

EXHIBIT B

Long Beach Downtown Plan Community Benefits Analysis



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RTC-196



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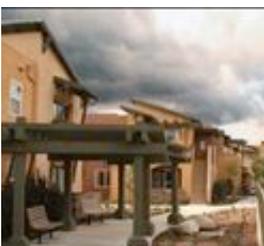




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Executive Summary and Recommendations

1. Background and Introduction

The City of Long Beach and its consulting team has prepared the City of Long Beach Downtown Plan and Associated Environmental Impact Report (EIR), dated December 2010, as part of a proactive planning process to create a vision for downtown and position the City for new construction and development once the pace of economic activity increases. As acknowledged in the EIR, full implementation of the Downtown Plan, anticipated over the next 25 years, could increase the density and intensity of existing Downtown land uses by allowing up to:

1. Approximately 5,000 new residential units;
2. 1.5 million square feet of new office, civic, cultural and similar uses;
3. 384,000 square feet of new retail space;
4. 96,000 square feet of restaurants; and,
5. 800 new hotel rooms.

Since the supply of vacant land in the downtown is very limited, much of the new development that will occur will result from the redevelopment of existing residential, retail, office and other uses at a higher development intensity. This redevelopment activity will have consequences on the existing 31,400 residents in the downtown, many of whom may ultimately be displaced. For the nearly 24,000 existing low income residents that earn less than \$50,000 per year, and especially

for the estimated 9,400 residents (approximately 30%) earning less than \$15,000 annually, finding an affordable place to live may pose a serious challenge¹.

The Legal Aid Foundation, through funding from the California Endowment, retained David Paul Rosen & Associates (DRA) to prepare a community benefits analysis of the proposed Long Beach Downtown Plan (DTP, or the “Plan”) to determine whether the increased density and other benefits to landowners resulting from the proposed Plan over time can support community benefits such as affordable housing and local hiring requirements.

The purpose of the study is to quantify the value of the benefits provided to landowners under the proposed Plan, including increases in permitted building height/density, reduced parking requirements, faster permit processing and cost savings resulting from the reduced need for individual projects to prepare individual EIR’s. The study will assist City policy makers in reaching informed decisions on adoption and implementation of the Plan to the benefits of all residents within the Plan area and within the City of Long Beach.

The impetus behind the consultant study is the recognition of the benefits to landowners that are provided by the Plan, the potential displacement of existing low income residents that may occur as the Plan is implemented, the critical shortage of affordable housing in the City to accommodate them, the importance of affordable housing to the overall local economy and livability of the community and the importance of targeting new jobs to Long Beach residents, especially during hard economic times.

DRA conducted the necessary economic analysis to identify and quantify the value of the benefits of the Plan to the developer and to determine the extent to which they offset the cost of providing affordable units and local hiring.

Every development has its unique economic circumstances. Nevertheless, development is governed by clear market forces, economic, financial and underwriting norms. It is these norms that DRA has modeled, based on its substantial development experience, nationally, in Southern California, and in Long Beach particularly. So while individual economic assumptions will vary deal by deal, the analysis contained in the report is representative of the economic and

¹ Source for estimates of existing residents by income level: Downtown Market Study Final Report, April 17, 2009. Estimate based on 630-acre boundaries for the Downtown Plan. The Downtown Plan area has increased 14% to 719 acres, therefore the number of existing residents is presumably higher.



financial conditions underlying residential and commercial development in Long Beach in 2010.

2. Recommendations

This study recommends that the Downtown Plan provide for community benefits, including affordable housing and local hiring requirements, to offset the potential negative consequences of implementation of the Downtown Plan on existing residents.

2.1 Affordable Housing

Key tools the City may consider for producing affordable housing and/or generating funds to capitalize housing development, include inclusionary housing and a commercial development linkage fee.

Inclusionary housing programs require residential developers to provide a percentage of total units at below market rents or at below market sales prices in conjunction with the market-rate units in the project. Inclusionary housing is used by 170 communities in California to increase the production of housing affordable to very low, low and/or moderate income households².

A commercial development linkage fee, also known as a nexus fee, is charged on non-residential development to mitigate the impact of the development on the housing market. In addition to generating demand for market rate housing, future employment growth will generate demand for housing affordable to lower and moderate income workers. At least 23 local agencies in California, including San Diego, Sacramento, Oakland and San Francisco, have established commercial development linkage fees to generate revenues for affordable housing development³.

² Source: Non-Profit Housing Association of Northern California, "Affordable by Choice: Trends in California Inclusionary Housing Programs: 2007.

³ Source: Institute for Local Government, "Affordable Housing Trusts in California,": 2005. California local agencies imposing linkage fees include: Alameda County, City of Berkeley, City of Corte Madera, City of Cupertino, City of Livermore, Marin County, City of Menlo Park, City of Milpitas, City of Mountain View, Napa County, City of Oakland, City of Palo Alto, City of Petaluma, City of Pleasanton, City of Sacramento, Sacramento County, City of San Diego, City/County of San Francisco, City of Santa Monica, City of Sunnyvale, Sonoma County, City of Walnut Creek, City of West Hollywood.



Affordable Housing Recommendations

Right of First Refusal. Extremely low income, very low income and low income households who are displaced from the DTP area as a result new development shall have priority preference for affordable units built within the DTP plan area and built outside the DTP area with fees collected from DTP development.

Inclusionary Housing. Renter housing: 10% of new units developed⁴ must be affordable to very low income households (50% of area median income or \$31,500, family of four, 2010) for the life of the project.

Owner housing: 15% of new units developed⁵ must be affordable for moderate income households (100% of area median income or \$63,000, family of four, 2010) for the life of the project.

In Lieu Fees. Inclusionary housing in lieu fees should be set at the economic equivalency of providing affordable units on-site, to ensure that developers do not have an economic incentive to pay in lieu fees rather than build inclusionary units, and to ensure that approximately the same number of units will be built offsite that would be provided on site.

In lieu fee equals \$20 per square foot for rental units.

In lieu fee equals \$10 per square foot for owner units.

Commercial Linkage Fee. A commercial linkage fee of \$10.00 per square foot should be charged on new office, retail, restaurant and other commercial uses.

Table 1 summarizes the projected production of affordable housing in the Downtown Plan Area based on the recommendations above and the projected increase in residential and commercial development contained in the Plan EIR. It is projected that implementation of the recommendations for residential uses will result in the production of a total of 625 on-site affordable rental and condominium housing units. The proposed commercial linkage fee recommendations would produce an additional 122 rental housing units affordable to very low income households. With leverage of fees through use of tax credits and other sources, a larger number of affordable units may be produced.⁶

⁴ Including units created through adaptive reuse (the transition of an existing non-residential building to a new residential use).

⁵ Including units created through condominium conversion.

⁶ Historical leverage ratios of up to 3:1 have been achieved.



2.2 Local Hiring

Implementation of the Downtown Plan will result in new job opportunities, both during construction and later during long-term operation of businesses located in the new commercial developments. New development also creates opportunities for small, local businesses contributing to the economic development of the community.

Local hiring requirements for construction and permanent employment will target job opportunities to Long Beach residents and low income communities, prompt generation of tax flow and other income to the City, and boost the local economy by generating local construction jobs and job training. Therefore, DRA recommends that the Downtown Plan contain the following language regarding local hiring requirements for construction and permanent jobs. The construction job local hiring requirement, as drafted below, pertains only to projects involving City investment or public land, for which prevailing wage (Davis Bacon) requirements already apply. Therefore, there will be no economic impact on wages or project costs in the Downtown Plan area as a result of this proposed requirement. Local hiring requirements for the permanent jobs will also not affect wages and therefore will not add costs to employers.

Local Hiring Requirements Recommendation

Construction Jobs. The City of Long Beach recognizes that Project Labor Agreements are important to advancing the City's proprietary and policy interests, including the ability to ensure on-time, on-budget completion of projects, target construction job opportunities to Long Beach residents and low-income communities, prompt generation of tax flow and other income to the City, and boost the local economy by generating local construction jobs and job training. As such, all new developments within the Downtown Plan Area that are undertaken by the City with a contract value of \$500,000 or more, receive City Investment of more than \$1,000,000, or are located on public land and developed under lease from the City, will operate under Project Labor Agreements that contain targeted hiring provisions ensuring that at least 30% of all construction work hours are performed by Long Beach residents residing in High Unemployment Areas and at least 10% of all construction work hours are performed by Disadvantaged Long Beach residents. Disadvantaged residents are defined as those whose household income falls below 50% of the area median area income. Such Project Labor Agreements should also set goals to provide at least 15% of entries into apprenticeship programs and 30% of total apprentice



work hours on a project are performed by Disadvantaged Long Beach residents. Finally, such Project Labor Agreements should ensure that contractors request in writing and unions refer targeted workers prior to referral of any other individuals into journey person or apprentice positions on the project in question.

The City of Long Beach recognizes that construction projects can create opportunities for small, local businesses and therefore promote the economic development of our community. As such, all new developments within the Downtown Plan Area that are undertaken by the City, receive City Investment, or are located on public land, will ensure that at least 10% of all construction work, as measured by the dollar value of contracts related to the project in question, be contracted with a Section 3 or city certified local Small Business Enterprise (LSBE).

For purposes of the provisions set forth above, "City Investment" means financial assistance provided by the City to a developer that is expressly articulated or identified in writing by the City and establishes a proprietary interest in the development project in question, and shall include, but not be limited to: grants (requiring repayment where terms not met); rent subsidies or reductions; below-market loans; loan forgiveness; City-approved bond financing (excluding conduit bond financing); a sale or lease of City-assembled land for less than its fair market value; contingent obligations taken on by the City such as any guaranty or pledge of City funds.

For the purposes of the provisions set forth above, "High Unemployment Areas" means Long Beach zip codes containing census tracts in which the unemployment rate exceeds 150% of the L.A. County average.

Permanent Jobs. The City of Long Beach recognizes that Local Hiring Requirements for permanent jobs (i.e., non-construction jobs such as retail, food service and clerical jobs) in the Downtown Plan Area are important to advancing the City's propriety interests and the interests of its residents. As such, all Covered Employers within the Downtown Plan Area that receive City Assistance will operate under Local Hiring Agreements with the City that contain targeted hiring provisions ensuring that at least 30% of all Covered Work Hours are performed by Long Beach residents and at least 10% of all Covered Work Hours are performed by Disadvantaged Long Beach residents.⁷ Disadvantaged residents are defined as those whose household income falls below 50% of the area median income.

For the purposes of the provisions set forth above, "Covered Employers" is

⁷ Hours worked by out-of-state residents are not included in this calculation.



defined as all employers within the Downtown Plan Area who are Beneficiaries or who have entered into a lease or contract with a Beneficiary for the performance of work within the Downtown Plan Area. “Beneficiary” is defined as an entity located or locating within the Downtown Plan Area and receiving financial assistance from the City or entering into a contract with the City for the performance of work within the Downtown Plan Area.

For the purposes of the provisions set forth above, “Financial Assistance” is defined as any loan, grant, subsidy or similar participation in the cost of development of a project within the Downtown Plan Area provided by the City, irrespective of source, valued at \$50,000 or more.

For the purposes of the provisions set forth above, “Covered Work Hours” are defined as hours worked by individuals in positions performed predominantly on-site within the Downtown Plan Area other than executive, managerial or licensed professional positions.

The City will utilize a Master Local Hiring Agreement that will be utilized for all Covered Employers, to allow for proper monitoring and enforcement of the local hiring provisions set forth above.

3. Methodology

There are a number of different areas within the Plan geography that will experience a change in height restrictions under the proposed Plan. DRA analyzed the following four scenarios, representing prevalent changes in the Plan area from the existing PD-30 zoning to the proposed Downtown Plan (DTP) height/FAR⁸ standards:

	PD-30 Height Limit	DTP Height	FAR Limit
1	6 stories	80 feet	4.0 FAR
2	6 stories	150 feet	5.0 FAR
3	6 stories	240 feet	8.0 FAR
4	100 feet	240 feet	8.0 FAR

⁸ FAR = Floor Area Ratio, the numerical value obtained by dividing the gross floor area of a building by the total land area of the site.



DRA developed prototypes consistent with five different height/FAR restrictions (6 stories, 80 feet, 100 feet, 150 feet, 240 feet) for apartment, condo, office and hotel uses (with ground floor retail), resulting in a total of 20 prototypes. Development cost budgets and net operating income, or net sales income for the condo prototypes, were estimated for each prototype. These assumptions were used to conduct a land residual analysis for each prototype. Land residual analysis is commonly used by real estate developers, lenders and investors to evaluate development financial feasibility and select among alternative uses for a piece of property. The land residual methodology calculates the value of a development based on its income potential and subtracts the costs of development and developer profit to yield the underlying value of the land. A land use that generates a negative land value is not financially feasible. Similarly, a use that generates a land value lower than the land seller is willing to accept is infeasible.

By comparing the estimated residual land value for each PD-30 zoning prototype with that of the potential higher-density DTP prototype, DRA estimated the **change** in residual land value resulting from the Plan. An **increase** in the residual land value represents the economic benefit to developers/landowners from the Plan.

4. Summary of Findings

4.1 Land Residual Analysis

The Downtown Plan will guide development over the very long term, which will include a number of economic cycles. Currently, the local economy, and that of most of the nation, is at or near the bottom on an economic cycle, and beginning to come out of the worst economic recession since the Depression. Just as adopting the Plan at this time positions the City to benefit from new development as the economy turns, so adopting community benefits requirements at this point in the cycle positions the City to capture these benefits as development activity turns. Other development impact fees provide funding for capital improvements such as transportation, sewer, police, and fire facilities. Cities such as Long Beach do not suspend these fees in difficult economic times because these facilities are still needed, because of the recognition that over time the economics will change and development will become feasible again, and because it is the market and not the fees that, at times, makes development economically infeasible.

Arguably, this is the best time in the economic cycle to adopt community benefits, because limited development activity is occurring and it will not affect as many



existing developments in the project pipeline. Also, the market will have time to adjust to the new fees before another development boom begins. In DRA's opinion, it is also critically important that these community benefits be linked to the adoption of the Plan, and to the benefits conveyed to property owners and developers by adoption of the development standards and other provisions of the Plan. Based on DRA's experience in numerous communities throughout the State, once the Plan and the ordinances required for its implementation have been adopted and the benefits to developers and landowners are realized, it is much more difficult for community benefits to be adopted.

The Downtown Plan provides benefits to new development, modeled in this analysis, in the form of:

- Development certainty at higher densities than current zoning for many sites;
- Reduced parking requirements, and the associated savings on parking construction costs;
- The reduction or elimination of the need for individual project EIR's, resulting in savings on the cost of EIR's; and
- Reduced permit processing time from not having to do individual project EIR's, which saves on property holding costs during the permitting process.

The plan also adds tremendous, but immeasurable value by removing entitlement risk.

The results of the land residual analysis indicate that the increase in development intensity for properties that are located in six-story or lower height zones under current PD-30 zoning and in the 80 foot/5.0 height zone under the Plan generates a positive increase in land value, except for office uses for which the increase is minimal.

At this point in the economic cycle, the highest densities of development envisioned by the Plan are not economically feasible for most uses, because rents and sales prices are not adequate to support the higher construction costs associated with high-rise development. Therefore, the increase in density for properties located in the 100 foot height zone under current PD-30 zoning and in the maximum 240-feet/8.0 FAR height zone allowed by the Plan does not currently



generate a positive increase in land value under current economic conditions, except for hotel uses. We have assumed in this analysis that developers would build to the height limit that produces the maximum residual land value. This is known as the highest and best use.

The findings of the land residual analysis are summarized in **Charts 1** through **4**. Chart 1 illustrates the change in residual land value for the apartment uses from existing PD-30 zoning to the proposed height limits under the Downtown Plan, with and without a 10% very low income affordable housing requirement provided on-site through new construction. Chart 2 illustrates the change in residual land value for the condominium zoning scenarios, assuming a 15% moderate income affordable housing requirement, with the units provided on site. Charts 3 and 4 show the change in residual land value for the office and hotel prototypes, respectively, with and without a \$10 per square foot nexus fee requirement.

The benefits of the Plan, as measured by the increase in residual land value, result from the increased density and associated increase of revenue-generating uses, the reduction in parking associated with the new development standards, and the cost and time savings from a reduced need to prepare individual project EIRs. The change in residual land value depicted in Charts 1 through 4 includes all four of these factors. As noted above, the high-rise prototypes are not currently feasible and therefore the increase in density of revenue-generating uses does not currently result in a measurable benefit. However, as the market recovers, we expect these developments to become feasible again.

When the economics of a land use generate a highly positive to a slightly negative residual land value, increasing the density of the development typically increases residual land value, unless the more dense development requires a different, much higher-cost construction type (such as switching from Type V wood frame to Type I steel frame construction), in which case the results may vary. The increase in residual land value due to increased density is due to economies of scale, which spread the fixed development costs (such as land, site improvements and certain soft costs) over a larger building size. However, when the economics of a land use produce a residual land value that is substantially negative, adding more of the same land use only increases the magnitude of the negative land value. This is because the additional revenue generated from the increased building area is not sufficient to cover even the marginal hard construction costs for the additional building square footage, much less a portion of the fixed development costs.



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However, once economic conditions change to the point of development feasibility, increasing the density of development will again increase residual land value for most construction types.

The land residual analysis in this study models development financial feasibility under current economic conditions in Long Beach, including rents and sales prices experienced by existing development, based on market data from a variety of local market sources. However, a prototype that appears to be financially feasible under these current conditions may not be economically feasible as a result of weak market demand. As market demand improves, we expect to see these developments become economically feasible.

DRA also isolated the cost savings resulting from reduced parking and EIR requirements, which accrue to all prototypes. These figures are shown in **Table 2**. The estimated savings in parking costs range from \$8 to \$21 per net building square foot. For example, the estimated parking cost savings for the apartment prototype representing the Downtown Plan 80 foot height area (97 units and 114,700 net building square feet) equals \$2.2 million. The estimated parking cost savings for the condominium prototype representing the Downtown Plan 80-foot height area (93 units and 117,300 net building square feet), equals \$2.1 million. For the hotel prototype (200 rooms, 112,500 net square feet) and the office



prototype (92,000 net square feet) for this same height area, the parking cost savings are estimated at \$1.4 million and \$2.4 million, respectively.

For the highest density prototypes representing the 240-foot height area under the Plan, the estimated parking cost savings are even greater for the apartment, condo and hotel uses, at \$3.8 million, \$3.6 million and \$4.9 million, respectively.

Adding in estimated cost savings from reduced EIR costs and reduced permit processing time, and therefore lower land holding costs, associated with the reduced need to perform project EIR's, total cost savings from the parking and EIR incentives range from \$10 to \$23 per square foot.

The per building square foot cost savings from reduced parking and EIR requirements are illustrated graphically in **Charts 5** through **7**, for the 80-foot/4.0 FAR, 150-foot/5.0 FAR and 240-foot/8.0 FAR prototypes, respectively.

4.2 Supportable Nexus Fee Analysis

DRA calculated the maximum supportable nexus fee for commercial development in the Plan area based on the results of the nexus analysis and an affordability gap analysis of the difference between housing development costs in the Plan area and the amount low and moderate income residents can afford to pay for housing. DRA employed consistently conservative assumptions, so that the calculation of the justifiable fee understates the supportable nexus calculation for each building type. The justifiable nexus fees by land use are summarized below. The recommended nexus fee is less than the total maximum supportable fee in all cases.

Household Income Category	Office	Community Retail	Hotel
Very Low	\$16.65	\$27.06	\$8.33
Low	\$9.26	\$11.11	\$3.70
Moderate	\$6.18	\$3.09	\$0.77
Total	\$32.09	\$41.27	\$12.80

The analysis indicates that a nexus fee of up to \$16.65 per square foot on office uses is justifiable to provide affordable housing for very low income households, up to \$9.26 per square foot for low income households, and up to \$6.18 per square



foot for moderate income households. Therefore, the total justifiable nexus fee for office uses is \$32.09 per building square foot.

For community retail uses, a nexus fee of up to \$27.06 per square foot is justifiable to provide affordable housing for very low income households, up to \$11.11 per square foot for low income households, and up to \$3.09 for moderate income households. The total justifiable nexus fee for community retail uses is \$41.27 per building square foot.

For hotel uses, a nexus fee of up to \$8.33 per square foot is justifiable to provide affordable housing for very low income households, up to \$3.70 per square foot for low income households, and up to \$0.77 for moderate income households. The total justifiable nexus fee for hotel uses is \$12.80 per building square foot.

4.3 Development Impact Fee Survey

The City of Long Beach will be competing in the Southern California regional market to attract new residential and non-residential development. We surveyed existing development impact fees in selected Southern California cities in order to compare fees in Long Beach with those in other communities.

Using the survey information, DRA estimated total local development impact fees for prototypical 50,000 square foot retail, office, and hotel buildings. Residential fees were calculated on a per unit basis for a three bedroom condominium unit and a two bedroom multifamily apartment unit. The development impact fees for these prototypes were then converted to a per residential unit or per building square foot basis, as summarized below.⁸ Fees are not always directly comparable, as some cities, such as Los Angeles, have a number of Specific Plan areas with separate fees, and fees are not always calculated on the same basis.

⁸ Excludes school impact fees, for which maximum fees are established statewide. Except for the City of Glendale, estimates also exclude sewer connection fees, which are often levied on a per fixture basis (Glendale planning staff calculated fees for this study using the City's computer model and were not able to exclude sewer fees). Also excludes fees assessed for specific plan or other limited geographic areas, except for Long Beach downtown Central Business District fees, which are included.

**Existing Development Impact Fees Per Square Foot and Per Unit
City of Long Beach and Area Cities
2010**

City	Office (Per SF)	Retail (Per SF)	Hotel (Per SF)	Condominium Residential (Per Unit)	Multifamily Residential (Per Unit)
Culver City	\$1.10	\$1.10	\$1.10	\$250	\$250
Los Angeles	\$1.57	\$1.31	\$0.52	N/A	N/A
Long Beach	\$3.86	\$5.21	\$1.65	\$6,937	\$5,603
Glendale	\$4.21	\$3.20	\$0.62	\$32,123	\$20,678
Santa Ana	\$5.02	\$5.02	\$5.02	\$6,990	\$3,459
Anaheim	\$5.78	\$7.35	\$3.23	\$13,135	\$10,406
Irvine	\$25.46	\$25.46	\$11.75	\$23,642	\$21,976

As the table above indicates, Long Beach currently ranks in the middle of the cities surveyed in terms of development impact fees. Specifically, Long Beach ranks third out of the seven cities surveyed (from lowest to highest fees) in terms of development impact fees on office uses. It ranks a close fifth behind Santa Ana for development impact fees on retail uses. Long Beach ranks fourth on the cost of development impact fees on hotel uses. For residential uses, Long Beach ranks third highest on fees levied on condominium development and fourth in multifamily apartments fees.

Of the cities surveyed, both Irvine and Glendale have adopted inclusionary housing in lieu fees. The City of Glendale adopted an inclusionary housing in lieu fee of \$13 per building square foot for rental and ownership housing projects developed within the San Fernando Redevelopment Project Area. Glendale's in lieu fee is included in the above table. The City of Irvine's inclusionary housing fee was \$12,471 per market rate unit as of 2006, or approximately \$12.50 per square foot for a unit of 1,000 square feet. Irvine's in lieu fee is included in the above table.

The City of Pasadena also adopted inclusionary housing in lieu fees that vary for four subareas of the City and by project size. The FY 2010 fee schedule for the two subareas where most market rate residential development has occurred shows fees for rental units ranging from \$21 to \$23 per building square foot for projects with 10 to 50 dwelling units, and \$30 to \$32 per building square foot for projects with 50 units or more. For owner housing, the in lieu fees range across the four



subareas from \$15 to \$41 per square foot for projects with 10 to 49 units and \$20 to \$56 per square foot for projects of 50 units or more.

As mentioned earlier in this study, there are 170 cities in California that have adopted inclusionary housing policies.

To illustrate that the City's existing development impact fees are not the factor causing the infeasibility of some of the development prototypes, DRA conducted a sensitivity analysis of the land residual analysis excluding the City's existing development impact fees from the development cost budgets. The sensitivity analysis indicates that removal of the development impact fees does not make the infeasible prototypes (office and high-rise apartments) feasible, except perhaps in the case of the condominium prototype, which was at the margin of feasibility with the fees. The results suggest that the City's existing development impact fees do not affect development feasibility, except at the margin, because market factors are the driving force.



Table 1
Affordable Housing Production Projections
Long Beach Downtown Plan

Land Use	Proposed Max. New Development Under Plan (1)	Recommended Community Benefit	On-Site Affordable Units Produced	In-Lieu Fee Per SF Bldg	In Lieu Fees Raised (2)	Affordable Units Produced From In Lieu Fees (3)	Linkage Fees Raised	Affordable Units Produced From Linkage Fees (3)
Apartment Units	2,500	10% VLI Apts.	250 VLI Apts.	\$19.83	\$52,043,944	250 VLI Apts.		
Condominium Units	2,500	15% MI Condos	375 MI Condos	\$10.34	\$28,962,095	375 MI Condos or 139 VLI Apts.		
Office Square Feet	1,500,000	\$10.00/SF					\$15,000,000	72 VLI Apts.
Retail Square Feet	384,000	\$10.00/SF					\$3,840,000	18 VLI Apts.
Restaurant Sq. Ft.	96,000	\$10.00/SF					\$960,000	5 VLI Apts.
Hotel Rooms (4)	800	\$10.00/SF					\$5,600,000	27 VLI Apts.
Total			<u>625 VLI/MI Units</u>		<u>\$81,006,039</u>	<u>625 VLI/MI Units or 389 VLI Apts.</u>	<u>\$25,400,000</u>	<u>122 VLI Apts.</u>

Notes: VLI = Very low income (affordable to households at or below 50% of area median income).

MI = Moderate income (affordable to households between 80% and 120% of area median income, calculated at 100% area median income).

SF = Net square feet of building area

(1) Assumes 50% of total projected residential production of 5,000 units are apartments and 50% are condominiums.

(2) Assumes average unit size of 1,050 SF for apartments and 1,120 SF for condominiums.

(3) Units produced from in lieu and linkage fees based on the following per unit affordability gaps:

Affordability Gap

Very low income apartment: \$208,176

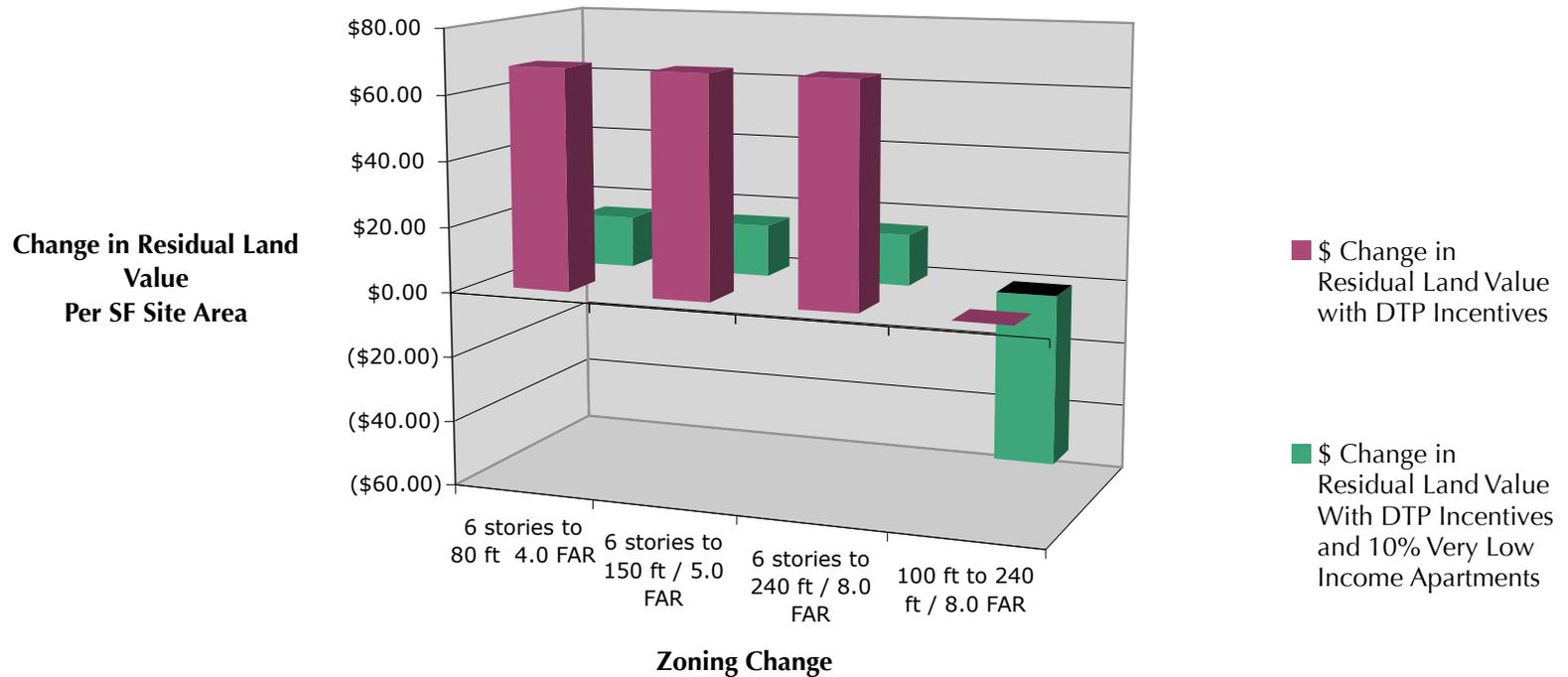
Moderate income condominium: \$77,232

In lieu and linkage fees may be leveraged at historical ratios of up to 3:1 through use of tax credits and other financing sources.

(4) Assumes average hotel room size of 800 SF.

Source: David Paul Rosen & Associates.

Chart 1
Change in Residual Land Value with DTP Incentives and
Affordable Housing Recommendation
for Apartment Prototypes

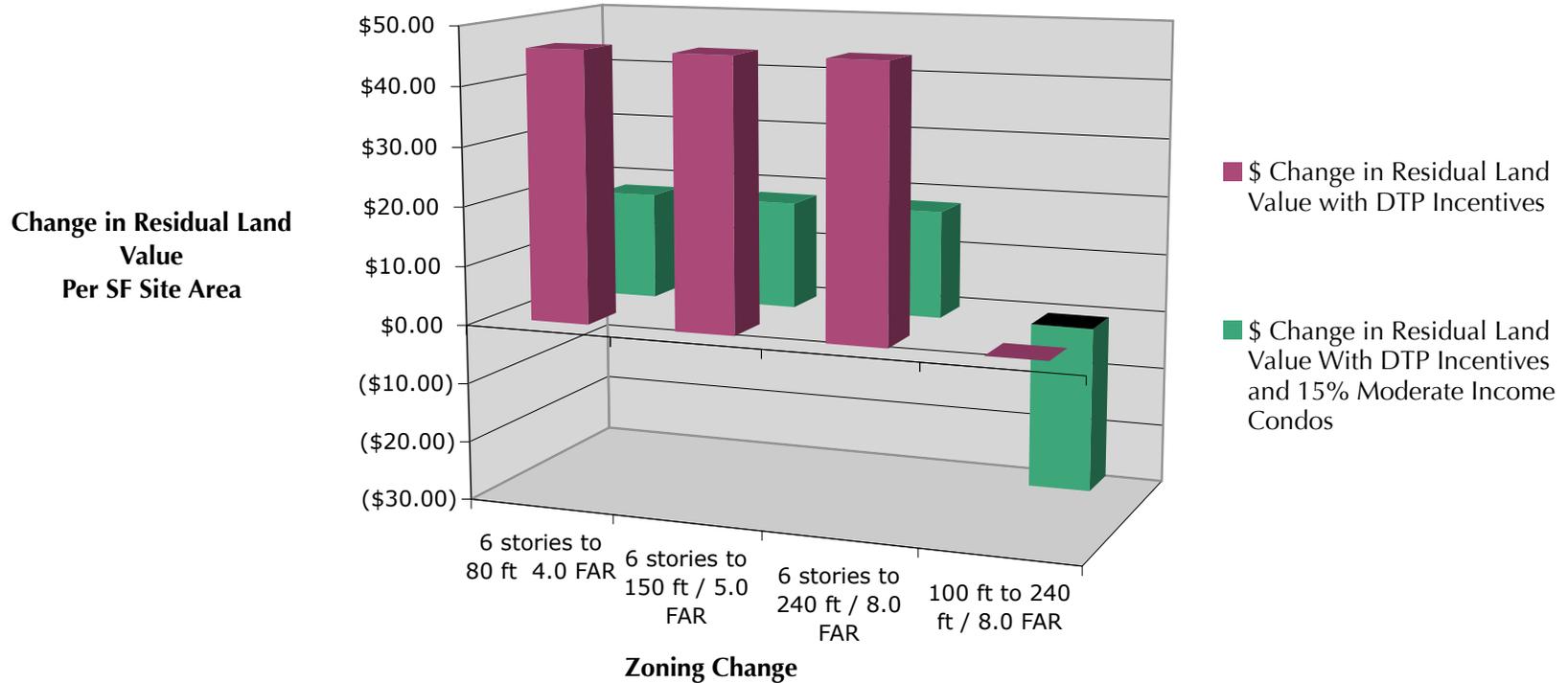


DTP incentives include higher densities, reduced parking, elimination of the need for individual EIR's and reduced permit processing time. In height areas where the height limit changes from 6 stories to 80 ft., 150 ft., or 240 ft., the residual land value (RLV) increases by an estimated \$60/SF site area. After the proposed community benefit of 10% very low income units, provided through on-site new construction, there is still an increase in RLV of \$24/SF site area.

