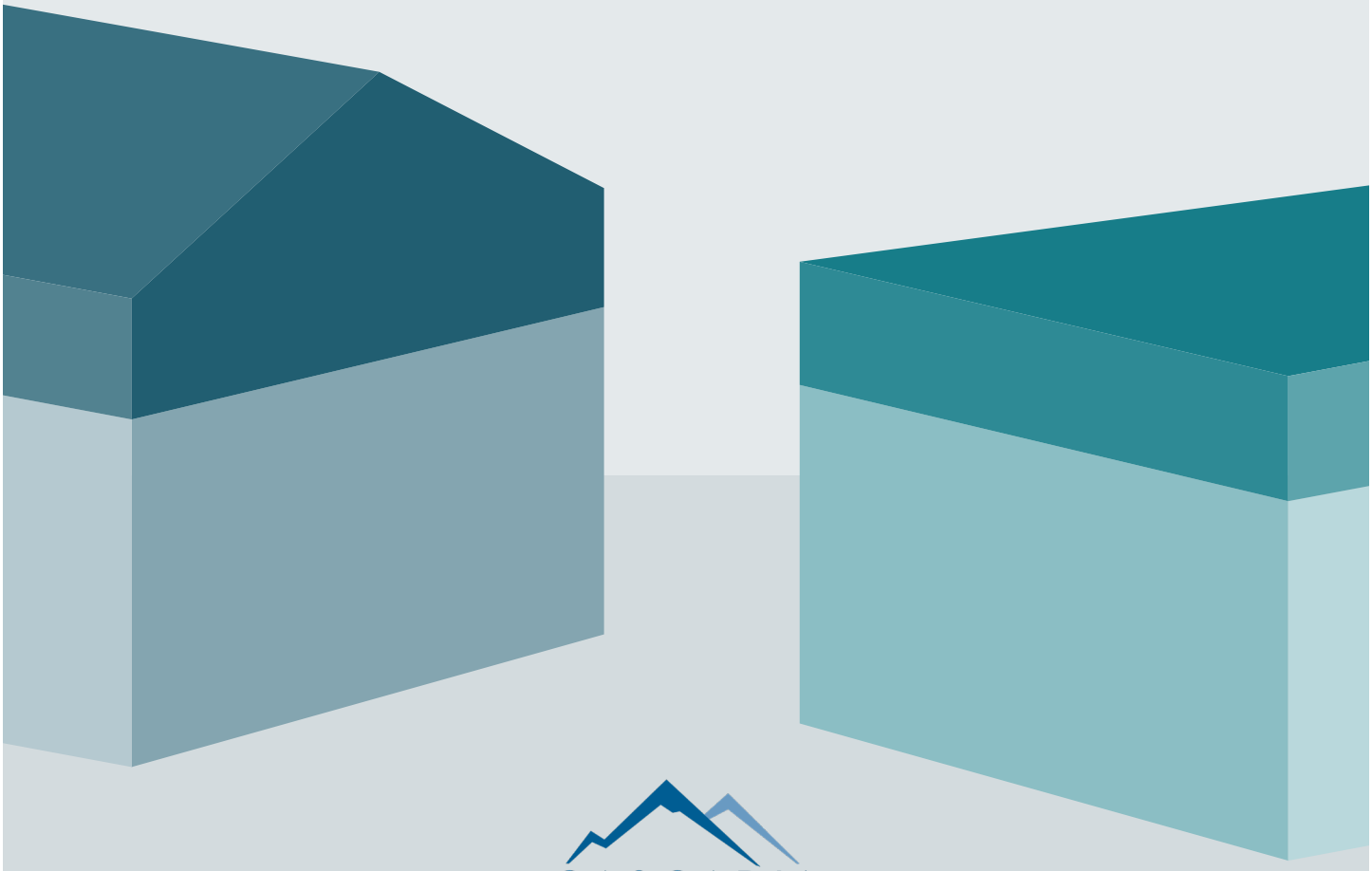
Affordable Master Planned Development Code Audit Report

Identifying Zoning and Housing Development Barriers

Draft | November 25, 2019



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Why evaluate the code?

In February 2015, Park City made "Middle Income, Affordable and Attainable Housing" one of the Community Critical Priorities. The goal is to facilitate a range of quality, affordable housing opportunities that meet the life-cycle needs of Park City households at all economic levels. This remains an accute challenge for a host of reasons, and like any complex issue, addressing affordability will require a wide range of actions. This report is narrowly focused on improving the potential of the City's affordable housing density bonus program to be a more effective piece of the puzzle. Specifically, this report provides a detailed evaluation of the draft Affordable Housing Master Plan Development (AMPD) standards and offers recommended changes.

In August 2016, City Council set a goal of adding 800 new affordable housing units to the existing inventory of 498 units by 2026 with an interim goal of 220 units by the year 2020. State and local tools for achieving these goals are more limited in Utah than in other states. In addition, Park City's extremely high land costs, historically high construction costs and relatively modest zoning density allowances combine to limit the market's ability to deliver modest home prices, let alone affordable housing.

Aside from the mandatory 10% affordable housing requirement currently in place, the primary way the City adds more affordable housing is by building it themselves. The only other tool and incentive the City has in place are a modest set of density bonus allowances within the existing AMPD standards. However, these existing AMPD standards have not incentivized the development of any new affordable units.

At the direction of Council, staff prepared a set of expanded affordable housing density bonus provisions for the AMPD in May of 2018. The purpose of the density bonus provisions is to allow for increased density in exchange for affordable units – and the larger the share of affordable units and deeper the level of affordability, the larger the density bonus.

To understand the impact of the draft density bonus standards and evaluate other potential strategies for achieving affordability, Park City contracted with Cascadia Partners to perform a detailed evaluation. Cascadia Partners works with cities across the country to calibrate development policy to meet community goals, such as affordability.

Background: Density + Affordability

Density Bonuses as a Tool

Trading extra density in exchange for affordable housing is a widely used tool across the county. The key to whether this policy works well or not is in the details of how this trade of density and affordability is balanced. It is important to remember that these are incentives and not requirements, so if the incentive is not properly calibrated, developers will opt not to participate - and no affordable units will be built. A project that includes the density bonus and affordable housing requirement must have more value to a builder than doing a smaller project allowed without the density bonus. In many communities, the balance is not calibrated correctly, developers opt not to participate and density bonus programs are not broadly used.

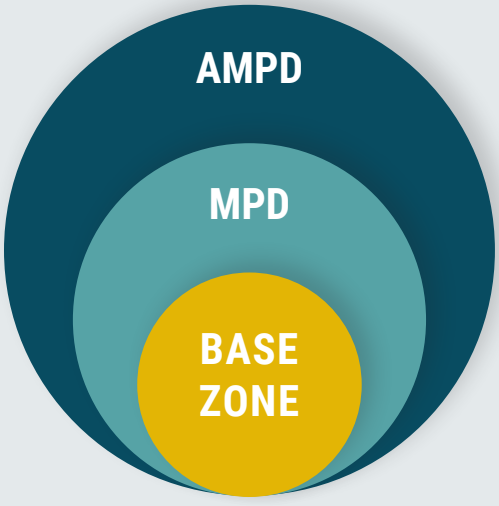
How Density is Defined Matters

Density can be thought of in narrow terms, such as housing units per acre, but in most density bonus programs, density is thought of more broadly. For instance, in addition to allowing more housing units per acre, most density bonus programs also allow greater lot coverage, reduced setbacks, lower landscaping requirements, reductions in parking requirements, or increases in height. The existing and draft AMPD standards focus almost entirely on increasing housing units per acre. As will be detailed in the analysis within this report, a broader set of density-related development standards should be considered as part of any revisions to the AMPD standards in order to be most effective.

