

Mandatory Inclusionary Housing
Zoning Text Amendment

Environmental Assessment Statement

CEQR #16DCP028Y

September 18, 2015

New York City Department of City Planning



City Environmental Quality Review

ENVIRONMENTAL ASSESSMENT STATEMENT (EAS) FULL FORM

Please fill out and submit to the appropriate agency ([see instructions](#))

Part I: GENERAL INFORMATION

PROJECT NAME Mandatory Inclusionary Housing

1. Reference Numbers

CEQR REFERENCE NUMBER (to be assigned by lead agency)
16DCP028Y

BSA REFERENCE NUMBER (if applicable)

ULURP REFERENCE NUMBER (if applicable)
N 160051 ZRY

OTHER REFERENCE NUMBER(S) (if applicable)
(e.g., legislative intro, CAPA)

2a. Lead Agency Information

NAME OF LEAD AGENCY

New York City Department of City Planning

NAME OF LEAD AGENCY CONTACT PERSON

Robert Dobruskin

ADDRESS 22 Reade Street

CITY New York

STATE NY

ZIP 10007

TELEPHONE 212-720-3423

EMAIL

rdobrus@planning.nyc.gov

2b. Applicant Information

NAME OF APPLICANT

New York City Department of City Planning

NAME OF APPLICANT'S REPRESENTATIVE OR CONTACT PERSON

Beth Lebowitz, Director of Zoning

ADDRESS 22 Reade Street

CITY New York

STATE NY

ZIP 10003

TELEPHONE 212-720-3263

EMAIL

BLEBOWI@planning.nyc.gov

3. Action Classification and Type

SEQRA Classification

UNLISTED TYPE I: Specify Category (see 6 NYCRR 617.4 and NYC Executive Order 91 of 1977, as amended):

Action Type (refer to [Chapter 2](#), "Establishing the Analysis Framework" for guidance)

LOCALIZED ACTION, SITE SPECIFIC

LOCALIZED ACTION, SMALL AREA

GENERIC ACTION

4. Project Description

The Department of City Planning (DCP) is proposing a city-wide Zoning Text Amendment to create a Mandatory Inclusionary Housing ("MIH") program within the existing Inclusionary Housing program authorized in the New York City Zoning Resolution ("ZR") Section 23-90 (the "Proposed Action"). The Proposed Action would amend ZR Sections 12-10 (Definitions), 23-10 (Open Space and Floor Area Ratios), 23-90 (Inclusionary Housing), 62-80 (Special Review Provisions), 74-00 (Powers of the City Planning Commission), and 74-30 (Special Permits Uses and Bulk Modifications). The proposed text amendment would have no effect until mapped or implemented through subsequent discretionary actions of the City Planning Commission. The analysis year for the proposed text amendment is 2024. Absent the Proposed Action, there would be no program in place to require affordable housing.

Project Location

BOROUGH citywide

COMMUNITY DISTRICT(S)

STREET ADDRESS

TAX BLOCK(S) AND LOT(S)

ZIP CODE

DESCRIPTION OF PROPERTY BY BOUNDING OR CROSS STREETS

EXISTING ZONING DISTRICT, INCLUDING SPECIAL ZONING DISTRICT DESIGNATION, IF ANY

ZONING SECTIONAL MAP NUMBER

5. Required Actions or Approvals (check all that apply)

City Planning Commission: YES NO UNIFORM LAND USE REVIEW PROCEDURE (ULURP)

CITY MAP AMENDMENT

ZONING CERTIFICATION

CONCESSION

ZONING MAP AMENDMENT

ZONING AUTHORIZATION

UDAAP

ZONING TEXT AMENDMENT

ACQUISITION—REAL PROPERTY

REVOCABLE CONSENT

SITE SELECTION—PUBLIC FACILITY

DISPOSITION—REAL PROPERTY

FRANCHISE

HOUSING PLAN & PROJECT

OTHER, explain:

SPECIAL PERMIT (if appropriate, specify type: modification; renewal; other); EXPIRATION DATE:

SPECIFY AFFECTED SECTIONS OF THE ZONING RESOLUTION

Board of Standards and Appeals: YES NO

VARIANCE (use)

VARIANCE (bulk)

SPECIAL PERMIT (if appropriate, specify type: modification; renewal; other); EXPIRATION DATE:

SPECIFY AFFECTED SECTIONS OF THE ZONING RESOLUTION	
Department of Environmental Protection: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If "yes," specify:	
Other City Approvals Subject to CEQR (check all that apply)	
<input type="checkbox"/> LEGISLATION	<input type="checkbox"/> FUNDING OF CONSTRUCTION, specify:
<input type="checkbox"/> RULEMAKING	<input type="checkbox"/> POLICY OR PLAN, specify:
<input type="checkbox"/> CONSTRUCTION OF PUBLIC FACILITIES	<input type="checkbox"/> FUNDING OF PROGRAMS, specify:
<input type="checkbox"/> 384(b)(4) APPROVAL	<input type="checkbox"/> PERMITS, specify:
<input type="checkbox"/> OTHER, explain:	
Other City Approvals Not Subject to CEQR (check all that apply)	
<input type="checkbox"/> PERMITS FROM DOT'S OFFICE OF CONSTRUCTION MITIGATION AND COORDINATION (OCMC)	<input type="checkbox"/> LANDMARKS PRESERVATION COMMISSION APPROVAL
	<input type="checkbox"/> OTHER, explain:
State or Federal Actions/Approvals/Funding: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If "yes," specify:	
6. Site Description: <i>The directly affected area consists of the project site and the area subject to any change in regulatory controls. Except where otherwise indicated, provide the following information with regard to the directly affected area.</i>	
Graphics: <i>The following graphics must be attached and each box must be checked off before the EAS is complete. Each map must clearly depict the boundaries of the directly affected area or areas and indicate a 400-foot radius drawn from the outer boundaries of the project site. Maps may not exceed 11 x 17 inches in size and, for paper filings, must be folded to 8.5 x 11 inches.</i>	
<input type="checkbox"/> SITE LOCATION MAP	<input type="checkbox"/> ZONING MAP
<input type="checkbox"/> TAX MAP	<input type="checkbox"/> FOR LARGE AREAS OR MULTIPLE SITES, A GIS SHAPE FILE THAT DEFINES THE PROJECT SITE(S)
<input type="checkbox"/> PHOTOGRAPHS OF THE PROJECT SITE TAKEN WITHIN 6 MONTHS OF EAS SUBMISSION AND KEYED TO THE SITE LOCATION MAP	<input type="checkbox"/> SANBORN OR OTHER LAND USE MAP
Physical Setting (both developed and undeveloped areas)	
Total directly affected area (sq. ft.):	Waterbody area (sq. ft.) and type:
Roads, buildings, and other paved surfaces (sq. ft.):	Other, describe (sq. ft.):
7. Physical Dimensions and Scale of Project (if the project affects multiple sites, provide the total development facilitated by the action)	
SIZE OF PROJECT TO BE DEVELOPED (gross square feet):	
NUMBER OF BUILDINGS:	GROSS FLOOR AREA OF EACH BUILDING (sq. ft.):
HEIGHT OF EACH BUILDING (ft.):	NUMBER OF STORIES OF EACH BUILDING:
Does the proposed project involve changes in zoning on one or more sites? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
If "yes," specify: The total square feet owned or controlled by the applicant: N/A	
The total square feet not owned or controlled by the applicant: N/A	
Does the proposed project involve in-ground excavation or subsurface disturbance, including, but not limited to foundation work, pilings, utility lines, or grading? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
If "yes," indicate the estimated area and volume dimensions of subsurface disturbance (if known):	
AREA OF TEMPORARY DISTURBANCE: sq. ft. (width x length)	VOLUME OF DISTURBANCE: cubic ft. (width x length x depth)
AREA OF PERMANENT DISTURBANCE: sq. ft. (width x length)	
8. Analysis Year CEQR Technical Manual Chapter 2	
ANTICIPATED BUILD YEAR (date the project would be completed and operational): 2024	
ANTICIPATED PERIOD OF CONSTRUCTION IN MONTHS: N/A	
WOULD THE PROJECT BE IMPLEMENTED IN A SINGLE PHASE? <input type="checkbox"/> YES <input type="checkbox"/> NO IF MULTIPLE PHASES, HOW MANY? N/A	
BRIEFLY DESCRIBE PHASES AND CONSTRUCTION SCHEDULE: N/A	
9. Predominant Land Use in the Vicinity of the Project (check all that apply)	
<input type="checkbox"/> RESIDENTIAL	<input type="checkbox"/> MANUFACTURING
<input type="checkbox"/> COMMERCIAL	<input type="checkbox"/> PARK/FOREST/OPEN SPACE
	<input type="checkbox"/> OTHER, specify:

DESCRIPTION OF EXISTING AND PROPOSED CONDITIONS

The information requested in this table applies to the directly affected area. The directly affected area consists of the project site and the area subject to any change in regulatory control. The increment is the difference between the No-Action and the With-Action conditions.

	EXISTING CONDITION	NO-ACTION CONDITION	WITH-ACTION CONDITION	INCREMENT
LAND USE				
Residential	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	
If "yes," specify the following:				
Describe type of residential structures	SEE ATTACHMENT	SEE ATTACHMENT	SEE ATTACHMENT	SEE ATTACHMENT
No. of dwelling units				
No. of low- to moderate-income units				
Gross floor area (sq. ft.)				
Commercial	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	
If "yes," specify the following:				
Describe type (retail, office, other)				
Gross floor area (sq. ft.)				
Manufacturing/Industrial	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	
If "yes," specify the following:				
Type of use				
Gross floor area (sq. ft.)				
Open storage area (sq. ft.)				
If any unenclosed activities, specify:				
Community Facility	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	
If "yes," specify the following:				
Type				
Gross floor area (sq. ft.)				
Vacant Land	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	
If "yes," describe:				
Publicly Accessible Open Space	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	
If "yes," specify type (mapped City, State, or Federal parkland, wetland—mapped or otherwise known, other):				
Other Land Uses	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	
If "yes," describe:				
PARKING				
Garages	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	
If "yes," specify the following:				
No. of public spaces				
No. of accessory spaces				
Operating hours				
Attended or non-attended				
Lots	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	
If "yes," specify the following:				
No. of public spaces				
No. of accessory spaces				
Operating hours				
Other (includes street parking)	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	
If "yes," describe:				
POPULATION				
Residents	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	
If "yes," specify number:				
Briefly explain how the number of residents was calculated:				

	EXISTING CONDITION	NO-ACTION CONDITION	WITH-ACTION CONDITION	INCREMENT
Businesses	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	
If "yes," specify the following:				
No. and type				
No. and type of workers by business				
No. and type of non-residents who are not workers				
Briefly explain how the number of businesses was calculated:				
Other (students, visitors, concert-goers, etc.)	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO	
If any, specify type and number:				
Briefly explain how the number was calculated:				
ZONING				
Zoning classification				
Maximum amount of floor area that can be developed				
Predominant land use and zoning classifications within land use study area(s) or a 400 ft. radius of proposed project				
Attach any additional information that may be needed to describe the project.				
If your project involves changes that affect one or more sites not associated with a specific development, it is generally appropriate to include total development projections in the above table and attach separate tables outlining the reasonable development scenarios for each site.				

Part II: TECHNICAL ANALYSIS

INSTRUCTIONS: For each of the analysis categories listed in this section, assess the proposed project’s impacts based on the thresholds and criteria presented in the CEQR Technical Manual. Check each box that applies.

- If the proposed project can be demonstrated not to meet or exceed the threshold, check the “no” box.
- If the proposed project will meet or exceed the threshold, or if this cannot be determined, check the “yes” box.
- For each “yes” response, provide additional analyses (and, if needed, attach supporting information) based on guidance in the CEQR Technical Manual to determine whether the potential for significant impacts exists. Please note that a “yes” answer does not mean that an EIS must be prepared—it means that more information may be required for the lead agency to make a determination of significance.
- The lead agency, upon reviewing Part II, may require an applicant to provide additional information to support the Full EAS Form. For example, if a question is answered “no,” an agency may request a short explanation for this response.

	YES	NO
1. LAND USE, ZONING, AND PUBLIC POLICY: CEQR Technical Manual Chapter 4		
(a) Would the proposed project result in a change in land use different from surrounding land uses?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(b) Would the proposed project result in a change in zoning different from surrounding zoning?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(c) Is there the potential to affect an applicable public policy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(d) If “yes,” to (a), (b), and/or (c), complete a preliminary assessment and attach. See attached.		
(e) Is the project a large, publicly sponsored project?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o If “yes,” complete a PlaNYC assessment and attach.		
(f) Is any part of the directly affected area within the City’s Waterfront Revitalization Program boundaries?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
o If “yes,” complete the Consistency Assessment Form .		
2. SOCIOECONOMIC CONDITIONS: CEQR Technical Manual Chapter 5		
(a) Would the proposed project:		
o Generate a net increase of more than 200 residential units or 200,000 square feet of commercial space?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
▪ If “yes,” answer both questions 2(b)(ii) and 2(b)(iv) below.		
o Directly displace 500 or more residents?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
▪ If “yes,” answer questions 2(b)(i), 2(b)(ii), and 2(b)(iv) below.		
o Directly displace more than 100 employees?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
▪ If “yes,” answer questions under 2(b)(iii) and 2(b)(iv) below.		
o Affect conditions in a specific industry?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
▪ If “yes,” answer question 2(b)(v) below.		
(b) If “yes” to any of the above, attach supporting information to answer the relevant questions below. If “no” was checked for each category above, the remaining questions in this technical area do not need to be answered.		
i. Direct Residential Displacement		
o If more than 500 residents would be displaced, would these residents represent more than 5% of the primary study area population?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o If “yes,” is the average income of the directly displaced population markedly lower than the average income of the rest of the study area population?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ii. Indirect Residential Displacement		
o Would expected average incomes of the new population exceed the average incomes of study area populations?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o If “yes:”		
▪ Would the population of the primary study area increase by more than 10 percent?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
▪ Would the population of the primary study area increase by more than 5 percent in an area where there is the potential to accelerate trends toward increasing rents?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o If “yes” to either of the preceding questions, would more than 5 percent of all housing units be renter-occupied and unprotected?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iii. Direct Business Displacement		
o Do any of the displaced businesses provide goods or services that otherwise would not be found within the trade area, either under existing conditions or in the future with the proposed project?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o Is any category of business to be displaced the subject of other regulations or publicly adopted plans to preserve,	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	YES	NO
enhance, or otherwise protect it?		
iv. Indirect Business Displacement		
o Would the project potentially introduce trends that make it difficult for businesses to remain in the area?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o Would the project capture retail sales in a particular category of goods to the extent that the market for such goods would become saturated, potentially resulting in vacancies and disinvestment on neighborhood commercial streets?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
v. Effects on Industry		
o Would the project significantly affect business conditions in any industry or any category of businesses within or outside the study area?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
o Would the project indirectly substantially reduce employment or impair the economic viability in the industry or category of businesses?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. COMMUNITY FACILITIES: CEQR Technical Manual Chapter 6		
(a) Direct Effects		
o Would the project directly eliminate, displace, or alter public or publicly funded community facilities such as educational facilities, libraries, health care facilities, day care centers, police stations, or fire stations?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(b) Indirect Effects		
i. Child Care Centers		
o Would the project result in 20 or more eligible children under age 6, based on the number of low or low/moderate income residential units? (See Table 6-1 in Chapter 6)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
o If "yes," would the project result in a collective utilization rate of the group child care/Head Start centers in the study area that is greater than 100 percent?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o If "yes," would the project increase the collective utilization rate by 5 percent or more from the No-Action scenario?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ii. Libraries		
o Would the project result in a 5 percent or more increase in the ratio of residential units to library branches? (See Table 6-1 in Chapter 6)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o If "yes," would the project increase the study area population by 5 percent or more from the No-Action levels?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o If "yes," would the additional population impair the delivery of library services in the study area?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iii. Public Schools		
o Would the project result in 50 or more elementary or middle school students, or 150 or more high school students based on number of residential units? (See Table 6-1 in Chapter 6)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o If "yes," would the project result in a collective utilization rate of the elementary and/or intermediate schools in the study area that is equal to or greater than 100 percent?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o If "yes," would the project increase this collective utilization rate by 5 percent or more from the No-Action scenario?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iv. Health Care Facilities		
o Would the project result in the introduction of a sizeable new neighborhood?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o If "yes," would the project affect the operation of health care facilities in the area?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
v. Fire and Police Protection		
o Would the project result in the introduction of a sizeable new neighborhood?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o If "yes," would the project affect the operation of fire or police protection in the area?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. OPEN SPACE: CEQR Technical Manual Chapter 7		
(a) Would the project change or eliminate existing open space?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(b) Is the project located within an under-served area in the Bronx , Brooklyn , Manhattan , Queens , or Staten Island ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(c) If "yes," would the project generate more than 50 additional residents or 125 additional employees?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(d) Is the project located within a well-served area in the Bronx , Brooklyn , Manhattan , Queens , or Staten Island ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(e) If "yes," would the project generate more than 350 additional residents or 750 additional employees?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(f) If the project is located in an area that is neither under-served nor well-served, would it generate more than 200 additional residents or 500 additional employees?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(g) If "yes" to questions (c), (e), or (f) above, attach supporting information to answer the following:		
o If in an under-served area, would the project result in a decrease in the open space ratio by more than 1 percent?	<input type="checkbox"/>	<input type="checkbox"/>
o If in an area that is not under-served, would the project result in a decrease in the open space ratio by more than 5	<input type="checkbox"/>	<input type="checkbox"/>

	YES	NO
percent?		
<ul style="list-style-type: none"> o If "yes," are there qualitative considerations, such as the quality of open space, that need to be considered? Please specify:	<input type="checkbox"/>	<input type="checkbox"/>
5. SHADOWS: CEQR Technical Manual Chapter 8		
(a) Would the proposed project result in a net height increase of any structure of 50 feet or more?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(b) Would the proposed project result in any increase in structure height and be located adjacent to or across the street from a sunlight-sensitive resource?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(c) If "yes" to either of the above questions, attach supporting information explaining whether the project's shadow would reach any sunlight-sensitive resource at any time of the year.		
6. HISTORIC AND CULTURAL RESOURCES: CEQR Technical Manual Chapter 9		
(a) Does the proposed project site or an adjacent site contain any architectural and/or archaeological resource that is eligible for or has been designated (or is calendared for consideration) as a New York City Landmark, Interior Landmark or Scenic Landmark; that is listed or eligible for listing on the New York State or National Register of Historic Places; or that is within a designated or eligible New York City, New York State or National Register Historic District? (See the GIS System for Archaeology and National Register to confirm)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(b) Would the proposed project involve construction resulting in in-ground disturbance to an area not previously excavated?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(c) If "yes" to either of the above, list any identified architectural and/or archaeological resources and attach supporting information on whether the proposed project would potentially affect any architectural or archeological resources.		
7. URBAN DESIGN AND VISUAL RESOURCES: CEQR Technical Manual Chapter 10		
(a) Would the proposed project introduce a new building, a new building height, or result in any substantial physical alteration to the streetscape or public space in the vicinity of the proposed project that is not currently allowed by existing zoning?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(b) Would the proposed project result in obstruction of publicly accessible views to visual resources not currently allowed by existing zoning?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(c) If "yes" to either of the above, please provide the information requested in Chapter 10 .		
8. NATURAL RESOURCES: CEQR Technical Manual Chapter 11		
(a) Does the proposed project site or a site adjacent to the project contain natural resources as defined in Section 100 of Chapter 11 ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o If "yes," list the resources and attach supporting information on whether the project would affect any of these resources.		
(b) Is any part of the directly affected area within the Jamaica Bay Watershed ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o If "yes," complete the Jamaica Bay Watershed Form and submit according to its instructions .		
9. HAZARDOUS MATERIALS: CEQR Technical Manual Chapter 12		
(a) Would the proposed project allow commercial or residential uses in an area that is currently, or was historically, a manufacturing area that involved hazardous materials?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(b) Does the proposed project site have existing institutional controls (e.g., (E) designation or Restrictive Declaration) relating to hazardous materials that preclude the potential for significant adverse impacts?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(c) Would the project require soil disturbance in a manufacturing area or any development on or near a manufacturing area or existing/historic facilities listed in Appendix 1 (including nonconforming uses)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(d) Would the project result in the development of a site where there is reason to suspect the presence of hazardous materials, contamination, illegal dumping or fill, or fill material of unknown origin?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(e) Would the project result in development on or near a site that has or had underground and/or aboveground storage tanks (e.g., gas stations, oil storage facilities, heating oil storage)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(f) Would the project result in renovation of interior existing space on a site with the potential for compromised air quality; vapor intrusion from either on-site or off-site sources; or the presence of asbestos, PCBs, mercury or lead-based paint?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(g) Would the project result in development on or near a site with potential hazardous materials issues such as government-listed voluntary cleanup/brownfield site, current or former power generation/transmission facilities, coal gasification or gas storage sites, railroad tracks or rights-of-way, or municipal incinerators?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(h) Has a Phase I Environmental Site Assessment been performed for the site?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o If "yes," were Recognized Environmental Conditions (RECs) identified? Briefly identify:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(i) Based on the Phase I Assessment, is a Phase II Investigation needed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10. WATER AND SEWER INFRASTRUCTURE: CEQR Technical Manual Chapter 13		
(a) Would the project result in water demand of more than one million gallons per day?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(b) If the proposed project located in a combined sewer area, would it result in at least 1,000 residential units or 250,000 square feet or more of commercial space in Manhattan, or at least 400 residential units or 150,000 square feet or more of commercial space in the Bronx, Brooklyn, Staten Island, or Queens?	<input type="checkbox"/>	<input checked="" type="checkbox"/>


	YES	NO
(c) If the proposed project located in a separately sewerred area , would it result in the same or greater development than that listed in Table 13-1 in Chapter 13 ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(d) Would the project involve development on a site that is 5 acres or larger where the amount of impervious surface would increase?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(e) If the project is located within the Jamaica Bay Watershed or in certain specific drainage areas , including Bronx River, Coney Island Creek, Flushing Bay and Creek, Gowanus Canal, Hutchinson River, Newtown Creek, or Westchester Creek, would it involve development on a site that is 1 acre or larger where the amount of impervious surface would increase?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(f) Would the proposed project be located in an area that is partially sewerred or currently unsewerred?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(g) Is the project proposing an industrial facility or activity that would contribute industrial discharges to a Wastewater Treatment Plant and/or contribute contaminated stormwater to a separate storm sewer system?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(h) Would the project involve construction of a new stormwater outfall that requires federal and/or state permits?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(i) If "yes" to any of the above, conduct the appropriate preliminary analyses and attach supporting documentation.		
11. SOLID WASTE AND SANITATION SERVICES: CEQR Technical Manual Chapter 14		
(a) Using Table 14-1 in Chapter 14 , the project's projected operational solid waste generation is estimated to be (pounds per week):		
o Would the proposed project have the potential to generate 100,000 pounds (50 tons) or more of solid waste per week?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(b) Would the proposed project involve a reduction in capacity at a solid waste management facility used for refuse or recyclables generated within the City?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o If "yes," would the proposed project comply with the City's Solid Waste Management Plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. ENERGY: CEQR Technical Manual Chapter 15		
(a) Using energy modeling or Table 15-1 in Chapter 15 , the project's projected energy use is estimated to be (annual BTUs):		
(b) Would the proposed project affect the transmission or generation of energy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13. TRANSPORTATION: CEQR Technical Manual Chapter 16		
(a) Would the proposed project exceed any threshold identified in Table 16-1 in Chapter 16 ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(b) If "yes," conduct the appropriate screening analyses, attach back up data as needed for each stage, and answer the following questions:		
o Would the proposed project result in 50 or more Passenger Car Equivalents (PCEs) per project peak hour?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "yes," would the proposed project result in 50 or more vehicle trips per project peak hour at any given intersection? <i>**It should be noted that the lead agency may require further analysis of intersections of concern even when a project generates fewer than 50 vehicles in the peak hour. See Subsection 313 of Chapter 16 for more information.</i>	<input type="checkbox"/>	<input type="checkbox"/>
o Would the proposed project result in more than 200 subway/rail or bus trips per project peak hour?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "yes," would the proposed project result, per project peak hour, in 50 or more bus trips on a single line (in one direction) or 200 subway/rail trips per station or line?	<input type="checkbox"/>	<input type="checkbox"/>
o Would the proposed project result in more than 200 pedestrian trips per project peak hour?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If "yes," would the proposed project result in more than 200 pedestrian trips per project peak hour to any given pedestrian or transit element, crosswalk, subway stair, or bus stop?	<input type="checkbox"/>	<input type="checkbox"/>
14. AIR QUALITY: CEQR Technical Manual Chapter 17		
(a) <i>Mobile Sources:</i> Would the proposed project result in the conditions outlined in Section 210 in Chapter 17 ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(b) <i>Stationary Sources:</i> Would the proposed project result in the conditions outlined in Section 220 in Chapter 17 ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o If "yes," would the proposed project exceed the thresholds in Figure 17-3, Stationary Source Screen Graph in Chapter 17 ? (Attach graph as needed)	<input type="checkbox"/>	<input type="checkbox"/>
(c) Does the proposed project involve multiple buildings on the project site?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(d) Does the proposed project require federal approvals, support, licensing, or permits subject to conformity requirements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(e) Does the proposed project site have existing institutional controls (e.g., (E) designation or Restrictive Declaration) relating to air quality that preclude the potential for significant adverse impacts?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(f) If "yes" to any of the above, conduct the appropriate analyses and attach any supporting documentation.		
15. GREENHOUSE GAS EMISSIONS: CEQR Technical Manual Chapter 18		
(a) Is the proposed project a city capital project or a power generation plant?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(b) Would the proposed project fundamentally change the City's solid waste management system?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(c) Would the proposed project result in the development of 350,000 square feet or more?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(d) If "yes" to any of the above, would the project require a GHG emissions assessment based on guidance in Chapter 18 ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o If "yes," would the project result in inconsistencies with the City's GHG reduction goal? (See Local Law 22 of 2008 ; § 24-	<input type="checkbox"/>	<input type="checkbox"/>

	YES	NO
803 of the Administrative Code of the City of New York). Please attach supporting documentation.		
16. NOISE: CEQR Technical Manual Chapter 19		
(a) Would the proposed project generate or reroute vehicular traffic?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(b) Would the proposed project introduce new or additional receptors (see Section 124 in Chapter 19) near heavily trafficked roadways, within one horizontal mile of an existing or proposed flight path, or within 1,500 feet of an existing or proposed rail line with a direct line of site to that rail line?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(c) Would the proposed project cause a stationary noise source to operate within 1,500 feet of a receptor with a direct line of sight to that receptor or introduce receptors into an area with high ambient stationary noise?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(d) Does the proposed project site have existing institutional controls (e.g., (E) designation or Restrictive Declaration) relating to noise that preclude the potential for significant adverse impacts?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(e) If "yes" to any of the above, conduct the appropriate analyses and attach any supporting documentation.		
17. PUBLIC HEALTH: CEQR Technical Manual Chapter 20		
(a) Based upon the analyses conducted, do any of the following technical areas require a detailed analysis: Air Quality; Hazardous Materials; Noise?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(b) If "yes," explain why an assessment of public health is or is not warranted based on the guidance in Chapter 20 , "Public Health." Attach a preliminary analysis, if necessary.		
18. NEIGHBORHOOD CHARACTER: CEQR Technical Manual Chapter 21		
(a) Based upon the analyses conducted, do any of the following technical areas require a detailed analysis: Land Use, Zoning, and Public Policy; Socioeconomic Conditions; Open Space; Historic and Cultural Resources; Urban Design and Visual Resources; Shadows; Transportation; Noise?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(b) If "yes," explain why an assessment of neighborhood character is or is not warranted based on the guidance in Chapter 21 , "Neighborhood Character." Attach a preliminary analysis, if necessary.		
19. CONSTRUCTION: CEQR Technical Manual Chapter 22		
(a) Would the project's construction activities involve:		
o Construction activities lasting longer than two years?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o Construction activities within a Central Business District or along an arterial highway or major thoroughfare?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o Closing, narrowing, or otherwise impeding traffic, transit, or pedestrian elements (roadways, parking spaces, bicycle routes, sidewalks, crosswalks, corners, etc.)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o Construction of multiple buildings where there is a potential for on-site receptors on buildings completed before the final build-out?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o The operation of several pieces of diesel equipment in a single location at peak construction?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o Closure of a community facility or disruption in its services?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o Activities within 400 feet of a historic or cultural resource?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o Disturbance of a site containing or adjacent to a site containing natural resources?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
o Construction on multiple development sites in the same geographic area, such that there is the potential for several construction timelines to overlap or last for more than two years overall?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(b) If any boxes are checked "yes," explain why a preliminary construction assessment is or is not warranted based on the guidance in Chapter 22 , "Construction." It should be noted that the nature and extent of any commitment to use the Best Available Technology for construction equipment or Best Management Practices for construction activities should be considered when making this determination.		

20. APPLICANT'S CERTIFICATION

I swear or affirm under oath and subject to the penalties for perjury that the information provided in this Environmental Assessment Statement (EAS) is true and accurate to the best of my knowledge and belief, based upon my personal knowledge and familiarity with the information described herein and after examination of the pertinent books and records and/or after inquiry of persons who have personal knowledge of such information or who have examined pertinent books and records.

Still under oath, I further swear or affirm that I make this statement in my capacity as the applicant or representative of the entity that seeks the permits, approvals, funding, or other governmental action(s) described in this EAS.

APPLICANT/REPRESENTATIVE NAME Beth Lebowitz, Director, Zoning	SIGNATURE 	DATE September 18, 2015
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PLEASE NOTE THAT APPLICANTS MAY BE REQUIRED TO SUBSTANTIATE RESPONSES IN THIS FORM AT THE DISCRETION OF THE LEAD AGENCY SO THAT IT MAY SUPPORT ITS DETERMINATION OF SIGNIFICANCE.

Part III: DETERMINATION OF SIGNIFICANCE (To Be Completed by Lead Agency)		
INSTRUCTIONS: In completing Part III, the lead agency should consult 6 NYCRR 617.7 and 43 RCNY § 6-06 (Executive Order 91 or 1977, as amended), which contain the State and City criteria for determining significance.		
1. For each of the impact categories listed below, consider whether the project may have a significant adverse effect on the environment, taking into account its (a) location; (b) probability of occurring; (c) duration; (d) irreversibility; (e) geographic scope; and (f) magnitude.	Potentially Significant Adverse Impact	
	YES	NO
IMPACT CATEGORY		
Land Use, Zoning, and Public Policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Socioeconomic Conditions	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Community Facilities and Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Open Space	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Shadows	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Historic and Cultural Resources	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Urban Design/Visual Resources	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Natural Resources	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hazardous Materials	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Water and Sewer Infrastructure	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Solid Waste and Sanitation Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Air Quality	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Greenhouse Gas Emissions	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Noise	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Public Health	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Neighborhood Character	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Construction	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. Are there any aspects of the project relevant to the determination of whether the project may have a significant impact on the environment, such as combined or cumulative impacts, that were not fully covered by other responses and supporting materials? If there are such impacts, attach an explanation stating whether, as a result of them, the project may have a significant impact on the environment.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. Check determination to be issued by the lead agency: <input type="checkbox"/> Positive Declaration: If the lead agency has determined that the project may have a significant impact on the environment, and if a Conditional Negative Declaration is not appropriate, then the lead agency issues a <i>Positive Declaration</i> and prepares a draft Scope of Work for the Environmental Impact Statement (EIS). <input type="checkbox"/> Conditional Negative Declaration: A <i>Conditional Negative Declaration</i> (CND) may be appropriate if there is a private applicant for an Unlisted action AND when conditions imposed by the lead agency will modify the proposed project so that no significant adverse environmental impacts would result. The CND is prepared as a separate document and is subject to the requirements of 6 NYCRR Part 617. <input checked="" type="checkbox"/> Negative Declaration: If the lead agency has determined that the project would not result in potentially significant adverse environmental impacts, then the lead agency issues a <i>Negative Declaration</i> . The <i>Negative Declaration</i> may be prepared as a separate document (see <u>template</u>) or using the embedded Negative Declaration on the next page.		
4. LEAD AGENCY'S CERTIFICATION		
TITLE Director, Environmental Assessment and Review Division	LEAD AGENCY NYC Dept. of City Planning	
NAME Robert Dobruskin, AICP	DATE September 18, 2015	
SIGNATURE <i>Robert Dobruskin</i>		

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ATTACHMENT A: PROJECT DESCRIPTION

I. INTRODUCTION

Even with substantial rates of new housing creation, growth in population and employment in New York City has placed increased demands on the city's housing supply, exacerbating already high housing costs. Moreover, rents have risen faster than incomes and the share of New Yorkers who qualify as "rent burdened"¹ now constitutes almost 55 percent of all renter households, an increase of 11 percent since 2000.

Rising rent burdens disproportionately affect the city's lowest-income households who often manage to pay the rent by moving to lower cost, high-poverty neighborhoods or by living in overcrowded housing. A consequence of recent housing market, employment and demographic trends is that many of the city's neighborhoods are becoming less economically diverse. An analysis in *Mandatory Inclusionary Housing: Promoting Economically Diverse Neighborhoods*, the Department of City Planning's report on the proposed Mandatory Inclusionary Housing program ("MIH"), showed that many of the city's more affluent areas, which frequently offer greater opportunity in terms of access to quality services, education and employment opportunities, have had a net loss of low- and moderate-income households, indicating that there has been a decline in the amount of housing accessible to low- and moderate-income households in these areas.

In order to maintain and encourage greater economic diversity within neighborhoods, the City must encourage new housing development to accommodate growth while also ensuring the existence of a supply of housing within neighborhoods that is affordable to households at a range of income levels. Given the many constraints on housing production and the regional nature of the housing market and population patterns, even an aggressive effort to increase overall capacity in New York City is unlikely to make a sufficient supply of housing available at a range of income levels, and in any event would not encourage economic diversity at a neighborhood level.

Under Mayor de Blasio's *Housing New York* plan, the City plans to spend over \$8.2 billion, with a total investment of over \$41 billion from public and private sources, to create and preserve 200,000 units of affordable housing over 10 years. While previous affordable housing efforts tended to produce most units affordable in a narrow range focused at 60 percent of Area Median Income, the plan includes new initiatives to create more affordable units at lower income levels, as well as at moderate incomes, and to provide more affordable housing for seniors. The creation of a Mandatory Inclusionary Housing program, to be applied in conjunction with land use actions that promote new housing creation, is an important feature of the plan.

¹ A commonly accepted definition of a "rent-burdened" household is one that pays more than 30 percent of its income on rent.

II. BACKGROUND

In response to the housing affordability crisis, Mayor de Blasio has made the creation and preservation of affordable housing a priority. The *Housing New York* plan, released in May 2014, is Mayor de Blasio's five-borough, 10-year plan to build and preserve affordable housing throughout New York City. Increases to funding in the capital budget and reform of the State 421-a tax exemption program are two recent accomplishments towards the fulfillment of the mayor's housing goals.

The need for more housing

Because of the technical requirements of dense development, scarcity of sites, cost of land and high costs of materials and labor, producing new multifamily housing is expensive in New York City. This cost structure means that unsubsidized new construction occurs at housing prices that are generally accessible only to more affluent households. As a consequence, new housing cannot be created for lower-income New Yorkers through private investment alone. At the same time, with strong and growing demand for housing, prices for existing housing are frequently increasing, rather than becoming more affordable to lower-income households.

Long-term population and employment projections show continued growth in the segments of the population and labor market that are driving current trends in housing demand, including continued increase in the number of households and workers at both higher and lower incomes. Young families and empty-nesters are finding the city's vibrant culture and transit-oriented lifestyle more attractive than the suburbs. The senior population is finding New York City to be a more hospitable and preferred location in which to age. People from every corner of the nation and globe continue to pour into the city, seeking opportunities for themselves and their families. As a result, the city grew to 8.4 million people by 2013 and the population is expected to continue to rise, surpassing 9 million residents by 2040. This population growth is a reflection of the city's success in attracting and retaining people from all over the world, but it also brings with it a growing need for housing.

The current dynamics of the housing market, in which the supply of housing is expanding only for households at higher income levels, will not support the needs of future growth. The long-term consequence of these trends is that the city's neighborhoods are likely to become less economically diverse, and the workforce needed to power the city's economy will be increasingly unable to find adequate housing. Expanding the availability of housing for households at a range of income levels, in neighborhoods around the city, is crucial to ensuring that populations can move to and within the city to prosper from its opportunities and meet the labor force needs of employers at a range of locations.

Housing Production

The *Housing New York* plan lays out a set of strategies to preserve and create 200,000 units of affordable housing, with 120,000 units anticipated to be preserved through renewal of expiring affordability obligations, and the remaining 80,000 to be newly constructed. Among the issues the housing plan identifies in facilitating the achievement of such goals is the need to modernize zoning regulations that are outdated and often impede the production of new affordable housing.

More recently, in *OneNYC*, the mayor's long-term strategic vision for the city, a goal was announced of producing 240,000 units overall over the next ten years. These new units include the 80,000 new units described in the Housing New York target. Over the ten years between 2005 and 2014, New York City saw a total 188,000 new residential units constructed; the goals announced represent an increase of nearly 30 percent over this rate.

Since the release of *Housing New York*, DCP, working with HPD, communities, nonprofit housing groups, architects, developers and other practitioners, has identified a set of zoning barriers that constrain new housing creation and add unnecessary costs, and strategies to address them, most of which are addressed in this proposal and the concurrent ZQA zoning text amendment. At the same time, Housing New York identifies several initiatives in addition to zoning changes that will help in the production of more housing, and more affordable housing.

One key initiative of *Housing New York* is the establishment of an MIH program, which would require a share of new housing to be affordable in areas that are rezoned to support new housing production. As currently proposed, under that program, affordable housing would be required, not optional, when developers build in a newly rezoned area – whether rezoned as part of a City neighborhood plan or a private rezoning application.

Neighborhood Studies

The Department of City Planning (“DCP”), in partnership with communities and other City agencies, is conducting neighborhood planning studies to foster diverse, livable neighborhoods with mixed-income housing and supporting services. City planners are working with local stakeholders to plan for equitable growth, including significant new housing production, in conjunction with the application of an MIH program. The Department and its partners have thus far launched six neighborhood studies: East New York in Brooklyn; Jerome Avenue in the Bronx; Flushing West and the Long Island City Core in Queens; the Bay Street Corridor in Staten Island; and East Harlem in Manhattan.

The East New York Community Plan would be the first of the neighborhood studies to be implemented through the Uniform Land Use Review Procedure (“ULURP”). The plan seeks to facilitate vibrant, inclusive residential neighborhoods with a wide variety of local and regional

commercial options, job opportunities and attractive streets that are safe and inviting for residents, workers and visitors. Opportunities for new housing, including affordable housing, along key corridors, particularly Atlantic Avenue, would provide more housing choices for current and future residents. A growing residential population would restore population lost during the neighborhood's decline in decades past, and also expand the customer base for existing and new businesses such as grocery stores, pharmacies and other services. The land use actions proposed for East New York also seek to reinforce and enhance the existing character and context of the residential core by requiring new development in the primarily residential central blocks to better match the form of existing buildings.

DCP is proposing zoning map and text amendments that would affect a total of approximately 190 blocks in two areas, in East New York and Ocean Hill, to facilitate implementation of the plan. These actions are subject to the ULURP and City Environmental Quality Review (CEQR). The shared long-term vision for the future of the neighborhood identified in the plan is to create more affordable housing and more diverse commercial and retail uses, spur economic development, foster safer streets and generate new community resources.

NYC Ten-Year Capital Strategy

City funding has also been increased to provide additional support for new affordable housing development, as well as ensure that key city agencies have the staff and resources to implement *Housing New York*. Capital funds would also support infrastructure investments needed to support significant new housing growth. The Ten-Year Capital Strategy, announced in May 2015, commits \$7.5 billion towards the construction and preservation of 200,000 units of affordable housing, and over \$1 billion for investments in neighborhoods where the City plans to permit greater density through zoning. An additional \$1.17 billion was committed to affordable housing infrastructure, recognizing that the anticipated new housing and population growth would require improvements to local infrastructure. These investments would be leveraged to achieve significant additional private and public investment in affordable housing.

The Capital Strategy includes additional funding for schools and libraries, water and sewers, and transit and transportation improvements, to ensure that critical city resources can keep up with the growing population.

421-a

Most new multifamily housing built in recent decades has been eligible for a property tax exemption under the City's 421-a program. In a number of central neighborhoods, this tax exemption was only available if the developer ensured that a portion of the project's units were affordable, but in most of the city, it was available regardless of rents or income levels. However, State legislation approved in June 2015 included key changes to increase the production, cost-effectiveness and range of incomes served by the 421-a program. The revised program will extend the length of tax abatements from 25 to 35 years, but will require that all

new developments receiving the abatement include affordable housing. Moreover, the percentage of units required to be affordable in order to receive the abatement was increased from 20 percent to either 25 or 30 percent depending on the incomes targeted. Condominiums or coops would not be eligible to receive a tax exemption, with the exception that outside Manhattan, buildings of 35 or fewer units in which the average initial assessed value of the units does not exceed \$65,000 could receive an exemption.

The updated 421-a program alone is expected to double the number of affordable units produced over the next decade as compared to the previous, from 12,400 to 25,000 units. The MIH program was designed to complement the framework of the recently enacted 421-a program to ensure permanence and neighborhood economic diversity.

Zoning for Quality and Affordability

The supply of new housing in the city is constrained by the high cost of building. Many factors, including density and complexity of construction, make New York City among the most expensive construction markets in the country. Economic theory dictates that, holding other factors constant, an increase in the cost of building will lead housing developers either to build fewer housing units, charge more to rent or buy a home as the market will bear, or both. For affordable housing, where rents are fixed, an increase in construction costs will translate into less affordable housing built. Therefore, efforts to eliminate unnecessary costs in housing construction can contribute to sustaining housing production generally and in particular the production of affordable housing.

Because of changing best practices for housing design, the rise of green technologies, and new construction methods including “block and plank” construction and modular construction, today’s residential buildings typically have higher floor-to-floor heights than the buildings of 30 years ago, when many of the current building envelopes prescribed by zoning were established. Standards for retail space have also increased to provide an improved shopping environment and to allow space for modern ventilation and other mechanical systems. Especially when combined with the floor area bonus allowed through the Inclusionary Housing program, these factors can make it difficult, and often times impossible, to accommodate the full amount of permitted residential floor area within the existing building envelope. These existing controls also limit overall design flexibility and often result in production of suboptimal housing units and buildings that do not include design and streetscape-improving elements that are typical of older apartment buildings in the city’s residential neighborhoods. DCP is proposing zoning changes that would provide additional flexibility to these regulations to facilitate housing development, further encourage the use of the Inclusionary Housing program, and improve the quality of both new housing and street-level commercial activity.

The current supply of housing units is not well suited for the city’s changing households, and creation of housing to meet these evolving needs has been slow, because of many factors

including existing zoning regulations that make this unnecessarily difficult. The city's residents are aging: DCP projects that the population aged 65 or older will increase by 175,000 from 2010 to 2020. Housing needs change over a household's life cycle. Some older adults need housing that provides special support services, while others prefer to 'age in place' in age-integrated settings. Many struggle to make ends meet because incomes frequently decline after retirement. To address these changes, the City must develop housing options that are affordable to older New Yorkers and that meet their diverse and special needs.

The boroughs of Manhattan, the Bronx, Brooklyn and Queens are unusual nationwide in having relatively low levels of car ownership, particularly in dense areas characterized by apartment buildings, and high levels of transit use for journeys to work (Staten Island more closely resembles the suburban norm in its auto dependence). Research undertaken by DCP in recent years further clarifies the factors that are correlated with car ownership among households. The 2007 Residential Parking Study found that car ownership rises with income. Car ownership is markedly lower among lower-income households, and extremely low among low-income seniors. The costs of providing parking in New York City, and especially in the city's densest neighborhoods, can be extremely high – up to \$40,000 or even \$50,000 per structured parking space.² Surface parking costs less to build but occupies scarce land which could otherwise be used to build housing or provide other uses or amenities, such as open space. In affordable housing developments, residents are often unable to pay the substantial parking fees necessary to cover these costs. The result is that required parking effectively increases construction costs and hampers the ability to finance affordable housing, reducing the efficiency of limited public subsidy available to support affordable housing construction.

In light of these characteristics, zoning parking requirements can be adjusted in a targeted manner, focused on the parts of the city and the specific populations for which car ownership is low. The ZQA proposal would make parking optional, rather than mandatory, for affordable housing units within a designated "transit zone." In addition, it would make a number of targeted changes to enable the construction of quality buildings with cost-effective techniques that reflect today's best practices and the needs of affordable housing. Other elements of the proposal would eliminate provisions that unintentionally encourage flat, dull buildings in medium- and high-density districts, and provide additional flexibility that would encourage more varied buildings that relate better to the street and to the historic building types that characterize many of the city's neighborhoods.

III. PURPOSE AND NEED FOR THE PROPOSED ACTION

The purpose of the proposed MIH program is to promote neighborhood economic diversity in locations where land use actions create substantial new housing opportunities³. Neighborhoods provide residents not only a location in which to live, but also a "package" of services and

² <http://www.reinventingparking.org/2015/06/how-much-does-one-parking-spot-add-to.html>

³ Research and analysis supporting this rationale is explained in detail in Department of City Planning's September 2015 report, *Mandatory Inclusionary Housing: Promoting Economically Diverse Neighborhoods*. See Appendix B for the full report.

amenities that in many ways define the opportunities available to them. The qualities of neighborhoods can have profound implications for quality of life and economic wellbeing. The neighborhood where one lives affects the quality and diversity of choices and prices paid for housing, childcare, healthcare and transportation. It determines the choices parents have for their children's schools, households' access to certain social networks, and the time, convenience, and cost associated with traveling to work, to go shopping, or to visit family and friends. Neighborhoods also vary considerably in the degree to which they increase residents' exposure to crime or pollution, and provide access to public amenities such as parks and open space, community centers and libraries. Public investments support the quality of facilities, services and amenities in neighborhoods throughout the city. In neighborhoods that will be experiencing public and private investment, promoting economic diversity, in which residents at a range of income levels have access to housing, is important to ensure that a diverse range of New Yorkers may enjoy access to quality facilities, services and amenities.

The City has long used a wide range of tools to create and preserve housing that is affordable to low- and moderate-income households, most significantly the use of City, State and Federal subsidies to support the creation and preservation of affordable housing on both publicly and privately controlled land. These public investments play an important role in increasing the availability of housing for households at lower incomes and in providing housing investment within neighborhoods where the private housing market is not active. However, the lack of available sites in high opportunity neighborhoods, high land prices and competition from market-rate development make site acquisition for publicly subsidized housing development challenging. A voluntary inclusionary housing program has provided a mechanism to create affordable housing on private sites in such areas, but has not provided assurances that affordable housing will be included in new developments in a wide range of neighborhood conditions. The set of programs and policies utilized to date has not been sufficient to promote economically diverse neighborhoods at locations throughout the city and in the wide range of housing market conditions that exist in various neighborhoods.

Despite the existence of impediments to housing production that limit the market's ability to respond to demand, such as the high costs of land, construction and labor, sustained high levels of housing production remain important to keep pace with demand and reduce upward pressure on housing prices. Despite a total supply of 3.4 million housing units, the largest New York City's housing stock has ever been, the vacancy rate was only 3.45 percent in 2014, well below the legal definition of a housing emergency (a vacancy rate below 5 percent), as defined by New York State and City rent-regulation laws.

The creation of new housing supply at all income levels helps to alleviate this pressure and contribute to housing affordability in the city. In recognition of the need to continue to produce new housing to support a growing population and workforce, the City is undertaking neighborhood planning initiatives that would create zoning capacity to support new housing creation, along with supporting infrastructure and services.

Although increased housing production is an important component of a comprehensive solution for the city's affordability crisis, production alone is unlikely to increase the availability of housing affordable at all income levels. Given the many constraints on housing production, even an aggressive effort to increase overall capacity is unlikely to make a sufficient supply of housing available at a range of income levels, and in any event would not encourage economic diversity at a neighborhood level. Therefore, the City is proposing a requirement for affordable housing in new developments where land use actions promote housing development, to ensure that new housing created within these neighborhoods serves households at a range of incomes including levels below those that would be served by the market alone. Requirements for units to remain permanently affordable will ensure that these affordable units remain a resource for the community into the future, even as neighborhood economic conditions may change.

IV. DESCRIPTION OF THE PROPOSED ACTION

The Department of City Planning proposes a citywide zoning text amendment in order to create a Mandatory Inclusionary Housing program ("MIH") within the existing Inclusionary Housing program authorized in ZR Section 23-90. The Proposed Action would amend Sections 12-10 (Definitions), 23-10 (Open Space and Floor Area Ratios), 23-90 (Inclusionary Housing), 62-80 (Special Review Provisions), 74-00 (Powers of the City Planning Commission), and 74-30 (Special Permits Uses and Bulk Modifications) of the *New York City Zoning Resolution* ("ZR").

The Proposed Action would require permanently affordable housing set-asides for all developments over 10 units or 12,500 zoning square feet within MIH areas or, as an additional option for developments between 10 and 25 units, or 12,500 to 25,000 square feet, a payment into an affordable housing fund. A citywide zoning text amendment to authorize an MIH program is necessary to implement the proposal, which would require permanently affordable housing within new residential developments, enlargements, and conversions from non-residential to residential use within subsequently mapped MIH areas. In cases of hardship, where these requirements would make development financially infeasible, developers may apply to the Board of Standards and Appeals ("BSA") for a special permit to reduce or modify the requirements. Developments, enlargements or conversions that do not exceed either 10 units or 12,500 square feet of residential floor area would be exempt from the requirements of the program.

The proposed MIH program would not affect existing provisions in the Zoning Resolution ("ZR") that apply to the regulation and administration of the Inclusionary Housing Program within existing Inclusionary Housing Designated Areas ("IHDA") or R10 or R10 equivalent districts ("R10 Program") – also collectively referred to in this document as Voluntary Inclusionary Housing ("VIH"). Any changes to the VIH program would occur at a later date and would be the subject of separate review and analysis.

Applicability

The text amendment would have no effect until mapped through subsequent discretionary actions of the City Planning Commission (“CPC”). These actions include zoning map and zoning text amendments, each of which would be subject to a public review process and separate environmental review. As with zoning actions generally, MIH areas may be mapped through DCP-initiated actions or as part of private applications.

The Proposed Action would apply to developments, enlargements or conversions on zoning lots within mapped MIH areas. Since floor area bonuses for affordable housing would not apply in the Proposed Action, as they do in the VIH program, alternate definitions are proposed in ZR Section 23-91 for zoning lots and developments affected by the Proposed Action. Affordable or supportive housing developments that meet the requirements of the MIH program are called “MIH sites,” while developments that generate the MIH requirements are called “MIH developments.” A zoning lot with an MIH development is called an “MIH zoning lot”.

The first mapping of an MIH area would occur as part of the proposed zoning map and text amendments (“East New York rezoning proposal”) that would affect a total of approximately 190 blocks in the East New York, Cypress Hill and Ocean Hill neighborhoods in Brooklyn to facilitate the East New York Community Plan. The rezoning proposal is the subject of a separate but concurrent land use and environmental review process to the citywide MIH zoning text amendment. Affordable housing guarantees are a key component of the East New York Community Plan, and the associated rezoning includes a related action for a zoning text amendment to create an MIH program applicable only to East New York. This would provide a guarantee of an MIH program in East New York in the event that the citywide MIH zoning text is either not approved or is approved after the East New York rezoning is implemented. The East New York MIH zoning text mirrors the citywide MIH zoning text that is analyzed in this EAS. Potential impacts associated with the rezoning, including any associated with application of the MIH program described herein, are disclosed in the Draft Environmental Impact Statement (“DEIS”) for that project (CEQR #No. 15DCP102K). Any changes to the citywide MIH text amendment would be made applicable to the East New York rezoning proposal, and duly reflected in that environmental review.

Additionally, MIH would be applied as part of future neighborhood rezonings and private applications that facilitate the development of a substantial amount of new housing. In both instances, MIH would be applied where such action serves the program’s objectives to promote neighborhood economic diversity and to encourage housing production at a range of income levels. The program would be applied consistently and programmatically in a way that supports broader housing and land use objectives and the feasibility of private development.

The MIH program is anticipated to be applied in areas outside of MIH areas as a condition of the granting of future special permits for use or bulk modifications that facilitate the creation of a

significant number of additional dwelling units. The CPC could reduce, modify or waive the MIH requirements for such special permits where it finds that the project would facilitate significant investments in public infrastructure or public facilities that address broader community needs that are not generated by the proposed development. The requirements could also be modified for special permits that enable a site to receive transferred development rights pursuant to the Hudson River Park Act.

Relationship to ZQA Text Amendment

DCP is proposing a separate but concurrent zoning text amendment (Zoning for Quality and Affordability or “ZQA”), to encourage better quality buildings and support the creation of affordable housing, affordable senior housing and long-term care facilities. For a full description of the ZQA proposal, see ULURP application N160049ZRY.

The ZQA text amendment is the subject of a separate but concurrent review. The full project description and potential impacts are described in the DEIS for that proposed action (see CEQR No. 15DCP104Y). The zoning text for MIH has been drafted to be consistent with the proposed ZQA zoning text. However, the MIH program can function independent of the ZQA text in the event that it is not enacted and can be modified to reflect any changes to the ZQA proposal during the public review process. Indeed, this EAS incorporates the ZQA proposal into the assumptions for the analysis of what the potential future effects of the proposal would be after its adoption, called the “Future With-Action scenario.”

The ZQA text amendment includes a number of changes to the structure, numbering and defined terms within the ZR. Because both proposals are intended to be adopted concurrently, the structure, numbering, and terminology of the proposed ZQA text amendment are carried over to the proposed MIH text amendment. For instance, the ZQA text amendment would revise the definitions for affordable senior housing which have not been updated in over 30 years. As described in the ZQA DEIS, the definitions currently referenced in the ZR for senior housing are outdated and inconsistent with the current practices. As such, the ZQA proposal includes a new defined term “affordable independent residences for seniors” (“AIRS”) to replace “non-profit residences for the elderly”. Provisions of the MIH text that apply to affordable senior housing reference this new definition.

Affordability Requirements

The proposed MIH program includes two primary options that pair set-aside percentages with different affordability levels to reach a range of low and moderate incomes while accounting for the financial feasibility tradeoff inherent between income levels and size of the affordable set-aside. When MIH is applied, the applicant, CPC and City Council would choose one or more of the two primary options based on a consideration of area housing conditions, needs and income levels within and near the area covered by the proposed action.

The proposed options are as follows:

Option One: At least 25 percent of the residential floor area shall be provided as housing affordable to households at an average of 60 percent of the Area Median Income index (“AMI”), with no unit targeted at a level exceeding 130 percent of AMI.

Option Two: At least 30 percent of the residential floor area shall be provided as housing affordable to households at an average of 80 percent of the Income Index (“AMI”), with no unit targeted at a level exceeding 130 percent of AMI.

In addition, in areas where market conditions are anticipated to support new construction, but not the feasibility of reaching low-income levels without the use of subsidy, and where the creation of moderate-income housing would contribute to neighborhood economic diversity, the applicant, CPC and City Council may choose to apply a “workforce option,” described below, in addition to options one and two.

Workforce Option: This option would require that at least 30 percent of the residential floor area shall be provided as housing affordable to households at an average of 120 percent AMI, with no single qualifying household with income exceeding 130 percent of AMI, and with no public funding as defined in ZR 23-90, except where HPD determines that public funding is necessary to support other affordable housing within the development beyond the applicable set-aside. This option would not apply in Manhattan Core, which encompasses Community Districts 1 through 8. The workforce option is appropriate in “emerging” or “mid-market” areas where the skew of higher and lower rents contemplated in options one and two is not supported by local market conditions.

Location

Same building. In all instances, MIH affordable units may be located in the same building as market-rate units incurring the affordability obligation under the MIH program. The affordable units must share a common primary entrance with the market-rate units and must be distributed on at least 50 percent of the building’s floors. These distribution requirements would not apply to MIH sites containing supportive housing or affordable senior housing because the programmatic requirements of such facilities may be supported by the clustering of units. The distribution requirements would not apply when all market-rate units in the building are condominiums and the affordable units are rentals. These requirements may also be waived for affordable floor area created in an MIH site through enlargement because the distribution of affordable units may be impracticable due to existing building configurations and occupancy. As in the VIH program, HPD may also waive the distribution requirements for any new construction

affordable housing that cannot comply with the requirements of Federal, State or City programs because of the distribution requirements.

Same zoning lot. Affordable units may be located in a separate building on the same zoning lot that contains a market-rate building incurring the affordability obligation under the MIH program, provided that the buildings are independent from the street grade to the sky. Affordable and market-rate buildings that do not share a common entrance must have their primary entrances on a common street frontage, and many only front on a different street if HPD determines that an alternative configuration does not stigmatize occupants of the affordable housing.

Separate zoning lot. As with the City’s previous VIH program, affordable units may also be located on a separate zoning lot within the same community district or within a half-mile of the market-rate development incurring the affordability obligation under the MIH program. (Notably, market-rate developments where MIH units are provided on a separate zoning lot would not be eligible for the 421-a tax abatement.)

Method of Calculating Floor Area

The Proposed Action would permit HPD, through its guidelines,⁴ to specify a method for calculating affordable floor area and the size of affordable units on MIH sites that is consistent with the standard procedure methodologies used by the New York City Department of Buildings (“DOB”) for calculating floor area. This method is more straightforward than the method described in the current VIH program, which requires floor area to be measured from within the perimeter walls of a building or unit. The method described in the current VIH program is inconsistent with standard DOB procedure and creates unnecessary additional work that adds to the process costs faced by developers of affordable housing.

Bedroom Mix

The bedroom mix for an MIH site would be the same as is currently required for affordable housing that generates bonus floor area under the VIH program (currently defined in the ZR as a “generating site.” Under these requirements, the bedroom mix must match the market-rate units or be at least 50 percent two-bedroom or more and 75 percent one-bedroom or more. However, the bedroom mix would not apply to affordable senior housing to allow senior housing to meet the needs of its target population.

⁴ The “guidelines” set forth additional requirements in addition to those outlined in the ZR for sites that provide affordable housing under either the VIH or proposed MIH programs, pursuant to ZR Section 23-96. The guidelines are established through a separate rule-making process at HPD pursuant to the City Administrative Procedures Act (CAPA).

Unit Size

The size of affordable units developed under the MIH program would be consistent with the minimum unit sizes currently set forth in the ZR for the VIH program, except that where market-rate units have an average smaller size than the specified minimum size for a dwelling unit with a particular bedroom count, the smaller average size may apply. These sizes are:

- 400 square feet of floor area for a zero-bedroom unit; or
- 575 square feet of floor area for a one-bedroom unit; or
- 775 square feet of floor area for a two-bedroom unit; or
- 950 square feet of floor for a three-bedroom unit.

Payment in Lieu Option

In recognition that the creation, administration and oversight of small numbers of units poses a challenge for developers, administering agents and the City, a payment in lieu option would be available on a limited basis to small developments to ensure that smaller projects can proceed while supporting the objectives of the MIH program.

The fee-in-lieu option would be available for developments that do not exceed 25 units or 25,000 zoning square feet of residential development. The fee would be based on the cost of providing an equivalent amount of permanently affordable housing and would be established through process established in HPD's guidelines.

Any funds collected could be used for a range of housing affordability measures, including new construction, rehabilitation, preservation and other affordable housing purposes set forth by HPD in its guidelines. Consistent with the geographic nexus of the MIH program, the funds would be made available for use within the same Community District or within a half-mile radius of the development generating the funds. If the payment cannot be spent within a number of years as set forth in HPD's guidelines, the funds may be made available for use over a wider geography. This ensures that the funds will be used for purposes consistent with the objectives of the MIH program.

BSA Special Permit

The program would establish a special permit by which the BSA may reduce the amount of affordable floor area required or modify affordability requirements for developments made infeasible by the requirements of MIH. The program is designed such that reductions and waivers would only be necessary in exceptional circumstances and would only be available

where the requirements of MIH, rather than other factors, are the source of the hardship. The recourse enabled by this provision also ensures that the MIH program would not adversely affect housing creation in the event of unforeseen economic shifts.

Additional Program Provisions

Homeownership option. Developments may satisfy affordability obligations with a homeownership option. The MIH homeownership option would be substantially similar to that currently available through the VIH program, except that the method for establishing the eligible initial price that can be charged for a homeownership affordable unit based on the income level required under the zoning will be established in HPD’s guidelines.

No preservation option. The current program permits property owners that use bonus floor area for a “compensated development” to fulfill VIH affordable housing requirements through the permanent renewal of affordability requirements in buildings where existing regulatory agreements that limit rents may expire. This option would not be available to MIH developments.

Supportive housing. Supportive housing units that fulfill the affordable housing requirements under the VIH program must be located in a separate building from the market rate units. This restriction would not apply in the MIH program, allowing for supportive housing to be located in mixed-income buildings.

Grandfathered tenants. An occupant of an affordable housing unit within home ownership affordable housing may include a tenant of a building on an MIH site that has been demolished for construction of an MIH development, even if the tenant’s household income exceeds the income qualifications for the new affordable unit.

Simplified regulatory agreements for MIH sites. The current Inclusionary Housing program requires a regulatory agreement between HPD and the owner of a generating site that outlines compliance with all of the provisions of the program. The regulatory agreement must be approved by HPD and closing on all financing must occur before a DOB permits can be issued for a compensated development.⁵

A streamlined process for administration of the MIH program would be necessary given its broad applicability. Therefore, although a regulatory agreement would still be required for MIH sites, it would have modified requirements to allow for greater predictability and efficiency in

⁵ A “generating site” and a “compensated development” are defined in ZR Section 23-91. A generating site is an affordable or supportive housing development that meets the requirements of the VIH program and can be used to generate bonus floor area for compensated developments within IHDA or R10 Districts.

the administration of requirements for MIH sites. In lieu of the affordable housing plan currently required of VIH sites, the regulatory agreement would contain an MIH application, a standardized form that would be required for all MIH sites that would specify compliance with the MIH guidelines. The MIH application would require information about asking rents for affordable units; building plans; zoning calculations showing affordable floor area; and unit size, distribution and bedroom mix of the affordable units. These requirements could be modified in HPD's guidelines.

A restrictive declaration that includes the MIH application must be recorded against the MIH development and site outlining compliance with the MIH program, but unlike the VIH program, bank closing and HPD approval of an MIH application would not be required prior to issuance of a permit notice. The owner of the MIH site must provide proof of recordation of the restrictive declaration before issuance of a permit notice by HPD authorizing DOB building permits.

The MIH application would, like the affordable housing plan in VIH, designate an administering agent to monitor compliance of the rental of the affordable units; and require sufficient reserves for the maintenance, operation and administration of the affordable units. A copy of the application must be delivered to the applicable community board concurrent with submission to HPD.

Administering agents. The MIH program would allow HPD to establish a list of qualified non-for-profit or public entities who may monitor MIH units for compliance with the regulatory agreement.

HPD guidelines. The Inclusionary Housing Program is administered by HPD pursuant to guidelines that set forth requirements in addition to those established through zoning. The current guidelines are found in the Rules of the City of New York, Title 28, Chapter 41. The guidelines are established through a separate rule-making process at HPD pursuant to the City Administrative Procedures Act (CAPA). This rule-making process would occur as a separate action at a later date, and in the event that any additional environmental review is needed, it would be conducted at such time. The administration of a new MIH program, which would differ from the existing VIH program in its structure and in the range of participating developers, requires sufficient flexibility for HPD to modify certain administrative aspects of the program based on the experience of implementing the program. While the essential structure and requirements of the MIH program would be established in the zoning text itself, the text would authorize HPD to establish through the guidelines provisions including:

Provisions regarding the reservation period and use of the "Affordable Housing Fund."

Any funds collected could be used for a range of housing affordability measures, including new construction, rehabilitation, preservation and other affordable housing purposes set forth in HPD's guidelines. Consistent with the geographic nexus of the MIH program, the

funds would be made available for use within the same Community District or within a half-mile radius of the development generating the funds. If the payment cannot be spent within a number of years as set forth in HPD's guidelines, the funds would become available for use over a wider geography. This ensures that the funds could be used for purposes consistent with the objectives of the MIH program.

Changes to the distribution requirements allowed when there are not enough units to meet the standards described in zoning. In unusual instances, such as where buildings are small or unusually configured, it may not be possible for a developer to meet the distribution requirements in the ZR. In such instances, the guidelines would specify how the distribution requirements would be administered.

Method of measuring the floor area of affordable housing units. In the VIH program, the ZR specifies a specific method of measuring the floor area of affordable units that differs from standard DOB methodology. These requirements have been both unnecessary to administering the program and cumbersome to affordable housing developers who must submit additional floor area calculations to demonstrate compliance with the requirements. The Proposed Action would exempt affordable units in MIH site from these requirements and allow HPD specify the method through the guidelines that is consistent with standard DOB practices. This would remove an unnecessary burden faced by affordable housing developers.

Requirements for qualifying "administering agents". The Inclusionary Housing Program requires a designated administering agent for affordable housing that is responsible for ensuring that units are rented to qualifying households pursuant to the terms of the regulatory agreement. In the VIH program, the administering agent must be a not-for-profit and may not be the owner or managing agent of the site that is generating the affordable requirement. The MIH program also grants HPD to create a list of qualified administering agent or to allow a public entity ability to monitor affordable units. More flexibility in the requirements for the requirements for selecting eligible administering agents may be necessary for MIH given its broader applicability.

Provisions regarding how to set the initial price for homeownership units. The ZR describes a specific method that HPD must use to establish the initial price of a homeownership affordable unit. The proposed zoning text provides for additional flexibility to be specified in the guidelines for MIH homeownership units, to account for the broader range of incomes that are served under the MIH options.

Additional requirements for rental affordable housing. Like in the VIH program, owners of MIH sites must register affordable housing units with the regulatory agency or agencies responsible for administering the program or programs covering the units in question. (In

addition to IH, a city program, the units may also participate in State programs such as 421-a or Federal programs such as the Low Income Housing Tax Credit, or “LIHTC”.) The Proposed Action would allow alternate provisions to be established in the regulatory agreement in the event of future unanticipated changes to applicable regulations that affect the administration of the MIH program.

Proposed Changes Related to Building Envelope Controls

The ZQA proposal addresses many of zoning bulk envelope impediments to the construction of affordable housing under contemporary best practices. These changes include addressing bulk issues in the VIH program. However, since the ZQA proposal does not assume adoption of an MIH program, this text amendment includes a limited number of changes to building envelope controls that would be applicable only in certain districts when MIH areas are mapped in the future. These changes are intended to address similar bulk envelope constraints that would be addressed by the ZQA proposal for the VIH program.

Create a new non-contextual building envelope for MIH developments in R6-R8 districts.

While contextual zoning is frequently mapped in new rezonings, there remain certain areas where it may not be appropriate to apply contextual zoning. For example, parcels located adjacent to rail lines, freeways and within areas without a consistent height context may continue to warrant non-contextual zoning designations.

Height factor (also known as tower-in-the-park) regulations, which is one of two as-of-right building options in these non-contextual districts, allow a building to shift away from such physical constraints or to have a wider range of height variations. However, where MIH would be applied within an area where R6, R7-1, R7-2 or R8 zoning is appropriate, there is not a practical mechanism to incorporate the Inclusionary Housing floor area into height factor floor area and open space regulations. Additionally, the tower-in-the-park building form typically requires more expensive construction methods and is not the optimal bulk configuration for many MIH developments.

The lack of a non-contextual building envelope option for an Inclusionary Housing development would result in a de facto requirement for all MIH buildings to comply with the optional contextual building envelope, sometimes forcing residential units to be located directly against physical constraints or requiring developments to leave a significant portion of their permitted floor area unused.

In order to maintain a non-contextual development option in areas of the city that warrant additional flexibility, such as parcels abutting rail lines, freeways and areas without a consistent height context, the proposal would create an alternative building envelope available to MIH developments for non-contextual R6-R8 districts to facilitate the development of affordable housing.

While the details of this new non-contextual building envelope is available in the ZQA proposal, the proposed height limits are set forth in Figure 1 below.

Figure 1: Proposed Max Heights for Non-Contextual Envelope for MIH Developments

Proposed Alternate Bulk Envelopes for Non-Contextual Districts			
Zoning District	Maximum Base Height	Maximum Overall Height	Maximum Number of Stories
R6	65'	115'	11
R7	75'	135'	13
R8	105'	215'	21

Maximum Floor Area in R7X and R7-3 Districts within MIH areas. Typically, where affordable housing is provided in IHDAs under the voluntary program, the maximum floor area ratio for the applicable zoning district is higher than the same district maximum outside of IHDAs. However, there is currently no difference between the maximum floor area in R7X and R7-3 districts outside and within IHDAs.

In order to ensure the availability of zoning districts with a range of maximum floor areas that can be accommodated within the building forms allowed by their respective height and setback limits, the Proposed Action would increase the maximum permitted floor area ratio from 5.0 to 6.0 for developments utilizing MIH regulations. This change would aid in filling a gap in incremental density increases between R7D (5.6) and R8A (7.2) districts.

The maximum building height of a development within future R7X districts mapped with an MIH area would be increased from current 125' to 145' to accommodate the additional floor area, which the maximum building height for R7-3 would remain at 185' that is permitted under current regulations.

ATTACHMENT B: REASONABLE WORST CASE DEVELOPMENT SCENARIO

A Reasonable Worst Case Development Scenario (RWCDs) is broadly defined as the potential development under both the future No-Action and With-Action conditions that is used to determine the change in permitted development created by a discretionary action. The first step in constructing a RWCDs is generally to estimate the projected development in the future without the project (sometimes also referred to as the No-Action condition) for the area directly affected by the proposed project as well as the study area as a whole. The RWCDs analysis takes the existing observed condition and adds to it known or expected changes in order to arrive at a reasonable estimate of future conditions. After the baseline condition is established in the future without the project, the RWCDs for the project is established and compared to the No-Action condition for the environmental assessment.

The Proposed Action would create a requirement for affordable housing that would be applied in future discretionary actions. The Proposed Action would also make it possible to establish MIH areas within which the alternative height and setback provisions for non-contextual development in R6-R8 districts. It would also increase the maximum permitted floor area for developments within R7X and R7-3 districts, matching similar provisions proposed for the VIH program under the ZQA proposal. The permitted amount, type or location of future development that could result from future discretionary actions creating MIH areas would be disclosed in the environmental reviews for those actions.

I. ANALYSIS FRAMEWORK

The proposed text amendment would establish requirements and standards for affordable housing in new residential developments, enlargements and conversions within MIH areas. The text amendment would have no effect until mapped or implemented through subsequent discretionary actions of the City Planning Commission. These actions include zoning map and zoning text amendments and special permits, each of which is subject to a public review process and separate environmental review. The new MIH program would be applied through a zoning text amendment being advanced as part of the rezoning of East New York, which is undergoing a concurrent but separate public review. Potential impacts associated with the rezoning are disclosed in the DEIS for that project. Additionally, as previously described, MIH is expected to be applied as part of future neighborhood rezonings and private applications that facilitate the development of a substantial amount of new housing.

The *2014 CEQR Technical Manual* provides guidance for actions where specific details about the kind of development that might reasonably be expected are often not available, or considering each particular site that could be affected would be redundant or impossible because of the scale of the project. In such instances, the RWCDs must include sufficient detail regarding the overall amount, type and location of projected development to allow for impact analysis in

density-related impact categories (e.g., traffic or schools). Because this action would have no effect in itself, the site-specific, density-related and other relevant effects of subsequent mappings of this text amendment would be analyzed at the time of a future action.

However, it is CEQR's goal "to incorporate environmental considerations into the decision-making process at the earliest opportunity," even if that review can only occur "on a conceptual basis."⁶ Consistent with that goal, and because it is not possible to anticipate with any reliability the exact location of the proposed amendment's applicability, this analysis takes a "hard look" at the possible effects of a range of development scenarios representative of those likely to occur across the city.⁷

As described below, to provide a reasonable assessment of the potential future effects of the Proposed Action analyses of the following aspects of the proposal are needed: proposed program requirements; the applicability of the MIH program to special permits outside of MIH areas; and proposed bulk changes.

Analysis of the Program Requirements and Conceptual Analysis of the BSA Special Permit. The Proposed Action is necessary to establish a MIH program, even though it would have no applicability until it is mapped as part of a separate land use action. As described above in the Proposed Action, many of the requirements of this program would be established through this zoning text amendment. The analysis of the program requirements relies in large part on analysis and findings from the recently completed *Market and Financial Study*, a study to evaluate what effects the application of a MIH program would have on the financial feasibility of new residential development projects under a range of currently representative market conditions.⁸ A complete version of the *Market and Financial Study* can found in Appendix A. Excerpts of the analysis are included in the Analysis of the Program Requirements in Attachment C.

⁶ See *Matter of Neville v. Koch*, 79 N.Y.2d 416 (1992) and *Fisher v. Giuliani* 280 A.D. 2d 13 (2001).

⁷ *Matter of Merson v. McNally*, 90 N.Y.2d 742 (1997).

⁸ The New York City Housing Development Corporation retained BAE Urban Economics BAE, a national real estate economics consulting firm with expertise in inclusionary housing analysis as well as in a wide range of related market rate and affordable housing feasibility studies, to conduct the study. HDC, the New York City Department of Housing Preservation and Development (HPD) and the New York City Department of City Planning (DCP) provided input through a three-agency collaborative Working Group. ⁸ See *Matter of Neville v. Koch*, 79 N.Y.2d 416 (1992) and *Fisher v. Giuliani* 280 A.D. 2d 13 (2001).

⁸ *Matter of Merson v. McNally*, 90 N.Y.2d 742 (1997).

⁸ The New York City Housing Development Corporation retained BAE Urban Economics BAE, a national real estate economics consulting firm with expertise in inclusionary housing analysis as well as in a wide range of related market rate and affordable housing feasibility studies, to conduct the study. HDC, the New York City Department of Housing Preservation and Development (HPD) and the New York City Department of City Planning (DCP) provided input through a three-agency collaborative Working Group.

The Proposed Action would also establish a new BSA special permit to allow the BSA to reduce or waive affordability requirements for developments that face demonstrable hardship under the requirements of MIH. A conceptual analysis of the future utilization of this special permit is included in the analysis of the program requirements.

Analysis of Applicability of the MIH Program to Existing Special Permits Outside of MIH Areas.

The MIH program would also apply outside of MIH areas as a condition of granting future special permits for use or bulk modifications that facilitate the creation of a significant number of additional dwelling units. The CPC could modify the MIH requirement for such special permits where it finds the project would facilitate investments in significant public infrastructure or public facilities addressing needs that are not generated by the proposed development. Therefore, an assessment is warranted of whether the Proposed Action could conflict with the purpose and need of certain specific existing special permits that would not facilitate significant public infrastructure or public facilities addressing needs that are not generated by the proposed development. Section V below provides a conceptual assessment of the effect of applying MIH requirements to special permits outside of MIH areas intended to address purposes or needs other than the production of affordable housing.

Analysis of Proposed Bulk Changes. Since proposed bulk changes would be applicable to future designated MIH areas, those changes must be described and an analysis conducted as part of this EAS. Like other aspects of the Proposed Action, these changes would have no applicability until future mappings of MIH areas and would therefore have no effect on existing zoning districts. Section VI below provides an analysis of the following proposed changes: the creation of a new non-contextual building envelope for MIH developments in R6-R8 districts; and an increase in the permitted Floor Area Ratio (“FAR”) for MIH developments within R7X and R7-3 districts.

II. STUDY AREA

The proposed text could apply in any future medium- or high-density district or in any market conditions in the city, either as part of a City-sponsored action or as part of a private application. In addition to the proposed rezoning and application of MIH through a zoning text amendment in East New York in Brooklyn, some examples of neighborhood studies where DCP expects to apply MIH include: East Harlem in Manhattan; the Bay Street Corridor in Staten Island; the Long Island City Core in Queens; and Jerome Avenue in the Bronx. (Other applications that would be affected by the Proposed Action may enter public review after referral of this text amendment. If that occurs, this EAS would be updated to analyze the potential effects of the Proposed Action on those specific projects and specific locations as those applications move forward). However, since it is not possible to anticipate all of the possible future locations where MIH would be applied, the *Market and Financial Study* analyzed the proposed action according to a

neighborhood market conditions index representative of New York City’s many diverse socio-economic and housing market conditions.

The index ranked neighborhoods on a scale for one to five based on the relative strength of the housing market in the neighborhood. Neighborhood geographies were defined by using Neighborhood Tabulation Areas (“NTA”), a database maintained by DCP, of clusters of Census Tracts aggregated to provide an intermediate unit of analysis with a finer level of detail and with boundaries that are roughly contiguous with commonly understood neighborhood boundaries. The scores were based on three price signal variables including condo sales prices, market rate rents, and, if market rate rents were not published for an NTA, self-reported gross rent (including utilities) collected through the American Community Survey (“ACS”). The detailed data are shown in Appendix A. It should be noted that these composite scores reflect recent market prices per NTA; the scores and the underlying data do not reflect the distribution of household incomes of existing residents in an NTA, nor the existing rents or sale prices for all housing units, some of which are regulated. It should also be noted that NTAs shown as “not scored” are primarily low density neighborhoods with limited recent construction of multifamily housing. These neighborhoods have insufficient data to support a detailed analysis for the index, and generally limited transit and other infrastructure capacity to support substantial new multifamily housing development.

To ensure that most of New York City’s residential areas that could be subject to the MIH policy were accounted for in the NTAs included in the index, the following items were calculated:

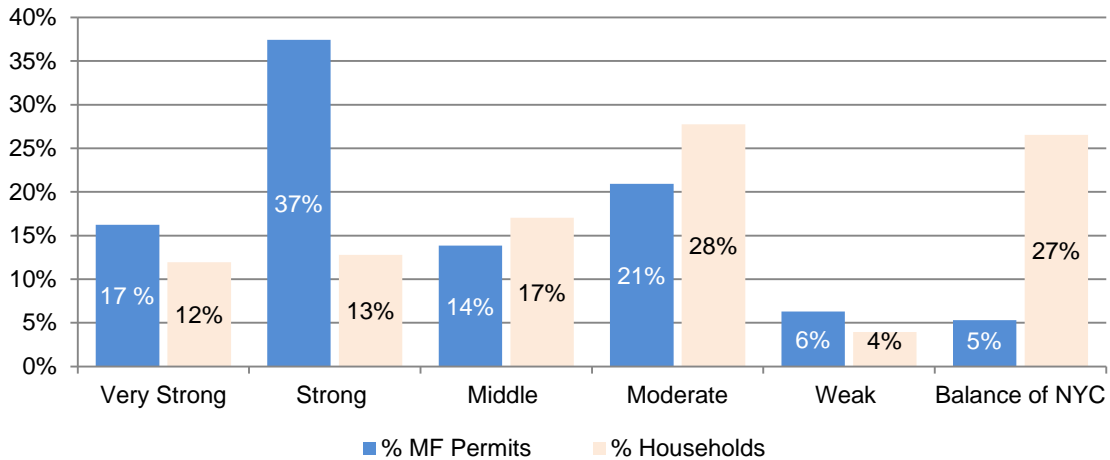
- The NTAs scored by the Market Conditions Index contained 73 percent of all households in NYC in 2012.
- The NTAs scored by the Market Conditions Index absorbed 52,445 (95 percent) of the 55,374 multifamily permits issued by NYC in the past four years (2010 – Aug 2014).⁹

Although the number of new multifamily units permitted (which represents a proxy for past and current development activity) was not used as a variable to formulate the Market Conditions Index, it is noteworthy that the Index generally reflects this activity, as shown in the graph below. The graph compares the proportion of total new multifamily permits issued since 2010 for the NTAs in each market condition category to the proportion of existing households in NTAs aggregated by market condition. Thus, the NTAs in the Very Strong market condition, with just 12 percent of all NYC households, have accounted for 17 percent of multifamily permit activity since 2010. Similarly, the NTAs comprised by the Strong market condition absorbed 37 percent of all NYC multifamily permits issued since 2010, even though these NTAs accounted for just 13 percent of total households. In combination, the Very Strong and Strong market condition NTAs captured 54 percent of permit activity, despite having just 25 percent of total households.

⁹ Permits includes both market-rate and affordable multifamily units.

Figure 2: Multifamily Permits 2010 –2014 and Households by Market Condition

Sources: BAE; ACS 2009-2012 and NYC DOB permits in buildings with 3+ units issued 2010-2014



III. BUILD YEAR

CEQR requires analysis of the project's effects on its environmental setting. For those projects that would be implemented quickly following approval, the current environment would be the appropriate environmental setting. However, proposed projects typically are completed and become operational at a future date, and therefore, the environmental setting is the environment as it would exist at project completion and operation. Consequently, future conditions must be projected. This prediction is made for a particular year, generally known as the "build year." The build year is the year when the project would be substantially operational, since this is when the full effects of the project would occur. MIH is part of a comprehensive strategy outlined in *Housing New York* to produce or preserve 200,000 affordable housing units in 10 years, 80,000 of which would be new construction. Therefore, this analysis assumes the end of the 2024 fiscal year as the build year.

The *Market and Financial Analysis* was based on current market conditions and construction costs to inform a number of different potential future scenarios. Although real estate market conditions are dynamic and change over time, the relationships in economic terms between rents and sale prices, development costs and financial feasibility tend to move in tandem in most market cycles. Therefore, the findings of the report are helpful in describing future economic conditions, even as specific locations or projects will change.

IV. ANALYSIS OF PROGRAM REQUIREMENTS AND CONCEPTUAL ANALYSIS OF BSA SPECIAL PERMIT

The conceptual analysis and RWCDs rely on the findings of the *Market and Financial Study* conducted by BAE Urban Economics (“BAE”), a national real estate economics consulting firm with expertise in inclusionary housing analysis as well as in a wide range of related market rate and affordable housing feasibility studies, to assess the potential effects of the proposed program requirements on future development. The New York City Housing Development Corporation (“HDC”) retained BAE Urban Economics to conduct the study. HDC, the New York City Department of Housing Preservation and Development (“HPD”) and DCP provided input through a three-agency collaborative working group. The study used a dynamic financial feasibility model to analyze the impact of a range of potential inclusionary requirements on residential development feasibility across market conditions. The model contained all key cost, revenue and financing assumptions, along with numerous secondary supporting assumptions, which are outlined in detail in the full report. The model structure was designed to allow multiple scenario conditions, including market condition, project tenure, zoning and density, on- or off-site development of affordable units and application of the tax benefits, such as the 421-a program and Low Income Housing Tax Credits (“LIHTC”). Within any given set of these key scenario conditions, the analysis tested the effect a particular MIH program policy choice would have on the financial feasibility of a prototypical development.

The proposed bulk changes that would be applicable in future MIH areas are analyzed below in section VI, Analysis of Proposed Bulk Changes. Like other aspects of the Proposed Action, these changes, described above in the Description of the Proposed Action, would apply only to future mappings of MIH areas and would therefore have no effect on existing zoning districts. The RWCDs for the bulk changes analyzes no-action and with-action conditions for several prototypical sites.

Building Prototypes

The financial feasibility model was designed to test six unique development programs; this included three building prototypes and two tenure scenarios.

The building prototypes are defined as a low-rise building of seven floors, a mid-rise building of 10 floors and a high-rise building of 30 floors. These three prototypes were based on DCP's understanding of current development types, and were further refined through a developer consultation conducted in late October, 2014. All building prototypes are assumed to use a poured concrete construction method, except for off-site affordable buildings, which are assumed to use block-and-plank construction. Also note that all off-site affordable buildings were assumed as the low-rise prototype, in order to most closely match the scale of off-site affordable developments contemplated in the feasibility model.

Figure 3: Development Program Summary

Market-Rate	Floors	Const. Type	Elevators
Low-rise	7	Poured concrete	1
Mid-Rise	10	Poured concrete	2
High-Rise	30	Poured concrete	2+
Affordable Off-Site			
Low-rise	7	Block-and-plank	1

Sources: BAE, 2015.

Each building prototype was tested for financial feasibility under a rental apartment-only and a condominium-only tenure scenario. Mixed-tenure developments, which can be difficult to finance and market, are rare in New York City and therefore no mixed-tenure building was tested in this analysis. All development programs are exclusively residential, with no ground floor retail or other uses assumed. This assumption was made for the purpose of isolating the impact of various affordability requirements on residential development in particular.

Prototypical Zoning Scenarios

All building prototypes were modeled to correspond to one of three zoning classifications and a corresponding maximum FAR. Each of these zoning classifications is also matched with a lower-density zoning classification; in combination, these three pairs of zoning classifications represent three potential rezoning scenarios in which permitted residential densities are increased, which were identified by DCP as a range of typical scenarios based on a review of recent zoning map changes, and are summarized in the table below. The zoning districts selected for the prototypical sites analysis are representative of the types of zoning districts that can be reasonably expected in future land use actions, but are not the only districts where MIH would potentially be applied.

Figure 4: Zoning and Density Assumptions

Upzoning Factor (a)	Initial Zoning	Initial FAR	Increased Zoning	Increased FAR (b)	Building Type	Building Size (gsf) (c)
130% FAR Increase	M1-2	2.00 (d)	R7A	4.60	Low-Rise	101,200
40% FAR Increase	R7A	4.00	R7D	5.60	Mid-Rsie	123,200
100% FAR Increase	R8	6.02	R10	12.00	High-Rise	264,000

Notes:

(a) All potential rezoning factors were provided by DCP to represent a range of hypothetical zoning increases for analytic purposes only; these factors do not represent any statement of current or anticipated City policy.

(b) "Increased FAR" in this analysis refers to higher FAR allowed in areas designated for the Inclusionary Housing program.

(c) Building size, expressed as gross square feet (gsf), is calculated by inflating the zoning FAR by a factor of 10 percent and applying this adjusted FAR to a model site of 20,000 square feet.

(d) M1-2 zoning does not permit residential use.

Sources: New York City Department of City Planning (DCP); BAE, 2015.

In order to estimate the maximum floor area for each development scenario in the feasibility model, the analysis assumed a model 20,000 square foot development site, representative of a typical lot frontage encompassing the short end of a block, for example along Manhattan’s north-south avenues. The maximum building size in gross square feet was calculated by applying an adjusted FAR for the applicable zoning classification to the site size. The gross square footage figures for each zoning classification were also inflated by 10 percent from ZFA in order to account for floor space exempted from the definition of FAR (this includes mechanical space and certain other exempt spaces).

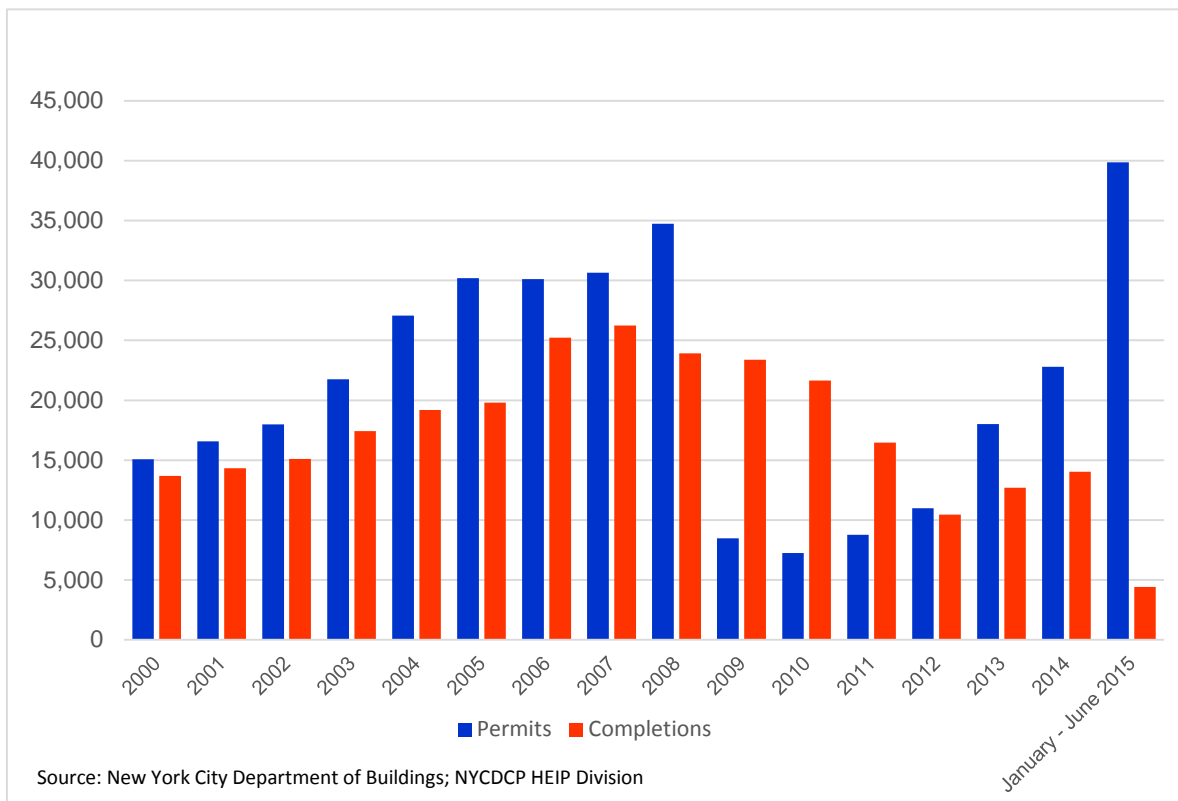
Existing Conditions

Market Rate Housing Production

New demand from the city’s growing population, accompanied by increases in housing prices, has driven up new housing production in New York City since the mid-1990s. Regional housing production shifted markedly toward New York City in the 2000s, and by 2004 the number of housing units developed annually in the city outpaced production in Northern New Jersey and the New York-Connecticut suburbs (New York-Connecticut Sustainable Communities Consortium, 2014).

New housing units authorized peaked in the previous decade at nearly 35,000 units in 2008, but that number fell dramatically in 2009, and only began to recover in 2011. The number of units authorized by new building permits rose substantially in 2013, to nearly 18,000 units, and to just below 23,000 in 2014. New units permitted in the first half of 2015, however, reached almost 40,000, driven mostly by strong demand and developer interest in vesting under current rules for getting the 421-a tax exemption. However, given the scale of the demand and the lag time between permitting and construction, these new units are not likely to alleviate the housing crunch or produce neighborhood economic diversity. Recent levels of housing production have not been adequate to offset forces making housing less affordable to most New Yorkers.

Figure 5: Permitted Units and Total Units with Final Certificates of Occupancy, 2000-June 2015



Affordable Housing Production

Voluntary Inclusionary Housing

Inclusionary Housing in New York City is primarily a tool for promoting neighborhood economic diversity, and is part of a much larger effort to create and preserve affordable housing. The VIH program is an incentive program, with developers receiving a floor area bonus in exchange for providing a certain amount of affordable housing. In districts where the R10 program applies, a floor area bonus of 20 percent is available to developments that provide affordable housing. Qualifying units must be affordable to households at or below 80 percent of AMI. For each square foot of affordable housing provided, an amount of bonus floor area (e.g., 3.5 square feet for new construction) is permitted. In 2009, the program was amended to clarify restrictions on the use of housing subsidies, and to allow publicly subsidized units at less favorable bonus ratios.

In IHDA, which have been established in portions of the Bronx, Brooklyn, Manhattan and Queens, developments taking advantage of the full 33 percent bonus must devote approximately 20 percent of their floor area to housing that will remain permanently affordable to lower-income households (at or below 80 percent of AMI).¹⁰ The zoning floor area bonus can be combined with a variety of City, State and Federal housing subsidy programs, which frequently make it possible to reach lower income levels. Affordable units may be provided on-site or off-site, within the same Community District or a half-mile of the bonused site, and may be provided through new construction, substantial rehabilitation or preservation.

Since their inception, the R10 and designated areas programs have produced 8,810 affordable units (3,420 in the R10 program, 5,398 in designated areas). An analysis by the Department of City Planning of affordable housing and total housing production through July 2013 in IHDA found that in many areas, the program had produced a number of affordable units at or even above the 20 percent target established under the program, while in other areas, the program had failed to produce affordable units. To the extent that this program has successfully produced affordable housing, it has contributed to achieving its stated objective of promoting neighborhood economic diversity. However, concerns have been voiced by communities that the program could do more to promote housing affordable at below-market rates, including reaching a wider range of income levels, particularly lower income levels. Housing advocates and communities have frequently expressed concerns that a guarantee of affordable housing is important to the future of neighborhoods facing the potential for substantial new housing development.

¹⁰ Some special districts permit a share of units to be affordable for moderate- or middle-income households, in exchange for a greater amount of affordable housing.

421-a and Other Publicly Assisted Housing

Most new multifamily housing built in recent decades has been eligible for a property tax exemption under the City's 421-a program. In a number of central neighborhoods, this tax exemption was only available if the developer ensured that a portion of the project's units were affordable, but in most of the city, it was available regardless of rents or income levels.

The following is a description of the 421-a program as it exists until December 31, 2015. Changes in the program adopted by the New York State legislature, and conditionally applicable beginning in 2016, are described below in the Future without the Proposed Action. The BAE analysis was conducted prior to changes in 421-a. However, the nature of the 421-a changes are not expected to substantially affect the conclusions of the BAE report, which focused on the effect of the MIH requirement.

Most new multiple dwellings in New York City are eligible for a 15- to 25-year tax exemption on property taxes under §421-a of the State's Real Property Tax Law ("421-a"). Projects that meet on-site affordability requirements or receive substantial governmental assistance ("SGA") pursuant to an affordable housing program are eligible to receive 25-year benefits. Projects within the General Exclusion Area ("GEA") must provide affordable housing to receive the benefit. The GEA covers a geography that is roughly contiguous with the Strong and Very Strong market neighborhoods in the *Market and Financial Study*. Outside the GEA, new multiple dwellings are eligible for a 15-year tax exemption and are not required to provide affordable housing unless they apply for the 25-year exemption. Affordable units provided through the 421-a program must be affordable for a period of 30 years, or the period of the regulatory agreement for SGA, whichever is longer.

A 2013 analysis by DCP of participation in the VIH program found that whether a developer chose to provide permanent affordable housing under the IH program was closely tied to whether the project was located inside or outside of the GEA locations where providing affordable housing was a condition of receiving the benefit. Projects located within IHDAs inside the GEA were more likely to provide affordable housing under the bonus than projects located outside the GEA, indicating that whether a development includes affordable housing is strongly influenced by tax policy and the requirements of participation in the 421-a program.

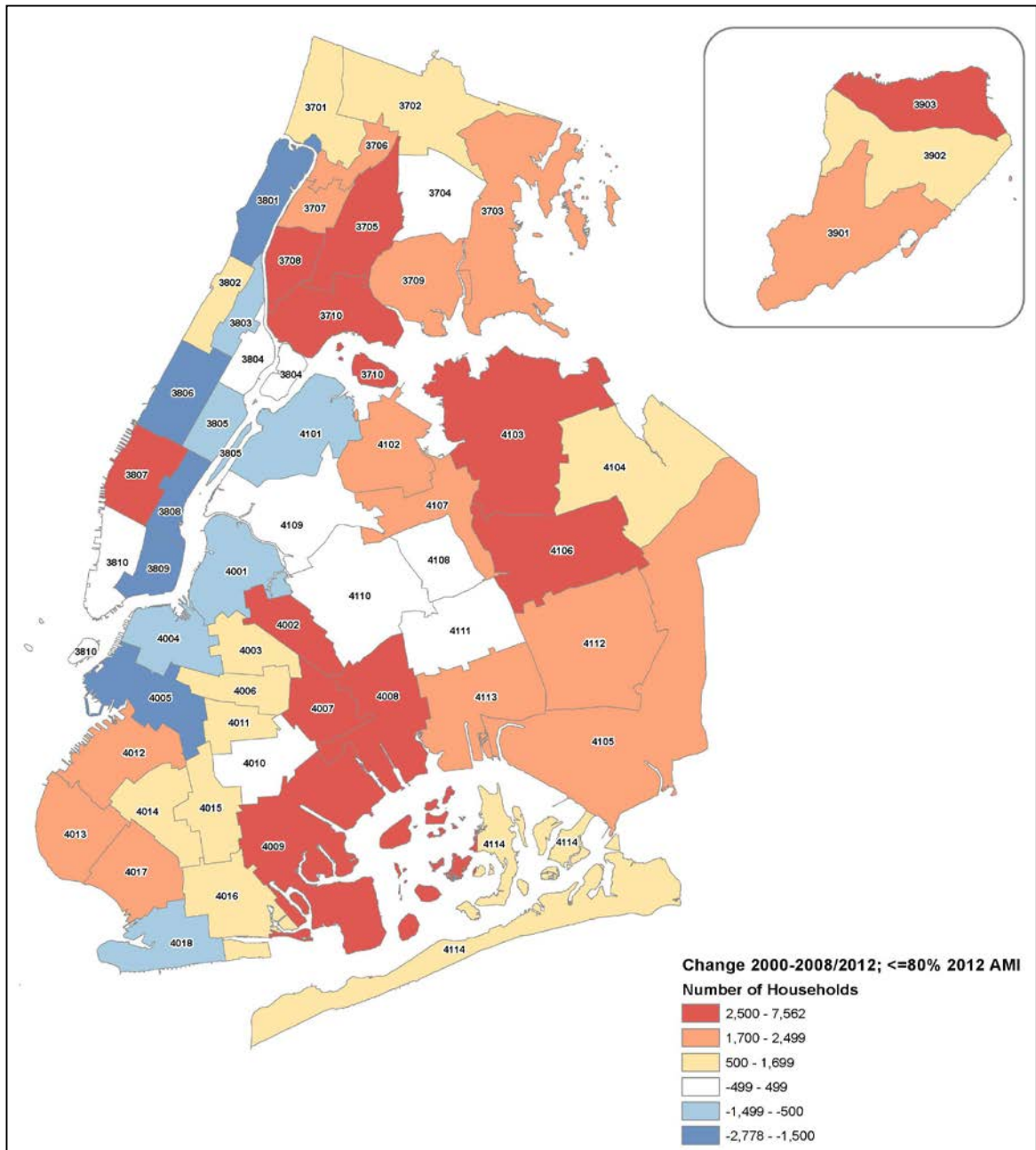
Neighborhood Economic Diversity

DCP's *Mandatory Inclusionary Housing Report* provided analysis showing that while New York City is, on the whole, very economically diverse, this economic diversity does not always exist at the neighborhood level, and many high-opportunity neighborhoods offer little housing accessible to households at low and moderate incomes.

Despite rising rent burdens and housing costs, and the in-migration of higher income residents, the number of households in New York City qualifying as low-income (earning less than 80 percent of the HUD AMI for the New York City region) increased between 2000 and 2012. However, the change in this population varies dramatically at the community district level. As a result of recent housing trends, however, many low-income residents are becoming more concentrated in high poverty neighborhoods. An analysis by PUMA¹¹ of the change shows that many of the city's more affluent areas, which frequently offer greater opportunity in terms of access to quality services, education and employment opportunities, have had a net loss of low- and moderate-income households, indicating that there has been a decline in the amount of housing accessible to low- and moderate-income households in these areas. See Figure 6, below. Meanwhile, the PUMAs that have gained a greater number of low- and moderate-income households tend to be neighborhoods where poverty is highly concentrated.

¹¹ Public Use Microdata Areas (PUMAs) are Census-designated areas with a population of at least 100,000 persons. There are 55 PUMAs in New York City, which approximate the boundaries of the City's community districts.

Figure 6: Change in Absolute number of Low-Income Households by PUMA, 2000 to 2008-2012



Source: U.S. Census Bureau, 2008-2012 American Community Survey-Public Use Microdata Sample; 2000 5 percent ACS PUMS

A notable exception to this pattern is PUMA 3807, which includes the neighborhoods of Chelsea, Clinton and Midtown in Manhattan. This area experienced an absolute increase of over 2,500 households earning less than 80 percent of AMI despite having one of strongest housing markets in the city as measured by rents and condo sales prices, according to the report produced by BAE. The area also ranks among the top PUMAs in the city for new housing production, accounting for 17 percent of new units completed between 2000 and 2013, fueled

mostly by recent rezonings that significantly increased the capacity for new housing. Notably, most of these rezonings incorporated Inclusionary Housing provisions, which together with tax incentives promoted the provision of a share of new housing as permanently affordable to low-income households. It is likely that these policies, along with robust City-sponsored affordable housing creation in the area, are responsible for the increase in the number of lower income households in some of the city's most expensive neighborhoods.

Future No-Action Condition

Employment and Population Projections

Long-term population and employment projections show continued growth in the segments of the population and labor market that are driving current trends in housing demand, including continued increase in the number of households and workers at both higher and lower incomes. The current dynamics of the housing market, in which the supply of housing is expanding only for households at higher income levels, will likely continue and is not expected to support the needs of future growth. Without intervention, the market will largely continue to serve higher-income households, and “filtering down” – a pattern in which older, existing housing becomes more affordable – is likely to reach only a limited segment of the population.

A more detailed analysis of the limited nature of this filtering effect within New York City neighborhoods is provided in DCP's *Mandatory Inclusionary Housing: Promoting Economically Diverse Neighborhoods* report, which can be found in Appendix B.

Recent Legislative Changes to 421-a Tax Incentives

As described above in existing conditions, participation in the VIH program is strongly influenced by requirements of the existing 421-a program. The New York State Legislature, which authorizes the 421-a tax exemption, adopted changes to the program in late June 2015 that will go into effect on January 1, 2016, provided there is an agreement between real estate industry and labor representatives on the applicability of prevailing wages in construction that receives tax benefits. Lawmakers approved several modifications to the program to result in greater production of affordable housing in new residential developments. Major changes to the program include:

- Extend the GEA to include all of New York City, requiring any development in the city receiving the tax exemption to provide affordable housing;
- Expand the length of the exemption (and rent restrictions) from 25 to 35 years;
- Provide three options for affordability: 25 percent of the units affordable to households at a mix of 40 percent, 60 percent and 130 percent of AMI where subsidy is limited to bonds and tax credits; 30 percent of the units affordable to households at a mix of 70 percent and 130 percent of AMI with all subsidies allowed; and 30 percent of the units

affordable to households with incomes less than 130 percent of AMI. The last option would not allow subsidy and would not be available in Manhattan below 96th Street.

- Eligible condominium and co-op buildings would be limited to buildings outside Manhattan with fewer than 35 units. Buyers would be required to live in the unit for at least five years and market values would be limited to the equivalent of an assessed value of \$65,000 or less (approximately \$700,000 market value).

Market Rate Housing Production

The *Market and Financial Study* tested two “baseline” development scenarios for each building prototype under each market condition. Both baseline scenario findings represent the feasibility of a project that is developed in accordance with the zoning designation applicable to the subject site prior to a possible rezoning with MIH. This baseline should demonstrate the yield and financial feasibility of the site under current conditions as a point of comparison.

“No 421-a baseline” Scenario

The “no 421-a baseline” scenario represents projects where no 421-a benefit is applied whether or not that benefit is available as-of-right without the need to provide affordable housing.

“421-a baseline” Scenario

In the “with 421-a” baseline scenario for the Strong and Very Strong market conditions, the baseline represents a project without SGA, that provides 20 percent of units at 60 percent AMI and receives the 20-year extended benefit (under the rules that apply prior to the end of 2015). In the Weak, Moderate and Mid-Market typologies, the as-of-right 15-year benefit without affordability requirements was applied.

The baseline development scenarios and findings presented in the *Market and Financial Study* provide some indication of likely future patterns of market rate housing development absent requirements for MIH, which would vary by neighborhood market conditions. In the Very Strong and Strong markets some market-rate rental housing would continue to be underwritten with 421-a benefits. However, developers interviewed for this report stated that currently high land prices, driven by the condominium market where higher residuals allow condominium developers to pay more for available sites, makes constructing market-rate rental housing a challenge.

The potential 421-a no-action scenarios described above would not be expected to have a significant effect on market rate housing production in Strong and Very Strong market conditions since the *Market and Financial Study* shows that development is feasible in both the *No 421-a baseline* scenario and the *421-a baseline* scenario.

In Mid-Market neighborhoods, where market rate rental housing is feasible, it is likely to be produced with the current as-of-right 421-a tax benefit. Condominium development in Mid-Market neighborhoods is limited today, and is likely to be somewhat more limited under the recently adopted changes to 421-a, which constrain the availability of 421-a benefits to condominiums. The feasibility of development is expected to be supported in these neighborhoods by the availability of an option that allows affordable units to be rented to households earning up to 130 percent of AMI.

Publicly subsidized housing would likely continue to comprise the majority of new housing production within Moderate and Weak market neighborhoods as relatively few market-rate rental projects and virtually no condominium developments are being built in markets with relatively low rents that are unable to support current construction costs and land prices, even with 421-a benefits.

Affordable Housing Production

The current VIH programs are expected to continue to generate affordable housing. Many developments within IHDAs would likely continue to take advantage of the current bonus, providing permanent affordability, albeit at the lower set-asides and higher AMIs than the proposed MIH program. As has occurred to date, some condominium developments within IHDAs in stronger markets may choose to forgo both the bonus and 421-a benefits if financial returns for condos surpass those for rental developments receiving 421-a.

Adoption of the new 421-a program is expected to increase the production of affordable housing, particularly in Mid-Market and other neighborhoods where the program previously did not require affordable housing. Affordable housing produced under the 421-a program outside of IHDA would not be permanent and set-asides would be 25 to 30 percent. Target AMIs, although reaching a broader range of incomes than the existing 421-a program, would be somewhat higher than under the MIH proposal, except for the proposed workforce option.

The *Housing New York* plan identifies a number of actions that are critically needed to spur housing construction, and Mayor de Blasio has identified a housing production target of 200,000 affordable and market-rate new units over a decade, to keep up with demand and help reduce the burden of housing costs. Although MIH is a key component of the plan, many strategies such as increased public subsidy would be used to achieve the production target and would not all rely on an MIH requirement. However, these strategies would have a limited ability to affect neighborhood economic diversity due to the high cost of acquiring sites in many neighborhoods where the housing market is strong.

Neighborhood Economic Diversity

Given the many constraints on housing production, even an aggressive effort to increase overall capacity is unlikely to make a sufficient supply of housing available at a range of income levels,

and would not encourage economic diversity at a neighborhood level. The City has long used a wide range of tools to create and preserve housing that is affordable to low- and moderate-income households, most significantly the use of City, State and Federal subsidies to support the creation and preservation of affordable housing on both publicly and privately controlled land. However, these tools have not been sufficient to promote economically diverse neighborhoods at locations throughout the city and in the wide range of housing market conditions that exist in various neighborhoods. A voluntary inclusionary housing program has provided a mechanism to create affordable housing on private sites, but has not provided assurances that affordable housing will be included in new developments in a wide range of neighborhood conditions.

The expected long-term consequence of these patterns is that the city's neighborhoods will become less economically diverse, and the workforce needed to power the city's economy will increasingly be unable to find adequate housing. "Filtering down" achieved through increased production, to the extent that it occurs, is unlikely to result in economic diversity at the neighborhood level.

Future With-Action Condition

A MIH program would establish requirements for affordable housing that promote neighborhood economic diversity while supporting the continued feasibility of housing production. In some areas and market conditions, new housing development is not generally feasible without public subsidy. In these areas, it should be expected that subsidy would continue to be required to support new development including the required affordable component; in fact, the income levels reached by affordable housing would continue to be determined primarily by the use of public subsidies, rather than by the Inclusionary Housing requirement (although the long-term affordability of the project would be defined by the permanent affordability requirements of MIH). For individual projects where program requirements render development demonstrably infeasible, the MIH program includes a Special Permit that enables the Board of Standards and Appeals to reduce or modify requirements to the extent necessary for development to proceed.

The *Market and Financial Study* provided analysis of the potential effects that a range of potential inclusionary requirements would have on the financial feasibility of development under a variety of conditions. The following is an excerpt from the report explaining the program parameters analyzed in the study. Conclusions are excerpted in the next section.

"Each potential MIH requirement represents a combination of an average income target and a total set-aside requirement. The income target, expressed as a percent of Area Median Income (AMI), specifies the maximum income level of households for whom affordable units are to be reserved. For the purposes of this analysis, a blended average AMI level is presented. A number of tiered income target requirements are possible under each blended average. For example, a blended average income target of 60-percent-AMI may be achieved

by a specific affordability requirement of 10 percent of units at 40-percent-AMI and 10 percent of units at 80-percent-AMI for a total blended average of 20 percent of units at 60-percent- AMI.

The set-aside for each potential affordability requirement represents the total share of the project that must be developed as affordable housing. The set-aside applies to the total residential square feet (RSF) of a project. For example, a development with 100,000 RSF would reserve 20,000 square feet for affordable units under a 20-percent set-aside. Because affordable units are assumed to be somewhat smaller than market-rate units in this analysis, the resulting number of affordable units in a building would represent a slightly higher share of total units than the set-aside percentage.

The analysis tests three average income targets – 60, 75, and 90-percent AMI – at five set- aside requirements, ranging from 20 to 50 percent. This results in a grid of 15 potential affordability requirements, which are then tested under various scenarios as described in the following chapter.

The use of 4 percent LIHTC is only tested under the 60-percent AMI average inclusionary income target; this target is modified to a 50-percent AMI average target when testing the 20-percent set-aside, in conformance with the requirement in New York City that a project must include at least 20-percent of units at or below 50-percent AMI or at least 25-percent of units at or below 60-percent AMI in order to qualify for 4 percent LIHTC.

Figure 7 summarizes the potential affordability requirement income targets and set-asides tested in this analysis, as applicable to each affordability program scenario (i.e. MIH affordability requirement only, 421-a Program and/or LIHTC in combination with MIH).”

Figure 7: MIH Affordability Requirement Range

Income Target	Set-Aside Requirement (a)				
	20%	25%	30%	40%	50%
50% AMI	LIHTC (b)	n/a	n/a	n/a	n/a
60% AMI	MIH/421a	MIH/421a/LIHTC	MIH/421a/LIHTC	MIH/421a/LIHTC	MIH/421a/LIHTC
75% AMI	MIH/421a	MIH/421a	MIH/421a	MIH/421a	MIH/421a
90% AMI	MIH/421a	MIH/421a	MIH/421a	MIH/421a	MIH/421a

Notes:

Target incomes and set-asides reflect potential inclusionary requirement values developed for analytic purposes only and do not represent any statement of policy

(a) Set-aside requirement is defined as a percentage of total residential square feet

(b) A 50% AMI income target is tested only at the 20% set-aside level for the purpose of allowing the applicability of 4-percent LIHTC credits; at all other set-aside levels, LIHTC eligibility is consistent with the 60% AMI income target

Sources: NYC Department of City Planning; NYC Dept. of Housing Preservation and Development; BAE, 2015.

Possible Development and Likely Effects

Market Rate Housing Production

As the proposed MIH requirements would only be included as part of future land use actions that create new housing opportunities, the proposed action would not be expected to affect housing market conditions in much of the city where land use changes that create significant housing are not anticipated.

In cases where an MIH requirement would apply, the *Market and Financial Study* concluded that the financial feasibility of new housing development varies by market condition, with development most feasible in the strongest market conditions, and projects generally requiring public subsidy to support feasibility in the weakest markets. The combination of rezoning to increase permitted residential density and establishment of a MIH requirement broadly support feasibility of development in strong market conditions. In weak markets, where the financial model indicates that absent zoning changes and MIH requirements, development is generally infeasible without subsidy, subsidy remains necessary to produce housing under a MIH program. In mid-market conditions, where returns suggest that development may be on the cusp of financial feasibility absent rezoning and MIH, additional density adds little to project returns and the imposition of affordable housing requirements may adversely affect the feasibility of development in some circumstances. Project finances support a substantially higher set-aside when 421-a tax benefits are available to the project.

As noted in the *Market and Financial Study*, it should be understood that financial parameters of individual developments can vary, even within a limited geography, and that broad determinations cannot be conclusively drawn about the financial feasibility of all developments. Building on the analysis in the *Market and Financial Study*, requirements for a MIH program have been set at a level that is understood to be feasible under a range of common market conditions, with different options to achieve neighborhood economic diversity and public subsidy available as appropriate to support development where it would not otherwise be feasible, and recourse for relief for highly unusual or exceptional circumstances.

The *Market and Financial Study* provides the following guidance on interpreting the findings:

“The summary of findings illustrates the relative impact of each proposed inclusionary requirement on a project, as compared to the baseline scenarios described above. A positive impact on returns as compared to a baseline scenario would suggest that the scenario is conducive to new housing development. However, one should not expect that rezoning with Inclusionary Housing requirements will necessarily make unsubsidized development feasible where it is not currently feasible. For instance, in conditions where market rents do not

support new construction without subsidy, increased residential density at these same rents would not substantially increase returns; therefore public subsidy would be still be necessary in such rezoning scenario.”

In cases where market rents do not currently support new construction without public subsidy, MIH would provide communities with assurances of neighborhood economic diversity over the long term.

The MIH program would include a special permit that enables the Board of Standards and Appeals to reduce or waive program requirements based on a determination that development on a site would not otherwise be financially feasible. The special permit is necessary for both legal and policy reasons, and without such a relief mechanism the MIH program would not be possible. The special permit is intended to preserve reasonable economic returns for individual developers and to ensure that the program does not interfere with housing production on difficult-to-develop sites. The MIH program is designed so that this BSA Special Permit would be necessary only in exceptional circumstances, and would be granted only where the hardship is a result of the MIH requirements themselves.

It is expected that an MIH program with a BSA special permit (which is the proposed action) would result in more market-rate housing production than a scenario that includes an identical MIH program but no BSA special permit (“the no-BSA scenario”); while the “no-BSA scenario” is not in fact possible, it is presented as a way of analyzing the incremental production enabled by the proposed special permit. This is because the special permit would enable the BSA to approve development that would not be financially feasible without relief from basic program requirements. Because it is expected that the BSA special permit would be necessary only in exceptional circumstances, this increment of market-rate housing relative to the no-BSA scenario is likely to be small.

The proposed action would likely result in slightly more affordable housing production than the no-BSA scenario. This is because the special permit would enable the BSA, where possible, to reduce rather than waive MIH program requirements in order to facilitate an increment of affordable housing production as part of development that would not have been feasible under basic program requirements. Because it is expected that the BSA special permit would be necessary only in exceptional circumstances, and because the special permit would reduce or waive MIH program requirements, this increment of affordable housing relative to the no-BSA scenario (“the BSA affordable increment”) is likely to be very small.

Of the larger increment of affordable housing created by the proposed action relative to the no-action scenario, the portion attributable to the BSA special permit is identical to the “BSA affordable increment” referenced immediately above.

Affordable Housing Production

The Proposed Action would require permanently affordable housing set-asides for all developments over 10 units or 12,500 square feet within MIH areas or, as an additional option for developments between 10 and 25 units, or 12,500 to 25,000 square feet, a payment into an Affordable Housing Fund. The requirements would be at deeper income eligibility and higher set-asides than both the current and possible future IHDA and 421-a programs, resulting in an increase in affordable housing citywide. The MIH program was designed to work within the framework of the recently enacted 421-a program to ensure permanence and neighborhood economic diversity. Therefore, the Proposed Action would result in longer-term affordability and greater economic diversity than in the Future without the Action.

Neighborhood Economic Diversity

Unlike 421-a, the Proposed Action would require permanent affordability. The new limitations on 421-a applicability for condominium development that will take effect in 2016 are likely to steer some developments from condominium to rental, while some developers will forgo tax benefits and build market-rate condominiums. So in certain very strong market conditions, no affordable housing would be provided on those sites. In weak market conditions, the Proposed Action would not substantially influence neighborhood economic diversity in the short term, because affordable housing subsidies are likely to determine the income levels served by new housing. However, the requirement for permanent affordable housing would ensure the long-term economic diversity of the neighborhood. In mid-market conditions, the Workforce option (30 percent of housing at an average of 120 percent AMI) can ensure the feasibility of new housing creation, which helps reduce upward pressure on rents, while locking in the long-term affordability of moderate-income housing.

A mandate for affordable housing where land use actions promote new housing development will ensure that new housing created within these neighborhoods serves households at a range of incomes below those that would be served by the market alone. Requirements for units to remain permanently affordable will ensure that these affordable units remain a resource for the community into the future, even as neighborhood economic conditions may change. This would contribute to greater economic diversity, creating opportunities in existing neighborhoods and retaining opportunity as neighborhoods change.

V. ANALYSIS OF APPLICABILITY OF THE MIH PROGRAM TO EXISTING SPECIAL PERMITS OUTSIDE OF MIH AREAS

Although the MIH program would generally only apply as part of future land use actions that create new MIH areas, the MIH program would also apply outside of MIH areas in zoning districts as a condition of granting future special permits for use or bulk modifications that facilitate the creation of a significant number of additional dwelling units. The CPC could reduce or modify the MIH condition for such special permits where it finds the project would facilitate significant public infrastructure or public facilities addressing needs that are not generated by the proposed development. The Proposed Action incorporates a strong statement that City Planning Commission actions that facilitate a significant amount of new housing should support sound planning principles by providing for housing to be affordable at a diversity of income levels.

Most CPC actions that facilitate significant amounts of new housing are zoning map amendments. However, some special permits or zoning text amendments have much the same effect as a map amendment. A special permit that stands out because of its capacity to facilitate significant amounts of new housing, through a use or bulk modification is ZR Section 74-71 (Landmark Preservation). Other frequently used special permits that provide bulk modifications, such as 62-836 (Bulk Modifications on Waterfront Blocks) or 74-74 (Large Scale General Developments) are more often utilized in connection with zoning map changes where an MIH area would likely be mapped. An analysis of a bulk modification without a map change is considered below.

Landmark Preservation Special Permits

The Proposed Action would apply to future Landmark Preservation special permits in ZR 74-71 when those actions would facilitate a significant amount of housing. These special permits, which were established in 1969 to provide economic relief to property owners who maintain landmarks designated by the New York City Landmarks Preservation Commission (“LPC”), are unlikely to occur in the context of future zoning map amendments to establish MIH areas. Since the creation of a requirement for affordable housing could reduce the economic relief afforded by the special permits, thereby potentially reducing the number of applications for special permits, the Proposed Action has the potential to adversely affect the continuing maintenance of LPC-designated landmarks and buildings within LPC-designated historic districts.

Existing Conditions

Owners of LPC-designated landmarks and buildings or zoning lots within LPC-designated historic districts can currently avail of themselves of two special permits for use or bulk waivers intended to provide economic relief for projects that facilitate the maintenance and preservation of New York City landmarks. These include the special permit for landmark

preservation in all zoning districts (ZR 74-711) and the special permit for developments within designated historic districts (ZR 74-712).

The permit in 74-711 applies to zoning lots in all zoning districts containing a landmark designated by the LPC or zoning with existing buildings located within LPC-designated historic districts. The permit allows the modification of underlying use and bulk regulations, except floor area regulations, provided that LPC approves a plan for continuing maintenance of the building and the proposed modifications contributes to a preservation purpose and relates harmoniously to the district or building. In granting the special permit, the CPC must find that the proposed bulk or use modifications will have minimal adverse effects on neighboring uses. Thus, 74-711 has served as a vehicle for the residential conversion of historic commercial and manufacturing buildings, mostly within manufacturing districts where residential use is not allowed. It has also permitted the residential conversion of non-complying buildings in residential and commercial districts.

The permit in 74-712 applies to developments on zoning lots within LPC-designated historic districts. The permit allows the use modification for new developments on vacant or underbuilt zoning lots within M1-5A and M1-5B districts. These are manufacturing districts mapped in SoHo and NoHo in Manhattan, and have special use regulations that permit “joint living-work quarters for artists” (“JLWQA”), a residence in a non-residential building that is permitted to be occupied only by artists certified by the Department of Cultural Affairs. These districts also have strict limitations on ground floor retail uses in order to encourage the preservation of manufacturing uses. The availability of 74-712 in these districts has facilitated the new construction of residential buildings other than JLWQAs with ground floor retail uses on vacant or substantially underdeveloped zoning lots within the overlapping historic district. The CPC must find that the use modifications are compatible with the character of the surrounding area.

Article 74-712 also allows bulk modifications to vacant or underdeveloped zoning lots in any zoning district provided that modifications do not have adverse effects on the surrounding area and that the development has been approved by LPC. The use and bulk waivers permitted by 74-712 have typically facilitated new residential development on parking lots within manufacturing districts in SoHo and NoHo.

As shown below in Figure 8, there have been approximately 180 applications for landmark special permits since 1977, the earliest date for which data are available. Of these, over half were located within the Manhattan Community District 2, which includes SoHo and NoHo and the M1-5A and M1-5B districts where 74-712 permits a modification of the underlying residential use restriction to allow new residential construction. The vast majority (93 percent) of 74-71 applications have occurred in community districts in Manhattan below 96th Street.

Figure 8: Landmark Special Permit Applications since 1977, by Community District

Community District	74-71 Applications
MN 2	93
MN 5	30
MN 8	18
MN 1	13
MN 7	9
BK 2	6
BK 6	3
SI 3	2
MN 4	2
SI 2	1
BK 7	1

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Source: NYCDP Land Use Application Tracking System, as of September 2015

According to the *Market and Financial Study* conducted by BAE, these neighborhoods contain some of the strongest housing real estate markets in the city. They also represent some of the least economically diverse neighborhoods in the city, according to analysis provided in the DCP report, *Mandatory Inclusionary Housing: Promoting Economically Diverse Neighborhoods*. As shown in Figures 23.3 of the latter report (Attachment B), the community districts where 74-71 applications are concentrated overlap substantially with the neighborhoods where the majority of households are concentrated within higher income brackets.

Future No- Action Condition

In the future without the action 74-71 special permit applications are likely to continue to be concentrated in the historic districts in Manhattan below 96th Street where the strong housing and condominium market has resulted in substantial use of the permit to facilitate housing development where it would not otherwise be permitted, such as in manufacturing zones. As shown in the map in Figure 9, an assessment of designated LPC landmarks and historic districts within manufacturing zones conducted by DCP in September 2015 indicates a very limited potential for 74-71 applications to facilitate a significant amount of new housing production outside of the core of Manhattan.

In these locations, the special permit would be expected to continue to facilitate the preservation of New York City’s built character through providing economic relief to property owners affected by the New York City Landmarks Law who renovate or construct their buildings in a way that furthers a preservation purpose. It would also continue to facilitate housing production as the applications would most likely occur in locations where the underlying zoning does not permit residential use, or does not permit an existing non-residential building to be converted to a residential building. Since buildings within manufacturing zones would not be

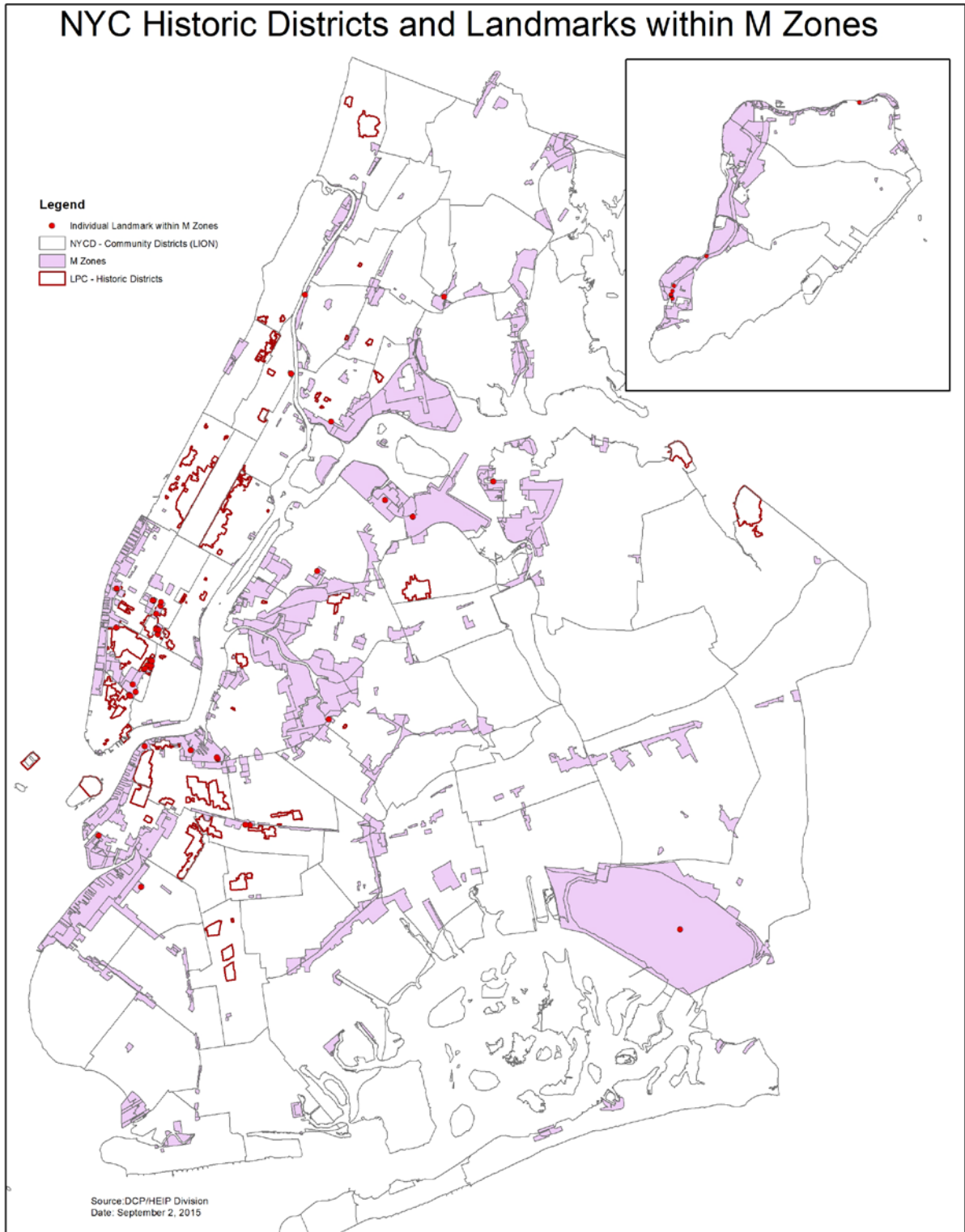
within IHDAs and conversions to residential use would not be eligible for the 421-a tax exemption, conversions to residential under 74-711 or 74-712 would be unlikely to provide any affordable housing. Although new developments permitted under 74-712 would be required to provide affordable housing to take advantage of the recently adopted 421-a regulations, any such housing would not be permanently affordable and condominium development without tax benefits might occur instead. Rather, conversions and new developments that occur under 74-71 are likely to continue to primarily attract high income residents, further limiting the economic diversity of these neighborhoods in the future without the action.

Future With-Action Condition

In the future with the action, 74-71 permit applications that facilitate a significant increase in housing would be required to comply with the Proposed Action, creating a requirement for permanently affordable housing. Developers could continue to pursue bulk modifications under 74-71 to facilitate a fully commercial or community development without triggering a MIH requirement. It is possible that some property owners who might otherwise choose to apply for 74-711 might instead pursue as-of-right redevelopment options for their property, such as commercial or community facility use, where these offer superior returns to those of mixed-income housing. These property owners would not receive the economic relief provided by the use and bulk modifications that facilitate residential development provided by 74-71. However, since these sites are by and large found in locations in the city where real estate values are very high, it is likely that owners of landmarked properties or properties within historic districts would continue to get sufficient revenue from permitted uses to support ongoing maintenance and development that furthers the preservation purpose required by the special permit.

Where a property owner chooses to pursue modifications under 74-71 to create a substantial amount of new housing, the MIH requirements would apply. Since these sites are concentrated in the strongest residential real estate markets in the city, an MIH development on these sites would likely be feasible even with ongoing commitments to maintain and preserve the historic character of the site consistent with the preservation purpose of the special permit. In the event that the MIH requirements would make a project infeasible, the BSA special permit created by the proposed action would be available to provide relief. Therefore, in the future with the proposed action, there is likely to be a greater amount of permanently affordable housing in some of the city's least economically diverse neighborhoods, further contributing to neighborhood economic diversity.

Figure 9: LPC-Designated Historic Districts and Landmarks within Manufacturing Zones



Special Permits Providing Bulk Waivers

The Proposed Action would apply to special permits that provide bulk modifications that facilitate a significant number of additional housing units. Bulk modifications often occur by special permit pursuant to Section 74-743 (Special Provisions for Bulk Modification for Large-Scale General Developments). Adopted in 1990, this provision, according to the CPC's report, "would offer flexibility concerning the distribution of residential bulk, density and open space as is now allowed under Section 78-00 for large-scale residential developments. Before granting a special permit to allow such flexibility the City Planning Commission would have to find that the project would achieve a better site plan and a better urban design relationship with the surrounding area than would be possible without the modifications of the underlying district regulations. The Commission would also have to find that the adjacent streets are adequate to handle the traffic generated by the project."

