

## MEMORANDUM

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**To:** Craig Weber & Priya Mehendale, Los Angeles Department of City Planning

**From:** HR&A Advisors, Inc.

**Date:** August 2, 2021

**Re:** Targeted Financial Feasibility Analysis for the Hollywood Community Plan Implementation Overlay (CPIO) District

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This memorandum summarizes HR&A Advisors, Inc.'s (HR&A) analysis of the financial feasibility of alternate affordable housing and public open space requirements for the proposed Hollywood Community Plan Implementation Overlay (Hollywood CPIO) District Community Benefits Program (the "Program"). For this assignment, HR&A tested four multifamily rental prototypes within three unique Hollywood CPIO market areas to determine whether certain percentages and income levels of affordable "set-aside units" would be financially feasible given the FAR bonus provided in the Program. HR&A also tested one office prototype to determine whether the percentages of parcel area specified in the Publicly Accessible Open Amenity Space (PAOAS) incentive for Non-Residential Projects would be financially feasible given the FAR bonus provided. The following pages present a summary of HR&A Advisors, Inc.'s preliminary financial feasibility findings.

### Methodology

To test the different percentages of open space and affordability levels, HR&A utilized a detailed Residual Land Value (RLV) Model like the one that we developed for our supplemental analysis for the proposed incentive zoning program in the draft Downtown Community Plan update in 2020. Our RLV model accounts for total development costs, net operating income and net capitalized project value applied to prototypical multifamily development projects to solve for the amount a well-informed, capable developer could afford to pay for land and earn a market-responsive return on investment. For this analysis, HR&A updated the RLV Model with current market-rate rents, construction costs and land values in the Hollywood CPIO area, as well as updated affordable rents, reflecting the City's Housing & Community Investment Department (HCIDLA) Schedule VI 2020 Income and Rent Limits tables.

We also added new functionality to the RLV Model to enable dynamic testing of prototypes at varying FARs, with different rent levels (i.e., Extremely Low Income, Very Low Income, Low Income, and market rate), and with public open space at street level for commercial prototypes. HR&A's financial model for this phase of analysis considers affordable units as a percentage of total units in a project, including any density bonus units, rather than a percentage of the "base" units before considering the density bonus, consistent with the Transit Oriented Communities (TOC) program.

In coordination with Los Angeles Department of City Planning (LADCP) staff, we reviewed the specifications of several recently-completed or under construction multifamily and commercial office projects within the

Hollywood CPIO. We used this information, as well as a list of opportunity sites provided by LADCP to prepare prototypes consistent with pipeline projects and proposed Hollywood CPIO development standards.

As a result, HR&A developed the physical parameters of two multi-family apartment prototypes (Large and Small Sites) in the Hollywood CPIO's Regional Center and two of its Corridor submarket areas, as well as one commercial office prototype in the Regional Center. These included:

- 1. Regional Center: Small Housing Site**
  - Site: 0.6 Acres
  - Base FAR: 4.0 (see caveats below)
  - Max FAR: 6.75
  - Height Limit: N/A
- 2. Regional Center: Large Commercial Site**
  - Site: 1.6 Acres
  - Base FAR: 4.0
  - Max FAR: 6.75
  - Height Limit: N/A
- 3. Regional Center: Large Housing Site**
  - Site: 1.0 acres
  - Base FAR: 4.0
  - Max FAR: 6.75
  - Height Limit: N/A
- 4. Corridors C4 ("East"): Small Housing Site**
  - Site: 0.6 Acres
  - Base FAR: 1.5
  - Max FAR: 3.0
  - Height Limit: N/A
- 5. Corridors C2/C5 ("West"): Small Housing Site**
  - Site: 0.6 Acres
  - Base FAR: 1 or 1.5 (varies)
  - Max FAR: 3.0
  - Height Limit: Varies (52 – 77 feet)

We calibrated the RLV Model to ensure that residual land value results aligned with recent land purchase transactions and applicable development standards. HR&A then tested the FAR bonuses specified in the Hollywood CPIO and associated set-aside unit and open space requirements, using a threshold of residual land value that is greater than 10 percent than base residual land value absent these requirements or 10 percent over prevailing land costs (whichever was higher) to determine financial feasibility. This threshold is intended to incentivize developers to utilize additional FAR (in addition to incremental profit associated with a larger project) and to account for market and construction cost fluctuations over time.

For each of the housing prototypes, HR&A tested prototypes to evaluate the financial feasibility of certain policy parameters.

1. **Feasibility of Hollywood CPIO FAR Bonus and Set-Aside Units consistent with different TOC Tiers.** As specified in the Hollywood CPIO, we first tested TOC Tier 3 affordable unit set-aside requirements. For prototypes where Tier 3 requirements were not feasible, we subsequently tested Tier 2 and Tier 1 affordable requirements. For Prototype 5 (West Small Housing Site), which is located in a submarket with strong market conditions, we also tested TOC Tier 4 requirements. These requirements are:

- TOC Tier 4: 11% Extremely Low Income (ELI), 15% Very Low Income (VLI) or 25% Lower Income (LI)
- TOC Tier 3: 10% ELI, 14% VLI or 23% LI
- TOC Tier 2: 9% ELI, 12% VLI or 21% LI
- TOC Tier 1: 8% ELI, 11% VLI or 20% LI

*All of these prototypes were assumed to be exempt from the Affordable Housing Linkage Fee, as TOC Tier 1 set-asides meet, and all other Tiers exceed, the percentages of set-aside units necessary for exemption from the Linkage Fee.*

2. **Feasibility of Lower Base FARs to Incentivize Bonus Utilization/Set-Aside Unit Provision.** For Prototypes 1 and 3, we also tested base FARs of 3.0 and 2.0 to determine whether the incremental value provided (i.e., for additional development capacity between 3.0 FAR and the max of 6.75) could support set-aside unit requirements.

For the single commercial site, **HR&A tested feasibility of the Publicly Accessible Open Amenity Space (PAOAS) incentives for Non-Residential Projects.** This analysis assumed that a prototype utilizing the PAOAS incentives would incur an increase in construction costs due to the smaller floorplates and increased height necessary to achieve the same FAR, as well as cost for construction of high-quality open space. For this analysis, we calculated the percentage of parcel area that could be feasibly dedicated as public open space per incremental 1.0 FAR bonus.

### **Financial Feasibility Results**

The tables on the following pages detail the results of HR&A's testing of each prototype, with additional commentary included where necessary to explain the results of our analysis of various sensitivities (e.g., where lower TOC Tiers and/or base FARs are needed). Additional detail is provided in the Appendix tables for each Prototype and combination of TOC Tiers/FARs included in the following tables.

### Prototype 1 | Regional Center: Small Housing Site

HR&A found that TOC Tier 3 set-aside unit requirements *would not be feasible* for Prototype 1, in part because the base FAR requires higher-cost concrete or steel construction, which creates less incremental value than a podium (wood/concrete construction) project utilizing a similar bonus, but with a lower base FAR. We found that Tier 1 with 8% ELI set-aside units *would be feasible*, and that Tier 2 with 9% ELI set-aside units *would be marginally feasible* (i.e., generates a residual land value greater than the base FAR, but not 10% greater). The ELI option is the most commonly utilized option used by developers for the TOC because it requires the fewest number of set-aside units, whereas the incrementally higher affordable rents for VLI and LI set-aside units do not offset the financial impact of the larger required percentages and resulting numbers of set-aside units.

As noted previously, we also tested lower base FARs for Prototype 1. We found that *none* of the TOC Tier 2 set-aside unit requirements would be feasible. This was due to the higher residual land value produced by a 3.0 base FAR scenario, which could be built using less expensive podium wood/concrete construction. TOC Tier 3 set-aside requirements *would be feasible* with a 2.0 base FAR scenario, although this option might disincentivize developers to build more dense buildings.

Prototype 1 Feasibility Results		
Set-Aside	Base/Max FAR	Feasible?
<b>TOC Tier 3</b>		
	<b>4.0 Base</b>	
10% ELI	4.0/6.75	No
14% VLI	4.0/6.75	No
23% LI	4.0/6.75	No
<b>TOC Tier 2</b>		
9% ELI	4.0/6.75	Marginal
12% VLI	4.0/6.75	No
21% LI	4.0/6.75	No
<b>TOC Tier 1</b>		
8% ELI	4.0/6.75	Yes
11% VLI	4.0/6.75	No
20% LI	4.0/6.75	No
<b>TOC Tier 3</b>		
	<b>3.0 Base</b>	
10% ELI	3.0/6.75	No
14% VLI	3.0/6.75	No
23% LI	3.0/6.75	No
<b>TOC Tier 2</b>		
9% ELI	3.0/6.75	No
12% VLI	3.0/6.75	No
21% LI	3.0/6.75	No
<b>TOC Tier 1</b>		
8% ELI	3.0/6.75	No
11% VLI	3.0/6.75	No
20% LI	3.0/6.75	No
<b>TOC Tier 3</b>		
	<b>2.0 Base</b>	
10% ELI	2.0/6.75	Yes
14% VLI	2.0/6.75	Marginal
23% LI	2.0/6.75	No

### Prototype 2 | Regional Center: Large Commercial Site

HR&A found that PAOAS requirements exceeding those identified in the Hollywood CPIO *would be feasible*. However, these requirements may not be feasible from a leasing perspective: many larger tenants of Class A Office Buildings (particularly technology and media users) value larger floorplates and prefer lower, wider buildings. Dedication of more than 25 percent of parcel area for open space would require the construction of narrow, tall buildings which are unlikely to be desirable to such users.

