KEYSER MARSTON ASSOCIATES™

INCLUSIONARY HOUSING:

FINANCIAL EVALUATION

Prepared for:

City of Long Beach

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July 21, 2019

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SECTION I: OVERVIEW

Keyser Marston Associates, Inc. (KMA) was engaged by the City of Long Beach (City) to prepare an Inclusionary Housing Program Financial Evaluation (Financial Evaluation). The following report presents the results of the Financial Evaluation, and is focused on the following:

1. The impacts created by the imposition of affordable housing requirements; and

2. Estimates of the fee amounts that can be supported for projects that are permitted to pay a fee in lieu of producing affordable housing.

This Overview section describes the basic parameters that guide Inclusionary Housing programs throughout California.

A. KEY COURT CASES

It is important to review the key legal cases and State legislation that guide the creation and implementation of Inclusionary Housing programs. A chronological summary of the relevant issues follows.

Palmer Case

In 2009, the California Court of Appeal ruled in *Palmer/Sixth Street Properties L.P. v. City of Los Angeles,* 175 Cal. App. 4th 1396 (*Palmer*), that the local affordable housing requirements being imposed by the City of Los Angeles violated the Costa-Hawkins Rental Housing Act (Costa-Hawkins). Specifically, Costa-Hawkins allows landlords to set the initial monthly rent for a new unit, and then to increase the monthly rent to the market level each time a unit is vacated. The Court found that the imposition of long-term income and affordability restrictions on rental residential units is a violation of this provision.

It is commonly believed that the *Palmer* ruling prohibited jurisdictions from requiring developers to construct affordable rental residential units as a part of their Inclusionary

Housing program. In an effort to comply with *Palmer*, many jurisdictions eliminated the requirement that market rate rental residential projects provide affordable rental residential units. Instead, some jurisdictions replaced affordable housing production models with a linkage or impact fee methodology.

San Jose Case

In 2015, the California Supreme Court ruled in *California Building Industry Association v. City of San Jose,* 61 Cal 4th 435 (*San Jose*) that Inclusionary Housing programs should be viewed as use restrictions that are a valid exercise of a jurisdiction's zoning powers. Specifically, the Court found that Inclusionary Housing requirements are a planning tool rather than an exaction. This is interpreted to mean that an in-lieu fee payment option that is included in an Inclusionary Housing program, that includes an affordable housing production requirement, is not subject to the AB 1600 nexus requirements imposed by the "Mitigation Fee Act".[1]

Price controls imposed by Inclusionary Housing programs must meet the following criteria:

1. The requirements cannot be "Confiscatory"; and

2. The requirements cannot deprive a property owner of a fair and reasonable return on their investment.

The *San Jose* ruling that Inclusionary Housing programs are not an exaction applies to both ownership and rental residential development. However, the *San Jose* case did not overturn the limitations *Palmer* imposed on Inclusionary Housing programs for rental residential projects.

The *San Jose* case is also relevant to rental residential projects, because former Governor Brown publicly stated that he would not sign a "*Palmer Fix*" bill unless and until the California Supreme Court ruled in favor of the City of San Jose. As such, the ruling opened the door for the subsequent passage and adoption of Assembly Bill (AB) 1505 in September 2017.

[1] The Mitigation Fee Act is codified in California Government Code §66000 et seq.

B. LEGISLATION: ASSEMBLY BILL 1505

Assembly Bill (AB) 1505, which is otherwise known as the "*Palmer* Fix", was signed into law on September 29, 2017. AB 1505 amends Section 65850 of the California Government Code and adds Section 65850.01. This legislation provides jurisdictions with the ability to adopt programs that impose affordable housing requirements on rental residential projects.

Role of the California Department of Housing and Community Development (HCD)

Section 65850.01 does not place a cap on the percentage of units that can be subject to income and affordability restrictions. However, Section 65850.01 (a) gives HCD the authority to review the restrictions imposed by an Inclusionary Housing program on rental residential developments if it requires that more than 15% of the units to be restricted to households earning less than 80% of the area median income (AMI), and if one of the following conditions applies:

1. The jurisdiction has failed to meet at least 75% of its Regional Housing Needs Assessment (RHNA) allocation for above moderate income units. This test is measured on a pro-rated basis over the planning period, which is set at a minimum of five years; or

2. HCD finds that the jurisdiction has not submitted their housing element report for at least two consecutive years.

As of the City's 2017 Housing Element Progress Report, which was completed on March 16, 2018, the City had only met approximately 44% of the RHNA goal for above moderate income housing. As such, HCD has the right to require a review of the Inclusionary Housing requirements imposed on rental residential projects if more than 15% of the units are required to be restricted at less than 80% of AMI. Specifically, Section 65850.01 (b) allows HCD to require the City to submit an economic feasibility study that proves that the Inclusionary Housing requirements imposed on rental residential development do not unduly constrain the production of housing.

It is likely that this Financial Evaluation meets the economic feasibility study standards defined in Section 65850.01 (b). However, if the City chooses to impose a greater than 15% affordability requirement and/or deeper affordability standards on rental residential projects, HCD can intervene in the Inclusionary Housing Ordinance adoption process. This could extend and complicate the approval process for an Ordinance being considered by the City.

Additional AB 1505 Requirements

Section 65850 (g) requires jurisdictions to provide alternative means of fulfilling the affordable housing requirements imposed on rental residential projects by an Inclusionary Housing program. Options that can be provided to developers include, but are not limited to:

1. Off-site construction of affordable units;

2. Payment of a fee in-lieu of producing affordable housing units;

3. Land dedication; and

4. The acquisition and rehabilitation of existing units.

C. INCLUSIONARY HOUSING PROGRAM CHARACTERISTICS

Over 170 jurisdictions in California currently include an Inclusionary Housing program as a component in their overall affordable housing strategy. While the unifying foundation of these programs is the objective to attract affordable housing development, the characteristics of these programs vary widely from jurisdiction-to-jurisdiction.

To assist the City in evaluating options for creating an Inclusionary Housing program it is useful to identify the elements that are typically included in Inclusionary Housing programs being implemented in California jurisdictions. To that end, KMA compiled information on 68 Inclusionary Housing programs being implemented throughout California. The survey information is presented in Attachment 1 and is summarized in the following sections of this Financial Evaluation.

1. In California, the majority of Inclusionary Housing programs include a threshold project size below which projects are not subject to the affordable housing requirements.

2. In jurisdictions with disparate real estate and demographic conditions it is common to impose varying requirements based on defined submarkets.

3. The income and affordability standards imposed by Inclusionary Housing programs vary widely throughout California. The majority of programs have established standards in the range of 10% to 20% of the units in projects that will be subject to the requirements. However, the following policy variations are commonly found:

    a. The threshold standards are varied as a reflection of the depth of the affordability being provided.

    b. Inclusionary Housing requirements have a disproportionate impact on smaller projects, because there are fewer market rate units available to spread the impact created by the income and affordability standards. A sliding scale requirement can mitigate these impacts.

    c. The length of the covenant period imposed on Inclusionary Housing units varies from jurisdiction-to-jurisdiction. The California Health and Safety Code (H&SC) Section 33413 standards of 45 years for ownership housing units and 55 years for rental residential units is commonly used. However, both shorter and longer covenant periods are imposed throughout Inclusionary Housing programs in California.

Inclusionary Housing programs focus on the production of affordable housing units by imposing specific affordable housing requirements on new development. To comply with the findings in the *San Jose* case, and the requirements imposed by Sections 65850 and 65850.01, Inclusionary Housing programs must offer developers a range of options for fulfilling the affordable housing requirements. The most common options offered to developers are:

1. Construction of a defined percentage of income restricted units within new market rate residential projects;

2. Construction of a defined percentage of income restricted units in a project located in an off-site location;

3. Payment of a fee in lieu of producing affordable housing units that will subsequently be used by the jurisdiction to assist in the development of affordable housing units within the community;

4. The dedication of land to the jurisdiction that is appropriate for the development of affordable housing; and

5. The acquisition and rehabilitation of existing units.

The key advantages associated with providing off-site and in-lieu fee options is that the affordable housing requirements can be transferred to developers that have experience in constructing affordable housing projects. This is advantageous for the following reasons:

1. Affordable housing developers have specific expertise in the development and operation of affordable housing projects.

2. Dedicated affordable housing projects have access to public funding sources that provide a more cost-efficient way to achieve deeper affordability than can be supported by an Inclusionary Housing requirement. A representative sample of programs that are targeted to dedicated affordable housing projects are:

    a. Low and Moderate Income Housing Asset Funds (LMIHAF) that are under the control of the Long Beach Community Investment Company, which is the Housing Successor to the former Long Beach Redevelopment Agency;

    b. HOME Program funds that are awarded by the Housing and Urban Development (HUD);

c. The federal and state Low-Income Housing Tax Credits (Tax Credits) offered under Internal Revenue Code Section 42;

d. State funding sources such as the Affordable Housing and Sustainable Communities (AHSC) Program;

e. Funding provided by the Community Development Commission of the County of Los Angeles; and

f. The funds allocated to the City by HCD under the Permanent Local Housing Allocation (PLHA) for Senate Bill 2 (Chapter 364, Statutes of 2017).

D. STATE DENSITY BONUS AND INCLUSIONARY HOUSING REQUIREMENTS

A tool that is commonly used to reduce the financial impact associated with the imposition of Inclusionary Housing requirements is the density bonus provided by California Government Code Sections 65915-65918 (Section 65915). Section 65915 requires jurisdictions to provide density bonuses based on a sliding scale ranging from 5% to 35% depending on the magnitude of the income restrictions being imposed.

Section 65915 requires the City to adopt an ordinance that specifies how it will comply with the State mandated density bonus requirements. The City's adopted ordinance is included in Long Beach Municipal Code Section 21.63 (Section 21.63), and it was last amended in 2006.[2] Section 65915 has been amended by the State Legislature several times since 2006, and Section 21.63 has not been updated to reflect those modifications. Until such time as the modifications are amended into the City's density bonus ordinance, State law will automatically prevail over any inconsistencies between State law and Section 21.63.

In July 2013 the First District Court of Appeal held that jurisdictions must agree to apply the affordable units used to fulfill the Section 65915 requirements to the Inclusionary Housing

[2] Ord-06-0045 § 1 (part), 2006: Ord. C-6822 § 20 (part).

requirements that will be imposed on a project.[3] Based on that ruling, a developer must be allowed to use the same affordable units to fulfill both the Inclusionary Housing requirements and the Section 65915 requirements. However, in order to exercise this option, the more stringent of the two programs' requirements must be applied.

The Section 65915 density bonus can act to materially reduce the financial impacts created by Inclusionary Housing requirements. For that reason, the City should recognize that if Inclusionary Housing requirements are imposed it is highly likely that many developers will request Section 65915 density bonuses. It is also important to understand that the City is required to grant a developer's request for the statutorily established density bonus along with the requisite number of concessions and incentives, as well as any necessary development standards reductions or waivers.[4]

E. FINANCIALLY FEASIBLE INCLUSIONARY HOUSING REQUIREMENTS

As discussed previously in this Financial Evaluation, the court in the *San Jose* case found that the imposition of Inclusionary Housing requirements is a valid exercise of the City's zoning powers rather than an exaction. Sections 65850 and 65850.01 amended the California Government Code to expressly allow Inclusionary Housing requirements to be imposed on rental residential projects:

1. Prior to the finding in the San Jose case, the City's creation of an Inclusionary Housing program would have been subject to some legal risk.

2. Between the 2009 court finding in the *Palmer* case and the 2107 adoption of AB 1505, the City did not have the authority to impose Inclusionary Housing requirements on rental residential projects.

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[3] *Latinos Unidos del Valle de Napa y Solano v. County of Napa,* 217 Cal. App. 4th 1160 (*Napa*).
[4] Section 65915 (d) (1) identifies three conditions under which requested incentives or concessions can be denied. However, this does not relieve the City of the obligation to grant the number of incentives or concessions that the project is entitled to under Section 65915 (d) (2).

In designing an Inclusionary Housing program, it is important to recognize that the imposition of affordable housing requirements will have an economic impact on residential development. Typically, the result is that over time residential land prices will adjust to reflect the value supported by the market given the restrictions imposed on the property. However, in some cases property owners may determine that it is more financially advantageous to maintain an existing use rather than to sell the property at a lower price. This can potentially reduce the availability of land for residential development.

The key factors that should be considered in creating Inclusionary Housing requirements are:

1. The requirements should balance the interests of property owners and developers against the public benefit created by the production of income restricted units; and

2. The Inclusionary Housing requirements cannot be confiscatory or deprive an owner of a fair and reasonable return on their investment.

SECTION II: METHODOLOGY

The purpose of this Financial Evaluation is to evaluate the financial feasibility of imposing Inclusionary Housing requirements on residential development in Long Beach. The financial feasibility analysis is comprised of the following steps:

A. PARAMETERS

As the first step in the evaluation process it is necessary to identify the parameters that will be applied in the analysis. For reference purposes, the following table identifies the City's unmet need for housing at the end of 2017 as defined in the RHNA. However, it should be noted that the City has determined that household overcrowding and over payment issues effectively increase the need for affordable housing above these RHNA goals.

City of Long Beach RHNA Statistics as of December 2017				
			Remaining RHNA Obligation	
Income Category	Total RHNA Obligation – 2013 - 2021	Building Permits Issued	Total	%
Very Low	1,773	269	1,504	85%
Low	1,066	53	1,013	95%
Moderate	1,170	0	1,170	100%
Above Moderate	3,039	1,328	1,711	56%
Totals	7,048	1,650	5,398	77%

A fundamental premise of this financial feasibility analysis is that the Inclusionary Housing program enacted by the City should not place an onerous financial burden on the developers of market rate housing. Moreover, California Government Code Section 65583 (a) (Section 65583 (a)) requires the City to analyze potential and actual constraints being placed on the development of housing. Within that context, it is important to recognize that an Inclusionary

Housing program can only be expected to fulfill a small portion of the unmet need for affordable housing in Long Beach.

B. PROGRAM FOUNDATION

The courts have held that affordable housing is a "public benefit," and that locally imposed Inclusionary Housing programs are a legitimate means of providing this public benefit. The courts have tempered this with the requirement that the Inclusionary Housing obligations cannot be confiscatory, and they cannot deprive a property owner of a fair and reasonable return on their investment. However, no guidance is provided as to how these requirements should be met.

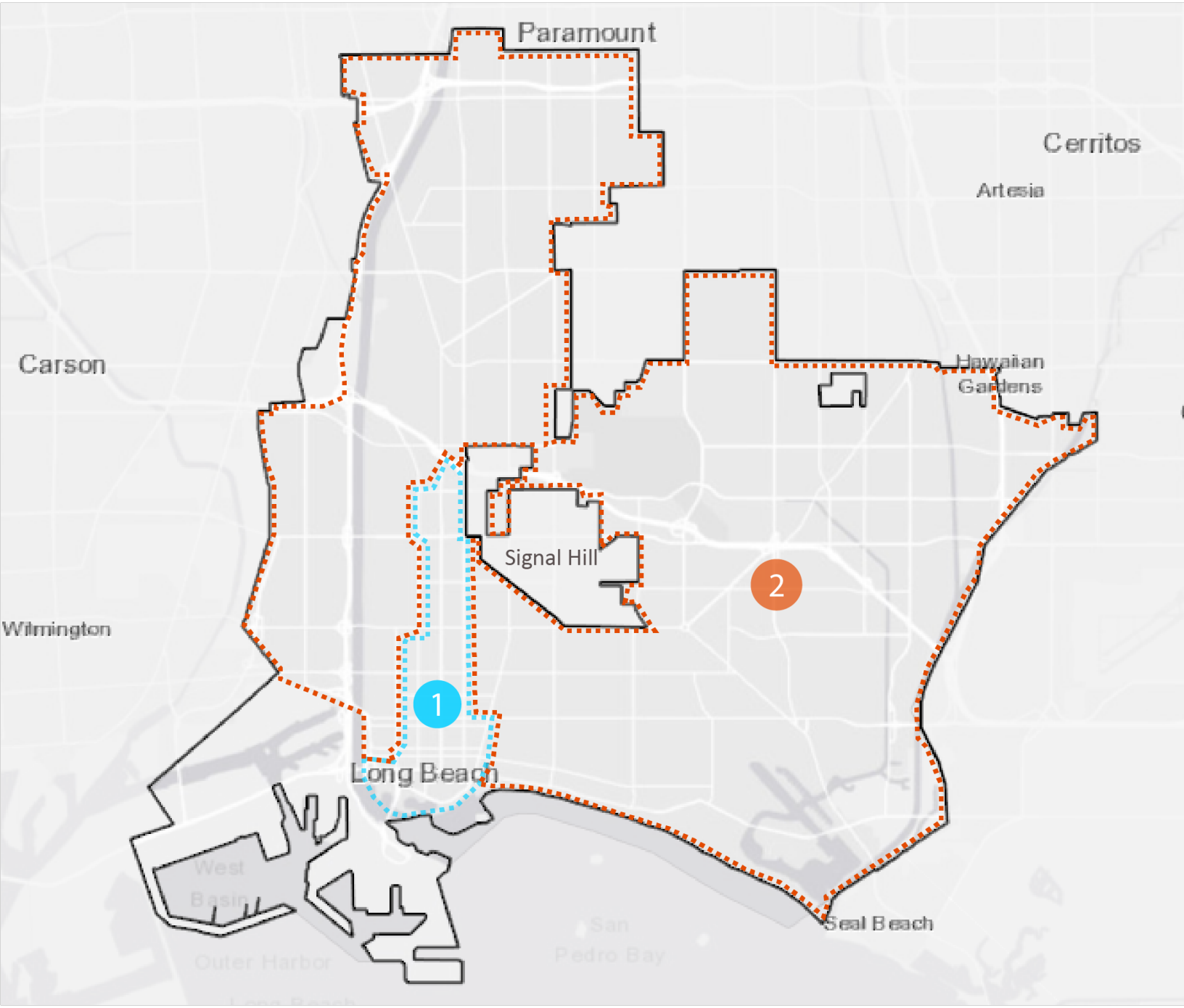
A significant number of California Inclusionary Housing programs have been based on the assumption that a policy that results in a +/- 30% reduction in land costs comports with the requirements. This KMA Financial Evaluation is focused on identifying income and affordability standards that would fall within that parameter.

C. SUBMARKET IDENTIFICATION

Due to the large size of Long Beach, as well as the variability in economic and social characteristics, market conditions vary significantly from one area to another. Following an exhaustive search, KMA found that the Downtown and Midtown areas of Long Beach have been experiencing robust residential development activity. Comparatively, KMA was unable to identify a significant amount of recent residential development in the other parts of Long Beach.

To reflect the differences in development activity, KMA divided Long Beach into two Submarkets. These Submarkets are illustrated on the map presented on the following page.

SUBMARKET MAP



KMA compiled market data pertaining to both rental residential and ownership housing projects throughout Long Beach. The most significant findings that KMA derived from the market research are discussed in the following sections of this Financial Evaluation.

Submarket #1

Submarket #1 began experiencing robust residential development activity as the 2008 global real estate recession wound down. The vast majority of the projects that have been developed are at medium to high density levels. The salient characteristics of the development inventory can be described as follows:

1. Approximately 85% of the new residential units that were constructed in Long Beach over the past 10 years are located in Submarket #1.[5]

2. The majority of the new construction projects are midrise buildings with eight or fewer stories, and an average project size of approximately 130 units.

3. Nearly 90% of the new units are located in rental residential projects.

4. According to the City staff, developers are commonly obtaining Tentative Maps as part of the entitlement process for rental residential projects. This allows the developer to sell the units as condominiums at a later date without triggering the City's Condominium Conversion Ordinance.[6]

5. Over 4,000 residential units are currently at varying stages in the planning process, and over 85% of these units are currently proposed to be developed in high rise buildings. One of the proposed high-rise projects is currently under construction.

[5] This estimate includes projects that are currently under construction.
[6] Long Beach Subdivision Regulation 20.32.040.B and Subdivision Map Act, California Government Code Section 66427.1.

Submarket #2

The KMA surveys of development in the areas outside of Submarket #1 are summarized Attachment 2: Appendix E and Attachment 3: Appendix C. As can be seen in these tables the vast majority of residential projects in Submarket #2 were built before 2000. The only recently constructed projects that KMA was able to identify are:

1. The 40-unit Dorado detached court style ownership home project was recently constructed in the eastern area of Long Beach. The asking prices for the units in this project range from $914,000 to $1.03 million.

2. The 131-unit Riverdale detached single family ownership home project was recently constructed near the east bank of the Los Angeles River. The asking prices for the units in this project ranged from $664,000 to $707,000.

D. SUBMARKET ANALYSES

There is a clear differentiation in the development activity between Submarkets #1 and #2. As a result, it is necessary to bifurcate this analysis. The two separate methodologies are described in the following sections of this Financial Evaluation.

Submarket #1

Financial Feasibility Analysis Structure

Given the high level of recent development, and anticipated future development, in Submarket #1 it is possible to prepare a financial feasibility evaluation in support of the imposition of Inclusionary Housing requirements. The analysis structure can be described as follows:

1. KMA prepared financial analyses to assist in creating recommended Inclusionary Housing requirements that balance the interests of property owners and developers against the public benefit created by the production of affordable housing units.

2. In general terms, the financial impact associated with fulfilling Inclusionary Housing requirements within market rate projects is equal to the difference between the achievable market rents or sales prices and the allowable rents or sales prices for the Inclusionary Housing units. This is known as the "Affordability Gap."

3. The KMA financial analyses identify the following:

   a. The range of Inclusionary Housing production requirements that can be supported; and

   b. The range of in-lieu fees that can be supported.

Financial Feasibility Analysis Organization

The following sections of this Financial Evaluation describe the assumptions, analysis and findings related to rental residential and ownership housing development in Submarket #1. The analyses are supported by the following Attachments and Appendices:

Submarket #1: Rental Residential Development – Attachment 2	
Appendix A	Market Rate Alternative – Pro Forma Analysis
Appendix B	Single Income Category Inclusionary Alternatives – Pro Forma Analyses
Appendix C	Mixed Income Category Inclusionary Alternatives – Pro Forma Analyses
Appendix D	Affordability Analyses
Appendix E	Apartment Rent Surveys
Submarket #1: Ownership Housing Development – Attachment 3	
Appendix A	Market Rate Alternative – Pro Forma Analyses
Appendix B	Affordability Analyses
Appendix C	Home Sales Surveys

Submarket #2

Development Activity

As discussed previously, there has not been a significant amount of residential development in Submarket #2 over multiple real estate cycles. The lack of new residential development in Submarket 2 is attributable to a wide variety of factors. Factors that apply commonly throughout Submarket 2 can be described as follows:

1. Long Beach is largely built out:

    a. Vacant properties are primarily infill sites and underutilized properties.

    b. Outside of Downtown and Midtown Long Beach the currently achievable sales prices and rents are insufficient to support the premium cost associated with acquiring improved land and then recycling it with new residential development.

2. KMA compiled sales data for existing rental residential projects, located outside of Downtown and Midtown Long Beach, that were sold between 2016 and 2018. The results are presented in the table on the following page, and key information derived from this survey includes the following:

    a. The sales prices ranged from $100,000 to $393,750 per unit, with a weighted average of approximately $279,000 per unit. Sales prices in these ranges are less than the current cost to construct new rental residential units.

    b. The KMA survey identified capitalization rates ranging from 3.16% to 4.90%, with a weighted average of 4.25%.[7] As capitalization rates decrease sales prices increase. Thus, a low capitalization rate signifies strong demand for rental residential projects.

[7] Capitalization rates are derived by dividing a project's net operating income by the project's sales price.

c. There is a disconnect between the benefits created by low capitalization rates and sales prices that are insufficient to support new construction. Since it is unlikely that significantly lower capitalization rates can be generated, the low sales prices per unit represent a serious impediment to new development.

