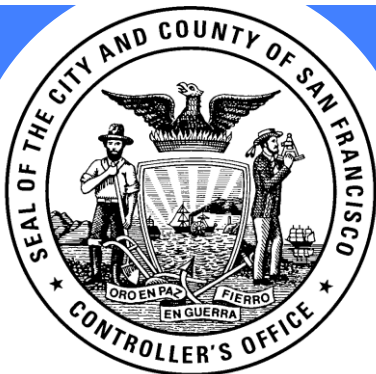


Inclusionary Housing Technical Advisory Committee Second Meeting



CITY & COUNTY OF SAN FRANCISCO

Office of the Controller

January 6, 2023

Meeting Outline

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- Feasibility Analysis Approach
- State Density Bonus Utilization
- TBD Consultants Hard Cost Estimate Summaries
- Summary of Prototypes by Tenure
- Research & Underwriting Assumptions
- Preliminary Economic Analysis & Residual Land Values:
 - Current Inclusionary Requirements
 - State Density Bonus
 - State Density Bonus No Fee
 - Hypothetical Market Rate Project
- Land Value Research
- Appendices:
 - Appendix A – Market Rate & BMR Rents & Prices
 - Appendix B – San Francisco Housing Production
 - Appendix C – MOHCD Project Hard Cost Data

Feasibility Analysis Approach

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- Conducted market research to estimate underwriting analysis assumptions and evaluate historical residential market land values.
- Prepared hypothetical base and State Density Bonus prototype programs for apartment and condominium projects to serve as basis for asset level ground-up development underwriting.
- Analysis prepared on static basis utilizing unescalated underwriting assumptions (consistent with prior analysis).
- Preliminary analysis estimated residual land values based on target return-on-cost for for-rent apartment projects and target profit margin for for-sale condominium projects.
- Compared estimated residual land values based on current inclusionary requirements, utilization of State Density Bonus, utilization of State Density Bonus with no fee, and hypothetical 100% market rate scenarios for illustrative purposes.
- Program for State Density Bonus prototypes estimated based on review of State Density Bonus utilization in recent residential development pipeline projects. Estimate reflects 38.75% bonus based on 12% of units at 50% AMI for apartments, and 23% bonus based on 12% of units at 80% AMI for condominiums.

Feasibility Analysis Approach

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- Apartment rental rate and condominium sale price assumptions estimated based on market research regarding residential development projects completed in 2019 or later.
- Research included data from multiple sources including, but not limited to, CoStar for prevailing multifamily apartment rental rates and Polaris Pacific and MLS for condominium sale prices. Research data was evaluated and vetted for applicability to analyzed prototypes.
- Third-party cost estimator (TBD Consultants) prepared prototype hard cost estimates.
- Analysis included standard softs costs and Citywide impact fees.
- Preliminary analysis focused on estimated residual land value based on onsite inclusionary requirements; payment of in-lieu inclusionary housing fee equivalent to be reviewed at subsequent TAC meeting.

State Density Bonus Utilization

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- Density Bonus Law enables projects, which meets its requirements to receive density bonus and other concessions as matter of right.
- As of 2020, Density Bonus Law allows up to 50% increase in project density for mixed-income projects in exchange for onsite inclusionary housing.
- Eligible density bonus percentage varies based on amount of affordable housing proposed and level of affordability.
- Planning application data, which includes tenure, building stories, proposed unit counts, density bonus units and percentage, was reviewed for projects with applications submitted since 2018.
- Apartment and condominium density bonus utilization and weighted average density bonus percentages were calculated for projects that indicated tenure in their applications.
- Projects were organized by case typology based on maximum zoning height for each project.

State Density Bonus Utilization

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<i>Apartments</i>	Density Bonus	
Case	Density Bonus Utilization % (a)	Wtd. Average Density Bonus (b)
1.) Case A - Lowrise	69%	37%
2.) Case B - Midrise	85%	35%
3.) Case C - Highrise	60%	40%
4.) Case D - Highrise (c)	0%	0%
5.) Case E - Lowrise	83%	34%

<i>Condominiums</i>	Density Bonus	
Case	Density Bonus Utilization % (a)	Wtd. Average Density Bonus (b)
1.) Case A - Lowrise	100%	25%
2.) Case B - Midrise	33%	29%
3.) Case C - Highrise	50%	23%
4.) Case D - Highrise (c)	0%	0%
5.) Case E - Lowrise	100%	26%

Notes:

- (a) Reflects percentage of projects, which have submitted planning applications since 2018 that include a density bonus.
- (b) Reflects weighted average density bonus included in submitted planning applications.
- (c) Case D data reflects only 1 planning application for each of apartments and condominiums.

