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FINANCIAL ANALYSIS AND REVIEW OF BEST PRACTICES

to support updates to Boulder's

Inclusionary Housing Requirement

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City of Boulder

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1.0 INTRODUCTION AND SUMMARY OF FINDINGS

This report was prepared to support consideration of updates to the City of Boulder's (City) Inclusionary Housing (IH) policy. The report presents an assessment of financial feasibility for a range of residential development types, tests alternative requirements, and reviews best practices and policy approaches elsewhere.

1.1 Background and Purpose

Boulder has a robust IH program that has been in place for decades. The current IH requirement is for new residential developments to set aside 25% of units as affordable. Alternatives include Cash-in-Lieu (CIL) payment, off-site affordable units, land dedication, or an alternative proposed by an applicant that provides a greater housing benefit to the community.

Payment of CIL has been the most frequently used means of compliance. There are several recent examples of projects that have proposed the use of other compliance methods. Diagonal Plaza dedicated a site to Boulder Housing Partners for construction of affordable units. Weathervane and 4775 Spine Road (Celestial Seasonings site) are each building 25% inclusionary units within the project. Both of these projects are situated on large sites in comparatively low land cost areas of the city.

The City is considering an update to its IH policy to ensure the program continues to align with community priorities and best practices. This report presents analysis and recommendations to support the proposed update.

1.2 Residential Development Types Analyzed

A set of five prototypical residential development projects were identified to serve as the basis for the financial analyses provided in this report. The intent is to represent the types of projects that are likely to be developed in Boulder. A summary of the five residential prototypes is presented in Table 1-1. Prototypes were defined based on a review of recent and proposed projects. Supporting information is presented in Section 2 and Appendix B.

Stacked condominiums are included as a prototype so the economics of this project type can be understood, although few such projects have been built or proposed recently. Single-family development was deemed too limited to warrant being made a focus of pro forma testing. Most single-family units built in recent years have been a result of demolition and replacement of existing homes. Four story prototypes assume use of bonus height under the City's community benefits program and are included to assist in understanding inter-relationships between potential changes to IH and the community benefits program.

Table 1-1. Residential Prototype Projects Programmatic Assumptions

	Townhome	Small Condo, 3-story	Larger Condo, 4- story	Rental, 3- story	Rental, 4- story
Number of Units / Density	48 units 24 du/ac. ⁽¹⁾	21 units 26 du/ac.	78 units 39 du/ac.	98 49 du/ac.	131 66 du/ac.
Number of stories above grade	3 stories	3 stories	4 stories	3 stories	4 stories
Average Unit Size	1,750	1,400	1,250	750	750
Parking Type	attached garage	podium garage	subterranean garage	subterranean garage	subterranean garage
Avg No. of Bedrooms	3.0	2.0	1.7	1.0	1.0

⁽¹⁾ Townhome density estimate is reflective of several precedent townhome projects at a similar density, as shown in Appendix Table B- 8. A townhome at a density of 11 units per acre was also tested. See Section 2.7 for more information.

1.3 Feasibility Analysis Summary

KMA prepared an analysis to assess feasibility of the five prototypical residential development projects. Pro forma analyses were prepared to model development costs and revenues of each project type under existing and alternative affordable housing requirements. One of three feasibility classifications is assigned to each scenario: feasible, marginally feasible, or infeasible / challenged. Categories are based on the adequacy of revenues, net of a threshold developer return, to fund the development costs. Section 2 presents the analysis and provides additional metrics including supported land values and the equivalent dollar cost of complying with the IH program to enable quantitative comparisons across scenarios.

(1) Base Case Pro Forma Findings

Table 1-2 summarizes the base case pro forma findings assuming existing IH requirements. Payment of CIL is assumed since most projects are using this compliance option. Use of the community benefits program is reflected with respect to the four-story prototypes.

Table 1-2. Base Case Pro Forma Under Current Requirements

Pro Forma Summary (\$millions)	Townhome	Small Condo, 3-story	Larger Condo, 4- story	Rental, 3- story	Rental, 4- story
Supported Developer Investment ⁽¹⁾	\$57.46	\$18.85 ⁽²⁾	\$54.36	\$47.45	\$63.43
Total Development Cost	\$57.62	\$19.82 ⁽²⁾	\$57.42	\$48.75	\$63.99
%Costs Supported (100% = in balance)	100%	95%	95%	97%	100%
Feasibility Category	Feasible	Marginal Feasibility	Marginal Feasibility	Marginal Feasibility ⁽³⁾	Feasible

⁽¹⁾ Supported investment represents the amount the developer can invest in the project based on the projected net rental income, or the case of a for-sale project, based on sales revenue net of costs of sale and a threshold developer profit.

⁽²⁾ Project revenues and costs substantially less than other scenarios based on analysis of a smaller project on a smaller site (0.75 acre site vs 2 acre site for the other prototype projects).

⁽³⁾ Feasible when evaluated with FY 2022-23 CIL rates.

For the townhome, revenues are approximately in balance with costs, and thus the prototype project is classified as feasible.

The two stacked condo projects are both classified as marginally feasible based on project revenues that support only approximately 95% of estimated development costs, suggesting stacked condominium projects are less likely to develop overall and less likely to use the community benefit program. This generally aligns with recent development activity in that stacked condos have been far less common than other project types.

The four-story rental project was found to be feasible. The three story rental is classified as marginally feasible, but prior to the most recent 10% increase in CIL rates on July 1, the three-story rental was identified as feasible.

More favorable economics for the four-story rental compared to the three-story rental are inclusive of the increased IH requirement that applies due to use of the community benefits program to realize a fourth story. This finding is consistent with the presence of several pipeline rental developments proposing use of the program to add a fourth story.

(2) Supportable Cash-In-Lieu Levels

The prototype projects are able to support cash in-lieu amounts from \$35 to \$50 per square foot depending on the prototype. The four-story condo is an exception because it is subject to a minimum of 50% on-site affordable units under the City's community benefit requirements and was not found to support a CIL payment in addition to provision of the on-site units. Absent the on-site units, the four-story condo could support a CIL requirement in a similar range as the other project types.

(3) Feasibility of Meeting 25% IH Requirement On-site

Larger Sites - Projects on larger sites accommodating multiple buildings are in the best position to satisfy the 25% IH requirement in a separate building financed with low income housing tax credits (LIHTCs) and other subsidy sources that help offset the cost of affordable units. Such projects can feasibly deliver 25% affordability on-site. This finding is consistent with projects such as 4775 Spine Road (Celestial Seasonings site), that are proposing to do so. To be financeable, affordable units typically must be in a separate building and have roughly fifty or more affordable units to be efficient from a development and operating standpoint. With use of LIHTCs and other subsidy sources, the effective market rate developer cost to provide affordable units can be below the existing CIL rate. For example, with 4775 Spine Road, the contribution from the market rate component of the project (land and cash) to deliver 59 affordable units on a portion of the site is estimated to equate to around \$25 per square foot, roughly half the existing CIL rate. The project is situated on a large site in a comparatively low land cost area of the City (Gunbarrel).

Smaller Sites – Developments on smaller sites and infill developments will typically lack the scale to set aside a portion of the site for a separate LIHTC project. Projects unable to leverage outside subsidy sources to finance affordable units face feasibility challenges meeting the 25% affordable housing requirement on-site. Potential exceptions include projects able to acquire a site at a discounted value and/or locations where exceptionally high pricing or rents are achievable. The cost of providing 25% affordable units on-site is estimated to be well above the existing CIL rate¹ without use of outside subsidies. A mandate that 25% affordable units be delivered on-site, rather than allowing CIL or another alternative, would make it significantly more challenging for projects on smaller sites and infill developments to move forward.

Weathervane is one example of a project providing 25% affordable units on-site without use of tax credit financing. The project is unique in that its land costs are less than half the per unit average for multifamily projects in Boulder and it is reportedly being financed with socially responsible investment capital. These factors likely contribute to the ability of this project to satisfy the 25% requirement on-site without tax credit financing.

Table 1-3 summarizes pro forma testing of existing requirements, alternative CIL levels, and meeting a 25% IH requirement on-site.

Table 1-3. Feasibility Testing Summary					
	Townhome	Small Condo, 3-story	Larger Condo, 4-story	Rental, 3-story	Rental, 4-story
Existing CIL Rates	Feasible	Marginal Feasibility	Marginal Feasibility	Marginal Feasibility (but feasible with FY22-23 rates)	Feasible
Feasible CIL level (expressed per square foot)	up to \$50 PSF	up to \$35 PSF	marginal feasibility with any CIL amount due to 50% on-site minimum with community benefit program	up to \$45 PSF	up to \$50 PSF
25% On-Site Affordable	infeasible for income levels up to 100% AMI, marginal at 120% AMI	infeasible at all income levels tested	infeasible at income levels up to 100% AMI, marginal at 120% AMI	infeasible at all income levels tested unless affordable units can be financed with outside subsidies such as tax credits.	

(4) Affordable Unit Percentages Comparable to Existing CIL Option

Table 1-4 identifies on-site inclusionary requirements approximately equivalent to existing CIL rates in terms of overall impact to project pro formas. Findings assume inclusionary units are

¹ With for-sale the net cost of meeting the 25% requirement on-site is estimated at approximately \$90 to \$100 per square foot and, with rental, in the range of \$80 to \$90 per square foot, well above the cost of paying CIL under existing rates, which converts to \$46 to \$59 per square foot for the prototype projects, depending on project type and average unit size.

provided in a mixed-income format without use of tax credit financing. As shown, between 12% and 17% on-site affordable units would be roughly equivalent to existing CIL rates, depending on the tenure of the project and the income level of the inclusionary units.

Table 1-4. On-Site Inclusionary Percentages Representing Similar Cost to Existing CIL Option	
For-Sale	Rental
13.9% with 1/3 each at Low/Mod, 80%, 100% AMI	13% with half 50% AMI and half 60% AMI
14.7% MI with 1/3 each at 80%, 100%, 120% AMI	14.2% with 1/3 each at 50%, 60%, 70% AMI
13.2% Low/Mod	12% at 50%, AMI
13.6% at 80% AMI	14.3% at 60% AMI
14.9% at 100% AMI	17.5% at 70% AMI ⁽¹⁾

⁽¹⁾ To be financed with LIHTCs, projects are required to have an average AMI level of 60% or below so a project with all 70% AMI units would not qualify.

(5) Feasibility of LIHTC project with 20% of units at 50% AMI and 80% of units at 60% AMI

KMA was asked to evaluate whether a unit mix of 20% of units at 50% of AMI or below and 80% of units at 60% of AMI is feasible in a LIHTC project. KMA reviewed data on 51 new construction LIHTC projects financed in Colorado over the last five years reported by the Colorado Housing Finance Agency and financed with 4% tax credits². As shown in Table 1-5, on average, projects included approximately 20% of units at 50% of AMI or below, two thirds at 60% AMI, and 13% at either 70% or 80% of AMI. Eight of 51 projects (16%) would have met the criteria of at least 20% of units at 50% AMI or below and no units over 60% AMI, suggesting a unit mix meeting the specified criteria is feasible but not as common.

Approximately one third of projects included units above 60% of AMI as part of their unit mix, the majority at 70% of AMI, taking advantage of income averaging rules allowing units over 60% of AMI, as long as the overall affordability for the project averages 60% of AMI or below. The projects that included units above 60% of AMI also accounted for approximately two thirds of all units produced at 50% AMI and below. Over 70% of projects included at least some units at 50% of AMI or below. The data indicates a requirement to include 20% of units at 50% of AMI or below is feasible in a LIHTC project, but that allowing an equal share of units over 60% of AMI, up to 70% or 80% AMI, would likely provide helpful flexibility for financing these projects.

Table 1-5. Affordability Mix for New Construction 4% LIHTC Projects, 2018 to 2023 in Colorado	
50% AMI and below	20%
60% AMI	67%
70% to 80% AMI	13%
	100%

Source: KMA Analysis of Colorado Housing Finance Agency data on 4% tax credit projects

² The focus was on 4% tax credits based on the assumption that the City would want the requirement to work for projects that do not receive 9% credits.

1.4 Interviews with Local Development Professionals

KMA conducted a series of one-on-one interviews with local developers with active projects or recent experience in Boulder. Through these interviews, KMA sought input on key pro forma assumptions as well as perspectives on market conditions and experience with the IH program.

Interviewees were also asked to provide feedback on why the market is primarily delivering rental housing in Boulder. The following insights were offered:

- (1) Rental projects attract a different set of investors that are investing for a longer-term horizon and are willing to accept lower risk-adjusted returns on that capital.
- (2) Rentals can be more tax efficient for investors.
- (3) For-sale projects have more market risk since projects have “one shot” at the market and the timing of sales can significantly affect performance.
- (4) Colorado’s construction defects laws increase costs and discourage production of for-sale housing, especially larger condominium projects.
- (5) Stacked for-sale projects cannot be phased resulting in higher financing costs since all costs are upfront while sales revenues take time to be realized.
- (6) Developers cited the cash-in-lieu premium that applies to for-sale but not rental as a policy bias favoring rental.

See Section 4 for more information.

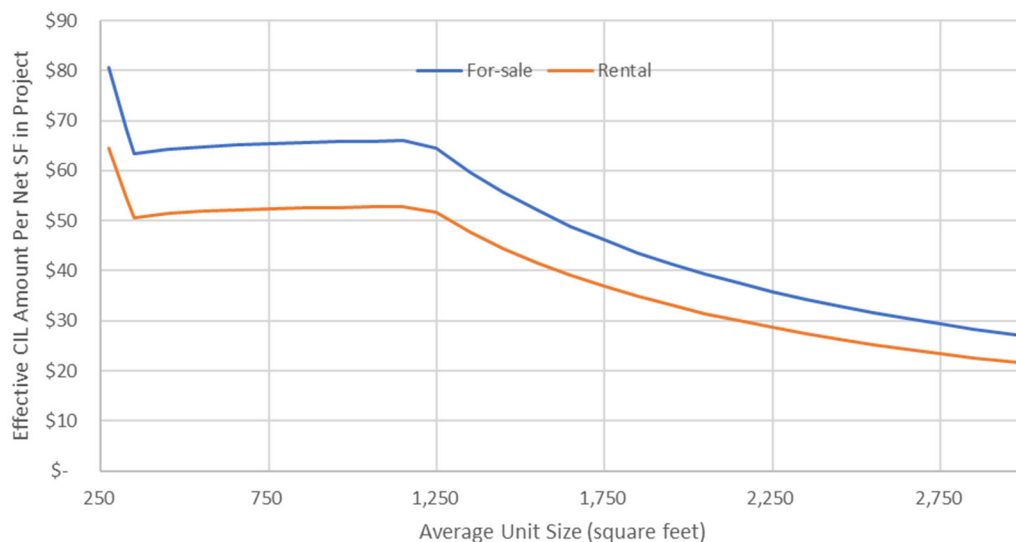
1.5 Approaches Elsewhere and Best Practices

Section 3 provides context regarding best practices and the diversity of approaches used by other inclusionary programs. The focus is on provisions related to Cash-In-Lieu alternatives and middle income for-sale units. Selected highlights include:

- (1) *CIL Shapes Outcomes* - The availability, structure, and amount of any CIL option shape whether units are provided on-site or through CIL payment. Onsite units contribute to mixed income communities and sometimes serve income categories, such as middle income, that 100% affordable projects do not reach based on criteria for funding sources. CIL creates funding that can be used to assist 100% affordable projects, which tend to serve households with the lowest incomes. CIL can also be leveraged with outside funding sources, potentially yielding production of more affordable units than would have been provided on-site.

- (2) **Basis of CIL Amount** – Alternative approaches to establishing CIL amounts include the (a) affordability gap associated with providing units on-site, (b) average public subsidy required to replace units that are not provided on-site, (c) a nexus study documenting impacts, and (d) a feasibility analysis identifying amounts projects are able to support. Boulder currently uses the affordability gap approach, but with increases subject to an annual cap, such that CIL amounts have always lagged the full calculated gap.
- (3) **CIL Structure** - The most common CIL structures are per affordable unit and per square foot. A per square foot CIL structure is considered best practice because it results in a fair burden across different unit types and avoids a disincentive for smaller more affordable market rate units. Boulder’s per affordable unit CIL structure shares some attributes of a per square foot structure in that it adjusts based on unit size, but there is still variability by unit size, as indicated in Chart 1.

Chart 1-1. Boulder’s Existing Effective Cash In-Lieu Rate Per Square Foot



*Based on 100% CIL payment and large attached rate for FY 23-24

- (4) **CIL Annual Updates** - CIL rates must be updated regularly to ensure they keep pace with the cost of delivering affordable units. This can be accomplished through an update of the original methodology or by applying an index. Boulder currently updates its CIL rates annually based on the original methodology.
- (5) **Margin Between Market and Affordable Prices** – For for-sale inclusionary units to be marketable, there must be a substantial margin between market and affordable prices. The analysis indicates this is currently the case in Boulder. Affordable prices are also below market pricing in nearby communities.

- (6) *Margin Between Affordable Prices and Maximum Qualifying Income* – Affordable prices should be set below the maximum income to qualify to purchase a unit so that eligible households are able to afford the purchase prices. Boulder currently sets affordable pricing below qualifying limits consistent with this best practice.
- (7) *Re-sale prices* – The formula for determining re-sale prices of affordable units must balance inherent tradeoffs between providing an opportunity for owners to build equity and recoup the cost of capital improvements and maintaining affordability over the long-term. Boulder currently limits appreciation to the lesser of CPI, the change in area median income, and 3.5%; with a minimum increase of 1%. Pricing is adjusted based on the cost of capital improvements made by the owner. Boulder’s current approach emphasizes long-term affordability as a primary goal.

1.6 Recommendations

Following is a summary of KMA’s recommendations based on the findings of the analysis.

➤ *Cash In-Lieu Structure*

- Modify to a per square foot CIL structure so CIL obligations fully scale with unit size, and to avoid a disincentive for smaller units.
- Step-in the CIL requirement for smaller projects using a graduated scale that increases to the full rate at a threshold project size.
- Annually adjust the CIL amounts using an index, while periodically revisiting whether CIL requirements are keeping up with the cost of producing units, remain feasible, and continue to incentivize the compliance outcomes desired. Consider using an index tied to the cost of construction, as it would ideally allow rates to keep up with the cost of producing the affordable units. Engineering News Record publishes two construction cost indices for the Denver area. We suggest using a composite of the two indices published by ENR, the Construction Cost Index (CCI) and the Building Cost Index (BCI), because this allows both skilled and general construction labor costs to be considered. The composite of the two indices increased at an annualized rate of 4.6% over the last five years and 3.5% over the last twenty years, outpacing the overall rate of inflation (CPI) over both periods.

➤ *Overall Program Cost Parameter*

Establish updated IH requirements at levels yielding an overall cost of approximately \$40 to \$50 per square foot of net residential area. This recommended “cost envelope” for program updates would apply to the lowest cost alternative available to a project, which could be

provision of inclusionary units on-site, payment of CIL, or a combination, depending on policy preferences.

- The term “cost” is used loosely to refer to both a direct payment (i.e. CIL) and the net impact to a project’s pro forma from restricting rents or sales prices at affordable rates.
- A variety of policy options for the structure of the program are available within this recommended parameter.
- Current program costs, following the most recent 10% increase in CIL rates for 23-24, equate to approximately \$65 per square foot for for-sale units and \$52 per square foot for rentals under 1,200 square feet, and steadily decrease for unit sizes over 1,200 square feet due to the cap on CIL rates for units above that size³. Thus, with for-sale projects with unit sizes under 1,200 square feet, for which development activity has been quite limited, the recommended cost parameter would roll back approximately the last three years of 10% annual CIL increases. For rentals, a \$50 cost parameter would represent a slight decrease from current. For projects with larger unit sizes, the recommended cost parameter represents a net increase.
- Stacked condominiums have been rare enough that they were not a principal consideration in identifying the recommended cost parameter for the update, although support for a lesser requirement with this project type is indicated. As discussed below, a reduced requirement for this project type could be considered.

➤ *Approaches to On-site Affordable Units*

Whether, and in which situations, the City would like to require or encourage on-site inclusionary units rather than receive CIL is a key policy decision. Below is a discussion of alternatives.

- *Option 1 Maintain Existing Incentives* – Retain a 25% inclusionary requirement and a by-right CIL option set within the cost parameter described above. This option is likely to yield similar outcomes to current in which most projects utilize the CIL option with some exceptions. A variant of this approach would be to require on-site affordable units within the largest projects that have the site-size and scale to deliver affordable units as part of a 100% affordable project financed using tax credits. With this structure, projects well positioned to deliver on-site units are able to do so while other projects for which 25% on-site affordability is more challenging will use CIL as the lower cost and more feasible option.

³ Current program costs are based on the CIL option, since this is the alternative most projects have used.

- *Option 2 Require On-Site Units or Incentivize Through CIL Rate* – If on-site affordable units are strongly preferred over CIL, the following approaches could be considered, potentially only with for-sale projects if that is the priority for on-site units.
 - a. Remove the option to pay CIL for projects over a threshold size, such as ten units, or
 - b. Set the CIL rate at a significant margin above the estimated cost of providing on-site affordable units, or
 - c. Incentivize projects to provide a mix of on-site units and CIL by building in incentives for this outcome into the structure of the CIL option.

In conjunction with a mandate or strong incentive for on-site inclusionary units through the CIL rate, a reduction in the inclusionary percentage is recommended to maintain feasibility. Table 1-6 identifies on-site inclusionary percentages consistent with the recommended cost parameters described above, which vary depending on the required income levels of the units. Projects on larger sites capable of providing affordable units in a separate tax credit project are able to support a 25% requirement. Site size and/or unit count thresholds could be considered for continued application of a 25% inclusionary percentage.

Table 1-6. On-Site Inclusionary Percentages Consistent with Recommended Cost Parameter, Assuming no Outside Subsidies					
Equivalent to \$50/SF Estimated Compliance Cost					
<u>For-Sale</u>	<u>Townhome</u>	<u>Stacked Condo</u>	<u>Rental</u>		
120% AMI Units	14.5%	16.9%	80% AMI Units		21.7%
100% AMI Units	13.2%	15.0%	70% AMI Units		16.9%
80% AMI Units	12.1%	13.4%	60% AMI Units		13.8%
Low/Mod (71.7% AMI)	11.8%	12.7%	50% AMI Units		11.6%
Equivalent to \$40/SF Estimated Compliance Cost					
<u>For-Sale</u>	<u>Townhome</u>	<u>Stacked Condo</u>	<u>Rental</u>		
120% AMI Units	11.6%	13.6%	80% AMI Units		17.4%
100% AMI Units	10.6%	12.0%	70% AMI Units		13.5%
80% AMI Units	9.7%	10.7%	60% AMI Units		11.0%
Low/Mod (71.7% AMI)	9.4%	10.1%	50% AMI Units		9.3%

- *Option 3 Incentive-Based Approach to Achieving On-Site Units* – Retain a 25% inclusionary requirement with a by-right CIL option but add incentives for projects that include 25% affordable units on-site. Examples of the types of incentives that could be evaluated include:

- a. Modification or waiver of certain development standards that tend to limit development capacity, such as density limitations, height limits, setbacks, open space requirements, parking, floor area ratio limits, or others.
- b. A streamlined approval process that substantially reduces the time required for approval and increases certainty regarding approval outcomes for projects that comply with all applicable requirements and include 25% affordable units on-site.
- c. Financial incentives for affordable units.

The potential incentives identified above would entail code changes beyond the scope of the IH ordinance. Success of an incentive-based approach would hinge upon identification of meaningful incentives that are both acceptable from a city and community perspective and sufficiently valuable to influence the decision-making of developers regarding provision of affordable units on-site. Each project will evaluate the use of incentives differently and a mix of outcomes would be expected.

- *Encouraging Market-Rate For-Sale Housing* – Market factors and construction defects liability considerations have contributed to limited for-sale housing development in recent years. Changes to the IH program are unlikely to alter these dynamics but can still be structured to support outcomes the City seeks to encourage. Options that would be supportive of additional for-sale development include:
 - a. Modify the CIL structure so for-sale projects are no longer charged more than rentals. A per square foot structure will be beneficial to stacked condo projects with their typically smaller average unit sizes.
 - b. If there is a desire to see more stacked condominium projects, consider reducing CIL and/or on-site percentage requirements for stacked condominiums projects that exceed a density threshold in recognition of the currently weaker feasibility of this project type.
 - c. Depending on the structure of the updated program, consider removal of the requirement that any for-sale project utilizing the community benefit program automatically triggers a requirement to provide at least half of the units on-site. The gap between market and affordable prices has increased over time and made this requirement more challenging. It also encourages a focus on rentals because a rental project using the program does not trigger a similar on-site obligation.
- *Conforming Updates to Community Benefits Program* – The community benefit program allows additional height in conjunction with an increased inclusionary requirement. Modifications to the inclusionary program are likely to alter incentives to use the community

benefits program. Adjustments to requirements to coordinate with potential updates to IH are likely to be needed.

1.7 Report Organization

The following report sections present additional background and analysis to support the findings and recommendations summarized above.

- Section 1.0 provides a summary of findings and recommendations.
- Section 2.0 presents the financial feasibility analysis evaluating five prototype residential projects and the ability to sustain alternative CIL and affordability requirements.
- Section 3.0 provides a review of best practices for inclusionary programs, with a focus on provisions related to Cash-In-Lieu (CIL) alternatives and middle income for-sale units.
- Section 4.0 summarizes themes from interviews with local development professionals.
- Appendix A provides supporting tables related to the financial feasibility analysis.
- Appendix B identifies the survey of new and newer residential development projects in Boulder that provided a foundation for the prototypical residential development prototypes used in this analysis.

2.0 FEASIBILITY ANALYSIS

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

2.1 Analysis Limitations

The analysis presented in this section is intended to provide a reasonable estimate based on current conditions; however, it is useful to bear in mind the following limitations:

- *Near-Term Time Horizon* – The analysis is intended as a best estimate based on current conditions. However, real estate development economics are fluid and are impacted by constantly changing conditions with regard to rent potential or sales prices, construction costs, land costs, and costs of financing. A year or two from now, conditions will undoubtedly be different. Financial feasibility conditions are not expected to remain static over a longer time horizon.
- *Prototypical Nature of analysis* - The feasibility analysis can only provide an overview-level assessment of development economics– it is not intended (nor would it be appropriate) to reflect any specific project. Every project has unique circumstances that will dictate rents or sale prices supported by the market as well as development costs and developer return requirements. Each developer will finance their project in different ways and the determination of risk and return requirements will vary as well. The feasibility analysis is intended to reflect typical projects in Boulder for the development types described. By taking this approach, it is understood that the economics of some projects will look better and some will look worse than those described herein.

2.2 Project Types Evaluated

Five residential prototype projects are evaluated, comprised of three for-sale and two rental projects, as follows:

For-sale

- Townhomes
- Stacked Condos, three stories in height
- Stacked Condos, four stories in height, with use of the community benefit program to allow the fourth story.

Rental

- Rental, three stories in height
- Rental, four stories in height, with use of the community benefit program to allow the fourth story.

Prototype projects are representative of those developed or proposed in Boulder in recent years. Although stacked condominiums have been less common, they are included based on interest in encouraging additional for-sale housing opportunities, and so the economics of this project type can be understood.

Single-family development has been quite limited in recent years, likely driven by the high cost and limited availability of suitable sites. Most single-family units built in recent years have been a result of demolition and replacement of existing homes. Single-family development activity was deemed sufficiently limited to not warrant being made a focus of pro forma testing.

Rental and condo prototypes were evaluated both with and without use of bonus height under the City's community benefits program to address inter-relationships between the inclusionary and community benefits programs. The community benefits program allows projects to exceed base height limits with provision of additional affordable housing (11% additional inclusionary requirement with respect to units accommodated by the bonus height).

The prototype townhome project reflects a density of 24 units per acre based on several precedent projects at similar densities. A lower density townhome example at 11 units per acre was also tested, as described in Section 2.7.

Table 2-1 presents the programmatic assumptions for the five prototype projects. Programmatic assumptions are based on review of precedent projects, summarized in Appendix B.

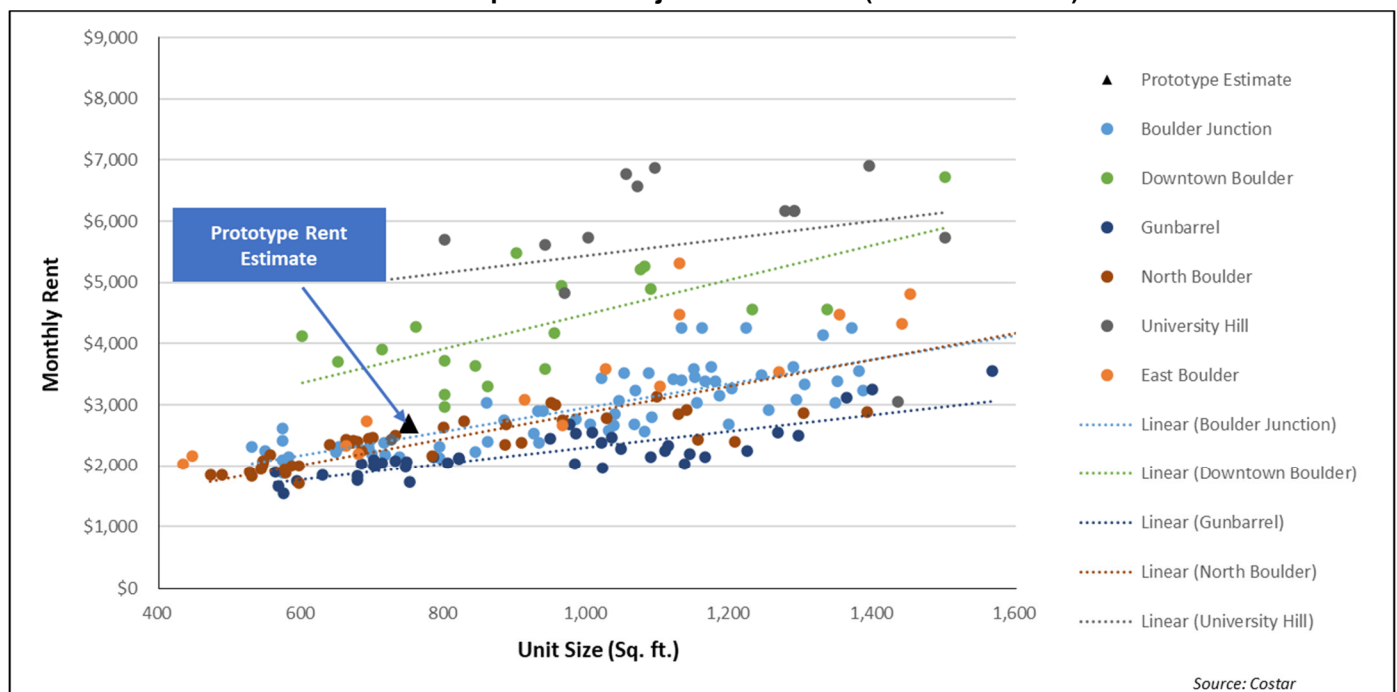
Table 2-1. Programmatic Assumptions					
	Townhome	Small Condo, 3-story	Larger Condo, 4-story	Rental, 3-story	Rental, 4-story
Site Size	2 acres	0.8 acres	2 acres	2 acres	2 acres
Number of Units / Density	48 units	21 units	78 units	98	131
	24 du/ac.	26 du/ac.	39 du/ac.	49 du/ac.	66 du/ac.
Number of stories above grade	3 stories	3 stories	4 stories	3 stories	4 stories
Floor area ratio	1.0	1.0	1.3	1.0	1.3
Average Unit Size - mkt	1,750	1,400	1,250	750	750
Parking Spaces	87	28	95	98	131
Parking Ratio	1.8	1.3	1.22	1	1
Parking Type	attached garage	podium garage	subterranean garage	subterranean garage	subterranean garage
Avg No. of Bedrooms	3.0	2.0	1.7	1.0	1.0

2.3 Pro Forma Methodology

To assess the financial feasibility of the five prototype projects, KMA prepared a pro forma analysis which models the development costs and revenues of each project. Key assumptions of the pro forma analysis are reviewed below.

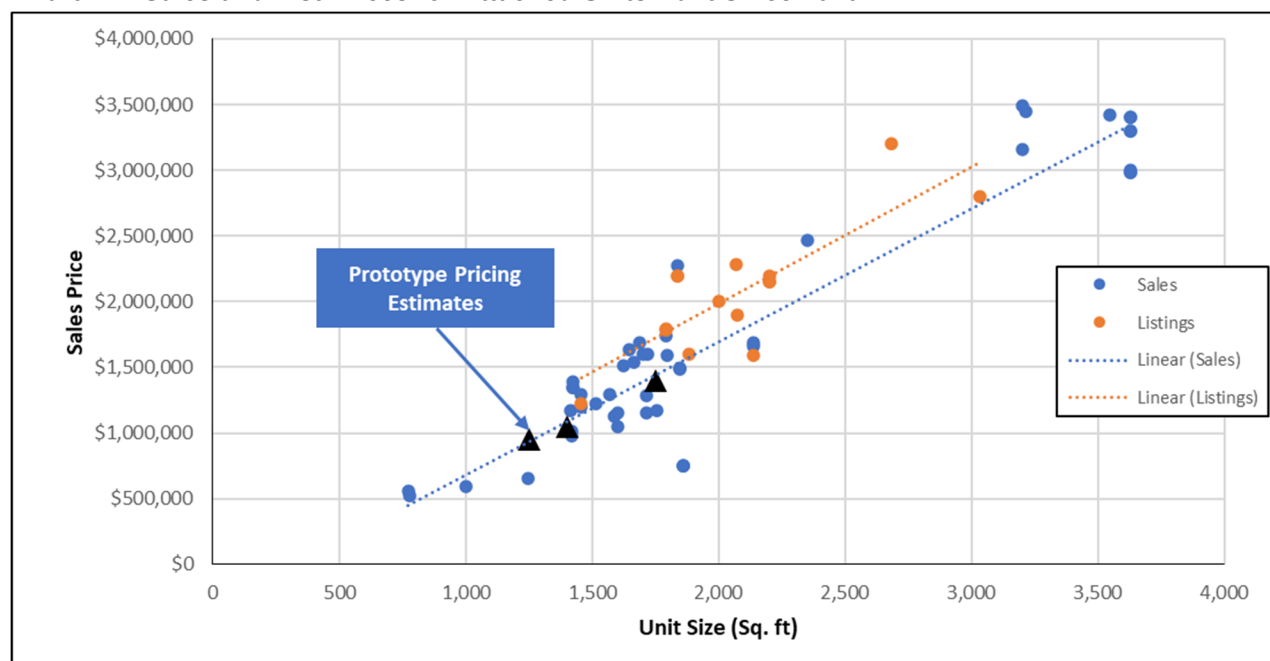
Residential Rental Income – Average market rate rents are estimated at \$2,650 per month (\$3.53 per square foot), for a 750 square foot average-sized rental unit. Rents are based on the average effective rents for recently built apartment projects, as shown in Chart 2-1.

Chart 2-1: Effective Rents for Newer Apartment Projects in Boulder (built since 2010)



Residential Sale Prices– Sale prices are estimated based on sales data and current listings for attached units in Boulder built since 2020, summarized in Chart 2-2. Sale prices for a 1,750 square foot-average townhome unit are estimated at \$1.4 million. Pricing for stacked condominiums are estimated at \$950,000 for a 1,250 square foot-average sized unit and \$1,050,000 for a 1,400 square foot-average sized unit.

Chart 2-2: Sales and List Prices for Attached Units Built Since 2020



Supported Investment – To calculate the developer investment supported (debt and equity) for the rental prototypes, KMA first estimated the Net Operating Income (NOI), which is equal to rental income minus operating expenses. The NOI is then divided by a return on cost (ROC)⁴ to estimate the developer investment supported. A threshold developer return on cost requirement of 5.5% is utilized. This return on cost assumption represents a spread of approximately 1% over the estimated cap rate⁵ of 4.5% for market rate multifamily projects in Boulder drawn from a combination of sources including review of recent sales of built apartment properties, offering memoranda for multifamily properties, CoStar, and feedback from developer interviews. In the case of for-sale scenarios, the investment supported is calculated based on the sales price, less a risk-adjusted developer return. A gross developer margin of 17.5% of sales is assumed for the townhome and small condo projects and 19.5% of sales is assumed for the larger stacked condo project based on greater market risk associated with a longer sell through period and greater exposure to construction defects liability. These equate to an estimated threshold developer profit margin, net of cost of sale and developer overhead that are included in the gross margin, of approximately 10% and 12% of sales revenue, respectively.