High-rise construction above 10 stories is not financially feasible in the current economy as modeled. Therefore, in height areas where the height limit changes from 100 ft. to 240 ft., there is no increase in RLV. When high-rise construction becomes feasible again, we expect the incentives under the Downtown Plan to generate a substantial increase in residual land value.

The plan also adds tremendous, but immeasurable value by removing entitlement risk.

Chart 2
Change in Residual Land Value with DTP Incentives
and Affordable Housing Recommendation
for Condominium Prototypes

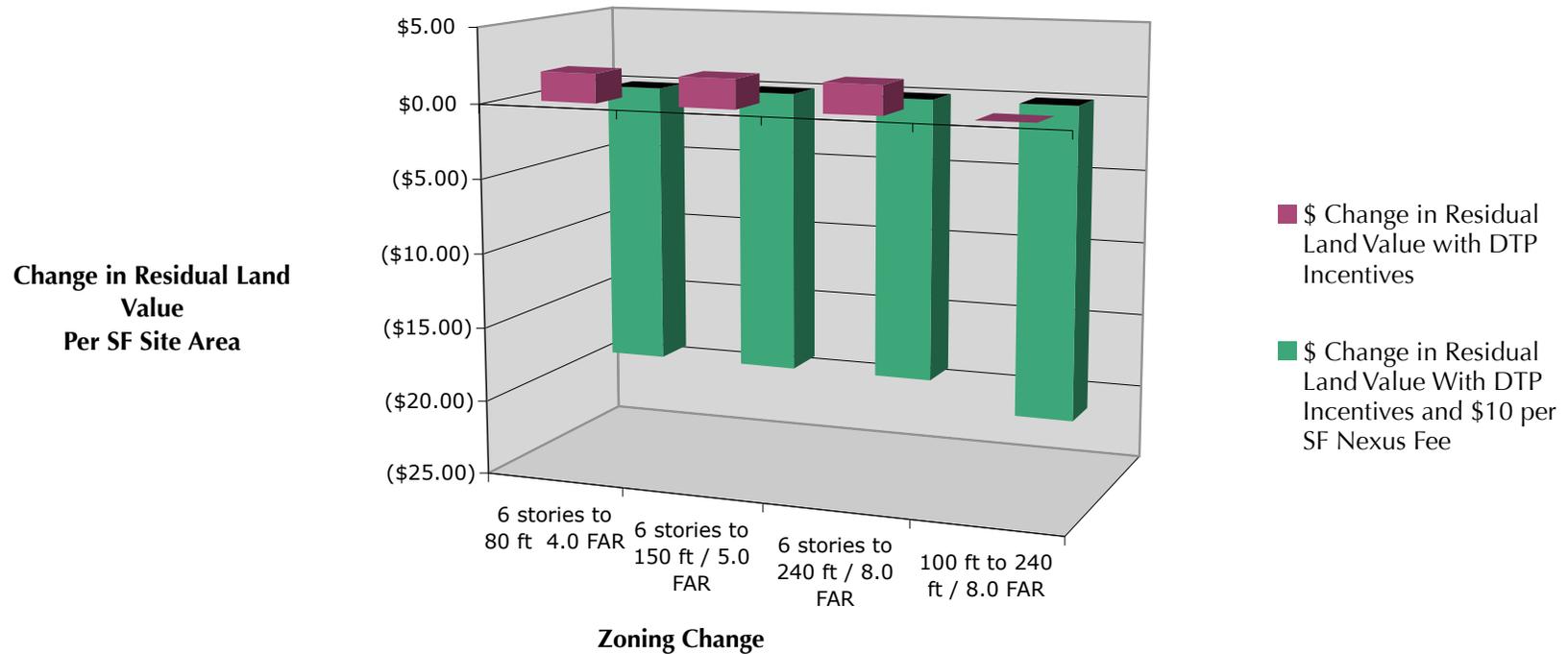


DTP incentives include higher densities, reduced parking, elimination of the need for individual EIR's and reduced permit processing time. In height areas where the height limit changes from 6 stories to 80 ft., 150 ft., or 240 ft., the residual land value (RLV) increases by an estimated \$46/SF site area. After the proposed community benefit of 15% moderate income units, provided through on-site new construction, there is still an increase in RLV of \$28/SF site area.

High-rise construction above 10 stories is not financially feasible in the current economy as modeled. Therefore, in height areas where the height limit changes from 100 ft. to 240 ft., there is no increase in RLV. When high-rise construction becomes feasible again, we expect the incentives under the Downtown Plan to generate a substantial increase in residual land value.

The plan also adds tremendous, but immeasurable value by removing entitlement risk.

Chart 3
Change in Residual Land Value with DTP Incentives
and Affordable Housing Nexus Fee
for Office Prototypes

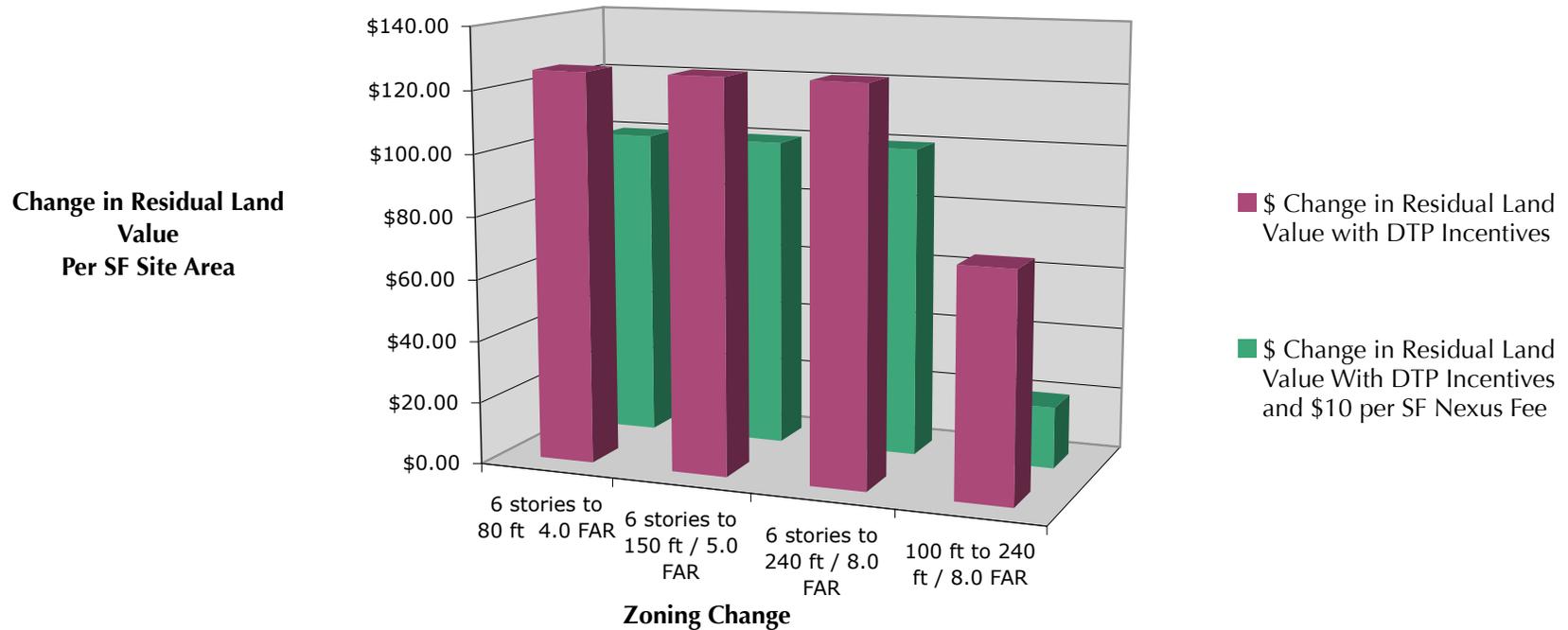


DTP incentives include higher densities, reduced parking, elimination of the need for individual EIR's and reduced permit processing time. In height areas where the height limit changes from 6 stories to 80 ft., 150 ft., or 240 ft., the residual land value (RLV) increases by an estimated \$2/SF site area. After the proposed community benefit (\$10 per building SF commercial linkage fee), there is a decrease in RLV of \$19/SF site area. When office construction becomes feasible again, we expect the incentives under the Downtown Plan to generate an increase in residual land value.

High-rise construction above 10 stories is not financially feasible in the current economy as modeled. Therefore, in height areas where the height limit changes from 100 ft. to 240 ft., there is no increase in RLV. When high-rise construction becomes feasible again, we expect the incentives under the Downtown Plan to generate an increase in residual land value.

The plan also adds tremendous, but immeasurable value by removing entitlement risk.

Chart 4
Change in Residual Land Value with DTP Incentives and
Affordable Housing Nexus Fee
for Hotel Prototypes



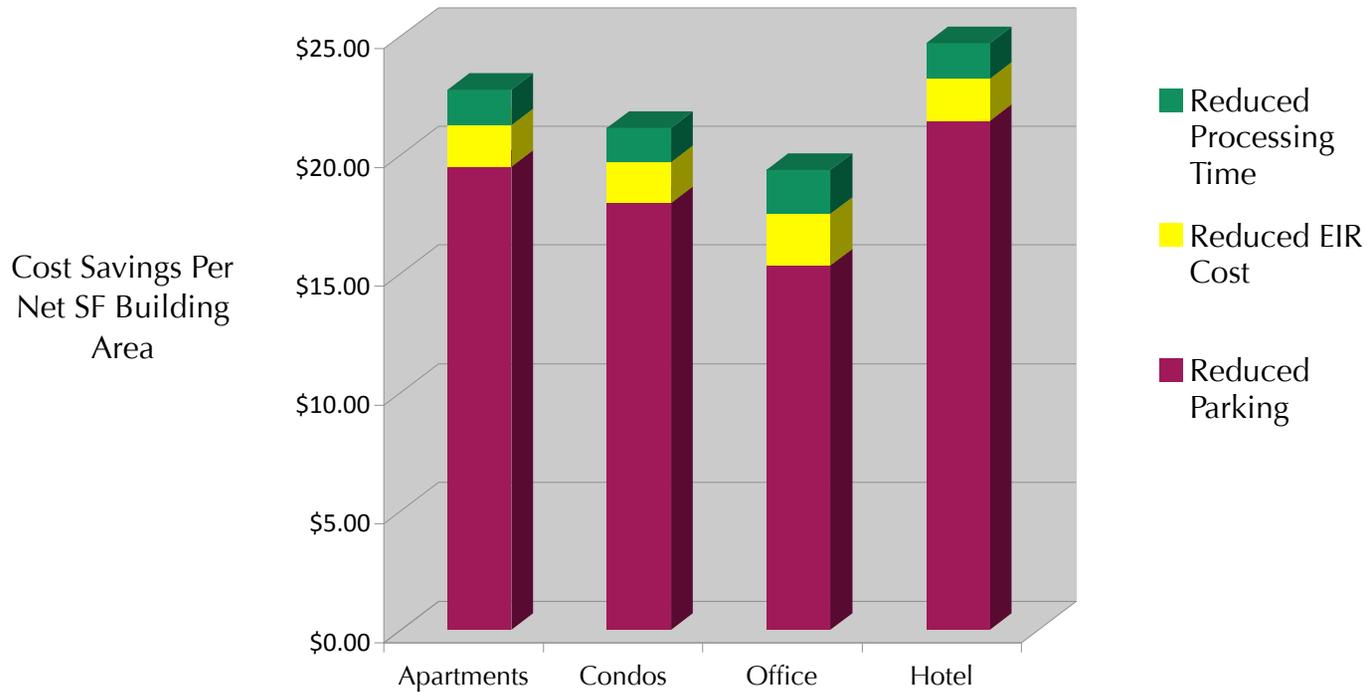
DTP incentives include higher densities, reduced parking, elimination of the need for individual EIR's and reduced permit processing time. In height areas where the height limit changes from 6 stories to 80 ft. or 150 ft., the residual land value (RLV) increases by an estimated \$126/SF site area. After the proposed community benefit (\$10 per building SF commercial linkage fee), there is still an increase in RLV of \$100/SF site area.

In height areas where the height limit changes from 6 stories to 240 ft., the residual land value (RLV) increases by an estimated \$267/SF site area. After the proposed community benefit (\$10 per building SF commercial linkage fee), there is still an increase in RLV of \$214/SF site area.

In height areas where the height limit changes from 100 ft. to 240 ft., the residual land value (RLV) increases by an estimated \$250/SF site area. After the proposed community benefit (\$10 per building SF commercial linkage fee), there is still an increase in RLV of \$197/SF site area.

The plan also adds tremendous, but immeasurable value by removing entitlement risk.

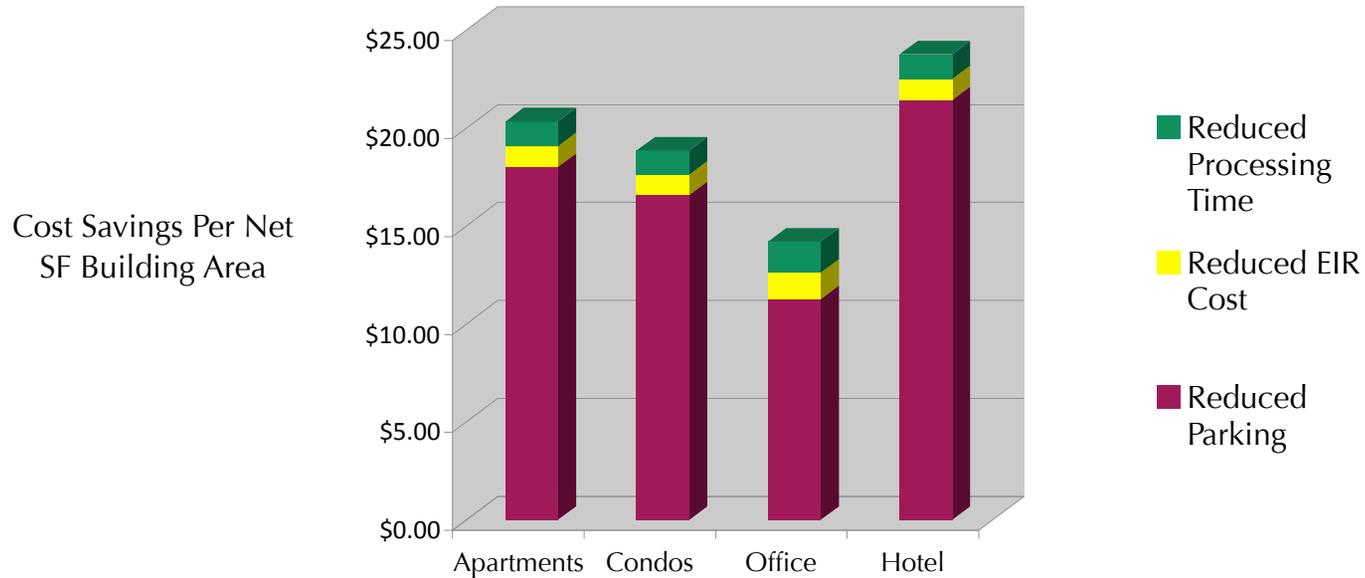
Chart 5
Cost Savings from DTP Incentives
80 Foot/4.0 FAR Height Limit



The estimated cost savings from DTP incentives for the prototypes representing the 80 foot/4.0 FAR height limit under the Plan are as follows:
 Apartment prototypes: \$19.51 per SF for parking reductions, \$1.74 per SF for reduced EIR costs and \$1.48 per SF for reduced processing time.
 Condo prototypes: \$17.98 per SF for parking reductions, \$1.71 per SF for reduced EIR costs and \$1.45 per SF for reduced processing time
 Office prototypes: \$15.34 per SF for parking reductions, \$2.17 per SF for reduced EIR costs and \$1.85 per SF for reduced processing time.
 Hotel prototypes: \$21.42 per SF for parking reductions, \$1.78 per SF for reduced EIR costs and \$1.51 per SF for reduced processing time.

The plan also adds tremendous, but immeasurable value by removing entitlement risk.

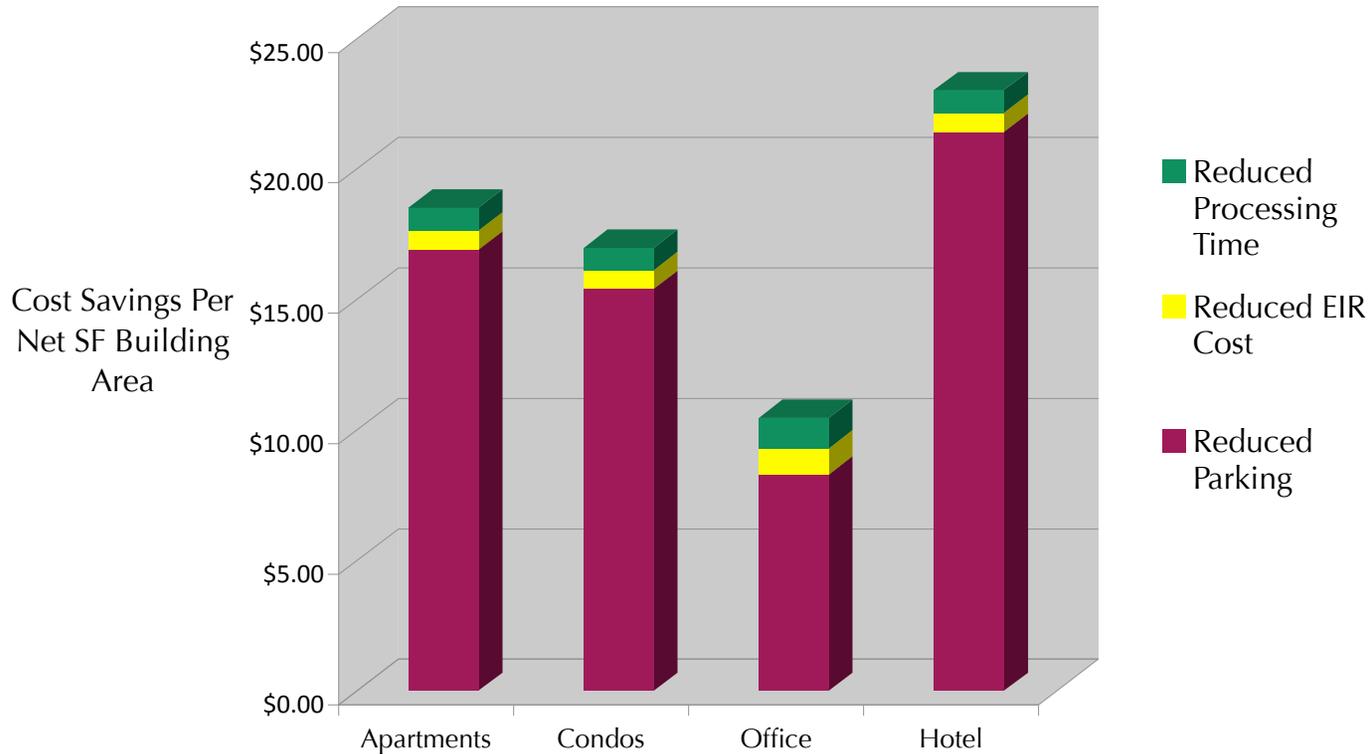
Chart 6
Cost Savings from DTP Incentives
150-Foot/5.0 FAR Height Limit Prototypes



The estimated cost savings from DTP incentives for the prototypes representing the 150 foot/5.0 FAR height limit under the Plan are as follows:
 Apartment prototypes: \$18.01 per SF for parking reductions, \$1.07 per SF for reduced EIR costs and \$1.26 per SF for reduced processing time.
 Condo prototypes: \$16.58 per SF for parking reductions, \$1.05 per SF for reduced EIR costs and \$1.23 per SF for reduced processing time
 Office prototypes: \$11.26 per SF for parking reductions, \$1.36 per SF for reduced EIR costs and \$1.60 per SF for reduced processing time.
 Hotel prototypes: \$21.42 per SF for parking reductions, \$1.08 per SF for reduced EIR costs and \$1.27 per SF for reduced processing time.

The plan also adds tremendous, but immeasurable value by removing entitlement risk.

Chart 7
Cost Savings from DTP Incentives
240-Foot/5.0 FAR Height Limit Prototypes



The estimated cost savings from DTP incentives for the prototypes representing the 150 foot/5.0 FAR height limit under the Plan are as follows:
 Apartment prototypes: \$16.91 per SF for parking reductions, \$0.74 per SF for reduced EIR costs and \$0.87 per SF for reduced processing time.
 Condo prototypes: \$15.41 per SF for parking reductions, \$0.72 per SF for reduced EIR costs and \$0.85 per SF for reduced processing time
 Office prototypes: \$8.29 per SF for parking reductions, \$1.00 per SF for reduced EIR costs and \$1.17 per SF for reduced processing time.
 Hotel prototypes: \$21.42 per SF for parking reductions, \$0.74 per SF for reduced EIR costs and \$0.87 per SF for reduced processing time.

The plan also adds tremendous, but immeasurable value by removing entitlement risk.

Table 2
Long Beach Downtown Community Plan
Community Benefits Analysis
Developer Cost Savings per Net Square Foot Building Area
from Parking and EIR Incentives of Downtown Community Plan

Prototype: Land Use:	DTP 80-Feet Apartments	DTP 80-Feet Condos	DTP 80-Feet Office	DTP 80-Feet Hotel
<i>Residential Units</i>	97	93	0	0
<i>Total Net SF Building Area</i>	114,700	117,300	92,000	112,500
Reduced Parking Requirements:	\$19.51	\$17.98	\$15.34	\$21.42
Decrease in Processing Time of: 12 Months	\$1.48	\$1.45	\$1.85	\$1.51
Reduced EIR Cost at Cost Per Project of: \$200,000	\$1.74	\$1.71	\$2.17	\$1.78
Total	\$22.74	\$21.13	\$19.36	\$24.71

Prototype: Land Use:	DTP 150-Feet Apartments	DTP 150-Feet Condos	DTP 150-Feet Office	DTP 150-Feet Hotel
<i>Residential Units</i>	139	133	0	0
<i>Total Net SF Building Area</i>	158,700	162,200	125,300	157,500
Reduced Parking Requirements:	\$18.01	\$16.58	\$11.26	\$21.42
Decrease in Processing Time of: 12 Months	\$1.07	\$1.05	\$1.36	\$1.08
Reduced EIR Cost at Cost Per Project of: \$200,000	\$1.26	\$1.23	\$1.60	\$1.27
Total	\$20.34	\$18.86	\$14.21	\$23.77

Prototype: Land Use:	DTP 240-Feet Apartments	DTP 240-Feet Condos	DTP 240-Feet Office	DTP 240-Feet Hotel
<i>Residential Units</i>	207	198	0	0
<i>Total Net SF Building Area</i>	230,100	234,900	170,300	230,625
Reduced Parking Requirements:	\$16.91	\$15.41	\$8.29	\$21.42
Decrease in Processing Time of: 12 Months	\$0.74	\$0.72	\$1.00	\$0.74
Reduced EIR Cost at Cost Per Project of: \$200,000	\$0.87	\$0.85	\$1.17	\$0.87
Total	\$18.52	\$16.98	\$10.46	\$23.03

Source: David Paul Rosen & Associates

Long Beach Downtown Plan Community Benefits Analysis

A. Background

The Legal Aid Foundation, through funding from the California Endowment, retained David Paul Rosen & Associates (DRA) to prepare a community benefits analysis of the proposed Long Beach Downtown Community Plan (DTP, or the “Plan”) to determine whether the increased density and other benefits to landowners resulting from the proposed Plan can support community benefits such as affordable housing and local hiring requirements. The purpose of the study is to quantify the value of the benefits provided to landowners under the proposed Plan, including increases in permitted building height/density, reduced parking requirements, and faster permit processing and cost savings resulting from the reduced need for individual projects to prepare individual EIR’s. The study will assist City policy makers in reaching informed decisions on adoption and implementation of the Plan to the benefits of all residents within the Plan area and the City of Long Beach.

The impetus behind the consultant study is the recognition of the benefits to landowners that are provided by the Plan, the potential displacement of existing low income residents that may occur as the Plan is implemented, the critical shortage of affordable housing in the City to accommodate them, the importance of affordable housing to the overall local economy and livability of the community, and the importance of targeting new jobs to Long Beach residents, especially during hard economic times.

DRA conducted the necessary economic analysis to identify and quantify the value of various incentives to the developer and to determine the extent to which they offset the cost of providing affordable units in various prototypical development projects and local hiring.

Every development has its unique economic circumstances. Nevertheless, development is governed by clear market forces, economic, financial and underwriting norms. It is these norms that DRA has modeled, based on its substantial development experience, both nationally and in Southern California particularly. So while individual economic assumptions will vary deal by deal, the



analysis contained in the report is representative of the economic and financial conditions underlying residential and commercial development in Long Beach in 2010.

B. Methodology and Data Sources

The methodology for the economic analysis uses twenty development prototypes, eight representing potential development under the existing PD-30 zoning in the Plan area and twelve representing potential development under the proposed Plan. The prototypes model four land uses (residential apartment, residential condominium, office and hotel) for each of two height limit categories under the existing PD-30 zoning and three height limit categories under the proposed Plan.

A residual land value analysis methodology is used to determine to estimate the land value generated under each of the twenty prototypes. The difference between the residual land value under current zoning and the residual land value under proposed zoning under the Plan represents the increase, or decrease, in land value created by the change in density and parking requirements proposed under the plan.

A land residual analysis methodology calculates the value attributed to land from proposed development on that site. It is commonly used by real estate developers and investors to evaluate development financial feasibility and select among alternative uses for a piece of property.

The land residual methodology calculates the value of a development based on its income potential and subtracts the costs of development and developer profit to yield the underlying value of the land. When evaluating alternative land uses, the alternative that generates the highest value to a site is considered its highest and best use. An alternative that generates a value to the land that is negative is not financially feasible.

DRA calculated the income from each land use prototype based on estimated market rents and condominium sales prices. Net operating income for the apartment, office and hotel uses is capitalized at estimated current capitalization rates, which are derived from recent property sales comps, to determine the value of the developed property. The capitalization rate is the ratio of net operating income to project fair market value, or sales price, exhibited in the market and reflects the rate of return required by investors in rental property. Total development costs are then subtracted from the capitalized value to yield the



estimated residual land value. For the condominium prototype, projected market sales prices of the condo units are used to determine market value of the prototype.

In addition to the land residual analysis, a “gap” analysis approach is used to measure the difference between what households of different income levels can afford to pay for renter and ownership housing and what it costs to produce such housing in the City of Long Beach. This gap represents the estimated cost to a developer of providing affordable housing as a community benefit within the Plan area, under the affordability requirements and standards modeled in this analysis.

Both the existing PD zoning, which covers the majority of the Plan area, and the proposed Plan development standards contain a number of height/density districts within the Plan area. Based on an individual land parcel’s location, the effect of the proposed Plan on the land value of that parcel will be affected by the height/density limits for that parcel under the existing zoning and the height/density limits for the same parcel under the proposed Plan. By comparing the proposed height area maps under the PD zoning and the proposed Plan, we identified a number of changes in permitted building height. Not all properties will receive an increase in the height limit and the zoning will be more restrictive on some parcels with currently unlimited height restrictions under the PD-30 zoning. In addition, under the proposed Plan, the height limits are coupled with limits on Floor Area Ratio (FAR), which we have found in our analysis to generally be more restrictive on the potential development envelope of a site than the height limits.

In 2003, DRA prepared a detailed economic analysis of six owner and renter housing prototypes in the City of Long Beach as part of the 2003 Housing Trust Fund Study DRA conducted for the City. As part of this study, DRA also prepared a commercial linkage fee nexus analysis, which included a land residual analysis for a number of land uses, including office and hotel uses. Development costs for the prototypes were estimated and updated from the 2003 study with the assistance of area developers, published cost indices, City planning staff, and a review of actual land sales prices.

Development fees (including school fees, City building permit fees, City Transportation and Improvement, Sewer Capacity, Parks and Recreation development impact fees), were estimated for each of the housing prototypes based on published fee schedules from the City Department of Planning and Building website.

In addition to the land residual analysis, DRA prepared a nexus analysis that estimates the maximum supportable linkage fee that can be charged based on the



relationship between commercial development and the demand for affordable housing in Long Beach. The nexus analysis is contained in **Appendix A**.

C. Development Prototypes

1. Development Prototypes

Map 1 shows a number of different areas within the Plan geography that will experience a change in height restrictions under the proposed Plan, and the map key shows the current and proposed height limits for these different areas. While it is not possible to analyze all of the changes resulting from the proposed plan, we have selected the following four scenarios, representing prevalent changes in the Plan area, to examine in this analysis:

	PD-30 Height Limit	DTP Height	FAR Limit
1	6 stories	80 feet	4.0 FAR
2	6 stories	150 feet	5.0 FAR
3	6 stories	240 feet	8.0 FAR
4	100 feet	240 feet	8.0 FAR

We first developed prototypes consistent with two height limit categories contained in the existing PD zoning (6 stories and 100 feet) including apartment, condo, office and hotel uses. We next developed prototypes consistent with three height limit and FAR⁹ categories proposed in the plan (80 feet or 4.0 FAR, 150 feet or 5.0 FAR, and 240 feet or 8.0 FAR) for the same land uses. Ground floor retail is assumed in all of the prototypes.

Existing parking requirements for the prototypes representing current PD-30 zoning are derived from Section 41 of the City's Municipal Code. Proposed parking requirements for the prototypes representing zoning under the Plan are derived from the Development Standards section of the Plan.

⁹ FAR = Floor Area Ratio, the gross floor area of a building divided by the total land area of the site. It is a measure of density.

Tables 3 through 7 describe the development prototypes with respect to square footage and required number of parking spaces by land use, underground versus structured parking, construction type, site and building efficiency assumptions, and the number of housing units by bedroom mix and unit size for the residential prototypes. One level of underground parking is assumed for the six-story prototype and two levels of underground parking, which is more expensive to construct, is assumed for all building heights above six stories. The remaining parking requirement is accommodated in an above-ground structure. Only structured parking is assumed for the three-story prototype.

Prototypes were developed to comply with both the height limits and FAR limits proposed under the Plan.

2. Prototypical Development Costs

For the land residual analysis, DRA estimated development costs for each of the twenty prototypes, including hard construction costs, development fees, soft or indirect costs, sales/marketing costs, developer profit and overhead, as described below.