TBD Consultants Hard Cost Estimate Summaries

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For-Rent Apartments, Hard Costs per GSF (Excludes Soft Costs)

Product Type	For-Rent Apartments - Base Programs*				
Case	A	B	C	D	E
Building Type	Lowrise	Midrise	Highrise	Highrise	Lowrise
Construction Type	Type V	Type III	Type I	Type I	Type V
Building Stories	5 Stories	7 Stories	13 Stories	24 Stories	4 Stories
Total Project \$/GSF	\$442	\$452	\$550	\$588	\$503
Residential \$/GSF	\$471	\$474	\$584	\$620	\$587
Parking Location	At Grade	Below Grade	Below Grade	Below Grade	At Grade
Parking \$/GSF	\$223	\$310	\$320	\$328	\$294
Retail Shell \$/GSF	\$249	\$208	\$235	\$241	\$287

* Hard cost estimates prepared by TBD Consultants.

TBD Consultants Hard Cost Estimates Summary

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For-Sale Condominiums, Hard Costs per GSF (Excludes Soft Costs)

Product Type	For-Sale Condominiums - Base Programs *				
Case	A	B	C	D	E
Building Type	Lowrise	Midrise	Highrise	Highrise	Highrise
Construction Type	Type V	Type III	Type I	Type I	Type V
Building Stories	5 Stories	7 Stories	13 Stories	24 Stories	4 Stories
Total Project \$/GSF	\$428	\$440	\$538	\$573	\$516
Residential \$/GSF	\$473	\$471	\$584	\$619	\$603
Parking Location	At Grade	Below Grade	Below Grade	Below Grade	At Grade
Parking \$/GSF	\$198	\$291	\$321	\$327	\$297
Retail Shell \$/GSF	\$249	\$208	\$236	\$242	\$289

* Hard cost estimates prepared by TBD Consultants.

Summary of Prototypes by Tenure

For-Rent Apartments – Base Non-Density Bonus Program Typology

Product Type	For-Rent Apartments – Base Program				
Case	Case A	Case B	Case C	Case D	Case E
Building Type	Lowrise	Midrise	Highrise	Highrise	Lowrise
Construction Type	Type V	Type III	Type I	Type I	Type V
Building Height	55 Feet	85 Feet	135 Feet	245 Feet	45 Feet
Building Stories	5 Stories	8 Stories	13 Stories	24 Stories	4 Stories
Building Units	45 Units	130 Units	227 Units	341 Units	13 Units
Average Unit Size *	825 NSF	825 NSF	825 NSF	825 NSF	852 NSF
Parking Ratio	0.25:1	0.25:1	0.25:1	0.25:1	0.77:1

* Average unit size for Cases A-D adjusted to meet Planning Code Section 207.7 Required Minimum Dwelling Unit Mix requirements.

Summary of Prototypes by Tenure

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For-Rent Apartments – State Density Bonus Program Typology

Product Type	For-Rent Apartments – State Density Bonus Program				
	Case A	Case B	Case C	Case D	Case E
Case	Case A	Case B	Case C	Case D	Case E
Building Type	Midrise	Highrise	Highrise	Highrise	Midrise
Construction Type	Type III	Type I	Type I	Type I	Type III
Building Height	75 Feet	125 Feet	185 Feet	345 Feet	65 Feet
Building Stories	7 Stories	12 Stories	18 Stories	34 Stories	6 Stories
Building Units	62 Units	180 Units	315 Units	473 Units	20 Units
Average Unit Size *	825 NSF	825 NSF	825 NSF	825 NSF	831 NSF
Parking Ratio	0.25:1	0.25:1	0.25:1	0.25:1	0.65:1

* Average unit size for Cases A-D adjusted to meet Planning Code Section 207.7 Required Minimum Dwelling Unit Mix requirements.