Apartment Project Sales Data Submarket #2				
		Sales Price		
	Sale Year	Total	Per Unit	Cap Rate
2301 E. Market Street	2018	$3,680,000	$240,500	4.25%
1000-1014 1st Street	2017	$1,950,000	$243,800	3.67%
1126 Raymond Avenue	2018	$2,112,000	$264,000	4.77%
1207 Rose Avenue	2017	$4,368,000	$242,700	4.33%
1102 E. 1st Street	2017	$1,600,000	$177,800	4.28%
3315 E. 2nd Street	2016	$1,575,000	$393,800	4.06%
2333 E. 4th Street	2016	$945,000	$236,300	4.43%
944-964 E. 5th Street	2016	$600,000	$100,000	4.83%
32 Orange Avenue	2017	$2,100,000	$210,000	3.95%
4205 E. Anaheim Street	2018	$5,000,000	$312,500	4.50%
4305 E. Livingston Dr.	2017	$5,425,000	$387,500	3.81%
3617 E. Ocean Blvd.	2016	$5,450,000	$340,600	3.16%
5480 Atherton Street	2018	$8,532,000	$316,000	4.90%
Minimum			$100,000	3.16%
Maximum			$393,800	4.90%
Weighted Average			$279,000	4.25%

Inclusionary Housing Issues

Section 65583 (a) requires the City to analyze potential and actual constraints being placed on the development of housing. HCD defines potential constraints as:

1. Land use controls;

2. Building codes and their enforcement;

3. Site improvements;

4. Fees and exactions; and

5. Local processing and permit procedures.

Section 65583 (a) requires the City to identify constraints to development and to describe the City's efforts to remove those constraints. The imposition of Inclusionary Housing requirements in Submarket #2, where residential development has stagnated over the long term, could potentially be considered a constraint to development.

Another issue is that given the absence of new development it is not possible to create prototype projects for use in pro forma analyses. In turn, it is not currently possible to identify Inclusionary Housing requirements that could be imposed on a financially feasible basis in Submarket #2.

Analysis Components

In recognition of these issues, the KMA analysis of Submarket #2 focuses on actions the City can put in place now. Specifically, KMA has created an incentive based Inclusionary Housing program for the City's consideration.

SECTION III: SUBMARKET #1 - RENTAL RESIDENTIAL ANALYSIS

The City is interested in identifying financially feasible Inclusionary Housing production requirements for the following rental residential developments:

1. Single Income Category Alternatives:

    a. A moderate income requirement;

    b. A low income requirement; and

    c. A very low income requirement.

2. Mixed Income Category Alternatives:

    a. 20% of the Inclusionary Housing units are restricted at very low income and 80% of the Inclusionary Housing units are restricted at low income;

    b. 80% of the Inclusionary Housing units are restricted at very low income and 20% of the Inclusionary Housing units are restricted at low income; and

    c. 30% of the Inclusionary Housing units are restricted at low income and 70% of the Inclusionary Housing units are restricted at moderate income.

The rental residential project pro forma analyses are used to estimate the financially feasible Inclusionary Housing production requirements under each of the identified alternatives. The analysis is also used to establish the recommended in-lieu fees.

A. CAVEATS

A variety of tools are available to reduce the financial impact associated with the imposition of income and affordability restrictions on rental residential projects. For 100% affordable housing projects, Tax Credit financing is commonly used to fill the financial gap. For mixed income projects, the Section 65915 density bonus is often used.

The prototype analyses are intended to reflect average or typical rental residential projects rather than any specific project. It should be expected that specific projects will vary to some degree from the prototype.

B. PROTOTYPES: RENTAL RESIDENTIAL DEVELOPMENT

The rental residential development prototypes used in this analysis were created based on the results of the KMA market surveys, and a review of projects that have recently been constructed in Submarket #1. The KMA market surveys were also used to estimate the achievable market rate rents for the prototype units in Submarket #1.

The KMA market survey indicated that rental residential projects currently being developed in Submarket #1 are maximizing the density that can be achieved from market and financial perspectives. The prototypes used in this analysis are described in the following table:

Submarket #1: Rental Residential Development Prototypes		
	Base Case Scope [8] 62 Units Per Acre	Inclusionary Scope [9] 87 Units Per Acre
Site Area (Square Feet)	32,870	32,870
Total Number of Units	82	140
Density (Units Per Acre)	125	185
Unit Mix		
One-Bedroom Units	12	17
Two-Bedroom Units	48	71
Three-Bedroom Units	34	52
Subterranean Parking Spaces Per Unit	1.94	1.25

[8] Based on the development standards imposed by the City prior to the adoption of the 2017 update to the Downtown Community Plan.

[9] The development scope for the Inclusionary alternatives include the development incentives incorporated into the Downtown Community Plan. These incentives assist in mitigating the impacts associated with the imposition of Inclusionary Housing requirements.

C. PROJECTED MARKET RENTS: RENTAL RESIDENTIAL DEVELOPMENT

In the January 2019, KMA surveyed rental residential projects in Submarket #1 that received four or more stars in the CoStar quality ranking system (Attachment 2: Appendix E – Exhibit I). The purpose of this survey was to derive estimates of the currently achievable market rents for the types of projects likely to be constructed in Submarket #1. However, the characteristics of actual projects will vary to some degree from the prototype being evaluated.

The market rate monthly rent estimates that are used in this Inclusionary Evaluation are presented in the following table.

Submarket #1: Projected Monthly Market Rate Rents	
Average Monthly Rent Per Unit	
Studio Units	$2,569
One-Bedroom Units	$2,620
Two-Bedroom Units	$3,304
Average Monthly Rent Per Sq. Ft. of GLA [10]	$3.16

D. AFFORDABLE RENT CALCULATIONS: RENTAL RESIDENTIAL DEVELOPMENT

For the purposes of this Financial Evaluation, the maximum Affordable Rents for the income restricted units were calculated based on the standards imposed by H&SC Section 50053. The calculations are presented in Attachment 2: Appendix E, and the assumptions and results can be summarized as follows:

[10] GLA = gross leasable area.

1. The household income information used in the calculations is based on 2019 income statistics for Los Angeles County as a whole. The household incomes are published annually by HUD and are distributed by HCD.

2. The household size appropriate for the unit is based on the H&SC Section 50052.5 standard of the number of bedrooms in the home plus one. This is a benchmark for calculation purposes only. It is not an occupancy minimum or maximum.

3. For the purposes of setting the Affordable Rents, the household income is set at 50% of AMI for very low income households, 60% of AMI for low income households, and 110% of AMI for moderate income households.

4. Thirty percent (30%) of defined household income is allocated to housing-related expenses.

5. KMA's calculations are based on the assumption that the tenants will be required to pay for electric heating, cooking and water heating; basic electric services; and air conditioning. The December 12, 2018 Long Beach Housing Authority energy efficiency utilities allowances for apartments were applied to this analysis.

The resulting Affordable Rents are presented in the following table:

Affordable Rent Calculations – Rental Residential Units			
	Very Low Income	Low Income	Moderate Income
Studio Units			
Maximum Monthly Housing Cost	$639	$767	$1,407
(Less) Monthly Utility Allowance	(34)	(34)	(34)
Affordable Rent	$605	$733	$1,373

Affordable Rent Calculations – Rental Residential Units			
	Very Low Income	Low Income	Moderate Income
One-Bedroom Units			
Maximum Monthly Housing Cost	$731	$878	$1,609
(Less) Monthly Utility Allowance	(40)	(40)	(40)
Affordable Rent	$691	$838	$1,569
Two-Bedroom Units			
Maximum Monthly Housing Cost	$823	$987	$1,810
(Less) Monthly Utility Allowance	(57)	(57)	(57)
Affordable Rent	$766	$930	$1,753

E. PRO FORMA ANALYSES: RENTAL RESIDENTIAL DEVELOPMENT

To assist in establishing the Inclusionary Housing production requirements that can be supported, KMA started with the following basic premises:

1. KMA evaluated a 100% market rate alternative (Base Case Scope) to derive an estimate of the developer return that is generated if no income and affordability requirements are imposed. The return generated from the market rate alternative is used as the threshold return for the various Inclusionary Housing requirements being tested.

2. As discussed previously, this Financial Evaluation is calibrated to establish Inclusionary Housing requirements, for each alternative being tested, that generate a financial impact equal to a +/- 30% reduction in the land cost.

Market Rate Development Alternative

The pro forma analysis for the market rate development alternative is found in Attachment 2: Appendix A. The pro forma analysis is organized as follows:

Pro Forma Analysis - 100% Market Rate Alternative Submarket #1: Rental Residential Development	
Table 1:	Estimated Development Costs
Table 2:	Estimated Stabilized Net Operating Income
Table 3:	Estimated Developer Return

The estimated stabilized developer return on total investment derived from the 100% market rate alternative is estimated at 5.4%.

Financially Feasible Inclusionary Housing Production Requirements

The pro forma analyses for the Inclusionary Housing Production analyses are presented in the following appendices to Attachment 2:

Inclusionary Housing Production Alternatives Submarket #1: Rental Residential Development		
Appendix	Exhibit	Title
Single Income Category Inclusionary Alternatives		
B	I	Moderate Income Alternative
B	II	Low Income Alternative
B	III	Very Low Income Alternative
Mixed Income Category Inclusionary Alternatives		
C	I	20% Very Low Income & 80% Low Income
C	II	50% Very Low Income & 50% Low Income
C	III	80% Very Low Income & 20% Low Income

The pro forma analyses are organized as follows:

Pro Forma Analyses Inclusionary Housing Production Alternatives Submarket #1: Rental Residential Development	
Table 1:	Estimated Development Costs
Table 2:	Stabilized Net Operating Income
Table 3:	Inclusionary Housing Impacts

The results of the analyses are summarized in the following table:

Inclusionary Housing Production Analysis Financially Feasible Inclusionary Housing Percentages Submarket #1: Rental Residential Development		
Alternative	Financially Feasible Inclusionary Percentage	Percentage Decrease in Supportable Land Cost
Single Income Category Inclusionary Alternatives		
Moderate Income Alternative	19%	30%
Low Income Alternative	12%	29%
Very Low Income Alternative	11%	30%
Mixed Income Category Inclusionary Alternatives		
20% Very Low Income & 80% Low Income	12%	30%
80% Very Low Income & 20% Low Income	11%	29%
30% Low Income & 70% Moderate Income	14%	28%

F. IN-LIEU FEE ANALYSES: RENTAL RESIDENTIAL DEVELOPMENT

KMA established the recommended in-lieu fee amounts for rental residential development based on the Affordability Gaps associated with the on-site development of Inclusionary Housing units within market rate rental residential projects. The Affordability Gaps for rental residential units are estimated in Attachment 2: Appendix D – Exhibit II using the following methodology:

1. KMA prepared the analysis based on the financially feasible percentages of Inclusionary Housing units that were estimated in the previous section of this Financial Evaluation.

2. The differences between the estimated achievable market rate monthly rents and the defined Affordable Rents are calculated for studio, one-bedroom and, two-bedroom units.

3. KMA assumed that the property taxes for projects that include designated affordable housing units would be based on a lower assessed value due to the reduction in net operating income that would be generated by the project. KMA deducted this lower property tax expense from the estimated rent difference.

4. The estimated annual Affordability Gap is equal to the net rent difference minus the property tax savings.

5. The total Affordability Gaps are estimated by capitalizing the annual Affordability Gaps at the threshold returns derived from the pro forma analyses for the market rate alternatives. The results of these calculations are defined as the "Net Affordability Gaps".

6. The Net Affordability Gaps are translated into the recommended in-lieu fees per affordable unit and per square foot of gross building area (GBA).

The results of the in-lieu fee analysis are summarized in the following table:

In-Lieu Fees – Affordability Gap Approach Submarket #1: Rental Residential Development			
	Alternative		
In-Lieu Fee	Moderate Income	Low Income	Very Low Income
Per Affordable Unit	$223,000	$356,000	$383,000
Per Square Foot of GBA	$37.90	$37.90	$38.50

SECTION IV: SUBMARKET #1 - OWNERSHIP HOUSING ANALYSES

As a general rule, Inclusionary Housing programs tend to set the affordability requirements for ownership housing development at the moderate income level. This is done as a reflection of the fact that higher income households are likely to have more discretionary income to devote to the ongoing costs associated with home ownership than that of lower income households.

The following ownership housing development analyses are based on the assumption that the Inclusionary Housing requirements will be set at the moderate income level. Based on this assumption, KMA estimated the financially feasible Inclusionary Housing production requirements, and the recommended in-lieu fees.

A. PROTOTYPE: OWNERSHIP HOUSING DEVELOPMENT

The characteristics of the condominium prototype used in the financial feasibility analyses are:

Submarket #1: Condominium Prototype	
Site Area (Square Feet)	43,560
Total Number of Units	70
Density (Units Per Acre)	70
<u>Unit Mix</u>	
Studio Units	5%
One-Bedroom Units	45%
Two-Bedroom Units	59%
<u>Average Unit Sizes (Sq Ft)</u>	
Studio Units	500
One-Bedroom Units	750
Two-Bedroom Units	1,100
Parking Spaces Per Unit (Podium)	2.02

B. PROJECTED MARKET RATE SALES PRICES: OWNERSHIP HOUSING DEVELOPMENT

The prototype analysis reflects average or typical ownership residential projects rather than any specific project. It should be expected that specific projects would vary to some degree from the prototype.

To assist in projecting the achievable market rate sales prices, KMA compiled sales data for condominiums sold in Submarket #1 between October 2018 and February 2019 (Attachment 3: Appendix C – Exhibit I). This information is used to establish the average sales price per square foot of building area for studio, one-bedroom and two-bedroom condominium units.

Based on the results of the surveys, the market rate sales prices used in the KMA analysis are presented in the following table:

Projected Market Rate Sales Prices Submarket #1: Ownership Housing Development		
	% of Total Units	Average Price
Studio Units	5%	$307,200
One-Bedroom Units	45%	$428,900
Two-Bedroom Units	50%	$600,700
Avg Price Per Sq.Ft. of Saleable Area		$558

C. AFFORDABLE SALES PRICE CALCULATIONS: OWNERSHIP HOUSING DEVELOPMENT

The Affordable Sales Prices calculations are presented in Attachment 3: Appendix C – Exhibit I. The calculations are based on the following assumptions:

1. The household income information used in the calculations is based on 2019 income statistics for Los Angeles County as a whole. The household incomes for moderate income households are produced and distributed annually by HCD.

2. The Affordable Sales Price estimates are based on the calculation methodology imposed by H&SC Section 50052.5. The calculations include the elements described in the following sections of this Financial Evaluation.

Household Size

The household incomes applied in the Affordable Sales Price calculations are set at the number of bedrooms in the home plus one. For example, the imputed household size for a one-bedroom home is two persons. H&SC Section 50052.5 refers to this as "the household size appropriate for the unit." However, this is not meant to be an occupancy cap; it is simply a benchmark used to create a consistent methodology for calculating the Affordable Sales Price.

Household Income

For moderate income households, H&SC Section 50052.5 uses 110% of AMI for a household size equal to the number of bedrooms in the home plus one. This measurement is only used for setting the Affordable Sales Prices. Households with incomes of up to 120% AMI would qualify to reside in moderate income units.

Income Allocated to Housing-Related Expenses

For moderate income households H&SC Section 50052.5 allocates 35% of the benchmark household income to the payment of housing-related expenses.

Housing-Related Expenses

Based on research undertaken by KMA, the variable housing related expense assumptions used in this analysis are presented in the following table:

Variable Housing Related Expenses Submarket #1: Ownership Housing Development		
	Monthly Utilities Allowances [11]	Monthly HOA, Insurance & Maintenance
Studio Units	$92	$260
One-Bedroom Units	$103	$340
Two-Bedroom Units	$126	$450

The property tax expense estimate is based on 1.1% of the home's estimated unrestricted market rate sales price. This is done because the Los Angeles County assessor will only use the Affordable Sales Price for assessment purposes if the resale restriction covenant is irrevocable.[12]

Supportable Mortgage Amount

The mortgage amounts used in the Affordable Sales Price calculations are estimated using the income available after the other housing-related expenses are paid. The mortgage terms used in this Financial Evaluation were based on a 30-year fully amortizing loan at a 5.31% interest rate. [13]

Benchmark Down Payment

KMA set the benchmark down payment at 5% of the Affordable Sales Price. A down payment of this magnitude is commonly allowed by affordable housing programs.

[11]Utilities allowances are based on utilities costs comprised of electric heating, cooking and water heating; basic electric; air conditioning; water; and trash services. The allowances are based on the Long Beach Housing Authority energy efficiency schedule for attached ownership units effective December 12, 2018.
[12] One of the recommendations in this Feasibility Evaluation is that the City allow the income and affordability covenant to be bought out under an equity appreciation structure upon the first resale of an Inclusionary Unit.
[13] Based on a 100 basis points premium applied to the Bankrate site average as of March 15, 2019 for a fixed interest rate loan with a 30-year amortization period.

Affordable Sales Prices

The Affordable Sales Price estimates are presented in the following table:

Affordable Sales Price Estimates Submarket #1: Ownership Housing Development	
	Moderate Income
Studio Units	$207,900
One-Bedroom Units	$231,300
Two-Bedroom Units	$247,700

D. INCLUSIONARY HOUSING PRODUCTION ANALYSES: OWNERSHIP HOUSING DEVELOPMENT

To assist in establishing the Inclusionary Housing requirements that can be supported, KMA prepared the following pro forma analyses for the prototype project:

1. A 100% market rate alternative; and

2. An alternative that includes a moderate income component.

E. PRO FORMA ANALYSES: OWNERSHIP HOUSING DEVELOPMENT

Market Rate Development Alternatives – Ownership Housing Development

The 100% market rate alternative provides a baseline against which to measure the impacts associated with affordable housing requirements. The pro forma analysis for the 100% market rate alternative is presented in Attachment 3: Appendix A – Exhibit I, and the tables are organized as follows:

Base Case: 100% Market Rate Alternative Submarket #1: Ownership Housing Development	
Table 1:	Estimated Development Costs
Table 2:	Projected Net Sales Revenue
Table 3:	Projected Developer Profit

The analysis of the 100% market rate alternative results in an estimated developer profit of 9.0%.

Financially Feasible Inclusionary Housing Production Requirements – Ownership Housing

As discussed previously, this Financial Evaluation is calibrated to establish Inclusionary Housing requirements that generate a financial impact equal to a +/- 30% reduction in supportable land cost. The moderate income pro forma analysis is organized as follows:

Moderate Income Alternative Submarket #1: Ownership Housing Development	
Table 1:	Estimated Development Costs
Table 2:	Projected Net Sales Revenue
Table 3:	Financially Feasible Inclusionary Housing Requirement

The results of this KMA analysis is presented in Attachment 3: Appendix A – Exhibit II. Based on the results of the land cost reduction analyses, KMA estimated the financially feasible moderate income Inclusionary Housing requirement at 10% of the units in ownership housing projects.

F. IN-LIEU FEE ANALYSES: OWNERSHIP HOUSING DEVELOPMENT

KMA established the recommended in-lieu fee amounts for ownership housing projects using an Affordability Gap methodology. The calculations are based on the Affordability Gap associated with the on-site development of Inclusionary Housing units within market rate ownership housing projects.

The financial feasibility analysis presented in the preceding section of this Financial Evaluation identified a financially feasible Inclusionary Housing set aside of 10% of the units in an ownership housing project. KMA prepared an Affordability Gap analysis based on this assumed set aside.

As shown in Attachment 3: Appendix B – Exhibit II, the weighted average Affordability Gap, and resulting recommended in-lieu fee are as follows:

In-Lieu Fee Analysis Affordability Gap Approach Submarket #1: Ownership Housing Development	
Affordability Gaps	Moderate Income
Per Income Restricted Unit	$270,400
Per Square Foot of GBA	$23.80

The preceding in-lieu fee analysis demonstrates how the differences in market rate sales prices impact the in-lieu fee that would need to be charged in order to be able to create comparable units in an off-site location. This information is provided to assist the City in determining which of the following policy directions to pursue:

1. Should developers of premium priced homes be permitted to pay the in-lieu fee by right?

2. Should the City establish a calculation methodology that is applied on a case-by-case basis for projects that are entitled to make an in-lieu fee payment?

3. Should the in-lieu fee be applied per affordable unit, per unit in a market rate project, or per square foot in a market rate project? This issue is only pertinent if the City decides to set a fixed fee amount in each submarket rather than on a case-by-case basis.

SECTION V: SUBMARKET #2 - INCLUSIONARY HOUSING ANALYSIS

A. BACKGROUND

This Financial Evaluation is being prepared in order to create a recommended Inclusionary Housing program that complies with the following requirements:

1. The requirements cannot be "Confiscatory";

2. The requirements cannot deprive a property owner of a fair and reasonable return on their investment; and

3. The requirements should not act a constraint to development as defined in Section 65583 (a).

As discussed previously, there has been almost no new residential development in Submarket #2 over multiple real estate cycles. In recognition of this fact, it is KMA's opinion that imposing additional requirements on new housing development would further constrain the opportunity to attract residential development in Submarket #2. However, it also KMA's opinion that the City can create an incentive based Inclusionary Housing program in Submarket #2 that has the potential to achieve the following goals:

1. It would encourage residential development in Submarket #2; and

2. It would ensure that affordable housing units are provided in residential projects that make use of the incentives offered by the City.

B. ROLE OF THE SECTION 65915 DENSITY BONUS

In 1979 the State Legislature adopted the Section 65915 density bonus to provide incentives to developers that agree to include affordable housing units in residential development projects. In 2004 the State Legislature adopted Senate Bill (SB) 1818 to significantly increase the benefits

provided by the Section 65915 density bonus. Section 65915 has been amended multiple times between 2008 and 2018, each time to enhance the benefits provided to qualifying projects.

Section 65915 currently provides projects with the following key benefits that are tied to the income restrictions proposed to be imposed on the project:

1. Density bonuses based on a sliding scale ranging from 20% to 35%;

2. The provision of one to three incentives or concessions; and

3. The approval of waivers or reductions in development standards that are necessary to make it physically possible to construct a project with the density bonus and incentives or concessions provided by Section 65915.

The following table summarizes the income standards and density bonus percentages currently provided by Section 65915:

Section 65915 Density Bonus as a Percentage of the Units Allowed by a Site's Base Zoning Standards					
Very Low Income		Low Income		Moderate Income [14]	
% Affordable	Density Bonus	% Affordable	Density Bonus	% Affordable	Density Bonus
5%	20.0%	10%	20.0%	10%	5%
Each 1% increase in the % of very low income units allows for a 2.5% density increase		Each 1% increase in the % of low income units allows for a 1.5% density increase		Each 1% increase in the % of low income units allows for a 1.0% density increase	
11%	35.0%	20%	35.0%	40%	35%

[14] Moderate income units only qualify for a Section 65915 density bonus if they are located in a common interest development of for sale homes.

The number of incentives or concessions available to developers under Section 65915 are scheduled as follows:

Section 65915 Incentive or Concession Benefits			
	Income Restricted Units as a Percentage of the Units Allowed by a Site's Base Zoning Standards		
Number of Incentives or Concessions	Very Low Income Units	Low Income Units	Moderate Income Units
1	5%	10%	10%
2	10%	20%	20%
3	15%	30%	30%

C. INCLUSIONARY HOUSING PROGRAM OPTION: SUBMARKET #2

Based on the lack of new residential development, it can be concluded that the Section 65915 benefits alone are insufficient to attract new residential development to Submarket #2. However, it is KMA's opinion that the Section 65915 provides a good foundation for structuring an incentive program to attract residential development to Submarket #2. To that end, KMA created a proposed Inclusionary Housing program structure for the City's consideration for Submarket #2.

The proposed structure consists of the following key components:

1. Inclusionary Housing requirements should be imposed on the developers of properties who are requesting zoning changes or discretionary approval(s).

2. The program should be focused on the following property types in Submarket #2:

    a. Residentially zoned properties that are located in areas that are compatible with higher density development; and

b. Commercially zoned properties that are not currently zoned for residential development.[15] Particular emphasis should be placed on the following types of sites:

i. Sites that are currently developed with underperforming retail centers that are subject to commercial zoning that prohibits residential development; and

ii. Transit oriented development (TOD) sites.

3. The program should include greater benefits than are provided by the Section 65915 density bonus.[16]

4. To the extent possible, the Inclusionary Housing program production requirements for Submarket #2 should mirror the requirements recommended for Submarket #1.

5. Section 65915 requires the City to provide incentives or concessions that result in identifiable and actual cost reductions, consistent with Section 65915 (k), to provide for affordable housing costs. The incentives and concessions identified in Section 65915 (k) (1-3) are:

a. A reduction in site development standards or a modification of zoning code or architectural design requirements that exceed the minimum building standards approved by the California Building Standards Commission;

b. Approval of mixed-use zoning in conjunction with the housing project if the commercial component will reduce the cost of the housing development and the

[15] Using the floor area ratio (FAR) density conversion standards identified in Section 65917.2, the floor area ratio (FAR) standards imposed on commercially zoned properties should be converted to an allowable density per acre by multiplying the allowable FAR times the number of acres in the site times 2,250.