MPD vs. Existing MPD vs. Draft AMPD

Master Planned Development (MPD) standards were established to provide additional development guidance for relatively large projects on large tracts of land. As such, the standards include significant open space and edge buffering requirements. However, any project with 10 or more units is required to go through an MPD review process in order to get permitted, which means that even modest-sized, infill projects of multifamily or "missing middle" housing would be subject to these standards.

It is important to understand that MPD standards add to or modify the standards of the base zone districts of a given property. And if an MPD project opts to take advantage of an affordable housing density bonus, the AMPD standards would then be layered on top of both of those two other sets of standards. In order to understand the various outcomes from this nested set of standards, this analysis evaluates the impact of the draft AMPD standards across three different zone districts.



Terms and Definitions

The following definitions are provided as clarification for the reader as the report frequently refers back to these terms.

Area Median Income (AMI): A calculation of annual household income determined by the US Department of Housing and Urban Development (HUD) based on the median household in a region. Income levels are categorized as extremely low income (less than or equal to 30 percent of AMI), very low income (31 to 50 percent of AMI), low income (51 to 80 percent of AMI), and moderate income (81 to 100 percent of AMI).

Based on HUD calculations, 100 percent AMI for a family of four in Park City, Utah is $109,800. This translates into a 3-bedroom unit at 1,150 minimum square feet with a maximum monthly rent (inclusive of utilities) or a mortgage payment of $2,745 inclusive of HOA fees and property taxes.

At the same AMI level of 100%, a family of three corresponds to a 2-bedroom unit at 900 minimum square feet with a maximum monthly rent or mortgage of $2,196.

Affordable Housing: Housing costs (rent plus basic utilities or mortgage, tax, insurance and/or Homeowners Association payments) that consume no more than 30 percent of a household's income. Based on local wages, Park City defines affordable housing as those units affordable to households with incomes at or below 100 percent of AMI.

Attainable Housing: Housing that is affordable to households with incomes between 101 and 150 percent of AMI. The Draft AMPD language expands the density bonus program to allow Attainable Housing to be eligible for a bonus. The modeling, analysis, and financial results in this report are reflective of the Attainable Housing definition of affordability.

A table of monthly rent or mortgage payment required based on family size and AMI levels is provided below.

	Family Size							
AMI	**One** (SRO)	**One** (Studio)	**One** (One-bedroom)	**Two** (Two-bedroom)	**Three** (Three-bedroom)	**Four** (Three-bedroom)	**Five** (Four-bedroom)	**Six** (Four-bedroom)
30%	$233	$432	$576	$659	$741	$824	$889	$955
40%	$311	$576	$769	$878	$988	$1,098	$1,186	$1,274
45%	$350	$649	$865	$988	$ 1,112	$1,235	$2,223	$2,388
50%	$389	$721	$961	$1,098	$1,235	$1,373	$1,482	$1,592
60%	$467	$865	$1,153	$1,318	$1,482	$1,647	$1,779	$1,911
80%	-	$1,153	$1,537	$1,757	$1,976	$2,196	$2,372	$2,547
100%	-	$1,441	$1,922	$2,196	$2,471	$2,745	$2,965	$3,184
120%	-	$1,729	$2,306	$2,635	$2,965	$3,294	$3,558	$3,821
150%	-	$2,162	$2,882	$3,294	$3,706	$4,118	$4,447	$4,776
175%	-	$2,522	$3,363	$3,843	$4,323	$4,804	$5,188	$5,572
200%	-	$2,882	$3,843	$4,392	$4,941	$5,490	$ 5,929	$6,368

Code Audit Approach

The code audit involved testing existing base zone and MPD standards, and existing and proposed AMPD standards on three sites in seperate zone districts. For each site, the team created conceptual site plans and associated pro forma to model both the form and financial implications of the different policies. Dozens of pro forma models were created to evalute different combinations of development programs and potential policy changes.

The existing zoning standards were modeled and evaluated to establish a "base case" for comparison and to identify any major challenges. Then alternative zone standards were modeled to compare the relative effect of a potential change. A wide variety of standards were tested, including density, setbacks, buffers, open space, FAR (floor area ratio), lot coverage and parking.

Key Modeling Parameters

For simplicity, the team created a residential site plan and pro forma model for each site in the three zone districts.

The models reflect a near-literal interpretation of the existing standards, even though exceptions are routinely granted in the permitting process. The only exemption assumed is to allow multifamily residential uses in these districts. One of the purposes of this analysis is to evaluate if more by-right changes could potentially reduce the number of frequently requested exceptions.

The Draft Affordable Master Planned Development Standards offer a sliding scale of bonus units based on level and depth of affordability for a given project. The bonus range is from 100% (or doubling) of base units for a project with 50% of units that are "attainable" to 200% (or a tripling) of base units for projects with deep levels of affordability.

In order to test the potential for private developers to make use of the draft AMPD density bonus, the team focused testing at the "attainable" level. In other words, the team tested projects that incorporated 50% of units at 150% of AMI and achieved a 100% density bonus. Deeper levels of affordability would be even more difficult for a private developer to achieve.

Draft AMPD Density Bonus Calculations

Percentage of Total Housing Units Affordable	50 - 60%	61 - 75%	76 - 85%	86 - 100%
Density Bonus 1	50%	60%	80%	100%

+

Area Median Income Served by Affordable Units	≤59%	60 - 80%	81 - 100%	101 - 150%
Density Bonus 2	100%	80%	60%	50%

= TOTAL DENSITY BONUS

Engagement Overview and Findings

In May 2019, Cascadia Partners spent two days in Park City meeting directly with staff, touring built projects, and interviewing local individuals involved in housing and real estate development. This process helped the consultant team to understand the local market, zoning challenges and callibrate model input assumptions like residential construction costs, current sales and rental rates. From these interviews, several findings emerged:

- **Park City zoning standards are more discretionary relative to other municipalities, and exceptions to certain standards are regularly granted to get better outcomes.**
- **Common exceptions could be changed to by-right standards in order to decrease approval time and create more efficiency in the entitlement process.**
- **Certain standards, such as high open space requirements and large setbacks, can result in out-of-character projects and add to housing costs.**
- **High land prices and construction costs, combined with modest density allowances limits the ability of market-rate developers to build attainable housing - much less affordable housing.**
- **No recent rental projects have been built in Park City; all recent multifamily projects are highend condominium (ownership). This is the opposite housing trend as metro areas across the west, such as Salt Lake City.**
- **High land costs and low lot coverage allowances result in most off-street parking in very expensive (partially) underground garages (over $35,000 per parking space).**
- **The City is the main developer of affordable housing.**

Some notable quotes from interviews conducted include:

> *The current affordable housing code is written with a focus on large sites.*

> *Changing standards for height might allow for top units with views to cross-subsidize.*

> *Lesser parking requirements would help affordability and reflect core values of the city.*

> *Make the approval process less discretionary and more by-right.*

Site Selection

Assisted by Park City Planning Staff, Cascadia Partners examined three differently sized parcels in different zoning categories that represent different development patterns in different parts of town. Sites and zones were chosen in order to:

- Understand the influence of underlying base zone standards
- Quantify the impact of standards to built form and the financial feasibility of potential development projects
- Compare the development standards between the MPD and AMPD

The conceptual sites assume a rectangular layout and no topographical challenges in order to more easily quantify changes to currently proposed standards.

While the sites chosen are relatively small, they are still larger than most parcels within these three zone districts. Problems with zone standards become obvious most quickly when testing on smaller sites, where it can be difficult to accomodate large parking lots, circulation, and open space - and still have room left for a building.

The historically small lot platting in Park City gives the historic areas their "small town feel." It seems important that the affordable housing density bonus within AMPD should function well on relatively small lots so that projects can fit the character of the city. Enabling small-scale development options also helps support smaller, local builders.