Prototype 2 Feasibility Results		
Base/Bonus FAR	Bonus	Total Supportable Open Space
4.0/5.0	25%	17%
4.0/6.0	50%	40%
4.0/7.0*	75%	50%
*Included for analysis purposes. But would exceed the maximum 6.75 FAR		

### Prototype 3 | Regional Center: Large Housing Site Affordable Housing

HR&A found that only TOC Tier 3 with 10% ELI set-aside units *would be marginally* feasible for Prototype 3. Again, this is because the base FAR requires higher-cost concrete or steel construction, which creates less incremental value than a podium (wood/concrete construction) project utilizing a similar bonus but with a lower base FAR. However, Prototype 3’s larger site area allows for more efficient parking and circulation, which reduces costs and supports feasibility. As such, we found Tier 2 with 9% ELI set-aside units *would be* feasible and the 12 percent VLI set-aside *would be marginally feasible* (i.e., generates a residual land value greater than the base FAR, but not 10% greater). Tier 1 with ELI and VLI set-aside unit requirements *would also be* feasible

TOC Tier 3 with ELI and VLI set-aside units requirements *would also be* feasible for 3.0 and 2.0 Base FAR scenarios.

<b>Prototype 3 Feasibility Results</b>		
Set-Aside	Base/Max FAR	Feasible?
<b>TOC Tier 3</b>	<b>4.0 Base</b>	
10% ELI	4.0/6.75	Marginal
14% VLI	4.0/6.75	No
23% LI	4.0/6.75	No
<b>TOC Tier 2</b>		
9% ELI	4.0/6.75	Yes
12% VLI	4.0/6.75	Marginal
21% LI	4.0/6.75	No
<b>TOC Tier 1</b>		
8% ELI	4.0/6.75	Yes
11% VLI	4.0/6.75	Yes
20% LI	4.0/6.75	No
<b>TOC Tier 3</b>	<b>3.0 Base</b>	
10% ELI	3.0/6.75	Marginal
14% VLI	3.0/6.75	No
23% LI	3.0/6.75	No
<b>TOC Tier 3</b>	<b>2.0 Base</b>	
10% ELI	2.0/6.75	Yes
14% VLI	2.0/6.75	Yes
23% LI	2.0/6.75	No

### Prototype 4 | Corridors C4 (East): Small Housing Site Affordable Housing

HR&A tested Prototype 4 using market data for recently-completed projects within the Hollywood Community Plan along the commercial corridors roughly east of North Van Ness Avenue. We found that TOC Tier 3 with 10% ELI and VLI set-aside unit requirements *would be* feasible for Prototype 4. We also tested TOC Tier 4 set aside unit requirements and found that Tier 4 with 11% ELI requirements *would be* feasible.

<b>Prototype 4 Feasibility Results</b>		
Set-Aside	Base/Max FAR	Feasible?
<b>TOC Tier 4</b>	<b>1.5 Base</b>	
11% ELI	1.5/3.0	Yes
15% VLI	1.5/3.0	No
25% LI	1.5/3.0	No
<b>TOC Tier 3</b>		
10% ELI	1.5/3.0	Yes
14% VLI	1.5/3.0	Yes
23% LI	1.5/3.0	No

**Prototype 5 | Corridors C2/C5 (West): Small Housing Site Affordable Housing**

HR&A tested Prototype 4 using market data for recently-completed projects within the Hollywood CPIO along the commercial corridors roughly west of North La Brea Avenue, which includes some projects within the City of West Hollywood. HR&A found that all of the TOC Tier 3 and 4 set-aside unit requirements *would* be feasible for Prototype 5, including the 25 percent LI set-aside option, although it is unlikely that developers would choose this option because the other options would produce a greater number of market-rate units and generate greater returns.

<b>Prototype 5 Feasibility Results</b>		
Set-Aside	Base/Max FAR	Feasible?
<b>TOC Tier 4</b>	<b>1.5 Base</b>	
11% ELI	1.5/3.0	Yes
15% VLI	1.5/3.0	Yes
25% LI	1.5/3.0	Yes
<b>TOC Tier 3</b>		
10% ELI	1.5/3.0	Yes
14% VLI	1.5/3.0	Yes
23% LI	1.5/3.0	Yes
<b>TOC Tier 4</b>	<b>1.0 Base</b>	
11% ELI	1.0/3.0	Yes
15% VLI	1.0/3.0	Yes
25% LI	1.0/3.0	Yes
<b>TOC Tier 3</b>		
10% ELI	1.0/3.0	Yes
14% VLI	1.0/3.0	Yes
23% LI	1.0/3.0	Yes

Conclusion: Higher-density multifamily rental prototypes in the Regional Center are most likely to feasibly support the lower TOC Tier 1 set-asides, while medium-density prototypes in the stronger Corridors C2 market areas can feasibly support higher TOC Tier 4 set-asides. Commercial prototypes in the Regional Center can support open space requirements as proposed in the Hollywood CPIO.

**Attachment A: Appendix Tables for Prototype Results**

Site #1 - Regional Center Small Site					
	Base Scenario	Bonus/100% Market Rate	10% ELI	14% Very Low	23% Low
<b>Development Program</b>					
Acreage	0.6	0.6	0.6	0.6	0.6
Height	157 ft.	201 ft.	256 ft.	256 ft.	256 ft.
Non-Parking Stories	13 stories	17 stories	23 stories	23 stories	23 stories
Parking Podium	1 stories	1 stories	1 stories	1 stories	1 stories
Residential Units	125	160	210	210	210
Market Rate	125	160	190	181	164
Affordable	0	0	20	29	46
Average Unit Size	667 SF	667 SF	667 SF	667 SF	667 SF
<b>Construction Type</b>					
Residential - Rental	Type II	Type II	Type II	Type II	Type II
Retail	Type II	Type II	Type II	Type II	Type II
Average Floorplate	7500 ft.	7500 ft.	7500 ft.	7500 ft.	7500 ft.
FAR	4.00	5.15	6.75	6.75	6.75
GBA	100,000 SF	0 SF	170,000 SF	170,000 SF	170,000 SF
<b>Development Cost and Value</b>					
Total Development Costs per GBA	\$434	\$431	\$410	\$410	\$409
Capitalized Value per GBA	\$619	\$601	\$546	\$536	\$499
<b>Community Benefits</b>					
<b>Affordable Housing Levels</b>					
Apartment - Level 1	Very Low (50%)	Deeply Low (15%)	Extremely Low (30%)	Very Low (50%)	Low (60%)
Apartment - Level 2	Low (60%)	Very Low (50%)	Extremely Low (30%)	Very Low (50%)	Low (60%)
<b>Affordable Housing Percentages</b>					
Apartment - Level 1	0%	0%	10%	14%	23%
Apartment - Level 2	0%	0%	0%	0%	0%
Condos	0%	0%	0%	0%	0%
Affordable Housing Linkage Fee	Yes	Yes	No	No	No
<b>Financial Returns</b>					
<b>RLV over Base Scenario</b>		11%	(1%)	(17%)	(73%)
Residual Land Value	\$9,188,208	\$10,165,823	\$9,065,780	\$7,604,668	\$2,525,392
<b>RLV Per Acre</b>	<b>\$16,009,533</b>	<b>\$17,712,930</b>	<b>\$15,796,215</b>	<b>\$13,250,373</b>	<b>\$4,400,243</b>
<b>Residual Land Value per SF of land</b>	<b>\$368</b>	<b>\$407</b>	<b>\$363</b>	<b>\$304</b>	<b>\$101</b>
Return on Cost	6.51%	6.34%	6.05%	5.94%	5.55%
<b>Findings</b>					
<b>FAR over Base Scenario</b>		29%	69%	69%	69%
<b>Affordable Housing</b>					
Housing Type 1			Extremely Low (30%)	Very Low (50%)	Low (60%)
Housing Level 1			10%	14%	23%
Housing Type 2					
Housing Level 2					
Affordable Units per FAR Increase		0.0%	3.6%	5.1%	8.4%
<b>Feasible?</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>No</b>	<b>No</b>

