



April 27, 2020

To: Rachel Horst, Patrick Heisinger, Victor Ramirez

From: Nora Lake-Brown

Subject: Inclusionary Housing In Lieu Fee Update

DRA was retained by the City of East Palo to prepare an analysis estimating the in lieu fee associated with potential new requirements under the City's Inclusionary Housing Ordinance to help inform the City Council's consideration of the proposed changes. DRA estimates in lieu fees for both rental and owner housing using an analysis of prototypical housing developments appropriate for East Palo Alto, as summarized in the City of East Palo Alto Inclusionary Housing In Lieu Fee Analysis report dated September 19, 2019. This memorandum summarizes DRA's update of the in lieu fee estimates based on data available through the date of this memo.

The gap calculations are based on the City's intended use of any in-lieu fees raised. For the for-sale units, the in-lieu fee is calculated as the difference between affordable prices by income level and the median sales price of single-family detached or condominium units over the past 36 months¹. This approximates the gap needed to assist a homebuyer at a target income level to purchase a market-rate home at an affordable housing costs, which is how the City is most likely to use in lieu fees for owner housing. For the rental units, the in lieu fee is calculated from the financing gap required to build affordable rental units using 4% Low Income Housing Tax Credits (LIHTC or tax credits) assuming a blended affordability of 25% of the affordable units at 35% AMI, 50% of affordable units at 50% of AMI, and the remaining 25% of affordable units at 60% AMI. The City anticipates using in lieu fees to assist housing developers in developing affordable rental units as part of a new 4% tax credit-financed projects.

The calculated 2020 In Lieu Fees are summarized on the next page. The tables in Attachment A to this memo detail the updated calculations.

¹ Calculated as the weighted average median price for 2017 to 2019 from the San Mateo County Association of Realtors.



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Ownership Housing In Lieu Fee Calculation City of East Palo Alto April, 2020	
	Condominium Type
Affordable Purchase Price for 100% AMI Household	\$477,000
Market Sales Price (SMC Association of Realtors 3-Yr Average)	\$671,000
Gap for In-Lieu Fee (100% AMI)	\$194,000 per Unit \$227 per Gross SF

Sources: San Mateo County Association of Realtors, David Rosen & Associates

Renter Housing In-Lieu Fees per Affordable Unit and per Square Foot City of East Palo Alto April, 2020	
	Apartments, Structured Parking
Tax Credit Equity Per Unit	\$233,000
Permanent Mortgage Financing Per Unit	<u>\$182,400</u>
Total Sources Per Unit	\$250,000
Development Cost Per Unit	\$665,000
Gap for In-Lieu Fee (Blended AMI) ²	\$250,000 \$263 per Gross SF

Source: David Rosen & Associates

² Fee represents a blended affordability assuming 25% of the affordable units at 35% AMI, 50% of affordable units at 50% of AMI, and the remaining 25% of affordable units at 60% AMI.



DAVID PAUL ROSEN & ASSOCIATES
DEVELOPMENT, FINANCE AND POLICY ADVISORS

3941 Hendrix Street
Irvine, California 92614-6637
tel: 949.559.5650
fax: 949.559.5706
nora@draconsultants.com
www.draconsultants.com

Attachment A East Palo Alto Affordability Gap and In Lieu Fee Tables

4/27/20

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Table A-1
Summary of Indicated In Lieu Fees Per Affordable Unit and per Affordable Gross
East Palo Alto Affordability Gap and In Lieu Fee Analysis

	Owner	Rental
	Condominiums	Apts. w/ Struct. Pkg
<i>Tenure</i>	<i>Owner</i>	<i>Rental</i>
<i>Total Residential Units</i>	175	175
<i>Affordable Residential Units</i>	35	35
<i>Site Area (SF)</i>	108,900	108,900
<i>Residential Net SF</i>	149,500	132,900
<i>Total Net SF</i>	149,500	132,900
<i>Building Efficiency Ratio</i>	80%	80%
<i>Residential Gross SF</i>	186,875	166,125
<i>Approximate Building Stories</i>	4 Stories	4 Stories
Affordability Gap and In Lieu Fee, Owner Housing		
100% AMI		
Per Affordable Housing Unit	\$193,964	N/A
Per Affordable Housing Gross Square Foot (GSF)	\$227.12	N/A
Affordability Gap and In Lieu Fee, Renter Housing		
Blended Affordability (1)		\$
Per Affordable Housing Unit	N/A	\$250,063
Per Affordable Housing Gross Square Foot (GSF)	N/A	\$263.42

(1) Assumes the following percentage distribution of affordable rental units by % of AMI:
 25% of affordable units at 35% AMI; 50% of affordable units at 50% AMI and
 25% of affordable units at 60% AMI. Hard costs in renter gap calculation assume
 payment of prevailing wages. Assumes leverage from 4% Low Income Housing Tax Credits.
 Source: DRA.

