

APPENDIX A - TABLE 2A

2008 NEW ATTACHED OWNERSHIP PROJECTS (SUBAREA A)
 WORKFORCE HOUSING IN-LIEU FEE REDUCTION ANALYSIS
 PASADENA, CALIFORNIA

<u>Name & Address</u>	<u>Year Built</u>	<u>Total Units</u>	<u>Unit Type</u>	<u>Base Price</u>	<u>SF / Unit</u>	<u>\$/SF</u>
1 Pasadena Place Green St. & Pasadena Ave. Condo	2007	30	2/2	\$615,000	1,056	\$582
			2/2	\$625,000	1,076	\$581
			2/2	\$589,000	1,076	\$547
			2/2	\$575,000	1,076	\$534
			2/2	\$579,000	1,076	\$538
			2/2	\$595,000	1,106	\$538
			2/2	\$595,000	1,106	\$538
			2/2	\$610,000	1,108	\$551
			2/2	\$595,000	1,129	\$527
			2/2	\$645,000	1,178	\$548
			2/2	\$629,000	1,178	\$534

	<u>Sample Size</u>	<u>Average Unit Size</u>	<u>Minimum Price</u>	<u>Maximum Price</u>	<u>Average Price</u>	<u>Average Price/Sf</u>
Two-Bedroom Units	11	1,106	\$575,000	\$645,000	\$604,700	\$547

Source: Hanley Wood 4/10/2008

APPENDIX A - TABLE 2B

2008 NEW ATTACHED OWNERSHIP PROJECTS (SUBAREA B)
 WORKFORCE HOUSING IN-LIEU FEE REDUCTION ANALYSIS
 PASADENA, CALIFORNIA

<u>Name & Address</u>	<u>Year Built</u>	<u>Total Units</u>	<u>Unit Type</u>	<u>Base Price</u>	<u>SF / Unit</u>	<u>\$ / SF</u>
1 The Classics at Washington Park 1350 N. El Molino	2009	4	2/2.5	\$389,000	1,404	\$277
			3/2.5	\$399,000	1,389	\$287
			3/2.5	\$415,000	1,624	\$256
			3/2.5	\$450,000	1,977	\$228
2 Fair Oaks Court Peoria Street	2008	7	2/1	\$700,000	1,364	\$513
			2/1	\$450,000	908	\$496
			3/2	\$525,000	1,190	\$441
			3/2	\$525,000	1,190	\$441
			4/3	\$800,000	2,225	\$360
			4/3	\$750,000	1,910	\$393
4/3	\$850,000	2,949	\$288			

	<u>Sample Size</u>	<u>Average Unit Size</u>	<u>Minimum Price</u>	<u>Maximum Price</u>	<u>Average Price</u>	<u>Average Price/Sf</u>
Two-Bedroom Units	3	1,225	\$389,000	\$700,000	\$513,000	\$419
Three-Bedroom Units	5	1,474	\$399,000	\$525,000	\$462,800	\$314
Four-Bedroom Units	3	2,361	\$750,000	\$850,000	\$800,000	\$339

Source: Hanley Wood 4/10/2008

APPENDIX A - TABLE 2C

2008 NEW ATTACHED OWNERSHIP PROJECTS (SUBAREA C)
 WORKFORCE HOUSING IN-LIEU FEE REDUCTION ANALYSIS
 PASADENA, CALIFORNIA

<u>Name & Address</u>	<u>Year Built</u>	<u>Total Units</u>	<u>Unit Type</u>	<u>Base Price</u>	<u>SF / Unit</u>	<u>\$ / SF</u>
1 Michillinda Terrace Michillinda Ave. & Sierra Townhouse	2007	12	2/2.5	\$685,000	1,376	\$498
			2/3	\$759,000	1,527	\$497
			3/3.5	\$979,000	1,964	\$498

	<u>Sample Size</u>	<u>Average Unit Size</u>	<u>Minimum Price</u>	<u>Maximum Price</u>	<u>Average Price</u>	<u>Average Price/Sf</u>
Two-Bedroom Units	2	1,452	\$685,000	\$759,000	\$722,000	\$497
Three-Bedroom Units	1	1,964	\$979,000	\$979,000	\$979,000	\$498