Summary of Prototypes by Tenure

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For-Sale Condominiums – Base Non-Density Bonus Program Typology

Product Type	For-Sale Condominiums – Base Program				
Case	Case A	Case B	Case C	Case D	Case E
Building Type	Lowrise	Midrise	Highrise	Highrise	Lowrise
Construction Type	Type V	Type III	Type I	Type I	Type V
Building Height	55 Feet	85 Feet	135 Feet	245 Feet	45 Feet
Building Stories	5 Stories	8 Stories	13 Stories	24 Stories	4 Stories
Building Units	37 Units	107 Units	188 Units	281 Units	13 Units
Average Unit Size *	1,000 NSF	1,000 NSF	1,000 NSF	1,000 NSF	852 NSF
Parking Ratio	0.50:1	0.50:1	0.50:1	0.50:1	0.77:1

* Average unit size for Cases A-D adjusted to meet Planning Code Section 207.7 Required Minimum Dwelling Unit Mix requirements.

Summary of Prototypes by Tenure

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For-Sale Condominiums – State Density Bonus Program Typology

Product Type	For-Sale Condominiums – State Density Bonus Program				
Case	Case A	Case B	Case C	Case D	Case E
Building Type	Lowrise	Midrise	Highrise	Highrise	Lowrise
Construction Type	Type III	Type I	Type I	Type I	Type V
Building Height	75 Feet	105 Feet	165 Feet	295 Feet	55 Feet
Building Stories	7 Stories	10 Stories	16 Stories	29 Stories	5 Stories
Building Units	46 Units	132 Units	231 Units	346 Units	17 Units
Average Unit Size *	1,000 NSF	1,000 NSF	1,000 NSF	1,000 NSF	838 NSF
Parking Ratio	0.50:1	0.50:1	0.50:1	0.50:1	0.76:1

* Average unit size for Cases A-D adjusted to meet Planning Code Section 207.7 Required Minimum Dwelling Unit Mix requirements.

Research & Underwriting Assumptions

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For-Rent Apartments – 2022 Citywide Inclusionary Requirements

2022 Citywide Inclusionary Requirements for Rental Housing		
10-24 Unit Projects	Onsite	Offsite
55% AMI	14.50%	20.00%
25+ Unit Projects		
55% AMI	12.00%	18.00%
80% AMI	4.75%	6.00%
110% AMI	<u>4.75%</u>	<u>6.00%</u>
Total	21.50%	30.00%
Offsite In-Lieu Fee Percentage		
10-24 Unit Projects	20.00%	
25+ Unit Projects	30.00%	

** Reflects percentage of total project residential unit square footage on which in-lieu fee payment amount is to be calculated.*

Research & Underwriting Assumptions

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For-Rent Apartments – Base Non-Density Bonus Program Typology

<i>Apartments</i>	Underwriting Assumptions - Base Programs				
Case (a) (b)	A	B	C	D	E
Construction Type	Type V	Type III	Type I	Type I	Type V
Building Type	Lowrise	Midrise	Highrise	Highrise	Lowrise
1.) Building Stories	5 Stories	8 Stories	13 Stories	24 Stories	4 Stories
2.) Building Height	55 Feet	85 Feet	135 Feet	245 Feet	45 Feet
3.) Gross Square Feet	53,031	151,438	265,469	402,548	19,350
4.) Efficiency Factor	80.0%	80.0%	80.0%	78.0%	80.0%
5.) Apartment Unit Count	45	130	227	341	13
6.) Wtd. Average Market Rent	\$4,152 / \$4.98	\$4,371 / \$5.31	\$4,643 / \$5.62	\$4,442 / \$5.39	\$5,518 / \$6.56
7.) Wtd. Average BMR Rent	\$1,941 / \$2.44	\$1,922 / \$2.31	\$1,971 / \$2.40	\$1,966 / \$2.37	\$1,517 / \$1.93
8.) Hard Costs (Total / Unit) (c)	\$24.9M / \$552,400	\$72.3M / \$556,100	\$154.1M / \$678,800	\$249.2M / \$730,800	\$10.4M / \$800,200
9.) Soft Costs (Total / Unit) (c)	\$6.4M / \$142,400	\$17.3M / \$132,900	\$36.7M / \$161,700	\$61.8M / \$181,200	\$3.2M / \$242,500
10.) Total Costs (Total / Unit) (c)	\$31.4M / \$698,100	\$89.6M / \$688,900	\$190.8M / \$840,500	\$311.2M / \$912,000	\$13.7M / \$1,054,200
11.) Total Hard & Soft Costs / GSF (c)	\$590	\$591	\$719	\$773	\$708
12.) Untrended Annual NOI	\$1,399,100	\$4,171,300	\$7,620,400	\$10,840,100	\$600,400
13.) Untrended Return-on-Cost (d)	5.25%	5.25%	5.25%	5.25%	5.25%

