4.0%	4.0%	
Sales Net of Sales Expense	\$49,544,788 \$739,474 Per Unit \$616 Per NSF	\$45,547,047 \$669,810 Per Unit \$724 Per NSF	-\$3,997,741
Building Costs^f			
Hard Construction (incl. parking)	\$276 Per NSF	\$292 Per NSF	
Governmental Fees	\$10 Per NSF	\$23 Per NSF	
Permits and Processing Charges	\$6,000 Per Unit	\$6,000 Per Unit	
Water and Sewer Impact Fees	\$3,893 Per Unit	\$3,893 Per Unit	
Inclusionary Housing In-Lieu Fee ⁱ	\$0 Per Unit	\$0 Per Unit	
School Impact Fee	\$2.24 Per NSF	\$2.24 Per NSF	
EN Public Benefits Fee ^j	\$0 Per NSF	\$10.00 Per NSF	\$10 Per NSF
Other Soft Costs	\$100 Per NSF	\$100 Per NSF	
Construction Financing	\$28 Per NSF	\$28 Per NSF	
Total Building Costs	\$33,312,065 \$497,195 Per Unit \$414 Per NSF	\$27,817,083 \$409,075 Per Unit \$442 Per NSF	-\$5,494,982
Residual Land Value			
Return on Net Sales ^k	15.4%	15.4%	
Developer Margin	\$7,629,897 \$113,879 Per Unit	\$7,014,245 \$103,151 Per Unit	-\$615,652
Land Value^l			
Per Unit	\$128,400	\$157,584	\$29,184 Per Unit
Per Net Residential Square Foot	\$107	\$170	\$63 Per NRSF
Per Gross Residential Square Foot	\$86	\$136	\$51 Per GRSF
Per Lot Square Foot	\$215	\$412	\$197 Per LSF
Per Acre of Land	\$9,368,477	\$17,952,951	\$8,584,474 Per Acre
Representative Site Land Value	\$8,602,826	\$10,715,719	\$2,112,893
<i>Site value increase as a percent of current zoning base</i>			24.6%

- Ground floor contains parking, entryway/lobby space, and potential neighborhood retail space in the remaining square footage. No costs or revenues are assumed for the ground floor other than those related to parking.
- Standard average unit size is 925 sf per recent development proposals. Average unit size increases to up to 1,200 sf when density restrictions limit unit count under current zoning.
- Unit per floor estimates are based on gross unit square footage and estimated floor area; estimates round up when unit calculations are within 0.25 of the next full unit.
- Maximum units under current zoning is constrained by density controls rather than building envelope limits. Estimated actual residential floors based on maximum units.
- Onsite Below Market Rate (BMR) units equal to 15% of total units, rounded to the nearest whole number. Under proposed zoning, the affordable housing obligation is fulfilled with land dedication of 35% of the site and no additional BMR units.
- Market rate sales prices and building costs based on Citywide Inclusionary/KMA building prototypes, adjusted to reflect current market conditions and variations in unit sizes.
- Market price of units without a parking space assumed to be \$50,000 less than units with parking. Average market price adjusted in proportion to the building's parking ratio.
- BMR prices based on MOH 2007 sales prices and building unit mix. Actual BMR price adjusted according to MOH unbundled parking policy.
- In-Lieu fee \$0, as development is meeting housing requirements with onsite production or land dedication.
- EN Public Benefits Fee to be charged under proposed zoning only. Proposed fee amount \$10.
- Return on net sales targets based on Citywide Inclusionary/KMA building prototypes.
- Land value metrics under proposed zoning with land dedication adjusted to reflect the loss of units/buildable square footage due to land dedication.