[16] Section 65915 (n) provides the City with the discretion to offer a density bonus that exceeds the 35% cap identified I Section 65915 (b). This concept was validated by the First Appellate District Court of Appeal in *Friends of Lagoon Valley v. City of Vacaville (2007) 154 Cal. App. 4th 807*.

commercial component is compatible with existing or planned development in the vicinity of the development site; and

c. Other regulatory incentives or concessions proposed by the applicant or the City that comply with the Section 65915 (k) requirements.

Based on the preceding criteria, KMA proposes that the following Inclusionary Housing Program structure be created for Submarket #2. The identified standards reflect the production requirements proposed to be imposed in Submarket #1, and as an incentive they provide higher density bonus percentages than are provided under Section 65915 (b).

Inclusionary Housing Production Analysis Submarket #2 Potential Inclusionary Housing Production Requirements			
Income Level	Affordable Units as a % of Base Zoning	Density Bonus Percentage	Number of Incentives or Concessions
	Rental Residential Projects		
Very Low	11%	50%	3
Low			
Option 1	12%	35%	2
Option 2	20%	50%	3
	Ownership Residential Projects		
Moderate	19%	35%	2

It is important to understand that the City has a great deal of flexibility in establishing Inclusionary Housing standards under an incentive based program. The Inclusionary Housing program described in this section represents a structure that attempts to maximize the potential for attracting residential development to Submarket #2.

SECTION VI: RECOMMENDATIONS

A. THRESHOLD PROJECT SIZE

The majority of Inclusionary Housing programs in California include a threshold project size below which projects are not subject to the affordable housing production requirements. Common thresholds fall between three and 10 units. A number of factors go into the decision of identifying the appropriate threshold project size. Some key issues to be considered are:

1. Four units aligns with the City's existing threshold for Code Enforcement, Tenant Relocation, and Planning regulations.

2. Five units represents the minimum project size that triggers the requirements imposed by the Section 65915 density bonus.

3. A survey of existing Inclusionary Housing programs in California demonstrated a median threshold project size of eight units.

4. A number of members of the City's Inclusionary Housing team have recommended that the threshold project size be set at 10 units.

Each of the identified threshold project sizes has merit. Therefore, it is the City's policy decision to determine the threshold project size that best meets the City's need for affordable housing development.

B. INCLUSIONARY HOUSING PRODUCTION STANDARDS

An Inclusionary Housing program's income and affordability standards should be set at levels that do not constrain residential development. Based on the results of the feasibility evaluations included in this Financial Evaluation, KMA determined that the following Inclusionary Housing production requirements can be supported:

Inclusionary Housing Production Analysis Financially Feasible Inclusionary Housing Percentages Submarket #1	
Alternative	Inclusionary Percentage
Single Income Category Inclusionary Alternatives	
Moderate Income Alternative	19%
Low Income Alternative	12%
Very Low Income Alternative	11%
Mixed Income Category Inclusionary Alternatives	
20% Very Low Income & 80% Low Income	12%
80% Very Low Income & 20% Low Income	11%
30% Low Income & 70% Moderate Income	14%
Ownership Housing Development	
Moderate Income Alternative	10%

All of the standards identified for Submarket #1 in the preceding table comply the financial feasibility test that KMA applied in this Financial Evaluation. The City has discretion to select any of these standards, or to apply a less stringent standard. Given current market and financial conditions, the City should not attempt to apply standards that are more stringent than those identified in the table.

For Submarket #2 the City should consider implementing a program that is focused on incentivizing new residential development. One potential structure is summarized in the following table:

Inclusionary Housing Production Analysis Submarket #2 Potential Inclusionary Housing Production Requirements			
Income Level	Affordable Units as a % of Base Zoning	Density Bonus Percentage	Number of Incentives or Concessions
	Rental Residential Projects		
Very Low	11%	50%	3
Low			
Option 1	12%	35%	2
Option 2	20%	50%	3
	Ownership Residential Projects		
Moderate	19%	35%	2

C. COVENANT PERIODS

Rental Residential Development

KMA recommends that the covenants for Inclusionary Housing rental residential developments should be set at 55 years. Section 65915 also applies this covenant period to density bonus projects.

Ownership Housing Development

KMA recommends that the covenant period for ownership Inclusionary Housing units be set at 45 years. When the Inclusionary Housing unit is originally sold, the home buyer should be required to enter into a covenant agreement with the City. To secure this obligation the home buyer should be required to enter into a loan agreement and deed of trust with the City that

carries an original principal balance that is equal to the Affordability Gap that existed when the home buyer purchased the Inclusionary Housing unit.[17]

KMA recommends that the home buyer loans be structured as follows:

1. When the owner of an Inclusionary Housing unit resells the home, the City loan should become due and payable.

2. The total repayment amount should be set equal to the original principal balance of the City loan plus a share of the equity appreciation.

3. The equity appreciation percentage share can be set equal to the Affordability Gap divided by the fair market value of the home at the time of the initial sale, or it can be based on a sliding scale percentage that decreases over time.

4. The revenue generated by the repayment of the City loans should be deposited into an "Affordable Housing Trust Fund" that will be used to provide assistance to affordable housing activities.

D. OPTIONS FOR FULFILLING INCLUSIONARY HOUSING OBLIGATIONS

Production of Inclusionary Housing Units

1. Inclusionary Housing units constructed on site within a market rate project should be subject to the following standards:

    a. The affordable units should be dispersed throughout the project.

    b. The exterior improvements of the Inclusionary Housing units should be required to be comparable to the market rate units.

[17] The City would not be required to contribute any cash to the transaction. The Net Affordability Gap would have been absorbed by the developer of the project.

c. The bedroom mix provided in the affordable units should be the proportional to the bedroom mix provided for the market rate units. However, at the City's discretion the affordable units could be allowed to smaller in terms of square footage than the market rate units.

d. The affordable units should be required to be developed at the same quality as the base models of the market rate units. The market rate units in a project should be allowed to include enhanced interior improvements as options for the home buyers to purchase.

2. Off-site Inclusionary Housing units should be subject to the following requirements:

a. The proposed location for the off-site production of Inclusionary Housing units should be located in close proximity to the market rate project, and the City should have approval rights over the off-site location.

b. The City may wish to establish a higher Inclusionary Housing percentage requirement on units that are proposed to be provided off site.

c. Irrespective of the tenure of the market rate project, off-site Inclusionary Housing units should be required to be comprised solely of rental residential units.

d. Specific scope, design, building quality and maintenance standards should be reflect the requirements imposed by the base zoning for the proposed development.

In-Lieu Fee Payment Option

The City can allow in-lieu fees to be paid at a developer's discretion, or the City can establish objective criteria under which in-lieu fee payments are allowed. To assist the City in making these determinations, KMA offers the following recommendations:

1. An in-lieu fee payment should be allowed for any fractional Inclusionary Housing unit requirement.

2. Developers of ownership housing projects of any size should be allowed to pay an in-lieu fee by right.

3. Rental residential projects:

    a. Inclusionary Housing requirements have a disproportionate impact on smaller projects, because there are fewer market rate units available to spread the impact created by the income and affordability standards. KMA recommends that an in-lieu fee payment be allowed by right for rental residential projects with up to 20 units.

    b. Rental residential projects developed in Submarket #2 should be required to produce the requisite number of Inclusionary Housing units on site within the market rate project.

    c. Rental residential projects with more than 20 units should be required to produce the requisite number of Inclusionary Housing units. However, the City Council should have the discretion to allow the in-lieu fee to be paid for rental residential projects with more than 20 units that are deemed to exhibit extreme hardship circumstances.

Other Inclusionary Housing Fulfillment Options

As discussed previously, Section 65850 (g) requires the City to offer several defined options for fulfilling the Inclusionary Housing requirements for rental residential projects. The production options and in-lieu fee recommendations were previously identified. The remaining options are land dedications and the acquisition and rehabilitation of existing units.

Land Dedication

KMA recommends that the land dedication option be provided at the discretion of the City Council for both ownership housing and rental residential projects if the following requirements are met:

1. The site has General Plan and zoning designations in place that allow for the development of the requisite number of Inclusionary Housing units; and

2. The developer makes a cash contribution equal to the financial gap exhibited by the project after factoring in the donation of the site at no cost.

Acquisition and Rehabilitation of Existing Units

It is important to understand that the City will not receive RHNA credit for the units included in acquisition and rehabilitation projects, nor can they be listed on the City's Annual Progress Report. However, the City may wish to include an acquisition and rehabilitation option in the Inclusionary Housing program to assist in mitigating the overcrowding and over payment issues experienced by a large number of Long Beach residents.

E. SECTION 65915 DENSITY BONUS

The City's Section 65915 density bonus ordinance does not currently include amendments the State Legislature made between 2006 and 2019. As discussed previously in this Financial Evaluation, the Section 65915 density bonus is intended to reduce the financial impact created by the imposition of Inclusionary Housing requirements. It is KMA's recommendation that the City update Section 21.63 to reflect the Section 65915 density bonus requirements currently being imposed by the State. This update should be undertaken concurrently with the City's adoption of an Inclusionary Housing program.

F. CONDOMINIUM CONVERSION REQUIREMENTS

The City staff has indicated that the majority of rental residential projects being developed in Submarket #1 are obtaining Tentative Maps that allow the developer to sell the units as condominiums at a later date without triggering the City's Condominium Conversion Ordinance terms. It is KMA's recommendation that developers be required to fulfill the rental residential development Inclusionary Housing requirements for mapped projects. If and when the rental residential units are converted to condominiums, the City should require the developer to fulfill one of the following requirements:

1. The developer can maintain the residential rental units as rental Inclusionary Housing unit at the then current Affordable Rents; or

2. The developer can market the Inclusionary Housing units for sale based on the income and affordability level that was imposed when the project was originally constructed; or

3. The developer can relocate the tenants residing in the Inclusionary Housing units under the terms imposed by the Condominium Conversion Ordinance. If this option is selected, the developer must sell the formerly rental residential Inclusionary Housing units to moderate income households at the then current Affordable Sales Price.

G. RECOMMENDED PROGRAM DESIGN

The City should include the following key components in the design of an Inclusionary Housing program:

1. The most successful Inclusionary Housing programs are based on a clear set of administrative procedures. Consistent application of clear guidelines allows developers to factor in the programs' impacts as part of the due diligence process related to property acquisition:

a. The Inclusionary Housing program should be updated at regular intervals to reflect changes in economic and demographic characteristics:

   i. The entire program should be re-evaluated at least every five years.

   ii. To allow in-lieu fees to keep pace with changes in the market place during the intervening periods, the in-lieu fees should be adjusted each year based on the percentage change in new home prices in Los Angeles County as published annually be the Real Estate Research Council (RERC).

b. The City's Administrative Manual should be updated as needed to reflect changes that are made to the Inclusionary Housing program.

2. A staffing plan should be created for managing the development process and the ongoing monitoring of the Inclusionary Housing units once they are built.

ATTACHMENT 1

INCLUSIONARY HOUSING SURVEY
CALIFORNIA PROGRAMS
INCLUSIONARY HOUSING FEASIBILITY STUDY
LONG BEACH, CALIFORNIA

ATTACHMENT 1

INCLUSIONARY HOUSING SURVEY: CALIFORNIA PROGRAMS
INCLUSIONARY HOUSING FEASIBILITY STUDY
LONG BEACH, CALIFORNIA

					Rental Development			Ownership Developent		
Jurisdiction		Compliance Options	Set Aside %	On-site % Varies	Threshold Project Size	% of AMI	Covnenant Period	Threshold Project Size	% of AMI	Covnenant Period
I. Inclusionary Requirements: Rental and For Sale Projects										
Albany		Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land	15%	Yes	5			5		
Avalon		Create on-site units; create off-site units; pay in-lieu fee	20%	No	4		55	4		55
Brea		Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land	10%	No			55		120%	10
Campbell		Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land	15%	No			55		120%	45
Capitola		Create on-site units; pay in-lieu fee	15%	Yes				7	120%	
Colma		Create on-site units; pay in-lieu fee	20%	No	5		55	5		45
Concord		Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee	10%	Yes	5		55	5		45
Contra Costa County	[1]	Create on-site units; create off-site units; pay in-lieu fee; donate land	15%	No	5			5		3
Cupertino		Create on-site units; create off-site units; pay impact/linkage fee; donate land				80%			120%	
Fort Bragg		Create on-site units	20%							
Glendale		Create on-site units; create off-site units; pay in-lieu fee; donate land	15%	No	8	80%	55	8	120%	45
Hayward		Create on-site units; create off-site units; pay in-lieu fee; pay impact/linkage fee; donate land	15%	No	20	80%	55	20	120%	45
Irvine		Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land	15%	No	50		30	50		30
Los Angeles County	[2]	Create on-site units; create off-site units; pay in-lieu fee; substantial rehabilitation; donate land	15%	No		80%	55		120%	45
Los Altos	[1]	Create on-site units; create off-site units	10%	No	10		30	10		30
Menlo Park		Create on-site units; create off-site units; pay in-lieu fee	10%	Yes	5	120%		5	120%	
Nevada County	[1]	Create on-site units; create off-site units		No	20		30	20		30
Pacifica		Create on-site units; create off-site units; pay in-lieu fee; donate land		No	8		55	8		45
Pasadena		Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land	15%	No	10			10	120%	45
Petaluma		Create on-site units; pay in-lieu fee; donate land	15%	No			30			30

					Rental Development			Ownership Developent		
Jurisdiction		Compliance Options	Set Aside %	On-site % Varies	Threshold Project Size	% of AMI	Covnenant Period	Threshold Project Size	% of AMI	Covnenant Period
Pleasanton		Create on-site units; create off-site units; pay in-lieu fee; donate land; credit transfers; other alternate methods of compliance	15%	Yes	15			15		
Redwood City		Create on-site units; create off-site units; preserve or rehab units; pay impact/linkage fee; donate land		No	5		30	5		30
Roseville	2	Create on-site units; pay in-lieu fee		No						
San Bruno		Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land	15%	No	10		55	10		45
San Diego		Create on-site units; create off-site units; pay in-lieu fee; donate land	10%	No		65%	55		100%	
San Diego	2	Create on-site units; create off-site units; donate land	20%	No		65%	55		80%	55
San Jose		Create on-site units; create off-site units; preserve or rehab units; in-lieu fee; donate land; credit transfers	15%	No					120%	
San Juan Capistrano		Create on-site units; create off-site units; preserve or rehab	10%	No	2		55	2		55
San Mateo		Create on-site units	10%	Yes	11	80%		11	120%	45
San Rafael		Create on-site units; pay in-lieu fee	10%	No	2			2	120%	
Santa Cruz	2	Create on-site units; create off-site units; pay in-lieu fee; donate land	10% to 15%	Yes	5	80%	Perpetual	2	120%	Perpetual
Santa Monica		Create on-site units; create off-site units; pay in-lieu fee; donate land	5%	Yes	2		55	2		55
Sonoma		Create on-site units	25%	Yes	5	120%	55	5	120%	55
Sonoma County		Create on-site units; create off-site units; pay in-lieu fee; donate land	20%	Yes		60%	55		80%	30
South San Francisco		Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee	20%	No	4		55	4		55
Sunnyvale		Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee	13%	No		80%			120%	30
Tiburon		Create on-site units; create off-site units; pay in-lieu fee	15%		3			3		
West Hollywood		Create on-site units; create off-site units			2			2		
West Sacramento		Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land	10%	Yes			55		80%	45

II. <u>Inclusionary Requirements: Ownership Projects</u>

ATTACHMENT 1

INCLUSIONARY HOUSING SURVEY: CALIFORNIA PROGRAMS
INCLUSIONARY HOUSING FEASIBILITY STUDY
LONG BEACH, CALIFORNIA

				Rental Development			Ownership Developent		
Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Threshold Project Size	% of AMI	Covnenant Period	Threshold Project Size	% of AMI	Covnenant Period
Alameda	Create on-site units; create off-site units; pay in-lieu fee	5%	No				5		59
Chula Vista	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land		No	50	80%		50	80%	
Danville	Create on-site units; pay in-lieu fee	10%	Yes				7	110%	20
Davis	Create on-site units; preserve or rehab existing housing; pay in-lieu fee; donate land		Yes	5			5	120%	
Emeryville	Create on-site units	20%	No				10	120%	55
Fremont	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land	15%	Yes					110%	30
Huntington Beach	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee	10%	No				3	120%	60
Lafayette [2]	Create on-site units; create off-site units	15%	No				2		45
Mill Valley	Create on-site units	10%	Yes	2	120%	55	4	120%	
Monterey	Create on-site units; donate land	20%	No				6		
Mountain View	Create on-site units; pay in-lieu fee	10%	No				3	100%	55
Rohnert Park	Create on-site units; create off-site units; pay in-lieu fee	15%	No				5		55
San Carlos	Create on-site units; create off-site units; pay in-lieu fee	15%	Yes			55	2		45
San Leandro	Create on-site units; pay in-lieu fee	15%	Yes						55
San Mateo County	Create on-site units; create off-site units; pay in-lieu fee; donate land	20%	No				5		55
Santa Barbara	Create on-site units; pay in-lieu fee; donate land	15%	No				2	160%	90

ATTACHMENT 1

INCLUSIONARY HOUSING SURVEY: CALIFORNIA PROGRAMS
INCLUSIONARY HOUSING FEASIBILITY STUDY
LONG BEACH, CALIFORNIA

					Rental Development			Ownership Developent		
Jurisdiction	Compliance Options	Set Aside %	On-site % Varies		Threshold Project Size	% of AMI	Covnenant Period	Threshold Project Size	% of AMI	Covnenant Period
III. Inclusionary for Ownership Projects & Impact Fee for Rental Projects										
Berkeley	Create on-site units; pay in-lieu fee	20%	No					5	80%	
Dublin	Create on-site units; create off-site units; pay in-lieu fee; donate land	13%	No		20		55	20		55
Emeryville	Create on-site units; pay impact/linkage fee	12%	No				55			
Oxnard	Create on-site units; pay in-lieu fee	10%	No		10		55	10		
Palo Alto	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee	15%	Yes				59			59
San Carlos	Create on-site units; create off-site units; pay impact/linkage fee		Yes				55			
Truckee	[2] Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; pay impact/linkage fee; donate land	15%	No		7			7		
IV. Mandatory Inclusionary for Ownership Projects & Voluntary Inclusionary for Rental Projects										
Pittsburg	Create on-site units; pay in-lieu fee	15%	Yes					5		
Salinas	Create on-site units; create off-site units; donate land	20%	No					10		30
San Juan Bautista	Create on-site units; pay impact/linkage fee	6%								
San Luis Obispo	Create on-site units; pay in-lieu fee; donate land	3%	Yes				55	5		45
San Marcos	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land	15%	No				55		120%	55
Solana Beach	Create on-site units; create off-site units; preserve or rehab existing housing; pay impact/linkage fee	15%	No		5		55	5		45

[1] The program requirements are only applied in designated areas of the jurisdiction.
[2] The program requirements are applied in the entire jurisdiction, but the requirements vary by zones, neighborhood, or districts.

ATTACHMENT 2

RENTAL RESIDENTIAL DEVELOPMENT
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

APPENDIX A

SUBMARKET #1
RENTAL RESIDENTIAL DEVELOPMENT
PRO FORMA ANALYSIS
MARKET RATE ALTERNATIVE
BASE ZONING: 125 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

APPENDIX A - TABLE 1

ESTIMATED DEVELOPMENT COSTS
SUBMARKET #1: RENTAL RESIDENTIAL DEVELOPMENT
MARKET RATE ALTERNATIVE
BASE ZONING: 125 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Property Acquisition Costs**	1	32,870	Sf of Land	$205	/Sf of Land		$6,738,000
II.	**Direct Costs**	2						
	On-Site Improvements/Landscaping		32,870	Sf of Land	$20	/Sf of Land	$657,000	
	Parking	3						
	At-Grade Spaces		0	Spaces	$5,000	/Space	0	
	Above-Ground Podium Spaces		0	Spaces	$25,000	/Space	0	
	1st Level Subterranean		90	Spaces	$35,000	/Space	3,150,000	
	2nd Level Subterranean		92	Spaces	$45,000	/Space	4,140,000	
	Building Costs		106,312	Sf of GBA	$125	/Sf of GBA	13,289,000	
	Contractor/DC Contingency Allow		20%	Other Direct Costs			4,247,000	
	Total Direct Costs		106,312	Sf of GBA	$240	/Sf of GBA		$25,483,000
III.	**Indirect Costs**							
	Architecture, Engineering & Consulting		8%	Direct Costs			$2,039,000	
	Public Permits & Fees	4	94	Units	$20,000	/Unit	1,880,000	
	Taxes, Insurance, Legal & Accounting		3%	Direct Costs			764,000	
	Marketing		94	Units	$5,000	/Unit	470,000	
	Developer Fee		5%	Direct Costs			1,274,000	
	Soft Cost Contingency Allowance		5%	Other Indirect Costs			321,000	
	Total Indirect Costs							$6,748,000
IV.	**Financing Costs**							
	Interest During Construction							
	Land	5	$6,738,000	Cost	3.6%	Avg Rate	$364,000	
	Construction	6	$34,194,000	Cost	3.6%	Avg Rate	1,108,000	
	Loan Origination Fees		60%	Loan to Cost	2.0	Points	491,000	
	Total Financing Costs							$1,963,000
V.	**Total Construction Cost**		94	Units	$364,000	/Unit		$34,194,000
	Total Development Cost		94	Units	$435,000	/Unit		$40,932,000

1 Estimated based on a survey of the sales of residentially zoned land in the SUBMARKET between 2016 and 2018.
2 Based on the estimated costs for similar uses.
3 Based on 1.5 spaces for Studio Units; 1.5 spaces for One-Bedroom Units; 2.0 spaces for Two-Bedroom Units; 2.0 spaces for Three-Bedroom Units; and 0.25 spaces per unit for guest parking.
4 Based on estimates prepared for other projects within Long Beach.
5 Based on an 18 month construction period and a 60% average outstanding loan balance.
6 Based on an 18 month construction period and a 60% average outstanding loan balance.

APPENDIX A - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME
SUBMARKET #1: RENTAL RESIDENTIAL DEVELOPMENT
MARKET RATE ALTERNATIVE
BASE ZONING: 125 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Gross Income**					
	A. Market Rate Units [1]					
	Studio Units	12	Units @	$2,569	/Unit/Month	$370,000	
	One-Bedroom Units	48	Units @	$2,620	/Unit/Month	1,509,000	
	Two-Bedroom Units	34	Units @	$3,304	/Unit/Month	1,348,000	
	Three-Bedroom Units	0	Units @	$0	/Unit/Month	0	
	B. Laundry & Miscellaneous Income	94	Units @	$25	/Unit/Month	28,000	
	Total Gross Income						$3,255,000
	Vacancy & Collection Allowance	5%	Gross Income				(163,000)
II.	**Effective Gross Income**						$3,092,000
III.	**Operating Expenses**						
	General Operating Expenses	94	Units @	$4,500	/Unit	$423,000	
	Property Taxes	94	Units @	$4,700	/Unit	443,000	
	Replacement Reserve Deposits	94	Units @	$150	/Unit	14,000	
	Total Operating Expenses						($880,000)
IV.	**Stabilized Net Operating Income**						$2,212,000

[1] Based on the rent survey presented in APPENDIX E - EXHIBIT I. The weighted average monthly rent equates to $3.16 per square foot of leasable area.