Site #1 - Regional Center Small Site					
	Base Scenario	Bonus/100% Market Rate	9% ELI	12% Very Low	21% Low
<b>Development Program</b>					
Acreage	0.6	0.6	0.6	0.6	0.6
Height	157 ft.	201 ft.	256 ft.	256 ft.	256 ft.
Non-Parking Stories	13 stories	17 stories	23 stories	23 stories	23 stories
Parking Podium	1 stories	1 stories	1 stories	1 stories	1 stories
Residential Units	125	160	210	210	210
Market Rate	125	160	192	185	167
Affordable	0	0	18	25	43
Average Unit Size	667 SF	667 SF	667 SF	667 SF	667 SF
Construction Type					
Residential - Rental	Type II	Type II	Type II	Type II	Type II
Retail	Type II	Type II	Type II	Type II	Type II
Average Floorplate	7500 ft.	7500 ft.	7500 ft.	7500 ft.	7500 ft.
FAR	4.00	5.15	6.75	6.75	6.75
GBA	100,000 SF	0 SF	170,000 SF	170,000 SF	170,000 SF
<b>Development Cost and Value</b>					
Total Development Costs per GBA	\$434	\$431	\$410	\$410	\$409
Capitalized Value per GBA	\$619	\$601	\$552	\$545	\$511
<b>Community Benefits</b>					
Affordable Housing Levels					
Apartment - Level 1	Very Low (50%)	Deeply Low (15%)	Extremely Low (30%)	Very Low (50%)	Low (60%)
Apartment - Level 2	Low (60%)	Very Low (50%)	Extremely Low (30%)	Very Low (50%)	Low (60%)
Affordable Housing Percentages					
Apartment - Level 1	0%	0%	9%	12%	21%
Apartment - Level 2	0%	0%	0%	0%	0%
Condos	0%	0%	0%	0%	0%
Affordable Housing Linkage Fee	Yes	Yes	No	No	No
<b>Financial Returns</b>					
<b>RLV over Base Scenario</b>		11%	7%	(3%)	(54%)
Residual Land Value	\$9,188,208	\$10,165,823	\$9,818,702	\$8,936,578	\$4,208,558
<b>RLV Per Acre</b>	<b>\$16,009,533</b>	<b>\$17,712,930</b>	<b>\$17,108,107</b>	<b>\$15,571,093</b>	<b>\$7,332,992</b>
<b>Residual Land Value per SF of land</b>	<b>\$368</b>	<b>\$407</b>	<b>\$393</b>	<b>\$357</b>	<b>\$168</b>
Return on Cost	6.51%	6.34%	6.11%	6.04%	5.68%
<b>Findings</b>					
<b>FAR over Base Scenario</b>		29%	69%	69%	69%
<b>Affordable Housing</b>					
Housing Type 1			Extremely Low (30%)	Very Low (50%)	Low (60%)
Housing Level 1			9%	12%	21%
Housing Type 2					
Housing Level 2					
Affordable Units per FAR Increase		0.0%	3.3%	4.4%	7.6%
<b>Feasible?</b>	<b>Yes</b>	<b>Yes</b>	<b>Marginal</b>	<b>No</b>	<b>No</b>

Site #1 - Regional Center Small Site					
	Base Scenario	Bonus/100% Market Rate	10% ELI	14% Very Low	23% Low
<b>Development Program</b>					
Acreage	0.6	0.6	0.6	0.6	0.6
Height	157 ft.	256 ft.	256 ft.	256 ft.	256 ft.
Non-Parking Stories	13 stories	23 stories	23 stories	23 stories	23 stories
Parking Podium	1 stories	1 stories	1 stories	1 stories	1 stories
Residential Units	125	210	210	210	210
Market Rate	125	210	194	186	170
Affordable	0	0	16	24	40
Average Unit Size	667 SF	667 SF	667 SF	667 SF	667 SF
Construction Type					
Residential - Rental	Type II	Type II	Type II	Type II	Type II
Retail	Type II	Type II	Type II	Type II	Type II
Average Floorplate	7500 ft.	7500 ft.	7500 ft.	7500 ft.	7500 ft.
FAR	4.00	6.75	6.75	6.75	6.75
GBA	100,000 SF	0 SF	170,000 SF	170,000 SF	170,000 SF
<b>Development Cost and Value</b>					
Total Development Costs per GBA	\$434	\$429	\$410	\$410	\$409
Capitalized Value per GBA	\$619	\$603	\$554	\$547	\$514
<b>Community Benefits</b>					
Affordable Housing Levels					
Apartment - Level 1	Very Low (50%)	Deeply Low (15%)	Extremely Low (30%)	Very Low (50%)	Low (60%)
Apartment - Level 2	Low (60%)	Very Low (50%)	Extremely Low (30%)	Very Low (50%)	Low (60%)
Affordable Housing Percentages					
Apartment - Level 1	0%	0%	8%	11%	20%
Apartment - Level 2	0%	0%	0%	0%	0%
Condos	0%	0%	0%	0%	0%
Affordable Housing Linkage Fee	Yes	Yes	No	No	No
<b>Financial Returns</b>					
<b>RLV over Base Scenario</b>		<b>51%</b>	<b>11%</b>	<b>(0%)</b>	<b>(50%)</b>
Residual Land Value	\$9,188,208	\$13,903,398	\$10,170,991	\$9,186,151	\$4,618,863
<b>RLV Per Acre</b>	<b>\$16,009,533</b>	<b>\$24,225,281</b>	<b>\$17,721,935</b>	<b>\$16,005,950</b>	<b>\$8,047,907</b>
<b>Residual Land Value per SF of land</b>	<b>\$368</b>	<b>\$556</b>	<b>\$407</b>	<b>\$367</b>	<b>\$185</b>
Return on Cost	6.51%	6.37%	6.14%	6.06%	5.71%
<b>Findings</b>					
<b>FAR over Base Scenario</b>		<b>69%</b>	<b>69%</b>	<b>69%</b>	<b>69%</b>
<b>Affordable Housing</b>					
Housing Type 1			Extremely Low (30%)	Very Low (50%)	Low (60%)
Housing Level 1			8%	11%	20%
Housing Type 2					
Housing Level 2					
Affordable Units per FAR Increase		0.0%	2.9%	4.0%	7.3%
<b>Feasible?</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Marginal</b>	<b>No</b>

Site #1 - Regional Center Small Site					
	Base Scenario	Bonus/100% Market Rate	10% ELI	14% Very Low	23% Low
<b>Development Program</b>					
Acreage	0.6	0.6	0.6	0.6	0.6
Height	64 ft.	256 ft.	256 ft.	256 ft.	256 ft.
Non-Parking Stories	5 stories	23 stories	23 stories	23 stories	23 stories
Parking Podium	1 stories	1 stories	1 stories	1 stories	1 stories
Residential Units	90	210	210	210	210
Market Rate	90	210	190	181	164
Affordable	0	0	20	29	46
Average Unit Size	667 SF	667 SF	667 SF	667 SF	667 SF
<b>Construction Type</b>					
Residential - Rental	Podium	Type II	Type II	Type II	Type II
Retail	Podium	Type II	Type II	Type II	Type II
Average Floorplate	15000 ft.	7500 ft.	7500 ft.	7500 ft.	7500 ft.
FAR	3.00	6.75	6.75	6.75	6.75
GBA	75,000 SF	0 SF	170,000 SF	170,000 SF	170,000 SF
<b>Development Cost and Value</b>					
Total Development Costs per GBA	\$382	\$429	\$410	\$410	\$409
Capitalized Value per GBA	\$609	\$603	\$546	\$536	\$499
<b>Community Benefits</b>					
<b>Affordable Housing Levels</b>					
Apartment - Level 1	Very Low (50%)	Deeply Low (15%)	Extremely Low (30%)	Very Low (50%)	Low (60%)
Apartment - Level 2	Low (60%)	Very Low (50%)	Extremely Low (30%)	Very Low (50%)	Low (60%)
<b>Affordable Housing Percentages</b>					
Apartment - Level 1	0%	0%	10%	14%	23%
Apartment - Level 2	0%	0%	0%	0%	0%
Condos	0%	0%	0%	0%	0%
Affordable Housing Linkage Fee	Yes	Yes	No	No	No
<b>Financial Returns</b>					
<b>RLV over Base Scenario</b>		37%	(11%)	(25%)	(75%)
Residual Land Value	\$10,165,687	\$13,903,398	\$9,065,780	\$7,604,668	\$2,525,392
<b>RLV Per Acre</b>	<b>\$17,712,694</b>	<b>\$24,225,281</b>	<b>\$15,796,215</b>	<b>\$13,250,373</b>	<b>\$4,400,243</b>
<b>Residual Land Value per SF of land</b>	<b>\$407</b>	<b>\$556</b>	<b>\$363</b>	<b>\$304</b>	<b>\$101</b>
Return on Cost	7.32%	6.37%	6.05%	5.94%	5.55%
<b>Findings</b>					
<b>FAR over Base Scenario</b>		125%	125%	125%	125%
<b>Affordable Housing</b>					
Housing Type 1			Extremely Low (30%)	Very Low (50%)	Low (60%)
Housing Level 1			10%	14%	23%
Housing Type 2					
Housing Level 2					
Affordable Units per FAR Increase		0.0%	2.7%	3.7%	6.1%
<b>Feasible?</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>No</b>	<b>No</b>