Source: Hanley Wood 4/10/2008

APPENDIX A - TABLE 2D

2008 NEW ATTACHED OWNERSHIP PROJECTS (SUBAREA D)
 WORKFORCE HOUSING IN-LIEU FEE REDUCTION ANALYSIS
 PASADENA, CALIFORNIA

Name & Address	Year Built	Total Units	Unit Type	Base Price	SF / Unit	\$ / SF
1 Garden on Hill (The) Hill & 3rd St. Condo	2007	18	0/1	\$299,000	433	\$691
			1/1	\$417,000	802	\$520
			2/2	\$519,000	1,011	\$513
			3/3	\$699,000	1,449	\$482
2 Meridian (The) Colorado & Mar Vista Condo	2007	92	1/1	\$284,000	600	\$473
			2/1	\$360,000	735	\$490
			2/2	\$366,000	900	\$407
			2/2	\$450,000	1,035	\$435
			3/3	\$466,000	1,200	\$388
			3/3	\$520,000	1,470	\$354
3 Lake At Walnut Lake Ave. & Walnut St. Condo	2007	111	1/1	\$400,000	945	\$423
			1/1.5	\$550,000	1,126	\$488
			1/1	\$550,000	1,146	\$480
			1/2	\$650,000	1,340	\$485
			2/2	\$730,000	1,450	\$503
			2/2	\$720,000	1,465	\$491
			2/2	\$780,000	1,483	\$526
			2/2.5	\$720,000	1,523	\$473
			1/1.5	\$950,000	2,133	\$445
1/1.5	\$1,150,000	3,346	\$344			
4 Mentor Terrace Cordova St. & Mentor Condo	2008	29	1/1	\$339,000	557	\$609
			2/2	\$599,000	1,117	\$536
			3/2	\$769,000	1,154	\$666

	Sample Size	Average Unit Size	Minimum Price	Maximum Price	Average Price	Average Price/Sf
Studio	1	433	\$299,000	\$299,000	\$299,000	\$691
One-Bedroom Units	9	1,333	\$284,000	\$1,150,000	\$587,800	\$441
Two-Bedroom Units	9	1,191	\$360,000	\$780,000	\$582,700	\$489
Three-Bedroom Units	4	1,318	\$466,000	\$769,000	\$613,500	\$465

Source: Hanley Wood 4/10/2008

APPENDIX B

APPENDIX B - TABLE 1

2008 WORKFORCE HOUSING RENT CALCULATION¹
 WORKFORCE HOUSING IN-LIEU FEE REDUCTION ANALYSIS
 PASADENA, CALIFORNIA

	<u>1-Bdrm</u>	<u>2-Bdrm</u>	<u>3-Bdrm</u>
I. 2008 Los Angeles County Median Income	\$47,800	\$53,800	59,800
II. <u>150% Median Rents</u>			
Household Income @ 150% Median	\$71,700	\$80,700	\$89,700
Income Allotted to Housing @ 35% of Income	\$25,100	\$28,250	\$31,400
Maximum Monthly Housing Cost	\$2,092	\$2,354	\$2,617
(Less) Monthly Utility Allowance ²	-	-	-
Maximum Monthly Rent	\$2,092	\$2,354	\$2,617

¹ Based on the housing cost methodology as defined in the City's proposed Workforce Housing Ordinance.

² The Workforce Ordinance does not require the deduction of utilities.

