

Site Analysis in Soho/NoHo/Chinatown Rezoning of Internal Rate of Return for Including Affordable Housing vs. Building with No Affordable Housing

The premise of the SoHo/NoHo/Chinatown Rezoning Plan is that it will create significant amounts of affordable housing. But reasoned analysis shows it won't — not unless the private, for-profit developers chose to act against their own financial self-interest. In fact, the plan makes it much more financially rewarding to build with no affordable housing whatsoever and incentivizes the [destruction of a great deal of existing rent-regulated affordable housing](#), displacing its long-term, lower-income residents.

[Prior analysis](#) by Village Preservation showed that on every site where the city projects affordable housing being built, the rezoning plan actually allows developers to build **more** market-rate space when they don't include affordable housing than when they do, thus providing a huge incentive not to build affordable housing. Changes made to the plan by the City Planning Commission when they adopted it [had no substantive impact upon this equation](#).

We have now performed an even more in-depth analysis of the built-in incentives and likely outcomes of the plan, using one of the largest development sites in the rezoning area, the Edison Parking lot at Lafayette Street and Great Jones Street, as an example. Based on market assumptions, we found that a rezoning scenario on this site with no affordable housing would produce **roughly double** the 10-year Internal Rate of Return (IRR) of one that does, indicating that **any developer would forgo a development with affordable housing in favor of one without. This remains the case even if the maximum commercial FAR were substantially lowered from the proposed levels.** Our analysis found:

- Residential Development with 30% Affordable Housing (Mandatory Inclusionary Housing — Floor Area Ratio of 9.7): **10-year IRR = 8.93%**
- 100% commercial development (Floor Area Ratio of 6): **10-year IRR = 14.33%**
- Development with 25,000 sq ft of market-rate residences per zoning lot (exempted from affordable housing requirements with the payment of a fee) with the remainder of the development commercial to the maximum extent allowable by zoning (Floor Area Ratio of 9.7): **10-year IRR = 22.58%**¹
- Maximum Allowable Commercial SF (6 FAR) with unused FAR filed with market-rate residential of less than 25,000 sq ft per zoning lot (exempted from affordable housing requirements with the payment of a fee) (Floor Area Ratio of 9.7): **10-year IRR = 22.50%**

Even a 5 FAR commercial building on these sites would bring in a higher internal rate of return — 21.16% — than the full FAR residential building with affordable housing, as would a 4 FAR commercial building, which would yield a 10-year internal rate of return of 18.71%.

¹ The previous version incorrectly calculated fee payment based on residential square footage in excess of 12,500 instead of as 27.5% of all residential square footage, as required by law.

	MIH 70/30 w/ retail	All Commercial	Max non-MIH Residential, Remainder Commercial	Max Commercial, Remainder Residential	Max non-MIH Residential, 5 FAR Commercial	Max non-MIH Residential, 4 FAR Commercial
Total FAR	9.7	6	9.7	9.7	8.7	7.7
Residential FAR	8.7	0	3.8	3.7	3.7	3.7
Commercial FAR	1	6	5.9	6	5	4
IRR	8.93%	14.33%	22.58%	22.50%	21.16%	18.71%

Similar analysis throughout the neighborhood would yield comparable results, demonstrating how unlikely this plan is to produce any affordable housing.

The data that follows includes the calculations and bases for this analysis.