A. HARD CONSTRUCTION COSTS

Hard construction costs were estimated for the prototypes based on DRA experience with development costs in the Long Beach area, the prior 2003 Housing Trust Fund Study, Engineering News-Report cost escalators, and interviews with developers. Underground parking costs are estimated at \$10,000 per space for the first level underground and \$20,000 per space for a second level. Above-ground structured parking costs are estimated at \$12,500 per space.

Hard building construction costs are estimated by construction type for lower density and higher density construction. Hard costs include building and parking area hard costs expressed per net rentable/livable square foot of building area.

B. DEVELOPMENT AND PROCESSING FEES

Development impact fees for new development in the City of Long Beach include school fees, City building permit fees, and City Transportation Improvement, Sewer Capacity, Parks and Recreation, Fire Facilities Impact and Police Facilities Impact fees. Current fee levels were obtained from Department of Planning and Building published fee schedules. Construction valuation estimates are based on



occupancy and construction type from the Department's "Building Valuation Data" sheet, assuming "good" construction. Current development fees are summarized in **Table 8**. Development impact and processing fee calculations for each of the prototypes are shown in **Tables 9** through **13**.

C. SOFT (INDIRECT) DEVELOPMENT COSTS

Soft or indirect costs were estimated based on DRA's experience with development in Long Beach and throughout Southern California. Estimated soft costs include:

- Architectural, engineering and design fees;
- Legal and closing costs;
- Taxes and insurance (during the construction period);
- Interest during construction (land and construction loans);
- Financing fees;
- Marketing and leasing (for the rental prototypes);
- Marketing and sales costs (for the owner prototypes)

Construction interest calculations assume a loan to value ratio of 60 percent, based on recent interviews with developers and lenders. Actual loan to value ratios vary depending upon the developer, the project and the lender. Loan to value ratios are currently lower than historical ratios of up to 75 percent or more because of the recent changes in the financial markets. As the market improves, we would expect loan to value ratios to increase.

Mezzanine debt and developer equity are assumed to provide the remainder of construction financing necessary in addition to the construction loan. We have assumed a rate of return of 9.5% on mezzanine financing, based on recent interviews with developers and investors, including Trammel Crow and Rosenbergl Real Estate Equity Funds (RREEF). Developer equity is assumed to earn the same rate of return as mezzanine debt.

D. TOTAL DEVELOPMENT COSTS

Total development costs, as defined for the purposes of this report, equal the sum of the above categories of development costs plus developer overhead and profit.



Minimum developer profit and overhead is estimated at 12 percent of development costs. This level is considered a baseline profit or “hurdle rate,” representing the minimum necessary for the deal to proceed.

Tables 14 through **18** present the development and financing cost assumptions for each prototype. **Tables 19** through **23** present the estimated total development costs, excluding land, for the twenty development prototypes.

D. Land Residual Analysis

1. Land Residual Analysis Methodology

A land residual analysis methodology calculates the value attributed to land from proposed development on that site. It is commonly used by real estate developers and investors to evaluate development financial feasibility and select among alternative uses for a piece of property.

The land residual methodology calculates the value of a development based on its income potential and subtracts the costs of development and developer profit to yield the underlying value of the land. When evaluating alternative land uses, the alternative that generates the highest value to a site is considered its highest and best use. An alternative that generates a value to the land that is negative is not financially feasible.

For the commercial prototypes (apartment, office and hotel), DRA calculated net operating income from each prototype based on estimated market rents for the office and retail land uses and average daily rates for the hotel use, less operating costs. Net operating income is then capitalized at current market capitalization rates for each use from Realty Rates (based on recent property sales comps) to determine the value of the developed property. The capitalization rate is the ratio of net operating income to project fair market value, or sales price, exhibited in the market and reflects the rate of return required by investors in cash flow property. Total development costs are then subtracted from the capitalized value to yield the estimated residual land value.

For the condominium housing prototypes, DRA estimated gross sales revenues and subtracted total development costs (which include selling costs, sales commissions, developer overhead and profit), to derive the residual value to the land. Estimated sales prices were developed based on data from Dataquick Information Systems.



2. Assumptions

A. RENTS AND OPERATING COSTS

DRA analyzed office, retail, and apartment rent, operating cost, and capitalization rate data from Realty Rates for the Los Angeles/Long Beach market area Central Business District (CBD) properties for third quarter 2006 through third quarter 2010. A summary of this data is presented in **Table 24**. Office rent assumptions were derived from Realty Rates data for CBD properties, and also from a review of recent office listing in downtown high rise office buildings from Loop Net, and range from \$29 to \$33 per net square foot for the office prototypes. An office vacancy rate of 14.9% and operating costs of \$7.50 per net square foot are assumed in the analysis. In addition, monthly parking revenue of \$89 per space is assumed for office parking, with parking operating costs equal to 20% of gross parking revenue.

Hotel room rate assumptions and vacancy rates were developed from data from STR Global. The Los Angeles-Long Beach market experienced an overall average daily rate of \$127.57 in 2010, and experienced an occupancy of 61.8 percent. As of June 2010, the “Upper-Upscale” occupancy rate was 67.9 percent, with an average daily rate of \$141.04, which were the rates assumed for the high-rise hotel prototypes in this analysis. Average daily rates are estimated at \$128 for the three- and six-story hotels. The “Luxury” occupancy rate was similar at 66.1% but the average daily room rate was much higher at \$244.48. Other income equal to 30% of room revenue is assumed for the hotel uses, along with operating costs equal to 75% of gross revenue.

Apartment rent assumptions were further developed from data provided by REALFACTS. The 2003 DRA Housing Trust Fund study contained data on 25 rental properties in the City of Long Beach comprising 4,579 rental units. Updated market rent data was obtained from REALFACTS as of 3rd Quarter, 2010 for the downtown zip codes of 90802, 90803 and 90814. These three zip codes contain 11 properties that have over 100 units, including 4 Class A properties comprising 1,154 units that would be consider most competitive with new apartment building construction in the downtown. The four Class A properties are Camden Harbor View, Archstone City Place, Gallery 421 and The Lofts at Promenade. Asking rent data was also obtained from web sites for these competitive apartment properties.



The combined vacancy rate data for downtown properties was 9.6% based on data from RealtyRates. According to RealFacts, the Class A properties had a vacancy rate of 20%, while the vacancy rates for Class B and Class C properties was 5%. Individual properties may have higher, or lower, vacancy rates. Typically, a 5% vacancy rate is considered to reflect a healthy rental housing market.

As in the gap analysis, annual operating cost assumptions for the rental apartment prototypes are based on Institute of Real Estate Management (IREM) operating cost data for the Los Angeles area (exclusive of property taxes) and DRA experience with rental housing operating costs throughout Southern California. Annual property taxes were assumed at 1.20 percent of total development value.

B. CONDOMINIUM SALES PRICES

Condominium sales prices for the prototypes were estimated based a review of sales price comparables and trends for the City of Long Beach and the downtown area. Historical sales price data are available from the 2003 DRA Housing Trust Fund Study and from the 2008 “City of Long Beach, Affordable Housing Fee Study” prepared by MuniFinancial. Both studies compiled data from Dataquick Information Systems. Data on recent sales were also obtained from Dataquick Information Systems, including the number of condominiums sold by price range during 2010, and the median square footage by price range, in the Long Beach downtown area zip codes of 90802, 90803 and 90814.

Sales costs equal to 5% of gross sales price were deducted from gross sales revenue to yield net sales revenue.

C. CAPITALIZATION RATES

Recent capitalization (or “cap”) rates by land use from RealtyRates.com for the Los Angeles/Long Beach CBD for the third quarter, 2010, were used to capitalize net operating income from the commercial land uses (apartment, office and hotel) to determine market valuation. The cap rates used were 7.6% for office, 7.8% for hotel and 8.0% for apartment uses.

Capitalization rates are not used for the condominium prototypes because market value is based on net sales revenue for these prototypes.



3. Findings

Tables 25 through **29** present estimated net operating income by prototype for office, hotel, apartment, condominium and retail uses, respectively. **Tables 30** through **34** present the land residual analyses for each prototype.

By comparing the estimated residual land value for each PD-30 zoning prototype with that of the potential higher-density DTP prototype, DRA estimated the change in residual land value resulting from the Plan. An increase in the residual land value represents the economic benefit to developers/landowners from the Plan. A summary of the change in residual land value, with and without the recommended affordable housing requirement, is shown in **Table 35**.

The benefits of the Plan, as measured by the increase in residual land value, result from the increased density and associated increase of revenue-generating uses, the reduction in parking associated with the new development standards, and the cost and time savings from a reduced need to prepare individual project EIRs. The change in residual land value shown in Table 35 includes all four of these factors. DRA also isolated the increase in residual land value resulting from reduced parking and EIR requirements, which accrue to all prototypes.

The results of the land residual analysis indicate that the increase in development intensity for properties in six-story or lower height zones under PD-30 zoning and the 80 foot/5.0 height zone under the Plan generates a positive increase in land value from the current zoning, except for office uses for which the increase is minimal.

At this point in the economic cycle, the highest densities of development envisioned by the Plan are not economically feasible for most uses, because rents and sales prices are not adequate to support the higher construction costs associated with high-rise development. Therefore, the increase in density for properties in the 100 foot height zone under current PD-30 zoning and the maximum 240-feet/8.0 FAR height zone allowed by the Plan does not currently generate a positive increase in land value under current economic conditions, except for hotel uses. However, as the market recovers, we expect these developments to become economically feasible again.

When the economics of a land use generate a highly positive to a slightly negative residual land value, increasing the density of the development typically increases residual land value, unless the more dense development requires a different, much

higher-cost construction type (such as switching from Type V wood frame to Type I steel frame construction), in which case the results may vary. The increase in residual land value due to increased density is due to economies of scale, which spread the fixed development costs (such as land, site improvements and some soft costs) over a larger building size. However, when the economics of a land use produce a residual land value that is substantially negative, adding more of the same land use only increases the magnitude of the negative land value. This is because the revenue generated from the land use is not sufficient to cover even the marginal hard construction costs for the additional building square footage, much less a portion of the fixed development costs.

However, once economic conditions change to the point of development feasibility, increasing the density of development will again increase residual land value for most construction types.

Cost savings from reduced parking requirements were estimated by comparing the development budgets for the DTP prototypes with current parking requirements and those with the proposed parking standards under the Plan. The revised DTP prototypes with current parking requirements are shown in **Tables 36** through **38**. The decrease in the development cost budgets associated with the lower parking requirements are shown in **Tables 39** through **41**. The estimated savings in parking costs range from \$8 to \$21 per net building square foot.

DRA also estimated the cost savings from reduced permit processing time, and therefore lower land holding costs. These estimates are shown in **Table 42**, at estimated time savings of 9, 12 and 16 months.

To illustrate that the City's existing development impact fees are not the factor causing the infeasibility of some of the development prototypes, DRA conducted a sensitivity analysis of the land residual analysis excluding the City's existing development impact fees from the development cost budgets. **Tables 43** through **45** present the revised development cost budgets for the prototypes, excluding all City fees except school fees, which are not under the control of the City, and building permit processing fees. **Tables 46** through **48** present the land residual analysis incorporating these revised development cost budgets. The sensitivity analysis indicates that removal of the development impact fees does not make the infeasible prototypes (office and high-rise apartments) feasible, except perhaps in the case of the condominium prototype, which was at the margin of feasibility with the fees. The results suggest that the City's existing development impact fees do not affect development feasibility, except at the margin, because market factors are the driving force.



E. Affordability Gap Analysis

1. Calculating the Affordability Gap

DRA estimated the cost of providing affordable housing within the development prototypes. A “gap” analysis approach was used to measure the difference between what households at different income levels can afford to pay for renter and ownership housing and the costs of producing such housing in the City of Long Beach. This gap represents the “affordability cost” to the private developer of providing affordable units on site.

The gap analysis contains three main steps:

1. define affordability standards for the affordable units;
2. estimate housing development costs;
3. determine the “gap” between the costs household incomes can support and the total cost of developing the housing.

Income limits for the analysis are based on the U.S. Department of Housing and Urban Development published 2010 income limits for the Los Angeles-Long Beach MSA, adjusted by household size. HUD reports a median family income of \$63,000 for a family of four for the Los Angeles-Long Beach MSA for 2010.

Affordable housing cost is defined at 30 percent of gross income for renters, including rent plus utilities. State redevelopment law and most federal affordability standards for renters are now established at 30 percent.

Affordable housing cost for owners is defined at 35 percent of gross income and includes principal and interest, loan insurance (PMI), property taxes, fire and casualty insurance, utilities and homeowner association fees. This standard is based on typical lender requirements.

Table 49 shows affordable monthly housing expense for owners and renters, for household sizes ranging from one person to six persons within each of the three income levels. Affordable monthly housing expense is adjusted by household size based on an assumed occupancy standard of two persons per bedroom. These figures indicate that a family of four at 100 percent of area median income should



have to spend no more than \$1,838 per month to purchase housing (at the 35 percent standard). A four-person renter household earning 50 percent of area median income can afford \$788 per month for rent and utilities (at the 30 percent standard).

Table 50 shows the estimated per unit affordability gap for renters, based on the 80 foot apartment prototype with Downtown Community Plan development standards, averaged across all units in the prototype. The gap is calculated by subtracting the average per unit supportable mortgage, averaged across all unit sizes in the prototype, from average per unit development costs, including land. Affordable rents are based on the income limits and affordable housing cost expense from Table 49, less 2010 HUD utility allowances from the Long Beach Housing Authority including natural gas cooking, heating and water heating, and basic electricity. Net operating income from the affordable units is calculated assuming an annual operating cost of \$3,100 per unit, annual replacement reserves of \$250 per unit, and a 3 percent vacancy rate. The affordable mortgage is calculated based on a 30-year term and apartment mortgage interest rate of 6.5 percent.

Table 51 shows the estimated per unit affordability gap for the owner prototypes. For owners, the gap is calculated by subtracting total development costs for the affordable units from the supportable mortgage for these units plus a 10 percent downpayment. Affordable mortgage principal and interest is calculated from the income limits and affordable housing cost expense from Table 43, less 2010 HUD utility allowances from the Long Beach Housing Authority including natural gas cooking, heating and water heating, basic electricity, trash, water and sewer; estimated HOA/maintenance expense of \$100 per month; property insurance expense of \$50 per month; and property taxes at 1.2 percent of the affordable mortgage. The affordable mortgage is calculated assuming a mortgage interest rate of 5.5 percent and a 30-year mortgage term.

Table 52 and **Table 53** present the supportable mortgage assumptions and calculations for the rental prototypes. **Table 54** and **Table 55** present the affordable mortgage calculations for the owner prototypes.

2. Term of Affordability and Enforcement

The affordability of units created through inclusionary housing requirements, in lieu fees, and commercial development linkage fees should be preserved for the long term. California Redevelopment Law requires a term of affordability of 55

years for affordable rental units and 45 years for affordable ownership units. Many jurisdictions today require that affordable units remain affordable for the life of a project, to maximize the benefits of affordable housing production. DRA recommends that affordability be preserved for the life of the project. For rental housing, the affordability requirements should be evidenced by a recorded regulatory agreement. For owner units, affordability should be evidenced in resale restrictions that are recorded in the deed.

F. Local Hiring

Implementation of the Downtown Plan will result in new job opportunities, both during construction and later during long-term operation of businesses located in the new commercial development. New development also creates opportunities for small, local businesses contributing to the economic development of the community.

Local hiring requirements for construction and permanent employment will target job opportunities to Long Beach residents and low-income communities, prompt generation of tax flow and other income to the City, and boost the local economy by generating local construction jobs and job training. Therefore, DRA recommends that the Downtown Plan contain the following language regarding local hiring requirements for construction and permanent jobs. These requirements, as drafted below, pertain only to projects involving City investment or public land, for which prevailing wage requirements already apply. Therefore, there will be no economic impact on wages in the Downtown Plan area as a result of these proposed requirements.

1. Construction Jobs

The City of Long Beach recognizes that Project Labor Agreements are important to advancing the City's proprietary and policy interests, including the ability to ensure on-time, on-budget completion of projects, target construction job opportunities to Long Beach residents and low-income communities, prompt generation of tax flow and other income to the City, and boost the local economy by generating local construction jobs and job training. As such, all new developments within the Downtown Plan Area that are undertaken by the City with a contract value of \$500,000 or more, receive City Investment of more than \$1,000,000, or are located on public land and developed under lease from the City, will operate under Project Labor Agreements that contain targeted hiring provisions ensuring that at least 30% of all construction work hours are performed by Long Beach



residents residing in High Unemployment Areas and at least 10% of all construction work hours are performed by Disadvantaged Long Beach residents. Disadvantaged residents are defined as those whose household income falls below 50% of the area median area income. Such Project Labor Agreements should also set goals to provide at least 15% of entries into apprenticeship programs and 30% of total apprentice work hours on a project are performed by Disadvantaged Long Beach residents. Finally, such Project Labor Agreements should ensure that contractors request in writing and unions refer targeted workers prior to referral of any other individuals into journeyman or apprentice positions on the project in question.

The City of Long Beach recognizes that construction projects can create opportunities for small, local businesses and therefore promote the economic development of our community. As such, all new developments within the Downtown Plan Area that are undertaken by the City, receive City Investment, or are located on public land, will ensure that at least 10% of all construction work, as measured by the dollar value of contracts related to the project in question, be contracted with a Section 3 or city certified local Small Business Enterprise (LSBE).

For purposes of the provisions set forth above, “City Investment” means financial assistance provided by the City to a developer that is expressly articulated or identified in writing by the City and establishes a proprietary interest in the development project in question, and shall include, but not be limited to: grants (requiring repayment where terms not met); rent subsidies or reductions; below-market loans; loan forgiveness; City-approved bond financing (excluding conduit bond financing); a sale or lease of City-assembled land for less than its fair market value; contingent obligations taken on by the City such as any guaranty or pledge of City funds.

For the purposes of the provisions set forth above, “High Unemployment Areas” means Long Beach zip codes containing census tracts in which the unemployment rate exceeds 150% of the L.A. County average.

2. Permanent Jobs

The City of Long Beach recognizes that Local Hiring Requirements for permanent jobs (i.e., non-construction jobs such as retail, food service and clerical jobs) in the Downtown Plan Area are important to advancing the City’s propriety interests and the interests of its residents. As such, all Covered Employers within the Downtown Plan Area that receive City Assistance will operate under Local Hiring Agreements



with the City that contain targeted hiring provisions ensuring that at least 30% of all Covered Work Hours are performed by Long Beach residents and at least 10% of all Covered Work Hours are performed by Disadvantaged Long Beach residents.¹¹ Disadvantaged residents are defined as those whose household income falls below 50% of the area median income.

For the purposes of the provisions set forth above, “Covered Employers” is defined as all employers within the Downtown Plan Area who are Beneficiaries or who have entered into a lease or contract with a Beneficiary for the performance of work within the Downtown Plan Area. “Beneficiary” is defined as an entity located or locating within the Downtown Plan Area and receiving financial assistance from the City or entering into a contract with the City for the performance of work within the Downtown Plan Area.

For the purposes of the provisions set forth above, “Financial Assistance” is defined as any loan, grant, subsidy or similar participation in the cost of development of a project within the Downtown Plan Area provided by the City, irrespective of source, valued at \$50,000 or more.

For the purposes of the provisions set forth above, “Covered Work Hours” are defined as hours worked by individuals in positions performed predominantly on-site within the Downtown Plan Area other than executive, managerial or licensed professional positions.

The City will utilize a Master Local Hiring Agreement that will be utilized for all Covered Employers, to allow for proper monitoring and enforcement of the local hiring provisions set forth above.

G. Development Impact Fee Survey

The City of Long Beach will be competing in the Southern California regional market to attract new residential and non-residential development. We examined existing development impact fees in selected Southern California cities in order to compare fees in Long Beach with those in other communities. DRA’s survey includes the following cities considered comparable and competitive with Long Beach:

- City of Anaheim

¹¹ Hours worked by out-of-state residents are not included in this calculation.

- City of Culver City
- City of Irvine
- City of Santa Ana
- City of Los Angeles
- City of Glendale

The fee information is presented for residential, office, hotel, retail and industrial uses. Development impact fee amounts and types vary greatly by jurisdiction. For commercial uses, typical fees include transportation, sewer, storm drain, fire facility, school district and art fees.

Using the survey information, DRA estimated total local development impact fees for prototypical 50,000 square foot retail, office, hotel, and warehouse/light manufacturing buildings. Residential fees were calculated on a per unit basis for a detached, three bedroom single-family unit and a two bedroom multifamily unit. A summary of the development impact fee estimates is presented in **Table 56**. **Appendix B** includes the detailed findings from the development impact fee survey.

With the exception of the City of Glendale's fee estimates, the fee calculations do not include sewer connection fees, as these fees are often assessed per fixture rather than per square foot of building area. The City of Glendale provided fee estimates for these prototypical projects using their fee calculation model and staff was unable to disaggregate the sewer connection fees from the total estimate. Impact fees that vary according to geographic zones, such as some cities' transportation improvement or drainage assessment fees, are calculated using an average of the fee rate for all of each city's zones. Transportation fees assessed per peak hour trip end are not included in this calculation, as the prototypical project descriptions do not contain the level of detail necessary to estimate these fees. Those fees assessed for limited areas of a city, such as transportation corridor fees, are also excluded from these prototypical fee calculations, as they are not assessed citywide. School district fees are also excluded because they are statutorily established statewide.

Total development impact fees per square foot and per unit for the prototype projects vary widely by community. Long Beach currently charges development impact fees for the downtown central business district (CBD) ranging from \$1.65 per square foot for hotel uses to \$5.21 per square foot for retail uses. Development



impact fees on residential uses in Long Beach equal \$5,603 per multifamily unit and \$6,937 for condo units.

As the data in Table 50 indicate, Long Beach currently ranks in the middle of the cities surveyed in terms of development impact fees. Specifically, Long Beach ranks third out of the seven cities surveyed in terms of development impact fees on office uses. It ranks a close fifth behind Santa Ana for development impact fees on retail uses. Long Beach ranks fourth on the cost of development impact fees on hotel uses. For residential uses, Long Beach ranks second on fees levied on condominium development and fourth in multifamily apartment fees.

Irvine charges the highest fees for non-residential uses, assuming the prototype project is located in the Irvine Business Complex. Irvine's fees are estimated at \$11.03 to \$25.46 per square foot for the commercial prototype projects. Irvine's residential development impact fees are also significantly higher than those in Long Beach, at \$9,505 to \$11,171 per unit.

Anaheim's fees are higher than those in Long Beach for all land use categories. Anaheim's total fees are estimated at \$3.23 to \$7.35 per square foot for the prototype projects, \$10,406 per multifamily unit and \$13,135 per condo unit. Santa Ana's fees are also higher than those in Long Beach, except for retail, which is slightly lower at \$5.02 per square foot, and multifamily residential at \$3,459 per unit. Glendale's fees are also higher than those in Long Beach except for retail and hotel uses.

Culver City and the City of Los Angeles charge the lowest fees citywide. Culver City only charges a new development impact fee and a new development surcharge totaling \$1.10 per square foot on commercial development. Los Angeles' only citywide fee for commercial development is an arts development fee ranging from \$0.51 to \$1.57 per square foot. However, Los Angeles has a number of specific plan areas that charge transportation impact fees, assessed per trip generated.

The fees in Table 56 do not include inclusionary housing in lieu fees. Of the cities surveyed, both Irvine and Glendale have adopted inclusionary housing in lieu fees. The City of Glendale adopted an inclusionary housing in lieu fee of \$13 per building square foot for rental and ownership housing projects developed within the San Fernando Redevelopment Project Area. The City of Irvine's inclusionary housing fee was \$12,471 per market rate unit as of 2006, or approximately \$12.50 per square foot for a unit of 1,000 square feet.

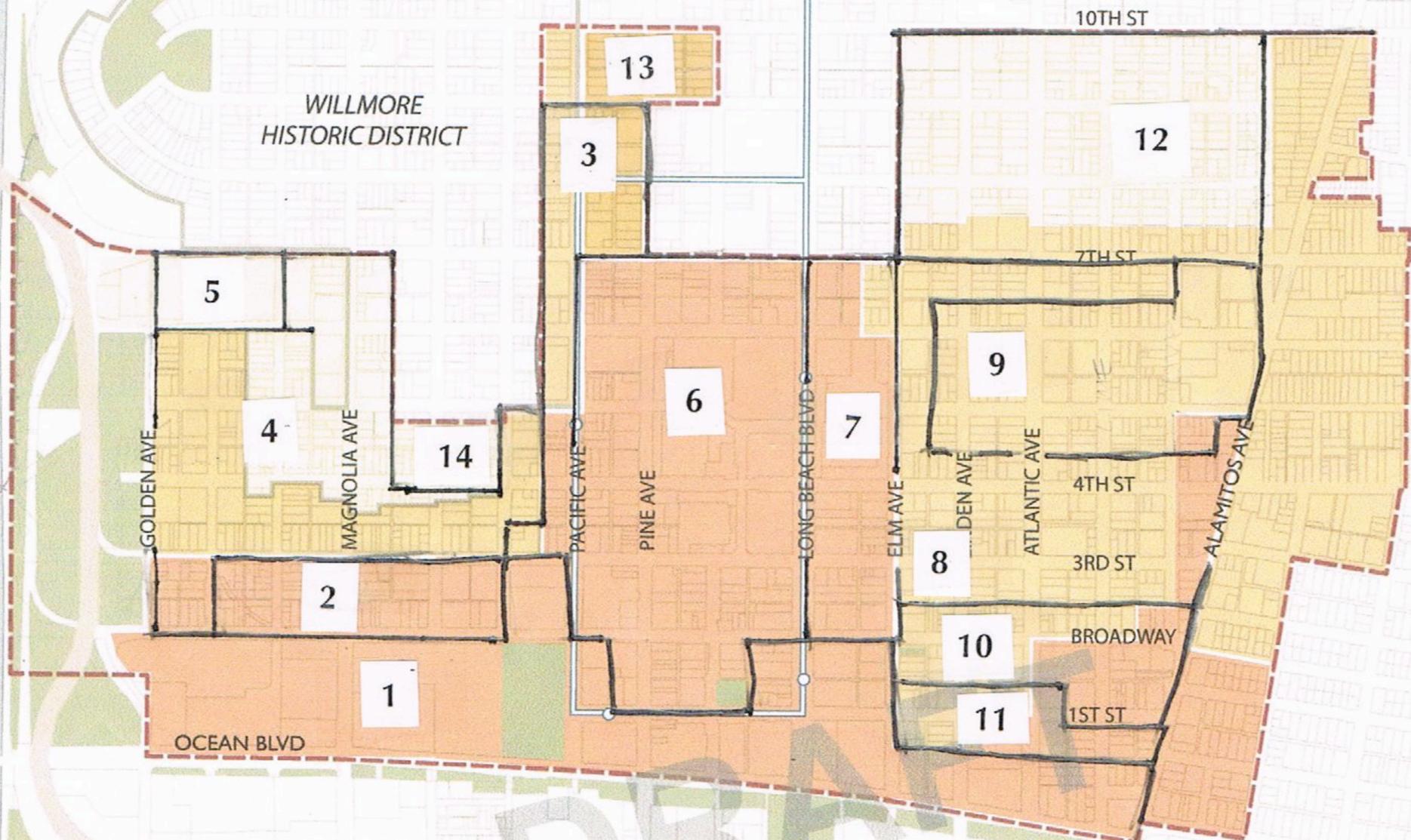


The City of Pasadena also adopted inclusionary housing in lieu fees that vary for four subareas of the City and by project size. The FY 2010 fee schedule for the two subareas where most market rate residential development has occurred shows fees for rental units ranging from \$21 to \$23 per building square foot for projects with 10 to 50 dwelling units, and \$30 to \$32 per building square foot for projects with 50 units or more. For owner housing, the in lieu fees range across the four subareas from \$15 to \$41 per square foot for projects with 10 to 49 units and \$20 to \$56 per square foot for projects of 50 units or more.

**Existing Development Impact Fees Per Square Foot and Per Unit
City of Long Beach and Area Cities
2010**

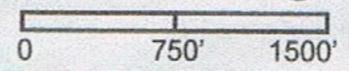
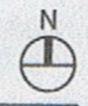
City	Office (Per SF)	Retail (Per SF)	Hotel (Per SF)	Condominium Residential (Per Unit)	Multifamily Residential (Per Unit)
Culver City	\$1.10	\$1.10	\$1.10	\$250	\$250
Los Angeles	\$1.57	\$1.31	\$0.52	N/A	N/A
Long Beach	\$3.86	\$5.21	\$1.65	\$6,937	\$5,603
Glendale	\$4.21	\$3.20	\$0.62	\$8,723	\$8,198
Santa Ana	\$5.02	\$5.02	\$5.02	\$6,990	\$3,459
Anaheim	\$5.78	\$7.35	\$3.23	\$13,135	\$10,406
Irvine	\$25.46	\$25.46	\$11.75	\$11,171	\$9,505





Map 1
Change in Height Limits from Existing PD-30 Zoning
to Proposed Downtown Plan

- Downtown Plan Area
- Height Incentive Area
- 150' Height Area
- 80' Height Area
- 38' Height Area
- Blue Line Station



Key to Map 1

Change In Height Areas from Existing PD-30 Zoning and Proposed Downtown Community Plan

Map Number	Height District Under Existing PD-30 Zoning	Height District(s) Under Proposed Downtown Plan
1	Unlimited	Height Incentive Area
2	6 Stories	Height Incentive Area
3	6 Stories	Height Incentive Area, 80', 150'
4	4 Stories	80', 38'
5	2 Stories	38'
6	100'	Height Incentive Area, 80'
7	5 Stories	Height Incentive Area, 80'
8	3 Stories	80'
9	2 Stories	80'
10	4 Stories	Height Incentive Area, 80'
11	6 Stories	Height Incentive Area, 80'
12	Not in PD-30	80', 38'
13	Not in PD-30	Height Incentive Area, 80'
14	Not in PD-30	38'

Notes:

The Height Incentive Area has a height limit of 240 feet, and up to 500 feet with incentives.

A building story is typically 10 to 12 feet in height.



