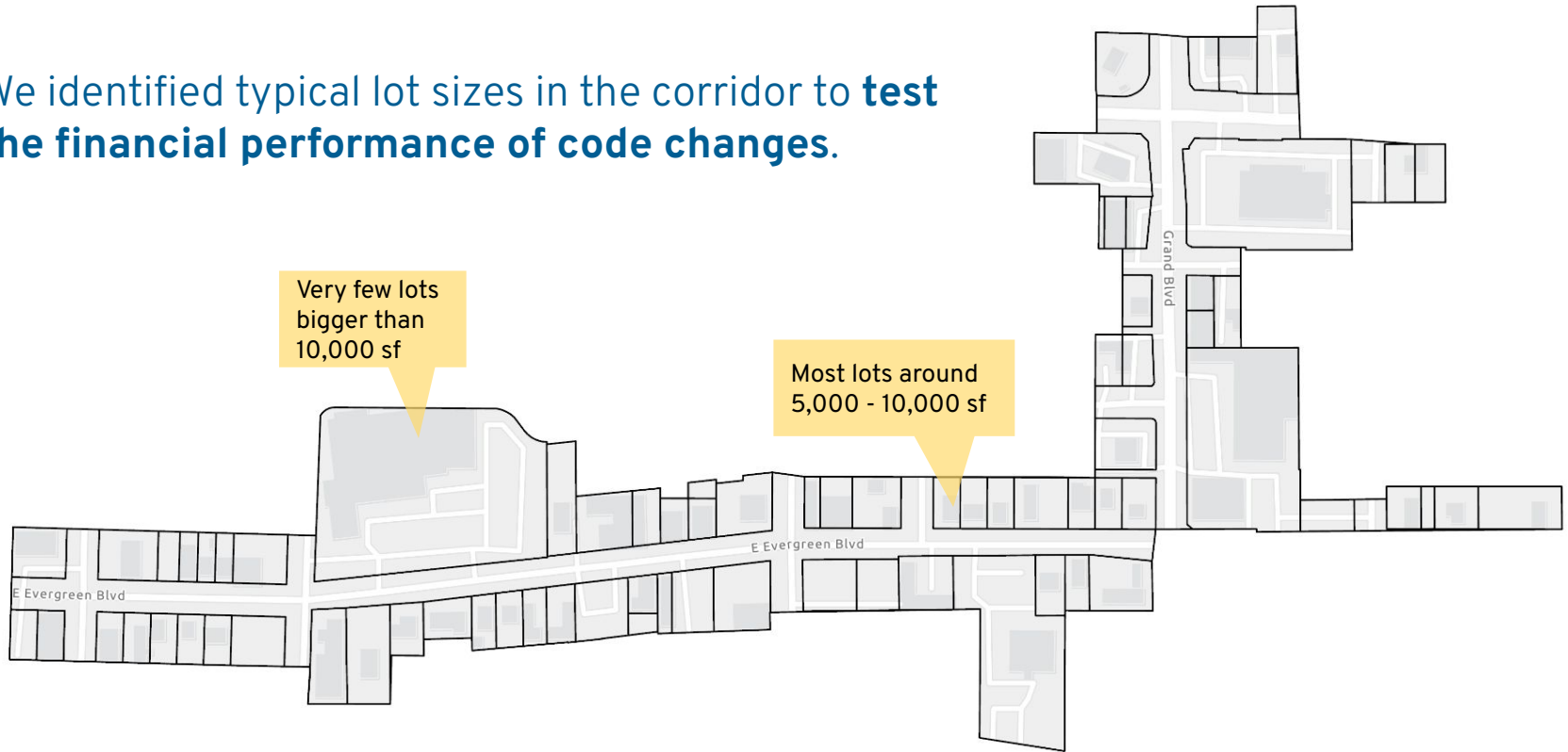




APPENDIX A
**FINANCIAL FEASIBILITY
ANALYSIS OF
CODE CONCEPTS**

LOT SIZE ANALYSIS: 5,000 AND 10,000 SF LOTS

We identified typical lot sizes in the corridor to **test the financial performance of code changes.**