Development Costs Excluding Land – Development costs excluding land represent all costs to design, finance, and construct the project other than the cost of acquiring a site. Development cost estimates are informed by a series of developer interviews and construction pricing provided by one interviewee for a recently bid project. In addition to hard construction costs,

⁴ Return on Cost (ROC) is a development return metric that relates the estimated NOI of the property once built to the total development cost (ROC = NOI / development cost).

⁵ Capitalization rate or “cap rate” is a percentage relating the market value of a property to the annual NOI it generates (cap rate = NOI / value).

development cost estimates include all indirect or soft costs of development such as architecture and engineering, governmental fees and permits costs, taxes, insurance, financing, and developer overhead and administration. The construction cost estimates assume quality construction, architecture, and finishes but do not assume any extraordinary costs that would be atypical for the market. The pro forma tables in Appendix A provide itemized cost figures by prototype.

Land Value Supported – The residual land value represents the amount a project can afford to pay for a development site. Residual land value is calculated as the difference between the supported investment and the development costs other than land. Residual value is calculated for each prototype and scenario but was not the primary criteria for evaluating feasibility. See Section 2.4 for more information.

Land Costs in Boulder – Table 2-2 summarizes land sale transactions for residential development sites in Boulder. Values range based on location, development potential, site-specific conditions, time of sale, and other factors.

Table 2-2. Land Sale Transactions							
	No. Sales	Land Price/ sf land ⁽¹⁾			Land Price/ unit ⁽¹⁾		
		Low	High	Average	Low	High	Average
Rental Housing							
Downtown and Vicinity	2	\$62	\$210	\$170	\$48,000	\$121,000	\$105,000
Outside Downtown	11	\$10	\$117	\$31	\$21,000	\$89,000	\$51,000
Student Housing	3	\$47	\$289	\$241	\$30,000	\$219,000	\$34,000
Affordable Housing	3	\$37	\$108	\$72	\$34,000	\$87,500	\$56,000
For-Sale Housing							
Downtown and Vicinity	4	\$147	\$200	\$167	\$255,000	\$400,000	\$288,000
Outside Downtown	4	\$54	\$136	\$96	\$193,000	\$375,000	\$201,000

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

Sources: CoStar, CBRE Appraisal Report, Lot 3 Diagonal Plaza. James Real Estate Services appraisal reports for Geological Society of America Office Complex and Land 3300 Penrose Place, and Rally Sport Health Club & Land 2727 29th Street.

See Appendix Table B-4 for details. Includes transactions from 2015 through 2023.

Land cost estimates are identified in Table 2-3 based on the land sale data and attributes of the prototype projects. Land cost estimates for the for-sale prototypes are somewhat higher than rental based on the sale data and the fact that recent for-sale projects have tended to be located on smaller sites in higher value locations.

Table 2-3. Land Cost Estimates based on Sales Data	
For-Sale	\$100 per square foot of land (~\$182,000 per unit for townhome prototype)
Rental	\$73 per square foot of land (~\$65,000 per unit for 3 story rental prototype)

2.4 Feasibility Criteria

The financial feasibility analysis is based on the relationship between the project's revenue potential, the estimated development costs, and a threshold developer return commensurate with the cost of funds and development risk. Each prototype project is placed into one of the following three feasibility categories for each scenario tested:

- 1) *Feasible* – project type is generally feasible and likely to develop.
- 2) *Marginal Feasibility* – project type has weaker feasibility and may require some improvement in its economics to move forward in the near term.
- 3) *Infeasible / Challenged* – project type has more challenging feasibility and is less likely to move forward in the near term. More significant improvements to the pro forma, such as higher prices and rents or lower costs are estimated to be needed for projects to move forward.

Table 2-4 shows the specific criteria applied to place projects into these three feasibility categories. In essence, feasibility is evaluated based on whether project revenues, net of a developer return, are sufficient to support project costs. The threshold developer returns described above are incorporated into this evaluation.

Table 2-4. Feasibility Classification	
Feasibility Classification	Criteria Applied
Feasible	Development costs including land approximately in balance with net sales revenue or developer investment supported by the project's rental income, within 2%.
Marginal Feasibility	Development costs including land exceed net sales revenue or developer investment supported by the project's rental income by more than 2% but less than 7%.
Infeasible / Challenged	Development costs including land significantly exceed the net sales revenue or developer investment supported by the project's rental income, by more than 7%.

This system of categories allows characterization of results in a systematic fashion to facilitate simple comparisons across scenarios. A limitation is that projects with economics that are only narrowly separated can be placed in different feasibility categories. In addition to use of the qualitative feasibility categories, the following quantitative metrics are reported for each scenario tested:

- 1) Residual land value per square foot of land.
- 2) Net cost of the inclusionary program, expressed per net square foot of building.

- 3) Net cost of the inclusionary program, expressed as a percentage of total project costs.
- 4) Developer investment supportable as a percentage of project costs. This is the metric used to place projects into the three feasibility categories.

Factors that can improve project feasibility over time include increases in prices or rents, more competitive construction pricing, decreases in fees or other requirements, adjustments to land costs, more favorable investment conditions that reduce the cost of capital, or a combination of these factors. Of course, future changes could also move in the opposite direction and adversely affect feasibility.

Land prices can adjust in response to market or other factors affecting the economics of development projects, and in this way can sometimes help absorb the impact of these changes. However, there are limits on the potential for adjustments to land values, particularly in an urban context with a finite supply of high-quality development sites, competing uses for those sites, existing uses that generate income and may limit the willingness of sellers to make concessions on price, and / or sellers who may prefer to hold out until they achieve pricing consistent with their expectations.

2.5 Base Case Pro Forma With Current Requirements

Table 2-5 summarizes the base case pro forma analysis, which reflects existing requirements. Payment of cash-in-lieu is assumed since most projects have utilized this compliance option. For the four-story prototypes, use of the community benefits program is reflected to accommodate a fourth story. Bonus units made possible through the fourth story are subject to an additional 11% inclusionary requirement. For the four-story rental, all units are assumed to be satisfied with cash-in-lieu. For the four-story condominium, half of inclusionary units are assumed to be provided on-site, consistent with community benefit program requirements applicable to for-sale projects.

Table 2-5. Pro Forma Summary, Base Case Scenario Under Current Requirements					
	Town-home	Small Condo, 3-story	Larger Condo, 4-story	Rental, 3-story	Rental, 4-story
Number of Units	48 units	21 units	78 units	98 units	131 units
<u>Pro Forma Summary (\$millions)</u>					
Supported Investment ⁽¹⁾	\$57.46	\$18.85	\$54.36	\$47.45	\$63.43
Development Cost Except Land	\$48.91	\$16.34	\$48.71	\$42.38	\$57.62
Land Cost Estimate	<u>\$8.71</u>	<u>\$3.48</u>	<u>\$8.71</u>	<u>\$6.37</u>	<u>\$6.37</u>
Total Cost	\$57.62	\$19.82	\$57.42	\$48.75	\$63.99
%Development Costs Supported (100% = in balance)	100%	95%	95%	97%	100%
Feasibility Category	Feasible	Marginal Feasibility	Marginal Feasibility	Marginal Feasibility ⁽²⁾	Feasible

(1) Supported investment represents the amount the developer can invest in the project based on the projected net rental income, or the case of a for-sale project, based on sales revenue net of costs of sale and a threshold developer profit.

(2) Feasible when evaluated with FY 2022-23 CIL rates.

For the townhome and four-story rental prototypes, revenues are approximately in balance with costs, and thus the project is identified as feasible.

The three-story rental is identified as marginally feasible with FY 2023-24 CIL rates but would be identified as feasible with 2022-23 CIL rates, prior to the most recent 10% increase. The four-story rental pencils slightly better than the three-story rental. This suggests rental projects will have an incentive to utilize the community benefits program. The several pipeline rental developments proposing use of the program would appear to affirm this.

The two stacked condo projects are both classified as marginally feasible based on project revenues that support only approximately 95% of estimated development costs. The four-story condo project supports a somewhat lower land value per square foot than the three-story project, suggesting stacked condominium projects are less likely to use the community benefit program.

2.6 Scenario Testing

The pro forma model was used to test the feasibility of a variety of scenarios. Scenarios included the following:

- Alternative Cash-In-Lieu amounts from \$35 to \$75 per square foot, in addition to existing cash-in-lieu rates.

- 25% inclusionary units on-site under various alternatives as to the income levels of the inclusionary units.
- On-site inclusionary requirements that are approximately equivalent to payment of cash in-lieu at current rates under various alternatives as to the income levels of the inclusionary units.

Results of this feasibility testing are summarized in Table 2-6. The prototype projects were able to support cash in-lieu amounts from \$35 to \$50 per square foot. The four-story condo project is an exception because it is subject to a minimum of 50% on-site affordable units under the City's community benefit requirements and was not found to support a CIL payment in addition to provision of the on-site units.

Table 2-6. Feasibility Testing Summary					
	Townhome	Small Condo	Larger Condo, 4-story	Rental, 3-story	Rental, 4-story
Existing CIL	Feasible	Marginal Feasibility	Marginal Feasibility	Marginal feasibility (feasible with 22-23 CIL rate)	Feasible
Feasible CIL level (expressed per square foot)	up to \$50 PSF	up to \$35 PSF	marginal feasibility with any CIL amount due to 50% on-site minimum with community benefit program	up to \$45 PSF	up to \$50 PSF
25% On-Site Affordable	infeasible at income levels up to 100% AMI, marginal at 120% AMI	infeasible at all income levels tested	infeasible at income levels up to 100% AMI, marginal at 120% AMI	infeasible at all income levels tested unless affordable units are provided in separate building financed with tax credits.	

Table 2-7 identifies on-site inclusionary requirements estimated to be approximately equivalent to the City's existing CIL rates in terms of the net pro forma impact.

- With for-sale projects, between approximately 13% and 15% on-site for-sale inclusionary units are estimated to be roughly equivalent to the existing CIL rate, depending on the income level of the units.
- With rental projects, between approximately 12% and 17% on-site rental inclusionary units are estimated to be roughly equivalent to the existing CIL rate, depending on the income level of the units.

Findings assume inclusionary units are provided in a mixed-income format dispersed with the market rate units, without use of tax credits to offset the cost of providing the affordable units.

Table 2-7. On-Site Inclusionary Percentages Representing Similar Cost to Existing CIL Option	
For-Sale	Rental
13.9% with 1/3 each at Low/Mod, 80%, 100% AMI	13% with half 50% AMI and half 60% AMI
14.7% MI with 1/3 each at 80%, 100%, 120% AMI	14.2% with 1/3 each at 50%, 60%, 70% AMI
13.2% Low/Mod	12% at 50%, AMI
13.6% at 80% AMI	14.3% at 60% AMI
14.9% at 100% AMI	17.5% at 70% AMI ⁽¹⁾

⁽¹⁾ To be financed with LIHTCs, projects are required to have an average AMI level of 60% or below so a project with all 70% AMI units would not qualify.

Table 2-8 (for-sale) and Table 2-9 (rental), present each of the scenarios tested along with the quantitative metrics listed in Section 2.4, to allow quantitative comparison between scenarios.

Table 2-8
For-Sale Scenario Testing Summary
Inclusionary Housing Analysis
Boulder, CO

DRAFT

Scenario Description and Table Reference	Supported Land Value Per Square Foot of Land			Net IH Program Cost Per Net Square Foot in Project ⁽¹⁾			Net IH Program Cost, % of Total Development Cost ⁽²⁾			Supported Investment as % of Project Cost ⁽⁵⁾			Feasibility Classification ⁽⁴⁾		
	TH	Sm Condo	Lg Condo	TH	Sm Condo	Lg Condo	TH	Sm Condo	Lg Condo	TH	Sm Condo	Lg Condo	TH	Sm Condo	Lg Condo
	Land Cost Estimate														
	\$100														
<u>CIL Scenarios</u>			w/ 50% onsite			w/ 50% onsite			w/ 50% onsite			w/ 50% onsite			w/ 50% onsite
F1a Existing CIL (23-24 rates)	\$98	\$72	\$65	\$46	\$59	\$70	6.4%	8.8%	11.5%	100%	95%	95%	F	M	M
F1b \$35 PSF CIL Rate	\$109	\$93	\$69	\$35	\$35	\$67	4.9%	5.2%	10.9%	101%	99%	95%	F	F	M
F1c \$40 PSF CIL Rate	\$104	\$88	\$67	\$40	\$40	\$68	5.6%	5.9%	11.2%	101%	98%	95%	F	M	M
F1d \$45 PSF CIL Rate	\$99	\$84	\$66	\$45	\$45	\$69	6.3%	6.7%	11.4%	100%	97%	95%	F	M	M
F1e \$50 PSF CIL Rate	\$94	\$80	\$64	\$50	\$50	\$71	6.9%	7.4%	11.6%	99%	96%	95%	F	M	M
F1f \$60 PSF CIL Rate	\$85	\$72	\$61	\$60	\$60	\$73	8.3%	8.9%	12.0%	98%	95%	94%	M	M	M
F1g \$75 PSF CIL Rate	\$70	\$59	\$57	\$75	\$75	\$77	10.4%	11.1%	12.7%	96%	93%	94%	M	I	M
<u>25% Affordable, All On-Site</u>															
F2a 25% exist Low/Mod/MI Mix	\$46	\$45	\$35	\$101	\$91	\$96	14.0%	13.5%	15.8%	91%	89%	90%	I	I	I
F2b 25% Low/Mod	\$40	\$39	\$26	\$106	\$99	\$105	14.7%	14.6%	17.3%	90%	88%	88%	I	I	I
F2c 25% at 80%	\$43	\$44	\$33	\$103	\$93	\$99	14.4%	13.8%	16.2%	90%	89%	89%	I	I	I
F2d 25% at 100%	\$51	\$52	\$46	\$95	\$83	\$87	13.2%	12.3%	14.3%	92%	90%	91%	I	I	I
F2e 25% at 120%	\$59	\$60	\$58	\$87	\$74	\$76	12.0%	10.9%	12.5%	93%	92%	93%	M	I	M
<u>On-Site Req. Similar to Existing CIL</u> ⁽³⁾															
F3a 13.9% Low/Mod, 80%, 100%	\$88	\$79	\$78	\$56	\$51	\$58	7.8%	7.5%	9.6%	98%	96%	97%	F	M	M
F3b 14.7% MI (80%, 100%, 120%)	\$89	\$81	\$82	\$56	\$49	\$55	7.8%	7.3%	9.0%	98%	96%	97%	F	M	M
F3c 13.2% Low/Mod	\$89	\$78	\$76	\$56	\$52	\$60	7.8%	7.7%	9.9%	98%	96%	96%	F	M	M
F3d 13.6% at 80% AMI	\$88	\$79	\$78	\$56	\$51	\$58	7.8%	7.5%	9.6%	98%	96%	97%	F	M	M
F3e 14.9% at 100% AMI	\$88	\$80	\$81	\$56	\$50	\$56	7.8%	7.4%	9.1%	98%	96%	97%	F	M	M
F4a Absent an IH Requirement	\$143	\$122	\$143	\$0	\$0	\$0	0.0%	0.0%	0.0%	107%	104%	106%	F	F	F

Notes

- (1) Based upon the estimated net impact to the pro forma associated with the identified requirement, expressed per net livable square foot.
(2) Net cost of requirement divided by total cost of project in base case scenario with existing CIL payment. (land and all direct and indirect costs of construction)
(3) Similar program cost based upon average of townhome and small condo prototypes.
(4) Reflects application of the following feasibility criteria (applied with revenues net of cost of sale and developer return and costs including estimated land costs).

Feasibility Classification

F = Feasible
M = Marginal Feasibility
I = Infeasible / Challenged

Criteria Applied

Revenues approximately balance with costs (within 2%)
Revenues out of balance with costs, but by no more than 7%
Revenues significantly out of balance with costs, falling more than 7% below costs

- (5) Developer investment supported by sales revenues (net of return), as a percent of project cost including land. 100% = revenues balance with costs.

Table 2-9
Rental Scenario Testing Summary
Inclusionary Housing Analysis
Boulder, CO

DRAFT

Scenario Description and Table Reference		Supported Land Value Per Square Foot of Land		Net IH Program Cost Per Net Livable Square Foot ⁽¹⁾		Net IH Program Cost, % of Total Development Cost ⁽²⁾		Supported Investment as % of Project Cost ⁽⁵⁾		Feasibility Classification ⁽⁴⁾	
		Rental, 3-story	Rental, 4-story	Rental, 3-story	Rental, 4-story	Rental, 3-story	Rental, 4-story	Rental, 3-story	Rental, 4-story	Rental, 3-story	Rental, 4-story
Land Cost Estimate		\$73									
<u>CIL Scenarios</u>											
R1a	Existing CIL (23-24 rates)	\$58	\$67	\$52	\$58	8.1%	9.0%	97.3%	99.1%	M	F
R1b	\$35 PSF CIL Rate	\$73	\$88	\$35	\$39	5.4%	6.0%	99.9%	102.2%	F	F
R1c	\$40 PSF CIL Rate	\$69	\$82	\$40	\$44	6.2%	6.9%	99.2%	101.3%	F	F
R1d	\$45 PSF CIL Rate	\$64	\$76	\$45	\$50	7.0%	7.7%	98.4%	100.4%	F	F
R1e	\$50 PSF CIL Rate	\$60	\$70	\$50	\$55	7.7%	8.6%	97.7%	99.5%	M	F
R1f	\$60 PSF CIL Rate	\$52	\$57	\$60	\$67	9.3%	10.3%	96.2%	97.9%	M	M
R1g	\$75 PSF CIL Rate	\$39	\$38	\$75	\$83	11.6%	12.9%	94.1%	95.4%	M	M
<u>25% On-Site Affordable</u>											
R2a	25% exist mix 60% / 80% AMI	\$31	\$27	\$84	\$94	13.0%	14.5%	91.7%	92.9%	I	I
R2b	25% mix 50%, 60%, 70% AMI	\$26	\$18	\$91	\$101	14.1%	15.6%	90.6%	91.6%	I	I
R2c	25%, Separate LIHTC project	\$74	\$89	\$33	\$38	5.2%	5.9%	100.2%	102.2%	F	F
<u>On-Site Req. Similar to Existing CIL ⁽³⁾</u>											
R3a	13% at 50% and 60% AMI	\$59	\$62	\$52	\$62	8.0%	9.7%	97.2%	98.3%	M	F
R3b	14.2% at 50%, 60%, 70% AMI	\$59	\$63	\$52	\$62	8.0%	9.5%	97.2%	98.4%	M	F
R3c	12% at 50%, AMI	\$59	\$61	\$52	\$63	8.0%	9.8%	97.2%	98.1%	M	F
R3d	14.3% at 60% AMI	\$58	\$62	\$52	\$62	8.1%	9.6%	97.1%	98.4%	M	F
R3e	17.5% at 70% AMI	\$58	\$65	\$52	\$60	8.1%	9.3%	97.1%	98.7%	M	F
R4a	Absent an IH Requirement	\$102	\$132	\$0	\$0	0.0%	0.0%	105.7%	108.8%	F	F

Notes

- (1) Based upon the estimated net impact to the pro forma associated with the identified requirement, expressed per net livable square foot.
(2) Net cost of requirement divided by total cost of project (land and all direct and indirect costs of construction).
(3) Similar program cost based upon three story rental, not subject to community benefit requirement.
(4) Reflects application of the following feasibility criteria (applied with revenues net of cost of sale and developer return and costs including estimated land costs).
- | Feasibility Classification | Criteria Applied |
|-----------------------------|---|
| F = Feasible | Supported investment approximately balances with costs (within 2%) |
| M = Marginal Feasibility | Supported investment out of balance with costs, but by no more than 7% |
| I = Infeasible / Challenged | Supported investment significantly out of balance with costs, falling more than 7% below costs. |
- (5) Developer investment supported by project revenues (net of developer return), as a percent of project cost including land. 100% = revenues balance with costs.

2.7 Townhome Density, Sensitivity Test

The townhome prototype evaluated in the preceding sections is a three-story project at 24 units per acre. This density is reflective of several townhome projects built or proposed in Boulder, as indicated in Appendix Table B-8. It is also consistent with densities reflected in most of the land sales for townhome projects that are identified in Appendix Table B-4. The estimated sales price and development costs are representative of a higher-end, higher-priced unit with superior finishes and materials, built in a higher value location in Boulder. This is reflective of the townhome units the market appears to primarily be delivering in Boulder, as indicated in the sales data included in Appendix Table B-2.

Since there have also been several attached townhomes projects proposed at a lower density ranging from 9 to 17 units per acre, as shown in Appendix Table B-8, a separate pro forma was prepared to evaluate a lower density townhome project representative of these lower density examples. The analysis is included as Appendix Table FS-5. Pricing is estimated at \$620 per square foot and is representative of a unit built on comparatively lower cost land with lower density zoning at a lower construction cost utilizing more moderate finishes and materials and two-story wood-frame construction. The analysis indicates the lower density townhome example can feasibly support an IH requirement established within the recommended cost parameter discussed in Sections 1.6 and 2.9.

2.8 Feasibility Results are Sensitive to Changes in Market Conditions

Findings presented above are estimates under current market conditions, which will continue to evolve. Results are quite sensitive to changes in prices, rents, costs, returns, or other pro forma assumptions. To illustrate:

- A \$50 per month increase in rents would increase the feasible CIL amount to \$60 per square foot from \$45 in the three-story rental project. Conversely, a \$50 decrease in pro forma monthly rents reduces the feasible fee level to \$30 per square foot.
- A 0.25% increase in the required return on cost for rental projects (from 5.5% to 5.75%) would render nearly all rental scenarios, including all CIL levels tested (from \$35 to \$75/SF), marginally feasible or infeasible. Conversely, a 0.25% decrease to a 5.25% return on cost improves feasibility and would allow support for CIL amounts up to \$75 per square foot and improve feasibility of a 25% on-site requirement from infeasible to marginally feasible. Rising interest rates have put upward pressure on cap rates and the yields being sought by investors to move forward with projects.

Since feasibility findings are sensitive to market changes, it can be helpful to consider overall program costs as an additional measure to assist in evaluating how likely requirements are to influence development decisions, and to compare across scenarios in a quantitative manner.

While feasibility conditions may fluctuate, the cost of complying with the program will be somewhat less sensitive to market changes over time. These measures are presented in Tables 2-8 and 2-9.

2.9 Recommended Cost Parameter for Update to Inclusionary Ordinance

Inclusionary policies depend on development of market rate projects for their success. If requirements are set at a level beyond what projects are able to support, neither market rate or inclusionary units will be built. Based on the findings of the pro forma analysis, KMA recommends consideration of alternatives that result in an overall program cost, whether in the form of units or CIL, that does not exceed approximately \$40 to \$50 per square foot. This is somewhat below the existing cost of the program for most prototypes following the recent 10% increase in CIL rates for 23-24. Existing program costs (including CIL premiums and community benefit requirements) are estimated to equate to \$52 per square foot for the three-story rental, \$58 for the four-story rental, \$46 per square foot for the townhome, \$59 per square foot for the three-story condo, and \$70 per square foot for the four-story condo. For projects with larger unit sizes, the recommended cost parameter would represent an increase.

The suggested “cost envelope” would apply to the lowest cost alternative available under the program, which could be provision of inclusionary units on-site, payment of CIL, or a combination. As one illustration, an on-site requirement estimated to cost \$45 per square foot paired with a CIL rate at \$70 per square foot would still be within the recommended “cost envelope” because at least one available alternative is within the \$40 to \$50 per square foot range. For simplicity, the term “cost” is used to refer to both a direct payment (i.e. CIL) and the net impact to the project’s pro forma from restricting rents or sales prices at affordable rates. There are a variety of policy alternatives and incentive structures that could be explored which result in an overall program cost which does not exceed this recommended parameter.

3.0 BEST PRACTICES AND APPROACHES USED ELSEWHERE

This section presents a review of best practices for inclusionary programs, with a focus on provisions related to Cash-In-Lieu (CIL) alternatives and middle income for-sale units. Approaches in use in other jurisdictions are summarized for context and to illustrate a range of approaches.

3.1 Cash-in-Lieu

The availability, structure, and amount of a Cash In-Lieu (CIL) option is a critical consideration in the design of any inclusionary program. CIL, also commonly referred to as an “in-lieu fee,” is a payment in-lieu of providing affordable units within the market rate project. The amount of the CIL option relative to the cost of providing on-site affordable units and the circumstances in which use of CIL is allowed are important determinants of whether projects satisfy the requirement through provision of units or cash payment.

Onsite affordable units have the benefit of contributing to mixed income communities and delivery of affordable units concurrent with the market rate. Collecting CIL creates a funding source that can be leveraged to provide gap funding for 100% affordable projects, with the potential to develop units at a deeper level of affordability, and sometimes more total units.

Structuring CIL options on a per square foot basis is a best practice and widely used approach. A per square foot approach results in CIL that scales with unit size, resulting in a fair burden across different unit types. It also avoids a disincentive for smaller more affordable market rate units and is straightforward to administer and apply.

CIL amounts can be determined based on the affordability gap associated with providing affordable units onsite, the funding needed to assist 100% affordable projects off-site, amounts that are financially feasible for projects to sustain or a combination of these factors.

CIL rates must be updated regularly to ensure they keep pace with the cost of delivering affordable units and, if applicable, to maintain the desired incentive for providing on-site units. This can be accomplished through annual updates or a hybrid approach with periodic updates and application of an index in interim years.

3.2 Middle Income For-Sale Units

Highlights from the review of best practices related to middle-income for-sale inclusionary units are discussed below:

- Prices should be set below the maximum income level for qualifying for a unit. For example, if households earning up to 100% of AMI qualify, pricing should be set at 80%

or 90% of AMI so that households within the applicable income range are able to afford the unit, rather than just those at the top of the qualifying income range.

- Pricing of middle-income units should be at a significant margin below market rate prices. If affordable sales prices are too close to market rate, units may be difficult to market. For cities with wide variation in market pricing by neighborhood, it may be appropriate to set affordable sales prices lower in areas where market prices are lower, or to establish a minimum differential with market prices. Boulder currently sets affordable pricing below qualifying limits consistent with this best practice.
- A resale pricing formula must balance inherent tradeoffs between providing an opportunity for owners to build equity, recoup the cost of capital improvements, and maintaining affordability over the long-term.

3.3 Example Programs

Table 3-1 provides a summary of example inclusionary programs that were selected to illustrate a range of approaches that are used. Selected jurisdictions include newly updated programs in larger cities such as Denver, Portland, San Jose, and Boston, which is currently considering an update. San Francisco was chosen because it had an onsite requirement that was similar to Boulder, until it was amended in July 2023 to significantly reduce the requirement in consideration of current feasibility challenges for projects. Several smaller cities with strong real estate markets are also represented (Palo Alto, Mill Valley, and Pasadena). Montgomery County, MD, one of the first inclusionary programs in the country, is included for its middle income program, as is Cambridge, MA.

City	Inclusionary Percentage	Income Level for Prices and Rents	Notes
Boulder	25%	Rental 60% and 80% AMI For-sale: HUD Low Income Limit, 80%, 100%, 120% AMI	<4 units: 20%
Denver	8% - 15%, depending on income level, unit type, market area	Rental: 60% or 70% (average) For Sale: 80% or 90% (average)	Requirements vary by Typical and High Market Areas. "High Impact" projects have different requirements. <10 units: pay impact fee.
San Jose, CA	15%	Rental: 50%, 60% and 100% For Sale: 110%	<10 units: exempt.
Portland, OR	10% or 20% depending on income level of units	20% at 80% MFI or 10% at 60% MFI	<20 units: exempt
Boston, MA (Current program)	13%	Rental: 70% For Sale: 80% and 100%	Rezoned only. <10 units: exempt

Table 3-1. Example Inclusionary Programs, Overview of Requirements			
City	Inclusionary Percentage	Income Level for Prices and Rents	Notes
			Off-site and fee payments require higher percentages of units.
Boston, MA (Proposed program)	Rental: 17 – 20% For Sale: 17% – 20% Depends on project size and affordability target	Rental: average of either 50% AMI or 60% AMI depending on project size and option selected. For Sale: 80% and 100%	Would apply citywide. <7 units: exempt
San Francisco <i>Amended July 2023 to Reduce Requirement</i>	12%: pipeline projects approved by Nov. 1, 2023 15%: projects approved by Nov 1, 2026. Projects after Nov. 1, 2026: - 18% rental - 20% for-sale Increasing 0.5% per year 2028 until reaching 24% and 26%.	Rental: 55%, 80% and 110% AMI For Sale: 80%, 105%, and 130% AMI	Pipeline projects must commence construction before May 1, 2029 New projects approved by 2026 must commence construction in 30 months to be eligible for temporarily reduced requirements. <10 units: exempt. 10-24 units: reduced requirements. Off-site and fee payments require higher percentages of units. Requirements reduced July 2023 based on feasibility constraints (from 22% for rentals and 24% with for-sale with subsequent phase-in to 24% and 26%)
Montgomery County, MD	12.5% – 15% Depends on location	Set by County annually. May not exceed HUD Low Income limit	<11 units: exempt 11-19 units: may pay fee equal to 0.5% of purchase price. 20+ units: fee only if infeasible. 3% of purchase price.
Cambridge, MA	20% of floor area	Rental: qualify between 50% and 80% with rent based on actual tenant income. For Sale: 90%	<10 units or <10,000 sf: exempt
Pasadena, CA	20%	Rental: 50%, 80%, 120% For Sale: 80%, 110%	
Mill Valley, CA	25%	"Low to mid-range of income limits": Rental: 50% to 80%, For-Sale: 100 to 120%	Single Family, MF < 4 units: pay impact fee
Palo Alto, CA	For Sale: 15%	For Sale: 100%, 120%	<3 units: exempt Rental: impact fee program Large projects have higher requirements.

Additional information on various aspects of these programs is described in the sections below.

3.4 Cash In-Lieu Provisions

CIL options vary widely in terms of fee level, how fees are assessed, and whether and when fee payment is allowed. Differences are often a function of differing policy goals and respond to differing real estate market conditions. This section provides an overview of the range of approaches and the advantages and disadvantages of each.

A. Establishing Amount of Cash In-Lieu

(1) Affordability Gap Approach

Setting CIL amounts based upon the “affordability gap” between market rate and affordable prices and rents is a widely used approach. This method is employed in Denver, San Jose, Portland, Pasadena, Boston, and many other jurisdictions. With an affordability gap approach, CIL is determined using the difference between market rate and affordable prices and rental unit values. Combined with the onsite inclusionary percentage, the affordability gap is used to identify the estimated financial impact of providing affordable units within the project consistent with the requirements of the ordinance. This enables the cost of providing on-site units to be an explicit consideration in the CIL amount, which can be helpful if incentivizing on-site units is a goal.

Most cities that use the affordability gap approach estimate an average, or typical, affordability gap and establish a fee level that applies citywide based on that gap. Larger cities or counties with a wide range of home values and rents will sometimes vary rates by market area to account for these differences.

A few cities, including Boston with for-sale projects, establish the affordability gap on a project-by-project basis. The advantage is the potential for increased fee revenues based on actual sales prices of the market rate units and ability to balance CIL amounts with the cost of onsite compliance even in projects with above- average sales prices. The downside of this approach is that it creates a significant administrative burden and uncertainty for developers.

Boulder uses an affordability gap methodology for CIL rates with a cap on annual increases. CIL rates have consistently lagged the calculated gap even while increasing at the maximum annual rate of 10% per year.

(2) Average Public Subsidy Required

The average local public subsidy required for the development of new affordable housing is another basis than can be used in establishing cash-in-lieu amounts. The net subsidy is typically based on 100% affordable developments assisted by the local jurisdiction. The concept is that the city must build the units that the developer is not providing onsite, so the CIL amount reflects the net cost to the city to deliver the units. San Francisco uses this approach; the fee is

calculated each year based on the City's average cost to construct affordable units in the prior three years and is converted to a square foot amount based on the average gross residential floor area of projects electing to pay the fee.

Typically, the public subsidy used in this calculation is after financing available through the low income tax credit program. The data required to determine the average public subsidy requirement can be more difficult to obtain for smaller cities where locally subsidized affordable housing developments are not built as often as larger cities. CIL amounts do not reflect the cost of providing onsite affordable units, which is typically higher, and therefore cities interested in establishing incentives to build onsite may prefer the affordability gap approach as it is usually more closely linked to the onsite vs. CIL decision from the perspective of the developer. Alternatively, an incentive for on-site units can be created by basing the CIL amount on a higher inclusionary percentage than applies when units are provided on-site.

A key difference between the average subsidy approach and the affordability gap approach is the type of affordable unit used to estimate the fee. In the affordability gap approach, affordable units generally reflect units within the market rate project that are set aside as affordable, with gaps based on foregone revenue from designating an onsite unit as affordable. With the average public subsidy approach, affordable units are based on affordable projects assisted by the city, usually 100% affordable rental projects. The resulting CIL levels from the two approaches can vary widely depending on residential market conditions and the range of development types in the jurisdiction.

(3) Nexus Study (Mitigation Costs)

CIL amounts can also be based on the findings of a nexus study. Nexus studies generally quantify the impact of new market rate residential development on demand for services and the affordable housing needs of those who work in these services. CIL amounts are then based on the cost of providing affordable housing to the share of workers who need it. This nexus-based approach is typically used only where an in-lieu fee cannot be implemented, or nexus support is otherwise deemed to be advisable based on advice of legal counsel. The analysis to support a nexus-based approach does not directly relate to the inclusionary requirement.

(4) Feasibility

Finally, financial feasibility, or the ability of market rate projects to sustain the cost of requirements, including CIL amounts, is a frequent consideration in conjunction with the other approaches identified above, or sometimes as the primary basis for setting the amount of the CIL option. San Jose is an example that uses an affordability gap approach to determine CIL rates, but also adjusts rates downward based on feasibility conditions.

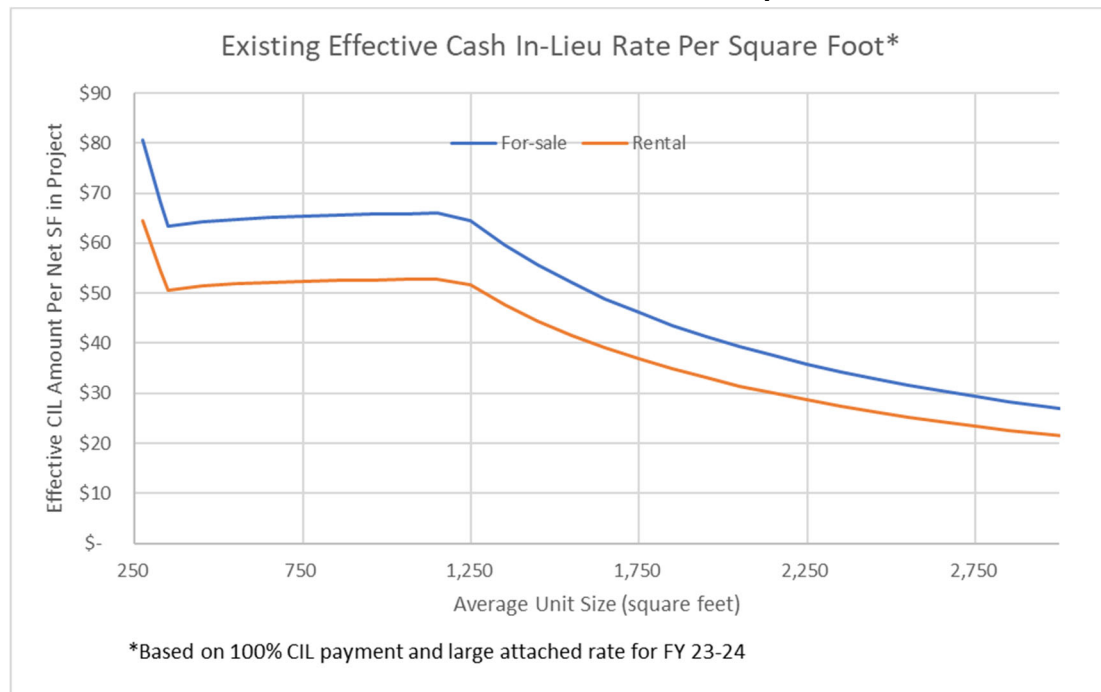
B. CIL Rate Structure

Most major west coast cities including Seattle, Portland, Sacramento, San Francisco, San Jose, Los Angeles, and San Diego employ a “per square foot” of market rate development fee structure, as do many smaller and medium size cities. Another common approach is to apply CIL on a per affordable unit basis, an approach used by programs in Boston, Chicago, Atlanta and Denver, and many others, including Boulder. In Boulder’s case, although CIL is applied on a per affordable unit basis, the amount varies depending on the average size of units in the project, up to a maximum, and thus Boulder’s fee structure shares some attributes of a per square foot structure. Another approach is a CIL rate per market rate unit, which is a simple conversion from a per affordable unit approach and is functionally the same. Other less frequent methods include a percent of construction value or a percent of sales price. Advantages and disadvantages of these alternative CIL structures are discussed below.