Existing Conditions

There have been 65 applications for bulk modifications under Section 74-743 since 1990. Frequently, these applications are approved by the CPC subject to a requirement that the project comply with a specific site plan. To achieve a better site plan and on-site amenities such as open space, the large-scale general development may not fully utilize the floor area permitted by the underlying zoning districts. From time to time, previously approved large-scale general developments make applications to the Commission for a major modification that allows additional development under a revised site plan, without a change to the underlying zoning. In such cases, the modification may facilitate the development of a significant number of new housing units.

Future No-Action Condition

The application for a major modification of the previously approved site plan would be considered by the CPC. The Commission may believe that the proposed modification represents an opportunity to promote an economically diverse neighborhood and provide housing at a range of levels of affordability. However, the Commission has no clear direction as to how to effectuate this objective, and no clear authority in the applicable zoning provision, other than general language permitting it to "prescribe additional conditions and safeguards to improve the quality of the large-scale general development."

Future With-Action Condition

The CPC would be required by zoning to condition the approval of the major modification of the previously approved large-scale general development site plan, allowing a significant increase in new housing units, on compliance with the terms of the MIH program. In the event that the MIH requirements would make a project infeasible, the BSA special permit created by the proposed action would be available to provide relief. Therefore, in the future with the proposed

action, there is likely to be a greater amount of permanently affordable housing in connection with a major modification of a previously approved large-scale general development.

VI. ANALYSIS OF PROPOSED BULK MODIFICATIONS

As described above in the Project Description, the Proposed Action includes bulk modifications that would be applicable only to a future MIH program. The modifications would create a new non-contextual building envelope for MIH developments in R6-R8 districts and increase the Maximum Floor Area in R7X and R7-3 Districts within MIH areas. Like other aspects of the Proposed Action, these would have no applicability until future mappings of MIH areas and would therefore have no effect on existing zoning districts. The following analysis of prototypical sites provides a conceptual assessment of the effect of the following proposed bulk changes on relevant zoning districts:

Create a new non-contextual building envelope for MIH developments in R6-R8 districts. In order to maintain a non-contextual development option in areas of the city that warrant additional flexibility, such as parcels abutting rail lines, highways and areas without a consistent height context, the Proposed Action would create an alternative building envelope available to MIH developments for non-contextual R6-R8 districts. This change is intended to facilitate the development of affordable housing where height factor regulations (also known as tower-in-the-park) are currently permitted.

Height factor regulations allow a building to shift away from such physical constraints or to have a wider range of height variations. However, where MIH would be applied within an area where R6, R7-1, R7-2 or R8 zoning is appropriate, there is not a mechanism to incorporate the Inclusionary Housing floor area into height factor floor area and open space regulations.

Increase maximum Floor Area in R7X and R7-3 Districts within MIH areas. Typically, where affordable housing is provided in IHDAs under the voluntary program, the maximum floor area ratio for the applicable zoning district is higher than the same district maximum outside of IHDAs. However, there is currently no difference between the maximum floor area in R7X and R7-3 districts outside and within IHDAs.

In order to ensure the availability of zoning districts with a range of maximum floor areas that can be accommodated within the building forms allowed by their respective height and setback limits, the Proposed Action would increase the maximum permitted floor area ratio from 5.0 to 6.0 for developments utilizing MIH regulations. This change would aid in filling a gap in incremental density increases between R7D (5.6) and R8A (7.2) districts.

The maximum building height of a development within future R7X districts mapped with an MIH area would be increased from 125' to 145' to accommodate the additional floor area, which the maximum building height for R7-3 would remain at 185'.

PROTOTYPICAL SITES

Some assumptions have been made for each prototype, to conservatively analyze the reasonable worst case development that might occur as a result of the proposed actions. . The assumptions, which are explained below, concern gross vs. permitted floor area; unit sizes; building envelopes; parking requirements; lot sizes and dimensions; and affordability.

Gross vs. Permitted Floor Area

All developments have a Floor Area Ratio (FAR) that determines the permitted development rights, or square footage that can be built. In addition to the permitted development rights per the FAR, there is some amount of additional square footage included in a development that is exempt from FAR calculations. This may include square footage allocated towards mechanical spaces, refuse storage, laundry rooms and indoor recreation space for Quality Housing developments and extra wall thickness for energy efficient buildings. As a result of these floor area exemptions, the gross floor area is often higher than the zoning floor area.

The Quality Housing program is a mandatory set of requirements for all medium and high density contextual residence districts. The program requires certain amenities for residents, like laundry rooms and recreational space that could be exempted from zoning floor area calculation. As a result, Quality Housing buildings typically have larger floor area deductions than what are typically allowed for non-Quality Housing buildings such as residential buildings built under height factor or tower regulations, or community facility buildings. Non-Quality Housing buildings have no zoning requirements for residential amenities, and there are limited floor area such as mechanical spaces could be deducted from their gross floor area. For this EAS, it was assumed that 10 percent of Quality Housing building floor area and 5 percent of a non-Quality Housing building floor area would be deducted from gross floor area.

Unit Sizes

Once gross floor area is calculated for each prototype, assumptions are made with regard to space allocated towards private dwelling units and public or otherwise nonresidential space. In residential buildings with market rate or affordable units, the number of dwelling units is estimated by dividing gross square footage by 900. The 900 gross square feet assumption includes square footage for each dwelling unit and about 20 percent of the floor area allocated towards non-dwelling area such as a lobby, hallways, mechanical and recreation spaces, within the residential building and typically results in about 720 net square feet of residential unit.

Building Envelopes

The maximum permitted building envelope is depicted in the prototypes as a hashed line and is typically larger than the building depicted in the With-Action scenario image. The proposed

adjustment of the building envelope is intended to address the rigidity of the current contextual envelope and to allow for an alternative with better articulation and more flexible building design and layouts on a lot. Under existing conditions, the contextual building envelope is so tight that it precludes flexibility in building design. Often, it results in undesirable interior conditions and difficulties complying with other regulatory requirements such as the Americans with Disabilities Act and fire and energy efficiency codes. In many cases, architects are compelled to design buildings that have a flat streetwall at the street line, with no articulation, and with low floor-to-ceiling heights to accommodate the full permitted floor area within the envelope. Among other things, the proposal will allow some room within the envelope to design a mixed-income building that interacts better with the street and has attractive living spaces within.

As a result of the proposed modified building envelope, developments under the With-Action scenario will have more flexibility in accommodating their full permitted floor area. As a result of this increased flexibility, the entirety of the permitted envelope would not be filled under the With-Action scenario, as opposed to the No-Action scenario where developers must fit all of their floor area into a tight building envelope. The modest reduction in required setbacks and rear yard requirements will, in many cases, result in buildings that accommodate their full permitted floor area before reaching their maximum permitted height; the maximum FAR, rather than the building envelope, will limit the amount of development that can occur on a lot, as intended under the zoning.

Parking Requirements

The ZQA text amendment, if approved, would make parking optional rather than required for Inclusionary Housing units near transit. However, since the ZQA text amendment is the subject of a separate, future discretionary action, this analysis assumes the ZQA-modified parking requirements only in the Future With-Action scenario; existing parking requirements (a no-ZQA scenario) are assumed for the applicable zoning district in the Future No-Action scenario.

Lot Sizes and Dimensions

For each prototype, a typical lot size and configuration was assumed, based on the prevalence of conditions across the city. Typical 100' by 100' interior lots or 200'x 100' corner lots were used for most prototypes to measure the incremental impacts of the Proposed Action.

Affordability

Where Inclusionary Housing is assumed in the no-action, the current voluntary floor area bonus in exchange for 20 percent affordability is assumed. For the with-action, which will include a mandatory affordable component and allow different options for set-asides and income targets, the lower 25 percent set-aside is assumed since this would be the more conservative scenario for CEQR purposes.

Prototype 1: R7X District, 100' x 100' interior lot on narrow street

The prototype utilizes a generic 100' x 100' interior lot on a narrow street, in an R7X District. The prototype affords the opportunity to understand the effects of the proposal to increase the permitted floor area ratio from 5.0 to 6.0 and the maximum building height from 125' to 145' for R7X Districts mapped within future MIH areas.

Under the No-Action scenario, the building has a maximum height of 125' and would reach 12 stories tall, with approximately 50,000 square feet of development potential. This building, occupied by a mix of affordable and market-rate residential units, would be able to fit 61 units, of which 12 would be affordable under the VIH program. The development would require 17 total parking spaces.

In the With-Action scenario, a higher floor area of 6.0 is permitted for MIH developments. This would facilitate 73 units, 18 of which would be required to be affordable. Seventeen parking spaces would be required. The with-action scenario would enable more housing units to be built than under the no-action. The building could reach a maximum height of 145 feet, or 14 stories, representing an incremental increase of 20 feet over the no-action.

Incremental changes as a result of the with-action scenario include an additional 20' height, an increase in six market-rate and six affordable housing units, comprise an incremental increase of 11,000 gsf. The share of housing that is affordable increases from 20 percent to 25 percent.

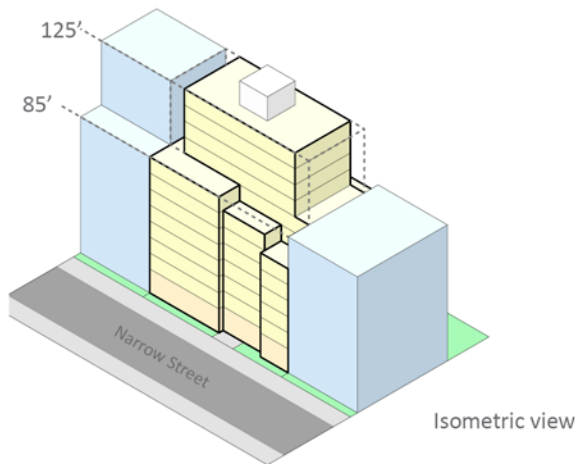
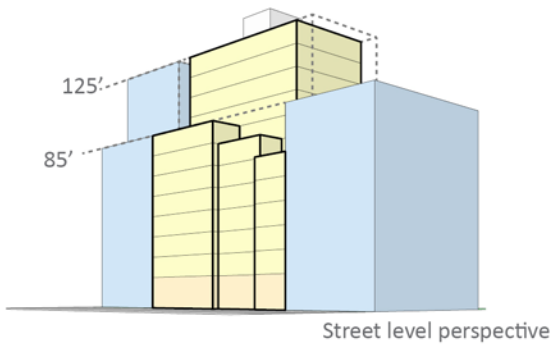
As a result of the additional height and floor area facilitated by the proposed action, there could be potential for following environmental impacts if the district is mapped in the future: shadows; historic and cultural resource; urban design and visual resources; neighborhood character; natural resources; hazardous materials; noise; and air quality.

As a result of the additional dwelling units permitted by the proposed action, there could be potential for the following density-related environmental impacts if the district is mapped in the future: land use, zoning and public policy; socioeconomic conditions; community facilities; open space; water and sewer infrastructure; solid waste and sanitation services; transportation; air quality; and noise.

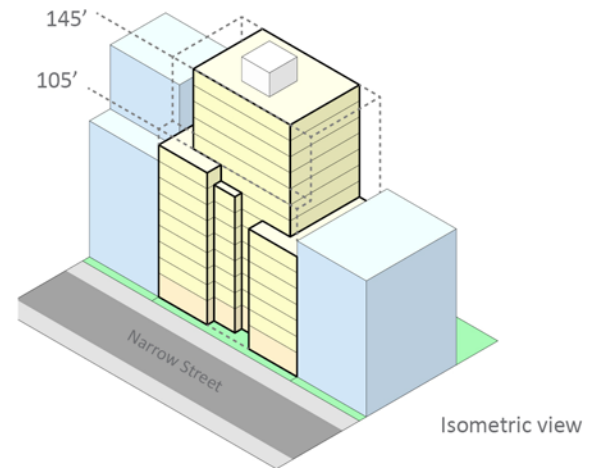
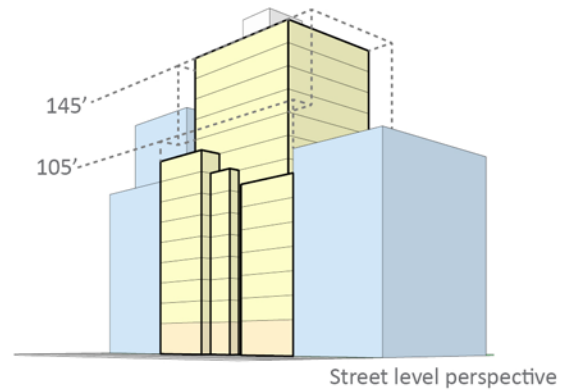
However, since the Proposed Action would have no applicability until mapped as part of future action, any of these density or site-specific impacts would be analyzed as part of a subsequent environmental review.

No-Action Scenario

Existing Building (context)
Projected Development



With-Action Scenario



	No Action	With Action
Lot Area (square feet)	10,000 sq. ft.	10,000 sq. ft.
Permitted FAR	5.0	6.0
Permitted Development Rights (square feet)	50,000 sq. ft.	60,000 sq. ft.
Ground Floor / Upper Story Height	15' / 10'	15' / 10'
Building Depth	60'	60'
Number of Stories/Overall Height	12/125'	14/145'
Floor Area that can be accommodated (square feet)	50,000 sq. ft.	60,000 sq. ft.
Remaining Floor Area (square feet)	0 sq. ft.	0 sq. ft.
Difference in Buildable Floor Area (percent increase over No Action)		20.0 %
Gross Floor Area (square feet)	55,000 sq. ft.	66,000 sq. ft.
Total number of units (market-rate/affordable)	61 (49/12) units	73 (55/18) units
Number of parking required (market-rate/affordable)	17 (15/2) spaces	17 (17/0) spaces

Prototype 2: R7-3, 120' x 200' interior waterfront lot on narrow street

The prototype utilizes a generic 120' x 200' interior waterfront lot on a narrow street, in an R7-3 District. The prototype affords the opportunity to understand the effects of the proposal to increase the permitted floor area ratio from 5.0 to 6.0 for R7-3 Districts mapped within future MIH areas.

Under the No-Action scenario, the building has a maximum floor area ratio of 5.0 and maximum height of 185' with up to 40' additional penthouse height allowance totaling 225' and would reach 22 stories tall. The building would contain approximately 120,000 square feet of residential floor area. This building, occupied by a mix of affordable and market-rate residential units, would be able to fit 140 units of which 28 would be affordable. The development would require 60 total parking spaces.

In the With-Action scenario, a higher floor area of 6.0 is permitted for MIH Developments. This would facilitate 168 units, 42 of which would be required to be affordable. Sixty-three parking spaces would be required. The with-action scenario would enable more housing units to be built as compared to the no-action scenario. The building could reach a maximum height of 185 feet with up to 40' additional penthouse allowance, totaling 225 feet, or 22 stories, representing no incremental height increase over the no-action scenario.

Incremental changes as a result of the with-action scenario include an increase of 14 market-rate and 14 affordable housing units. There is an incremental increase of 25,200 gross sq. ft.

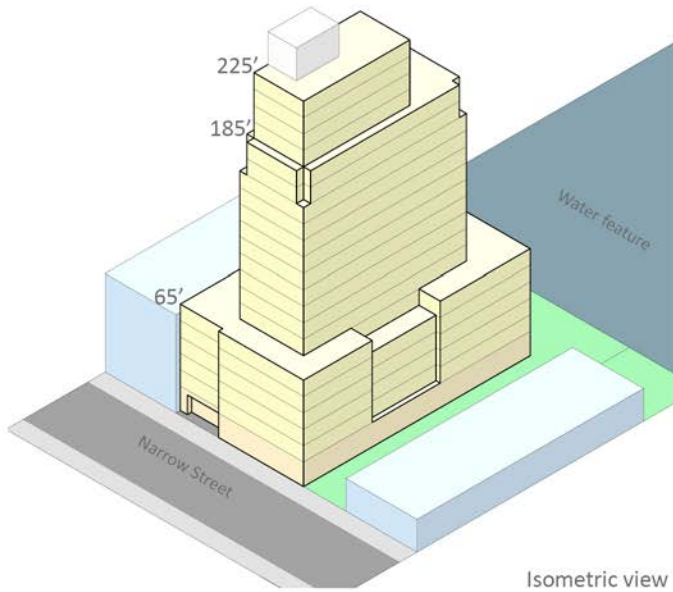
As a result of the additional floor area facilitated by the proposed action, the additional floor area can fit into the same as-of-right building envelope as the No-Action scenario, but would result in a bulkier building. There could be potential for following environmental impacts if the district is mapped in the future: shadows; historic and cultural resource; urban design and visual resources; neighborhood character; natural resources; hazardous materials; noise; and air quality.

As a result of the additional dwelling units permitted by the proposed action, there could be potential for the following density-related environmental impacts if the district is mapped in the future: land use, zoning and public policy; socioeconomic conditions; community facilities; open space; water and sewer infrastructure; solid waste and sanitation services; transportation; air quality; and noise.

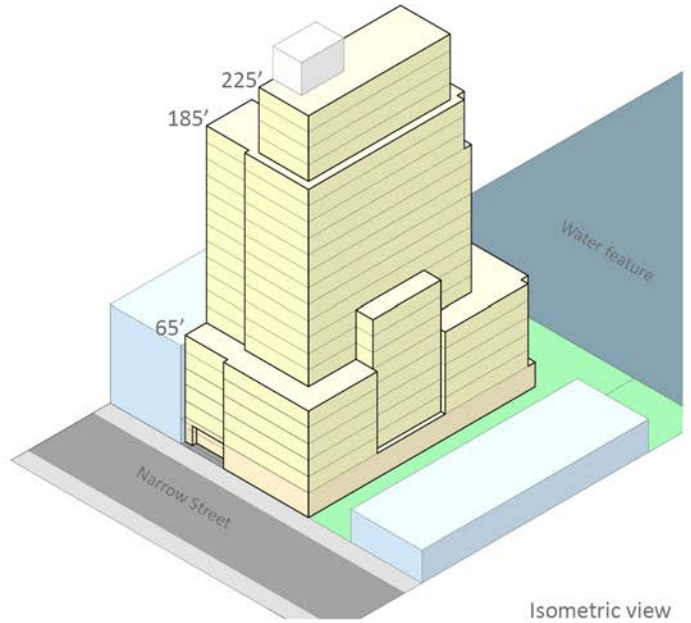
However, since the Proposed Action would have no applicability until mapped as part of future action, any of these density or site-specific impacts would be analyzed as part of a subsequent environmental review.

No-Action Scenario

Existing Building (context)
Projected Development



With-Action Scenario



	No Action	With Action
Lot Area (square feet)	24,000 sq. ft.	24,000 sq. ft.
Permitted FAR	5.0	6.0
Permitted Development Rights (square feet)	120,000 sq. ft.	144,000 sq. ft.
Ground Floor / Upper Story Height	15' / 10'	15' / 10'
Building Depth	60'	60'
Number of Stories/Overall Height	22/225'	22/225'
Floor Area that can be accommodated (square feet)	120,000 sq. ft.	144,000 sq. ft.
Remaining Floor Area (square feet)	0 sq. ft.	0 sq. ft.
Difference in Buildable Floor Area (percent increase over No Action)		20.0 %
Gross Floor Area (square feet)	126,000 sq. ft.	151,200 sq. ft.
Total number of units (market-rate/affordable)	140 (112/28) units	168 (126/42) units
Number of parking required (market-rate/affordable)	60 (56/4) spaces	63 (63/0) spaces

Prototype 3: R7-2 District, 200' x 100' corner lot on wide and narrow streets.

The prototype utilizes a generic 200' x 100' corner lot on wide and narrow streets. These assumptions were chosen because of the prevalence of the zoning district throughout the city. The prototype affords the opportunity to understand the effects of the following proposed non-contextual bulk envelope for R7 districts within future MIH areas.

Two No-Action scenarios were modeled for this prototype to demonstrate the existing zoning framework. Under the No-Action Scenario 01, a non-IH development does not utilize the Quality Housing regulations. Instead, the development utilizes the existing height factor building envelope controls allowed in non-contextual zoning districts to maximize the value of this development. However, this scenario produces a significantly smaller number of dwelling units, all market-rate, when compared with a housing development shown in the No-Action Scenario 02. In order to maximize housing production under these conditions, the development consists of a 16-story tower whose height is controlled by sky exposure planes. The development could be expected to produce 80 market-rate and no affordable units. Forty parking spaces would be required.

Under No-Action Scenario 02, an IH development utilizes the Quality Housing regulations. As shown in the prototype, the resulting building is more contextual and available construction methods are more suitable for the production of affordable housing. However, any site constraints such as elevated structures, irregular shapes and topography, or easements could result in reduced number of housing units. Under this scenario, the development consists of an 80' tall building with 112 residential units, 22 of which would be affordable, and 48 required parking spaces.

In the With-Action scenario, the MIH development is able to set the building away from the site constraints described in No-Action Scenario 02 and provide a variety of building articulation options. The building reaches a maximum height of 135', or 13 stories. The MIH development would have approximately 112 units, 84 market-rate and 28 affordable, with 42 required parking spaces.

Incremental changes as a result of the with-action scenario over No-Action Scenario 01, include 2 additional parking spaces, 32 additional dwelling units and 28 additional affordable units, a building that is 30' shorter and with 28,960 additional gross sq. ft., and a modified building footprint on the lot that better relates to the surrounding contexts.

Incremental changes as a result of the with-action scenario over No-Action Scenario 02, include 6 fewer parking spaces, a reduction of 6 market-rate units offset by an increase in 6 additional affordable units, a building that is 55' taller and with no change in the gross sq. ft., and a modified and flexible building envelope on the lot that could allow for a wider variety of building design articulations.

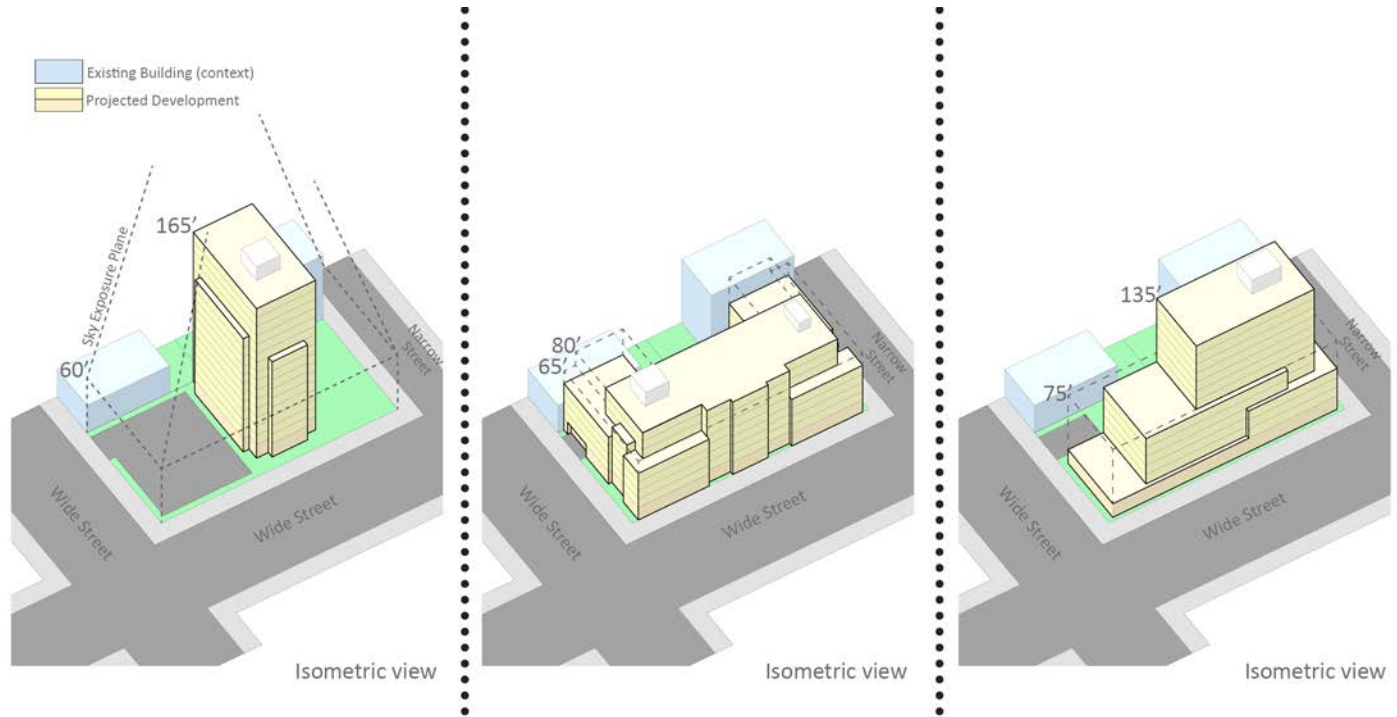
As a result of the modified building form facilitated by the proposed action, there could be potential for the following environmental impacts if the district is mapped in the future: shadows; historic and cultural resources; urban design and visual resources; neighborhood character; natural resources; hazardous materials; noise; and air quality. However, since the Proposed Action would have no

MIH Zoning Text Amendment
EAS Attachments

applicability until mapped as part of future action, any of these density or site-specific impacts would be analyzed as part of a subsequent environmental review.

As a result of the additional affordable units permitted by the proposed action, there could be potential for environmental impacts related to community facilities. However, since the Proposed Action would have no applicability until mapped as part of future action, any of the site-specific impacts would be analyzed as part of a subsequent environmental review.

MIH Zoning Text Amendment
EAS Attachments



	No Action 01	No Action 02	With Action
Lot Area (square feet)	20,000 sq. ft.	20,000 sq. ft.	20,000 sq. ft.
Permitted FAR	3.44	4.6	4.6
Permitted Development Rights (square feet)	68,800 sq. ft.	92,000 sq. ft.	92,000 sq. ft.
Number of Stories/Overall Height	16/165' (no limit)	8/80'	13/ 135'
Floor Area that can be accommodated (square feet)	68,800 sq. ft.	92,000sq. ft.	92,000 sq. ft.
Remaining Floor Area (square feet)	0 sq. ft.	0 sq. ft.	0 sq. ft.
Difference in Buildable Floor Area (percent increase over No Action)			0 %
Gross Floor Area (square feet)	72,240 sq. ft.	101,200 sq. ft.	101,200 sq. ft.
Total number of units (market-rate/affordable)	80 (80/0) units	112 (90/22) units	112 (84/28) units
Number of parking required (market-rate/affordable)	40 (40/0) spaces	48 (45/3) spaces	42 (42/0) spaces

Prototype 4: R8 District, 200' x 100' corner lot on wide and narrow streets

The prototype utilizes a generic 200' x 100' corner lot on wide and narrow streets in an R8 non-contextual district. The prototype affords the opportunity to understand the effects of the proposed non-contextual bulk envelope for R8 districts within MIH areas.

In the No-Action scenario, there are two development options for a non-contextual non-IH development a Quality Housing IH development. The first, shown under No-Action Scenario 01, models a market-rate residential building utilizing the existing height factor building envelope controls allowed in non-contextual zoning districts; these provide no height limit and allow the building to be shifted away from the rail line. The second, shown under No-Action Scenario 02, models an IH building utilizing the Quality Housing regulations and voluntary inclusionary housing bonus permitted in the zoning district.

Under No-Action Scenario 01, a fully market-rate height factor development would be permitted 6.02 FAR. This results in 140 units, with a parking requirement of 56 spaces. With no height limit, the building develops to a height of 23 stories and 235' tall with small floor plates. Under No-Action Scenario 02, Inclusionary Housing developments are permitted 7.2 FAR. This results in 176 units, with a parking requirement of 60 spaces. Under the Quality Housing height limit of 120' in an R8 district, 13 stories are fit into the development in order to maximize the FAR.

In the With-Action scenario, an MIH development in an R8 district is allowed an FAR of 7.2, and is allowed a contextual building envelope that is designed to work better with the existing built context of the rail line. The development is able to utilize best practices for residential buildings for floor-to-floor heights and is also able provide greater building articulation that better responds the to irregular site conditions without losing permitted floor area. The building can achieve a maximum height of 215' or 21 stories, although the full height is not necessary for the development to fit the permitted FAR. The resulting development would have the same number of total units as the IH no-Action scenario, but would have a higher number of affordable units due to the higher MIH set-aside requirements and less parking due to lower parking requirements for affordable housing permitted through the ZQA text amendment.

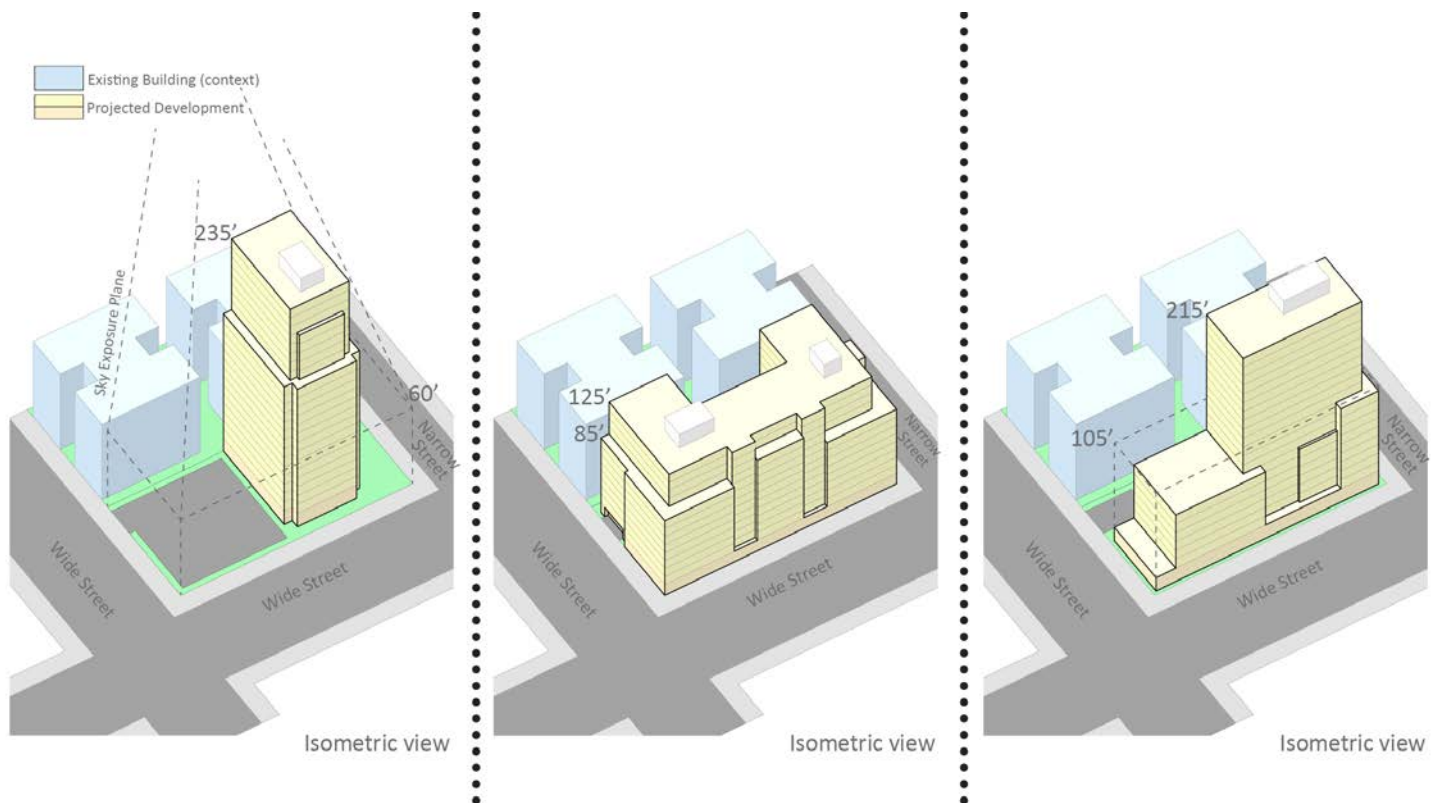
Incremental changes as a result of the with-action scenario over No-Action Scenario 01 include 3 fewer parking spaces, additional 36 dwelling units, 44 affordable units, 31,980 additional gross sq. ft., and a modified building footprint that is more contextual with the surrounding neighborhood and accommodates larger floorplates for more efficient floorplates for affordable and mixed-income housing developments. The With-Action building is 20' shorter. Incremental changes as a result of the with-action scenario over No-Action Scenario 02 include 7 fewer parking spaces, a net change increase of 9 affordable units and net decrease of 9 market-rate units, 95' additional height, and no change in the gross sq. ft. In addition, the development provides a a modified building footprint on the lot that is better related to the surrounding context and provides for a variety of building articulation options.

As a result of the modified building footprint facilitated by the proposed action, there could be potential for following environmental impacts if the district is mapped in the future: shadows; historic and cultural

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EAS Attachments

resource; urban design and visual resources; neighborhood character; natural resources; hazardous materials; noise; and air quality.

However, since the Proposed Action would have no applicability until mapped as part of future action, any of these density or site-specific impacts would be analyzed as part of a subsequent environmental review. As a result of the additional dwelling units permitted by the proposed action, when compared to the non-IH scenario there could be potential for the following density-related environmental impacts if the district is mapped in the future: land use, zoning and public policy; socioeconomic conditions; community facilities; open space; water and sewer infrastructure; solid waste and sanitation services; transportation; air quality; and noise.



	No Action 01	No Action 02	With Action
Lot Area (square feet)	20,000 sq. ft.	20,000 sq. ft.	20,000 sq. ft.
Permitted FAR	6.02	7.2	7.2
Permitted Development Rights (square feet)	120,400 sq. ft.	144,000 sq. ft.	144,000 sq. ft.
Ground Floor / Upper Story Height	15' / 10'	12' / 9'	15' / 10'

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Building Depth	65'	55'	60'
Number of Stories/Overall Height	23/235' (no limit)	13/120'	21/215'
Floor Area that can be accommodated (square feet)	120,400 sq. ft.	144,000 sq. ft.	144,000 sq. ft.
Remaining Floor Area (square feet)	0 sq. ft.	0 sq. ft.	0 sq. ft.
Difference in Buildable Floor Area (percent increase over No Action)			19.6 %
Gross Floor Area (square feet)	126,420 sq. ft.	158,400 sq. ft.	158,400 sq. ft.
Total number of units (market-rate/affordable)	140 (140/0) units	176 (141/35) units	176 (132/44) units
Number of parking required (market-rate/affordable)	56 (56/0) spaces	60 (56/4) spaces	53 (53/0) spaces

VII. SCREENING ASSESSMENT

The *2014 CEQR Technical Manual* provides guidance for actions where specific details about the kind of development that might reasonably be expected are often not available, or considering each particular site that could be affected would be redundant or impossible because of the scale of the project. In such instances, the RWCDs must include sufficient detail regarding the overall amount, type and location of projected development to allow for impact analysis in density-related impact categories (e.g., traffic or schools). Because this action would have no effect in itself, the site-specific, density-related, and other relevant effects of subsequent mappings of this text amendment would be analyzed in addition to the conceptual prototypes analyzed herein at the time of a future action.

Based on the Project Description and RWCDs and screening criteria outlined in the EAS Full Form provided in Appendix C, most of the technical areas covered by the CEQR would screen, primarily on the basis of being limited to site-specific or density related impacts. Technical areas that screen include Open Space, Shadows, Historic and Cultural Resources, Urban Design and Visual Resources, Natural Resources, Hazardous Materials, Water and Sewer Infrastructure, Solid Waste and Sanitation Services, Energy, Transportation, Air Quality, Greenhouse Gas Emissions, Noise, Public Health, Neighborhood Character and Construction. The potential for direct and indirect residential and business displacement also screens, as do all of the Community Facilities assessments except public day care centers.

The Proposed Action establishes a new program that would require affordable housing as part of new developments where land use actions create substantial new housing opportunities. It would also apply the requirements to existing special permits that have other objectives. Since the Proposed Action could thus affect an applicable public policy, a preliminary assessment of Land Use, Zoning and Public Policy is provided in Attachment C.

The proposed action would create new requirements for permanently affordable housing in new multifamily apartment buildings when land use actions create new housing opportunities, potentially affecting the multifamily housing construction industry. This particular industry should be considered significant since regulatory changes that affect new construction could affect the availability and cost of new housing. An assessment of the effects of the proposed action on a specific industry is provided in Attachment C.

The proposed text amendment would establish requirements and standards for affordable housing in new residential developments, enlargements and conversions within MIH areas. Although the text amendment would have no effect until mapped through subsequent discretionary actions of the CPC, it would have the cumulative effect of increasing affordable housing units citywide and could exceed borough thresholds for analysis. These actions include zoning map and zoning text amendments, each of which would be subject to a public review process and separate environmental review. Further analysis is provided in Attachment C.

ATTACHMENT C: SUPPLEMENTAL ANALYSIS OF SPECIFIC TECHNICAL AREAS

I. LAND USE, ZONING AND PUBLIC POLICY

An assessment of land use, zoning and public policy is appropriate if a proposed action would result in a significant change in land use or would substantially affect regulations or policies governing land use or public policy. An assessment of zoning is typically performed in conjunction with a land use analysis when the action would change the zoning on the site or result in the loss of a particular use.

The proposed text amendment would establish requirements and standards for affordable housing in new residential developments, conversions and alterations within MIH areas, but would have no applicability unless it is included as part of a future action. Therefore, the proposed action would not result in a change in land use different from surrounding land uses and would not result in a change in zoning different from surrounding zoning.

However, the MIH program would also apply outside of MIH areas as a condition of granting future special permits for use or bulk modifications that facilitate the creation of a significant number of additional dwelling units. The CPC could reduce or modify the MIH condition for such special permits where it finds the project would facilitate significant public infrastructure or public facilities addressing needs that are not generated by the proposed development. Therefore, an assessment is warranted of whether the Proposed Action could conflict with the purpose and need of certain specific existing special permits that would not facilitate significant public infrastructure or public facilities addressing needs that are not generated by the proposed development, thereby affecting policies intend to promote the continuing maintenance of designated landmarks in the city.

As described above in the “Analysis of Special Permits Outside of MIH Areas,” the Proposed Action would most likely apply to special permits granted through landmark special permits in ZR Section 74-71 for landmarked properties within M-zones or M-zoned properties within historic districts. Compared with the No-Action scenario described in the analysis, the proposed action is likely to create more permanently affordable housing and promote increased economic diversity in the neighborhoods where future 74-71 applications are likely to occur. Therefore, the Proposed Action’s effect on these special permits would be consistent with recent public policies related to affordable housing, described below.

In the future with the action, although property owners would not receive the same degree of economic relief provided by the use and bulk modifications of 74-71, it is likely that owners of landmarked properties or properties within historic districts would continue to get sufficient revenue from permitted uses to support ongoing maintenance and development that furthers

the preservation purpose required by the special permit since these sites are by and large found in locations in the city where real estate values are very high. Where a property owner chooses to pursue modifications under 74-71 to create a substantial amount of new housing, the MIH requirements would apply. Since these sites are located in the strongest residential real estate markets in the city, an MIH development on these sites would likely be feasible even with ongoing commitments to maintain and preserve the historic character of the site. In the event that the MIH requirements would make a project infeasible, the BSA Special Permit created by the proposed action would be available to provide relief. For these reasons, the Proposed Action would not have the potential to have a significant effect on public policies related to Landmark Preservation.

Bulk modifications often occur by special permit pursuant to Section 74-743 (Special Provisions for Bulk Modification for Large-Scale General Developments). As described above, the CPC would be required by zoning to condition the approval of the major modification of the previously approved large-scale general development site plan, allowing a significant increase in new housing units, on compliance with the terms of the MIH program. In the event that the MIH requirements would make a project infeasible, the BSA special permit created by the proposed action would be available to provide relief. Therefore, in the future with the proposed action, there is likely to be a greater amount of permanently affordable housing in connection with a major modification of a previously approved large-scale general development.

The Proposed Action would create new requirements for affordable housing and is therefore compatible with and supportive of the City's two key policies affecting affordable housing and long term plan.

Housing New York

The *Housing New York* plan, released in May 2014, is Mayor de Blasio's five-borough, ten-year plan to build and preserve affordable housing throughout New York City. Increases to capital plan funding and reform of the State 421-a tax incentive program are two recent accomplishments towards the fulfillment of the mayor's housing goals.

Because of the technical requirements of dense development, scarcity of sites, cost of land and high costs of materials and labor, producing new multifamily housing is expensive in New York City. This cost structure means that unsubsidized new construction occurs at housing prices that are generally accessible only to more affluent households. As a consequence, new housing cannot be created for lower-income New Yorkers through private investment alone.

Long-term population and employment projections show continued growth in the segments of the population and labor market that are driving current trends in housing demand, including continued increase in the number of households and workers at both higher and lower incomes. Young families and empty-nesters are finding the city's vibrant culture and transit-oriented lifestyle more attractive than the suburbs. The senior population is finding New York City to be a more hospitable and preferred location in which to age. People from every corner of the nation

and globe continue to pour into the city, seeking opportunities for themselves and their families. As a result, the city grew to 8.4 million people by 2013 and the population is expected to continue to rise, surpassing 9 million residents by 2040. This population growth is a reflection of the city's success in attracting and retaining people from all over the world, but it also brings with it a growing need for housing.

The current dynamics of the housing market, in which the supply of housing is expanding only for households at higher income levels, will not support the needs of future growth. The long-term consequence of these trends is that the city's neighborhoods are likely to become less economically diverse, and the workforce needed to power the city's economy will be increasingly unable to find adequate housing. Expanding the availability of housing for households at a range of income levels, in neighborhoods around the city, is crucial to ensuring that populations can move to and within the city to prosper from its opportunities and meet the labor force needs of employers at a range of locations.

The *Housing New York* plan lays out a set of strategies to preserve and create 200,000 units of affordable housing, with 120,000 units anticipated to be preserved through renewal of expiring affordability obligations, and the remaining 80,000 to be newly constructed. Among the issues the housing plan identifies in facilitating the achievement of such goals is the need to modernize zoning regulations that are outdated and often impede the production of new affordable housing.

More recently, in *OneNYC*, the mayor's long-term strategic vision for the city, a goal was announced of producing 200,000 units overall over the next ten years. These new units include the 80,000 new units described in the Housing New York target. Over the ten years between 2005 and 2014, New York City saw a total 188,000 new residential units constructed; the goals announced represent an increase of nearly 30 percent over this rate.

Since the release of *Housing New York*, DCP, working with HPD, communities, nonprofit housing groups, architects, developers and other practitioners, has identified a set of zoning barriers that constrain new housing creation and add unnecessary costs, and strategies to address them, most of which are addressed in this proposal and the concurrent ZQA zoning text amendment. At the same time, Housing New York identifies several initiatives in addition to zoning changes that will help in the production of more housing, and more affordable housing.

One key initiative of *Housing New York* is the establishment of an MIH program, which would require a share of new housing to be affordable in areas that are rezoned to support new housing production. As currently proposed, under that program, affordable housing would be required, not optional, when developers build in a newly rezoned area – whether rezoned as part of a City neighborhood plan or a private rezoning application.

As described above, the proposed action would result in the creation of more affordable housing and deeper levels of affordability, and is both consistent with and a key component of *Housing New York*.

OneNYC: The Plan for a Strong and Just City

In April 2015, Mayor de Blasio released *OneNYC*, a comprehensive plan for a sustainable and resilient city for all New Yorkers that speaks to the profound social, economic and environmental challenges faced. *OneNYC* is the update to the sustainability plan for the City started under the Bloomberg administration, previously known as *PlaNYC*. Growth, sustainability and resiliency remain at the core of *OneNYC* – but with the poverty rate remaining high and income inequality continuing to grow, the de Blasio administration added equity as a guiding principle throughout the plan. In addition to the focuses of population growth; aging infrastructure; and global climate change, *OneNYC*, brings new attention to ensuring the voices of all New Yorkers are heard and to cooperating and coordinating with regional counterparts. Since the 2011 and 2013 updates of *PlaNYC*, the City has made considerable progress towards reaching original goals and completing initiatives. *OneNYC* includes updates on the progress towards the 2011 sustainability initiatives and 2013 resiliency initiatives and also sets additional goals and outlines new initiatives under the organization of four visions- growth, equity, resiliency and sustainability.

Goals of the plan are to make New York City:

- A growing, thriving city by fostering industry expansion and cultivation, promoting job growth, creating and preserving affordable housing, supporting the development of vibrant neighborhoods, increasing investment in job training, expanding high-speed wireless networks, and investing in infrastructure.
- A just and equitable city by raising the minimum wage, expanding early childhood education, improving health outcomes, making streets safer, and improving access to government services.
- A sustainable city by reducing greenhouse gas emissions, diverting organics from landfills to attain Zero Waste, remediating contaminated land, improving access to parks.
- A resilient city by making buildings more energy efficient, making infrastructure more adaptable and resilient, strengthening coastal defenses.

The creation of an MIH program is included as a specific initiative in the plan to foster inclusive growth. The proposed action would result in the creation of more affordability housing and would promote neighborhood economic diversity and is therefore consistent with the goals of *OneNYC*.

Waterfront Revitalization Program

Actions located within the designated boundaries of the New York City Coastal Zone require an assessment of the action's consistency with the City's Waterfront Revitalization Program ("WRP"). The proposed text amendment would establish requirements and standards for

affordable housing in new residential developments, conversions and alterations within MIH areas, which could be within the Coastal Zone, but would have no applicability unless it is included as part of a future action. Any site specific or waterfront policy related impacts of an MIH area within the Coastal Zone would be assessed as part of a future action for the mapping of an MIH area. Therefore, the proposed text amendment is not expected to hinder any of the policies of the WRP.

II. SOCIOECONOMIC CONDITIONS

A socioeconomic assessment may be necessary if an action is expected to create substantial socioeconomic changes within the area that would not be expected to occur in the absence of the action. Such socioeconomic changes include direct displacement of residential population, businesses or employees; a new development that is markedly different from existing uses and activities within the neighborhood; an adverse effect on conditions in the real estate market in the area, or an adverse effect on socioeconomic conditions in a specific industry.

The proposed text amendment would establish requirements and standards for affordable housing in new residential developments within MIH areas, but would have no applicability unless it is included as part of a future action. Therefore, the proposed action by itself would not have any site-specific or density-related effects, and would not create the potential for significant adverse indirect or direct residential or business displacement impacts.

The proposed action would create new requirements for permanently affordable housing in new multifamily apartment buildings when land use actions create new housing opportunities, potentially affecting the new multifamily housing construction industry, as classified by the North American Industry Classification System. This particular industry should be considered significant since a regulatory change that places new requirements on housing construction could affect the availability and cost of new housing.

The purpose of the *Market and Financial Study* described above and included in Appendix A was to assess the potential impact of a potential MIH program on feasibility of new multifamily housing construction.

As outlined above, the analysis indicates that the financial feasibility of new housing development varies by market condition, with development most feasible in the strongest market conditions, and projects generally requiring public subsidy to support feasibility in the weakest markets. The combination of rezoning to increase permitted residential density and establishment of an MIH requirement broadly support feasibility of development in strong market conditions.

In weak markets, where the financial model indicates that even absent zoning changes and MIH requirements, development is generally infeasible without subsidy, subsidy remains necessary to produce housing under an MIH program. A possible rezoning with MIH requirements would not necessarily make unsubsidized development feasible where it is not currently feasible. For instance, in conditions where market rents do not support new construction without subsidy, increased residential density at these same rents would not substantially increase returns; therefore public subsidy would still be necessary in such rezoning scenario, but the MIH requirement would have no material effect on the feasibility of the development relative to the no-action condition.

In mid-market conditions, where returns suggest that development may be on the cusp of financial feasibility absent rezoning and MIH, additional density adds little to project returns and the imposition of affordable housing requirements may adversely affect the feasibility of development in some circumstances. Project finances support a substantially higher set-aside when 421-a tax benefits are available to the project.

Since the relative feasibility of development in the Mid-Market condition is more sensitive to the MIH requirement than in other market conditions, a set-aside at a moderate AMI level may be necessary to support housing production in Mid-Market conditions. The CPC and City Council would be able to make a workforce option available in such areas, in addition to other MIH options. This option would require that at least 30 percent of the residential floor area shall be provided as housing affordable to households at an average of 120 percent AMI, with no single qualifying household with income exceeding 130 percent of AMI, and with no public funding as defined in ZR 23-90, except where HPD determines that public funding is necessary to support other affordable housing within the development beyond the applicable set-aside.

It should be understood that financial parameters of individual developments can vary, even within a limited geography, and that broad determinations cannot be conclusively drawn about the financial feasibility of all developments. Requirements for an MIH program are set at a level that is understood to be feasible under a range of typical conditions, with public subsidy available as appropriate to support development where it would not otherwise be feasible, and recourse for relief for highly unusual or exceptional circumstances. The program would include a process by which the BSA may reduce or waive affordability requirements for developments that face demonstrable hardship under the requirements of MIH. The program is designed such that reductions and waivers would only be necessary in exceptional circumstances and would only be available where the requirements of MIH are the source of the hardship.

The proposed MIH requirements would be included as part of future land use actions that create new housing opportunities and would not be expected to affect housing market conditions in much of the city where land changes that create significant housing are not anticipated. In locations where MIH is applied, the *Market and Financial Study* demonstrated that new multifamily housing construction remains feasible in Strong and Very Strong Market

Conditions. In Weak markets, a requirement for affordable housing would have no effect on the feasibility of development since most new construction is currently produced with public subsidy, and would be into the foreseeable future. In the Middle- and Moderate-Market condition where the lower AMI targets of Option 1 and Option 2 could affect feasibility, the availability of a workforce option would maintain feasibility of new construction. Finally, in circumstances where individual projects may not be feasible for reasons not assumed by this analysis, new development could proceed under the proposed hardship reduction or waiver. Therefore, the proposed action would not be expected substantially to affect the production of new multifamily housing and no significant socioeconomic conditions impacts are expected.

III. COMMUNITY FACILITIES AND SERVICES

As defined for CEQR analysis, community facilities are public or publicly funded schools, libraries, childcare centers, health care facilities, and fire and police protection. The CEQR analysis looks at a project's potential effect on the services provided by these facilities. A project can affect facility services when it physically displaces or alters a community facility or causes a change in population that may affect the services delivered by a community facility, as might happen if a facility is already over-utilized, or if a project is large enough to create a demand that could not be met by the existing facility. The CEQR analysis examines potential impacts on existing facilities and generally focuses in detail on those services that the City is obligated to provide to any member of the community. These services also have precisely defined measures of utilization (e.g., enrollment/available seats for public education).

Public Day Care Centers

The 2014 *CEQR Technical Manual* requires a detailed analysis of day care centers when a proposed action would produce substantial numbers of subsidized, low-to moderate-income family housing units that may therefore generate a sufficient number of eligible children to affect the availability of slots at public day care centers. Typically, proposed actions that generate 20 or more eligible children under age 6 require further analysis. According to Table 6-1b of the 2014 *CEQR Technical Manual*, the number of dwelling units to yield 20 or more eligible children under age 6 range from 110 affordable housing units in Brooklyn to 210 in Staten Island.

The proposed text amendment would establish requirements and standards for affordable housing in new residential developments, enlargements and conversions within MIH areas. Although the text amendment would have no effect until mapped through subsequent discretionary actions of the CPC, it would have the cumulative effect of increasing affordable housing units citywide and could exceed borough thresholds for analysis. These actions include zoning map and zoning text amendments, each of which would be subject to a public review process and separate environmental review.

MIH requirements by themselves would not affect demand for community facilities and services, except that a net increase in *affordable* housing units of between 110 to 217 affordable housing units within a borough can increase demand for publicly financed child care services enough to warrant a detailed analysis of potential impacts. Although the proposed requirements would likely increase the amount of publicly assisted, affordable units citywide, this would meet existing and anticipated future citywide demand for affordable housing from existing residents and would not result in a net increase in demand or affect eligibility for publicly assisted child services citywide. Although demand may be redirected to neighborhoods where a future MIH policy would apply, these effects would be analyzed as part of future land use actions. Therefore, the Proposed Action is not expected to have significant impacts on public day care centers.

ATTACHMENT D

PROPOSED MANDATORY INCLUSIONARY HOUSING ZONING TEXT

9-21-15

Matter in underline is new, to be added;

Matter in ~~strikeout~~ is old, to be deleted;

Matter within # # is defined in Sections 12-10 and 23-91;

* * * indicates where unchanged text appears in the Zoning Resolution

[NOTE: Cross-references to Sections and Section titles may reflect the proposed text amendment, Zoning for Quality and Affordability (ZQA – ULURP No. N 160049 ZRY). Section 23-154, paragraphs (a) through (c), are provided for information purposes and are part of ZQA. Section 23-154, paragraph (d) is proposed in this MIH Zoning Text Amendment.]

**ARTICLE I
GENERAL PROVISIONS**

**Chapter 2
Construction of Language and Definitions**

* * *

**12-10
DEFINITIONS**

* * *

Incidental alteration – see Alteration, incidental

Inclusionary Housing area, Mandatory – see Mandatory Inclusionary Housing area

Inclusionary Housing designated area

An “Inclusionary Housing designated area” is a specified area in which the Inclusionary Housing Program is applicable, pursuant to the regulations set forth for such areas in Section 23-90 (INCLUSIONARY HOUSING), inclusive. The locations of ~~such~~ #Inclusionary Housing designated areas# are identified in [APPENDIX F](#) of this Resolution or in Special Purpose Districts, as applicable.

* * *

Lower density growth management area

* * *

In the Borough of the Bronx, in Community District 10, #lower density growth management areas# shall also include any R6, R7, C1 or C2 Districts for the purposes of applying the parking provisions of Article II, Chapter 5, and Article III, Chapter 6.

Mandatory Inclusionary Housing area

A “Mandatory Inclusionary Housing area” is a specified area in which the Inclusionary Housing Program is applicable, pursuant to the regulations set forth for such areas in Section 23-90 (INCLUSIONARY HOUSING), inclusive. The locations of #Mandatory Inclusionary Housing areas# are identified in [APPENDIX F](#) of this Resolution or in Special Purpose Districts, as applicable.

Manhattan Core

The “Manhattan Core” is the area within Manhattan Community Districts 1, 2, 3, 4, 5, 6, 7 and 8.

* * *

23-154

Inclusionary Housing

For #developments# or #enlargements# providing #affordable housing# pursuant to the Inclusionary Housing Program, as set forth in Section 23-90, inclusive, the maximum #floor area ratio# permitted in R10 Districts outside of #Inclusionary Housing designated areas# shall be as set forth in paragraph (a) of this Section, and the maximum #floor area ratio# in the #Inclusionary Housing designated areas# existing on (date of adoption) shall be as set forth in paragraph (b) of this Section. Special provisions for certain areas are set forth in paragraph (c) of this Section. The maximum #lot coverage# shall be as set forth in Section 23-153 (For Quality Housing buildings) for the applicable zoning district. For the purpose of this Section, defined terms include those set forth in Section 12-10 and Section 23-911.

(a) R10 Districts outside of #Inclusionary Housing designated areas#

The #residential floor area ratio# of a #compensated zoning lot# may be increased from a base #floor area ratio# of 10.0 to a maximum #floor area ratio# of 12.0 at the rate set forth in this Section, if such #compensated zoning lot# provides #affordable housing# that is restricted to #low income floor area#.

For each square foot of #floor area# provided for a type of #affordable housing# listed in the table in this Section, the #floor area# of the #compensated zoning lot# may be increased by the number of square feet set forth in the table of this paragraph (a), as applicable. Any #generating site# for which #public funding# has been received within the 15 years preceding the #regulatory agreement date#, or for which #public funding# is committed to be provided subsequent to such date, shall be deemed to be provided with #public funding#.

OPTIONS

<u>Without #public funding#</u>	<u>#New construction affordable housing# or #substantial rehabilitation affordable housing#</u>	<u>3.5</u>
	<u>#Preservation affordable housing#</u>	<u>2.0</u>
<u>With #public funding#</u>	<u>#New construction affordable housing#, #substantial rehabilitation affordable housing# or #preservation affordable housing#</u>	<u>1.25</u>

(b) #Inclusionary Housing designated areas#

The #residential floor area# of a #zoning lot# may not exceed the base #floor area ratio# set forth in the table in this Section, except that such #floor area# may be increased on a #compensated zoning lot# by 1.25 square feet for each square foot of #low income floor area# provided, up to the maximum #floor area ratio# specified in the table of this paragraph (b), as applicable. However, the amount of #low income floor area# required to receive such #floor area compensation# need not exceed 20 percent of the total #floor area#, exclusive of ground floor non-#residential floor area#, or any #floor area# increase for the provision of a #FRESH food store#, on the #compensated zoning lot#.

Maximum #Residential Floor Area Ratio#

<u>District</u>	<u>Base #floor area ratio#</u>	<u>Maximum #floor area ratio#</u>
<u>R6B</u>	<u>2.00</u>	<u>2.20</u>
<u>R6¹</u>	<u>2.20</u>	<u>2.42</u>
<u>R6² R6A R7-2¹</u>	<u>2.70</u>	<u>3.60</u>
<u>R7A R7-2²</u>	<u>3.45</u>	<u>4.60</u>

<u>R7-3</u>	<u>3.75</u>	<u>5.0</u>
<u>R7D</u>	<u>4.20</u>	<u>5.60</u>
<u>R7X</u>	<u>3.75</u>	<u>5.00</u>
<u>R8</u>	<u>5.40</u>	<u>7.20</u>
<u>R9</u>	<u>6.00</u>	<u>8.00</u>
<u>R9A</u>	<u>6.50</u>	<u>8.50</u>
<u>R9D</u>	<u>7.5</u>	<u>10.0</u>
<u>R9X</u>	<u>7.3</u>	<u>9.70</u>
<u>R10</u>	<u>9.00</u>	<u>12.00</u>

¹ for #zoning lots#, or portions thereof, beyond 100 feet of a #wide street#

² for #zoning lots#, or portions thereof, within 100 feet of a #wide street#

(c) Special provisions for certain areas

(1) Optional provisions for #large-scale general developments# in C4-6 or C5 Districts

Within a #large-scale general development# in a C4-6 or C5 District, the special optional regulations as set forth in this paragraph (c)(1) inclusive, modify the provisions of paragraph (b) of this Section:

(i) The #residential floor area# of a #development# or #enlargement# may be increased by 0.833 square feet for each one square foot of #moderate income floor area#, or by 0.625 square feet for each one square foot of #middle income floor area#, provided that for each square foot of such #floor area compensation#, there is one square foot of #floor area compensation#, pursuant to paragraph (b) of this Section;

(ii) However, the amount of #affordable housing# required to receive such #floor area compensation# need not exceed the amounts specified in this paragraph, (c)(1)(ii). If #affordable housing# is provided for both #low income# and #moderate income households#, the amount of #moderate income floor area# need not exceed 15 percent of the total #floor area#, exclusive of ground floor non-#residential floor area#, on the #zoning lot#, provided that the amount of #low income floor area# is at least 10 percent of the total #floor area#, exclusive of ground floor non-#residential floor

area#, on the #zoning lot#. If #affordable housing# is provided for both #middle income households# and #low income households#, the amount of #middle income floor area# need not exceed 20 percent of the total #floor area#, exclusive of ground floor non-#residential floor area#, on the #zoning lot#, provided that the amount of #low income floor area# is at least 10 percent of the total #floor area#, exclusive of ground floor non-#residential floor area#, on the #zoning lot#.

For the purposes of this paragraph, (c)(1), inclusive, #low income floor area# may be considered #moderate income floor area# or #middle income floor area#, and #moderate income floor area# may be considered #middle income floor area#.

(2) Special provisions for #large-scale general developments# in Community District 1 in the Borough of Queens

Special provisions shall apply to #zoning lots# within a #large-scale general development# that contains R6B, R7A and R7-3 Districts within an #Inclusionary Housing designated area#, as follows:

- (i) For #zoning lots#, or portions thereof, that are located within R6B, R7A or R7-3 Districts, the base #floor area ratio# set forth in paragraph (b) of this Section shall not apply. No #residential development# or #enlargement# shall be permitted unless #affordable floor area# is provided pursuant to the provisions of this paragraph. The amount of #low-income floor area# provided shall equal no less than 10 percent of the #floor area# on such #zoning lot#, excluding any ground floor #non-residential floor area#, #floor area# within a #school#, or any #floor area# increase resulting from the provision of a #FRESH food store# and the amount of #moderate-income floor area# provided shall equal no less than 15 percent of the #floor area# on such #zoning lot#, excluding any ground floor #non-residential floor area#, #floor area# within a #school#, or any #floor area# increase resulting from the provision of a #FRESH food store#. For the purposes of this paragraph (c)(2)(i), inclusive, #low income floor area# may be considered #moderate income floor area#; and
- (ii) The amount of #affordable floor area# utilizing #public funding# that may count toward satisfying the #affordable floor area# required in paragraph (c)(2)(i) of this Section shall be determined in accordance with procedures prescribed by the City Planning Commission pursuant to the provisions of Section 74-743 (Special provisions for bulk modification).

(3) Special provisions for #compensated zoning lots#

Special provisions shall apply to #compensated zoning lots# located within:

- (i) R6, R7-3 and R8 Districts on #waterfront blocks# in #Inclusionary Housing designated areas# within Community District 1, Borough of Brooklyn, as set forth in Section 62-352; or
- (ii) the #Special Hudson Yards District#, #Special Clinton District# and #Special West Chelsea District#, as set forth in Sections 93-23, 96-21 and 98-26, respectively.

(d) Special #floor area# provisions for #zoning lots# in #Mandatory Inclusionary Housing areas#

For #zoning lots# in #Mandatory Inclusionary Housing areas#, the following provisions shall apply:

- (1) Except where permitted by special permit of the Board of Standards and Appeals pursuant to Section 73-624 (Reduction or modification of Mandatory Inclusionary Housing requirements), or as provided in the special #floor area# provisions in paragraph (d)(4) of this Section 23-154, no #residential development#, #enlargement#, or #conversion# from non-#residential# to #residential use# shall be permitted unless #affordable housing#, as defined in Section 23-911 (General definitions) is provided or a contribution is made to the #affordable housing fund#, as defined in Section 23-911, pursuant to the provisions set forth in paragraph (d)(3)(i) through (d)(3)(iv) of this Section, inclusive.
- (2) The maximum #floor area ratio# for the applicable zoning district in #Inclusionary Housing designated areas# set forth in paragraph (b) of this Section shall apply to any #development#, #enlargement# or #conversion# from non-#residential# to #residential use# that complies with the requirements set forth in paragraph (d)(3) of this Section. However, in an R7-3 or R7X district, the maximum #floor area ratio# shall be 6.0.

In addition, in R6, R7-1, R7-2, R8 and R9 Districts without a letter suffix, where the basic height and setback requirements are utilized pursuant to paragraph (c) of Section 23-952, the maximum #floor area ratio# shall be determined in accordance with the provisions of Section 23-151 (Basic Regulations for R6 through R9 Districts).

- (3) Options for compliance with the special #floor area# requirements of paragraph (d) of this Section are set forth in the following paragraphs (d)(3)(i) through (d)(3)(iv). Options 1 and 2 may be applied in #Mandatory Inclusionary Housing areas# singly or in combination. The Workforce Option shall be applied in #Mandatory Inclusionary Housing areas# only in combination with Options 1 or 2. #Income band#, #affordable floor area#, #affordable housing unit# and #guidelines# are as defined in Section 23-911. When a #building# containing

#residences# is #enlarged#, the following shall be considered part of the #enlargement# for the purposes of this paragraph (d)(3), inclusive: #residential floor area# that is reconstructed, or #residential floor area# that is located within a #dwelling unit# where the layout has been changed.

- (i) In #Mandatory Inclusionary Housing areas# where Option 1 applies, as set forth in Appendix F, an amount of #affordable floor area# for #qualifying households# shall be provided that is equal to at least 25 percent of the #residential floor area# within such #development#, #enlargement#, or #conversion# from non-#residential# to #residential use#. The weighted average of all #income bands# for #affordable housing units# shall not exceed 60 percent of the #income index#, and no #income band# shall exceed 130 percent of the #income index#.
- (ii) In #Mandatory Inclusionary Housing areas# where Option 2 applies, as set forth in Appendix F, an amount of #affordable floor area# for #qualifying households# shall be provided that is equal to at least 30 percent of the #residential floor area# within such #development#, #enlargement#, or #conversion# from non-#residential# to #residential use#. The weighted average of all #income bands# for #affordable housing units# shall not exceed 80 percent of the #income index#, and no #income band# shall exceed 130 percent of the #income index#.
- (iii) In #Mandatory Inclusionary housing areas# where the Workforce Option applies, as set forth in Appendix F, as an alternative to Option 1 or Option 2, an amount of #affordable floor area# may be provided for #qualifying households# that is equal to at least 30 percent of the #residential floor area# within such #development#, #enlargement#, or #conversion# from non-#residential# to #residential use#. The weighted average of all #income bands# for #affordable housing units# shall not exceed 120 percent of the #income index#, and no #income band# shall exceed 130 percent of the #income index#. Such #development#, #enlargement#, or #conversion# from non-#residential# to #residential use# may not utilize #public funding# except where #HPD# determines that such #public funding# is necessary to support #affordable housing# other than #affordable floor area# satisfying the requirements of this Section. However, the Workforce Option shall not be permitted to be utilized for any #development#, #enlargement#, or #conversion# from non-#residential# to #residential use# within the #Manhattan Core#.
- (iv) A #development#, #enlargement#, or #conversion# from non-#residential# to #residential use# that increases the number of #dwelling units# by no more than 25, and increases #residential floor area# on the #zoning lot# by less than 25,000 square feet, may satisfy the requirements of this Section by making a contribution to the #affordable housing fund#. The amount of such contribution shall be related to the cost of constructing an equivalent

amount of #affordable floor area#, as set forth in the #guidelines#.

(4) The requirements of this Section shall not apply to:

- (i) A single #development#, #enlargement#, or #conversion# from non-#residential# to #residential use# of not more than 10 #dwelling units# and not more than 12,500 square feet of #residential floor area# on a #zoning lot# that existed on the date of establishment of the applicable #Mandatory Inclusionary Housing area#; or
- (ii) a #development#, #enlargement#, or #conversion# from non-#residential# to #residential use# containing no #residences# other than #affordable independent residences for seniors#.

* * *

23-90 INCLUSIONARY HOUSING

23-91 Definitions

For the purposes of this Section, inclusive, matter in italics is defined either in Section 12-10 (DEFINITIONS) or in this Section.

23-911 General definitions

The following definitions shall apply throughout Section 23-90 (INCLUSIONARY HOUSING), inclusive:

Administering agent

An “administering agent” is the entity responsible for ensuring, pursuant to a #regulatory agreement#, that:

- (a) each subject rental #affordable housing unit# is rented in compliance with such #regulatory agreement# at #rent-up# and upon each subsequent vacancy; or
- (b) each subject #homeownership affordable housing unit# is owned and occupied in compliance with such #regulatory agreement# at #sale# and upon each #resale#.

Affordable floor area

- (a) Where all of the #dwelling units#, #rooming units# and #supportive housing units# in a #generating site# or #MIH site#, other than any #super's unit#, are #affordable housing units#, all of the #residential floor area#, or #community facility floor area# for a #supportive housing project#, in such #generating site# or #MIH site# is “affordable floor area.”
- (b) Where one or more of the #dwelling units# or #rooming units# in a #generating site#, other than any #super's unit#, are not #affordable housing units#, the #affordable floor area# in such #generating site# is the sum of:
- (1) all of the #residential floor area# within the perimeter walls of the #affordable housing units# in such #generating site#; plus
 - (2) a figure determined by multiplying the #residential floor area# of the #eligible common areas# in such #generating site# by a fraction, the numerator of which is all of the #residential floor area# within the perimeter walls of the #affordable housing units# in such #generating site# and the denominator of which is the sum of the #residential floor area# within the perimeter walls of the #affordable housing units# in such #generating site# plus the #residential floor area# within the perimeter walls of the #dwelling units# or #rooming units# in such #generating site#, other than any #super's unit#, that are not #affordable housing units#.
- (c) Where one or more of the #dwelling units# or #rooming units# in an #MIH site#, other than any #super's unit#, are not #affordable housing units#, the #affordable floor area# in such #MIH site# is the sum of:
- (1) all of the #residential floor area# of the #affordable housing units# in such #MIH site#; plus
 - (2) a figure determined by multiplying the #residential floor area# of the #eligible common areas# in such #MIH site# by a fraction, the numerator of which is all of the #residential floor area# of the #affordable housing units# in such #MIH site# and the denominator of which is the sum of the #residential floor area# of the #affordable housing units# in such #MIH site# plus the #residential floor area# of the #dwelling units# or #rooming units# in such #MIH site#, other than any #super's unit#, that are not #affordable housing units#.

Affordable housing

“Affordable housing” consists of:

- (a) #affordable housing units#; and
- (b) #eligible common areas#.

Affordable housing fund

In a #Mandatory Inclusionary Housing area#, the “affordable housing fund” is a fund administered by #HPD#, all contributions to which shall be used for development, acquisition, rehabilitation, or preservation of affordable housing, or other affordable housing purposes as set forth in the #guidelines#. Each contribution into such fund shall be reserved, for a minimum period of time as set forth in the #guidelines#, for use in the same Community District in which the #MIH development# making such contribution is located, or within a half-mile of such #MIH development# in an adjacent Community District. Further provisions for the use of such funds may be set forth in the #guidelines#.

Affordable housing plan

An “affordable housing plan” is a plan approved by #HPD# to #develop#, rehabilitate or preserve rental or #homeownership affordable housing# on a #generating site#, pursuant to the provisions of Section 23-90, inclusive.

Affordable housing unit

An “affordable housing unit” is:

- (a) a #dwelling unit#, other than a #super’s unit#, that is used for class A occupancy as defined in the Multiple Dwelling Law and that is or will be restricted, pursuant to a #regulatory agreement#, to occupancy by:
 - (1) #low income households#;
 - (2) where permitted by paragraph (c) of Section 23-154 (Inclusionary Housing) 23-953 (~~Special floor area compensation provisions in specified areas~~), either #low income households# or a combination of #low income households# and #moderate income households# or #middle income households#; ~~or~~
 - (3) upon #resale# of #homeownership affordable housing units#, other #eligible buyers#, as applicable; or
 - (4) in #Mandatory Inclusionary Housing areas#, #qualifying households#;
- (b) a #rooming unit#, other than a #super’s unit#, that is used for class B occupancy as defined in the Multiple Dwelling Law and that is or will be restricted, pursuant to a #regulatory agreement#, to occupancy by #low income households#; or

(c) a #supportive housing unit# within a #supportive housing project#.

#Affordable housing units# that are restricted to #homeownership#, as defined in Section 23-913, pursuant to a #regulatory agreement#, must be #dwelling units#.

Capital element

“Capital elements” are, with respect to any #generating site# or #MIH site#, the electrical, plumbing, heating and ventilation systems in such #generating site#, any air conditioning system in such #generating site# and all facades, parapets, roofs, windows, doors, elevators, concrete and masonry in such #generating site# and any other portions of such #generating site# or #MIH site# specified in the #guidelines#.

Compensated development

In areas other than #Mandatory Inclusionary Housing areas#, A “compensated development” is a #development#, an #enlargement# of more than 50 percent of the #floor area# of an existing #building# or, where permitted by the provisions of Section 98-262, a #conversion# of a #building#, or portion thereof, from non-#residential use# to #dwelling units#, that is located within a #compensated zoning lot#.

Compensated zoning lot

A “compensated zoning lot” is a #zoning lot# not located in a #Mandatory Inclusionary Housing area# that contains a #compensated development# and receives an increased #floor area ratio#, pursuant to the provisions of Section 23-154 (Inclusionary Housing) and Section 23-90, inclusive.

Completion notice

A “completion notice” is a notice from #HPD# to the Department of Buildings stating that the #affordable housing# in all or a portion of any #generating site# or #MIH site# is complete and stating the #affordable floor area# of such #affordable housing#.

Eligible common area

In a #generating site#, “~~Eligible~~ eligible common area” includes any #residential floor area# that is located within the perimeter walls of a #super’s unit#, and also includes any #residential floor area# in such #generating site# that is not located within the perimeter walls of any other

#dwelling unit# or #rooming unit#, except any #residential floor area# for which a user fee is charged to residents of #affordable housing units#.

In an #MIH site#, an #eligible common area# includes any #residential floor area# that is located within a #super's unit#, and any #residential floor area# in such #MIH site# that is not located within any other #dwelling unit# or #rooming unit#, but shall not include any #residential floor area# for which a user fee is charged to residents of #affordable housing units#.

Floor area compensation

“Floor area compensation” is any additional #residential floor area# permitted in a #compensated development#, pursuant to the provisions of Section 23-154 (Inclusionary Housing) and Section 23-90, inclusive.

Generating site

A “generating site” is a #building# or #building segment# containing either #residential affordable floor area# or a #supportive housing project#, which generates #floor area compensation#. Non-#residential floor area# on a #generating site#, other than a #supportive housing project#, may not generate #floor area compensation#.

A #generating site# may also be an #MIH site#, provided that no #floor area# that satisfies the requirements of paragraphs (d)(3)(i) through (d)(3)(iii) of Section 23-154 (Inclusionary Housing) may also generate #floor area compensation#.

Grandfathered tenant

A “grandfathered tenant” is any #household# that:

- (a) occupied an #affordable housing unit# in #preservation affordable housing# or #substantial rehabilitation affordable housing# on the #regulatory agreement date#, pursuant to a lease, occupancy agreement or statutory tenancy under which one or more members of such #household# was a primary tenant of such #affordable housing unit#; and
- (b) has not been certified by the #administering agent# to have an annual income below the #low income limit#, #moderate income limit# or #middle income limit#, as applicable to such #affordable housing unit#; or
- (c) in #homeownership preservation affordable housing# or #homeownership substantial rehabilitation affordable housing#, has been certified by the #administering agent# to have an annual income below the #low income limit#, #moderate income limit# or #middle income limit#, as applicable to such #affordable housing unit#, but has elected

not to purchase such #affordable housing unit#.

In #Mandatory Inclusionary Housing areas#, #grandfathered tenants# may include tenants of #buildings# on an #MIH site# that have been or will be demolished, as set forth in the #guidelines#.

Guidelines

The “guidelines” are the #guidelines# adopted by #HPD#, pursuant to paragraph (k) of Section 23-96 (Requirements for Generating Sites and MIH Sites).

Household

Prior to #initial occupancy# of an #affordable housing unit#, a “household” is, collectively, all of the persons intending to occupy such #affordable housing unit# at #initial occupancy#. After #initial occupancy# of an #affordable housing unit#, a #household# is, collectively, all of the persons occupying such #affordable housing unit#.

HPD

“HPD” is the Department of Housing Preservation and Development or its successor agency or designee, acting by or through its Commissioner or his or her designee.

Income band

An “income band” is a percentage of the #income index# that is the maximum income for a #qualifying household# at #initial occupancy# of an #affordable housing unit#.

Income index

The “income index” is 200 percent of the Very Low-Income Limit established by the U.S. Department of Housing and Urban Development (HUD) for Multifamily Tax Subsidy Projects (MTSPs) in accordance with Internal Revenue Code Sections 42 and 142, as amended by Section 3009(a) of the Housing and Economic Recovery Act of 2008, as adjusted for household size. #HPD# shall adjust such figure for the number of persons in a #household# in accordance with such methodology as may be specified by HUD or in the #guidelines#. #HPD# may round such figure to the nearest 50 dollars or in accordance with such methodology as may be specified by HUD or in the #guidelines#. If HUD ceases to establish, or changes the standards or methodology for the establishment of, such income limit for MTSPs or ceases to establish the methodology for adjusting such figure for #household# size, the standards and methodology for establishment of the #income index# shall be specified in the #guidelines#.

Initial occupancy

“Initial occupancy” is:

- (a) in rental #affordable housing#, the first date upon which a particular #household# occupies a particular #affordable housing unit# as a tenant, and shall not refer to any subsequent renewal lease of the same #affordable housing unit# to the same tenant #household#; or
- (b) in #homeownership affordable housing#, the first date upon which a particular #household# occupies a particular #affordable housing unit# as a #homeowner#.

For any #household# occupying an #affordable housing unit# of #preservation affordable housing# or #substantial rehabilitation affordable housing# on the #regulatory agreement date#, #initial occupancy# is the #regulatory agreement date#.

Low income floor area

The “low income floor area” is the #affordable floor area# that is provided for #low income households# or, upon #resale# as defined in Section 23-913, #eligible buyers#.

Low income household

A “low income household” is a #household# having an income less than or equal to the #low income limit# at #initial occupancy#, except that, with regard to #low income floor area# within #preservation affordable housing# or #substantial rehabilitation affordable housing#, a #grandfathered tenant# shall also be a #low income household#.

Low income limit

The “low income limit” is 80 percent of the #income index#.

Middle income floor area

The “middle income floor area” is the #affordable floor area# that is provided for #middle income households# or, upon #resale# as defined in Section 23-913, for #eligible buyers#.

Middle income household

A “middle income household” is a #household# having an income greater than the #moderate

income limit# and less than or equal to the #middle income limit# at #initial occupancy#, except that, with regard to #middle income floor area# within #substantial rehabilitation affordable housing#, a #grandfathered tenant# shall also be a #middle income household#.

Middle income limit

The “middle income limit” is 175 percent of the #income index#.

MIH application

An “MIH application” is an application submitted to #HPD# that specifies how #affordable housing# will be provided on an #MIH site#, in compliance with the provisions of Section 23-90 (INCLUSIONARY HOUSING), inclusive.

MIH development

In #Mandatory Inclusionary Housing areas#, an “MIH development” is a #development#, #enlargement#, or #conversion# that complies with the provisions of paragraphs (d)(3)(i) through (d)(3)(iii) of Section 23-154 (Inclusionary Housing).

MIH site

An “MIH site” is a #building# containing either #residential affordable floor area# or a #supportive housing project#, which satisfies the special #floor area# provisions for #zoning lots# in #MIH areas# in paragraphs (d)(3)(i) through (d)(3)(iii), as applicable, of Section 23-154 (Inclusionary Housing) for an #MIH development# in a #Mandatory Inclusionary Housing area#.

An #MIH site# may also be a #generating site#, provided that no #floor area# that satisfies the requirements of paragraphs (d)(3)(i) through (d)(3)(iii) of Section 23-154 may also generate #floor area compensation#.

MIH zoning lot

An “MIH zoning lot” is a #zoning lot# that contains an #MIH development#.

Moderate income floor area

The “moderate income floor area” is the #affordable floor area# that is provided for #moderate income households# or, upon #resale# as defined in Section 23-913, for #eligible buyers#.

Moderate income household

A “moderate income household” is a #household# having an income greater than the #low income limit# and less than or equal to the #moderate income limit# at #initial occupancy#, except that, with regard to #moderate income floor area# within #substantial rehabilitation affordable housing#, a #grandfathered tenant# shall also be a #moderate income household#.

Moderate income limit

The “moderate income limit” is 125 percent of the #income index#.

New construction affordable housing

“New construction affordable housing” is #affordable housing# that:

- (a) is located in a #building# or portion thereof that did not exist on a date which is 36 months prior to the #regulatory agreement date#;
- (b) is located in #floor area# for which the Department of Buildings first issued a temporary or permanent certificate of occupancy on or after the #regulatory agreement date#; and
- (c) complies with such additional criteria as may be specified by #HPD# in the #guidelines#.

Permit notice

For #compensated developments#, ~~A~~ a “permit notice” is a notice from #HPD# to the Department of Buildings stating that building permits may be issued to a #compensated development# to utilize #floor area compensation# from all or a portion of the #affordable floor area# on a #generating site#. Any #permit notice# shall:

- (a) state the amount of #low income floor area#, #moderate income floor area# or #middle income floor area# attributable to such #generating site#;
- (b) state whether the #affordable housing# comprising such #low income floor area#, #moderate income floor area# or #middle income floor area# is #new construction affordable housing#, #substantial rehabilitation affordable housing# or #preservation affordable housing#;
- (c) state whether the #affordable housing# comprising such #low income floor area#, #moderate income floor area# or #middle income floor area# has utilized #public funding#; and
- (d) specify the amount of such #affordable housing# that the #compensated development#

may utilize to generate #floor area compensation#.

For #MIH developments#, a #permit notice# is a notice from #HPD# to the Department of Buildings stating that building permits may be issued for any #development#, #enlargement# or #conversion# subject to the special #floor area# requirements of paragraph (d) of Section 23-154 (Inclusionary Housing). Such #permit notice# shall state the amount of #affordable floor area# provided on an #MIH site# or the amount of #floor area# for which a contribution to the #affordable housing fund# has been made.

Preservation affordable housing

“Preservation affordable housing” is #affordable housing# that:

- (a) is a #generating site# that existed and was legally permitted to be occupied on the #regulatory agreement date#, except as permitted in the #guidelines#; and
- (b) complies with the provisions of Section 23-961, paragraph (e) (Special requirements for rental preservation affordable housing) or Section 23-962, paragraph (f) (Special requirements for homeownership preservation affordable housing), as applicable.

Public funding

“Public funding” is any grant, loan or subsidy from any Federal, State or local agency or instrumentality, including, but not limited to, the disposition of real property for less than market value, purchase money financing, construction financing, permanent financing, the utilization of bond proceeds and allocations of low income housing tax credits. #Public funding# shall not include the receipt of rent subsidies pursuant to Section 8 of the United States Housing Act of 1937, as amended, or an exemption or abatement of real property taxes pursuant to Section 420-a, Section 420-c, Section 421-a, Section 422, Section 488-a or Section 489 of the Real Property Tax Law, Article XI of the Private Housing Finance Law or such other programs of full or partial exemption from or abatement of real property taxation as may be specified in the #guidelines#.

Qualifying household

In a #Mandatory Inclusionary Housing area#, a “qualifying household” is a #low income household#, #moderate income household#, or #middle income household# with an income not exceeding the applicable #income band# as specified in the special #floor area# provisions for #zoning lots# in #MIH areas# in paragraph (d) of Section 23-154 (Inclusionary Housing).

Regulatory agreement

A “regulatory agreement” is an agreement between #HPD# and the owner of the #affordable

housing# or, for #MIH sites#, a restrictive declaration or other document as provided in the #guidelines#, that requires compliance with all applicable provisions of an #affordable housing plan# or #MIH application#, Section 23-90, inclusive, other applicable provisions of this Resolution, and the #guidelines#.

Regulatory agreement date

The “regulatory agreement date” is, with respect to any #affordable housing#, the date of execution of the applicable #regulatory agreement#. If a #regulatory agreement# is amended at any time, the #regulatory agreement date# is the original date of execution of such #regulatory agreement#, without regard to the date of any amendment.

Regulatory period

The “regulatory period” is, with respect to any #generating site#, the entire period of time during which any #floor area compensation# generated by the #affordable floor area# on such #generating site# is the subject of a permit, temporary certificate of occupancy or permanent certificate of occupancy issued by the Department of Buildings, or is otherwise under construction or in use in a #compensated development#.

With respect to any #MIH site#, the #regulatory period# is the entire period of time during which #affordable floor area# on such #MIH site# satisfies the requirements of the special #floor area# provisions for #zoning lots# in #MIH areas# in paragraph (d) of Section 23-154 (Inclusionary Housing) for an #MIH development#, is the subject of a permit, temporary certificate of occupancy or permanent certificate of occupancy issued by the Department of Buildings, or is otherwise under construction or in use.

Substantial rehabilitation affordable housing

“Substantial rehabilitation affordable housing” is #affordable housing# that:

- (a) is a #generating site# that existed on the #regulatory agreement date#; and
- (b) complies with the provisions of Section 23-961, paragraph (f) (Special requirements for rental substantial rehabilitation affordable housing), or Section 23-962, paragraph (gh) (Special requirements for homeownership substantial rehabilitation affordable housing), as applicable.

Super’s unit

A “super’s unit” is, in any #generating site# or MIH site, not more than one #dwelling unit# or #rooming unit# that is reserved for occupancy by the superintendent of such #building#.

23-912

Definitions applying to rental affordable housing

The following definitions shall apply to rental #affordable housing#:

Legal regulated rent

A “legal regulated rent” is, with respect to any #affordable housing unit# subject to #rent stabilization#, the initial #monthly rent# registered with the Division of Housing and Community Renewal at #rent-up# in accordance with paragraph (b) of Section 23-961 (Additional requirements for rental affordable housing).

Maximum monthly rent

The “maximum monthly rent” is:

- (a) 30 percent of the #low income limit# for an #affordable housing unit# restricted to occupancy by #low income households#, divided by 12, minus the amount of any applicable #utility allowance#;
- (b) 30 percent of the #moderate income limit# for an #affordable housing unit# restricted to occupancy by #moderate income households#, divided by 12, minus the amount of any applicable #utility allowance#; and
- (c) 30 percent of the #middle income limit# for an #affordable housing unit# restricted to occupancy by #middle income households#, divided by 12, minus the amount of any applicable #utility allowance#.

Monthly rent

The “monthly rent” is the monthly amount charged, pursuant to paragraph (b) of Section 23-961 (Additional requirements for rental affordable housing), to a tenant in an #affordable housing unit#.

Rent stabilization

“Rent stabilization” is the Rent Stabilization Law of 1969 and the Emergency Tenant Protection Act of 1974 and all regulations promulgated pursuant thereto or in connection therewith. If the Rent Stabilization Law of 1969 or the Emergency Tenant Protection Act of 1974 is repealed, invalidated or allowed to expire, #rent stabilization# shall be defined as set forth in the #guidelines#.

Rent-up

“Rent-up” is the first rental of vacant #affordable housing units# on or after the #regulatory agreement date#, except that, where one or more #affordable housing units# in #preservation affordable housing# or #substantial rehabilitation affordable housing# were occupied by #grandfathered tenants# on the #regulatory agreement date#, #rent-up# shall have the same meaning as #regulatory agreement date#.

Rent-up date

The “rent-up date” is the date upon which leases for a percentage of vacant #affordable housing units# set forth in the #guidelines# have been executed, except that, where one or more #affordable housing units# in #preservation affordable housing# or #substantial rehabilitation affordable housing# were occupied by #grandfathered tenants# on the #regulatory agreement date#, the #rent-up date# is the #regulatory agreement date#.

Supportive housing project

A “supportive housing project” is a non-profit institution with sleeping accommodations, as specified in Section 22-13 (Use Group 3), where:

- (a) 100 percent of the #supportive housing units# within such #generating site#, have been restricted to use as #affordable housing# for persons with special needs pursuant to a #regulatory agreement#;
- (b) such #generating site# does not contain any #dwelling unit# or #rooming unit# that is not #accessory#; and
- (c) such #generating site# is not a #compensated development#.

However, in a #Mandatory Inclusionary Housing area#, a #supportive housing project# is a #building# or a portion thereof that is a non-profit institution with sleeping accommodations, as specified in Section 22-13 (Use Group 3) restricted to use as #affordable housing# for persons with special needs pursuant to a #regulatory agreement#.

Supportive housing unit

A “supportive housing unit” is #floor area# in a #supportive housing project# that consists of sleeping quarters for persons with special needs and any private living space appurtenant thereto.

Utility allowance

A “utility allowance” is a monthly allowance set by #HPD# for the payment of utilities where the tenant of an #affordable housing unit# is required to pay all or a portion of the utility costs with respect to such #affordable housing unit# in addition to any payments of #monthly rent#.

23-913

Definitions applying to homeownership affordable housing

The following definitions shall apply to #homeownership affordable housing#, where #homeownership# is as defined in this Section:

Appreciated price

The “appreciated price” for any #homeownership affordable housing unit# is the product of the #sale# or #resale# price of such #homeownership affordable housing unit# on the previous #sale date# and the #appreciation index# applicable at #resale# as specified in the #guidelines#.

Appreciation cap

The “appreciation cap” is the #resale# price at which the combined cost of #monthly fees#, #mortgage payments#, utilities and property taxes to be paid by the #homeowner# would be equal to 30 percent of:

- (a) 125 percent of the #income index# for a #homeownership affordable housing unit# that was restricted to occupancy by #low income households# at #sale#; or
- (b) 175 percent of the #income index# for a #homeownership affordable housing unit# that was restricted to occupancy by #moderate income households# at #sale#; or
- (c) 200 percent of the #income index# for a #homeownership affordable housing unit# that was restricted to occupancy by #middle income households# at #sale#.

For #MIH sites#, the multiple of the #income index# for #homeownership affordable housing units# occupied by #qualifying households# shall be as specified in the #guidelines#.

Appreciation index

The “appreciation index” is 100 until August 1, 2010. On or after August 1, 2010, the #appreciation index# shall be a number greater than 100, representing the cumulative increase in #resale# price of a #homeownership affordable housing unit# permitted pursuant to the annual rates of increase established by #HPD#.

#HPD# shall set the annual rate of increase at the same rate as the percentage change in the

Consumer Price Index for all urban consumers, as defined by the U.S. Bureau of Labor Statistics, for the 12 months ended on June 30 of that year, plus one percent per year, but the annual rate of increase shall be no less than one percent per year. #HPD# shall adjust the Consumer Price Index component of the #appreciation index# on August 1 of each calendar year, commencing on August 1, 2010, based on the percentage change in the Consumer Price Index for the 12 months ended on June 30 of that calendar year. For a fraction of a year, the components of the #appreciation index# shall be set as specified in the #guidelines#. #HPD# may adjust the methodology for calculating the #appreciation index# not more than once every two years in accordance with the #guidelines#.

Commencement date

The “commencement date” is the date upon which #sales# for a percentage of #homeownership affordable housing units# in a #generating site# or #MIH site# set forth in the #guidelines# have been completed, except that, where one or more #homeownership affordable housing units# in #preservation affordable housing# or #substantial rehabilitation affordable housing# were occupied by #grandfathered tenants# on the #regulatory agreement date#, the #commencement date# is the #regulatory agreement date#.

Condominium association

A “condominium association” is an organization of condominium #homeowners#, with a form of governance specified in the #guidelines#, that manages the common areas and #capital elements# of a #generating site# or #MIH site#.

Cooperative corporation

A “cooperative corporation” is any corporation organized exclusively for the purpose of providing housing accommodations to shareholders who are persons or families entitled, by reason of ownership of shares in such corporation, to residential occupancy.

Down payment

The “down payment” is a payment that is not secured by any form of debt, made on or before the #sale date# by the #eligible buyer# approved by the #administering agent# to purchase a #homeownership affordable housing unit#.

Eligible buyer

An “eligible buyer” is a #household# that qualifies to buy a specific #homeownership affordable housing unit#. Such a #household# shall:

(a) except in the case of #succession#:

- (1) be, at the time of application for an initial #sale#, a #low income household#, #moderate income household#, ~~or~~ #middle income household# or #qualifying household# for which, at the #initial price#, the combined cost of #monthly fees#, #mortgage payments#, utilities and property taxes that would be paid for a #homeownership affordable housing unit# is not more than 35 percent and not less than 25 percent of such #household's# income. However, for a #household# that resided on a #generating site# or #MIH site# on the date of submission of an #affordable housing plan#, #HPD# may waive the requirement that housing costs be not less than 25 percent of such #household's# income;
- (2) be, at the time of application for a #resale#, in the case of an #affordable housing unit# initially limited to #sale# to a #low income household#, #moderate income household#, ~~or~~ #middle income household#, or #qualifying household#, any #household# for which, at the #maximum resale price#, the combined cost of #monthly fees#, #mortgage payments#, utilities and property taxes that would be paid for a #homeownership affordable housing unit# is not more than 35 percent and not less than 25 percent of such #household's# income;
- (3) have cash or equivalent assets that are at least equal to the required #down payment# for such #affordable housing unit#. However, #HPD# may waive this requirement for a #household# that resided on a #generating site# or #MIH site# on the date of submission of an #affordable housing plan# to #HPD#; and
- (4) meet such additional eligibility requirements as may be specified in the #guidelines#.

(b) in the case of #succession#:

- (1) be, at the time of application, a #household# for which, at the #maximum resale price#, the combined cost of #monthly fees#, #imputed mortgage payments#, utilities and property taxes for the subject #homeownership affordable housing unit# is not less than 25 percent of such #household's# income; and
- (2) meet such additional eligibility requirements as may be specified in the #guidelines#.

A #grandfathered tenant# is not an #eligible buyer# unless such #grandfathered tenant# has been certified by the #administering agent# to have an annual income at or below the #low income limit#, #moderate income limit# or #middle income limit#, as applicable to such #homeownership affordable housing unit# or, for #MIH sites#, meets such qualifications for eligibility specified in the #guidelines#.

Family member

“Family member” shall have the meaning set forth in the #guidelines#.

Homeowner

A “homeowner” is a person or persons who:

- (a) owns a condominium #homeownership affordable housing unit# and occupies such condominium #homeownership affordable housing unit# in accordance with owner occupancy requirements set forth in the #guidelines#; or
- (b) owns shares in a #cooperative corporation#, holds a proprietary lease for an #homeownership affordable housing unit# owned by such #cooperative corporation# and occupies such #homeownership affordable housing unit# in accordance with owner occupancy requirements set forth in the #guidelines#.

Homeownership

“Homeownership” is a form of tenure for housing, including #dwelling units# occupied by either the owner as a separate condominium, a shareholder in a #cooperative corporation# pursuant to the terms of a proprietary lease, a #grandfathered tenant# or an authorized sublettor pursuant to the #guidelines#.

Imputed mortgage payment

An “imputed mortgage payment” is the maximum #mortgage payment# at prevailing interest rates for a qualifying #mortgage# that could be paid to purchase a #homeownership affordable housing unit# at the #maximum resale price#, calculated in accordance with the #guidelines#.

Initial price

The “initial price” is the price at which a #homeownership affordable housing unit# may be offered for #sale# for the first time, pursuant to a #regulatory agreement#.

Maximum resale price

The “maximum resale price” for a #homeownership affordable housing unit# is the lesser of the #appreciated price# or the #appreciation cap# for such #homeownership affordable housing unit#.

Monthly fees

The “monthly fees” are any payments charged to a #homeowner# by a #cooperative corporation# or #condominium association# to provide for the reimbursement of the applicable #homeownership affordable housing unit’s# share of the expenses of such #cooperative corporation# or #condominium association#, as permitted by the #regulatory agreement#.

Mortgage

A “mortgage” is a mortgage loan, or a loan to purchase shares in a #cooperative corporation#, that has been approved by the #administering agent# and that has a fixed rate of interest, a term of at least 30 years at every #sale# and #resale#, a value not exceeding 90 percent of the #sale# price of such #homeownership affordable housing unit# at the time of the initial #sale# or 90 percent of the #maximum resale price# of such #homeownership affordable housing unit# at any time after the initial #sale#, and that is otherwise in compliance with the #guidelines#.

Mortgage payment

The “mortgage payment” is any monthly repayment of principal and interest on a #mortgage#.

Resale

A “resale” is any transfer of title to a condominium #homeownership affordable housing unit# after the first #sale# or any transfer of ownership of the shares in a #cooperative corporation# which are appurtenant to an #homeownership affordable housing unit# after the first #sale#.

Sale

A “sale” is the first transfer of title to a condominium #homeownership affordable housing unit# or the first transfer of ownership of the shares in a #cooperative corporation# which are appurtenant to an #homeownership affordable housing unit# on or after the #regulatory agreement date#.

Sale date

A “sale date” is the date of the #sale# or #resale# of any #homeownership affordable housing unit#. However, for #homeownership affordable housing units# in #preservation affordable housing# or #substantial rehabilitation affordable housing# occupied by #grandfathered tenants# on the #regulatory agreement date#, the initial #sale date# shall be the #regulatory agreement date#.

Succession

“Succession” is a #resale# from a #homeowner# to a #family member# of such #homeowner#.

23-92

General Provisions

The Inclusionary Housing Program is established to promote the creation and preservation of housing for residents with varied incomes in redeveloping neighborhoods and to enhance neighborhood economic diversity and thus to promote the general welfare. The requirements of this program are set forth in Section 23-90 (INCLUSIONARY HOUSING), inclusive.

Wherever the provisions of Section 23-90, inclusive, provide that approval is required, #HPD# may specify the form of such approval in the #guidelines#.

23-93

Applicability

23-931

Lower income housing plans approved prior to July 29, 2009

Any #lower income housing plan#, as defined by Section 23-93 prior to July 29, 2009, that has been approved by #HPD# prior to such date, and results, within one year after such approval, in the execution of a restrictive declaration pursuant to Section 23-95, paragraph (e), as such Section existed prior to July 29, 2009, shall be governed solely by the regulations in effect prior to July 29, 2009, unless a #regulatory agreement# with respect thereto specifically provides to the contrary. However, Section 23-95~~53~~ (Additional requirements for compensated developments and MIH developments) shall apply to any permits or certificates of occupancy for #compensated developments# issued on or after July 29, 2009.

The #floor area ratio# of a #compensated development# may be increased in exchange for #lower income housing#, pursuant to a #lower income housing plan#, as both terms were defined by Section 23-93 prior to July 29, 2009, provided such #lower income housing# complies with all applicable provisions of Section 23-90 (INCLUSIONARY HOUSING) in effect prior to July 29, 2009, except as provided in this Section. Where such a #compensated development# is located in an R10 District outside of #Inclusionary Housing designated areas#, the provisions of ~~Section 23-951 (Floor area compensation in R10 Districts other than Inclusionary Housing designated areas)~~ paragraph (a) of Section 23-154 (Inclusionary Housing) shall not apply, and Section 23-941 (In R10 Districts other than Inclusionary Housing designated areas) as such Section existed prior to July 29, 2009, shall apply.

Any #lower income housing plan#, as such term was defined prior to July 29, 2009, that has been approved by #HPD# prior to such date, and any legal document related thereto, may be modified

by #HPD#, to apply the provisions of paragraph (b), (Monthly rent), of Section 23-961 to such #lower income housing plan#.

23-932

R10 districts

The Inclusionary Housing Program shall apply in all R10 Districts located in #Inclusionary Housing designated areas#, subject to the provisions of paragraph (b) of Section 23-154 (Inclusionary Housing), and in all R10 districts located in #Mandatory Inclusionary Housing areas#, pursuant to the provisions of paragraph (d) of such Section. The Inclusionary Housing Program shall apply in all other R10 Districts, subject to the provisions of paragraph (a) of Section 23-154 Section 23-951 (Floor area compensation in R10 Districts other than Inclusionary Housing designated areas), as applicable.

23-933

Inclusionary Housing designated areas and Mandatory Inclusionary Housing areas

The Inclusionary Housing Program shall apply in #Inclusionary Housing designated areas#, and #Mandatory Inclusionary Housing areas#.

The Inclusionary Housing Program shall also apply in special purpose districts when specific zoning districts or areas are defined as #Inclusionary Housing designated areas# or #Mandatory Inclusionary Housing areas# within the special purpose district.

The Inclusionary Housing Program shall also apply as a condition of City Planning Commission approval of special permits as set forth in Section 74-32 (Additional Considerations for Special Permit Use and Bulk Modifications), in Special Purpose Districts as set forth in Section 23-934 (Special Permit approval in Special Purpose Districts), and in waterfront areas as set forth in Section 62-831 (General Provisions).

#Inclusionary Housing designated areas# and #Mandatory Inclusionary Housing areas#, with the applicable income mix options for each #Mandatory Inclusionary Housing area#, are listed in [APPENDIX F](#) of this Resolution.

23-934

Special Permit approval in Special Purpose Districts

Where a special purpose district includes a provision to grant modification of #use# or #bulk# by special permit of the City Planning Commission, and an application for such special permit would allow a significant increase in #residential floor area# where the requirements of paragraph (d) of Section 23-154 (Special provisions for #zoning lots# in #Mandatory Inclusionary Housing areas#) are not otherwise applicable, the Commission, in establishing the

appropriate terms and conditions for the granting of such special permit, shall apply such requirements where consistent with the objectives of the Mandatory Inclusionary Housing program as set forth in Section 23-92 (General Provisions). However, where the Commission finds that such special permit application would facilitate significant public infrastructure or public facilities addressing needs that are not created by the proposed #development#, #enlargement# or #conversion#, or where the area affected by the special permit is eligible to receive transferred development rights pursuant to the Hudson River Park Act, as amended, the Commission may modify the requirements of such paragraph (d).

23-94

Methods of Providing Affordable Housing

- (a) Except in #Mandatory Inclusionary Housing areas#, #Affordable housing# shall be either #new construction affordable housing#, #substantial rehabilitation affordable housing# or #preservation affordable housing#. In #Mandatory Inclusionary Housing areas#, #affordable housing# shall be either #new construction affordable housing# or a #conversion# from non-#residential# to #residential use#. Such #conversions# shall comply with the requirements of Section 23-90, inclusive, applicable to #new construction affordable housing#.
- (b) When determining whether #affordable housing# is #new construction affordable housing#, #substantial rehabilitation affordable housing# or #preservation affordable housing# in order to calculate #floor area compensation#, or when making a determination of which #building# or #building segment# constitutes a #generating site#, #HPD# may separately consider each #building# or #building segment# on a #zoning lot#. Where any such #building# consists of two or more contiguous sections separated by walls or other barriers, #HPD# may consider all relevant facts and circumstances when determining whether to consider the sections of such #building# separately or collectively, including, but not limited to, whether such sections share systems, utilities, entrances, common areas or other common elements and whether such sections have separate deeds, ownership, tax lots, certificates of occupancy, independent entrances, independent addresses or other evidence of independent functional use.
- (c) The amount of #affordable floor area# in any #generating site# or #MIH site# shall be determined based upon plans for such #generating site# or #MIH site# which have been approved by the Department of Buildings and which indicate thereon the amount of #floor area# devoted to #affordable housing# and the amount of #floor area# devoted to other #residential uses#. However, for #generating sites# where the Department of Buildings does not require #floor area# calculations, the amount of #affordable floor area# shall be determined by methods specified in the #guidelines#.
- (d) The amount of #low income#, #moderate income# and #middle income floor area# in a #generating site#, and the amount of #qualifying floor area# for any income category in an #MIH site#, shall be determined in the same manner as the calculation of #affordable floor area#.

- (e) #Affordable housing units# shall be either rental #affordable housing# or #homeownership affordable housing#.
- (f) An #MIH site# that is part of an #MIH zoning lot# and contains no #dwelling units# other than #affordable housing units# shall be either a #building# that:
 - (1) shares a common #street# entrance with another #building# on the #zoning lot# that contains #dwelling units# other than #affordable housing units#; or
 - (2) is independent, from grade at the #street wall line# to the sky, of any other #building# on the #zoning lot# containing #dwelling units# other than #affordable housing units#. Such #building# shall have its primary entrance on a #street# frontage that has primary entrances for other #residential buildings#, except where #HPD# determines that the primary entrance is located in a manner that does not stigmatize occupants of #affordable housing units#.

23-95

Compensated Zoning Lots and MIH Zoning Lots

The #residential floor area ratio# of a #compensated zoning lot# may be increased, and the #residential floor area ratio# of an #MIH zoning lot# shall be determined, in accordance with the applicable provisions of Section 23-154 (Inclusionary Housing).

[THE FOLLOWING SECTIONS 23-951 THROUGH 23-953 HAVE BEEN MOVED TO PARAGRAPHS (a) THROUGH (c) OF SECTION 23-154]:

23-951

Floor area compensation in R10 Districts other than Inclusionary Housing designated areas

The #residential floor area ratio# of a #compensated zoning lot# may be increased from 10.0 to a maximum of 12.0 at the rate set forth in this Section, if such #compensated zoning lot# provides #affordable housing# that is restricted to #low income floor area#.

For each square foot of #floor area# provided for a type of #affordable housing# listed in the table in this Section, the #floor area# of the #compensated zoning lot# may be increased by the number of square feet set forth in the table, as applicable. Any #generating site# for which #public funding# has been received within the 15 years preceding the #regulatory agreement date#, or for which #public funding# is committed to be provided subsequent to such date, shall be deemed to be provided with #public funding#.

OPTIONS

Without #public funding#	#New construction affordable housing# or #substantial rehabilitation affordable housing#	3.5
	#Preservation affordable housing#	2.0
With #public funding#	#New construction affordable housing#, #substantial rehabilitation affordable housing# or #preservation affordable housing#	1.25

23-952

Floor area compensation in Inclusionary Housing designated areas

The provisions of this Section shall apply in #Inclusionary Housing designated areas# set forth in APPENDIX F of this Resolution.

The #residential floor area# of a #zoning lot# may not exceed the base #floor area ratio# set forth in the table in this Section, except that such #floor area# may be increased on a #compensated zoning lot# by 1.25 square feet for each square foot of #low income floor area# provided, up to the maximum #floor area ratio# specified in the table. However, the amount of #low income floor area# required to receive such #floor area compensation# need not exceed 20 percent of the total #floor area#, exclusive of ground floor non #residential floor area#, or any #floor area# increase for the provision of a #FRESH food store#, on the #compensated zoning lot#.

~~Maximum #Residential Floor Area Ratio#~~

District	Base #floor area ratio#	Maximum #floor area ratio#
R6B	2.00	2.20
R6 ¹	2.20	2.42
R6 ² R6A R7-2 ¹	2.70	3.60
R7A R7-2 ²	3.45	4.60
R7-3	3.75	5.0
R7D	4.20	5.60
R7X	3.75	5.00
R8	5.40	7.20
R9	6.00	8.00

R9A	6.50	8.50
R9D	7.5	10.0
R9X	7.3	9.70
R10	9.00	12.00

¹ _____ for #zoning lots#, or portions thereof, beyond 100 feet of a #wide street#

² _____ for #zoning lots#, or portions thereof, within 100 feet of a #wide street#

23-953

Special floor area compensation provisions in specified areas

(a) _____ Optional provisions for #large-scale general developments# in C4-6 or C5 Districts

_____ Within a #large-scale general development# in a C4-6 or C5 District, the special optional regulations as set forth in this paragraph, (a), inclusive, modify the provisions of Section 23-952 (Floor area compensation in Inclusionary Housing designated areas):

(1) The #residential floor area# of a #development# or #enlargement# may be increased by 0.833 square feet for each one square foot of #moderate income floor area#, or by 0.625 square feet for each one square foot of #middle income floor area#, provided that for each square foot of such #floor area compensation#, there is one square foot of #floor area compensation#, pursuant to Section 23-952;

(2) _____ However, the amount of #affordable housing# required to receive such #floor area compensation# need not exceed the amounts specified in this paragraph, (a)(2). If #affordable housing# is provided for both #low income# and #moderate income households#, the amount of #moderate income floor area# need not exceed 15 percent of the total #floor area#, exclusive of ground floor non-#residential floor area#, on the #zoning lot#, provided that the amount of #low income floor area# is at least 10 percent of the total #floor area#, exclusive of ground floor non-#residential floor area#, on the #zoning lot#. If #affordable housing# is provided for both #middle income households# and #low income households#, the amount of #middle income floor area# need not exceed 20 percent of the total #floor area#, exclusive of ground floor non-#residential floor area#, on the #zoning lot#, provided that the amount of #low income floor area# is at least 10 percent of the total #floor area#, exclusive of ground floor non-#residential floor area#, on the #zoning lot#.

For the purposes of this paragraph, (a), inclusive, #low income floor area# may be considered #moderate income floor area# or #middle income floor area#, and #moderate

~~income floor area# may be considered #middle income floor area#.~~

~~(b) — Special provisions for #large scale general developments# in Community District 1 in the Borough of Queens~~

~~— Special provisions shall apply to #zoning lots# within a #large scale general development# that contains R6B, R7A and R7-3 Districts within an #Inclusionary Housing designated area#, as follows:~~

~~(1) — For #zoning lots#, or portions thereof, that are located within R6B, R7A or R7-3 Districts, the base #floor area ratio# set forth in Section 23-952 shall not apply. No #residential development# or #enlargement# shall be permitted unless #affordable floor area# is provided pursuant to the provisions of this paragraph. The amount of #low income floor area# provided shall equal no less than 10 percent of the #floor area# on such #zoning lot#, excluding any ground floor #non residential floor area#, #floor area# within a #school#, or any #floor area# increase resulting from the provision of a #FRESH food store# and the amount of #moderate income floor area# provided shall equal no less than 15 percent of the #floor area# on such #zoning lot#, excluding any ground floor #non residential floor area#, #floor area# within a #school#, or any #floor area# increase resulting from the provision of a #FRESH food store#. For the purposes of this paragraph (b)(1), inclusive, #low income floor area# may be considered #moderate income floor area#; and~~

~~(2) — The amount of #affordable floor area# utilizing #public funding# that may count toward satisfying the #affordable floor area# required in paragraph (b)(1) of this Section shall be determined in accordance with procedures prescribed by the City Planning Commission pursuant to the provisions of Section 24-243 (Special provisions for bulk modification).~~

~~(c) — Special provisions for #compensated zoning lots#~~

~~— Special provisions shall apply to #compensated zoning lots# located within:~~

~~(1) — R6, R7-3 and R8 Districts on #waterfront blocks# in #Inclusionary Housing designated areas# within Community District 1, Borough of Brooklyn, as set forth in Section 62-352; or~~

~~(2) — the #Special Hudson Yards District#, #Special Clinton District# and #Special West Chelsea District#, as set forth in Sections 93-23, 96-21 and 98-26, respectively.~~

23-954-23-951

Height and setback for compensated developments in Inclusionary Housing designated areas

In #Inclusionary Housing designated areas#, the #compensated development# shall comply with the height and setback regulations of Sections 23-66 or 35-65 (Height and Setback Requirements for Quality Housing Buildings)~~23-633 (Street wall location and height and setback regulations in certain districts) or 35-24 (Special Street Wall Location and Height and Setback Regulations in Certain Districts)~~, as applicable, except that:

- (a) in #Special Mixed Use Districts#, the #compensated development# shall comply with the provisions of paragraphs (a) or (b) of Section 123-662 (All buildings in Special Mixed Use Districts with R6, R7, R8, R9 and R10 District designations), as applicable. However, where the #Residence District# designation is an R6 District without a letter suffix, the #compensated development# shall comply with the height and setback regulations of Section 23-66 ~~Section 23-633~~, regardless of whether the #building# is #developed# or #enlarged# pursuant to the Quality Housing Program;
- (b) in R10 Districts without a letter suffix, the #compensated development# shall comply with the underlying height and setback regulations for such district; and
- (c) on #waterfront blocks# and in R7-3 Districts, the #compensated development# shall comply with the special regulations applying in the #waterfront area# set forth in Section 62-30 (SPECIAL BULK REGULATIONS), inclusive.

23-952

Height and setback in Mandatory Inclusionary Housing areas

In #Mandatory Inclusionary Housing areas#, the provisions of Section 23-951 shall apply to #MIH developments#, except as modified in this Section.

- (a) In R6, R7 and R8 Districts without a letter suffix, the alternative height and setback regulations for certain #Quality Housing buildings# in non-contextual districts as set forth in paragraph (b) of Section 23-664 may apply to any #building# on a #zoning lot# located within an #MIH area#. Such #zoning lot# need not be located within 150 feet of: an open railroad right-of-way in active use; a limited-access expressway, freeway, parkway or highway, all of which prohibit direct vehicular access to abutting land; or an elevated #street# located on a bridge that prohibits direct vehicular access.
- (b) In R9 Districts without a letter suffix, the regulations of Section 23-651 (Tower-on-a-base) may apply, provided such #MIH development# is on a #zoning lot# that meets the requirements set forth in paragraph (a) of Section 23-65 (Tower Regulations).
- (c) In R6-R9 Districts without a letter suffix within #Mandatory Inclusionary Housing areas#, the height and setback regulations of Section 23-64 (Basic Height and Setback Regulations) may apply. In addition, for R9 districts that do not meet the requirements of paragraphs (a) and (c) of Section 23-65 (Tower Regulations), the tower provisions of Section 23-652 (Standard tower) may apply, subject to the #lot coverage# provisions of Section 23-65. However, when the height and setback and tower regulations specified in

this paragraph are utilized, the maximum #floor area ratio# on an #MIH zoning lot# shall be determined in accordance with the provisions of Section 23-151 (Basic regulations for R6 through R9 Districts).

23-955 953

Additional requirements for compensated developments and MIH developments

- (a) #Compensated development# or #MIH development# building permits
- (1) #HPD# may issue a #permit notice# to the Department of Buildings at any time on or after the #regulatory agreement date#. The Department of Buildings may thereafter issue building permits to a #compensated development# that utilizes #floor area compensation#, or an #MIH development#, based on the #affordable housing# described in such #permit notice#.
 - (2) If #HPD# does not receive confirmation that the #regulatory agreement# has been recorded within 45 days after the later of the #regulatory agreement date# or the date upon which #HPD# authorizes the recording of the #regulatory agreement#, #HPD# shall suspend or revoke such #permit notice#, notify the Department of Buildings of such suspension or revocation and not reinstate such #permit notice# or issue any new #permit notice# until #HPD# receives confirmation that the #regulatory agreement# has been recorded or any applicable alternate procedure has been completed. Upon receipt of notice from #HPD# that a #permit notice# has been suspended or revoked, the Department of Buildings shall suspend or revoke each building permit issued pursuant to such #permit notice# which is then in effect for any #compensated development# or #MIH development#.
- (b) #Compensated development# or #MIH development# certificates of occupancy
- (1) The Department of Buildings shall not issue a temporary or permanent certificate of occupancy for any portion of the #compensated development# that utilizes #floor area compensation# or #MIH development# until #HPD# has issued a #completion notice# with respect to the #affordable housing# that generates such #floor area compensation# or satisfies the requirements of paragraph (d) of Section 23-154 (Special floor area provisions for zoning lots in Mandatory Inclusionary Housing areas). However, where any #story# of a #compensated development# or #MIH development# contains one or more #affordable housing units#, the Department of Buildings may issue any temporary or permanent certificate of occupancy for such #story# if such temporary or permanent certificate of occupancy either includes each #affordable housing unit# located in such #story# or only includes #dwelling units# or #rooming units# that are #affordable housing units#. Nothing in the preceding sentence shall be deemed to prohibit the granting of a temporary or permanent certificate of occupancy for a #super's unit#.
 - (2) #HPD# shall not issue a #completion notice# with respect to any portion of any

#generating site# or #MIH site# unless:

- (i) the Department of Buildings has issued temporary or permanent certificates of occupancy for all #affordable housing# described in such #completion notice# and such certificates of occupancy have not expired, been suspended or been revoked; or
- (ii) where a #generating site# contains #affordable housing# that had a valid certificate of occupancy on the #regulatory agreement date# and no new temporary or permanent certificate of occupancy is thereafter required for the creation of such #affordable housing#, #HPD# has determined that all renovation and repair work required by the applicable #regulatory agreement# has been completed and all obligations with respect to the creation of such #affordable housing# have been fulfilled in accordance with the applicable #regulatory agreement#.

23-96

Requirements for Generating Sites or MIH Sites

#Affordable housing# in a #generating site# or #MIH site# shall meet each of the requirements set forth in this Section for the entire #regulatory period#.

- (a) Location of #generating site# or #MIH site# and #compensated zoning lot# or #MIH zoning lot#

Where a #generating site# or #MIH site# is not located within the #compensated zoning lot# for which it generates #floor area compensation# or the #MIH zoning lot#, as applicable:

- (1) the #generating site# or #MIH site# and the #compensated zoning lot# or the #MIH zoning lot#, as applicable, shall be located within the same Community District; or
- (2) the #generating site# or #MIH site# and the #compensated zoning lot# or the #MIH zoning lot#, as applicable, shall be located in adjacent community districts and within one-half mile of each other, measured from the perimeter of each #zoning lot#.

However, special rules for the location of a #generating site# and a #compensated zoning lot# apply in Community District 1, Borough of Brooklyn, where the provisions of paragraph (a)(2) of this Section shall apply only to adjacent community districts located in the Borough of Brooklyn; in the #Special Clinton District#, pursuant to the provisions of Section 96-21 (Special Regulations for 42nd Street Perimeter Area); in the #Special Downtown Jamaica District#, pursuant to the provisions of Section 115-211 (Special Inclusionary Housing regulations); and in the #Special Southern Hunters Point District#,

pursuant to the provisions of Section 125-22 (Newtown Creek Subdistrict).

(b) Distribution of #affordable housing units#

In #new construction affordable housing# or #substantial rehabilitation affordable housing#, where one or more of the #dwelling units# or #rooming units# in a #generating site#, other than any #super's unit#, are not #affordable housing units#:

- (1) the #affordable housing units# shall be distributed on not less than 65 percent of the #residential stories# of such #generating site# or, if there are insufficient #affordable housing units# to comply with this requirement, the distribution of #affordable housing units# shall be as specified in the #guidelines#; and
- (2) not more than one-third of the #dwelling units# and #rooming units# on any #story# of such #generating site# shall be #affordable housing units#, unless not less than one-third of the #dwelling units# and #rooming units# on each #residential story# of such #generating site# are #affordable housing units#. However, on a #residential story# with fewer than three #dwelling units# or #rooming units#, only one #dwelling unit# or #rooming unit# may be an #affordable housing unit#, unless not less than one #dwelling unit# or #rooming unit# on each floor is an #affordable housing unit#.

In an #MIH site#, where one or more of the #dwelling units# or #rooming units#, other than any #super's unit#, are not #affordable housing units#, the #affordable housing units# shall share a common primary entrance with the other #dwelling units# or #rooming units#.

In addition, except where all #affordable housing units# are rental #affordable housing# and all other #dwelling units# are #homeownership# housing, any #affordable housing units# other than #supportive housing units# or #affordable independent residences for seniors# shall be distributed on at least 50 percent of the #residential stories# of such #MIH site# or, if there are insufficient #affordable housing units# to comply with this requirement, the distribution of #affordable housing units# shall be as specified in the #guidelines#.

However, #HPD# may waive such distribution requirements for any #new construction affordable housing# that is participating in a Federal, State or local program where such #generating site# or #MIH site# cannot comply with both the regulations of such Federal, State or local program and those of this Section. In addition, #HPD# may waive these requirements for #substantial rehabilitation affordable housing#, or for #affordable floor area# created in an #MIH site# through #enlargement#, as specified in the #guidelines#.

(c) Bedroom mix of #affordable housing units#

- (1) In #new construction affordable housing# and #substantial rehabilitation

affordable housing#, where one or more of the #dwelling units# in a #generating site# or #MIH site#, other than any #super's unit#, are not #affordable housing units#, either:

- (i) the #dwelling units# in the #generating site# or #MIH site# that are #affordable housing units# shall contain a bedroom mix at least proportional to the bedroom mix of the #dwelling units# in the #generating site#, other than any #super's unit#, that are not #affordable housing units#; or
- (ii) not less than 50 percent of the #dwelling units# in the #generating site# or #MIH site# that are #affordable housing units# shall contain two or more bedrooms and not less than 75 percent of the #dwelling units# in the #generating site# or #MIH site# that are #affordable housing units# shall contain one or more bedrooms.

However, such bedroom mix requirements shall not apply to #affordable independent residences for seniors# in an #MIH site#. #HPD# may also waive such ~~distribution~~ bedroom mix requirements for any #new construction affordable housing# that either is participating in a Federal, State or local program where such #generating site# or #MIH site# cannot comply with both the regulations of such Federal, State or local program and those of this Section, or is located on an #interior lot# or #through lot# with less than 50 feet of frontage along any #street#. In addition, #HPD# may waive these requirements for #substantial rehabilitation affordable housing# or #affordable floor area# created in an #MIH site# through #enlargement#, as specified in the #guidelines#.

- (2) Where all of the #dwelling units# in a #generating site# or #MIH site#, other than any #super's unit#, in #new construction affordable housing# and #substantial rehabilitation affordable housing# are #affordable housing units#, not less than 50 percent of such #affordable housing units# shall contain two or more bedrooms and not less than 75 percent of such #affordable housing units# shall contain one or more bedrooms. However, such bedroom mix requirements shall not apply to #affordable housing# for seniors in an #MIH site#. #HPD# may also waive these requirements for any #affordable housing# that is participating in a Federal, State or local program where such #generating site# or #MIH site# cannot comply with both the regulations of such Federal, State or local program and those of this Section. In addition, #HPD# may waive these requirements for #substantial rehabilitation affordable housing# or #affordable floor area# created in an #MIH site# through #enlargement#, as specified in the #guidelines#.
- (3) All of the #supportive housing units# in a #generating site# or #MIH site# shall be #affordable housing units# and shall contain such configuration as #HPD# shall require.
- (4) For purposes of this paragraph, (c), inclusive, fractions equal to or greater than

one-half resulting from any calculation shall be considered to be one #dwelling unit#.

(d) Size of #affordable housing units#

(1) In #new construction affordable housing# and #substantial rehabilitation affordable housing#, an #affordable housing unit# in a #generating site# shall contain not less than:

- (i) 400 square feet of #floor area# within the perimeter walls for a zero bedroom #dwelling unit#; or
- (ii) 575 square feet of #floor area# within the perimeter walls for a one bedroom #dwelling unit#; or
- (iii) 775 square feet of #floor area# within the perimeter walls for a two bedroom #dwelling unit#; or
- (iv) 950 square feet of #floor area# within the perimeter walls for a three bedroom #dwelling unit#.

For an #MIH site#, the above requirements shall apply, except that #HPD# may specify the method of measuring #floor area# within #affordable housing units# in the #guidelines#, compliant with Department of Buildings practice, and where #dwelling units# that are not #affordable housing units# have a smaller average size than the minimum size specified for a #dwelling unit# of a particular bedroom count, such smaller average size may apply. In addition, these unit size requirements shall not apply to #affordable independent residences for seniors# in an #MIH site#.

However, #HPD# may also waive such ~~distribution-unit size~~ requirements for any #new construction affordable housing# that is participating in a Federal, State or local program where such #generating site# cannot comply with both the regulations of such Federal, State or local program and those of this Section. In addition, #HPD# may waive these requirements for #substantial rehabilitation affordable housing# or #affordable floor area# created in an #MIH site# through #enlargement#, as specified in the #guidelines#.

(2) Where all of the #dwelling units# in a #generating site# or #MIH site#, other than any #super's unit#, in #new construction# or #substantial rehabilitation affordable housing# are #affordable housing units#, #HPD# may waive such square footage requirements for any #affordable housing unit# that is participating in a Federal, State or local program where such #generating site# cannot comply with both the regulations of such Federal, State or local program and those of this Section. In addition, #HPD# may waive such square footage requirements for #substantial rehabilitation affordable housing# or #affordable floor area# created in an #MIH

site# through #enlargement#, as specified in the #guidelines#.

- (3) #Supportive housing units# shall comply with the size requirements specified by #HPD#.
- (e) #Administering agent#
- (1) #HPD# shall approve each #administering agent# and may revoke such approval at any time before or during the #regulatory period#.
 - (2) For #generating sites#, Aan #administering agent# shall be a not-for-profit entity and shall not be, or be an affiliate of, an owner or managing agent of the #generating site#, unless #HPD# approves such owner, managing agent or affiliate to serve as the #administering agent# upon a determination that either:
 - (i) the #affordable housing# is participating in a Federal, State or local program that provides adequate independent means of ensuring compliance with the #regulatory agreement#; or
 - (ii) the owner and any such managing agent or affiliate are not-for-profit entities and there are adequate safeguards to ensure that such entities comply with the #regulatory agreement#.
 - (3) For #MIH sites#, the #administering agent# may be selected as provided for #generating sites#, or #HPD# may require that the #administering agent# be selected from a list of qualified not-for-profit or public entities as specified in the #guidelines#.
 - (4) For a period of time specified in the #guidelines#, the #administering agent# shall maintain all records setting forth the facts that form the basis of any affidavit submitted to #HPD#. The #administering agent# shall maintain such records, and such other records as #HPD# may require, at the offices of the #administering agent# or at such other location as may be approved by #HPD#. The #administering agent# shall make such records, and all facets of the operations of the #administering agent#, available for inspection and audit by #HPD# upon request.
- (f) #Regulatory agreement#

The following provisions shall apply to #generating sites#.

- (1) The #regulatory agreement# shall require compliance with and shall incorporate by reference the #affordable housing plan# and the applicable provisions of this Zoning Resolution and the #guidelines# and shall contain such additional terms and conditions as #HPD# deems necessary.

- (2) The #regulatory agreement# shall require that #HPD# be provided with documentation indicating the amount of #affordable floor area#. For #new construction affordable housing# or #substantial rehabilitation affordable housing#, such documentation shall include, but shall not be limited to, plans meeting the requirements of Section 23-94, paragraph (c).
- (3) The #regulatory agreement# shall be recorded against all tax lots comprising the portion of the #zoning lot# within which the #generating site# is located and shall set forth the obligations, running with such tax lots, of the owner and all successors in interest to provide #affordable housing# in accordance with the #affordable housing plan# for the entire #regulatory period#.
- (4) #Affordable housing# may serve to secure debt with the prior approval of #HPD#. Any lien securing such debt shall be subordinated to the #regulatory agreement#.
- (5) The #regulatory agreement# may, but shall not be required to, provide that such #regulatory agreement# may be terminated prior to the issuance of a temporary or permanent certificate of occupancy for any #compensated development# by the Department of Buildings.
- (6) Where all of the #dwelling units#, #rooming units# or #supportive housing units# in a #generating site#, other than any #super's unit#, are #affordable housing units#, the #regulatory agreement# shall provide that, following a default and any applicable opportunity to cure, #HPD# may, in addition to any other remedies provided therein or by applicable law:
 - (i) appoint a receiver to manage such #generating site#; or
 - (ii) take control of the board of directors of any housing development fund company or not-for-profit corporation that owns, controls or operates such #generating site#.
- (7) Where applicable in accordance with paragraph (b), (Monthly rent), of Section 23-961, the #regulatory agreement# shall provide that certain obligations shall survive the #regulatory period#.

For #MIH sites#, the following provisions shall apply:

- (1) The #regulatory agreement# shall require compliance with and shall incorporate by reference the #MIH application# and the applicable provisions of this Zoning Resolution and the #guidelines# and shall contain such additional terms and conditions as #HPD# deems necessary.
- (2) The #regulatory agreement# shall require that #HPD# be provided with documentation indicating the amount of #affordable floor area#. For #new construction affordable housing# such documentation shall include, but shall not

be limited to, plans meeting the requirements of Section 23-94, paragraph (c).

- (3) The #regulatory agreement# shall be recorded against all tax lots comprising the portion of the #zoning lot# within which the #MIH site# is located and shall set forth the obligations, running with such tax lots, of the owner and all successors in interest to provide #affordable housing# in accordance with the #MIH application# for the entire #regulatory period#.
- (4) Where applicable in accordance with paragraph (b), (Monthly rent), of Section 23-961, the #regulatory agreement# shall provide that certain obligations shall survive the #regulatory period#.

(g) Housing standards

Upon the date that #HPD# issues the #completion notice#, the #generating site# or #MIH site# shall be entirely free of violations of record issued by any City or State agency pursuant to the Multiple Dwelling Law, the Building Code, the Housing Maintenance Code and this Zoning Resolution, except as may be otherwise provided in the #guidelines# with respect to non-hazardous violations in occupied #affordable housing units# of #preservation affordable housing# or #substantial rehabilitation affordable housing#.

(h) Insurance

The #affordable housing# in a #generating site# or #MIH site# shall at all times be insured against any damage or destruction in an amount not less than the replacement value of such #affordable housing#. Any insurance proceeds resulting from damage or destruction of all or part of the #generating site# or #MIH site# containing such #affordable housing# shall be used first to restore any damaged or destroyed #affordable housing#, except that #HPD# may provide priority for lenders participating in the financing of #affordable housing# that is assisted under City, State or Federal programs.

(i) Duration of obligations

The obligation to provide and maintain a specified amount of #affordable housing# on a #generating site# or #MIH site# shall run with the #zoning lot# containing such #generating site# or #MIH site# for not less than the #regulatory period#. If any portion of such #affordable housing# is damaged or destroyed, no #floor area# shall be #developed#, reconstructed or repaired on such #zoning lot#, and no #development#, #enlargement#, extension or change of #use# shall occur on such #zoning lot#, unless

- (1) the amount of such #floor area# devoted to #affordable housing# is not less than the #floor area# of the #affordable housing# that was damaged or destroyed; or
- (2) 100 percent of such #developed#, reconstructed or repaired #floor area# is #affordable housing#.

- (j) One generating site or MIH site may satisfy requirements for multiple compensated zoning lots or MIH zoning lots, as applicable.