TEST PROTOTYPES

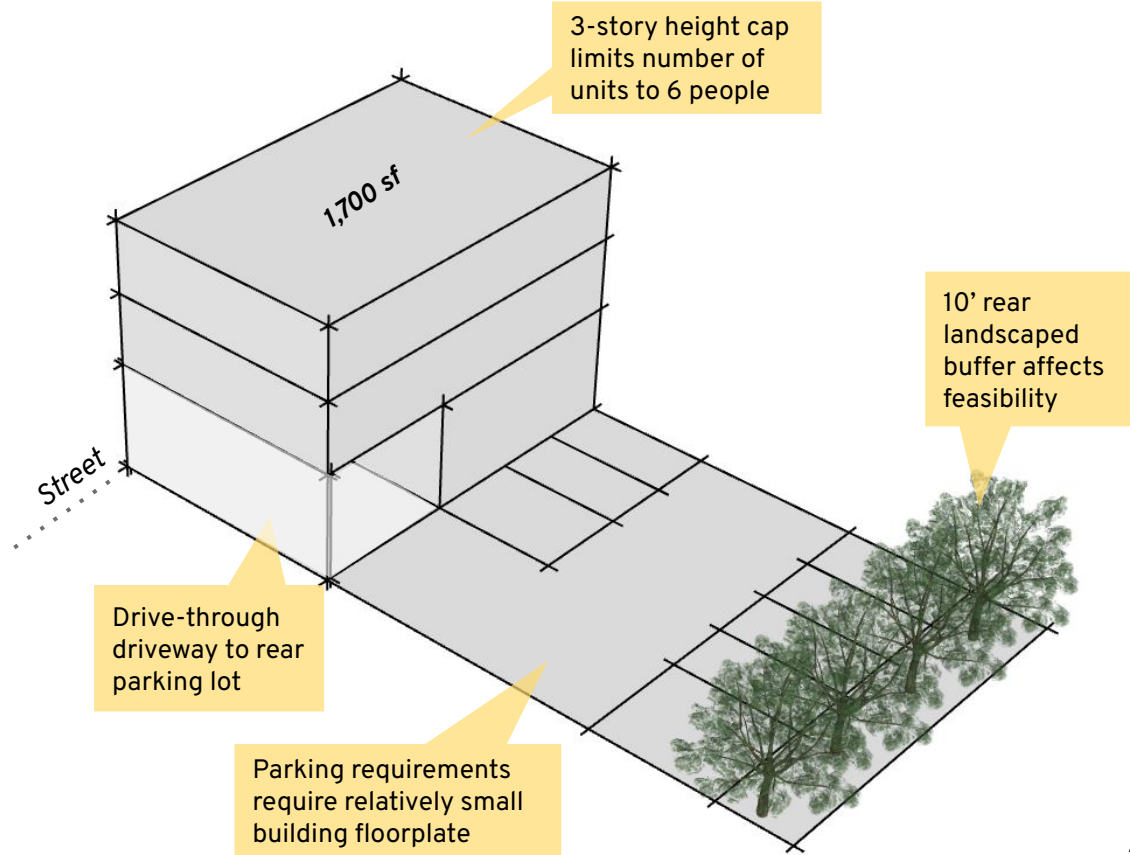
TEST NAME	LOT SIZE(S)	HEIGHT	GROUND FLOOR COMMERCIAL	PARKING RATIOS
1. Residential Small Lot (3-stories)	5,000 sf	3 stories	None	0.75 per unit
2. Mixed-Use Small Lot (3-Stories)	5,000 sf	3 stories	50% of frontage	0.75 per unit No parking for ground floor commercial spaces
3. Residential Small Lot (4-stories)	5,000 sf	4 stories	None	0.75 per unit
4. Mixed-Use Small Lot (4-stories)	5,000 sf	4 stories	50% of frontage	0.75 per unit No parking for ground floor commercial spaces
5. Residential Large Lot (5-stories)	10,000 sf	5 stories	None	0.75 per unit
6. Mixed-Use Large Lot (5-stories)	10,000 sf	5 stories	50% of frontage	0.75 per unit No parking for ground floor commercial spaces