Table 3
Long Beach Downtown Community Plan
Community Benefits Analysis
Development Prototypes: PD 30 6 Story Height Limit

Zoning: Land Use:	PD-30 6-Story Apartments	PD-30 6-Story Condos	PD-30 6-Story Office	PD-30 6-Story Hotel
Total Site Area (Acres)	1.00 Acres	1.00 Acres	1.00 Acres	1.00 Acres
Total Site Area (SF)	43,560	43,560	43,560	43,560
Construction Type	Type IB	Type IB	Type IB	Type IB
Max. Bldg Stories	6 Stories	6 Stories	6 Stories	6 Stories
Total Gross Building SF (Incl. Struct. Parking)	220,900 SF	213,050 SF	195,150 SF	174,650 SF
Floor Area Ratio (Gross Bldg SF, Incl. Pkg.)	5.07	4.89	4.48	4.01
Total Gross Building SF (Excluding Parking)	123,000 SF	122,300 SF	100,000 SF	112,500 SF
Office Space (Gross SF)	0	0	100,000	0
Office Space/Floor (Gross SF)	0	0	37,000	0
Retail Space (Gross SF)	15,000	15,000	0	0
Residential Space (Gross SF)	108,000	107,300	0	0
Hotel Space (Gross SF)	0	0	0	112,500
Hotel Rooms	0	0	0	150
Ave. Gross SF Per Hotel Room	0	0	0	750
Building Efficiency Ratio	85%	85%	90%	75%
Site Coverage (Bldg. Footprint)	85%	85%	85%	85%
Max. Bldg Footprint (SF)	37,026	37,026	37,026	37,026
Levels Underground Parking	1	1	1	1
Levels Structured Parking	2.7	2.5	2.6	1.7
Stories of Retail Space	0.0	0.0	0.0	0.0
Stories of Office Space	0.0	0.0	3.0	0.0
Stories of Residential Space	2.9	2.9	0.0	0.0
Hotel Stories	0.0	0.0	0.0	3.0
Total Stories Above Ground	6.0	6.0	6.0	6.0
Net Rentable SF Retail	12,800 SF	12,800 SF	0 SF	0 SF
Net Rentable SF Office	0 SF	0 SF	90,000 SF	0 SF
Net SF Residential	91,800 SF	91,200 SF	0 SF	0 SF
Net SF Hotel	0 SF	0 SF	0 SF	84,375 SF
Net SF Total	104,600 SF	104,000 SF	90,000 SF	84,375 SF
Units by BR Count				
Studio	0	0	0	0
One Bedroom	36	16	0	0
Two Bedroom	54	48	0	0
Three Bedroom	0	16	0	0
Total Residential Units	90	80	0	0
Total Single-Family Units	0	80	0	0
Total Multi-Family Units	90	0	0	0
Residential Density (units per acre)	90 du/a	80 du/a	0 du/a	0 du/a
Unit Size (Net SF)				
Studio	0 SF	0 SF	0 SF	0 SF
One Bedroom	900 SF	950 SF	0 SF	0 SF
Two Bedroom	1,100 SF	1,150 SF	0 SF	0 SF
Three Bedroom	0 SF	1,300 SF	0 SF	0 SF
Average	1,020 SF	1,140 SF	0 SF	0 SF
Parking Ratio - Residential (Spaces/Unit)				
Studio	1.00	1.00	1.00	1.00
One Bedroom	1.50	1.50	1.50	1.50
Two or More Bedrooms	2.00	2.00	2.00	2.00
Guest Parking	0.25	0.25	0.25	0.25
Parking Spaces Required--Residential	185	172	0	0
Parking Ratio - Office (Spaces/1000 GSF)				
Up to 20,000 GSF	4.0	4.0	4.0	4.0
More than 20,000	2.0	2.0	2.0	2.0
Parking Spaces Required--Office	0	0	240	0
Parking Ratio - Retail (Spaces/1000 GSF)	4.0	4.0	4.0	4.0
Parking Ratio - Hotel (Spaces/Room)	1.2	1.2	1.2	1.2
Parking Spaces - Total Required	245	232	240	180
Parking Spaces Per Floor	67 Spaces/Floor	67 Spaces/Floor	67 Spaces/Floor	67 Spaces/Floor
No. of Underground Parking Spaces	67 Spaces	67 Spaces	67 Spaces	67 Spaces
No. of Above-Ground Parking Spaces	178 Spaces	165 Spaces	173 Spaces	113 Spaces
Total Parking Spaces Provided	245 Spaces	232 Spaces	240 Spaces	180 Spaces
Gross SF/Parking Space (Incl. Circulation)	550 SF	550 SF	550 SF	550 SF
Total Parking SF	134,750 SF	127,600 SF	132,000 SF	99,000 SF
Total Parking SF Above Grade	97,900 SF	90,750 SF	95,150 SF	62,150 SF

Source: David Paul Rosen & Associates

Table 4
Long Beach Downtown Community Plan
Community Benefits Analysis
Development Prototypes: PD 30 100 Foot Height Limit

Zoning: Land Use:	PD-30 100-Foot Apartments	PD-30 100-Foot Condos	PD-30 100-Foot Office	PD-30 100-Foot Hotel
Total Site Area (Acres)	1.00 Acres	1.00 Acres	1.00 Acres	1.00 Acres
Total Site Area (SF)	43,560	43,560	43,560	43,560
Construction Type	Type IB	Type IB	Type IB	Type IB
Max. Bldg Height	100 Feet	100 Feet	100 Feet	100 Feet
Est. Max. Bldg Stories	10 Stories	10 Stories	10 Stories	10 Stories
Total Gross Building SF (Incl. Struct. Parking)	358,900 SF	353,150 SF	258,800 SF	314,050 SF
Floor Area Ratio (Gross Bldg SF, Incl. Pkg.)	8.24	8.11	5.94	7.21
Total Gross Building SF (Excluding Parking)	212,600 SF	216,200 SF	140,000 SF	206,250 SF
Office Space (Gross SF)	0	0	125,000	0
Office Space/Floor (Gross SF)	0	0	25,000	0
Retail Space (Gross SF)	15,000	15,000	15,000	0
Residential Space (Gross SF)	197,600	201,200	0	0
Hotel Space (Gross SF)	0	0	0	206,250
Hotel Rooms	0	0	0	275
Ave. Gross SF Per Hotel Room	0	0	0	750
Building Efficiency Ratio	85%	85%	90%	75%
Site Coverage (Bldg. Footprint)	85%	85%	85%	85%
Max. Bldg Footprint (SF)	37,026	37,026	37,026	37,026
Levels Underground Parking	2	2	2	2
Levels Structured Parking	4.0	3.7	3.2	2.9
Stories of Retail Space	0.4	0.4	0.4	0.0
Stories of Office Space	0.0	0.0	5.0	0.0
Stories of Residential Space	5.3	5.4	0.0	0.0
Hotel Stories	0.0	0.0	0.0	5.6
Total Stories Above Ground	10.0	10.0	10.0	9.0
Net Rentable SF Retail	12,800 SF	12,800 SF	12,800 SF	0 SF
Net Rentable SF Office	0 SF	0 SF	113,000 SF	0 SF
Net SF Residential	168,000 SF	171,000 SF	0 SF	0 SF
Net SF Hotel	0 SF	0 SF	0 SF	154,688 SF
Net SF Total	180,800 SF	183,800 SF	125,800 SF	154,688 SF
Units by BR Count				
Studio	0	0	0	0
One Bedroom	40	30	0	0
Two Bedroom	120	90	0	0
Three Bedroom	0	30	0	0
Total Residential Units	160	150	0	0
Total Single-Family Units	0	150	0	0
Total Multi-Family Units	160	0	0	0
Residential Density (units per acre)	160 du/a	150 du/a	0 du/a	0 du/a
Unit Size (Net SF)				
Studio	0 SF	0 SF	0 SF	0 SF
One Bedroom	900 SF	950 SF	0 SF	0 SF
Two Bedroom	1,100 SF	1,150 SF	0 SF	0 SF
Three Bedroom	0 SF	1,300 SF	0 SF	0 SF
Average	1,050 SF	1,140 SF	0 SF	0 SF
Parking Ratio - Residential (Spaces/Unit)				
Studio	1.00	1.00	1.00	1.00
One Bedroom	1.50	1.50	1.50	1.50
Two or More Bedrooms	2.00	2.00	2.00	2.00
Guest Parking	0.25	0.25	0.25	0.25
Parking Spaces Required--Residential	340	323	0	0
Parking Ratio - Office (Spaces/1000 GSF)				
Up to 20,000 GSF	4.0	4.0	4.0	4.0
More than 20,000	2.0	2.0	2.0	2.0
Parking Spaces Required--Office	0	0	290	0
Parking Ratio - Retail (Spaces/1000 GSF)	4.0	4.0	4.0	4.0
Parking Ratio - Hotel (Spaces/Room)	1.2	1.2	1.2	1.2
Parking Spaces - Total Required	400	383	350	330
Parking Spaces Per Floor	67 Spaces/Floor	67 Spaces/Floor	67 Spaces/Floor	67 Spaces/Floor
No. of Underground Parking Spaces	134 Spaces	134 Spaces	134 Spaces	134 Spaces
No. of Above-Ground Parking Spaces	266 Spaces	249 Spaces	216 Spaces	196 Spaces
Total Parking Spaces Provided	400 Spaces	383 Spaces	350 Spaces	330 Spaces
Gross SF/Parking Space (Incl. Circulation)	550 SF	550 SF	550 SF	550 SF
Total Parking SF	220,000 SF	210,650 SF	192,500 SF	181,500 SF
Parking SF Above Grade	146,300 SF	136,950 SF	118,800 SF	107,800 SF

Source: David Paul Rosen & Associates

Table 5
Long Beach Downtown Community Plan
Community Benefits Analysis
Development Prototypes: DTP 80 Foot Height Limit

Zoning: Land Use:	DTP 80-Foot Apartments	DTP 80-Foot Condos	DTP 80-Foot Office	DTP 80-Foot Hotel
Total Site Area (Acre)	1.00 Acres	1.00 Acres	1.00 Acres	1.00 Acres
Total Site Area (SF)	43,560	43,560	43,560	43,560
Construction Type	Type IB	Type III	Type IB	Type IB
Maximum Building Height (Feet)	80 Feet	80 Feet	80 Feet	80 Feet
Est. Max. Bldg. Stories Above Ground	8 Stories	8 Stories	8 Stories	8 Stories
Maximum FAR	4.0	4.0	4.0	4.0
Total Gross Building SF (Including Parking)	172,850 SF	173,100 SF	171,200 SF	168,150 SF
Floor Area Ratio (Gross Bldg SF, Incl. Pkg.)	3.97	3.97	3.93	3.86
Total Gross Building SF (Excluding Parking)	134,900 SF	137,900 SF	103,000 SF	150,000 SF
Office Space (Gross SF)	0	0	88,000	0
Typical Floor Plate Office Space/Floor (Gross SF)	0	0	25,000	0
Retail Space (Gross SF)	15,000	15,000	15,000	0
Residential Space (Gross SF)	119,900	122,900	0	0
Hotel Space (Gross SF)	0	0	0	150,000
Hotel Rooms	0	0	0	200
Ave. Gross SF Per Hotel Room	0	0	0	750
Building Efficiency Ratio	85%	85%	90%	75%
Site Coverage (Bldg. Footprint)	85%	85%	85%	85%
Max. Bldg Footprint (SF)	37,026	37,026	37,026	37,026
Levels Underground Parking	1.0	1.0	1.0	1.0
Levels Above-Ground Structured Parking	1.0	1.0	1.9	0.5
Stories of Retail Space	0.4	0.4	0.6	0.0
Stories of Office Space	0.0	0.0	3.5	0.0
Stories of Residential Space	3.2	3.3	0.0	0.0
Hotel Stories	0.0	0.0	0.0	4.1
Total Stories Above Ground	6.0	5.0	7.0	6.0
Net Rentable SF Retail	12,800 SF	12,800 SF	12,800 SF	0 SF
Net Rentable SF Office	0 SF	0 SF	79,200 SF	0 SF
Net SF Residential	101,900 SF	104,500 SF	0 SF	0 SF
Net SF Hotel	0 SF	0 SF	0 SF	112,500 SF
Net SF Total	114,700 SF	117,300 SF	92,000 SF	112,500 SF
Units by BR Count				
Studio	0	0	0	0
One Bedroom	24	23	0	0
Two Bedroom	73	56	0	0
Three Bedroom	0	14	0	0
Total Residential Units	97	93	0	0
Total Single-Family Units	0	93	0	0
Total Multi-Family Units	97	0	0	0
Residential Density (units per acre)	97 du/a	93 du/a	0 du/a	0 du/a
Unit Size (Net SF)				
Studio	0 SF	0 SF	0 SF	0 SF
One Bedroom	900 SF	950 SF	0 SF	0 SF
Two Bedroom	1,100 SF	1,150 SF	0 SF	0 SF
Three Bedroom	0 SF	1,300 SF	0 SF	0 SF
Average	1,050 SF	1,120 SF	0 SF	0 SF
Parking Ratio - Office (Spaces/1000 GSF)	2.00	2.00	2.00	2.00
Parking Ratio - Retail (Spaces/1000 GSF)	1.00	1.00	1.00	1.00
Parking Ratio - Hotel (Spaces/Room)	0.50	0.50	0.50	0.50
Parking Ratio - Residential (Spaces/Unit)	1.25	1.25	1.25	1.25
Parking Spaces - Total Required	136	131	191	100
Parking Spaces Per Floor	67 Spaces/Floor	67 Spaces/Floor	67 Spaces/Floor	67 Spaces/Floor
No. of Underground Parking Spaces	67 Spaces	67 Spaces	67 Spaces	67 Spaces
No. of Above-Ground Parking Spaces	69 Spaces	64 Spaces	124 Spaces	33 Spaces
Total Parking Spaces Provided	136 Spaces	131 Spaces	191 Spaces	100 Spaces
Gross SF/Parking Space	550 SF	550 SF	550 SF	550 SF
Total Parking SF	74,800 SF	72,050 SF	105,050 SF	55,000 SF
Parking SF Above Grade	37,950 SF	35,200 SF	68,200 SF	18,150 SF

Source: David Paul Rosen & Associates

Table 6
Long Beach Downtown Community Plan
Community Benefits Analysis
Development Prototypes: DTP 150 Foot Height Limit

Zoning: Land Use:	DTP 150-Foot Apartments	DTP 150-Foot Condos	DTP 150-Foot Office	DTP 150-Foot Hotel
Total Site Area (Acre)	1.00 Acres	1.00 Acres	1.00 Acres	1.00 Acres
Total Site Area (SF)	43,560	43,560	43,560	43,560
Construction Type	Type IB	Type IB	Type IB	Type IB
Maximum Building Height (Feet)	150 Feet	150 Feet	150 Feet	150 Feet
Est. Max. Bldg. Stories Above Ground	15 Stories	15 Stories	15 Stories	15 Stories
Max. FAR	5.0	5.0	5.0	5.0
Total Gross Building SF (Including Parking)	216,850 SF	216,650 SF	212,050 SF	213,300 SF
Floor Area Ratio (Gross Bldg SF, Incl. Pkg.)	4.98	4.97	4.87	4.90
Total Gross Building SF (Excluding Parking)	186,600 SF	190,800 SF	140,000 SF	210,000 SF
Office Space (Gross SF)	0	0	125,000	0
Typical Floor Plate Office Space/Floor (Gross SF)	0	0	25,000	0
Retail Space (Gross SF)	15,000	15,000	15,000	0
Residential Space (Gross SF)	171,600	175,800	0	0
Hotel Space (Gross SF)	0	0	0	210,000
Hotel Rooms	0	0	0	280
Ave. Gross SF Per Hotel Room	0	0	0	750
Building Efficiency Ratio	85%	85%	90%	75%
Site Coverage (Bldg. Footprint)	85%	85%	85%	85%
Max. Bldg Footprint (SF)	37,026	37,026	37,026	37,026
Levels Underground Parking	2.0	2.0	2.0	2.0
Levels Above-Ground Structured Parking	0.8	0.7	2.0	0.1
Stories of Retail Space	0.4	0.4	0.6	0.0
Stories of Office Space	0.0	0.0	5.0	0.0
Stories of Residential Space	4.6	4.7	0.0	0.0
Hotel Stories	0.0	0.0	0.0	5.7
Total Stories Above Ground	7.0	7.0	8.0	7.0
Net Rentable SF Retail	12,800 SF	12,800 SF	12,800 SF	0 SF
Net Rentable SF Office	0 SF	0 SF	112,500 SF	0 SF
Net SF Residential	145,900 SF	149,400 SF	0 SF	0 SF
Net SF Hotel	0 SF	0 SF	0 SF	157,500 SF
Net SF Total	158,700 SF	162,200 SF	125,300 SF	157,500 SF
Units by BR Count				
Studio	0	0	0	0
One Bedroom	35	33	0	0
Two Bedroom	104	80	0	0
Three Bedroom	0	20	0	0
Total Residential Units	139	133	0	0
Total Single-Family Units	0	133	0	0
Total Multi-Family Units	139	0	0	0
Residential Density (units per acre)	139 du/a	133 du/a	0 du/a	0 du/a
Unit Size (Net SF)				
Studio	0 SF	0 SF	0 SF	0 SF
One Bedroom	900 SF	950 SF	0 SF	0 SF
Two Bedroom	1,100 SF	1,150 SF	0 SF	0 SF
Three Bedroom	0 SF	1,300 SF	0 SF	0 SF
Average	1,050 SF	1,120 SF	0 SF	0 SF
Parking Ratio - Office (Spaces/1000 GSF)	2.00	2.00	2.00	2.00
Parking Ratio - Retail (Spaces/1000 GSF)	1.00	1.00	1.00	1.00
Parking Ratio - Hotel (Spaces/Room)	0.50	0.50	0.50	0.50
Parking Ratio - Residential (Spaces/Unit)	1.25	1.25	1.25	1.25
Parking Spaces - Total Required	189	181	265	140
Parking Spaces Per Floor	67 Spaces/Floor	67 Spaces/Floor	67 Spaces/Floor	67 Spaces/Floor
No. of Underground Parking Spaces	134 Spaces	134 Spaces	134 Spaces	134 Spaces
No. of Above-Ground Parking Spaces	55 Spaces	47 Spaces	131 Spaces	6 Spaces
Total Parking Spaces Provided	189 Spaces	181 Spaces	265 Spaces	140 Spaces
Gross SF/Parking Space	550 SF	550 SF	550 SF	550 SF
Total Parking SF	103,950 SF	99,550 SF	145,750 SF	77,000 SF
Total Parking SF Above Grade	30,250 SF	25,850 SF	72,050 SF	3,300 SF

Source: David Paul Rosen & Associates

Table 7
Long Beach Downtown Community Plan
Community Benefits Analysis
Development Prototypes: DTP 240 Foot Height Limit

Zoning: Land Use:	DTP 240-Foot Apartments	DTP 240-Foot Condos	DTP 240-Foot Office	DTP 240-Foot Hotel
Total Site Area (Acre)	1.00 Acres	1.00 Acres	1.00 Acres	1.00 Acres
Total Site Area (SF)	43,560	43,560	43,560	43,560
Construction Type	Type IB	Type IB	Type IB	Type IB
Maximum Building Height (Feet)	240 Feet	240 Feet	240 Feet	240 Feet
Est. Max. Bldg. Stories Above Ground	24 Stories	24 Stories	24 Stories	24 Stories
Max. FAR	8.0	8.0	8.0	8.0
Total Gross Building SF (Including Parking)	347,600 SF	347,250 SF	347,050 SF	346,550 SF
Floor Area Ratio (Gross Bldg SF, Incl. Pkg.)	7.98	7.97	7.97	7.96
Total Gross Building SF (Excluding Parking)	270,600 SF	276,300 SF	220,000 SF	307,500 SF
Office Space (Gross SF)	0	0	175,000	0
Typical Floor Plate Office Space/Floor (Gross SF)	0	0	25,000	0
Retail Space (Gross SF)	15,000	15,000	15,000	0
Residential Space (Gross SF)	255,600	261,300	0	0
Hotel Space (Gross SF)	0	0	0	307,500
Hotel Rooms	0	0	0	410
Ave. Gross SF Per Hotel Room	0	0	0	750
Building Efficiency Ratio	85%	85%	90%	75%
Site Coverage (Bldg. Footprint)	85%	85%	85%	85%
Max. Bldg Footprint (SF)	37,026	37,026	37,026	37,026
Levels Underground Parking	2.0	2.0	2.0	2.0
Levels Above-Ground Structured Parking	2.1	1.9	3.4	1.1
Stories of Retail Space	0.4	0.4	0.6	0.0
Stories of Office Space	0.0	0.0	7.0	0.0
Stories of Residential Space	6.9	7.1	0.0	0.0
Hotel Stories	0.0	0.0	0.0	8.3
Total Stories Above Ground	11.0	10.0	12.0	11.0
Net Rentable SF Retail	12,800 SF	12,800 SF	12,800 SF	0 SF
Net Rentable SF Office	0 SF	0 SF	157,500 SF	0 SF
Net SF Residential	217,300 SF	222,100 SF	0 SF	0 SF
Net SF Hotel	0 SF	0 SF	0 SF	230,625 SF
Net SF Total	230,100 SF	234,900 SF	170,300 SF	230,625 SF
Units by BR Count				
Studio	0	0	0	0
One Bedroom	52	50	0	0
Two Bedroom	155	119	0	0
Three Bedroom	0	29	0	0
Total Residential Units	207	198	0	0
Total Single-Family Units	0	198	0	0
Total Multi-Family Units	207	0	0	0
Residential Density (units per acre)	207 du/a	198 du/a	0 du/a	0 du/a
Unit Size (Net SF)				
Studio	0 SF	0 SF	0 SF	0 SF
One Bedroom	900 SF	950 SF	0 SF	0 SF
Two Bedroom	1,100 SF	1,150 SF	0 SF	0 SF
Three Bedroom	0 SF	1,300 SF	0 SF	0 SF
Average	1,050 SF	1,120 SF	0 SF	0 SF
Parking Ratio - Office (Spaces/1000 GSF)	2.00	2.00	2.00	2.00
Parking Ratio - Retail (Spaces/1000 GSF)	1.00	1.00	1.00	1.00
Parking Ratio - Hotel (Spaces/Room)	0.50	0.50	0.50	0.50
Parking Ratio - Residential (Spaces/Unit)	1.25	1.25	1.25	1.25
Parking Spaces - Total Required	274	263	365	205
Parking Spaces Per Floor	67 Spaces/Floor	67 Spaces/Floor	67 Spaces/Floor	67 Spaces/Floor
No. of Underground Parking Spaces	134 Spaces	134 Spaces	134 Spaces	134 Spaces
No. of Above-Ground Parking Spaces	140 Spaces	129 Spaces	231 Spaces	71 Spaces
Total Parking Spaces Provided	274 Spaces	263 Spaces	365 Spaces	205 Spaces
Gross SF/Parking Space	550 SF	550 SF	550 SF	550 SF
Total Parking SF	150,700 SF	144,650 SF	200,750 SF	112,750 SF
Total Parking SF Above Grade	77,000 SF	70,950 SF	127,050 SF	39,050 SF

Source: David Paul Rosen & Associates

**Table 8
Development Impact and Processing Fee Assumptions
City of Long Beach
Downtown Community Plan Community Benefits Analysis
2010**

School fees:	\$2.14 per square foot residential \$0.47 per square foot commercial
Building permit fee	\$1,224.76 plus \$5.56 per \$1,000 construction valuation over \$100,000
Building plan check fee	85% of building permit fee
NPDES permit fee	\$1.97 per \$1,000 construction valuation
NPDES plan check fee	85% of building permit fee
Sewer fees ¹ :	\$1,056 per unit, one-bath units \$1,152 per unit, two-bath units \$0.22 per square foot, office and retail uses \$1.63 per square foot, hotel uses
Transportation & Improvement Fee	\$1,125 per dwelling unit \$3.00 per gross square foot office \$4.50 per gross square foot retail \$1,125 per hotel guest room.
Parks and Recreation Fee	\$4,613.04 per single-family dwelling unit \$3,562.78 per multi-family dwelling unit
Fire Facilities Impact Fee	\$496 per single-family dwelling unit \$378 per multi-family dwelling unit \$0.325 per gross square foot office \$0.267 per gross square foot retail/hotel
Police Facilities Impact Fee	\$703 per single-family dwelling unit \$537 per multi-family dwelling unit \$0.538 per gross square foot office \$0.442 per gross square foot retail/hotel

Source: Long Beach Department of Planning and Building, David Paul Rosen & Associates

¹ Per unit and per square foot fees estimated by DRA based on the City's fee of \$95.98 per equivalent fixture unit (EFU) and estimated EFU's derived from the City's sewer capacity worksheet.

Table 9
Long Beach Downtown Community Plan
Community Benefits Analysis
Development Impact Fees: PD 30 6 Story Height Limit Prototypes

Zoning:	PD-30 6-Story	PD-30 6-Story	PD-30 6-Story	PD-30 6-Story
Land Use:	Apartments	Condos	Office	Hotel
Retail Gross SF	15,000	15,000	0	0
Office Gross SF	0	0	100,000	0
Residential Gross SF	108,000	107,300	0	0
Hotel Gross SF	0	0	0	112,500
Total Gross SF Building Area	123,000	122,300	100,000	112,500
Hotel Rooms	0	0	0	150
Residential Net SF	91,800	91,200	0	0
Single-Family Residential Units	0	80	0	0
Multifamily Residential Units	90	0	0	0
Total No. Underground Parking Spaces	67	67	67	67
Total No. Above Ground Parking Spaces	178	165	173	113
Total Parking SF	134,750	127,600	132,000	99,000
Site Area (SF)	43,560	43,560	43,560	43,560
Estimated Building Valuation Per Gross Square Foot	\$90	\$90	\$90	\$90
Construction Value Per SF, Garages	\$27	\$27	\$27	\$27
Estimated Total Building Valuation	\$14,708,250	\$14,452,200	\$12,564,000	\$12,798,000
City Building Permit Fees (1)				
Total Permit Fee	\$205,089	\$201,523	\$175,219	\$178,479
School Fees (2)				
Commercial (Per GSF)	\$0.47	\$0.47	\$0.47	\$0.47
Residential (Per NSF Living Area) (3)	\$2.14	\$2.14	\$2.14	\$2.14
Total Permit Fee	\$254,262	\$252,649	\$47,000	\$52,875
Sewer Capacity Fees (3)				
<i>Residential</i>				
<i>Units by Bedroom Count</i>	<i>Total Units:</i>			
Studio	90	80	-	-
One Bedroom	0	0	-	-
Two Bedroom	36	16	-	-
Three Bedroom	54	48	-	-
	0	16	-	-
<i>Est. Fees By Bedroom Count</i>	<i>Est. EFU's</i>	<i>Fee Per Unit</i>		
Studio	11	\$1,056	\$0	\$0
One Bedroom	11	\$1,056	\$38,016	\$16,896
Two Bedroom	11	\$1,056	\$57,024	\$50,688
Three Bedroom	12	\$1,152	\$0	\$18,432
<i>Total Sewer Fees--Residential</i>			\$95,040	\$86,016
<i>Non-Residential</i>				
<i>Est. EFU's Per 1000 GSF</i>	-	-	2.34	17.00
<i>Fee Per EFU</i>	-	-	\$95.98	\$95.98
<i>Total Sewer Fees--Non-Residential</i>	-	-	\$22,459	\$183,562
Total Sewer Fees	\$95,040	\$86,016	\$22,459	\$183,562
Transportation Improvement Fee (4)				
Office (Per GSF)	\$3.00	\$3.00	\$3.00	\$3.00
Retail (Per GSF)	\$4.50	\$4.50	\$4.50	\$4.50
Hotel (Per Guest Room)	\$1,125	\$1,125	\$1,125	\$1,125
Residential (Per Unit)	\$1,125	\$1,125	\$1,125	\$1,125
Total Fees	\$168,750	\$157,500	\$300,000	\$168,750
Parks & Rec. Fee				
Single-Family Residential (Per Unit)	\$4,613.04	\$4,613.04	\$4,613.04	\$4,613.04
Multi-Family Residential (Per Unit)	\$3,562.78	\$3,562.78	\$3,562.78	\$3,562.78
Total Fees	\$320,650	\$369,043	\$0	\$0
Fire Facilities Impact Fee				
Single-Family Residential (Per Unit)	\$496	\$496	\$496	\$496
Multi-Family Residential (Per Unit)	\$378	\$378	\$378	\$378
Office (Per GSF)	\$0.325	\$0.325	\$0.325	\$0.325
Retail (Per GSF)	\$0.267	\$0.267	\$0.267	\$0.267
Hotel (Per GSF)	\$0.267	\$0.267	\$0.267	\$0.267
Total Fees	\$38,025	\$43,685	\$32,500	\$30,038
Police Facilities Impact Fee				
Single-Family Residential (Per Unit)	\$703	\$703	\$703	\$703
Multi-Family Residential (Per Unit)	\$537	\$537	\$537	\$537
Office (Per GSF)	\$0.538	\$0.538	\$0.538	\$0.538
Retail (Per GSF)	\$0.442	\$0.442	\$0.442	\$0.442
Hotel (Per GSF)	\$0.442	\$0.442	\$0.442	\$0.442
Total Fees	\$54,960	\$62,870	\$53,800	\$49,725
Total Processing/ Impact Fees	\$1,136,776	\$1,173,286	\$608,519	\$479,867
Total Fees Per Unit	\$12,631	\$14,666	\$0	\$0
Total Fees Per Gross SF	\$9.24	\$9.59	\$6.09	\$4.27

- (1) Includes plan check, building permit, residential SMI tax and NPDES permit and NPDES plan check.
Building permit fee equals \$1224.76 plus \$5.56 per \$1,000 valuation over \$100,000; plan check fee is 85% of building permit fee
NPDES permit fee equals \$1.97 per \$1,000 valuation; NPDES plan check fee is 85% of NPDES permit fee.
- (2) Source: City of Long Beach.
- (3) Fee is assessed at a rate of \$95.98 per "equivalent fixture unit" (EFU). Number of EFU's estimated by City Staff for 2003 development impact fee survey.
- (4) For Downtown CBD area.

Source: David Paul Rosen & Associates.

Table 10
Long Beach Downtown Community Plan
Community Benefits Analysis
Development Impact Fees: PD 30 100 Foot Height Limit Prototypes

Zoning:	PD-30 100-Foot	PD-30 100-Foot	PD-30 100-Foot	PD-30 100-Foot
Land Use:	Apartments	Condos	Office	Hotel
Retail Gross SF	15,000	15,000	15,000	0
Office Gross SF	0	0	125,000	0
Residential Gross SF	197,600	201,200	0	0
Hotel Gross SF	0	0	0	206,250
Total Gross SF Building Area	212,600	216,200	140,000	206,250
Hotel Rooms	0	0	0	275
Residential Net SF	168,000	171,000	0	0
Single-Family Residential Units	0	150	0	0
Multifamily Residential Units	160	0	0	0
Total No. Underground Parking Spaces	134	134	134	134
Total No. Above Ground Parking Spaces	266	249	216	196
Total Parking SF	220,000	210,650	192,500	181,500
Site Area (SF)	43,560	43,560	43,560	43,560
Estimated Building Valuation Per Gross Square Foot	\$90	\$90	\$90	\$90
Construction Value Per SF, Garages	\$27	\$27	\$27	\$27
Estimated Total Building Valuation	\$25,074,000	\$25,145,550	\$17,797,500	\$23,463,000
City Building Permit Fees (1)				
Total Permit Fee	\$349,490	\$350,486	\$248,124	\$327,047
School Fees (2)				
Commercial (Per GSF)	\$0.47	\$0.47	\$0.47	\$0.47
Residential (Per NSF Living Area) (3)	\$2.14	\$2.14	\$2.14	\$2.14
Total Permit Fee	\$459,442	\$467,554	\$65,800	\$96,938
Sewer Capacity Fees (3)				
<i>Residential</i>				
<i>Units by Bedroom Count</i>	<i>Total Units:</i>	160	150	-
Studio		0	0	-
One Bedroom		40	30	-
Two Bedroom		120	90	-
Three Bedroom		0	30	-
<i>Est. Fees By Bedroom Count</i>	<i>Est. EFU's</i>	<i>Fee Per Unit</i>		
Studio	11	\$1,056	\$0	\$0
One Bedroom	11	\$1,056	\$42,240	\$31,680
Two Bedroom	11	\$1,056	\$126,720	\$95,040
Three Bedroom	12	\$1,152	\$0	\$34,560
<i>Total Sewer Fees--Residential</i>		\$168,960	\$161,280	-
<i>Non-Residential</i>				
<i>Est. EFU's Per 1000 GSF</i>		-	-	2.34
<i>Fee Per EFU</i>		-	-	\$95.98
<i>Total Sewer Fees--Non-Residential</i>		-	-	\$31,443
Total Sewer Fees		\$168,960	\$161,280	\$336,530
Transportation Improvement Fee (4)				
Office (Per GSF)	\$3.00	\$3.00	\$3.00	\$3.00
Retail (Per GSF)	\$4.50	\$4.50	\$4.50	\$4.50
Hotel (Per Guest Room)	\$1,125	\$1,125	\$1,125	\$1,125
Residential (Per Unit)	\$1,125	\$1,125	\$1,125	\$1,125
Total Fees	\$247,500	\$236,250	\$442,500	\$309,375
Parks & Rec. Fee				
Single-Family Residential (Per Unit)	\$4,613.04	\$4,613.04	\$4,613.04	\$4,613.04
Multi-Family Residential (Per Unit)	\$3,562.78	\$3,562.78	\$3,562.78	\$3,562.78
Total Fees	\$570,045	\$691,956	\$0	\$0
Fire Facilities Impact Fee				
Single-Family Residential (Per Unit)	\$496	\$496	\$496	\$496
Multi-Family Residential (Per Unit)	\$378	\$378	\$378	\$378
Office (Per GSF)	\$0.325	\$0.325	\$0.325	\$0.325
Retail (Per GSF)	\$0.267	\$0.267	\$0.267	\$0.267
Hotel (Per GSF)	\$0.267	\$0.267	\$0.267	\$0.267
Total Fees	\$64,485	\$78,405	\$44,630	\$55,069
Police Facilities Impact Fee				
Single-Family Residential (Per Unit)	\$703	\$703	\$703	\$703
Multi-Family Residential (Per Unit)	\$537	\$537	\$537	\$537
Office (Per GSF)	\$0.538	\$0.538	\$0.538	\$0.538
Retail (Per GSF)	\$0.442	\$0.442	\$0.442	\$0.442
Hotel (Per GSF)	\$0.442	\$0.442	\$0.442	\$0.442
Total Fees	\$92,550	\$112,080	\$73,880	\$91,163
Total Processing/ Impact Fees	\$1,952,472	\$2,098,011	\$874,934	\$879,591
Total Fees Per Unit	\$12,203	\$13,987	\$0	\$0
Total Fees Per Gross SF	\$9.18	\$9.70	\$6.25	\$4.26

- (1) Includes plan check, building permit, residential SMI tax and NPDES permit and NPDES plan check.
Building permit fee equals \$1224.76 plus \$5.56 per \$1,000 valuation over \$100,000; plan check fee is 85% of building permit fee
NPDES permit fee equals \$1.97 per \$1,000 valuation; NPDES plan check fee is 85% of NPDES permit fee.
- (2) Source: City of Long Beach.
- (3) Fee is assessed at a rate of \$95.98 per "equivalent fixture unit" (EFU). Number of EFU's estimated by City Staff for 2003 development impact fee survey.
- (4) For Downtown CBD area.