Appendix A: MIH Affordable

PROPERTY INFORMATION		FAR	9.7
Commercial FAR	Lot SF	6	19,775
Residential Floor Plate	Storages		
Residential SF	GSF	191,818	
Retail SF		172,043	
Office SF		19,775	
Units		0	
Parking Spaces		173	

9.70
8.70
1.00
0.00

90%
100%
0%

DEVELOPMENT COSTS		Land	\$76,727,000	\$400	per GSF
Hard Costs (Residential)		\$68,817,000	\$400	per GSF	
Hard Costs (Retail and Office)		\$6,328,000	\$320	per GSF	
Hard Costs (Parking)		\$0	\$50,000	per space	
Hard Costs Total		\$75,145,000			
Soft Cost		\$18,786,250		25%	of Hard Cost
Interest Expenses Construction		\$7,963,082		3.75%	
Total Development Costs		\$178,621,332		\$1,034,100	per Unit

Income Mix		%	AMI	SF	Boost
Homeless / Section 8		0%	AMI	473	0%
40% AMI		0%	AMI	600	
(50% AMI)		0%	AMI	900	
Tx Credit Low (60% AMI)		0%	AMI	950	
80% AMI		30%	AMI	746	
Middle (101-130% AMI)		0%	AMI	932	
Market		76%	AMI		
		100%	AMI		

Unit Type Distribution		Market SF	%	Rental SF	Condo SF
Unit Type					
0BR		473	15%	473	473
1BR		600	25%	600	717
2BR		900	50%	900	1325
3BR		950	10%	1200	2237
NSF/DU		746		791	1136
GSF/DU		932			

MI & O per SF:		\$11
421A? (1=yes, 0=no)		0
Mini Tax		\$90,683.32
Lot 17		\$27,959.48
Lot 56		\$71,703.28
Lot 52		\$190,246.08

Lots SF Calculation Block 531		Lot Size	Residential	Commercial	Total
Lot 17		9,261	80,571	9,261	89,832
Lot 56		2,567	22,333	2,567	24,900
Lot 52		7,947	69,139	7,947	77,086
Total		19,775	172,043	19,775	191,818
FAR		9.70			
Residential SF		25,000			

Unit Distribution		Units	Rents	Income	Net Revenue
Homeless / Section 8 FMR					
0BR	15%	0	\$888	\$0	\$0
1BR	30%	0	\$1,069	\$0	\$0
2BR	55%	0	\$1,189	\$0	\$0
3BR	0%	0	\$1,462	\$0	\$0
40% AMI (rent at 38%)					
0BR	15%	0	\$424	\$0	\$0
1BR	30%	0	\$453	\$0	\$0
2BR	55%	0	\$548	\$0	\$0
3BR	0%	0	\$633	\$0	\$0
Very Low - 50% of AMI (Rent at 48%)					
0BR	15%	0	\$552	\$0	\$0
1BR	30%	0	\$690	\$0	\$0
2BR	55%	0	\$712	\$0	\$0
3BR	0%	0	\$823	\$0	\$0
Low - 60% of AMI (Rent at 56%)					
0BR	15%	0	\$1,190	\$0	\$0
1BR	30%	0	\$1,271	\$0	\$0
2BR	55%	0	\$1,518	\$0	\$0
3BR	0%	0	\$1,746	\$0	\$0
80% AMI					
0BR	15%	8	\$1,606	\$146,485	\$146,485
1BR	30%	16	\$1,718	\$313,272	\$313,272
2BR	55%	29	\$2,054	\$679,185	\$679,185
3BR	0%	0	\$2,366	\$0	\$0
Middle - 130%					
0BR	15%	0	\$1,338	\$0	\$0
1BR	30%	0	\$1,680	\$0	\$0
2BR	55%	0	\$2,019	\$0	\$0
3BR	0%	0	\$2,334	\$0	\$0
Market					
0BR	15%	18	\$3,350	\$687,506	\$687,506
1BR	25%	30	\$3,700	\$1,265,400	\$1,265,400
2BR	50%	60	\$8,775	\$6,002,100	\$6,002,100
3BR	10%	12	\$10,500	\$1,436,400	\$1,436,400
	100%	121		\$9,391,406	\$9,391,406
Commercial and Other Income:					
Parking		# of Spaces	Monthly Rent	Annual Income	\$0
Retail		Total s.f.	Monthly/s.f.	Annual Income	\$0
Office		19,775	0	\$1,977,500	\$1,977,500
Laundry		# units	Per unit/per year	Annual Income	\$0
		173	\$90	\$15,546	\$15,546
Cash Flow					
Total Commercial and Other Income				\$1,993,046	\$1,993,046
Residential Net				\$10,530,348	\$10,530,348
Commercial Income				\$1,977,500	\$1,977,500
Parking Income				\$0	\$0
Commercial & Parking Net				10%	\$1,779,750
Laundry Income				5%	\$15,546
Laundry Net					\$14,769
Commercial/Parking/Laundry Net					\$1,794,519
TOTAL EGI					\$12,324,866
MI & O					-\$2,001,230
NOI					\$10,323,636
Financing					
Interest Rate			5.00%		
DSCR			1.15		
NOI			\$10,323,636		
Available for DS			\$8,977,075		
4% Tax Credits					
Eligible Basis			\$160,206,762		
Applicable Fraction			0%		
Basis Boost			30%		