Table A-2
Development Prototypes
East Palo Alto Affordability Gap and In Lieu Fee Analysis

	Condominiums	Apts. w/ Struct. Pkg
Total Housing Unit Count	175 Units	175 Units
Tenure	Owner	Rental
Existing Zoning		
Permitted FAR		
Total Site Area (Acre)	2.50 Acres	2.50 Acres
Total Site Area (SF)	108,900	108,900
Density (Units Per Acre)	70	70
Construction Type	Podium	Podium
Parking Type	Structured/UG	Structured/UG
Approximate Building Stories	4 Stories	4 Stories
Total Gross Building SF (Excl. Pkg.)	186,875	166,125
FAR Based on Gross SF	1.7	1.5
Net Residential Square Feet	149,500 SF	132,900 SF
Net SF Retail/Community Facility	0 SF	0 SF
Net SF Common Space	0 SF	0 SF
Total Net Building SF	149,500 SF	132,900 SF
Building Efficiency Ratio (%)	80%	80%
Unit Bedroom Count Distribution		
Studio/Loft	0%	0%
One Bedroom	23%	40%
Two Bedroom	77%	50%
Three Bedroom	0%	10%
Four Bedroom	0%	0%
Total	100%	100%
Units by BR Count		
Studio/Loft	0	0
One Bedroom	40	70
Two Bedroom	135	88
Three Bedroom	0	17
Four Bedroom	0	0
Total Residential Units	175	175
Unit Size (Net SF)		
Studio/Loft		
One Bedroom	700 SF	650 SF
Two Bedroom	900 SF	800 SF
Three Bedroom	1,100 SF	1,000 SF
Four Bedroom		
<i>Average Unit Size</i>	<i>854 SF</i>	<i>759 SF</i>
Parking Ratio (Spaces/Unit)		
Studio/Loft	1.00	0.00
One Bedroom	1.00	1.00
Two Bedroom	1.50	1.50
Three Bedroom	2.00	2.00
Four Bedroom	2.00	2.00
Average Spaces/Unit	1.39	1.35
Structured/Underground Parking Spaces	243 Spaces	236 Spaces
Tuck-Under Parking Spaces	0 Spaces	0 Spaces
Surface Parking Spaces	0 Spaces	0 Spaces
Total Parking Spaces Provided	243 Spaces	236 Spaces
Gross SF/Parking Space (Incl. Circulation)	300 SF	300 SF
Total Gross Parking SF	72,900 SF	70,800 SF
Parking SF Underground/Structured	72,900 SF	70,800 SF
Parking SF Tuck Under	0 SF	0 SF
Parking SF Surface	0 SF	0 SF

Source: DRA.

Table A-3
Development Cost Assumptions and Budgets
East Palo Alto Affordability Gap and In Lieu Fee Analysis
2019