Notes:

- (a) Cases A-D reflect current Citywide 21.5% onsite inclusionary housing requirement.
- (b) Case E reflects programmatic information provided by Planning Department (including current Citywide 14.5% onsite inclusionary housing requirement) and underwriting assumptions utilized for residential prototype from recently completed analysis.
- (c) Figures exclude land cost.
- (d) Reflects untrended return-on-cost target to derive residual land value.
- * All financial and programmatic estimates are preliminary in nature and not intended as formal feasibility analysis.
- ** Financial analyses shown above reflect institutional investment underwriting assumptions.

Research & Underwriting Assumptions

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For-Rent Apartments – State Density Bonus Program Typology

<i>Apartments</i>	Underwriting Assumptions - State Density Bonus Programs				
Case (a) (b)	A	B	C	D	E
Construction Type	Type III	Type I	Type I	Type I	Type III
Building Type	Midrise	Highrise	Highrise	Highrise	Lowrise
1.) Building Stories	7 Stories	12 Stories	18 Stories	34 Stories	6 Stories
2.) Building Height	75 Feet	125 Feet	185 Feet	345 Feet	65 Feet
3.) Gross Square Feet	72,438	207,500	364,469	554,538	26,225
4.) Efficiency Factor	80.0%	80.0%	80.0%	78.0%	80.0%
5.) Apartment Unit Count	62	180	315	473	20
6.) Wtd. Average Market Rent	\$4,278 / \$5.17	\$4,501 / \$5.46	\$4,777 / \$5.79	\$4,577 / \$5.55	\$5,467 / \$5.55
7.) Wtd. Average BMR Rent	\$1,869 / \$2.30	\$1,840 / \$2.22	\$1,893 / \$2.30	\$1,886 / \$2.28	\$1,370 / \$1.74
8.) Hard Costs (Total / Unit) (c)	\$34.5M / \$557,200	\$121.2M / \$673,200	\$212.5M / \$674,600	\$344.4M / \$728,000	\$13.9M / \$694,300
9.) Soft Costs (Total / Unit) (c)	\$10.0M / \$160,700	\$32.8M / \$182,400	\$60.5M / \$191,900	\$104.4M / \$220,800	\$4.3M / \$215,000
10.) Total Costs (Total / Unit) (c)	\$44.2M / \$720,300	\$154.2M / \$856,500	\$272.9M / \$866,600	\$448.8M / \$948.8	\$18.2M / \$909,300
11.) Total Hard & Soft Costs / GSF (c)	\$617	\$743	\$749	\$809	\$693
12.) Untrended Annual NOI	\$2,017,100	\$6,119,300	\$11,223,300	\$16,002,600	\$896,500
13.) Untrended Return-on-Cost (d)	5.25%	5.25%	5.25%	5.25%	5.25%

Notes:

- (a) Cases A-D reflect current Citywide 21.5% onsite inclusionary housing requirement and State Density Bonus of 38.75% with inclusionary in-lieu fee applied to density bonus additional square footage.
- (b) Case E reflects programmatic information provided by Planning Department (including current Citywide 14.5% onsite inclusionary housing requirement and State Density Bonus of 50% with inclusionary in-lieu fee applied to density bonus additional square) and underwriting assumptions utilized for residential prototype from recently completed analysis.
- (c) Figures exclude land cost.
- (d) Reflects untrended return-on-cost target to derive residual land value.
- * All financial and programmatic estimates are preliminary in nature and not intended as formal feasibility analysis.
- ** Financial analyses shown above reflect institutional investment underwriting assumptions.

