

## PLANNING COMMISSION WORK SESSION MEMO

MEETING DATE:	January 11 <sup>th</sup> , 2022
AGENDA ITEM:	Work Session with Local Developers Re: Potential Amendments to Article XIII – Inclusionary Housing
FROM:	Bill Almquist, Community Development Director

Salida is experiencing a housing crisis unparalleled in recent history, if ever. The area's recent popularity, esp. amongst retirees, remote workers, and others with financial means to relocate to the Arkansas River Valley has driven home prices up sharply, convincing the owners of numerous rental homes to sell to the highest bidders, often from out of the area, leaving significantly fewer homes available for the local workforce. Meanwhile, the pace of new home construction (esp. affordable/attainable units, including rental units) has not kept up with the demand. The crisis is both one of affordability as well as supply and has put a significant stress on many local businesses who struggle to remain fully staffed, have had to reduce operational hours, or—in some cases—closed down altogether.

The City of Salida implemented an Inclusionary Housing (IH) ordinance in late 2018 in an attempt to ensure that a portion of all new homes being built remain affordable for the local workforce. To date, the policy has resulted in the commitments and/or construction of approximately 135 inclusionary housing units. At the last couple of work sessions, staff and Planning Commission have discussed a number of potential changes to the current IH policies. These discussions have covered a variety of topics, including: the applicability of additional land use applications types; offering dimensional standards incentives for built IH units in additional zones; the role of the fee-in-lieu of built IH units; the percentage of built IH units required; and creating more Area Median Income (AMI) level options for developers to meet the built IH unit requirements.

Whereas the current IH code only addresses affordability at 80% AMI and below, the overall housing need (as indicated in the Chaffee County Housing Needs Analysis and other subsequent analyses and surveys) covers a much broader range of income levels. As of November 2021, the median sales price of a home in Chaffee County was approximately \$560,000—up from approximately \$430,000 just one year ago (an increase of over 30%). This has put homeownership out of reach for most of the local workforce. For reference, assuming a 10% down payment, a 3-bedroom \$560,000 home would only be "affordable" (allocating no more than 30% of annual income) to households earning 180% AMI or more. A 2-bedroom home at the same price would only be affordable to households making 200% AMI or more. Anecdotal information and other data indicates that there is an acute need for rental units up to approximately 100% AMI, as well as forsale homes up to at least 160% AMI.

The City has recently taken additional steps to help incentivize more affordable rental units by reducing system development fees for qualifying projects, as well the IH fees-in-lieu for such units. Planning Commissioners have generally agreed that the AMI levels required to satisfy the built IH unit requirements should be expanded, and that those for rental units should be lower than those for for-sale units, to better reflect the economic realities and variety of housing needs. It was also acknowledged that most rental projects serving 60% AMI or less generally require additional subsidies and may be best addressed via state and federal programming. At the November work session, Planning Commissioners expressed a desire to receive feedback directly from local developers who have already been involved in providing built inclusionary housing units regarding some potential changes.

Staff has drafted new methodology and regulations with the intention to incentivize more built IH units while providing additional flexibility for developers. Summaries of these methodologies are attached to this memo, along with comparisons to current code requirements. The primary changes proposed herein include:

- IH would also apply to *all* condo plats, as well as duplex conversions;
- The required # of built IH units would increase from 12.5% (1/8) to 16.7% (1/6);
- Per authority of HB 21-1117, fees-in-lieu would be eliminated as an option to satisfy the IH requirements, except in certain cases such as minor developments and for required fractional units;
- Developers would have a broader array of AMI level options to meet the built IH unit requirements for rental units ( $\leq 80$ ,  $\leq 100\%$ ) and for-sale units ( $\leq 100$ ,  $\leq 120$ ,  $\leq 140$ ,  $\leq 160\%$ );
- $\leq 60\%$  AMI units would be worth 1.5 IH units, not 2.
- Expanding dimensional standards incentives to include the R-2 zone.

Staff appreciates the feedback of both Planning Commission and local developers on such proposals, which is anticipated to occur in a roundtable discussion format and which will help inform any future proposed code text amendments.

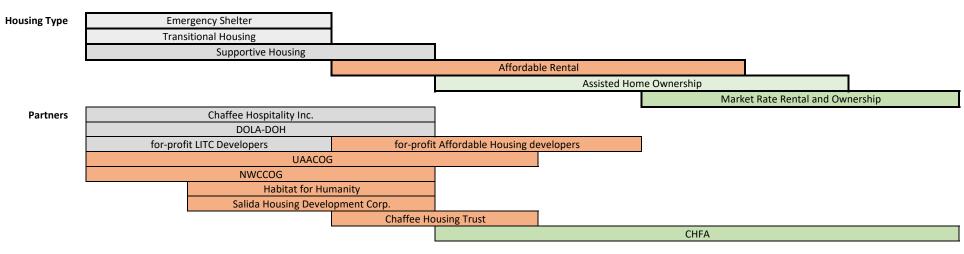
## Attachments:

Chaffee County Housing Continuum Proposed AMI Options Sheet for Built Units IH Rent and For-Sale Prices Based on CHFA AMI Levels (2021) Hypothetical Profit Calculation Sheets Based on Proposed Changes