Zones and Site Sizes

The zones and associated parcels sizes selected to analyze include:

Size: 0.5 acres

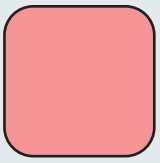
Zone: Historic Residential (HR1)

A city-wide analysis of the HR1 zone reveals 905 parcels in this zone with a median size of 2,804 square feet. 85% of this zone contains parcels that are 4,834 square feet or less.

Size: 1.5 acres

Zone: Recreational Commercial (RC)

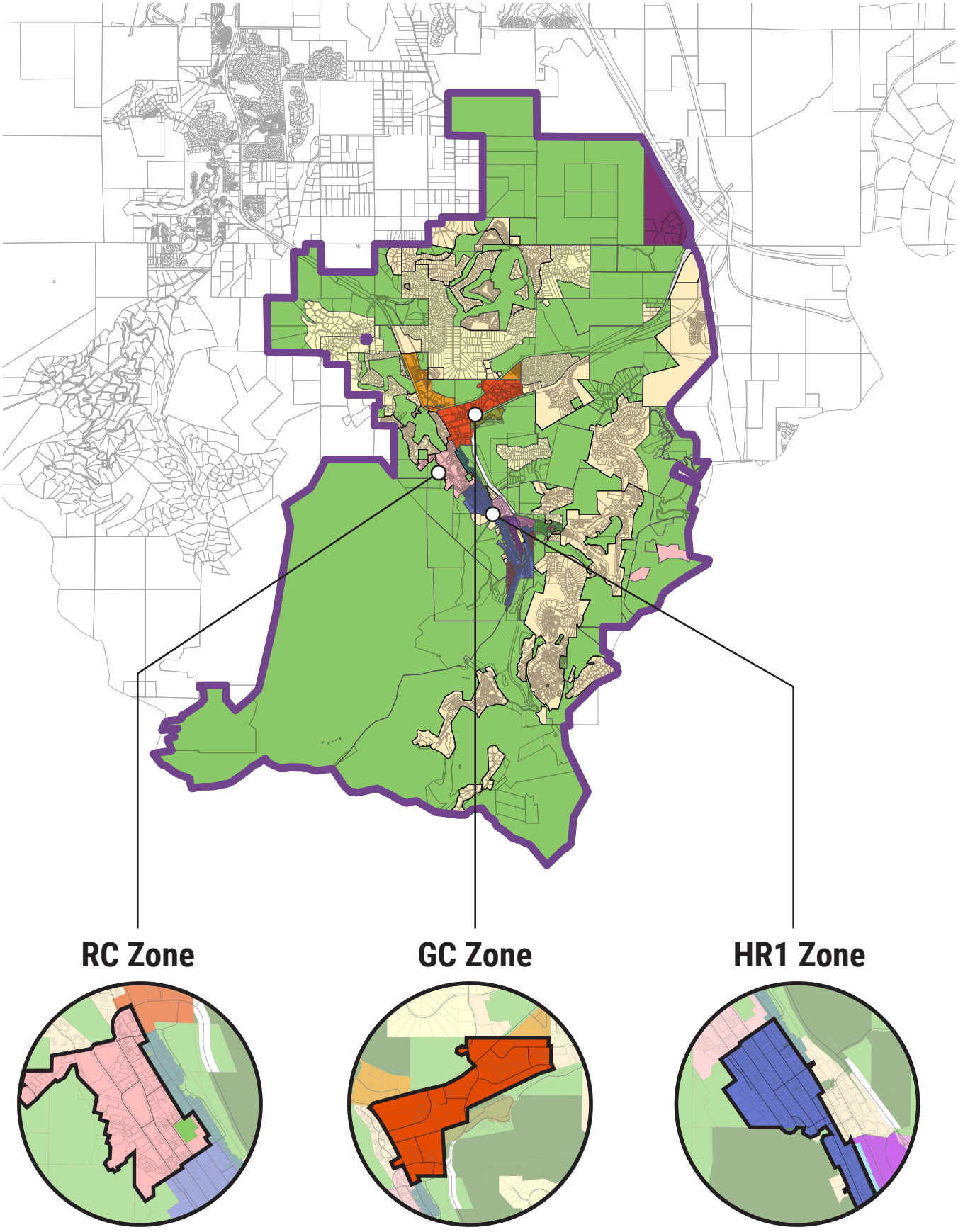
A city-wide analysis of the RC zone reveals 269 parcels in this zone with a median size of 2,312 square feet but average of 9,528 square feet. 79% of this zone contains parcels that are 9,831 square feet or less.



Size: 2 acres

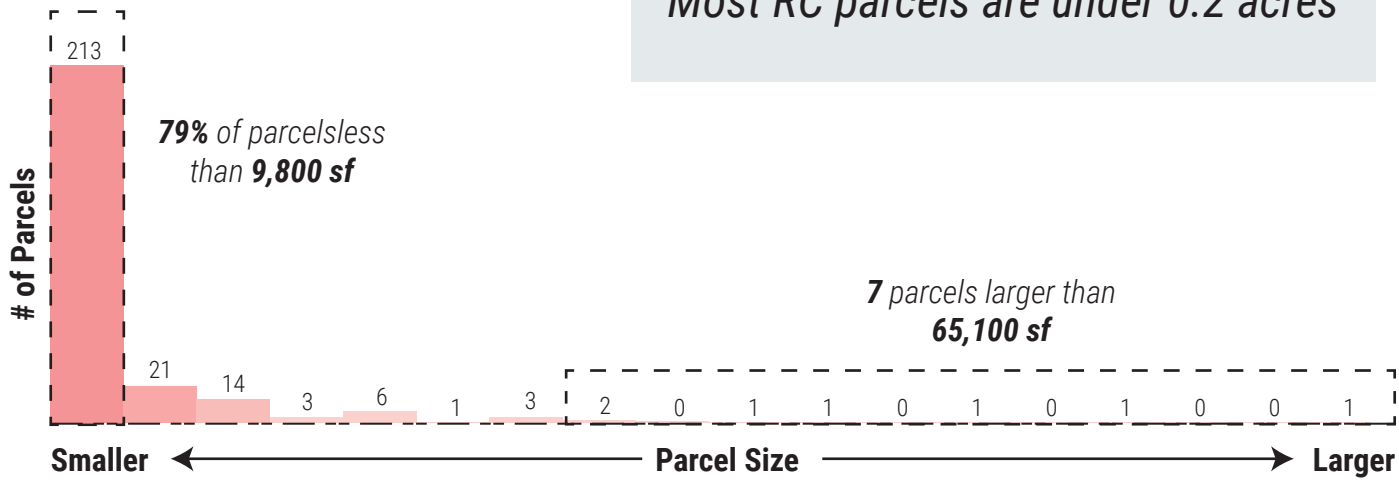
Zone: General Commercial (GC)

A city-wide analysis of the RC zone reveals 215 parcels in this zone with a median size of 5,862 square feet but average of 23,966 square feet. 62% of this zone contains parcels that are 17,961 square feet or less but of these, 86% are less than 10,000 square feet.