Table 6b
Residual Land Value
Tier B, Formerly Industrial Zone, Land Dedication @ 35%
San Francisco Eastern Neighborhoods

	Current Zoning M-2	Proposed Zoning MUP/UMU	Difference
Site Area and Zoning			
Lot Size	40,000 Square Feet	26,000 Square Feet	
Lot Acreage	0.92 Acres	0.60 Acres	
Ground Floor Lot Coverage ^a	100%	100%	
Maximum Residential Lot Coverage (Above Ground Floor)	75%	75%	
Maximum Residential Density	600 Lot Sq. Ft. per Unit	N/A	Density Increase
Development Program			
Description	Low Rise Podium	Mid Rise Podium 1	
Maximum Height	40 Feet	65 Feet	25 Feet
Maximum Total Floors	4 Floors	6 Floors	2 Floors
Building Efficiency	80%	80%	
Residential			
Average Unit Size ^b	1030 Square Feet	925 Square Feet	
Units per Floor ^c	23 Units	17 Units	
Maximum Units ^d	67 Units	85 Units	18 Units
Unit Mix	60% 1 BR 30% 2 BR 10% 3 BR	60% 1 BR 30% 2 BR 10% 3 BR	
Number of Market Rate Units	57 Units	85 Units	28 Units
Number of BMR Units ^e	10 Units	0 Units	-10 Units
Parking			
Average Parking Ratio	1 Space per Unit	0.75 Space per Unit	
Revenue			
Market Rate Sales Price ^f	\$754 Per Net Square Foot \$776,919 Per MR Unit	\$780 Per Net Square Foot \$721,778 Per MR Unit	
Average MR Sales Price Adjusted for Parking ^g	\$776,919 Per MR Unit	\$709,425 Per MR Unit	
Base Price of BMR Units ^h	\$212,806 Per BMR Unit	\$0 Per BMR Unit	
Sales Expense	4.0%	4.0%	
Sales Net of Sales Expense	\$44,824,248 \$669,019 Per Unit \$650 Per NSF	\$57,889,044 \$681,048 Per Unit \$736 Per NSF	\$13,064,796
Building Costs^f			
Hard Construction (incl. parking)	\$289 Per NSF	\$313 Per NSF	
Governmental Fees	\$12 Per NSF	\$23 Per NSF	
Permits and Processing Charges	\$6,000 Per Unit	\$6,000 Per Unit	
Water and Sewer Impact Fees	\$3,893 Per Unit	\$3,893 Per Unit	
Inclusionary Housing In-Lieu Fee ⁱ	\$0 Per Unit	\$0 Per Unit	
School Impact Fee	\$2.24 Per NSF	\$2.24 Per NSF	
EN Public Benefits Fee ^j	\$0 Per NSF	\$10.00 Per NSF	\$10 Per NSF
Other Soft Costs	\$100 Per NSF	\$100 Per NSF	
Construction Financing	\$28 Per NSF	\$33 Per NSF	
Total Building Costs	\$29,586,148 \$441,584 Per Unit \$429 Per NSF	\$36,908,826 \$434,221 Per Unit \$469 Per NSF	\$7,322,678
Residual Land Value			
Return on Net Sales ^k	15.4%	17.5%	
Developer Margin	\$6,902,934 \$103,029 Per Unit	\$10,130,583 \$119,183 Per Unit	\$3,227,649
Land Value^l			
Per Unit	\$124,405	\$127,643	\$3,237 Per Unit
Per Net Residential Square Foot	\$121	\$138	\$17 Per NRSF
Per Gross Residential Square Foot	\$97	\$110	\$14 Per GRSF
Per Lot Square Foot	\$208	\$417	\$209 Per LSF
Per Acre of Land	\$9,076,995	\$18,177,313	\$9,100,317 Per Acre
Representative Site Land Value	\$8,335,166	\$10,849,636	\$2,514,470
<i>Site value increase as a percent of current zoning base</i>			30.2%

- Ground floor contains parking, entryway/lobby space, and potential neighborhood retail space in the remaining square footage. No costs or revenues are assumed for the ground floor other than those related to parking.
- Standard average unit size is 925 sf per recent development proposals. Average unit size increases to up to 1,200 sf when density restrictions limit unit count under current zoning.
- Unit per floor estimates are based on gross unit square footage and estimated floor area; estimates round up when unit calculations are within 0.25 of the next full unit.
- Maximum units under current zoning is constrained by density controls rather than building envelope limits. Estimated actual residential floors based on maximum units.
- Onsite Below Market Rate (BMR) units equal to 15% of total units, rounded to the nearest whole number. Under proposed zoning, the affordable housing obligation is fulfilled with land dedication of 35% of the site and no additional BMR units.
- Market rate sales prices and building costs based on Citywide Inclusionary/KMA building prototypes, adjusted to reflect current market conditions and variations in unit sizes.
- Market price of units without a parking space assumed to be \$50,000 less than units with parking. Average market price adjusted in proportion to the building's parking ratio.
- BMR prices based on MOH 2007 sales prices and building unit mix. Actual BMR price adjusted according to MOH unbundled parking policy.
- In-Lieu fee \$0, as development is meeting housing requirements with onsite production or land dedication.
- EN Public Benefits Fee to be charged under proposed zoning only. Proposed fee amount \$10.
- Return on net sales targets based on Citywide Inclusionary/KMA building prototypes.
- Land value metrics under proposed zoning with land dedication adjusted to reflect the loss of units/buildable square footage due to land dedication.

