APPENDIX 1

CITYWIDE INCLUSIONARY TECHNICAL ANALYSIS

SCENARIO #1

Base Case: Existing Conditions

10% @ Very Low - no Density Bonus

15% @ Low - no Density Bonus

10% @ Very Low - w/Density Bonus

15% @ Low - w/Density Bonus

Inclusionary Scenarios:

15%, 20%, 25% @ Very Low - w/ Density Bonus

20%, 25%, 30% @ Low - w/ Density Bonus

Keyser Marston Associates, Inc.

SUMMARY TABLE - APPENDIX 1

SCENARIO #1
CITYWIDE INCLUSIONARY
BASE CASE: EXISTING CONDITIONS

FEASIBILITY OF ALTERNATIVE INCLUSIONARY SET-ASIDES - CITYWIDE DEVELOPMENT PROTOTYPES - SCENARIO #1
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	CITYWIDE DEVELOPMENT PROTOTYPES							
	Base Case w/Density Bonus		Very Low			Low		
RESIDUAL LAND VALUE [1]	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
A. Single-Family Detached - Large Lot (R-3)	$383,000 /Unit $37 /SF Site	$392,000 /Unit $38 /SF Site	$383,000 /Unit $37 /SF Site	$306,000 /Unit $30 /SF Site	$306,000 /Unit $30 /SF Site	$319,000 /Unit $31 /SF Site	$319,000 /Unit $31 /SF Site	$246,000 /Unit $24 /SF Site
B. Single-Family Detached - Medium Lot (R-5)	$385,000 /Unit $60 /SF Site	$330,000 /Unit $49 /SF Site	$336,000 /Unit $52 /SF Site	$288,000 /Unit $45 /SF Site	$239,000 /Unit $37 /SF Site	$298,000 /Unit $46 /SF Site	$252,000 /Unit $39 /SF Site	$206,000 /Unit $32 /SF Site
C. Single-Family Detached - Small Lot (RS-8)	$162,000 /Unit $40 /SF Site	$171,000 /Unit $42 /SF Site	$174,000 /Unit $45 /SF Site	$131,000 /Unit $34 /SF Site	$131,000 /Unit $34 /SF Site	$143,000 /Unit $37 /SF Site	$143,000 /Unit $37 /SF Site	$104,000 /Unit $27 /SF Site
D. Single-Family Detached - Small Lot (RS-11/R-11)	$131,000 /Unit $45 /SF Site	$118,000 /Unit $39 /SF Site	$118,000 /Unit $41 /SF Site	$93,000 /Unit $32 /SF Site	$68,000 /Unit $23 /SF Site	$103,000 /Unit $36 /SF Site	$81,000 /Unit $28 /SF Site	$70,000 /Unit $24 /SF Site
E. Mixed-Use Development	$318,000 /Unit $102 /SF Site	$327,000 /Unit $105 /SF Site	$318,000 /Unit $102 /SF Site	$318,000 /Unit $102 /SF Site	$192,000 /Unit $62 /SF Site	$327,000 /Unit $105 /SF Site	$211,000 /Unit $68 /SF Site	$211,000 /Unit $68 /SF Site
F. Townhomes (R-15)	$149,000 /Unit $69 /SF Site	$132,000 /Unit $59 /SF Site	$131,000 /Unit $61 /SF Site	$113,000 /Unit $53 /SF Site	$86,000 /Unit $40 /SF Site	$122,000 /Unit $57 /SF Site	$98,000 /Unit $46 /SF Site	$82,000 /Unit $38 /SF Site
G. Garden Apartments (R-20)								
- High Capitalization Rate (4.75%)	$151,000 /Unit $92 /SF Site	$139,000 /Unit $82 /SF Site	$139,000 /Unit $86 /SF Site	$126,000 /Unit $78 /SF Site	$112,000 /Unit $70 /SF Site	$131,000 /Unit $81 /SF Site	$119,000 /Unit $73 /SF Site	$106,000 /Unit $66 /SF Site
- Low Capitalization Rate (4.25%)	$199,000 /Unit $121 /SF Site	$186,000 /Unit $109 /SF Site	$186,000 /Unit $115 /SF Site	$171,000 /Unit $106 /SF Site	$156,000 /Unit $96 /SF Site	$176,000 /Unit $109 /SF Site	$163,000 /Unit $101 /SF Site	$149,000 /Unit $92 /SF Site

The feasibility of each prototype was evaluated based on the Residual Land Value per SF generated by the Base Case relative to the Residual Land Values per SF generated when increased affordable housing requirements are imposed. The following benchmarks were used:[2]

- Low Impact: less than 15% decrease in Residual Land Value from Base Case; likely to have nominal impact on project feasibility
- Medium Impact: 15% - 25% decrease in Residual Land Value from Base Case; may raise concerns for project feasibility
- High Impact: greater than 25% decrease in Residual Land Value from Base Case; may result in financially infeasible project

(1) Residual Land Value represents the maximum supported land payment that a developer can afford for a given development prototype. It is calculated by estimating the total project value upon completion less the estimated total development costs (excluding land costs). The impact of affordable housing requirements on the viability of a development is analyzed by comparing the Residual Land Value generated by the Base Case vs. the Residual Land Value generated by the development scenarios where affordable housing requirements are increased.

(2) For illustrative purposes, Very Low inclusionary set-aside scenarios are compared to the Base Case using Very Low set-aside. Low inclusionary set-aside scenarios are compared to the Base Case using Low set-aside.

ATTACHMENT 1.A

Single-Family Detached - Large Lot
Zone R-3

TABLE 1.A-1

ESTIMATE OF SALES PROCEEDS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Single-Family Detached - Large Lot (R-3)									
	Base Case without Density Bonus		Base Case w/Density Bonus		Very Low			Low		
	10% @ Very Low No Density Bonus	*15% @ Low No Density Bonus*	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Inclusionary Housing										
A. Site Area	*4.0 Acres*	*4.0 Acres*	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres
B. Density	*3.0 Units/Acre* Maximum Density	*3.0 Units/Acre* Maximum Density	3.0 Units/Acre Maximum Density	3.0 Units/Acre Maximum Density	3.0 Units/Acre Maximum Density	3.0 Units/Acre Maximum Density	3.0 Units/Acre Maximum Density	3.0 Units/Acre Maximum Density	3.0 Units/Acre Maximum Density	3.0 Units/Acre Maximum Density
C. Number of Units (1)	*12 Units*	*12 Units*	12 Units	12 Units	12 Units	12 Units	12 Units	12 Units	12 Units	12 Units
D. Inclusionary Set-aside	*10% Very Low*	*15% Low*	10% Very Low	15% Low	15% Very Low	20% Very Low	25% Very Low	20% Low	25% Low	30% Low
E. Affordable Units (2)	*2 Unit*	*2 Units*	2 Units	2 Units	2 Units	3 Units	3 Units	3 Units	3 Units	4 Units
II. Density Bonus										
A. Actual % of Affordable Units			16.7% Very Low	16.7% Low	16.7% Very Low	25.0% Very Low	25.0% Very Low	25.0% Very Low	25.0% Very Low	33.3% Very Low
B. Density Bonus			35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
C. Density with Bonus			4.3 Units/Acre	4.3 Units/Acre	4.3 Units/Acre	4.3 Units/Acre	4.3 Units/Acre	4.3 Units/Acre	4.3 Units/Acre	4.3 Units/Acre
D. Number of Units with Density Bonus (3)			17 Units	17 Units	17 Units	17 Units	17 Units	17 Units	17 Units	17 Units
III. Affordability Mix										
A. Very Low	*2 Units 17%*	*0 Units 0%*	2 Units 12%	0 Units 0%	2 Units 12%	3 Units 18%	3 Units 18%	0 Units 0%	0 Units 0%	0 Units 0%
B. Low	*0 Units 0%*	*2 Units 17%*	0 Units 0%	2 Units 12%	0 Units 0%	0 Units 0%	0 Units 0%	3 Units 18%	3 Units 18%	4 Units 24%
C. Market-Rate	*10 Units 83%*	*10 Units 83%*	15 Units 88%	15 Units 88%	15 Units 88%	14 Units 82%	14 Units 82%	14 Units 82%	14 Units 82%	13 Units 76%
D. Total	*12 Units 100%*	*12 Units 100%*	17 Units 100%	17 Units 100%	17 Units 100%	17 Units 100%	17 Units 100%	17 Units 100%	17 Units 100%	17 Units 100%
IV. Estimate of Sales Proceeds										
A. Affordable Units										
Very Low $93,000	*$186,000*	*$0*	$186,000	$0	$186,000	$279,000	$279,000	$0	$0	$0
Low $178,000	*$0*	*$356,000*	$0	$356,000	$0	$0	$0	$534,000	$534,000	$712,000
Total Affordable Units	*$186,000*	*$356,000*	$186,000	$356,000	$186,000	$279,000	$279,000	$534,000	$534,000	$712,000
B. Market-Rate Units @										
Unit Size	*4,000 SF*	*4,000 SF*	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF
Price/SF	*$475*	*$475*	$500	$500	$500	$500	$500	$500	$500	$500
Price/Unit	*$1,900,000*	*$1,900,000*	$1,625,000	$1,625,000	$1,625,000	$1,625,000	$1,625,000	$1,625,000	$1,625,000	$1,625,000
Total Sales Proceeds	*$19,000,000*	*$19,000,000*	$24,375,000	$24,375,000	$24,375,000	$22,750,000	$22,750,000	$22,750,000	$22,750,000	$21,125,000
C. Total Sales Proceeds	***$19,186,000***	***$19,356,000***	**$24,561,000**	**$24,731,000**	**$24,561,000**	**$23,029,000**	**$23,029,000**	**$23,284,000**	**$23,284,000**	**$21,837,000**
Per Unit	***$1,599,000***	***$1,613,000***	**$1,445,000**	**$1,455,000**	**$1,445,000**	**$1,355,000**	**$1,355,000**	**$1,370,000**	**$1,370,000**	**$1,285,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 1.A-2

ESTIMATE OF DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A/B	C	D	E	F	G	H	I	J
	Single-Family Detached - Large Lot (R-3)								
		Base Case with Density Bonus		**Very Low**			**Low**		
	Base Case without Density Bonus	**10% @ Very Low with Density Bonus**	**15% @ Low with Density Bonus**	**15% @ Very Low with Density Bonus**	**20% @ Very Low with Density Bonus**	**25% @ Very Low with Density Bonus**	**20% @ Low with Density Bonus**	**25% @ Low with Density Bonus**	**30% @ Low with Density Bonus**
I. Project Description									
Site Area	*4.0 Acres*	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres
Average Unit Size	*4,000 SF*	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF
Gross Building Area (GBA)	*48,000 SF*	55,250 SF	55,250 SF	55,250 SF	55,250 SF	55,250 SF	55,250 SF	55,250 SF	55,250 SF
Number of Units	*12 Units*	17 Units	17 Units	17 Units	17 Units	17 Units	17 Units	17 Units	17 Units
II. Development Costs									
A. Direct Costs									
On/Off Site Improvements (1)	*$2,614,000 $15 /SF Site Area*	$2,614,000 $15 /SF Site Area	$2,614,000 $15 /SF Site Area	$2,614,000 $15 /SF Site Area	$2,614,000 $15 /SF Site Area	$2,614,000 $15 /SF Site Area	$2,614,000 $15 /SF Site Area	$2,614,000 $15 /SF Site Area	$2,614,000 $15 /SF Site Area
Parking	*$0 $0 /Space*	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space
Shell Construction	*$6,000,000 $125 /SF GBA*	$7,459,000 $135 /SF GBA	$7,459,000 $135 /SF GBA	$7,459,000 $135 /SF GBA	$7,459,000 $135 /SF GBA	$7,459,000 $135 /SF GBA	$7,459,000 $135 /SF GBA	$7,459,000 $135 /SF GBA	$7,459,000 $135 /SF GBA
Other/Contingency	*$861,000 10.0% of Directs*	$1,007,000 10.0% of Directs	$1,007,000 10.0% of Directs	$1,007,000 10.0% of Directs	$1,007,000 10.0% of Directs	$1,007,000 10.0% of Directs	$1,007,000 10.0% of Directs	$1,007,000 10.0% of Directs	$1,007,000 10.0% of Directs
Total Direct Costs	*$9,475,000 $197 /SF GBA*	$11,080,000 $201 /SF GBA	$11,080,000 $201 /SF GBA	$11,080,000 $201 /SF GBA	$11,080,000 $201 /SF GBA	$11,080,000 $201 /SF GBA	$11,080,000 $201 /SF GBA	$11,080,000 $201 /SF GBA	$11,080,000 $201 /SF GBA
Per Unit	*$790,000*	$652,000	$652,000	$652,000	$652,000	$652,000	$652,000	$652,000	$652,000
B. Indirect Costs									
Permits & Fees (1)	*$330,000 $27,500 /Unit*	$468,000 $27,500 /Unit	$468,000 $27,500 /Unit	$468,000 $27,500 /Unit	$468,000 $27,500 /Unit	$468,000 $27,500 /Unit	$468,000 $27,500 /Unit	$468,000 $27,500 /Unit	$468,000 $27,500 /Unit
Developer Fee	*$379,000 4.0% of Directs*	$443,000 4.0% of Directs	$443,000 4.0% of Directs	$443,000 4.0% of Directs	$443,000 4.0% of Directs	$443,000 4.0% of Directs	$443,000 4.0% of Directs	$443,000 4.0% of Directs	$443,000 4.0% of Directs
Other Indirects	*$1,421,000 15.0% of Directs*	$1,662,000 15.0% of Directs	$1,662,000 15.0% of Directs	$1,662,000 15.0% of Directs	$1,662,000 15.0% of Directs	$1,662,000 15.0% of Directs	$1,662,000 15.0% of Directs	$1,662,000 15.0% of Directs	$1,662,000 15.0% of Directs
Total Indirect Costs	*$2,130,000 22.5% of Directs*	$2,573,000 23.2% of Directs	$2,573,000 23.2% of Directs	$2,573,000 23.2% of Directs	$2,573,000 23.2% of Directs	$2,573,000 23.2% of Directs	$2,573,000 23.2% of Directs	$2,573,000 23.2% of Directs	$2,573,000 23.2% of Directs
C. Financing Costs	*$711,000 7.5% of Directs*	$831,000 7.5% of Directs	$831,000 7.5% of Directs	$831,000 7.5% of Directs	$831,000 7.5% of Directs	$831,000 7.5% of Directs	$831,000 7.5% of Directs	$831,000 7.5% of Directs	$831,000 7.5% of Directs
D. Total Development Costs	***$12,316,000 $257 /SF GBA***	**$14,484,000 $262 /SF GBA**	**$14,484,000 $262 /SF GBA**	**$14,484,000 $262 /SF GBA**	**$14,484,000 $262 /SF GBA**	**$14,484,000 $262 /SF GBA**	**$14,484,000 $262 /SF GBA**	**$14,484,000 $262 /SF GBA**	**$14,484,000 $262 /SF GBA**
Per Unit	***$1,026,000***	**$852,000**	**$852,000**	**$852,000**	**$852,000**	**$852,000**	**$852,000**	**$852,000**	**$852,000**

(1) Estimate, not verified by KMA or the City of Encinitas.

TABLE 1.A-3

ESTIMATE OF RESIDUAL LAND VALUE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Single-Family Detached - Large Lot (R-3)									
	Base Case without Density Bonus		Base Case w/Density Bonus		Very Low			Low		
	10% @ Very Low No Density Bonus	15% @ Low No Density Bonus	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Net Sales Proceeds										
A. Gross Sales Proceeds	*$19,186,000*	*$19,356,000*	$24,561,000	$24,731,000	$24,561,000	$23,029,000	$23,029,000	$23,284,000	$23,284,000	$21,837,000
B. (Less) Cost of Sale @ 4.5% of Value	*($863,000)*	*($871,000)*	($1,105,000)	($1,113,000)	($1,105,000)	($1,036,000)	($1,036,000)	($1,048,000)	($1,048,000)	($983,000)
C. Net Sales Proceeds	*$18,323,000*	*$18,485,000*	$23,456,000	$23,618,000	$23,456,000	$21,993,000	$21,993,000	$22,236,000	$22,236,000	$20,854,000
II. Residual Land Value										
A. Net Sales Proceeds	*$18,323,000*	*$18,485,000*	$23,456,000	$23,618,000	$23,456,000	$21,993,000	$21,993,000	$22,236,000	$22,236,000	$20,854,000
B. (Less) Developer Profit @ 10.0% of Value	*($1,919,000)*	*($1,936,000)*	($2,456,000)	($2,473,000)	($2,456,000)	($2,303,000)	($2,303,000)	($2,328,000)	($2,328,000)	($2,184,000)
C. Warranted Investment	*$16,404,000*	*$16,549,000*	$21,000,000	$21,145,000	$21,000,000	$19,690,000	$19,690,000	$19,908,000	$19,908,000	$18,670,000
D. (Less) Development Costs	*($12,316,000)*	*($12,316,000)*	($14,484,000)	($14,484,000)	($14,484,000)	($14,484,000)	($14,484,000)	($14,484,000)	($14,484,000)	($14,484,000)
E. Residual Land Value	***$4,088,000***	***$4,233,000***	**$6,516,000**	**$6,661,000**	**$6,516,000**	**$5,206,000**	**$5,206,000**	**$5,424,000**	**$5,424,000**	**$4,186,000**
Per Unit	***$341,000***	***$353,000***	**$383,000**	**$392,000**	**$383,000**	**$306,000**	**$306,000**	**$319,000**	**$319,000**	**$246,000**
Per SF	***$23***	***$24***	**$37**	**$38**	**$37**	**$30**	**$30**	**$31**	**$31**	**$24**

Residual Land Value @ 100% Market	$7,178,000
Per Unit	$598,000
Per SF	$41

ATTACHMENT 1.B

Single-Family Detached - Medium Lot
Zone R-5

TABLE 1.B-1

ESTIMATE OF SALES PROCEEDS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Single-Family Detached - Medium Lot (R-5)									
	Base Case without Density Bonus		**Base Case w/Density Bonus**		**Very Low**			**Low**		
	10% @ Very Low No Density Bonus	***15% @ Low No Density Bonus***	**10% @ Very Low with Density Bonus**	**15% @ Low with Density Bonus**	**15% @ Very Low with Density Bonus**	**20% @ Very Low with Density Bonus**	**25% @ Very Low with Density Bonus**	**20% @ Low with Density Bonus**	**25% @ Low with Density Bonus**	**30% @ Low with Density Bonus**
I. Inclusionary Housing										
A. Site Area	*4.0 Acres*	*4.0 Acres*	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres
B. Density	*5.0 Units/Acre Maximum Density*	*5.0 Units/Acre Maximum Density*	5.0 Units/Acre Maximum Density	5.0 Units/Acre Maximum Density	5.0 Units/Acre Maximum Density	5.0 Units/Acre Maximum Density	5.0 Units/Acre Maximum Density	5.0 Units/Acre Maximum Density	5.0 Units/Acre Maximum Density	5.0 Units/Acre Maximum Density
C. Number of Units (1)	*20 Units*	*20 Units*	20 Units	20 Units	20 Units	20 Units	20 Units	20 Units	20 Units	20 Units
D. Inclusionary Set-aside	*10% Very Low*	*15% Low*	10% Very Low	15% Low	15% Very Low	20% Very Low	25% Very Low	20% Low	25% Low	30% Low
E. Affordable Units (2)	*2 Units*	*3 Units*	2 Units	3 Units	3 Units	4 Units	5 Units	4 Units	5 Units	6 Units
II. Density Bonus										
A. Actual % of Affordable Units			10.0% Very Low	15.0% Very Low	15.0% Very Low	20.0% Very Low	25.0% Very Low	20.0% Very Low	25.0% Very Low	30.0% Very Low
B. Density Bonus			32.5%	27.5%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
C. Density with Bonus			6.8 Units/Acre	6.5 Units/Acre	6.8 Units/Acre	6.8 Units/Acre	6.8 Units/Acre	6.8 Units/Acre	6.8 Units/Acre	6.8 Units/Acre
D. Number of Units with Density Bonus (3)			27 Units	26 Units	27 Units	27 Units	27 Units	27 Units	27 Units	27 Units
III. Affordability Mix										
A. Very Low	*2 Units 10%*	*0 Units 0%*	2 Units 7%	0 Units 0%	3 Units 11%	4 Units 15%	5 Units 19%	0 Units 0%	0 Units 0%	0 Units 0%
B. Low	*0 Units 0%*	*3 Units 15%*	0 Units 0%	3 Units 12%	0 Units 0%	0 Units 0%	0 Units 0%	4 Units 15%	5 Units 19%	6 Units 22%
C. Market-Rate	*18 Units 90%*	*17 Units 85%*	25 Units 93%	23 Units 88%	24 Units 89%	23 Units 85%	22 Units 81%	23 Units 85%	22 Units 81%	21 Units 78%
D. Total	*20 Units 100%*	*20 Units 100%*	27 Units 100%	26 Units 100%	27 Units 100%	27 Units 100%	27 Units 100%	27 Units 100%	27 Units 100%	27 Units 100%
IV. Estimate of Sales Proceeds										
A. Affordable Units										
Very Low $95,000	*$190,000*	*$0*	$190,000	$0	$285,000	$380,000	$475,000	$0	$0	$0
Low $173,000	*$0*	*$519,000*	$0	$519,000	$0	$0	$0	$692,000	$865,000	$1,038,000
Total Affordable Units	*$190,000*	*$519,000*	$190,000	$519,000	$285,000	$380,000	$475,000	$692,000	$865,000	$1,038,000
B. Market-Rate Units @										
Unit Size	*3,250 SF*	*3,250 SF*	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF
Price/SF	*$500*	*$500*	$500	$500	$500	$500	$500	$500	$500	$500
Price/Unit	*$1,625,000*	*$1,625,000*	$1,625,000	$1,625,000	$1,625,000	$1,625,000	$1,625,000	$1,625,000	$1,625,000	$1,625,000
Total Sales Proceeds	*$29,250,000*	*$27,625,000*	$40,625,000	$37,375,000	$39,000,000	$37,375,000	$35,750,000	$37,375,000	$35,750,000	$34,125,000
C. Total Sales Proceeds	***$29,440,000***	***$28,144,000***	**$40,815,000**	**$37,894,000**	**$39,285,000**	**$37,755,000**	**$36,225,000**	**$38,067,000**	**$36,615,000**	**$35,163,000**
Per Unit	***$1,472,000***	***$1,407,000***	**$1,512,000**	**$1,457,000**	**$1,455,000**	**$1,398,000**	**$1,342,000**	**$1,410,000**	**$1,356,000**	**$1,302,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 1.B-2

ESTIMATE OF DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A/B	C	D	E	F	G	H	I	J
	Single-Family Detached - Medium Lot (R-5)								
		Base Case with Density Bonus		**Very Low**			**Low**		
	Base Case without Density Bonus	**10% @ Very Low with Density Bonus**	**15% @ Low with Density Bonus**	**15% @ Very Low with Density Bonus**	**20% @ Very Low with Density Bonus**	**25% @ Very Low with Density Bonus**	**20% @ Low with Density Bonus**	**25% @ Low with Density Bonus**	**30% @ Low with Density Bonus**
I. Project Description									
Site Area	*4.0 Acres*	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres
Average Unit Size	*3,250 SF*	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF
Gross Building Area (GBA)	*65,000 SF*	87,750 SF	84,500 SF	87,750 SF	87,750 SF	87,750 SF	87,750 SF	87,750 SF	87,750 SF
Number of Units	*20 Units*	27 Units	26 Units	27 Units	27 Units	27 Units	27 Units	27 Units	27 Units
II. Development Costs									
A. Direct Costs									
On/Off Site Improvements (1)	*$4,356,000 $25 /SF Site Area*	$4,356,000 $25 /SF Site Area	$4,356,000 $25 /SF Site Area	$4,356,000 $25 /SF Site Area	$4,356,000 $25 /SF Site Area	$4,356,000 $25 /SF Site Area	$4,356,000 $25 /SF Site Area	$4,356,000 $25 /SF Site Area	$4,356,000 $25 /SF Site Area
Parking	*$0 $0 /Space*	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space
Shell Construction	*$9,100,000 $140 /SF GBA*	$12,724,000 $145 /SF GBA	$12,253,000 $145 /SF GBA	$12,724,000 $145 /SF GBA	$12,724,000 $145 /SF GBA	$12,724,000 $145 /SF GBA	$12,724,000 $145 /SF GBA	$12,724,000 $145 /SF GBA	$12,724,000 $145 /SF GBA
Other/Contingency	*$1,346,000 10.0% of Directs*	$1,708,000 10.0% of Directs	$1,661,000 10.0% of Directs	$1,708,000 10.0% of Directs	$1,708,000 10.0% of Directs	$1,708,000 10.0% of Directs	$1,708,000 10.0% of Directs	$1,708,000 10.0% of Directs	$1,708,000 10.0% of Directs
Total Direct Costs	*$14,802,000 $228 /SF GBA*	$18,788,000 $214 /SF GBA	$18,270,000 $216 /SF GBA	$18,788,000 $214 /SF GBA	$18,788,000 $214 /SF GBA	$18,788,000 $214 /SF GBA	$18,788,000 $214 /SF GBA	$18,788,000 $214 /SF GBA	$18,788,000 $214 /SF GBA
Per Unit	*$740,000*	$696,000	$703,000	$696,000	$696,000	$696,000	$696,000	$696,000	$696,000
B. Indirect Costs									
Permits & Fees (1)	*$550,000 $27,500 /Unit*	$743,000 $27,500 /Unit	$715,000 $27,500 /Unit	$743,000 $27,500 /Unit	$743,000 $27,500 /Unit	$743,000 $27,500 /Unit	$743,000 $27,500 /Unit	$743,000 $27,500 /Unit	$743,000 $27,500 /Unit
Developer Fee	*$592,000 4.0% of Directs*	$752,000 4.0% of Directs	$731,000 4.0% of Directs	$752,000 4.0% of Directs	$752,000 4.0% of Directs	$752,000 4.0% of Directs	$752,000 4.0% of Directs	$752,000 4.0% of Directs	$752,000 4.0% of Directs
Other Indirects	*$2,220,000 15.0% of Directs*	$2,818,000 15.0% of Directs	$2,741,000 15.0% of Directs	$2,818,000 15.0% of Directs	$2,818,000 15.0% of Directs	$2,818,000 15.0% of Directs	$2,818,000 15.0% of Directs	$2,818,000 15.0% of Directs	$2,818,000 15.0% of Directs
Total Indirect Costs	*$3,362,000 22.7% of Directs*	$4,313,000 23.0% of Directs	$4,187,000 22.9% of Directs	$4,313,000 23.0% of Directs	$4,313,000 23.0% of Directs	$4,313,000 23.0% of Directs	$4,313,000 23.0% of Directs	$4,313,000 23.0% of Directs	$4,313,000 23.0% of Directs
C. Financing Costs	*$1,110,000 7.5% of Directs*	$1,409,000 7.5% of Directs	$1,370,000 7.5% of Directs	$1,409,000 7.5% of Directs	$1,409,000 7.5% of Directs	$1,409,000 7.5% of Directs	$1,409,000 7.5% of Directs	$1,409,000 7.5% of Directs	$1,409,000 7.5% of Directs
D. Total Development Costs	***$19,274,000 $297 /SF GBA***	**$24,510,000 $279 /SF GBA**	**$23,827,000 $282 /SF GBA**	**$24,510,000 $279 /SF GBA**	**$24,510,000 $279 /SF GBA**	**$24,510,000 $279 /SF GBA**	**$24,510,000 $279 /SF GBA**	**$24,510,000 $279 /SF GBA**	**$24,510,000 $279 /SF GBA**
Per Unit	***$964,000***	**$908,000**	**$916,000**	**$908,000**	**$908,000**	**$908,000**	**$908,000**	**$908,000**	**$908,000**

(1) Estimate, not verified by KMA or the City of Encinitas.

TABLE 1.B-3

ESTIMATE OF RESIDUAL LAND VALUE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Single-Family Detached - Medium Lot (R-5)									
	Base Case without Density Bonus		Base Case w/Density Bonus		Very Low			Low		
	10% @ Very Low No Density Bonus	15% @ Low No Density Bonus	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Net Sales Proceeds										
A. Gross Sales Proceeds	*$29,440,000*	*$28,144,000*	$40,815,000	$37,894,000	$39,285,000	$37,755,000	$36,225,000	$38,067,000	$36,615,000	$35,163,000
B. (Less) Cost of Sale @ 4.5% of Value	*($1,325,000)*	*($1,266,000)*	($1,837,000)	($1,705,000)	($1,768,000)	($1,699,000)	($1,630,000)	($1,713,000)	($1,648,000)	($1,582,000)
C. Net Sales Proceeds	*$28,115,000*	*$26,878,000*	$38,978,000	$36,189,000	$37,517,000	$36,056,000	$34,595,000	$36,354,000	$34,967,000	$33,581,000
II. Residual Land Value										
A. Net Sales Proceeds	*$28,115,000*	*$26,878,000*	$38,978,000	$36,189,000	$37,517,000	$36,056,000	$34,595,000	$36,354,000	$34,967,000	$33,581,000
B. (Less) Developer Profit @ 10.0% of Value	*($2,944,000)*	*($2,814,000)*	($4,082,000)	($3,789,000)	($3,929,000)	($3,776,000)	($3,623,000)	($3,807,000)	($3,662,000)	($3,516,000)
C. Warranted Investment	*$25,171,000*	*$24,064,000*	$34,896,000	$32,400,000	$33,588,000	$32,280,000	$30,972,000	$32,547,000	$31,305,000	$30,065,000
D. (Less) Development Costs	*($19,274,000)*	*($19,274,000)*	($24,510,000)	($23,827,000)	($24,510,000)	($24,510,000)	($24,510,000)	($24,510,000)	($24,510,000)	($24,510,000)
E. Residual Land Value	***$5,897,000***	***$4,790,000***	**$10,386,000**	**$8,573,000**	**$9,078,000**	**$7,770,000**	**$6,462,000**	**$8,037,000**	**$6,795,000**	**$5,555,000**
Per Unit	***$295,000***	***$240,000***	**$385,000**	**$330,000**	**$336,000**	**$288,000**	**$239,000**	**$298,000**	**$252,000**	**$206,000**
Per SF	***$34***	***$27***	**$60**	**$49**	**$52**	**$45**	**$37**	**$46**	**$39**	**$32**

Residual Land Value @ 100% Market	$8,513,000
Per Unit	$426,000
Per SF	$49

ATTACHMENT 1.C

Single-Family Detached - Small Lot
Zone R-8

TABLE 1.C-1

ESTIMATE OF SALES PROCEEDS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Single Family Detached - Small Lot (R-8)									
	Base Case without Density Bonus		Base Case w/Density Bonus		Very Low			Low		
	10% @ Very Low No Density Bonus	*15% @ Low No Density Bonus*	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Inclusionary Housing										
A. Site Area	*1.5 Acres*	*1.5 Acres*	1.5 Acres	1.5 Acres	1.5 Acres	1.5 Acres	1.5 Acres	1.5 Acres	1.5 Acres	1.5 Acres
B. Density	*8.0 Units/Acre* Maximum Density	*8.0 Units/Acre* Maximum Density	8.0 Units/Acre Maximum Density	8.0 Units/Acre Maximum Density	8.0 Units/Acre Maximum Density	8.0 Units/Acre Maximum Density	8.0 Units/Acre Maximum Density	8.0 Units/Acre Maximum Density	8.0 Units/Acre Maximum Density	8.0 Units/Acre Maximum Density
C. Number of Units (1)	*12 Units*	*12 Units*	12 Units	12 Units	12 Units	12 Units	12 Units	12 Units	12 Units	12 Units
D. Inclusionary Set-aside	*10% Very Low*	*15% Low*	10% Very Low	15% Low	15% Very Low	20% Very Low	25% Very Low	20% Low	25% Low	30% Low
E. Affordable Units (2)	*2 Units*	*2 Units*	2 Units	2 Units	2 Units	3 Units	3 Units	3 Units	3 Units	4 Units
II. Density Bonus										
A. Actual % of Affordable Units			16.7% Very Low	16.7% Very Low	16.7% Very Low	25.0% Very Low	25.0% Very Low	25.0% Very Low	25.0% Very Low	33.3% Very Low
B. Density Bonus			32.5%	27.5%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
C. Density with Bonus			10.7 Units/Acre	10.7 Units/Acre	11.3 Units/Acre	11.3 Units/Acre	11.3 Units/Acre	11.3 Units/Acre	11.3 Units/Acre	11.3 Units/Acre
D. Number of Units with Density Bonus (3)			16 Units	16 Units	17 Units	17 Units	17 Units	17 Units	17 Units	17 Units
III. Affordability Mix										
A. Very Low	*2 Units 17%*	*0 Units 0%*	2 Units 13%	0 Units 0%	2 Units 12%	3 Units 18%	3 Units 18%	0 Units 0%	0 Units 0%	0 Units 0%
B. Low	*0 Units 0%*	*2 Units 17%*	0 Units 0%	2 Units 13%	0 Units 0%	0 Units 0%	0 Units 0%	3 Units 18%	3 Units 18%	4 Units 24%
C. Market-Rate	*10 Units 83%*	*10 Units 83%*	14 Units 88%	14 Units 88%	15 Units 88%	14 Units 82%	14 Units 82%	14 Units 82%	14 Units 82%	13 Units 76%
D. Total	*12 Units 100%*	*12 Units 100%*	16 Units 100%	16 Units 100%	17 Units 100%	17 Units 100%	17 Units 100%	17 Units 100%	17 Units 100%	17 Units 100%
IV. Estimate of Sales Proceeds										
A. Affordable Units										
Very Low $95,000	*$190,000*	*$0*	$190,000	$0	$190,000	$285,000	$285,000	$0	$0	$0
Low $173,000	*$0*	*$346,000*	$0	$346,000	$0	$0	$0	$519,000	$519,000	$692,000
Total Affordable Units	*$190,000*	*$346,000*	$190,000	$346,000	$190,000	$285,000	$285,000	$519,000	$519,000	$692,000
B. Market-Rate Units @										
Unit Size	*2,217 SF*	*2,217 SF*	2,000 SF	2,000 SF	2,000 SF	2,000 SF	2,000 SF	2,000 SF	2,000 SF	2,000 SF
Price/SF	*$475*	*$475*	$475	$475	$475	$475	$475	$475	$475	$475
Price/Unit	*$1,053,000*	*$1,053,000*	$950,000	$950,000	$950,000	$950,000	$950,000	$950,000	$950,000	$950,000
Total Sales Proceeds	*$10,530,000*	*$10,530,000*	$13,300,000	$13,300,000	$14,250,000	$13,300,000	$13,300,000	$13,300,000	$13,300,000	$12,350,000
C. Total Sales Proceeds	***$10,720,000***	***$10,876,000***	**$13,490,000**	**$13,646,000**	**$14,440,000**	**$13,585,000**	**$13,585,000**	**$13,819,000**	**$13,819,000**	**$13,042,000**
Per Unit	***$893,000***	***$906,000***	**$843,000**	**$853,000**	**$849,000**	**$799,000**	**$799,000**	**$813,000**	**$813,000**	**$767,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 1.C-2

ESTIMATE OF DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A/B		C		D		E		F		G		H		I		J	
	Single-Family Detached - Small Lot (R-8)																	
			Base Case with Density Bonus				**Very Low**						**Low**					
	Base Case without Density Bonus		**10% @ Very Low with Density Bonus**		**15% @ Low with Density Bonus**		**15% @ Very Low with Density Bonus**		**20% @ Very Low with Density Bonus**		**25% @ Very Low with Density Bonus**		**20% @ Low with Density Bonus**		**25% @ Low with Density Bonus**		**30% @ Low with Density Bonus**	
I. Project Description																		
Site Area	*1.5*	*Acres*	1.5	Acres	1.5	Acres	1.5	Acres	1.5	Acres	1.5	Acres	1.5	Acres	1.5	Acres	1.5	Acres
Average Unit Size	*2,217*	*SF*	2,000	SF	2,000	SF	2,000	SF	2,000	SF	2,000	SF	2,000	SF	2,000	SF	2,000	SF
Gross Building Area (GBA)	*26,604*	*SF*	32,000	SF	32,000	SF	34,000	SF	34,000	SF	34,000	SF	34,000	SF	34,000	SF	34,000	SF
Number of Units	*12*	*Units*	16	Units	16	Units	17	Units	17	Units	17	Units	17	Units	17	Units	17	Units
II. Development Costs																		
A. Direct Costs																		
On/Off Site Improvements (1)	*$1,307,000*	*$20 /SF Site Area*	$1,307,000	$20 /SF Site Area	$1,307,000	$20 /SF Site Area	$1,307,000	$20 /SF Site Area	$1,307,000	$20 /SF Site Area	$1,307,000	$20 /SF Site Area	$1,307,000	$20 /SF Site Area	$1,307,000	$20 /SF Site Area	$1,307,000	$20 /SF Site Area
Parking	*$0*	*$0 /Space*	$0	$0 /Space	$0	$0 /Space	$0	$0 /Space	$0	$0 /Space	$0	$0 /Space	$0	$0 /Space	$0	$0 /Space	$0	$0 /Space
Shell Construction	*$3,858,000*	*$145 /SF GBA*	$4,800,000	$150 /SF GBA	$4,800,000	$150 /SF GBA	$5,100,000	$150 /SF GBA	$5,100,000	$150 /SF GBA	$5,100,000	$150 /SF GBA	$5,100,000	$150 /SF GBA	$5,100,000	$150 /SF GBA	$5,100,000	$150 /SF GBA
Other/Contingency	*$517,000*	*10.0% of Directs*	$611,000	10.0% of Directs	$611,000	10.0% of Directs	$641,000	10.0% of Directs	$641,000	10.0% of Directs	$641,000	10.0% of Directs	$641,000	10.0% of Directs	$641,000	10.0% of Directs	$641,000	10.0% of Directs
Total Direct Costs	*$5,682,000*	*$214 /SF GBA*	$6,718,000	$210 /SF GBA	$6,718,000	$210 /SF GBA	$7,048,000	$207 /SF GBA	$7,048,000	$207 /SF GBA	$7,048,000	$207 /SF GBA	$7,048,000	$207 /SF GBA	$7,048,000	$207 /SF GBA	$7,048,000	$207 /SF GBA
Per Unit	*$474,000*		$420,000		$420,000		$415,000		$415,000		$415,000		$415,000		$415,000		$415,000	
B. Indirect Costs																		
Permits & Fees (1)	*$330,000*	*$27,500 /Unit*	$440,000	$27,500 /Unit	$440,000	$27,500 /Unit	$468,000	$27,500 /Unit	$468,000	$27,500 /Unit	$468,000	$27,500 /Unit	$468,000	$27,500 /Unit	$468,000	$27,500 /Unit	$468,000	$27,500 /Unit
Developer Fee	*$227,000*	*4.0% of Directs*	$269,000	4.0% of Directs	$269,000	4.0% of Directs	$282,000	4.0% of Directs	$282,000	4.0% of Directs	$282,000	4.0% of Directs	$282,000	4.0% of Directs	$282,000	4.0% of Directs	$282,000	4.0% of Directs
Other Indirects	*$852,000*	*15.0% of Directs*	$1,008,000	15.0% of Directs	$1,008,000	15.0% of Directs	$1,057,000	15.0% of Directs	$1,057,000	15.0% of Directs	$1,057,000	15.0% of Directs	$1,057,000	15.0% of Directs	$1,057,000	15.0% of Directs	$1,057,000	15.0% of Directs
Total Indirect Costs	*$1,409,000*	*24.8% of Directs*	$1,717,000	25.6% of Directs	$1,717,000	25.6% of Directs	$1,807,000	25.6% of Directs	$1,807,000	25.6% of Directs	$1,807,000	25.6% of Directs	$1,807,000	25.6% of Directs	$1,807,000	25.6% of Directs	$1,807,000	25.6% of Directs
C. Financing Costs	*$426,000*	*7.5% of Directs*	$504,000	7.5% of Directs	$504,000	7.5% of Directs	$529,000	7.5% of Directs	$529,000	7.5% of Directs	$529,000	7.5% of Directs	$529,000	7.5% of Directs	$529,000	7.5% of Directs	$529,000	7.5% of Directs
D. Total Development Costs	***$7,517,000***	***$283 /SF GBA***	**$8,939,000**	**$279 /SF GBA**	**$8,939,000**	**$279 /SF GBA**	**$9,384,000**	**$276 /SF GBA**	**$9,384,000**	**$276 /SF GBA**	**$9,384,000**	**$276 /SF GBA**	**$9,384,000**	**$276 /SF GBA**	**$9,384,000**	**$276 /SF GBA**	**$9,384,000**	**$276 /SF GBA**
Per Unit	***$626,000***		**$559,000**		**$559,000**		**$552,000**		**$552,000**		**$552,000**		**$552,000**		**$552,000**		**$552,000**	

(1) Estimate, not verified by KMA or the City of Encinitas.

TABLE 1.C-3

ESTIMATE OF RESIDUAL LAND VALUE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Single-Family Detached - Small Lot (R-8)									
	Base Case without Density Bonus		Base Case w/Density Bonus		Very Low			Low		
	10% @ Very Low No Density Bonus	15% @ Low No Density Bonus	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Net Sales Proceeds										
A. Gross Sales Proceeds	*$10,720,000*	*$10,876,000*	$13,490,000	$13,646,000	$14,440,000	$13,585,000	$13,585,000	$13,819,000	$13,819,000	$13,042,000
B. (Less) Cost of Sale @ 4.5% of Value	*($482,000)*	*($489,000)*	($607,000)	($614,000)	($650,000)	($611,000)	($611,000)	($622,000)	($622,000)	($587,000)
C. Net Sales Proceeds	*$10,238,000*	*$10,387,000*	$12,883,000	$13,032,000	$13,790,000	$12,974,000	$12,974,000	$13,197,000	$13,197,000	$12,455,000
II. Residual Land Value										
A. Net Sales Proceeds	*$10,238,000*	*$10,387,000*	$12,883,000	$13,032,000	$13,790,000	$12,974,000	$12,974,000	$13,197,000	$13,197,000	$12,455,000
B. (Less) Developer Profit @ 10.0% of Value	*($1,072,000)*	*($1,088,000)*	($1,349,000)	($1,365,000)	($1,444,000)	($1,359,000)	($1,359,000)	($1,382,000)	($1,382,000)	($1,304,000)
C. Warranted Investment	*$9,166,000*	*$9,299,000*	$11,534,000	$11,667,000	$12,346,000	$11,615,000	$11,615,000	$11,815,000	$11,815,000	$11,151,000
D. (Less) Development Costs	*($7,517,000)*	*($7,517,000)*	($8,939,000)	($8,939,000)	($9,384,000)	($9,384,000)	($9,384,000)	($9,384,000)	($9,384,000)	($9,384,000)
E. Residual Land Value	***$1,649,000***	***$1,782,000***	**$2,595,000**	**$2,728,000**	**$2,962,000**	**$2,231,000**	**$2,231,000**	**$2,431,000**	**$2,431,000**	**$1,767,000**
Per Unit	***$137,000***	***$149,000***	**$162,000**	**$171,000**	**$174,000**	**$131,000**	**$131,000**	**$143,000**	**$143,000**	**$104,000**
Per SF	***$25***	***$27***	**$40**	**$42**	**$45**	**$34**	**$34**	**$37**	**$37**	**$27**

Residual Land Value @ 100% Market	$3,286,000
Per Unit	$274,000
Per SF	$50

ATTACHMENT 1.D

Single-Family Detached - Small Lot
Zone RS-11 / R-11

TABLE 1.D-1

ESTIMATE OF SALES PROCEEDS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Single Family Detached - Small Lot (RS-11/R-11)									
	Base Case without Density Bonus		**Base Case w/Density Bonus**		**Very Low**			**Low**		
	10% @ Very Low No Density Bonus	***15% @ Low No Density Bonus***	**10% @ Very Low with Density Bonus**	**15% @ Low with Density Bonus**	**15% @ Very Low with Density Bonus**	**20% @ Very Low with Density Bonus**	**25% @ Very Low with Density Bonus**	**20% @ Low with Density Bonus**	**25% @ Low with Density Bonus**	**30% @ Low with Density Bonus**
I. Inclusionary Housing										
A. Site Area	*3.0 Acres*	*3.0 Acres*	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres
B. Density	*11.0 Units/Acre Maximum Density*	*11.0 Units/Acre Maximum Density*	11.0 Units/Acre Maximum Density	11.0 Units/Acre Maximum Density	11.0 Units/Acre Maximum Density	11.0 Units/Acre Maximum Density	11.0 Units/Acre Maximum Density	11.0 Units/Acre Maximum Density	11.0 Units/Acre Maximum Density	11.0 Units/Acre Maximum Density
C. Number of Units (1)	*33 Units*	*33 Units*	33 Units	33 Units	33 Units	33 Units	33 Units	33 Units	33 Units	33 Units
D. Inclusionary Set-aside	*10% Very Low*	*15% Low*	10% Very Low	15% Low	15% Very Low	20% Very Low	25% Very Low	20% Low	25% Low	30% Low
E. Affordable Units (2)	*4 Units*	*5 Units*	*4* Units	*5* Units	5 Units	7 Units	9 Units	7 Units	9 Units	10 Units
II. Density Bonus										
A. Actual % of Affordable Units			12.1% Very Low	15.2% Very Low	15.2% Very Low	21.2% Very Low	27.3% Very Low	21.2% Very Low	27.3% Very Low	30.3% Very Low
B. Density Bonus			35.0%	27.5%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
C. Density with Bonus			15.0 Units/Acre	14.3 Units/Acre	15.0 Units/Acre	15.0 Units/Acre	15.0 Units/Acre	15.0 Units/Acre	15.0 Units/Acre	15.0 Units/Acre
D. Number of Units with Density Bonus (3)			45 Units	43 Units	45 Units	45 Units	45 Units	45 Units	45 Units	45 Units
III. Affordability Mix										
A. Very Low	*4 Units 12%*	*0 Units 0%*	4 Units 9%	0 Units 0%	5 Units 11%	7 Units 16%	9 Units 20%	0 Units 0%	0 Units 0%	0 Units 0%
B. Low	*0 Units 0%*	*5 Units 15%*	0 Units 0%	5 Units 12%	0 Units 0%	0 Units 0%	0 Units 0%	7 Units 16%	9 Units 20%	10 Units 22%
C. Market-Rate	*29 Units 88%*	*28 Units 85%*	41 Units 91%	38 Units 88%	40 Units 89%	38 Units 84%	36 Units 80%	38 Units 84%	36 Units 80%	35 Units 78%
D. Total	*33 Units 100%*	*33 Units 100%*	45 Units 100%	43 Units 100%	45 Units 100%	45 Units 100%	45 Units 100%	45 Units 100%	45 Units 100%	45 Units 100%
IV. Estimate of Sales Proceeds										
A. Affordable Units										
Very Low $95,000	*$380,000*	*$0*	$380,000	$0	$475,000	$665,000	$855,000	$0	$0	$0
Low $173,000	*$0*	*$865,000*	$0	$865,000	$0	$0	$0	$1,211,000	$1,557,000	$1,730,000
Total Affordable Units	*$380,000*	*$865,000*	$380,000	$865,000	$475,000	$665,000	$855,000	$1,211,000	$1,557,000	$1,730,000
B. Market-Rate Units @										
Unit Size	*2,000 SF*	2,000 SF	1,510 SF	1,510 SF	1,510 SF	1,510 SF	1,510 SF	1,510 SF	1,510 SF	1,510 SF
Price/SF	*$475*	*$475*	$500	$500	$500	$500	$500	$500	$500	$500
Price/Unit	*$950,000*	*$950,000*	*$755,000*	*$755,000*	*$755,000*	*$755,000*	*$755,000*	*$755,000*	*$755,000*	*$755,000*
Total Sales Proceeds	*$27,550,000*	*$26,600,000*	$30,955,000	$28,690,000	$30,200,000	$28,690,000	$27,180,000	$28,690,000	$27,180,000	$26,425,000
C. Total Sales Proceeds	***$27,930,000***	***$27,465,000***	**$31,335,000**	**$29,555,000**	**$30,675,000**	**$29,355,000**	**$28,035,000**	**$29,901,000**	**$28,737,000**	**$28,155,000**
Per Unit	***$846,000***	***$832,000***	**$696,000**	**$687,000**	**$682,000**	**$652,000**	**$623,000**	**$664,000**	**$639,000**	**$626,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 1.D-2

ESTIMATE OF DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A/B	C	D	E	F	G	H	I	J
	Single-Family Detached - Small Lot (RS-11/R-11)								
		Base Case with Density Bonus		**Very Low**			**Low**		
	Base Case without Density Bonus	**10% @ Very Low with Density Bonus**	**15% @ Low with Density Bonus**	**15% @ Very Low with Density Bonus**	**20% @ Very Low with Density Bonus**	**25% @ Very Low with Density Bonus**	**20% @ Low with Density Bonus**	**25% @ Low with Density Bonus**	**30% @ Low with Density Bonus**
I. Project Description									
Site Area	*3.0 Acres*	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres
Average Unit Size	*2,000 SF*	1,510 SF	1,510 SF	1,510 SF	1,510 SF	1,510 SF	1,510 SF	1,510 SF	1,510 SF
Gross Building Area (GBA)	*66,000 SF*	67,950 SF	64,930 SF	67,950 SF	67,950 SF	67,950 SF	67,950 SF	67,950 SF	67,950 SF
Number of Units	*33 Units*	45 Units	43 Units	45 Units	45 Units	45 Units	45 Units	45 Units	45 Units
II. Development Costs									
A. Direct Costs									
On/Off Site Improvements (1)	*$3,267,000 $25 /SF Site Area*	$3,267,000 $25 /SF Site Area	$3,267,000 $25 /SF Site Area	$3,267,000 $25 /SF Site Area	$3,267,000 $25 /SF Site Area	$3,267,000 $25 /SF Site Area	$3,267,000 $25 /SF Site Area	$3,267,000 $25 /SF Site Area	$3,267,000 $25 /SF Site Area
Parking	*$0 $0 /Space*	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space
Shell Construction	*$9,900,000 $150 /SF GBA*	$10,872,000 $160 /SF GBA	$10,389,000 $160 /SF GBA	$10,872,000 $160 /SF GBA	$10,872,000 $160 /SF GBA	$10,872,000 $160 /SF GBA	$10,872,000 $160 /SF GBA	$10,872,000 $160 /SF GBA	$10,872,000 $160 /SF GBA
Other/Contingency	*$1,317,000 10.0% of Directs*	$1,414,000 10.0% of Directs	$1,366,000 10.0% of Directs	$1,414,000 10.0% of Directs	$1,414,000 10.0% of Directs	$1,414,000 10.0% of Directs	$1,414,000 10.0% of Directs	$1,414,000 10.0% of Directs	$1,414,000 10.0% of Directs
Total Direct Costs	*$14,484,000 $219 /SF GBA*	$15,553,000 $229 /SF GBA	$15,022,000 $231 /SF GBA	$15,553,000 $229 /SF GBA	$15,553,000 $229 /SF GBA	$15,553,000 $229 /SF GBA	$15,553,000 $229 /SF GBA	$15,553,000 $229 /SF GBA	$15,553,000 $229 /SF GBA
Per Unit	*$439,000*	$346,000	$349,000	$346,000	$346,000	$346,000	$346,000	$346,000	$346,000
B. Indirect Costs									
Permits & Fees (1)	*$907,500 $27,500 /Unit*	$1,238,000 $27,500 /Unit	$1,183,000 $27,500 /Unit	$1,238,000 $27,500 /Unit	$1,238,000 $27,500 /Unit	$1,238,000 $27,500 /Unit	$1,238,000 $27,500 /Unit	$1,238,000 $27,500 /Unit	$1,238,000 $27,500 /Unit
Developer Fee	*$579,000 4.0% of Directs*	$622,000 4.0% of Directs	$601,000 4.0% of Directs	$622,000 4.0% of Directs	$622,000 4.0% of Directs	$622,000 4.0% of Directs	$622,000 4.0% of Directs	$622,000 4.0% of Directs	$622,000 4.0% of Directs
Other Indirects	*$2,173,000 15.0% of Directs*	$2,333,000 15.0% of Directs	$2,253,000 15.0% of Directs	$2,333,000 15.0% of Directs	$2,333,000 15.0% of Directs	$2,333,000 15.0% of Directs	$2,333,000 15.0% of Directs	$2,333,000 15.0% of Directs	$2,333,000 15.0% of Directs
Total Indirect Costs	*$3,659,500 25.3% of Directs*	$4,193,000 27.0% of Directs	$4,037,000 26.9% of Directs	$4,193,000 27.0% of Directs	$4,193,000 27.0% of Directs	$4,193,000 27.0% of Directs	$4,193,000 27.0% of Directs	$4,193,000 27.0% of Directs	$4,193,000 27.0% of Directs
C. Financing Costs	*$1,086,000 7.5% of Directs*	$1,166,000 7.5% of Directs	$1,127,000 7.5% of Directs	$1,166,000 7.5% of Directs	$1,166,000 7.5% of Directs	$1,166,000 7.5% of Directs	$1,166,000 7.5% of Directs	$1,166,000 7.5% of Directs	$1,166,000 7.5% of Directs
D. Total Development Costs	***$19,230,000 $291 /SF GBA***	**$20,912,000 $308 /SF GBA**	**$20,186,000 $311 /SF GBA**	**$20,912,000 $308 /SF GBA**	**$20,912,000 $308 /SF GBA**	**$20,912,000 $308 /SF GBA**	**$20,912,000 $308 /SF GBA**	**$20,912,000 $308 /SF GBA**	**$20,912,000 $308 /SF GBA**
Per Unit	***$583,000***	**$465,000**	**$469,000**	**$465,000**	**$465,000**	**$465,000**	**$465,000**	**$465,000**	**$465,000**

(1) Estimate, not verified by KMA or the City of Encinitas.

TABLE 1.D-3

ESTIMATE OF RESIDUAL LAND VALUE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Single-Family Detached - Small Lot (RS-11/R-11)									
	Base Case without Density Bonus		Base Case w/Density Bonus		Very Low			Low		
	10% @ Very Low No Density Bonus	15% @ Low No Density Bonus	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Net Sales Proceeds										
A. Gross Sales Proceeds	*$27,930,000*	*$27,465,000*	$31,335,000	$29,555,000	$30,675,000	$29,355,000	$28,035,000	$29,901,000	$28,737,000	$28,155,000
B. (Less) Cost of Sale @ 4.5% of Value	*($1,257,000)*	*($1,236,000)*	($1,410,000)	($1,330,000)	($1,380,000)	($1,321,000)	($1,262,000)	($1,346,000)	($1,293,000)	($1,267,000)
C. Net Sales Proceeds	*$26,673,000*	*$26,229,000*	$29,925,000	$28,225,000	$29,295,000	$28,034,000	$26,773,000	$28,555,000	$27,444,000	$26,888,000
II. Residual Land Value										
A. Net Sales Proceeds	*$26,673,000*	*$26,229,000*	$29,925,000	$28,225,000	$29,295,000	$28,034,000	$26,773,000	$28,555,000	$27,444,000	$26,888,000
B. (Less) Developer Profit @ 10.0% of Value	*($2,793,000)*	*($2,747,000)*	($3,134,000)	($2,956,000)	($3,068,000)	($2,936,000)	($2,804,000)	($2,990,000)	($2,874,000)	($2,816,000)
C. Warranted Investment	*$23,880,000*	*$23,482,000*	$26,791,000	$25,269,000	$26,227,000	$25,098,000	$23,969,000	$25,565,000	$24,570,000	$24,072,000
D. (Less) Development Costs	*($19,230,000)*	*($19,230,000)*	($20,912,000)	($20,186,000)	($20,912,000)	($20,912,000)	($20,912,000)	($20,912,000)	($20,912,000)	($20,912,000)
E. Residual Land Value	***$4,650,000***	***$4,252,000***	**$5,879,000**	**$5,083,000**	**$5,315,000**	**$4,186,000**	**$3,057,000**	**$4,653,000**	**$3,658,000**	**$3,160,000**
Per Unit	***$141,000***	***$129,000***	**$131,000**	**$118,000**	**$118,000**	**$93,000**	**$68,000**	**$103,000**	**$81,000**	**$70,000**
Per SF	***$36***	***$33***	**$45**	**$39**	**$41**	**$32**	**$23**	**$36**	**$28**	**$24**

Residual Land Value @ 100% Market	$7,574,000
Per Unit	$230,000
Per SF	$58

ATTACHMENT 1.E

Mixed-Use Development

TABLE 1.E-1

ESTIMATE OF SALES PROCEEDS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Mixed-Use Development									
	Base Case without Density Bonus		**Base Case w/Density Bonus**		**Very Low**			**Low**		
	10% @ Very Low No Density Bonus	***15% @ Low No Density Bonus***	**10% @ Very Low with Density Bonus**	**15% @ Low with Density Bonus**	**15% @ Very Low with Density Bonus**	**20% @ Very Low with Density Bonus**	**25% @ Very Low with Density Bonus**	**20% @ Low with Density Bonus**	**25% @ Low with Density Bonus**	**30% @ Low with Density Bonus**
I. Inclusionary Housing										
A. Site Area	*0.5 Acres*	*0.5 Acres*	0.5 Acres	0.5 Acres	0.5 Acres	0.5 Acres	0.5 Acres	0.5 Acres	0.5 Acres	0.5 Acres
B. Density	*10.0 Units/Acre Maximum Density*	*10.0 Units/Acre Maximum Density*	10.0 Units/Acre Maximum Density	10.0 Units/Acre Maximum Density	10.0 Units/Acre Maximum Density	10.0 Units/Acre Maximum Density	10.0 Units/Acre Maximum Density	10.0 Units/Acre Maximum Density	10.0 Units/Acre Maximum Density	10.0 Units/Acre Maximum Density
C. Number of Units (1)	*5 Units*	*5 Units*	5 Units	5 Units	5 Units	5 Units	5 Units	5 Units	5 Units	5 Units
D. Inclusionary Set-aside	*10% Very Low*	*15% Low*	10% Very Low	15% Low	15% Very Low	20% Very Low	25% Very Low	20% Low	25% Low	30% Low
E. Affordable Units (2)	*1 Units*	*1 Units*	1 Units	1 Units	1 Units	1 Units	2 Units	1 Units	2 Units	2 Units
II. Density Bonus										
A. Actual % of Affordable Units			20.0% Very Low	20.0% Very Low	20.0% Very Low	20.0% Very Low	40.0% Very Low	20.0% Very Low	40.0% Very Low	40.0% Very Low
B. Density Bonus			32.5%	27.5%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
C. Density with Bonus			14.0 Units/Acre	14.0 Units/Acre	14.0 Units/Acre	14.0 Units/Acre	14.0 Units/Acre	14.0 Units/Acre	14.0 Units/Acre	14.0 Units/Acre
D. Number of Units with Density Bonus (3)			7 Units	7 Units	7 Units	7 Units	7 Units	7 Units	7 Units	7 Units
E. Parking - Residential 2.5 Spaces/Unit			18 Spaces	18 Spaces	18 Spaces	18 Spaces	18 Spaces	18 Spaces	18 Spaces	18 Spaces
F. Parking - Commercial			33 Spaces	33 Spaces	33 Spaces	33 Spaces	33 Spaces	33 Spaces	33 Spaces	33 Spaces
III. Affordability Mix										
A. Very Low	*1 Units 20%*	*0 Units 0%*	1 Units 14%	0 Units 0%	1 Units 14%	1 Units 14%	2 Units 29%	0 Units 0%	0 Units 0%	0 Units 0%
B. Low	*0 Units 0%*	*1 Units 20%*	0 Units 0%	1 Units 14%	0 Units 0%	0 Units 0%	0 Units 0%	1 Units 14%	2 Units 29%	2 Units 29%
C. Market-Rate	*4 Units 80%*	*4 Units 80%*	6 Units 86%	6 Units 86%	6 Units 86%	6 Units 86%	5 Units 71%	6 Units 86%	5 Units 71%	5 Units 71%
D. Total	*5 Units 100%*	*5 Units 100%*	7 Units 100%	7 Units 100%	7 Units 100%	7 Units 100%	7 Units 100%	7 Units 100%	7 Units 100%	7 Units 100%
IV. Estimate of Sales Proceeds										
A. Affordable Units										
Very Low $95,000	*$95,000*	*$0*	$95,000	$0	$95,000	$95,000	$190,000	$0	$0	$0
Low $173,000	*$0*	*$173,000*	$0	$173,000	$0	$0	$0	$173,000	$346,000	$346,000
Total Affordable Units	*$95,000*	*$173,000*	$95,000	$173,000	$95,000	$95,000	$190,000	$173,000	$346,000	$346,000
B. Market-Rate Units @										
Unit Size	*1,500 SF*	*1,500 SF*	1,500 SF	1,500 SF	1,500 SF	1,500 SF	1,500 SF	1,500 SF	1,500 SF	1,500 SF
Price/SF	*$750*	*$750*	$750	$750	$750	$750	$750	$750	$750	$750
Price/Unit	*$1,125,000*	*$1,125,000*	$1,125,000	$1,125,000	$1,125,000	$1,125,000	$1,125,000	$1,125,000	$1,125,000	$1,125,000
Total Sales Proceeds	*$4,500,000*	*$4,500,000*	$6,750,000	$6,750,000	$6,750,000	$6,750,000	$5,625,000	$6,750,000	$5,625,000	$5,625,000
C. Total Sales Proceeds	***$4,595,000***	***$4,673,000***	**$6,845,000**	**$6,923,000**	**$6,845,000**	**$6,845,000**	**$5,815,000**	**$6,923,000**	**$5,971,000**	**$5,971,000**
Per Unit	***$919,000***	***$935,000***	**$978,000**	**$989,000**	**$978,000**	**$978,000**	**$831,000**	**$989,000**	**$853,000**	**$853,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 1.E-2

ESTIMATE OF DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A/B	C	D	E	F	G	H	I	J
	Mixed-Use Development								
		Base Case with Density Bonus		**Very Low**			**Low**		
	Base Case without Density Bonus	**10% @ Very Low with Density Bonus**	**15% @ Low with Density Bonus**	**15% @ Very Low with Density Bonus**	**20% @ Very Low with Density Bonus**	**25% @ Very Low with Density Bonus**	**20% @ Low with Density Bonus**	**25% @ Low with Density Bonus**	**30% @ Low with Density Bonus**
I. Project Description									
Site Area	*0.5 Acres*	0.5 Acres	0.5 Acres	0.5 Acres	0.5 Acres	0.5 Acres	0.5 Acres	0.5 Acres	0.5 Acres
Gross Building Area (GBA)									
Average Unit Size	*1,500 SF*	1,500 SF	1,500 SF	1,500 SF	1,500 SF	1,500 SF	1,500 SF	1,500 SF	1,500 SF
Residential GBA	*7,500 SF*	10,500 SF	10,500 SF	10,500 SF	10,500 SF	10,500 SF	10,500 SF	10,500 SF	10,500 SF
Number of Units	*5 Units*	7 Units	7 Units	7 Units	7 Units	7 Units	7 Units	7 Units	7 Units
Commercial GBA	*5,000 SF*	5,000 SF	5,000 SF	5,000 SF	5,000 SF	5,000 SF	5,000 SF	5,000 SF	5,000 SF
Total GBA	*12,500 SF*	15,500 SF	15,500 SF	15,500 SF	15,500 SF	15,500 SF	15,500 SF	15,500 SF	15,500 SF
Parking	*46 Spaces*	51 Spaces	51 Spaces	51 Spaces	51 Spaces	51 Spaces	51 Spaces	51 Spaces	51 Spaces
II. Development Costs									
A. Direct Costs									
On/Off Site Improvements (1)	*$436,000 $20 /SF Site Area*	$436,000 $20 /SF Site Area	$436,000 $20 /SF Site Area	$436,000 $20 /SF Site Area	$436,000 $20 /SF Site Area	$436,000 $20 /SF Site Area	$436,000 $20 /SF Site Area	$436,000 $20 /SF Site Area	$436,000 $20 /SF Site Area
Parking	*$1,840,000 $40,000 /Space*	$2,040,000 $40,000 /Space	$2,040,000 $40,000 /Space	$2,040,000 $40,000 /Space	$2,040,000 $40,000 /Space	$2,040,000 $40,000 /Space	$2,040,000 $40,000 /Space	$2,040,000 $40,000 /Space	$2,040,000 $40,000 /Space
Shell Construction - Residential	*$1,350,000 $180 /SF GBA-Res*	$1,943,000 $185 /SF GBA-Res	$1,943,000 $185 /SF GBA-Res	$1,943,000 $185 /SF GBA-Res	$1,943,000 $185 /SF GBA-Res	$1,943,000 $185 /SF GBA-Res	$1,943,000 $185 /SF GBA-Res	$1,943,000 $185 /SF GBA-Res	$1,943,000 $185 /SF GBA-Res
Shell Construction - Commercial	*$800,000 $160 /SF GBA-Cmm*	*$800,000 $160* /SF GBA-Cmm	*$800,000 $160* /SF GBA-Cmm	$800,000 $160 /SF GBA-Cmm	$800,000 $160 /SF GBA-Cmm	$800,000 $160 /SF GBA-Cmm	$800,000 $160 /SF GBA-Cmm	$800,000 $160 /SF GBA-Cmm	$800,000 $160 /SF GBA-Cmm
Tenant Improvements - Commercial	*$250,000 $50 /SF GBA-Cmm*	*$250,000 $50* /SF GBA-Cmm	*$250,000 $50* /SF GBA-Cmm	$250,000 $50 /SF GBA-Cmm	$250,000 $50 /SF GBA-Cmm	$250,000 $50 /SF GBA-Cmm	$250,000 $50 /SF GBA-Cmm	$250,000 $50 /SF GBA-Cmm	$250,000 $50 /SF GBA-Cmm
Other/Contingency	*$468,000 10.0% of Directs*	$547,000 10.0% of Directs	$547,000 10.0% of Directs	$547,000 10.0% of Directs	$547,000 10.0% of Directs	$547,000 10.0% of Directs	$547,000 10.0% of Directs	$547,000 10.0% of Directs	$547,000 10.0% of Directs
Total Direct Costs	*$5,144,000 $412 /SF Total GBA*	$6,016,000 $388 /SF Total GBA	$6,016,000 $388 /SF Total GBA	$6,016,000 $388 /SF Total GBA	$6,016,000 $388 /SF Total GBA	$6,016,000 $388 /SF Total GBA	$6,016,000 $388 /SF Total GBA	$6,016,000 $388 /SF Total GBA	$6,016,000 $388 /SF Total GBA
Per Unit	*$1,029,000*	$859,000	$859,000	$859,000	$859,000	$859,000	$859,000	$859,000	$859,000
B. Indirect Costs									
Permits & Fees - Residential (1)	*$138,000 $27,500 /Unit*	$193,000 $27,500 /Unit	$193,000 $27,500 /Unit	$193,000 $27,500 /Unit	$193,000 $27,500 /Unit	$193,000 $27,500 /Unit	$193,000 $27,500 /Unit	$193,000 $27,500 /Unit	$193,000 $27,500 /Unit
Permits & Fee - Commercial (1)	*$50,000 $10 /SF*	$50,000 $10 /SF	$50,000 $10 /SF	$50,000 $10 /SF	$50,000 $10 /SF	$50,000 $10 /SF	$50,000 $10 /SF	$50,000 $10 /SF	$50,000 $10 /SF
Developer Fee	*$206,000 4.0% of Directs*	$241,000 4.0% of Directs	$241,000 4.0% of Directs	$241,000 4.0% of Directs	$241,000 4.0% of Directs	$241,000 4.0% of Directs	$241,000 4.0% of Directs	$241,000 4.0% of Directs	$241,000 4.0% of Directs
Other Indirects	*$772,000 15.0% of Directs*	$902,000 15.0% of Directs	$902,000 15.0% of Directs	$902,000 15.0% of Directs	$902,000 15.0% of Directs	$902,000 15.0% of Directs	$902,000 15.0% of Directs	$902,000 15.0% of Directs	$902,000 15.0% of Directs
Total Indirect Costs	*$1,166,000 22.7% of Directs*	$1,386,000 23.0% of Directs	$1,386,000 23.0% of Directs	$1,386,000 23.0% of Directs	$1,386,000 23.0% of Directs	$1,386,000 23.0% of Directs	$1,386,000 23.0% of Directs	$1,386,000 23.0% of Directs	$1,386,000 23.0% of Directs
C. Financing Costs	*$386,000 7.5% of Directs*	$451,000 7.5% of Directs	$451,000 7.5% of Directs	$451,000 7.5% of Directs	$451,000 7.5% of Directs	$451,000 7.5% of Directs	$451,000 7.5% of Directs	$451,000 7.5% of Directs	$451,000 7.5% of Directs
D. Total Development Costs	***$6,696,000 $536 /SF Total GBA***	**$7,853,000 $507 /SF Total GBA**	**$7,853,000 $507 /SF Total GBA**	**$7,853,000 $507 /SF Total GBA**	**$7,853,000 $507 /SF Total GBA**	**$7,853,000 $507 /SF Total GBA**	**$7,853,000 $507 /SF Total GBA**	**$7,853,000 $507 /SF Total GBA**	**$7,853,000 $507 /SF Total GBA**
Per Unit	***$1,339,000***	**$1,122,000**	**$1,122,000**	**$1,122,000**	**$1,122,000**	**$1,122,000**	**$1,122,000**	**$1,122,000**	**$1,122,000**

(1) Estimate, not verified by KMA or the City of Encinitas.

TABLE 1.E-3

ESTIMATE OF RESIDUAL LAND VALUE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Mixed-Use Development									
	Base Case without Density Bonus		**Base Case w/Density Bonus**		**Very Low**			**Low**		
	10% @ Very Low No Density Bonus	**15% @ Low No Density Bonus**	**10% @ Very Low with Density Bonus**	**15% @ Low with Density Bonus**	**15% @ Very Low with Density Bonus**	**20% @ Very Low with Density Bonus**	**25% @ Very Low with Density Bonus**	**20% @ Low with Density Bonus**	**25% @ Low with Density Bonus**	**30% @ Low with Density Bonus**
I. Net Sales Proceeds - Residential										
A. Gross Sales Proceeds	*$4,595,000*	*$4,673,000*	$6,845,000	$6,923,000	$6,845,000	$6,845,000	$5,815,000	$6,923,000	$5,971,000	$5,971,000
B. (Less) Cost of Sale @ 4.5% of Value	*($207,000)*	*($210,000)*	($308,000)	($312,000)	($308,000)	($308,000)	($262,000)	($312,000)	($269,000)	($269,000)
C. Net Sales Proceeds - Residential	*$4,388,000*	*$4,463,000*	$6,537,000	$6,611,000	$6,537,000	$6,537,000	$5,553,000	$6,611,000	$5,702,000	$5,702,000
II. Net Sales Proceeds - Commercial										
A. Gross Rental Income $4.25 /SF NNN	*$255,000*	$255,000	$255,000	$255,000	$255,000	$255,000	$255,000	$255,000	$255,000	$255,000
B. (Less) Vacancy 10%	*($25,500)*	($25,500)	($25,500)	($25,500)	($25,500)	($25,500)	($25,500)	($25,500)	($25,500)	($25,500)
C. Effective Gross Income	*$229,500*	$229,500	$229,500	$229,500	$229,500	$229,500	$229,500	$229,500	$229,500	$229,500
D. (Less) Unreimbursed Expenses 5.0%	*($11,000)*	($11,000)	($11,000)	($11,000)	($11,000)	($11,000)	($11,000)	($11,000)	($11,000)	($11,000)
E. Net Operating Income	*$218,500*	$218,500	$218,500	$218,500	$218,500	$218,500	$218,500	$218,500	$218,500	$218,500
F. Capitalization Rate	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
G. Capitalized Value Upon Completion	*$4,856,000*	$4,856,000	$4,856,000	$4,856,000	$4,856,000	$4,856,000	$4,856,000	$4,856,000	$4,856,000	$4,856,000
H. (Less) Cost of Sale 3.0% of Value	*($146,000)*	($146,000)	($146,000)	($146,000)	($146,000)	($146,000)	($146,000)	($146,000)	($146,000)	($146,000)
I. Net Sales Proceeds - Commercial	*$4,710,000*	$4,710,000	$4,710,000	$4,710,000	$4,710,000	$4,710,000	$4,710,000	$4,710,000	$4,710,000	$4,710,000
III. Residual Land Value										
A. Net Sales Proceeds	*$9,098,000*	$9,173,000	$11,247,000	$11,321,000	$11,247,000	$11,247,000	$10,263,000	$11,321,000	$10,412,000	$10,412,000
B. (Less) Developer Profit @ 10.0% of Value	*($945,000)*	($953,000)	($1,170,000)	($1,178,000)	($1,170,000)	($1,170,000)	($1,067,000)	($1,178,000)	($1,083,000)	($1,083,000)
C. Warranted Investment	*$8,153,000*	*$8,220,000*	$10,077,000	$10,143,000	$10,077,000	$10,077,000	$9,196,000	$10,143,000	$9,329,000	$9,329,000
D. (Less) Development Costs	*($6,696,000)*	*($6,696,000)*	($7,853,000)	($7,853,000)	($7,853,000)	($7,853,000)	($7,853,000)	($7,853,000)	($7,853,000)	($7,853,000)
E. Residual Land Value	***$1,457,000***	***$1,524,000***	**$2,224,000**	**$2,290,000**	**$2,224,000**	**$2,224,000**	**$1,343,000**	**$2,290,000**	**$1,476,000**	**$1,476,000**
Per Unit	***$291,000***	***$305,000***	**$318,000**	**$327,000**	**$318,000**	**$318,000**	**$192,000**	**$327,000**	**$211,000**	**$211,000**
Per SF	***$67***	***$70***	**$102**	**$105**	**$102**	**$102**	**$62**	**$105**	**$68**	**$68**

Residual Land Value @ 100% Market	$2,140,000
Per Unit	$428,000
Per SF	$98

ATTACHMENT 1.F

Townhomes
Zone R-15

TABLE 1.F-1

ESTIMATE OF SALES PROCEEDS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Townhomes (R-15)									
	Base Case without Density Bonus		**Base Case w/Density Bonus**		**Very Low**			**Low**		
	10% @ Very Low No Density Bonus	***15% @ Low No Density Bonus***	**10% @ Very Low with Density Bonus**	**15% @ Low with Density Bonus**	**15% @ Very Low with Density Bonus**	**20% @ Very Low with Density Bonus**	**25% @ Very Low with Density Bonus**	**20% @ Low with Density Bonus**	**25% @ Low with Density Bonus**	**30% @ Low with Density Bonus**
I. Inclusionary Housing										
A. Site Area	*3.0 Acres*	*3.0 Acres*	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres
B. Density	*15.0 Units/Acre Maximum Density*	*15.0 Units/Acre Maximum Density*	15.0 Units/Acre Maximum Density	15.0 Units/Acre Maximum Density	15.0 Units/Acre Maximum Density	15.0 Units/Acre Maximum Density	15.0 Units/Acre Maximum Density	15.0 Units/Acre Maximum Density	15.0 Units/Acre Maximum Density	15.0 Units/Acre Maximum Density
C. Number of Units (1)	*45 Units*	*45 Units*	45 Units	45 Units	45 Units	45 Units	45 Units	45 Units	45 Units	45 Units
D. Inclusionary Set-aside	*10% Very Low*	*15% Low*	10% Very Low	15% Low	15% Very Low	20% Very Low	25% Very Low	20% Low	25% Low	30% Low
E. Affordable Units (2)	*5 Units*	*7 Units*	*5* Units	*7* Units	7 Units	9 Units	12 Units	9 Units	12 Units	14 Units
II. Density Bonus										
A. Actual % of Affordable Units			11.1% Very Low	15.6% Very Low	15.6% Very Low	20.0% Very Low	26.7% Very Low	20.0% Very Low	26.7% Very Low	31.1% Very Low
B. Density Bonus			35.0%	27.5%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
C. Density with Bonus			20.3 Units/Acre	19.3 Units/Acre	20.3 Units/Acre	20.3 Units/Acre	20.3 Units/Acre	20.3 Units/Acre	20.3 Units/Acre	20.3 Units/Acre
D. Number of Units with Density Bonus (3)			61 Units	58 Units	61 Units	61 Units	61 Units	61 Units	61 Units	61 Units
III. Affordability Mix										
A. Very Low	*5 Units 11%*	*0 Units 0%*	5 Units 8%	0 Units 0%	7 Units 11%	9 Units 15%	12 Units 20%	0 Units 0%	0 Units 0%	0 Units 0%
B. Low	*0 Units 0%*	*7 Units 16%*	0 Units 0%	7 Units 12%	0 Units 0%	0 Units 0%	0 Units 0%	9 Units 15%	12 Units 20%	14 Units 23%
C. Market-Rate	*40 Units 89%*	*38 Units 84%*	56 Units 92%	51 Units 88%	54 Units 89%	52 Units 85%	49 Units 80%	52 Units 85%	49 Units 80%	47 Units 77%
D. Total	*45 Units 100%*	*45 Units 100%*	61 Units 100%	58 Units 100%	61 Units 100%	61 Units 100%	61 Units 100%	61 Units 100%	61 Units 100%	61 Units 100%
IV. Estimate of Sales Proceeds										
A. Affordable Units										
Very Low $107,000	*$535,000*	*$0*	$535,000	$0	$749,000	$963,000	$1,284,000	$0	$0	$0
Low $180,000	*$0*	*$1,260,000*	$0	$1,260,000	$0	$0	$0	$1,620,000	$2,160,000	$2,520,000
Total Affordable Units	*$535,000*	*$1,260,000*	$535,000	$1,260,000	$749,000	$963,000	$1,284,000	$1,620,000	$2,160,000	$2,520,000
B. Market-Rate Units @										
Unit Size	*1,510 SF*	1,510 SF	1,250 SF	1,250 SF	1,250 SF	1,250 SF	1,250 SF	1,250 SF	1,250 SF	1,250 SF
Price/SF	*$500*	$500	$600	$600	$600	$600	$600	$600	$600	$600
Price/Unit	*$755,000*	*$755,000*	*$750,000*	*$750,000*	*$750,000*	*$750,000*	*$750,000*	*$750,000*	*$750,000*	*$750,000*
Total Sales Proceeds	*$30,200,000*	*$28,690,000*	$42,000,000	$38,250,000	$40,500,000	$39,000,000	$36,750,000	$39,000,000	$36,750,000	$35,250,000
C. Total Sales Proceeds	***$30,735,000***	***$29,950,000***	**$42,535,000**	**$39,510,000**	**$41,249,000**	**$39,963,000**	**$38,034,000**	**$40,620,000**	**$38,910,000**	**$37,770,000**
Per Unit	***$683,000***	***$666,000***	**$697,000**	**$681,000**	**$676,000**	**$655,000**	**$624,000**	**$666,000**	**$638,000**	**$619,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 1.F-2

ESTIMATE OF DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A/B	C	D	E	F	G	H	I	J
	Townhomes (R-15)								
		Base Case with Density Bonus		**Very Low**			**Low**		
	Base Case without Density Bonus	**10% @ Very Low with Density Bonus**	**15% @ Low with Density Bonus**	**15% @ Very Low with Density Bonus**	**20% @ Very Low with Density Bonus**	**25% @ Very Low with Density Bonus**	**20% @ Low with Density Bonus**	**25% @ Low with Density Bonus**	**30% @ Low with Density Bonus**
I. Project Description									
Site Area	*3.0 Acres*	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres
Average Unit Size	*1,510 SF*	1,510 SF	1,510 SF	1,510 SF	1,510 SF	1,510 SF	1,510 SF	1,510 SF	1,510 SF
Gross Building Area (GBA)	*67,950 SF*	92,110 SF	87,580 SF	92,110 SF	92,110 SF	92,110 SF	92,110 SF	92,110 SF	92,110 SF
Number of Units	*45 Units*	61 Units	58 Units	61 Units	61 Units	61 Units	61 Units	61 Units	61 Units
II. Development Costs									
A. Direct Costs									
On/Off Site Improvements (1)	*$2,614,000 $20 /SF Site Area*	$2,614,000 $20 /SF Site Area	$2,614,000 $20 /SF Site Area	$2,614,000 $20 /SF Site Area	$2,614,000 $20 /SF Site Area	$2,614,000 $20 /SF Site Area	$2,614,000 $20 /SF Site Area	$2,614,000 $20 /SF Site Area	$2,614,000 $20 /SF Site Area
Parking	*$0 $0 /Space*	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space
Shell Construction	*$10,872,000 $160 /SF GBA*	$16,119,000 $175 /SF GBA	$15,327,000 $175 /SF GBA	$16,119,000 $175 /SF GBA	$16,119,000 $175 /SF GBA	$16,119,000 $175 /SF GBA	$16,119,000 $175 /SF GBA	$16,119,000 $175 /SF GBA	$16,119,000 $175 /SF GBA
Other/Contingency	*$1,349,000 10.0% of Directs*	$1,873,000 10.0% of Directs	$1,794,000 10.0% of Directs	$1,873,000 10.0% of Directs	$1,873,000 10.0% of Directs	$1,873,000 10.0% of Directs	$1,873,000 10.0% of Directs	$1,873,000 10.0% of Directs	$1,873,000 10.0% of Directs
Total Direct Costs	*$14,835,000 $218 /SF GBA*	$20,606,000 $224 /SF GBA	$19,735,000 $225 /SF GBA	$20,606,000 $224 /SF GBA	$20,606,000 $224 /SF GBA	$20,606,000 $224 /SF GBA	$20,606,000 $224 /SF GBA	$20,606,000 $224 /SF GBA	$20,606,000 $224 /SF GBA
Per Unit	*$330,000*	$338,000	$340,000	$338,000	$338,000	$338,000	$338,000	$338,000	$338,000
B. Indirect Costs									
Permits & Fees (1)	*$900,000 $20,000 /Unit*	$1,220,000 $20,000 /Unit	$1,160,000 $20,000 /Unit	$1,220,000 $20,000 /Unit	$1,220,000 $20,000 /Unit	$1,220,000 $20,000 /Unit	$1,220,000 $20,000 /Unit	$1,220,000 $20,000 /Unit	$1,220,000 $20,000 /Unit
Developer Fee	*$593,000 4.0% of Directs*	$824,000 4.0% of Directs	$789,000 4.0% of Directs	$824,000 4.0% of Directs	$824,000 4.0% of Directs	$824,000 4.0% of Directs	$824,000 4.0% of Directs	$824,000 4.0% of Directs	$824,000 4.0% of Directs
Other Indirects	*$2,225,000 15.0% of Directs*	$3,091,000 15.0% of Directs	$2,960,000 15.0% of Directs	$3,091,000 15.0% of Directs	$3,091,000 15.0% of Directs	$3,091,000 15.0% of Directs	$3,091,000 15.0% of Directs	$3,091,000 15.0% of Directs	$3,091,000 15.0% of Directs
Total Indirect Costs	*$3,718,000 25.1% of Directs*	$5,135,000 24.9% of Directs	$4,909,000 24.9% of Directs	$5,135,000 24.9% of Directs	$5,135,000 24.9% of Directs	$5,135,000 24.9% of Directs	$5,135,000 24.9% of Directs	$5,135,000 24.9% of Directs	$5,135,000 24.9% of Directs
C. Financing Costs	*$1,113,000 7.5% of Directs*	$1,545,000 7.5% of Directs	$1,480,000 7.5% of Directs	$1,545,000 7.5% of Directs	$1,545,000 7.5% of Directs	$1,545,000 7.5% of Directs	$1,545,000 7.5% of Directs	$1,545,000 7.5% of Directs	$1,545,000 7.5% of Directs
D. Total Development Costs	***$19,666,000 $289 /SF GBA***	**$27,286,000 $296 /SF GBA**	**$26,124,000 $298 /SF GBA**	**$27,286,000 $296 /SF GBA**	**$27,286,000 $296 /SF GBA**	**$27,286,000 $296 /SF GBA**	**$27,286,000 $296 /SF GBA**	**$27,286,000 $296 /SF GBA**	**$27,286,000 $296 /SF GBA**
Per Unit	***$437,000***	**$447,000**	**$450,000**	**$447,000**	**$447,000**	**$447,000**	**$447,000**	**$447,000**	**$447,000**

(1) Estimate, not verified by KMA or the City of Encinitas.