RESIDENTIAL SMALL LOT (3-STORIES)

52 units/acre

1. Residential Small Lot

Lot Size	5,000 sf
Height	3 stories
Parking Spaces	8
# of Residential Units	6
Avg. Unit Size (sf)	600
Retail Space (sf)	-
Construction Cost	\$260/sf
Avg. Residential Rent / Unit	\$1,500/month
Retail Rent	-
Internal Rate of Return (Target 10%)	6.1%

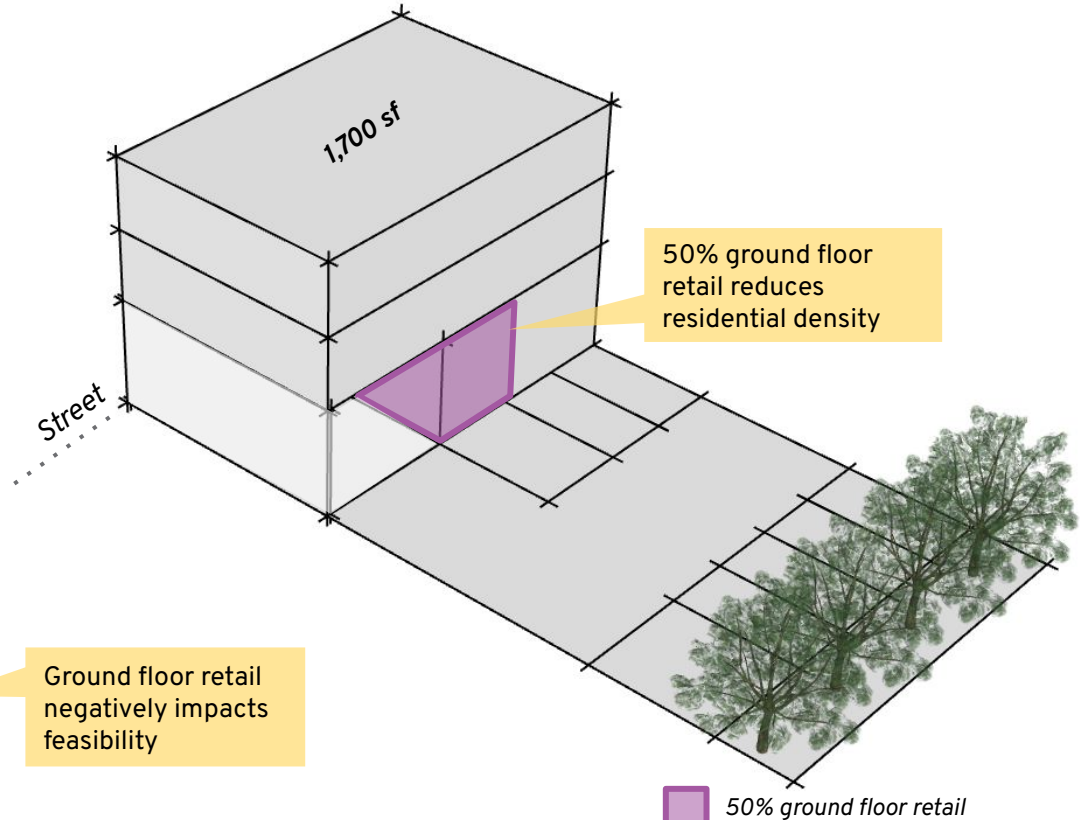


MIXED-USE SMALL LOT (3-STORIES)

44 units/acre

2. Mixed-Use Small Lot

Lot Size	5,000 sf
Height	3 stories
Parking Spaces	8
# of Residential Units	5
Avg. Unit Size (sf)	600
Retail Space (sf)	510
Construction Cost	\$260/sf
Avg. Residential Rent / Unit	\$1,500/month
Retail Rent	\$25/sf
Internal Rate of Return (Target 10%)	5.3%