Less than 30%	31 - 50%	51% - 60%	61% - 80%	81% - 100%	101% - 120%	120% - 200%	Over 200%
Less than \$15,450	\$15,451 to \$25,750	\$25,751 to \$30,900	\$30,901 to \$41,200	\$41,201 to \$51,500	\$51,501 to \$61,800	\$61,801 - \$103,000	Over \$103,000
Less than \$7.43/hr	\$7.43 to \$12.38/hr	\$12.38 to \$14.86/hr	\$14.86 to \$19.81/hr	\$19.81 to \$24.76/hr	\$24.76 to \$29.71/hr	\$29.71 to \$49.52/hr	More than \$49.52/hr
(often SSI/SSDI)	$(CO Min Wage = $12.32/hr)^{3}$						
0.0%	32.7%	2.4%	19.2%	26.2%	19.0%	0.0%	0.4%
12%	10%		23%		34	!%	21%
23%	23%		27%		18	8%	9%
Less than \$386/mo	\$386 to \$644/mo	\$644 to \$773/mo	\$773 to \$1030/mo	\$1030 to \$1288/mo	\$1288 to \$1545/mo	\$1545 to \$2575/mo	\$2575/mo and up
	Less than \$15,450 Less than \$7.43/hr (often SSI/SSDI) 0.0% 12% 23%	Less than \$15,450         \$15,451 to \$25,750           Less than \$7.43/hr         \$7.43 to \$12.38/hr           (often SSI/SSDI)         (CO Min Wage = \$12.32/hr) <sup>3</sup> 0.0%         32.7%           12%         10%           23%         23%	Less than \$15,450         \$15,451 to \$25,750         \$25,751 to \$30,900           Less than \$7.43/hr (often SSI/SSDI)         \$7.43 to \$12.38/hr (CO Min Wage = \$12.32/hr) <sup>3</sup> \$12.38 to \$14.86/hr           0.0%         32.7%         2.4%           12%         10%            23%         23%	Less than \$15,450         \$15,451 to \$25,750         \$25,751 to \$30,900         \$30,901 to \$41,200           Less than \$7.43/hr (often SSI/SSDI)         \$7.43 to \$12.38/hr (CO Min Wage = \$12.32/hr) <sup>3</sup> \$12.38 to \$14.86/hr         \$14.86 to \$19.81/hr           0.0%         32.7%         2.4%         19.2%           12%         10%         23%         27%           23%         23%         27%         27%	Less than \$15,450         \$15,451 to \$25,750         \$25,751 to \$30,900         \$30,901 to \$41,200         \$41,201 to \$51,500           Less than \$7.43/hr (often SSI/SSDI)         \$7.43 to \$12.38/hr (CO Min Wage = \$12.32/hr) <sup>3</sup> \$12.38 to \$14.86/hr (CO Min Wage = \$12.32/hr) <sup>3</sup> \$14.86 to \$19.81/hr 2.4%         \$19.2%         \$26.2%           0.0%         32.7%         2.4%         19.2%         26.2%           12%         10%         23%         27%         21%           23%         23%         27%         27%         21%	Less than \$15,450       \$15,451 to \$25,750       \$25,751 to \$30,900       \$30,901 to \$41,200       \$41,201 to \$51,500       \$51,501 to \$61,800         Less than \$7.43/hr (often SSI/SSDI)       \$7.43 to \$12.38/hr (CO Min Wage = \$12.32/hr) <sup>3</sup> \$12.38 to \$14.86/hr (CO Min Wage = \$12.32/hr) <sup>3</sup> \$14.86 to \$19.81/hr \$19.81 to \$24.76/hr       \$24.76 to \$29.71/hr \$24.76 to \$29.71/hr         0.0%       32.7%       2.4%       19.2%       26.2%       19.0%         12%       10%       23%       27%       21%       19.0%         23%       23%       23%       27%       21%       10%	Less than \$15,450       \$15,451 to \$25,750       \$25,751 to \$30,900       \$30,901 to \$41,200       \$41,201 to \$51,500       \$51,501 to \$61,800       \$61,801 - \$103,000         Less than \$7.43/hr (often SSI/SSDI)       \$7.43 to \$12.38/hr (CO Min Wage = \$12.32/hr) <sup>3</sup> \$12.38 to \$14.86/hr (CO Min Wage = \$12.32/hr) <sup>3</sup> \$14.86 to \$19.81/hr 2.4%       \$19.81 to \$24.76/hr 2.62%       \$24.76 to \$29.71/hr 2.9%       \$29.71 to \$49.52/hr 2.0%         0.0%       32.7%       2.4%       19.2%       26.2%       19.0%       0.0%         12%       10%        23%       23%       19.2%       26.2%       19.0%       0.0%         23%       23%       23%        27%       21%       10%        12%         12%       10%        21%       21%       10%        12%         12%       10%        21%       21%       10%        12%         23%       23%       23%        61        12%       10%          12%       10%         10%        10%        10%         12%       10%         10%        10%        10%