Assumptions		
All variable cells in blue:		
General		
Bldg FAR	9.70	
Acq & Inf FAR	0.00	
Lot Area	19,775	
GBA	191,818	
Residential		
% of project	89.69%	
NSF	172,043	
Efficiency Factor	78%	
Unit Breakdown		
avg DU size (NSF)	total units	% distribution
Studio	473	8
1 BR	600	16
2 BR	900	29
3 BR	960	0
Market Studio	473	18
Market 1 BR	600	30
Market 2 BR	900	35%
Market 3 BR	1,200	12
		7%
		100%
assumed avg DU size (NSF)	777	173
Number of Units	746	791
	173	residential
Parking		
parking spaces	0	
parking ratio	0.0%	
Commercial		
% of project	10.31%	
GSF	19,775	
NSF	19,775	
Efficiency Factor	100%	
Development Costs		
Acquisition	\$76,727,000	\$400 per ZFA
Infr/Env Costs	\$0	per GZF
Commercial Hard Cost	\$6,328,000	\$320 per GSF
Residential Hard Cost	\$68,817,000	\$400 per GSF
Parking Costs	\$0	\$15,000 per space
Soft Cost/GSF	\$18,786,250	25% of Hard Cost/GSF
Developer Fee	\$0	0.00% of TDC
Total Development Costs	\$170,658,250	
Revenue		
Residential		
Average Rent/Unit/Month	5,072	
Total Annual Rent	10,530,348	
Annual Rent/NSF	78.47	
Annual Rental Growth	3%	
Annual Vacancies	5%	
Area Median Income	119,300	
Market	% of project	Rent per NSF
	70%	104.92
Monthly Rent	# of units	Annual Income
Studio	3,350	18
1 BR	3,700	30
2 BR	8,775	60
3 BR	10,500	12
total		120
		9,391,406
		687,508
		1,265,400
		6,002,100
		1,436,400
		9,391,406
AMI Rent Level	% of project	Rent per NSF
	60%	0% #DIV/0!
Monthly Rent	# of units	Annual Income
Studio	1,214	0
1 BR	1,298	0
2 BR	1,580	0
3 BR	1,805	0

Sources & Uses		per unit
Sources Total		511,438
First Mortgage	88,478,689	
Developer Equity	42,664,563	
Land Value	-	
Total	170,658,250	511,438
Uses Total		443,509
Land Cost	76,727,000	
Infrastructure	0	
Commercial Hard Cost	6,328,000	36,578
Residential Hard Cost	68,817,000	397,786
Parking Hard Cost	0	
Soft Costs	18,786,250	108,591
Developer Fee	0	
Total	170,658,250	986,464
Total		
Total Rent	12,507,848	
Total Vacancy	(724,267)	
EGI	11,783,580	
Operating Expenses	(1,892,468)	
421a Mini Tax	(3,227,726)	
After Tax NOI	6,663,386	
First Mortgage DS	(5,699,673)	
Net Cash Flow	963,713	
LTV Calculation Total		
NPV	169,784,713	
Max Loan Amount	127,338,535	
	75%	
Debt Service Calculation Total		
Monthly Available for First Mort DS	474,973	
Max First Mortgage Amount	88,478,689	
Total		
IRR 10 years		8.93%