RC Zone
GC Zone
HR1 Zone

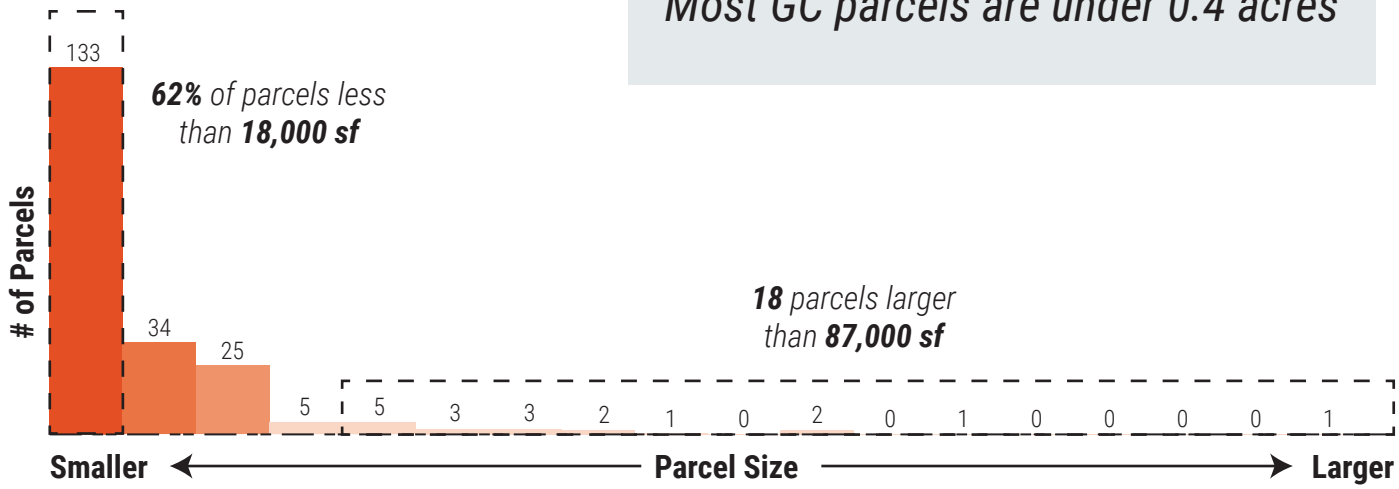
RC Parcel Analysis

Most RC parcels are under 0.2 acres



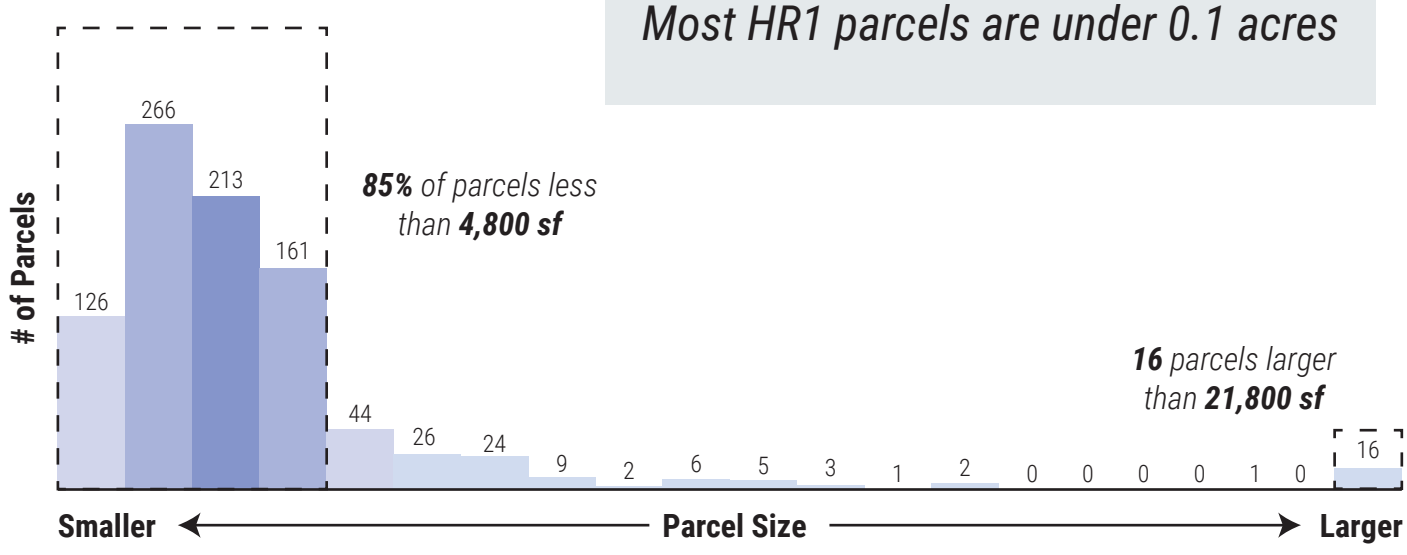
GC Parcel Analysis

Most GC parcels are under 0.4 acres



HR1 Parcel Analysis

Most HR1 parcels are under 0.1 acres



Findings + Observations:

AMPD: A One-Legged Stool

The existing and draft AMPD standards offer bonus units in exchange for affordability, but lack changes to other development standards related to density.

Bonus Units

Setbacks

Buffer

Open Space

Floor Area Ratio

Lot Coverage

Parking Per Unit

What is Sensitivity Testing?

Sensitivity testing is process of adjusting zone standards such as density, setbacks, buffers, and parking while holding all other standards constant to measure the relative effect on physical and financial outcomes. This process brings to light which existing standards pose the biggest challenge and what policy changes would have the biggest impact.

A key observation is that the draft AMPD standards only increase the number of bonus units without changing setbacks, buffers, lot coverage, parking, or other standards related to density.

The reliance on increased units only as the bonus while not providing increases to other development standards, means the basic scale buildings does not increase - so one of two things happens: all of the bonus units and affordable units are not included or all the units get dramatically smaller and parking takes up an increasing share of the overall site area.

Key Findings:

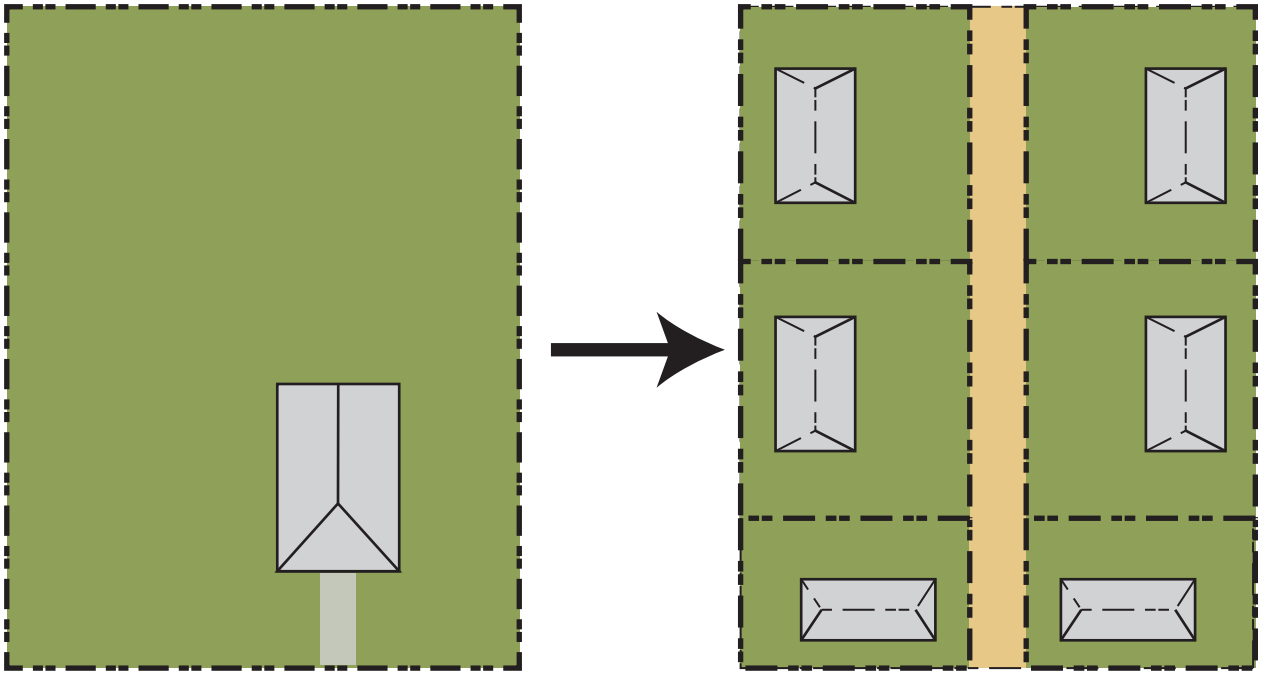
- AMPD affordable housing density bonus relies only on increasing units; lacks other changes to dimensional standards that are important to physically accomodate affordable units
- Fixed dimensional standards make shrinking unit sizes only option for achieving affordability
- AMPD projects currently incentivized to go entirely micro-unit
- MPD and AMPD standards, such as open space, setback and lot coverage, are not well-suited for smaller, infill lots, which means exceptions are regularly requested
- Parking makes fitting density bonus units challenging at lowest, "attainable" level and impossible at deeper levels of affordability with higher bonuses
- MPD has far lower affordability requirement, and AMPD density bonus does not appear to “bridge the gap” necessary to entice private builders