APPENDIX B - TABLE 2

2008 WORKFORCE HOUSING SALES PRICE CALCULATION ¹
 WORKFORCE HOUSING IN-LIEU FEE REDUCTION ANALYSIS
 PASADENA, CALIFORNIA

	One-Bedroom Units	Two-Bedroom Units	Three-Bedroom Units
I. 2008 Los Angeles County Median Income	\$47,800	\$53,800	\$59,800
II. <u>Moderate Income Sales Prices</u>			
Household Income as % of Median	150%	150%	150%
Household Income	\$71,700	\$80,700	\$89,700
Income Allotted to Housing @ 40% of Income	\$28,680	\$32,280	\$35,880
<u>Ongoing Expenses</u>			
Maintenance & Insurance	\$2,400	\$2,600	\$2,800
Property Taxes @ 1.1% of Affordable Price	3,480	3,930	4,380
Total Ongoing Expenses	\$5,880	\$6,530	\$7,180
Income Available for Mortgage	\$22,800	\$25,750	\$28,700
<u>Affordable Housing Price</u>			
Supportable Mortgage @ 6.5% Interest ²	\$300,600	\$339,500	\$378,400
Home Buyer Down Payment @ 5% of Affordable Price	15,800	17,900	19,900
Maximum Purchase Price	\$316,400	\$357,400	\$398,300

¹ Based on the housing cost methodology as defined by the City's Workforce Housing Ordinance.

² Assumes a 30-year amortization period, which equates to a 7.58% mortgage constant.

APPENDIX C

APPENDIX C - TABLE 1

IN-LIEU FEE REDUCTION CALCULATION (RENTAL PROJECT - SUBAREA B) ¹
30% MODERATE INCOME ON-SITE WORKFORCE REQUIREMENT
WORKFORCE HOUSING IN-LIEU FEE REDUCTION ANALYSIS
PASADENA, CALIFORNIA

I. On-Site Inclusionary Requirement

A. Number of On-Site Inclusionary Units

Total Project Units	100
Workforce Requirement	30%
Total On-Site Inclusionary Units (Round-up)	30

B. <u>Unit Distribution</u>	Total Project Units	% of Total Units	Workforce Units
One-bedroom Units	50	50%	15
Two-bedroom Units	50	50%	15
Totals	100	100%	30

II. Affordability Gap Calculation

A. <u>Rents</u>	Market Rents	Workforce Rents ²	Difference
One-bedroom Units	\$1,120	\$1,120	\$0
Two-bedroom Units	\$1,640	\$1,640	\$0
	100% Market Rate	30% Workforce	Difference
B. <u>Effective Gross Income</u>			
Rental Income	\$1,656,000	\$1,656,000	\$0
(Less) Vacancy Allowance @ 5% Income	(82,800)	(82,800)	-
Effective Gross Income	\$1,573,200	\$1,573,200	\$0
C. <u>Operating Expenses</u> ³			
General Operating Expenses	\$400,000	\$400,000	\$0
Property Management Fee	78,660	78,660	-
Property Taxes	179,920	179,920	-
Reserves	15,000	15,000	0
Total Operating Expenses	\$673,580	\$673,580	\$0
D. <u>Net Operating Income</u>	\$899,620	\$899,620	\$0
E. <u>Affordability Gap</u>			
Net Operating Income	\$899,620	\$899,620	\$0
Capitalization Rate	5.5%	5.5%	
Project Value	\$16,357,000	\$16,357,000	\$0
Per Unit	\$163,600	\$163,600	\$0

III. In-Lieu Fee Reduction

Total	\$0
Per Square Foot of Gross Building Area ⁴	85,000 Square Feet GBA
	\$0

¹ Project size, unit distribution and market rent assumptions based on the Subarea B market research.

² See APPENDIX B - TABLE 1. However, the maximum potential rent is limited by the market rate rent.

³ General operating expenses equal \$4,000/unit. Property management fees equal 5% of effective gross income. Property tax set at 1.1% of the project value. Reserves equal \$150/unit.

⁴ Assumes the following unit sizes: 700 Sf/1-Bdrm unit and 1,000 Sf/2-Bdrm unit.

APPENDIX C - TABLE 2

IN-LIEU FEE REDUCTION CALCULATION (RENTAL PROJECT - SUBAREA C) ¹
30% MODERATE INCOME ON-SITE WORKFORCE REQUIREMENT
WORKFORCE HOUSING IN-LIEU FEE REDUCTION ANALYSIS
PASADENA, CALIFORNIA

I. On-Site Inclusionary Requirement

A. Number of On-Site Inclusionary Units

Total Project Units	100
Workforce Requirement	30%
Total On-Site Inclusionary Units (Round-up)	30

B. <u>Unit Distribution</u>	Total Project Units	% of Total Units	Workforce Units
One-bedroom Units	50	50%	15
Two-bedroom Units	50	50%	15
Totals	100	100%	30