Income Level as % of AM Chaffee County Annual Income (for a one person household Hourly wage based on 2,080 hours/year (fulltime, year-round employment)

> % of Chaffee County Workforce 2020<sup>1</sup> % of Chaffee County Households<sup>2</sup> % of Chaffee County Non-family households<sup>2</sup> Owner/Renter occupied Affordable Housing Expense/month (for a one person household)



## Sources

1 - Colorado Department of Labor and Employment; 10/2020 2 - US Census: American Community Survey, 2010,2015 Estimates 3 - https://cdle.colorado.gov/wage-and-hour-law/minimum-wage

tions for S	Satisfyin	g IH Built	Ur
Requireme	ents: Re	ntal Proj	ect
		<b>.</b>	
		4000/ 484	
	80% AMI	100% AMI	
	Units	Units	
	\$1030/Studio		
	\$1103/1BD	\$1378/1BD	
Required # of	\$1324/2BD	\$1655/2BD	
IH Units	\$1529/3BD	\$1911/3BD	
1	X		
2	Х	X	
3	Х	Х	
4	X	Х	
5	X	Х	
6	Х	Х	
7	X	Х	
8	Х	Х	
Totals	4	4	
* At least 50% of all I restricted at ≤ 80% A	•	ided shall be deed-	
** No studio units sh	nall be allowed at ≤	100% AMI	
*** Units deed-restr required units	icted at ≤ 60% AMI	shall be worth 1.5	
Highlights represent			
above requirements			
project where the re	equired # of IH units	s is 1 out of 6 (16.7%).	

## Options for Satisfying IH Built Unit Requirements: For-Sale Project

	100% AMI	120% AMI	140% AMI	160% AMI
	Units	Units	Units	Units
	\$205K/Stdio	\$237K/Stdio		
	\$224K/1BD	\$258K/1BD	\$313K/1BD	
· · · · · ·	\$278K/2BD	\$324K/2BD	\$389K/2BD	\$455K/2BD
Required #	\$329K/3BD	\$385K/3BD	\$460K/3BD	\$536K/3BD
of IH Units	\$373K/4BD	\$437K/4BD	\$522K/4BD	\$607K/4BD
1	X	Х	X	
2	X	X	Х	X
3	X	X	Х	X
4	Х	Х	Х	Х
5	Х	X	Х	Х
6	Х	X	Х	Х
7	Х	Х	Х	X
8	Х	Х	Х	X
Totals	2	2	2	2
nits at any one	of all IH units provid e AMI level shall no e parity between the	t exceed any other	AMI level by mor	
* No studio ur llowed at 1609	nits shall be allowed % AMI	l at 140% AMI or 16	0% AMI; nor shall	1BD units be

