NOTES

Community Benefit calculation for a mixed use project with maximum density of up to 50 dwelling units per acre, 21 public parking spaces			
For Lease Dwelling Units:		**Calculations**	**Comments**
	Total Lot Area in Square Feet	24,082	(27 units, av. size 1,000 s.f.)
	Total Dwelling Units at 35 units per acre [1]	19.00	Rounded Down
	Total Dwelling Units at 50 units per acre [1]	27.00	Rounded Down
	Number of Additional Units Allowed	8.00	
	Revenue		
	Average Rent Rate Per Square Foot	$3.03	($3.025 = $3,025 mo. @ 1,000 s.f.)
	Average Unit Square Feet [2]	1,000	
	Average Monthly Rent Per Unit (Derived from Market Study)	$3,025	
	Annual Rent Per Unit[3]	$36,300	
	Annual Operating Income (Gross):	**$980,100**	
	Vacancy Allowance / Operating Expenses		
	5% Vacancy & Collection Allowance	$49,005	
	General Operating Expenses at $3,200 Per Unit Per Year	$86,400	
	Property Taxes [4]	$152,300	
	Total Operating Expenses	$287,705	
	Net Operating Income (NOI)	**$692,395**	
	Capitalization Rate [5]	5.00%	
	Project Value	$13,847,900	NOI/Capitalization Rate
	Value Per Unit	$512,885	Project Value/Total # Dwelling Units
	Value of Additional Units above 35/acre	$4,103,081	# of Additional Units X Value Per Unit
	Additional Value (Based on 15% Assumed Profit)	$615,462	
	Community Benefit Contribution (50% of Additional Value)	**$307,731**	
	Public Parking Area: [6]		
	Community Benefit Contribution of Land[7]	$256,000	
	Community Benefit Contribution of Parking Improvements[8]	$51,731	
	Cost to construct Parking Improvements[9]	$210,000	
	Net Cost for Public Parking Improvements[10]	**($158,269)**	

NOTES:

1. 35 units per acre = No. of sq. ft. of land divided by 1,245; and 50 units per acre is divided by 871.
2. Average Unit Square Feet is total sq. ft. of all units divided by total number of units.
3. Based upon Market Study.
4. Based on the Capitalized Value of the Property multiplied times 1.1% assumed property tax rate.
5. The capitalization rate is derived from a survey of recent apartment sales. The capitalization rate is equal to the net operating income divided by the sales price for the surveyed sales.
6. Community Benefit Contribution requires a minimum of 5,000 square feet of land area.
7. Parking area (7,350 sq. ft.) X Land Value ($34.83 per sq. ft.) at 350 s.f. per space x 21
8. spaces (psf land value: Total Gross Floor Area of 82,823 / Land Sale of $2,885,000 = $34.83 psf).
9. Balance of total Community Benefit Contribution less cost for land required for public parking area.
10. Twenty-one (21) parking spaces at $10,000 per space for grading, paving, striping, landscaping and lighting.
11. Cost for Public Parking Improvements in addition to Community Benefit Contribution (total cost of public parking improvements less Community Benefit Contribution of parking Improvements).

Assumptions:

Land value per appraisal: $2,885,000.
GFA: 82,823 s.f.
Land value: $34.83 per s.f. ($2,885,000 / 82,823 s.f.).
21 public parking spaces @ 350 s.f. each: 7,350 s.f.
Land value for public parking component: $256,000 (7,350 s.f. x $34.83 p.s.f.).
Construction cost for 21 public parking spaces @ $10,000 per space: $210,000.
Community Benefit Contribution (CBC): $307,731 (one-half of profit from 8 additional units).

Total cost for 21 public parking spaces:

$256,000 land
$210,000 construction
$466,000 total

($307,731) CBC
$158,269 additional cost to construct public parking component beyond CBC.