II. Affordability Gap Calculation

A. <u>Rents</u>	Market Rents	Workforce Rents ²	Difference
One-bedroom Units	\$1,680	\$1,680	\$0
Two-bedroom Units	\$2,150	\$2,150	\$0
	100% Market Rate	30% Workforce	Difference
B. <u>Effective Gross Income</u>			
Rental Income	\$2,298,000	\$2,298,000	\$0
(Less) Vacancy Allowance @ 5% Income	(114,900)	(114,900)	-
Effective Gross Income	\$2,183,100	\$2,183,100	\$0
C. <u>Operating Expenses</u> ³			
General Operating Expenses	\$400,000	\$400,000	\$0
Property Management Fee	109,160	109,160	-
Property Taxes	276,490	276,490	-
Reserves	15,000	15,000	0
Total Operating Expenses	\$800,650	\$800,650	\$0
D. <u>Net Operating Income</u>	\$1,382,450	\$1,382,450	\$0
E. <u>Affordability Gap</u>			
Net Operating Income	\$1,382,450	\$1,382,450	\$0
Capitalization Rate	5.5%	5.5%	
Project Value	\$25,135,000	\$25,135,000	\$0
Per Unit	\$251,400	\$251,400	\$0

III. In-Lieu Fee Reduction

Total	\$0
Per Square Foot of Gross Building Area ⁴	85,000 Square Feet GBA

¹ Project size, unit distribution and market rent assumptions based on the Subarea C market research.

² See APPENDIX B - TABLE 1. However, the maximum potential rent is limited by the market rate rent.

³ General operating expenses equal \$4,000/unit. Property management fees equal 5% of effective gross income. Property tax set at 1.1% of the project value. Reserves equal \$150/unit.

⁴ Assumes the following unit sizes: 700 Sf/1-Bdrm unit and 1,000 Sf/2-Bdrm unit.

APPENDIX C - TABLE 3

IN-LIEU FEE REDUCTION CALCULATION (RENTAL PROJECT - SUBAREA D) ¹
 30% MODERATE INCOME ON-SITE WORKFORCE REQUIREMENT
 WORKFORCE HOUSING IN-LIEU FEE REDUCTION ANALYSIS
 PASADENA, CALIFORNIA

I. On-Site Inclusionary Requirement

A. Number of On-Site Inclusionary Units

Total Project Units	100
Workforce Requirement	30%
Total On-Site Inclusionary Units (Round-up)	30

	<u>Total Project Units</u>	<u>% of Total Units</u>	<u>Inclusionary Units</u>
B. <u>Unit Distribution</u>			
One-bedroom Units	50	50%	15
Two-bedroom Units	50	50%	15
Totals	100	100%	30

II. Affordability Gap Calculation

	<u>Market Rents</u>	<u>Workforce Rents ²</u>	<u>Difference</u>
A. <u>Rents</u>			
One-bedroom Units	\$1,870	\$1,870	\$0
Two-bedroom Units	\$2,400	\$2,354	\$46
	<u>100% Market Rate</u>	<u>30% Workforce</u>	<u>Difference</u>
B. <u>Effective Gross Income</u>			
Rental Income	\$2,562,000	\$2,553,720	\$8,280
(Less) Vacancy Allowance @ 5% Income	(128,100)	(127,690)	(410)
Effective Gross Income	\$2,433,900	\$2,426,030	\$7,870
C. <u>Operating Expenses ³</u>			
General Operating Expenses	\$400,000	\$400,000	\$0
Property Management Fee	121,700	121,300	400
Property Taxes	316,200	314,950	1,250
Reserves	15,000	15,000	0
Total Operating Expenses	\$852,900	\$851,250	\$1,650
D. Net Operating Income	\$1,581,000	\$1,574,780	\$6,220
E. <u>Affordability Gap</u>			
Net Operating Income	\$1,581,000	\$1,574,780	\$6,220
Capitalization Rate	5.5%	5.5%	
Project Value	\$28,745,000	\$28,632,000	\$113,000
Per Unit	\$287,450	\$286,320	\$1,130

III. <u>In-Lieu Fee Reduction</u>		
Total		\$113,000
Per Square Foot of Gross Building Area ⁴	85,000 Square Feet GBA	\$1

¹ Project size, unit distribution and market rent assumptions based on the Subarea D market research.