			2021 CH	AFFEE COUN	TY AREA MED	DIAN INCOME	(AMI)			
	2000/	500/		00%	4000/	4000/	4.400/	4000/	4000/	0000/
Household size	30%	<u>50%</u>	<u>60%</u>	<u>80%</u>	<u>100%</u>	<u>120%</u>	<u>140%</u>	<u>160%</u>	<u>180%</u>	<u>200%</u>
1 person	\$15,450 \$10,545	\$25,750	\$30,900	\$41,200	\$51,500	\$61,800	\$72,100	\$82,400	\$92,700	\$103,000
1.5 person	\$16,545	\$27,575	\$33,090	\$44,120	\$55,150	\$66,180	\$77,210	\$88,240	\$99,270	\$110,300
2 person	\$17,640	\$29,400	\$35,280	\$47,040	\$58,800	\$70,560	\$82,320	\$94,080	\$105,840	\$117,600
3 person	\$19,860	\$33,100	\$39,720	\$52,960	\$66,200	\$79,440	\$92,680	\$105,920	\$119,160	\$132,400
4 person	\$22,050	\$36,750	\$44,100	\$58,800	\$73,500	\$88,200	\$102,900	\$117,600	\$132,300	\$147,000
4.5 person	\$22,935	\$38,225	\$45,870	\$61,160	\$76,450	\$91,740	\$107,030	\$122,320	\$137,610	\$152,900
5 person	\$23,820	\$39,700	\$47,640	\$63,520	\$79,400	\$95,280	\$111,160	\$127,040	\$142,920	\$158,800
6 person	\$25,590	\$42,650	\$51,180	\$68,240	\$85,300	\$102,360	\$119,420	\$136,480	\$153,540	\$170,600
7 person	\$27,360	\$45,600	\$54,720	\$72,960	\$91,200	\$109,440	\$127,680	\$145,920	\$164,160	\$182,400
8 person	\$29,130	\$48,550	\$58,260	\$77,680	\$97,100	\$116,520	\$135,940	\$155,360	\$174,780	\$194,200
		MAXIMUM AF	FORDABLE MO	ONTHLY RENT	(Per CHFA, inc	utilities)				
	30%	<u>50%</u>	60%	<u>80%</u>	<u>100%</u>	<u>120%</u>	<u>140%</u>	160%	<u>180%</u>	<u>200%</u>
Studio (1 person)	\$386.25	\$643.75	\$772.50	\$1,030.00	\$1,287.50	\$1,545.00	\$1,802.50	\$2,060.00	\$2,317.50	\$2,575.00
1 bed (1.5 person)	\$413.63	\$689.38	\$827.25	\$1,103.00	\$1,378.75	\$1,654.50	\$1,930.25	\$2,206.00	\$2,481.75	\$2,757.50
2 bed (3 person)	\$496.50	\$827.50	\$993.00	\$1,324.00	\$1,655.00	\$1,986.00	\$2,317.00	\$2,648.00	\$2,979.00	\$3,310.00
3 bed (4.5 person)	\$573.38	\$955.63	\$1,146.75	\$1,529.00	\$1,911.25	\$2,293.50	\$2,675.75	\$3,058.00	\$3,440.25	\$3,822.50
4 bed (6 person)	\$639.75	\$1,066.25	\$1,279.50	\$1,706.00	\$2,132.50	\$2,559.00	\$2,985.50	\$3,412.00	\$3,838.50	\$4,265.00
	<i><i><i></i></i></i>	¢1,000.20	¢1,210.00	<b> </b>	φ <u></u> , το <u></u> ου	φ <u>2</u> ,000.00	φ <u>2</u> ,000.00	φ0, 112.000	\$0,000.00	φ 1,200.00
		MAXIMUM SA	LES PRICE AF	FORDABILITY	GUIDELINES F	ORMULA				
		ble monthly ren	ts for taxes, insi	urance and HO.	A = principle &	interest payme				
≤ <b>100%</b> Subtract \$25 > <b>100%</b> Subtract \$35		ble monthly ren	ts for taxes, insi	urance and HO.	A = principle &	interest payme				
		ble monthly ren	ts for taxes, insi	urance and HO.	A = principle &	interest payme		<u>160%</u>	<u>180%</u>	200%
>100% Subtract \$3	50 from afforda	ble monthly ren ble monthly ren	ts for taxes, insi ts for taxes, ins	urance and HO, urance and HO,	A = principle & A = principle &	interest payme interest payme	nt	<u>160%</u> \$1,710.00	<u>180%</u> \$1,967.50	<b>200%</b> \$2,225.00
>100% Subtract \$3	50 from afforda <u>30%</u>	ble monthly ren ble monthly ren <u>50%</u>	ts for taxes, insi ts for taxes, ins <u>60%</u>	urance and HO. urance and HO. <u>80%</u>	A = principle & A A = principle & <u>100%</u>	interest payme interest payme <u>120%</u>	nt <u>140%</u>			
>100% Subtract \$38 Studio (1 person) 1 bed (1.5 person)	50 from afforda <u>30%</u> \$136.25	ble monthly ren ble monthly ren <u>50%</u> \$393.75	ts for taxes, insi ts for taxes, insi <b>60%</b> \$522.50 \$577.25	urance and HO, urance and HO, <b>80%</b> \$780.00 \$853.00	A = principle & A A = principle & <u>100%</u> \$1,037.50	interest payme interest payme <u>120%</u> \$1,195.00	nt <u>140%</u> \$1,452.50	\$1,710.00 \$1,856.00	\$1,967.50	\$2,225.00 \$2,407.50
>100% Subtract \$33 Studio (1 person) 1 bed (1.5 person) 2 bed (3 person)	50 from afforda 30% \$136.25 \$163.63 \$246.50	ble monthly ren ble monthly ren <u>50%</u> \$393.75 \$439.38	ts for taxes, insi ts for taxes, ins <u>60%</u> \$522.50	urance and HO, urance and HO, \$780.00 \$853.00 \$1,074.00	A = principle & A A = principle & <u>100%</u> \$1,037.50 \$1,128.75	interest paymer interest paymer <u>120%</u> \$1,195.00 \$1,304.50 \$1,636.00	nt <u>140%</u> \$1,452.50 \$1,580.25 \$1,967.00	\$1,710.00 \$1,856.00 \$2,298.00	\$1,967.50 \$2,131.75 \$2,629.00	\$2,225.00 \$2,407.50 \$2,960.00