Site #1 - Regional Center Small Site					
	Base Scenario	Bonus/100% Market Rate	9% ELI	12% Very Low	21% Low
<b>Development Program</b>					
Acreage	0.6	0.6	0.6	0.6	0.6
Height	64 ft.	256 ft.	256 ft.	256 ft.	256 ft.
Non-Parking Stories	5 stories	23 stories	23 stories	23 stories	23 stories
Parking Podium	1 stories	1 stories	1 stories	1 stories	1 stories
Residential Units	90	210	210	210	210
Market Rate	90	210	192	185	167
Affordable	0	0	18	25	43
Average Unit Size	667 SF	667 SF	667 SF	667 SF	667 SF
<b>Construction Type</b>					
Residential - Rental	Podium	Type II	Type II	Type II	Type II
Retail	Podium	Type II	Type II	Type II	Type II
Average Floorplate	15000 ft.	7500 ft.	7500 ft.	7500 ft.	7500 ft.
FAR	3.00	6.75	6.75	6.75	6.75
GBA	75,000 SF	0 SF	170,000 SF	170,000 SF	170,000 SF
<b>Development Cost and Value</b>					
Total Development Costs per GBA	\$382	\$429	\$410	\$410	\$409
Capitalized Value per GBA	\$609	\$603	\$552	\$545	\$511
<b>Community Benefits</b>					
<b>Affordable Housing Levels</b>					
Apartment - Level 1	Very Low (50%)	Deeply Low (15%)	Extremely Low (30%)	Very Low (50%)	Low (60%)
Apartment - Level 2	Low (60%)	Very Low (50%)	Extremely Low (30%)	Very Low (50%)	Low (60%)
<b>Affordable Housing Percentages</b>					
Apartment - Level 1	0%	0%	9%	12%	21%
Apartment - Level 2	0%	0%	0%	0%	0%
Condos	0%	0%	0%	0%	0%
Affordable Housing Linkage Fee	Yes	Yes	No	No	No
<b>Financial Returns</b>					
<b>RLV over Base Scenario</b>		<b>37%</b>	<b>(3%)</b>	<b>(12%)</b>	<b>(59%)</b>
Residual Land Value	\$10,165,687	\$13,903,398	\$9,818,702	\$8,936,578	\$4,208,558
<b>RLV Per Acre</b>	<b>\$17,712,694</b>	<b>\$24,225,281</b>	<b>\$17,108,107</b>	<b>\$15,571,093</b>	<b>\$7,332,992</b>
<b>Residual Land Value per SF of land</b>	<b>\$407</b>	<b>\$556</b>	<b>\$393</b>	<b>\$357</b>	<b>\$168</b>
Return on Cost	7.32%	6.37%	6.11%	6.04%	5.68%
<b>Findings</b>					
<b>FAR over Base Scenario</b>		<b>125%</b>	<b>125%</b>	<b>125%</b>	<b>125%</b>
<b>Affordable Housing</b>					
Housing Type 1			Extremely Low (30%)	Very Low (50%)	Low (60%)
Housing Level 1			9%	12%	21%
Housing Type 2					
Housing Level 2					
Affordable Units per FAR Increase		0.0%	2.4%	3.2%	5.6%
<b>Feasible?</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>No</b>	<b>No</b>

Site #1 - Regional Center Small Site					
	Base Scenario	Bonus/100% Market Rate	10% ELI	14% Very Low	23% Low
<b>Development Program</b>					
Acreage	0.6	0.6	0.6	0.6	0.6
Height	44 ft.	256 ft.	256 ft.	256 ft.	256 ft.
Non-Parking Stories	3 stories	23 stories	23 stories	23 stories	23 stories
Parking Podium	1 stories	1 stories	1 stories	1 stories	1 stories
Residential Units	60	210	210	210	210
Market Rate	60	210	190	181	164
Affordable	0	0	20	29	46
Average Unit Size	667 SF	667 SF	667 SF	667 SF	667 SF
<b>Construction Type</b>					
Residential - Rental	Podium	Type II	Type II	Type II	Type II
Retail	Podium	Type II	Type II	Type II	Type II
Average Floorplate	15000 ft.	7500 ft.	7500 ft.	7500 ft.	7500 ft.
FAR	2.00	6.75	6.75	6.75	6.75
GBA	50,000 SF	0 SF	170,000 SF	170,000 SF	170,000 SF
<b>Development Cost and Value</b>					
Total Development Costs per GBA	\$391	\$429	\$410	\$410	\$409
Capitalized Value per GBA	\$625	\$603	\$546	\$536	\$499
<b>Community Benefits</b>					
<b>Affordable Housing Levels</b>					
Apartment - Level 1	Very Low (50%)	Deeply Low (15%)	Extremely Low (30%)	Very Low (50%)	Low (60%)
Apartment - Level 2	Low (60%)	Very Low (50%)	Extremely Low (30%)	Very Low (50%)	Low (60%)
<b>Affordable Housing Percentages</b>					
Apartment - Level 1	0%	0%	10%	14%	23%
Apartment - Level 2	0%	0%	0%	0%	0%
Condos	0%	0%	0%	0%	0%
Affordable Housing Linkage Fee	Yes	Yes	No	No	No
<b>Financial Returns</b>					
<b>RLV over Base Scenario</b>		<b>99%</b>	<b>30%</b>	<b>9%</b>	<b>(64%)</b>
Residual Land Value	\$6,977,055	\$13,903,398	\$9,065,780	\$7,604,668	\$2,525,392
<b>RLV Per Acre</b>	<b>\$12,156,820</b>	<b>\$24,225,281</b>	<b>\$15,796,215</b>	<b>\$13,250,373</b>	<b>\$4,400,243</b>
<b>Residual Land Value per SF of land</b>	<b>\$279</b>	<b>\$556</b>	<b>\$363</b>	<b>\$304</b>	<b>\$101</b>
Return on Cost	7.39%	6.37%	6.05%	5.94%	5.55%
<b>Findings</b>					
<b>FAR over Base Scenario</b>		<b>238%</b>	<b>238%</b>	<b>238%</b>	<b>238%</b>
<b>Affordable Housing</b>					
Housing Type 1			Extremely Low (30%)	Very Low (50%)	Low (60%)
Housing Level 1			10%	14%	23%
Housing Type 2					
Housing Level 2					
Affordable Units per FAR Increase		0.0%	2.1%	2.9%	4.8%
<b>Feasible?</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Marginal</b>	<b>No</b>

**HR&A Advisors, Inc.**

**Site 2: Open Space Test**

Residual Land Value Analysis

	Base Scenario	Base Scenario w/ 15% Open Space	Bonus Scenario + 1.0 FAR (17%)	Bonus Scenario + 2.0 FAR (40%)	Bonus Scenario + 3.0 FAR (50%)*
<b>Development Program</b>					
Acreage	1.6	1.6	1.6	1.6	1.6
Height	140 ft.	168 ft.	210 ft.	336 ft.	476 ft.
Stories	9 stories	11 stories	14 stories	23 stories	33 stories
Parking Podium	1 stories	1 stories	1 stories	1 stories	1 stories
Residential Units					
Market Rate					
Affordable					
Construction Type					
Residential - Rental					
Residential - Condo					
Retail	Type II	Type II	Type II	Type II	Type II
Office	Type II	Type II	Type II	Type II	Type II
Hotel	Type II	Type II	Type II	Type II	Type II
Average Floorplate	30000 ft.	25500 ft.	24900 ft.	18000 ft.	15000 ft.
FAR	4.00	4.00	5.00	6.00	7.00
GBA	280,000 SF	280,000 SF	350,000 SF	420,000 SF	490,000 SF
<b>Development Cost and Value</b>					
Total Development Costs per GBA	\$559	\$565	\$578	\$599	\$617
Capitalized Value per GBA	\$841	\$841	\$843	\$844	\$845
<b>Community Benefits</b>					
Affordable Housing Linkage Fee					
Ground Floor Community Space					
Resulting Community Space (Calculated)					
Ground Floor Open Space	0%	15%	17%	40%	50%
Resulting Open Space (Calculated)	0	4,500	5,100	12,000	15,000
Supportable Cash Payment (Calculated)		(\$1,609,423)	\$4,935,449	\$6,195,566	\$5,818,000
<b>Financial Returns</b>					
<b>RLV over Base Scenario</b>		(4%)	11%	14%	13%
Residual Land Value	\$43,213,507	\$41,604,084	\$48,148,956	\$49,409,073	\$49,031,507
<b>RLV Per Acre</b>	<b>\$26,891,148</b>	<b>\$25,889,627</b>	<b>\$29,962,408</b>	<b>\$30,746,560</b>	<b>\$30,511,606</b>
<b>Residual Land Value per SF of land</b>	<b>\$617</b>	<b>\$594</b>	<b>\$688</b>	<b>\$706</b>	<b>\$700</b>
Return on Cost	8.73%	8.64%	8.47%	8.18%	7.95%
<b>Findings</b>					
<b>FAR over Base Scenario</b>					
<b>Affordable Housing</b>					
Housing Type 1					
Housing Level 1					
Housing Type 2					
Housing Level 2					
Condo Type					
Condo Level					
Affordable Units per FAR Increase	Yes	No	Yes	Yes	Yes
<b>Feasible?</b>					

\*This density is shown for illustrative purposes only, and is not contemplated in the Hollywood CPIO.