		Condominiums	Apts. w/ Struct. Pkg
Tenure		Owner	Rental
Construction Type		Podium	Podium
Total Residential Units		175	175
Average Unit Size (Net SF)		854	759
Residential Net SF		149,500	132,900
Total Net Building SF		149,500	132,900
Total Gross SF Building Area (Excluding Parking)		186,875	166,125
Total Gross SF Building Area (Including Subt. Parking)		259,775	236,925
Structured/Underground Parking Spaces		243	236
Underground Parking Area (SF)		72,900	70,800
Total Parking Spaces		243	236
Total Parking SF		72,900	70,800
Site Area (SF)		108,900	108,900
Approximate Building Stories		4	4
FAR (Based on Gross SF)		1.37	1.22
Buildable Square Feet		149,500	132,900
ASSUMPTIONS			
Development Cost Assumptions			
Land Price	Per Hsg. Unit	\$43,560	\$93,343
	Per Site SF	\$70	\$150
Bldg. Hard Construction Cost	Per Net SF (1)		
Bldg. Hard Construction Cost (1)	Per Net SF	\$350	\$550
Pkg. Costs Incl. In Hard Costs	1=No, 0=Yes	0	0
Underground Parking Construction	Per SF Parking Area	\$0	\$0
Hard Cost Contingency	% of Hard Costs	0.0%	0.0%
Soft Costs (Incl. Dev. Impact Fees)	% of Hard Costs + Cont.	30%	30%
Owner Housing Sales Costs	% of Gross Sales	5%	5%
Loan to Cost Ratio	% of TDC	65%	65%
Equity as a % of TDC		35%	35%
Loan to Value Ratio	% of Capitaliz. Value	75%	75%
Debt Coverage Ratio		1.25	1.25
Interest Rate		5.5%	5.5%
Amortization Term	Years	30.0	30.0
Capitalization Rate (2)			
Return on Cost	% of TDC, Incl. Land	12.0%	12.0%
Construction and Sales/Stabilization Period (Months)		36 Months	24 Months
DEVELOPMENT BUDGET			
Low Scenario			
Land Acquisition		\$7,623,000	\$16,335,000
Construction Hard Costs		\$52,325,000	\$73,095,000
Soft Costs		\$15,697,500	\$21,928,500
Total Development Costs, Including Land		\$75,645,500	\$111,358,500
TDC Per Gross SF		\$405	\$670
TDC Per Housing Unit		\$432,260	\$636,334
TDC per Net SF Residential Area		\$506	\$838
Total Development Costs, Excluding Land		\$68,022,500	\$95,023,500
TDC per Gross SF		\$364	\$572
TDC Per Housing Unit		\$388,700	\$542,991
TDC per Net SF Residential Area		\$455	\$715

(1) Hard construction costs include parking construction. For renter prototypes, estimated hard costs assume payment c
(2) Based on CBRE "U.S. Cap Rate Survey, Advance Review, H1 2019", July 2019. For San Jose, multifamily infill cap r

Source: DRA

Table A-4
Affordable Sales Price Calculations by Income Level
Owner Housing
East Palo Alto Affordability Gap and In Lieu Fee Analysis

Assumptions

2019 Median Income, San Mateo County				\$143,100
Affordable Mortgage Principal and Interest as a % of Income				30%
No. of Bedrooms		1 Bedroom	2 Bedroom	3 Bedroom
Household Size		2.0 Persons	3.0 Persons	4 Persons
Household Size Income Adjust. Factor		80%	90%	100%
Owner Utility Allowance (1)		\$151	\$189	\$234
Monthly HOA Fee: Market-Rate Units	\$200			
Monthly Property Insurance	\$100			
Property Tax Rate (2)	1.20%			
Mortgage Interest Rate (3)	3.50%			
Term (Years)	30			
Downpayment (% of Sales Price)	5.00%			

Per Unit Affordable Sales Price by Unit Bedroom Count

		1 Bedroom	2 Bedroom	3 Bedroom
<u>100% AMI</u>				
Annual Gross Income		\$114,480	\$128,790	\$143,100
Affordable Monthly Housing Expense		\$2,862	\$3,220	\$3,578
Less: Monthly Utility Allowance		(\$151)	(\$189)	(\$234)
Less: HOA/Maintenance Expense		(\$200)	(\$200)	(\$200)
Less: Property Insurance		(\$100)	(\$100)	(\$100)
Available for Principal, Interest, Taxes		\$2,411	\$2,731	\$3,044
Less: Property Taxes (4)	1.20%	\$565	\$640	\$714
Supportable Mortgage		\$536,918	\$608,180	\$677,884
Assumed Assessed Value at Sale	95.00%	\$565,176	\$640,189	\$713,562
Available for Mortg. Principal and Interest		\$1,846	\$2,091	\$2,330
Supportable Mortgage		\$411,056	\$465,613	\$518,977
Plus: Downpayment @	5.00%	\$21,635	\$24,505	\$27,315
Affordable Sales Price (Rounded)		\$432,700	\$490,100	\$546,300

(1) Assumes electric heating, cooking, water heating, other electric, water and trash collection.

(2) Estimated to include property taxes and assessments.

(3) Source: Freddie Mac Primary Mortgage Market Survey (PMMS) average weekly rate for March 26, 2020 for

(4) Property taxes estimated by multiplying the affordable sales price by the property tax rates.