- **CIL rate per affordable unit owed or per market rate unit.** A per affordable unit owed CIL structure is relatively easy to calculate and apply. A CIL rate per market rate unit, usually based on an affordability gap and the onsite inclusionary percentage, is also very straightforward in its application. These structures, however, typically have the downside of smaller units paying higher fees than larger units on a per square foot basis, as the fee does not scale with unit size. This can create an undue burden on smaller units, usually rentals and condos. In addition, projects with larger average unit sizes may have less incentive to provide units onsite, depending on the specifics of the on-site requirement. This fee structure requires regular updating to keep pace with the cost of delivering affordable units and / or market changes. Denver and Boston assess fees on a per affordable unit owed basis, although proposed revisions to the Boston program include establishing fees per square foot.

Boulder’s CIL structure, which is on a per affordable unit basis, addresses some of the downsides of a per affordable unit structure by establishing CIL rates that vary based on unit size ranges, thus mirroring a per square foot structure to some degree, but with a cap at 1,200 square feet, after which the amount no longer increases with unit size. The chart below expresses Boulder’s existing CIL rates on a per square foot basis, assuming 100% CIL payment and with application of the CIL premium that applies to for-sale projects when no inclusionary units are provided on-site. The structure incentivizes larger units over smaller units and rental over for-sale.

Exhibit 1. Boulder's Effective Cash In-Lieu Rate Per Square Foot



- **CIL rate per square foot.** A fee assessed per square foot of the residential development scales with the unit size, resulting in a more stable fee burden across different unit sizes. It is also easy for developers to estimate, while not creating a significant administrative burden. Establishing the CIL rate on a per square foot basis requires translating the affordability gap, average public subsidy, or other basis for the CIL amount into a rate per square foot. This is generally based on representative unit size for new market rate housing. This fee structure requires regular updating to keep pace with the cost of delivering affordable units and / or market changes. Use of a per square foot structure has become a standard that many new programs and program updates are adapting. Per square foot fees are considered a best practice because it is simple, fair, and easy to understand and apply.
- **Percent of construction value.** With this approach, fees are applied as a percentage of direct construction costs. Cost figures used in assessing fees are typically based on the same per square foot construction valuation schedule used by the building department in assessing other fees. An advantage is that fees mirror a per square foot structure in that they scale with unit size but adjust automatically as construction costs increase. A downside is that the amount is typically not as transparent as it cannot be determined absent an assessment of construction valuation. A percent of construction value can also create a disincentive for higher density project types because of higher construction costs per square foot, which results in higher fees, compared to lower density projects such as single family or townhomes, which usually have lower construction costs per

square foot. This approach is less common but Mill Valley is an example of a program that utilizes this approach.

- **Percent of Sales Price.** Assessing CIL rates as a percentage of sales value is rare, but there are some examples of this practice. To apply the fee, the payment obligation must be recorded on each market rate unit and the fee collected out of escrow at sale. Alternatively, an estimated sales price can be used. Advantages of this approach are that it does not require annual updating to keep pace with inflation, tracks with market shifts, and scales with the value of the unit, and therefore the affordability gap. Downsides are that it presents unique complexities for implementation because the collection point is not typical and thus it creates an additional administrative burden for the city. The approach doesn't work for rentals unless an appraisal is used to determine the value to which the fee is applied. Legal concerns have sometimes been raised regarding this structure based on appearing too similar to a tax. The rare instances where this approach is used tend to be communities with very high pricing and a build on-site mandate for all but the smallest projects. Palo Alto's fee was set at 7.5% of sales price until modified to a per square foot structure in 2017.

Table 3-2 provides an overview of the fee structures used in the sample cities.

Table 3-2. CIL Rate Structure Examples	
City	CIL Rate Structure
Boulder, CO	Per affordable unit with sliding scale based on average market rate unit size
Denver, CO	Per Affordable Unit
San Jose, CA	Per Square Foot
Portland, OR	Per Square Foot
Boston, MA	Per Market Unit (proposed revision to per square foot)
San Francisco, CA	Per Square Foot
Pasadena, CA	Per Square Foot
Mill Valley, CA	Percent of Construction Value
Palo Alto, CA	Per Square Foot.

C. Differentiation of Cash In-Lieu Rates

CIL rates are often differentiated based on project attributes like tenure (rental or for-sale), geographic location, or other factors. Differentiation is usually driven by market or policy factors, and/or the relationship between CIL rates and the cost of on-site units. The most common types of fee differentiation are:

- **Tenure.** Some cities set different fee levels by tenure to encourage onsite compliance for one tenure type and fee payment in the other, or to recognize differences in feasibility conditions. A city that employs the affordability gap approach to set CIL levels will generally need to use separate analyses for for-sale projects and rental projects to

reflect differences in affordability gaps, which are driven both by differences in the economics of projects and usually the inclusionary requirements that apply by tenure. An affordability gap approach will typically yield different CIL rates with for-sale and rental. On the other hand, setting fees that are consistent across tenure types avoids favoring one tenure type over the other. Practices vary and the right approach for each community depends on policy goals, program structure, and market conditions.

- **Project Size.** Another common strategy is to vary CIL rates by project size (the number of units in the project), with smaller projects paying a lower fee. This strategy recognizes that small projects do not benefit from the same economies of scale that larger projects have, and they are more often infill projects, which can add expense and complexity. Sometimes the CIL amount gradually increases until reaching the full rate for larger projects. Many programs exempt projects with fewer than a minimum threshold number of units from the program altogether. Most often, the minimum threshold is set by determining the project size that owes one inclusionary unit given a city's onsite percentage requirements (for example, a 20% obligation would suggest a minimum threshold of five units, as 20% of 5 is one unit).
- **Project Attributes.** Some cities vary CIL fees based on other attributes of the project such as attached versus detached, density (units per acre), or average unit size. This can be done to capture the difference in the affordability gaps by product type (e.g., detached units tend to have higher sales prices with larger affordability gaps) or to incentivize on-site units in certain project types. It can also be a way to address feasibility considerations or policy goals for encouraging certain project types, such as higher density projects or projects with smaller more affordable units.
- **Geographic.** Larger cities with significant variation in market conditions by neighborhood will sometimes vary fees by geography. CIL rates based on the affordability gap approach support this type of differentiation because market rate sales prices and rent levels may vary widely by neighborhood and will yield different CIL rates. Programs in larger cities including Denver, San Jose, Portland, Boston, Chicago, Los Angeles, and Seattle all vary CIL rates by geographic area. Average sales prices, zoning districts, land values, planning area designations, and the amount of development activity have all been used in defining geographic area CIL rate distinctions in large cities. Varying CIL rates by location requires ongoing monitoring to ensure that the differentiation continues to be appropriate.

Table 3-3 presents an overview of how CIL amounts are differentiated in the example programs.

Table 3-3. How CIL Fee Rates are Differentiated in Example Programs				
City	Tenure	Project Size	Unit Type or Other Project Attributes	Location or Market Area
Boulder, CO		X	X	
Denver, CO	X		X	X
San Jose, CA	X	X	X	X
Portland, OR				X
Boston, MA	X			X
San Francisco, CA	X	X		
Pasadena, CA	X	X		X
Mill Valley, CA				
Palo Alto, CA	X		X	

D. Fee Payment Criteria

Unless CIL rates are set at a level that is high enough to encourage onsite units, developers will tend to choose CIL payment, if that option is available. In addition to setting fees that encourage onsite units, cities can restrict the projects that are eligible to use the CIL option. Some also require city council approval to use a fee option. The most common example of differentiating fee payment criteria is by project size; many cities allow fee payment for small projects, for which onsite compliance can be more difficult, or when a fraction of an affordable unit is required, even where onsite units are required for larger projects. Most larger cities offer fee payment to all projects while seeking to create incentives for producing onsite units through incentives like additional density, reductions in impact fees, reductions in parking standards, or property tax exemptions.

Table 3-4 provides an overview of the availability of CIL options in the example programs.

Table 3-4. Availability of CIL Option in Example Programs		
City	Availability of CIL Option	Note:
Boulder, CO	All projects are eligible for CIL option.	For-sale projects with five or more units not providing 50% onsite units are subject to CIL rate premium.
Denver, CO	All projects are eligible for CIL	
San Jose, CA	All projects are eligible for CIL	
Portland, OR	All projects are eligible for CIL.	Most projects are providing onsite units. In-lieu fee is set at a level to encourage onsite units and incentives for on-site units are provided.
Boston, MA	Rental: CIL Requires City approval. For-sale: CIL allowed by right in one market area but requires City approval in two others.	Proposed update: CIL payment “may be allowed” with City approval.
San Francisco, CA	All projects are eligible for CIL option	Fee payment is based on higher percentage of affordable units than onsite obligation.
Pasadena, CA	All projects are eligible for CIL option	
Mill Valley, CA	Projects with one to three units may pay fee	Alternatives considered only for feasibility concerns.
Palo Alto, CA	Rental: all projects are eligible for CIL option For-sale: fractional units (including small projects), OR large projects 5+ acres OR with City Council approval based on infeasibility of on-site units.	

E. Annual Adjustment of Cash-In-Lieu Rates

An annual adjustment mechanism is necessary to ensure that CIL rates keep pace with the cost of providing affordable units. Without this, over time, CIL rates will fall behind the increases in the cost of providing affordable units. Fees that do not keep pace with costs may undermine a jurisdiction’s policy goals and the level of affordable housing production of the program.

Selection of an adjustment mechanism reflects a balance of several considerations, and the preferred approach may vary depending on community priorities. The key considerations include:

- Keeping pace with the cost of providing affordable units.
- Ease of implementation / administrative burden.
- Predictability of year-to-year changes.
- Maintaining feasibility of the program.

Following is a discussion of approaches used to adjust fees, and some of the inherent tradeoffs with each approach.

- **Annual Index.** Increasing CIL fees by a published index is a simple and straightforward approach, predictable for developers, and for many cities, consistent with how other building and permitting fees are updated. Published indices are not customized to the

local housing market and may not keep pace with changes in the cost to deliver affordable units over time. Examples of indices that have been used elsewhere include:

- Consumer Price Index (CPI), which tracks overall prices in the regional economy. Most programs using CPI apply the index for the applicable metropolitan area. A CPI index is available for metro Denver.
- Engineering News Record publishes two cost indices, the Construction Cost Index (CCI) and the Building Cost Index (BCI). The indices track changes in the cost of construction. The two indices are based on pricing estimates for a specific mix of materials and labor. The CCI has more labor hours than the BCI and is based on general construction labor costs, whereas the BCI includes fewer labor hours and is based on skilled trades. Both are available for metro Denver.

In addition, Mortenson also publishes a local construction cost index for metro Denver (MCI), although we are unaware if it has been previously used to index fees. The index is based on costs for a representative non-residential construction project.

Table 3-5 shows the annualized rate of increase for four construction cost indices referenced above over various time periods, using the applicable index for the Denver area. In addition, a composite of the BCI and CCI is shown. Construction costs have typically outpaced CPI, but not for all indices over all periods.

	Engineering News Record Construction Cost Index (CCI) ⁽¹⁾	Engineering News Record Building Cost Index (BCI) ⁽¹⁾	Composite of BCI and CCI ⁽¹⁾	Consumer Price Index (CPI)	Mortenson Construction Cost Index, (MCI)
1 year	3.2%	9.5%	5.8%	6.4%	0.0%
5 years	3.0%	6.8%	4.6%	3.6%	6.2%
10 years	2.1%	4.2%	3.0%	3.1%	5.5%
20 years	3.0%	4.1%	3.5%	2.6%	n/a

⁽¹⁾ Based on data for December for the years 2002, 2012, 2017, 2021, and 2022.

Some programs have sought to include market factors as a factor in indexing fees. For example, Sacramento County uses a composite of four factors that considers changes in home prices, rents, construction costs, and CPI.

- **Analysis to update affordability gap or average public subsidy.** Some communities prepare a custom analysis to update CIL rates each year. San Francisco is an example, as is Boulder (subject to a cap on annual escalation at 10%). This can result in CIL amounts that more accurately reflect changes in the cost of onsite compliance. The

downside is the administrative burden. The CIL amount can also be more unpredictable from year to year, creating cost uncertainty for developers.

- **Hybrid Approach.** Some communities take a hybrid approach with a more thorough review and update every few years, with application of an index in between updates. This can lessen the administrative burden while providing a full recalibration of CIL rates periodically.

While many inclusionary housing ordinances include an escalator provision, some cities fail to apply the escalator, even when the escalator is a straightforward index. Adequacy of staff resources to manage implementation is a consideration in choices such as the approach to annual updates and other provisions.

Table 3-6 provides an overview of how the sample programs adjust CIL rates from year to year.

City	Annual CIL Adjustment Mechanism
Boulder, CO	Recalculation of affordability gap, subject to a cap of a 10% annual increase over the prior year, and 75% of the gap (50% for projects with 1-4 units).
Denver, CO	Consumer Price Index
San Jose, CA	New affordability gap analysis every five years, Engineering News Record (ENR) Construction Cost Index in other years.
Portland, OR	Annually based on an affordability gap analysis.
Boston, MA	No adjustment mechanism but uses project-specific gap analysis.
San Francisco, CA	Annual adjustment based on average cost to construct an affordable unit in previous three years and average floor area of projects that elected to pay the fee. Increases temporarily capped at 2% per year until 2026 as part of July 2023 amendment.
Pasadena, CA	Not specified in ordinance but fees appear to be indexed.
Mill Valley, CA	Adjustment mechanism not needed as fees based on % of construction cost
Palo Alto, CA	Fees updated annually based on the ENR Construction Cost Index.

3.5 Middle Income For-Sale Housing

This section provides a review of best practices focused on middle income for-sale housing. In high cost housing markets such as Boulder, affordability challenges can extend further up the income ladder to middle income households. Inclusionary policies can be attractive as a tool to address housing needs for middle income households because outside funding is generally not available for units that serve this income group. Many inclusionary programs focus their on-site inclusionary requirements applicable to for-sale housing on middle income.

Boulder's inclusionary program identifies middle income as between 80% of Area Median Income and 150% of Area Median Income. How "middle income" is defined can vary by jurisdiction. Other terms are sometimes used to refer to the same or overlapping income ranges

such as “median,” “moderate,” or “workforce”. Differences in how middle income is defined can be driven by regional variation in relationships between housing prices and median income and/or variation in state and local policies and practices.

A. Middle Income For-Sale Requirements in Example Programs

To preface the discussion of Middle Income housing practices, Table 3-7 presents an overview of the requirements applicable to for sale housing in selected jurisdictions, many of which address income levels corresponding to middle income.

City	For-Sale Inclusionary Percentage	Income Levels for Qualification (% of AMI)	Income Levels for Pricing (% of AMI)
Boulder, CO	25%	Mix of 80%, 100%, 120%, 150% AMI. Income mix varies based on % on-site	Mix of Low/Mod (71.7%), 80%, 100%, 120% AMI. Income mix varies based on % on-site
Denver, CO	8% - 15%, depending on income level and market area	80% or mix from 30% - 100% AMI, averaging 90% AMI or below	Same as qualifying levels
Portland, OR	20% of units or bedrooms	100%, Or 80%	20% at 80% Or 10% at 60% AMI
San Jose, CA	15%	120%	110%
Boston, MA (Current)	13%	Up to 80% and 80% - 100%	80% and 100%
Boston, MA (Proposed)	17% – 20% depending on project size, affordability	Up to 80% and 80% - 100%	80% and 100%
San Francisco, CA (as amended to reduce requirements, July 2023)	12%: pipeline projects approved by Nov. 1, 2023 15%: projects approved by Nov 1, 2026. 20% after Nov. 1, 2026: increasing 0.5% per year beginning 2028 until reaching 26%.	Low: up to 100% Moderate: 95% - 120% Middle: 120% – 150%	Low: 80% Moderate: 105%, Middle: 130% AMI Pricing at least 20% below market for neighborhood
Montgomery County, MD	12.5% – 15% Depending on location	Set by County annually. May not exceed HUD Low	Pricing based on construction costs established by County.
Mill Valley, CA	25%	50 - 80% 80 - 120%	“low to mid-range of income limits.”
Palo Alto, CA	15% 20% for projects over 5 acres	80 - 100% and 100 – 120% AMI	100%, 120%
Cambridge, MA	20% of floor area	Up to 100% AMI	90% AMI

B. Onsite Requirements and Income Levels

Inclusionary programs must strive to establish an appropriate balance between the onsite affordable unit percentage, affordable prices, and the ability of market rate projects to sustain

the requirement. Following is a discussion of recommended practices relating to middle income for-sale requirements:

- Establish prices at income levels below the maximum income level for qualifying for a unit, such as 10% or 20% below the qualifying limit. If inclusionary prices are set based on the maximum qualifying income, households that are below the maximum will be paying more than they are able to afford. For example, if the income level that qualifies to purchase a unit is between 80% and 100% of AMI and sets prices are set based on 100% AMI, a household at 85% or 90% of AMI would be paying more than they are able to afford. Boulder currently follows this recommended practice⁶.
- Affordable prices should be set well below market prices for comparable units. Deed restricted affordable units with sales prices that are too close to market may be difficult to market, due to limited cost savings to a purchaser and limits on the ability to build equity through appreciation in the home value. Selecting the appropriate income level for pricing middle income units requires consideration of the affordability of comparable market rate housing, including in neighboring jurisdictions. Creating a margin between affordable and market prices also helps insulate affordable units from foreclosure risk in the event of a market downturn.
- For cities with varied market strength by neighborhood or a variety of unit types, it may be desirable to provide for adjustments to affordable sales prices to address situations where affordable prices approach market prices. San Francisco's program, in recognition of variation in market pricing by neighborhood, includes a downward adjustment of affordable prices if the calculated prices are within 20% of market rate for the neighborhood. Portland includes a clause for condominium units: "...units must be sold at no more than the higher of the annually calculated amount affordable to a household earning 80 percent of AMI or 50 percent of the market price of other units."
- In cities where market rate unit sizes do not align with the most desired unit sizes for affordable units, alternative ways to express the inclusionary requirement can be helpful for achieving policy goals. For example, Portland allows inclusionary obligations to be determined by the number of bedrooms instead of the number of units. Cambridge requires, and the proposed updates in Boston would allow, inclusionary obligations to be determined by square footage. Both approaches (bedrooms and square footage) allow developers to set aside fewer larger units or more smaller units, which can benefit both the city and the developer. Most programs require developers to create units that are proportionate to the size and bedroom types in the development, which can result in mismatch between unit sizes that are desired as inclusionary units versus units that are

⁶ For Low/Mod units, pricing is at 71.7% AMI and the qualifying limit is 80% AMI. For Middle Income units, there are three levels of pricing with each 20% to 30% below qualifying limits.

provided. Calculating inclusionary obligations on bedrooms or square footage provides flexibility in unit size.

C. Affordable Prices at Resale

The methodology for calculating the resale price of deed restricted affordable units is an important implementation detail with for-sale inclusionary requirements. A resale pricing formula must strike a balance between allowing households to build equity over time and maintaining affordability for subsequent purchasers of the unit. The formula must also recognize the cost of improvements to the unit. There are a variety of approaches and selection of the most appropriate method can depend on policy priorities. Examples include:

- **Fixed Annual Appreciation.** Some cities rely on a fixed annual appreciation rate to determine resale prices, or a fixed rate with additional maximum/minimum growth rates depending on market sales prices. The advantage of this approach is simplicity.
- **Index-based.** Prices can be indexed based on changes in the Consumer Price Index (CPI) or Area Median Income (AMI). A rolling average can be used to prevent short-term drops or spikes. An AMI-based index ensures prices track with median incomes, a key input in the calculation of affordable prices. A CPI approach will allow affordable prices to keep up with inflation. Boulder uses a hybrid approach, with annual appreciation levels set at the lower of the CPI or AMI indices and a fixed maximum annual adjustment set in the deed restriction. This approach allows for moderate growth in home equity, while maintaining affordability of the unit by not allowing the resale price to increase faster than the growth in median income. It is a structure emphasizing long-term affordability as the principal goal.
- **Updated Pricing Calculation.** Affordable pricing can be based on then-current affordable prices, as calculated using all current assumptions including AMI, expenses, interest rates and other factors. This method most closely tracks housing affordability for future purchasers and is simplest to use when affordable pricing is published regularly. Some protection against a decrease in affordable prices should be built into the formula to address potential declines in affordable prices if interest rates rise. If interest rates fall, appreciation can exceed index-based methods.
- **Shared appreciation.** With this structure, the unit is sold to the initial purchaser at an affordable price, with the difference between the market price and affordable price recorded as a note in favor of the City. When the unit is later sold, it is permitted to be sold at a market price. The seller receives the original purchase price plus a proportionate share of any market appreciation. The note, representing the original difference between the market and affordable price, is repaid from sales proceeds with a proportionate share of the market appreciation on the unit. Funds from the note repayment are recycled to assist a new household. The advantage of this approach is

that there is no restriction on building equity and re-sale at market provides a source of reinvestment in the unit by a subsequent buyer to address any deferred maintenance or repair needs. Disadvantages are that specific units within the project do not remain permanently affordable and the city becomes responsible for recycling funds from repayment of the note to assist new households.

In addition to adjustments based on one of the above mechanisms, a mechanism for owners of affordable units to recover the cost of capital improvements and replacement (beyond ordinary maintenance) is also a necessary component of any resale formula to ensure owners have a means to recover investment made in the unit.

D. Incentives for Onsite Units

New and newly updated programs in Portland, Denver and San Jose provide a menu of compliance choices and incentives to encourage certain policy goals. The menus provide flexibility and ideally will encourage inclusion of units onsite at a variety of income levels. A brief overview of these cities' incentives for creating onsite units follows:

Portland – Portland's program is structured to encourage provision of onsite units at 60% of Median Family Income. The in-lieu fee option is set at a level to encourage production of units on-site, and the City provides a range of incentives to reduce costs when affordable units are included in the project. Incentives include a 10-year property tax exemption for affordable units, construction excise tax exemption for affordable units, parking exemptions, FAR bonuses, and System Development Charge (impact fee) exemptions for the affordable units. Projects located in the Central City Plan District with an FAR of 5 or greater that provide inclusionary units are eligible to receive a 10-year property tax exemption on the full residential portion of the building, not just the affordable units.

San Jose – San Jose's revised rental in-lieu fee structure is designed to provide a large incentive for rental projects in strong market areas to provide at least 5% inclusionary units on-site. The full in-lieu fee rate for rentals in strong market areas is \$45.26 per square foot; however, by providing 5% affordable units within the project, the in-lieu fee is reduced by over half to \$19.68 per square foot for median income units, \$13.13 for 60% AMI units and \$10.60 for 50% AMI units. This translates into an effective reduction in in-lieu fees of \$420,000 to \$583,000 per affordable unit provided within the project⁷, depending on the income level, providing a strong incentive to include the affordable units on-site. Providing 5% affordable units at 50% of AMI also qualifies the project for a 20% density bonus.

Denver – Denver offers incentives including flexible parking requirements, height incentives and permit fee reductions to help offset the cost of the inclusionary units. There are three base incentives for projects providing onsite affordable units. Projects are eligible for a building permit

⁷ Assuming a 900 square foot average unit size.

fee reduction equal to \$6,500 per affordable unit in Typical Market Areas and \$10,000 per affordable unit in High Market Areas. Projects are also eligible for a reduced parking standard. Ground floor commercial uses in residential buildings providing onsite affordable units are exempt from paying the affordable housing linkage fee. Projects that set aside an additional two to three percent of units as affordable (depending on the income level of the units) are eligible for an increase in building height and floor area ratio and an exemption from parking requirements, in addition to the base incentives.

While these programs are all recently adopted or updated, San Jose and Portland have had success thus far in encouraging projects to provide units onsite. Denver's program is still in the grandfathering phase, as it transitions to the new requirements; as such, there is not yet data on whether the incentives are successful in increasing production of units onsite.

4.0 INTERVIEWS WITH LOCAL DEVELOPMENT PROFESSIONALS

KMA interviewed development professionals with the following organizations active in the Boulder market to help inform the analysis:

- Allison Management
- Boulder Housing Partners
- Coburn Partners
- Humboldt Development
- Markel Homes
- Pace Development
- Shutkin Sustainable Living

Interviewees provided a wide range of insights on topics including construction and development cost estimates, market conditions, expectations regarding their own projects, the entitlement process and land use policy in Boulder, how affordable housing obligations affect their pro forma, suggestions for changes to the program, among other topics. The following is a summary of insights and perspectives offered by interviewees.

1. Boulder is an attractive place for developers to invest because it is a highly desirable community that is seen as supply constrained. Developers expressed confidence in the long-term potential of the Boulder housing market from a developer or investor perspective.
2. The inclusionary ordinance provides opportunities for affordable housing to be built in locations where new development is occurring and where affordable housing developments might not otherwise be sited. One role it plays is as a mechanism for affordable housing developments to gain access to high quality sites.
3. Providing affordable units within a stand-alone affordable project receiving tax credits can be a cost-competitive or a financially favorable option relative to payment of cash-in-lieu under the current ordinance but not all developers are interested in taking on the complexity of a transaction of this nature.
4. Inclusion of affordable units within the project is perceived as a positive factor relative to the entitlement process.
5. When asked why the market is primarily delivering rental housing in Boulder, with for-sale projects primarily consisting of smaller-scale projects at the luxury end of the market, the following insights were offered:
 - a. Rental projects attract a different set of investors that are investing for a longer-term horizon and are willing to accept lower risk-adjusted returns on that capital.

This ultimately contributes to stronger feasibility for rental projects and an ability of rental projects to pay more for land. Rentals can also be more tax efficient for investors; for example, through the ability of investments to roll over investments from sale of another property through a 1031 exchange, which defers the capital gains taxes.

- b. For-sale projects have more market risk since projects have “one shot” at the market and the timing of when units are sold can significantly affect sales performance and profits. Stacked for-sale projects that cannot be phased are seen as higher risk and have greater financing costs since all costs are upfront but sales revenue can take time to be realized through unit sales.
 - c. Construction defects liability with for-sale projects - Several developers cited Colorado’s construction defects laws as a significant factor inhibiting the production of for-sale housing, particularly larger condominium projects. Costs of insuring against potential liability cited by interviewees are significant but still represent a relatively modest share of overall development costs. Beyond the cost of insurance, interviewees expressed that the risk of a potential lawsuit can scare developers away from larger condominium projects. In addition, some design professionals may be unwilling to work on for-sale projects due to liability concerns. Smaller attached townhome projects are more insulated from these concerns. Townhome projects are sometimes structured with fee-simple ownership to avoid the need for an HOA, which reduces the risk of a lawsuit, insurance costs, and eliminates HOA dues which is a positive factor for home prices.
 - d. Developers cited the cash-in-lieu premium that applies to for-sale but not rental as a policy bias favoring rental, although this was not described as the major explanation for the current market dynamic.
 - e. Interviewees did not expect market dynamics favoring rentals over for-sale in Boulder to shift in the near term.
6. Interviewees offered varied perspectives regarding provision of for-sale affordable units.
- a. One developer raised concerns based on an experience roughly a decade ago that the pool of potential buyers for for-sale affordable units is shallow because potential affordable unit buyers may also consider market rate units in lower priced communities nearby, which offer the opportunity to build more equity over time⁸.

⁸ A review of affordable prices indicates there is currently a significant discount to average market prices in nearby communities. See Appendix Table B-6.

- b. Another developer was more positive regarding for-sale affordable units and is contemplating provision of for-sale affordable units within a proposed project. This developer indicated that marketing for-sale affordable units had not been problematic in the past.
 - c. Increases in homeowner association dues over time were identified as a challenge for households in affordable units and suggested it can lead to conflicts within the HOA in agreeing to fund maintenance needs over time.
 - d. The question of whether affordable units are a good value proposition for purchasers, given limitations on appreciation, was raised by multiple interviewees. One developer suggested modifying the cap on appreciation to enable affordable unit purchasers the ability to build more equity.
7. Recent changes in market conditions have made projects more challenging to pencil. Sales prices have cooled, builders are offering more incentives to sell units, and rents have leveled off. Construction costs, which rose significantly over the past several years, have not noticeably decreased. This in conjunction with more conservative underwriting and higher interest rates has resulted in more projects being placed on hold. This combination of factors was cited as making it more challenging for projects to support inclusionary requirements. Notwithstanding these headwinds, interviewees were relatively bullish on the long-term prospects for the Boulder market, and suggested developers and investors generally have a longer-term perspective in mind when building in Boulder, taking a “build to own” approach on rental projects. Student housing was seen as more insulated from changes in market conditions.
8. Some interviewees indicated that the inclusionary requirement is overly burdensome. It was suggested that an outcome of the inclusionary program is that few units being provided for middle income households because the requirement increases the market prices and rents that are needed for projects to pencil. Interviewees generally did not make the argument that the program is not feasible in its current form, or that projects do not pencil with the requirement, even while describing the program along with other City requirements, as challenging or burdensome.
9. Several interviewees offered suggestions for incentivizing projects to provide affordable units as part of the project. Suggestions include:
- a. Providing additional options for compliance by varying the percentage requirement depending on the income level of units provided.
 - b. Providing a streamlined approval process for projects that provide affordable units within the project. Seek approaches for reducing the level of uncertainty

associated with the process by applying objective standards. Shorten the approval timeline. These approaches could reduce the perceived risk and expense associated with the entitlement process, which would in turn improve the ability to provide affordable units.

- c. Allowing additional density in appropriate zones for projects that include affordable units on-site. Several developers cited density limitations as being a constraint on projects.
 - d. Waiving development fees for affordable units.
10. The City's community benefits program requirement that for-sale projects must include half of required inclusionary units on-site was cited as being challenging for projects. One developer indicated they were unable to make a four-story stacked condo project pencil after being encouraged to explore such a project.
11. Allowing projects to pay the CIL at certificate of occupancy would be helpful so that developers do not have to finance the CIL early in the project using the most expensive capital (Boulder already allows deferral of half of the CIL amount to certificate of occupancy and adds 8% to the deferred portion).

APPENDIX A – SUPPORTING PRO FORMA TABLES

Table A-1
For-Sale Residential, Programmatic Assumptions
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Townhomes / Rowhomes	Small Stacked Condo Project, Three Stories	Larger Stacked Condo Project, Four Stories
Site Size	87,120 square feet 2 acres	34,848 square feet 0.8 acres	87,120 square feet 2 acres
Number of Units / Density	48 units 24 du/ac.	21 units 26 du/ac.	78 units 39 du/ac.
Maximum Height	35 feet	35 feet	55 feet
Number of stories above grade	3 stories	3 stories	4 stories
Floor area ratio	1.0 FAR	1.0 FAR	1.3 FAR
Gross Building Area	84,000 square feet	34,588 square feet	110,753 square feet
Efficiency	100% efficiency	85% efficiency	85% efficiency
Residential Net Sellable	84,000 square feet	29,400 square feet	94,140 square feet
Average Unit Size - mkt	1,750 square feet	1,400 square feet	1,250 square feet
Average Unit Size - aff	1,400 square feet	1,100 square feet	970 square feet
Construction Type	Type V	Type V	Type V
Parking Type	attached garage	podium garage	subterranean garage
Parking Ratio	1.8 /unit	1.3 /unit	1.22 /unit
Parking Spaces	87 spaces	28 spaces	95 spaces
Avg No. of Bedrooms	3.0 BRs	2.0 BRs	1.7 BRs
Market Price Estimate	\$1,400,000	\$1,050,000	\$950,000
\$/SF	\$800 /sf	\$750 /sf	\$760 /sf
<u>Unit Mix</u>			
One Bedrooms	0%	15%	45%
Two Bedrooms	0%	75%	40%
Three Bedrooms	100%	10%	15%

Table A-2
Rental Residential, Programmatic Assumptions
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Rental, Three Stories	Rental, Four Stories Using Community Benefit
Site Size	87,120 square feet 2 acres	87,120 square feet 2 acres
Number of Units / Density	98 units 49 du/ac.	131 units 66 du/ac.
Maximum Height	35 feet	55 feet
Number of stories above grade	3 stories	4 stories
Floor area ratio (FAR)	1.0 FAR	1.3 FAR
Gross Building Area (excl. parking)	86,471 square feet	115,588 square feet
Efficiency	85% efficiency	85% efficiency
Residential Net Leasable	73,500 square feet	98,250 square feet
Average Unit Size - mkt	750 square feet	750 square feet
Average Unit Size - aff	700 square feet	700 square feet
Construction Type	Type V	Type V
Parking Type	subterranean garage	subterranean garage
Parking Ratio	1.0 /unit	1.0 /unit
Parking Spaces	98 spaces	131 spaces
Market Rent Estimate (\$/Mo) \$/SF	\$2,650 \$3.53 /sf	\$2,650 \$3.53 /sf
<u>Unit Mix</u>		
Studios	20%	20%
One Bedrooms	60%	60%
Two Bedrooms	18%	18%
Three Bedrooms	2%	2%

Appendix Table FS 1A
For-Sale Pro Forma, Existing Ordinance, Existing Cash In-Lieu
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Townhomes / Rowhomes			Small Stacked Condo Project, Three Stories			Larger Stacked Condo Project, Four Stories		
Residential Unit Mix	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF
Market Rate	100%	48	1,750	100%	21	1,400	85%	66	1,250
Middle Income - 120% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Middle Income - 100% AMI	0%	0	1,400	0%	0	1,100	1%	1	970
Middle Income - 80% AMI	0%	0	1,400	0%	0	1,100	1%	1	970
Low/Mod - 71.7% AMI	0%	0	1,400	0%	0	1,100	13%	10	970
	100%	48	1,750	100%	21	1,400	100%	78	1,207
	[100% cash in-lieu]			[100% cash in-lieu]			[half on-site per com benefit reqrm't]		
Sale Price		\$/Unit	\$/NSF		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$1,400,000	\$800		\$1,050,000	\$750		\$950,000	\$760
Middle Income - 120% AMI		\$412,100	\$294		\$373,460	\$340		\$359,515	\$371
Middle Income - 100% AMI		\$338,400	\$242		\$304,829	\$277		\$293,285	\$302
Middle Income - 80% AMI		\$260,200	\$186		\$235,748	\$214		\$226,380	\$233
Low/Mod - 71.7% AMI		\$237,800	\$170		\$194,814	\$177		\$188,189	\$194
		\$1,400,000	\$800		\$1,050,000	\$750		\$834,600	\$692
Residential Sales	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Sales	\$67,200,000	\$1,400,000	\$800	\$22,050,000	\$1,050,000	\$750	\$65,098,800	\$834,600	\$692
(Less) Closing Costs	(\$3,024,000)	(\$63,000)	(\$36)	(\$992,250)	(\$47,300)	(\$34)	(\$2,929,446)	(\$37,600)	(\$31)
(Less) Risk Adjusted Return	(\$6,720,000)	(\$140,000)	(\$80)	(\$2,205,000)	(\$105,000)	(\$75)	(\$7,811,856)	(\$100,200)	(\$83)
Net Sales Proceeds	\$57,456,000	\$1,197,000	\$684	\$18,852,750	\$897,800	\$641	\$54,357,498	\$696,900	\$577
Development Costs excl. Land									
Direct Construction incl conting.	\$33,600,000	\$700,000	\$400	\$10,739,000	\$511,400	\$365	\$35,503,000	\$455,200	\$377
Fees & Permits	\$2,222,400	\$46,300	\$26	\$863,100	\$41,100	\$29	\$2,714,400	\$34,800	\$29
CIL for IH reqrm't	\$3,871,080	\$80,648	\$46	\$1,741,986	\$82,952	\$59	\$1,244,552	\$15,956	\$13
Warranty and Insurance	\$1,344,000	\$28,000	\$16	\$441,000	\$21,000	\$15	\$1,302,000	\$16,700	\$14
G&A/Overhead	\$1,008,000	\$21,000	\$12	\$322,000	\$15,300	\$11	\$1,065,000	\$13,700	\$11
A&E, Legal, Marketing, Other	\$3,024,000	\$63,000	\$36	\$967,000	\$46,000	\$33	\$3,195,000	\$41,000	\$34
Soft Cost Contingency	\$380,000	\$7,900	\$5	\$130,000	\$6,200	\$4	\$414,000	\$5,300	\$4
Financing	\$3,456,000	\$72,000	\$41	\$1,134,000	\$54,000	\$39	\$3,268,200	\$41,900	\$35
Total Costs	\$48,905,480	\$1,018,900	\$582	\$16,338,086	\$778,000	\$556	\$48,706,152	\$624,400	\$517
Residual Land Value									
per acre	\$8,548,800	\$178,100	\$102	\$2,515,800	\$119,800	\$86	\$5,655,000	\$72,500	\$60
price PSF land	\$4,274,400			\$3,144,750			\$2,827,500		
	\$98			\$72			\$65		
Estimated Land Cost (target value)			Net Rev as %Costs			Net Rev as %Costs			Net Rev as %Costs
	\$8,712,000	\$181,500		\$3,484,800	\$165,900		\$8,712,000	\$111,700	
Total Cost with Land	\$57,617,480	\$1,200,400	99.7%	\$19,822,886	\$943,900	95.1%	\$57,418,152	\$736,100	94.7%
Feasibility Classification	Feasible			Marginal Feasibility			Marginal Feasibility		