Table 7
Residual Land Value
Tier C, Formerly Industrial Zone, Land Dedication @ 50%
San Francisco Eastern Neighborhoods

	Current Zoning SLI	Proposed Zoning UMU-S	Difference
Site Area and Zoning			
Lot Size	40,000 Square Feet	20,000 Square Feet	
Lot Acreage	0.92 Acres	0.46 Acres	
Ground Floor Lot Coverage ^a	100%	100%	
Maximum Residential Lot Coverage (Above Ground Floor)	75%	75%	
Maximum Residential Density	125 Lot Sq. Ft. per Unit	N/A	No Density Increase
Development Program			
Description	Low Rise Podium	Mid Rise Podium 1	
Maximum Height	50 Feet	65 Feet	15 Feet
Maximum Total Floors	5 Floors	6 Floors	1 Floors
Building Efficiency	80%	80%	
Residential			
Average Unit Size ^b	925 Square Feet	925 Square Feet	
Units per Floor ^c	26 Units	13 Units	
Maximum Units ^d	104 Units	65 Units	-39 Units
Unit Mix	60% 1 BR 30% 2 BR 10% 3 BR	60% 1 BR 30% 2 BR 10% 3 BR	
Number of Market Rate Units	88 Units	65 Units	-23 Units
Number of BMR Units ^e	16 Units	0 Units	-16 Units
Parking			
Average Parking Ratio	1 Space per Unit	0.75 Space per Unit	
Revenue			
Market Rate Sales Price ^f		\$780 Per Net Square Foot \$721,778 Per MR Unit	
Average MR Sales Price Adjusted for Parking ^g		\$709,470 Per MR Unit	
Base Price of BMR Units ^h		\$0 Per BMR Unit	
Average BMR Sales Price w/ Unbundled Parking ⁱ		N/A Per BMR Unit	
Sales Expense		4.0%	
Sales Net of Sales Expense		\$44,270,916 \$681,091 Per Unit \$736 Per NSF	\$44,270,916
Building Costs^f			
Hard Construction (incl. parking)		\$313 Per NSF	
Governmental Fees		\$23 Per NSF	
<i>Permits and Processing Charges</i>		\$6,000 Per Unit	
<i>Water and Sewer Impact Fees</i>		\$3,893 Per Unit	
<i>Inclusionary Housing In-Lieu Fee^j</i>		\$0 Per Unit	
<i>School Impact Fee</i>		\$2.24 Per NSF	
<i>EN Public Benefits Fee^k</i>		\$10.00 Per NSF	
Other Soft Costs		\$100 Per NSF	
Construction Financing		\$33 Per NSF	
Total Building Costs		\$28,225,693 \$434,241 Per Unit \$469 Per NSF	\$28,225,693
Residual Land Value			
Return on Net Sales ^l		17.5%	
Developer Margin		\$7,747,410 \$119,191 Per Unit	\$7,747,410
Land Value^l			
Per Unit	\$65,000	\$127,659	-\$1,171
Per Net Residential Square Foot		\$138	
Per Gross Residential Square Foot		\$110	
Per Lot Square Foot		\$415	
Per Acre of Land		\$18,072,636	
Representative Site Land Value	\$6,760,000	\$8,297,813	\$1,537,813
<i>Site value increase as a percent of current zoning base</i>			23%