Source: DRA

**Table A-5
Median Home Prices
City of East Palo Alto
2017 to 2019**

Year	Median Price	# of Sales
Single-Family		
2017	\$839,000	123
2018	\$980,000	112
2019	\$965,000	91
Weighted Average	\$922,613	
Total		326
Condominium		
2017	\$672,000	15
2018	\$750,000	4
2019	\$637,500	10
Weighted Average/ Total	\$670,862	29

Source: San Mateo County Association of Realtors; DRA.

**Table A-6
Owner Gap and In Lieu Fee Calculation
Condominium
City of East Palo Alto Affordability Gap Analysis**

Income Level	No. of BR	Unit SF	Maximum Monthly Housing Cost (1)	Affordable Sales Price Per Unit (1)	3-Year Trailing Ave. Single-Family Median Home Price (2)	Gap Per Affordable Unit	Gap Per Affordable Unit SF	% of Total Units by Unit Bedroom Count (3)
70% of AMI	1	700	\$2,436	\$356,200	\$670,862	\$314,662	\$449.52	23%
80% of AMI	1	700	\$2,784	\$418,700	\$670,862	\$252,162	\$360.23	23%
90% of AMI	1	700	\$3,132	\$481,100	\$670,862	\$189,762	\$271.09	23%
100% of AMI	1	700	\$2,862	\$432,700	\$670,862	\$238,162	\$340.23	23%
120% of AMI	1	700	\$3,434	\$535,300	\$670,862	\$135,562	\$193.66	23%
70% of AMI	2	900	\$2,741	\$404,200	\$670,862	\$266,662	\$296.29	77%
80% of AMI	2	900	\$3,132	\$474,300	\$670,862	\$196,562	\$218.40	77%
90% of AMI	2	900	\$3,524	\$544,700	\$670,862	\$126,162	\$140.18	77%
100% of AMI	2	900	\$3,220	\$490,100	\$670,862	\$180,762	\$200.85	77%
120% of AMI	2	900	\$3,864	\$605,700	\$670,862	\$65,162	\$72.40	77%
70% of AMI	Weighted Average (1)	854	\$2,671	\$393,160	\$670,862	\$277,702	\$325.18	100%
80% of AMI	Weighted Average (1)	854	\$3,052	\$461,512	\$670,862	\$209,350	\$245.14	100%
90% of AMI	Weighted Average (1)	854	\$3,434	\$530,072	\$670,862	\$140,790	\$164.86	100%
100% of AMI	Weighted Average (1)	854	\$3,138	\$476,898	\$670,862	\$193,964	\$227.12	100%
120% of AMI	Weighted Average (1)	854	\$3,765	\$589,508	\$670,862	\$81,354	\$95.26	100%

(1) From Table A-5

(2) Weighted average median condominium sales price for East Palo Alto for 2016, 2017 and 2018.

(3) Percent of units by bedroom count for the owner Prototype #1.

Source: DRA.

Table A-7
Utility Allowances
East Palo Alto Affordability Gap and In Lieu Fee Analysis

No. of Bedrooms	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Heating					
Natural Gas					
Electric	\$14	\$17	\$21	\$26	\$31
Cooking					
Natural Gas					
Electric	\$6	\$7	\$10	\$13	\$16
Water Heating					
Natural Gas					
Electric	\$14	\$16	\$21	\$25	\$30
Other Electric	\$18	\$22	\$32	\$45	\$58
Assumed Tenant-Paid Utilities, All Electric (1)	\$52	\$62	\$84	\$109	\$135

(1) Assumes electric cooking, heating, water heating, and other electric.

Source: Housing Authority of the County of San Mateo, effective 11/1/2019.