TABLE 1.F-3

ESTIMATE OF RESIDUAL LAND VALUE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Townhomes (R-15)									
	Base Case without Density Bonus		Base Case w/Density Bonus		Very Low			Low		
	10% @ Very Low No Density Bonus	15% @ Low No Density Bonus	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Net Sales Proceeds										
A. Gross Sales Proceeds	*$30,735,000*	*$29,950,000*	$42,535,000	$39,510,000	$41,249,000	$39,963,000	$38,034,000	$40,620,000	$38,910,000	$37,770,000
B. (Less) Cost of Sale @ 4.5% of Value	*($1,383,000)*	*($1,348,000)*	($1,914,000)	($1,778,000)	($1,856,000)	($1,798,000)	($1,712,000)	($1,828,000)	($1,751,000)	($1,700,000)
C. Net Sales Proceeds	*$29,352,000*	*$28,602,000*	$40,621,000	$37,732,000	$39,393,000	$38,165,000	$36,322,000	$38,792,000	$37,159,000	$36,070,000
II. Residual Land Value										
A. Net Sales Proceeds	*$29,352,000*	*$28,602,000*	$40,621,000	$37,732,000	$39,393,000	$38,165,000	$36,322,000	$38,792,000	$37,159,000	$36,070,000
B. (Less) Developer Profit @ 10.0% of Value	*($3,074,000)*	*($2,995,000)*	($4,254,000)	($3,951,000)	($4,125,000)	($3,996,000)	($3,803,000)	($4,062,000)	($3,891,000)	($3,777,000)
C. Warranted Investment	*$26,278,000*	*$25,607,000*	$36,367,000	$33,781,000	$35,268,000	$34,169,000	$32,519,000	$34,730,000	$33,268,000	$32,293,000
D. (Less) Development Costs	*($19,666,000)*	*($19,666,000)*	($27,286,000)	($26,124,000)	($27,286,000)	($27,286,000)	($27,286,000)	($27,286,000)	($27,286,000)	($27,286,000)
E. Residual Land Value	***$6,612,000***	***$5,941,000***	**$9,081,000**	**$7,657,000**	**$7,982,000**	**$6,883,000**	**$5,233,000**	**$7,444,000**	**$5,982,000**	**$5,007,000**
Per Unit	***$147,000***	***$132,000***	**$149,000**	**$132,000**	**$131,000**	**$113,000**	**$86,000**	**$122,000**	**$98,000**	**$82,000**
Per SF	***$51***	***$45***	**$69**	**$59**	**$61**	**$53**	**$40**	**$57**	**$46**	**$38**

Residual Land Value @ 100% Market	$9,382,000
Per Unit	$208,000
Per SF	$72

ATTACHMENT 1.G

Garden Apartments
Zone R-20

TABLE 1.G-1

ESTIMATE OF GROSS ANNUAL RENTAL INCOME
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Garden Apartments (R-20)									
	Base Case without Density Bonus		Base Case w/Density Bonus		Very Low			Low		
	10% @ Very Low No Density Bonus	15% @ Low No Density Bonus	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Inclusionary Housing										
A. Site Area	*2.0 Acres*	*2.0 Acres*	2.0 Acres	2.0 Acres	2.0 Acres	2.0 Acres	2.0 Acres	2.0 Acres	2.0 Acres	2.0 Acres
B. Density	*20.0 Units/Acre Maximum Density*	*20.0 Units/Acre Maximum Density*	20.0 Units/Acre Maximum Density	20.0 Units/Acre Maximum Density	20.0 Units/Acre Maximum Density	20.0 Units/Acre Maximum Density	20.0 Units/Acre Maximum Density	20.0 Units/Acre Maximum Density	20.0 Units/Acre Maximum Density	20.0 Units/Acre Maximum Density
C. Number of Units (1)	*40 Units*	*40 Units*	40 Units	40 Units	40 Units	40 Units	40 Units	40 Units	40 Units	40 Units
D. Inclusionary Set-aside	*10% Very Low*	*15% Low*	10% Very Low	15% Low	15% Very Low	20% Very Low	25% Very Low	20% Low	25% Low	30% Low
E. Affordable Units (2)	*4 Units*	*6 Units*	4 Units	6 Units	6 Units	8 Units	10 Units	8 Units	10 Units	12 Units
II. Density Bonus										
A. Actual % of Affordable Units			10.0% Very Low	15.0% Very Low	15.0% Very Low	20.0% Very Low	25.0% Very Low	20.0% Very Low	25.0% Very Low	30.0% Very Low
B. Density Bonus			32.5%	27.5%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
C. Density with Bonus			26.5 Units/Acre	25.5 Units/Acre	27.0 Units/Acre	27.0 Units/Acre	27.0 Units/Acre	27.0 Units/Acre	27.0 Units/Acre	27.0 Units/Acre
D. Number of Units with Density Bonus (3)			53 Units	51 Units	54 Units	54 Units	54 Units	54 Units	54 Units	54 Units
E. Parking Spaces 2.0 Spaces/Unit			106 Spaces	102 Spaces	108 Spaces	108 Spaces	108 Spaces	108 Spaces	108 Spaces	108 Spaces
III. Affordability Mix										
A. Very Low	*4 Units 10%*	*0 Units 0%*	4 Units 8%	0 Units 0%	6 Units 11%	8 Units 15%	10 Units 19%	0 Units 0%	0 Units 0%	0 Units 0%
B. Low	*0 Units 0%*	*6 Units 15%*	0 Units 0%	6 Units 12%	0 Units 0%	0 Units 0%	0 Units 0%	8 Units 15%	10 Units 19%	12 Units 22%
C. Market-Rate	*36 Units 90%*	*34 Units 85%*	49 Units 92%	45 Units 88%	48 Units 89%	46 Units 85%	44 Units 81%	46 Units 85%	44 Units 81%	42 Units 78%
D. Total	*40 Units 100%*	*40 Units 100%*	53 Units 100%	51 Units 100%	54 Units 100%	54 Units 100%	54 Units 100%	54 Units 100%	54 Units 100%	54 Units 100%
IV. Estimate of Gross Annual Rental Income										
A. Affordable Units										
Very Low @ $836 /Month	*$40,000*	*$0*	$40,000	$0	$60,000	$80,000	$100,000	$0	$0	$0
Low @ $1,022 /Month	*$0*	*$74,000*	$0	$74,000	$0	$0	$0	$98,000	$123,000	$147,000
Total Affordable Units	*$40,000*	*$74,000*	$40,000	$74,000	$60,000	$80,000	$100,000	$98,000	$123,000	$147,000
B. Market-Rate Units										
Unit Size	*825 SF*	*825 SF*	825 SF	825 SF	825 SF	825 SF	825 SF	825 SF	825 SF	825 SF
Rent/SF	*$3.60 /SF*	*$3.60 /SF*	$3.60 /SF	$3.60 /SF	$3.60 /SF	$3.60 /SF	$3.60 /SF	$3.60 /SF	$3.60 /SF	$3.60 /SF
Rent/Unit	*$2,970 /Month*	*$2,970 /Month*	$2,970 /Month	$2,970 /Month	$2,970 /Month	$2,970 /Month	$2,970 /Month	$2,970 /Month	$2,970 /Month	$2,970 /Month
Total Anuual Rent	*$1,283,000*	*$1,212,000*	$1,746,000	$1,604,000	$1,711,000	$1,639,000	$1,568,000	$1,639,000	$1,568,000	$1,497,000
C. Total Annual Rental Income	***$1,323,000***	***$1,286,000***	***$1,786,000***	***$1,678,000***	***$1,771,000***	***$1,719,000***	***$1,668,000***	***$1,737,000***	***$1,691,000***	***$1,644,000***
Per Unit	***$33,100***	***$32,150***	**$33,700**	**$32,900**	**$32,800**	**$31,800**	**$30,900**	**$32,200**	**$31,300**	**$30,400**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 1.G-2

ESTIMATE OF DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A/B	C	D	E	F	G	H	I	J
	Garden Apartments (R-20)								
		Base Case with Density Bonus		Very Low			Low		
	Base Case without Density Bonus	**10% @ Very Low with Density Bonus**	**15% @ Low with Density Bonus**	**15% @ Very Low with Density Bonus**	**20% @ Very Low with Density Bonus**	**25% @ Very Low with Density Bonus**	**20% @ Low with Density Bonus**	**25% @ Low with Density Bonus**	**30% @ Low with Density Bonus**
I. Project Description									
Site Area	*2.0 Acres*	2.0 Acres	2.0 Acres	2.0 Acres	2.0 Acres	2.0 Acres	2.0 Acres	2.0 Acres	2.0 Acres
Average Unit Size	*825 SF*	825 SF	825 SF	825 SF	825 SF	825 SF	825 SF	825 SF	825 SF
Gross Building Area (GBA) (1)	*33,854 SF*	44,857 SF	43,164 SF	45,703 SF	45,703 SF	45,703 SF	45,703 SF	45,703 SF	45,703 SF
Number of Units	*40 Units*	53 Units	51 Units	54 Units	54 Units	54 Units	54 Units	54 Units	54 Units
Parking	*80 Spaces*	106 Spaces	102 Spaces	108 Spaces	108 Spaces	108 Spaces	108 Spaces	108 Spaces	108 Spaces
II. Development Costs									
A. Direct Costs									
On/Off Site Improvements (2)	*$1,089,000 $12.50 /SF Site Area*	$1,089,000 $12.50 /SF Site Area	$1,089,000 $12.50 /SF Site Area	$1,089,000 $12.50 /SF Site Area	$1,089,000 $12.50 /SF Site Area	$1,089,000 $12.50 /SF Site Area	$1,089,000 $13 /SF Site Area	$1,089,000 $12.50 /SF Site Area	$1,089,000 $12.50 /SF Site Area
Parking	*$200,000 $2,500 /Space*	$265,000 $2,500 /Space	$255,000 $2,500 /Space	$270,000 $2,500 /Space	$270,000 $2,500 /Space	$270,000 $2,500 /Space	$270,000 $2,500 /Space	$270,000 $2,500 /Space	$270,000 $2,500 /Space
Shell Construction	*$5,417,000 $160 /SF GBA*	$7,626,000 $170 /SF GBA	$7,338,000 $170 /SF GBA	$7,770,000 $170 /SF GBA	$7,770,000 $170 /SF GBA	$7,770,000 $170 /SF GBA	$7,770,000 $170 /SF GBA	$7,770,000 $170 /SF GBA	$7,770,000 $170 /SF GBA
Other/Contingency	*$671,000 10.0% of Directs*	$898,000 10.0% of Directs	$868,000 10.0% of Directs	$913,000 10.0% of Directs	$913,000 10.0% of Directs	$913,000 10.0% of Directs	$913,000 10.0% of Directs	$913,000 10.0% of Directs	$913,000 10.0% of Directs
Total Direct Costs	*$7,377,000 $218 /SF GBA*	$9,878,000 $220 /SF GBA	$9,550,000 $221 /SF GBA	$10,042,000 $220 /SF GBA	$10,042,000 $220 /SF GBA	$10,042,000 $220 /SF GBA	$10,042,000 $220 /SF GBA	$10,042,000 $220 /SF GBA	$10,042,000 $220 /SF GBA
Per Unit	*$184,000*	$186,000	$187,000	$186,000	$186,000	$186,000	$186,000	$186,000	$186,000
B. Indirect Costs									
Permits & Fees (2)	*$800,000 $20,000 /Unit*	$1,060,000 $20,000 /Unit	$1,020,000 $20,000 /Unit	$1,080,000 $20,000 /Unit	$1,080,000 $20,000 /Unit	$1,080,000 $20,000 /Unit	$1,080,000 $20,000 /Unit	$1,080,000 $20,000 /Unit	$1,080,000 $20,000 /Unit
Developer Fee	*$295,000 4.0% of Directs*	$395,000 4.0% of Directs	$382,000 4.0% of Directs	$402,000 4.0% of Directs	$402,000 4.0% of Directs	$402,000 4.0% of Directs	$402,000 4.0% of Directs	$402,000 4.0% of Directs	$402,000 4.0% of Directs
Other Indirects	*$1,107,000 15.0% of Directs*	$1,482,000 15.0% of Directs	$1,433,000 15.0% of Directs	$1,506,000 15.0% of Directs	$1,506,000 15.0% of Directs	$1,506,000 15.0% of Directs	$1,506,000 15.0% of Directs	$1,506,000 15.0% of Directs	$1,506,000 15.0% of Directs
Total Indirect Costs	*$2,202,000 29.8% of Directs*	$2,937,000 29.7% of Directs	$2,835,000 29.7% of Directs	$2,988,000 29.8% of Directs	$2,988,000 29.8% of Directs	$2,988,000 29.8% of Directs	$2,988,000 29.8% of Directs	$2,988,000 29.8% of Directs	$2,988,000 29.8% of Directs
C. Financing Costs	*$553,000 7.5% of Directs*	$741,000 7.5% of Directs	$716,000 7.5% of Directs	$753,000 7.5% of Directs	$753,000 7.5% of Directs	$753,000 7.5% of Directs	$753,000 7.5% of Directs	$753,000 7.5% of Directs	$753,000 7.5% of Directs
D. Total Development Costs	***$10,132,000 $299 /SF GBA***	**$13,556,000 $302 /SF GBA**	**$13,101,000 $304 /SF GBA**	**$13,783,000 $302 /SF GBA**	**$13,783,000 $302 /SF GBA**	**$13,783,000 $302 /SF GBA**	**$13,783,000 $302 /SF GBA**	**$13,783,000 $302 /SF GBA**	**$13,783,000 $302 /SF GBA**
Per Unit	***$253,000***	**$256,000**	**$257,000**	**$255,000**	**$255,000**	**$255,000**	**$255,000**	**$255,000**	**$255,000**

(1) Assumes efficiency factor of 97.5% net residential; 2.5% circulation/common area.
(2) Estimate, not verified by KMA or the City of Encinitas.

TABLE 1.G-3

ESTIMATE OF RESIDUAL LAND VALUE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Garden Apartments (R-20)									
	Base Case without Density Bonus		Base Case w/Density Bonus		Very Low			Low		
	10% @ Very Low No Density Bonus	15% @ Low No Density Bonus	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Net Operating Income										
A. Gross Rental Income	*$1,323,000*	*$1,286,000*	$1,786,000	$1,678,000	$1,771,000	$1,719,000	$1,668,000	$1,737,000	$1,691,000	$1,644,000
B. Other Income $75 /Unit/Month	*$36,000*	*$36,000*	$48,000	$46,000	$49,000	$49,000	$49,000	$49,000	$49,000	$49,000
C. Gross Scheduled Income (GSI)	*$1,359,000*	*$1,322,000*	$1,834,000	$1,724,000	$1,820,000	$1,768,000	$1,717,000	$1,786,000	$1,740,000	$1,693,000
D. (Less) Vacancy 5.0% of GSI	*($68,000)*	*($66,000)*	($92,000)	($86,000)	($91,000)	($88,000)	($86,000)	($89,000)	($87,000)	($85,000)
E. Effective Gross Income	*$1,291,000*	*$1,256,000*	$1,742,000	$1,638,000	$1,729,000	$1,680,000	$1,631,000	$1,697,000	$1,653,000	$1,608,000
F. (Less) Operating Expenses $5,000 /Unit/Year	*($200,000)*	*($200,000)*	($265,000)	($255,000)	($270,000)	($270,000)	($270,000)	($270,000)	($270,000)	($270,000)
G. (Less) Property Taxes (1)	*($211,000)*	*($204,000)*	*($286,000)*	*($267,000)*	*($282,000)*	*($272,000)*	*($263,000)*	*($275,000)*	*($267,000)*	*($258,000)*
H. (Less) Replacement Reserves $250 /Unit/Year	*($10,000)*	*($10,000)*	($13,000)	($13,000)	($14,000)	($14,000)	($14,000)	($14,000)	($14,000)	($14,000)
I. Net Operating Income	*$870,000*	*$842,000*	$1,178,000	$1,103,000	$1,163,000	$1,124,000	$1,084,000	$1,138,000	$1,102,000	$1,066,000
II. Residual Land Value - Low Capitalization Rate										
A. Net Operating Income	*$870,000*	*$842,000*	$1,178,000	$1,103,000	$1,163,000	$1,124,000	$1,084,000	$1,138,000	$1,102,000	$1,066,000
B. Capitalization Rate	*4.25%*	*4.25%*	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
C. Capitalized Value Upon Completion	*$20,471,000*	*$19,812,000*	$27,718,000	$25,953,000	$27,365,000	$26,447,000	$25,506,000	$26,776,000	$25,929,000	$25,082,000
D. (Less) Cost of Sale 3.0% of Value	*($614,000)*	*($594,000)*	($832,000)	($779,000)	($821,000)	($793,000)	($765,000)	($803,000)	($778,000)	($752,000)
E. (Less) Developer Profit 10.0% of Value	*($2,047,000)*	*($1,981,000)*	($2,772,000)	($2,595,000)	($2,737,000)	($2,645,000)	($2,551,000)	($2,678,000)	($2,593,000)	($2,508,000)
F. Net Sales Proceeds	*$17,810,000*	*$17,237,000*	$24,114,000	$22,579,000	$23,807,000	$23,009,000	$22,190,000	$23,295,000	$22,558,000	$21,822,000
G. (Less) Development Costs	*($10,132,000)*	*($10,132,000)*	($13,556,000)	($13,101,000)	($13,783,000)	($13,783,000)	($13,783,000)	($13,783,000)	($13,783,000)	($13,783,000)
H. Residual Land Value	***$7,678,000***	***$7,105,000***	**$10,558,000**	**$9,478,000**	**$10,024,000**	**$9,226,000**	**$8,407,000**	**$9,512,000**	**$8,775,000**	**$8,039,000**
Per Unit	***$192,000***	***$178,000***	**$199,000**	**$186,000**	**$186,000**	**$171,000**	**$156,000**	**$176,000**	**$163,000**	**$149,000**
Per SF	***$88***	***$82***	**$121**	**$109**	**$115**	**$106**	**$96**	**$109**	**$101**	**$92**
III. Residual Land Value - High Capitalization Rate										
A. Net Operating Income	*$870,000*	*$842,000*	$1,178,000	$1,103,000	$1,163,000	$1,124,000	$1,084,000	$1,138,000	$1,102,000	$1,066,000
B. Capitalization Rate	*4.75%*	*4.75%*	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
C. Capitalized Value Upon Completion	*$18,316,000*	*$17,726,000*	$24,800,000	$23,221,000	$24,484,000	$23,663,000	$22,821,000	$23,958,000	$23,200,000	$22,442,000
D. (Less) Cost of Sale 3.0% of Value	*($549,000)*	*($532,000)*	($744,000)	($697,000)	($735,000)	($710,000)	($685,000)	($719,000)	($696,000)	($673,000)
E. (Less) Developer Profit 10.0% of Value	*($1,832,000)*	*($1,773,000)*	($2,480,000)	($2,322,000)	($2,448,000)	($2,366,000)	($2,282,000)	($2,396,000)	($2,320,000)	($2,244,000)
F. Net Sales Proceeds	*$15,935,000*	*$15,421,000*	$21,576,000	$20,202,000	$21,301,000	$20,587,000	$19,854,000	$20,843,000	$20,184,000	$19,525,000
G. (Less) Development Costs	*($10,132,000)*	*($10,132,000)*	($13,556,000)	($13,101,000)	($13,783,000)	($13,783,000)	($13,783,000)	($13,783,000)	($13,783,000)	($13,783,000)
H. Residual Land Value	***$5,803,000***	***$5,289,000***	**$8,020,000**	**$7,101,000**	**$7,518,000**	**$6,804,000**	**$6,071,000**	**$7,060,000**	**$6,401,000**	**$5,742,000**
Per Unit	***$145,000***	***$132,000***	**$151,000**	**$139,000**	**$139,000**	**$126,000**	**$112,000**	**$131,000**	**$119,000**	**$106,000**
Per SF	***$67***	***$61***	**$92**	**$82**	**$86**	**$78**	**$70**	**$81**	**$73**	**$66**

Residual Land Value @ 100% Market	$8,211,000
Per Unit	$205,000
Per SF	$94

(1) Based on capitalized income approach; assumes a 4.5% capitalization rate and 1.09% tax rate.

APPENDIX 2

HOUSING ELEMENT UPDATE
"R-30" SITES TECHNICAL ANALYSIS

SCENARIO #2

Base Case: Existing Conditions

10% @ Very Low - no Density Bonus

15% @ Low - no Density Bonus

10% @ Very Low - w/Density Bonus

15% @ Low - w/Density Bonus

Upzone Scenarios - Rental:

10%, 15%, 20%, 25% @ Very Low - w/ Density Bonus

15%, 20%, 25%, 30% @ Low - w/ Density Bonus

Keyser Marston Associates, Inc.

	HOUSING ELEMENT UPDATE "R-30" SITES									
	Existing Conditions		Very Low				Low			
RESIDUAL LAND VALUE [1]	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	10% @ Very Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	15% @ Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
08 Rancho Santa Fe Parcels (Gaffney/Goodsen)										
Existing Conditions (RR-2) - Single-Family	$512,000 /Unit $33 /SF Site	$486,000 /Unit $30 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats - High Capitalization Rate			$78,000 /Unit $71 /SF Site	$65,000 /Unit $60 /SF Site	$51,000 /Unit $47 /SF Site	$37,000 /Unit $34 /SF Site	$62,000 /Unit $54 /SF Site	$55,000 /Unit $51 /SF Site	$43,000 /Unit $39 /SF Site	$30,000 /Unit $28 /SF Site
- Low Capitalization Rate			$129,000 /Unit $118 /SF Site	$114,000 /Unit $106 /SF Site	$98,000 /Unit $91 /SF Site	$83,000 /Unit $77 /SF Site	$111,000 /Unit $97 /SF Site	$104,000 /Unit $96 /SF Site	$89,000 /Unit $83 /SF Site	$75,000 /Unit $69 /SF Site
AD1 Sage Canyon										
Existing Entitlements	$347,000 /Unit $24 /SF Site		---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats - High Capitalization Rate			$79,000 /Unit $74 /SF Site	$65,000 /Unit $61 /SF Site	$51,000 /Unit $48 /SF Site	$37,000 /Unit $34 /SF Site	$60,000 /Unit $53 /SF Site	$55,000 /Unit $52 /SF Site	$43,000 /Unit $40 /SF Site	$30,000 /Unit $28 /SF Site
- Low Capitalization Rate			$130,000 /Unit $121 /SF Site	$114,000 /Unit $107 /SF Site	$99,000 /Unit $92 /SF Site	$83,000 /Unit $77 /SF Site	$110,000 /Unit $97 /SF Site	$104,000 /Unit $97 /SF Site	$89,000 /Unit $83 /SF Site	$75,000 /Unit $70 /SF Site
AD2 Baldwin and Son Properties										
Proposed Entitlements	$293,000 /Unit $34 /SF Site		---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats - High Capitalization Rate			$79,000 /Unit $73 /SF Site	$65,000 /Unit $61 /SF Site	$51,000 /Unit $48 /SF Site	$37,000 /Unit $34 /SF Site	$61,000 /Unit $54 /SF Site	$56,000 /Unit $52 /SF Site	$43,000 /Unit $40 /SF Site	$30,000 /Unit $28 /SF Site
- Low Capitalization Rate			$130,000 /Unit $121 /SF Site	$115,000 /Unit $107 /SF Site	$99,000 /Unit $92 /SF Site	$83,000 /Unit $77 /SF Site	$110,000 /Unit $97 /SF Site	$104,000 /Unit $97 /SF Site	$89,000 /Unit $83 /SF Site	$76,000 /Unit $70 /SF Site

SCENARIO #2
HOUSING ELEMENT UPDATE "R-30" SITES
BASE CASE: EXISTING CONDITIONS
UPZONE SCENARIOS: RENTAL

	HOUSING ELEMENT UPDATE "R-30" SITES									
	Existing Conditions		Very Low				Low			
RESIDUAL LAND VALUE [1]	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	10% @ Very Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	15% @ Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
7 Jackel Property Limited Visitor Serving (N-LVSC)	$75 /SF Site		---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats - High Capitalization Rate			$176,000 /Unit $72 /SF Site	$160,000 /Unit $66 /SF Site	$144,000 /Unit $59 /SF Site	$129,000 /Unit $53 /SF Site	$164,000 /Unit $63 /SF Site	$149,000 /Unit $61 /SF Site	$135,000 /Unit $55 /SF Site	$120,000 /Unit $49 /SF Site
- Low Capitalization Rate			$125,000 /Unit $51 /SF Site	$111,000 /Unit $45 /SF Site	$97,000 /Unit $40 /SF Site	$83,000 /Unit $34 /SF Site	$114,000 /Unit $44 /SF Site	$101,000 /Unit $41 /SF Site	$88,000 /Unit $36 /SF Site	$75,000 /Unit $31 /SF Site
12 Sunshine Garden Existing Conditions (OP) - Professional Office	$56 /SF Site		---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats - High Capitalization Rate			$77,000 /Unit $71 /SF Site	$63,000 /Unit $58 /SF Site	$49,000 /Unit $46 /SF Site	$35,000 /Unit $33 /SF Site	$59,000 /Unit $52 /SF Site	$54,000 /Unit $50 /SF Site	$41,000 /Unit $38 /SF Site	$29,000 /Unit $27 /SF Site
- Low Capitalization Rate			$127,000 /Unit $118 /SF Site	$112,000 /Unit $104 /SF Site	$97,000 /Unit $90 /SF Site	$81,000 /Unit $75 /SF Site	$108,000 /Unit $95 /SF Site	$102,000 /Unit $95 /SF Site	$88,000 /Unit $82 /SF Site	$74,000 /Unit $68 /SF Site
AD11 Manchester Avenue West Existing Conditions (R-11) - Single-Family	$143,000 /Unit $49 /SF Site	$121,000 /Unit $40 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats - High Capitalization Rate			$74,000 /Unit $68 /SF Site	$63,000 /Unit $59 /SF Site	$52,000 /Unit $48 /SF Site	$35,000 /Unit $33 /SF Site	$64,000 /Unit $58 /SF Site	$57,000 /Unit $53 /SF Site	$41,000 /Unit $38 /SF Site	$31,000 /Unit $29 /SF Site
- Low Capitalization Rate			$125,000 /Unit $115 /SF Site	$112,000 /Unit $105 /SF Site	$99,000 /Unit $93 /SF Site	$81,000 /Unit $76 /SF Site	$114,000 /Unit $102 /SF Site	$105,000 /Unit $98 /SF Site	$87,000 /Unit $82 /SF Site	$76,000 /Unit $71 /SF Site

The feasibility of each prototype was evaluated based on the Residual Land Values generated by the Base Case without Upzone relative to the Residual Land Values generated by the Upzone Scenarios with increased affordable housing requirements. The following benchmarks were used:[4]

- High Impact: greater than 25% increase in Residual Land Value from Exisiting Conditions (without Upzone); likely to provide an incentive to develop site
- Medium Impact: 15% - 25% increase in Residual Land Value from Existing Conditions (without Upzone); may raise concerns regarding development of site
- Low Impact: less than 15% increase in Residual Land Value from Existing Conditions (without Upzone); may result in little to no incentive to develop site

(1) Residual Land Value represents the maximum supported land payment that a developer can afford for a given development prototype. It is calculated by estimating the total project value upon completion less the estimated total development costs (excluding land costs). The impact of affordable housing requirements on the viability of a development is analyzed by comparing the Residual Land Value generated without Upzone (Existing Conditions) vs. the Residual Land Value generated by the Upzone Scenarios where affordable housing requirements are increased.
(2) Reflects residual land value for 10 market-rate units. No affordable units. No density bonus.
(3) GBA = Gross Building Area
(4) For illustrative purposes, Very Low inclusionary set-aside scenarios are compared to the Base Case using Very Low set-aside. Low inclusionary set-aside scenarios are compared to the Base Case using Low set-aside.

ATTACHMENT 2.A

Rancho Santa Fe Sites (Gaffney/Goodsen)
Single-Family Detached - Large Lot
Zone RR-2

TABLE 2.A-1

ESTIMATE OF SALES PROCEEDS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

		A		B		C		D	
		Single-Family Detached - Large Lot (RR-2) - Potential Upzone Site - Existing Conditions							
		Base Case without Density Bonus				Base Case w/Density Bonus			
		10% @ Very Low No Density Bonus		*15% @ Low No Density Bonus*		10% @ Very Low with Density Bonus		15% @ Low with Density Bonus	
I. Inclusionary Housing									
A. Site Area		*6.0 Acres*		*6.0 Acres*		6.0 Acres		6.0 Acres	
B. Density		*2.0 Units/Acre Maximum Density*		*2.0 Units/Acre Maximum Density*		2.0 Units/Acre Maximum Density		2.0 Units/Acre Maximum Density	
C. Number of Units (1)		*12 Units*		*12 Units*		12 Units		12 Units	
D. Inclusionary Set-aside		*10% Very Low*		*15% Low*		10% Very Low		15% Low	
E. Affordable Units (2)		*2 Unit*		*2 Units*		2 Units		2 Units	
II. Density Bonus									
A. Actual % of Affordable Units						16.7% Very Low		16.7% Low	
B. Density Bonus						35.0%		29.0%	
C. Density with Bonus						2.8 Units/Acre		2.7 Units/Acre	
D. Number of Units with Density Bonus (3)						17 Units		16 Units	
III. Affordability Mix									
A. Very Low		*2 Units*	*17%*	*0 Units*	*0%*	2 Units	12%	0 Units	0%
B. Low		*0 Units*	*0%*	*2 Units*	*17%*	0 Units	0%	2 Units	13%
C. Market-Rate		*10 Units*	*83%*	*10 Units*	*83%*	15 Units	88%	14 Units	88%
D. Total		*12 Units*	*100%*	*12 Units*	*100%*	17 Units	100%	16 Units	100%
IV. Estimate of Sales Proceeds									
A. Affordable Units									
Very Low	$89,000	*$178,000*		*$0*		$178,000		$0	
Low	$169,000	*$0*		*$338,000*		$0		$338,000	
Total Affordable Units		*$178,000*		*$338,000*		$178,000		$338,000	
B. Market-Rate Units @									
Unit Size		*5,020 SF*		*5,020 SF*		4,500 SF		4,500 SF	
Price/SF		*$475*		*$475*		$500		$500	
Price/Unit		*$2,385,000*		*$2,385,000*		$2,250,000		$2,250,000	
Total Sales Proceeds		*$23,850,000*		*$23,850,000*		$33,750,000		$31,500,000	
C. Total Sales Proceeds		***$24,028,000***		***$24,188,000***		**$33,928,000**		**$31,838,000**	
Per Unit		***$2,002,000***		***$2,016,000***		**$1,996,000**		**$1,990,000**	

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Encinitas_Feasibility Analysis_v6 - Scenario #2_v5;12/2/2019;sjx

TABLE 2.A-2

ESTIMATE OF DEVELOPMENT COSTS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A/B		C		D	
	Single-Family Detached - Large Lot (RR-2) - Potential Upzone Site - Existing Conditions					
	Base Case without Density Bonus		Base Case with Density Bonus: 10% @ Very Low with Density Bonus		Base Case with Density Bonus: 15% @ Low with Density Bonus	
I. Project Description						
Site Area	6.0	Acres	6.0	Acres	6.0	Acres
Average Unit Size	5,020	SF	4,500	SF	4,500	SF
Gross Building Area	60,240	SF	76,500	SF	72,000	SF
Number of Units	12	Units	17	Units	16	Units
Parking	48	Spaces	68	Spaces	64	Spaces
II. Development Costs						
A. Direct Costs						
On/Off Site Improvements (1)	*$3,933,000*	*$15 /SF Site Area*	$3,933,000	$15 /SF Site Area	$3,933,000	$15 /SF Site Area
Parking	*$0*	*$0 /Space*	$0	$0 /Space	$0	$0 /Space
Shell Construction	*$7,530,000*	*$125 /SF GBA*	$10,328,000	$135 /SF GBA	$9,720,000	$135 /SF GBA
Other/Contingency	*$1,146,000*	*10.0% of Directs*	$1,426,000	10.0% of Directs	$1,365,000	10.0% of Directs
Total Direct Costs	*$12,609,000*	*$209 /SF GBA*	$15,687,000	$205 /SF GBA	$15,018,000	$209 /SF GBA
Per Unit	*$1,051,000*		$923,000		$939,000	
B. Indirect Costs						
Permits & Fees (1)	*$330,000*	*$27,500 /Unit*	$467,500	$27,500 /Unit	$440,000	$27,500 /Unit
Developer Fee	*$504,000*	*4.0% of Directs*	$627,000	4.0% of Directs	$601,000	4.0% of Directs
Other Indirects	*$1,891,000*	*15.0% of Directs*	$2,353,000	15.0% of Directs	$2,253,000	15.0% of Directs
Total Indirect Costs	*$2,725,000*	*21.6% of Directs*	$3,447,500	22.0% of Directs	$3,294,000	21.9% of Directs
C. Financing Costs	*$946,000*	*7.5% of Directs*	$1,177,000	7.5% of Directs	$1,126,000	7.5% of Directs
D. Total Development Costs	***$16,280,000***	***$270 /SF GBA***	**$20,311,500**	**$266 /SF GBA**	**$19,438,000**	**$270 /SF GBA**
Per Unit	***$1,357,000***		**$1,195,000**		**$1,215,000**	

(1) Estimate, not verfied by KMA or the City of Encinitas.

TABLE 2.A-3

ESTIMATE OF RESIDUAL LAND VALUE
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

		A	B	C	D
		Single-Family Detached - Large Lot (RR-2) - Potential Upzone Site - Existing Conditions			
		Base Case without Density Bonus		Base Case w/Density Bonus	
		10% @ Very Low No Density Bonus	15% @ Low No Density Bonus	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus
I. Net Sales Proceeds					
A. Gross Sales Proceeds		*$24,028,000*	*$24,188,000*	$33,928,000	$31,838,000
B. (Less) Cost of Sale @	4.5% of Value	*($1,081,000)*	*($1,088,000)*	($1,527,000)	($1,433,000)
C. Net Sales Proceeds		*$22,947,000*	*$23,100,000*	$32,401,000	$30,405,000
II. Residual Land Value					
A. Net Sales Proceeds		*$22,947,000*	*$23,100,000*	$32,401,000	$30,405,000
B. (Less) Developer Profit @	10.0% of Value	*($2,403,000)*	*($2,419,000)*	($3,393,000)	($3,184,000)
C. Warranted Investment		*$20,544,000*	*$20,681,000*	$29,008,000	$27,221,000
D. (Less) Development Costs		*($16,280,000)*	*($16,280,000)*	($20,311,500)	($19,438,000)
E. Residual Land Value		***$4,264,000***	***$4,401,000***	**$8,696,500**	**$7,783,000**
Per Unit		***$355,000***	***$367,000***	**$512,000**	**$486,000**
Per SF		***$16***	***$17***	**$33**	**$30**

Residual Land Value @ 100% Market	$8,190,000
Per Unit	$683,000
Per SF	$31

ATTACHMENT 2.B

Sage Canyon
Single-Family Detached - Large Lot
Zone R-3

TABLE 2.B-1

ESTIMATE OF SALES PROCEEDS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

		Single-Family Detached - Large Lot (R-3) Potential Upzone Site - Existing Entitlements
		Base Case without Density Bonus
		100% Market-Rate
I. Inclusionary Housing		
A. Site Area		*3.3 Acres*
B. Density		*3.0 Units/Acre* *Maximum Density*
C. Number of Units (1)		*10 Units*
D. Inclusionary Set-aside		*0% Very Low*
E. Affordable Units		*0 Unit*
II. Density Bonus		
A. Actual % of Affordable Units		
B. Density Bonus		
C. Density with Bonus		
D. Number of Units with Density Bonus		
III. Affordability Mix		
A. Very Low		*0 Units* *0%*
B. Low		*0 Units* *0%*
C. Market-Rate		*10 Units* *100%*
D. Total		*10 Units* *100%*
IV. Estimate of Sales Proceeds		
A. Affordable Units		
Very Low	$89,000	*$0*
Low	$169,000	*$0*
Total Affordable Units		*$0*
B. Market-Rate Units @		
Unit Size		*3,250 SF*
Price/SF		*$475*
Price/Unit		*$1,544,000*
Total Sales Proceeds		*$15,440,000*
C. Total Sales Proceeds		***$15,440,000***
Per Unit		***$1,544,000***

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.

TABLE 2.B-2

ESTIMATE OF DEVELOPMENT COSTS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A/B Single-Family Detached - Large Lot (R-3) Potential Upzone Site - Existing Entitlements		
	Base Case without Density Bonus		
I. Project Description			
Site Area	3.3	Acres	
Average Unit Size	3,250	SF	
Gross Building Area	32,500	SF	
Number of Units	10	Units	
Parking	30	Spaces	
II. Development Costs			
A. Direct Costs			
On/Off Site Improvements (1)	*$2,156,000*	*$15*	*/SF Site Area*
Parking	*$0*	*$0*	*/Space*
Shell Construction	*$4,388,000*	*$135*	*/SF GBA*
Other/Contingency	*$654,000*	*10.0%*	*of Directs*
Total Direct Costs	*$7,198,000*	*$221*	*/SF GBA*
Per Unit	*$720,000*		
B. Indirect Costs			
Permits & Fees (1)	*$275,000*	*$27,500*	*/Unit*
Affordable Housing In-Lieu Fee (2)	*$350,000*	*$35,000*	*/Unit*
Developer Fee	*$288,000*	*4.0%*	*of Directs*
Other Indirects	*$1,080,000*	*15.0%*	*of Directs*
Total Indirect Costs	*$1,993,000*	*27.7%*	*of Directs*
C. Financing Costs	*$540,000*	*7.5%*	*of Directs*
D. Total Development Costs	***$9,731,000***	***$299***	***/SF GBA***
Per Unit	***$973,000***		

(1) Estimate, not verfied by KMA or the City of Encinitas.
(2) Source: City of Encinitas.

TABLE 2.B-3

ESTIMATE OF RESIDUAL LAND VALUE
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

I. Net Sales Proceeds		
A. Gross Sales Proceeds		*$15,440,000*
B. (Less) Cost of Sale @	4.5% of Value	*($695,000)*
C. Net Sales Proceeds		*$14,745,000*

II. Residual Land Value		
A. Net Sales Proceeds		*$14,745,000*
B. (Less) Developer Profit @	10.0% of Value	*($1,544,000)*
C. Warranted Investment		*$13,201,000*
D. (Less) Development Costs		*($9,731,000)*
E. Residual Land Value		***$3,470,000***
Per Unit		***$347,000***
Per SF		***$24***

Residual Land Value @ 100% Market	$3,470,000
Per Unit	$347,000
Per SF	$24

ATTACHMENT 2.C

Baldwin and Sons Properties
Single-Family Detached - Medium Lot
Zone R-3 / R-5

TABLE 2.C-1

ESTIMATE OF SALES PROCEEDS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

		Single-Family Detached - Medium Lot (R-5) Potential Upzone Site - Proposed Entitlements	
		Base Case with Density Bonus	
		100% Market-Rate with Density Bonus	
I. Inclusionary Housing			
A. Site Area		*9.1 Acres*	
B. Density		*5.0 Units/Acre Maximum Density*	
C. Number of Units (1)		*46 Units*	
D. Inclusionary Set-aside		*11% Very Low 2% Low*	
E. Affordable Units (2)		*6 Units*	
II. Density Bonus			
A. Actual % of Affordable Units		10.8% Very Low 2% Low	
B. Density Bonus		13.0%	
C. Density with Bonus		5.7 Units/Acre	
D. Number of Units with Density Bonus (3)		52 Units	
III. Affordability Mix			
A. Very Low		*5 Units*	*10%*
B. Low		*1 Unit*	*2%*
C. Market-Rate		*46 Units*	*88%*
D. Total		*52 Units*	*100%*
IV. Estimate of Sales Proceeds			
A. Affordable Units			
Very Low	$89,000	*$463,000*	
Low	$169,000	*$193,000*	
Total Affordable Units		*$656,000*	
B. Market-Rate Units @			
Unit Size		*2,998 SF*	
Price/SF		*$500*	
Price/Unit		*$1,499,000*	
Total Sales Proceeds		*$68,412,000*	
C. Total Sales Proceeds		***$69,068,000***	
Per Unit		***$1,329,000***	

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density.
Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Encinitas_Feasibility Analysis_v6 - Scenario #2_v5;12/2/2019;sjx

TABLE 2.C-2

ESTIMATE OF DEVELOPMENT COSTS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	Single-Family Detached - Medium Lot (R-5) Potential Upzone Site - Proposed Entitlements		
	Base Case with Density Bonus		
I. Project Description			
Site Area	9.1	Acres	
Average Unit Size	2,998	SF	
Gross Building Area	155,838	SF	
Number of Units	52	Units	
Parking	21	Spaces	
II. Development Costs			
A. Direct Costs			
On/Off Site Improvements (1)	*$9,910,000*	*$25*	*/SF Site Area*
Parking	*$0*	*$0*	*/Space*
Shell Construction	*$21,817,000*	*$140*	*/SF GBA*
Other/Contingency	*$3,173,000*	*10.0%*	*of Directs*
Total Direct Costs	*$34,900,000*	*$224*	*/SF GBA*
Per Unit	*$671,000*		
B. Indirect Costs			
Permits & Fees (1)	*$1,429,000*	*$27,500*	*/Unit*
Developer Fee	*$1,396,000*	*4.0%*	*of Directs*
Other Indirects	*$5,235,000*	*15.0%*	*of Directs*
Total Indirect Costs	*$8,060,000*	*23.1%*	*of Directs*
C. Financing Costs	*$2,618,000*	*7.5%*	*of Directs*
D. Total Development Costs	***$45,578,000***	***$292***	***/SF GBA***
Per Unit	***$877,000***		

(1) Estimate, not verfied by KMA or the City of Encinitas.

TABLE 2.C-3

ESTIMATE OF RESIDUAL LAND VALUE
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

		A
		Single-Family Detached - Medium Lot (R-5) Potential Upzone Site - Proposed Conditions
		Base Case with Density Bonus
I. Net Sales Proceeds		
A. Gross Sales Proceeds		*$69,068,000*
B. (Less) Cost of Sale @	4.5% of Value	*($3,108,000)*
C. Net Sales Proceeds		*$65,960,000*
II. Residual Land Value		
A. Net Sales Proceeds		*$65,960,000*
B. (Less) Developer Profit @	10.0% of Value	*($6,907,000)*
C. Warranted Investment		*$59,053,000*
D. (Less) Development Costs		*($45,578,000)*
E. Residual Land Value		***$13,475,000***
Per Unit		***$293,000***
Per SF		***$34***

Residual Land Value @ 100% Market	$21,042,020
Per Unit	$405,000
Per SF	$53

ATTACHMENT 2.D

Jackel Property
Limited Visitor Serving
Zone N-LVSC

TABLE 2.D-1

ESTIMATE OF GROSS ANNUAL RENTAL INCOME
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A Limited Visitor Serving (N-LVSC) Potential Upzone Site - Existing Conditions Base Case
I. Project Description	
A. Site Area	
Hotel	*2.0 Acres*
Commercial	*1.0 Acres*
Total Site Area	*3.0 Acres*
B. Floor Area Ratio (FAR)	*0.44 FAR*
C. Gross Leasable Area (GLA)	---
D. Gross Building Area (GBA)	
Hotel	*51,750 SF*
Commercial	*5,000 SF*
Total	*56,750 SF*
E. Inclusionary Set-aside	----
F. Number of Rooms	*90 Rooms*
IV. Estimate of Annual Revenue	
A. Hotel	*90 Rooms*
Average Daily Rate (ADR)	*$200*
Occupancy	*82.0%*
Annual Room Revenue - Hotel	*$5,387,000*
B. Commercial	*5,000 SF*
Monthly Rent	*$4.00/SF NNN*
Annual Revenue - Commercial	*$240,000*
(Less) Vacancy @	*10.0% ($24,000)*
Effective Gross Income - Commercial	*$216,000*
B. Total Annual Rental Income	$5,627,000

TABLE 2.D-2

ESTIMATE OF DEVELOPMENT COSTS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A Limited Visitor Serving (N-LVSC) Potential Upzone Site - Existing Conditions		
	Base Case		
I. Project Description			
Site Area	3.0	Acres	
Number of Rooms	90	Rooms	
Average Room Size (Gross)	575	SF	
Gross Building Area - Hotel	51,750	SF	
Gross Building Area - Commercial	5,000	SF	
Parking	113	Spaces	
II. Development Costs			
A. Direct Costs			
On/Off Site Improvements (1)	*$1,294,000*	*$10*	*/SF Site Area*
Parking	*$0*	*$0*	*Included above*
Shell Construction - Hotel	*$10,868,000*	*$210*	*/SF GBA*
Shell Construction - Commercial	*$800,000*	*$160*	*/SF GBA*
Tenant Improvements	*$250,000*	*$50*	*/SF GBA*
FF&E	*$2,250,000*	*$25,000*	*/Room*
Amenities	*$450,000*	*$5,000*	*/Room*
Contingency	*$796,000*	*5.0%*	*of Directs*
Total Direct Costs	*$16,708,000*	*$294*	*/SF GBA*
B. Indirect Costs			
Permits & Fees (1)	*$568,000*	*$10*	*/SF GBA*
Developer Fee	*$668,000*	*4.0%*	*of Directs*
Other Indirects	*$2,089,000*	*12.5%*	*of Directs*
Total Indirect Costs	*$3,325,000*	*19.9%*	*of Directs*
C. Financing Costs	*$1,671,000*	*10.0%*	*of Directs*
D. Total Development Costs	***$21,704,000***	***$382***	***/SF GBA***

(1) Estimate, not verified by KMA or City of Encinitas.

TABLE 2.D-3

ESTIMATE OF RESIDUAL LAND VALUE
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

			A Limited Visitor Serving (N-LVSC) Potential Upzone Site - Existing Conditions
			Base Case
I. Warranted Investment - Hotel			
A. Gross Room Revenue			*$5,387,000*
B. Food & Beverage	10.0%	of Room Revenue	*$539,000*
C. Other Operated Departments Revenue	5.0%	of Room Revenue	*$269,000*
D. Effective Parking Revenue	$300	/Space/Month	*$407,000*
E. Effective Gross Income (EGI)			*$6,602,000*
F. (Less) Operating Expenses	65.0%	of EGI	*($4,291,000)*
G. Net Operating Income (NOI)			*$2,311,000*
H. Capitalization Rate			*7.0%*
I. Capitalized Value Upon Compleition			*$33,014,000*
J. (Less) Cost of Sale	3.0%	of Value	*($990,000)*
K. (Less) Developer Profit	10.0%	of Value	*($3,301,000)*
L. Warranted Investment - Hotel			*$28,723,000*
II. Warranted Investment - Commercial			
A. Effective Gross Income			*$216,000*
B. (Less) Unreimbursed Expenses			*5.0%* *($11,000)*
C. Net Operating Income			*$205,000*
D. Capitalization Rate			*6.5%*
E. Capitalized Value Upon Compleition			*$3,154,000*
F. (Less) Cost of Sale	3.0%	of Value	*($95,000)*
G. (Less) Developer Profit	10.0%	of Value	*($315,000)*
H. Warranted Investment - Commerical			*$2,744,000*
III. Residual Land Value			
A. Warranted Investment - Hotel			*$28,723,000*
B. Warramted Investment - Commercial			*$2,744,000*
C. Total Warranted Investment			*$31,467,000*
D. (Less) Development Costs			*($21,704,000)*
E. Residual Land Value			***$9,763,000***
Per SF			***$75***

ATTACHMENT 2.E

Sunshine Gardens
Professional Office
Zone OP

TABLE 2.E-1

ESTIMATE OF GROSS ANNUAL RENTAL INCOME
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A Professional Office (OP) Potential Upzone Site - Existing Conditions
	Base Case
I. Project Description	
A. Site Area	*3.4 Acres*
B. Floor Area Ratio (FAR)	*0.60 FAR*
C. Gross Leasable Area (GLA)	*82,000 SF*
D. Gross Building Area (GBA)	*89,000 SF*
E. Inclusionary Set-aside	----
F. Affordable Units	----
II. Density Bonus	
A. Actual % of Affordable Units	
B. Density Bonus	
C. Density with Bonus	
D. Number of Units with Density Bonus	
III. Affordability Mix	
A. Very Low	----
B. Low	----
C. Market-Rate	----
D. Total	----
IV. Estimate of Annual Rental Income	
A. Affordable Units	
Very Low	----
Low	----
Total Affordable Units	----
B. Market-Rate Rent @	
Monthly Rent/SF	*$3.75* (1)
Total Annual Rent	*$3,690,000*
C. Total Annual Rental Income	***$3,690,000***

(1) Market rent estimated at 82,000 SF at $3.75/SF.

TABLE 2.E-2

ESTIMATE OF DEVELOPMENT COSTS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A		
	Professional Office (OP) Potential Upzone Site - Existing Conditions		
	Base Case		
I. Project Description			
Site Area	3.4	Acres	
Average Unit Size	---	SF	
Gross Leaseable Area	82,000	SF	
Gross Building Area	89,000	SF	
Number of Units	---	Units	
Parking	297	Spaces	
II. Development Costs			
A. Direct Costs			
On/Off Site Improvements (1)	*$1,477,000*	*$10*	*/SF Site Area*
Parking	*$0*		*Included above*
Shell Construction	*$16,020,000*	*$180*	*/SF GBA*
Tenant Improvements	*$3,280,000*	*$40*	*/SF GLA*
Other/Contingency	*$1,039,000*	*5.0%*	*of Directs*
Total Direct Costs	*$21,816,000*	*$245*	*/SF GBA*
B. Indirect Costs			
Permits & Fees (1)	*$890,000*	*$10*	*/SF GBA*
Developer Fee	*$873,000*	*4.0%*	*of Directs*
Other Indirects	*$3,272,000*	*15.0%*	*of Directs*
Total Indirect Costs	*$5,035,000*	*23.1%*	*of Directs*
C. Financing Costs	*$2,182,000*	*10.0%*	*of Directs*
D. Total Development Costs	***$29,033,000***	***$326***	***/SF GBA***

(1) Estimate, not verified by KMA or City of Encinitas.

TABLE 2.E-3

ESTIMATE OF RESIDUAL LAND VALUE
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

		A Professional Office (OP) Potential Upzone Site - Existing Conditions
		Base Case
I. Net Operating Income		
A. Gross Rental Income	$3.75 /SF/Month/FSG	*$3,690,000*
B. Other Income		*$0*
C. Gross Scheduled Income (GSI)		*$3,690,000*
D. (Less) Vacancy	5.0% of GSI	*($185,000)*
E. Effective Gross Income		*$3,505,000*
F. (Less) Operating Expenses	$10 /SF GLA/Year	*($820,000)*
G. Net Operating Income		*$2,685,000*
II. Residual Land Value - Low Capitalization Rate		
A. Net Operating Income		*$2,685,000*
B. Capitalization Rate		*6.25%*
C. Capitalized Value Upon Completion		*$42,960,000*
D. (Less) Cost of Sale	3.0% of Value	*($1,289,000)*
E. (Less) Developer Profit	10.0% of Value	*($4,296,000)*
F. Net Sales Proceeds		*$37,375,000*
G. (Less) Development Costs		*($29,033,000)*
H. Residual Land Value		***$8,342,000***
Per SF		***$56***

ATTACHMENT 2.F

Manchester Avenue West
Single-Family Detached - Small Lot
Zone R-11

TABLE 2.F-1

ESTIMATE OF SALES PROCEEDS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D
	Single-Family Detached - Small Lot (R-11) - Potential Upzone Site - Existing Conditions			
	Base Case without Density Bonus		Base Case w/Density Bonus	
	10% @ Very Low No Density Bonus	*15% @ Low No Density Bonus*	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus
I. Inclusionary Housing				
A. Site Area	*1.7 Acres*	*1.7 Acres*	1.7 Acres	1.7 Acres
B. Density	*11.0 Units/Acre Maximum Density*	*11.0 Units/Acre Maximum Density*	11.0 Units/Acre Maximum Density	11.0 Units/Acre Maximum Density
C. Number of Units (1)	*18 Units*	*18 Units*	18 Units	18 Units
D. Inclusionary Set-aside	*10% Very Low*	*15% Low*	10% Very Low	15% Low
E. Affordable Units (2)	*2 Units*	*3 Units*	2 Units	3 Units
II. Density Bonus				
A. Actual % of Affordable Units			11.1% Very Low	16.7% Low
B. Density Bonus			35.0%	29.0%
C. Density with Bonus			15.0 Units/Acre	14.4 Units/Acre
D. Number of Units with Density Bonus (3)			25 Units	24 Units
III. Affordability Mix				
A. Very Low	*2 Units 11%*	*0 Units 0%*	2 Units 8%	0 Units 0%
B. Low	*0 Units 0%*	*3 Units 17%*	0 Units 0%	3 Units 13%
C. Market-Rate	*16 Units 89%*	*15 Units 83%*	23 Units 92%	21 Units 88%
D. Total	*18 Units 100%*	*18 Units 100%*	25 Units 100%	24 Units 100%
IV. Estimate of Sales Proceeds				
A. Affordable Units				
Very Low $90,000	*$180,000*	*$0*	$180,000	$0
Low $164,000	*$0*	*$492,000*	$0	$492,000
Total Affordable Units	*$180,000*	*$492,000*	$180,000	$492,000
B. Market-Rate Units @				
Unit Size	*2,506 SF*	*2,506 SF*	*1,510 SF*	*1,510 SF*
Price/SF	*$475*	*$475*	*$500*	*$500*
Price/Unit	*$1,190,000*	*$1,190,000*	*$755,000*	*$755,000*
Total Sales Proceeds	*$19,040,000*	*$17,850,000*	$17,365,000	$15,855,000
C. Total Sales Proceeds	***$19,220,000***	***$18,342,000***	***$17,545,000***	***$16,347,000***
Per Unit	***$1,068,000***	***$1,019,000***	**$702,000**	**$681,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 2.F-2

ESTIMATE OF DEVELOPMENT COSTS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A/B		C		D	
	Single-Family Detached - Small Lot (R-11) - Potential Upzone Site - Existing Conditions					
	Base Case without Density Bonus		Base Case with Density Bonus: 10% @ Very Low with Density Bonus		Base Case with Density Bonus: 15% @ Low with Density Bonus	
I. Project Description						
Site Area	1.7 Acres		1.7 Acres		1.7 Acres	
Average Unit Size	2,506 SF		1,510 SF		1,510 SF	
Gross Building Area	45,108 SF		37,750 SF		36,240 SF	
Number of Units	18 Units		25 Units		24 Units	
Parking	45 Spaces		50 Spaces		48 Spaces	
II. Development Costs						
A. Direct Costs						
On/Off Site Improvements (1)	*$1,819,000*	*$25 /SF Site Area*	$1,819,000	$25 /SF Site Area	$1,819,000	$25 /SF Site Area
Parking	*$0*	*$0 /Space*	$0	$0 /Space	$0	$0 /Space
Shell Construction	*$6,766,000*	*$150 /SF GBA*	$6,040,000	$160 /SF GBA	$5,798,000	$160 /SF GBA
Other/Contingency	*$859,000*	*10.0% of Directs*	$786,000	10.0% of Directs	$762,000	10.0% of Directs
Total Direct Costs	*$9,444,000*	*$209 /SF GBA*	$8,645,000	$229 /SF GBA	$8,379,000	$231 /SF GBA
Per Unit	*$525,000*		$346,000		$349,000	
B. Indirect Costs						
Permits & Fees (1)	*$495,000*	*$27,500 /Unit*	$500,000	$20,000 /Unit	$480,000	$20,000 /Unit
Developer Fee	*$378,000*	*4.0% of Directs*	$346,000	4.0% of Directs	$335,000	4.0% of Directs
Other Indirects	*$1,417,000*	*15.0% of Directs*	$1,297,000	15.0% of Directs	$1,257,000	15.0% of Directs
Total Indirect Costs	*$2,290,000*	*24.2% of Directs*	$2,143,000	24.8% of Directs	$2,072,000	24.7% of Directs
C. Financing Costs	*$708,000*	*7.5% of Directs*	$648,000	7.5% of Directs	$628,000	7.5% of Directs
D. Total Development Costs	***$12,442,000***	***$276 /SF GBA***	**$11,436,000**	**$303 /SF GBA**	**$11,079,000**	**$306 /SF GBA**
Per Unit	***$691,000***		**$457,000**		**$462,000**	

(1) Estimate, not verified by KMA or City of Encinitas.

TABLE 2.F-3

ESTIMATE OF RESIDUAL LAND VALUE
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

		A	B	C	D
		Single-Family Detached - Small Lot (R-11) - Potential Upzone Site - Existing Conditions			
		Base Case without Density Bonus		Base Case w/Density Bonus	
		10% @ Very Low No Density Bonus	15% @ Low No Density Bonus	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus
I. Net Sales Proceeds					
A. Gross Sales Proceeds		*$19,220,000*	*$18,342,000*	$17,545,000	$16,347,000
B. (Less) Cost of Sale @	4.5% of Value	*($865,000)*	*($825,000)*	($790,000)	($736,000)
C. Net Sales Proceeds		*$18,355,000*	*$17,517,000*	$16,755,000	$15,611,000
II. Residual Land Value					
A. Net Sales Proceeds		*$18,355,000*	*$17,517,000*	$16,755,000	$15,611,000
B. (Less) Developer Profit @	10.0% of Value	*($1,922,000)*	*($1,834,000)*	($1,755,000)	($1,635,000)
C. Warranted Investment		*$16,433,000*	*$15,683,000*	$15,000,000	$13,976,000
D. (Less) Development Costs		*($12,442,000)*	*($12,442,000)*	($11,436,000)	($11,079,000)
E. Residual Land Value		***$3,991,000***	***$3,241,000***	**$3,564,000**	**$2,897,000**
Per Unit		***$222,000***	***$180,000***	**$143,000**	**$121,000**
Per SF		***$55***	***$45***	**$49**	**$40**

Residual Land Value @ 100% Market	$5,872,000
Per Unit	$326,000
Per SF	$81

ATTACHMENT 2.G

Rancho Santa Fe Sites (Gaffney/Goodsen)
Stacked Flats with Tuck-under/Podium Parking

TABLE 2.G-1

ESTIMATE OF GROSS ANNUAL RENTAL INCOME
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Stacked Flats with Tuck-under/Podium Parking									
	Upzone Scenario without Density Bonus		**Upzone Scenario with Density Bonus**		**Very Low**			**Low**		
	10% @ Very Low No Density Bonus	***15% @ Low No Density Bonus***	**10% @ Very Low with Density Bonus**	**15% @ Low with Density Bonus**	**15% @ Very Low with Density Bonus**	**20% @ Very Low with Density Bonus**	**25% @ Very Low with Density Bonus**	**20% @ Low with Density Bonus**	**25% @ Low with Density Bonus**	**30% @ Low with Density Bonus**
I. Inclusionary Housing										
A. Site Area	*6.0 Acres*	*6.0 Acres*	6.0 Acres	6.0 Acres	6.0 Acres	6.0 Acres	6.0 Acres	6.0 Acres	6.0 Acres	6.0 Acres
B. Density	*30.0 Units/Acre*	*30.0 Units/Acre*	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre
C. Number of Units (1)	*180 Units*	*180 Units*	180 Units	180 Units	180 Units	180 Units	180 Units	180 Units	180 Units	180 Units
D. Inclusionary Set-aside	*10% Very Low*	*15% Low*	10% Very Low	15% Low	15% Very Low	20% Very Low	25% Very Low	20% Low	25% Low	30% Low
E. Affordable Units (2)	*18 Units*	*27 Units*	18 Units	27 Units	27 Units	36 Units	45 Units	36 Units	45 Units	54 Units
II. Density Bonus										
A. Actual % of Affordable Units			10.0% Very Low	15.0% Low	15.0% Very Low	20.0% Very Low	25.0% Very Low	20.0% Low	25.0% Low	30.0% Low
B. Density Bonus			32.5%	27.5%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
C. Density with Bonus			39.7 Units/Acre	38.2 Units/Acre	40.4 Units/Acre	40.4 Units/Acre	40.4 Units/Acre	40.4 Units/Acre	40.4 Units/Acre	40.4 Units/Acre
D. Number of Units with Density Bonus (3)			239 Units	230 Units	243 Units	243 Units	243 Units	243 Units	243 Units	243 Units
E. Parking Spaces 2.0 Spaces/Unit			478 Spaces	460 Spaces	486 Spaces	486 Spaces	486 Spaces	486 Spaces	486 Spaces	486 Spaces
III. Affordability Mix										
A. Very Low	*18 Units 10%*	*0 Units 0%*	18 Units 8%	0 Units 0%	27 Units 11%	36 Units 15%	45 Units 19%	0 Units 0%	0 Units 0%	0 Units 0%
B. Low	*0 Units 0%*	*27 Units 15%*	0 Units 0%	27 Units 12%	0 Units 0%	0 Units 0%	0 Units 0%	36 Units 15%	45 Units 19%	54 Units 22%
C. Market-Rate	*162 Units 90%*	*153 Units 85%*	221 Units 92%	203 Units 88%	216 Units 89%	207 Units 85%	198 Units 81%	207 Units 85%	198 Units 81%	189 Units 78%
D. Total	*180 Units 100%*	*180 Units 100%*	239 Units 100%	230 Units 100%	243 Units 100%	243 Units 100%	243 Units 100%	243 Units 100%	243 Units 100%	243 Units 100%
IV. Estimate of Annual Gross Rental Income										
A. Affordable Units										
Very Low @ $836 /Month	*$181,000*	*$0*	$181,000	$0	$271,000	$361,000	$451,000	$0	$0	$0
Low @ $1,022 /Month	*$0*	*$331,000*	$0	$331,000	$0	$0	$0	$442,000	$552,000	$662,000
Total Affordable Units	*$181,000*	*$331,000*	$181,000	$331,000	$271,000	$361,000	$451,000	$442,000	$552,000	$662,000
B. Market-Rate Units										
Unit Size	*800 SF*	*800 SF*	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF
Rent/SF	*$3.85 /SF*	*$3.85 /SF*	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF
Rent/Unit	*$3,080 /Month*	*$3,080 /Month*	$3,080 /Month	$3,080 /Month	$3,080 /Month	$3,080 /Month	$3,080 /Month	$3,080 /Month	$3,080 /Month	$3,080 /Month
Total Anuual Rent	*$5,988,000*	*$5,655,000*	*$8,168,000*	*$7,503,000*	*$7,983,000*	*$7,651,000*	*$7,318,000*	*$7,651,000*	*$7,318,000*	*$6,985,000*
C. Total Annual Rental Income	***$6,169,000***	***$5,986,000***	***$8,349,000***	***$7,834,000***	***$8,254,000***	***$8,012,000***	***$7,769,000***	***$8,093,000***	***$7,870,000***	***$7,647,000***
Per Unit	***$34,000***	***$33,000***	**$35,000**	**$34,000**	**$34,000**	**$33,000**	**$32,000**	**$33,000**	**$32,000**	**$31,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 2.G-2

ESTIMATE OF DEVELOPMENT COSTS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A/B		C		D		E		F		G		H		I		J	
	Stacked Flats with Tuck-under/Podium Parking																	
	Upzone Scenario without Density Bonus		**Upzone Scenario with Density Bonus**				**Very Low**						**Low**					
			10% @ Very Low		**15% @ Low**		**15% @ Very Low**		**20% @ Very Low**		**25% @ Very Low**		**20% @ Low**		**25% @ Low**		**30% @ Low**	
I. Project Description																		
Site Area	*6.0*	*Acres*	6.0	Acres	6.0	Acres	6.0	Acres	6.0	Acres	6.0	Acres	6.0	Acres	6.0	Acres	6.0	Acres
Average Unit Size	*800*	*SF*	800	SF	800	SF	800	SF	800	SF	800	SF	800	SF	800	SF	800	SF
Gross Building Area (GBA) (1)	*169,000*	*SF*	225,000	SF	216,000	SF	229,000	SF	229,000	SF	229,000	SF	229,000	SF	229,000	SF	229,000	SF
Number of Units	*180*	*Units*	239	Units	230	Units	243	Units	243	Units	243	Units	243	Units	243	Units	243	Units
Density	*30*	*Units/Acre*	40	Units/Acre	40	Units/Acre	38	Units/Acre	40	Units/Acre	40	Units/Acre	40	Units/Acre	40	Units/Acre	40	Units/Acre
Parking	*360*	*Spaces*	478	Spaces	486	Spaces	486	Spaces	486	Spaces	486	Spaces	486	Spaces	486	Spaces	486	Spaces
II. Development Costs																		
A. Direct Costs																		
Site Improvements (2)	*$3,933,000*	*$15*	*/SF Site Area*	$3,933,000	$15	/SF Site Area	$3,933,000	$15	/SF Site Area	$3,933,000	$15	/SF Site Area	$3,933,000	$15	/SF Site Area	$3,933,000	$15	/SF Site Area	$3,933,000	$15	/SF Site Area	$3,933,000	$15	/SF Site Area
Parking	*$7,200,000*	*$20,000*	*/Space*	$11,950,000	$25,000	/Space	$12,150,000	$25,000	/Space	$12,150,000	$25,000	/Space	$12,150,000	$25,000	/Space	$12,150,000	$25,000	/Space	$12,150,000	$25,000	/Space	$12,150,000	$25,000	/Space
Shell Construction	*$29,575,000*	*$175*	*/SF GBA*	$41,625,000	$185	/SF GBA	$39,960,000	$185	/SF GBA	$42,365,000	$185	/SF GBA	$42,365,000	$185	/SF GBA	$42,365,000	$185	/SF GBA	$42,365,000	$185	/SF GBA	$42,365,000	$185	/SF GBA
Other/Contingency	*$4,071,000*	*$0*	*of Directs*	$5,751,000	10.0%	of Directs	$5,604,000	10.0%	of Directs	$5,845,000	10.0%	of Directs	$5,845,000	10.0%	of Directs	$5,845,000	10.0%	of Directs	$5,845,000	10.0%	of Directs	$5,845,000	10.0%	of Directs
Total Direct Costs	*$44,779,000*	*$246*	*/SF GBA*	$63,259,000	$281	/SF GBA	$61,647,000	$285	/SF GBA	$64,293,000	$281	/SF GBA	$64,293,000	$281	/SF GBA	$64,293,000	$281	/SF GBA	$64,293,000	$281	/SF GBA	$64,293,000	$281	/SF GBA
Per Unit	*$249,000*			$265,000			$268,000			$265,000			$265,000			$265,000			$265,000			$265,000		
B. Indirect Costs																		
Permits & Fees (2)	*$3,600,000*	*$20,000*	*/Unit*	$4,780,000	$20,000	/Unit	$4,600,000	$20,000	/Unit	$4,860,000	$20,000	/SF GBA	$4,860,000	$20,000	/Unit	$4,860,000	$20,000	/Unit	$4,860,000	$20,000	/Unit	$4,860,000	$20,000	/Unit
Developer Fee	*$1,791,000*	*4%*	*of Directs*	$2,530,000	4.0%	of Directs	$2,466,000	4.0%	of Directs	$2,572,000	4.0%	of Directs	$2,572,000	4.0%	of Directs	$2,572,000	4.0%	of Directs	$2,572,000	4.0%	of Directs	$2,572,000	4.0%	of Directs
Other Indirects	*$6,717,000*	*15%*	*of Directs*	$9,489,000	15.0%	of Directs	$9,247,000	15.0%	of Directs	$9,644,000	15.0%	of Directs	$9,644,000	15.0%	of Directs	$9,644,000	15.0%	of Directs	$9,644,000	15.0%	of Directs	$9,644,000	15.0%	of Directs
Total Indirect Costs	*$12,108,000*	*27%*	*of Directs*	$16,799,000	26.6%	of Directs	$16,313,000	26.5%	of Directs	$17,076,000	26.6%	of Directs	$17,076,000	26.6%	of Directs	$17,076,000	26.6%	of Directs	$17,076,000	26.6%	of Directs	$17,076,000	26.6%	of Directs
C. Financing Costs	*$3,358,000*	*7.5%*	*of Directs*	$4,744,000	7.5%	of Directs	$4,624,000	7.5%	of Directs	$4,822,000	7.5%	of Directs	$4,822,000	7.5%	of Directs	$4,822,000	7.5%	of Directs	$4,822,000	7.5%	of Directs	$4,822,000	7.5%	of Directs
D. Total Development Costs	***$60,245,000***	***$356***	***/SF GBA***	**$84,802,000**	**$377**	**/SF GBA**	**$82,584,000**	**$382**	**/SF GBA**	**$86,191,000**	**$376**	**/SF GBA**	**$86,191,000**	**$376**	**/SF GBA**	**$86,191,000**	**$376**	**/SF GBA**	**$86,191,000**	**$376**	**/SF GBA**	**$86,191,000**	**$376**	**/SF GBA**
Per Unit	***$335,000***			**$355,000**			**$359,000**			**$355,000**			**$355,000**			**$355,000**			**$355,000**			**$355,000**		

(1) Assumes efficiency factor of 85% net residential; 15% circulation/common area.
(2) Estimate, not verified by KMA or City of Encinitas.

TABLE 2.G-3

ESTIMATE OF RESIDUAL LAND VALUE
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Stacked Flats with Tuck-under/Podium Parking									
	Upzone Scenario without Density Bonus		Upzone Scenario with Density Bonus		Very Low			Low		
	10% @ Very Low No Density Bonus	*15% @ Low No Density Bonus*	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Net Operating Income										
A. Gross Rental Income	*$6,169,000*	*$5,986,000*	$8,349,000	$7,834,000	$8,254,000	$8,012,000	$7,769,000	$8,093,000	$7,870,000	$7,647,000
B. Other Income $125 /Unit/Month	*$270,000*	*$270,000*	$359,000	$345,000	$365,000	$365,000	$365,000	$365,000	$365,000	$365,000
C. Gross Scheduled Income (GSI)	*$6,439,000*	*$6,256,000*	$8,708,000	$8,179,000	$8,619,000	$8,377,000	$8,134,000	$8,458,000	$8,235,000	$8,012,000
D. (Less) Vacancy 5.0% of GSI	*($322,000)*	*($313,000)*	($435,000)	($409,000)	($431,000)	($419,000)	($407,000)	($423,000)	($412,000)	($401,000)
E. Effective Gross Income	*$6,117,000*	*$5,943,000*	$8,273,000	$7,770,000	$8,188,000	$7,958,000	$7,727,000	$8,035,000	$7,823,000	$7,611,000
F. (Less) Operating Expenses $5,000 /Unit/Year	*($900,000)*	*($900,000)*	($1,195,000)	($1,150,000)	($1,215,000)	($1,215,000)	($1,215,000)	($1,215,000)	($1,215,000)	($1,215,000)
G. (Less) Property Taxes (1)	*($1,009,000)*	*($975,000)*	($1,369,000)	($1,280,000)	($1,348,000)	($1,303,000)	($1,258,000)	($1,318,000)	($1,277,000)	($1,235,000)
H. (Less) Replacement Reserves $250 /Unit/Year	*($45,000)*	*($45,000)*	($60,000)	($58,000)	($61,000)	($61,000)	($61,000)	($61,000)	($61,000)	($61,000)
I. Net Operating Income	*$4,163,000*	*$4,023,000*	$5,649,000	$5,282,000	$5,564,000	$5,379,000	$5,193,000	$5,441,000	$5,270,000	$5,100,000
II. Residual Land Value - Low Capitalization Rate										
A. Net Operating Income	*$4,163,000*	*$4,023,000*	$5,649,000	$5,282,000	$5,564,000	$5,379,000	$5,193,000	$5,441,000	$5,270,000	$5,100,000
B. Capitalization Rate	*4.25%*	*4.25%*	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
C. Capitalized Value Upon Completion	*$97,953,000*	*$94,659,000*	$132,918,000	$124,282,000	$130,918,000	$126,565,000	$122,188,000	$128,024,000	$124,000,000	$120,000,000
D. (Less) Cost of Sale 3.0% of Value	*($2,939,000)*	*($2,840,000)*	($3,988,000)	($3,728,000)	($3,928,000)	($3,797,000)	($3,666,000)	($3,841,000)	($3,720,000)	($3,600,000)
E. (Less Developer Profit 10.0% of Value	*($9,795,000)*	*($9,466,000)*	($13,292,000)	($12,428,000)	($13,092,000)	($12,657,000)	($12,219,000)	($12,802,000)	($12,400,000)	($12,000,000)
F. Net Sales Proceeds	*$85,219,000*	*$82,353,000*	$115,638,000	$108,126,000	$113,898,000	$110,111,000	$106,303,000	$111,381,000	$107,880,000	$104,400,000
G. (Less) Development Costs	*($60,245,000)*	*($60,245,000)*	($84,802,000)	($82,584,000)	($86,191,000)	($86,191,000)	($86,191,000)	($86,191,000)	($86,191,000)	($86,191,000)
H. Residual Land Value	***$24,974,000***	***$22,108,000***	**$30,836,000**	**$25,542,000**	**$27,707,000**	**$23,920,000**	**$20,112,000**	**$25,190,000**	**$21,689,000**	**$18,209,000**
Per Unit	***$139,000***	***$123,000***	**$129,000**	**$111,000**	**$114,000**	**$98,000**	**$83,000**	**$104,000**	**$89,000**	**$75,000**
Per SF	***$95***	***$84***	**$118**	**$97**	**$106**	**$91**	**$77**	**$96**	**$83**	**$69**
III. Residual Land Value - High Capitalization Rate										
A. Net Operating Income	*$4,163,000*	*$4,023,000*	$5,649,000	$5,282,000	$5,564,000	$5,379,000	$5,193,000	$5,441,000	$5,270,000	$5,100,000
B. Capitalization Rate	*4.75%*	*4.75%*	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
C. Capitalized Value Upon Completion	*$87,642,000*	*$84,695,000*	$118,926,000	$111,200,000	$117,137,000	$113,242,000	$109,326,000	$114,547,000	$110,947,000	$107,368,000
D. (Less) Cost of Sale 3.0% of Value	*($2,629,000)*	*($2,541,000)*	*($3,568,000)*	($3,336,000)	($3,514,000)	($3,397,000)	($3,280,000)	($3,436,000)	($3,328,000)	($3,221,000)
E. (Less Developer Profit 10.0% of Value	*($8,764,000)*	*($8,470,000)*	*($11,893,000)*	($11,120,000)	($11,714,000)	($11,324,000)	($10,933,000)	($11,455,000)	($11,095,000)	($10,737,000)
F. Net Sales Proceeds	*$76,249,000*	*$73,684,000*	$103,465,000	$96,744,000	$101,909,000	$98,521,000	$95,113,000	$99,656,000	$96,524,000	$93,410,000
G. (Less) Development Costs	*($60,245,000)*	*($60,245,000)*	($84,802,000)	($82,584,000)	($86,191,000)	($86,191,000)	($86,191,000)	($86,191,000)	($86,191,000)	($86,191,000)
H. Residual Land Value	***$16,004,000***	***$13,439,000***	**$18,663,000**	**$14,160,000**	**$15,718,000**	**$12,330,000**	**$8,922,000**	**$13,465,000**	**$10,333,000**	**$7,219,000**
Per Unit	***$89,000***	***$75,000***	**$78,000**	**$62,000**	**$65,000**	**$51,000**	**$37,000**	**$55,000**	**$43,000**	**$30,000**
Per SF	***$61***	***$51***	**$71**	**$54**	**$60**	**$47**	**$34**	**$51**	**$39**	**$28**

Residual Land Value @ 100% Market	$27,403,000
Per Unit	$152,000
Per SF	$105

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Encinitas_Feasibility Analysis_v6 - Scenario #2_v5;12/2/2019;sjx

ATTACHMENT 2.H

Sage Canyon
Stacked Flats with Tuck-under/Podium Parking

TABLE 2.H-1

ESTIMATE OF GROSS ANNUAL RENTAL INCOME
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Stacked Flats with Tuck-under/Podium Parking									
	Upzone Scenario without Density Bonus		Upzone Scenario with Density Bonus		Very Low			Low		
	10% @ Very Low No Density Bonus	*15% @ Low No Density Bonus*	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Inclusionary Housing										
A. Site Area	*3.3 Acres*	*3.3 Acres*	3.3 Acres	3.3 Acres	3.3 Acres	3.3 Acres	3.3 Acres	3.3 Acres	3.3 Acres	3.3 Acres
B. Density	*30.0 Units/Acre*	*30.0 Units/Acre*	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre
C. Number of Units (1)	*99 Units*	*99 Units*	99 Units	99 Units	99 Units	99 Units	99 Units	99 Units	99 Units	99 Units
D. Inclusionary Set-aside	*10% Very Low*	*15% Low*	10% Very Low	15% Low	15% Very Low	20% Very Low	25% Very Low	20% Low	25% Low	30% Low
E. Affordable Units (2)	*10 Units*	*15 Units*	10 Units	15 Units	15 Units	20 Units	25 Units	20 Units	25 Units	30 Units
II. Density Bonus										
A. Actual % of Affordable Units			10.1% Very Low	15.2% Low	15.2% Very Low	20.2% Very Low	25.3% Very Low	20.2% Low	25.3% Low	30.3% Low
B. Density Bonus			35.0%	27.5%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
C. Density with Bonus			40.6 Units/Acre	38.5 Units/Acre	40.6 Units/Acre	40.6 Units/Acre	40.6 Units/Acre	40.6 Units/Acre	40.6 Units/Acre	40.6 Units/Acre
D. Number of Units with Density Bonus (3)			134 Units	127 Units	134 Units	134 Units	134 Units	134 Units	134 Units	134 Units
E. Parking Spaces 2.0 Spaces/Unit			268 Spaces	254 Spaces	268 Spaces	268 Spaces	268 Spaces	268 Spaces	268 Spaces	268 Spaces
III. Affordability Mix										
A. Very Low	*10 Units 10%*	*0 Units 0%*	10 Units 7%	0 Units 0%	15 Units 11%	20 Units 15%	25 Units 19%	0 Units 0%	0 Units 0%	0 Units 0%
B. Low	*0 Units 0%*	*15 Units 15%*	0 Units 0%	15 Units 12%	0 Units 0%	0 Units 0%	0 Units 0%	20 Units 15%	25 Units 19%	30 Units 22%
C. Market-Rate	*89 Units 90%*	*84 Units 85%*	124 Units 93%	112 Units 88%	119 Units 89%	114 Units 85%	109 Units 81%	114 Units 85%	109 Units 81%	104 Units 78%
D. Total	*99 Units 100%*	*99 Units 100%*	134 Units 100%	127 Units 100%	134 Units 100%	134 Units 100%	134 Units 100%	134 Units 100%	134 Units 100%	134 Units 100%
IV. Estimate of Annual Gross Rental Income										
A. Affordable Units										
Very Low @ $836 /Month	*$100,000*	*$0*	$100,000	$0	$150,000	$201,000	$251,000	$0	$0	$0
Low @ $1,022 /Month	*$0*	*$184,000*	$0	$184,000	$0	$0	$0	$245,000	$307,000	$368,000
Total Affordable Units	*$100,000*	*$184,000*	$100,000	$184,000	$150,000	$201,000	$251,000	$245,000	$307,000	$368,000
B. Market-Rate Units										
Unit Size	800 *SF*	*800 SF*	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF
Rent/SF	*$3.85 /SF*	*$3.85 /SF*	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF
Rent/Unit	*$3,080 /Month*	*$3,080 /Month*	$3,080 /Month	$3,080 /Month	$3,080 /Month	$3,080 /Month	$3,080 /Month	$3,080 /Month	$3,080 /Month	$3,080 /Month
Total Anuual Rent	*$3,289,000*	*$3,105,000*	$4,583,000	$4,140,000	$4,398,000	$4,213,000	$4,029,000	$4,213,000	$4,029,000	$3,844,000
C. Total Annual Rental Income	***$3,389,000***	***$3,289,000***	**$4,683,000**	**$4,324,000**	**$4,548,000**	**$4,414,000**	**$4,280,000**	**$4,458,000**	**$4,336,000**	**$4,212,000**
Per Unit	***$34,000***	***$33,000***	**$35,000**	**$34,000**	**$34,000**	**$33,000**	**$32,000**	**$33,000**	**$32,000**	**$31,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 2.H-2

ESTIMATE OF DEVELOPMENT COSTS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A/B	C	D	E	F	G	H	I	J
	Stacked Flats with Tuck-under/Podium Parking								
	Upzone Scenario without Density Bonus	**Base Case with Density Bonus**		**Very Low**			**Low**		
		10% @ Very Low	**15% @ Low**	**15% @ Very Low**	**20% @ Very Low**	**25% @ Very Low**	**20% @ Low**	**25% @ Low**	**30% @ Low**
I. Project Description									
Site Area	*3.3 Acres*	3.3 Acres	3.3 Acres	3.3 Acres	3.3 Acres	3.3 Acres	3.3 Acres	3.3 Acres	3.3 Acres
Average Unit Size	*800 SF*	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF
Gross Building Area (GBA) (1)	*93,000 SF*	126,000 SF	120,000 SF	126,000 SF	126,000 SF	126,000 SF	126,000 SF	126,000 SF	126,000 SF
Number of Units	*99 Units*	134 Units	127 Units	134 Units	134 Units	134 Units	134 Units	134 Units	134 Units
Parking	*198 Spaces*	268 Spaces	268 Spaces	268 Spaces	268 Spaces	268 Spaces	268 Spaces	268 Spaces	268 Spaces
II. Development Costs									
A. Direct Costs									
Site Improvements (2)	*$2,156,000 $15 /SF Site Area*	$2,156,000 $15 /SF Site Area	$2,156,000 $15 /SF Site Area	$2,156,000 $15 /SF Site Area	$2,156,000 $15 /SF Site Area	$2,156,000 $15 /SF Site Area	$2,156,000 $15 /SF Site Area	$2,156,000 $15 /SF Site Area	$2,156,000 $15 /SF Site Area
Parking	*$3,960,000 $20,000 /Space*	$6,700,000 $25,000 /Space	$6,700,000 $25,000 /Space	$6,700,000 $25,000 /Space	$6,700,000 $25,000 /Space	$6,700,000 $25,000 /Space	$6,700,000 $25,000 /Space	$6,700,000 $25,000 /Space	$6,700,000 $25,000 /Space
Shell Construction	*$16,275,000 $175 /SF GBA*	$23,310,000 $185 /SF GBA	$22,200,000 $185 /SF GBA	$23,310,000 $185 /SF GBA	$23,310,000 $185 /SF GBA	$23,310,000 $185 /SF GBA	$23,310,000 $185 /SF GBA	$23,310,000 $185 /SF GBA	$23,310,000 $185 /SF GBA
Other/Contingency	*$2,239,000 10% of Directs*	$3,217,000 10.0% of Directs	$3,106,000 10.0% of Directs	$3,217,000 10.0% of Directs	$3,217,000 10.0% of Directs	$3,217,000 10.0% of Directs	$3,217,000 10.0% of Directs	$3,217,000 10.0% of Directs	$3,217,000 10.0% of Directs
Total Direct Costs	*$24,630,000 $265 /SF GBA*	$35,383,000 $281 /SF GBA	$34,162,000 $285 /SF GBA	$35,383,000 $281 /SF GBA	$35,383,000 $281 /SF GBA	$35,383,000 $281 /SF GBA	$35,383,000 $281 /SF GBA	$35,383,000 $281 /SF GBA	$35,383,000 $281 /SF GBA
Per Unit	*$249,000*	$264,000	$269,000	$264,000	$264,000	$264,000	$264,000	$264,000	$264,000
B. Indirect Costs									
Permits & Fees (2)	*$1,980,000 $20,000 /Unit*	$2,680,000 $20,000 /Unit	$2,540,000 $20,000 /Unit	$2,680,000 $20,000 /SF GBA	$2,680,000 $20,000 /Unit	$2,680,000 $20,000 /Unit	$2,680,000 $20,000 /Unit	$2,680,000 $20,000 /Unit	$2,680,000 $20,000 /Unit
Developer Fee	*$985,000 4% of Directs*	$1,415,000 4.0% of Directs	$1,366,000 4.0% of Directs	$1,415,000 4.0% of Directs	$1,415,000 4.0% of Directs	$1,415,000 4.0% of Directs	$1,415,000 4.0% of Directs	$1,415,000 4.0% of Directs	$1,415,000 4.0% of Directs
Other Indirects	*$3,695,000 15% of Directs*	$5,307,000 15.0% of Directs	$5,124,000 15.0% of Directs	$5,307,000 15.0% of Directs	$5,307,000 15.0% of Directs	$5,307,000 15.0% of Directs	$5,307,000 15.0% of Directs	$5,307,000 15.0% of Directs	$5,307,000 15.0% of Directs
Total Indirect Costs	*$6,660,000 27% of Directs*	$9,402,000 26.6% of Directs	$9,030,000 26.4% of Directs	$9,402,000 26.6% of Directs	$9,402,000 26.6% of Directs	$9,402,000 26.6% of Directs	$9,402,000 26.6% of Directs	$9,402,000 26.6% of Directs	$9,402,000 26.6% of Directs
C. Financing Costs	*$1,847,000 7.5% of Directs*	$2,654,000 7.5% of Directs	$2,562,000 7.5% of Directs	$2,654,000 7.5% of Directs	$2,654,000 7.5% of Directs	$2,654,000 7.5% of Directs	$2,654,000 7.5% of Directs	$2,654,000 7.5% of Directs	$2,654,000 7.5% of Directs
D. Total Development Costs	***$33,137,000 $356 /SF GBA***	**$47,439,000 $377 /SF GBA**	**$45,754,000 $381 /SF GBA**	**$47,439,000 $377 /SF GBA**	**$47,439,000 $377 /SF GBA**	**$47,439,000 $377 /SF GBA**	**$47,439,000 $377 /SF GBA**	**$47,439,000 $377 /SF GBA**	**$47,439,000 $377 /SF GBA**
Per Unit	***$335,000***	**$354,000**	**$360,000**	**$354,000**	**$354,000**	**$354,000**	**$354,000**	**$354,000**	**$354,000**

(1) Assumes efficiency factor of 85% net residential; 15% circulation/common area.
(2) Estimate, not verified by KMA or City of Encinitas.