APPENDIX A - TABLE 3

ESTIMATED DEVELOPER RETURN
SUBMARKET #1: RENTAL RESIDENTIAL DEVELOPMENT
MARKET RATE ALTERNATIVE
BASE ZONING: 125 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Stabilized Net Operating Income**	See APPENDIX A - TABLE 2	$2,212,000
II.	**Total Development Cost**	See APPENDIX A - TABLE 1	$40,932,000
III.	**Return on Total Investment**		5.4%

APPENDIX B

SUBMARKET #1
RENTAL RESIDENTIAL DEVELOPMENT
PRO FORMA ANALYSES
SINGLE INCOME CATEGORY INCLUSIONARY ALTERNATIVES
CURRENT ZONING ALTERNATIVES
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

APPENDIX B - EXHIBIT I

SUBMARKET #1
RENTAL RESIDENTIAL DEVELOPMENT
PRO FORMA ANALYSES
MODERATE INCOME ALTERNATIVE: INCLUSIONARY PERCENTAGE @ 19.3%
CURRENT ZONING: 185 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

APPENDIX B - EXHIBIT I - TABLE 1

ESTIMATED DEVELOPMENT COSTS
SUBMARKET #1: RENTAL RESIDENTIAL DEVELOPMENT
MODERATE INCOME ALTERNATIVE: INCLUSIONARY PERCENTAGE @ 19.3%
CURRENT ZONING: 185 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Property Acquisition Costs**	1	32,870	Sf of Land	$205	/Sf of Land		$6,738,000
II.	**Direct Costs**	2						
	On-Site Improvements/Landscaping		32,870	Sf of Land	$20	/Sf of Land	$657,000	
	Parking	3						
	At-Grade Spaces		0	Spaces	$5,000	/Space	0	
	Above-Ground Podium Spaces		0	Spaces	$25,000	/Space	0	
	1st Level Subterranean		90	Spaces	$35,000	/Space	3,150,000	
	2nd Level Subterranean		85	Spaces	$45,000	/Space	3,825,000	
	Building Costs		158,936	Sf of GBA	$150	/Sf of GBA	23,840,000	
	Contractor/DC Contingency Allow		20%	Other Direct Costs			6,294,000	
	Total Direct Costs		158,936	Sf of GBA	$238	/Sf of GBA		$37,766,000
III.	**Indirect Costs**							
	Architecture, Engineering & Consulting		8%	Direct Costs			$3,021,000	
	Public Permits & Fees	4	140	Units	$20,000	/Unit	2,800,000	
	Taxes, Insurance, Legal & Accounting		3%	Direct Costs			1,133,000	
	Marketing		140	Units	$5,000	/Unit	700,000	
	Developer Fee		5%	Direct Costs			1,888,000	
	Soft Cost Contingency Allowance		5%	Other Indirect Costs			477,000	
	Total Indirect Costs							$10,019,000
IV.	**Financing Costs**							
	Interest During Construction							
	Land	5	$6,738,000	Cost	3.6%	Avg Rate	$364,000	
	Construction	6	$50,470,000	Cost	3.6%	Avg Rate	1,635,000	
	Loan Origination Fees		60%	Loan to Cost	2.0	Points	686,000	
	Total Financing Costs							$2,685,000
V.	**Total Construction Cost**		140	Units	$361,000	/Unit		$50,470,000
	Total Development Cost		140	Units	$409,000	/Unit		$57,208,000

1 Estimated based on a survey of the sales of residentially zoned land in the SUBMARKET between 2016 and 2018.
2 Based on the estimated costs for similar uses.
3 Based on 1.0 space for Studio Units; 1.0 space for One-Bedroom Units; 1.0 space for Two-Bedroom Units; 1.0 space for Three-Bedroom Units; and 0.25 spaces per unit for guest parking.
4 Based on estimates prepared for other projects within Long Beach.
5 Based on an 18 month construction period and a 100% average outstanding loan balance.
6 Based on an 18 month construction period and a 60% average outstanding loan balance.

APPENDIX B - EXHIBIT I - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME
SUBMARKET #1: RENTAL RESIDENTIAL DEVELOPMENT
MODERATE INCOME ALTERNATIVE: INCLUSIONARY PERCENTAGE @ 19.3%
CURRENT ZONING: 185 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Gross Income**						
	A. Market Rate Units [1]						
	Studio Units	14	Units @	$2,569	/Unit/Month	$432,000	
	One-Bedroom Units	57	Units @	$2,620	/Unit/Month	1,792,000	
	Two-Bedroom Units	42	Units @	$3,304	/Unit/Month	1,665,000	
	Three-Bedroom Units	0	Units @	$0	/Unit/Month	0	
	B. Inclusionary Units [2]						
	Studio Units	3	Units @	$1,373	/Unit/Month	49,000	
	One-Bedroom Units	14	Units @	$1,569	/Unit/Month	264,000	
	Two-Bedroom Units	10	Units @	$1,753	/Unit/Month	210,000	
	Three-Bedroom Units	0	Units @	$1,939	/Unit/Month	0	
	C. Laundry & Miscellaneous Income	140	Units @	$25	/Unit/Month	42,000	
	Total Gross Income						$4,454,000
	Vacancy & Collection Allowance	5%	Gross Income				(223,000)
II.	**Effective Gross Income**						$4,231,000
III.	**Operating Expenses**						
	General Operating Expenses	140	Units @	$4,500	/Unit	$630,000	
	Property Taxes	140	Units @	$4,300	/Unit	597,000	
	Replacement Reserve Deposits	140	Units @	$150	/Unit	21,000	
	Total Operating Expenses						($1,248,000)
IV.	**Stabilized Net Operating Income**						$2,983,000

[1] Based on the rent survey presented in APPENDIX E - EXHIBIT I. The weighted average monthly rent equates to $3.16 per square foot of leasable area.

[2] The Inclusionary rent calculations are based on household income at 110% of AMI, with 30% of income allotted to housing related expenses. See APPENDIX D - EXHIBIT I.

APPENDIX B - EXHIBIT I - TABLE 3

INCLUSIONARY HOUSING IMPACTS
SUBMARKET #1: RENTAL RESIDENTIAL DEVELOPMENT
MODERATE INCOME ALTERNATIVE: INCLUSIONARY PERCENTAGE @ 19.3%
CURRENT ZONING: 185 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Supportable Investment**			
	Stabilized Net Operating Income	See APPENDIX B - EXHIBIT I - TABLE 2	$2,983,000	
	Threshold Return on Total Investment [1]		5.4%	
	Total Supportable Investment			$55,199,000
II.	**Total Development Cost**	See APPENDIX B - EXHIBIT I - TABLE 1		$57,208,000

III.	**Total Financial Gap**			($2,009,000)
	Feasible Inclusionary Percentage	19.3%		
	As a % of Land Value	30%	Decrease	
	Effective Developer Return	5.2%	Return on Total Investment	

[1] Based on the Developer Return estimated to be generated by the BASE ZONING: 125 UNITS PER ACRE SCENARIO: MARKET RATE ALTERNATIVE.

APPENDIX B - EXHIBIT II

SUBMARKET #1
RENTAL RESIDENTIAL DEVELOPMENT
PRO FORMA ANALYSES
LOW INCOME ALTERNATIVE: INCLUSIONARY PERCENTAGE @ 12.1%
CURRENT ZONING: 185 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

APPENDIX B - EXHIBIT II - TABLE 1

ESTIMATED DEVELOPMENT COSTS
SUBMARKET #1: RENTAL RESIDENTIAL DEVELOPMENT
LOW INCOME ALTERNATIVE: INCLUSIONARY PERCENTAGE @ 12.1%
CURRENT ZONING: 185 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Property Acquisition Costs**	1	32,870	Sf of Land	$205	/Sf of Land		$6,738,000
II.	**Direct Costs**	2						
	On-Site Improvements/Landscaping		32,870	Sf of Land	$20	/Sf of Land	$657,000	
	Parking	3						
	At-Grade Spaces		0	Spaces	$5,000	/Space	0	
	Above-Ground Podium Spaces		0	Spaces	$25,000	/Space	0	
	1st Level Subterranean		90	Spaces	$35,000	/Space	3,150,000	
	2nd Level Subterranean		85	Spaces	$45,000	/Space	3,825,000	
	Building Costs		158,936	Sf of GBA	$150	/Sf of GBA	23,840,000	
	Contractor/DC Contingency Allow		20%	Other Direct Costs			6,294,000	
	Total Direct Costs		158,936	Sf of GBA	$238	/Sf of GBA		$37,766,000
III.	**Indirect Costs**							
	Architecture, Engineering & Consulting		8%	Direct Costs			$3,021,000	
	Public Permits & Fees	4	140	Units	$19,320	/Unit	2,705,000	
	Taxes, Insurance, Legal & Accounting		3%	Direct Costs			1,133,000	
	Marketing		140	Units	$5,000	/Unit	700,000	
	Developer Fee		5%	Direct Costs			1,888,000	
	Soft Cost Contingency Allowance		5%	Other Indirect Costs			472,000	
	Total Indirect Costs							$9,919,000
IV.	**Financing Costs**							
	Interest During Construction							
	Land	5	$6,738,000	Cost	3.6%	Avg Rate	$364,000	
	Construction	6	$50,366,000	Cost	3.6%	Avg Rate	1,632,000	
	Loan Origination Fees		60%	Loan to Cost	2.0	Points	685,000	
	Total Financing Costs							$2,681,000
V.	**Total Construction Cost**		140	Units	$360,000	/Unit		$50,366,000
	Total Development Cost		140	Units	$408,000	/Unit		$57,104,000

1 Estimated based on a survey of the sales of residentially zoned land in the SUBMARKET between 2016 and 2018.
2 Based on the estimated costs for similar uses.
3 Based on 1.0 space for Studio Units; 1.0 space for One-Bedroom Units; 1.0 space for Two-Bedroom Units; 1.0 space for Three-Bedroom Units; and 0.25 spaces per unit for guest parking.
4 Based on estimates prepared for other projects within Long Beach. Includes a fee waiver set at $5,603 per unit for very low and low income units.
5 Based on an 18 month construction period and a 100% average outstanding loan balance.
6 Based on an 18 month construction period and a 60% average outstanding loan balance.

APPENDIX B - EXHIBIT II - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME
SUBMARKET #1: RENTAL RESIDENTIAL DEVELOPMENT
LOW INCOME ALTERNATIVE: INCLUSIONARY PERCENTAGE @ 12.1%
CURRENT ZONING: 185 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Gross Income**						
	A. Market Rate Units [1]						
	Studio Units	15	Units @	$2,569	/Unit/Month	$462,000	
	One-Bedroom Units	62	Units @	$2,620	/Unit/Month	1,949,000	
	Two-Bedroom Units	46	Units @	$3,304	/Unit/Month	1,824,000	
	Three-Bedroom Units	0	Units @	$0	/Unit/Month	0	
	B. Inclusionary Units [2]						
	Studio Units	2	Units @	$733	/Unit/Month	18,000	
	One-Bedroom Units	9	Units @	$838	/Unit/Month	90,000	
	Two-Bedroom Units	6	Units @	$930	/Unit/Month	67,000	
	Three-Bedroom Units	0	Units @	$1,026	/Unit/Month	0	
	C. Laundry & Miscellaneous Income	140	Units @	$25	/Unit/Month	42,000	
	Total Gross Income						$4,452,000
	Vacancy & Collection Allowance	5%	Gross Income				(223,000)
II.	**Effective Gross Income**						$4,229,000
III.	**Operating Expenses**						
	General Operating Expenses	140	Units @	$4,500	/Unit	$630,000	
	Property Taxes	140	Units @	$4,300	/Unit	596,000	
	Replacement Reserve Deposits	140	Units @	$150	/Unit	21,000	
	Total Operating Expenses						($1,247,000)
IV.	**Stabilized Net Operating Income**						$2,982,000

[1] Based on the rent survey presented in APPENDIX E - EXHIBIT I. The weighted average monthly rent equates to $3.16 per square foot of leasable area.

[2] The Inclusionary rent calculations are based on household income at 60% of AMI, with 30% of income allotted to housing related expenses. See APPENDIX D - EXHIBIT I.

APPENDIX B - EXHIBIT II - TABLE 3

INCLUSIONARY HOUSING IMPACTS
SUBMARKET #1: RENTAL RESIDENTIAL DEVELOPMENT
LOW INCOME ALTERNATIVE: INCLUSIONARY PERCENTAGE @ 12.1%
CURRENT ZONING: 185 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Supportable Investment**			
	Stabilized Net Operating Income	See APPENDIX B - EXHIBIT II - TABLE 2	$2,982,000	
	Threshold Return on Total Investment [1]		5.4%	
	Total Supportable Investment			$55,180,000
II.	**Total Development Cost**	See APPENDIX B - EXHIBIT II - TABLE 1		$57,104,000
III.	**Total Financial Gap**			($1,924,000)
	Feasible Inclusionary Percentage		12.1%	
	As a % of Land Value		29% Decrease	
	Effective Developer Return		5.2% Return on Total Investment	

[1] Based on the Developer Return estimated to be generated by the BASE ZONING: 125 UNITS PER ACRE SCENARIO: MARKET RATE ALTERNATIVE.

APPENDIX B - EXHIBIT III

SUBMARKET #1
RENTAL RESIDENTIAL DEVELOPMENT
PRO FORMA ANALYSES
VERY LOW INCOME ALTERNATIVE: INCLUSIONARY PERCENTAGE @ 11.4%
CURRENT ZONING: 185 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

APPENDIX B - EXHIBIT III - TABLE 1

ESTIMATED DEVELOPMENT COSTS
SUBMARKET #1: RENTAL RESIDENTIAL DEVELOPMENT
VERY LOW INCOME ALTERNATIVE: INCLUSIONARY PERCENTAGE @ 11.4%
CURRENT ZONING: 185 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Property Acquisition Costs**	1	32,870	Sf of Land	$205	/Sf of Land		$6,738,000
II.	**Direct Costs**	2						
	On-Site Improvements/Landscaping		32,870	Sf of Land	$20	/Sf of Land	$657,000	
	Parking	3						
	At-Grade Spaces		0	Spaces	$5,000	/Space	0	
	Above-Ground Podium Spaces		0	Spaces	$25,000	/Space	0	
	1st Level Subterranean		90	Spaces	$35,000	/Space	3,150,000	
	2nd Level Subterranean		85	Spaces	$45,000	/Space	3,825,000	
	Building Costs		158,936	Sf of GBA	$150	/Sf of GBA	23,840,000	
	Contractor/DC Contingency Allow		20%	Other Direct Costs			6,294,000	
	Total Direct Costs		158,936	Sf of GBA	$238	/Sf of GBA		$37,766,000
III.	**Indirect Costs**							
	Architecture, Engineering & Consulting		8%	Direct Costs			$3,021,000	
	Public Permits & Fees	4	140	Units	$19,360	/Unit	2,710,000	
	Taxes, Insurance, Legal & Accounting		3%	Direct Costs			1,133,000	
	Marketing		140	Units	$5,000	/Unit	700,000	
	Developer Fee		5%	Direct Costs			1,888,000	
	Soft Cost Contingency Allowance		5%	Other Indirect Costs			473,000	
	Total Indirect Costs							$9,925,000
IV.	**Financing Costs**							
	Interest During Construction							
	Land	5	$6,738,000	Cost	3.6%	Avg Rate	$364,000	
	Construction	6	$50,372,000	Cost	3.6%	Avg Rate	1,632,000	
	Loan Origination Fees		60%	Loan to Cost	2.0	Points	685,000	
	Total Financing Costs							$2,681,000
V.	**Total Construction Cost**		140	Units	$360,000	/Unit		$50,372,000
	Total Development Cost		140	Units	$408,000	/Unit		$57,110,000

1 Estimated based on a survey of the sales of residentially zoned land in the SUBMARKET between 2016 and 2018.
2 Based on the estimated costs for similar uses.
3 Based on 1.0 space for Studio Units; 1.0 space for One-Bedroom Units; 1.0 space for Two-Bedroom Units; 1.0 space for Three-Bedroom Units; and 0.25 spaces per unit for guest parking.
4 Based on estimates prepared for other projects within Long Beach. Includes a fee waiver set at $5,603 per unit for very low and low income units.
5 Based on an 18 month construction period and a 100% average outstanding loan balance.
6 Based on an 18 month construction period and a 60% average outstanding loan balance.

APPENDIX B - EXHIBIT III - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME
SUBMARKET #1: RENTAL RESIDENTIAL DEVELOPMENT
VERY LOW INCOME ALTERNATIVE: INCLUSIONARY PERCENTAGE @ 11.4%
CURRENT ZONING: 185 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Gross Income**						
	A. Market Rate Units [1]						
	Studio Units	15	Units @	$2,569	/Unit/Month	$462,000	
	One-Bedroom Units	63	Units @	$2,620	/Unit/Month	1,981,000	
	Two-Bedroom Units	46	Units @	$3,304	/Unit/Month	1,824,000	
	Three-Bedroom Units	0	Units @	$0	/Unit/Month	0	
	B. Inclusionary Units [2]						
	Studio Units	2	Units @	$605	/Unit/Month	15,000	
	One-Bedroom Units	8	Units @	$691	/Unit/Month	66,000	
	Two-Bedroom Units	6	Units @	$766	/Unit/Month	55,000	
	Three-Bedroom Units	0	Units @	$843	/Unit/Month	0	
	C. Laundry & Miscellaneous Income	140	Units @	$25	/Unit/Month	42,000	
	Total Gross Income						$4,445,000
	Vacancy & Collection Allowance	5%	Gross Income				(222,000)
II.	**Effective Gross Income**						$4,223,000
III.	**Operating Expenses**						
	General Operating Expenses	140	Units @	$4,500	/Unit	$630,000	
	Property Taxes	140	Units @	$4,300	/Unit	595,000	
	Replacement Reserve Deposits	140	Units @	$150	/Unit	21,000	
	Total Operating Expenses						($1,246,000)
IV.	**Stabilized Net Operating Income**						$2,977,000

[1] Based on the rent survey presented in APPENDIX E - EXHIBIT I. The weighted average monthly rent equates to $3.16 per square foot of leasable area.

[2] The Inclusionary rent calculations are based on household income at 50% of AMI, with 30% of income allotted to housing related expenses. See APPENDIX D - EXHIBIT I.

APPENDIX B - EXHIBIT III - TABLE 3

INCLUSIONARY HOUSING IMPACTS
SUBMARKET #1: RENTAL RESIDENTIAL DEVELOPMENT
VERY LOW INCOME ALTERNATIVE: INCLUSIONARY PERCENTAGE @ 11.4%
CURRENT ZONING: 185 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Supportable Investment**			
	Stabilized Net Operating Income	See APPENDIX B - EXHIBIT III - TABLE 2	$2,977,000	
	Threshold Return on Total Investment [1]		5.4%	
	Total Supportable Investment			$55,088,000
II.	**Total Development Cost**	See APPENDIX B - EXHIBIT III - TABLE 1		$57,110,000
III.	**Total Financial Gap**			($2,022,000)
	Feasible Inclusionary Percentage	11.4%		
	As a % of Land Value	30%	Decrease	
	Effective Developer Return	5.2%	Return on Total Investment	

[1] Based on the Developer Return estimated to be generated by the BASE ZONING: 125 UNITS PER ACRE SCENARIO: MARKET RATE ALTERNATIVE.

APPENDIX C

SUBMARKET #1
RENTAL RESIDENTIAL DEVELOPMENT
PRO FORMA ANALYSES
MIXED INCOME INCLUSIONARY ALTERNATIVES
CURRENT ZONING ALTERNATIVES
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

APPENDIX C - EXHIBIT I

SUBMARKET #1
RENTAL RESIDENTIAL DEVELOPMENT
PRO FORMA ANALYSES
MIXED INCOME INCLUSIONARY ALTERNATIVES
20% VERY LOW INCOME UNITS & 80% LOW INCOME UNITS
INCLUSIONARY PERCENTAGE @ 12.1%
CURRENT ZONING: 185 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

APPENDIX C - EXHIBIT I - TABLE 1

ESTIMATED DEVELOPMENT COSTS
SUBMARKET #1: RENTAL RESIDENTIAL DEVELOPMENT
MIXED INCOME INCLUSIONARY ALTERNATIVES
20% VERY LOW INCOME UNITS & 80% LOW INCOME UNITS - INCLUSIONARY PERCENTAGE @ 12.1%
CURRENT ZONING: 185 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Property Acquisition Costs**	1	32,870	Sf of Land	$205	/Sf of Land		$6,738,000
II.	**Direct Costs**	2						
	On-Site Improvements/Landscaping		32,870	Sf of Land	$20	/Sf of Land	$657,000	
	Parking	3						
	At-Grade Spaces		0	Spaces	$5,000	/Space	0	
	Above-Ground Podium Spaces		0	Spaces	$25,000	/Space	0	
	1st Level Subterranean		90	Spaces	$35,000	/Space	3,150,000	
	2nd Level Subterranean		85	Spaces	$45,000	/Space	3,825,000	
	Building Costs		158,936	Sf of GBA	$150	/Sf of GBA	23,840,000	
	Contractor/DC Contingency Allow		20%	Other Direct Costs			6,294,000	
	Total Direct Costs		158,936	Sf of GBA	$238	/Sf of GBA		$37,766,000
III.	**Indirect Costs**							
	Architecture, Engineering & Consulting		8%	Direct Costs			$3,021,000	
	Public Permits & Fees	4	140	Units	$19,320	/Unit	2,705,000	
	Taxes, Insurance, Legal & Accounting		3%	Direct Costs			1,133,000	
	Marketing		140	Units	$5,000	/Unit	700,000	
	Developer Fee		5%	Direct Costs			1,888,000	
	Soft Cost Contingency Allowance		5%	Other Indirect Costs			472,000	
	Total Indirect Costs							$9,919,000
IV.	**Financing Costs**							
	Interest During Construction							
	Land	5	$6,738,000	Cost	3.6%	Avg Rate	$364,000	
	Construction	6	$50,366,000	Cost	3.6%	Avg Rate	1,632,000	
	Loan Origination Fees		60%	Loan to Cost	2.0	Points	685,000	
	Total Financing Costs							$2,681,000
V.	**Total Construction Cost**		140	Units	$360,000	/Unit		$50,366,000
	Total Development Cost		140	Units	$408,000	/Unit		$57,104,000

1 Estimated based on a survey of the sales of residentially zoned land in the SUBMARKET between 2016 and 2018.
2 Based on the estimated costs for similar uses.
3 Based on 1.0 space for Studio Units; 1.0 space for One-Bedroom Units; 1.0 space for Two-Bedroom Units; 1.0 space for Three-Bedroom Units; and 0.25 spaces per unit for guest parking.
4 Based on estimates prepared for other projects within Long Beach. Includes a fee waiver set at $5,603 per unit for very low and low income units.
5 Based on an 18 month construction period and a 100% average outstanding loan balance.
6 Based on an 18 month construction period and a 60% average outstanding loan balance.

APPENDIX C - EXHIBIT I - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME
SUBMARKET #1: RENTAL RESIDENTIAL DEVELOPMENT
MIXED INCOME INCLUSIONARY ALTERNATIVES
20% VERY LOW INCOME UNITS & 80% LOW INCOME UNITS - INCLUSIONARY PERCENTAGE @ 12.1%
CURRENT ZONING: 185 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Gross Income**						
	A. Market Rate Units	[1]					
	Studio Units		15	Units @	$2,569 /Unit/Month	$462,000	
	One-Bedroom Units		62	Units @	$2,620 /Unit/Month	1,949,000	
	Two-Bedroom Units		46	Units @	$3,304 /Unit/Month	1,824,000	
	Three-Bedroom Units		0	Units @	$0 /Unit/Month	0	
	B. Inclusionary Units						
	Very Low Income	[2]					
	Studio Units		0	Units @	$605 /Unit/Month	0	
	One-Bedroom Units		2	Units @	$691 /Unit/Month	17,000	
	Two-Bedroom Units		1	Unit @	$766 /Unit/Month	9,000	
	Three-Bedroom Units		0	Units @	$843 /Unit/Month	0	
	Low Income	[3]					
	Studio Units		2	Units @	$733 /Unit/Month	18,000	
	One-Bedroom Units		7	Units @	$838 /Unit/Month	70,000	
	Two-Bedroom Units		5	Units @	$930 /Unit/Month	56,000	
	Three-Bedroom Units		0	Units @	$1,026 /Unit/Month	0	
	C. Laundry & Miscellaneous Income		140	Units @	$25 /Unit/Month	42,000	
	Total Gross Income						$4,447,000
	Vacancy & Collection Allowance		5%	Gross Income			(222,000)
II.	**Effective Gross Income**						$4,225,000
III.	**Operating Expenses**						
	General Operating Expenses		140	Units @	$4,500 /Unit	$630,000	
	Property Taxes		140	Units @	$4,300 /Unit	596,000	
	Replacement Reserve Deposits		140	Units @	$150 /Unit	21,000	
	Total Operating Expenses						($1,247,000)
IV.	**Stabilized Net Operating Income**						$2,978,000

[1] Based on the rent survey presented in APPENDIX E - EXHIBIT I. The weighted average monthly rent equates to $3.16 per square foot of leasable area.

[2] The Inclusionary rent calculations are based on household income at 50% of AMI, with 30% of income allotted to housing related expenses. See APPENDIX D - EXHIBIT I.

[3] The Inclusionary rent calculations are based on household income at 60% of AMI, with 30% of income allotted to housing related expenses. See APPENDIX D - EXHIBIT I.