Site #3 - Regional Center Large Site					
	Base Scenario	Bonus/100% Market Rate	10% ELI	14% Very Low	23% Low
<b>Development Program</b>					
Acreage	1.0	1.0	1.0	1.0	1.0
Height	154 ft.	253 ft.	253 ft.	253 ft.	253 ft.
Stories	14 stories	23 stories	23 stories	23 stories	23 stories
Residential Units	200	345	345	345	345
Market Rate	200	345	312	299	269
Affordable	0	0	33	46	76
Average Unit Size	667 SF	667 SF	667 SF	667 SF	667 SF
Construction Type					
Residential - Rental	Type II	Type II	Type II	Type II	Type II
Retail	Type II	Type II	Type II	Type II	Type II
Average Floorplate	12500 ft.	12500 ft.	12500 ft.	12500 ft.	12500 ft.
FAR	4.00	6.75	6.75	6.75	6.75
GBA	170,000 SF	287,500 SF	287,500 SF	287,500 SF	287,500 SF
<b>Development Cost and Value</b>					
Total Development Costs per GBA	\$448	\$438	\$419	\$419	\$418
Capitalized Value per GBA	\$639	\$621	\$565	\$554	\$514
<b>Community Benefits</b>					
Affordable Housing Levels					
Apartment - Level 1	Very Low (50%)	Very Low (50%)	Deeply Low (15%)	Very Low (50%)	Very Low (50%)
Apartment - Level 2	Low (60%)	Low (60%)	Very Low (50%)	Moderate (110%)	Moderate (110%)
Affordable Housing Percentages					
Apartment - Level 1	0%	0%	10%	14%	23%
Apartment - Level 2	0%	0%	0%	0%	0%
Condos	0%	0%	0%	0%	0%
Affordable Housing Linkage Fee	Yes	Yes	No	No	No
<b>Financial Returns</b>					
<b>RLV over Base Scenario</b>		<b>59%</b>	<b>7%</b>	<b>(8%)</b>	<b>(68%)</b>
Residual Land Value	\$16,118,610	\$25,657,681	\$17,252,801	\$14,764,327	\$5,126,920
<b>RLV Per Acre</b>	<b>\$16,520,628</b>	<b>\$26,297,614</b>	<b>\$17,683,106</b>	<b>\$15,132,566</b>	<b>\$5,254,791</b>
<b>Residual Land Value per SF of land</b>	<b>\$379</b>	<b>\$604</b>	<b>\$406</b>	<b>\$347</b>	<b>\$121</b>
Return on Cost	7.04%	6.93%	6.59%	6.47%	6.02%
<b>Findings</b>					
<b>FAR over Base Scenario</b>		<b>69%</b>	<b>69%</b>	<b>69%</b>	<b>69%</b>
<b>Affordable Housing</b>					
Housing Type 1			Deeply Low (15%)	Very Low (50%)	Very Low (50%)
Housing Level 1			10%	14%	23%
Housing Type 2					
Housing Level 2					
Affordable Units per FAR Increase		0.0%	3.6%	5.1%	8.4%
<b>Feasible?</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>No</b>	<b>No</b>

Site #3 - Regional Center Large Site					
	Base Scenario	Bonus/100% Market Rate	9% ELI	12% Very Low	21% Low
<b>Development Program</b>					
Acreage	1.0	1.0	1.0	1.0	1.0
Height	154 ft.	253 ft.	253 ft.	253 ft.	253 ft.
Stories	14 stories	23 stories	23 stories	23 stories	23 stories
Residential Units	200	345	345	345	345
Market Rate	200	345	314	305	276
Affordable	0	0	31	40	69
Average Unit Size	667 SF	667 SF	667 SF	667 SF	667 SF
Construction Type					
Residential - Rental	Type II	Type II	Type II	Type II	Type II
Retail	Type II	Type II	Type II	Type II	Type II
Average Floorplate	12500 ft.	12500 ft.	12500 ft.	12500 ft.	12500 ft.
FAR	4.00	6.75	6.75	6.75	6.75
GBA	170,000 SF	287,500 SF	287,500 SF	287,500 SF	287,500 SF
<b>Development Cost and Value</b>					
Total Development Costs per GBA	\$448	\$438	\$419	\$419	\$418
Capitalized Value per GBA	\$639	\$621	\$568	\$564	\$523
<b>Community Benefits</b>					
Affordable Housing Levels					
Apartment - Level 1	Very Low (50%)	Very Low (50%)	Deeply Low (15%)	Very Low (50%)	Very Low (50%)
Apartment - Level 2	Low (60%)	Low (60%)	Very Low (50%)	Moderate (110%)	Moderate (110%)
Affordable Housing Percentages					
Apartment - Level 1	0%	0%	9%	12%	21%
Apartment - Level 2	0%	0%	0%	0%	0%
Condos	0%	0%	0%	0%	0%
Affordable Housing Linkage Fee	Yes	Yes	No	No	No
<b>Financial Returns</b>					
<b>RLV over Base Scenario</b>		<b>59%</b>	<b>12%</b>	<b>6%</b>	<b>(54%)</b>
Residual Land Value	\$16,118,610	\$25,657,681	\$18,004,043	\$17,090,869	\$7,376,877
<b>RLV Per Acre</b>	<b>\$16,520,628</b>	<b>\$26,297,614</b>	<b>\$18,453,085</b>	<b>\$17,517,135</b>	<b>\$7,560,865</b>
<b>Residual Land Value per SF of land</b>	<b>\$379</b>	<b>\$604</b>	<b>\$424</b>	<b>\$402</b>	<b>\$174</b>
Return on Cost	7.04%	6.93%	6.62%	6.58%	6.13%
<b>Findings</b>					
<b>FAR over Base Scenario</b>		<b>69%</b>	<b>69%</b>	<b>69%</b>	<b>69%</b>
<b>Affordable Housing</b>					
Housing Type 1			Deeply Low (15%)	Very Low (50%)	Very Low (50%)
Housing Level 1			9%	12%	21%
Housing Type 2					
Housing Level 2					
Affordable Units per FAR Increase		0.0%	3.3%	4.4%	7.6%
<b>Feasible?</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>No</b>