TABLE 2.H-3

ESTIMATE OF RESIDUAL LAND VALUE
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Stacked Flats with Tuck-under/Podium Parking									
	Upzone Scenario without Density Bonus		Upzone Scenario w/Density Bonus		Very Low			Low		
	10% @ Very Low No Density Bonus	15% @ Very Low No Density Bonus	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Net Operating Income										
A. Gross Rental Income	$3,389,000	$3,289,000	$4,683,000	$4,324,000	$4,548,000	$4,414,000	$4,280,000	$4,458,000	$4,336,000	$4,212,000
B. Other Income $125 /Unit/Month	$149,000	$149,000	$201,000	$191,000	$201,000	$201,000	$201,000	$201,000	$201,000	$201,000
C. Gross Scheduled Income (GSI)	$3,538,000	$3,438,000	$4,884,000	$4,515,000	$4,749,000	$4,615,000	$4,481,000	$4,659,000	$4,537,000	$4,413,000
D. (Less) Vacancy 5.0% of GSI	($177,000)	($172,000)	($244,000)	($226,000)	($237,000)	($231,000)	($224,000)	($233,000)	($227,000)	($221,000)
E. Effective Gross Income	$3,361,000	$3,266,000	$4,640,000	$4,289,000	$4,512,000	$4,384,000	$4,257,000	$4,426,000	$4,310,000	$4,192,000
F. (Less) Operating Expenses $5,000 /Unit/Year	($495,000)	($495,000)	($670,000)	($635,000)	($670,000)	($670,000)	($670,000)	($670,000)	($670,000)	($670,000)
G. (Less) Property Taxes (1)	($554,000)	($535,000)	($767,000)	($706,000)	($742,000)	($717,000)	($693,000)	($726,000)	($703,000)	($680,000)
H. (Less) Replacement Reserves $250 /Unit/Year	($24,750)	($24,750)	($34,000)	($32,000)	($34,000)	($34,000)	($34,000)	($34,000)	($34,000)	($34,000)
I. Net Operating Income	$2,287,250	$2,211,250	$3,169,000	$2,916,000	$3,066,000	$2,963,000	$2,860,000	$2,996,000	$2,903,000	$2,808,000
II. Residual Land Value - Low Capitalization Rate										
A. Net Operating Income	$2,287,250	$2,211,250	$3,169,000	$2,916,000	$3,066,000	$2,963,000	$2,860,000	$2,996,000	$2,903,000	$2,808,000
B. Capitalization Rate	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
C. Capitalized Value Upon Completion	$53,818,000	$52,029,000	$74,565,000	$68,612,000	$72,141,000	$69,718,000	$67,294,000	$70,494,000	$68,306,000	$66,071,000
D. (Less) Cost of Sale 3.0% of Value	($1,615,000)	($1,561,000)	($2,237,000)	($2,058,000)	($2,164,000)	($2,092,000)	($2,019,000)	($2,115,000)	($2,049,000)	($1,982,000)
E. (Less Developer Profit 10.0% of Value	($5,382,000)	($5,203,000)	($7,457,000)	($6,861,000)	($7,214,000)	($6,972,000)	($6,729,000)	($7,049,000)	($6,831,000)	($6,607,000)
F. Net Sales Proceeds	$46,821,000	$45,265,000	$64,871,000	$59,693,000	$62,763,000	$60,654,000	$58,546,000	$61,330,000	$59,426,000	$57,482,000
G. (Less) Development Costs	($33,137,000)	($33,137,000)	($47,439,000)	($45,754,000)	($47,439,000)	($47,439,000)	($47,439,000)	($47,439,000)	($47,439,000)	($47,439,000)
H. Residual Land Value	**$13,684,000**	**$12,128,000**	**$17,432,000**	**$13,939,000**	**$15,324,000**	**$13,215,000**	**$11,107,000**	**$13,891,000**	**$11,987,000**	**$10,043,000**
Per Unit	**$138,000**	**$123,000**	**$130,000**	**$110,000**	**$114,000**	**$99,000**	**$83,000**	**$104,000**	**$89,000**	**$75,000**
Per SF	**$95**	**$84**	**$121**	**$97**	**$107**	**$92**	**$77**	**$97**	**$83**	**$70**
III. Residual Land Value - High Capitalization Rate										
A. Net Operating Income	$2,287,250	$2,211,250	$3,169,000	$2,916,000	$3,066,000	$2,963,000	$2,860,000	$2,996,000	$2,903,000	$2,808,000
B. Capitalization Rate	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
C. Capitalized Value Upon Completion	$48,153,000	$46,553,000	$66,716,000	$61,389,000	$64,547,000	$62,379,000	$60,211,000	$63,074,000	$61,116,000	$59,116,000
D. (Less) Cost of Sale 3.0% of Value	($1,445,000)	($1,397,000)	($2,001,000)	($1,842,000)	($1,936,000)	($1,871,000)	($1,806,000)	($1,892,000)	($1,833,000)	($1,773,000)
E. (Less Developer Profit 10.0% of Value	($4,815,000)	($4,655,000)	($6,672,000)	($6,139,000)	($6,455,000)	($6,238,000)	($6,021,000)	($6,307,000)	($6,112,000)	($5,912,000)
F. Net Sales Proceeds	$41,893,000	$40,501,000	$58,043,000	$53,408,000	$56,156,000	$54,270,000	$52,384,000	$54,875,000	$53,171,000	$51,431,000
G. (Less) Development Costs	($33,137,000)	($33,137,000)	($47,439,000)	($45,754,000)	($47,439,000)	($47,439,000)	($47,439,000)	($47,439,000)	($47,439,000)	($47,439,000)
H. Residual Land Value	**$8,756,000**	**$7,364,000**	**$10,604,000**	**$7,654,000**	**$8,717,000**	**$6,831,000**	**$4,945,000**	**$7,436,000**	**$5,732,000**	**$3,992,000**
Per Unit	**$88,000**	**$74,000**	**$79,000**	**$60,000**	**$65,000**	**$51,000**	**$37,000**	**$55,000**	**$43,000**	**$30,000**
Per SF	**$61**	**$51**	**$74**	**$53**	**$61**	**$48**	**$34**	**$52**	**$40**	**$28**

Residual Land Value @ 100% Market	$15,075,000
Per Unit	$152,000
Per SF	$105

(1) Based on capitalized income approach; assumes a 4.5% capitalization rate and 1.09% tax rate.

ATTACHMENT 2.I

Baldwin and Sons Properties
Stacked Flats with Tuck-under/Podium Parking

TABLE 2.I-1

ESTIMATE OF GROSS ANNUAL RENTAL INCOME
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Stacked Flats with Tuck-under/Podium Parking									
	Upzone Scenario without Density Bonus		Upzone Scenario with Density Bonus		Very Low			Low		
	10% @ Very Low No Density Bonus	*15% @ Low No Density Bonus*	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Inclusionary Housing										
A. Site Area	*9.1 Acres*	*9.1 Acres*	9.1 Acres	9.1 Acres	9.1 Acres	9.1 Acres	9.1 Acres	9.1 Acres	9.1 Acres	9.1 Acres
B. Density	*30.0 Units/Acre*	*30.0 Units/Acre*	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre
C. Number of Units (1)	*273 Units*	*273 Units*	273 Units	273 Units	273 Units	273 Units	273 Units	273 Units	273 Units	273 Units
D. Inclusionary Set-aside	*10% Very Low*	*15% Low*	10% Very Low	15% Low	15% Very Low	20% Very Low	25% Very Low	20% Low	25% Low	30% Low
E. Affordable Units (2)	*28 Units*	*41 Units*	28 Units	41 Units	41 Units	55 Units	69 Units	55 Units	69 Units	82 Units
II. Density Bonus										
A. Actual % of Affordable Units			10.3% Very Low	15.0% Low	15.0% Very Low	20.1% Very Low	25.3% Very Low	20.1% Low	25.3% Low	30.0% Low
B. Density Bonus			35.0%	27.5%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
C. Density with Bonus			40.5 Units/Acre	38.4 Units/Acre	40.5 Units/Acre	40.5 Units/Acre	40.5 Units/Acre	40.5 Units/Acre	40.5 Units/Acre	40.5 Units/Acre
D. Number of Units with Density Bonus (3)			369 Units	349 Units	369 Units	369 Units	369 Units	369 Units	369 Units	369 Units
E. Parking Spaces 2.0 Spaces/Unit			738 Spaces	698 Spaces	738 Spaces	738 Spaces	738 Spaces	738 Spaces	738 Spaces	738 Spaces
III. Affordability Mix										
A. Very Low	*28 Units 10%*	*0 Units 0%*	28 Units 8%	0 Units 0%	41 Units 11%	55 Units 15%	69 Units 19%	0 Units 0%	0 Units 0%	0 Units 0%
B. Low	*0 Units 0%*	*41 Units 15%*	0 Units 0%	41 Units 12%	0 Units 0%	0 Units 0%	0 Units 0%	55 Units 15%	69 Units 19%	82 Units 22%
C. Market-Rate	*245 Units 90%*	*232 Units 85%*	341 Units 92%	308 Units 88%	328 Units 89%	314 Units 85%	300 Units 81%	314 Units 85%	300 Units 81%	287 Units 78%
D. Total	*273 Units 100%*	*273 Units 100%*	369 Units 100%	349 Units 100%	369 Units 100%	369 Units 100%	369 Units 100%	369 Units 100%	369 Units 100%	369 Units 100%
IV. Estimate of Annual Gross Rental Income										
A. Affordable Units										
Very Low @ $836 /Month	*$281,000*	*$0*	$281,000	$0	$411,000	$552,000	$692,000	$0	$0	$0
Low @ $1,022 /Month	*$0*	*$503,000*	$0	$503,000	$0	$0	$0	$675,000	$846,000	$1,006,000
Total Affordable Units	*$281,000*	*$503,000*	$281,000	$503,000	$411,000	$552,000	$692,000	$675,000	$846,000	$1,006,000
B. Market-Rate Units										
Unit Size	800 *SF*	*800 SF*	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF
Rent/SF	*$3.85 /SF*	*$3.85 /SF*	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF
Rent/Unit	*$3,081 /Month*	*$3,081 /Month*	$3,081 /Month	$3,081 /Month	$3,081 /Month	$3,081 /Month	$3,081 /Month	$3,081 /Month	$3,081 /Month	$3,081 /Month
Total Anuual Rent	*$9,057,000*	*$8,577,000*	$12,606,000	$11,386,000	$12,126,000	$11,608,000	$11,091,000	$11,608,000	$11,091,000	$10,610,000
C. Total Annual Rental Income	***$9,338,000***	***$9,080,000***	**$12,887,000**	**$11,889,000**	**$12,537,000**	**$12,160,000**	**$11,783,000**	**$12,283,000**	**$11,937,000**	**$11,616,000**
Per Unit	***$34,000***	***$33,000***	**$35,000**	**$34,000**	**$34,000**	**$33,000**	**$32,000**	**$33,000**	**$32,000**	**$31,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 2.I-2

ESTIMATE OF DEVELOPMENT COSTS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A/B	C	D	E	F	G	H	I	J
	Stacked Flats with Tuck-under/Podium Parking								
		Base Case with Density Bonus		Very Low			Low		
	Upzone Scenario without Density Bonus	10% @ Very Low	15% @ Low	15% @ Very Low	20% @ Very Low	25% @ Very Low	20% @ Low	25% @ Low	30% @ Low
I. Project Description									
Site Area	*9.1 Acres*	9.1 Acres	9.1 Acres	9.1 Acres	9.1 Acres	9.1 Acres	9.1 Acres	9.1 Acres	9.1 Acres
Average Unit Size	*800 SF*	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF
Gross Building Area (GBA) (1)	*257,000 SF*	347,000 SF	329,000 SF	347,000 SF	347,000 SF	347,000 SF	347,000 SF	347,000 SF	347,000 SF
Number of Units	*273 Units*	369 Units	349 Units	369 Units	369 Units	369 Units	369 Units	369 Units	369 Units
Parking	*546 Spaces*	738 Spaces	738 Spaces	738 Spaces	738 Spaces	738 Spaces	738 Spaces	738 Spaces	738 Spaces
II. Development Costs									
A. Direct Costs									
Site Improvements (2)	*$5,946,000 $15 /SF Site Area*	$5,946,000 $15 /SF Site Area	$5,946,000 $15 /SF Site Area	$5,946,000 $15 /SF Site Area	$5,946,000 $15 /SF Site Area	$5,946,000 $15 /SF Site Area	$5,946,000 $15 /SF Site Area	$5,946,000 $15 /SF Site Area	$5,946,000 $15 /SF Site Area
Parking	*$10,920,000 $20,000 /Space*	$18,450,000 $25,000 /Space	$18,450,000 $25,000 /Space	$18,450,000 $25,000 /Space	$18,450,000 $25,000 /Space	$18,450,000 $25,000 /Space	$18,450,000 $25,000 /Space	$18,450,000 $25,000 /Space	$18,450,000 $25,000 /Space
Shell Construction	*$44,975,000 $175 /SF GBA*	$64,195,000 $185 /SF GBA	$60,865,000 $185 /SF GBA	$64,195,000 $185 /SF GBA	$64,195,000 $185 /SF GBA	$64,195,000 $185 /SF GBA	$64,195,000 $185 /SF GBA	$64,195,000 $185 /SF GBA	$64,195,000 $185 /SF GBA
Other/Contingency	*$6,184,000 10% of Directs*	$8,859,000 10.0% of Directs	$8,526,000 10.0% of Directs	$8,859,000 10.0% of Directs	$8,859,000 10.0% of Directs	$8,859,000 10.0% of Directs	$8,859,000 10.0% of Directs	$8,859,000 10.0% of Directs	$8,859,000 10.0% of Directs
Total Direct Costs	*$68,025,000 $265 /SF GBA*	$97,450,000 $281 /SF GBA	$93,787,000 $285 /SF GBA	$97,450,000 $281 /SF GBA	$97,450,000 $281 /SF GBA	$97,450,000 $281 /SF GBA	$97,450,000 $281 /SF GBA	$97,450,000 $281 /SF GBA	$97,450,000 $281 /SF GBA
Per Unit	*$249,000*	$264,000	$269,000	$264,000	$264,000	$264,000	$264,000	$264,000	$264,000
B. Indirect Costs									
Permits & Fees (2)	*$5,460,000 $20,000 /Unit*	$7,380,000 $20,000 /Unit	$6,980,000 $20,000 /Unit	$7,380,000 $20,000 /SF GBA	$7,380,000 $20,000 /Unit	$7,380,000 $20,000 /Unit	$7,380,000 $20,000 /Unit	$7,380,000 $20,000 /Unit	$7,380,000 $20,000 /Unit
Developer Fee	*$2,721,000 4% of Directs*	$3,898,000 4.0% of Directs	$3,751,000 4.0% of Directs	$3,898,000 4.0% of Directs	$3,898,000 4.0% of Directs	$3,898,000 4.0% of Directs	$3,898,000 4.0% of Directs	$3,898,000 4.0% of Directs	$3,898,000 4.0% of Directs
Other Indirects	*$10,204,000 15% of Directs*	$14,618,000 15.0% of Directs	$14,068,000 15.0% of Directs	$14,618,000 15.0% of Directs	$14,618,000 15.0% of Directs	$14,618,000 15.0% of Directs	$14,618,000 15.0% of Directs	$14,618,000 15.0% of Directs	$14,618,000 15.0% of Directs
Total Indirect Costs	*$18,385,000 27% of Directs*	$25,896,000 26.6% of Directs	$24,799,000 26.4% of Directs	$25,896,000 26.6% of Directs	$25,896,000 26.6% of Directs	$25,896,000 26.6% of Directs	$25,896,000 26.6% of Directs	$25,896,000 26.6% of Directs	$25,896,000 26.6% of Directs
C. Financing Costs	*$5,102,000 7.5% of Directs*	$7,309,000 7.5% of Directs	$7,034,000 7.5% of Directs	$7,309,000 7.5% of Directs	$7,309,000 7.5% of Directs	$7,309,000 7.5% of Directs	$7,309,000 7.5% of Directs	$7,309,000 7.5% of Directs	$7,309,000 7.5% of Directs
D. Total Development Costs	***$91,512,000 $356 /SF GBA***	**$130,655,000 $377 /SF GBA**	**$125,620,000 $382 /SF GBA**	**$130,655,000 $377 /SF GBA**	**$130,655,000 $377 /SF GBA**	**$130,655,000 $377 /SF GBA**	**$130,655,000 $377 /SF GBA**	**$130,655,000 $377 /SF GBA**	**$130,655,000 $377 /SF GBA**
Per Unit	***$335,000***	**$354,000**	**$360,000**	**$354,000**	**$354,000**	**$354,000**	**$354,000**	**$354,000**	**$354,000**

(1) Assumes efficiency factor of 85% net residential; 15% circulation/common area.
(2) Estimate, not verified by KMA or City of Encinitas.

TABLE 2.I-3

ESTIMATE OF RESIDUAL LAND VALUE
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Stacked Flats with Tuck-under/Podium Parking									
	Upzone Scenario without Density Bonus		Upzone Scenario w/Density Bonus		Very Low			Low		
	10% @ Very Low No Density Bonus	15% @ Very Low No Density Bonus	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Net Operating Income										
A. Gross Rental Income	$9,338,000	$9,080,000	$12,887,000	$11,889,000	$12,537,000	$12,160,000	$11,783,000	$12,283,000	$11,937,000	$11,616,000
B. Other Income $125 /Unit/Month	$410,000	$410,000	$554,000	$524,000	$554,000	$554,000	$554,000	$554,000	$554,000	$554,000
C. Gross Scheduled Income (GSI)	$9,748,000	$9,490,000	$13,441,000	$12,413,000	$13,091,000	$12,714,000	$12,337,000	$12,837,000	$12,491,000	$12,170,000
D. (Less) Vacancy 5.0% of GSI	($487,000)	($475,000)	($672,000)	($621,000)	($655,000)	($636,000)	($617,000)	($642,000)	($625,000)	($609,000)
E. Effective Gross Income	$9,261,000	$9,015,000	$12,769,000	$11,792,000	$12,436,000	$12,078,000	$11,720,000	$12,195,000	$11,866,000	$11,561,000
F. (Less) Operating Expenses $5,000 /Unit/Year	($1,365,000)	($1,365,000)	($1,845,000)	($1,745,000)	($1,845,000)	($1,845,000)	($1,845,000)	($1,845,000)	($1,845,000)	($1,845,000)
G. (Less) Property Taxes (1)	($1,526,000)	($1,478,000)	($2,112,000)	($1,942,000)	($2,047,000)	($1,977,000)	($1,908,000)	($2,000,000)	($1,936,000)	($1,877,000)
H. (Less) Replacement Reserves $250 /Unit/Year	($68,250)	($68,250)	($92,000)	($87,000)	($92,000)	($92,000)	($92,000)	($92,000)	($92,000)	($92,000)
I. Net Operating Income	$6,301,750	$6,103,750	$8,720,000	$8,018,000	$8,452,000	$8,164,000	$7,875,000	$8,258,000	$7,993,000	$7,747,000
II. Residual Land Value - Low Capitalization Rate										
A. Net Operating Income	$6,301,750	$6,103,750	$8,720,000	$8,018,000	$8,452,000	$8,164,000	$7,875,000	$8,258,000	$7,993,000	$7,747,000
B. Capitalization Rate	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
C. Capitalized Value Upon Completion	$148,276,000	$143,618,000	$205,176,000	$188,659,000	$198,871,000	$192,094,000	$185,294,000	$194,306,000	$188,071,000	$182,282,000
D. (Less) Cost of Sale 3.0% of Value	($4,448,000)	($4,309,000)	($6,155,000)	($5,660,000)	($5,966,000)	($5,763,000)	($5,559,000)	($5,829,000)	($5,642,000)	($5,468,000)
E. (Less Developer Profit 10.0% of Value	($14,828,000)	($14,362,000)	($20,518,000)	($18,866,000)	($19,887,000)	($19,209,000)	($18,529,000)	($19,431,000)	($18,807,000)	($18,228,000)
F. Net Sales Proceeds	$129,000,000	$124,947,000	$178,503,000	$164,133,000	$173,018,000	$167,122,000	$161,206,000	$169,046,000	$163,622,000	$158,586,000
G. (Less) Development Costs	($91,512,000)	($91,512,000)	($130,655,000)	($125,620,000)	($130,655,000)	($130,655,000)	($130,655,000)	($130,655,000)	($130,655,000)	($130,655,000)
H. Residual Land Value	**$37,488,000**	**$33,435,000**	**$47,848,000**	**$38,513,000**	**$42,363,000**	**$36,467,000**	**$30,551,000**	**$38,391,000**	**$32,967,000**	**$27,931,000**
Per Unit	**$137,000**	**$122,000**	**$130,000**	**$110,000**	**$115,000**	**$99,000**	**$83,000**	**$104,000**	**$89,000**	**$76,000**
Per SF	**$95**	**$84**	**$121**	**$97**	**$107**	**$92**	**$77**	**$97**	**$83**	**$70**
III. Residual Land Value - High Capitalization Rate										
A. Net Operating Income	$6,301,750	$6,103,750	$8,720,000	$8,018,000	$8,452,000	$8,164,000	$7,875,000	$8,258,000	$7,993,000	$7,747,000
B. Capitalization Rate	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
C. Capitalized Value Upon Completion	$132,668,000	$128,500,000	$183,579,000	$168,800,000	$177,937,000	$171,874,000	$165,789,000	$173,853,000	$168,274,000	$163,095,000
D. (Less) Cost of Sale 3.0% of Value	($3,980,000)	($3,855,000)	($5,507,000)	($5,064,000)	($5,338,000)	($5,156,000)	($4,974,000)	($5,216,000)	($5,048,000)	($4,893,000)
E. (Less Developer Profit 10.0% of Value	($13,267,000)	($12,850,000)	($18,358,000)	($16,880,000)	($17,794,000)	($17,187,000)	($16,579,000)	($17,385,000)	($16,827,000)	($16,310,000)
F. Net Sales Proceeds	$115,421,000	$111,795,000	$159,714,000	$146,856,000	$154,805,000	$149,531,000	$144,236,000	$151,252,000	$146,399,000	$141,892,000
G. (Less) Development Costs	($91,512,000)	($91,512,000)	($130,655,000)	($125,620,000)	($130,655,000)	($130,655,000)	($130,655,000)	($130,655,000)	($130,655,000)	($130,655,000)
H. Residual Land Value	**$23,909,000**	**$20,283,000**	**$29,059,000**	**$21,236,000**	**$24,150,000**	**$18,876,000**	**$13,581,000**	**$20,597,000**	**$15,744,000**	**$11,237,000**
Per Unit	**$88,000**	**$74,000**	**$79,000**	**$61,000**	**$65,000**	**$51,000**	**$37,000**	**$56,000**	**$43,000**	**$30,000**
Per SF	**$60**	**$51**	**$73**	**$54**	**$61**	**$48**	**$34**	**$52**	**$40**	**$28**

Residual Land Value @ 100% Market	$41,457,000
Per Unit	$152,000
Per SF	$105

(1) Based on capitalized income approach; assumes a 4.5% capitalization rate and 1.09% tax rate.

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Encinitas_Feasibility Analysis_v6 - Scenario #2_v5;12/2/2019;sjx

ATTACHMENT 2.J

Jackel Property
Stacked Flats with Tuck-Under/Podium Parking

TABLE 2.J-1

ESTIMATE OF GROSS ANNUAL RENTAL INCOME
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Stacked Flats with Tuck-under/Podium Parking									
	Upzone Scenario without Density Bonus		Upzone Scenario with Density Bonus		Very Low			Low		
	10% @ Very Low No Density Bonus	*15% @ Low No Density Bonus*	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Inclusionary Housing										
A. Site Area (Residential)	*1.3 Acres*	*1.3 Acres*	1.3 Acres	1.3 Acres	1.3 Acres	1.3 Acres	1.3 Acres	1.3 Acres	1.3 Acres	1.3 Acres
B. Density	*30.0 Units/Acre*	*30.0 Units/Acre*	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre
C. Number of Units (1)	*39 Units*	*39 Units*	39 Units	39 Units	39 Units	39 Units	39 Units	39 Units	39 Units	39 Units
D. Inclusionary Set-aside	*10% Very Low*	*15% Low*	10% Very Low	15% Low	15% Very Low	20% Very Low	25% Very Low	20% Low	25% Low	30% Low
E. Affordable Units (2)	*4 Units*	*6 Units*	4 Units	6 Units	6 Units	8 Units	10 Units	8 Units	10 Units	12 Units
II. Density Bonus										
A. Actual % of Affordable Units			10.3% Very Low	15.4% Low	15.4% Very Low	20.5% Very Low	25.6% Very Low	20.5% Low	25.6% Low	30.8% Low
B. Density Bonus			35.0%	27.5%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
C. Density with Bonus			40.4 Units/Acre	38.1 Units/Acre	40.4 Units/Acre	40.4 Units/Acre	40.4 Units/Acre	40.4 Units/Acre	40.4 Units/Acre	40.4 Units/Acre
D. Number of Units with Density Bonus (3)			53 Units	50 Units	53 Units	53 Units	53 Units	53 Units	53 Units	53 Units
E. Parking Spaces 2.0 Spaces/Unit			106 Spaces	100 Spaces	106 Spaces	106 Spaces	106 Spaces	106 Spaces	106 Spaces	106 Spaces
III. Affordability Mix										
A. Very Low	*4 Units 10%*	*0 Units 0%*	4 Units 8%	0 Units 0%	6 Units 11%	8 Units 15%	10 Units 19%	0 Units 0%	0 Units 0%	0 Units 0%
B. Low	*0 Units 0%*	*6 Units 15%*	0 Units 0%	6 Units 12%	0 Units 0%	0 Units 0%	0 Units 0%	8 Units 15%	10 Units 19%	12 Units 23%
C. Market-Rate	*35 Units 90%*	*33 Units 85%*	49 Units 92%	44 Units 88%	47 Units 89%	45 Units 85%	43 Units 81%	45 Units 85%	43 Units 81%	41 Units 77%
D. Total	*39 Units 100%*	*39 Units 100%*	53 Units 100%	50 Units 100%	53 Units 100%	53 Units 100%	53 Units 100%	53 Units 100%	53 Units 100%	53 Units 100%
IV. Estimate of Annual Gross Rental Income										
A. Affordable Units										
Very Low @ $836 /Month	*$40,000*	*$0*	$40,000	$0	$60,000	$80,000	$100,000	$0	$0	$0
Low @ $1,022 /Month	*$0*	*$74,000*	$0	$74,000	$0	$0	$0	$98,000	$123,000	$147,000
Total Affordable Units	*$40,000*	*$74,000*	$40,000	$74,000	$60,000	$80,000	$100,000	$98,000	$123,000	$147,000
B. Market-Rate Units										
Unit Size	800 *SF*	*800 SF*	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF
Rent/SF	*$3.85 /SF*	*$3.85 /SF*	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF
Rent/Unit	*$3,080 /Month*	*$3,080 /Month*	$3,080 /Month	$3,080 /Month	$3,080 /Month	$3,080 /Month	$3,080 /Month	$3,080 /Month	$3,080 /Month	$3,080 /Month
Total Anuual Rent	*$1,294,000*	*$1,220,000*	$1,811,000	$1,626,000	$1,737,000	$1,663,000	$1,589,000	$1,663,000	$1,589,000	$1,515,000
C. Total Annual Rental Income	***$1,334,000***	***$1,294,000***	**$1,851,000**	**$1,700,000**	**$1,797,000**	**$1,743,000**	**$1,689,000**	**$1,761,000**	**$1,712,000**	**$1,662,000**
Per Unit	***$34,000***	***$33,000***	**$35,000**	**$34,000**	**$34,000**	**$33,000**	**$32,000**	**$33,000**	**$32,000**	**$31,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 2.J-2

ESTIMATE OF DEVELOPMENT COSTS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A/B	C	D	E	F	G	H	I	J
	Stacked Flats with Tuck-under/Podium Parking								
		Base Case with Density Bonus		Very Low			Low		
	Upzone Scenario without Density Bonus	10% @ Very Low	15% @ Low	15% @ Very Low	20% @ Very Low	25% @ Very Low	20% @ Low	25% @ Low	30% @ Low
I. Project Description									
Site Area	*3.0 Acres*	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres
Average Unit Size	*800 SF*	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF
Number of Units	*39 Units*	53 Units	50 Units	53 Units	53 Units	53 Units	53 Units	53 Units	53 Units
Number of Rooms	*30 Rooms*	30 Rooms	30 Rooms	30 Rooms	30 Rooms	30 Rooms	30 Rooms	30 Rooms	30 Rooms
Gross Building Area (GBA)									
Residential (1)	*37,000 SF*	50,000 SF	47,000 SF	50,000 SF	50,000 SF	50,000 SF	50,000 SF	50,000 SF	50,000 SF
Hotel	*17,250 SF*	17,250 SF	17,250 SF	17,250 SF	17,250 SF	17,250 SF	17,250 SF	17,250 SF	17,250 SF
Commercial	*5,000 SF*	5,000 SF	5,000 SF	5,000 SF	5,000 SF	5,000 SF	5,000 SF	5,000 SF	5,000 SF
Total GBA	*59,250 SF*	72,250 SF	69,250 SF	72,250 SF	72,250 SF	72,250 SF	72,250 SF	72,250 SF	72,250 SF
Parking									
Surface	*88 Spaces*	88 Spaces	88 Spaces	88 Spaces	88 Spaces	88 Spaces	88 Spaces	88 Spaces	88 Spaces
Tuck-Under/Podium	*78 Spaces*	106 Spaces	100 Spaces	106 Spaces	106 Spaces	106 Spaces	106 Spaces	106 Spaces	106 Spaces
Total Spaces	*166 Spaces*	194 Spaces	188 Spaces	194 Spaces	194 Spaces	194 Spaces	194 Spaces	194 Spaces	194 Spaces
II. Development Costs									
A. Direct Costs									
Site Improvements (2)	*$1,941,000 $15 /SF Site Area*	$1,941,000 $15 /SF Site Area	$1,941,000 $15 /SF Site Area	$1,941,000 $15 /SF Site Area	$1,941,000 $15 /SF Site Area	$1,941,000 $15 /SF Site Area	$1,941,000 $15 /SF Site Area	$1,941,000 $15 /SF Site Area	$1,941,000 $15 /SF Site Area
Parking - Tuck-Under/Podium	*$1,560,000 $20,000 /Space*	$2,650,000 $25,000 /Space	$2,500,000 $25,000 /Space	*$2,650,000 $25,000 /Space*	$2,650,000 $25,000 /Space	$2,650,000 $25,000 /Space	$2,650,000 $25,000 /Space	$2,650,000 $25,000 /Space	$2,650,000 $25,000 /Space
Shell Construction - Residential	*$6,475,000 $175 /SF GBA*	$9,250,000 $185 /SF GBA	$8,695,000 $185 /SF GBA	$9,250,000 $185 /SF GBA	$9,250,000 $185 /SF GBA	$9,250,000 $185 /SF GBA	$9,250,000 $185 /SF GBA	$9,250,000 $185 /SF GBA	$9,250,000 $185 /SF GBA
Shell Construction - Hotel	*$3,623,000 $210 /SF GBA*	$3,623,000 $210 /SF GBA	$3,623,000 $210 /SF GBA	*$3,623,000 $210 /SF GBA*	*$3,623,000 $210 /SF GBA*	*$3,623,000 $210 /SF GBA*	*$3,623,000 $210 /SF GBA*	*$3,623,000 $210 /SF GBA*	*$3,623,000 $210 /SF GBA*
Shell Construction - Commercial	*$800,000 $160 /SF GBA*	$800,000 $160 /SF GBA	$800,000 $160 /SF GBA	*$800,000 $160 /SF GBA*	*$800,000 $160 /SF GBA*	*$800,000 $160 /SF GBA*	*$800,000 $160 /SF GBA*	*$800,000 $160 /SF GBA*	*$800,000 $160 /SF GBA*
Tenant Improvements	*$250,000 $50 /SF GBA*	$250,000 $50 /SF GBA	$250,000 $50 /SF GBA	*$250,000 $50 /SF GBA*	*$250,000 $50 /SF GBA*	*$250,000 $50 /SF GBA*	*$250,000 $50 /SF GBA*	*$250,000 $50 /SF GBA*	*$250,000 $50 /SF GBA*
FF&E	*$750,000 $25,000 /Room*	$750,000 $25,000 /Room	$750,000 $25,000 /Room	$750,000 $25,000 /Room	$750,000 $25,000 /Room	$750,000 $25,000 /Room	$750,000 $25,000 /Room	$750,000 $25,000 /Room	$750,000 $25,000 /Room
Amenities	*$150,000 $5,000 /Room*	$150,000 $5,000 /Room	$150,000 $5,000 /Room	$150,000 $5,000 /Room	$150,000 $5,000 /Room	$150,000 $5,000 /Room	$150,000 $5,000 /Room	$150,000 $5,000 /Room	$150,000 $5,000 /Room
Other/Contingency	*$1,555,000 10% of Directs*	$1,941,000 10.0% of Directs	$1,871,000 10.0% of Directs	$1,941,000 10.0% of Directs	$1,941,000 10.0% of Directs	$1,941,000 10.0% of Directs	$1,941,000 10.0% of Directs	$1,941,000 10.0% of Directs	*$1,941,000* 10.0% of Directs
Total Direct Costs	*$17,104,000 $289 /SF GBA*	$21,355,000 $296 /SF GBA	$20,580,000 $297 /SF GBA	$21,355,000 *$296* /SF GBA	$21,355,000 *$296* /SF GBA	$21,355,000 *$296* /SF GBA	$21,355,000 *$296* /SF GBA	$21,355,000 *$296* /SF GBA	$21,355,000 *$296* /SF GBA
Per Unit	*$439,000*	$403,000	$412,000	$403,000	$403,000	$403,000	$403,000	$403,000	$403,000
B. Indirect Costs									
Permits & Fees - Residential (2)	*$780,000 $20,000 /Unit*	$1,060,000 $20,000 /Unit	$1,000,000 $20,000 /Unit	$1,060,000 $20,000 /SF GBA	$1,060,000 $20,000 /Unit	$1,060,000 $20,000 /Unit	$1,060,000 $20,000 /Unit	$1,060,000 $20,000 /Unit	$1,060,000 $20,000 /Unit
Permits & Fees - Hotel/Comm. (2)	*$223,000 $10 /SF*	$223,000 $10 /SF	$223,000 $10 /SF	$223,000 $10 /SF	$223,000 $10 /SF	$223,000 $10 /SF	$223,000 $10 /SF	$223,000 $10 /SF	$223,000 $10 /SF
Developer Fee	*$684,000 4% of Directs*	$854,000 4.0% of Directs	$823,000 4.0% of Directs	$854,000 4.0% of Directs	$854,000 4.0% of Directs	$854,000 4.0% of Directs	$854,000 4.0% of Directs	$854,000 4.0% of Directs	$854,000 4.0% of Directs
Other Indirects	*$2,566,000 15% of Directs*	$3,203,000 15.0% of Directs	$3,087,000 15.0% of Directs	$3,203,000 15.0% of Directs	$3,203,000 15.0% of Directs	$3,203,000 15.0% of Directs	$3,203,000 15.0% of Directs	$3,203,000 15.0% of Directs	$3,203,000 15.0% of Directs
Total Indirect Costs	*$4,253,000 25% of Directs*	$5,340,000 25.0% of Directs	$5,133,000 24.9% of Directs	$5,340,000 25.0% of Directs	$5,340,000 25.0% of Directs	$5,340,000 25.0% of Directs	$5,340,000 25.0% of Directs	$5,340,000 25.0% of Directs	$5,340,000 25.0% of Directs
C. Financing Costs	*$1,283,000 7.5% of Directs*	$1,602,000 7.5% of Directs	$1,544,000 7.5% of Directs	$1,602,000 7.5% of Directs	$1,602,000 7.5% of Directs	$1,602,000 7.5% of Directs	$1,602,000 7.5% of Directs	$1,602,000 7.5% of Directs	$1,602,000 7.5% of Directs
D. Total Development Costs	***$22,640,000 $382 /SF GBA***	**$28,297,000 *$392* /SF GBA**	**$27,257,000 *$394* /SF GBA**	**$28,297,000 *$392* /SF GBA**	**$28,297,000 *$392* /SF GBA**	**$28,297,000 *$392* /SF GBA**	**$28,297,000 *$392* /SF GBA**	**$28,297,000 *$392* /SF GBA**	**$28,297,000 *$392* /SF GBA**
Per Unit	***$581,000***	**$534,000**	**$545,000**	**$534,000**	**$534,000**	**$534,000**	**$534,000**	**$534,000**	**$534,000**

(1) Assumes efficiency factor of 85% net residential; 15% circulation/common area.
(2) Estimate, not verified by KMA or City of Encinitas.

TABLE 2.J-3

NET SALES PROCEEDS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

		A	B	C	D	E	F	G	H	I	J
		Stacked Flats with Tuck-under/Podium Parking									
		Upzone Scenario without Density Bonus		Upzone Scenario w/Density Bonus		Very Low			Low		
		10% @ Very Low No Density Bonus	15% @ Low No Density Bonus	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Net Operating Income - Residential											
A. Gross Rental Income		$1,334,000	$1,294,000	$1,851,000	$1,700,000	$1,797,000	$1,743,000	$1,689,000	$1,761,000	$1,712,000	$1,662,000
B. Other Income	$125 /Unit/Month	$59,000	$59,000	$80,000	$75,000	$80,000	$80,000	$80,000	$80,000	$80,000	$80,000
C. Gross Scheduled Income (GSI)		$1,393,000	$1,353,000	$1,931,000	$1,775,000	$1,877,000	$1,823,000	$1,769,000	$1,841,000	$1,792,000	$1,742,000
D. (Less) Vacancy	5.0% of GSI	($70,000)	($68,000)	($97,000)	($89,000)	($94,000)	($91,000)	($88,000)	($92,000)	($90,000)	($87,000)
E. Effective Gross Income		$1,323,000	$1,285,000	$1,834,000	$1,686,000	$1,783,000	$1,732,000	$1,681,000	$1,749,000	$1,702,000	$1,655,000
F. (Less) Operating Expenses	$5,000 /Unit/Year	($195,000)	($195,000)	($265,000)	($250,000)	($265,000)	($265,000)	($265,000)	($265,000)	($265,000)	($265,000)
G. (Less) Property Taxes (1)		($218,000)	($210,000)	($303,000)	($277,000)	($293,000)	($283,000)	($273,000)	($287,000)	($278,000)	($268,000)
H. (Less) Replacement Reserves	$250 /Unit/Year	($10,000)	($10,000)	($13,000)	($13,000)	($13,000)	($13,000)	($13,000)	($13,000)	($13,000)	($13,000)
I. Net Operating Income		$900,000	$870,000	$1,253,000	$1,146,000	$1,212,000	$1,171,000	$1,130,000	$1,184,000	$1,146,000	$1,109,000
II. Net Sales Proceeds - Residential - Low Capitalization Rate											
A. Net Operating Income		$900,000	$870,000	$1,253,000	$1,146,000	$1,212,000	$1,171,000	$1,130,000	$1,184,000	$1,146,000	$1,109,000
B. Capitalization Rate		4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
C. Capitalized Value Upon Completion		$21,176,000	$20,471,000	$29,482,000	$26,965,000	$28,518,000	$27,553,000	$26,588,000	$27,859,000	$26,965,000	$26,094,000
D. (Less) Cost of Sale	3.0% of Value	($635,000)	($614,000)	($884,000)	($809,000)	($856,000)	($827,000)	($798,000)	($836,000)	($809,000)	($783,000)
E. (Less Developer Profit	10.0% of Value	($2,118,000)	($2,047,000)	($2,948,000)	($2,697,000)	($2,852,000)	($2,755,000)	($2,659,000)	($2,786,000)	($2,697,000)	($2,609,000)
F. Net Sales Proceeds		$18,423,000	$17,810,000	$25,650,000	$23,459,000	$24,810,000	$23,971,000	$23,131,000	$24,237,000	$23,459,000	$22,702,000
III. Net Sales Proceeds - Residential - High Capitalization Rate											
A. Net Operating Income		$900,000	$870,000	$1,253,000	$1,146,000	$1,212,000	$1,171,000	$1,130,000	$1,184,000	$1,146,000	$1,109,000
B. Capitalization Rate		4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
C. Capitalized Value Upon Completion		$18,947,000	$18,316,000	$26,379,000	$24,126,000	$25,516,000	$24,653,000	$23,789,000	$24,926,000	$24,126,000	$23,347,000
D. (Less) Cost of Sale	3.0% of Value	($568,000)	($549,000)	($791,000)	($724,000)	($765,000)	($740,000)	($714,000)	($748,000)	($724,000)	($700,000)
E. (Less Developer Profit	10.0% of Value	($1,895,000)	($1,832,000)	($2,638,000)	($2,413,000)	($2,552,000)	($2,465,000)	($2,379,000)	($2,493,000)	($2,413,000)	($2,335,000)
F. Net Sales Proceeds		$16,484,000	$15,935,000	$22,950,000	$20,989,000	$22,199,000	$21,448,000	$20,696,000	$21,685,000	$20,989,000	$20,312,000

(1) Based on capitalized income approach; assumes a 4.5% capitalization rate and 1.09% tax rate.

TABLE 2.J-3

NET SALES PROCEEDS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Stacked Flats with Tuck-under/Podium Parking									
	Upzone Scenario without Density Bonus		Upzone Scenario w/Density Bonus		Very Low			Low		
	10% @ Very Low No Density Bonus	15% @ Low No Density Bonus	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
IV. Warranted Investment - Hotel										
A. Room Revenue	30 Rooms	30 Rooms	*30 Rooms*	*30 Rooms*	*30 Rooms*	*30 Rooms*	*30 Rooms*	*30 Rooms*	*30 Rooms*	*30 Rooms*
Average Daily Rate (ADR)	$200	$200	*$200*	*$200*	*$200*	*$200*	*$200*	*$200*	*$200*	*$200*
Occupancy	82.0%	82.0%	*82.0%*	*82.0%*	*82.0%*	*82.0%*	*82.0%*	*82.0%*	*82.0%*	*82.0%*
Annual Room Revenue - Hotel	$1,796,000	$1,796,000	*$1,796,000*	*$1,796,000*	*$1,796,000*	*$1,796,000*	*$1,796,000*	*$1,796,000*	*$1,796,000*	*$1,796,000*
B. Food & Beverage 10%	$180,000	$180,000	*$180,000*	*$180,000*	*$180,000*	*$180,000*	*$180,000*	*$180,000*	*$180,000*	*$180,000*
C. Other Operated Departments Revenue 5.0%	$90,000	$90,000	*$90,000*	*$90,000*	*$90,000*	*$90,000*	*$90,000*	*$90,000*	*$90,000*	*$90,000*
D. Effective Parking Revenue 38 Spaces *$300*	$135,000	$135,000	*$135,000*	*$135,000*	*$135,000*	*$135,000*	*$135,000*	*$135,000*	*$135,000*	*$135,000*
E. Effective Gross Income (EGI)	$2,201,000	$2,201,000	*$2,201,000*	*$2,201,000*	*$2,201,000*	*$2,201,000*	*$2,201,000*	*$2,201,000*	*$2,201,000*	*$2,201,000*
F. (Less) Operating Expenses *65% of EGI*	($1,431,000)	($1,431,000)	*($1,431,000)*	*($1,431,000)*	*($1,431,000)*	*($1,431,000)*	*($1,431,000)*	*($1,431,000)*	*($1,431,000)*	*($1,431,000)*
G. Net Operating Income (NOI)	$770,000	$770,000	*$770,000*	*$770,000*	*$770,000*	*$770,000*	*$770,000*	*$770,000*	*$770,000*	*$770,000*
H. Capitalization Rate	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
I. Capitalized Value Upon Completion	$11,000,000	$11,000,000	$11,000,000	$11,000,000	$11,000,000	$11,000,000	$11,000,000	$11,000,000	$11,000,000	$11,000,000
J. (Less) Cost of Sale 3.0% of Value	($330,000)	($330,000)	($330,000)	($330,000)	($330,000)	($330,000)	($330,000)	($330,000)	($330,000)	($330,000)
K. (Less) Developer Profit 10.0% of Value	($1,100,000)	($1,100,000)	($1,100,000)	($1,100,000)	($1,100,000)	($1,100,000)	($1,100,000)	($1,100,000)	($1,100,000)	($1,100,000)
L. Warranted Investment - Hotel	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000
V. Warranted Investment - Commercial										
A. Commercial Revenue	5,000 SF	5,000 SF	*5,000 SF*	*5,000 SF*	*5,000 SF*	*5,000 SF*	*5,000 SF*	*5,000 SF*	*5,000 SF*	*5,000 SF*
Monthly Rent	$4.00/SF NNN	$4.00/SF NNN	*$4.00/SF NNN*	*$4.00/SF NNN*	*$4.00/SF NNN*	*$4.00/SF NNN*	*$4.00/SF NNN*	*$4.00/SF NNN*	*$4.00/SF NNN*	*$4.00/SF NNN*
Annual Revenue - Commercial	$240,000	$240,000	*$210,000*	*$210,000*	*$210,000*	*$210,000*	*$210,000*	*$210,000*	*$210,000*	*$210,000*
(Less) Vacancy @	10.0% ($24,000)	10.0% ($24,000)	*10.0% ($21,000)*	*10.0% ($21,000)*	*10.0% ($21,000)*	*10.0% ($21,000)*	*10.0% ($21,000)*	*10.0% ($21,000)*	*10.0% ($21,000)*	*10.0% ($21,000)*
Effective Gross Income - Commercial	$216,000	$216,000	*$189,000*	*$189,000*	*$189,000*	*$189,000*	*$189,000*	*$189,000*	*$189,000*	*$189,000*
B. (Less)Unreimbursed Expenses	5.0% ($11,000)	5.0% ($11,000)	*5.0% ($9,000)*	*5.0% ($9,000)*	*5.0% ($9,000)*	*5.0% ($9,000)*	*5.0% ($9,000)*	*5.0% ($9,000)*	*5.0% ($9,000)*	*5.0% ($9,000)*
C. Net Operating Income (NOI)	$205,000	$205,000	$180,000	$180,000	$180,000	$180,000	$180,000	$180,000	$180,000	$180,000
D. Capitalization Rate	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
E. Capitalized Value Upon Completion	$3,154,000	$3,154,000	$2,769,000	$2,769,000	$2,769,000	$2,769,000	$2,769,000	$2,769,000	$2,769,000	$2,769,000
F. (Less) Cost of Sale 3.0% of Value	($95,000)	($95,000)	($83,000)	($83,000)	($83,000)	($83,000)	($83,000)	($83,000)	($83,000)	($83,000)
G. (Less) Developer Profit 10.0% of Value	($315,000)	($315,000)	($277,000)	($277,000)	($277,000)	($277,000)	($277,000)	($277,000)	($277,000)	($277,000)
I. Warranted Investment - Commercial	$2,744,000	$2,744,000	$2,409,000	$2,409,000	$2,409,000	$2,409,000	$2,409,000	$2,409,000	$2,409,000	$2,409,000

TABLE 2.J-4

ESTIMATE OF RESIDUAL LAND VALUE
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Stacked Flats with Tuck-under/Podium Parking									
	Upzone Scenario without Density Bonus		Upzone Scenario w/Density Bonus		Very Low			Low		
	10% @ Very Low No Density Bonus	15% @ Low No Density Bonus	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Residual Land Value - Low Capitalization Rate										
A. Net Sales Proceeds - Residential	$18,423,000	$17,810,000	$25,650,000	$23,459,000	$24,810,000	$23,971,000	$23,131,000	$24,237,000	$23,459,000	$22,702,000
B. Warranted Investment - Hotel	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000
C. Warranted Investment - Commercial	$2,744,000	$2,744,000	$2,409,000	$2,409,000	$2,409,000	$2,409,000	$2,409,000	$2,409,000	$2,409,000	$2,409,000
D. Total Warranted Investment	$30,737,000	$30,124,000	$37,629,000	$35,438,000	$36,789,000	$35,950,000	$35,110,000	$36,216,000	$35,438,000	$34,681,000
E. (Less) Development Costs	($22,640,000)	($22,640,000)	($28,297,000)	($27,257,000)	($28,297,000)	($28,297,000)	($28,297,000)	($28,297,000)	($28,297,000)	($28,297,000)
H. Residual Land Value	**$8,097,000**	**$7,484,000**	**$9,332,000**	**$8,181,000**	**$8,492,000**	**$7,653,000**	**$6,813,000**	**$7,919,000**	**$7,141,000**	**$6,384,000**
Per Unit	**$208,000**	**$192,000**	**$176,000**	**$164,000**	**$160,000**	**$144,000**	**$129,000**	**$149,000**	**$135,000**	**$120,000**
Per SF	**$63**	**$58**	**$72**	**$63**	**$66**	**$59**	**$53**	**$61**	**$55**	**$49**
II. Residual Land Value - High Capitalization Rate										
A. Net Sales Proceeds - Residential	$16,484,000	$15,935,000	$22,950,000	$20,989,000	$22,199,000	$21,448,000	$20,696,000	$21,685,000	$20,989,000	$20,312,000
B. Warranted Investment - Hotel	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000
C. Warranted Investment - Commercial	$2,744,000	$2,744,000	$2,409,000	$2,409,000	$2,409,000	$2,409,000	$2,409,000	$2,409,000	$2,409,000	$2,409,000
D. Total Warranted Investment	$28,798,000	$28,249,000	$34,929,000	$32,968,000	$34,178,000	$33,427,000	$32,675,000	$33,664,000	$32,968,000	$32,291,000
G. (Less) Development Costs	($22,640,000)	($22,640,000)	($28,297,000)	($27,257,000)	($28,297,000)	($28,297,000)	($28,297,000)	($28,297,000)	($28,297,000)	($28,297,000)
H. Residual Land Value	**$6,158,000**	**$5,609,000**	**$6,632,000**	**$5,711,000**	**$5,881,000**	**$5,130,000**	**$4,378,000**	**$5,367,000**	**$4,671,000**	**$3,994,000**
Per Unit	**$158,000**	**$144,000**	**$125,000**	**$114,000**	**$111,000**	**$97,000**	**$83,000**	**$101,000**	**$88,000**	**$75,000**
Per SF	**$48**	**$43**	**$51**	**$44**	**$45**	**$40**	**$34**	**$41**	**$36**	**$31**

Residual Land Value @ 100% Market	$8,664,000
Per Unit	$222,000
Per SF	$151

ATTACHMENT 2.K

Sunshine Gardens
Stacked Flats with Tuck-under/Podium Parking

TABLE 2.K-1

ESTIMATE OF GROSS ANNUAL RENTAL INCOME
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Stacked Flats with Tuck-under/Podium Parking									
	Upzone Scenario without Density Bonus		**Upzone Scenario with Density Bonus**		**Very Low**			**Low**		
	10% @ Very Low No Density Bonus	***15% @ Low No Density Bonus***	**10% @ Very Low with Density Bonus**	**15% @ Low with Density Bonus**	**15% @ Very Low with Density Bonus**	**20% @ Very Low with Density Bonus**	**25% @ Very Low with Density Bonus**	**20% @ Low with Density Bonus**	**25% @ Low with Density Bonus**	**30% @ Low with Density Bonus**
I. Inclusionary Housing										
A. Site Area	*3.4 Acres*	*3.4 Acres*	3.4 Acres	3.4 Acres	3.4 Acres	3.4 Acres	3.4 Acres	3.4 Acres	3.4 Acres	3.4 Acres
B. Density	*30.0 Units/Acre*	*30.0 Units/Acre*	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre
C. Number of Units (1)	*101 Units*	*101 Units*	101 Units	101 Units	101 Units	101 Units	101 Units	101 Units	101 Units	101 Units
D. Inclusionary Set-aside	*10% Very Low*	*15% Low*	10% Very Low	15% Low	15% Very Low	20% Very Low	25% Very Low	20% Low	25% Low	30% Low
E. Affordable Units (2)	*11 Units*	*16 Units*	11 Units	16 Units	16 Units	21 Units	26 Units	21 Units	26 Units	31 Units
II. Density Bonus										
A. Actual % of Affordable Units			10.9% Very Low	15.8% Low	15.8% Very Low	20.8% Very Low	25.7% Very Low	20.8% Low	25.7% Low	30.7% Low
B. Density Bonus			35.0%	27.5%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
C. Density with Bonus			40.4 Units/Acre	38.1 Units/Acre	40.4 Units/Acre	40.4 Units/Acre	40.4 Units/Acre	40.4 Units/Acre	40.4 Units/Acre	40.4 Units/Acre
D. Number of Units with Density Bonus (3)			137 Units	129 Units	137 Units	137 Units	137 Units	137 Units	137 Units	137 Units
E. Parking Spaces 2.0 Spaces/Unit			274 Spaces	258 Spaces	274 Spaces	274 Spaces	274 Spaces	274 Spaces	274 Spaces	274 Spaces
III. Affordability Mix										
A. Very Low	*11 Units 11%*	*0 Units 0%*	11 Units 8%	0 Units 0%	16 Units 12%	21 Units 15%	26 Units 19%	0 Units 0%	0 Units 0%	0 Units 0%
B. Low	*0 Units 0%*	*16 Units 16%*	0 Units 0%	16 Units 12%	0 Units 0%	0 Units 0%	0 Units 0%	21 Units 15%	26 Units 19%	31 Units 23%
C. Market-Rate	*90 Units 89%*	*85 Units 84%*	126 Units 92%	113 Units 88%	121 Units 88%	116 Units 85%	111 Units 81%	116 Units 85%	111 Units 81%	106 Units 77%
D. Total	*101 Units 100%*	*101 Units 100%*	137 Units 100%	129 Units 100%	137 Units 100%	137 Units 100%	137 Units 100%	137 Units 100%	137 Units 100%	137 Units 100%
IV. Estimate of Annual Gross Rental Income										
A. Affordable Units										
Very Low @ $836 /Month	*$110,000*	*$0*	$110,000	$0	$161,000	$211,000	$261,000	$0	$0	$0
Low @ $1,022 /Month	*$0*	*$196,000*	$0	$196,000	$0	$0	$0	$258,000	$319,000	$380,000
Total Affordable Units	*$110,000*	*$196,000*	$110,000	$196,000	$161,000	$211,000	$261,000	$258,000	$319,000	$380,000
B. Market-Rate Units										
Unit Size	*800 SF*	*800 SF*	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF
Rent/SF	*$3.85 /SF*	*$3.85 /SF*	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF
Rent/Unit	*$3,080 /Month*	*$3,080 /Month*	$3,080 /Month	$3,080 /Month	$3,080 /Month	$3,080 /Month	$3,080 /Month	$3,080 /Month	$3,080 /Month	$3,080 /Month
Total Anuual Rent	*$3,326,400*	*$3,141,600*	$4,657,000	$4,176,000	$4,472,000	$4,287,000	$4,103,000	$4,287,000	$4,103,000	$3,918,000
C. Total Annual Rental Income	***$3,436,400***	***$3,337,600***	**$4,767,000**	**$4,372,000**	**$4,633,000**	**$4,498,000**	**$4,364,000**	**$4,545,000**	**$4,422,000**	**$4,298,000**
Per Unit	***$34,000***	***$33,000***	**$35,000**	**$34,000**	**$34,000**	**$33,000**	**$32,000**	**$33,000**	**$32,000**	**$31,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 2.K-2

ESTIMATE OF DEVELOPMENT COSTS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A/B	C	D	E	F	G	H	I	J
	Stacked Flats with Tuck-under/Podium Parking								
		Base Case with Density Bonus		**Very Low**			**Low**		
	Upzone Scenario without Density Bonus	**10% @ Very Low**	**15% @ Low**	**15% @ Very Low**	**20% @ Very Low**	**25% @ Very Low**	**20% @ Low**	**25% @ Low**	**30% @ Low**
I. Project Description									
Site Area	*3.4 Acres*	3.4 Acres	3.4 Acres	3.4 Acres	3.4 Acres	3.4 Acres	3.4 Acres	3.4 Acres	3.4 Acres
Average Unit Size	*800 SF*	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF
Gross Building Area (GBA) (1)	*95,000 SF*	129,000 SF	121,000 SF	129,000 SF	129,000 SF	129,000 SF	129,000 SF	129,000 SF	129,000 SF
Number of Units	*101 Units*	137 Units	129 Units	137 Units	137 Units	137 Units	137 Units	137 Units	137 Units
Parking	*202 Spaces*	274 Spaces	274 Spaces	274 Spaces	274 Spaces	274 Spaces	274 Spaces	274 Spaces	274 Spaces
II. Development Costs									
A. Direct Costs									
Site Improvements (2)	*$2,215,000 $15 /SF Site Area*	$2,215,000 $15 /SF Site Area	$2,215,000 $15 /SF Site Area	$2,215,000 $15 /SF Site Area	$2,215,000 $15 /SF Site Area	$2,215,000 $15 /SF Site Area	$2,215,000 $15 /SF Site Area	$2,215,000 $15 /SF Site Area	$2,215,000 $15 /SF Site Area
Parking	*$4,040,000 $20,000 /Space*	$6,850,000 $25,000 /Space	$6,850,000 $25,000 /Space	$6,850,000 $25,000 /Space	$6,850,000 $25,000 /Space	$6,850,000 $25,000 /Space	$6,850,000 $25,000 /Space	$6,850,000 $25,000 /Space	$6,850,000 $25,000 /Space
Shell Construction	*$16,625,000 $175 /SF GBA*	$23,865,000 $185 /SF GBA	$22,385,000 $185 /SF GBA	$23,865,000 $185 /SF GBA	$23,865,000 $185 /SF GBA	$23,865,000 $185 /SF GBA	$23,865,000 $185 /SF GBA	$23,865,000 $185 /SF GBA	$23,865,000 $185 /SF GBA
Other/Contingency	*$2,288,000 10% of Directs*	$3,293,000 10.0% of Directs	$3,145,000 10.0% of Directs	$3,293,000 10.0% of Directs	$3,293,000 10.0% of Directs	$3,293,000 10.0% of Directs	$3,293,000 10.0% of Directs	$3,293,000 10.0% of Directs	$3,293,000 10.0% of Directs
Total Direct Costs	*$25,168,000 $265 /SF GBA*	$36,223,000 $281 /SF GBA	$34,595,000 $286 /SF GBA	$36,223,000 $281 /SF GBA	$36,223,000 $281 /SF GBA	$36,223,000 $281 /SF GBA	$36,223,000 $281 /SF GBA	$36,223,000 $281 /SF GBA	$36,223,000 $281 /SF GBA
Per Unit	*$249,000*	$264,000	$268,000	$264,000	$264,000	$264,000	$264,000	$264,000	$264,000
B. Indirect Costs									
Permits & Fees (2)	*$2,020,000 $20,000 /Unit*	$2,740,000 $20,000 /Unit	$2,580,000 $20,000 /Unit	$2,740,000 $20,000 /SF GBA	$2,740,000 $20,000 /Unit	$2,740,000 $20,000 /Unit	$2,740,000 $20,000 /Unit	$2,740,000 $20,000 /Unit	$2,740,000 $20,000 /Unit
Developer Fee	*$1,007,000 4% of Directs*	$1,449,000 4.0% of Directs	$1,384,000 4.0% of Directs	$1,449,000 4.0% of Directs	$1,449,000 4.0% of Directs	$1,449,000 4.0% of Directs	$1,449,000 4.0% of Directs	$1,449,000 4.0% of Directs	$1,449,000 4.0% of Directs
Other Indirects	*$3,775,000 15% of Directs*	$5,433,000 15.0% of Directs	$5,189,000 15.0% of Directs	$5,433,000 15.0% of Directs	$5,433,000 15.0% of Directs	$5,433,000 15.0% of Directs	$5,433,000 15.0% of Directs	$5,433,000 15.0% of Directs	$5,433,000 15.0% of Directs
Total Indirect Costs	*$6,802,000 27% of Directs*	$9,622,000 26.6% of Directs	$9,153,000 26.5% of Directs	$9,622,000 26.6% of Directs	$9,622,000 26.6% of Directs	$9,622,000 26.6% of Directs	$9,622,000 26.6% of Directs	$9,622,000 26.6% of Directs	$9,622,000 26.6% of Directs
C. Financing Costs	*$1,888,000 7.5% of Directs*	$2,717,000 7.5% of Directs	$2,595,000 7.5% of Directs	$2,717,000 7.5% of Directs	$2,717,000 7.5% of Directs	$2,717,000 7.5% of Directs	$2,717,000 7.5% of Directs	$2,717,000 7.5% of Directs	$2,717,000 7.5% of Directs
D. Total Development Costs	***$33,858,000 $356 /SF GBA***	**$48,562,000 $376 /SF GBA**	**$46,343,000 $383 /SF GBA**	**$48,562,000 $376 /SF GBA**	**$48,562,000 $376 /SF GBA**	**$48,562,000 $376 /SF GBA**	**$48,562,000 $376 /SF GBA**	**$48,562,000 $376 /SF GBA**	**$48,562,000 $376 /SF GBA**
Per Unit	***$335,000***	**$354,000**	**$359,000**	**$354,000**	**$354,000**	**$354,000**	**$354,000**	**$354,000**	**$354,000**

(1) Assumes efficiency factor of 85% net residential; 15% circulation/common area.
(2) Estimate, not verified by KMA or City of Encinitas.

TABLE 2.K-3

ESTIMATE OF RESIDUAL LAND VALUE
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Stacked Flats with Tuck-under/Podium Parking									
	Upzone Scenario without Density Bonus		**Upzone Scenario w/Density Bonus**		**Very Low**			**Low**		
	10% @ Very Low No Density Bonus	**15% @ Very Low No Density Bonus**	**10% @ Very Low with Density Bonus**	**15% @ Low with Density Bonus**	**15% @ Very Low with Density Bonus**	**20% @ Very Low with Density Bonus**	**25% @ Very Low with Density Bonus**	**20% @ Low with Density Bonus**	**25% @ Low with Density Bonus**	**30% @ Low with Density Bonus**
I. Net Operating Income										
A. Gross Rental Income	$3,436,400	$3,337,600	$4,767,000	$4,372,000	$4,633,000	$4,498,000	$4,364,000	$4,545,000	$4,422,000	$4,298,000
B. Other Income $125 /Unit/Month	$152,000	$152,000	$206,000	$194,000	$206,000	$206,000	$206,000	$206,000	$206,000	$206,000
C. Gross Scheduled Income (GSI)	$3,588,400	$3,489,600	$4,973,000	$4,566,000	$4,839,000	$4,704,000	$4,570,000	$4,751,000	$4,628,000	$4,504,000
D. (Less) Vacancy 5.0% of GSI	($179,000)	($174,000)	($249,000)	($228,000)	($242,000)	($235,000)	($229,000)	($238,000)	($231,000)	($225,000)
E. Effective Gross Income	$3,409,400	$3,315,600	$4,724,000	$4,338,000	$4,597,000	$4,469,000	$4,341,000	$4,513,000	$4,397,000	$4,279,000
F. (Less) Operating Expenses $5,000 /Unit/Year	($505,000)	($505,000)	($685,000)	($645,000)	($685,000)	($685,000)	($685,000)	($685,000)	($685,000)	($685,000)
G. (Less) Property Taxes (1)	($561,000)	($543,000)	($781,000)	($714,000)	($756,000)	($731,000)	($706,000)	($740,000)	($717,000)	($694,000)
H. (Less) Replacement Reserves $250 /Unit/Year	($25,250)	($25,250)	($34,000)	($32,000)	($34,000)	($34,000)	($34,000)	($34,000)	($34,000)	($34,000)
I. Net Operating Income	$2,318,150	$2,242,350	$3,224,000	$2,947,000	$3,122,000	$3,019,000	$2,916,000	$3,054,000	$2,961,000	$2,866,000
II. Residual Land Value - Low Capitalization Rate										
A. Net Operating Income	$2,318,150	$2,242,350	$3,224,000	$2,947,000	$3,122,000	$3,019,000	$2,916,000	$3,054,000	$2,961,000	$2,866,000
B. Capitalization Rate	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
C. Capitalized Value Upon Completion	$54,545,000	$52,761,000	$75,859,000	$69,341,000	$73,459,000	$71,035,000	$68,612,000	$71,859,000	$69,671,000	$67,435,000
D. (Less) Cost of Sale 3.0% of Value	($1,636,000)	($1,583,000)	($2,276,000)	($2,080,000)	($2,204,000)	($2,131,000)	($2,058,000)	($2,156,000)	($2,090,000)	($2,023,000)
E. (Less Developer Profit 10.0% of Value	($5,455,000)	($5,276,000)	($7,586,000)	($6,934,000)	($7,346,000)	($7,104,000)	($6,861,000)	($7,186,000)	($6,967,000)	($6,744,000)
F. Net Sales Proceeds	$47,454,000	$45,902,000	$65,997,000	$60,327,000	$63,909,000	$61,800,000	$59,693,000	$62,517,000	$60,614,000	$58,668,000
G. (Less) Development Costs	($33,858,000)	($33,858,000)	($48,562,000)	($46,343,000)	($48,562,000)	($48,562,000)	($48,562,000)	($48,562,000)	($48,562,000)	($48,562,000)
H. Residual Land Value	**$13,596,000**	**$12,044,000**	**$17,435,000**	**$13,984,000**	**$15,347,000**	**$13,238,000**	**$11,131,000**	**$13,955,000**	**$12,052,000**	**$10,106,000**
Per Unit	**$135,000**	**$119,000**	**$127,000**	**$108,000**	**$112,000**	**$97,000**	**$81,000**	**$102,000**	**$88,000**	**$74,000**
Per SF	**$92**	**$82**	**$118**	**$95**	**$104**	**$90**	**$75**	**$95**	**$82**	**$68**
III. Residual Land Value - High Capitalization Rate										
A. Net Operating Income	$2,318,150	$2,242,350	$3,224,000	$2,947,000	$3,122,000	$3,019,000	$2,916,000	$3,054,000	$2,961,000	$2,866,000
B. Capitalization Rate	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
C. Capitalized Value Upon Completion	$48,803,000	$47,207,000	$67,874,000	$62,042,000	$65,726,000	$63,558,000	$61,389,000	$64,295,000	$62,337,000	$60,337,000
D. (Less) Cost of Sale 3.0% of Value	($1,464,000)	($1,416,000)	($2,036,000)	($1,861,000)	($1,972,000)	($1,907,000)	($1,842,000)	($1,929,000)	($1,870,000)	($1,810,000)
E. (Less Developer Profit 10.0% of Value	($4,880,000)	($4,721,000)	($6,787,000)	($6,204,000)	($6,573,000)	($6,356,000)	($6,139,000)	($6,430,000)	($6,234,000)	($6,034,000)
F. Net Sales Proceeds	$42,459,000	$41,070,000	$59,051,000	$53,977,000	$57,181,000	$55,295,000	$53,408,000	$55,936,000	$54,233,000	$52,493,000
G. (Less) Development Costs	($33,858,000)	($33,858,000)	($48,562,000)	($46,343,000)	($48,562,000)	($48,562,000)	($48,562,000)	($48,562,000)	($48,562,000)	($48,562,000)
H. Residual Land Value	**$8,601,000**	**$7,212,000**	**$10,489,000**	**$7,634,000**	**$8,619,000**	**$6,733,000**	**$4,846,000**	**$7,374,000**	**$5,671,000**	**$3,931,000**
Per Unit	**$85,000**	**$71,000**	**$77,000**	**$59,000**	**$63,000**	**$49,000**	**$35,000**	**$54,000**	**$41,000**	**$29,000**
Per SF	**$58**	**$49**	**$71**	**$52**	**$58**	**$46**	**$33**	**$50**	**$38**	**$27**

Residual Land Value @ 100% Market	$15,326,000
Per Unit	$152,000
Per SF	$104

(1) Based on capitalized income approach; assumes a 4.5% capitalization rate and 1.09% tax rate.

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Encinitas_Feasibility Analysis_v6 - Scenario #2_v5;12/2/2019;sjx

ATTACHMENT 2.L

Manchester Avenue West
Stacked Flats with Tuck-under/Podium Parking

TABLE 2.L-1

ESTIMATE OF GROSS ANNUAL RENTAL INCOME
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Stacked Flats with Tuck-under/Podium Parking									
	Upzone Scenario without Density Bonus		Upzone Scenario with Density Bonus		Very Low			Low		
	10% @ Very Low No Density Bonus	*15% @ Low No Density Bonus*	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Inclusionary Housing										
A. Site Area	*1.7 Acres*	*1.7 Acres*	1.7 Acres	1.7 Acres	1.7 Acres	1.7 Acres	1.7 Acres	1.7 Acres	1.7 Acres	1.7 Acres
B. Density	*30.0 Units/Acre*	*30.0 Units/Acre*	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre
C. Number of Units (1)	*50 Units*	*50 Units*	50 Units	50 Units	50 Units	50 Units	50 Units	50 Units	50 Units	50 Units
D. Inclusionary Set-aside	*10% Very Low*	*15% Low*	10% Very Low	15% Low	15% Very Low	20% Very Low	25% Very Low	20% Low	25% Low	30% Low
E. Affordable Units (2)	*5 Units*	*8 Units*	5 Units	8 Units	8 Units	10 Units	13 Units	10 Units	13 Units	15 Units
II. Density Bonus										
A. Actual % of Affordable Units			10.0% Very Low	16.0% Low	16.0% Very Low	20.0% Very Low	26.0% Very Low	20.0% Low	26.0% Low	30.0% Low
B. Density Bonus			32.5%	29.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
C. Density with Bonus			40.1 Units/Acre	38.9 Units/Acre	40.7 Units/Acre	40.7 Units/Acre	40.7 Units/Acre	40.7 Units/Acre	40.7 Units/Acre	40.7 Units/Acre
D. Number of Units with Density Bonus (3)			67 Units	65 Units	68 Units	68 Units	68 Units	68 Units	68 Units	68 Units
E. Parking Spaces 2.0 Spaces/Unit			134 Spaces	130 Spaces	136 Spaces	136 Spaces	136 Spaces	136 Spaces	136 Spaces	136 Spaces
III. Affordability Mix										
A. Very Low	*5 Units 10%*	*0 Units 0%*	5 Units 7%	0 Units 0%	8 Units 12%	10 Units 15%	13 Units 19%	0 Units 0%	0 Units 0%	0 Units 0%
B. Low	*0 Units 0%*	*8 Units 16%*	0 Units 0%	8 Units 12%	0 Units 0%	0 Units 0%	0 Units 0%	10 Units 15%	13 Units 19%	15 Units 22%
C. Market-Rate	*45 Units 90%*	*42 Units 84%*	62 Units 93%	57 Units 88%	60 Units 88%	58 Units 85%	55 Units 81%	58 Units 85%	55 Units 81%	53 Units 78%
D. Total	*50 Units 100%*	*50 Units 100%*	67 Units 100%	65 Units 100%	68 Units 100%	68 Units 100%	68 Units 100%	68 Units 100%	68 Units 100%	68 Units 100%
IV. Estimate of Annual Gross Rental Income										
A. Affordable Units										
Very Low @ $836 /Month	*$50,000*	*$0*	$50,000	$0	$80,000	$100,000	$130,000	$0	$0	$0
Low @ $1,022 /Month	*$0*	*$98,000*	$0	$98,000	$0	$0	$0	$123,000	$159,000	$184,000
Total Affordable Units	*$50,000*	*$98,000*	$50,000	$98,000	$80,000	$100,000	$130,000	$123,000	$159,000	$184,000
B. Market-Rate Units										
Unit Size	*800 SF*	*800 SF*	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF	800 SF
Rent/SF	*$3.85 /SF*	*$3.85 /SF*	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF	$3.85 /SF
Rent/Unit	*$3,080 /Month*	*$3,080 /Month*	$3,080 /Month	$3,080 /Month	$3,080 /Month	$3,080 /Month	$3,080 /Month	$3,080 /Month	$3,080 /Month	$3,080 /Month
Total Anuual Rent	*$1,663,200*	*$1,552,000*	$2,292,000	$2,107,000	$2,218,000	$2,144,000	$2,033,000	$2,144,000	$2,033,000	$1,959,000
C. Total Annual Rental Income	***$1,717,084***	***$1,650,000***	**$2,342,000**	**$2,205,000**	**$2,298,000**	**$2,244,000**	**$2,163,000**	**$2,267,000**	**$2,192,000**	**$2,143,000**
Per Unit	***$34,000***	***$33,000***	**$35,000**	**$34,000**	**$34,000**	**$33,000**	**$32,000**	**$33,000**	**$32,000**	**$32,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 2.L-2

ESTIMATE OF DEVELOPMENT COSTS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A/B		C		D		E		F		G		H		I		J	
	Stacked Flats with Tuck-under/Podium Parking																	
	Upzone Scenario without Density Bonus		**Base Case with Density Bonus**				**Very Low**						**Low**					
			10% @ Very Low		**15% @ Low**		**15% @ Very Low**		**20% @ Very Low**		**25% @ Very Low**		**20% @ Low**		**25% @ Low**		**30% @ Low**	
I. Project Description																		
Site Area	*1.7*	*Acres*	1.7	Acres	1.7	Acres	1.7	Acres	1.7	Acres	1.7	Acres	1.7	Acres	1.7	Acres	1.7	Acres
Average Unit Size	*800*	*SF*	800	SF	800	SF	800	SF	800	SF	800	SF	800	SF	800	SF	800	SF
Gross Building Area (GBA) (1)	*47,000*	*SF*	63,000	SF	61,000	SF	64,000	SF	64,000	SF	64,000	SF	64,000	SF	64,000	SF	64,000	SF
Number of Units	*50*	*Units*	67	Units	65	Units	68	Units	68	Units	68	Units	68	Units	68	Units	68	Units
Parking	*100*	*Spaces*	134	Spaces	130	Spaces	136	Spaces	136	Spaces	136	Spaces	136	Spaces	136	Spaces	136	Spaces
II. Development Costs																		
A. Direct Costs																		
Site Improvements (2)	*$1,091,000*	*$15 /SF Site Area*	$1,091,000	$15 /SF Site Area	$1,091,000	$15 /SF Site Area	$1,091,000	$15 /SF Site Area	$1,091,000	$15 /SF Site Area	$1,091,000	$15 /SF SiteArea	$1,091,000	$15 /SF Site Area	$1,091,000	$15 /SF Site Area	$1,091,000	$15 /SF Site Area
Parking	*$2,000,000*	*$20,000 /Space*	$3,350,000	$25,000 /Space	$3,250,000	$25,000 /Space	$3,400,000	$25,000 /Space	$3,400,000	$25,000 /Space	$3,400,000	$25,000 /Space	$3,400,000	$25,000 /Space	$3,400,000	$25,000 /Space	$3,400,000	$25,000 /Space
Shell Construction	*$8,225,000*	*$175 /SF GBA*	$11,655,000	$185 /SF GBA	$11,285,000	$185 /SF GBA	$11,840,000	$185 /SF GBA	$11,840,000	$185 /SF GBA	$11,840,000	$185 /SF GBA	$11,840,000	$185 /SF GBA	$11,840,000	$185 /SF GBA	$11,840,000	$185 /SF GBA
Other/Contingency	*$1,132,000*	*10% of Directs*	$1,610,000	10.0% of Directs	$1,563,000	10.0% of Directs	$1,633,000	10.0% of Directs	$1,633,000	10.0% of Directs	$1,633,000	10.0% of Directs	$1,633,000	10.0% of Directs	$1,633,000	10.0% of Directs	$1,633,000	10.0% of Directs
Total Direct Costs	*$12,448,000*	*$265 /SF GBA*	$17,706,000	$281 /SF GBA	$17,189,000	$282 /SF GBA	$17,964,000	$281 /SF GBA	$17,964,000	$281 /SF GBA	$17,964,000	$281 /SF GBA	$17,964,000	$281 /SF GBA	$17,964,000	$281 /SF GBA	$17,964,000	$281 /SF GBA
Per Unit	*$249,000*		$264,000		$264,000		$264,000		$264,000		$264,000		$264,000		$264,000		$264,000	
B. Indirect Costs																		
Permits & Fees (2)	*$1,000,000*	*$20,000 /Unit*	$1,340,000	$20,000 /Unit	$1,300,000	$20,000 /Unit	$1,360,000	$20,000 /SF GBA	$1,360,000	$20,000 /Unit	$1,360,000	$20,000 /Unit	$1,360,000	$20,000 /Unit	$1,360,000	$20,000 /Unit	$1,360,000	$20,000 /Unit
Developer Fee	*$498,000*	*4% of Directs*	$708,000	4.0% of Directs	$688,000	4.0% of Directs	$719,000	4.0% of Directs	$719,000	4.0% of Directs	$719,000	4.0% of Directs	$719,000	4.0% of Directs	$719,000	4.0% of Directs	$719,000	4.0% of Directs
Other Indirects	*$1,867,000*	*15% of Directs*	$2,656,000	15.0% of Directs	$2,578,000	15.0% of Directs	$2,695,000	15.0% of Directs	$2,695,000	15.0% of Directs	$2,695,000	15.0% of Directs	$2,695,000	15.0% of Directs	$2,695,000	15.0% of Directs	$2,695,000	15.0% of Directs
Total Indirect Costs	*$3,365,000*	*27% of Directs*	$4,704,000	26.6% of Directs	$4,566,000	26.6% of Directs	$4,774,000	26.6% of Directs	$4,774,000	26.6% of Directs	$4,774,000	26.6% of Directs	$4,774,000	26.6% of Directs	$4,774,000	26.6% of Directs	$4,774,000	26.6% of Directs
C. Financing Costs	*$934,000*	*7.5% of Directs*	$1,328,000	7.5% of Directs	$1,289,000	7.5% of Directs	$1,347,000	7.5% of Directs	$1,347,000	7.5% of Directs	$1,347,000	7.5% of Directs	$1,347,000	7.5% of Directs	$1,347,000	7.5% of Directs	$1,347,000	7.5% of Directs
D. Total Development Costs	***$16,747,000***	***$356 /SF GBA***	**$23,738,000**	**$377 /SF GBA**	**$23,044,000**	**$378 /SF GBA**	**$24,085,000**	**$376 /SF GBA**	**$24,085,000**	**$376 /SF GBA**	**$24,085,000**	**$376 /SF GBA**	**$24,085,000**	**$376 /SF GBA**	**$24,085,000**	**$376 /SF GBA**	**$24,085,000**	**$376 /SF GBA**
Per Unit	***$335,000***		**$354,000**		**$355,000**		**$354,000**		**$354,000**		**$354,000**		**$354,000**		**$354,000**		**$354,000**	

(1) Assumes efficiency factor of 85% net residential; 15% circulation/common area.
(2) Estimate, not verified by KMA or City of Encinitas.

TABLE 2.L-3

ESTIMATE OF RESIDUAL LAND VALUE
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Stacked Flats with Tuck-under/Podium Parking									
	Upzone Scenario without Density Bonus		Upzone Scenario w/Density Bonus		Very Low			Low		
	10% @ Very Low No Density Bonus	15% @ Low No Density Bonus	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Net Operating Income										
A. Gross Rental Income	*$1,717,084*	*$1,650,000*	$2,342,000	$2,205,000	$2,298,000	$2,244,000	$2,163,000	$2,267,000	$2,192,000	$2,143,000
B. Other Income $125 /Unit/Month	*$75,000*	*$75,000*	$101,000	$98,000	$102,000	$102,000	$102,000	$102,000	$102,000	$102,000
C. Gross Scheduled Income (GSI)	*$1,792,084*	*$1,725,000*	$2,443,000	$2,303,000	$2,400,000	$2,346,000	$2,265,000	$2,369,000	$2,294,000	$2,245,000
D. (Less) Vacancy 5.0% of GSI	*($90,000)*	*($86,000)*	($122,000)	($115,000)	($120,000)	($117,000)	($113,000)	($118,000)	($115,000)	($112,000)
E. Effective Gross Income	*$1,702,084*	*$1,639,000*	$2,321,000	$2,188,000	$2,280,000	$2,229,000	$2,152,000	$2,251,000	$2,179,000	$2,133,000
F. (Less) Operating Expenses $5,000 /Unit/Year	*($250,000)*	*($250,000)*	($335,000)	($325,000)	($340,000)	($340,000)	($340,000)	($340,000)	($340,000)	($340,000)
G. (Less) Property Taxes (1)	*($281,000)*	*($268,000)*	($384,000)	($360,000)	($375,000)	($365,000)	($350,000)	($369,000)	($355,000)	($346,000)
H. (Less) Replacement Reserves $250 /Unit/Year	*($12,500)*	*($12,500)*	($17,000)	($16,000)	($17,000)	($17,000)	($17,000)	($17,000)	($17,000)	($17,000)
I. Net Operating Income	*$1,158,584*	*$1,108,500*	$1,585,000	$1,487,000	$1,548,000	$1,507,000	$1,445,000	$1,525,000	$1,467,000	$1,430,000
II. Residual Land Value - Low Capitalization										
A. Net Operating Income	*$1,158,584*	*$1,108,500*	$1,585,000	$1,487,000	$1,548,000	$1,507,000	$1,445,000	$1,525,000	$1,467,000	$1,430,000
B. Capitalization Rate	*4.25%*	*4.25%*	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
C. Capitalized Value Upon Completion	*$27,261,000*	*$26,082,000*	$37,294,000	$34,988,000	$36,424,000	$35,459,000	$34,000,000	$35,882,000	$34,518,000	$33,647,000
D. (Less) Cost of Sale 3.0% of Value	*($818,000)*	*($782,000)*	($1,119,000)	($1,050,000)	($1,093,000)	($1,064,000)	($1,020,000)	($1,076,000)	($1,036,000)	($1,009,000)
E. (Less Developer Profit 10.0% of Value	*($2,726,000)*	*($2,608,000)*	($3,729,000)	($3,499,000)	($3,642,000)	($3,546,000)	($3,400,000)	($3,588,000)	($3,452,000)	($3,365,000)
F. Net Sales Proceeds	*$23,717,000*	*$22,692,000*	$32,446,000	$30,439,000	$31,689,000	$30,849,000	$29,580,000	$31,218,000	$30,030,000	$29,273,000
G. (Less) Development Costs	*($16,747,000)*	*($16,747,000)*	($24,085,000)	($23,044,000)	($24,085,000)	($24,085,000)	($24,085,000)	($24,085,000)	($24,085,000)	($24,085,000)
H. Residual Land Value	***$6,970,000***	***$5,945,000***	**$8,361,000**	**$7,395,000**	**$7,604,000**	**$6,764,000**	**$5,495,000**	**$7,133,000**	**$5,945,000**	**$5,188,000**
Per Unit	***$139,000***	***$119,000***	**$125,000**	**$114,000**	**$112,000**	**$99,000**	**$81,000**	**$105,000**	**$87,000**	**$76,000**
Per SF	***$96***	***$82***	**$115**	**$102**	**$105**	**$93**	**$76**	**$98**	**$82**	**$71**
III. Residual Land Value - High Capitalization										
A. Net Operating Income	*$1,158,584*	*$1,108,500*	$1,585,000	$1,487,000	$1,548,000	$1,507,000	$1,445,000	$1,525,000	$1,467,000	$1,430,000
B. Capitalization Rate	*4.75%*	*4.75%*	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
C. Capitalized Value Upon Completion	*$24,391,000*	*$23,337,000*	$33,368,000	$31,305,000	$32,589,000	$31,726,000	$30,421,000	$32,105,000	$30,884,000	$30,105,000
D. (Less) Cost of Sale 3.0% of Value	*($732,000)*	*($700,000)*	($1,001,000)	($939,000)	($978,000)	($952,000)	($913,000)	($963,000)	($927,000)	($903,000)
E. (Less Developer Profit 10.0% of Value	*($2,439,000)*	*($2,334,000)*	($3,337,000)	($3,131,000)	($3,259,000)	($3,173,000)	($3,042,000)	($3,211,000)	($3,088,000)	($3,011,000)
F. Net Sales Proceeds	*$21,220,000*	*$20,303,000*	$29,030,000	$27,235,000	$28,352,000	$27,601,000	$26,466,000	$27,931,000	$26,869,000	$26,191,000
G. (Less) Development Costs	*($16,747,000)*	*($16,747,000)*	($24,085,000)	($23,044,000)	($24,085,000)	($24,085,000)	($24,085,000)	($24,085,000)	($24,085,000)	($24,085,000)
H. Residual Land Value	***$4,473,000***	***$3,556,000***	**$4,945,000**	**$4,191,000**	**$4,267,000**	**$3,516,000**	**$2,381,000**	**$3,846,000**	**$2,784,000**	**$2,106,000**
Per Unit	***$89,000***	***$71,000***	**$74,000**	**$64,000**	**$63,000**	**$52,000**	**$35,000**	**$57,000**	**$41,000**	**$31,000**
Per SF	***$61***	***$49***	**$68**	**$58**	**$59**	**$48**	**$33**	**$53**	**$38**	**$29**

Residual Land Value @ 100% Market	$7,601,000
Per Unit	$152,000
Per SF	$104

(1) Based on capitalized income approach; assumes a 4.5% capitalization rate and 1.09% tax rate.