Research & Underwriting Assumptions

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For-Sale Condominiums – 2022 Citywide Inclusionary Requirements

2022 Citywide Inclusionary Requirements for Ownership Housing		
10-24 Unit Projects	Onsite	Offsite
80% AMI	14.50%	20.00%
25+ Unit Projects		
80% AMI	12.00%	18.00%
105% AMI	5.75%	8.00%
130% AMI	<u>5.75%</u>	<u>7.00%</u>
Total	23.50%	33.00%
Offsite In-Lieu Fee Percentage		
10-24 Unit Projects	20.00%	
25+ Unit Projects	33.00%	

** Reflects percentage of total project residential unit square footage on which in-lieu fee payment amount is to be calculated.*

Research & Underwriting Assumptions

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For-Sale Condominiums – Base Non-Density Bonus Program Typology

<i>Condominiums</i>	Underwriting Assumptions - Base Programs				
Case (a) (b)	A	B	C	D	E
Construction Type	Type V	Type III	Type I	Type I	Type V
Building Type	Lowrise	Midrise	Highrise	Highrise	Low Rise
1.) Building Stories	5 Stories	8 Stories	13 Stories	24 Stories	4 Stories
2.) Building Height	55 Feet	85 Feet	135 Feet	245 Feet	45 Feet
3.) Gross Square Feet	56,031	159,313	279,344	423,548	19,450
4.) Efficiency Factor	80.0%	80.0%	80.0%	78.0%	80.0%
5.) Condominium Unit Count	37	107	188	281	13
6.) Wtd. Average Market Sales Price	\$1,342,000 / \$1,342	\$1,359,000 / \$1,359	\$1,500,000 / \$1,500	\$1,497,000 / \$1,497	\$1,198,000 / \$1,406
7.) Wtd. Average BMR Sales Price	\$450,000	\$450,000	\$450,000	\$450,000	\$352,000
8.) Hard Costs (Total / Unit) (c)	\$25.4M / \$686,000	\$74.0M / \$692,000	\$158.7M / \$844,000	\$256.0M / \$911,000	\$10.7M / \$820,000
9.) Soft Costs (Total / Unit) (c)	\$7.0M / \$189,000	\$19.3M / \$180,000	\$39.7M / \$211,000	\$62.2M / \$221,000	\$3.5M / \$271,000
10.) Total Costs (Total / Unit) (c)	\$32.4M / \$875,000	\$93.3M / \$872,000	\$198.4M / \$1,055,000	\$318.2M / \$1,132,000	\$14.2M / \$1,090,000
11.) Total Hard & Soft Costs / GSF (c)	\$578	\$586	\$710	\$751	\$729
12.) Profit as % of Revenue (d)	20.00%	20.00%	20.00%	20.00%	20.00%

Notes:

- (a) Cases A-D reflect current Citywide 23.5% onsite inclusionary housing requirement.
- (b) Case E reflects programmatic information provided by Planning Department (including current Citywide 14.5% onsite inclusionary housing requirement) and underwriting assumptions utilized for residential prototype from recently completed analysis.
- (c) Figures exclude land cost.
- (d) Reflects profit margin target to derive residual land value.
- * All financial and programmatic estimates are preliminary in nature, and are not intended as formal feasibility analysis.
- ** Financial analyses shown above reflect institutional investment underwriting assumptions.

Research & Underwriting Assumptions

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For-Sale Condominiums – State Density Bonus Program Typology

<i>Condominiums</i>	Underwriting Assumptions - State Density Bonus Programs				
Case (a) (b)	A	B	C	D	E
Construction Type	Type III	Type I	Type I	Type I	Type V
Building Type	Midrise	Highrise	Highrise	Highrise	Low Rise
1.) Building Stories	7 Stories	10 Stories	16 Stories	29 Stories	5 Stories
2.) Building Height	75 Feet	105 Feet	165 Feet	295 Feet	55 Feet
3.) Gross Square Feet	68,625	194,750	342,250	507,375	23,109
4.) Efficiency Factor	80.0%	80.0%	80.0%	78.0%	80.0%
5.) Condominium Unit Count	46	132	231	346	17
6.) Wtd. Average Market Sales Price	\$1,345,000 / \$1,345	\$1,357,000 / \$1,357	\$1,501,000 / \$1,501	\$1,497,000 / \$1,497	\$1,218,000 / \$1,453
7.) Wtd. Average BMR Sales Price	\$450,000	\$450,000	\$450,000	\$450,000	\$352,000
8.) Hard Costs (Total / Unit) (c)	\$31.5M / \$686,000	\$110.1M / \$834,000	\$195.0M / \$844,000	\$306.8M / \$887,000	\$12.5M / \$735,000
9.) Soft Costs (Total / Unit) (c)	\$9.6M / \$209,000	\$28.3M / \$214,000	\$54.9M / \$238,000	\$86.3M / \$249,000	\$4.3M / \$253,000
10.) Total Costs (Total / Unit) (c)	\$41.2M / \$895,000	\$138.5M / \$1,049,000	\$249.9M / \$1,082,000	\$393.0M / \$1,136,000	\$16.8M / \$987,000
11.) Total Hard & Soft Costs / GSF (c)	\$600	\$711	\$730	\$775	\$726
12.) Profit as % of Revenue (d)	20.00%	20.00%	20.00%	20.00%	20.00%