Source: David Paul Rosen & Associates.

Table 11
Long Beach Downtown Community Plan
Community Benefits Analysis
Development Impact Fees: DTP 80 Foot Height Limit Prototypes

Zoning:					
Land Use:	DTP 80-Foot	DTP 80-Foot	DTP 80-Foot	DTP 80-Foot	
	Apartments	Condos	Office	Hotel	
Retail Gross SF	15,000	15,000	15,000	0	
Office Gross SF	0	0	88,000	0	
Residential Gross SF	119,900	122,900	0	0	
Hotel Gross SF	0	0	0	150,000	
Total Gross SF Building Area	134,900	137,900	103,000	150,000	
Hotel Rooms	0	0	0	200	
Residential Net SF	101,900	104,500	0	0	
Single-Family Residential Units	0	93	0	0	
Multifamily Residential Units	97	0	0	0	
Total No. Underground Parking Spaces	67	67	67	67	
Total No. Above Ground Parking Spaces	69	64	124	33	
Total Parking SF	74,800	72,050	105,050	55,000	
Site Area (SF)	43,560	43,560	43,560	43,560	
Estimated Building Valuation Per Gross Square Foot	\$90	\$90	\$90	\$90	
Construction Value Per SF, Garages	\$27	\$27	\$27	\$27	
Estimated Total Building Valuation	\$14,160,600	\$14,356,350	\$12,106,350	\$14,985,000	
City Building Permit Fees (1)					
Total Permit Fee	\$197,460	\$200,187	\$168,844	\$208,945	
School Fees (2)					
Commercial (Per GSF)	\$0.47	\$0.47	\$0.47	\$0.47	
Residential (Per NSF Living Area) (3)	\$2.14	\$2.14	\$2.14	\$2.14	
Total Permit Fee	\$281,469	\$288,443	\$48,410	\$70,500	
Sewer Capacity Fees (3)					
<i>Residential</i>					
<i>Units by Bedroom Count</i>	<i>Total Units:</i>				
Studio	97	93	-	-	
One Bedroom	0	0	-	-	
Two Bedroom	24	23	-	-	
Three Bedroom	73	56	-	-	
	0	14	-	-	
<i>Est. Fees By Bedroom Count</i>	<i>Est. EFU's</i>	<i>Fee Per Unit</i>			
Studio	11	\$1,056	\$0	\$0	
One Bedroom	11	\$1,056	\$25,344	\$24,288	
Two Bedroom	11	\$1,056	\$77,088	\$59,136	
Three Bedroom	12	\$1,152	\$0	\$16,128	
<i>Total Sewer Fees--Residential</i>			\$102,432	\$99,552	
<i>Non-Residential</i>					
<i>Est. EFU's Per 1000 GSF</i>	-	-	2.34	17.00	
<i>Fee Per EFU</i>	-	-	\$95.98	\$95.98	
<i>Total Sewer Fees--Non-Residential</i>	-	-	\$23,133	\$244,749	
Total Sewer Fees	\$102,432	\$99,552	\$23,133	\$244,749	
Transportation Improvement Fee (4)					
Office (Per GSF)	\$3.00	\$3.00	\$3.00	\$3.00	
Retail (Per GSF)	\$4.50	\$4.50	\$4.50	\$4.50	
Hotel (Per Guest Room)	\$1,125	\$1,125	\$1,125	\$1,125	
Residential (Per Unit)	\$1,125	\$1,125	\$1,125	\$1,125	
Total Fees	\$176,625	\$172,125	\$331,500	\$225,000	
Parks & Rec. Fee					
Single-Family Residential (Per Unit)	\$4,613.04	\$4,613.04	\$4,613.04	\$4,613.04	
Multi-Family Residential (Per Unit)	\$3,562.78	\$3,562.78	\$3,562.78	\$3,562.78	
Total Fees	\$345,590	\$429,013	\$0	\$0	
Fire Facilities Impact Fee					
Single-Family Residential (Per Unit)	\$496	\$496	\$496	\$496	
Multi-Family Residential (Per Unit)	\$378	\$378	\$378	\$378	
Office (Per GSF)	\$0.325	\$0.325	\$0.325	\$0.325	
Retail (Per GSF)	\$0.267	\$0.267	\$0.267	\$0.267	
Hotel (Per GSF)	\$0.267	\$0.267	\$0.267	\$0.267	
Total Fees	\$40,671	\$50,133	\$32,605	\$40,050	
Police Facilities Impact Fee					
Single-Family Residential (Per Unit)	\$703	\$703	\$703	\$703	
Multi-Family Residential (Per Unit)	\$537	\$537	\$537	\$537	
Office (Per GSF)	\$0.538	\$0.538	\$0.538	\$0.538	
Retail (Per GSF)	\$0.442	\$0.442	\$0.442	\$0.442	
Hotel (Per GSF)	\$0.442	\$0.442	\$0.442	\$0.442	
Total Fees	\$58,719	\$72,009	\$53,974	\$66,300	
Total Processing/ Impact Fees	\$1,202,966	\$1,311,462	\$635,333	\$610,795	
Total Fees Per Unit	\$12,402	\$14,102	\$0	\$0	
Total Fees Per Gross SF	\$8.92	\$9.51	\$6.17	\$4.07	

(1) Includes plan check, building permit, residential SMI tax and NPDES permit and NPDES plan check.
Building permit fee equals \$1224.76 plus \$5.56 per \$1,000 valuation over \$100,000; plan check fee is 85% of building permit fee
NPDES permit fee equals \$1.97 per \$1,000 valuation; NPDES plan check fee is 85% of NPDES permit fee.
(2) Source: City of Long Beach.
(3) Fee is assessed at a rate of \$95.98 per "equivalent fixture unit" (EFU). Number of EFU's estimated by City Staff for 2003
development impact fee survey.
(4) For Downtown CBD area.

Source: David Paul Rosen & Associates.

Table 12
Long Beach Downtown Community Plan
Community Benefits Analysis
Development Impact Fees: DTP 150 Foot Height Limit Prototypes

Zoning:	DTP 150-Foot	DTP 150-Foot	DTP 150-Foot	DTP 150-Foot
Land Use:	Apartments	Condos	Office	Hotel
Retail Gross SF	15,000	15,000	15,000	0
Office Gross SF	0	0	125,000	0
Residential Gross SF	171,600	175,800	0	0
Hotel Gross SF	0	0	0	210,000
Total Gross SF Building Area	186,600	190,800	140,000	210,000
Hotel Rooms	0	0	0	280
Residential Net SF	145,900	149,400	0	0
Single-Family Residential Units	0	133	0	0
Multifamily Residential Units	139	0	0	0
Total No. Underground Parking Spaces	134	134	134	134
Total No. Above Ground Parking Spaces	55	47	131	6
Total Parking SF	103,950	99,550	145,750	77,000
Site Area (SF)	43,560	43,560	43,560	43,560
Estimated Building Valuation Per Gross Square Foot	\$90	\$90	\$90	\$90
Construction Value Per SF, Garages	\$27	\$27	\$27	\$27
Estimated Total Building Valuation	\$19,600,650	\$19,859,850	\$16,535,250	\$20,979,000
City Building Permit Fees (1)				
Total Permit Fee	\$273,243	\$276,854	\$230,540	\$292,444
School Fees (2)				
Commercial (Per GSF)	\$0.47	\$0.47	\$0.47	\$0.47
Residential (Per NSF Living Area) (3)	\$2.14	\$2.14	\$2.14	\$2.14
Total Permit Fee	\$399,928	\$409,392	\$65,800	\$98,700
Sewer Capacity Fees (3)				
<i>Residential</i>				
<i>Units by Bedroom Count</i>	<i>Total Units:</i>			
Studio	139	133	-	-
One Bedroom	0	0	-	-
Two Bedroom	35	33	-	-
Three Bedroom	104	80	-	-
	0	20	-	-
<i>Est. Fees By Bedroom Count</i>	<i>Est. EFU's</i>	<i>Fee Per Unit</i>		
Studio	11	\$1,056	\$0	\$0
One Bedroom	11	\$1,056	\$36,960	\$34,848
Two Bedroom	11	\$1,056	\$109,824	\$84,480
Three Bedroom	12	\$1,152	\$0	\$23,040
<i>Total Sewer Fees--Residential</i>			\$146,784	\$142,368
<i>Non-Residential</i>				
<i>Est. EFU's Per 1000 GSF</i>	-	-	2.34	17.00
<i>Fee Per EFU</i>	-	-	\$95.98	\$95.98
<i>Total Sewer Fees--Non-Residential</i>	-	-	\$31,443	\$342,649
Total Sewer Fees	\$146,784	\$142,368	\$31,443	\$342,649
Transportation Improvement Fee (4)				
Office (Per GSF)	\$3.00	\$3.00	\$3.00	\$3.00
Retail (Per GSF)	\$4.50	\$4.50	\$4.50	\$4.50
Hotel (Per Guest Room)	\$1,125	\$1,125	\$1,125	\$1,125
Residential (Per Unit)	\$1,125	\$1,125	\$1,125	\$1,125
Total Fees	\$223,875	\$217,125	\$442,500	\$315,000
Parks & Rec. Fee				
Single-Family Residential (Per Unit)	\$4,613.04	\$4,613.04	\$4,613.04	\$4,613.04
Multi-Family Residential (Per Unit)	\$3,562.78	\$3,562.78	\$3,562.78	\$3,562.78
Total Fees	\$495,226	\$613,534	\$0	\$0
Fire Facilities Impact Fee				
Single-Family Residential (Per Unit)	\$496	\$496	\$496	\$496
Multi-Family Residential (Per Unit)	\$378	\$378	\$378	\$378
Office (Per GSF)	\$0.325	\$0.325	\$0.325	\$0.325
Retail (Per GSF)	\$0.267	\$0.267	\$0.267	\$0.267
Hotel (Per GSF)	\$0.267	\$0.267	\$0.267	\$0.267
Total Fees	\$56,547	\$69,973	\$44,630	\$56,070
Police Facilities Impact Fee				
Single-Family Residential (Per Unit)	\$703	\$703	\$703	\$703
Multi-Family Residential (Per Unit)	\$537	\$537	\$537	\$537
Office (Per GSF)	\$0.538	\$0.538	\$0.538	\$0.538
Retail (Per GSF)	\$0.442	\$0.442	\$0.442	\$0.442
Hotel (Per GSF)	\$0.442	\$0.442	\$0.442	\$0.442
Total Fees	\$81,273	\$100,129	\$73,880	\$92,820
Total Processing/ Impact Fees	\$1,676,876	\$1,829,375	\$857,350	\$855,034
Total Fees Per Unit	\$12,064	\$13,755	\$0	\$0
Total Fees Per Gross SF	\$8.99	\$9.59	\$6.12	\$4.07

- (1) Includes plan check, building permit, residential SMI tax and NPDES permit and NPDES plan check.
Building permit fee equals \$1224.76 plus \$5.56 per \$1,000 valuation over \$100,000; plan check fee is 85% of building permit fee
NPDES permit fee equals \$1.97 per \$1,000 valuation; NPDES plan check fee is 85% of NPDES permit fee.
- (2) Source: City of Long Beach.
- (3) Fee is assessed at a rate of \$95.98 per "equivalent fixture unit" (EFU). Number of EFU's estimated by City Staff for 2003 development impact fee survey.
- (4) For Downtown CBD area.

Source: David Paul Rosen & Associates.

Table 13
Long Beach Downtown Community Plan
Community Benefits Analysis
Development Impact Fees: DTP 240 Foot Height Limit Prototypes

Zoning:					
Land Use:	DTP 240-Foot	DTP 240-Foot	DTP 240-Foot	DTP 240-Foot	
	Apartments	Condos	Office	Hotel	
Retail Gross SF	15,000	15,000	15,000	0	
Office Gross SF	0	0	175,000	0	
Residential Gross SF	255,600	261,300	0	0	
Hotel Gross SF	0	0	0	307,500	
Total Gross SF Building Area	270,600	276,300	190,000	307,500	
Hotel Rooms	0	0	0	410	
Residential Net SF	145,900	149,400	0	0	
Single-Family Residential Units	0	198	0	0	
Multifamily Residential Units	207	0	0	0	
Total No. Underground Parking Spaces	134	134	134	134	
Total No. Above Ground Parking Spaces	140	129	231	71	
Total Parking SF	150,700	144,650	200,750	112,750	
Site Area (SF)	43,560	43,560	43,560	43,560	
Estimated Building Valuation Per Gross Square Foot	\$90	\$90	\$90	\$90	
Construction Value Per SF, Garages	\$27	\$27	\$27	\$27	
Estimated Total Building Valuation	\$28,422,900	\$28,772,550	\$22,520,250	\$30,719,250	
City Building Permit Fees (1)					
Total Permit Fee	\$396,141	\$401,012	\$313,915	\$428,131	
School Fees (2)					
Commercial (Per GSF)	\$0.47	\$0.47	\$0.47	\$0.47	
Residential (Per NSF Living Area) (3)	\$2.14	\$2.14	\$2.14	\$2.14	
Total Permit Fee	\$439,408	\$449,577	\$89,300	\$144,525	
Sewer Capacity Fees (3)					
<i>Residential</i>					
<i>Units by Bedroom Count</i>	<i>Total Units:</i>	207	198	-	-
Studio		0	0	-	-
One Bedroom		52	50	-	-
Two Bedroom		155	119	-	-
Three Bedroom		0	29	-	-
<i>Est. Fees By Bedroom Count</i>	<i>Est. EFU's</i>	<i>Fee Per Unit</i>			
Studio	11	\$1,056	\$0	\$0	-
One Bedroom	11	\$1,056	\$54,912	\$52,800	-
Two Bedroom	11	\$1,056	\$163,680	\$125,664	-
Three Bedroom	12	\$1,152	\$0	\$33,408	-
<i>Total Sewer Fees--Residential</i>		\$218,592	\$211,872	-	-
<i>Non-Residential</i>					
<i>Est. EFU's Per 1000 GSF</i>		-	-	2.34	17.00
<i>Fee Per EFU</i>		-	-	\$95.98	\$95.98
<i>Total Sewer Fees--Non-Residential</i>		-	-	\$42,673	\$501,735
Total Sewer Fees		\$218,592	\$211,872	\$42,673	\$501,735
Transportation Improvement Fee (4)					
Office (Per GSF)	\$3.00	\$3.00	\$3.00	\$3.00	
Retail (Per GSF)	\$4.50	\$4.50	\$4.50	\$4.50	
Hotel (Per Guest Room)	\$1,125	\$1,125	\$1,125	\$1,125	
Residential (Per Unit)	\$1,125	\$1,125	\$1,125	\$1,125	
Total Fees	\$300,375	\$290,250	\$592,500	\$461,250	
Parks & Rec. Fee					
Single-Family Residential (Per Unit)	\$4,613.04	\$4,613.04	\$4,613.04	\$4,613.04	
Multi-Family Residential (Per Unit)	\$3,562.78	\$3,562.78	\$3,562.78	\$3,562.78	
Total Fees	\$7,374,95	\$913,382	\$0	\$0	
Fire Facilities Impact Fee					
Single-Family Residential (Per Unit)	\$496	\$496	\$496	\$496	
Multi-Family Residential (Per Unit)	\$378	\$378	\$378	\$378	
Office (Per GSF)	\$0.325	\$0.325	\$0.325	\$0.325	
Retail (Per GSF)	\$0.267	\$0.267	\$0.267	\$0.267	
Hotel (Per GSF)	\$0.267	\$0.267	\$0.267	\$0.267	
Total Fees	\$82,251	\$102,213	\$60,880	\$82,103	
Police Facilities Impact Fee					
Single-Family Residential (Per Unit)	\$703	\$703	\$703	\$703	
Multi-Family Residential (Per Unit)	\$537	\$537	\$537	\$537	
Office (Per GSF)	\$0.538	\$0.538	\$0.538	\$0.538	
Retail (Per GSF)	\$0.442	\$0.442	\$0.442	\$0.442	
Hotel (Per GSF)	\$0.442	\$0.442	\$0.442	\$0.442	
Total Fees	\$117,789	\$145,824	\$100,780	\$135,915	
Total Processing/ Impact Fees	\$2,292,051	\$2,514,130	\$1,157,375	\$1,251,924	
Total Fees Per Unit	\$11,073	\$12,698	\$0	\$0	
Total Fees Per Gross SF	\$8.47	\$9.10	\$6.09	\$4.07	

- (1) Includes plan check, building permit, residential SMI tax and NPDES permit and NPDES plan check.
Building permit fee equals \$1224.76 plus \$5.56 per \$1,000 valuation over \$100,000; plan check fee is 85% of building permit fee
NPDES permit fee equals \$1.97 per \$1,000 valuation; NPDES plan check fee is 85% of NPDES permit fee.
- (2) Source: City of Long Beach.
- (3) Fee is assessed at a rate of \$95.98 per "equivalent fixture unit" (EFU). Number of EFU's estimated by City Staff for 2003 development impact fee survey.
- (4) For Downtown CBD area.

Source: David Paul Rosen & Associates.

Table 14
Long Beach Downtown Community Plan
Community Benefits Analysis
Development & Financing Cost Assumptions: PD 30 6 Story Height Limit Prototypes

Zoning:	PD-30 6-Story	PD-30 6-Story	PD-30 6-Story	PD-30 6-Story
Land Use:	Apartments	Condos	Office	Hotel
Construction Type:	Type IB	Type IB	Type IB	Type IB
Retail Net SF	12,800	12,800	0	0
Office Net SF	0	0	90,000	0
Residential Net SF	91,800	91,200	0	0
Hotel Net SF	0	0	0	84,375
Total Net SF Building Area	104,600	104,000	90,000	84,375
Subterranean Parking Spaces - Level One	67	67	67	67
Subterranean Parking Spaces - Level Two	0	0	0	0
Total No. Above Ground Parking Spaces	178	165	173	113
Total Parking SF	134,750	127,600	132,000	99,000
Site Area (SF)	43,560	43,560	43,560	43,560
Hard Cost Assumptions				
Demolition Costs Per SF	\$3.50	\$3.50	\$3.50	\$3.50
Building SF Demolished	50,000	50,000	50,000	50,000
On-site Improvements (Per Site SF)	\$8	\$8	\$8	\$8
Building Hard Costs Per Net SF (Excluding Parking)	\$105	\$120	\$105	\$130
Underground Parking - Level One, Cost Per Space	\$20,000	\$20,000	\$20,000	\$20,000
Underground Parking - Level Two, Cost Per Space	\$30,000	\$30,000	\$30,000	\$30,000
Above Ground Parking, Cost Per Space	\$13,000	\$13,000	\$13,000	\$13,000
Total Hard Costs Per Net SF (Including Parking)	\$140	\$154	\$145	\$163
Hard Cost Contingency (% of Hard Costs)	5%	5%	5%	5%
Construction Financing Assumptions				
Fair Market Value Calculation				
Net Operating Income				
Office	\$0	\$0	\$1,853,424	\$0
Hotel	\$0	\$0	\$0	\$2,658,030
Apartment	\$1,804,730	\$0	\$0	\$0
Retail	\$0	\$0	\$0	\$0
Total Net Operating Income	\$1,804,730	\$0	\$1,853,424	\$2,658,030
Capitalization Rate	8.00%	N/A	7.60%	7.80%
Capitalized Value/Sales Value	\$22,559,130	\$27,132,000	\$24,387,158	\$34,077,313
Construction Loan to Value Ratio	60.00%	60.00%	60.00%	60.00%
Construction Loan Amount	\$13,535,478	\$16,279,200	\$14,632,295	\$20,446,388
Construction Loan Interest Rate	5.25%	5.25%	5.25%	5.25%
Construction Loan Points	1.00%	1.00%	1.00%	1.00%
Construction Loan Term	12 Months	12 Months	12 Months	12 Months
Lease-Up Period	3 Months	3 Months	3 Months	3 Months
Construction Loan Term	15 Months	15 Months	15 Months	15 Months
Average Construction Loan Balance	60.00%	60.00%	60.00%	60.00%
Construction Loan Interest--Construction	\$426,368	\$512,795	\$460,917	\$644,061
Construction Loan Interest--Lease-Up	\$106,592	\$128,199	\$115,229	\$161,015
Total Construction Loan Interest	\$532,959	\$640,994	\$576,147	\$805,077
Construction Loan Points	\$135,355	\$162,792	\$146,323	\$204,464
Mezzanine Debt/Developer Equity	\$10,570,471	\$8,878,635	\$5,500,149	\$1,061,301
Mezzanine Debt/Developer Equity Loan to Cost Ratio	43.85%	35.29%	27.32%	4.93%
Rate of Return on Mezzanine Debt/Developer Equity	9.50%	9.50%	9.50%	9.50%
Return on Mezzanine Debt/Developer Equity	\$1,255,243	\$1,054,338	\$653,143	\$126,029
Soft Cost Assumptions				
Architecture/Engineering (% of HC)	5.0%	5.0%	5.0%	5.0%
Property Taxes During Construction (% of HC)	0.6%	0.6%	0.6%	0.6%
Insurance (% of HC)	1.0%	1.0%	1.0%	1.0%
Legal/Accounting (% Hard Costs)	1.0%	1.0%	1.0%	1.0%
Marketing/Lease Up (% Hard Costs)	5.0%	1.0%	1.0%	5.0%
Sales Commissions (% of Sales Price)	0.0%	5.0%	0.0%	0.0%
Soft Cost Contingency (% of Soft Costs)	5.0%	5.0%	5.0%	5.0%
Developer Overhead & Profit	12.0%	12.0%	12.0%	12.0%

Source: David Paul Rosen & Associates

Table 15
Long Beach Downtown Community Plan
Community Benefits Analysis
Development & Financing Cost Assumptions: PD 30 100 Foot Height Limit Prototypes

Zoning:	PD-30 100-Foot	PD-30 100-Foot	PD-30 100-Foot	PD-30 100-Foot
Land Use:	Apartments	Condos	Office	Hotel
Construction Type:	Type IB	Type IB	Type IB	Type IB
Retail Net SF	12,800	12,800	12,800	0
Office Net SF	0	0	113,000	0
Residential Net SF	168,000	171,000	0	0
Hotel Net SF	0	0	0	154,688
Total Net SF Building Area	180,800	183,800	125,800	154,688
Subterranean Parking Spaces - Level One	67	67	67	67
Subterranean Parking Spaces - Level Two	67	67	67	67
Total No. Above Ground Parking Spaces	266	249	216	196
Total Parking SF	220,000	210,650	192,500	181,500
Site Area (SF)	43,560	43,560	43,560	43,560
Hard Cost Assumptions				
Demolition Costs Per SF	\$3.50	\$3.50	\$3.50	\$3.50
Building SF Demolished	50,000	50,000	50,000	50,000
On-site Improvements (Per Site SF)	\$8	\$8	\$8	\$8
Building Hard Costs Per Net SF (Excluding Parking)	\$145	\$165	\$140	\$200
Underground Parking - Level One, Cost Per Space	\$20,000	\$20,000	\$20,000	\$20,000
Underground Parking - Level Two, Cost Per Space	\$30,000	\$30,000	\$30,000	\$30,000
Above Ground Parking, Cost Per Space	\$13,000	\$13,000	\$13,000	\$13,000
Total Hard Costs Per Net SF (Including Parking)	\$183	\$201	\$189	\$238
Hard Cost Contingency (% of Hard Costs)	5%	5%	5%	5%
Construction Financing Assumptions				
Fair Market Value Calculation				
Net Operating Income				
Office	\$0	\$0	\$2,725,404	\$0
Hotel	\$0	\$0	\$0	\$5,435,331
Apartment	\$4,017,152	\$0	\$0	\$0
Retail	\$308,621	\$308,621	\$308,621	\$0
Total Net Operating Income	\$4,325,773	\$0	\$2,725,404	\$5,435,331
Capitalization Rate	8.00%	N/A	7.60%	7.80%
Capitalized Value/Sales Value	\$54,072,160	\$57,000,000	\$35,860,579	\$69,683,735
Construction Loan to Value Ratio	60.00%	60.00%	60.00%	60.00%
Construction Loan Amount	\$32,443,296	\$34,200,000	\$21,516,347	\$41,810,241
Construction Loan Interest Rate	5.25%	5.25%	5.25%	5.25%
Construction Loan Points	1.00%	1.00%	1.00%	1.00%
Construction Loan Term	12 Months	12 Months	12 Months	12 Months
Lease-Up Period	3 Months	3 Months	3 Months	3 Months
Construction Loan Term	15 Months	15 Months	15 Months	15 Months
Average Construction Loan Balance	60.00%	60.00%	60.00%	60.00%
Construction Loan Interest--Construction	\$1,021,964	\$1,077,300	\$677,765	\$1,317,023
Construction Loan Interest--Lease-Up	\$255,491	\$269,325	\$169,441	\$329,256
Total Construction Loan Interest	\$1,277,455	\$1,346,625	\$847,206	\$1,646,278
Construction Loan Points	\$324,433	\$342,000	\$215,163	\$418,102
Mezzanine Debt/Developer Equity	\$20,043,496	\$22,339,487	\$14,533,368	\$14,564,233
Mezzanine Debt/Developer Equity Loan to Cost Ratio	38.19%	39.51%	40.31%	25.83%
Rate of Return on Mezzanine Debt/Developer Equity	9.50%	9.50%	9.50%	9.50%
Return on Mezzanine Debt/Developer Equity	\$2,380,165	\$2,652,814	\$1,725,837	\$1,729,503
Soft Cost Assumptions				
Architecture/Engineering (% of HC)	5.0%	5.0%	5.0%	5.0%
Property Taxes During Construction (% of HC)	0.6%	0.6%	0.6%	0.6%
Insurance (% of HC)	1.0%	1.0%	1.0%	1.0%
Legal/Accounting (% Hard Costs)	1.0%	1.0%	1.0%	1.0%
Marketing/Lease Up (% Hard Costs)	5.0%	1.0%	1.0%	5.0%
Sales Commissions (% of Sales Price)	0.0%	5.0%	0.0%	0.0%
Soft Cost Contingency (% of Soft Costs)	5.0%	5.0%	5.0%	5.0%
Developer Overhead & Profit	12.0%	12.0%	12.0%	12.0%

Source: David Paul Rosen & Associates

Table 16
Long Beach Downtown Community Plan
Community Benefits Analysis
Development & Financing Cost Assumptions: DTCP 80 Foot Height Limit Prototypes

Zoning:	DTP 80-Feet	DTP 80-Feet	DTP 80-Feet	DTP 80-Feet
Land Use:	Apartments	Condos	Office	Hotel
Construction Type:	Type IB	Type III	Type IB	Type IB
Retail Net SF	12,800	12,800	12,800	0
Office Net SF	0	0	79,200	0
Residential Net SF	101,900	104,500	0	0
Hotel Net SF	0	0	0	112,500
Total Net SF Building Area	114,700	117,300	92,000	112,500
Subterranean Parking Spaces - Level One	67	67	67	67
Subterranean Parking Spaces - Level Two	0	0	0	0
Total No. Above Ground Parking Spaces	69	64	124	33
Total Parking SF	74,800	72,050	105,050	55,000
Site Area (SF)	43,560	43,560	43,560	43,560
Hard Cost Assumptions				
Demolition Costs Per SF	\$3.50	\$3.50	\$3.50	\$3.50
Building SF Demolished	50,000	50,000	50,000	50,000
On-site Improvements (Per Site SF)	\$8	\$8	\$8	\$8
Building Hard Costs Per Net SF (Excluding Parking)	\$105	\$120	\$105	\$135
Underground Parking - Level One, Cost Per Space	\$20,000	\$20,000	\$20,000	\$20,000
Underground Parking - Level Two, Cost Per Space	\$30,000	\$30,000	\$30,000	\$30,000
Above Ground Parking, Cost Per Space	\$13,000	\$13,000	\$13,000	\$13,000
Total Hard Costs Per Net SF (Including Parking)	\$125	\$139	\$137	\$151
Hard Cost Contingency (% of Hard Costs)	5%	5%	5%	5%
Construction Financing Assumptions				
Fair Market Value Calculation				
Net Operating Income				
Office	\$0	\$0	\$1,889,818	\$0
Hotel	\$0	\$0	\$0	\$3,544,041
Apartment	\$2,096,751	\$0	\$0	\$0
Retail	\$308,621	\$308,621	\$308,621	\$0
Total Net Operating Income	\$2,096,751	\$0	\$1,889,818	\$3,544,041
Capitalization Rate	8.00%	N/A	7.60%	7.80%
Capitalized Value/Sales Value	\$26,209,390	\$30,965,250	\$24,866,021	\$45,436,417
Construction Loan to Value Ratio	60.00%	60.00%	60.00%	60.00%
Construction Loan Amount	\$15,725,634	\$18,579,150	\$14,919,613	\$27,261,850
Construction Loan Interest Rate	5.25%	5.25%	5.25%	5.25%
Construction Loan Points	1.00%	1.00%	1.00%	1.00%
Construction Loan Term	15 Months	15 Months	15 Months	15 Months
Lease-Up Period	6 Months	6 Months	6 Months	6 Months
Construction Loan Term	21 Months	21 Months	21 Months	21 Months
Average Construction Loan Balance	60.00%	60.00%	60.00%	60.00%
Construction Loan Interest--Construction	\$619,197	\$731,554	\$587,460	\$1,073,435
Construction Loan Interest--Lease-Up	\$247,679	\$292,622	\$234,984	\$429,374
Total Construction Loan Interest	\$866,876	\$1,024,176	\$822,444	\$1,502,809
Construction Loan Points	\$157,256	\$185,792	\$149,196	\$272,619
Mezzanine Debt/Developer Equity	\$9,068,216	\$8,407,752	\$5,606,312	\$126,654
Mezzanine Debt/Developer Equity Loan to Cost Ratio	99.25%	85.71%	81.50%	0.00%
Rate of Return on Mezzanine Debt/Developer Equity	9.50%	9.50%	9.50%	9.50%
Return on Mezzanine Debt/Developer Equity	\$1,507,591	\$1,397,789	\$932,049	\$21,056
Soft Cost Assumptions				
Architecture/Engineering (% of HC)	5.0%	5.0%	5.0%	5.0%
Property Taxes During Construction (% of HC)	0.6%	0.6%	0.6%	0.6%
Insurance (% of HC)	1.0%	1.0%	1.0%	1.0%
Legal/Accounting (% Hard Costs)	1.0%	1.0%	1.0%	1.0%
Marketing/Lease Up (% Hard Costs)	5.0%	1.0%	1.0%	5.0%
Sales Commissions (% of Sales Price)	0.0%	5.0%	0.0%	0.0%
Soft Cost Contingency (% of Soft Costs)	5.0%	5.0%	5.0%	5.0%
Developer Overhead & Profit	12.0%	12.0%	12.0%	12.0%

Source: David Paul Rosen & Associates

Table 17
Long Beach Downtown Community Plan
Community Benefits Analysis
Development & Financing Cost Assumptions: DTCP 150 Foot Height Limit Prototypes