Any generating site or MIH site may contain affordable housing that satisfies the requirements of Section 23-90, inclusive, for more than one compensated development or MIH development, as applicable, provided that no affordable floor area shall be counted more than once in determining the amount of floor area compensation for such compensated developments or in satisfying the floor area provisions for zoning lots in paragraph (d) of Section 23-154 (Inclusionary Housing).

- (k) Guidelines

HPD shall adopt and may modify guidelines for the implementation of the provisions of Section 23-90, inclusive.

23-961

Additional requirements for rental affordable housing

The additional requirements of this Section shall apply to rental affordable housing on a generating site or MIH site for the entire regulatory period.

- (a) Tenant selection

- (1) Upon rent-up and any subsequent vacancy for the entire regulatory period, affordable housing units shall only be leased to and occupied by low income households, moderate income households and middle income households, as applicable for generating sites, or to qualifying households, as applicable, for MIH sites. No lease or sublease of an affordable housing unit shall be executed, and no tenant or subtenant shall commence occupancy of an affordable housing unit, without the prior approval of the administering agent.
- (2) A tenant may, with the prior approval of the administering agent, sublet an affordable housing unit for not more than a total of two years, including the term of the proposed sublease, out of the four-year period preceding the termination date of the proposed sublease. The aggregate payments made by any sublessee in any calendar month shall not exceed the monthly rent that could be charged to the sublessor in accordance with the regulatory agreement.
- (3) A low income household or qualifying household may rent an affordable housing unit that is restricted to occupancy by moderate income or middle income households or by qualifying households of higher income levels, provided that the administering agent determines that such low income household or qualifying household is able to utilize rent subsidies pursuant to

Section 8 of the United States Housing Act of 1937, as amended, to afford the applicable #monthly rent#.

(b) Monthly rent

- (1) Unless alternative provisions are established in the #regulatory agreement# or #guidelines# for #MIH sites#, ~~T~~the #regulatory agreement# shall provide that each #affordable housing unit# shall be registered with the Division of Housing and Community Renewal at the initial #monthly rent# established by #HPD# within 60 days following the #rent-up date# and shall thereafter remain subject to #rent stabilization# for the entire #regulatory period# and thereafter until vacancy. However, the #regulatory agreement# may permit an alternative date by which any #affordable housing units# that are vacant on the #rent-up date# shall be registered with the Division of Housing and Community Renewal at the initial #monthly rent# established by #HPD#.
 - (i) However, any #affordable housing unit# of #preservation affordable housing# or #substantial rehabilitation affordable housing# that is both occupied by a #grandfathered tenant# and subject to the Emergency Housing Rent Control Law on the #regulatory agreement date# shall remain subject to the Emergency Housing Rent Control Law until the first vacancy following the #regulatory agreement date# and shall thereafter be subject to #rent stabilization# as provided herein.
 - (ii) The #regulatory agreement# shall provide that upon each annual registration of an #affordable housing unit# with the Division of Housing and Community Renewal, the #legal regulated rent# for such #affordable housing unit# shall be registered with the Division of Housing and Community Renewal at an amount not exceeding the #maximum monthly rent#. However, the #regulatory agreement# shall provide that this requirement shall not apply to an #affordable housing unit# occupied by a #grandfathered tenant# until the first vacancy after the #regulatory agreement date#.
- (2) Unless alternative provisions are established in the #regulatory agreement# or #guidelines# for #MIH sites#, ~~T~~the #regulatory agreement# shall provide that the #monthly rent# charged to the tenant of any #affordable housing unit# at #initial occupancy# and in each subsequent renewal lease shall not exceed the lesser of the #maximum monthly rent# or the #legal regulated rent#. However, the #regulatory agreement# shall provide that these requirements shall not apply to an #affordable housing unit# occupied by a #grandfathered tenant#, until the first vacancy after the #regulatory agreement date#.

However, for #supportive housing units# or #affordable independent residences for seniors# on #MIH sites#, the #monthly rent# may exceed the #maximum monthly rent#, provided that it does not exceed the HUD Fair Market Rent for

such unit, and that the #monthly rent#, less rent subsidies pursuant to Section 8 of the United States Housing Act of 1937, does not exceed the lesser of the #maximum monthly rent# or the #legal regulated rent#.

- (3) Within 60 days following the #rent-up date#, the #administering agent# shall submit an affidavit to #HPD# attesting that the #monthly rent# registered and charged for each #affordable housing unit# complied with the applicable #monthly rent# requirements at the time of #initial occupancy#.
- (4) Each year after #rent-up#, in the month specified in the #regulatory agreement# or the #guidelines#, the #administering agent# shall submit an affidavit to #HPD# attesting that each lease or sublease of an #affordable housing unit# or renewal thereof during the preceding year complied with the applicable #monthly rent# requirements at the time of execution of the lease or sublease or renewal thereof.
- (5) For any #affordable housing unit# subject to #rent stabilization#, the applicable
~~The~~ #regulatory agreement# shall provide that the lessor of an #affordable housing unit# shall not utilize any exemption or exclusion from any requirement of #rent stabilization# to which such lessor might otherwise be or become entitled with respect to such #affordable housing unit#, including, but not limited to, any exemption or exclusion from the rent limits, renewal lease requirements, registration requirements, or other provisions of #rent stabilization#, due to:
 - (i) the vacancy of a unit where the #legal regulated rent# exceeds a prescribed maximum amount;
 - (ii) the fact that tenant income or the #legal regulated rent# exceeds prescribed maximum amounts;
 - (iii) the nature of the tenant; or
 - (iv) any other reason.
- (6) Unless alternative provisions are established in the #regulatory agreement# or #guidelines# for #MIH sites#, ~~T~~the #regulatory agreement# and each lease of an #affordable housing unit# shall contractually require the lessor of each #affordable housing unit# to grant all tenants the same rights that they would be entitled to under #rent stabilization# without regard to whether such #affordable housing unit# is statutorily subject to #rent stabilization#. If any court declares that #rent stabilization# is statutorily inapplicable to an #affordable housing unit#, such contractual rights shall thereafter continue in effect for the remainder of the #regulatory period#.
- (7) Unless alternative provisions are established in the #regulatory agreement# or #guidelines# for #MIH sites#, ~~t~~The #regulatory agreement# shall provide that each #affordable housing unit# that is occupied by a tenant at the end of the

#regulatory period# shall thereafter remain subject to #rent stabilization# for not less than the period of time that such tenant continues to occupy such #affordable housing unit#, except that any occupied #affordable housing unit# that is subject to the Emergency Housing Rent Control Law at the end of the #regulatory period# shall remain subject to the Emergency Housing Rent Control Law until the first vacancy.

(c) Income

- (1) Each #affordable housing unit# on a #generating site# shall be leased to and occupied by #low income households#, #moderate income households# or #middle income households#, as applicable, for the entire #regulatory period#. Each #affordable housing unit# on an #MIH site# shall be leased to and occupied by #qualifying households# for the entire #regulatory period#.
- (2) The #administering agent# shall verify the #household# income of the proposed tenant prior to leasing any vacant #affordable housing unit# in order to ensure that it is a #low income household#, #moderate income household#, #middle income household#, or #qualifying household#, as applicable.
- (3) Within 60 days following the #rent-up date#, the #administering agent# shall submit an affidavit to #HPD# attesting that each #household# occupying an #affordable housing unit# complied with the applicable income eligibility requirements at the time of #initial occupancy#.
- (4) Each year after #rent-up#, in the month specified in the #regulatory agreement# or the #guidelines#, the #administering agent# shall submit an affidavit to #HPD# attesting that each #household# that commenced occupancy of a vacant #affordable housing unit# during the preceding year, and each #household# that subleased an #affordable housing unit# during the preceding year, complied with the applicable income eligibility requirements at the time of #initial occupancy#.

(d) #Affordable housing plan# and #MIH application#

The following shall apply to #affordable housing plans#:

- (1) An #affordable housing plan# shall designate the initial #administering agent#, include the agreement with the initial #administering agent#, state how #administering agents# may be removed, state how a new #administering agent# may be selected upon the removal or other departure of any #administering agent#, include the building plans, state the number and bedroom mix of the #affordable housing units# to be #developed#, rehabilitated or preserved, indicate how tenants will be selected at #rent-up# and upon each subsequent vacancy of an #affordable housing unit#, indicate how the #household# income of each prospective tenant will be verified prior to such #household#'s #initial

occupancy# of an #affordable housing unit# and include such additional information as #HPD# deems necessary.

- (2) An #affordable housing plan# shall demonstrate the feasibility of creating and maintaining #affordable housing# in accordance with Section 23-90 (INCLUSIONARY HOUSING), inclusive, including that:
 - (i) there will be sufficient revenue to provide for adequate maintenance, operation and administration of the #affordable housing#;
 - (ii) #affordable housing units# will be leased to eligible #households# by a responsible #administering agent# at #rent-up# and upon each subsequent vacancy; and
 - (iii) tenants will be selected in an equitable manner in accordance with laws prohibiting discrimination and all other applicable laws.
- (3) A copy of any proposed #affordable housing plan# shall be delivered to the affected Community Board, which may review such proposal and submit comments to #HPD#. #HPD# shall not approve a proposed #affordable housing plan# until the earlier of:
 - (i) the date that the affected Community Board submits comments regarding such proposal to #HPD# or informs #HPD# that such Community Board has no comments; or
 - (ii) 45 days from the date that such proposal was submitted to the affected Community Board.

The following shall apply to #MIH applications#:

- (1) An #MIH application# shall designate the initial #administering agent#, where applicable, and include the building plans, state the number, bedroom mix and #monthly rents# of the #affordable housing units# to be #developed# or #converted#, and include such additional information as #HPD# deems necessary to ensure the satisfaction of the requirements of Section 23-90, inclusive.
 - (2) A copy of any #MIH application# shall be delivered, concurrently with its submission to #HPD#, to the affected Community Board.
- (e) Special requirements for rental #preservation affordable housing#

The additional requirements of this paragraph (e), shall apply to rental #preservation affordable housing#:

- (1) all of the #dwelling units#, #rooming units# and #supportive housing units# in the

#generating site#, other than any #super's unit#, shall be #affordable housing units# that are leased to and occupied by #low income households# for the entire #regulatory period#;

- (2) on the #regulatory agreement date#, the average of the #legal regulated rents# for all #affordable housing units# in the #generating site# that are occupied by #grandfathered tenants# shall not exceed 30 percent of the #low income limit# divided by 12;
 - (3) on the #regulatory agreement date#, #HPD# shall have determined that the condition of the #generating site# is sufficient, or will be sufficient after required improvements specified in the #affordable housing plan# and the #regulatory agreement#, to ensure that, with normal maintenance and normal scheduled replacement of #capital elements#, the #affordable housing units# will provide a decent, safe and sanitary living environment for the entire #regulatory period#;
 - (4) on the #regulatory agreement date#, #HPD# shall have determined either that no #capital element# is likely to require replacement within 30 years from the #regulatory agreement date# or that, with regard to any #capital element# that is likely to require replacement within 30 years from the #regulatory agreement date#, a sufficient reserve has been established to fully fund the replacement of such #capital element#;
 - (5) except with the prior approval of #HPD#, #monthly rents# charged for #affordable housing units# shall not be increased to reflect the costs of any repair, renovation, rehabilitation or improvement performed in connection with qualification as a #generating site#, even though such increases may be permitted by other laws; and
 - (6) such #affordable housing# shall comply with such additional criteria as may be specified by #HPD# in the #guidelines#.
- (f) Special requirements for rental #substantial rehabilitation affordable housing#

The additional requirements of this paragraph, (f), shall apply to rental #substantial rehabilitation affordable housing#:

- (1) such #affordable housing# shall be created through the rehabilitation of a #generating site# at a cost per completed #affordable housing unit# that exceeds a minimum threshold set by #HPD# in the #guidelines#;
- (2) on the #regulatory agreement date#, the average of the #legal regulated rents# for all #affordable housing units# in the #generating site# that are occupied by #grandfathered tenants# shall not exceed 30 percent of the #low income limit# divided by 12;

- (3) on the #regulatory agreement date#, #HPD# shall have determined that the condition of such #generating site# is sufficient, or will be sufficient after required improvements specified in the #affordable housing plan# and the #regulatory agreement#, to ensure that, with normal maintenance and normal scheduled replacement of #capital elements#, the #affordable housing units# will provide a decent, safe and sanitary living environment for the entire #regulatory period#;
- (4) on the #regulatory agreement date#, #HPD# shall have determined either that no #capital element# is likely to require replacement within 30 years from the #regulatory agreement date# or that, with regard to any #capital element# that is likely to require replacement within 30 years from the #regulatory agreement date#, a sufficient reserve has been established to fully fund the replacement of such #capital element#;
- (5) except with the prior approval of #HPD#, #monthly rents# charged for #affordable housing units# shall not be increased to reflect the costs of any repair, renovation, rehabilitation or improvement performed in connection with qualification as a #generating site#, even though such increases may be permitted by other laws; and
- (6) such #affordable housing# shall comply with such additional criteria as may be specified by #HPD# in the #guidelines#.

23-962

Additional requirements for homeownership affordable housing

The additional requirements of this Section shall apply to #homeownership affordable housing# on a #generating site# or #MIH site# for the entire #regulatory period#.

(a) Homeowner selection

- (1) Upon #sale#, #homeownership affordable housing units# shall only be occupied by #eligible buyers# that are #low income households#, #moderate income households#, ~~and #middle income households#~~ or, for #MIH sites#, #qualifying households#, as applicable. Upon any subsequent #resale# for the entire #regulatory period#, #homeownership affordable housing units# shall be sold to and occupied by #eligible buyers# at or below the #maximum resale price# on the #sale date#, as applicable. No #homeownership affordable housing unit# shall be sold to or occupied by any #household# or any other person without the prior approval of the #administering agent#.
- (2) A #homeowner# may, with the prior approval of the #administering agent#, sublet an #homeownership affordable housing unit# to another #low income household#,

~~#moderate income household#, #middle income household#, or #eligible buyer#~~ or, for ~~#MIH sites#, #qualifying household#,~~ as applicable, for not more than a total of two years, including the term of the proposed sublease, out of the four-year period preceding the termination date of the proposed sublease. The aggregate payments made by any sublessee in any calendar month shall not exceed the combined cost of ~~#monthly fees#, #mortgage payments#,~~ utilities and property taxes paid by the sublessor.

- (3) A ~~#homeowner#~~ shall reside in the ~~#homeownership affordable housing unit#,~~ except as provided in paragraph (a)(2) of this Section.
- (4) The restrictions in this paragraph, (a), on the ownership of ~~#homeownership affordable housing units#~~ shall not prevent the exercise of a valid lien by a ~~#mortgage#~~ lender, ~~#cooperative corporation#, #condominium association#~~ or any other entity authorized by the ~~#regulatory agreement#~~ to take possession of a ~~#homeownership affordable housing unit#~~ in the event of default by the ~~#homeowner#~~. However, any ~~#sale#~~ or ~~#resale#~~ by such lien holder shall be to an ~~#eligible buyer#,~~ in accordance with this paragraph, (a), and the ~~#guidelines#~~.

(b) Price

- (1) The ~~#initial price#~~ or ~~#maximum resale price#~~ of any ~~#homeownership affordable housing unit#~~ shall be set assuming a ~~#mortgage#,~~ as defined in Section 23-913 (Definitions applying to homeownership generating sites).
- (2) The ~~#regulatory agreement#~~ shall establish the ~~#initial price#~~ for each ~~#homeownership affordable housing unit#~~. ~~#HPD#~~ shall set the ~~#initial price#~~ to ensure that the combined cost of ~~#monthly fees#, #mortgage payments#,~~ utilities and property taxes to be paid directly by the ~~#homeowner#~~ will not exceed 30 percent of the ~~#low income limit#, #moderate income limit#~~ or ~~#middle income limit#,~~ as applicable. For ~~#MIH sites#, #HPD#~~ shall establish the ~~#initial price#~~ based on the incomes of ~~#qualifying households#~~ in accordance with the ~~#guidelines#~~.
- (3) Prior to any ~~#resale#~~ of a ~~#homeownership affordable housing unit#,~~ the ~~#administering agent#~~ shall set the ~~#maximum resale price#~~ for such ~~#homeownership affordable housing unit#~~.
- (4) The ~~#administering agent#~~ shall not approve any ~~#resale#~~ unless the selected ~~#eligible buyer#~~ provides a ~~#down payment#,~~ as specified in the ~~#guidelines#~~.
- (5) A ~~#homeownership affordable housing unit#,~~ or any shares in a ~~#cooperative corporation#~~ appurtenant thereto, shall not secure any debt unless such debt is a ~~#mortgage#~~ that has been approved by the ~~#administering agent#~~.

(c) Income

- (1) The #administering agent# shall verify the #household# income of a proposed #homeowner#, in accordance with the #guidelines#, prior to the #sale date# of any #homeownership affordable housing unit# in order to ensure that, upon #sale#, it is a #low income household#, #moderate income household#, ~~or~~ #middle income household# or, for #MIH sites#, #qualifying household#, as applicable, and that upon #resale#, it is to an #eligible buyer#.
- (2) The #administering agent# shall meet reporting requirements on each #sale# and #resale#, as set forth in the #guidelines#.
- (3) Each year after the #commencement date#, in the month specified in the #regulatory agreement# or the #guidelines#, the #administering agent# shall submit an affidavit to #HPD# attesting that each #resale# of a #homeownership affordable housing unit# during the preceding year complied with all applicable requirements on the #resale date#.

(d) #Affordable housing plan# and #MIH application#

The following shall apply to #affordable housing plans#:

- (1) An #affordable housing plan# shall include the building plans, state the number and bedroom mix of the #homeownership affordable housing units# to be #developed#, rehabilitated or preserved, indicate how #homeowners# will be selected upon each #sale# or #resale# of a #homeownership affordable housing unit#, indicate how the #household# income of #eligible buyers# will be verified prior to such #household's initial occupancy# of a #homeownership affordable housing unit# and include such additional information as #HPD# deems necessary.
- (2) An #affordable housing plan# shall demonstrate the feasibility of creating and maintaining #homeownership affordable housing#, including that:
 - (i) there will be sufficient revenue to provide for adequate maintenance, operation and administration of the #affordable housing#;
 - (ii) #affordable housing units# will be sold under the supervision of a responsible #administering agent# to #eligible buyers# at each #sale# and #resale#; and
 - (iii) #homeowners# will be selected in an equitable manner in accordance with laws prohibiting discrimination and all other applicable laws.
- (3) The requirements of Section 23-961, paragraph (d)(3), shall apply.

The following shall apply to #MIH applications#:

- (1) An #MIH application# shall include the building plans; state the number and bedroom mix of the #homeownership affordable housing units# to be #developed# or #converted#, and the #initial price# of each #homeownership affordable housing unit#; and include such additional information as #HPD# deems necessary to ensure the satisfaction of the requirements of Section 23-90, inclusive.
- (2) A copy of any #MIH application# shall be delivered, concurrently with its submission to #HPD#, to the affected Community Board.

(e) Housing standards

The requirements of Section 23-96, paragraph (g), shall apply. In addition, each #homeowner# shall be obligated to maintain each #homeownership affordable housing unit# in accordance with minimum quality standards set forth in the #guidelines#. Prior to any #resale#, #HPD#, or its designee as specified in the #guidelines#, shall inspect the #affordable housing unit# and shall either require the #homeowner# to remedy any condition that violates such minimum quality standards before the #sale date#, or require the retention of a portion of the #resale# proceeds to pay the cost of remedying such condition.

(f) Optional provisions for certain #new construction homeownership affordable housing#

In Community District 3, Borough of Manhattan, #HPD# may modify the requirements for #new construction homeownership affordable housing# to facilitate #development# on a site that has been disposed of pursuant to Article 16 of the General Municipal Law as set forth in this paragraph (f), inclusive.

- (1) #HPD# may permit a #household# to occupy a #new construction homeownership affordable housing unit# as rental #affordable housing# if:
 - (i) no more than 120 days prior to the #regulatory agreement date#, such #household# occupied a #dwelling unit# or #rooming unit# in a #building# located on the #zoning lot# of such #new construction homeownership affordable housing#, pursuant to a lease or occupancy agreement to which one or more members of such #household# was a party or pursuant to a statutory tenancy;
 - (ii) no more than 120 days prior to the #regulatory agreement date#, the average rent for all occupied #dwelling units# or #rooming units# in such #building# did not exceed 30 percent of the #low income limit# divided by 12; and
 - (iii) after the #regulatory agreement date#, such #building# is demolished and

replaced with #new construction homeownership affordable housing#.

- (2) #HPD# may permit a #household# that is not an #eligible buyer#, but that meets the requirements of paragraph (f)(1) of this Section, to purchase a #new construction homeownership affordable housing unit# at #sale#, provided that such #household# is a #low income household#, #moderate income household# or #middle income household#, as applicable.

Where a #new construction homeownership affordable housing unit# is purchased at a nominal price, the #appreciated price# for such #homeownership affordable housing unit# shall be the product of the #initial price# of such #homeownership affordable housing unit# and the #appreciation index# applicable at #resale# as specified in the #guidelines#.

- (g) Special requirements for #homeownership preservation affordable housing#

The additional requirements in this paragraph, ~~(f)~~(g), shall apply to #homeownership preservation affordable housing#:

- (1) on the #regulatory agreement date#, the #generating site# shall be an existing #building# containing #residences#;
- (2) on the #regulatory agreement date#, the average of the #legal regulated rents#, as such term is defined in Section 23-912, for all #homeownership affordable housing units# in the #generating site# that are occupied by #grandfathered tenants# shall not exceed 30 percent of the #low income limit# divided by 12;
- (3) where #grandfathered tenants# continue in residence subsequent to the #regulatory agreement date#, any #affordable housing unit# that is occupied by a #grandfathered tenant# shall be operated subject to the restrictions of Section 23-961 (Additional requirements for rental affordable housing) until such #affordable housing unit# is purchased and occupied by an #eligible buyer#;
- (4) on the #regulatory agreement date#, #HPD# shall have determined that the condition of the #generating site# is sufficient, or will be sufficient after required improvements specified in the #affordable housing plan# and the #regulatory agreement#, to ensure that, with normal maintenance and normal scheduled replacement of #capital elements#, the #affordable housing units# will provide a decent, safe and sanitary living environment for the entire #regulatory period#;
- (5) on the #regulatory agreement date#, #HPD# shall have determined either that no #capital element# is likely to require replacement within 30 years from the #regulatory agreement date# or that, with regard to any #capital element# that is likely to require replacement within 30 years from the #regulatory agreement date#, a sufficient reserve has been established to fully fund the replacement of such #capital element#; and

(6) such #affordable housing# shall comply with such additional criteria as may be specified by #HPD# in the #guidelines#.

(h) Special requirements for #homeownership substantial rehabilitation affordable housing#

The additional requirements in this paragraph, ~~(g)~~(h), shall apply to #homeownership substantial rehabilitation affordable housing#:

(1) on the #regulatory agreement date#, the #generating site# or #MIH site# shall be an existing #building#;

(2) such #affordable housing# shall be created through the rehabilitation of such existing #building# at a cost per completed #homeownership affordable housing unit# that exceeds a minimum threshold set by #HPD# in the #guidelines#;

(3) on the #regulatory agreement date#, the average of the #legal regulated rents# for all #homeownership affordable housing units# in the #generating site# that are occupied by #grandfathered tenants# shall not exceed 30 percent of the #low income limit# divided by 12;

(4) where #grandfathered tenants# continue in residence subsequent to the #regulatory agreement date#, any #affordable housing unit# that is occupied by a #grandfathered tenant# shall be operated subject to the restrictions of Section 23-961 until such #affordable housing unit# is purchased and occupied by an #eligible buyer#;

(5) on the #regulatory agreement date#, #HPD# shall have determined that the condition of such #generating site# is sufficient, or will be sufficient after required improvements specified in the #affordable housing plan# and the #regulatory agreement#, to ensure that, with normal maintenance and normal scheduled replacement of #capital elements#, the #affordable housing units# will provide a decent, safe and sanitary living environment for the entire #regulatory period#;

(6) on the #regulatory agreement date#, #HPD# shall have determined either that no #capital element# is likely to require replacement within 30 years from the #regulatory agreement date# or that, with regard to any #capital element# that is likely to require replacement within 30 years from the #regulatory agreement date#, a sufficient reserve has been established to fully fund the replacement of such #capital element#; and

(7) such #affordable housing# shall comply with such additional criteria as may be specified by #HPD# in the #guidelines#.

* * *

62-80
SPECIAL REVIEW PROVISIONS

* * *

62-83
Special Permits by the City Planning Commission

62-831
General Provisions

Where a special permit application would allow a significant increase in #residential floor area# and the requirements of paragraph (d) of Section 23-154 (Special provisions for #zoning lots# in #Mandatory Inclusionary Housing areas#) are not otherwise applicable, the Commission, in establishing the appropriate terms and conditions for the granting of such special permit, shall apply such requirements where consistent with the objectives of the Mandatory Inclusionary Housing program as set forth in Section 23-92 (General Provisions). However, where the Commission finds that such special permit application would facilitate significant public infrastructure or public facilities addressing needs that are not created by the proposed #development#, #enlargement# or #conversion#, the Commission may modify the requirements of such paragraph (d).

62-831 832
Docks for passenger ocean vessels in C6 Districts

* * *

62-832 833
Docks for ferries or water taxis in Residence Districts

* * *

62-833 834
Uses on floating structures

* * *

62-834 835
Developments on piers or platforms

* * *

62-835 836

Public parking facilities on waterfront blocks

* * *

62-836 837

Bulk modifications on waterfront blocks

* * *

62-837 838

Docks for gambling vessels

* * *

73-624

Reduction or modification of Mandatory Inclusionary Housing requirements

The Board of Standards and Appeals may permit a reduction in the amount of #affordable floor area# required on an #MIH zoning lot# or modify the income levels specified for #qualifying households# pursuant to paragraphs (d)(3)(i) through (d)(3)(iii) of Section 23-154 (Special floor area provisions for MIH zoning lots), or reduce the amount of a payment into the #affordable housing fund# required pursuant to paragraph (d)(3)(iv) of Section 23-154, provided that:

- (a) such requirements for #affordable housing# create an unnecessary hardship, with no reasonable possibility that a #development#, #enlargement#, or #conversion# on the #zoning lot# in strict compliance with the provisions of Section 23-90 (Inclusionary Housing), inclusive, will bring a reasonable return, and that a reduction or modification of these requirements is therefore necessary to enable the owner to realize a reasonable return from such #zoning lot#;
- (b) the unnecessary hardship claimed as a basis for such reduction or modification has not been created by the owner or by a predecessor in title; and
- (c) within the intent and purposes of Section 23-90 (Inclusionary Housing), the reduction or modification is the minimum necessary to afford relief.

* * *

74-00

POWERS OF THE CITY PLANNING COMMISSION

**74-01
General Provisions**

* * *

In addition, the Commission, with the concurrence of the Board of Estimate, shall also have the power to permit the renewal of an exception or permit issued prior to December 15, 1961, in accordance with the provisions of Section 11-41 relating to Exceptions, Variances or Permits Previously Authorized.

In all Special Purpose Districts, the provisions of 23-934 (Special Permit Approval in Special Purpose Districts), with respect to special permits that modify #use# or bulk#, shall apply. In the #Special Midtown District#, the powers of the Commission to permit special permit #uses# are modified by the provisions of Section 81-13 (Special Permit Use Modifications), and the powers of the Commission to permit modification of the #bulk# regulations or grant bonus #floor area# for certain amenities are made inapplicable or modified in accordance with the provisions of Section 81-062 (Applicability of Chapter 4 of Article VII).

* * *

**74-30
SPECIAL PERMIT USES AND BULK MODIFICATIONS**

**74-31
General Provisions for Special Permit Uses**

The City Planning Commission shall have the power to permit in the districts indicated, the special permit #uses# set forth in this Chapter and to prescribe appropriate conditions and safeguards thereon, provided that in each specific case:

* * *

**74-32
Additional Considerations for Special Permit Use and Bulk Modifications**

Where a special permit application would allow a significant increase in #residential floor area# and the requirements of paragraph (d) of Section 23-154 (Special provisions for #zoning lots# in #Mandatory Inclusionary Housing areas#) are not otherwise applicable, the Commission, in establishing the appropriate terms and conditions for the granting of such special permit, shall apply such requirements where consistent with the objectives of the Mandatory Inclusionary Housing program as set forth in Section 23-92 (General Provisions). However, where the Commission finds that such special permit application would facilitate significant public

infrastructure or public facilities addressing needs that are not created by the proposed #development#, #enlargement# or #conversion#, the Commission may modify the requirements of such paragraph (d).

***** END *****

For Internal Use Only:

WRP no. 15-101

Date Received: _____

DOS no. _____

NEW YORK CITY WATERFRONT REVITALIZATION PROGRAM Consistency Assessment Form

Proposed actions that are subject to CEQR, ULURP or other local, state or federal discretionary review procedures, and that are within New York City's designated coastal zone, must be reviewed and assessed for their consistency with the New York City Waterfront Revitalization Program (WRP). The WRP was adopted as a 197-a Plan by the Council of the City of New York on October 13, 1999, and subsequently approved by the New York State Department of State with the concurrence of the United States Department of Commerce pursuant to applicable state and federal law, including the Waterfront Revitalization of Coastal Areas and Inland Waterways Act. As a result of these approvals, state and federal discretionary actions within the city's coastal zone must be consistent to the maximum extent practicable with the WRP policies and the city must be given the opportunity to comment on all state and federal projects within its coastal zone.

This form is intended to assist an applicant in certifying that the proposed activity is consistent with the WRP. It should be completed when the local, state, or federal application is prepared. The completed form and accompanying information will be used by the New York State Department of State, other state agencies or the New York City Department of City Planning in their review of the applicant's certification of consistency.

A. APPLICANT

1. Name: _____
2. Address: _____
3. Telephone: _____ Fax: _____ E-mail: _____
4. Project site owner: _____

B. PROPOSED ACTIVITY

1. Brief description of activity:

2. Purpose of activity:

3. Location of activity: (street address/borough or site description):

Proposed Activity Cont'd

- 4. If a federal or state permit or license was issued or is required for the proposed activity, identify the permit type(s), the authorizing agency and provide the application or permit number(s), if known:

- 5. Is federal or state funding being used to finance the project? If so, please identify the funding source(s).

- 6. Will the proposed project require the preparation of an environmental impact statement?
 Yes _____ No _____ If yes, identify Lead Agency:

- 7. Identify **city** discretionary actions, such as a zoning amendment or adoption of an urban renewal plan, required for the proposed project.

C. COASTAL ASSESSMENT

Location Questions:

Yes No

- 1. Is the project site on the waterfront or at the water's edge? _____
- 2. Does the proposed project require a waterfront site? _____
- 3. Would the action result in a physical alteration to a waterfront site, including land along the shoreline, land underwater, or coastal waters? _____

Policy Questions

Yes No

The following questions represent, in a broad sense, the policies of the WRP. Numbers in parentheses after each question indicate the policy or policies addressed by the question. The new Waterfront Revitalization Program offers detailed explanations of the policies, including criteria for consistency determinations.

Check either "Yes" or "No" for each of the following questions. For all "yes" responses, provide an attachment assessing the effects of the proposed activity on the relevant policies or standards. Explain how the action would be consistent with the goals of those policies and standards.

- 4. Will the proposed project result in revitalization or redevelopment of a deteriorated or under-used waterfront site? (1) _____
- 5. Is the project site appropriate for residential or commercial redevelopment? (1.1) _____
- 6. Will the action result in a change in scale or character of a neighborhood? (1.2) _____

Policy Questions cont'd

Yes No

7. Will the proposed activity require provision of new public services or infrastructure in undeveloped or sparsely populated sections of the coastal area? (1.3) _____
8. Is the action located in one of the designated Significant Maritime and Industrial Areas (SMIA): South Bronx, Newtown Creek, Brooklyn Navy Yard, Red Hook, Sunset Park, or Staten Island? (2) _____
9. Are there any waterfront structures, such as piers, docks, bulkheads or wharves, located on the project sites? (2) _____
10. Would the action involve the siting or construction of a facility essential to the generation or transmission of energy, or a natural gas facility, or would it develop new energy resources? (2.1) _____
11. Does the action involve the siting of a working waterfront use outside of a SMIA? (2.2) _____
12. Does the proposed project involve infrastructure improvement, such as construction or repair of piers, docks, or bulkheads? (2.3, 3.2) _____
13. Would the action involve mining, dredging, or dredge disposal, or placement of dredged or fill materials in coastal waters? (2.3, 3.1, 4, 5.3, 6.3) _____
14. Would the action be located in a commercial or recreational boating center, such as City Island, Sheepshead Bay or Great Kills or an area devoted to water-dependent transportation? (3) _____
15. Would the proposed project have an adverse effect upon the land or water uses within a commercial or recreation boating center or water-dependent transportation center? (3.1) _____
16. Would the proposed project create any conflicts between commercial and recreational boating? (3.2) _____
17. Does the proposed project involve any boating activity that would have an impact on the aquatic environment or surrounding land and water uses? (3.3) _____
18. Is the action located in one of the designated Special Natural Waterfront Areas (SNWA): Long Island Sound- East River, Jamaica Bay, or Northwest Staten Island? (4 and 9.2) _____
19. Is the project site in or adjacent to a Significant Coastal Fish and Wildlife Habitat? (4.1) _____
20. Is the site located within or adjacent to a Recognized Ecological Complex: South Shore of Staten Island or Riverdale Natural Area District? (4.1and 9.2) _____
21. Would the action involve any activity in or near a tidal or freshwater wetland? (4.2) _____
22. Does the project site contain a rare ecological community or would the proposed project affect a vulnerable plant, fish, or wildlife species? (4.3) _____
23. Would the action have any effects on commercial or recreational use of fish resources? (4.4) _____
24. Would the proposed project in any way affect the water quality classification of nearby waters or be unable to be consistent with that classification? (5) _____
25. Would the action result in any direct or indirect discharges, including toxins, hazardous substances, or other pollutants, effluent, or waste, into any waterbody? (5.1) _____
26. Would the action result in the draining of stormwater runoff or sewer overflows into coastal waters? (5.1) _____
27. Will any activity associated with the project generate nonpoint source pollution? (5.2) _____
28. Would the action cause violations of the National or State air quality standards? (5.2) _____

Policy Questions cont'd**Yes No**

29. Would the action result in significant amounts of acid rain precursors (nitrates and sulfates)? (5.2C)

30. Will the project involve the excavation or placing of fill in or near navigable waters, marshes, estuaries, tidal marshes or other wetlands? (5.3)

31. Would the proposed action have any effects on surface or ground water supplies? (5.4)

32. Would the action result in any activities within a federally designated flood hazard area or state-designated erosion hazards area? (6)

33. Would the action result in any construction activities that would lead to erosion? (6)

34. Would the action involve construction or reconstruction of a flood or erosion control structure? (6.1)

35. Would the action involve any new or increased activity on or near any beach, dune, barrier island, or bluff? (6.1)

36. Does the proposed project involve use of public funds for flood prevention or erosion control? (6.2)

37. Would the proposed project affect a non-renewable source of sand ? (6.3)

38. Would the action result in shipping, handling, or storing of solid wastes, hazardous materials, or other pollutants? (7)

39. Would the action affect any sites that have been used as landfills? (7.1)

40. Would the action result in development of a site that may contain contamination or that has a history of underground fuel tanks, oil spills, or other form or petroleum product use or storage? (7.2)

41. Will the proposed activity result in any transport, storage, treatment, or disposal of solid wastes or hazardous materials, or the siting of a solid or hazardous waste facility? (7.3)

42. Would the action result in a reduction of existing or required access to or along coastal waters, public access areas, or public parks or open spaces? (8)

43. Will the proposed project affect or be located in, on, or adjacent to any federal, state, or city park or other land in public ownership protected for open space preservation? (8)

44. Would the action result in the provision of open space without provision for its maintenance? (8.1)

45. Would the action result in any development along the shoreline but NOT include new water-enhanced or water-dependent recreational space? (8.2)

46. Will the proposed project impede visual access to coastal lands, waters and open space? (8.3)

47. Does the proposed project involve publicly owned or acquired land that could accommodate waterfront open space or recreation? (8.4)

48. Does the project site involve lands or waters held in public trust by the state or city? (8.5)

49. Would the action affect natural or built resources that contribute to the scenic quality of a coastal area? (9)

50. Does the site currently include elements that degrade the area's scenic quality or block views to the water? (9.1)

Policy Questions cont'd

Yes No

51. Would the proposed action have a significant adverse impact on historic, archeological, or cultural resources? (10)

52. Will the proposed activity affect or be located in, on, or adjacent to an historic resource listed on the National or State Register of Historic Places, or designated as a landmark by the City of New York? (10)

D. CERTIFICATION

The applicant or agent must certify that the proposed activity is consistent with New York City's Waterfront Revitalization Program, pursuant to the New York State Coastal Management Program. If this certification cannot be made, the proposed activity shall not be undertaken. If the certification can be made, complete this section.

"The proposed activity complies with New York State's Coastal Management Program as expressed in New York City's approved Local Waterfront Revitalization Program, pursuant to New York State's Coastal Management Program, and will be conducted in a manner consistent with such program."

Applicant/Agent Name: _____

Address: _____

_____ Telephone _____

Applicant/Agent Signature: _____ Date: _____

MARKET & FINANCIAL STUDY

NYC Mandatory Inclusionary Housing

Market and Financial Study NYC Mandatory Inclusionary Housing

Prepared for:
New York City Housing Development Corporation

Prepared by:
BAE Urban Economics, Inc.
BJH Advisors
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September, 2015

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I. Introduction

The residential real estate market in New York City is one of the most expensive in the world. While homeownership and rental demand remain strong in New York City, the supply of new residential units has not kept pace with increasing global demand for New York City real estate. As a result, low-, moderate-, and middle-income households in New York City face steadily increasing rents and unattainable homeownership options. To address housing needs for all residents of the City, the *Housing New York* plan set a goal to build or preserve 200,000 affordable housing units over the next 10 years.

To meet this goal New York City will implement a Mandatory Inclusionary Housing (MIH) policy. In New York City, this approach would institute affordable housing requirements in conjunction with land use actions that promote substantial new housing creation to ensure that new housing serves a more economically-diverse population. An MIH program would require residential developments to include a minimum percentage of units with restricted rents or sale prices that are affordable to low-, moderate-, and/or middle-income households. Many major cities across the US use this tool to produce affordable housing. In New York City, a MIH program will be tailored to the City's economic environment and to the objective of promoting economically diverse neighborhoods.

An important goal of the NYC MIH policy is to support the production of new housing where land use changes promote increased capacity for housing. Therefore, the MIH policy should support the feasibility of both new market-rate and affordable housing development. Thus, it is critical to evaluate the financial feasibility of the MIH policy within the context of a representative range of market and development conditions to ensure that the financial feasibility of new mixed-income projects, and thus new housing production, will be supported.

Study Purpose and Objectives

The purpose of the NYC MIH Market and Financial Study is to evaluate what effects the application of a MIH program, if implemented in conjunction with land use actions to promote increased housing, would have on the financial feasibility of new residential development projects under a range of currently representative market conditions. Although real estate market conditions are dynamic, the relationships between rents/sale prices, development costs, and financial feasibility tend to move in tandem in most market cycles. Therefore, the findings of this report are helpful in describing future economic conditions, even as specific neighborhood market conditions or project dynamics change over time.

The Study has several important objectives, as follows:

1. Test and evaluate a range of MIH program parameters in conjunction with typical floor area ratio (FAR) increases from zoning changes.
 - o The evaluation needs to consider a range of market conditions that affect the economics of new development projects across New York City. This must include areas with relatively modest rents and sale prices in addition to areas with strong demand as reflected by high rents and condominium sale prices.
2. Evaluate a range of affordable housing set-asides and income levels within the same project type and location, but across different tenure assumptions (e.g., rental and ownership) and across different financial assumptions (e.g. presence of subsidy) to support the design of an MIH program.
3. Inform the City's efforts to direct scarce public resources to locations where they are most needed.
4. Complement affordability achieved through other City, State, and Federal programs.

Study Team and Advisors

The Study was conducted by BAE Urban Economics, a national real estate economics consulting firm with expertise in inclusionary housing analysis as well as in a wide range of related market rate and affordable housing feasibility studies.¹ Support to BAE was provided by subconsultants, including BJH Advisors, James Lima Planning + Development, and Mark A. Levine, Esq. of Akerman LLP.

BAE was contracted by the New York City Housing Development Corporation (HDC) to conduct the Study. HDC, the New York City Department of Housing Preservation and Development (HPD) and the New York City Department of City Planning (DCP) provided input through a three-agency collaborative Working Group.

In addition, the Study process included extensive consultation with for-profit and non-profit developers of market-rate and affordable housing, affordable housing advocates, conventional and community development lenders, residential brokers, and appraisers. BAE consulted representatives from more than 50 companies and organizations during the Study process through two stakeholder meetings held in late October 2014 as well as follow-up interviews.

¹ See www.bae1.com for more information.

Purpose of the Report

This report summarizes the methodology, data, analysis, and findings of the MIH Market and Financial Study, including:

- Description of the market and financial study process and methodology.
- Formulation of a framework for categorizing New York City’s real estate market and development conditions based on current market rate rents/sale prices (“price signals”).
- Formulation of three building prototypes (i.e., low-, medium-, and high-rise buildings) to reflect the development program and development costs.
- Description of research and conclusions regarding assumptions to reflect these market conditions and building types for use in a financial feasibility model.
- Presentation of findings from an extensive analysis of financial feasibility of prototypical projects throughout New York City, including testing representative ranges of FAR increases and a variety of MIH requirements.

Assumptions and Limiting Conditions

The following assumptions and limiting conditions apply to this report:

- BAE Urban Economics and its subconsultants have made every effort to review all data for consistency and veracity. However, the consultants did not independently verify published or proprietary data.
- This report and the associated MIH Market and Financial Study were prepared between October 2014 and January 2015. The data and analysis reflects market conditions and economic relationships as reported, with a reasonable nexus to that period in New York City. While many of the economic variables used will change over time, the relationships that determine financial feasibility tend to move in tandem. This leads to useful conclusions even as specific projects or geographic locations may shift upwards or downwards in their respective market condition.
- Each real estate development project is unique in design, function, target market, cost, and financing structure. This Study and report do not seek to ascertain the feasibility of individual developments, but rather to inform the policy making process for a generally applicable set or regulations.
- This report is limited to an analysis of residential real estate development economics. The affordability requirements, assumptions regarding potential future re-zonings, and approaches to integrating new inclusionary policies within the existing affordable housing policy framework of New York City were provided by City staff.

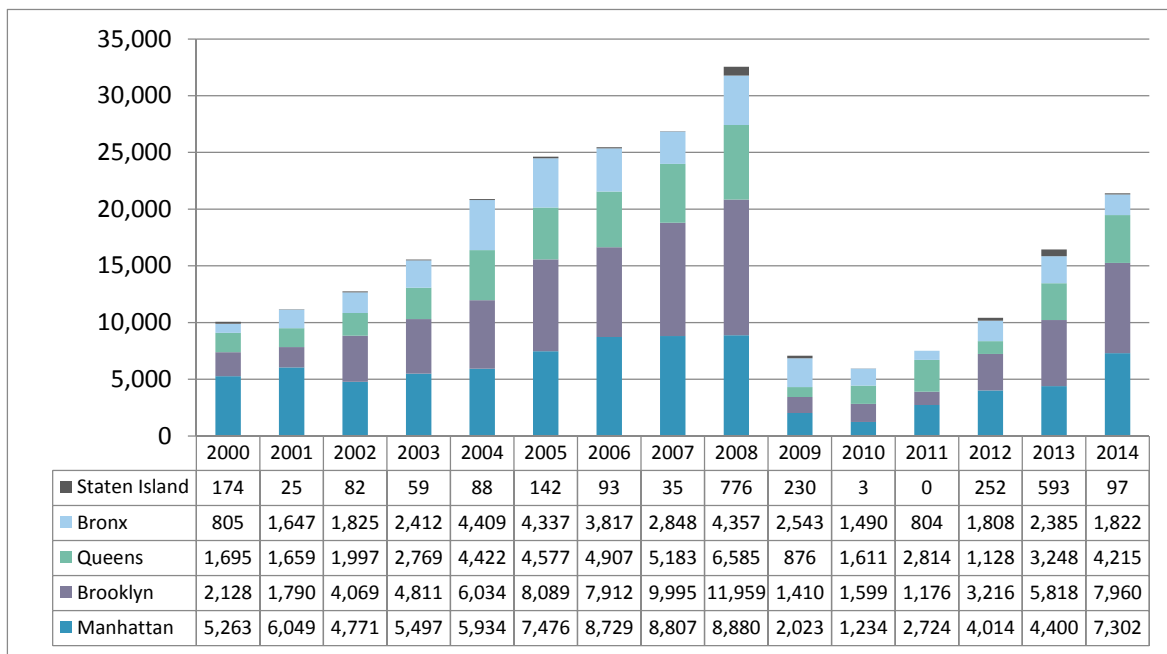
II. Overview of Current Development Trends

The five boroughs of New York City constitute a vast and varied residential real estate market. New multifamily development projects serving market-rate renters and buyers vary widely, from low-rise projects on infill sites in outer areas, to dramatic mid-rise and high-rise projects in dense urban locations. Recent years have also seen the development of ever-more luxurious condominiums serving affluent buyers from the region and around the world. This section summarizes several key trends affecting multifamily development in New York City.

Multifamily Development Trends

Development of new residential units in multifamily buildings² has accelerated in recent years, after experiencing a dramatic slowdown during the economic downturn of 2009. From 2000, new multifamily residential development rose steadily and peaked in 2008, with over 32,500 units permitted (Figure 1). The dramatic drop between 2008 and 2009 marked the housing crisis, with just over 7,000 units permitted that year. Development activity has since risen to over 21,000 permits issued in 2014, signifying market recovery.

Figure 1: Multifamily Permits 2000 – 2014



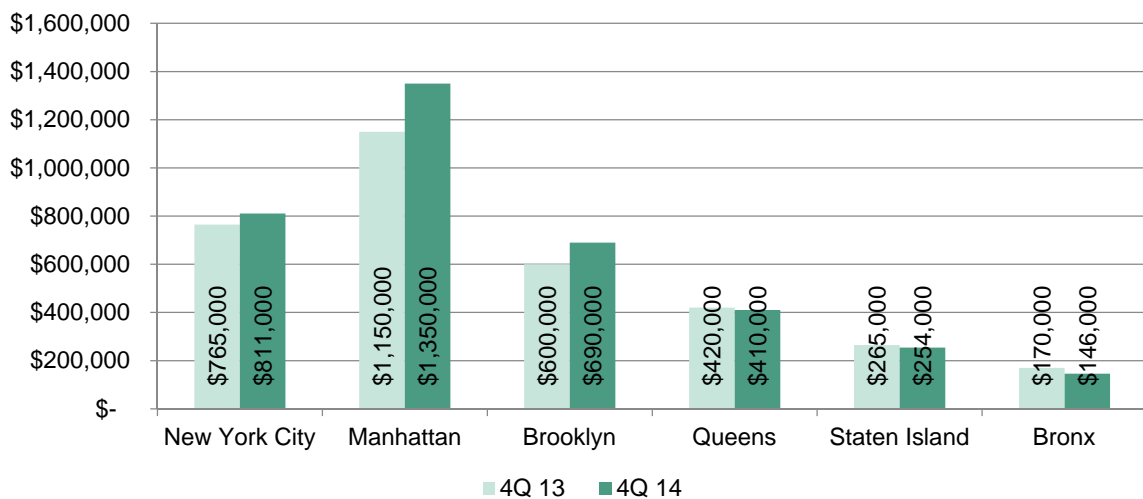
Source: NYC Department of City Planning; BAE, 2015

² Refers to units in buildings with 3 or more units.

Housing Prices and Sales Volume

New York City housing prices, among the most expensive in the US, continue to rise. The median condominium price in New York City rose to \$811,000, an increase of 6.0 percent over Q4 2013, due to a strong increase in sale prices in both Manhattan and Brooklyn (Figure 2); both boroughs experienced double digit growth compared to the prior year. In Manhattan, the median sales price hit \$1.4 M, a 17.4 percent increase from Q4 2013. In Brooklyn, the median sales price reached \$690,000, a 15 percent increase from Q4 2013. In Queens, Staten Island, and the Bronx, median condominium sale prices fell slightly.

Figure 2: Median Sale Price – All Condominiums, Q4 2013 and Q4 2014



Source: *New York City Residential Sales Report Fourth Quarter 2014*, The Real Estate Board of New York

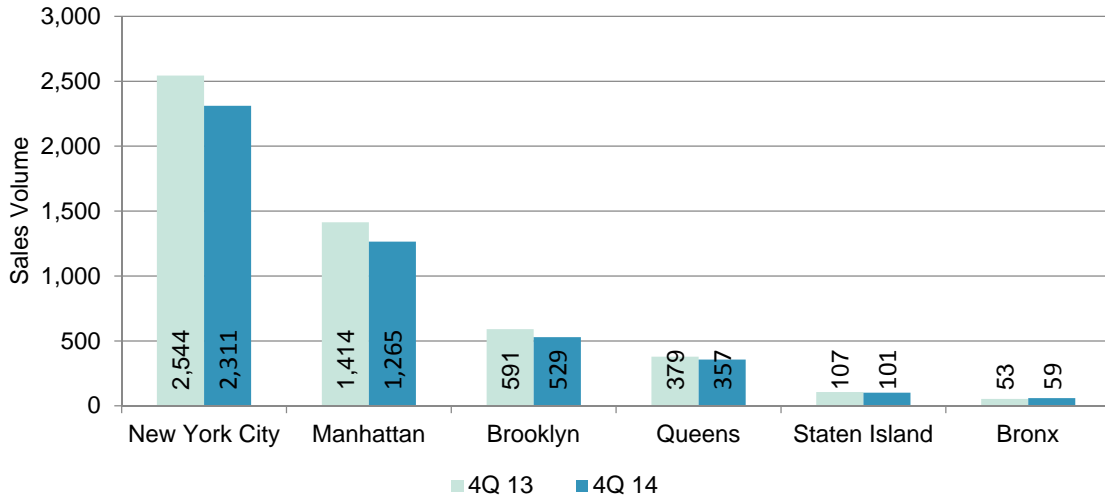
Data from the Corcoran Group demonstrates the effects of luxury condo development on median sales prices. In Q4 2014, the average sale price for new development condominiums was \$3.3 M (\$1,844 per square foot) in Manhattan and \$980,000 (\$812 per square foot) in Brooklyn.³

³ <http://thecorcorangroupmarketreport.tumblr.com/>

Sale Volume

Sale volumes for all condominiums, although strong, declined in Q4 2014. There were 2,311 condominium sales transactions in Q4 2014, a 9.2 percent decrease from Q4 2013. Declines in sale volume were observed in nearly all boroughs. Some analysts report that this trend may reflect a pause by some buyers responding to higher prices.⁴

Figure 3: Sales Volume – All Condominiums, Q4 2013 and Q4 2014



Source: New York City Residential Sales Report Fourth Quarter 2014, The Real Estate Board of New York

Residential Land Prices

In locations around the City, particularly in Manhattan, recent land sales prices are higher than ever. Research for this report focused on land sale transactions during the past 18 months.

Experts consulted for this report, including developers, lenders, brokers, and appraisers cited scarcity of developable sites, the low cost of capital, and strong demand for the finished product as factors contributing to land prices. According to several developers, the ability to develop retail space in strong locations also adds to the price of land, because the relatively high rents for retail uses add to the project's value. Developers of rental projects also note that condo developments ability to pay higher prices for land due to higher residuals exacerbates the trend toward higher land sale prices for scarce sites.

⁴ http://www.crainsnewyork.com/article/20141009/REAL_ESTATE/141009848/pricey-homes-put-off-buyers

City Planning for Future Growth

New York City faces a current and likely a continued shortage of housing. With a total supply of 3.4 million housing units (peak supply in City's history), the residential vacancy rate was just 3.45 percent in 2014, well below the threshold that legally defines a housing emergency (a vacancy rate below 5 percent). This imbalance between supply and demand, with very low vacancy rates, exerts upward pressure on rents and sale prices. Moreover, future population estimates for New York City anticipate continued growth across all income levels, meaning that new housing production serving a diverse population will continue as a critical need. To address these issues, the City is undertaking a series of collaborative neighborhood planning initiatives that would create zoning capacity to support new housing creation, along with supporting infrastructure and services.

Although increased housing production is an important component of a comprehensive solution for the city's affordability crisis, production alone is unlikely to ensure the availability of affordable housing at every income level, in every neighborhood. Therefore, the City is proposing to apply a requirement for affordable housing in new developments where land use actions promote new housing development, to ensure that new housing created within these neighborhoods serves households at a range of incomes, including levels below those that would be served by the market alone. Requirements for units to remain permanently affordable will ensure that these affordable units remain a resource for the community into the future, promoting neighborhood economic diversity even as economic conditions may change.

III. Overview of Methodology

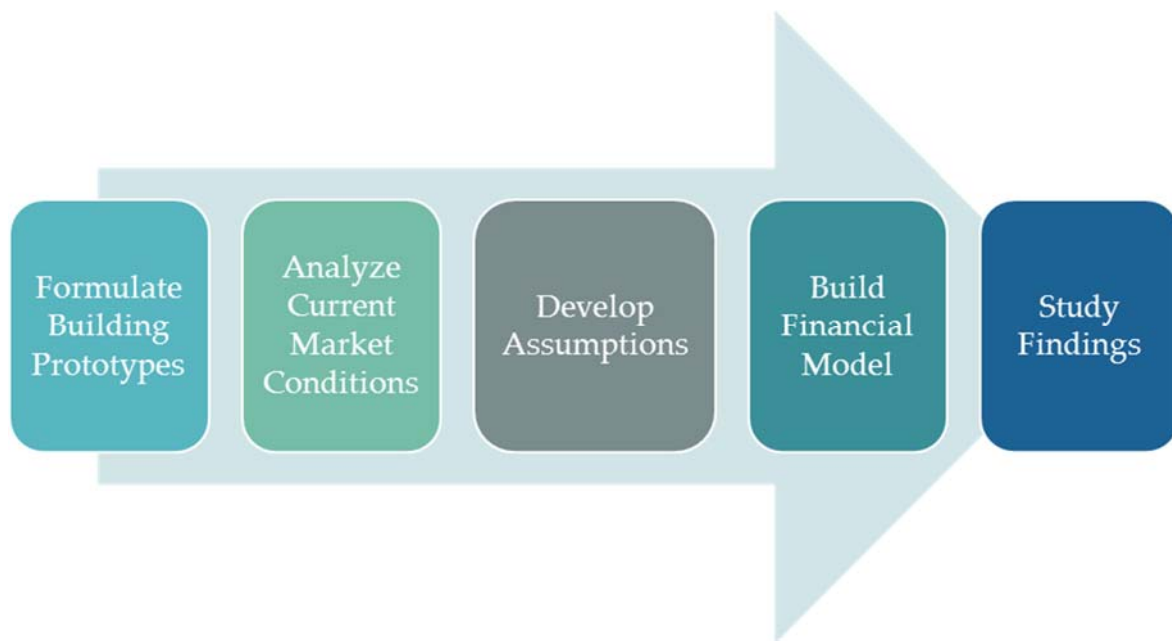
Study Process

The Study process focused on identifying and documenting the economics of residential development across the range of market conditions present in NYC neighborhoods. To achieve this, the process began with formulation of three building prototypes. Then an analysis of current market conditions was undertaken, including recent market-rate rents and condominium sale prices for all units sold in the past 18 months, resulting in the segmentation of NYC neighborhoods into five market condition categories.

BAE developed a dynamic financial feasibility model that incorporates scenarios representing various levels of economic diversity using different blends of market-rate and affordable units by building type, market condition, and various Area Median Incomes (AMIs). Section V: Financial Feasibility provides a detailed discussion of these scenarios.

The graphic below depicts the Study process.

Figure 4: Study Process



Measuring Financial Feasibility

The Study aims to evaluate the impact of a set of affordability requirements at average Area Median Incomes (AMIs) on the feasibility of future new housing development to inform the City's decisions about potential MIH policy. To achieve this, BAE constructed a detailed year-by-year cash flow model illustrating the full life of a new multifamily development project, including pre-development, development, and operations (or sales for condominiums). The model required assumptions about market conditions (translated into rents/sale prices, land costs, building types, construction costs, etc.), to analyze the interplay between these variables and two key public programs that support affordable housing production: "as-of-right" 4-percent federal Low Income Housing Tax Credits ("LIHTC") and the 421-a tax exemption ("421-a Program").

The purpose of the analysis is to evaluate the financial feasibility of development of typical residential building types in different markets, if the City were to adopt various MIH policies in conjunction with land use actions designed to promote housing production.

The Study is not a "value-capture" analysis that aims to calculate the value created by particular zoning actions or the profit generated by particular developments. Also, the Study is not an impact or nexus study that attempts to relate proposed policies to the quantified impacts of development. The model is also not intended to analyze particular proposed developments to size a custom affordability mandate or gauge specific feasibility.

Financial Feasibility Based on Current Market Conditions

The underlying complexity and diversity of New York City means that there are a broad range of market and economic conditions impacting the feasibility of new residential development. BAE's approach was to reflect current market conditions across the City's wide range of neighborhoods, from weaker development markets in outer areas, to the densely zoned and "hot" markets of portions of Manhattan. This methodology led to a framework of five categories of market condition, from Weak to Very Strong. The five-category framework used to characterize the City's real estate market is detailed in the following chapter.

Public Subsidies and Real Estate Taxes

Low Income Housing Tax Credits (LIHTC)

In consultation with City staff, BAE designed the financial feasibility model to include LIHTC, one form of financial subsidy commonly used to support affordable housing production. For the purposes of this analysis, only 4-percent federal LIHTC are assumed. In New York City, 9-percent LIHTC, the more valuable, but limited, of the two LIHTC options are awarded competitively to affordable housing developments that best serve the goals articulated in the City's Qualified Action Plan. In contrast, 4-percent credits are as-of-right to eligible mixed-income residential developments to finance affordable units for households earning up to 60 percent of AMI and are therefore commonly used in mixed income projects. Greater detail on the specific assumptions regarding the application of LIHTC credits is provided in the Model Assumptions section of this report.

421-a Real Estate Tax Exemption Program

To accurately estimate the real estate tax liability for development scenarios, BAE designed the financial feasibility model to include the impacts of the 421-a Program under a variety of circumstances. BAE was directed by City staff to perform the financial feasibility analysis described in this report on the assumption that the 421-a Program, set to expire on June 15, 2015, will be extended in its current form. Changes in the program are being debated, but the model does not attempt to predict what changes might be made. Greater detail on the specific assumptions regarding the application of the current 421-a Program is provided in the Model Assumptions section of this report.

Sources of Data and Assumptions

A key aspect of the Study was to collect and analyze extensive datasets. The Study sought to use the most recent and reliable data possible, to best reflect current market and financial conditions. While the following chapters provide more information about specific data sources and summaries of the data where relevant, the following is a list of key data sources:

- Building prototypes – NYC Department of City Planning
- Recent land sale transactions – proprietary sale records from CoStar Group
- Floor area data for land sale transactions – Primary Land Use Tax Lot Output (PLUTO) database; NYC Department of City Planning HEIP Division
- Recent market-rate apartment rents – proprietary records from REIS
- Recent condominium sales – NYC Department of Finance Rolling and Annualized Sales databases; propriety records from DataQuick

- Selected building offering prices for floor level analysis – Offering Plans for selected buildings
- Neighborhood Tabulation Area (NTA) boundaries – NYC Department of City Planning
- Demographic data - American Community Survey 2008 – 2012 dataset, as adjusted by NYC Department of City Planning
- Sample pro formas submitted by developers for subsidy applications – NYC Housing Preservation & Development
- Assessed valuation records for 421-a calculations – NYC Department of Finance, comparable properties dataset
- Low Income Housing Tax Credit assumptions – NYC Housing Preservation & Development, NYC Housing Development Corporation

Sources of assumptions based on expert input include:

- Ranges of hard construction costs – more than 30 stakeholders (developers and industry experts)
- Ranges of soft costs – more than 30 stakeholders (developers and industry experts)
- Rates of return on cost – more than 30 stakeholders (developers and industry experts)
- Financial assumptions (debt service coverage ratio, interest rates) – interviews with five conventional and community development lenders
- Floor level and view premium adjustment factors – stakeholder interviews (developers and industry experts)

IV. Index of Current Market Conditions

Purpose of Index

New York City has an array of neighborhoods with different socio-economic and market conditions, ranging from areas with a high proportion of low income households and limited market-rate development activity, to areas with strong affluence and high rents/sale prices, reflected by very strong housing development activity.

In order to frame a representative set of assumptions for the MIH financial model, a general categorization of these market conditions was necessary. Key to this process was analysis of market variables in order to identify and group similar neighborhoods with similar rents/sale prices for new units,

The Current Market Conditions Index was developed to find these commonalities for analytical purposes, as described below. It should be noted that this analytical process does not seek to prescribe a specific policy for any particular neighborhood, because the geographies analyzed encompass multiple subsidiary neighborhoods, and these neighborhoods will shift over time in terms of their demand, volume of new development, and prices. For these reasons, the index category of any particular neighborhood is of limited significance. Instead, this approach was used to generate representative market types to evaluate the financial feasibility of various policy options in the context of current market conditions.

Methodology

The methodology followed for the market analysis is outlined below:

- 1. Select the geographic unit for analysis.** The first step in the market analysis was to select the most appropriate geographic unit for the process. BAE considered how current and reliable the data available at that level of aggregation would be, as well as how well the geographic unit would reflect differences among neighborhoods. After evaluating potential geographic data units including Census Tracts, Community Districts, and Public User Microdata Areas (PUMAs), BAE chose Neighborhood Tabulation Areas (NTAs) as the most suitable geographic unit for the analysis. NTAs are aggregations of Census Tracts maintained by NYC DCP; these geographic units provide a finer level of detail than the larger Public Use Microdata Areas (which roughly correspond to Community Districts). NTAs also are large enough to avoid some of the sampling variability issues that exist for individual Census Tract data in the American Community Survey (ACS). In addition, in creating the NTAs, DCP reviewed and adjusted ACS data for several errors made by the US Census Bureau during initial data collection. While NTAs may contain multiple subsidiary neighborhoods with varying

socioeconomic and market conditions, they represent the finest-grained geography suitable for the purposes of this analysis.

There are 195 NTAs in the City, including seven that consist of parks, cemeteries, airports, and correctional facilities, resulting in 188 NTAs with residential uses contained within their boundaries. NTA boundaries are illustrated in a series of maps included in Appendix E of this report.

- 2. Conduct background analysis of basic trends and current conditions.** This step was undertaken to evaluate variables that could be incorporated into the Index. After preliminary mapping of several demographic and development activity variables using GIS, our methodology was refined to focus on “price signals” from recent rents and condo sales, in order to best reflect up-to-date market conditions.
- 3. Analyze most recent “price signals” for market-rate rents and condo sale prices.** Because residential markets signal their current market condition most clearly by price (rents and sale prices), this economic principal was used to distinguish NTAs in the Study’s market analysis. BAE used available data to analyze market-rate rents and condo sale prices over the past 18 months of market activity. For the rental variable, the most recent rental data from REIS for over 3,000 market-rate units of all ages located in 500 buildings was geo-coded, aggregated into an average rent for each NTA, and grouped using standard deviations. Every effort was made to utilize only market-rate rents; buildings with rent stabilization were excluded from this analysis. For the condominium variable, BAE obtained over 20,000 condominium sales over the past 18 months from NYC DOF, aggregated them into a median sale price for each NTA, and similarly analyzed the results.⁵
- 4. Develop Index.** The Index was then developed by using the “price signal” data for each NTA. Some NTAs did not have any market-rate condominium sales in the past 18 months, and/or some NTAs did not have available market-rate rent data (as tracked by REIS). The NTAs with limited market activity were analyzed using a third price signal: self-reported gross rent (including utilities) collected through the American Community Survey. This last variable is the least reliable as a market condition indicator because it is self-reported
- 5. Scoring of each NTA by Current Market Condition.** Based on the analysis for each NTA in NYC, each price signal variable was assigned an independent score from 1 to 5, reflecting the variable’s placement within the standard deviation intervals⁶. The

⁵ It should be noted that for the market condition, all market-rate buildings and all condo sales prices were utilized without filtering for age of building. Later in the study process, for the financial model assumptions, a subset of these larger datasets was utilized, filtered for age of building, with only those units built in 2010 or later used, to reflect nearly-new or new construction.

⁶ Each of the three price signal variables was analyzed by using a statistical measure called standard deviation, which measures the clustering or dispersion of data relative to the mean (or average) for all the data points. This measure best reflects the

highest-scoring variable among the three “price signals” was used to categorize each NTA as Weak, Moderate, Middle-Market, Strong, or Very Strong to reflect the current multifamily market condition of that NTA. The following pages provide maps of the three variables used in the analysis, and the resulting composite Market Condition Index scores.

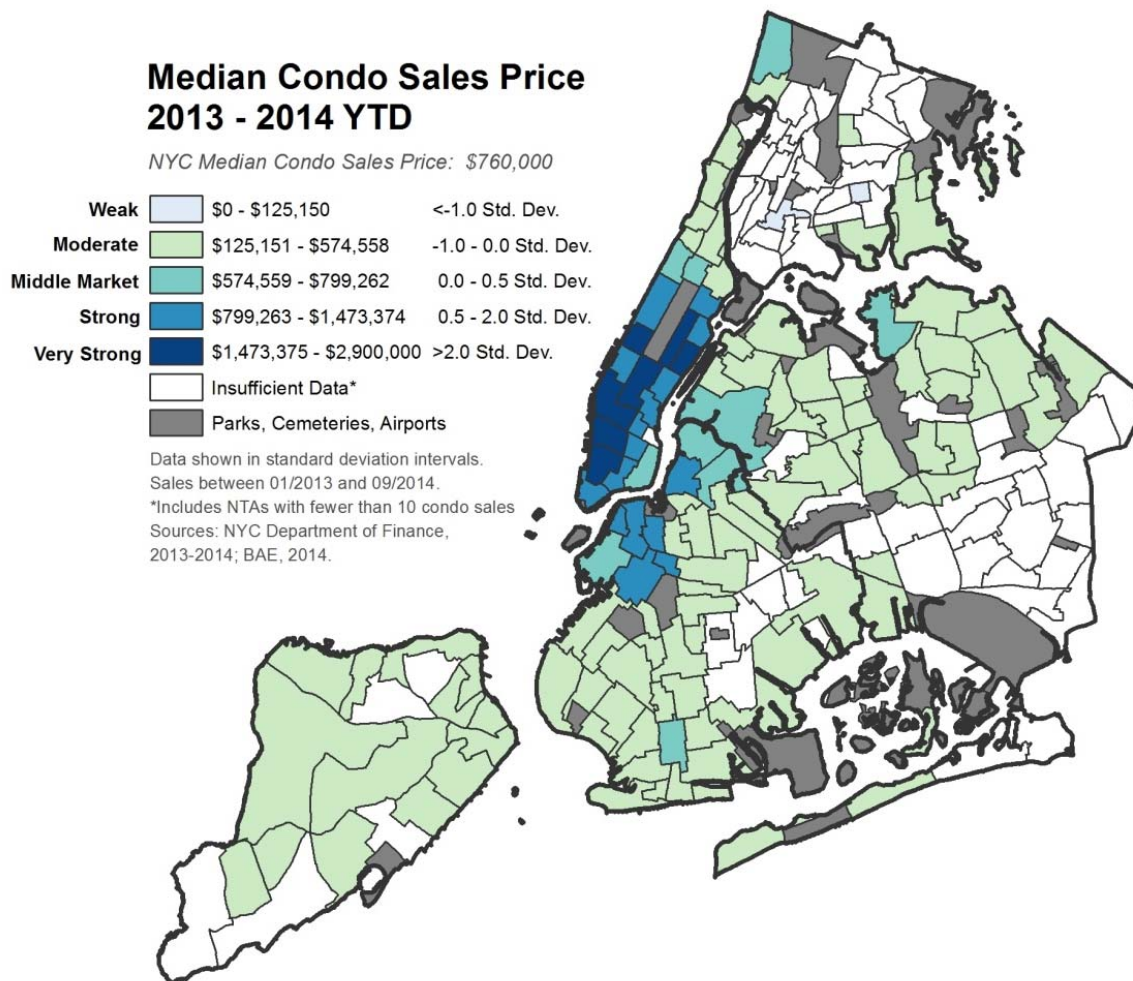
clustering of variables in NYC such as market rate rent, where some NTAs cluster at the high end, others cluster around the average for all of NYC, and others cluster toward the low end of the range. The intervals used to score each variable are noted in maps presenting the information on the following pages.

Market Index Variables

Median Condominium Sales Price

The map shown here depicts the median condo sale price for all identified sales in the past 18 months from the Department of Finance Rolling Sales database. The dataset contains more than 20,000 condominium sales recorded from January 2013 through September 2014. Neighborhoods that did not have any recorded condo sales in this period are shown in white, due to lack of data. Detailed data for this variable is shown for each NTA in Appendix B.

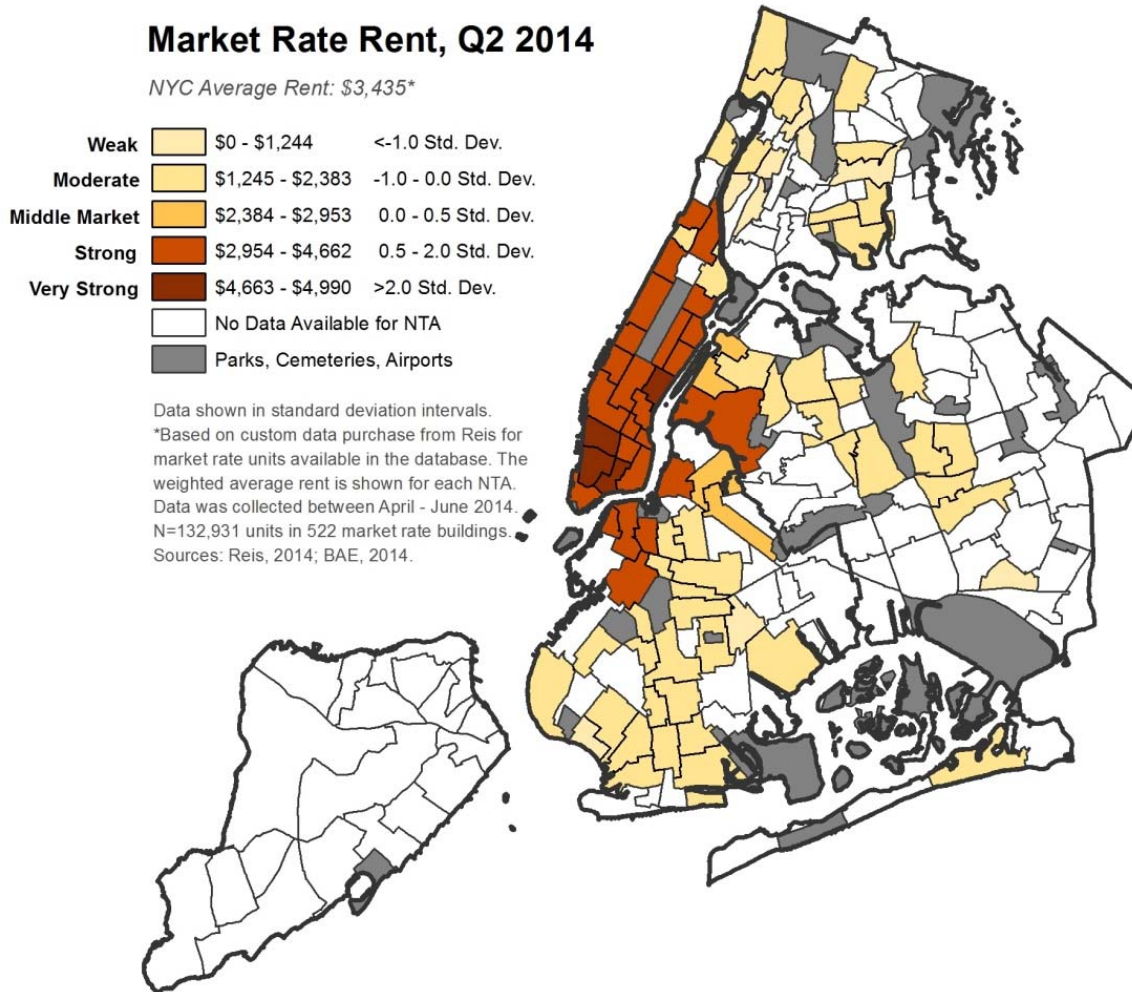
Figure 5: Median Condo Sales Price 2013 – 2014 YTD (September 2014)



Average Market Rate Rent

The map shown below depicts the average market rate rent per NTA, grouped by standard deviation intervals. The Reis dataset analyzed for this variable included more than 3,000 units' rents in over 500 buildings located throughout New York City. Areas shown in white are NTAs for which this data was not available⁷. Detailed data for this variable by NTA is shown in Appendix B.

Figure 6: Average Market Rate Rent, Q2 2014

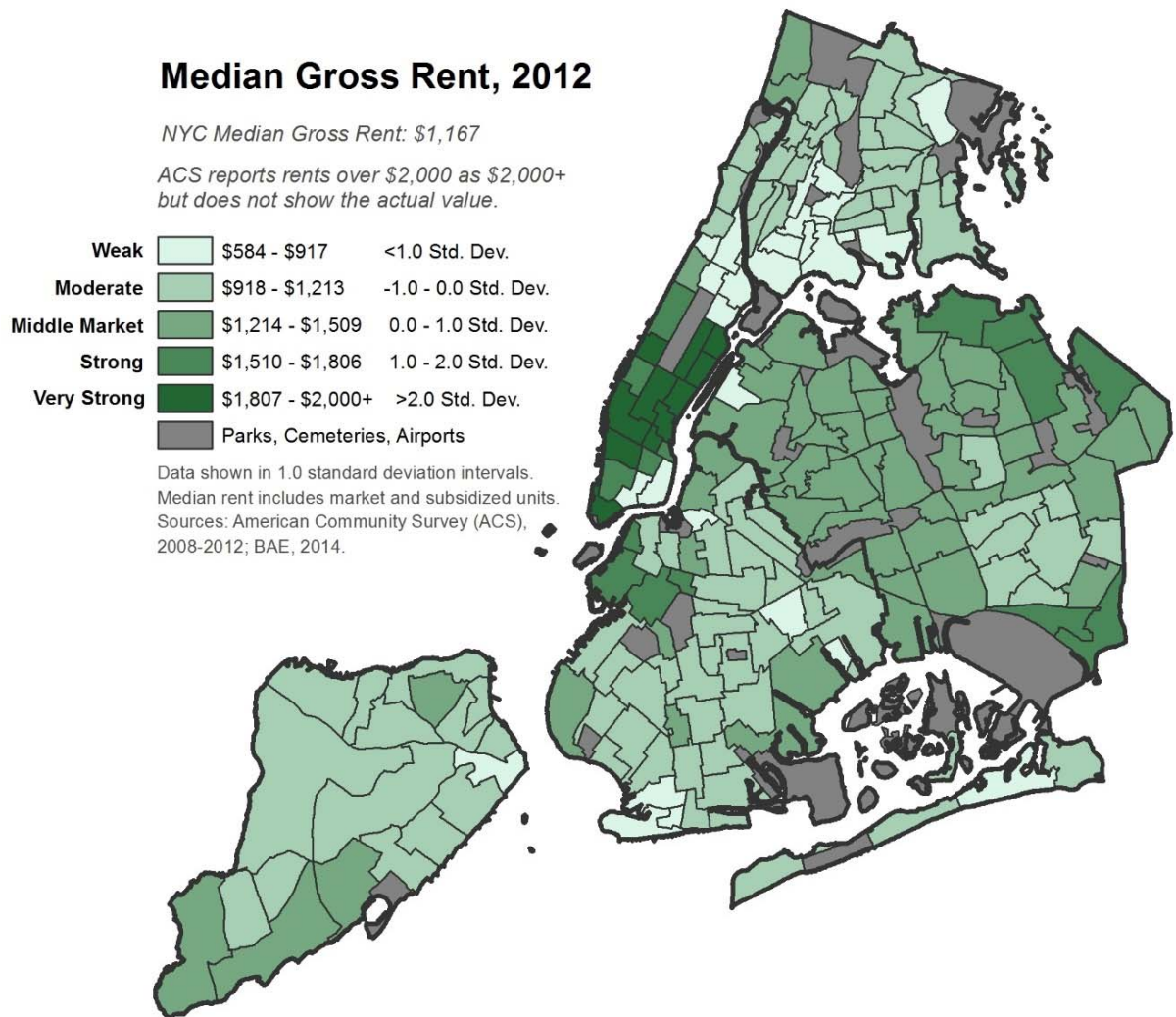


⁷ Due to the Market Index being comprised of a composite score of the highest "price signal" determining final scoring, the NTAs shown here represent market rate rents only; several additional Manhattan NTAs had Very Strong condo prices and thus received a final Index score of Very Strong, despite rents falling in the Strong market interval. See Market Index map to follow for final Index score per NTA.

Self-Reported Median Gross Rent

As noted above, this third variable was included in the Index in order to score NTAs without recent market sales activity or tracked data for market-rate rents. Because the US Census' American Community Survey publishes data for each Census Tract, each NTA has a data point for this variable. While this data has some limitations, it nevertheless provides a price signal for those NTAs without active markets for market-rate rents or condo sales prices.⁸

Figure 7: Median Gross Rent, 2012

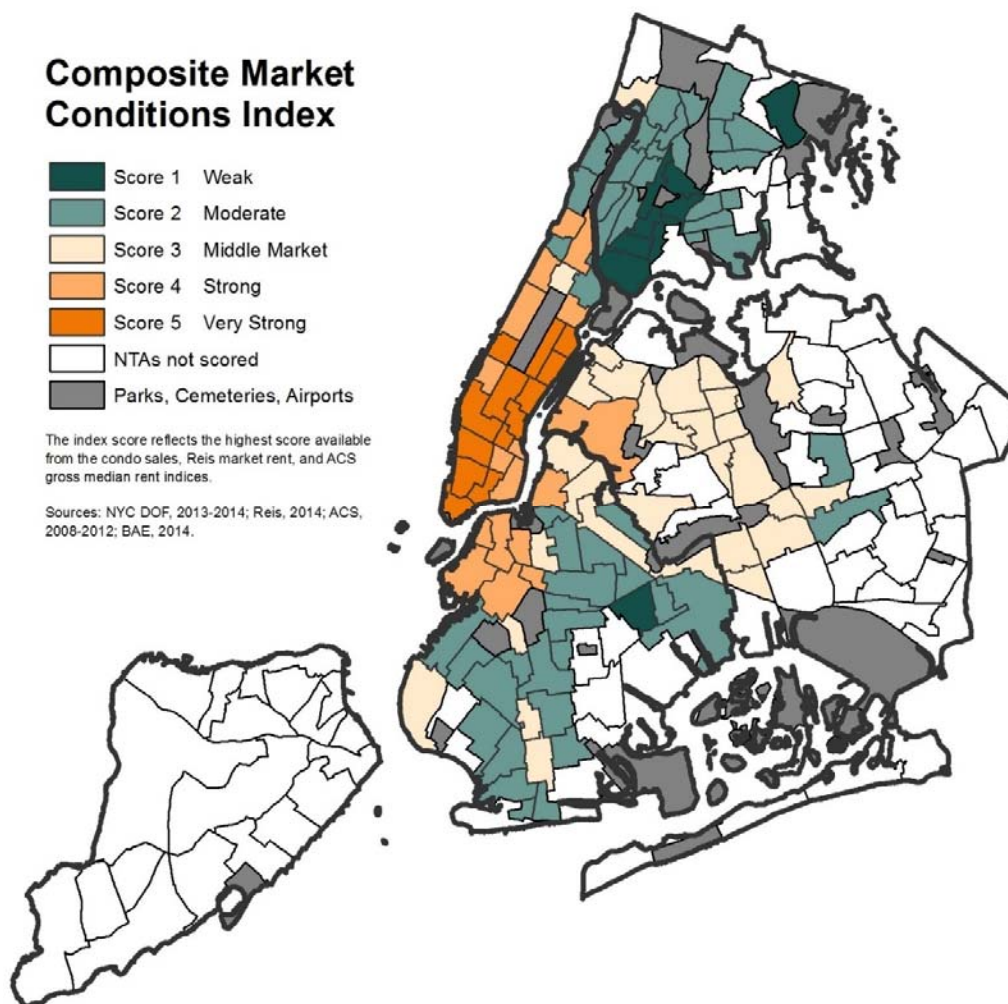


⁸ This data may have limitations due to self-reporting, which may not accurately reflect rent and utility payments; lack of distinction between market-rate and other types of rental housing; and method of reporting the highest segment as "\$2,000+," meaning that a precise analysis is not possible.

Market Conditions Index

The three price signal variables were each scored from 1 to 5 for each NTA. The highest of the three variables' scores for each NTA was then used to finalize the market condition category for the NTA. The map shown depicts the category for each NTA, with detailed data shown in Appendix B. It should be noted that these composite scores reflect recent market prices per NTA; the scores and the underlying data do not reflect the distribution of household incomes of existing residents in an NTA, or the existing rents/sale prices for all housing units, some of which are regulated. It should also be noted that NTAs shown as "not scored" are primarily low density neighborhoods with limited recent multifamily housing construction and insufficient data to support a detailed analysis for the index; these same NTAs also have generally limited transit and other infrastructure capacity to support substantial new multifamily housing development.

Figure 8: Market Conditions Index



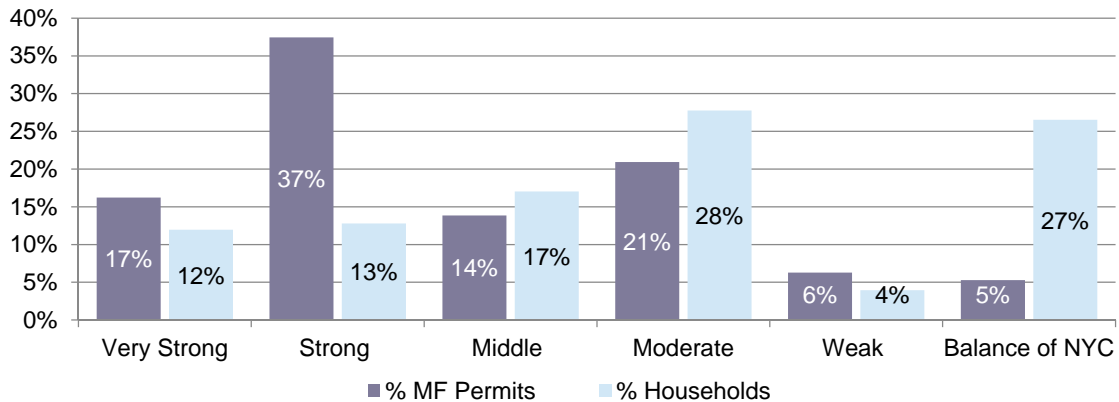
Summary Information about the Scored NTAs

To ensure that most of New York City’s residential areas that could be subject to the MIH policy were accounted for in the NTAs included in the Index, the following items were calculated:

- The NTAs scored by the Market Conditions Index contained 73 percent of all households in NYC in 2012.
- The NTAs scored by the Market Conditions Index absorbed 58,557 (95 percent) of the 61,713 multifamily permits issued by NYC in the past four years (2010 –2014).⁹

Although the number of new multifamily units permitted (which represents a proxy for past and current development activity) was not used as a variable to formulate the Market Conditions Index, the Index generally reflects this activity (Figure 9)¹⁰. The graph compares new multifamily permits issued since 2010 for the NTAs in each market condition category to existing households in NTAs aggregated by market condition. The NTAs in the Very Strong market condition category, representing 12 percent of all NYC households, account for 17 percent of multifamily permit activity since 2010. Similarly, the NTAs in the Strong market condition category, representing 13 percent of all NYC households, absorbed 37 percent of all NYC multifamily permits issued since 2010. These two market condition NTAs combined captured 54 percent of permit activity, with just 25 percent of total households.

Figure 9: Multifamily Permits 2010 –2014 and Households by Market Condition



Sources: ACS 2009-2012 and New York City Department of Buildings for permits in buildings with 3+ units issued 2010-2014

⁹ Permits includes both market-rate and affordable multifamily units.

¹⁰ Development activity (represented by building permits for multifamily units) was not used in the Index to score market condition because several NTAs have high price signals but very limited multifamily permits, likely due to existing lack of developable sites/capacity, or other factors affecting development. Moreover, in some Middle market areas, where there has been permit activity, some development it is made feasibility only through subsidies. Thus, overall permit activity for multifamily units is not a clear signal of market forces, but a “supply” response given these other factors. Development activity does not capture the economic feasibility relationships accurately.

Profiles of Market Condition Categories

Very Strong Market Condition Profile

The Very Strong market category contains 13 NTAs with a total of 366,245 households in 2012 (12.0 percent of total NYC households). From 2010 through 2014, these NTAs accounted for 17.2 percent of all multifamily development, according to building permit data. Overall, this category represents areas with median household incomes for existing households ranging from \$33,712 (Chinatown NTA) to \$123,085 (Battery Park City – Lower Manhattan NTA). The variables used to categorize these NTAs were not based on underlying existing household demographics, but rather “price signals” from recently sold or recently leased market-rate units reflecting recent market conditions in these areas. Residents who purchased a condo long ago and have not sold it, or have been leasing a rent stabilized unit for many years, have not been subject to the same price signals as those entering the marketplace today in each NTA.

Areas in this category (all of which are located within Manhattan) have the highest recent sale prices for condominiums and the highest market-rate rents in NYC. When considered on a median price basis by NTA, for example, condo units sold for a median price ranging from \$900,000 in Yorkville to \$2.9 M in the Upper East Side-Carnegie Hill from January 2013 through September 2014.

Land prices for multifamily residential development in the Very Strong Market neighborhoods command a premium over other market areas. Based on data from CoStar for 13 recent land sales zoned for residential development, transactions averaged \$437 per zoning square foot (indicates maximum buildable square feet), with the 90th percentile at \$538 per zoning square foot.

An example NTA in this category, Soho-Tribeca-Civic Center-Little Italy, had 18,761 households and a median household income of \$100,511 in 2012. The area is characterized by a wide variety of housing types, from historic industrial buildings converted to residential lofts in Soho and Tribeca to low-rise walkups in Little Italy. Median condo sales in the last 18 months (as of Fall 2014) exceeded \$2.7 M, and market-rate rents averaged almost \$5,000 per month. This neighborhood has experienced limited new development since 2010, with 604 multifamily units permitted during the past four years.

Another example NTA that falls under the Very Strong market condition is the Murray Hill-Kips Bay area. Situated between the East Village and the Upper East Side in Manhattan, the Murray Hill-Kips Bay NTA is characterized by a mix of mid- to high rise buildings similar to those found in the Midtown area. In 2012, this neighborhood was home to 26,173 households with a median household income of \$93,650.

Strong Market Condition Profile

The Strong Market category had 17 NTAs with a total of 391,688 households (12.8 percent of total NYC households) in 2012. Overall, this category represents neighborhoods with median incomes ranging from \$33,910 in Central Harlem North to \$105,508 in Brooklyn Heights–Cobble Hill¹¹. With respect to building permit activity from 2010 through the end of 2014, the combination of all NTAs in the Strong Market category accounted for 37.0 percent of all multifamily units permitted in New York City.

Neighborhoods in this category have strong sales prices and market-rate rents. Median condo sales prices in the past 18 months range from \$504,972 in Central Harlem North to \$1.4 M in Brooklyn Heights-Cobble Hill. Land prices in the Strong Market category are also robust. Based on 40 transactions in the past 18 months analyzed for this report, the land cost per zoning floor area square foot averaged \$193, with sales in the 90th percentile reaching \$327 per zoning area square foot.

The DUMBO-Vinegar Hill-Downtown Brooklyn-Boerum Hill NTA is an example of this market condition category. This NTA experienced a 22 percent increase in new households between 2000 and 2012. Downtown Brooklyn, contained in this NTA, has seen the arrival of new residential towers, townhouses, and office conversions since undergoing rezoning in 2004. Throughout the DUMBO-Vinegar Hill-Downtown Brooklyn-Boerum Hill NTA, median condo sale prices (all units) have approached \$900,000 in the past 18 months (as of Fall 2014), and market-rate rents currently average \$3,375 per month.

Middle Market Condition Profile

The Middle Market category has 30 NTAs with a total of 521,506 households (17.0 percent of total NYC households) in 2012. Examples of areas in this category include Central Harlem South NTA in Manhattan, Greenpoint in Brooklyn, and Long Island City NTA in Queens. This category encompasses neighborhoods with median incomes ranging from a low of \$27,421 (Queensbridge-Ravenswood-Long Island City) to a high of \$80,567 (Windsor Terrace).

From 2010 through 2014, this collection of neighborhoods accounted for 14.3 percent of total multifamily units permitted in New York City. Recent condo sale prices range from a median of \$250,000 in Ozone Park to \$732,850 in Central Harlem South. Based on 39 sales transactions identified in the past 18 months, land transactions for new residential projects in the Middle Market category averaged \$161 per zoned floor area square foot. The Clinton Hill NTA is an example of a Middle Market neighborhood with 14,937 households earning a median household income of \$60,387 in 2012.

¹¹ Again, the existing residential population's household incomes may not reflect current market prices due to many residents staying in place, and/or rent stabilization, and/or other housing assistance.

Moderate Market Condition Profile

The Moderate category consists of 49 NTAs with a total of 850,581 households (27.5 percent of total NYC households) in 2012. Examples of this category include East Harlem North in Manhattan, Bushwick North in Brooklyn, and Jamaica in Queens. From 2010 through 2014, this collection of neighborhoods accounted for 20.7 percent of all multifamily units permitted, including both private and publicly subsidized development. Overall this category represents neighborhoods with median household incomes ranging from \$19,927 (Williamsburg NTA) to \$63,815 (Allerton-Pelham Gardens NTA).

Based on 52 residentially-zoned land sales tracked by CoStar in the past 18 months, prices in the Moderate Market category averaged \$95 per zoned floor area square foot, and have reached as high as \$160 per zoned floor area square foot.

The Crown Heights North NTA, characterized by brownstone-lined streets and low-density walkups, is an example of a Moderate Market Condition area. This NTA contained 40,818 households earning a median household income of \$36,200 in 2012. East of Prospect Park, the number of Crown Heights North households increased by 7.5 percent from 2000 to 2012, compared to the overall New York City's household growth rate of 1.8 percent for the same period.

Weak Market Condition Profile

The Weak market category consists of 9 NTAs and had a total of 120,644 households (3.9 percent of total NYC households) in 2012. This category contains neighborhoods with median incomes ranging from \$19,523 (East Tremont) to \$24,363 (Morrisania-Melrose).

From 2010 through 2014, this collection of neighborhoods accounted for just 5.8 percent of all multifamily permits in New York City. Lower rents and sale prices, as well as publicly subsidized housing development contribute to its weak market condition profile. Recent land transactions in the Weak areas averaged \$30 per zoned floor area square foot.

V. Financial Feasibility: Assumptions

This chapter outlines the key assumptions that were researched and formulated for the financial analysis. This chapter is organized in four sections: approach and methodology, market-driven assumptions, building-driven assumptions, and financing/public subsidy assumptions.

Approach and Methodology

Financial Feasibility Model

BAE developed a dynamic financial feasibility model to analyze the impact of a range of potential inclusionary requirements on residential development feasibility across market conditions. The model contains all key cost, revenue, and financing assumptions outlined in the previous chapter, along with numerous secondary, supporting assumptions. Throughout the development of this analysis BAE consistently chose the more conservative value for key inputs where there was a range of observed values, and so these feasibility findings reflect a deliberately conservative analysis.

The model structure was designed to allow the user to input a series of key scenario conditions, including market condition, project tenure, zoning and density, on- or off-site development of affordable units, and application of the 421-a Program and/or LIHTC. Within any given set of these key scenario conditions, the model allows the user to test the effect a particular mandatory inclusionary program policy choice, as designed by the City, would have on the financial feasibility of a prototypical development.

The model used a series of development pro forma and 30-year cash flows to translate these key scenario conditions into a unit production and financial feasibility result for any given potential inclusionary requirement. The unit production output is expressed in terms of the total number of market-rate and affordable units yielded under each scenario, while the financial feasibility output is expressed in terms of three key metrics: yield-on-cost (YOC) or return-on-cost (ROC) at stabilization (for apartment and condominium scenarios, respectively), unleveraged internal rate of return (IRR), and leveraged IRR. These terms are defined below.

Key Terms of Analysis

The following findings and companion tables make reference to several key terms, briefly summarized below for ease of reference:

- **Market Condition:** BAE defined five market condition classifications (Very Strong, Strong, Mid-Market, Moderate, and Weak) to represent the range of market conditions currently present throughout the City, as described in chapter IV.

- **Building Prototype:** This analysis tests the financial feasibility of potential MIH requirements under three building prototypes, each of which corresponds to a characteristic building in a sample zoning designation. For the purpose of this analysis, low-rise refers to a seven-story building in an R7A zoning district; Mid-rise refers to a 10-story building in an R7D district; and High-rise refers to a 30-story building in an R10 district.
- **On- and Off-Site:** These terms refer to whether the project is permitted to meet the affordability requirement through the production of affordable units at a second location, in a separate building, on a separate zoning lot (Off-Site), or is required to meet the requirement within the subject development, in the same building, on the same zoning lot (On-Site). If the Off-Site scenario is assumed, the hard costs for the off-site building are assumed to be lower due to the use of a less expensive construction type (i.e. block and plank), but the land cost is assumed to match the average cost per zoning square foot for the market area in which the projects is tested. This assumption reflects the City’s dynamic and competitive land market, in which affordable developers may not always succeed in obtaining land at a below-market price.
- **421-a Program:** This refers to the 421-a Real Estate Tax Exemption Program (421-a Program) as currently implemented. This includes the as-of-right 15-year and extended 20-year and 25-year benefit options, applied depending on the correspondence between market types and Geographic Exclusion Area boundaries, and on the affordability requirements associated with benefits.¹² Note that for the purposes of this analysis, the use of 421-a certificates was not assumed.
- **Low Income Housing Tax Credit (LIHTC):** For the purposes of this analysis, only 4-percent LIHTC are assumed, because these credits are as-of-right to eligible mixed-income residential developments to finance affordable units for households earning up to 60 percent of AMI.
- **MIH Affordability Requirement:** Each potential MIH requirement tested in this analysis represents a combination of income target and set-aside requirement. The income target, expressed as a percent of Area Median Income (AMI), specifies the maximum income level of households for whom affordable units would be reserved. Note that in this analysis, a blended *average* AMI level is presented, as described in greater detail in the following section. The set-aside requirement represents the total percentage of the project square footage that must be provided as affordable units.

¹² See page 42 for more detailed explanation of assumptions for the analysis.

- **Yield-on-Cost (YOC) and Return-on-Cost (ROC):** These are commonly used metrics to determine the feasibility of a potential development, without consideration of financing costs. This simple measure eliminates the complexity of various equity/debt combinations that vary by developer. Yield-on-cost (YOC), the measure used for rental projects, is calculated as the net operating income (NOI) for a rental project at the year of stabilization divided by the total development cost. Return-on-cost (ROC), the measure used for condominium projects, is calculated as the total profit (e.g., revenues minus costs) from sales of condo units divided by total development cost.
- **Leveraged and Unleveraged Internal Rate of Return (IRR).** These metrics are used to express financial return to the developer over a certain period of time, accounting for the time value of money. IRR technically refers to the discount rate at which the present value of all future cash flows are equal to the initial investment. Leveraged IRR measures the return on the equity investment in the project (only a portion of total project outlays, the balance being debt-financed), while unleveraged IRR considers all costs and cash flows as though no debt was used, only equity.

Market-Driven Assumptions

Market-Rate Rents and Sale Prices

The NYC marketplace presents several challenges in determining accurate financial assumptions for rents and sale prices, due to variability both by geography (which is accounted for by the Market Conditions Index), bedroom count/unit size, and premiums associated with height (e.g., floor level giving distance from street noise as well as improved views in many high-rise buildings).

In order to accurately estimate market-rate rents and sale prices in the financial model, a three-step method was used. Baseline average rent and sale price data were developed by unit size using only market data from the past 18 months, filtered to include only those units located in recently built structures (since 2010). Next, adjustment factors were formulated to account for building height and view premiums, as described below. Finally, the height and view premium adjustments were applied to the baseline averages, to formulate the final array of rents and sale prices by market condition and building type. Each step is detailed below.

A. Baseline Market Rate Rents / Market Rate Sale Prices

Market rate rent assumptions were developed by analyzing a subset of the data series described earlier (REIS), so that only current rents for units located in buildings built since 2010 were used. This filter was applied to provide both the most current rents, and rents approximating those found in the newest buildings only. Rent data from REIS is available by bedroom count by building; these variables were both used to sort the data based on the location's Market Index, and each Index category's rents by bedroom count were then

averaged to derive an average rent per unit by bedroom count. The table below shows the result of this analysis. Because this analysis is based on market-rate rents in relatively new buildings only (built after 2009), the rents may appear higher than perceptions of rental markets overall in NTAs within each market condition category.

Table 1: Baseline Market Rate Rents (before Height Adjustments)

<u>Market Condition</u>	<u>Studio</u>	<u>1-Bedroom</u>	<u>2-Bedroom</u>
Weak	\$1,301	\$1,594	\$1,982
Moderate	\$1,626	\$1,992	\$2,477
Mid-Market	\$1,864	\$2,565	\$3,287
Strong	\$2,669	\$3,443	\$5,010
Very Strong	\$3,767	\$4,999	\$8,991

Note: Figures reflect data for market-rate asking rents in buildings built in 2010 or later.

Sources: Reis, 2014; BAE, 2015.

Condominium sale prices were estimated based on a similar process, using the subset of sales occurring in buildings built since 2010 (newer buildings only). Year built was obtained by purchasing the same sales data found in the DOF Rolling Sales database from DataQuick, a private data vendor. This additional information was applied to the DOF sales to create new building subset information. However, because the DOF data does not specify bedroom counts for units in the dataset, BAE further sorted the data by square feet (which is provided) and grouped it per BAE’s estimate of bedroom count based on the square feet for each sale.

Table 2: Baseline Market Rate Condo Prices (before Height Adjustments)

<u>Market Condition</u>	<u>Studio</u>	<u>1-Bedroom</u>	<u>2-Bedroom</u>	<u>3-Bedroom</u>
Weak	\$244,414	\$308,541	\$458,474	\$540,295
Moderate	\$305,517	\$385,676	\$573,093	\$675,369
Mid-Market	\$326,355	\$421,387	\$810,929	\$854,828
Strong	\$580,346	\$1,027,690	\$1,701,277	\$2,058,768
Very Strong	\$900,780	\$1,412,887	\$2,903,023	\$3,924,139

Sources: DataQuick, 2014; BAE, 2015.

B. Adjustments to Rents/ Sale Prices for Floor Level and Views

The baseline rental rate assumptions used in the financial feasibility model are derived from a dataset of market rate rents reported for buildings at an average height of 20 stories, and are therefore assumed to represent units on average on the 10th floor. To account for the combined impact of height and view premiums on rental rates and sale prices, a height premium adjustment factor was applied to the rents and sale price assumptions shown above. This factor, shown below, was based on a review of available published analyses on this topic and interviews with appraisers familiar with the New York City residential market. BAE assumed that, on average, rents/sale prices increase by one percent per building floor for all

building types and that a one-time 10 percent view premium is also earned by units on the 20th floor of a building to account for view lines¹³.

Table 3: Floor Level and View Adjustment Factor

	Rental Apartment		
	Avg. Annual Rent PSF (a)	Adj. Annual Rent PSF (b)	Adjustment Factor
Low-rise (7 stories)	\$89.53	\$83.81	-6.39%
Mid-rise (10 stories)	\$89.53	\$85.36	-4.66%
High-rise (30 stories)	\$89.53	\$98.22	9.71%
	Condominium		
	Avg. Sale Price PSF	Adj. Sale Price PSF	Adjustment Factor
Low-rise (7 stories)	\$2,138.71	\$2,013.96	-5.83%
Mid-rise (10 stories)	\$2,138.71	\$2,044.99	-4.38%
High-rise (30 stories)	\$2,138.71	\$2,348.27	9.80%

Notes:

(a) Average annual rent per square foot and average sale price per square foot reflect the average values assumed as the baseline rent or sale price per unit, based on analysis of market rate rent and recent sales data.

(b) Adjusted rent and sale price per square foot reflect the adjusted average for a low-, mid-, or high-rise building assuming an increase of one percent per floor and a one-time increase of 10 percent on the 20th floor.

Sources: Reis, 2014; DataQuick, 2014; BAE, 2015.

¹³ To adjust for floor level, the baseline rents were adjusted downward by one percent per floor below 10 stories, and upwards by one percent per floor above 10 stories. In addition, a view premium of 10 percent was applied to units on the 20th floor of the high-rise prototype. These adjusted rents were then compared to baseline rents, to develop the factor used across all model assumptions as appropriate (per building prototype).

The rental rate and sale price assumptions resulting from this height and view premium adjustment are summarized by building type and market condition in the table below.

Table 4: Adjusted Rental Rates/Sale Prices by Building Type and Market Condition

Low-Rise Building (7 floors)							
Market Condition	Rental Apartment			Condominium			
	Studio	1-BR	2-BR	Studio	1-BR	2-BR	3-BR
Weak	\$1,218	\$1,492	\$1,856	\$230,157	\$290,544	\$431,732	\$508,780
Moderate	\$1,523	\$1,865	\$2,319	\$287,696	\$363,180	\$539,665	\$635,975
Mid-Market	\$1,745	\$2,402	\$3,078	\$307,319	\$396,808	\$763,628	\$804,966
Strong	\$2,499	\$3,224	\$4,691	\$546,495	\$967,745	\$1,602,042	\$1,938,681
Very Strong	\$3,527	\$4,681	\$8,419	\$848,238	\$1,330,474	\$2,733,691	\$3,695,245

Mid-Rise Building (10 floors)							
	Rental Apartment			Condominium			
	Studio	1-BR	2-BR	Studio	1-BR	2-BR	3-BR
Weak	\$1,240	\$1,519	\$1,889	\$233,703	\$295,020	\$438,384	\$516,619
Moderate	\$1,550	\$1,899	\$2,362	\$292,129	\$368,775	\$547,980	\$645,774
Mid-Market	\$1,777	\$2,445	\$3,134	\$312,054	\$402,922	\$775,393	\$817,369
Strong	\$2,545	\$3,283	\$4,777	\$554,915	\$982,656	\$1,626,726	\$1,968,551
Very Strong	\$3,591	\$4,766	\$8,572	\$861,307	\$1,350,973	\$2,775,810	\$3,752,180

High-Rise Building (30 floors)							
	Rental Apartment			Condominium			
	Studio	1-BR	2-BR	Studio	1-BR	2-BR	3-BR
Weak	\$1,427	\$1,748	\$2,174	\$268,362	\$338,773	\$503,398	\$593,236
Moderate	\$1,784	\$2,185	\$2,717	\$335,453	\$423,466	\$629,247	\$741,545
Mid-Market	\$2,045	\$2,814	\$3,606	\$358,333	\$462,676	\$890,387	\$938,588
Strong	\$2,928	\$3,777	\$5,496	\$637,211	\$1,128,388	\$1,867,975	\$2,260,495
Very Strong	\$4,133	\$5,484	\$9,864	\$989,042	\$1,551,328	\$3,187,474	\$4,308,643

Note: Figures reflect data for units in buildings built in 2010 or later.
Sources: Reis; DataQuick, 2014; BAE, 2015.

C. Adjustments to Condominium Sale Price for 421-a Benefit

The 421-a tax exemption program is available by zone to condominium buyers, and in theory should be reflected in condo sale prices for those units in zones with this benefit. However, an analysis conducted for this Study, of sale prices with and without this benefit available to the buyer, did not reveal a clear sale price premium attributable to this factor. Further interviews with brokers and appraisers indicated that this theoretical premium is difficult to estimate, can vary widely, and is often subsumed by other price factors such as luxury amenities.

Given this dynamic context and the lack of detailed research on the impact to prices of the 421-a benefit, this analysis adjusts condo sale prices for the 421-a benefit based on the financial particulars of each development scenario. This approach, described below, is appropriate given that the dataset of recent sales used to determine baseline condominium prices included a roughly even mix of projects with and without the 421-a benefit.

For each development scenario, the present value of the total 421-a tax exemption from the mid-point of a project's sales to the end of the benefit time period was calculated to quantify the total value of the benefit over time. This value was then divided by the total residential

square footage of each project and then reallocated on a per unit basis to calculate the proportional value of the tax exemption to each unit buyer. Finally, an increment equal to one-third the total per unit value was added to the baseline price of each unit (including height premium adjustments described above) to arrive at the adjusted sale prices summarized in the tables below. This factor was arrived at based on discussion with active players in the real estate market and review of observed recent sales.

Table 5 and Table 6 below summarize the adjusted sale prices for condominium units in each market condition and building type tested in this feasibility analysis. The adjustments are shown separately for cases with on-site and off-site affordable units because the application of the 421-a premium will vary (due to more market-rate units being produced when affordable units are built off-site). The 421-a benefit period assumptions are briefly summarized at the bottom of each table and discussed in greater detail elsewhere in this report.

Table 5: 421-a Benefit Adjustments to Condominium Sale Price, On-Site Inclusionary

	Low-Rise Building (7 floors)								
	Base Sale Price (a)				Sale Price	Adjusted Sale Price (c)			
	Studio	1-BR	2-BR	3-BR	Adj. psf (b)	Studio	1-BR	2-BR	3-BR
Weak	\$230,157	\$290,544	\$431,732	\$508,780	\$170.90	\$261,175	\$333,969	\$505,048	\$599,015
Moderate	\$287,696	\$363,180	\$539,665	\$635,975	\$234.15	\$330,195	\$422,677	\$640,115	\$759,606
Mid-Market	\$307,319	\$396,808	\$763,628	\$804,966	\$330.48	\$367,301	\$480,783	\$905,404	\$979,460
Strong	\$546,495	\$967,745	\$1,602,042	\$1,938,681	\$446.19	\$627,478	\$1,081,122	\$1,793,458	\$2,174,269
Very Strong	\$848,238	\$1,330,474	\$2,733,691	\$3,695,245	\$311.92	\$904,851	\$1,409,733	\$2,867,504	\$3,859,939

	Mid-Rise Building (10 floors)								
	Base Sale Price (a)				Sale Price	Adjusted Sale Price (c)			
	Studio	1-BR	2-BR	3-BR	Adj. psf (b)	Studio	1-BR	2-BR	3-BR
Weak	\$233,703	\$295,020	\$438,384	\$516,619	\$172.09	\$264,938	\$338,748	\$512,210	\$607,483
Moderate	\$292,129	\$368,775	\$547,980	\$645,774	\$235.34	\$334,843	\$428,575	\$648,940	\$770,033
Mid-Market	\$312,054	\$402,922	\$775,393	\$817,369	\$333.27	\$372,542	\$487,605	\$918,366	\$993,335
Strong	\$554,915	\$982,656	\$1,626,726	\$1,968,551	\$450.16	\$636,619	\$1,097,042	\$1,819,844	\$2,206,236
Very Strong	\$861,307	\$1,350,973	\$2,775,810	\$3,752,180	\$317.86	\$918,999	\$1,431,741	\$2,912,172	\$3,920,010

	High-Rise Building (30 floors)								
	Base Sale Price (a)				Sale Price	Adjusted Sale Price (c)			
	Studio	1-BR	2-BR	3-BR	Adj. psf (b)	Studio	1-BR	2-BR	3-BR
Weak	\$268,362	\$338,773	\$503,398	\$593,236	\$175.02	\$300,128	\$383,246	\$578,481	\$685,646
Moderate	\$335,453	\$423,466	\$629,247	\$741,545	\$238.27	\$378,699	\$484,011	\$731,465	\$867,351
Mid-Market	\$358,333	\$462,676	\$890,387	\$938,588	\$340.09	\$420,059	\$549,093	\$1,036,286	\$1,118,155
Strong	\$637,211	\$1,128,388	\$1,867,975	\$2,260,495	\$459.91	\$720,684	\$1,245,251	\$2,065,277	\$2,503,327
Very Strong	\$989,042	\$1,551,328	\$3,187,474	\$4,308,643	\$332.43	\$1,049,378	\$1,635,798	\$3,330,086	\$4,484,166

Notes:

- (a) Reflects average recent sale values observed for units in buildings built in 2010 or later, as adjusted to account for building height premium.
- (b) Sale price adjustment factor was calculated as i) the net present value of the 421-a tax exemption to the unit owner for the duration of the applicable 421-a benefit period, assuming a discount rate of 4% ii) divided by the total residential square feet of the project and iii) adjusted by a factor of 33% of the total present value of the exemption; analysis assumes a 25-year 421-a benefit period for all market types except the Very Strong market, where the 20-year benefit is applied.
- (c) The adjusted sale price is ultimate sale price assumed for projects with a 421-a benefit, and was calculated by applying the per sq. ft. adjustment factor to the following unit size assumptions and adding that value to the base sale price as shown:

Studio	550
1-BR	770
2-BR	1,300
3-BR	1,600

Sources: DataQuick, 2014; BAE 2015.

Table 6: 421-a Benefit Adjustments to Condominium Sale Price, Off-Site Inclusionary

	Low-Rise Building (7 floors)									
	Base Sale Price (a)				Sale Price	Adjusted Sale Price (c)				
	Studio	1-BR	2-BR	3-BR	Adj. psf (b)	Studio	1-BR	2-BR	3-BR	
Weak	\$230,157	\$290,544	\$431,732	\$508,780	\$88.85	\$246,283	\$313,121	\$469,848	\$555,693	
Moderate	\$287,696	\$363,180	\$539,665	\$635,975	\$121.98	\$309,836	\$394,175	\$591,994	\$700,380	
Mid-Market	\$307,319	\$396,808	\$763,628	\$804,966	\$171.56	\$338,457	\$440,401	\$837,227	\$895,550	
Strong	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Very Strong	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	

	Mid-Rise Building (10 floors)									
	Base Sale Price (a)				Sale Price	Adjusted Sale Price (c)				
	Studio	1-BR	2-BR	3-BR	Adj. psf (b)	Studio	1-BR	2-BR	3-BR	
Weak	\$233,703	\$295,020	\$438,384	\$516,619	\$89.60	\$249,966	\$317,788	\$476,822	\$563,928	
Moderate	\$292,129	\$368,775	\$547,980	\$645,774	\$122.73	\$314,405	\$399,961	\$600,631	\$710,575	
Mid-Market	\$312,054	\$402,922	\$775,393	\$817,369	\$173.29	\$343,506	\$446,954	\$849,735	\$908,866	
Strong	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Very Strong	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	

	High-Rise Building (30 floors)									
	Base Sale Price (a)				Sale Price	Adjusted Sale Price (c)				
	Studio	1-BR	2-BR	3-BR	Adj. psf (b)	Studio	1-BR	2-BR	3-BR	
Weak	\$268,362	\$338,773	\$503,398	\$593,236	\$91.42	\$284,955	\$362,003	\$542,617	\$641,505	
Moderate	\$335,453	\$423,466	\$629,427	\$741,545	\$124.55	\$358,059	\$455,114	\$682,679	\$807,307	
Mid-Market	\$358,333	\$462,676	\$890,387	\$938,588	\$177.55	\$390,558	\$507,792	\$966,556	\$1,032,334	
Strong	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Very Strong	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	

Notes:

(a) Reflects average recent sale values observed for units in buildings built in 2010 or later, as adjusted to account for building height premium.

(b) Sale price adjustment factor was calculated as i) the net present value of the 421-a tax exemption to the unit owner for the duration of the applicable 421-a benefit period, assuming a discount rate of 4% ii) divided by the total residential square feet of the project and iii) adjusted by a factor of 33% of the total present value of the exemption; analysis assumes a 25-year 421-a benefit period for all market types except the Very Strong market, where the 20-year benefit is applied.

(c) The adjusted sale price is ultimate sale price assumed for projects with a 421-a benefit, and was calculated by applying the per sq. ft. adjustment factor to the following units size assumptions and adding that value to the base sale price as shown:

Studio	550
1-BR	770
2-BR	1,300
3-BR	1,600

Sources: DataQuick, 2014; BAE, 2015.

Land Acquisition Cost

The acquisition cost of land was a key variable considered in the financial feasibility model. In order to develop accurate estimates of the average value of land in various markets, BAE obtained land sale records from CoStar Group, a leading commercial real estate information company. Records were pulled for all sales of land for \$1.0 M or more with a residential intended use and with a closing date between January 1, 2013 and October 31, 2014. After filtering out sales of development or air rights and incomplete records, BAE sorted the remaining 150 records by NTA location, leading to a data set coded by market condition.

In order to establish a normalized acquisition cost assumption, BAE provided this set of sale records to DCP, which matched each record to the zoning classification and corresponding residential FAR for that property based on permitted FARs for the zoning districts listed in the 2014 PLUTO database¹⁴. This data was then used to calculate the average sale price per square foot of estimated zoned floor area (ZFA) within each market condition category (e.g. weak, strong).

In addition, BAE compared these results with the observations from a series of in-depth developer interviews in order to arrive at a final land acquisition assumption per ZFA for the financial feasibility model. These data are summarized in the table below.

It should also be noted that use of the sale price per ZFA metric in the model means that every unit across low-, mid-, and high-rise building prototypes in the market area has the same per-unit land cost. However, because the different building types and re-zonings being tested result in differently-sized building envelopes on the same 20,000 square foot lot (held constant), the use of a per ZFA land cost means that the larger the building, the more expensive the total land cost.

Table 7: Summary of Land Acquisition Cost Data and Model Assumptions

	Land Sale Records(a)				Developer Interviews (b)	Model Assumptions
	# of Sales	Median \$/ZFA	Average \$/ZFA	90th Percentile \$ / ZFA	\$ / ZFA	\$ / ZFA
Weak	4	\$31.59	\$30.25	\$40.05	NA	\$40.00
Moderate	52	\$89.38	\$94.99	\$158.99	\$150.00	\$160.00
Mid-Market	39	\$143.51	\$160.65	\$276.93	\$275.00	\$275.00
Strong	40	\$179.60	\$192.57	\$326.79	\$300.00	\$325.00
Very Strong	13	\$422.44	\$436.51	\$537.67	\$500.00 - \$1,000.00	\$550.00

Notes:

a) Sale records obtained from CoStar for land sales with an intended residential use for sales over \$1,000,000 from Jan 1, 2013 to Oct 31, 2014; NYC DCP provided ZFA assumptions to convert total land sale price to \$/ZFA.

b) BAE conducted six in-depth interviews with multifamily developers active in the New York market between Nov 2014 and Jan 2015; Several developers noted that in Very Strong and Strong Markets, land tends to trade at condo-related prices, creating challenges for rental projects which are challenging to "pencil" at condo land prices.

Sources: CoStar; NYC DCP; Developer interviews; BAE, 2014.

¹⁴ Note that DCP's estimate of ZFA for each of the 150 land transactions analyzed did not involve an in-depth, site-specific FAR estimate. The ZFA is based on the generalized zoning and other regulatory allowances for that site's location.

Absorption

BAE gathered information regarding current market expectations for absorption of newly built rental apartments and condominium units through a series of in-depth interviews with multifamily developers active in the New York City market. To avoid overestimating the value of time-sensitive financial measures within the analysis, based on these interviews and a wider review of recently published reports, BAE applied an absorption schedule intended to reflect a relatively conservative pace. These absorption assumptions, varied by project scale (building size), are summarized in the table below.

Table 8: Assumed Unit Absorption Schedule

	Rental Apartment			Condominium		
	Unit Count (a)	Absorption Rate (b)	Lease Up/Sales Period (c)	Unit Count (a)	Absorption Rate (b)	Lease Up/Sales Period (c)
Low-rise	110	10	0.92	77	6	1.07
Mid-rise	134	10	1.12	93	6	1.29
High-rise	287	10	2.39	200	6	2.78

Notes:

(a) Reports the number of units expected for each building prototype based on financial model assumptions including FAR, site size, loss factor, and unit size and distribution; Note that actual unit count under different affordability scenarios will vary, due to the variance in unit size between market-rate and affordable units.

(b) Absorption rate reported as the average number of units leased for the first time or sold per month

(c) Represents the approximate total period required to reach full leaseup or clear all for-sale units in years

Sources: BAE, 2015.

Affordability Targets

For affordable rental units, BAE calculated the maximum allowable monthly rent at various AMI levels for studio, one-, two-, and three-bedroom units using the average household size per unit and the adjusted Area Median Income of \$86,300 for a four-person household as the basis for calculations of rent limits at all AMI levels.¹⁵ This figure is based on the Fair Market Rent (FMR) figures published by HUD for 2015, as adjusted and provided to BAE by HPD staff. The maximum affordable rents for each unit type at each AMI level represents the amount that the household could afford to pay for rent without paying more than 30 percent of the household's median monthly income on combined rent and utility payments. The key assumptions and resulting rent limits used in the financial feasibility model are summarized in the table on the next page.

To estimate the maximum affordable sale price for condominium units, BAE assumed the same median income assumption for a family of four and average household size per unit factors as in the methodology described above for rent limits. The maximum affordable sale price is defined as the sale price at which a household will be able to pay no more than 30

¹⁵ The analysis was prepared in December 2014 and January 2015. The 2015 median household income was available, but the analysis used 2014 utility allowances due to 2015 estimates not yet available.

percent of the household's monthly income on combined mortgage and maintenance and operation (M&O) payments. To calculate the affordable sale price for studio, one-, two-, and three-bedroom units at various AMI levels, BAE used a modified version of the maximum affordable sale price calculator provided by HPD staff. Mortgage terms were assumed to reflect current market norms, and monthly M&O costs to the unit owner. In lieu of specific data for these owner costs, BAE generated an assumption of monthly cost using the average per unit operating expense used in the rental analysis as a proxy. This factor was then inflated by 15 percent to reflect the higher costs for an ownership unit. These key assumptions and the resulting maximum affordable sale prices for each unit type and AMI level used in the model are summarized in the table on second following page.

Table 9: Maximum Allowable Monthly Rent by AMI Level and Unit Size

Maximum Household Incomes (a)												
HH Size	30% AMI	40% AMI	50% AMI	55% AMI	60% AMI	80% AMI	90% AMI	100% AMI	125% AMI	130% AMI	145% AMI	165% AMI
1	\$18,150	\$24,200	\$30,250	\$33,275	\$36,300	\$48,400	\$54,450	\$60,500	\$75,625	\$78,650	\$87,725	\$99,825
2	\$20,730	\$27,640	\$34,550	\$38,005	\$41,460	\$55,280	\$62,190	\$69,100	\$86,375	\$89,830	\$100,195	\$114,015
3	\$23,310	\$31,080	\$38,850	\$42,735	\$46,620	\$62,160	\$69,930	\$77,700	\$97,125	\$101,010	\$112,665	\$128,205
4	\$25,890	\$34,520	\$43,150	\$47,465	\$51,780	\$69,040	\$77,670	\$86,300	\$107,875	\$112,190	\$125,135	\$142,395
5	\$27,990	\$37,320	\$46,650	\$51,315	\$55,980	\$74,640	\$83,970	\$93,300	\$116,625	\$121,290	\$135,285	\$153,945

Maximum Rents (c)												
Unit Size (b)	30% AMI	40% AMI	50% AMI	55% AMI	60% AMI	80% AMI	90% AMI	100% AMI	125% AMI	130% AMI	145% AMI	165% AMI
Studio	\$453.75	\$605.00	\$756.25	\$831.88	\$907.50	\$1,210.00	\$1,361.25	\$1,512.50	\$1,890.63	\$1,966.25	\$2,193.13	\$2,495.63
1-bedroom	\$486.00	\$648.00	\$810.00	\$891.00	\$972.00	\$1,296.00	\$1,458.00	\$1,620.00	\$2,025.00	\$2,106.00	\$2,349.00	\$2,673.00
2-bedroom	\$582.75	\$777.00	\$971.25	\$1,068.38	\$1,165.50	\$1,554.00	\$1,748.25	\$1,942.50	\$2,428.13	\$2,525.25	\$2,816.63	\$3,205.13
3-bedroom	\$673.50	\$898.00	\$1,122.50	\$1,234.75	\$1,347.00	\$1,796.00	\$2,020.50	\$2,245.00	\$2,806.25	\$2,918.50	\$3,255.25	\$3,704.25

Adjusted Maximum Rents (d)												
Unit Size	30% AMI	40% AMI	50% AMI	55% AMI	60% AMI	80% AMI	90% AMI	100% AMI	125% AMI	130% AMI	145% AMI	165% AMI
Studio	\$404	\$556	\$707	\$782	\$858	\$1,161	\$1,312	\$1,463	\$1,841	\$1,917	\$2,144	\$2,446
1-bedroom	\$436	\$598	\$760	\$841	\$922	\$1,246	\$1,408	\$1,570	\$1,975	\$2,056	\$2,299	\$2,623
2-bedroom	\$530	\$725	\$919	\$1,016	\$1,113	\$1,502	\$1,696	\$1,890	\$2,376	\$2,473	\$2,764	\$3,153
3-bedroom	\$611	\$836	\$1,060	\$1,172	\$1,285	\$1,734	\$1,958	\$2,183	\$2,744	\$2,856	\$3,193	\$3,642

Notes:

(a) All AMI income limits are based on a median income of \$86,300 for a family of four, based on 2015 FMR figures published by HUD.

(b) Household size are converted to unit sizes using the following factors:

Unit Size HH Size

- Studio : 1.0
- 1BR : 1.5
- 2BR : 3.0
- 3BR : 4.5

(c) Maximum monthly rent represents 30 percent of the corresponding income limit divided by 12 months.

(d) Adjusted maximum rents represent the maximum monthly rent less the monthly utility allowances for electricity, rounded down to the nearest whole number:

Unit Size Monthly Utility Allowance for Electricity

- Studio : \$49.00
- 1BR : \$50.00
- 2BR : \$52.00
- 3BR : \$62.00

Sources: New York City Dept of Housing Preservation and Development (HPD); US Dept of Housing and Urban Development (HUD); BAE, 2015.

Table 10: Maximum Affordable Sale Price by AMI Level and Unit Size

Maximum Household Incomes (a)											
HH Size	40% AMI	50% AMI	55% AMI	60% AMI	80% AMI	90% AMI	100% AMI	125% AMI	130% AMI	145% AMI	165% AMI
1	\$24,200	\$30,250	\$33,275	\$36,300	\$48,400	\$54,450	\$60,500	\$75,625	\$78,650	\$87,725	\$99,825
2	\$27,640	\$34,550	\$38,005	\$41,460	\$55,280	\$62,190	\$69,100	\$86,375	\$89,830	\$100,195	\$114,015
3	\$31,080	\$38,850	\$42,735	\$46,620	\$62,160	\$69,930	\$77,700	\$97,125	\$101,010	\$112,665	\$128,205
4	\$34,520	\$43,150	\$47,465	\$51,780	\$69,040	\$77,670	\$86,300	\$107,875	\$112,190	\$125,135	\$142,395
5	\$37,320	\$46,650	\$51,315	\$55,980	\$74,640	\$83,970	\$93,300	\$116,625	\$121,290	\$135,285	\$153,945

Maximum Monthly Housing Cost (c)											
Unit Size (b)	40% AMI	50% AMI	55% AMI	60% AMI	80% AMI	90% AMI	100% AMI	125% AMI	130% AMI	145% AMI	165% AMI
Studio	\$605.00	\$756.25	\$831.88	\$907.50	\$1,210.00	\$1,361.25	\$1,512.50	\$1,890.63	\$1,966.25	\$2,193.13	\$2,495.63
1-bedroom	\$648.00	\$810.00	\$891.00	\$972.00	\$1,296.00	\$1,458.00	\$1,620.00	\$2,025.00	\$2,106.00	\$2,349.00	\$2,673.00
2-bedroom	\$777.00	\$971.25	\$1,068.38	\$1,165.50	\$1,554.00	\$1,748.25	\$1,942.50	\$2,428.13	\$2,525.25	\$2,816.63	\$3,205.13
3-bedroom	\$898.00	\$1,122.50	\$1,234.75	\$1,347.00	\$1,796.00	\$2,020.50	\$2,245.00	\$2,806.25	\$2,918.50	\$3,255.25	\$3,704.25

Maximum Monthly Mortgage Payment (d)											
Unit Size (b)	40% AMI	50% AMI	55% AMI	60% AMI	80% AMI	90% AMI	100% AMI	125% AMI	130% AMI	145% AMI	165% AMI
Studio	\$30.00	\$181.25	\$256.88	\$332.50	\$635.00	\$786.25	\$937.50	\$1,315.63	\$1,391.25	\$1,618.13	\$1,920.63
1-bedroom	\$73.00	\$235.00	\$316.00	\$397.00	\$721.00	\$883.00	\$1,045.00	\$1,450.00	\$1,531.00	\$1,774.00	\$2,098.00
2-bedroom	\$202.00	\$396.25	\$493.38	\$590.50	\$979.00	\$1,173.25	\$1,367.50	\$1,853.13	\$1,950.25	\$2,241.63	\$2,630.13
3-bedroom	\$323.00	\$547.50	\$659.75	\$772.00	\$1,221.00	\$1,445.50	\$1,670.00	\$2,231.25	\$2,343.50	\$2,680.25	\$3,129.25

Maximum Affordable Sale Price (e)											
Unit Size (b)	40% AMI	50% AMI	55% AMI	60% AMI	80% AMI	90% AMI	100% AMI	125% AMI	130% AMI	145% AMI	165% AMI
Studio	\$5,560	\$33,544	\$47,443	\$61,528	\$117,681	\$145,665	\$173,649	\$243,701	\$257,786	\$299,854	\$355,822
1-bedroom	\$13,529	\$53,373	\$58,562	\$73,574	\$133,619	\$163,641	\$193,664	\$268,720	\$283,731	\$328,765	\$388,810
2-bedroom	\$37,435	\$73,388	\$91,365	\$109,341	\$181,432	\$217,385	\$253,338	\$343,405	\$361,382	\$415,311	\$487,402
3-bedroom	\$59,860	\$93,218	\$122,129	\$143,070	\$226,281	\$267,793	\$309,491	\$413,458	\$434,214	\$496,668	\$579,879

Notes:

- (a) All AMI income limits are based on a median income of \$86,300 for a family of four, based on 2015 FMR figures published by HUD.
 - (b) Household size are converted to unit sizes using the following factors:

<u>Unit Size</u>	<u>HH Size</u>
Studio	: 1.0
1BR	: 1.5
2BR	: 3.0
3BR	: 4.5
 - (c) Maximum monthly housing cost represents 30 percent of the corresponding income limit divided by 12 months.
 - (d) Represents the remainder of the max. monthly housing cost after an average monthly M&O payment of \$575.00; M&O payment represents average per unit operating expense reported by multifamily developers inflated by 15 percent to account for additional capital costs for an ownership unit.
 - (e) Max. affordable sale price reflects the sale price that corresponds to the maximum monthly mortgage payment, assuming the following terms:

Interest rate:	6.00%
Downpayment:	10.00%
- Sources: New York City Dept of Housing Preservation and Development (HPD); US Dept of Housing and Urban Development (HUD); BAE, 2015.

Building-Driven Assumptions

Building Prototypes

The financial feasibility model was designed to test three building prototypes using two tenure scenarios and two construction methods.

The building prototypes are defined as a low-rise building of seven floors, a mid-rise building of 10 floors, and a high-rise building of 30 floors. These three prototypes reflect consultation with NYC DCP and developers interviewed in late October, 2014. All building prototypes are assumed to use a poured concrete construction method. In order to most closely match the scale of off-site affordable developments contemplated in the feasibility model, we assume that off-site affordable buildings will be the low-rise prototype and therefore use block-and-plank construction,

Table 11: Development Program Summary

Market-Rate	Floors	Const. Type	Elevators
Low-Rise	7	Poured Concrete	1
Mid-Rise	10	Poured Concrete	2
High-Rise	30	Poured Concrete	2+

Affordable Off-Site

Low-Rise	7	Block-and-plank	1
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Sources: BAE, 2015

BAE modeled underground parking at a ratio of 0.5 spaces per market rate unit in all market-rate and mixed-income (i.e. “on-site”) building scenarios except for those in the Very Strong market category. This exception was made due to the Very Strong market category occurring exclusively in areas of Manhattan in which the zoning code does not include a parking requirement. Moreover, no parking requirement was assumed for affordable units under any scenario or market condition, reflecting the Department of City Planning’s proposal to eliminate required parking for affordable housing in the transit-accessible areas. In the event that parking were required for affordable units, increased construction costs in the absence of offsetting revenues would be expected to have a negative effect on project returns.