- Ground floor contains parking, entryway/lobby space, and potential neighborhood retail space in the remaining square footage. No costs or revenues are assumed for the ground floor other than those related to parking.
- Standard average unit size is 925 sf per recent development proposals. Average unit size increases to up to 1,200 sf when density restrictions limit unit count under current zoning.
- Unit per floor estimates are based on gross unit square footage and estimated floor area; estimates round up when unit calculations are within 0.25 of the next full unit.
- Maximum units under current zoning is constrained by building envelope limits rather than density controls. Estimated actual residential floors equals maximum.
- Onsite Below Market Rate (BMR) units equal to 15% of total units, rounded to the nearest whole number. Under proposed zoning, the affordable housing obligation is fulfilled with land dedication of 50% of the site and no additional BMR units.
- Market rate sales prices and building costs based on Citywide Inclusionary/KMA building prototypes, adjusted to reflect current market conditions and variations in unit sizes.
- Market price of units without a parking space assumed to be \$50,000 less than units with parking. Average market price adjusted in proportion to the building's parking ratio.
- BMR prices based on MOH 2007 sales prices and building unit mix. Actual BMR price adjusted according to MOH unbundling parking policy.
- In-Lieu fee \$0, as development is meeting housing requirements with onsite production or land dedication.
- EN Public Benefits Fee to be charged under proposed zoning only. Proposed fee amount \$10.
- Return on net sales targets based on Citywide Inclusionary/KMA building prototypes.
- Land value metrics under proposed zoning with land dedication adjusted to reflect the loss of units/buildable square footage due to land dedication. assumed to be \$65,000 per unit.

Table 8
Residual Land Value
Tier A, Formerly Industrial Zone, Onsite IH, Proposed (Super Inclusionary): 20% Required Onsite
San Francisco Eastern Neighborhoods

	Current Zoning M-1	Proposed Zoning MUP/UMU	Difference
Site Area and Zoning			
Lot Size	15,000 Square Feet	15,000 Square Feet	
Lot Acreage	0.34 Acres	0.34 Acres	
Ground Floor Lot Coverage ^a	100%	100%	
Maximum Residential Lot Coverage (Above Ground Floor)	75%	75%	
Maximum Residential Density	800 Lot Sq. Ft. per Unit	N/A	Density Increase
Development Program			
Description	Low Rise Podium	Low Rise Podium	
Maximum Height	50 Feet	55 Feet	5 Feet
Maximum Total Floors	5 Floors	5 Floors	0 Floors
Building Efficiency	80%	80%	
Residential			
Average Unit Size ^b	1,200 Square Feet	925 Square Feet	
Units per Floor ^c	7 Units	9 Units	
Maximum Units ^d	19 Units	36 Units	17 Units
Unit Mix	0% 1 BR 80% 2 BR 20% 3 BR	60% 1 BR 30% 2 BR 10% 3 BR	
Number of Market Rate Units	16 Units	29 Units	13 Units
Number of BMR Units ^e	3 Units	7 Units	4 Units
Parking			
Average Parking Ratio	1 Space per Unit	1 Space per Unit	
Revenue			
Market Rate Sales Price ^f	\$717 Per Net Square Foot \$859,891 Per MR Unit	\$754 Per Net Square Foot \$697,718 Per MR Unit	
Average MR Sales Price Adjusted for Parking ^g	\$859,891 Per MR Unit	\$697,718 Per MR Unit	
Base Price of BMR Units ^h	\$231,589 Per BMR Unit	\$212,806 Per BMR Unit	
Sales Expense	4.0%	4.0%	
Sales Net of Sales Expense	\$13,955,392 \$734,494 Per Unit \$612 Per NSF	\$21,042,356 \$584,510 Per Unit \$632 Per NSF	\$7,086,964
Building Costs^f			
Hard Construction (incl. parking)	\$276 Per NSF	\$292 Per NSF	
Governmental Fees	\$10 Per NSF	\$23 Per NSF	
<i>Permits and Processing Charges</i>	\$6,000 Per Unit	\$6,000 Per Unit	
<i>Water and Sewer Impact Fees</i>	\$3,893 Per Unit	\$3,893 Per Unit	
<i>Inclusionary Housing In-Lieu Feeⁱ</i>	\$0 Per Unit	\$0 Per Unit	
<i>School Impact Fee</i>	\$2.24 Per NSF	\$2.24 Per NSF	
<i>EN Public Benefits Fee^j</i>	\$0 Per NSF	\$10.00 Per NSF	\$10 Per NSF
Other Soft Costs	\$100 Per NSF	\$100 Per NSF	
Construction Financing	\$28 Per NSF	\$28 Per NSF	
Total Building Costs	\$9,446,705 \$497,195 Per Unit \$414 Per NSF	\$14,726,691 \$409,075 Per Unit \$442 Per NSF	\$5,279,986
Residual Land Value			
Return on Net Sales ^k	15.4%	15.4%	
Developer Margin	\$2,149,130 \$113,112 Per Unit	\$3,240,523 \$90,015 Per Unit	\$1,091,392
Land Value			
Per Unit	\$124,187	\$85,421	-\$38,767 Per Unit
Per Net Residential Square Foot	\$103	\$92	-\$11 Per NRSF
Per Gross Residential Square Foot	\$83	\$74	-\$9 Per GRSF
Per Lot Square Foot	\$157	\$205	\$48 Per LSF
Per Acre of Land	\$6,852,152	\$8,930,212	\$2,078,060 Per Acre
Representative Site Land Value	\$2,359,557	\$3,075,142	\$715,585
<i>Site value increase as a percent of current zoning base</i>			30.3%