Site #3 - Regional Center Large Site					
	Base Scenario	Bonus/100% Market Rate	8% ELI	11% Very Low	20% Low
<b>Development Program</b>					
Acreage	1.0	1.0	1.0	1.0	1.0
Height	154 ft.	253 ft.	253 ft.	253 ft.	253 ft.
Stories	14 stories	23 stories	23 stories	23 stories	23 stories
Residential Units	200	345	345	345	345
Market Rate	200	345	318	309	279
Affordable	0	0	27	36	66
Average Unit Size	667 SF	667 SF	667 SF	667 SF	667 SF
Construction Type					
Residential - Rental	Type II	Type II	Type II	Type II	Type II
Retail	Type II	Type II	Type II	Type II	Type II
Average Floorplate	12500 ft.	12500 ft.	12500 ft.	12500 ft.	12500 ft.
FAR	4.00	6.75	6.75	6.75	6.75
GBA	170,000 SF	287,500 SF	287,500 SF	287,500 SF	287,500 SF
<b>Development Cost and Value</b>					
Total Development Costs per GBA	\$448	\$438	\$419	\$419	\$418
Capitalized Value per GBA	\$639	\$621	\$576	\$570	\$527
<b>Community Benefits</b>					
Affordable Housing Levels					
Apartment - Level 1	Very Low (50%)	Very Low (50%)	Deeply Low (15%)	Very Low (50%)	Very Low (50%)
Apartment - Level 2	Low (60%)	Low (60%)	Very Low (50%)	Moderate (110%)	Moderate (110%)
Affordable Housing Percentages					
Apartment - Level 1	0%	0%	8%	11%	20%
Apartment - Level 2	0%	0%	0%	0%	0%
Condos	0%	0%	0%	0%	0%
Affordable Housing Linkage Fee	Yes	Yes	No	No	No
<b>Financial Returns</b>					
<b>RLV over Base Scenario</b>		<b>59%</b>	<b>24%</b>	<b>15%</b>	<b>(49%)</b>
Residual Land Value	\$16,118,610	\$25,657,681	\$19,998,345	\$18,508,546	\$8,224,306
<b>RLV Per Acre</b>	<b>\$16,520,628</b>	<b>\$26,297,614</b>	<b>\$20,497,127</b>	<b>\$18,970,171</b>	<b>\$8,429,430</b>
<b>Residual Land Value per SF of land</b>	<b>\$379</b>	<b>\$604</b>	<b>\$471</b>	<b>\$435</b>	<b>\$194</b>
Return on Cost	7.04%	6.93%	6.72%	6.65%	6.16%
<b>Findings</b>					
<b>FAR over Base Scenario</b>		<b>69%</b>	<b>69%</b>	<b>69%</b>	<b>69%</b>
<b>Affordable Housing</b>					
Housing Type 1			Deeply Low (15%)	Very Low (50%)	Very Low (50%)
Housing Level 1			8%	11%	20%
Housing Type 2					
Housing Level 2					
Affordable Units per FAR Increase		0.0%	2.9%	4.0%	7.3%
<b>Feasible?</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>

Site #3 - Regional Center Large Site					
	Base Scenario	Bonus/100% Market Rate	10% ELI	14% Very Low	23% Low
<b>Development Program</b>					
Acreage	1.0	1.0	1.0	1.0	1.0
Height	66 ft.	253 ft.	253 ft.	253 ft.	253 ft.
Stories	6 stories	23 stories	23 stories	23 stories	23 stories
Residential Units	140	345	345	345	345
Market Rate	140	345	312	299	269
Affordable	0	0	33	46	76
Average Unit Size	667 SF	667 SF	667 SF	667 SF	667 SF
Construction Type					
Residential - Rental	Podium	Type II	Type II	Type II	Type II
Retail	Podium	Type II	Type II	Type II	Type II
Average Floorplate	22500 ft.	12500 ft.	12500 ft.	12500 ft.	12500 ft.
FAR	3.00	6.75	6.75	6.75	6.75
GBA	127,500 SF	287,500 SF	287,500 SF	287,500 SF	287,500 SF
<b>Development Cost and Value</b>					
Total Development Costs per GBA	\$402	\$438	\$419	\$419	\$418
Capitalized Value per GBA	\$633	\$621	\$565	\$554	\$514
<b>Community Benefits</b>					
Affordable Housing Levels					
Apartment - Level 1	Very Low (50%)	Very Low (50%)	Deeply Low (15%)	Very Low (50%)	Very Low (50%)
Apartment - Level 2	Low (60%)	Low (60%)	Very Low (50%)	Moderate (110%)	Moderate (110%)
Affordable Housing Percentages					
Apartment - Level 1	0%	0%	10%	14%	23%
Apartment - Level 2	0%	0%	0%	0%	0%
Condos	0%	0%	0%	0%	0%
Affordable Housing Linkage Fee	Yes	Yes	No	No	No
<b>Financial Returns</b>					
<b>RLV over Base Scenario</b>		<b>136%</b>	<b>59%</b>	<b>36%</b>	<b>(53%)</b>
Residual Land Value	\$17,255,139	\$25,657,681	\$17,252,801	\$14,764,327	\$5,126,920
<b>RLV Per Acre</b>	<b>\$17,685,502</b>	<b>\$26,297,614</b>	<b>\$17,683,106</b>	<b>\$15,132,566</b>	<b>\$5,254,791</b>
<b>Residual Land Value per SF of land</b>	<b>\$406</b>	<b>\$604</b>	<b>\$406</b>	<b>\$347</b>	<b>\$121</b>
Return on Cost	7.84%	6.93%	6.59%	6.47%	6.02%
<b>Findings</b>					
<b>FAR over Base Scenario</b>		<b>125%</b>	<b>125%</b>	<b>125%</b>	<b>125%</b>
<b>Affordable Housing</b>					
Housing Type 1			Deeply Low (15%)	Very Low (50%)	Very Low (50%)
Housing Level 1			10%	14%	23%
Housing Type 2					
Housing Level 2					
Affordable Units per FAR Increase		0.0%	2.7%	3.7%	6.1%
<b>Feasible?</b>	<b>Yes</b>	<b>Yes</b>	<b>Marginal</b>	<b>No</b>	<b>No</b>

Site #3 - Regional Center Large Site					
	Base Scenario	Bonus/100% Market Rate	10% ELI	14% Very Low	23% Low
<b>Development Program</b>					
Acreage	1.0	1.0	1.0	1.0	1.0
Height	44 ft.	253 ft.	253 ft.	253 ft.	253 ft.
Stories	4 stories	23 stories	23 stories	23 stories	23 stories
Residential Units	90	345	345	345	345
Market Rate	90	345	312	299	269
Affordable	0	0	33	46	76
Average Unit Size	667 SF	667 SF	667 SF	667 SF	667 SF
Construction Type					
Residential - Rental	Podium	Type II	Type II	Type II	Type II
Retail	Podium	Type II	Type II	Type II	Type II
Average Floorplate	20000 ft.	12500 ft.	12500 ft.	12500 ft.	12500 ft.
FAR	2.00	6.75	6.75	6.75	6.75
GBA	85,000 SF	287,500 SF	287,500 SF	287,500 SF	287,500 SF
<b>Development Cost and Value</b>					
Total Development Costs per GBA	\$424	\$438	\$419	\$419	\$418
Capitalized Value per GBA	\$674	\$621	\$565	\$554	\$514
<b>Community Benefits</b>					
Affordable Housing Levels					
Apartment - Level 1	Very Low (50%)	Very Low (50%)	Deeply Low (15%)	Very Low (50%)	Very Low (50%)
Apartment - Level 2	Low (60%)	Low (60%)	Very Low (50%)	Moderate (110%)	Moderate (110%)
Affordable Housing Percentages					
Apartment - Level 1	0%	0%	10%	14%	23%
Apartment - Level 2	0%	0%	0%	0%	0%
Condos	0%	0%	0%	0%	0%
Affordable Housing Linkage Fee	Yes	Yes	No	No	No
<b>Financial Returns</b>					
<b>RLV over Base Scenario</b>		<b>200%</b>	<b>102%</b>	<b>73%</b>	<b>(40%)</b>
Residual Land Value	\$12,634,786	\$25,657,681	\$17,252,801	\$14,764,327	\$5,126,920
<b>RLV Per Acre</b>	<b>\$12,949,912</b>	<b>\$26,297,614</b>	<b>\$17,683,106</b>	<b>\$15,132,566</b>	<b>\$5,254,791</b>
<b>Residual Land Value per SF of land</b>	<b>\$297</b>	<b>\$604</b>	<b>\$406</b>	<b>\$347</b>	<b>\$121</b>
Return on Cost	8.04%	6.93%	6.59%	6.47%	6.02%
<b>Findings</b>					
<b>FAR over Base Scenario</b>		<b>238%</b>	<b>238%</b>	<b>238%</b>	<b>238%</b>
<b>Affordable Housing</b>					
Housing Type 1			Deeply Low (15%)	Very Low (50%)	Very Low (50%)
Housing Level 1			10%	14%	23%
Housing Type 2					
Housing Level 2					
Affordable Units per FAR Increase		0.0%	2.1%	2.9%	4.8%
<b>Feasible?</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>