APPENDIX C - EXHIBIT I - TABLE 3

INCLUSIONARY HOUSING IMPACTS
SUBMARKET #1: RENTAL RESIDENTIAL DEVELOPMENT
MIXED INCOME INCLUSIONARY ALTERNATIVES
20% VERY LOW INCOME UNITS & 80% LOW INCOME UNITS - INCLUSIONARY PERCENTAGE @ 12.1%
CURRENT ZONING: 185 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Supportable Investment**			
	Stabilized Net Operating Income	See APPENDIX C - EXHIBIT I - TABLE 2	$2,978,000	
	Threshold Return on Total Investment [1]		5.4%	
	Total Supportable Investment			$55,106,000
II.	**Total Development Cost**	See APPENDIX C - EXHIBIT I - TABLE 1		$57,104,000

III.	**Total Financial Gap**			($1,998,000)
	Feasible Inclusionary Percentage	12.1%		
	As a % of Land Value	30%	Decrease	
	Effective Developer Return	5.2%	Return on Total Investment	

[1] Based on the Developer Return estimated to be generated by the BASE ZONING: 125 UNITS PER ACRE SCENARIO: MARKET RATE ALTERNATIVE.

APPENDIX C - EXHIBIT II

SUBMARKET #1
RENTAL RESIDENTIAL DEVELOPMENT
PRO FORMA ANALYSES
MIXED INCOME INCLUSIONARY ALTERNATIVES
80% VERY LOW INCOME UNITS & 20% LOW INCOME UNITS
INCLUSIONARY PERCENTAGE @ 11.4%
CURRENT ZONING: 185 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

APPENDIX C - EXHIBIT II - TABLE 1

ESTIMATED DEVELOPMENT COSTS
SUBMARKET #1: RENTAL RESIDENTIAL DEVELOPMENT
MIXED INCOME INCLUSIONARY ALTERNATIVES
80% VERY LOW INCOME UNITS & 20% LOW INCOME UNITS - INCLUSIONARY PERCENTAGE @ 11.4%
CURRENT ZONING: 185 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Property Acquisition Costs**	1	32,870	Sf of Land	$205	/Sf of Land		$6,738,000
II.	**Direct Costs**	2						
	On-Site Improvements/Landscaping		32,870	Sf of Land	$20	/Sf of Land	$657,000	
	Parking	3						
	At-Grade Spaces		0	Spaces	$5,000	/Space	0	
	Above-Ground Podium Spaces		0	Spaces	$25,000	/Space	0	
	1st Level Subterranean		90	Spaces	$35,000	/Space	3,150,000	
	2nd Level Subterranean		85	Spaces	$45,000	/Space	3,825,000	
	Building Costs		158,936	Sf of GBA	$150	/Sf of GBA	23,840,000	
	Contractor/DC Contingency Allow		20%	Other Direct Costs			6,294,000	
	Total Direct Costs		158,936	Sf of GBA	$238	/Sf of GBA		$37,766,000
III.	**Indirect Costs**							
	Architecture, Engineering & Consulting		8%	Direct Costs			$3,021,000	
	Public Permits & Fees	4	140	Units	$19,360	/Unit	2,710,000	
	Taxes, Insurance, Legal & Accounting		3%	Direct Costs			1,133,000	
	Marketing		140	Units	$5,000	/Unit	700,000	
	Developer Fee		5%	Direct Costs			1,888,000	
	Soft Cost Contingency Allowance		5%	Other Indirect Costs			473,000	
	Total Indirect Costs							$9,925,000
IV.	**Financing Costs**							
	Interest During Construction							
	Land	5	$6,738,000	Cost	3.6%	Avg Rate	$364,000	
	Construction	6	$50,372,000	Cost	3.6%	Avg Rate	1,632,000	
	Loan Origination Fees		60%	Loan to Cost	2.0	Points	685,000	
	Total Financing Costs							$2,681,000
V.	**Total Construction Cost**		140	Units	$360,000	/Unit		$50,372,000
	Total Development Cost		140	Units	$408,000	/Unit		$57,110,000

1 Estimated based on a survey of the sales of residentially zoned land in the SUBMARKET between 2016 and 2018.
2 Based on the estimated costs for similar uses.
3 Based on 1.0 space for Studio Units; 1.0 space for One-Bedroom Units; 1.0 space for Two-Bedroom Units; 1.0 space for Three-Bedroom Units; and 0.25 spaces per unit for guest parking.
4 Based on estimates prepared for other projects within Long Beach. Includes a fee waiver set at $5,603 per unit for very low and low income units.
5 Based on an 18 month construction period and a 100% average outstanding loan balance.
6 Based on an 18 month construction period and a 60% average outstanding loan balance.

APPENDIX C - EXHIBIT II - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME
SUBMARKET #1: RENTAL RESIDENTIAL DEVELOPMENT
MIXED INCOME INCLUSIONARY ALTERNATIVES
80% VERY LOW INCOME UNITS & 20% LOW INCOME UNITS - INCLUSIONARY PERCENTAGE @ 11.4%
CURRENT ZONING: 185 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Gross Income**						
	A. Market Rate Units	[1]					
	Studio Units		15	Units @	$2,569	/Unit/Month	$462,000
	One-Bedroom Units		63	Units @	$2,620	/Unit/Month	1,981,000
	Two-Bedroom Units		46	Units @	$3,304	/Unit/Month	1,824,000
	Three-Bedroom Units		0	Units @	$0	/Unit/Month	0
	B. Inclusionary Units						
	Very Low Income	[2]					
	Studio Units		2	Units @	$605	/Unit/Month	15,000
	One-Bedroom Units		6	Units @	$691	/Unit/Month	50,000
	Two-Bedroom Units		5	Units @	$766	/Unit/Month	46,000
	Three-Bedroom Units		0	Units @	$843	/Unit/Month	0
	Low Income	[3]					
	Studio Units		0	Units @	$733	/Unit/Month	0
	One-Bedroom Units		2	Units @	$838	/Unit/Month	20,000
	Two-Bedroom Units		1	Unit @	$930	/Unit/Month	11,000
	Three-Bedroom Units		0	Units @	$1,026	/Unit/Month	0
	C. Laundry & Miscellaneous Income		140	Units @	$25	/Unit/Month	42,000
	Total Gross Income						$4,451,000
	Vacancy & Collection Allowance		5%	Gross Income			(223,000)
II.	**Effective Gross Income**						$4,228,000
III.	**Operating Expenses**						
	General Operating Expenses		140	Units @	$4,500	/Unit	$630,000
	Property Taxes		140	Units @	$4,300	/Unit	596,000
	Replacement Reserve Deposits		140	Units @	$150	/Unit	21,000
	Total Operating Expenses						($1,247,000)
IV.	**Stabilized Net Operating Income**						$2,981,000

[1] Based on the rent survey presented in APPENDIX E - EXHIBIT I. The weighted average monthly rent equates to $3.16 per square foot of leasable area.

[2] The Inclusionary rent calculations are based on household income at 50% of AMI, with 30% of income allotted to housing related expenses. See APPENDIX D - EXHIBIT I.

[3] The Inclusionary rent calculations are based on household income at 60% of AMI, with 30% of income allotted to housing related expenses. See APPENDIX D - EXHIBIT I.

APPENDIX C - EXHIBIT II - TABLE 3

INCLUSIONARY HOUSING IMPACTS
SUBMARKET #1: RENTAL RESIDENTIAL DEVELOPMENT
MIXED INCOME INCLUSIONARY ALTERNATIVES
80% VERY LOW INCOME UNITS & 20% LOW INCOME UNITS - INCLUSIONARY PERCENTAGE @ 11.4%
CURRENT ZONING: 185 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Supportable Investment**			
	Stabilized Net Operating Income	See APPENDIX C - EXHIBIT II - TABLE 2	$2,981,000	
	Threshold Return on Total Investment [1]		5.4%	
	Total Supportable Investment			$55,162,000
II.	**Total Development Cost**	See APPENDIX C - EXHIBIT II - TABLE 1		$57,110,000

III.	**Total Financial Gap**			($1,948,000)
	Feasible Inclusionary Percentage	11.4%		
	As a % of Land Value	29%	Decrease	
	Effective Developer Return	5.2%	Return on Total Investment	

[1] Based on the Developer Return estimated to be generated by the BASE ZONING: 125 UNITS PER ACRE SCENARIO: MARKET RATE ALTERNATIVE.

APPENDIX C - EXHIBIT III

SUBMARKET #1
RENTAL RESIDENTIAL DEVELOPMENT
PRO FORMA ANALYSES
MIXED INCOME INCLUSIONARY ALTERNATIVES
70% LOW INCOME UNITS & 30% MODERATE INCOME UNITS
INCLUSIONARY PERCENTAGE @ 13.6%
CURRENT ZONING: 185 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

APPENDIX C - EXHIBIT III - TABLE 1

ESTIMATED DEVELOPMENT COSTS
SUBMARKET #1: RENTAL RESIDENTIAL DEVELOPMENT
MIXED INCOME INCLUSIONARY ALTERNATIVES
70% LOW INCOME UNITS & 30% MODERATE INCOME UNITS - INCLUSIONARY PERCENTAGE @ 13.6%
CURRENT ZONING: 185 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Property Acquisition Costs**	1	32,870	Sf of Land	$205	/Sf of Land		$6,738,000
II.	**Direct Costs**	2						
	On-Site Improvements/Landscaping		32,870	Sf of Land	$20	/Sf of Land	$657,000	
	Parking	3						
	At-Grade Spaces		0	Spaces	$5,000	/Space	0	
	Above-Ground Podium Spaces		0	Spaces	$25,000	/Space	0	
	1st Level Subterranean		90	Spaces	$35,000	/Space	3,150,000	
	2nd Level Subterranean		85	Spaces	$45,000	/Space	3,825,000	
	Building Costs		158,936	Sf of GBA	$150	/Sf of GBA	23,840,000	
	Contractor/DC Contingency Allow		20%	Other Direct Costs			6,294,000	
	Total Direct Costs		158,936	Sf of GBA	$238	/Sf of GBA		$37,766,000
III.	**Indirect Costs**							
	Architecture, Engineering & Consulting		8%	Direct Costs			$3,021,000	
	Public Permits & Fees	4	140	Units	$19,240	/Unit	2,694,000	
	Taxes, Insurance, Legal & Accounting		3%	Direct Costs			1,133,000	
	Marketing		140	Units	$5,000	/Unit	700,000	
	Developer Fee		5%	Direct Costs			1,888,000	
	Soft Cost Contingency Allowance		5%	Other Indirect Costs			472,000	
	Total Indirect Costs							$9,908,000
IV.	**Financing Costs**							
	Interest During Construction							
	Land	5	$6,738,000	Cost	3.6%	Avg Rate	$364,000	
	Construction	6	$50,354,000	Cost	3.6%	Avg Rate	1,631,000	
	Loan Origination Fees		60%	Loan to Cost	2.0	Points	685,000	
	Total Financing Costs							$2,680,000
V.	**Total Construction Cost**		140	Units	$360,000	/Unit		$50,354,000
	Total Development Cost		140	Units	$408,000	/Unit		$57,092,000

1 Estimated based on a survey of the sales of residentially zoned land in the SUBMARKET between 2016 and 2018.
2 Based on the estimated costs for similar uses.
3 Based on 1.0 space for Studio Units; 1.0 space for One-Bedroom Units; 1.0 space for Two-Bedroom Units; 1.0 space for Three-Bedroom Units; and 0.25 spaces per unit for guest parking.
4 Based on estimates prepared for other projects within Long Beach. Includes a fee waiver set at $5,603 per unit for very low and low income units.
5 Based on an 18 month construction period and a 100% average outstanding loan balance.
6 Based on an 18 month construction period and a 60% average outstanding loan balance.

APPENDIX C - EXHIBIT III - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME
SUBMARKET #1: RENTAL RESIDENTIAL DEVELOPMENT
MIXED INCOME INCLUSIONARY ALTERNATIVES
70% LOW INCOME UNITS & 30% MODERATE INCOME UNITS - INCLUSIONARY PERCENTAGE @ 13.6%
CURRENT ZONING: 185 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Gross Income**						
	A. Market Rate Units	[1]					
	Studio Units		14	Units @	$2,569	/Unit/Month	$432,000
	One-Bedroom Units		62	Units @	$2,620	/Unit/Month	1,949,000
	Two-Bedroom Units		45	Units @	$3,304	/Unit/Month	1,784,000
	Three-Bedroom Units		0	Units @	$0	/Unit/Month	0
	B. Inclusionary Units						
	Low Income	[2]					
	Studio Units		2	Units @	$733	/Unit/Month	18,000
	One-Bedroom Units		6	Units @	$838	/Unit/Month	60,000
	Two-Bedroom Units		5	Units @	$930	/Unit/Month	56,000
	Three-Bedroom Units		0	Units @	$1,026	/Unit/Month	0
	Moderate Income	[3]					
	Studio Units		1	Unit @	$1,373	/Unit/Month	16,000
	One-Bedroom Units		3	Units @	$1,569	/Unit/Month	56,000
	Two-Bedroom Units		2	Units @	$1,753	/Unit/Month	42,000
	Three-Bedroom Units		0	Units @	$1,939	/Unit/Month	0
	C. Laundry & Miscellaneous Income		140	Units @	$25	/Unit/Month	42,000
	Total Gross Income						$4,455,000
	Vacancy & Collection Allowance		5%	Gross Income			(223,000)
II.	**Effective Gross Income**						$4,232,000
III.	**Operating Expenses**						
	General Operating Expenses		140	Units @	$4,500	/Unit	$630,000
	Property Taxes		140	Units @	$4,300	/Unit	597,000
	Replacement Reserve Deposits		140	Units @	$150	/Unit	21,000
	Total Operating Expenses						($1,248,000)
IV.	**Stabilized Net Operating Income**						$2,984,000

[1] Based on the rent survey presented in APPENDIX E - EXHIBIT I. The weighted average monthly rent equates to $3.16 per square foot of leasable area.

[2] The Inclusionary rent calculations are based on household income at 60% of AMI, with 30% of income allotted to housing related expenses. See APPENDIX D - EXHIBIT I.

[3] The Inclusionary rent calculations are based on household income at 110% of AMI, with 30% of income allotted to housing related expenses. See APPENDIX D - EXHIBIT I.

APPENDIX C - EXHIBIT III - TABLE 3

INCLUSIONARY HOUSING IMPACTS
SUBMARKET #1: RENTAL RESIDENTIAL DEVELOPMENT
MIXED INCOME INCLUSIONARY ALTERNATIVES
70% LOW INCOME UNITS & 30% MODERATE INCOME UNITS - INCLUSIONARY PERCENTAGE @ 13.6%
CURRENT ZONING: 185 UNITS PER ACRE SCENARIO
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Supportable Investment**			
	Stabilized Net Operating Income	See APPENDIX C - EXHIBIT III - TABLE 2	$2,984,000	
	Threshold Return on Total Investment [1]		5.4%	
	Total Supportable Investment			$55,217,000
II.	**Total Development Cost**	See APPENDIX C - EXHIBIT III - TABLE 1		$57,092,000

III.	**Total Financial Gap**			($1,875,000)
	Feasible Inclusionary Percentage	13.6%		
	As a % of Land Value	28%	Decrease	
	Effective Developer Return	5.2%	Return on Total Investment	

[1] Based on the Developer Return estimated to be generated by the BASE ZONING: 125 UNITS PER ACRE SCENARIO: MARKET RATE ALTERNATIVE.

APPENDIX D

SUBMARKET #1
RENTAL RESIDENTIAL DEVELOPMENT
AFFORDABILITY ANALYSES
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

APPENDIX D - EXHIBIT I

AFFORDABLE RENT CALCULATIONS
2019 INCOME STANDARDS
RENTAL RESIDENTIAL DEVELOPMENT
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

		Studio Units	One-Bedroom Units	Two-Bedroom Units
I. General Assumptions				
Area Median Income	[1]	$51,150	$58,500	$65,800
Monthly Utilities Allowance	[2]	$34	$40	$57
II. Affordable Rent Calculations				
A. Moderate Income - Rent Based on 110% AMI				
Benchmark Annual Household Income		$56,265	$64,350	$72,380
Percentage of Income Allotted to Housing Expenses		30%	30%	30%
Monthly Income Available for Housing Expenses		$1,407	$1,609	$1,810
(Less) Monthly Utilities Allowance		(34)	(40)	(57)
Maximum Allowable Rent		$1,373	$1,569	$1,753
B. Low Income - Rent Based on 60% AMI				
Benchmark Annual Household Income		$30,690	$35,100	$39,480
Percentage of Income Allotted to Housing Expenses		30%	30%	30%
Monthly Income Available for Housing Expenses		$767	$878	$987
(Less) Monthly Utilities Allowance		(34)	(40)	(57)
Maximum Allowable Rent		$733	$838	$930
C. Very Low Income - Rent Based on 50% AMI				
Benchmark Annual Household Income		$25,575	$29,250	$32,900
Percentage of Income Allotted to Housing Expenses		30%	30%	30%
Monthly Income Available for Housing Expenses		$639	$731	$823
(Less) Monthly Utilities Allowance		(34)	(40)	(57)
Maximum Allowable Rent		$605	$691	$766
D. Extremely Low Income - Rent Based on 30% AMI				
Benchmark Annual Household Income		$15,345	$17,550	$19,740
Percentage of Income Allotted to Housing Expenses		30%	30%	30%
Monthly Income Available for Housing Expenses		$384	$439	$494
(Less) Monthly Utilities Allowance		(34)	(40)	(57)
Maximum Allowable Rent		$350	$399	$437

[1] Based on the 2019 Los Angeles County median incomes published by the California Housing & Community Development Department (HCD). The benchmark household size is set at the number of bedrooms in the unit plus one.

[2] Based on Long Beach Housing Authority energy efficient allowances for apartments effective as of 12/12/18. Assumes electric, heating, cooking, water heater, other electric and air conditioning.

APPENDIX D - EXHIBIT II

SUBMARKET #1
IN-LIEU FEE ANALYSIS
RENTAL RESIDENTIAL DEVELOPMENT
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

		Moderate Income	Low Income	Very Low Income
I. Rent Difference	1			
A. Studio Units				
Market Rate Units		$2,569	$2,569	$2,569
Affordable Units		1,373	733	605
Difference		$1,197	$1,836	$1,964
B. One-Bedroom Units				
Market Rate Units		$2,620	$2,620	$2,620
Affordable Units		1,569	838	691
Difference		$1,052	$1,783	$1,929
C. Two-Bedroom Units				
Market Rate Units		$3,304	$3,304	$3,304
Affordable Units		1,753	930	766
Difference		$1,551	$2,374	$2,538
D. Three-Bedroom Units				
Market Rate Units		$0	$0	$0
Affordable Units		0	0	0
Difference		$0	$0	$0
II. Distribution of Total Units	2			
Studio Units		12%	12%	12%
One-Bedroom Units		51%	51%	51%
Two-Bedroom Units		37%	37%	37%
Three-Bedroom Units		0%	0%	0%
III. Annual Affordability Gap Per Affordable Unit		$15,037	$24,076	$25,884
Less: Property Tax Difference	3	(3,010)	(4,820)	(5,180)
Annual Affordability Gap Per Affordable Unit		$12,027	$19,256	$20,704
IV. In-Lieu Fee				
Per Affordable Unit	4	$223,000	$356,000	$383,000
Supportable Inclusionary Housing Percentage	5	19.3%	12.1%	11.4%
Per Square Foot of GBA	6	$37.90	$37.90	$38.50

1 The market rents are drawn from the pro forma analyses. See APPENDIX D - EXHIBIT I: The affordable rents are based on the H&SC Section 50053 calculation methodology.
2 Based on the unit mix distribution applied in the pro forma analysis.
3 Based on the rent differential capitalized at a 5.5% rate to establish the value, and a 1.1% property tax rate.
4 Based on the Annual Affordability Gap Per Affordable Unit capitalized at the Threshold Return on Total Investment.
5 See APPENDIX B - EXHIBIT I - TABLE 3; APPENDIX B - EXHIBIT II - TABLE 3; APPENDIX B - EXHIBIT III - TABLE 3; and APPENDIX B - EXHIBIT IV - TABLE 3.
6 Based on the total GBA included in the project divided by the total number of units in the project.

APPENDIX E

RENTAL RESIDENTIAL DEVELOPMENT
BACKUP TABLES
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

APPENDIX E - EXHIBIT I

RENT SURVEY
SUBMARKET #1
RENTAL RESIDENTIAL DEVELOPMENT
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Name	Address	# of Units	Unit Size (SF)	Average Rent Total	Average Rent Per SF	Parking Spaces Provided Per Unit	Year Built
		Studio Units					
Bella Mare 6th Street Lofts	431 E 6th Street	9	605	$1,653	$2.73	1.4	2015
AMLI Park Broadway	245 West Broadway	40	767	$2,952	$3.85		2019
442 Residences	442 W Ocean Blvd	43	536	$2,115	$3.95	1.6	2019
The Current	707 E Ocean Blvd	30	685	$2,584	$3.77	2.0	2016
The Edison	100 Long Beach	48	602	$2,091	$3.47	3.2	2016
Urban Village	1081 Long Beach Blvd	19	565	$1,827	$3.23	1.4	2015
Avana on Pine	145 Pine Ave	69	1,163	$2,176	$1.87	1.9	1992/2016
Griffis Pine Avenue	404 Pine Avenue	15	578	$1,616	$2.80	1.5	2003
Sofi at Third	225 W 3rd Street	32	484	$1,814	$3.75	1.9	1990
Pine at Sixth	595 Pine Ave	15	628	$1,891	$3.01	1.9	1987
	Minimum		484	$1,616	$1.87		
	Maximum		1,163	$2,952	$3.95		
	Weighted Average		729	$2,179	$3.21		

Source: Costar; January 2019
Prepared by: Keyser Marston Associates, Inc.
File name: LB Rent Incl 7 21 19

APPENDIX E - EXHIBIT I

RENT SURVEY
SUBMARKET #1
RENTAL RESIDENTIAL DEVELOPMENT
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Name	Address	# of Units	Unit Size (SF)	Average Rent Total	Average Rent Per SF	Parking Spaces Provided Per Unit	Year Built
		One-Bedroom Units					
Bella Mare 6th Street Lofts	431 E 6th Street	15	665	$1,876	$2.82		
AMLI Park Broadway	245 West Broadway	142	831	$2,876	$3.46		
442 Residences	442 W Ocean Blvd	27	588	$2,327	$3.96		
The Current	707 E Ocean Blvd	149	838	$2,852	$3.40		
The Edison	100 Long Beach	56	755	$2,091	$2.77		
Urban Village	1081 Long Beach Blvd	76	717	$2,042	$2.85		
IMT Gallery	421 W Broadway	164	770	$2,097	$2.72	1.0	2010
Lofts at Promenade	225 Long Beach Blvd	88	805	$2,278	$2.83	2.3	
Camden Harbor View	250-300 W Ocean Blvd	197	1,056	$2,776	$2.63	0.7	2003
Griffis Pine Avenue	404 Pine Avenue	124	733	$1,965	$2.68		
Avana on Pine	145 Pine Ave	71	761	$2,311	$3.04		
Sofi at Third	225 W 3rd Street	72	610	$1,977	$3.24		
Pine at Sixth	595 Pine Ave	122	730	$2,052	$2.81		
	Minimum		588	$1,876	$2.63		
	Maximum		1,056	$2,876	$3.96		
	Weighted Average		805	$2,370	$2.96		

Source: Costar; January 2019
Prepared by: Keyser Marston Associates, Inc.
File name: LB Rent Incl 7 21 19

APPENDIX E - EXHIBIT I

RENT SURVEY
SUBMARKET #1
RENTAL RESIDENTIAL DEVELOPMENT
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Name	Address	# of Units	Unit Size (SF)	Average Rent Total	Average Rent Per SF	Parking Spaces Provided Per Unit	Year Built
		Two-Bedroom Units					
Bella Mare 6th Street Lofts	431 E 6th Street	6	810	$2,357	$2.91		
AMLI Park Broadway	245 West Broadway	40	1,241	$4,041	$3.26		
442 Residences	442 W Ocean Blvd	25	1,011	$3,151	$3.12		
LB and Burnett	2355 Long Beach Boulevard	26	863	$1,675	$1.94		2010
The Current	707 E Ocean Blvd	44	1,182	$4,194	$3.55		
The Edison	100 Long Beach	52	1,176	$3,775	$3.21		
Urban Village	1081 Long Beach Blvd	34	931	$2,418	$2.60		
IMT Gallery	421 W Broadway	127	1,111	$3,021	$2.72		
Lofts at Promenade	225 Long Beach Blvd	16	1,247	$3,081	$2.47		
Camden Harbor View	250-300 W Ocean Blvd	341	1,167	$3,099	$2.66		
Griffis Pine Avenue	404 Pine Avenue	82	1,109	$2,576	$2.32		
Avana on Pine	145 Pine Ave	71	1,017	$2,697	$2.65		
Sofi at Third	225 W 3rd Street	56	938	$2,377	$2.53		
Pine at Sixth	595 Pine Ave	21	1,006	$2,484	$2.47		
	Minimum		810	$1,675	$1.94		
	Maximum		1,247	$4,194	$3.55		
	Weighted Average		1,108	$3,017	$2.71		