Each building prototype was tested for financial feasibility under a rental apartment-only and a condominium-only tenure scenario. No mixed-tenure building was tested in this analysis. All Development Programs are exclusively residential, with no ground floor retail or other uses assumed. This assumption was made for the purpose of isolating the impact of various affordability requirements on residential development in particular.

Zoning and Floor Area Ratio

All building prototypes are modeled to correspond to one of three pairs of zoning classifications representing initial and increased zoning and corresponding maximum FAR. These three pairs of zoning classifications represent three potential rezoning scenarios in which permitted residential densities are increased, and were identified by DCP as a range of typical scenarios based on a review of recent zoning map changes, and are summarized in the table below.

Table 12: Zoning and Density Assumptions

Upzoning Factor (a)	Initial Zoning	Initial FAR	Increased Zoning	Increased FAR (b)	Building Type	Building Size (gsf) (c)
130% FAR Increase	M1-2	2.00 (d)	R7A	4.60	Low-Rise	101,200
40% FAR Increase	R7A	4.00	R7D	5.60	Mid-Rise	123,200
100% FAR Increase	R8	6.02	R10	12.00	High-Rise	264,000

Notes:

(a) All potential rezoning factors were provided by DCP to represent a range of hypothetical zoning increases for analytic purposes only; these factors do not represent any statement of current or anticipated City policy.

(b) "Increased FAR" in this analysis refers to higher FAR allowed in areas designated for the Inclusionary Housing program.

(c) Building size, expressed as gross square feet (gsf), is calculated by inflating the zoning FAR by a factor of 10 percent and applying this adjusted FAR to a model site of 20,000 square feet.

(d) M1-2 zoning does not permit residential use.

Sources: New York City Department of City Planning (DCP); BAE, 2015.

To estimate the maximum building envelope for each development scenario in the feasibility model, BAE assumed a model 20,000 square foot development site, based on direction from DCP staff. In the street grid system widely found in New York City, this represents a typical lot frontage encompassing the short end of a block, for example along Manhattan's north-south avenues. The maximum building envelope in gross square feet was calculated by applying an adjusted FAR for the applicable zoning classification to the site size. The gross square footage figures for each zoning classification were also inflated by 10 percent from ZFA in order to account for floor space exempted from the definition of FAR (this includes mechanical space and certain other exempt spaces). Architects interviewed by DCP suggested this 10 percent loss factor.

Hard Costs

Hard construction costs, which include labor, building materials, and interior systems, vary greatly from project to project due to each project's unique site conditions. The methodology to develop hard costs for the three building types and the off-site affordable type was as follows:

- Estimate a baseline cost by building type using RS Means, a published guide to cost-estimating by region around the US

- Consultations with developers, both in a group setting in late October 2014, and through subsequent follow-up interviews. Note that some developers provided a range of costs per each building type, and also advised that these costs could vary, based on whether the project's contractors used union labor/paid union wages.
- Review of 11 pro formas of actual 80/20 rental projects submitted to NYC HPD in 2013-2014 as part of application of HPD subsidies.
- Formulation of model assumptions, based on a middle to high point in the range of costs provided by developers to account for union wages and a conservative approach to the analysis.

Table 13: Hard Cost Model Assumptions

Market Rate (assumed poured concrete for all prototypes)				
	RS Means (a)	Dev Group	HPD Sample (c)	Model Assumption
Low-Rise				
Stories	7	7	7	7
Price/Sq. Ft.	\$234	\$230 - \$250	\$217 - \$244	\$250
Mid-Rise				
Stories			8-12	10
Price/Sq. Ft.	NA	\$260 - \$275	\$200 - \$418	\$260
High-Rise				
Stories	24	28	up to 47	30
Price/Sq. Ft.	\$305	\$330 - \$360	\$296 - \$454	\$330
Off Site Affordable (assumed block & plank for prototypes shown)				
Low-Rise				
Stories		7		
Price/Sq. Ft.	NA	\$215 - 230	NA	\$215

a) RS Means - Low Rise from pre-cast panels & reinforced concrete
 RS Means - High-Rise from ribbed pre-cast concrete & reinforced concrete
 Calcs per RS Means:

	Low Rise Calc	High Rise Calc
Base/Sq.Ft.	\$174.50	\$227.40
Reg Adjustmt	1.34	1.34

b) Dev Group - High Rise based primarily on information from Avalon Bay for 28 story project last year (all union).

Some developers felt that this year cost would be \$360/psf due to cost escalation.

c) From analysis of pro formas for 15 projects with 80/20 rental mix + 3 additional for 100% affordable projects.

Provided by HPD.

Sources: RS Means, HPD, BAE, 2015.

In addition to the aforementioned hard cost assumptions, the analysis recognizes that hard costs are higher for more highly-finished condominiums than for rental units. Further, the “finishes” cost factor will be higher in Very Strong and Strong markets than in less expensive areas, in order to add value and create a more luxurious unit.

Table 14: Hard Cost Adjustment for Finishes

	Rental	Condo (a)
Weak	n/a	\$0.00
Moderate	n/a	\$0.00
Mid-Market	n/a	\$10.00
Strong	n/a	\$20.00
Very Strong	n/a	\$40.00

Notes:

a) Based on interviews with developers, who cited a \$40 to \$50+ finishes allowance for very strong projects.

Source: BAE, 2015.

Soft Costs

Soft costs are costs for design, engineering, legal, accounting, and fees/permits. Because most of these costs tend to vary based on the size and complexity of the project, to capture this relationship, soft costs are typically expressed as a percent of hard costs. However, some developers cited these costs as a fixed cost per square foot of building.

Sources for soft cost estimates included developer consultations and review of 14 sample pro formas provided by HPD (11 for 80/20 projects and 3 for 100 percent LIHTC projects). Research indicated that soft costs range from 15 to 18+ percent of hard costs. For purposes of using a conservative assumption, the model assumes a 20 percent soft cost factor applied to each hard cost assumption per building type/finishes, which did not include fees associated with construction financing.

Operating Expenses

Operating expenses for rental projects include the relatively constant set of services needed for any project (e.g., maintenance and repair, janitorial, utilities, and management), as well as the more variable costs associated with the level of amenities provided to tenants (e.g., doormen, fitness center, etc.). Operating costs will also vary between projects that are primarily market-rate (e.g. 80/20 or equivalent), and those that are 100 percent affordable.

Table 15: Operating Expense Assumptions

	Developers (a)	HPD Sample Pro Formas		Model (b)
		# of Projects	Average	
Market Rate				
Very Strong (a)	\$9,000 - \$10,000	4	\$9,289	\$9,500
Strong	not active	5	\$9,095	\$9,000
Mid-Market	not active	1	\$8,175	\$8,500
Moderate	not active	0	NA	\$8,000
Weak	not active	0	NA	\$7,500
Affordable (Off-Site)				
Very Strong	not active	1	\$10,450	\$6,700
Strong	not active	1	\$7,926	\$6,700
Mid-Market	\$6,400	1	\$6,522	\$6,500
Moderate	not active	0	NA	\$6,000
Weak	not active	0	NA	\$6,000

a) Most developers interviewed gave broad ranges b/c it depends on amenities scale of project. All market rate rental developers interviewed were currently active only in the Very Strong market.

b) If data was not available, BAE made estimate based on scaling from known information.

Sources: Developer consultations, sample pro formas from HPD, BAE, 2015.

Financing, Public Subsidies, and Real Estate Tax Assumptions

Financing Assumptions

Financing assumptions for the analysis were formulated based on interviews with a mix of residential lenders including Enterprise, Citi, and Wells Fargo along with several industry representatives. HPD also provided its underwriting assumptions for 80/20 tax exempt bond financing. Assumptions utilized in the analysis are shown below (Table 16).

Table 16: Financing Assumptions

	Rental			Condo
	Const. Loan	Perm. Loan	Tax-Exempt Bond	Const. Loan
Term (years)	2	30	35	2
Interest Rate	4.50%	5.75%	5.00%	4.50%
Debt Service Coverage Ratio (DSCR)	n/a	1.25	1.15	n/a
Loan-to-Cost (LTC), Loan-to-Value (LTV)	75.00%	75.00%	85.00%	75.00%
Origination & Underwriting	2.25%	2.25%	3.25%	2.25%
Condo Release Rate				1.15

Sources: Interviews with 5 residential lenders; BAE 2015.

Public Subsidy: 4 Percent Low Income Housing Tax Credits (LIHTCs)

The 4-percent LIHTC supports affordable rental projects by providing a source of equity through sale of the credit to investors, as well as use of tax-exempt bonds as a source of inexpensive debt. The eligible basis for the issuance of LIHTCs is based on the hard, soft, and financing costs attributable to the portion of the development targeted to households at or below 60-percent AMI; the total equity available from the syndication of the credits is calculated based on information published in the State 2014 Low Income Housing Qualified Allocation Plan (QAP) and provided by HPD and HDC staff. As per direction of HDC staff, the maximum tax-exempt bond amount eligible to be used for construction financing is set to the equivalent of 52 percent of hard and soft costs attributable to the portion of the project targeted at or below 60-percent. The maximum tax-exempt bond amount available for permanent financing is based on the Net Operating Income (NOI) attributable to the portion of the project targeted at or below 60-percent AMI. The table below summarizes the key assumptions used to calculate both the LIHTC equity and tax-exempt bond amount available to development scenarios in the financial feasibility model.

Table 17: Key Assumptions for Low Income Housing Tax Credits (LIHTC)

LIHTC Equity Assumptions

High Cost Area Adjustment Factor (DDA)	1.30
Value of 4-percent Tax Credit	3.22%
Price of \$1.00 4-percent Credit (a)	\$1.13
Maximum Tax Credit Value per Unit	\$455,000
Maximum Eligible Developer Fee	15.00%
Eligible Portion of Soft Costs	95.00%

Tax-Exempt Bond Assumptions

Portion of Aff. Hard, Soft Costs Issued for Const.	52.00%
Bond Terms (years)	35
Annual Interest Rate	5.00%
Debt Service Coverage Ratio (DSCR)	1.15
Issuance Costs	3.25%

Notes:

(a) Value of \$1.00 credit is net of syndication costs.

Sources: 2014 New York State Qualified Action Plan (QAP); New York City Housing Development Corporation (HDC); New York City Dept. of Housing Development and Preservation (HPD); BAE, 2015.

Real Estate Taxes

In order to accurately estimate the real estate tax liability for model development scenarios, BAE designed the financial feasibility model to include the impacts of the 421-a Program under a variety of circumstances. The 421-a Program, created in 1971, exempts a portion of the property taxes due on new construction residential development for a certain period of time. The period of time is determined depending of the location of the development and how much on-site affordable housing is required. The exemption is applied to the difference between the entire assessed value of the property after it has been built and the assessed value of the development site prior to construction. The program's goals are to stimulate the production of housing and to ensure that some portion of that housing is affordable to low- and moderate-income New Yorkers. The program, renewed and amended in June 2011, is currently in effect until June 15, 2015, at which time, without State extending legislation, benefits for new projects will not be available. BAE was directed by City staff to perform the financial feasibility analysis described in this report assuming the use of the as-of-right 15-year and extended 20-year and 25-year benefit options, applied depending on the correspondence between market types and Geographic Exclusion Area boundaries, and on the affordability requirements associated with benefits. Note that for the purposes of this analysis, the use of 421-a certificates was not assumed.

The key feature of the 421-a Program is that a certain portion of a property's assessed value is exempted from consideration in the calculation of real property taxes for a specific period of time, or benefit period. In order to receive the benefit in a multifamily rental development, the project may be required to provide a certain portion of units as affordable units. The applicable benefit period and affordability requirement (if any) for a given property are determined by the property's location – either inside or outside of a Geographic Exclusion Area (GEA) – and whether or not the property receives any additional public subsidy, or Substantial Government Assistance (SGA). For the purposes of this analysis, BAE consulted with City staff to determine a simplified set of applicable benefit periods to correspond with the market condition and level of affordability of each development scenario.

Table 18: Benefit Schedule Assumptions by Market Condition and Affordability

<u>Market Condition</u>	<u>No Affordability (a)</u>	<u>Meets Aff. Requirement (b)</u>
Weak	15-year benefit	25-year benefit
Moderate	15-year benefit	25-year benefit
Mid-Market	15-year benefit	25-year benefit
Strong	no benefit	25-year benefit
Very Strong	no benefit	20-year benefit

Notes:

(a) "No affordability" refers to a 100 percent market rate project with no affordable units.

(b) A project was considered to meet the affordability requirement if at least 20 percent of total units were designated for households at or below 60 percent AMI.

Under each benefit schedule, the difference between the Total Assessed Value (AV) for the built project and the Base Year AV for the property prior to construction is exempted from taxation for the duration of the benefit period, which phases out gradually over the last four to eight years of the benefit period. The Base Year AV is always taxed at full value regardless of the benefit period.

In consultation with HDC staff, BAE estimated the Total AV and Base Year AV for each development scenario based on an analysis of available data from the Department of Finance (DOF). The Base Year AV was determined by applying the average AV per square foot of land observed in the FY 2014-15 DOF Comparable Properties database to a 20,000 square foot model site. The average AV was calculated for real properties in each of the five market condition categories defined in the market index component of this study.

To be consistent with the valuation methodology employed by DOF, the Total AV was defined as equal to 45 percent of the approximate Market Value, which was calculated following the method used by DOF. The DOF Approximate Market Value is calculated by dividing the sum of a DOF Cap Rate and Effective Tax Rate into an NOI estimate for the project. The DOF Cap Rate and Effective Tax Rate figures were taken from the FY 2016 Guidelines for Properties Valued Based on the Income Approach, published in January 2015. The estimated NOI for each development scenario was determined by applying the 95th percentile of NOI per building square foot observed in the FY 2014-15 DOF Comparable Properties database to the gross square feet to be developed under each model scenario. Note that the Total AV was also calculated following this method on a pro-rated basis for years falling during the construction period.

In addition, for development scenarios where no affordable units were included (e.g. a project that is developed outside of the GEA with no on- or off-site affordable housing or a project within the GEA which meets the affordability requirement through off-site development), an AV cap was applied. The AV cap limits the amount of a property's Total AV that is eligible for exemption under the 421-a Program to a level determined by a per unit cap. The AV cap was set to \$65,000 per unit in 2008 with an annual three percent escalation, meaning that for 2015 a cap of \$79,941 per unit applies. This means that when the Total AV, as calculated following the methodology above, is higher than this amount on a per unit basis, that the Total AV to which the 421-a exemption is applied throughout the benefit period is reduced. This AV cap methodology is consistent with the 421-a Legislation Overview published by HPD in February 2013 and provided to BAE by HDC staff.

Following the methodology outlined above, BAE applied the published real property tax rate for Class II properties for FY 2014-15 of 12.855 percent of Assessed Value to the Total AV (as adjusted for the AV cap, as applicable) to estimate the total real estate tax owed without exemption. BAE then deducted the total real estate tax exemption amount, as determined by the applicable 421-a benefit schedule, to arrive at the total real estate taxes owed with a 421-

a exemption by each development scenario. The following table summarizes the assumed values for each of the variables described above.

Table 19: Assumed Values for Calculation of Assessed Value & Real Property Taxes

Market Condition	Base Year AV per sq. ft. of land (a)	DOF Cap Rate (b)	DOF Effective Tax Rate (c)	NOI per gross sq. ft. (d)	Base Tax Rate (e)
Weak	\$15.00	7.50%	5.785%	\$13.28	12.855%
Moderate	\$15.00	7.50%	5.785%	\$18.01	12.855%
Mid-Market	\$35.00	7.50%	5.785%	\$25.88	12.855%
Strong	\$50.00	6.90%	5.785%	\$33.45	12.855%
Very Strong	\$100.00	6.70%	5.785%	\$36.39	12.855%

Notes:

(a) Based on analysis of reported Assessed Values by market area in the FY 2014-15 DOF Comparable Properties Database.

(b) Based on the range of cap rates for residential buildings with more than 10 units built after 1972 in high, medium, and low markets in Manhattan and the Outer Boroughs as published by DOF in the FY 2016 Guidelines for Properties Valued Based on the Income Approach

(c) As published in the DOF in the FY 2016 Guidelines for Properties Valued Based on the Income Approach

(d) Represents the 95th percentile value of observed NOI per GSF by market area as published in the FY 2014-15 DOF Comparable Properties Database

(e) Base tax rate for Class II properties for FY 2014-15 as published by DOF

Sources: New York Department of Finance (DOF); New York Housing Development Corporation (HDC); BAE, 2015.

Measures of Financial Return

Yield on Cost (YOC) and Return on Cost (ROC)

A key measure of feasibility is the project’s Yield on Cost for rental projects (YOC) or Return on Cost for condominium projects (ROC).

For rental projects, the YOC is analyzed for the stabilized year (when full lease-up has occurred). It consists of dividing net income (before debt service and the investor’s income taxes) by total project cost (excluding financing costs). Many analysts and developers prefer using this financial metric to evaluate feasibility because it does not take into account financing costs, and thus allows for projects with a wide range of financing and leverage to be compared to each other, without distortions from leverage. This metric is the closest to a pure “economic” return on the project and does not account for the time value of money. Numerous developers and industry experts agree that a feasible YOC, at a minimum, is approximately 6.0 percent for rental projects.

For condo projects, the ROC is calculated by analyzing profit after all condo sales have occurred (e.g., revenues less development costs excluding financing costs), divided by development costs excluding financing costs. Again, this metric does not account for leverage arrangements. Since condominiums carry slightly more market risk than rental projects in most periods, industry experts agree that an 8.0 percent annual ROC is feasible; when compounded for the duration of pre-development through construction and absorption

(assumed as approximately five years for this study), the minimum feasible ROC is 46.9 percent.

These minimum feasibility thresholds, which will change over time, are related to economic cycles and alternative investment opportunities.

Unleveraged Internal Rate of Return (Unleveraged IRR)

The internal rate of return on an investment or project is the "annualized effective compounded return rate" that makes the net present value of all cash flows (both positive and negative) from a particular investment equal to zero. It can also be defined as the discount rate at which the present value of all future cash flow is equal to the initial equity investment.

The rationale for using an unleveraged rate of return is that developers can make a wide variety of arrangements regarding financing; some developers such as REITs typically do not borrow funds to build projects (or borrow from other debt REITs). The unleveraged IRR seeks to eliminate the distortions of financing by evaluating the project as though it was funded with only equity, and compares this investment to the net cash flows from the project over time. Most developers interviewed for this Study noted that an unleveraged IRR of between 8 and 10 percent would represent a minimum threshold of feasibility.

Leveraged Internal Rate of Return (IRR)

The leveraged IRR represents the return on only the portion of total project costs paid for by developer equity investment, factoring in leverage arrangements (e.g., through debt financing) and the time value of money.

Inclusionary Requirement Scenarios

This Study seeks to analyze the effects a range of potential inclusionary requirements would have on the financial feasibility of new multifamily residential development under a variety of conditions. To this end, BAE and City Staff developed a range of potential inclusionary requirements for feasibility testing.

Each potential MIH requirement represents a combination of an average income target and a total set-aside requirement. The income target, expressed as a percent of Area Median Income (AMI), specifies the maximum income level of households for whom affordable units are to be reserved. For the purposes of this analysis, a blended *average* AMI level is presented. A number of tiered income target requirements are possible under each blended average. For example, a blended average income target of 60-percent-AMI may be achieved by a specific affordability requirement of 10 percent of units at 40-percent-AMI and 10 percent of units at 80-percent-AMI for a total blended average of 20 percent of units at 60-percent-AMI.

The set-aside for each potential affordability requirement represents the total share of the project that must be developed as affordable housing. The set-aside applies to the total residential square feet (RSF) of a project. For example, a development with 100,000 RSF would reserve 20,000 square feet for affordable units under a 20-percent set-aside. Because affordable units are assumed to be somewhat smaller than market-rate units in this analysis, the resulting number of affordable units in a building will represent a slightly higher share of total units than the set-aside percentage.

The analysis tests three average income targets – 60, 75, and 90-percent AMI – at five set-aside requirements, ranging from 20 to 50 percent. This results in a grid of 15 potential affordability requirements, which are then tested under various scenarios as described in the following chapter.

The use of 4% LIHTC is only tested under the 60-percent AMI average inclusionary income target; this target is modified to a 50-percent AMI average target when testing the 20-percent set-aside, in conformance with the requirement in New York City that a project must include at least 20-percent of units at or below 50-percent AMI or at least 25-percent of units at or below 60-percent AMI in order to qualify for 4% LIHTC.

Table 20 summarizes the potential affordability requirement income targets and set-asides tested in this analysis, as applicable to each affordability program scenario (i.e. MIH affordability requirement only, 421-a Program and/or LIHTC in combination with MIH).

Table 20: MIH Affordability Requirement Range

Income Target	Set-Aside Requirement (a)				
	20%	25%	30%	40%	50%
50% AMI	LIHTC (b)	n/a	n/a	n/a	n/a
60% AMI	MIH/421a	MIH/421a/LIHTC	MIH/421a/LIHTC	MIH/421a/LIHTC	MIH/421a/LIHTC
75% AMI	MIH/421a	MIH/421a	MIH/421a	MIH/421a	MIH/421a
90% AMI	MIH/421a	MIH/421a	MIH/421a	MIH/421a	MIH/421a

Notes:

Target incomes and set-asides reflect potential inclusionary requirement values developed for analytic purposes only and do not represent any statement of policy

(a) Set-aside requirement is defined as a percentage of total residential square feet

(b) A 50% AMI income target is tested only at the 20% set-aside level for the purpose of allowing the applicability of 4-percent LIHTC credits; at all other set-aside levels, LIHTC eligibility is consistent with the 60% AMI income target

Sources: NYC Department of City Planning; NYC Dept. of Housing Preservation and Development; BAE, 2015.

VI. Summary of Findings

Overview of Feasibility Scenarios

Presentation and Parameters of Scenario Testing

BAE used the financial feasibility model to test over 1,200 unique multifamily residential development scenarios. The test results are provided in detailed summary tables in Appendix F and Appendix G. These tables are presented separately for rental and condominium projects, in order of market condition (from Very Strong to Weak), and in order of inclusionary income target. Within each market condition and income target, results are shown for a series of possible set-aside requirements with and without the receipt of a 421-a tax exemption and use of 4% LIHTC, as well as under on- or off-site affordable housing scenarios. Results for each building prototype are shown in separate tables. Please note the following key parameters of this feasibility analysis:

Building Prototype and Market Condition Combinations

In recognition of market norms, the low-rise building type series does not test low-rise development under a Very Strong market condition, due to the typical zoning for such areas and pattern of maximizing as-of-right development floor area when land prices are high. Conversely, the high-rise building type series does not test high-rise development under a Weak market condition, where market conditions are not conducive to generating this product type.

LIHTC Application

The use of LIHTC credits is only tested under the 60-percent AMI average inclusionary income target; this target is modified to a 50-percent AMI average target when testing the 20-percent set-aside, in conformance with the requirement that a project must include at least 20-percent of units at or below 50-percent AMI or at least 25-percent of units at or below 60-percent AMI in order to qualify for LIHTC.

421-a Program Application

The analysis assumes the current form of the 421-a tax exemption program for the baseline condition. The Geographic Exclusion Area (GEA) requires on-site affordability in the strongest New York City real estate markets as determined by legislative bodies. Projects developed inside the GEA must provide on-site affordable housing (for projects without substantial governmental assistance, 20 percent of units at 60-percent AMI) in order to receive a 20- or 25-year extended benefit. Projects developed outside of the GEA do not have to provide on-site affordable housing in order to receive the exemption. These types of projects receive an as-of-right 15-year benefit.

As such, this analysis assumes that the as-of-right 15-year benefit is not available for an entirely market-rate project in the Very Strong and Strong market conditions, because such a benefit would not be available in these market types. This means that under an Off-Site scenario, where the affordability requirement is fulfilled by affordable housing units developed off-site, the market-rate building (or “On-Site Component”) does not receive any 421-a benefit. In the Mid-Market, Moderate, and Weak categories, the as-of-right 15-year benefit is assumed to apply whether or not affordable housing is provided on-site, while the off-site component (where the affordable units are located) is assumed to receive the extended benefit that best corresponds to each market condition (i.e. 20-year benefit in the Very Strong market and the 25-year benefit in all other market conditions).

For analytical purposes, BAE assumed that projects satisfying MIH requirements would also be eligible to receive a 421-a benefit.

Baseline Development Scenarios

Two “baseline” development scenarios are tested for each building prototype under each market condition. Both baseline scenario findings represent the feasibility, or lack thereof, of a project that is developed in accordance with the zoning designation applicable to the subject site prior to the proposed re-zoning with MIH. The baseline should demonstrate the yield and financial feasibility of the site under current conditions as a point of comparison.

“No 421-a baseline” Scenario

The “no 421-a baseline” scenario represents projects where no 421-a benefit is applied whether or not that benefit is available as-of-right without the need to provide affordable housing.

“421-a baseline” Scenario

In the “421-a baseline” scenario for the Strong and Very Strong market conditions, the baseline represents a project without SGA, that provides 20-percent of units at 60-percent AMI and receives the 20-year extended benefit. In the Weak, Moderate, and Mid-Market typologies, the as-of-right 15-year benefit without affordability requirements was applied.

Zoning Assumption

All scenarios, with the exception of the baseline scenarios, represent a “pre-rezoning” land acquisition and “post-rezoning” development, in which the acquisition cost matches a site at current zoning, but the project is built to the allowable site density after rezoning and subject to the corresponding MIH inclusionary requirement. The market for land is extremely dynamic and responds to myriad countervailing factors, including the net impact of both the rezoning and the corresponding affordability requirement; the simplified assumption used in this citywide analysis was chosen in lieu of any generalized assumptions regarding the impact on future land values of the proposed program.

Feasibility Thresholds

Based on consultation with developers active in the New York City market, this analysis defines the feasibility threshold at 6 percent YOC at the year of stabilization for rental apartments. For condominium projects, with slightly more market risk, an 8 percent annual ROC was defined; when compounded by the period of pre-development through sales (five years) to 47 percent. Projects that achieve returns at or above these thresholds are highlighted with color in the summary tables shown below and detailed appendix tables.

In addition to this absolute feasibility threshold, the summary of findings illustrates the *relative* impact of each proposed inclusionary requirement on a project, as compared to the baseline scenarios described above. A positive impact on returns as compared to a baseline scenario would suggest that the scenario is conducive to new housing development. However, one should not expect that rezoning with Inclusionary Housing requirements will necessarily make unsubsidized development feasible where it is not currently feasible. For instance, in conditions where market rents do not support new construction without subsidy, increased residential density at these same rents would not substantially increase returns; therefore public subsidy would be still be necessary in such rezoning scenario.

Findings from this analysis are presented below, with detailed summary tables including key assumptions included in Appendix F for rental housing, and Appendix G for condominiums.

Findings

Rental Projects

Market-rate rental housing is generally underwritten with 421-a benefits, and most of that housing is constructed within the Very Strong and Strong markets. However, developers interviewed for this report stated that currently high land prices, driven by the condominium market where higher residuals allow condominium developers to pay more for available sites, makes constructing rental housing a challenge (see Chapter II of this report). This commentary is consistent with the relatively low returns for the baseline scenarios for rental housing. However, as described above, this analysis looks not only at an absolute threshold for project feasibility, but also at feasibility relative to the baseline condition.

Thus, in the current housing market, the addition of an MIH requirement to rental projects, in conjunction with a re-zoning, without a tax exemption or other form of subsidy, would not improve baseline feasibility except for high-rise buildings in the Very Strong market. However, in Very Strong and most Strong market scenarios, the combination of an MIH requirement ranging from a 20 percent to 30 percent set-aside and a 421-a benefit supports housing development by either exceeding baseline scenario returns or by exceeding the benchmark investment rate of 6 percent YOC.

Additional findings include:

- **MIH requirements work best in strong housing markets.** Returns for MIH scenarios are substantially better in the Very Strong and Strong market conditions, where returns are aided by the revenue from additional units allowed by changes in zoning. In weaker markets additional density does not contribute substantially to improved YOC.
- **Based on current conditions, for rental developments, substantial MIH set-asides require the availability of a 421-a benefit (or its equivalent).** In most Very Strong and Strong market scenarios, when coupled with 421-a benefits, the MIH Requirement at set-asides ranging from 20 percent to 30 percent is generally feasible and supportive of housing production.
- **The threshold AMIs and percentage of set-aside for affordable housing impacts feasibility.** Within each market condition and within each set-aside requirement, the higher the AMI level the better the return. For example within the Mid-Market scenario, where returns were lower than in stronger market conditions, within each percentage set-aside, feasibility increased steadily as AMIs rose from 60 percent to 90 percent. Also, when set-asides are lowered and AMI thresholds are held constant, returns also rise due to more market-rate units.
- **Rental projects in Moderate and Weak markets do not achieve sufficient returns to achieve feasibility without subsidies, even before incorporating an inclusionary requirement.** This reflects the reality that few market-rate rental projects are being built in markets with relatively low rents, as they are unable to support current construction costs and land prices.
- **The mid-rise prototype scenario in the Mid-Market condition is most sensitive to MIH requirements, and may require a set-aside at moderate income levels to support housing production.** The application of MIH requirements to mid-rise buildings in the Mid-Market slightly reduces feasibility relative to the baseline, even with the application of 421-a benefits. Though mid-rise and low-rise developments yielded lower returns than other building prototypes across all market conditions, with the application of 421-a benefits, such developments generally show stronger returns relative to their baseline. However, that is not the case in the Mid-Market scenario. This is due, in part, to the relatively lower increase in permitted residential density assumed under re-zoning for this prototype in this analysis (i.e. a 40-percent FAR increase was assumed for the mid-rise prototype, compared with a 100-percent FAR increase assumed for the high-rise prototype), as well as lower rents under Mid-Market conditions compared to stronger markets. For high-rise prototypes, in contrast, assumptions that a premium can be obtained for rents on upper stories contributes to improved feasibility. Nonetheless, this set of results suggests that relative feasibility in

the Mid-Market condition is more sensitive to the MIH requirement than in other market conditions, and that a set-aside at a relatively higher, moderate AMI level may be necessary to support housing production in Mid-Market conditions.

Table 21: Summary of Financial Feasibility Analysis - Rental (YOC)

Baseline (a)		MIH Only										MIH + 421a										MIH + 421a + 4% LIHTC															
Current Zoning	Current w/ 421-a	On-Site Affordability					Off-Site Affordability					On-Site Affordability					Off-Site Affordability					On-Site Affordability					Off-Site Affordability										
		20%	25%	30%	40%	50%	20%	25%	30%	40%	50%	20%	25%	30%	40%	50%	20%	25%	30%	40%	50%	20%	25%	30%	40%	50%	20%	25%	30%	40%	50%	20%	25%	30%	40%	50%	
Very Strong																																					
60% AMI																																					
Low-Rise	NA (b)	NA (c)					NA (c)					NA (c)					NA (c)					NA (c)					NA (c)										
Mid-Rise	5.1% 5.6%	4.5%	4.0%	3.5%	2.7%	1.8%	4.8%	4.5%	4.3%	3.8%	3.4%	7.0%	6.5%	6.1%	5.2%	4.2%	5.2%	5.0%	4.8%	4.4%	4.1%	7.5%	7.2%	6.8%	6.0%	5.1%	5.4%	5.3%	5.1%	4.8%	4.5%						
High-Rise	5.2% 5.8%	6.3%	5.7%	5.1%	3.9%	2.8%	6.6%	6.3%	5.9%	5.3%	4.8%	9.3%	8.7%	8.1%	6.9%	5.7%	7.1%	6.7%	6.5%	6.0%	5.6%	10.0%	9.7%	9.2%	8.2%	7.1%	7.3%	7.1%	6.9%	6.5%	6.1%						
75% AMI																																					
Low-Rise	NA (b)	NA (c)					NA (c)					NA (c)					NA (c)					Not eligible					Not eligible										
Mid-Rise	5.1% 5.6%	4.6%	4.1%	3.7%	2.9%	2.1%	4.9%	4.7%	4.4%	4.0%	3.6%	7.1%	6.7%	6.3%	5.4%	4.6%	5.3%	5.1%	4.9%	4.6%	4.3%	Not eligible					Not eligible										
High-Rise	5.2% 5.8%	6.4%	5.8%	5.3%	4.2%	3.1%	6.7%	6.4%	6.1%	5.5%	5.0%	9.4%	8.9%	8.3%	7.2%	6.1%	7.2%	6.9%	6.6%	6.2%	5.8%	Not eligible					Not eligible										
90% AMI																																					
Low-Rise	NA (b)	NA (c)					NA (c)					NA (c)					NA (c)					Not eligible					Not eligible										
Mid-Rise	5.1% 5.6%	4.7%	4.3%	3.9%	3.1%	2.3%	5.0%	4.8%	4.5%	4.1%	3.8%	7.2%	6.8%	6.4%	5.6%	4.8%	5.4%	5.2%	5.0%	4.8%	4.5%	Not eligible					Not eligible										
High-Rise	5.2% 5.8%	6.5%	6.0%	5.5%	4.4%	3.4%	6.8%	6.5%	6.2%	5.6%	5.2%	9.6%	9.0%	8.5%	7.4%	6.4%	7.3%	7.0%	6.8%	6.3%	6.0%	Not eligible					Not eligible										
Strong																																					
60% AMI																																					
Low-Rise	NA (b)	3.0%	2.6%	2.2%	1.4%	0.6%	3.3%	3.1%	2.8%	2.4%	2.1%	6.6%	6.2%	5.8%	5.0%	4.1%	3.8%	3.7%	3.5%	3.3%	3.1%	7.3%	7.1%	6.8%	6.2%	5.5%	4.0%	4.0%	3.9%	3.7%	3.5%						
Mid-Rise	3.4% 4.7%	2.6%	2.3%	1.9%	1.2%	0.6%	3.0%	2.8%	2.6%	2.2%	1.9%	5.6%	5.3%	4.9%	4.2%	3.6%	3.4%	3.3%	3.2%	3.0%	2.8%	6.1%	5.9%	5.7%	5.1%	4.5%	3.5%	3.5%	3.4%	3.3%	3.2%						
High-Rise	3.4% 4.8%	3.7%	3.3%	2.9%	2.0%	1.2%	4.1%	3.8%	3.6%	3.2%	2.9%	6.9%	6.5%	6.0%	5.2%	4.4%	4.6%	4.4%	4.3%	4.0%	3.8%	7.5%	7.3%	7.0%	6.4%	5.7%	4.7%	4.7%	4.6%	4.4%	4.2%						
75% AMI																																					
Low-Rise	NA (b)	3.2%	2.8%	2.5%	1.7%	1.0%	3.5%	3.2%	3.0%	2.7%	2.4%	6.8%	6.4%	6.1%	5.3%	4.6%	4.0%	3.9%	3.7%	3.5%	3.4%	Not eligible					Not eligible										
Mid-Rise	3.4% 4.7%	2.7%	2.4%	2.1%	1.5%	0.9%	3.1%	2.9%	2.7%	2.4%	2.2%	5.8%	5.5%	5.1%	4.5%	3.9%	3.5%	3.4%	3.4%	3.2%	3.1%	Not eligible					Not eligible										
High-Rise	3.4% 4.8%	3.8%	3.5%	3.1%	2.3%	1.6%	4.2%	4.0%	3.8%	3.4%	3.1%	7.0%	6.7%	6.3%	5.5%	4.7%	4.7%	4.5%	4.4%	4.2%	4.0%	Not eligible					Not eligible										
90% AMI																																					
Low-Rise	NA (b)	3.4%	3.0%	2.7%	2.1%	1.4%	3.6%	3.4%	3.2%	2.9%	2.6%	7.0%	6.7%	6.3%	5.7%	5.0%	4.1%	4.0%	3.9%	3.8%	3.6%	Not eligible					Not eligible										
Mid-Rise	3.4% 4.7%	2.9%	2.6%	2.3%	1.8%	1.3%	3.2%	3.0%	2.9%	2.6%	2.4%	5.9%	5.6%	5.4%	4.8%	4.2%	3.6%	3.6%	3.5%	3.4%	3.3%	Not eligible					Not eligible										
High-Rise	3.4% 4.8%	4.0%	3.6%	3.3%	2.6%	1.9%	4.3%	4.1%	4.0%	3.6%	3.3%	7.2%	6.8%	6.5%	5.8%	5.1%	4.8%	4.7%	4.6%	4.4%	4.3%	Not eligible					Not eligible										
Mid-Market																																					
60% AMI																																					
Low-Rise	NA (b)	1.7%	1.4%	1.2%	0.6%	0.1%	1.9%	1.8%	1.6%	1.4%	1.2%	4.5%	4.2%	3.9%	3.4%	2.9%	4.4%	4.2%	4.1%	3.8%	3.6%	4.9%	4.8%	4.7%	4.3%	3.9%	4.6%	4.6%	4.5%	4.3%	4.1%						
Mid-Rise	2.0% 4.1%	1.5%	1.3%	1.0%	0.6%	0.1%	1.8%	1.6%	1.5%	1.3%	1.1%	3.9%	3.6%	3.4%	2.9%	2.5%	3.9%	3.8%	3.7%	3.5%	3.3%	4.1%	4.1%	4.0%	3.6%	3.2%	4.1%	4.1%	4.0%	3.9%	3.7%						
High-Rise	2.1% 4.2%	2.3%	2.0%	1.7%	1.2%	0.6%	2.6%	2.4%	2.3%	2.0%	1.8%	4.7%	4.4%	4.2%	3.6%	3.0%	4.8%	4.7%	4.5%	4.3%	4.0%	5.1%	5.0%	4.9%	4.5%	4.0%	5.0%	5.0%	4.9%	4.7%	4.5%						
75% AMI																																					
Low-Rise	NA (b)	1.9%	1.7%	1.4%	1.0%	0.6%	2.1%	2.0%	1.9%	1.7%	1.5%	4.7%	4.4%	4.2%	3.8%	3.4%	4.6%	4.4%	4.3%	4.1%	3.9%	Not eligible					Not eligible										
Mid-Rise	2.0% 4.1%	1.7%	1.5%	1.3%	0.9%	0.5%	1.9%	1.8%	1.7%	1.5%	1.4%	4.0%	3.8%	3.6%	3.3%	2.9%	1.9%	1.8%	1.7%	1.5%	1.4%	Not eligible					Not eligible										
High-Rise	2.1% 4.2%	2.4%	2.2%	2.0%	1.5%	1.0%	2.7%	2.6%	2.5%	2.3%	2.1%	4.9%	4.6%	4.4%	3.9%	3.5%	5.0%	4.8%	4.7%	4.5%	4.3%	Not eligible					Not eligible										
90% AMI																																					
Low-Rise	NA (b)	2.0%	1.9%	1.7%	1.4%	1.0%	2.2%	2.1%	2.0%	1.9%	1.8%	4.8%	4.7%	4.5%	4.2%	3.8%	4.7%	4.6%	4.5%	4.3%	4.2%	Not eligible					Not eligible										
Mid-Rise	2.0% 4.1%	1.8%	1.7%	1.5%	1.2%	0.9%	2.0%	1.9%	1.9%	1.8%	1.6%	4.2%	4.0%	3.9%	3.6%	3.3%	4.2%	4.1%	4.0%	3.9%	3.8%	Not eligible					Not eligible										
High-Rise	2.1% 4.2%	2.6%	2.4%	2.2%	1.8%	1.4%	2.8%	2.7%	2.6%	2.5%	2.3%	5.0%	4.8%	4.6%	4.2%	3.8%	5.1%	5.0%	4.9%	4.7%	4.6%	Not eligible					Not eligible										

Table 21: Summary of Financial Feasibility Analysis - Rental (YOC), continued

Baseline (a)		MIH Only										MIH + 421a										MIH + 421a + 4% LIHTC														
Current Zoning	Current w/ 421-a	On-Site Affordability					Off-Site Affordability					On-Site Affordability					Off-Site Affordability					On-Site Affordability					Off-Site Affordability									
		20%	25%	30%	40%	50%	20%	25%	30%	40%	50%	20%	25%	30%	40%	50%	20%	25%	30%	40%	50%	20%	25%	30%	40%	50%	20%	25%	30%	40%	50%	20%	25%	30%	40%	50%
Moderate																																				
60% AMI																																				
Low-Rise	NA (b)	1.5%	1.3%	1.1%	0.7%	0.3%	1.7%	1.6%	1.5%	1.4%	1.2%	3.7%	3.5%	3.3%	2.9%	2.5%	3.9%	3.8%	3.7%	3.5%	3.4%	4.1%	4.1%	4.0%	3.8%	3.6%	4.1%	4.2%	4.1%	4.0%	3.9%					
Mid-Rise	1.9%	3.7%	1.4%	1.2%	1.0%	0.7%	0.3%	1.6%	1.6%	1.5%	1.3%	1.2%	3.4%	3.2%	3.0%	2.6%	2.3%	3.6%	3.5%	3.4%	3.3%	3.1%	3.6%	3.7%	3.6%	3.4%	3.1%	3.8%	3.8%	3.8%	3.7%	3.7%				
High-Rise	1.9%	3.7%	2.0%	1.8%	1.6%	1.1%	0.7%	2.3%	2.2%	2.1%	1.9%	1.7%	3.9%	3.7%	3.5%	3.0%	2.6%	4.2%	4.1%	4.0%	3.8%	3.7%	4.2%	4.3%	4.1%	3.9%	3.6%	4.4%	4.5%	4.4%	4.3%	4.2%				
75% AMI																																				
Low-Rise	NA (b)	1.7%	1.5%	1.4%	1.1%	0.8%	1.9%	1.8%	1.8%	1.7%	1.6%	4.0%	3.8%	3.7%	3.4%	3.1%	4.1%	4.0%	4.0%	3.8%	3.7%	Not eligible					Not eligible									
Mid-Rise	1.9%	3.7%	1.6%	1.4%	1.3%	1.0%	0.8%	1.8%	1.7%	1.7%	1.6%	1.5%	3.6%	3.4%	3.3%	3.0%	2.8%	3.8%	3.7%	3.7%	3.6%	3.5%	Not eligible					Not eligible								
High-Rise	0.0%	0.0%	2.2%	2.0%	1.8%	1.5%	1.2%	2.4%	2.4%	2.3%	2.2%	2.1%	4.1%	3.9%	3.7%	3.4%	3.1%	4.4%	4.3%	4.2%	4.1%	4.0%	Not eligible					Not eligible								
90% AMI																																				
Low-Rise	NA (b)	1.9%	1.8%	1.7%	1.5%	1.3%	2.1%	2.0%	2.0%	1.9%	1.9%	4.2%	4.1%	4.0%	3.8%	3.6%	4.3%	4.2%	4.2%	4.1%	4.0%	Not eligible					Not eligible									
Mid-Rise	1.9%	3.7%	1.7%	1.7%	1.6%	1.4%	1.2%	1.9%	1.9%	1.9%	1.8%	1.8%	3.7%	3.7%	3.6%	3.4%	3.2%	3.9%	3.9%	3.9%	3.8%	3.8%	Not eligible					Not eligible								
High-Rise	0.0%	0.0%	2.3%	2.2%	2.1%	1.8%	1.6%	2.6%	2.5%	2.5%	2.4%	2.3%	4.2%	4.1%	4.0%	3.7%	3.5%	4.5%	4.5%	4.4%	4.4%	4.3%	Not eligible					Not eligible								
Weak																																				
60% AMI																																				
Low-Rise	NA (b)	1.3%	1.2%	1.0%	0.7%	0.4%	1.6%	1.5%	1.5%	1.3%	1.2%	3.2%	3.1%	2.9%	2.6%	2.3%	3.5%	3.4%	3.3%	3.2%	3.1%	3.6%	3.7%	3.7%	3.6%	3.5%	3.7%	3.8%	3.8%	3.8%	3.8%					
Mid-Rise	1.8%	3.6%	1.3%	1.2%	1.1%	0.8%	0.5%	1.6%	1.5%	1.5%	1.4%	1.3%	3.1%	3.0%	2.8%	2.5%	2.3%	3.4%	3.3%	3.3%	3.2%	3.1%	3.4%	3.6%	3.5%	3.4%	3.3%	3.6%	3.7%	3.7%	3.7%	3.7%				
High-Rise	NA (c)	NA (c)					NA (c)					NA (c)					NA (c)					NA (c)														
75% AMI																																				
Low-Rise	NA (b)	1.6%	1.5%	1.4%	1.2%	1.1%	1.8%	1.8%	1.8%	1.7%	1.7%	3.5%	3.4%	3.3%	3.1%	3.0%	3.7%	3.7%	3.6%	3.6%	3.6%	Not eligible					Not eligible									
Mid-Rise	1.8%	3.6%	1.6%	1.5%	1.4%	1.2%	1.1%	1.8%	1.8%	1.7%	1.7%	1.7%	3.4%	3.3%	3.2%	3.0%	2.9%	3.6%	3.6%	3.6%	3.5%	3.5%	Not eligible					Not eligible								
High-Rise	NA (c)	NA (c)					NA (c)					NA (c)					NA (c)					Not eligible														
90% AMI																																				
Low-Rise	NA (b)	1.8%	1.8%	1.8%	1.7%	1.6%	2.0%	2.0%	2.0%	2.0%	2.1%	3.7%	3.7%	3.7%	3.6%	3.6%	3.9%	3.9%	3.9%	3.9%	4.0%	Not eligible					Not eligible									
Mid-Rise	1.8%	3.6%	1.8%	1.8%	1.7%	1.7%	1.6%	2.0%	2.0%	2.0%	2.0%	2.0%	3.6%	3.6%	3.5%	3.5%	3.4%	3.8%	3.8%	3.8%	3.9%	3.9%	Not eligible					Not eligible								
High-Rise	NA (c)	NA (c)					NA (c)					NA (c)					NA (c)					Not eligible														

Notes: **Dark Shaded Cells** represent YOC above feasibility threshold of 6.0% **Light Shaded Cells** represent YOC above comparable baseline (e.g. with or without application of 421-a)

a) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied and all units are assumed to be market rate.

b) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for residential use.

c) Assumes no low-rise development in Very Strong markets.

Source: BAE, 2015.

Condominium Scenarios

Table 22 below summarizes the Return-on-Cost (ROC) results of this feasibility analysis for condominium projects for Very Strong and Strong market conditions. It should be noted that projects analyzed for Mid-Market conditions and below did not generally break even (sale prices in those markets did not sufficiently cover land plus costs to develop).

Key findings of the condominium analysis include:

- **Condominium projects achieve relatively high returns in the Very Strong Market category.** Even with the application of MIH inclusionary requirements, all condominium projects in the Very Strong market category achieved ROCs above the feasibility threshold for inclusionary scenarios up to a 30-percent set-aside. Above a 30 percent set-aside, feasibility in the Very Strong market category for on-site inclusionary without the 421-a benefit falls below the threshold for mid-rise building types.
- **In the Strong Market category, feasibility is achieved for low-rise and high-rise projects with up to a 30 percent set-aside (and higher if built off-site and/or receive the 421-a benefit), but mid-rise projects are more challenging.** Feasibility is achieved up through a 30 percent set-aside for all low-rise and high-rise building types in Strong Markets, and can be increased further with either off-site affordable construction or receipt of 421-a benefits. However, for mid-rise building types, feasibility is not achieved unless the affordable units are constructed off-site (and then the project is feasible up to a 25 percent set-aside). Feasibility for mid-rise projects can be increased up to 30 percent set-aside in Strong Markets if projects also receive the 421-a benefit.
- **In Mid, Moderate, and Weak market conditions, condominium development is not feasible.** Condominium development in the Mid-Market, Moderate, and Weak market conditions did not generate sufficient revenue to cover project costs.

Table 22: Summary of Financial Feasibility Analysis- Condominiums (ROC)

Baseline (a)		MIH Only										MIH + 421a									
Zoning	Current w/ 421-a	On-Site Affordability					Off-Site Affordability					On-Site Affordability					Off-Site Affordability				
		20%	25%	30%	40%	50%	20%	25%	30%	40%	50%	20%	25%	30%	40%	50%	20%	25%	30%	40%	50%
Very Strong																					
60% AMI																					
Low-Rise	NA (b)	NA (c)					NA (c)					NA (c)					NA (c)				
Mid-Rise	91.2% 65.3%	86.8%	75.4%	64.4%	42.2%	20.0%	93.7%	85.9%	78.8%	66.0%	55.0%	101.0%	88.7%	76.7%	52.8%	28.9%	94.2%	86.4%	79.3%	66.7%	55.8%
High-Rise	94.3% 67.3%	130.1%	115.4%	101.0%	73.0%	44.9%	137.6%	127.6%	118.5%	102.2%	88.3%	148.7%	132.7%	117.1%	86.7%	56.3%	138.2%	128.3%	119.2%	103.1%	89.3%
75% AMI																					
Low-Rise	NA (b)	NA (c)					NA (c)					NA (c)					NA (c)				
Mid-Rise	91.2% 65.3%	87.8%	76.7%	65.8%	44.1%	22.4%	94.6%	86.9%	79.9%	67.4%	56.6%	102.0%	90.0%	78.2%	54.8%	31.3%	95.0%	87.4%	80.4%	68.0%	57.3%
High-Rise	94.3% 67.3%	131.1%	116.7%	102.5%	75.0%	47.4%	138.4%	128.6%	119.6%	103.6%	89.9%	149.7%	134.0%	118.6%	88.7%	58.8%	139.0%	129.3%	120.3%	104.5%	90.9%
90% AMI																					
Low-Rise	NA (b)	NA (c)					NA (c)					NA (c)					NA (c)				
Mid-Rise	91.2% 65.3%	88.8%	77.9%	67.3%	46.1%	24.8%	95.4%	87.9%	81.0%	68.7%	58.2%	103.0%	91.2%	79.7%	56.7%	33.8%	95.8%	88.4%	81.5%	69.4%	58.9%
High-Rise	94.3% 67.3%	132.1%	117.9%	104.0%	77.0%	49.9%	139.2%	129.6%	120.7%	105.0%	91.5%	150.8%	135.3%	120.1%	90.7%	61.3%	139.8%	130.3%	121.5%	105.9%	92.5%
Strong																					
60% AMI																					
Low-Rise	NA (b)	72.6%	63.2%	53.6%	34.4%	14.9%	73.0%	65.7%	59.1%	47.3%	37.3%	99.8%	88.8%	77.5%	55.1%	32.3%	73.4%	66.2%	59.6%	47.9%	38.0%
Mid-Rise	54.3% 45.2%	26.8%	19.7%	12.6%	0.0%	0.0%	52.2%	46.7%	41.6%	32.5%	24.6%	68.3%	58.5%	49.0%	30.0%	10.8%	52.5%	47.1%	42.0%	33.0%	25.2%
High-Rise	56.0% 46.1%	67.3%	57.3%	47.4%	28.0%	8.4%	75.9%	69.6%	63.8%	53.3%	44.1%	92.4%	80.7%	69.2%	46.6%	23.9%	76.3%	70.1%	64.3%	54.0%	44.9%
75% AMI																					
Low-Rise	NA (b)	74.2%	65.1%	55.8%	37.4%	18.6%	74.2%	67.2%	60.7%	49.4%	39.7%	101.4%	90.7%	79.8%	58.2%	36.1%	74.6%	67.6%	61.2%	49.9%	40.3%
Mid-Rise	54.3% 45.2%	27.9%	21.1%	14.3%	0.6%	0.0%	53.2%	47.9%	43.0%	34.3%	26.6%	69.6%	60.1%	51.0%	32.6%	14.0%	53.6%	48.3%	43.5%	34.8%	27.2%
High-Rise	56.0% 46.1%	68.5%	58.8%	49.2%	30.4%	11.3%	76.9%	70.8%	65.1%	55.0%	46.1%	93.7%	82.2%	71.0%	49.1%	27.0%	77.3%	71.3%	65.7%	55.7%	46.9%
90% AMI																					
Low-Rise	NA (b)	75.7%	67.0%	58.1%	40.4%	22.4%	75.5%	68.6%	62.4%	51.4%	42.0%	103.0%	92.7%	82.2%	61.3%	40.0%	75.8%	69.1%	62.9%	51.9%	42.6%
Mid-Rise	54.3% 45.2%	29.0%	22.5%	15.9%	2.8%	0.0%	54.3%	49.2%	44.5%	36.0%	28.7%	70.9%	61.7%	52.9%	35.1%	17.1%	54.6%	49.6%	44.9%	36.5%	29.3%
High-Rise	56.0% 46.1%	69.7%	60.3%	51.0%	32.8%	14.3%	77.9%	72.0%	66.5%	56.7%	48.1%	94.9%	83.8%	72.9%	51.5%	30.1%	78.3%	72.5%	67.1%	57.4%	48.9%
Mid-Market																					
60% AMI																					
Low-Rise	NA (b)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mid-Rise	0.0% 0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
High-Rise	0.0% 0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
75% AMI																					
Low-Rise	NA (b)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mid-Rise	0.0% 0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
High-Rise	0.0% 0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
90% AMI																					
Low-Rise	NA (b)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mid-Rise	0.0% 0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
High-Rise	0.0% 0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table 22: Summary of Financial Feasibility Analysis- Condominiums (ROC), continued

Baseline (a)		MIH Only										MIH + 421a									
Current Zoning	Current w/ 421-a	On-Site Affordability					Off-Site Affordability					On-Site Affordability					Off-Site Affordability				
		20%	25%	30%	40%	50%	20%	25%	30%	40%	50%	20%	25%	30%	40%	50%	20%	25%	30%	40%	50%
Moderate																					
60% AMI																					
Low-Rise	NA (b)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mid-Rise	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
High-Rise	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
75% AMI																					
Low-Rise	NA (b)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mid-Rise	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
High-Rise	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
90% AMI																					
Low-Rise	NA (b)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mid-Rise	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
High-Rise	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Weak																					
60% AMI																					
Low-Rise	NA (b)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mid-Rise	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
High-Rise	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
75% AMI																					
Low-Rise	NA (b)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mid-Rise	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
High-Rise	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
90% AMI																					
Low-Rise	NA (b)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Mid-Rise	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
High-Rise	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Notes: **Dark Shaded Cells** represent ROC above feasibility threshold of 46.9%. **Light Shaded Cells** represent ROC above comparable baseline (e.g. with or without application of 421-a)

a) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.

(b) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for residential use.

(c) Assumes no low-rise development in Very Strong markets.

Source: BAE, 2015

Conclusions

The key findings presented above reflect an analysis of development feasibility in today's real estate market, across a range of market conditions, and do not consider available subsidies for affordable development, other than the benefit available through the 421-a Program and 4-percent LIHTC credit under limited circumstances. These findings suggest the following major conclusions.

- **MIH inclusionary requirements are most effective in the strongest housing markets.** In Very Strong and Strong market areas, proposed MIH inclusionary requirements are largely effective in yielding the production of new affordable rental and for-sale units while still allowing for a financial return sufficient to support new market-rate development. For rental development, MIH inclusionary requirements in these market areas are most effective for high-rise developments, but are also effective for low- and mid-rise developments when 421-a benefits are also applied. These market areas account for roughly one quarter of current households in the City and over half of all multifamily building permits issued in 2014.
- **In Very Strong and Strong market conditions, set-asides ranging from 20 to 30 percent are supportive of rental development feasibility in all scenarios, provided that 421-a benefits are available.** While some scenarios (e.g., strong market mid-rise development scenarios) did not surpass the 6.0 percent YOC threshold for feasibility, these scenarios still compared favorably to the baseline scenario. Without the availability of 421-a benefits, feasibility for rental housing is limited to high-rise scenarios in the Very Strong market condition.
- **Public subsidy will likely be required to support affordable rental development in less strong markets.** Absent an MIH requirement, under the Mid-Market, Moderate, and Weak market conditions rental development is not feasible. Thus, the addition of an MIH requirement, without subsidy, even with an up-zoning will not increase feasibility. It is important to note that this analysis does not include feasibility testing for development using public subsidies other than the tax benefit provided by the 421-a Program and from the 4-percent LIHTC when eligible, and so does not identify which forms of subsidy may be most appropriate or effective in achieving new affordable development in these markets.
- **Condominium development in the top markets can support substantial affordability requirements.** Condominium development in the Very Strong market can achieve feasible returns while incorporating at least 30 percent inclusionary, with higher set-asides achievable under most conditions. In Strong conditions, feasibility is achieved in low- and high-rise projects with 25 percent or higher MIH requirements, but is not supported in mid-rise projects unless affordable units are constructed off-site or 421-a benefits are applied.

Appendix A: Major Cities Inclusionary Program Summary

Table A-1: Summary of Inclusionary Programs in other Major Cities

	Boston	Chicago	District of Columbia	Denver	Los Angeles	San Francisco	Seattle
Year Adopted	2000	2003	2006	2002	1991	2002	2001
Voluntary/Mandatory	Voluntary	Voluntary	Mandatory	Combination	Mandatory	Mandatory	Voluntary
Affordability Duration	50 years	30 or 99 years	Perpetuity	15 years	30 years or life	Perpetuity	50 years
Density Bonus	Varies	Varies	20%	N	Varies	N	Y
Total Inc Set Aside	15%	10%	Varies	10%	15%	12% onsite, 20% offsite	Approx. 5%
Target Incomes (AMI)	<70%-100%	≤60%-100%	<50%-80%	50-80%	30-80%	≤55-90%	80-100%
Applies to Market Rate Rental	Y	Y	Y	Y	N	Y	Y
Applies to Market Rate Condos	Y	Y	Y	Y	Y	Y	Y
Off-Site Allowance	Y	N	Y	Y	Y	Y	Y
Total Unit Production * - Changes underway	1,070 units (thru 2012)	740 units (as of mid-2014)	80 units (as of mid-2014)*	77 units (as of mid-2014)	N/A	1,560 units (as of mid-2014)	56 units (as of mid-2014)^
In-Lieu Fee	Y	Y	N	Y	Y	Y	Y
Total In-Lieu Fees Collected	\$57.2 M	\$19.0 M	N/A	\$7.6 M	N/A	\$58.8 M	\$31.6 M

Note: There are complex rules underlying most of these programs, not itemized here. Also, several cities are re-evaluating IH programs as of Fall 2014-early 2015, and as a result, these program summary variables may change.

Sources: Achieving Lasting Affordability through Inclusionary Housing (Lincoln Institute of Land Policy 2014); updated for Total Unit Production and Total Fees Collected by BAE, Fall 2014.

Appendix B: Market Condition Index Data by NTA

Table B-1: Market Condition Index Detail – Very Strong and Strong NTAs

	Price Signals					Demographic Change						
	Condo Sale Price (a)	Number of Sales	Market Rate Avg. Rent	Number of Rentals	Median Gross Rent (ACS) (c)	Median Household Income (d)		% Change	Number of Households (d)		% Change	Multifamily Permits (e)
	2013 - YTD	2013 - YTD	Q2 2014	2012	2012	2000	2012		2000	2012		2010-2014
	2014	2014										
New York City	\$ 760,000	18,084	\$ 3,435	124,561	\$ 1,167	\$ 52,768	\$ 51,865	-2%	3,022,477	3,063,393	1.4%	61,713
Total for NTAs in Index									2,210,558	2,250,664	1.8%	58,557
<i>NTA percent of NYC</i>									73%	73%		95%
Very Strong Market Index												
Yorkville	\$ 900,000	433	\$ 3,994	5,624	\$ 1,847	\$ 91,255	\$ 91,926	1%	45,446	43,613	-4%	274
Murray Hill-Kips Bay	\$ 915,000	405	\$ 3,903	7,017	\$ 2,000	\$ 86,552	\$ 93,650	8%	28,510	26,173	-8%	214
Battery Park City-Lower Manhattan	\$ 975,000	1,080	\$ 4,005	12,186	\$ 2,000	\$ 110,344	\$ 123,085	12%	10,258	18,931	85%	-
Turtle Bay-East Midtown	\$ 998,000	658	\$ 4,706	3,467	\$ 2,000	\$ 107,261	\$ 111,361	4%	32,265	29,094	-10%	1,214
Chinatown	\$ 1,022,500	103	\$ 4,787	604	\$ 884	\$ 32,356	\$ 33,712	4%	18,097	18,107	0%	33
Gramercy	\$ 1,234,628	217	\$ 3,639	1,102	\$ 1,950	\$ 87,607	\$ 98,027	12%	16,574	14,877	-10%	96
Lenox Hill-Roosevelt Island	\$ 1,517,500	660	\$ 4,466	5,439	\$ 1,886	\$ 93,986	\$ 96,473	3%	45,878	43,515	-5%	437
Midtown-Midtown South	\$ 1,540,000	692	\$ 4,063	7,037	\$ 2,000	\$ 87,135	\$ 113,326	30%	15,257	15,964	5%	1,803
Lincoln Square	\$ 1,550,000	811	\$ 4,601	6,145	\$ 2,000	\$ 105,005	\$ 111,584	6%	32,933	32,169	-2%	1,430
Hudson Yards-Chelsea-Flat Iron-Union Sq	\$ 1,831,425	1,004	\$ 4,310	10,073	\$ 1,818	\$ 77,920	\$ 95,002	22%	32,346	39,072	21%	4,134
West Village	\$ 1,990,000	405	\$ 4,990	2,360	\$ 2,000	\$ 97,708	\$ 105,161	8%	40,830	37,218	-9%	228
SoHo-TriBeCa-Civic Center-Little Italy	\$ 2,726,955	858	\$ 4,697	3,179	\$ 1,735	\$ 76,304	\$ 100,511	32%	17,203	18,761	9%	604
Upper East Side-Carnegie Hill	\$ 2,900,000	512	\$ 4,016	2,214	\$ 1,966	\$ 154,497	\$ 151,147	-2%	33,166	28,751	-13%	120
Total for Very Strong Market NTAs		7,838		66,447					368,763	366,245	-0.7%	10,587
<i>% of New York City</i>									12.2%	12.0%		17.2%
Strong Market Index												
Central Harlem North-Polo Grounds	\$ 504,972	219	\$ 3,440	690	\$ 804	\$ 26,838	\$ 33,910	26%	30,496	33,203	9%	551
Hamilton Heights	\$ 539,672	81	\$ 3,022	86	\$ 1,035	\$ 33,386	\$ 38,055	14%	18,353	18,678	2%	201
Morningside Heights	\$ 625,000	91	\$ 3,479	299	\$ 1,353	\$ 56,718	\$ 50,093	-12%	21,286	20,166	-5%	436
Lower East Side	\$ 634,822	88	\$ 3,217	264	\$ 677	\$ 32,145	\$ 30,817	-4%	28,708	30,216	5%	1,310
Hunters Point-Sunnyside-West Maspeth	\$ 742,069	446	\$ 3,008	5,380	\$ 1,349	\$ 54,149	\$ 56,111	4%	24,215	26,309	9%	6,063
Carroll Gardens-Columbia Street-Red Hook	\$ 752,500	286			\$ 1,516	\$ 65,572	\$ 73,987	13%	17,347	17,628	2%	522
Prospect Heights	\$ 814,300	168	\$ 2,348	177	\$ 1,556	\$ 67,287	\$ 80,022	19%	8,601	9,394	9%	872
East Harlem South	\$ 870,603	207	\$ 3,949	2,018	\$ 885	\$ 36,105	\$ 35,224	-2%	21,636	22,874	6%	831
DUMBO-Vinegar Hill-Dtwn Brooklyn-Boerum Hill	\$ 899,000	485	\$ 3,375	2,376	\$ 1,179	\$ 50,249	\$ 70,759	41%	12,367	15,085	22%	2,929
Fort Greene	\$ 900,000	111	\$ 3,144	808	\$ 1,136	\$ 45,201	\$ 56,759	26%	11,313	11,560	2%	1,453
Park Slope-Gowanus	\$ 909,768	380	\$ 3,248	235	\$ 1,765	\$ 77,270	\$ 96,949	25%	30,019	31,068	3%	617
North Side-South Side	\$ 945,000	511	\$ 3,467	2,363	\$ 1,274	\$ 37,007	\$ 51,601	39%	14,380	19,172	33%	2,337
Clinton	\$ 955,000	611	\$ 4,110	7,438	\$ 1,653	\$ 65,561	\$ 65,569	0%	23,850	25,261	6%	3,838
Upper West Side	\$ 1,070,000	919	\$ 4,030	4,574	\$ 1,588	\$ 86,061	\$ 92,599	8%	73,414	66,941	-9%	224
East Village	\$ 1,380,000	205	\$ 3,044	453	\$ 1,596	\$ 58,672	\$ 67,861	16%	22,951	22,306	-3%	353
Brooklyn Heights-Cobble Hill	\$ 1,151,875	176	\$ 3,688	638	\$ 1,791	\$ 95,751	\$ 105,508	10%	11,392	11,346	0%	269
Stuyvesant Town-Cooper Village			\$ 4,177	11,368	\$ 1,779	\$ 94,613	\$ 95,276	1%	10,926	10,481	-4%	-
Total for Strong Market NTAs		4,984		39,167					381,254	391,688	2.7%	22,806
<i>% of New York City</i>									12.6%	12.8%		37.0%

Table B-2: Market Condition Index Detail - Middle Market NTAs

	Price Signals					Demographic Change						
	Condo Sale Price (a)	Number of Sales	Market Rate Avg. Rent	Number of Rental	Median Gross Rent (ACS) (c)	Median Household Income (d)		% Change	Number of Households (d)		% Change	Multifamily Permits (e)
	2013 - YTD 2014	2013 - YTD 2014	Q2 2014	2012	2012	2000	2012		2000	2012		2010- 2014
New York City	\$ 760,000	18,084	\$ 3,435	124,561	\$ 1,167	\$ 52,768	\$ 51,865	-2%	3,022,477	3,063,393	1.4%	61,713
Total for NTAs in Index									2,210,558	2,250,664	1.8%	58,557
<i>NTA percent of NYC</i>									73%	73%		95%
Middle Market Index												
Ozone Park	\$ 250,000	15			\$ 1,290	\$ 60,354	\$ 63,126	5%	7,031	6,837	-3%	81
Ocean Parkway South	\$ 259,000	10	\$ 1,939	56	\$ 1,253	\$ 52,554	\$ 52,796	0%	7,111	6,607	-7%	5
North Corona	\$ 283,920	53	\$ 1,540	79	\$ 1,362	\$ 48,175	\$ 48,021	0%	11,625	11,533	-1%	157
Corona	\$ 291,495	38			\$ 1,314	\$ 48,019	\$ 44,853	-7%	16,064	16,253	1%	286
Briarwood-Jamaica Hills	\$ 301,086	20	\$ 1,435	200	\$ 1,298	\$ 62,174	\$ 57,143	-8%	13,434	13,557	1%	39
Ridgewood	\$ 324,480	27			\$ 1,221	\$ 46,732	\$ 48,548	4%	23,832	23,963	1%	82
Jackson Heights	\$ 325,000	62	\$ 1,840	145	\$ 1,235	\$ 55,590	\$ 48,606	-13%	37,797	36,495	-3%	57
Elmhurst-Maspeth	\$ 334,000	44			\$ 1,389	\$ 50,839	\$ 49,351	-3%	8,162	8,352	2%	199
Elmhurst	\$ 350,000	114	\$ 1,862	159	\$ 1,292	\$ 51,740	\$ 44,301	-14%	26,754	27,528	3%	223
Kew Gardens	\$ 395,000	55			\$ 1,257	\$ 61,426	\$ 60,918	-1%	9,516	9,997	5%	-
Woodside	\$ 397,765	96	\$ 1,358	126	\$ 1,299	\$ 54,360	\$ 53,412	-2%	16,076	16,388	2%	149
Rego Park	\$ 400,000	161	\$ 1,678	5,227	\$ 1,336	\$ 58,073	\$ 54,562	-6%	12,659	12,455	-2%	466
Flushing	\$ 430,000	697	\$ 1,467	359	\$ 1,237	\$ 45,996	\$ 40,185	-13%	25,456	25,643	1%	1,194
Forest Hills	\$ 430,950	119	\$ 1,824	465	\$ 1,388	\$ 67,882	\$ 69,268	2%	40,041	38,771	-3%	145
Astoria	\$ 437,000	57	\$ 1,828	173	\$ 1,310	\$ 50,021	\$ 52,248	4%	36,328	34,018	-6%	406
Old Astoria	\$ 450,000	107	\$ 2,689	259	\$ 1,342	\$ 46,740	\$ 45,426	-3%	10,807	10,958	1%	637
Bushwick South	\$ 494,000	25	\$ 2,482	101	\$ 1,066	\$ 28,484	\$ 35,588	25%	20,323	24,164	19%	547
Spuyten Duyvil-Kingsbridge	\$ 529,490	73	\$ 2,318	672	\$ 1,264	\$ 61,938	\$ 65,570	6%	13,536	12,741	-6%	168
Clinton Hill	\$ 534,944	232	\$ 2,322	193	\$ 1,354	\$ 52,451	\$ 60,387	15%	14,284	14,937	5%	773
Queensbridge-Ravenswood-Long Island City	\$ 555,000	15	\$ 2,777	396	\$ 662	\$ 29,592	\$ 27,421	-7%	7,643	7,283	-5%	1,251
Bay Ridge	\$ 565,000	77	\$ 1,867	306	\$ 1,241	\$ 60,477	\$ 56,615	-6%	35,720	34,990	-2%	37
Windsor Terrace	\$ 570,000	58	\$ 1,789	71	\$ 1,399	\$ 66,200	\$ 80,567	22%	9,134	9,510	4%	109
East Williamsburg	\$ 617,132	174	\$ 2,751	50	\$ 1,122	\$ 38,173	\$ 47,241	24%	12,827	14,888	16%	472
Homecrest	\$ 656,771	39	\$ 1,604	311	\$ 1,118	\$ 48,633	\$ 45,088	-7%	16,758	15,435	-8%	12
Greenpoint	\$ 711,878	162			\$ 1,354	\$ 46,419	\$ 62,994	36%	15,285	15,124	-1%	745
Central Harlem South	\$ 732,850	285			\$ 898	\$ 29,478	\$ 43,921	49%	16,042	18,506	15%	363
Cypress Hills-City Line					\$ 1,215	\$ 43,065	\$ 40,271	-6%	13,501	13,634	1%	-
Richmond Hill					\$ 1,298	\$ 56,374	\$ 56,686	1%	18,484	17,535	-5%	209
Woodhaven					\$ 1,301	\$ 59,055	\$ 56,459	-4%	17,178	17,140	0%	12
East Elmhurst					\$ 1,356	\$ 54,639	\$ 54,191	-1%	6,511	6,264	-4%	19
Total for Middle Market NTAs		2,815		9,348					519,918	521,506	0.3%	8,843
<i>% of New York City</i>									17.2%	17.0%		14.3%

Notes:

- a) Sale prices from DOF for all condo unit sales from January 1, 2013 through October 1, 2014.
- b) Rent data from Reis, current as of Oct 1, 2014.
- c) Median household income from 2000 US Census, and 2008-2012 American Community Survey.
- d) Number of households from 2000 US Census and 2008-2012 American Community Survey.
- e) Permit data from NYC Department of Buildings. Permit data includes units in buildings with 3 or more units.

Table B-3: Market Condition Index Detail - Moderate Market NTAs

	Price Signals					Demographic Change						
	Condo Sale Price (a)	Number of Sales	Market Rate Avg. Rent	Number of Rental	Median Gross Rent (ACS) (c)	Median Household Income (d)		% Change	Number of Households (d)		% Change	Multifamily Permits (e)
	2013 - YTD	2013 - YTD	Q2 2014	2012	2012	2000	2012		2000	2012		2010- 2014
	2014	2014										
New York City	\$ 760,000	18,084	\$ 3,435	124,561	\$ 1,167	\$ 52,768	\$ 51,865	-2%	3,022,477	3,063,393	1.4%	61,713
Total for NTAs in Index									2,210,558	2,250,664	1.8%	58,557
<i>NTA percent of NYC</i>									73%	73%		95%
Moderate Market Index												
Parkchester	\$ 91,000	261			\$ 1,114	\$ 46,406	\$ 48,784	5%	12,014	12,590	5%	30
Bronxdale	\$ 176,000	13			\$ 992	\$ 38,744	\$ 35,541	-8%	13,555	13,479	-1%	51
Soundview-Castle Hill-Clason Point-Harding Park	\$ 195,000	29	\$ 1,684	975	\$ 743	\$ 37,493	\$ 36,687	-2%	17,602	18,657	6%	279
East New York	\$ 254,666	165			\$ 981	\$ 35,693	\$ 33,177	-7%	26,996	30,771	14%	868
Erasmus	\$ 280,000	13			\$ 1,085	\$ 43,158	\$ 41,017	-5%	10,478	10,222	-2%	92
Sunset Park East	\$ 315,920	132	\$ 1,831	124	\$ 1,120	\$ 37,889	\$ 34,939	-8%	19,575	20,544	5%	147
Manhattanville	\$ 340,000	21	\$ 2,262	53	\$ 815	\$ 29,868	\$ 25,776	-14%	8,238	8,130	-1%	75
Crown Heights North	\$ 361,314	174	\$ 1,486	65	\$ 1,004	\$ 33,979	\$ 36,200	7%	37,963	40,818	8%	885
Washington Heights North	\$ 375,000	32	\$ 1,670	526	\$ 1,120	\$ 42,761	\$ 44,950	5%	25,875	25,490	-1%	15
Madison	\$ 375,090	92	\$ 1,639	263	\$ 1,120	\$ 53,589	\$ 54,759	2%	14,375	15,022	5%	46
Sunset Park West	\$ 380,250	93			\$ 1,186	\$ 42,317	\$ 42,197	0%	15,913	17,023	7%	92
Stuyvesant Heights	\$ 393,271	65			\$ 1,006	\$ 31,865	\$ 36,828	16%	22,361	24,360	9%	517
Pomonok-Flushing Heights-Hillcrest	\$ 396,600	74	\$ 1,366	137	\$ 982	\$ 62,057	\$ 51,179	-18%	11,548	11,797	2%	160
Prospect Lefferts Gardens-Wingate	\$ 397,500	62	\$ 1,555	756	\$ 1,072	\$ 41,819	\$ 40,741	-3%	25,532	26,016	2%	893
Washington Heights South	\$ 433,992	55			\$ 1,018	\$ 37,288	\$ 35,722	-4%	29,720	29,283	-1%	230
Gravesend	\$ 436,020	81	\$ 1,512	246	\$ 899	\$ 40,157	\$ 35,330	-12%	11,393	11,068	-3%	118
Midwood	\$ 436,250	44	\$ 1,318	317	\$ 1,143	\$ 50,929	\$ 45,455	-11%	19,443	18,430	-5%	102
Bensonhurst East	\$ 440,000	120	\$ 1,590	202	\$ 1,084	\$ 45,671	\$ 42,621	-7%	21,855	21,737	-1%	82
West Brighton	\$ 450,685	20			\$ 915	\$ 39,784	\$ 41,649	5%	8,738	8,026	-8%	-
Bushwick North	\$ 451,000	19			\$ 1,177	\$ 31,544	\$ 37,129	18%	16,194	18,885	17%	213
Bensonhurst West	\$ 485,000	65	\$ 1,590	94	\$ 1,102	\$ 46,317	\$ 42,883	-7%	30,929	29,717	-4%	181
Williamsburg	\$ 499,000	68			\$ 774	\$ 20,298	\$ 19,927	-2%	7,549	8,299	10%	266
Bedford	\$ 499,451	260	\$ 2,193	272	\$ 998	\$ 30,748	\$ 35,565	16%	20,284	24,225	19%	922
Crown Heights South	\$ 499,692	58	\$ 1,486	1,419	\$ 1,060	\$ 40,927	\$ 37,626	-8%	14,701	14,662	0%	178
East Harlem North	\$ 517,000	40	\$ 1,980	1,515	\$ 672	\$ 22,900	\$ 27,011	18%	20,857	22,183	6%	632
Flatbush	\$ 519,291	64	\$ 1,523	89	\$ 1,118	\$ 42,462	\$ 42,743	1%	37,355	37,482	0%	225
Borough Park	\$ 550,000	141			\$ 1,187	\$ 38,063	\$ 36,129	-5%	29,512	28,325	-4%	498
Kensington-Ocean Parkway	\$ 556,000	17	\$ 1,659	147	\$ 1,201	\$ 44,764	\$ 42,553	-5%	12,387	12,037	-3%	-
Brighton Beach	\$ 570,000	159			\$ 1,019	\$ 29,631	\$ 29,944	1%	14,594	13,764	-6%	256

Table B-3: Market Condition Index Detail - Moderate Market NTAs (cont.)

	Price Signals					Demographic Change						
	Condo Sale Price (a)	Number of Sales	Market Rate Avg. Rent	Number of Rental	Median Gross Rent (ACS) (c)	Median Household Income (d)		% Change	Number of Households (d)		% Change	Multifamily Permits (e)
	2013 - YTD 2014	2013 - YTD 2014	Q2 2014	2012	2012	2000	2012		2000	2012		2010-2014
New York City	\$ 760,000	18,084	\$ 3,435	124,561	\$ 1,167	\$ 52,768	\$ 51,865	-2%	3,022,477	3,063,393	1.4%	61,713
Total for NTAs in Index									2,210,558	2,250,664	1.8%	58,557
<i>NTA percent of NYC</i>									73%	73%		95%
Moderate Market Index												
East Concourse-Concourse Village			\$ 1,094	96	\$ 992	\$ 29,220	\$ 28,288	-3%	20,418	21,343	5%	297
Mount Hope			\$ 1,162	133	\$ 1,018	\$ 31,360	\$ 27,444	-12%	16,722	16,528	-1%	227
Belmont			\$ 1,182	110	\$ 1,002	\$ 23,409	\$ 20,728	-11%	8,325	8,319	0%	69
Bedford Park-Fordham North			\$ 1,226	94	\$ 1,085	\$ 36,408	\$ 28,155	-23%	18,435	18,253	-1%	305
Highbridge			\$ 1,229	211	\$ 927	\$ 28,660	\$ 23,965	-16%	11,152	12,711	14%	476
Van Cortlandt Village			\$ 1,307	83	\$ 1,073	\$ 42,838	\$ 40,484	-5%	18,133	17,347	-4%	184
Soundview-Bruckner			\$ 1,343	177	\$ 993	\$ 31,238	\$ 31,067	-1%	11,720	11,247	-4%	122
Williamsbridge-Olinville			\$ 1,351	245	\$ 1,106	\$ 45,048	\$ 39,960	-11%	20,316	20,322	0%	779
Pelham Parkway			\$ 1,461	170	\$ 1,141	\$ 51,386	\$ 47,582	-7%	12,017	11,364	-5%	16
University Heights-Morris Heights			\$ 1,502	192	\$ 937	\$ 28,319	\$ 25,886	-9%	17,133	17,631	3%	393
Jamaica			\$ 1,565	888	\$ 1,167	\$ 46,941	\$ 39,316	-16%	15,262	15,700	3%	262
East New York (Pennsylvania Ave)					\$ 1,000	\$ 28,686	\$ 29,420	3%	8,485	9,841	16%	427
Ocean Hill					\$ 1,003	\$ 28,417	\$ 34,308	21%	10,625	11,686	10%	517
Kingsbridge Heights					\$ 1,008	\$ 35,743	\$ 29,775	-17%	10,887	10,599	-3%	27
West Concourse					\$ 1,009	\$ 29,701	\$ 29,628	0%	12,216	12,795	5%	106
West Farms-Bronx River					\$ 1,036	\$ 33,716	\$ 30,221	-10%	11,763	11,448	-3%	29
Fordham South					\$ 1,043	\$ 25,044	\$ 23,192	-7%	8,219	8,338	1%	174
Marble Hill-Inwood					\$ 1,054	\$ 39,501	\$ 40,441	2%	17,946	18,168	1%	28
Norwood					\$ 1,098	\$ 39,462	\$ 35,656	-10%	14,592	14,192	-3%	247
Allerton-Pelham Gardens					\$ 1,191	\$ 63,815	\$ 63,892	0%	9,679	9,707	0%	14
Total for Moderate Market NTAs		2,437		9,599					831,580	850,581	2.3%	12,752
<i>% of New York City</i>									27.5%	27.8%		20.7%

Notes:

- a) Sale prices from DOF for all condo unit sales from January 1, 2013 through October 1, 2014.
- b) Rent data from Reis, current as of Oct 1, 2014.
- c) Median household income from 2000 US Census, and 2008-2012 American Community Survey.
- d) Number of households from 2000 US Census and 2008-2012 American Community Survey.
- e) Permit data from NYC Department of Buildings. Permit data includes units in buildings with 3 or more units.

Table B-5: Market Condition Index Detail - Weak Market NTAs

	Price Signals					Demographic Change						
	Condo Sale Price (a)	Number of Sales	Market Rate Avg. Rent	Number of Rental	Median Gross Rent (ACS) (c)	Median Household Income (d)		% Change	Number of Households (d)		% Change	Multifamily Permits (e)
	2013 - YTD 2014	2013 - YTD 2014	Q2 2014	2012	2012	2000	2012		2000	2012		2010-2014
New York City	\$ 760,000	18,084	\$ 3,435	124,561	\$ 1,167	\$ 52,768	\$ 51,865	-2%	3,022,477	3,063,393	1.4%	61,713
Total for NTAs in Index									2,210,558	2,250,664	1.8%	58,557
<i>NTA percent of NYC</i>									73%	73%		95%
Weak Market Index												
Mott Haven-Port Morris					\$ 584	\$ 20,763	\$ 19,858	-4%	15,957	17,497	10%	805
Brownsville					\$ 655	\$ 25,091	\$ 24,255	-3%	19,360	20,316	5%	69
Claremont-Bathgate					\$ 660	\$ 18,249	\$ 20,244	11%	9,064	9,847	9%	42
Melrose South-Mott Haven North					\$ 735	\$ 23,879	\$ 22,283	-7%	10,971	12,776	16%	598
Crotona Park East					\$ 804	\$ 26,885	\$ 23,174	-14%	6,055	6,912	14%	698
Morrisania-Melrose	\$ 68,000	10			\$ 849	\$ 25,644	\$ 24,363	-5%	9,780	12,475	28%	628
Longwood					\$ 860	\$ 26,224	\$ 20,059	-24%	7,041	8,318	18%	220
East Tremont					\$ 885	\$ 22,118	\$ 19,523	-12%	13,271	14,245	7%	494
Co-op City					\$ 872	\$ 56,227	\$ 45,241	-20%	17,545	18,258	4%	15
Total for Weak Market NTAs		10							109,044	120,644	10.6%	3,569
<i>% of New York City</i>									3.6%	3.9%		5.8%

Notes:

- a) Sale prices from DOF for all condo unit sales from January 1, 2013 through October 1, 2014.
- b) Rent data from Reis, current as of Oct 1, 2014.
- c) Median household income from 2000 US Census, and 2008-2012 American Community Survey.
- d) Number of households from 2000 US Census and 2008-2012 American Community Survey.
- e) Permit data from NYC Department of Buildings. Permit data includes units in buildings with 3 or more units.





Appendix C: Summary of Developer Interviews

Table C-1: Developer Interview Summary

Developers						
	Interview A 12/10/2014- 12/11/2014	Interview B 12/11/2014	Interview C 12/12/2014	Interview D 12/16/2014	Interview E 12/12/2014	Interview F 12/16/2014
Scale	50-150 units		300+ units	larger scale - 300+ MN, no in boroughs	200-1200, 350 sweet spot	larger scale
Markets	BK, BX, 2, 3, 4s		BK, East Harlem		Very strong, strong	Very strong, strong
Product Type	Affordable	Rental & Condo		80/20s, lux rental (1)	80/20s, lux rental	80/20s, lux rental
Loss Factor	15%		20%	15% (2)	19-20%	15-20%
Lease-up	2-4 months			9-12 mo rental; condo 2-3 yrs	2-5 mo	6-9 mo
Land Costs (by Market) - ZSF or FA						
Score 2	\$60-200			N/A	\$150	
Score 3	\$175-200			N/A	200+	Not buying
Score 4	\$300			N/A	\$275	have lg land holdings
Score 5				\$500- \$1150 (3)	\$500-\$1000	\$500+
Hard Costs - Affordable	Does Not Pay Prev Wage					
Low	\$230		N/A	N/A		
Mid	\$230		\$260	\$240		\$250
Hard Costs - Market Rate						
Union/Non-Union Policy			Only Does Union	Condos - Union	Union MN (non=\$40 less)	
Low	N/A		N/A	N/A		
Mid	N/A		\$260 - 330 (incl. cont)	\$330	\$360	\$275-\$300
High	N/A					\$350
Parking	\$55/space (1)		Same as Regular Hard/SF	Varies Depending on Price Point		
Rental - Condo Differential	N/A	up to \$50 psf	up to \$100 psf		N/A	\$50-60 psf
Soft Costs (%)			20% or \$73/SF	25% generally		
Low	24%			condos - 35%		
Mid	24%				20-22%	20-24%
High						
Operating Expenses - Affordable				\$11/SF/yr (4)		5,300 - 5,500
Low	\$6,700					
Mid	\$6,000					
High						
Operating Expenses - Market Rate				80-20 - \$17-\$18 (\$15/NSF, plus management fee)		
Low						\$10,000
Mid						
High						
Unit Size (SF) - rental		Market Dependent				See note (1)
Studio		475-525		500-550		
1-Bed		675	650	750-900	700-800	
2-Bed (1 bath)		850-900	900	950		
2-Bed (2 bath)		1150-1200		1100		
3-bed		1400				
Unit Size (SF) - condo						
Studio			N/A			
1-Bed		700	775	750-900		
2-Bed (1 bath)		1200	1150-1200	1000		
2-Bed (2 bath)		1200		1200-1500		
3-bed		1600-1700		1800-2300		

Appendix D: Metrics from Sample Pro Formas

Table D-1: Sample 80/20 Projects Submitted to HPD 2013-2014

	VERY STRONG MARKET							
								
Name/Address	261 Hudson		217-221 W. 29th St		225 E. 39th St/222 E. 40th		626 First Ave	
Type (Stories)	Mid-Rise (12)		High-Rise (21)		High-Rise (37)		High-Rise (47)	
Characteristics								
Lot SF	26,704		6,896		22,111		68,770	
Gross BSF	204,332		103,886		374,490		816,237	
Total Units	201		95		359		761	
Market Rate	160		76		287		601	
Affordable	41		19		72		160	
% Affordable/Affordability Target	20% @ 60% AMI		20% @ 60% AMI		20% @ 60% AMI		21% @ 60% AMI	
# of Parking Spaces	-		48		74		270	
Hard and Soft Costs								
	Total	PSF	Total	PSF	Total	PSF	Total	PSF
Hard Costs (inc. contingency)	\$ 85,422,264	\$ 418	\$ 34,841,958	\$ 335	\$ 170,079,813	\$ 454	\$ 334,766,539	\$ 410
Soft Costs (adjusted to exc. dev fee, taxes, financing, reserves)	\$ 15,401,258	\$ 75	\$ 4,406,796	\$ 42	NA	NA	\$ 21,114,746	\$ 26
Soft as % of Hard Costs	18.0%		12.6%		NA		6.3%	
Developer Fee	\$ 5,100,000		\$ 1,299,364		NA		\$ 10,998,490	
Operating Expenses (as adjusted) (a)	\$ 2,064,955		\$ 700,952		\$ 3,804,301		\$ 6,778,911	
Total Op Expenses Per Residential Unit	\$ 10,273		\$ 7,378		\$ 10,597		\$ 8,908	
Unit Features - Market	Size	Rent	Size	Rent	Size	Rent	Size	Rent
Studio	549	\$ 3,660	NA	NA				\$ 4,125
1-Bd	692	\$ 4,615	NA	NA				\$ 6,027
2-Bd	1,161	\$ 7,741	NA	NA				\$ 7,500
3-Bd								\$ 9,375
Market Rent/SF			Avg/SF	\$ 7.00				
Studio	\$	6.67						
1-Bd	\$	6.67						
2-Bd	\$	6.67						
3-Bd								
Stated Cap Rates (Single or Going in)	N/A		4.5%		N/A		N/A	

Notes:

(a) Adjusted to exclude developer fee, taxes, financing, reserves

(b) Operating expenses are for first stabilized year, and may include non-residential expenses such as parking, retail, etc. Adjusted to exclude real estate taxes, developer fees, and reserves, to correspond with MIH model which calculates these items separately due to their variability by geography and funding source.

Table D-1: Sample 80/20 Projects Submitted to HPD 2013-2014, Continued




STRONG MARKET								
Name/Address	31-43 Vernon Blvd		149 Kent Ave		525 W 52nd St		210 Livingston	
Type (Stories)	Low-Rise (7)		Low-Rise (7)		High-Rise (26)		High-Rise (26)	
Characteristics								
Lot SF	19,328		40,065		37,898		25,088	
Gross BSF	98,352		222,030		444,779		337,822	
Total Units	105		164		392		348	
Market Rate	84		131		313		278	
Affordable	21		33		79		70	
% Affordable/Affordability Target	20% @ 60% AMI		20% @ 40-50% AMI		20% @ 60% AMI		20% @ 40-50% AMI	
# of Parking Spaces	53		130		-		139	
Hard and Soft Costs	Total	PSF	Total	PSF	Total	PSF	Total	PSF
Hard Costs (inc. contingency)	\$ 23,989,015	\$ 244	\$ 48,451,217	\$ 218	\$ 188,109,235	\$ 423	\$ 113,944,597	\$ 337
Soft Costs (adjusted to exc. dev fee, taxes, financing, reserves)	\$ 2,671,905	\$ 27	\$ 14,786,110	\$ 67	\$ 18,931,520	\$ 43	\$ 19,166,800	\$ 57
Soft as % of Hard Costs	11.1%		30.5%		10.1%		16.8%	
Developer Fee	\$ 750,000		\$ 2,890,000		\$ 5,643,000		\$ 4,000,000	
Operating Expenses (as adjusted) (a)	N/A		\$ 1,423,372		\$ 4,067,070		\$ 3,375,715	
Total Op Expenses Per Residential Unit	N/A		\$ 8,679		\$ 10,375		\$ 9,700	
Unit Features - Market	Size	Rent	Size	Rent	Size	Rent	Size	Rent
Studio		\$ 2,050	486	2,493	526	\$ 3,395	500	\$ 1,898
1-Bd		\$ 2,550	672	3,478	711	\$ 4,555	700	\$ 4,057
2-Bd		\$ 3,350	1,019	5,269	1,136	\$ 7,060	1,000	\$ 5,796
3-Bd								
Market Rent/SF								
Studio			\$ 5.13		\$ 6.45		\$ 3.80	
1-Bd			\$ 5.18		\$ 6.41		\$ 5.80	
2-Bd			\$ 5.17		\$ 6.21		\$ 5.80	
3-Bd								
Stated Cap Rates (Single or Going in)	5.0%		5.0%		5.0%		5.0%	

Notes:

(a) Adjusted to exclude developer fee, taxes, financing, reserves

(b) Operating expenses are for first stabilized year, and may include non-residential expenses such as parking, retail, etc. Adjusted to exclude real estate taxes, developer fees, and reserves, to correspond with MIH model which calculates these items separately due to their variability by geography and funding source.

Table D-1: Sample 80/20 Projects Submitted to HPD 2013-2014, Continued




	STRONG MARKET		MID-MARKET		MODERATE MARKET	
						
Name/Address	605 W 42nd St		490 Myrtle		1511 Bedford	
Type (Stories)	High-Rise (61)		Low-Rise (7)		Mid-Rise (10)	
Characteristics						
Lot SF	108,000		47,000		21,429	
Gross BSF	1,165,185		114,336		148,455	
Total Units	1,174		93		142	
Market Rate	939		74		114	
Affordable	235		19		28	
% Affordable/Affordability Target	20% @ 60% AMI		20% @ 60% AMI		20% @ 80% AMI	
# of Parking Spaces	301		-		60	
Hard and Soft Costs	Total	PSF	Total	PSF	Total	PSF
Hard Costs (inc. contingency)	\$ 344,324,136	\$ 296	\$ 24,830,000	\$ 217	\$ 29,263,500	\$ 197
Soft Costs (adjusted to exc. dev fee, taxes, financing, reserves)	\$ 47,165,172	\$ 40	\$ 2,450,000	\$ 21	\$ 3,552,500	\$ 24
<i>Soft as % of Hard Costs</i>	13.7%		9.9%		12.1%	
Developer Fee	\$ 16,315,913		\$ 1,120,000		-	
Operating Expenses (as adjusted) (a)	\$ 8,950,987		\$ 760,237		N/A	
<i>Total Op Expenses Per Residential Unit</i>	\$ 7,624		\$ 8,175		N/A	
Unit Features - Market	Size	Rent	Size	Rent	Size	Rent
Studio	473	\$ 3,167	415	\$ 2,000		\$ 2,200
1-Bd	681	\$ 4,155	576	\$ 2,708		\$ 2,400
2-Bd	1,043	\$ 6,139	964	\$ 4,336		\$ 3,500
3-Bd	2,172	\$ 16,216				
Market Rent/SF						
Studio		\$ 6.70		\$ 4.82		
1-Bd		\$ 6.10		\$ 4.70		
2-Bd		\$ 5.89		\$ 4.50		
3-Bd		\$ 7.47				
Stated Cap Rates (Single or Going in)	5.0%		N/A		N/A	

Notes:

(a) Adjusted to exclude developer fee, taxes, financing, reserves

(b) Operating expenses are for first stabilized year, and may include non-residential expenses such as parking, retail, etc. Adjusted to exclude real estate taxes, developer fees, and reserves, to correspond with MIH model which calculates these items separately due to their variability by geography and funding source.

Table D-1: Sample 80/20 Projects Submitted to HPD 2013-2014, Continued

ALL AFFORDABLE						
						
Name/Address	424 W 55th St		540 West 53rd St		3160 Webster Ave	
Type (Stories)	Low-Rise (7)		Mid-Rise (12)		Mid-Rise (10)	
Characteristics						
Lot SF	4,393				11,631	
Gross BSF	21,058		131,108		79,010	
Total Units	17		103		60	
Market Rate	-		-		-	
Affordable	17		103		60	
% Affordable/Affordability Target	100% @ 80% AMI		100% @ 80-165% AMI		100% @ 30-80% AMI	
# of Parking Spaces	-		-		-	
Hard and Soft Costs	Total	PSF	Total	PSF	Total	PSF
Hard Costs (inc. contingency)	\$ 7,357,139	\$ 349	\$ 34,394,485	\$ 262	\$ 14,507,851	\$ 184
Soft Costs (adjusted to exc. dev fee, taxes, financing, reserves)	\$ 2,093,789	\$ 99	\$ 5,302,473	\$ 40	\$ 1,565,426	
<i>Soft as % of Hard Costs</i>	28.5%		15.4%		10.8%	
Developer Fee	\$ 3,500,000		\$ 6,142,770		\$ 1,863,000	
Operating Expenses (as adjusted) (a)	177,656		\$ 816,403		391,347	
<i>Total Op Expenses Per Residential Unit</i>	\$ 10,450		\$ 7,926		\$ 6,522	
Unit Features - Market	Size	Rent	Size	Rent	Size	Rent
Studio		N/A		N/A		N/A
1-Bd		N/A		N/A		N/A
2-Bd		N/A		N/A		N/A
3-Bd		N/A		N/A		N/A
Market Rent/SF						
Studio						
1-Bd						
2-Bd						
3-Bd						
Stated Cap Rates (Single or Going in)	N/A		N/A		N/A	

Notes:

(a) Adjusted to exclude developer fee, taxes, financing, reserves

(b) Operating expenses are for first stabilized year, and may include non-residential expenses such as parking, retail, etc. Adjusted to exclude real estate taxes, developer fees, and reserves, to correspond with MIH model which calculates these items separately due to their variability by geography and funding source.

Appendix E: NTA Boundaries by Borough

Table E-1: Bronx NTA Boundaries

Bronx Neighborhood Tabulation Areas (NTAs)

BX01	Claremont-Bathgate
BX03	Eastchester-Edenwald-Baychester
BX05	Bedford Park-Fortham North
BX06	Belmont
BX07	Bronxdale
BX08	West Fams-Bronx River
BX09	Soundview-Castle Hill-Clason Point-Harding Park
BX10	Pelham Bay-Country Club-City Island
BX13	Co-op City
BX14	East Concourse-Concourse Village
BX17	East Tremont
BX22	North Riverdale-Fieldston-Riverdale
BX26	Highbridge
BX27	Hunts Point
BX28	Van Cortlandt Village
BX29	Spuyten Duyvil-Kingsbridge
BX30	Kingsbridge Heights
BX31	Allerton-Pelham Gardens
BX33	Longwood
BX34	Melrose South-Mott Haven North
BX35	Morrisania-Melrose
BX36	University Heights-Morris Heights
BX37	Van Nest-Morris Park-Westchester Square
BX39	Mott Haven-Port Morris
BX40	Fordham South
BX41	Mount Hope
BX43	Nonwood
BX44	Williamsbridge-Olinville
BX46	Parkchester
BX49	Pelham Parkway
BX52	Schuylerville-Throgs Neck-Edgewater Park
BX55	Soundview-Bruckner
BX59	Westchester-Unionport
BX62	Woodlawn-Wakefield
BX63	West Concourse
BX75	Crotona Park East

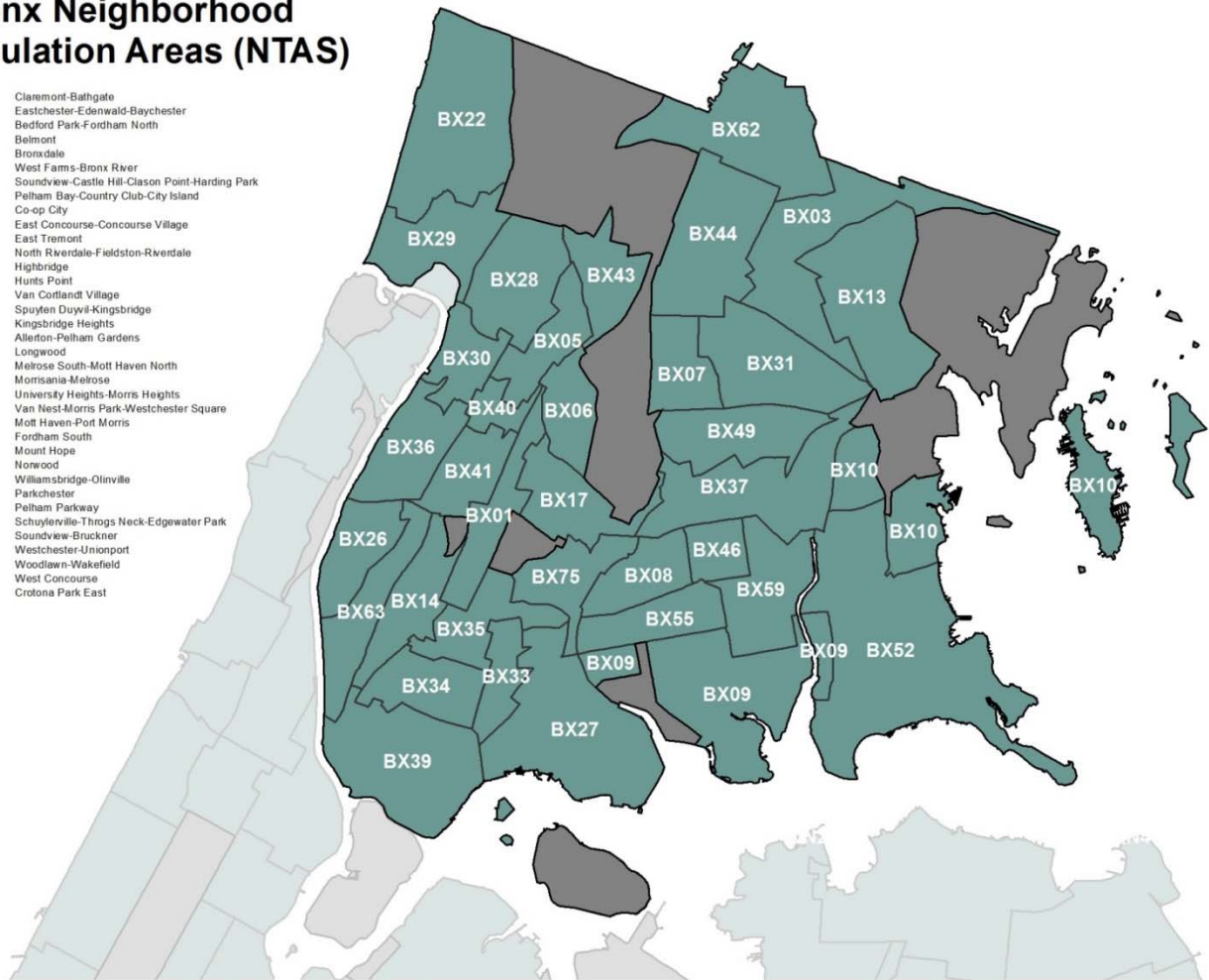


Table E-2: Brooklyn NTA Boundaries

Brooklyn Neighborhood Tabulation Areas (NTAs)

BK09	Brooklyn Heights-Cobble Hill
BK17	Sheepshead Bay-Gerritsen Beach-Manhattan Bea
BK19	Brighton Beach
BK21	Seagate-Coney Island
BK23	West Brighton
BK25	Homecrest
BK26	Gravesend
BK27	Bath Beach
BK28	Bensonhurst West
BK29	Bensonhurst East
BK30	Dyker Heights
BK31	Bay Ridge
BK32	Sunset Park West
BK33	Carroll Gardens-Columbia Street-Red Hook
BK34	Sunset Park East
BK35	Stuyvesant Heights
BK37	Park Slope-Gowanus
BK38	DUMBO-Vinegar Hill-Downtown Brooklyn-Boerum
BK40	Windsor Terrace
BK41	Kensington-Ocean Parkway
BK42	Flatbush
BK43	Midwood
BK44	Madison
BK45	Georgetown-Marine Park-Bergen Beach-Mill Basin
BK46	Ocean Parkway South
BK50	Canarsie
BK58	Flatlands
BK60	Prospect Lefferts Gardens-Wingate
BK61	Crown Heights North
BK63	Crown Heights South
BK64	Prospect Heights
BK68	Fort Greene
BK69	Clinton Hill
BK72	Williamsburg
BK73	North Side-South Side
BK75	Bedford
BK76	Greenpoint
BK77	Bushwick North
BK78	Bushwick South
BK79	Ocean Hill
BK81	Brownsville
BK82	East New York
BK83	Cypress Hills-City Line
BK85	East New York (Pennsylvania Ave)
BK88	Borough Park
BK90	East Williamsburg
BK91	East Flatbush-Farragut
BK93	Starrett City
BK95	Erasmus
BK96	Rugby-Remsen Village

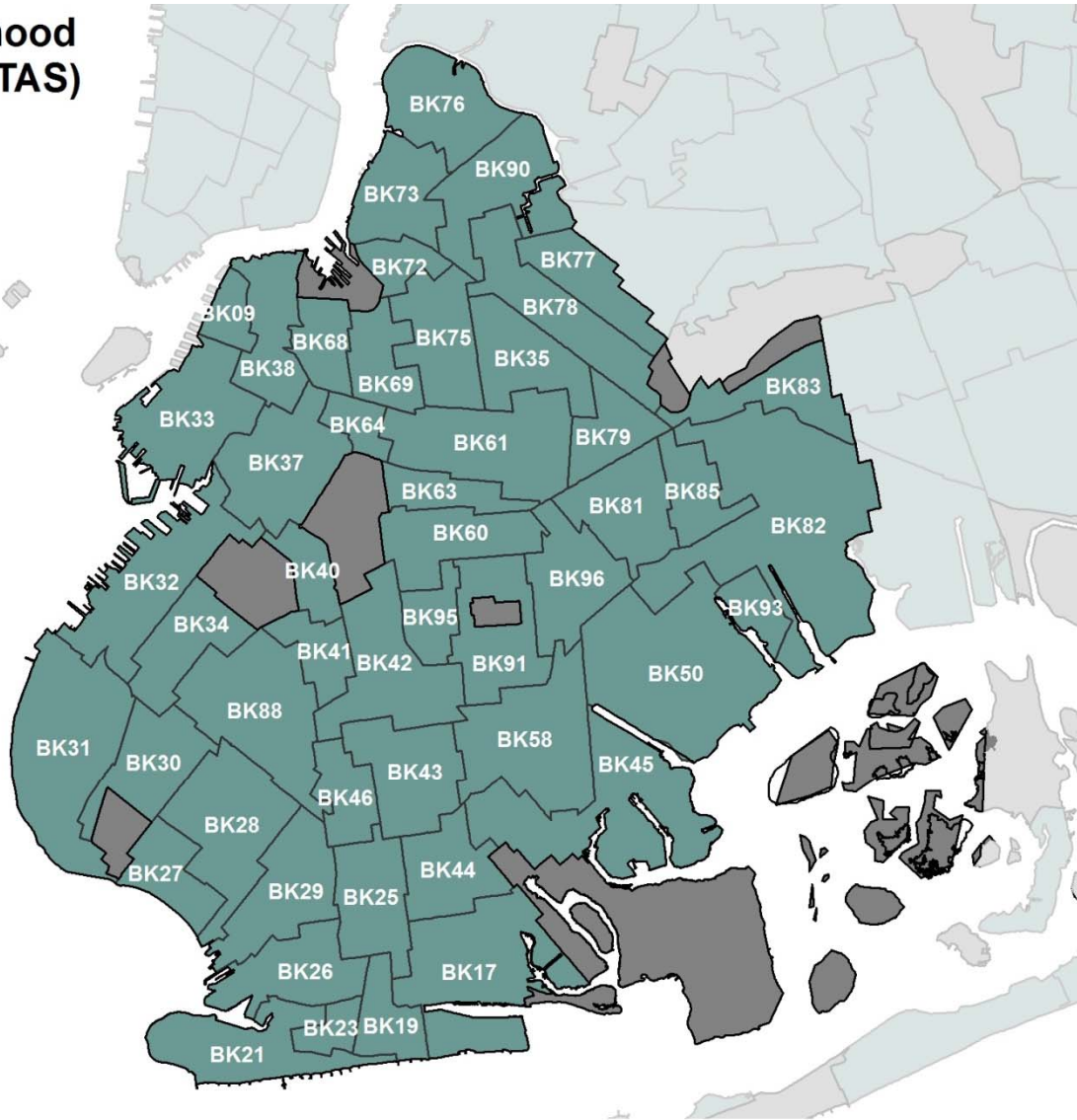


Table E-3: Manhattan NTA Boundaries

Manhattan Neighborhood Tabulation Areas (NTAs)

MN01	Marble Hill-Inwood
MN03	Central Harlem North-Polo Grounds
MN04	Hamilton Heights
MN06	Manhattanville
MN09	Morningside Heights
MN11	Central Harlem South
MN12	Upper West Side
MN13	Hudson Yards-Chelsea-Flat Iron-Union Square
MN14	Lincoln Square
MN15	Clinton
MN17	Midtown-Midtown South
MN19	Turtle Bay-East Midtown
MN20	Murray Hill-Kips Bay
MN21	Gramercy
MN22	East Village
MN23	West Village
MN24	SoHo-TriBeCa-Civic Center-Little Italy
MN25	Battery Park City-Lower Manhattan
MN27	Chinatown
MN28	Lower East Side
MN31	Lenox Hill-Roosevelt Island
MN32	Yorkville
MN33	East Harlem South
MN34	East Harlem North
MN35	Washington Heights North
MN36	Washington Heights South
MN40	Upper East Side-Carnegie Hill
MN50	Stuyvesant Town-Cooper Village

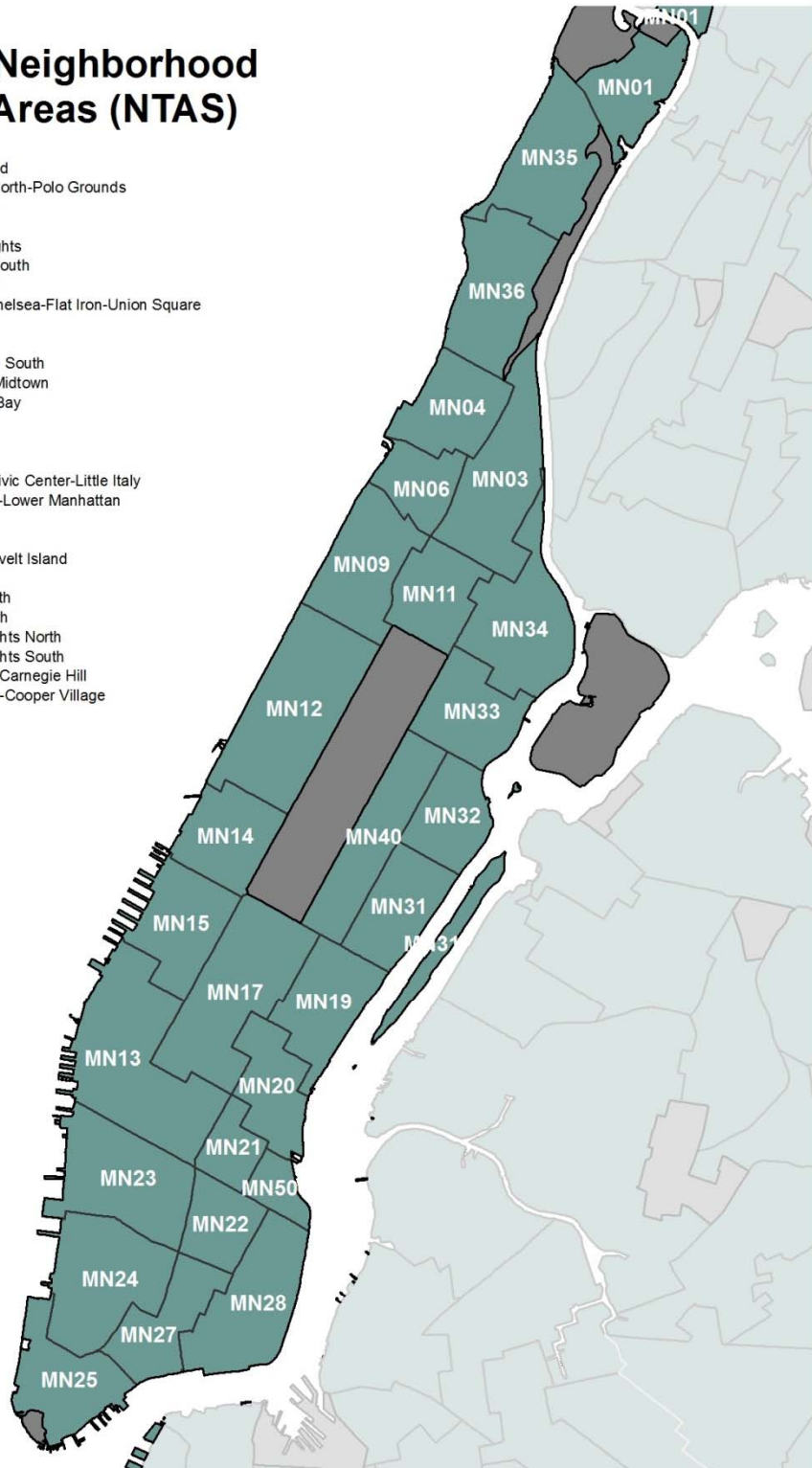


Table E-4: Queens NTA Boundaries

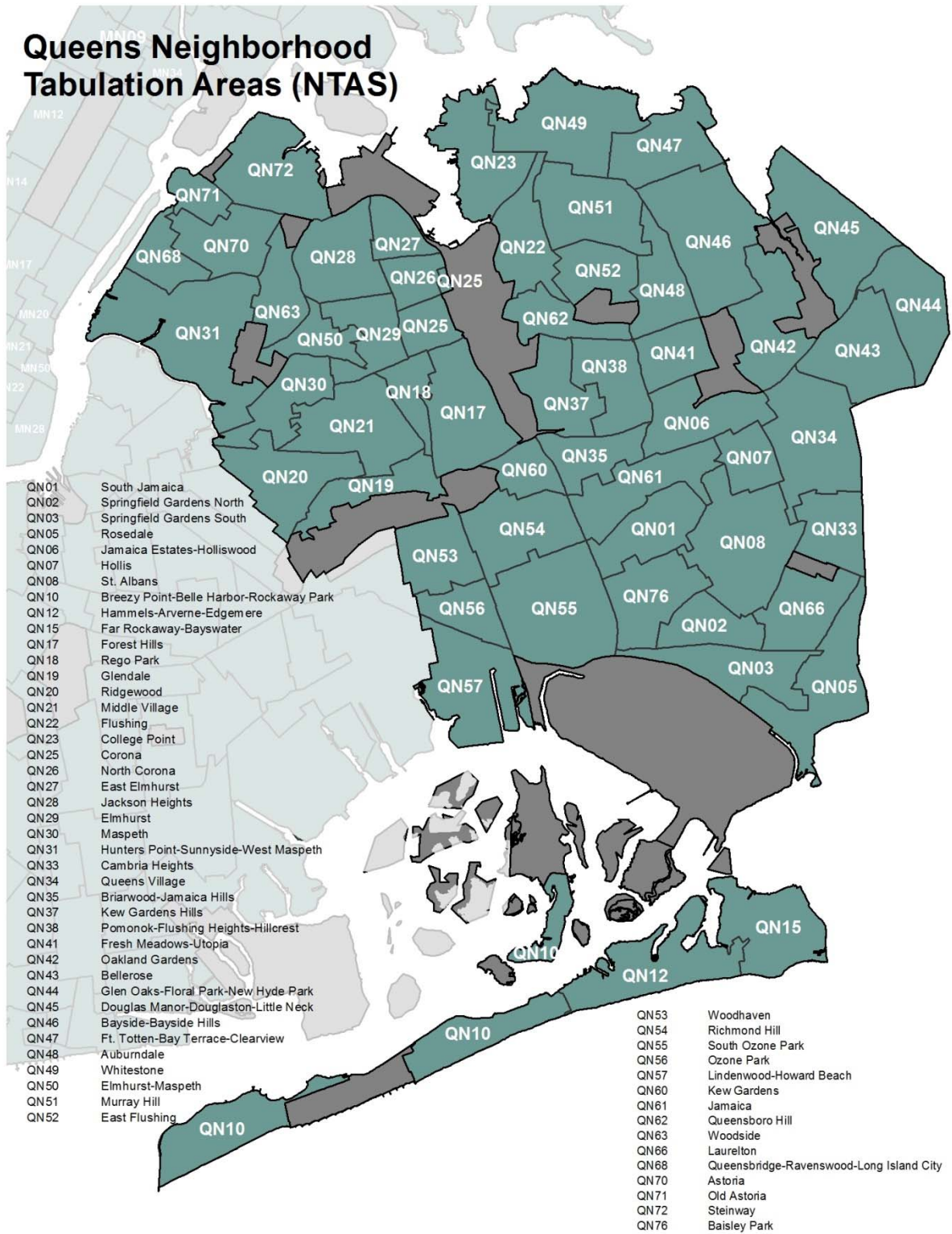
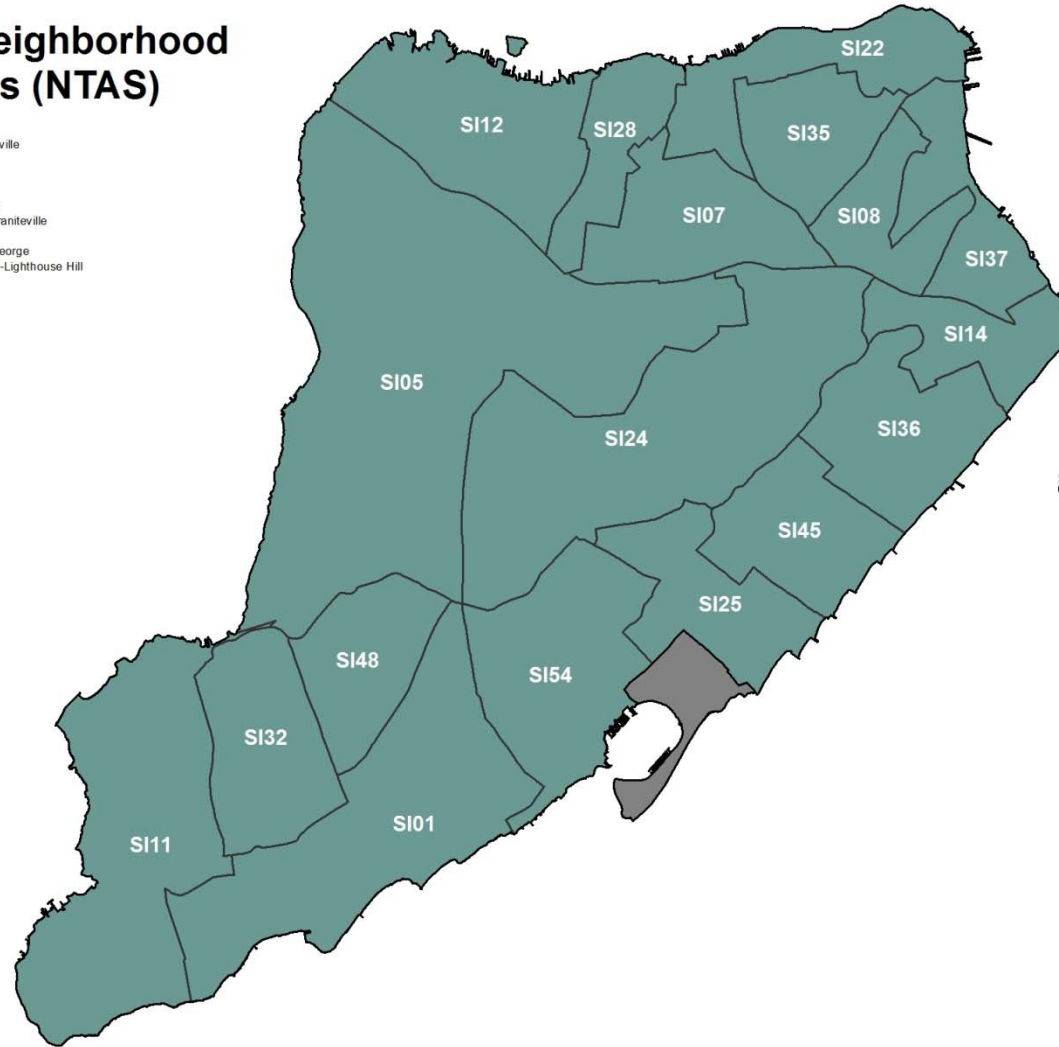


Table E-5: Staten Island NTA Boundaries

Staten Island Neighborhood Tabulation Areas (NTAs)

SI01	Annadale-Huguenot-Prince's Bay-Eitngville
SI05	New Springville-Bloomfield-Travis
SI07	Westerleigh
SI08	Grymes Hill-Clifton-Fox Hills
SI11	Charleston-Richmond Valley-Tottenville
SI12	Manner's Harbor-Arlington-Port Ivory-Graniteville
SI14	Grasmere-Arrochar-Ft. Wadsworth
SI22	West New Brighton-New Brighton-St. George
SI24	Todd Hill-Emerson Hill-Heartland Village-Lighthouse Hill
SI25	Oakwood-Oakwood Beach
SI28	Port Richmond
SI32	Rossville-Woodrow
SI35	New Brighton-Silver Lake
SI36	Old Town-Dongan Hills-South Beach
SI37	Stapleton-Rosebank
SI45	New Dorp-Midland Beach
SI48	Arden Heights
SI54	Great Kills



Appendix F: Financial Feasibility Analysis Results – Rental

Table F-1: Feasibility Analysis Results: High-Rise Rental, Very Strong Market

	Baseline		60% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$944.08	\$951.44	\$734.78	\$735.25	\$735.70	\$736.55	\$737.33	\$736.09	\$736.82	\$737.51	\$738.79	\$739.94
Total Dev. Cost per Unit	\$899,822	\$876,502	\$676,903	\$671,718	\$666,601	\$656,569	\$646,795	\$701,586	\$702,282	\$702,941	\$704,157	\$705,254
Acquisition Cost PSF	\$550.00	\$550.00	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92
Hard Cost PSF	\$261.51	\$261.51	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76
Soft Cost PSF	\$52.30	\$52.30	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15
Avg. Annual Rent PSF - Market Rate	\$85.36	\$85.36	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$902.81	\$902.86	\$902.92	\$903.07	\$903.25
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$674,849	\$674,887	\$674,933	\$675,046	\$675,176
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units	139	144	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	111	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	33	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	5.2%	5.8%	6.3%	5.7%	5.1%	3.9%	2.8%	6.6%	6.3%	5.9%	5.3%	4.8%
Unleveraged IRR w/ Reversion at YR 30	8.3%	7.7%	9.0%	8.5%	7.9%	6.5%	4.9%	9.4%	9.0%	8.7%	8.0%	7.5%
Leveraged IRR w/ Reversion at YR 30	9.4%	9.0%	10.8%	9.8%	8.8%	6.7%	4.6%	11.5%	10.8%	10.2%	9.1%	8.1%

Table F-1: Feasibility Analysis Results: High-Rise Rental, Very Strong Market

	Baseline		60% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$944.08	\$951.44	\$739.05	\$739.03	\$739.00	\$738.92	\$738.79	\$737.02	\$737.95	\$738.83	\$740.46	\$741.92
Total Dev. Cost per Unit	\$899,822	\$876,502	\$680,839	\$675,175	\$669,595	\$658,678	\$648,074	\$702,473	\$703,360	\$704,199	\$705,748	\$707,147
Acquisition Cost PSF	\$550.00	\$550.00	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92
Hard Cost PSF	\$261.51	\$261.51	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76
Soft Cost PSF	\$52.30	\$52.30	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15
Avg. Annual Rent PSF - Market Rate	\$85.36	\$85.36	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$903.46	\$903.65	\$903.85	\$904.24	\$904.64
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$675,337	\$675,479	\$675,625	\$675,921	\$676,217
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units	139	144	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	111	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	33	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	5.2%	5.8%	9.3%	8.7%	8.1%	6.9%	5.7%	7.1%	6.7%	6.5%	6.0%	5.6%
Unleveraged IRR w/ Reversion at YR 30	8.3%	7.7%	10.7%	10.2%	9.6%	8.3%	6.8%	9.6%	9.3%	9.0%	8.4%	7.9%
Leveraged IRR w/ Reversion at YR 30	9.4%	9.0%	16.8%	15.1%	13.4%	10.3%	7.4%	12.1%	11.5%	10.9%	9.9%	9.0%

Table F-1: Feasibility Analysis Results: High-Rise Rental, Very Strong Market

	Baseline		60% AMI Target									
	Baseline		MIH + 421-a + 4% LIHTC									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 50% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 50% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$944.08	\$951.44	\$750.01	\$752.96	\$755.68	\$761.07	\$766.38	\$726.29	\$727.37	\$728.21	\$729.76	\$731.17
Total Dev. Cost per Unit	\$899,822	\$876,502	\$690,939	\$687,896	\$684,706	\$678,426	\$672,274	\$692,243	\$693,275	\$694,074	\$695,554	\$696,897
Acquisition Cost PSF	\$550.00	\$550.00	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92
Hard Cost PSF	\$261.51	\$261.51	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76
Soft Cost PSF	\$52.30	\$52.30	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15
Avg. Annual Rent PSF - Market Rate	\$85.36	\$85.36	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$14.52	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$941.41	\$941.82	\$942.10	\$942.65	\$943.18
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$703,706	\$704,014	\$704,218	\$704,628	\$705,030
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$14.52	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units	139	144	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	111	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	33	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	5.2%	5.8%	10.0%	9.7%	9.2%	8.2%	7.1%	7.3%	7.1%	6.9%	6.5%	6.1%
Unleveraged IRR w/ Reversion at YR 30	8.3%	7.7%	11.1%	10.8%	10.3%	9.3%	7.9%	9.8%	9.6%	9.3%	8.8%	8.4%
Leveraged IRR w/ Reversion at YR 30	9.4%	9.0%	18.8%	17.6%	16.1%	13.0%	9.9%	12.5%	12.1%	11.6%	10.6%	9.8%

Table F-1: Feasibility Analysis Results: High-Rise Rental, Very Strong Market

	Baseline		75% AMI Target									
			MIH ONLY									
			On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$944.08	\$951.44	\$734.97	\$735.49	\$735.99	\$736.94	\$737.82	\$736.30	\$737.07	\$737.80	\$739.15	\$740.38
Total Dev. Cost per Unit	\$899,822	\$876,502	\$677,081	\$671,940	\$666,865	\$656,915	\$647,221	\$701,781	\$702,519	\$703,218	\$704,507	\$705,670
Acquisition Cost PSF	\$550.00	\$550.00	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92
Hard Cost PSF	\$261.51	\$261.51	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76
Soft Cost PSF	\$52.30	\$52.30	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15
Avg. Annual Rent PSF - Market Rate	\$85.36	\$85.36	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$902.75	\$902.83	\$902.92	\$903.13	\$903.35
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$674,807	\$674,867	\$674,935	\$675,088	\$675,255
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24
<u>Scenario Yield</u>												
Total Units	139	144	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	111	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	33	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	5.2%	5.8%	6.4%	5.8%	5.3%	4.2%	3.1%	6.7%	6.4%	6.1%	5.5%	5.0%
Unleveraged IRR w/ Reversion at YR 30	8.3%	7.7%	9.2%	8.6%	8.1%	6.8%	5.3%	9.4%	9.1%	8.8%	8.2%	7.7%
Leveraged IRR w/ Reversion at YR 30	9.4%	9.0%	11.0%	10.0%	9.1%	7.1%	5.1%	11.7%	11.0%	10.4%	9.3%	8.5%

Table F-1: Feasibility Analysis Results: High-Rise Rental, Very Strong Market

	Baseline		75% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$944.08	\$951.44	\$739.24	\$739.27	\$739.29	\$739.30	\$739.27	\$737.23	\$738.20	\$739.12	\$740.82	\$742.36
Total Dev. Cost per Unit	\$899,822	\$876,502	\$681,018	\$675,397	\$669,859	\$659,024	\$648,499	\$702,668	\$703,597	\$704,476	\$706,099	\$707,563
Acquisition Cost PSF	\$550.00	\$550.00	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92
Hard Cost PSF	\$261.51	\$261.51	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76
Soft Cost PSF	\$52.30	\$52.30	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15
Avg. Annual Rent PSF - Market Rate	\$85.36	\$85.36	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$903.40	\$903.62	\$903.85	\$904.30	\$904.74
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$675,294	\$675,460	\$675,627	\$675,964	\$676,296
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24
<u>Scenario Yield</u>												
Total Units	139	144	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	111	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	33	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	5.2%	5.8%	9.4%	8.9%	8.3%	7.2%	6.1%	7.2%	6.9%	6.6%	6.2%	5.8%
Unleveraged IRR w/ Reversion at YR 30	8.3%	7.7%	10.8%	10.3%	9.8%	8.6%	7.2%	9.7%	9.4%	9.1%	8.6%	8.1%
Leveraged IRR w/ Reversion at YR 30	9.4%	9.0%	17.2%	15.5%	13.9%	10.9%	8.1%	12.3%	11.7%	11.1%	10.2%	9.3%

Table F-1: Feasibility Analysis Results: High-Rise Rental, Very Strong Market

	Baseline		75% AMI Target									
	Baseline		MIH + 421-a + 4% LIHTC									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$944.08	\$951.44										
Total Dev. Cost per Unit	\$899,822	\$876,502										
Acquisition Cost PSF	\$550.00	\$550.00										
Hard Cost PSF	\$261.51	\$261.51										
Soft Cost PSF	\$52.30	\$52.30										
Avg. Annual Rent PSF - Market Rate	\$85.36	\$85.36										
Avg. Annual Rent PSF - Affordable	n/a	\$17.61										
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	N/A (d)					N/A (d)				
Total Dev. Cost per Unit	n/a	n/a										
Acquisition Cost PSF	n/a	n/a										
Hard Cost PSF	n/a	n/a										
Soft Cost PSF	n/a	n/a										
Avg. Annual Rent PSF - Affordable	n/a	n/a										
<u>Scenario Yield</u>												
Total Units	139	144										
Market Rate Units	139	111										
Affordable Units - On-Site	0	33										
Affordable Units - Off-Site	0	0										
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	5.2%	5.8%										
Unleveraged IRR w/ Reversion at YR 30	8.3%	7.7%										
Leveraged IRR w/ Reversion at YR 30	9.4%	9.0%										

Table F-1: Feasibility Analysis Results: High-Rise Rental, Very Strong Market

	Baseline		90% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$944.08	\$951.44	\$735.18	\$735.76	\$736.31	\$737.36	\$738.35	\$736.48	\$737.30	\$738.07	\$739.49	\$740.78
Total Dev. Cost per Unit	\$899,822	\$876,502	\$677,277	\$672,182	\$667,154	\$657,294	\$647,687	\$701,961	\$702,737	\$703,472	\$704,829	\$706,053
Acquisition Cost PSF	\$550.00	\$550.00	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92
Hard Cost PSF	\$261.51	\$261.51	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76
Soft Cost PSF	\$52.30	\$52.30	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15
Avg. Annual Rent PSF - Market Rate	\$85.36	\$85.36	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$902.88	\$902.99	\$903.11	\$903.37	\$903.63
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$674,905	\$674,987	\$675,075	\$675,265	\$675,465
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88
<u>Scenario Yield</u>												
Total Units	139	144	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	111	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	33	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	5.2%	5.8%	6.5%	6.0%	5.5%	4.4%	3.4%	6.8%	6.5%	6.2%	5.6%	5.2%
Unleveraged IRR w/ Reversion at YR 30	8.3%	7.7%	9.2%	8.7%	8.2%	7.1%	5.7%	9.5%	9.2%	8.9%	8.3%	7.8%
Leveraged IRR w/ Reversion at YR 30	9.4%	9.0%	11.2%	10.3%	9.3%	7.5%	5.6%	11.9%	11.2%	10.6%	9.6%	8.8%

Table F-1: Feasibility Analysis Results: High-Rise Rental, Very Strong Market

	Baseline		90% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$944.08	\$951.44	\$739.46	\$739.54	\$739.61	\$739.73	\$739.80	\$737.41	\$738.43	\$739.39	\$741.16	\$742.76
Total Dev. Cost per Unit	\$899,822	\$876,502	\$681,214	\$675,640	\$670,147	\$659,402	\$648,965	\$702,847	\$703,815	\$704,730	\$706,420	\$707,945
Acquisition Cost PSF	\$550.00	\$550.00	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92
Hard Cost PSF	\$261.51	\$261.51	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76	\$330.76
Soft Cost PSF	\$52.30	\$52.30	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15	\$66.15
Avg. Annual Rent PSF - Market Rate	\$85.36	\$85.36	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22	\$98.22
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$903.54	\$903.79	\$904.04	\$904.54	\$905.02
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$675,393	\$675,579	\$675,767	\$676,141	\$676,506
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88
<u>Scenario Yield</u>												
Total Units	139	144	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	111	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	33	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	5.2%	5.8%	9.6%	9.0%	8.5%	7.4%	6.4%	7.3%	7.0%	6.8%	6.3%	6.0%
Unleveraged IRR w/ Reversion at YR 30	8.3%	7.7%	10.9%	10.4%	9.9%	8.8%	7.5%	9.7%	9.5%	9.2%	8.7%	8.3%
Leveraged IRR w/ Reversion at YR 30	9.4%	9.0%	17.6%	16.0%	14.4%	11.5%	8.8%	12.5%	11.9%	11.4%	10.5%	9.7%

Table F-1: Feasibility Analysis Results: High-Rise Rental, Very Strong Market

	Baseline		90% AMI Target																			
			MIH + 421-a + 4% LIHTC																			
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability														
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI										
<u>Key Assumptions - On-Site Component</u>																						
Total Dev. Cost PSF	\$944.08	\$951.44																				
Total Dev. Cost per Unit	\$899,822	\$876,502																				
Acquisition Cost PSF	\$550.00	\$550.00																				
Hard Cost PSF	\$261.51	\$261.51																				
Soft Cost PSF	\$52.30	\$52.30																				
Avg. Annual Rent PSF - Market Rate	\$85.36	\$85.36																				
Avg. Annual Rent PSF - Affordable	n/a	\$17.61																				
<u>Key Assumptions - Off-Site Component</u>																						
Total Dev. Cost PSF	n/a	n/a																				
Total Dev. Cost per Unit	n/a	n/a																				
Acquisition Cost PSF	n/a	n/a																				
Hard Cost PSF	n/a	n/a																				
Soft Cost PSF	n/a	n/a																				
Avg. Annual Rent PSF - Affordable	n/a	n/a																				
<u>Scenario Yield</u>																						
Total Units	139	144																				
Market Rate Units	139	111																				
Affordable Units - On-Site	0	33																				
Affordable Units - Off-Site	0	0																				
<u>Feasibility Results</u>																						
Yield-on-Cost (YOC)	5.2%	5.8%																				
Unleveraged IRR w/ Reversion at YR 30	8.3%	7.7%																				
Leveraged IRR w/ Reversion at YR 30	9.4%	9.0%																				

Notes:

- (a) The baseline scenarios assume a project that is developed at the density permitted under current zoning conditions. Current conditions are assumed to be as follows: M1-2 for Low-Rise, R7A for Mid-Rise, R10 for High-Rise.
- (b) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.
- (c) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for residential use.
- (d) Projects that do not provide at least 20% of units at or below 50% AMI or 25% of units at or below 60% AMI do not qualify for LIHTC credits; for this reason, this analysis does not test the impact of LIHTC credits under the 75% AMI or 90% AMI blended target levels; note that under the 60% AMI blended target level, the blended average AMI target corresponding to a 20% set-aside is modified to 50% AMI in order to allow for LIHTC eligibility.