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Encinitas_Feasibility Analysis_v6 - Scenario #2_v5;12/2/2019;sjx

APPENDIX 3

HOUSING ELEMENT UPDATE
"R-30" SITES TECHNICAL ANALYSIS

SCENARIO #3

Base Case: Existing Conditions

10% @ Very Low - no Density Bonus

15% @ Low - no Density Bonus

10% @ Very Low - w/Density Bonus

15% @ Low - w/Density Bonus

Upzone Scenarios - Rental:

10%, 15%, 20%, 25% @ Very Low - w/ Density Bonus

15%, 20%, 25%, 30% @ Low - w/ Density Bonus

Keyser Marston Associates, Inc.

	HOUSING ELEMENT UPDATE "R-30" SITES									
	Existing Conditions		Very Low				Low			
RESIDUAL LAND VALUE [1]	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	10% @ Very Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	15% @ Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
08 Rancho Santa Fe Parcels (Gaffney/Goodsen)										
Existing Conditions (RR-2) - Single-Family	$512,000 /Unit $33 /SF Site	$487,000 /Unit $30 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats			$83,000 /Unit $76 /SF Site	$66,000 /Unit $61 /SF Site	$48,000 /Unit $45 /SF Site	$31,000 /Unit $29 /SF Site	$63,000 /Unit $56 /SF Site	$57,000 /Unit $53 /SF Site	$42,000 /Unit $39 /SF Site	$26,000 /Unit $24 /SF Site
AD1 Sage Canyon										
Existing Entitlements	$347,000 /Unit $24 /SF Site		---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats			$83,000 /Unit $77 /SF Site	$65,000 /Unit $61 /SF Site	$47,000 /Unit $44 /SF Site	$30,000 /Unit $28 /SF Site	$65,000 /Unit $57 /SF Site	$56,000 /Unit $52 /SF Site	$41,000 /Unit $38 /SF Site	$25,000 /Unit $23 /SF Site
AD2 Baldwin and Sons Properties										
Proposed Entitlements	$289,000 /Unit $33 /SF Site		---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats			$83,000 /Unit $77 /SF Site	$66,000 /Unit $62 /SF Site	$48,000 /Unit $45 /SF Site	$30,000 /Unit $28 /SF Site	$64,000 /Unit $56 /SF Site	$57,000 /Unit $53 /SF Site	$41,000 /Unit $38 /SF Site	$27,000 /Unit $25 /SF Site
7 Jackel Property										
Limited Visitor Serving (N-LVSC)	$75 /SF Site		---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats			$132,000 /Unit $54 /SF Site	$114,000 /Unit $47 /SF Site	$96,000 /Unit $39 /SF Site	$78,000 /Unit $32 /SF Site	$116,000 /Unit $45 /SF Site	$105,000 /Unit $43 /SF Site	$89,000 /Unit $37 /SF Site	$73,000 /Unit $30 /SF Site
12 Sunshine Garden										
Existing Conditions (OP) - Professional Office	$56 /SF Site		---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats			$81,000 /Unit $75 /SF Site	$64,000 /Unit $59 /SF Site	$46,000 /Unit $43 /SF Site	$29,000 /Unit $27 /SF Site	$60,000 /Unit $53 /SF Site	$55,000 /Unit $51 /SF Site	$40,000 /Unit $37 /SF Site	$25,000 /Unit $23 /SF Site
AD11 Manchester Avenue West										
Existing Conditions (R-11) - Single-Family	$143,000 /Unit $49 /SF Site	$122,000 /Unit $40 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats			$77,000 /Unit $71 /SF Site	$63,000 /Unit $59 /SF Site	$49,000 /Unit $46 /SF Site	$28,000 /Unit $26 /SF Site	$69,000 /Unit $61 /SF Site	$58,000 /Unit $54 /SF Site	$39,000 /Unit $37 /SF Site	$27,000 /Unit $25 /SF Site

The feasibility of each prototype was evaluated based on the Residual Land Values generated by the Base Case without Upzone relative to the Residual Land Values generated by the Upzone Scenarios with increased affordable housing requirements. The following benchmarks were used:[4]

- High Impact: greater than 25% increase in Residual Land Value from Exisiting Conditions (without Upzone); likely to provide an incentive to develop site
- Medium Impact: 15% - 25% increase in Residual Land Value from Existing Conditions (without Upzone); may raise concerns regarding development of site
- Low Impact: less than 15% increase in Residual Land Value from Existing Conditions (without Upzone); may result in little to no incentive to develop site

(1) Residual Land Value represents the maximum supported land payment that a developer can afford for a given development prototype. It is calculated by estimating the total project value upon completion less the estimated total development costs (excluding land costs). The impact of affordable housing requirements on the viability of a development is analyzed by comparing the Residual Land Value generated without Upzone (Existing Conditions) vs. the Residual Land Value generated by the Upzone Scenarios where affordable housing requirements are increased.

(2) Reflects residual land value for 10 market-rate units. No affordable units. No density bonus.

(3) GBA = Gross Building Area

(4) For illustrative purposes, Very Low inclusionary set-aside scenarios are compared to the Base Case using Very Low set-aside. Low inclusionary set-aside scenarios are compared to the Base Case using Low set-aside.

ATTACHMENT 3.A

Rancho Santa Fe Sites (Gaffney/Goodsen)
Single-Family Detached - Large Lot
Zone RR-2

TABLE 3.A-1

ESTIMATE OF SALES PROCEEDS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D
	Single-Family Detached - Large Lot (RR-2) - Potential Upzone Site - Existing Conditions			
	Base Case without Density Bonus		Base Case w/Density Bonus	
	10% @ Very Low No Density Bonus	*15% @ Low No Density Bonus*	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus
I. Inclusionary Housing				
A. Site Area	*6.0 Acres*	*6.0 Acres*	6.0 Acres	6.0 Acres
B. Density	*2.0 Units/Acre Maximum Density*	*2.0 Units/Acre Maximum Density*	2.0 Units/Acre Maximum Density	2.0 Units/Acre Maximum Density
C. Number of Units (1)	*12 Units*	*12 Units*	12 Units	12 Units
D. Inclusionary Set-aside	*10% Very Low*	*15% Low*	10% Very Low	15% Low
E. Affordable Units (2)	*2 Unit*	*2 Units*	2 Units	2 Units
II. Density Bonus				
A. Actual % of Affordable Units			16.7% Very Low	16.7% Low
B. Density Bonus			35.0%	29.0%
C. Density with Bonus			2.8 Units/Acre	2.7 Units/Acre
D. Number of Units with Density Bonus (3)			17 Units	16 Units
III. Affordability Mix				
A. Very Low	*2 Units 17%*	*0 Units 0%*	2 Units 12%	0 Units 0%
B. Low	*0 Units 0%*	*2 Units 17%*	0 Units 0%	2 Units 13%
C. Market-Rate	*10 Units 83%*	*10 Units 83%*	15 Units 88%	14 Units 88%
D. Total	*12 Units 100%*	*12 Units 100%*	17 Units 100%	16 Units 100%
IV. Estimate of Sales Proceeds				
A. Affordable Units				
Very Low $93,000	*$186,000*	*$0*	$186,000	$0
Low $178,000	*$0*	*$356,000*	$0	$356,000
Total Affordable Units	*$186,000*	*$356,000*	$186,000	$356,000
B. Market-Rate Units @				
Unit Size	*5,020 SF*	*5,020 SF*	4,500 SF	4,500 SF
Price/SF	*$475*	*$475*	$500	$500
Price/Unit	*$2,385,000*	*$2,385,000*	$2,250,000	$2,250,000
Total Sales Proceeds	*$23,850,000*	*$23,850,000*	$33,750,000	$31,500,000
C. Total Sales Proceeds	***$24,036,000***	***$24,206,000***	**$33,936,000**	**$31,856,000**
Per Unit	***$2,003,000***	***$2,017,000***	**$1,996,000**	**$1,991,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Encinitas_Feasibility Analysis_v6 - Scenario #3_v4;12/2/2019;sjx

TABLE 3.A-2

ESTIMATE OF DEVELOPMENT COSTS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A/B		C		D	
	Single-Family Detached - Large Lot (RR-2) - Potential Upzone Site - Existing Conditions					
	Base Case without Density Bonus		Base Case with Density Bonus: 10% @ Very Low with Density Bonus		Base Case with Density Bonus: 15% @ Low with Density Bonus	
I. Project Description						
Site Area	6.0 Acres		6.0 Acres		6.0 Acres	
Average Unit Size	5,020 SF		4,500 SF		4,500 SF	
Gross Building Area	60,240 SF		76,500 SF		72,000 SF	
Number of Units	12 Units		17 Units		16 Units	
Parking	48 Spaces		68 Spaces		64 Spaces	
II. Development Costs						
A. Direct Costs						
On/Off Site Improvements (1)	*$3,933,000*	*$15 /SF Site Area*	$3,933,000	$15 /SF Site Area	$3,933,000	$15 /SF Site Area
Parking	*$0*	*$0 /Space*	$0	$0 /Space	$0	$0 /Space
Shell Construction	*$7,530,000*	*$125 /SF GBA*	$10,328,000	$135 /SF GBA	$9,720,000	$135 /SF GBA
Other/Contingency	*$1,146,000*	*10.0% of Directs*	$1,426,000	10.0% of Directs	$1,365,000	10.0% of Directs
Total Direct Costs	*$12,609,000*	*$209 /SF GBA*	$15,687,000	$205 /SF GBA	$15,018,000	$209 /SF GBA
Per Unit	*$1,051,000*		$923,000		$939,000	
B. Indirect Costs						
Permits & Fees (1)	*$330,000*	*$27,500 /Unit*	$467,500	$27,500 /Unit	$440,000	$27,500 /Unit
Developer Fee	*$504,000*	*4.0% of Directs*	$627,000	4.0% of Directs	$601,000	4.0% of Directs
Other Indirects	*$1,891,000*	*15.0% of Directs*	$2,353,000	15.0% of Directs	$2,253,000	15.0% of Directs
Total Indirect Costs	*$2,725,000*	*21.6% of Directs*	$3,447,500	22.0% of Directs	$3,294,000	21.9% of Directs
C. Financing Costs	*$946,000*	*7.5% of Directs*	$1,177,000	7.5% of Directs	$1,126,000	7.5% of Directs
D. Total Development Costs	***$16,280,000***	***$270 /SF GBA***	**$20,311,500**	**$266 /SF GBA**	**$19,438,000**	**$270 /SF GBA**
Per Unit	***$1,357,000***		**$1,195,000**		**$1,215,000**	

(1) Estimate, not verfied by KMA or the City of Encinitas.

TABLE 3.A-3

ESTIMATE OF RESIDUAL LAND VALUE
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

		A	B	C	D
		Single-Family Detached - Large Lot (RR-2) - Potential Upzone Site - Existing Conditions			
		Base Case without Density Bonus		Base Case w/Density Bonus	
		10% @ Very Low No Density Bonus	15% @ Low No Density Bonus	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus
I. Net Sales Proceeds					
A. Gross Sales Proceeds		*$24,036,000*	*$24,206,000*	$33,936,000	$31,856,000
B. (Less) Cost of Sale @	4.5% of Value	*($1,082,000)*	*($1,089,000)*	($1,527,000)	($1,434,000)
C. Net Sales Proceeds		*$22,954,000*	*$23,117,000*	$32,409,000	$30,422,000
II. Residual Land Value					
A. Net Sales Proceeds		*$22,954,000*	*$23,117,000*	$32,409,000	$30,422,000
B. (Less) Developer Profit @	10.0% of Value	*($2,404,000)*	*($2,421,000)*	($3,394,000)	($3,186,000)
C. Warranted Investment		*$20,550,000*	*$20,696,000*	$29,015,000	$27,236,000
D. (Less) Development Costs		*($16,280,000)*	*($16,280,000)*	($20,311,500)	($19,438,000)
E. Residual Land Value		***$4,270,000***	***$4,416,000***	**$8,703,500**	**$7,798,000**
Per Unit		***$356,000***	***$368,000***	**$512,000**	**$487,000**
Per SF		***$16***	***$17***	**$33**	**$30**

Residual Land Value @ 100% Market	$8,190,000
Per Unit	$683,000
Per SF	$31

ATTACHMENT 3.B

Sage Canyon
Single-Family Detached - Large Lot
Zone R-3

TABLE 3.B-1

ESTIMATE OF SALES PROCEEDS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

		Single-Family Detached - Large Lot (R-3) Potential Upzone Site - Existing Entitlements
		Base Case without Density Bonus
		100% Market-Rate
I. Inclusionary Housing		
A. Site Area		*3.3 Acres*
B. Density		*3.0 Units/Acre* *Maximum Density*
C. Number of Units (1)		*10 Units*
D. Inclusionary Set-aside		*0% Very Low*
E. Affordable Units		*0 Unit*
II. Density Bonus		
A. Actual % of Affordable Units		
B. Density Bonus		
C. Density with Bonus		
D. Number of Units with Density Bonus		
III. Affordability Mix		
A. Very Low		*0 Units* *0%*
B. Low		*0 Units* *0%*
C. Market-Rate		*10 Units* *100%*
D. Total		*10 Units* *100%*
IV. Estimate of Sales Proceeds		
A. Affordable Units		
Very Low	$89,000	*$0*
Low	$169,000	*$0*
Total Affordable Units		*$0*
B. Market-Rate Units @		
Unit Size		*3,250 SF*
Price/SF		*$475*
Price/Unit		*$1,544,000*
Total Sales Proceeds		*$15,440,000*
C. Total Sales Proceeds		***$15,440,000***
Per Unit		***$1,544,000***

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.

TABLE 3.B-2

ESTIMATE OF DEVELOPMENT COSTS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A/B Single-Family Detached - Large Lot (R-3) Potential Upzone Site - Existing Entitlements		
	Base Case without Density Bonus		
I. Project Description			
Site Area	3.3	Acres	
Average Unit Size	3,250	SF	
Gross Building Area	32,500	SF	
Number of Units	10	Units	
Parking	30	Spaces	
II. Development Costs			
A. Direct Costs			
On/Off Site Improvements (1)	*$2,156,000*	*$15*	*/SF Site Area*
Parking	*$0*	*$0*	*/Space*
Shell Construction	*$4,388,000*	*$135*	*/SF GBA*
Other/Contingency	*$654,000*	*10.0%*	*of Directs*
Total Direct Costs	*$7,198,000*	*$221*	*/SF GBA*
Per Unit	*$720,000*		
B. Indirect Costs			
Permits & Fees (1)	*$275,000*	*$27,500*	*/Unit*
Affordable Housing In-Lieu Fee (2)	*$350,000*	*$35,000*	*/Unit*
Developer Fee	*$288,000*	*4.0%*	*of Directs*
Other Indirects	*$1,080,000*	*15.0%*	*of Directs*
Total Indirect Costs	*$1,993,000*	*27.7%*	*of Directs*
C. Financing Costs	*$540,000*	*7.5%*	*of Directs*
D. Total Development Costs	***$9,731,000***	***$299***	***/SF GBA***
Per Unit	***$973,000***		

(1) Estimate, not verfied by KMA or the City of Encinitas.
(2) Source: City of Encinitas.

TABLE 3.B-3

ESTIMATE OF RESIDUAL LAND VALUE
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

I. Net Sales Proceeds		
A. Gross Sales Proceeds		*$15,440,000*
B. (Less) Cost of Sale @	4.5% of Value	*($695,000)*
C. Net Sales Proceeds		*$14,745,000*

II. Residual Land Value		
A. Net Sales Proceeds		*$14,745,000*
B. (Less) Developer Profit @	10.0% of Value	*($1,544,000)*
C. Warranted Investment		*$13,201,000*
D. (Less) Development Costs		*($9,731,000)*
E. Residual Land Value		***$3,470,000***
Per Unit		***$347,000***
Per SF		***$24***

Residual Land Value @ 100% Market	$3,470,000
Per Unit	$347,000
Per SF	$24

ATTACHMENT 3.C

Baldwin and Sons Properties
Single-Family Detached - Medium Lot
Zone R-3 / R-5

TABLE 3.C-1

ESTIMATE OF SALES PROCEEDS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

		Single-Family Detached - Medium Lot (R-5) Potential Upzone Site - Propsoed Entitlements
		Base Case with Density Bonus
		100% Market-Rate with Density Bonus
I. Inclusionary Housing		
A. Site Area		*9.1 Acres*
B. Density		*5.0 Units/Acre Maximum Density*
C. Number of Units (1)		*45 Units*
D. Inclusionary Set-aside		*11% Very Low 2% Low*
E. Affordable Units (2)		*7 Unit*
II. Density Bonus		
A. Actual % of Affordable Units		15.0% Very Low
B. Density Bonus		15.6%
C. Density with Bonus		5.7 Units/Acre
D. Number of Units with Density Bonus (3)		52 Units
III. Affordability Mix		
A. Very Low		*6 Units 11%*
B. Low		*1 Units 2%*
C. Market-Rate		*45 Units 87%*
D. Total		*52 Units 100%*
IV. Estimate of Sales Proceeds		
A. Affordable Units		
Very Low	$89,000	*$509,276*
Low	$169,000	*$175,828*
Total Affordable Units		*$685,103*
B. Market-Rate Units @		
Unit Size		*2,998 SF*
Price/SF		*$500*
Price/Unit		*$1,499,000*
Total Sales Proceeds		*$67,841,000*
C. Total Sales Proceeds		***$68,526,103***
Per Unit		***$1,317,000***

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower wh
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Encinitas_Feasibility Analysis_v6 - Scenario #3_v4;12/2/2019;sjx

TABLE 3.C-2

ESTIMATE OF DEVELOPMENT COSTS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	Single-Family Detached - Medium Lot (R-5) Potential Upzone Site - Proposed Entitlements		
	Base Case with Density Bonus		
I. Project Description			
Site Area	9.1	Acres	
Average Unit Size	2,998	SF	
Gross Building Area	155,958	SF	
Number of Units	52	Units	
Parking	21	Spaces	
II. Development Costs			
A. Direct Costs			
On/Off Site Improvements (1)	*$9,910,000*	*$25*	*/SF Site Area*
Parking	*$0*	*$0*	*/Space*
Shell Construction	*$21,834,000*	*$140*	*/SF GBA*
Other/Contingency	*$3,174,000*	*10.0%*	*of Directs*
Total Direct Costs	*$34,918,000*	*$224*	*/SF GBA*
Per Unit	*$671,000*		
B. Indirect Costs			
Permits & Fees (1)	*$1,431,000*	*$27,500*	*/Unit*
Developer Fee	*$1,397,000*	*4.0%*	*of Directs*
Other Indirects	*$5,238,000*	*15.0%*	*of Directs*
Total Indirect Costs	*$8,066,000*	*23.1%*	*of Directs*
C. Financing Costs	*$2,619,000*	*7.5%*	*of Directs*
D. Total Development Costs	***$45,603,000***	***$292***	***/SF GBA***
Per Unit	***$877,000***		

(1) Estimate, not verfied by KMA or the City of Encinitas.

TABLE 3.C-3

ESTIMATE OF RESIDUAL LAND VALUE
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

		A
		Single-Family Detached - Medium Lot (R-5) Potential Upzone Site - Proposed Conditions
		Base Case with Density Bonus
I. Net Sales Proceeds		
A. Gross Sales Proceeds		*$68,526,103*
B. (Less) Cost of Sale @	4.5% of Value	*($3,084,000)*
C. Net Sales Proceeds		*$65,442,103*
II. Residual Land Value		
A. Net Sales Proceeds		*$65,442,103*
B. (Less) Developer Profit @	10.0% of Value	*($6,853,000)*
C. Warranted Investment		*$58,589,103*
D. (Less) Development Costs		*($45,603,000)*
E. Residual Land Value		***$12,986,103***
Per Unit		***$289,000***
Per SF		***$33***

Residual Land Value @ 100% Market	$21,067,980
Per Unit	$405,000
Per SF	$53

ATTACHMENT 3.D

Jackel Property
Limited Visitor Serving
Zone N-LVSC

TABLE 3.D-1

ESTIMATE OF GROSS ANNUAL RENTAL INCOME
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A Limited Visitor Serving (N-LVSC) Potential Upzone Site - Existing Conditions Base Case
I. Project Description	
A. Site Area	
Hotel	*2.0 Acres*
Commercial	*1.0 Acres*
Total Site Area	*3.0 Acres*
B. Floor Area Ratio (FAR)	*0.44 FAR*
C. Gross Leasable Area (GLA)	---
D. Gross Building Area (GBA)	
Hotel	*51,750 SF*
Commercial	*5,000 SF*
Total	*56,750 SF*
E. Inclusionary Set-aside	----
F. Number of Rooms	*90 Rooms*
IV. Estimate of Annual Revenue	
A. Hotel	*90 Rooms*
Average Daily Rate (ADR)	*$200*
Occupancy	*82.0%*
Annual Room Revenue - Hotel	*$5,387,000*
B. Commercial	*5,000 SF*
Monthly Rent	*$4.00/SF NNN*
Annual Revenue - Commercial	*$240,000*
(Less) Vacancy @	*10.0% ($24,000)*
Effective Gross Income - Commercial	*$216,000*
B. Total Annual Rental Income	$5,627,000

TABLE 3.D-2

ESTIMATE OF DEVELOPMENT COSTS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A Limited Visitor Serving (N-LVSC) Potential Upzone Site - Existing Conditions		
	Base Case		
I. Project Description			
Site Area	3.0	Acres	
Number of Rooms	90	Rooms	
Average Room Size (Gross)	575	SF	
Gross Building Area - Hotel	51,750	SF	
Gross Building Area - Commercial	5,000	SF	
Parking	113	Spaces	
II. Development Costs			
A. Direct Costs			
On/Off Site Improvements (1)	*$1,294,000*	*$10*	*/SF Site Area*
Parking	*$0*	*$0*	*Included above*
Shell Construction - Hotel	*$10,868,000*	*$210*	*/SF GBA*
Shell Construction - Commercial	*$800,000*	*$160*	*/SF GBA*
Tenant Improvements	*$250,000*	*$50*	*/SF GBA*
FF&E	*$2,250,000*	*$25,000*	*/Room*
Amenities	*$450,000*	*$5,000*	*/Room*
Contingency	*$796,000*	*5.0%*	*of Directs*
Total Direct Costs	*$16,708,000*	*$294*	*/SF GBA*
B. Indirect Costs			
Permits & Fees (1)	*$568,000*	*$10*	*/SF GBA*
Developer Fee	*$668,000*	*4.0%*	*of Directs*
Other Indirects	*$2,089,000*	*12.5%*	*of Directs*
Total Indirect Costs	*$3,325,000*	*19.9%*	*of Directs*
C. Financing Costs	*$1,671,000*	*10.0%*	*of Directs*
D. Total Development Costs	***$21,704,000***	***$382***	***/SF GBA***

(1) Estimate, not verified by KMA or City of Encinitas.

TABLE 3.D-3

ESTIMATE OF RESIDUAL LAND VALUE
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

			A Limited Visitor Serving (N-LVSC) Potential Upzone Site - Existing Conditions
			Base Case
I. Warranted Investment - Hotel			
A. Gross Room Revenue			*$5,387,000*
B. Food & Beverage	10.0%	of Room Revenue	*$539,000*
C. Other Operated Departments Revenue	5.0%	of Room Revenue	*$269,000*
D. Parking Revenue	$300	/Space/Month	*$407,000*
E. Effective Gross Income (EGI)			*$6,602,000*
F. (Less) Operating Expenses	65.0%	of EGI	*($4,291,000)*
G. Net Operating Income (NOI)			*$2,311,000*
H. Capitalization Rate			*7.0%*
I. Capitalized Value Upon Compleition			*$33,014,000*
J. (Less) Cost of Sale	3.0%	of Value	*($990,000)*
K. (Less) Developer Profit	10.0%	of Value	*($3,301,000)*
J. Warranted Investment - Hotel			*$28,723,000*
II. Warranted Investment - Commercial			
A. Effective Gross Income			*$216,000*
B. (Less) Unreimbursed Expenses		*5.0%*	*($11,000)*
C. Net Operating Income			*$205,000*
H. Capitalization Rate			*6.5%*
I. Capitalized Value Upon Compleition			*$3,154,000*
J. (Less) Cost of Sale	3.0%	of Value	*($95,000)*
K. (Less) Developer Profit	10.0%	of Value	*($315,000)*
J. Warranted Investment - Commerical			*$2,744,000*
III. Residual Land Value			
A. Warranted Investment - Hotel			*$28,723,000*
B. Warramted Investment - Commercial			*$2,744,000*
D. Total Warranted Investment			*$31,467,000*
E. (Less) Development Costs			*($21,704,000)*
F. Residual Land Value			***$9,763,000***
Per SF			***$75***

ATTACHMENT 3.E

Sunshine Gardens
Professional Office
Zone OP

TABLE 3.E-1

ESTIMATE OF GROSS ANNUAL RENTAL INCOME
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A Professional Office (OP) Potential Upzone Site - Existing Conditions
	Base Case
I. Project Description	
A. Site Area	*3.4 Acres*
B. Floor Area Ratio (FAR)	*0.60 FAR*
C. Gross Leasable Area (GLA)	*82,000 SF*
D. Gross Building Area (GBA)	*89,000 SF*
E. Inclusionary Set-aside	----
F. Affordable Units	----
II. Density Bonus	
A. Actual % of Affordable Units	
B. Density Bonus	
C. Density with Bonus	
D. Number of Units with Density Bonus	
III. Affordability Mix	
A. Very Low	----
B. Low	----
C. Market-Rate	----
D. Total	----
IV. Estimate of Annual Rental Income	
A. Affordable Units	
Very Low	----
Low	----
Total Affordable Units	----
B. Market-Rate Rent @	
Monthly Rent/SF	*$3.75* (1)
Total Annual Rent	*$3,690,000*
C. Total Annual Rental Income	***$3,690,000***

(1) Market rent estimated at 82,000 SF at $3.75/SF.

TABLE 3.E-2

ESTIMATE OF DEVELOPMENT COSTS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A Professional Office (OP) Potential Upzone Site - Existing Conditions		
	Base Case		
I. Project Description			
Site Area	3.4	Acres	
Average Unit Size	---	SF	
Gross Leaseable Area	82,000	SF	
Gross Building Area	89,000	SF	
Number of Units	---	Units	
Parking	297	Spaces	
II. Development Costs			
A. Direct Costs			
On/Off Site Improvements (1)	*$1,477,000*	*$10*	*/SF Site Area*
Parking	*$0*		*Included above*
Shell Construction	*$16,020,000*	*$180*	*/SF GBA*
Tenant Improvements	*$3,280,000*	*$40*	*/SF GLA*
Other/Contingency	*$1,039,000*	*5.0%*	*of Directs*
Total Direct Costs	*$21,816,000*	*$245*	*/SF GBA*
B. Indirect Costs			
Permits & Fees (1)	*$890,000*	*$10*	*/SF GBA*
Developer Fee	*$873,000*	*4.0%*	*of Directs*
Other Indirects	*$3,272,000*	*15.0%*	*of Directs*
Total Indirect Costs	*$5,035,000*	*23.1%*	*of Directs*
C. Financing Costs	*$2,182,000*	*10.0%*	*of Directs*
D. Total Development Costs	***$29,033,000***	***$326***	***/SF GBA***

(1) Estimate, not verified by KMA or City of Encinitas.

TABLE 3.E-3

ESTIMATE OF RESIDUAL LAND VALUE
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

		A Professional Office (OP) Potential Upzone Site - Existing Conditions
		Base Case
I. Net Operating Income		
A. Gross Rental Income	$3.75 /SF/Month/FSG	*$3,690,000*
B. Other Income		*$0*
C. Gross Scheduled Income (GSI)		*$3,690,000*
D. (Less) Vacancy	5.0% of GSI	*($185,000)*
E. Effective Gross Income		*$3,505,000*
F. (Less) Operating Expenses	$10 /SF GLA/Year	*($820,000)*
G. Net Operating Income		*$2,685,000*
II. Residual Land Value - Low Capitalization Rate		
A. Net Operating Income		*$2,685,000*
B. Capitalization Rate		*6.25%*
C. Capitalized Value Upon Completion		*$42,960,000*
D. (Less) Cost of Sale	3.0% of Value	*($1,289,000)*
E. (Less) Developer Profit	10.0% of Value	*($4,296,000)*
F. Net Sales Proceeds		*$37,375,000*
G. (Less) Development Costs		*($29,033,000)*
H. Residual Land Value		***$8,342,000***
Per SF		***$56***

ATTACHMENT 3.F

Manchester Avenue West
Single-Family Detached - Small Lot
Zone R-11

TABLE 3.F-1

ESTIMATE OF SALES PROCEEDS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D
	Single-Family Detached - Small Lot (R-11) - Potential Upzone Site - Existing Conditions			
	Base Case without Density Bonus		Base Case w/Density Bonus	
	10% @ Very Low No Density Bonus	*15% @ Low No Density Bonus*	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus
I. Inclusionary Housing				
A. Site Area	*1.7 Acres*	*1.7 Acres*	1.7 Acres	1.7 Acres
B. Density	*11.0 Units/Acre Maximum Density*	*11.0 Units/Acre Maximum Density*	11.0 Units/Acre Maximum Density	11.0 Units/Acre Maximum Density
C. Number of Units (1)	*18 Units*	*18 Units*	18 Units	18 Units
D. Inclusionary Set-aside	*10% Very Low*	*15% Low*	10% Very Low	15% Low
E. Affordable Units (2)	*2 Units*	*3 Units*	2 Units	3 Units
II. Density Bonus				
A. Actual % of Affordable Units			11.1% Very Low	16.7% Low
B. Density Bonus			35.0%	29.0%
C. Density with Bonus			15.0 Units/Acre	14.4 Units/Acre
D. Number of Units with Density Bonus (3)			25 Units	24 Units
III. Affordability Mix				
A. Very Low	*2 Units 11%*	*0 Units 0%*	2 Units 8%	0 Units 0%
B. Low	*0 Units 0%*	*3 Units 17%*	0 Units 0%	3 Units 13%
C. Market-Rate	*16 Units 89%*	*15 Units 83%*	23 Units 92%	21 Units 88%
D. Total	*18 Units 100%*	*18 Units 100%*	25 Units 100%	24 Units 100%
IV. Estimate of Sales Proceeds				
A. Affordable Units				
Very Low $95,000	*$190,000*	*$0*	$190,000	$0
Low $173,000	*$0*	*$519,000*	$0	$519,000
Total Affordable Units	*$190,000*	*$519,000*	$190,000	$519,000
B. Market-Rate Units @				
Unit Size	*2,506 SF*	*2,506 SF*	*1,510 SF*	*1,510 SF*
Price/SF	*$475*	*$475*	*$500*	*$500*
Price/Unit	*$1,190,000*	*$1,190,000*	*$755,000*	*$755,000*
Total Sales Proceeds	*$19,040,000*	*$17,850,000*	$17,365,000	$15,855,000
C. Total Sales Proceeds	***$19,230,000***	***$18,369,000***	***$17,555,000***	***$16,374,000***
Per Unit	***$1,068,000***	***$1,021,000***	**$702,000**	**$682,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 3.F-2

ESTIMATE OF DEVELOPMENT COSTS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A/B		C		D	
	Single-Family Detached - Small Lot (R-11) - Potential Upzone Site - Existing Conditions					
	Base Case without Density Bonus		**Base Case with Density Bonus**			
			10% @ Very Low with Density Bonus		**15% @ Low with Density Bonus**	
I. Project Description						
Site Area	1.7	Acres	1.7	Acres	1.7	Acres
Average Unit Size	2,506	SF	1,510	SF	1,510	SF
Gross Building Area	45,108	SF	37,750	SF	36,240	SF
Number of Units	18	Units	25	Units	24	Units
Parking	45	Spaces	50	Spaces	48	Spaces
II. Development Costs						
A. Direct Costs						
On/Off Site Improvements (1)	*$1,819,000*	*$25 /SF Site Area*	$1,819,000	$25 /SF Site Area	$1,819,000	$25 /SF Site Area
Parking	*$0*	*$0 /Space*	$0	$0 /Space	$0	$0 /Space
Shell Construction	*$6,766,000*	*$150 /SF GBA*	$6,040,000	$160 /SF GBA	$5,798,000	$160 /SF GBA
Other/Contingency	*$859,000*	*10.0% of Directs*	$786,000	10.0% of Directs	$762,000	10.0% of Directs
Total Direct Costs	*$9,444,000*	*$209 /SF GBA*	$8,645,000	$229 /SF GBA	$8,379,000	$231 /SF GBA
Per Unit	*$525,000*		$346,000		$349,000	
B. Indirect Costs						
Permits & Fees (1)	*$495,000*	*$27,500 /Unit*	$500,000	$20,000 /Unit	$480,000	$20,000 /Unit
Developer Fee	*$378,000*	*4.0% of Directs*	$346,000	4.0% of Directs	$335,000	4.0% of Directs
Other Indirects	*$1,417,000*	*15.0% of Directs*	$1,297,000	15.0% of Directs	$1,257,000	15.0% of Directs
Total Indirect Costs	*$2,290,000*	*24.2% of Directs*	$2,143,000	24.8% of Directs	$2,072,000	24.7% of Directs
C. Financing Costs	*$708,000*	*7.5% of Directs*	$648,000	7.5% of Directs	$628,000	7.5% of Directs
D. Total Development Costs	***$12,442,000***	***$276 /SF GBA***	**$11,436,000**	**$303 /SF GBA**	**$11,079,000**	**$306 /SF GBA**
Per Unit	***$691,000***		**$457,000**		**$462,000**	

(1) Estimate, not verified by KMA or City of Encinitas.

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Encinitas_Feasibility Analysis_v6 - Scenario #3_v4;12/2/2019;sjx

TABLE 3.F-3

ESTIMATE OF RESIDUAL LAND VALUE
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

		A	B	C	D
		Single-Family Detached - Small Lot (R-11) - Potential Upzone Site - Existing Conditions			
		Base Case without Density Bonus		Base Case w/Density Bonus	
		10% @ Very Low No Density Bonus	15% @ Low No Density Bonus	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus
I. Net Sales Proceeds					
A. Gross Sales Proceeds		*$19,230,000*	*$18,369,000*	$17,555,000	$16,374,000
B. (Less) Cost of Sale @	4.5% of Value	*($865,000)*	*($827,000)*	($790,000)	($737,000)
C. Net Sales Proceeds		*$18,365,000*	*$17,542,000*	$16,765,000	$15,637,000
II. Residual Land Value					
A. Net Sales Proceeds		*$18,365,000*	*$17,542,000*	$16,765,000	$15,637,000
B. (Less) Developer Profit @	10.0% of Value	*($1,923,000)*	*($1,837,000)*	($1,756,000)	($1,637,000)
C. Warranted Investment		*$16,442,000*	*$15,705,000*	$15,009,000	$14,000,000
D. (Less) Development Costs		*($12,442,000)*	*($12,442,000)*	($11,436,000)	($11,079,000)
E. Residual Land Value		***$4,000,000***	***$3,263,000***	**$3,573,000**	**$2,921,000**
Per Unit		***$222,000***	***$181,000***	**$143,000**	**$122,000**
Per SF		***$55***	***$45***	**$49**	**$40**

Residual Land Value @ 100% Market	$5,872,000
Per Unit	$326,000
Per SF	$81

ATTACHMENT 3.G

Rancho Santa Fe Sites (Gaffney/Goodsen)
Stacked Flats with Podium Parking

TABLE 3.G-1

ESTIMATE OF SALES PROCEEDS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Stacked Flats with Podium Parking									
	Upzone Scenario without Density Bonus		Upzone Scenario with Density Bonus		Very Low			Low		
	10% @ Very Low No Density Bonus	*15% @ Low No Density Bonus*	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Inclusionary Housing										
A. Site Area	*6.0 Acres*	*6.0 Acres*	6.0 Acres	6.0 Acres	6.0 Acres	6.0 Acres	6.0 Acres	6.0 Acres	6.0 Acres	6.0 Acres
B. Density	*30.0 Units/Acre*	*30.0 Units/Acre*	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre
C. Number of Units (1)	*180 Units*	*180 Units*	180 Units	180 Units	180 Units	180 Units	180 Units	180 Units	180 Units	180 Units
D. Inclusionary Set-aside	*10% Very Low*	*15% Low*	10% Very Low	15% Low	15% Very Low	20% Very Low	25% Very Low	20% Low	25% Low	30% Low
E. Affordable Units (2)	*18 Units*	*27 Units*	18 Units	27 Units	27 Units	36 Units	45 Units	36 Units	45 Units	54 Units
II. Density Bonus										
A. Actual % of Affordable Units			10.0% Very Low	15.0% Low	15.0% Very Low	20.0% Very Low	25.0% Very Low	20.0% Low	25.0% Low	30.0% Low
B. Density Bonus			32.5%	27.5%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
C. Density with Bonus			39.7 Units/Acre	38.2 Units/Acre	40.4 Units/Acre	40.4 Units/Acre	40.4 Units/Acre	40.4 Units/Acre	40.4 Units/Acre	40.4 Units/Acre
D. Number of Units with Density Bonus (3)			239 Units	230 Units	243 Units	243 Units	243 Units	243 Units	243 Units	243 Units
E. Parking Spaces 2.0 Spaces/Unit			478 Spaces	460 Spaces	486 Spaces	486 Spaces	486 Spaces	486 Spaces	486 Spaces	486 Spaces
III. Affordability Mix										
A. Very Low	*18 Units 10%*	*0 Units 0%*	18 Units 8%	0 Units 0%	27 Units 11%	36 Units 15%	45 Units 19%	0 Units 0%	0 Units 0%	0 Units 0%
B. Low	*0 Units 0%*	*27 Units 15%*	0 Units 0%	27 Units 12%	0 Units 0%	0 Units 0%	0 Units 0%	36 Units 15%	45 Units 19%	54 Units 22%
C. Market-Rate	*162 Units 90%*	*153 Units 85%*	221 Units 92%	203 Units 88%	216 Units 89%	207 Units 85%	198 Units 81%	207 Units 85%	198 Units 81%	189 Units 78%
D. Total	*180 Units 100%*	*180 Units 100%*	239 Units 100%	230 Units 100%	243 Units 100%	243 Units 100%	243 Units 100%	243 Units 100%	243 Units 100%	243 Units 100%
IV. Estimate of Sales Proceeds										
A. Affordable Units										
Very Low @ $96,000	*$1,728,000*	*$0*	$1,728,000	$0	$2,592,000	$3,456,000	$4,320,000	$0	$0	$0
Low @ $164,000	*$0*	*$4,428,000*	$0	$4,428,000	$0	$0	$0	$5,904,000	$7,380,000	$8,856,000
Total Affordable Units	*$1,728,000*	*$4,428,000*	$1,728,000	$4,428,000	$2,592,000	$3,456,000	$4,320,000	$5,904,000	$7,380,000	$8,856,000
B. Market-Rate Units										
Unit Size	*1,000 SF*	*1,000 SF*	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF
Price/SF	*$650 /SF*	*$650 /SF*	$650 /SF	$650 /SF	$650 /SF	$650 /SF	$650 /SF	$650 /SF	$650 /SF	$650 /SF
Price/Unit	*$650,000*	*$650,000*	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000
Total Anuual Rent	*$105,300,000*	*$99,450,000*	*$143,650,000*	*$131,950,000*	*$140,400,000*	*$134,550,000*	*$128,700,000*	*$134,550,000*	*$128,700,000*	*$122,850,000*
C. Total Sales Proceeds	***$107,028,000***	***$103,878,000***	***$145,378,000***	***$136,378,000***	***$142,992,000***	***$138,006,000***	***$133,020,000***	***$140,454,000***	***$136,080,000***	***$131,706,000***
Per Unit	***$595,000***	***$577,000***	**$608,000**	**$593,000**	**$588,000**	**$568,000**	**$547,000**	**$578,000**	**$560,000**	**$542,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 3.G-2

ESTIMATE OF DEVELOPMENT COSTS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A/B	C	D	E	F	G	H	I	J
	Stacked Flats with Podium Parking								
		Upzone Scenario with Density Bonus		**Very Low**			**Low**		
	Upzone Scenario without Density Bonus	**10% @ Very Low**	**15% @ Low**	**15% @ Very Low**	**20% @ Very Low**	**25% @ Very Low**	**20% @ Low**	**25% @ Low**	**30% @ Low**
I. Project Description									
Site Area	*6.0 Acres*	6.0 Acres	6.0 Acres	6.0 Acres	6.0 Acres	6.0 Acres	6.0 Acres	6.0 Acres	6.0 Acres
Average Unit Size	*1,000 SF*	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF
Gross Building Area (GBA) (1)	*212,000 SF*	281,000 SF	271,000 SF	286,000 SF	286,000 SF	286,000 SF	286,000 SF	286,000 SF	286,000 SF
Number of Units	*180 Units*	239 Units	230 Units	243 Units	243 Units	243 Units	243 Units	243 Units	243 Units
Density	*30 Units/Acre*	40 Units/Acre	40 Units/Acre	38 Units/Acre	40 Units/Acre	40 Units/Acre	40 Units/Acre	40 Units/Acre	40 Units/Acre
Parking	*360 Spaces*	478 Spaces	486 Spaces	486 Spaces	486 Spaces	486 Spaces	486 Spaces	486 Spaces	486 Spaces
II. Development Costs									
A. Direct Costs									
Site Improvements (2)	*$3,933,000 $15 /SF Site Area*	$3,933,000 $15 /SF Site Area	$3,933,000 $15 /SF Site Area	$3,933,000 $15 /SF Site Area	$3,933,000 $15 /SF Site Area	$3,933,000 $15 /SF Site Area	$3,933,000 $15 /SF Site Area	$3,933,000 $15 /SF Site Area	$3,933,000 $15 /SF Site Area
Parking	*$9,000,000 $25,000 /Space*	$14,340,000 $30,000 /Space	$14,580,000 $30,000 /Space	$14,580,000 $30,000 /Space	$14,580,000 $30,000 /Space	$14,580,000 $30,000 /Space	$14,580,000 $30,000 /Space	$14,580,000 $30,000 /Space	$14,580,000 $30,000 /Space
Shell Construction	*$38,160,000 $180 /SF GBA*	$53,390,000 $190 /SF GBA	$51,490,000 $190 /SF GBA	$54,340,000 $190 /SF GBA	$54,340,000 $190 /SF GBA	$54,340,000 $190 /SF GBA	$54,340,000 $190 /SF GBA	$54,340,000 $190 /SF GBA	$54,340,000 $190 /SF GBA
Other/Contingency	*$5,109,000 $0 of Directs*	$7,166,000 10.0% of Directs	$7,000,000 10.0% of Directs	$7,285,000 10.0% of Directs	$7,285,000 10.0% of Directs	$7,285,000 10.0% of Directs	$7,285,000 10.0% of Directs	$7,285,000 10.0% of Directs	$7,285,000 10.0% of Directs
Total Direct Costs	*$56,202,000 $246 /SF GBA*	$78,829,000 $281 /SF GBA	$77,003,000 $284 /SF GBA	$80,138,000 $280 /SF GBA	$80,138,000 $280 /SF GBA	$80,138,000 $280 /SF GBA	$80,138,000 $280 /SF GBA	$80,138,000 $280 /SF GBA	$80,138,000 $280 /SF GBA
Per Unit	*$312,000*	$330,000	$335,000	$330,000	$330,000	$330,000	$330,000	$330,000	$330,000
B. Indirect Costs									
Permits & Fees (2)	*$3,600,000 $20,000 /Unit*	$4,780,000 $20,000 /Unit	$4,600,000 $20,000 /Unit	$4,860,000 $20,000 /SF GBA	$4,860,000 $20,000 /Unit	$4,860,000 $20,000 /Unit	$4,860,000 $20,000 /Unit	$4,860,000 $20,000 /Unit	$4,860,000 $20,000 /Unit
Developer Fee	*$2,248,000 4% of Directs*	$3,153,000 4.0% of Directs	$3,080,000 4.0% of Directs	$3,206,000 4.0% of Directs	$3,206,000 4.0% of Directs	$3,206,000 4.0% of Directs	$3,206,000 4.0% of Directs	$3,206,000 4.0% of Directs	$3,206,000 4.0% of Directs
Other Indirects	*$8,430,000 15% of Directs*	$11,824,000 15.0% of Directs	$11,550,000 15.0% of Directs	$12,021,000 15.0% of Directs	$12,021,000 15.0% of Directs	$12,021,000 15.0% of Directs	$12,021,000 15.0% of Directs	$12,021,000 15.0% of Directs	$12,021,000 15.0% of Directs
Total Indirect Costs	*$14,278,000 25% of Directs*	$19,757,000 25.1% of Directs	$19,230,000 25.0% of Directs	$20,087,000 25.1% of Directs	$20,087,000 25.1% of Directs	$20,087,000 25.1% of Directs	$20,087,000 25.1% of Directs	$20,087,000 25.1% of Directs	$20,087,000 25.1% of Directs
C. Financing Costs	*$4,215,000 7.5% of Directs*	$5,912,000 7.5% of Directs	$5,775,000 7.5% of Directs	$6,010,000 7.5% of Directs	$6,010,000 7.5% of Directs	$6,010,000 7.5% of Directs	$6,010,000 7.5% of Directs	$6,010,000 7.5% of Directs	$6,010,000 7.5% of Directs
D. Total Development Costs	***$74,695,000 $352 /SF GBA***	**$104,498,000 $372 /SF GBA**	**$102,008,000 $376 /SF GBA**	**$106,235,000 $371 /SF GBA**	**$106,235,000 $371 /SF GBA**	**$106,235,000 $371 /SF GBA**	**$106,235,000 $371 /SF GBA**	**$106,235,000 $371 /SF GBA**	**$106,235,000 $371 /SF GBA**
Per Unit	***$415,000***	**$437,000**	**$444,000**	**$437,000**	**$437,000**	**$437,000**	**$437,000**	**$437,000**	**$437,000**

(1) Assumes efficiency factor of 85% net residential; 15% circulation/common area.
(2) Estimate, not verified by KMA or City of Encinitas.

TABLE 3.G-3

ESTIMATE OF RESIDUAL LAND VALUE
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Stacked Flats with Podium Parking									
	Upzone Scenario without Density Bonus		**Upzone Scenario with Density Bonus**		**Very Low**			**Low**		
	10% @ Very Low No Density Bonus	***15% @ Low No Density Bonus***	**10% @ Very Low with Density Bonus**	**15% @ Low with Density Bonus**	**15% @ Very Low with Density Bonus**	**20% @ Very Low with Density Bonus**	**25% @ Very Low with Density Bonus**	**20% @ Low with Density Bonus**	**25% @ Low with Density Bonus**	**30% @ Low with Density Bonus**
I. Net Sales Proceeds										
A. Gross Sales Proceeds	*$107,028,000*	*$103,878,000*	$145,378,000	$136,378,000	$142,992,000	$138,006,000	$133,020,000	$140,454,000	$136,080,000	$131,706,000
B. (Less) Cost of Sale @ 4.5% of Value	*($4,816,000)*	($4,675,000)	($6,542,000)	($6,137,000)	($6,435,000)	($6,210,000)	($5,986,000)	($6,320,000)	($6,124,000)	($5,927,000)
C. Net Sales Proceeds	*$102,212,000*	$99,203,000	$138,836,000	$130,241,000	$136,557,000	$131,796,000	$127,034,000	$134,134,000	$129,956,000	$125,779,000
II. Residual Land Value										
A. Net Sales Proceeds	*$102,212,000*	*$99,203,000*	$138,836,000	$130,241,000	$136,557,000	$131,796,000	$127,034,000	$134,134,000	$129,956,000	$125,779,000
B. (Less) Developer Profit 10.0% of Value	*($10,703,000)*	*($10,388,000)*	($14,538,000)	($13,638,000)	($14,299,000)	($13,801,000)	($13,302,000)	($14,045,000)	($13,608,000)	($13,171,000)
C. Warranted Investment	*$91,509,000*	*$88,815,000*	$124,298,000	$116,603,000	$122,258,000	$117,995,000	$113,732,000	$120,089,000	$116,348,000	$112,608,000
D. (Less) Development Costs	*($74,695,000)*	*($74,695,000)*	($104,498,000)	($102,008,000)	($106,235,000)	($106,235,000)	($106,235,000)	($106,235,000)	($106,235,000)	($106,235,000)
E. Residual Land Value	***$16,814,000***	***$14,120,000***	**$19,800,000**	**$14,595,000**	**$16,023,000**	**$11,760,000**	**$7,497,000**	**$13,854,000**	**$10,113,000**	**$6,373,000**
Per Unit	***$93,000***	***$78,000***	**$83,000**	**$63,000**	**$66,000**	**$48,000**	**$31,000**	**$57,000**	**$42,000**	**$26,000**
Per SF	***$64***	***$54***	**$76**	**$56**	**$61**	**$45**	**$29**	**$53**	**$39**	**$24**

ATTACHMENT 3.H

Sage Canyon
Stacked Flats with Podium Parking

TABLE 3.H-1

ESTIMATE OF SALES PROCEEDS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Stacked Flats with Podium Parking									
	Upzone Scenario without Density Bonus		**Upzone Scenario with Density Bonus**		**Very Low**			**Low**		
	10% @ Very Low No Density Bonus	***15% @ Low No Density Bonus***	**10% @ Very Low with Density Bonus**	**15% @ Low with Density Bonus**	**15% @ Very Low with Density Bonus**	**20% @ Very Low with Density Bonus**	**25% @ Very Low with Density Bonus**	**20% @ Low with Density Bonus**	**25% @ Low with Density Bonus**	**30% @ Low with Density Bonus**
I. Inclusionary Housing										
A. Site Area	*3.3 Acres*	*3.3 Acres*	3.3 Acres	3.3 Acres	3.3 Acres	3.3 Acres	3.3 Acres	3.3 Acres	3.3 Acres	3.3 Acres
B. Density	*30.0 Units/Acre*	*30.0 Units/Acre*	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre
C. Number of Units (1)	*99 Units*	*99 Units*	99 Units	99 Units	99 Units	99 Units	99 Units	99 Units	99 Units	99 Units
D. Inclusionary Set-aside	*10% Very Low*	*15% Low*	10% Very Low	15% Low	15% Very Low	20% Very Low	25% Very Low	20% Low	25% Low	30% Low
E. Affordable Units (2)	*10 Units*	*15 Units*	10 Units	15 Units	15 Units	20 Units	25 Units	20 Units	25 Units	30 Units
II. Density Bonus										
A. Actual % of Affordable Units			10.1% Very Low	15.2% Low	15.2% Very Low	20.2% Very Low	25.3% Very Low	20.2% Low	25.3% Low	30.3% Low
B. Density Bonus			35.0%	27.5%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
C. Density with Bonus			40.6 Units/Acre	38.5 Units/Acre	40.6 Units/Acre	40.6 Units/Acre	40.6 Units/Acre	40.6 Units/Acre	40.6 Units/Acre	40.6 Units/Acre
D. Number of Units with Density Bonus (3)			134 Units	127 Units	134 Units	134 Units	134 Units	134 Units	134 Units	134 Units
E. Parking Spaces 2.0 Spaces/Unit			268 Spaces	254 Spaces	268 Spaces	268 Spaces	268 Spaces	268 Spaces	268 Spaces	268 Spaces
III. Affordability Mix										
A. Very Low	*10 Units 10%*	*0 Units 0%*	10 Units 7%	0 Units 0%	15 Units 11%	20 Units 15%	25 Units 19%	0 Units 0%	0 Units 0%	0 Units 0%
B. Low	*0 Units 0%*	*15 Units 15%*	0 Units 0%	15 Units 12%	0 Units 0%	0 Units 0%	0 Units 0%	20 Units 15%	25 Units 19%	30 Units 22%
C. Market-Rate	*89 Units 90%*	*84 Units 85%*	124 Units 93%	112 Units 88%	119 Units 89%	114 Units 85%	109 Units 81%	114 Units 85%	109 Units 81%	104 Units 78%
D. Total	*99 Units 100%*	*99 Units 100%*	134 Units 100%	127 Units 100%	134 Units 100%	134 Units 100%	134 Units 100%	134 Units 100%	134 Units 100%	134 Units 100%
IV. Estimate of Sales Proceeds										
A. Affordable Units										
Very Low @ $96,000	*$960,000*	*$0*	$960,000	$0	$1,440,000	$1,920,000	$2,400,000	$0	$0	$0
Low @ $164,000	*$0*	*$2,460,000*	$0	$2,460,000	$0	$0	$0	$3,280,000	$4,100,000	$4,920,000
Total Affordable Units	*$960,000*	*$2,460,000*	$960,000	$2,460,000	$1,440,000	$1,920,000	$2,400,000	$3,280,000	$4,100,000	$4,920,000
B. Market-Rate Units										
Unit Size	*1,000 SF*	*1,000 SF*	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF
Price/SF	*$650 /SF*	*$650 /SF*	$650 /SF	$650 /SF	$650 /SF	$650	$650 /SF	$650 /SF	$650 /SF	$650 /SF
Price/Unit	*$650,000*	*$650,000*	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000
Total Sales Proceeds	*$57,850,000*	*$54,600,000*	$80,600,000	$72,800,000	$77,350,000	$74,100,000	$70,850,000	$74,100,000	$70,850,000	$67,600,000
C. Total Sales Proceeds	***$58,810,000***	***$57,060,000***	**$81,560,000**	**$75,260,000**	**$78,790,000**	**$76,020,000**	**$73,250,000**	**$77,380,000**	**$74,950,000**	**$72,520,000**
Per Unit	***$594,000***	***$576,000***	**$609,000**	**$593,000**	**$588,000**	**$567,000**	**$547,000**	**$577,000**	**$559,000**	**$541,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 3.H-2

ESTIMATE OF DEVELOPMENT COSTS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A/B	C	D	E	F	G	H	I	J
	Stacked Flats with Podium Parking								
	Upzone Scenario without Density Bonus	**Base Case with Density Bonus**		**Very Low**			**Low**		
		10% @ Very Low	**15% @ Low**	**15% @ Very Low**	**20% @ Very Low**	**25% @ Very Low**	**20% @ Low**	**25% @ Low**	**30% @ Low**
I. Project Description									
Site Area	*3.3 Acres*	3.3 Acres	3.3 Acres	3.3 Acres	3.3 Acres	3.3 Acres	3.3 Acres	3.3 Acres	3.3 Acres
Average Unit Size	*1,000 SF*	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF
Gross Building Area (GBA) (1)	*116,000 SF*	158,000 SF	149,000 SF	158,000 SF	158,000 SF	158,000 SF	158,000 SF	158,000 SF	158,000 SF
Number of Units	*99 Units*	134 Units	127 Units	134 Units	134 Units	134 Units	134 Units	134 Units	134 Units
Parking	*198 Spaces*	268 Spaces	268 Spaces	268 Spaces	268 Spaces	268 Spaces	268 Spaces	268 Spaces	268 Spaces
II. Development Costs									
A. Direct Costs									
Site Improvements (2)	*$2,156,000 $15 /SF Site Area*	$2,156,000 $15 /SF Site Area	$2,156,000 $15 /SF Site Area	$2,156,000 $15 /SF Site Area	$2,156,000 $15 /SF Site Area	$2,156,000 $15 /SF Site Area	$2,156,000 $15 /SF Site Area	$2,156,000 $15 /SF Site Area	$2,156,000 $15 /SF Site Area
Parking	*$4,950,000 $25,000 /Space*	$8,040,000 $30,000 /Space	$8,040,000 $30,000 /Space	$8,040,000 $30,000 /Space	$8,040,000 $30,000 /Space	$8,040,000 $30,000 /Space	$8,040,000 $30,000 /Space	$8,040,000 $30,000 /Space	$8,040,000 $30,000 /Space
Shell Construction	*$20,880,000 $180 /SF GBA*	$30,020,000 $190 /SF GBA	$28,310,000 $190 /SF GBA	$30,020,000 $190 /SF GBA	$30,020,000 $190 /SF GBA	$30,020,000 $190 /SF GBA	$30,020,000 $190 /SF GBA	$30,020,000 $190 /SF GBA	$30,020,000 $190 /SF GBA
Other/Contingency	*$2,799,000 10% of Directs*	$4,022,000 10.0% of Directs	$3,851,000 10.0% of Directs	$4,022,000 10.0% of Directs	$4,022,000 10.0% of Directs	$4,022,000 10.0% of Directs	$4,022,000 10.0% of Directs	$4,022,000 10.0% of Directs	$4,022,000 10.0% of Directs
Total Direct Costs	*$30,785,000 $265 /SF GBA*	$44,238,000 $280 /SF GBA	$42,357,000 $284 /SF GBA	$44,238,000 $280 /SF GBA	$44,238,000 $280 /SF GBA	$44,238,000 $280 /SF GBA	$44,238,000 $280 /SF GBA	$44,238,000 $280 /SF GBA	$44,238,000 $280 /SF GBA
Per Unit	*$311,000*	$330,000	$334,000	$330,000	$330,000	$330,000	$330,000	$330,000	$330,000
B. Indirect Costs									
Permits & Fees (2)	*$1,980,000 $20,000 /Unit*	$2,680,000 $20,000 /Unit	$2,540,000 $20,000 /Unit	$2,680,000 $20,000 /SF GBA	$2,680,000 $20,000 /Unit	$2,680,000 $20,000 /Unit	$2,680,000 $20,000 /Unit	$2,680,000 $20,000 /Unit	$2,680,000 $20,000 /Unit
Developer Fee	*$1,231,000 4% of Directs*	$1,770,000 4.0% of Directs	$1,694,000 4.0% of Directs	$1,770,000 4.0% of Directs	$1,770,000 4.0% of Directs	$1,770,000 4.0% of Directs	$1,770,000 4.0% of Directs	$1,770,000 4.0% of Directs	$1,770,000 4.0% of Directs
Other Indirects	*$4,618,000 15% of Directs*	$6,636,000 15.0% of Directs	$6,354,000 15.0% of Directs	$6,636,000 15.0% of Directs	$6,636,000 15.0% of Directs	$6,636,000 15.0% of Directs	$6,636,000 15.0% of Directs	$6,636,000 15.0% of Directs	$6,636,000 15.0% of Directs
Total Indirect Costs	*$7,829,000 25% of Directs*	$11,086,000 25.1% of Directs	$10,588,000 25.0% of Directs	$11,086,000 25.1% of Directs	$11,086,000 25.1% of Directs	$11,086,000 25.1% of Directs	$11,086,000 25.1% of Directs	$11,086,000 25.1% of Directs	$11,086,000 25.1% of Directs
C. Financing Costs	*$2,309,000 7.5% of Directs*	$3,318,000 7.5% of Directs	$3,177,000 7.5% of Directs	$3,318,000 7.5% of Directs	$3,318,000 7.5% of Directs	$3,318,000 7.5% of Directs	$3,318,000 7.5% of Directs	$3,318,000 7.5% of Directs	$3,318,000 7.5% of Directs
D. Total Development Costs	***$40,923,000 $353 /SF GBA***	**$58,642,000 $371 /SF GBA**	**$56,122,000 $377 /SF GBA**	**$58,642,000 $371 /SF GBA**	**$58,642,000 $371 /SF GBA**	**$58,642,000 $371 /SF GBA**	**$58,642,000 $371 /SF GBA**	**$58,642,000 $371 /SF GBA**	**$58,642,000 $371 /SF GBA**
Per Unit	***$413,000***	**$438,000**	**$442,000**	**$438,000**	**$438,000**	**$438,000**	**$438,000**	**$438,000**	**$438,000**

(1) Assumes efficiency factor of 85% net residential; 15% circulation/common area.
(2) Estimate, not verified by KMA or City of Encinitas.

TABLE 3.H-3

ESTIMATE OF RESIDUAL LAND VALUE
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

		A	B	C	D	E	F	G	H	I	J
		Stacked Flats with Podium Parking									
		Upzone Scenario without Density Bonus		**Upzone Scenario w/Density Bonus**		**Very Low**			**Low**		
		10% @ Very Low No Density Bonus	**15% @ Very Low No Density Bonus**	**10% @ Very Low with Density Bonus**	**15% @ Low with Density Bonus**	**15% @ Very Low with Density Bonus**	**20% @ Very Low with Density Bonus**	**25% @ Very Low with Density Bonus**	**20% @ Low with Density Bonus**	**25% @ Low with Density Bonus**	**30% @ Low with Density Bonus**
I. Net Sales Proceeds											
A. Gross Sales Proceeds		$58,810,000	$57,060,000	$81,560,000	$75,260,000	$78,790,000	$76,020,000	$73,250,000	$77,380,000	$74,950,000	$72,520,000
B. Cost of Sale @	4.5% of Value	($2,646,000)	($2,568,000)	($3,670,000)	($3,387,000)	($3,546,000)	($3,421,000)	($3,296,000)	($3,482,000)	($3,373,000)	($3,263,000)
C. Net Sales Proceeds		$56,164,000	$54,492,000	$77,890,000	$71,873,000	$75,244,000	$72,599,000	$69,954,000	$73,898,000	$71,577,000	$69,257,000
II. Residual Land Value											
A. Net Sales Proceeds		$56,164,000	$54,492,000	$77,890,000	$71,873,000	$75,244,000	$72,599,000	$69,954,000	$73,898,000	$71,577,000	$69,257,000
B. (Less) Developer Profit	10.0% of Value	($5,881,000)	($5,706,000)	($8,156,000)	($7,526,000)	($7,879,000)	($7,602,000)	($7,325,000)	($7,738,000)	($7,495,000)	($7,252,000)
C. Warranted Investment		$50,283,000	$48,786,000	$69,734,000	$64,347,000	$67,365,000	$64,997,000	$62,629,000	$66,160,000	$64,082,000	$62,005,000
D. (Less) Development Costs		($40,923,000)	($40,923,000)	($58,642,000)	($56,122,000)	($58,642,000)	($58,642,000)	($58,642,000)	($58,642,000)	($58,642,000)	($58,642,000)
E. Residual Land Value		**$9,360,000**	**$7,863,000**	**$11,092,000**	**$8,225,000**	**$8,723,000**	**$6,355,000**	**$3,987,000**	**$7,518,000**	**$5,440,000**	**$3,363,000**
Per Unit		**$95,000**	**$79,000**	**$83,000**	**$65,000**	**$65,000**	**$47,000**	**$30,000**	**$56,000**	**$41,000**	**$25,000**
Per SF		**$65**	**$55**	**$77**	**$57**	**$61**	**$44**	**$28**	**$52**	**$38**	**$23**

ATTACHMENT 3.I

Baldwin and Sons Properties
Stacked Flats with Podium Parking

TABLE 3.I-1

ESTIMATE OF SALES PROCEEDS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Stacked Flats with Podium Parking									
	Upzone Scenario without Density Bonus		Upzone Scenario with Density Bonus		Very Low			Low		
	10% @ Very Low No Density Bonus	*15% @ Low No Density Bonus*	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Inclusionary Housing										
A. Site Area	*9.1 Acres*	*9.1 Acres*	9.1 Acres	9.1 Acres	9.1 Acres	9.1 Acres	9.1 Acres	9.1 Acres	9.1 Acres	9.1 Acres
B. Density	*30.0 Units/Acre*	*30.0 Units/Acre*	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre
C. Number of Units (1)	*273 Units*	*273 Units*	273 Units	273 Units	273 Units	273 Units	273 Units	273 Units	273 Units	273 Units
D. Inclusionary Set-aside	*10% Very Low*	*15% Low*	10% Very Low	15% Low	15% Very Low	20% Very Low	25% Very Low	20% Low	25% Low	30% Low
E. Affordable Units (2)	*28 Units*	*41 Units*	28 Units	41 Units	41 Units	55 Units	69 Units	55 Units	69 Units	82 Units
II. Density Bonus										
A. Actual % of Affordable Units			10.3% Very Low	15.0% Low	15.0% Very Low	20.1% Very Low	25.3% Very Low	20.1% Low	25.3% Low	30.0% Low
B. Density Bonus			35.0%	27.5%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
C. Density with Bonus			40.5 Units/Acre	38.4 Units/Acre	40.5 Units/Acre	40.5 Units/Acre	40.5 Units/Acre	40.5 Units/Acre	40.5 Units/Acre	40.5 Units/Acre
D. Number of Units with Density Bonus (3)			369 Units	349 Units	369 Units	369 Units	369 Units	369 Units	369 Units	369 Units
E. Parking Spaces 2.0 Spaces/Unit			738 Spaces	698 Spaces	738 Spaces	738 Spaces	738 Spaces	738 Spaces	738 Spaces	738 Spaces
III. Affordability Mix										
A. Very Low	*28 Units 10%*	*0 Units 0%*	28 Units 8%	0 Units 0%	41 Units 11%	55 Units 15%	69 Units 19%	0 Units 0%	0 Units 0%	0 Units 0%
B. Low	*0 Units 0%*	*41 Units 15%*	0 Units 0%	41 Units 12%	0 Units 0%	0 Units 0%	0 Units 0%	55 Units 15%	69 Units 19%	82 Units 22%
C. Market-Rate	*245 Units 90%*	*232 Units 85%*	341 Units 92%	308 Units 88%	328 Units 89%	314 Units 85%	300 Units 81%	314 Units 85%	300 Units 81%	287 Units 78%
D. Total	*273 Units 100%*	*273 Units 100%*	369 Units 100%	349 Units 100%	369 Units 100%	369 Units 100%	369 Units 100%	369 Units 100%	369 Units 100%	369 Units 100%
IV. Estimate of Sales Proceeds										
A. Affordable Units										
Very Low @ $96,000	*$2,688,000*	*$0*	$2,688,000	$0	$3,936,000	$5,280,000	$6,624,000	$0	$0	$0
Low @ $164,000	*$0*	*$6,724,000*	$0	$6,724,000	$0	$0	$0	$9,020,000	$11,316,000	$13,448,000
Total Affordable Units	*$2,688,000*	*$6,724,000*	$2,688,000	$6,724,000	$3,936,000	$5,280,000	$6,624,000	$9,020,000	$11,316,000	$13,448,000
B. Market-Rate Units										
Unit Size	1,000 *SF*	*1,000 SF*	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF
Price/SF	*$650 /SF*	*$650 /SF*	$650 /SF	$650 /SF	$650 /SF	$650 /SF	$650 /SF	$650 /SF	$650 /SF	$650 /SF
Price/Unit	*$650,000*	*$650,000*	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000
Total Anuual Rent	*$159,250,000*	*$150,800,000*	$221,650,000	$200,200,000	$213,200,000	$204,100,000	$195,000,000	$204,100,000	$195,000,000	$186,550,000
C. Total Sales Proceeds	***$161,938,000***	***$157,524,000***	**$224,338,000**	**$206,924,000**	**$217,136,000**	**$209,380,000**	**$201,624,000**	**$213,120,000**	**$206,316,000**	**$199,998,000**
Per Unit	***$593,000***	***$577,000***	**$608,000**	**$593,000**	**$588,000**	**$567,000**	**$546,000**	**$578,000**	**$559,000**	**$542,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 3.I-2

ESTIMATE OF DEVELOPMENT COSTS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A/B		C		D		E		F		G		H		I		J	
	Stacked Flats with Podium Parking																	
	Upzone Scenario without Density Bonus		**Base Case with Density Bonus**				**Very Low**						**Low**					
			10% @ Very Low		**15% @ Low**		**15% @ Very Low**		**20% @ Very Low**		**25% @ Very Low**		**20% @ Low**		**25% @ Low**		**30% @ Low**	
I. Project Description																		
Site Area	*9.1*	*Acres*	9.1	Acres	9.1	Acres	9.1	Acres	9.1	Acres	9.1	Acres	9.1	Acres	9.1	Acres	9.1	Acres
Average Unit Size	*1,000*	*SF*	1,000	SF	1,000	SF	1,000	SF	1,000	SF	1,000	SF	1,000	SF	1,000	SF	1,000	SF
Gross Building Area (GBA) (1)	*321,000*	*SF*	434,000	SF	411,000	SF	434,000	SF	434,000	SF	434,000	SF	434,000	SF	434,000	SF	434,000	SF
Number of Units	*273*	*Units*	369	Units	349	Units	369	Units	369	Units	369	Units	369	Units	369	Units	369	Units
Parking	*546*	*Spaces*	738	Spaces	738	Spaces	738	Spaces	738	Spaces	738	Spaces	738	Spaces	738	Spaces	738	Spaces
II. Development Costs																		
A. Direct Costs																		
Site Improvements (2)	*$5,946,000*	*$15 /SF Site Area*	$5,946,000	$15 /SF Site Area	$5,946,000	$15 /SF Site Area	$5,946,000	$15 /SF Site Area	$5,946,000	$15 /SF Site Area	$5,946,000	$15 /SF Site Area	$5,946,000	$15 /SF Site Area	$5,946,000	$15 /SF Site Area	$5,946,000	$15 /SF Site Area
Parking	*$13,650,000*	*$25,000 /Space*	$22,140,000	$30,000 /Space	$22,140,000	$30,000 /Space	$22,140,000	$30,000 /Space	$22,140,000	$30,000 /Space	$22,140,000	$30,000 /Space	$22,140,000	$30,000 /Space	$22,140,000	$30,000 /Space	$22,140,000	$30,000 /Space
Shell Construction	*$57,780,000*	*$180 /SF GBA*	$82,460,000	$190 /SF GBA	$78,090,000	$190 /SF GBA	$82,460,000	$190 /SF GBA	$82,460,000	$190 /SF GBA	$82,460,000	$190 /SF GBA	$82,460,000	$190 /SF GBA	$82,460,000	$190 /SF GBA	$82,460,000	$190 /SF GBA
Other/Contingency	*$7,738,000*	*10% of Directs*	$11,055,000	10.0% of Directs	$10,618,000	10.0% of Directs	$11,055,000	10.0% of Directs	$11,055,000	10.0% of Directs	$11,055,000	10.0% of Directs	$11,055,000	10.0% of Directs	$11,055,000	10.0% of Directs	$11,055,000	10.0% of Directs
Total Direct Costs	*$85,114,000*	*$265 /SF GBA*	$121,601,000	$280 /SF GBA	$116,794,000	$284 /SF GBA	$121,601,000	$280 /SF GBA	$121,601,000	$280 /SF GBA	$121,601,000	$280 /SF GBA	$121,601,000	$280 /SF GBA	$121,601,000	$280 /SF GBA	$121,601,000	$280 /SF GBA
Per Unit	*$312,000*		$330,000		$335,000		$330,000		$330,000		$330,000		$330,000		$330,000		$330,000	
B. Indirect Costs																		
Permits & Fees (2)	*$5,460,000*	*$20,000 /Unit*	$7,380,000	$20,000 /Unit	$6,980,000	$20,000 /Unit	$7,380,000	$20,000 /SF GBA	$7,380,000	$20,000 /Unit	$7,380,000	$20,000 /Unit	$7,380,000	$20,000 /Unit	$7,380,000	$20,000 /Unit	$7,380,000	$20,000 /Unit
Developer Fee	*$3,405,000*	*4% of Directs*	$4,864,000	4.0% of Directs	$4,672,000	4.0% of Directs	$4,864,000	4.0% of Directs	$4,864,000	4.0% of Directs	$4,864,000	4.0% of Directs	$4,864,000	4.0% of Directs	$4,864,000	4.0% of Directs	$4,864,000	4.0% of Directs
Other Indirects	*$12,767,000*	*15% of Directs*	$18,240,000	15.0% of Directs	$17,519,000	15.0% of Directs	$18,240,000	15.0% of Directs	$18,240,000	15.0% of Directs	$18,240,000	15.0% of Directs	$18,240,000	15.0% of Directs	$18,240,000	15.0% of Directs	$18,240,000	15.0% of Directs
Total Indirect Costs	*$21,632,000*	*25% of Directs*	$30,484,000	25.1% of Directs	$29,171,000	25.0% of Directs	$30,484,000	25.1% of Directs	$30,484,000	25.1% of Directs	$30,484,000	25.1% of Directs	$30,484,000	25.1% of Directs	$30,484,000	25.1% of Directs	$30,484,000	25.1% of Directs
C. Financing Costs	*$6,384,000*	*7.5% of Directs*	$9,120,000	7.5% of Directs	$8,760,000	7.5% of Directs	$9,120,000	7.5% of Directs	$9,120,000	7.5% of Directs	$9,120,000	7.5% of Directs	$9,120,000	7.5% of Directs	$9,120,000	7.5% of Directs	$9,120,000	7.5% of Directs
D. Total Development Costs	***$113,130,000***	***$352 /SF GBA***	**$161,205,000**	**$371 /SF GBA**	**$154,725,000**	**$376 /SF GBA**	**$161,205,000**	**$371 /SF GBA**	**$161,205,000**	**$371 /SF GBA**	**$161,205,000**	**$371 /SF GBA**	**$161,205,000**	**$371 /SF GBA**	**$161,205,000**	**$371 /SF GBA**	**$161,205,000**	**$371 /SF GBA**
Per Unit	***$414,000***		**$437,000**		**$443,000**		**$437,000**		**$437,000**		**$437,000**		**$437,000**		**$437,000**		**$437,000**	

(1) Assumes efficiency factor of 85% net residential; 15% circulation/common area.
(2) Estimate, not verified by KMA or City of Encinitas.

TABLE 3.I-3

ESTIMATE OF RESIDUAL LAND VALUE
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

		A	B	C	D	E	F	G	H	I	J
		Stacked Flats with Podium Parking									
		Upzone Scenario without Density Bonus		Upzone Scenario w/Density Bonus		Very Low			Low		
		10% @ Very Low No Density Bonus	15% @ Very Low No Density Bonus	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Net Sales Proceeds											
A. Gross Sales Proceeds		$161,938,000	$157,524,000	$224,338,000	$206,924,000	$217,136,000	$209,380,000	$201,624,000	$213,120,000	$206,316,000	$199,998,000
B. (Less) Cost of Sale @	4.5% of Value	($7,287,000)	($7,089,000)	($10,095,000)	($9,312,000)	($9,771,000)	($9,422,000)	($9,073,000)	($9,590,000)	($9,284,000)	($9,000,000)
C. Net Sales Proceeds		$154,651,000	$150,435,000	$214,243,000	$197,612,000	$207,365,000	$199,958,000	$192,551,000	$203,530,000	$197,032,000	$190,998,000
II. Residual Land Value											
A. Net Sales Proceeds		$154,651,000	$150,435,000	$214,243,000	$197,612,000	$207,365,000	$199,958,000	$192,551,000	$203,530,000	$197,032,000	$190,998,000
B. (Less Developer Profit	10.0% of Value	($16,194,000)	($15,752,000)	($22,434,000)	($20,692,000)	($21,714,000)	($20,938,000)	($20,162,000)	($21,312,000)	($20,632,000)	($20,000,000)
C. Waraanted Investment		$138,457,000	$134,683,000	$191,809,000	$176,920,000	$185,651,000	$179,020,000	$172,389,000	$182,218,000	$176,400,000	$170,998,000
D. (Less) Development Costs		($113,130,000)	($113,130,000)	($161,205,000)	($154,725,000)	($161,205,000)	($161,205,000)	($161,205,000)	($161,205,000)	($161,205,000)	($161,205,000)
E. Residual Land Value		**$25,327,000**	**$21,553,000**	**$30,604,000**	**$22,195,000**	**$24,446,000**	**$17,815,000**	**$11,184,000**	**$21,013,000**	**$15,195,000**	**$9,793,000**
Per Unit		**$93,000**	**$79,000**	**$83,000**	**$64,000**	**$66,000**	**$48,000**	**$30,000**	**$57,000**	**$41,000**	**$27,000**
Per SF		**$64**	**$54**	**$77**	**$56**	**$62**	**$45**	**$28**	**$53**	**$38**	**$25**

ATTACHMENT 3.J

Jackel Property
Stacked Flats with Podium Parking

TABLE 3.J-1

ESTIMATE OF SALES PROCEEDS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Stacked Flats with Podium Parking									
	Upzone Scenario without Density Bonus		Upzone Scenario with Density Bonus		Very Low			Low		
	10% @ Very Low No Density Bonus	*15% @ Low No Density Bonus*	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Inclusionary Housing										
A. Site Area (Residential)	*1.3 Acres*	*1.3 Acres*	1.3 Acres	1.3 Acres	1.3 Acres	1.3 Acres	1.3 Acres	1.3 Acres	1.3 Acres	1.3 Acres
B. Density	*30.0 Units/Acre*	*30.0 Units/Acre*	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre
C. Number of Units (1)	*39 Units*	*39 Units*	39 Units	39 Units	39 Units	39 Units	39 Units	39 Units	39 Units	39 Units
D. Inclusionary Set-aside	*10% Very Low*	*15% Low*	10% Very Low	15% Low	15% Very Low	20% Very Low	25% Very Low	20% Low	25% Low	30% Low
E. Affordable Units (2)	*4 Units*	*6 Units*	4 Units	6 Units	6 Units	8 Units	10 Units	8 Units	10 Units	12 Units
II. Density Bonus										
A. Actual % of Affordable Units			10.3% Very Low	15.4% Low	15.4% Very Low	20.5% Very Low	25.6% Very Low	20.5% Low	25.6% Low	30.8% Low
B. Density Bonus			35.0%	27.5%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
C. Density with Bonus			40.4 Units/Acre	38.1 Units/Acre	40.4 Units/Acre	40.4 Units/Acre	40.4 Units/Acre	40.4 Units/Acre	40.4 Units/Acre	40.4 Units/Acre
D. Number of Units with Density Bonus (3)			53 Units	50 Units	53 Units	53 Units	53 Units	53 Units	53 Units	53 Units
E. Parking Spaces 2.0 Spaces/Unit			106 Spaces	100 Spaces	106 Spaces	106 Spaces	106 Spaces	106 Spaces	106 Spaces	106 Spaces
III. Affordability Mix										
A. Very Low	*4 Units 10%*	*0 Units 0%*	4 Units 8%	0 Units 0%	6 Units 11%	8 Units 15%	10 Units 19%	0 Units 0%	0 Units 0%	0 Units 0%
B. Low	*0 Units 0%*	*6 Units 15%*	0 Units 0%	6 Units 12%	0 Units 0%	0 Units 0%	0 Units 0%	8 Units 15%	10 Units 19%	12 Units 23%
C. Market-Rate	*35 Units 90%*	*33 Units 85%*	49 Units 92%	44 Units 88%	47 Units 89%	45 Units 85%	43 Units 81%	45 Units 85%	43 Units 81%	41 Units 77%
D. Total	*39 Units 100%*	*39 Units 100%*	53 Units 100%	50 Units 100%	53 Units 100%	53 Units 100%	53 Units 100%	53 Units 100%	53 Units 100%	53 Units 100%
IV. Estimate of Sales Proceeds										
A. Affordable Units										
Very Low @ $96,000	*$384,000*	*$0*	$384,000	$0	$576,000	$768,000	$960,000	$0	$0	$0
Low @ $164,000	*$0*	*$984,000*	$0	$984,000	$0	$0	$0	$1,312,000	$1,640,000	$1,968,000
Total Affordable Units	*$384,000*	*$984,000*	$384,000	$984,000	$576,000	$768,000	$960,000	$1,312,000	$1,640,000	$1,968,000
B. Market-Rate Units										
Unit Size	*1,000 SF*	*1,000 SF*	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF
Price/SF	*$650 /SF*	*$650 /SF*	$650 /SF	$650 /SF	$650 /SF	$650 /SF	$650 /SF	$650 /SF	$650 /SF	$650 /SF
Price/Unit	*$650,000*	*$650,000*	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000
Total Sales Proceeds	*$22,750,000*	*$21,450,000*	$31,850,000	$28,600,000	$30,550,000	$29,250,000	$27,950,000	$29,250,000	$27,950,000	$26,650,000
C. Total Sales Proceeds	***$23,134,000***	***$22,434,000***	**$32,234,000**	**$29,584,000**	**$31,126,000**	**$30,018,000**	**$28,910,000**	**$30,562,000**	**$29,590,000**	**$28,618,000**
Per Unit	***$593,000***	***$575,000***	**$608,000**	**$592,000**	**$587,000**	**$566,000**	**$545,000**	**$577,000**	**$558,000**	**$540,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 3.J-2

ESTIMATE OF DEVELOPMENT COSTS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A/B	C	D	E	F	G	H	I	J
	Stacked Flats with Podium Parking								
	Upzone Scenario without Density Bonus	Base Case with Density Bonus		Very Low			Low		
		10% @ Very Low	15% @ Low	15% @ Very Low	20% @ Very Low	25% @ Very Low	20% @ Low	25% @ Low	30% @ Low
I. Project Description									
Site Area	*3.0 Acres*	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres
Average Unit Size	*1,000 SF*	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF
Number of Units	*39 Units*	53 Units	50 Units	53 Units	53 Units	53 Units	53 Units	53 Units	53 Units
Number of Rooms	*30 Rooms*	30 Rooms	30 Rooms	30 Rooms	30 Rooms	30 Rooms	30 Rooms	30 Rooms	30 Rooms
Gross Building Area (GBA)									
Residential (1)	*46,000 SF*	62,000 SF	59,000 SF	62,000 SF	62,000 SF	62,000 SF	62,000 SF	62,000 SF	62,000 SF
Hotel	*17,250 SF*	17,250 SF	17,250 SF	17,250 SF	17,250 SF	17,250 SF	17,250 SF	17,250 SF	17,250 SF
Commercial	*5,000 SF*	5,000 SF	5,000 SF	5,000 SF	5,000 SF	5,000 SF	5,000 SF	5,000 SF	5,000 SF
Total GBA	*68,250 SF*	84,250 SF	81,250 SF	84,250 SF	84,250 SF	84,250 SF	84,250 SF	84,250 SF	84,250 SF
Parking									
Surface	*88 Spaces*	88 Spaces	88 Spaces	88 Spaces	88 Spaces	88 Spaces	88 Spaces	88 Spaces	88 Spaces
Tuck-Under	*78 Spaces*	106 Spaces	100 Spaces	106 Spaces	106 Spaces	106 Spaces	106 Spaces	106 Spaces	106 Spaces
Total Spaces	*166 Spaces*	194 Spaces	188 Spaces	194 Spaces	194 Spaces	194 Spaces	194 Spaces	194 Spaces	194 Spaces
II. Development Costs									
A. Direct Costs									
Site Improvements (2)	*$1,941,000 $15 /SF Site Area*	$1,941,000 $15 /SF Site Area	$1,941,000 $15 /SF Site Area	$1,941,000 $15 /SF Site Area	$1,941,000 $15 /SF Site Area	$1,941,000 $15 /SF Site Area	$1,941,000 $15 /SF Site Area	$1,941,000 $15 /SF Site Area	$1,941,000 $15 /SF Site Area
Parking	*$1,950,000 $25,000 /Space*	$3,180,000 $30,000 /Space	$3,000,000 $30,000 /Space	*$3,180,000 $30,000 /Space*	$3,180,000 $30,000 /Space	$3,180,000 $30,000 /Space	$3,180,000 $30,000 /Space	$3,180,000 $30,000 /Space	$3,180,000 $30,000 /Space
Shell Construction - Residential	*$8,280,000 $180 /SF GBA*	$11,780,000 $190 /SF GBA	$11,210,000 $190 /SF GBA	$11,780,000 $190 /SF GBA	$11,780,000 $190 /SF GBA	$11,780,000 $190 /SF GBA	$11,780,000 $190 /SF GBA	$11,780,000 $190 /SF GBA	$11,780,000 $190 /SF GBA
Shell Construction - Hotel	*$3,623,000 $210 /SF GBA*	$3,623,000 $210 /SF GBA	$3,623,000 $210 /SF GBA	*$3,623,000 $210 /SF GBA*	*$3,623,000 $210 /SF GBA*	*$3,623,000 $210 /SF GBA*	*$3,623,000 $210 /SF GBA*	*$3,623,000 $210 /SF GBA*	*$3,623,000 $210 /SF GBA*
Shell Construction - Commercial	*$800,000 $160 /SF GBA*	$800,000 $160 /SF GBA	$800,000 $160 /SF GBA	*$800,000 $160 /SF GBA*	*$800,000 $160 /SF GBA*	*$800,000 $160 /SF GBA*	*$800,000 $160 /SF GBA*	*$800,000 $160 /SF GBA*	*$800,000 $160 /SF GBA*
Tenant Improvements	*$250,000 $50 /SF GBA*	$250,000 $50 /SF GBA	$250,000 $50 /SF GBA	*$250,000 $50 /SF GBA*	*$250,000 $50 /SF GBA*	*$250,000 $50 /SF GBA*	*$250,000 $50 /SF GBA*	*$250,000 $50 /SF GBA*	*$250,000 $50 /SF GBA*
FF&E	*$750,000 $25,000 /Room*	$750,000 $25,000 /Room	$750,000 $25,000 /Room	$750,000 $25,000 /Room	$750,000 $25,000 /Room	$750,000 $25,000 /Room	$750,000 $25,000 /Room	$750,000 $25,000 /Room	$750,000 $25,000 /Room
Amenities	*$150,000 $5,000 /Room*	$150,000 $5,000 /Room	$150,000 $5,000 /Room	$150,000 $5,000 /Room	$150,000 $5,000 /Room	$150,000 $5,000 /Room	$150,000 $5,000 /Room	$150,000 $5,000 /Room	$150,000 $5,000 /Room
Other/Contingency	*$1,774,000 10% of Directs*	$2,247,000 10.0% of Directs	$2,172,000 10.0% of Directs	$2,247,000 10.0% of Directs	$2,247,000 10.0% of Directs	$2,247,000 10.0% of Directs	$2,247,000 10.0% of Directs	$2,247,000 10.0% of Directs	$2,247,000 10.0% of Directs
Total Direct Costs	*$19,518,000 $286 /SF GBA*	$24,721,000 $293 /SF GBA	$23,896,000 $294 /SF GBA	$24,721,000 *$293* /SF GBA	$24,721,000 *$293* /SF GBA	$24,721,000 *$293* /SF GBA	$24,721,000 *$293* /SF GBA	$24,721,000 *$293* /SF GBA	$24,721,000 *$293* /SF GBA
Per Unit	*$500,000*	$466,000	$478,000	$466,000	$466,000	$466,000	$466,000	$466,000	$466,000
B. Indirect Costs									
Permits & Fees - Residential (2)	*$780,000 $20,000 /Unit*	$1,060,000 $20,000 /Unit	$1,000,000 $20,000 /Unit	$1,060,000 $20,000 /SF GBA	$1,060,000 $20,000 /Unit	$1,060,000 $20,000 /Unit	$1,060,000 $20,000 /Unit	$1,060,000 $20,000 /Unit	$1,060,000 $20,000 /Unit
Permits & Fees - Hotel/Comm. (2)	*$223,000 $10 /SF*	$223,000 $10 /SF	$223,000 $10 /SF	$223,000 $10 /SF	$223,000 $10 /SF	$223,000 $10 /SF	$223,000 $10 /SF	$223,000 $10 /SF	$223,000 $10 /SF
Developer Fee	*$781,000 4% of Directs*	$989,000 4.0% of Directs	$956,000 4.0% of Directs	$989,000 4.0% of Directs	$989,000 4.0% of Directs	$989,000 4.0% of Directs	$989,000 4.0% of Directs	$989,000 4.0% of Directs	$989,000 4.0% of Directs
Other Indirects	*$2,928,000 15% of Directs*	$3,708,000 15.0% of Directs	$3,584,000 15.0% of Directs	$3,708,000 15.0% of Directs	$3,708,000 15.0% of Directs	$3,708,000 15.0% of Directs	$3,708,000 15.0% of Directs	$3,708,000 15.0% of Directs	$3,708,000 15.0% of Directs
Total Indirect Costs	*$4,712,000 24% of Directs*	$5,980,000 24.2% of Directs	$5,763,000 24.1% of Directs	$5,980,000 24.2% of Directs	$5,980,000 24.2% of Directs	$5,980,000 24.2% of Directs	$5,980,000 24.2% of Directs	$5,980,000 24.2% of Directs	$5,980,000 24.2% of Directs
C. Financing Costs	*$1,464,000 7.5% of Directs*	$1,854,000 7.5% of Directs	$1,792,000 7.5% of Directs	$1,854,000 7.5% of Directs	$1,854,000 7.5% of Directs	$1,854,000 7.5% of Directs	$1,854,000 7.5% of Directs	$1,854,000 7.5% of Directs	$1,854,000 7.5% of Directs
D. Total Development Costs	***$25,694,000 $376 /SF GBA***	**$32,555,000 *$386* /SF GBA**	**$31,451,000 *$387* /SF GBA**	**$32,555,000 *$386* /SF GBA**	**$32,555,000 *$386* /SF GBA**	**$32,555,000 *$386* /SF GBA**	**$32,555,000 *$386* /SF GBA**	**$32,555,000 *$386* /SF GBA**	**$32,555,000 *$386* /SF GBA**
Per Unit	***$659,000***	**$614,000**	**$629,000**	**$614,000**	**$614,000**	**$614,000**	**$614,000**	**$614,000**	**$614,000**

(1) Assumes efficiency factor of 85% net residential; 15% circulation/common area.
(2) Estimate, not verified by KMA or City of Encinitas.