Total Cash Flows
RESIDENTIAL CF

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Residential Rent	10,530,348	10,846,258	11,171,646	11,506,995	11,851,999	12,207,559	12,573,786	12,950,999	13,339,529	13,739,715	14,151,907	14,576,464	15,013,758	15,464,170	15,928,066
less Residential Vacancy	526,517	542,313	559,582	575,340	592,600	610,378	628,689	647,550	666,976	686,986	707,595	728,823	750,688	773,209	796,405
Effective Gross Income	10,003,830	10,303,945	10,613,063	10,931,655	11,259,399	11,597,181	11,945,096	12,303,449	12,672,553	13,052,729	13,444,311	13,847,641	14,263,070	14,690,962	15,131,691
Total Operating Expenses	1,892,468	1,949,242	2,007,719	2,067,960	2,129,989	2,193,889	2,259,705	2,327,496	2,397,321	2,469,241	2,543,316	2,619,618	2,698,206	2,779,152	2,862,927
Residential Sales - MH Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pre Tax NOI	8,111,363	8,354,704	8,605,345	8,863,695	9,129,410	9,403,292	9,685,391	9,975,953	10,275,232	10,583,489	10,900,993	11,223,023	11,564,864	11,911,810	12,269,764
Assessed Tax:															
NOI (I) Assessor's Rate	14.68%	14.68%	14.68%	14.68%	14.68%	14.68%	14.68%	14.68%	14.68%	14.68%	14.68%	14.68%	14.68%	14.68%	14.68%
Market Value	55,259,169	56,916,258	58,623,212	60,382,736	62,193,166	64,056,955	65,976,258	67,955,105	69,995,929	72,099,929	74,269,258	76,506,929	78,816,258	81,199,929	83,659,258
(X) Equalization Rate	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%
Projected Assessment	24,866,225	25,612,212	26,360,278	27,111,996	27,867,156	28,626,770	29,390,573	30,159,221	30,933,321	31,712,500	32,507,300	33,420,671	34,463,291	36,543,890	37,612,397
(X) Tax Rate	10.694%	10.694%	10.694%	10.694%	10.694%	10.694%	10.694%	10.694%	10.694%	10.694%	10.694%	10.694%	10.694%	10.694%	10.694%
Projected RE Taxes	2,659,194	2,738,970	2,821,139	2,905,973	2,992,946	3,082,735	3,175,217	3,270,473	3,368,588	3,469,645	3,573,735	3,680,947	3,791,375	3,905,116	4,022,270
421a Mini Tax:	170,633	175,792	181,025	186,455	192,049	197,811	203,745	209,857	216,153	222,637	229,317	236,196	243,282	250,580	258,088
421a Exemptions:															
Exempt percent	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Exempt amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes Due	2,659,194	2,738,970	2,821,139	2,905,773	2,992,946	3,082,735	3,175,217	3,270,473	3,368,588	3,469,645	3,573,735	3,680,947	3,791,375	3,905,116	4,022,270
After Tax NOI	5,452,169	5,615,734	5,784,206	5,957,732	6,136,464	6,320,558	6,510,174	6,705,480	6,906,644	7,113,843	7,327,259	7,547,076	7,773,489	8,006,693	8,246,894
NPV of After tax NOI	138,626,763														