Zoning:	DTP 150-Foot	DTP 150-Foot	DTP 150-Foot	DTP 150-Foot
Land Use:	Apartments	Condos	Office	Hotel
Construction Type:	Type IB	Type IB	Type IB	Type IB
Retail Net SF	12,800	12,800	12,800	0
Office Net SF	0	0	112,500	0
Residential Net SF	145,900	149,400	0	0
Hotel Net SF	0	0	0	157,500
Total Net SF Building Area	158,700	162,200	125,300	157,500
Subterranean Parking Spaces - Level One	67	67	67	67
Subterranean Parking Spaces - Level Two	67	67	67	67
Total No. Above Ground Parking Spaces	55	47	131	6
Total Parking SF	103,950	99,550	145,750	77,000
Site Area (SF)	43,560	43,560	43,560	43,560
Hard Cost Assumptions				
Demolition Costs Per SF	\$3.50	\$3.50	\$3.50	\$3.50
Building SF Demolished	50,000	50,000	50,000	50,000
On-site Improvements (Per Site SF)	\$8	\$8	\$8	\$8
Building Hard Costs Per Net SF (Excluding Parking)	\$150	\$165	\$140	\$200
Underground Parking - Level One, Cost Per Space	\$20,000	\$20,000	\$20,000	\$20,000
Underground Parking - Level Two, Cost Per Space	\$30,000	\$30,000	\$30,000	\$30,000
Above Ground Parking, Cost Per Space	\$13,000	\$13,000	\$13,000	\$13,000
Total Hard Costs Per Net SF (Including Parking)	\$176	\$189	\$180	\$222
Hard Cost Contingency (% of Hard Costs)	5%	5%	5%	5%
Construction Financing Assumptions				
Fair Market Value Calculation				
Net Operating Income				
Office	\$0	\$0	\$2,684,400	\$0
Hotel	\$0	\$0	\$0	\$5,534,156
Apartment	\$3,455,727	\$0	\$0	\$0
Retail	\$308,621	\$308,621	\$308,621	\$0
Total Net Operating Income	\$3,455,727	\$0	\$2,684,400	\$5,534,156
Capitalization Rate	8.00%	N/A	7.60%	7.80%
Capitalized Value/Sales Value	\$43,196,590	\$49,490,250	\$35,321,053	\$70,950,712
Construction Loan to Value Ratio	60.00%	60.00%	60.00%	60.00%
Construction Loan Amount	\$25,917,954	\$29,694,150	\$21,192,632	\$42,570,427
Construction Loan Interest Rate	5.25%	5.25%	5.25%	5.25%
Construction Loan Points	1.00%	1.00%	1.00%	1.00%
Construction Loan Term	18 Months	18 Months	18 Months	18 Months
Lease-Up Period	6 Months	6 Months	6 Months	6 Months
Construction Loan Term	24 Months	24 Months	24 Months	24 Months
Average Construction Loan Balance	60.00%	60.00%	60.00%	60.00%
Construction Loan Interest--Construction	\$1,224,623	\$1,403,049	\$1,001,352	\$2,011,453
Construction Loan Interest--Lease-Up	\$408,208	\$467,683	\$333,784	\$670,484
Total Construction Loan Interest	\$1,632,831	\$1,870,731	\$1,335,136	\$2,681,937
Construction Loan Points	\$259,180	\$296,942	\$211,926	\$425,704
Mezzanine Debt/Developer Equity	\$22,479,532	\$21,552,666	\$16,037,133	\$15,003,704
Mezzanine Debt/Developer Equity Loan to Cost Ratio	246.03%	219.70%	233.15%	0.00%
Rate of Return on Mezzanine Debt/Developer Equity	9.50%	9.50%	9.50%	9.50%
Return on Mezzanine Debt/Developer Equity	\$4,271,111	\$4,095,007	\$3,047,055	\$2,850,704
Soft Cost Assumptions				
Architecture/Engineering (% of HC)	5.0%	5.0%	5.0%	5.0%
Property Taxes During Construction (% of HC)	0.6%	0.6%	0.6%	0.6%
Insurance (% of HC)	1.0%	1.0%	1.0%	1.0%
Legal/Accounting (% Hard Costs)	1.0%	1.0%	1.0%	1.0%
Marketing/Lease Up (% Hard Costs)	5.0%	1.0%	1.0%	5.0%
Sales Commissions (% of Sales Price)	0.0%	5.0%	0.0%	0.0%
Soft Cost Contingency (% of Soft Costs)	5.0%	5.0%	5.0%	5.0%
Developer Overhead & Profit	12.0%	12.0%	12.0%	12.0%

Source: David Paul Rosen & Associates

Table 18
Long Beach Downtown Community Plan
Community Benefits Analysis
Development & Financing Cost Assumptions: DTCP 240 Foot Height Limit Prototypes

Zoning:	DTP 240-Feet	DTP 240-Feet	DTP 240-Feet	DTP 240-Feet
Land Use:	Apartments	Condos	Office	Hotel
Construction Type:	Type IB	Type IB	Type IB	Type IB
Retail Net SF	12,800	12,800	12,800	0
Office Net SF	0	0	157,500	0
Residential Net SF	217,300	222,100	0	0
Hotel Net SF	0	0	0	230,625
Total Net SF Building Area	230,100	234,900	170,300	230,625
Subterranean Parking Spaces - Level One	67	67	67	67
Subterranean Parking Spaces - Level Two	67	67	67	67
Total No. Above Ground Parking Spaces	140	129	231	71
Total Parking SF	150,700	144,650	200,750	112,750
Site Area (SF)	43,560	43,560	43,560	43,560
Hard Cost Assumptions				
Demolition Costs Per SF	\$3.50	\$3.50	\$3.50	\$3.50
Building SF Demolished	50,000	50,000	50,000	50,000
On-site Improvements (Per Site SF)	\$8	\$8	\$8	\$8
Building Hard Costs Per Net SF (Excluding Parking)	\$155	\$165	\$140	\$200
Underground Parking - Level One, Cost Per Space	\$20,000	\$20,000	\$20,000	\$20,000
Underground Parking - Level Two, Cost Per Space	\$30,000	\$30,000	\$30,000	\$30,000
Above Ground Parking, Cost Per Space	\$13,000	\$13,000	\$13,000	\$13,000
Total Hard Costs Per Net SF (Including Parking)	\$177	\$186	\$177	\$211
Hard Cost Contingency (% of Hard Costs)	5%	5%	5%	5%
Construction Financing Assumptions				
Fair Market Value Calculation				
Net Operating Income				
Office	\$0	\$0	\$3,758,160	\$0
Hotel	\$0	\$0	\$0	\$8,103,585
Apartment	\$5,483,279	\$0	\$0	\$0
Retail	\$308,621	\$308,621	\$308,621	\$0
Total Net Operating Income	\$5,483,279	\$0	\$3,758,160	\$8,103,585
Capitalization Rate	8.00%	N/A	7.60%	7.80%
Capitalized Value/Sales Value	\$68,540,985	\$74,484,750	\$49,449,474	\$103,892,114
Construction Loan to Value Ratio	60.00%	60.00%	60.00%	60.00%
Construction Loan Amount	\$41,124,591	\$44,690,850	\$29,669,684	\$62,335,269
Construction Loan Interest Rate	5.25%	5.25%	5.25%	5.25%
Construction Loan Points	1.00%	1.00%	1.00%	1.00%
Construction Loan Term	18 Months	18 Months	18 Months	18 Months
Lease-Up Period	9 Months	9 Months	9 Months	12 Months
Construction Loan Term	27 Months	27 Months	27 Months	30 Months
Average Construction Loan Balance	60.00%	60.00%	60.00%	60.00%
Construction Loan Interest--Construction	\$1,943,137	\$2,111,643	\$1,401,893	\$2,945,341
Construction Loan Interest--Lease-Up	\$971,568	\$1,055,821	\$700,946	\$1,963,561
Total Construction Loan Interest	\$2,914,705	\$3,167,464	\$2,102,839	\$4,908,902
Construction Loan Points	\$411,246	\$446,909	\$296,697	\$623,353
Mezzanine Debt/Developer Equity	\$30,932,619	\$29,756,671	\$21,160,578	\$25,081,175
Mezzanine Debt/Developer Equity Loan to Cost Ratio	338.55%	303.34%	307.63%	0.00%
Rate of Return on Mezzanine Debt/Developer Equity	9.50%	9.50%	9.50%	9.50%
Return on Mezzanine Debt/Developer Equity	\$6,611,847	\$6,360,488	\$4,523,074	\$5,956,779
Soft Cost Assumptions				
Architecture/Engineering (% of HC)	5.0%	5.0%	5.0%	5.0%
Property Taxes During Construction (% of HC)	0.6%	0.6%	0.6%	0.6%
Insurance (% of HC)	1.0%	1.0%	1.0%	1.0%
Legal/Accounting (% Hard Costs)	1.0%	1.0%	1.0%	1.0%
Marketing/Lease Up (% Hard Costs)	5.0%	1.0%	1.0%	5.0%
Sales Commissions (% of Sales Price)	0.0%	5.0%	0.0%	0.0%
Soft Cost Contingency (% of Soft Costs)	5.0%	5.0%	5.0%	5.0%
Developer Overhead & Profit	12.0%	12.0%	12.0%	12.0%

Source: David Paul Rosen & Associates

Table 19
Long Beach Downtown Community Plan
Community Benefits Analysis
Development Budgets: PD 30 6 Story Height Limit Prototypes

Zoning: Land Use:	PD-30 3-Story Apartments	PD-30 3-Story Condos	PD-30 3-Story Office	PD-30 3-Story Hotel
<i>Residential Units</i>	90	80	0	0
<i>Retail Net SF</i>	12,800	12,800	0	0
<i>Office Net SF</i>	0	0	90,000	0
<i>Residential Net SF</i>	91,800	91,200	0	0
<i>Hotel Net SF</i>	0	0	0	84,375
<i>Total Net SF Building Area</i>	104,600	104,000	90,000	84,375
<i>Subterranean Parking Spaces - Level One</i>	67	67	67	67
<i>Subterranean Parking Spaces - Level Two</i>	0	0	0	0
<i>Total No. Above Ground Parking Spaces</i>	178	165	173	113
<i>Total Parking SF</i>	134,750	127,600	132,000	99,000
<i>Site Area (SF)</i>	43,560	43,560	43,560	43,560
Development Cost Budget				
Demolition of Existing Building	\$175,000	\$175,000	\$175,000	\$175,000
On-site Improvements	\$348,480	\$348,480	\$348,480	\$348,480
Building Shell Hard Costs	\$10,983,000	\$12,480,000	\$9,450,000	\$10,968,750
Underground Parking	\$1,340,000	\$1,340,000	\$1,340,000	\$1,340,000
Above Ground Parking	\$2,314,000	\$2,145,000	\$2,249,000	\$1,469,000
Hard Cost Contingency	\$749,274	\$815,674	\$669,374	\$706,312
Architecture/Engineering	\$749,274	\$815,674	\$669,374	\$706,312
Development Impact Fees and Permits	\$1,136,776	\$1,173,286	\$608,519	\$479,867
Legal	\$149,855	\$163,135	\$133,875	\$141,262
Property Taxes During Construction	\$89,913	\$97,881	\$80,325	\$84,757
Insurance	\$149,855	\$163,135	\$133,875	\$141,262
Construction Loan Points	\$532,959	\$640,994	\$576,147	\$805,077
Construction Interest During Construction	\$426,368	\$512,795	\$460,917	\$644,061
Construction Interest During Lease-Up	\$106,592	\$128,199	\$115,229	\$161,015
Interest on Mezzanine Debt	\$1,255,243	\$1,054,338	\$653,143	\$126,029
Marketing/Lease Up	\$749,274	\$163,135	\$133,875	\$706,312
Soft Cost Contingency	\$267,305	\$245,629	\$178,264	\$199,798
Developer Overhead	\$2,582,780	\$2,695,482	\$2,157,048	\$2,304,395
Total Development Costs (Excluding Land)	\$24,105,949	\$25,157,835	\$20,132,444	\$21,507,688
TDC Per Housing Unit	\$267,934	\$314,553	N/A	N/A
TDC per Net Rentable SF	\$230	\$242	\$224	\$255

Source: David Paul Rosen & Associates

Table 20
Long Beach Downtown Community Plan
Community Benefits Analysis
Development Budgets: PD 30 100 Foot Height Limit Prototypes

Zoning: Land Use:	PD-30 100-Foot Apartments	PD-30 100-Foot Condos	PD-30 100-Foot Office	PD-30 100-Foot Hotel
<i>Residential Units</i>	160	150	0	0
<i>Retail Net SF</i>	12,800	12,800	12,800	0
<i>Office Net SF</i>	0	0	113,000	0
<i>Residential Net SF</i>	168,000	171,000	0	0
<i>Hotel Net SF</i>	0	0	0	154,688
<i>Total Net SF Building Area</i>	180,800	183,800	125,800	154,688
<i>Subterranean Parking Spaces - Level One</i>	67	67	67	67
<i>Subterranean Parking Spaces - Level Two</i>	67	67	67	67
<i>Total No. Above Ground Parking Spaces</i>	266	249	216	196
<i>Total Parking SF</i>	220,000	210,650	192,500	181,500
<i>Site Area (SF)</i>	43,560	43,560	43,560	43,560
Development Cost Budget				
Demolition of Existing Building	\$175,000	\$175,000	\$175,000	\$175,000
On-site Improvements	\$348,480	\$348,480	\$348,480	\$348,480
Building Shell Hard Costs	\$26,216,000	\$30,327,000	\$17,612,000	\$30,937,500
Underground Parking	\$3,350,000	\$3,350,000	\$3,350,000	\$3,350,000
Above Ground Parking	\$3,458,000	\$3,237,000	\$2,808,000	\$2,548,000
Hard Cost Contingency	\$1,668,624	\$1,863,124	\$1,205,924	\$1,859,199
Architecture/Engineering	\$1,668,624	\$1,863,124	\$1,205,924	\$1,859,199
Development Impact Fees and Permits	\$1,952,472	\$2,098,011	\$874,934	\$879,591
Legal	\$333,725	\$372,625	\$241,185	\$371,840
Property Taxes During Construction	\$200,235	\$223,575	\$144,711	\$223,104
Insurance	\$333,725	\$372,625	\$241,185	\$371,840
Construction Loan Points	\$1,277,455	\$1,346,625	\$847,206	\$1,646,278
Construction Interest During Construction	\$1,021,964	\$1,077,300	\$677,765	\$1,317,023
Construction Interest During Lease-Up	\$255,491	\$269,325	\$169,441	\$329,256
Interest on Mezzanine Debt	\$2,380,165	\$2,652,814	\$1,725,837	\$1,729,503
Marketing/Lease Up	\$1,668,624	\$372,625	\$241,185	\$1,859,199
Soft Cost Contingency	\$554,624	\$532,432	\$318,469	\$529,342
Developer Overhead	\$5,623,585	\$6,057,802	\$3,862,469	\$6,040,122
Total Development Costs (Excluding Land)	\$52,486,792	\$56,539,487	\$36,049,715	\$56,374,474
TDC Per Housing Unit	\$328,202	\$377,080	N/A	N/A
TDC per Net Rentable SF	\$290	\$308	\$287	\$364

Source: David Paul Rosen & Associates

Table 21
Long Beach Downtown Community Plan
Community Benefits Analysis
Development Budgets: DTP 80 Foot Height Limit Prototypes

Zoning: Land Use:	DTP 80-Foot Apartments	DTP 80-Foot Condos	DTP 80-Foot Office	DTP 80-Foot Hotel
<i>Residential Units</i>	97	93	0	0
<i>Retail Net SF</i>	12,800	12,800	12,800	0
<i>Office Net SF</i>	0	0	79,200	0
<i>Residential Net SF</i>	101,900	104,500	0	0
<i>Hotel Net SF</i>	0	0	0	112,500
<i>Total Net SF Building Area</i>	114,700	117,300	92,000	112,500
<i>Subterranean Parking Spaces - Level One</i>	67	67	67	67
<i>Subterranean Parking Spaces - Level Two</i>	0	0	0	0
<i>Total No. Above Ground Parking Spaces</i>	69	64	124	33
<i>Total Parking SF</i>	74,800	72,050	105,050	55,000
<i>Site Area (SF)</i>	43,560	43,560	43,560	43,560
Development Cost Budget				
Demolition of Existing Building	\$175,000	\$175,000	\$175,000	\$175,000
On-site Improvements	\$348,480	\$348,480	\$348,480	\$348,480
Building Shell Hard Costs	\$12,043,500	\$14,076,000	\$9,660,000	\$15,187,500
Underground Parking	\$1,340,000	\$1,340,000	\$1,340,000	\$1,340,000
Above Ground Parking	\$897,000	\$832,000	\$1,612,000	\$429,000
Hard Cost Contingency	\$731,449	\$829,824	\$648,024	\$865,249
Architecture/Engineering	\$731,449	\$829,824	\$648,024	\$865,249
Development Impact Fees and Permits	\$1,202,966	\$1,311,462	\$635,333	\$610,795
Legal	\$146,290	\$165,965	\$129,605	\$173,050
Property Taxes During Construction	\$87,774	\$99,579	\$77,763	\$103,830
Insurance	\$146,290	\$165,965	\$129,605	\$173,050
Construction Loan Points	\$866,876	\$1,024,176	\$822,444	\$1,502,809
Construction Interest During Construction	\$619,197	\$731,554	\$587,460	\$1,073,435
Construction Interest During Lease-Up	\$247,679	\$292,622	\$234,984	\$429,374
Interest on Mezzanine Debt	\$1,507,591	\$1,397,789	\$932,049	\$21,056
Marketing/Lease Up	\$731,449	\$165,965	\$129,605	\$865,249
Soft Cost Contingency	\$314,378	\$309,245	\$216,344	\$290,895
Developer Overhead	\$2,656,484	\$2,891,454	\$2,199,206	\$2,934,483
Total Development Costs (Excluding Land)	\$24,793,850	\$26,986,902	\$20,525,925	\$27,388,504
TDC Per Housing Unit	\$255,607	\$290,182	N/A	N/A
TDC per Net Rentable SF	\$216	\$230	\$223	\$243

Source: David Paul Rosen & Associates

Table 22
Long Beach Downtown Community Plan
Community Benefits Analysis
Development Budgets: DTP 150 Foot Height Limit Prototypes

Zoning: Land Use:	DTP 150-Foot Apartments	DTP 150-Foot Condos	DTP 150-Foot Office	DTP 150-Foot Hotel
<i>Residential Units</i>	139	133	0	0
<i>Retail Net SF</i>	12,800	12,800	12,800	0
<i>Office Net SF</i>	0	0	112,500	0
<i>Residential Net SF</i>	145,900	149,400	0	0
<i>Hotel Net SF</i>	0	0	0	157,500
<i>Total Net SF Building Area</i>	158,700	162,200	125,300	157,500
<i>Subterranean Parking Spaces - Level One</i>	67	67	67	67
<i>Subterranean Parking Spaces - Level Two</i>	67	67	67	67
<i>Total No. Above Ground Parking Spaces</i>	55	47	131	6
<i>Total Parking SF</i>	103,950	99,550	145,750	77,000
<i>Site Area (SF)</i>	43,560	43,560	43,560	43,560
Development Cost Budget				
Demolition of Existing Building	\$175,000	\$175,000	\$175,000	\$175,000
On-site Improvements	\$348,480	\$348,480	\$348,480	\$348,480
Building Shell Hard Costs	\$23,805,000	\$26,763,000	\$17,542,000	\$31,500,000
Underground Parking	\$3,350,000	\$3,350,000	\$3,350,000	\$3,350,000
Above Ground Parking	\$715,000	\$611,000	\$1,703,000	\$78,000
Hard Cost Contingency	\$1,410,924	\$1,553,624	\$1,147,174	\$1,763,824
Architecture/Engineering	\$1,410,924	\$1,553,624	\$1,147,174	\$1,763,824
Development Impact Fees and Permits	\$1,676,876	\$1,829,375	\$857,350	\$855,034
Legal	\$282,185	\$310,725	\$229,435	\$352,765
Property Taxes During Construction	\$169,311	\$186,435	\$137,661	\$211,659
Insurance	\$282,185	\$310,725	\$229,435	\$352,765
Construction Loan Points	\$1,632,831	\$1,870,731	\$1,335,136	\$2,681,937
Construction Interest During Construction	\$1,224,623	\$1,403,049	\$1,001,352	\$2,011,453
Construction Interest During Lease-Up	\$408,208	\$467,683	\$333,784	\$670,484
Interest on Mezzanine Debt	\$4,271,111	\$4,095,007	\$3,047,055	\$2,850,704
Marketing/Lease Up	\$1,410,924	\$310,725	\$229,435	\$1,763,824
Soft Cost Contingency	\$638,459	\$616,904	\$427,391	\$675,722
Developer Overhead	\$5,185,445	\$5,490,730	\$3,988,903	\$6,168,657
Total Development Costs (Excluding Land)	\$48,397,486	\$51,246,816	\$37,229,764	\$57,574,131
TDC Per Housing Unit	\$348,183	\$385,314	N/A	N/A
TDC per Net Rentable SF	\$305	\$316	\$297	\$366

Source: David Paul Rosen & Associates

Table 23
Long Beach Downtown Community Plan
Community Benefits Analysis
Development Budgets: DTP 240 Foot Height Limit Prototypes

Zoning: Land Use:	DTP 240-Foot Apartments	DTP 240-Foot Condos	DTP 240-Foot Office	DTP 240-Foot Hotel
<i>Residential Units</i>	207	198	0	0
<i>Retail Net SF</i>	12,800	12,800	12,800	0
<i>Office Net SF</i>	0	0	157,500	0
<i>Residential Net SF</i>	217,300	222,100	0	0
<i>Hotel Net SF</i>	0	0	0	230,625
<i>Total Net SF Building Area</i>	230,100	234,900	170,300	230,625
<i>Subterranean Parking Spaces - Level One</i>	67	67	67	67
<i>Subterranean Parking Spaces - Level Two</i>	67	67	67	67
<i>Total No. Above Ground Parking Spaces</i>	140	129	231	71
<i>Total Parking SF</i>	150,700	144,650	200,750	112,750
<i>Site Area (SF)</i>	43,560	43,560	43,560	43,560
Development Cost Budget				
Demolition of Existing Building	\$175,000	\$175,000	\$175,000	\$175,000
On-site Improvements	\$348,480	\$348,480	\$348,480	\$348,480
Building Shell Hard Costs	\$35,665,500	\$38,758,500	\$23,842,000	\$46,125,000
Underground Parking	\$3,350,000	\$3,350,000	\$3,350,000	\$3,350,000
Above Ground Parking	\$1,820,000	\$1,677,000	\$3,003,000	\$923,000
Hard Cost Contingency	\$2,059,199	\$2,206,699	\$1,527,174	\$2,537,324
Architecture/Engineering	\$2,059,199	\$2,206,699	\$1,527,174	\$2,537,324
Development Impact Fees and Permits	\$2,292,051	\$2,514,130	\$1,157,375	\$1,251,924
Legal	\$411,840	\$441,340	\$305,435	\$507,465
Property Taxes During Construction	\$247,104	\$264,804	\$183,261	\$304,479
Insurance	\$411,840	\$441,340	\$305,435	\$507,465
Construction Loan Points	\$2,914,705	\$3,167,464	\$2,102,839	\$4,908,902
Construction Interest During Construction	\$1,943,137	\$2,111,643	\$1,401,893	\$2,945,341
Construction Interest During Lease-Up	\$971,568	\$1,055,821	\$700,946	\$1,963,561
Interest on Mezzanine Debt	\$6,611,847	\$6,360,488	\$4,523,074	\$5,956,779
Marketing/Lease Up	\$2,059,199	\$441,340	\$305,435	\$2,537,324
Soft Cost Contingency	\$996,125	\$950,253	\$625,643	\$1,171,028
Developer Overhead	\$7,720,415	\$7,976,520	\$5,446,100	\$9,366,048
Total Development Costs (Excluding Land)	\$72,057,210	\$74,447,521	\$50,830,262	\$87,416,444
TDC Per Housing Unit	\$348,309	\$376,196	N/A	N/A
TDC per Net Rentable SF	\$313	\$317	\$298	\$379

Source: David Paul Rosen & Associates

Table 24
Realty Rates Market Survey Data
Los Angeles - Long Beach Market Area
2006 through 2010

Year (1)	2006	2007	2008	2009	2010
Apartments (2)					
Asking Rent	\$1,421	\$1,580	\$1,697	\$1,587	\$1,577
Effective Rent	\$1,378	\$1,533	\$1,646	\$1,533	\$1,518
Vacancy Rate	3.2	3.2	3.4	4.5	4.5
Total Expenses	\$519	\$562	\$580	\$586	\$599
NOI	\$819	\$926	\$1,015	\$883	\$855
Ave. Sale Price	\$122,833	\$144,257	\$152,306	\$133,236	\$128,304
Cap Rate	8.00%	7.70%	8.00%	8.00%	8.00%
Office Buildings (2) (3)					
Asking Rent	\$27.54	\$27.91	\$27.54	\$31.15	\$31.18
Effective Rent	\$22.45	\$22.74	\$22.45	\$25.26	\$25.30
Total Income	\$23.57	\$23.88	\$23.57	\$26.52	\$26.57
Vacancy Rate	15.30%	14.50%	15.30%	14.30%	14.90%
Total Expenses	\$10.52	\$10.96	\$10.52	\$12.21	\$12.45
NOI	\$9.44	\$9.46	\$9.44	\$10.51	\$10.17
Ave. Sale Price		\$158	\$154	\$144	\$133
Cap Rate	6.10%	6.00%	6.10%	7.30%	7.60%
Retail Buildings (2) (4)					
Asking Rent	\$28.55	\$32.01	\$33.70	\$29.59	\$28.95
Effective Rent	\$26.38	\$29.58	\$31.14	\$27.22	\$26.45
Total Income	\$27.70	\$31.06	\$32.70	\$28.58	\$27.78
Vacancy Rate	5.40%	5.00%	4.20%	6.80%	6.20%
Total Expenses	\$10.13	\$10.54	\$11.19	\$11.75	\$11.97
NOI	\$16.08	\$18.96	\$20.14	\$14.89	\$14.09
Ave. Sale Price	\$186	\$203	\$210	\$186	\$176
Cap Rate	8.60%	9.30%	9.70%	8.00%	8.00%

(1) 3rd quarter data for each year.

(2) Class A and B properties.

(3) Central Business District properties.

(4) Anchored retail centers.

Source: Realty Rates; David Paul Rosen & Associates

Table 25
Long Beach Downtown Community Plan
Community Benefits Analysis
Estimated Net Operating Income from Office Uses By Prototype

Prototype Zoning:	PD-30 6-Story	PD-30 100-Feet	DTP 80-Feet	DTP 150-Feet	DTP 240-Feet
<i>Gross SF Office</i>	100,000	125,000	88,000	125,000	175,000
<i>Net SF Office</i>	90,000	113,000	79,200	112,500	157,500
<i>Parking Spaces--Office</i>	240	290	176	250	350
OFFICE SPACE					
Monthly Rent Per NSF (NNN)	\$2.42	\$2.75	\$2.75	\$2.75	\$2.75
Annual Rent Per NSF (NNN)	\$29.00	\$33.00	\$33.00	\$33.00	\$33.00
Parking Income (\$/Space/Month)	\$89.00	\$89.00	\$89.00	\$89.00	\$89.00
Vacancy Rate	10.0%	10.0%	10.0%	10.0%	10.0%
Office Operating Expenses (Per NSF)	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50
Parking Operating Expense (% of Gross Income)	20%	20%	20%	20%	20%
Annual Gross Office Rental Income	\$2,610,000	\$3,729,000	\$2,613,600	\$3,712,500	\$5,197,500
Plus: Annual Gross Parking Income	\$256,320	\$309,720	\$187,968	\$267,000	\$373,800
Annual Gross Rental Income	\$2,866,320	\$4,038,720	\$2,801,568	\$3,979,500	\$5,571,300
Vacancy Allowance	(\$286,632)	(\$403,872)	(\$280,157)	(\$397,950)	(\$557,130)
Adjusted Annual Gross Income	\$2,579,688	\$3,634,848	\$2,521,411	\$3,581,550	\$5,014,170
Less: Office Operating Expenses	(\$675,000)	(\$847,500)	(\$594,000)	(\$843,750)	(\$1,181,250)
Less: Parking Operating Expenses	(\$51,264)	(\$61,944)	(\$37,594)	(\$53,400)	(\$74,760)
Net Operating Income	\$1,853,424	\$2,725,404	\$1,889,818	\$2,684,400	\$3,758,160
Net Operating Income Per NSF	\$20.59	\$24.12	\$23.86	\$23.86	\$23.86
Capitalization Rate	7.60%	7.60%	7.60%	7.60%	7.60%
Capitalized Market Value	\$24,387,158	\$35,860,579	\$24,866,021	\$35,321,053	\$49,449,474
Capitalized Value Per Bldg. SF	\$271	\$317	\$314	\$314	\$314

Notes:

3rd Quarter 2010 Office Market Data, Los Angeles/Long Beach CBD:

Overall Capitalization Rates (OAR): 7.60%

Vacancy Rate 14.9%

Source: Realty Rates; Loop Net; David Paul Rosen & Associates

Table 26
Long Beach Downtown Community Plan
Community Benefits Analysis
Estimated Net Operating Income from Hotel Uses By Prototype

Prototype Zoning:	PD-30 6-Story	PD-30 100-Feet	DTP 80-Feet	DTP 150-Feet	DTP 240-Feet
<i>Hotel Rooms</i>	150	275	200	280	410
<i>Net SF Hotel Space</i>	84,375	154,688	112,500	157,500	230,625
HOTEL GROSS INCOME					
Average Nightly Room Rate	\$130	\$145	\$130	\$145	\$145
Average Occupancy Rate	67.9%	67.9%	67.9%	67.9%	67.9%
Annual Gross Room Revenue	\$4,832,783	\$9,882,421	\$6,443,710	\$10,062,101	\$14,733,791
Other Income (% of Room Revenue)	30%	30%	30%	30%	30%
Other Income	\$1,449,835	\$2,964,726	\$1,933,113	\$3,018,630	\$4,420,137
Adjusted Annual Gross Income	\$6,282,617	\$12,847,147	\$8,376,823	\$13,080,731	\$19,153,928
Adjusted Annual Gross Income Per Room	\$41,884	\$46,717	\$41,884	\$46,717	\$46,717
Adjusted Annual Gross Income Per SF	\$74	\$83	\$74	\$83	\$83
Operating Costs					
Annual Oper. Cost (% of Gross Room Revenue)	75%	75%	75%	75%	75%
Annual Operating Costs	\$3,624,587	\$7,411,815	\$4,832,783	\$7,546,576	\$11,050,343
Net Operating Income					
Net Operating Income	\$2,658,030	\$5,435,331	\$3,544,041	\$5,534,156	\$8,103,585
Net Operating Income Per Room	\$17,720	\$19,765	\$17,720	\$19,765	\$19,765
Net Operating Income Per Bldg. SF	\$32	\$35	\$32	\$35	\$35
Capitalization Rate	7.80%	7.80%	7.80%	7.80%	7.80%
Capitalized Market Value	\$34,077,313	\$69,683,735	\$45,436,417	\$70,950,712	\$103,892,114
Capitalized Value Per SF	\$404	\$450	\$404	\$450	\$450

Notes:

Hotel Capitalization Rate 7.80%
Vacancy Rate

Source: Realty Rates; STR Analytics; David Paul Rosen & Associates

Table 27
Long Beach Downtown Community Plan
Community Benefits Analysis
Estimated Net Operating Income from Apartment Uses By Prototype