Appendix Table FS 1B
For-Sale Pro Forma, Existing Ordinance, Cash In-Lieu at \$35 PSF
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Townhomes / Rowhomes			Small Stacked Condo Project, Three Stories			Larger Stacked Condo Project, Four Stories		
Residential Unit Mix	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF
Market Rate	100%	48	1,750	100%	21	1,400	85%	66	1,250
Middle Income - 120% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Middle Income - 100% AMI	0%	0	1,400	0%	0	1,100	1%	1	970
Middle Income - 80% AMI	0%	0	1,400	0%	0	1,100	1%	1	970
Low/Mod - 71.7% AMI	0%	0	1,400	0%	0	1,100	13%	10	970
	100%	48	1,750	100%	21	1,400	100%	78	1,207
	[100% cash in-lieu]			[100% cash in-lieu]			[half on-site per com benefit reqrm't]		
Sale Price		\$/Unit	\$/NSF		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$1,400,000	\$800		\$1,050,000	\$750		\$950,000	\$760
Middle Income - 120% AMI		\$412,100	\$294		\$373,460	\$340		\$359,515	\$371
Middle Income - 100% AMI		\$338,400	\$242		\$304,829	\$277		\$293,285	\$302
Middle Income - 80% AMI		\$260,200	\$186		\$235,748	\$214		\$226,380	\$233
Low/Mod - 71.7% AMI		\$237,800	\$170		\$194,814	\$177		\$188,189	\$194
		\$1,400,000	\$800		\$1,050,000	\$750		\$834,600	\$692
Residential Sales	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Sales	\$67,200,000	\$1,400,000	\$800	\$22,050,000	\$1,050,000	\$750	\$65,098,800	\$834,600	\$692
(Less) Closing Costs	(\$3,024,000)	(\$63,000)	(\$36)	(\$992,250)	(\$47,300)	(\$34)	(\$2,929,446)	(\$37,600)	(\$31)
(Less) Risk Adjusted Return	(\$6,720,000)	(\$140,000)	(\$80)	(\$2,205,000)	(\$105,000)	(\$75)	(\$7,811,856)	(\$100,200)	(\$83)
Net Sales Proceeds	\$57,456,000	\$1,197,000	\$684	\$18,852,750	\$897,800	\$641	\$54,357,498	\$696,900	\$577
Development Costs excl. Land									
Direct Construction incl conting.	\$33,600,000	\$700,000	\$400	\$10,739,000	\$511,400	\$365	\$35,503,000	\$455,200	\$377
Fees & Permits	\$2,222,400	\$46,300	\$26	\$863,100	\$41,100	\$29	\$2,714,400	\$34,800	\$29
CIL for IH reqrm't	\$2,940,000	\$61,250	\$35	\$1,029,000	\$49,000	\$35	\$914,335	\$11,722	\$10
Warranty and Insurance	\$1,344,000	\$28,000	\$16	\$441,000	\$21,000	\$15	\$1,302,000	\$16,700	\$14
G&A/Overhead	\$1,008,000	\$21,000	\$12	\$322,000	\$15,300	\$11	\$1,065,000	\$13,700	\$11
A&E, Legal, Marketing, Other	\$3,024,000	\$63,000	\$36	\$967,000	\$46,000	\$33	\$3,195,000	\$41,000	\$34
Soft Cost Contingency	\$380,000	\$7,900	\$5	\$130,000	\$6,200	\$4	\$414,000	\$5,300	\$4
Financing	\$3,456,000	\$72,000	\$41	\$1,134,000	\$54,000	\$39	\$3,268,200	\$41,900	\$35
Total Costs	\$47,974,400	\$999,500	\$571	\$15,625,100	\$744,100	\$532	\$48,375,935	\$620,200	\$514
Residual Land Value	\$9,480,000	\$197,500	\$113	\$3,227,700	\$153,700	\$110	\$5,982,600	\$76,700	\$64
per acre	\$4,740,000			\$4,034,625			\$2,991,300		
price PSF land	\$109			\$93			\$69		
Estimated Land Cost (target value)	\$8,712,000	\$181,500	Net Rev as %Costs	\$3,484,800	\$165,900	Net Rev as %Costs	\$8,712,000	\$111,700	Net Rev as %Costs
Total Cost with Land	\$56,686,400	\$1,181,000	101.4%	\$19,109,900	\$910,000	98.7%	\$57,087,935	\$731,900	95.2%
Feasibility Classification	Feasible			Feasible			Marginal Feasibility		

Appendix Table FS 1C
For-Sale Pro Forma, Existing Ordinance, Cash In-Lieu at \$40 PSF
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Townhomes / Rowhomes			Small Stacked Condo Project, Three Stories			Larger Stacked Condo Project, Four Stories		
Residential Unit Mix	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF
Market Rate	100%	48	1,750	100%	21	1,400	85%	66	1,250
Middle Income - 120% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Middle Income - 100% AMI	0%	0	1,400	0%	0	1,100	1%	1	970
Middle Income - 80% AMI	0%	0	1,400	0%	0	1,100	1%	1	970
Low/Mod - 71.7% AMI	0%	0	1,400	0%	0	1,100	13%	10	970
	100%	48	1,750	100%	21	1,400	100%	78	1,207
	[100% cash in-lieu]			[100% cash in-lieu]			[half on-site per com benefit reqrm't]		
Sale Price		\$/Unit	\$/NSF		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$1,400,000	\$800		\$1,050,000	\$750		\$950,000	\$760
Middle Income - 120% AMI		\$412,100	\$294		\$373,460	\$340		\$359,515	\$371
Middle Income - 100% AMI		\$338,400	\$242		\$304,829	\$277		\$293,285	\$302
Middle Income - 80% AMI		\$260,200	\$186		\$235,748	\$214		\$226,380	\$233
Low/Mod - 71.7% AMI		\$237,800	\$170		\$194,814	\$177		\$188,189	\$194
		\$1,400,000	\$800		\$1,050,000	\$750		\$834,600	\$692
Residential Sales	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Sales	\$67,200,000	\$1,400,000	\$800	\$22,050,000	\$1,050,000	\$750	\$65,098,800	\$834,600	\$692
(Less) Closing Costs	(\$3,024,000)	(\$63,000)	(\$36)	(\$992,250)	(\$47,300)	(\$34)	(\$2,929,446)	(\$37,600)	(\$31)
(Less) Risk Adjusted Return	(\$6,720,000)	(\$140,000)	(\$80)	(\$2,205,000)	(\$105,000)	(\$75)	(\$7,811,856)	(\$100,200)	(\$83)
Net Sales Proceeds	\$57,456,000	\$1,197,000	\$684	\$18,852,750	\$897,800	\$641	\$54,357,498	\$696,900	\$577
Development Costs excl. Land									
Direct Construction incl conting.	\$33,600,000	\$700,000	\$400	\$10,739,000	\$511,400	\$365	\$35,503,000	\$455,200	\$377
Fees & Permits	\$2,222,400	\$46,300	\$26	\$863,100	\$41,100	\$29	\$2,714,400	\$34,800	\$29
CIL for IH reqrm't	\$3,360,000	\$70,000	\$40	\$1,176,000	\$56,000	\$40	\$1,044,954	\$13,397	\$11
Warranty and Insurance	\$1,344,000	\$28,000	\$16	\$441,000	\$21,000	\$15	\$1,302,000	\$16,700	\$14
G&A/Overhead	\$1,008,000	\$21,000	\$12	\$322,000	\$15,300	\$11	\$1,065,000	\$13,700	\$11
A&E, Legal, Marketing, Other	\$3,024,000	\$63,000	\$36	\$967,000	\$46,000	\$33	\$3,195,000	\$41,000	\$34
Soft Cost Contingency	\$380,000	\$7,900	\$5	\$130,000	\$6,200	\$4	\$414,000	\$5,300	\$4
Financing	\$3,456,000	\$72,000	\$41	\$1,134,000	\$54,000	\$39	\$3,268,200	\$41,900	\$35
Total Costs	\$48,394,400	\$1,008,200	\$576	\$15,772,100	\$751,100	\$537	\$48,506,554	\$621,900	\$515
Residual Land Value	\$9,062,400	\$188,800	\$108	\$3,080,700	\$146,700	\$105	\$5,850,000	\$75,000	\$62
per acre	\$4,531,200			\$3,850,875			\$2,925,000		
price PSF land	\$104			\$88			\$67		
Estimated Land Cost (target value)	\$8,712,000	\$181,500	Net Rev as %Costs	\$3,484,800	\$165,900	Net Rev as %Costs	\$8,712,000	\$111,700	Net Rev as %Costs
Total Cost with Land	\$57,106,400	\$1,189,700	100.6%	\$19,256,900	\$917,000	97.9%	\$57,218,554	\$733,600	95.0%
Feasibility Classification	Feasible			Marginal Feasibility			Marginal Feasibility		

Appendix Table FS 1D
For-Sale Pro Forma, Existing Ordinance, Cash In-Lieu at \$45 PSF
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Townhomes / Rowhomes			Small Stacked Condo Project, Three Stories			Larger Stacked Condo Project, Four Stories		
<u>Residential Unit Mix</u>	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF
Market Rate	100%	48	1,750	100%	21	1,400	85%	66	1,250
Middle Income - 120% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Middle Income - 100% AMI	0%	0	1,400	0%	0	1,100	1%	1	970
Middle Income - 80% AMI	0%	0	1,400	0%	0	1,100	1%	1	970
Low/Mod - 71.7% AMI	0%	0	1,400	0%	0	1,100	13%	10	970
	100%	48	1,750	100%	21	1,400	100%	78	1,207
	[100% cash in-lieu]			[100% cash in-lieu]			[half on-site per com benefit reqrm't]		
<u>Sale Price</u>		\$/Unit	\$/NSF		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$1,400,000	\$800		\$1,050,000	\$750		\$950,000	\$760
Middle Income - 120% AMI		\$412,100	\$294		\$373,460	\$340		\$359,515	\$371
Middle Income - 100% AMI		\$338,400	\$242		\$304,829	\$277		\$293,285	\$302
Middle Income - 80% AMI		\$260,200	\$186		\$235,748	\$214		\$226,380	\$233
Low/Mod - 71.7% AMI		\$237,800	\$170		\$194,814	\$177		\$188,189	\$194
		\$1,400,000	\$800		\$1,050,000	\$750		\$834,600	\$692
<u>Residential Sales</u>	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Sales	\$67,200,000	\$1,400,000	\$800	\$22,050,000	\$1,050,000	\$750	\$65,098,800	\$834,600	\$692
(Less) Closing Costs	(\$3,024,000)	(\$63,000)	(\$36)	(\$992,250)	(\$47,300)	(\$34)	(\$2,929,446)	(\$37,600)	(\$31)
(Less) Risk Adjusted Return	(\$6,720,000)	(\$140,000)	(\$80)	(\$2,205,000)	(\$105,000)	(\$75)	(\$7,811,856)	(\$100,200)	(\$83)
Net Sales Proceeds	\$57,456,000	\$1,197,000	\$684	\$18,852,750	\$897,800	\$641	\$54,357,498	\$696,900	\$577
<u>Development Costs excl. Land</u>									
Direct Construction incl conting.	\$33,600,000	\$700,000	\$400	\$10,739,000	\$511,400	\$365	\$35,503,000	\$455,200	\$377
Fees & Permits	\$2,222,400	\$46,300	\$26	\$863,100	\$41,100	\$29	\$2,714,400	\$34,800	\$29
CIL for IH reqrm't	\$3,780,000	\$78,750	\$45	\$1,323,000	\$63,000	\$45	\$1,175,573	\$15,071	\$12
Warranty and Insurance	\$1,344,000	\$28,000	\$16	\$441,000	\$21,000	\$15	\$1,302,000	\$16,700	\$14
G&A/Overhead	\$1,008,000	\$21,000	\$12	\$322,000	\$15,300	\$11	\$1,065,000	\$13,700	\$11
A&E, Legal, Marketing, Other	\$3,024,000	\$63,000	\$36	\$967,000	\$46,000	\$33	\$3,195,000	\$41,000	\$34
Soft Cost Contingency	\$380,000	\$7,900	\$5	\$130,000	\$6,200	\$4	\$414,000	\$5,300	\$4
Financing	\$3,456,000	\$72,000	\$41	\$1,134,000	\$54,000	\$39	\$3,268,200	\$41,900	\$35
Total Costs	\$48,814,400	\$1,017,000	\$581	\$15,919,100	\$758,100	\$542	\$48,637,173	\$623,600	\$517
Residual Land Value	\$8,640,000	\$180,000	\$103	\$2,933,700	\$139,700	\$100	\$5,717,400	\$73,300	\$61
per acre	\$4,320,000			\$3,667,125			\$2,858,700		
price PSF land	\$99			\$84			\$66		
Estimated Land Cost (target value)	\$8,712,000	\$181,500	Net Rev as %Costs	\$3,484,800	\$165,900	Net Rev as %Costs	\$8,712,000	\$111,700	Net Rev as %Costs
Total Cost with Land	\$57,526,400	\$1,198,500	99.9%	\$19,403,900	\$924,000	97.2%	\$57,349,173	\$735,300	94.8%
Feasibility Classification	Feasible			Marginal Feasibility			Marginal Feasibility		

Appendix Table FS 1E
For-Sale Pro Forma, Existing Ordinance, Cash In-Lieu at \$50 PSF
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Townhomes / Rowhomes			Small Stacked Condo Project, Three Stories			Larger Stacked Condo Project, Four Stories		
Residential Unit Mix	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF
Market Rate	100%	48	1,750	100%	21	1,400	85%	66	1,250
Middle Income - 120% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Middle Income - 100% AMI	0%	0	1,400	0%	0	1,100	1%	1	970
Middle Income - 80% AMI	0%	0	1,400	0%	0	1,100	1%	1	970
Low/Mod - 71.7% AMI	0%	0	1,400	0%	0	1,100	13%	10	970
	100%	48	1,750	100%	21	1,400	100%	78	1,207
	[100% cash in-lieu]			[100% cash in-lieu]			[half on-site per com benefit reqrm't]		
Sale Price		\$/Unit	\$/NSF		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$1,400,000	\$800		\$1,050,000	\$750		\$950,000	\$760
Middle Income - 120% AMI		\$412,100	\$294		\$373,460	\$340		\$359,515	\$371
Middle Income - 100% AMI		\$338,400	\$242		\$304,829	\$277		\$293,285	\$302
Middle Income - 80% AMI		\$260,200	\$186		\$235,748	\$214		\$226,380	\$233
Low/Mod - 71.7% AMI		\$237,800	\$170		\$194,814	\$177		\$188,189	\$194
		\$1,400,000	\$800		\$1,050,000	\$750		\$834,600	\$692
Residential Sales	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Sales	\$67,200,000	\$1,400,000	\$800	\$22,050,000	\$1,050,000	\$750	\$65,098,800	\$834,600	\$692
(Less) Closing Costs	(\$3,024,000)	(\$63,000)	(\$36)	(\$992,250)	(\$47,300)	(\$34)	(\$2,929,446)	(\$37,600)	(\$31)
(Less) Risk Adjusted Return	(\$6,720,000)	(\$140,000)	(\$80)	(\$2,205,000)	(\$105,000)	(\$75)	(\$7,811,856)	(\$100,200)	(\$83)
Net Sales Proceeds	\$57,456,000	\$1,197,000	\$684	\$18,852,750	\$897,800	\$641	\$54,357,498	\$696,900	\$577
Development Costs excl. Land									
Direct Construction incl conting.	\$33,600,000	\$700,000	\$400	\$10,739,000	\$511,400	\$365	\$35,503,000	\$455,200	\$377
Fees & Permits	\$2,222,400	\$46,300	\$26	\$863,100	\$41,100	\$29	\$2,714,400	\$34,800	\$29
CIL for IH reqrm't	\$4,200,000	\$87,500	\$50	\$1,470,000	\$70,000	\$50	\$1,306,193	\$16,746	\$14
Warranty and Insurance	\$1,344,000	\$28,000	\$16	\$441,000	\$21,000	\$15	\$1,302,000	\$16,700	\$14
G&A/Overhead	\$1,008,000	\$21,000	\$12	\$322,000	\$15,300	\$11	\$1,065,000	\$13,700	\$11
A&E, Legal, Marketing, Other	\$3,024,000	\$63,000	\$36	\$967,000	\$46,000	\$33	\$3,195,000	\$41,000	\$34
Soft Cost Contingency	\$380,000	\$7,900	\$5	\$130,000	\$6,200	\$4	\$414,000	\$5,300	\$4
Financing	\$3,456,000	\$72,000	\$41	\$1,134,000	\$54,000	\$39	\$3,268,200	\$41,900	\$35
Total Costs	\$49,234,400	\$1,025,700	\$586	\$16,066,100	\$765,100	\$547	\$48,767,793	\$625,200	\$518
Residual Land Value									
per acre	\$8,222,400	\$171,300	\$98	\$2,786,700	\$132,700	\$95	\$5,592,600	\$71,700	\$59
price PSF land	\$4,111,200			\$3,483,375			\$2,796,300		
	\$94			\$80			\$64		
Estimated Land Cost (target value)			Net Rev as %Costs			Net Rev as %Costs			Net Rev as %Costs
	\$8,712,000	\$181,500		\$3,484,800	\$165,900		\$8,712,000	\$111,700	
Total Cost with Land	\$57,946,400	\$1,207,200	99.2%	\$19,550,900	\$931,000	96.4%	\$57,479,793	\$736,900	94.6%
Feasibility Classification	Feasible			Marginal Feasibility			Marginal Feasibility		

Appendix Table FS 1F
For-Sale Pro Forma, Existing Ordinance, Cash In-Lieu at \$60 PSF
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Townhomes / Rowhomes			Small Stacked Condo Project, Three Stories			Larger Stacked Condo Project, Four Stories		
Residential Unit Mix	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF
Market Rate	100%	48	1,750	100%	21	1,400	85%	66	1,250
Middle Income - 120% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Middle Income - 100% AMI	0%	0	1,400	0%	0	1,100	1%	1	970
Middle Income - 80% AMI	0%	0	1,400	0%	0	1,100	1%	1	970
Low/Mod - 71.7% AMI	0%	0	1,400	0%	0	1,100	13%	10	970
	100%	48	1,750	100%	21	1,400	100%	78	1,207
	[100% cash in-lieu]			[100% cash in-lieu]			[half on-site per com benefit reqrm't]		
Sale Price		\$/Unit	\$/NSF		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$1,400,000	\$800		\$1,050,000	\$750		\$950,000	\$760
Middle Income - 120% AMI		\$412,100	\$294		\$373,460	\$340		\$359,515	\$371
Middle Income - 100% AMI		\$338,400	\$242		\$304,829	\$277		\$293,285	\$302
Middle Income - 80% AMI		\$260,200	\$186		\$235,748	\$214		\$226,380	\$233
Low/Mod - 71.7% AMI		\$237,800	\$170		\$194,814	\$177		\$188,189	\$194
		\$1,400,000	\$800		\$1,050,000	\$750		\$834,600	\$692
Residential Sales	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Sales	\$67,200,000	\$1,400,000	\$800	\$22,050,000	\$1,050,000	\$750	\$65,098,800	\$834,600	\$692
(Less) Closing Costs	(\$3,024,000)	(\$63,000)	(\$36)	(\$992,250)	(\$47,300)	(\$34)	(\$2,929,446)	(\$37,600)	(\$31)
(Less) Risk Adjusted Return	(\$6,720,000)	(\$140,000)	(\$80)	(\$2,205,000)	(\$105,000)	(\$75)	(\$7,811,856)	(\$100,200)	(\$83)
Net Sales Proceeds	\$57,456,000	\$1,197,000	\$684	\$18,852,750	\$897,800	\$641	\$54,357,498	\$696,900	\$577
Development Costs excl. Land									
Direct Construction incl conting.	\$33,600,000	\$700,000	\$400	\$10,739,000	\$511,400	\$365	\$35,503,000	\$455,200	\$377
Fees & Permits	\$2,222,400	\$46,300	\$26	\$863,100	\$41,100	\$29	\$2,714,400	\$34,800	\$29
CIL for IH reqrm't	\$5,040,000	\$105,000	\$60	\$1,764,000	\$84,000	\$60	\$1,567,431	\$20,095	\$17
Warranty and Insurance	\$1,344,000	\$28,000	\$16	\$441,000	\$21,000	\$15	\$1,302,000	\$16,700	\$14
G&A/Overhead	\$1,008,000	\$21,000	\$12	\$322,000	\$15,300	\$11	\$1,065,000	\$13,700	\$11
A&E, Legal, Marketing, Other	\$3,024,000	\$63,000	\$36	\$967,000	\$46,000	\$33	\$3,195,000	\$41,000	\$34
Soft Cost Contingency	\$380,000	\$7,900	\$5	\$130,000	\$6,200	\$4	\$414,000	\$5,300	\$4
Financing	\$3,456,000	\$72,000	\$41	\$1,134,000	\$54,000	\$39	\$3,268,200	\$41,900	\$35
Total Costs	\$50,074,400	\$1,043,200	\$596	\$16,360,100	\$779,100	\$557	\$49,029,031	\$628,600	\$521
Residual Land Value	\$7,382,400	\$153,800	\$88	\$2,492,700	\$118,700	\$85	\$5,327,400	\$68,300	\$57
per acre	\$3,691,200			\$3,115,875			\$2,663,700		
price PSF land	\$85			\$72			\$61		
Estimated Land Cost (target value)	\$8,712,000	\$181,500	Net Rev as %Costs	\$3,484,800	\$165,900	Net Rev as %Costs	\$8,712,000	\$111,700	Net Rev as %Costs
Total Cost with Land	\$58,786,400	\$1,224,700	97.7%	\$19,844,900	\$945,000	95.0%	\$57,741,031	\$740,300	94.1%
Feasibility Classification	Marginal Feasibility			Marginal Feasibility			Marginal Feasibility		

Appendix Table FS 1G
For-Sale Pro Forma, Existing Ordinance, Cash In-Lieu at \$75 PSF
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Townhomes / Rowhomes			Small Stacked Condo Project, Three Stories			Larger Stacked Condo Project, Four Stories		
Residential Unit Mix	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF
Market Rate	100%	48	1,750	100%	21	1,400	85%	66	1,250
Middle Income - 120% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Middle Income - 100% AMI	0%	0	1,400	0%	0	1,100	1%	1	970
Middle Income - 80% AMI	0%	0	1,400	0%	0	1,100	1%	1	970
Low/Mod - 71.7% AMI	0%	0	1,400	0%	0	1,100	13%	10	970
	100%	48	1,750	100%	21	1,400	100%	78	1,207
	[100% cash in-lieu]			[100% cash in-lieu]			[half on-site per com benefit reqrm't]		
Sale Price		\$/Unit	\$/NSF		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$1,400,000	\$800		\$1,050,000	\$750		\$950,000	\$760
Middle Income - 120% AMI		\$412,100	\$294		\$373,460	\$340		\$359,515	\$371
Middle Income - 100% AMI		\$338,400	\$242		\$304,829	\$277		\$293,285	\$302
Middle Income - 80% AMI		\$260,200	\$186		\$235,748	\$214		\$226,380	\$233
Low/Mod - 71.7% AMI		\$237,800	\$170		\$194,814	\$177		\$188,189	\$194
		\$1,400,000	\$800		\$1,050,000	\$750		\$834,600	\$692
Residential Sales	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Sales	\$67,200,000	\$1,400,000	\$800	\$22,050,000	\$1,050,000	\$750	\$65,098,800	\$834,600	\$692
(Less) Closing Costs	(\$3,024,000)	(\$63,000)	(\$36)	(\$992,250)	(\$47,300)	(\$34)	(\$2,929,446)	(\$37,600)	(\$31)
(Less) Risk Adjusted Return	(\$6,720,000)	(\$140,000)	(\$80)	(\$2,205,000)	(\$105,000)	(\$75)	(\$7,811,856)	(\$100,200)	(\$83)
Net Sales Proceeds	\$57,456,000	\$1,197,000	\$684	\$18,852,750	\$897,800	\$641	\$54,357,498	\$696,900	\$577
Development Costs excl. Land									
Direct Construction incl conting.	\$33,600,000	\$700,000	\$400	\$10,739,000	\$511,400	\$365	\$35,503,000	\$455,200	\$377
Fees & Permits	\$2,222,400	\$46,300	\$26	\$863,100	\$41,100	\$29	\$2,714,400	\$34,800	\$29
CIL for IH reqrm't	\$6,300,000	\$131,250	\$75	\$2,205,000	\$105,000	\$75	\$1,959,289	\$25,119	\$21
Warranty and Insurance	\$1,344,000	\$28,000	\$16	\$441,000	\$21,000	\$15	\$1,302,000	\$16,700	\$14
G&A/Overhead	\$1,008,000	\$21,000	\$12	\$322,000	\$15,300	\$11	\$1,065,000	\$13,700	\$11
A&E, Legal, Marketing, Other	\$3,024,000	\$63,000	\$36	\$967,000	\$46,000	\$33	\$3,195,000	\$41,000	\$34
Soft Cost Contingency	\$380,000	\$7,900	\$5	\$130,000	\$6,200	\$4	\$414,000	\$5,300	\$4
Financing	\$3,456,000	\$72,000	\$41	\$1,134,000	\$54,000	\$39	\$3,268,200	\$41,900	\$35
Total Costs	\$51,334,400	\$1,069,500	\$611	\$16,801,100	\$800,100	\$572	\$49,420,889	\$633,600	\$525
Residual Land Value									
per acre	\$6,120,000	\$127,500	\$73	\$2,051,700	\$97,700	\$70	\$4,937,400	\$63,300	\$52
price PSF land	\$3,060,000			\$2,564,625			\$2,468,700		
	\$70			\$59			\$57		
Estimated Land Cost (target value)			Net Rev as %Costs			Net Rev as %Costs			Net Rev as %Costs
	\$8,712,000	\$181,500		\$3,484,800	\$165,900		\$8,712,000	\$111,700	
Total Cost with Land	\$60,046,400	\$1,251,000	95.7%	\$20,285,900	\$966,000	92.9%	\$58,132,889	\$745,300	93.5%
Feasibility Classification	Marginal Feasibility			Infeasible / Challenged			Marginal Feasibility		

Appendix Table FS 2A
For-Sale Pro Forma, 25% with Income Mix per Existing Ordinance
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Townhomes / Rowhomes			Small Stacked Condo Project, Three Stories			Larger Stacked Condo Project, Four Stories		
Residential Unit Mix	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF
Market Rate	75%	36	1,750	75%	16	1,400	72%	56	1,250
Middle Income - 120% AMI	4%	2	1,400	4%	1	1,100	5%	4	970
Middle Income - 100% AMI	4%	2	1,400	4%	1	1,100	5%	4	970
Middle Income - 80% AMI	4%	2	1,400	4%	1	1,100	5%	4	970
Low/Mod - 71.7% AMI	13%	6	1,400	13%	3	1,100	14%	11	970
	100%	48	1,663	100%	21	1,325	100%	78	1,172
	[25% on-site, mix low/mod & middle]			[25% on-site, mix low/mod & middle]			[25% on-site, + added 11% 4th floor]		
Sale Price		\$/Unit	\$/NSF		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$1,400,000	\$800		\$1,050,000	\$750		\$950,000	\$760
Middle Income - 120% AMI		\$412,100	\$294		\$373,460	\$340		\$359,515	\$371
Middle Income - 100% AMI		\$338,400	\$242		\$304,829	\$277		\$293,285	\$302
Middle Income - 80% AMI		\$260,200	\$186		\$235,748	\$214		\$226,380	\$233
Low/Mod - 71.7% AMI		\$237,800	\$170		\$194,814	\$177		\$188,189	\$194
		\$1,121,800	\$675		\$849,900	\$641		\$753,100	\$642
Residential Sales	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Sales	\$53,846,400	\$1,121,800	\$675	\$17,847,900	\$849,900	\$641	\$58,741,800	\$753,100	\$642
(Less) Closing Costs	(\$2,423,088)	(\$50,500)	(\$30)	(\$803,156)	(\$38,200)	(\$29)	(\$2,643,381)	(\$33,900)	(\$29)
(Less) Risk Adjusted Return	(\$5,384,640)	(\$112,200)	(\$67)	(\$1,784,790)	(\$85,000)	(\$64)	(\$7,049,016)	(\$90,400)	(\$77)
Net Sales Proceeds	\$46,038,672	\$959,100	\$577	\$15,259,955	\$726,700	\$548	\$49,049,403	\$628,800	\$536
Development Costs excl. Land									
Direct Construction incl conting.	\$31,920,000	\$665,000	\$400	\$10,239,000	\$487,600	\$368	\$34,645,000	\$444,200	\$379
Fees & Permits	\$2,112,000	\$44,000	\$26	\$816,900	\$38,900	\$29	\$2,636,400	\$33,800	\$29
CIL for IH reqrmt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Warranty and Insurance	\$1,076,900	\$22,400	\$13	\$357,000	\$17,000	\$13	\$1,174,800	\$15,100	\$13
G&A/Overhead	\$957,600	\$20,000	\$12	\$307,000	\$14,600	\$11	\$1,039,000	\$13,300	\$11
A&E, Legal, Marketing, Other	\$2,872,800	\$59,900	\$36	\$922,000	\$43,900	\$33	\$3,118,000	\$40,000	\$34
Soft Cost Contingency	\$351,000	\$7,300	\$4	\$120,000	\$5,700	\$4	\$398,000	\$5,100	\$4
Financing	\$2,769,600	\$57,700	\$35	\$917,700	\$43,700	\$33	\$2,948,400	\$37,800	\$32
Total Costs	\$42,059,900	\$876,200	\$527	\$13,679,600	\$651,400	\$492	\$45,959,600	\$589,200	\$503
Residual Land Value	\$3,979,200	\$82,900	\$50	\$1,581,300	\$75,300	\$57	\$3,088,800	\$39,600	\$34
per acre	\$1,989,600			\$1,976,625			\$1,544,400		
price PSF land	\$46			\$45			\$35		
Estimated Land Cost (target value)	\$8,712,000	\$181,500	Net Rev as %Costs	\$3,484,800	\$165,900	Net Rev as %Costs	\$8,712,000	\$111,700	Net Rev as %Costs
Total Cost with Land	\$50,771,900	\$1,057,700	90.7%	\$17,164,400	\$817,300	88.9%	\$54,671,600	\$700,900	89.7%
Feasibility Classification	Infeasible / Challenged			Infeasible / Challenged			Infeasible / Challenged		

Appendix Table FS 2B
For-Sale Pro Forma, 25% at Low / Mod
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Townhomes / Rowhomes			Small Stacked Condo Project, Three Stories			Larger Stacked Condo Project, Four Stories		
Residential Unit Mix	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF
Market Rate	75%	36	1,750	75%	16	1,400	72%	56	1,250
Middle Income - 120% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Middle Income - 100% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Middle Income - 80% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Low/Mod - 71.7% AMI	25%	12	1,400	25%	5	1,100	28%	22	970
	100%	48	1,663	100%	21	1,325	100%	78	1,172
	[25% on-site, low/mod]			[25% on-site, low/mod]			[25% on-site, + added 11% 4th floor]		
Sale Price		\$/Unit	\$/NSF		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$1,400,000	\$800		\$1,050,000	\$750		\$950,000	\$760
Middle Income - 120% AMI		\$412,100	\$294		\$373,460	\$340		\$359,515	\$371
Middle Income - 100% AMI		\$338,400	\$242		\$304,829	\$277		\$293,285	\$302
Middle Income - 80% AMI		\$260,200	\$186		\$235,748	\$214		\$226,380	\$233
Low/Mod - 71.7% AMI		\$237,800	\$170		\$194,814	\$177		\$188,189	\$194
		\$1,109,500	\$667		\$836,200	\$631		\$738,600	\$630
Residential Sales	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Sales	\$53,256,000	\$1,109,500	\$667	\$17,560,200	\$836,200	\$631	\$57,610,800	\$738,600	\$630
(Less) Closing Costs	(\$2,396,520)	(\$49,900)	(\$30)	(\$790,209)	(\$37,600)	(\$28)	(\$2,592,486)	(\$33,200)	(\$28)
(Less) Risk Adjusted Return	(\$5,325,600)	(\$111,000)	(\$67)	(\$1,756,020)	(\$83,600)	(\$63)	(\$6,913,296)	(\$88,600)	(\$76)
Net Sales Proceeds	\$45,533,880	\$948,600	\$571	\$15,013,971	\$715,000	\$540	\$48,105,018	\$616,700	\$526
Development Costs excl. Land									
Direct Construction incl conting.	\$31,920,000	\$665,000	\$400	\$10,239,000	\$487,600	\$368	\$34,645,000	\$444,200	\$379
Fees & Permits	\$2,112,000	\$44,000	\$26	\$816,900	\$38,900	\$29	\$2,636,400	\$33,800	\$29
CIL for IH reqrmt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Warranty and Insurance	\$1,065,100	\$22,200	\$13	\$351,200	\$16,700	\$13	\$1,152,200	\$14,800	\$13
G&A/Overhead	\$957,600	\$20,000	\$12	\$307,000	\$14,600	\$11	\$1,039,000	\$13,300	\$11
A&E, Legal, Marketing, Other	\$2,872,800	\$59,900	\$36	\$922,000	\$43,900	\$33	\$3,118,000	\$40,000	\$34
Soft Cost Contingency	\$350,000	\$7,300	\$4	\$120,000	\$5,700	\$4	\$397,000	\$5,100	\$4
Financing	\$2,736,000	\$57,000	\$34	\$903,000	\$43,000	\$32	\$2,893,800	\$37,100	\$32
Total Costs	\$42,013,500	\$875,300	\$526	\$13,659,100	\$650,400	\$491	\$45,881,400	\$588,200	\$502
Residual Land Value									
per acre	\$3,518,400	\$73,300	\$44	\$1,356,600	\$64,600	\$49	\$2,223,000	\$28,500	\$24
price PSF land	\$1,759,200			\$1,695,750			\$1,111,500		
	\$40			\$39			\$26		
Estimated Land Cost (target value)			Net Rev as %Costs			Net Rev as %Costs			Net Rev as %Costs
	\$8,712,000	\$181,500		\$3,484,800	\$165,900		\$8,712,000	\$111,700	
Total Cost with Land	\$50,725,500	\$1,056,800	89.8%	\$17,143,900	\$816,300	87.6%	\$54,593,400	\$699,900	88.1%
Feasibility Classification	Infeasible / Challenged			Infeasible / Challenged			Infeasible / Challenged		