	Site #4 - Boulevards Small Site (East)				
	Base Scenario (FAR 1.5:1)	Bonus 100% Market Rate	11% ELI	15% Very Low	25% Low
<b>Development Program</b>					
Acreage	0.6	0.6	0.6	0.6	0.6
Height	4 ft.	64 ft.	64 ft.	64 ft.	64 ft.
Non-Parking Stories	3 stories	5 stories	5 stories	5 stories	5 stories
Parking Podium	1 stories	1 stories	1 stories	1 stories	1 stories
Residential Units	45	90	90	90	90
Market Rate	45	90	80	77	68
Affordable	0	0	10	13	22
Average Unit Size	667 SF	667 SF	667 SF	667 SF	667 SF
Construction Type					
Residential - Rental	Podium	Podium	Podium	Podium	Podium
Retail	Podium	Podium	Podium	Podium	Podium
Average Floorplate	15000 ft.	15000 ft.	15000 ft.	15000 ft.	15000 ft.
FAR	1.50	3.00	3.00	3.00	3.00
GBA	37,500 SF	75,000 SF	75,000 SF	75,000 SF	75,000 SF
<b>Development Cost and Value</b>					
Total Development Costs per GBA	\$395	\$379	\$361	\$360	\$359
Capitalized Value per GBA	\$637	\$591	\$526	\$511	\$482
<b>Community Benefits</b>					
Affordable Housing Levels					
Apartment - Level 1	Very Low (50%)	Very Low (50%)	Extremely Low (30%)	Very Low (50%)	Low (60%)
Apartment - Level 2	Low (60%)	Low (60%)	Extremely Low (30%)	Very Low (50%)	Low (60%)
Affordable Housing Percentages					
Apartment - Level 1	0%	0%	11%	15%	25%
Apartment - Level 2	0%	0%	0%	0%	0%
Condos	0%	0%	0%	0%	0%
Affordable Housing Linkage Fee	Yes	Yes	No	No	No
<b>Financial Returns</b>					
<b>RLV over Base Scenario</b>		<b>68%</b>	<b>17%</b>	<b>0%</b>	<b>(31%)</b>
Residual Land Value	\$5,466,952	\$9,188,105	\$6,412,471	\$5,494,005	\$3,754,531
<b>RLV Per Acre</b>	<b>\$9,525,618</b>	<b>\$16,009,354</b>	<b>\$11,173,089</b>	<b>\$9,572,755</b>	<b>\$6,541,895</b>
<b>Residual Land Value per SF of land</b>	<b>\$219</b>	<b>\$368</b>	<b>\$256</b>	<b>\$220</b>	<b>\$150</b>
Return on Cost	7.51%	7.15%	6.70%	6.52%	6.18%
<b>Findings</b>					
<b>FAR over Base Scenario</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Affordable Housing</b>					
Housing Type 1			Extremely Low (30%)	Very Low (50%)	Low (60%)
Housing Level 1			11%	15%	25%
Housing Type 2					
Housing Level 2					
Affordable Units per FAR Increase		0.0%	7.3%	10.0%	16.7%
<b>Feasible?</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>	<b>No</b>

	Site #4 - Boulevards Small Site (East)				
	Base Scenario (FAR 1.5:1)	Bonus 100% Market Rate	10% ELI	14% Very Low	23% Low
<b>Development Program</b>					
Acreage	0.6	0.6	0.6	0.6	0.6
Height	44 ft.	64 ft.	64 ft.	64 ft.	64 ft.
Non-Parking Stories	3 stories	5 stories	5 stories	5 stories	5 stories
Parking Podium	1 stories	1 stories	1 stories	1 stories	1 stories
Residential Units	45	90	90	90	90
Market Rate	45	90	82	78	70
Affordable	0	0	8	12	20
Average Unit Size	667 SF	667 SF	667 SF	667 SF	667 SF
Construction Type					
Residential - Rental	Podium	Podium	Podium	Podium	Podium
Retail	Podium	Podium	Podium	Podium	Podium
Average Floorplate	15000 ft.	15000 ft.	15000 ft.	15000 ft.	15000 ft.
FAR	1.50	3.00	3.00	3.00	3.00
GBA	37,500 SF	75,000 SF	75,000 SF	75,000 SF	75,000 SF
<b>Development Cost and Value</b>					
Total Development Costs per GBA	\$395	\$379	\$361	\$360	\$359
Capitalized Value per GBA	\$637	\$591	\$534	\$523	\$490
<b>Community Benefits</b>					
Affordable Housing Levels					
Apartment - Level 1	Very Low (50%)	Very Low (50%)	Extremely Low (30%)	Very Low (50%)	Low (60%)
Apartment - Level 2	Low (60%)	Low (60%)	Extremely Low (30%)	Very Low (50%)	Low (60%)
Affordable Housing Percentages					
Apartment - Level 1	0%	0%	10%	14%	23%
Apartment - Level 2	0%	0%	0%	0%	0%
Condos	0%	0%	0%	0%	0%
Affordable Housing Linkage Fee	Yes	Yes	No	No	No
<b>Financial Returns</b>					
<b>RLV over Base Scenario</b>		<b>68%</b>	<b>27%</b>	<b>15%</b>	<b>(22%)</b>
Residual Land Value	\$5,466,952	\$9,188,105	\$6,959,018	\$6,290,388	\$4,271,600
<b>RLV Per Acre</b>	<b>\$9,525,618</b>	<b>\$16,009,354</b>	<b>\$12,125,392</b>	<b>\$10,960,373</b>	<b>\$7,442,835</b>
<b>Residual Land Value per SF of land</b>	<b>\$219</b>	<b>\$368</b>	<b>\$278</b>	<b>\$252</b>	<b>\$171</b>
Return on Cost	7.51%	7.15%	6.81%	6.68%	6.28%
<b>Findings</b>					
<b>FAR over Base Scenario</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Affordable Housing</b>					
Housing Type 1			Extremely Low (30%)	Very Low (50%)	Low (60%)
Housing Level 1			10%	14%	23%
Housing Type 2					
Housing Level 2					
Affordable Units per FAR Increase		0.0%	6.7%	9.3%	15.3%
<b>Feasible?</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>

Site #5 - Boulevards Small Site (West)					
	Base Scenario (FAR 1.0:1)	Bonus/100% Market Rate	11% ELI	15% Very Low	25% Low
<b>Development Program</b>					
Acreage	0.6	0.6	0.6	0.6	0.6
Height	34 ft.	64 ft.	64 ft.	64 ft.	64 ft.
Non-Parking Stories	2 stories	5 stories	5 stories	5 stories	5 stories
Parking Podium	1 stories	1 stories	1 stories	1 stories	1 stories
Residential Units	25	90	90	90	90
Market Rate	25	90	80	77	68
Affordable	0	0	10	13	22
Average Unit Size	667 SF	667 SF	667 SF	667 SF	667 SF
Construction Type					
Residential - Rental	Podium	Podium	Podium	Podium	Podium
Retail	Podium	Podium	Podium	Podium	Podium
Average Floorplate	15000 ft.	15000 ft.	15000 ft.	15000 ft.	15000 ft.
FAR	1.00	3.00	3.00	3.00	3.00
GBA	25,000 SF	75,000 SF	75,000 SF	75,000 SF	75,000 SF
<b>Development Cost and Value</b>					
Total Development Costs per GBA	\$391	\$379	\$361	\$360	\$352
Capitalized Value per GBA	\$639	\$671	\$595	\$576	\$541
<b>Community Benefits</b>					
Affordable Housing Levels					
Apartment - Level 1	Very Low (50%)	Very Low (50%)	Extremely Low (30%)	Very Low (50%)	Low (60%)
Apartment - Level 2	Low (60%)	Low (60%)	Extremely Low (30%)	Very Low (50%)	Low (60%)
Affordable Housing Percentages					
Apartment - Level 1	0%	0%	11%	15%	25%
Apartment - Level 2	0%	0%	0%	0%	0%
Condos	0%	0%	0%	0%	0%
Affordable Housing Linkage Fee	Yes	Yes	No	No	No
<b>Financial Returns</b>					
<b>RLV over Base Scenario</b>		<b>127%</b>	<b>71%</b>	<b>53%</b>	<b>28%</b>
Residual Land Value	\$3,800,758	\$14,289,544	\$10,793,007	\$9,631,355	\$8,040,681
<b>RLV Per Acre</b>	<b>\$6,622,440</b>	<b>\$24,898,101</b>	<b>\$18,805,736</b>	<b>\$16,781,672</b>	<b>\$14,010,083</b>
<b>Residual Land Value per SF of land</b>	<b>\$152</b>	<b>\$572</b>	<b>\$432</b>	<b>\$385</b>	<b>\$322</b>
Return on Cost	7.75%	8.10%	7.56%	7.33%	7.06%
<b>Findings</b>					
<b>FAR over Base Scenario</b>		<b>200%</b>	<b>200%</b>	<b>200%</b>	<b>200%</b>
<b>Affordable Housing</b>					
Housing Type 1			Extremely Low (30%)	Very Low (50%)	Low (60%)
Housing Level 1			11%	15%	25%
Housing Type 2					
Housing Level 2					
Affordable Units per FAR Increase		0.0%	5.5%	7.5%	12.5%
<b>Feasible?</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>

HR&A Advisors, Inc.