Prototype Zoning:	PD-30 6-Story	PD-30 100-Foot	DTP 80-Foot	DTP 150-Foot	DTP 240-Foot
Net Rentable SF of Residential Space	91,800	168,000	101,900	145,900	217,300
Number of Residential Units					
Studio	0	0	0	0	0
One Bedroom	36	40	24	35	52
Two Bedroom	54	120	73	104	155
Three Bedroom	0	0	0	0	0
Total	90	160	97	139	207
Monthly Rent Per Unit					
Studio	\$0	\$0	\$0	\$0	\$0
One Bedroom	\$2,200	\$2,600	\$2,300	\$2,600	\$2,750
Two Bedroom	\$2,400	\$2,900	\$2,500	\$2,900	\$3,050
Three Bedroom	\$0	\$0	\$0	\$0	\$0
Unit Size (Square Feet)					
Studio	0	0	0	0	0
One Bedroom	900	900	900	900	900
Two Bedroom	1100	1100	1100	1100	1100
Three Bedroom	0	0	0	0	0
Monthly Rent Per Square Foot					
Studio	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
One Bedroom	\$2.44	\$2.89	\$2.56	\$2.89	\$3.06
Two Bedroom	\$2.18	\$2.64	\$2.27	\$2.64	\$2.77
Three Bedroom	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Vacancy Rate	9.6%	9.6%	9.6%	9.6%	9.6%
Miscellaneous Income (\$/Unit/Year)	\$100	\$100	\$100	\$100	\$100
Monthly Gross Income					
Studio	\$0	\$0	\$0	\$0	\$0
One Bedroom	\$79,200	\$104,000	\$55,200	\$91,000	\$143,000
Two Bedroom	\$129,600	\$348,000	\$182,500	\$301,600	\$472,750
Three Bedroom	\$0	\$0	\$0	\$0	\$0
Total Monthly Gross Income	\$208,800	\$452,000	\$237,700	\$392,600	\$615,750
Annual Gross Income	\$2,505,600	\$5,424,000	\$2,852,400	\$4,711,200	\$7,389,000
Less: Vacancy	(\$240,538)	(\$520,704)	(\$273,830)	(\$452,275)	(\$709,344)
Plus: Misc. Income	\$108,000	\$192,000	\$116,400	\$166,800	\$248,400
Adjusted Annual Gross Income	\$2,373,062	\$5,095,296	\$2,694,970	\$4,425,725	\$6,928,056
Operating Costs					
Annual Oper. Cost/Unit Except Taxes	\$3,100	\$2,800	\$3,100	\$2,800	\$2,800
Assessed Property Value Per Unit	\$267,900	\$328,200	\$255,600	\$348,200	\$348,300
Assessed Property Value	\$24,111,000	\$52,512,000	\$24,793,200	\$48,399,800	\$72,098,100
Annual Operating Costs Except Taxes	\$279,000	\$448,000	\$300,700	\$389,200	\$579,600
Plus: Property Taxes @1.2%	\$289,332	\$630,144	\$297,518	\$580,798	\$865,177
Total Annual Oper. Costs	\$568,332	\$1,078,144	\$598,218	\$969,998	\$1,444,777
Total Annual Oper. Costs Per Unit Per Month	\$526	\$562	\$514	\$582	\$582
Net Operating Income	\$1,804,730	\$4,017,152	\$2,096,751	\$3,455,727	\$5,483,279
Capitalization Rate	8.20%	8.20%	8.20%	8.20%	8.20%
Capitalized Market Value	\$22,008,907	\$48,989,659	\$25,570,137	\$42,143,015	\$66,869,254
Capitalized Value Per SF	\$240	\$292	\$251	\$289	\$308
Capitalized Value Per Unit	\$244,543	\$306,185	\$263,610	\$303,187	\$323,040

Notes:

3rd Quarter 2010 Apartment Market Data, Los A

Overall Capitalization Rates (OAR): 8.00%

Vacancy Rate: 9.6%

Source: Realty Rates; REALFACTS; David Paul Rosen & Associates

Table 28
Long Beach Downtown Community Plan
Community Benefits Analysis
Estimated Net Operating Income from Condominium Uses By Prototype

Prototype Zoning:	PD-30 6-Story	PD-30 100-Feet	DTP 80-Feet	DTP 150-Feet	DTP 240-Feet
Net Saleable SF of Residential Space	91,200	171,000	104,500	149,400	222,100
Number of Residential Units					
Studio	0	0	0	0	0
One Bedroom	16	30	23	33	50
Two Bedroom	48	90	56	80	119
Three Bedroom	16	30	14	20	29
Total	80	150	93	133	198
Sales Price Per Unit					
Studio	\$0	\$0	\$0	\$0	\$0
One Bedroom	\$285,000	\$315,000	\$285,000	\$315,000	\$320,000
Two Bedroom	\$360,000	\$400,000	\$360,000	\$400,000	\$405,000
Three Bedroom	\$420,000	\$485,000	\$420,000	\$485,000	\$490,000
Unit Size (Square Feet)					
Studio	0	0	0	0	0
One Bedroom	950	950	950	950	950
Two Bedroom	1150	1150	1150	1150	1150
Three Bedroom	1300	1300	1300	1300	1300
Sales Price Per Square Foot					
Studio	\$0	\$0	\$0	\$0	\$0
One Bedroom	\$300	\$332	\$300	\$332	\$337
Two Bedroom	\$313	\$348	\$313	\$348	\$352
Three Bedroom	\$323	\$373	\$323	\$373	\$377
Sales Costs (% of Gross Sales Income)	5%	5%	5%	5%	5%
Gross Sales Income					
Studio	\$0	\$0	\$0	\$0	\$0
One Bedroom	\$4,560,000	\$9,450,000	\$6,555,000	\$10,395,000	\$16,000,000
Two Bedroom	\$17,280,000	\$36,000,000	\$20,160,000	\$32,000,000	\$48,195,000
Three Bedroom	\$6,720,000	\$14,550,000	\$5,880,000	\$9,700,000	\$14,210,000
Total Gross Sales Income	\$28,560,000	\$60,000,000	\$32,595,000	\$52,095,000	\$78,405,000
Less: Sales Costs	(\$1,428,000)	(\$3,000,000)	(\$1,629,750)	(\$2,604,750)	(\$3,920,250)
Net Sales Income	\$27,132,000	\$57,000,000	\$30,965,250	\$49,490,250	\$74,484,750

Source: Realty Rates;Dataquick Information System; David Paul Rosen & Associates

Table 29
Long Beach Downtown Community Plan
Community Benefits Analysis
Estimated Net Operating Income from Retail Uses By Prototype

Prototype Zoning:	PD-30 6-Story	PD-30 100-Feet	DTP 80-Feet	DTP 150-Feet	DTP 240-Feet
<i>Gross SF Retail</i>	15,000	15,000	15,000	15,000	15,000
<i>Net SF Retail</i>	-	12,800	12,800	12,800	12,800
RETAIL SPACE					
Monthly Rent Per NSF (NNN)	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25
Annual Rent Per NSF (NNN)	\$27.00	\$27.00	\$27.00	\$27.00	\$27.00
Vacancy Rate	6.0%	6.0%	6.0%	6.0%	6.0%
Operating Expense (% of Gross Income)	5%	5%	5%	5%	5%
Annual Gross Rental Income	\$0	\$345,600	\$345,600	\$345,600	\$345,600
Less: Vacancy	\$0	(\$20,736)	(\$20,736)	(\$20,736)	(\$20,736)
Adjusted Annual Gross Income	\$0	\$324,864	\$324,864	\$324,864	\$324,864
Less: Operating Expense	\$0	(\$16,243)	(\$16,243)	(\$16,243)	(\$16,243)
Net Operating Income	\$0	\$308,621	\$308,621	\$308,621	\$308,621
Net Operating Income Per NSF	\$0.00	\$24.11	\$24.11	\$24.11	\$24.11
Capitalization Rate	8.00%	8.00%	8.00%	8.00%	8.00%
Capitalized Market Value	\$0	\$3,857,760	\$3,857,760	\$3,857,760	\$3,857,760
Capitalized Value Per SF	\$0	\$301	\$301	\$301	\$301

Notes:

3rd Quarter 2010 Retail Market Data, Los Angeles/Long Beach, Un-Anchored:

Overall Capitalization Rates (OAR): 8.00%

Vacancy Rate: 6.0%

Source: Realty Rates; David Paul Rosen & Associates

Table 30
Long Beach Downtown Community Plan
Community Benefits Analysis
Land Residual Analysis: PD 30 6 Story Height Limit Prototypes

Zoning:	PD-30 6-Story	PD-30 6-Story	PD-30 6-Story	PD-30 6-Story
Land Use:	Apartments	Condos	Office	Hotel
<i>Site Area (SF)</i>	43,560	43,560	43,560	43,560
<i>Retail Net SF</i>	12,800	12,800	-	-
<i>Office Net SF</i>	-	-	90,000	-
<i>Residential Net SF</i>	91,800	91,200	-	-
<i>Residential Units</i>	90	80	-	-
<i>Hotel Rooms</i>	-	-	-	150
<i>Hotel Net SF</i>	-	-	-	84,375
<i>Total Net SF Building Area</i>	104,600	104,000	90,000	84,375
Annual Net Operating Income	\$1,804,730	N/A	\$1,853,424	\$2,658,030
Total NOI Per SF	\$17.25	N/A	\$20.59	\$31.50
Cap Rate	8.00%	N/A	7.60%	7.80%
Capitalized Value or Net Sales Proceeds	\$22,559,130	\$27,132,000	\$24,387,158	\$34,077,313
Less: Total Development Cost Except Land	\$24,105,949	\$25,157,835	\$20,132,444	\$21,507,688
Total Development Cost Per NSF	\$230	\$242	\$224	\$255
Residual Land Value	(\$1,546,819)	\$1,974,165	\$4,254,714	\$12,569,624
Residual Land Value/SF Site Area	(\$35.51)	\$45.32	\$97.67	\$288.56
Residual Land Value/Dwelling Unit	(\$17,187)	\$24,677	N/A	N/A

Source: David Paul Rosen & Associates

Table 31
Long Beach Downtown Community Plan
Community Benefits Analysis
Land Residual Analysis: PD 30 100 Foot Height Limit Prototypes

Zoning:	PD-30 100-Feet	PD-30 100-Feet	PD-30 100-Feet	PD-30 100-Feet
Land Use:	Apartments	Condos	Office	Hotel
<i>Site Area (SF)</i>	43,560	43,560	43,560	43,560
<i>Retail Net SF</i>	12,800	12,800	12,800	-
<i>Office Net SF</i>	-	-	113,000	-
<i>Residential Net SF</i>	168,000	171,000	-	-
<i>Residential Units</i>	160	150	-	-
<i>Hotel Rooms</i>	-	-	-	275
<i>Hotel Net SF</i>	-	-	-	154,688
<i>Total Net SF Building Area</i>	180,800	183,800	125,800	154,688
Annual Net Operating Income	\$4,017,152	N/A	\$2,725,404	\$5,435,331
Total NOI Per SF	\$22.22	N/A	\$21.66	\$35.14
Cap Rate	8.00%	N/A	7.60%	7.80%
Capitalized Value or Net Sales Proceeds	\$50,214,400	\$57,000,000	\$35,860,579	\$69,683,735
Less: Total Development Cost Except Land	\$52,486,792	\$56,539,487	\$36,049,715	\$56,374,474
Total Development Cost Per NSF	\$290	\$308	\$287	\$364
Residual Land Value	(\$2,272,392)	\$460,513	(\$189,136)	\$13,309,261
Residual Land Value/SF Site Area	(\$52.17)	\$10.57	(\$4.34)	\$305.54
Residual Land Value/Dwelling Unit	(\$14,202)	\$3,070	N/A	N/A

Source: David Paul Rosen & Associates

Table 32
Long Beach Downtown Community Plan
Community Benefits Analysis
Land Residual Analysis: DTP 80 Foot Height Limit Prototypes

Zoning: Land Use:	DTP 80-Feet Apartments	DTP 80-Feet Condos	DTP 80-Feet Office	DTP 80-Feet Hotel
<i>Site Area (SF)</i>	43,560	43,560	43,560	43,560
<i>Retail Net SF</i>	12,800	12,800	12,800	-
<i>Office Net SF</i>	-	-	79,200	-
<i>Residential Net SF</i>	101,900	104,500	-	-
<i>Residential Units</i>	97	93	-	-
<i>Hotel Rooms</i>	-	-	-	200
<i>Hotel Net SF</i>	-	-	-	112,500
<i>Total Net SF Building Area</i>	114,700	117,300	92,000	112,500
Annual Net Operating Income	\$2,096,751	N/A	\$1,889,818	\$3,544,041
Total NOI Per SF	\$18.28	N/A	\$20.54	\$31.50
Cap Rate	8.00%	N/A	7.60%	7.80%
Capitalized Value or Net Sales Proceeds	\$26,209,390	\$30,965,250	\$24,866,021	\$45,436,417
Less: Total Development Cost Except Land	\$24,793,850	\$26,986,902	\$20,525,925	\$27,388,504
Total Development Cost Per NSF	\$216	\$230	\$223	\$243
Residual Land Value	\$1,415,540	\$3,978,348	\$4,340,096	\$18,047,912
Residual Land Value/SF Site Area	\$32.50	\$91.33	\$99.63	\$414.32
Residual Land Value/Dwelling Unit	\$14,593	\$42,778	N/A	N/A
Option 1				
Affordable Housing Requirement:	10% VLI Renter New Construction	15% Mod. Owner	\$10/SF	\$10/SF
Cost of Aff. Hsg. Requirement/Bldg. SF	\$19.83	\$10.34	\$10.00	\$10.00
Total Cost of Aff. Hsg. Requirement	\$2,274,073	\$1,213,305	\$920,000	\$1,125,000
Cost of Aff Hsg Require. Per SF Site Area	\$52.21	\$27.85	\$21.12	\$25.83
Residual Land Value	(\$858,533)	\$2,765,043	\$3,420,096	\$16,922,912
Residual Land Value/SF Site Area	(\$19.71)	\$63.48	\$78.51	\$388.50

Source: David Paul Rosen & Associates

Table 33
Long Beach Downtown Community Plan
Community Benefits Analysis
Land Residual Analysis: DTP 150 Foot Height Limit Prototypes

Zoning:	DTP 150-Foot	DTP 150-Foot	DTP 150-Foot	DTP 150-Foot
Land Use:	Apartments	Condos	Office	Hotel
<i>Site Area (SF)</i>	43,560	43,560	43,560	43,560
<i>Retail Net SF</i>	12,800	12,800	12,800	-
<i>Office Net SF</i>	-	-	112,500	-
<i>Residential Net SF</i>	145,900	149,400	-	-
<i>Residential Units</i>	139	133	-	-
<i>Hotel Rooms</i>	-	-	-	280
<i>Hotel Net SF</i>	-	-	-	157,500
<i>Total Net SF Building Area</i>	158,700	162,200	125,300	157,500
Annual Net Operating Income	\$3,455,727	N/A	\$2,684,400	\$5,534,156
Total NOI Per SF	\$21.78	N/A	\$21.42	\$35.14
Cap Rate	8.00%	N/A	7.60%	7.80%
Capitalized Value or Net Sales Proceeds	\$43,196,590	\$49,490,250	\$35,321,053	\$70,950,712
Less: Total Development Cost Except Land	\$48,397,486	\$51,246,816	\$37,229,764	\$57,574,131
Total Development Cost Per NSF	\$305	\$316	\$297	\$366
Residual Land Value	(\$5,200,896)	(\$1,756,566)	(\$1,908,712)	\$13,376,581
Residual Land Value/SF Site Area	(\$119.40)	(\$40.33)	(\$43.82)	\$307.08
Residual Land Value/Dwelling Unit	(\$37,417)	(\$13,207)	N/A	N/A
Option 1				
Affordable Housing Requirement:	10% VLI Renter	15% Mod. Owner		
Cost of Aff. Hsg. Requirement/Bldg. SF	\$19.83	\$10.34	\$10/SF	\$10/SF
Total Cost of Aff. Hsg. Requirement	\$3,146,428	\$1,677,733	\$1,253,000	\$1,575,000
Cost of Aff Hsg Require. Per SF Site Area	\$72.23	\$38.52	\$28.76	\$36.16
Residual Land Value	(\$8,347,324)	(\$3,434,299)	(\$3,161,712)	\$11,801,581
Residual Land Value/SF Site Area	(\$191.63)	(\$78.84)	(\$72.58)	\$270.93

Source: David Paul Rosen & Associates

Table 34
Long Beach Downtown Community Plan
Community Benefits Analysis
Land Residual Analysis: DTP 240 Foot Height Limit Prototypes

Zoning:	DTP 240-Feet	DTP 240-Feet	DTP 240-Feet	DTP 240-Feet
Land Use:	Apartments	Condos	Office	Hotel
<i>Site Area (SF)</i>	43,560	43,560	43,560	43,560
<i>Retail Net SF</i>	12,800	12,800	12,800	-
<i>Office Net SF</i>	-	-	157,500	-
<i>Residential Net SF</i>	217,300	222,100	-	-
<i>Residential Units</i>	207	198	-	-
<i>Hotel Rooms</i>	-	-	-	410
<i>Hotel Net SF</i>	-	-	-	230,625
<i>Total Net SF Building Area</i>	230,100	234,900	170,300	230,625
Annual Net Operating Income	\$5,483,279	N/A	\$3,758,160	\$8,103,585
Total NOI Per SF	\$23.83	N/A	\$22.07	\$35.14
Cap Rate	8.00%	N/A	7.60%	7.80%
Capitalized Value or Net Sales Proceeds	\$68,540,985	\$74,484,750	\$49,449,474	\$103,892,114
Less: Total Development Cost Except Land	\$72,057,210	\$74,447,521	\$50,830,262	\$87,416,444
Total Development Cost Per NSF	\$313	\$317	\$298	\$379
Residual Land Value	(\$3,516,225)	\$37,229	(\$1,380,789)	\$16,475,671
Residual Land Value/SF Site Area	(\$80.72)	\$0.85	(\$31.70)	\$378.23
Residual Land Value/Dwelling Unit	(\$16,987)	\$188	N/A	N/A
Option 1				
Affordable Housing Requirement:	10% VLI Renter New Construction	15% Mod. Owner	\$10/SF	\$10/SF
Cost of Aff. Hsg. Requirement/Bldg. SF	\$19.83	\$10.34	\$10.00	\$10.00
Total Cost of Aff. Hsg. Requirement	\$4,562,023	\$2,429,713	\$1,703,000	\$2,306,250
Cost of Aff Hsg Require. Per SF Site Area	\$104.73	\$55.78	\$39.10	\$52.94
Residual Land Value	(\$8,078,248)	(\$2,392,484)	(\$3,083,789)	\$14,169,421
Residual Land Value/SF Site Area	(\$185.45)	(\$54.92)	(\$70.79)	\$325.29

Source: David Paul Rosen & Associates

Table 35
Long Beach Downtown Community Plan
Community Benefits Analysis
Land Residual Analysis Results: Comparison of PD 30 Zoning and Downtown Plan Prototypes

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
PD-30 Zoning Prototypes				
<i>Maximum Height Limit:</i>	6 Stories	6 Stories	6 Stories	100 Feet (Est. 10 Stories)
Residual Land Value Per SF Site Area				
Apartments	(\$35.51)	(\$35.51)	(\$35.51)	(\$52.17)
Condominiums	\$45.32	\$45.32	\$45.32	\$10.57
Office	\$97.67	\$97.67	\$97.67	(\$4.34)
Hotel	\$288.56	\$288.56	\$288.56	\$305.54
DTCP Prototypes				
<i>Maximum Height Limit</i>	80 Feet	150 Feet	240 Feet	240 Feet
<i>Maximum FAR Limit:</i>	4.0	5.0	8.0	8.0
<i>Stories of Prototypes (1):</i>	5 to 7 Stories	7 to 8 Stories	11 to 12 Stories	11 to 12 Stories
<i>Height of Prototypes (1):</i>	50 - 70 Ft.	70 - 80 Ft.	110 - 120 Ft.	110 - 120 Ft.
Residual Land Value Per SF Site Area:				
Apartments	\$32.50	(\$119.40)	(\$80.72)	(\$80.72)
Condominiums	\$91.33	(\$40.33)	\$0.85	\$0.85
Office	\$99.63	(\$43.82)	(\$31.70)	(\$31.70)
Hotel	\$414.32	\$307.08	\$378.23	\$378.23
Residual Land Value Per SF Site Area w/ Aff. Housing				
	<i>Per SF Cost</i>			
Apartments 10% VLI Renter: New Constr.	\$19.83			
Condominiums 15% Mod. Owner	\$10.34			
Office Nexus Fee of \$10.00				
Hotel Nexus Fee of \$10.00				
	(\$19.71)	(\$191.63)	(\$185.45)	(\$185.45)
	\$63.48	(\$78.84)	(\$54.92)	(\$54.92)
	\$78.51	(\$72.58)	(\$70.79)	(\$70.79)
	\$388.50	\$270.93	\$325.29	\$325.29
Increase in Residual Land Value Per SF Site Area				
Apartments	\$68.01	(\$83.89)	(\$45.21)	(\$28.55)
Condominiums	\$46.01	(\$85.65)	(\$44.47)	(\$9.72)
Office	\$1.96	(\$141.49)	(\$129.37)	(\$27.36)
Hotel	\$125.76	\$18.53	\$89.67	\$72.69
Increase (Decrease) in Residual Land Value Per SF Site Area w/ Aff. Housing				
Apartments 10% VLI Renter: New Constr.	\$15.80	(\$156.12)	(\$149.94)	(\$133.28)
Condominiums 15% Mod. Owner	\$18.16	(\$124.16)	(\$100.24)	(\$65.50)
Office Nexus Fee of \$15.00	(\$19.16)	(\$170.26)	(\$168.47)	(\$66.45)
Hotel Nexus Fee of \$15.00	\$99.94	(\$17.63)	\$36.73	\$19.75

(1) FAR limits are the limiting factor due to parking square footage included in FAR calculation according to Long Beach zoning code definition.
Source: David Paul Rosen & Associates

Table 36
Long Beach Downtown Community Plan
Community Benefits Analysis
Development Prototypes: DTP 80 Foot Height Limit with Existing Parking Standards

Zoning: Land Use:	DTCP 80-Foot Apartments	DTCP 80-Foot Condos	DTCP 80-Foot Office	DTCP 80-Foot Hotel
Total Site Area (Acre)	1.00 Acres	1.00 Acres	1.00 Acres	1.00 Acres
Total Site Area (SF)	43,560	43,560	43,560	43,560
Total Gross Building SF (Including Parking)	244,350 SF	242,950 SF	217,950 SF	245,150 SF
Floor Area Ratio (Gross Bldg SF, Incl. Pkg.)	5.61	5.58	5.00	5.63
Total Gross Building SF (Excluding Parking)	134,900 SF	137,900 SF	103,000 SF	150,000 SF
Office Space (Gross SF)	0	0	88,000	0
Typical Floor Plate Office Space/Floor (Gross SF)	0	0	25,000	0
Retail Space (Gross SF)	15,000	15,000	15,000	0
Residential Space (Gross SF)	119,900	122,900	0	0
Hotel Space (Gross SF)	0	0	0	150,000
Hotel Rooms	0	0	0	200
Ave. Gross SF Per Hotel Room	0	0	0	750
Building Efficiency Ratio	85%	85%	90%	75%
Site Coverage (Bldg. Footprint)	85%	85%	85%	85%
Max. Bldg Footprint (SF)	37,026	37,026	37,026	37,026
Construction Type	Steel Frame	Steel Frame	Steel Frame	Steel Frame
Max. Bldg. Stories Above Ground	8 Stories	8 Stories	8 Stories	8 Stories
Max. FAR	4.0	4.0	4.0	4.0
Levels Underground Parking	1.0	1.0	1.0	1.0
Levels Above-Ground Structured Parking	3.0	2.9	3.1	2.6
Stories of Retail Space	0.4	0.4	0.6	0.0
Stories of Office Space	0.0	0.0	3.5	0.0
Stories of Residential Space	3.2	3.3	0.0	0.0
Hotel Stories	0.0	0.0	0.0	4.1
Total Stories Above Ground	7.0	7.0	9.0	8.0
Net Rentable SF Retail	12,800 SF	12,800 SF	12,800 SF	0 SF
Net Rentable SF Office	0 SF	0 SF	79,200 SF	0 SF
Net SF Residential	101,900 SF	104,500 SF	0 SF	0 SF
Net SF Hotel	0 SF	0 SF	0 SF	112,500 SF
Net SF Total	114,700 SF	117,300 SF	92,000 SF	112,500 SF
Units by BR Count				
Studio	0	0	0	0
One Bedroom	24	23	0	0
Two Bedroom	73	56	0	0
Three Bedroom	0	14	0	0
Total Residential Units	97	93	0	0
Total Single-Family Units	0	93	0	0
Total Multi-Family Units	97	0	0	0
Residential Density (units per acre)	97 du/a	93 du/a	0 du/a	0 du/a
Unit Size (Net SF)				
Studio	0 SF	0 SF	0 SF	0 SF
One Bedroom	900 SF	950 SF	0 SF	0 SF
Two Bedroom	1,100 SF	1,150 SF	0 SF	0 SF
Three Bedroom	0 SF	1,300 SF	0 SF	0 SF
Average	1,050 SF	1,120 SF	0 SF	0 SF
Parking Ratio - Residential (Spaces/Unit)				
Studio	1.00	1.00	1.00	1.00
One Bedroom	1.50	1.50	1.50	1.50
Two or More Bedrooms	2.00	2.00	2.00	2.00
Guest Parking	0.25	0.25	0.25	0.25
Parking Spaces Required--Residential	206	198	0	0
Parking Ratio - Office (Spaces/1000 GSF)				
Up to 20,000 GSF	4.0	4.0	4.0	4.0
More than 20,000	2.0	2.0	2.0	2.0
Parking Spaces Required--Office	0	0	216	0
Parking Ratio - Retail (Spaces/1000 GSF)	4.00	4.00	4.00	4.00
Parking Ratio - Hotel (Spaces/Room)	1.20	1.20	1.20	1.20
Parking Spaces - Total Required	266	258	276	240
Parking Spaces Per Floor	67 Spaces/Floor	67 Spaces/Floor	67 Spaces/Floor	67 Spaces/Floor
No. of Underground Parking Spaces	67 Spaces	67 Spaces	67 Spaces	67 Spaces
No. of Above-Ground Parking Spaces	199 Spaces	191 Spaces	209 Spaces	173 Spaces
Total Parking Spaces Provided	266 Spaces	258 Spaces	276 Spaces	240 Spaces
Gross SF/Parking Space	550 SF	550 SF	550 SF	550 SF
Total Parking SF	146,300 SF	141,900 SF	151,800 SF	132,000 SF
Parking SF Above Grade	109,450 SF	105,050 SF	114,950 SF	95,150 SF

Source: David Paul Rosen & Associates

Table 37
Long Beach Downtown Community Plan
Community Benefits Analysis
Development Prototypes: DTP 150 Foot Height Limit with Existing Parking Standards

Zoning: Land Use:	DTCP 150-Foot Apartments	DTCP 150-Foot Condos	DTCP 150-Foot Office	DTCP 150-Foot Hotel
Total Site Area (Acre)	1.00 Acres	1.00 Acres	1.00 Acres	1.00 Acres
Total Site Area (SF)	43,560	43,560	43,560	43,560
Total Gross Building SF (Including Parking)	308,150 SF	305,750 SF	258,800 SF	321,100 SF
Floor Area Ratio (Gross Bldg SF, Incl. Pkg.)	7.07	7.02	5.94	7.37
Total Gross Building SF (Excluding Parking)	186,600 SF	190,800 SF	140,000 SF	210,000 SF
Office Space (Gross SF)	0	0	125,000	0
Typical Floor Plate Office Space/Floor (Gross SF)	0	0	25,000	0
Retail Space (Gross SF)	15,000	15,000	15,000	0
Residential Space (Gross SF)	171,600	175,800	0	0
Hotel Space (Gross SF)	0	0	0	210,000
Hotel Rooms	0	0	0	280
Ave. Gross SF Per Hotel Room	0	0	0	750
Building Efficiency Ratio	85%	85%	90%	75%
Site Coverage (Bldg. Footprint)	85%	85%	85%	85%
Max. Bldg Footprint (SF)	37,026	37,026	37,026	37,026
Construction Type	Steel Frame	Steel Frame	Steel Frame	Steel Frame
Est. Max. Bldg. Stories Above Ground	15 Stories	15 Stories	15 Stories	15 Stories
Max. FAR	5.0	5.0	5.0	5.0
Levels Underground Parking	2.0	2.0	2.0	2.0
Levels Above-Ground Structured Parking	3.3	3.1	3.2	3.0
Stories of Retail Space	0.4	0.4	0.6	0.0
Stories of Office Space	0.0	0.0	5.0	0.0
Stories of Residential Space	4.6	4.7	0.0	0.0
Hotel Stories	0.0	0.0	0.0	5.7
Total Stories Above Ground	10.0	10.0	10.0	10.0
Net Rentable SF Retail	12,800 SF	12,800 SF	12,800 SF	0 SF
Net Rentable SF Office	0 SF	0 SF	112,500 SF	0 SF
Net SF Residential	145,900 SF	149,400 SF	0 SF	0 SF
Net SF Hotel	0 SF	0 SF	0 SF	157,500 SF
Net SF Total	158,700 SF	162,200 SF	125,300 SF	157,500 SF
Units by BR Count				
Studio	0	0	0	0
One Bedroom	35	33	0	0
Two Bedroom	104	80	0	0
Three Bedroom	0	20	0	0
Total Residential Units	139	133	0	0
Total Single-Family Units	0	133	0	0
Total Multi-Family Units	139	0	0	0
Residential Density (units per acre)	139 du/a	133 du/a	0 du/a	0 du/a
Unit Size (Net SF)				
Studio	0 SF	0 SF	0 SF	0 SF
One Bedroom	900 SF	950 SF	0 SF	0 SF
Two Bedroom	1,100 SF	1,150 SF	0 SF	0 SF
Three Bedroom	0 SF	1,300 SF	0 SF	0 SF
Average	1,050 SF	1,120 SF	0 SF	0 SF
Parking Ratio - Residential (Spaces/Unit)				
Studio	1.00	1.00	1.00	1.00
One Bedroom	1.50	1.50	1.50	1.50
Two or More Bedrooms	2.00	2.00	2.00	2.00
Guest Parking	0.25	0.25	0.25	0.25
Parking Spaces Required--Residential	295	283	0	0
Parking Ratio - Office (Spaces/1000 GSF)				
Up to 20,000 GSF	4.0	4.0	4.0	4.0
More than 20,000	2.0	2.0	2.0	2.0
Parking Spaces Required--Office	0	0	290	0
Parking Ratio - Retail (Spaces/1000 GSF)	4.00	4.00	4.00	4.00
Parking Ratio - Hotel (Spaces/Room)	1.20	1.20	1.20	1.20
Parking Spaces - Total Required	355	343	350	336
Parking Spaces Per Floor	67 Spaces/Floor	67 Spaces/Floor	67 Spaces/Floor	67 Spaces/Floor
No. of Underground Parking Spaces	134 Spaces	134 Spaces	134 Spaces	134 Spaces
No. of Above-Ground Parking Spaces	221 Spaces	209 Spaces	216 Spaces	202 Spaces
Total Parking Spaces Provided	355 Spaces	343 Spaces	350 Spaces	336 Spaces
Gross SF/Parking Space	550 SF	550 SF	550 SF	550 SF
Total Parking SF	195,250 SF	188,650 SF	192,500 SF	184,800 SF
Total Parking SF Above Grade	121,550 SF	114,950 SF	118,800 SF	111,100 SF

Source: David Paul Rosen & Associates

Table 38
Long Beach Downtown Community Plan
Community Benefits Analysis
Development Prototypes: DTP 240 Foot Height Limit with Existing Parking Standards