COMMERCIAL CF

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Gross Commercial Rental Revenue	1,977,500	2,036,825	2,097,930	2,160,889	2,225,694	2,292,464	2,361,238	2,432,076	2,505,038	2,580,189	2,657,595	2,737,322	2,819,442	2,904,025	2,991,146
Parking Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
less Commercial Vacancy	197,750	205,663	209,793	216,987	222,569	229,246	236,124	243,208	250,504	258,019	265,759	273,732	281,944	290,403	299,115
Effective Gross Income	1,779,750	1,833,143	1,888,137	1,944,781	2,003,124	2,063,218	2,125,115	2,188,868	2,254,534	2,322,170	2,391,835	2,463,590	2,537,498	2,613,623	2,692,032
Total Operating Expenses	108,763	112,025	115,986	118,848	122,413	126,086	129,868	133,764	137,777	141,910	146,168	150,553	155,069	159,721	164,513
Pre Tax NOI	1,670,987	1,721,117	1,772,151	1,825,933	1,880,711	1,937,132	1,995,246	2,055,104	2,115,757	2,180,260	2,245,667	2,313,037	2,382,429	2,453,901	2,527,519
Assessed Tax:															
NOI (I) Assessor's Rate	14.14%	14.14%	14.14%	14.14%	14.14%	14.14%	14.14%	14.14%	14.14%	14.14%	14.14%	14.14%	14.14%	14.14%	14.14%
Market Value	11,814,150	12,169,575	12,533,632	12,909,641	13,296,930	13,695,838	14,106,713	14,529,915	14,965,312	15,414,786	15,877,230	16,353,547	16,844,153	17,349,478	17,869,982
(X) Equalization Rate	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%
Projected Assessment	5,316,368	5,475,859	5,640,134	5,809,338	5,983,619	6,163,127	6,346,021	6,532,462	6,724,615	6,926,854	7,134,753	7,350,086	7,579,869	7,804,183	8,041,483
(X) Tax Rate	10.694%	10.694%	10.694%	10.694%	10.694%	10.694%	10.694%	10.694%	10.694%	10.694%	10.694%	10.694%	10.694%	10.694%	10.694%
Projected RE Taxes	568,532	585,568	603,156	621,251	639,866	659,005	678,697	698,923	720,600	741,806	763,591	786,982	810,991	834,969	859,956
421a Mini Tax:	19,613	20,201	20,807	21,432	22,075	22,737	23,419	24,122	24,845	25,591	26,358	27,149	27,963	28,802	29,666
421a Exemptions:															
Exempt percent	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Exempt amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes Due	568,532	585,568	603,156	621,251	639,888	659,085	678,857	699,223	720,200	741,806	764,060	786,982	810,591	834,909	859,956
After Tax NOI	1,102,455	1,135,529	1,169,995	1,204,683	1,240,823	1,278,048	1,316,389	1,355,881	1,396,357	1,438,454	1,481,608	1,526,056	1,571,837	1,619,993	1,667,852
NPV of After tax NOI	26,031,010														

COMBINED CASH FLOWS

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Rental After tax NOI	5,452,169	5,615,734	5,784,206	5,957,732	6,136,464	6,320,558	6,510,174	6,705,480	6,906,644	7,113,843	7,327,259	7,547,076	7,773,489	8,006,693	8,246,894
Commercial + Parking After tax NOI	1,102,455	1,135,529	1,169,995	1,204,683	1,240,823	1,278,048	1,316,389	1,355,881	1,396,357	1,438,454	1,481,608	1,526,056	1,571,837	1,619,993	1,667,852
Combined After tax NOI	6,554,624	6,751,262	6,954,200	7,162,414	7,377,287	7,598,605	7,826,563	8,061,360	8,303,001	8,552,297	8,808,866	9,075,132	9,345,326	9,625,686	9,914,466
NPV of After tax NOI	169,784,713														