Source: BAE, 2015.

Table F-2: Feasibility Analysis Results: High-Rise Rental, Strong Market

	Baseline		60% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$717.19	\$719.34	\$625.51	\$624.88	\$624.24	\$623.09	\$621.68	\$629.88	\$630.33	\$630.76	\$631.54	\$632.26
Total Dev. Cost per Unit	\$683,576	\$662,683	\$576,243	\$570,891	\$565,610	\$555,432	\$545,344	\$600,356	\$600,784	\$601,189	\$601,940	\$602,621
Acquisition Cost PSF	\$325.00	\$325.00	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04
Hard Cost PSF	\$282.65	\$278.42	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82
Soft Cost PSF	\$56.53	\$55.68	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36
Avg. Annual Rent PSF - Market Rate	\$54.64	\$54.64	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$659.70	\$659.51	\$659.34	\$659.07	\$658.87
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$493,129	\$492,983	\$492,858	\$492,657	\$492,507
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units	139	144	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	111	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	33	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	3.4%	4.8%	3.7%	3.3%	2.9%	2.0%	1.2%	4.1%	3.8%	3.6%	3.2%	2.9%
Unleveraged IRR w/ Reversion at YR 30	6.2%	6.6%	6.2%	5.7%	5.0%	3.6%	0.0%	6.7%	6.4%	6.1%	5.5%	5.0%
Leveraged IRR w/ Reversion at YR 30	6.3%	7.1%	6.3%	5.6%	4.8%	3.0%	0.0%	7.0%	6.6%	6.2%	5.4%	4.7%

Table F-2: Feasibility Analysis Results: High-Rise Rental, Strong Market

	Baseline		60% AMI Target									
			MIH + 421-a Benefit									
			On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$717.19	\$719.34	\$629.49	\$628.41	\$627.32	\$625.30	\$623.05	\$630.80	\$631.44	\$632.05	\$633.19	\$634.22
Total Dev. Cost per Unit	\$683,576	\$662,683	\$579,906	\$574,109	\$568,399	\$557,400	\$546,543	\$601,227	\$601,843	\$602,427	\$603,510	\$604,493
Acquisition Cost PSF	\$325.00	\$325.00	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04
Hard Cost PSF	\$282.65	\$278.42	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82
Soft Cost PSF	\$56.53	\$55.68	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36
Avg. Annual Rent PSF - Market Rate	\$54.64	\$54.64	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$660.31	\$660.24	\$660.20	\$660.16	\$660.17
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$493,579	\$493,531	\$493,498	\$493,469	\$493,475
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units	139	144	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	111	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	33	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	3.4%	4.8%	6.9%	6.5%	6.0%	5.2%	4.4%	4.6%	4.4%	4.3%	4.0%	3.8%
Unleveraged IRR w/ Reversion at YR 30	6.2%	6.6%	8.7%	8.2%	7.7%	6.5%	5.0%	7.1%	6.8%	6.6%	6.2%	5.7%
Leveraged IRR w/ Reversion at YR 30	6.3%	7.1%	11.0%	10.0%	9.0%	6.9%	4.4%	7.6%	7.2%	6.9%	6.2%	5.7%

Table F-2: Feasibility Analysis Results: High-Rise Rental, Strong Market

	Baseline		60% AMI Target									
	Baseline		MIH + 421-a + 4% LIHTC									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 50% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 50% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$717.19	\$719.34	\$640.87	\$642.89	\$644.61	\$648.15	\$651.34	\$620.82	\$621.61	\$622.18	\$623.23	\$624.19
Total Dev. Cost per Unit	\$683,576	\$662,683	\$590,392	\$587,338	\$584,068	\$577,771	\$571,363	\$591,723	\$592,471	\$593,011	\$594,017	\$594,935
Acquisition Cost PSF	\$325.00	\$325.00	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04
Hard Cost PSF	\$282.65	\$278.42	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82
Soft Cost PSF	\$56.53	\$55.68	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36
Avg. Annual Rent PSF - Market Rate	\$54.64	\$54.64	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$14.52	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$697.84	\$697.93	\$697.91	\$697.92	\$697.98
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$521,639	\$521,702	\$521,688	\$521,696	\$521,740
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$14.52	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units	139	144	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	111	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	33	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	3.4%	4.8%	7.5%	7.3%	7.0%	6.4%	5.7%	4.7%	4.7%	4.6%	4.4%	4.2%
Unleveraged IRR w/ Reversion at YR 30	6.2%	6.6%	9.2%	8.9%	8.5%	7.6%	6.4%	7.3%	7.2%	7.0%	6.6%	6.3%
Leveraged IRR w/ Reversion at YR 30	6.3%	7.1%	12.2%	11.7%	10.9%	9.1%	6.8%	7.8%	7.6%	7.4%	6.8%	6.4%

Table F-2: Feasibility Analysis Results: High-Rise Rental, Strong Market

	Baseline		75% AMI Target									
			MIH ONLY									
			On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$717.19	\$719.34	\$625.70	\$625.13	\$624.53	\$623.48	\$622.16	\$630.09	\$630.58	\$631.05	\$631.92	\$632.70
Total Dev. Cost per Unit	\$683,576	\$662,683	\$576,421	\$571,112	\$565,874	\$555,778	\$545,770	\$600,553	\$601,023	\$601,468	\$602,294	\$603,044
Acquisition Cost PSF	\$325.00	\$325.00	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04
Hard Cost PSF	\$282.65	\$278.42	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82
Soft Cost PSF	\$56.53	\$55.68	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36
Avg. Annual Rent PSF - Market Rate	\$54.64	\$54.64	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$659.64	\$659.47	\$659.33	\$659.12	\$658.96
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$493,080	\$492,957	\$492,852	\$492,690	\$492,575
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24
<u>Scenario Yield</u>												
Total Units	139	144	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	111	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	33	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	3.4%	4.8%	3.8%	3.5%	3.1%	2.3%	1.6%	4.2%	4.0%	3.8%	3.4%	3.1%
Unleveraged IRR w/ Reversion at YR 30	6.2%	6.6%	6.4%	5.9%	5.3%	4.0%	2.4%	6.9%	6.6%	6.3%	5.8%	5.3%
Leveraged IRR w/ Reversion at YR 30	6.3%	7.1%	6.5%	5.9%	5.1%	3.6%	0.0%	7.2%	6.8%	6.4%	5.7%	5.1%

Table F-2: Feasibility Analysis Results: High-Rise Rental, Strong Market

	Baseline		75% AMI Target									
			MIH + 421-a Benefit									
			On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$717.19	\$719.34	\$629.68	\$628.65	\$627.61	\$625.69	\$623.53	\$631.00	\$631.69	\$632.35	\$633.56	\$634.67
Total Dev. Cost per Unit	\$683,576	\$662,683	\$580,084	\$574,331	\$568,662	\$557,746	\$546,969	\$601,423	\$602,082	\$602,707	\$603,865	\$604,915
Acquisition Cost PSF	\$325.00	\$325.00	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04
Hard Cost PSF	\$282.65	\$278.42	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82
Soft Cost PSF	\$56.53	\$55.68	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36
Avg. Annual Rent PSF - Market Rate	\$54.64	\$54.64	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$660.24	\$660.21	\$660.19	\$660.20	\$660.26
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$493,530	\$493,504	\$493,493	\$493,502	\$493,543
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24
<u>Scenario Yield</u>												
Total Units	139	144	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	111	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	33	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	3.4%	4.8%	7.0%	6.7%	6.3%	5.5%	4.7%	4.7%	4.5%	4.4%	4.2%	4.0%
Unleveraged IRR w/ Reversion at YR 30	6.2%	6.6%	8.9%	8.4%	8.0%	6.9%	5.6%	7.2%	7.0%	6.8%	6.4%	6.1%
Leveraged IRR w/ Reversion at YR 30	6.3%	7.1%	11.4%	10.4%	9.5%	7.5%	5.4%	7.8%	7.5%	7.2%	6.6%	6.1%

Table F-2: Feasibility Analysis Results: High-Rise Rental, Strong Market

	Baseline		75% AMI Target									
			MIH + 421-a + 4% LIHTC									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$717.19	\$719.34										
Total Dev. Cost per Unit	\$683,576	\$662,683										
Acquisition Cost PSF	\$325.00	\$325.00										
Hard Cost PSF	\$282.65	\$278.42										
Soft Cost PSF	\$56.53	\$55.68										
Avg. Annual Rent PSF - Market Rate	\$54.64	\$54.64										
Avg. Annual Rent PSF - Affordable	n/a	\$17.61										
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a										
Total Dev. Cost per Unit	n/a	n/a										
Acquisition Cost PSF	n/a	n/a										
Hard Cost PSF	n/a	n/a										
Soft Cost PSF	n/a	n/a										
Avg. Annual Rent PSF - Affordable	n/a	n/a										
<u>Scenario Yield</u>												
Total Units	139	144										
Market Rate Units	139	111										
Affordable Units - On-Site	0	33										
Affordable Units - Off-Site	0	0										
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	3.4%	4.8%										
Unleveraged IRR w/ Reversion at YR 30	6.2%	6.6%										
Leveraged IRR w/ Reversion at YR 30	6.3%	7.1%										

Table F-2: Feasibility Analysis Results: High-Rise Rental, Strong Market

	90% AMI Target											
	Baseline		MIH ONLY									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$717.19	\$719.34	\$625.92	\$625.39	\$624.85	\$623.90	\$622.69	\$630.28	\$630.81	\$631.32	\$632.26	\$633.11
Total Dev. Cost per Unit	\$683,576	\$662,683	\$576,617	\$571,355	\$566,162	\$556,156	\$546,236	\$600,733	\$601,242	\$601,725	\$602,620	\$603,432
Acquisition Cost PSF	\$325.00	\$325.00	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04
Hard Cost PSF	\$282.65	\$278.42	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82
Soft Cost PSF	\$56.53	\$55.68	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36
Avg. Annual Rent PSF - Market Rate	\$54.64	\$54.64	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$659.76	\$659.63	\$659.51	\$659.34	\$659.23
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$493,174	\$493,070	\$492,985	\$492,858	\$492,776
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88
<u>Scenario Yield</u>												
Total Units	139	144	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	111	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	33	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	3.4%	4.8%	4.0%	3.6%	3.3%	2.6%	1.9%	4.3%	4.1%	4.0%	3.6%	3.3%
Unleveraged IRR w/ Reversion at YR 30	6.2%	6.6%	6.6%	6.1%	5.6%	4.4%	3.0%	7.0%	6.7%	6.5%	6.0%	5.6%
Leveraged IRR w/ Reversion at YR 30	6.3%	7.1%	6.8%	6.1%	5.5%	4.0%	0.0%	7.4%	7.0%	6.7%	6.0%	5.5%

Table F-2: Feasibility Analysis Results: High-Rise Rental, Strong Market

	Baseline		90% AMI Target									
			MIH + 421-a Benefit									
			On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$717.19	\$719.34	\$629.89	\$628.92	\$627.93	\$626.11	\$624.06	\$631.19	\$631.92	\$632.62	\$633.90	\$635.07
Total Dev. Cost per Unit	\$683,576	\$662,683	\$580,280	\$574,574	\$568,951	\$558,125	\$547,434	\$601,604	\$602,301	\$602,963	\$604,191	\$605,304
Acquisition Cost PSF	\$325.00	\$325.00	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04
Hard Cost PSF	\$282.65	\$278.42	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82
Soft Cost PSF	\$56.53	\$55.68	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36
Avg. Annual Rent PSF - Market Rate	\$54.64	\$54.64	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87	\$62.87
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$660.37	\$660.36	\$660.37	\$660.43	\$660.53
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$493,624	\$493,618	\$493,625	\$493,671	\$493,744
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88
<u>Scenario Yield</u>												
Total Units	139	144	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	111	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	33	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	3.4%	4.8%	7.2%	6.8%	6.5%	5.8%	5.1%	4.8%	4.7%	4.6%	4.4%	4.3%
Unleveraged IRR w/ Reversion at YR 30	6.2%	6.6%	9.0%	8.6%	8.2%	7.2%	6.1%	7.3%	7.2%	7.0%	6.6%	6.3%
Leveraged IRR w/ Reversion at YR 30	6.3%	7.1%	11.7%	10.8%	9.9%	8.2%	6.3%	7.9%	7.7%	7.4%	6.9%	6.5%

Table F-2: Feasibility Analysis Results: High-Rise Rental, Strong Market

	Baseline		90% AMI Target																			
			MIH + 421-a + 4% LIHTC																			
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability														
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI										
Key Assumptions - On-Site Component																						
Total Dev. Cost PSF	\$717.19	\$719.34																				
Total Dev. Cost per Unit	\$683,576	\$662,683																				
Acquisition Cost PSF	\$325.00	\$325.00																				
Hard Cost PSF	\$282.65	\$278.42																				
Soft Cost PSF	\$56.53	\$55.68																				
Avg. Annual Rent PSF - Market Rate	\$54.64	\$54.64																				
Avg. Annual Rent PSF - Affordable	n/a	\$17.61																				
Key Assumptions - Off-Site Component																						
Total Dev. Cost PSF	n/a	n/a																				
Total Dev. Cost per Unit	n/a	n/a																				
Acquisition Cost PSF	n/a	n/a																				
Hard Cost PSF	n/a	n/a																				
Soft Cost PSF	n/a	n/a																				
Avg. Annual Rent PSF - Affordable	n/a	n/a																				
Scenario Yield																						
Total Units	139	144																				
Market Rate Units	139	111																				
Affordable Units - On-Site	0	33																				
Affordable Units - Off-Site	0	0																				
Feasibility Results																						
Yield-on-Cost (YOC)	3.4%	4.8%																				
Unleveraged IRR w/ Reversion at YR 30	6.2%	6.6%																				
Leveraged IRR w/ Reversion at YR 30	6.3%	7.1%																				

Notes:

- (a) The baseline scenarios assume a project that is developed at the density permitted under current zoning conditions. Current conditions are assumed to be as follows: M1-2 for Low-Rise, R7A for Mid-Rise, R10 for High-Rise.
- (b) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.
- (c) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for residential use.
- (d) Projects that do not provide at least 20% of units at or below 50% AMI or 25% of units at or below 60% AMI do not qualify for LIHTC credits; for this reason, this analysis does not test the impact of LIHTC credits under the 75% AMI or 90% AMI blended target levels; note that under the 60% AMI blended target level, the blended average AMI target corresponding to a 20% set-aside is modified to 50% AMI in order to allow for LIHTC eligibility.

Source: BAE, 2015.

Table F-3: Feasibility Analysis Results: High-Rise Rental, Mid-Market

	Baseline		60% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$659.84	\$663.92	\$595.20	\$594.65	\$594.08	\$593.09	\$591.85	\$599.33	\$599.79	\$600.22	\$601.02	\$601.75
Total Dev. Cost per Unit	\$628,913	\$632,795	\$548,317	\$543,265	\$538,282	\$528,688	\$519,177	\$571,238	\$571,673	\$572,085	\$572,850	\$573,544
Acquisition Cost PSF	\$275.00	\$275.00	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96
Hard Cost PSF	\$282.65	\$282.65	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82
Soft Cost PSF	\$56.53	\$56.53	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36
Avg. Annual Rent PSF - Market Rate	\$38.57	\$38.57	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$603.04	\$602.94	\$602.87	\$602.76	\$602.70
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$450,773	\$450,701	\$450,644	\$450,563	\$450,515
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units	139	139	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	139	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	0	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	2.1%	4.2%	2.3%	2.0%	1.7%	1.2%	0.6%	2.6%	2.4%	2.3%	2.0%	1.8%
Unleveraged IRR w/ Reversion at YR 30	4.1%	5.3%	4.1%	3.6%	3.0%	0.0%	0.0%	4.6%	4.4%	4.1%	3.6%	3.1%
Leveraged IRR w/ Reversion at YR 30	3.6%	4.9%	3.6%	3.0%	0.0%	0.0%	0.0%	4.3%	3.9%	3.6%	3.0%	0.0%

Table F-3: Feasibility Analysis Results: High-Rise Rental, Mid-Market

	Baseline		60% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$659.84	\$663.92	\$598.14	\$597.25	\$596.36	\$594.73	\$592.86	\$603.60	\$604.11	\$604.59	\$605.49	\$606.30
Total Dev. Cost per Unit	\$628,913	\$632,795	\$551,028	\$545,647	\$540,346	\$530,145	\$520,064	\$575,309	\$575,794	\$576,254	\$577,107	\$577,880
Acquisition Cost PSF	\$275.00	\$275.00	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96
Hard Cost PSF	\$282.65	\$282.65	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82
Soft Cost PSF	\$56.53	\$56.53	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36
Avg. Annual Rent PSF - Market Rate	\$38.57	\$38.57	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$599.95	\$600.16	\$600.36	\$600.74	\$601.10
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$448,462	\$448,617	\$448,767	\$449,053	\$449,321
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units	139	139	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	139	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	0	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	2.1%	4.2%	4.7%	4.4%	4.2%	3.6%	3.0%	4.8%	4.7%	4.5%	4.3%	4.0%
Unleveraged IRR w/ Reversion at YR 30	4.1%	5.3%	6.3%	5.8%	5.3%	4.2%	2.7%	5.9%	5.7%	5.5%	5.0%	4.6%
Leveraged IRR w/ Reversion at YR 30	3.6%	4.9%	6.5%	5.8%	5.0%	3.4%	0.0%	5.9%	5.6%	5.2%	4.6%	4.0%

Table F-3: Feasibility Analysis Results: High-Rise Rental, Mid-Market

	Baseline		60% AMI Target									
	Baseline		MIH + 421-a + 4% LIHTC									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 50% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 50% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$659.84	\$663.92	\$609.54	\$611.76	\$613.69	\$617.63	\$621.22	\$593.69	\$594.40	\$594.87	\$595.75	\$596.55
Total Dev. Cost per Unit	\$628,913	\$632,795	\$561,534	\$558,902	\$556,047	\$550,558	\$544,938	\$565,857	\$566,541	\$566,989	\$567,824	\$568,585
Acquisition Cost PSF	\$275.00	\$275.00	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96
Hard Cost PSF	\$282.65	\$282.65	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82
Soft Cost PSF	\$56.53	\$56.53	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36
Avg. Annual Rent PSF - Market Rate	\$38.57	\$38.57	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$14.52	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$637.33	\$637.72	\$637.95	\$638.40	\$638.83
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$476,402	\$476,693	\$476,870	\$477,208	\$477,525
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$14.52	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units	139	139	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	139	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	0	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	2.1%	4.2%	5.1%	5.0%	4.9%	4.5%	4.0%	5.0%	5.0%	4.9%	4.7%	4.5%
Unleveraged IRR w/ Reversion at YR 30	4.1%	5.3%	6.7%	6.5%	6.2%	5.3%	4.2%	6.1%	6.0%	5.9%	5.5%	5.2%
Leveraged IRR w/ Reversion at YR 30	3.6%	4.9%	7.1%	6.8%	6.3%	4.9%	3.0%	6.1%	6.1%	5.8%	5.3%	4.8%

Table F-3: Feasibility Analysis Results: High-Rise Rental, Mid-Market

	Baseline		75% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$659.84	\$663.92	\$595.39	\$594.89	\$594.37	\$593.48	\$592.33	\$599.54	\$600.04	\$600.51	\$601.39	\$602.19
Total Dev. Cost per Unit	\$628,913	\$632,795	\$548,496	\$543,487	\$538,546	\$529,034	\$519,603	\$571,434	\$571,912	\$572,365	\$573,204	\$573,966
Acquisition Cost PSF	\$275.00	\$275.00	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96
Hard Cost PSF	\$282.65	\$282.65	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82
Soft Cost PSF	\$56.53	\$56.53	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36
Avg. Annual Rent PSF - Market Rate	\$38.57	\$38.57	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$602.98	\$602.91	\$602.86	\$602.80	\$602.79
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$450,725	\$450,675	\$450,639	\$450,596	\$450,584
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24
<u>Scenario Yield</u>												
Total Units	139	139	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	139	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	0	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	2.1%	4.2%	2.4%	2.2%	2.0%	1.5%	1.0%	2.7%	2.6%	2.5%	2.3%	2.1%
Unleveraged IRR w/ Reversion at YR 30	4.1%	5.3%	4.3%	3.9%	3.4%	2.2%	0.0%	4.8%	4.6%	4.3%	3.9%	3.5%
Leveraged IRR w/ Reversion at YR 30	3.6%	4.9%	3.9%	3.4%	2.8%	1.5%	0.0%	4.5%	4.2%	3.9%	3.4%	2.9%

Table F-3: Feasibility Analysis Results: High-Rise Rental, Mid-Market

	Baseline		75% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$659.84	\$663.92	\$598.33	\$597.50	\$596.65	\$595.11	\$593.35	\$603.81	\$604.36	\$604.89	\$605.86	\$606.74
Total Dev. Cost per Unit	\$628,913	\$632,795	\$551,207	\$545,869	\$540,610	\$530,492	\$520,490	\$575,505	\$576,033	\$576,533	\$577,461	\$578,302
Acquisition Cost PSF	\$275.00	\$275.00	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96
Hard Cost PSF	\$282.65	\$282.65	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82
Soft Cost PSF	\$56.53	\$56.53	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36
Avg. Annual Rent PSF - Market Rate	\$38.57	\$38.57	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$599.88	\$600.12	\$600.35	\$600.78	\$601.19
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$448,414	\$448,590	\$448,761	\$449,086	\$449,389
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24
<u>Scenario Yield</u>												
Total Units	139	139	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	139	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	0	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	2.1%	4.2%	4.9%	4.6%	4.4%	3.9%	3.5%	5.0%	4.8%	4.7%	4.5%	4.3%
Unleveraged IRR w/ Reversion at YR 30	4.1%	5.3%	6.5%	6.1%	5.7%	4.8%	3.6%	6.1%	5.9%	5.7%	5.4%	5.0%
Leveraged IRR w/ Reversion at YR 30	3.6%	4.9%	6.8%	6.2%	5.6%	4.2%	2.5%	6.2%	5.9%	5.6%	5.1%	4.6%

Table F-3: Feasibility Analysis Results: High-Rise Rental, Mid-Market

	Baseline		75% AMI Target									
			MIH + 421-a + 4% LIHTC									
			On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$659.84	\$663.92										
Total Dev. Cost per Unit	\$628,913	\$632,795										
Acquisition Cost PSF	\$275.00	\$275.00										
Hard Cost PSF	\$282.65	\$282.65										
Soft Cost PSF	\$56.53	\$56.53										
Avg. Annual Rent PSF - Market Rate	\$38.57	\$38.57										
Avg. Annual Rent PSF - Affordable	n/a	n/a										
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a										
Total Dev. Cost per Unit	n/a	n/a										
Acquisition Cost PSF	n/a	n/a	N/A (d)					N/A (d)				
Hard Cost PSF	n/a	n/a										
Soft Cost PSF	n/a	n/a										
Avg. Annual Rent PSF - Affordable	n/a	n/a										
<u>Scenario Yield</u>												
Total Units	139	139										
Market Rate Units	139	139										
Affordable Units - On-Site	0	0										
Affordable Units - Off-Site	0	0										
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	2.1%	4.2%										
Unleveraged IRR w/ Reversion at YR 30	4.1%	5.3%										
Leveraged IRR w/ Reversion at YR 30	3.6%	4.9%										

Table F-3: Feasibility Analysis Results: High-Rise Rental, Mid-Market

	Baseline		90% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$659.84	\$663.92	\$595.60	\$595.15	\$594.69	\$593.90	\$592.86	\$599.73	\$600.27	\$600.78	\$601.74	\$602.60
Total Dev. Cost per Unit	\$628,913	\$632,795	\$548,691	\$543,729	\$538,834	\$529,413	\$520,068	\$571,615	\$572,131	\$572,621	\$573,530	\$574,354
Acquisition Cost PSF	\$275.00	\$275.00	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96
Hard Cost PSF	\$282.65	\$282.65	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82
Soft Cost PSF	\$56.53	\$56.53	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36
Avg. Annual Rent PSF - Market Rate	\$38.57	\$38.57	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$603.10	\$603.06	\$603.04	\$603.03	\$603.06
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$450,818	\$450,789	\$450,771	\$450,765	\$450,784
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88
<u>Scenario Yield</u>												
Total Units	139	139	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	139	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	0	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	2.1%	4.2%	2.6%	2.4%	2.2%	1.8%	1.4%	2.8%	2.7%	2.6%	2.5%	2.3%
Unleveraged IRR w/ Reversion at YR 30	4.1%	5.3%	4.5%	4.2%	3.7%	2.8%	1.6%	5.0%	4.8%	4.6%	4.2%	3.9%
Leveraged IRR w/ Reversion at YR 30	3.6%	4.9%	4.2%	3.7%	3.2%	0.0%	0.0%	4.7%	4.5%	4.2%	3.8%	3.4%

Table F-3: Feasibility Analysis Results: High-Rise Rental, Mid-Market

	Baseline		90% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$659.84	\$663.92	\$598.55	\$597.76	\$596.97	\$595.54	\$593.88	\$604.00	\$604.59	\$605.16	\$606.20	\$607.15
Total Dev. Cost per Unit	\$628,913	\$632,795	\$551,402	\$546,112	\$540,898	\$530,870	\$520,956	\$575,686	\$576,253	\$576,790	\$577,787	\$578,691
Acquisition Cost PSF	\$275.00	\$275.00	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96
Hard Cost PSF	\$282.65	\$282.65	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82
Soft Cost PSF	\$56.53	\$56.53	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36
Avg. Annual Rent PSF - Market Rate	\$38.57	\$38.57	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38	\$44.38
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$600.01	\$600.27	\$600.53	\$601.01	\$601.46
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$448,507	\$448,704	\$448,894	\$449,255	\$449,590
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88
<u>Scenario Yield</u>												
Total Units	139	139	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	139	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	0	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	2.1%	4.2%	5.0%	4.8%	4.6%	4.2%	3.8%	5.1%	5.0%	4.9%	4.7%	4.6%
Unleveraged IRR w/ Reversion at YR 30	4.1%	5.3%	6.7%	6.4%	6.0%	5.3%	4.4%	6.3%	6.1%	6.0%	5.7%	5.4%
Leveraged IRR w/ Reversion at YR 30	3.6%	4.9%	7.1%	6.6%	6.0%	4.9%	3.6%	6.5%	6.2%	6.0%	5.5%	5.2%

Table F-3: Feasibility Analysis Results: High-Rise Rental, Mid-Market

	Baseline		90% AMI Target									
			MIH + 421-a + 4% LIHTC									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$659.84	\$663.92										
Total Dev. Cost per Unit	\$628,913	\$632,795										
Acquisition Cost PSF	\$275.00	\$275.00										
Hard Cost PSF	\$282.65	\$282.65										
Soft Cost PSF	\$56.53	\$56.53										
Avg. Annual Rent PSF - Market Rate	\$38.57	\$38.57										
Avg. Annual Rent PSF - Affordable	n/a	n/a										
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a										
Total Dev. Cost per Unit	n/a	n/a										
Acquisition Cost PSF	n/a	n/a	N/A (d)					N/A (d)				
Hard Cost PSF	n/a	n/a										
Soft Cost PSF	n/a	n/a										
Avg. Annual Rent PSF - Affordable	n/a	n/a										
<u>Scenario Yield</u>												
Total Units	139	139										
Market Rate Units	139	139										
Affordable Units - On-Site	0	0										
Affordable Units - Off-Site	0	0										
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	2.1%	4.2%										
Unleveraged IRR w/ Reversion at YR 30	4.1%	5.3%										
Leveraged IRR w/ Reversion at YR 30	3.6%	4.9%										

Notes:

(a) The baseline scenarios assume a project that is developed at the density permitted under current zoning conditions. Current conditions are assumed to be as follows: M1-2 for Low-Rise, R7A for Mid-Rise, R10 for High-Rise.

(b) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.

(c) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for residential use.

(d) Projects that do not provide at least 20% of units at or below 50% AMI or 25% of units at or below 60% AMI do not qualify for LIHTC credits; for this reason, this analysis does not test the impact of LIHTC credits under the 75% AMI or 90% AMI blended target levels; note that under the 60% AMI blended target level, the blended average AMI target corresponding to a 20% set-aside is modified to 50% AMI in order to allow for LIHTC eligibility.

Source: BAE, 2015.

Table F-4: Feasibility Analysis Results: High-Rise Rental, Moderate Market

	Baseline		60% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$532.59	\$535.50	\$530.69	\$530.08	\$529.46	\$528.37	\$527.03	\$533.94	\$534.20	\$534.44	\$534.89	\$535.30
Total Dev. Cost per Unit	\$507,629	\$510,398	\$488,893	\$484,281	\$479,733	\$470,994	\$462,319	\$508,915	\$509,159	\$509,391	\$509,820	\$510,210
Acquisition Cost PSF	\$160.00	\$160.00	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27
Hard Cost PSF	\$282.65	\$282.65	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82
Soft Cost PSF	\$56.53	\$56.53	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36
Avg. Annual Rent PSF - Market Rate	\$30.34	\$30.34	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$479.24	\$479.07	\$478.93	\$478.69	\$478.51
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$358,229	\$358,107	\$358,001	\$357,824	\$357,685
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units	139	139	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	139	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	0	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	1.9%	3.7%	2.0%	1.8%	1.6%	1.1%	0.7%	2.3%	2.2%	2.1%	1.9%	1.7%
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.7%	3.4%	3.0%	2.5%	0.0%	0.0%	4.0%	3.8%	3.6%	3.2%	2.8%
Leveraged IRR w/ Reversion at YR 30	3.1%	4.2%	2.9%	0.0%	0.0%	0.0%	0.0%	3.5%	3.3%	3.0%	0.0%	0.0%

Table F-4: Feasibility Analysis Results: High-Rise Rental, Moderate Market

	Baseline		60% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$532.59	\$535.50	\$532.57	\$531.74	\$530.89	\$529.36	\$527.60	\$537.16	\$537.45	\$537.72	\$538.23	\$538.69
Total Dev. Cost per Unit	\$507,629	\$510,398	\$490,627	\$485,793	\$481,029	\$471,879	\$462,819	\$511,977	\$512,254	\$512,516	\$513,002	\$513,443
Acquisition Cost PSF	\$160.00	\$160.00	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27
Hard Cost PSF	\$282.65	\$282.65	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82
Soft Cost PSF	\$56.53	\$56.53	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36
Avg. Annual Rent PSF - Market Rate	\$30.34	\$30.34	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$476.87	\$476.94	\$477.00	\$477.13	\$477.26
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$356,464	\$356,511	\$356,558	\$356,655	\$356,751
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units	139	139	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	139	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	0	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	1.9%	3.7%	3.9%	3.7%	3.5%	3.0%	2.6%	4.2%	4.1%	4.0%	3.8%	3.7%
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.7%	5.3%	4.9%	4.4%	3.5%	2.2%	5.2%	5.0%	4.9%	4.5%	4.2%
Leveraged IRR w/ Reversion at YR 30	3.1%	4.2%	5.0%	4.4%	3.8%	2.5%	0.0%	4.9%	4.6%	4.4%	3.9%	3.5%

Table F-4: Feasibility Analysis Results: High-Rise Rental, Moderate Market

	Baseline		60% AMI Target									
	Baseline		MIH + 421-a + 4% LIHTC									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 50% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 50% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$532.59	\$535.50	\$544.02	\$546.30	\$548.28	\$552.35	\$556.08	\$528.28	\$528.81	\$529.10	\$529.64	\$530.13
Total Dev. Cost per Unit	\$507,629	\$510,398	\$501,171	\$499,095	\$496,789	\$492,373	\$487,798	\$503,517	\$504,024	\$504,300	\$504,812	\$505,279
Acquisition Cost PSF	\$160.00	\$160.00	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27
Hard Cost PSF	\$282.65	\$282.65	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82
Soft Cost PSF	\$56.53	\$56.53	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36
Avg. Annual Rent PSF - Market Rate	\$30.34	\$30.34	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$14.52	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$514.34	\$514.58	\$514.67	\$514.86	\$515.04
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$384,468	\$384,649	\$384,717	\$384,855	\$384,990
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$14.52	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units	139	139	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	139	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	0	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	1.9%	3.7%	4.2%	4.3%	4.1%	3.9%	3.6%	4.4%	4.5%	4.4%	4.3%	4.2%
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.7%	5.7%	5.6%	5.3%	4.7%	3.8%	5.4%	5.4%	5.3%	5.1%	4.9%
Leveraged IRR w/ Reversion at YR 30	3.1%	4.2%	5.5%	5.4%	5.0%	4.0%	2.6%	5.0%	5.1%	4.9%	4.6%	4.3%

Table F-4: Feasibility Analysis Results: High-Rise Rental, Moderate Market

	Baseline		75% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$532.59	\$535.50	\$530.89	\$530.33	\$529.75	\$528.76	\$527.52	\$534.15	\$534.45	\$534.74	\$535.27	\$535.75
Total Dev. Cost per Unit	\$507,629	\$510,398	\$489,072	\$484,503	\$479,996	\$471,340	\$462,745	\$509,112	\$509,398	\$509,671	\$510,175	\$510,632
Acquisition Cost PSF	\$160.00	\$160.00	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27
Hard Cost PSF	\$282.65	\$282.65	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82
Soft Cost PSF	\$56.53	\$56.53	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36
Avg. Annual Rent PSF - Market Rate	\$30.34	\$30.34	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$479.17	\$479.04	\$478.92	\$478.74	\$478.60
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$358,181	\$358,081	\$357,995	\$357,857	\$357,753
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24
<u>Scenario Yield</u>												
Total Units	139	139	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	139	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	0	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	1.9%	3.7%	2.2%	2.0%	1.8%	1.5%	1.2%	2.4%	2.4%	2.3%	2.2%	2.1%
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.7%	3.7%	3.3%	2.9%	2.1%	0.0%	4.2%	4.1%	3.9%	3.6%	3.3%
Leveraged IRR w/ Reversion at YR 30	3.1%	4.2%	3.2%	2.8%	0.0%	0.0%	0.0%	3.8%	3.6%	3.4%	3.1%	2.7%

Table F-4: Feasibility Analysis Results: High-Rise Rental, Moderate Market

	Baseline		75% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$532.59	\$535.50	\$532.77	\$531.98	\$531.18	\$529.75	\$528.09	\$537.36	\$537.70	\$538.02	\$538.60	\$539.14
Total Dev. Cost per Unit	\$507,629	\$510,398	\$490,806	\$486,014	\$481,292	\$472,225	\$463,244	\$512,174	\$512,493	\$512,796	\$513,357	\$513,866
Acquisition Cost PSF	\$160.00	\$160.00	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27
Hard Cost PSF	\$282.65	\$282.65	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82
Soft Cost PSF	\$56.53	\$56.53	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36
Avg. Annual Rent PSF - Market Rate	\$30.34	\$30.34	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$476.81	\$476.90	\$476.99	\$477.17	\$477.35
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$356,416	\$356,484	\$356,553	\$356,688	\$356,819
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24
<u>Scenario Yield</u>												
Total Units	139	139	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	139	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	0	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	1.9%	3.7%	4.1%	3.9%	3.7%	3.4%	3.1%	4.4%	4.3%	4.2%	4.1%	4.0%
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.7%	5.5%	5.2%	4.9%	4.1%	3.3%	5.4%	5.3%	5.2%	4.9%	4.7%
Leveraged IRR w/ Reversion at YR 30	3.1%	4.2%	5.3%	4.9%	4.4%	3.4%	2.2%	5.2%	5.0%	4.8%	4.5%	4.2%

Table F-4: Feasibility Analysis Results: High-Rise Rental, Moderate Market

	Baseline		75% AMI Target									
			MIH + 421-a + 4% LIHTC									
			On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$532.59	\$535.50										
Total Dev. Cost per Unit	\$507,629	\$510,398										
Acquisition Cost PSF	\$160.00	\$160.00										
Hard Cost PSF	\$282.65	\$282.65										
Soft Cost PSF	\$56.53	\$56.53										
Avg. Annual Rent PSF - Market Rate	\$30.34	\$30.34										
Avg. Annual Rent PSF - Affordable	n/a	n/a										
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	N/A (d)					N/A (d)				
Total Dev. Cost per Unit	n/a	n/a										
Acquisition Cost PSF	n/a	n/a										
Hard Cost PSF	n/a	n/a										
Soft Cost PSF	n/a	n/a										
Avg. Annual Rent PSF - Affordable	n/a	n/a										
<u>Scenario Yield</u>												
Total Units	139	139										
Market Rate Units	139	139										
Affordable Units - On-Site	0	0										
Affordable Units - Off-Site	0	0										
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	1.9%	3.7%										
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.7%										
Leveraged IRR w/ Reversion at YR 30	3.1%	4.2%										

Table F-4: Feasibility Analysis Results: High-Rise Rental, Moderate Market

	Baseline		90% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$532.59	\$535.50	\$531.10	\$530.59	\$530.07	\$529.18	\$528.05	\$534.34	\$534.68	\$535.01	\$535.61	\$536.15
Total Dev. Cost per Unit	\$507,629	\$510,398	\$489,267	\$484,745	\$480,285	\$471,719	\$463,211	\$509,292	\$509,618	\$509,927	\$510,501	\$511,021
Acquisition Cost PSF	\$160.00	\$160.00	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27
Hard Cost PSF	\$282.65	\$282.65	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82
Soft Cost PSF	\$56.53	\$56.53	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36
Avg. Annual Rent PSF - Market Rate	\$30.34	\$30.34	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$479.30	\$479.19	\$479.10	\$478.96	\$478.87
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$358,274	\$358,195	\$358,128	\$358,025	\$357,954
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88
<u>Scenario Yield</u>												
Total Units	139	139	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	139	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	0	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	1.9%	3.7%	2.3%	2.2%	2.1%	1.8%	1.6%	2.6%	2.5%	2.5%	2.4%	2.3%
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.7%	4.0%	3.7%	3.4%	2.7%	1.9%	4.5%	4.3%	4.2%	4.0%	3.8%
Leveraged IRR w/ Reversion at YR 30	3.1%	4.2%	3.5%	3.1%	2.8%	0.0%	0.0%	4.0%	3.9%	3.8%	3.5%	3.3%

Table F-4: Feasibility Analysis Results: High-Rise Rental, Moderate Market

	Baseline		90% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$532.59	\$535.50	\$532.98	\$532.25	\$531.50	\$530.17	\$528.62	\$537.55	\$537.93	\$538.28	\$538.95	\$539.55
Total Dev. Cost per Unit	\$507,629	\$510,398	\$491,002	\$486,257	\$481,581	\$472,603	\$463,710	\$512,354	\$512,713	\$513,052	\$513,682	\$514,254
Acquisition Cost PSF	\$160.00	\$160.00	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27
Hard Cost PSF	\$282.65	\$282.65	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82
Soft Cost PSF	\$56.53	\$56.53	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36
Avg. Annual Rent PSF - Market Rate	\$30.34	\$30.34	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91	\$34.91
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$476.93	\$477.05	\$477.17	\$477.40	\$477.62
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$356,509	\$356,598	\$356,686	\$356,857	\$357,020
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88
<u>Scenario Yield</u>												
Total Units	139	139	287	289	291	296	301	342	358	374	407	439
Market Rate Units	139	139	222	208	194	166	138	277	277	277	277	277
Affordable Units - On-Site	0	0	65	81	97	130	162	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	65	81	97	130	162
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	1.9%	3.7%	4.2%	4.1%	4.0%	3.7%	3.5%	4.5%	4.5%	4.4%	4.4%	4.3%
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.7%	5.8%	5.5%	5.3%	4.7%	4.1%	5.6%	5.5%	5.5%	5.3%	5.2%
Leveraged IRR w/ Reversion at YR 30	3.1%	4.2%	5.6%	5.3%	4.9%	4.1%	3.2%	5.5%	5.3%	5.2%	5.0%	4.8%

Table F-4: Feasibility Analysis Results: High-Rise Rental, Moderate Market

	Baseline		90% AMI Target									
	Baseline		MIH + 421-a + 4% LIHTC									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$532.59	\$535.50										
Total Dev. Cost per Unit	\$507,629	\$510,398										
Acquisition Cost PSF	\$160.00	\$160.00										
Hard Cost PSF	\$282.65	\$282.65										
Soft Cost PSF	\$56.53	\$56.53										
Avg. Annual Rent PSF - Market Rate	\$30.34	\$30.34										
Avg. Annual Rent PSF - Affordable	n/a	n/a										
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a										
Total Dev. Cost per Unit	n/a	n/a										
Acquisition Cost PSF	n/a	n/a	N/A (d)					N/A (d)				
Hard Cost PSF	n/a	n/a										
Soft Cost PSF	n/a	n/a										
Avg. Annual Rent PSF - Affordable	n/a	n/a										
<u>Scenario Yield</u>												
Total Units	139	139										
Market Rate Units	139	139										
Affordable Units - On-Site	0	0										
Affordable Units - Off-Site	0	0										
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	1.9%	3.7%										
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.7%										
Leveraged IRR w/ Reversion at YR 30	3.1%	4.2%										

Notes:

(a) The baseline scenarios assume a project that is developed at the density permitted under current zoning conditions. Current conditions are assumed to be as follows: M1-2 for Low-Rise, R7A for Mid-Rise, R10 for High-Rise.

(b) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.

(c) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for residential use.

(d) Projects that do not provide at least 20% of units at or below 50% AMI or 25% of units at or below 60% AMI do not qualify for LIHTC credits; for this reason, this analysis does not test the impact of LIHTC credits under the 75% AMI or 90% AMI blended target levels; note that under the 60% AMI blended target level, the blended average AMI target corresponding to a 20% set-aside is modified to 50% AMI in order to allow for LIHTC eligibility.

Source: BAE, 2015.

Table F-5: Feasibility Analysis Results: Mid-Rise Rental, Very Strong Market

	Baseline		60% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$932.14	\$939.26	\$774.13	\$774.82	\$775.49	\$776.78	\$777.99	\$772.10	\$772.29	\$772.47	\$772.80	\$773.09
Total Dev. Cost per Unit	\$888,442	\$865,277	\$713,155	\$707,870	\$702,655	\$692,429	\$682,466	\$735,905	\$736,090	\$736,263	\$736,576	\$736,853
Acquisition Cost PSF	\$550.00	\$550.00	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86
Hard Cost PSF	\$252.27	\$252.27	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62
Soft Cost PSF	\$50.45	\$50.45	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32
Avg. Annual Rent PSF - Market Rate	\$83.84	\$83.84	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$916.92	\$916.60	\$916.32	\$915.82	\$915.41
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$685,399	\$685,162	\$684,948	\$684,578	\$684,269
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units	92	96	134	135	136	138	140	160	167	175	190	205
Market Rate Units	92	74	103	97	90	78	65	129	129	129	129	129
Affordable Units - On-Site	0	22	30	38	45	61	76	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	5.1%	5.6%	4.5%	4.0%	3.5%	2.7%	1.8%	4.8%	4.5%	4.3%	3.8%	3.4%
Unleveraged IRR w/ Reversion at YR 30	8.2%	7.6%	7.5%	6.9%	6.3%	5.0%	3.2%	7.9%	7.6%	7.3%	6.7%	6.1%
Leveraged IRR w/ Reversion at YR 30	9.4%	8.8%	8.2%	7.3%	6.5%	4.7%	2.7%	8.8%	8.3%	7.8%	6.9%	6.2%

Table F-5: Feasibility Analysis Results: Mid-Rise Rental, Very Strong Market

	Baseline		60% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$932.14	\$939.26	\$777.89	\$778.12	\$778.34	\$778.75	\$779.11	\$772.97	\$773.34	\$773.69	\$774.33	\$774.89
Total Dev. Cost per Unit	\$888,442	\$865,277	\$716,619	\$710,887	\$705,238	\$694,186	\$683,447	\$736,736	\$737,093	\$737,426	\$738,032	\$738,568
Acquisition Cost PSF	\$550.00	\$550.00	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86
Hard Cost PSF	\$252.27	\$252.27	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62
Soft Cost PSF	\$50.45	\$50.45	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32
Avg. Annual Rent PSF - Market Rate	\$83.84	\$83.84	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$917.69	\$917.54	\$917.40	\$917.18	\$917.01
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$685,977	\$685,859	\$685,757	\$685,590	\$685,462
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units	92	96	134	135	136	138	140	160	167	175	190	205
Market Rate Units	92	74	103	97	90	78	65	129	129	129	129	129
Affordable Units - On-Site	0	22	30	38	45	61	76	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	5.1%	5.6%	7.0%	6.5%	6.1%	5.2%	4.2%	5.2%	5.0%	4.8%	4.4%	4.1%
Unleveraged IRR w/ Reversion at YR 30	8.2%	7.6%	9.1%	8.5%	7.9%	6.7%	5.1%	8.1%	7.8%	7.6%	7.0%	6.6%
Leveraged IRR w/ Reversion at YR 30	9.4%	8.8%	11.8%	10.6%	9.5%	7.1%	4.6%	9.3%	8.8%	8.3%	7.5%	6.8%

Table F-5: Feasibility Analysis Results: Mid-Rise Rental, Very Strong Market

	Baseline		60% AMI Target									
	Baseline		MIH + 421-a + LIHTC									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 50% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 50% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$932.14	\$939.26	\$786.86	\$789.54	\$792.02	\$796.92	\$801.73	\$763.55	\$764.12	\$764.48	\$765.13	\$765.71
Total Dev. Cost per Unit	\$888,442	\$865,277	\$724,880	\$721,323	\$717,634	\$710,381	\$703,287	\$727,757	\$728,298	\$728,641	\$729,263	\$729,814
Acquisition Cost PSF	\$550.00	\$550.00	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86
Hard Cost PSF	\$252.27	\$252.27	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62
Soft Cost PSF	\$50.45	\$50.45	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32
Avg. Annual Rent PSF - Market Rate	\$83.84	\$83.84	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$14.52	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$956.72	\$956.81	\$956.76	\$956.69	\$956.66
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$715,145	\$715,218	\$715,180	\$715,129	\$715,105
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$14.52	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units	92	96	134	135	136	138	140	160	167	175	190	205
Market Rate Units	92	74	103	97	90	78	65	129	129	129	129	129
Affordable Units - On-Site	0	22	30	38	45	61	76	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	5.1%	5.6%	7.5%	7.2%	6.8%	6.0%	5.1%	5.4%	5.3%	5.1%	4.8%	4.5%
Unleveraged IRR w/ Reversion at YR 30	8.2%	7.6%	9.4%	9.0%	8.6%	7.4%	6.0%	8.3%	8.1%	7.9%	7.4%	7.0%
Leveraged IRR w/ Reversion at YR 30	9.4%	8.8%	12.8%	11.9%	10.9%	8.7%	6.1%	9.5%	9.2%	8.8%	8.1%	7.5%

Table F-5: Feasibility Analysis Results: Mid-Rise Rental, Very Strong Market

	Baseline		75% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$932.14	\$939.26	\$774.32	\$775.05	\$775.77	\$777.15	\$778.46	\$772.29	\$772.52	\$772.74	\$773.14	\$773.49
Total Dev. Cost per Unit	\$888,442	\$865,277	\$713,328	\$708,085	\$702,911	\$692,764	\$682,879	\$736,090	\$736,313	\$736,521	\$736,899	\$737,234
Acquisition Cost PSF	\$550.00	\$550.00	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86
Hard Cost PSF	\$252.27	\$252.27	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62
Soft Cost PSF	\$50.45	\$50.45	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32
Avg. Annual Rent PSF - Market Rate	\$83.84	\$83.84	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$916.89	\$916.61	\$916.36	\$915.92	\$915.56
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$685,378	\$685,167	\$684,978	\$684,652	\$684,384
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24
<u>Scenario Yield</u>												
Total Units	92	96	134	135	136	138	140	160	167	175	190	205
Market Rate Units	92	74	103	97	90	78	65	129	129	129	129	129
Affordable Units - On-Site	0	22	30	38	45	61	76	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	5.1%	5.6%	4.6%	4.1%	3.7%	2.9%	2.1%	4.9%	4.7%	4.4%	4.0%	3.6%
Unleveraged IRR w/ Reversion at YR 30	8.2%	7.6%	7.6%	7.1%	6.5%	5.3%	3.7%	8.0%	7.7%	7.4%	6.8%	6.3%
Leveraged IRR w/ Reversion at YR 30	9.4%	8.8%	8.4%	7.6%	6.8%	5.1%	3.2%	9.0%	8.5%	8.0%	7.2%	6.5%

Table F-5: Feasibility Analysis Results: Mid-Rise Rental, Very Strong Market

	Baseline		75% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$932.14	\$939.26	\$778.08	\$778.36	\$778.62	\$779.12	\$779.58	\$773.16	\$773.58	\$773.96	\$774.67	\$775.29
Total Dev. Cost per Unit	\$888,442	\$865,277	\$716,792	\$711,102	\$705,494	\$694,521	\$683,860	\$736,920	\$737,315	\$737,685	\$738,355	\$738,948
Acquisition Cost PSF	\$550.00	\$550.00	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86
Hard Cost PSF	\$252.27	\$252.27	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62
Soft Cost PSF	\$50.45	\$50.45	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32
Avg. Annual Rent PSF - Market Rate	\$83.84	\$83.84	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$917.67	\$917.54	\$917.44	\$917.28	\$917.16
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$685,955	\$685,864	\$685,787	\$685,665	\$685,576
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24
<u>Scenario Yield</u>												
Total Units	92	96	134	135	136	138	140	160	167	175	190	205
Market Rate Units	92	74	103	97	90	78	65	129	129	129	129	129
Affordable Units - On-Site	0	22	30	38	45	61	76	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	5.1%	5.6%	7.1%	6.7%	6.3%	5.4%	4.6%	5.3%	5.1%	4.9%	4.6%	4.3%
Unleveraged IRR w/ Reversion at YR 30	8.2%	7.6%	9.2%	8.7%	8.1%	7.0%	5.5%	8.2%	8.0%	7.7%	7.2%	6.8%
Leveraged IRR w/ Reversion at YR 30	9.4%	8.8%	12.1%	11.0%	9.9%	7.7%	5.3%	9.4%	9.0%	8.6%	7.8%	7.2%

Table F-5: Feasibility Analysis Results: Mid-Rise Rental, Very Strong Market

	Baseline		75% AMI Target									
	Baseline		MIH + 421-a + LIHTC									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$932.14	\$939.26										
Total Dev. Cost per Unit	\$888,442	\$865,277										
Acquisition Cost PSF	\$550.00	\$550.00										
Hard Cost PSF	\$252.27	\$252.27										
Soft Cost PSF	\$50.45	\$50.45										
Avg. Annual Rent PSF - Market Rate	\$83.84	\$83.84										
Avg. Annual Rent PSF - Affordable	n/a	\$17.61										
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a										
Total Dev. Cost per Unit	n/a	n/a										
Acquisition Cost PSF	n/a	n/a										
Hard Cost PSF	n/a	n/a										
Soft Cost PSF	n/a	n/a										
Avg. Annual Rent PSF - Affordable	n/a	n/a										
<u>Scenario Yield</u>												
Total Units	92	96										
Market Rate Units	92	74										
Affordable Units - On-Site	0	22										
Affordable Units - Off-Site	0	0										
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	5.1%	5.6%										
Unleveraged IRR w/ Reversion at YR 30	8.2%	7.6%										
Leveraged IRR w/ Reversion at YR 30	9.4%	8.8%										

Table F-5: Feasibility Analysis Results: Mid-Rise Rental, Very Strong Market

	Baseline		90% AMI Target										
			MIH ONLY										
			On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	
<u>Key Assumptions - On-Site Component</u>													
Total Dev. Cost PSF	\$932.14	\$939.26	\$774.52	\$775.31	\$776.08	\$777.57	\$778.98	\$772.47	\$772.74	\$772.99	\$773.45	\$773.86	
Total Dev. Cost per Unit	\$888,442	\$865,277	\$713,518	\$708,320	\$703,191	\$693,132	\$683,331	\$736,258	\$736,517	\$736,758	\$737,195	\$737,582	
Acquisition Cost PSF	\$550.00	\$550.00	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	
Hard Cost PSF	\$252.27	\$252.27	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	
Soft Cost PSF	\$50.45	\$50.45	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	
Avg. Annual Rent PSF - Market Rate	\$83.84	\$83.84	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	n/a	n/a	n/a	n/a	n/a	
<u>Key Assumptions - Off-Site Component</u>													
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$917.05	\$916.80	\$916.58	\$916.20	\$915.89	
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$685,495	\$685,309	\$685,142	\$684,858	\$684,626	
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00	
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96	
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39	
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	
<u>Scenario Yield</u>													
Total Units	92	96	134	135	136	138	140	160	167	175	190	205	
Market Rate Units	92	74	103	97	90	78	65	129	129	129	129	129	
Affordable Units - On-Site	0	22	30	38	45	61	76	0	0	0	0	0	
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76	
<u>Feasibility Results</u>													
Yield-on-Cost (YOC)	5.1%	5.6%	4.7%	4.3%	3.9%	3.1%	2.3%	5.0%	4.8%	4.5%	4.1%	3.8%	
Unleveraged IRR w/ Reversion at YR 30	8.2%	7.6%	7.7%	7.2%	6.7%	5.6%	4.2%	8.1%	7.8%	7.5%	7.0%	6.5%	
Leveraged IRR w/ Reversion at YR 30	9.4%	8.8%	8.5%	7.8%	7.0%	5.5%	3.7%	9.1%	8.7%	8.2%	7.4%	6.8%	

Table F-5: Feasibility Analysis Results: Mid-Rise Rental, Very Strong Market

	Baseline		90% AMI Target										
			MIH + 421-a Benefit										
			On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	
<u>Key Assumptions - On-Site Component</u>													
Total Dev. Cost PSF	\$932.14	\$939.26	\$778.28	\$778.61	\$778.93	\$779.54	\$780.10	\$773.34	\$773.79	\$774.21	\$774.98	\$775.66	
Total Dev. Cost per Unit	\$888,442	\$865,277	\$716,982	\$711,337	\$705,774	\$694,888	\$684,312	\$737,089	\$737,519	\$737,921	\$738,652	\$739,297	
Acquisition Cost PSF	\$550.00	\$550.00	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	
Hard Cost PSF	\$252.27	\$252.27	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	\$261.62	
Soft Cost PSF	\$50.45	\$50.45	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	\$52.32	
Avg. Annual Rent PSF - Market Rate	\$83.84	\$83.84	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	\$85.36	
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	n/a	n/a	n/a	n/a	n/a	
<u>Key Assumptions - Off-Site Component</u>													
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$917.82	\$917.73	\$917.66	\$917.55	\$917.48	
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$686,072	\$686,006	\$685,951	\$685,871	\$685,819	
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00	
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96	
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39	
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	
<u>Scenario Yield</u>													
Total Units	92	96	134	135	136	138	140	160	167	175	190	205	
Market Rate Units	92	74	103	97	90	78	65	129	129	129	129	129	
Affordable Units - On-Site	0	22	30	38	45	61	76	0	0	0	0	0	
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76	
<u>Feasibility Results</u>													
Yield-on-Cost (YOC)	5.1%	5.6%	7.2%	6.8%	6.4%	5.6%	4.8%	5.4%	5.2%	5.0%	4.8%	4.5%	
Unleveraged IRR w/ Reversion at YR 30	8.2%	7.6%	9.3%	8.8%	8.3%	7.2%	5.9%	8.3%	8.1%	7.8%	7.4%	7.0%	
Leveraged IRR w/ Reversion at YR 30	9.4%	8.8%	12.4%	11.3%	10.2%	8.2%	6.0%	9.6%	9.2%	8.8%	8.1%	7.5%	

Table F-5: Feasibility Analysis Results: Mid-Rise Rental, Very Strong Market

	Baseline		90% AMI Target									
			MIH + 421-a + LIHTC									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$932.14	\$939.26										
Total Dev. Cost per Unit	\$888,442	\$865,277										
Acquisition Cost PSF	\$550.00	\$550.00										
Hard Cost PSF	\$252.27	\$252.27										
Soft Cost PSF	\$50.45	\$50.45										
Avg. Annual Rent PSF - Market Rate	\$83.84	\$83.84										
Avg. Annual Rent PSF - Affordable	n/a	\$17.61										
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a										
Total Dev. Cost per Unit	n/a	n/a										
Acquisition Cost PSF	n/a	n/a										
Hard Cost PSF	n/a	n/a										
Soft Cost PSF	n/a	n/a										
Avg. Annual Rent PSF - Affordable	n/a	n/a										
<u>Scenario Yield</u>												
Total Units	92	96										
Market Rate Units	92	74										
Affordable Units - On-Site	0	22										
Affordable Units - Off-Site	0	0										
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	5.1%	5.6%										
Unleveraged IRR w/ Reversion at YR 30	8.2%	7.6%										
Leveraged IRR w/ Reversion at YR 30	9.4%	8.8%										

Notes:

- (a) The baseline scenarios assume a project that is developed at the density permitted under current zoning conditions. Current conditions are assumed to be as follows: M1-2 for Low-Rise, R7A for Mid-Rise, R10 for High-Rise.
- (b) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.
- (c) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for residential use.
- (d) Projects that do not provide at least 20% of units at or below 50% AMI or 25% of units at or below 60% AMI do not qualify for LIHTC credits; for this reason, this analysis does not test the impact of LIHTC credits under the 75% AMI or 90% AMI blended target levels; note that under the 60% AMI blended target level, the blended average AMI target corresponding to a 20% set-aside is modified to 50% AMI in order to allow for LIHTC eligibility.

Source: BAE, 2015.

Table F-6: Feasibility Analysis Results: Mid-Rise Rental, Strong Market

	Baseline		60% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$705.67	\$707.27	\$613.17	\$612.76	\$612.34	\$611.01	\$610.04	\$615.83	\$616.00	\$616.16	\$616.45	\$616.70
Total Dev. Cost per Unit	\$672,589	\$651,564	\$564,877	\$559,819	\$554,827	\$544,664	\$535,133	\$586,964	\$587,125	\$587,275	\$587,551	\$587,796
Acquisition Cost PSF	\$325.00	\$325.00	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14
Hard Cost PSF	\$273.64	\$269.09	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73
Soft Cost PSF	\$54.73	\$53.82	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55
Avg. Annual Rent PSF - Market Rate	\$53.66	\$53.66	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$666.46	\$666.12	\$665.81	\$665.28	\$664.83
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$498,178	\$497,923	\$497,693	\$497,294	\$496,961
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units	92	96	134	135	136	138	140	160	167	175	190	205
Market Rate Units	92	74	103	97	90	78	65	129	129	129	129	129
Affordable Units - On-Site	0	22	30	38	45	61	76	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	3.4%	4.7%	2.6%	2.3%	1.9%	1.2%	0.6%	3.0%	2.8%	2.6%	2.2%	1.9%
Unleveraged IRR w/ Reversion at YR 30	6.1%	6.6%	5.0%	4.3%	3.7%	2.0%	0.0%	5.5%	5.2%	4.8%	4.2%	3.6%
Leveraged IRR w/ Reversion at YR 30	6.2%	6.9%	4.7%	3.9%	3.1%	0.0%	0.0%	5.4%	5.0%	4.5%	3.8%	3.1%

Table F-6: Feasibility Analysis Results: Mid-Rise Rental, Strong Market

	Baseline		60% AMI Target										
	Baseline		MIH + 421-a Benefit										
	Baseline		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	
<u>Key Assumptions - On-Site Component</u>													
Total Dev. Cost PSF	\$705.67	\$707.27	\$616.81	\$615.96	\$615.11	\$612.94	\$611.15	\$616.69	\$617.04	\$617.37	\$617.97	\$618.50	
Total Dev. Cost per Unit	\$672,589	\$651,564	\$568,228	\$562,742	\$557,336	\$546,383	\$536,111	\$587,784	\$588,117	\$588,430	\$589,001	\$589,509	
Acquisition Cost PSF	\$325.00	\$325.00	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	
Hard Cost PSF	\$273.64	\$269.09	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73	
Soft Cost PSF	\$54.73	\$53.82	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55	
Avg. Annual Rent PSF - Market Rate	\$53.66	\$53.66	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a	
<u>Key Assumptions - Off-Site Component</u>													
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$667.16	\$666.97	\$666.80	\$666.52	\$666.30	
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$498,706	\$498,562	\$498,435	\$498,227	\$498,063	
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00	
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96	
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39	
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	
<u>Scenario Yield</u>													
Total Units	92	96	134	135	136	138	140	160	167	175	190	205	
Market Rate Units	92	74	103	97	90	78	65	129	129	129	129	129	
Affordable Units - On-Site	0	22	30	38	45	61	76	0	0	0	0	0	
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76	
<u>Feasibility Results</u>													
Yield-on-Cost (YOC)	3.4%	4.7%	5.6%	5.3%	4.9%	4.2%	3.5%	3.4%	3.3%	3.2%	3.0%	2.8%	
Unleveraged IRR w/ Reversion at YR 30	6.1%	6.6%	7.6%	7.1%	6.6%	5.3%	3.6%	5.9%	5.6%	5.4%	4.9%	4.5%	
Leveraged IRR w/ Reversion at YR 30	6.2%	6.9%	8.8%	7.9%	7.0%	4.9%	2.3%	5.9%	5.5%	5.2%	4.6%	4.0%	

Table F-6: Feasibility Analysis Results: Mid-Rise Rental, Strong Market

	Baseline		60% AMI Target										
	Baseline		MIH + 421-a + LIHTC										
	Baseline		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 50% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 50% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	
<u>Key Assumptions - On-Site Component</u>													
Total Dev. Cost PSF	\$705.67	\$707.27	\$626.02	\$627.72	\$629.14	\$631.43	\$634.02	\$607.77	\$608.29	\$608.62	\$609.21	\$609.74	
Total Dev. Cost per Unit	\$672,589	\$651,564	\$576,708	\$573,479	\$570,048	\$562,866	\$556,173	\$579,283	\$579,777	\$580,086	\$580,652	\$581,156	
Acquisition Cost PSF	\$325.00	\$325.00	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	
Hard Cost PSF	\$273.64	\$269.09	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73	
Soft Cost PSF	\$54.73	\$53.82	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55	
Avg. Annual Rent PSF - Market Rate	\$53.66	\$53.66	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$14.52	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a	
<u>Key Assumptions - Off-Site Component</u>													
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$704.88	\$704.88	\$704.75	\$704.55	\$704.40	
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$526,900	\$526,895	\$526,799	\$526,648	\$526,536	
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00	
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96	
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39	
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$14.52	\$17.61	\$17.61	\$17.61	\$17.61	
<u>Scenario Yield</u>													
Total Units	92	96	134	135	136	138	140	160	167	175	190	205	
Market Rate Units	92	74	103	97	90	78	65	129	129	129	129	129	
Affordable Units - On-Site	0	22	30	38	45	61	76	0	0	0	0	0	
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76	
<u>Feasibility Results</u>													
Yield-on-Cost (YOC)	3.4%	4.7%	6.1%	5.9%	5.7%	5.1%	4.5%	3.5%	3.5%	3.4%	3.3%	3.2%	
Unleveraged IRR w/ Reversion at YR 30	6.1%	6.6%	8.0%	7.8%	7.4%	6.3%	4.9%	6.0%	5.9%	5.8%	5.4%	5.0%	
Leveraged IRR w/ Reversion at YR 30	6.2%	6.9%	9.7%	9.2%	8.4%	6.6%	4.2%	6.0%	5.9%	5.6%	5.1%	4.6%	

Table F-6: Feasibility Analysis Results: Mid-Rise Rental, Strong Market

	Baseline		75% AMI Target										
	Baseline		MIH ONLY										
	Baseline		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	
<u>Key Assumptions - On-Site Component</u>													
Total Dev. Cost PSF	\$705.67	\$707.27	\$613.36	\$613.00	\$612.62	\$611.39	\$610.51	\$616.03	\$616.24	\$616.43	\$616.79	\$617.11	
Total Dev. Cost per Unit	\$672,589	\$651,564	\$565,050	\$560,033	\$555,082	\$544,999	\$535,545	\$587,150	\$587,350	\$587,538	\$587,880	\$588,185	
Acquisition Cost PSF	\$325.00	\$325.00	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	
Hard Cost PSF	\$273.64	\$269.09	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73	
Soft Cost PSF	\$54.73	\$53.82	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55	
Avg. Annual Rent PSF - Market Rate	\$53.66	\$53.66	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	n/a	n/a	n/a	n/a	n/a	
<u>Key Assumptions - Off-Site Component</u>													
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$666.42	\$666.11	\$665.83	\$665.36	\$664.96	
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$498,148	\$497,918	\$497,712	\$497,356	\$497,061	
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00	
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96	
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39	
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	
<u>Scenario Yield</u>													
Total Units	92	96	134	135	136	138	140	160	167	175	190	205	
Market Rate Units	92	74	103	97	90	78	65	129	129	129	129	129	
Affordable Units - On-Site	0	22	30	38	45	61	76	0	0	0	0	0	
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76	
<u>Feasibility Results</u>													
Yield-on-Cost (YOC)	3.4%	4.7%	2.7%	2.4%	2.1%	1.5%	0.9%	3.1%	2.9%	2.7%	2.4%	2.2%	
Unleveraged IRR w/ Reversion at YR 30	6.1%	6.6%	5.2%	4.6%	4.0%	2.6%	0.0%	5.7%	5.4%	5.1%	4.5%	4.0%	
Leveraged IRR w/ Reversion at YR 30	6.2%	6.9%	4.9%	4.3%	3.6%	0.0%	0.0%	5.6%	5.2%	4.8%	4.2%	3.6%	

Table F-6: Feasibility Analysis Results: Mid-Rise Rental, Strong Market

	Baseline		75% AMI Target										
			MIH + 421-a Benefit										
			On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	
<u>Key Assumptions - On-Site Component</u>													
Total Dev. Cost PSF	\$705.67	\$707.27	\$617.00	\$616.20	\$615.39	\$613.32	\$611.62	\$616.89	\$617.28	\$617.64	\$618.31	\$618.91	
Total Dev. Cost per Unit	\$672,589	\$651,564	\$568,401	\$562,956	\$557,591	\$546,718	\$536,523	\$587,970	\$588,342	\$588,692	\$589,330	\$589,898	
Acquisition Cost PSF	\$325.00	\$325.00	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	
Hard Cost PSF	\$273.64	\$269.09	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73	
Soft Cost PSF	\$54.73	\$53.82	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55	
Avg. Annual Rent PSF - Market Rate	\$53.66	\$53.66	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	n/a	n/a	n/a	n/a	n/a	
<u>Key Assumptions - Off-Site Component</u>													
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$667.12	\$666.97	\$666.83	\$666.61	\$666.44	
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$498,676	\$498,557	\$498,454	\$498,288	\$498,163	
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00	
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96	
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39	
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	
<u>Scenario Yield</u>													
Total Units	92	96	134	135	136	138	140	160	167	175	190	205	
Market Rate Units	92	74	103	97	90	78	65	129	129	129	129	129	
Affordable Units - On-Site	0	22	30	38	45	61	76	0	0	0	0	0	
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76	
<u>Feasibility Results</u>													
Yield-on-Cost (YOC)	3.4%	4.7%	5.8%	5.5%	5.1%	4.5%	3.9%	3.5%	3.4%	3.4%	3.2%	3.1%	
Unleveraged IRR w/ Reversion at YR 30	6.1%	6.6%	7.8%	7.3%	6.9%	5.8%	4.4%	6.0%	5.8%	5.6%	5.2%	4.9%	
Leveraged IRR w/ Reversion at YR 30	6.2%	6.9%	9.1%	8.3%	7.5%	5.7%	3.5%	6.1%	5.8%	5.5%	5.0%	4.5%	

Table F-6: Feasibility Analysis Results: Mid-Rise Rental, Strong Market

	Baseline		75% AMI Target									
			MIH + 421-a + LIHTC									
			On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$705.67	\$707.27										
Total Dev. Cost per Unit	\$672,589	\$651,564										
Acquisition Cost PSF	\$325.00	\$325.00										
Hard Cost PSF	\$273.64	\$269.09										
Soft Cost PSF	\$54.73	\$53.82										
Avg. Annual Rent PSF - Market Rate	\$53.66	\$53.66										
Avg. Annual Rent PSF - Affordable	n/a	\$17.61										
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a										
Total Dev. Cost per Unit	n/a	n/a										
Acquisition Cost PSF	n/a	n/a										
Hard Cost PSF	n/a	n/a										
Soft Cost PSF	n/a	n/a										
Avg. Annual Rent PSF - Affordable	n/a	n/a										
<u>Scenario Yield</u>												
Total Units	92	96										
Market Rate Units	92	74										
Affordable Units - On-Site	0	22										
Affordable Units - Off-Site	0	0										
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	3.4%	4.7%										
Unleveraged IRR w/ Reversion at YR 30	6.1%	6.6%										
Leveraged IRR w/ Reversion at YR 30	6.2%	6.9%										

Table F-6: Feasibility Analysis Results: Mid-Rise Rental, Strong Market

	Baseline		90% AMI Target										
	Baseline		MIH ONLY										
	Baseline		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	
<u>Key Assumptions - On-Site Component</u>													
Total Dev. Cost PSF	\$705.67	\$707.27	\$613.57	\$613.26	\$612.93	\$611.80	\$611.02	\$616.21	\$616.45	\$616.68	\$617.11	\$617.49	
Total Dev. Cost per Unit	\$672,589	\$651,564	\$565,240	\$560,269	\$555,363	\$545,366	\$535,997	\$587,321	\$587,557	\$587,778	\$588,182	\$588,542	
Acquisition Cost PSF	\$325.00	\$325.00	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	
Hard Cost PSF	\$273.64	\$269.09	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73	
Soft Cost PSF	\$54.73	\$53.82	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55	
Avg. Annual Rent PSF - Market Rate	\$53.66	\$53.66	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	n/a	n/a	n/a	n/a	n/a	
<u>Key Assumptions - Off-Site Component</u>													
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$666.57	\$666.29	\$666.04	\$665.62	\$665.27	
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$498,258	\$498,051	\$497,866	\$497,550	\$497,290	
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00	
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96	
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39	
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	
<u>Scenario Yield</u>													
Total Units	92	96	134	135	136	138	140	160	167	175	190	205	
Market Rate Units	92	74	103	97	90	78	65	129	129	129	129	129	
Affordable Units - On-Site	0	22	30	38	45	61	76	0	0	0	0	0	
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76	
<u>Feasibility Results</u>													
Yield-on-Cost (YOC)	3.4%	4.7%	2.9%	2.6%	2.3%	1.8%	1.3%	3.2%	3.0%	2.9%	2.6%	2.4%	
Unleveraged IRR w/ Reversion at YR 30	6.1%	6.6%	5.3%	4.9%	4.3%	3.1%	1.6%	5.8%	5.5%	5.3%	4.8%	4.4%	
Leveraged IRR w/ Reversion at YR 30	6.2%	6.9%	5.2%	4.6%	3.9%	0.0%	0.0%	5.8%	5.4%	5.1%	4.5%	4.0%	

Table F-6: Feasibility Analysis Results: Mid-Rise Rental, Strong Market

	Baseline		90% AMI Target										
	Baseline		MIH + 421-a Benefit										
	Baseline		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	
<u>Key Assumptions - On-Site Component</u>													
Total Dev. Cost PSF	\$705.67	\$707.27	\$617.20	\$616.46	\$615.70	\$613.73	\$612.14	\$617.07	\$617.49	\$617.90	\$618.63	\$619.28	
Total Dev. Cost per Unit	\$672,589	\$651,564	\$568,591	\$563,192	\$557,872	\$547,085	\$536,975	\$588,141	\$588,549	\$588,932	\$589,632	\$590,254	
Acquisition Cost PSF	\$325.00	\$325.00	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	
Hard Cost PSF	\$273.64	\$269.09	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73	
Soft Cost PSF	\$54.73	\$53.82	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55	
Avg. Annual Rent PSF - Market Rate	\$53.66	\$53.66	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	\$54.64	
Avg. Annual Rent PSF - Affordable	n/a	\$17.61	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	n/a	n/a	n/a	n/a	n/a	
<u>Key Assumptions - Off-Site Component</u>													
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$667.27	\$667.14	\$667.04	\$666.87	\$666.75	
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$498,785	\$498,690	\$498,609	\$498,483	\$498,392	
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00	
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96	
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39	
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	
<u>Scenario Yield</u>													
Total Units	92	96	134	135	136	138	140	160	167	175	190	205	
Market Rate Units	92	74	103	97	90	78	65	129	129	129	129	129	
Affordable Units - On-Site	0	22	30	38	45	61	76	0	0	0	0	0	
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76	
<u>Feasibility Results</u>													
Yield-on-Cost (YOC)	3.4%	4.7%	5.9%	5.6%	5.4%	4.8%	4.2%	3.6%	3.6%	3.5%	3.4%	3.3%	
Unleveraged IRR w/ Reversion at YR 30	6.1%	6.6%	8.0%	7.6%	7.1%	6.2%	5.0%	6.2%	6.0%	5.8%	5.5%	5.2%	
Leveraged IRR w/ Reversion at YR 30	6.2%	6.9%	9.4%	8.7%	8.0%	6.4%	4.5%	6.3%	6.0%	5.8%	5.4%	5.0%	

Table F-6: Feasibility Analysis Results: Mid-Rise Rental, Strong Market

	Baseline		90% AMI Target									
			MIH + 421-a + LIHTC									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$705.67	\$707.27										
Total Dev. Cost per Unit	\$672,589	\$651,564										
Acquisition Cost PSF	\$325.00	\$325.00										
Hard Cost PSF	\$273.64	\$269.09										
Soft Cost PSF	\$54.73	\$53.82										
Avg. Annual Rent PSF - Market Rate	\$53.66	\$53.66										
Avg. Annual Rent PSF - Affordable	n/a	\$17.61										
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a										
Total Dev. Cost per Unit	n/a	n/a										
Acquisition Cost PSF	n/a	n/a										
Hard Cost PSF	n/a	n/a										
Soft Cost PSF	n/a	n/a										
Avg. Annual Rent PSF - Affordable	n/a	n/a										
<u>Scenario Yield</u>												
Total Units	92	96										
Market Rate Units	92	74										
Affordable Units - On-Site	0	22										
Affordable Units - Off-Site	0	0										
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	3.4%	4.7%										
Unleveraged IRR w/ Reversion at YR 30	6.1%	6.6%										
Leveraged IRR w/ Reversion at YR 30	6.2%	6.9%										

Notes:

- (a) The baseline scenarios assume a project that is developed at the density permitted under current zoning conditions. Current conditions are assumed to be as follows: M1-2 for Low-Rise, R7A for Mid-Rise, R10 for High-Rise.
- (b) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.
- (c) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for residential use.
- (d) Projects that do not provide at least 20% of units at or below 50% AMI or 25% of units at or below 60% AMI do not qualify for LIHTC credits; for this reason, this analysis does not test the impact of LIHTC credits under the 75% AMI or 90% AMI blended target levels; note that under the 60% AMI blended target level, the blended average AMI target corresponding to a 20% set-aside is modified to 50% AMI in order to allow for LIHTC eligibility.

Source: BAE, 2015.

Table F-7: Feasibility Analysis Results: Mid-Rise Rental, Mid-Market

	Baseline		60% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$648.38	\$652.32	\$571.64	\$571.26	\$570.87	\$569.61	\$568.71	\$574.43	\$574.65	\$574.85	\$575.22	\$575.55
Total Dev. Cost per Unit	\$617,987	\$621,741	\$526,617	\$521,902	\$517,249	\$507,758	\$498,883	\$547,508	\$547,714	\$547,906	\$548,258	\$548,572
Acquisition Cost PSF	\$275.00	\$275.00	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43
Hard Cost PSF	\$273.64	\$273.64	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73
Soft Cost PSF	\$54.73	\$54.73	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55
Avg. Annual Rent PSF - Market Rate	\$37.88	\$37.88	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$608.55	\$608.35	\$608.17	\$607.87	\$607.62
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$454,894	\$454,744	\$454,611	\$454,384	\$454,199
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units	92	92	134	135	136	138	140	160	167	175	190	205
Market Rate Units	92	92	103	97	90	78	65	129	129	129	129	129
Affordable Units - On-Site	0	0	30	38	45	61	76	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	2.0%	4.1%	1.5%	1.3%	1.0%	0.6%	0.1%	1.8%	1.6%	1.5%	1.3%	1.1%
Unleveraged IRR w/ Reversion at YR 30	4.0%	5.2%	2.8%	2.2%	0.0%	0.0%	0.0%	3.4%	3.1%	2.8%	2.2%	1.6%
Leveraged IRR w/ Reversion at YR 30	3.5%	4.8%	0.0%	0.0%	0.0%	0.0%	0.0%	2.8%	0.0%	0.0%	0.0%	0.0%

Table F-7: Feasibility Analysis Results: Mid-Rise Rental, Mid-Market

	Baseline		60% AMI Target										
	Baseline		MIH + 421-a Benefit										
	Baseline		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	
<u>Key Assumptions - On-Site Component</u>													
Total Dev. Cost PSF	\$648.38	\$652.32	\$574.34	\$573.64	\$572.92	\$571.04	\$569.54	\$578.36	\$578.61	\$578.84	\$579.26	\$579.63	
Total Dev. Cost per Unit	\$617,987	\$621,741	\$529,103	\$524,070	\$519,111	\$509,035	\$499,610	\$551,250	\$551,484	\$551,704	\$552,104	\$552,461	
Acquisition Cost PSF	\$275.00	\$275.00	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	
Hard Cost PSF	\$273.64	\$273.64	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73	
Soft Cost PSF	\$54.73	\$54.73	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55	
Avg. Annual Rent PSF - Market Rate	\$37.88	\$37.88	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a	
<u>Key Assumptions - Off-Site Component</u>													
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$606.07	\$606.15	\$606.23	\$606.39	\$606.53	
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$453,036	\$453,098	\$453,158	\$453,274	\$453,382	
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00	
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96	
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39	
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	
<u>Scenario Yield</u>													
Total Units	92	92	134	135	136	138	140	160	167	175	190	205	
Market Rate Units	92	92	103	97	90	78	65	129	129	129	129	129	
Affordable Units - On-Site	0	0	30	38	45	61	76	0	0	0	0	0	
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76	
<u>Feasibility Results</u>													
Yield-on-Cost (YOC)	2.0%	4.1%	3.9%	3.6%	3.4%	2.9%	2.5%	3.9%	3.8%	3.7%	3.5%	3.3%	
Unleveraged IRR w/ Reversion at YR 30	4.0%	5.2%	5.2%	4.8%	4.2%	3.0%	1.2%	4.8%	4.5%	4.3%	3.8%	3.4%	
Leveraged IRR w/ Reversion at YR 30	3.5%	4.8%	4.9%	4.2%	3.5%	0.0%	0.0%	4.2%	3.9%	3.5%	2.9%	0.0%	

Table F-7: Feasibility Analysis Results: Mid-Rise Rental, Mid-Market

	Baseline		60% AMI Target										
	Baseline		MIH + 421-a + LIHTC										
	Baseline		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 50% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 50% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	
<u>Key Assumptions - On-Site Component</u>													
Total Dev. Cost PSF	\$648.38	\$652.32	\$583.53	\$585.37	\$586.93	\$589.51	\$592.38	\$569.55	\$570.03	\$570.28	\$570.75	\$571.16	
Total Dev. Cost per Unit	\$617,987	\$621,741	\$537,571	\$534,792	\$531,806	\$525,496	\$519,646	\$542,850	\$543,308	\$543,551	\$543,995	\$544,392	
Acquisition Cost PSF	\$275.00	\$275.00	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	
Hard Cost PSF	\$273.64	\$273.64	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73	
Soft Cost PSF	\$54.73	\$54.73	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55	
Avg. Annual Rent PSF - Market Rate	\$37.88	\$37.88	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$14.52	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a	
<u>Key Assumptions - Off-Site Component</u>													
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$643.52	\$643.83	\$643.97	\$644.22	\$644.46	
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$481,032	\$481,265	\$481,366	\$481,556	\$481,732	
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00	
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96	
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39	
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$14.52	\$17.61	\$17.61	\$17.61	\$17.61	
<u>Scenario Yield</u>													
Total Units	92	92	134	135	136	138	140	160	167	175	190	205	
Market Rate Units	92	92	103	97	90	78	65	129	129	129	129	129	
Affordable Units - On-Site	0	0	30	38	45	61	76	0	0	0	0	0	
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76	
<u>Feasibility Results</u>													
Yield-on-Cost (YOC)	2.0%	4.1%	4.1%	4.1%	4.0%	3.6%	3.2%	4.1%	4.1%	4.0%	3.9%	3.7%	
Unleveraged IRR w/ Reversion at YR 30	4.0%	5.2%	5.6%	5.4%	5.0%	4.0%	2.6%	4.9%	4.9%	4.7%	4.3%	4.0%	
Leveraged IRR w/ Reversion at YR 30	3.5%	4.8%	5.4%	5.1%	4.5%	3.0%	0.0%	4.4%	4.3%	4.0%	3.5%	2.9%	

Table F-7: Feasibility Analysis Results: Mid-Rise Rental, Mid-Market

	Baseline		75% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$648.38	\$652.32	\$571.83	\$571.50	\$571.15	\$569.99	\$569.18	\$574.63	\$574.89	\$575.13	\$575.57	\$575.96
Total Dev. Cost per Unit	\$617,987	\$621,741	\$526,790	\$522,116	\$517,505	\$508,093	\$499,296	\$547,695	\$547,939	\$548,169	\$548,588	\$548,961
Acquisition Cost PSF	\$275.00	\$275.00	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43
Hard Cost PSF	\$273.64	\$273.64	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73
Soft Cost PSF	\$54.73	\$54.73	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55
Avg. Annual Rent PSF - Market Rate	\$37.88	\$37.88	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$608.51	\$608.35	\$608.20	\$607.95	\$607.76
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$454,864	\$454,739	\$454,629	\$454,446	\$454,299
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24
<u>Scenario Yield</u>												
Total Units	92	92	134	135	136	138	140	160	167	175	190	205
Market Rate Units	92	92	103	97	90	78	65	129	129	129	129	129
Affordable Units - On-Site	0	0	30	38	45	61	76	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	2.0%	4.1%	1.7%	1.5%	1.3%	0.9%	0.5%	1.9%	1.8%	1.7%	1.5%	1.4%
Unleveraged IRR w/ Reversion at YR 30	4.0%	5.2%	3.1%	2.6%	2.0%	0.0%	0.0%	3.6%	3.4%	3.1%	2.7%	2.2%
Leveraged IRR w/ Reversion at YR 30	3.5%	4.8%	0.0%	0.0%	0.0%	0.0%	0.0%	3.1%	2.8%	0.0%	0.0%	0.0%

Table F-7: Feasibility Analysis Results: Mid-Rise Rental, Mid-Market

	Baseline		75% AMI Target									
			MIH + 421-a Benefit									
			On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$648.38	\$652.32	\$574.53	\$573.87	\$573.20	\$571.42	\$570.01	\$574.63	\$574.89	\$575.13	\$575.57	\$575.96
Total Dev. Cost per Unit	\$617,987	\$621,741	\$529,276	\$524,285	\$519,367	\$509,370	\$500,022	\$547,695	\$547,939	\$548,169	\$548,588	\$548,961
Acquisition Cost PSF	\$275.00	\$275.00	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43
Hard Cost PSF	\$273.64	\$273.64	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73
Soft Cost PSF	\$54.73	\$54.73	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55
Avg. Annual Rent PSF - Market Rate	\$37.88	\$37.88	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$608.51	\$608.35	\$608.20	\$607.95	\$607.76
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$454,864	\$454,739	\$454,629	\$454,446	\$454,299
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24
<u>Scenario Yield</u>												
Total Units	92	92	134	135	136	138	140	160	167	175	190	205
Market Rate Units	92	92	103	97	90	78	65	129	129	129	129	129
Affordable Units - On-Site	0	0	30	38	45	61	76	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	2.0%	4.1%	4.0%	3.8%	3.6%	3.3%	2.9%	1.9%	1.8%	1.7%	1.5%	1.4%
Unleveraged IRR w/ Reversion at YR 30	4.0%	5.2%	5.5%	5.1%	4.7%	3.7%	2.5%	3.6%	3.4%	3.1%	2.7%	2.2%
Leveraged IRR w/ Reversion at YR 30	3.5%	4.8%	5.3%	4.7%	4.1%	2.7%	0.0%	3.1%	2.8%	0.0%	0.0%	0.0%

Table F-7: Feasibility Analysis Results: Mid-Rise Rental, Mid-Market

	Baseline		75% AMI Target																			
	Baseline		MIH + 421-a + LIHTC																			
	Baseline		On-Site Affordability					Off-Site Affordability														
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI										
<u>Key Assumptions - On-Site Component</u>																						
Total Dev. Cost PSF	\$648.38	\$652.32																				
Total Dev. Cost per Unit	\$617,987	\$621,741																				
Acquisition Cost PSF	\$275.00	\$275.00																				
Hard Cost PSF	\$273.64	\$273.64																				
Soft Cost PSF	\$54.73	\$54.73																				
Avg. Annual Rent PSF - Market Rate	\$37.88	\$37.88																				
Avg. Annual Rent PSF - Affordable	n/a	n/a																				
<u>Key Assumptions - Off-Site Component</u>																						
Total Dev. Cost PSF	n/a	n/a											N/A (d)					N/A (d)				
Total Dev. Cost per Unit	n/a	n/a																				
Acquisition Cost PSF	n/a	n/a																				
Hard Cost PSF	n/a	n/a																				
Soft Cost PSF	n/a	n/a																				
Avg. Annual Rent PSF - Affordable	n/a	n/a																				
<u>Scenario Yield</u>																						
Total Units	92	92																				
Market Rate Units	92	92																				
Affordable Units - On-Site	0	0																				
Affordable Units - Off-Site	0	0																				
<u>Feasibility Results</u>																						
Yield-on-Cost (YOC)	2.0%	4.1%																				
Unleveraged IRR w/ Reversion at YR 30	4.0%	5.2%																				
Leveraged IRR w/ Reversion at YR 30	3.5%	4.8%																				

Table F-7: Feasibility Analysis Results: Mid-Rise Rental, Mid-Market

	Baseline		90% AMI Target										
	Baseline		MIH ONLY										
	Baseline		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	
<u>Key Assumptions - On-Site Component</u>													
Total Dev. Cost PSF	\$648.38	\$652.32	\$572.04	\$571.75	\$571.46	\$570.40	\$569.70	\$574.81	\$575.10	\$575.38	\$575.88	\$576.33	
Total Dev. Cost per Unit	\$617,987	\$621,741	\$526,980	\$522,352	\$517,785	\$508,461	\$499,748	\$547,865	\$548,146	\$548,409	\$548,890	\$549,317	
Acquisition Cost PSF	\$275.00	\$275.00	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	
Hard Cost PSF	\$273.64	\$273.64	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73	
Soft Cost PSF	\$54.73	\$54.73	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55	
Avg. Annual Rent PSF - Market Rate	\$37.88	\$37.88	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	n/a	n/a	n/a	n/a	n/a	
<u>Key Assumptions - Off-Site Component</u>													
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$608.66	\$608.52	\$608.41	\$608.21	\$608.07	
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$454,974	\$454,872	\$454,784	\$454,640	\$454,529	
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00	
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96	
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39	
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	
<u>Scenario Yield</u>													
Total Units	92	92	134	135	136	138	140	160	167	175	190	205	
Market Rate Units	92	92	103	97	90	78	65	129	129	129	129	129	
Affordable Units - On-Site	0	0	30	38	45	61	76	0	0	0	0	0	
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76	
<u>Feasibility Results</u>													
Yield-on-Cost (YOC)	2.0%	4.1%	1.8%	1.7%	1.5%	1.2%	0.9%	2.0%	1.9%	1.9%	1.8%	1.6%	
Unleveraged IRR w/ Reversion at YR 30	4.0%	5.2%	3.4%	3.0%	2.5%	1.5%	0.0%	3.8%	3.6%	3.4%	3.1%	2.7%	
Leveraged IRR w/ Reversion at YR 30	3.5%	4.8%	2.8%	0.0%	0.0%	0.0%	0.0%	3.3%	3.1%	2.9%	0.0%	0.0%	

Table F-7: Feasibility Analysis Results: Mid-Rise Rental, Mid-Market

	Baseline		90% AMI Target										
			MIH + 421-a Benefit										
			On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	
<u>Key Assumptions - On-Site Component</u>													
Total Dev. Cost PSF	\$648.38	\$652.32	\$574.73	\$574.13	\$573.51	\$571.83	\$570.53	\$578.74	\$579.06	\$579.36	\$579.92	\$580.41	
Total Dev. Cost per Unit	\$617,987	\$621,741	\$529,466	\$524,520	\$519,647	\$509,737	\$500,474	\$551,607	\$551,916	\$552,206	\$552,735	\$553,207	
Acquisition Cost PSF	\$275.00	\$275.00	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	
Hard Cost PSF	\$273.64	\$273.64	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73	
Soft Cost PSF	\$54.73	\$54.73	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55	
Avg. Annual Rent PSF - Market Rate	\$37.88	\$37.88	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	\$38.57	
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	n/a	n/a	n/a	n/a	n/a	
<u>Key Assumptions - Off-Site Component</u>													
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$606.17	\$606.32	\$606.46	\$606.73	\$606.97	
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$453,115	\$453,226	\$453,331	\$453,530	\$453,712	
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00	
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96	
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39	
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	
<u>Scenario Yield</u>													
Total Units	92	92	134	135	136	138	140	160	167	175	190	205	
Market Rate Units	92	92	103	97	90	78	65	129	129	129	129	129	
Affordable Units - On-Site	0	0	30	38	45	61	76	0	0	0	0	0	
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76	
<u>Feasibility Results</u>													
Yield-on-Cost (YOC)	2.0%	4.1%	4.2%	4.0%	3.9%	3.6%	3.3%	4.2%	4.1%	4.0%	3.9%	3.8%	
Unleveraged IRR w/ Reversion at YR 30	4.0%	5.2%	5.7%	5.4%	5.1%	4.3%	3.4%	5.2%	5.0%	4.9%	4.6%	4.4%	
Leveraged IRR w/ Reversion at YR 30	3.5%	4.8%	5.6%	5.1%	4.6%	3.5%	2.2%	4.8%	4.6%	4.4%	4.0%	3.6%	

Table F-7: Feasibility Analysis Results: Mid-Rise Rental, Mid-Market

	Baseline		90% AMI Target																			
			MIH + 421-a + LIHTC																			
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability														
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI										
<u>Key Assumptions - On-Site Component</u>																						
Total Dev. Cost PSF	\$648.38	\$652.32																				
Total Dev. Cost per Unit	\$617,987	\$621,741																				
Acquisition Cost PSF	\$275.00	\$275.00																				
Hard Cost PSF	\$273.64	\$273.64																				
Soft Cost PSF	\$54.73	\$54.73																				
Avg. Annual Rent PSF - Market Rate	\$37.88	\$37.88																				
Avg. Annual Rent PSF - Affordable	n/a	n/a																				
<u>Key Assumptions - Off-Site Component</u>																						
Total Dev. Cost PSF	n/a	n/a																				
Total Dev. Cost per Unit	n/a	n/a											N/A					N/A				
Acquisition Cost PSF	n/a	n/a	(d)					(d)														
Hard Cost PSF	n/a	n/a																				
Soft Cost PSF	n/a	n/a																				
Avg. Annual Rent PSF - Affordable	n/a	n/a																				
<u>Scenario Yield</u>																						
Total Units	92	92																				
Market Rate Units	92	92																				
Affordable Units - On-Site	0	0																				
Affordable Units - Off-Site	0	0																				
<u>Feasibility Results</u>																						
Yield-on-Cost (YOC)	2.0%	4.1%																				
Unleveraged IRR w/ Reversion at YR 30	4.0%	5.2%																				
Leveraged IRR w/ Reversion at YR 30	3.5%	4.8%																				

Notes:

- (a) The baseline scenarios assume a project that is developed at the density permitted under current zoning conditions. Current conditions are assumed to be as follows: M1-2 for Low-Rise, R7A for Mid-Rise, R10 for High-Rise.
- (b) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.
- (c) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for residential use.
- (d) Projects that do not provide at least 20% of units at or below 50% AMI or 25% of units at or below 60% AMI do not qualify for LIHTC credits; for this reason, this analysis does not test the impact of LIHTC credits under the 75% AMI or 90% AMI blended target levels; note that under the 60% AMI blended target level, the blended average AMI target corresponding to a 20% set-aside is modified to 50% AMI in order to allow for LIHTC eligibility.

Source: BAE, 2015.

Table F-8: Feasibility Analysis Results: Mid-Rise Rental, Moderate Market

	Baseline		60% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$421.19	\$424.04	\$480.18	\$479.71	\$479.22	\$477.80	\$476.74	\$482.92	\$483.04	\$483.16	\$483.36	\$483.55
Total Dev. Cost per Unit	\$401,448	\$404,168	\$442,358	\$438,257	\$434,212	\$425,916	\$418,205	\$460,284	\$460,399	\$460,507	\$460,705	\$460,881
Acquisition Cost PSF	\$69.57	\$69.57	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29
Hard Cost PSF	\$273.32	\$273.32	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73
Soft Cost PSF	\$54.66	\$54.66	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55
Avg. Annual Rent PSF - Market Rate	\$29.79	\$29.79	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$481.71	\$481.51	\$481.34	\$481.04	\$480.79
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$360,077	\$359,932	\$359,802	\$359,576	\$359,389
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units	92	92	134	135	136	138	140	160	167	175	190	205
Market Rate Units	92	92	103	97	90	78	65	129	129	129	129	129
Affordable Units - On-Site	0	0	30	38	45	61	76	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	1.9%	3.7%	1.4%	1.2%	1.0%	0.7%	0.3%	1.6%	1.6%	1.5%	1.3%	1.2%
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.6%	2.4%	1.9%	0.0%	0.0%	0.0%	3.0%	2.8%	2.5%	2.1%	1.7%
Leveraged IRR w/ Reversion at YR 30	3.0%	4.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table F-8: Feasibility Analysis Results: Mid-Rise Rental, Moderate Market

	Baseline		60% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$421.19	\$424.04	\$482.11	\$481.41	\$480.69	\$478.83	\$477.34	\$485.90	\$486.03	\$486.16	\$486.40	\$486.61
Total Dev. Cost per Unit	\$401,448	\$404,168	\$444,138	\$439,811	\$435,547	\$426,834	\$418,731	\$463,121	\$463,252	\$463,375	\$463,600	\$463,800
Acquisition Cost PSF	\$69.57	\$69.57	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29
Hard Cost PSF	\$273.32	\$273.32	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73
Soft Cost PSF	\$54.66	\$54.66	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55
Avg. Annual Rent PSF - Market Rate	\$29.79	\$29.79	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$479.76	\$479.78	\$479.80	\$479.84	\$479.88
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$358,618	\$358,632	\$358,647	\$358,679	\$358,711
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units	92	92	134	135	136	138	140	160	167	175	190	205
Market Rate Units	92	92	103	97	90	78	65	129	129	129	129	129
Affordable Units - On-Site	0	0	30	38	45	61	76	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	1.9%	3.7%	3.4%	3.2%	3.0%	2.6%	2.3%	3.6%	3.5%	3.4%	3.3%	3.1%
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.6%	4.6%	4.2%	3.7%	2.6%	1.3%	4.4%	4.2%	4.0%	3.6%	3.3%
Leveraged IRR w/ Reversion at YR 30	3.0%	4.1%	4.0%	3.4%	2.8%	0.0%	0.0%	3.7%	3.4%	3.1%	2.6%	0.0%

Table F-8: Feasibility Analysis Results: Mid-Rise Rental, Moderate Market

	Baseline		60% AMI Target										
	Baseline		MIH + 421-a + LIHTC										
	Baseline		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 50% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 50% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	
<u>Key Assumptions - On-Site Component</u>													
Total Dev. Cost PSF	\$421.19	\$424.04	\$491.28	\$493.12	\$494.68	\$497.26	\$500.14	\$478.10	\$478.50	\$478.66	\$478.97	\$479.24	
Total Dev. Cost per Unit	\$401,448	\$404,168	\$452,585	\$450,509	\$448,215	\$443,263	\$438,733	\$455,693	\$456,067	\$456,225	\$456,516	\$456,774	
Acquisition Cost PSF	\$69.57	\$69.57	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	
Hard Cost PSF	\$273.32	\$273.32	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73	
Soft Cost PSF	\$54.66	\$54.66	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55	
Avg. Annual Rent PSF - Market Rate	\$29.79	\$29.79	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$14.52	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a	
<u>Key Assumptions - Off-Site Component</u>													
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$517.06	\$517.30	\$517.37	\$517.50	\$517.62	
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$386,501	\$386,684	\$386,733	\$386,829	\$386,919	
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00	
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96	
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39	
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$14.52	\$17.61	\$17.61	\$17.61	\$17.61	
<u>Scenario Yield</u>													
Total Units	92	92	134	135	136	138	140	160	167	175	190	205	
Market Rate Units	92	92	103	97	90	78	65	129	129	129	129	129	
Affordable Units - On-Site	0	0	30	38	45	61	76	0	0	0	0	0	
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76	
<u>Feasibility Results</u>													
Yield-on-Cost (YOC)	1.9%	3.7%	3.6%	3.7%	3.6%	3.4%	3.1%	3.8%	3.8%	3.8%	3.7%	3.7%	
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.6%	5.0%	4.9%	4.6%	3.9%	2.9%	4.5%	4.6%	4.5%	4.2%	4.0%	
Leveraged IRR w/ Reversion at YR 30	3.0%	4.1%	4.5%	4.4%	3.9%	2.8%	0.0%	3.8%	3.9%	3.7%	3.4%	3.0%	

Table F-8: Feasibility Analysis Results: Mid-Rise Rental, Moderate Market

	75% AMI Target													
	Baseline		MIH ONLY											
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability						
20% at 75% AMI			25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI			
<u>Key Assumptions - On-Site Component</u>														
Total Dev. Cost PSF	\$421.19	\$424.04	\$480.37	\$479.94	\$479.50	\$478.17	\$477.21	\$483.12	\$483.28	\$483.43	\$483.71	\$483.96		
Total Dev. Cost per Unit	\$401,448	\$404,168	\$442,531	\$438,472	\$434,467	\$426,251	\$418,617	\$460,470	\$460,625	\$460,770	\$461,034	\$461,270		
Acquisition Cost PSF	\$69.57	\$69.57	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29		
Hard Cost PSF	\$273.32	\$273.32	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73		
Soft Cost PSF	\$54.66	\$54.66	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55		
Avg. Annual Rent PSF - Market Rate	\$29.79	\$29.79	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34		
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	n/a	n/a	n/a	n/a	n/a		
<u>Key Assumptions - Off-Site Component</u>														
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$481.67	\$481.51	\$481.37	\$481.12	\$480.92		
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$360,047	\$359,927	\$359,820	\$359,638	\$359,489		
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00		
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96		
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39		
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24		
<u>Scenario Yield</u>														
Total Units	92	92	134	135	136	138	140	160	167	175	190	205		
Market Rate Units	92	92	103	97	90	78	65	129	129	129	129	129		
Affordable Units - On-Site	0	0	30	38	45	61	76	0	0	0	0	0		
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76		
<u>Feasibility Results</u>														
Yield-on-Cost (YOC)	1.9%	3.7%	1.6%	1.4%	1.3%	1.0%	0.8%	1.8%	1.7%	1.7%	1.6%	1.5%		
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.6%	2.8%	2.4%	2.0%	0.0%	0.0%	3.3%	3.1%	3.0%	2.6%	2.4%		
Leveraged IRR w/ Reversion at YR 30	3.0%	4.1%	0.0%	0.0%	0.0%	0.0%	0.0%	2.7%	0.0%	0.0%	0.0%	0.0%		

Table F-8: Feasibility Analysis Results: Mid-Rise Rental, Moderate Market

	75% AMI Target											
	Baseline		MIH + 421-a Benefit									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
20% at 75% AMI			25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$421.19	\$424.04	\$482.30	\$481.64	\$480.98	\$479.20	\$477.81	\$486.09	\$486.27	\$486.44	\$486.75	\$487.02
Total Dev. Cost per Unit	\$401,448	\$404,168	\$444,311	\$440,026	\$435,803	\$427,169	\$419,144	\$463,307	\$463,477	\$463,637	\$463,929	\$464,189
Acquisition Cost PSF	\$69.57	\$69.57	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29
Hard Cost PSF	\$273.32	\$273.32	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73
Soft Cost PSF	\$54.66	\$54.66	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55
Avg. Annual Rent PSF - Market Rate	\$29.79	\$29.79	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$479.72	\$479.77	\$479.82	\$479.92	\$480.02
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$358,588	\$358,627	\$358,666	\$358,741	\$358,812
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24
<u>Scenario Yield</u>												
Total Units	92	92	134	135	136	138	140	160	167	175	190	205
Market Rate Units	92	92	103	97	90	78	65	129	129	129	129	129
Affordable Units - On-Site	0	0	30	38	45	61	76	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	1.9%	3.7%	3.6%	3.4%	3.3%	3.0%	2.8%	3.8%	3.7%	3.7%	3.6%	3.5%
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.6%	4.9%	4.6%	4.2%	3.5%	2.6%	4.6%	4.5%	4.4%	4.1%	3.9%
Leveraged IRR w/ Reversion at YR 30	3.0%	4.1%	4.4%	4.0%	3.5%	2.5%	0.0%	4.0%	3.8%	3.7%	3.3%	3.0%

Table F-8: Feasibility Analysis Results: Mid-Rise Rental, Moderate Market

	Baseline		75% AMI Target									
	Baseline		MIH + 421-a + LIHTC									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$421.19	\$424.04										
Total Dev. Cost per Unit	\$401,448	\$404,168										
Acquisition Cost PSF	\$69.57	\$69.57										
Hard Cost PSF	\$273.32	\$273.32										
Soft Cost PSF	\$54.66	\$54.66										
Avg. Annual Rent PSF - Market Rate	\$29.79	\$29.79										
Avg. Annual Rent PSF - Affordable	n/a	n/a										
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a										
Total Dev. Cost per Unit	n/a	n/a										
Acquisition Cost PSF	n/a	n/a										
Hard Cost PSF	n/a	n/a										
Soft Cost PSF	n/a	n/a										
Avg. Annual Rent PSF - Affordable	n/a	n/a										
<u>Scenario Yield</u>												
Total Units	92	92										
Market Rate Units	92	92										
Affordable Units - On-Site	0	0										
Affordable Units - Off-Site	0	0										
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	1.9%	3.7%										
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.6%										
Leveraged IRR w/ Reversion at YR 30	3.0%	4.1%										

Table F-8: Feasibility Analysis Results: Mid-Rise Rental, Moderate Market

	Baseline		90% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$421.19	\$424.04	\$480.57	\$480.20	\$479.81	\$478.59	\$477.73	\$483.30	\$483.50	\$483.68	\$484.02	\$484.33
Total Dev. Cost per Unit	\$401,448	\$404,168	\$442,721	\$438,707	\$434,748	\$426,618	\$419,069	\$460,641	\$460,831	\$461,010	\$461,336	\$461,627
Acquisition Cost PSF	\$69.57	\$69.57	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29
Hard Cost PSF	\$273.32	\$273.32	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73
Soft Cost PSF	\$54.66	\$54.66	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55
Avg. Annual Rent PSF - Market Rate	\$29.79	\$29.79	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$481.82	\$481.69	\$481.57	\$481.38	\$481.23
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$360,157	\$360,060	\$359,975	\$359,832	\$359,719
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88
<u>Scenario Yield</u>												
Total Units	92	92	134	135	136	138	140	160	167	175	190	205
Market Rate Units	92	92	103	97	90	78	65	129	129	129	129	129
Affordable Units - On-Site	0	0	30	38	45	61	76	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	1.9%	3.7%	1.7%	1.7%	1.6%	1.4%	1.2%	1.9%	1.9%	1.9%	1.8%	1.8%
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.6%	3.1%	2.8%	2.5%	1.9%	0.0%	3.6%	3.4%	3.3%	3.1%	3.0%
Leveraged IRR w/ Reversion at YR 30	3.0%	4.1%	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	2.9%	2.7%	0.0%	0.0%

Table F-8: Feasibility Analysis Results: Mid-Rise Rental, Moderate Market

	Baseline		90% AMI Target										
	Baseline		MIH + 421-a Benefit										
	Baseline		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	
<u>Key Assumptions - On-Site Component</u>													
Total Dev. Cost PSF	\$421.19	\$424.04	\$482.51	\$481.90	\$481.29	\$479.62	\$478.33	\$486.27	\$486.49	\$486.69	\$487.06	\$487.39	
Total Dev. Cost per Unit	\$401,448	\$404,168	\$444,501	\$440,261	\$436,083	\$427,536	\$419,596	\$463,477	\$463,684	\$463,877	\$464,231	\$464,545	
Acquisition Cost PSF	\$69.57	\$69.57	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	
Hard Cost PSF	\$273.32	\$273.32	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73	
Soft Cost PSF	\$54.66	\$54.66	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55	
Avg. Annual Rent PSF - Market Rate	\$29.79	\$29.79	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	\$30.34	
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	n/a	n/a	n/a	n/a	n/a	
<u>Key Assumptions - Off-Site Component</u>													
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$479.86	\$479.95	\$480.03	\$480.18	\$480.32	
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$358,698	\$358,760	\$358,821	\$358,935	\$359,041	
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00	
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96	
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39	
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	
<u>Scenario Yield</u>													
Total Units	92	92	134	135	136	138	140	160	167	175	190	205	
Market Rate Units	92	92	103	97	90	78	65	129	129	129	129	129	
Affordable Units - On-Site	0	0	30	38	45	61	76	0	0	0	0	0	
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76	
<u>Feasibility Results</u>													
Yield-on-Cost (YOC)	1.9%	3.7%	3.7%	3.7%	3.6%	3.4%	3.2%	3.9%	3.9%	3.9%	3.8%	3.8%	
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.6%	5.2%	5.0%	4.7%	4.2%	3.7%	4.9%	4.8%	4.7%	4.6%	4.5%	
Leveraged IRR w/ Reversion at YR 30	3.0%	4.1%	4.8%	4.5%	4.2%	3.5%	2.6%	4.4%	4.3%	4.2%	4.0%	3.8%	

Table F-8: Feasibility Analysis Results: Mid-Rise Rental, Moderate Market

	Baseline		90% AMI Target																			
			MIH + 421-a + LIHTC																			
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability														
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI										
<u>Key Assumptions - On-Site Component</u>																						
Total Dev. Cost PSF	\$421.19	\$424.04																				
Total Dev. Cost per Unit	\$401,448	\$404,168																				
Acquisition Cost PSF	\$69.57	\$69.57																				
Hard Cost PSF	\$273.32	\$273.32																				
Soft Cost PSF	\$54.66	\$54.66																				
Avg. Annual Rent PSF - Market Rate	\$29.79	\$29.79																				
Avg. Annual Rent PSF - Affordable	n/a	n/a																				
<u>Key Assumptions - Off-Site Component</u>																						
Total Dev. Cost PSF	n/a	n/a											N/A (d)					N/A (d)				
Total Dev. Cost per Unit	n/a	n/a																				
Acquisition Cost PSF	n/a	n/a																				
Hard Cost PSF	n/a	n/a																				
Soft Cost PSF	n/a	n/a																				
Avg. Annual Rent PSF - Affordable	n/a	n/a																				
<u>Scenario Yield</u>																						
Total Units	92	92																				
Market Rate Units	92	92																				
Affordable Units - On-Site	0	0																				
Affordable Units - Off-Site	0	0																				
<u>Feasibility Results</u>																						
Yield-on-Cost (YOC)	1.9%	3.7%																				
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.6%																				
Leveraged IRR w/ Reversion at YR 30	3.0%	4.1%																				

Notes:

- (a) The baseline scenarios assume a project that is developed at the density permitted under current zoning conditions. Current conditions are assumed to be as follows: M1-2 for Low-Rise, R7A for Mid-Rise, R10 for High-Rise.
- (b) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.
- (c) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for residential use.
- (d) Projects that do not provide at least 20% of units at or below 50% AMI or 25% of units at or below 60% AMI do not qualify for LIHTC credits; for this reason, this analysis does not test the impact of LIHTC credits under the 75% AMI or 90% AMI blended target levels; note that under the 60% AMI blended target level, the blended average AMI target corresponding to a 20% set-aside is modified to 50% AMI in order to allow for LIHTC eligibility.

Source: BAE, 2015.

Table F-9: Feasibility Analysis Results: Mid-Rise Rental, Weak Market

	Baseline		60% AMI Target									
			MIH ONLY									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$389.49	\$391.30	\$386.29	\$385.72	\$385.15	\$383.55	\$382.32	\$388.74	\$388.71	\$388.69	\$388.64	\$388.60
Total Dev. Cost per Unit	\$371,237	\$372,954	\$355,865	\$352,396	\$348,974	\$341,898	\$335,378	\$370,515	\$370,491	\$370,467	\$370,425	\$370,387
Acquisition Cost PSF	\$40.00	\$40.00	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57
Hard Cost PSF	\$273.64	\$273.64	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73
Soft Cost PSF	\$54.73	\$54.73	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55
Avg. Annual Rent PSF - Market Rate	\$23.84	\$23.84	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$351.69	\$351.42	\$351.17	\$350.74	\$350.37
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$262,885	\$262,685	\$262,503	\$262,180	\$261,904
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units	92	92	134	135	136	138	140	160	167	175	190	205
Market Rate Units	92	92	103	97	90	78	65	129	129	129	129	129
Affordable Units - On-Site	0	0	30	38	45	61	76	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	1.8%	3.6%	1.3%	1.2%	1.1%	0.8%	0.5%	1.6%	1.5%	1.5%	1.4%	1.3%
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.7%	2.4%	1.9%	0.0%	0.0%	0.0%	3.0%	2.8%	2.6%	2.3%	1.9%
Leveraged IRR w/ Reversion at YR 30	3.1%	4.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table F-9: Feasibility Analysis Results: Mid-Rise Rental, Weak Market

	60% AMI Target											
	Baseline		MIH + 421-a Benefit									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$389.49	\$391.30	\$387.43	\$386.69	\$385.95	\$384.03	\$382.49	\$390.63	\$390.61	\$390.60	\$390.57	\$390.55
Total Dev. Cost per Unit	\$371,237	\$372,954	\$356,913	\$353,281	\$349,702	\$342,326	\$335,525	\$372,316	\$372,301	\$372,287	\$372,262	\$372,240
Acquisition Cost PSF	\$40.00	\$40.00	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57
Hard Cost PSF	\$273.64	\$273.64	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73
Soft Cost PSF	\$54.73	\$54.73	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55
Avg. Annual Rent PSF - Market Rate	\$23.84	\$23.84	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$350.04	\$349.92	\$349.82	\$349.64	\$349.48
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$261,654	\$261,569	\$261,491	\$261,354	\$261,236
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units	92	92	134	135	136	138	140	160	167	175	190	205
Market Rate Units	92	92	103	97	90	78	65	129	129	129	129	129
Affordable Units - On-Site	0	0	30	38	45	61	76	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	1.8%	3.6%	3.1%	3.0%	2.8%	2.5%	2.3%	3.4%	3.3%	3.3%	3.2%	3.1%
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.7%	4.4%	4.0%	3.6%	2.7%	1.7%	4.2%	4.1%	3.9%	3.7%	3.4%
Leveraged IRR w/ Reversion at YR 30	3.1%	4.2%	3.7%	3.3%	2.8%	0.0%	0.0%	3.5%	3.3%	3.1%	2.8%	2.4%

Table F-9: Feasibility Analysis Results: Mid-Rise Rental, Weak Market

	Baseline		60% AMI Target										
	Baseline		MIH + 421-a + LIHTC										
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability					
			20% at 50% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 50% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	
<u>Key Assumptions - On-Site Component</u>													
Total Dev. Cost PSF	\$389.49	\$391.30	\$396.63	\$398.44	\$399.98	\$402.52	\$405.38	\$384.08	\$384.33	\$384.38	\$384.46	\$384.53	
Total Dev. Cost per Unit	\$371,237	\$372,954	\$365,387	\$364,011	\$362,409	\$358,813	\$355,604	\$366,072	\$366,317	\$366,359	\$366,435	\$366,502	
Acquisition Cost PSF	\$40.00	\$40.00	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	
Hard Cost PSF	\$273.64	\$273.64	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73	
Soft Cost PSF	\$54.73	\$54.73	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55	
Avg. Annual Rent PSF - Market Rate	\$23.84	\$23.84	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$14.52	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a	
<u>Key Assumptions - Off-Site Component</u>													
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$387.47	\$387.58	\$387.52	\$387.42	\$387.33	
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$289,633	\$289,713	\$289,669	\$289,593	\$289,530	
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96	
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39	
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$14.52	\$17.61	\$17.61	\$17.61	\$17.61	
<u>Scenario Yield</u>													
Total Units	92	92	134	135	136	138	140	160	167	175	190	205	
Market Rate Units	92	92	103	97	90	78	65	129	129	129	129	129	
Affordable Units - On-Site	0	0	30	38	45	61	76	0	0	0	0	0	
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76	
<u>Feasibility Results</u>													
Yield-on-Cost (YOC)	1.8%	3.6%	3.4%	3.6%	3.5%	3.4%	3.3%	3.6%	3.7%	3.7%	3.7%	3.7%	
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.7%	4.8%	4.9%	4.8%	4.3%	3.7%	4.4%	4.6%	4.6%	4.5%	4.4%	
Leveraged IRR w/ Reversion at YR 30	3.1%	4.2%	4.3%	4.5%	4.2%	3.4%	2.3%	3.7%	3.9%	3.9%	3.7%	3.5%	

Table F-9: Feasibility Analysis Results: Mid-Rise Rental, Weak Market

	Baseline		75% AMI Target										
	Baseline		MIH ONLY										
	Baseline		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	
<u>Key Assumptions - On-Site Component</u>													
Total Dev. Cost PSF	\$389.49	\$391.30	\$386.48	\$385.96	\$385.43	\$383.92	\$382.79	\$388.93	\$388.95	\$388.96	\$388.99	\$389.01	
Total Dev. Cost per Unit	\$371,237	\$372,954	\$356,038	\$352,610	\$349,229	\$342,233	\$335,790	\$370,701	\$370,716	\$370,730	\$370,754	\$370,776	
Acquisition Cost PSF	\$40.00	\$40.00	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	
Hard Cost PSF	\$273.64	\$273.64	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73	
Soft Cost PSF	\$54.73	\$54.73	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55	
Avg. Annual Rent PSF - Market Rate	\$23.84	\$23.84	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	n/a	n/a	n/a	n/a	n/a	
<u>Key Assumptions - Off-Site Component</u>													
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$351.65	\$351.41	\$351.20	\$350.83	\$350.51	
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$262,855	\$262,680	\$262,521	\$262,242	\$262,005	
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96	
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39	
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	
<u>Scenario Yield</u>													
Total Units	92	92	134	135	136	138	140	160	167	175	190	205	
Market Rate Units	92	92	103	97	90	78	65	129	129	129	129	129	
Affordable Units - On-Site	0	0	30	38	45	61	76	0	0	0	0	0	
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76	
<u>Feasibility Results</u>													
Yield-on-Cost (YOC)	1.8%	3.6%	1.6%	1.5%	1.4%	1.2%	1.1%	1.8%	1.8%	1.7%	1.7%	1.7%	
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.7%	2.8%	2.5%	2.2%	0.0%	0.0%	3.3%	3.2%	3.1%	2.9%	2.8%	
Leveraged IRR w/ Reversion at YR 30	3.1%	4.2%	0.0%	0.0%	0.0%	0.0%	0.0%	2.8%	0.0%	0.0%	0.0%	0.0%	

Table F-9: Feasibility Analysis Results: Mid-Rise Rental, Weak Market

	Baseline		75% AMI Target										
	Baseline		MIH + 421-a Benefit										
	Baseline		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	
<u>Key Assumptions - On-Site Component</u>													
Total Dev. Cost PSF	\$389.49	\$391.30	\$387.62	\$386.93	\$386.23	\$384.40	\$382.96	\$390.82	\$390.85	\$390.87	\$390.92	\$390.95	
Total Dev. Cost per Unit	\$371,237	\$372,954	\$357,086	\$353,496	\$349,958	\$342,662	\$335,938	\$372,502	\$372,526	\$372,549	\$372,591	\$372,629	
Acquisition Cost PSF	\$40.00	\$40.00	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	
Hard Cost PSF	\$273.64	\$273.64	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73	
Soft Cost PSF	\$54.73	\$54.73	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55	
Avg. Annual Rent PSF - Market Rate	\$23.84	\$23.84	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	n/a	n/a	n/a	n/a	n/a	
<u>Key Assumptions - Off-Site Component</u>													
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$350.00	\$349.92	\$349.85	\$349.72	\$349.61	
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$261,623	\$261,564	\$261,510	\$261,416	\$261,337	
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96	
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39	
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	
<u>Scenario Yield</u>													
Total Units	92	92	134	135	136	138	140	160	167	175	190	205	
Market Rate Units	92	92	103	97	90	78	65	129	129	129	129	129	
Affordable Units - On-Site	0	0	30	38	45	61	76	0	0	0	0	0	
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76	
<u>Feasibility Results</u>													
Yield-on-Cost (YOC)	1.8%	3.6%	3.4%	3.3%	3.2%	3.0%	2.9%	3.6%	3.6%	3.6%	3.5%	3.5%	
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.7%	4.8%	4.5%	4.3%	3.8%	3.2%	4.6%	4.5%	4.4%	4.3%	4.2%	
Leveraged IRR w/ Reversion at YR 30	3.1%	4.2%	4.3%	4.0%	3.6%	2.9%	0.0%	4.0%	3.9%	3.8%	3.6%	3.4%	

Table F-9: Feasibility Analysis Results: Mid-Rise Rental, Weak Market

	Baseline		75% AMI Target									
	Baseline		MIH + 421-a + LIHTC									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$389.49	\$391.30										
Total Dev. Cost per Unit	\$371,237	\$372,954										
Acquisition Cost PSF	\$40.00	\$40.00										
Hard Cost PSF	\$273.64	\$273.64										
Soft Cost PSF	\$54.73	\$54.73										
Avg. Annual Rent PSF - Market Rate	\$23.84	\$23.84										
Avg. Annual Rent PSF - Affordable	n/a	n/a										
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a										
Total Dev. Cost per Unit	n/a	n/a										
Acquisition Cost PSF	n/a	n/a										
Hard Cost PSF	n/a	n/a										
Soft Cost PSF	n/a	n/a										
Avg. Annual Rent PSF - Affordable	n/a	n/a										
<u>Scenario Yield</u>												
Total Units	92	92										
Market Rate Units	92	92										
Affordable Units - On-Site	0	0										
Affordable Units - Off-Site	0	0										
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)	1.8%	3.6%										
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.7%										
Leveraged IRR w/ Reversion at YR 30	3.1%	4.2%										

Table F-9: Feasibility Analysis Results: Mid-Rise Rental, Weak Market

	Baseline		90% AMI Target										
	Baseline		MIH ONLY										
	Baseline		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	
<u>Key Assumptions - On-Site Component</u>													
Total Dev. Cost PSF	\$389.49	\$391.30	\$386.69	\$386.22	\$385.74	\$384.33	\$383.31	\$389.11	\$389.16	\$389.21	\$389.30	\$389.39	
Total Dev. Cost per Unit	\$371,237	\$372,954	\$356,228	\$352,846	\$349,509	\$342,600	\$336,242	\$370,872	\$370,923	\$370,970	\$371,056	\$371,133	
Acquisition Cost PSF	\$40.00	\$40.00	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	
Hard Cost PSF	\$273.64	\$273.64	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73	
Soft Cost PSF	\$54.73	\$54.73	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55	
Avg. Annual Rent PSF - Market Rate	\$23.84	\$23.84	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	n/a	n/a	n/a	n/a	n/a	
<u>Key Assumptions - Off-Site Component</u>													
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$351.79	\$351.59	\$351.41	\$351.09	\$350.81	
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$262,965	\$262,813	\$262,676	\$262,436	\$262,234	
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96	
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39	
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	
<u>Scenario Yield</u>													
Total Units	92	92	134	135	136	138	140	160	167	175	190	205	
Market Rate Units	92	92	103	97	90	78	65	129	129	129	129	129	
Affordable Units - On-Site	0	0	30	38	45	61	76	0	0	0	0	0	
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76	
<u>Feasibility Results</u>													
Yield-on-Cost (YOC)	1.8%	3.6%	1.8%	1.8%	1.7%	1.7%	1.6%	2.0%	2.0%	2.0%	2.0%	2.0%	
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.7%	3.2%	3.1%	2.9%	2.5%	2.2%	3.7%	3.6%	3.6%	3.5%	3.5%	
Leveraged IRR w/ Reversion at YR 30	3.1%	4.2%	0.0%	0.0%	0.0%	0.0%	0.0%	3.1%	3.1%	3.0%	3.0%	2.9%	

Table F-9: Feasibility Analysis Results: Mid-Rise Rental, Weak Market

	Baseline		90% AMI Target										
			MIH + 421-a Benefit										
			On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	
<u>Key Assumptions - On-Site Component</u>													
Total Dev. Cost PSF	\$389.49	\$391.30	\$387.82	\$387.19	\$386.54	\$384.82	\$383.48	\$391.00	\$391.06	\$391.12	\$391.23	\$391.33	
Total Dev. Cost per Unit	\$371,237	\$372,954	\$357,276	\$353,731	\$350,238	\$343,029	\$336,390	\$372,673	\$372,733	\$372,790	\$372,893	\$372,985	
Acquisition Cost PSF	\$40.00	\$40.00	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	
Hard Cost PSF	\$273.64	\$273.64	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73	
Soft Cost PSF	\$54.73	\$54.73	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55	
Avg. Annual Rent PSF - Market Rate	\$23.84	\$23.84	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	\$24.27	
Avg. Annual Rent PSF - Affordable	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	n/a	n/a	n/a	n/a	n/a	
<u>Key Assumptions - Off-Site Component</u>													
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$350.14	\$350.10	\$350.05	\$349.98	\$349.92	
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$261,733	\$261,697	\$261,664	\$261,610	\$261,566	
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96	
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39	
Avg. Annual Rent PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	
<u>Scenario Yield</u>													
Total Units	92	92	134	135	136	138	140	160	167	175	190	205	
Market Rate Units	92	92	103	97	90	78	65	129	129	129	129	129	
Affordable Units - On-Site	0	0	30	38	45	61	76	0	0	0	0	0	
Affordable Units - Off-Site	0	0	0	0	0	0	0	30	38	45	61	76	
<u>Feasibility Results</u>													
Yield-on-Cost (YOC)	1.8%	3.6%	3.6%	3.6%	3.5%	3.5%	3.4%	3.8%	3.8%	3.8%	3.9%	3.9%	
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.7%	5.1%	5.0%	4.9%	4.6%	4.3%	4.9%	4.9%	4.9%	4.9%	4.9%	
Leveraged IRR w/ Reversion at YR 30	3.1%	4.2%	4.8%	4.6%	4.4%	4.0%	3.6%	4.4%	4.4%	4.4%	4.4%	4.4%	

Table F-9: Feasibility Analysis Results: Mid-Rise Rental, Weak Market

	Baseline		90% AMI Target																			
			MIH + 421-a + LIHTC																			
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability														
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI										
<u>Key Assumptions - On-Site Component</u>																						
Total Dev. Cost PSF	\$389.49	\$391.30																				
Total Dev. Cost per Unit	\$371,237	\$372,954																				
Acquisition Cost PSF	\$40.00	\$40.00																				
Hard Cost PSF	\$273.64	\$273.64																				
Soft Cost PSF	\$54.73	\$54.73																				
Avg. Annual Rent PSF - Market Rate	\$23.84	\$23.84																				
Avg. Annual Rent PSF - Affordable	n/a	n/a																				
<u>Key Assumptions - Off-Site Component</u>																						
Total Dev. Cost PSF	n/a	n/a											N/A (d)					N/A (d)				
Total Dev. Cost per Unit	n/a	n/a																				
Acquisition Cost PSF	n/a	n/a																				
Hard Cost PSF	n/a	n/a																				
Soft Cost PSF	n/a	n/a																				
Avg. Annual Rent PSF - Affordable	n/a	n/a																				
<u>Scenario Yield</u>																						
Total Units	92	92																				
Market Rate Units	92	92																				
Affordable Units - On-Site	0	0																				
Affordable Units - Off-Site	0	0																				
<u>Feasibility Results</u>																						
Yield-on-Cost (YOC)	1.8%	3.6%																				
Unleveraged IRR w/ Reversion at YR 30	3.6%	4.7%																				
Leveraged IRR w/ Reversion at YR 30	3.1%	4.2%																				

Notes:

- (a) The baseline scenarios assume a project that is developed at the density permitted under current zoning conditions. Current conditions are assumed to be as follows: M1-2 for Low-Rise, R7A for Mid-Rise, R10 for High-Rise.
- (b) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.
- (c) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for residential use.
- (d) Projects that do not provide at least 20% of units at or below 50% AMI or 25% of units at or below 60% AMI do not qualify for LIHTC credits; for this reason, this analysis does not test the impact of LIHTC credits under the 75% AMI or 90% AMI blended target levels; note that under the 60% AMI blended target level, the blended average AMI target corresponding to a 20% set-aside is modified to 50% AMI in order to allow for LIHTC eligibility.