Notes:

- (a) Cases A-D reflect current Citywide 23.5% onsite inclusionary housing requirement and State Density Bonus of 23.00% with inclusionary in-lieu fee applied to density bonus additional square footage.
- (b) Case E reflects programmatic information provided by Planning Department (including current Citywide 14.5% onsite inclusionary housing requirement and State Density Bonus of 27.5% with inclusionary in-lieu fee applied to density bonus additional square) and underwriting assumptions utilized for residential prototype from recently completed analysis.
- (c) Figures exclude land cost.
- (d) Reflects profit margin target to derive residual land value.
- * All financial and programmatic estimates are preliminary in nature, and are not intended as formal feasibility analysis.
- ** Financial analyses shown above reflect institutional investment underwriting assumptions.

Preliminary Economic Analysis - Apartments

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For-Rent Apartments – Implied Residual Land Value per Unit

<i>Apartments</i>	Residual Land Value per Unit (e)				
Case	A	B	C	D	E
Building Type (Base Program)	Lowrise	Midrise	Highrise	Highrise	Lowrise
1.) Base Non-Density Bonus (a)	(\$97,000)	(\$72,000)	(\$181,000)	(\$271,000)	(\$143,000)
2.) State Density Bonus (b)	(\$92,000)	(\$188,000)	(\$166,000)	(\$262,000)	(\$48,000)
3.) State Density Bonus No Fee (c)	(\$71,000)	(\$166,000)	(\$145,000)	(\$240,000)	(\$31,000)
4.) Hypothetical 100% Market Rate (d)	(\$24,000)	\$8,000	(\$96,000)	(\$194,000)	(\$44,000)

Notes:

- (a) Reflects Citywide onsite inclusionary requirement of 21.5% for Cases A-D and 14.5% for Case E.
- (b) Reflects Citywide onsite inclusionary requirement of 21.5% and State Density Bonus of 38.75% for Cases A-D and Citywide onsite inclusionary requirement of 14.5% and State Density Bonus of 50.0% for Case E with inclusionary in-lieu fee applied to density bonus additional square footage.
- (c) Reflects (b) above with no inclusionary in-lieu fee applied to density bonus square footage for illustrative purposes only.
- (d) Reflects no onsite or offsite inclusionary housing requirements or in-lieu fees for illustrative purposes only.
- (e) Residual land value per unit estimated based on 5.25% target going-in return-on-cost.

Preliminary Economic Analysis - Condominiums

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For-Sale Condominiums – Implied Residual Land Value per Unit

<i>Condominiums</i>	Residual Land Value per Unit (d)				
Case	A	B	C	D	E
Building Type (Base Program)	Lowrise	Midrise	Highrise	Highrise	Lowrise
1.) Base Non-Density Bonus (a)	\$8,000	\$18,000	(\$81,000)	(\$168,000)	(\$186,000)
2.) State Density Bonus (b)	\$14,000	(\$134,000)	(\$80,000)	(\$143,000)	(\$100,000)
3.) State Density Bonus No Fee (c)	\$36,000	(\$115,000)	(\$60,000)	(\$125,000)	(\$84,000)
4.) Hypothetical 100% Market Rate (c)	\$140,000	\$143,000	\$66,000	(\$17,000)	(\$87,000)

Notes:

- (a) Reflects Citywide onsite inclusionary requirement of 23.5% for Cases A-D and 14.5% for Case E.
- (b) Reflects Citywide onsite inclusionary requirement of 23.5% and State Density Bonus of 23.0% for Cases A-D and Citywide onsite inclusionary requirement of 14.5% and State Density Bonus of 27.5% for Case E with inclusionary in-lieu fee applied to density bonus additional square footage.
- (c) Reflects (b) above with no inclusionary in-lieu fee applied to density bonus square footage for illustrative purposes only.
- (d) Reflects no onsite or offsite inclusionary housing requirements or in-lieu fees for illustrative purposes only.
- (e) Residual land value per unit estimated based on 20.00% target profit margin (profit as % of revenue).