² See APPENDIX B - TABLE 1.

³ General operating expenses equal \$4,000/unit. Property management fees equal 5% of effective gross income. Property tax set at 1.1% of the project value. Reserves equal \$150/unit.

⁴ Assumes the following unit sizes: 700 Sf/1-Bdrm unit and 1,000 Sf/2-Bdrm unit.

APPENDIX C - TABLE 4

IN-LIEU FEE REDUCTION CALCULATION (OWNERSHIP PROJECT - SUBAREA A) ¹
30% MODERATE INCOME ON-SITE WORKFORCE REQUIREMENT
WORKFORCE HOUSING IN-LIEU FEE REDUCTION ANALYSIS
PASADENA, CALIFORNIA

I. <u>On-Site Inclusionary Requirement</u>			
	Total Project Units (Two-bedroom Units @ 1,106 Sf/Unit)		60
	Inclusionary Requirement		30%
	Total On-Site Inclusionary Units (Round-up)		18
II. <u>Affordability Gap / Unit</u>			
	Market Price	\$547 /Sf GBA	\$604,700
	Maximum Affordable Price ²	\$323 /Sf GBA	<u>357,400</u>
	Affordability Gap Per Affordable Unit		\$247,300
III. Total Project Affordability Gap			
		18 Affordable Units	\$4,451,000
IV. In-Lieu Fee Reduction			
	Total		\$4,451,000
	Per Square Foot of Gross Building Area ³		\$67

¹ Project size, unit distribution and market rate sales price assumptions based on Subarea A market research.

² Assumes the typical two-bedroom unit equals 1,106 sf.

³ See APPENDIX B - TABLE 2.

⁴ Gross building area equals 66,355 square feet.

APPENDIX C - TABLE 5

**IN-LIEU FEE REDUCTION CALCULATION (OWNERSHIP PROJECT - SUBAREA B) ¹
 30% MODERATE INCOME ON-SITE WORKFORCE REQUIREMENT
 WORKFORCE HOUSING IN-LIEU FEE REDUCTION ANALYSIS
 PASADENA, CALIFORNIA**

I. <u>On-Site Inclusionary Requirement</u>			
	Total Project Units (Two-bedroom Units @ 1,225 Sf/Unit)		60
	Inclusionary Requirement		30%
	Total On-Site Inclusionary Units (Round-up)		18
II. <u>Affordability Gap / Unit</u>			
	Market Price	\$419 /Sf GBA	\$513,000
	Maximum Affordable Price ²	\$292 /Sf GBA	357,400
	Affordability Gap Per Affordable Unit		\$155,600
III.	Total Project Affordability Gap	18 Affordable Units	\$2,801,000
IV. In-Lieu Fee Reduction			
	Total		\$2,801,000
	Per Square Foot of Gross Building Area ³		\$38

¹ Project size, unit distribution and market rate sales price assumptions based on Subarea A market research.

² Assumes the typical two-bedroom unit equals 1,225 sf.

³ See APPENDIX B - TABLE 2.

⁴ Gross building area equals 73,520 square feet.

APPENDIX C - TABLE 5

**IN-LIEU FEE REDUCTION CALCULATION (OWNERSHIP PROJECT - SUBAREA C) ¹
 30% MODERATE INCOME ON-SITE WORKFORCE REQUIREMENT
 WORKFORCE HOUSING IN-LIEU FEE REDUCTION ANALYSIS
 PASADENA, CALIFORNIA**

I. <u>On-Site Inclusionary Requirement</u>			
	Total Project Units (Two-bedroom Units @ 1,452 Sf/Unit)		60
	Inclusionary Requirement		30%
	Total On-Site Inclusionary Units (Round-up)		18
II. <u>Affordability Gap / Unit</u>			
	Market Price	\$497 /Sf GBA	\$722,000
	Maximum Affordable Price ²	\$246 /Sf GBA	357,400
	Affordability Gap Per Affordable Unit		\$364,600
III.	Total Project Affordability Gap	18 Affordable Units	\$6,563,000
IV. In-Lieu Fee Reduction			
	Total		\$6,563,000
	Per Square Foot of Gross Building Area ³		\$75

¹ Project size, unit distribution and market rate sales price assumptions based on Subarea D market research.