- a. Ground floor contains parking, entryway/lobby space, and potential neighborhood retail space in the remaining square footage. No costs or revenues are assumed for the ground floor other than those related to parking.
- b. Standard average unit size is 925 sf per recent development proposals. Average unit size increases to up to 1,200 sf when density restrictions limit unit count under current zoning.
- c. Unit per floor estimates are based on gross unit square footage and estimated floor area; estimates round up when unit calculations are within 0.25 of the next full unit.
- d. Maximum units under current zoning is constrained by density controls rather than building envelope limits.
- e. Onsite Below Market Rate (BMR) units under current zoning equal to 15% of total units and 20% under proposed zoning; units are rounded to the nearest whole number.
- f. Market rate sales price and building costs based on Citywide Inclusionary/KMA building prototypes, adjusted to reflect current market conditions and variations in unit sizes.
- g. Market price of units without a parking space assumed to be \$50,000 less than units with parking. Average market price adjusted in proportion to the building's parking ratio.
- h. BMR prices based on MOH 2007 sales prices and building unit mix. Actual BMR price adjusted according to MOH unbundled parking policy.
- i. In-Lieu fee \$0, as development is meeting housing requirements with onsite production.
- j. EN Public Benefits Fee to be charged under proposed zoning only. Proposed fee amount \$10.
- k. Return on net sales targets based on Citywide Inclusionary/KMA building prototypes.

Table 9
Residual Land Value
Tier B, Formerly Industrial Zone, Onsite IH, Proposed (Super Inclusionary): 20% Required Onsite
San Francisco Eastern Neighborhoods