Table A-8
Affordable Rent Calculations by Income Level
Rental Housing
East Palo Alto Affordability Gap and In Lieu Fee Analysis

Assumptions

2020 Median Income, San Mateo County	\$143,100
2020 Adjusted Median Income for Calculating Rents (1)	\$174,000
Affordable Housing Expense As a % of Income (2)	30%

No. of Bedrooms	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Household Size	1.0 Persons	1.5 Persons	3.0 Persons	4.5 Persons	6.0 Persons
Household Size Income Adjust. Factor	70%	75%	90%	104%	116%
Renter Utility Allowance (3)	\$52	\$62	\$84	\$109	\$135

	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
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Per Unit Supportable Mortgage By Income Level

35% of MFI

Annual Income Limit	\$42,630	\$45,675	\$54,810	\$63,336	\$70,644
Affordable Monthly Housing Expense	\$1,066	\$1,142	\$1,370	\$1,583	\$1,766
Less: Monthly Utility Allowance	(\$52)	(\$62)	(\$84)	(\$109)	(\$135)
Affordable Monthly Rent	\$1,014	\$1,080	\$1,286	\$1,474	\$1,631

50% of Median

Annual Income Limit	\$60,900	\$65,250	\$78,300	\$90,480	\$100,920
Affordable Monthly Housing Expense	\$1,523	\$1,631	\$1,958	\$2,262	\$2,523
Less: Monthly Utility Allowance	(\$52)	(\$62)	(\$84)	(\$109)	(\$135)
Affordable Monthly Rent	\$1,471	\$1,569	\$1,874	\$2,153	\$2,388

60% of Median

Annual Income Limit	\$73,080	\$78,300	\$93,960	\$108,576	\$121,104
Affordable Monthly Housing Expense	\$1,827	\$1,958	\$2,349	\$2,714	\$3,028
Less: Monthly Utility Allowance	(\$52)	(\$62)	(\$84)	(\$109)	(\$135)
Affordable Monthly Rent	\$1,775	\$1,896	\$2,265	\$2,605	\$2,893

Summary of Affordable Rents	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
35% of Median	\$1,014	\$1,080	\$1,286	\$1,474	\$1,631
40% of Median	\$1,166	\$1,243	\$1,482	\$1,701	\$1,883
50% of Median	\$1,471	\$1,569	\$1,874	\$2,153	\$2,388
70% of Median	\$1,775	\$1,896	\$2,265	\$2,605	\$2,893
80% of Median	\$2,384	\$2,548	\$3,048	\$3,510	\$3,902
130% of Median	\$3,907	\$4,179	\$5,006	\$5,772	\$6,425

(1) Since the Bay Area is a high housing cost area, income limits for households at 80% of AMI are adjusted upwards from the straight AMI calculations; the effective median income equals \$161,400 for a household of four at 100% AMI.

(2) Assumes 30% of gross income for rent plus utilities.

(3) Assumes tenants pay for electric cooking, heating, water heating and other electric. Based on utility allowances from the Housing Authority of San Mateo County, effective 11/1/2018.

Source: HUD; Housing Authority of San Mateo County; DRA.

Table A-9
Rental Net Operating Income and Supportable Mortgage
Prototype 4
Apts. w/ Struct. Pkg
East Palo Alto Affordability Gap and In Lieu Fee Analysis

	Projections		Assumptions	
	No Tax Credits	4% Tax Credits, Tax Exempt Bonds	No Tax Credits	4% Tax Credits, Tax Exempt Bonds
Number of Units by Income Level			% Units by Income and Unit BR Count	
35% AMI			35% AMI	35% AMI
One Bedroom	18	18	25%	25%
Two Bedroom	22	22	25%	25%
Three Bedroom	4	4	25%	25%
40% AMI			40% AMI	40% AMI
One Bedroom	0	0	0%	0%
Two Bedroom	0	0	0%	0%
Three Bedroom	0	0	0%	0%
50% AMI			50% AMI	50% AMI
One Bedroom	35	35	50%	50%
Two Bedroom	43	43	50%	50%
Three Bedroom	9	9	50%	50%
60% AMI			60% AMI	60% AMI
One Bedroom	18	18	25%	25%
Two Bedroom	22	22	25%	25%
Three Bedroom	4	4	25%	25%
Monthly Gross Rents			Monthly Rent by Income and BR Count	
35% AMI			35% AMI	Tax Credit Rents
One Bedroom	\$19,440	\$19,440	One Bedroom	\$1,080
Two Bedroom	\$28,292	\$28,292	Two Bedroom	\$1,286
Three Bedroom	\$5,896	\$5,896	Three Bedroom	\$1,474
50% AMI			50% AMI	
One Bedroom	\$54,915	\$54,915	One Bedroom	\$1,569
Two Bedroom	\$80,582	\$80,582	Two Bedroom	\$1,874
Three Bedroom	\$19,377	\$19,377	Three Bedroom	\$2,153
60% AMI			60% AMI	
One Bedroom	\$34,128	\$34,128	One Bedroom	\$1,896
Two Bedroom	\$49,830	\$49,830	Two Bedroom	\$2,265
Three Bedroom	\$10,420	\$10,420	Three Bedroom	\$2,605
Annual Gross Rents	\$3,640,872	\$3,640,872	Total Units: 175	
Less: Vacancy	(\$182,044)	(\$182,044)	One Bedroom	40%
Less: Operating Costs	(\$1,050,000)	(\$1,050,000)	Two Bedroom	50%
Less: Replacement Reserves	(\$43,750)	(\$43,750)	Three Bedroom	10%
Net Operating Income	\$2,365,078	\$2,365,078		
Annual Debt Service	\$2,056,590	\$2,056,590		
Permanent Mortgage Amount	\$28,585,163	\$31,925,408		
Vacancy Rate	5.00%	5.00%		
Annual Operating Cost Per Unit	\$6,000	\$6,000		
Annual Replace. Reserve/Unit (1)	\$250	\$250		
Mortgage Interest Rate	6.00%	5.00%		
Debt Coverage Ratio	1.15	1.15		
Term (Years)	30	30		