Source: Costar; January 2019
Prepared by: Keyser Marston Associates, Inc.
File name: LB Rent Incl 7 21 19

APPENDIX E - EXHIBIT II

RENT SURVEY
SUBMARKET #2A
RENTAL RESIDENTIAL DEVELOPMENT
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Name	Address	# of Units	Unit Size (SF)	Average Rent Total	Average Rent Per SF	Parking Spaces Provided Per Unit	Year Built
		Studio Units					
Unnamed	1102 E 1st Street	4	450	$907	$2.02		1910
Unnamed	1604 E 3rd Street	8	600	$976	$1.63	2.0	1921
Unnamed	944-964 E 5th Street	3	347	$690	$1.99	0.7	1909/1920
Unnamed	32 Orange Avenue	4	375	$910	$2.43		1922
Unnamed	102-118 Orange Avenue	24	500	$1,114	$2.23	0.6	1923
Unnamed	329 Winnipeg Place	1	413	$965	$2.34	1.0	1929
	Minimum		347	$690	$1.63		
	Maximum		600	$1,114	$2.43		
	Weighted Average		490	$1,019	$2.10		
		One-Bedroom Units					
Unnamed	1102 E 1st Street	5	600	$1,173	$1.96		
Unnamed	3315 E 2nd Street	1	900	$1,418	$1.58	1.0	1958
Unnamed	1604 E 3rd Street	5	750	$1,017	$1.36		
Unnamed	2333 E 4th Street	4	902	$1,042	$1.16	1.0	1923
Unnamed	944-964 E 5th Street	2	500	$763	$1.53		
Unnamed	1821 E 6th Street	5	650	$1,380	$2.12	1.2	1988
Unnamed	1918 E 6th Street	2	550	$734	$1.33	1.7	1988
Unnamed	1217-1223 E Ocean Boulevard	6	992	$1,181	$1.19	1.7	1919
Unnamed	32 Orange Avenue	6	556	$1,248	$2.24		
Unnamed	102-118 Orange Avenue	4	700	$1,200	$1.71		
Redondo Plaza	645 Redondo Avenue	60	550	$1,102	$2.00	1.0	1987
Unnamed	329 Winnipeg Place	3	567	$1,052	$1.86		
	Minimum		500	$734	$1.16		
	Maximum		992	$1,418	$2.24		
	Weighted Average		616	$1,117	$1.87		

Source: Costar; January 2019
Prepared by: Keyser Marston Associates, Inc.
File name: LB Rent Incl 7 21 19

APPENDIX E - EXHIBIT II

RENT SURVEY
SUBMARKET #2A
RENTAL RESIDENTIAL DEVELOPMENT
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Name	Address	# of Units	Unit Size (SF)	Average Rent Total	Average Rent Per SF	Parking Spaces Provided Per Unit	Year Built
			Two-Bedroom Units				
Unnamed	3315 E 2nd Street	3	1,100	$2,294	$2.09		
Unnamed	1604 E 3rd Street	1	1,000	$1,286	$1.29		
Unnamed	1215 E 4th Street	9	850	$1,806	$2.12		1988
Unnamed	944-964 E 5th Street	1	700	$1,280	$1.83		
Unnamed	1821 E 6th Street	5	1,000	$1,497	$1.50		
Unnamed	1918 E 6th Street	7	900	$918	$1.02		
Seacliff Terrace Partners Apartment	1175 E Ocean Boulevard	33	900	$1,931	$2.15	0.9	1988
Temple Plaza Apartments	689 Temple Avenue	25	1,000	$1,745	$1.75		1987
	Minimum		700	$918	$1.02		
	Maximum		1,100	$2,294	$2.15		
	Weighted Average		936	$1,750	$1.88		
			Three-Bedroom Units				
Unnamed	329 Winnipeg Place	1	1,213	$2,213	$1.82		
	Minimum		1,213	$2,213	$1.82		
	Maximum		1,213	$2,213	$1.82		
	Weighted Average		1,213	$2,213	$1.82		

Source: Costar; January 2019
Prepared by: Keyser Marston Associates, Inc.
File name: LB Rent Incl 7 21 19

APPENDIX E - EXHIBIT III

RENT SURVEY
SUBMARKET #2B
RENTAL RESIDENTIAL DEVELOPMENT
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Name	Address	# of Units	Unit Size (SF)	Average Rent Total	Average Rent Per SF	Parking Spaces Provided Per Unit	Year Built
		Studio Units					
Grand Terrace Apartment Homes	3787 E 11th Street	42	455	$1,455	$3.20	1.0	1985
Fountain Creek Apartments	3710 E Fountain Street	15	425	$1,145	$2.69	0.5	1986
Unnamed	208-210 Granada	2	509	$619	$1.22		1948
Belmont Heights Apartment	4035 Livingston Drive	2	600	$1,014	$1.69	0.6	1923
Pacific View Apartment Homes	5025 E Pacific Coast Highway	102	525	$1,536	$2.93	1.0	1972
Unnamed	65 Roswell Avenue	12	429	$687	$1.60		1923
Marbrisa	1809 Termino Avenue	52	475	$1,741	$3.67	1.3	1987
	Minimum		425	$619	$1.22		
	Maximum		600	$1,741	$3.67		
	Weighted Average		489	$1,485	$3.03		

Source: Costar; January 2019
Prepared by: Keyser Marston Associates, Inc.
File name: LB Rent Incl 7 21 19

APPENDIX E - EXHIBIT III

RENT SURVEY
SUBMARKET #2B
RENTAL RESIDENTIAL DEVELOPMENT
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Name	Address	# of Units	Unit Size (SF)	Average Rent Total	Average Rent Per SF	Parking Spaces Provided Per Unit	Year Built
		One-Bedroom Units					
Grand Terrace Apartment Homes	3787 E 11th Street	28	662	$1,755	$2.65		
Park 4200	4200 E Anaheim Street	6	801	$1,953	$2.44	2.0	2013
Channel Point	5296 Bixby Village Drive	116	750	$2,248	$3.00	0.8	1986
Fountain Creek Apartments	3710 E Fountain Street	15	400	$1,195	$2.99		
Beverly Plaza Apartments	5050 E Garford Street	36	897	$2,254	$2.51	1.3	1963/2017
Unnamed	208-210 Granada	4	612	$943	$1.54		
Hathaway Apartments	3500 Hathaway Avenue	220	561	$1,860	$3.32	1.9	1988
Ocean Villas	3617 E Ocean Boulevard	8	700	$2,231	$3.19	1.1	1949
Bay Hill Apartments	3801 E Pacific Coast Highway	73	733	$2,237	$3.05	1.0	2002
Pacific View Apartment Homes	5025 E Pacific Coast Highway	98	744	$1,716	$2.31		
Unnamed	145 Prospect Avenue	8	550	$1,619	$2.94	0.6	1958/2010
Marina Apartments	5435 Sorrento Drive	82	572	$1,555	$2.72		1947
Community Plaza Apartments	1535 Termino Avenue	27	800	$1,107	$1.38	1.0	1963
Marbrisa	1809 Termino Avenue	100	573	$1,883	$3.29		
The Landing at LB Apartment Homes	1613 Ximeno Avenue	108	532	$1,708	$3.21	1.5	1985
Alvista Long Beach	1718 Ximeno Avenue	38	712	$1,841	$2.59	0.9	1963
	Minimum		400	$943	$1.38		
	Maximum		897	$2,254	$3.32		
	Weighted Average		642	$1,857	$2.94		

Source: Costar; January 2019
Prepared by: Keyser Marston Associates, Inc.
File name: LB Rent Incl 7 21 19

APPENDIX E - EXHIBIT III

RENT SURVEY
SUBMARKET #2B
RENTAL RESIDENTIAL DEVELOPMENT
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Name	Address	# of Units	Unit Size (SF)	Average Rent Total	Average Rent Per SF	Parking Spaces Provided Per Unit	Year Built
		Two-Bedroom Units					
Golden Shores	4333 2nd Street	25	1,190	$2,600	$2.18		
Grand Terrace Apartment Homes	3787 E 11th Street	86	949	$2,108	$2.22		
Park 4200	4200 E Anaheim Street	4	1,059	$2,716	$2.56		
Unnamed	4205 E Anaheim Street	16	1,000	$1,923	$1.92	1.6	1986
Granada Apartments	5101 E Anaheim Street	20	1,100	$2,177	$1.98	1.0	1987
Unnamed	116 Bennett Avenue	4	1,046	$1,786	$1.71	1.0	1928
Fountain Creek Apartments	3710 E Fountain Street	20	800	$1,693	$2.12		
Beverly Plaza Apartments	5050 E Garford Street	182	1,103	$2,469	$2.24		
Unnamed	208-210 Granada	2	813	$766	$0.94		
Hathaway Apartments	3500 Hathaway Avenue	165	869	$2,288	$2.63		
Belmont Heights Apartment	4035 Livingston Drive	12	950	$1,844	$1.94		
Ocean Villas	3617 E Ocean Boulevard	8	1,100	$2,497	$2.27		
Bay Hill Apartments	3801 E Pacific Coast Highway	87	1,055	$2,616	$2.48		
Unnamed	145 Prospect Avenue	2	675	$2,037	$3.02		
Marina Apartments	5435 Sorrento Drive	4	800	$2,227	$2.78		
Community Plaza Apartments	1535 Termino Avenue	25	1,200	$1,996	$1.66		
Marbrisa	1809 Termino Avenue	50	845	$2,586	$3.06		
The Landing at LB Apartment Homes	1613 Ximeno Avenue	98	850	$2,341	$2.75		
Alvista Long Beach	1718 Ximeno Avenue	196	958	$2,073	$2.16		
	Minimum		675	$766	$0.94		
	Maximum		1,200	$2,716	$3.06		
	Weighted Average		974	$2,285	$2.37		

Source: Costar; January 2019
Prepared by: Keyser Marston Associates, Inc.
File name: LB Rent Incl 7 21 19

APPENDIX E - EXHIBIT III

RENT SURVEY
SUBMARKET #2B
RENTAL RESIDENTIAL DEVELOPMENT
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Name	Address	# of Units	Unit Size (SF)	Average Rent Total	Average Rent Per SF	Parking Spaces Provided Per Unit	Year Built
		Three-Bedroom Units					
Park 4200	4200 E Anaheim Street	22	1,440	$3,027	$2.10		
Beverly Plaza Apartments	5050 E Garford Street	62	1,313	$3,224	$2.46		
	Minimum		1,313	$3,027	$2.10		
	Maximum		1,440	$3,224	$2.46		
	Weighted Average		1,346	$3,172	$2.36		

Source: Costar; January 2019
Prepared by: Keyser Marston Associates, Inc.
File name: LB Rent Incl 7 21 19

APPENDIX E - EXHIBIT IV

RENT SURVEY
SUBMARKET #2C
RENTAL RESIDENTIAL DEVELOPMENT
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Name	Address	# of Units	Unit Size (SF)	Average Rent Total	Average Rent Per SF	Parking Spaces Provided Per Unit	Year Built
		One-Bedroom Units					
Unnamed	436 E 16th Street	4	1,000	$1,235	$1.24		1913
Elm Terrace	1100 Elm Avenue	80	700	$994	$1.42	1.0	1989
Esther Apartments	630-800 E Esther Street	50	623	$1,244	$2.00	1.3	1976
Unnamed	749 Gardenia Avenue	1	650	$1,053	$1.62	0.9	1987
Unnamed	1116 Molino Avenue	3	653	$1,093	$1.67		1941
Unnamed	1071 Ohio Avenue	6	750	$906	$1.21	0.6	1920/2004
Unnamed	1349 Ohio Avenue	4	550	$1,069	$1.94	1.8	1987
Unnamed	1155 Orizaba Avenue	1	500	$1,090	$2.18	1.3	1987
Rose Villas	1207 Rose Avenue	4	722	$773	$1.07	1.5	1987
	Minimum		500	$773	$1.07		
	Maximum		1,000	$1,244	$2.18		
	Weighted Average		679	$1,078	$1.61		

Source: Costar; January 2019
Prepared by: Keyser Marston Associates, Inc.
File name: LB Rent Incl 7 21 19

APPENDIX E - EXHIBIT IV

RENT SURVEY
SUBMARKET #2C
RENTAL RESIDENTIAL DEVELOPMENT
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Name	Address	# of Units	Unit Size (SF)	Average Rent Total	Average Rent Per SF	Parking Spaces Provided Per Unit	Year Built
		Two-Bedroom Units					
Athena Apartments	2925 E 7th Street	30	1,000	$1,716	$1.72	2.9	1988
Unnamed	436 E 16th Street	4	870	$1,459	$1.68		
Esther Apartments	630-800 E Esther Street	19	921	$1,803	$1.96		
Unnamed	749 Gardenia Avenue	8	875	$1,327	$1.52		
Unnamed	1376 Junipero Avenue	8	887	$1,401	$1.58	2.6	1987
Unnamed	1002 Lewis Avenue	6	925	$1,359	$1.47	3.0	1989
Unnamed	1071 Ohio Avenue	1	1,000	$1,812	$1.81		
Unnamed	1349 Ohio Avenue	14	750	$1,346	$1.79		
Unnamed	1155 Orizaba Avenue	8	700	$1,286	$1.84		
Unnamed	1126 Raymond Avenue	8	800	$1,633	$2.04	1.5	1987
Rose Villas	1207 Rose Avenue	14	722	$920	$1.27		
	Minimum		700	$920	$1.27		
	Maximum		1,000	$1,812	$2.04		
	Weighted Average		869	$1,487	$1.71		
		Three-Bedroom Units					
Esther Apartments	630-800 E Esther Street	10	1,106	$1,902	$1.72		
Unnamed	1035-1037 Raymond Avenue	8	1,350	$2,058	$1.52	1.5	1990
	Minimum		1,106	$1,902	$1.52		
	Maximum		1,350	$2,058	$1.72		
	Weighted Average		1,214	$1,971	$1.63		

Source: Costar; January 2019
Prepared by: Keyser Marston Associates, Inc.
File name: LB Rent Incl 7 21 19

APPENDIX E - EXHIBIT V

RENT SURVEY
SUBMARKET #2D
RENTAL RESIDENTIAL DEVELOPMENT
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Name	Address	# of Units	Unit Size (SF)	Average Rent Total	Average Rent Per SF	Parking Spaces Provided Per Unit	Year Built
		Studio Units					
Park Estates Plaza Apartments	5100-5162 E Anaheim Road	4	500	$1,200	$2.40	0.8	1949
Garden Estates	5304 E Anaheim Street	10	600	$1,257	$2.10	0.9	1950
Unnamed	4441 E Village Road	6	500	$990	$1.98		1951
	Minimum		500	$990	$1.98		
	Maximum		600	$1,257	$2.40		
	Weighted Average		550	$1,166	$2.12		
		One-Bedroom Units					
Unnamed	5551 E 23rd Street	16	595	$1,656	$2.78		1957
Park Estates Plaza Apartments	5100-5162 E Anaheim Road	48	700	$1,301	$1.86		
Garden Estates	5304 E Anaheim Street	10	700	$1,456	$2.08		
Villa D-Or	777 N Bellflower Boulevard	15	618	$1,015	$1.64	1.0	1964
Unnamed	4501 Bellflower Boulevard	9	750	$1,420	$1.89	1.0	1961
Park Montair Apartments	4550 Montair Avenue	56	854	$1,653	$1.94		1963
Gondolier Apartments	5525 E Pacific Coast Highway	120	550	$1,296	$2.36	1.0	1963
Bixby Hill Apartments	1025 Palo Verde Street	16	1,112	$2,505	$2.25	1.3	1968
Unnamed	4441 E Village Road	5	650	$1,094	$1.68		
	Minimum		550	$1,015	$1.64		
	Maximum		1,112	$2,505	$2.78		
	Weighted Average		681	$1,441	$2.14		

Source: Costar; January 2019
Prepared by: Keyser Marston Associates, Inc.
File name: LB Rent Incl 7 21 19

APPENDIX E - EXHIBIT V

RENT SURVEY
SUBMARKET #2D
RENTAL RESIDENTIAL DEVELOPMENT
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Name	Address	# of Units	Unit Size (SF)	Average Rent Total	Average Rent Per SF	Parking Spaces Provided Per Unit	Year Built
			Two-Bedroom Units				
Unnamed	5551 E 23rd Street	4	792	$1,804	$2.28		
Park Estates Plaza Apartments	5100-5162 E Anaheim Road	12	800	$1,559	$1.95		
Garden Estates	5304 E Anaheim Street	4	1,000	$1,796	$1.80		
Unnamed	5480 Atherton Street	27	875	$1,597	$1.83	0.7	1961
Villa D-Or	777 N Bellflower Boulevard	36	889	$1,327	$1.49		
Unnamed	4501 Bellflower Boulevard	9	1,000	$1,843	$1.84		
El Jardin	5286 E Las Lomas Street	20	925	$1,731	$1.87		1949
Park Montair Apartments	4550 Montair Avenue	160	996	$1,862	$1.87		
Bixby Hill Apartments	1025 Palo Verde Street	39	1,510	$3,150	$2.09		
Unnamed	2041 San Anseline Avenue	8	1,050	$1,984	$1.89	2.0	1969
Unnamed	2118 San Anseline Avenue	3	1,000	$943	$0.94		1950
Unnamed	4441 E Village Road	1	900	$1,464	$1.63		
	Minimum		792	$943	$0.94		
	Maximum		1,510	$3,150	$2.28		
	Weighted Average		1,023	$1,908	$1.85		
			Three-Bedroom Units				
Bixby Hill Apartments	1025 Palo Verde Street	1	1,910	$3,740	$1.96		
Unnamed	2041 San Anseline Avenue	5	1,275	$2,469	$1.94		
Unnamed	2118 San Anseline Avenue	1	1,600	$2,062	$1.29		
	Minimum		1,275	$2,062	$1.29		
	Maximum		1,910	$3,740	$1.96		
	Weighted Average		1,412	$2,592	$1.85		

Source: Costar; January 2019
Prepared by: Keyser Marston Associates, Inc.
File name: LB Rent Incl 7 21 19

APPENDIX E - EXHIBIT VI

RENT SURVEY
SUBMARKET #2E
RENTAL RESIDENTIAL DEVELOPMENT
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Name	Address	# of Units	Unit Size (SF)	Average Rent Total	Average Rent Per SF	Parking Spaces Provided Per Unit	Year Built
		Studio Units					
Unnamed	2191 Chestnut Avenue	10	600	$902	$1.50	0.4	1929
	Minimum		600	$902	$1.50		
	Maximum		600	$902	$1.50		
	Weighted Average		600	$902	$1.50		
		One-Bedroom Units					
Unnamed	2165 Cedar Avenue	8	737	$1,044	$1.42		1987
Unnamed	2191 Chestnut Avenue	4	750	$1,002	$1.34		
	Minimum		737	$1,002	$1.34		
	Maximum		750	$1,044	$1.42		
	Weighted Average		741	$1,030	$1.39		

Source: Costar; January 2019
Prepared by: Keyser Marston Associates, Inc.
File name: LB Rent Incl 7 21 19

APPENDIX E - EXHIBIT VII

RENT SURVEY
SUBMARKET #2F
RENTAL RESIDENTIAL DEVELOPMENT
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Name	Address	# of Units	Unit Size (SF)	Average Rent Total	Average Rent Per SF	Parking Spaces Provided Per Unit	Year Built
		Studio Units					
Banner Circle Apartments	4591-4693 N Banner Drive	14	487	$1,132	$2.32		1947
	Minimum		487	$1,132	$2.32		
	Maximum		487	$1,132	$2.32		
	Weighted Average		487	$1,132	$2.32		
		One-Bedroom Units					
Banner Circle Apartments	4591-4693 N Banner Drive	30	622	$1,373	$2.21		
Bixby Knolls	1240 San Antonio Drive	16	850	$1,670	$1.96	1.8	1987
	Minimum		622	$1,373	$1.96		
	Maximum		850	$1,670	$2.21		
	Weighted Average		701	$1,476	$2.12		
		Two-Bedroom Units					
Banner Circle Apartments	4591-4693 N Banner Drive	4	900	$1,515	$1.68		
Bixby Country Club Apartments	4142 Elm Avenue	38	975	$1,835	$1.88	1.7	1988
Bixby Knolls	1240 San Antonio Drive	128	946	$1,893	$2.00		
	Minimum		900	$1,515	$1.68		
	Maximum		975	$1,893	$2.00		
	Weighted Average		951	$1,871	$1.97		

Source: Costar; January 2019
Prepared by: Keyser Marston Associates, Inc.
File name: LB Rent Incl 7 21 19

APPENDIX E - EXHIBIT VIII

RENT SURVEY
SUBMARKET #2G
RENTAL RESIDENTIAL DEVELOPMENT
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Name	Address	# of Units	Unit Size (SF)	Average Rent Total	Average Rent Per SF	Parking Spaces Provided Per Unit	Year Built
		Studio Units					
Unnamed	184 E Artesia Boulevard	1	533	$794	$1.49	0.9	1963
Paradise Garden Apartments	6479 Atlantic Avenue	111	365	$1,141	$3.13	1.3	1966
Fountain View Apartments	2301 E Market Street	43	476	$1,213	$2.55	2.0	1987
	Minimum		365	$794	$1.49		
	Maximum		533	$1,213	$3.13		
	Weighted Average		397	$1,159	$2.96		
		One-Bedroom Units					
Unnamed	184 E Artesia Boulevard	8	708	$859	$1.21		
Paradise Garden Apartments	6479 Atlantic Avenue	114	700	$1,440	$2.06		
Del Amo Gardens	225 E Del Amo Boulevard	230	600	$1,280	$2.13	0.8	1971
Windmill Creek Apartments	5555 N Long Beach Boulevard	81	741	$1,382	$1.87	0.9	1988
Fountain View Apartments	2301 E Market Street	64	672	$1,384	$2.06		
Unnamed	5914 Orange Avenue	3	1,000	$1,078	$1.08		1954
Unnamed	48 W Plymouth Street	4	545	$836	$1.53		1949
	Minimum		545	$836	$1.08		
	Maximum		1,000	$1,440	$2.13		
	Weighted Average		658	$1,334	$2.04		

Source: Costar; January 2019
Prepared by: Keyser Marston Associates, Inc.
File name: LB Rent Incl 7 21 19

APPENDIX E - EXHIBIT VIII

RENT SURVEY
SUBMARKET #2G
RENTAL RESIDENTIAL DEVELOPMENT
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Name	Address	# of Units	Unit Size (SF)	Average Rent Total	Average Rent Per SF	Parking Spaces Provided Per Unit	Year Built
		Two-Bedroom Units					
Unnamed	184 E Artesia Boulevard	4	987	$876	$0.89		
Paradise Garden Apartments	6479 Atlantic Avenue	93	972	$1,690	$1.74		
Unnamed	6565-6567 Cherry Avenue	8	1,070	$1,424	$1.33	1.0	1964
Windmill Creek Apartments	5555 N Long Beach Boulevard	58	1,000	$1,699	$1.70		
Fountain View Apartments	2301 E Market Street	46	1,010	$1,794	$1.78		
Unnamed	1101 E South Street	12	900	$1,264	$1.40	1.0	1988
	Minimum		900	$876	$0.89		
	Maximum		1,070	$1,794	$1.74		
	Weighted Average		987	$1,667	$1.69		

Source: Costar; January 2019
Prepared by: Keyser Marston Associates, Inc.
File name: LB Rent Incl 7 21 19

ATTACHMENT 3

OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

APPENDIX A

SUBMARKET #1
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

APPENDIX A - EXHIBIT I

SUBMARKET #1
OWNERSHIP HOUSING DEVELOPMENT
PRO FORMA ANALYSES
MARKET RATE ALTERNATIVE
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

APPENDIX A - EXHIBIT I - TABLE 1

ESTIMATED DEVELOPMENT COSTS
SUBMARKET #1: OWNERSHIP HOUSING DEVELOPMENT
PRO FORMA ANALYSES
MARKET RATE ALTERNATIVE
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Property Acquisition Costs**	1	43,560	Sf of Land	$135	/Sf of Land		$5,881,000
II.	**Direct Costs**	2						
	On-Site Improvements/Landscaping		43,560	Sf of Land	$20	/Sf of Land	$871,000	
	Above-Ground Podium Spaces		142	Spaces	$25,000	/Space	3,550,000	
	Building Costs		80,625	Sf of GBA	$135	/Sf of GBA	10,884,000	
	Contractor/DC Contingency Allow		20%	Other Direct Costs			3,061,000	
	Total Direct Costs							$18,366,000
III.	**Indirect Costs**							
	Architecture, Engineering & Consulting		8.0%	Direct Costs			$1,469,000	
	Public Permits & Fees	3	71	Units	$20,000	/Unit	1,420,000	
	Taxes, Insurance, Legal & Accounting		3.0%	Direct Costs			551,000	
	Marketing		71	Units	$5,000	/Unit	355,000	
	Developer Fee		3.0%	Gross Sales Revenue			1,079,000	
	Soft Cost Contingency Allowance		5.0%	Other Indirect Costs			244,000	
	Total Indirect Costs							$5,118,000
IV.	**Financing Costs**							
	Interest During Construction	4					$1,392,000	
	Loan Origination Fees		60.0%	Loan to Cost	2.5	Points	440,000	
	Total Financing Costs							$1,832,000
V.	**Total Construction Cost**		71	Units	$357,000	/Unit		$25,316,000
	Total Development Cost		71	Units	$439,000	/Unit		$31,197,000

1 Estimated based on a survey of the sales of residentially zoned land in Long Beach between 2016 and 2018.
2 Based on the estimated costs for similar uses.
3 Based on estimates prepared for other projects within Long Beach.
4 Assumes a 6.0% interest cost for debt; an 18 month construction period; a 10 month absorption period; 30% of the units are presold and close during first month after completion; and 2.5 points for loan origination fees.