Appendix Table FS 2C
For-Sale Pro Forma, 25% at 80% AMI
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Townhomes / Rowhomes			Small Stacked Condo Project, Three Stories			Larger Stacked Condo Project, Four Stories		
Residential Unit Mix	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF
Market Rate	75%	36	1,750	75%	16	1,400	72%	56	1,250
Middle Income - 120% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Middle Income - 100% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Middle Income - 80% AMI	25%	12	1,400	25%	5	1,100	28%	22	970
Low/Mod - 71.7% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
	100%	48	1,663	100%	21	1,325	100%	78	1,172
	[25% on-site, middle@80%AMI]			[25% on-site, middle@80%AMI]			[25% on-site, + added 11% 4th floor]		
Sale Price		\$/Unit	\$/NSF		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$1,400,000	\$800		\$1,050,000	\$750		\$950,000	\$760
Middle Income - 120% AMI		\$412,100	\$294		\$373,460	\$340		\$359,515	\$371
Middle Income - 100% AMI		\$338,400	\$242		\$304,829	\$277		\$293,285	\$302
Middle Income - 80% AMI		\$260,200	\$186		\$235,748	\$214		\$226,380	\$233
Low/Mod - 71.7% AMI		\$237,800	\$170		\$194,814	\$177		\$188,189	\$194
		\$1,115,100	\$671		\$846,400	\$639		\$749,200	\$639
Residential Sales	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Sales	\$53,524,800	\$1,115,100	\$671	\$17,774,400	\$846,400	\$639	\$58,437,600	\$749,200	\$639
(Less) Closing Costs	(\$2,408,616)	(\$50,200)	(\$30)	(\$799,848)	(\$38,100)	(\$29)	(\$2,629,692)	(\$33,700)	(\$29)
(Less) Risk Adjusted Return	(\$5,352,480)	(\$111,500)	(\$67)	(\$1,777,440)	(\$84,600)	(\$64)	(\$7,012,512)	(\$89,900)	(\$77)
Net Sales Proceeds	\$45,763,704	\$953,400	\$573	\$15,197,112	\$723,700	\$546	\$48,795,396	\$625,600	\$534
Development Costs excl. Land									
Direct Construction incl conting.	\$31,920,000	\$665,000	\$400	\$10,239,000	\$487,600	\$368	\$34,645,000	\$444,200	\$379
Fees & Permits	\$2,112,000	\$44,000	\$26	\$816,900	\$38,900	\$29	\$2,636,400	\$33,800	\$29
CIL for IH reqrmt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Warranty and Insurance	\$1,070,500	\$22,300	\$13	\$355,500	\$16,900	\$13	\$1,168,800	\$15,000	\$13
G&A/Overhead	\$957,600	\$20,000	\$12	\$307,000	\$14,600	\$11	\$1,039,000	\$13,300	\$11
A&E, Legal, Marketing, Other	\$2,872,800	\$59,900	\$36	\$922,000	\$43,900	\$33	\$3,118,000	\$40,000	\$34
Soft Cost Contingency	\$351,000	\$7,300	\$4	\$120,000	\$5,700	\$4	\$398,000	\$5,100	\$4
Financing	\$2,750,400	\$57,300	\$34	\$913,500	\$43,500	\$33	\$2,932,800	\$37,600	\$32
Total Costs	\$42,034,300	\$875,700	\$527	\$13,673,900	\$651,100	\$491	\$45,938,000	\$588,900	\$502
Residual Land Value	\$3,729,600	\$77,700	\$47	\$1,524,600	\$72,600	\$55	\$2,862,600	\$36,700	\$31
per acre	\$1,864,800			\$1,905,750			\$1,431,300		
price PSF land	\$43			\$44			\$33		
Estimated Land Cost (target value)	\$8,712,000	\$181,500	Net Rev as %Costs	\$3,484,800	\$165,900	Net Rev as %Costs	\$8,712,000	\$111,700	Net Rev as %Costs
Total Cost with Land	\$50,746,300	\$1,057,200	90.2%	\$17,158,700	\$817,000	88.6%	\$54,650,000	\$700,600	89.3%
Feasibility Classification	Infeasible / Challenged			Infeasible / Challenged			Infeasible / Challenged		

Appendix Table FS 2D
For-Sale Pro Forma, 25% at 100% AMI
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Townhomes / Rowhomes			Small Stacked Condo Project, Three Stories			Larger Stacked Condo Project, Four Stories		
Residential Unit Mix	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF
Market Rate	75%	36	1,750	75%	16	1,400	72%	56	1,250
Middle Income - 120% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Middle Income - 100% AMI	25%	12	1,400	25%	5	1,100	28%	22	970
Middle Income - 80% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Low/Mod - 71.7% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
	100%	48	1,663	100%	21	1,325	100%	78	1,172
	[25% on-site, middle@100% AMI]			[25% on-site, middle@100% AMI]			[25% on-site, + added 11% 4th floor]		
Sale Price		\$/Unit	\$/NSF		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$1,400,000	\$800		\$1,050,000	\$750		\$950,000	\$760
Middle Income - 120% AMI		\$412,100	\$294		\$373,460	\$340		\$359,515	\$371
Middle Income - 100% AMI		\$338,400	\$242		\$304,829	\$277		\$293,285	\$302
Middle Income - 80% AMI		\$260,200	\$186		\$235,748	\$214		\$226,380	\$233
Low/Mod - 71.7% AMI		\$237,800	\$170		\$194,814	\$177		\$188,189	\$194
		\$1,134,600	\$682		\$863,700	\$652		\$767,800	\$655
Residential Sales	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Sales	\$54,460,800	\$1,134,600	\$682	\$18,137,700	\$863,700	\$652	\$59,888,400	\$767,800	\$655
(Less) Closing Costs	(\$2,450,736)	(\$51,100)	(\$31)	(\$816,197)	(\$38,900)	(\$29)	(\$2,694,978)	(\$34,600)	(\$30)
(Less) Risk Adjusted Return	(\$5,446,080)	(\$113,500)	(\$68)	(\$1,813,770)	(\$86,400)	(\$65)	(\$7,186,608)	(\$92,100)	(\$79)
Net Sales Proceeds	\$46,563,984	\$970,100	\$584	\$15,507,734	\$738,500	\$557	\$50,006,814	\$641,100	\$547
Development Costs excl. Land									
Direct Construction incl conting.	\$31,920,000	\$665,000	\$400	\$10,239,000	\$487,600	\$368	\$34,645,000	\$444,200	\$379
Fees & Permits	\$2,112,000	\$44,000	\$26	\$816,900	\$38,900	\$29	\$2,636,400	\$33,800	\$29
CIL for IH reqrmt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Warranty and Insurance	\$1,089,200	\$22,700	\$14	\$362,800	\$17,300	\$13	\$1,197,800	\$15,400	\$13
G&A/Overhead	\$957,600	\$20,000	\$12	\$307,000	\$14,600	\$11	\$1,039,000	\$13,300	\$11
A&E, Legal, Marketing, Other	\$2,872,800	\$59,900	\$36	\$922,000	\$43,900	\$33	\$3,118,000	\$40,000	\$34
Soft Cost Contingency	\$352,000	\$7,300	\$4	\$120,000	\$5,700	\$4	\$400,000	\$5,100	\$4
Financing	\$2,798,400	\$58,300	\$35	\$932,400	\$44,400	\$34	\$3,003,000	\$38,500	\$33
Total Costs	\$42,102,000	\$877,100	\$528	\$13,700,100	\$652,400	\$492	\$46,039,200	\$590,200	\$503
Residual Land Value	\$4,464,000	\$93,000	\$56	\$1,808,100	\$86,100	\$65	\$3,970,200	\$50,900	\$43
per acre	\$2,232,000			\$2,260,125			\$1,985,100		
price PSF land	\$51			\$52			\$46		
Estimated Land Cost (target value)	\$8,712,000	\$181,500	Net Rev as %Costs	\$3,484,800	\$165,900	Net Rev as %Costs	\$8,712,000	\$111,700	Net Rev as %Costs
Total Cost with Land	\$50,814,000	\$1,058,600	91.6%	\$17,184,900	\$818,300	90.2%	\$54,751,200	\$701,900	91.3%
Feasibility Classification	Infeasible / Challenged			Infeasible / Challenged			Infeasible / Challenged		

Appendix Table FS 2E
For-Sale Pro Forma, 25% at 120% AMI
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Townhomes / Rowhomes			Small Stacked Condo Project, Three Stories			Larger Stacked Condo Project, Four Stories		
Residential Unit Mix	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF
Market Rate	75%	36	1,750	75%	16	1,400	72%	56	1,250
Middle Income - 120% AMI	25%	12	1,400	25%	5	1,100	28%	22	970
Middle Income - 100% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Middle Income - 80% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Low/Mod - 71.7% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
	100%	48	1,663	100%	21	1,325	100%	78	1,172
	[25% on-site, middle@120% AMI]			[25% on-site, middle@120% AMI]			[25% on-site, + added 11% 4th floor]		
Sale Price		\$/Unit	\$/NSF		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$1,400,000	\$800		\$1,050,000	\$750		\$950,000	\$760
Middle Income - 120% AMI		\$412,100	\$294		\$373,460	\$340		\$359,515	\$371
Middle Income - 100% AMI		\$338,400	\$242		\$304,829	\$277		\$293,285	\$302
Middle Income - 80% AMI		\$260,200	\$186		\$235,748	\$214		\$226,380	\$233
Low/Mod - 71.7% AMI		\$237,800	\$170		\$194,814	\$177		\$188,189	\$194
		\$1,153,000	\$694		\$880,900	\$665		\$786,100	\$671
Residential Sales	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Sales	\$55,344,000	\$1,153,000	\$694	\$18,498,900	\$880,900	\$665	\$61,315,800	\$786,100	\$671
(Less) Closing Costs	(\$2,490,480)	(\$51,900)	(\$31)	(\$832,451)	(\$39,600)	(\$30)	(\$2,759,211)	(\$35,400)	(\$30)
(Less) Risk Adjusted Return	(\$5,534,400)	(\$115,300)	(\$69)	(\$1,849,890)	(\$88,100)	(\$66)	(\$7,357,896)	(\$94,300)	(\$80)
Net Sales Proceeds	\$47,319,120	\$985,800	\$593	\$15,816,560	\$753,200	\$568	\$51,198,693	\$656,400	\$560
Development Costs excl. Land									
Direct Construction incl conting.	\$31,920,000	\$665,000	\$400	\$10,239,000	\$487,600	\$368	\$34,645,000	\$444,200	\$379
Fees & Permits	\$2,112,000	\$44,000	\$26	\$816,900	\$38,900	\$29	\$2,636,400	\$33,800	\$29
CIL for IH reqrmt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Warranty and Insurance	\$1,106,900	\$23,100	\$14	\$370,000	\$17,600	\$13	\$1,226,300	\$15,700	\$13
G&A/Overhead	\$957,600	\$20,000	\$12	\$307,000	\$14,600	\$11	\$1,039,000	\$13,300	\$11
A&E, Legal, Marketing, Other	\$2,872,800	\$59,900	\$36	\$922,000	\$43,900	\$33	\$3,118,000	\$40,000	\$34
Soft Cost Contingency	\$352,000	\$7,300	\$4	\$121,000	\$5,800	\$4	\$401,000	\$5,100	\$4
Financing	\$2,846,400	\$59,300	\$36	\$951,300	\$45,300	\$34	\$3,081,000	\$39,500	\$34
Total Costs	\$42,167,700	\$878,500	\$528	\$13,727,200	\$653,700	\$493	\$46,146,700	\$591,600	\$505
Residual Land Value	\$5,150,400	\$107,300	\$65	\$2,089,500	\$99,500	\$75	\$5,054,400	\$64,800	\$55
per acre	\$2,575,200			\$2,611,875			\$2,527,200		
price PSF land	\$59			\$60			\$58		
Estimated Land Cost (target value)	\$8,712,000	\$181,500	Net Rev as %Costs	\$3,484,800	\$165,900	Net Rev as %Costs	\$8,712,000	\$111,700	Net Rev as %Costs
Total Cost with Land	\$50,879,700	\$1,060,000	93.0%	\$17,212,000	\$819,600	91.9%	\$54,858,700	\$703,300	93.3%
Feasibility Classification	Marginal Feasibility			Infeasible / Challenged			Marginal Feasibility		

Appendix Table FS 3A
For-Sale Pro Forma, Mix of Low/Mod and Middle at 80% and 100% Representing Similar Cost to Existing CIL
Inclusionary Housing Analysis
Boulder, CO
DRAFT

	Townhomes / Rowhomes			Small Stacked Condo Project, Three Stories			Larger Stacked Condo Project, Four Stories		
Residential Unit Mix	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF
Market Rate	86%	41	1,750	86%	18	1,400	83%	65	1,250
Middle Income - 120% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Middle Income - 100% AMI	5%	2	1,400	5%	1	1,100	6%	4	970
Middle Income - 80% AMI	5%	2	1,400	5%	1	1,100	6%	4	970
Low/Mod - 71.7% AMI	5%	2	1,400	5%	1	1,100	6%	4	970
	100%	48	1,701	100%	21	1,358	100%	78	1,203
	[13.9% on-site, mix low/mod & middle]			[13.9% on-site, mix low/mod & middle]			[13.9% on-site, + added 11% 4th floor]		
Sale Price		\$/Unit	\$/NSF		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$1,400,000	\$800		\$1,050,000	\$750		\$950,000	\$760
Middle Income - 120% AMI		\$412,100	\$294		\$373,460	\$340		\$359,515	\$371
Middle Income - 100% AMI		\$338,400	\$242		\$304,829	\$277		\$293,285	\$302
Middle Income - 80% AMI		\$260,200	\$186		\$235,748	\$214		\$226,380	\$233
Low/Mod - 71.7% AMI		\$237,800	\$170		\$194,814	\$177		\$188,189	\$194
		\$1,244,200	\$731		\$938,100	\$691		\$831,100	\$691
Residential Sales	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Sales	\$59,721,600	\$1,244,200	\$731	\$19,700,100	\$938,100	\$691	\$64,825,800	\$831,100	\$691
(Less) Closing Costs	(\$2,687,472)	(\$56,000)	(\$33)	(\$886,505)	(\$42,200)	(\$31)	(\$2,917,161)	(\$37,400)	(\$31)
(Less) Risk Adjusted Return	(\$5,972,160)	(\$124,400)	(\$73)	(\$1,970,010)	(\$93,800)	(\$69)	(\$7,779,096)	(\$99,700)	(\$83)
Net Sales Proceeds	\$51,061,968	\$1,063,800	\$625	\$16,843,586	\$802,100	\$591	\$54,129,543	\$694,000	\$577
Development Costs excl. Land									
Direct Construction incl conting.	\$32,665,920	\$680,500	\$400	\$10,461,000	\$498,100	\$367	\$35,416,000	\$454,100	\$377
Fees & Permits	\$2,160,000	\$45,000	\$26	\$837,900	\$39,900	\$29	\$2,706,600	\$34,700	\$29
CIL for IH reqrmt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Warranty and Insurance	\$1,194,400	\$24,900	\$15	\$394,000	\$18,800	\$14	\$1,296,500	\$16,600	\$14
G&A/Overhead	\$979,978	\$20,400	\$12	\$314,000	\$15,000	\$11	\$1,062,000	\$13,600	\$11
A&E, Legal, Marketing, Other	\$2,939,933	\$61,200	\$36	\$941,000	\$44,800	\$33	\$3,187,000	\$40,900	\$34
Soft Cost Contingency	\$364,000	\$7,600	\$4	\$124,000	\$5,900	\$4	\$413,000	\$5,300	\$4
Financing	\$3,072,000	\$64,000	\$38	\$1,012,200	\$48,200	\$35	\$3,252,600	\$41,700	\$35
Total Costs	\$43,376,230	\$903,700	\$531	\$14,084,100	\$670,700	\$494	\$47,333,700	\$606,800	\$504
Residual Land Value									
per acre	\$7,684,800	\$160,100	\$94	\$2,759,400	\$131,400	\$97	\$6,801,600	\$87,200	\$72
price PSF land	\$3,842,400			\$3,449,250			\$3,400,800		
	\$88			\$79			\$78		
Estimated Land Cost (target value)	\$8,712,000	\$181,500	Net Rev as %Costs	\$3,484,800	\$165,900	Net Rev as %Costs	\$8,712,000	\$111,700	Net Rev as %Costs
Total Cost with Land	\$52,088,230	\$1,085,200	98.0%	\$17,568,900	\$836,600	95.9%	\$56,045,700	\$718,500	96.6%
Feasibility Classification	Feasible			Marginal Feasibility			Marginal Feasibility		

Appendix Table FS 3B
For-Sale Pro Forma, Middle Income Representing Similar Cost to Existing CIL
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Townhomes / Rowhomes			Small Stacked Condo Project, Three Stories			Larger Stacked Condo Project, Four Stories		
Residential Unit Mix	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF
Market Rate	85%	41	1,750	85%	18	1,400	83%	64	1,250
Middle Income - 120% AMI	5%	2	1,400	5%	1	1,100	6%	5	970
Middle Income - 100% AMI	5%	2	1,400	5%	1	1,100	6%	5	970
Middle Income - 80% AMI	5%	2	1,400	5%	1	1,100	6%	5	970
Low/Mod - 71.7% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
	100%	48	1,699	100%	21	1,356	100%	78	1,201
	[14.7% on-site, middle income]			[14.7% on-site, middle income]			[14.7% on-site, + added 11% 4th floor]		
Sale Price		\$/Unit	\$/NSF		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$1,400,000	\$800		\$1,050,000	\$750		\$950,000	\$760
Middle Income - 120% AMI		\$412,100	\$294		\$373,460	\$340		\$359,515	\$371
Middle Income - 100% AMI		\$338,400	\$242		\$304,829	\$277		\$293,285	\$302
Middle Income - 80% AMI		\$260,200	\$186		\$235,748	\$214		\$226,380	\$233
Low/Mod - 71.7% AMI		\$237,800	\$170		\$194,814	\$177		\$188,189	\$194
		\$1,243,700	\$732		\$940,400	\$694		\$835,400	\$696
Residential Sales	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Sales	\$59,697,600	\$1,243,700	\$732	\$19,748,400	\$940,400	\$694	\$65,161,200	\$835,400	\$696
(Less) Closing Costs	(\$2,686,392)	(\$56,000)	(\$33)	(\$888,678)	(\$42,300)	(\$31)	(\$2,932,254)	(\$37,600)	(\$31)
(Less) Risk Adjusted Return	(\$5,969,760)	(\$124,400)	(\$73)	(\$1,974,840)	(\$94,000)	(\$69)	(\$7,819,344)	(\$100,200)	(\$83)
Net Sales Proceeds	\$51,041,448	\$1,063,400	\$626	\$16,884,882	\$804,000	\$593	\$54,409,602	\$697,600	\$581
Development Costs excl. Land									
Direct Construction incl conting.	\$32,612,160	\$679,400	\$400	\$10,445,000	\$497,400	\$367	\$35,360,000	\$453,300	\$377
Fees & Permits	\$2,160,000	\$45,000	\$26	\$837,900	\$39,900	\$29	\$2,698,800	\$34,600	\$29
CIL for IH reqrmt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Warranty and Insurance	\$1,194,000	\$24,900	\$15	\$395,000	\$18,800	\$14	\$1,303,200	\$16,700	\$14
G&A/Overhead	\$978,365	\$20,400	\$12	\$313,000	\$14,900	\$11	\$1,061,000	\$13,600	\$11
A&E, Legal, Marketing, Other	\$2,935,094	\$61,100	\$36	\$940,000	\$44,800	\$33	\$3,182,000	\$40,800	\$34
Soft Cost Contingency	\$363,000	\$7,600	\$4	\$124,000	\$5,900	\$4	\$412,000	\$5,300	\$4
Financing	\$3,067,200	\$63,900	\$38	\$1,014,300	\$48,300	\$36	\$3,268,200	\$41,900	\$35
Total Costs	\$43,309,819	\$902,300	\$531	\$14,069,200	\$670,000	\$494	\$47,285,200	\$606,200	\$505
Residual Land Value	\$7,732,800	\$161,100	\$95	\$2,814,000	\$134,000	\$99	\$7,129,200	\$91,400	\$76
per acre	\$3,866,400			\$3,517,500			\$3,564,600		
price PSF land	\$89			\$81			\$82		
Estimated Land Cost (target value)	\$8,712,000	\$181,500	Net Rev as %Costs	\$3,484,800	\$165,900	Net Rev as %Costs	\$8,712,000	\$111,700	Net Rev as %Costs
Total Cost with Land	\$52,021,819	\$1,083,800	98.1%	\$17,554,000	\$835,900	96.2%	\$55,997,200	\$717,900	97.2%
Feasibility Classification	Feasible			Marginal Feasibility			Marginal Feasibility		

Appendix Table FS 3C
For-Sale Pro Forma, Low/Mod Requirement Representing Similar Cost to Existing CIL
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Townhomes / Rowhomes			Small Stacked Condo Project, Three Stories			Larger Stacked Condo Project, Four Stories		
Residential Unit Mix	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF
Market Rate	87%	42	1,750	87%	18	1,400	84%	66	1,250
Middle Income - 120% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Middle Income - 100% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Middle Income - 80% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Low/Mod - 71.7% AMI	13.2%	6	1,400	13.2%	3	1,100	16.0%	12	970
	100%	48	1,704	100%	21	1,360	100%	78	1,205
	[13.2% on-site, low/mod]			[13.2% on-site, low/mod]			[13.2% on-site, + added 11% 4th floor]		
Sale Price		\$/Unit	\$/NSF		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$1,400,000	\$800		\$1,050,000	\$750		\$950,000	\$760
Middle Income - 120% AMI		\$412,100	\$294		\$373,460	\$340		\$359,515	\$371
Middle Income - 100% AMI		\$338,400	\$242		\$304,829	\$277		\$293,285	\$302
Middle Income - 80% AMI		\$260,200	\$186		\$235,748	\$214		\$226,380	\$233
Low/Mod - 71.7% AMI		\$237,800	\$170		\$194,814	\$177		\$188,189	\$194
		\$1,246,600	\$732		\$937,100	\$689		\$828,500	\$687
Residential Sales	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Sales	\$59,836,800	\$1,246,600	\$732	\$19,679,100	\$937,100	\$689	\$64,623,000	\$828,500	\$687
(Less) Closing Costs	(\$2,692,656)	(\$56,100)	(\$33)	(\$885,560)	(\$42,200)	(\$31)	(\$2,908,035)	(\$37,300)	(\$31)
(Less) Risk Adjusted Return	(\$5,983,680)	(\$124,700)	(\$73)	(\$1,967,910)	(\$93,700)	(\$69)	(\$7,754,760)	(\$99,400)	(\$82)
Net Sales Proceeds	\$51,160,464	\$1,065,800	\$626	\$16,825,631	\$801,200	\$589	\$53,960,205	\$691,800	\$574
Development Costs excl. Land									
Direct Construction incl conting.	\$32,712,960	\$681,500	\$400	\$10,475,000	\$498,800	\$367	\$35,464,000	\$454,700	\$377
Fees & Permits	\$2,164,800	\$45,100	\$26	\$840,000	\$40,000	\$29	\$2,706,600	\$34,700	\$29
CIL for IH reqrmt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Warranty and Insurance	\$1,196,700	\$24,900	\$15	\$393,600	\$18,700	\$14	\$1,292,500	\$16,600	\$14
G&A/Overhead	\$981,389	\$20,400	\$12	\$314,000	\$15,000	\$11	\$1,064,000	\$13,600	\$11
A&E, Legal, Marketing, Other	\$2,944,166	\$61,300	\$36	\$943,000	\$44,900	\$33	\$3,192,000	\$40,900	\$34
Soft Cost Contingency	\$364,000	\$7,600	\$4	\$125,000	\$6,000	\$4	\$413,000	\$5,300	\$4
Financing	\$3,076,800	\$64,100	\$38	\$1,012,200	\$48,200	\$35	\$3,244,800	\$41,600	\$35
Total Costs	\$43,440,815	\$905,000	\$531	\$14,102,800	\$671,600	\$494	\$47,376,900	\$607,400	\$504
Residual Land Value									
per acre	\$7,718,400	\$160,800	\$94	\$2,721,600	\$129,600	\$95	\$6,583,200	\$84,400	\$70
price PSF land	\$3,859,200			\$3,402,000			\$3,291,600		
	\$89			\$78			\$76		
Estimated Land Cost (target value)	\$8,712,000	\$181,500	Net Rev as %Costs	\$3,484,800	\$165,900	Net Rev as %Costs	\$8,712,000	\$111,700	Net Rev as %Costs
Total Cost with Land	\$52,152,815	\$1,086,500	98.1%	\$17,587,600	\$837,500	95.7%	\$56,088,900	\$719,100	96.2%
Feasibility Classification	Feasible			Marginal Feasibility			Marginal Feasibility		

Appendix Table FS 3D
For-Sale Pro Forma, 80% AMI Requirement Representing Similar Cost to Existing CIL
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Townhomes / Rowhomes			Small Stacked Condo Project, Three Stories			Larger Stacked Condo Project, Four Stories		
Residential Unit Mix	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF
Market Rate	86%	41	1,750	86%	18	1,400	84%	65	1,250
Middle Income - 120% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Middle Income - 100% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Middle Income - 80% AMI	13.6%	7	1,400	13.6%	3	1,100	16%	13	970
Low/Mod - 71.7% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
	100%	48	1,702	100%	21	1,359	100%	78	1,204
	[13.6% on-site, all MI at 80% AMI]			[13.6% on-site, all MI at 80% AMI]			[13.6% on-site, + added 11% 4th floor]		
Sale Price		\$/Unit	\$/NSF		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$1,400,000	\$800		\$1,050,000	\$750		\$950,000	\$760
Middle Income - 120% AMI		\$412,100	\$294		\$373,460	\$340		\$359,515	\$371
Middle Income - 100% AMI		\$338,400	\$242		\$304,829	\$277		\$293,285	\$302
Middle Income - 80% AMI		\$260,200	\$186		\$235,748	\$214		\$226,380	\$233
Low/Mod - 71.7% AMI		\$237,800	\$170		\$194,814	\$177		\$188,189	\$194
		\$1,245,000	\$731		\$939,300	\$691		\$831,700	\$691
Residential Sales	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Sales	\$59,760,000	\$1,245,000	\$731	\$19,725,300	\$939,300	\$691	\$64,872,600	\$831,700	\$691
(Less) Closing Costs	(\$2,689,200)	(\$56,000)	(\$33)	(\$887,639)	(\$42,300)	(\$31)	(\$2,919,267)	(\$37,400)	(\$31)
(Less) Risk Adjusted Return	(\$5,976,000)	(\$124,500)	(\$73)	(\$1,972,530)	(\$93,900)	(\$69)	(\$7,784,712)	(\$99,800)	(\$83)
Net Sales Proceeds	\$51,094,800	\$1,064,500	\$625	\$16,865,132	\$803,100	\$591	\$54,168,621	\$694,500	\$577
Development Costs excl. Land									
Direct Construction incl conting.	\$32,686,080	\$681,000	\$400	\$10,467,000	\$498,400	\$367	\$35,436,000	\$454,300	\$377
Fees & Permits	\$2,164,800	\$45,100	\$26	\$840,000	\$40,000	\$29	\$2,706,600	\$34,700	\$29
CIL for IH reqrmt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Warranty and Insurance	\$1,195,200	\$24,900	\$15	\$394,500	\$18,800	\$14	\$1,297,500	\$16,600	\$14
G&A/Overhead	\$980,582	\$20,400	\$12	\$314,000	\$15,000	\$11	\$1,063,000	\$13,600	\$11
A&E, Legal, Marketing, Other	\$2,941,747	\$61,300	\$36	\$942,000	\$44,900	\$33	\$3,189,000	\$40,900	\$34
Soft Cost Contingency	\$364,000	\$7,600	\$4	\$125,000	\$6,000	\$4	\$413,000	\$5,300	\$4
Financing	\$3,072,000	\$64,000	\$38	\$1,014,300	\$48,300	\$36	\$3,260,400	\$41,800	\$35
Total Costs	\$43,404,410	\$904,300	\$531	\$14,096,800	\$671,300	\$494	\$47,365,500	\$607,300	\$504
Residual Land Value									
per acre	\$7,689,600	\$160,200	\$94	\$2,767,800	\$131,800	\$97	\$6,801,600	\$87,200	\$72
price PSF land	\$3,844,800			\$3,459,750			\$3,400,800		
	\$88			\$79			\$78		
Estimated Land Cost (target value)	\$8,712,000	\$181,500	Net Rev as %Costs	\$3,484,800	\$165,900	Net Rev as %Costs	\$8,712,000	\$111,700	Net Rev as %Costs
Total Cost with Land	\$52,116,410	\$1,085,800	98.0%	\$17,581,600	\$837,200	95.9%	\$56,077,500	\$719,000	96.6%
Feasibility Classification	Feasible			Marginal Feasibility			Marginal Feasibility		

Appendix Table FS 3E
For-Sale Pro Forma, 100% AMI Requirement Representing Similar Cost to Existing CIL
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Townhomes / Rowhomes			Small Stacked Condo Project, Three Stories			Larger Stacked Condo Project, Four Stories		
Residential Unit Mix	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF
Market Rate	85%	41	1,750	85%	18	1,400	82%	64	1,250
Middle Income - 120% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Middle Income - 100% AMI	14.9%	7	1,400	15%	3	1,100	18%	14	970
Middle Income - 80% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Low/Mod - 71.7% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
	100%	48	1,698	100%	21	1,355	100%	78	1,201
	[14.9% on-site, all MI at 100% AMI]			[14.9% on-site, all MI at 100% AMI]			[14.9% on-site, + added 11% 4th floor]		
Sale Price		\$/Unit	\$/NSF		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$1,400,000	\$800		\$1,050,000	\$750		\$950,000	\$760
Middle Income - 120% AMI		\$412,100	\$294		\$373,460	\$340		\$359,515	\$371
Middle Income - 100% AMI		\$338,400	\$242		\$304,829	\$277		\$293,285	\$302
Middle Income - 80% AMI		\$260,200	\$186		\$235,748	\$214		\$226,380	\$233
Low/Mod - 71.7% AMI		\$237,800	\$170		\$194,814	\$177		\$188,189	\$194
		\$1,241,800	\$731		\$939,000	\$693		\$834,100	\$695
Residential Sales	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Sales	\$59,606,400	\$1,241,800	\$731	\$19,719,000	\$939,000	\$693	\$65,059,800	\$834,100	\$695
(Less) Closing Costs	(\$2,682,288)	(\$55,900)	(\$33)	(\$887,355)	(\$42,300)	(\$31)	(\$2,927,691)	(\$37,500)	(\$31)
(Less) Risk Adjusted Return	(\$5,960,640)	(\$124,200)	(\$73)	(\$1,971,900)	(\$93,900)	(\$69)	(\$7,807,176)	(\$100,100)	(\$83)
Net Sales Proceeds	\$50,963,472	\$1,061,700	\$625	\$16,859,745	\$802,800	\$592	\$54,324,933	\$696,500	\$580
Development Costs excl. Land									
Direct Construction incl conting.	\$32,598,720	\$679,100	\$400	\$10,441,000	\$497,200	\$367	\$35,346,000	\$453,200	\$377
Fees & Permits	\$2,155,200	\$44,900	\$26	\$835,800	\$39,800	\$29	\$2,698,800	\$34,600	\$29
CIL for IH reqrmt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Warranty and Insurance	\$1,192,100	\$24,800	\$15	\$394,400	\$18,800	\$14	\$1,301,200	\$16,700	\$14
G&A/Overhead	\$977,962	\$20,400	\$12	\$313,000	\$14,900	\$11	\$1,060,000	\$13,600	\$11
A&E, Legal, Marketing, Other	\$2,933,885	\$61,100	\$36	\$940,000	\$44,800	\$33	\$3,181,000	\$40,800	\$34
Soft Cost Contingency	\$363,000	\$7,600	\$4	\$124,000	\$5,900	\$4	\$412,000	\$5,300	\$4
Financing	\$3,062,400	\$63,800	\$38	\$1,014,300	\$48,300	\$36	\$3,268,200	\$41,900	\$35
Total Costs	\$43,283,266	\$901,700	\$531	\$14,062,500	\$669,600	\$494	\$47,267,200	\$606,000	\$505
Residual Land Value									
per acre	\$7,680,000	\$160,000	\$94	\$2,797,200	\$133,200	\$98	\$7,059,000	\$90,500	\$75
price PSF land	\$3,840,000			\$3,496,500			\$3,529,500		
	\$88			\$80			\$81		
Estimated Land Cost (target value)	\$8,712,000	\$181,500	Net Rev as %Costs	\$3,484,800	\$165,900	Net Rev as %Costs	\$8,712,000	\$111,700	Net Rev as %Costs
Total Cost with Land	\$51,995,266	\$1,083,200	98.0%	\$17,547,300	\$835,500	96.1%	\$55,979,200	\$717,700	97.0%
Feasibility Classification	Feasible			Marginal Feasibility			Marginal Feasibility		

Appendix Table FS 4A
For-Sale Pro Forma, No Requirement
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Townhomes / Rowhomes			Small Stacked Condo Project, Three Stories			Larger Stacked Condo Project, Four Stories		
Residential Unit Mix	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF	% of Units	No. Units	Unit SF
Market Rate	100%	48	1,750	100%	21	1,400	100%	78	1,250
Middle Income - 120% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Middle Income - 100% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Middle Income - 80% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
Low/Mod - 71.7% AMI	0%	0	1,400	0%	0	1,100	0%	0	970
	100%	48	1,750	100%	21	1,400	100%	78	1,250
	[100% cash in-lieu]			[100% cash in-lieu]			[half on-site per com benefit reqrm't]		
Sale Price		\$/Unit	\$/NSF		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$1,400,000	\$800		\$1,050,000	\$750		\$950,000	\$760
Middle Income - 120% AMI		\$412,100	\$294		\$373,460	\$340		\$359,515	\$371
Middle Income - 100% AMI		\$338,400	\$242		\$304,829	\$277		\$293,285	\$302
Middle Income - 80% AMI		\$260,200	\$186		\$235,748	\$214		\$226,380	\$233
Low/Mod - 71.7% AMI		\$237,800	\$170		\$194,814	\$177		\$188,189	\$194
		\$1,400,000	\$800		\$1,050,000	\$750		\$950,000	\$760
Residential Sales	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Sales	\$67,200,000	\$1,400,000	\$800	\$22,050,000	\$1,050,000	\$750	\$74,100,000	\$950,000	\$760
(Less) Closing Costs	(\$3,024,000)	(\$63,000)	(\$36)	(\$992,250)	(\$47,300)	(\$34)	(\$3,334,500)	(\$42,800)	(\$34)
(Less) Risk Adjusted Return	(\$6,720,000)	(\$140,000)	(\$80)	(\$2,205,000)	(\$105,000)	(\$75)	(\$8,892,000)	(\$114,000)	(\$91)
Net Sales Proceeds	\$57,456,000	\$1,197,000	\$684	\$18,852,750	\$897,800	\$641	\$61,873,500	\$793,300	\$635
Development Costs excl. Land									
Direct Construction incl conting.	\$33,600,000	\$700,000	\$400	\$10,739,000	\$511,400	\$365	\$36,571,000	\$468,900	\$375
Fees & Permits	\$2,222,400	\$46,300	\$26	\$863,100	\$41,100	\$29	\$2,808,000	\$36,000	\$29
CIL for IH reqrmt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Warranty and Insurance	\$1,344,000	\$28,000	\$16	\$441,000	\$21,000	\$15	\$1,482,000	\$19,000	\$15
G&A/Overhead	\$1,008,000	\$21,000	\$12	\$322,000	\$15,300	\$11	\$1,097,000	\$14,100	\$11
A&E, Legal, Marketing, Other	\$3,024,000	\$63,000	\$36	\$967,000	\$46,000	\$33	\$3,291,000	\$42,200	\$34
Soft Cost Contingency	\$380,000	\$7,900	\$5	\$130,000	\$6,200	\$4	\$434,000	\$5,600	\$4
Financing	\$3,456,000	\$72,000	\$41	\$1,134,000	\$54,000	\$39	\$3,720,600	\$47,700	\$38
Total Costs	\$45,034,400	\$938,200	\$536	\$14,596,100	\$695,100	\$497	\$49,403,600	\$633,400	\$507
Residual Land Value	\$12,422,400	\$258,800	\$148	\$4,256,700	\$202,700	\$145	\$12,472,200	\$159,900	\$128
per acre	\$6,211,200			\$5,320,875			\$6,236,100		
price PSF land	\$143			\$122			\$143		
Estimated Land Cost (target value)	\$8,712,000	\$181,500	Net Rev as %Costs	\$3,484,800	\$165,900	Net Rev as %Costs	\$8,712,000	\$111,700	Net Rev as %Costs
Total Cost with Land	\$53,746,400	\$1,119,700	106.9%	\$18,080,900	\$861,000	104.3%	\$58,115,600	\$745,100	106.5%
Feasibility Classification	Feasible			Feasible			Feasible		

Appendix Table FS 5
Townhomes, Reduced Density
Inclusionary Housing Analysis
Boulder, CO