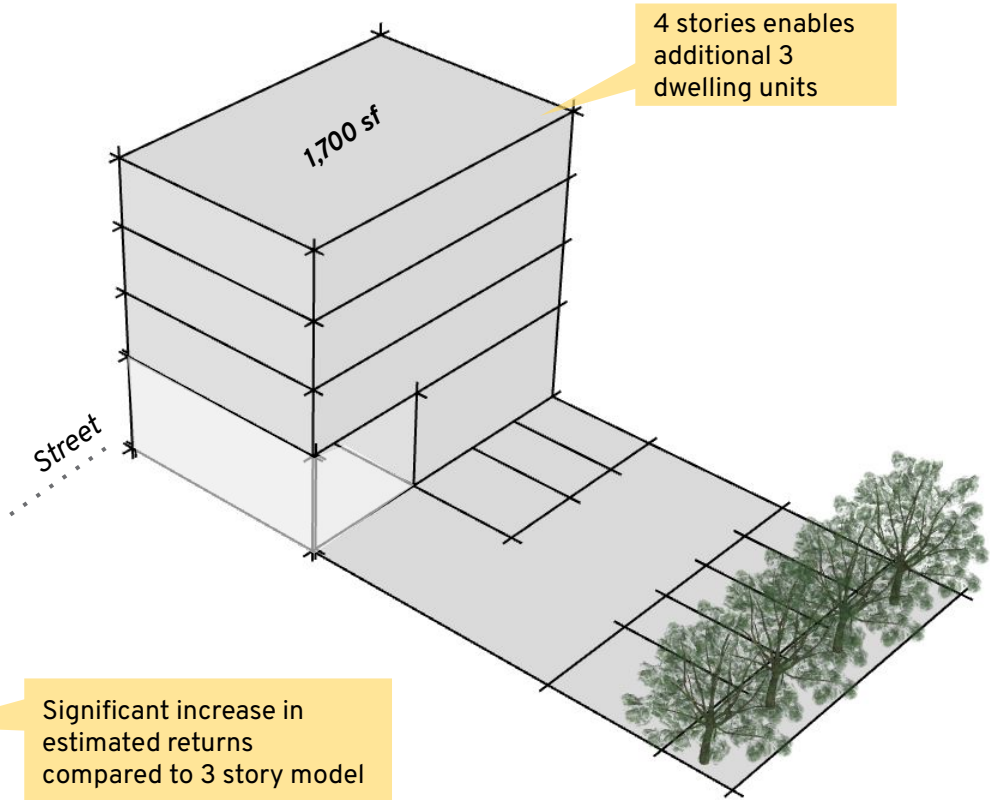


RESIDENTIAL SMALL LOT (4-STORIES)

78 units/acre

3. Residential Small Lot

Lot Size	5,000 sf
Height	4 stories
Parking Spaces	8
# of Residential Units	9
Avg. Unit Size (sf)	600
Retail Space (sf)	-
Construction Cost	\$215/sf
Avg. Residential Rent / Unit	\$1,500/month
Retail Rent	-
Internal Rate of Return (Target 10%)	7.9%