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>100% Subtract \$33 Studio (1 person) 1 bed (1.5 person) 2 bed (3 person) 3 bed (4.5 person) 4 bed (6 person) Use interest rate of a	50 from afforda 30% \$136.25 \$163.63 \$246.50 \$323.38 \$389.75 5.39%* to calcu * subject to cl	ble monthly ren ble monthly ren \$393.75 \$439.38 \$577.50 \$705.63 \$816.25 ulate max afford hange year to y	ts for taxes, inst ts for taxes, inst <b>60%</b> \$522.50 \$577.25 \$743.00 \$896.75 \$1,029.50 [able sales pric year	urance and HO. urance and HO. \$780.00 \$853.00 \$1,074.00 \$1,279.00 \$1,456.00 e, divide by .90	A = principle & A A = principle & \$1,037.50 \$1,128.75 \$1,405.00 \$1,661.25 \$1,882.50 for a 90% LTV	interest paymen interest paymen 120% \$1,195.00 \$1,304.50 \$1,636.00 \$1,943.50 \$2,209.00	nt <u>140%</u> \$1,452.50 \$1,580.25 \$1,967.00 \$2,325.75 \$2,635.50	\$1,710.00 \$1,856.00 \$2,298.00 \$2,708.00 \$3,062.00	\$1,967.50 \$2,131.75 \$2,629.00 \$3,090.25 \$3,488.50	\$2,225.00 \$2,407.50 \$2,960.00 \$3,472.50 \$3,915.00
>100% Subtract \$33 Studio (1 person) 1 bed (1.5 person) 2 bed (3 person) 3 bed (4.5 person) 4 bed (6 person) Use interest rate of Studio (1 person)	50 from afforda 30% \$136.25 \$163.63 \$246.50 \$323.38 \$389.75 5.39%* to calcu * subject to cl 30%	ble monthly ren ble monthly ren \$393.75 \$439.38 \$577.50 \$705.63 \$816.25 ulate max afforc hange year to y 50%	ts for taxes, insi ts for taxes, insi 60% \$522.50 \$577.25 \$743.00 \$896.75 \$1,029.50 table sales pric year <u>60%</u>	urance and HO, urance and HO \$780.00 \$853.00 \$1,074.00 \$1,279.00 \$1,456.00 e, divide by .90 <u>80%</u>	A = principle & A = principle	interest paymen interest paymen 120% \$1,195.00 \$1,304.50 \$1,636.00 \$1,943.50 \$2,209.00	nt <u>140%</u> \$1,452.50 \$1,580.25 \$1,967.00 \$2,325.75 \$2,635.50 <u>140%</u>	\$1,710.00 \$1,856.00 \$2,298.00 \$2,708.00 \$3,062.00 <u>160%</u>	\$1,967.50 \$2,131.75 \$2,629.00 \$3,090.25 \$3,488.50	\$2,225.00 \$2,407.50 \$2,960.00 \$3,472.50 \$3,915.00 <b>200%</b> \$440,754.60
>100% Subtract \$33 Studio (1 person) 1 bed (1.5 person) 2 bed (3 person) 3 bed (4.5 person) 4 bed (6 person) Use interest rate of Studio (1 person) 1 bed (1.5 person)	50 from afforda 30% \$136.25 \$163.63 \$246.50 \$323.38 \$389.75 5.39%* to calce * subject to cl 30% \$26,990.03	ble monthly ren ble monthly ren \$393.75 \$439.38 \$577.50 \$705.63 \$816.25 ulate max afford hange year to y 50% \$77,998.71	ts for taxes, insi ts for taxes, insi <b>60%</b> \$522.50 \$577.25 \$743.00 \$896.75 \$1,029.50 table sales pric year <u>60%</u> \$103,503.05	urance and HO, urance and HO, \$780.00 \$853.00 \$1,074.00 \$1,279.00 \$1,456.00 e, divide by .90 <u>80%</u> \$154,511.73	A = principle & A A = principle & \$1,037.50 \$1,128.75 \$1,405.00 \$1,661.25 \$1,882.50 for a 90% LTV <u>100%</u> \$205,520.40	interest paymer interest paymer 120% \$1,195.00 \$1,304.50 \$1,636.00 \$1,943.50 \$2,209.00 120% \$236,719.89	nt <u>140%</u> \$1,452.50 \$1,580.25 \$1,967.00 \$2,325.75 \$2,635.50 <u>140%</u> \$287,728.57	\$1,710.00 \$1,856.00 \$2,298.00 \$3,062.00 <u>160%</u> \$338,737.24	\$1,967.50 \$2,131.75 \$2,629.00 \$3,090.25 \$3,488.50 <u>180%</u> \$389,745.92	\$2,225.00 \$2,407.50 \$2,960.00 \$3,472.50 \$3,915.00 200%