APPENDIX A - EXHIBIT I - TABLE 2

PROJECTED NET SALES REVENUE
SUBMARKET #1: OWNERSHIP HOUSING DEVELOPMENT
PRO FORMA ANALYSES
MARKET RATE ALTERNATIVE
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Gross Sales Revenue** [1]						
	Studio Units	4	Units @	$307,200	/Unit	$1,229,000	
	One-Bedroom Units	32	Units @	$428,900	/Unit	$13,725,000	
	Two-Bedroom Units	35	Units @	$600,700	/Unit	$21,025,000	
	Total Gross Sales Revenue						$35,979,000
II.	**Cost of Sales**						
	Commissions	3.0%	Gross Sales Revenue			$1,079,000	
	Closing	2.0%	Gross Sales Revenue			720,000	
	Warranty	0.5%	Gross Sales Revenue			180,000	
	Total Cost of Sales						($1,979,000)
III.	**Net Revenue**						$34,000,000

[1] Based in part on a sales survey undertaken by KMA in April 2019. See APPENDIX C - EXHIBIT I. A 15% premium is added for new construction. The weighted average sales price equates to $558 per square foot of saleable area.

APPENDIX A - EXHIBIT I - TABLE 3

PROJECTED DEVELOPER PROFIT
SUBMARKET #1: OWNERSHIP HOUSING DEVELOPMENT
PRO FORMA ANALYSES
MARKET RATE ALTERNATIVE
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Net Revenue**	See APPENDIX A - EXHIBIT I - TABLE 2		$34,000,000
II.	**Total Development Cost**	See APPENDIX A - EXHIBIT I - TABLE 1		$31,197,000
III.	**Developer Profit**	9.0%	Total Development Cost	$2,803,000

APPENDIX A - EXHIBIT II

SUBMARKET #1
OWNERSHIP HOUSING DEVELOPMENT
PRO FORMA ANALYSES
MODERATE INCOME ALTERNATIVE
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

APPENDIX A - EXHIBIT II - TABLE 1

ESTIMATED DEVELOPMENT COSTS
SUBMARKET #1: OWNERSHIP HOUSING DEVELOPMENT
PRO FORMA ANALYSES
MODERATE INCOME ALTERNATIVE
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Property Acquisition Costs**	1	43,560	Sf of Land	$135	/Sf of Land		$5,881,000
II.	**Direct Costs**	2						
	On-Site Improvements/Landscaping		43,560	Sf of Land	$20	/Sf of Land	$871,000	
	Above-Ground Podium Spaces		142	Spaces	$25,000	/Space	3,550,000	
	Building Costs		80,625	Sf of GBA	$135	/Sf of GBA	10,884,000	
	Contractor/DC Contingency Allow		20%	Other Direct Costs			3,061,000	
	Total Direct Costs							$18,366,000
III.	**Indirect Costs**							
	Architecture, Engineering & Consulting		8.0%	Direct Costs			$1,469,000	
	Public Permits & Fees	3	71	Units	$20,000	/Unit	1,420,000	
	Taxes, Insurance, Legal & Accounting		3.0%	Direct Costs			551,000	
	Marketing		71	Units	$5,000	/Unit	355,000	
	Developer Fee	4	71	Units	$15,197	/Unit	1,079,000	
	Soft Cost Contingency Allowance		5.0%	Other Indirect Costs			244,000	
	Total Indirect Costs							$5,118,000
IV.	**Financing Costs**							
	Interest During Construction	5					$1,382,000	
	Loan Origination Fees		60.0%	Loan to Cost	2.5	Points	440,000	
	Total Financing Costs							$1,822,000
V.	**Total Construction Cost**		71	Units	$356,000	/Unit		$25,306,000
	Total Development Cost		71	Units	$439,000	/Unit		$31,187,000

1 Estimated based on a survey of the sales
2 Based on the estimated costs for similar uses.
3 Based on estimates prepared for other projects within Long Beach.
4 Based on the Developer Fee per unit generated by the MARKET RATE ALTERNATIVE.
5 Assumes a 6.0% interest cost for debt; an 18 month construction period; a 9 month absorption period; 30% of the units are presold and close during first month after completion; and 2.5 points for loan origination fees.

APPENDIX A - EXHIBIT II - TABLE 2

PROJECTED NET SALES REVENUE
SUBMARKET #1: OWNERSHIP HOUSING DEVELOPMENT
PRO FORMA ANALYSES
MODERATE INCOME ALTERNATIVE
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Gross Sales Revenue**						
	Market Rate Units	[1]					
	Studio Units		4	Units @	$307,200	/Unit	$1,229,000
	One-Bedroom Units		29	Units @	$428,900	/Unit	12,438,000
	Two-Bedroom Units		31	Units @	$600,700	/Unit	$18,622,000
	Moderate Income Units	[2]					
	Studio Units		0	Units @	$207,900	/Unit	0
	One-Bedroom Units		3	Units @	$231,300	/Unit	694,000
	Two-Bedroom Units		4	Units @	$247,700	/Unit	991,000
	Total Gross Sales Revenue						$33,974,000
II.	**Cost of Sales**						
	Commissions		3.0%	Gross Sales Revenue			$1,019,000
	Closing		2.0%	Gross Sales Revenue			679,000
	Warranty		0.5%	Gross Sales Revenue			170,000
	Total Cost of Sales						($1,868,000)
III.	**Net Revenue**						$32,106,000

[1] Based in part on a sales survey undertaken by KMA in April 2019. See APPENDIX C - EXHIBIT I. A 15% premium is added for new construction. The weighted average sales price equates to $558 per square foot of saleable area.

[2] See APPENDIX B - EXHIBIT I. Equal to the lesser of the calculated affordable sales price or a 30% discount from the projected market price.

APPENDIX A - EXHIBIT II - TABLE 3

SUPPORTABLE INCLUSIONARY HOUSING REQUIREMENT
SUBMARKET #1: OWNERSHIP HOUSING DEVELOPMENT
PRO FORMA ANALYSES
MODERATE INCOME ALTERNATIVE
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I.	**Funds Available for Development Costs**				
	Net Revenue		See APPENDIX A - EXHIBIT II - TABLE 2	$32,106,000	
	(Less) Threshold Developer Profit	[1]	9.0% Total Development Cost	($2,802,000)	
	Total Funds Available for Development Costs				$29,304,000
II.	**Total Development Cost**		See APPENDIX A - EXHIBIT II - TABLE 1		$31,187,000
III.	**Land Cost Reduction**		32% As a % of Land Cost		$1,883,000
	Supportable Inclusionary Housing Percentage		10% Moderate Income Units		

[1] Based on the profit as a percentage of Total Development Cost estimated to be generated by the MARKET RATE ALTERNATIVE..

APPENDIX B

SUBMARKET #1
OWNERSHIP HOUSING DEVELOPMENT
AFFORDABILITY ANALYSES
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

APPENDIX B - EXHIBIT I

AFFORDABLE SALES PRICE CALCULATIONS [1]
2019 INCOME STANDARDS
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

		Studio Units	One-Bedroom Units	Two-Bedroom Units	Three-Bedroom Units	Four-Bedroom Units
I.		**Moderate Income Households**				
A. Income Information						
Household Income @ 110% Median		$56,270	$64,350	$72,380	$80,410	$86,850
Income Allotted to Housing @ 35% of Income		$19,690	$22,520	$25,330	$28,140	$30,400
B. Expenses						
Annual Utilities Allowance	[2]	$1,104	$1,236	$1,512	$1,512	$1,512
HOA, Maintenance & Insurance		3,120	4,080	5,400	6,000	6,600
Property Taxes @ 1.10% of Affordable Sales Price		2,290	2,550	2,720	3,050	3,300
Total Expenses		$6,514	$7,866	$9,632	$10,562	$11,412
C. Income Available for Mortgage		$13,176	$14,654	$15,698	$17,578	$18,988
D. Affordable Sales Price						
Supportable Mtg @ 5.31% Interest	[3]	$197,500	$219,700	$235,300	$263,500	$284,600
Home Buyer Down Payment @ 5% Aff Sales Price		10,400	11,600	12,400	13,900	15,000
Affordable Sales Price		$207,900	$231,300	$247,700	$277,400	$299,600

[1] Based on 2019 household incomes published by HCD. The Affordable Sales Price calculations are based on the California Health and Safety Code Section 50052.5 methodology.

[2] Utilities allowances are Based on Long Beach Housing Authority energy efficient allowances for attached ownership units effective as of 12/12/18. Assumes: electric heating, cooking and water heating; basic electric and air conditioning; water; sewer; and trash.

[3] Based on a 100 basis points premium applied to the Bankrate site average as of March 15, 2019 for a fixed-interest rate loan with a 30-year amortization period.

Prepared by: Keyser Marston Associates
File name: LB Own Inclusionary 7 21 19; ASP

APPENDIX B - EXHIBIT II

SUBMARKET #1
IN-LIEU FEE ANALYSIS
AFFORDABILITY GAP APPROACH - MODERATE INCOME
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

I. Sales Price Difference

A. Studio Units

Market Rate Units		$307,200
Affordable Sales Price	[1]	207,900
Difference		$99,300

B. One-Bedroom Units

Market Rate Units		$428,900
Affordable Sales Price	[1]	231,300
Difference		$197,600

C. Two-Bedroom Units

Market Rate Units		$600,700
Affordable Sales Price	[1]	247,700
Difference		$353,000

II. Distribution of Total Units

Studio Units	5%
One-Bedroom Units	45%
Two-Bedroom Units	50%

III. In-Lieu Fee

Per Income Restricted Unit	$270,400
Supportable Inclusionary Housing Percentage	10%
Per Square Foot of GBA	$23.80

[1] See APPENDIX B - EXHIBIT I.

APPENDIX C

OWNERSHIP HOUSING DEVELOPMENT
HOME SALES SURVEYS
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

APPENDIX C - EXHIBIT I

SUBMARKET #1
CONDOMINIUM SALES SURVEY
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Address	Zip Code	Unit Size (SF)	Sales Price Total	Sales Price Per SF	Year Built
		Studio Units			
315 W 3rd St Unit 6A	90802	234	$169,000	$722	1925
335 Cedar Ave #103	90802	336	$165,000	$491	1965
455 E Ocean Blvd #808	90802	388	$259,900	$670	1923
455 E Ocean Blvd #1010	90802	398	$255,000	$641	1923
1030 E Ocean Blvd #207	90802	400	$270,000	$675	1922
325 W 3rd St #204	90802	420	$260,000	$619	1924
360 W Ocean Blvd #208	90802	443	$215,000	$485	1922
325 W 3rd St #409	90802	445	$250,000	$562	1923
140 Linden Ave #741	90802	470	$260,000	$553	1928
315 W 3rd St #502	90802	477	$267,000	$560	1925
100 Atlantic Ave #503	90802	490	$241,000	$492	1958
100 Atlantic Ave #1111	90802	490	$249,881	$510	1958
100 Atlantic Ave #806	90802	490	$250,000	$510	1958
315 W 3rd St #706	90802	492	$280,000	$569	1925
433 Pine Ave #101	90802	1,119	$397,000	$355	2016
Minimum		234	$165,000	$355	1922
Maximum		1,119	$397,000	$722	2016
Average		473	$252,585	$534	1940
		One-Bedroom Units			
140 Linden Ave #516	90802	456	$295,000	$647	1925
335 Cedar Ave #406	90802	524	$260,000	$496	1965
315 W 3rd St #409	90802	536	$320,000	$597	1925
20 7th Pl Unit 4D	90802	540	$329,900	$611	1954
416 Orange Ave #6	90802	541	$235,000	$434	1955
225 W 6th St #315	90802	547	$235,000	$430	1978
225 W 6th St #413	90802	554	$200,000	$361	1978
225 W 6th St #405	90802	554	$228,000	$412	1978
230 Linden Ave #502	90802	568	$275,000	$484	1966
1047 E 1st St #6	90802	572	$309,900	$542	1954
1329 E 1st St #27	90802	573	$303,000	$529	1959
335 Cedar Ave #311	90802	574	$250,000	$436	1965
730 W 4th St #211	90802	584	$275,000	$471	1987
730 W 4th St #307	90802	588	$322,000	$548	1987
720 W 4th St #214	90802	588	$295,000	$502	1984
250 Linden Ave #406	90802	597	$290,500	$487	1964
100 Atlantic Ave #602	90802	600	$289,000	$482	1958
388 E Ocean Blvd #817	90802	600	$434,000	$723	2004
100 Atlantic Ave #1010	90802	600	$305,000	$508	1958
1525 E 2nd St #8	90802	610	$240,000	$393	1961
1405 E 1st St #2	90802	616	$315,000	$511	1963
1405 E 1st St #10	90802	616	$320,000	$519	1963
350 Cedar Ave #308	90802	616	$286,000	$464	1971
601 Olive Ave Unit B	90802	620	$270,500	$436	1954
1187 East 3rd St #309	90802	631	$315,000	$499	1969

APPENDIX C - EXHIBIT I

SUBMARKET #1
CONDOMINIUM SALES SURVEY
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Address	Zip Code	Unit Size (SF)	Sales Price		Year Built
			Total	Per SF	
1750 E Ocean Blvd #302	90802	632	$445,000	$704	1975
1724 E 1st St Unit 11A	90802	632	$290,000	$459	1958
1329 E 1st #30	90802	632	$265,000	$419	1959
1023 E 1st St #5	90802	643	$280,000	$435	1958
955 E 3rd St #205	90802	644	$352,000	$547	1984
1329 E 1st St #19	90802	646	$289,000	$447	1959
939 E Appleton St #22	90802	648	$279,000	$431	1962
102 Lime Ave #9	90802	656	$288,000	$439	1949
550 Orange Ave #104	90802	661	$260,000	$393	1985
545 Chestnut Ave #204	90802	665	$232,000	$349	1972
1575 E Appleton St #12	90802	665	$283,000	$426	1958
388 E Ocean Blvd #312	90802	680	$353,000	$519	2004
388 E Ocean Blvd #1415	90802	680	$403,000	$593	2004
388 E Ocean Blvd #515	90802	680	$402,500	$592	2004
150 The Promenade N #203	90802	680	$379,000	$557	2008
388 E Ocean Blvd #407	90802	680	$373,000	$549	2004
488 E Ocean Blvd #1011	90802	680	$400,000	$588	2004
388 E Ocean Blvd #406	90802	680	$379,000	$557	2004
388 E Ocean Blvd #715	90802	680	$395,000	$581	2004
505 W 5th St #210	90802	683	$300,000	$439	1987
1140 E Ocean Blvd	90802	684	$451,000	$659	1973
550 Orange Ave #306	90802	686	$316,000	$461	1985
550 Orange Ave #313	90802	686	$327,000	$477	1985
550 Orange Ave #226	90802	686	$335,000	$488	1985
550 Orange Ave #106	90802	686	$329,000	$480	1985
1030 E Ocean Blvd #601	90802	690	$374,000	$542	1922
1140 E Ocean Blvd #306	90802	690	$439,000	$636	1973
801 E 1st St #16	90802	690	$320,000	$464	1959
100 Hermosa Ave Unit 3F	90802	692	$320,000	$462	1965
955 E 3rd St #213	90802	704	$369,900	$525	1984
50 Elm Ave #9	90802	710	$299,900	$422	1951
100 Cerritos Ave #10	90802	723	$323,000	$447	1956
4 3rd Pl	90802	730	$380,000	$521	1953
1140 E Ocean Blvd #332	90802	732	$385,000	$526	1973
350 Cedar Ave #305	90802	733	$298,000	$407	1971
100 Cerritos Ave #6	90802	734	$295,000	$402	1956
375 Atlantic Ave #605	90802	742	$280,000	$377	1969
388 E Ocean Blvd #807	90802	746	$390,000	$523	2004
325 Cedar Ave #6	90802	755	$281,000	$372	1952
360 W Ocean Blvd #1107	90802	777	$345,000	$444	1922
1130 E 1st St #104	90802	781	$327,000	$419	1959
1750 E Ocean Blvd #6	90802	827	$570,000	$689	1975
1750 E Ocean Blvd #210	90802	846	$590,000	$697	1975
1750 E Ocean Blvd #311	90802	846	$580,000	$686	1975
411 W Seaside Way #806	90802	900	$494,000	$549	2007
525 E Seaside Way #301	90802	908	$375,000	$413	1990
133 The Promenade N #318	90802	910	$455,500	$501	2006
400 W Ocean Blvd #1206	90802	980	$560,000	$571	2007

APPENDIX C - EXHIBIT I

SUBMARKET #1
CONDOMINIUM SALES SURVEY
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Address	Zip Code	Unit Size (SF)	Sales Price Total	Sales Price Per SF	Year Built
395 E 4th St #21	90802	1,020	$479,000	$470	2006
100 W 5th St Unit 8C	90802	1,044	$560,000	$536	1925
115 W 4th St #306	90802	1,133	$603,000	$532	1929
100 W 5th St Unit 4J	90802	1,150	$550,000	$478	1925
100 West 5th St Unit 2F	90802	1,279	$565,000	$442	1925
115 W 4th St #404	90802	1,323	$650,000	$491	1929
100 W 5th St Unit 2A	90802	1,425	$575,000	$404	1925
488 E Ocean Blvd Unit P2	90802	1,434	$805,000	$561	2004
115 W 4th St #310	90802	1,525	$559,650	$367	1929
388 E Ocean Blvd Unit P12	90802	1,550	$735,000	$474	2004
Minimum		456	$200,000	$349	1922
Maximum		1,550	$805,000	$723	2008
Average		745	$370,316	$497	1970
		Two-Bedroom Units			
335 Lime Ave #11	90802	588	$267,000	$454	1913
1036 E 2nd St	90802	687	$305,000	$444	1941
100 Atlantic Ave #904	90802	730	$385,000	$527	1958
100 Atlantic Ave #312	90802	730	$255,000	$349	1958
1506 E 4th St #207	90802	779	$382,000	$490	1979
555 Maine Ave #132	90802	786	$340,500	$433	1991
555 Maine Ave #331	90802	786	$365,000	$464	1991
1273 E 1st St Unit 2E	90802	803	$365,000	$455	1956
100 Atlantic Ave #200	90802	820	$339,000	$413	1958
100 Atlantic Ave #400	90802	820	$305,000	$372	1958
528 Cedar Ave Unit 2H	90802	845	$319,000	$378	1960
419 E 5th St Unit H	90802	851	$376,000	$442	1983
550 Orange Ave #332	90802	859	$373,000	$434	1985
327 Chestnut Ave #102	90802	860	$355,000	$413	1990
68 Lime Ave #1	90802	868	$333,000	$384	1956
1237 E 6th St #210	90802	871	$295,000	$339	1986
1237 E 6th St #102	90802	871	$307,000	$352	1986
555 Maine Ave #230	90802	892	$405,000	$454	1991
1039 E Appleton St #3	90802	903	$393,500	$436	1973
555 Maine Ave #224	90802	906	$398,500	$440	1991
955 E 3rd St #415	90802	906	$451,000	$498	1984
555 Maine Ave #226	90802	906	$372,500	$411	1991
555 Maine Ave #103	90802	908	$395,000	$435	1991
555 Maine Ave #409	90802	908	$410,000	$452	1991
1100 East Ocean #13	90802	916	$580,000	$633	1950
939 E Appleton St #23	90802	919	$362,500	$394	1962
1808 E Appleton St #1	90802	929	$390,000	$420	1955
1045 E 3rd St #5	90802	929	$360,000	$388	1980
550 Orange Ave #310	90802	930	$395,000	$425	1985
550 Orange Ave #108	90802	930	$399,999	$430	1985
360 W Ocean Blvd #308	90802	951	$385,000	$405	1922
35 Linden Ave #202	90802	954	$482,000	$505	1987

APPENDIX C - EXHIBIT I

SUBMARKET #1
CONDOMINIUM SALES SURVEY
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Address	Zip Code	Unit Size (SF)	Sales Price Total	Sales Price Per SF	Year Built
21 7th Pl #510	90802	954	$565,000	$592	1959
375 Atlantic Ave #508	90802	956	$420,000	$439	1969
730 W 4th St #119	90802	957	$335,000	$350	1987
730 W 4th St #215	90802	957	$372,500	$389	1987
388 E Ocean Blvd #1618	90802	960	$618,000	$644	2004
1739 E Broadway #19	90802	966	$460,000	$476	1985
35 Linden Ave #401	90802	971	$495,000	$510	1987
601 Olive Ave Unit L	90802	973	$369,000	$379	1954
1111 E Appleton St #9	90802	976	$360,000	$369	1963
375 Atlantic Ave #606	90802	982	$349,000	$355	1969
1739 E Broadway #10	90802	986	$440,000	$446	1985
1244 E 3rd St #201	90802	987	$405,000	$410	1985
955 E 3rd St #411	90802	987	$405,000	$410	1984
1139 E Ocean Blvd #204	90802	995	$436,000	$438	1959
150 The Promenade N #401	90802	997	$465,000	$466	2008
40 3rd Pl	90802	1,002	$665,000	$664	1953
1750 E Ocean Blvd #1613	90802	1,008	$815,000	$809	1975
1900 E Beverly Way #41	90802	1,014	$380,000	$375	1982
535 Magnolia Ave #310	90802	1,014	$399,000	$393	1990
200 Elm Ave #18	90802	1,015	$367,500	$362	1982
388 E Ocean Blvd #1603	90802	1,020	$670,000	$657	2004
388 E Ocean Blvd #816	90802	1,020	$650,000	$637	2004
12 5th Pl	90802	1,043	$450,000	$431	1953
330 Chestnut Ave #2	90802	1,045	$300,000	$287	1953
1404 E 1st St #12	90802	1,046	$449,800	$430	1959
488 E Ocean Blvd #910	90802	1,057	$615,000	$582	2004
1187 East 3rd St #316	90802	1,063	$450,000	$423	1969
720 West 4th St #320	90802	1,072	$366,000	$341	1984
100 Hermosa Ave Unit 3B	90802	1,073	$475,000	$443	1965
637 Atlantic Ave #4	90802	1,079	$370,000	$343	1989
700 E Ocean Blvd #2305	90802	1,080	$740,000	$685	1965
700 E Ocean Blvd #1606	90802	1,080	$704,650	$652	1965
700 E Ocean Blvd #1806	90802	1,080	$659,000	$610	1965
519 Cedar Ave #4	90802	1,092	$367,000	$336	1956
133 The Promenade N #325	90802	1,100	$535,000	$486	2006
140 Linden Ave #655	90802	1,107	$430,000	$388	1928
525 E Seaside Way #2108	90802	1,112	$700,000	$629	1990
1750 E OCEAN Blvd #1405	90802	1,116	$825,000	$739	1975
1187 E 3rd St #201	90802	1,124	$407,000	$362	1969
1919 E Beverly Way #304	90802	1,135	$454,000	$400	1982
1919 E Beverly Way #33	90802	1,142	$458,000	$401	1982
525 East Seaside Way #1007	90802	1,220	$634,000	$520	1990
1425 E 2nd St #202	90802	1,222	$513,000	$420	1984
1750 E Ocean Blvd #509	90802	1,231	$805,000	$654	1975
730 W 4th St #419	90802	1,352	$452,400	$335	1987
21 7th Pl #309	90802	1,355	$785,000	$579	1959
850 E Ocean Blvd #1306	90802	1,369	$950,000	$694	1992
850 E Ocean Blvd #402	90802	1,370	$802,000	$585	1992

APPENDIX C - EXHIBIT I

SUBMARKET #1
CONDOMINIUM SALES SURVEY
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Address	Zip Code	Unit Size (SF)	Sales Price		Year Built
			Total	Per SF	
850 E Ocean Blvd #803	90802	1,377	$885,000	$643	1992
300 E 4th St #424	90802	1,390	$587,000	$422	2008
525 E Seaside Way #1203	90802	1,399	$715,000	$511	1990
525 E Seaside Way #1009	90802	1,399	$656,000	$469	1990
525 E Seaside Way E #603	90802	1,399	$735,000	$525	1990
850 E Ocean Blvd #1006	90802	1,400	$870,000	$621	1992
850 E Ocean Blvd #1406	90802	1,400	$910,000	$650	1992
411 W Seaside Way #903	90802	1,410	$765,000	$543	2007
411 West Seaside Way #403	90802	1,410	$625,000	$443	2007
400 W Ocean Blvd #606	90802	1,414	$690,000	$488	2007
400 W Ocean Blvd #902	90802	1,440	$755,000	$524	2007
400 W Ocean Blvd #202	90802	1,440	$672,000	$467	2007
400 W Ocean Blvd #302	90802	1,440	$663,000	$460	2007
800 E Ocean Blvd #602	90802	1,448	$757,000	$523	1928
300 E 4TH St #412	90802	1,450	$555,000	$383	2008
388 E Ocean Blvd Unit P7	90802	1,510	$738,000	$489	2004
850 E Ocean Blvd #911	90802	1,542	$838,000	$543	1992
488 E Ocean Blvd Unit P11	90802	1,647	$730,000	$443	2004
400 W Ocean Blvd #1401	90802	1,660	$830,000	$500	2007
400 W Ocean Blvd #2104	90802	1,660	$825,000	$497	2007
100 Atlantic Ave Ph 1	90802	1,690	$583,000	$345	1958
395 E 4th St #9	90802	1,770	$577,000	$326	2006
Minimum		588	$255,000	$287	1913
Maximum		1,770	$950,000	$809	2008
Average		1,093	$519,072	$475	1980

Source: Redfin. The survey includes executed sales that occurred between September 2018 to February 2019.