Source: BAE, 2015.

Table F-10: Feasibility Analysis Results: Low-Rise Rental, Strong Market

	Baseline		60% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$500.61	\$499.84	\$499.57	\$497.96	\$496.80	\$504.92	\$505.32	\$505.71	\$506.40	\$507.01
Total Dev. Cost per Unit			\$461,179	\$456,655	\$452,654	\$443,890	\$435,799	\$481,250	\$481,638	\$482,000	\$482,661	\$483,248
Acquisition Cost PSF			\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66
Avg. Annual Rent PSF - Affordable			\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$658.48	\$658.42	\$658.38	\$658.33	\$658.31
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$492,212	\$492,172	\$492,141	\$492,101	\$492,084
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			3.0%	2.6%	2.2%	1.4%	0.6%	3.3%	3.1%	2.8%	2.4%	2.1%
Unleveraged IRR w/ Reversion at YR 30			5.8%	5.1%	4.4%	2.5%	0.0%	6.2%	5.8%	5.4%	4.7%	4.0%
Leveraged IRR w/ Reversion at YR 30			5.7%	4.9%	4.0%	0.0%	0.0%	6.2%	5.7%	5.2%	4.4%	3.6%

Table F-10: Feasibility Analysis Results: Low-Rise Rental, Strong Market

	Baseline		60% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$504.18	\$502.99	\$502.29	\$499.85	\$497.89	\$505.77	\$506.36	\$506.91	\$507.91	\$508.79
Total Dev. Cost per Unit			\$464,472	\$459,526	\$455,117	\$445,574	\$436,753	\$482,066	\$482,625	\$483,147	\$484,100	\$484,945
Acquisition Cost PSF			\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66
Avg. Annual Rent PSF - Affordable			\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$659.20	\$659.30	\$659.40	\$659.61	\$659.82
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$492,755	\$492,828	\$492,904	\$493,059	\$493,213
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			6.6%	6.2%	5.8%	5.0%	4.1%	3.8%	3.7%	3.5%	3.3%	3.1%
Unleveraged IRR w/ Reversion at YR 30			8.9%	8.3%	7.8%	6.4%	4.6%	6.6%	6.3%	6.0%	5.5%	5.0%
Leveraged IRR w/ Reversion at YR 30			11.4%	10.3%	9.1%	6.7%	3.8%	6.8%	6.4%	6.1%	5.3%	4.7%

Table F-10: Feasibility Analysis Results: Low-Rise Rental, Strong Market

	Baseline		60% AMI Target									
	Baseline		MIH + 421-a + LIHTC									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 50% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 50% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$513.00	\$514.24	\$515.74	\$517.56	\$519.79	\$497.87	\$498.58	\$499.09	\$500.02	\$500.86
Total Dev. Cost per Unit			\$472,592	\$469,810	\$467,299	\$461,361	\$455,962	\$474,534	\$475,213	\$475,698	\$476,586	\$477,379
Acquisition Cost PSF			\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66
Avg. Annual Rent PSF - Affordable			\$14.52	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$696.69	\$696.97	\$697.10	\$697.38	\$697.66
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$520,773	\$520,983	\$521,086	\$521,293	\$521,498
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$14.52	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			7.3%	7.1%	6.8%	6.2%	5.5%	4.0%	4.0%	3.9%	3.7%	3.5%
Unleveraged IRR w/ Reversion at YR 30			9.4%	9.2%	8.8%	7.7%	6.3%	6.8%	6.7%	6.5%	6.0%	5.6%
Leveraged IRR w/ Reversion at YR 30			12.9%	12.4%	11.5%	9.4%	6.7%	7.1%	6.9%	6.6%	6.0%	5.4%

Table F-10: Feasibility Analysis Results: Low-Rise Rental, Strong Market

	Baseline		75% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$500.80	\$500.08	\$499.86	\$498.34	\$497.27	\$505.11	\$505.56	\$505.98	\$506.74	\$507.42
Total Dev. Cost per Unit			\$461,352	\$456,870	\$452,910	\$444,225	\$436,211	\$481,436	\$481,862	\$482,261	\$482,988	\$483,634
Acquisition Cost PSF			\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66
Avg. Annual Rent PSF - Affordable			\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$658.44	\$658.42	\$658.41	\$658.42	\$658.45
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$492,185	\$492,171	\$492,164	\$492,169	\$492,190
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			3.2%	2.8%	2.5%	1.7%	1.0%	3.5%	3.2%	3.0%	2.7%	2.4%
Unleveraged IRR w/ Reversion at YR 30			6.0%	5.4%	4.8%	3.2%	0.0%	6.3%	6.0%	5.7%	5.0%	4.5%
Leveraged IRR w/ Reversion at YR 30			6.0%	5.2%	4.4%	2.7%	0.0%	6.5%	6.0%	5.6%	4.8%	4.1%

Table F-10: Feasibility Analysis Results: Low-Rise Rental, Strong Market

	Baseline		75% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$504.37	\$503.22	\$502.57	\$500.23	\$498.36	\$505.97	\$506.60	\$507.18	\$508.25	\$509.20
Total Dev. Cost per Unit			\$464,645	\$459,741	\$455,372	\$445,909	\$437,165	\$482,252	\$482,849	\$483,408	\$484,426	\$485,330
Acquisition Cost PSF			\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66
Avg. Annual Rent PSF - Affordable			\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$659.17	\$659.30	\$659.43	\$659.70	\$659.96
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$492,728	\$492,828	\$492,928	\$493,126	\$493,319
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			6.8%	6.4%	6.1%	5.3%	4.6%	4.0%	3.9%	3.7%	3.5%	3.4%
Unleveraged IRR w/ Reversion at YR 30			9.1%	8.6%	8.1%	6.9%	5.5%	6.8%	6.5%	6.3%	5.8%	5.4%
Leveraged IRR w/ Reversion at YR 30			11.9%	10.8%	9.8%	7.6%	5.2%	7.1%	6.7%	6.4%	5.8%	5.2%

Table F-10: Feasibility Analysis Results: Low-Rise Rental, Strong Market

	Baseline		75% AMI Target																				
			MIH + 421-a + LIHTC																				
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability															
			20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI											
<u>Key Assumptions - On-Site Component</u>																							
Total Dev. Cost PSF																							
Total Dev. Cost per Unit																							
Acquisition Cost PSF																							
Hard Cost PSF																							
Soft Cost PSF																							
Avg. Annual Rent PSF - Market Rate																							
Avg. Annual Rent PSF - Affordable																							
<u>Key Assumptions - Off-Site Component</u>																							
Total Dev. Cost PSF																							
Total Dev. Cost per Unit																							
Acquisition Cost PSF													N/A (c)	N/A (d)					N/A (d)				
Hard Cost PSF																							
Soft Cost PSF																							
Avg. Annual Rent PSF - Affordable																							
<u>Scenario Yield</u>																							
Total Units																							
Market Rate Units																							
Affordable Units - On-Site																							
Affordable Units - Off-Site																							
<u>Feasibility Results</u>																							
Yield-on-Cost (YOC)																							
Unleveraged IRR w/ Reversion at YR 30																							
Leveraged IRR w/ Reversion at YR 30																							

Table F-10: Feasibility Analysis Results: Low-Rise Rental, Strong Market

	Baseline		90% AMI Target										
	Baseline		MIH ONLY										
	Baseline		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	
<u>Key Assumptions - On-Site Component</u>													
Total Dev. Cost PSF			\$501.00	\$500.34	\$500.17	\$498.75	\$497.79	\$505.29	\$505.78	\$506.23	\$507.06	\$507.79	
Total Dev. Cost per Unit			\$461,542	\$457,105	\$453,190	\$444,592	\$436,663	\$481,606	\$482,067	\$482,500	\$483,287	\$483,987	
Acquisition Cost PSF			\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$364.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32	
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$53.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66	
Avg. Annual Rent PSF - Market Rate			\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	
Avg. Annual Rent PSF - Affordable			\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	n/a	n/a	n/a	n/a	n/a	
<u>Key Assumptions - Off-Site Component</u>													
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$658.59	\$658.61	\$658.63	\$658.69	\$658.76	
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$492,298	\$492,307	\$492,323	\$492,368	\$492,425	
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00	
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96	
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39	
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	
<u>Scenario Yield</u>													
Total Units			110	111	112	114	115	131	137	144	156	168	
Market Rate Units			85	80	74	64	53	106	106	106	106	106	
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0	
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62	
<u>Feasibility Results</u>													
Yield-on-Cost (YOC)			3.4%	3.0%	2.7%	2.1%	1.4%	3.6%	3.4%	3.2%	2.9%	2.6%	
Unleveraged IRR w/ Reversion at YR 30			6.2%	5.7%	5.1%	3.8%	2.2%	6.5%	6.2%	5.9%	5.3%	4.8%	
Leveraged IRR w/ Reversion at YR 30			6.2%	5.6%	4.9%	3.3%	0.0%	6.7%	6.3%	5.9%	5.2%	4.5%	

Table F-10: Feasibility Analysis Results: Low-Rise Rental, Strong Market

	Baseline		90% AMI Target									
			MIH + 421-a Benefit									
			On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$504.68	\$503.48	\$502.88	\$500.64	\$498.87	\$506.15	\$506.81	\$507.43	\$508.56	\$509.57
Total Dev. Cost per Unit			\$464,835	\$459,976	\$455,652	\$446,277	\$437,617	\$482,422	\$483,054	\$483,647	\$484,726	\$485,684
Acquisition Cost PSF			\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$364.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$53.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66	\$53.66
Avg. Annual Rent PSF - Affordable			\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$659.32	\$659.48	\$659.65	\$659.97	\$660.27
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$492,842	\$492,964	\$493,086	\$493,325	\$493,555
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			7.0%	6.7%	6.3%	5.7%	5.0%	4.1%	4.0%	3.9%	3.8%	3.6%
Unleveraged IRR w/ Reversion at YR 30			9.3%	8.8%	8.4%	7.4%	6.2%	6.9%	6.7%	6.5%	6.1%	5.8%
Leveraged IRR w/ Reversion at YR 30			12.3%	11.4%	10.4%	8.5%	6.4%	7.3%	7.0%	6.7%	6.2%	5.7%

Table F-10: Feasibility Analysis Results: Low-Rise Rental, Strong Market

	Baseline		90% AMI Target									
			MIH + 421-a + LIHTC									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF												
Total Dev. Cost per Unit												
Acquisition Cost PSF												
Hard Cost PSF												
Soft Cost PSF												
Avg. Annual Rent PSF - Market Rate												
Avg. Annual Rent PSF - Affordable												
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF												
Total Dev. Cost per Unit					N/A					N/A		
Acquisition Cost PSF		N/A			(d)					(d)		
Hard Cost PSF		(c)										
Soft Cost PSF												
Avg. Annual Rent PSF - Affordable												
<u>Scenario Yield</u>												
Total Units												
Market Rate Units												
Affordable Units - On-Site												
Affordable Units - Off-Site												
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)												
Unleveraged IRR w/ Reversion at YR 30												
Leveraged IRR w/ Reversion at YR 30												

Notes:

- (a) The baseline scenarios assume a project that is developed at the density permitted under current zoning conditions. Current conditions are assumed to be as follows: M1-2 for Low-Rise, R7A for Mid-Rise, R10 for High-Rise.
- (b) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.
- (c) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for residential use.
- (d) Projects that do not provide at least 20% of units at or below 50% AMI or 25% of units at or below 60% AMI do not qualify for LIHTC credits; for this reason, this analysis does not test the impact of LIHTC credits under the 75% AMI or 90% AMI blended target levels; note that under the 60% AMI blended target level, the blended average AMI target corresponding to a 20% set-aside is modified to 50% AMI in order to allow for LIHTC eligibility.

Source: BAE, 2015.

Table F-11: Feasibility Analysis Results: Low-Rise Rental, Mid-Market

	Baseline		60% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$474.57	\$473.85	\$473.62	\$472.10	\$471.03	\$478.80	\$479.22	\$479.61	\$480.32	\$480.95
Total Dev. Cost per Unit			\$437,194	\$432,906	\$429,134	\$420,831	\$413,191	\$456,358	\$456,755	\$457,127	\$457,804	\$458,406
Acquisition Cost PSF			\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88
Avg. Annual Rent PSF - Affordable			\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$601.76	\$601.81	\$601.86	\$601.97	\$602.08
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$449,817	\$449,851	\$449,889	\$449,970	\$450,056
Acquisition Cost PSF		N/A	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF		(c)	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			1.7%	1.4%	1.2%	0.6%	0.1%	1.9%	1.8%	1.6%	1.4%	1.2%
Unleveraged IRR w/ Reversion at YR 30			3.4%	2.7%	2.0%	0.0%	0.0%	3.9%	3.5%	3.2%	2.5%	1.9%
Leveraged IRR w/ Reversion at YR 30			2.8%	0.0%	0.0%	0.0%	0.0%	3.4%	3.0%	0.0%	0.0%	0.0%

Table F-11: Feasibility Analysis Results: Low-Rise Rental, Mid-Market

	Baseline		60% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$477.23	\$476.18	\$475.64	\$473.50	\$471.84	\$482.66	\$483.10	\$483.52	\$484.27	\$484.95
Total Dev. Cost per Unit			\$439,639	\$435,038	\$430,963	\$422,083	\$413,901	\$460,031	\$460,455	\$460,852	\$461,575	\$462,216
Acquisition Cost PSF			\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88
Avg. Annual Rent PSF - Affordable			\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$599.41	\$599.73	\$600.04	\$600.60	\$601.10
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$448,058	\$448,300	\$448,529	\$448,947	\$449,320
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			4.5%	4.2%	3.9%	3.4%	2.9%	4.4%	4.2%	4.1%	3.8%	3.6%
Unleveraged IRR w/ Reversion at YR 30			6.2%	5.7%	5.1%	3.8%	2.0%	5.5%	5.2%	4.9%	4.3%	3.8%
Leveraged IRR w/ Reversion at YR 30			6.3%	5.6%	4.7%	2.8%	0.0%	5.2%	4.8%	4.3%	3.5%	2.8%

Table F-11: Feasibility Analysis Results: Low-Rise Rental, Mid-Market

	Baseline		60% AMI Target									
	Baseline		MIH + 421-a + LIHTC									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 50% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 50% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$486.06	\$487.46	\$489.11	\$491.24	\$493.78	\$474.78	\$475.43	\$475.84	\$476.59	\$477.26
Total Dev. Cost per Unit			\$447,775	\$445,341	\$443,169	\$437,901	\$433,149	\$452,529	\$453,143	\$453,534	\$454,249	\$454,887
Acquisition Cost PSF			\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88
Avg. Annual Rent PSF - Affordable			\$14.52	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$636.70	\$637.25	\$637.61	\$638.26	\$638.85
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$475,933	\$476,346	\$476,612	\$477,101	\$477,541
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$14.52	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			4.9%	4.8%	4.7%	4.3%	3.9%	4.6%	4.6%	4.5%	4.3%	4.1%
Unleveraged IRR w/ Reversion at YR 30			6.7%	6.5%	6.1%	5.1%	3.7%	5.7%	5.6%	5.4%	4.9%	4.5%
Leveraged IRR w/ Reversion at YR 30			7.1%	6.8%	6.2%	4.6%	1.9%	5.4%	5.3%	5.0%	4.3%	3.7%

Table F-11: Feasibility Analysis Results: Low-Rise Rental, Mid-Market

	Baseline		75% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$474.76	\$474.08	\$473.90	\$472.47	\$471.50	\$479.00	\$479.45	\$479.88	\$480.66	\$481.35
Total Dev. Cost per Unit			\$437,367	\$433,120	\$429,389	\$421,166	\$413,603	\$456,543	\$456,979	\$457,387	\$458,131	\$458,791
Acquisition Cost PSF			\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88
Avg. Annual Rent PSF - Affordable			\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$601.73	\$601.81	\$601.89	\$602.06	\$602.22
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$449,790	\$449,851	\$449,912	\$450,038	\$450,162
Acquisition Cost PSF		N/A	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF		(c)	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			1.9%	1.7%	1.4%	1.0%	0.6%	2.1%	2.0%	1.9%	1.7%	1.5%
Unleveraged IRR w/ Reversion at YR 30			3.7%	3.2%	2.6%	0.0%	0.0%	4.1%	3.8%	3.5%	3.0%	2.5%
Leveraged IRR w/ Reversion at YR 30			3.2%	0.0%	0.0%	0.0%	0.0%	3.7%	3.3%	3.0%	0.0%	0.0%

Table F-11: Feasibility Analysis Results: Low-Rise Rental, Mid-Market

	Baseline		75% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$477.42	\$476.42	\$475.92	\$473.88	\$472.31	\$482.85	\$483.34	\$483.79	\$484.62	\$485.35
Total Dev. Cost per Unit			\$439,812	\$435,253	\$431,218	\$422,418	\$414,313	\$460,217	\$460,679	\$461,112	\$461,901	\$462,602
Acquisition Cost PSF			\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88
Avg. Annual Rent PSF - Affordable			\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$599.37	\$599.73	\$600.07	\$600.69	\$601.24
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$448,031	\$448,300	\$448,552	\$449,014	\$449,426
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			4.7%	4.4%	4.2%	3.8%	3.4%	4.6%	4.4%	4.3%	4.1%	3.9%
Unleveraged IRR w/ Reversion at YR 30			6.5%	6.1%	5.6%	4.6%	3.3%	5.7%	5.4%	5.2%	4.8%	4.4%
Leveraged IRR w/ Reversion at YR 30			6.8%	6.1%	5.4%	3.9%	1.9%	5.6%	5.2%	4.8%	4.2%	3.6%

Table F-11: Feasibility Analysis Results: Low-Rise Rental, Mid-Market

	Baseline		75% AMI Target									
			MIH + 421-a + LIHTC									
			On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF												
Total Dev. Cost per Unit												
Acquisition Cost PSF												
Hard Cost PSF												
Soft Cost PSF												
Avg. Annual Rent PSF - Market Rate												
Avg. Annual Rent PSF - Affordable												
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF												
Total Dev. Cost per Unit												
Acquisition Cost PSF												
Hard Cost PSF												
Soft Cost PSF												
Avg. Annual Rent PSF - Affordable												
<u>Scenario Yield</u>												
Total Units												
Market Rate Units												
Affordable Units - On-Site												
Affordable Units - Off-Site												
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)												
Unleveraged IRR w/ Reversion at YR 30												
Leveraged IRR w/ Reversion at YR 30												

Table F-11: Feasibility Analysis Results: Low-Rise Rental, Mid-Market

	Baseline		90% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$474.97	\$474.34	\$474.21	\$472.88	\$472.01	\$479.17	\$479.67	\$480.13	\$480.98	\$481.73
Total Dev. Cost per Unit			\$437,557	\$433,356	\$429,669	\$421,534	\$414,055	\$456,713	\$457,184	\$457,626	\$458,430	\$459,144
Acquisition Cost PSF			\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88
Avg. Annual Rent PSF - Affordable			\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$601.88	\$601.99	\$602.10	\$602.32	\$602.54
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$449,904	\$449,987	\$450,071	\$450,237	\$450,397
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			2.0%	1.9%	1.7%	1.4%	1.0%	2.2%	2.1%	2.0%	1.9%	1.8%
Unleveraged IRR w/ Reversion at YR 30			4.0%	3.6%	3.1%	2.1%	0.0%	4.3%	4.1%	3.9%	3.5%	3.1%
Leveraged IRR w/ Reversion at YR 30			3.5%	3.0%	0.0%	0.0%	0.0%	3.9%	3.7%	3.4%	2.9%	0.0%

Table F-11: Feasibility Analysis Results: Low-Rise Rental, Mid-Market

	Baseline		90% AMI Target									
			MIH + 421-a Benefit									
			On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$477.62	\$476.68	\$476.23	\$474.29	\$472.82	\$483.03	\$483.55	\$484.04	\$484.93	\$485.72
Total Dev. Cost per Unit			\$440,002	\$435,488	\$431,499	\$422,786	\$414,765	\$460,387	\$460,885	\$461,351	\$462,201	\$462,955
Acquisition Cost PSF			\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88	\$37.88
Avg. Annual Rent PSF - Affordable			\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$599.52	\$599.91	\$600.28	\$600.95	\$601.55
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$448,144	\$448,436	\$448,711	\$449,213	\$449,661
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			4.8%	4.7%	4.5%	4.2%	3.8%	4.7%	4.6%	4.5%	4.3%	4.2%
Unleveraged IRR w/ Reversion at YR 30			6.7%	6.4%	6.0%	5.3%	4.3%	5.9%	5.7%	5.5%	5.2%	4.9%
Leveraged IRR w/ Reversion at YR 30			7.2%	6.6%	6.1%	4.9%	3.5%	5.9%	5.6%	5.3%	4.8%	4.4%

Table F-11: Feasibility Analysis Results: Low-Rise Rental, Mid-Market

	Baseline		90% AMI Target									
			MIH + 421-a + LIHTC									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF												
Total Dev. Cost per Unit												
Acquisition Cost PSF												
Hard Cost PSF												
Soft Cost PSF												
Avg. Annual Rent PSF - Market Rate												
Avg. Annual Rent PSF - Affordable												
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF												
Total Dev. Cost per Unit												
Acquisition Cost PSF												
Hard Cost PSF												
Soft Cost PSF												
Avg. Annual Rent PSF - Affordable												
<u>Scenario Yield</u>												
Total Units												
Market Rate Units												
Affordable Units - On-Site												
Affordable Units - Off-Site												
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)												
Unleveraged IRR w/ Reversion at YR 30												
Leveraged IRR w/ Reversion at YR 30												

Notes:

- (a) The baseline scenarios assume a project that is developed at the density permitted under current zoning conditions. Current conditions are assumed to be as follows: M1-2 for Low-Rise, R7A for Mid-Rise, R10 for High-Rise.
- (b) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.
- (c) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for residential use.
- (d) Projects that do not provide at least 20% of units at or below 50% AMI or 25% of units at or below 60% AMI do not qualify for LIHTC credits; for this reason, this analysis does not test the impact of LIHTC credits under the 75% AMI or 90% AMI blended target levels; note that under the 60% AMI blended target level, the blended average AMI target corresponding to a 20% set-aside is modified to 50% AMI in order to allow for LIHTC eligibility.

Source: BAE, 2015.

Table F-12: Feasibility Analysis Results: Low-Rise Rental, Moderate Market

	Baseline		60% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$418.66	\$417.87	\$417.57	\$415.94	\$414.76	\$422.31	\$422.55	\$422.78	\$423.18	\$423.55
Total Dev. Cost per Unit			\$385,682	\$381,763	\$378,354	\$370,773	\$363,835	\$402,519	\$402,746	\$402,959	\$403,347	\$403,692
Acquisition Cost PSF			\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79
Avg. Annual Rent PSF - Affordable			\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$477.66	\$477.61	\$477.58	\$477.52	\$477.49
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$357,051	\$357,017	\$356,988	\$356,947	\$356,921
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			1.5%	1.3%	1.1%	0.7%	0.3%	1.7%	1.6%	1.5%	1.4%	1.2%
Unleveraged IRR w/ Reversion at YR 30			2.8%	2.2%	0.0%	0.0%	0.0%	3.3%	3.1%	2.8%	2.3%	1.8%
Leveraged IRR w/ Reversion at YR 30			0.0%	0.0%	0.0%	0.0%	0.0%	2.8%	0.0%	0.0%	0.0%	0.0%

Table F-12: Feasibility Analysis Results: Low-Rise Rental, Moderate Market

	Baseline		60% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$420.57	\$419.55	\$419.03	\$416.96	\$415.36	\$425.25	\$425.51	\$425.74	\$426.18	\$426.56
Total Dev. Cost per Unit			\$387,444	\$383,302	\$379,676	\$371,680	\$364,355	\$405,321	\$405,562	\$405,788	\$406,199	\$406,565
Acquisition Cost PSF			\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79
Avg. Annual Rent PSF - Affordable			\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$475.80	\$475.96	\$476.11	\$476.40	\$476.65
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$355,658	\$355,780	\$355,896	\$356,108	\$356,298
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			3.7%	3.5%	3.3%	2.9%	2.5%	3.9%	3.8%	3.7%	3.5%	3.4%
Unleveraged IRR w/ Reversion at YR 30			5.2%	4.8%	4.3%	3.2%	1.8%	4.8%	4.6%	4.4%	4.0%	3.6%
Leveraged IRR w/ Reversion at YR 30			4.8%	4.2%	3.6%	2.0%	0.0%	4.3%	4.0%	3.7%	3.1%	2.5%

Table F-12: Feasibility Analysis Results: Low-Rise Rental, Moderate Market

	Baseline		60% AMI Target									
	Baseline		MIH + 421-a + LIHTC									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 50% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 50% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$429.43	\$430.87	\$432.55	\$434.77	\$437.39	\$418.24	\$418.72	\$418.97	\$419.43	\$419.84
Total Dev. Cost per Unit			\$395,607	\$393,641	\$391,926	\$387,561	\$383,684	\$398,631	\$399,091	\$399,331	\$399,771	\$400,163
Acquisition Cost PSF			\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79
Avg. Annual Rent PSF - Affordable			\$14.52	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$513.13	\$513.52	\$513.72	\$514.08	\$514.40
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$383,566	\$383,856	\$384,002	\$384,272	\$384,516
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$14.52	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			4.1%	4.1%	4.0%	3.8%	3.6%	4.1%	4.2%	4.1%	4.0%	3.9%
Unleveraged IRR w/ Reversion at YR 30			5.7%	5.6%	5.4%	4.6%	3.6%	5.0%	5.1%	5.0%	4.7%	4.4%
Leveraged IRR w/ Reversion at YR 30			5.5%	5.4%	5.0%	3.8%	2.1%	4.5%	4.6%	4.4%	4.0%	3.6%

Table F-12: Feasibility Analysis Results: Low-Rise Rental, Moderate Market

	Baseline		75% AMI Target									
			MIH ONLY									
			On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$418.84	\$418.10	\$417.86	\$416.31	\$415.23	\$422.51	\$422.79	\$423.05	\$423.53	\$423.95
Total Dev. Cost per Unit			\$385,855	\$381,978	\$378,610	\$371,108	\$364,247	\$402,704	\$402,970	\$403,220	\$403,674	\$404,077
Acquisition Cost PSF			\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79
Avg. Annual Rent PSF - Affordable			\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$477.63	\$477.61	\$477.61	\$477.61	\$477.63
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$357,025	\$357,016	\$357,012	\$357,015	\$357,028
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			1.7%	1.5%	1.4%	1.1%	0.8%	1.9%	1.8%	1.8%	1.7%	1.6%
Unleveraged IRR w/ Reversion at YR 30			3.2%	2.8%	2.4%	0.0%	0.0%	3.6%	3.4%	3.3%	2.9%	2.6%
Leveraged IRR w/ Reversion at YR 30			0.0%	0.0%	0.0%	0.0%	0.0%	3.1%	2.9%	2.7%	0.0%	0.0%

Table F-12: Feasibility Analysis Results: Low-Rise Rental, Moderate Market

	Baseline		75% AMI Target									
			MIH + 421-a Benefit									
			On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$420.76	\$419.79	\$419.31	\$417.33	\$415.83	\$425.45	\$425.74	\$426.02	\$426.52	\$426.96
Total Dev. Cost per Unit			\$387,618	\$383,517	\$379,931	\$372,016	\$364,767	\$405,506	\$405,786	\$406,048	\$406,526	\$406,950
Acquisition Cost PSF			\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79
Avg. Annual Rent PSF - Affordable			\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$475.76	\$475.96	\$476.15	\$476.49	\$476.80
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$355,632	\$355,780	\$355,919	\$356,175	\$356,405
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			4.0%	3.8%	3.7%	3.4%	3.1%	4.1%	4.0%	4.0%	3.8%	3.7%
Unleveraged IRR w/ Reversion at YR 30			5.5%	5.2%	4.9%	4.1%	3.2%	5.1%	5.0%	4.8%	4.5%	4.3%
Leveraged IRR w/ Reversion at YR 30			5.3%	4.9%	4.4%	3.3%	2.0%	4.7%	4.5%	4.3%	3.8%	3.5%

Table F-12: Feasibility Analysis Results: Low-Rise Rental, Moderate Market

	Baseline		75% AMI Target									
			MIH + 421-a + LIHTC									
			On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF												
Total Dev. Cost per Unit												
Acquisition Cost PSF												
Hard Cost PSF												
Soft Cost PSF												
Avg. Annual Rent PSF - Market Rate												
Avg. Annual Rent PSF - Affordable												
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF												
Total Dev. Cost per Unit												
Acquisition Cost PSF												
Hard Cost PSF												
Soft Cost PSF												
Avg. Annual Rent PSF - Affordable												
<u>Scenario Yield</u>												
Total Units												
Market Rate Units												
Affordable Units - On-Site												
Affordable Units - Off-Site												
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)												
Unleveraged IRR w/ Reversion at YR 30												
Leveraged IRR w/ Reversion at YR 30												

Table F-12: Feasibility Analysis Results: Low-Rise Rental, Moderate Market

	Baseline		90% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$419.05	\$418.36	\$418.16	\$416.73	\$415.75	\$422.69	\$423.00	\$423.30	\$423.84	\$424.32
Total Dev. Cost per Unit			\$386,045	\$382,213	\$378,890	\$371,475	\$364,699	\$402,874	\$403,176	\$403,458	\$403,973	\$404,430
Acquisition Cost PSF			\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79
Avg. Annual Rent PSF - Affordable			\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$477.78	\$477.80	\$477.82	\$477.88	\$477.94
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$357,138	\$357,152	\$357,171	\$357,214	\$357,263
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			1.9%	1.8%	1.7%	1.5%	1.3%	2.1%	2.0%	2.0%	1.9%	1.9%
Unleveraged IRR w/ Reversion at YR 30			3.5%	3.3%	3.0%	2.3%	0.0%	3.9%	3.8%	3.7%	3.4%	3.2%
Leveraged IRR w/ Reversion at YR 30			3.0%	2.7%	0.0%	0.0%	0.0%	3.4%	3.3%	3.1%	2.8%	0.0%

Table F-12: Feasibility Analysis Results: Low-Rise Rental, Moderate Market

	Baseline		90% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$420.96	\$420.05	\$419.62	\$417.75	\$416.34	\$425.63	\$425.96	\$426.27	\$426.83	\$427.33
Total Dev. Cost per Unit			\$387,807	\$383,752	\$380,211	\$372,383	\$365,219	\$405,676	\$405,992	\$406,287	\$406,826	\$407,303
Acquisition Cost PSF			\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79	\$29.79
Avg. Annual Rent PSF - Affordable			\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$475.91	\$476.14	\$476.36	\$476.76	\$477.11
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$355,745	\$355,916	\$356,078	\$356,375	\$356,640
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			4.2%	4.1%	4.0%	3.8%	3.6%	4.3%	4.2%	4.2%	4.1%	4.0%
Unleveraged IRR w/ Reversion at YR 30			5.8%	5.6%	5.4%	4.9%	4.3%	5.4%	5.3%	5.2%	5.0%	4.9%
Leveraged IRR w/ Reversion at YR 30			5.8%	5.4%	5.1%	4.4%	3.5%	5.1%	4.9%	4.8%	4.5%	4.3%

Table F-12: Feasibility Analysis Results: Low-Rise Rental, Moderate Market

	Baseline		90% AMI Target									
			MIH + 421-a + LIHTC									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF												
Total Dev. Cost per Unit												
Acquisition Cost PSF												
Hard Cost PSF												
Soft Cost PSF												
Avg. Annual Rent PSF - Market Rate												
Avg. Annual Rent PSF - Affordable												
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF												
Total Dev. Cost per Unit					N/A					N/A		
Acquisition Cost PSF		N/A			(d)					(d)		
Hard Cost PSF		(c)										
Soft Cost PSF												
Avg. Annual Rent PSF - Affordable												
<u>Scenario Yield</u>												
Total Units												
Market Rate Units												
Affordable Units - On-Site												
Affordable Units - Off-Site												
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)												
Unleveraged IRR w/ Reversion at YR 30												
Leveraged IRR w/ Reversion at YR 30												

Notes:

- (a) The baseline scenarios assume a project that is developed at the density permitted under current zoning conditions. Current conditions are assumed to be as follows: M1-2 for Low-Rise, R7A for Mid-Rise, R10 for High-Rise.
- (b) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.
- (c) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for residential use.
- (d) Projects that do not provide at least 20% of units at or below 50% AMI or 25% of units at or below 60% AMI do not qualify for LIHTC credits; for this reason, this analysis does not test the impact of LIHTC credits under the 75% AMI or 90% AMI blended target levels; note that under the 60% AMI blended target level, the blended average AMI target corresponding to a 20% set-aside is modified to 50% AMI in order to allow for LIHTC eligibility.

Source: BAE, 2015.

Table F-13: Feasibility Analysis Results: Low-Rise Rental, Weak Market

	Baseline		60% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$362.16	\$361.31	\$360.95	\$359.19	\$357.90	\$364.94	\$364.93	\$364.93	\$364.92	\$364.91
Total Dev. Cost per Unit			\$333,637	\$330,090	\$327,050	\$320,190	\$313,958	\$347,830	\$347,825	\$347,821	\$347,813	\$347,806
Acquisition Cost PSF			\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84
Avg. Annual Rent PSF - Affordable			\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$350.75	\$350.52	\$350.31	\$349.94	\$349.62
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$262,188	\$262,015	\$261,856	\$261,577	\$261,338
Acquisition Cost PSF		N/A	n/a	n/a	n/a	n/a	n/a	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Hard Cost PSF		(c)	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			1.3%	1.2%	1.0%	0.7%	0.4%	1.6%	1.5%	1.5%	1.3%	1.2%
Unleveraged IRR w/ Reversion at YR 30			2.5%	2.0%	0.0%	0.0%	0.0%	3.0%	2.8%	2.7%	2.3%	1.9%
Leveraged IRR w/ Reversion at YR 30			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table F-13: Feasibility Analysis Results: Low-Rise Rental, Weak Market

	Baseline		60% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$363.29	\$362.27	\$361.75	\$359.67	\$358.07	\$366.80	\$366.80	\$366.81	\$366.81	\$366.82
Total Dev. Cost per Unit			\$334,673	\$330,965	\$327,770	\$320,613	\$314,104	\$349,606	\$349,610	\$349,613	\$349,620	\$349,626
Acquisition Cost PSF			\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84
Avg. Annual Rent PSF - Affordable			\$17.61	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$349.17	\$349.09	\$349.02	\$348.89	\$348.78
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$261,006	\$260,946	\$260,891	\$260,793	\$260,711
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$17.61	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			3.2%	3.1%	2.9%	2.6%	2.3%	3.5%	3.4%	3.3%	3.2%	3.1%
Unleveraged IRR w/ Reversion at YR 30			4.6%	4.2%	3.8%	2.9%	1.8%	4.4%	4.2%	4.1%	3.8%	3.5%
Leveraged IRR w/ Reversion at YR 30			4.0%	3.5%	3.0%	0.0%	0.0%	3.7%	3.5%	3.3%	2.9%	2.5%

Table F-13: Feasibility Analysis Results: Low-Rise Rental, Weak Market

	Baseline		60% AMI Target									
	Baseline		MIH + 421-a + LIHTC									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 50% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 50% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$372.17	\$373.61	\$375.30	\$377.53	\$380.17	\$360.56	\$360.83	\$360.89	\$360.99	\$361.08
Total Dev. Cost per Unit			\$342,858	\$341,329	\$340,051	\$336,536	\$333,489	\$343,654	\$343,913	\$343,969	\$344,069	\$344,158
Acquisition Cost PSF			\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84
Avg. Annual Rent PSF - Affordable			\$14.52	\$17.61	\$17.61	\$17.61	\$17.61	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$386.60	\$386.74	\$386.72	\$386.67	\$386.63
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$288,983	\$289,091	\$289,070	\$289,036	\$289,008
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$14.52	\$17.61	\$17.61	\$17.61	\$17.61
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			3.6%	3.7%	3.7%	3.6%	3.5%	3.7%	3.8%	3.8%	3.8%	3.8%
Unleveraged IRR w/ Reversion at YR 30			5.1%	5.2%	5.0%	4.6%	3.9%	4.6%	4.8%	4.7%	4.6%	4.5%
Leveraged IRR w/ Reversion at YR 30			4.6%	4.8%	4.5%	3.8%	2.7%	3.9%	4.1%	4.1%	3.9%	3.7%

Table F-13: Feasibility Analysis Results: Low-Rise Rental, Weak Market

	Baseline		75% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$362.35	\$361.54	\$361.23	\$359.57	\$358.37	\$365.13	\$365.17	\$365.20	\$365.26	\$365.32
Total Dev. Cost per Unit			\$333,810	\$330,305	\$327,306	\$320,525	\$314,370	\$348,015	\$348,050	\$348,081	\$348,140	\$348,191
Acquisition Cost PSF			\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84
Avg. Annual Rent PSF - Affordable			\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$350.72	\$350.52	\$350.34	\$350.03	\$349.76
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$262,162	\$262,014	\$261,879	\$261,644	\$261,445
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			1.6%	1.5%	1.4%	1.2%	1.1%	1.8%	1.8%	1.8%	1.7%	1.7%
Unleveraged IRR w/ Reversion at YR 30			2.9%	2.6%	2.4%	0.0%	0.0%	3.4%	3.3%	3.2%	3.0%	2.8%
Leveraged IRR w/ Reversion at YR 30			0.0%	0.0%	0.0%	0.0%	0.0%	2.9%	2.7%	0.0%	0.0%	0.0%

Table F-13: Feasibility Analysis Results: Low-Rise Rental, Weak Market

	Baseline		75% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$363.47	\$362.50	\$362.03	\$360.04	\$358.54	\$366.99	\$367.04	\$367.08	\$367.16	\$367.23
Total Dev. Cost per Unit			\$334,846	\$331,180	\$328,026	\$320,948	\$314,516	\$349,791	\$349,834	\$349,874	\$349,947	\$350,012
Acquisition Cost PSF			\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84
Avg. Annual Rent PSF - Affordable			\$22.24	\$22.24	\$22.24	\$22.24	\$22.24	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$349.14	\$349.09	\$349.05	\$348.98	\$348.92
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$260,980	\$260,945	\$260,914	\$260,861	\$260,817
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$22.24	\$22.24	\$22.24	\$22.24	\$22.24
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			3.5%	3.4%	3.3%	3.1%	3.0%	3.7%	3.7%	3.6%	3.6%	3.6%
Unleveraged IRR w/ Reversion at YR 30			5.0%	4.8%	4.5%	4.0%	3.4%	4.7%	4.7%	4.6%	4.4%	4.3%
Leveraged IRR w/ Reversion at YR 30			4.6%	4.2%	3.9%	3.2%	2.3%	4.2%	4.1%	4.0%	3.8%	3.6%

Table F-13: Feasibility Analysis Results: Low-Rise Rental, Weak Market

	Baseline		75% AMI Target																				
			MIH + 421-a + LIHTC																				
			On-Site Affordability					Off-Site Affordability															
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI											
<u>Key Assumptions - On-Site Component</u>																							
Total Dev. Cost PSF																							
Total Dev. Cost per Unit																							
Acquisition Cost PSF																							
Hard Cost PSF																							
Soft Cost PSF																							
Avg. Annual Rent PSF - Market Rate																							
Avg. Annual Rent PSF - Affordable																							
<u>Key Assumptions - Off-Site Component</u>																							
Total Dev. Cost PSF																							
Total Dev. Cost per Unit																							
Acquisition Cost PSF													N/A (c)	N/A (d)					N/A (d)				
Hard Cost PSF																							
Soft Cost PSF																							
Avg. Annual Rent PSF - Affordable																							
<u>Scenario Yield</u>																							
Total Units																							
Market Rate Units																							
Affordable Units - On-Site																							
Affordable Units - Off-Site																							
<u>Feasibility Results</u>																							
Yield-on-Cost (YOC)																							
Unleveraged IRR w/ Reversion at YR 30																							
Leveraged IRR w/ Reversion at YR 30																							

Table F-13: Feasibility Analysis Results: Low-Rise Rental, Weak Market

	Baseline		90% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$362.56	\$361.80	\$361.54	\$359.98	\$358.89	\$365.31	\$365.38	\$365.45	\$365.58	\$365.69
Total Dev. Cost per Unit			\$334,000	\$330,540	\$327,586	\$320,892	\$314,822	\$348,185	\$348,255	\$348,320	\$348,439	\$348,544
Acquisition Cost PSF			\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84
Avg. Annual Rent PSF - Affordable			\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$350.87	\$350.70	\$350.55	\$350.29	\$350.07
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$262,275	\$262,151	\$262,038	\$261,843	\$261,680
Acquisition Cost PSF		N/A	n/a	n/a	n/a	n/a	n/a	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Hard Cost PSF		(c)	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			1.8%	1.8%	1.8%	1.7%	1.6%	2.0%	2.0%	2.0%	2.0%	2.1%
Unleveraged IRR w/ Reversion at YR 30			3.4%	3.2%	3.0%	2.7%	2.3%	3.8%	3.7%	3.7%	3.6%	3.6%
Leveraged IRR w/ Reversion at YR 30			2.8%	0.0%	0.0%	0.0%	0.0%	3.2%	3.2%	3.1%	3.1%	3.0%

Table F-13: Feasibility Analysis Results: Low-Rise Rental, Weak Market

	Baseline		90% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$363.68	\$362.76	\$362.34	\$360.46	\$359.06	\$367.17	\$367.25	\$367.33	\$367.47	\$367.60
Total Dev. Cost per Unit			\$335,036	\$331,415	\$328,306	\$321,316	\$314,968	\$349,961	\$350,039	\$350,113	\$350,246	\$350,365
Acquisition Cost PSF			\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Annual Rent PSF - Market Rate			\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84	\$23.84
Avg. Annual Rent PSF - Affordable			\$26.88	\$26.88	\$26.88	\$26.88	\$26.88	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$349.29	\$349.27	\$349.26	\$349.24	\$349.23
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$261,093	\$261,082	\$261,073	\$261,060	\$261,053
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Annual Rent PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$26.88	\$26.88	\$26.88	\$26.88	\$26.88
<u>Scenario Yield</u>												
Total Units			110	111	112	114	115	131	137	144	156	168
Market Rate Units			85	80	74	64	53	106	106	106	106	106
Affordable Units - On-Site			25	31	37	50	62	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	25	31	37	50	62
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)			3.7%	3.7%	3.7%	3.6%	3.6%	3.9%	3.9%	3.9%	3.9%	4.0%
Unleveraged IRR w/ Reversion at YR 30			5.4%	5.2%	5.1%	4.9%	4.6%	5.1%	5.0%	5.0%	5.0%	5.0%
Leveraged IRR w/ Reversion at YR 30			5.1%	4.9%	4.7%	4.3%	3.9%	4.6%	4.6%	4.6%	4.6%	4.6%

Table F-13: Feasibility Analysis Results: Low-Rise Rental, Weak Market

	Baseline		90% AMI Target									
			MIH + 421-a + LIHTC									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF												
Total Dev. Cost per Unit												
Acquisition Cost PSF												
Hard Cost PSF												
Soft Cost PSF												
Avg. Annual Rent PSF - Market Rate												
Avg. Annual Rent PSF - Affordable												
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF												
Total Dev. Cost per Unit					N/A					N/A		
Acquisition Cost PSF		N/A			(d)					(d)		
Hard Cost PSF		(c)										
Soft Cost PSF												
Avg. Annual Rent PSF - Affordable												
<u>Scenario Yield</u>												
Total Units												
Market Rate Units												
Affordable Units - On-Site												
Affordable Units - Off-Site												
<u>Feasibility Results</u>												
Yield-on-Cost (YOC)												
Unleveraged IRR w/ Reversion at YR 30												
Leveraged IRR w/ Reversion at YR 30												

Notes:

(a) The baseline scenarios assume a project that is developed at the density permitted under current zoning conditions. Current conditions are assumed to be as follows: M1-2 for Low-Rise, R7A for Mid-Rise, R10 for High-Rise.

(b) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.

(c) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for residential use.

(d) Projects that do not provide at least 20% of units at or below 50% AMI or 25% of units at or below 60% AMI do not qualify for LIHTC credits; for this reason, this analysis does not test the impact of LIHTC credits under the 75% AMI or 90% AMI blended target levels; note that under the 60% AMI blended target level, the blended average AMI target corresponding to a 20% set-aside is modified to 50% AMI in order to allow for LIHTC eligibility.

Source: BAE, 2015.

Appendix G: Financial Feasibility Analysis Results – Condominium

Table G-1: Feasibility Analysis Results:

High-Rise Condominium, Very Strong Market

Very Strong Market Scenarios												
		60% AMI Target										
Baseline		MIH + 421-a Benefit										
		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
Key Assumptions - On-Site Component												
Total Dev. Cost PSF	\$1,000.69	\$994.73	\$787.23	\$785.10	\$783.25	\$780.41	\$778.68	\$799.29	\$799.91	\$800.56	\$802.00	\$803.58
Total Dev. Cost per Unit	\$1,322,787	\$1,314,915	\$1,040,622	\$1,037,802	\$1,035,361	\$1,031,605	\$1,029,315	\$1,056,561	\$1,057,379	\$1,058,244	\$1,060,149	\$1,062,227
Acquisition Cost PSF	\$550.00	\$550.00	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92
Hard Cost PSF	\$301.51	\$301.51	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76
Soft Cost PSF	\$60.30	\$60.30	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15
Avg. Sale Price PSF - Market Rate	\$2,045.33	\$2,150.86	\$2,458.37	\$2,458.37	\$2,458.37	\$2,458.37	\$2,458.37	\$2,348.66	\$2,348.66	\$2,348.66	\$2,348.66	\$2,348.66
Avg. Sale Price PSF - Affordable	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	n/a	n/a	n/a	n/a	n/a
Key Assumptions - Off-Site Component												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$933.90	\$934.36	\$934.84	\$935.89	\$937.05
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$1,135,742	\$1,136,294	\$1,136,878	\$1,138,163	\$1,139,566
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$271.96	\$271.96	\$271.96	\$271.96	\$271.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$54.39	\$54.39	\$54.39	\$54.39	\$54.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60
Scenario Yield												
Total Units	100	100	200	200	200	200	200	240	250	260	280	300
Market Rate Units	100	80	160	150	140	120	100	200	200	200	200	200
Affordable Units - On-Site	0	20	40	50	60	80	100	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	40	50	60	80	100
Feasibility Results												
Return-on-Cost (ROC)	94.3%	67.3%	148.7%	132.7%	117.1%	86.7%	56.3%	138.2%	128.3%	119.2%	103.1%	89.3%
Unleveraged IRR	26.6%	21.4%	36.6%	34.6%	32.3%	26.2%	19.1%	31.0%	29.2%	27.5%	24.4%	21.7%
Leveraged IRR	42.9%	34.1%	56.3%	53.5%	49.9%	39.9%	27.4%	46.7%	43.7%	40.9%	35.7%	30.9%

Table G-1: Feasibility Analysis Results: High-Rise Condominium, Very Strong Market

	Baseline		75% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$1,000.69	\$994.73	\$785.94	\$783.81	\$781.96	\$779.12	\$777.39	\$799.23	\$799.84	\$800.48	\$801.91	\$803.46
Total Dev. Cost per Unit	\$1,322,787	\$1,314,915	\$1,038,915	\$1,036,096	\$1,033,654	\$1,029,898	\$1,027,609	\$1,056,488	\$1,057,291	\$1,058,141	\$1,060,019	\$1,062,073
Acquisition Cost PSF	\$550.00	\$550.00	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92
Hard Cost PSF	\$301.51	\$301.51	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76
Soft Cost PSF	\$60.30	\$60.30	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15
Avg. Sale Price PSF - Market Rate	\$2,045.33	\$2,150.86	\$2,348.66	\$2,348.66	\$2,348.66	\$2,348.66	\$2,348.66	\$2,348.66	\$2,348.66	\$2,348.66	\$2,348.66	\$2,348.66
Avg. Sale Price PSF - Affordable	n/a	\$90.60	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$933.86	\$934.31	\$934.78	\$935.82	\$936.96
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$1,135,693	\$1,136,234	\$1,136,808	\$1,138,076	\$1,139,461
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$271.96	\$271.96	\$271.96	\$271.96	\$271.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$54.39	\$54.39	\$54.39	\$54.39	\$54.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41
<u>Scenario Yield</u>												
Total Units	100	100	200	200	200	200	200	240	250	260	280	300
Market Rate Units	100	80	160	150	140	120	100	200	200	200	200	200
Affordable Units - On-Site	0	20	40	50	60	80	100	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	40	50	60	80	100
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	94.3%	67.3%	131.1%	116.7%	102.5%	75.0%	47.4%	138.4%	128.6%	119.6%	103.6%	89.9%
Unleveraged IRR	26.6%	21.4%	33.4%	31.6%	29.3%	23.5%	16.6%	31.1%	29.3%	27.6%	24.6%	21.8%
Leveraged IRR	42.9%	34.1%	50.0%	47.3%	43.8%	34.3%	22.2%	46.7%	43.8%	41.0%	35.9%	31.1%

Table G-1: Feasibility Analysis Results:

High-Rise Condominium, Very Strong Market

	Baseline		75% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$1,000.69	\$994.73	\$787.23	\$785.10	\$783.25	\$780.41	\$778.68	\$799.29	\$799.91	\$800.56	\$802.00	\$803.58
Total Dev. Cost per Unit	\$1,322,787	\$1,314,915	\$1,040,622	\$1,037,802	\$1,035,361	\$1,031,605	\$1,029,315	\$1,056,561	\$1,057,379	\$1,058,244	\$1,060,149	\$1,062,227
Acquisition Cost PSF	\$550.00	\$550.00	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92
Hard Cost PSF	\$301.51	\$301.51	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76
Soft Cost PSF	\$60.30	\$60.30	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15
Avg. Sale Price PSF - Market Rate	\$2,045.33	\$2,150.86	\$2,458.37	\$2,458.37	\$2,458.37	\$2,458.37	\$2,458.37	\$2,348.66	\$2,348.66	\$2,348.66	\$2,348.66	\$2,348.66
Avg. Sale Price PSF - Affordable	n/a	\$90.60	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$933.90	\$934.36	\$934.84	\$935.89	\$937.05
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$1,135,742	\$1,136,294	\$1,136,878	\$1,138,163	\$1,139,566
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$271.96	\$271.96	\$271.96	\$271.96	\$271.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$54.39	\$54.39	\$54.39	\$54.39	\$54.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41
<u>Scenario Yield</u>												
Total Units	100	100	200	200	200	200	200	240	250	260	280	300
Market Rate Units	100	80	160	150	140	120	100	200	200	200	200	200
Affordable Units - On-Site	0	20	40	50	60	80	100	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	40	50	60	80	100
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	94.3%	67.3%	149.7%	134.0%	118.6%	88.7%	58.8%	139.0%	129.3%	120.3%	104.5%	90.9%
Unleveraged IRR	26.6%	21.4%	36.8%	34.9%	32.6%	26.8%	19.9%	31.2%	29.4%	27.8%	24.7%	22.0%
Leveraged IRR	42.9%	34.1%	56.7%	54.0%	50.6%	40.9%	28.8%	47.0%	44.1%	41.4%	36.3%	31.6%

Table G-1: Feasibility Analysis Results: High-Rise Condominium, Very Strong Market

	Baseline		90% AMI Target									
	Baseline		MIH ONLY									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$1,000.69	\$994.73	\$785.94	\$783.81	\$781.96	\$779.12	\$777.39	\$799.23	\$799.84	\$800.48	\$801.91	\$803.46
Total Dev. Cost per Unit	\$1,322,787	\$1,314,915	\$1,038,915	\$1,036,096	\$1,033,654	\$1,029,898	\$1,027,609	\$1,056,488	\$1,057,291	\$1,058,141	\$1,060,019	\$1,062,073
Acquisition Cost PSF	\$550.00	\$550.00	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92
Hard Cost PSF	\$301.51	\$301.51	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76
Soft Cost PSF	\$60.30	\$60.30	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15
Avg. Sale Price PSF - Market Rate	\$2,045.33	\$2,150.86	\$2,348.66	\$2,348.66	\$2,348.66	\$2,348.66	\$2,348.66	\$2,348.66	\$2,348.66	\$2,348.66	\$2,348.66	\$2,348.66
Avg. Sale Price PSF - Affordable	n/a	\$90.60	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$933.86	\$934.31	\$934.78	\$935.82	\$936.96
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$1,135,693	\$1,136,234	\$1,136,808	\$1,138,076	\$1,139,461
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$271.96	\$271.96	\$271.96	\$271.96	\$271.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$54.39	\$54.39	\$54.39	\$54.39	\$54.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30
<u>Scenario Yield</u>												
Total Units	100	100	200	200	200	200	200	240	250	260	280	300
Market Rate Units	100	80	160	150	140	120	100	200	200	200	200	200
Affordable Units - On-Site	0	20	40	50	60	80	100	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	40	50	60	80	100
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	94.3%	67.3%	132.1%	117.9%	104.0%	77.0%	49.9%	139.2%	129.6%	120.7%	105.0%	91.5%
Unleveraged IRR	26.6%	21.4%	33.7%	31.9%	29.7%	24.1%	17.4%	31.3%	29.5%	27.9%	24.9%	22.2%
Leveraged IRR	42.9%	34.1%	50.4%	47.8%	44.4%	35.2%	23.7%	47.0%	44.2%	41.5%	36.4%	31.8%

Table G-1: Feasibility Analysis Results: High-Rise Condominium, Very Strong Market

	Baseline		90% AMI Target									
	Baseline		MIH + 421-a Benefit					MIH + 421-a Benefit				
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
Key Assumptions - On-Site Component												
Total Dev. Cost PSF	\$1,000.69	\$994.73	\$787.23	\$785.10	\$783.25	\$780.41	\$778.68	\$799.29	\$799.91	\$800.56	\$802.00	\$803.58
Total Dev. Cost per Unit	\$1,322,787	\$1,314,915	\$1,040,622	\$1,037,802	\$1,035,361	\$1,031,605	\$1,029,315	\$1,056,561	\$1,057,379	\$1,058,244	\$1,060,149	\$1,062,227
Acquisition Cost PSF	\$550.00	\$550.00	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92	\$275.92
Hard Cost PSF	\$301.51	\$301.51	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76	\$370.76
Soft Cost PSF	\$60.30	\$60.30	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15	\$74.15
Avg. Sale Price PSF - Market Rate	\$2,045.33	\$2,150.86	\$2,458.37	\$2,458.37	\$2,458.37	\$2,458.37	\$2,458.37	\$2,348.66	\$2,348.66	\$2,348.66	\$2,348.66	\$2,348.66
Avg. Sale Price PSF - Affordable	n/a	\$90.60	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	n/a	n/a	n/a	n/a	n/a
Key Assumptions - Off-Site Component												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$933.90	\$934.36	\$934.84	\$935.89	\$937.05
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$1,135,742	\$1,136,294	\$1,136,878	\$1,138,163	\$1,139,566
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$271.96	\$271.96	\$271.96	\$271.96	\$271.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$54.39	\$54.39	\$54.39	\$54.39	\$54.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30
Scenario Yield												
Total Units	100	100	200	200	200	200	200	240	250	260	280	300
Market Rate Units	100	80	160	150	140	120	100	200	200	200	200	200
Affordable Units - On-Site	0	20	40	50	60	80	100	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	40	50	60	80	100
Feasibility Results												
Return-on-Cost (ROC)	94.3%	67.3%	150.8%	135.3%	120.1%	90.7%	61.3%	139.8%	130.3%	121.5%	105.9%	92.5%
Unleveraged IRR	26.6%	21.4%	37.0%	35.2%	33.0%	27.3%	20.7%	31.4%	29.6%	28.0%	25.0%	22.4%
Leveraged IRR	42.9%	34.1%	57.1%	54.5%	51.2%	41.9%	30.3%	47.3%	44.5%	41.8%	36.8%	32.3%

Notes:

(a) The baseline scenarios assume a project that is developed at the density permitted under current zoning conditions. Current conditions are assumed to be as follows: M1-2 for Low-Rise, R7A for Mid-Rise, R10 for High-Rise.

(b) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.

(c) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for residential use.

Source: BAE, 2015.

Table G-2: Feasibility Analysis Results:

High-Rise Condominium, Strong Market

		Strong Market Scenarios										
		60% AMI Target										
Baseline		MIH ONLY										
		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
Key Assumptions - On-Site Component												
Total Dev. Cost PSF	\$750.01	\$740.43	\$654.80	\$651.65	\$648.75	\$643.87	\$639.74	\$669.78	\$669.96	\$670.20	\$670.84	\$671.67
Total Dev. Cost per Unit	\$991,424	\$978,760	\$865,564	\$861,404	\$857,570	\$851,119	\$845,652	\$885,369	\$885,605	\$885,916	\$886,773	\$887,868
Acquisition Cost PSF	\$325.00	\$325.00	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04
Hard Cost PSF	\$302.65	\$298.42	\$367.58	\$366.52	\$365.45	\$363.48	\$361.36	\$371.82	\$371.82	\$371.82	\$371.82	\$371.82
Soft Cost PSF	\$60.53	\$59.68	\$73.52	\$73.30	\$73.09	\$72.70	\$72.27	\$74.36	\$74.36	\$74.36	\$74.36	\$74.36
Avg. Sale Price PSF - Market Rate	\$1,247.72	\$1,396.70	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76
Avg. Sale Price PSF - Affordable	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	n/a	n/a	n/a	n/a	n/a
Key Assumptions - Off-Site Component												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$668.38	\$668.51	\$668.67	\$669.10	\$669.67
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$812,839	\$812,987	\$813,181	\$813,715	\$814,397
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$251.96	\$251.96	\$251.96	\$251.96	\$251.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$50.39	\$50.39	\$50.39	\$50.39	\$50.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60
Scenario Yield												
Total Units	100	100	200	200	200	200	200	240	250	260	280	300
Market Rate Units	100	80	160	150	140	120	100	200	200	200	200	200
Affordable Units - On-Site	0	20	40	50	60	80	100	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	40	50	60	80	100
Feasibility Results												
Return-on-Cost (ROC)	56.0%	46.1%	67.3%	57.3%	47.4%	28.0%	8.4%	75.9%	69.6%	63.8%	53.3%	44.1%
Unleveraged IRR	18.3%	16.4%	20.5%	18.5%	16.2%	10.4%	3.5%	20.2%	18.8%	17.4%	14.8%	12.5%
Leveraged IRR	26.4%	23.4%	28.3%	25.1%	21.1%	10.6%	0.0%	28.1%	25.6%	23.1%	18.6%	14.4%

Table G-2: Feasibility Analysis Results:

High-Rise Condominium, Strong Market

	Strong Market Scenarios											
	Baseline	60% AMI Target										
		MIH + 421-a Benefit										
		On-Site Affordability					Off-Site Affordability					
Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	
Key Assumptions - On-Site Component												
Total Dev. Cost PSF	\$750.01	\$740.43	\$656.02	\$652.87	\$649.97	\$645.09	\$640.96	\$669.81	\$670.00	\$670.24	\$670.89	\$671.73
Total Dev. Cost per Unit	\$991,424	\$978,760	\$867,179	\$863,018	\$859,184	\$852,733	\$847,266	\$885,405	\$885,650	\$885,969	\$886,839	\$887,946
Acquisition Cost PSF	\$325.00	\$325.00	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04
Hard Cost PSF	\$302.65	\$298.42	\$367.58	\$366.52	\$365.45	\$363.48	\$361.36	\$371.82	\$371.82	\$371.82	\$371.82	\$371.82
Soft Cost PSF	\$60.53	\$59.68	\$73.52	\$73.30	\$73.09	\$72.70	\$72.27	\$74.36	\$74.36	\$74.36	\$74.36	\$74.36
Avg. Sale Price PSF - Market Rate	\$1,247.72	\$1,396.70	\$1,584.53	\$1,584.53	\$1,584.53	\$1,584.53	\$1,584.53	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76
Avg. Sale Price PSF - Affordable	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	n/a	n/a	n/a	n/a	n/a
Key Assumptions - Off-Site Component												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$668.40	\$668.53	\$668.69	\$669.14	\$669.71
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$812,862	\$813,015	\$813,213	\$813,756	\$814,446
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$251.96	\$251.96	\$251.96	\$251.96	\$251.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$50.39	\$50.39	\$50.39	\$50.39	\$50.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60
Scenario Yield												
Total Units	100	100	200	200	200	200	200	240	250	260	280	300
Market Rate Units	100	80	160	150	140	120	100	200	200	200	200	200
Affordable Units - On-Site	0	20	40	50	60	80	100	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	40	50	60	80	100
Feasibility Results												
Return-on-Cost (ROC)	56.0%	46.1%	92.4%	80.7%	69.2%	46.6%	23.9%	76.3%	70.1%	64.3%	54.0%	44.9%
Unleveraged IRR	18.3%	16.4%	26.6%	24.6%	22.3%	16.4%	9.4%	20.3%	18.9%	17.5%	15.0%	12.7%
Leveraged IRR	26.4%	23.4%	39.2%	36.2%	32.3%	22.0%	8.4%	28.3%	25.8%	23.4%	18.9%	14.7%

Table G-2: Feasibility Analysis Results:

High-Rise Condominium, Strong Market

	75% AMI Target											
	Baseline		MIH ONLY									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$750.01	\$740.43	\$654.80	\$651.65	\$648.75	\$643.87	\$639.74	\$669.78	\$669.96	\$670.20	\$670.84	\$671.67
Total Dev. Cost per Unit	\$991,424	\$978,760	\$865,564	\$861,404	\$857,570	\$851,119	\$845,652	\$885,369	\$885,605	\$885,916	\$886,773	\$887,868
Acquisition Cost PSF	\$325.00	\$325.00	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04
Hard Cost PSF	\$302.65	\$298.42	\$367.58	\$366.52	\$365.45	\$363.48	\$361.36	\$371.82	\$371.82	\$371.82	\$371.82	\$371.82
Soft Cost PSF	\$60.53	\$59.68	\$73.52	\$73.30	\$73.09	\$72.70	\$72.27	\$74.36	\$74.36	\$74.36	\$74.36	\$74.36
Avg. Sale Price PSF - Market Rate	\$1,247.72	\$1,396.70	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76
Avg. Sale Price PSF - Affordable	n/a	\$90.60	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$668.38	\$668.51	\$668.67	\$669.10	\$669.67
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$812,839	\$812,987	\$813,181	\$813,715	\$814,397
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$251.96	\$251.96	\$251.96	\$251.96	\$251.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$50.39	\$50.39	\$50.39	\$50.39	\$50.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41
<u>Scenario Yield</u>												
Total Units	100	100	200	200	200	200	200	240	250	260	280	300
Market Rate Units	100	80	160	150	140	120	100	200	200	200	200	200
Affordable Units - On-Site	0	20	40	50	60	80	100	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	40	50	60	80	100
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	56.0%	46.1%	68.5%	58.8%	49.2%	30.4%	11.3%	76.9%	70.8%	65.1%	55.0%	46.1%
Unleveraged IRR	18.3%	16.4%	20.9%	19.0%	16.7%	11.3%	4.7%	20.5%	19.1%	17.7%	15.3%	13.1%
Leveraged IRR	26.4%	23.4%	28.9%	25.9%	22.1%	12.2%	0.0%	28.6%	26.1%	23.8%	19.4%	15.4%

Table G-2: Feasibility Analysis Results:

High-Rise Condominium, Strong Market

	Baseline		75% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
Key Assumptions - On-Site Component												
Total Dev. Cost PSF	\$750.01	\$740.43	\$656.02	\$652.87	\$649.97	\$645.09	\$640.96	\$669.81	\$670.00	\$670.24	\$670.89	\$671.73
Total Dev. Cost per Unit	\$991,424	\$978,760	\$867,179	\$863,018	\$859,184	\$852,733	\$847,266	\$885,405	\$885,650	\$885,969	\$886,839	\$887,946
Acquisition Cost PSF	\$325.00	\$325.00	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04
Hard Cost PSF	\$302.65	\$298.42	\$367.58	\$366.52	\$365.45	\$363.48	\$361.36	\$371.82	\$371.82	\$371.82	\$371.82	\$371.82
Soft Cost PSF	\$60.53	\$59.68	\$73.52	\$73.30	\$73.09	\$72.70	\$72.27	\$74.36	\$74.36	\$74.36	\$74.36	\$74.36
Avg. Sale Price PSF - Market Rate	\$1,247.72	\$1,396.70	\$1,584.53	\$1,584.53	\$1,584.53	\$1,584.53	\$1,584.53	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76
Avg. Sale Price PSF - Affordable	n/a	\$90.60	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41	n/a	n/a	n/a	n/a	n/a
Key Assumptions - Off-Site Component												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$668.40	\$668.53	\$668.69	\$669.14	\$669.71
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$812,862	\$813,015	\$813,213	\$813,756	\$814,446
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$251.96	\$251.96	\$251.96	\$251.96	\$251.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$50.39	\$50.39	\$50.39	\$50.39	\$50.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41
Scenario Yield												
Total Units	100	100	200	200	200	200	200	240	250	260	280	300
Market Rate Units	100	80	160	150	140	120	100	200	200	200	200	200
Affordable Units - On-Site	0	20	40	50	60	80	100	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	40	50	60	80	100
Feasibility Results												
Return-on-Cost (ROC)	56.0%	46.1%	93.7%	82.2%	71.0%	49.1%	27.0%	77.3%	71.3%	65.7%	55.7%	46.9%
Unleveraged IRR	18.3%	16.4%	26.9%	25.0%	22.8%	17.2%	10.5%	20.6%	19.2%	17.9%	15.5%	13.3%
Leveraged IRR	26.4%	23.4%	39.8%	36.9%	33.3%	23.4%	10.7%	28.8%	26.4%	24.1%	19.8%	15.8%

Table G-2: Feasibility Analysis Results:

High-Rise Condominium, Strong Market

	90% AMI Target											
	Baseline		MIH ONLY									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$750.01	\$740.43	\$654.80	\$651.65	\$648.75	\$643.87	\$639.74	\$669.78	\$669.96	\$670.20	\$670.84	\$671.67
Total Dev. Cost per Unit	\$991,424	\$978,760	\$865,564	\$861,404	\$857,570	\$851,119	\$845,652	\$885,369	\$885,605	\$885,916	\$886,773	\$887,868
Acquisition Cost PSF	\$325.00	\$325.00	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04
Hard Cost PSF	\$302.65	\$298.42	\$367.58	\$366.52	\$365.45	\$363.48	\$361.36	\$371.82	\$371.82	\$371.82	\$371.82	\$371.82
Soft Cost PSF	\$60.53	\$59.68	\$73.52	\$73.30	\$73.09	\$72.70	\$72.27	\$74.36	\$74.36	\$74.36	\$74.36	\$74.36
Avg. Sale Price PSF - Market Rate	\$1,247.72	\$1,396.70	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76
Avg. Sale Price PSF - Affordable	n/a	\$90.60	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$668.38	\$668.51	\$668.67	\$669.10	\$669.67
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$812,839	\$812,987	\$813,181	\$813,715	\$814,397
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$251.96	\$251.96	\$251.96	\$251.96	\$251.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$50.39	\$50.39	\$50.39	\$50.39	\$50.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30
<u>Scenario Yield</u>												
Total Units	100	100	200	200	200	200	200	240	250	260	280	300
Market Rate Units	100	80	160	150	140	120	100	200	200	200	200	200
Affordable Units - On-Site	0	20	40	50	60	80	100	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	40	50	60	80	100
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	56.0%	46.1%	69.7%	60.3%	51.0%	32.8%	14.3%	77.9%	72.0%	66.5%	56.7%	48.1%
Unleveraged IRR	18.3%	16.4%	21.2%	19.4%	17.3%	12.1%	5.9%	20.7%	19.4%	18.1%	15.7%	13.6%
Leveraged IRR	26.4%	23.4%	29.5%	26.6%	23.1%	13.8%	1.6%	29.0%	26.7%	24.5%	20.3%	16.4%

Table G-2: Feasibility Analysis Results:

High-Rise Condominium, Strong Market

	Baseline		90% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline		On-Site Affordability					Off-Site Affordability				
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
Key Assumptions - On-Site Component												
Total Dev. Cost PSF	\$750.01	\$740.43	\$656.02	\$652.87	\$649.97	\$645.09	\$640.96	\$669.81	\$670.00	\$670.24	\$670.89	\$671.73
Total Dev. Cost per Unit	\$991,424	\$978,760	\$867,179	\$863,018	\$859,184	\$852,733	\$847,266	\$885,405	\$885,650	\$885,969	\$886,839	\$887,946
Acquisition Cost PSF	\$325.00	\$325.00	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04	\$163.04
Hard Cost PSF	\$302.65	\$298.42	\$367.58	\$366.52	\$365.45	\$363.48	\$361.36	\$371.82	\$371.82	\$371.82	\$371.82	\$371.82
Soft Cost PSF	\$60.53	\$59.68	\$73.52	\$73.30	\$73.09	\$72.70	\$72.27	\$74.36	\$74.36	\$74.36	\$74.36	\$74.36
Avg. Sale Price PSF - Market Rate	\$1,247.72	\$1,396.70	\$1,584.53	\$1,584.53	\$1,584.53	\$1,584.53	\$1,584.53	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76	\$1,432.76
Avg. Sale Price PSF - Affordable	n/a	\$90.60	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	n/a	n/a	n/a	n/a	n/a
Key Assumptions - Off-Site Component												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$668.40	\$668.53	\$668.69	\$669.14	\$669.71
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$812,862	\$813,015	\$813,213	\$813,756	\$814,446
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$251.96	\$251.96	\$251.96	\$251.96	\$251.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$50.39	\$50.39	\$50.39	\$50.39	\$50.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30
Scenario Yield												
Total Units	100	100	200	200	200	200	200	240	250	260	280	300
Market Rate Units	100	80	160	150	140	120	100	200	200	200	200	200
Affordable Units - On-Site	0	20	40	50	60	80	100	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	40	50	60	80	100
Feasibility Results												
Return-on-Cost (ROC)	56.0%	46.1%	94.9%	83.8%	72.9%	51.5%	30.1%	78.3%	72.5%	67.1%	57.4%	48.9%
Unleveraged IRR	18.3%	16.4%	27.3%	25.5%	23.3%	18.0%	11.7%	20.9%	19.5%	18.3%	15.9%	13.8%
Leveraged IRR	26.4%	23.4%	40.4%	37.7%	34.2%	24.9%	12.9%	29.2%	26.9%	24.7%	20.6%	16.8%

Notes:

(a) The baseline scenarios assume a project that is developed at the density permitted under current zoning conditions. Current conditions are assumed to be as follows: M1-2 for Low-Rise, R7A for Mid-Rise, R10 for High-Rise.

(b) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.

(c) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for residential use.

Source: BAE, 2015.

Table G-3: Feasibility Analysis Results: High-Rise Condominium, Mid-Market

	60% AMI Target											
	Baseline		MIH ONLY									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$681.51	\$682.36	\$614.02	\$610.98	\$608.18	\$603.44	\$599.40	\$628.03	\$628.12	\$628.27	\$628.74	\$629.40
Total Dev. Cost per Unit	\$900,865	\$902,001	\$811,660	\$807,645	\$803,936	\$797,678	\$792,330	\$830,176	\$830,293	\$830,488	\$831,117	\$831,987
Acquisition Cost PSF	\$275.00	\$275.00	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96
Hard Cost PSF	\$292.65	\$292.65	\$357.58	\$356.52	\$355.45	\$353.48	\$351.36	\$361.82	\$361.82	\$361.82	\$361.82	\$361.82
Soft Cost PSF	\$58.53	\$58.53	\$71.52	\$71.30	\$71.09	\$70.70	\$70.27	\$72.36	\$72.36	\$72.36	\$72.36	\$72.36
Avg. Sale Price PSF - Market Rate	\$543.15	\$600.52	\$623.71	\$623.71	\$623.71	\$623.71	\$623.71	\$623.71	\$623.71	\$623.71	\$623.71	\$623.71
Avg. Sale Price PSF - Affordable	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$602.72	\$602.78	\$602.88	\$603.20	\$603.64
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$732,985	\$733,058	\$733,178	\$733,564	\$734,100
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$241.96	\$241.96	\$241.96	\$241.96	\$241.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$48.39	\$48.39	\$48.39	\$48.39	\$48.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60
<u>Scenario Yield</u>												
Total Units	100	100	200	200	200	200	200	240	250	260	280	300
Market Rate Units	100	100	160	150	140	120	100	200	200	200	200	200
Affordable Units - On-Site	0	0	40	50	60	80	100	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	40	50	60	80	100
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-3: Feasibility Analysis Results: High-Rise Condominium, Mid-Market

	60% AMI Target											
	Baseline		MIH + 421-a Benefit									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$681.51	\$682.36	\$614.93	\$611.89	\$609.08	\$604.35	\$600.30	\$628.85	\$628.93	\$629.06	\$629.50	\$630.13
Total Dev. Cost per Unit	\$900,865	\$902,001	\$812,856	\$808,841	\$805,132	\$798,874	\$793,525	\$831,267	\$831,361	\$831,535	\$832,123	\$832,957
Acquisition Cost PSF	\$275.00	\$275.00	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96
Hard Cost PSF	\$292.65	\$292.65	\$357.58	\$356.52	\$355.45	\$353.48	\$351.36	\$361.82	\$361.82	\$361.82	\$361.82	\$361.82
Soft Cost PSF	\$58.53	\$58.53	\$71.52	\$71.30	\$71.09	\$70.70	\$70.27	\$72.36	\$72.36	\$72.36	\$72.36	\$72.36
Avg. Sale Price PSF - Market Rate	\$543.15	\$600.52	\$735.94	\$735.94	\$735.94	\$735.94	\$735.94	\$682.30	\$682.30	\$682.30	\$682.30	\$682.30
Avg. Sale Price PSF - Affordable	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$603.27	\$603.32	\$603.41	\$603.71	\$604.13
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$733,656	\$733,715	\$733,821	\$734,183	\$734,697
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$241.96	\$241.96	\$241.96	\$241.96	\$241.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$48.39	\$48.39	\$48.39	\$48.39	\$48.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60
<u>Scenario Yield</u>												
Total Units	100	100	200	200	200	200	200	240	250	260	280	300
Market Rate Units	100	100	160	150	140	120	100	200	200	200	200	200
Affordable Units - On-Site	0	0	40	50	60	80	100	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	40	50	60	80	100
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-3: Feasibility Analysis Results: High-Rise Condominium, Mid-Market

	75% AMI Target													
	Baseline		MIH ONLY											
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability						
			20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI		
<u>Key Assumptions - On-Site Component</u>														
Total Dev. Cost PSF	\$681.51	\$682.36	\$614.02	\$610.98	\$608.18	\$603.44	\$599.40	\$628.03	\$628.12	\$628.27	\$628.74	\$629.40		
Total Dev. Cost per Unit	\$900,865	\$902,001	\$811,660	\$807,645	\$803,936	\$797,678	\$792,330	\$830,176	\$830,293	\$830,488	\$831,117	\$831,987		
Acquisition Cost PSF	\$275.00	\$275.00	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96		
Hard Cost PSF	\$292.65	\$292.65	\$357.58	\$356.52	\$355.45	\$353.48	\$351.36	\$361.82	\$361.82	\$361.82	\$361.82	\$361.82		
Soft Cost PSF	\$58.53	\$58.53	\$71.52	\$71.30	\$71.09	\$70.70	\$70.27	\$72.36	\$72.36	\$72.36	\$72.36	\$72.36		
Avg. Sale Price PSF - Market Rate	\$543.15	\$600.52	\$623.71	\$623.71	\$623.71	\$623.71	\$623.71	\$623.71	\$623.71	\$623.71	\$623.71	\$623.71		
Avg. Sale Price PSF - Affordable	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41	n/a	n/a	n/a	n/a	n/a		
<u>Key Assumptions - Off-Site Component</u>														
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$602.72	\$602.78	\$602.88	\$603.20	\$603.64		
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$732,985	\$733,058	\$733,178	\$733,564	\$734,100		
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00		
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$241.96	\$241.96	\$241.96	\$241.96	\$241.96		
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$48.39	\$48.39	\$48.39	\$48.39	\$48.39		
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41		
<u>Scenario Yield</u>														
Total Units	100	100	200	200	200	200	200	240	250	260	280	300		
Market Rate Units	100	100	160	150	140	120	100	200	200	200	200	200		
Affordable Units - On-Site	0	0	40	50	60	80	100	0	0	0	0	0		
Affordable Units - Off-Site	0	0	0	0	0	0	0	40	50	60	80	100		
<u>Feasibility Results</u>														
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		

Table G-3: Feasibility Analysis Results:

High-Rise Condominium, Mid-Market

	75% AMI Target											
	Baseline		MIH + 421-a Benefit									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$681.51	\$682.36	\$614.93	\$611.89	\$609.08	\$604.35	\$600.30	\$628.85	\$628.93	\$629.06	\$629.50	\$630.13
Total Dev. Cost per Unit	\$900,865	\$902,001	\$812,856	\$808,841	\$805,132	\$798,874	\$793,525	\$831,267	\$831,361	\$831,535	\$832,123	\$832,957
Acquisition Cost PSF	\$275.00	\$275.00	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96
Hard Cost PSF	\$292.65	\$292.65	\$357.58	\$356.52	\$355.45	\$353.48	\$351.36	\$361.82	\$361.82	\$361.82	\$361.82	\$361.82
Soft Cost PSF	\$58.53	\$58.53	\$71.52	\$71.30	\$71.09	\$70.70	\$70.27	\$72.36	\$72.36	\$72.36	\$72.36	\$72.36
Avg. Sale Price PSF - Market Rate	\$543.15	\$600.52	\$735.94	\$735.94	\$735.94	\$735.94	\$735.94	\$682.30	\$682.30	\$682.30	\$682.30	\$682.30
Avg. Sale Price PSF - Affordable	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$603.27	\$603.32	\$603.41	\$603.71	\$604.13
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$733,656	\$733,715	\$733,821	\$734,183	\$734,697
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$241.96	\$241.96	\$241.96	\$241.96	\$241.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$48.39	\$48.39	\$48.39	\$48.39	\$48.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41
<u>Scenario Yield</u>												
Total Units	100	100	200	200	200	200	200	240	250	260	280	300
Market Rate Units	100	100	160	150	140	120	100	200	200	200	200	200
Affordable Units - On-Site	0	0	40	50	60	80	100	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	40	50	60	80	100
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-3: Feasibility Analysis Results: High-Rise Condominium, Mid-Market

	90% AMI Target													
	Baseline		MIH ONLY											
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability						
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI		
<u>Key Assumptions - On-Site Component</u>														
Total Dev. Cost PSF	\$681.51	\$682.36	\$614.02	\$610.98	\$608.18	\$603.44	\$599.40	\$628.03	\$628.12	\$628.27	\$628.74	\$629.40		
Total Dev. Cost per Unit	\$900,865	\$902,001	\$811,660	\$807,645	\$803,936	\$797,678	\$792,330	\$830,176	\$830,293	\$830,488	\$831,117	\$831,987		
Acquisition Cost PSF	\$275.00	\$275.00	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96		
Hard Cost PSF	\$292.65	\$292.65	\$357.58	\$356.52	\$355.45	\$353.48	\$351.36	\$361.82	\$361.82	\$361.82	\$361.82	\$361.82		
Soft Cost PSF	\$58.53	\$58.53	\$71.52	\$71.30	\$71.09	\$70.70	\$70.27	\$72.36	\$72.36	\$72.36	\$72.36	\$72.36		
Avg. Sale Price PSF - Market Rate	\$543.15	\$600.52	\$623.71	\$623.71	\$623.71	\$623.71	\$623.71	\$623.71	\$623.71	\$623.71	\$623.71	\$623.71		
Avg. Sale Price PSF - Affordable	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	n/a	n/a	n/a	n/a	n/a		
<u>Key Assumptions - Off-Site Component</u>														
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$602.72	\$602.78	\$602.88	\$603.20	\$603.64		
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$732,985	\$733,058	\$733,178	\$733,564	\$734,100		
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00		
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$241.96	\$241.96	\$241.96	\$241.96	\$241.96		
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$48.39	\$48.39	\$48.39	\$48.39	\$48.39		
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30		
<u>Scenario Yield</u>														
Total Units	100	100	200	200	200	200	200	240	250	260	280	300		
Market Rate Units	100	100	160	150	140	120	100	200	200	200	200	200		
Affordable Units - On-Site	0	0	40	50	60	80	100	0	0	0	0	0		
Affordable Units - Off-Site	0	0	0	0	0	0	0	40	50	60	80	100		
<u>Feasibility Results</u>														
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		

Table G-3: Feasibility Analysis Results: High-Rise Condominium, Mid-Market

	90% AMI Target											
	Baseline		MIH + 421-a Benefit									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$681.51	\$682.36	\$614.93	\$611.89	\$609.08	\$604.35	\$600.30	\$628.85	\$628.93	\$629.06	\$629.50	\$630.13
Total Dev. Cost per Unit	\$900,865	\$902,001	\$812,856	\$808,841	\$805,132	\$798,874	\$793,525	\$831,267	\$831,361	\$831,535	\$832,123	\$832,957
Acquisition Cost PSF	\$275.00	\$275.00	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96	\$137.96
Hard Cost PSF	\$292.65	\$292.65	\$357.58	\$356.52	\$355.45	\$353.48	\$351.36	\$361.82	\$361.82	\$361.82	\$361.82	\$361.82
Soft Cost PSF	\$58.53	\$58.53	\$71.52	\$71.30	\$71.09	\$70.70	\$70.27	\$72.36	\$72.36	\$72.36	\$72.36	\$72.36
Avg. Sale Price PSF - Market Rate	\$543.15	\$600.52	\$735.94	\$735.94	\$735.94	\$735.94	\$735.94	\$682.30	\$682.30	\$682.30	\$682.30	\$682.30
Avg. Sale Price PSF - Affordable	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$603.27	\$603.32	\$603.41	\$603.71	\$604.13
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$733,656	\$733,715	\$733,821	\$734,183	\$734,697
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$241.96	\$241.96	\$241.96	\$241.96	\$241.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$48.39	\$48.39	\$48.39	\$48.39	\$48.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30
<u>Scenario Yield</u>												
Total Units	100	100	200	200	200	200	200	240	250	260	280	300
Market Rate Units	100	100	160	150	140	120	100	200	200	200	200	200
Affordable Units - On-Site	0	0	40	50	60	80	100	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	40	50	60	80	100
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Notes:

(a) The baseline scenarios assume a project that is developed at the density permitted under current zoning conditions. Current conditions are assumed to be as follows: M1-2 for Low-Rise, R7A for Mid-Rise, R10 for High-Rise.

(b) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.

(c) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for Source: BAE, 2015.

Table G-4: Feasibility Analysis Results: High-Rise Condominium, Moderate Market

Moderate Market Scenarios												
60% AMI Target												
Baseline	MIH ONLY											
	On-Site Affordability					Off-Site Affordability						
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
Key Assumptions - On-Site Component												
Total Dev. Cost PSF	\$540.07	\$540.69	\$536.64	\$533.80	\$531.17	\$526.70	\$522.80	\$548.25	\$548.09	\$548.00	\$548.01	\$548.22
Total Dev. Cost per Unit	\$713,908	\$714,730	\$709,376	\$705,623	\$702,141	\$696,227	\$691,079	\$724,719	\$724,507	\$724,384	\$724,396	\$724,676
Acquisition Cost PSF	\$160.00	\$160.00	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27
Hard Cost PSF	\$282.65	\$282.65	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82
Soft Cost PSF	\$56.53	\$56.53	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36
Avg. Sale Price PSF - Market Rate	\$439.85	\$480.43	\$505.08	\$505.08	\$505.08	\$505.08	\$505.08	\$505.08	\$505.08	\$505.08	\$505.08	\$505.08
Avg. Sale Price PSF - Affordable	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	n/a	n/a	n/a	n/a	n/a
Key Assumptions - Off-Site Component												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$468.55	\$468.44	\$468.38	\$468.38	\$468.52
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$569,810	\$569,682	\$569,607	\$569,614	\$569,784
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60
Scenario Yield												
Total Units	100	100	200	200	200	200	200	240	250	260	280	300
Market Rate Units	100	100	160	150	140	120	100	200	200	200	200	200
Affordable Units - On-Site	0	0	40	50	60	80	100	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	40	50	60	80	100
Feasibility Results												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-4: Feasibility Analysis Results: High-Rise Condominium, Moderate Market

	Moderate Market Scenarios											
	60% AMI Target											
Baseline	MIH + 421-a Benefit											
	On-Site Affordability					Off-Site Affordability						
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$540.07	\$540.69	\$537.10	\$534.26	\$531.64	\$527.18	\$523.30	\$548.83	\$548.66	\$548.55	\$548.54	\$548.73
Total Dev. Cost per Unit	\$713,908	\$714,730	\$709,973	\$706,230	\$702,758	\$696,863	\$691,735	\$725,487	\$725,257	\$725,117	\$725,099	\$725,351
Acquisition Cost PSF	\$160.00	\$160.00	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27
Hard Cost PSF	\$282.65	\$282.65	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82
Soft Cost PSF	\$56.53	\$56.53	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36
Avg. Sale Price PSF - Market Rate	\$439.85	\$480.43	\$583.71	\$583.71	\$583.71	\$583.71	\$583.71	\$546.19	\$546.19	\$546.19	\$546.19	\$546.19
Avg. Sale Price PSF - Affordable	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$468.93	\$468.81	\$468.74	\$468.74	\$468.86
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$570,276	\$570,137	\$570,052	\$570,041	\$570,193
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60
<u>Scenario Yield</u>												
Total Units	100	100	200	200	200	200	200	240	250	260	280	300
Market Rate Units	100	100	160	150	140	120	100	200	200	200	200	200
Affordable Units - On-Site	0	0	40	50	60	80	100	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	40	50	60	80	100
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-4: Feasibility Analysis Results: High-Rise Condominium, Moderate Market

	75% AMI Target											
	Baseline		MIH ONLY									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$540.07	\$540.69	\$536.64	\$533.80	\$531.17	\$526.70	\$522.80	\$548.25	\$548.09	\$548.00	\$548.01	\$548.22
Total Dev. Cost per Unit	\$713,908	\$714,730	\$709,376	\$705,623	\$702,141	\$696,227	\$691,079	\$724,719	\$724,507	\$724,384	\$724,396	\$724,676
Acquisition Cost PSF	\$160.00	\$160.00	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27
Hard Cost PSF	\$282.65	\$282.65	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82
Soft Cost PSF	\$56.53	\$56.53	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36
Avg. Sale Price PSF - Market Rate	\$439.85	\$480.43	\$505.08	\$505.08	\$505.08	\$505.08	\$505.08	\$505.08	\$505.08	\$505.08	\$505.08	\$505.08
Avg. Sale Price PSF - Affordable	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$468.55	\$468.44	\$468.38	\$468.38	\$468.52
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$569,810	\$569,682	\$569,607	\$569,614	\$569,784
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41
<u>Scenario Yield</u>												
Total Units	100	100	200	200	200	200	200	240	250	260	280	300
Market Rate Units	100	100	160	150	140	120	100	200	200	200	200	200
Affordable Units - On-Site	0	0	40	50	60	80	100	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	40	50	60	80	100
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-4: Feasibility Analysis Results: High-Rise Condominium, Moderate Market

	75% AMI Target											
	Baseline		MIH + 421-a Benefit									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$540.07	\$540.69	\$537.10	\$534.26	\$531.64	\$527.18	\$523.30	\$548.83	\$548.66	\$548.55	\$548.54	\$548.73
Total Dev. Cost per Unit	\$713,908	\$714,730	\$709,973	\$706,230	\$702,758	\$696,863	\$691,735	\$725,487	\$725,257	\$725,117	\$725,099	\$725,351
Acquisition Cost PSF	\$160.00	\$160.00	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27
Hard Cost PSF	\$282.65	\$282.65	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82
Soft Cost PSF	\$56.53	\$56.53	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36
Avg. Sale Price PSF - Market Rate	\$439.85	\$480.43	\$583.71	\$583.71	\$583.71	\$583.71	\$583.71	\$546.19	\$546.19	\$546.19	\$546.19	\$546.19
Avg. Sale Price PSF - Affordable	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$468.93	\$468.81	\$468.74	\$468.74	\$468.86
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$570,276	\$570,137	\$570,052	\$570,041	\$570,193
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41
<u>Scenario Yield</u>												
Total Units	100	100	200	200	200	200	200	240	250	260	280	300
Market Rate Units	100	100	160	150	140	120	100	200	200	200	200	200
Affordable Units - On-Site	0	0	40	50	60	80	100	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	40	50	60	80	100
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-4: Feasibility Analysis Results: High-Rise Condominium, Moderate Market

	90% AMI Target													
	Baseline		MIH ONLY											
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability						
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI		
<u>Key Assumptions - On-Site Component</u>														
Total Dev. Cost PSF	\$540.07	\$540.69	\$536.64	\$533.80	\$531.17	\$526.70	\$522.80	\$548.25	\$548.09	\$548.00	\$548.01	\$548.22		
Total Dev. Cost per Unit	\$713,908	\$714,730	\$709,376	\$705,623	\$702,141	\$696,227	\$691,079	\$724,719	\$724,507	\$724,384	\$724,396	\$724,676		
Acquisition Cost PSF	\$160.00	\$160.00	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27		
Hard Cost PSF	\$282.65	\$282.65	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82		
Soft Cost PSF	\$56.53	\$56.53	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36		
Avg. Sale Price PSF - Market Rate	\$439.85	\$480.43	\$505.08	\$505.08	\$505.08	\$505.08	\$505.08	\$505.08	\$505.08	\$505.08	\$505.08	\$505.08		
Avg. Sale Price PSF - Affordable	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	n/a	n/a	n/a	n/a	n/a		
<u>Key Assumptions - Off-Site Component</u>														
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$468.55	\$468.44	\$468.38	\$468.38	\$468.52		
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$569,810	\$569,682	\$569,607	\$569,614	\$569,784		
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00		
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96		
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39		
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30		
<u>Scenario Yield</u>														
Total Units	100	100	200	200	200	200	200	240	250	260	280	300		
Market Rate Units	100	100	160	150	140	120	100	200	200	200	200	200		
Affordable Units - On-Site	0	0	40	50	60	80	100	0	0	0	0	0		
Affordable Units - Off-Site	0	0	0	0	0	0	0	40	50	60	80	100		
<u>Feasibility Results</u>														
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		

Table G-4: Feasibility Analysis Results: High-Rise Condominium, Moderate Market

	90% AMI Target											
	Baseline		MIH + 421-a Benefit									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
Key Assumptions - On-Site Component												
Total Dev. Cost PSF	\$540.07	\$540.69	\$537.10	\$534.26	\$531.64	\$527.18	\$523.30	\$548.83	\$548.66	\$548.55	\$548.54	\$548.73
Total Dev. Cost per Unit	\$713,908	\$714,730	\$709,973	\$706,230	\$702,758	\$696,863	\$691,735	\$725,487	\$725,257	\$725,117	\$725,099	\$725,351
Acquisition Cost PSF	\$160.00	\$160.00	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27	\$80.27
Hard Cost PSF	\$282.65	\$282.65	\$347.58	\$346.52	\$345.45	\$343.48	\$341.36	\$351.82	\$351.82	\$351.82	\$351.82	\$351.82
Soft Cost PSF	\$56.53	\$56.53	\$69.52	\$69.30	\$69.09	\$68.70	\$68.27	\$70.36	\$70.36	\$70.36	\$70.36	\$70.36
Avg. Sale Price PSF - Market Rate	\$439.85	\$480.43	\$583.71	\$583.71	\$583.71	\$583.71	\$583.71	\$546.19	\$546.19	\$546.19	\$546.19	\$546.19
Avg. Sale Price PSF - Affordable	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	n/a	n/a	n/a	n/a	n/a
Key Assumptions - Off-Site Component												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$468.93	\$468.81	\$468.74	\$468.74	\$468.86
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$570,276	\$570,137	\$570,052	\$570,041	\$570,193
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30
Scenario Yield												
Total Units	100	100	200	200	200	200	200	240	250	260	280	300
Market Rate Units	100	100	160	150	140	120	100	200	200	200	200	200
Affordable Units - On-Site	0	0	40	50	60	80	100	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	40	50	60	80	100
Feasibility Results												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Notes:

(a) The baseline scenarios assume a project that is developed at the density permitted under current zoning conditions. Current conditions are assumed to be as follows: M1-2 for Low-Rise, R7A for Mid-Rise, R10 for High-Rise.

(b) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.

(c) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for Source: BAE, 2015.

Table G-5: Feasibility Analysis Results: Mid-Rise Condominium, Very Strong Market

Very Strong Market Scenarios												
60% AMI Target												
Baseline		MIH ONLY										
		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
Key Assumptions - On-Site Component												
Total Dev. Cost PSF	\$982.43	\$978.79	\$818.04	\$816.99	\$816.12	\$814.69	\$813.86	\$824.43	\$824.67	\$824.98	\$825.59	\$826.27
Total Dev. Cost per Unit	\$1,298,645	\$1,293,837	\$1,081,349	\$1,079,957	\$1,078,806	\$1,076,923	\$1,075,817	\$1,089,790	\$1,090,117	\$1,090,527	\$1,091,332	\$1,092,231
Acquisition Cost PSF	\$550.00	\$550.00	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86
Hard Cost PSF	\$292.27	\$292.27	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62
Soft Cost PSF	\$58.45	\$58.45	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32
Avg. Sale Price PSF - Market Rate	\$2,014.30	\$2,115.59	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33
Avg. Sale Price PSF - Affordable	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	n/a	n/a	n/a	n/a	n/a
Key Assumptions - Off-Site Component												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$939.12	\$939.35	\$939.62	\$940.17	\$940.79
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$1,142,090	\$1,142,361	\$1,142,701	\$1,143,369	\$1,144,115
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$271.96	\$271.96	\$271.96	\$271.96	\$271.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$54.39	\$54.39	\$54.39	\$54.39	\$54.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60
Scenario Yield												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	53	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	13	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
Feasibility Results												
Return-on-Cost (ROC)	91.2%	65.3%	86.8%	75.4%	64.4%	42.2%	20.0%	93.7%	85.9%	78.8%	66.0%	55.0%
Unleveraged IRR	28.8%	21.7%	28.6%	25.8%	22.6%	15.6%	7.9%	27.9%	26.0%	24.1%	20.7%	17.7%
Leveraged IRR	47.8%	35.8%	45.9%	41.4%	35.7%	22.6%	5.9%	44.1%	40.7%	37.5%	31.3%	25.6%

Table G-5: Feasibility Analysis Results: Mid-Rise Condominium, Very Strong Market

Very Strong Market Scenarios												
		60% AMI Target										
Baseline		MIH + 421-a Benefit										
		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
Key Assumptions - On-Site Component												
Total Dev. Cost PSF	\$982.43	\$978.79	\$819.18	\$818.13	\$817.26	\$815.83	\$815.00	\$824.48	\$824.74	\$825.06	\$825.69	\$826.38
Total Dev. Cost per Unit	\$1,298,645	\$1,293,837	\$1,082,857	\$1,081,465	\$1,080,314	\$1,078,431	\$1,077,325	\$1,089,861	\$1,090,203	\$1,090,626	\$1,091,456	\$1,092,377
Acquisition Cost PSF	\$550.00	\$550.00	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86
Hard Cost PSF	\$292.27	\$292.27	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62
Soft Cost PSF	\$58.45	\$58.45	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32
Avg. Sale Price PSF - Market Rate	\$2,014.30	\$2,115.59	\$2,150.23	\$2,150.23	\$2,150.23	\$2,150.23	\$2,150.23	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33
Avg. Sale Price PSF - Affordable	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	n/a	n/a	n/a	n/a	n/a
Key Assumptions - Off-Site Component												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$939.17	\$939.40	\$939.69	\$940.26	\$940.89
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$1,142,149	\$1,142,432	\$1,142,784	\$1,143,472	\$1,144,236
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$271.96	\$271.96	\$271.96	\$271.96	\$271.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$54.39	\$54.39	\$54.39	\$54.39	\$54.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60
Scenario Yield												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	53	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	13	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
Feasibility Results												
Return-on-Cost (ROC)	91.2%	65.3%	101.0%	88.7%	76.7%	52.8%	28.9%	94.2%	86.4%	79.3%	66.7%	55.8%
Unleveraged IRR	28.8%	21.7%	32.1%	29.3%	26.0%	18.9%	11.0%	28.0%	26.1%	24.3%	20.9%	17.9%
Leveraged IRR	47.8%	35.8%	53.3%	48.8%	43.0%	29.7%	13.1%	44.4%	41.0%	37.8%	31.7%	26.1%

Table G-5: Feasibility Analysis Results: Mid-Rise Condominium, Very Strong Market

	Baseline		75% AMI Target									
	Baseline		MIH ONLY									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
Key Assumptions - On-Site Component												
Total Dev. Cost PSF	\$982.43	\$978.79	\$818.04	\$816.99	\$816.12	\$814.69	\$813.86	\$824.43	\$824.67	\$824.98	\$825.59	\$826.27
Total Dev. Cost per Unit	\$1,298,645	\$1,293,837	\$1,081,349	\$1,079,957	\$1,078,806	\$1,076,923	\$1,075,817	\$1,089,790	\$1,090,117	\$1,090,527	\$1,091,332	\$1,092,231
Acquisition Cost PSF	\$550.00	\$550.00	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86
Hard Cost PSF	\$292.27	\$292.27	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62
Soft Cost PSF	\$58.45	\$58.45	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32
Avg. Sale Price PSF - Market Rate	\$2,014.30	\$2,115.59	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33
Avg. Sale Price PSF - Affordable	n/a	\$90.60	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41	n/a	n/a	n/a	n/a	n/a
Key Assumptions - Off-Site Component												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$939.12	\$939.35	\$939.62	\$940.17	\$940.79
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$1,142,090	\$1,142,361	\$1,142,701	\$1,143,369	\$1,144,115
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$271.96	\$271.96	\$271.96	\$271.96	\$271.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$54.39	\$54.39	\$54.39	\$54.39	\$54.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41
Scenario Yield												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	53	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	13	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
Feasibility Results												
Return-on-Cost (ROC)	91.2%	65.3%	87.8%	76.7%	65.8%	44.1%	22.4%	94.6%	86.9%	79.9%	67.4%	56.6%
Unleveraged IRR	28.8%	21.7%	28.9%	26.2%	23.0%	16.3%	8.8%	28.1%	26.2%	24.4%	21.1%	18.1%
Leveraged IRR	47.8%	35.8%	46.4%	42.1%	36.5%	23.8%	8.0%	44.5%	41.2%	38.0%	32.0%	26.5%

Table G-5: Feasibility Analysis Results: Mid-Rise Condominium, Very Strong Market

	Baseline		75% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$982.43	\$978.79	\$819.18	\$818.13	\$817.26	\$815.83	\$815.00	\$824.48	\$824.74	\$825.06	\$825.69	\$826.38
Total Dev. Cost per Unit	\$1,298,645	\$1,293,837	\$1,082,857	\$1,081,465	\$1,080,314	\$1,078,431	\$1,077,325	\$1,089,861	\$1,090,203	\$1,090,626	\$1,091,456	\$1,092,377
Acquisition Cost PSF	\$550.00	\$550.00	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86
Hard Cost PSF	\$292.27	\$292.27	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62
Soft Cost PSF	\$58.45	\$58.45	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32
Avg. Sale Price PSF - Market Rate	\$2,014.30	\$2,115.59	\$2,150.23	\$2,150.23	\$2,150.23	\$2,150.23	\$2,150.23	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33
Avg. Sale Price PSF - Affordable	n/a	\$90.60	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$939.17	\$939.40	\$939.69	\$940.26	\$940.89
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$1,142,149	\$1,142,432	\$1,142,784	\$1,143,472	\$1,144,236
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$271.96	\$271.96	\$271.96	\$271.96	\$271.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$54.39	\$54.39	\$54.39	\$54.39	\$54.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41
<u>Scenario Yield</u>												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	53	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	13	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	91.2%	65.3%	102.0%	90.0%	78.2%	54.8%	31.3%	95.0%	87.4%	80.4%	68.0%	57.3%
Unleveraged IRR	28.8%	21.7%	32.3%	29.6%	26.4%	19.5%	11.8%	28.2%	26.3%	24.5%	21.3%	18.3%
Leveraged IRR	47.8%	35.8%	53.7%	49.4%	43.8%	30.9%	15.0%	44.7%	41.5%	38.4%	32.4%	26.9%

Table G-5: Feasibility Analysis Results: Mid-Rise Condominium, Very Strong Market

	Baseline		90% AMI Target									
	Baseline		MIH ONLY									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$982.43	\$978.79	\$818.04	\$816.99	\$816.12	\$814.69	\$813.86	\$824.43	\$824.67	\$824.98	\$825.59	\$826.27
Total Dev. Cost per Unit	\$1,298,645	\$1,293,837	\$1,081,349	\$1,079,957	\$1,078,806	\$1,076,923	\$1,075,817	\$1,089,790	\$1,090,117	\$1,090,527	\$1,091,332	\$1,092,231
Acquisition Cost PSF	\$550.00	\$550.00	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86
Hard Cost PSF	\$292.27	\$292.27	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62
Soft Cost PSF	\$58.45	\$58.45	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32
Avg. Sale Price PSF - Market Rate	\$2,014.30	\$2,115.59	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33
Avg. Sale Price PSF - Affordable	n/a	\$90.60	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$939.12	\$939.35	\$939.62	\$940.17	\$940.79
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$1,142,090	\$1,142,361	\$1,142,701	\$1,143,369	\$1,144,115
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$271.96	\$271.96	\$271.96	\$271.96	\$271.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$54.39	\$54.39	\$54.39	\$54.39	\$54.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30
<u>Scenario Yield</u>												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	53	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	13	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	91.2%	65.3%	88.8%	77.9%	67.3%	46.1%	24.8%	95.4%	87.9%	81.0%	68.7%	58.2%
Unleveraged IRR	28.8%	21.7%	29.1%	26.5%	23.5%	16.9%	9.6%	28.3%	26.5%	24.7%	21.5%	18.6%
Leveraged IRR	47.8%	35.8%	46.8%	42.7%	37.3%	25.1%	10.0%	44.8%	41.6%	38.6%	32.7%	27.3%

Table G-5: Feasibility Analysis Results: Mid-Rise Condominium, Very Strong Market

	Baseline		90% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$982.43	\$978.79	\$819.18	\$818.13	\$817.26	\$815.83	\$815.00	\$824.48	\$824.74	\$825.06	\$825.69	\$826.38
Total Dev. Cost per Unit	\$1,298,645	\$1,293,837	\$1,082,857	\$1,081,465	\$1,080,314	\$1,078,431	\$1,077,325	\$1,089,861	\$1,090,203	\$1,090,626	\$1,091,456	\$1,092,377
Acquisition Cost PSF	\$550.00	\$550.00	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86	\$392.86
Hard Cost PSF	\$292.27	\$292.27	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62	\$301.62
Soft Cost PSF	\$58.45	\$58.45	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32	\$60.32
Avg. Sale Price PSF - Market Rate	\$2,014.30	\$2,115.59	\$2,150.23	\$2,150.23	\$2,150.23	\$2,150.23	\$2,150.23	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33	\$2,045.33
Avg. Sale Price PSF - Affordable	n/a	\$90.60	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$939.17	\$939.40	\$939.69	\$940.26	\$940.89
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$1,142,149	\$1,142,432	\$1,142,784	\$1,143,472	\$1,144,236
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$550.00	\$550.00	\$550.00	\$550.00	\$550.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$271.96	\$271.96	\$271.96	\$271.96	\$271.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$54.39	\$54.39	\$54.39	\$54.39	\$54.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30
<u>Scenario Yield</u>												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	53	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	13	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	91.2%	65.3%	103.0%	91.2%	79.7%	56.7%	33.8%	95.8%	88.4%	81.5%	69.4%	58.9%
Unleveraged IRR	28.8%	21.7%	32.6%	30.0%	26.8%	20.1%	12.7%	28.4%	26.6%	24.8%	21.7%	18.8%
Leveraged IRR	47.8%	35.8%	54.2%	50.0%	44.5%	32.1%	16.9%	45.1%	41.9%	38.9%	33.2%	27.8%

Notes:

(a) The baseline scenarios assume a project that is developed at the density permitted under current zoning conditions. Current conditions are assumed to be as follows: M1-2 for Low-Rise, R7A for Mid-Rise, R10 for High-Rise.

(b) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.

(c) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for residential use.

Source: BAE, 2015.

Table G-6: Feasibility Analysis Results: Mid-Rise Condominium, Strong Market

Strong Market Scenarios												
60% AMI Target												
Baseline		MIH ONLY										
		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
Key Assumptions - On-Site Component												
Total Dev. Cost PSF	\$733.63	\$725.47	\$724.38	\$722.61	\$720.89	\$717.14	\$714.31	\$645.42	\$645.54	\$645.72	\$646.08	\$646.52
Total Dev. Cost per Unit	\$969,773	\$958,984	\$957,543	\$955,202	\$952,923	\$947,963	\$944,233	\$853,166	\$853,325	\$853,559	\$854,040	\$854,621
Acquisition Cost PSF	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14
Hard Cost PSF	\$293.64	\$289.09	\$289.09	\$288.18	\$287.27	\$285.00	\$283.18	\$302.73	\$302.73	\$302.73	\$302.73	\$302.73
Soft Cost PSF	\$58.73	\$57.82	\$57.82	\$57.64	\$57.45	\$57.00	\$56.64	\$60.55	\$60.55	\$60.55	\$60.55	\$60.55
Avg. Sale Price PSF - Market Rate	\$1,228.79	\$1,374.93	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,247.72	\$1,247.72	\$1,247.72	\$1,247.72	\$1,247.72
Avg. Sale Price PSF - Affordable	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	n/a	n/a	n/a	n/a	n/a
Key Assumptions - Off-Site Component												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$668.97	\$669.07	\$669.21	\$669.52	\$669.88
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$813,547	\$813,669	\$813,848	\$814,217	\$814,661
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$251.96	\$251.96	\$251.96	\$251.96	\$251.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$50.39	\$50.39	\$50.39	\$50.39	\$50.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60
Scenario Yield												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	53	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	13	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
Feasibility Results												
Return-on-Cost (ROC)	54.3%	45.2%	26.8%	19.7%	12.6%	0.0%	0.0%	52.2%	46.7%	41.6%	32.5%	24.6%
Unleveraged IRR	19.9%	16.8%	10.5%	7.9%	5.2%	0.0%	0.0%	18.2%	16.4%	14.8%	11.8%	9.1%
Leveraged IRR	30.0%	25.2%	11.6%	5.8%	0.0%	0.0%	0.0%	25.6%	22.4%	19.4%	13.6%	8.1%

Table G-6: Feasibility Analysis Results: Mid-Rise Condominium, Strong Market

Strong Market Scenarios												
60% AMI Target												
Baseline		MIH + 421-a Benefit										
		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
Key Assumptions - On-Site Component												
Total Dev. Cost PSF	\$733.63	\$725.47	\$636.58	\$634.53	\$632.62	\$628.64	\$625.53	\$645.45	\$645.57	\$645.76	\$646.13	\$646.58
Total Dev. Cost per Unit	\$969,773	\$958,984	\$841,484	\$838,765	\$836,238	\$830,978	\$826,872	\$853,201	\$853,368	\$853,609	\$854,103	\$854,695
Acquisition Cost PSF	\$325.00	\$325.00	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14
Hard Cost PSF	\$293.64	\$289.09	\$298.51	\$297.53	\$296.56	\$294.29	\$292.34	\$302.73	\$302.73	\$302.73	\$302.73	\$302.73
Soft Cost PSF	\$58.73	\$57.82	\$59.70	\$59.51	\$59.31	\$58.86	\$58.47	\$60.55	\$60.55	\$60.55	\$60.55	\$60.55
Avg. Sale Price PSF - Market Rate	\$1,228.79	\$1,374.93	\$1,396.28	\$1,396.28	\$1,396.28	\$1,396.28	\$1,396.28	\$1,247.72	\$1,247.72	\$1,247.72	\$1,247.72	\$1,247.72
Avg. Sale Price PSF - Affordable	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	n/a	n/a	n/a	n/a	n/a
Key Assumptions - Off-Site Component												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$668.99	\$669.09	\$669.25	\$669.56	\$669.93
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$813,574	\$813,702	\$813,887	\$814,265	\$814,718
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$251.96	\$251.96	\$251.96	\$251.96	\$251.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$50.39	\$50.39	\$50.39	\$50.39	\$50.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60
Scenario Yield												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	53	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	13	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
Feasibility Results												
Return-on-Cost (ROC)	54.3%	45.2%	68.3%	58.5%	49.0%	30.0%	10.8%	52.5%	47.1%	42.0%	33.0%	25.2%
Unleveraged IRR	19.9%	16.8%	24.9%	22.1%	18.9%	12.2%	4.6%	18.3%	16.6%	15.0%	12.0%	9.3%
Leveraged IRR	30.0%	25.2%	39.1%	34.5%	28.8%	15.4%	0.0%	25.8%	22.7%	19.7%	14.0%	8.6%

Table G-6: Feasibility Analysis Results: Mid-Rise Condominium, Strong Market

	Baseline		75% AMI Target									
	Baseline		MIH ONLY									
	Baseline (a)	w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$733.63	\$725.47	\$724.38	\$722.61	\$720.89	\$717.14	\$714.31	\$645.42	\$645.54	\$645.72	\$646.08	\$646.52
Total Dev. Cost per Unit	\$969,773	\$958,984	\$957,543	\$955,202	\$952,923	\$947,963	\$944,233	\$853,166	\$853,325	\$853,559	\$854,040	\$854,621
Acquisition Cost PSF	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14
Hard Cost PSF	\$293.64	\$289.09	\$289.09	\$288.18	\$287.27	\$285.00	\$283.18	\$302.73	\$302.73	\$302.73	\$302.73	\$302.73
Soft Cost PSF	\$58.73	\$57.82	\$57.82	\$57.64	\$57.45	\$57.00	\$56.64	\$60.55	\$60.55	\$60.55	\$60.55	\$60.55
Avg. Sale Price PSF - Market Rate	\$1,228.79	\$1,374.93	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,247.72	\$1,247.72	\$1,247.72	\$1,247.72	\$1,247.72
Avg. Sale Price PSF - Affordable	n/a	\$90.60	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$668.97	\$669.07	\$669.21	\$669.52	\$669.88
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$813,547	\$813,669	\$813,848	\$814,217	\$814,661
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$251.96	\$251.96	\$251.96	\$251.96	\$251.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$50.39	\$50.39	\$50.39	\$50.39	\$50.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41
<u>Scenario Yield</u>												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	53	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	13	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	54.3%	45.2%	27.9%	21.1%	14.3%	0.6%	0.0%	53.2%	47.9%	43.0%	34.3%	26.6%
Unleveraged IRR	19.9%	16.8%	11.0%	8.4%	5.8%	0.3%	0.0%	18.5%	16.8%	15.3%	12.4%	9.8%
Leveraged IRR	30.0%	25.2%	12.5%	7.1%	1.0%	0.0%	0.0%	26.2%	23.2%	20.3%	14.8%	9.6%

Table G-6: Feasibility Analysis Results: Mid-Rise Condominium, Strong Market

	Baseline		75% AMI Target									
			MIH + 421-a Benefit									
	Baseline (a)	w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$733.63	\$725.47	\$636.58	\$634.53	\$632.62	\$628.64	\$625.53	\$645.45	\$645.57	\$645.76	\$646.13	\$646.58
Total Dev. Cost per Unit	\$969,773	\$958,984	\$841,484	\$838,765	\$836,238	\$830,978	\$826,872	\$853,201	\$853,368	\$853,609	\$854,103	\$854,695
Acquisition Cost PSF	\$325.00	\$325.00	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14
Hard Cost PSF	\$293.64	\$289.09	\$298.51	\$297.53	\$296.56	\$294.29	\$292.34	\$302.73	\$302.73	\$302.73	\$302.73	\$302.73
Soft Cost PSF	\$58.73	\$57.82	\$59.70	\$59.51	\$59.31	\$58.86	\$58.47	\$60.55	\$60.55	\$60.55	\$60.55	\$60.55
Avg. Sale Price PSF - Market Rate	\$1,228.79	\$1,374.93	\$1,396.28	\$1,396.28	\$1,396.28	\$1,396.28	\$1,396.28	\$1,247.72	\$1,247.72	\$1,247.72	\$1,247.72	\$1,247.72
Avg. Sale Price PSF - Affordable	n/a	\$90.60	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$668.99	\$669.09	\$669.25	\$669.56	\$669.93
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$813,574	\$813,702	\$813,887	\$814,265	\$814,718
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$251.96	\$251.96	\$251.96	\$251.96	\$251.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$50.39	\$50.39	\$50.39	\$50.39	\$50.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41
<u>Scenario Yield</u>												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	53	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	13	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	54.3%	45.2%	69.6%	60.1%	51.0%	32.6%	14.0%	53.6%	48.3%	43.5%	34.8%	27.2%
Unleveraged IRR	19.9%	16.8%	25.3%	22.6%	19.6%	13.1%	5.9%	18.6%	17.0%	15.4%	12.6%	10.0%
Leveraged IRR	30.0%	25.2%	39.8%	35.5%	30.0%	17.4%	1.1%	26.4%	23.5%	20.6%	15.2%	10.0%

Table G-6: Feasibility Analysis Results: Mid-Rise Condominium, Strong Market

	Baseline		90% AMI Target									
	Baseline		MIH ONLY									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$733.63	\$725.47	\$724.38	\$722.61	\$720.89	\$717.14	\$714.31	\$645.42	\$645.54	\$645.72	\$646.08	\$646.52
Total Dev. Cost per Unit	\$969,773	\$958,984	\$957,543	\$955,202	\$952,923	\$947,963	\$944,233	\$853,166	\$853,325	\$853,559	\$854,040	\$854,621
Acquisition Cost PSF	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14
Hard Cost PSF	\$293.64	\$289.09	\$289.09	\$288.18	\$287.27	\$285.00	\$283.18	\$302.73	\$302.73	\$302.73	\$302.73	\$302.73
Soft Cost PSF	\$58.73	\$57.82	\$57.82	\$57.64	\$57.45	\$57.00	\$56.64	\$60.55	\$60.55	\$60.55	\$60.55	\$60.55
Avg. Sale Price PSF - Market Rate	\$1,228.79	\$1,374.93	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,247.72	\$1,247.72	\$1,247.72	\$1,247.72	\$1,247.72
Avg. Sale Price PSF - Affordable	n/a	\$90.60	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$668.97	\$669.07	\$669.21	\$669.52	\$669.88
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$813,547	\$813,669	\$813,848	\$814,217	\$814,661
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$251.96	\$251.96	\$251.96	\$251.96	\$251.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$50.39	\$50.39	\$50.39	\$50.39	\$50.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30
<u>Scenario Yield</u>												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	53	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	13	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	54.3%	45.2%	29.0%	22.5%	15.9%	2.8%	0.0%	54.3%	49.2%	44.5%	36.0%	28.7%
Unleveraged IRR	19.9%	16.8%	11.4%	9.0%	6.5%	1.2%	0.0%	18.8%	17.2%	15.8%	13.0%	10.5%
Leveraged IRR	30.0%	25.2%	13.4%	8.3%	2.6%	0.0%	0.0%	26.8%	23.9%	21.2%	16.0%	11.1%

Table G-6: Feasibility Analysis Results: Mid-Rise Condominium, Strong Market

	Baseline		90% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$733.63	\$725.47	\$636.58	\$634.53	\$632.62	\$628.64	\$625.53	\$645.45	\$645.57	\$645.76	\$646.13	\$646.58
Total Dev. Cost per Unit	\$969,773	\$958,984	\$841,484	\$838,765	\$836,238	\$830,978	\$826,872	\$853,201	\$853,368	\$853,609	\$854,103	\$854,695
Acquisition Cost PSF	\$325.00	\$325.00	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14	\$232.14
Hard Cost PSF	\$293.64	\$289.09	\$298.51	\$297.53	\$296.56	\$294.29	\$292.34	\$302.73	\$302.73	\$302.73	\$302.73	\$302.73
Soft Cost PSF	\$58.73	\$57.82	\$59.70	\$59.51	\$59.31	\$58.86	\$58.47	\$60.55	\$60.55	\$60.55	\$60.55	\$60.55
Avg. Sale Price PSF - Market Rate	\$1,228.79	\$1,374.93	\$1,396.28	\$1,396.28	\$1,396.28	\$1,396.28	\$1,396.28	\$1,247.72	\$1,247.72	\$1,247.72	\$1,247.72	\$1,247.72
Avg. Sale Price PSF - Affordable	n/a	\$90.60	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$668.99	\$669.09	\$669.25	\$669.56	\$669.93
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$813,574	\$813,702	\$813,887	\$814,265	\$814,718
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$251.96	\$251.96	\$251.96	\$251.96	\$251.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$50.39	\$50.39	\$50.39	\$50.39	\$50.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30
<u>Scenario Yield</u>												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	53	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	13	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	54.3%	45.2%	70.9%	61.7%	52.9%	35.1%	17.1%	54.6%	49.6%	44.9%	36.5%	29.3%
Unleveraged IRR	19.9%	16.8%	25.7%	23.2%	20.2%	14.1%	7.2%	18.9%	17.4%	15.9%	13.2%	10.7%
Leveraged IRR	30.0%	25.2%	40.5%	36.4%	31.2%	19.3%	4.3%	27.0%	24.2%	21.5%	16.3%	11.5%

Notes:

(a) The baseline scenarios assume a project that is developed at the density permitted under current zoning conditions. Current conditions are assumed to be as follows: M1-2 for Low-Rise, R7A for Mid-Rise, R10 for High-Rise.

(b) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.

(c) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for residential use.

Source: BAE, 2015.

Table G-7: Feasibility Analysis Results: Mid-Rise Condominium, Mid-Market

		Mid-Market Scenarios										
		60% AMI Target										
Baseline		MIH ONLY										
		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$665.57	\$666.38	\$583.36	\$581.37	\$579.52	\$575.63	\$572.58	\$592.82	\$592.90	\$593.04	\$593.32	\$593.68
Total Dev. Cost per Unit	\$879,801	\$880,875	\$771,135	\$768,504	\$766,050	\$760,909	\$756,873	\$783,640	\$783,746	\$783,924	\$784,300	\$784,774
Acquisition Cost PSF	\$275.00	\$275.00	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43
Hard Cost PSF	\$283.64	\$283.64	\$288.51	\$287.53	\$286.56	\$284.29	\$282.34	\$292.73	\$292.73	\$292.73	\$292.73	\$292.73
Soft Cost PSF	\$56.73	\$56.73	\$57.70	\$57.51	\$57.31	\$56.86	\$56.47	\$58.55	\$58.55	\$58.55	\$58.55	\$58.55
Avg. Sale Price PSF - Market Rate	\$534.91	\$591.05	\$543.15	\$543.15	\$543.15	\$543.15	\$543.15	\$543.15	\$543.15	\$543.15	\$543.15	\$543.15
Avg. Sale Price PSF - Affordable	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$602.64	\$602.71	\$602.82	\$603.06	\$603.35
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$732,891	\$732,972	\$733,107	\$733,393	\$733,754
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$241.96	\$241.96	\$241.96	\$241.96	\$241.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$48.39	\$48.39	\$48.39	\$48.39	\$48.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60
<u>Scenario Yield</u>												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	67	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	0	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-7: Feasibility Analysis Results: Mid-Rise Condominium, Mid-Market

		Mid-Market Scenarios										
		60% AMI Target										
Baseline		MIH + 421-a Benefit										
		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$665.57	\$666.38	\$584.22	\$582.23	\$580.37	\$576.48	\$573.43	\$593.58	\$593.64	\$593.76	\$594.01	\$594.34
Total Dev. Cost per Unit	\$879,801	\$880,875	\$772,261	\$769,630	\$767,176	\$762,035	\$757,999	\$784,642	\$784,723	\$784,876	\$785,208	\$785,643
Acquisition Cost PSF	\$275.00	\$275.00	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43
Hard Cost PSF	\$283.64	\$283.64	\$288.51	\$287.53	\$286.56	\$284.29	\$282.34	\$292.73	\$292.73	\$292.73	\$292.73	\$292.73
Soft Cost PSF	\$56.73	\$56.73	\$57.70	\$57.51	\$57.31	\$56.86	\$56.47	\$58.55	\$58.55	\$58.55	\$58.55	\$58.55
Avg. Sale Price PSF - Market Rate	\$534.91	\$591.05	\$653.13	\$653.13	\$653.13	\$653.13	\$653.13	\$600.34	\$600.34	\$600.34	\$600.34	\$600.34
Avg. Sale Price PSF - Affordable	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$603.27	\$603.32	\$603.42	\$603.63	\$603.90
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$733,654	\$733,715	\$733,832	\$734,084	\$734,415
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$241.96	\$241.96	\$241.96	\$241.96	\$241.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$48.39	\$48.39	\$48.39	\$48.39	\$48.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60
<u>Scenario Yield</u>												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	67	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	0	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-7: Feasibility Analysis Results: Mid-Rise Condominium, Mid-Market

		75% AMI Target										
Baseline		MIH ONLY										
		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$665.57	\$666.38	\$583.36	\$581.37	\$579.52	\$575.63	\$572.58	\$592.82	\$592.90	\$593.04	\$593.32	\$593.68
Total Dev. Cost per Unit	\$879,801	\$880,875	\$771,135	\$768,504	\$766,050	\$760,909	\$756,873	\$783,640	\$783,746	\$783,924	\$784,300	\$784,774
Acquisition Cost PSF	\$275.00	\$275.00	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43
Hard Cost PSF	\$283.64	\$283.64	\$288.51	\$287.53	\$286.56	\$284.29	\$282.34	\$292.73	\$292.73	\$292.73	\$292.73	\$292.73
Soft Cost PSF	\$56.73	\$56.73	\$57.70	\$57.51	\$57.31	\$56.86	\$56.47	\$58.55	\$58.55	\$58.55	\$58.55	\$58.55
Avg. Sale Price PSF - Market Rate	\$534.91	\$591.05	\$543.15	\$543.15	\$543.15	\$543.15	\$543.15	\$543.15	\$543.15	\$543.15	\$543.15	\$543.15
Avg. Sale Price PSF - Affordable	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$602.64	\$602.71	\$602.82	\$603.06	\$603.35
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$732,891	\$732,972	\$733,107	\$733,393	\$733,754
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$241.96	\$241.96	\$241.96	\$241.96	\$241.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$48.39	\$48.39	\$48.39	\$48.39	\$48.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41
<u>Scenario Yield</u>												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	67	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	0	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-7: Feasibility Analysis Results: Mid-Rise Condominium, Mid-Market

		75% AMI Target										
Baseline		MIH + 421-a Benefit										
		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$665.57	\$666.38	\$584.22	\$582.23	\$580.37	\$576.48	\$573.43	\$593.58	\$593.64	\$593.76	\$594.01	\$594.34
Total Dev. Cost per Unit	\$879,801	\$880,875	\$772,261	\$769,630	\$767,176	\$762,035	\$757,999	\$784,642	\$784,723	\$784,876	\$785,208	\$785,643
Acquisition Cost PSF	\$275.00	\$275.00	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43
Hard Cost PSF	\$283.64	\$283.64	\$288.51	\$287.53	\$286.56	\$284.29	\$282.34	\$292.73	\$292.73	\$292.73	\$292.73	\$292.73
Soft Cost PSF	\$56.73	\$56.73	\$57.70	\$57.51	\$57.31	\$56.86	\$56.47	\$58.55	\$58.55	\$58.55	\$58.55	\$58.55
Avg. Sale Price PSF - Market Rate	\$534.91	\$591.05	\$653.13	\$653.13	\$653.13	\$653.13	\$653.13	\$600.34	\$600.34	\$600.34	\$600.34	\$600.34
Avg. Sale Price PSF - Affordable	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$603.27	\$603.32	\$603.42	\$603.63	\$603.90
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$733,654	\$733,715	\$733,832	\$734,084	\$734,415
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$241.96	\$241.96	\$241.96	\$241.96	\$241.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$48.39	\$48.39	\$48.39	\$48.39	\$48.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41
<u>Scenario Yield</u>												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	67	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	0	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-7: Feasibility Analysis Results: Mid-Rise Condominium, Mid-Market

		90% AMI Target										
Baseline		MIH ONLY										
		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$665.57	\$666.38	\$583.36	\$581.37	\$579.52	\$575.63	\$572.58	\$592.82	\$592.90	\$593.04	\$593.32	\$593.68
Total Dev. Cost per Unit	\$879,801	\$880,875	\$771,135	\$768,504	\$766,050	\$760,909	\$756,873	\$783,640	\$783,746	\$783,924	\$784,300	\$784,774
Acquisition Cost PSF	\$275.00	\$275.00	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43
Hard Cost PSF	\$283.64	\$283.64	\$288.51	\$287.53	\$286.56	\$284.29	\$282.34	\$292.73	\$292.73	\$292.73	\$292.73	\$292.73
Soft Cost PSF	\$56.73	\$56.73	\$57.70	\$57.51	\$57.31	\$56.86	\$56.47	\$58.55	\$58.55	\$58.55	\$58.55	\$58.55
Avg. Sale Price PSF - Market Rate	\$534.91	\$591.05	\$543.15	\$543.15	\$543.15	\$543.15	\$543.15	\$543.15	\$543.15	\$543.15	\$543.15	\$543.15
Avg. Sale Price PSF - Affordable	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$602.64	\$602.71	\$602.82	\$603.06	\$603.35
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$732,891	\$732,972	\$733,107	\$733,393	\$733,754
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$241.96	\$241.96	\$241.96	\$241.96	\$241.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$48.39	\$48.39	\$48.39	\$48.39	\$48.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30
<u>Scenario Yield</u>												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	67	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	0	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-7: Feasibility Analysis Results: Mid-Rise Condominium, Mid-Market

	90% AMI Target											
	Baseline		MIH + 421-a Benefit									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
Key Assumptions - On-Site Component												
Total Dev. Cost PSF	\$665.57	\$666.38	\$584.22	\$582.23	\$580.37	\$576.48	\$573.43	\$593.58	\$593.64	\$593.76	\$594.01	\$594.34
Total Dev. Cost per Unit	\$879,801	\$880,875	\$772,261	\$769,630	\$767,176	\$762,035	\$757,999	\$784,642	\$784,723	\$784,876	\$785,208	\$785,643
Acquisition Cost PSF	\$275.00	\$275.00	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43	\$196.43
Hard Cost PSF	\$283.64	\$283.64	\$288.51	\$287.53	\$286.56	\$284.29	\$282.34	\$292.73	\$292.73	\$292.73	\$292.73	\$292.73
Soft Cost PSF	\$56.73	\$56.73	\$57.70	\$57.51	\$57.31	\$56.86	\$56.47	\$58.55	\$58.55	\$58.55	\$58.55	\$58.55
Avg. Sale Price PSF - Market Rate	\$534.91	\$591.05	\$653.13	\$653.13	\$653.13	\$653.13	\$653.13	\$600.34	\$600.34	\$600.34	\$600.34	\$600.34
Avg. Sale Price PSF - Affordable	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	n/a	n/a	n/a	n/a	n/a
Key Assumptions - Off-Site Component												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$603.27	\$603.32	\$603.42	\$603.63	\$603.90
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$733,654	\$733,715	\$733,832	\$734,084	\$734,415
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$241.96	\$241.96	\$241.96	\$241.96	\$241.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$48.39	\$48.39	\$48.39	\$48.39	\$48.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30
Scenario Yield												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	67	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	0	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
Feasibility Results												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Notes:

(a) The baseline scenarios assume a project that is developed at the density permitted under current zoning conditions. Current conditions are assumed to be as follows: M1-2 for Low-Rise, R7A for Mid-Rise, R10 for High-Rise.