<ul> <li>&gt;100% Subtract \$33</li> <li>Studio (1 person)</li> <li>1 bed (1.5 person)</li> <li>2 bed (3 person)</li> <li>3 bed (4.5 person)</li> <li>4 bed (6 person)</li> <li>Use interest rate of</li> <li>Studio (1 person)</li> <li>1 bed (1.5 person)</li> <li>2 bed (3 person)</li> </ul>	50 from afforda. <b>30%</b> \$136.25 \$163.63 \$246.50 \$323.38 \$389.75 <b>5.39%*</b> to calco <b>* subject to cl</b> <b>30%</b> \$26,990.03 \$32,412.80 \$48,829.67	ble monthly ren ble monthly ren \$393.75 \$439.38 \$577.50 \$705.63 \$816.25 ulate max afford hange year to y 50% \$77,998.71 \$87,036.65 \$114,398.10	ts for taxes, insi ts for taxes, insi <b>60%</b> \$522.50 \$577.25 \$743.00 \$896.75 \$1,029.50 (able sales pric <b>60%</b> \$103,503.05 \$114,348.58 \$147,182.32	urance and HO, urance and HO, \$780.00 \$853.00 \$1,074.00 \$1,279.00 \$1,456.00 e, divide by .90 <u>80%</u> \$154,511.73 \$168,972.44 \$212,750.76	A = principle & A A = principle & \$1,037.50 \$1,128.75 \$1,405.00 \$1,661.25 \$1,882.50 for a 90% LTV <u>100%</u> \$205,520.40 \$223,596.30	interest paymer interest paymer 120% \$1,195.00 \$1,304.50 \$1,636.00 \$1,943.50 \$2,209.00 <u>120%</u> \$236,719.89 \$258,410.96	nt <u>140%</u> \$1,452.50 \$1,580.25 \$1,967.00 \$2,325.75 \$2,635.50 <u>140%</u> \$287,728.57 \$313,034.81	\$1,710.00 \$1,856.00 \$2,298.00 \$3,062.00 <u>160%</u> \$338,737.24 \$367,658.67 \$455,215.31	\$1,967.50 \$2,131.75 \$2,629.00 \$3,090.25 \$3,488.50 <b>180%</b> \$389,745.92 \$422,282.53 \$520,783.75	\$2,225.00 \$2,407.50 \$2,960.00 \$3,472.50 \$3,915.00 <b>200%</b> \$440,754.60 \$440,754.60 \$476,906.38 \$586,352.15
	50 from afforda 30% \$136.25 \$163.63 \$246.50 \$323.38 \$389.75 5.39%* to calce * subject to cl 30% \$26,990.03 \$32,412.80	ble monthly ren ble monthly ren \$393.75 \$439.38 \$577.50 \$705.63 \$816.25 ulate max afford hange year to y 50% \$77,998.71 \$87,036.65	ts for taxes, insi ts for taxes, insi <b>60%</b> \$522.50 \$577.25 \$743.00 \$896.75 \$1,029.50 [able sales pric year 60% \$103,503.05 \$114,348.58	urance and HO, urance and HO, \$780.00 \$853.00 \$1,074.00 \$1,279.00 \$1,456.00 e, divide by .90 <u>80%</u> \$154,511.73 \$168,972.44	A = principle & A A = principle & \$1,037.50 \$1,128.75 \$1,405.00 \$1,661.25 \$1,882.50 for a 90% LTV <u>100%</u> \$205,520.40 \$223,596.30 \$278,319.20	interest paymel interest paymel \$1,195.00 \$1,304.50 \$1,636.00 \$1,943.50 \$2,209.00 \$2,209.00 \$2,209.00 \$2,209.00 \$2,209.00 \$2,209.00 \$2,209.00 \$2,209.00 \$2,209.00 \$2,209.00 \$2,209.00	nt 140% \$1,452.50 \$1,580.25 \$1,967.00 \$2,325.75 \$2,635.50 140% \$287,728.57 \$313,034.81 \$389,646.88	\$1,710.00 \$1,856.00 \$2,298.00 \$3,062.00 <u>160%</u> \$338,737.24 \$367,658.67	\$1,967.50 \$2,131.75 \$2,629.00 \$3,090.25 \$3,488.50 <u>180%</u> \$389,745.92 \$422,282.53	\$2,225.00 \$2,407.50 \$3,472.50 \$3,915.00 <b>200%</b> \$440,754.60 \$476,906.33 \$586,352.15 \$687,874.32
<ul> <li>&gt;100% Subtract \$38</li> <li>Studio (1 person)</li> <li>1 bed (1.5 person)</li> <li>2 bed (3 person)</li> <li>3 bed (4.5 person)</li> <li>4 bed (6 person)</li> <li>Use interest rate of studio (1 person)</li> <li>1 bed (1.5 person)</li> <li>2 bed (3 person)</li> <li>3 bed (4.5 person)</li> </ul>	50 from afforda. 30% \$136.25 \$163.63 \$246.50 \$323.38 \$389.75 5.39%* to calce * subject to cl 30% \$26,990.03 \$32,412.80 \$48,829.67 \$64,057.99 \$77,206.34	ble monthly ren ble monthly ren \$393.75 \$439.38 \$577.50 \$705.63 \$816.25 ulate max afford hange year to y 50% \$77,998.71 \$87,036.65 \$114,398.10 \$139,778.64	ts for taxes, insi ts for taxes, insi <b>60%</b> \$522.50 \$577.25 \$743.00 \$896.75 \$1,029.50 table sales pric <b>60%</b> \$103,503.05 \$114,348.58 \$147,182.32 \$177,638.96	urance and HO, urance and HO, \$780.00 \$853.00 \$1,074.00 \$1,279.00 \$1,456.00 e, divide by .90 <u>80%</u> \$154,511.73 \$168,972.44 \$212,750.76 \$253,359.61	A = principle & A A = principle & \$1,037.50 \$1,128.75 \$1,405.00 \$1,661.25 \$1,882.50 for a 90% LTV <u>100%</u> \$205,520.40 \$223,596.30 \$278,319.20 \$329,080.26	interest paymel interest paymel \$1,195.00 \$1,304.50 \$1,636.00 \$1,943.50 \$2,209.00 \$2,209.00 \$2,209.00 \$258,410.96 \$324,078.44 \$384,991.72	nt 140% \$1,452.50 \$1,580.25 \$1,967.00 \$2,325.75 \$2,635.50 140% \$287,728.57 \$313,034.81 \$389,646.88 \$460,712.37	\$1,710.00 \$1,856.00 \$2,298.00 \$3,062.00 \$338,737.24 \$367,658.67 \$455,215.31 \$536,433.02	\$1,967.50 \$2,131.75 \$2,629.00 \$3,090.25 \$3,488.50 <b>180%</b> \$389,745.92 \$422,282.53 \$520,783.75 \$612,153.67	\$2,225.00 \$2,407.50 \$2,960.00 \$3,472.50 \$3,915.00 <b>200%</b> \$440,754.60 \$476,906.38