	Current Zoning M-1	Proposed Zoning MUP/UMU	Difference
Site Area and Zoning			
Lot Size	40,000 Square Feet	40,000 Square Feet	
Lot Acreage	0.92 Acres	0.92 Acres	
Ground Floor Lot Coverage ^a	100%	100%	
Maximum Residential Lot Coverage (Above Ground Floor)	75%	75%	
Maximum Residential Density	600 Lot Sq. Ft. per Unit	N/A	Density Increase
Development Program			
Description	Low Rise Podium	Low Rise Podium	
Maximum Height	50 Feet	50 Feet	0 Feet
Maximum Total Floors	5 Floors	5 Floors	0 Floors
Building Efficiency	80%	80%	
Residential			
Average Unit Size ^b	1200 Square Feet	925 Square Feet	
Units per Floor ^c	20 Units	26 Units	
Maximum Units ^d	67 Units	104 Units	37 Units
Unit Mix	0% 1 BR 80% 2 BR 20% 3 BR	60% 1 BR 30% 2 BR 10% 3 BR	
Number of Market Rate Units	57 Units	83 Units	26 Units
Number of BMR Units ^e	10 Units	21 Units	11 Units
Parking			
Average Parking Ratio	1 Space per Unit	1 Space per Unit	
Revenue			
Market Rate Sales Price ^f	\$717 Per Net Square Foot \$859,891 Per MR Unit	\$754 Per Net Square Foot \$697,718 Per MR Unit	
Average MR Sales Price Adjusted for Parking ^g	\$859,891 Per MR Unit	\$697,718 Per MR Unit	
Base Price of BMR Units ^h	\$231,589 Per BMR Unit	\$212,806 Per BMR Unit	
Sales Expense	4.0%	4.0%	
Sales Net of Sales Expense	\$49,544,788 \$739,474 Per Unit \$616 Per NSF	\$60,447,829 \$581,229 Per Unit \$628 Per NSF	\$10,903,041
Building Costs^f			
Hard Construction (incl. parking)	\$276 Per NSF	\$292 Per NSF	
Governmental Fees	\$10 Per NSF	\$23 Per NSF	
<i>Permits and Processing Charges</i>	\$6,000 Per Unit	\$6,000 Per Unit	
<i>Water and Sewer Impact Fees</i>	\$3,893 Per Unit	\$3,893 Per Unit	
<i>Inclusionary Housing In-Lieu Feeⁱ</i>	\$0 Per Unit	\$0 Per Unit	
<i>School Impact Fee</i>	\$2.24 Per NSF	\$2.24 Per NSF	
<i>EN Public Benefits Fee^j</i>	\$0 Per NSF	\$10.00 Per NSF	\$10 Per NSF
Other Soft Costs	\$100 Per NSF	\$100 Per NSF	
Construction Financing	\$28 Per NSF	\$28 Per NSF	
Total Building Costs	\$33,312,065 \$497,195 Per Unit \$414 Per NSF	\$42,543,774 \$409,075 Per Unit \$442 Per NSF	\$9,231,709
Residual Land Value			
Return on Net Sales ^k	15.4%	15.4%	
Developer Margin	\$7,629,897	\$9,308,966	\$1,679,068
	\$113,879 Per Unit	\$89,509 Per Unit	
Land Value			
Per Unit	\$128,400	\$82,645	-\$45,755 Per Unit
Per Net Residential Square Foot	\$107	\$89	-\$18 Per NRSF
Per Gross Residential Square Foot	\$86	\$71	-\$14 Per GRSF
Per Lot Square Foot	\$215	\$215	\$0 Per LSF
Per Acre of Land	\$9,368,477	\$9,360,052	-\$8,425 Per Acre
Representative Site Land Value	\$8,602,826	\$8,595,089	-\$7,736
<i>Site value increase as a percent of current zoning base</i>			-0.1%

- a. Ground floor contains parking, entryway/lobby space, and potential neighborhood retail space in the remaining square footage. No costs or revenues are assumed for the ground floor other than those related to parking.
- b. Standard average unit size is 925 sf per recent development proposals. Average unit size increases to up to 1,200 sf when density restrictions limit unit count under current zoning.
- c. Unit per floor estimates are based on gross unit square footage and estimated floor area; estimates round up when unit calculations are within 0.25 of the next full unit.
- d. Maximum units under current zoning is constrained by density controls rather than building envelope limits.
- e. Onsite Below Market Rate (BMR) units under current zoning equal to 15% of total units and 20% under proposed zoning; units are rounded to the nearest whole number.
- f. Market rate sales price and building costs based on Citywide Inclusionary/KMA building prototypes, adjusted to reflect current market conditions and variations in unit sizes.
- g. Market price of units without a parking space assumed to be \$50,000 less than units with parking. Average market price adjusted in proportion to the building's parking ratio.
- h. BMR prices based on MOH 2007 sales prices and building unit mix. Actual BMR price adjusted according to MOH unbundled parking policy.
- i. In-Lieu fee \$0, as development is meeting housing requirements with onsite production.
- j. EN Public Benefits Fee to be charged under proposed zoning only. Proposed fee amount \$10.
- k. Return on net sales targets based on Citywide Inclusionary/KMA building prototypes.