FINANCING CALCULATIONS

	1	2	3	4	5	6	7	8	9	10	11	12	13
First Mortgage													
LTV Debt Service	8,202,969	8,202,969	8,202,969	8,202,969	8,202,969	8,202,969	8,202,969	8,202,969	8,202,969	8,202,969	8,202,969	8,202,969	8,202,969
Max Loan by LTV	127,338,535												
DCR Debt Service	1,15	1,18	1,22	1,26	1,29	1,33	1,37	1,41	1,46	1,50	1,55	1,59	1,64
monthly debt service	5,699,673	5,699,673	5,699,673	5,699,673	5,699,673	5,699,673	5,699,673	5,699,673	5,699,673	5,699,673	5,699,673	5,699,673	5,699,673
Max Loan by DSCR	88,478,689												

	1	2	3	4	5	6	7	8	9	10	11	12	13
Actual Debt Service	5,699,673	5,699,673	5,699,673	5,699,673	5,699,673	5,699,673	5,699,673	5,699,673	5,699,673	5,699,673	5,699,673	5,699,673	5,699,673

Return on Investment													
Cash Flow													
Equity Investment	42,664,563												
Cash on Cash ROE	0.00%	2.00%	2.94%	3.45%	3.93%	4.45%	4.99%	5.54%	6.10%	6.69%	7.29%	7.91%	8.54%
IRR	5.66%												
(42,664,563)													

10 Year IRR	8.93%
(42,664,563)	
annual rate	5.00%
number of years	30
number of payments	360
loan amount	88,478,689
monthly payment	(8474.973)
beginning month	1
ending month	120
principal paid	-\$16,806,929
outstanding balance year 10	\$71,671,760

sale/reversion	\$176,477,323
outstanding princ	\$71,671,760
	\$104,805,564

Appendix B: Market

PROPERTY INFORMATION		FAR	9.7
Commercial FAR		6	
Residential Floor Plate		19,775	
Storages			
Residential SF	191,818		
Retail SF	75,000		
Office SF	19,775		
Units	97,043		
Parking Spaces	51		
	0		

9.70
3.79
1.00
4.91

39%
10%
51%

DEVELOPMENT COSTS		Land	\$76,727,000	\$400	per GSF
Hard Costs (Residential)		\$37,500,000	\$500	per GSF	
Hard Costs (Retail and Office)		\$46,727,000	\$400	per GSF	
Hard Costs (Parking)		\$0	\$50,000	per space	
Hard Costs Total		\$84,227,000			
Soft Cost		\$21,055,750		25%	of Hard Cost
Interest Expenses Construction		\$12,285,726		3.75%	per Unit
Total Development Costs		\$194,296,476		\$3,774,334	per Unit

Income Mix		AMI	0%	51
Homeless / Section 8		0%		
40% AMI		0%		
(50% AMI)		0%		
Tx Credit Low (60% AMI)		0%		
80% AMI		0%		
Middle (101-130% AMI)		0%		
Market		100%		51

Unit Type Distribution		Market SF	%	Boost
Unit Type		473	15%	0%
0BR		600	25%	
1BR		900	50%	
2BR		1200	10%	
3BR		791		
NSF/DU		746		
GSF/DU		932		

M & O per SF:		\$11
421A? (1=yes, 0=no)		0
Mini Tax		\$90,683.32
Lot 17		\$27,959.48
Lot 56		\$71,703.28
Actual Mini Tax		\$190,246.08

Lots SF Calculation Block 531		Lot Size	Residential	Commercial	Total
Lot 17		9,261	25,000	64,832	89,832
Lot 56		2,567	25,000	-100	24,900
Lot 52		7,947	25,000	52,086	77,086
Total		19,775	75,000	116,818	191,818
FAR		9.70			
Residential SF		25,000			