TABLE 3.J-3

NET SALES PROCEEDS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Stacked Flats with Podium Parking									
	Upzone Scenario without Density Bonus		**Upzone Scenario w/Density Bonus**		**Very Low**			**Low**		
	10% @ Very Low No Density Bonus	**15% @ Very Low No Density Bonus**	**10% @ Very Low with Density Bonus**	**15% @ Low with Density Bonus**	**15% @ Very Low with Density Bonus**	**20% @ Very Low with Density Bonus**	**25% @ Very Low with Density Bonus**	**20% @ Low with Density Bonus**	**25% @ Low with Density Bonus**	**30% @ Low with Density Bonus**
IV. Warranted Investment - Hotel										
A. Room Revenue	30 Rooms	30 Rooms	*30 Rooms*	*30 Rooms*	*30 Rooms*	*30 Rooms*	*30 Rooms*	*30 Rooms*	*30 Rooms*	*30 Rooms*
Average Daily Rate (ADR)	$200	$200	*$200*	*$200*	*$200*	*$200*	*$200*	*$200*	*$200*	*$200*
Occupancy	82.0%	82.0%	*82.0%*	*82.0%*	*82.0%*	*82.0%*	*82.0%*	*82.0%*	*82.0%*	*82.0%*
Annual Room Revenue - Hotel	$1,796,000	$1,796,000	*$1,796,000*	*$1,796,000*	*$1,796,000*	*$1,796,000*	*$1,796,000*	*$1,796,000*	*$1,796,000*	*$1,796,000*
B. Food & Beverage 10%	$180,000	$180,000	*$180,000*	*$180,000*	*$180,000*	*$180,000*	*$180,000*	*$180,000*	*$180,000*	*$180,000*
C. Other Operated Departments Revenue 5%	$90,000	$90,000	*$90,000*	*$90,000*	*$90,000*	*$90,000*	*$90,000*	*$90,000*	*$90,000*	*$90,000*
D. Parking Revenue 38 Spaces *$300*	$135,000	$135,000	*$135,000*	*$135,000*	*$135,000*	*$135,000*	*$135,000*	*$135,000*	*$135,000*	*$135,000*
E. Effective Gross Income (EGI)	$2,201,000	$2,201,000	*$2,201,000*	*$2,201,000*	*$2,201,000*	*$2,201,000*	*$2,201,000*	*$2,201,000*	*$2,201,000*	*$2,201,000*
F. (Less) Operating Expenses *65% of EGI*	($1,431,000)	($1,431,000)	*($1,431,000)*	*($1,431,000)*	*($1,431,000)*	*($1,431,000)*	*($1,431,000)*	*($1,431,000)*	*($1,431,000)*	*($1,431,000)*
G. Net Operating Income (NOI)	$770,000	$770,000	*$770,000*	*$770,000*	*$770,000*	*$770,000*	*$770,000*	*$770,000*	*$770,000*	*$770,000*
H. Capitalization Rate	7.00%	7.00%	*7.00%*	*7.00%*	*7.00%*	*7.00%*	*7.00%*	*7.00%*	*7.00%*	*7.00%*
I. Capitalized Value Upon Completion	$11,000,000	$11,000,000	$11,000,000	$11,000,000	$11,000,000	$11,000,000	$11,000,000	$11,000,000	$11,000,000	$11,000,000
J. (Less) Cost of Sale 3.0% of Value	($330,000)	($330,000)	($330,000)	($330,000)	($330,000)	($330,000)	($330,000)	($330,000)	($330,000)	($330,000)
K. (Less) Developer Profit 10.0% of Value	($1,100,000)	($1,100,000)	($1,100,000)	($1,100,000)	($1,100,000)	($1,100,000)	($1,100,000)	($1,100,000)	($1,100,000)	($1,100,000)
L. Warranted Investment - Hotel	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000
V. Warranted Investment - Commercial										
A. Commercial Revenue	5,000 SF	5,000 SF	*5,000 SF*	*5,000 SF*	*5,000 SF*	*5,000 SF*	*5,000 SF*	*5,000 SF*	*5,000 SF*	*5,000 SF*
Monthly Rent	$4.00/SF NNN	$4.00/SF NNN	*$4.00/SF NNN*	*$4.00/SF NNN*	*$4.00/SF NNN*	*$4.00/SF NNN*	*$4.00/SF NNN*	*$4.00/SF NNN*	*$4.00/SF NNN*	*$4.00/SF NNN*
Annual Revenue - Commercial	$240,000	$240,000	*$210,000*	*$210,000*	*$210,000*	*$210,000*	*$210,000*	*$210,000*	*$210,000*	*$210,000*
(Less) Vacancy @	10.0% ($24,000)	10.0% ($24,000)	*10.0% ($21,000)*	*10.0% ($21,000)*	*10.0% ($21,000)*	*10.0% ($21,000)*	*10.0% ($21,000)*	*10.0% ($21,000)*	*10.0% ($21,000)*	*10.0% ($21,000)*
Effective Gross Income - Commercial	$216,000	$216,000	*$189,000*	*$189,000*	*$189,000*	*$189,000*	*$189,000*	*$189,000*	*$189,000*	*$189,000*
B. (Less)Unreimbursed Expenses	5.0% ($11,000)	5.0% ($11,000)	*5.0% ($9,000)*	*5.0% ($9,000)*	*5.0% ($9,000)*	*5.0% ($9,000)*	*5.0% ($9,000)*	*5.0% ($9,000)*	*5.0% ($9,000)*	*5.0% ($9,000)*
C. Net Operating Income (NOI)	$205,000	$205,000	$180,000	$180,000	$180,000	$180,000	$180,000	$180,000	$180,000	$180,000
D. Capitalization Rate	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
E. Capitalized Value Upon Completion	$3,154,000	$3,154,000	$2,769,000	$2,769,000	$2,769,000	$2,769,000	$2,769,000	$2,769,000	$2,769,000	$2,769,000
F. (Less) Cost of Sale 3.0% of Value	($95,000)	($95,000)	($83,000)	($83,000)	($83,000)	($83,000)	($83,000)	($83,000)	($83,000)	($83,000)
G. (Less) Developer Profit 10.0% of Value	($315,000)	($315,000)	($277,000)	($277,000)	($277,000)	($277,000)	($277,000)	($277,000)	($277,000)	($277,000)
I. Warranted Investment - Commercial	$2,744,000	$2,744,000	$2,409,000	$2,409,000	$2,409,000	$2,409,000	$2,409,000	$2,409,000	$2,409,000	$2,409,000

TABLE 3.J-4

ESTIMATE OF RESIDUAL LAND VALUE
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Stacked Flats with Podium Parking									
	Upzone Scenario without Density Bonus		Upzone Scenario w/Density Bonus		Very Low			Low		
	10% @ Very Low No Density Bonus	15% @ Very Low No Density Bonus	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Residual Land Value										
A. Gross Sales Proceeds - Residential	$23,134,000	$22,434,000	$32,234,000	$29,584,000	$31,126,000	$30,018,000	$28,910,000	$30,562,000	$29,590,000	$28,618,000
B. (Less) Cost of Sale @ 4.5% of Value	($1,041,000)	($1,010,000)	($1,451,000)	($1,331,000)	($1,401,000)	($1,351,000)	($1,301,000)	($1,375,000)	($1,332,000)	($1,288,000)
C. Net Sales Proceeds	$22,093,000	$21,424,000	$30,783,000	$28,253,000	$29,725,000	$28,667,000	$27,609,000	$29,187,000	$28,258,000	$27,330,000
D. (Less) Developer Profit @ 10.0% of Value	($2,313,000)	($2,243,000)	($3,223,000)	($2,958,000)	($3,113,000)	($3,002,000)	($2,891,000)	($3,056,000)	($2,959,000)	($2,862,000)
E. Warranted Investment - Residential	$19,780,000	$19,181,000	$27,560,000	$25,295,000	$26,612,000	$25,665,000	$24,718,000	$26,131,000	$25,299,000	$24,468,000
F. Warranted Investment - Hotel	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000	$9,570,000
G. Warranted Investment - Commercial	$2,744,000	$2,744,000	$2,409,000	$2,409,000	$2,409,000	$2,409,000	$2,409,000	$2,409,000	$2,409,000	$2,409,000
H. Total Warranted Investment	$32,094,000	$31,495,000	$39,539,000	$37,274,000	$38,591,000	$37,644,000	$36,697,000	$38,110,000	$37,278,000	$36,447,000
I. (Less) Development Costs	($25,694,000)	($25,694,000)	($32,555,000)	($31,451,000)	($32,555,000)	($32,555,000)	($32,555,000)	($32,555,000)	($32,555,000)	($32,555,000)
J. Residual Land Value	**$6,400,000**	**$5,801,000**	**$6,984,000**	**$5,823,000**	**$6,036,000**	**$5,089,000**	**$4,142,000**	**$5,555,000**	**$4,723,000**	**$3,892,000**
Per Unit	**$164,000**	**$149,000**	**$132,000**	**$116,000**	**$114,000**	**$96,000**	**$78,000**	**$105,000**	**$89,000**	**$73,000**
Per SF	**$49**	**$45**	**$54**	**$45**	**$47**	**$39**	**$32**	**$43**	**$37**	**$30**

ATTACHMENT 3.K

Sunshine Gardens
Stacked Flats with Podium Parking

TABLE 3.K-1

ESTIMATE OF SALES PROCEEDS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Stacked Flats with Podium Parking									
	Upzone Scenario without Density Bonus		**Upzone Scenario with Density Bonus**		**Very Low**			**Low**		
	10% @ Very Low No Density Bonus	***15% @ Low No Density Bonus***	**10% @ Very Low with Density Bonus**	**15% @ Low with Density Bonus**	**15% @ Very Low with Density Bonus**	**20% @ Very Low with Density Bonus**	**25% @ Very Low with Density Bonus**	**20% @ Low with Density Bonus**	**25% @ Low with Density Bonus**	**30% @ Low with Density Bonus**
I. Inclusionary Housing										
A. Site Area	*3.4 Acres*	*3.4 Acres*	3.4 Acres	3.4 Acres	3.4 Acres	3.4 Acres	3.4 Acres	3.4 Acres	3.4 Acres	3.4 Acres
B. Density	*30.0 Units/Acre*	*30.0 Units/Acre*	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre
C. Number of Units (1)	*101 Units*	*101 Units*	101 Units	101 Units	101 Units	101 Units	101 Units	101 Units	101 Units	101 Units
D. Inclusionary Set-aside	*10% Very Low*	*15% Low*	10% Very Low	15% Low	15% Very Low	20% Very Low	25% Very Low	20% Low	25% Low	30% Low
E. Affordable Units (2)	*11 Units*	*16 Units*	11 Units	16 Units	16 Units	21 Units	26 Units	21 Units	26 Units	31 Units
II. Density Bonus										
A. Actual % of Affordable Units			10.9% Very Low	15.8% Low	15.8% Very Low	20.8% Very Low	25.7% Very Low	20.8% Low	25.7% Low	30.7% Low
B. Density Bonus			35.0%	27.5%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
C. Density with Bonus			40.4 Units/Acre	38.1 Units/Acre	40.4 Units/Acre	40.4 Units/Acre	40.4 Units/Acre	40.4 Units/Acre	40.4 Units/Acre	40.4 Units/Acre
D. Number of Units with Density Bonus (3)			137 Units	129 Units	137 Units	137 Units	137 Units	137 Units	137 Units	137 Units
E. Parking Spaces 2.0 Spaces/Unit			274 Spaces	258 Spaces	274 Spaces	274 Spaces	274 Spaces	274 Spaces	274 Spaces	274 Spaces
III. Affordability Mix										
A. Very Low	*11 Units 11%*	*0 Units 0%*	11 Units 8%	0 Units 0%	16 Units 12%	21 Units 15%	26 Units 19%	0 Units 0%	0 Units 0%	0 Units 0%
B. Low	*0 Units 0%*	*16 Units 16%*	0 Units 0%	16 Units 12%	0 Units 0%	0 Units 0%	0 Units 0%	21 Units 15%	26 Units 19%	31 Units 23%
C. Market-Rate	*90 Units 89%*	*85 Units 84%*	126 Units 92%	113 Units 88%	121 Units 88%	116 Units 85%	111 Units 81%	116 Units 85%	111 Units 81%	106 Units 77%
D. Total	*101 Units 100%*	*101 Units 100%*	137 Units 100%	129 Units 100%	137 Units 100%	137 Units 100%	137 Units 100%	137 Units 100%	137 Units 100%	137 Units 100%
IV. Estimate of Sales Proceeds										
A. Affordable Units										
Very Low @ $96,000	*$1,056,000*	*$0*	$1,056,000	$0	$1,536,000	$2,016,000	$2,496,000	$0	$0	$0
Low @ $164,000	*$0*	*$2,624,000*	$0	$2,624,000	$0	$0	$0	$3,444,000	$4,264,000	$5,084,000
Total Affordable Units	*$1,056,000*	*$2,624,000*	$1,056,000	$2,624,000	$1,536,000	$2,016,000	$2,496,000	$3,444,000	$4,264,000	$5,084,000
B. Market-Rate Units										
Unit Size	*1,000 SF*	*1,000 SF*	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF
Price/SF	*$650 /SF*	*$650 /SF*	$650 /SF	$650 /SF	$650 /SF	$650 /SF	$650 /SF	$650 /SF	$650 /SF	$650 /SF
Price/Unit	*$650,000*	*$650,000*	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000
Total Sales Proceeds	*$58,500,000*	*$55,250,000*	$81,900,000	$73,450,000	$78,650,000	$75,400,000	$72,150,000	$75,400,000	$72,150,000	$68,900,000
C. Total Sales Proceeds	***$59,556,000***	***$57,874,000***	**$82,956,000**	**$76,074,000**	**$80,186,000**	**$77,416,000**	**$74,646,000**	**$78,844,000**	**$76,414,000**	**$73,984,000**
Per Unit	***$590,000***	***$573,000***	**$606,000**	**$590,000**	**$585,000**	**$565,000**	**$545,000**	**$576,000**	**$558,000**	**$540,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 3.K-2

ESTIMATE OF DEVELOPMENT COSTS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A/B	C	D	E	F	G	H	I	J
	Stacked Flats with Podium Parking								
		Base Case with Density Bonus		**Very Low**			**Low**		
	Upzone Scenario without Density Bonus	**10% @ Very Low**	**15% @ Low**	**15% @ Very Low**	**20% @ Very Low**	**25% @ Very Low**	**20% @ Low**	**25% @ Low**	**30% @ Low**
I. Project Description									
Site Area	*3.4 Acres*	3.4 Acres	3.4 Acres	3.4 Acres	3.4 Acres	3.4 Acres	3.4 Acres	3.4 Acres	3.4 Acres
Average Unit Size	*1,000 SF*	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF
Gross Building Area (GBA) (1)	*119,000 SF*	161,000 SF	152,000 SF	161,000 SF	161,000 SF	161,000 SF	161,000 SF	161,000 SF	161,000 SF
Number of Units	*101 Units*	137 Units	129 Units	137 Units	137 Units	137 Units	137 Units	137 Units	137 Units
Parking	*202 Spaces*	274 Spaces	274 Spaces	274 Spaces	274 Spaces	274 Spaces	274 Spaces	274 Spaces	274 Spaces
II. Development Costs									
A. Direct Costs									
Site Improvements (2)	*$2,215,000 $15 /SF Site Area*	$2,215,000 $15 /SF Site Area	$2,215,000 $15 /SF Site Area	$2,215,000 $15 /SF Site Area	$2,215,000 $15 /SF Site Area	$2,215,000 $15 /SF Site Area	$2,215,000 $15 /SF Site Area	$2,215,000 $15 /SF Site Area	$2,215,000 $15 /SF Site Area
Parking	*$5,050,000 $25,000 /Space*	$8,220,000 $30,000 /Space	$8,220,000 $30,000 /Space	$8,220,000 $30,000 /Space	$8,220,000 $30,000 /Space	$8,220,000 $30,000 /Space	$8,220,000 $30,000 /Space	$8,220,000 $30,000 /Space	$8,220,000 $30,000 /Space
Shell Construction	*$21,420,000 $180 /SF GBA*	$30,590,000 $190 /SF GBA	$28,880,000 $190 /SF GBA	$30,590,000 $190 /SF GBA	$30,590,000 $190 /SF GBA	$30,590,000 $190 /SF GBA	$30,590,000 $190 /SF GBA	$30,590,000 $190 /SF GBA	$30,590,000 $190 /SF GBA
Other/Contingency	*$2,869,000 10% of Directs*	$4,103,000 10.0% of Directs	$3,932,000 10.0% of Directs	$4,103,000 10.0% of Directs	$4,103,000 10.0% of Directs	$4,103,000 10.0% of Directs	$4,103,000 10.0% of Directs	$4,103,000 10.0% of Directs	$4,103,000 10.0% of Directs
Total Direct Costs	*$31,554,000 $265 /SF GBA*	$45,128,000 $280 /SF GBA	$43,247,000 $285 /SF GBA	$45,128,000 $280 /SF GBA	$45,128,000 $280 /SF GBA	$45,128,000 $280 /SF GBA	$45,128,000 $280 /SF GBA	$45,128,000 $280 /SF GBA	$45,128,000 $280 /SF GBA
Per Unit	*$312,000*	$329,000	$335,000	$329,000	$329,000	$329,000	$329,000	$329,000	$329,000
B. Indirect Costs									
Permits & Fees (2)	*$2,020,000 $20,000 /Unit*	$2,740,000 $20,000 /Unit	$2,580,000 $20,000 /Unit	$2,740,000 $20,000 /SF GBA	$2,740,000 $20,000 /Unit	$2,740,000 $20,000 /Unit	$2,740,000 $20,000 /Unit	$2,740,000 $20,000 /Unit	$2,740,000 $20,000 /Unit
Developer Fee	*$1,262,000 4% of Directs*	$1,805,000 4.0% of Directs	$1,730,000 4.0% of Directs	$1,805,000 4.0% of Directs	$1,805,000 4.0% of Directs	$1,805,000 4.0% of Directs	$1,805,000 4.0% of Directs	$1,805,000 4.0% of Directs	$1,805,000 4.0% of Directs
Other Indirects	*$4,733,000 15% of Directs*	$6,769,000 15.0% of Directs	$6,487,000 15.0% of Directs	$6,769,000 15.0% of Directs	$6,769,000 15.0% of Directs	$6,769,000 15.0% of Directs	$6,769,000 15.0% of Directs	$6,769,000 15.0% of Directs	$6,769,000 15.0% of Directs
Total Indirect Costs	*$8,015,000 25% of Directs*	$11,314,000 25.1% of Directs	$10,797,000 25.0% of Directs	$11,314,000 25.1% of Directs	$11,314,000 25.1% of Directs	$11,314,000 25.1% of Directs	$11,314,000 25.1% of Directs	$11,314,000 25.1% of Directs	$11,314,000 25.1% of Directs
C. Financing Costs	*$2,367,000 7.5% of Directs*	$3,385,000 7.5% of Directs	$3,244,000 7.5% of Directs	$3,385,000 7.5% of Directs	$3,385,000 7.5% of Directs	$3,385,000 7.5% of Directs	$3,385,000 7.5% of Directs	$3,385,000 7.5% of Directs	$3,385,000 7.5% of Directs
D. Total Development Costs	***$41,936,000 $352 /SF GBA***	**$59,827,000 $372 /SF GBA**	**$57,288,000 $377 /SF GBA**	**$59,827,000 $372 /SF GBA**	**$59,827,000 $372 /SF GBA**	**$59,827,000 $372 /SF GBA**	**$59,827,000 $372 /SF GBA**	**$59,827,000 $372 /SF GBA**	**$59,827,000 $372 /SF GBA**
Per Unit	***$415,000***	**$437,000**	**$444,000**	**$437,000**	**$437,000**	**$437,000**	**$437,000**	**$437,000**	**$437,000**

(1) Assumes efficiency factor of 85% net residential; 15% circulation/common area.
(2) Estimate, not verified by KMA or City of Encinitas.

TABLE 3.K-3

ESTIMATE OF RESIDUAL LAND VALUE
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Stacked Flats with Podium Parking									
	Upzone Scenario without Density Bonus		**Upzone Scenario w/Density Bonus**		**Very Low**			**Low**		
	10% @ Very Low No Density Bonus	**15% @ Very Low No Density Bonus**	**10% @ Very Low with Density Bonus**	**15% @ Low with Density Bonus**	**15% @ Very Low with Density Bonus**	**20% @ Very Low with Density Bonus**	**25% @ Very Low with Density Bonus**	**20% @ Low with Density Bonus**	**25% @ Low with Density Bonus**	**30% @ Low with Density Bonus**
I. Net Sales Proceeds										
A. Gross Sales Income	$59,556,000	$57,874,000	$82,956,000	$76,074,000	$80,186,000	$77,416,000	$74,646,000	$78,844,000	$76,414,000	$73,984,000
B. (Less) Cost of Sale @ 4.5% of Value	($2,680,000)	($2,604,000)	($3,733,000)	($3,423,000)	($3,608,000)	($3,484,000)	($3,359,000)	($3,548,000)	($3,439,000)	($3,329,000)
C. Net Sales Proceeds	$56,876,000	$55,270,000	$79,223,000	$72,651,000	$76,578,000	$73,932,000	$71,287,000	$75,296,000	$72,975,000	$70,655,000
II. Residual Land Value										
A. Net Sales Proceeds	$56,876,000	$55,270,000	$79,223,000	$72,651,000	$76,578,000	$73,932,000	$71,287,000	$75,296,000	$72,975,000	$70,655,000
B. (Less) Developer Profit 10.0% of Value	($5,956,000)	($5,787,000)	($8,296,000)	($7,607,000)	($8,019,000)	($7,742,000)	($7,465,000)	($7,884,000)	($7,641,000)	($7,398,000)
C. Warranted Investment	$50,920,000	$49,483,000	$70,927,000	$65,044,000	$68,559,000	$66,190,000	$63,822,000	$67,412,000	$65,334,000	$63,257,000
D. (Less) Development Costs	($41,936,000)	($41,936,000)	($59,827,000)	($57,288,000)	($59,827,000)	($59,827,000)	($59,827,000)	($59,827,000)	($59,827,000)	($59,827,000)
E. Residual Land Value	**$8,984,000**	**$7,547,000**	**$11,100,000**	**$7,756,000**	**$8,732,000**	**$6,363,000**	**$3,995,000**	**$7,585,000**	**$5,507,000**	**$3,430,000**
Per Unit	**$89,000**	**$75,000**	**$81,000**	**$60,000**	**$64,000**	**$46,000**	**$29,000**	**$55,000**	**$40,000**	**$25,000**
Per SF	**$61**	**$51**	**$75**	**$53**	**$59**	**$43**	**$27**	**$51**	**$37**	**$23**

ATTACHMENT 3.L

Manchester Avenue West
Stacked Flats with Podium Parking

TABLE 3.L-1

ESTIMATE OF SALES PROCEEDS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Stacked Flats with Podium Parking									
	Upzone Scenario without Density Bonus		Upzone Scenario with Density Bonus		Very Low			Low		
	10% @ Very Low No Density Bonus	*15% @ Low No Density Bonus*	10% @ Very Low with Density Bonus	15% @ Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Inclusionary Housing										
A. Site Area	*1.7 Acres*	*1.7 Acres*	1.7 Acres	1.7 Acres	1.7 Acres	1.7 Acres	1.7 Acres	1.7 Acres	1.7 Acres	1.7 Acres
B. Density	*30.0 Units/Acre*	*30.0 Units/Acre*	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre	30.0 Units/Acre
C. Number of Units (1)	*50 Units*	*50 Units*	50 Units	50 Units	50 Units	50 Units	50 Units	50 Units	50 Units	50 Units
D. Inclusionary Set-aside	*10% Very Low*	*15% Low*	10% Very Low	15% Low	15% Very Low	20% Very Low	25% Very Low	20% Low	25% Low	30% Low
E. Affordable Units (2)	*5 Units*	*8 Units*	5 Units	8 Units	8 Units	10 Units	13 Units	10 Units	13 Units	15 Units
II. Density Bonus										
A. Actual % of Affordable Units			10.0% Very Low	16.0% Low	16.0% Very Low	20.0% Very Low	26.0% Very Low	20.0% Low	26.0% Low	30.0% Low
B. Density Bonus			32.5%	29.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
C. Density with Bonus			40.1 Units/Acre	38.9 Units/Acre	40.7 Units/Acre	40.7 Units/Acre	40.7 Units/Acre	40.7 Units/Acre	40.7 Units/Acre	40.7 Units/Acre
D. Number of Units with Density Bonus (3)			67 Units	65 Units	68 Units	68 Units	68 Units	68 Units	68 Units	68 Units
E. Parking Spaces 2.0 Spaces/Unit			134 Spaces	130 Spaces	136 Spaces	136 Spaces	136 Spaces	136 Spaces	136 Spaces	136 Spaces
III. Affordability Mix										
A. Very Low	*5 Units 10%*	*0 Units 0%*	5 Units 7%	0 Units 0%	8 Units 12%	10 Units 15%	13 Units 19%	0 Units 0%	0 Units 0%	0 Units 0%
B. Low	*0 Units 0%*	*8 Units 16%*	0 Units 0%	8 Units 12%	0 Units 0%	0 Units 0%	0 Units 0%	10 Units 15%	13 Units 19%	15 Units 22%
C. Market-Rate	*45 Units 90%*	*42 Units 84%*	62 Units 93%	57 Units 88%	60 Units 88%	58 Units 85%	55 Units 81%	58 Units 85%	55 Units 81%	53 Units 78%
D. Total	*50 Units 100%*	*50 Units 100%*	67 Units 100%	65 Units 100%	68 Units 100%	68 Units 100%	68 Units 100%	68 Units 100%	68 Units 100%	68 Units 100%
IV. Estimate of Sales Proceeds										
A. Affordable Units										
Very Low @ $96,000	*$480,000*	*$0*	$480,000	$0	$768,000	$960,000	$1,248,000	$0	$0	$0
Low @ $164,000	*$0*	*$1,312,000*	$0	$1,312,000	$0	$0	$0	$1,640,000	$2,132,000	$2,460,000
Total Affordable Units	*$480,000*	*$1,312,000*	$480,000	$1,312,000	$768,000	$960,000	$1,248,000	$1,640,000	$2,132,000	$2,460,000
B. Market-Rate Units										
Unit Size	*1,000 SF*	*1,000 SF*	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF	1,000 SF
Price/SF	*$650 /SF*	*$650 /SF*	$650 /SF	$650 /SF	$650 /SF	$650 /SF	$650 /SF	$650 /SF	$650 /SF	$650 /SF
Price/Unit	*$650,000*	*$650,000*	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000	$650,000
Total Sales Proceeds	*$29,250,000*	*$27,300,000*	*$40,300,000*	*$37,050,000*	*$39,000,000*	*$37,700,000*	*$35,750,000*	*$37,700,000*	*$35,750,000*	*$34,450,000*
C. Total Sales Proceeds	***$30,381,650***	***$28,612,000***	**$40,780,000**	**$38,362,000**	**$39,768,000**	**$38,660,000**	**$36,998,000**	**$39,340,000**	**$37,882,000**	**$36,910,000**
Per Unit	***$608,000***	***$572,000***	**$609,000**	**$590,000**	**$585,000**	**$569,000**	**$544,000**	**$579,000**	**$557,000**	**$543,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 3.L-2

ESTIMATE OF DEVELOPMENT COSTS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A/B		C		D		E		F		G		H		I		J	
	Stacked Flats with Podium Parking																	
	Upzone Scenario without Density Bonus		**Base Case with Density Bonus**				**Very Low**						**Low**					
			10% @ Very Low		**15% @ Low**		**15% @ Very Low**		**20% @ Very Low**		**25% @ Very Low**		**20% @ Low**		**25% @ Low**		**30% @ Low**	
I. Project Description																		
Site Area	*1.7*	*Acres*	1.7	Acres	1.7	Acres	1.7	Acres	1.7	Acres	1.7	Acres	1.7	Acres	1.7	Acres	1.7	Acres
Average Unit Size	*1,000*	*SF*	1,000	SF	1,000	SF	1,000	SF	1,000	SF	1,000	SF	1,000	SF	1,000	SF	1,000	SF
Gross Building Area (GBA) (1)	*59,000*	*SF*	79,000	SF	76,000	SF	80,000	SF	80,000	SF	80,000	SF	80,000	SF	80,000	SF	80,000	SF
Number of Units	*50*	*Units*	67	Units	65	Units	68	Units	68	Units	68	Units	68	Units	68	Units	68	Units
Parking	*100*	*Spaces*	134	Spaces	130	Spaces	136	Spaces	136	Spaces	136	Spaces	136	Spaces	136	Spaces	136	Spaces
II. Development Costs																		
A. Direct Costs																		
Site Improvements (2)	*$1,091,000*	*$15 /SF Site Area*	$1,091,000	$15 /SF Site Area	$1,091,000	$15 /SF Site Area	$1,091,000	$15 /SF Site Area	$1,091,000	$15 /SF Site Area	$1,091,000	$15 /SF SiteArea	$1,091,000	$15 /SF Site Area	$1,091,000	$15 /SF Site Area	$1,091,000	$15 /SF Site Area
Parking	*$2,500,000*	*$25,000 /Space*	$4,020,000	$30,000 /Space	$3,900,000	$30,000 /Space	$4,080,000	$30,000 /Space	$4,080,000	$30,000 /Space	$4,080,000	$30,000 /Space	$4,080,000	$30,000 /Space	$4,080,000	$30,000 /Space	$4,080,000	$30,000 /Space
Shell Construction	*$10,620,000*	*$180 /SF GBA*	$15,010,000	$190 /SF GBA	$14,440,000	$190 /SF GBA	$15,200,000	$190 /SF GBA	$15,200,000	$190 /SF GBA	$15,200,000	$190 /SF GBA	$15,200,000	$190 /SF GBA	$15,200,000	$190 /SF GBA	$15,200,000	$190 /SF GBA
Other/Contingency	*$1,421,000*	*10% of Directs*	$2,012,000	10.0% of Directs	$1,943,000	10.0% of Directs	$2,037,000	10.0% of Directs	$2,037,000	10.0% of Directs	$2,037,000	10.0% of Directs	$2,037,000	10.0% of Directs	$2,037,000	10.0% of Directs	$2,037,000	10.0% of Directs
Total Direct Costs	*$15,632,000*	*$265 /SF GBA*	$22,133,000	$280 /SF GBA	$21,374,000	$281 /SF GBA	$22,408,000	$280 /SF GBA	$22,408,000	$280 /SF GBA	$22,408,000	$280 /SF GBA	$22,408,000	$280 /SF GBA	$22,408,000	$280 /SF GBA	$22,408,000	$280 /SF GBA
Per Unit	*$313,000*		$330,000		$329,000		$330,000		$330,000		$330,000		$330,000		$330,000		$330,000	
B. Indirect Costs																		
Permits & Fees (2)	*$1,000,000*	*$20,000 /Unit*	$1,340,000	$20,000 /Unit	$1,300,000	$20,000 /Unit	$1,360,000	$20,000 /SF GBA	$1,360,000	$20,000 /Unit	$1,360,000	$20,000 /Unit	$1,360,000	$20,000 /Unit	$1,360,000	$20,000 /Unit	$1,360,000	$20,000 /Unit
Developer Fee	*$625,000*	*4% of Directs*	$885,000	4.0% of Directs	$855,000	4.0% of Directs	$896,000	4.0% of Directs	$896,000	4.0% of Directs	$896,000	4.0% of Directs	$896,000	4.0% of Directs	$896,000	4.0% of Directs	$896,000	4.0% of Directs
Other Indirects	*$2,345,000*	*15% of Directs*	$3,320,000	15.0% of Directs	$3,206,000	15.0% of Directs	$3,361,000	15.0% of Directs	$3,361,000	15.0% of Directs	$3,361,000	15.0% of Directs	$3,361,000	15.0% of Directs	$3,361,000	15.0% of Directs	$3,361,000	15.0% of Directs
Total Indirect Costs	*$3,970,000*	*25% of Directs*	$5,545,000	25.1% of Directs	$5,361,000	25.1% of Directs	$5,617,000	25.1% of Directs	$5,617,000	25.1% of Directs	$5,617,000	25.1% of Directs	$5,617,000	25.1% of Directs	$5,617,000	25.1% of Directs	$5,617,000	25.1% of Directs
C. Financing Costs	*$1,172,000*	*7.5% of Directs*	$1,660,000	7.5% of Directs	$1,603,000	7.5% of Directs	$1,681,000	7.5% of Directs	$1,681,000	7.5% of Directs	$1,681,000	7.5% of Directs	$1,681,000	7.5% of Directs	$1,681,000	7.5% of Directs	$1,681,000	7.5% of Directs
D. Total Development Costs	***$20,774,000***	***$352 /SF GBA***	**$29,338,000**	**$371 /SF GBA**	**$28,338,000**	**$373 /SF GBA**	**$29,706,000**	**$371 /SF GBA**	**$29,706,000**	**$371 /SF GBA**	**$29,706,000**	**$371 /SF GBA**	**$29,706,000**	**$371 /SF GBA**	**$29,706,000**	**$371 /SF GBA**	**$29,706,000**	**$371 /SF GBA**
Per Unit	***$415,000***		**$438,000**		**$436,000**		**$437,000**		**$437,000**		**$437,000**		**$437,000**		**$437,000**		**$437,000**	

(1) Assumes efficiency factor of 85% net residential; 15% circulation/common area.
(2) Estimate, not verified by KMA or City of Encinitas.

TABLE 3.L-3

ESTIMATE OF RESIDUAL LAND VALUE
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H	I	J
	Stacked Flats with Podium Parking									
	Upzone Scenario without Density Bonus		**Upzone Scenario w/Density Bonus**		**Low**			**Very Low**		
	10% @ Very Low No Density Bonus	**15% @ Low No Density Bonus**	**10% @ Very Low with Density Bonus**	**15% @ Low with Density Bonus**	**15% @ Very Low with Density Bonus**	**20% @ Very Low with Density Bonus**	**25% @ Very Low with Density Bonus**	**20% @ Low with Density Bonus**	**25% @ Low with Density Bonus**	**30% @ Low with Density Bonus**
I. Net Sales Proceeds										
A. Gross Sales Proceeds	*$30,381,650*	*$28,612,000*	$40,780,000	$38,362,000	$39,768,000	$38,660,000	$36,998,000	$39,340,000	$37,882,000	$36,910,000
B. (Less) Cost of Sale @ 4.5% of Value	*($1,367,000)*	*($1,288,000)*	($1,835,000)	($1,726,000)	($1,790,000)	($1,740,000)	($1,665,000)	($1,770,000)	($1,705,000)	($1,661,000)
C. Net Sales Proceeds	*$29,014,650*	*$27,324,000*	$38,945,000	$36,636,000	$37,978,000	$36,920,000	$35,333,000	$37,570,000	$36,177,000	$35,249,000
II. Residual Land Value										
A. Net Sales Proceeds	*$29,014,650*	*$27,324,000*	$38,945,000	$36,636,000	$37,978,000	$36,920,000	$35,333,000	$37,570,000	$36,177,000	$35,249,000
B. (Less) Developer Profit 10.0% of Value	*($3,038,000)*	*($2,861,000)*	($4,078,000)	($3,836,000)	($3,977,000)	($3,866,000)	($3,700,000)	($3,934,000)	($3,788,000)	($3,691,000)
C. Warranted Investment	*$25,976,650*	*$24,463,000*	$34,867,000	$32,800,000	$34,001,000	$33,054,000	$31,633,000	$33,636,000	$32,389,000	$31,558,000
D. (Less) Development Costs	*($20,774,000)*	*($20,774,000)*	($29,706,000)	($28,338,000)	($29,706,000)	($29,706,000)	($29,706,000)	($29,706,000)	($29,706,000)	($29,706,000)
E. Residual Land Value	***$5,202,650***	***$3,689,000***	**$5,161,000**	**$4,462,000**	**$4,295,000**	**$3,348,000**	**$1,927,000**	**$3,930,000**	**$2,683,000**	**$1,852,000**
Per Unit	***$104,000***	***$74,000***	**$77,000**	**$69,000**	**$63,000**	**$49,000**	**$28,000**	**$58,000**	**$39,000**	**$27,000**
Per SF	***$72***	***$51***	**$71**	**$61**	**$59**	**$46**	**$26**	**$54**	**$37**	**$25**

APPENDIX 4

CITYWIDE INCLUSIONARY TECHNICAL ANALYSIS

SCENARIO #1A

Base Case: Pre-August 2018

1 Unit @ Very Low for every 10 units

no Density Bonus (For-Sale Only)

Inclusionary Scenarios:

15%, 20%, 25% @ Very Low - w/ Density Bonus

20%, 25%, 30% @ Low - w/ Density Bonus

Keyser Marston Associates, Inc.

SUMMARY TABLE 1 - APPENDIX 4

SCENARIO #1A
CITYWIDE INCLUSIONARY
BASE CASE: PRE-AUGUST 2018

FEASIBILITY OF ALTERNATIVE INCLUSIONARY SET-ASIDES - CITYWIDE DEVELOPMENT PROTOTYPES - SCENARIO #1A
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	CITYWIDE DEVELOPMENT PROTOTYPES						
	Pre-August 2018	Very Low			Low		
RESIDUAL LAND VALUE [1]	1 unit @ Very Low for every 10 units No Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
A. Single-Family Detached - Large Lot (R-3)	$469,000 /Unit $32 /SF Site	$383,000 /Unit $37 /SF Site	$306,000 /Unit $30 /SF Site	$306,000 /Unit $30 /SF Site	$319,000 /Unit $31 /SF Site	$319,000 /Unit $31 /SF Site	$246,000 /Unit $24 /SF Site
B. Single-Family Detached - Medium Lot (R-5)	$295,000 /Unit $34 /SF Site	$336,000 /Unit $52 /SF Site	$288,000 /Unit $45 /SF Site	$239,000 /Unit $37 /SF Site	$298,000 /Unit $46 /SF Site	$252,000 /Unit $39 /SF Site	$206,000 /Unit $32 /SF Site
C. Single-Family Detached - Small Lot (RS-8)	$206,000 /Unit $38 /SF Site	$174,000 /Unit $45 /SF Site	$131,000 /Unit $34 /SF Site	$131,000 /Unit $34 /SF Site	$143,000 /Unit $37 /SF Site	$143,000 /Unit $37 /SF Site	$104,000 /Unit $27 /SF Site
D. Single-Family Detached - Small Lot (RS-11/R-11)	$163,000 /Unit $41 /SF Site	$118,000 /Unit $41 /SF Site	$93,000 /Unit $32 /SF Site	$68,000 /Unit $23 /SF Site	$103,000 /Unit $36 /SF Site	$81,000 /Unit $28 /SF Site	$70,000 /Unit $24 /SF Site
E. Mixed-Use Development	$468,000 /Unit $107 /SF Site	$318,000 /Unit $102 /SF Site	$318,000 /Unit $102 /SF Site	$192,000 /Unit $62 /SF Site	$327,000 /Unit $105 /SF Site	$211,000 /Unit $68 /SF Site	$211,000 /Unit $68 /SF Site
F. Townhomes (R-15)	$159,000 /Unit $55 /SF Site	$131,000 /Unit $61 /SF Site	$113,000 /Unit $53 /SF Site	$86,000 /Unit $40 /SF Site	$122,000 /Unit $57 /SF Site	$98,000 /Unit $46 /SF Site	$82,000 /Unit $38 /SF Site
G. Garden Apartments (R-20)							
- High Capitalization Rate (4.75%)	$145,000 /Unit $67 /SF Site	$139,000 /Unit $86 /SF Site	$126,000 /Unit $78 /SF Site	$112,000 /Unit $70 /SF Site	$130,000 /Unit $81 /SF Site	$119,000 /Unit $73 /SF Site	$106,000 /Unit $66 /SF Site
- Low Capitalization Rate (4.25%)	$192,000 /Unit $88 /SF Site	$186,000 /Unit $115 /SF Site	$171,000 /Unit $106 /SF Site	$156,000 /Unit $96 /SF Site	$176,000 /Unit $109 /SF Site	$163,000 /Unit $101 /SF Site	$149,000 /Unit $92 /SF Site

The feasibility of each prototype was evaluated based on the Residual Land Value per SF generated by the Base Case relative to the Residual Land Values per SF generated when increased affordable housing requirements are imposed. The following benchmarks were used:[2]

- Low Impact: less than 15% decrease in Residual Land Value from Base Case; likely to have nominal impact on project feasibility
- Medium Impact: 15% - 25% decrease in Residual Land Value from Base Case; may raise concerns for project feasibility
- High Impact: greater than 25% decrease in Residual Land Value from Base Case; may result in financially infeasible project

(1) Residual Land Value represents the maximum supported land payment that a developer can afford for a given development prototype. It is calculated by estimating the total project value upon completion less the estimated total development costs (excluding land costs). The impact of affordable housing requirements on the viability of a development is analyzed by comparing the Residual Land Value generated by the Base Case vs. the Residual Land Value generated by the development scenarios where affordable housing requirements are increased.

(2) For illustrative purposes, Very Low inclusionary set-aside scenarios are compared to the Base Case using Very Low set-aside. Low inclusionary set-aside scenarios are compared to the Base Case using Low set-aside.

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Encinitas_Feasibility Analysis_v6 - Scenario #1A_v4;12/2/2019;sjx

SUMMARY TABLE 2 - APPENDIX 4

SCENARIO #1A
CITYWIDE INCLUSIONARY
BASE CASE: PRE-AUGUST 2018

FEASIBILITY OF ALTERNATIVE INCLUSIONARY SET-ASIDES - CITYWIDE DEVELOPMENT PROTOTYPES - SCENARIO #1A
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	CITYWIDE DEVELOPMENT PROTOTYPES						
	Pre-August 2018	Very Low			Low		
RESIDUAL LAND VALUE [1]	1 unit @ Very Low for every 10 units with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
A. Single-Family Detached - Large Lot (R-3)	$442,000 /Unit $41 /SF Site	$383,000 /Unit $37 /SF Site	$306,000 /Unit $30 /SF Site	$306,000 /Unit $30 /SF Site	$319,000 /Unit $31 /SF Site	$319,000 /Unit $31 /SF Site	$246,000 /Unit $24 /SF Site
B. Single-Family Detached - Medium Lot (R-5)	$385,000 /Unit $60 /SF Site	$336,000 /Unit $52 /SF Site	$288,000 /Unit $45 /SF Site	$239,000 /Unit $37 /SF Site	$298,000 /Unit $46 /SF Site	$252,000 /Unit $39 /SF Site	$206,000 /Unit $32 /SF Site
C. Single-Family Detached - Small Lot (RS-8)	$208,000 /Unit $51 /SF Site	$174,000 /Unit $45 /SF Site	$131,000 /Unit $34 /SF Site	$131,000 /Unit $34 /SF Site	$143,000 /Unit $37 /SF Site	$143,000 /Unit $37 /SF Site	$104,000 /Unit $27 /SF Site
D. Single-Family Detached - Small Lot (RS-11/R-11)	$137,000 /Unit $45 /SF Site	$118,000 /Unit $41 /SF Site	$93,000 /Unit $32 /SF Site	$68,000 /Unit $23 /SF Site	$103,000 /Unit $36 /SF Site	$81,000 /Unit $28 /SF Site	$70,000 /Unit $24 /SF Site
E. Mixed-Use Development	$457,000 /Unit $105 /SF Site	$318,000 /Unit $102 /SF Site	$318,000 /Unit $102 /SF Site	$192,000 /Unit $62 /SF Site	$327,000 /Unit $105 /SF Site	$211,000 /Unit $68 /SF Site	$211,000 /Unit $68 /SF Site
F. Townhomes (R-15)	$153,000 /Unit $68 /SF Site	$131,000 /Unit $61 /SF Site	$113,000 /Unit $53 /SF Site	$86,000 /Unit $40 /SF Site	$122,000 /Unit $57 /SF Site	$98,000 /Unit $46 /SF Site	$82,000 /Unit $38 /SF Site
G. Garden Apartments (R-20)							
- High Capitalization Rate (4.75%)	$175,000 /Unit $106 /SF Site	$139,000 /Unit $86 /SF Site	$126,000 /Unit $78 /SF Site	$112,000 /Unit $70 /SF Site	$130,000 /Unit $81 /SF Site	$119,000 /Unit $73 /SF Site	$106,000 /Unit $66 /SF Site
- Low Capitalization Rate (4.25%)	$223,000 /Unit $136 /SF Site	$186,000 /Unit $115 /SF Site	$171,000 /Unit $106 /SF Site	$156,000 /Unit $96 /SF Site	$176,000 /Unit $109 /SF Site	$163,000 /Unit $101 /SF Site	$149,000 /Unit $92 /SF Site

The feasibility of each prototype was evaluated based on the Residual Land Value per SF generated by the Base Case relative to the Residual Land Values per SF generated when increased affordable housing requirements are imposed. The following benchmarks were used:[2]

- Low Impact: less than 15% decrease in Residual Land Value from Base Case; likely to have nominal impact on project feasibility
- Medium Impact: 15% - 25% decrease in Residual Land Value from Base Case; may raise concerns for project feasibility
- High Impact: greater than 25% decrease in Residual Land Value from Base Case; may result in financially infeasible project

(1) Residual Land Value represents the maximum supported land payment that a developer can afford for a given development prototype. It is calculated by estimating the total project value upon completion less the estimated total development costs (excluding land costs). The impact of affordable housing requirements on the viability of a development is analyzed by comparing the Residual Land Value generated by the Base Case vs. the Residual Land Value generated by the development scenarios where affordable housing requirements are increased.

(2) For illustrative purposes, Very Low inclusionary set-aside scenarios are compared to the Base Case using Very Low set-aside. Low inclusionary set-aside scenarios are compared to the Base Case using Low set-aside.

ATTACHMENT 4.A

Single-Family Detached - Large Lot
Zone R-3

TABLE 4.A-1

ESTIMATE OF SALES PROCEEDS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H
	Single-Family Detached - Large Lot (R-3)							
	Base Case without Density Bonus	Base Case w/Density Bonus	Very Low			Low		
	1 unit @ Very Low for every 10 units No Density Bonus	1 unit @ Very Low for every 10 units with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Inclusionary Housing								
A. Site Area	*4.0 Acres*	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres
B. Density	*3.0 Units/Acre* Maximum Density	3.0 Units/Acre Maximum Density	3.0 Units/Acre Maximum Density	3.0 Units/Acre Maximum Density	3.0 Units/Acre Maximum Density	3.0 Units/Acre Maximum Density	3.0 Units/Acre Maximum Density	3.0 Units/Acre Maximum Density
C. Number of Units (1)	*12 Units*	12 Units	12 Units	12 Units	12 Units	12 Units	12 Units	12 Units
D. Inclusionary Set-aside	*1 unit @ Very Low for every 10 units*	1 unit @ Very Low for every 10 units	15% Very Low	20% Very Low	25% Very Low	20% Low	25% Low	30% Low
E. Affordable Units (2)	*1 Unit*	1 Units	2 Units	3 Units	3 Units	3 Units	3 Units	4 Units
II. Density Bonus								
A. Actual % of Affordable Units		8.3% Very Low	16.7% Very Low	25.0% Very Low	25.0% Very Low	25.0% Very Low	25.0% Very Low	33.3% Very Low
B. Density Bonus		27.5%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
C. Density with Bonus		4.0 Units/Acre	4.3 Units/Acre	4.3 Units/Acre	4.3 Units/Acre	4.3 Units/Acre	4.3 Units/Acre	4.3 Units/Acre
D. Number of Units with Density Bonus (3)		16 Units	17 Units	17 Units	17 Units	17 Units	17 Units	17 Units
III. Affordability Mix								
A. Very Low	*1 Units 8%*	1 Units 6%	2 Units 12%	3 Units 18%	3 Units 18%	0 Units 0%	0 Units 0%	0 Units 0%
B. Low	*0 Units 0%*	0 Units 0%	0 Units 0%	0 Units 0%	0 Units 0%	3 Units 18%	3 Units 18%	4 Units 24%
C. Market-Rate	*11 Units 92%*	15 Units 94%	15 Units 88%	14 Units 82%	14 Units 82%	14 Units 82%	14 Units 82%	13 Units 76%
D. Total	*12 Units 100%*	16 Units 100%	17 Units 100%	17 Units 100%	17 Units 100%	17 Units 100%	17 Units 100%	17 Units 100%
IV. Estimate of Sales Proceeds								
A. Affordable Units								
Very Low $93,000	*$93,000*	$93,000	$186,000	$279,000	$279,000	$0	$0	$0
Low $178,000	*$0*	$0	$0	$0	$0	$534,000	$534,000	$712,000
Total Affordable Units	*$93,000*	$93,000	$186,000	$279,000	$279,000	$534,000	$534,000	$712,000
B. Market-Rate Units @								
Unit Size	*4,000 SF*	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF
Price/SF	*$475*	$500	$500	$500	$500	$500	$500	$500
Price/Unit	*$1,900,000*	$1,625,000	$1,625,000	$1,625,000	$1,625,000	$1,625,000	$1,625,000	$1,625,000
Total Sales Proceeds	*$20,900,000*	$24,375,000	$24,375,000	$22,750,000	$22,750,000	$22,750,000	$22,750,000	$21,125,000
C. Total Sales Proceeds	***$20,993,000***	**$24,468,000**	**$24,561,000**	**$23,029,000**	**$23,029,000**	**$23,284,000**	**$23,284,000**	**$21,837,000**
Per Unit	***$1,749,000***	**$1,529,000**	**$1,445,000**	**$1,355,000**	**$1,355,000**	**$1,370,000**	**$1,370,000**	**$1,285,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded down to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 4.A-2

ESTIMATE OF DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H
	Single-Family Detached - Large Lot (R-3)							
		Base Case with Density Bonus	Very Low			Low		
	Base Case without Density Bonus	1 unit @ Very Low for every 10 units with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Project Description								
Site Area	*4.0 Acres*	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres
Average Unit Size	*4,000 SF*	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF
Gross Building Area (GBA)	*48,000 SF*	52,000 SF	55,250 SF	55,250 SF	55,250 SF	55,250 SF	55,250 SF	55,250 SF
Number of Units	*12 Units*	16 Units	17 Units	17 Units	17 Units	17 Units	17 Units	17 Units
II. Development Costs								
A. Direct Costs								
On/Off Site Improvements (1)	*$2,614,000 $15 /SF Site Area*	$2,614,000 $15 /SF Site Area	$2,614,000 $15 /SF Site Area	$2,614,000 $15 /SF Site Area	$2,614,000 $15 /SF Site Area	$2,614,000 $15 /SF Site Area	$2,614,000 $15 /SF Site Area	$2,614,000 $15 /SF Site Area
Parking	*$0 $0 /Space*	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space
Shell Construction	*$6,000,000 $125 /SF GBA*	$7,020,000 $135 /SF GBA	$7,459,000 $135 /SF GBA	$7,459,000 $135 /SF GBA	$7,459,000 $135 /SF GBA	$7,459,000 $135 /SF GBA	$7,459,000 $135 /SF GBA	$7,459,000 $135 /SF GBA
Other/Contingency	*$861,000 10.0% of Directs*	$963,000 10.0% of Directs	$1,007,000 10.0% of Directs	$1,007,000 10.0% of Directs	$1,007,000 10.0% of Directs	$1,007,000 10.0% of Directs	$1,007,000 10.0% of Directs	$1,007,000 10.0% of Directs
Total Direct Costs	*$9,475,000 $197 /SF GBA*	$10,597,000 $204 /SF GBA	$11,080,000 $201 /SF GBA	$11,080,000 $201 /SF GBA	$11,080,000 $201 /SF GBA	$11,080,000 $201 /SF GBA	$11,080,000 $201 /SF GBA	$11,080,000 $201 /SF GBA
Per Unit	*$790,000*	$662,000	$652,000	$652,000	$652,000	$652,000	$652,000	$652,000
B. Indirect Costs								
Permits & Fees (1)	*$330,000 $27,500 /Unit*	$440,000 $27,500 /Unit	$468,000 $27,500 /Unit	$468,000 $27,500 /Unit	$468,000 $27,500 /Unit	$468,000 $27,500 /Unit	$468,000 $27,500 /Unit	$468,000 $27,500 /Unit
Developer Fee	*$379,000 4.0% of Directs*	$424,000 4.0% of Directs	$443,000 4.0% of Directs	$443,000 4.0% of Directs	$443,000 4.0% of Directs	$443,000 4.0% of Directs	$443,000 4.0% of Directs	$443,000 4.0% of Directs
Other Indirects	*$1,421,000 15.0% of Directs*	$1,590,000 15.0% of Directs	$1,662,000 15.0% of Directs	$1,662,000 15.0% of Directs	$1,662,000 15.0% of Directs	$1,662,000 15.0% of Directs	$1,662,000 15.0% of Directs	$1,662,000 15.0% of Directs
Total Indirect Costs	*$2,130,000 22.5% of Directs*	$2,454,000 23.2% of Directs	$2,573,000 23.2% of Directs	$2,573,000 23.2% of Directs	$2,573,000 23.2% of Directs	$2,573,000 23.2% of Directs	$2,573,000 23.2% of Directs	$2,573,000 23.2% of Directs
C. Financing Costs	*$711,000 7.5% of Directs*	$795,000 7.5% of Directs	$831,000 7.5% of Directs	$831,000 7.5% of Directs	$831,000 7.5% of Directs	$831,000 7.5% of Directs	$831,000 7.5% of Directs	$831,000 7.5% of Directs
D. Total Development Costs	***$12,316,000 $257 /SF GBA***	**$13,846,000 $266 /SF GBA**	**$14,484,000 $262 /SF GBA**	**$14,484,000 $262 /SF GBA**	**$14,484,000 $262 /SF GBA**	**$14,484,000 $262 /SF GBA**	**$14,484,000 $262 /SF GBA**	**$14,484,000 $262 /SF GBA**
Per Unit	***$1,026,000***	**$865,000**	**$852,000**	**$852,000**	**$852,000**	**$852,000**	**$852,000**	**$852,000**

(1) Estimate, not verified by KMA or the City of Encinitas.

TABLE 4.A-3

ESTIMATE OF RESIDUAL LAND VALUE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H
	Single-Family Detached - Large Lot (R-3)							
	Base Case without Density Bonus	Base Case w/Density Bonus	Very Low			Low		
	1 unit @ Very Low for every 10 units No Density Bonus	1 unit @ Very Low for every 10 units with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Net Sales Proceeds								
A. Gross Sales Proceeds	*$20,993,000*	$24,468,000	$24,561,000	$23,029,000	$23,029,000	$23,284,000	$23,284,000	$21,837,000
B. (Less) Cost of Sale @ 4.5% of Value	*($945,000)*	($1,101,000)	($1,105,000)	($1,036,000)	($1,036,000)	($1,048,000)	($1,048,000)	($983,000)
C. Net Sales Proceeds	*$20,048,000*	$23,367,000	$23,456,000	$21,993,000	$21,993,000	$22,236,000	$22,236,000	$20,854,000
II. Residual Land Value								
A. Net Sales Proceeds	*$20,048,000*	$23,367,000	$23,456,000	$21,993,000	$21,993,000	$22,236,000	$22,236,000	$20,854,000
B. (Less) Developer Profit @ 10.0% of Value	*($2,099,000)*	($2,447,000)	($2,456,000)	($2,303,000)	($2,303,000)	($2,328,000)	($2,328,000)	($2,184,000)
C. Warranted Investment	*$17,949,000*	$20,920,000	$21,000,000	$19,690,000	$19,690,000	$19,908,000	$19,908,000	$18,670,000
D. (Less) Development Costs	*($12,316,000)*	($13,846,000)	($14,484,000)	($14,484,000)	($14,484,000)	($14,484,000)	($14,484,000)	($14,484,000)
E. Residual Land Value	***$5,633,000***	**$7,074,000**	**$6,516,000**	**$5,206,000**	**$5,206,000**	**$5,424,000**	**$5,424,000**	**$4,186,000**
Per Unit	***$469,000***	**$442,000**	**$383,000**	**$306,000**	**$306,000**	**$319,000**	**$319,000**	**$246,000**
Per SF	***$32***	**$41**	**$37**	**$30**	**$30**	**$31**	**$31**	**$24**

Residual Land Value @ 100% Market	$7,178,000
Per Unit	$598,000
Per SF	$41

ATTACHMENT 4.B

Single-Family Detached - Medium Lot
Zone R-5

TABLE 4.B-1

ESTIMATE OF SALES PROCEEDS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H
	Single-Family Detached - Medium Lot (R-5)							
	Base Case without Density Bonus	**Base Case w/Density Bonus**	**Very Low**			**Low**		
	1 unit @ Very Low for every 10 units No Density Bonus	**1 unit @ Very Low for every 10 units with Density Bonus**	**15% @ Very Low with Density Bonus**	**20% @ Very Low with Density Bonus**	**25% @ Very Low with Density Bonus**	**20% @ Low with Density Bonus**	**25% @ Low with Density Bonus**	**30% @ Low with Density Bonus**
I. Inclusionary Housing								
A. Site Area	*4.0 Acres*	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres
B. Density	*5.0 Units/Acre* Maximum Density	5.0 Units/Acre Maximum Density	5.0 Units/Acre Maximum Density	5.0 Units/Acre Maximum Density	5.0 Units/Acre Maximum Density	5.0 Units/Acre Maximum Density	5.0 Units/Acre Maximum Density	5.0 Units/Acre Maximum Density
C. Number of Units (1)	*20 Units*	20 Units	20 Units	20 Units	20 Units	20 Units	20 Units	20 Units
D. Inclusionary Set-aside	*1 unit @ Very Low for every 10 units*	1 unit @ Very Low for every 10 units	15% Very Low	20% Very Low	25% Very Low	20% Low	25% Low	30% Low
E. Affordable Units (2)	*2 Units*	*2* Units	3 Units	4 Units	5 Units	4 Units	5 Units	6 Units
II. Density Bonus								
A. Actual % of Affordable Units		10.0% Very Low	15.0% Very Low	20.0% Very Low	25.0% Very Low	20.0% Very Low	25.0% Very Low	30.0% Very Low
B. Density Bonus		32.5%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
C. Density with Bonus		6.8 Units/Acre	6.8 Units/Acre	6.8 Units/Acre	6.8 Units/Acre	6.8 Units/Acre	6.8 Units/Acre	6.8 Units/Acre
D. Number of Units with Density Bonus (3)		27 Units	27 Units	27 Units	27 Units	27 Units	27 Units	27 Units
III. Affordability Mix								
A. Very Low	*2 Units 10%*	2 Units 7%	3 Units 11%	4 Units 15%	5 Units 19%	0 Units 0%	0 Units 0%	0 Units 0%
B. Low	*0 Units 0%*	0 Units 0%	0 Units 0%	0 Units 0%	0 Units 0%	4 Units 15%	5 Units 19%	6 Units 22%
C. Market-Rate	*18 Units 90%*	25 Units 93%	24 Units 89%	23 Units 85%	22 Units 81%	23 Units 85%	22 Units 81%	21 Units 78%
D. Total	*20 Units 100%*	27 Units 100%	27 Units 100%	27 Units 100%	27 Units 100%	27 Units 100%	27 Units 100%	27 Units 100%
IV. Estimate of Sales Proceeds								
A. Affordable Units								
Very Low $95,000	*$190,000*	$190,000	$285,000	$380,000	$475,000	$0	$0	$0
Low $173,000	*$0*	$0	$0	$0	$0	$692,000	$865,000	$1,038,000
Total Affordable Units	*$190,000*	$190,000	$285,000	$380,000	$475,000	$692,000	$865,000	$1,038,000
B. Market-Rate Units @								
Unit Size	*3,250 SF*	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF
Price/SF	*$500*	$500	$500	$500	$500	$500	$500	$500
Price/Unit	*$1,625,000*	$1,625,000	$1,625,000	$1,625,000	$1,625,000	$1,625,000	$1,625,000	$1,625,000
Total Sales Proceeds	*$29,250,000*	$40,625,000	$39,000,000	$37,375,000	$35,750,000	$37,375,000	$35,750,000	$34,125,000
C. Total Sales Proceeds	***$29,440,000***	**$40,815,000**	**$39,285,000**	**$37,755,000**	**$36,225,000**	**$38,067,000**	**$36,615,000**	**$35,163,000**
Per Unit	***$1,472,000***	**$1,512,000**	**$1,455,000**	**$1,398,000**	**$1,342,000**	**$1,410,000**	**$1,356,000**	**$1,302,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded down to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 4.B-2

ESTIMATE OF DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H
	Single-Family Detached - Medium Lot (R-5)							
		Base Case with Density Bonus	**Very Low**			**Low**		
	Base Case without Density Bonus	**1 unit @ Very Low for every 10 units with Density Bonus**	**15% @ Very Low with Density Bonus**	**20% @ Very Low with Density Bonus**	**25% @ Very Low with Density Bonus**	**20% @ Low with Density Bonus**	**25% @ Low with Density Bonus**	**30% @ Low with Density Bonus**
I. Project Description								
Site Area	*4.0 Acres*	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres	4.0 Acres
Average Unit Size	*3,250 SF*	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF	3,250 SF
Gross Building Area (GBA)	*65,000 SF*	87,750 SF	87,750 SF	87,750 SF	87,750 SF	87,750 SF	87,750 SF	87,750 SF
Number of Units	*20 Units*	27 Units	27 Units	27 Units	27 Units	27 Units	27 Units	27 Units
II. Development Costs								
A. Direct Costs								
On/Off Site Improvements (1)	*$4,356,000 $25 /SF Site Area*	$4,356,000 $25 /SF Site Area	$4,356,000 $25 /SF Site Area	$4,356,000 $25 /SF Site Area	$4,356,000 $25 /SF Site Area	$4,356,000 $25 /SF Site Area	$4,356,000 $25 /SF Site Area	$4,356,000 $25 /SF Site Area
Parking	*$0 $0 /Space*	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space
Shell Construction	*$9,100,000 $140 /SF GBA*	$12,724,000 $145 /SF GBA	$12,724,000 $145 /SF GBA	$12,724,000 $145 /SF GBA	$12,724,000 $145 /SF GBA	$12,724,000 $145 /SF GBA	$12,724,000 $145 /SF GBA	$12,724,000 $145 /SF GBA
Other/Contingency	*$1,346,000 10.0% of Directs*	$1,708,000 10.0% of Directs	$1,708,000 10.0% of Directs	$1,708,000 10.0% of Directs	$1,708,000 10.0% of Directs	$1,708,000 10.0% of Directs	$1,708,000 10.0% of Directs	$1,708,000 10.0% of Directs
Total Direct Costs	*$14,802,000 $228 /SF GBA*	$18,788,000 $214 /SF GBA	$18,788,000 $214 /SF GBA	$18,788,000 $214 /SF GBA	$18,788,000 $214 /SF GBA	$18,788,000 $214 /SF GBA	$18,788,000 $214 /SF GBA	$18,788,000 $214 /SF GBA
Per Unit	*$740,000*	$696,000	$696,000	$696,000	$696,000	$696,000	$696,000	$696,000
B. Indirect Costs								
Permits & Fees (1)	*$550,000 $27,500 /Unit*	$743,000 $27,500 /Unit	$743,000 $27,500 /Unit	$743,000 $27,500 /Unit	$743,000 $27,500 /Unit	$743,000 $27,500 /Unit	$743,000 $27,500 /Unit	$743,000 $27,500 /Unit
Developer Fee	*$592,000 4.0% of Directs*	$752,000 4.0% of Directs	$752,000 4.0% of Directs	$752,000 4.0% of Directs	$752,000 4.0% of Directs	$752,000 4.0% of Directs	$752,000 4.0% of Directs	$752,000 4.0% of Directs
Other Indirects	*$2,220,000 15.0% of Directs*	$2,818,000 15.0% of Directs	$2,818,000 15.0% of Directs	$2,818,000 15.0% of Directs	$2,818,000 15.0% of Directs	$2,818,000 15.0% of Directs	$2,818,000 15.0% of Directs	$2,818,000 15.0% of Directs
Total Indirect Costs	*$3,362,000 22.7% of Directs*	$4,313,000 23.0% of Directs	$4,313,000 23.0% of Directs	$4,313,000 23.0% of Directs	$4,313,000 23.0% of Directs	$4,313,000 23.0% of Directs	$4,313,000 23.0% of Directs	$4,313,000 23.0% of Directs
C. Financing Costs	*$1,110,000 7.5% of Directs*	$1,409,000 7.5% of Directs	$1,409,000 7.5% of Directs	$1,409,000 7.5% of Directs	$1,409,000 7.5% of Directs	$1,409,000 7.5% of Directs	$1,409,000 7.5% of Directs	$1,409,000 7.5% of Directs
D. Total Development Costs	***$19,274,000 $297 /SF GBA***	**$24,510,000 $279 /SF GBA**	**$24,510,000 $279 /SF GBA**	**$24,510,000 $279 /SF GBA**	**$24,510,000 $279 /SF GBA**	**$24,510,000 $279 /SF GBA**	**$24,510,000 $279 /SF GBA**	**$24,510,000 $279 /SF GBA**
Per Unit	***$964,000***	**$908,000**	**$908,000**	**$908,000**	**$908,000**	**$908,000**	**$908,000**	**$908,000**

(1) Estimate, not verified by KMA or the City of Encinitas.

TABLE 4.B-3

ESTIMATE OF RESIDUAL LAND VALUE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H
	Single-Family Detached - Medium Lot (R-5)							
	Base Case without Density Bonus	Base Case w/Density Bonus	Very Low			Low		
	1 unit @ Very Low for every 10 units No Density Bonus	1 unit @ Very Low for every 10 units with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Net Sales Proceeds								
A. Gross Sales Proceeds	*$29,440,000*	$40,815,000	$39,285,000	$37,755,000	$36,225,000	$38,067,000	$36,615,000	$35,163,000
B. (Less) Cost of Sale @ 4.5% of Value	*($1,325,000)*	($1,837,000)	($1,768,000)	($1,699,000)	($1,630,000)	($1,713,000)	($1,648,000)	($1,582,000)
C. Net Sales Proceeds	*$28,115,000*	$38,978,000	$37,517,000	$36,056,000	$34,595,000	$36,354,000	$34,967,000	$33,581,000
II. Residual Land Value								
A. Net Sales Proceeds	*$28,115,000*	$38,978,000	$37,517,000	$36,056,000	$34,595,000	$36,354,000	$34,967,000	$33,581,000
B. (Less) Developer Profit @ 10.0% of Value	*($2,944,000)*	($4,082,000)	($3,929,000)	($3,776,000)	($3,623,000)	($3,807,000)	($3,662,000)	($3,516,000)
C. Warranted Investment	*$25,171,000*	$34,896,000	$33,588,000	$32,280,000	$30,972,000	$32,547,000	$31,305,000	$30,065,000
D. (Less) Development Costs	*($19,274,000)*	($24,510,000)	($24,510,000)	($24,510,000)	($24,510,000)	($24,510,000)	($24,510,000)	($24,510,000)
E. Residual Land Value	***$5,897,000***	**$10,386,000**	**$9,078,000**	**$7,770,000**	**$6,462,000**	**$8,037,000**	**$6,795,000**	**$5,555,000**
Per Unit	***$295,000***	**$385,000**	**$336,000**	**$288,000**	**$239,000**	**$298,000**	**$252,000**	**$206,000**
Per SF	***$34***	**$60**	**$52**	**$45**	**$37**	**$46**	**$39**	**$32**

Residual Land Value @ 100% Market	$8,513,000
Per Unit	$426,000
Per SF	$49

ATTACHMENT 4.C

Single-Family Detached - Small Lot
Zone R-8

TABLE 4.C-1

ESTIMATE OF SALES PROCEEDS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H
	Single-Family Detached - Small Lot (R-8)							
	Base Case without Density Bonus	Base Case w/Density Bonus	Very Low			Low		
	1 unit @ Very Low for every 10 units No Density Bonus	1 unit @ Very Low for every 10 units with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Inclusionary Housing								
A. Site Area	*1.5 Acres*	1.5 Acres	1.5 Acres	1.5 Acres	1.5 Acres	1.5 Acres	1.5 Acres	1.5 Acres
B. Density	*8.0 Units/Acre* Maximum Density	8.0 Units/Acre Maximum Density	8.0 Units/Acre Maximum Density	8.0 Units/Acre Maximum Density	8.0 Units/Acre Maximum Density	8.0 Units/Acre Maximum Density	8.0 Units/Acre Maximum Density	8.0 Units/Acre Maximum Density
C. Number of Units (1)	*12 Units*	12 Units	12 Units	12 Units	12 Units	12 Units	12 Units	12 Units
D. Inclusionary Set-aside	*1 unit @ Very Low for every 10 units*	1 unit @ Very Low for every 10 units	15% Very Low	20% Very Low	25% Very Low	20% Low	25% Low	30% Low
E. Affordable Units (2)	*1 Units*	*1* Units	2 Units	3 Units	3 Units	3 Units	3 Units	4 Units
II. Density Bonus								
A. Actual % of Affordable Units		8.3% Very Low	16.7% Very Low	25.0% Very Low	25.0% Very Low	25.0% Very Low	25.0% Very Low	33.3% Very Low
B. Density Bonus		27.5%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
C. Density with Bonus		10.7 Units/Acre	11.3 Units/Acre	11.3 Units/Acre	11.3 Units/Acre	11.3 Units/Acre	11.3 Units/Acre	11.3 Units/Acre
D. Number of Units with Density Bonus (3)		16 Units	17 Units	17 Units	17 Units	17 Units	17 Units	17 Units
III. Affordability Mix								
A. Very Low	*1 Units 8%*	1 Units 6%	2 Units 12%	3 Units 18%	3 Units 18%	0 Units 0%	0 Units 0%	0 Units 0%
B. Low	*0 Units 0%*	0 Units 0%	0 Units 0%	0 Units 0%	0 Units 0%	3 Units 18%	3 Units 18%	4 Units 24%
C. Market-Rate	*11 Units 92%*	15 Units 94%	15 Units 88%	14 Units 82%	14 Units 82%	14 Units 82%	14 Units 82%	13 Units 76%
D. Total	*12 Units 100%*	16 Units 100%	17 Units 100%	17 Units 100%	17 Units 100%	17 Units 100%	17 Units 100%	17 Units 100%
IV. Estimate of Sales Proceeds								
A. Affordable Units								
Very Low $95,000	*$95,000*	$95,000	$190,000	$285,000	$285,000	$0	$0	$0
Low $173,000	*$0*	$0	$0	$0	$0	$519,000	$519,000	$692,000
Total Affordable Units	*$95,000*	$95,000	$190,000	$285,000	$285,000	$519,000	$519,000	$692,000
B. Market-Rate Units @								
Unit Size	*2,217 SF*	2,000 SF	2,000 SF	2,000 SF	2,000 SF	2,000 SF	2,000 SF	2,000 SF
Price/SF	*$475*	*$475*	$475	$475	$475	$475	$475	$475
Price/Unit	*$1,053,000*	$950,000	$950,000	$950,000	$950,000	$950,000	$950,000	$950,000
Total Sales Proceeds	*$11,583,000*	$14,250,000	$14,250,000	$13,300,000	$13,300,000	$13,300,000	$13,300,000	$12,350,000
C. Total Sales Proceeds	***$11,678,000***	**$14,345,000**	**$14,440,000**	**$13,585,000**	**$13,585,000**	**$13,819,000**	**$13,819,000**	**$13,042,000**
Per Unit	***$973,000***	**$897,000**	**$849,000**	**$799,000**	**$799,000**	**$813,000**	**$813,000**	**$767,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded down to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 4.C-2

ESTIMATE OF DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H
	Single-Family Detached - Small Lot (R-8)							
		Base Case with Density Bonus	Very Low			Low		
	Base Case without Density Bonus	1 unit @ Very Low for every 10 units with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Project Description								
Site Area	*1.5 Acres*	1.5 Acres	1.5 Acres	1.5 Acres	1.5 Acres	1.5 Acres	1.5 Acres	1.5 Acres
Average Unit Size	*2,217 SF*	2,000 SF	2,000 SF	2,000 SF	2,000 SF	2,000 SF	2,000 SF	2,000 SF
Gross Building Area (GBA)	*26,604 SF*	32,000 SF	34,000 SF	34,000 SF	34,000 SF	34,000 SF	34,000 SF	34,000 SF
Number of Units	*12 Units*	16 Units	17 Units	17 Units	17 Units	17 Units	17 Units	17 Units
II. Development Costs								
A. Direct Costs								
On/Off Site Improvements (1)	*$1,307,000 $20 /SF Site Area*	$1,307,000 $20 /SF Site Area	$1,307,000 $20 /SF Site Area	$1,307,000 $20 /SF Site Area	$1,307,000 $20 /SF Site Area	$1,307,000 $20 /SF Site Area	$1,307,000 $20 /SF Site Area	$1,307,000 $20 /SF Site Area
Parking	*$0 $0 /Space*	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space
Shell Construction	*$3,858,000 $145 /SF GBA*	$4,800,000 $150 /SF GBA	$5,100,000 $150 /SF GBA	$5,100,000 $150 /SF GBA	$5,100,000 $150 /SF GBA	$5,100,000 $150 /SF GBA	$5,100,000 $150 /SF GBA	$5,100,000 $150 /SF GBA
Other/Contingency	*$517,000 10.0% of Directs*	$611,000 10.0% of Directs	$641,000 10.0% of Directs	$641,000 10.0% of Directs	$641,000 10.0% of Directs	$641,000 10.0% of Directs	$641,000 10.0% of Directs	$641,000 10.0% of Directs
Total Direct Costs	*$5,682,000 $214 /SF GBA*	$6,718,000 $210 /SF GBA	$7,048,000 $207 /SF GBA	$7,048,000 $207 /SF GBA	$7,048,000 $207 /SF GBA	$7,048,000 $207 /SF GBA	$7,048,000 $207 /SF GBA	$7,048,000 $207 /SF GBA
Per Unit	*$474,000*	$420,000	$415,000	$415,000	$415,000	$415,000	$415,000	$415,000
B. Indirect Costs								
Permits & Fees (1)	*$330,000 $27,500 /Unit*	$440,000 $27,500 /Unit	$468,000 $27,500 /Unit	$468,000 $27,500 /Unit	$468,000 $27,500 /Unit	$468,000 $27,500 /Unit	$468,000 $27,500 /Unit	$468,000 $27,500 /Unit
Developer Fee	*$227,000 4.0% of Directs*	$269,000 4.0% of Directs	$282,000 4.0% of Directs	$282,000 4.0% of Directs	$282,000 4.0% of Directs	$282,000 4.0% of Directs	$282,000 4.0% of Directs	$282,000 4.0% of Directs
Other Indirects	*$852,000 15.0% of Directs*	$1,008,000 15.0% of Directs	$1,057,000 15.0% of Directs	$1,057,000 15.0% of Directs	$1,057,000 15.0% of Directs	$1,057,000 15.0% of Directs	$1,057,000 15.0% of Directs	$1,057,000 15.0% of Directs
Total Indirect Costs	*$1,409,000 24.8% of Directs*	$1,717,000 25.6% of Directs	$1,807,000 25.6% of Directs	$1,807,000 25.6% of Directs	$1,807,000 25.6% of Directs	$1,807,000 25.6% of Directs	$1,807,000 25.6% of Directs	$1,807,000 25.6% of Directs
C. Financing Costs	*$426,000 7.5% of Directs*	$504,000 7.5% of Directs	$529,000 7.5% of Directs	$529,000 7.5% of Directs	$529,000 7.5% of Directs	$529,000 7.5% of Directs	$529,000 7.5% of Directs	$529,000 7.5% of Directs
D. Total Development Costs	***$7,517,000 $283 /SF GBA***	**$8,939,000 $279 /SF GBA**	**$9,384,000 $276 /SF GBA**	**$9,384,000 $276 /SF GBA**	**$9,384,000 $276 /SF GBA**	**$9,384,000 $276 /SF GBA**	**$9,384,000 $276 /SF GBA**	**$9,384,000 $276 /SF GBA**
Per Unit	***$626,000***	**$559,000**	**$552,000**	**$552,000**	**$552,000**	**$552,000**	**$552,000**	**$552,000**

(1) Estimate, not verified by KMA or the City of Encinitas.