Maximum Buildable Area Standards

Park City has a unique approach that limits available maximum buildable square feet on a parcel that effectively encourages large parcels to be subdivided. For example, when modeling the 0.5-acre HR1 site, the most efficient site layout was to subdivide into four duplex lots and two single-family lots (total 7,764 gross square feet) versus being limited to a single large duplex building. This approach of subdividing also allowed the required open space to be more effectively distributed.

However, even with more buildable area as a result of the subdivision, the maximum building footprint standards still strongly favors single-family and duplex unit types rather than other multi-unit building types that could accomodate more units. Different unit types are allowed as a conditional use only.

Max building footprint standards favor small lot subdivision



Max Footprint Allowed:	3,200 sq ft	7,750 sq ft

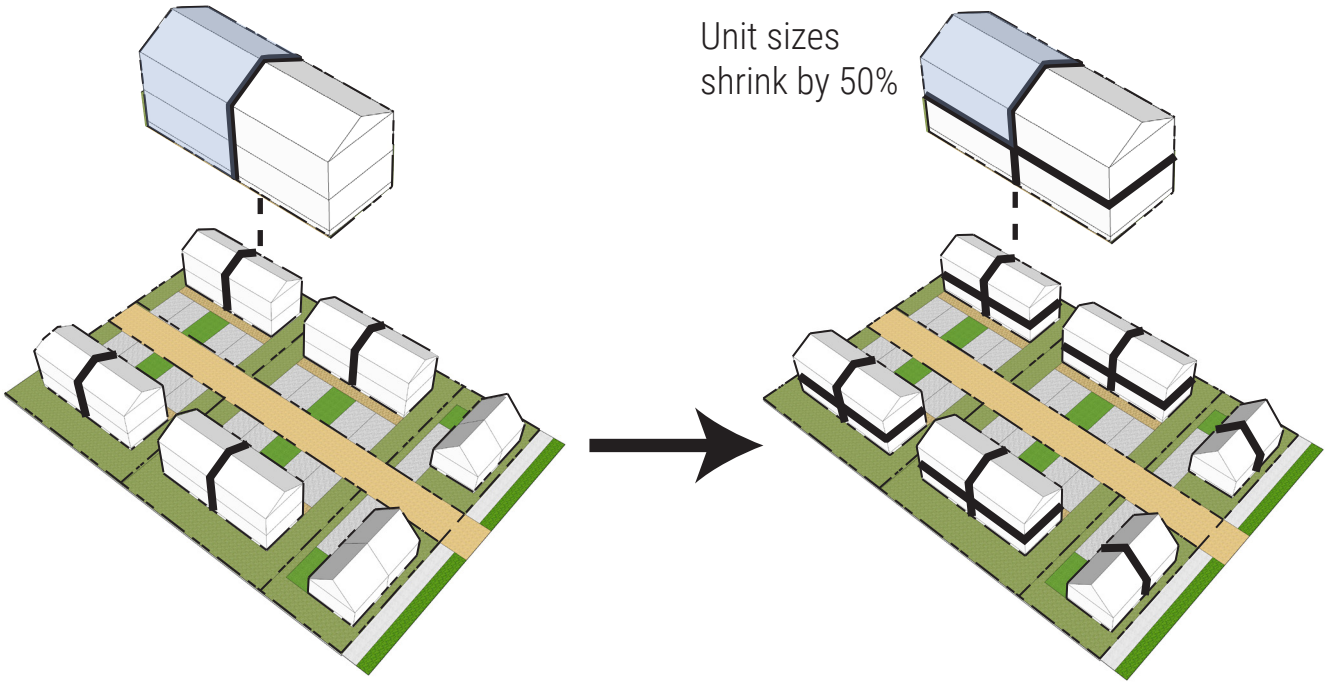
Maximum Building Footprint Standards

The RC zone has a unique approach to regulating building footprints: "the maximum building footprint for any Structure located on a Lot or combination of Lots, exceeding 18,750 square feet in lot area, shall be 4,500 square feet…A Conditional Use permit is required for all Structures with a proposed footprint of greater than 3,500 square feet". This requirement severely constrains the ability to add additional affordable bonus units creating a situation where the only option was to shrink the units dramatically.

In the HR1 example shown in the graphic below, a 100% increase in density doubles the number of units in the AMPD example, but because the building mass cannot increase, unit sizes must be cut in half. This results in a development program of micro-units.

This building area limitation is frequently granted an exception from the Planning Commission and is reflective of the type of requirement that could either be eliminated or granted as a by-right exception.

Unable to change building footprint as unit count grows



Number of Units:	10	20
Price of Affordable Unit:	$460,000	$670,000
Unit Size:	1,000 sq ft	500 sq ft

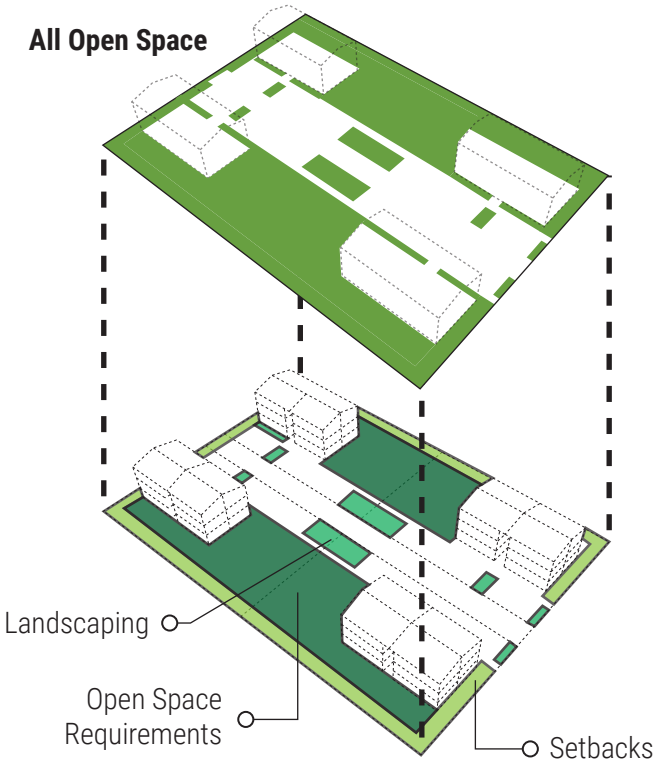
Open Space Requirements

MPD standards require a minimum of 60% open space. Lots in GC, HRC, HCB, HR-1 and HR-2 or in cases of redevelopment, the standard is reduced to 30%. AMPD standards require 50% open space, and allow for no less than 40% under certain conditions and with special permission from Planning Commission.