² See APPENDIX B - TABLE 2.

³ Gross building area equals 87,090 square feet.

APPENDIX C - TABLE 6

IN-LIEU FEE REDUCTION CALCULATION (OWNERSHIP PROJECT - SUBAREA D) ¹
30% MODERATE INCOME ON-SITE WORKFORCE REQUIREMENT
WORKFORCE HOUSING IN-LIEU FEE REDUCTION ANALYSIS
PASADENA, CALIFORNIA

I. <u>On-Site Inclusionary Requirement</u>		
Total Project Units (Two-bedroom Units @ 1,191 Sf/Unit)		60
Inclusionary Requirement		30%
Total On-Site Inclusionary Units (Round-up)		18
II. <u>Affordability Gap / Affordable Unit</u>		
Market Price	\$489 /Sf GBA	\$582,700
Maximum Affordable Price ²	\$300 /Sf GBA	<u>357,400</u>
Affordability Gap Per Affordable Unit		\$225,300
III. Total Project Affordability Gap	18 Affordable Units	\$4,055,000
IV. <u>In-Lieu Fee Reduction</u>		
Total		\$4,055,000
Per Square Foot of Gross Building Area ³		\$57

¹ Project size, unit distribution and market rate sales price assumptions based on Subarea D market research.

³ See APPENDIX B - TABLE 2.

⁴ Gross building area equals 71,460 square feet.

APPENDIX D

APPENDIX D - TABLE 1

PROPOSED IN-LIEU FEE REDUCTION CALCULATION
 WORKFORCE HOUSING IN-LIEU FEE REDUCTION ANALYSIS
 PASADENA, CALIFORNIA

Inclusionary Ordinance In-Lieu Fees (2009)			
		10 - 49 Units	50+ Units
I. Rental Units			
SUBAREA A ¹		TBD	TBD
SUBAREA B		\$1.07	\$1.07
SUBAREA C		\$23.48	\$32.01
SUBAREA D		\$21.34	\$29.88
II. Ownership Units			
SUBAREA A		\$40.55	\$56.56
SUBAREA B		\$14.94	\$20.27
SUBAREA C		\$24.54	\$34.15
SUBAREA D		\$19.21	\$26.68
Workforce In-Lieu Fee Reductions			
	Affordability Gap	In-Lieu Fee Reduction	
	Per Sf GBA	10 - 49 Units	50+ Units
I. Rental Units			
SUBAREA A ¹	TBD	TBD	TBD
SUBAREA B ²	\$0.00	\$0.00	\$0.00
SUBAREA C ²	\$0.00	\$0.00	\$0.00
SUBAREA D	\$1.33	\$0.96	\$1.33
II. Ownership Units			
SUBAREA A ³	\$67.08	\$48.30	\$67.08
SUBAREA B ¹	\$38.10	\$27.43	\$38.10
SUBAREA C ³	\$75.36	\$54.26	\$75.36
SUBAREA D ³	\$56.75	\$40.86	\$56.75
Proposed Reduced Inclusionary In-Lieu Fee			
		10 - 49 Units	50+ Units
I. Rental Units			
SUBAREA A		TBD	TBD
SUBAREA B		TBD	TBD
SUBAREA C		TBD	TBD
SUBAREA D		\$20.38	\$28.55
II. Ownership Units			
SUBAREA A		\$0.00	\$0.00
SUBAREA B		\$0.00	\$0.00
SUBAREA C		\$0.00	\$0.00
SUBAREA D		\$0.00	\$0.00

¹ No significant market rate apartment or ownership development has occurred within this subarea.