TABLE 4.C-3

ESTIMATE OF RESIDUAL LAND VALUE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H
	Single-Family Detached - Small Lot (R-8)							
	Base Case without Density Bonus	Base Case w/Density Bonus	Very Low			Low		
	1 unit @ Very Low for every 10 units No Density Bonus	1 unit @ Very Low for every 10 units with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Net Sales Proceeds								
A. Gross Sales Proceeds	*$11,678,000*	$14,345,000	$14,440,000	$13,585,000	$13,585,000	$13,819,000	$13,819,000	$13,042,000
B. (Less) Cost of Sale @ 4.5% of Value	*($526,000)*	($646,000)	($650,000)	($611,000)	($611,000)	($622,000)	($622,000)	($587,000)
C. Net Sales Proceeds	*$11,152,000*	$13,699,000	$13,790,000	$12,974,000	$12,974,000	$13,197,000	$13,197,000	$12,455,000
II. Residual Land Value								
A. Net Sales Proceeds	*$11,152,000*	$13,699,000	$13,790,000	$12,974,000	$12,974,000	$13,197,000	$13,197,000	$12,455,000
B. (Less) Developer Profit @ 10.0% of Value	*($1,168,000)*	($1,435,000)	($1,444,000)	($1,359,000)	($1,359,000)	($1,382,000)	($1,382,000)	($1,304,000)
C. Warranted Investment	*$9,984,000*	$12,264,000	$12,346,000	$11,615,000	$11,615,000	$11,815,000	$11,815,000	$11,151,000
D. (Less) Development Costs	*($7,517,000)*	($8,939,000)	($9,384,000)	($9,384,000)	($9,384,000)	($9,384,000)	($9,384,000)	($9,384,000)
E. Residual Land Value	***$2,467,000***	**$3,325,000**	**$2,962,000**	**$2,231,000**	**$2,231,000**	**$2,431,000**	**$2,431,000**	**$1,767,000**
Per Unit	***$206,000***	**$208,000**	**$174,000**	**$131,000**	**$131,000**	**$143,000**	**$143,000**	**$104,000**
Per SF	***$38***	**$51**	**$45**	**$34**	**$34**	**$37**	**$37**	**$27**

Residual Land Value @ 100% Market	$3,286,000
Per Unit	$274,000
Per SF	$50

ATTACHMENT 4.D

Single-Family Detached - Small Lot
Zone RS-11 / R-11

TABLE 4.D-1

ESTIMATE OF SALES PROCEEDS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H
	Single Family Detached - Small Lot (RS-11/R-11)							
	Base Case without Density Bonus	**Base Case w/Density Bonus**	**Very Low**			**Low**		
	1 unit @ Very Low for every 10 units No Density Bonus	**1 unit @ Very Low for every 10 units with Density Bonus**	**15% @ Very Low with Density Bonus**	**20% @ Very Low with Density Bonus**	**25% @ Very Low with Density Bonus**	**20% @ Low with Density Bonus**	**25% @ Low with Density Bonus**	**30% @ Low with Density Bonus**
I. Inclusionary Housing								
A. Site Area	*3.0 Acres*	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres
B. Density	*11.0 Units/Acre Maximum Density*	11.0 Units/Acre Maximum Density	11.0 Units/Acre Maximum Density	11.0 Units/Acre Maximum Density	11.0 Units/Acre Maximum Density	11.0 Units/Acre Maximum Density	11.0 Units/Acre Maximum Density	11.0 Units/Acre Maximum Density
C. Number of Units (1)	*33 Units*	33 Units	33 Units	33 Units	33 Units	33 Units	33 Units	33 Units
D. Inclusionary Set-aside	*1 unit @ Very Low for every 10 units*	1 unit @ Very Low for every 10 units	15% Very Low	20% Very Low	25% Very Low	20% Low	25% Low	30% Low
E. Affordable Units (2)	*3 Units*	*3* Units	5 Units	7 Units	9 Units	7 Units	9 Units	10 Units
II. Density Bonus								
A. Actual % of Affordable Units		9.1% Very Low	15.2% Very Low	21.2% Very Low	27.3% Very Low	21.2% Very Low	27.3% Very Low	30.3% Very Low
B. Density Bonus		30.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
C. Density with Bonus		14.3 Units/Acre	15.0 Units/Acre	15.0 Units/Acre	15.0 Units/Acre	15.0 Units/Acre	15.0 Units/Acre	15.0 Units/Acre
D. Number of Units with Density Bonus (3)		43 Units	45 Units	45 Units	45 Units	45 Units	45 Units	45 Units
III. Affordability Mix								
A. Very Low	*3 Units 9%*	3 Units 7%	5 Units 11%	7 Units 16%	9 Units 20%	0 Units 0%	0 Units 0%	0 Units 0%
B. Low	*0 Units 0%*	0 Units 0%	0 Units 0%	0 Units 0%	0 Units 0%	7 Units 16%	9 Units 20%	10 Units 22%
C. Market-Rate	*30 Units 91%*	40 Units 93%	40 Units 89%	38 Units 84%	36 Units 80%	38 Units 84%	36 Units 80%	35 Units 78%
D. Total	*33 Units 100%*	43 Units 100%	45 Units 100%	45 Units 100%	45 Units 100%	45 Units 100%	45 Units 100%	45 Units 100%
IV. Estimate of Sales Proceeds								
A. Affordable Units								
Very Low $95,000	*$285,000*	$285,000	$475,000	$665,000	$855,000	$0	$0	$0
Low $173,000	*$0*	$0	$0	$0	$0	$1,211,000	$1,557,000	$1,730,000
Total Affordable Units	*$285,000*	$285,000	$475,000	$665,000	$855,000	$1,211,000	$1,557,000	$1,730,000
B. Market-Rate Units @								
Unit Size	*2,000 SF*	1,510 SF	1,510 SF	1,510 SF	1,510 SF	1,510 SF	1,510 SF	1,510 SF
Price/SF	*$475*	$500	$500	$500	$500	$500	$500	$500
Price/Unit	*$950,000*	*$755,000*	*$755,000*	*$755,000*	*$755,000*	*$755,000*	*$755,000*	*$755,000*
Total Sales Proceeds	*$28,500,000*	$30,200,000	$30,200,000	$28,690,000	$27,180,000	$28,690,000	$27,180,000	$26,425,000
C. Total Sales Proceeds	***$28,785,000***	**$30,485,000**	**$30,675,000**	**$29,355,000**	**$28,035,000**	**$29,901,000**	**$28,737,000**	**$28,155,000**
Per Unit	***$872,000***	**$709,000**	**$682,000**	**$652,000**	**$623,000**	**$664,000**	**$639,000**	**$626,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded down to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Encinitas_Feasibility Analysis_v6 - Scenario #1A_v4;12/2/2019;sjx

TABLE 4.D-2

ESTIMATE OF DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H
	Single-Family Detached - Small Lot (RS-11/R-11)							
		Base Case with Density Bonus	Very Low			Low		
	Base Case without Density Bonus	1 unit @ Very Low for every 10 units with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Project Description								
Site Area	*3.0 Acres*	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres
Average Unit Size	*2,000 SF*	1,510 SF	1,510 SF	1,510 SF	1,510 SF	1,510 SF	1,510 SF	1,510 SF
Gross Building Area (GBA)	*66,000 SF*	64,930 SF	67,950 SF	67,950 SF	67,950 SF	67,950 SF	67,950 SF	67,950 SF
Number of Units	*33 Units*	43 Units	45 Units	45 Units	45 Units	45 Units	45 Units	45 Units
II. Development Costs								
A. Direct Costs								
On/Off Site Improvements (1)	*$3,267,000 $25 /SF Site Area*	$3,267,000 $25 /SF Site Area	$3,267,000 $25 /SF Site Area	$3,267,000 $25 /SF Site Area	$3,267,000 $25 /SF Site Area	$3,267,000 $25 /SF Site Area	$3,267,000 $25 /SF Site Area	$3,267,000 $25 /SF Site Area
Parking	*$0 $0 /Space*	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space
Shell Construction	*$9,900,000 $150 /SF GBA*	$10,389,000 $160 /SF GBA	$10,872,000 $160 /SF GBA	$10,872,000 $160 /SF GBA	$10,872,000 $160 /SF GBA	$10,872,000 $160 /SF GBA	$10,872,000 $160 /SF GBA	$10,872,000 $160 /SF GBA
Other/Contingency	*$1,317,000 10.0% of Directs*	$1,366,000 10.0% of Directs	$1,414,000 10.0% of Directs	$1,414,000 10.0% of Directs	$1,414,000 10.0% of Directs	$1,414,000 10.0% of Directs	$1,414,000 10.0% of Directs	$1,414,000 10.0% of Directs
Total Direct Costs	*$14,484,000 $219 /SF GBA*	$15,022,000 $231 /SF GBA	$15,553,000 $229 /SF GBA	$15,553,000 $229 /SF GBA	$15,553,000 $229 /SF GBA	$15,553,000 $229 /SF GBA	$15,553,000 $229 /SF GBA	$15,553,000 $229 /SF GBA
Per Unit	*$439,000*	$349,000	$346,000	$346,000	$346,000	$346,000	$346,000	$346,000
B. Indirect Costs								
Permits & Fees (1)	*$907,500 $27,500 /Unit*	$1,183,000 $27,500 /Unit	$1,238,000 $27,500 /Unit	$1,238,000 $27,500 /Unit	$1,238,000 $27,500 /Unit	$1,238,000 $27,500 /Unit	$1,238,000 $27,500 /Unit	$1,238,000 $27,500 /Unit
Developer Fee	*$579,000 4.0% of Directs*	$601,000 4.0% of Directs	$622,000 4.0% of Directs	$622,000 4.0% of Directs	$622,000 4.0% of Directs	$622,000 4.0% of Directs	$622,000 4.0% of Directs	$622,000 4.0% of Directs
Other Indirects	*$2,173,000 15.0% of Directs*	$2,253,000 15.0% of Directs	$2,333,000 15.0% of Directs	$2,333,000 15.0% of Directs	$2,333,000 15.0% of Directs	$2,333,000 15.0% of Directs	$2,333,000 15.0% of Directs	$2,333,000 15.0% of Directs
Total Indirect Costs	*$3,659,500 25.3% of Directs*	$4,037,000 26.9% of Directs	$4,193,000 27.0% of Directs	$4,193,000 27.0% of Directs	$4,193,000 27.0% of Directs	$4,193,000 27.0% of Directs	$4,193,000 27.0% of Directs	$4,193,000 27.0% of Directs
C. Financing Costs	*$1,086,000 7.5% of Directs*	$1,127,000 7.5% of Directs	$1,166,000 7.5% of Directs	$1,166,000 7.5% of Directs	$1,166,000 7.5% of Directs	$1,166,000 7.5% of Directs	$1,166,000 7.5% of Directs	$1,166,000 7.5% of Directs
D. Total Development Costs	***$19,230,000 $291 /SF GBA***	**$20,186,000 $311 /SF GBA**	**$20,912,000 $308 /SF GBA**	**$20,912,000 $308 /SF GBA**	**$20,912,000 $308 /SF GBA**	**$20,912,000 $308 /SF GBA**	**$20,912,000 $308 /SF GBA**	**$20,912,000 $308 /SF GBA**
Per Unit	***$583,000***	**$469,000**	**$465,000**	**$465,000**	**$465,000**	**$465,000**	**$465,000**	**$465,000**

(1) Estimate, not verified by KMA or the City of Encinitas.

TABLE 4.D-3

ESTIMATE OF RESIDUAL LAND VALUE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H
	Single-Family Detached - Small Lot (RS-11/R-11)							
	Base Case without Density Bonus	Base Case w/Density Bonus	Very Low			Low		
	1 unit @ Very Low for every 10 units No Density Bonus	1 unit @ Very Low for every 10 units with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Net Sales Proceeds								
A. Gross Sales Proceeds	*$28,785,000*	$30,485,000	$30,675,000	$29,355,000	$28,035,000	$29,901,000	$28,737,000	$28,155,000
B. (Less) Cost of Sale @ 4.5% of Value	*($1,295,000)*	($1,372,000)	($1,380,000)	($1,321,000)	($1,262,000)	($1,346,000)	($1,293,000)	($1,267,000)
C. Net Sales Proceeds	*$27,490,000*	$29,113,000	$29,295,000	$28,034,000	$26,773,000	$28,555,000	$27,444,000	$26,888,000
II. Residual Land Value								
A. Net Sales Proceeds	*$27,490,000*	$29,113,000	$29,295,000	$28,034,000	$26,773,000	$28,555,000	$27,444,000	$26,888,000
B. (Less) Developer Profit @ 10.0% of Value	*($2,879,000)*	($3,049,000)	($3,068,000)	($2,936,000)	($2,804,000)	($2,990,000)	($2,874,000)	($2,816,000)
C. Warranted Investment	*$24,611,000*	$26,064,000	$26,227,000	$25,098,000	$23,969,000	$25,565,000	$24,570,000	$24,072,000
D. (Less) Development Costs	*($19,230,000)*	($20,186,000)	($20,912,000)	($20,912,000)	($20,912,000)	($20,912,000)	($20,912,000)	($20,912,000)
E. Residual Land Value	***$5,381,000***	**$5,878,000**	**$5,315,000**	**$4,186,000**	**$3,057,000**	**$4,653,000**	**$3,658,000**	**$3,160,000**
Per Unit	***$163,000***	**$137,000**	**$118,000**	**$93,000**	**$68,000**	**$103,000**	**$81,000**	**$70,000**
Per SF	***$41***	**$45**	**$41**	**$32**	**$23**	**$36**	**$28**	**$24**

Residual Land Value @ 100% Market	$7,574,000
Per Unit	$230,000
Per SF	$58

ATTACHMENT 4.E

Mixed-Use Development

TABLE 4.E-1

ESTIMATE OF SALES PROCEEDS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H
	Mixed-Use Development							
	Base Case without Density Bonus	Base Case w/Density Bonus	Very Low			Low		
	1 unit @ Very Low for every 10 units No Density Bonus	1 unit @ Very Low for every 10 units with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Inclusionary Housing								
A. Site Area	*0.5 Acres*	0.5 Acres	0.5 Acres	0.5 Acres	0.5 Acres	0.5 Acres	0.5 Acres	0.5 Acres
B. Density	*10.0 Units/Acre Maximum Density*	10.0 Units/Acre Maximum Density	10.0 Units/Acre Maximum Density	10.0 Units/Acre Maximum Density	10.0 Units/Acre Maximum Density	10.0 Units/Acre Maximum Density	10.0 Units/Acre Maximum Density	10.0 Units/Acre Maximum Density
C. Number of Units (1)	*5 Units*	5 Units	5 Units	5 Units	5 Units	5 Units	5 Units	5 Units
D. Inclusionary Set-aside	*1 unit @ Very Low for every 10 units*	1 unit @ Very Low for every 10 units	15% Very Low	20% Very Low	25% Very Low	20% Low	25% Low	30% Low
E. Affordable Units (2)	*0 Units*	*0* Units	1 Units	1 Units	2 Units	1 Units	2 Units	2 Units
II. Density Bonus								
A. Actual % of Affordable Units		0.0% Very Low	20.0% Very Low	20.0% Very Low	40.0% Very Low	20.0% Very Low	40.0% Very Low	40.0% Very Low
B. Density Bonus		0.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
C. Density with Bonus		10.0 Units/Acre	14.0 Units/Acre	14.0 Units/Acre	14.0 Units/Acre	14.0 Units/Acre	14.0 Units/Acre	14.0 Units/Acre
D. Number of Units with Density Bonus (3)		5 Units	7 Units	7 Units	7 Units	7 Units	7 Units	7 Units
E. Parking - Residential 2.5 Spaces/Unit		13 Spaces	18 Spaces	18 Spaces	18 Spaces	18 Spaces	18 Spaces	18 Spaces
F. Parking - Commercial		33 Spaces	33 Spaces	33 Spaces	33 Spaces	33 Spaces	33 Spaces	33 Spaces
III. Affordability Mix								
A. Very Low	*0 Units 0%*	0 Units 0%	1 Units 14%	1 Units 14%	2 Units 29%	0 Units 0%	0 Units 0%	0 Units 0%
B. Low	*0 Units 0%*	0 Units 0%	0 Units 0%	0 Units 0%	0 Units 0%	1 Units 14%	2 Units 29%	2 Units 29%
C. Market-Rate	*5 Units 100%*	5 Units 100%	6 Units 86%	6 Units 86%	5 Units 71%	6 Units 86%	5 Units 71%	5 Units 71%
D. Total	*5 Units 100%*	5 Units 100%	7 Units 100%	7 Units 100%	7 Units 100%	7 Units 100%	7 Units 100%	7 Units 100%
IV. Estimate of Sales Proceeds								
A. Affordable Units								
Very Low $95,000	*$0*	$0	$95,000	$95,000	$190,000	$0	$0	$0
Low $173,000	*$0*	$0	$0	$0	$0	$173,000	$346,000	$346,000
Total Affordable Units	*$0*	$0	$95,000	$95,000	$190,000	$173,000	$346,000	$346,000
B. Market-Rate Units @								
Unit Size	*1,500 SF*	1,500 SF	1,500 SF	1,500 SF	1,500 SF	1,500 SF	1,500 SF	1,500 SF
Price/SF	*$750*	$750	$750	$750	$750	$750	$750	$750
Price/Unit	*$1,125,000*	$1,125,000	$1,125,000	$1,125,000	$1,125,000	$1,125,000	$1,125,000	$1,125,000
Total Sales Proceeds	*$5,625,000*	$5,625,000	$6,750,000	$6,750,000	$5,625,000	$6,750,000	$5,625,000	$5,625,000
C. Total Sales Proceeds	***$5,625,000***	**$5,625,000**	**$6,845,000**	**$6,845,000**	**$5,815,000**	**$6,923,000**	**$5,971,000**	**$5,971,000**
Per Unit	***$1,125,000***	**$1,125,000**	**$978,000**	**$978,000**	**$831,000**	**$989,000**	**$853,000**	**$853,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded down to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 4.E-2

ESTIMATE OF DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H
	Mixed-Use Development							
		Base Case with Density Bonus	Very Low			Low		
	Base Case without Density Bonus	1 unit @ Very Low for every 10 units with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Project Description								
Site Area	*0.5 Acres*	0.5 Acres	0.5 Acres	0.5 Acres	0.5 Acres	0.5 Acres	0.5 Acres	0.5 Acres
Gross Building Area (GBA)								
Average Unit Size	*1,500 SF*	1,500 SF	1,500 SF	1,500 SF	1,500 SF	1,500 SF	1,500 SF	1,500 SF
Residential GBA	*7,500 SF*	7,500 SF	10,500 SF	10,500 SF	10,500 SF	10,500 SF	10,500 SF	10,500 SF
Number of Units	*5 Units*	5 Units	7 Units	7 Units	7 Units	7 Units	7 Units	7 Units
Commericial GBA	*5,000 SF*	5,000 SF	5,000 SF	5,000 SF	5,000 SF	5,000 SF	5,000 SF	5,000 SF
Total GBA	*12,500 SF*	12,500 SF	15,500 SF	15,500 SF	15,500 SF	15,500 SF	15,500 SF	15,500 SF
Parking	*46 Spaces*	46 Spaces	51 Spaces	51 Spaces	51 Spaces	51 Spaces	51 Spaces	51 Spaces
II. Development Costs								
A. Direct Costs								
On/Off Site Improvements (1)	*$436,000 $20 /SF Site Area*	$436,000 $20 /SF Site Area	$436,000 $20 /SF Site Area	$436,000 $20 /SF Site Area	$436,000 $20 /SF Site Area	$436,000 $20 /SF Site Area	$436,000 $20 /SF Site Area	$436,000 $20 /SF Site Area
Parking	*$1,840,000 $40,000 /Space*	$1,840,000 $40,000 /Space	$2,040,000 $40,000 /Space	$2,040,000 $40,000 /Space	$2,040,000 $40,000 /Space	$2,040,000 $40,000 /Space	$2,040,000 $40,000 /Space	$2,040,000 $40,000 /Space
Shell Construction - Residential	*$1,350,000 $180 /SF GBA-Res*	$1,388,000 $185 /SF GBA-Res	$1,943,000 $185 /SF GBA-Res	$1,943,000 $185 /SF GBA-Res	$1,943,000 $185 /SF GBA-Res	$1,943,000 $185 /SF GBA-Res	$1,943,000 $185 /SF GBA-Res	$1,943,000 $185 /SF GBA-Res
Shell Construction - Commericial	*$800,000 $160 /SF GBA-Cmm*	$800,000 $160 /SF GBA-Cmm	$800,000 $160 /SF GBA-Cmm	$800,000 $160 /SF GBA-Cmm	$800,000 $160 /SF GBA-Cmm	$800,000 $160 /SF GBA-Cmm	$800,000 $160 /SF GBA-Cmm	$800,000 $160 /SF GBA-Cmm
Tenant Improvements - Commercial	*$250,000 $50 /SF GBA-Cmm*	$250,000 $50 /SF GBA-Cmm	$250,000 $50 /SF GBA-Cmm	$250,000 $50 /SF GBA-Cmm	$250,000 $50 /SF GBA-Cmm	$250,000 $50 /SF GBA-Cmm	$250,000 $50 /SF GBA-Cmm	$250,000 $50 /SF GBA-Cmm
Other/Contingency	*$468,000 10.0% of Directs*	$471,000 10.0% of Directs	$547,000 10.0% of Directs	$547,000 10.0% of Directs	$547,000 10.0% of Directs	$547,000 10.0% of Directs	$547,000 10.0% of Directs	$547,000 10.0% of Directs
Total Direct Costs	*$5,144,000 $412 /SF Total GBA*	$5,185,000 $415 /SF GBA	$6,016,000 $388 /SF GBA	$6,016,000 $388 /SF GBA	$6,016,000 $388 /SF GBA	$6,016,000 $388 /SF GBA	$6,016,000 $388 /SF GBA	$6,016,000 $388 /SF GBA
Per Unit	*$1,029,000*	$1,037,000	$859,000	$859,000	$859,000	$859,000	$859,000	$859,000
B. Indirect Costs								
Permits & Fees - Residential (1)	*$138,000 $27,500 /Unit*	$138,000 $27,500 /Unit	$193,000 $27,500 /Unit	$193,000 $27,500 /Unit	$193,000 $27,500 /Unit	$193,000 $27,500 /Unit	$193,000 $27,500 /Unit	$193,000 $27,500 /Unit
Permits & Fees - Commercial (1)	*$50,000 $10 /SF*	$50,000 $10 /SF	$50,000 $10 /SF	$50,000 $10 /SF	$50,000 $10 /SF	$50,000 $10 /SF	$50,000 $10 /SF	$50,000 $10 /SF
Developer Fee	*$206,000 4.0% of Directs*	$207,000 4.0% of Directs	$241,000 4.0% of Directs	$241,000 4.0% of Directs	$241,000 4.0% of Directs	$241,000 4.0% of Directs	$241,000 4.0% of Directs	$241,000 4.0% of Directs
Other Indirects	*$772,000 15.0% of Directs*	$778,000 15.0% of Directs	$902,000 15.0% of Directs	$902,000 15.0% of Directs	$902,000 15.0% of Directs	$902,000 15.0% of Directs	$902,000 15.0% of Directs	$902,000 15.0% of Directs
Total Indirect Costs	*$1,166,000 22.7% of Directs*	$1,173,000 22.6% of Directs	$1,386,000 23.0% of Directs	$1,386,000 23.0% of Directs	$1,386,000 23.0% of Directs	$1,386,000 23.0% of Directs	$1,386,000 23.0% of Directs	$1,386,000 23.0% of Directs
C. Financing Costs	*$386,000 7.5% of Directs*	$389,000 7.5% of Directs	$451,000 7.5% of Directs	$451,000 7.5% of Directs	$451,000 7.5% of Directs	$451,000 7.5% of Directs	$451,000 7.5% of Directs	$451,000 7.5% of Directs
D. Total Development Costs	***$6,696,000 $536 /SF Total GBA***	**$6,747,000 $540 /SF Total GBA**	**$7,853,000 $507 /SF Total GBA**	**$7,853,000 $507 /SF Total GBA**	**$7,853,000 $507 /SF Total GBA**	**$7,853,000 $507 /SF Total GBA**	**$7,853,000 $507 /SF Total GBA**	**$7,853,000 $507 /SF Total GBA**
Per Unit	***$1,339,000***	**$1,349,000**	**$1,122,000**	**$1,122,000**	**$1,122,000**	**$1,122,000**	**$1,122,000**	**$1,122,000**

(1) Estimate, not verified by KMA or the City of Encinitas.

TABLE 4.E-3

ESTIMATE OF RESIDUAL LAND VALUE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H
	Mixed-Use Development							
	Base Case without Density Bonus	Base Case w/Density Bonus	Very Low			Low		
	1 unit @ Very Low for every 10 units No Density Bonus	1 unit @ Very Low for every 10 units with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Net Sales Proceeds								
A. Gross Sales Proceeds	*$5,625,000*	$5,625,000	$6,845,000	$6,845,000	$5,815,000	$6,923,000	$5,971,000	$5,971,000
B. (Less) Cost of Sale @ 4.5% of Value	*($253,000)*	($253,000)	($308,000)	($308,000)	($262,000)	($312,000)	($269,000)	($269,000)
C. Net Sales Proceeds - Residential	*$5,372,000*	$5,372,000	$6,537,000	$6,537,000	$5,553,000	$6,611,000	$5,702,000	$5,702,000
II. Net Sales Proceeds - Commercial								
A. Gross Rental Income $4.25 /SF NNN	*$255,000*	$255,000	$255,000	$255,000	$255,000	$255,000	$255,000	$255,000
B. (Less) Vacancy 10%	*($25,500)*	($25,500)	($25,500)	($25,500)	($25,500)	($25,500)	($25,500)	($25,500)
C. Effective Gross Income	*$229,500*	$229,500	$229,500	$229,500	$229,500	$229,500	$229,500	$229,500
D. (Less) Unreimbursed Expenses 5.0%	*($11,000)*	($11,000)	($11,000)	($11,000)	($11,000)	($11,000)	($11,000)	($11,000)
E. Net Operating Income	*$218,500*	$218,500	$218,500	$218,500	$218,500	$218,500	$218,500	$218,500
F. Capitalization Rate	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
G. Capitalized Value Upon Completion	*$4,856,000*	$4,856,000	$4,856,000	$4,856,000	$4,856,000	$4,856,000	$4,856,000	$4,856,000
H. (Less) Cost of Sale 3.0% of Value	*($146,000)*	($146,000)	($146,000)	($146,000)	($146,000)	($146,000)	($146,000)	($146,000)
I. Net Sales Proceeds - Commercial	*$4,710,000*	$4,710,000	$4,710,000	$4,710,000	$4,710,000	$4,710,000	$4,710,000	$4,710,000
III. Residual Land Value								
A. Net Sales Proceeds	*$10,082,000*	$10,082,000	$11,247,000	$11,247,000	$10,263,000	$11,321,000	$10,412,000	$10,412,000
B. (Less) Developer Profit @ 10.0% of Value	*($1,048,000)*	($1,048,000)	($1,170,000)	($1,170,000)	($1,067,000)	($1,178,000)	($1,083,000)	($1,083,000)
C. Warranted Investment	*$9,034,000*	$9,034,000	$10,077,000	$10,077,000	$9,196,000	$10,143,000	$9,329,000	$9,329,000
D. (Less) Development Costs	*($6,696,000)*	($6,747,000)	($7,853,000)	($7,853,000)	($7,853,000)	($7,853,000)	($7,853,000)	($7,853,000)
E. Residual Land Value	***$2,338,000***	**$2,287,000**	**$2,224,000**	**$2,224,000**	**$1,343,000**	**$2,290,000**	**$1,476,000**	**$1,476,000**
Per Unit	***$468,000***	**$457,000**	**$318,000**	**$318,000**	**$192,000**	**$327,000**	**$211,000**	**$211,000**
Per SF	***$107***	**$105**	**$102**	**$102**	**$62**	**$105**	**$68**	**$68**

Residual Land Value @ 100% Market	$2,140,000
Per Unit	$428,000
Per SF	$98

ATTACHMENT 4.F

Townhomes
Zone R-15

TABLE 4.F-1

ESTIMATE OF SALES PROCEEDS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A		B		C		D		E		F		G		H	
	Townhomes (R-15)															
	Base Case without Density Bonus		Base Case w/Density Bonus		Very Low						Low					
	1 unit @ Very Low for every 10 units No Density Bonus		1 unit @ Very Low for every 10 units with Density Bonus		15% @ Very Low with Density Bonus		20% @ Very Low with Density Bonus		25% @ Very Low with Density Bonus		20% @ Low with Density Bonus		25% @ Low with Density Bonus		30% @ Low with Density Bonus	
I. Inclusionary Housing																
A. Site Area	*3.0 Acres*		3.0 Acres		3.0 Acres		3.0 Acres		3.0 Acres		3.0 Acres		3.0 Acres		3.0 Acres	
B. Density	*15.0 Units/Acre Maximum Density*		15.0 Units/Acre Maximum Density		15.0 Units/Acre Maximum Density		15.0 Units/Acre Maximum Density		15.0 Units/Acre Maximum Density		15.0 Units/Acre Maximum Density		15.0 Units/Acre Maximum Density		15.0 Units/Acre Maximum Density	
C. Number of Units (1)	*45 Units*		45 Units		45 Units		45 Units		45 Units		45 Units		45 Units		45 Units	
D. Inclusionary Set-aside	*1 unit @ Very Low for every 10 units*		1 unit @ Very Low for every 10 units		15% Very Low		20% Very Low		25% Very Low		20% Low		25% Low		30% Low	
E. Affordable Units (2)	*4 Units*		*4* Units		7 Units		9 Units		12 Units		9 Units		12 Units		14 Units	
II. Density Bonus																
A. Actual % of Affordable Units			8.9% Very Low		15.6% Very Low		20.0% Very Low		26.7% Very Low		20.0% Very Low		26.7% Very Low		31.1% Very Low	
B. Density Bonus			27.5%		35.0%		35.0%		35.0%		35.0%		35.0%		35.0%	
C. Density with Bonus			19.3 Units/Acre		20.3 Units/Acre		20.3 Units/Acre		20.3 Units/Acre		20.3 Units/Acre		20.3 Units/Acre		20.3 Units/Acre	
D. Number of Units with Density Bonus (3)			58 Units		61 Units		61 Units		61 Units		61 Units		61 Units		61 Units	
III. Affordability Mix																
A. Very Low	*4 Units*	*9%*	4 Units	7%	7 Units	11%	9 Units	15%	12 Units	20%	0 Units	0%	0 Units	0%	0 Units	0%
B. Low	*0 Units*	*0%*	0 Units	0%	0 Units	0%	0 Units	0%	0 Units	0%	9 Units	15%	12 Units	20%	14 Units	23%
C. Market-Rate	*41 Units*	*91%*	54 Units	93%	54 Units	89%	52 Units	85%	49 Units	80%	52 Units	85%	49 Units	80%	47 Units	77%
D. Total	*45 Units*	*100%*	58 Units	100%	61 Units	100%	61 Units	100%	61 Units	100%	61 Units	100%	61 Units	100%	61 Units	100%
IV. Estimate of Sales Proceeds																
A. Affordable Units																
Very Low $107,000		*$428,000*		$428,000		$749,000		$963,000		$1,284,000		$0		$0		$0
Low $180,000		*$0*		$0		$0		$0		$0		$1,620,000		$2,160,000		$2,520,000
Total Affordable Units		*$428,000*		$428,000		$749,000		$963,000		$1,284,000		$1,620,000		$2,160,000		$2,520,000
B. Market-Rate Units @																
Unit Size		*1,510 SF*		1,250 SF		1,250 SF		1,250 SF		1,250 SF		1,250 SF		1,250 SF		1,250 SF
Price/SF		*$500*		$600		$600		$600		$600		$600		$600		$600
Price/Unit		*$755,000*		*$750,000*		*$750,000*		*$750,000*		*$750,000*		*$750,000*		*$750,000*		*$750,000*
Total Sales Proceeds		*$30,955,000*		$40,500,000		$40,500,000		$39,000,000		$36,750,000		$39,000,000		$36,750,000		$35,250,000
C. Total Sales Proceeds		***$31,383,000***		**$40,928,000**		**$41,249,000**		**$39,963,000**		**$38,034,000**		**$40,620,000**		**$38,910,000**		**$37,770,000**
Per Unit		***$697,000***		**$706,000**		**$676,000**		**$655,000**		**$624,000**		**$666,000**		**$638,000**		**$619,000**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded down to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 4.F-2

ESTIMATE OF DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H
	Townhomes (R-15)							
		Base Case with Density Bonus	**Very Low**			**Low**		
	Base Case without Density Bonus	**1 unit @ Very Low for every 10 units with Density Bonus**	**15% @ Very Low with Density Bonus**	**20% @ Very Low with Density Bonus**	**25% @ Very Low with Density Bonus**	**20% @ Low with Density Bonus**	**25% @ Low with Density Bonus**	**30% @ Low with Density Bonus**
I. Project Description								
Site Area	*3.0 Acres*	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres	3.0 Acres
Average Unit Size	*1,510 SF*	1,510 SF	1,510 SF	1,510 SF	1,510 SF	1,510 SF	1,510 SF	1,510 SF
Gross Building Area (GBA)	*67,950 SF*	87,580 SF	92,110 SF	92,110 SF	92,110 SF	92,110 SF	92,110 SF	92,110 SF
Number of Units	*45 Units*	58 Units	61 Units	61 Units	61 Units	61 Units	61 Units	61 Units
II. Development Costs								
A. Direct Costs								
On/Off Site Improvements (1)	*$2,614,000 $20 /SF Site Area*	$2,614,000 $20 /SF Site Area	$2,614,000 $20 /SF Site Area	$2,614,000 $20 /SF Site Area	$2,614,000 $20 /SF Site Area	$2,614,000 $20 /SF Site Area	$2,614,000 $20 /SF Site Area	$2,614,000 $20 /SF Site Area
Parking	*$0 $0 /Space*	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space	$0 $0 /Space
Shell Construction	*$10,872,000 $160 /SF GBA*	$15,327,000 $175 /SF GBA	$16,119,000 $175 /SF GBA	$16,119,000 $175 /SF GBA	$16,119,000 $175 /SF GBA	$16,119,000 $175 /SF GBA	$16,119,000 $175 /SF GBA	$16,119,000 $175 /SF GBA
Other/Contingency	*$1,349,000 10.0% of Directs*	$1,794,000 10.0% of Directs	$1,873,000 10.0% of Directs	$1,873,000 10.0% of Directs	$1,873,000 10.0% of Directs	$1,873,000 10.0% of Directs	$1,873,000 10.0% of Directs	$1,873,000 10.0% of Directs
Total Direct Costs	*$14,835,000 $218 /SF GBA*	$19,735,000 $225 /SF GBA	$20,606,000 $224 /SF GBA	$20,606,000 $224 /SF GBA	$20,606,000 $224 /SF GBA	$20,606,000 $224 /SF GBA	$20,606,000 $224 /SF GBA	$20,606,000 $224 /SF GBA
Per Unit	*$330,000*	$340,000	$338,000	$338,000	$338,000	$338,000	$338,000	$338,000
B. Indirect Costs								
Permits & Fees (1)	*$900,000 $20,000 /Unit*	$1,160,000 $20,000 /Unit	$1,220,000 $20,000 /Unit	$1,220,000 $20,000 /Unit	$1,220,000 $20,000 /Unit	$1,220,000 $20,000 /Unit	$1,220,000 $20,000 /Unit	$1,220,000 $20,000 /Unit
Developer Fee	*$593,000 4.0% of Directs*	$789,000 4.0% of Directs	$824,000 4.0% of Directs	$824,000 4.0% of Directs	$824,000 4.0% of Directs	$824,000 4.0% of Directs	$824,000 4.0% of Directs	$824,000 4.0% of Directs
Other Indirects	*$2,225,000 15.0% of Directs*	$2,960,000 15.0% of Directs	$3,091,000 15.0% of Directs	$3,091,000 15.0% of Directs	$3,091,000 15.0% of Directs	$3,091,000 15.0% of Directs	$3,091,000 15.0% of Directs	$3,091,000 15.0% of Directs
Total Indirect Costs	*$3,718,000 25.1% of Directs*	$4,909,000 24.9% of Directs	$5,135,000 24.9% of Directs	$5,135,000 24.9% of Directs	$5,135,000 24.9% of Directs	$5,135,000 24.9% of Directs	$5,135,000 24.9% of Directs	$5,135,000 24.9% of Directs
C. Financing Costs	*$1,113,000 7.5% of Directs*	$1,480,000 7.5% of Directs	$1,545,000 7.5% of Directs	$1,545,000 7.5% of Directs	$1,545,000 7.5% of Directs	$1,545,000 7.5% of Directs	$1,545,000 7.5% of Directs	$1,545,000 7.5% of Directs
D. Total Development Costs	***$19,666,000 $289 /SF GBA***	**$26,124,000 $298 /SF GBA**	**$27,286,000 $296 /SF GBA**	**$27,286,000 $296 /SF GBA**	**$27,286,000 $296 /SF GBA**	**$27,286,000 $296 /SF GBA**	**$27,286,000 $296 /SF GBA**	**$27,286,000 $296 /SF GBA**
Per Unit	***$437,000***	**$450,000**	**$447,000**	**$447,000**	**$447,000**	**$447,000**	**$447,000**	**$447,000**

(1) Estimate, not verified by KMA or the City of Encinitas.

TABLE 4.F-3

ESTIMATE OF RESIDUAL LAND VALUE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H
	Townhomes (R-15)							
	Base Case without Density Bonus	Base Case w/Density Bonus	Very Low			Low		
	1 unit @ Very Low for every 10 units No Density Bonus	1 unit @ Very Low for every 10 units with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Net Sales Proceeds								
A. Gross Sales Proceeds	*$31,383,000*	$40,928,000	$41,249,000	$39,963,000	$38,034,000	$40,620,000	$38,910,000	$37,770,000
B. (Less) Cost of Sale @ 4.5% of Value	*($1,412,000)*	($1,842,000)	($1,856,000)	($1,798,000)	($1,712,000)	($1,828,000)	($1,751,000)	($1,700,000)
C. Net Sales Proceeds	*$29,971,000*	$39,086,000	$39,393,000	$38,165,000	$36,322,000	$38,792,000	$37,159,000	$36,070,000
II. Residual Land Value								
A. Net Sales Proceeds	*$29,971,000*	$39,086,000	$39,393,000	$38,165,000	$36,322,000	$38,792,000	$37,159,000	$36,070,000
B. (Less) Developer Profit @ 10.0% of Value	*($3,138,000)*	($4,093,000)	($4,125,000)	($3,996,000)	($3,803,000)	($4,062,000)	($3,891,000)	($3,777,000)
C. Warranted Investment	*$26,833,000*	$34,993,000	$35,268,000	$34,169,000	$32,519,000	$34,730,000	$33,268,000	$32,293,000
D. (Less) Development Costs	*($19,666,000)*	($26,124,000)	($27,286,000)	($27,286,000)	($27,286,000)	($27,286,000)	($27,286,000)	($27,286,000)
E. Residual Land Value	***$7,167,000***	**$8,869,000**	**$7,982,000**	**$6,883,000**	**$5,233,000**	**$7,444,000**	**$5,982,000**	**$5,007,000**
Per Unit	***$159,000***	**$153,000**	**$131,000**	**$113,000**	**$86,000**	**$122,000**	**$98,000**	**$82,000**
Per SF	***$55***	**$68**	**$61**	**$53**	**$40**	**$57**	**$46**	**$38**

Residual Land Value @ 100% Market	$9,382,000
Per Unit	$208,000
Per SF	$72

ATTACHMENT 4.G

Garden Apartments
Zone R-20

TABLE 4.G-1

ESTIMATE OF GROSS ANNUAL RENTAL INCOME
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H
	Garden Apartments (R-20)							
	Base Case without Density Bonus	Base Case w/Density Bonus	Very Low			Low		
	1 unit @ Very Low for every 10 units No Density Bonus	1 unit @ Very Low for every 10 units with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Inclusionary Housing								
A. Site Area	*2.0 Acres*	2.0 Acres	2.0 Acres	2.0 Acres	2.0 Acres	2.0 Acres	2.0 Acres	2.0 Acres
B. Density	*20.0 Units/Acre Maximum Density*	20.0 Units/Acre Maximum Density	20.0 Units/Acre Maximum Density	20.0 Units/Acre Maximum Density	20.0 Units/Acre Maximum Density	20.0 Units/Acre Maximum Density	20.0 Units/Acre Maximum Density	20.0 Units/Acre Maximum Density
C. Number of Units (1)	*40 Units*	40 Units	40 Units	40 Units	40 Units	40 Units	40 Units	40 Units
D. Inclusionary Set-aside	*1 unit @ Very Low for every 10 units*	1 unit @ Very Low for every 10 units	15% Very Low	20% Very Low	25% Very Low	20% Low	25% Low	30% Low
E. Affordable Units (2)	*4 Units*	*4* Units	6 Units	8 Units	10 Units	8 Units	10 Units	12 Units
II. Density Bonus								
A. Actual % of Affordable Units		10.0% Very Low	15.0% Very Low	20.0% Very Low	25.0% Very Low	20.0% Very Low	25.0% Very Low	30.0% Very Low
B. Density Bonus		32.5%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
C. Density with Bonus		26.5 Units/Acre	27.0 Units/Acre	27.0 Units/Acre	27.0 Units/Acre	27.0 Units/Acre	27.0 Units/Acre	27.0 Units/Acre
D. Number of Units with Density Bonus (3)		53 Units	54 Units	54 Units	54 Units	54 Units	54 Units	54 Units
E. Parking Spaces 2.0 Spaces/Unit		106 Spaces	108 Spaces	108 Spaces	108 Spaces	108 Spaces	108 Spaces	108 Spaces
III. Affordability Mix								
A. Very Low	*4 Units 10%*	4 Units 8%	6 Units 11%	8 Units 15%	10 Units 19%	0 Units 0%	0 Units 0%	0 Units 0%
B. Low	*0 Units 0%*	0 Units 0%	0 Units 0%	0 Units 0%	0 Units 0%	8 Units 15%	10 Units 19%	12 Units 22%
C. Market-Rate	*36 Units 90%*	49 Units 92%	48 Units 89%	46 Units 85%	44 Units 81%	46 Units 85%	44 Units 81%	42 Units 78%
D. Total	*40 Units 100%*	53 Units 100%	54 Units 100%	54 Units 100%	54 Units 100%	54 Units 100%	54 Units 100%	54 Units 100%
IV. Estimate of Gross Annual Rental Income								
A. Affordable Units								
Very Low @ $836 /Month	*$40,000*	$40,000	$60,000	$80,000	$100,000	$0	$0	$0
Low @ $1,022 /Month	*$0*	$0	$0	$0	$0	$98,000	$123,000	$147,000
Total Affordable Units	*$40,000*	$40,000	$60,000	$80,000	$100,000	$98,000	$123,000	$147,000
B. Market-Rate Units								
Unit Size	*825 SF*	825 SF	825 SF	825 SF	825 SF	825 SF	825 SF	825 SF
Rent/SF	*$3.60 /SF*	$3.60 /SF	$3.60 /SF	$3.60 /SF	$3.60 /SF	$3.60 /SF	$3.60 /SF	$3.60 /SF
Rent/Unit	*$2,970 /Month*	$2,970 /Month	$2,970 /Month	$2,970 /Month	$2,970 /Month	$2,970 /Month	$2,970 /Month	$2,970 /Month
Total Anuual Rent	*$1,283,000*	$1,746,000	$1,711,000	$1,639,000	$1,568,000	$1,639,000	$1,568,000	$1,497,000
C. Total Annual Rental Income	***$1,323,000***	***$1,786,000***	***$1,771,000***	***$1,719,000***	***$1,668,000***	***$1,737,000***	***$1,691,000***	***$1,644,000***
Per Unit	***$33,100***	**$33,700**	**$32,800**	**$31,800**	**$30,900**	**$32,200**	**$31,300**	**$30,400**

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded down to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 4.G-2

ESTIMATE OF DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H
	Garden Apartments (R-20)							
		Base Case with Density Bonus	Very Low			Low		
	Base Case without Density Bonus	1 unit @ Very Low for every 10 units with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Project Description								
Site Area	*2.0 Acres*	2.0 Acres	2.0 Acres	2.0 Acres	2.0 Acres	2.0 Acres	2.0 Acres	2.0 Acres
Average Unit Size	*825 SF*	825 SF	825 SF	825 SF	825 SF	825 SF	825 SF	825 SF
Gross Building Area (GBA) (1)	*33,854 SF*	44,857 SF	45,703 SF	45,703 SF	45,703 SF	45,703 SF	45,703 SF	45,703 SF
Number of Units	*40 Units*	53 Units	54 Units	54 Units	54 Units	54 Units	54 Units	54 Units
Parking	*80 Spaces*	106 Spaces	108 Spaces	108 Spaces	108 Spaces	108 Spaces	108 Spaces	108 Spaces
II. Development Costs								
A. Direct Costs								
On/Off Site Improvements (2)	*$1,089,000 $12.50 /SF Site Area*	$1,089,000 $13 /SF Site Area	$1,089,000 $12.50 /SF Site Area	$1,089,000 $12.50 /SF Site Area	$1,089,000 $12.50 /SF Site Area	$1,089,000 $12.50 /SF Site Area	$1,089,000 $12.50 /SF Site Area	$1,089,000 $12.50 /SF Site Area
Parking	*$200,000 $2,500 /Space*	$265,000 $2,500 /Space	$270,000 $2,500 /Space	$270,000 $2,500 /Space	$270,000 $2,500 /Space	$270,000 $2,500 /Space	$270,000 $2,500 /Space	$270,000 $2,500 /Space
Shell Construction	*$5,417,000 $160 /SF GBA*	$6,729,000 $150 /SF GBA	$7,770,000 $170 /SF GBA	$7,770,000 $170 /SF GBA	$7,770,000 $170 /SF GBA	$7,770,000 $170 /SF GBA	$7,770,000 $170 /SF GBA	$7,770,000 $170 /SF GBA
Other/Contingency	*$671,000 10.0% of Directs*	$808,000 10.0% of Directs	$913,000 10.0% of Directs	$913,000 10.0% of Directs	$913,000 10.0% of Directs	$913,000 10.0% of Directs	$913,000 10.0% of Directs	$913,000 10.0% of Directs
Total Direct Costs	*$7,377,000 $218 /SF GBA*	$8,891,000 $198 /SF GBA	$10,042,000 $220 /SF GBA	$10,042,000 $220 /SF GBA	$10,042,000 $220 /SF GBA	$10,042,000 $220 /SF GBA	$10,042,000 $220 /SF GBA	$10,042,000 $220 /SF GBA
Per Unit	*$184,000*	$168,000	$186,000	$186,000	$186,000	$186,000	$186,000	$186,000
B. Indirect Costs								
Permits & Fees (2)	*$800,000 $20,000 /Unit*	$1,060,000 $20,000 /Unit	$1,080,000 $20,000 /Unit	$1,080,000 $20,000 /Unit	$1,080,000 $20,000 /Unit	$1,080,000 $20,000 /Unit	$1,080,000 $20,000 /Unit	$1,080,000 $20,000 /Unit
Developer Fee	*$295,000 4.0% of Directs*	$356,000 4.0% of Directs	$402,000 4.0% of Directs	$402,000 4.0% of Directs	$402,000 4.0% of Directs	$402,000 4.0% of Directs	$402,000 4.0% of Directs	$402,000 4.0% of Directs
Other Indirects	*$1,107,000 15.0% of Directs*	$1,334,000 15.0% of Directs	$1,506,000 15.0% of Directs	$1,506,000 15.0% of Directs	$1,506,000 15.0% of Directs	$1,506,000 15.0% of Directs	$1,506,000 15.0% of Directs	$1,506,000 15.0% of Directs
Total Indirect Costs	*$2,202,000 29.8% of Directs*	$2,750,000 30.9% of Directs	$2,988,000 29.8% of Directs	$2,988,000 29.8% of Directs	$2,988,000 29.8% of Directs	$2,988,000 29.8% of Directs	$2,988,000 29.8% of Directs	$2,988,000 29.8% of Directs
C. Financing Costs	*$553,000 7.5% of Directs*	$667,000 7.5% of Directs	$753,000 7.5% of Directs	$753,000 7.5% of Directs	$753,000 7.5% of Directs	$753,000 7.5% of Directs	$753,000 7.5% of Directs	$753,000 7.5% of Directs
D. Total Development Costs	***$10,132,000 $299 /SF GBA***	**$12,308,000 $274 /SF GBA**	**$13,783,000 $302 /SF GBA**	**$13,783,000 $302 /SF GBA**	**$13,783,000 $302 /SF GBA**	**$13,783,000 $302 /SF GBA**	**$13,783,000 $302 /SF GBA**	**$13,783,000 $302 /SF GBA**
Per Unit	***$253,000***	**$232,000**	**$255,000**	**$255,000**	**$255,000**	**$255,000**	**$255,000**	**$255,000**

(1) Assumes efficiency factor of 97.5% net residential; 2.5% circulation/common area.
(2) Estimate, not verified by KMA or the City of Encinitas.

TABLE 4.G-3

ESTIMATE OF RESIDUAL LAND VALUE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B	C	D	E	F	G	H
	Garden Apartments (R-20)							
	Base Case without Density Bonus	Base Case w/Density Bonus	Very Low			Low		
	1 unit @ Very Low for every 10 units No Density Bonus	1 unit @ Very Low for every 10 units with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
I. Net Operating Income								
A. Gross Rental Income	*$1,323,000*	$1,786,000	$1,771,000	$1,719,000	$1,668,000	$1,737,000	$1,691,000	$1,644,000
B. Other Income $75 /Unit/Month	*$36,000*	$48,000	$49,000	$49,000	$49,000	$49,000	$49,000	$49,000
C. Gross Scheduled Income (GSI)	*$1,359,000*	$1,834,000	$1,820,000	$1,768,000	$1,717,000	$1,786,000	$1,740,000	$1,693,000
D. (Less) Vacancy 5.0% of GSI	*($68,000)*	($92,000)	($91,000)	($88,000)	($86,000)	($89,000)	($87,000)	($85,000)
E. Effective Gross Income	*$1,291,000*	$1,742,000	$1,729,000	$1,680,000	$1,631,000	$1,697,000	$1,653,000	$1,608,000
F. (Less) Operating Expenses $5,000 /Unit/Year	*($200,000)*	($265,000)	($270,000)	($270,000)	($270,000)	($270,000)	($270,000)	($270,000)
G. (Less) Property Taxes (1)	*($211,000)*	*($286,000)*	*($282,000)*	*($272,000)*	*($263,000)*	*($276,000)*	*($267,000)*	*($258,000)*
H. (Less) Replacement Reserves $250 /Unit/Year	*($10,000)*	($13,000)	($14,000)	($14,000)	($14,000)	($14,000)	($14,000)	($14,000)
I. Net Operating Income	*$870,000*	$1,178,000	$1,163,000	$1,124,000	$1,084,000	$1,137,000	$1,102,000	$1,066,000
II. Residual Land Value - Low Capitalization Rate								
A. Net Operating Income	*$870,000*	$1,178,000	$1,163,000	$1,124,000	$1,084,000	$1,137,000	$1,102,000	$1,066,000
B. Capitalization Rate	*4.25%*	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
C. Capitalized Value Upon Completion	*$20,471,000*	$27,718,000	$27,365,000	$26,447,000	$25,506,000	$26,753,000	$25,929,000	$25,082,000
D. (Less) Cost of Sale 3.0% of Value	*($614,000)*	($832,000)	($821,000)	($793,000)	($765,000)	($803,000)	($778,000)	($752,000)
E. (Less) Developer Profit 10.0% of Value	*($2,047,000)*	($2,772,000)	($2,737,000)	($2,645,000)	($2,551,000)	($2,675,000)	($2,593,000)	($2,508,000)
F. Net Sales Proceeds	*$17,810,000*	$24,114,000	$23,807,000	$23,009,000	$22,190,000	$23,275,000	$22,558,000	$21,822,000
G. (Less) Development Costs	*($10,132,000)*	($12,308,000)	($13,783,000)	($13,783,000)	($13,783,000)	($13,783,000)	($13,783,000)	($13,783,000)
H. Residual Land Value	***$7,678,000***	**$11,806,000**	**$10,024,000**	**$9,226,000**	**$8,407,000**	**$9,492,000**	**$8,775,000**	**$8,039,000**
Per Unit	***$192,000***	**$223,000**	**$186,000**	**$171,000**	**$156,000**	**$176,000**	**$163,000**	**$149,000**
Per SF	***$88***	**$136**	**$115**	**$106**	**$96**	**$109**	**$101**	**$92**
III. Residual Land Value - High Capitalization Rate								
A. Net Operating Income	*$870,000*	$1,178,000	$1,163,000	$1,124,000	$1,084,000	$1,137,000	$1,102,000	$1,066,000
B. Capitalization Rate	*4.75%*	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
C. Capitalized Value Upon Completion	*$18,316,000*	$24,800,000	$24,484,000	$23,663,000	$22,821,000	$23,937,000	$23,200,000	$22,442,000
D. (Less) Cost of Sale 3.0% of Value	*($549,000)*	($744,000)	($735,000)	($710,000)	($685,000)	($718,000)	($696,000)	($673,000)
E. (Less) Developer Profit 10.0% of Value	*($1,832,000)*	($2,480,000)	($2,448,000)	($2,366,000)	($2,282,000)	($2,394,000)	($2,320,000)	($2,244,000)
F. Net Sales Proceeds	*$15,935,000*	$21,576,000	$21,301,000	$20,587,000	$19,854,000	$20,825,000	$20,184,000	$19,525,000
G. (Less) Development Costs	*($10,132,000)*	($12,308,000)	($13,783,000)	($13,783,000)	($13,783,000)	($13,783,000)	($13,783,000)	($13,783,000)
H. Residual Land Value	***$5,803,000***	**$9,268,000**	**$7,518,000**	**$6,804,000**	**$6,071,000**	**$7,042,000**	**$6,401,000**	**$5,742,000**
Per Unit	***$145,000***	**$175,000**	**$139,000**	**$126,000**	**$112,000**	**$130,000**	**$119,000**	**$106,000**
Per SF	***$67***	**$106**	**$86**	**$78**	**$70**	**$81**	**$73**	**$66**

Residual Land Value @ 100% Market	$8,211,000
Per Unit	$205,000
Per SF	$94

(1) Based on capitalized income approach; assumes a 4.5% capitalization rate and 1.09% tax rate.

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Encinitas_Feasibility Analysis_v6 - Scenario #1A_v4;12/2/2019;sjx

APPENDIX 5

HOUSING ELEMENT UPDATE
"R-30" SITES TECHNICAL ANALYSIS

SCENARIO #2A

Base Case: Pre-August 2018

1 Unit @ Very Low for every 10 units

no Density Bonus (For-Sale Only)

Upzone Scenarios - Rental

10%, 15%, 20%, 25% @ Very Low - w/ Density Bonus

15%, 20%, 25%, 30% @ Low - w/ Density Bonus

Keyser Marston Associates, Inc.

	HOUSING ELEMENT UPDATE "R-30" SITES								
	Pre August 2018	Very Low				Low			
RESIDUAL LAND VALUE (1)	1 Unit @ Very Low for Every 10 Units without Density Bonus	10% @ Very Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	15% @ Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
08 Rancho Santa Fe Parcels (Gaffney/Goodsen)									
Existing Conditions (RR-2) - Single-Family	$519,000 /Unit $24 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats - High Capitalization Rate		$78,000 /Unit $71 /SF Site	$65,000 /Unit $60 /SF Site	$51,000 /Unit $47 /SF Site	$37,000 /Unit $34 /SF Site	$62,000 /Unit $54 /SF Site	$55,000 /Unit $51 /SF Site	$43,000 /Unit $39 /SF Site	$30,000 /Unit $28 /SF Site
- Low Capitalization Rate		$129,000 /Unit $118 /SF Site	$114,000 /Unit $106 /SF Site	$98,000 /Unit $91 /SF Site	$83,000 /Unit $77 /SF Site	$111,000 /Unit $97 /SF Site	$104,000 /Unit $96 /SF Site	$89,000 /Unit $83 /SF Site	$75,000 /Unit $69 /SF Site
AD1 Sage Canyon									
Existing Conditions (R-3) - Single-Family (2)	$543,000 /Unit $38 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats - High Capitalization Rate		$79,000 /Unit $74 /SF Site	$65,000 /Unit $61 /SF Site	$51,000 /Unit $47 /SF Site	$37,000 /Unit $34 /SF Site	$60,000 /Unit $53 /SF Site	$55,000 /Unit $52 /SF Site	$43,000 /Unit $40 /SF Site	$30,000 /Unit $28 /SF Site
- Low Capitalization Rate		$130,000 /Unit $121 /SF Site	$114,000 /Unit $106 /SF Site	$98,000 /Unit $92 /SF Site	$83,000 /Unit $77 /SF Site	$110,000 /Unit $97 /SF Site	$104,000 /Unit $97 /SF Site	$89,000 /Unit $83 /SF Site	$75,000 /Unit $70 /SF Site
AD2 Baldwin and Son Properties									
Existing Conditions (R-5) - Single-Family	$282,000 /Unit $36 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats - High Capitalization Rate		$79,000 /Unit $73 /SF Site	$65,000 /Unit $61 /SF Site	$51,000 /Unit $48 /SF Site	$37,000 /Unit $34 /SF Site	$61,000 /Unit $54 /SF Site	$56,000 /Unit $52 /SF Site	$43,000 /Unit $40 /SF Site	$30,000 /Unit $28 /SF Site
- Low Capitalization Rate		$130,000 /Unit $121 /SF Site	$115,000 /Unit $107 /SF Site	$99,000 /Unit $92 /SF Site	$83,000 /Unit $77 /SF Site	$110,000 /Unit $97 /SF Site	$104,000 /Unit $97 /SF Site	$89,000 /Unit $83 /SF Site	$76,000 /Unit $70 /SF Site

	HOUSING ELEMENT UPDATE "R-30" SITES								
	Pre August 2018	Very Low				Low			
RESIDUAL LAND VALUE [1]	1 Unit @ Very Low for Every 10 Units without Density Bonus	10% @ Very Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	15% @ Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
7 Jackel Property Limited Visitor Serving (N-LVSC)	$75 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats - High Capitalization Rate		$176,000 /Unit $72 /SF Site	$160,000 /Unit $66 /SF Site	$144,000 /Unit $59 /SF Site	$129,000 /Unit $53 /SF Site	$164,000 /Unit $63 /SF Site	$149,000 /Unit $61 /SF Site	$135,000 /Unit $55 /SF Site	$120,000 /Unit $49 /SF Site
- Low Capitalization Rate		$125,000 /Unit $51 /SF Site	$111,000 /Unit $45 /SF Site	$97,000 /Unit $40 /SF Site	$83,000 /Unit $34 /SF Site	$114,000 /Unit $44 /SF Site	$101,000 /Unit $41 /SF Site	$88,000 /Unit $36 /SF Site	$75,000 /Unit $31 /SF Site
12 Sunshine Garden Existing Conditions (OP) - Professional Office	$56 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats - High Capitalization Rate		$77,000 /Unit $71 /SF Site	$63,000 /Unit $58 /SF Site	$49,000 /Unit $46 /SF Site	$35,000 /Unit $33 /SF Site	$59,000 /Unit $52 /SF Site	$54,000 /Unit $50 /SF Site	$41,000 /Unit $38 /SF Site	$29,000 /Unit $27 /SF Site
- Low Capitalization Rate		$127,000 /Unit $118 /SF Site	$112,000 /Unit $104 /SF Site	$97,000 /Unit $90 /SF Site	$81,000 /Unit $75 /SF Site	$108,000 /Unit $95 /SF Site	$102,000 /Unit $95 /SF Site	$88,000 /Unit $82 /SF Site	$74,000 /Unit $68 /SF Site
AD11 Manchester Avenue West Existing Conditions (R-11) - Single-Family	$274,000 /Unit $68 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats - High Capitalization Rate		$74,000 /Unit $68 /SF Site	$63,000 /Unit $59 /SF Site	$52,000 /Unit $48 /SF Site	$35,000 /Unit $33 /SF Site	$64,000 /Unit $58 /SF Site	$57,000 /Unit $53 /SF Site	$41,000 /Unit $38 /SF Site	$31,000 /Unit $29 /SF Site
- Low Capitalization Rate		$125,000 /Unit $115 /SF Site	$112,000 /Unit $105 /SF Site	$99,000 /Unit $93 /SF Site	$81,000 /Unit $76 /SF Site	$114,000 /Unit $102 /SF Site	$105,000 /Unit $98 /SF Site	$87,000 /Unit $82 /SF Site	$76,000 /Unit $71 /SF Site

The feasibility of each prototype was evaluated based on the Residual Land Values generated by the Base Case without Upzone relative to the Residual Land Values generated by the Upzone Scenarios with increased affordable housing requirements. The following benchmarks were used:[4]

- High Impact: greater than 25% increase in Residual Land Value from Exisiting Conditions (without Upzone); likely to provide an incentive to develop site
- Medium Impact: 15% - 25% increase in Residual Land Value from Existing Conditions (without Upzone); may raise concerns regarding development of site
- Low Impact: less than 15% increase in Residual Land Value from Existing Conditions (without Upzone); may result in little to no incentive to develop site

(1) Residual Land Value represents the maximum supported land payment that a developer can afford for a given development prototype. It is calculated by estimating the total project value upon completion less the estimated total development costs (excluding land costs). The impact of affordable housing requirements on the viability of a development is analyzed by comparing the Residual Land Value generated without Upzone (Existing Conditions) vs. the Residual Land Value generated by the Upzone Scenarios where affordable housing requirements are increased.
(2) Reflects residual land value for 10 market-rate units. No affordable units. No density bonus.
(3) GBA = Gross Building Area
(4) For illustrative purposes, Very Low inclusionary set-aside scenarios are compared to the Base Case using Very Low set-aside. Low inclusionary set-aside scenarios are compared to the Base Case using Low set-aside.

	HOUSING ELEMENT UPDATE "R-30" SITES								
	Pre August 2018	Very Low				Low			
RESIDUAL LAND VALUE (1)	1 unit @ Very Low for every 10 units with Density Bonus	10% @ Very Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	15% @ Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
08 Rancho Santa Fe Parcels (Gaffney/Goodsen) Existing Conditions (RR-2) - Single-Family	$939,000 /Unit $43 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats - High Capitalization Rate		$78,000 /Unit $71 /SF Site	$65,000 /Unit $60 /SF Site	$51,000 /Unit $47 /SF Site	$37,000 /Unit $34 /SF Site	$62,000 /Unit $54 /SF Site	$55,000 /Unit $51 /SF Site	$43,000 /Unit $39 /SF Site	$30,000 /Unit $28 /SF Site
- Low Capitalization Rate		$129,000 /Unit $118 /SF Site	$114,000 /Unit $106 /SF Site	$98,000 /Unit $91 /SF Site	$83,000 /Unit $77 /SF Site	$111,000 /Unit $97 /SF Site	$104,000 /Unit $96 /SF Site	$89,000 /Unit $83 /SF Site	$75,000 /Unit $69 /SF Site
AD1 Sage Canyon Existing Conditions (R-3) - Single-Family (2)	$987,000 /Unit $69 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats - High Capitalization Rate		$79,000 /Unit $74 /SF Site	$65,000 /Unit $61 /SF Site	$51,000 /Unit $47 /SF Site	$37,000 /Unit $34 /SF Site	$60,000 /Unit $53 /SF Site	$55,000 /Unit $52 /SF Site	$43,000 /Unit $40 /SF Site	$30,000 /Unit $28 /SF Site
- Low Capitalization Rate		$130,000 /Unit $121 /SF Site	$114,000 /Unit $106 /SF Site	$98,000 /Unit $92 /SF Site	$83,000 /Unit $77 /SF Site	$110,000 /Unit $97 /SF Site	$104,000 /Unit $97 /SF Site	$89,000 /Unit $83 /SF Site	$75,000 /Unit $70 /SF Site
AD2 Baldwin and Son Properties Existing Conditions (R-5) - Single-Family	$506,000 /Unit $65 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats - High Capitalization Rate		$79,000 /Unit $73 /SF Site	$65,000 /Unit $61 /SF Site	$51,000 /Unit $48 /SF Site	$37,000 /Unit $34 /SF Site	$61,000 /Unit $54 /SF Site	$56,000 /Unit $52 /SF Site	$43,000 /Unit $40 /SF Site	$30,000 /Unit $28 /SF Site
- Low Capitalization Rate		$130,000 /Unit $121 /SF Site	$115,000 /Unit $107 /SF Site	$99,000 /Unit $92 /SF Site	$83,000 /Unit $77 /SF Site	$110,000 /Unit $97 /SF Site	$104,000 /Unit $97 /SF Site	$89,000 /Unit $83 /SF Site	$76,000 /Unit $70 /SF Site

	HOUSING ELEMENT UPDATE "R-30" SITES								
	Pre August 2018	Very Low				Low			
RESIDUAL LAND VALUE [1]	1 unit @ Very Low for every 10 units with Density Bonus	10% @ Very Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	15% @ Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
7 Jackel Property Limited Visitor Serving (N-LVSC)	$75 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats - High Capitalization Rate		$176,000 /Unit $72 /SF Site	$160,000 /Unit $66 /SF Site	$144,000 /Unit $59 /SF Site	$129,000 /Unit $53 /SF Site	$164,000 /Unit $63 /SF Site	$149,000 /Unit $61 /SF Site	$135,000 /Unit $55 /SF Site	$120,000 /Unit $49 /SF Site
- Low Capitalization Rate		$125,000 /Unit $51 /SF Site	$111,000 /Unit $45 /SF Site	$97,000 /Unit $40 /SF Site	$83,000 /Unit $34 /SF Site	$114,000 /Unit $44 /SF Site	$101,000 /Unit $41 /SF Site	$88,000 /Unit $36 /SF Site	$75,000 /Unit $31 /SF Site
12 Sunshine Garden Existing Conditions (OP) - Professional Office	$56 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats - High Capitalization Rate		$77,000 /Unit $71 /SF Site	$63,000 /Unit $58 /SF Site	$49,000 /Unit $46 /SF Site	$35,000 /Unit $33 /SF Site	$59,000 /Unit $52 /SF Site	$54,000 /Unit $50 /SF Site	$41,000 /Unit $38 /SF Site	$29,000 /Unit $27 /SF Site
- Low Capitalization Rate		$127,000 /Unit $118 /SF Site	$112,000 /Unit $104 /SF Site	$97,000 /Unit $90 /SF Site	$81,000 /Unit $75 /SF Site	$108,000 /Unit $95 /SF Site	$102,000 /Unit $95 /SF Site	$88,000 /Unit $82 /SF Site	$74,000 /Unit $68 /SF Site
AD11 Manchester Avenue West Existing Conditions (R-11) - Single-Family	$345,000 /Unit $85 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats - High Capitalization Rate		$74,000 /Unit $68 /SF Site	$63,000 /Unit $59 /SF Site	$52,000 /Unit $48 /SF Site	$35,000 /Unit $33 /SF Site	$64,000 /Unit $58 /SF Site	$57,000 /Unit $53 /SF Site	$41,000 /Unit $38 /SF Site	$31,000 /Unit $29 /SF Site
- Low Capitalization Rate		$125,000 /Unit $115 /SF Site	$112,000 /Unit $105 /SF Site	$99,000 /Unit $93 /SF Site	$81,000 /Unit $76 /SF Site	$114,000 /Unit $102 /SF Site	$105,000 /Unit $98 /SF Site	$87,000 /Unit $82 /SF Site	$76,000 /Unit $71 /SF Site

The feasibility of each prototype was evaluated based on the Residual Land Values generated by the Base Case without Upzone relative to the Residual Land Values generated by the Upzone Scenarios with increased affordable housing requirements. The following benchmarks were used:[4]

- High Impact: greater than 25% increase in Residual Land Value from Exisiting Conditions (without Upzone); likely to provide an incentive to develop site
- Medium Impact: 15% - 25% increase in Residual Land Value from Existing Conditions (without Upzone); may raise concerns regarding development of site
- Low Impact: less than 15% increase in Residual Land Value from Existing Conditions (without Upzone); may result in little to no incentive to develop site

(1) Residual Land Value represents the maximum supported land payment that a developer can afford for a given development prototype. It is calculated by estimating the total project value upon completion less the estimated total development costs (excluding land costs). The impact of affordable housing requirements on the viability of a development is analyzed by comparing the Residual Land Value generated without Upzone (Existing Conditions) vs. the Residual Land Value generated by the Upzone Scenarios where affordable housing requirements are increased.
(2) Reflects residual land value for 10 market-rate units. No affordable units. No density bonus.
(3) GBA = Gross Building Area
(4) For illustrative purposes, Very Low inclusionary set-aside scenarios are compared to the Base Case using Very Low set-aside. Low inclusionary set-aside scenarios are compared to the Base Case using Low set-aside.

ATTACHMENT 5.A

Rancho Santa Fe Sites (Gaffney/Goodsen)
Single-Family Detached - Large Lot
Zone RR-2

TABLE 5.A-1

ESTIMATE OF SALES PROCEEDS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B
	Single-Family Detached Large Lot (RR-2) - Potential Upzone Site - Existing Conditions	
	Pre-August 2018	
	1 Unit at Very Low for Every 10 Units No Density Bonus	*1 Unit at Very Low for Every 10 Units with Density Bonus*
I. Inclusionary Housing		
A. Site Area	*6.0 Acres*	*6.0 Acres*
B. Density	*2.0 Units/Acre Maximum Density*	*2.0 Units/Acre Maximum Density*
C. Number of Units (1)	*12 Units*	*12 Units*
D. Inclusionary Set-aside	*1 Unit @ VL for every 10 units*	*1 Unit @ VL for every 10 units*
E. Affordable Units (2)	*1 Unit*	*1 Unit*
II. Density Bonus		
A. Actual % of Affordable Units		8.3% Very Low
B. Density Bonus		27.5%
C. Density with Bonus		2.7 Units/Acre
D. Number of Units with Density Bonus (3)		16 Units
III. Affordability Mix		
A. Very Low	*1 Units 8%*	*1 Units 6%*
B. Low	*0 Units 0%*	*0 Units 0%*
C. Market-Rate	*11 Units 92%*	*15 Units 94%*
D. Total	*12 Units 100%*	*16 Units 100%*
IV. Estimate of Sales Proceeds		
A. Affordable Units		
Very Low $93,000	*$93,000*	*$93,000*
Low $178,000	*$0*	*$0*
Total Affordable Units	*$93,000*	*$93,000*
B. Market-Rate Units @		
Unit Size	*5,020 SF*	*5,020 SF*
Price/SF	*$475*	*$500*
Price/Unit	*$2,385,000*	*$2,510,000*
Total Sales Proceeds	*$26,235,000*	*$37,650,000*
C. Total Sales Proceeds	***$26,328,000***	***$37,743,000***
Per Unit	***$2,194,000***	***$2,359,000***

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Encinitas_Feasibility Analysis_v6 - Scenario #2A_v4;12/2/2019;sjx

TABLE 5.A-2

ESTIMATE OF DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A/B			C		
	Single-Family Detached - Large Lot (RR-2) **Potential Upzone Site - Existing Conditions**					
	Pre-August 2018					
	1 Unit at Very Low for Every 10 Units No Density Bonus			**1 Unit at Very Low for Every 10 Units with Density Bonus**		
I. Project Description						
Site Area	6.0	Acres		6.0	Acres	
Average Unit Size	5,020	SF		5,020	SF	
Gross Building Area	60,240	SF		80,320	SF	
Number of Units	12	Units		16	Units	
Parking	48	Spaces		64	Spaces	
II. Development Costs						
A. Direct Costs						
On/Off Site Improvements (1)	*$3,933,000*	*$15*	*/SF Site Area*	$3,933,000	$15	/SF Site Area
Parking	*$0*	*$0*	*/Space*	$0	$0	/Space
Shell Construction	*$7,530,000*	*$125*	*/SF GBA*	$10,843,000	$135	/SF GBA
Other/Contingency	*$1,146,000*	*10.0%*	*of Directs*	$1,478,000	10.0%	of Directs
Total Direct Costs	*$12,609,000*	*$209*	*/SF GBA*	$16,254,000	$202	/SF GBA
Per Unit	*$1,051,000*			$1,016,000		
B. Indirect Costs						
Permits & Fees (1)	*$330,000*	*$27,500*	*/Unit*	$440,000	$27,500	/Unit
Developer Fee	*$504,000*	*4.0%*	*of Directs*	$650,000	4.0%	of Directs
Other Indirects	*$1,891,000*	*15.0%*	*of Directs*	$2,438,000	15.0%	of Directs
Total Indirect Costs	*$2,725,000*	*21.6%*	*of Directs*	$3,528,000	21.7%	of Directs
C. Financing Costs	*$946,000*	*7.5%*	*of Directs*	$1,219,000	7.5%	of Directs
D. Total Development Costs	***$16,280,000***	***$270***	***/SF GBA***	**$21,001,000**	**$261**	**/SF GBA**
Per Unit	***$1,357,000***			**$1,313,000**		

(1) Estimate, not verified by KMA or City of Encinitas.

TABLE 5.A-3

ESTIMATE OF RESIDUAL LAND VALUE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

		A	B
		Single-Family Detached - Large Lot (RR-2) Potential Upzone Site - Existing Conditions	
		Pre-August 2018	
		1 Unit at Very Low for Every 10 Units No Density Bonus	1 Unit at Very Low for Every 10 Units with Density Bonus
I. Net Sales Proceeds			
A. Gross Sales Proceeds		*$26,328,000*	*$37,743,000*
B. (Less) Cost of Sale @	4.5% of Value	*($1,185,000)*	*($1,698,000)*
C. Net Sales Proceeds		*$25,143,000*	*$36,045,000*
II. Residual Land Value			
A. Net Sales Proceeds		*$25,143,000*	*$36,045,000*
B. (Less) Developer Profit @	10.0% of Value	*($2,633,000)*	*($3,774,000)*
C. Warranted Investment		*$22,510,000*	*$32,271,000*
D. (Less) Development Costs		*($16,280,000)*	*($21,001,000)*
E. Residual Land Value		***$6,230,000***	***$11,270,000***
Per Unit		***$519,000***	***$939,000***
Per SF		***$24***	***$43***

Residual Land Value @ 100% Market	$8,190,000
Per Unit	$683,000
Per SF	$31

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Encinitas_Feasibility Analysis_v6 - Scenario #2A_v4;12/2/2019;sjx

ATTACHMENT 5.B

Sage Canyon
Single-Family Detached - Large Lot
Zone R-3

TABLE 5.B-1

ESTIMATE OF SALES PROCEEDS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

		A		B	
		Single-Family Detached - Large Lot (R-3) Potential Upzone Site - Existing Entitlements			
		Pre-August 2018			
		1 Unit at Very Low for Every 10 Units No Density Bonus		*1 Unit at Very Low for Every 10 Units with Density Bonus*	
I. Inclusionary Housing					
A. Site Area		*3.3 Acres*		*3.3 Acres*	
B. Density		*3.0 Units/Acre Maximum Density*		*3.0 Units/Acre Maximum Density*	
C. Number of Units (1)		*10 Units*		*10 Units*	
D. Inclusionary Set-aside		*1 Unit @ VL for every 10 units*		*1 Unit @ VL for every 10 units*	
E. Affordable Units (2)		*1 Units*		*1 Units*	
II. Density Bonus					
A. Actual % of Affordable Units				10.0% Very Low	
B. Density Bonus				32.5%	
C. Density with Bonus				4.2 Units/Acre	
D. Number of Units with Density Bonus (3)				14 Units	
III. Affordability Mix					
A. Very Low		*1 Units*	*10%*	*1 Units*	*7%*
B. Low		*0 Units*	*0%*	*0 Units*	*0%*
C. Market-Rate		*9 Units*	*90%*	*13 Units*	*93%*
D. Total		*10 Units*	*100%*	*14 Units*	*100%*
IV. Estimate of Sales Proceeds					
A. Affordable Units					
Very Low	$93,000		*$93,000*		*$93,000*
Low	$178,000		*$0*		*$0*
Total Affordable Units			*$93,000*		*$93,000*
B. Market-Rate Units @					
Unit Size			*4,500 SF*		*4,500 SF*
Price/SF			*$475*		*$500*
Price/Unit			*$2,138,000*		*$2,250,000*
Total Sales Proceeds			*$19,242,000*		*$29,250,000*
C. Total Sales Proceeds			***$19,335,000***		***$29,343,000***
Per Unit			***$1,934,000***		***$2,096,000***

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 5.B-2

ESTIMATE OF DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A/B			C		
	Single-Family Detached - Large Lot (R-3) **Potential Upzone Site - Existing Entitlements**					
	Pre-August 2018					
	1 Unit at Very Low for Every 10 Units No Density Bonus			***1 Unit at Very Low for Every 10 Units with Density Bonus***		
I. Project Description						
Site Area	3.3	Acres		3.3	Acres	
Average Unit Size	4,500	SF		4,500	SF	
Gross Building Area	45,000	SF		63,000	SF	
Number of Units	10	Units		14	Units	
Parking	21	Spaces		21	Spaces	
II. Development Costs						
A. Direct Costs						
On/Off Site Improvements (1)	*$2,156,000*	*$15*	*/SF Site Area*	$2,156,000	$15	/SF Site Area
Parking	*$0*	*$0*	*/Space*	$0	$0	/Space
Shell Construction	*$5,625,000*	*$125*	*/SF GBA*	$8,505,000	$135	/SF GBA
Other/Contingency	*$778,000*	*10.0%*	*of Directs*	$1,066,000	10.0%	of Directs
Total Direct Costs	*$8,559,000*	*$190*	*/SF GBA*	$11,727,000	$186	/SF GBA
Per Unit	*$856,000*			$838,000		
B. Indirect Costs						
Permits & Fees (1)	*$275,000*	*$27,500*	*/Unit*	$385,000	$27,500	/Unit
Developer Fee	*$342,000*	*4.0%*	*of Directs*	$469,000	4.0%	of Directs
Other Indirects	*$1,284,000*	*15.0%*	*of Directs*	$1,759,000	15.0%	of Directs
Total Indirect Costs	*$1,901,000*	*22.2%*	*of Directs*	$2,613,000	22.3%	of Directs
C. Financing Costs	*$642,000*	*7.5%*	*of Directs*	$880,000	7.5%	of Directs
D. Total Development Costs	***$11,102,000***	***$247***	***/SF GBA***	**$15,220,000**	**$242**	**/SF GBA**
Per Unit	***$1,110,000***			**$1,087,000**		

(1) Estimate, not verified by KMA or City of Encinitas.

TABLE 5.B-3

ESTIMATE OF RESIDUAL LAND VALUE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

		A	B
		Single-Family Detached - Large Lot (R-3) Potential Upzone Site - Existing Entitlements	
		Base Case without Density Bonus	
		1 Unit at Very Low for Every 10 Units No Density Bonus	1 Unit at Very Low for Every 10 Units with Density Bonus
I. Net Sales Proceeds			
A. Gross Sales Proceeds		*$19,335,000*	*$29,343,000*
B. (Less) Cost of Sale @	4.5% of Value	*($870,000)*	*($1,320,000)*
C. Net Sales Proceeds		*$18,465,000*	*$28,023,000*
II. Residual Land Value			
A. Net Sales Proceeds		*$18,465,000*	*$28,023,000*
B. (Less) Developer Profit @	10.0% of Value	*($1,934,000)*	*($2,934,000)*
C. Warranted Investment		*$16,531,000*	*$25,089,000*
D. (Less) Development Costs		*($11,102,000)*	*($15,220,000)*
E. Residual Land Value		***$5,429,000***	***$9,869,000***
Per Unit		***$543,000***	***$987,000***
Per SF		***$38***	***$69***

Residual Land Value @ 100% Market	$7,178,000
Per Unit	$718,000
Per SF	$50

ATTACHMENT 5.C

Baldwin and Sons Properties
Single-Family Detached - Medium Lot
Zone R-3 / R-5

TABLE 5.C-1

ESTIMATE OF SALES PROCEEDS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

		A		B	
		Single-Family Detached - Medium Lot (R-5) **Potential Upzone Site - Existing Conditions**			
		Pre-August 2018			
		1 Unit at Very Low for Every 10 Units ***No Density Bonus***		***1 Unit at Very Low for Every 10 Units*** ***wih Density Bonus***	
I. Inclusionary Housing					
A. Site Area		*9.1 Acres*		*9.1 Acres*	
B. Density		*5.7 Units/Acre* *Maximum Density*		*5.7 Units/Acre* *Maximum Density*	
C. Number of Units (1)		*51 Units*		*51 Units*	
D. Inclusionary Set-aside		*1 Unit @ VL for* *every 10 units*		*1 Unit @ VL for* *every 10 units*	
E. Affordable Units (2)		*5 Units*		*5 Units*	
II. Density Bonus					
A. Actual % of Affordable Units				9.8% Very Low	
B. Density Bonus				32.5%	
C. Density with Bonus				7.5 Units/Acre	
D. Number of Units with Density Bonus (3)				68 Units	
III. Affordability Mix					
A. Very Low		*5 Units*	*10%*	*5 Units*	*7%*
B. Low		*0 Units*	*0%*	*0 Units*	*0%*
C. Market-Rate		*46 Units*	*90%*	*63 Units*	*93%*
D. Total		*51 Units*	*100%*	*68 Units*	*100%*
IV. Estimate of Sales Proceeds					
A. Affordable Units					
Very Low	$93,000		*$465,000*		*$465,000*
Low	$178,000		*$0*		*$0*
Total Affordable Units			*$465,000*		*$465,000*
B. Market-Rate Units @					
Unit Size			*3,000 SF*		*3,000 SF*
Price/SF			*$500*		*$500*
Price/Unit			*$1,500,000*		*$1,500,000*
Total Sales Proceeds			*$69,000,000*		*$94,500,000*
C. Total Sales Proceeds			***$69,465,000***		***$94,965,000***
Per Unit			***$1,362,000***		***$1,397,000***

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Encinitas_Feasibility Analysis_v6 - Scenario #2A_v4;12/2/2019;sjx

TABLE 5.C-2

ESTIMATE OF DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A/B			C		
	Single-Family Detached - Medium Lot (R-5) **Potential Upzone Site - Existing Conditions**					
	Pre-August 2018					
	1 Unit at Very Low for Every 10 Units No Density Bonus			***1 Unit at Very Low for Every 10 Units wih Density Bonus***		
I. Project Description						
Site Area	9.1	Acres		9.1	Acres	
Average Unit Size	3,000	SF		3,000	SF	
Gross Building Area	153,000	SF		204,000	SF	
Number of Units	51	Units		68	Units	
Parking	21	Spaces		198	Spaces	
II. Development Costs						
A. Direct Costs						
On/Off Site Improvements (1)	*$9,910,000*	*$25*	*/SF Site Area*	$9,910,000	$25	/SF Site Area
Parking	*$0*	*$0*	*/Space*	$0	$0	/Space
Shell Construction	*$21,420,000*	*$140*	*/SF GBA*	$28,560,000	$140	/SF GBA
Other/Contingency	*$3,133,000*	*10.0%*	*of Directs*	$3,847,000	10.0%	of Directs
Total Direct Costs	*$34,463,000*	*$225*	*/SF GBA*	$42,317,000	$207	/SF GBA
Per Unit	*$676,000*			$622,000		
B. Indirect Costs						
Permits & Fees (1)	*$1,402,500*	*$27,500*	*/Unit*	$1,870,000	$27,500	/Unit
Developer Fee	*$1,379,000*	*4.0%*	*of Directs*	$1,693,000	4.0%	of Directs
Other Indirects	*$5,169,000*	*15.0%*	*of Directs*	$6,348,000	15.0%	of Directs
Total Indirect Costs	*$7,950,500*	*23.1%*	*of Directs*	$9,911,000	23.4%	of Directs
C. Financing Costs	*$2,585,000*	*7.5%*	*of Directs*	$3,174,000	7.5%	of Directs
D. Total Development Costs	***$44,998,500***	***$294***	***/SF GBA***	**$55,402,000**	**$272**	**/SF GBA**
Per Unit	***$882,000***			**$815,000**		

(1) Estimate, not verified by KMA or City of Encinitas.

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Encinitas_Feasibility Analysis_v6 - Scenario #2A_v4;12/2/2019;sjx

TABLE C-3

ESTIMATE OF RESIDUAL LAND VALUE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

		A	B
		Single-Family Detached - Medium Lot (R-5) **Potential Upzone Site - Existing Conditions**	
		Pre-August 2018	
		1 Unit at Very Low for Every 10 Units No Density Bonus	**1 Unit at Low for Every 10 Units No Density Bonus**
I. Net Sales Proceeds			
A. Gross Sales Proceeds		*$69,465,000*	*$94,965,000*
B. (Less) Cost of Sale @	4.5% of Value	*($3,126,000)*	*($4,273,000)*
C. Net Sales Proceeds		*$66,339,000*	*$90,692,000*
II. Residual Land Value			
A. Net Sales Proceeds		*$66,339,000*	*$90,692,000*
B. (Less) Developer Profit @	10.0% of Value	*($6,947,000)*	*($9,497,000)*
C. Warranted Investment		*$59,392,000*	*$81,195,000*
D. (Less) Development Costs		*($44,998,500)*	*($55,402,000)*
E. Residual Land Value		***$14,393,500***	***$25,793,000***
Per Unit		***$282,000***	***$506,000***
Per SF		***$36***	***$65***

Residual Land Value @ 100% Market	$20,408,500
Per Unit	$400,000
Per SF	$51

ATTACHMENT 5.D

Jackel Property
Limited Visitor Serving
Zone N-LVSC

	A Limited Visitor Serving (N-LVSC) Potential Upzone Site - Existing Conditions
	Base Case
I. Project Description	
A. Site Area	
Hotel	*2.0 Acres*
Commercial	*1.0 Acres*
Total Site Area	*3.0 Acres*
B. Floor Area Ratio (FAR)	*0.44 FAR*
C. Gross Leasable Area (GLA)	---
D. Gross Building Area (GBA)	
Hotel	*51,750 SF*
Commercial	*5,000 SF*
Total	*56,750 SF*
E. Inclusionary Set-aside	----
F. Number of Rooms	*90 Rooms*
IV. Estimate of Annual Room Revenue	
A. Hotel	*90 Rooms*
Average Daily Rate (ADR)	*$200*
Occupancy	*82.0%*
Annual Room Revenue - Hotel	*$5,387,000*
B. Commercial	*5,000 SF*
Monthly Rent	*$4.00/SF NNN*
Annual Revenue - Commercial	*$240,000*
(Less) Vacancy @ *10.0%*	*($24,000)*
Effective Gross Income - Commercial	*$216,000*
B. Total Annual Rental Income	$5,627,000

TABLE 5.D-2

ESTIMATE OF DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A		
	Limited Visitor Serving (N-LVSC) Potential Upzone Site - Existing Conditions		
	Base Case		
I. Project Description			
Site Area	3.0	Acres	
Number of Rooms	90	Rooms	
Average Room Size (Gross)	575	SF	
Gross Building Area - Hotel	51,750	SF	
Gross Building Area - Commercial	5,000	SF	
Parking	113	Spaces	
II. Development Costs			
A. Direct Costs			
On/Off Site Improvements (1)	*$1,294,000*	*$10*	*/SF Site Area*
Parking	*$0*	*$0*	*Included above*
Shell Construction - Hotel	*$10,868,000*	*$210*	*/SF GBA*
Shell Construction - Commercial	*$800,000*	*$160*	*/SF GBA*
Tenant Improvements	*$250,000*	*$50*	*/SF GBA*
FF&E	*$2,250,000*	*$25,000*	*/Room*
Amenities	*$450,000*	*$5,000*	*/Room*
Contingency	*$796,000*	*5.0%*	*of Directs*
Total Direct Costs	*$16,708,000*	*$323*	*/SF GBA*
B. Indirect Costs			
Permits & Fees (1)	*$568,000*	*$10*	*/SF GBA*
Developer Fee	*$668,000*	*4.0%*	*of Directs*
Other Indirects	*$2,089,000*	*12.5%*	*of Directs*
Total Indirect Costs	*$3,325,000*	*19.9%*	*of Directs*
C. Financing Costs	*$1,671,000*	*10.0%*	*of Directs*
D. Total Development Costs	***$21,704,000***	***$382***	***/SF GBA***

(1) Estimate, not verified by KMA or City of Encinitas.