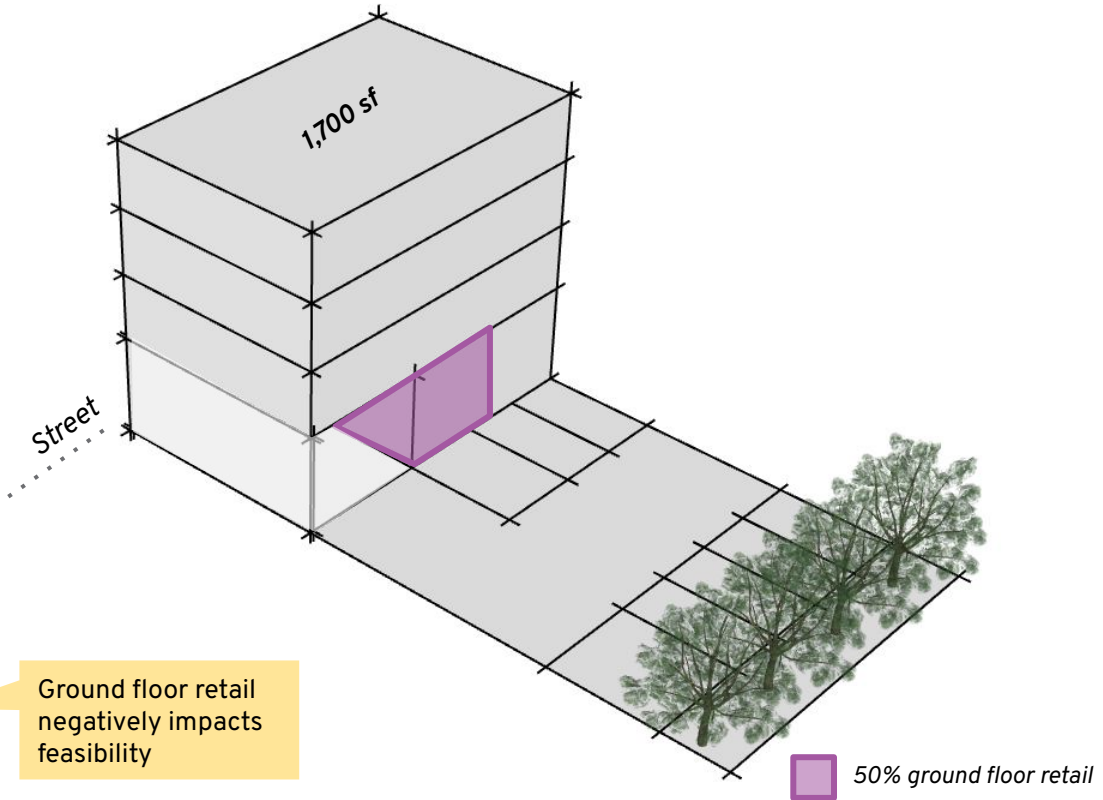


MIXED-USE SMALL LOT (4-STORIES)

70 units/acre

4. Mixed-Use Small Lot

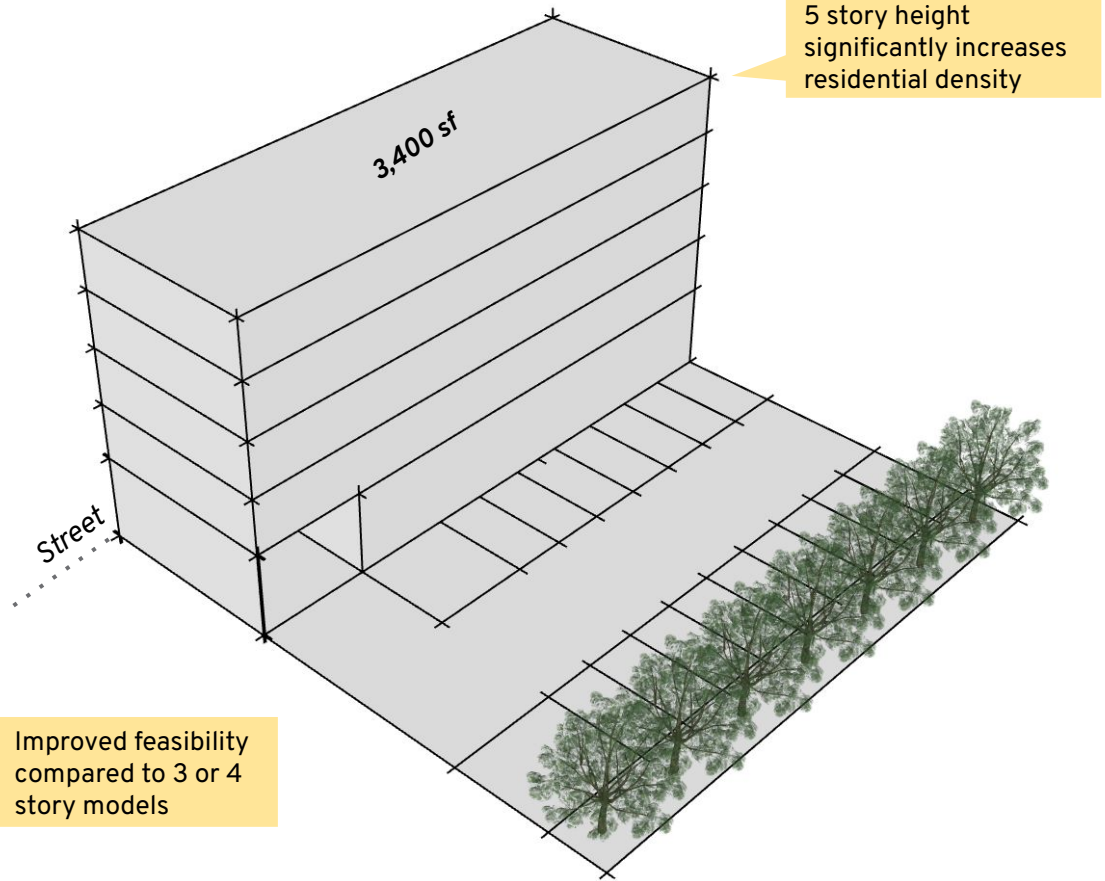
Lot Size	5,000 sf
Height	4 stories
Parking Spaces	8
# of Residential Units	8
Avg. Unit Size (sf)	600
Retail Space (sf)	510
Construction Cost	\$260/sf
Avg. Residential Rent / Unit	\$1,500/month
Retail Rent	\$25/sf
Internal Rate of Return (Target 10%)	7.4%