Site 5: 1.0 Base FAR, TOC Tier 3

Residual Land Value Analysis

Site #5 - Boulevards Small Site (West)					
	Base Scenario (FAR 1.0:1)	Bonus/100% Market Rate	10% ELI	14% Very Low	23% Low
<b>Development Program</b>					
Acreage	0.6	0.6	0.6	0.6	0.6
Height	34 ft.	64 ft.	64 ft.	64 ft.	64 ft.
Non-Parking Stories	2 stories	5 stories	5 stories	5 stories	5 stories
Parking Podium	1 stories	1 stories	1 stories	1 stories	1 stories
Residential Units	25	90	90	90	90
Market Rate	25	90	82	78	70
Affordable	0	0	8	12	20
Average Unit Size	667 SF	667 SF	667 SF	667 SF	667 SF
Construction Type					
Residential - Rental	Podium	Podium	Podium	Podium	Podium
Retail	Podium	Podium	Podium	Podium	Podium
Average Floorplate	15000 ft.	15000 ft.	15000 ft.	15000 ft.	15000 ft.
FAR	1.00	3.00	3.00	3.00	3.00
GBA	25,000 SF	75,000 SF	75,000 SF	75,000 SF	75,000 SF
<b>Development Cost and Value</b>					
Total Development Costs per GBA	\$391	\$379	\$361	\$360	\$352
Capitalized Value per GBA	\$639	\$671	\$606	\$591	\$551
<b>Community Benefits</b>					
Affordable Housing Levels					
Apartment - Level 1	Very Low (50%)	Very Low (50%)	Extremely Low (30%)	Very Low (50%)	Low (60%)
Apartment - Level 2	Low (60%)	Low (60%)	Extremely Low (30%)	Very Low (50%)	Low (60%)
Affordable Housing Percentages					
Apartment - Level 1	0%	0%	10%	14%	23%
Apartment - Level 2	0%	0%	0%	0%	0%
Condos	0%	0%	0%	0%	0%
Affordable Housing Linkage Fee	Yes	Yes	No	No	No
<b>Financial Returns</b>					
<b>RLV over Base Scenario</b>		<b>127%</b>	<b>83%</b>	<b>68%</b>	<b>38%</b>
Residual Land Value	\$3,800,758	\$14,289,544	\$11,511,657	\$10,567,771	\$8,677,548
<b>RLV Per Acre</b>	<b>\$6,622,440</b>	<b>\$24,898,101</b>	<b>\$20,057,911</b>	<b>\$18,413,284</b>	<b>\$15,119,760</b>
<b>Residual Land Value per SF of land</b>	<b>\$152</b>	<b>\$572</b>	<b>\$460</b>	<b>\$423</b>	<b>\$347</b>
Return on Cost	7.75%	8.10%	7.70%	7.51%	7.19%
<b>Findings</b>					
<b>FAR over Base Scenario</b>		<b>200%</b>	<b>200%</b>	<b>200%</b>	<b>200%</b>
<b>Affordable Housing</b>					
Housing Type 1			Extremely Low (30%)	Very Low (50%)	Low (60%)
Housing Level 1			10%	14%	23%
Housing Type 2					
Housing Level 2					
Affordable Units per FAR Increase		0.0%	5.0%	7.0%	11.5%
<b>Feasible?</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>

Site #5 - Boulevards Small Site (West)					
	Base Scenario (FAR 1.0:1)	Bonus/100% Market Rate	11% ELI	15% Very Low	25% Low
<b>Development Program</b>					
Acreage	0.6	0.6	0.6	0.6	0.6
Height	44 ft.	64 ft.	64 ft.	64 ft.	64 ft.
Non-Parking Stories	3 stories	5 stories	5 stories	5 stories	5 stories
Parking Podium	1 stories	1 stories	1 stories	1 stories	1 stories
Residential Units	45	90	90	90	90
Market Rate	45	90	80	77	68
Affordable	0	0	10	13	22
Average Unit Size	667 SF	667 SF	667 SF	667 SF	667 SF
Construction Type					
Residential - Rental	Podium	Podium	Podium	Podium	Podium
Retail	Podium	Podium	Podium	Podium	Podium
Average Floorplate	15000 ft.	15000 ft.	15000 ft.	15000 ft.	15000 ft.
FAR	1.50	3.00	3.00	3.00	3.00
GBA	37,500 SF	75,000 SF	75,000 SF	75,000 SF	75,000 SF
<b>Development Cost and Value</b>					
Total Development Costs per GBA	\$395	\$379	\$361	\$360	\$352
Capitalized Value per GBA	\$720	\$671	\$595	\$576	\$541
<b>Community Benefits</b>					
Affordable Housing Levels					
Apartment - Level 1	Very Low (50%)	Very Low (50%)	Extremely Low (30%)	Very Low (50%)	Low (60%)
Apartment - Level 2	Low (60%)	Low (60%)	Extremely Low (30%)	Very Low (50%)	Low (60%)
Affordable Housing Percentages					
Apartment - Level 1	0%	0%	11%	15%	25%
Apartment - Level 2	0%	0%	0%	0%	0%
Condos	0%	0%	0%	0%	0%
Affordable Housing Linkage Fee	Yes	Yes	No	No	No
<b>Financial Returns</b>					
<b>RLV over Base Scenario</b>		<b>127%</b>	<b>71%</b>	<b>53%</b>	<b>28%</b>
Residual Land Value	\$8,112,797	\$14,289,544	\$10,793,007	\$9,631,355	\$8,040,681
<b>RLV Per Acre</b>	<b>\$14,135,738</b>	<b>\$24,898,101</b>	<b>\$18,805,736</b>	<b>\$16,781,672</b>	<b>\$14,010,083</b>
<b>Residual Land Value per SF of land</b>	<b>\$325</b>	<b>\$572</b>	<b>\$432</b>	<b>\$385</b>	<b>\$322</b>
Return on Cost	8.46%	8.10%	7.56%	7.33%	7.06%
<b>Findings</b>					
<b>FAR over Base Scenario</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Affordable Housing</b>					
Housing Type 1			Extremely Low (30%)	Very Low (50%)	Low (60%)
Housing Level 1			11%	15%	25%
Housing Type 2					
Housing Level 2					
Affordable Units per FAR Increase		0.0%	7.3%	10.0%	16.7%
<b>Feasible?</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>

Site #5 - Boulevards Small Site (West)					
	Base Scenario (FAR 1.0:1)	Bonus/100% Market Rate	10% ELI	14% Very Low	23% Low
<b>Development Program</b>					
Acreage	0.6	0.6	0.6	0.6	0.6
Height	44 ft.	64 ft.	64 ft.	64 ft.	64 ft.
Non-Parking Stories	3 stories	5 stories	5 stories	5 stories	5 stories
Parking Podium	1 stories	1 stories	1 stories	1 stories	1 stories
Residential Units	45	90	90	90	90
Market Rate	45	90	82	78	70
Affordable	0	0	8	12	20
Average Unit Size	667 SF	667 SF	667 SF	667 SF	667 SF
Construction Type					
Residential - Rental	Podium	Podium	Podium	Podium	Podium
Retail	Podium	Podium	Podium	Podium	Podium
Average Floorplate	15000 ft.	15000 ft.	15000 ft.	15000 ft.	15000 ft.
FAR	1.50	3.00	3.00	3.00	3.00
GBA	37,500 SF	75,000 SF	75,000 SF	75,000 SF	75,000 SF
<b>Development Cost and Value</b>					
Total Development Costs per GBA	\$395	\$379	\$361	\$360	\$352
Capitalized Value per GBA	\$720	\$671	\$606	\$591	\$551
<b>Community Benefits</b>					
Affordable Housing Levels					
Apartment - Level 1	Very Low (50%)	Very Low (50%)	Extremely Low (30%)	Very Low (50%)	Low (60%)
Apartment - Level 2	Low (60%)	Low (60%)	Extremely Low (30%)	Very Low (50%)	Low (60%)
Affordable Housing Percentages					
Apartment - Level 1	0%	0%	10%	14%	23%
Apartment - Level 2	0%	0%	0%	0%	0%
Condos	0%	0%	0%	0%	0%
Affordable Housing Linkage Fee	Yes	Yes	No	No	No
<b>Financial Returns</b>					
<b>RLV over Base Scenario</b>		<b>127%</b>	<b>83%</b>	<b>68%</b>	<b>38%</b>
Residual Land Value	\$8,112,797	\$14,289,544	\$11,511,657	\$10,567,771	\$8,677,548
<b>RLV Per Acre</b>	<b>\$14,135,738</b>	<b>\$24,898,101</b>	<b>\$20,057,911</b>	<b>\$18,413,284</b>	<b>\$15,119,760</b>
<b>Residual Land Value per SF of land</b>	<b>\$325</b>	<b>\$572</b>	<b>\$460</b>	<b>\$423</b>	<b>\$347</b>
Return on Cost	8.46%	8.10%	7.70%	7.51%	7.19%
<b>Findings</b>					
<b>FAR over Base Scenario</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Affordable Housing</b>					
Housing Type 1			Extremely Low (30%)	Very Low (50%)	Low (60%)
Housing Level 1			10%	14%	23%
Housing Type 2					
Housing Level 2					
Affordable Units per FAR Increase		0.0%	6.7%	9.3%	15.3%
<b>Feasible?</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>