TABLE 5.D-3

ESTIMATE OF RESIDUAL LAND VALUE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

			A Limited Visitor Serving (N-LVSC) Potential Upzone Site - Existing Conditions
			Base Case
I. Warranted Investment - Hotel			
A. Gross Room Revenue			*$5,387,000*
B. Food & Beverage	10.0%	of Room Revenue	*$539,000*
C. Other Operated Departments Revenue	5.0%	of Room Revenue	*$269,000*
D. Parking Revenue	$300	/Space/Month	*$407,000*
E. Effective Gross Income (EGI)			*$6,602,000*
F. (Less) Operating Expenses	65.0%	of EGI	*($4,291,000)*
G. Net Operating Income			*$2,311,000*
H. Capitalization Rate			*7.0%*
I. Capitalized Value Upon Compleition			*$33,014,000*
J. (Less) Cost of Sale	3.0%	of Value	*($990,000)*
K. (Less) Developer Profit	10.0%	of Value	*($3,301,000)*
J. Warranted Investment - Hotel			*$28,723,000*

II. Warranted Investment - Commercial		
A. Effective Gross Income		*$216,000*
B. (Less) Unreimbursed Expenses	*5.0%*	*($11,000)*
C. Net Operating Income		*$205,000*
H. Capitalization Rate		*6.5%*
I. Capitalized Value Upon Compleition		*$3,154,000*
J. (Less) Cost of Sale	3.0% of Value	*($95,000)*
K. (Less) Developer Profit	10.0% of Value	*($315,000)*
J. Warranted Investment - Commerical		*$2,744,000*

III. Residual Land Value	
A. Warranted Investment - Hotel	*$28,723,000*
C. Warramted Investment - Commercial	*$2,744,000*
D. Total Warranted Investment	*$31,467,000*
E. (Less) Development Costs	*($21,704,000)*
F. Residual Land Value	***$9,763,000***
Per SF	***$75***

ATTACHMENT 5.E

Sunshine Gardens
Professional Office
Zone OP

TABLE 5.E-1

ESTIMATE OF GROSS ANNUAL RENTAL INCOME
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A Professional Office (OP) Potential Upzone Site - Existing Conditions
	Base Case
I. Project Description	
A. Site Area	*3.4 Acres*
B. Floor Area Ratio (FAR)	*0.60 FAR*
C. Gross Leasable Area (GLA)	*82,000 SF*
D. Gross Building Area (GBA)	*89,000 SF*
E. Inclusionary Set-aside	----
F. Affordable Units	----
II. Density Bonus	
A. Actual % of Affordable Units	
B. Density Bonus	
C. Density with Bonus	
D. Number of Units with Density Bonus	
III. Affordability Mix	
A. Very Low	----
B. Low	----
C. Market-Rate	----
D. Total	----
IV. Estimate of Annual Rental Income	
A. Affordable Units	
Very Low	----
Low	----
Total Affordable Units	----
B. Market-Rate Rent @	
Monthly Rent/SF	*$3.75* (1)
Total Annual Rent	*$3,690,000*
C. Total Annual Rental Income	***$3,690,000***

(1) Market rent estimated at 82,000 SF at $3.75/SF.

TABLE 5.E-2

ESTIMATE OF DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A		
	Professional Office (OP) Potential Upzone Site - Existing Conditions		
	Base Case		
I. Project Description			
Site Area	3.4	Acres	
Average Unit Size	---	SF	
Gross Leaseable Area	82,000	SF	
Gross Building Area	89,000	SF	
Number of Units	---	Units	
Parking	297	Spaces	
II. Development Costs			
A. Direct Costs			
On/Off Site Improvements (1)	*$1,477,000*	*$10*	*/SF Site Area*
Parking	*$0*		*Included above*
Shell Construction	*$16,020,000*	*$180*	*/SF GBA*
Tenant Improvements	*$3,280,000*	*$40*	*/SF GLA*
Other/Contingency	*$1,039,000*	*5.0%*	*of Directs*
Total Direct Costs	*$21,816,000*	*$245*	*/SF GBA*
B. Indirect Costs			
Permits & Fees (1)	*$890,000*	*$10*	*/SF GBA*
Developer Fee	*$873,000*	*4.0%*	*of Directs*
Other Indirects	*$3,272,000*	*15.0%*	*of Directs*
Total Indirect Costs	*$5,035,000*	*23.1%*	*of Directs*
C. Financing Costs	*$2,182,000*	*10.0%*	*of Directs*
D. Total Development Costs	***$29,033,000***	***$326***	***/SF GBA***

(1) Estimate, not verified by KMA or City of Encinitas.

TABLE 5.E-3

ESTIMATE OF RESIDUAL LAND VALUE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

		A Professional Office (OP) Potential Upzone Site - Existing Conditions
		Base Case
I. Net Operating Income		
A. Gross Rental Income	$3.75 /SF/Month/FSG	*$3,690,000*
B. Other Income		*$0*
C. Gross Scheduled Income (GSI)		*$3,690,000*
D. (Less) Vacancy	5.0% of GSI	*($185,000)*
E. Effective Gross Income		*$3,505,000*
F. (Less) Operating Expenses	$10 /SF GLA/Year	*($820,000)*
G. Net Operating Income		*$2,685,000*
II. Residual Land Value - Low Capitalization Rate		
A. Net Operating Income		*$2,685,000*
B. Capitalization Rate		*6.25%*
C. Capitalized Value Upon Completion		*$42,960,000*
D. (Less) Cost of Sale	3.0% of Value	*($1,289,000)*
E. (Less) Developer Profit	10.0% of Value	*($4,296,000)*
F. Net Sales Proceeds		*$37,375,000*
G. (Less) Development Costs		*($29,033,000)*
H. Residual Land Value		***$8,342,000***
Per SF		***$56***

ATTACHMENT 5.F

Manchester Avenue West
Single-Family Detached - Small Lot
Zone R-11

TABLE 5.F-1

ESTIMATE OF SALES PROCEEDS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

		A		B	
		Single-Family Detached - Small Lot (R-11) Potential Upzone Site - Existing Conditions			
		Pre-August 2018			
		1 Unit at Very Low for Every 10 Units No Density Bonus		**1 Unit at Very Low for Every 10 Units *with Density Bonus***	
I. Inclusionary Housing					
A. Site Area		*1.7 Acres*		*1.7 Acres*	
B. Density		*11.0 Units/Acre Maximum Density*		*11.0 Units/Acre Maximum Density*	
C. Number of Units (1)		*18 Units*		*18 Units*	
D. Inclusionary Set-aside		*1 Unit @ VL for every 10 units*		*1 Unit @ VL for every 10 units*	
E. Affordable Units (2)		*1 Units*		*1 Units*	
II. Density Bonus					
A. Actual % of Affordable Units				5.6% Very Low	
B. Density Bonus				20.0%	
C. Density with Bonus				13.2 Units/Acre	
D. Number of Units with Density Bonus (3)				22 Units	
III. Affordability Mix					
A. Very Low		*1 Units*	*6%*	*1 Units*	*5%*
B. Low		*0 Units*	*0%*	*0 Units*	*0%*
C. Market-Rate		*17 Units*	*94%*	*21 Units*	*95%*
D. Total		*18 Units*	*100%*	*22 Units*	*100%*
IV. Estimate of Sales Proceeds					
A. Affordable Units					
Very Low	$95,000		*$95,000*		*$95,000*
Low	$173,000		*$0*		*$0*
Total Affordable Units			*$95,000*		*$95,000*
B. Market-Rate Units @					
Unit Size			*2,506 SF*		*2,506 SF*
Price/SF			*$475*		*$475*
Price/Unit			*$1,190,000*		*$1,190,000*
Total Sales Proceeds			*$20,230,000*		*$24,990,000*
C. Total Sales Proceeds			***$20,325,000***		***$25,085,000***
Per Unit			***$1,129,000***		***$1,140,000***

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Encinitas_Feasibility Analysis_v6 - Scenario #2A_v4;12/2/2019;sjx

TABLE 5.F-2

ESTIMATE OF DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A/B			C		
	Single-Family Detached - Small Lot (R-11) **Potential Upzone Site - Existing Conditions**					
	Pre-August 2018					
	1 Unit at Very Low for Every 10 Units No Density Bonus			**1 Unit at Very Low for Every 10 Units *with Density Bonus***		
I. Project Description						
Site Area	1.7	Acres		1.7	Acres	
Average Unit Size	2,506	SF		2,506	SF	
Gross Building Area	45,108	SF		55,132	SF	
Number of Units	18	Units		22	Units	
Parking	45	Spaces		48	Spaces	
II. Development Costs						
A. Direct Costs						
On/Off Site Improvements (1)	*$1,819,000*	*$25*	*/SF Site Area*	$1,819,000	$25	/SF Site Area
Parking	*$0*	*$0*	*/Space*	$0	$0	/Space
Shell Construction	*$6,766,000*	*$150*	*/SF GBA*	$8,821,000	$160	/SF GBA
Other/Contingency	*$859,000*	*10.0%*	*of Directs*	$1,064,000	10.0%	of Directs
Total Direct Costs	*$9,444,000*	*$209*	*/SF GBA*	$11,704,000	$212	/SF GBA
Per Unit	*$525,000*			$532,000		
B. Indirect Costs						
Permits & Fees (1)	*$495,000*	*$27,500*	*/Unit*	$440,000	$20,000	/Unit
Developer Fee	*$378,000*	*4.0%*	*of Directs*	$468,000	4.0%	of Directs
Other Indirects	*$1,417,000*	*15.0%*	*of Directs*	$1,756,000	15.0%	of Directs
Total Indirect Costs	*$2,290,000*	*24.2%*	*of Directs*	$2,664,000	22.8%	of Directs
C. Financing Costs	*$708,000*	*7.5%*	*of Directs*	$878,000	7.5%	of Directs
D. Total Development Costs	***$12,442,000***	***$276***	***/SF GBA***	**$15,246,000**	**$277**	**/SF GBA**
Per Unit	***$691,000***			**$693,000**		

(1) Estimate, not verified by KMA or City of Encinitas.

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Encinitas_Feasibility Analysis_v6 - Scenario #2A_v4;12/2/2019;sjx

TABLE 5.F-3

ESTIMATE OF RESIDUAL LAND VALUE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

		A	B
		Single-Family Detached - Small Lot (R-11) Potential Upzone Site - Existing Conditions	
		Pre-August 2018	
		1 Unit at Very Low for Every 10 Units No Density Bonus	1 Unit at Very Low for Every 10 Units with Density Bonus
I. Net Sales Proceeds			
A. Gross Sales Proceeds		*$20,325,000*	*$25,085,000*
B. (Less) Cost of Sale @	4.5% of Value	*($915,000)*	*($1,129,000)*
C. Net Sales Proceeds		*$19,410,000*	*$23,956,000*
II. Residual Land Value			
A. Net Sales Proceeds		*$19,410,000*	*$23,956,000*
B. (Less) Developer Profit @	10.0% of Value	*($2,033,000)*	*($2,509,000)*
C. Warranted Investment		*$17,377,000*	*$21,447,000*
D. (Less) Development Costs		*($12,442,000)*	*($15,246,000)*
E. Residual Land Value		***$4,935,000***	***$6,201,000***
Per Unit		***$274,000***	***$345,000***
Per SF		***$68***	***$85***

Residual Land Value @ 100% Market	$5,872,000
Per Unit	$326,000
Per SF	$81

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Encinitas_Feasibility Analysis_v6 - Scenario #2A_v4;12/2/2019;sjx

APPENDIX 6

HOUSING ELEMENT UPDATE
"R-30" SITES TECHNICAL ANALYSIS

SCENARIO #3A

Base Case: Pre-August 2018

1 Unit @ Very Low for every 10 units

no Density Bonus (For-Sale Only)

Upzone Scenarios - For-Sale

10%, 15%, 20%, 25% @ Very Low - w/ Density Bonus

15%, 20%, 25%, 30% @ Low - w/ Density Bonus

Keyser Marston Associates, Inc.

	HOUSING ELEMENT UPDATE "R-30" SITES								
	Pre August 2018	Very Low				Low			
RESIDUAL LAND VALUE [1]	1 Unit @ Very Low for Every 10 Units without Density Bonus	10% @ Very Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	15% @ Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
08 Rancho Santa Fe Parcels (Gaffney/Goodsen) Existing Conditions (RR-2) - Single-Family	$519,000 /Unit $24 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats		$83,000 /Unit $76 /SF Site	$66,000 /Unit $61 /SF Site	$48,000 /Unit $45 /SF Site	$31,000 /Unit $29 /SF Site	$63,000 /Unit $56 /SF Site	$57,000 /Unit $53 /SF Site	$42,000 /Unit $39 /SF Site	$26,000 /Unit $24 /SF Site
AD1 Sage Canyon Existing Conditions (R-3) - Single-Family [2]	$543,000 /Unit $38 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats		$83,000 /Unit $77 /SF Site	$65,000 /Unit $61 /SF Site	$47,000 /Unit $44 /SF Site	$30,000 /Unit $28 /SF Site	$65,000 /Unit $57 /SF Site	$56,000 /Unit $52 /SF Site	$41,000 /Unit $38 /SF Site	$25,000 /Unit $23 /SF Site
AD2 Baldwin and Sons Properties Existing Conditions (R-5) - Single-Family	$282,000 /Unit $36 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats		$83,000 /Unit $77 /SF Site	$66,000 /Unit $62 /SF Site	$48,000 /Unit $45 /SF Site	$30,000 /Unit $28 /SF Site	$64,000 /Unit $56 /SF Site	$57,000 /Unit $53 /SF Site	$41,000 /Unit $38 /SF Site	$27,000 /Unit $25 /SF Site

	HOUSING ELEMENT UPDATE "R-30" SITES								
	Pre August 2018	Very Low				Low			
RESIDUAL LAND VALUE [1]	1 Unit @ Very Low for Every 10 Units without Density Bonus	10% @ Very Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	15% @ Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
7 Jackel Property Limited Visitor Serving (N-LVSC)	$75 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats - High Capitalization Rate		$132,000 /Unit $54 /SF Site	$114,000 /Unit $47 /SF Site	$96,000 /Unit $39 /SF Site	$78,000 /Unit $32 /SF Site	$116,000 /Unit $45 /SF Site	$105,000 /Unit $43 /SF Site	$89,000 /Unit $37 /SF Site	$73,000 /Unit $30 /SF Site
12 Sunshine Garden Existing Conditions (OP) - Professional Office	$56 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats		$81,000 /Unit $75 /SF Site	$64,000 /Unit $59 /SF Site	$46,000 /Unit $43 /SF Site	$29,000 /Unit $27 /SF Site	$60,000 /Unit $53 /SF Site	$55,000 /Unit $51 /SF Site	$40,000 /Unit $37 /SF Site	$25,000 /Unit $23 /SF Site
AD11 Manchester Avenue West Existing Conditions (R-11) - Single-Family	$274,000 /Unit $68 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats		$77,000 /Unit $71 /SF Site	$63,000 /Unit $59 /SF Site	$49,000 /Unit $46 /SF Site	$28,000 /Unit $26 /SF Site	$69,000 /Unit $61 /SF Site	$58,000 /Unit $54 /SF Site	$39,000 /Unit $37 /SF Site	$27,000 /Unit $25 /SF Site

The feasibility of each prototype was evaluated based on the Residual Land Values generated by the Base Case without Upzone relative to the Residual Land Values generated by the Upzone Scenarios with increased affordable housing requirements. The following benchmarks were used:[4]

- High Impact: greater than 25% increase in Residual Land Value from Exisiting Conditions (without Upzone); likely to provide an incentive to develop site
- Medium Impact: 15% - 25% increase in Residual Land Value from Existing Conditions (without Upzone); may raise concerns regarding development of site
- Low Impact: less than 15% increase in Residual Land Value from Existing Conditions (without Upzone); may result in little to no incentive to develop site

(1) Residual Land Value represents the maximum supported land payment that a developer can afford for a given development prototype. It is calculated by estimating the total project value upon completion less the estimated total development costs (excluding land costs). The impact of affordable housing requirements on the viability of a development is analyzed by comparing the Residual Land Value generated without Upzone (Existing Conditions) vs. the Residual Land Value generated by the Upzone Scenarios where affordable housing requirements are increased.
(2) Reflects residual land value for 10 market-rate units. No affordable units. No density bonus.
(3) GBA = Gross Building Area
(4) For illustrative purposes, Very Low inclusionary set-aside scenarios are compared to the Base Case using Very Low set-aside. Low inclusionary set-aside scenarios are compared to the Base Case using Low set-aside.

	HOUSING ELEMENT UPDATE "R-30" SITES								
	Pre August 2018	Very Low				Low			
RESIDUAL LAND VALUE [1]	1 Unit @ Very Low for Every 10 Units with Density Bonus	10% @ Very Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	15% @ Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
08 Rancho Santa Fe Parcels (Gaffney/Goodsen)									
Existing Conditions (RR-2) - Single-Family	$939,000 /Unit $43 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats		$83,000 /Unit $76 /SF Site	$66,000 /Unit $61 /SF Site	$48,000 /Unit $45 /SF Site	$31,000 /Unit $29 /SF Site	$63,000 /Unit $56 /SF Site	$57,000 /Unit $53 /SF Site	$42,000 /Unit $39 /SF Site	$26,000 /Unit $24 /SF Site
AD1 Sage Canyon									
Existing Conditions (R-3) - Single-Family [2]	$987,000 /Unit $69 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats		$83,000 /Unit $77 /SF Site	$65,000 /Unit $61 /SF Site	$47,000 /Unit $44 /SF Site	$30,000 /Unit $28 /SF Site	$65,000 /Unit $57 /SF Site	$56,000 /Unit $52 /SF Site	$41,000 /Unit $38 /SF Site	$25,000 /Unit $23 /SF Site
AD2 Baldwin and Son Properties									
Existing Conditions (R-5) - Single-Family	$519,000 /Unit $67 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats		$83,000 /Unit $77 /SF Site	$66,000 /Unit $62 /SF Site	$48,000 /Unit $45 /SF Site	$30,000 /Unit $28 /SF Site	$64,000 /Unit $56 /SF Site	$57,000 /Unit $53 /SF Site	$41,000 /Unit $38 /SF Site	$27,000 /Unit $25 /SF Site

	HOUSING ELEMENT UPDATE "R-30" SITES								
	Pre August 2018	Very Low				Low			
RESIDUAL LAND VALUE [1]	1 Unit @ Very Low for Every 10 Units with Density Bonus	10% @ Very Low with Density Bonus	15% @ Very Low with Density Bonus	20% @ Very Low with Density Bonus	25% @ Very Low with Density Bonus	15% @ Low with Density Bonus	20% @ Low with Density Bonus	25% @ Low with Density Bonus	30% @ Low with Density Bonus
7 Jackel Property Limited Visitor Serving (N-LVSC)	$75 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats - High Capitalization Rate		$132,000 /Unit $54 /SF Site	$114,000 /Unit $47 /SF Site	$96,000 /Unit $39 /SF Site	$78,000 /Unit $32 /SF Site	$116,000 /Unit $45 /SF Site	$105,000 /Unit $43 /SF Site	$89,000 /Unit $37 /SF Site	$73,000 /Unit $30 /SF Site
12 Sunshine Garden Existing Conditions (OP) - Professional Office	$56 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats		$81,000 /Unit $75 /SF Site	$64,000 /Unit $59 /SF Site	$46,000 /Unit $43 /SF Site	$29,000 /Unit $27 /SF Site	$60,000 /Unit $53 /SF Site	$55,000 /Unit $51 /SF Site	$40,000 /Unit $37 /SF Site	$25,000 /Unit $23 /SF Site
AD11 Manchester Avenue West Existing Conditions (R-11) - Single-Family	$345,000 /Unit $85 /SF Site	---	---	---	---	---	---	---	---
Upzone Scenario - Stacked Flats		$77,000 /Unit $71 /SF Site	$63,000 /Unit $59 /SF Site	$49,000 /Unit $46 /SF Site	$28,000 /Unit $26 /SF Site	$69,000 /Unit $61 /SF Site	$58,000 /Unit $54 /SF Site	$39,000 /Unit $37 /SF Site	$27,000 /Unit $25 /SF Site

The feasibility of each prototype was evaluated based on the Residual Land Values generated by the Base Case without Upzone relative to the Residual Land Values generated by the Upzone Scenarios with increased affordable housing requirements. The following benchmarks were used:[4]

- High Impact: greater than 25% increase in Residual Land Value from Exisiting Conditions (without Upzone); likely to provide an incentive to develop site
- Medium Impact: 15% - 25% increase in Residual Land Value from Existing Conditions (without Upzone); may raise concerns regarding development of site
- Low Impact: less than 15% increase in Residual Land Value from Existing Conditions (without Upzone); may result in little to no incentive to develop site

(1) Residual Land Value represents the maximum supported land payment that a developer can afford for a given development prototype. It is calculated by estimating the total project value upon completion less the estimated total development costs (excluding land costs). The impact of affordable housing requirements on the viability of a development is analyzed by comparing the Residual Land Value generated without Upzone (Existing Conditions) vs. the Residual Land Value generated by the Upzone Scenarios where affordable housing requirements are increased.
(2) Reflects residual land value for 10 market-rate units. No affordable units. No density bonus.
(3) GBA = Gross Building Area
(4) For illustrative purposes, Very Low inclusionary set-aside scenarios are compared to the Base Case using Very Low set-aside. Low inclusionary set-aside scenarios are compared to the Base Case using Low set-aside.

ATTACHMENT 6.A

Rancho Santa Fe Sites (Gaffney/Goodsen)
Single-Family Detached - Large Lot
Zone RR-2

TABLE 6.A-1

ESTIMATE OF SALES PROCEEDS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

		A		B	
		Single-Family Detached - Large Lot (RR-2) - Potential Upzone Site - Existing Conditions			
		Pre-August 2018			
		1 Unit at Very Low for Every 10 Units No Density Bonus		***1 Unit at Very Low for Every 10 Units with Density Bonus***	
I. Inclusionary Housing					
A. Site Area		*6.0 Acres*		*6.0 Acres*	
B. Density		*2.0 Units/Acre Maximum Density*		*2.0 Units/Acre Maximum Density*	
C. Number of Units (1)		*12 Units*		*12 Units*	
D. Inclusionary Set-aside		*1 Unit @ VL for every 10 units*		*1 Unit @ VL for every 10 units*	
E. Affordable Units (2)		*1 Unit*		*1 Unit*	
II. Density Bonus					
A. Actual % of Affordable Units				8.3% Very Low	
B. Density Bonus				27.5%	
C. Density with Bonus				2.7 Units/Acre	
D. Number of Units with Density Bonus (3)				16 Units	
III. Affordability Mix					
A. Very Low		*1 Units*	*8%*	*1 Units*	*6%*
B. Low		*0 Units*	*0%*	*0 Units*	*0%*
C. Market-Rate		*11 Units*	*92%*	*15 Units*	*94%*
D. Total		*12 Units*	*100%*	*16 Units*	*100%*
IV. Estimate of Sales Proceeds					
A. Affordable Units					
Very Low	$93,000	*$93,000*		*$93,000*	
Low	$178,000	*$0*		*$0*	
Total Affordable Units		*$93,000*		*$93,000*	
B. Market-Rate Units @					
Unit Size		*5,020 SF*		*5,020 SF*	
Price/SF		*$475*		*$500*	
Price/Unit		*$2,385,000*		*$2,510,000*	
Total Sales Proceeds		*$26,235,000*		*$37,650,000*	
C. Total Sales Proceeds		***$26,328,000***		***$37,743,000***	
Per Unit		***$2,194,000***		***$2,359,000***	

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Encinitas_Feasibility Analysis_v6 - Scenario #3A_v4;12/2/2019;sjx

TABLE 6.A-2

ESTIMATE OF DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A/B			C		
	Single-Family Detached - Large Lot (RR-2) **Potential Upzone Site - Existing Conditions**					
	Pre-August 2018					
	1 Unit at Very Low for Every 10 Units No Density Bonus			***1 Unit at Very Low for Every 10 Units with Density Bonus***		
I. Project Description						
Site Area	6.0	Acres		6.0	Acres	
Average Unit Size	5,020	SF		5,020	SF	
Gross Building Area	60,240	SF		80,320	SF	
Number of Units	12	Units		16	Units	
Parking	48	Spaces		64	Spaces	
II. Development Costs						
A. Direct Costs						
On/Off Site Improvements (1)	*$3,933,000*	*$15*	*/SF Site Area*	$3,933,000	$15	/SF Site Area
Parking	*$0*	*$0*	*/Space*	$0	$0	/Space
Shell Construction	*$7,530,000*	*$125*	*/SF GBA*	$10,843,000	$135	/SF GBA
Other/Contingency	*$1,146,000*	*10.0%*	*of Directs*	$1,478,000	10.0%	of Directs
Total Direct Costs	*$12,609,000*	*$209*	*/SF GBA*	$16,254,000	$202	/SF GBA
Per Unit	*$1,051,000*			$1,016,000		
B. Indirect Costs						
Permits & Fees (1)	*$330,000*	*$27,500*	*/Unit*	$440,000	$27,500	/Unit
Developer Fee	*$504,000*	*4.0%*	*of Directs*	$650,000	4.0%	of Directs
Other Indirects	*$1,891,000*	*15.0%*	*of Directs*	$2,438,000	15.0%	of Directs
Total Indirect Costs	*$2,725,000*	*21.6%*	*of Directs*	$3,528,000	21.7%	of Directs
C. Financing Costs	*$946,000*	*7.5%*	*of Directs*	$1,219,000	7.5%	of Directs
D. Total Development Costs	***$16,280,000***	***$270***	***/SF GBA***	**$21,001,000**	**$261**	**/SF GBA**
Per Unit	***$1,357,000***			**$1,313,000**		

(1) Estimate, not verified by KMA or City of Encinitas.

TABLE 6.A-3

ESTIMATE OF RESIDUAL LAND VALUE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

		A	B
		Single-Family Detached - Large Lot (RR-2) Potential Upzone Site - Existing Conditions	
		Pre-August 2018	
		1 Unit at Very Low for Every 10 Units No Density Bonus	1 Unit at Very Low for Every 10 Units with Density Bonus
I. Net Sales Proceeds			
A. Gross Sales Proceeds		*$26,328,000*	*$37,743,000*
B. (Less) Cost of Sale @	4.5% of Value	*($1,185,000)*	*($1,698,000)*
C. Net Sales Proceeds		*$25,143,000*	*$36,045,000*
II. Residual Land Value			
A. Net Sales Proceeds		*$25,143,000*	*$36,045,000*
B. (Less) Developer Profit @	10.0% of Value	*($2,633,000)*	*($3,774,000)*
C. Warranted Investment		*$22,510,000*	*$32,271,000*
D. (Less) Development Costs		*($16,280,000)*	*($21,001,000)*
E. Residual Land Value		***$6,230,000***	***$11,270,000***
Per Unit		***$519,000***	***$939,000***
Per SF		***$24***	***$43***

Residual Land Value @ 100% Market	$8,190,000
Per Unit	$683,000
Per SF	$31

ATTACHMENT 6.B

Sage Canyon
Single-Family Detached - Large Lot
Zone R-3

TABLE 6.B-1

ESTIMATE OF SALES PROCEEDS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A	B
	Single-Family Detached - Large Lot (R-3) **Potential Upzone Site - Existing Conditions**	
	Pre-August 2018	
	1 Unit at Very Low for Every 10 Units No Density Bonus	***1 Unit at Very Low for Every 10 Units with Density Bonus***
I. Inclusionary Housing		
A. Site Area	*3.3 Acres*	*3.3 Acres*
B. Density	*3.0 Units/Acre Maximum Density*	*3.0 Units/Acre Maximum Density*
C. Number of Units (1)	*10 Units*	*10 Units*
D. Inclusionary Set-aside	*1 Unit @ VL for every 10 units*	*1 Unit @ VL for every 10 units*
E. Affordable Units (2)	*1 Units*	*1 Units*
II. Density Bonus		
A. Actual % of Affordable Units		10.0% Very Low
B. Density Bonus		32.5%
C. Density with Bonus		4.2 Units/Acre
D. Number of Units with Density Bonus (3)		14 Units
III. Affordability Mix		
A. Very Low	*1 Units 10%*	*1 Units 7%*
B. Low	*0 Units 0%*	*0 Units 0%*
C. Market-Rate	*9 Units 90%*	*13 Units 93%*
D. Total	*10 Units 100%*	*14 Units 100%*
IV. Estimate of Sales Proceeds		
A. Affordable Units		
Very Low $93,000	*$93,000*	*$93,000*
Low $178,000	*$0*	*$0*
Total Affordable Units	*$93,000*	*$93,000*
B. Market-Rate Units @		
Unit Size	*4,500 SF*	*4,500 SF*
Price/SF	*$475*	*$500*
Price/Unit	*$2,138,000*	*$2,250,000*
Total Sales Proceeds	*$19,242,000*	*$29,250,000*
C. Total Sales Proceeds	***$19,335,000***	***$29,343,000***
Per Unit	***$1,934,000***	***$2,096,000***

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

TABLE 6.B-2

ESTIMATE OF DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A/B			C		
	Single-Family Detached - Large Lot (R-3) **Potential Upzone Site - Existing Conditions**					
	Pre-August 2018					
	1 Unit at Very Low for Every 10 Units No Density Bonus			***1 Unit at Very Low for Every 10 Units with Density Bonus***		
I. Project Description						
Site Area	3.3	Acres		3.3	Acres	
Average Unit Size	4,500	SF		4,500	SF	
Gross Building Area	45,000	SF		63,000	SF	
Number of Units	10	Units		14	Units	
Parking	21	Spaces		42	Spaces	
II. Development Costs						
A. Direct Costs						
On/Off Site Improvements (1)	*$2,156,000*	*$15*	*/SF Site Area*	$2,156,000	$15	/SF Site Area
Parking	*$0*	*$0*	*/Space*	$0	$0	/Space
Shell Construction	*$5,625,000*	*$125*	*/SF GBA*	$8,505,000	$135	/SF GBA
Other/Contingency	*$778,000*	*10.0%*	*of Directs*	$1,066,000	10.0%	of Directs
Total Direct Costs	*$8,559,000*	*$190*	*/SF GBA*	$11,727,000	$186	/SF GBA
Per Unit	*$856,000*			$838,000		
B. Indirect Costs						
Permits & Fees (1)	*$275,000*	*$27,500*	*/Unit*	$385,000	$27,500	/Unit
Developer Fee	*$342,000*	*4.0%*	*of Directs*	$469,000	4.0%	of Directs
Other Indirects	*$1,284,000*	*15.0%*	*of Directs*	$1,759,000	15.0%	of Directs
Total Indirect Costs	*$1,901,000*	*22.2%*	*of Directs*	$2,613,000	22.3%	of Directs
C. Financing Costs	*$642,000*	*7.5%*	*of Directs*	$880,000	7.5%	of Directs
D. Total Development Costs	***$11,102,000***	***$247***	***/SF GBA***	**$15,220,000**	**$242**	**/SF GBA**
Per Unit	***$1,110,000***			**$1,087,000**		

(1) Estimate, not verified by KMA or City of Encinitas.

TABLE 6.B-3

ESTIMATE OF RESIDUAL LAND VALUE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

		A	B
		Single-Family Detached - Large Lot (R-3) Potential Upzone Site - Existing Conditions	
		Pre-August 2018	
		1 Unit at Very Low for Every 10 Units No Density Bonus	1 Unit at Very Low for Every 10 Units with Density Bonus
I. Net Sales Proceeds			
A. Gross Sales Proceeds		*$19,335,000*	*$29,343,000*
B. (Less) Cost of Sale @	4.5% of Value	*($870,000)*	*($1,320,000)*
C. Net Sales Proceeds		*$18,465,000*	*$28,023,000*
II. Residual Land Value			
A. Net Sales Proceeds		*$18,465,000*	*$28,023,000*
B. (Less) Developer Profit @	10.0% of Value	*($1,934,000)*	*($2,934,000)*
C. Warranted Investment		*$16,531,000*	*$25,089,000*
D. (Less) Development Costs		*($11,102,000)*	*($15,220,000)*
E. Residual Land Value		***$5,429,000***	***$9,869,000***
Per Unit		***$543,000***	***$987,000***
Per SF		***$38***	***$69***

Residual Land Value @ 100% Market	$7,178,000
Per Unit	$718,000
Per SF	$50

ATTACHMENT 6.C

Baldwin and Sons Properties
Single-Family Detached - Medium Lot
Zone R-3 / R-5

TABLE 6.C-1

ESTIMATE OF SALES PROCEEDS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

		A		B	
		Single-Family Detached - Medium Lot (R-5) Potential Upzone Site - Existing Conditions			
		Pre-August 2018			
		1 Unit at Very Low for Every 10 Units No Density Bonus		***1 Unit at Very Low for Every 10 Units with Density Bonus***	
I. Inclusionary Housing					
A. Site Area		*9.1 Acres*		*9.1 Acres*	
B. Density		*5.7 Units/Acre Maximum Density*		*5.7 Units/Acre Maximum Density*	
C. Number of Units (1)		*51 Units*		*51 Units*	
D. Inclusionary Set-aside		*1 Unit @ VL for every 10 units*		*1 Unit @ VL for every 10 units*	
E. Affordable Units (2)		*5 Units*		*5 Units*	
II. Density Bonus					
A. Actual % of Affordable Units				9.8% Very Low	
B. Density Bonus				35.0%	
C. Density with Bonus				7.6 Units/Acre	
D. Number of Units with Density Bonus (3)				69 Units	
III. Affordability Mix					
A. Very Low		*5 Units*	*10%*	*5 Units*	*7%*
B. Low		*0 Units*	*0%*	*0 Units*	*0%*
C. Market-Rate		*46 Units*	*90%*	*64 Units*	*93%*
D. Total		*51 Units*	*100%*	*69 Units*	*100%*
IV. Estimate of Sales Proceeds					
A. Affordable Units					
Very Low	$93,000	*$465,000*		*$465,000*	
Low	$178,000	*$0*		*$0*	
Total Affordable Units		*$465,000*		*$465,000*	
B. Market-Rate Units @					
Unit Size		*3,000 SF*		*3,000 SF*	
Price/SF		*$500*		*$500*	
Price/Unit		*$1,500,000*		*$1,500,000*	
Total Sales Proceeds		*$69,000,000*		*$96,000,000*	
C. Total Sales Proceeds		***$69,465,000***		***$96,465,000***	
Per Unit		***$1,362,000***		***$1,398,000***	

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

Prepared by: Keyser Marston Inc.
Filename i:\Encinitas_Feasibility Analysis_v6 - Scenario #3A_v4;12/2/2019;sjx

TABLE 6.C-2

ESTIMATE OF DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A/B			C		
	Single-Family Detached - Medium Lot (R-5) **Potential Upzone Site - Existing Conditions**					
	Pre-August 2018					
	1 Unit at Very Low for Every 10 Units No Density Bonus			***1 Unit at Very Low for Every 10 Units with Density Bonus***		
I. Project Description						
Site Area	9.1	Acres		9.1	Acres	
Average Unit Size	3,000	SF		3,000	SF	
Gross Building Area	153,000	SF		207,000	SF	
Number of Units	51	Units		69	Units	
Parking	21	Spaces		207	Spaces	
II. Development Costs						
A. Direct Costs						
On/Off Site Improvements (1)	*$9,910,000*	*$25*	*/SF Site Area*	$9,910,000	$25	/SF Site Area
Parking	*$0*	*$0*	*/Space*	$0	$0	/Space
Shell Construction	*$21,420,000*	*$140*	*/SF GBA*	$28,980,000	$140	/SF GBA
Other/Contingency	*$3,133,000*	*10.0%*	*of Directs*	$3,889,000	10.0%	of Directs
Total Direct Costs	*$34,463,000*	*$225*	*/SF GBA*	$42,779,000	$207	/SF GBA
Per Unit	*$676,000*			$620,000		
B. Indirect Costs						
Permits & Fees (1)	*$1,403,000*	*$27,500*	*/Unit*	$1,898,000	$27,500	/Unit
Developer Fee	*$1,379,000*	*4.0%*	*of Directs*	$1,711,000	4.0%	of Directs
Other Indirects	*$5,169,000*	*15.0%*	*of Directs*	$6,417,000	15.0%	of Directs
Total Indirect Costs	*$7,951,000*	*23.1%*	*of Directs*	$10,026,000	23.4%	of Directs
C. Financing Costs	*$2,585,000*	*7.5%*	*of Directs*	$3,208,000	7.5%	of Directs
D. Total Development Costs	***$44,999,000***	***$294***	***/SF GBA***	**$56,013,000**	**$271**	**/SF GBA**
Per Unit	***$882,000***			**$812,000**		

(1) Estimate, not verified by KMA or City of Encinitas.

TABLE 6.C-3

ESTIMATE OF RESIDUAL LAND VALUE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

		A	B
		Single-Family Detached -Medium Lot (R-5) Potential Upzone Site - Existing Conditions	
		Pre-August 2018	
		1 Unit at Very Low for Every 10 Units No Density Bonus	1 Unit at Very Low for Every 10 Units with Density Bonus
I. Net Sales Proceeds			
A. Gross Sales Proceeds		*$69,465,000*	*$96,465,000*
B. (Less) Cost of Sale @	4.5% of Value	*($3,126,000)*	*($4,341,000)*
C. Net Sales Proceeds		*$66,339,000*	*$92,124,000*
II. Residual Land Value			
A. Net Sales Proceeds		*$66,339,000*	*$92,124,000*
B. (Less) Developer Profit @	10.0% of Value	*($6,947,000)*	*($9,647,000)*
C. Warranted Investment		*$59,392,000*	*$82,477,000*
D. (Less) Development Costs		*($44,999,000)*	*($56,013,000)*
E. Residual Land Value		***$14,393,000***	***$26,464,000***
Per Unit		***$282,000***	***$519,000***
Per SF		***$36***	***$67***

Residual Land Value @ 100% Market	$20,408,000
Per Unit	$400,000
Per SF	$51

ATTACHMENT 6.D

Jackel Property
Limited Visitor Serving
Zone N-LVSC

TABLE 6D-1

ESTIMATE OF GROSS ANNUAL RENTAL INCOME
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A Limited Visitor Serving (N-LVSC) Potential Upzone Site - Existing Conditions Base Case
I. Project Description	
A. Site Area	
Hotel	*2.0 Acres*
Commercial	*1.0 Acres*
Total Site Area	*3.0 Acres*
B. Floor Area Ratio (FAR)	*0.44 FAR*
C. Gross Leasable Area (GLA)	---
D. Gross Building Area (GBA)	
Hotel	*51,750 SF*
Commercial	*5,000 SF*
Total	*56,750 SF*
E. Inclusionary Set-aside	----
F. Number of Rooms	*90 Rooms*
IV. Estimate of Annual Room Revenue	
A. Hotel	*90 Rooms*
Average Daily Rate (ADR)	*$200*
Occupancy	*82.0%*
Annual Room Revenue - Hotel	*$5,387,000*
B. Commercial	*5,000 SF*
Monthly Rent	*$4.00/SF NNN*
Annual Revenue - Commercial	*$240,000*
(Less) Vacancy @ *10.0%*	*($24,000)*
Effective Gross Income - Commercial	*$216,000*
B. Total Annual Rental Income	$5,627,000

TABLE 6.D-2

ESTIMATE OF DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A		
	Limited Visitor Serving (N-LVSC) Potential Upzone Site - Existing Conditions		
	Base Case		
I. Project Description			
Site Area	3.0	Acres	
Number of Rooms	90	Rooms	
Average Room Size (Gross)	575	SF	
Gross Building Area - Hotel	51,750	SF	
Gross Building Area - Commercial	5,000	SF	
Parking	113	Spaces	
II. Development Costs			
A. Direct Costs			
On/Off Site Improvements (1)	*$1,294,000*	*$10*	*/SF Site Area*
Parking	*$0*	*$0*	*Included above*
Shell Construction - Hotel	*$10,868,000*	*$210*	*/SF GBA*
Shell Construction - Commercial	*$800,000*	*$160*	*/SF GBA*
Tenant Improvements	*$250,000*	*$50*	*/SF GBA*
FF&E	*$2,250,000*	*$25,000*	*/Room*
Amenities	*$450,000*	*$5,000*	*/Room*
Contingency	*$796,000*	*5.0%*	*of Directs*
Total Direct Costs	*$16,708,000*	*$323*	*/SF GBA*
B. Indirect Costs			
Permits & Fees (1)	*$568,000*	*$10*	*/SF GBA*
Developer Fee	*$668,000*	*4.0%*	*of Directs*
Other Indirects	*$2,089,000*	*12.5%*	*of Directs*
Total Indirect Costs	*$3,325,000*	*19.9%*	*of Directs*
C. Financing Costs	*$1,671,000*	*10.0%*	*of Directs*
D. Total Development Costs	***$21,704,000***	***$382***	***/SF GBA***

(1) Estimate, not verified by KMA or City of Encinitas.

TABLE 6.D-3

ESTIMATE OF RESIDUAL LAND VALUE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

		A Limited Visitor Serving (N-LVSC) Potential Upzone Site - Existing Conditions
		Base Case
I. Warranted Investment - Hotel		
A. Gross Room Revenue		*$5,387,000*
B. Food & Beverage	10.0% of Room Revenue	*$539,000*
C. Other Operated Departments Revenue	5.0% of Room Revenue	*$269,000*
D. Parking Revenue	$300 /Space/Month	*$407,000*
E. Effective Gross Income (EGI)		*$6,602,000*
F. (Less) Operating Expenses	65.0% of EGI	*($4,291,000)*
G. Net Operating Income		*$2,311,000*
H. Capitalization Rate		*7.0%*
I. Capitalized Value Upon Compleition		*$33,014,000*
J. (Less) Cost of Sale	3.0% of Value	*($990,000)*
K. (Less) Developer Profit	10.0% of Value	*($3,301,000)*
J. Warranted Investment - Hotel		*$28,723,000*
II. Warranted Investment - Commercial		
A. Effective Gross Income		*$216,000*
B. (Less) Unreimbursed Expenses		*5.0% ($11,000)*
C. Net Operating Income		*$205,000*
H. Capitalization Rate		*6.5%*
I. Capitalized Value Upon Compleition		*$3,154,000*
J. (Less) Cost of Sale	3.0% of Value	*($95,000)*
K. (Less) Developer Profit	10.0% of Value	*($315,000)*
J. Warranted Investment - Commerical		*$2,744,000*
III. Residual Land Value		
A. Warranted Investment - Hotel		*$28,723,000*
C. Warramted Investment - Commercial		*$2,744,000*
D. Total Warranted Investment		*$31,467,000*
E. (Less) Development Costs		*($21,704,000)*
F. Residual Land Value		***$9,763,000***
Per SF		***$75***

ATTACHMENT 6.E

Sunshine Gardens
Professional Office
Zone OP

TABLE 6.E-1

ESTIMATE OF GROSS ANNUAL RENTAL INCOME
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A Professional Office (OP) Potential Upzone Site - Existing Conditions
	Base Case
I. Project Description	
A. Site Area	*3.4 Acres*
B. Floor Area Ratio (FAR)	*0.60 FAR*
C. Gross Leasable Area (GLA)	*82,000 SF*
D. Gross Building Area (GBA)	*89,000 SF*
E. Inclusionary Set-aside	----
F. Affordable Units	----
II. Density Bonus	
A. Actual % of Affordable Units	
B. Density Bonus	
C. Density with Bonus	
D. Number of Units with Density Bonus	
III. Affordability Mix	
A. Very Low	----
B. Low	----
C. Market-Rate	----
D. Total	----
IV. Estimate of Annual Rental Income	
A. Affordable Units	
Very Low	----
Low	----
Total Affordable Units	----
B. Market-Rate Rent @	
Monthly Rent/SF	*$3.75* (1)
Total Annual Rent	*$3,690,000*
C. Total Annual Rental Income	***$3,690,000***

(1) Market rent estimated at 82,000 SF at $3.75/SF.

TABLE 6.E-2

ESTIMATE OF DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A		
	Professional Office (OP) Potential Upzone Site - Existing Conditions		
	Base Case		
I. Project Description			
Site Area	3.4	Acres	
Average Unit Size	---	SF	
Gross Leaseable Area	82,000	SF	
Gross Building Area	89,000	SF	
Number of Units	---	Units	
Parking	297	Spaces	
II. Development Costs			
A. Direct Costs			
On/Off Site Improvements (1)	*$1,477,000*	*$10*	*/SF Site Area*
Parking	*$0*		*Included above*
Shell Construction	*$16,020,000*	*$180*	*/SF GBA*
Tenant Improvements	*$3,280,000*	*$40*	*/SF GLA*
Other/Contingency	*$1,039,000*	*5.0%*	*of Directs*
Total Direct Costs	*$21,816,000*	*$245*	*/SF GBA*
B. Indirect Costs			
Permits & Fees (1)	*$890,000*	*$10*	*/SF GBA*
Developer Fee	*$873,000*	*4.0%*	*of Directs*
Other Indirects	*$3,272,000*	*15.0%*	*of Directs*
Total Indirect Costs	*$5,035,000*	*23.1%*	*of Directs*
C. Financing Costs	*$2,182,000*	*10.0%*	*of Directs*
D. Total Development Costs	***$29,033,000***	***$326***	***/SF GBA***

(1) Estimate, not verified by KMA or City of Encinitas.

TABLE 6.E-3

ESTIMATE OF RESIDUAL LAND VALUE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

		A Professional Office (OP) Potential Upzone Site - Existing Conditions
		Base Case
I. Net Operating Income		
A. Gross Rental Income	$3.75 /SF/Month/FSG	*$3,690,000*
B. Other Income		*$0*
C. Gross Scheduled Income (GSI)		*$3,690,000*
D. (Less) Vacancy	5.0% of GSI	*($185,000)*
E. Effective Gross Income		*$3,505,000*
F. (Less) Operating Expenses	$10 /SF GLA/Year	*($820,000)*
G. Net Operating Income		*$2,685,000*
II. Residual Land Value - Low Capitalization Rate		
A. Net Operating Income		*$2,685,000*
B. Capitalization Rate		*6.25%*
C. Capitalized Value Upon Completion		*$42,960,000*
D. (Less) Cost of Sale	3.0% of Value	*($1,289,000)*
E. (Less) Developer Profit	10.0% of Value	*($4,296,000)*
F. Net Sales Proceeds		*$37,375,000*
G. (Less) Development Costs		*($29,033,000)*
H. Residual Land Value		***$8,342,000***
Per SF		***$56***

ATTACHMENT 6.F

Manchester Avenue West
Single-Family Detached - Small Lot
Zone R-11

TABLE 6.F-1

ESTIMATE OF SALES PROCEEDS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

		A		B	
		Single-Family Detached - Small Lot (R-11) Potential Upzone Site - Existing Conditions			
		Pre-August 2018			
		1 Unit at Very Low for Every 10 Units No Density Bonus		1 Unit at Very Low for Every 10 Units *with Density Bonus*	
I. Inclusionary Housing					
A. Site Area		*1.7 Acres*		*1.7 Acres*	
B. Density		*11.0 Units/Acre Maximum Density*		*11.0 Units/Acre Maximum Density*	
C. Number of Units (1)		*18 Units*		*18 Units*	
D. Inclusionary Set-aside		*1 Unit @ VL for every 10 units*		*1 Unit @ VL for every 10 units*	
E. Affordable Units (2)		*1 Units*		*1 Units*	
II. Density Bonus					
A. Actual % of Affordable Units				5.6% Very Low	
B. Density Bonus				20.0%	
C. Density with Bonus				13.2 Units/Acre	
D. Number of Units with Density Bonus (3)				22 Units	
III. Affordability Mix					
A. Very Low		*1 Units*	*6%*	*1 Units*	*5%*
B. Low		*0 Units*	*0%*	*0 Units*	*0%*
C. Market-Rate		*17 Units*	*94%*	*21 Units*	*95%*
D. Total		*18 Units*	*100%*	*22 Units*	*100%*
IV. Estimate of Sales Proceeds					
A. Affordable Units					
Very Low	$95,000		*$95,000*		*$95,000*
Low	$173,000		*$0*		*$0*
Total Affordable Units			*$95,000*		*$95,000*
B. Market-Rate Units @					
Unit Size			*2,506 SF*		*2,506 SF*
Price/SF			*$475*		*$475*
Price/Unit			*$1,190,000*		*$1,190,000*
Total Sales Proceeds			*$20,230,000*		*$24,990,000*
C. Total Sales Proceeds			***$20,325,000***		***$25,085,000***
Per Unit			***$1,129,000***		***$1,140,000***

(1) Maximum number of dwelling units allowed based on net acreage multiplied by density. Any fraction of a dwelling unit is reduced to the next lower whole unit.
(2) Assumes the number of affordable housing inclusionary units are rounded up to the next whole number.
(3) Assumes the number of density bonus units are rounded up to the next whole number.

Prepared by: Keyser Marston Inc.
Filename i:\Encinitas_Feasibility Analysis_v6 - Scenario #3A_v4;12/2/2019;sjx

TABLE 6.F-2

ESTIMATE OF DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	A/B			C		
	Single-Family Detached - Small Lot (R-11) **Potential Upzone Site - Existing Conditions**					
	Pre-August 2018					
	1 Unit at Very Low for Every 10 Units No Density Bonus			**1 Unit at Very Low for Every 10 Units *with Density Bonus***		
I. Project Description						
Site Area	1.7	Acres		1.7	Acres	
Average Unit Size	2,506	SF		2,506	SF	
Gross Building Area	45,108	SF		55,132	SF	
Number of Units	18	Units		22	Units	
Parking	45	Spaces		44	Spaces	
II. Development Costs						
A. Direct Costs						
On/Off Site Improvements (1)	*$1,819,000*	*$25*	*/SF Site Area*	$1,819,000	$25	/SF Site Area
Parking	*$0*	*$0*	*/Space*	$0	$0	/Space
Shell Construction	*$6,766,000*	*$150*	*/SF GBA*	$8,821,000	$160	/SF GBA
Other/Contingency	*$859,000*	*10.0%*	*of Directs*	$1,064,000	10.0%	of Directs
Total Direct Costs	*$9,444,000*	*$209*	*/SF GBA*	$11,704,000	$212	/SF GBA
Per Unit	*$525,000*			$532,000		
B. Indirect Costs						
Permits & Fees (1)	*$495,000*	*$27,500*	*/Unit*	$440,000	$20,000	/Unit
Developer Fee	*$378,000*	*4.0%*	*of Directs*	$468,000	4.0%	of Directs
Other Indirects	*$1,417,000*	*15.0%*	*of Directs*	$1,756,000	15.0%	of Directs
Total Indirect Costs	*$2,290,000*	*24.2%*	*of Directs*	$2,664,000	22.8%	of Directs
C. Financing Costs	*$708,000*	*7.5%*	*of Directs*	$878,000	7.5%	of Directs
D. Total Development Costs	***$12,442,000***	***$276***	***/SF GBA***	**$15,246,000**	**$277**	**/SF GBA**
Per Unit	***$691,000***			**$693,000**		

(1) Estimate, not verified by KMA or City of Encinitas.

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Encinitas_Feasibility Analysis_v6 - Scenario #3A_v4;12/2/2019;sjx

TABLE 6.F-3

ESTIMATE OF RESIDUAL LAND VALUE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

		A	B
		Single-Family Detached - Small Lot (R-11) **Potential Upzone Site - Existing Conditions**	
		Pre-August 2018	
		1 Unit at Very Low for Every 10 Units No Density Bonus	**1 Unit at Very Low for Every 10 Units with Density Bonus**
I. Net Sales Proceeds			
A. Gross Sales Proceeds		*$20,325,000*	*$25,085,000*
B. (Less) Cost of Sale @	4.5% of Value	*($915,000)*	*($1,129,000)*
C. Net Sales Proceeds		*$19,410,000*	*$23,956,000*
II. Residual Land Value			
A. Net Sales Proceeds		*$19,410,000*	*$23,956,000*
B. (Less) Developer Profit @	10.0% of Value	*($2,033,000)*	*($2,509,000)*
C. Warranted Investment		*$17,377,000*	*$21,447,000*
D. (Less) Development Costs		*($12,442,000)*	*($15,246,000)*
E. Residual Land Value		***$4,935,000***	***$6,201,000***
Per Unit		***$274,000***	***$345,000***
Per SF		***$68***	***$85***

Residual Land Value @ 100% Market	$5,872,000
Per Unit	$326,000
Per SF	$81

APPENDIX 7

OFF-SITE COMPLIANCE
ESTIMATE OF AFFORDABLITY GAPS

SUMMARY TABLE

ESTIMATES OF AFFORDABILITY GAP BY INCOME LEVEL/TENURE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	RENTAL					FOR-SALE
	with 4% Tax Credits			without Tax Credits		
	Extremely Low Income 30% of AMI	Very Low Income 50% of AMI	Low Income 60% of AMI	Low Income 70% of AMI	Moderate Income 110% of AMI	Moderate Income 120% AMI
	Stacked Flats over Parking Podium/Subterranean Parking 35 Units 17.5 Units/Acre 70 Spaces	Stacked Flats over Parking Podium/Subterranean Parking 35 Units 17.5 Units/Acre 70 Spaces	Stacked Flats over Parking Podium/Subterranean Parking 35 Units 17.5 Units/Acre 70 Spaces	Stacked Flats over Parking Podium/Subterranean Parking 35 Units 17.5 Units/Acre 70 Spaces	Stacked Flats over Parking Podium/Subterranean Parking 35 Units 17.5 Units/Acre 70 Spaces	Townhome with Attached Garage 39 Units 13.0 Units/Acre 78 Spaces
I. Without Prevailing Wages						
Affordability Gap	($10.4) M	($8.5) M	($7.5) M	($9.8) M	($6.6) M	($7.0) M
A. per Affordable Unit	($298,000)	($243,000)	($215,000)	($280,000)	($189,000)	($180,000)
B. per Market-Rate Unit						
@ 5.0% Inclusionary	($14,900)	($12,150)	($10,750)	($14,000)	($9,450)	($9,000)
@ 10.0% Inclusionary	($29,800)	($24,300)	($21,500)	($28,000)	($18,900)	($18,000)
@ 15.0% Inclusionary	($44,700)	($36,450)	($32,250)	($42,000)	($28,350)	($27,000)
@ 20.0% Inclusionary	($59,600)	($48,600)	($43,000)	($56,000)	($37,800)	($36,000)
@ 25.0% Inclusionary	($74,500)	($60,750)	($53,750)	($70,000)	($47,250)	($45,000)
@ 30.0% Inclusionary	($89,400)	($72,900)	($64,500)	($84,000)	($56,700)	($54,000)
II. With Prevailing Wages						
Affordability Gap	($11.4) M	($9.5) M	($8.5) M	($11.2) M	($8.0) M	($9.8) M
A. per Affordable Unit	($325,000)	($271,000)	($242,000)	($320,000)	($230,000)	($252,000)
B. per Market-Rate Unit						
@ 5.0% Inclusionary	($16,250)	($13,550)	($12,100)	($16,000)	($11,500)	($12,600)
@ 10.0% Inclusionary	($32,500)	($27,100)	($24,200)	($32,000)	($23,000)	($25,200)
@ 15.0% Inclusionary	($48,750)	($40,650)	($36,300)	($48,000)	($34,500)	($37,800)
@ 20.0% Inclusionary	($65,000)	($54,200)	($48,400)	($64,000)	($46,000)	($50,400)
@ 25.0% Inclusionary	($81,250)	($67,750)	($60,500)	($80,000)	($57,500)	($63,000)
@ 30.0% Inclusionary	($97,500)	($81,300)	($72,600)	($96,000)	($69,000)	($75,600)

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Encinitas_Inclusionary_Affordability Gaps for Nexus_v4;12/2/2019;lag

ATTACHMENT 7.A

OFF-SITE COMPLIANCE RENTAL

TABLE 7.A-1

PROJECT DESCRIPTION - OFF-SITE AFFORDABLE HOUSING PROTOTYPE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

I.	**Product Type**	Garden Apartments		
	Construction Type	Type V		
	Tenure	Rental		
II.	**Site Area**	87,120	SF	
		2.0	Acres	
III.	**Number of Stories**	2 - 3	Stories	
IV.	**Unit Mix**			
		# of Units	Unit Size	
	Two Bedroom	35 Units	800 SF	
V.	**Density**	17.5	Units/Acre	
VI.	**Gross Building Area**			
	Residential Net Building Area	28,000	SF	95%
	Building Efficiency (1)	1,500	SF	5%
	Total Gross Building Area (GBA)	29,500	SF	100%
VII.	**Floor Area Ratio (FAR)**	0.34		
VIII.	**Parking**			
	Type	Surface / Carports		
	Number of Parking Spaces	70	Spaces	
	Parking Ratio (Space/Unit) (2)	2.00	Spaces/Unit	

(1) Includes leasing office and community amenities.
(2) Reflects City of Encinitas off-street parking requirements for two bedroom units. Per City of Encinitas Municipal Code, §30.54.030.

Prepared by: Keyser Marston Associates, Inc.
Filename: Encinitas_Inclusionary_Affordability Gaps for Nexus_v4; 12/2/2019;lag

TABLE 7.A-2

ESTIMATED DEVELOPMENT COSTS - WITH TAX CREDITS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	with 4% Tax Credits							
	without Prevailing Wages				with Prevailing Wages			
	Totals	Per Unit		Comments	Totals	Per Unit		Comments
I. Direct Costs								
Off-Site Improvements (1)	$218,000	$6,229	$2.50	Per SF Site	$218,000	$6,229	$2.50	Per SF Site
On-Sites/Landscaping	$871,000	$24,886	$10	Per SF Site	$871,000	$24,886	$10	Per SF Site
Shell Construction	$4,720,000	$134,857	$160	Per SF GBA	$4,720,000	$134,857	$160	Per SF GBA
Parking	$175,000	$5,000	$2,500	/Space	$175,000	$5,000	$2,500	/Space
Amenities/FF&E	$88,000	$2,500		Allowance	$88,000	$2,500		Allowance
Subtotal	$6,072,000	$173,486	$206	Per SF GBA	$6,072,000	$173,486	$206	Per SF GBA
Add: Prevailing Wages	$0	$0	0.0%	of Directs	$1,214,000	$34,686	20.0%	of Directs
Contingency	$304,000	$8,686	5.0%	of Directs	$364,000	$10,400	5.0%	of Directs
Total Direct Costs	$6,376,000	$182,171	$216	Per SF GBA	$7,650,000	$218,571	$259	Per SF GBA
II. Indirect Costs								
Architecture & Engineering	$319,000	$9,114	5.0%	of Directs	$319,000	$9,114	5.0%	of Directs-excl prevailing wages
Permits & Fees (1)	$700,000	$20,000		Allowance	$700,000	$20,000		Allowance
Legal & Accounting	$64,000	$1,829	1.0%	of Directs	$77,000	$2,200	1.0%	of Directs
Taxes & Insurance	$64,000	$1,829	1.0%	of Directs	$77,000	$2,200	1.0%	of Directs
Developer Fee	$1,157,000	$33,057	18.1%	of Directs	$1,351,000	$38,600	17.7%	of Directs
Marketing/Lease-Up	$88,000	$2,500		Allowance	$88,000	$2,500		Allowance
Contingency	$120,000	$3,429	5.0%	of Indirects	$131,000	$3,743	5.0%	of Indirects
Total Indirect Costs	$2,512,000	$71,771	39.4%	of Directs	$2,743,000	$78,371	35.9%	of Directs
III. Financing Costs								
Loan Fees	$436,000	$12,457	6.8%	of Directs	$486,000	$13,886	6.4%	of Directs
Interest During Construction	$164,000	$4,686	2.6%	of Directs	$182,000	$5,200	2.4%	of Directs
Interest During Lease-Up	$121,000	$3,457	1.9%	of Directs	$135,000	$3,857	1.8%	of Directs
TCAC/Syndication Fees	$106,000	$3,029	1.7%	of Directs	$109,000	$3,114	1.4%	of Directs
Operating Lease-Up/Reserves	$100,000	$2,857	1.6%	of Directs	$100,000	$2,857	1.3%	of Directs
Total Financing Costs	$927,000	$26,486	14.5%	of Directs	$1,012,000	$28,914	13.2%	of Directs
IV. Total Development Costs excl. Acquisition	**$9,815,000**	**$280,429**	**$333**	**Per SF GBA**	**$11,405,000**	**$325,857**	**$387**	**Per SF GBA**
V. Acquisition Costs	$4,356,000	$124,457	$50	Per SF Site	$4,356,000	$124,457	$50	Per SF Site
VI. Total Development Costs with Acquisition	**$14,171,000**	**$405,000**	**$480**	**Per SF GBA**	**$15,761,000**	**$450,000**	**$534**	**Per SF GBA**

(1) Estimate. Not verified by KMA or the City.

Prepared by: Keyser Marston Associates, Inc.
Filename: Encinitas_Inclusionary_Affordability Gaps for Nexus_v4; 12/2/2019;lag

TABLE 7.A-3

ESTIMATED DEVELOPMENT COSTS - WITHOUT TAX CREDITS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	without Tax Credits							
	without Prevailing Wages				with Prevailing Wages			
	Totals	Per Unit		Comments	Totals	Per Unit		Comments
I. Direct Costs								
Off-Site Improvements (1)	$218,000	$6,229	$2.50	Per SF Site	$218,000	$6,229	$2.50	Per SF Site
On-Sites/Landscaping	$871,000	$24,886	$10	Per SF Site	$871,000	$24,886	$10	Per SF Site
Shell Construction	$4,720,000	$134,857	$160	Per SF GBA	$4,720,000	$134,857	$160	Per SF GBA
Parking	$175,000	$5,000	$2,500	/Space	$175,000	$5,000	$2,500	/Space
Amenities/FF&E	$88,000	$2,500		Allowance	$88,000	$2,500		Allowance
Subtotal	$6,072,000	$173,486	$206	Per SF GBA	$6,072,000	$173,486	$206	Per SF GBA
Add: Prevailing Wages	$0	$0	0.0%	of Directs	$1,214,000	$34,686	20.0%	of Directs
Contingency	$304,000	$8,686	5.0%	of Directs	$364,000	$10,400	5.0%	of Directs
Total Direct Costs	$6,376,000	$182,171	$216	Per SF GBA	$7,650,000	$218,571	$259	Per SF GBA
II. Indirect Costs								
Architecture & Engineering	$319,000	$9,114	5.0%	of Directs	$319,000	$9,114	5.0%	of Directs-excl prevailing wages
Permits & Fees (1)	$700,000	$20,000		Allowance	$700,000	$20,000		Allowance
Legal & Accounting	$64,000	$1,829	1.0%	of Directs	$77,000	$2,200	1.0%	of Directs
Taxes & Insurance	$64,000	$1,829	1.0%	of Directs	$77,000	$2,200	1.0%	of Directs
Developer Fee	$255,000	$7,286	4.0%	of Directs	$306,000	$8,743	4.0%	of Directs
Marketing/Lease-Up	$88,000	$2,500		Allowance	$88,000	$2,500		Allowance
Contingency	$75,000	$2,143	5.0%	of Indirects	$78,000	$2,229	5.0%	of Indirects
Total Indirect Costs	$1,565,000	$44,714	24.5%	of Directs	$1,645,000	$47,000	21.5%	of Directs
III. Financing Costs								
Loan Fees	$137,000	$3,914	2.1%	of Directs	$160,000	$4,571	2.1%	of Directs
Interest During Construction	$200,000	$5,714	3.1%	of Directs	$234,000	$6,686	3.1%	of Directs
Interest During Lease-Up	$121,000	$3,457	1.9%	of Directs	$135,000	$3,857	1.8%	of Directs
TCAC/Syndication Fees	$0	$0	0.0%	of Directs	$0	$0	0.0%	of Directs
Operating Lease-Up/Reserves	$153,000	$4,371	2.4%	of Directs	$168,000	$4,800	2.2%	of Directs
Total Financing Costs	$611,000	$17,457	9.6%	of Directs	$697,000	$19,914	9.1%	of Directs
IV. Total Development Costs excl. Acquisition	**$8,552,000**	**$244,343**	**$290**	**Per SF GBA**	**$9,992,000**	**$285,486**	**$339**	**Per SF GBA**
V. Acquisition Costs	$4,356,000	$124,457	$50	Per SF Site	$4,356,000	$124,457	$50	Per SF Site
VI. Total Development Costs with Acquisition	**$12,908,000**	**$369,000**	**$438**	**Per SF GBA**	**$14,348,000**	**$410,000**	**$486**	**Per SF GBA**

(1) Estimate. Not verified by KMA or the City.

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Encinitas_Inclusionary_Affordability Gaps for Nexus_v4;12/2/2019;lag

TABLE 7.A-4

OFF-SITE COMPLIANCE
RENTAL

AFFORDABLE RENTS AND STABILIZED NET OPERATING INCOME
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

		with 4% Tax Credits						without 4% Tax Credits			
		Extremely Low Income 30% of AMI		Very Low Income 50% of AMI		Low Income 60% of AMI		Low Income 70% of AMI		Moderate Income 110% of AMI	
I. Affordable Rent - Per Unit											
A. Family Size			3.0		3.0		3.0		3.0		3.0
Number of Bedrooms			2		2		2		2		2
Household Income (1)			$23,295		$38,825		$46,590		$54,355		$85,415
B. Income Allocation to Housing			30%		30%		30%		30%		30%
Monthly Housing Cost			$581		$971		$1,165		$1,359		$2,135
(Less) Utility Allowance (2)			($99)		($99)		($99)		($99)		($99)
C. **Maximum Monthly Rent**			**$482**		**$872**		**$1,066**		**$1,260**		**$2,036**
		Total	**Per Unit**	**Total**	**Per Unit**	**Total**	**Per Unit**	**Total**	**Per Unit**	**Total**	**Per Unit**
II. Stabilized Net Operating Income (NOI)											
Units		35	1	35	1	35	1	35	1	35	1
Gross Scheduled Income (GSI)											
Monthly		$16,870	$482	$30,507	$872	$37,301	$1,066	$44,096	$1,260	$71,273	$2,036
Annual		$202,000	$5,771	$366,000	$10,457	$448,000	$12,800	$529,000	$15,114	$855,000	$24,429
Other Income	$25	$10,500	$300	$10,500	$300	$10,500	$300	$10,500	$300	$10,500	$300
(Less) Vacancy	5.0%	($10,000)	($286)	($18,000)	($514)	($22,000)	($629)	($26,000)	($743)	($43,000)	($1,229)
Effective Gross Income (EGI)		$202,500	$5,786	$358,500	$10,243	$436,500	$12,471	$513,500	$14,671	$822,500	$23,500
(Less) Operating Expenses (3)		($208,000)	($5,950)	($208,000)	($5,950)	($208,000)	($5,950)	($208,000)	($5,943)	($208,000)	($5,943)
(Less) Property Taxes (4)		$0	$0	$0	$0	$0	$0	($59,000)	($1,686)	($120,000)	($3,429)
III. Net Operating Income (NOI)		**($5,500)**	**($164)**	**$150,500**	**$4,293**	**$228,500**	**$6,521**	**$246,500**	**$7,043**	**$494,500**	**$14,129**

(1) Reflects the lesser of California Department of Housing Community Development (HCD) or California Tax Credit Allocation Committee 2019 Income Limits.

(2) Source: City of Encinitas, Housing Authority utility allowances issued July 1, 2019.
Assumed utility allowance profile for a two bedroom unit is as follows:

Gas Heat	$5
Gas Cooking	$3
Gas Water Heater	$11
Other Electric	$30
Water & Sewer	$40
Trash	$10
Total Utilities	$99

(3) Includes operating expenses ($5,500/per unit), replacement reserves ($300/per unit), and monitoring fee ($150/per unit).

(4) Assumes development is tax-exempt based on a partnership with a non-profit developer.

Prepared by: Keyser Marston Associates, Inc.
Filename: Encinitas_Inclusionary_Affordability Gaps for Nexus_v4;12/2/2019;lag

TABLE 7.A-5

ESTIMATED AFFORDABILITY GAP
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	with 4% Tax Credits						without 4% Tax Credits			
	Extremely Low Income 30% AMI		Very Low Income 50% AMI		Low Income 60% AMI		Low Income 70% of AMI		Moderate Income 110% of AMI	
	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit
I. Without Prevailing Wages										
A. Sources of Funds										
Supportable Permanent Loan	$0	$0	$1,920,000	$55,000	$2,916,000	$83,000	$2,814,000	$80,000	$5,669,000	$162,000
Tax Credit Equity Investment	$3,743,000	$107,000	$3,743,000	$107,000	$3,743,000	$107,000	$0	$0	$0	$0
Developer Equity Investment	$0	$0	$0	$0	$0	$0	$320,217	$9,000	$645,000	$18,000
Deferred Developer Fee	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Sources of Funds	$3,743,000	$107,000	$5,663,000	$162,000	$6,659,000	$190,000	$3,134,217	$89,000	$6,314,000	$180,000
B. (Less) Total Development Costs	($14,171,000)	($405,000)	($14,171,000)	($405,000)	($14,171,000)	($405,000)	($12,908,000)	($369,000)	($12,908,000)	($369,000)
C. Affordability Gap	**($10,428,000)**	**($298,000)**	**($8,508,000)**	**($243,000)**	**($7,512,000)**	**($215,000)**	**($9,773,783)**	**($280,000)**	**($6,594,000)**	**($189,000)**

	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit
II. With Prevailing Wages										
A. Sources of Funds										
Supportable Permanent Loan	$0	$0	$1,920,000	$55,000	$2,916,000	$83,000	$2,814,000	$80,000	$5,669,000	$162,000
Tax Credit Equity Investment	$4,373,000	$125,000	$4,373,000	$125,000	$4,373,000	$125,000	$0	$0	$0	$0
Developer Equity Investment	$0	$0	$0	$0	$0	$0	$320,217	$9,000	$645,000	$18,000
Deferred Developer Fee	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Sources of Funds	$4,373,000	$125,000	$6,293,000	$180,000	$7,289,000	$208,000	$3,134,217	$89,000	$6,314,000	$180,000
B. (Less) Total Development Costs	($15,761,000)	($450,000)	($15,761,000)	($450,000)	($15,761,000)	($450,000)	($14,348,000)	($410,000)	($14,348,000)	($410,000)
C. Affordability Gap	**($11,388,000)**	**($325,000)**	**($9,468,000)**	**($271,000)**	**($8,472,000)**	**($242,000)**	**($11,213,783)**	**($320,000)**	**($8,034,000)**	**($230,000)**

Prepared by: Keyser Marston Associates, Inc.
Filename: Encinitas_Inclusionary_Affordability Gaps for Nexus_v4; 12/2/2019;lag

ATTACHMENT 7.B

OFF-SITE COMPLIANCE
FOR-SALE

TABLE 7.B-1

PROJECT DESCRIPTION - OFF-SITE AFFORDABLE HOUSING PROTOTYPE
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

I.	**Product Type**		Townhome	
	Construction Type		Type V	
	Tenure		For-Sale	
II.	**Site Area**		130,680 SF	
			3.0 Acres	
III.	**Number of Stories**		2 Stories over parking	
IV.	**Unit Mix**			
		# of Units	Unit Size	
	Three Bedroom	39 Units	1,500 SF	
V.	**Density**		13.0 Units/Acre	
VI.	**Gross Building Area**			
	Residential Net Building Area		58,500 SF	100%
	Building Efficiency		0 SF	0%
	Total Gross Building Area (GBA)		58,500 SF	100%
VII.	**Floor Area Ratio (FAR)**		0.45	
VIII.	**Parking**			
	Type		Attached Garage	
	Number of Parking Spaces		78 Spaces	
	Parking Ratio (Space/Unit)		2.00 Spaces/Unit	

TABLE 7.B-2

ESTIMATED DEVELOPMENT COSTS
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

	without Prevailing Wages				with Prevailing Wages			
	Totals	Per Unit		Comments	Totals	Per Unit		Comments
I. Direct Costs								
Off-Site Improvements (1)	$327,000	$8,385	$2.50	Per SF Site	$327,000	$8,385	$2.50	Per SF Site
On-Sites/Landscaping	$1,634,000	$41,897	$12.50	Per SF Site	$1,634,000	$41,897	$12.50	Per SF Site
Shell Construction	$9,360,000	$240,000	$160	Per SF GBA	$9,360,000	$240,000	$160	Per SF GBA
Parking	$0	$0	$0	/Space	$0	$0	$0	/Space
Amenities/FF&E	$78,000	$2,000		Allowance	$78,000	$2,000		Allowance
Subtotal	$11,399,000	$292,282	$195	Per SF GBA	$11,399,000	$292,282	$195	Per SF GBA
Add: Prevailing Wages	$0	$0	0.0%	of Directs	$2,280,000	$58,462	20.0%	of Directs
Contingency	$570,000	$14,615	5.0%	of Directs	$684,000	$17,538	5.0%	of Directs
Total Direct Costs	$11,969,000	$306,897	$205	Per SF GBA	$14,363,000	$368,282	$246	Per SF GBA
II. Indirect Costs								
Architecture & Engineering	$598,000	$15,333	5.0%	of Directs	$718,000	$18,410	5.0%	of Directs-excl prevailing wages
Permits & Fees (1)	$780,000	$20,000		Allowance	$780,000	$20,000		Allowance
Legal & Accounting	$120,000	$3,077	1.0%	of Directs	$144,000	$3,692	1.0%	of Directs
Taxes & Insurance	$120,000	$3,077	1.0%	of Directs	$144,000	$3,692	1.0%	of Directs
Developer Fee	$479,000	$12,282	4.0%	of Directs	$575,000	$14,744	4.0%	of Directs
Marketing/Sales	$117,000	$3,000		Allowance	$117,000	$3,000		Allowance
Contingency	$111,000	$2,846	5.0%	of Indirects	$124,000	$3,179	5.0%	of Indirects
Total Indirect Costs	$2,325,000	$59,615	19.4%	of Directs	$2,602,000	$66,718	18.1%	of Directs
III. Financing Costs								
Loan Fees	$241,000	$6,179	2.0%	of Directs	$286,000	$7,333	2.0%	of Directs
Interest During Construction	$352,000	$9,026	2.9%	of Directs	$418,000	$10,718	2.9%	of Directs
Interest During Sales	$157,000	$4,026	1.3%	of Directs	$186,000	$4,769	1.3%	of Directs
HOA Dues on Unsold Units	$19,000	$487	0.2%	of Directs	$19,000	$487	0.1%	of Directs
Total Financing Costs	$769,000	$19,718	6.4%	of Directs	$909,000	$23,308	6.3%	of Directs
IV. Total Development Costs excl. Acquisition	**$15,063,000**	**$386,231**	**$257**	**Per SF GBA**	**$17,874,000**	**$458,308**	**$306**	**Per SF GBA**
V. Acquisition Costs	$6,534,000	$167,538	$50	Per SF Site	$6,534,000	$167,538	$50	Per SF Site
VI. Total Development Costs with Acquisition	**$21,597,000**	**$554,000**	**$369**	**Per SF GBA**	**$24,408,000**	**$626,000**	**$417**	**Per SF GBA**

(1) Estimate. Not verified by KMA or the City.

Prepared by: Keyser Marston Associates, Inc.

Filename: Encinitas_Inclusionary_Affordability Gaps for Nexus_v4; 12/2/2019;lag

TABLE 7.B-3

OFF-SITE COMPLIANCE
FOR-SALE

AFFORDABLE SALES PRICES
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

			Moderate Income 120% of AMI	
I.	**Affordable Sales Price - Per Unit**			
	A. Family Size			4.0
	Number of Bedrooms			3
	Household Income (1)			$94,930
	B. Income Allocation to Housing			35%
	Amount Available for Housing			$33,226
	C. Annual HOA (2)	$200 /Month		$2,400
	Annual Utilities (3)			$1,428
	Tax Rate			1.09%
	Annual Taxes (4)			$4,665
	D. Available for Mortgage			$24,732
	E. Interest Rate			4.5%
	Down payment			5.0%
	Supportable Mortgage			$406,766
	Add: Down Payment			$21,400
	C. **Maximum Unit Price (Rounded)**			**$428,000**
			Total	**Per Unit**
II.	**Sales Proceeds**			
	A. Units		39	1
	B. Gross Sales Proceeds		$16,692,000	$428,000
	C. (Less) Cost of Sale @	3.0% of Value	($501,000)	($12,846)
III.	**Net Sales Proceeds**		**$16,191,000**	**$415,000**

(1) Source: U.S. Department of Housing and Urban Development 2018 Income Limits.
(2) Allowance for structure insurance, maintenance, and reserves.
(3) Source: City of Encinitas, Housing Authority utility allowances issued July 1, 2018. Assumed utility allowance profile for a three bedroom unit is as follows:

Gas Heat	$6
Gas Cooking	$4
Gas Water Heater	$13
Other Electric	$37
Water & Sewer	$47
Trash	$12
Total Utilities	$119

(4) Based on affordable unit price. Property tax assessment may be based on market value of actual unit.

Prepared by: Keyser Marston Associates, Inc.
Filename: Encinitas_Inclusionary_Affordability Gaps for Nexus_v4;12/2/2019;lag

TABLE 7.B-4

ESTIMATED AFFORDABILITY GAP
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

		Moderate Income 120% of AMI	
		Total	**Per Unit**
I. Without Prevailing Wages			
A. Net Sales Proceeds		$16,191,000	$415,000
B. (Less) Developer Profit	10% of Value	($1,619,000)	($42,000)
C. Warranted Investment		$14,572,000	$374,000
D. (Less) Total Development Costs		($21,597,000)	($554,000)
E. Affordability Gap		**($7,025,000)**	**($180,000)**

		Total	Per Unit
II. With Prevailing Wages			
A. Net Sales Proceeds		$16,191,000	$415,000
B. (Less) Developer Profit	10% of Value	($1,619,000)	($42,000)
C. Warranted Investment		$14,572,000	$374,000
D. (Less) Total Development Costs		($24,408,000)	($626,000)
E. Affordability Gap		**($9,836,000)**	**($252,000)**

Prepared by: Keyser Marston Associates, Inc.
Filename: Encinitas_Inclusionary_Affordability Gaps for Nexus_v4; 12/2/2019;lag

APPENDIX 8

SUPPORTING MARKETING RESEARCH

Inclusionary Housing Economic Analysis
City of Encinitas

Keyser Marston Associates, Inc.

Table of Contents

Residential

Comparable Detached Home Sales, Carlsbad, and Encinitas	Table 8.1
Comparable Townhome Sales, Carlsbad, and Encinitas	Table 8.2
Comparable Apartment Building Sales, San Diego County	Table 8.3
Comparable Apartment Building Sales, San Diego North County	Table 8.4
Survey of Capitalization Rates, San Diego County	Table 8.5
Survey of Apartment Market Rents, Encinitas, June 2019 - One Bedroom	Table 8.6A
Survey of Apartment Market Rents, Encinitas, June 2019 - Two Bedroom	Table 8.6B
Survey of Apartment Market Rents, Carlsbad, June 2019 - One Bedroom	Table 8.7A
Survey of Apartment Market Rents, Carlsbad, June 2019 - Two Bedroom	Table 8.7B
Survey of Apartment Market Rents, Carlsbad, June 2019 - Three Bedroom	Table 8.7C
Comparable Detached Home Sales, 3,250 - 5,000 SF, Carlsbad and Encinitas	Table 8.8
Comparable Detached Home Sales, 2,500 - 4,000 SF, Carlsbad and Encinitas	Table 8.9
Comparable Detached Home Sales, 1,200 - 3,000 SF, Carlsbad and Encinitas	Table 8.10
Comparable Detached Home Sales (2,000 SF or less) Carlsbad and Encinitas	Table 8.11
Comparable Attached Home Sales (1,500 SF or less) Carlsbad and Encinitas	Table 8.12

Commercial

Retail Space Rental Listings, Carlsbad, Encinitas, and Solana Beach, June 2019	Table 8.13
Office Space Rental Listings, Encinitas, June 2019	Table 8.14
Office Space Rental Listings, Carlsbad, July 2019	Table 8.15
Office Space Rental Listings, Solana Beach, July 2019	Table 8.16
Comparable Retail Building Sales, Carlsbad, Encinitas, and Solana Beach	Table 8.17
Comparable Office Building Sales, Carlsbad, Encinitas, and Solana Beach	Table 8.18

Land Sales

Comparable Residential Land Sales, Carlsbad, Encinitas, and Solana Beach	Table 8.19
Comparable Non-Residential Land Sales, Carlsbad, Encinitas, and Solana Beach	Table 8.20
Comparable Hotel Land Sales, San Diego County	Table 8.21

TABLE 8.1

COMPARABLE DETACHED HOME SALES, CARLSBAD, AND ENCINITAS (1) (2)
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Sale Date	Property Address	Sales Price	SF	$/SF	Bedroom	Bathroom	Year Built
04/08/19	929 Neptune Ave.	$5,350,000	3,463	$1,545	4	3	2013
03/21/19	316 S Rios	$8,250,000	5,436	$1,518	4	4	2019
04/04/19	237 La Mesa Ave	$2,420,000	2,400	$1,008	4	4	2019
03/05/19	363 Andrew Avenue	$3,575,000	3,717	$962	5	3	2018
04/08/19	2028 Edinburg Ave	$2,555,435	2,701	$946	4	3	2019
04/02/19	1332 Rubenstein Avenue	$5,900,000	6,300	$937	6	6	2019
03/15/19	1114 Crest Drive	$3,000,000	3,346	$897	4	4	2018
03/26/19	698 Calypso Pl	$1,530,000	2,162	$708	3	2	2012
05/28/19	356 Fulvia St	$2,063,366	3,013	$685	3	3	2019
06/18/19	199 Stonesteps Way	$1,900,000	3,041	$625	5	5	2015
05/17/19	1520 Halia Court	$1,810,000	2,898	$625	4	3	2013
06/13/19	1505 Halia Ct	$1,845,000	2,983	$619	4	3	2012
06/14/19	374 Fulvia St	$2,342,000	3,798	$617	5	4	2019
02/28/19	1516 Halia Ct	$1,950,000	3,372	$578	4	4	2013
03/07/19	810 Hygeia	$1,720,000	3,091	$556	4	4	2018
03/27/19	1133 Laurel Cove Ln	$1,122,023	2,030	$553	3	3	2019
02/15/19	746 Devonshire	$1,410,000	2,600	$542	4	3	2018
03/13/19	1131 Laurel Cove Ln	$1,454,462	2,705	$538	4	3	2019
05/24/19	1129 Laurel Cove Ln	$1,409,000	2,705	$521	5	3	2019
03/13/19	1117 Laurel Cove Ln	$1,467,000	2,905	$505	5	3	2019
06/21/19	1125 Laurel Cove Ln	$1,470,000	2,920	$503	5	4	2019
02/28/19	6682 Peregrine Place	$1,560,000	3,142	$496	5	4	2018
02/20/19	185 Pacific View Lane	$1,642,000	3,319	$495	5	4	2018
01/03/19	3111 Afton Way	$1,434,060	2,934	$489	4	3	2018
04/29/19	3840 Rancho Summit	$2,200,000	4,666	$471	4	4	2018
06/27/19	3461 Trailblazer	$1,020,000	2,165	$471	3	3	2016
04/12/19	1440 MacKinnon Ave	$1,150,000	2,499	$460	5	3	2019
04/08/19	6603 Peregrine Place 6	$1,435,153	3,142	$457	5	4	2018
03/01/19	4718 Chase Court	$1,925,000	4,407	$437	5	5	2016
04/19/19	4730 Chase Court	$1,278,873	2,961	$432	3	3	2018
04/22/19	3635 Summit Trail Ct	$741,000	1,753	$423	3	2	2010
04/25/19	748 Rancho Santa Fe Rd	$1,585,000	3,751	$423	5	4	2017
04/03/19	6625 Peregrine Place 5	$1,406,112	3,348	$420	5	4	2018
04/25/19	6640 Hollyleaf Ct	$859,000	2,046	$420	3	2	2012
06/18/19	6856 Estrella De Mar Rd	$1,150,000	2,745	$419	4	3	2010
05/24/19	6420 Cinnabar Way	$875,000	2,105	$416	4	3	2010
05/20/19	4818 Nelson Ct	$976,000	2,357	$414	3	3	2017
04/30/19	6920 Corte Langosta	$1,805,000	4,374	$413	5	4	2010
01/09/19	3612 Alander Ct	$1,215,000	3,003	$405	4	4	2015
03/18/19	6659 Peregrine Place	$1,269,665	3,142	$404	5	4	2018
06/26/19	3617 Buck Ridge Ave	$1,199,888	3,003	$400	5	4	2014
03/18/19	6671 Peregrine Place	$1,336,451	3,348	$399	5	4	2018
06/07/19	3671 Glen Ave	$760,000	1,904	$399	4	2	2011
05/06/19	7491 Esfera Street	$1,880,000	4,720	$398	6	4	2015
04/17/19	2887 Crest Drive	$1,301,419	3,272	$398	4	4	2018
04/19/19	4835 La Paz Ct	$1,175,000	2,965	$396	5	4	2016
01/15/19	2402 Trona Way	$787,000	1,989	$396	3	3	2011
01/16/19	3849 Rancho Summit	$1,615,000	4,120	$392	4	4	2018
04/10/19	6925 Corte Langosta	$1,900,000	4,873	$390	5	5	2010
04/25/19	7481 Esfera	$1,600,000	4,163	$384	6	5	2015
03/29/19	3446 Filoli Circle	$775,000	2,028	$382	3	3	2011
04/22/19	3581 Summit Trail Court	$782,500	2,052	$381	4	3	2012

Source: Redfin.com

TABLE 8.1

COMPARABLE DETACHED HOME SALES, CARLSBAD, AND ENCINITAS (1) (2)
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Sale Date	Property Address	Sales Price	SF	$/SF	Bedroom	Bathroom	Year Built
05/17/19	3644 Summit Trail Ct	$775,000	2,053	$377	4	3	2010
04/08/19	1880 McCauley Lane	$1,424,969	3,782	$377	5	5	2018
04/08/19	1429 Enclave Court	$1,893,900	5,068	$374	4	4	2018
02/22/19	7137 Sitio Corazon	$1,250,000	3,352	$373	5	5	2012
06/03/19	7152 Sitio Corazon	$1,170,000	3,139	$373	5	4	2012
01/07/19	3622 Glen Ave	$1,268,000	3,402	$373	4	4	2013
06/10/19	7314 Calle Pera	$1,420,000	3,822	$372	5	5	2014
04/12/19	7013 Sitio Frontera	$1,275,000	3,454	$369	5	3	2013
02/14/19	3430 Filoli Cir	$745,000	2,025	$368	3	3	2011
01/04/19	7326 Calle Pera	$1,430,000	3,926	$364	6	5	2014
03/22/19	2319 Kyanite Pl	$1,665,000	4,601	$362	7	4	2010
06/05/19	7161 Sitio Corazon	$1,210,000	3,352	$361	4	5	2012
06/14/19	3363 Corte Panorama	$1,260,000	3,511	$359	5	4	2010
05/24/19	3453 Corte Altura	$1,229,000	3,438	$357	5	4	2010
04/30/19	3423 Corte Panorama	$1,025,000	2,889	$355	5	3	2011
01/31/19	7063 Sitio Caliente	$1,260,000	3,563	$354	5	4	2012
06/20/19	1089 Primrose Lane	$901,000	2,552	$353	5	3	2014
06/20/19	3445 Corte Panorama	$1,019,000	2,889	$353	5	3	2011
01/07/19	3242 Sitio Avellana	$1,249,900	3,571	$350	4	3	2010
04/09/19	4744 Kentner Court	$1,350,000	3,878	$348	4	4	2019
06/10/19	3781 Glen Ave	$949,995	2,730	$348	4	3	2012
02/14/19	3433 Corte Altura	$1,280,000	3,688	$347	5	4	2010
03/06/19	3760 Bergen Peak Pl	$943,000	2,730	$345	4	3	2013
05/30/19	3103 Afton Way	$1,318,466	3,826	$345	7	4	2019
05/29/19	3235 Sitio Avellana	$1,220,000	3,571	$342	4	4	2010
05/10/19	3418 Filoli Cir	$822,500	2,411	$341	4	3	2010
05/08/19	3084 Marron Road Lot 29	$824,557	2,420	$341	4	3	2019
03/18/19	4725 Kentner Court	$1,500,000	4,407	$340	5	5	2018
05/23/19	3737 Bergen Peak Pl	$1,075,000	3,160	$340	5	3	2013
01/04/19	3517 Buck Ridge Ave	$1,020,000	3,036	$336	5	2	2012
01/16/19	6645 Brookite Ct	$1,050,000	3,175	$331	5	4	2011
03/12/19	3252 Sitio Tortuga	$1,180,000	3,571	$330	5	3	2011
04/15/19	4711 Chase Court	$1,498,848	4,686	$320	5	5	2018
01/31/19	3614 Buck Ridge Ave	$1,060,000	3,402	$312	5	4	2014
02/12/19	4394 Yuki Lane	$1,000,000	3,552	$282	4	3	2018
01/31/19	4916 Park Court	$995,000	4,000	$249	5	3	2016
	Minimum	$741,000	1,753	$249	3	2	2010
	Maximum	$8,250,000	6,300	$1,545	7	6	2019
	Median	$1,290,710	3,151	$398	5	4	2015
	Average	$1,565,233	3,256	$473	4	4	2015

(1) Survey reflects sales from January 2019 to present.