ENTITLED & UNENTITLED LAND TRANSACTIONS (a)

No. Entitled Land	Number of Sales	Weighted Average Price/Unit
1.) 2011 through 2013	21	\$115,893
2.) 2014 through 2016	22	\$159,121
3.) 2017 through 2019	25	\$153,375
4.) 2020 through 2022 YTD	3	\$161,232

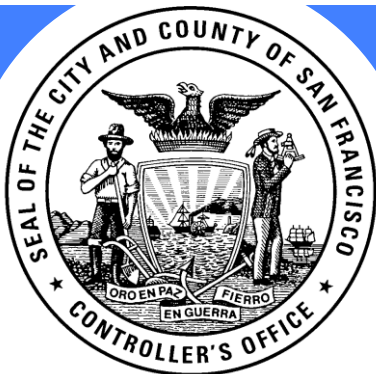
No. Unentitled Land	Number of Sales	Weighted Average Price/Unit
1.) 2011 through 2013	12	\$79,993
2.) 2014 through 2016	28	\$119,843
3.) 2017 through 2019	16	\$174,829
4.) 2020 through 2022 YTD	6	\$58,037

Notes:

*** Residential land sale data should be independently verified to extent that it may be relied upon. ***

- (a) Select land sale data gathered from available public records, third party brokerage firms, and market research for residential development sites in City & County of San Francisco with projected unit count of approximately 15 units or greater.

Appendices



CITY & COUNTY OF SAN FRANCISCO

Office of the Controller

January 6, 2023

Appendix A - Market Rate & BMR Rents & Prices

City & County of San Francisco

Market Rate & BMR Apartment Rents						
Unit Type	Studio	1-Bed	2-Bed	3-Bed	Wtd. Average	Disc. to Market
1.) Monthly Market Rent (a)					\$ 4,587	NA
2.) Monthly BMR Rent (b)						
3.) 55% AMI	\$ 1,261	\$ 1,436	\$ 1,597	\$ 1,754	\$ 1,464	-68%
4.) 80% AMI	\$ 1,867	\$ 2,130	\$ 2,376	\$ 2,620	\$ 2,175	-53%
5.) 110% AMI	\$ 2,595	\$ 2,961	\$ 3,311	\$ 3,659	\$ 3,027	-34%

Market Rate & BMR Condominium Prices						
Unit Type	Studio	1-Bed	2-Bed	3-Bed	Wtd. Average	Disc. to Market
6.) Market Sale Price (c)					\$ 1,457,000	NA
7.) BMR Sale Price (d)						
8.) 80% AMI	\$ 271,856	\$ 313,801	\$ 355,484	\$ 390,924	\$ 336,076	-77%
9.) 105% AMI	\$ 399,438	\$ 459,534	\$ 519,630	\$ 573,222	\$ 491,936	-66%
10.) 130% AMI	\$ 527,020	\$ 605,267	\$ 683,514	\$ 755,256	\$ 647,652	-56%