APPENDIX C - EXHIBIT II

CONDOMINIUM SALES SURVEY - NORTH LONG BEACH
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Address	Zip Code	Unit Size (SF)	Sales Price Total	Sales Price Per SF	Year Built
One-Bedroom Units					
2890 E Artesia Blvd #15	90805	556	$190,000	$342	1972
2890 E Artesia Blvd #55	90805	556	$160,000	$288	1972
5050 Linden Ave #106	90805	555	$130,000	$234	1965
2890 E Artestia Blvd #56	90805	556	$160,000	$288	1972
5530 Ackerfield Ave #313	90805	639	$161,600	$253	1969
2890 E Artesia Blvd #67	90805	556	$189,000	$340	1972
5535 Ackerfield Ave #43	90805	671	$170,000	$253	1969
5530 Ackerfield Ave #314	90805	641	$159,000	$248	1969
5530 Ackerfield Ave #304	90805	650	$146,500	$225	1969
5500 Ackerfield Ave #310	90805	641	$145,000	$226	1968
5021 Atlantic Ave #30	90805	555	$140,000	$252	1965
5050 Linden Ave #90	90805	555	$135,000	$243	1965
2890 E Artesia Blvd #47	90805	556	$185,000	$333	1972
2890 E Artesia Blvd #66	90805	556	$199,000	$358	1972
5050 Linden Ave #72	90805	555	$195,000	$351	1965
5500 Ackerfield Ave #304	90805	639	$205,000	$321	1968
5050 Linden Ave #91	90805	555	$208,000	$375	1965
5535 Ackerfield Ave #40	90805	671	$215,000	$320	1969
5500 Ackerfield Ave #309	90805	639	$135,000	$211	1968
5050 Linden Ave #86	90805	650	$165,000	$254	1965
Minimum		555	$130,000	$211	1965
Maximum		671	$215,000	$375	1972
Average		598	$169,655	$284	1969

APPENDIX C - EXHIBIT II

CONDOMINIUM SALES SURVEY - NORTH LONG BEACH
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Address	Zip Code	Unit Size (SF)	Sales Price Total	Sales Price Per SF	Year Built
		Two-Bedroom Units			
5500 Ackerfield Ave #103	90805	938	$280,000	$299	1968
5500 Ackerfield Ave #108	90805	943	$298,000	$316	1968
2890 E Artesia Blvd #10	90805	858	$208,000	$242	1972
2890 E Artesia Blvd #69	90805	857	$210,000	$245	1972
5021 Atlantic Ave #51	90805	784	$210,000	$268	1965
2890 E Artesia Blvd #23	90805	858	$176,000	$205	1972
2890 E Artesia Blvd #69	90805	857	$210,000	$245	1972
2890 E Artesia Blvd #41	90805	858	$178,000	$207	1972
6638 Orange Ave #105	90805	1,055	$273,000	$259	1989
5500 Ackerfield Ave #403	90805	873	$250,000	$286	1968
6666 Orizaba Ave #2	90805	860	$222,000	$258	1976
5535 Ackerfield Ave #10	90805	858	$178,000	$207	1969
2890 E Artesia Blvd #70	90805	857	$230,000	$268	1972
2890 E Artesia Blvd #24	90805	858	$195,000	$227	1972
2890 E Artesia Blvd #40	90805	858	$209,900	$245	1972
2890 E Artesia Blvd #39	90805	858	$186,000	$217	1972
2890 E Artesia Blvd #63	90805	858	$210,000	$245	1972
5021 Atlantic Ave #24	90805	784	$205,000	$261	1965
5050 Linden Ave #93	90805	850	$170,000	$200	1965
5535 Ackerfield Ave #4	90805	942	$285,000	$303	1969
5535 Ackerfield Ave #34	90805	854	$215,000	$252	1969
5530 Ackerfield Ave #402	90805	873	$195,000	$223	1969
5530 Ackerfield Ave #403	90805	873	$220,000	$252	1969
5530 Ackerfield Ave #204	90805	873	$181,000	$207	1969
5530 Ackerfield Ave #202	90805	873	$205,000	$235	1969
5500 Ackerfield Ave #503	90805	938	$215,000	$229	1968
5500 Ackerfield Ave #402	90805	873	$175,000	$200	1968
5500 Ackerfield Ave #407	90805	876	$188,000	$215	1968
5500 Ackerfield Ave #208	90805	873	$225,000	$258	1968
5500 Ackerfield Ave #211	90805	876	$165,000	$188	1968
5530 Ackerfield Ave #108	90805	943	$205,000	$217	1969
5500 Ackerfield Ave #202	90805	873	$243,331	$279	1968
1751 E 68th Street #13	90805	1,285	$310,000	$241	1990
2890 E Artesia Blvd #6	90805	858	$196,000	$228	1972
2890 E Artesia Blvd #31	90805	857	$229,900	$268	1972
2890 E Artesia Blvd #60	90805	858	$200,000	$233	1972
5050 Linden Ave #101	90805	784	$215,100	$274	1965
5021 Atlantic Ave #23	90805	784	$245,000	$313	1965
5500 Ackerfield #410	90805	873	$180,000	$206	1968
6786 N Paramount Blvd Unit C	90805	965	$268,800	$279	1989
1637 E 68th Street #7	90805	1,104	$275,000	$249	1991
Minimum		784	$165,000	$188	1965
Maximum		1,285	$310,000	$316	1991
Average		889	$217,952	$245	1971

Source: Redfin. The survey includes executed sales that occurred between October 2018 to February 2019.

APPENDIX C - EXHIBIT III

CONDOMINIUM SALES SURVEY - EAST LONG BEACH
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Address	Zip Code	Unit Size (SF)	Sales Price Total	Sales Price Per SF	Year Built
		One-Bedroom Units			
1485 Obispo Ave #4	90804	830	$265,000	$319	1985
3605 E Anaheim St #315	90804	1,104	$440,000	$399	1990
1467 Obispo Ave #7	90804	800	$299,000	$374	1987
1355 Loma Ave #308	90804	941	$296,000	$315	1988
1100 Euclid Ave #204	90804	820	$303,500	$370	1985
2507 E 15th Street #118	90804	842	$234,000	$278	1988
2507 E 15th St #114	90804	953	$240,000	$252	1988
2507 E 15th St #201	90804	842	$254,000	$302	1988
2507 E 15th St #218	90804	842	$248,750	$295	1988
2507 E 15th St #312	90804	842	$220,500	$262	1988
3425 E 15th St Unit 3D	90804	750	$298,000	$397	1988
1720 Newport Ave #8	90804	880	$282,000	$320	1976
1725 Loma Ave #3	90804	790	$304,000	$385	1976
3501 E Ransom St #306	90804	800	$305,000	$381	1985
1747 Grand Ave #4	90804	1,230	$495,000	$402	2006
3605 E Anaheim St #221	90804	1,158	$409,000	$353	1990
3605 E Anaheim St #326	90804	1,158	$350,000	$302	1990
1335 Newport Ave #108	90804	985	$300,000	$305	1990
2343 E 17th St #313	90804	842	$197,000	$234	1986
2343 East 17th St #311	90804	822	$237,000	$288	1986
2343 East 17th St #104	90804	751	$155,550	$207	1988
605 Redondo Ave #405	90814	1,121	$369,000	$329	1981
728 Cherry Ave #7	90813	701	$165,000	$235	1957
1100 Euclid Ave #207	90804	843	$299,000	$355	1985
1145 Roswell Ave #208	90804	684	$299,000	$437	1988
1001 Belmont Ave #209	90804	890	$320,000	$360	1989
4113 E 10th St #4	90804	740	$302,500	$409	1985
1001 Belmont Ave #204	90804	920	$335,000	$364	1989
3605 E Anaheim St #201	90804	1,330	$399,888	$301	1990
Minimum		684	$155,550	$207	1957
Maximum		1,330	$495,000	$437	2006
Average		904	$297,334	$329	1986

APPENDIX C - EXHIBIT III

CONDOMINIUM SALES SURVEY - EAST LONG BEACH
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Address	Zip Code	Unit Size (SF)	Sales Price Total	Sales Price Per SF	Year Built
		Two-Bedroom Units			
444 Obispo Ave #302	90814	1,165	$350,000	$300	1966
645 Temple Ave #1	90814	920	$367,400	$399	1974
1467 Obispo Ave #8	90804	770	$255,000	$331	1987
645 Ohio Ave #405	90814	1,013	$385,500	$381	1986
1100 Euclid Ave #103	90804	750	$320,000	$427	1985
4113 E 10th St #5	90804	740	$318,000	$430	1985
1055 Orizaba Ave #1	90804	514	$201,000	$391	1988
1121 Obispo Ave #101	90804	925	$277,500	$300	1991
3246 E Wilton St #4	90804	820	$253,000	$309	1965
2925 E Spaulding St #306	90804	918	$299,900	$327	1987
1207 Obispo Ave #101	90804	928	$272,000	$293	1990
3401 E Wilton St #303	90804	1,084	$305,000	$281	1983
1355 Loma Ave #206	90804	634	$222,000	$350	1988
1775 Ohio Ave #401	90804	1,434	$465,000	$324	1993
1100 Euclid Ave #210	90804	843	$302,000	$358	1985
1207 Obispo Ave #104	90804	1,142	$390,000	$342	1990
1207 Obispo Ave #111	90804	976	$290,000	$297	1990
1121 Obispo Ave #202	90804	859	$279,900	$326	1991
1752 Grand Ave #4	90804	1,320	$500,000	$379	2006
4835 E Anaheim St #308	90804	1,638	$555,000	$339	1976
1110 Ohio Ave #308	90804	1,232	$376,000	$305	1982
3045 E Theresa St #12	90814	566	$265,000	$468	1971
2507 E 15th St #215	90804	877	$350,000	$399	1988
2343 E 17th St #211	90804	522	$275,000	$527	1986
1063 Stanley Ave #8	90804	880	$297,000	$338	1987
1145 Roswell Ave #311	90804	830	$402,500	$485	1988
3425 E 15th St Unit 10D	90804	780	$319,900	$410	1985
3305 E Ransom St Unit H	90804	780	$349,000	$447	1984
725 Coronado Ave #206	90804	876	$350,000	$400	1971
1207 Obispo Ave #306	90804	694	$310,000	$447	1990
645 Temple Ave #16	90814	910	$395,000	$434	1974
Minimum		514	$201,000	$281	1965
Maximum		1,638	$555,000	$527	2006
Average		914	$332,181	$363	1984
		Three-Bedroom Units			
1775 Ohio Ave #104	90804	1,023	$359,000	$351	1993
1775 Ohio Ave #110	90804	1,019	$359,000	$352	1993
1775 Ohio Ave #214	90804	1,202	$400,000	$333	1993
1775 Ohio Ave #417	90804	1,077	$360,000	$334	1993
1063 Stanley Ave #5	90804	850	$295,000	$347	1987
4835 E Anaheim St #205	90804	1,263	$391,000	$310	1976
3516 E Ransom St #103	90804	850	$320,000	$376	1987
1747 Grand Ave #6	90804	1,330	$599,000	$450	2006
1201 Belmont Ave #304	90804	680	$312,500	$460	1988
800 Termino Ave #6	90804	1,108	$365,000	$329	1983
420 Redondo Ave #310	90814	882	$345,500	$392	1970

APPENDIX C - EXHIBIT III

CONDOMINIUM SALES SURVEY - EAST LONG BEACH
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

			Sales Price		
Address	Zip Code	Unit Size (SF)	Total	Per SF	Year Built
1201 Belmont Ave #301	90804	660	$331,000	$502	1988
1110 Ohio Ave #104	90804	1,134	$310,000	$273	1982
1063 Stanley Ave #1	90804	570	$250,000	$439	1987
1200 Ohio Ave #3	90804	850	$310,000	$365	1987
1063 Stanley Ave #4	90804	880	$295,000	$335	1987
1335 Newport Ave #303	90804	1,011	$328,000	$324	1990
1775 Ohio Ave #412	90804	1,268	$410,000	$323	1993
3605 E Anaheim St #309	90804	1,158	$382,000	$330	1990
2530 E 10th St	90804	690	$282,000	$409	1928
420 Redondo Ave #103	90814	1,183	$331,000	$280	1970
646 Coronado	90814	1,200	$389,900	$325	1973
1140 Junipero Ave #8	90804	960	$275,000	$286	1987
1110 Ohio Ave #302	90804	1,121	$252,000	$225	1982
1110 Ohio Ave #303	90804	1,126	$287,000	$255	1982
1601 Stanley Ave #2	90804	930	$295,000	$317	1987
Minimum		570	$250,000	$225	1928
Maximum		1,330	$599,000	$502	2006
Average		1,001	$339,765	$339	1984

Source: Redfin. The survey includes executed sales that occurred between October 2018 and February 2019.

APPENDIX C - EXHIBIT IV

CONDOMINIUM SALES SURVEY - WEST LONG BEACH
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Address	Zip Code	Unit Size (SF)	Sales Price Total	Sales Price Per SF	Year Built
		One-Bedroom Units			
2270 Stanley Ave Unit 2B	90755	1,642	$615,000	$375	1979
2501 Temple Ave #316	90755	1,181	$385,000	$326	1983
2261 Ohio Ave	90755	945	$430,000	$455	1977
2201 Saint Louis Ave Unit 201C	90755	1,264	$483,000	$382	1980
3334 Pasadena Ave	90807	750	$240,000	$320	1980
3913 N Virginia Rd #105	90807	1,070	$358,000	$335	1986
3344 Elm Ave #27	90807	977	$345,000	$353	1979
2510 E Willow St #108	90755	1,143	$335,000	$293	1984
3695 Linden Ave Unit 1A	90807	1,236	$355,000	$287	1967
2700 E Panorama Dr #306	90755	1,280	$525,000	$410	1981
2240 N Legion Dr #215	90755	1,300	$444,000	$342	1980
3565 Linden Ave #150	90807	938	$319,000	$340	1973
2599 Walnut #138	90755	1,036	$318,000	$307	1985
2500 E Willow St #110	90755	1,060	$382,000	$360	1980
3530 Elm Ave #205	90807	1,052	$318,000	$302	1979
3113 Atlantic Ave #14	90807	765	$226,000	$295	1981
375 E 36th St #7	90807	1,716	$425,000	$248	1966
3565 Linden Ave #204	90807	660	$250,000	$379	1973
3565 Linden Ave #215	90807	719	$247,500	$344	1973
2500 E Willow St #107	90755	837	$282,000	$337	1980
2101 E 21st St #218	90755	1,171	$375,000	$320	1982
3721 Country Club Dr #16	90807	1,120	$410,000	$366	1974
4170 Elm Ave #302	90807	1,174	$350,000	$298	1974
4005 N Virginia Rd #4	90807	1,496	$451,000	$301	1973
3913 N Virginia Rd #307	90807	1,070	$405,000	$379	1986
3565 Linden Ave #327	90807	917	$308,000	$336	1973
3933 N Virginia Rd #107	90807	1,362	$365,000	$268	1974
3530 Elm Ave #309	90807	1,136	$325,000	$286	1979
1460 E Willow St #305	90755	1,193	$360,000	$302	1980
2599 Walnut Ave #234	90755	1,051	$300,000	$285	1985
3932 N Virginia Rd #106	90807	1,212	$325,000	$268	1987
3932 N Virginia Rd #206	90807	1,258	$330,000	$262	1987
3932 N Virginia Rd #110	90807	950	$326,000	$343	1986
3721 Country Club Dr #4	90807	956	$386,000	$404	1974
3939 N Virginia Rd #209	90807	1,490	$415,000	$279	1974
3511 Elm Ave #312	90807	700	$242,000	$346	1971
Minimum		660	$226,000	$248	1966
Maximum		1,716	$615,000	$455	1987
Average		1,106	$359,875	$325	1978

APPENDIX C - EXHIBIT IV

CONDOMINIUM SALES SURVEY - WEST LONG BEACH
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Address	Zip Code	Unit Size (SF)	Sales Price Total	Sales Price Per SF	Year Built
		Two-Bedroom Units			
2501 Temple Ave #309	90755	1,179	$362,000	$307	1983
3933 N Virginia Rd #206	90807	1,362	$375,000	$275	1974
3657 Country Club Dr Unit E	90807	1,221	$420,000	$344	1975
2501 Temple Ave #203	90755	1,179	$351,000	$298	1983
2120 E Hill St #302	90755	1,564	$473,000	$302	1984
2120 E Hill St #109	90755	1,714	$499,000	$291	1984
2001 E 21 St #335	90755	1,774	$460,000	$259	1983
2599 Walnut Ave #117	90755	815	$240,000	$294	1985
4505 California Ave #411	90807	1,187	$309,900	$261	1974
2296 Gavioate Ave #3	90755	1,058	$249,000	$235	1980
2296 Gaviota Ave #8	90755	1,041	$259,900	$250	1980
2599 Walnut Ave #109	90755	901	$245,000	$272	1985
2599 Walnut Ave #214	90755	809	$215,000	$266	1985
2251 Rose Ave #1	90755	1,234	$364,000	$295	1979
2254 Gaviota Ave #18	90755	1,207	$361,000	$299	1980
3354 Elm Ave #20	90807	979	$350,000	$358	1980
2506 W Willow St #202	90755	1,060	$360,000	$340	1980
2504 E Willow St #204	90755	1,157	$350,500	$303	1980
2510 E Willow St #105	90755	1,157	$333,000	$288	1984
2514 E Willow St #107	90755	837	$270,000	$323	1984
2516 E Willow St #201	90755	1,144	$357,900	$313	1984
2516 E Willow St #206	90755	1,150	$349,000	$303	1984
2501 Temple Ave #101	90755	1,181	$314,000	$266	1983
2501 Temple Ave #117	90755	1,181	$365,000	$309	1983
2120 E Hill St #104	90755	1,541	$460,000	$299	1984
2101 E 21st St #316	90755	1,171	$367,500	$314	1982
20014 E 21st St #126	90755	1,171	$360,000	$307	1983
3500 Elm Ave #26	90807	782	$259,000	$331	1968
4170 Elm Ave #319	90807	1,160	$350,000	$302	1974
3932 N Virginia Rd #105	90807	1,081	$345,000	$319	1987
3913 N Virginia Rd #210	90807	850	$315,000	$371	1986
3913 N Virginia Rd #109	90807	850	$311,000	$366	1986
4505 California Ave #311	90807	1,187	$310,000	$261	1974
4505 California Ave #206	90807	1,349	$311,000	$231	1974
4505 California Ave #305	90807	1,281	$311,500	$243	1974
123 W Spring St Unit A	90806	1,271	$393,000	$309	1985
103 W Spring St Unit A	90806	929	240,000	$258	1985
3657 Country Club Dr Unit K	90807	1,221	395,000	$324	1975
4170 Elm Ave #211	90807	1,082	331,000	$306	1974
4170 Elm Ave #301	90807	1,160	322,000	$278	1974
3530 Elm Ave #102	90807	1,198	295,000	$246	1979
3500 Elm Ave #15	90807	583	195,000	$334	1968
3500 Elm Ave #28	90807	1,108	325,000	$293	1968
Minimum		583	$195,000	$231	1968
Maximum		1,774	$499,000	$371	1987
Average		1,141	$335,563	$294	1980

APPENDIX C - EXHIBIT IV

CONDOMINIUM SALES SURVEY - WEST LONG BEACH
INCLUSIONARY HOUSING FEASIBILITY ANALYSIS
LONG BEACH, CALIFORNIA

Address	Zip Code	Unit Size (SF)	Sales Price Total	Sales Price Per SF	Year Built
		Three-Bedroom Units			
2599 Walnut Ave #209	90755	801	$296,000	$370	1985
2101 E 21st St #116	90755	1,171	$425,000	$363	1982
2101 E 21st St #216	90755	1,171	$410,000	$350	1982
2512 E Willow St #302	90755	1,981	$650,000	$328	1984
1460 E Willow St #104	90755	1,193	$420,000	$352	1980
2599 Walnut Ave #223	90755	809	$297,500	$368	1985
2700 E Panorama Dr #204	90755	1,302	$557,000	$428	1981
3536 Linden Ave #5	90807	1,078	$475,000	$441	2002
4505 California Ave #510	90807	1,201	$345,000	$287	1974
2501 Temple Ave #206	90755	1,179	$400,000	$339	1983
3326 Elm Ave	90807	750	$225,000	$300	1980
3452 Elm Ave #205	90807	983	$285,000	$290	1966
700 E Carson St #6	90807	728	$290,000	$398	1953
3303 Linden	90807	1,085	$315,000	$290	1980
4515 California Ave #305	90807	1,019	$320,000	$314	1980
2101 E 21st ST #113	90755	1,171	$340,000	$290	1982
2001 E 21st St #127	90755	1,171	$355,000	$303	1983
3933 N Virginia Rd #105	90807	1,337	$374,000	$280	1974
2001 E 21st St #228	90755	1,171	$360,500	$308	1983
2500 E Willow St #101	90755	1,143	$349,000	$305	1980
2052 Lewis Ave	90806	1,169	$268,000	$229	1983
2508 Willow St #210	90755	1,060	$345,000	$325	1980
Minimum		728	$225,000	$229	1953
Maximum		1,981	$650,000	$441	2002
Average		1,122	$368,273	$328	1980

Source: Redfin. The survey includes executed sales that occurred between October 2018 and February 2019