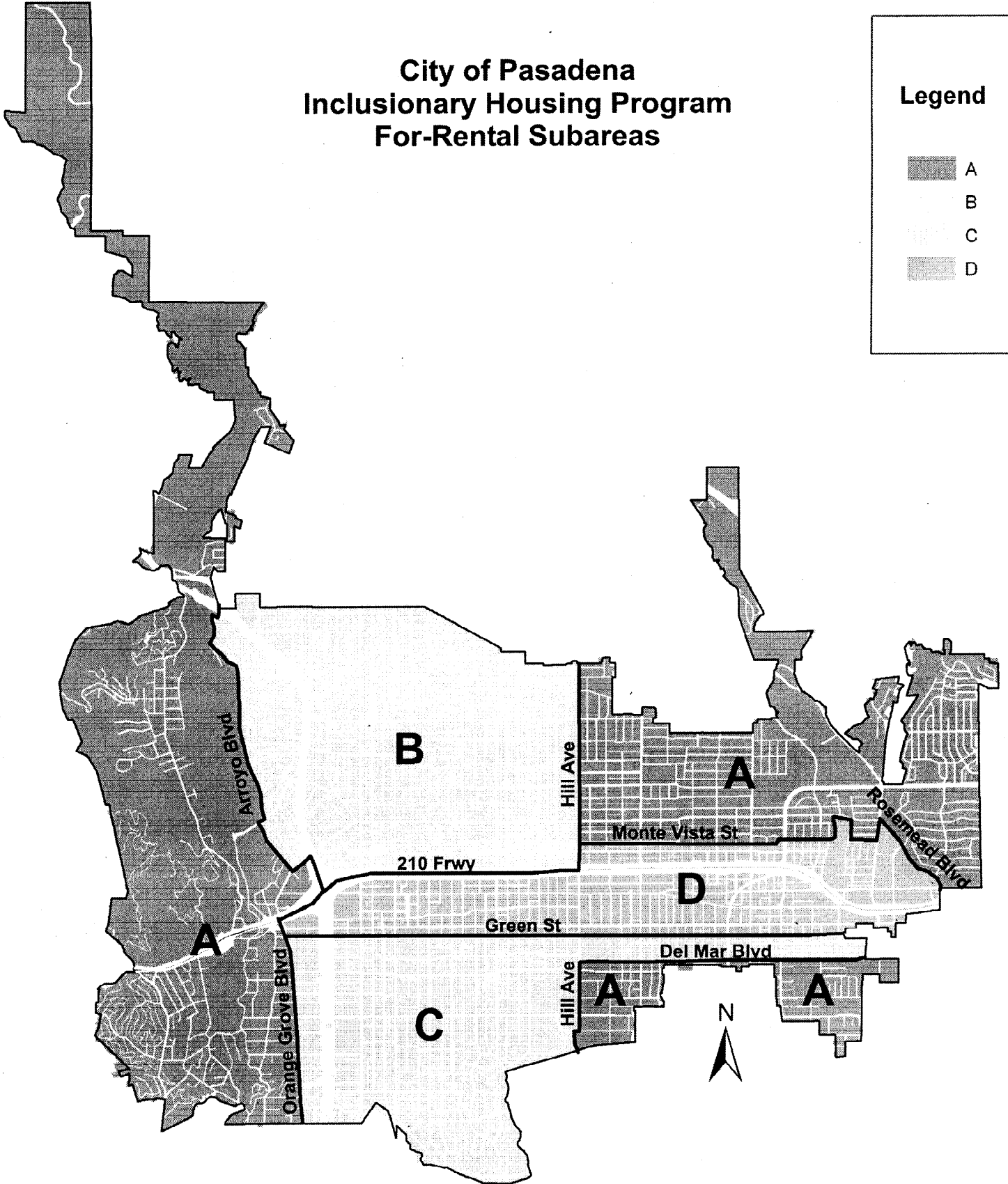
² The workforce housing rents/sales prices exceeds the market rate rents/sales prices.

³ The Workforce In-Lieu Fee Reduction per square foot of GBA exceeds the 2009 Inclusionary In Lieu Fee.

City of Pasadena Inclusionary Housing Program For-Rental Subareas





Legend

-  A
-  B
-  C
-  D



City of Pasadena Inclusionary Housing Program For-Sale Subareas

Legend

-  A
-  B
-  C
-  D