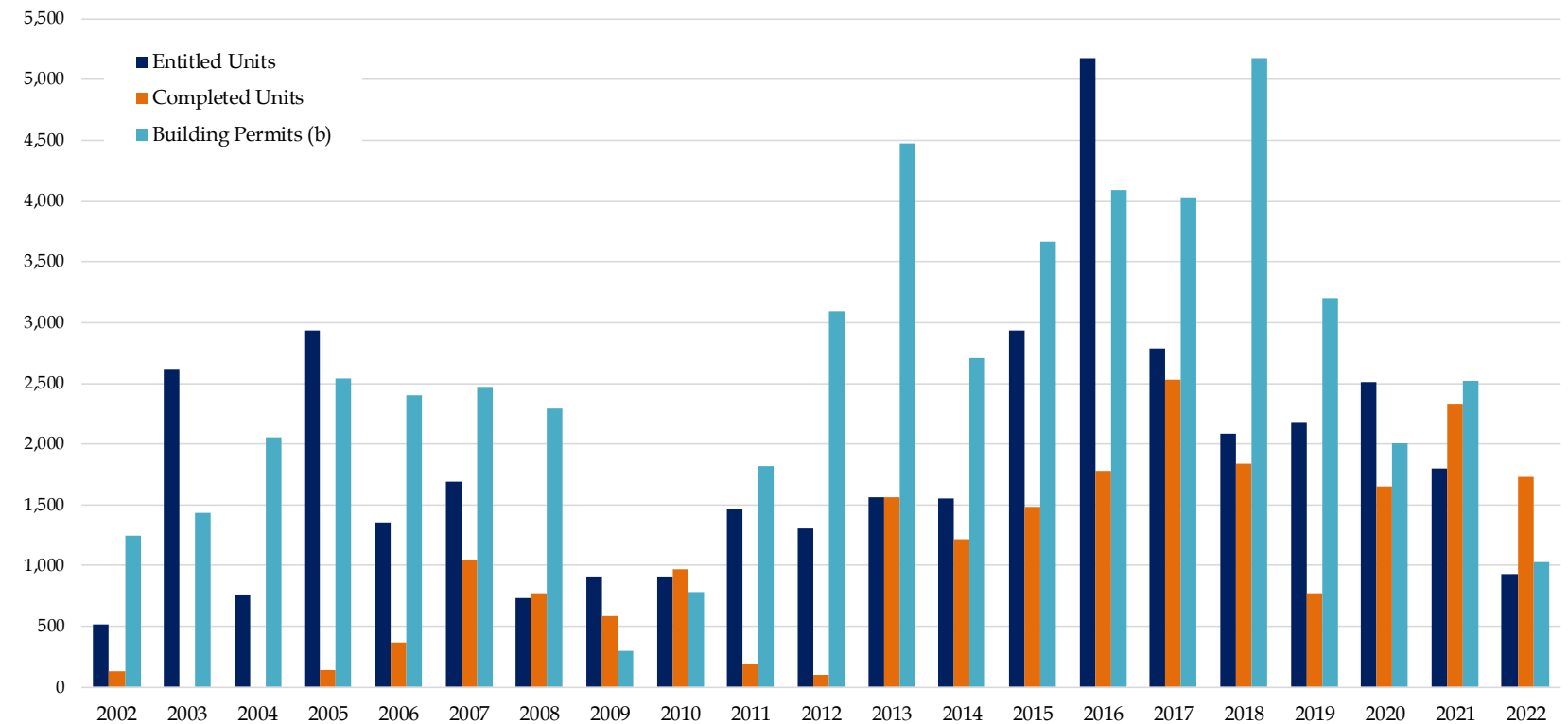
Notes:

- (a) Weighted average prototype market rent based on CoStar and research data for recently completed market comparables.
- (b) Reflects 2022 MOHCD Tier 1 "without utilities" rent limits; building owner pays base utilities, water and sewage; tenant pays PG&E.
- (c) Weighted average prototype sale price based on recent market sales comparables.
- (d) Reflects 2022 MOHCD pricing guidance adjusted for prevailing mortgage rates and 2022/2023 City millage rate.

Appendix B – San Francisco Housing Production

- As of Q3 2022, the City & County of San Francisco had approximately 52,500 housing units that are entitled and unbuilt, comprised of units in Section 415, development agreement and other approved projects.

CITY & COUNTY OF SAN FRANCISCO - ENTITLED VS. COMPLETED UNITS IN SECTION 415 PROJECTS (a)



Source:

(a) Based on information provided by the San Francisco Planning Department & Department of Building Inspection via City Controller's Office.

(b) Building Permits data provided by the State of the Cities Data Systems and Department of Housing and Urban Development.

Appendix C – MOHCD Project Hard Cost Data

Year	Number of Projects	Hard Costs per Unit	Hard Costs per GSF
2018	1	\$556,295	\$419
2019	5	\$505,897	\$430
2020	6	\$503,598	\$620
2021	2	\$620,336	\$541
2022	1	\$569,235	\$815

AVERAGE TOTAL HARD COST PER GROSS SQUARE FOOT