Lots in the older parts of town have a much lower percentage of lot area in open space than the current standard. Functional open space can be achieved with 5-15% open space, depending on the size of a lot.

In all the Master Planned Development base models, it became apparent that the open space requirements eliminated large portions of potentially developable area. In the example below, the effective open space requirement when setback buffers were accounted for exceeded 70% of the parcel. Using current land prices, that amounts to $5 million cost for land that cannot be built on - and rents or sales prices have to absorb that cost. The affordable unit prices are fixed, so the market-rate units have to increase $64,000 per unit. Because this AMPD project has to absorb both the open space costs and the below-market rents of the affordable units, it is less appealing than a standard MPD project.

High open space requirements increase housing costs



- Up to **73% total open space** required
- **Over $5 million** just for undevelopable area

Number of Units:	64
Unit Size:	275 sq ft
Price of Land:	$21.5 million
Single Room Occupancy Market Rent:	$5,900

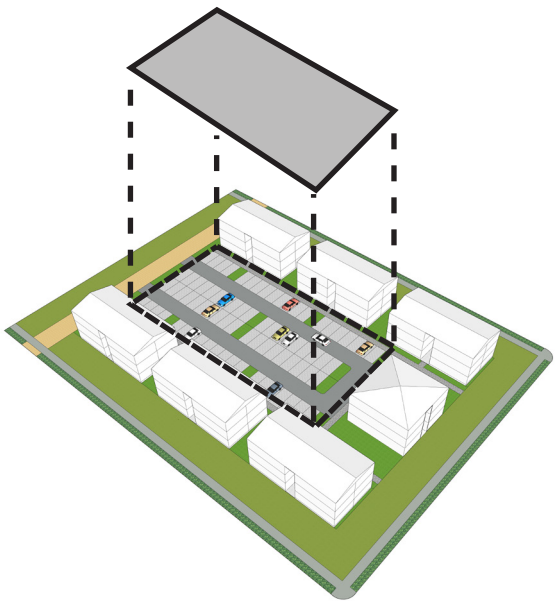
Off-Street Parking Standards

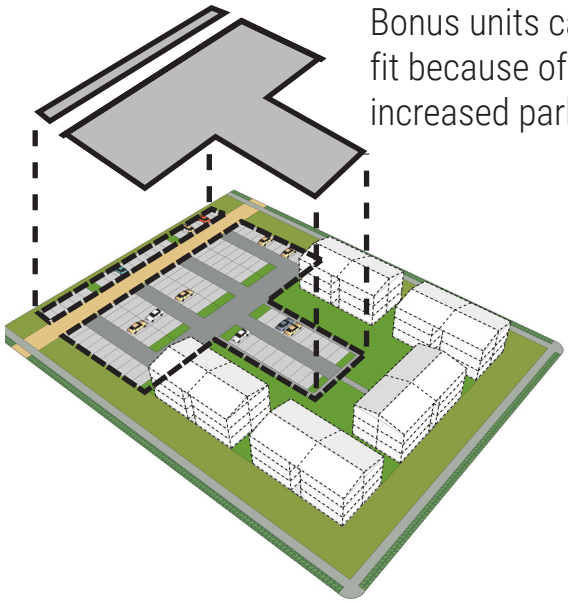
The one standard that does offer some allowance is an automatic 10-space reduction in parking requirements when proposing an affordable housing development. Another 10-space reduction for micro units (<500sf) is possible but requires undertaking and submitting a parking analysis to Planning Commission - a process that is often granted but not by-right.

Off-street parking posed challenges to accommodating bonus units due to the fixed size of a parking space. So while the AMPD allows a large increase in allowed units, off-street parking requirements remain the same. In the HR1 zone, the additional units were accommodated by reducing square footage but there was no space to accommodate the additional surface parking required. When site area becomes constrained, underground or structured parking becomes an option but adds a tremendous amount of construction cost.

Due to parking posing such a space constraint, the RC zone site was chosen to explore an underground parking strategy consistent with what is found as a preferred built reality in this zone.

Increased parking is hard to accommodate; raises costs





Bonus units can't fit because of increased parking

# of Units | # of Parking Spots:	78 | 78	120 | 110
Unit Size:	650 sq ft	320 sq ft
Rent of Affordable 1-bedroom SRO:	$990	$2,160

Maximum Height Allowance

One option to accommodate additional units could have been to simply stack them on top of the previous Master Planned Development base units, but this is both politically and financially challenging. Due to building code and construction technology, vertical construction costs are not a linear progression as height increases. As building reaches four floors, the building code requires an additional stairwell. This substantially impacts the layout of units. At five stories, wood frame construction gives way to a more solid concrete base in order to support the additional weight. This causes a "step up" in the vertical constructions cost curve.

In addition to increases in complexity and costs, the current three-story height is considered compatible with the small-town character found in Park City and identified in the Long-Term Strategic Plan. For these reasons, this standard was left alone when attempting to add additional bonus units.

Increased height allows more units, but no space for parking

24 units cannot fit because of parking

Number of Stories:	3	4
Number of Units:	120	152 (24 not able to fit)
Parking Spaces:	110	142

Setbacks

Front Setbacks

In the HR1 zone setbacks varied within the subdivided master plan depending on unit type, less for single-family units and larger setbacks for the duplex units. This created inconsistencies within the overall site plan resulting in some buildings coming forward and others being pushed back further. In the RC zone, the 20' front setback did not pose a challenge but may pose a constraint on a smaller parcel.

Side Setbacks

Presumably, an increased side yard setback corresponding to increased lot width attempts to reduce the front face building dimension. This can also be accomplished using maximum dimensional standards.

Increased Setback Buffer

The larger study sites (1-acre +) that require the increased setback buffer of 25-feet found themselves constrained to accommodate bonus units but also in creating an engaging streetscape. Assuming streets on three sides of the parcel in the GC zone, the total amount of unbuilt space exceeded 73% when factoring in increased setbacks and open space.

Recommendations: AMPD Standards

Prioritize Changes for Smaller, Infill Lots

The vast majority of lots within Park City are smaller, infill lots. The following recommendations are intended to make the AMPD affordable housing density bonus program function as intended, particularly on the lots sizes that make up Park City. Accommodating affordable and bonus units is difficult or impossible on smaller, infill lots. The MPD standards were originally established to shape the development of very large tracts of land. As this report has illustrated, there are unintended consequences of the (A)MPD standards on smaller lots. One consideration is to adopt these changes for smaller lots. For instance, lots under 5 acres in size.

Strive for Predictable, By-right Standards

Several of the following recommendations are already regularly granted for projects using the exceptions process. Repeatedly granting the same exceptions time and again adds time and cost to a permit process for both the applicant and staff. Where possible, the City should strive to establish standards limit the need for repeated exceptions.

Use Base Zone Setbacks

The MPD building footprint and setback standards can differ, sometimes greatly, from the underlying base zone for a given parcel. Unless an exception is granted, this can result in a building that is out inconsistent with others in the zone. In addition, it is recommended to keep the setback standards consistent within each zone across the different housing types allowed. This will result in a more predictable scale of residential buildings.

Eliminate Large Perimeter Buffer

The MPD standards include a 25-foot perimeter buffer. This standard can render smaller sites unbuildable or out of character with surrounding buildings. The standard is regularly waived through the exception process already.

Focus on Achieving Active Open Space

The current open space requirement of 40% is very high, and results in suburban building forms and significantly higher costs for housing. The focus for on-site open space should be to achieve active, useable open space. In most town settings, this can be achieved with a 15% open space requirement.