(b) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.

(c) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for Source: BAE, 2015.

Table G-8: Feasibility Analysis Results: Mid-Rise Condominium, Moderate Market

Moderate Market Scenarios												
60% AMI Target												
Baseline		MIH ONLY										
		On-Site Affordability					Off-Site Affordability					
Baseline	Baseline w/ 421-a	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	
(a)	(b)											
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$525.05	\$525.65	\$479.59	\$477.74	\$475.99	\$472.28	\$469.33	\$487.85	\$487.82	\$487.83	\$487.90	\$488.04
Total Dev. Cost per Unit	\$694,047	\$694,843	\$633,963	\$631,506	\$629,196	\$624,289	\$620,392	\$644,877	\$644,831	\$644,854	\$644,940	\$645,133
Acquisition Cost PSF	\$160.00	\$160.00	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29
Hard Cost PSF	\$273.64	\$273.64	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73
Soft Cost PSF	\$54.73	\$54.73	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55
Avg. Sale Price PSF - Market Rate	\$433.18	\$473.23	\$439.85	\$439.85	\$439.85	\$439.85	\$439.85	\$439.85	\$439.85	\$439.85	\$439.85	\$439.85
Avg. Sale Price PSF - Affordable	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$466.48	\$466.45	\$466.47	\$466.52	\$466.64
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$567,300	\$567,266	\$567,283	\$567,347	\$567,493
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60
<u>Scenario Yield</u>												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	67	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	0	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-8: Feasibility Analysis Results:

Mid-Rise Condominium, Moderate Market

		Moderate Market Scenarios										
		60% AMI Target										
Baseline		MIH + 421-a Benefit										
		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
Key Assumptions - On-Site Component												
Total Dev. Cost PSF	\$525.05	\$525.65	\$480.21	\$478.35	\$476.61	\$472.89	\$469.95	\$488.40	\$488.35	\$488.35	\$488.39	\$488.51
Total Dev. Cost per Unit	\$694,047	\$694,843	\$634,782	\$632,325	\$630,014	\$625,108	\$621,210	\$645,599	\$645,533	\$645,537	\$645,588	\$645,750
Acquisition Cost PSF	\$160.00	\$160.00	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29
Hard Cost PSF	\$273.64	\$273.64	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73
Soft Cost PSF	\$54.73	\$54.73	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55
Avg. Sale Price PSF - Market Rate	\$433.18	\$473.23	\$517.51	\$517.51	\$517.51	\$517.51	\$517.51	\$480.35	\$480.35	\$480.35	\$480.35	\$480.35
Avg. Sale Price PSF - Affordable	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	n/a	n/a	n/a	n/a	n/a
Key Assumptions - Off-Site Component												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$466.93	\$466.89	\$466.89	\$466.92	\$467.02
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$567,845	\$567,795	\$567,798	\$567,836	\$567,959
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60
Scenario Yield												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	67	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	0	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
Feasibility Results												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-8: Feasibility Analysis Results:

Mid-Rise Condominium, Moderate Market

		75% AMI Target										
Baseline		MIH ONLY										
		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$525.05	\$525.65	\$479.59	\$477.74	\$475.99	\$472.28	\$469.33	\$487.85	\$487.82	\$487.83	\$487.90	\$488.04
Total Dev. Cost per Unit	\$694,047	\$694,843	\$633,963	\$631,506	\$629,196	\$624,289	\$620,392	\$644,877	\$644,831	\$644,854	\$644,940	\$645,133
Acquisition Cost PSF	\$160.00	\$160.00	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29
Hard Cost PSF	\$273.64	\$273.64	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73
Soft Cost PSF	\$54.73	\$54.73	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55
Avg. Sale Price PSF - Market Rate	\$433.18	\$473.23	\$439.85	\$439.85	\$439.85	\$439.85	\$439.85	\$439.85	\$439.85	\$439.85	\$439.85	\$439.85
Avg. Sale Price PSF - Affordable	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$466.48	\$466.45	\$466.47	\$466.52	\$466.64
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$567,300	\$567,266	\$567,283	\$567,347	\$567,493
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41
<u>Scenario Yield</u>												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	67	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	0	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-8: Feasibility Analysis Results:

Mid-Rise Condominium, Moderate Market

		75% AMI Target										
Baseline		MIH + 421-a Benefit										
		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$525.05	\$525.65	\$480.21	\$478.35	\$476.61	\$472.89	\$469.95	\$488.40	\$488.35	\$488.35	\$488.39	\$488.51
Total Dev. Cost per Unit	\$694,047	\$694,843	\$634,782	\$632,325	\$630,014	\$625,108	\$621,210	\$645,599	\$645,533	\$645,537	\$645,588	\$645,750
Acquisition Cost PSF	\$160.00	\$160.00	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29
Hard Cost PSF	\$273.64	\$273.64	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73
Soft Cost PSF	\$54.73	\$54.73	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55
Avg. Sale Price PSF - Market Rate	\$433.18	\$473.23	\$517.51	\$517.51	\$517.51	\$517.51	\$517.51	\$480.35	\$480.35	\$480.35	\$480.35	\$480.35
Avg. Sale Price PSF - Affordable	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$466.93	\$466.89	\$466.89	\$466.92	\$467.02
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$567,845	\$567,795	\$567,798	\$567,836	\$567,959
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41
<u>Scenario Yield</u>												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	67	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	0	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-8: Feasibility Analysis Results:

Mid-Rise Condominium, Moderate Market

		90% AMI Target										
Baseline		MIH ONLY										
		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$525.05	\$525.65	\$479.59	\$477.74	\$475.99	\$472.28	\$469.33	\$487.85	\$487.82	\$487.83	\$487.90	\$488.04
Total Dev. Cost per Unit	\$694,047	\$694,843	\$633,963	\$631,506	\$629,196	\$624,289	\$620,392	\$644,877	\$644,831	\$644,854	\$644,940	\$645,133
Acquisition Cost PSF	\$160.00	\$160.00	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29
Hard Cost PSF	\$273.64	\$273.64	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73
Soft Cost PSF	\$54.73	\$54.73	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55
Avg. Sale Price PSF - Market Rate	\$433.18	\$473.23	\$439.85	\$439.85	\$439.85	\$439.85	\$439.85	\$439.85	\$439.85	\$439.85	\$439.85	\$439.85
Avg. Sale Price PSF - Affordable	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$466.48	\$466.45	\$466.47	\$466.52	\$466.64
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$567,300	\$567,266	\$567,283	\$567,347	\$567,493
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30
<u>Scenario Yield</u>												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	67	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	0	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-8: Feasibility Analysis Results: Mid-Rise Condominium, Moderate Market

	90% AMI Target											
	Baseline		MIH + 421-a Benefit									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
Key Assumptions - On-Site Component												
Total Dev. Cost PSF	\$525.05	\$525.65	\$480.21	\$478.35	\$476.61	\$472.89	\$469.95	\$488.40	\$488.35	\$488.35	\$488.39	\$488.51
Total Dev. Cost per Unit	\$694,047	\$694,843	\$634,782	\$632,325	\$630,014	\$625,108	\$621,210	\$645,599	\$645,533	\$645,537	\$645,588	\$645,750
Acquisition Cost PSF	\$160.00	\$160.00	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29	\$114.29
Hard Cost PSF	\$273.64	\$273.64	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73
Soft Cost PSF	\$54.73	\$54.73	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55
Avg. Sale Price PSF - Market Rate	\$433.18	\$473.23	\$517.51	\$517.51	\$517.51	\$517.51	\$517.51	\$480.35	\$480.35	\$480.35	\$480.35	\$480.35
Avg. Sale Price PSF - Affordable	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	n/a	n/a	n/a	n/a	n/a
Key Assumptions - Off-Site Component												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$466.93	\$466.89	\$466.89	\$466.92	\$467.02
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$567,845	\$567,795	\$567,798	\$567,836	\$567,959
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30
Scenario Yield												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	67	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	0	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
Feasibility Results												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Notes:

(a) The baseline scenarios assume a project that is developed at the density permitted under current zoning conditions. Current conditions are assumed to be as follows: M1-2 for Low-Rise, R7A for Mid-Rise, R10 for High-Rise.

(b) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.

(c) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for Source: BAE, 2015.

Table G-9: Feasibility Analysis Results: Mid-Rise Condominium, Weak Market

		Weak Market Scenarios										
		60% AMI Target										
Baseline		MIH ONLY										
		On-Site Affordability					Off-Site Affordability					
	Baseline	20% at	25% at	30% at	40% at	50% at	20% at	25% at	30% at	40% at	50% at	
	(a)	60% AMI	60% AMI	60% AMI	60% AMI	60% AMI	60% AMI	60% AMI	60% AMI	60% AMI	60% AMI	
Key Assumptions - On-Site Component												
Total Dev. Cost PSF	\$392.45	\$392.62	\$385.75	\$384.00	\$382.35	\$378.78	\$375.91	\$392.72	\$392.53	\$392.40	\$392.18	\$392.06
Total Dev. Cost per Unit	\$518,769	\$519,001	\$509,911	\$507,602	\$505,413	\$500,699	\$496,908	\$519,121	\$518,876	\$518,700	\$518,417	\$518,260
Acquisition Cost PSF	\$40.00	\$40.00	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57
Hard Cost PSF	\$273.64	\$273.64	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73
Soft Cost PSF	\$54.73	\$54.73	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55
Avg. Sale Price PSF - Market Rate	\$346.54	\$375.66	\$351.88	\$351.88	\$351.88	\$351.88	\$351.88	\$351.88	\$351.88	\$351.88	\$351.88	\$351.88
Avg. Sale Price PSF - Affordable	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	n/a	n/a	n/a	n/a	n/a
Key Assumptions - Off-Site Component												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$338.75	\$338.60	\$338.49	\$338.32	\$338.22
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$411,966	\$411,781	\$411,648	\$411,434	\$411,316
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60
Scenario Yield												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	67	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	0	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
Feasibility Results												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-9: Feasibility Analysis Results: Mid-Rise Condominium, Weak Market

Weak Market Scenarios												
60% AMI Target												
Baseline		MIH + 421-a Benefit										
		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
Key Assumptions - On-Site Component												
Total Dev. Cost PSF	\$392.45	\$392.62	\$385.93	\$384.18	\$382.53	\$378.96	\$376.09	\$392.88	\$392.69	\$392.55	\$392.33	\$392.20
Total Dev. Cost per Unit	\$518,769	\$519,001	\$510,150	\$507,842	\$505,652	\$500,938	\$497,148	\$519,333	\$519,082	\$518,900	\$518,607	\$518,441
Acquisition Cost PSF	\$40.00	\$40.00	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57
Hard Cost PSF	\$273.64	\$273.64	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73
Soft Cost PSF	\$54.73	\$54.73	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55
Avg. Sale Price PSF - Market Rate	\$346.54	\$375.66	\$408.67	\$408.67	\$408.67	\$408.67	\$408.67	\$381.45	\$381.45	\$381.45	\$381.45	\$381.45
Avg. Sale Price PSF - Affordable	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	n/a	n/a	n/a	n/a	n/a
Key Assumptions - Off-Site Component												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$338.88	\$338.73	\$338.62	\$338.43	\$338.33
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$412,126	\$411,936	\$411,799	\$411,578	\$411,453
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60
Scenario Yield												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	67	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	0	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
Feasibility Results												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-9: Feasibility Analysis Results: Mid-Rise Condominium, Weak Market

		75% AMI Target										
Baseline		MIH ONLY										
		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$392.45	\$392.62	\$385.75	\$384.00	\$382.35	\$378.78	\$375.91	\$392.72	\$392.53	\$392.40	\$392.18	\$392.06
Total Dev. Cost per Unit	\$518,769	\$519,001	\$509,911	\$507,602	\$505,413	\$500,699	\$496,908	\$519,121	\$518,876	\$518,700	\$518,417	\$518,260
Acquisition Cost PSF	\$40.00	\$40.00	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57
Hard Cost PSF	\$273.64	\$273.64	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73
Soft Cost PSF	\$54.73	\$54.73	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55
Avg. Sale Price PSF - Market Rate	\$346.54	\$375.66	\$351.88	\$351.88	\$351.88	\$351.88	\$351.88	\$351.88	\$351.88	\$351.88	\$351.88	\$351.88
Avg. Sale Price PSF - Affordable	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$338.75	\$338.60	\$338.49	\$338.32	\$338.22
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$411,966	\$411,781	\$411,648	\$411,434	\$411,316
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41
<u>Scenario Yield</u>												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	67	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	0	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-9: Feasibility Analysis Results: Mid-Rise Condominium, Weak Market

		75% AMI Target										
Baseline		MIH + 421-a Benefit										
		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$392.45	\$392.62	\$385.93	\$384.18	\$382.53	\$378.96	\$376.09	\$392.88	\$392.69	\$392.55	\$392.33	\$392.20
Total Dev. Cost per Unit	\$518,769	\$519,001	\$510,150	\$507,842	\$505,652	\$500,938	\$497,148	\$519,333	\$519,082	\$518,900	\$518,607	\$518,441
Acquisition Cost PSF	\$40.00	\$40.00	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57
Hard Cost PSF	\$273.64	\$273.64	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73
Soft Cost PSF	\$54.73	\$54.73	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55
Avg. Sale Price PSF - Market Rate	\$346.54	\$375.66	\$408.67	\$408.67	\$408.67	\$408.67	\$408.67	\$381.45	\$381.45	\$381.45	\$381.45	\$381.45
Avg. Sale Price PSF - Affordable	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$338.88	\$338.73	\$338.62	\$338.43	\$338.33
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$412,126	\$411,936	\$411,799	\$411,578	\$411,453
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41
<u>Scenario Yield</u>												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	67	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	0	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-9: Feasibility Analysis Results: Mid-Rise Condominium, Weak Market

		90% AMI Target										
Baseline		MIH ONLY										
		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$392.45	\$392.62	\$385.75	\$384.00	\$382.35	\$378.78	\$375.91	\$392.72	\$392.53	\$392.40	\$392.18	\$392.06
Total Dev. Cost per Unit	\$518,769	\$519,001	\$509,911	\$507,602	\$505,413	\$500,699	\$496,908	\$519,121	\$518,876	\$518,700	\$518,417	\$518,260
Acquisition Cost PSF	\$40.00	\$40.00	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57
Hard Cost PSF	\$273.64	\$273.64	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73
Soft Cost PSF	\$54.73	\$54.73	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55
Avg. Sale Price PSF - Market Rate	\$346.54	\$375.66	\$351.88	\$351.88	\$351.88	\$351.88	\$351.88	\$351.88	\$351.88	\$351.88	\$351.88	\$351.88
Avg. Sale Price PSF - Affordable	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$338.75	\$338.60	\$338.49	\$338.32	\$338.22
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$411,966	\$411,781	\$411,648	\$411,434	\$411,316
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30
<u>Scenario Yield</u>												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	67	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	0	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-9: Feasibility Analysis Results: Mid-Rise Condominium, Weak Market

	90% AMI Target											
	Baseline		MIH + 421-a Benefit									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF	\$392.45	\$392.62	\$385.93	\$384.18	\$382.53	\$378.96	\$376.09	\$392.88	\$392.69	\$392.55	\$392.33	\$392.20
Total Dev. Cost per Unit	\$518,769	\$519,001	\$510,150	\$507,842	\$505,652	\$500,938	\$497,148	\$519,333	\$519,082	\$518,900	\$518,607	\$518,441
Acquisition Cost PSF	\$40.00	\$40.00	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57	\$28.57
Hard Cost PSF	\$273.64	\$273.64	\$278.51	\$277.53	\$276.56	\$274.29	\$272.34	\$282.73	\$282.73	\$282.73	\$282.73	\$282.73
Soft Cost PSF	\$54.73	\$54.73	\$55.70	\$55.51	\$55.31	\$54.86	\$54.47	\$56.55	\$56.55	\$56.55	\$56.55	\$56.55
Avg. Sale Price PSF - Market Rate	\$346.54	\$375.66	\$408.67	\$408.67	\$408.67	\$408.67	\$408.67	\$381.45	\$381.45	\$381.45	\$381.45	\$381.45
Avg. Sale Price PSF - Affordable	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$338.88	\$338.73	\$338.62	\$338.43	\$338.33
Total Dev. Cost per Unit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$412,126	\$411,936	\$411,799	\$411,578	\$411,453
Acquisition Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Hard Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30
<u>Scenario Yield</u>												
Total Units	67	67	93	93	93	93	93	112	117	121	130	140
Market Rate Units	67	67	75	70	65	56	47	93	93	93	93	93
Affordable Units - On-Site	0	0	19	23	28	37	47	0	0	0	0	0
Affordable Units - Off-Site	0	0	0	0	0	0	0	19	23	28	37	47
<u>Feasibility Results</u>												
Return-on-Cost (ROC)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Notes:

(a) The baseline scenarios assume a project that is developed at the density permitted under current zoning conditions. Current conditions are assumed to be as follows: M1-2 for Low-Rise, R7A for Mid-Rise, R10 for High-Rise.

(b) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.

(c) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for Source: BAE, 2015.

Table G-10: Feasibility Analysis Results:

Low-Rise Condominium, Strong Market

		Strong Market Scenarios									
		60% AMI Target									
Baseline		MIH ONLY									
		On-Site Affordability					Off-Site Affordability				
Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
Key Assumptions - On-Site Component											
Total Dev. Cost PSF		\$521.20	\$519.17	\$517.67	\$513.97	\$511.02	\$531.86	\$532.36	\$532.83	\$533.78	\$534.67
Total Dev. Cost per Unit		\$688,964	\$686,277	\$684,297	\$679,402	\$675,501	\$703,048	\$703,712	\$704,331	\$705,588	\$706,762
Acquisition Cost PSF		\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30
Hard Cost PSF		\$288.97	\$287.79	\$287.00	\$284.62	\$282.65	\$293.32	\$293.32	\$293.32	\$293.32	\$293.32
Soft Cost PSF		\$57.79	\$57.56	\$57.40	\$56.92	\$56.53	\$58.66	\$58.66	\$58.66	\$58.66	\$58.66
Avg. Sale Price PSF - Market Rate		\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79
Avg. Sale Price PSF - Affordable		\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	n/a	n/a	n/a	n/a	n/a
Key Assumptions - Off-Site Component											
Total Dev. Cost PSF		n/a	n/a	n/a	n/a	n/a	\$660.48	\$660.91	\$661.31	\$662.13	\$662.89
Total Dev. Cost per Unit		n/a	n/a	n/a	n/a	n/a	\$803,223	\$803,748	\$804,237	\$805,230	\$806,158
Acquisition Cost PSF	N/A	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	(c)	n/a	n/a	n/a	n/a	n/a	\$251.96	\$251.96	\$251.96	\$251.96	\$251.96
Soft Cost PSF		n/a	n/a	n/a	n/a	n/a	\$50.39	\$50.39	\$50.39	\$50.39	\$50.39
Avg. Market Sale Price PSF - Affordable		n/a	n/a	n/a	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60
Scenario Yield											
Total Units		77	77	77	77	77	92	96	100	107	115
Market Rate Units		61	57	54	46	38	77	77	77	77	77
Affordable Units - On-Site		15	19	23	31	38	0	0	0	0	0
Affordable Units - Off-Site		0	0	0	0	0	15	19	23	31	38
Feasibility Results											
Return-on-Cost (ROC)		72.6%	63.2%	53.6%	34.4%	14.9%	73.0%	65.7%	59.1%	47.3%	37.3%
Unleveraged IRR		28.6%	25.4%	22.0%	14.8%	6.8%	27.3%	24.8%	22.6%	18.4%	14.8%
Leveraged IRR		42.6%	37.6%	32.2%	19.9%	4.1%	40.4%	36.6%	32.9%	26.0%	19.5%

Table G-10: Feasibility Analysis Results:

Low-Rise Condominium, Strong Market

		Strong Market Scenarios									
		60% AMI Target									
Baseline		MIH + 421-a Benefit									
		On-Site Affordability					Off-Site Affordability				
Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
Key Assumptions - On-Site Component											
Total Dev. Cost PSF		\$522.32	\$520.28	\$518.79	\$515.08	\$512.13	\$531.88	\$532.39	\$532.87	\$533.83	\$534.72
Total Dev. Cost per Unit		\$690,439	\$687,752	\$685,771	\$680,877	\$676,976	\$703,083	\$703,755	\$704,381	\$705,651	\$706,836
Acquisition Cost PSF		\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30
Hard Cost PSF		\$288.97	\$287.79	\$287.00	\$284.62	\$282.65	\$293.32	\$293.32	\$293.32	\$293.32	\$293.32
Soft Cost PSF		\$57.79	\$57.56	\$57.40	\$56.92	\$56.53	\$58.66	\$58.66	\$58.66	\$58.66	\$58.66
Avg. Sale Price PSF - Market Rate		\$1,376.03	\$1,376.03	\$1,376.03	\$1,376.03	\$1,376.03	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79
Avg. Sale Price PSF - Affordable		\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	n/a	n/a	n/a	n/a	n/a
Key Assumptions - Off-Site Component											
Total Dev. Cost PSF		n/a	n/a	n/a	n/a	n/a	\$660.50	\$660.94	\$661.34	\$662.17	\$662.94
Total Dev. Cost per Unit		n/a	n/a	n/a	n/a	n/a	\$803,251	\$803,782	\$804,276	\$805,280	\$806,217
Acquisition Cost PSF	N/A	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	(c)	n/a	n/a	n/a	n/a	n/a	\$251.96	\$251.96	\$251.96	\$251.96	\$251.96
Soft Cost PSF		n/a	n/a	n/a	n/a	n/a	\$50.39	\$50.39	\$50.39	\$50.39	\$50.39
Avg. Market Sale Price PSF - Affordable		n/a	n/a	n/a	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60
Scenario Yield											
Total Units		77	77	77	77	77	92	96	100	107	115
Market Rate Units		61	57	54	46	38	77	77	77	77	77
Affordable Units - On-Site		15	19	23	31	38	0	0	0	0	0
Affordable Units - Off-Site		0	0	0	0	0	15	19	23	31	38
Feasibility Results											
Return-on-Cost (ROC)		99.8%	88.8%	77.5%	55.1%	32.3%	73.4%	66.2%	59.6%	47.9%	38.0%
Unleveraged IRR		36.8%	33.4%	29.8%	22.3%	13.8%	27.4%	25.0%	22.7%	18.6%	15.0%
Leveraged IRR		57.3%	52.2%	46.7%	34.2%	18.7%	40.6%	36.9%	33.3%	26.4%	19.9%

Table G-10: Feasibility Analysis Results:

Low-Rise Condominium, Strong Market

		75% AMI Target									
Baseline		MIH ONLY									
		On-Site Affordability					Off-Site Affordability				
Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>											
Total Dev. Cost PSF		\$521.20	\$519.17	\$517.67	\$513.97	\$511.02	\$531.86	\$532.36	\$532.83	\$533.78	\$534.67
Total Dev. Cost per Unit		\$688,964	\$686,277	\$684,297	\$679,402	\$675,501	\$703,048	\$703,712	\$704,331	\$705,588	\$706,762
Acquisition Cost PSF		\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30
Hard Cost PSF		\$288.97	\$287.79	\$287.00	\$284.62	\$282.65	\$293.32	\$293.32	\$293.32	\$293.32	\$293.32
Soft Cost PSF		\$57.79	\$57.56	\$57.40	\$56.92	\$56.53	\$58.66	\$58.66	\$58.66	\$58.66	\$58.66
Avg. Sale Price PSF - Market Rate		\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79
Avg. Sale Price PSF - Affordable		\$138.41	\$138.41	\$138.41	\$138.41	\$138.41	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>											
Total Dev. Cost PSF		n/a	n/a	n/a	n/a	n/a	\$660.48	\$660.91	\$661.31	\$662.13	\$662.89
Total Dev. Cost per Unit		n/a	n/a	n/a	n/a	n/a	\$803,223	\$803,748	\$804,237	\$805,230	\$806,158
Acquisition Cost PSF	N/A	n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF	(c)	n/a	n/a	n/a	n/a	n/a	\$251.96	\$251.96	\$251.96	\$251.96	\$251.96
Soft Cost PSF		n/a	n/a	n/a	n/a	n/a	\$50.39	\$50.39	\$50.39	\$50.39	\$50.39
Avg. Market Sale Price PSF - Affordable		n/a	n/a	n/a	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41
<u>Scenario Yield</u>											
Total Units		77	77	77	77	77	92	96	100	107	115
Market Rate Units		61	57	54	46	38	77	77	77	77	77
Affordable Units - On-Site		15	19	23	31	38	0	0	0	0	0
Affordable Units - Off-Site		0	0	0	0	0	15	19	23	31	38
<u>Feasibility Results</u>											
Return-on-Cost (ROC)		74.2%	65.1%	55.8%	37.4%	18.6%	74.2%	67.2%	60.7%	49.4%	39.7%
Unleveraged IRR		29.1%	26.1%	22.8%	16.0%	8.4%	27.7%	25.3%	23.1%	19.1%	15.7%
Leveraged IRR		43.3%	38.7%	33.5%	22.0%	7.5%	41.0%	37.4%	33.9%	27.2%	21.0%

Table G-10: Feasibility Analysis Results:

Low-Rise Condominium, Strong Market

	Baseline		75% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$522.32	\$520.28	\$518.79	\$515.08	\$512.13	\$531.88	\$532.39	\$532.87	\$533.83	\$534.72
Total Dev. Cost per Unit			\$690,439	\$687,752	\$685,771	\$680,877	\$676,976	\$703,083	\$703,755	\$704,381	\$705,651	\$706,836
Acquisition Cost PSF			\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30
Hard Cost PSF			\$288.97	\$287.79	\$287.00	\$284.62	\$282.65	\$293.32	\$293.32	\$293.32	\$293.32	\$293.32
Soft Cost PSF			\$57.79	\$57.56	\$57.40	\$56.92	\$56.53	\$58.66	\$58.66	\$58.66	\$58.66	\$58.66
Avg. Sale Price PSF - Market Rate			\$1,376.03	\$1,376.03	\$1,376.03	\$1,376.03	\$1,376.03	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79
Avg. Sale Price PSF - Affordable			\$138.41	\$138.41	\$138.41	\$138.41	\$138.41	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$660.50	\$660.94	\$661.34	\$662.17	\$662.94
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$803,251	\$803,782	\$804,276	\$805,280	\$806,217
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF			n/a	n/a	n/a	n/a	n/a	\$251.96	\$251.96	\$251.96	\$251.96	\$251.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$50.39	\$50.39	\$50.39	\$50.39	\$50.39
Avg. Market Sale Price PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41
<u>Scenario Yield</u>												
Total Units			77	77	77	77	77	92	96	100	107	115
Market Rate Units			61	57	54	46	38	77	77	77	77	77
Affordable Units - On-Site			15	19	23	31	38	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	15	19	23	31	38
<u>Feasibility Results</u>												
Return-on-Cost (ROC)			101.4%	90.7%	79.8%	58.2%	36.1%	74.6%	67.6%	61.2%	49.9%	40.3%
Unleveraged IRR			37.2%	34.0%	30.6%	23.4%	15.3%	27.8%	25.4%	23.3%	19.3%	15.9%
Leveraged IRR			58.0%	53.2%	47.9%	36.1%	21.6%	41.3%	37.7%	34.2%	27.6%	21.5%

Table G-10: Feasibility Analysis Results:

Low-Rise Condominium, Strong Market

	Baseline		90% AMI Target									
	Baseline		MIH ONLY									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$521.20	\$519.17	\$517.67	\$513.97	\$511.02	\$531.86	\$532.36	\$532.83	\$533.78	\$534.67
Total Dev. Cost per Unit			\$688,964	\$686,277	\$684,297	\$679,402	\$675,501	\$703,048	\$703,712	\$704,331	\$705,588	\$706,762
Acquisition Cost PSF			\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30
Hard Cost PSF			\$288.97	\$287.79	\$287.00	\$284.62	\$282.65	\$293.32	\$293.32	\$293.32	\$293.32	\$293.32
Soft Cost PSF			\$57.79	\$57.56	\$57.40	\$56.92	\$56.53	\$58.66	\$58.66	\$58.66	\$58.66	\$58.66
Avg. Sale Price PSF - Market Rate			\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79
Avg. Sale Price PSF - Affordable			\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$660.48	\$660.91	\$661.31	\$662.13	\$662.89
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$803,223	\$803,748	\$804,237	\$805,230	\$806,158
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF			n/a	n/a	n/a	n/a	n/a	\$251.96	\$251.96	\$251.96	\$251.96	\$251.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$50.39	\$50.39	\$50.39	\$50.39	\$50.39
Avg. Market Sale Price PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30
<u>Scenario Yield</u>												
Total Units			77	77	77	77	77	92	96	100	107	115
Market Rate Units			61	57	54	46	38	77	77	77	77	77
Affordable Units - On-Site			15	19	23	31	38	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	15	19	23	31	38
<u>Feasibility Results</u>												
Return-on-Cost (ROC)			75.7%	67.0%	58.1%	40.4%	22.4%	75.5%	68.6%	62.4%	51.4%	42.0%
Unleveraged IRR			29.6%	26.7%	23.6%	17.1%	10.0%	28.0%	25.8%	23.6%	19.8%	16.5%
Leveraged IRR			44.1%	39.7%	34.9%	24.1%	10.7%	41.7%	38.1%	34.8%	28.5%	22.6%

Table G-10: Feasibility Analysis Results:

Low-Rise Condominium, Strong Market

	Baseline		90% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$522.32	\$520.28	\$518.79	\$515.08	\$512.13	\$531.88	\$532.39	\$532.87	\$533.83	\$534.72
Total Dev. Cost per Unit			\$690,439	\$687,752	\$685,771	\$680,877	\$676,976	\$703,083	\$703,755	\$704,381	\$705,651	\$706,836
Acquisition Cost PSF			\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30	\$141.30
Hard Cost PSF			\$288.97	\$287.79	\$287.00	\$284.62	\$282.65	\$293.32	\$293.32	\$293.32	\$293.32	\$293.32
Soft Cost PSF			\$57.79	\$57.56	\$57.40	\$56.92	\$56.53	\$58.66	\$58.66	\$58.66	\$58.66	\$58.66
Avg. Sale Price PSF - Market Rate			\$1,376.03	\$1,376.03	\$1,376.03	\$1,376.03	\$1,376.03	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79	\$1,228.79
Avg. Sale Price PSF - Affordable			\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$660.50	\$660.94	\$661.34	\$662.17	\$662.94
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$803,251	\$803,782	\$804,276	\$805,280	\$806,217
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$325.00	\$325.00	\$325.00	\$325.00	\$325.00
Hard Cost PSF			n/a	n/a	n/a	n/a	n/a	\$251.96	\$251.96	\$251.96	\$251.96	\$251.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$50.39	\$50.39	\$50.39	\$50.39	\$50.39
Avg. Market Sale Price PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30
<u>Scenario Yield</u>												
Total Units			77	77	77	77	77	92	96	100	107	115
Market Rate Units			61	57	54	46	38	77	77	77	77	77
Affordable Units - On-Site			15	19	23	31	38	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	15	19	23	31	38
<u>Feasibility Results</u>												
Return-on-Cost (ROC)			103.0%	92.7%	82.2%	61.3%	40.0%	75.8%	69.1%	62.9%	51.9%	42.6%
Unleveraged IRR			37.7%	34.6%	31.3%	24.4%	16.8%	28.2%	25.9%	23.8%	20.0%	16.7%
Leveraged IRR			58.7%	54.1%	49.1%	37.9%	24.4%	41.9%	38.4%	35.1%	28.9%	23.0%

Notes:

(a) The baseline scenarios assume a project that is developed at the density permitted under current zoning conditions. Current conditions are assumed to be as follows: M1-2 for Low-Rise, R7A for Mid-Rise, R10 for High-Rise.

(b) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.

(c) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for residential use.

Source: BAE, 2015.

Table G-11: Feasibility Analysis Results:

Low-Rise Condominium, Mid-Market

Mid-Market Scenarios											
60% AMI Target											
Baseline		MIH ONLY									
		On-Site Affordability					Off-Site Affordability				
Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>											
Total Dev. Cost PSF		\$484.75	\$482.76	\$481.29	\$477.64	\$474.72	\$494.76	\$495.17	\$495.55	\$496.33	\$497.07
Total Dev. Cost per Unit		\$640,780	\$638,142	\$636,208	\$631,379	\$627,520	\$654,008	\$654,548	\$655,052	\$656,092	\$657,070
Acquisition Cost PSF		\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57
Hard Cost PSF		\$278.97	\$277.79	\$277.00	\$274.62	\$272.65	\$283.32	\$283.32	\$283.32	\$283.32	\$283.32
Soft Cost PSF		\$55.79	\$55.56	\$55.40	\$54.92	\$54.53	\$56.66	\$56.66	\$56.66	\$56.66	\$56.66
Avg. Sale Price PSF - Market Rate		\$534.91	\$534.91	\$534.91	\$534.91	\$534.91	\$534.91	\$534.91	\$534.91	\$534.91	\$534.91
Avg. Sale Price PSF - Affordable		\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>											
Total Dev. Cost PSF		n/a	n/a	n/a	n/a	n/a	\$595.42	\$595.77	\$596.09	\$596.76	\$597.39
Total Dev. Cost per Unit		n/a	n/a	n/a	n/a	n/a	\$724,100	\$724,525	\$724,920	\$725,737	\$726,506
Acquisition Cost PSF	N/A	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	(c)	n/a	n/a	n/a	n/a	n/a	\$241.96	\$241.96	\$241.96	\$241.96	\$241.96
Soft Cost PSF		n/a	n/a	n/a	n/a	n/a	\$48.39	\$48.39	\$48.39	\$48.39	\$48.39
Avg. Market Sale Price PSF - Affordable		n/a	n/a	n/a	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60
<u>Scenario Yield</u>											
Total Units		77	77	77	77	77	92	96	100	107	115
Market Rate Units		61	57	54	46	38	77	77	77	77	77
Affordable Units - On-Site		15	19	23	31	38	0	0	0	0	0
Affordable Units - Off-Site		0	0	0	0	0	15	19	23	31	38
<u>Feasibility Results</u>											
Return-on-Cost (ROC)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-11: Feasibility Analysis Results: Low-Rise Condominium, Mid-Market

		Mid-Market Scenarios									
		60% AMI Target									
Baseline		MIH + 421-a Benefit									
		On-Site Affordability					Off-Site Affordability				
Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>											
Total Dev. Cost PSF		\$485.58	\$483.59	\$482.12	\$478.47	\$475.55	\$495.49	\$495.88	\$496.25	\$497.00	\$497.71
Total Dev. Cost per Unit		\$641,879	\$639,240	\$637,306	\$632,477	\$628,618	\$654,982	\$655,496	\$655,976	\$656,971	\$657,910
Acquisition Cost PSF		\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57
Hard Cost PSF		\$278.97	\$277.79	\$277.00	\$274.62	\$272.65	\$283.32	\$283.32	\$283.32	\$283.32	\$283.32
Soft Cost PSF		\$55.79	\$55.56	\$55.40	\$54.92	\$54.53	\$56.66	\$56.66	\$56.66	\$56.66	\$56.66
Avg. Sale Price PSF - Market Rate		\$643.97	\$643.97	\$643.97	\$643.97	\$643.97	\$591.53	\$591.53	\$591.53	\$591.53	\$591.53
Avg. Sale Price PSF - Affordable		\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>											
Total Dev. Cost PSF		n/a	n/a	n/a	n/a	n/a	\$596.05	\$596.38	\$596.69	\$597.33	\$597.94
Total Dev. Cost per Unit		n/a	n/a	n/a	n/a	n/a	\$724,865	\$725,270	\$725,646	\$726,428	\$727,166
Acquisition Cost PSF	N/A	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	(c)	n/a	n/a	n/a	n/a	n/a	\$241.96	\$241.96	\$241.96	\$241.96	\$241.96
Soft Cost PSF		n/a	n/a	n/a	n/a	n/a	\$48.39	\$48.39	\$48.39	\$48.39	\$48.39
Avg. Market Sale Price PSF - Affordable		n/a	n/a	n/a	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60
<u>Scenario Yield</u>											
Total Units		77	77	77	77	77	92	96	100	107	115
Market Rate Units		61	57	54	46	38	77	77	77	77	77
Affordable Units - On-Site		15	19	23	31	38	0	0	0	0	0
Affordable Units - Off-Site		0	0	0	0	0	15	19	23	31	38
<u>Feasibility Results</u>											
Return-on-Cost (ROC)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-11: Feasibility Analysis Results:

Low-Rise Condominium, Mid-Market

		75% AMI Target									
Baseline		MIH ONLY									
		On-Site Affordability					Off-Site Affordability				
Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>											
Total Dev. Cost PSF		\$484.75	\$482.76	\$481.29	\$477.64	\$474.72	\$494.76	\$495.17	\$495.55	\$496.33	\$497.07
Total Dev. Cost per Unit		\$640,780	\$638,142	\$636,208	\$631,379	\$627,520	\$654,008	\$654,548	\$655,052	\$656,092	\$657,070
Acquisition Cost PSF		\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57
Hard Cost PSF		\$278.97	\$277.79	\$277.00	\$274.62	\$272.65	\$283.32	\$283.32	\$283.32	\$283.32	\$283.32
Soft Cost PSF		\$55.79	\$55.56	\$55.40	\$54.92	\$54.53	\$56.66	\$56.66	\$56.66	\$56.66	\$56.66
Avg. Sale Price PSF - Market Rate		\$534.91	\$534.91	\$534.91	\$534.91	\$534.91	\$534.91	\$534.91	\$534.91	\$534.91	\$534.91
Avg. Sale Price PSF - Affordable		\$138.41	\$138.41	\$138.41	\$138.41	\$138.41	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>											
Total Dev. Cost PSF		n/a	n/a	n/a	n/a	n/a	\$595.42	\$595.77	\$596.09	\$596.76	\$597.39
Total Dev. Cost per Unit		n/a	n/a	n/a	n/a	n/a	\$724,100	\$724,525	\$724,920	\$725,737	\$726,506
Acquisition Cost PSF	N/A	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	(c)	n/a	n/a	n/a	n/a	n/a	\$241.96	\$241.96	\$241.96	\$241.96	\$241.96
Soft Cost PSF		n/a	n/a	n/a	n/a	n/a	\$48.39	\$48.39	\$48.39	\$48.39	\$48.39
Avg. Market Sale Price PSF - Affordable		n/a	n/a	n/a	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41
<u>Scenario Yield</u>											
Total Units		77	77	77	77	77	92	96	100	107	115
Market Rate Units		61	57	54	46	38	77	77	77	77	77
Affordable Units - On-Site		15	19	23	31	38	0	0	0	0	0
Affordable Units - Off-Site		0	0	0	0	0	15	19	23	31	38
<u>Feasibility Results</u>											
Return-on-Cost (ROC)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-11: Feasibility Analysis Results:

Low-Rise Condominium, Mid-Market

	75% AMI Target											
	Baseline		MIH + 421-a Benefit									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$485.58	\$483.59	\$482.12	\$478.47	\$475.55	\$495.49	\$495.88	\$496.25	\$497.00	\$497.71
Total Dev. Cost per Unit			\$641,879	\$639,240	\$637,306	\$632,477	\$628,618	\$654,982	\$655,496	\$655,976	\$656,971	\$657,910
Acquisition Cost PSF			\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57
Hard Cost PSF			\$278.97	\$277.79	\$277.00	\$274.62	\$272.65	\$283.32	\$283.32	\$283.32	\$283.32	\$283.32
Soft Cost PSF			\$55.79	\$55.56	\$55.40	\$54.92	\$54.53	\$56.66	\$56.66	\$56.66	\$56.66	\$56.66
Avg. Sale Price PSF - Market Rate			\$643.97	\$643.97	\$643.97	\$643.97	\$643.97	\$591.53	\$591.53	\$591.53	\$591.53	\$591.53
Avg. Sale Price PSF - Affordable			\$138.41	\$138.41	\$138.41	\$138.41	\$138.41	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$596.05	\$596.38	\$596.69	\$597.33	\$597.94
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$724,865	\$725,270	\$725,646	\$726,428	\$727,166
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$241.96	\$241.96	\$241.96	\$241.96	\$241.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$48.39	\$48.39	\$48.39	\$48.39	\$48.39
Avg. Market Sale Price PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41
<u>Scenario Yield</u>												
Total Units			77	77	77	77	77	92	96	100	107	115
Market Rate Units			61	57	54	46	38	77	77	77	77	77
Affordable Units - On-Site			15	19	23	31	38	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	15	19	23	31	38
<u>Feasibility Results</u>												
Return-on-Cost (ROC)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-11: Feasibility Analysis Results:

Low-Rise Condominium, Mid-Market

		90% AMI Target									
Baseline		MIH ONLY									
		On-Site Affordability					Off-Site Affordability				
Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>											
Total Dev. Cost PSF		\$484.75	\$482.76	\$481.29	\$477.64	\$474.72	\$494.76	\$495.17	\$495.55	\$496.33	\$497.07
Total Dev. Cost per Unit		\$640,780	\$638,142	\$636,208	\$631,379	\$627,520	\$654,008	\$654,548	\$655,052	\$656,092	\$657,070
Acquisition Cost PSF		\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57
Hard Cost PSF		\$278.97	\$277.79	\$277.00	\$274.62	\$272.65	\$283.32	\$283.32	\$283.32	\$283.32	\$283.32
Soft Cost PSF		\$55.79	\$55.56	\$55.40	\$54.92	\$54.53	\$56.66	\$56.66	\$56.66	\$56.66	\$56.66
Avg. Sale Price PSF - Market Rate		\$534.91	\$534.91	\$534.91	\$534.91	\$534.91	\$534.91	\$534.91	\$534.91	\$534.91	\$534.91
Avg. Sale Price PSF - Affordable		\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>											
Total Dev. Cost PSF		n/a	n/a	n/a	n/a	n/a	\$595.42	\$595.77	\$596.09	\$596.76	\$597.39
Total Dev. Cost per Unit		n/a	n/a	n/a	n/a	n/a	\$724,100	\$724,525	\$724,920	\$725,737	\$726,506
Acquisition Cost PSF	N/A	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF	(c)	n/a	n/a	n/a	n/a	n/a	\$241.96	\$241.96	\$241.96	\$241.96	\$241.96
Soft Cost PSF		n/a	n/a	n/a	n/a	n/a	\$48.39	\$48.39	\$48.39	\$48.39	\$48.39
Avg. Market Sale Price PSF - Affordable		n/a	n/a	n/a	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30
<u>Scenario Yield</u>											
Total Units		77	77	77	77	77	92	96	100	107	115
Market Rate Units		61	57	54	46	38	77	77	77	77	77
Affordable Units - On-Site		15	19	23	31	38	0	0	0	0	0
Affordable Units - Off-Site		0	0	0	0	0	15	19	23	31	38
<u>Feasibility Results</u>											
Return-on-Cost (ROC)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-11: Feasibility Analysis Results:

Low-Rise Condominium, Mid-Market

	Baseline		90% AMI Target									
	Baseline		MIH + 421-a Benefit									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$485.58	\$483.59	\$482.12	\$478.47	\$475.55	\$495.49	\$495.88	\$496.25	\$497.00	\$497.71
Total Dev. Cost per Unit			\$641,879	\$639,240	\$637,306	\$632,477	\$628,618	\$654,982	\$655,496	\$655,976	\$656,971	\$657,910
Acquisition Cost PSF			\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57	\$119.57
Hard Cost PSF			\$278.97	\$277.79	\$277.00	\$274.62	\$272.65	\$283.32	\$283.32	\$283.32	\$283.32	\$283.32
Soft Cost PSF			\$55.79	\$55.56	\$55.40	\$54.92	\$54.53	\$56.66	\$56.66	\$56.66	\$56.66	\$56.66
Avg. Sale Price PSF - Market Rate			\$643.97	\$643.97	\$643.97	\$643.97	\$643.97	\$591.53	\$591.53	\$591.53	\$591.53	\$591.53
Avg. Sale Price PSF - Affordable			\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$596.05	\$596.38	\$596.69	\$597.33	\$597.94
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$724,865	\$725,270	\$725,646	\$726,428	\$727,166
Acquisition Cost PSF		N/A	n/a	n/a	n/a	n/a	n/a	\$275.00	\$275.00	\$275.00	\$275.00	\$275.00
Hard Cost PSF		(c)	n/a	n/a	n/a	n/a	n/a	\$241.96	\$241.96	\$241.96	\$241.96	\$241.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$48.39	\$48.39	\$48.39	\$48.39	\$48.39
Avg. Market Sale Price PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30
<u>Scenario Yield</u>												
Total Units			77	77	77	77	77	92	96	100	107	115
Market Rate Units			61	57	54	46	38	77	77	77	77	77
Affordable Units - On-Site			15	19	23	31	38	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	15	19	23	31	38
<u>Feasibility Results</u>												
Return-on-Cost (ROC)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Notes:

(a) The baseline scenarios assume a project that is developed at the density permitted under current zoning conditions. Current conditions are assumed to be as follows: M1-2 for Low-Rise, R7A for Mid-Rise, R10 for High-Rise.

(b) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.

(c) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for Source: BAE, 2015.

Table G-12: Feasibility Analysis Results: Low-Rise Condominium, Moderate Market

Moderate Market Scenarios											
60% AMI Target											
Baseline		MIH ONLY									
		On-Site Affordability					Off-Site Affordability				
Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
Key Assumptions - On-Site Component											
Total Dev. Cost PSF		\$416.88	\$414.95	\$413.55	\$409.99	\$407.13	\$425.41	\$425.58	\$425.75	\$426.13	\$426.51
Total Dev. Cost per Unit		\$551,060	\$548,511	\$546,661	\$541,952	\$538,172	\$562,332	\$562,566	\$562,784	\$563,289	\$563,788
Acquisition Cost PSF		\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57
Hard Cost PSF		\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF		\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Sale Price PSF - Market Rate		\$433.18	\$433.18	\$433.18	\$433.18	\$433.18	\$433.18	\$433.18	\$433.18	\$433.18	\$433.18
Avg. Sale Price PSF - Affordable		\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	n/a	n/a	n/a	n/a	n/a
Key Assumptions - Off-Site Component											
Total Dev. Cost PSF		n/a	n/a	n/a	n/a	n/a	\$461.99	\$462.14	\$462.28	\$462.60	\$462.92
Total Dev. Cost per Unit		n/a	n/a	n/a	n/a	n/a	\$561,835	\$562,017	\$562,188	\$562,582	\$562,971
Acquisition Cost PSF	N/A	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	(c)	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF		n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable		n/a	n/a	n/a	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60
Scenario Yield											
Total Units		77	77	77	77	77	92	96	100	107	115
Market Rate Units		61	57	54	46	38	77	77	77	77	77
Affordable Units - On-Site		15	19	23	31	38	0	0	0	0	0
Affordable Units - Off-Site		0	0	0	0	0	15	19	23	31	38
Feasibility Results											
Return-on-Cost (ROC)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-12: Feasibility Analysis Results: Low-Rise Condominium, Moderate Market

		Moderate Market Scenarios									
		60% AMI Target									
Baseline		MIH + 421-a Benefit									
		On-Site Affordability					Off-Site Affordability				
Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>											
Total Dev. Cost PSF		\$417.49	\$415.56	\$414.16	\$410.60	\$407.74	\$425.94	\$426.10	\$426.25	\$426.61	\$426.96
Total Dev. Cost per Unit		\$551,866	\$549,318	\$547,467	\$542,759	\$538,978	\$563,041	\$563,254	\$563,453	\$563,923	\$564,390
Acquisition Cost PSF		\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57
Hard Cost PSF		\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF		\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Sale Price PSF - Market Rate		\$510.45	\$510.45	\$510.45	\$510.45	\$510.45	\$473.43	\$473.43	\$473.43	\$473.43	\$473.43
Avg. Sale Price PSF - Affordable		\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>											
Total Dev. Cost PSF		n/a	n/a	n/a	n/a	n/a	\$462.44	\$462.58	\$462.71	\$463.01	\$463.31
Total Dev. Cost per Unit		n/a	n/a	n/a	n/a	n/a	\$562,388	\$562,554	\$562,710	\$563,077	\$563,442
Acquisition Cost PSF	N/A	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	(c)	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF		n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable		n/a	n/a	n/a	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60
<u>Scenario Yield</u>											
Total Units		77	77	77	77	77	92	96	100	107	115
Market Rate Units		61	57	54	46	38	77	77	77	77	77
Affordable Units - On-Site		15	19	23	31	38	0	0	0	0	0
Affordable Units - Off-Site		0	0	0	0	0	15	19	23	31	38
<u>Feasibility Results</u>											
Return-on-Cost (ROC)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-12: Feasibility Analysis Results:

Low-Rise Condominium, Moderate Market

		75% AMI Target									
Baseline		MIH ONLY									
		On-Site Affordability					Off-Site Affordability				
Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>											
Total Dev. Cost PSF		\$416.88	\$414.95	\$413.55	\$409.99	\$407.13	\$425.41	\$425.58	\$425.75	\$426.13	\$426.51
Total Dev. Cost per Unit		\$551,060	\$548,511	\$546,661	\$541,952	\$538,172	\$562,332	\$562,566	\$562,784	\$563,289	\$563,788
Acquisition Cost PSF		\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57
Hard Cost PSF		\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF		\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Sale Price PSF - Market Rate		\$433.18	\$433.18	\$433.18	\$433.18	\$433.18	\$433.18	\$433.18	\$433.18	\$433.18	\$433.18
Avg. Sale Price PSF - Affordable		\$138.41	\$138.41	\$138.41	\$138.41	\$138.41	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>											
Total Dev. Cost PSF		n/a	n/a	n/a	n/a	n/a	\$461.99	\$462.14	\$462.28	\$462.60	\$462.92
Total Dev. Cost per Unit		n/a	n/a	n/a	n/a	n/a	\$561,835	\$562,017	\$562,188	\$562,582	\$562,971
Acquisition Cost PSF	N/A	n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	(c)	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF		n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable		n/a	n/a	n/a	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41
<u>Scenario Yield</u>											
Total Units		77	77	77	77	77	92	96	100	107	115
Market Rate Units		61	57	54	46	38	77	77	77	77	77
Affordable Units - On-Site		15	19	23	31	38	0	0	0	0	0
Affordable Units - Off-Site		0	0	0	0	0	15	19	23	31	38
<u>Feasibility Results</u>											
Return-on-Cost (ROC)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-12: Feasibility Analysis Results:

Low-Rise Condominium, Moderate Market

	75% AMI Target											
	Baseline		MIH + 421-a Benefit									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$417.49	\$415.56	\$414.16	\$410.60	\$407.74	\$425.94	\$426.10	\$426.25	\$426.61	\$426.96
Total Dev. Cost per Unit			\$551,866	\$549,318	\$547,467	\$542,759	\$538,978	\$563,041	\$563,254	\$563,453	\$563,923	\$564,390
Acquisition Cost PSF			\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Sale Price PSF - Market Rate			\$510.45	\$510.45	\$510.45	\$510.45	\$510.45	\$473.43	\$473.43	\$473.43	\$473.43	\$473.43
Avg. Sale Price PSF - Affordable			\$138.41	\$138.41	\$138.41	\$138.41	\$138.41	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$462.44	\$462.58	\$462.71	\$463.01	\$463.31
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$562,388	\$562,554	\$562,710	\$563,077	\$563,442
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41
<u>Scenario Yield</u>												
Total Units			77	77	77	77	77	92	96	100	107	115
Market Rate Units			61	57	54	46	38	77	77	77	77	77
Affordable Units - On-Site			15	19	23	31	38	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	15	19	23	31	38
<u>Feasibility Results</u>												
Return-on-Cost (ROC)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-12: Feasibility Analysis Results:

Low-Rise Condominium, Moderate Market

	90% AMI Target											
	Baseline		MIH ONLY									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$416.88	\$414.95	\$413.55	\$409.99	\$407.13	\$425.41	\$425.58	\$425.75	\$426.13	\$426.51
Total Dev. Cost per Unit			\$551,060	\$548,511	\$546,661	\$541,952	\$538,172	\$562,332	\$562,566	\$562,784	\$563,289	\$563,788
Acquisition Cost PSF			\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Sale Price PSF - Market Rate			\$433.18	\$433.18	\$433.18	\$433.18	\$433.18	\$433.18	\$433.18	\$433.18	\$433.18	\$433.18
Avg. Sale Price PSF - Affordable			\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$461.99	\$462.14	\$462.28	\$462.60	\$462.92
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$561,835	\$562,017	\$562,188	\$562,582	\$562,971
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30
<u>Scenario Yield</u>												
Total Units			77	77	77	77	77	92	96	100	107	115
Market Rate Units			61	57	54	46	38	77	77	77	77	77
Affordable Units - On-Site			15	19	23	31	38	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	15	19	23	31	38
<u>Feasibility Results</u>												
Return-on-Cost (ROC)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-12: Feasibility Analysis Results:

Low-Rise Condominium, Moderate Market

	90% AMI Target											
	Baseline		MIH + 421-a Benefit									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$417.49	\$415.56	\$414.16	\$410.60	\$407.74	\$425.94	\$426.10	\$426.25	\$426.61	\$426.96
Total Dev. Cost per Unit			\$551,866	\$549,318	\$547,467	\$542,759	\$538,978	\$563,041	\$563,254	\$563,453	\$563,923	\$564,390
Acquisition Cost PSF			\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57	\$69.57
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Sale Price PSF - Market Rate			\$510.45	\$510.45	\$510.45	\$510.45	\$510.45	\$473.43	\$473.43	\$473.43	\$473.43	\$473.43
Avg. Sale Price PSF - Affordable			\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$462.44	\$462.58	\$462.71	\$463.01	\$463.31
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$562,388	\$562,554	\$562,710	\$563,077	\$563,442
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$160.00	\$160.00	\$160.00	\$160.00	\$160.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30
<u>Scenario Yield</u>												
Total Units			77	77	77	77	77	92	96	100	107	115
Market Rate Units			61	57	54	46	38	77	77	77	77	77
Affordable Units - On-Site			15	19	23	31	38	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	15	19	23	31	38
<u>Feasibility Results</u>												
Return-on-Cost (ROC)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Notes:

(a) The baseline scenarios assume a project that is developed at the density permitted under current zoning conditions. Current conditions are assumed to be as follows: M1-2 for Low-Rise, R7A for Mid-Rise, R10 for High-Rise.

(b) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.

(c) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for Source: BAE, 2015.

Table G-13: Feasibility Analysis Results: Low-Rise Condominium, Weak Market

		Weak Market Scenarios									
		60% AMI Target					MIH ONLY				
Baseline		On-Site Affordability					Off-Site Affordability				
Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>											
Total Dev. Cost PSF		\$360.77	\$358.89	\$357.54	\$354.04	\$351.21	\$367.68	\$367.58	\$367.48	\$367.38	\$367.32
Total Dev. Cost per Unit		\$476,892	\$474,407	\$472,620	\$467,990	\$464,257	\$486,025	\$485,889	\$485,763	\$485,629	\$485,556
Acquisition Cost PSF		\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39
Hard Cost PSF		\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF		\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Sale Price PSF - Market Rate		\$346.54	\$346.54	\$346.54	\$346.54	\$346.54	\$346.54	\$346.54	\$346.54	\$346.54	\$346.54
Avg. Sale Price PSF - Affordable		\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>											
Total Dev. Cost PSF		n/a	n/a	n/a	n/a	n/a	\$337.28	\$337.19	\$337.11	\$337.02	\$336.97
Total Dev. Cost per Unit		n/a	n/a	n/a	n/a	n/a	\$410,169	\$410,063	\$409,965	\$409,860	\$409,803
Acquisition Cost PSF	N/A	n/a	n/a	n/a	n/a	n/a	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Hard Cost PSF	(c)	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF		n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable		n/a	n/a	n/a	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60
<u>Scenario Yield</u>											
Total Units		77	77	77	77	77	92	96	100	107	115
Market Rate Units		61	57	54	46	38	77	77	77	77	77
Affordable Units - On-Site		15	19	23	31	38	0	0	0	0	0
Affordable Units - Off-Site		0	0	0	0	0	15	19	23	31	38
<u>Feasibility Results</u>											
Return-on-Cost (ROC)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-13: Feasibility Analysis Results: Low-Rise Condominium, Weak Market

		Weak Market Scenarios									
		60% AMI Target					MIH + 421-a Benefit				
Baseline		On-Site Affordability					Off-Site Affordability				
Baseline (a)	Baseline w/ 421-a (b)	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI	20% at 60% AMI	25% at 60% AMI	30% at 60% AMI	40% at 60% AMI	50% at 60% AMI
<u>Key Assumptions - On-Site Component</u>											
Total Dev. Cost PSF		\$360.95	\$359.07	\$357.72	\$354.21	\$351.39	\$367.83	\$367.73	\$367.63	\$367.52	\$367.46
Total Dev. Cost per Unit		\$477,127	\$474,643	\$472,855	\$468,225	\$464,492	\$486,232	\$486,090	\$485,959	\$485,815	\$485,733
Acquisition Cost PSF		\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39
Hard Cost PSF		\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF		\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Sale Price PSF - Market Rate		\$402.94	\$402.94	\$402.94	\$402.94	\$402.94	\$375.86	\$375.86	\$375.86	\$375.86	\$375.86
Avg. Sale Price PSF - Affordable		\$90.60	\$90.60	\$90.60	\$90.60	\$90.60	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>											
Total Dev. Cost PSF		n/a	n/a	n/a	n/a	n/a	\$337.41	\$337.32	\$337.23	\$337.14	\$337.09
Total Dev. Cost per Unit		n/a	n/a	n/a	n/a	n/a	\$410,331	\$410,220	\$410,118	\$410,005	\$409,941
Acquisition Cost PSF	N/A	n/a	n/a	n/a	n/a	n/a	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Hard Cost PSF	(c)	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF		n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable		n/a	n/a	n/a	n/a	n/a	\$90.60	\$90.60	\$90.60	\$90.60	\$90.60
<u>Scenario Yield</u>											
Total Units		77	77	77	77	77	92	96	100	107	115
Market Rate Units		61	57	54	46	38	77	77	77	77	77
Affordable Units - On-Site		15	19	23	31	38	0	0	0	0	0
Affordable Units - Off-Site		0	0	0	0	0	15	19	23	31	38
<u>Feasibility Results</u>											
Return-on-Cost (ROC)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-13: Feasibility Analysis Results:

Low-Rise Condominium, Weak Market

		75% AMI Target									
Baseline		MIH ONLY									
		On-Site Affordability					Off-Site Affordability				
Baseline (a)	Baseline w/ 421-a (b)	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>											
Total Dev. Cost PSF		\$360.77	\$358.89	\$357.54	\$354.04	\$351.21	\$367.68	\$367.58	\$367.48	\$367.38	\$367.32
Total Dev. Cost per Unit		\$476,892	\$474,407	\$472,620	\$467,990	\$464,257	\$486,025	\$485,889	\$485,763	\$485,629	\$485,556
Acquisition Cost PSF		\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39
Hard Cost PSF		\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF		\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Sale Price PSF - Market Rate		\$346.54	\$346.54	\$346.54	\$346.54	\$346.54	\$346.54	\$346.54	\$346.54	\$346.54	\$346.54
Avg. Sale Price PSF - Affordable		\$138.41	\$138.41	\$138.41	\$138.41	\$138.41	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>											
Total Dev. Cost PSF		n/a	n/a	n/a	n/a	n/a	\$337.28	\$337.19	\$337.11	\$337.02	\$336.97
Total Dev. Cost per Unit		n/a	n/a	n/a	n/a	n/a	\$410,169	\$410,063	\$409,965	\$409,860	\$409,803
Acquisition Cost PSF	N/A	n/a	n/a	n/a	n/a	n/a	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Hard Cost PSF	(c)	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF		n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable		n/a	n/a	n/a	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41
<u>Scenario Yield</u>											
Total Units		77	77	77	77	77	92	96	100	107	115
Market Rate Units		61	57	54	46	38	77	77	77	77	77
Affordable Units - On-Site		15	19	23	31	38	0	0	0	0	0
Affordable Units - Off-Site		0	0	0	0	0	15	19	23	31	38
<u>Feasibility Results</u>											
Return-on-Cost (ROC)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-13: Feasibility Analysis Results:

Low-Rise Condominium, Weak Market

	75% AMI Target											
	Baseline		MIH + 421-a Benefit									
	Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
			20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI	20% at 75% AMI	25% at 75% AMI	30% at 75% AMI	40% at 75% AMI	50% at 75% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$360.95	\$359.07	\$357.72	\$354.21	\$351.39	\$367.83	\$367.73	\$367.63	\$367.52	\$367.46
Total Dev. Cost per Unit			\$477,127	\$474,643	\$472,855	\$468,225	\$464,492	\$486,232	\$486,090	\$485,959	\$485,815	\$485,733
Acquisition Cost PSF			\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Sale Price PSF - Market Rate			\$402.94	\$402.94	\$402.94	\$402.94	\$402.94	\$375.86	\$375.86	\$375.86	\$375.86	\$375.86
Avg. Sale Price PSF - Affordable			\$138.41	\$138.41	\$138.41	\$138.41	\$138.41	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$337.41	\$337.32	\$337.23	\$337.14	\$337.09
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$410,331	\$410,220	\$410,118	\$410,005	\$409,941
Acquisition Cost PSF	N/A		n/a	n/a	n/a	n/a	n/a	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Hard Cost PSF	(c)		n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$138.41	\$138.41	\$138.41	\$138.41	\$138.41
<u>Scenario Yield</u>												
Total Units			77	77	77	77	77	92	96	100	107	115
Market Rate Units			61	57	54	46	38	77	77	77	77	77
Affordable Units - On-Site			15	19	23	31	38	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	15	19	23	31	38
<u>Feasibility Results</u>												
Return-on-Cost (ROC)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-13: Feasibility Analysis Results:

Low-Rise Condominium, Weak Market

		90% AMI Target										
Baseline		MIH ONLY										
		On-Site Affordability					Off-Site Affordability					
	Baseline (a)	Baseline w/ 421-a (b)	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>												
Total Dev. Cost PSF			\$360.77	\$358.89	\$357.54	\$354.04	\$351.21	\$367.68	\$367.58	\$367.48	\$367.38	\$367.32
Total Dev. Cost per Unit			\$476,892	\$474,407	\$472,620	\$467,990	\$464,257	\$486,025	\$485,889	\$485,763	\$485,629	\$485,556
Acquisition Cost PSF			\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66
Avg. Sale Price PSF - Market Rate			\$346.54	\$346.54	\$346.54	\$346.54	\$346.54	\$346.54	\$346.54	\$346.54	\$346.54	\$346.54
Avg. Sale Price PSF - Affordable			\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	n/a	n/a	n/a	n/a	n/a
<u>Key Assumptions - Off-Site Component</u>												
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$337.28	\$337.19	\$337.11	\$337.02	\$336.97
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$410,169	\$410,063	\$409,965	\$409,860	\$409,803
Acquisition Cost PSF		N/A	n/a	n/a	n/a	n/a	n/a	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Hard Cost PSF		(c)	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39
Avg. Market Sale Price PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30
<u>Scenario Yield</u>												
Total Units			77	77	77	77	77	92	96	100	107	115
Market Rate Units			61	57	54	46	38	77	77	77	77	77
Affordable Units - On-Site			15	19	23	31	38	0	0	0	0	0
Affordable Units - Off-Site			0	0	0	0	0	15	19	23	31	38
<u>Feasibility Results</u>												
Return-on-Cost (ROC)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unleveraged IRR			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leveraged IRR			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table G-13: Feasibility Analysis Results:

Low-Rise Condominium, Weak Market

	90% AMI Target												
	Baseline	MIH + 421-a Benefit											
		Baseline (a)	Baseline w/ 421-a (b)	On-Site Affordability					Off-Site Affordability				
				20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI	20% at 90% AMI	25% at 90% AMI	30% at 90% AMI	40% at 90% AMI	50% at 90% AMI
<u>Key Assumptions - On-Site Component</u>													
Total Dev. Cost PSF			\$360.95	\$359.07	\$357.72	\$354.21	\$351.39	\$367.83	\$367.73	\$367.63	\$367.52	\$367.46	
Total Dev. Cost per Unit			\$477,127	\$474,643	\$472,855	\$468,225	\$464,492	\$486,232	\$486,090	\$485,959	\$485,815	\$485,733	
Acquisition Cost PSF			\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	\$17.39	
Hard Cost PSF			\$268.97	\$267.79	\$267.00	\$264.62	\$262.65	\$273.32	\$273.32	\$273.32	\$273.32	\$273.32	
Soft Cost PSF			\$53.79	\$53.56	\$53.40	\$52.92	\$52.53	\$54.66	\$54.66	\$54.66	\$54.66	\$54.66	
Avg. Sale Price PSF - Market Rate			\$402.94	\$402.94	\$402.94	\$402.94	\$402.94	\$375.86	\$375.86	\$375.86	\$375.86	\$375.86	
Avg. Sale Price PSF - Affordable			\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	n/a	n/a	n/a	n/a	n/a	
<u>Key Assumptions - Off-Site Component</u>													
Total Dev. Cost PSF			n/a	n/a	n/a	n/a	n/a	\$337.41	\$337.32	\$337.23	\$337.14	\$337.09	
Total Dev. Cost per Unit			n/a	n/a	n/a	n/a	n/a	\$410,331	\$410,220	\$410,118	\$410,005	\$409,941	
Acquisition Cost PSF		N/A	n/a	n/a	n/a	n/a	n/a	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	
Hard Cost PSF		(c)	n/a	n/a	n/a	n/a	n/a	\$231.96	\$231.96	\$231.96	\$231.96	\$231.96	
Soft Cost PSF			n/a	n/a	n/a	n/a	n/a	\$46.39	\$46.39	\$46.39	\$46.39	\$46.39	
Avg. Market Sale Price PSF - Affordable			n/a	n/a	n/a	n/a	n/a	\$186.30	\$186.30	\$186.30	\$186.30	\$186.30	
<u>Scenario Yield</u>													
Total Units			77	77	77	77	77	92	96	100	107	115	
Market Rate Units			61	57	54	46	38	77	77	77	77	77	
Affordable Units - On-Site			15	19	23	31	38	0	0	0	0	0	
Affordable Units - Off-Site			0	0	0	0	0	15	19	23	31	38	
<u>Feasibility Results</u>													
Return-on-Cost (ROC)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Unleveraged IRR			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Leveraged IRR			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	

Notes:

(a) The baseline scenarios assume a project that is developed at the density permitted under current zoning conditions. Current conditions are assumed to be as follows: M1-2 for Low-Rise, R7A for Mid-Rise, R10 for High-Rise.

(b) Each baseline scenario is run both with and without the applicable existing 421-a benefit; note that for the Very Strong and Strong market conditions, this baseline also assumes that 20% of units are provided at an average income level of 60% AMI, and for the Mid-Market, Moderate, and Weak market conditions, the "as-of-right" 15-year 421-a benefit is applied all units are assumed to be market rate.

(c) No baseline is shown for the Low-Rise scenario because the current condition zoning classification (M1-2) does not allow for Source: BAE, 2015.

New York City Mandatory Inclusionary Housing

Promoting Economically
Diverse Neighborhoods



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Executive Summary

Executive Summary



New York City's Five Boroughs

The Statue of Liberty, the iconic symbol of freedom and opportunity, stands not in the nation's capital, but in New York Harbor, her torch held high as a beacon of light welcoming, in the words of Emma Lazarus, those "tired" "poor" and "huddled masses, yearning to breathe free." Like no other place in the country, New York City is and has always been a land of opportunity – "the golden door" that opens to those in search of a better life, many fleeing persecution, unrest or poverty.

Equality of opportunity is at the core of American democracy and a rightful source of pride for New Yorkers. For many past and present New Yorkers, the city has provided the first chance at a better life, a point of entry for even better opportunities here and elsewhere. The constant migration of people into and out of the city pursuing chances to make a better life for themselves is the engine of its diversity and its dynamism, and testament to the resiliency of New York City and its residents.

There was a time when residents – many of whom had emigrated here from other nations – fled the city for growing suburban communities, where they saw opportunities for larger homes, safer neighborhoods, and the conveniences of an auto-oriented lifestyle. The resulting loss of population in the 1970s resulted in widespread abandonment and disinvestment in New York City. Left behind, however, were many poor and minority families who were excluded from the suburbs either by high housing and transportation costs or outright discrimination.

The city is a different place today. Population is growing and employment is at an all-time high. New York continues to attract immigrants from across the globe and more households are moving here from other parts of the country, eschewing the suburbs for a more urban lifestyle, in which they can enjoy access to jobs and services by transit or within walking distance of their homes. Yet it is the city's existing residents, many of whom to choose to stay in the city to raise their families, that continue to contribute most to the city's growth in population. As a result of these trends, many neighborhoods that were in decline in the 1970s and 1980s have seen substantial reinvestment, with rebounding population and improved access to shopping, services, and employment opportunities. These changes have bolstered the city's tax base, to allow for more spending on public services.

However, for many working and middle class families, new opportunities are limited by income inequality and high housing costs, particularly for existing residents who've chosen to stay in the

city even after having families. Although employment continues to grow, incomes have stagnated for the many lower skilled jobs that provide an important point of entry into the labor market for workers who migrate to New York. At the same time, the rising in-migration of more affluent, highly skilled professional workers attracted to high-paying jobs in growing industries is driving up demand for the city's limited housing supply, causing housing prices to rise for all New Yorkers.

On a citywide basis, rents have been rising faster than incomes, and the share of New Yorkers who qualify as “rent burdened” has been increasing. A commonly accepted definition of a “rent-burdened” household is one that pays more than 30 percent of its income on rent. A “severely rent-burdened household” pays more than half its income on rent. The number of rent-burdened households in New York City has risen 11 percent since 2000, to almost 55 percent of all renter households (City of New York, 2014).

Because of the technical requirements of dense development, scarcity of sites, cost of land, and high costs of materials and labor, producing new multifamily housing is expensive in New York City. This cost structure means that unsubsidized new construction occurs at housing prices that are accessible only to more affluent households. As a consequence, new housing cannot be created for lower-income New Yorkers through private investment alone. With growing demand for housing at all income levels, existing housing is not “filtering down” to become less expensive, but rather is “filtering up” to higher income households, including in many historically low- and moderate-income communities, particularly those adjacent to higher-income areas of high demand. As these trends continue, fewer neighborhoods provide a substantial supply of housing affordable to low- and moderate- income households. Evidence of this can be seen in data on vacancy rates, rent burden, overcrowding, income distribution at the neighborhood level, concentrations of poverty, informal housing, presence of subfamilies, and commuting patterns. These trends threaten the access that low- and moderate-income households have to many of city's neighborhoods. Consequently, lower income households may be compelled to settle in the least accessible and highest poverty parts of the city, or out of the city altogether, limiting their access to the opportunities New York City offers.

In contrast, maintaining neighborhood economic diversity – with a housing supply affordable to households at a variety of income levels across different neighborhoods – provides many families with greater access to the full range of opportunities available in the city's diverse neighborhoods. This includes employment, transit, parks, schools, social services, diverse retail, and the myriad of other social, economic, and cultural opportunities that exist in each of the city's neighborhoods.

Long-term population and employment projections show continued growth in the segments of the population and labor market that are driving current trends in housing demand, including continued increase in the number of households and workers at both higher and lower incomes. The current dynamics of the housing market, in which the supply of housing is expanding only for households at higher income levels, will not support the needs of future growth. Expanding the availability of housing for households at a range of income levels, in neighborhoods around the city, is crucial to ensuring that populations can move to the city to prosper from its opportunities and meet the labor force needs of employers at a range of locations. Absent changes that increase the supply of housing sufficiently to respond to the demands created by these population changes, the long-term consequence of these trends is that the city's neighborhoods will become less economically diverse, and the workforce needed to power the city's economy will be unable to find adequate housing.

Neighborhoods provide residents not only a location in which to live, but also a "package" of services and amenities that in many ways define the opportunities available to them. The qualities of neighborhoods can have profound implications for quality of life and economic well-being. The neighborhood where one lives affects the quality and diversity of choices and prices paid for housing, childcare, healthcare and transportation. It determines the choices parents have for their children's schools, households' access to certain social networks, and the time, convenience, and cost associated with traveling to work, to go shopping, or to visit family and friends. Neighborhoods also vary considerably in the degree to which they increase residents' exposure to crime or pollution, and provide access to public amenities such as parks and open space, community centers and libraries. Public investments support the quality of facilities, services and amenities in neighborhoods throughout the city. Promoting economically diverse neighborhoods, in which residents at a range of income levels have access to housing, is important to ensure that a diverse range of New Yorkers may enjoy access to quality facilities, services and amenities.

Increasing economically diverse housing opportunities in more neighborhoods can improve access to opportunity for many New Yorkers, enhancing equality. Indeed, much present-day federal housing policy is based on the premise that economic and racial diversity increases access to opportunity and mitigates many of the negative neighborhood effects associated with concentrated poverty. Creating more housing opportunities for households at a range of incomes also enhances the city's overall economic diversity, alleviating the effects of rent burden, overcrowding, and illegal housing and providing opportunities to attract and maintain a diverse workforce.

To maintain and encourage greater economic diversity, the City must produce new housing to accommodate growth while ensuring its ability to increase the supply of housing within neighborhoods that is affordable to households at a range of income levels. Given the many constraints on housing production, even an aggressive effort to increase overall capacity is unlikely to make a sufficient supply of housing available at a range of income levels, and would not encourage economic diversity at a neighborhood level. The City has long used a wide range of tools to create and preserve housing that is affordable to low- and moderate-income households, most significantly the use of City, State and Federal subsidies to support the creation and preservation of affordable housing on both publicly and privately controlled land. However, these tools have not been sufficient to promote economically diverse neighborhoods at locations throughout the city and in the wide range of housing market conditions that exist in various neighborhoods. A voluntary inclusionary housing program has provided a mechanism to create affordable housing on private sites, but has not provided assurances that affordable housing will be included in new developments in a wide range of neighborhood conditions.

Maintaining economically diverse neighborhoods and the availability of housing for New Yorkers at a range of income levels requires a multifaceted approach:

Citywide Zoning Text Amendment and Neighborhood Rezonings

- Support housing production to absorb growth in housing demand and reduce upward pressure on housing prices. Current initiatives include measures to remove zoning impediments to the creation of housing, including affordable housing, and neighborhood planning initiatives including zoning changes to promote the creation of new housing with supporting infrastructure and services.

Housing New York Strategies

- Use City, State and Federal resources to create and preserve affordable housing throughout the city. Housing New York, Mayor de Blasio's ten-year, five borough affordable housing strategy, outlines initiatives to build and preserve 200,000 units of affordable housing over a decade. City-supported affordable housing development can create affordable housing opportunities in a range of neighborhoods, and also provide a critical source of housing investment in communities where the private housing market is not creating new housing.

Mandatory Inclusionary Housing Policy

- Establish of a mandatory Inclusionary Housing program. The City should mandate affordable housing where land use actions promote new housing development, to ensure that new housing created within these neighborhoods serves households at a range of incomes below those that would be served by the market alone. Requirements for units to remain permanently affordable will ensure that these affordable units remain a resource for the community into the future, even as neighborhood economic conditions may change.

A financial feasibility assessment of potential parameters for a mandatory Inclusionary Housing program suggests that such a program can support housing production and promote neighborhood economic diversity for a range of building types and in a range of conditions. Such an approach should be consistent and predictable, yet provide sufficient flexibility to enable it to reach households at a range of low and moderate incomes and to make it feasible in a variety of market conditions. Where the marketplace does not support new housing creation without subsidy, the City should utilize subsidies to support the creation of new mixed-income housing.

Chapter 1: Citywide Housing and Population Trends

1 Citywide Housing and Population Trends

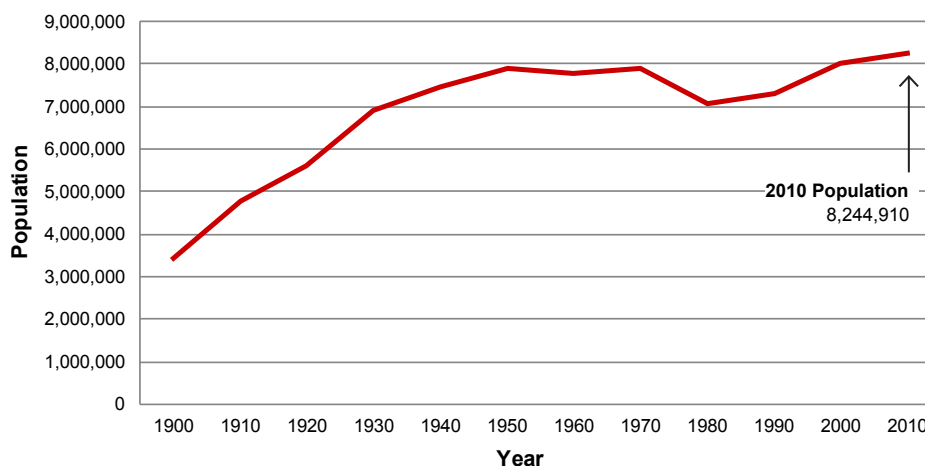
1.1 Population Growth and Migration Patterns

New York City’s population has grown in almost every decade of its modern existence, since the consolidation of the boroughs in 1898 (see Figure 1). Since the city emerged from the 1970’s fiscal crisis in the late 1970’s, its population has grown by over one million persons to an estimated 8.4 million (New York City Department of City Planning, 2014), and it is still growing and projected to grow to 9 million by 2040, an increase of more than 9.5 percent over the 2010 population (New York City Department of City Planning, 2013). The continual upward momentum of the city’s population has challenged housing planners for decades and does so today, as ambitious programs to add to the housing supply provide, at best, short-term relief to what is an ongoing critical shortage of housing units for rent.

Demographers view population growth as the sum of natural increase (births minus deaths) and net migration. Since natural increase, while fluctuating, is generally positive, the net level of migration is critical to whether the population grows or shrinks. Net migration is the sum of net domestic migration (the balance of flows within the U.S.) and net international migration (net exchanges with the rest of the world). In each decade between 1970 and 2010, net migration was negative, despite large inflows of immigrants, due to large domestic outflows. Figure 2 shows the components of population change in the city for each decade, from 1970 to 2011.¹

In recent decades, the city has been a net exporter of people through migration—people leaving the city for other parts of the country or the world exceed those entering to make the city their home. However, this net loss has generally been small enough to allow the population to grow through natural increase.

Figure 1
Change in New York City
Population Since 1900

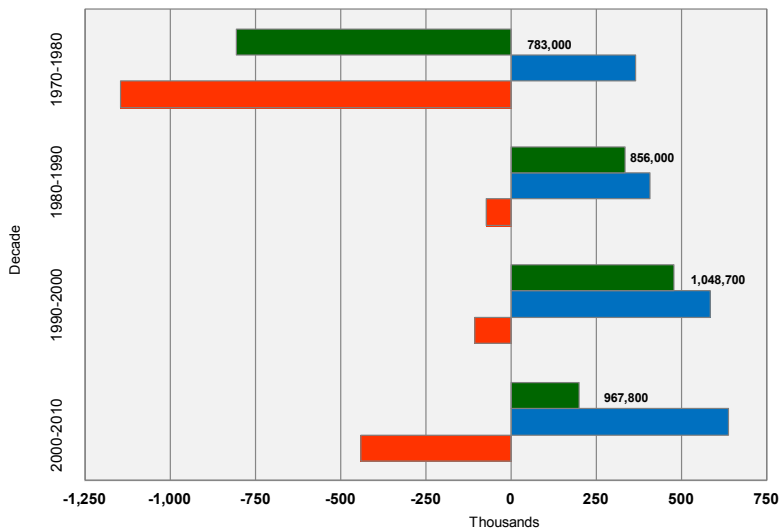


Source: Lobo, Arun Peter and Salvo, Joseph J. 2013. The Newest New Yorkers 2010: Characteristics of the City’s Foreign-born Population. New York: Department of City Planning; <http://www.nyc.gov/html/dcp/pdf/census/nny2013/chapter2.pdf>

Figure 2
Estimated Components of Population Change in New York City by Decade, 1970-2010

■ Population Change
 ■ Natural Increase
 ■ Net Migration

Source: Adjusted U.S. Decennial Census data 1970-2010; New York City Department of Health and Mental Hygiene; United States Department of Homeland Security as revised by Population Division-New York City Department of City Planning



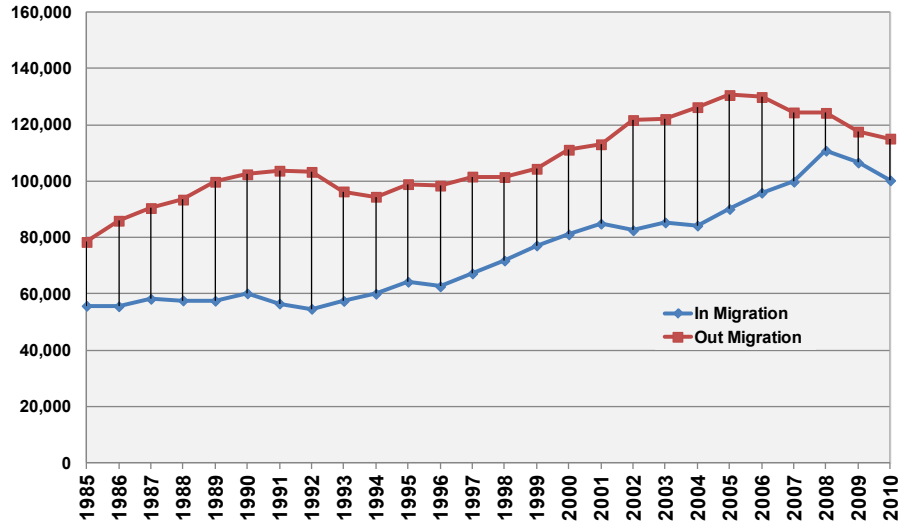
Much of the city’s migration picture has been historically identified with the experience of persons who come to New York from other nations. After a period of declining foreign immigration, the enactment of the 1965 Immigration Amendments led to a rebound, fueled primarily by immigrants from non-European countries (Lobo and Salvo, 2013). By 2011 the city’s foreign-born population numbered 3,066,599, an increase of over 113 percent since 1970. Equally important, foreign immigrants are concentrated in the child-bearing ages and foreign-born mothers account for 51 percent of the city’s births.

The characteristics of domestic out-migrants also drive migration trends. The fact that New York City continues to be a net exporter of population to the 50 states is a defining part of its population dynamic. Many people come to the city, avail themselves of its opportunities, and then leave for a variety of reasons including childrearing, desire for the space afforded by a suburban or exurban home, a job change, and retirement.

Starting around the middle of the last decade, a change in the historical pattern of population growth, depicted above, has emerged with several data sources pointing to a shift in the relative roles played by domestic and international migration. Changes of address on tax returns, a widely used source of information on domestic migration, show a consistent increase in the number of in-migrants from other parts of the nation and a reduction in domestic outflows from the city (Figure 3).² The convergence of these two flows, starting in 2007, represents a relatively new pattern of fewer people leaving for domestic destinations and more coming to the city from other parts of the U.S.; this has not been seen since the 1940s.

In addition, the 2011 American Community Survey (ACS) shows a decline in the entry of recent international migrants. Data on year of arrival in the U.S. for the foreign-born show that the number of foreign-born persons who arrived “in the previous year” declined by 25 percent between 2000 and 2011.³ Consequently, domestic migrants now constitute a much larger share of all in-migrants to

Figure 3
Migration Patterns for Persons Filing Tax Returns in New York City, 1985-2010



Source: Statistics of Income Division, Internal Revenue Service Population Division-New York City Department of City Planning

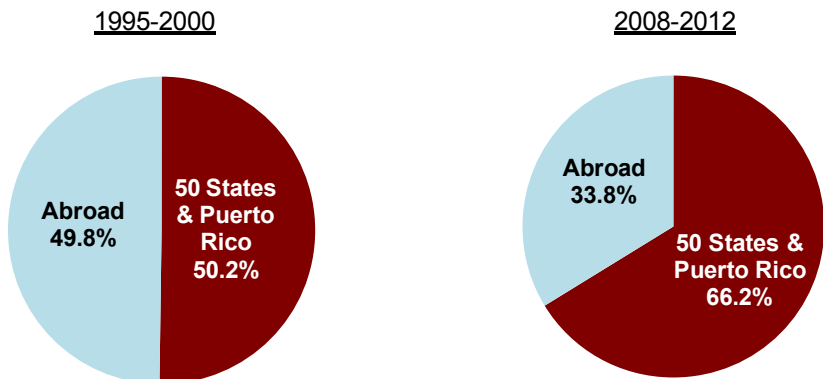
Migration data are based on year-to-year address changes reported on individual income tax returns filed with the IRS. Does not include the income tax returns filed by those living abroad.

New York City. In 2000 domestic in-migrants were about one-half of all in-migrants, but they now constitute two-thirds of the total inflow.

All of this points to a newly evolving pattern of migration over the latter part of the past decade, which is reinforced in post-2010 data on components of change in the population. Figure 5 compares components of change for 2000-2010 and 2010-2013. Since a 10-year period is being examined alongside Census Bureau estimates for an approximately 3-year period, these components have been annualized to make them comparable. Annual net international migration in the post-2010 period dropped to 70,700, from 77,000 in the prior decade, and annual net domestic losses attenuated to 63,000, nearly one-half the level of the prior decade.⁴ The result was positive net migration—a net annual average inflow of 7,700 in the post-2010 period. While modest in magnitude, this net inflow represents a reversal of historical migration trends.

The increased role of domestic migration relative to international migration is important because it affects the attributes of migrants to the city. Seventy-five percent of domestic arrivals are native-born and most are English-speaking. Other effects of this shift are found in Table 1.⁵ In earlier periods, in-migrants had lower earnings and household income than their out-migrant counterparts. Data for 2007-2012 show a reversal of that pattern, with in-migrants

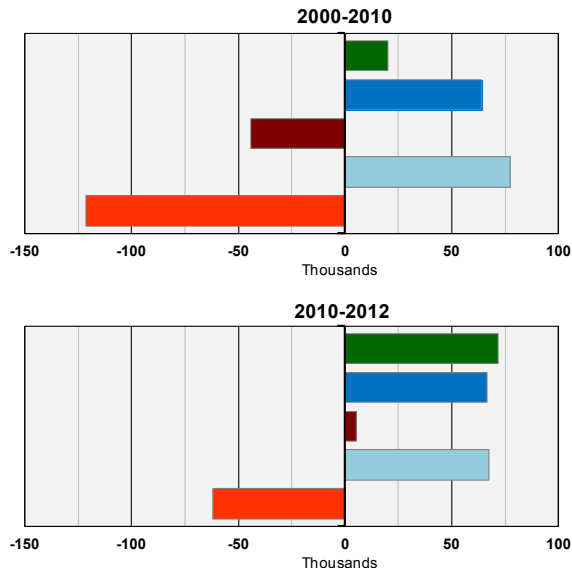
Figure 4
Changing Origins in In-Migrants to New York City, 1995-2000 and 2008-2012



Source: : U.S. Census Bureau, 2000 Census; 2008-2012 American Community Survey-Public Use Microdata Sample Population Division-New York City Department of City Planning

Figure 5
Estimated Components of Population Change Annualized in New York City

- Population Change
- Natural Increase
- Net Migration
- Net International Migration
- Net Domestic Migration



Source: Adjusted U.S. Decennial Census data 2000-2010; New York City Department of Health and Mental Hygiene; United States Department of Homeland Security as revised by Population Division-New York City Department of City Planning

reporting higher household incomes compared with out-migrants. Moreover, differences in earnings and the poverty rate are no longer statistically significant. This turnaround is primarily a result of the increased share of domestic migrants in the migration stream coming to New York.

The earnings of domestic in-migrants were higher than those of all in-migrants in 2008-2012 – \$61,000 compared with \$50,639 (Lobo, 2013). Domestic in-migrants differ from out-migrants and the existing population in other important ways that affect demand for housing. Table 1 provides a profile comparing select demographic characteristics of individuals who recently moved to the city from another part of the country to the domestic out-migrants and all New York City residents. The vast majority (82 percent) of domestic in-migrants moving to the city were in their prime working years (ages 18 to 54), compared with 71 percent of out-migrants in the same age bracket. More than half (60 percent) of this group had at least a college degree, compared with 48 percent of domestic out-migrants and 34 percent of all New York City residents. Moreover, the majority (57 percent) of employed domestic in-migrants over

Table 1
Demographic Characteristics of Domestic Migrant Population

	Domestic In-Migrants	Domestic Out-Migrants	Stayers
Total, Age 1 year or Over	166,148	253,090	7,837,731
% Age 18-54	82.8%	71.3%	55.2%
% NonFamily Household	67.8%	50.3%	39.1%
Population Age 16+ Employed in Management, Professional and Art Occupations	55,886	54,851	1,364,955
%Population Age 16+ Employed in Management, Professional and Art Occupations	57.7%	47.5%	37.4%
% College Grad or Higher	61.7%	48.2%	33.2%
Median Household Income	\$62,000	\$50,639	\$50,000
Average Household Size	2.17	2.61	2.63

Source: U.S. Census Bureau, 2008-2012 American Community Survey-Public Use Microdata Sample; DCP Population Division

the age of 16 worked in professional, managerial or arts occupations, notably more than the 48 percent of domestic out-migrants in the same occupations. In fact, the absolute number of professional and managerial workers migrating to New York exceeded the number of professional and managerial workers leaving New York City for other parts of the country, even though there was net domestic out-migration.

The characteristics of the large and growing population of more affluent domestic in-migrants has significant implications for housing demand and the economic diversity of New York City's neighborhoods. These households – dominated by working, college educated nonfamily professionals – have a smaller average household size and a desire for larger homes than the population of domestic out-migrants that they are replacing, all of which places additional pressure on the existing supply of housing. Notwithstanding the effect of the recent financial crisis and Great Recession on housing production, recent trends in New York City have generally moved in the direction of increasing demand (and price) for housing that is disproportionately higher than the increase in population. Mortgage rates have been at or near all-time lows for several years, dramatic appreciation of housing prices has occurred in many parts of the city and both the incomes and population of wealthier professionals has been increasing. As households become wealthier they want more space per person, have fewer children per family and are less likely to live in multigenerational households or with roommates or boarders. All these factors drive down average household size and increase the number of households, creating even greater demand for housing (Dornbusch, Fisher, et al., 1998).

Notably, many existing households have lower incomes relative to the growing domestic in-migrant population. As shown above in Table 2, compared with the typical domestic in-migrants, the typical “stayer” between 2008 and 2012 earned \$12,000 less, had 0.50 more persons per household, and had a college attainment rate of only 33 percent, just half that of the typical domestic in-migrant. Consequently, housing cost burdens are likely experienced most acutely by existing lower-income residents, many of which have chosen to stay in the city to raise families despite increasingly fewer suitable housing opportunities in the city's highly constrained market.

1.2 Economic Opportunity and Employment Growth

Economic opportunity plays a strong role in affecting population trends and housing demand, as households often migrate to locations with employment opportunity. Recent employment and labor market trends both support and help to explain the continued growth in total population and the more recent shift in migration patterns toward a net increase of often higher income domestic in-migrants. In particular, the shift in the balance between in- and out-migration has occurred as the city's economy has rebounded from the national recession that began at the end of 2007. Despite the recent financial crisis, New York City's economy is thriving. Since end of the recession

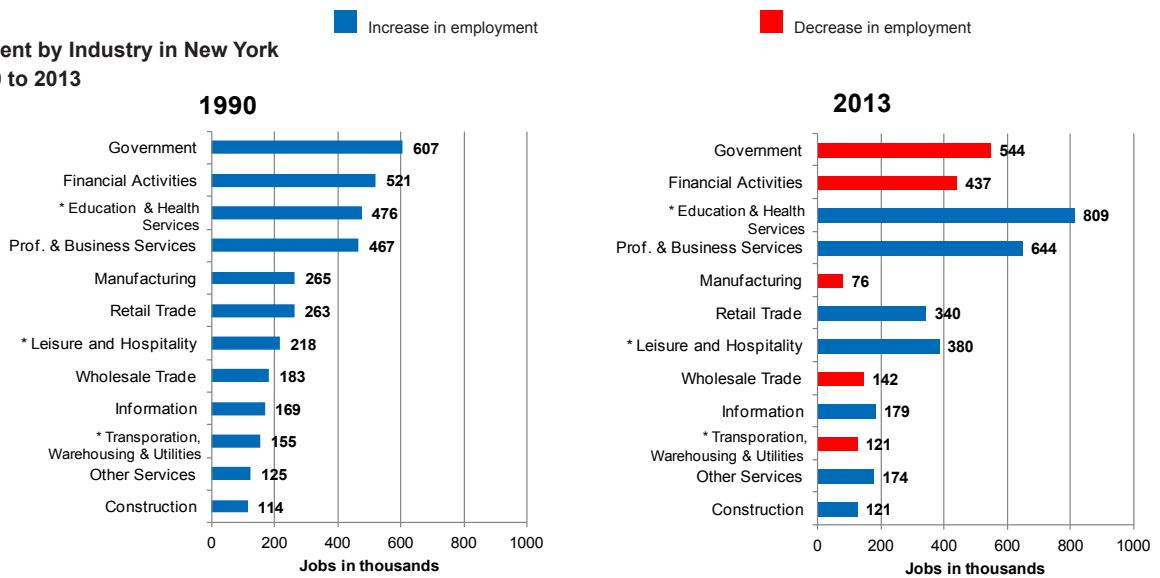
in 2009, the city has gained over 442,000 private sector jobs, and annual average employment in New York City was over 4.2 million in 2014, an all-time high. Over 113,000 private sector jobs were added in 2014 alone.

This employment growth, however, has not been evenly distributed across industry sectors, revealing structural shifts that are diversifying the city’s economy. Jobs within the government and financial services sectors, traditional large and relatively stable sectors of the city’s economy, accounted for almost one-third of all employment in New York City in 1990, compared with 25 percent in 2013 (Figure 6). Large gains in employment within the education and health services and professional and business services industries, which gained over 330,000 and 175,000 jobs respectively between 1990 and 2013, made those sectors the city’s largest employers. Employment within the retail trade and leisure and hospitality sectors also saw large job gains since 1990, reflecting the city’s improving economy, population growth and increased tourism.

While commuters as well as residents benefit from the city’s employment growth, data from the American Community Survey and 2000 Census show strong growth in employment among resident workers in almost every sector between 2000 and 2013 (Figure 7). Five sectors experienced job gains of over 50,000 workers in this period: health care and social assistance; accommodation and food services; professional, scientific and technical services; educational services; and construction. Resident workers within high paying financial services and information sectors, as well as jobs within manufacturing declined.

The occupational distribution of resident workers in New York City

Figure 6
Employment by Industry in New York City, 1990 to 2013



Source: NYS Department of Labor, Historical Current Employment Statistics, Avg. Annual Employment 1990-2013 HEIP Division-New York City Department of City Planning

Naming convention explanation: All data are based on the 2-digit North American Industry Classification System (NAICS) 2012.

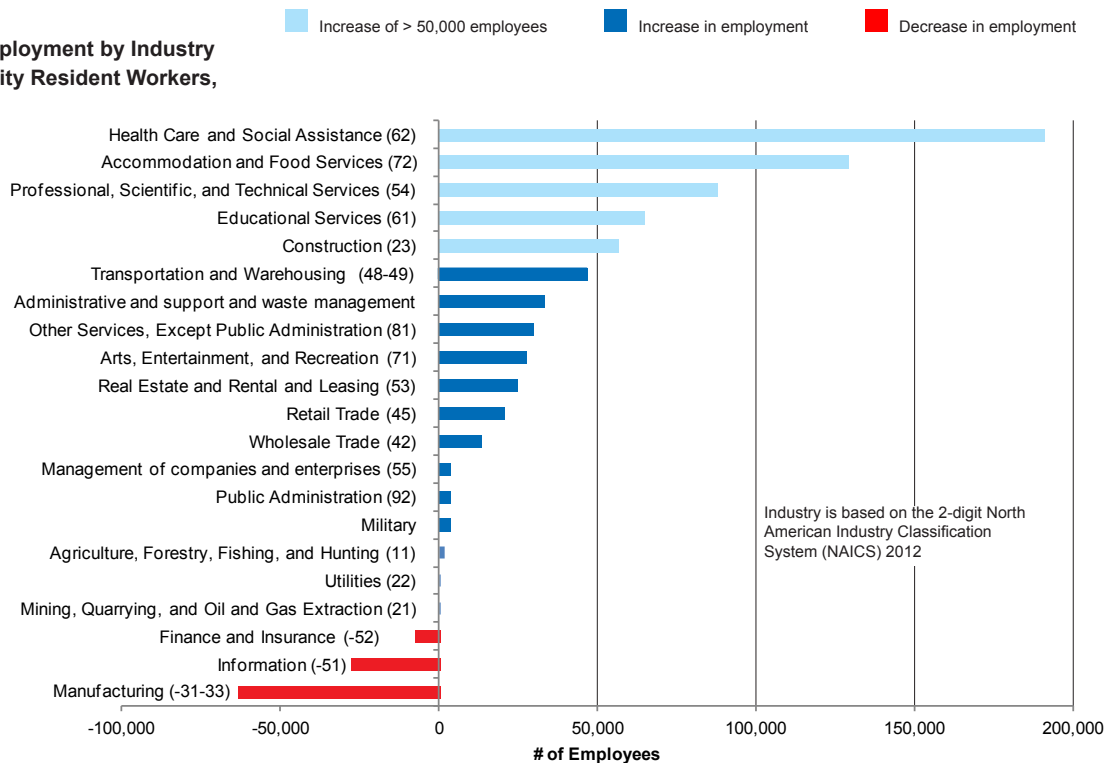
* The naming convention for the following industries includes more than one NAICS sector (the highest level of NAICS classification): Education and Health Services = Educational Services (61) and Health Care and Social Assistance (62); Leisure and Hospitality = Arts, Entertainment, and Recreation (71) and Accommodation and Food Services (72); Transportation, Warehousing, & Utilities = Transportation and Warehousing (48-49) and Utilities (22)

in all industries, however, has changed little since 2000. Slightly more than one-third of residents worked in traditional white-collar jobs in management, professional and related occupations; approximately half worked in sales, office or service occupations; and the remaining approximately 15 percent identified themselves as working in traditional blue-collar jobs in construction, extraction and maintenance or production, transportation and materials moving occupations. However, because there are many more workers in certain industries, the absolute numbers of resident workers in both lower-paying service occupations and in well-paid management and professional occupations have increased substantially (see Figure 8). Management and professional occupations, and service occupations, each grew by more than 300,000.

Although many of the city’s largest growth industries remain dominated by lower-skilled occupations, all appear to be attracting workers with more education. The number of workers with a Bachelor’s degree or higher increased in all of the largest growth sectors between 2000 and 2013 (see Figure 9), as well as across all industries. As shown in Figure 8 below, these industries are dominated by occupations that have not traditionally required high levels of education, indicating either that lower-skilled jobs require workers to have more education than in the past, or that in difficult economic times a college education alone does not necessarily qualify a worker for a management or professional job.

A more educated labor force should increase the earnings potential of workers, as well as benefit the city, by making the labor market more competitive for employers that seek highly skilled workers.

Figure 7
Change in Employment by Industry
of New York City Resident Workers,
2000-2013

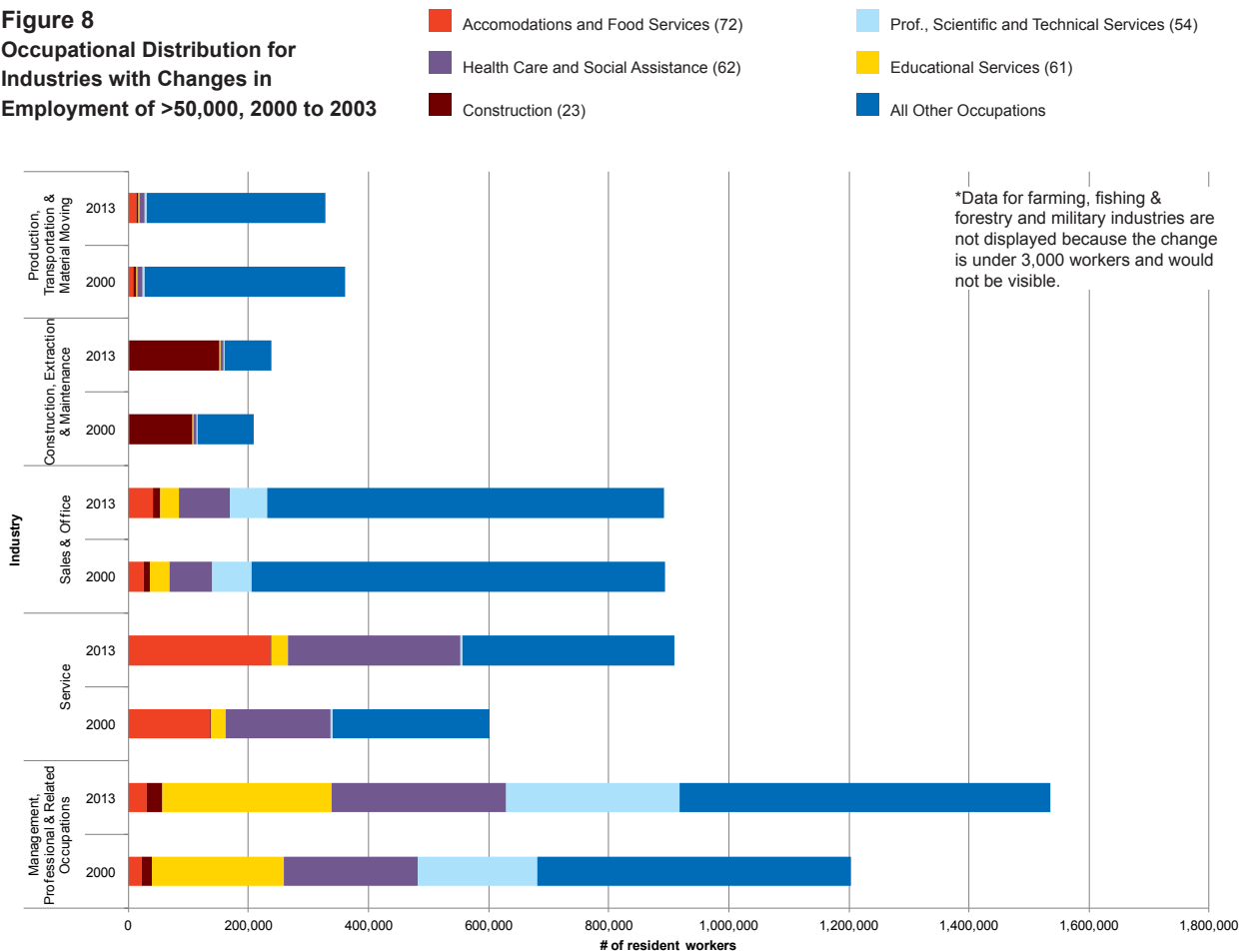


Source: NYS Department of Labor, Historical Current Employment Statistics, Avg. Annual Employment 1990-2013 HEIP Division-New York City Department of City Planning

However, workers in many of the largest growth industries, with the exception of managers and professionals, have in many cases not benefited from rising wages despite higher overall levels of education. A comparison of the 2000 to 2013 change in inflation-adjusted earnings by occupation (Figure 10) for the major growth industries shows that increased earnings were not evenly distributed among occupations. Workers in all occupations within professional, scientific and technical services and within management occupations across all of the growth sectors experienced an increase in earnings in this period. With the exception of workers in production, transportation and materials moving occupations, however, lower skilled workers did not fare as well. Earnings declined for all non-management or non-professional occupations in every sector except professional, business and education services. Despite strong demand for jobs at all ends of the occupational spectrum and overall higher levels of educational attainment, the earnings of the lowest earners have not risen.

Post-recession job growth has resulted in unevenly distributed earnings growth for workers in the city consistent with the national trend toward rising income inequality. Nationally, gains in earnings between 2010 and 2013 were concentrated among households within the top 1 percent of the income distribution while families at the

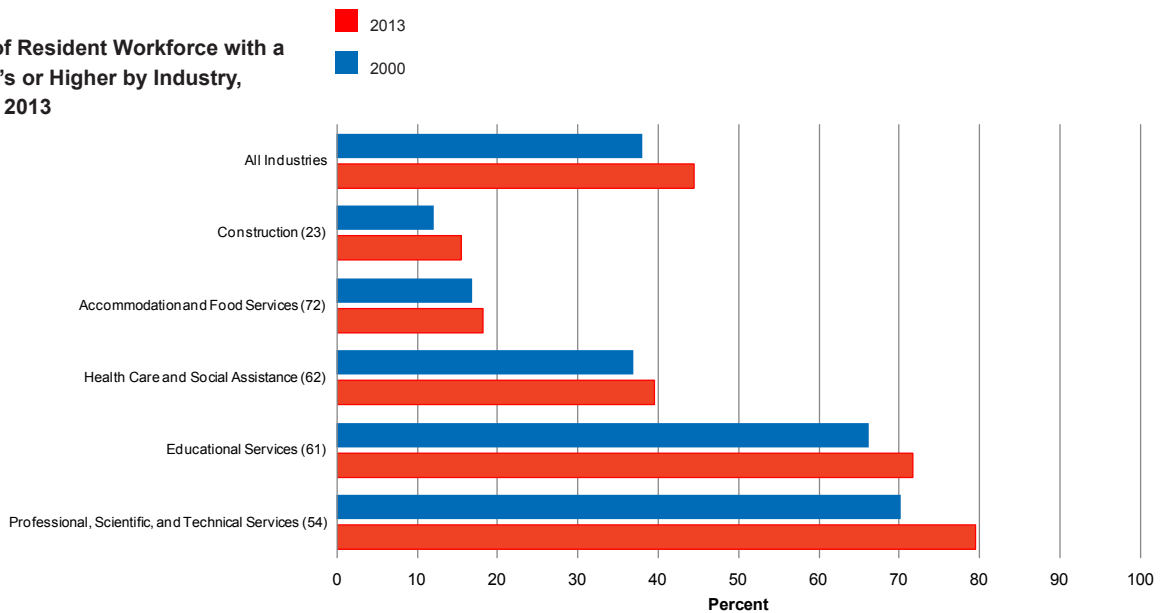
Figure 8
Occupational Distribution for
Industries with Changes in
Employment of >50,000, 2000 to 2003



Source: U.S. Census Bureau, 2000 Census 5%-Public Use Microdata Sample; U.S. Census Bureau, 2013 American Community Survey-Public Use Microdata Sample

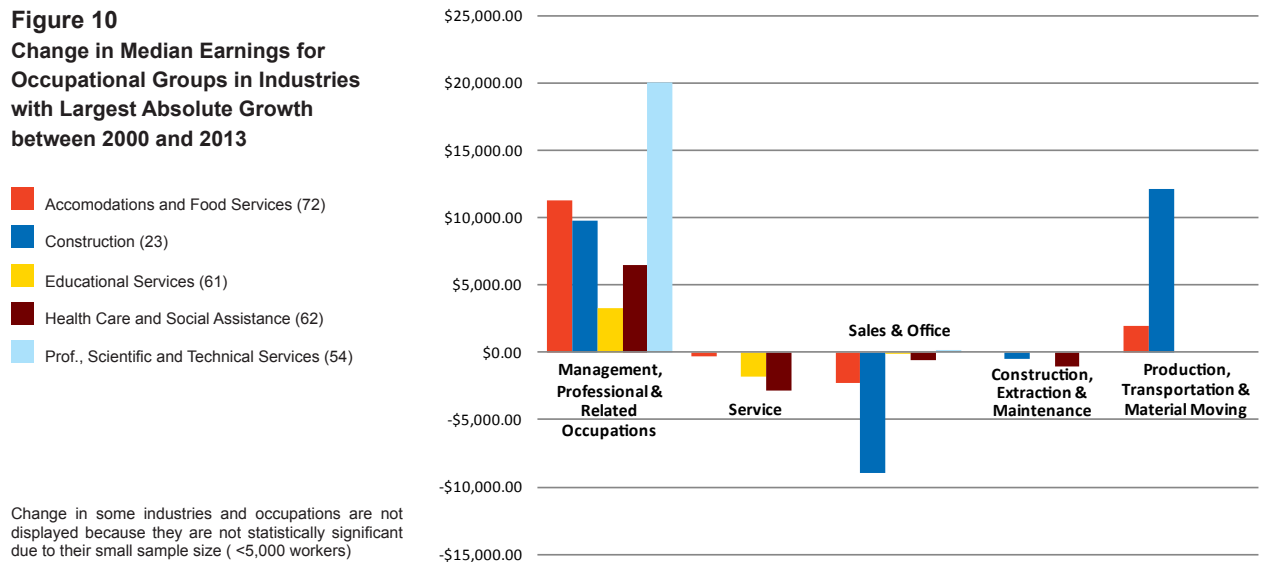
bottom of the income distribution saw continued substantial declines in net worth and income (Bricker et al., 2014). The rising earnings of management and professional workers, who are increasingly attracted to productive cities like New York, contrast with low-skilled workers who are seeing real incomes decline. These different segments of the labor market are growing and placing additional pressures on the housing stock, contributing to rising housing prices. The consequence of these trends at the local level (explained in further detail below) is that highly-skilled workers are able to outbid low-skilled workers for limited housing supply, particularly in neighborhoods with better access to employment centers, high quality schools and amenities (Guerrieri, Hartley and Hurst, 2010). This contributes to a lack of housing opportunities affordable to

Figure 9
Percent of Resident Workforce with a Bachelor's or Higher by Industry, 2000 and 2013



Source: U.S. Census Bureau, 2000 Census 5%-Public Use Microdata Sample; U.S. Census Bureau, 2013 American Community Survey-Public Use Microdata Sample

Figure 10
Change in Median Earnings for Occupational Groups in Industries with Largest Absolute Growth between 2000 and 2013



Change in some industries and occupations are not displayed because they are not statistically significant due to their small sample size (<5,000 workers)

Source: U.S. Census Bureau, 2000 Census 5%-Public Use Microdata Sample; U.S. Census Bureau, 2013 American Community Survey-Public Use Microdata Sample

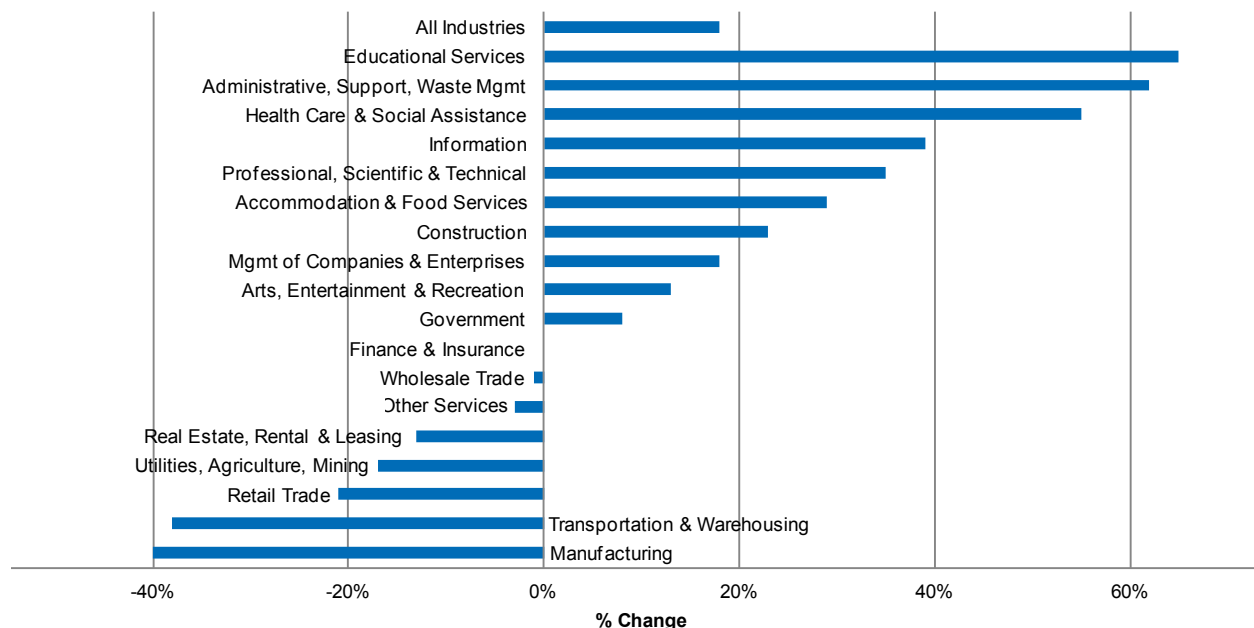
lower-income households in these neighborhoods of opportunity.

The labor market trends driving housing demand are expected to continue into the foreseeable future. Recently released draft long-term population and employment projections from the New York Metropolitan Transportation Council estimate that New York City will add over 830,000 net new jobs by 2050 (New York Metropolitan Transportation Council, 2014), with continued growth in many of the same sectors that are driving current trends, and continued growth in the number of workers at lower as well as higher wages.

However, high housing costs in places like New York may limit future economic growth as workers choose to move to jurisdictions with lower wages and lower housing costs. A 2014 Urban Institute study compared fast-growth metropolitan areas on five indicators of economic opportunity – growth (as measured by population growth and economic resilience), job quality, rent burden, diversity and access to opportunity (as measured by black-white segregation, poverty, inequality and economic mobility). The analysis found that over half of the national job growth occurred in metropolitan areas with characteristics similar to Houston, which had low housing costs, high economic resilience and a young population (Pendall and Turner, 2014).

Job growth occurred at a slower rate within the “New York cluster,” which included not only the New York metropolitan area but also those of Los Angeles, Miami, Boston, Washington, San Francisco and San Diego. While these metropolitan areas have many of the elements indicative of strong economic opportunity that should attract workers and employers – a diverse and highly educated workforce and high economic mobility – these places all have very high rent burden

Figure 11
Projections of Employment Growth by Sector, % Change 2010-2050



Source: New York Metropolitan Transportation Council, Draft 2050 Socio-Economic and Demographic Forecasts, December 2014 ; Prepared by DCP Population/HEIP Divisions

levels. Housing costs are likely playing a role in the decision by a disproportionately high number of workers who to move to “Houston cluster” metropolitan areas, since these places have comparatively low wage growth and economic mobility.

1.3 Regional Housing and Labor Market Trends

The markets for both labor and housing do not end at New York City’s borders, but extend into the metropolitan region. Despite recent trends of more young adults moving to central cities (discussed in further detail below), the suburbs remain an important source of housing for workers in the region. While the vast majority of New York City workers also live within the five boroughs (79 percent), over 912,500 workers lived outside the City, most within the tri-state area, according to data on commuting patterns of New York City workers from the 2006-2010 ACS. At the same time, some New Yorkers continue to commute to jobs outside of the city. The number of New York City residents reporting a workplace outside of the five boroughs rose by 13.2 percent between 2000 and 2010 to almost 325,000, roughly in line with the 14 percent increase in total resident workers (Table 2). Although the number of New Yorkers commuting beyond the 31-county region remains a very small proportion of total resident worker population (about 1 percent), this population increased by 41 percent to over 24,000 workers. These trends are an indication that the city remains an important source of housing for the region’s workforce, many of whom may be aided by advances in technology that allow for telecommuting.

Absolute suburban job growth cannot explain the rise in reverse commuting. An analysis of aggregated county-level Bureau of Labor Statistics data from the Quarterly Census of Employment and Wages (see Table 3) shows flat employment growth in the metro area counties outside of New York City and significant declines in manufacturing, construction, financial services and information sectors.

During the same period, total private employment in New York City grew by more than 14 percent and experienced declines in only manufacturing and unclassified employment, an indication that New York City remains the region’s economic engine.

A number of factors are likely at play in the rise in reverse commuting, from the changing preferences of young professionals to

Table 2
New York City Resident Workers by Place of Work

	2000	2006-10	% Change
NYC Resident Workers	3,192,070	3,638,419	14.0%
NYC	2,905,262	3,313,725	14.1%
Out-Commuters	286,808	324,694	13.2%
Working outside NYC but inside 31-county NYMTC region	269,684	300,499	11.4%
Working outside 31-county NYMTC region	17,124	24,195	41.3%

Universe: Persons 16 years and over, employed during the week prior to enumeration (excluding those on paid sick or vacation leave)

Source: U.S. Census Bureau CTPP 2000 and CTPP 2006-10; NYCDCP Population and HEIP Divisions

choose residence in the city over the suburbs, telecommuting, dual income households, housing costs, and supply of rental housing. A lack of available housing in the region is also driving the trend. Recent findings from the Fair Housing and Equity Assessment for the New York- Connecticut Metropolitan region found “a significant gap between the amount and type of housing that the region is producing and the need for housing across a broad range of incomes” (New York-Connecticut Sustainable Communities Consortium, 2014). The trend is most pronounced in the availability of multifamily housing in the region. Multi-family development creates a wider range of opportunities than does single-family development for both rental and home-ownership housing at different price points, providing more households with greater access to communities with good schools, better housing, more services or employment opportunities. Although northern New Jersey and southwest Connecticut have been producing more multi-family homes in recent years, multifamily housing production has fallen short in Westchester and Long Island, and single-family homes continue to account for most of the new housing production in the New York and Connecticut suburbs. The suburbs, by and large, have not been producing enough affordable housing or housing accessible to their low-paid labor force, which is increasingly forced to seek housing in the city (Regional Plan Association, 2013).

1.4 Urban Amenities and the Return to the City

The growth in reverse commuting may also be attributable to the increase in the number of households who choose to live in the city not because they are priced out of the suburbs, but because they want to be here. Cities like New York that provide certain amenities – entertainment, nightlife, shopping, good transit, attractive surroundings and cultural institutions – entice more affluent households who prefer to live in close proximity not only to their jobs, but to amenities as well. The rise of the “consumer city,”

Table 3
Percent Change in Average Annual
Employment by Major Industry
Sectors, 2004-2013

Industry	New York City	Rest of Metro Area*
Total, all industries	14.3%	0.3%
Goods-producing	-15.1%	-19.8%
Service-providing	16.8%	4.0%
Leisure and hospitality	44.2%	18.1%
Education and health services	20.9%	18.9%
Other services	19.1%	8.1%
Professional and business services	18.6%	6.4%
Trade, transportation, and utilities	12.5%	-3.9%
Information	9.3%	-24.7%
Natural resources and mining	9.1%	-5.0%
Construction	8.9%	-9.9%
Financial activities	0.5%	-10.7%
Unclassified	-21.1%	-38.2%
Manufacturing	-37.6%	-25.7%

Source: Bureau of Labor Statistics Data Series, Quarterly Census of Employment and Wages, Accessed on Oct. 24, 2014

*The Metropolitan Area includes the Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, Sullivan, Ulster and Westchester Counties in New York State; Bergen, Essex, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union and Warren Counties in New Jersey State; and Fairfield, Litchfield, and New Haven Counties in Connecticut State.

a term popularized by Harvard economist Edward Glaeser (Glaeser, Kolko and Saiz, 2001), has important implications for the cost of housing. The consequence is robust growth in housing demand from a segment of the housing and labor market that is willing and able to pay a higher price to live in the city than other growing segments of the labor market.

An analysis of ACS and Census data on the change in the share of professional households by neighborhood between 2000 and 2012 shows the movement of this group from outside its traditional base in the core of Manhattan to more economically diverse neighborhoods in northern Manhattan, Downtown Brooklyn, the Greenpoint-Williamsburg area and western Queens. As shown in the map in Figure 12, most of these neighborhoods could be described as areas with good transit near employment centers; low crime; diverse local retail and services; access to open space; attractive, new or well-maintained housing; good views; and an appealing streetscape. These trends support recent research that argues that housing “demand shocks,” caused by such factors as population growth, labor market changes and demographic shifts, cause prices to rise most significantly in lower income neighborhoods that abut wealthier, high amenity areas as households priced out of more desirable neighborhoods select the most affordable, nearby alternative (Guerreri, Hartley and Hurst et al, 2010).

The “consumer city” phenomenon is driving up housing demand not only from managerial and professional domestic in-migrants, but also from investors and owners of second homes who are purchasing housing in a select universe of global “superstar” cities like New York, London, Paris or San Francisco. The relative inelasticity of housing supply has resulted in disproportionately high price appreciation, making housing appealing to both investors and wealthy households that prefer city amenities (Gyourko, Mayer and Sinai, 2006). The significant rise in the number of New York City apartments owned as second homes provides some evidence of this phenomenon. Between 2008 and 2011, the number of unavailable vacant housing units recorded as “held for occasional, seasonal or recreational use” increased by 73 percent to almost 65,000 units, according to the New York City Housing and Vacancy Survey, a figure that suggests that New York City real estate continues to appeal to foreign and domestic investors.⁶

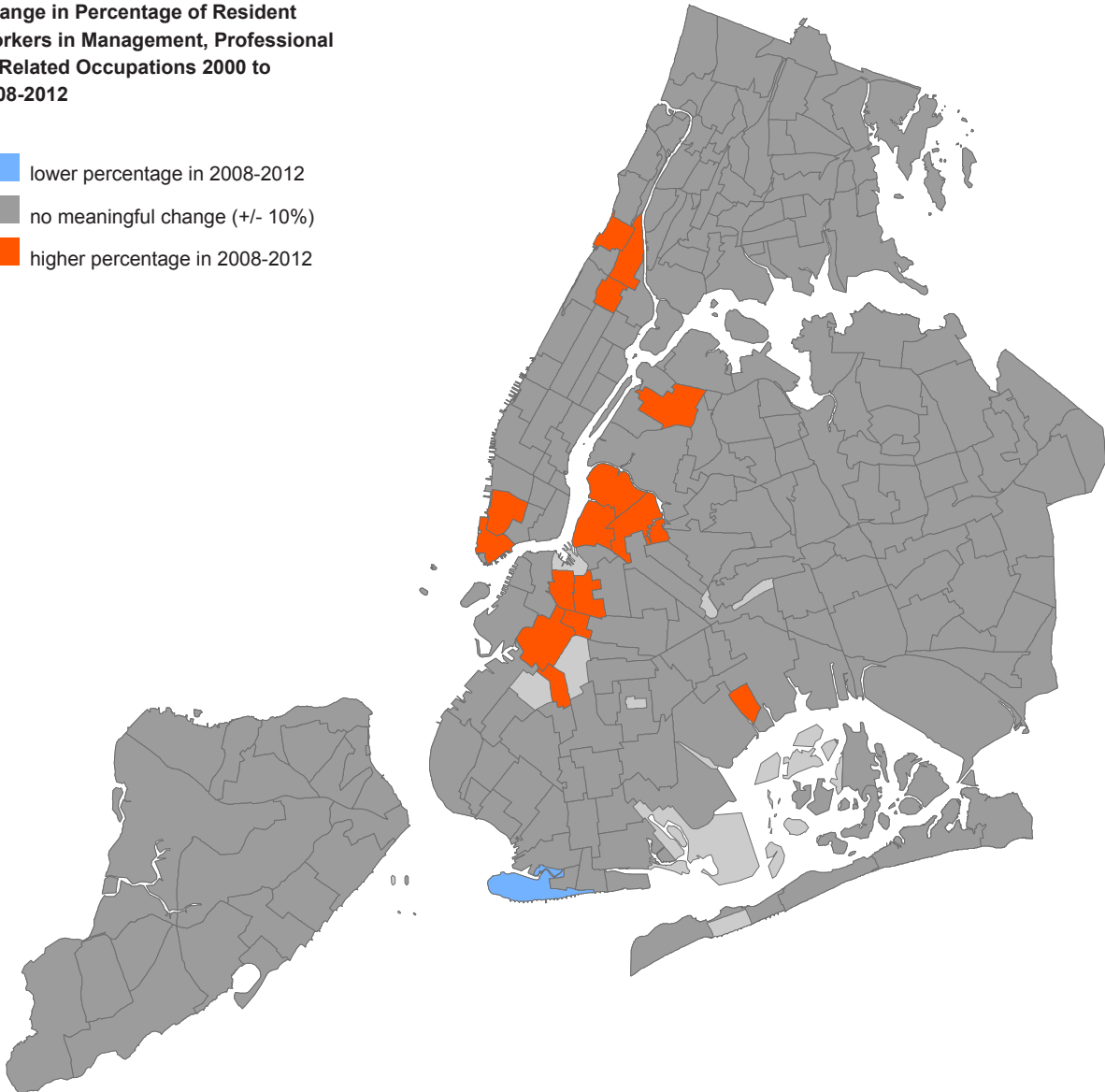
In summary, several demographic and economic trends have converged in recent years, all of which contribute to the demand for housing as a consumption good and as an investment. Population growth, increasing net domestic in-migration, the rising wealth of professional and managerial workers, robust job growth, consumer preference shifts in favor of urban amenities, investor preferences, increased demand for services and the labor to supply them, and constraints on the regional supply of housing have all had the net effect of increasing upward pressure on prices within the housing market in New York City.

1.5 Trends in Housing Production

Like all consumer goods, the amount of housing supplied generally grows or shrinks in response to demand, and prices rise or drop based on the relationship of the demand for housing to its supply. Changes to housing supply, however, differ from other goods in important ways. As a general rule, the rate of investment in housing – i.e. the construction of new housing – declines when interest rates rise and when recessions occur, limiting the supply response to demand shifts. While not permanent, housing has a very long life relative to many other assets. In addition, housing production is time-consuming, and new construction represents a small proportion of total supply. Therefore the supply of housing can be seen, at any given time, as fixed since it cannot be changed quickly in response to changes in demand. In the longer term, however, the supply of

Figure 12
Change in Percentage of Resident Workers in Management, Professional or Related Occupations 2000 to 2008-2012

- lower percentage in 2008-2012
- no meaningful change (+/- 10%)
- higher percentage in 2008-2012



Source: 2000 Census (Tables P050050 and P050003); 2008-2012 5-year ACS Occupation tables normalized to 2010 NTA boundaries by the NYC Dept of City Planning

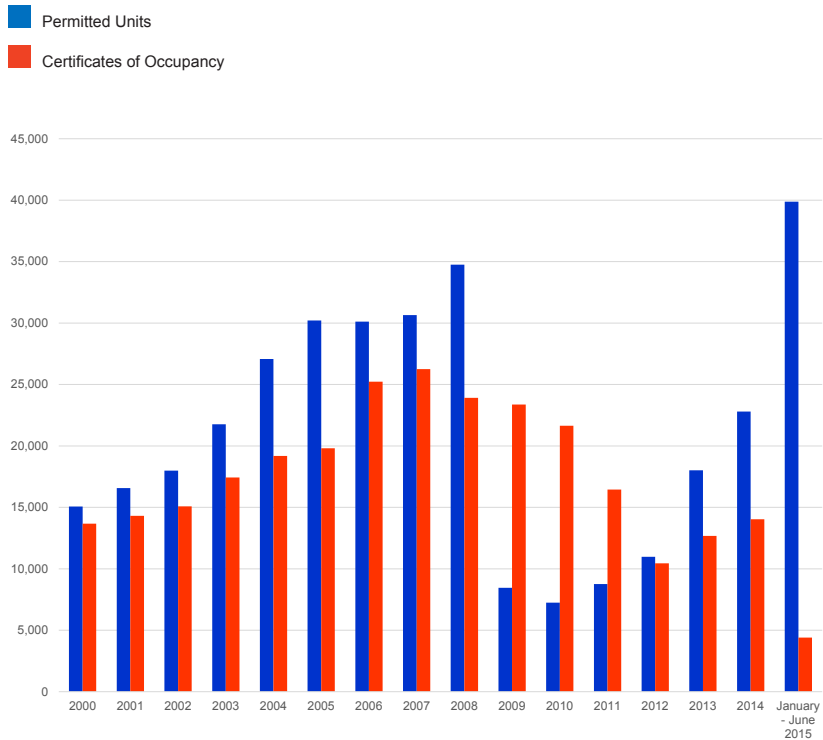
housing, like the supply of most goods, is responsive to its price: the higher the price, the greater the additions to the supply (Dornbusch, Fisher and Startz, 1998).