Assumptions:				
Average 1500 SF uni	t @\$250/SF			
Average cost per un		75,000		
Average market sale				
Profit per market ur	nit = <b>\$200,000</b>			
3BD unit @ 80% AM	I sales price = \$	253,000 (assume	s smaller taxes	, ins, HOA fees)
3BD unit @ 100% AN	/II sales price =	\$329,000 (assume	es smaller taxe	s, ins, HOA fees)
3BD unit @ 120% AN	/II sales price =	\$385,000		
3BD unit @ 140% AN	/II sales price =	\$461,000		
3BD unit @ 160% AN	/II sales price =	\$536,000		
Under current of	<u>:ode:</u>			
Required # of IH uni	ts <b>= 3 @ 80% Al</b>	МІ		
<b>21</b> market units x \$2	00,000 = <b>\$4,200</b>	,000		
<b>3</b> two-bedroom IH u	nits @ 80% AM	II = 3 x (\$122,000)	= (\$366,000)	
			\$4,200,000	
		+	(\$366,000)	
		Profit	\$3,834,000	
	-		/ <u>140/160%</u> /	AMI options and
increase to 16.	tc - 1			
	15 - 4			
Required # of IH uni <b>20</b> market units x \$2	.00,000 = <b>\$4,000</b>	•		
Required # of IH uni <b>20</b> market units x \$2 <b>4</b> two-bedroom IH u	00,000 = <b>\$4,000</b> inits (Assume 1	•	0%/140%/160%	6 AMI, per the rules c
Required # of IH uni <b>20</b> market units x \$2 <b>4</b> two-bedroom IH u	00,000 = <b>\$4,000</b> inits (Assume 1	•	0%/140%/160%	6 AMI, per the rules c
Required # of IH uni 20 market units x \$2 4 two-bedroom IH u averaging and parity	00,000 = <b>\$4,000</b> inits (Assume 1 /):	•	20%/140%/160%	6 AMI, per the rules c
Required # of IH uni <b>20</b> market units x \$2 <b>4</b> two-bedroom IH u averaging and parity	00,000 = <b>\$4,000</b> inits (Assume 1 /): (\$46,000)	•	20%/140%/160%	5 AMI, per the rules c
Required # of IH uni <b>20</b> market units x \$2 <b>4</b> two-bedroom IH u averaging and parity 1 @ 100% AMI =	00,000 = <b>\$4,000</b> inits (Assume 1 /):	•	0%/140%/160%	5 AMI, per the rules c
Required # of IH uni 20 market units x \$2 4 two-bedroom IH u averaging and parity 1 @ 100% AMI = 1 @ 120% AMI =	00,000 = <b>\$4,000</b> inits (Assume 1 /): (\$46,000)	•	20%/140%/160%	6 AMI, per the rules of \$4,000,000
Required # of IH uni 20 market units x \$2 4 two-bedroom IH u averaging and parity 1 @ 100% AMI = 1 @ 120% AMI = 1 @ 140% AMI =	00,000 = <b>\$4,000</b> inits (Assume 1 /): (\$46,000) \$10,000	•	20%/140%/160%	
Required # of IH uni 20 market units x \$2 4 two-bedroom IH u averaging and parity 1 @ 100% AMI = 1 @ 120% AMI = 1 @ 140% AMI =	00,000 = <b>\$4,000</b> inits (Assume 1 /): (\$46,000) \$10,000 \$86,000	•		\$4,000,000
Required # of IH uni <b>20</b> market units x \$2 <b>4</b> two-bedroom IH u	00,000 = <b>\$4,000</b> inits (Assume 1 /): (\$46,000) \$10,000 \$86,000 \$161,000	•	+	\$4,000,000 \$211,000