DRAFT

Site Size/Density	Townhomes, Reduced Density		
	2 acres	11 du/ac.	
	two story wood frame		
Residential Unit Mix	% of Units	No. Units	Unit SF
Market Rate	100%	22	1,750
Middle Income - 120% AMI	0%	0	1,400
Middle Income - 100% AMI	0%	0	1,400
Middle Income - 80% AMI	0%	0	1,400
Low/Mod - 71.7% AMI	0%	0	1,400
	100%	22	1,750
	<i>[100% cash in-lieu]</i>		
Sale Price	\$/Unit	\$/NSF	
Market Rate	\$1,085,000	\$620	
Middle Income - 120% AMI	\$412,100	\$294	
Middle Income - 100% AMI	\$338,400	\$242	
Middle Income - 80% AMI	\$260,200	\$186	
Low/Mod - 71.7% AMI	\$237,800	\$170	
	\$1,085,000	\$620	
Residential Sales	Total	\$/Unit	\$/NSF
Gross Sales	\$23,870,000	\$1,085,000	\$620
(Less) Closing Costs	(\$1,074,150)	(\$48,800)	(\$28)
(Less) Risk Adjusted Return	<u>(\$2,387,000)</u>	<u>(\$108,500)</u>	<u>(\$62)</u>
Net Sales Proceeds	\$20,408,850	\$927,700	\$530
Development Costs excl. Land			
Total Directs	\$9,240,000	\$420,000	\$240
Fees & Permits	\$1,018,600	\$46,300	\$26
CIL for IH reqrmt @\$50 PSF	\$1,925,000	\$87,500	\$50
Warranty and Insurance	\$477,400	\$21,700	\$12
G&A/Overhead	\$277,200	\$12,600	\$7
A&E, Legal, Marketing, Other	\$831,600	\$37,800	\$22
Soft Cost Contingency	\$130,000	\$5,900	\$3
Financing	<u>\$1,227,600</u>	<u>\$55,800</u>	<u>\$32</u>
Total Costs	\$15,127,400	\$687,600	\$393
Residual Land Value	\$5,282,200	\$240,100	\$137
per acre	\$2,641,100		
price PSF land	\$61		
Estimated Land Cost @\$60/SF	<u>\$5,227,200</u>	<u>\$237,600</u>	Net Rev as %Costs
Total Cost with Land	\$20,354,600	\$925,200	100.3%
Feasibility Classification	Feasible		

Appendix Table R 1A
Rental Pro Forma, Existing Cash In-Lieu
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Rental, Three Stories			Rental, Four Stories Using Community Benefit		
Residential Unit Mix	% of Units	No. Units	Avg SF	% of Units	No. Units	Avg SF
Market Rate	100%	98	750	100%	131	750
Affordable (80% AMI)	0%	0	700	0%	0	700
Affordable (70% AMI)	0%	0	700	0%	0	700
Affordable (60% AMI)	0%	0	700	0%	0	700
Affordable (50% AMI)	0%	0	700	0%	0	700
	100%	98	750	100%	131	750
	<i>[pay cash in-lieu for IH rqmnt]</i>			<i>[pay cash in-lieu for IH rqmnt]</i>		
Monthly Rents		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$2,650	\$3.53		\$2,650	\$3.53
Affordable (80% AMI)		\$1,956	\$2.79		\$1,956	\$2.79
Affordable (70% AMI)		\$1,699	\$2.43		\$1,699	\$2.43
Affordable (60% AMI)		\$1,442	\$2.06		\$1,442	\$2.06
Affordable (50% AMI)		\$1,186	\$1.69		\$1,186	\$1.69
Weighted Average		\$2,650	\$3.53		\$2,650	\$3.53
Operating Income	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Rent per year	\$3,116,400	\$31,800	\$42	\$4,165,800	\$31,800	\$42
Other Income	\$352,800	\$3,600	\$5	\$471,600	\$3,600	\$5
(Less) Vacancy/Bad Debt	(\$173,460)	(\$1,770)	(\$2)	(\$231,870)	(\$1,770)	(\$2)
(Less) OPEX	(\$686,000)	(\$7,000)	(\$9)	(\$917,000)	(\$7,000)	(\$9)
Net Operating Income (NOI)	\$2,609,740	\$26,630	\$36	\$3,488,530	\$26,630	\$36
Supported Investment@5.5% ROC	\$47,452,000	\$484,200	\$646	\$63,430,000	\$484,200	\$646
Development Costs excl. Land						
Direct Construction incl. contng.	\$28,872,900	\$294,600	\$393	\$38,941,350	\$297,300	\$396
Fees & Permits	\$2,989,000	\$30,500	\$41	\$3,995,500	\$30,500	\$41
CIL for IH reqmnt	\$3,842,000	\$39,200	\$52	\$5,712,000	\$43,600	\$58
A&E/prof fees/taxes/Ins./other	\$2,475,000	\$25,300	\$34	\$3,338,000	\$25,500	\$34
Overhead/Admin	\$825,000	\$8,400	\$11	\$1,113,000	\$8,500	\$11
Soft Cost Contingency	\$273,000	\$2,800	\$4	\$367,000	\$2,800	\$4
Financing	\$3,106,600	\$31,700	\$42	\$4,152,700	\$31,700	\$42
Total Costs	\$42,383,500	\$432,500	\$577	\$57,619,550	\$439,900	\$587
Residual Land Value	\$5,066,600	\$51,700	\$69	\$5,803,300	\$44,300	\$59
per acre	\$2,533,300			\$2,901,650		
per square foot land	\$58			\$67		
Estimated Land Cost (target value)	\$6,370,000	\$65,000	Supp Invest as %Costs	\$6,370,000	\$48,600	Supp Invest as %Costs
Total Cost w/Est. Land Cost	\$48,753,500	\$497,500	97.3%	\$63,989,550	\$488,500	99.1%
Feasibility Classification	Marginal Feasibility			Feasible		

Appendix Table R 1B
Rental Pro Forma, Cash In-Lieu at \$35 PSF
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Rental, Three Stories			Rental, Four Stories Using Community Benefit		
Residential Unit Mix	% of Units	No. Units	Avg SF	% of Units	No. Units	Avg SF
Market Rate	100%	98	750	100%	131	750
Affordable (80% AMI)	0%	0	700	0%	0	700
Affordable (70% AMI)	0%	0	700	0%	0	700
Affordable (60% AMI)	0%	0	700	0%	0	700
Affordable (50% AMI)	0%	0	700	0%	0	700
	100%	98	750	100%	131	750
	<i>[pay cash in-lieu for IH rqmnt]</i>			<i>[pay cash in-lieu for IH rqmnt]</i>		
Monthly Rents		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$2,650	\$3.53		\$2,650	\$3.53
Affordable (80% AMI)		\$1,956	\$2.79		\$1,956	\$2.79
Affordable (70% AMI)		\$1,699	\$2.43		\$1,699	\$2.43
Affordable (60% AMI)		\$1,442	\$2.06		\$1,442	\$2.06
Affordable (50% AMI)		\$1,186	\$1.69		\$1,186	\$1.69
Weighted Average		\$2,650	\$3.53		\$2,650	\$3.53
Operating Income	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Rent per year	\$3,116,400	\$31,800	\$42	\$4,165,800	\$31,800	\$42
Other Income	\$352,800	\$3,600	\$5	\$471,600	\$3,600	\$5
(Less) Vacancy/Bad Debt	(\$173,460)	(\$1,770)	(\$2)	(\$231,870)	(\$1,770)	(\$2)
(Less) OPEX	(\$686,000)	(\$7,000)	(\$9)	(\$917,000)	(\$7,000)	(\$9)
Net Operating Income (NOI)	\$2,609,740	\$26,630	\$36	\$3,488,530	\$26,630	\$36
Supported Investment@5.5% ROC	\$47,452,000	\$484,200	\$646	\$63,430,000	\$484,200	\$646
Development Costs excl. Land						
Direct Construction incl. conting.	\$28,872,900	\$294,600	\$393	\$38,941,350	\$297,300	\$396
Fees & Permits	\$2,989,000	\$30,500	\$41	\$3,995,500	\$30,500	\$41
CIL for IH reqmnt	\$2,572,500	\$26,250	\$35	\$3,817,013	\$29,138	\$39
A&E/prof fees/taxes/Ins./other	\$2,475,000	\$25,300	\$34	\$3,338,000	\$25,500	\$34
Overhead/Admin	\$825,000	\$8,400	\$11	\$1,113,000	\$8,500	\$11
Soft Cost Contingency	\$273,000	\$2,800	\$4	\$367,000	\$2,800	\$4
Financing	\$3,106,600	\$31,700	\$42	\$4,152,700	\$31,700	\$42
Total Costs	\$41,114,000	\$419,600	\$559	\$55,724,563	\$425,400	\$567
Residual Land Value	\$6,330,800	\$64,600	\$86	\$7,702,800	\$58,800	\$78
per acre	\$3,165,400			\$3,851,400		
per square foot land	\$73			\$88		
Estimated Land Cost (target value)	\$6,370,000	\$65,000	Supp Invest as %Costs	\$6,370,000	\$48,600	Supp Invest as %Costs
Total Cost w/Est. Land Cost	\$47,484,000	\$484,500	99.9%	\$62,094,563	\$474,000	102.2%
Feasibility Classification	Feasible			Feasible		

Appendix Table R 1C
Rental Pro Forma, Cash In-Lieu at \$40 PSF
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Rental, Three Stories			Rental, Four Stories Using Community Benefit		
Residential Unit Mix	% of Units	No. Units	Avg SF	% of Units	No. Units	Avg SF
Market Rate	100%	98	750	100%	131	750
Affordable (80% AMI)	0%	0	700	0%	0	700
Affordable (70% AMI)	0%	0	700	0%	0	700
Affordable (60% AMI)	0%	0	700	0%	0	700
Affordable (50% AMI)	0%	0	700	0%	0	700
	100%	98	750	100%	131	750
	<i>[pay cash in-lieu for IH rqmnt]</i>			<i>[pay cash in-lieu for IH rqmnt]</i>		
Monthly Rents		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$2,650	\$3.53		\$2,650	\$3.53
Affordable (80% AMI)		\$1,956	\$2.79		\$1,956	\$2.79
Affordable (70% AMI)		\$1,699	\$2.43		\$1,699	\$2.43
Affordable (60% AMI)		\$1,442	\$2.06		\$1,442	\$2.06
Affordable (50% AMI)		\$1,186	\$1.69		\$1,186	\$1.69
Weighted Average		\$2,650	\$3.53		\$2,650	\$3.53
Operating Income	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Rent per year	\$3,116,400	\$31,800	\$42	\$4,165,800	\$31,800	\$42
Other Income	\$352,800	\$3,600	\$5	\$471,600	\$3,600	\$5
(Less) Vacancy/Bad Debt	(\$173,460)	(\$1,770)	(\$2)	(\$231,870)	(\$1,770)	(\$2)
(Less) OPEX	(\$686,000)	(\$7,000)	(\$9)	(\$917,000)	(\$7,000)	(\$9)
Net Operating Income (NOI)	\$2,609,740	\$26,630	\$36	\$3,488,530	\$26,630	\$36
Supported Investment@5.5% ROC	\$47,452,000	\$484,200	\$646	\$63,430,000	\$484,200	\$646
Development Costs excl. Land						
Direct Construction incl. conting.	\$28,872,900	\$294,600	\$393	\$38,941,350	\$297,300	\$396
Fees & Permits	\$2,989,000	\$30,500	\$41	\$3,995,500	\$30,500	\$41
CIL for IH reqmnt	\$2,940,000	\$30,000	\$40	\$4,362,300	\$33,300	\$44
A&E/prof fees/taxes/Ins./other	\$2,475,000	\$25,300	\$34	\$3,338,000	\$25,500	\$34
Overhead/Admin	\$825,000	\$8,400	\$11	\$1,113,000	\$8,500	\$11
Soft Cost Contingency	\$273,000	\$2,800	\$4	\$367,000	\$2,800	\$4
Financing	\$3,106,600	\$31,700	\$42	\$4,152,700	\$31,700	\$42
Total Costs	\$41,481,500	\$423,300	\$564	\$56,269,850	\$429,600	\$573
Residual Land Value	\$5,968,200	\$60,900	\$81	\$7,152,600	\$54,600	\$73
per acre	\$2,984,100			\$3,576,300		
per square foot land	\$69			\$82		
Estimated Land Cost (target value)	\$6,370,000	\$65,000	Supp Invest as %Costs	\$6,370,000	\$48,600	Supp Invest as %Costs
Total Cost w/Est. Land Cost	\$47,851,500	\$488,300	99.2%	\$62,639,850	\$478,200	101.3%
Feasibility Classification	Feasible			Feasible		

Appendix Table R 1D
Rental Pro Forma, Cash In-Lieu at \$45 PSF
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Rental, Three Stories			Rental, Four Stories Using Community Benefit		
Residential Unit Mix	% of Units	No. Units	Avg SF	% of Units	No. Units	Avg SF
Market Rate	100%	98	750	100%	131	750
Affordable (80% AMI)	0%	0	700	0%	0	700
Affordable (70% AMI)	0%	0	700	0%	0	700
Affordable (60% AMI)	0%	0	700	0%	0	700
Affordable (50% AMI)	0%	0	700	0%	0	700
	100%	98	750	100%	131	750
	<i>[pay cash in-lieu for IH rqmnt]</i>			<i>[pay cash in-lieu for IH rqmnt]</i>		
Monthly Rents		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$2,650	\$3.53		\$2,650	\$3.53
Affordable (80% AMI)		\$1,956	\$2.79		\$1,956	\$2.79
Affordable (70% AMI)		\$1,699	\$2.43		\$1,699	\$2.43
Affordable (60% AMI)		\$1,442	\$2.06		\$1,442	\$2.06
Affordable (50% AMI)		\$1,186	\$1.69		\$1,186	\$1.69
Weighted Average		\$2,650	\$3.53		\$2,650	\$3.53
Operating Income	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Rent per year	\$3,116,400	\$31,800	\$42	\$4,165,800	\$31,800	\$42
Other Income	\$352,800	\$3,600	\$5	\$471,600	\$3,600	\$5
(Less) Vacancy/Bad Debt	(\$173,460)	(\$1,770)	(\$2)	(\$231,870)	(\$1,770)	(\$2)
(Less) OPEX	(\$686,000)	(\$7,000)	(\$9)	(\$917,000)	(\$7,000)	(\$9)
Net Operating Income (NOI)	\$2,609,740	\$26,630	\$36	\$3,488,530	\$26,630	\$36
Supported Investment@5.5% ROC	\$47,452,000	\$484,200	\$646	\$63,430,000	\$484,200	\$646
Development Costs excl. Land						
Direct Construction incl. conting.	\$28,872,900	\$294,600	\$393	\$38,941,350	\$297,300	\$396
Fees & Permits	\$2,989,000	\$30,500	\$41	\$3,995,500	\$30,500	\$41
CIL for IH reqmnt	\$3,307,500	\$33,750	\$45	\$4,907,588	\$37,463	\$50
A&E/prof fees/taxes/Ins./other	\$2,475,000	\$25,300	\$34	\$3,338,000	\$25,500	\$34
Overhead/Admin	\$825,000	\$8,400	\$11	\$1,113,000	\$8,500	\$11
Soft Cost Contingency	\$273,000	\$2,800	\$4	\$367,000	\$2,800	\$4
Financing	\$3,106,600	\$31,700	\$42	\$4,152,700	\$31,700	\$42
Total Costs	\$41,849,000	\$427,100	\$569	\$56,815,138	\$433,800	\$578
Residual Land Value	\$5,595,800	\$57,100	\$76	\$6,602,400	\$50,400	\$67
per acre	\$2,797,900			\$3,301,200		
per square foot land	\$64			\$76		
Estimated Land Cost (target value)	\$6,370,000	\$65,000	Supp Invest as %Costs	\$6,370,000	\$48,600	Supp Invest as %Costs
Total Cost w/Est. Land Cost	\$48,219,000	\$492,000	98.4%	\$63,185,138	\$482,300	100.4%
Feasibility Classification	Feasible			Feasible		

Appendix Table R 1E
Rental Pro Forma, Cash In-Lieu at \$50 PSF
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Rental, Three Stories			Rental, Four Stories Using Community Benefit		
Residential Unit Mix	% of Units	No. Units	Avg SF	% of Units	No. Units	Avg SF
Market Rate	100%	98	750	100%	131	750
Affordable (80% AMI)	0%	0	700	0%	0	700
Affordable (70% AMI)	0%	0	700	0%	0	700
Affordable (60% AMI)	0%	0	700	0%	0	700
Affordable (50% AMI)	0%	0	700	0%	0	700
	100%	98	750	100%	131	750
	<i>[pay cash in-lieu for IH rqmnt]</i>			<i>[pay cash in-lieu for IH rqmnt]</i>		
Monthly Rents		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$2,650	\$3.53		\$2,650	\$3.53
Affordable (80% AMI)		\$1,956	\$2.79		\$1,956	\$2.79
Affordable (70% AMI)		\$1,699	\$2.43		\$1,699	\$2.43
Affordable (60% AMI)		\$1,442	\$2.06		\$1,442	\$2.06
Affordable (50% AMI)		\$1,186	\$1.69		\$1,186	\$1.69
Weighted Average		\$2,650	\$3.53		\$2,650	\$3.53
Operating Income	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Rent per year	\$3,116,400	\$31,800	\$42	\$4,165,800	\$31,800	\$42
Other Income	\$352,800	\$3,600	\$5	\$471,600	\$3,600	\$5
(Less) Vacancy/Bad Debt	(\$173,460)	(\$1,770)	(\$2)	(\$231,870)	(\$1,770)	(\$2)
(Less) OPEX	(\$686,000)	(\$7,000)	(\$9)	(\$917,000)	(\$7,000)	(\$9)
Net Operating Income (NOI)	\$2,609,740	\$26,630	\$36	\$3,488,530	\$26,630	\$36
Supported Investment@5.5% ROC	\$47,452,000	\$484,200	\$646	\$63,430,000	\$484,200	\$646
Development Costs excl. Land						
Direct Construction incl. conting.	\$28,872,900	\$294,600	\$393	\$38,941,350	\$297,300	\$396
Fees & Permits	\$2,989,000	\$30,500	\$41	\$3,995,500	\$30,500	\$41
CIL for IH reqmnt	\$3,675,000	\$37,500	\$50	\$5,452,875	\$41,625	\$56
A&E/prof fees/taxes/Ins./other	\$2,475,000	\$25,300	\$34	\$3,338,000	\$25,500	\$34
Overhead/Admin	\$825,000	\$8,400	\$11	\$1,113,000	\$8,500	\$11
Soft Cost Contingency	\$273,000	\$2,800	\$4	\$367,000	\$2,800	\$4
Financing	\$3,106,600	\$31,700	\$42	\$4,152,700	\$31,700	\$42
Total Costs	\$42,216,500	\$430,800	\$574	\$57,360,425	\$437,900	\$584
Residual Land Value	\$5,233,200	\$53,400	\$71	\$6,065,300	\$46,300	\$62
per acre	\$2,616,600			\$3,032,650		
per square foot land	\$60			\$70		
Estimated Land Cost (target value)	\$6,370,000	\$65,000	Supp Invest as %Costs	\$6,370,000	\$48,600	Supp Invest as %Costs
Total Cost w/Est. Land Cost	\$48,586,500	\$495,800	97.7%	\$63,730,425	\$486,500	99.5%
Feasibility Classification	Marginal Feasibility			Feasible		

Appendix Table R 1F
Rental Pro Forma, Cash In-Lieu at \$60 PSF
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Rental, Three Stories			Rental, Four Stories Using Community Benefit		
Residential Unit Mix	% of Units	No. Units	Avg SF	% of Units	No. Units	Avg SF
Market Rate	100%	98	750	100%	131	750
Affordable (80% AMI)	0%	0	700	0%	0	700
Affordable (70% AMI)	0%	0	700	0%	0	700
Affordable (60% AMI)	0%	0	700	0%	0	700
Affordable (50% AMI)	0%	0	700	0%	0	700
	100%	98	750	100%	131	750
	<i>[pay cash in-lieu for IH rqmnt]</i>			<i>[pay cash in-lieu for IH rqmnt]</i>		
Monthly Rents		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$2,650	\$3.53		\$2,650	\$3.53
Affordable (80% AMI)		\$1,956	\$2.79		\$1,956	\$2.79
Affordable (70% AMI)		\$1,699	\$2.43		\$1,699	\$2.43
Affordable (60% AMI)		\$1,442	\$2.06		\$1,442	\$2.06
Affordable (50% AMI)		\$1,186	\$1.69		\$1,186	\$1.69
Weighted Average		\$2,650	\$3.53		\$2,650	\$3.53
Operating Income	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Rent per year	\$3,116,400	\$31,800	\$42	\$4,165,800	\$31,800	\$42
Other Income	\$352,800	\$3,600	\$5	\$471,600	\$3,600	\$5
(Less) Vacancy/Bad Debt	(\$173,460)	(\$1,770)	(\$2)	(\$231,870)	(\$1,770)	(\$2)
(Less) OPEX	(\$686,000)	(\$7,000)	(\$9)	(\$917,000)	(\$7,000)	(\$9)
Net Operating Income (NOI)	\$2,609,740	\$26,630	\$36	\$3,488,530	\$26,630	\$36
Supported Investment@5.5% ROC	\$47,452,000	\$484,200	\$646	\$63,430,000	\$484,200	\$646
Development Costs excl. Land						
Direct Construction incl. conting.	\$28,872,900	\$294,600	\$393	\$38,941,350	\$297,300	\$396
Fees & Permits	\$2,989,000	\$30,500	\$41	\$3,995,500	\$30,500	\$41
CIL for IH reqmnt	\$4,410,000	\$45,000	\$60	\$6,543,450	\$49,950	\$67
A&E/prof fees/taxes/Ins./other	\$2,475,000	\$25,300	\$34	\$3,338,000	\$25,500	\$34
Overhead/Admin	\$825,000	\$8,400	\$11	\$1,113,000	\$8,500	\$11
Soft Cost Contingency	\$273,000	\$2,800	\$4	\$367,000	\$2,800	\$4
Financing	\$3,106,600	\$31,700	\$42	\$4,152,700	\$31,700	\$42
Total Costs	\$42,951,500	\$438,300	\$584	\$58,451,000	\$446,300	\$595
Residual Land Value	\$4,498,200	\$45,900	\$61	\$4,964,900	\$37,900	\$51
per acre	\$2,249,100			\$2,482,450		
per square foot land	\$52			\$57		
Estimated Land Cost (target value)	\$6,370,000	\$65,000	Supp Invest as %Costs	\$6,370,000	\$48,600	Supp Invest as %Costs
Total Cost w/Est. Land Cost	\$49,321,500	\$503,300	96.2%	\$64,821,000	\$494,800	97.9%
Feasibility Classification	Marginal Feasibility			Marginal Feasibility		

Appendix Table R 1G
Rental Pro Forma, Cash In-Lieu at \$75 PSF
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Rental, Three Stories			Rental, Four Stories Using Community Benefit		
Residential Unit Mix	% of Units	No. Units	Avg SF	% of Units	No. Units	Avg SF
Market Rate	100%	98	750	100%	131	750
Affordable (80% AMI)	0%	0	700	0%	0	700
Affordable (70% AMI)	0%	0	700	0%	0	700
Affordable (60% AMI)	0%	0	700	0%	0	700
Affordable (50% AMI)	0%	0	700	0%	0	700
	100%	98	750	100%	131	750
	<i>[pay cash in-lieu for IH rqmnt]</i>			<i>[pay cash in-lieu for IH rqmnt]</i>		
Monthly Rents		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$2,650	\$3.53		\$2,650	\$3.53
Affordable (80% AMI)		\$1,956	\$2.79		\$1,956	\$2.79
Affordable (70% AMI)		\$1,699	\$2.43		\$1,699	\$2.43
Affordable (60% AMI)		\$1,442	\$2.06		\$1,442	\$2.06
Affordable (50% AMI)		\$1,186	\$1.69		\$1,186	\$1.69
Weighted Average		\$2,650	\$3.53		\$2,650	\$3.53
Operating Income	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Rent per year	\$3,116,400	\$31,800	\$42	\$4,165,800	\$31,800	\$42
Other Income	\$352,800	\$3,600	\$5	\$471,600	\$3,600	\$5
(Less) Vacancy/Bad Debt	(\$173,460)	(\$1,770)	(\$2)	(\$231,870)	(\$1,770)	(\$2)
(Less) OPEX	(\$686,000)	(\$7,000)	(\$9)	(\$917,000)	(\$7,000)	(\$9)
Net Operating Income (NOI)	\$2,609,740	\$26,630	\$36	\$3,488,530	\$26,630	\$36
Supported Investment@5.5% ROC	\$47,452,000	\$484,200	\$646	\$63,430,000	\$484,200	\$646
Development Costs excl. Land						
Direct Construction incl. conting.	\$28,872,900	\$294,600	\$393	\$38,941,350	\$297,300	\$396
Fees & Permits	\$2,989,000	\$30,500	\$41	\$3,995,500	\$30,500	\$41
CIL for IH reqmnt	\$5,512,500	\$56,250	\$75	\$8,179,313	\$62,438	\$83
A&E/prof fees/taxes/Ins./other	\$2,475,000	\$25,300	\$34	\$3,338,000	\$25,500	\$34
Overhead/Admin	\$825,000	\$8,400	\$11	\$1,113,000	\$8,500	\$11
Soft Cost Contingency	\$273,000	\$2,800	\$4	\$367,000	\$2,800	\$4
Financing	\$3,106,600	\$31,700	\$42	\$4,152,700	\$31,700	\$42
Total Costs	\$44,054,000	\$449,600	\$599	\$60,086,863	\$458,700	\$612
Residual Land Value	\$3,390,800	\$34,600	\$46	\$3,340,500	\$25,500	\$34
per acre	\$1,695,400			\$1,670,250		
per square foot land	\$39			\$38		
Estimated Land Cost (target value)	\$6,370,000	\$65,000	Supp Invest as %Costs	\$6,370,000	\$48,600	Supp Invest as %Costs
Total Cost w/Est. Land Cost	\$50,424,000	\$514,500	94.1%	\$66,456,863	\$507,300	95.4%
Feasibility Classification	Marginal Feasibility			Marginal Feasibility		

Appendix Table R 2A

Rental Pro Forma, Existing Requirement, all on-site, existing 25% requirement, mixed income building(s)
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Rental, Three Stories			Rental, Four Stories Using Community Benefit		
Residential Unit Mix	% of Units	No. Units	Avg SF	% of Units	No. Units	Avg SF
Market Rate	75%	74	750	72%	95	750
Affordable (80% AMI)	5%	5	700	6%	7	700
Affordable (70% AMI)	0%	0	700	0%	0	700
Affordable (60% AMI)	20%	20	700	22%	29	700
Affordable (50% AMI)	0%	0	700	0%	0	700
	100%	98	738	100%	131	736
	[25% on-site, mix low/mod MI]			[25% on-site, + added 11% 4th floor]		
Monthly Rents		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$2,650	\$3.53		\$2,650	\$3.53
Affordable (80% AMI)		\$1,956	\$2.79		\$1,956	\$2.79
Affordable (70% AMI)		\$1,699	\$2.43		\$1,699	\$2.43
Affordable (60% AMI)		\$1,442	\$2.06		\$1,442	\$2.06
Affordable (50% AMI)		\$1,186	\$1.69		\$1,186	\$1.69
Weighted Average		\$2,374	\$3.22		\$2,343	\$3.18
Operating Income	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Rent per year	\$2,791,451	\$28,484	\$39	\$3,683,649	\$28,119	\$38
Other Income	\$264,600	\$2,700	\$4	\$340,731	\$2,601	\$4
(Less) Vacancy/Bad Debt	(\$152,803)	(\$1,559)	(\$2)	(\$201,219)	(\$1,536)	(\$2)
(Less) OPEX	(\$686,000)	(\$7,000)	(\$9)	(\$917,000)	(\$7,000)	(\$10)
Net Operating Income (NOI)	\$2,217,249	\$22,625	\$31	\$2,906,161	\$22,184	\$30
Supported Investment@5.5% ROC	\$40,317,000	\$411,400	\$558	\$52,845,000	\$403,400	\$548
Development Costs excl. Land						
Direct Construction incl. conting.	\$28,493,850	\$290,800	\$394	\$38,379,600	\$293,000	\$398
Fees & Permits	\$2,940,000	\$30,000	\$41	\$3,930,000	\$30,000	\$41
CIL for IH reqrmt	\$0	\$0	\$0	\$0	\$0	\$0
A&E/prof fees/taxes/Ins./other	\$2,442,000	\$24,900	\$34	\$3,290,000	\$25,100	\$34
Overhead/Admin	\$814,000	\$8,300	\$11	\$1,097,000	\$8,400	\$11
Soft Cost Contingency	\$269,000	\$2,700	\$4	\$361,000	\$2,800	\$4
Financing	\$2,636,200	\$26,900	\$36	\$3,458,400	\$26,400	\$36
Total Costs	\$37,595,050	\$383,600	\$520	\$50,516,000	\$385,700	\$524
Residual Land Value	\$2,724,400	\$27,800	\$38	\$2,318,700	\$17,700	\$24
per acre	\$1,362,200			\$1,159,350		
per square foot land	\$31			\$27		
Estimated Land Cost (target value)	\$6,370,000	\$65,000	as %Costs	\$6,370,000	\$48,600	as %Costs
Total Cost w/Est. Land Cost	\$43,965,050	\$448,600	91.7%	\$56,886,000	\$434,200	92.9%
Feasibility Classification	Infeasible / Challenged			Infeasible / Challenged		

Appendix Table R 2B
Rental Pro Forma, 25% on-site requirement, mix of 50%, 60%, 70% AMI, mixed income building(s)
Inclusionary Housing Analysis
Boulder, CO
DRAFT

	Rental, Three Stories			Rental, Four Stories Using Community Benefit		
Residential Unit Mix	% of Units	No. Units	Avg SF	% of Units	No. Units	Avg SF
Market Rate	75%	74	750	72%	95	750
Affordable (80% AMI)	0%	0	700	0%	0	700
Affordable (70% AMI)	8%	8	700	9%	12	700
Affordable (60% AMI)	8%	8	700	9%	12	700
Affordable (50% AMI)	8%	8	700	9%	12	700
	100%	98	738	100%	131	736
	[25% on-site, mix 50%, 60%, 70% AMI]			[25% on-site, + added 11% 4th floor]		
Monthly Rents		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$2,650	\$3.53		\$2,650	\$3.53
Affordable (80% AMI)		\$1,956	\$2.79		\$1,956	\$2.79
Affordable (70% AMI)		\$1,699	\$2.43		\$1,699	\$2.43
Affordable (60% AMI)		\$1,442	\$2.06		\$1,442	\$2.06
Affordable (50% AMI)		\$1,186	\$1.69		\$1,186	\$1.69
Weighted Average		\$2,348	\$3.18		\$2,315	\$3.14
Operating Income	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Rent per year	\$2,761,325	\$28,177	\$38	\$3,638,949	\$27,778	\$38
Other Income	\$264,600	\$2,700	\$4	\$340,731	\$2,601	\$4
(Less) Vacancy/Bad Debt	(\$151,296)	(\$1,544)	(\$2)	(\$198,984)	(\$1,519)	(\$2)
(Less) OPEX	(\$686,000)	(\$7,000)	(\$9)	(\$917,000)	(\$7,000)	(\$10)
Net Operating Income (NOI)	\$2,188,629	\$22,333	\$30	\$2,863,696	\$21,860	\$30
Supported Investment@5.5% ROC	\$39,798,000	\$406,100	\$551	\$52,073,000	\$397,500	\$540
Development Costs excl. Land						
Direct Construction incl. conting.	\$28,493,850	\$290,800	\$394	\$38,379,600	\$293,000	\$398
Fees & Permits	\$2,940,000	\$30,000	\$41	\$3,930,000	\$30,000	\$41
CIL for IH reqrmt	\$0	\$0	\$0	\$0	\$0	\$0
A&E/prof fees/taxes/Ins./other	\$2,442,000	\$24,900	\$34	\$3,290,000	\$25,100	\$34
Overhead/Admin	\$814,000	\$8,300	\$11	\$1,097,000	\$8,400	\$11
Soft Cost Contingency	\$269,000	\$2,700	\$4	\$361,000	\$2,800	\$4
Financing	\$2,606,800	\$26,600	\$36	\$3,406,000	\$26,000	\$35
Total Costs	\$37,565,650	\$383,300	\$520	\$50,463,600	\$385,300	\$523
Residual Land Value	\$2,234,400	\$22,800	\$31	\$1,598,200	\$12,200	\$17
per acre	\$1,117,200			\$799,100		
per square foot land	\$26			\$18		
Estimated Land Cost (target value)	\$6,370,000	\$65,000	as %Costs	\$6,370,000	\$48,600	as %Costs
Total Cost w/Est. Land Cost	\$43,935,650	\$448,300	90.6%	\$56,833,600	\$433,800	91.6%
Feasibility Classification	Infeasible / Challenged			Infeasible / Challenged		

Appendix Table R 2C
Rental Pro Forma, Existing Requirement, all on-site, existing 25% requirement, LIHTC Project
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Rental, Three Stories			Rental, Four Stories Using Community Benefit		
Residential Unit Mix	% of Units	No. Units	Avg SF	% of Units	No. Units	Avg SF
Market Rate	100%	98	750	100%	131	750
Affordable (80% AMI)	0%	0	700	0%	0	700
Affordable (70% AMI)	0%	0	700	0%	0	700
Affordable (60% AMI)	0%	0	700	0%	0	700
Affordable (50% AMI)	0%	0	700	0%	0	700
	100%	98	750	100%	131	750
	[25% in LIHTC project]			[IH met in LIHTC project]		
Monthly Rents		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$2,650	\$3.53		\$2,650	\$3.53
Affordable (80% AMI)		\$1,956	\$2.79		\$1,956	\$2.79
Affordable (70% AMI)		\$1,699	\$2.43		\$1,699	\$2.43
Affordable (60% AMI)		\$1,442	\$2.06		\$1,442	\$2.06
Affordable (50% AMI)		\$1,186	\$1.69		\$1,186	\$1.69
Weighted Average		\$2,650	\$3.53		\$2,650	\$3.53
Operating Income	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Rent per year	\$3,116,400	\$31,800	\$42	\$4,165,800	\$31,800	\$42
Other Income	\$352,800	\$3,600	\$5	\$471,600	\$3,600	\$5
(Less) Vacancy/Bad Debt	(\$173,460)	(\$1,770)	(\$2)	(\$231,870)	(\$1,770)	(\$2)
(Less) OPEX	(\$686,000)	(\$7,000)	(\$9)	(\$917,000)	(\$7,000)	(\$9)
Net Operating Income (NOI)	\$2,609,740	\$26,630	\$36	\$3,488,530	\$26,630	\$36
Supported Investment@5.5% ROC	\$47,452,000	\$484,200	\$646	\$63,430,000	\$484,200	\$646
Development Costs excl. Land						
Direct Construction incl. conting.	\$28,872,900	\$294,600	\$393	\$38,941,350	\$297,300	\$396
Fees & Permits	\$2,989,000	\$30,500	\$41	\$3,995,500	\$30,500	\$41
Subsidy to LIHTC project	\$2,450,000	\$25,000	\$33	\$3,773,616	\$28,806	\$38
A&E/prof fees/taxes/Ins./other	\$2,475,000	\$25,300	\$34	\$3,338,000	\$25,500	\$34
Overhead/Admin	\$825,000	\$8,400	\$11	\$1,113,000	\$8,500	\$11
Soft Cost Contingency	\$273,000	\$2,800	\$4	\$367,000	\$2,800	\$4
Financing	\$3,106,600	\$31,700	\$42	\$4,152,700	\$31,700	\$42
Total Costs	\$40,991,500	\$418,300	\$558	\$55,681,166	\$425,100	\$567
Residual Land Value	\$6,458,200	\$65,900	\$88	\$7,742,100	\$59,100	\$79
per acre	\$3,229,100			\$3,871,050		
per square foot land	\$74			\$89		
Estimated Land Cost (target value)	\$6,370,000	\$65,000	Supp Invest as %Costs	\$6,370,000	\$48,600	Supp Invest as %Costs
Total Cost w/Est. Land Cost	\$47,361,500	\$483,300	100.2%	\$62,051,166	\$473,700	102.2%
Feasibility Classification	Feasible			Feasible		

Appendix Table R 3A
Rental Pro Forma, on-site requirement, mix of 50% and 60% of AMI, similar in cost to current CIL rate.
Inclusionary Housing Analysis
Boulder, CO
DRAFT