Change Lot Coverage/Building Footprint Standards for Projects with Affordable Housing (AMPD Projects)

The current sliding scale building footprint standards favor smaller lots, which is good. However, the standards need to be modified to accommodate a higher lot coverage for AMPD projects otherwise affordable housing units cannot physically fit on the site. Specifically, the maximum lot coverage for AMPD project should increase to 85%. In addition, the unique 3,500 square feet footprint limitation in the RC zone should be eliminated.

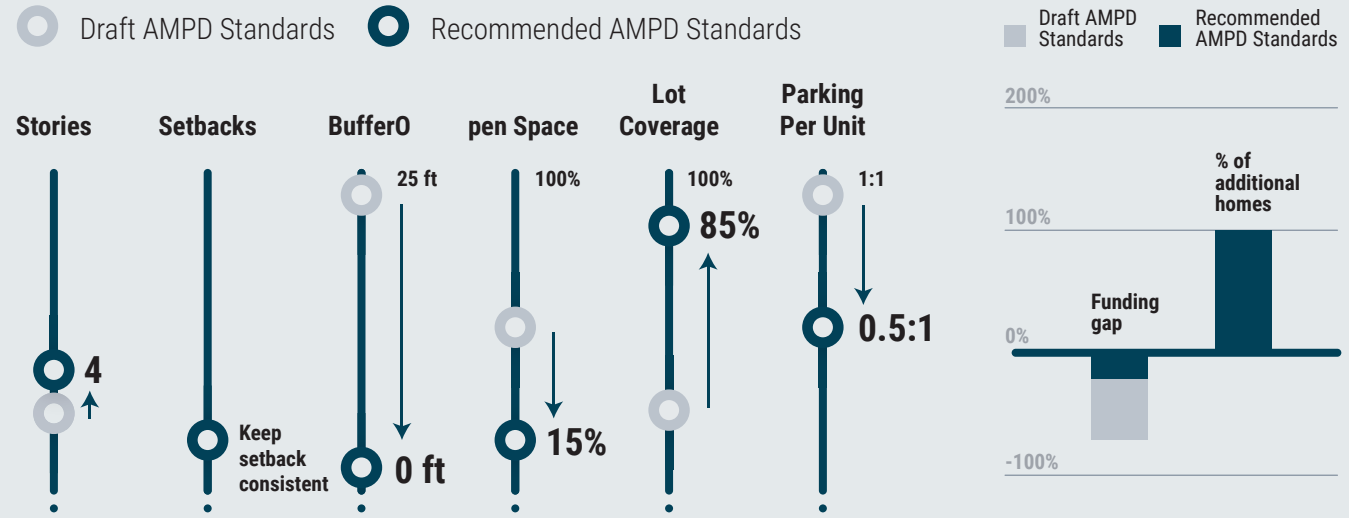
Right Size Parking for Infill Projects

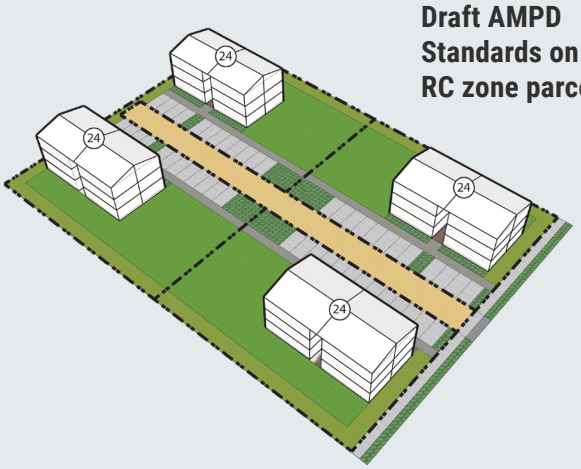
Parking is a significant driver of increased costs for any project but particularly for affordable housing units. The current 10-space exemption is helpful for smaller projects, but has more limited benefit to larger projects. Within areas that are walkable to commercial services or transit, it is common for cities to reduce off-street parking requirements. Park City should consider reducing or eliminating off-street parking standards in these areas, particularly for affordable units. It is recommended that AMPD projects reduce off-street parking standards for all bonus housing units to 0.5 space per unit. This can enable more affordable units for people and families who do not have cars. In addition, it is recommended to allow on-street parking that abuts the property to count towards meeting off-street requirements. This is a common allowance nationally.

Allow 1 Extra Floor Outside of Historic Districts

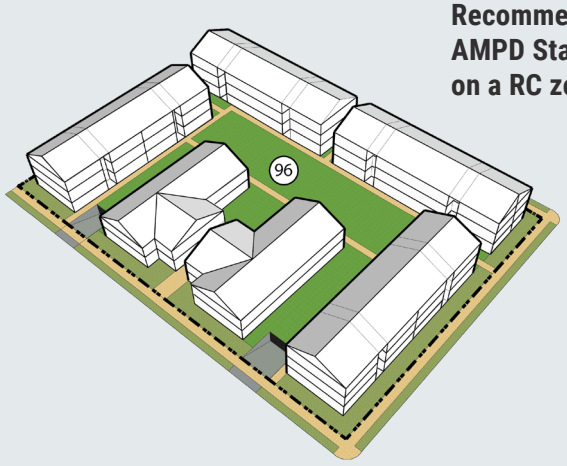
In select areas and zones, such as RC and GC, consider allowing one additional story to better accommodate affordable and bonus units. Four story, wood frame buildings are a very cost-effective building type.

Sensitivity Testing Results





Draft AMPD Standards on a RC zone parcel



Recommended AMPD Standards on a RC zone parcel

Funding Gap Analysis

Adjusting development standards helped to physically fit the additional bonus units on a site, but there remains a large financial gap in order for development projects of this nature to become financially feasible for a private developer. Particularly considering that Cascadia Partners modeled shallower levels of affordability, there is still additional work necessary in order to develop an approach that might be attractive to a private developer taking on this type of development project.

A public developer has advantages that include eliminating development fees and taxes, but also any necessary project return rate and investor payback. Public developer projects of this type are important because they establish comparables and set market expectations.

A series of funding gap analyses are performed using the RC zone site example. The analysis looks at required gap funding under various development standards to compare results but also quantify any funding gap required under both a private and public development scenario.

Modeling the public developer funding gap scenario is approached in two ways, one assuming 100% of the project total as affordable units with land considered a sunk cost. This scenario more closely reflects real world practice in Park City. The other scenario assumes recouping land costs and only 50% of the units designated affordable. This scenario is consistent with the approach used in modeling the private developer scenario and more easily compares differences in the two.