Unit Distribution		Units	Rents	Income	Net Revenue
Homeless / Section 8 FMR					
0BR	15%	0	\$888	\$0	\$0
1BR	30%	0	\$1,069	\$0	\$0
2BR	55%	0	\$1,189	\$0	\$0
3BR	0%	0	\$1,462	\$0	\$0
40% AMI (rent at 38%)					
0BR	15%	0	\$424	\$0	\$0
1BR	30%	0	\$453	\$0	\$0
2BR	55%	0	\$548	\$0	\$0
3BR	0%	0	\$633	\$0	\$0
Very Low - 50% of AMI (Rent at 48%)					
0BR	15%	0	\$552	\$0	\$0
1BR	30%	0	\$690	\$0	\$0
2BR	55%	0	\$712	\$0	\$0
3BR	0%	0	\$823	\$0	\$0
Low - 60% of AMI (Rent at 56%)					
0BR	15%	0	\$1,190	\$0	\$0
1BR	30%	0	\$1,271	\$0	\$0
2BR	55%	0	\$1,518	\$0	\$0
3BR	0%	0	\$1,746	\$0	\$0
80% AMI					
0BR	15%	0	\$1,606	\$0	\$0
1BR	30%	0	\$1,718	\$0	\$0
2BR	55%	0	\$2,054	\$0	\$0
3BR	0%	0	\$2,366	\$0	\$0
Middle - 130%					
0BR	15%	0	\$1,338	\$0	\$0
1BR	30%	0	\$1,680	\$0	\$0
2BR	55%	0	\$2,019	\$0	\$0
3BR	0%	0	\$2,334	\$0	\$0
Market					
0BR	15%	8	\$3,350	\$305,558	\$0
1BR	25%	13	\$3,700	\$548,340	\$0
2BR	50%	26	\$8,775	\$2,600,910	\$0
3BR	10%	5	\$10,500	\$598,500	\$0
	100%	51			\$85.00
Commercial and Other Income:					
Parking		# of Spaces	0	Monthly Rent	\$0
Retail		Total s.f.	19,775	Monthly/s.f.	Annual Income
Office			97,043		\$1,977,500
					\$12,615,925
Laundry		# units	51	Per unit/per year	Annual Income
					\$4,633
Cash Flow					\$14,597,658
Residential Net					
Commercial Income					\$0
Commercial & Parking Net					\$0
Laundry Income				10%	\$1,779,750
Laundry Net				5%	\$4,401
Commercial/Parking/Laundry Net					\$1,784,151
TOTAL EGI					\$1,784,151
M & O					-\$1,467,496
NOI					\$316,655
Financing					
Interest Rates			5.00%		
DSCR			1.3		
NOI			\$316,655		
Available for DS			\$243,581		
4% Tax Credits					
Eligible Basis			\$75,969,271		
Applicable Fraction			0%		
Basis Boost			30%		

Assumptions		
All variable cells in blue:		
General		
Bldg FAR	9.70	
Acq & Inf FAR	0.00	
Lot Area	19,775	
GBA	191,818	
Residential		
% of project	39.10%	
NSF	75,000	
NSF	58,500	
Efficiency Factor	78%	
Unit Breakdown		
avg DU size (NSF)	total units	% distribution
Studio	473	0
1 BR	600	0
2 BR	900	0
3 BR	960	0
Market Studio	473	8
Market 1 BR	600	13
Market 2 BR	900	25
Market 3 BR	1,200	5
		100%
	791	51
assumed avg DU size (NSF)	746	791
Number of Units	51	residential
Parking		
parking spaces	0	
parking ratio	0.0%	
Commercial		
% of project	60.90%	
GSF	116,818	
NSF	116,818	
Efficiency Factor	100%	
Development Costs		
Acquisition	\$76,727,000	\$400 per ZFA
Infr/Env Costs	\$0	per GZF
Commercial Hard Cost	\$46,727,000	\$400 per GSF
Residential Hard Cost	\$37,500,000	\$500 per GSF
Parking Costs	\$0	\$15,000 per space
Soft Cost/GSF	\$21,056,750	25% of Hard Cost/GSF
Developer Fee	\$0	0.00% of TDC
Total Development Costs	\$182,010,750	
Revenue		
Residential		
Average Rent/Unit/Month	-	
Total Annual Rent	-	
Total Annual Rent/NSF	0.00	
Annual Rental Growth	3%	
Annual Vacancies	5%	
Area Median Income	119,300	
Market	% of project	Rent per NSF
	100%	0.00
Monthly Rent	# of units	Annual Income
Studio	8	-
1 BR	13	-
2 BR	25	-
3 BR	5	-
total	51	-
AMI Rent Level	% of project	Rent per NSF
	60%	0% #DIV/0!
Monthly Rent	# of units	Annual Income
Studio	0	-
1 BR	1,214	-
2 BR	1,298	-
3 BR	1,580	-
	1,805	0