	Rental, Three Stories			Rental, Four Stories Using Community Benefit		
Residential Unit Mix	% of Units	No. Units	Avg SF	% of Units	No. Units	Avg SF
Market Rate	87%	85	750	84%	110	750
Affordable (80% AMI)	0%	0	700	0%	0	700
Affordable (70% AMI)	0%	0	700	0%	0	700
Affordable (60% AMI)	7%	6	700	8%	10	700
Affordable (50% AMI)	7%	6	700	8%	10	700
	100%	98	744	100%	131	742
	[13% on-site, mix 50 & 60% AMI]			[13% on-site, + added 11% 4th floor]		
Monthly Rents		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$2,650	\$3.53		\$2,650	\$3.53
Affordable (80% AMI)		\$1,956	\$2.79		\$1,956	\$2.79
Affordable (70% AMI)		\$1,699	\$2.43		\$1,699	\$2.43
Affordable (60% AMI)		\$1,442	\$2.06		\$1,442	\$2.06
Affordable (50% AMI)		\$1,186	\$1.69		\$1,186	\$1.69
Weighted Average		\$2,476	\$3.33		\$2,440	\$3.29
Operating Income	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Rent per year	\$2,912,127	\$29,716	\$40	\$3,834,979	\$29,275	\$39
Other Income	\$306,936	\$3,132	\$4	\$397,323	\$3,033	\$4
(Less) Vacancy/Bad Debt	(\$160,953)	(\$1,642)	(\$2)	(\$211,615)	(\$1,615)	(\$2)
(Less) OPEX	(\$686,000)	(\$7,000)	(\$9)	(\$917,000)	(\$7,000)	(\$9)
Net Operating Income (NOI)	\$2,372,110	\$24,205	\$33	\$3,103,687	\$23,692	\$32
Supported Investment@5.5% ROC	\$43,130,000	\$440,100	\$592	\$56,435,000	\$430,800	\$580
Development Costs excl. Land						
Direct Construction incl. conting.	\$28,675,500	\$292,600	\$394	\$38,623,200	\$294,800	\$397
Fees & Permits	\$2,969,400	\$30,300	\$41	\$3,956,200	\$30,200	\$41
CIL for IH reqrmt	\$0	\$0	\$0	\$0	\$0	\$0
A&E/prof fees/taxes/Ins./other	\$2,458,000	\$25,100	\$34	\$3,311,000	\$25,300	\$34
Overhead/Admin	\$819,000	\$8,400	\$11	\$1,104,000	\$8,400	\$11
Soft Cost Contingency	\$271,000	\$2,800	\$4	\$363,000	\$2,800	\$4
Financing	\$2,822,400	\$28,800	\$39	\$3,694,200	\$28,200	\$38
Total Costs	\$38,015,300	\$388,000	\$522	\$51,051,600	\$389,700	\$525
Residual Land Value	\$5,105,800	\$52,100	\$70	\$5,384,100	\$41,100	\$55
per acre	\$2,552,900			\$2,692,050		
per square foot land	\$59			\$62		
Estimated Land Cost (target value)	\$6,370,000	\$65,000	as %Costs	\$6,370,000	\$48,600	as %Costs
Total Cost w/Est. Land Cost	\$44,385,300	\$452,900	97.2%	\$57,421,600	\$438,300	98.3%
Feasibility Classification	Marginal Feasibility			Feasible		

Appendix Table R 3B

Rental Pro Forma, on-site requirement, mix of 50%, 60%, 70% AMI, Inclusionary % similar in cost to existing CIL
Inclusionary Housing Analysis
Boulder, CO

DRAFT

	Rental, Three Stories			Rental, Four Stories Using Community Benefit		
Residential Unit Mix	% of Units	No. Units	Avg SF	% of Units	No. Units	Avg SF
Market Rate	86%	84	750	83%	109	750
Affordable (80% AMI)	0%	0	700	0%	0	700
Affordable (70% AMI)	5%	5	700	6%	7	700
Affordable (60% AMI)	5%	5	700	6%	7	700
Affordable (50% AMI)	5%	5	700	6%	7	700
	100%	98	743	100%	131	742
	[14.2% on-site, mix 50, 60%, 70% AMI]			[14.2% on-site, + added 11% 4th floor]		
Monthly Rents		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$2,650	\$3.53		\$2,650	\$3.53
Affordable (80% AMI)		\$1,956	\$2.79		\$1,956	\$2.79
Affordable (70% AMI)		\$1,699	\$2.43		\$1,699	\$2.43
Affordable (60% AMI)		\$1,442	\$2.06		\$1,442	\$2.06
Affordable (50% AMI)		\$1,186	\$1.69		\$1,186	\$1.69
Weighted Average		\$2,479	\$3.34		\$2,445	\$3.30
Operating Income	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Rent per year	\$2,914,718	\$29,742	\$40	\$3,843,994	\$29,343	\$40
Other Income	\$302,702	\$3,089	\$4	\$391,664	\$2,990	\$4
(Less) Vacancy/Bad Debt	(\$160,871)	(\$1,642)	(\$2)	(\$211,783)	(\$1,617)	(\$2)
(Less) OPEX	(\$686,000)	(\$7,000)	(\$9)	(\$917,000)	(\$7,000)	(\$9)
Net Operating Income (NOI)	\$2,370,549	\$24,189	\$33	\$3,106,875	\$23,717	\$32
Supported Investment@5.5% ROC	\$43,100,000	\$439,800	\$592	\$56,487,000	\$431,200	\$582
Development Costs excl. Land						
Direct Construction incl. conting.	\$28,657,650	\$292,400	\$394	\$38,599,050	\$294,600	\$397
Fees & Permits	\$2,959,600	\$30,200	\$41	\$3,956,200	\$30,200	\$41
CIL for IH reqrmt	\$0	\$0	\$0	\$0	\$0	\$0
A&E/prof fees/taxes/Ins./other	\$2,456,000	\$25,100	\$34	\$3,308,000	\$25,300	\$34
Overhead/Admin	\$819,000	\$8,400	\$11	\$1,103,000	\$8,400	\$11
Soft Cost Contingency	\$271,000	\$2,800	\$4	\$363,000	\$2,800	\$4
Financing	\$2,822,400	\$28,800	\$39	\$3,694,200	\$28,200	\$38
Total Costs	\$37,985,650	\$387,700	\$522	\$51,023,450	\$389,500	\$525
Residual Land Value	\$5,105,800	\$52,100	\$70	\$5,462,700	\$41,700	\$56
per acre	\$2,552,900			\$2,731,350		
per square foot land	\$59			\$63		
Estimated Land Cost (target value)	\$6,370,000	\$65,000	as %Costs	\$6,370,000	\$48,600	as %Costs
Total Cost w/Est. Land Cost	\$44,355,650	\$452,600	97.2%	\$57,393,450	\$438,100	98.4%
Feasibility Classification	Marginal Feasibility			Feasible		

Appendix Table R 3C
Rental Pro Forma, on-site requirement, 50% AMI units and inclusionary % similar in cost to existing CIL
Inclusionary Housing Analysis
Boulder, CO
DRAFT

	Rental, Three Stories			Rental, Four Stories Using Community Benefit		
Residential Unit Mix	% of Units	No. Units	Avg SF	% of Units	No. Units	Avg SF
Market Rate	88%	86	750	85%	112	750
Affordable (80% AMI)	0%	0	700	0%	0	700
Affordable (70% AMI)	0%	0	700	0%	0	700
Affordable (60% AMI)	0%	0	700	0%	0	700
Affordable (50% AMI)	12%	12	700	15%	19	700
	100%	98	744	100%	131	743
	[12% on-site, 50% AMI]			[12% on-site, + added 11% 4th floor]		
Monthly Rents		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$2,650	\$3.53		\$2,650	\$3.53
Affordable (80% AMI)		\$1,956	\$2.79		\$1,956	\$2.79
Affordable (70% AMI)		\$1,699	\$2.43		\$1,699	\$2.43
Affordable (60% AMI)		\$1,442	\$2.06		\$1,442	\$2.06
Affordable (50% AMI)		\$1,186	\$1.69		\$1,186	\$1.69
Weighted Average		\$2,474	\$3.33		\$2,434	\$3.28
Operating Income	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Rent per year	\$2,909,760	\$29,691	\$40	\$3,826,276	\$29,208	\$39
Other Income	\$310,464	\$3,168	\$4	\$402,039	\$3,069	\$4
(Less) Vacancy/Bad Debt	(\$161,011)	(\$1,643)	(\$2)	(\$211,416)	(\$1,614)	(\$2)
(Less) OPEX	(\$686,000)	(\$7,000)	(\$9)	(\$917,000)	(\$7,000)	(\$9)
Net Operating Income (NOI)	\$2,373,213	\$24,216	\$33	\$3,099,899	\$23,663	\$32
Supported Investment@5.5% ROC	\$43,149,000	\$440,300	\$592	\$56,356,000	\$430,200	\$579
Development Costs excl. Land						
Direct Construction incl. conting.	\$28,691,250	\$292,800	\$394	\$38,643,150	\$295,000	\$397
Fees & Permits	\$2,969,400	\$30,300	\$41	\$3,956,200	\$30,200	\$41
CIL for IH reqrmt	\$0	\$0	\$0	\$0	\$0	\$0
A&E/prof fees/taxes/Ins./other	\$2,459,000	\$25,100	\$34	\$3,312,000	\$25,300	\$34
Overhead/Admin	\$820,000	\$8,400	\$11	\$1,104,000	\$8,400	\$11
Soft Cost Contingency	\$271,000	\$2,800	\$4	\$363,000	\$2,800	\$4
Financing	\$2,822,400	\$28,800	\$39	\$3,681,100	\$28,100	\$38
Total Costs	\$38,033,050	\$388,200	\$522	\$51,059,450	\$389,800	\$525
Residual Land Value	\$5,105,800	\$52,100	\$70	\$5,292,400	\$40,400	\$54
per acre	\$2,552,900			\$2,646,200		
per square foot land	\$59			\$61		
Estimated Land Cost (target value)	\$6,370,000	\$65,000	as %Costs	\$6,370,000	\$48,600	as %Costs
Total Cost w/Est. Land Cost	\$44,403,050	\$453,100	97.2%	\$57,429,450	\$438,400	98.1%
Feasibility Classification	Marginal Feasibility			Feasible		

Appendix Table R 3D
Rental Pro Forma, on-site requirement, 60% AMI units and inclusionary % similar in cost to existing CIL
Inclusionary Housing Analysis
Boulder, CO
DRAFT

	Rental, Three Stories			Rental, Four Stories Using Community Benefit		
Residential Unit Mix	% of Units	No. Units	Avg SF	% of Units	No. Units	Avg SF
Market Rate	86%	84	750	83%	109	750
Affordable (80% AMI)	0%	0	700	0%	0	700
Affordable (70% AMI)	0%	0	700	0%	0	700
Affordable (60% AMI)	14%	14	700	17%	22	700
Affordable (50% AMI)	0%	0	700	0%	0	700
	100%	98	743	100%	131	741
	[14.3% on-site, 60% AMI]			[14.3% on-site, + added 11% 4th floor]		
Monthly Rents		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$2,650	\$3.53		\$2,650	\$3.53
Affordable (80% AMI)		\$1,956	\$2.79		\$1,956	\$2.79
Affordable (70% AMI)		\$1,699	\$2.43		\$1,699	\$2.43
Affordable (60% AMI)		\$1,442	\$2.06		\$1,442	\$2.06
Affordable (50% AMI)		\$1,186	\$1.69		\$1,186	\$1.69
Weighted Average		\$2,477	\$3.33		\$2,444	\$3.30
Operating Income	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Rent per year	\$2,913,246	\$29,727	\$40	\$3,842,014	\$29,328	\$40
Other Income	\$302,350	\$3,085	\$4	\$391,192	\$2,986	\$4
(Less) Vacancy/Bad Debt	(\$160,780)	(\$1,641)	(\$2)	(\$211,660)	(\$1,616)	(\$2)
(Less) OPEX	(\$686,000)	(\$7,000)	(\$9)	(\$917,000)	(\$7,000)	(\$9)
Net Operating Income (NOI)	\$2,368,816	\$24,172	\$33	\$3,104,546	\$23,699	\$32
Supported Investment@5.5% ROC	\$43,071,000	\$439,500	\$592	\$56,448,000	\$430,900	\$581
Development Costs excl. Land						
Direct Construction incl. conting.	\$28,656,600	\$292,400	\$394	\$38,596,950	\$294,600	\$397
Fees & Permits	\$2,959,600	\$30,200	\$41	\$3,956,200	\$30,200	\$41
CIL for IH reqrmt	\$0	\$0	\$0	\$0	\$0	\$0
A&E/prof fees/taxes/Ins./other	\$2,456,000	\$25,100	\$34	\$3,308,000	\$25,300	\$34
Overhead/Admin	\$819,000	\$8,400	\$11	\$1,103,000	\$8,400	\$11
Soft Cost Contingency	\$271,000	\$2,800	\$4	\$363,000	\$2,800	\$4
Financing	\$2,812,600	\$28,700	\$39	\$3,694,200	\$28,200	\$38
Total Costs	\$37,974,800	\$387,600	\$522	\$51,021,350	\$389,500	\$525
Residual Land Value	\$5,086,200	\$51,900	\$70	\$5,423,400	\$41,400	\$56
per acre	\$2,543,100			\$2,711,700		
per square foot land	\$58			\$62		
Estimated Land Cost (target value)	\$6,370,000	\$65,000	as %Costs	\$6,370,000	\$48,600	as %Costs
Total Cost w/Est. Land Cost	\$44,344,800	\$452,500	97.1%	\$57,391,350	\$438,100	98.4%
Feasibility Classification	Marginal Feasibility			Feasible		

Appendix Table R 3E
Rental Pro Forma, on-site requirement, 70% AMI units and inclusionary % similar in cost to existing CIL
Inclusionary Housing Analysis
Boulder, CO
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	Rental, Three Stories			Rental, Four Stories Using Community Benefit		
Residential Unit Mix	% of Units	No. Units	Avg SF	% of Units	No. Units	Avg SF
Market Rate	83%	81	750	80%	104	750
Affordable (80% AMI)	0%	0	700	0%	0	700
Affordable (70% AMI)	18%	17	700	20%	27	700
Affordable (60% AMI)	0%	0	700	0%	0	700
Affordable (50% AMI)	0%	0	700	0%	0	700
	100%	98	741	100%	131	740
	[17.5% on-site, mix 70% AMI]			[17.5% on-site, + added 11% 4th floor]		
Monthly Rents		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$2,650	\$3.53		\$2,650	\$3.53
Affordable (80% AMI)		\$1,956	\$2.79		\$1,956	\$2.79
Affordable (70% AMI)		\$1,699	\$2.43		\$1,699	\$2.43
Affordable (60% AMI)		\$1,442	\$2.06		\$1,442	\$2.06
Affordable (50% AMI)		\$1,186	\$1.69		\$1,186	\$1.69
Weighted Average		\$2,484	\$3.35		\$2,457	\$3.32
Operating Income	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Rent per year	\$2,920,708	\$29,803	\$40	\$3,863,106	\$29,489	\$40
Other Income	\$291,060	\$2,970	\$4	\$376,101	\$2,871	\$4
(Less) Vacancy/Bad Debt	(\$160,588)	(\$1,639)	(\$2)	(\$211,960)	(\$1,618)	(\$2)
(Less) OPEX	(\$686,000)	(\$7,000)	(\$9)	(\$917,000)	(\$7,000)	(\$9)
Net Operating Income (NOI)	\$2,365,180	\$24,134	\$33	\$3,110,246	\$23,742	\$32
Supported Investment@5.5% ROC	\$43,002,000	\$438,800	\$592	\$56,553,000	\$431,700	\$583
Development Costs excl. Land						
Direct Construction incl. conting.	\$28,607,250	\$291,900	\$394	\$38,531,850	\$294,100	\$397
Fees & Permits	\$2,959,600	\$30,200	\$41	\$3,943,100	\$30,100	\$41
CIL for IH reqrmt	\$0	\$0	\$0	\$0	\$0	\$0
A&E/prof fees/taxes/Ins./other	\$2,452,000	\$25,000	\$34	\$3,303,000	\$25,200	\$34
Overhead/Admin	\$817,000	\$8,300	\$11	\$1,101,000	\$8,400	\$11
Soft Cost Contingency	\$271,000	\$2,800	\$4	\$362,000	\$2,800	\$4
Financing	\$2,812,600	\$28,700	\$39	\$3,694,200	\$28,200	\$38
Total Costs	\$37,919,450	\$386,900	\$522	\$50,935,150	\$388,800	\$525
Residual Land Value	\$5,086,200	\$51,900	\$70	\$5,619,900	\$42,900	\$58
per acre	\$2,543,100			\$2,809,950		
per square foot land	\$58			\$65		
Estimated Land Cost (target value)	\$6,370,000	\$65,000	Supp Invest as %Costs	\$6,370,000	\$48,600	Supp Invest as %Costs
Total Cost w/Est. Land Cost	\$44,289,450	\$451,900	97.1%	\$57,305,150	\$437,400	98.7%
Feasibility Classification	Marginal Feasibility			Feasible		

Appendix Table R 4A
Rental Pro Forma, No Req.
Inclusionary Housing Analysis
Boulder, CO

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	Rental, Three Stories			Rental, Four Stories Using Community Benefit		
<u>Residential Unit Mix</u>	% of Units	No. Units	Avg SF	% of Units	No. Units	Avg SF
Market Rate	100%	98	750	100%	131	750
Affordable (80% AMI)	0%	0	700	0%	0	700
Affordable (70% AMI)	0%	0	700	0%	0	700
Affordable (60% AMI)	0%	0	700	0%	0	700
Affordable (50% AMI)	0%	0	700	0%	0	700
	100%	98	750	100%	131	750
<u>Monthly Rents</u>		\$/Unit	\$/NSF		\$/Unit	\$/NSF
Market Rate		\$2,650	\$3.53		\$2,650	\$3.53
Affordable (80% AMI)		\$1,956	\$2.79		\$1,956	\$2.79
Affordable (70% AMI)		\$1,699	\$2.43		\$1,699	\$2.43
Affordable (60% AMI)		\$1,442	\$2.06		\$1,442	\$2.06
Affordable (50% AMI)		\$1,186	\$1.69		\$1,186	\$1.69
Weighted Average		\$2,650	\$3.53		\$2,650	\$3.53
<u>Operating Income</u>	Total	\$/Unit	\$/NSF	Total	\$/Unit	\$/NSF
Gross Rent per year	\$3,116,400	\$31,800	\$42	\$4,165,800	\$31,800	\$42
Other Income	\$352,800	\$3,600	\$5	\$471,600	\$3,600	\$5
(Less) Vacancy/Bad Debt	(\$173,460)	(\$1,770)	(\$2)	(\$231,870)	(\$1,770)	(\$2)
(Less) OPEX	(\$686,000)	(\$7,000)	(\$9)	(\$917,000)	(\$7,000)	(\$9)
Net Operating Income (NOI)	\$2,609,740	\$26,630	\$36	\$3,488,530	\$26,630	\$36
Supported Investment@5.5% ROC	\$47,452,000	\$484,200	\$646	\$63,430,000	\$484,200	\$646
<u>Development Costs excl. Land</u>						
Direct Construction incl. conting.	\$28,872,900	\$294,600	\$393	\$38,941,350	\$297,300	\$396
Fees & Permits	\$2,989,000	\$30,500	\$41	\$3,995,500	\$30,500	\$41
CIL for IH reqrmt	\$0	\$0	\$0	\$0	\$0	\$0
A&E/prof fees/taxes/Ins./other	\$2,475,000	\$25,300	\$34	\$3,338,000	\$25,500	\$34
Overhead/Admin	\$825,000	\$8,400	\$11	\$1,113,000	\$8,500	\$11
Soft Cost Contingency	\$273,000	\$2,800	\$4	\$367,000	\$2,800	\$4
Financing	\$3,106,600	\$31,700	\$42	\$4,152,700	\$31,700	\$42
Total Costs	\$38,541,500	\$393,300	\$524	\$51,907,550	\$396,300	\$528
Residual Land Value	\$8,908,200	\$90,900	\$121	\$11,514,900	\$87,900	\$117
per acre	\$4,454,100			\$5,757,450		
per square foot land	\$102			\$132		
Estimated Land Cost (target value)	\$6,370,000	\$65,000	Supp Invest as %Costs	\$6,370,000	\$48,600	Supp Invest as %Costs
Total Cost w/Est. Land Cost	\$44,911,500	\$458,300	105.7%	\$58,277,550	\$444,900	108.8%
Feasibility Classification	Feasible			Feasible		

Appendix A Table 5
Fees and Permits Detail
Inclusionary Housing Analysis
Boulder, CO

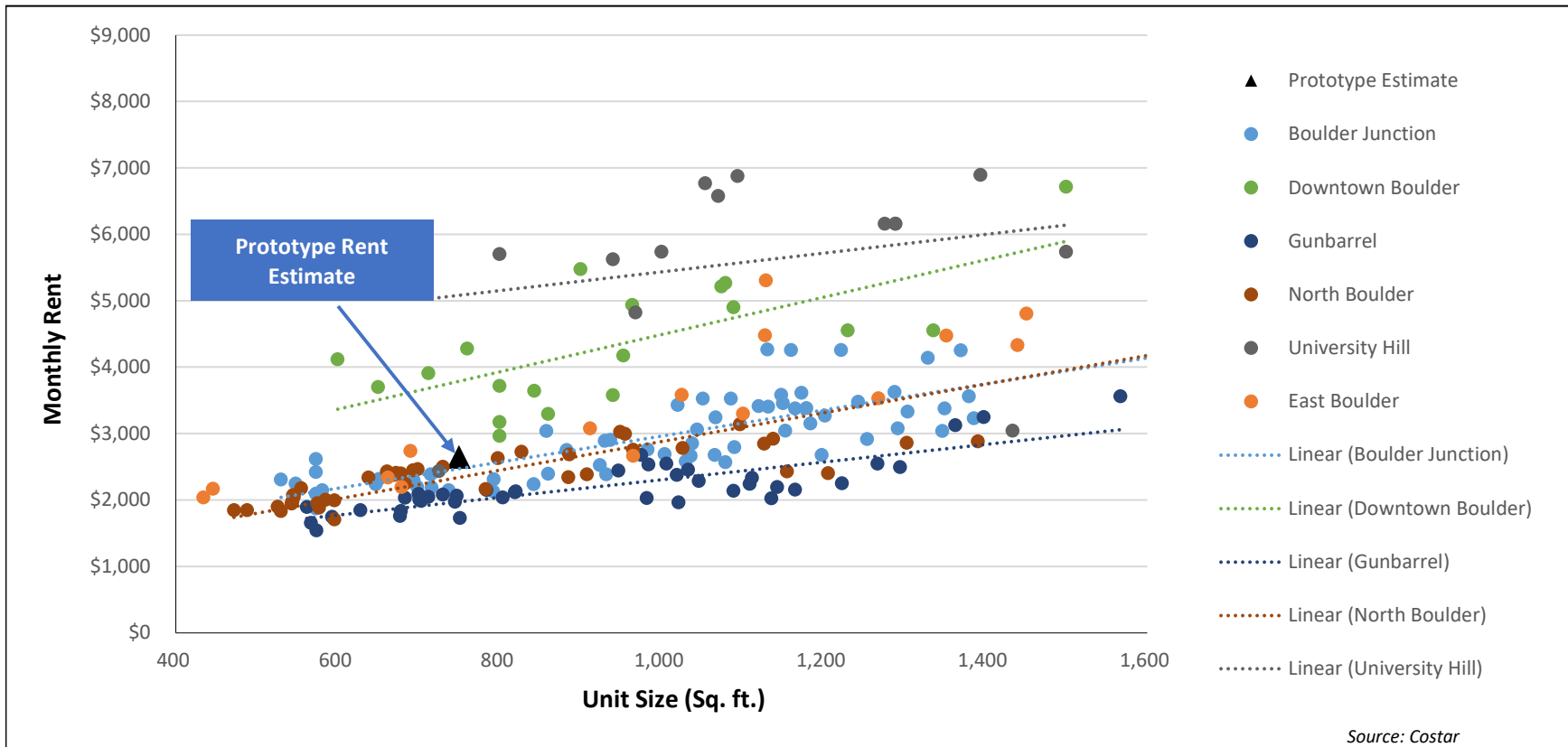
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	Townhomes / Rowhomes	Small Stacked Condo Project, Three Stories	Larger Stacked Condo Project, Four Stories	Rental, Three Stories	Rental, Four Stories Using Community Benefit
BP Value Schedule	159	159	159	159	159
Efficiency	100%	85%	85%	85%	85%
Estimate BP Value per unit	\$278,250	\$261,882	\$233,824	\$140,294	\$140,294
Density (dwelling units/acre)	24 dua	26 dua	78 dua	49 dua	66 dua
Average Unit Size	1,750 sf	1,400 sf	1,250 sf	750 sf	750 sf
Average No. of Bedrooms	3.0 BR	2.0 BR	1.7 BR	1.0 BR	1.0 BR
<u>Unit Mix</u>					
Studio	0	0	0	20%	20%
1 BR	0%	15%	45%	60%	60%
2 BR	0%	75%	40%	18%	18%
3BR	100%	10%	15%	2%	2%
4BR	0%	0%	0%	0%	0%
Estimated Cost Per Unit					
Transportation Excise Tax	\$2,995	\$2,995	\$2,995	\$2,995	\$2,995
Sales and use tax	\$12,584	\$11,844	\$10,575	\$6,345	\$6,345
Capital Facilities	\$7,744	\$7,136	\$6,420	\$6,420	\$6,420
Water Plant Investment Fee	\$9,796	\$7,837	\$7,837	\$7,837	\$7,837
Wastewater Plant Investment Fee	\$3,495	\$3,056	\$3,056	\$3,056	\$3,056
Stormwater PIF	\$4,465	\$4,082	\$1,374	\$2,187	\$1,636
Other permit and insp fees	<u>\$5,250</u>	<u>\$4,200</u>	<u>\$3,750</u>	<u>\$2,250</u>	<u>\$2,250</u>
	\$46,329	\$41,150	\$36,007	\$31,090	\$30,539
Total Fee PSF, not including IH	\$26	\$29	\$29	\$41	\$41

APPENDIX B - MARKET DATA AND SUMMARY OF PRECEDENT PROJECTS

Appendix Table B 1A
Effective Rents for Rental Properties Built Since 2010
Inclusionary Housing Analysis
Boulder, CO

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Appendix Table B 1B
Rents by Project, Apartments Built Since 2010
Inclusionary Housing Analysis
Boulder, CO

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Source: Costar, 1/2023

Project	Avg SF	BRs	No. of Units	Effective Rent	\$/SF
Boulder Commons	651	1	1	\$2,317	\$3.56
Boulder Commons	858	2	1	\$3,039	\$3.54
Boulder Commons	860	2	1	\$2,396	\$2.79
Boulder Commons	1,044	2	1	\$3,063	\$2.93
Boulder Commons	1,051	2	1	\$3,529	\$3.36
Boulder Commons	1,066	2	1	\$2,680	\$2.51
Boulder Commons	1,067	2	5	\$3,244	\$3.04
Boulder Commons	1,086	2	6	\$3,527	\$3.25
Boulder Commons	1,120	2	1	\$3,416	\$3.05
Boulder Commons	1,131	2	1	\$4,265	\$3.77
Boulder Commons	1,160	2	1	\$4,260	\$3.67
Boulder Commons	1,165	2	12	\$3,379	\$2.90
Boulder Commons	1,222	2	1	\$4,260	\$3.49
Boulder Commons	1,329	2	1	\$4,142	\$3.12
Boulder Commons	1,370	2	3	\$4,254	\$3.11
Griffis 3100 Pearl	573	0	35	\$1,872	\$3.27
Griffis 3100 Pearl	573	1	130	\$2,096	\$3.66
Griffis 3100 Pearl	698	1	4	\$2,199	\$3.15
Griffis 3100 Pearl	716	1	20	\$2,186	\$3.05
Griffis 3100 Pearl	793	1	2	\$2,313	\$2.92
Griffis 3100 Pearl	932	1	2	\$2,385	\$2.56
Griffis 3100 Pearl	573	2	30	\$2,420	\$4.22
Griffis 3100 Pearl	573	2	92	\$2,617	\$4.57
Griffis 3100 Pearl	1,153	2	1	\$3,042	\$2.64
Griffis 3100 Pearl	1,184	2	3	\$3,151	\$2.66
RÊVE	530	0	2	\$2,309	\$4.36
RÊVE	581	0	1	\$2,147	\$3.70
RÊVE	647	0	2	\$2,239	\$3.46
RÊVE	548	1	24	\$2,249	\$4.10
RÊVE	694	1	19	\$2,297	\$3.31
RÊVE	715	1	74	\$2,386	\$3.34
RÊVE	737	1	2	\$2,147	\$2.91
RÊVE	883	1	28	\$2,754	\$3.12
RÊVE	924	1	3	\$2,526	\$2.73
RÊVE	937	1	7	\$2,903	\$3.10
RÊVE	983	1	3	\$2,761	\$2.81
RÊVE	1,004	1	1	\$2,691	\$2.68
RÊVE	1,090	1	6	\$2,796	\$2.57
RÊVE	1,350	1	4	\$3,381	\$2.50
RÊVE	1,927	1	7	\$3,824	\$1.98
RÊVE	1,020	2	2	\$3,430	\$3.36
RÊVE	1,148	2	2	\$3,584	\$3.12
RÊVE	1,150	2	1	\$3,459	\$3.01
RÊVE	1,173	2	1	\$3,616	\$3.08
RÊVE	1,202	2	20	\$3,272	\$2.72
RÊVE	1,243	2	7	\$3,480	\$2.80
RÊVE	1,380	2	3	\$3,561	\$2.58
RÊVE	1,716	2	2	\$4,217	\$2.46
RÊVE	1,800	2	1	\$5,503	\$3.06
RÊVE	1,800	2	1	\$4,457	\$2.48
RÊVE	1,959	2	7	\$4,223	\$2.16
RÊVE	2,150	2	1	\$5,574	\$2.59

Appendix Table B 1B
Rents by Project, Apartments Built Since 2010
Inclusionary Housing Analysis
Boulder, CO

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Source: Costar, 1/2023

Project	Avg SF	BRs	No. of Units	Effective Rent	\$/SF
RÊVE	2,200	2	1	\$4,542	\$2.06
RÊVE	2,471	2	1	\$5,401	\$2.19
RÊVE	1,665	3	5	\$4,479	\$2.69
RÊVE	1,690	3	1	\$5,566	\$3.29
RÊVE	1,870	3	1	\$5,314	\$2.84
RÊVE	1,890	3	1	\$5,119	\$2.71
RÊVE	2,030	3	1	\$5,098	\$2.51
Two Nine North	792	1	26	\$2,129	\$2.69
Two Nine North	842	1	54	\$2,238	\$2.66
Two Nine North	930	1	6	\$2,894	\$3.11
Two Nine North	1,030	1	16	\$2,584	\$2.51
Two Nine North	1,036	1	18	\$2,666	\$2.57
Two Nine North	1,079	1	23	\$2,570	\$2.38
Two Nine North	1,038	2	1	\$2,853	\$2.75
Two Nine North	1,132	2	2	\$3,404	\$3.01
Two Nine North	1,179	2	10	\$3,383	\$2.87
Two Nine North	1,198	2	61	\$2,680	\$2.24
Two Nine North	1,254	2	1	\$2,919	\$2.33
Two Nine North	1,288	2	8	\$3,626	\$2.82
Two Nine North	1,292	2	1	\$3,079	\$2.38
Two Nine North	1,304	2	4	\$3,332	\$2.56
Two Nine North	1,347	2	4	\$3,039	\$2.26
Two Nine North	1,386	2	3	\$3,231	\$2.33
17 Walnut	600	1	1	\$4,118	\$6.86
17 Walnut	650	1	2	\$3,702	\$5.70
17 Walnut	712	1	1	\$3,912	\$5.49
17 Walnut	760	1	1	\$4,278	\$5.63
17 Walnut	800	1	1	\$2,965	\$3.71
17 Walnut	800	1	1	\$3,174	\$3.97
17 Walnut	843	1	2	\$3,644	\$4.32
17 Walnut	860	1	2	\$3,295	\$3.83
17 Walnut	800	2	2	\$3,717	\$4.65
17 Walnut	900	2	1	\$5,479	\$6.09
17 Walnut	940	2	4	\$3,581	\$3.81
17 Walnut	953	2	1	\$4,175	\$4.38
17 Walnut	964	2	1	\$4,938	\$5.12
17 Walnut	1,074	2	1	\$5,217	\$4.86
17 Walnut	1,089	2	1	\$4,902	\$4.50
17 Walnut	1,230	2	1	\$4,554	\$3.70
17 Walnut	1,079	3	1	\$5,269	\$4.88
17 Walnut	1,336	3	1	\$4,554	\$3.41
17 Walnut	1,500	3	1	\$6,718	\$4.48
Apex 5510	567	0	1	\$1,656	\$2.92
Apex 5510	593	0	23	\$1,746	\$2.94
Apex 5510	677	0	2	\$1,761	\$2.60
Apex 5510	982	0	2	\$2,029	\$2.07
Apex 5510	683	1	18	\$2,033	\$2.98
Apex 5510	700	1	3	\$2,092	\$2.99
Apex 5510	701	1	53	\$2,003	\$2.86
Apex 5510	703	1	18	\$1,988	\$2.83
Apex 5510	819	1	9	\$2,117	\$2.58
Apex 5510	820	1	39	\$2,132	\$2.60

Appendix Table B 1B
Rents by Project, Apartments Built Since 2010
Inclusionary Housing Analysis
Boulder, CO

DRAFT

Source: Costar, 1/2023

Project	Avg SF	BRs	No. of Units	Effective Rent	\$/SF
Apex 5510	1,021	2	38	\$1,966	\$1.93
Apex 5510	1,046	2	1	\$2,289	\$2.19
Apex 5510	1,109	2	2	\$2,245	\$2.02
Apex 5510	1,143	2	5	\$2,195	\$1.92
Apex 5510	1,165	2	17	\$2,155	\$1.85
Boulder View	562	0	3	\$1,895	\$3.37
Boulder View	712	1	6	\$2,049	\$2.88
Boulder View	751	1	41	\$1,729	\$2.30
Boulder View	804	1	2	\$2,039	\$2.54
Boulder View	947	2	6	\$2,445	\$2.58
Boulder View	975	2	3	\$2,679	\$2.75
Boulder View	984	2	3	\$2,534	\$2.58
Boulder View	1,006	2	3	\$2,546	\$2.53
Boulder View	1,033	2	1	\$2,458	\$2.38
Gunbarrel Center	574	0	22	\$1,544	\$2.69
Gunbarrel Center	628	1	22	\$1,847	\$2.94
Gunbarrel Center	678	1	22	\$1,834	\$2.71
Gunbarrel Center	730	1	22	\$2,081	\$2.85
Gunbarrel Center	745	1	22	\$1,975	\$2.65
Gunbarrel Center	747	1	22	\$2,065	\$2.76
Gunbarrel Center	784	1	22	\$2,154	\$2.75
Gunbarrel Center	1,019	1	12	\$2,379	\$2.33
Gunbarrel Center	1,089	2	11	\$2,139	\$1.96
Gunbarrel Center	1,112	2	10	\$2,333	\$2.10
Gunbarrel Center	1,136	2	9	\$2,025	\$1.78
Gunbarrel Center	1,223	2	11	\$2,253	\$1.84
Gunbarrel Center	1,267	2	9	\$2,547	\$2.01
Gunbarrel Center	1,295	2	9	\$2,497	\$1.93
Gunbarrel Center	1,363	3	9	\$3,127	\$2.29
Gunbarrel Center	1,398	3	9	\$3,249	\$2.32
Gunbarrel Center	1,567	3	8	\$3,562	\$2.27
The Armory	488	0	2	\$1,846	\$3.78
The Armory	526	0	4	\$1,899	\$3.61
The Armory	530	0	2	\$1,835	\$3.46
The Armory	543	0	13	\$1,947	\$3.59
The Armory	544	0	20	\$1,981	\$3.64
The Armory	546	0	16	\$2,054	\$3.76
The Armory	575	0	3	\$1,952	\$3.39
The Armory	577	0	6	\$1,887	\$3.27
The Armory	585	0	6	\$2,002	\$3.42
The Armory	596	0	2	\$1,997	\$3.35
The Armory	545	1	4	\$2,074	\$3.81
The Armory	555	1	4	\$2,176	\$3.92
The Armory	638	1	2	\$2,340	\$3.67
The Armory	661	1	5	\$2,432	\$3.68
The Armory	670	1	6	\$2,379	\$3.55
The Armory	672	1	2	\$2,408	\$3.58
The Armory	678	1	2	\$2,398	\$3.54
The Armory	683	1	14	\$2,247	\$3.29
The Armory	693	1	2	\$2,447	\$3.53
The Armory	699	1	2	\$2,466	\$3.53
The Armory	730	1	9	\$2,500	\$3.42

Appendix Table B 1B
Rents by Project, Apartments Built Since 2010
Inclusionary Housing Analysis
Boulder, CO