8-unit subd	ivision:			
	-			
	,000			
•	· ·		· · · · · · · · · · · · · · · · · · ·	-
MI sales price =	<b>\$329,000</b> (assu	imes smaller taxe	s, ins, HOA fee	es)
MI sales price =	\$385,000			
MI sales price =	\$461,000			
MI sales price =	\$536,000			
<b>)0</b> (1500 SF @ \$2	16.51/SF)			
code:				
its <b>= 4 @ 80% A</b>	MI (or 3 plus F	IL for 4 units)		
	-	00) = <b>(\$366.000)</b>		
	•			
(\$25,555)			\$5,000,000	
		+		
		FIOIIC	Ş <del>-</del> ,55 <del>-</del> ,000	
d changes w	vith 100/12	0/140/160%	AMI	
_				
			nit (1/6thc)	
•		eu on fractional u	iiit (4/0tils)	
-	I each @ 100%,	/120%/140%/160%	6 AMI, per the	rules of
y):	1			
(\$16,000)				
				A
				\$4,800,000
	<u> </u>		+	\$211,000
\$211,000			+	(+=00)000
			Profit	\$4,911,000
(\$25,000) = <b>(\$10</b>	0,000)	\$4,911,000 - \$4,		
	emes @ \$250/SF hit to build = <b>\$3</b> les price = <b>\$575</b> , nit = <b>\$200,000</b> All sales price = <b>\$</b> MI sales price = <b>\$</b> MI sales price = MI sales price = <b>10</b> (1500 SF @ \$: <b>11</b> code: hits = <b>4 @ 80% A</b> 200,000 = <b>\$5,000</b> units @ 80% AN (\$25,000) = <b>(\$10</b> <b>11</b> codes vents and the second <b>12</b> codes vents and the second <b>13</b> codes vents and the second <b>14</b> codes vents and the second <b>15</b> codes vents and the second <b>16</b> codes vents and the second <b>17</b> codes vents and the second <b>18</b> codes vents and the second <b>19</b> codes vents and the second <b>10</b> codes vents and the second	Il sales price = \$253,000 (assu MI sales price = \$329,000 (assu MI sales price = \$385,000 MI sales price = \$461,000 MI sales price = \$536,000 00 (1500 SF @ \$16.51/SF) <u>code:</u> its = 4 @ 80% AMI (or 3 plus F 200,000 = \$5,000,000 units @ 80% AMI = 3 x (\$122,00 (\$25,000) = (\$100,000) ed changes with 100/12 crease to 16.7% IH unit: its = Build 4 plus pay fee-in-lid 200,000 = \$4,800,000 units (Assume 1 each @ 100%, cy): (\$46,000) \$10,000 \$86,000 \$161,000	ames @ \$250/SF         nit to build = \$375,000         es price = \$575,000         nit = \$200,000         Il sales price = \$329,000 (assumes smaller taxes         MI sales price = \$329,000 (assumes smaller taxes         MI sales price = \$385,000         MI sales price = \$366,000         O0 (1500 SF @ \$16.51/SF)         code:         its = 4 @ 80% AMI (or 3 plus FIL for 4 units)         200,000 = \$5,000,000         units @ 80% AMI = 3 x (\$122,000) = (\$366,000)         (\$25,000) = (\$100,000)         the amounts @ 80% AMI = 3 x (\$122,000) = (\$366,000)         (\$25,000) = (\$100,000)         the amounts @ 80% AMI = 3 x (\$122,000) = (\$366,000)         (\$25,000) = (\$100,000)         the amounts @ 80% AMI = 3 x (\$122,000) = (\$366,000)         (\$25,000) = (\$100,000)         the amounts @ 80% AMI = 3 x (\$122,000) = (\$366,000)         code changes with 100/120/140/160% of the amounts (Assume 1 each @ 100%/120%/140%/160% of the amounts (Assume 1 each @ 100%/120%/140%/160% of the amounts (\$46,000)         \$10,000       \$10,000       \$16,000       \$16,000       \$16,000       \$16,000       \$16,000       \$16,000       \$16,000       \$16,000       \$16,000       \$1	Image @ \$250/SF       Image @ \$250/SF         Init to build = \$375,000       Image @ \$253,000         Is ales price = \$575,000       Image @ \$253,000         Il sales price = \$229,000       (assumes smaller taxes, ins, HOA feed MI sales price = \$329,000         MI sales price = \$329,000       (assumes smaller taxes, ins, HOA feed MI sales price = \$461,000         MI sales price = \$461,000       Image @ \$16.51/SF)         O0 (1500 SF @ \$16.51/SF)       Image @ \$16.51/SF)         Ccode:       Image @ \$16.51/SF)         It is = 4 @ 80% AMI (or 3 plus FIL for 4 units)       Image @ \$20,000         200,000 = \$5,000,000       Image @ \$5,000,000         Image @ \$36,000       Image @ \$5,000,000         Image @ \$36,000       Image @ \$5,000,000         Image @ \$36,000       Image @ \$5,000,000         Image @ \$5,000,000       Image @ \$5,000,000         Image @ \$5,000,000       Image @ \$5,000,000         Image @ \$100,000       Image @ \$5,000,000         Image @ \$100,000       Image @ \$5,000,000         Image @ \$100,000       Image @ \$5,000,000         Image @ \$100%/120/140/160% AMI       Image @ \$100,000         Image @ \$100,000       Image @ \$100%/120%/140%/160% AMI, per the sy):         Image @ \$161,000       Image @ \$161,000         Image @ \$161,000       Im

Or					
Required # of IH	units = <b>Buil</b>	d all 5			
23 market units x	\$200,000 =	\$4,600,000			
<b>5</b> two-bedroom I	H units:				
1@ 100% AMI =	(\$46,000)			\$4,600,000	
1 @ 120% AMI =	\$10,000		+	\$372,000	
1 @ 140% AMI =	\$86,000		Profit	\$4,972,000	
2 @ 160% AMI =	\$322,000				
	\$372,000		\$4,972,000	) - \$4,534,000	= \$438,000