Sources & Uses		per unit
Sources Total		
First Mortgage	136,508,063	2,676.629
Developer Equity	45,502,688	-
Land Value	-	-
Total	182,010,750	2,676.629
Uses Total		
Land Cost	76,727,000	1,504.451
Infrastructure	0	-
Commercial Hard Cost	46,727,000	916.216
Residential Hard Cost	37,500,000	735.294
Parking Hard Cost	0	-
Soft Costs	21,056,750	412.877
Developer Fee	0	-
Total	182,010,750	3,568.838
Total		
Total Rent	14,593,025	
Total Vacancy	(1,459,303)	
EGI	13,133,723	
Operating Expenses	(625,000)	
421a Mini Tax	(47,489,727)	
After Tax NOI	(35,181,004)	
First Mortgage DS	(13,666,751)	
Net Cash Flow	(48,847,755)	
LTV Calculation Total		
NPV	282,873,824	
Max Loan Amount	212,155,368	
		75%
Debt Service Calculation Total		
Monthly Available for First Mort DS	6,211,286	
Max First Mortgage Amount	1,157,048,437	
Total		
IRR 10 years		22.56%

FINANCING CALCULATIONS

	1	2	3	4	5	6	7	8	9	10	11	12	13
MORTGAGES													
First Mortgage													
LTV Debt Service	13,666,751	13,666,751	13,666,751	13,666,751	13,666,751	13,666,751	13,666,751	13,666,751	13,666,751	13,666,751	13,666,751	13,666,751	13,666,751
Max Loan by LTV	212,165,388												
DCR Debt Service	1.30	0.11	0.11	0.11	0.12	0.12	0.12	0.13	0.13	0.13	0.14	0.14	0.15
monthly debt service	74,535,434	74,535,434	74,535,434	74,535,434	74,535,434	74,535,434	74,535,434	74,535,434	74,535,434	74,535,434	74,535,434	74,535,434	74,535,434
Max Loan by DSCR	6,211,286	6,211,286	6,211,286	6,211,286	6,211,286	6,211,286	6,211,286	6,211,286	6,211,286	6,211,286	6,211,286	6,211,286	6,211,286
	1,157,048,437												

Actual Debt Service 8,793,658 8,793,658 8,793,658 8,793,658 8,793,658 8,793,658 8,793,658 8,793,658 8,793,658 8,793,658 8,793,658 8,793,658 8,793,658

Return on Investment

Cash Flow													
Equity Investment	45,502,688												
Cash on Cash ROE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
IRR	18.85%	-1.93%	-1.40%	-0.87%	-0.31%	0.26%	0.85%	1.45%	2.07%	2.72%	3.38%	4.06%	4.76%
	(45,502,688)	(876,347)	(638,828)	(394,183)	(142,199)	117,345	384,675	660,025	943,635	1,235,754	1,536,637	1,846,545	2,165,752

10 Year IRR 22.56%
(45,502,688)

annual rate 5.00%
 number of years 30
 number of payments 360
 loan amount 136,508,063
 monthly payment (\$732,805)
 beginning month 1
 ending month 120
 principal paid \$25,930,327
 outstanding balance year 10 \$110,577,736

sale/reversion
 outstanding princ
 \$206,605,883
 \$110,577,736
 \$56,028,148