Table 10
Residual Land Value
Tier C, Formerly Industrial Zone, Proposed (Super Inclusionary): 28% Required Offsite
San Francisco Eastern Neighborhoods

	Current Zoning SLI	Proposed Zoning UMU-S	Difference
Site Area and Zoning			
Lot Size	40,000 Square Feet	40,000 Square Feet	
Lot Acreage	0.92 Acres	0.92 Acres	
Ground Floor Lot Coverage ^a	100%	100%	
Maximum Residential Lot Coverage (Above Ground Floor)	75%	75%	
Maximum Residential Density	125 Lot Sq. Ft. per Unit	N/A	No Density Increase
Development Program			
Description	Low Rise Podium	Mid Rise Podium 2	
Maximum Height	50 Feet	85 Feet	35 Feet
Maximum Total Floors	5 Floors	8 Floors	3 Floors
Building Efficiency	80%	80%	
Residential			
Average Unit Size ^b	925 Square Feet	925 Square Feet	
Units per Floor ^c	26 Units	26 Units	
Maximum Units ^d	104 Units	182 Units	78 Units
Unit Mix	60% 1 BR 30% 2 BR 10% 3 BR	60% 1 BR 30% 2 BR 10% 3 BR	
Number of Market Rate Units	88 Units	182 Units	94 Units
Number of BMR Units ^e	16 Units	0 Units	-16 Units
Parking			
Average Parking Ratio	1 Space per Unit	0.75 Space per Unit	
Revenue			
Market Rate Sales Price ^f		\$832 Per Net Square Foot \$769,896 Per MR Unit	
Average MR Sales Price Adjusted for Parking ^g		\$757,533 Per MR Unit	
Base Price of BMR Units ^h		\$0 Per BMR Unit	
Sales Expense		4.0%	
Sales Net of Sales Expense		\$132,356,229 \$727,232 Per Unit \$786 Per NSF	\$132,356,229
Building Costs^f			
Hard Construction (incl. parking)		\$350 Per NSF	
Governmental Fees		\$112 Per NSF	
<i>Permits and Processing Charges</i>		\$6,000 Per Unit	
<i>Water and Sewer Impact Fees</i>		\$3,893 Per Unit	
<i>Inclusionary Housing In-Lieu Feeⁱ</i>		\$82,644 Per Unit	
<i>School Impact Fee</i>		\$2.24 Per NSF	
<i>EN Public Benefits Fee^j</i>		\$10.00 Per NSF	
Other Soft Costs		\$100 Per NSF	
Construction Financing		\$36 Per NSF	
Total Building Costs		\$100,767,036 \$553,665 Per Unit \$599 Per NSF	\$100,767,036
Residual Land Value			
Return on Net Sales ^k		18.5%	
Developer Margin		\$24,485,902 \$134,538 Per Unit	\$24,485,902
Land Value			
Per Unit	\$65,000	\$39,029	-\$25,971
Per Net Residential Square Foot		\$42	
Per Gross Residential Square Foot		\$34	
Per Lot Square Foot		\$178	
Per Acre of Land		\$7,735,484	
Representative Site Land Value	\$6,760,000	\$7,103,291	\$343,291
<i>Site value increase as a percent of current zoning base</i>			5.1%

- a. Ground floor contains parking, entryway/lobby space, and potential neighborhood retail space in the remaining square footage. No costs or revenues are assumed for the ground floor other than those related to parking.
- b. Standard average unit size is 925 sf per recent development proposals. Average unit size increases to up to 1,200 sf when density restrictions limit unit count under current zoning.
- c. Unit per floor estimates are based on gross unit square footage and estimated floor area; estimates round up when unit calculations are within 0.25 of the next full unit.
- d. Maximum units under current zoning is constrained by building envelope limits rather than density controls.
- e. Inclusionary housing requirement fulfilled by 15% onsite requirements under current zoning and in-lieu fee at 28% under proposed zoning.
- f. Market rate sales price and building costs based on Citywide Inclusionary/KMA building prototypes, adjusted to reflect current market conditions and variations in unit sizes.
- g. Market price of units without a parking space assumed to be \$50,000 less than units with parking. Average market price adjusted in proportion to the building's parking ratio.
- h. BMR prices based on MOH 2007 sales prices and building unit mix. Actual BMR price adjusted according to MOH unbundled parking policy.
- i. In-Lieu fee calculated in proportion to unit mix and according to off-site requirement.
- j. EN Public Benefits Fee to be charged under proposed zoning only. Proposed fee amount \$10.
- k. Return on net sales targets based on Citywide Inclusionary/KMA building prototypes.