The factors that affect demand for housing, however, are highly varied. As wealthier households consume more housing (the wealthier the household, the larger and more numerous the housing units they consume) and thereby increase demand for housing, the better net returns on owning housing compare to the real return for other assets, such as stocks and bonds. Population growth affects these trends indirectly, insofar as expectations of future returns are affected by the inability of supply to expand rapidly to meet growing demand. In a simplified model, over the long run, construction should occur at a relatively consistent rate to meet steady demand growth and bring the market to equilibrium (when supply meets demand). However, given that economic change and financial conditions are unpredictable and inconsistent, such theoretical equilibrium is probably not achievable in high-demand, land-constrained cities like New York (Dornbusch, Fisher and Startz, 1998).

Unlike the elastic supply of many assembly-line products such as clothing or electronics, which can be adjusted relatively quickly in response to shifts in demand and consumer preferences, the response of the housing supply to changes in demand is slow. Regulations that limit the amount of housing that can be built, add to the costs of construction, or create discretionary review, such as restrictive zoning, code requirements, and environmental review, also contribute to the inelasticity of the housing supply. Thus changes in housing demand are often reflected in more expensive housing, not added supply. Increases in productivity then can result in higher paid workers and more expensive homes, rather than greater population growth (Glaeser, Gyourko and Saks, 2005). New York City's physical and economic environment presents additional constraints on new supply. Although New York City's high density zoning and largely as-of-right development process do provide opportunities for new multifamily housing, high construction and labor costs, constrained geography, limited site availability and high process costs limit the market's ability to respond quickly to surges in demand for housing.

The new demand from the city's growing population, accompanied by increases in housing prices, has driven up new housing production in New York City since the mid-1990s. Regional housing production shifted markedly toward New York City in the 2000s, and by 2004 the number of housing units developed annually in the city outpaced production in Northern New Jersey and the New York-Connecticut suburbs (New York-Connecticut Sustainable Communities Consortium, 2014). Although new housing permits plummeted after the 2008 financial crisis, which temporarily shut down lending for new housing construction, housing production began to recover in response to resumed economic growth, but not at the levels seen before the financial crisis. New housing units authorized peaked at nearly 35,000 units in 2008, but that number fell dramatically in 2009, and only began to recover in 2011. The number of units

Figure 13
Total Housing Units Permitted and
Built, 2000-June 2015



Source: New York City Department of Buildings; NYCDOP HEIP Division

nearly 18,000 units, and to just below 23,000 in 2014. New units permitted in the first half of 2015, however, reached almost 40,000, driven mostly by strong demand and developer interest in vesting under current rules for obtaining a tax exemption pursuant to Section 421-a of the Real Property Tax Law. However, given the scale of the demand and the lag time between permitting and construction, these new units are not likely to alleviate the housing crunch. As shown by the following indicators, recent levels of housing production have not been adequate to offset forces making housing less affordable to most New Yorkers.

1.6 Indicators of Constrained Supply

There are several indicators that the supply remains highly constrained and that production has been insufficient to meet demand from all segments of the market. The citywide rental vacancy rate was 3.45 percent in 2011 (the most recent year for which that data is available), which is far lower than the nationwide vacancy rate, which averaged 7 percent between 2009 and 2013 according to the most recent American Community Survey. The vacancy rate for rent-stabilized units in New York City was just over 2 percent (Gaumer, 2015).

When supply fails to keep pace with demand, prices rise. For the median New York City renter, rents have been rising faster than incomes. The consequence of these trends in housing supply and demand and stagnating incomes is rising rent burdens for a significant number of New Yorkers. A commonly accepted definition of a “rent-burdened” household is one that pays more than 30 percent of its income on rent. A “severely rent-burdened household”

would be paying more than half of its income on rent. As described in *Housing New York*, Mayor Bill de Blasio’s 10-year affordable housing plan, the number of rent-burdened households in New York City has risen 11 percent since 2000, to almost 55 percent of all renter households (City of New York, 2014).

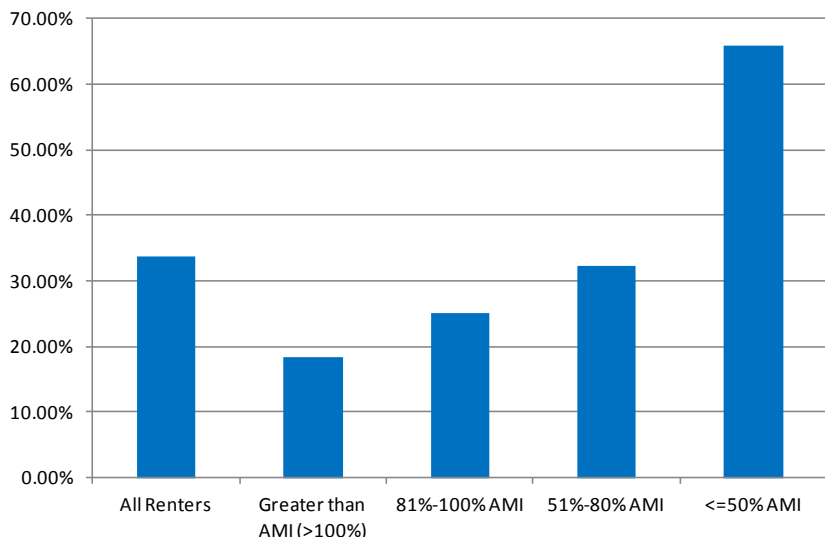
An analysis of rent burden by income band reveals that households at all incomes face high housing costs relative to income; however, it is the very low-income households that face the highest burden. (See Figure 14).

A neighborhood-level analysis of the number of households paying more than 35 percent of income on rent from the 2000 Census and 2009-2012 American Community Survey shows a widely dispersed pattern of increases in the number of rent-burdened households. Although the increase is most acute in high poverty areas in central Brooklyn and the South Bronx and in neighborhoods in western Queens, many of the city’s neighborhoods in all five boroughs have experienced rising rent burden. The neighborhoods with decreases or insignificant change in the number of rent-burdened households include mostly more affluent, lower density communities with higher rates of homeownership, such as eastern Queens, southern Brooklyn, most of Staten Island and Riverdale in the Bronx, as well as higher density, affluent Manhattan neighborhoods with relatively high homeownership, such as the Upper East Side and Tribeca. Neighborhoods with large concentrations of public housing – such as Red Hook and Coney Island in Brooklyn – also show little change in rent burden since the rents of public housing residents cannot exceed 30 percent of income (Figure 15).

The presence of subfamilies⁷ is another indicator of a housing supply that is either constrained or priced too high for the existing population, as families move in with relatives or other unrelated families in order to share housing costs. The number of subfamilies in New York City grew by almost 43,000 households to just over 432,000 between 2010 and 2013, a statistically significant 11 percent

Figure 14
Median Gross Rent to Income Ratio
by HUD Income Limits, New York City
2011

■ Median Gross Rent/Income Ratio



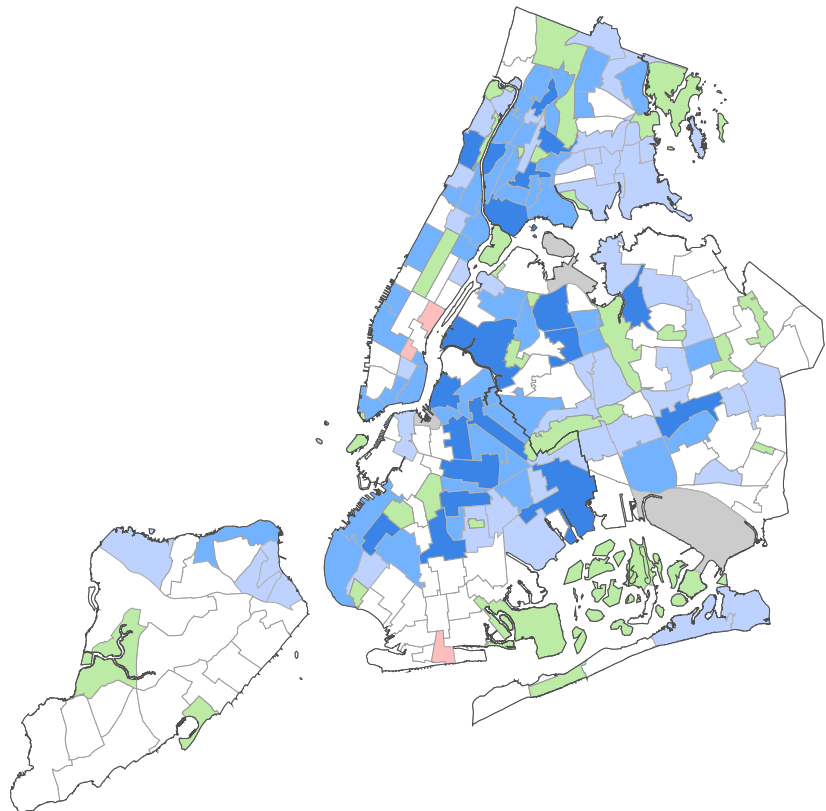
Source: 2011 NYC Housing and Vacancy Survey, Table 6.23

increase in just three years (Figure 16). Although Queens has the largest number of subfamilies, the number of subfamilies grew by 15 percent in the Bronx and 12 percent in Brooklyn. Moreover, the change in these boroughs was statistically significant. For many, living with another family or with relatives is necessary to afford housing; for certain ethnic groups, such arrangements may be the cultural norm. In other circumstances, unrelated individuals without families choose to live together to reduce housing costs. Whether the sharing of housing costs is driven by necessity, social preferences or cultural norms, overcrowded conditions can arise when households double-up to reduce housing costs. Indeed, the most overcrowded households tend to be lower income areas or ethnic enclaves – Williamsburg, Sunset Park East and Borough Park in Brooklyn; North Corona in Queens; and West Concourse in the Bronx (Figure 17). By contrast, there is very little overcrowding in the wealthier neighborhoods in Manhattan below 96th Street, the neighborhoods around downtown Brooklyn and Park Slope, eastern Queens and Staten Island; a reflection of the tendency of higher income households to occupy larger homes.

An increasing number of families and individuals have been forced to rely on City-funded homeless shelters for emergency housing. The shelter population has grown over the last several years, reaching an all-time high in December 2014 with an average nightly DHS shelter population for the month of over 58,000. More recently, the DHS shelter population in April 2015 had an average nightly population

Figure 15
Change in Rent Burdened Households
by NTA, 2000 to 2008-2012

- Gain of 2,000 +
- 1,000 to 1,999
- 500 to 999
- -499 to 499
- Loss of 500+
- Park



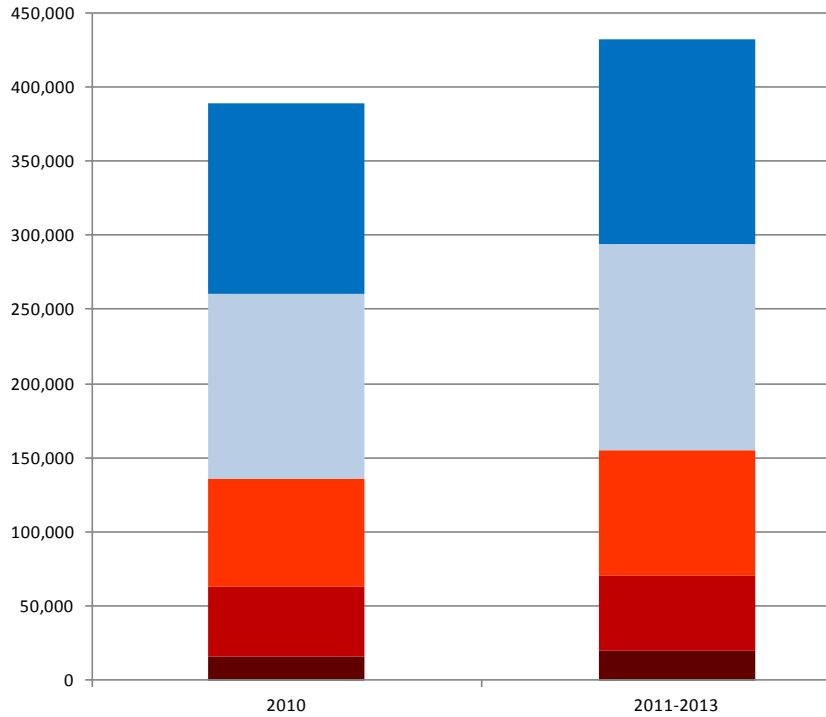
Source: U.S. Census Bureau, 2000 Census- Summary File 1; 2008-2012 American Community Survey- FactFinder

Figure 16
Population in Subfamilies by Borough,
2010 and 2011-2013



* Change was statistically significant

Source: U.S. Census Bureau, 2010 and 2011-2013 American Community Survey-Summary File



of almost 57,000. Although share of working families and residents in the shelter population has remained constant according to recent surveys, almost 12% of single adults in shelter are employed and 28% of families with children have an employed household member.⁸

The constraints on the housing supply have also driven a number of New Yorkers into illegal living arrangements, such as in cellars, basements or rooming units that do not comply with building or zoning codes. Although no official tally of illegal units exists, a 2008 study published by the Pratt Center and Chhaya (Neuwirth, 2008), two New York City-based housing and community development advocacy organizations, estimates that anywhere from 300,000 to 500,000 New Yorkers live in approximately 114,000 “unaccounted for” units.⁹ Most of these units are located in the Bronx, Queens and Brooklyn within lower density neighborhoods on the periphery of the city.

Despite rising employment and falling unemployment in the New York City, overcrowding, the presence of subfamilies, illegal housing and a growing homeless shelter population are prevalent, growing and widespread. These are clear indications of severe constraints on the availability of housing and many low- and moderate-income households’ ability to pay for it.

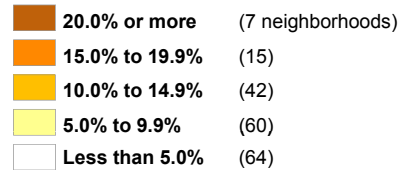
1.7 Filtering Up of Existing Housing Supply

While most goods decline in value over time, the same is not true of housing in New York City because of the scarcity of real estate. New privately financed housing is typically produced at higher price points

Figure 17
Overcrowded Households by NTA,
2008-2012

New York City = 8.6%

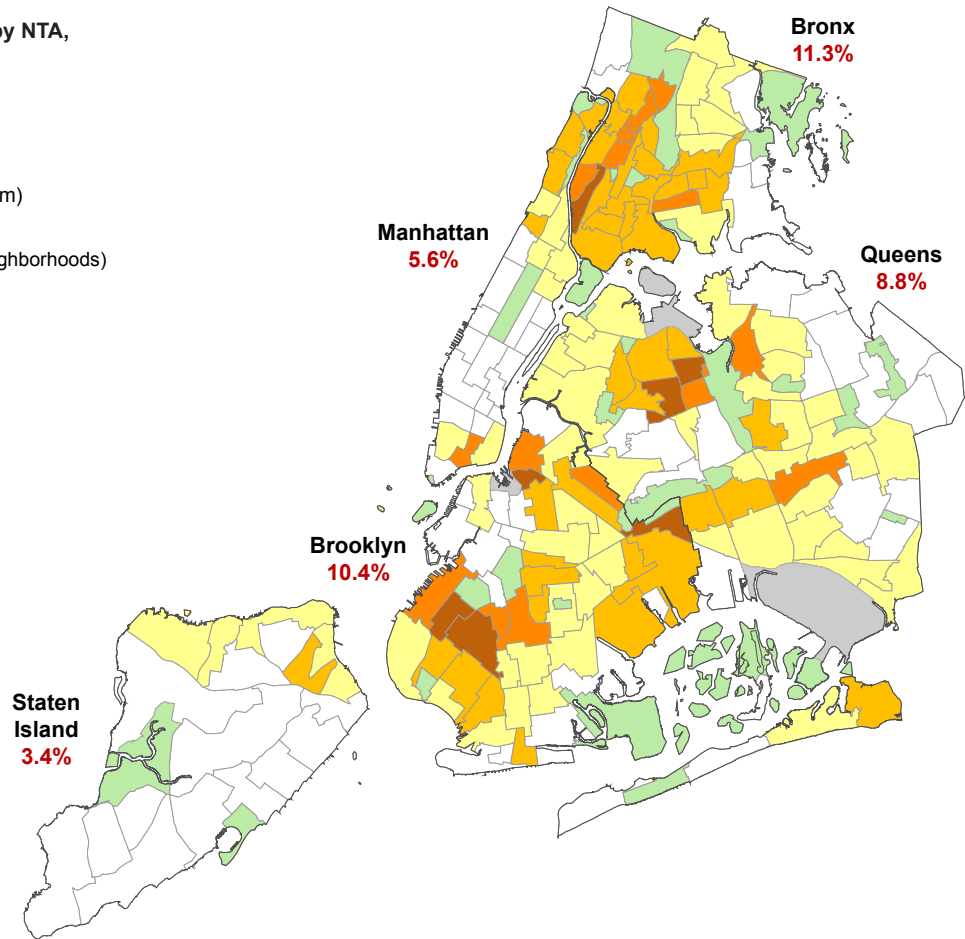
Overcrowded Households
 (more than 1 occupant per room)



Top Neighborhoods

1. Williamsburg
2. North Corona
3. Sunset Park East
4. West Concourse
5. Borough Park

*Neighborhood Tabulation Areas or NTAs, are aggregations of census tracts that are subsets of New York City's 55 Public Use Microdata Areas (PUMAs). Primarily due to these constraints, NTA boundaries and their associated names may not definitively represent neighborhoods.

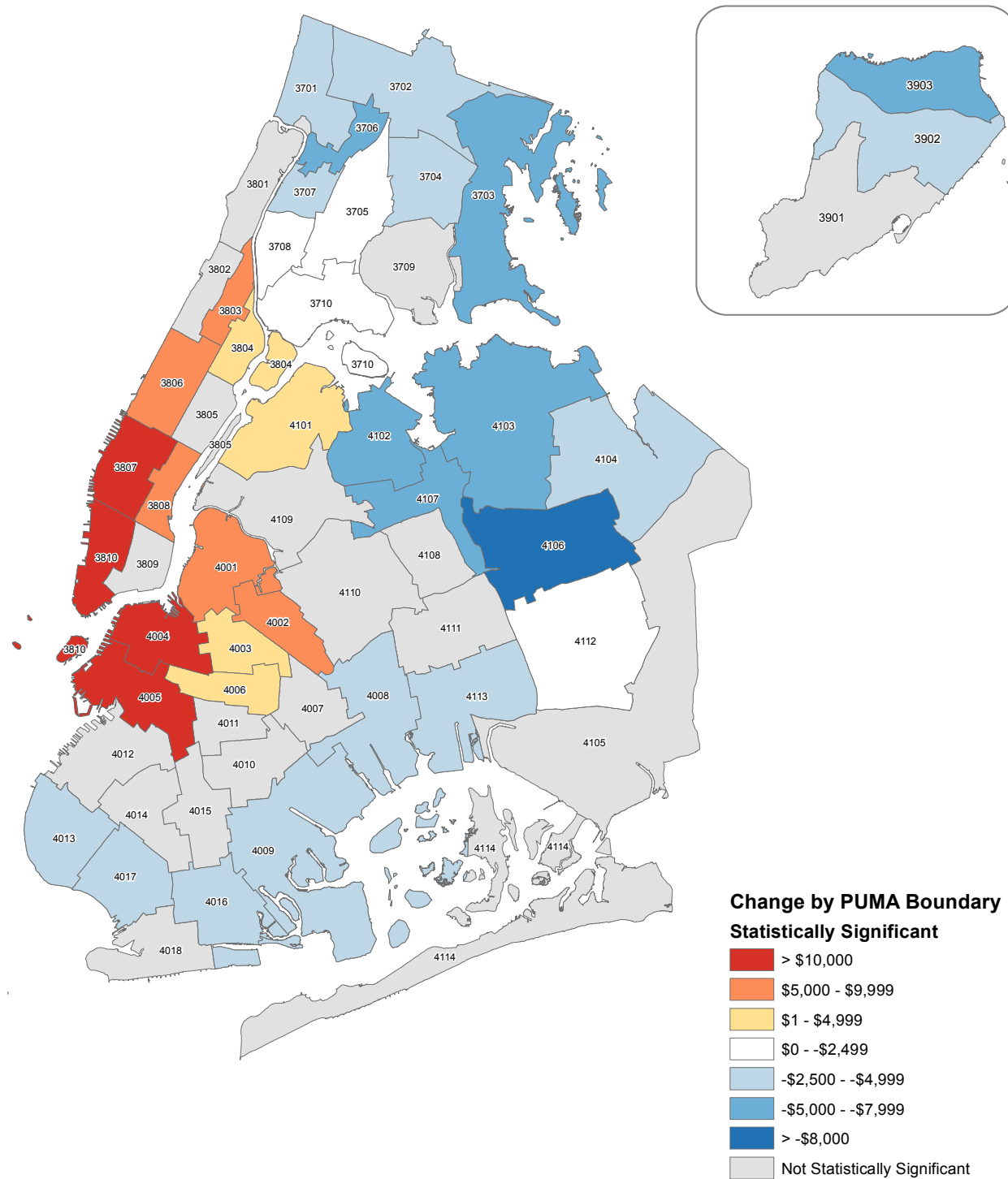


Source: U.S. Census Bureau, 2008-2012, American Community Survey-FactFinder, Population Division - New York City Department of City Planning

that can cover the high costs of construction and land. While some households can afford high-priced new construction in premium locations, many more affluent households also seek housing in older rentals, condominiums or co-ops, or pursue new condominium development in less expensive and less affluent neighborhoods. Since this growing, more affluent population can pay more for the existing limited supply of housing, it is able to outbid less affluent residents. As a result, with new housing production insufficient to meet rising demand, existing housing is filtering up to a higher income population in many New York City neighborhoods, particularly in transit accessible locations with shorter commutes to employment concentrations in Manhattan, downtown Brooklyn and the region. In many of the city's historically low- to moderate- income and high amenity neighborhoods, increased demand driven by the growing population of the new professional domestic in-migrants is driving up the price of housing in existing buildings.

An analysis of the change in median household income by PUMA¹⁰ between the Decennial Census in 2000 and the most recent complete 5-year ACS sample (2008-2012) shows that incomes are in fact rising in these types of neighborhoods (Figure 18). Transit-rich communities in much of lower and upper Manhattan, near downtown

Figure 18
Change in Median Household Income by PUMA



Source: U.S. Census Bureau, 2008-2012 American Community Survey-Public Use Microdata Sample

Brooklyn, Greenpoint, Williamsburg and Bushwick in Brooklyn, and Astoria in Queens all experienced relatively large and statistically significant increases in median household income over the last eight to 12 years.

What is a PUMA?

Public Use Microdata Areas (PUMAs) are Census-designated areas with a population of at least 100,000 persons. There are 55 PUMAs in New York City which approximate the boundaries of the City's community districts.

Accompanying rising incomes in these areas have been rising rents and increased housing production. An analysis of American Community Survey data for 2005 to 2009 and 2008 to 2012 on the median gross rents by Neighborhood Tabulation Area¹¹, collections of census tracts representative of commonly acknowledged New York City neighborhoods, shows that median rents increased most in many of these same neighborhoods, as well as along most of the Brooklyn and Queens waterfront, central Brooklyn, and Harlem, Washington Heights and Inwood in upper Manhattan (Figure 19).

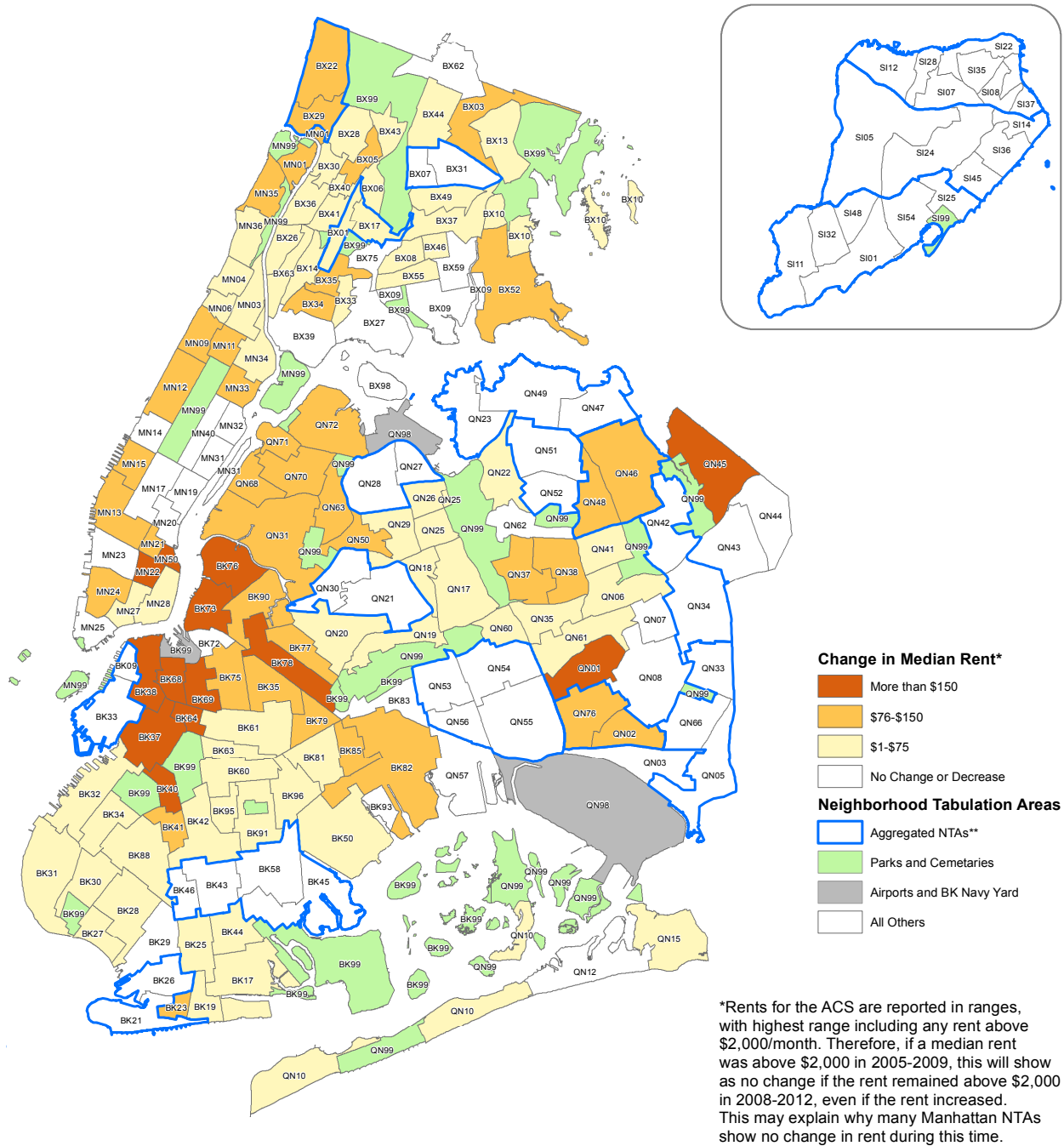
A comparison of the change in rent by NTA with the increase in housing unit permits since 2010 shows that housing production is increasing most in neighborhoods with the biggest increases in rent (Figure 20), which is consistent with economic theory that more residential investment occurs where prices are high (Dornbusch, Fisher and Startz, 1998). In neighborhoods with substantial housing production, an increase in median rents does not necessarily imply a filtering up of existing housing. However, since housing production often lags behind demand, the increase in housing permits does not preclude the filtering up of the existing stock of housing; both are consequences of demographic and socioeconomic changes.

What is an NTA?

Neighborhood Tabulation Areas or NTAs, are aggregations of census tracts that are subsets of New York City's 55 Public Use Microdata Areas (PUMAs). Primarily due to these constraints, NTA boundaries and their associated names may not definitively represent neighborhoods.

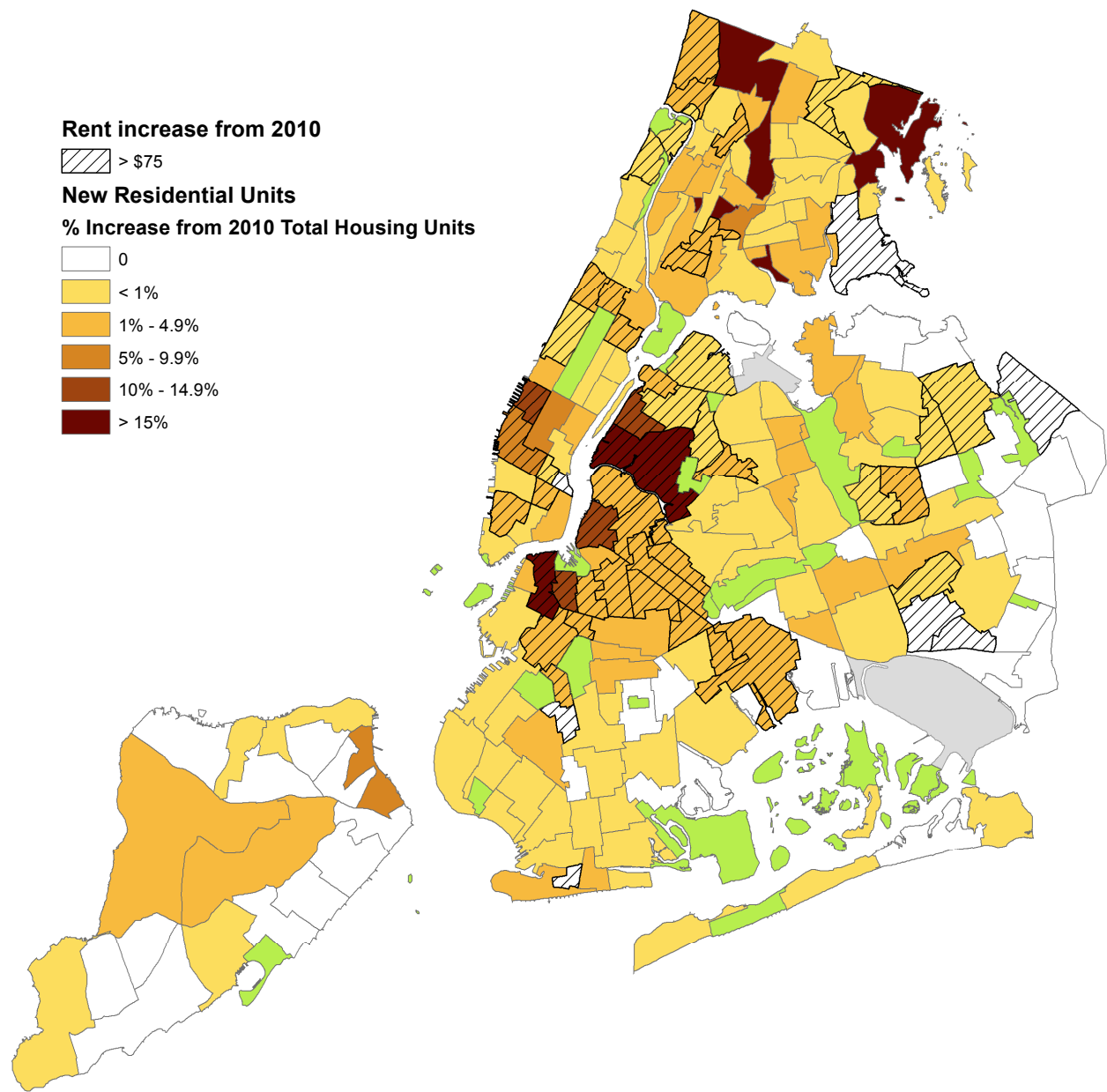
The patterns of new housing production and rising rents indicate that filtering up is also evident in areas where there has been relatively little new housing development. Examples include neighborhoods like Park Slope, Prospect Heights, Kensington, Bushwick and Windsor Terrace in Brooklyn; and the East Village, Upper West Side, Washington Heights and Inwood in Manhattan – all communities with a growing affluent population and increasing rents, but limited new housing production. The transition of existing housing from lower to higher income households is often accompanied by private investment in renovation or upgrades to existing housing. However, new housing production may be limited in these high demand areas either because there is not zoned capacity or sufficient availability of suitable sites for new housing, because the production has not caught up with demand, or both. As shown above in Table 1, domestic in-migrants tend to have smaller average household sizes compared to other households and domestic out-migrants. Consequently, when these households move to lower income neighborhoods, more housing units are needed to accommodate the same number of people. This higher consumption of the existing housing supply by more affluent households can drive up demand disproportionately to the increase in population, compounding the upward-filtering effects.

Figure 19
Change in Median Gross Rent by NTA,
2005-2009 to 2008-2012



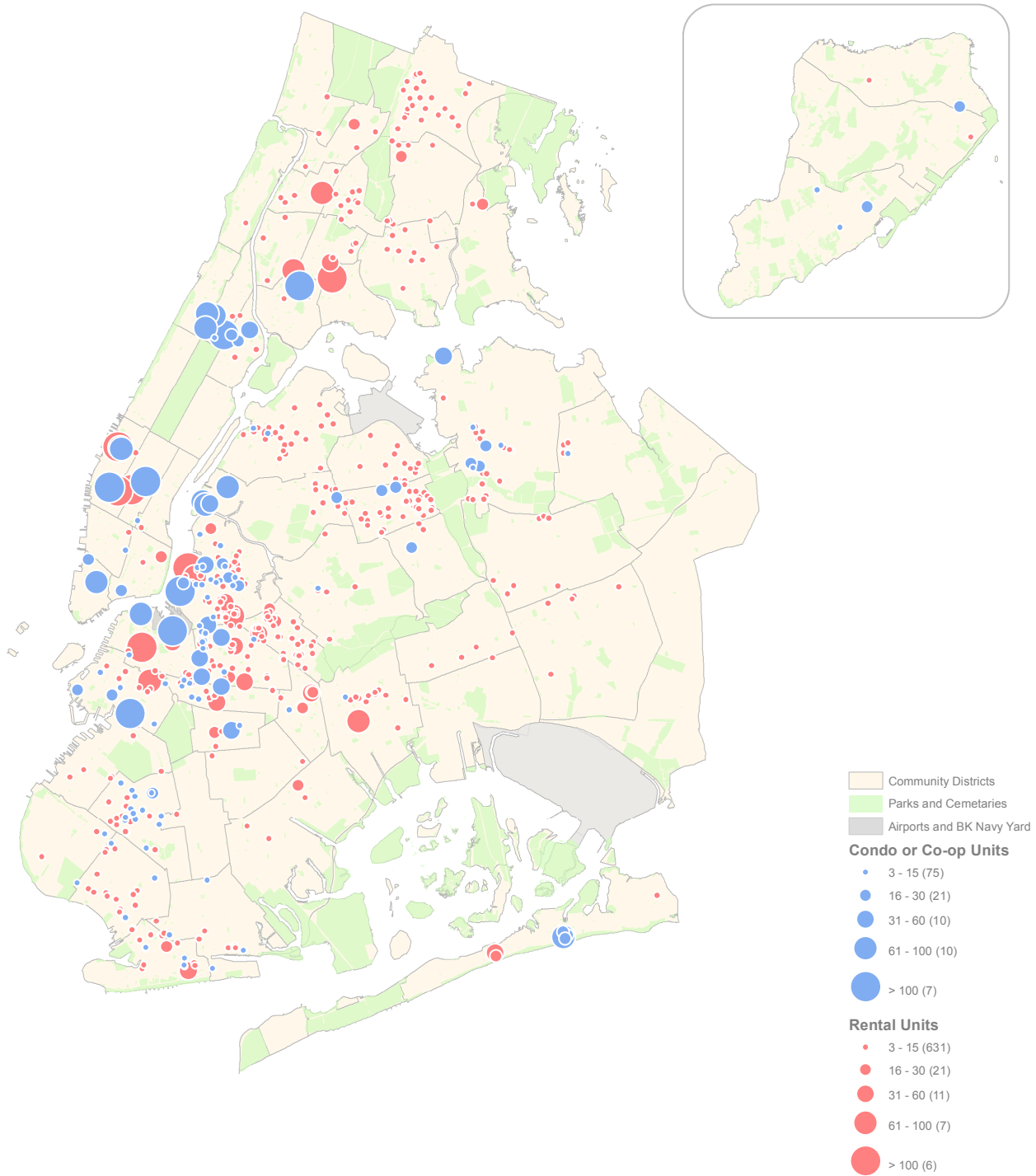
Source: U.S. Census Bureau, 2010 Census SF1 and American Community Survey-FactFinder, 2005-2009 and 2008-1012

Figure 20
Percent Increase in Units Permitted
and Rent Increase of >\$75 Since 2010
by NTA



Source: U.S. Census Bureau, 2010 Census SF1, Total Housing Units and Vacancy Status American Community Survey 2005-2009 and 2008-1012

Figure 21
New Multifamily Residential Units by Tenure,
2010-2014



An analysis of recent construction of multifamily housing completed between 2010 and 2014 illustrates the correlation between population and demographic changes and the housing market's response to demand. Recent new construction includes substantial condominium development in the Manhattan Core (Community Districts 1-8) and in other neighborhoods that have seen large increases in residents in professional or managerial occupations – Long Island City, Greenpoint-Williamsburg and the neighborhoods surrounding downtown Brooklyn (Figure 21). Elsewhere, smaller rental buildings dominate new development.

Despite the existence of impediments to housing production that limit the market's ability to respond to demand, increased housing production remains important to keep pace with demand and reduce upward pressure on housing prices. The *Housing New York* plan identifies a number of actions that are critically needed to spur housing construction, and Mayor de Blasio has identified a housing production target of 240,000 new units over a decade, to keep up with demand and help reduce the burden of housing costs. Although increased housing production is an important component of a comprehensive solution for the city's affordability crisis, production alone is unlikely to increase the availability of housing affordable at all income levels. Without intervention, the market will largely serve higher-income households, and filtering down – a pattern in which older, existing housing becomes more affordable – is likely to reach only a limited segment of the population. In addition, any “filtering down” achieved through increased production is unlikely to result in economic diversity at the neighborhood level.

Chapter 2: Benefits of Neighborhood Economic Diversity

2 Benefits of Neighborhood Economic Diversity

2.1 Housing Choice and Access to Opportunity

Neighborhoods provide residents not only a location in which to live, but also a “package” of services and amenities that in many ways define the opportunities available to them. The qualities of neighborhoods can have profound implications for quality of life and economic well-being. The neighborhood where one lives affects the quality and diversity of choices and prices paid for housing, childcare, healthcare and transportation. It determines the choices parents have for their children’s schools, households’ access to certain social networks, and the time, convenience, and cost associated with traveling to work, to go shopping, or to visit family and friends. Neighborhoods also vary considerably in the degree to which they increase residents’ exposure to crime or pollution, and provide access to public amenities such as parks and open space, community centers and libraries.

All of these factors affect well-being and quality of life in profound ways, according to the growing consensus within a large body of economic, sociological, medical and public policy research conducted over the course of several decades. Families experience worse outcomes when they live in neighborhoods where poverty is highly concentrated and the quality of services and amenities is often limited. There is evidence in particular that place matters for low- and moderate-income children and families, and strong evidence that growing up in places with concentrated poverty contributes to

New York City’s neighborhoods are characterized by distinct environments and opportunities



health issues and problems such as teen pregnancy, unemployment, substance abuse and delinquency (Sharkey, 2013; Popkin et al., 2000; Ellen and Turner, 1997; Wilson, 1987). Despite progress nationally since 1990 in reducing the concentration of low-income households, minority and female-headed households remain more likely to live in poor neighborhoods (Jargowsky, 2003). Moreover, recent research shows that the experience of growing up in these neighborhoods can have lingering effects over generations for families who are essentially “stuck” in disadvantaged neighborhoods with high crime rates, low labor force participation, poor performing schools, high pollution rates or inadequate services (Sharkey, 2013).

2.2 Federal Housing Policy and Neighborhood Economic Diversity

The Fair Housing Act of 1968 and the Housing and Community Development Act of 1974 establish neighborhood economic diversity and de-concentration of poverty as central tenets of federal housing policy and obligate all levels of government to administer programs and activities in a manner that “affirmatively furthers” these fair housing goals. While the statutes do not precisely define the extent or nature of that obligation, HUD guidance and the recent history of federal housing policies, outlined below, support a balanced approach encompassing both housing mobility strategies and place-based neighborhood revitalization strategies.¹² Housing mobility strategies, whether housing vouchers or affordable housing production in high opportunity areas, give low-income families the ability to move away from areas of concentrated poverty and low opportunity to places with better schools, access to jobs, lower crime, and better public services and amenities. Place-based neighborhood revitalization strategies seek to improve areas of concentrated poverty and low opportunity through targeted and coordinated neighborhood investments and mixed-income development that preserves a place for existing residents, no matter their economic trajectories, as these strategies help to make neighborhoods become more desirable, higher opportunity places to live. Both strategies support neighborhood economic diversity and higher opportunity for families, whether they choose to pursue those opportunities elsewhere or wish to remain in their existing neighborhoods.¹³ Families will value these options differently based on a host of unique needs and circumstances.

Current policy works against the legacy of decades of misguided federal policies and outright discrimination by lenders, civic associations and federal regulators that had by the 1960s resulted in the concentration of low-income minorities in urban neighborhoods as more affluent, typically white households moved in droves to the suburbs (Jackson, 1985).

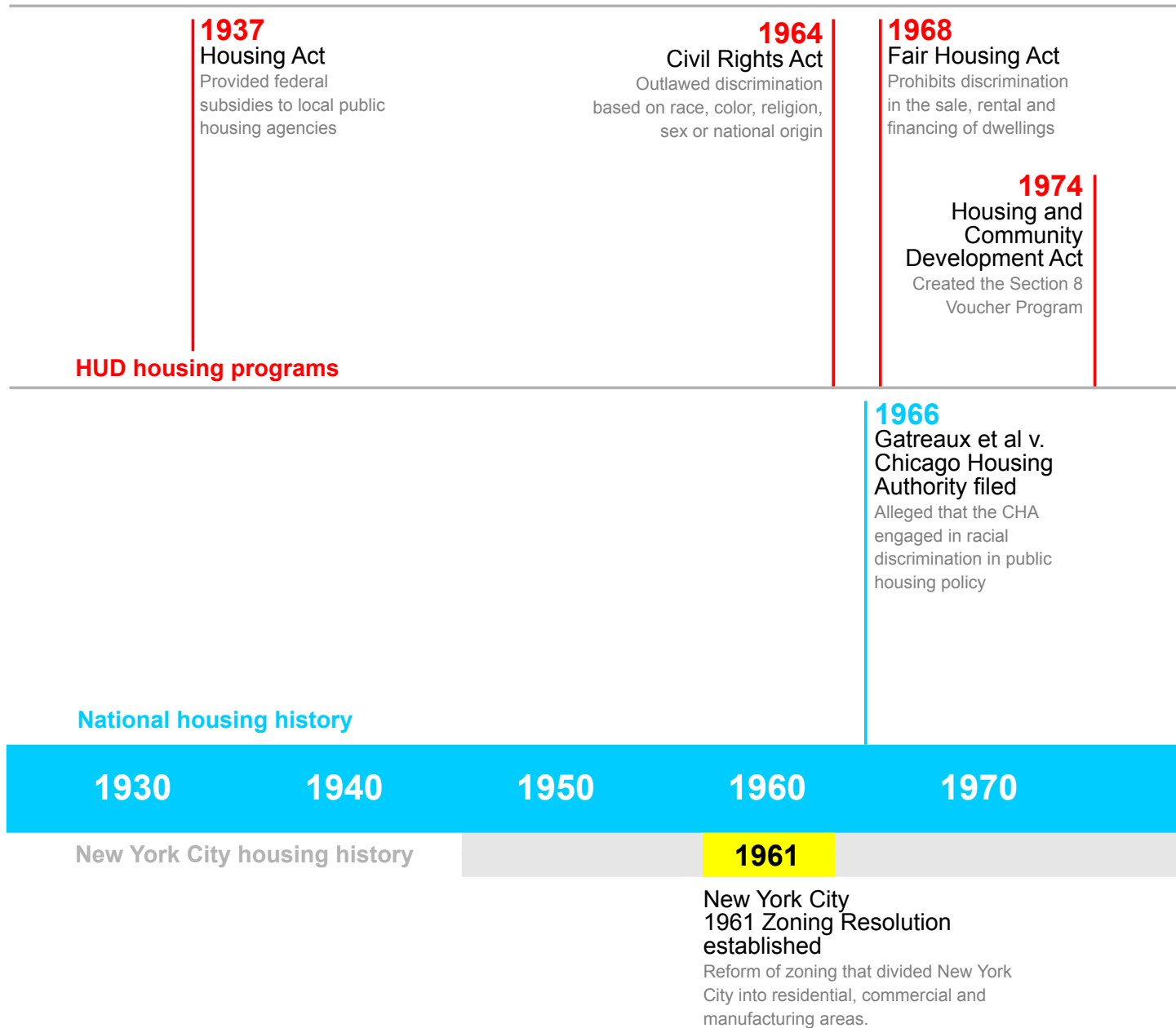
The effects of these policies were most pronounced in many of the nation’s public housing developments, many of which were created under the auspices of the Housing Act of 1937. The Wagner-Steagall Act, as the legislation is often called, authorized federal financing

for slum clearance and the construction of low- income housing by local public housing authorities in order to provide “decent, safe and sanitary dwelling for families of low- income, and for the reduction of unemployment and the stimulation of business activity”. Despite the intentions of the bill’s sponsors, Democrats Henry Steagall of Alabama and Robert Wagner of New York, living conditions deteriorated for many residents of the public housing developments, which were increasingly underfunded, isolated from employment and services, and racially and economically segregated (Green and Lane, 1992; Jackson, 1985; Gans, 1959). By the 1960s, formerly working-class public housing developments served to concentrate and reinforce urban poverty in neighborhoods that were already among the lowest opportunity areas in the nation.

The first major challenge to racially discriminatory housing practices that highlighted the effects of racial and economic segregation was filed in 1966 in *Gautreaux et al v. Chicago Housing Authority*, in which Chicago Housing Authority (CHA) residents charged that by concentrating public housing units in isolated, poor and predominantly black neighborhoods, the CHA and HUD violated both the 1964 Civil Rights Act as well as the equal protection clause of the U.S. Constitution. The U.S. Supreme Court ruled in favor of the CHA residents and ordered the desegregation of CHA sites through the creation of new “scattered site” public housing within nonminority communities. The settlement also resulted in the establishment of the Gautreaux Assisted Housing Program, the nation’s first housing mobility program, which provided rent subsidy vouchers to allow the relocation of 25,000 CHA residents to over 100 communities in the Chicago metropolitan area between 1976 and 1998 (BPI, 2015).

Promoting racial and economic diversity underpinned the decision, which prohibited public housing development in census tracts that would reinforce the concentration of minority and low-income households (*Gautreaux v Chicago Housing Authority*, 1969). The Gautreaux legacy can be credited with inspiring a broad range of housing programs and policies that aim to de-concentrate poverty and promote mixed income communities (Popkin et al, 2000). In the midst of the Gautreaux litigation, Congress passed the Fair Housing Act within the Civil Rights Act of 1968 guaranteeing that all persons living in America were protected by law from discrimination in housing on the basis of race, color, religion, sex, national origin, disability and familial status. The act also required that the Secretary of Housing and Development administer programs and activities in a manner that “affirmatively furthers” fair housing (Civil Rights Act, 1968).

National and Local Housing Policy Timeline



1993

HOPE VI Program

Established by HUD to fund the demolition and replacement of distressed housing

2010

Choice Neighborhoods Program

Replaces HOPE VI in order to support transformative investment in high poverty neighborhoods

1996

Moving to Opportunity

HUD begins a 10-demonstration study on the outcomes of mobility programs

1976

Gatreaux Project Relocation

Chicago Housing Authority begins court-ordered relocation of residents out of racially segregated public housing.

First Inclusionary Housing Program in U.S.

Adopted in Montgomery County, Md.

1992

National Commission on Severely Distressed Public Housing issues report to Congress calling for action to address conditions in nation's most distressed public housing

2002

San Francisco Mandatory Inclusionary Housing Policy established

The city requires all new housing developments with 10 or more units to provide affordable housing

1980

1990

2000

2010

2015

1987

NYC Planning Commission adopts R10 Inclusionary Housing Program

Offers a FAR bonus for the provision of affordable housing

1985

Mayor Ed Koch's Housing Plan

To rehabilitate in rem property for affordable housing.

2005

NYC Planning Commission adopts Inclusionary Housing Designated Areas

Promotes economic integration in areas of the City undergoing new residential development by offering a FAR bonus for the provision of affordable housing in designated areas.

2014

Housing New York Plan released by Mayor de Blasio

A plan to promote affordable housing and community development in New York City's five boroughs

By the 1970s the long term consequences of federal housing policy and deteriorating conditions in the nation's cities led Congress to pass the Housing and Community Development Act of 1974, which established the Section 8 housing voucher program and Community Development Block Grants (CDBG), a consolidation of existing federal community development programs that gave local governments more discretion in deciding how to spend the funds (US Department of Housing and Urban Development 2015). In addition to promoting new investment in distressed neighborhoods, the act also sought to improve housing and economic opportunity for low- and moderate- income households in ways that resulted in "the reduction of the isolation of income groups within communities and geographical areas and the promotion of an increase in the diversity and vitality of neighborhoods through the spatial de-concentration of housing opportunities for persons of lower income" (Housing and Community Development Act, 1974). The obligations under the Fair Housing Act to affirmatively further fair housing are extended by the Housing and Community Development Act to all recipients of government funding, including state and local recipients of CDBG funding.¹⁴

By the late 1980s inner city crime and decades of deferred investment in the nation's public housing led Congress to once again assess how to deal with problems associated with concentrated poverty in urban neighborhoods with the formation of the bipartisan National Commission on Severely Distressed Public Housing in 1989. The Commission was charged with establishing an action plan to address conditions in the nation's worst public housing projects (Department of Housing and Urban Development Reform Act of 1989). After an 18-month study that involved visits to public housing developments in more than 25 cities, 20 public hearings, and interviews with public housing residents and staff, the Commission reported, among its many findings, that the most severely distressed public housing was often located in "deteriorated, service-poor neighborhoods that also suffer from general disinvestment." Strategies to encourage economic diversity were central to the recommendations within the Commission's action plan. In its August 1992 report to Congress, the Commission advocated for appropriation of \$7.5 billion over 10 years to finance the demolition and redevelopment of "severely distressed" public housing as part of an "overall strategy to promote neighborhood improvements." The replacement housing, they stressed, "must be used as a method of promoting an income mix in the neighborhood...as part of a comprehensive plan for redeveloping a distressed site and economically integrating the neighborhood" (Green and Lane, 1992).

The recommendations in the report resulted in the creation of HOPE VI in 1993, a HUD-administered program that provided revitalization grants to public housing authorities to cover the costs of demolition of severely distressed public housing, major rehabilitation or replacement housing and community and supportive service programs. Revitalization grants that funded the development of replacement housing were required to "avoid or lessen concentration of very low- income families" (US Department

of Housing and Urban Development, 2010). HOPE VI set in motion a national effort to promote mixed income developments in order to promote neighborhood economic diversity, secure greater access to opportunity for low-income households and improve neighborhood conditions. The program ended in 2010 after federal expenditures of \$6.1 billion on projects that resulted in the demolition of 96,200 public housing units, and the development of 107,800 new mixed-income or renovated units, of which 56,800 were affordable to the lowest incomes. An additional 78,000 households in demolished HOPE VI sites received housing vouchers to move to lower poverty neighborhoods (US Department of Housing and Urban Development, 2010). Although HOPE VI did achieve its goal of moving families out of high poverty and creating mixed income neighborhoods, it was criticized for resulting in a net loss of units for low-income families (Cabrera, 2007). Former HUD Secretary Shaun Donovan acknowledged this in a 2009 speech to the National Press Club on urban revitalization and opportunity: “A legitimate criticism of HOPE VI is that in some tight housing markets, we lost desperately needed hard units that were affordable to the poorest families...As we build on HOPE VI, the next generation of housing policy must not penalize an extremely low-income family for the housing market they live in” (Donovan, 2009).

HOPE VI is complete and the living conditions within once severely distressed public housing developments have much improved, yet poverty remains concentrated in many communities. After HOPE VI, neighborhood economic diversity remains an objective of federal housing policy, but the focus is now on programs that provide affordable housing outside of public housing, in partnership with the private sector, and with efforts that address neighborhood conditions more comprehensively. HUD’s Choice Neighborhoods program replaced HOPE VI in 2010 with the purpose of supporting “transformative investments in high poverty neighborhoods” (Donovan, 2014). The program seeks to align housing interventions more closely with other interventions that address neighborhood quality, such as efforts to stimulate private investment, school reform and job placement programs.

2.3 Benefits of Economic Diversity

Most present-day affordable housing policy is based on the premise that reducing concentrated poverty through creating mixed-income neighborhoods is a critical part of the battle to end poverty and its effects. Less clear, however, is who benefits and in what ways and what the best mechanisms are for de-concentrating poverty. There are generally two approaches that have been outlined in the federal policies described above – supply side solutions that seek to build publicly owned or subsidized housing and demand side solutions that provide rental subsidies in the form of vouchers that tenants can use to supplement market rate rents in private buildings. Both strategies have a long history of programs – some court-ordered – that have been met with mixed success but have nonetheless provided a wealth of information about how communities benefit

from economic diversity. Over the past 50 years, a significant body of research has evolved that attempts to answer these questions. An equally rich body of research explores the neighborhood conditions that determine the success of households and benefit to communities, regardless of whether they were directly affected by these housing programs, providing important insight into how cities benefit from economic diversity.

Housing mobility is a household's ability to move to a place that provides better opportunities, often defined as low-poverty neighborhoods, or away from a place with negative influences or limited opportunity, often defined as high-poverty neighborhoods. Experiments in the success of mobility programs that relocate poor households from high poverty to low poverty neighborhoods have consistently been shown to have numerous positive outcomes for the families, and children in particular. The nation's first mobility experiment was the court-ordered relocation of Chicago Public Housing Authority residents from racially segregated, high poverty neighborhoods to communities with a higher degree of racial and economic integration. Although the emphasis of Gautreaux was on the racial integration of communities, families also moved into neighborhoods that were also more economically diverse, often in the suburbs. Gautreaux was not a social experiment. It was part of the U.S. Supreme Court-ordered desegregation of CHA housing necessary to remedy civil rights violations caused by discriminatory practices. Findings from studies of the Gautreaux movers found that families who moved to economically and racially diverse suburbs were more likely than those who remained in the city to be employed after moving. Children also were more likely to finish high school and attend college. Although studies on the outcomes of Gautreaux movers champion the positive benefits of mobility programs, it should be noted that these studies have limitations. The study was not a controlled experiment and participants were self-selected, which may have resulted in the selection of a motivated population already more likely to succeed (Popkin, Buron et al., 2000).

The encouraging results of the Gautreaux relocation inspired the first controlled experimental mobility program - Moving to Opportunity. This demonstration project was sponsored by the Department of Housing and Urban Development to test outcomes of families receiving housing vouchers. It found that among households that moved to neighborhoods with lower poverty rates, adults had both physical and mental health improvements, and that girls had significant mental health improvements.¹⁵ (U.S. Department of Housing and Urban Development, 2011). An evaluation of the program after 10 years showed these positive outcomes held true, and also showed that teenage girls were much less likely to be arrested for violent crimes or engage in risky or delinquent behavior, such as drug use or smoking (Orr et al, 2003). These young girls were also more likely to stay in school and have a positive outlook on going to college or getting well-paying jobs.

Another finding of the MTO study is that mixed-income neighborhoods provided low-income residents with a better

environment and public services than they would have otherwise had. The experimental families who moved found homes not only in places with lower poverty; the neighborhoods also had “higher adult employment rates, a substantially higher proportion of two-parent families and high school graduates, and nearly twice as many homeowners.” Many families noted significant increases in the perceived safety of their surroundings, and also reported substantial improvements to neighborhood quality of life with less litter, graffiti, loitering or public drinking (Orr et al., 2003).

Some of the disappointing results of the study showed that boys had less favorable, and sometimes worse health and delinquency results, and educational and employment outcomes did not improve for most of the MTO families. Other studies have shown similar disparate effects on boys and more study is needed to understand why boys that move from high- to low-poverty neighborhoods have different outcomes (Badger, 2015).

Much of the research on neighborhood effects is based on the results of households participating in housing mobility programs. A 2008 analysis of the MTO evaluation highlights some of the shortcomings of demand side solutions to housing affordability, most notably that voucher users are faced with housing situations that are less stable and more influenced by shifting markets. That analysis found that although 89 percent of the MTO participants had initially moved to low-poverty neighborhoods, only 39 percent still lived in low-poverty neighborhoods 10 years later. About half of those who moved ended up in census tracts that experienced increases in poverty, suggesting that they went to places that were in decline (Comey, de Souza Briggs, et al., 2008); others later moved to different neighborhoods with higher poverty rates. The reasons provided for these moves varied. Many of the MTO participants in New York City who moved back to high-poverty neighborhoods were often forced to move due to market factors like a landlord’s decision to sell or raise rent (Comey, de Souza Briggs, et al., 2008). Most movers to lower poverty neighborhoods reported satisfaction with their new communities; among those who moved back to their original neighborhood for social reasons, a lack of public transportation in their new neighborhoods that could be used to visit family and friends was often a motivating factor for the move.

A 2010 study by Heather Schwartz of the Century Foundation provides what is perhaps the most robust analysis to date of the benefits of supply-side strategies to creating economically diverse neighborhoods, and of the benefits of inclusionary housing programs in particular. Her analysis focused on the academic performance of students living in publicly-owned inclusionary housing units in Montgomery County, Maryland – one of the wealthiest counties in the nation and home to the country’s largest and oldest inclusionary housing program. In examining the longitudinal school performance of 850 public elementary school students from the inclusionary units, those students who attended the county’s most advantaged schools¹⁶ far outperformed in math and reading skills compared with students in from inclusionary units who attended the least advantaged schools.

In fact, as school poverty levels rose, the “academic returns” of living in economically integrated housing diminished.

She also found that for even very low income families in inclusionary housing units, residential stability improved student outcomes, as results improved over time. Based on these results, Schwartz provided the following justification for inclusionary housing: “Housing and education traditionally have been considered the primary instruments of social mobility in the United States. Since education is an investment with both individual and societal benefits, improving low-income students’ school achievement via integrative housing is a tool that not only can reduce the income achievement gap but also can help stem future poverty” (Schwartz, 2010).

Other non-experimental studies support the link between neighborhood effects and financial outcomes. In a recent paper exploring the geography of inter-generational upward mobility (the potential for an individual to move from the lowest income bracket in childhood to the highest in adulthood), Harvard economist Raj Chetty demonstrated that upward mobility varies substantially between jurisdictions and is correlated with several characteristics that are influenced by neighborhood effects. Chetty analyzed federal income tax data on the incomes of more than 40 million children and their parents between 1996 and 2012 to study intergenerational mobility (Chetty et al, 2014). After determining the joint distribution of parent and child income at the national level, he estimated the probability that a child born into the bottom quintile of the national income distribution would reach the top quintile as an adult. He found substantial variation across national commuting zones. For instance, the probability of the child moving from the bottom to the top quintile was just 4.4 percent in Charlotte, N.C. compared with 10.5 percent in New York City and 12.9 percent in San Jose, C.A. Moreover, he found several characteristics that define the places with the highest mobility. These places had less residential segregation, less income inequality, better primary schools, greater social capital and greater family stability. His research also shows that location matters. Even within jurisdictions there were variations in economic mobility depending on the neighborhood.

A recent study by Chetty and economists Nathaniel Hendren and Lawrence Katz provides further evidence that neighborhood matters, particularly for young children (Chetty, Hendren and Katz, 2015). The study, released in May 2015, provided an assessment of the long-term outcomes of families who participated in the MTO experiment based on an analysis of administrative data provided on individual tax returns. The study analyzed information on income, educational attainment, residence and marital status provided on the individual tax returns and W-2 forms of MTO participants, and compared the results of three different groups: an experimental group, which received housing vouchers that could only be used within low poverty census tracts (less than 10 percent); a Section 8 group that could use housing vouchers anywhere; and a control group that received no assistance. The study focused specifically on the tax records of adults whose families participated in the MTO experiment when they were

children (ages 18 or younger).

The study found that adults who moved as young children (less than 13 years old) from high-poverty to low-poverty neighborhoods had better long-term outcomes than their peers who remained in high-poverty neighborhoods. As adults, the child movers to low-poverty neighborhoods had higher earnings and educational attainment. They were also more likely to live in a low-poverty neighborhood as an adult and were less likely to become single parents. In contrast, they show, the same moves did not provide benefits to adults who were age 13 or older at the time of the move, and many teenagers, in fact, fared worse than peers who remained in high-poverty neighborhoods. The benefits diminished over time, with youngest movers faring the best in the long term. This may suggest that neighborhood effects are most important in the development of young children, but less influential in the outcomes of older children and adults. This finding is consistent with previous longitudinal studies of the MTO experiment that found adults generally did not see income gains from moving to lower poverty neighborhoods.

A companion study by Chetty and Hendren, also released in May 2015, showed the same positive outcomes for young children who moved to better neighborhoods (Chetty and Hendren, 2015). This quasi-experimental study analyzed the individual tax records of more than five million adults who moved as children across counties or commuting zones, comparing reported information on income, educational attainment, residence and marital status. The study analyzed long-term outcomes by income percentile in order to distinguish low-income movers from high-income movers. It found that children whose parents moved to a better neighborhood – as defined by a county or commuting zone where the children of non-movers in the same income percentile had higher earnings in adulthood – earn more themselves as adults (between the ages of 24 and 30). These individuals also had better outcomes on several measures, including educational attainment, teenage employment, teen pregnancy and marriage. Similar to their study of the MTO participants, Chetty et al. also found in this study that positive effects were linear with respect to age – the younger the children were at the time of the move to a “better” neighborhood, the better the outcomes.

The researchers then assessed the characteristics of neighborhoods¹⁷ with the highest and lowest intergenerational mobility, as determined by the difference in income status when the movers were children and when they were adults, in order to determine a possible cause for the better outcomes. They found that the counties¹⁸ that produce the best outcomes for low-income families tend to have the following characteristics: lower rates of residential segregation by income and race; lower levels of income inequality; better schools; lower rates of violent crime; and higher rates of two-parent households.

While not directly assessed through quantitative research, there are other respects in which similar beneficial effects of neighborhood economic diversity can be hypothesized, particularly within the New York City context. Household composition and economic

circumstances are dynamic, rather than static: in the course of everyday life, households grow (e.g., through marriages, births, or adoptions, or roommates moving in) and shrink (e.g., through deaths, separation or divorce, or adult children or roommates moving out) at irregular intervals. To the extent that these changes affect a household's income or the amount of space it needs, it may be necessary or desirable for the household to move to a larger or smaller, more expensive or less expensive housing unit. However, if a suitable alternative unit is not available at an affordable price within the area, such a move may require relocating to another neighborhood entirely. This could have substantial effects on the opportunities available to these populations. Sources of social capital that support the economic health of a household – such as access to a current employment location, or to quality schools; proximity to family and friends; availability of relatives to care for children or seniors; or language-specific or culturally specific services for an immigrant community – can be highly localized, particularly in a “city of neighborhoods” like New York.

A move outside the neighborhood may erode the social capital a household has established in a particular location. However, in an economically diverse neighborhood where housing is available at a range of income levels, greater potential may exist for households to relocate within the neighborhood, enabling them to preserve these assets despite household changes. The geographic stability of lower-income residents would also be expected to enhance their ability to participate in community, civic, and religious institutions, and through this participation to support the vitality of these organizations.

Chapter 3: Neighborhood Economic Diversity in New York City

3 Neighborhood Economic Diversity in New York City

New York City’s many assets and amenities – such as its parks, world class cultural attractions, nightlife and restaurants – make it an attractive home for some of the wealthiest households in the world. It is demand for new luxury housing from this segment of the population that is driving much of the recent new market rate housing construction in many of the city’s neighborhoods.

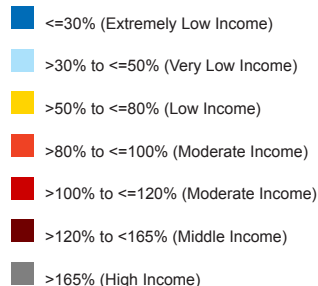
At the same time, lower-income households – a group that includes many recent immigrants as well as native-born residents, and many without the means to access a car – depend on the city’s excellent transit system, robust job market and racially and ethnically diverse enclaves. These assets enable low-income households to support a family, access opportunities that improve economic outcomes, and maintain ties to social and cultural networks that improve quality of life.

3.1 Existing Patterns of Economic Diversity

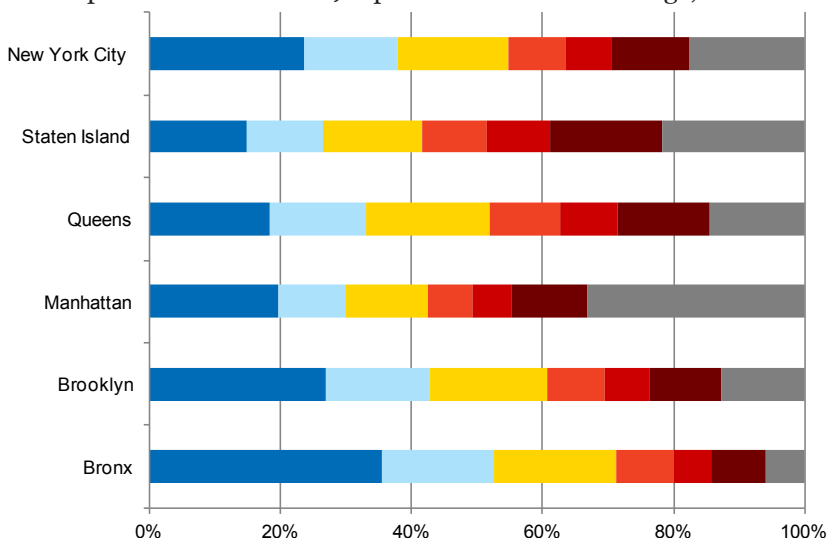
The city’s population includes a diverse mix at income levels in between these extremes – lifelong New Yorkers with deep ties to their local communities; civil servants and teachers; upwardly mobile immigrant households that have risen out of poverty; and budding artists, young professionals and entrepreneurs who moved here from other parts of the country in pursuit of careers and whose creative endeavors continue to help drive the city’s economy.

Consequently, New York City is, on the whole, very economically diverse, with a greater concentration of high-income households in Manhattan and Staten Island and more very low-income households (below 50% of HUD AMI) in the Bronx and Brooklyn. Incomes are distributed most evenly in Queens. Moderate-income households (80 to 120 percent of HUD AMI) represent the smallest wedge, but are

Figure 22
Distribution of New York City Household by HUD Income Limits, by Borough, 2008-2012



Source: U.S. Census Bureau, 2008-2012 American Community Survey-Public Use Microdata Sample; DCP Population/HEIP



rather evenly distributed throughout the five boroughs.

Although the city on the whole is diverse, it is economic diversity at the neighborhood level that leads to improved outcomes for families, more stability for workers and fewer social problems, such as crime and poor health, potentially reducing public expenditures on social welfare and policing programs. New York City has a complex economic geography – while broad patterns of income distribution can be observed among the boroughs, it is also not uncommon to find economic contrasts in close proximity, such as million-dollar condominiums located across the street from a public housing development. The scale at which a measure of economic diversity is defined can vary (as can different observers’ definitions of what constitutes a “neighborhood”), and these patterns frequently shift over time.

HUD AMI

The U.S. Department of Housing and Urban Development (HUD) sets annual limits for various funding uses and eligibility guidelines. The limits are based upon median family income that are adjusted by HUD for household size, local housing costs, and other geographically specific factors.

The income limits are higher than the median incomes in some New York City neighborhoods because of these adjustments. The result is a set of limits for households of various sizes and income levels in different metropolitan areas, which are typically described in terms of percentages of Area Median Income, or AMI.

Data at the Community District level show that populations in New York City are more concentrated by income band (see Figure 23) at geographies smaller than the borough. A PUMA-level analysis of ACS 2008-2012 data on household incomes distributed according to HUD income limits shows that certain areas of the city are more likely to have a concentration of either very low- income or very high-income households. In 17 of the city’s 55 PUMAs, 30 percent or more of all the households had incomes below 30 percent of AMI, the HUD threshold for an extremely low-income household. In the two Bronx PUMAs that include the Hunts Point, Longwood, Melrose, Belmont, Crotona Park East and East Tremont neighborhoods, more than half of all households were extremely low-income.

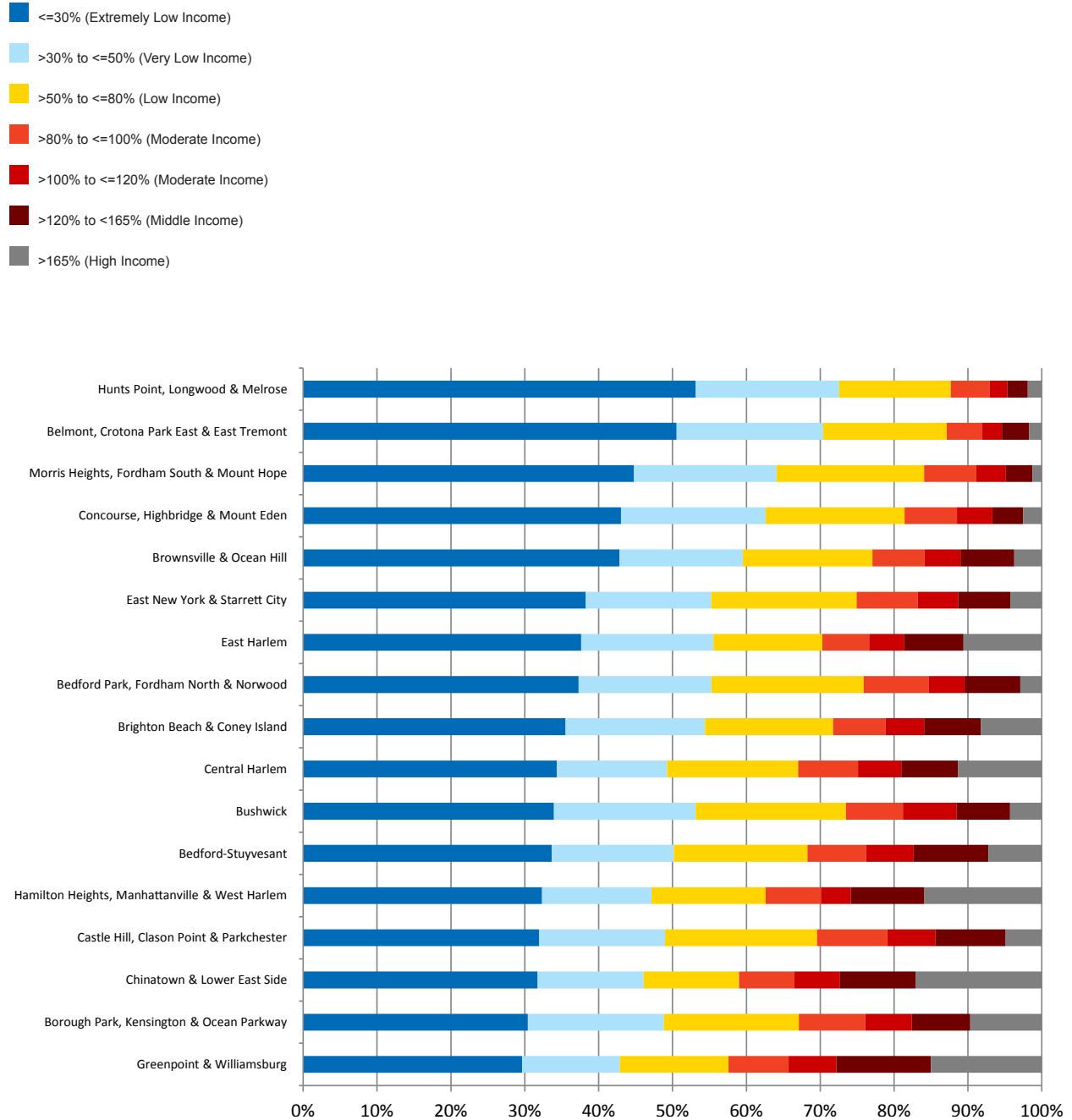
Similarly, in 17 other PUMAs, households earning more than 120 percent of AMI comprised 30 percent or more of the total, mostly within the Manhattan core, low-density parts of eastern Queens and Staten Island, and relatively affluent mid-density neighborhoods such as Riverdale in the Bronx. Incomes are distributed more evenly across 21 New York City PUMAs. In these communities, concentrated mostly in Queens, no more than 30 percent of the total households

HUD Income Limits by Household Size

		1-Person	2-Person	3-Person	4-Person
Income Categories	HUD 2015 Income Limit ("AMI")	\$60,440	\$69,060	\$77,690	\$86,310
	Extremely Low (<30% of AMI)	\$18,130	\$20,720	\$23,310	\$25,890
	Very Low (30%-50% of AMI)	\$30,220	\$34,530	\$38,850	\$43,160
	Low (50-80% AMI)	\$48,350	\$55,250	\$62,150	\$69,050
	Moderate (80%-120% AMI)	\$72,530	\$82,870	\$93,230	\$103,570
	Middle (120%-165% AMI)	\$99,730	\$113,950	\$128,190	\$142,410

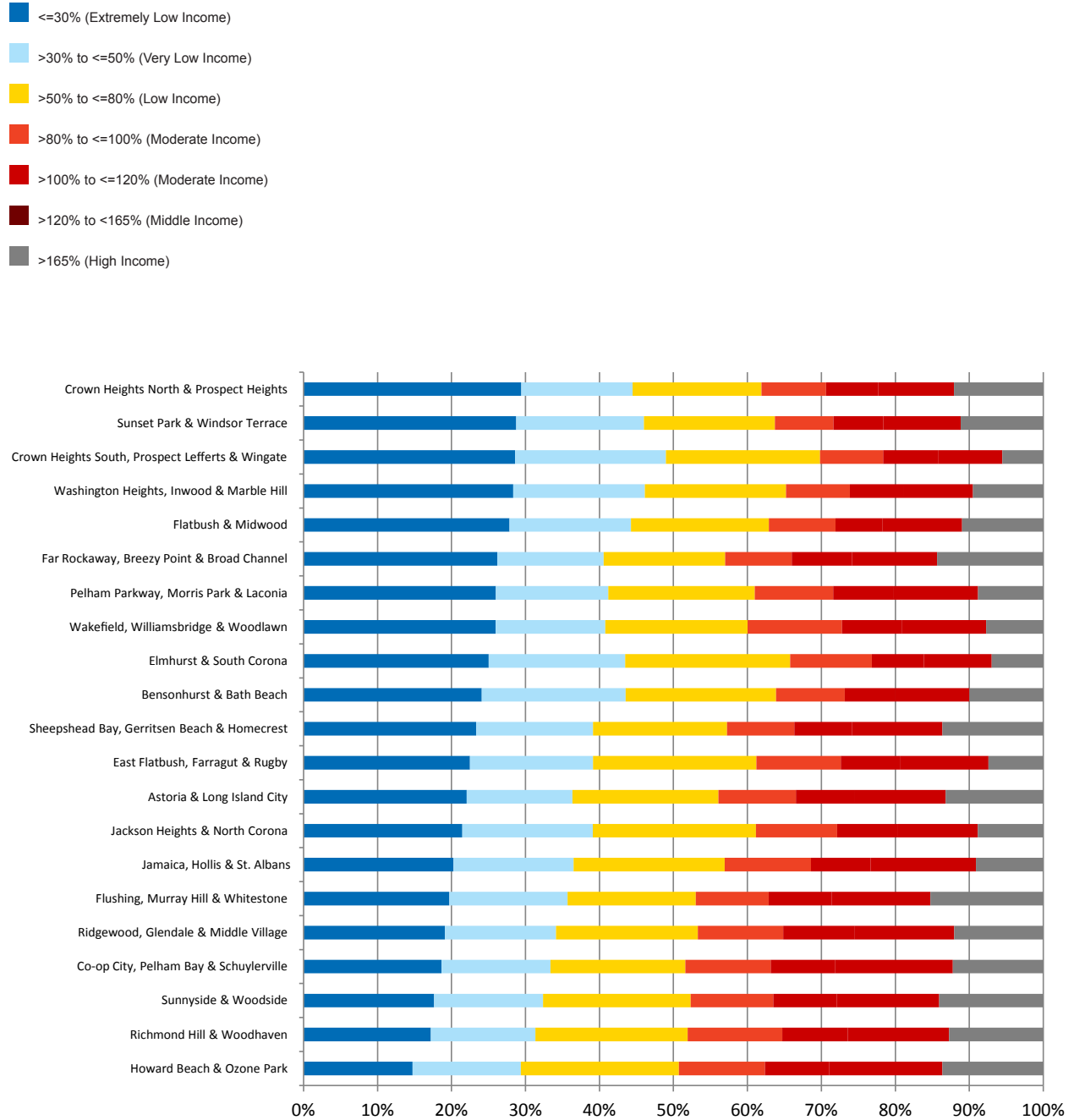
Source: FY 2015 Income Limits Documentation System, HUD

Figure 23.1
Distribution of Occupied Housing Units by HUD AMI Bands, PUMAs with High Concentrations of Extremely Low-Income Households, 2008-2012



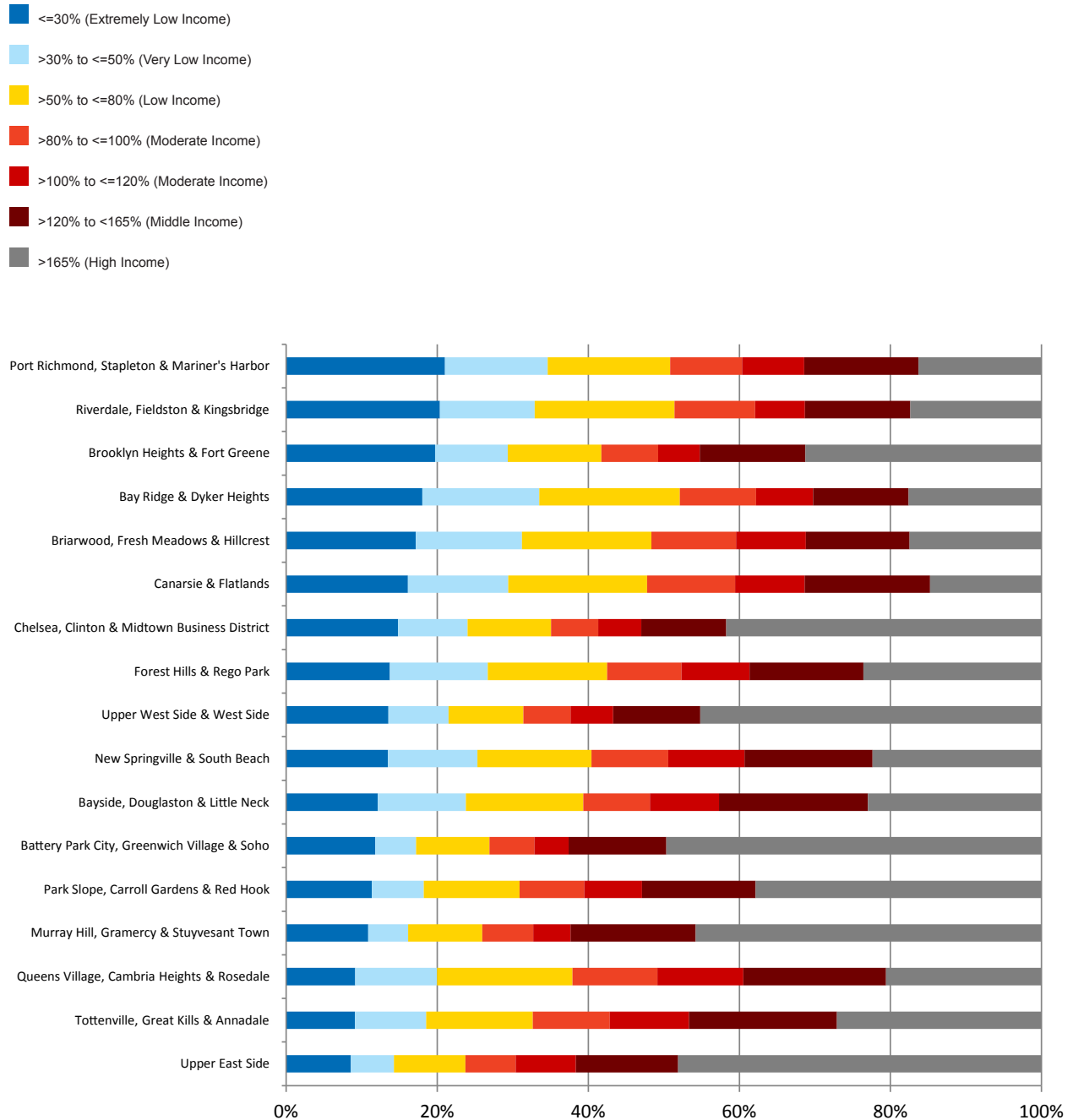
Source: U.S. Census Bureau, 2008-2012 American Community Survey-Public Use Microdata Sample; Income Bands Adjusted for Household Size

Figure 23.2
Distribution of Occupied Housing Units by HUD AMI Bands, PUMAs with More Even Income Distribution, 2008-2012



Source: U.S. Census Bureau, 2008-2012 American Community Survey-Public Use Microdata Sample; Income Bands Adjusted for Household Size

Figure 23.3
Distribution of Occupied Housing Units by HUD AMI Bands, PUMAs with High Concentrations of Middle- and High-Income Households, 2008-2012



Source: U.S. Census Bureau, 2008-2012 American Community Survey-Public Use Microdata Sample; Income Bands Adjusted for Household Size

fall within any of seven HUD-defined income brackets.

Most measures of economic and racial segregation typically rely on census tract-level data on race, income and poverty. Most social scientists as well as the U.S. Census Bureau and HUD use poverty rate as a proxy for neighborhood quality, assuming that places with very high poverty rates have limited opportunities for residents. But New York City has many neighborhoods with relatively high poverty rates that are nonetheless desirable places to live, with good transit, quality housing, parks, services, strong community ties and well-established social networks. Some of these places are working class neighborhoods, where families have deep ties to the local communities; others may be places where large tracts of publicly assisted housing exist within otherwise affluent neighborhoods. The U.S. Census Bureau and HUD often consider any neighborhood where more than 20 percent of the households have incomes below the federal poverty line to be an area of high poverty. Other social researchers have used thresholds closer to 30 percent. Less research exists on the qualities that make a “good” neighborhood; however for the purposes of mobility programs such as Moving to Opportunity, HUD has regularly defined “low-poverty” neighborhoods as places where the poverty rate is below 10 percent (Khadduri, 2001).

In his research on the geographic concentration of poverty, Rutgers University public policy professor Paul Jargowsky found that the poverty rate was typically 40 percent or higher in the neighborhoods subjectively defined by knowledgeable locals as being dysfunctional places with slum-like conditions (Jargowsky, 1997). Using 2000 census-tract level data on poverty, Jargowsky found that the New York metropolitan area was one of the least economically integrated places in the country, with more than 25% of its low-income households living in census tracts with poverty rates of 40 percent or higher (Jargowsky, 2009). This result, however, is in part an artifact of the use of census tracts. Unlike many other municipalities, census tracts in New York City tend to be physically small because of the city’s high population density. It is not unusual, for instance, for a single building or a complex of buildings to have its own census tract. This is the case for many of the city’s income-restricted public housing developments. Consequently, in New York City, census tracts with highly concentrated poverty often abut higher income census tracts. In contrast to a low-density environment, these communities often have access to the same “package” of neighborhood services, making for neighborhoods that are more economically diverse than the poverty rates of individual census tracts would suggest.

A more useful geography at which to measure economic diversity in New York City is the Neighborhood Tabulation Area, collections of census tracts that roughly correspond to subjective definitions of New York City neighborhoods, places defined by their own unique mix of amenities, services, housing types and conditions. ACS data on family poverty rate provides a useful indicator of how economically diverse a neighborhood is and whether that neighborhood can be considered a good source of opportunity. When assessed at the neighborhood level, the extent to which certain neighborhoods have

highly concentrated poverty becomes evident. An analysis of the where families in poverty live in New York City shows that although many New York City neighborhoods do have high concentrations of poverty, approximately 7 percent of family households who live in poverty are in the city's most economically segregated neighborhoods where 40 percent or more of the family households live in poverty – far less than suggested by Jargowsky's census tract-level analysis (Table 4). These neighborhoods, located mostly in the Bronx, account for only six of the city's 188 NTAs in 2009 to 2013. Notably, the number of families in poverty living in neighborhoods with very low family poverty rates (10 percent or less), was higher than the number of families living in the most economically segregated neighborhoods. Approximately 12 percent of all the New York City families living in poverty were distributed across these 68 neighborhoods, concentrated in eastern Queens, Staten Island and Manhattan.

The vast majority of the New York City families below the poverty line live in neighborhoods where the poverty rate is between 10 and 40 percent, with 41 percent of New York City family households in poverty living in 38 neighborhoods where the poverty rate is still quite high, at 25 percent or more of total families. These are concentrated mostly in the Bronx, central Brooklyn and northern Manhattan and are, by many measures, considered high poverty. An equal number of family households in poverty are distributed across 81 NTAs with poverty rates that, at between 10 and 25 percent, are neither particularly high nor particularly low, suggesting that a large proportion of the lowest income households live within a diverse range of economically integrated middle- and working-class neighborhoods.

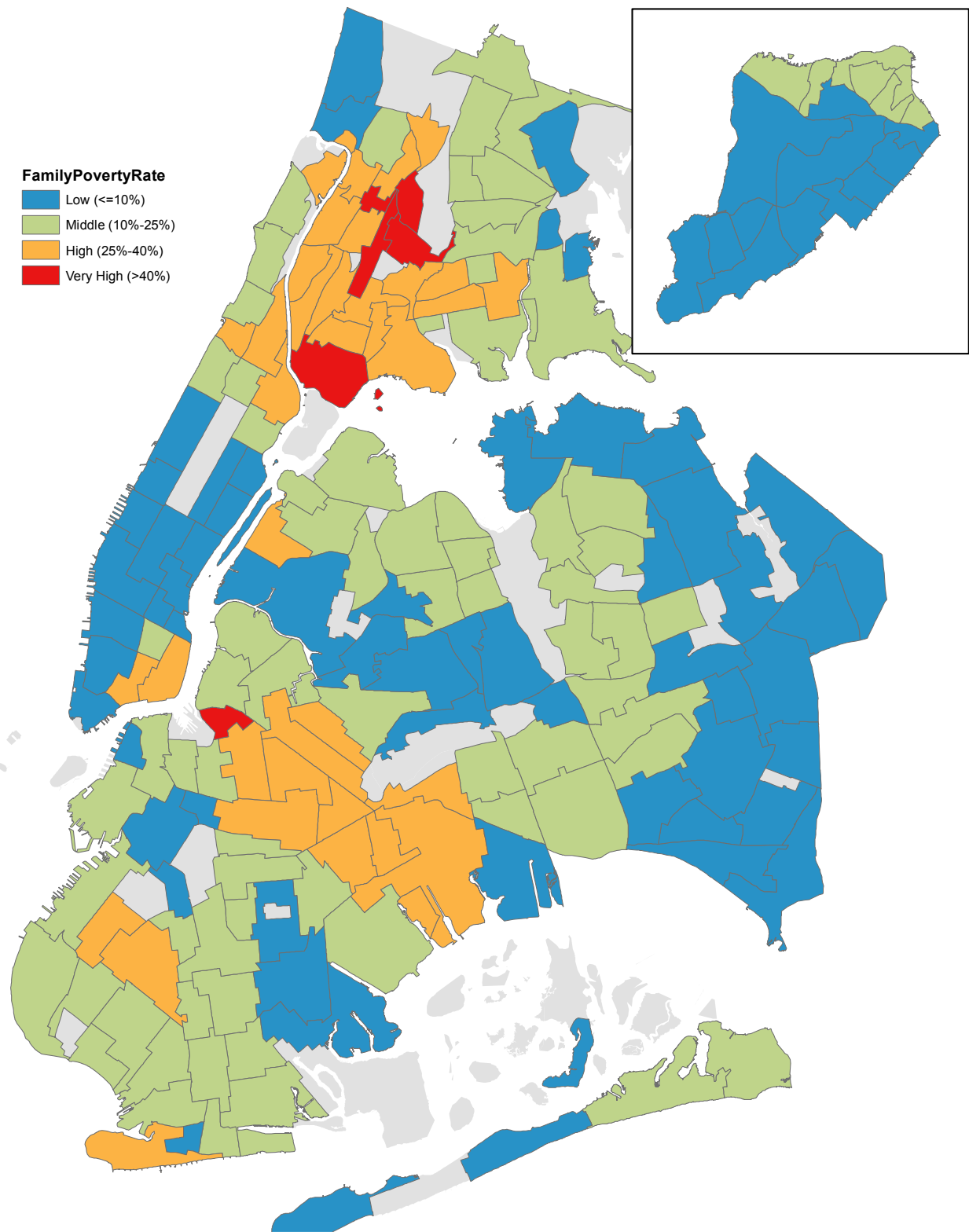
A map of the family poverty rate shows how these neighborhoods are distributed across the city, revealing that many of the neighborhoods where poverty is highly concentrated adjoin one another, meaning that there are large swaths of concentrated poverty in places like the south Bronx, central Brooklyn and northern Manhattan (Figure 24). If family poverty rate is a proxy for income diversity, than 68 of the city's 188 neighborhoods could be considered high opportunity areas with poverty rates of less than 10 percent, while another 81 neighborhoods fall in the middle. Family poverty rates

Table 4
Total Families below Poverty by NTA
Poverty Rate

	Total Families Below Poverty	Percent of Total Families Below Poverty
In NTA's with family poverty rate >= 40%	20,702	7%
In NTA's with family poverty rate 25-40%	129,418	41%
In NTA's with family poverty rate 10-25%	131,502	41%
In NTA's with poverty rate <=10%	36,743	12%
All NTAs, Total Families below poverty	318,365	100%

Source: 2009-2013 ACS: NYC Dept of City Planning

Figure 24
Family Poverty Rate by NTA, 2009-2013



Source: American Community Survey 2009-2013; DCP HEIP & Population Divisions

remain persistently high at more than 25 percent in 44 of the city's neighborhoods.

Households also regularly move between income categories, and often move to different neighborhoods in response to life events that reduce household earnings, such as the loss of job, divorce or the birth of child, or increase household earnings, such as a promotion or marriage. The migration of households between neighborhoods combined with other migration into and out of the city means that even if the socio-economic status of a neighborhood remains relatively constant over time, the composition of its households and the demographic characteristics of its residents often may shift.

On the whole, the number of households in New York City earning less than 80 percent of the HUD AMI for the New York City region increased between 2000 and 2012. However, the change in this population varies dramatically at the Community District level. An analysis by PUMA of the change shows that many of the city's most affluent areas have had a net loss of low- and moderate-income households, indicating that there has been a decline in the amount of housing accessible to low- and moderate-income households in these areas (Figure 25). Meanwhile, the PUMAs that have gained a disproportionate number of low- and moderate-income households tend to be the neighborhoods where poverty is already highly concentrated. A notable exception to this pattern is PUMA 3807, which includes the neighborhoods of Chelsea, Clinton and Midtown in Manhattan. This area experienced an absolute increase of over 2,500 households earning less than 80% of AMI despite having one of strongest housing markets in the city as measured by rents and condo sales prices (BAE Economics, 2014). The area also ranks among the top PUMAs in the city for new housing production, accounting for 17% of new units permitted for multifamily housing between 2010 and 2013, fueled mostly by recent rezonings that significantly increased the capacity for new housing.¹⁹

Notably, most of these rezonings incorporated Inclusionary Housing provisions, which together with tax incentives promoted the provision of a share of new housing as permanently affordable to low-income households. It is likely that these policies, along with robust City-sponsored affordable housing creation in the area, are responsible for the increase in the number of lower income households in some of the city's most expensive neighborhoods.

3.2 Importance of Maintaining New York's Economic Diversity

These trends indicate that overall, a diminishing share of the city's housing stock is affordable to low- and moderate-income households even as the demand for housing by households with low and moderate incomes is rising because of employment growth. Housing affordability is crucial to a city's ability to attract and maintain a qualified labor force necessary to sustain and grow employment and enhance worker mobility. As a result, more households, many of which moved to the city in pursuit of job opportunities within growth

industries, face higher rent burdens, greater overcrowding and are becoming concentrated in fewer neighborhoods. In the most extreme cases, families are driven to homelessness and must seek shelter from the City even though family members may be working.

The current dynamics of the housing market, in which the supply of housing is expanding only for households at higher income levels, will not support the needs of future growth. Expanding the availability of housing for households at a range of income levels, in neighborhoods around the city, is crucial to ensuring that populations can move to the city to prosper from its opportunities, and to meeting the labor force needs of employers at a range of locations.

It is possible that given the prevailing market forces, the sorting of populations will be dictated primarily by the preferences of more affluent professionals who increasingly choose to live within the city in amenity rich neighborhoods near transit; outbidding low- and moderate-income households who have long characterized those areas (Guerrieri, 2010). If current trends continue it is likely that, over time, some neighborhoods that are more economically diverse today will have fewer low- and moderate income households in the future and the number of very low- income households will rise in the areas that already have high concentrations of poverty. In short, the city's neighborhoods will become even less economically diverse as the population sorts by socioeconomic status.

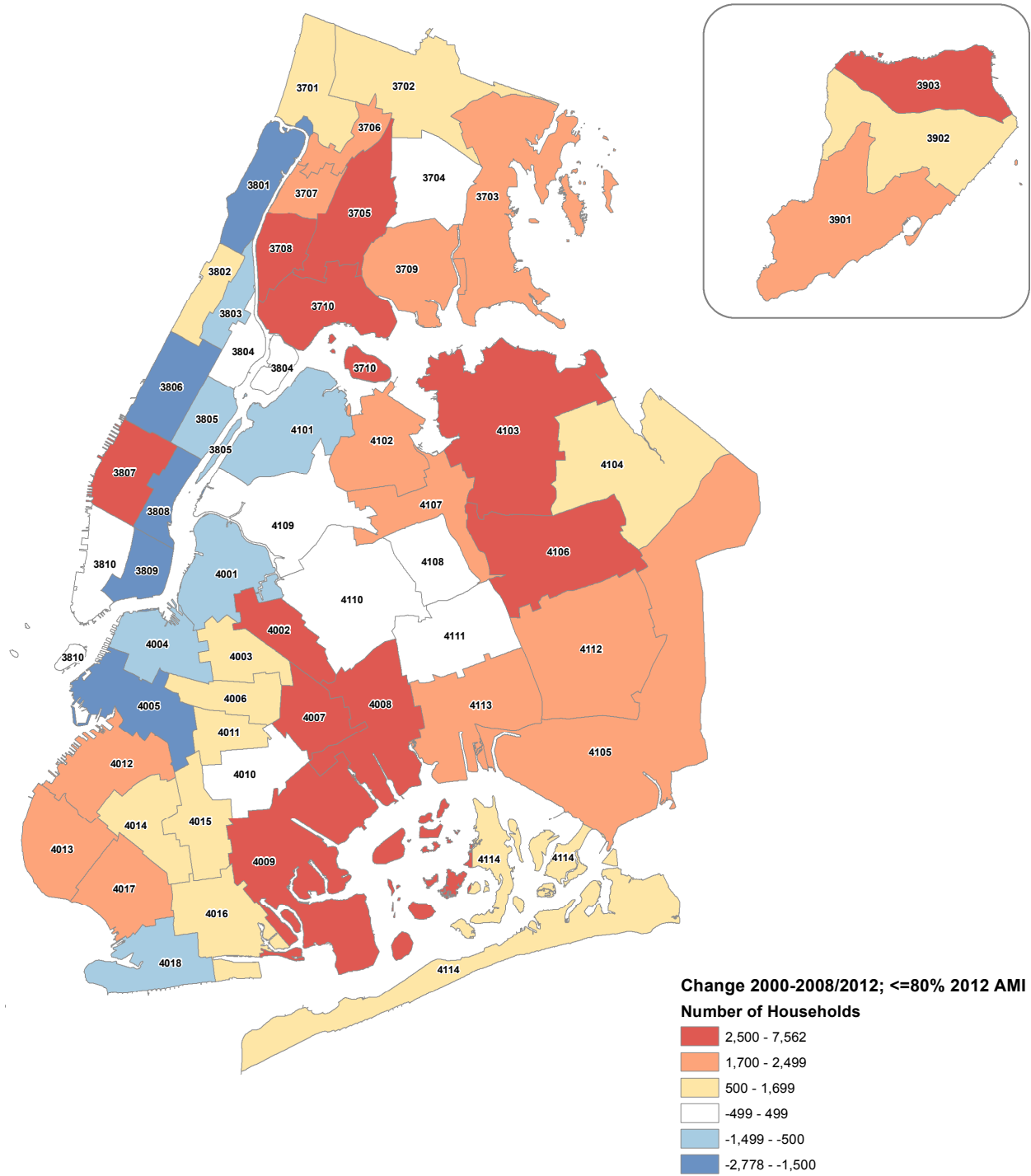
There are a number of reasons why this scenario does not bode well for the city, and why policies that promote economically integrated neighborhoods are beneficial to communities and families.

First, more of these households, many of which moved to the city in pursuit of job opportunities within growth industries, face higher rent burdens, severe overcrowding and informal and often hazardous living arrangements. Families make trade-offs that can affect childhood outcomes when they choose to pay more of their income for housing to live in neighborhoods with more opportunity. Recent research showing that children from households that are not rent burdened score better on cognitive tests in reading and math and benefit from greater child enrichment expenditures than families that pay a more than 30 percent of their income on housing costs (Newman and Holupka, 2014).

To escape prohibitively expensive rents, many low- and moderate-income families will find themselves living within illegal or overcrowded conditions. The map in Figure 18 shows that overcrowding is already widespread in many of the city's lower income neighborhoods, while the Pratt/Chhaya study showed that incidence of illegal housing is most common in low-density neighborhoods on the city's periphery that may be less convenient to employment opportunities.

The consequences of overcrowding and illegal units are multifaceted, both on the families that must live in these conditions and the neighborhoods in which they live. For communities, this unplanned growth strains the local infrastructure, affecting the quality of

Figure 25
Change in Total Households Earning less than 80% of the HUD Income Limits,
2000 to 2008-2012



"2000 Households <=80% AMI using 2012 HUD definition (in 1999\$);
 2008-2012 Housholds <=80% AMI 2012 HUD definition (in 2012\$)

Source: U.S. Census Bureau, 2008-2012 American Community Survey-Public Use Microdata Sample; 2000 5% ACS PUMS

services and local schools and the character of neighborhoods. Families living in illegal and overcrowded housing, as well as their neighbors, experience unsafe living conditions due to increased hazards posed by housing that does not comply with building or fire codes.

Second, other households may choose to move to places where legal housing opportunities exist, but are already isolated concentrations of poverty. Concentrations of poverty that are isolated from employment are often faced with a greater degree of other challenges that affect neighborhood character, individual opportunity and quality of life, including higher crime rates; lower performing schools; limited access to capital that spur community investment and job creation; and fewer institutional resources (Wilson, 1996). These negative consequences affect not just families living in households today, but for future generations (Sharkey, 2013).

A recent report by New York University's Furman Center, a research institute that focuses on housing, neighborhoods and urban policy, found increasing degrees of segregation of both high income (top 10 percent) and low-income (bottom 10 percent) households between 2000 and 2012, and persistent discrepancies in measures of neighborhood opportunity. The places with the greatest degree of concentration and isolation of low-income populations are also more likely to have poorer neighborhood conditions. Although the report states that neighborhoods at all income levels showed improvement during this time in exposure to crime and access to higher-performing elementary schools, "overall, lower-income households continue to live in neighborhoods with higher crime rates and lower-performing schools than their higher-income counterparts" (Ellen et al., 2014).

Third, housing opportunities affordable to a range of incomes, in accessible locations in all five boroughs, are needed to support the city's diverse and growing labor force. While the pace of job growth has been greater outside the Manhattan CBD than inside, jobs in the other boroughs are more geographically dispersed, and low- and moderate-income households are experiencing increasingly longer commute times. The Furman Center report also documented very long commutes for moderate-income workers (incomes between \$40,000-\$60,000). The lowest income workers (less than \$20,000) experienced the steepest increase in commute times among workers between 1990 and 2012. During the same period the commute times of higher income workers were unchanged, with fewer driving alone and more using public transit, suggesting that inequality extends to commutes as well. These trends support other evidence that higher income households are moving to transit-rich locations with good access to employment, while the housing options available to low- and moderate-income households are located farther away. Moreover, evidence exists that high housing costs are distorting the employment decisions of low- and medium-skilled workers who are increasingly leaving the region for lower cost jurisdictions. This trend could affect the city's ability to attract labor for growing industries and to support future economic growth. Nationally, there has been

a trend of households moving away from productive, but high cost, cities, like New York, to jurisdictions with lower housing costs, even if those locations provide less opportunity (Ganong and Shoag, 2013). This is a reversal of historic migration patterns, dating back to the 1880s, in which populations migrated to richer states. In the last 30 years, however, population in states with lower housing costs has grown at a faster rate than population in states with higher per capita income. Although highly skilled workers continue to migrate to productive cities like New York, low-skilled workers are moving to places with lower housing costs, but where higher incomes can be achieved relative to housing costs. Put simply, in cities like New York, high housing costs are reducing the returns on employment and, for an increasing number of lower-paid workers, this tradeoff may not be supportable.

There is evidence that this is already occurring in New York City. As shown above in Table 3, ACS data for 2007-2011 show in-migrants are reporting higher household incomes compared with out-migrants. Moreover, differences in earnings and the poverty rate are no longer statistically significant. Further analysis is necessary to determine where lower income households leaving the city are moving to, but given the limited supply of affordable housing, high taxes and transportation costs common to many of the city's suburbs, it is likely that these families are moving to other places with lower housing costs.

However, it's likely that New York City will remain home to many lower income households because of its access to transit and diverse employment opportunities. As shown above in Table 3, households surveyed between 2008 and 2012 that lived at an address within the city in the previous year had lower incomes and less education than both domestic in-migrants and out-migrants, an indication that lower-income households are choosing to stay despite the rising costs of housing. Many of these existing families are forced to make difficult trade-offs in order to afford housing, including paying an increasingly high percentage of income on rent; living in illegal or overcrowded conditions; or moving to neighborhoods where poverty is already highly concentrated.

Continued in-migration of higher-earning new professionals and population growth will continue to fuel demand for less skilled jobs in health care, services, accommodation and food services, retail and construction. Even if efforts to increase the wages associated with many lower-paying jobs succeed, for New York City to continue its success in attracting business and creating jobs, an adequate supply of housing units will be necessary to provide options for workers at all income levels to ensure safe and adequate housing and to ease the burdens of commute times.

3.2 Inclusionary Zoning and Local Tools for Maintaining Economic Diversity

Historically, New York City and other locations have provided affordable housing through the use of City, State, and Federal housing funds and development on City-controlled land. Today, in an environment of declining federal funding for the creation of affordable housing, and when many cities, like New York, control relatively little land on which affordable housing can be created, municipalities have implemented a range of programs to expand housing opportunities, including inclusionary housing programs.

In municipalities ranging from suburban to urban, cities have established either voluntary or mandatory inclusionary housing policies through executive orders, municipal codes or local ordinances. Typically, inclusionary affordable housing policies apply to specified categories of new development, and are a tool for providing affordable housing in tandem with private development. In some cases, communities that originally established voluntary programs have shifted to mandatory programs.

Year to year, the same municipalities top the list of ‘most expensive U.S. cities’: San Francisco, New York, Boston and Washington, among others.²⁰ These cities are attractive places to live with strong economies and growing job markets. They share other physical and economic characteristics that also tend to produce expensive housing: high urban densities and costs of constructing housing; investments from external sources; and geographic or political restrictions that limit developable land area. In these communities, low- and moderate-income residents have experienced rising costs over time, and these populations have often shifted to less expensive areas in more distant neighborhoods or communities.

To address local housing concerns, inclusionary housing policies are now a common tool in urban and suburban areas from California to Massachusetts. National planning and housing policy organizations, including the American Planning Association, National Housing Conference, Smart Growth Network, Furman Center for Real Estate and Urban Policy and Urban Land Institute also advocate for inclusionary affordable housing programs as one of many tools available to address affordable housing needs. These programs have generally been most effective at producing affordable housing in cities with strong real estate markets and in neighborhoods experiencing growth, as affordable units are only generated in tandem with new residential development.

There are three primary types of inclusionary housing requirements employed in the United States: mandatory laws; incentive or voluntary programs achieved through tax incentives, fee waivers, and flexible zoning standards or density bonuses; and direct subsidy programs. Since 1987, and more broadly since 2005 (as discussed further below), New York City has employed an incentive-based voluntary program; in specified areas, developers can opt to receive

increased floor area based on the amount of affordable housing they provide, up to a limit. While every city is different, municipalities have generally elected to apply inclusionary housing policies to a range of new development types:

- As-of-right new residential development projects, generally limited to those above a minimum number of units
- New residential development projects that result from a rezoning, require special zoning actions or approvals, relief from zoning requirements, or are part of a planned unit development
- City-funded projects
- Projects on city-owned land
- Projects that result from the disposition of city-owned land

Typically, and particularly in a mandatory program, developers are given a list of options for satisfying an inclusionary requirement, which may include:

- Direct on-site construction of residential units that are designated and protected in accordance with the city’s program;
- Off-site construction of affordable housing units, which may be required to be located within a specified distance;
- Preservation of affordable units set to expire or conversion of market-rate units to affordable units;
- Payment of a fee in lieu of provision of affordable housing.
- Off-site and payment-in-lieu options are sometimes established at a higher rate to encourage the on-site provision of units
- Affordable housing fees are then used to fund new affordable housing projects or programs.

Table 5
Comparison of Inclusionary Housing Programs

	Boston	Chicago	District of Columbia	Denver	Los Angeles	San Francisco	Seattle
Year Adopted	2000	2003	2006	2002	1991	2002	2001
Voluntary/Mandatory	Voluntary	Voluntary	Mandatory	Combination	Mandatory	Mandatory	Voluntary
Affordability Duration	50 years	30 or 99 years	Perpetuity	15 years	30 years or life	Perpetuity	50 years
Density Bonus	Varies	Varies	20%	N	Varies	N	Y
Total Inc Set Aside	15%	10%	Varies	10%	15%	12% onsite, 20% offsite	Approx. 5%
Target Incomes (AMI)	<70%-100%	≤60%-100%	<50%-80%	50-80%	30-80%	≤55-90%	80-100%
Applies to Market Rate Rental	Y	Y	Y	Y	N	Y	Y
Applies to Market Rate Condos	Y	Y	Y	Y	Y	Y	Y
Off-Site Allowance	Y	N	Y	Y	Y	Y	Y
Total Unit Production * - Changes underway	1,070 units (thru 2012)	740 units (as of mid-2014)	80 units (as of mid-2014)*	77 units (as of mid-2014)	N/A	1,560 units (as of mid-2014)	56 units (as of mid-2014)^
In-Lieu Fee	Y	Y	N	Y	Y	Y	Y
Total In-Lieu Fees Collected	\$57.2 M	\$19.0 M	N/A	\$7.6 M	N/A	\$58.8 M	\$31.6 M

Source: BAE Urban Economics, 2014

3.3 Inclusionary Housing in New York City

Until the mid-1980s, the New York City relied primarily on federally backed urban renewal programs to acquire sites for creating new publicly assisted housing [citation]. By 1985, however, declining federal funds for urban housing programs led Mayor Ed Koch to shift the focus to the City's own inventory of properties acquired through tax foreclosure (in rem) as a source of real estate to support the creation of more affordable housing. This created a new emphasis on substantial rehabilitation of dilapidated properties (Koch, 1985), but also included substantial new construction.

The City's in rem inventory, however, was concentrated in the neighborhoods hardest hit by the urban decline and financial crises of the 1960s and 1970s, limiting the ability of the City to address affordability in more stable residential neighborhoods with little abandonment and rapidly rising rents. The lack of available publicly-owned sites in high-density residential neighborhoods with strong real estate markets led to the adoption by the City Planning Commission in 1987 of the City's "R10" inclusionary housing program.

This program, which still exists, applied only in R10 or equivalent zones (the city's highest-density residential districts) because, the CPC reasoned in its April 1, 1987 report, "there [was] a high correlation between the location of R10 districts and the traditionally mixed-income areas experiencing a shift away from economic heterogeneity." The program was so novel at the time of its adoption, the Commission noted, "the inclusionary housing program is designed as an experiment to test the viability of encouraging the private sector through zoning to provide lower income housing in neighborhoods where market rate residential construction is occurring." The program was optional, they noted, "in order to test its feasibility, and develop a basis for evaluation of the effectiveness of the regulations" (New York City Planning Commission, 1987).

In districts where the R10 Program applies, a floor area bonus of 20 percent is available to developments that provide affordable housing. Qualifying units must be affordable to households at or below 80 percent of Area Median Income. For each square foot of affordable housing provided, between 2.0 and 3.5 square feet of bonus floor area are permitted, depending on whether the affordable units are provided through new construction, rehabilitation or preservation. In 2009, the program was amended to clarify restrictions on the use of housing subsidies, and to allow publicly subsidized units at less favorable bonus ratios.

In 2005, the Inclusionary Housing program was expanded in conjunction with neighborhood rezonings that encouraged substantial new housing production. This "Inclusionary Housing designated areas (IHDA)" program allows developments in designated redeveloping areas to construct more floor area if they provide affordable housing. The stated purpose of the Inclusionary Housing designated areas program was to promote economically

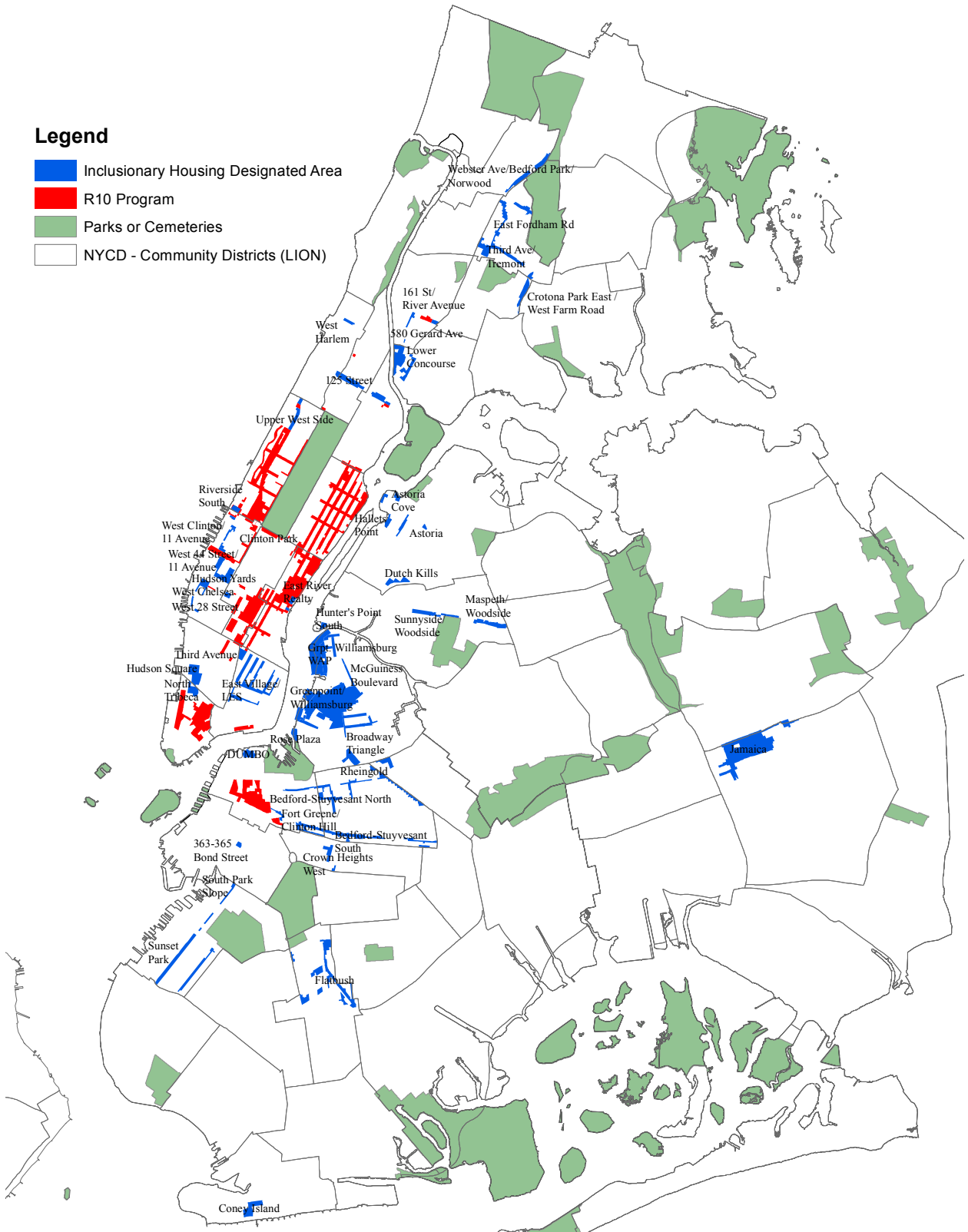
integrated neighborhoods in communities where zoning changes would encourage substantial new housing development. The designated areas program was first applied in the Greenpoint-Williamsburg, Hudson Yards and West Chelsea rezonings, and was later applied in over 30 City-initiated and private rezonings. In 2009, the program was modified to improve its function and to include an affordable homeownership option.

In Inclusionary Housing designated areas, which have been established in the Bronx, Brooklyn, Manhattan and Queens (Figure 26), developments taking advantage of the full 33 percent bonus must devote at least 20 percent of their residential floor area to housing that will remain permanently affordable to lower-income households (at or below 80 percent of Area Median Income).²¹ The zoning floor area bonus can be combined with a variety of City, State and Federal housing subsidy programs, which frequently make it possible to reach lower income levels. Affordable units may be provided on-site or off-site, within the same Community District or a half-mile of the bonused site, and may be provided through new construction, substantial rehabilitation, or preservation.

Since their inception, the R10 and designated areas programs have produced over 8,500 affordable units (3,200 in the R10 program, 5,300 in designated areas). An analysis by the Department of City Planning of affordable housing and total housing production through July 2013 in Inclusionary Housing designated areas found that in many areas, the program had produced a number of affordable units at or even above the 20 percent target established under the program, while in other areas, the program had failed to produce affordable units. To the extent that this program has successfully produced affordable housing, it has contributed to achieving its stated objective of promoting neighborhood economic diversity. However, concerns have been voiced by communities that the program could do more to promote housing affordable at below-market rates, including reaching a wider range of income levels, particularly lower income levels. Housing advocates and communities have frequently expressed concerns that a guarantee of affordable housing is important to the future of neighborhoods facing the potential for substantial new housing development.

Inclusionary Housing in New York City is primarily a tool for promoting neighborhood economic diversity, and is part of a much larger effort to create and preserve affordable housing. Under Mayor de Blasio's *Housing New York* plan, the City plans to expend over \$8.2 billion, with a total investment of over \$41 billion, to create and preserve 200,000 units of affordable housing over 10 years. While previous affordable housing creation tended to produce units affordable at 60% of Area Median Income, the plan includes new initiatives to create more affordable units at lower income levels, as well as at moderate incomes, and to provide more affordable housing for seniors and other populations with special needs. The creation of a Mandatory Inclusionary Housing program, to be applied in conjunction with zoning changes that promote new housing creation, is an important feature of the plan.

Figure 26



Source: NYCDPC, Planning Coordination/HEIP

Chapter 4: Mandatory Inclusionary Housing

4 Mandatory Inclusionary Housing

4.1 A Multifaceted Approach to Promoting Neighborhood Economic Diversity

Creating more housing opportunities for households at a range of incomes can enhance the city's overall economic diversity, alleviating the effects of rent burden, overcrowding, and illegal housing and providing opportunities to attract and maintain a diverse workforce. At the same time, increasing economic diversity at the neighborhood level is important for improving households' access to the "package" of services and amenities that a neighborhood provides and for creating options for families outside of areas of highly concentrated poverty.

As described in Housing New York, in recognition of the need to continue to produce new housing to support a growing population and workforce, the City is undertaking neighborhood planning initiatives that would create zoning capacity to support new housing creation, along with supporting infrastructure and services. When planning for growth, neighborhood economic diversity should be promoted, to enable households of all income levels to enjoy the opportunities afforded by these many different neighborhoods, and to enable the benefits of public investments in these areas to be realized by a diverse population.

To maintain and encourage greater economic diversity within neighborhoods, the City must produce new housing to accommodate growth while ensuring its ability to increase the supply of housing within neighborhoods that is affordable to households at a range of income levels. Given the many constraints on housing production, even an aggressive effort to increase overall capacity is unlikely to make a sufficient supply of housing available at a range of income levels, and would not encourage economic diversity at a neighborhood level. The City has long used a wide range of tools to create and preserve housing that is affordable to low- and moderate-income households, most significantly the use of City, State and Federal subsidies to support the creation and preservation of affordable housing on both publicly and privately controlled land.

These public investments play an important role in increasing the availability of housing for households at lower incomes and in providing housing investment within neighborhoods where the private housing market is not active. However, the lack of available sites in high opportunity neighborhoods, high land prices and competition from market-rate development make site acquisition for publicly subsidized housing development challenging. A voluntary inclusionary housing program has provided a mechanism to create affordable housing on private sites, but has not provided assurances that affordable housing will be included in new developments in

a wide range of neighborhood conditions. The set of programs and policies utilized to date has not been sufficient to promote economically diverse neighborhoods at locations throughout the city and in the wide range of housing market conditions that exist in various neighborhoods.

Maintaining economically diverse neighborhoods and the availability of housing for New Yorkers at a range of income levels requires a multifaceted approach:

- Support housing production to absorb growth in housing demand and reduce upward pressure on housing prices. Current initiatives include measures to remove zoning impediments to the creation of housing, including affordable housing, and neighborhood planning initiatives including zoning changes to promote the creation of new housing with supporting infrastructure and services.
- Use City, State and Federal resources to create and preserve affordable housing throughout the city. Housing New York, Mayor de Blasio's ten-year, five borough affordable housing strategy, outlines initiatives to build and preserve 200,000 units of affordable housing over a decade. City-supported affordable housing development can not only provide for affordable housing opportunities in a range of neighborhoods, but it also provides a critical source of housing investment in communities where the private housing market is not creating new housing.
- Establish a mandatory Inclusionary Housing program. The City should mandate affordable housing where land use actions promote new housing development, to ensure that new housing created within these neighborhoods serves households at a range of incomes below those that would be served by the market alone. Requirements for units to remain permanently affordable will ensure that these affordable units remain a resource for the community into the future, even as neighborhood economic conditions may change.

4.2 Financial Feasibility

In support of the multifaceted approach outlined above, a mandatory Inclusionary Housing program would establish requirements for affordable housing that promote neighborhood economic diversity while supporting the continued feasibility of housing production. In some areas and market conditions, new housing development is not generally feasible without public subsidy. It should be expected that subsidy would continue to be required to support new development including the required affordable component; in fact, the affordability of housing would continue to be determined by the use of public subsidies, rather than by the Inclusionary Housing requirement. In market conditions that support development without subsidy, however, it would not promote housing production and affordability goals to establish a requirement so onerous as to render new housing production broadly infeasible.

To identify parameters and conditions under which a Mandatory Inclusionary Housing requirement would support the feasibility of housing development, New York City's Housing Development Corporation (HDC) engaged BAE Urban Economics, a national real estate economics consulting firm with expertise in inclusionary housing analysis, to conduct a financial feasibility analysis. The purpose of the NYC MIH Market and Financial Study was to evaluate what effects the application of a Mandatory Inclusionary Housing program, in conjunction with land use actions to promote increased capacity for housing, would have on the financial feasibility of new residential development projects under a range of currently representative market conditions.

The financial feasibility analysis indicates that, unsurprisingly, financial feasibility of new housing development varies by market condition, with development most feasible in the strongest market conditions, and projects generally requiring public subsidy to support feasibility in the weakest markets. The combination of rezoning to increase permitted residential density and establishment of a Mandatory Inclusionary Housing requirement broadly support feasibility of development in strong market conditions. In weak markets, where the financial model indicates that absent zoning changes and Mandatory Inclusionary Housing requirements, development is generally infeasible without subsidy, subsidy remains necessary to produce housing under a Mandatory Inclusionary Housing program. In mid-market conditions, where returns suggest that development may be on the cusp of financial feasibility absent rezoning and Mandatory Inclusionary Housing, additional density adds little to project returns and the imposition of affordable housing requirements may adversely affect the feasibility of development in some circumstances. Project finances support a substantially higher set-aside when Section 421-a tax benefits are available to the project. It should be understood that financial parameters of individual developments can vary, even within a limited geography, and that broad determinations cannot be conclusively drawn about the financial feasibility of all developments. Requirements for a Mandatory Inclusionary Housing program should be set at a level that is understood to be feasible under a range of common circumstances, with public subsidy available as appropriate to support development where it would not otherwise be feasible, and recourse for relief for highly unusual or exceptional circumstances.

4.3 Key Elements of a Mandatory Inclusionary Housing Program

Based on the findings of this report and of the financial feasibility analysis conducted in tandem with it, the following policy priorities are identified for the establishment of a Mandatory Inclusionary Housing program:

- The program should seek to address the affordable housing needs of neighborhoods, based on an understanding of existing income levels and housing needs, as well as address citywide housing

needs and continue to support the feasibility of housing creation.

- To support the feasibility of development, the program should recognize the tradeoff that exists between reaching lower incomes and achieving a larger set-aside of affordable housing – i.e., the lower the incomes reached, the less feasible it is to achieve a larger set-aside. For instance, in neighborhoods where reaching households at the lowest income levels is a priority, a Mandatory Inclusionary Housing requirement may specify a lower set-aside with a greater proportion of affordable units at very low incomes, while in other neighborhoods, a higher set-aside may be applied that allows more units at moderate incomes.
- Housing subsidies should be made available as appropriate to support new affordable housing where it would be necessary to support the feasibility of new development. This is especially true in weaker markets, where these subsidies, rather than Inclusionary Housing requirements, will drive the income levels that can be reached in new housing.
- To address the challenges of feasibility in the mid-market condition, an option that provides permanently affordable housing for moderate-income households should be explored within areas likely to experience such housing conditions, where housing at this income level would promote neighborhood economic diversity.
- To address unusual conditions under which a Mandatory Inclusionary Housing requirement may make development difficult, accommodations should be incorporated in the program, including an exemption for small developments on small existing sites, and a hardship waiver to ensure that property owners can realize a reasonable economic return on investment in their property.
- To support neighborhood economic diversity, geographic location requirements should apply to affordable units (as they are in the existing voluntary IH program), while allowing sufficient options for on-site or off-site location of affordable units to support the feasibility of development in a range of circumstances.

Endnotes

1. Brooklyn and Queens likely experienced an undercount in the 2010 Census, the result of misclassifying housing units as vacant. A conservative estimate is that this problem understated the population of the two boroughs by 65,000 persons. This means that the population of the city in 2010 was easily in excess of 8,240,000 – and not the 8,175,100 base from the 2010 enumeration that is used in the calculations of change. See Salvo, J.J. and A.P. Lobo (2013). “Misclassifying New York’s Hidden Units as Vacant in 2010: Lessons Gleaned for the 2020 Census.” *Population Research and Policy Review*, 32(5), 729-751.
2. Changes of address from year-to-year for tax returns represent flows into and out of the city. Those who have addresses in the city in one year and outside the city in the next are designated as “out-migrants”; those who live outside the city one year and in the city the next are designated as “in-migrants.”
3. According to the 2011 ACS, the number of persons who “came to the U.S. to live” in 2010 was 94,800, down 25 percent from the 126,400 persons in the 2000 census who said they had entered in 1999. Similarly, the 451,800 persons in the 2011 ACS who had arrived in the previous five years (2006-2010) was down 22 percent from the 579,800 in the 2000 census who had entered between 1995-1999.
4. Net international flows were derived by assuming that those emigrating equaled 20 percent of the legal flow.
5. Strictly comparable data on in-migrants and out-migrants are not available; data on out-migrants are incomplete, since the ACS does not provide information on those who have left the U.S. for other countries. This analysis assumes that this effect remains the same over time, thus making comparisons useful.
6. 2011 New York City Housing and Vacancy Survey. U.S. Census. Table 5.21 “Vacant Units Unavailable for Rent or Sale by Reason for Unavailability; 2008 New York City Housing and Vacancy Survey. U.S. Census. Table 5.26 “Vacant Units Unavailable for Rent or Sale by Reason for Unavailability.”
7. The U.S. Census Bureau defines a subfamily as a married couple with or without children, or a single parent that does not maintain their own household, but lives in the home of someone else.
8. Statistics were provided by the Department of Homeless Services in May 2015.
9. The report arrives at an estimate through comparing the total new occupied units counted between the 1990 and 2000 Census and compared it with official records from the Department of Buildings on new units constructed or rehabilitated.
10. Public Use Microdata Areas (PUMAs) are Census-designated areas with a populations of at least 100,000 persons. There are 55 PUMAs in New York City which approximate the boundaries of the City’s community districts.
11. Neighborhood Tabulation Areas or NTAs, are aggregations of census tracts that are subsets of New York City’s 55 Public Use Microdata Areas (PUMAs). Primarily due to these constraints, NTA boundaries and their associated names may not definitively represent neighborhoods.

12. See Final Rule, “Affirmatively Furthering Fair Housing”, Department of Housing and Urban Development, 24 CFR Parts 5, 91, 92, 570, 574, 576, and 903, date pending, 2015, p. 19: HUD supports a balanced approach to affirmatively furthering fair housing by revising the “Purpose” section of the rule and the definition of “affirmatively furthering fair housing.” Also, HUD has created a new provision listing goals and priorities a program participant may take to affirmatively further fair housing, which may include, but are not limited to, place-based solutions and options to increase mobility for protected classes. (See §§ 5.150, 5.152, and 5.154.)
13. See *Texas Department of Housing and Community Affairs v. Inclusive Communities Project, Inc.* 576 U.S. ____ (2015), at 19 (recognizing that Fair Housing law is consistent with investments in low-income communities and higher opportunity areas).
14. The City of New York received almost \$153 million in CDBG funding in 2014 for programs that support the development and maintenance of affordable housing, improve access to economic opportunity and program administration and planning (New York City Department of City Planning, 2014).
15. U.S. Department of Housing and Urban Development. 2011. “Understanding Neighborhood Effects of Concentrated Poverty.” Evidence Matters.
16. An “advantaged school” was defined in the study based on the subsidized meal status as well as a ranking system, based on neighborhood poverty rates, used by the school district to identify disadvantaged schools for targeted resources.
17. A neighborhood is defined in the study as a county or a commuting zone. This very large geography may over-generalize findings for New York City, where the characteristics of neighborhoods within counties are extremely diverse.
18. The researchers acknowledge in the study that although the “causal effect of growing up in New York City –as revealed by analyzing individuals who move into and out of New York – is negative relative to the national average” largely because families who already live in New York – the non-movers – have “unusually high rates of upward mobility.”
19. Housing units permitted in multifamily buildings, according to records from the Department of Buildings, as aggregated and analyzed by DCP.
20. U.S. Census 2012
21. Some special districts permit a share of units to be affordable for moderate- or middle-income households, in exchange for a greater amount of affordable housing.

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