DRAFT

Source: Costar, 1/2023

Project	Avg SF	BRs	No. of Units	Effective Rent	\$/SF
The Armory	798	1	7	\$2,632	\$3.30
The Armory	827	1	4	\$2,727	\$3.30
The Armory	886	1	2	\$2,688	\$3.03
The Armory	1,026	1	3	\$2,782	\$2.71
The Armory	949	2	11	\$3,027	\$3.19
The Armory	955	2	8	\$2,998	\$3.14
The Armory	965	2	7	\$2,756	\$2.86
The Armory	1,097	2	6	\$3,139	\$2.86
The Armory	1,127	2	7	\$2,848	\$2.53
The Armory	1,138	2	2	\$2,922	\$2.57
The Armory	1,790	3	1	\$4,609	\$2.57
The Armory	2,185	3	4	\$5,711	\$2.61
The Armory	2,232	3	3	\$5,775	\$2.59
The Armory	2,236	3	2	\$5,727	\$2.56
The Armory	2,359	3	1	\$6,098	\$2.58
The Armory	2,360	3	1	\$6,141	\$2.60
The Armory	2,614	4	3	\$6,780	\$2.59
The Armory	2,852	4	1	\$7,364	\$2.58
The Armory	2,970	4	1	\$5,799	\$1.95
The Armory	3,134	4	1	\$8,047	\$2.57
Violet on Broadway	472	0	9	\$1,847	\$3.91
Violet on Broadway	596	1	29	\$1,707	\$2.86
Violet on Broadway	783	2	10	\$2,166	\$2.77
Violet on Broadway	908	2	50	\$2,389	\$2.63
Wonderland Creek THs	885	2	2	\$2,342	\$2.65
Wonderland Creek THs	1,155	2	10	\$2,431	\$2.10
Wonderland Creek THs	1,206	2	22	\$2,405	\$1.99
Wonderland Creek THs	1,303	3	5	\$2,860	\$2.19
Wonderland Creek THs	1,391	3	2	\$2,882	\$2.07
Parc Mosaic	434	1	63	\$2,037	\$4.69
Parc Mosaic	446	1	78	\$2,171	\$4.87
Parc Mosaic	662	1	4	\$2,337	\$3.53
Parc Mosaic	679	1	10	\$2,197	\$3.24
Parc Mosaic	690	1	7	\$2,740	\$3.97
Parc Mosaic	912	1.5	5	\$3,081	\$3.38
Parc Mosaic	965	2	5	\$2,665	\$2.76
Parc Mosaic	1,101	2	5	\$3,300	\$3.00
Parc Mosaic	1,129	2	2	\$5,309	\$4.70
Parc Mosaic	1,128	1	5	\$4,480	\$3.97
Parc Mosaic	1,268	2	21	\$3,530	\$2.78
Parc Mosaic	1,025	2	4	\$3,582	\$3.49
Parc Mosaic	1,352	2.5	4	\$4,474	\$3.31
Parc Mosaic	1,451	2.5	6	\$4,806	\$3.31
Parc Mosaic	1,440	3	7	\$4,331	\$3.01
East Village Flats	476	1	1	\$1,825	\$3.83
East Village Flats	838	2	1	\$2,772	\$3.31
East Village Flats	860	3	3	\$3,285	\$3.82
East Village Flats	874	3	34	\$3,555	\$4.07
1005 on the Block	940	3	5	\$5,623	\$5.98
1005 on the Block	1,054	4	1	\$6,770	\$6.42
1005 on the Block	1,070	4	1	\$6,577	\$6.15
1005 on the Block	1,094	4	1	\$6,877	\$6.29

Appendix Table B 1B
Rents by Project, Apartments Built Since 2010
Inclusionary Housing Analysis
Boulder, CO

DRAFT

Source: Costar, 1/2023

Project	Avg SF	BRs	No. of Units	Effective Rent	\$/SF
1005 on the Block	1,394	4	1	\$6,897	\$4.95
1725 18th St	725	2	1	\$2,435	\$3.36
1725 18th St	1,434	2	2	\$3,044	\$2.12
1912 Arapahoe Ave	1,000	4	1	\$5,737	\$5.74
1912 Arapahoe Ave	1,500	4	4	\$5,737	\$3.82
Lofts On College	800	2	1	\$5,702	\$7.13
Lofts On College	968	3	3	\$4,825	\$4.98
Lofts On College	1,276	4	4	\$6,160	\$4.83
Lofts On College	1,289	4	2	\$6,160	\$4.78
Lofts On College	1,289	4	3	\$6,160	\$4.78

Appendix Table B 2A
Attached Unit Sales and Listings (Built and Sold Between 2020-22)
Inclusionary Housing Analysis
Boulder, CO

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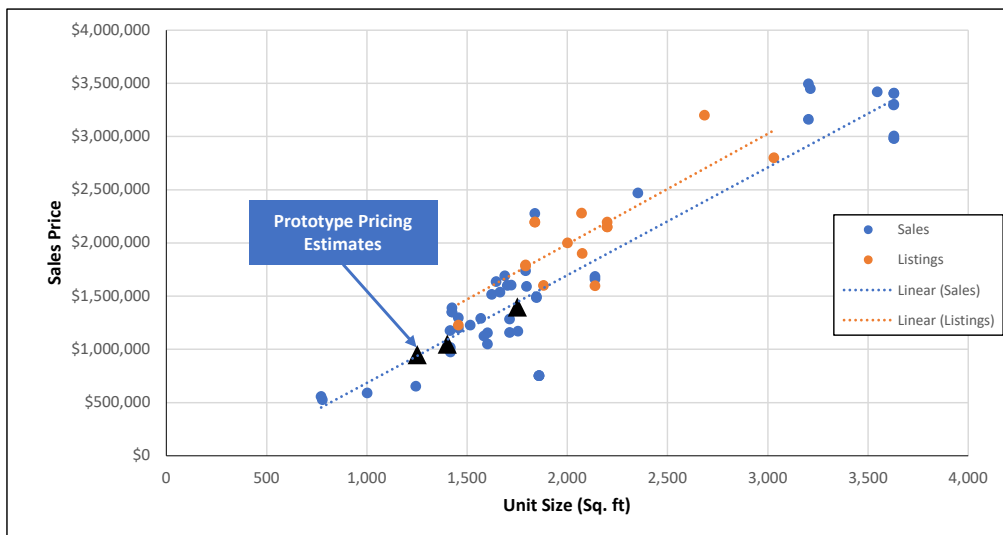
Address	Yr Built	Sale Date	# Bath	# Bed	Sq. ft	Price	\$/SF
2805 Broadway St Unit A	2021	10/15/2022	3.5	3	3,213	\$3,450,000	\$1,074
2805 Broadway St Unit E	2021	3/2/2021	3.5	3	3,203	\$3,495,000	\$1,091
2805 Broadway St Unit C	2021	2/26/2021	3.5	3	3,203	\$3,161,525	\$987
2010 Pearl St Unit C	2022	4/20/2023	4	3	1,792	\$1,738,500	\$970
2010 Pearl St Unit C	2022	2/28/2023	3	3	1,838	\$2,275,000	\$1,238
2128 Pearl St Unit B	2020	7/16/2021	3.5	3	1,665	\$1,535,000	\$922
2128 Pearl St Unit C	2020	6/23/2021	2.5	3	1,720	\$1,603,500	\$932
2126 Pearl St Unit A	2020	8/11/2022	3.5	3	1,646	\$1,637,000	\$995
2128 Pearl St Unit A	2020	6/30/2020	3.5	3	1,688	\$1,690,000	\$1,001
2126 Pearl St Unit C	2020	8/7/2020	2.5	3	1,702	\$1,600,000	\$940
2126 Pearl St Unit B	2020	8/25/2020	3.5	3	1,623	\$1,515,000	\$933
1955 3rd St #5	2022	6/8/2022	4.5	4	3,629	\$3,403,491	\$938
1955 3rd St #8	2022	7/25/2022	4.5	4	3,629	\$3,406,638	\$939
1955 3rd St #1	2022	6/2/2022	4.5	4	3,546	\$3,417,859	\$964
1955 3rd St #3	2022	6/3/2022	4.5	4	3,629	\$3,004,872	\$828
1955 3rd St #4	2022	6/24/2022	4.5	4	3,629	\$2,980,390	\$821
1955 3rd St #10	2022	6/10/2022	4.5	4	3,629	\$2,984,143	\$822
1955 3rd St #2	2022	6/3/2022	4.5	4	3,628	\$3,296,343	\$909
1955 3rd St #9	2022	6/8/2022	4.5	4	3,629	\$3,302,765	\$910
2718 Pine St #201	2020	7/16/2021	2	2	1,417	\$975,000	\$688
2718 Pine St 203	2020	01/07/2021	2	2	1,416	\$1,175,000	\$830
2718 Pine St #204	2020	3/25/2021	2.5	2	1,713	\$1,157,000	\$675
2718 Pine St #205	2020	6/10/2021	2	2	1,603	\$1,050,000	\$655
2718 Pine St #207	2020	1/13/2021	1	1	773	\$555,000	\$718
2718 Pine St #301	2020	3/1/2021	2	2	1,417	\$1,015,000	\$716
2718 Pine St #302	2020	4/22/2021	2	2	1,585	\$1,125,000	\$710
2718 Pine St 303	2020	12/24/2020	2	2	1,516	\$1,225,000	\$808
2718 Pine St 304	2020	12/23/2020	3	2	1,713	\$1,285,000	\$750
2718 Pine St 305	2020	1/19/2021	2	2	1,603	\$1,155,000	\$721
2718 Pine St #306	2020	6/18/2021	2	2	1,754	\$1,170,000	\$667
2461 Walnut St	2021	8/10/2022	3.5	3	1,846	\$1,495,000	\$810
2465 Walnut St #1	2021	9/9/2022	2.5	2	1,569	\$1,290,000	\$822
2465 Walnut St #2	2023	3/24/2023	2.5	2	1,457	\$1,295,000	\$889
2465 Walnut St #12	2021	8/10/2022	2.5	2	1,457	\$1,200,000	\$824
2463 Walnut St	2021	8/17/2022	3.5	3	2,139	\$1,660,000	\$776
2455 Walnut St	2021	8/2/2022	3.5	3	2,139	\$1,685,000	\$788
2469 Walnut St	2021	12/15/2022	3.5	3	1,846	\$1,485,000	\$804
3261 Airport Rd #202	2021	11/19/2021	2	2	1,002	\$590,000	\$589
3281 Airport Rd #307	2021	12/3/2021	1	1	779	\$525,000	\$674
3271 Airport Rd #130	2021	9/3/2021	2.5	2	1,859	\$751,500	\$404
3271 Airport Rd #128	2021	9/3/2021	2	2	1,245	\$651,500	\$523
3271 Airport Rd #131	2021	9/9/2021	2.5	2	1,859	\$751,500	\$404
3271 Airport Rd #132	2021	9/13/2021	2.5	2	1,859	\$751,500	\$404
2140 Folsom St	2022	6/30/2023	3.5	3	2,353	\$2,470,000	\$1,050
940 North St Unit B	2021	3/9/2022	2.5	3	1,425	\$1,350,000	\$947
940 North St Unit A	2021	3/9/2022	2.5	3	1,425	\$1,390,000	\$975
936 North St Unit B	2021	2/23/2022	3.5	3	1,797	\$1,590,000	\$885
938 North St Unit A	2020	3/2/2022	2.5	3	1,425	\$1,350,000	\$947

Source: Redfin.com

Appendix Table B 2B
Recently Built Attached Unit Listings
Inclusionary Housing - Market Analysis
City of Boulder, CO

Address	Yr Built	Sale Date	# Bath	# Bed	SF	Sale Price	\$/SF
Listings							
944 Arapahoe Ave	2022	N/A	3	3	2,685	\$3,200,000	\$1,192
2475 Walnut St	2022	N/A	3.5	3	2,139	\$1,595,000	\$746
2457 Walnut St	2022	N/A	3.5	3	1,881	\$1,600,000	\$851
2465 Walnut St	2022	N/A	2.5	2	1,457	\$1,225,000	\$841
2010 Pearl St	2022	N/A	4	3	1,792	\$1,792,000	\$1,000
2010 Pearl St Unit B	2022	N/A	4	2	1,792	\$1,782,000	\$994
2010 Pearl St Unit D	2022	N/A	3	3	1,838	\$2,195,000	\$1,194
2707 Pine	2022	N/A	3.5	4	2,200	\$2,195,000	\$998
2709 Pine	2022	N/A	3.5	4	2,200	\$2,150,000	\$977
2711 Pine	2022	N/A	3.5	4	2,200	\$2,150,000	\$977
1831 22nd ST Unit 3	2022	N/A	2.5	3	2,002	\$1,999,000	\$999
2010 Pearl St Unit B	2022	N/A	3	3	1,838	\$2,195,000	\$1,194
2130 Folsom St	2022	N/A	3.5	3	2,071	\$2,280,000	\$1,101
2160 Folsom St	2022	N/A	3	4	3,031	\$2,800,000	\$924
2120 Folsom St	2022	N/A	3.5	3	2,075	\$1,900,000	\$916

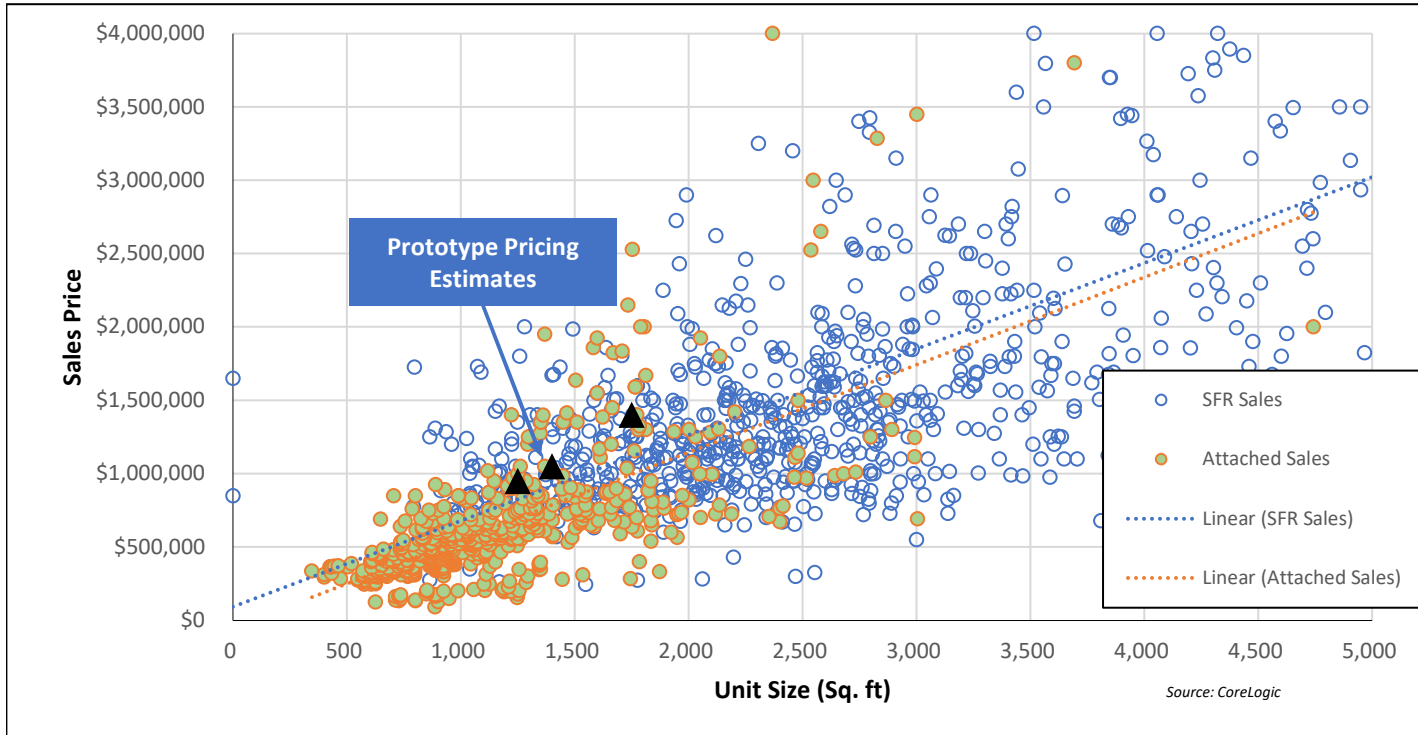
Source: Redfin.com



Source: Redfin.com

Appendix Table B 3
Sales Prices for Re-Sale of Existing Homes in Boulder
Inclusionary Housing Analysis
Boulder, CO

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Appendix Table B 4
Residential Land Sales
Inclusionary Housing Analysis
Boulder, CO

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			Est. Units/						Mixed	
Site	Land SF	Zoning	Units	Acre	Sale Yr	Price (\$M)	\$/Land SF	\$/Unit	Use ¹	Note
A. Rental Development Sites										
Downtown and Vicinity										
The Collective (15th St)	84,942	DT-5	147	75	2018	\$17.9M	\$210	\$121,000	x	Apartments
1750 14th St	32,234	DT-5	42	57	2015	\$2.0M	\$62	\$48,000	x	Apartments
Weighted Average							\$170	\$105,000		
Outside Downtown										
1530 55th Street	43,143	BC-1	TBD		2023 listing	\$3.6M	\$83	TBD		listing for apt site
3365 Diagonal Hwy	416,869		230	24	2021	\$10.7M	\$26	\$46,000		Apartments
2360 30th St	47,203		76	70	2019	\$5.5M	\$117	\$72,000		Apts, IH already met
4750 Broadway St	376,828	U-1, Bould	201	23	2019	\$17.8M	\$47	\$89,000		Armory Apartments
3200 Bluff St	46,230	MU-4	36	34	2018	\$2.5M	\$54	\$69,000	x	Apartments
3289 Airport Rd	113,256	IG	70	27	2018	\$3.7M	\$33	\$53,000		Apartments
5801 Arapahoe	639,224		317	22	2017	\$7.9M	\$12	\$25,000	x	Apartments
Reve Boulder (3 Props.)	196,891	BR-1	257	57	2017	\$16.5M	\$84	\$64,000	x	Apartments
3705 Diagonal Hwy	726,167	BT-1	357	21	2017	\$7.5M	\$10	\$21,000	x	Apartments
3085 Bluff St ³	81,936	RH-6	51	27	2016	\$3.5M	\$43	\$69,000	x	Apartments
3390-3392 Valmont Rd ³	257,875	MU-4	161	27	2015	\$13.5M	\$52	\$84,000	x	Apartments
Weighted Average							\$31	\$51,000		
Weighted Average exl 5801 Arapahoe							\$37	\$56,000		
Student Housing										
770 28th St	108,900	BT-1	942	377	2021	\$28.5M	\$262	\$30,000		Student, exist hotel
1912 Arapahoe Ave	15,160	RH-1	20	57	2019	\$4.4M	\$289	\$219,000		Student (unit = br)
2333 Arapahoe Ave	15,322	BT-2	18	51	2015	\$0.7M	\$47	\$40,000		Student
Weighted Average							\$241	\$34,000		
Affordable Housing										
Bluff and 29th	81,100	BMS-X	100	54	2020	\$8.8M	\$108	\$87,500	x	Affordable
1665 33rd St	67,953	BR-1	132	85	2017	\$4.5M	\$66	\$34,000		Senior
4871 Broadway St	74,923	IS-1	55	32	2016	\$2.8M	\$37	\$51,000		Affordable
Weighted Average							\$72	\$56,000		
B. For-Sale Housing / Other										
Downtown and Vicinity										
2008 Pearl St	8,001	MU-3	4	22	2018	\$1.6M	\$200	\$400,000	x	Townhomes
2116 Pearl St	19,331	MU-3	11	25	2017	\$3.0M	\$155	\$273,000		Townhomes
1828 Pearl St	6,995	MU-3	4	25	2016	\$1.0M	\$147	\$258,000		Townhomes
2049 Pearl St	7,071	MU-3	5	31	2015	\$1.3M	\$180	\$255,000		Townhomes
Weighted Average							\$167	\$288,000		
Outside Downtown										
2718 Pine	21,019	BC-2	13	27	2019	\$2.9M	\$136	\$219,000	x	Condos
2751-2875 30th St	80,934	BT-1	na	na	2019	\$9.0M	\$111	na		City Fire Station
630 Terrace Ave	55,463	P	8	6	2017	\$3.0M	\$54	\$375,000		Townhomes
1900 Folsom	55,583		29	23	2017	\$5.6M	\$101	\$193,000		townhomes
Weighted Average							\$96	\$201,000		
Single Family										
4215 Broadway	50,965	RL-2	5	4	2022	\$3.1M	\$61	\$620,000		single family
2140 Tamarack Ave	56,192	Estate Zor	2	2	2020	\$2.0M	\$36	\$1,000,000		single family
Weighted Average							\$48	\$729,000		

¹ Commercial components have not been excluded from land value.

² Part of S'Park project. Allocation of total unit count (i.e., approximately 286 units divided by 10.5 acres).

Appendix Table B 5
Multifamily Property Sales
Inclusionary Housing Analysis
Boulder, CO

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Source: Costar

Property Address	Submarket	Year Built	No. Units	Density (du/ac)	Sale Yr	Price (\$M)	\$/Unit	\$/SF	Cap Rate
Boulder Sales									
1044 Pleasant St	University Hill	1901	8	67	2022	\$3.2	\$400,000	\$875	4.70%
298 Arapahoe Ave	Lower Arapahoe	1930	12	24	2022	\$3.2	\$266,667	\$669	4.80%
2950 Bixby Ln	Baseline Sub	1973	163	40	2022	\$50.0	\$306,748	\$265	
917 Baseline Rd	Lower Chautauqua	1909	15	71	2022	\$2.8	\$188,333	\$602	3.00%
4970 Meredith Way	Arapahoe Ridge	1991	216	24	2022	\$105.7	\$489,286	\$575	
2535 Spruce St	Whittier-Boulder	1990	4	24	2022	\$2.8	\$700,000	\$1,308	4.00%
1210 Linden Ave	Melody Heights	1966	4	18	2022	\$1.4	\$337,500	\$493	
2726 Moorhead Ave	Martin Acres	1993	144	29	2022	\$85.3	\$592,014	\$688	
3280 Madison Ave	Baseline Sub	1966	4	24	2022	\$1.7	\$415,600	\$406	

Metro Denver Sales, Multifamily properties built in last five years

18400 E Elmendorf Dr	Denver / Gateway		206	30	2021	\$66	\$319,903	\$320	4.20%
1350 Speer Blvd	Denver / Golden Triangle		322	140	2021	\$145	\$448,758	\$456	4.40%
1615 Pennsylvania St	Denver / Uptown Denver		99	126	2021	\$39	\$393,939	\$376	4.20%
18280 E 45th Ave	Denver / Gateway		270	31	2021	\$79	\$291,667	\$383	4.50%
1959 Wewatta St	Denver / LoDo		168	189	2021	\$174	\$1,037,202	\$512	3.30%
1586 Hooker St	Denver / West Colfax		60	122	2021	\$18	\$291,667	\$575	4.50%
2355 Mercantile St	Castle Rock		111	15	2021	\$35	\$313,964	\$290	4.30%
4040 Clear Creek Dr	Wheat Ridge		310	25	2021	\$142	\$458,065	\$458	3.80%
2103 Peregrine Dr	Brighton		136	11	2021	\$63	\$463,971	\$477	4.10%
4109 E 10th Ave (Part of)	Denver / Hale		319	140	2021	\$170	\$531,348	\$848	3.90%
985 Albion St (Part of Mult)	Denver / Hale		275	89	2021	\$142	\$514,545	\$247	3.90%
2065 S Cherokee St	Denver / Overland		140	202	2022	\$58	\$410,714	\$592	3.50%
757 Grant St	Denver / Capitol Hill		68	91	2022	\$21	\$312,500	\$275	4.70%
9641 E Geddes Ave	Centennial		215	87	2022	\$95	\$441,860	\$380	4.30%
15068 E 103rd Pl	Commerce City		180	25	2023	\$65	\$363,056	\$404	4.50%
4811 S Niagara St	Denver / Denver Tech Center		310	121	2023	\$124	\$398,387	\$398	4.89%
13438 Oneida Ln	Thornton		102	92	2023	\$49	\$476,716	\$486	5.00%
3715 Bilberry St	Castle Rock		204	18	2023	\$67	\$329,167	\$322	5.40%

Appendix Table B 6
Recent Median Home Prices in Boulder and Surrounding Communities
Inclusionary Housing Analysis
Boulder, CO

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<u>Community</u>	Median Market Sale Price	
	<u>All Homes</u>	<u>Single Family</u>
Boulder	\$861,500	\$1,285,000
Longmont	\$587,500	\$620,000
Louisville	\$857,500	\$875,000
Erie	\$710,000	\$765,000
Lafayette	\$723,000	\$812,500
Broomfield	\$638,000	\$675,000
Denver	\$600,000	\$707,000

Representative Affordable Prices (attached units)

	<u>Low/Mod</u>	<u>80% AMI</u>	<u>100% AMI</u>	<u>120% AMI</u>
Two Bedroom	\$194,910	\$238,830	\$308,347	\$377,864
Three Bedroom	\$237,800	\$260,200	\$338,400	\$412,100

Source: Redfin sale prices, May 2023. City of Boulder 2023, Q3 affordable prices.

Appendix Table B 7
Illustrative Affordability Gap for LIHTC Project Used to Meet IH
Inclusionary Housing Analysis
Boulder, CO

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Illustrative Affordability Gap for LIHTC Project Used to Meet IH

Net of Tax Credits and Supported Debt

Example Project:	Spine Road Boulder	
No. of Units	59 Units	
	<u>Total</u>	<u>Per Unit</u>
Development Cost, excl land ⁽¹⁾	\$21,867,098	\$370,629
Sources		
Tax Credit Equity	\$7,306,778	\$123,844
First Mortgage	\$9,950,000	\$168,644
Deferred Developer Fee	<u>\$963,320</u>	<u>\$16,327</u>
Subtotal	\$18,220,098	\$308,815
Grants	\$822,000	\$13,932
CDOH soft debt	\$1,475,000	\$25,000
Developer soft debt	<u>\$1,350,000</u>	<u>\$22,881</u>
Subtotal	\$3,647,000	\$61,814
Total Sources	<u>\$21,867,098</u>	<u>\$370,629</u>
Developer Funding Recap		
Developer Soft Debt	\$1,350,000	\$22,881
Land Value (land residual in current CIL scenario)	<u>\$2,821,739</u>	<u>\$51,700</u>
Total	\$4,171,739	\$74,581
	Rounded:	\$75,000
	Per Market Rate Unit at 25%	\$25,000
	Per Market Rate Unit with com benefit	\$28,806

Source: Tax Credit Application + estimated land value.

Notes

(1) No land cost identified, donated site from market developer.

(2) Example selected as it is a developer initiated 4% LIHTC project being used to meet the IH obligation for a market rate project.



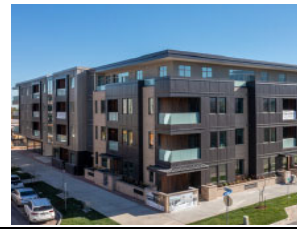

**Appendix Table B-8
Project Summaries
Inclusionary Housing Analysis
Boulder, CO**

Draft

Unit Type	Rental	Rental	Rental	Rental
				
Project Name	Oliv	Platform at S'park	RÊVE Boulder	The Standard at Boulder
Location	1750 15th St	3350 Bluff St	3000 Pearl Pky	1345 28th ST
Status	Under Cxn	Built	Built	Proposed
Site Size	1.88 ac.	1.14 ac.	5.12 ac.	15 ac.
No. of Dwelling Units (du)	150 du	85 du	242 du	303 du
notes				942 beds
Density (du/ac)	79.8 dua	74.6 dua	47.3 dua	20.2 dua
Unit Size Range	297 - 1,742 sf	417 - 1,156 sf	530 - 2,030sf	estimated at
Average Unit Size	709 sf	653 sf	967 sf	1,228 sf
Bedroom Mix	Development will consist of studio, 1, 2, 3, and 4 bedroom apartments.			
Studio		30%	2%	11%
1-Bedrooms		23%	73%	10%
2-Bedrooms		23%	21%	12%
3-Bedrooms		23%	4%	4%
4-Bedrooms				64%
5-Bedrooms				
Avg No. Bedrooms		1.4 BRs	1.3 BRs	3.0 BRs
No of Stories	3-story building.	4-story building.	5-story building.	4-story buildings
Parking	Structured parking	below grade	Structured, and surface parking	Surface

Appendix Table B-8
Project Summaries
Inclusionary Housing Analysis
Boulder, CO

Draft

Unit Type	Rental	Rental	Rental	Rental
				
Project Name	2900 East College	Diagonal Plaza	Boulder Commons	Armory #1
Location	2900 E. College Ave	3320 28th ST	3200 Bluff St	4750 Broadway
Status	Proposed	Proposed	Built	Built
Site Size	0.52 ac.	9 ac.	1.11 acres	5.74 acres
No. of Dwelling Units (du)	39 du	310 du	37 du	183 du
notes		incl 30 existing units		
Density (du/ac)	74.3 dua	33.7 dua	33.3 dua	31.9 dua
Unit Size Range	800 - 1,300 sf		651 - 1,333 sf	530 - 1,127 sf
Average Unit Size	1,050 sf	na	1,120 sf	724 sf
Bedroom Mix				
Studio	0%	15%		40%
1-Bedrooms	5%	51%	3%	37%
2-Bedrooms	0%	28%	97%	22%
3-Bedrooms	62%	6%		
4-Bedrooms	33%			
5-Bedrooms				
Avg No. Bedrooms	3.2 BRs	1.3 BRs	2.0 BRs	0.8 BRs
No of Stories	4-story buildings	3 and 4-story buildings	4-story building.	2-story buildings.
Parking	two levels of below grade parking	Structure	below grade	Structured, and surface parking




**Appendix Table B-8
Project Summaries
Inclusionary Housing Analysis
Boulder, CO**

Draft

Unit Type	Rental	Rental	Rental	Rental
		no image		
Project Name	BASELINE ROAD AND 27TH WAY	965 Broadway	The HUB	Pearl Street Apartments
Location	2700 Baseline	965 Broadway	770 28th St	2206 Pearl
Status	Proposed	Proposed	Under Cxn	Proposed
Site Size	3.10 ac.	0.45 ac.	3	0.48 ac.
No. of Dwelling Units (du)	84 du	12 du	96 du	45 du
notes				
Density (du/ac)	27.1 dua	26.7 dua	37.6 dua	93.3 dua
Unit Size Range			-	
Average Unit Size	1,093 sf	n/a	1,114 sf	299 sf
Bedroom Mix				
Studio	0%			100%
1-Bedrooms	0%			
2-Bedrooms	29%			
3-Bedrooms	0%			
4-Bedrooms	71%	100%	100%	
5-Bedrooms				
Avg No. Bedrooms	3.4 BRs	4.0 BRs	4.0 BRs	0.0 BRs
No of Stories	4 stories	3 stories	3-stories	3 stories
Parking	two level podium garage	primarily below grade	Below grade garage	podium garage

Appendix Table B-8
Project Summaries
Inclusionary Housing Analysis
Boulder, CO

Draft

Unit Type	Rental	Townhomes	Rental Townhomes	Rental Townhomes
				
Project Name	Glenwood Court - Rentals	Glenwood Court - Townhomes	Armory #2	Celestial Seasonings Lot 1
Location	2747 Glenwood Ct	2747 Glenwood Ct	4750 Broadway	4600 Hwy 119
Status	Proposed	Proposed	Built	Proposed
Site Size	3.14 ac.	3.14 ac.	1.92 acres	7.90 ac.
No. of Dwelling Units (du)	123 du	14 du	18 du	94 du
notes				
Density (du/ac)	44 dua incl THs	44 du/ac incl apts	9.4 dua	26.33 dua net
Unit Size Range			2,185 - 3,134 sf	
Average Unit Size			1,477 sf	
Bedroom Mix				
Studio	83%	0%		
1-Bedrooms	0%	0%		
2-Bedrooms	12%	0%		
3-Bedrooms	5%	100%	67%	100%
4-Bedrooms			33%	
5-Bedrooms				
Avg No. Bedrooms	0.4 BRs	3.0 BRs	3.3 BRs	3.0 BRs
No of Stories	3 stories	3 stories	3-story townhomes.	3 stories
Parking	below grade	private garages	Attached garages	private garages

**Appendix Table B-8
Project Summaries
Inclusionary Housing Analysis
Boulder, CO**

Draft

Unit Type	Condominiums	Condominiums	Townhomes
			
Project Name	27 PINE	17th Street Flats	940 North
Location	2718 Pine St	1629 17th ST	940 North St
Status	Built	Proposed	Built
Site Size	0.48 ac.	0.23 ac.	0.23 acres
No. of Dwelling Units (du)	13 du	6 du	6 du
notes			
Density (du/ac)	27.1 dua	26.6 dua	26.1 dua
Unit Size Range	773 - 1,754 sf	892-1325 sf	1,484 sf
Average Unit Size	1,372 sf	1,267 sf	1,484 sf
Bedroom Mix			
Studio		0%	
1-Bedrooms	8%	33%	
2-Bedrooms	92%	67%	
3-Bedrooms		0%	100%
4-Bedrooms			
5-Bedrooms			
Avg No. Bedrooms	1.9 BRs	1.7 BRs	3.0 BRs
No of Stories	3-story building.	3-story building	3-story townhomes.
Parking	Structured parking	private garages	Detached garages

**Appendix Table B-8
Project Summaries
Inclusionary Housing Analysis
Boulder, CO**

Draft

Unit Type	Townhomes	Townhomes	Townhomes	Townhomes
				
Project Name	Velo Park	Alveare	Flatiron Vista	4725 Broadway
Location	3289 Airport Rd	2008-2010 Pearl St	2160 Folsom St	4725 Broadway
Status	Built	Built	Built	Proposed
Site Size	2.7 acres	0.18 acres	0.63 acres	2.35 ac.
No. of Dwelling Units (du)	70 du	4 du	6 du	26 du
Density (du/ac)	25.9 dua	22.2 dua	9.5 dua	11.1 dua
Unit Size Range	706 - 1,984 sf	-	2,071 - 3,520 sf	
Average Unit Size	851 sf	1,700 sf	2,769 sf	1,730 sf
Bedroom Mix	Project consists of 1, 2, and 3 bedroom townhomes.	100%	100%	23% 77%
Avg No. Bedrooms		3.0 BRs	2 and 3 BRs	2.8 BRs
No of Stories	3-story townhomes.	3-story townhomes.	3-story townhomes.	2-story townhomes.
Parking	Private garages & surface	Attached garages	Attached garages	Attached garages

**Appendix Table B-8
Project Summaries
Inclusionary Housing Analysis
Boulder, CO**

Draft

Unit Type	Townhomes	Townhomes	Single Family
	no image	no image	no image
Project Name	358 Arapahoe	Shining Mountain Waldorf School - Townhomes	Shining Mountain Waldorf School - Single Family
Location	358 Arapahoe	999 Violet	1000 Violet
Status	Proposed	Proposed	Proposed
Site Size	0.28 ac.	1.01 ac.	3.30 ac.
No. of Dwelling Units (du)	3 du	17 du	20 du
notes			
Density (du/ac)	10.6 dua	16.8 dua	6.1 dua
Unit Size Range			
Average Unit Size	n/a	2,103 sf	3,424 sf
Bedroom Mix			
Studio			
1-Bedrooms			
2-Bedrooms			
3-Bedrooms			
4-Bedrooms			
5-Bedrooms			
Avg No. Bedrooms		n/a	n/a
No of Stories	3-story townhomes.	n/a	n/a
Parking	Attached garages	private garages	private garages

**Appendix Table B-8
Project Summaries
Inclusionary Housing Analysis
Boulder, CO**

Draft

Unit Type	Single Family Detached	Duplex	Duplex	Duplex
				
Project Name	Whittier Corner	Odonata	N��v�� House	1224 Upland Ave
Location	2709 Pine St	1955 3rd St	944 Arapahoe	1224 Upland Ave
Status	Built	Built	Under Cxn	Built
Site Size	0.32 acres	1.01 acres	0.22 acres	0.76 acres
No. of Dwelling Units (du)	5 du	10 du	2 du	4 du
Density (du/ac)	15.6 dua	9.9 dua	9.1 dua	5.3 dua
Unit Size Range	1,370 - 2,200 sf	3,546 - 3,629 sf	2,685 - 2,767sf	2,000 sf
Average Unit Size	1,600 sf	3,620 sf	2,700 sf	2,000 sf
Bedroom Mix	100%	100%	100%	100%
Studio 1-Bedrooms 2-Bedrooms 3-Bedrooms 4-Bedrooms 5-Bedrooms				
Avg No. Bedrooms	2.0 BRs	3.0 BRs	3.0 BRs	4.0 BRs
No of Stories	3-story single family.	3-story single family.	2-story duplex.	2-story duplex.
Parking	Private garages	Surface parking	Attached garages	Surface parking