(2) Excludes detached homes built before 2010.

Source: Redfin.com

TABLE 8.2

COMPARABLE TOWNHOME SALES, CARLSBAD, AND ENCINITAS (1) (2)
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Sale Date	Property Address	Sales Price	SF	$/SF	Bedroom	Bathroom	Year Built
03/08/19	3722 Carlsbad	$2,300,000	2,101	$1,095	4	2	2009
05/28/19	2331 Cambridge Ave	$1,866,969	2,214	$843	3	4	2019
03/15/19	2319 Cambridge Ave	$1,759,939	2,220	$793	3	4	2018
01/08/19	175 Maple Avenue #4	$970,000	1,370	$708	2	2	2000
04/02/19	1334 Statice Ct.	$600,000	1,207	$497	3	2	2000
03/22/19	1306 Statice Ct	$590,000	1,207	$489	3	2	2000
01/11/19	7465 Mermaid	$1,055,000	2,225	$474	3	2	2002
04/12/19	3083 Via Maximo	$635,000	1,406	$452	3	2	2002
05/07/19	1611 Fairlead Ave	$668,000	1,500	$445	3	2	2014
03/12/19	7612 Camino Abierto	$1,050,000	2,419	$434	4	2	2010
04/15/19	3677 Jetty Pt	$600,000	1,390	$432	3	2	2005
04/22/19	6444 Alexandri	$560,000	1,316	$426	2	2	2002
01/29/19	3065 Via Maximo	$642,000	1,538	$417	3	2	2002
01/07/19	6336 Alexandri Circle	$665,000	1,604	$415	3	3	2001
04/02/19	4029 Peninsula Drive	$623,000	1,509	$413	3	2	2005
01/04/19	6932 Tourmaline Place	$665,000	1,615	$412	2	2	2011
02/21/19	3110 Simba Way	$653,990	1,610	$406	3	2	2018
03/08/19	6944 Brass Pl	$700,000	1,730	$405	3	2	2010
04/15/19	4109 Peninsula	$610,000	1,509	$404	3	2	2006
04/22/19	4030 Backshore	$610,000	1,509	$404	3	2	2005
06/13/19	4115 Peninsula Drive	$539,000	1,341	$402	2	2	2006
04/11/19	6476 Corte La Luz	$617,000	1,538	$401	3	2	2002
03/25/19	6232 Via Trato	$518,000	1,292	$401	4	3	2002
03/22/19	4092 Karst Rd	$525,000	1,341	$391	3	2	2006
01/25/19	4023 Peninsula	$523,000	1,341	$390	3	2	2005
03/26/19	7570 Gibraltar St 102	$865,000	2,223	$389	4	3	2017
06/17/19	4078 Karst Road	$519,900	1,341	$388	2	2	2006
04/12/19	4117 Peninsula Drive	$546,000	1,411	$387	3	2	2006
01/03/19	6295 Citracado Circle	$527,500	1,367	$386	3	2	2002
05/06/19	6227 Via Trato	$459,000	1,201	$382	3	2	2002
01/02/19	4026 Peninsula Dr	$512,500	1,341	$382	3	2	2005
01/04/19	6136 Paseo Granito	$435,000	1,140	$382	3	2	2002
03/29/19	3121 Nala Way	$578,357	1,533	$377	3	2	2018
01/25/19	6611 Santa Isabel street 105	$649,000	1,727	$376	3	2	2002
05/10/19	7558 Romeria St.	$690,000	1,841	$375	3	2	2003
02/04/19	3102 Simba Way	$676,207	1,843	$367	4	2	2018
06/21/19	3131 Asto Place	$605,000	1,681	$360	3	2	2017
03/20/19	3178 Via Iris	$805,000	2,300	$350	3	2	2011
03/20/19	4073 Aidan Circle	$975,000	2,800	$348	4	2	2008
01/24/19	6575 Daylily Drive	$600,000	1,743	$344	4	2	2000
05/02/19	6080 Citracado Cir	$450,000	1,322	$340	2	2	2001
05/16/19	6982 Mercury Pl	$740,000	2,216	$334	4	3	2012
05/16/19	6905 Tourmaline Place	$665,000	2,216	$300	4	2	2010
	Minimum	$435,000	1,140	$300	2	2	2000
	Maximum	$2,300,000	2,800	$1,095	4	4	2019
	Median	$623,000	1,533	$401	3	2	2005
	Average	$740,567	1,658	$440	3	2	2007

(1) Survey reflects sales from January 2019 to present.

(2) Excludes townhomes built before 2000.

Source: Redfin.com

Prepared by: Keyser Marston Associates, Inc.
Filename: i:/Encinitas_Feasibility Analysis_v7 - Market Research;12/2/2019;sjx

TABLE 8.3

COMPARABLE APARTMENT BUILDING SALES, SAN DIEGO COUNTY (1) (2) (3)
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Sale Date	Address	City	Units	Sale Price	Acres	Gross Building Area (SF)	$/Unit	Units/ Acre	$/SF GBA	Cap Rate	Year Built	Buyer
10/01/18	5541 Lindo Paseo	San Diego	8	$6,000,000	0.17	11,250	$750,000	48	$533	5.0%	2018	The Warmington Group Of Companies
03/29/18	1134-1148 Fresno St	San Diego	6	$4,350,000	0.25	11,597	$725,000	24	$375	4.3%	2017	Harold L Tilbury
02/11/19	4142 Adams Ave	San Diego	34	$22,650,000	0.78	46,810	$666,176	44	$484	4.5%	2014	Fayette Keulen
01/19/17	5968-5978 Lauretta St	San Diego	6	$3,950,000	0.18	9,095	$658,333	34	$434	4.4%	2016	Gongen Gu
02/08/17	440 Upas St	San Diego	25	$14,750,000	0.21	32,545	$590,000	119	$453	3.8%	2014	Danube Properties, Inc.
06/15/18	3265-3285 5th Ave	San Diego	25	$14,500,000	0.35	45,280	$580,000	71	$320	3.0%	2008	Next Space Development
02/08/19	4045 30th St	San Diego	10	$5,700,000	0.16	10,320	$570,000	63	$552	5.3%	2017	Fayette Keulen
11/17/17	10500 W Ocean Air Dr	San Diego	100	$55,000,000	9.98	134,013	$550,000	10	$410	-	2015	R & V Management Corp
07/17/18	1907 Columbia St	San Diego	40	$21,276,000	0.11	40,974	$531,900	364	$519	4.1%	2012	Property West Residential
02/22/18	4319 Mississippi St	San Diego	21	$10,700,000	0.16	15,190	$509,524	131	$704	-	2017	The Hwang Family Living Trust
01/05/18	2143 2nd Ave	San Diego	4	$2,020,000	0.11	3,597	$505,000	35	$562	4.5%	2017	Daniel Contreras Tirado
08/10/18	8707-8747 Fletcher Pky	La Mesa	297	$149,500,000	3.74	615,000	$503,367	79	$243	-	2010	TruAmerica Multifamily, Inc.
05/24/18	1036-1042 Fern Ave	Imperial Beach	4	$1,975,000	0.23	6,400	$493,750	17	$309	-	2018	Paul W Plotts
02/28/19	5080 Camino Del Arroyo	San Diego	305	$140,000,000	5.38	250,000	$459,016	57	$560	-	2018	R&V Management
06/26/17	4021 8th Ave	San Diego	36	$16,500,000	0.35	30,232	$458,333	102	$546	3.7%	2016	Carolyn A Kutzke Trust
09/12/17	7394 La Mesita Pl	La Mesa	13	$5,925,000	0.47	20,904	$455,769	28	$283	5.4%	2017	Gregory Noel
07/14/17	1100 Garden View Rd	Encinitas	120	$53,000,000	4.77	160,000	$441,667	25	$331	-	2002	Property West Residential
10/26/18	7084-7148 Friars Rd	San Diego	161	$70,750,000	6.50	176,133	$439,441	25	$402	-	2008	R.W. Selby & Company, Inc.
05/01/17	5945 Linda Vista Rd	San Diego	533	$232,000,000	13.12	1,113,670	$435,272	41	$208	4.3%	2013	American Assets Trust, Inc.
07/31/17	325 Robinson Ave	San Diego	7	$3,000,000	0.11	8,539	$428,571	61	$351	-	2017	Walter E Haase Trust
07/31/17	4050-4052 32nd St	San Diego	6	$2,450,000	0.16	5,745	$408,333	37	$426	-	2008	Lai M Family Trust & Sylvia A T Wong Lai M
01/18/17	4642-4644 Boundary St	San Diego	4	$1,620,000	0.10	3,450	$405,000	40	$470	4.0%	2016	Four Winds Group, Inc
04/30/19	4440 Twain Ave	San Diego	374	$149,000,000	12.00	441,000	$398,396	31	$338	-	2018	R&V Management
09/12/17	8583 Aero Dr	San Diego	360	$136,500,000	7.52	720,000	$379,167	48	$190	-	2015	Olympus Property
04/22/19	428-448 Emerald Ave	El Cajon	6	$2,230,000	0.41	10,200	$371,667	15	$219	-	2018	BR Development, Inc.
06/04/18	1850 Thibodo Rd	Vista	314	$115,000,000	21.13	300,952	$366,242	15	$382	4.0%	2005	Pacific Urban Residential
01/30/18	4068-4072 51st St	San Diego	5	$1,800,000	0.53	6,200	$360,000	9	$290	5.8%	2017	
02/23/17	320 W Ash St	San Diego	24	$8,575,000	0.16	17,061	$357,292	152	$503	3.5%	2003	Robert Miller
02/14/19	5025 Collwood Blvd	San Diego	263	$92,500,000	6.79	250,896	$351,711	39	$369	4.5%	2010	Cardinal Group Investments, LLC
06/12/18	8798 Spectrum Center Blvd	San Diego	381	$132,500,000	5.93	363,858	$347,769	64	$364	4.0%	2012	Magnolia Capital
10/11/18	1045 Armorlite Dr	San Marcos	416	$141,500,000	12.00	420,000	$340,144	35	$337	-	2017	MG Properties Group
03/28/18	779-789 Ada St	Chula Vista	8	$2,700,000	0.86	9,952	$337,500	9	$271	3.9%	2000	Isaii & Clarissa Guerrero
12/19/17	1245 Morning View Dr	Escondido	102	$34,250,000	8.47	97,728	$335,784	12	$350	-	2000	Crown Capital
06/15/18	3865 Main St	Chula Vista	97	$32,450,000	4.68	75,000	$334,536	21	$433	-	2018	Providence Capital Group, Inc.
06/15/17	1401 N Melrose Dr	Vista	410	$134,000,000	20.00	403,790	$326,829	21	$332	4.7%	2015	MG Properties Group
10/24/17	8811 Spectrum Center Blvd	San Diego	448	$140,000,000	18.10	421,828	$312,500	25	$332	5.5%	2002	Prime Group
02/15/18	232 Del Mar Ave	Chula Vista	4	$1,200,000	0.14	5,198	$300,000	29	$231	3.2%	2011	Jeffrey E Ricks
05/22/19	514 N Vine St	Fallbrook	6	$1,752,500	0.40	4,570	$292,083	15	$383	5.4%	2019	David & Carolyn Yu
02/10/17	4028 46th St	San Diego	4	$1,165,000	0.14	4,736	$291,250	29	$246	3.6%	2005	Kyung Koh

Source: CoStar, Inc.

Prepared by: Keyser Marston Associates, Inc.
Filename: i:/Encinitas_Feasibility Analysis_v7 - Market Research;12/2/2019;sjx

TABLE 8.3

COMPARABLE APARTMENT BUILDING SALES, SAN DIEGO COUNTY (1) (2) (3)
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Sale Date	Address	City	Units	Sale Price	Acres	Gross Building Area (SF)	$/Unit	Units/ Acre	$/SF GBA	Cap Rate	Year Built	Buyer
03/27/18	4353 Dawson Ave	San Diego	5	$1,430,000	0.24	4,538	$286,000	21	$315	3.5%	2016	L A Press
04/03/17	228-238 Palm Ave	National City	6	$1,685,000	0.41	8,888	$280,833	15	$190	-	2007	H & K Kachi Inc
01/31/19	453 13th St	San Diego	172	$46,600,000	0.69	87,096	$270,930	250	$535	-	2004	Ideal Capital Group
04/15/19	3659-3661 S Bonita St	Spring Valley	6	$1,500,000	0.28	7,260	$250,000	21	$207	4.6%	2008	Robin Richmond
		Minimum	4	$1,165,000	0.10	3,450	$250,000	$9	$190	3.0%	2000	
		Maximum	533	$232,000,000	21.13	1,113,670	$750,000	$364	$704	5.8%	2019	
		Median	25	$14,500,000	0.41	30,232	$405,000	$34	$364	4.3%	2015	
		Average	120	$46,882,640	3.91	149,105	$429,188	$54	$379	4.3%	2012	

(1) Survey reflects sales from January 2017 to present.
(2) Excludes apartment buildings built before 2000.
(3) Includes sales priced $250,000/unit or greater.

Source: CoStar, Inc.

Prepared by: Keyser Marston Associates, Inc.
Filename: i:/Encinitas_Feasibility Analysis_v7 - Market Research;12/2/2019;sjx

TABLE 8.4

COMPARABLE APARTMENT BUILDING SALES, SAN DIEGO NORTH COUNTY (1) (2) (3) (4)
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Sale Date	Address	City	Units	Sale Price	Acres	Gross Building Area (SF)	$/Unit	Units/ Acre	$/SF GBA	Actual Cap Rate	Year Built	Buyer
11/17/17	10500 W Ocean Air Dr	San Diego	100	$55,000,000	9.98	134,013	$550,000	10	$410	-	2015	R&V Management Corp
07/14/17	1100 Garden View Rd	Encinitas	120	$53,000,000	4.77	160,000	$441,667	25	$331	-	2002	Property West Residential
06/04/18	1850 Thibodo Rd	Vista	314	$115,000,000	21.13	300,952	$366,242	15	$382	4.00%	2005	Pacific Urban Residential
10/11/18	1045 Armorlite Dr	San Marcos	416	$141,500,000	12.00	420,000	$340,144	35	$337	-	2017	MG Properties Group
12/19/17	1245 Morning View Dr	Escondido	102	$34,250,000	8.47	97,728	$335,784	12	$350	-	2000	Crown Capital
06/15/17	1401 N Melrose Dr	Vista	410	$134,000,000	20.00	403,790	$326,829	21	$332	4.70%	2015	MG Properties Group
05/22/19	514 N Vine St	Fallbrook	6	$1,752,500	0.40	4,570	$292,083	15	$383	5.40%	2019	David & Carolyn Yu
		Minimum	6	$1,752,500	0.40	4,570	$292,083	$10	$331	4.00%	2000	
		Maximum	416	$141,500,000	21.13	420,000	$550,000	$35	$410	5.40%	2019	
		Median	120	$55,000,000	9.98	160,000	$340,144	$15	$350	4.70%	2015	
		Average	210	$76,357,500	10.96	217,293	$378,964	$19	$361	4.70%	2010	

(1) Survey reflects sales from January 2017 to present.
(2) Apartment buildings north of California State Route 52.
(3) Excludes apartment buildings built before 2000.
(4) Includes sales priced $250,000/unit or greater.

Source: CoStar, Inc.

Prepared by: Keyser Marston Associates, Inc.
Filename: i:/Encinitas_Feasibility Analysis_v7 - Market Research;12/2/2019;sjx

TABLE 8.5

SURVEY OF CAPITALIZATION RATES, SAN DIEGO COUNTY (1)
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

		Low		High
Office	Office CBD (Class AA)	5.50	-	6.00
	Office CBD (Class A)	5.75	-	6.25
	Office CBD (Class B)	6.50	-	7.50
	Office CBD (Class C)	7.25	-	7.75
	Office Suburban (Class AA)	5.50	-	6.25
	Office Suburban (Class A)	6.00	-	6.50
	Office Suburban (Class B)	7.00	-	7.50
	Office Suburban (Class C)	7.50	-	8.25
Retail	Neighborhood/Community Center (Class A)	5.25	-	6.00
	Neighborhood/Community Center (Class B)	6.00	-	7.00
	Neighborhood/Community Center (Class C)	8.50	-	10.00
Multi-Family	Multi-Family Infill (Class A)	4.00	-	4.50
	Multi-Family Infill (Class B)	4.50	-	5.25
	Multi-Family Infill (Class C)	4.75	-	5.25
	Multi-Family Suburban (Class A)	4.25	-	4.75
	Multi-Family Suburban (Class B)	4.50	-	5.00
	Multi-Family Suburban (Class C)	5.25	-	5.75
Hotel	Hotel Luxury (CBD)	5.50	-	8.00
	Hotel Luxury (Suburban)	6.00	-	8.00
	Hotel Full-Service (CBD)	6.50	-	8.00
	Hotel Full-Service (Suburban)	6.75	-	8.00
	Hotel Select (CBD)	6.75	-	8.00
	Hotel Select (Suburban)	6.75	-	8.25
	Hotel Economy (CBD)	7.75	-	9.00
	Hotel Economy (Suburban)	8.25	-	9.25

(1) Source: H1 2019 CBRE, Inc.

TABLE 8.6A

SURVEY OF APARTMENT MARKET RENTS, ENCINITAS, JUNE 2019 - ONE BEDROOM
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Apartment Complex	Address	Zip Code	# Units	SF	Rent	Rent/SF	Year Built
Elan Playa Mar	116 Quail Garden Dr	92024	50	540	$1,995	$3.69	1989
Ritz Colony	1190 Encinitas Blvd	92024	144	660	$1,850	$2.80	1985
-	1749 N. Vulcan Ave	92024	-	600	$1,680	$2.80	-
Mission Ridge Apartments	1320 Via Terrassa	92024	196	929	$2,489	$2.68	1984
Elan Quail Pointe	924 Encinitas Blvd	92024	120	700	$1,850	$2.64	2006
Essex Heights Apartments	404 Encinitas Blvd	92024	262	700	$1,800	$2.57	1988
Elan Pacifico Encinitas	1100 Garden View Rd	92024	121	1,086	$2,545	$2.34	2002
Elan Seacrest Encinitas	117 Rosebay Dr	92024	48	800	$1,825	$2.28	1980
-	1201 N Vulcan Ave	92024	-	750	$1,600	$2.13	-
		Minimum	48	540	$1,600	$2.13	1980
		Maximum	262	1,086	$2,545	$3.69	2006
		Median	121	700	$1,850	$2.64	1988
		Average	134	752	$1,959	$2.66	1991

Source: apartments.com

Prepared by: Keyser Marston Associates, Inc.
Filename: i:/Encinitas_Feasibility Analysis_v7 - Market Research;12/2/2019;sjx

TABLE 8.6B

SURVEY OF APARTMENT MARKET RENTS, ENCINITAS, JUNE 2019 - TWO BEDROOM
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Apartment Complex	Address	Zip Code	# Units	SF	Rent	Rent/SF	Year Built
Mission Ridge Apartments	1320 Via Terrassa	92024	196	1,203	$3,036	$2.52	1984
Elan Quail Pointe	924 Encinitas Blvd	92024	120	900	$2,225	$2.47	2006
Ritz Colony	1190 Encinitas Blvd	92024	144	938	$2,300	$2.45	1985
Elan Playa Mar	116 Quail Garden Dr	92024	50	1,025	$2,500	$2.44	1989
Essex Heights Apartments	404 Encinitas Blvd	92024	262	900	$2,150	$2.39	1988
Elan Seacrest Encinitas	117 Rosebay Dr	92024	48	1,000	$2,225	$2.23	1980
-	125 Hillcrest Dr	92024	-	1,100	$2,400	$2.18	-
Elan Pacifico Encinitas	1100 Garden View Rd	92024	121	1,396	$2,920	$2.09	2002
		Minimum	48	900	$2,150	$2.09	1980
		Maximum	262	1,396	$3,036	$2.52	2006
		Median	121	1,013	$2,350	$2.41	1988
		Average	134	1,058	$2,470	$2.35	1991

Source: apartments.com

Prepared by: Keyser Marston Associates, Inc.
Filename: i:/Encinitas_Feasibility Analysis_v7 - Market Research;12/2/2019;sjx

TABLE 8.7A

SURVEY OF APARTMENT MARKET RENTS, CARLSBAD, JUNE 2019 - ONE BEDROOM
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Apartment Complex	Address	Zip Code	# Units	SF	Rent	Rent/SF	Year Built
Rising Glen	2300 Rising Glen Way	92008	195	678	$3,954	$5.83	1988
The Reserve	2262 Avenida Magnifica	92008	450	557	$2,990	$5.37	1984
Pacific View	5162 Whitman Way	92008	451	676	3,575	$5.29	2004
Montecito Apartments	2510 W Ranch St	92010	266	748	$3,874	$5.18	2018
Seascape	6938 Seascape Dr	92011	208	670	3,380	$5.04	1986
Windsor at Aviara	6610 Ambrosia Ln	92011	290	684	3,010	$4.40	1999
Santa Fe Ranch	3402 Calle Odessa	92009	320	679	$2,657	$3.91	1986
The Bluffs	2701-2707 Avenida de Anita	92010	163	451	$1,730	$3.84	1978
Marisol Carlsbad	3251 Marisol Pl	92010	278	772	$2,452	$3.18	2018
The Village	3642 Village Cir	92008	98	683	$2,134	$3.12	1962
San Katrina	336 Pine Ave	92008	50	650	$2,000	$3.08	1988
Elan Beachpointe	1000 Chinquapin Ave	92008	44	775	1,825	$2.35	1979
		Minimum	44	451	$1,730	$2.35	1962
		Maximum	451	775	$3,954	$5.83	2018
		Median	237	679	$2,824	$4.16	1987
		Average	234	669	$2,798	$4.22	1991

Source: apartments.com

Prepared by: Keyser Marston Associates, Inc.
Filename: i:/Encinitas_Feasibility Analysis_v7 - Market Research;12/2/2019;sjx

TABLE 8.7B

SURVEY OF APARTMENT MARKET RENTS, CARLSBAD, JUNE 2019 - TWO BEDROOM
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Apartment Complex	Address	Zip Code	# Units	SF	Rent	Rent/SF	Year Built
Rising Glen	2300 Rising Glen Way	92008	195	907	$4,030	$4.44	1988
Seascape	6938 Seascape Dr	92011	208	950	$4,220	$4.44	1986
The Reserve	2262 Avenida Magnifica	92008	450	858	3,745	$4.36	1984
Montecito Apartments	2510 W Ranch St	92010	266	1,160	$4,900	$4.22	2018
Pacific View	5162 Whitman Way	92008	451	1,126	$4,450	$3.95	2004
Windsor at Aviara	6610 Ambrosia Ln	92011	290	983	$3,865	$3.93	1999
Santa Fe Ranch	3402 Calle Odessa	92009	320	924	$2,987	$3.23	1986
San Katrina	336 Pine Ave	92008	50	900	2,800	$3.11	1988
Seagate Condominium	6555 Sea Gate Rd	92011	272	1,094	$3,400	$3.11	1986
Tradition	1901 Cassia Rd	92011	157	1,123	$3,075	$2.74	2005
Villas	2600-2695 Kremeyer Cir	92008	102	987	$2,660	$2.70	1966
The Bluffs	2701-2707 Avenida de Anita	92010	163	670	$1,770	$2.64	1978
Elan Sandcastle Shores	315-395 Walnut Ave	92008	64	900	$2,275	$2.53	1986
Carlsbad Coast	357 Chestnut Ave	92008	72	900	2,198	$2.44	1974
Marisol Carlsbad	3251 Marisol Pl	92010	278	1,135	$2,735	$2.41	2018
Sommerset La Costa	2937-2949 Unicornio St	92009	48	1,100	$2,495	$2.27	1986
Elan Beachpointe	1000 Chinquapin Ave	92008	44	1,000	$2,125	$2.13	1979
		Minimum	44	670	$1,770	$2.13	1966
		Maximum	451	1,160	$4,900	$4.44	2018
		Median	195	983	$2,987	$3.11	1986
		Average	202	983	$3,161	$3.22	1990

Source: apartments.com

Prepared by: Keyser Marston Associates, Inc.
Filename: i:/Encinitas_Feasibility Analysis_v7 - Market Research;12/2/2019;sjx

TABLE 8.7C

SURVEY OF APARTMENT MARKET RENTS, CARLSBAD, JUNE 2019 - THREE BEDROOM
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Apartment Complex	Address	Zip Code	# Units	SF	Rent	Rent/SF	Year Built
Rising Glen	2300 Rising Glen Way	92008	195	1,182	$5,464	$4.62	1988
Montecito Apartments	2510 W Ranch St	92010	266	1,379	$5,752	$4.17	2018
Pacific View	5162 Whitman Way	92008	451	1,378	5,200	$3.77	2004
Windsor at Aviara	6610 Ambrosia Ln	92011	290	1,365	4,600	$3.37	1999
Villas	2600-2695 Kremeyer Cir	92008	102	1,250	3,405	$2.72	1966
Tradition	1901 Cassia Rd	92011	157	1,361	3,685	$2.71	2005
Marisol Carlsbad	3251 Marisol Pl	92010	278	1,877	4,129	$2.20	2018
		Minimum	102	1,182	$3,405	$2.20	1966
		Maximum	451	1,877	$5,752	$4.62	2018
		Median	266	1,365	$4,600	$3.37	2004
		Average	248	1,399	$4,605	$3.37	2000

Source: apartments.com

Prepared by: Keyser Marston Associates, Inc.
Filename: i:/Encinitas_Feasibility Analysis_v7 - Market Research;12/2/2019;sjx

TABLE 8.8

COMPARABLE DETACHED HOME SALES, 3,250 - 5,000 SF, CARLSBAD AND ENCINITAS (1) (2)
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Sale Date	Property Address	Sales Price	SF	$/SF	Bedroom	Bathroom	Year Built
04/08/19	929 Neptune Ave.	$5,350,000	3,463	$1,545	4	3	2013
03/05/19	363 Andrew Avenue	$3,575,000	3,717	$962	5	3	2018
03/15/19	1114 Crest Drive	$3,000,000	3,346	$897	4	4	2018
06/14/19	374 Fulvia St	$2,342,000	3,798	$617	5	4	2019
02/28/19	1516 Halia Ct	$1,950,000	3,372	$578	4	4	2013
02/20/19	185 Pacific View Lane	$1,642,000	3,319	$495	5	4	2018
04/29/19	3840 Rancho Summit	$2,200,000	4,666	$471	4	4	2018
03/01/19	4718 Chase Court	$1,925,000	4,407	$437	5	5	2016
04/25/19	748 Rancho Santa Fe Rd	$1,585,000	3,751	$423	5	4	2017
04/03/19	6625 Peregrine Place 5	$1,406,112	3,348	$420	5	4	2018
04/30/19	6920 Corte Langosta	$1,805,000	4,374	$413	5	4	2010
03/18/19	6671 Peregrine Place	$1,336,451	3,348	$399	5	4	2018
05/06/19	7491 Esfera Street	$1,880,000	4,720	$398	6	4	2015
04/17/19	2887 Crest Drive	$1,301,419	3,272	$398	4	4	2018
01/16/19	3849 Rancho Summit	$1,615,000	4,120	$392	4	4	2018
04/10/19	6925 Corte Langosta	$1,900,000	4,873	$390	5	5	2010
04/25/19	7481 Esfera	$1,600,000	4,163	$384	6	5	2015
04/08/19	1880 McCauley Lane	$1,424,969	3,782	$377	5	5	2018
02/22/19	7137 Sitio Corazon	$1,250,000	3,352	$373	5	5	2012
01/07/19	3622 Glen Ave	$1,268,000	3,402	$373	4	4	2013
06/10/19	7314 Calle Pera	$1,420,000	3,822	$372	5	5	2014
04/12/19	7013 Sitio Frontera	$1,275,000	3,454	$369	5	3	2013
01/04/19	7326 Calle Pera	$1,430,000	3,926	$364	6	5	2014
03/22/19	2319 Kyanite Pl	$1,665,000	4,601	$362	7	4	2010
06/05/19	7161 Sitio Corazon	$1,210,000	3,352	$361	4	5	2012
06/14/19	3363 Corte Panorama	$1,260,000	3,511	$359	5	4	2010
05/24/19	3453 Corte Altura	$1,229,000	3,438	$357	5	4	2010
01/31/19	7063 Sitio Caliente	$1,260,000	3,563	$354	5	4	2012
01/07/19	3242 Sitio Avellana	$1,249,900	3,571	$350	4	3	2010
04/09/19	4744 Kentner Court	$1,350,000	3,878	$348	4	4	2019
02/14/19	3433 CORTE ALTURA	$1,280,000	3,688	$347	5	4	2010
05/30/19	3103 Afton Way	$1,318,466	3,826	$345	7	4	2019
05/29/19	3235 Sitio Avellana	$1,220,000	3,571	$342	4	4	2010
03/18/19	4725 Kentner Court	$1,500,000	4,407	$340	5	5	2018
03/12/19	3252 Sitio Tortuga	$1,180,000	3,571	$330	5	3	2011
04/15/19	4711 Chase Court	$1,498,848	4,686	$320	5	5	2018
01/31/19	3614 Buck Ridge Ave	$1,060,000	3,402	$312	5	4	2014
02/12/19	4394 Yuki Lane	$1,000,000	3,552	$282	5	3	2018
02/12/19	4394 Yuki Lane	$1,000,000	3,552	$282	4	3	2018
01/31/19	4916 Park Court	$995,000	4,000	$249	5	3	2016
	Minimum	$995,000	3,272	$249	4	3	2010
	Maximum	$5,350,000	4,873	$1,545	7	5	2019
	Median	$1,413,056	3,630	$372	5	4	2015
	Average	$1,643,929	3,799	$437	5	4	2015

(1) Survey reflects sales from January 2019 to present.

(2) Excludes homes built before 2010.

Source: CRMLS MLS, 2019

Prepared by: Keyser Marston Associates, Inc.
Filename: i:/Encinitas_Feasibility Analysis_v7 - Market Research;12/2/2019;sjx

TABLE 8.9

COMPARABLE DETACHED HOME SALES, 2,500 - 4,000 SF, CARLSBAD AND ENCINITAS (1) (2)
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Sale Date	Property Address	Sales Price	SF	$/SF	Bedroom	Bathroom	Year Built
04/08/19	929 Neptune Ave.	$5,350,000	3,463	$1,545	4	3	2013
03/05/19	363 Andrew Avenue	$3,575,000	3,717	$962	5	3	2018
04/08/19	2028 Edinburg Ave	$2,555,435	2,701	$946	4	3	2019
03/15/19	1114 Crest Drive	$3,000,000	3,346	$897	4	4	2018
05/28/19	356 Fulvia St	$2,063,366	3,013	$685	3	3	2019
06/18/19	199 Stonesteps Way	$1,900,000	3,041	$625	5	5	2015
05/17/19	1520 Halia Court	$1,810,000	2,898	$625	4	3	2013
06/13/19	1505 Halia Ct	$1,845,000	2,983	$619	4	3	2012
06/14/19	374 Fulvia St	$2,342,000	3,798	$617	5	4	2019
02/28/19	1516 Halia Ct	$1,950,000	3,372	$578	4	4	2013
03/07/19	810 Hygeia	$1,720,000	3,091	$556	4	4	2018
02/15/19	746 devonshire	$1,410,000	2,600	$542	4	3	2018
03/13/19	1131 Laurel Cove	$1,454,462	2,705	$538	4	3	2019
05/24/19	1129 Laurel Cove Ln	$1,409,000	2,705	$521	5	3	2019
03/13/19	1117 Laurel Cove Ln	$1,467,000	2,905	$505	5	3	2019
06/21/19	1125 Laurel Cove Ln	$1,470,000	2,920	$503	5	4	2019
02/28/19	6682 Peregrine Place	$1,560,000	3,142	$496	5	4	2018
02/20/19	185 Pacific View Lane	$1,642,000	3,319	$495	5	4	2018
01/03/19	3111 Afton Way	$1,434,060	2,934	$489	4	3	2018
04/08/19	6603 Peregrine Place 6	$1,435,153	3,142	$457	5	4	2018
04/19/19	4730 Chase Court	$1,278,873	2,961	$432	3	3	2018
04/25/19	748 Rancho Santa Fe Rd	$1,585,000	3,751	$423	5	4	2017
04/03/19	6625 Peregrine Place 5	$1,406,112	3,348	$420	5	4	2018
06/18/19	6856 Estrella De Mar Rd	$1,150,000	2,745	$419	4	3	2010
01/09/19	3612 Alander Ct	$1,215,000	3,003	$405	4	4	2015
03/18/19	6659 Peregrine Place	$1,269,665	3,142	$404	5	4	2018
06/26/19	3617 Buck Ridge Ave	$1,199,888	3,003	$400	5	4	2014
03/18/19	6671 Peregrine Place	$1,336,451	3,348	$399	5	4	2018
04/17/19	2887 Crest Drive	$1,301,419	3,272	$398	4	4	2018
04/19/19	4835 La Paz Ct	$1,175,000	2,965	$396	5	4	2016
04/08/19	1880 McCauley Lane	$1,424,969	3,782	$377	5	5	2018
02/22/19	7137 Sitio Corazon	$1,250,000	3,352	$373	5	5	2012
06/03/19	7152 Sitio Corazon	$1,170,000	3,139	$373	5	4	2012
01/07/19	3622 Glen Ave	$1,268,000	3,402	$373	4	4	2013
06/10/19	7314 Calle Pera	$1,420,000	3,822	$372	5	5	2014
04/12/19	7013 Sitio Frontera	$1,275,000	3,454	$369	5	3	2013
01/04/19	7326 Calle Pera	$1,430,000	3,926	$364	6	5	2014
06/05/19	7161 Sitio Corazon	$1,210,000	3,352	$361	4	5	2012
06/14/19	3363 Corte Panorama	$1,260,000	3,511	$359	5	4	2010
05/24/19	3453 Corte Altura	$1,229,000	3,438	$357	5	4	2010
04/30/19	3423 Corte Panorama	$1,025,000	2,889	$355	5	3	2011
01/31/19	7063 Sitio Caliente	$1,260,000	3,563	$354	5	4	2012
06/20/19	1089 Primrose Lane	$901,000	2,552	$353	5	3	2014
06/20/19	3445 Corte Panorama	$1,019,000	2,889	$353	5	3	2011
01/07/19	3242 Sitio Avellana	$1,249,900	3,571	$350	4	3	2010
04/09/19	4744 Kentner Court	$1,350,000	3,878	$348	4	4	2019
06/10/19	3781 Glen Ave	$949,995	2,730	$348	4	3	2012
02/14/19	3433 CORTE ALTURA	$1,280,000	3,688	$347	5	4	2010
03/06/19	3760 Bergen Peak Pl	$943,000	2,730	$345	4	3	2013
05/30/19	3103 Afton Way	$1,318,466	3,826	$345	7	4	2019
05/29/19	3235 Sitio Avellana	$1,220,000	3,571	$342	4	4	2010
05/23/19	3737 Bergen Peak Pl	$1,075,000	3,160	$340	5	3	2013

Source: CRMLS MLS, 2019

TABLE 8.9

COMPARABLE DETACHED HOME SALES, 2,500 - 4,000 SF, CARLSBAD AND ENCINITAS (1) (2)
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Sale Date	Property Address	Sales Price	SF	$/SF	Bedroom	Bathroom	Year Built
01/04/19	3517 Buck Ridge Ave	$1,020,000	3,036	$336	5	2	2012
01/16/19	6645 Brookite Ct	$1,050,000	3,175	$331	5	4	2011
03/12/19	3252 Sitio Tortuga	$1,180,000	3,571	$330	5	3	2011
01/31/19	3614 Buck Ridge Ave	$1,060,000	3,402	$312	5	4	2014
02/12/19	4394 Yuki Lane	$1,000,000	3,552	$282	5	3	2018
02/12/19	4394 Yuki Lane	$1,000,000	3,552	$282	4	3	2018
01/31/19	4916 Park Court	$995,000	4,000	$249	5	3	2016
	Minimum	$901,000	2,552	$249	3	2	2010
	Maximum	$5,350,000	4,000	$1,545	7	5	2019
	Median	$1,280,000	3,272	$396	5	4	2015
	Average	$1,493,953	3,252	$462	5	4	2015

(1) Survey reflects sales from January 2019 to present.

(2) Excludes homes built before 2010.

Source: CRMLS MLS, 2019

Prepared by: Keyser Marston Associates, Inc.
Filename: i:/Encinitas_Feasibility Analysis_v7 - Market Research;12/2/2019;sjx

TABLE 8.10

COMPARABLE DETACHED HOME SALES, 1,200 - 3,000 SF, CARLSBAD AND ENCINITAS (1) (2)
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Sale Date	Property Address	Sales Price	SF	$/SF	Bedroom	Bathroom	Year Built
04/04/19	237 La Mesa Ave	$2,420,000	2,400	$1,008	4	4	2019
04/08/19	2028 Edinburg Ave	$2,555,435	2,701	$946	4	3	2019
03/26/19	698 Calypso Pl	$1,530,000	2,162	$708	3	2	2012
05/17/19	1520 Halia Court	$1,810,000	2,898	$625	4	3	2013
06/13/19	1505 Halia Ct	$1,845,000	2,983	$619	4	3	2012
03/27/19	1133 Laurel Cove Ln	$1,122,023	2,030	$553	3	3	2019
02/15/19	746 devonshire	$1,410,000	2,600	$542	4	3	2018
03/13/19	1131 Laurel Cove	$1,454,462	2,705	$538	4	3	2019
05/24/19	1129 Laurel Cove Ln	$1,409,000	2,705	$521	5	3	2019
03/13/19	1117 Laurel Cove Ln	$1,467,000	2,905	$505	5	3	2019
06/21/19	1125 Laurel Cove Ln	$1,470,000	2,920	$503	5	4	2019
01/03/19	3111 Afton Way	$1,434,060	2,934	$489	4	3	2018
06/27/19	3461 Trailblazer	$1,020,000	2,165	$471	3	3	2016
04/12/19	1440 MacKinnon Ave	$1,150,000	2,499	$460	5	3	2019
04/19/19	4730 Chase Court	$1,278,873	2,961	$432	3	3	2018
04/22/19	3635 Summit Trail Ct	$741,000	1,753	$423	3	2	2010
04/25/19	6640 HOLLYLEAF CT	$859,000	2,046	$420	3	2	2012
06/18/19	6856 Estrella De Mar Rd	$1,150,000	2,745	$419	4	3	2010
05/24/19	6420 Cinnabar Way	$875,000	2,105	$416	4	3	2010
05/20/19	4818 Nelson Ct	$976,000	2,357	$414	3	3	2017
06/07/19	3671 Glen Ave	$760,000	1,904	$399	4	2	2011
04/19/19	4835 La Paz Ct	$1,175,000	2,965	$396	5	4	2016
01/15/19	2402 Trona Way	$787,000	1,989	$396	3	3	2011
03/29/19	3446 Filoli Circle	$775,000	2,028	$382	3	3	2011
04/22/19	3581 Summit Trail Court	$782,500	2,052	$381	4	3	2012
05/17/19	3644 Summit Trail Ct	$775,000	2,053	$377	4	3	2010
02/14/19	3430 Filoli Cir	$745,000	2,025	$368	3	3	2011
04/30/19	3423 Corte Panorama	$1,025,000	2,889	$355	5	3	2011
06/20/19	1089 Primrose Lane	$901,000	2,552	$353	5	3	2014
06/20/19	3445 Corte Panorama	$1,019,000	2,889	$353	5	3	2011
06/10/19	3781 Glen Ave	$949,995	2,730	$348	4	3	2012
03/06/19	3760 Bergen Peak Pl	$943,000	2,730	$345	4	3	2013
05/10/19	3418 Filoli Cir	$822,500	2,411	$341	4	3	2010
05/08/19	3084 Marron Road Lot 29	$824,557	2,420	$341	4	3	2019
	Minimum	$741,000	1,753	$341	3	2	2010
	Maximum	$2,555,435	2,983	$1,008	5	4	2019
	Median	$1,022,500	2,526	$419	4	3	2013
	Average	$1,184,159	2,477	$475	4	3	2014

(1) Survey reflects sales from January 2019 to present.

(2) Excludes homes built before 2010.

Source: CRMLS MLS, 2019

Prepared by: Keyser Marston Associates, Inc.
Filename: i:/Encinitas_Feasibility Analysis_v7 - Market Research;12/2/2019;sjx

TABLE 8.11

COMPARABLE DETACHED HOME SALES (2,000 SF OR LESS) CARLSBAD AND ENCINITAS (1) (2)
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Sale Date	Property Address	Sales Price	SF	$/SF	Bedroom	Bathroom	Year Built
04/22/19	3635 Summit Trail Ct	$741,000	1,753	$423	3	2	2010
06/07/19	3671 Glen Ave	$760,000	1,904	$399	4	2	2011
01/15/19	2402 Trona Way	$787,000	1,989	$396	3	3	2011
	Minimum	$741,000	1,753	$396	3	2	2010
	Maximum	$787,000	1,989	$423	4	3	2011
	Median	$760,000	1,904	$399	3	2	2011
	Average	$762,667	1,882	$406	3	2	2011

(1) Survey reflects sales from January 2019 to present.

(2) Excludes homes built before 2010.

Source: CRMLS MLS, 2019

Prepared by: Keyser Marston Associates, Inc.
Filename: i:/Encinitas_Feasibility Analysis_v7 - Market Research;12/2/2019;sjx

TABLE 8.12

COMPARABLE ATTACHED HOME SALES (1,500 SF OR LESS) CARLSBAD AND ENCINITAS (1)
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Sale Date	Property Address	Sales Price	SF	$/SF	Bedroom	Bathroom	Year Built
05/30/19	960 South Coast Highway 101	$1,500,000	1,270	$1,181	2	2	2017
05/10/19	2356 Cambridge Ave	$1,250,000	1,237	$1,011	2	2	2006
08/30/19	317 Pine Avenue 209	$598,000	702	$852	1	1	2005
07/12/19	317 Pine Ave 203	$585,000	702	$833	1	1	2005
02/28/19	687 S Coast Highway 101	$989,000	1,274	$776	3	3	2010
04/02/19	687 S Coast Highway 101	$900,000	1,193	$754	2	3	2010
09/09/19	687 S Coast Highway 101	$479,000	637	$752	1	1	2010
07/24/19	687 S Coast Highway 101	$885,000	1,187	$746	2	3	2010
09/12/19	687 S Coast Highway 101	$605,000	819	$739	1	1	2010
01/08/19	175 Maple Avenue #4	$970,000	1,370	$708	2	3	2000
01/22/19	7323 Estrella De Mar Road	$360,000	655	$550	0	1	2007
06/13/19	7323 Estrella De Mar Road	$640,000	1,208	$530	2	2	2007
02/06/19	7323 Estrella De Mar Road	$300,000	584	$514	0	1	2007
04/02/19	1334 Statice Ct	$600,000	1,207	$497	3	2	2000
03/22/19	1306 Statice Ct	$590,000	1,207	$489	3	3	2000
08/23/19	1310 STATICE CT	$585,000	1,207	$485	3	3	2000
05/14/19	4025 Canario 143	$695,800	1,450	$480	2	2	2003
09/25/19	1334 Statice Ct	$579,000	1,207	$480	3	3	2000
02/04/19	7323 Estrella De Mar	$325,000	690	$471	0	1	2007
04/12/19	3083 Via Maximo	$635,000	1,406	$452	3	2	2002
05/07/19	1611 Fairlead Ave	$668,000	1,500	$445	3	3	2014
07/17/19	1624 Fairlead Avenue	$656,000	1,500	$437	3	3	2014
08/12/19	1634 Fairlead Avenue	$655,000	1,500	$437	3	3	2014
02/27/19	6335 Citracado Circle	$485,000	1,123	$432	2	3	2002
04/15/19	3677 Jetty Pt	$600,000	1,390	$432	3	2	2005
05/07/19	6470 Alexandri Circle	$562,500	1,316	$427	2	2	2002
04/22/19	6444 Alexandri Circle	$560,000	1,316	$426	2	2	2002
07/23/19	6169 Paseo Granito	$479,000	1,140	$420	3	2	2002
08/06/19	7749 Calle Andar	$622,000	1,493	$417	3	3	2005
07/25/19	6291 Citracado Cir	$495,000	1,199	$413	2	2	2002
07/24/19	4107 Peninsula Dr	$547,000	1,341	$408	2	2	2006
05/28/19	6202 Citracado Cir	$485,000	1,199	$405	2	2	2001
06/13/19	4115 Peninsula Drive	$539,000	1,341	$402	2	2	2006
03/25/19	6232 Via Trato	$518,000	1,292	$401	3	3	2002
07/18/19	6116 Paseo Valla	$455,000	1,140	$399	3	2	2002
09/03/19	3081 Via Maximo	$534,000	1,338	$399	2	2	2002
07/09/19	6008 Paseo Salinero	$415,000	1,044	$398	3	2	2002
03/22/19	4092 Karst Rd	$525,000	1,341	$391	3	2	2006
07/30/19	6285 Via Trato	$515,000	1,316	$391	3	3	2002
07/10/19	3761 Jetty Pt	$523,000	1,341	$390	2	2	2005
01/25/19	4023 Peninsula	$523,000	1,341	$390	3	2	2005
07/10/19	6170 Citracado Cir	$513,000	1,322	$388	2	3	2001
06/17/19	4078 Karst Rd	$519,900	1,341	$388	2	2	2006
04/12/19	4117 Peninsula Drive	$546,000	1,411	$387	3	3	2006
02/28/19	4079 Peninsula Drive	$518,000	1,341	$386	2	2	2006
01/03/19	6295 Citracado Circle	$527,500	1,367	$386	3	3	2002
05/06/19	6227 Via Trato	$459,000	1,201	$382	3	2	2002
01/02/19	4026 Peninsula Dr	$512,500	1,341	$382	3	2	2005
01/04/19	6136 Paseo Granito	$435,000	1,140	$382	3	2	2002
03/11/19	6196 Citracado Cir	$460,000	1,322	$348	2	3	2001
05/02/19	6080 Citracado Cir	$450,000	1,322	$340	2	2	2001
05/31/19	1738 Fairlead Ave	$455,000	1,500	$303	3	3	2013
	Minimum	$300,000	584	$303	0	1	2000
	Maximum	$1,500,000	1,500	$1,181	3	3	2017
	Median	$536,500	1,304	$426	2	2	2005
	Average	$592,850	1,218	$501	2	2	2005

(1) Excludes attached and townhomes built before 2000.

Source: CRMLS MLS, 2019.

Prepared by: Keyser Marston Associates, Inc.
Filename: i:/Encinitas_Feasibility Analysis_v7 - Market Research;12/2/2019;sjx

TABLE 8.13

RETAIL SPACE RENTAL LISTINGS, CARLSBAD, ENCINITAS, AND SOLANA BEACH, JUNE 2019 (1)
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Name	Address	City	Suite	SF Available	Rent/SF (2)	Year Built/ Renovated
-	2121 Newcastle Ave	Cardiff by the Sea	1st	850	$5.35	1976
-	2179 San Elijo Ave	Cardiff by the Sea	Ste 2179	1,345	$5.00	1956
-	967 S Coast Highway 101	Encinitas	1st	832	$3.90	1983
Mercado Del Sol	731 S Hwy 101	Solana Beach	Suite 1B2	1,131	$2.75	1975
Mercado Del Sol	731 S Hwy 101	Solana Beach	Suite 1EF	2,993	$2.75	1975
Mercado Del Sol	731 S Hwy 101	Solana Beach	Suite 1C	1,358	$2.50	1975
-	333 N El Camino Real	Encinitas	1st	10,981	$2.25	1995
-	5810 El Camino Real	Carlsbad	Ste B	2,441	$2.20	1965
-	4960 Avenida Encinas	Carlsbad	1st	7,700	$2.00	2005
			Minimum	832	$2.00	1956
			Maximum	10,981	$5.35	2005
			Median	1,358	$2.75	1975
			Average	3,292	$3.19	1978

(1) Survey includes Cardiff by the Sea, Carlsbad, Encinitas, and Solana Beach.

(2) Calculated by dividing Rent Full Service Gross by 12.

Source: LoopNet, Inc.

Prepared by: Keyser Marston Associates, Inc.
Filename: i:/Encinitas_Feasibility Analysis_v7 - Market Research;12/2/2019;sjx

TABLE 8.14

OFFICE SPACE RENTAL LISTINGS, ENCINITAS, JUNE 2019
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Office	Address	Suite	SF Available	Rent/SF	Year Built
-	351 Santa Fe Dr	Ste 102	3,746	$3.55	1985
-	285 N El Camino Real	Suite 114	4,328	$3.25	-
Mammoth Professional Building East	169 Saxony Rd	Ste 115	1,699	$3.25	2001
Encinitas West	171 Saxony Rd	Ste 104	1,428	$3.25	2003
Garden View Court	700 Garden View Ct	Ste 203	1,206	$3.00	2005
Pacific Station	687 S Coast Hwy 101	Ste 240	1,641	$2.95	2010
-	332 Encinitas Blvd	Ste 100	1,100	$2.85	1997
-	179 Calle Magdalena	-	3,452	$2.60	1981
Little Oaks Plaza	362-398 N El Camino Real	4A	965	$2.50	1978
-	760 Garden View Ct	Ste 100	3,017	$2.32	2003
		Minimum	965	$2.32	1978
		Maximum	4,328	$3.55	2010
		Median	1,670	$2.98	2001
		Average	2,258	$2.95	1996

Source: LoopNet, Inc.

Prepared by: Keyser Marston Associates, Inc.
Filename: i:/Encinitas_Feasibility Analysis_v7 - Market Research;12/2/2019;sjx

TABLE 8.15

OFFICE SPACE RENTAL LISTINGS, CARLSBAD, JULY 2019
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Office	Address	Suite	SF Available	Rent/SF	Year Built
-	2214 Faraday Ave	Ste 105	-	$6.00	2006
The Quad	5740 Fleet St	Ste 150	4,155	$3.20	2000
Centerpoint Plaza	5901 Priestly Dr	Ste 302	4,200	$2.71	2007
PacView	5759 Fleet St	Ste 150	21,292	$2.65	1999
Pacific Point Business Center	5825 Avenida Encinas	-	4,700	$2.55	-
The Forum	1905 Calle Barcelona	Ste 230	2,993	$2.51	2004
-	6162 Innovation Way	-	1,800	$2.50	2007
-	2251 Las Palmas Dr	-	8,000	$2.50	1975
Crossings Corporate Centre	6005 Hidden Valley Rd	Ste 280	7,497	$2.49	2001
Carlsbad Commerce Center	5120 Avenida Encinas	Suite 110	1,823	$2.40	-
Palomar Triad	2011 Palomar Airport Rd	Ste 110	2,125	$2.35	1987
-	5927 Priestly Dr	Ste 220	2,452	$2.35	1992
Palomar Crest	2701 Loker Ave W	Ste 140	3,723	$2.35	1999
Palomar Heights Corporate Center	5857 Owens Ave	Ste 104	2,316	$2.35	2000
Carlsbad Airport Plaza	5963 La Place Ct	Ste 100	8,818	$2.35	1988
The Atrium	2888 Loker Ave E	Ste 208	800	$2.25	2008
La Place Court	5900 La Place Ct	Ste 110	2,705	$2.25	1988
The Campus	5962 La Place Ct	Ste 170	2,353	$2.25	1986
-	5810 El Camino Real	Ste B	2,441	$2.20	1965
Plaza Del Norte	6120 Paseo Del Norte	Ste D1	1,251	$2.20	1982
Atrium II	2710 Loker Ave W	Ste 210	1,025	$2.15	2003
-	5860 Owens Ave	Ste 210	831	$2.10	2001
-	5868 Owens Ave	Ste 150	3,245	$2.10	2001
Carlsbad Gateway Center	5650 El Camino Real	Ste 125	1,994	$1.99	1988
-	1555 Faraday Ave	Ste B	4,000	$1.95	2002
-	5958 Priestly Dr	Ste 200	8,728	$1.90	2001
Ocean Collection	2540-2546 Gateway Rd	Ste 2544	3,542	$1.90	2008
-	6196-6198 Innovation Way	-	3,889	$1.88	2007
Palomar Oaks Point	1901 Camino Vida Roble	Ste 110	2,114	$1.80	1990
2051	2051 Palomar Airport Rd	Ste 105	9,943	$1.75	1981
-	2385 Camino Vida Roble	Ste 105	1,531	$1.70	1984
-	1915 Aston Ave	Ste 101	6,500	$1.65	1990
-	1825 Aston Ave	Ste B	1,635	$1.53	1979
-	5937 Darwin Ct	Ste 102	2,972	$1.50	2001
Sunwood Pacific Ridge	1947 Camino Vida Roble	Ste 200	1,625	$1.50	1990
Carlsbad Crossroads II	2734 Loker Ave W	Ste L	897	$1.45	1990
Carlsbad Crossroads	2720 Loker Ave W	Suite H	1,088	$1.45	-
		Minimum	800	$1.45	1965
		Maximum	21,292	$6.00	2008
		Median	2,579	$2.20	1999
		Average	3,917	$2.24	1994

Source: LoopNet, Inc.

Prepared by: Keyser Marston Associates, Inc.
Filename: i:/Encinitas_Feasibility Analysis_v7 - Market Research;12/2/2019;sjx

TABLE 8.16

OFFICE SPACE RENTAL LISTINGS, SOLANA BEACH, JULY 2019
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Office	Address	Suite	SF Available	Rent/SF	Year Built
Pacific View Center	674 Via De La Valle	Ste 204	1,578	$4.50	1960
Ocean Terrace Bldg	201 Lomas Santa Fe Dr	Ste 360	2,564	$3.90	1983
The Plaza at 505	505 Lomas Santa Fe Dr	Ste 160	762	$3.85	1980
-	444 S Cedros Ave	Ste 100	1,275	$3.50	1959
-	530 Lomas Santa Fe Dr	Ste B2	1,311	$3.25	1966
The Financial Bldg	265 Santa Helena	Ste 110	1,168	$3.00	1981
		Minimum	762	$3.00	1959
		Maximum	2,564	$4.50	1983
		Median	1,293	$3.68	1973
		Average	1,443	$3.67	1972

Source: LoopNet, Inc.

Prepared by: Keyser Marston Associates, Inc.
Filename: i:/Encinitas_Feasibility Analysis_v7 - Market Research;12/2/2019;sjx

TABLE 8.17

COMPARABLE RETAIL BUILDING SALES, CARLSBAD, ENCINITAS, AND SOLANA BEACH (1)
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Sale Date	Address	City	Sale Price	Acres	Gross Building Area (SF)	$/SF GBA	Year Built	Buyer
09/18/18	960 S Coast Highway 101	Encinitas	$4,625,000	0.49	5,027	$920	2017	Jose G Da Rosa
07/28/16	240 S Cedros Ave	Solana Beach	$10,425,000	0.47	20,325	$513	2001	Trilogy Investment Group
01/04/18	687 S Coast Hwy 101, 1st Floor	Encinitas	$24,000,000	1.39	48,561	$494	2010	RAF Pacifica Group, Inc.
05/22/19	2725-2727 State St	Carlsbad	$3,900,000	-	8,347	$467	2015	Keith B & Sara S Harrison
04/05/18	7660 El Camino Real	Carlsbad	$21,900,000	6.41	50,689	$432	2003	SJI Properties LLC
01/12/18	560 Carlsbad Village Dr	Carlsbad	$8,195,000	0.25	19,950	$411	2009	Laurie Sasson
08/19/16	1060 Auto Center Ct	Carlsbad	$11,850,000	3.70	28,904	$410	1991	AutoNation, Inc.
01/02/18	7660 El Camino Real	Carlsbad	$18,000,000	6.41	50,689	$355	2003	Frank Kavanaugh
08/08/18	934 N Coast Highway 101	Encinitas	$1,720,000	0.20	5,000	$344	2013	Chris Van Alyea
07/22/16	560 Carlsbad Village Dr	Carlsbad	$6,606,500	0.25	19,950	$331	2009	Stos Partners
		Minimum	$1,720,000	0.20	5,000	$331	1991	
		Maximum	$24,000,000	6.41	50,689	$920	2017	
		Median	$9,310,000	0.49	20,138	$421	2009	
		Average	$11,122,150	2.17	25,744	$468	2007	

(1) Survey reflects sales from January 2016 to present.

Source: CoStar, Inc.

Prepared by: Keyser Marston Associates, Inc.
Filename: i:/Encinitas_Feasibility Analysis_v7 - Market Research;12/2/2019;sjx

TABLE 8.18

COMPARABLE OFFICE BUILDING SALES, CARLSBAD, ENCINITAS, AND SOLANA BEACH (1)
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Sale Date	Address	City	Sale Price	Acres	Gross Building Area (SF)	$/SF GBA	Year Built	Buyer
03/04/16	2020 Cassia Rd	Carlsbad	$4,500,000	0.64	6,350	$709	2007	Lee Family Trust
04/19/17	6010 Hidden Valley Rd	Carlsbad	$30,050,000	0.75	49,580	$606	2002	Montecito Medical Real Estate
04/11/17	511 Saxony Pl	Encinitas	$3,200,000	1.85	8,008	$400	2003	William Ward
04/20/18	3172 Lionshead Ave	Carlsbad	$4,705,000	-	12,176	$386	2007	Twin City Container, Inc.
04/26/19	2766 Gateway Rd	Carlsbad	$2,100,000	0.17	5,684	$369	2007	The Jupp Family Trust
10/19/18	5962 Priestly Dr	Carlsbad	$2,160,000	0.15	6,360	$340	2001	SC Fuels
09/17/18	5930 Priestly Dr	Carlsbad	$2,785,000	0.20	8,336	$334	2001	Yoo Jin & Maribeth Chong
03/01/19	1265 Carlsbad Village Dr	Carlsbad	$3,500,000	0.45	10,507	$333	2005	Soil Retention
06/23/17	171 Saxony Rd	Encinitas	$10,400,000	1.55	31,421	$331	2003	Commercial Equity Partners, Llc
01/26/16	2928 Jefferson St	Carlsbad	$2,700,000	0.17	8,400	$321	2001	Exeter 1031 Exchange Services, LLC
08/30/16	2530 Campbell Pl	Carlsbad	$13,000,000	3.53	41,516	$313	2009	Donald Testa
12/16/16	3152 Lionshead Ave	Carlsbad	$1,600,000	1.97	5,325	$300	2007	Dale Kinsella
01/26/17	2780 Gateway Rd	Carlsbad	$1,615,000	0.17	5,740	$281	2007	-
03/08/19	1915 Aston Ave	Carlsbad	$3,050,000	1.73	11,034	$276	1990	Iraj M. & Fatemeh Eftekhari
08/01/18	5901 Priestly Dr	Carlsbad	$26,828,500	4.74	97,823	$274	2007	Hill Companies, LLC
09/30/16	2794 Gateway Rd	Carlsbad	$1,800,000	0.20	6,768	$266	2007	KF Stephens Inc
08/04/17	6005 Hidden Valley Rd	Carlsbad	$19,000,000	5.85	71,563	$266	2001	Pratik Shah
05/31/18	2034 Corte Del Nogal	Carlsbad	$1,800,000	0.17	7,040	$256	2003	Kevin Farrell
04/26/19	5946 Priestly Dr	Carlsbad	$4,215,000	0.21	17,160	$246	2001	Tytus Holding, LLC
04/12/19	2036 Corte Del Nogal	Carlsbad	$2,735,000	0.15	11,840	$231	2004	Andy Moulds & Chris Ross
12/18/18	3176 Lionshead Ave	Carlsbad	$2,750,000	1.44	12,176	$226	2007	James D Franklin
03/27/19	2888 Loker Ave E	Carlsbad	$17,600,000	3.72	80,869	$218	2008	David & Carol Zaslow
03/04/16	1535 Faraday Ave	Carlsbad	$4,511,000	2.69	20,981	$215	2000	Natural Alternatives International, Inc.
12/06/17	2701 Loker Ave W	Carlsbad	$17,000,000	5.36	81,810	$208	1999	Washington Capital Management, Inc.
01/09/19	1620 Faraday Ave	Carlsbad	$5,675,000	2.08	28,254	$201	1997	DPR Construction
09/01/16	781 Garden View Ct, 201	Encinitas	$2,231,500	0.75	11,500	$194	2007	Comprehensive Dermatology Group
03/18/16	5876 Owens Ave	Carlsbad	$2,950,000	7.35	17,600	$168	2001	CHC Consulting
05/11/18	2520-2524 Gateway Rd, 2524	Carlsbad	$1,725,000	-	10,304	$167	2008	William Chan
06/25/19	1950 Camino Vida Roble	Carlsbad	$20,200,000	10.93	121,541	$166	1996	RAF Pacifica Group
08/22/17	5841 Edison Pl	Carlsbad	$3,100,000	1.16	18,732	$165	1990	New Venture Escrow
05/20/19	2035 Corte Del Nogal	Carlsbad	$9,000,000	4.42	54,830	$164	1991	Equinvests Capital
		Minimum	$1,600,000	0.15	5,325	$164	1990	
		Maximum	$30,050,000	10.93	121,541	$709	2009	
		Median	$3,200,000	1.44	12,176	$266	2003	
		Average	$7,370,516	2.23	28,427	$288	2002	

(1) Survey reflects sales from January 2016 to present.

Source: CoStar, Inc.

Prepared by: Keyser Marston Associates, Inc.
Filename: i:/Encinitas_Feasibility Analysis_v7 - Market Research;12/2/2019;sjx

TABLE 8.19

COMPARABLE RESIDENTIAL LAND SALES, CARLSBAD, ENCINITAS, AND SOLANA BEACH (1) (2)
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Sale Date	Address	City	Sale Price	Acres	Land Area	$/SF Land	Proposed Use	Secondary Land Use	Buyer (True) Company
08/15/18	2646 State St	Carlsbad	$2,500,000	0.25	10,890	$230	Apartment Units	Commercial	Tao Yu
05/17/18	3068-3080 State St	Carlsbad	$3,300,000	0.41	18,025	$183	Apartment Units - Condo	Residential	-
04/02/18	Roosevelt St	Carlsbad	$3,000,000	0.47	20,473	$147	Multi-Family	Residential	Scott Lissoy
09/20/17	2646 State St	Carlsbad	$1,500,000	0.25	10,890	$138	Apartment Units	Commercial	Michael Akavan
04/12/17	330 S Cedros Ave	Solana Beach	$5,500,000	0.94	40,946	$134	Mixed Use	Commercial	RAF Pacifica Group, Inc.
01/02/19	438 Tamarack Ave	Carlsbad	$1,960,000	0.39	16,800	$117	Multi-Family	Residential	Michael Fulton
05/22/19	South Coast Highway 101 and Dahlia Dr	Solana Beach	$9,425,000	1.91	83,200	$113	Mixed Use	Residential	Zephyr Partners
12/07/16	Oak Ave	Carlsbad	$950,000	0.19	8,400	$113	Mixed Use	Residential	-
09/12/18	700 Stevens Ave	Solana Beach	$2,800,000	0.67	28,976	$97	Mixed Use	Residential	The City of Solana Beach
11/07/16	438 Tamarack Ave	Carlsbad	$1,600,000	0.39	16,800	$95	Multi-Family	Residential	SD Capital Management Services
05/23/18	7550 Gibraltar St	Carlsbad	$1,540,000	0.41	17,843	$86	Multi-Family	Residential	Foroozandeh Y Sahba
10/27/16	3251 Marisol Pl	Carlsbad	$34,500,000	15.25	664,159	$52	Apartment Units	Residential	Lennar Multifamily Investors LLC
05/17/18	710 Requeza St	Encinitas	$6,050,000	4.42	192,535	$31	Single Family Development	Residential	California West Communities
04/07/17	1833 Buena Vista Way	Carlsbad	$4,000,000	3.09	134,600	$30	Single Family Development	Commercial	Shea Homes, L.P.
07/17/17	2924 Highland Dr	Carlsbad	$2,750,000	2.21	96,066	$29	Single Family Development	Residential	Benjamin Glinsky
07/17/18	1835 Buena Vista Way	Carlsbad	$4,275,000	3.84	167,270	$26	Single Family Development	Residential	California West Communities
05/21/18	1335 Desert Rose Way	Encinitas	$5,850,000	5.93	258,311	$23	Single Family Development	Residential	Woodbridge Pacific Group LLC
08/21/18	SE Sage Canyon Dr & El Camin	Encinitas	$4,400,000	10.49	456,944	$10	Single Family Development	Residential	Keith B Harrison
10/20/17	Poinsettia Ln	Carlsbad	$18,500,000	50.80	2,212,848	$8	Unknown	Residential	Lennar Homes of California, Inc
04/18/16	461 Ocean View Ave	Encinitas	$895,000	3.00	130,680	$7	Single Family Development	Residential	Thomas Sutton
01/08/19	College Boulevard & Sunny Crk	Carlsbad	$2,630,000	17.80	775,368	$3	Single Family Development	Residential	-
04/12/16	Aura Cir	Carlsbad	$836,000	14.58	635,105	$1	Single Family Development	Residential	-
		Minimum	$836,000	0.19	8,400	$1			
		Maximum	$34,500,000	50.80	2,212,848	$230			
		Median	$2,900,000	2.06	89,633	$69			
		Average	$5,398,227	6.26	272,597	$76			

(1) Survey reflects sales from January 2016 to present.
(2) Survey includes Cardiff by the Sea, Carlsbad, Encinitas, and Solana Beach.

Source: CoStar, Inc.

Prepared by: Keyser Marston Associates, Inc.
Filename: i:/Encinitas_Feasibility Analysis_v7 - Market Research;12/2/2019;sjx

TABLE 8.20

COMPARABLE NON-RESIDENTIAL LAND SALES, CARLSBAD, ENCINITAS, AND SOLANA BEACH (1) (2) (3)
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Sale Date	Address	City	Sale Price	Acres	Land Area	$/SF Land	Proposed Use	Buyer (True) Company
07/05/18	204-208 W J St	Encinitas	$1,750,000	0.11	5,001	$350	Commercial	ABP Capital LLC
04/04/19	777-793 2nd St	Encinitas	$2,950,000	0.23	10,176	$290	Commercial	ABP Capital LLC
04/04/17	Kingfisher Ln	Carlsbad	$2,300,000	0.25	10,930	$210	Commercial	Four Seasons Residences
04/07/17	S Cedros Ave	Solana Beach	$1,500,000	0.24	10,454	$143	-	David R Hodges
07/22/16	1430 N Coast Hwy 101	Encinitas	$1,000,000	0.21	9,148	$109	Rehabilitation Center	Six Step House, Inc.
06/27/16	5802 Allen Way	Carlsbad	$3,635,000	0.78	34,122	$107	Convenience Store	Laurie Stone Phd
05/22/19	S Highway 101 & Dahlia Dr	Solana Beach	$9,425,000	2.91	126,760	$74	Commercial	Zephyr Partners
09/12/18	1044 Carlsbad Village Dr	Carlsbad	$3,730,000	1.38	60,113	$62	Commercial	R&V Management Investment
08/01/18	2446 Town Garden Rd	Carlsbad	$13,688,000	7.02	305,791	$45	Commercial	Levine Investments LP
03/01/17	2446 Town Garden Rd	Carlsbad	$30,761,000	17.68	770,141	$40	Office	Levine Investments LP
03/05/19	N El Camino Real	Encinitas	$1,300,000	0.78	33,977	$38	Commercial	Manna Development Group
08/22/16	5807 Van Allen Way	Carlsbad	$4,100,000	3.07	133,860	$31	Hotel	SMAC Inc.
01/02/18	520 La Costa Ave	Encinitas	$1,500,000	1.19	51,836	$29	Commercial	Erik Gilmer
01/10/19	Whiptail Loop	Carlsbad	$7,350,000	6.00	261,360	$28	Commercial	OSL Construction, Inc.
02/07/19	Caribou Ct	Carlsbad	$5,124,355	4.20	182,952	$28	Distribution	Wentworth Property Company
06/24/16	1901 Wright Pl	Carlsbad	$4,350,000	3.85	167,706	$26	Office	Koong Cho
06/21/16	Cannon Rd	Carlsbad	$7,250,000	6.59	287,060	$25	Commercial	Pacific Gardens
09/29/16	6191 Innovation Way	Carlsbad	$4,824,270	4.43	192,971	$25	Office	RAF Pacifica Group, Inc.
01/05/18	S El Camino Real	Carlsbad	$1,600,000	1.48	64,469	$25	Medical, Office	West Coast Self-Storage
10/28/16	2827 Whiptail Loop	Carlsbad	$8,873,172	9.70	422,532	$21	Commercial	RAF Pacifica Group, Inc.
03/21/16	3200 Lionshead Ave	Carlsbad	$2,566,000	3.74	162,914	$16	Industrial	Badiee Development Inc.
01/13/16	Whiptail Loop	Carlsbad	$4,537,000	7.57	329,749	$14	Distribution	Hughes Circuits, Inc.
		Minimum	$1,000,000	0.11	5,001	$14		
		Maximum	$30,761,000	17.68	770,141	$350		
		Median	$3,915,000	2.99	130,310	$34		
		Average	$5,641,536	3.79	165,183	$79		

(1) Survey reflects sales from January 2016 to present.
(2) Excludes industrial land use.
(3) Survey includes Cardiff by the Sea, Carlsbad, Encinitas, and Solana Beach.

Source: CoStar, Inc.

Prepared by: Keyser Marston Associates, Inc.
Filename: i:/Encinitas_Feasibility Analysis_v7 - Market Research;12/2/2019;sjx

TABLE 8.21

COMPARABLE HOTEL LAND SALES, SAN DIEGO COUNTY (1) (2)
INCLUSIONARY HOUSING ECONOMIC ANALYSIS
CITY OF ENCINITAS

Sale Date	Address	City	Sale Price	Acres	Land Area	$/SF Land	Proposed Use	Buyer (True)
10/14/14	NEC Interstate 8 @ Qualcomm Way	San Diego	$4,500,000	3.29	143,312	$31	Hotel	OTO Development
08/22/16	5807 Van Allen Way	Carlsbad	$4,100,000	3.07	133,860	$31	Hotel	SMAC Inc
08/22/18	W San Marcos Blvd	Vista	$1,000,000	1.52	66,211	$15	Hospitality	Ayres Hotels
04/15/16	2010 Birch Rd	Chula Vista	$1,400,000	2.51	109,118	$13	Hotel	Ayres Hotels
		Minimum	$1,000,000	1.52	66,211	$13		
		Maximum	$4,500,000	3.29	143,312	$31		
		Median	$2,750,000	2.79	121,489	$23		
		Average	$2,750,000	2.60	113,125	$22		

(1) Survey reflects sales from January 2014 to present.
(2) Survey reflects hotel land size from 2 - 4 acres.

Source: CoStar, Inc.

Prepared by: Keyser Marston Associates, Inc.
Filename: i:/Encinitas_Feasibility Analysis_v7 - Market Research;12/2/2019;sjx

APPENDIX 9

ESTIMATES OF AFFORDABLE SALES PRICES AND RENTS

Inclusionary Housing Economic Analysis
City of Encinitas

Keyser Marston Associates, Inc.

ATTACHMENT 9.A

Estimates of Affordable Sales Prices

Inclusionary Housing Economic Analysis
City of Encinitas

Keyser Marston Associates, Inc.

TABLE 9.A-1

ESTIMATES OF MAXIMUM AFFORDABLE PRICE - SINGLE-FAMILY
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

		Single-Family Detached					
		Three Bedroom		Four Bedroom		Five Bedroom	
		@ 50% AMI	@ 70% AMI	@ 50% AMI	@ 70% AMI	@ 50% AMI	@ 70% AMI
I.	Number of Bedrooms	3	3	4	4	5	5
	Percent of AMI	50%	70%	50%	70%	50%	70%
	Assumed Family Size	4.0	4.0	5.0	5.0	6.0	6.0
	Household Income (Rounded) (1)	$43,150	$60,410	$46,600	$65,240	$50,050	$70,070
II.	Income Allocation to Housing	30%	30%	30%	30%	30%	30%
	Amount Available for Housing	$12,945	$18,123	$13,980	$19,572	$15,015	$21,021
III.	HOA/Month (2)	$250	$250	$275	$275	$300	$300
	Annual HOA (2)	$3,000	$3,000	$3,300	$3,300	$3,600	$3,600
	Annual Insurance (2)	$960	$960	$1,200	$1,200	$1,440	$1,440
	Annual Maintenance (2)	$960	$960	$1,200	$1,200	$1,440	$1,440
IV.	Annual Utilities (3)	$1,440	$1,440	$1,860	$1,860	$2,136	$2,136
V.	Tax Rate	1.09%	1.09%	1.09%	1.09%	1.09%	1.09%
	Annual Taxes (4)	$1,046	$1,864	$1,025	$1,908	$1,014	$1,973
VI.	Available for Mortgage	$5,539	$9,899	$5,395	$10,105	$5,385	$10,432
	Interest Rate	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
	Down Payment	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
VII.	Supportable Mortgage	$91,092	$162,808	$88,737	$166,186	$88,571	$171,574
	Add: Down Payment	$4,800	$8,550	$4,700	$8,750	$4,650	$9,050
VIII.	**Maximum Unit Price (Rounded)**	**$96,000**	**$171,000**	**$93,000**	**$175,000**	**$93,000**	**$181,000**

(1) HUD 2019 Income Limits.
(2) Source: City of Encinitas.
(3) KMA estimate. Utility allowances based on City of Encinitas utility allowances issued July 1, 2019. KMA assumed utility allowance profile as follows:

	3 Bedroom	4 Bedroom	5 Bedroom
Gas Heat	$6	$8	$9
Gas Cooking	$4	$5	$5
Gas Water Heater	$13	$17	$20
Other Electric	$37	$47	$54
Water & Sewer	$48	$63	$72
Trash	$12	$15	$18
Total Utilities	$120	$155	$178

(4) Based on affordable unit price. Property tax assessment may be based on market value of actual unit.

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Encinitas_Feasibility Analysis_v6 - Afforable Housing Sales and Rents;12/2/2019;sjx

TABLE 9.A-2

ESTIMATES OF MAXIMUM AFFORDABLE PRICE - STACKED FLATS
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

		Stacked Flats	
		Two Bedroom	
		@ 50% AMI	@ 70% AMI
	Maximum Affordable Price		
I.	Number of Bedrooms	2	2
	Percent of AMI	50%	70%
	Assumed Family Size	3.0	3.0
	Household Income (Rounded) (1)	$38,825	$54,355
II.	Income Allocation to Housing	30%	30%
	Amount Available for Housing	$11,648	$16,307
III.	HOA/Month (2)	$200	$200
	Annual HOA	$2,400	$2,400
	Annual Insurance (2)	$720	$720
	Annual Maintenance (2)	$720	$720
IV.	Annual Utilities (3)	$1,200	$1,200
V.	Tax Rate	1.09%	1.09%
	Annual Taxes (4)	$1,046	$1,788
VI.	Available for Mortgage	$5,561	$9,479
	Interest Rate	4.5%	4.5%
	Down Payment	5.0%	5.0%
VII.	Supportable Mortgage	$91,462	$155,897
	Add: Down Payment	$4,800	$8,200
VIII.	**Maximum Unit Price (Rounded)**	**$96,000**	**$164,000**

(1) HUD 2019 Income Limits.
(2) Source: City of Encinitas.
(3) KMA estimate. Utility allowances based on City of Encinitas utility allowances issued July 1, 2019.
KMA assumed utility allowance profile as follows:

	2 Bedroom
Gas Heat	$5
Gas Cooking	$3
Gas Water Heater	$11
Other Electric	$30
Water & Sewer	$41
Trash	$10
Total Utilities	$100

(4) Based on affordable unit price. Property tax assessment may be based on market value of actual unit.

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Encinitas_Feasibility Analysis_v6 - Afforable Housing Sales and Rents;12/2/2019;sjx

TABLE 9.A-3

ESTIMATES OF MAXIMUM AFFORDABLE PRICE - TOWNHOMES
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

		Townhomes			
		Two Bedroom		Three Bedroom	
		@ 50% AMI	@ 70% AMI	@ 50% AMI	@ 70% AMI
I.	Number of Bedrooms	2	2	3	3
	Percent of AMI	50%	70%	50%	70%
	Assumed Family Size	3.0	3.0	4.0	4.0
	Household Income (Rounded) (1)	$38,825	$54,355	$43,150	$60,410
II.	Income Allocation to Housing	30%	30%	30%	30%
	Amount Available for Housing	$11,648	$16,307	$12,945	$18,123
III.	HOA/Month (2)	$150	$150	$175	$175
	Annual HOA	$1,800	$1,800	$2,100	$2,100
	Annual Insurance (2)	$720	$720	$960	$960
	Annual Maintenance (2)	$720	$720	$960	$960
IV.	Annual Utilities (3)	$1,200	$1,200	$1,440	$1,440
V.	Tax Rate	1.09%	1.09%	1.09%	1.09%
	Annual Taxes (4)	$1,145	$1,886	$1,188	$2,006
VI.	Available for Mortgage	$6,063	$9,981	$6,297	$10,657
	Interest Rate	4.5%	4.5%	4.5%	4.5%
	Down Payment	5.0%	5.0%	5.0%	5.0%
VII.	Supportable Mortgage	$99,717	$164,152	$103,564	$175,280
	Add: Down Payment	$5,250	$8,650	$5,450	$9,200
VIII.	**Maximum Unit Price (Rounded)**	**$105,000**	**$173,000**	**$109,000**	**$184,000**

(1) HUD 2019 Income Limits.
(2) Source: City of Encinitas.
(3) KMA estimate. Utility allowances based on City of Encinitas utility allowances issued July 1, 2019. KMA assumed utility allowance profile as follows:

	2 Bedroom	3 Bedroom
Gas Heat	$5	$6
Gas Cooking	$3	$4
Gas Water Heater	$11	$13
Other Electric	$30	$37
Water & Sewer	$41	$48
Trash	$10	$12
Total Utilities	$100	$120

(4) Based on affordable unit price. Property tax assessment may be based on market value of actual unit.

Prepared by: Keyser Marston Associates, Inc.
Filename i:\Encinitas_Feasibility Analysis_v6 - Afforable Housing Sales and Rents;12/2/2019;sjx

ATTACHMENT 9.B

Estimates of Affordable Rents

Inclusionary Housing Economic Analysis
City of Encinitas

Keyser Marston Associates, Inc.

TABLE 9.B-1

ESTIMATES OF MAXIMUM AFFORDABLE RENT - 50% AMI
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

		One Bedroom	Two Bedroom
I.	Percent of AMI	50%	50%
	Assumed Family Size	2.0	3.0
	Household Income (Rounded) (1)	$34,525	$38,825
II.	Income Allocation to Housing	30%	30%
	Monthly Housing Cost	$863	$971
	(Less) Utility Allowance (2)	($79)	($100)
III.	**Maximum Monthly Rent**	**$784**	**$871**

(1) HUD 2019 Income Limits.

(2) KMA estimate. Utility allowances based on City of Encinitas utility allowances issued July 1, 2019.
KMA assumed utility allowance profile as follows:

	1 Bedroom	2 Bedroom
Gas Heat	$4	$5
Gas Cooking	$2	$3
Gas Water Heater	$9	$11
Other Electric	$24	$30
Water & Sewer	$32	$41
Trash	$8	$10
Total	$79	$100

TABLE 9.B-2

ESTIMATES OF MAXIMUM AFFORDABLE RENT - 70% AMI
PROPOSED VERY LOW AND LOW INCOME
CITY OF ENCINITAS

		One Bedroom	Two Bedroom
I.	Percent of AMI	60%	60%
	Assumed Family Size	2.0	3.0
	Household Income (Rounded) (1)	$41,430	$46,590
II.	Income Allocation to Housing	30%	30%
	Monthly Housing Cost	$1,036	$1,165
	(Less) Utility Allowance (2)	($79)	($100)
III.	**Maximum Monthly Rent**	**$957**	**$1,065**

(1) HUD 2019 Income Limits.

(2) KMA estimate. Utility allowances based on City of Encinitas utility allowances issued July 1, 2019.
KMA assumed utility allowance profile as follows:

	1 Bedroom	2 Bedroom
Gas Heat	$4	$5
Gas Cooking	$2	$3
Gas Water Heater	$9	$11
Other Electric	$24	$30
Water & Sewer	$32	$41
Trash	$8	$10
Total	$79	$100