Scenario 1: 100% Affordable Units

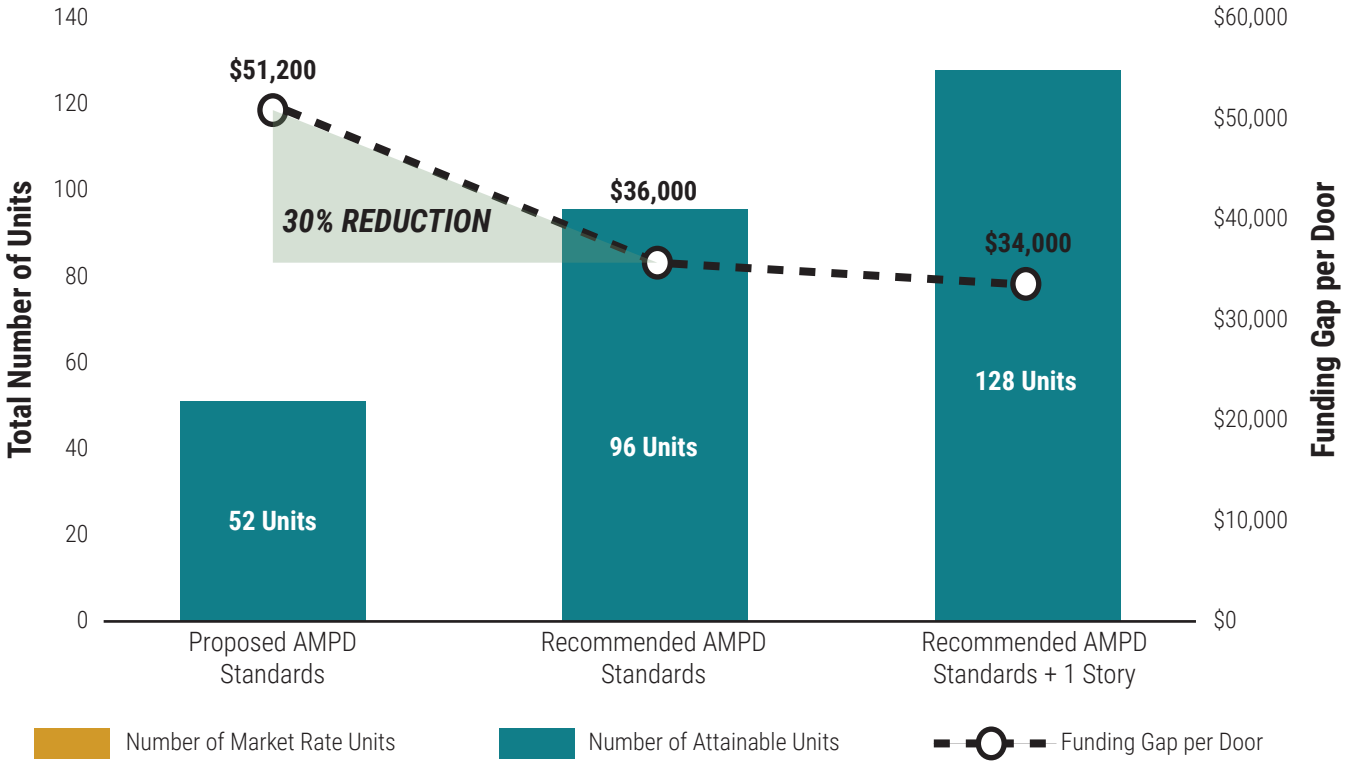
In the public developer scenario with 100% affordable units and where land is considered a sunk cost, assumptions include:

- 100% affordable units
- Average level of affordability – 78% of AMI
- All units for sale
- 80% cost recovery of hard & soft costs
- No permit fees/taxes
- Mix of 1 & 2-Bedroom units

Moving across scenarios from the Proposed AMPD standards to the Recommended AMPD standards results in a 30% discount in required gap funding per unit or a reduction from $51,000 to $36,000 per unit. This is due to the ability to spread the cost of development over more units. The additional units in the Recommended AMPD scenario are accommodated by modifying the standards as suggested in the previous section.

A lower unit count in the Proposed AMPD Standards is due to restrictions in the physical standards (FAR, percent of open space). These standards result in required gap funding per unit of $51,000 and an 86% cost recovery.

As an experiment to test potential for further reducing gap funding, an additional story of height is added to the Recommended AMPD Standards. This option increases the total number of affordable units by 32 but did little to significantly decrease the required funding gap per unit. This is because the funding gap required reaches an inflection point as the project approaches 100% cost recovery. At 90% cost recovery, the Recommended AMPD Standards reach this inflection point.



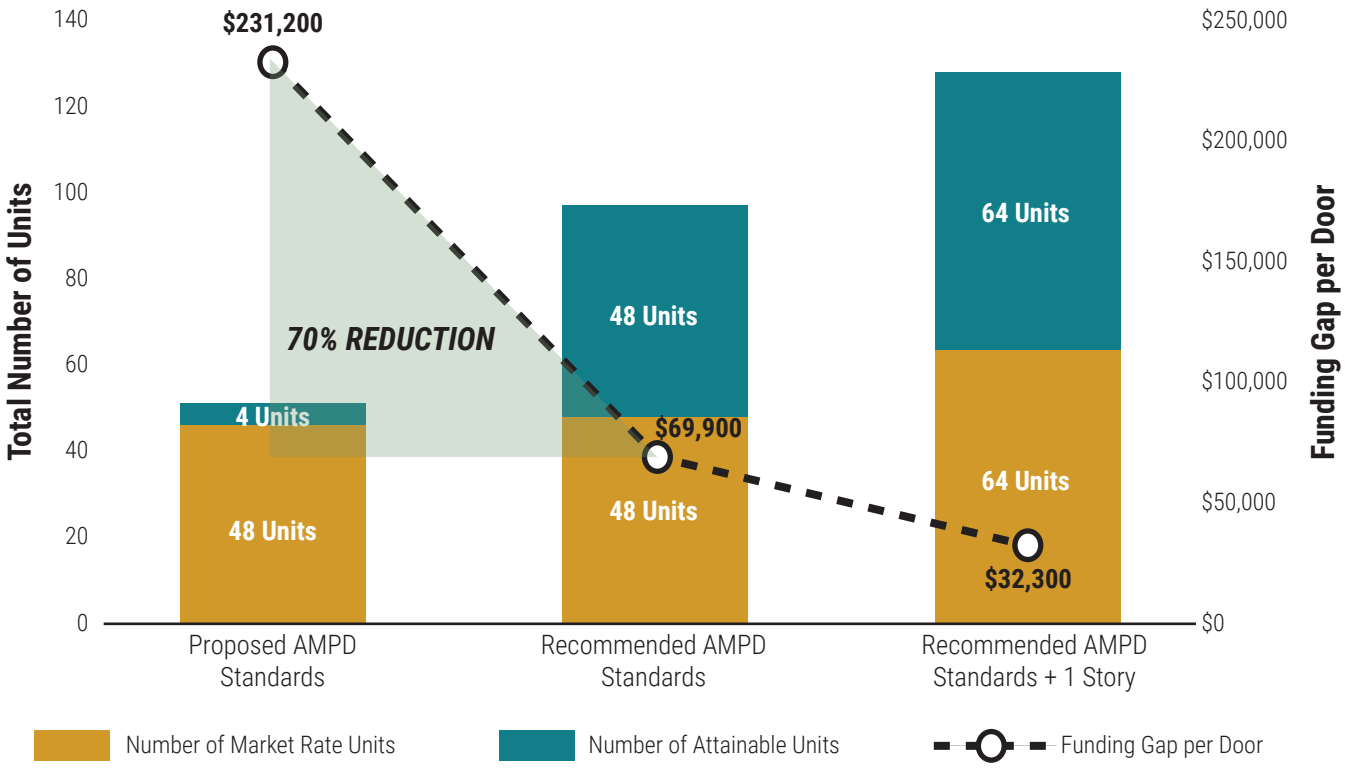
Scenario 2: 50% Affordable Units

In the Public Developer scenario where land costs are being recouped and 50% of units in the project are affordable, assumptions include:

- 50% affordable units
- Average level of affordability – 78% AMI
- All units for sale
- 80% cost recovery of hard & soft costs
- No permit fees/taxes
- Mix of 1 & 2-Bedroom units

In this scenario, gap funding per unit under the Proposed AMPD Standards is $231,000 per unit and only 8.3% of the allowed unit bonus are accommodated due to the physical constraints mentioned earlier. The gap funding per unit figure is much higher than the previous scenario due to incorporating land costs. This scenario only achieves 71% cost recovery. In order to achieve the desired 80%+, the market rate units would need to be priced higher, likely placing them at a rate higher than the market can bear.

Moving from the Proposed to the Recommended AMPD Standards demonstrates accommodating 100% of allowed bonus units, 87% cost recovery, and a reduction from $231,000 to $70,000 per unit in gap funding required, a 70% discount. Adding an extra floor of height further reduces this amount by close to half again.



Affordable Master Planned Development Code Audit Report

December 2019

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CASCADIA PARTNERS