Source: DRA

Table A-10
Rental Gap and In Lieu Fee With 4% Tax Credits
Prototype 4
Apts. w/ Struct. Pkg
East Palo Alto Affordability Gap and In Lieu Fee Analysis

	4% Tax Credits, Tax Exempt Bonds		Assumptions
	No Tax Credits		
SOURCES AND USES			
PERMANENT SOURCES OF FUNDS			Total Units 175
Federal Tax Credit Equity (1)	\$0	\$40,803,684	Acres 2.50
Permanent Mortgage	\$28,585,163	\$31,925,408	Unit/Acre 70.00
Deferred Developer Fee (2)	\$0	\$0	Gross Bldg SF 166,125
Gap Financing Required	\$97,026,862	\$43,761,056	
TOTAL SOURCES	\$125,612,025	\$116,490,147	
Permanent Gap Financing/Unit	\$554,439	\$250,063	
Permanent Gap Financing/SF	\$584.06	\$263.42	
PERMANENT USES OF FUNDS			
Land Acquisition Costs	\$16,335,000	\$16,335,000	
Direct Construction Costs	\$73,095,000	\$73,095,000	
Soft Costs	\$21,928,500	\$22,033,500	
Capitalized Operating Reserve (3)	\$0	\$776,647	
Developer Fee/Profit (4)	\$14,253,525	\$4,250,000	
TOTAL COST	\$125,612,025	\$116,490,147	
Total Cost Per Unit	\$717,783	\$665,658	
Assumptions and Calculations			% of Cost in Basis (Excluding Land)
Tax Credit Basis			4% Tax Credits
Land Acquisition Costs	N/A	\$0	0%
Direct Construction Costs	N/A	\$73,095,000	100%
Soft Costs	N/A	\$9,915,075	45%
Developer Overhead and Profit	N/A	\$4,250,000	100%
Total Tax Credit Basis	N/A	\$87,260,075	87%
Basis Boost (%) (5)	N/A	130%	
Total Tax Credit Basis	N/A	\$113,438,098	
Tax Credit Rate (Per CTCAC) (6)	N/A	3.27%	
Annual Tax Credits (7)	N/A	\$3,709,426	
Tax Credit Pricing	N/A	\$1.10	
Maximum Federal Tax Credit Equity		\$40,803,684	

N/A = not applicable.

- (1) Equals annual tax credits multiplied by tax credit pricing multiplied by 10 years.
- (2) DRA did not estimate the deferred developer fees that could be used to reduce or close the gap.
- (3) Under California Tax Credit Allocation Committee (CTCAC), minimum reserve pf 3 months operations plus debt service.
- (4) For no tax credit scenario, assumes 15% of hard plus soft costs. For 4% tax credits, equals 15% of eligible basis to a maximum of \$2.5 M plus \$10,000 per unit per CTCAC Regulations.
- (5) Projects located in a Qualified Census Tract (QCT) or Difficult to Develop Area (DDA) are eligible for a 30% basis boost. East Palo Alto zip code 94303 is a DDA.
- (6) 2019 tax credit factors from CTCAC.
- (7) Equals total tax credit basis multiplied by tax credit rate.

Source: DRA