RESIDENTIAL LARGE LOT (5-STORIES)

100 units/acre

5. Residential Large Lot	
Lot Size	10,000 sf
Height	5 stories
Parking Spaces	18
# of Residential Units	23
Avg. Unit Size (sf)	600
Retail Space (sf)	-
Construction Cost	\$260/sf
Avg. Residential Rent / Unit	\$1,500/month
Retail Rent	-
Internal Rate of Return (Target 10%)	8.5%

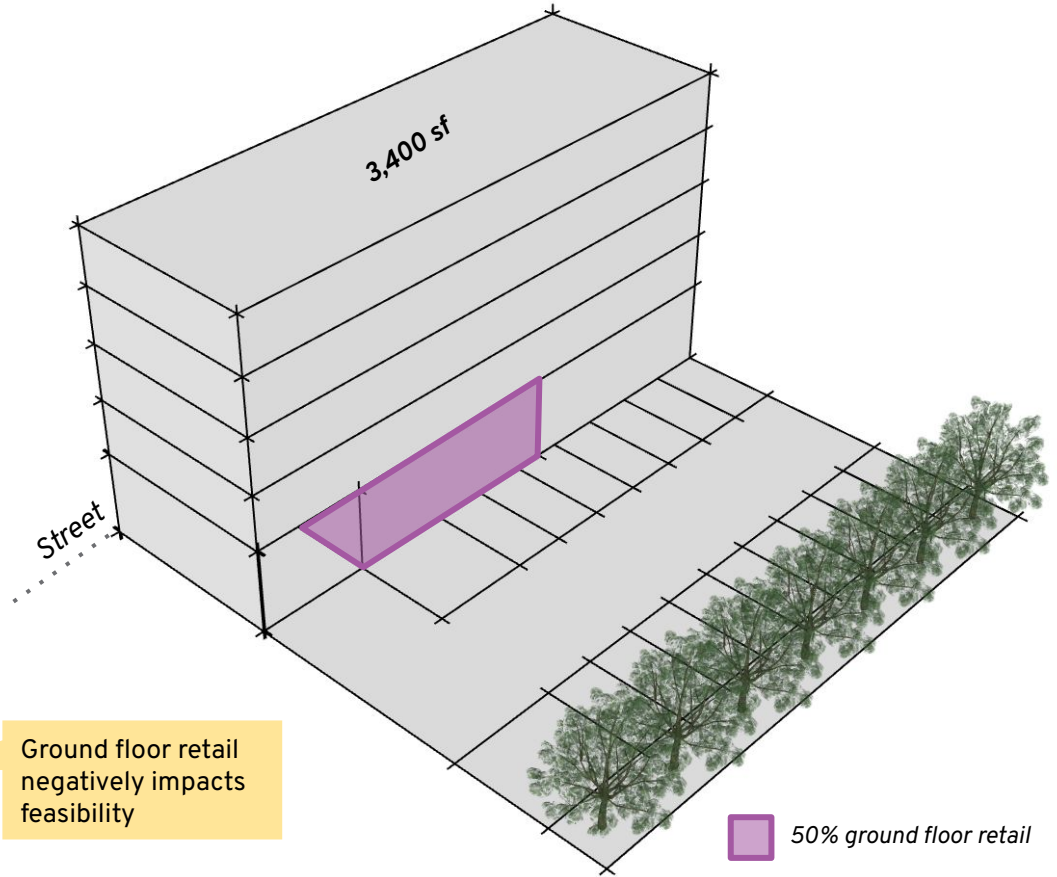


MIXED-USE LARGE LOT (5-STORIES)

91 units/acre

6. Mixed-Use Large Lot

Lot Size	10,000 sf
Height	5 stories
Parking Spaces	18
# of Residential Units	21
Avg. Unit Size (sf)	600
Retail Space (sf)	1,360
Construction Cost	\$260/sf
Avg. Residential Rent / Unit	\$1,500/month
Retail Rent	\$25/sf
Internal Rate of Return (Target 10%)	8.2%



SUMMARY OF RESULTS

SCENARIO	1. Residential Small Lot (3-Stories)	2. Mixed-Use Small Lot (3-Stories)	3. Residential Small Lot (4-Stories)	4. Mixed-Use Small Lot (4-stories)	5. Residential Large Lot (5-Stories)	6. Mixed-Use Large Lot (5-stories)
Lot Size	5,000 sf	5,000 sf	5,000 sf	5,000 sf	10,000 sf	10,000 sf
Height	3 stories	3 stories	4 stories	4 stories	5 stories	5 stories
Site Program	Pure Residential	Residential w/ 50% Ground Floor Retail	Pure Residential	Residential w/ 50% Ground Floor Retail	Pure Residential	Residential w/ 50% Ground Floor Retail
# of Residential Units	6	5	9	8	23	21
Retail Space (sf)	-	510	-	510	-	1,360
# of Parking Spaces	8	8	8	8	18	18
Internal Rate of Return (Target 10%)	6.1%	5.3%	7.9%	7.4%	8.5%	8.2%

PRO FORMA TESTING | IMPLICATIONS

- **Height increase from 3 to 4 stories has a significant positive impact on development feasibility.** The impact of increasing to 5 stories is also positive but not as significant as the increase from 3 to 4 stories. This is partly explained by the small lots on the corridor: height is more important for maximizing density on small, constrained lots.
- **All-residential buildings performed better than mixed use buildings.** Retail spaces are not as productive because rents are lower on a per square foot basis than residential units. However, the negative impact on feasibility is limited because only 50% of the ground floor is required to be commercial space. On sites larger than 10,000 square feet (not modeled here) it is not clear that overall demand for retail will support filling those spaces at the rents modeled here. Lowered rents in this situation would further erode feasibility.
- **Reduced parking standards proposed in the Corridor Strategy were critical to feasibility on smaller lots.** If current Title 20 parking standards for commercial spaces were required then many of these models would be physically impractical to build.
- **Further parking reductions may result in more projects being economically feasible.** If the residential parking standards were reduced to 0.5 spaces per unit or lower, it may stimulate more infill development in the corridor than if the current ratio of 0.75 spaces per unit were maintained. However, it is unclear if the current parking standards are binding; developers may continue to provide parking at a higher ratio than 0.5 if they are concerned about marketability.
- **The 10' rear landscaped buffer negatively impacts feasibility on smaller lots.** Allowing parking spaces, but not buildings, in this buffer area would have a meaningful impact on achievable densities on small lots.