Zoning: Land Use:	DTCP 240-Foot Apartments	DTCP 240-Foot Condos	DTCP 240-Foot Office	DTCP 240-Foot Hotel
Total Site Area (Acre)	1.00 Acres	1.00 Acres	1.00 Acres	1.00 Acres
Total Site Area (SF)	43,560	43,560	43,560	43,560
Total Gross Building SF (Including Parking)	471,900 SF	467,150 SF	393,800 SF	504,400 SF
Floor Area Ratio (Gross Bldg SF, Incl. Pkg.)	10.83	10.72	9.04	11.58
Total Gross Building SF (Excluding Parking)	270,600 SF	276,300 SF	220,000 SF	307,500 SF
Office Space (Gross SF)	0	0	175,000	0
Typical Floor Plate Office Space/Floor (Gross SF)	0	0	25,000	0
Retail Space (Gross SF)	15,000	15,000	15,000	0
Residential Space (Gross SF)	255,600	261,300	0	0
Hotel Space (Gross SF)	0	0	0	307,500
Hotel Rooms	0	0	0	410
Ave. Gross SF Per Hotel Room	0	0	0	750
Building Efficiency Ratio	85%	85%	90%	75%
Site Coverage (Bldg. Footprint)	85%	85%	85%	85%
Max. Bldg Footprint (SF)	37,026	37,026	37,026	37,026
Construction Type	Steel Frame	Steel Frame	Steel Frame	Steel Frame
Est. Max. Bldg. Stories Above Ground	24 Stories	24 Stories	24 Stories	24 Stories
Max. FAR	8.0	8.0	8.0	8.0
Levels Underground Parking	2.0	2.0	2.0	2.0
Levels Above-Ground Structured Parking	5.5	5.2	4.7	5.3
Stories of Retail Space	0.4	0.4	0.6	0.0
Stories of Office Space	0.0	0.0	7.0	0.0
Stories of Residential Space	6.9	7.1	0.0	0.0
Hotel Stories	0.0	0.0	0.0	8.3
Total Stories Above Ground	14.0	14.0	13.0	15.0
Net Rentable SF Retail	12,800 SF	12,800 SF	12,800 SF	0 SF
Net Rentable SF Office	0 SF	0 SF	157,500 SF	0 SF
Net SF Residential	217,300 SF	222,100 SF	0 SF	0 SF
Net SF Hotel	0 SF	0 SF	0 SF	230,625 SF
Net SF Total	230,100 SF	234,900 SF	170,300 SF	230,625 SF
Units by BR Count				
Studio	0	0	0	0
One Bedroom	52	50	0	0
Two Bedroom	155	119	0	0
Three Bedroom	0	29	0	0
Total Residential Units	207	198	0	0
Total Single-Family Units	0	198	0	0
Total Multi-Family Units	207	0	0	0
Residential Density (units per acre)	207 du/a	198 du/a	0 du/a	0 du/a
Unit Size (Net SF)				
Studio	0 SF	0 SF	0 SF	0 SF
One Bedroom	900 SF	950 SF	0 SF	0 SF
Two Bedroom	1,100 SF	1,150 SF	0 SF	0 SF
Three Bedroom	0 SF	1,300 SF	0 SF	0 SF
Average	1,050 SF	1,120 SF	0 SF	0 SF
Parking Ratio - Residential (Spaces/Unit)				
Studio	1.00	1.00	1.00	1.00
One Bedroom	1.50	1.50	1.50	1.50
Two or More Bedrooms	2.00	2.00	2.00	2.00
Guest Parking	0.25	0.25	0.25	0.25
Parking Spaces Required--Residential	440	421	0	0
Parking Ratio - Office (Spaces/1000 GSF)				
Up to 20,000 GSF	4.0	4.0	4.0	4.0
More than 20,000	2.0	2.0	2.0	2.0
Parking Spaces Required--Office	0	0	390	0
Parking Ratio - Retail (Spaces/1000 GSF)	4.00	4.00	4.00	4.00
Parking Ratio - Hotel (Spaces/Room)	1.20	1.20	1.20	1.20
Parking Spaces - Total Required	500	481	450	492
Parking Spaces Per Floor	67 Spaces/Floor	67 Spaces/Floor	67 Spaces/Floor	67 Spaces/Floor
No. of Underground Parking Spaces	134 Spaces	134 Spaces	134 Spaces	134 Spaces
No. of Above-Ground Parking Spaces	366 Spaces	347 Spaces	316 Spaces	358 Spaces
Total Parking Spaces Provided	500 Spaces	481 Spaces	450 Spaces	492 Spaces
Gross SF/Parking Space	550 SF	550 SF	550 SF	550 SF
Total Parking SF	275,000 SF	264,550 SF	247,500 SF	270,600 SF
Total Parking SF Above Grade	201,300 SF	190,850 SF	173,800 SF	196,900 SF

Source: David Paul Rosen & Associates

Table 39
Long Beach Downtown Community Plan
Community Benefits Analysis
Development Budgets: DTP 80 Foot Height Limit Prototypes with Existing Parking

Zoning: Land Use:	DTP 80-Foot Apartments	DTP 80-Foot Condos	DTP 80-Foot Office	DTP 80-Foot Hotel
<i>Residential Units</i>	97	93	0	0
<i>Retail Net SF</i>	12,800	12,800	12,800	0
<i>Office Net SF</i>	0	0	79,200	0
<i>Residential Net SF</i>	101,900	104,500	0	0
<i>Hotel Net SF</i>	0	0	0	112,500
<i>Total Net SF Building Area</i>	114,700	117,300	92,000	112,500
<i>Subterranean Parking Spaces - Level One</i>	67	67	67	67
<i>Subterranean Parking Spaces - Level Two</i>	0	0	0	0
<i>Total No. Above Ground Parking Spaces</i>	199	191	209	173
<i>Total Parking SF</i>	146,300	141,900	151,800	132,000
<i>Site Area (SF)</i>	43,560	43,560	43,560	43,560
Development Cost Budget				
Demolition of Existing Building	\$175,000	\$175,000	\$175,000	\$175,000
On-site Improvements	\$348,480	\$348,480	\$348,480	\$348,480
Building Shell Hard Costs	\$12,043,500	\$14,076,000	\$9,660,000	\$15,187,500
Underground Parking	\$1,340,000	\$1,340,000	\$1,340,000	\$1,340,000
Above Ground Parking	\$2,587,000	\$2,483,000	\$2,717,000	\$2,249,000
Hard Cost Contingency	\$815,949	\$912,374	\$703,274	\$956,249
Architecture/Engineering	\$815,949	\$912,374	\$703,274	\$956,249
Development Impact Fees and Permits	\$1,202,966	\$1,311,462	\$635,333	\$610,795
Legal	\$163,190	\$182,475	\$140,655	\$191,250
Property Taxes During Construction	\$97,914	\$109,485	\$84,393	\$114,750
Insurance	\$163,190	\$182,475	\$140,655	\$191,250
Construction Loan Points	\$866,876	\$1,024,176	\$822,444	\$1,502,809
Construction Interest During Construction	\$619,197	\$731,554	\$587,460	\$1,073,435
Construction Interest During Lease-Up	\$247,679	\$292,622	\$234,984	\$429,374
Interest on Mezzanine Debt	\$1,507,591	\$1,397,789	\$932,049	\$21,056
Marketing/Lease Up	\$815,949	\$182,475	\$140,655	\$956,249
Leasing Commissions	\$0	\$0	\$0	\$0
Soft Cost Contingency	\$325,025	\$316,344	\$221,095	\$302,361
Developer Overhead	\$2,896,254	\$3,117,370	\$2,350,410	\$3,192,697
Total Development Costs (Excluding Land)	\$27,031,708	\$29,095,453	\$21,937,160	\$29,798,504
TDC Per Housing Unit	\$278,677	\$312,854	N/A	N/A
TDC per Net Rentable SF	\$236	\$248	\$238	\$265
Total Development Cost Under DTCP Pkg Stds.	\$24,793,850	\$26,986,902	\$20,525,925	\$27,388,504
Tot. Cost Savings Due to DTCP Parking Stds.	\$2,237,857	\$2,108,552	\$1,411,235	\$2,410,000
Cost Savings Per Housing Unit	\$23,071	\$22,673	N/A	N/A
Cost Savings Per Net Rentable SF	\$19.51	\$17.98	\$15.34	\$21.42

Source: David Paul Rosen & Associates

Table 40
Long Beach Downtown Community Plan
Community Benefits Analysis
Development Budgets: DTP 150 Foot Height Limit Prototypes with Existing Parking

Zoning: Land Use:	DTP 150-Foot Apartments	DTP 150-Foot Condos	DTP 150-Foot Office	DTP 150-Foot Hotel
<i>Residential Units</i>	139	133	0	0
<i>Retail Net SF</i>	12,800	12,800	12,800	0
<i>Office Net SF</i>	0	0	112,500	0
<i>Residential Net SF</i>	145,900	149,400	0	0
<i>Hotel Net SF</i>	0	0	0	157,500
<i>Total Net SF Building Area</i>	158,700	162,200	125,300	157,500
<i>Subterranean Parking Spaces - Level One</i>	67	67	67	67
<i>Subterranean Parking Spaces - Level Two</i>	67	67	67	67
<i>Total No. Above Ground Parking Spaces</i>	221	209	216	202
<i>Total Parking SF</i>	195,250	188,650	192,500	184,800
<i>Site Area (SF)</i>	43,560	43,560	43,560	43,560
Development Cost Budget				
Demolition of Existing Building	\$175,000	\$175,000	\$175,000	\$175,000
On-site Improvements	\$348,480	\$348,480	\$348,480	\$348,480
Building Shell Hard Costs	\$23,805,000	\$26,763,000	\$17,542,000	\$31,500,000
Tenant Improvements	\$0	\$0	\$0	\$0
Underground Parking	\$3,350,000	\$3,350,000	\$3,350,000	\$3,350,000
Above Ground Parking	\$2,873,000	\$2,717,000	\$2,808,000	\$2,626,000
Hard Cost Contingency	\$1,518,824	\$1,658,924	\$1,202,424	\$1,891,224
Architecture/Engineering	\$1,518,824	\$1,658,924	\$1,202,424	\$1,891,224
Development Impact Fees and Permits	\$1,676,876	\$1,829,375	\$857,350	\$855,034
Legal	\$303,765	\$331,785	\$240,485	\$378,245
Property Taxes During Construction	\$182,259	\$199,071	\$144,291	\$226,947
Insurance	\$303,765	\$331,785	\$240,485	\$378,245
Construction Loan Points	\$1,632,831	\$1,870,731	\$1,335,136	\$2,681,937
Construction Interest During Construction	\$1,224,623	\$1,403,049	\$1,001,352	\$2,011,453
Construction Interest During Lease-Up	\$408,208	\$467,683	\$333,784	\$670,484
Interest on Mezzanine Debt	\$4,271,111	\$4,095,007	\$3,047,055	\$2,850,704
Marketing/Lease Up	\$1,518,824	\$331,785	\$240,485	\$1,891,224
Leasing Commissions	\$0	\$0	\$0	\$0
Soft Cost Contingency	\$652,054	\$625,960	\$432,142	\$691,775
Developer Overhead	\$5,491,613	\$5,778,907	\$4,140,107	\$6,530,157
Total Development Costs (Excluding Land)	\$51,255,058	\$53,936,465	\$38,640,999	\$60,948,132
TDC Per Housing Unit	\$368,741	\$405,537	N/A	N/A
TDC per Net Rentable SF	\$323	\$333	\$308	\$387
Total Development Cost Under DTCP Pkg Stds.	\$48,397,486	\$51,246,816	\$37,229,764	\$57,574,131
Tot. Cost Savings Due to DTCP Parking Stds.	\$2,857,572	\$2,689,648	\$1,411,235	\$3,374,000
Cost Savings Per Housing Unit	\$20,558	\$20,223	N/A	N/A
Cost Savings Per Net Rentable SF	\$18.01	\$16.58	\$11.26	\$21.42

Source: David Paul Rosen & Associates

Table 41
Long Beach Downtown Community Plan
Community Benefits Analysis
Development Budgets: DTP 240 Foot Height Limit Prototypes with Existing Parking

Zoning: Land Use:	DTP 240-Foot Apartments	DTP 240-Foot Condos	DTP 240-Foot Office	DTP 240-Foot Hotel
<i>Residential Units</i>	207	198	0	0
<i>Retail Net SF</i>	12,800	12,800	12,800	0
<i>Office Net SF</i>	0	0	157,500	0
<i>Residential Net SF</i>	217,300	222,100	0	0
<i>Hotel Net SF</i>	0	0	0	230,625
<i>Total Net SF Building Area</i>	230,100	234,900	170,300	230,625
<i>Subterranean Parking Spaces - Level One</i>	67	67	67	67
<i>Subterranean Parking Spaces - Level Two</i>	67	67	67	67
<i>Total No. Above Ground Parking Spaces</i>	366	347	316	358
<i>Total Parking SF</i>	275,000	264,550	247,500	270,600
<i>Site Area (SF)</i>	43,560	43,560	43,560	43,560
Development Cost Budget				
Demolition of Existing Building	\$175,000	\$175,000	\$175,000	\$175,000
On-site Improvements	\$348,480	\$348,480	\$348,480	\$348,480
Building Shell Hard Costs	\$35,665,500	\$38,758,500	\$23,842,000	\$46,125,000
Tenant Improvements	\$0	\$0	\$0	\$0
Underground Parking	\$3,350,000	\$3,350,000	\$3,350,000	\$3,350,000
Above Ground Parking	\$4,758,000	\$4,511,000	\$4,108,000	\$4,654,000
Hard Cost Contingency	\$2,206,099	\$2,348,399	\$1,582,424	\$2,723,874
Architecture/Engineering	\$2,206,099	\$2,348,399	\$1,582,424	\$2,723,874
Development Impact Fees and Permits	\$2,292,051	\$2,514,130	\$1,157,375	\$1,251,924
Legal	\$441,220	\$469,680	\$316,485	\$544,775
Property Taxes During Construction	\$264,732	\$281,808	\$189,891	\$326,865
Insurance	\$441,220	\$469,680	\$316,485	\$544,775
Construction Loan Points	\$2,914,705	\$3,167,464	\$2,102,839	\$4,908,902
Construction Interest During Construction	\$1,943,137	\$2,111,643	\$1,401,893	\$2,945,341
Construction Interest During Lease-Up	\$971,568	\$1,055,821	\$700,946	\$1,963,561
Interest on Mezzanine Debt	\$6,611,847	\$6,360,488	\$4,523,074	\$5,956,779
Marketing/Lease Up	\$2,206,099	\$469,680	\$316,485	\$2,723,874
Leasing Commissions	\$0	\$0	\$0	\$0
Soft Cost Contingency	\$1,014,634	\$962,440	\$630,395	\$1,194,533
Developer Overhead	\$8,137,247	\$8,364,313	\$5,597,303	\$9,895,387
Total Development Costs (Excluding Land)	\$75,947,639	\$78,066,925	\$52,241,498	\$92,356,944
TDC Per Housing Unit	\$367,104	\$394,475	N/A	N/A
TDC per Net Rentable SF	\$330	\$332	\$307	\$400
Total Development Cost Under DTCP Pkg Stds.	\$72,057,210	\$74,447,521	\$50,830,262	\$87,416,444
Tot. Cost Savings Due to DTCP Parking Stds.	\$3,890,429	\$3,619,403	\$1,411,235	\$4,940,501
Cost Savings Per Housing Unit	\$18,794	\$18,280	N/A	N/A
Cost Savings Per Net Rentable SF	\$16.91	\$15.41	\$8.29	\$21.42

Source: David Paul Rosen & Associates

Table 42
Long Beach Downtown Community Plan
Community Benefits Analysis
Cost Savings from Reduced Permit Processing Time

Zoning: Land Use:	DTP 80-Foot Apartments	DTP 80-Foot Condos	DTP 80-Foot Office	DTP 80-Foot Hotel	DTP 150-Foot Apartments	DTP 150-Foot Condos	DTP 150-Foot Office	DTP 150-Foot Hotel	DTP 240-Foot Apartments	DTP 240-Foot Condos	DTP 240-Foot Office	DTP 240-Foot Hotel
<i>Residential Units</i>	97	93	0	0	139	133	0	0	207	198	0	0
<i>Retail Net SF</i>	12,800	12,800	12,800	0	12,800	12,800	12,800	0	12,800	12,800	12,800	0
<i>Office Net SF</i>	0	0	79,200	0	0	0	112,500	0	0	0	157,500	0
<i>Residential Net SF</i>	101,900	104,500	0	0	145,900	149,400	0	0	217,300	222,100	0	0
<i>Hotel Net SF</i>	0	0	0	112,500	0	0	0	157,500	0	0	0	230,625
<i>Total Net SF Building Area</i>	114,700	117,300	92,000	112,500	158,700	162,200	125,300	157,500	230,100	234,900	170,300	230,625
<i>Subterranean Parking Spaces - Level One</i>	67	67	67	67	67	67	67	67	67	67	67	67
<i>Subterranean Parking Spaces - Level Two</i>	0	0	0	0	67	67	67	67	67	67	67	67
<i>Total No. Above Ground Parking Spaces</i>	69	64	124	33	55	47	131	6	140	129	231	71
<i>Total Parking SF</i>	74,800	72,050	105,050	55,000	103,950	99,550	145,750	77,000	150,700	144,650	200,750	112,750
<i>Site Area (SF)</i>	43,560	43,560	43,560	43,560	43,560	43,560	43,560	43,560	43,560	43,560	43,560	43,560
<i>Land Cost Per SF</i>	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
<i>Land Acquisition Cost</i>	\$2,178,000	\$2,178,000	\$2,178,000	\$2,178,000	\$2,178,000	\$2,178,000	\$2,178,000	\$2,178,000	\$2,178,000	\$2,178,000	\$2,178,000	\$2,178,000
<i>Est. Loan to Value Ratio</i>	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%
<i>Est. Land Loan Int. Rate</i>	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
<i>Opport. Cost on Dev. Equity</i>	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Total Cost Savings From Decrease in Processing Time of:												
9 Months	\$127,413	\$127,413	\$127,413	\$127,413	\$127,413	\$127,413	\$127,413	\$127,413	\$127,413	\$127,413	\$127,413	\$127,413
12 Months	\$169,884	\$169,884	\$169,884	\$169,884	\$169,884	\$169,884	\$169,884	\$169,884	\$169,884	\$169,884	\$169,884	\$169,884
16 Months	\$226,512	\$226,512	\$226,512	\$226,512	\$226,512	\$226,512	\$226,512	\$226,512	\$226,512	\$226,512	\$226,512	\$226,512
Cost Savings Per Bldg SF From Decrease in Processing Time of:												
9 Months	\$1.11	\$1.09	\$1.38	\$1.13	\$0.80	\$0.79	\$1.02	\$0.81	\$0.55	\$0.54	\$0.75	\$0.55
12 Months	\$1.48	\$1.45	\$1.85	\$1.51	\$1.07	\$1.05	\$1.36	\$1.08	\$0.74	\$0.72	\$1.00	\$0.74
16 Months	\$1.97	\$1.93	\$2.46	\$2.01	\$1.43	\$1.40	\$1.81	\$1.44	\$0.98	\$0.96	\$1.33	\$0.98

Source: David Paul Rosen & Associates

Table 43
Long Beach Downtown Community Plan
Community Benefits Analysis
Development Budgets: DTP 80 Foot Height Limit Prototypes
Without City Development Impact Fees

Zoning: Land Use:	DTP 80-Foot Apartments	DTP 80-Foot Condos	DTP 80-Foot Office	DTP 80-Foot Hotel
<i>Residential Units</i>	97	93	0	0
<i>Retail Net SF</i>	12,800	12,800	12,800	0
<i>Office Net SF</i>	0	0	79,200	0
<i>Residential Net SF</i>	101,900	104,500	0	0
<i>Hotel Net SF</i>	0	0	0	112,500
<i>Total Net SF Building Area</i>	114,700	117,300	92,000	112,500
<i>Subterranean Parking Spaces - Level One</i>	67	67	67	67
<i>Subterranean Parking Spaces - Level Two</i>	0	0	0	0
<i>Total No. Above Ground Parking Spaces</i>	69	64	124	33
<i>Total Parking SF</i>	74,800	72,050	105,050	55,000
<i>Site Area (SF)</i>	43,560	43,560	43,560	43,560
Development Cost Budget				
Demolition of Existing Building	\$175,000	\$175,000	\$175,000	\$175,000
On-site Improvements	\$348,480	\$348,480	\$348,480	\$348,480
Building Shell Hard Costs	\$12,043,500	\$14,076,000	\$9,660,000	\$15,187,500
Underground Parking	\$1,340,000	\$1,340,000	\$1,340,000	\$1,340,000
Above Ground Parking	\$897,000	\$832,000	\$1,612,000	\$429,000
Hard Cost Contingency	\$731,449	\$829,824	\$648,024	\$865,249
Architecture/Engineering	\$731,449	\$829,824	\$648,024	\$865,249
Development Impact Fees and Permits (1)	\$478,929	\$488,630	\$217,254	\$279,445
Legal	\$146,290	\$165,965	\$129,605	\$173,050
Property Taxes During Construction	\$87,774	\$99,579	\$77,763	\$103,830
Insurance	\$146,290	\$165,965	\$129,605	\$173,050
Construction Loan Points	\$866,876	\$1,024,176	\$822,444	\$1,502,809
Construction Interest During Construction	\$619,197	\$731,554	\$587,460	\$1,073,435
Construction Interest During Lease-Up	\$247,679	\$292,622	\$234,984	\$429,374
Interest on Mezzanine Debt	\$1,507,591	\$1,397,789	\$932,049	\$21,056
Marketing/Lease Up	\$731,449	\$165,965	\$129,605	\$865,249
Soft Cost Contingency	\$278,176	\$268,103	\$195,440	\$274,327
Developer Overhead	\$2,565,255	\$2,787,777	\$2,146,528	\$2,892,732
Total Development Costs (Excluding Land)	\$23,942,383	\$26,019,252	\$20,034,264	\$26,998,837
TDC Per Housing Unit	\$246,829	\$279,777	N/A	N/A
TDC per Net Rentable SF	\$209	\$222	\$218	\$240

(1) Excludes all development impact and processing fees except building permit fee and school fees.

Source: David Paul Rosen & Associates

Table 44
Long Beach Downtown Community Plan
Community Benefits Analysis
Development Budgets: DTP 150 Foot Height Limit Prototypes
Without City Development Impact Fees

Zoning: Land Use:	DTP 150-Foot Apartments	DTP 150-Foot Condos	DTP 150-Foot Office	DTP 150-Foot Hotel
<i>Residential Units</i>	139	133	0	0
<i>Retail Net SF</i>	12,800	12,800	12,800	0
<i>Office Net SF</i>	0	0	112,500	0
<i>Residential Net SF</i>	145,900	149,400	0	0
<i>Hotel Net SF</i>	0	0	0	157,500
<i>Total Net SF Building Area</i>	158,700	162,200	125,300	157,500
<i>Subterranean Parking Spaces - Level One</i>	67	67	67	67
<i>Subterranean Parking Spaces - Level Two</i>	67	67	67	67
<i>Total No. Above Ground Parking Spaces</i>	55	47	131	6
<i>Total Parking SF</i>	103,950	99,550	145,750	77,000
<i>Site Area (SF)</i>	43,560	43,560	43,560	43,560
Development Cost Budget				
Demolition of Existing Building	\$175,000	\$175,000	\$175,000	\$175,000
On-site Improvements	\$348,480	\$348,480	\$348,480	\$348,480
Building Shell Hard Costs	\$23,805,000	\$26,763,000	\$17,542,000	\$31,500,000
Underground Parking	\$3,350,000	\$3,350,000	\$3,350,000	\$3,350,000
Above Ground Parking	\$715,000	\$611,000	\$1,703,000	\$78,000
Hard Cost Contingency	\$1,410,924	\$1,553,624	\$1,147,174	\$1,763,824
Architecture/Engineering	\$1,410,924	\$1,553,624	\$1,147,174	\$1,763,824
Development Impact Fees and Permits (1)	\$673,171	\$686,246	\$296,340	\$391,144
Legal	\$282,185	\$310,725	\$229,435	\$352,765
Property Taxes During Construction	\$169,311	\$186,435	\$137,661	\$211,659
Insurance	\$282,185	\$310,725	\$229,435	\$352,765
Construction Loan Points	\$1,632,831	\$1,870,731	\$1,335,136	\$2,681,937
Construction Interest During Construction	\$1,224,623	\$1,403,049	\$1,001,352	\$2,011,453
Construction Interest During Lease-Up	\$408,208	\$467,683	\$333,784	\$670,484
Interest on Mezzanine Debt	\$4,271,111	\$4,095,007	\$3,047,055	\$2,850,704
Marketing/Lease Up	\$1,410,924	\$310,725	\$229,435	\$1,763,824
Soft Cost Contingency	\$588,274	\$559,747	\$399,340	\$652,528
Developer Overhead	\$5,058,978	\$5,346,696	\$3,918,216	\$6,110,207
Total Development Costs (Excluding Land)	\$47,217,128	\$49,902,496	\$36,570,016	\$57,028,597
TDC Per Housing Unit	\$339,692	\$375,207	N/A	N/A
TDC per Net Rentable SF	\$298	\$308	\$292	\$362

(1) Excludes all development impact and processing fees except building permit fee and school fees.

Source: David Paul Rosen & Associates

Table 45
Long Beach Downtown Community Plan
Community Benefits Analysis
Development Budgets: DTP 240 Foot Height Limit Prototypes
Without City Development Impact Fees

Zoning: Land Use:	DTP 240-Foot Apartments	DTP 240-Foot Condos	DTP 240-Foot Office	DTP 240-Foot Hotel
<i>Residential Units</i>	207	198	0	0
<i>Retail Net SF</i>	12,800	12,800	12,800	0
<i>Office Net SF</i>	0	0	157,500	0
<i>Residential Net SF</i>	217,300	222,100	0	0
<i>Hotel Net SF</i>	0	0	0	230,625
<i>Total Net SF Building Area</i>	230,100	234,900	170,300	230,625
<i>Subterranean Parking Spaces - Level One</i>	67	67	67	67
<i>Subterranean Parking Spaces - Level Two</i>	67	67	67	67
<i>Total No. Above Ground Parking Spaces</i>	140	129	231	71
<i>Total Parking SF</i>	150,700	144,650	200,750	112,750
<i>Site Area (SF)</i>	43,560	43,560	43,560	43,560
Development Cost Budget				
Demolition of Existing Building	\$175,000	\$175,000	\$175,000	\$175,000
On-site Improvements	\$348,480	\$348,480	\$348,480	\$348,480
Building Shell Hard Costs	\$35,665,500	\$38,758,500	\$23,842,000	\$46,125,000
Underground Parking	\$3,350,000	\$3,350,000	\$3,350,000	\$3,350,000
Above Ground Parking	\$1,820,000	\$1,677,000	\$3,003,000	\$923,000
Hard Cost Contingency	\$2,059,199	\$2,206,699	\$1,527,174	\$2,537,324
Architecture/Engineering	\$2,059,199	\$2,206,699	\$1,527,174	\$2,537,324
Development Impact Fees and Permits (1)	\$835,549	\$850,589	\$403,215	\$572,656
Legal	\$411,840	\$441,340	\$305,435	\$507,465
Property Taxes During Construction	\$247,104	\$264,804	\$183,261	\$304,479
Insurance	\$411,840	\$441,340	\$305,435	\$507,465
Construction Loan Points	\$2,914,705	\$3,167,464	\$2,102,839	\$4,908,902
Construction Interest During Construction	\$1,943,137	\$2,111,643	\$1,401,893	\$2,945,341
Construction Interest During Lease-Up	\$971,568	\$1,055,821	\$700,946	\$1,963,561
Interest on Mezzanine Debt	\$6,611,847	\$6,360,488	\$4,523,074	\$5,956,779
Marketing/Lease Up	\$2,059,199	\$441,340	\$305,435	\$2,537,324
Soft Cost Contingency	\$923,299	\$867,076	\$587,935	\$1,137,065
Developer Overhead	\$7,536,896	\$7,766,914	\$5,351,075	\$9,280,460
Total Development Costs (Excluding Land)	\$70,344,363	\$72,491,197	\$49,943,370	\$86,617,625
TDC Per Housing Unit	\$340,035	\$366,315	N/A	N/A
TDC per Net Rentable SF	\$306	\$309	\$293	\$376

(1) Excludes all development impact and processing fees except building permit fee and school fees.

Source: David Paul Rosen & Associates

Table 46
Long Beach Downtown Community Plan
Community Benefits Analysis
Land Residual Analysis: DTP 80 Foot Height Limit Prototypes Without City Impact Fees

Zoning: Land Use:	DTP 80-Feet Apartments	DTP 80-Feet Condos	DTP 80-Feet Office	DTP 80-Feet Hotel
<i>Site Area (SF)</i>	43,560	43,560	43,560	43,560
<i>Retail Net SF</i>	12,800	12,800	12,800	-
<i>Office Net SF</i>	-	-	79,200	-
<i>Residential Net SF</i>	101,900	104,500	-	-
<i>Residential Units</i>	97	93	-	-
<i>Hotel Rooms</i>	-	-	-	200
<i>Hotel Net SF</i>	-	-	-	112,500
<i>Total Net SF Building Area</i>	114,700	117,300	92,000	112,500
Annual Net Operating Income	\$2,096,751	N/A	\$1,889,818	\$3,544,041
Total NOI Per SF	\$18.28	N/A	\$20.54	\$31.50
Cap Rate	8.00%	N/A	7.60%	7.80%
Capitalized Value or Net Sales Proceeds	\$26,209,390	\$30,965,250	\$24,866,021	\$45,436,417
Less: Total Development Cost Except Land	\$23,942,383	\$26,019,252	\$20,034,264	\$26,998,837
Total Development Cost Per NSF	\$209	\$222	\$218	\$240
Residual Land Value	\$2,267,007	\$4,945,998	\$4,831,757	\$18,437,580
Residual Land Value/SF Site Area	\$52.04	\$113.54	\$110.92	\$423.27
Residual Land Value/Dwelling Unit	\$23,371	\$53,183	N/A	N/A
Option 1				
Affordable Housing Requirement:	10% VLI Renter New Construction	15% Mod. Owner	\$10/SF	\$10/SF
Cost of Aff. Hsg. Requirement/Bldg. SF	\$19.83	\$10.34	\$10.00	\$10.00
Total Cost of Aff. Hsg. Requirement	\$2,274,073	\$1,213,305	\$920,000	\$1,125,000
Cost of Aff Hsg Require. Per SF Site Area	\$52.21	\$27.85	\$21.12	\$25.83
Residual Land Value	(\$7,066)	\$3,732,693	\$3,911,757	\$17,312,580
Residual Land Value/SF Site Area	(\$0.16)	\$85.69	\$89.80	\$397.44

Source: David Paul Rosen & Associates

Table 47
Long Beach Downtown Community Plan
Community Benefits Analysis
Land Residual Analysis: DTP 150 Foot Height Limit Prototypes Without City Impact Fees

Zoning:	DTP 150-Foot	DTP 150-Foot	DTP 150-Foot	DTP 150-Foot
Land Use:	Apartments	Condos	Office	Hotel
<i>Site Area (SF)</i>	43,560	43,560	43,560	43,560
<i>Retail Net SF</i>	12,800	12,800	12,800	-
<i>Office Net SF</i>	-	-	112,500	-
<i>Residential Net SF</i>	145,900	149,400	-	-
<i>Residential Units</i>	139	133	-	-
<i>Hotel Rooms</i>	-	-	-	280
<i>Hotel Net SF</i>	-	-	-	157,500
<i>Total Net SF Building Area</i>	158,700	162,200	125,300	157,500
Annual Net Operating Income	\$3,455,727	N/A	\$2,684,400	\$5,534,156
Total NOI Per SF	\$21.78	N/A	\$21.42	\$35.14
Cap Rate	8.00%	N/A	7.60%	7.80%
Capitalized Value or Net Sales Proceeds	\$43,196,590	\$49,490,250	\$35,321,053	\$70,950,712
Less: Total Development Cost Except Land	\$47,217,128	\$49,902,496	\$36,570,016	\$57,028,597
Total Development Cost Per NSF	\$298	\$308	\$292	\$362
Residual Land Value	(\$4,020,538)	(\$412,246)	(\$1,248,964)	\$13,922,115
Residual Land Value/SF Site Area	(\$92.30)	(\$9.46)	(\$28.67)	\$319.61
Residual Land Value/Dwelling Unit	(\$28,925)	(\$3,100)	N/A	N/A
Option 1				
Affordable Housing Requirement:	10% VLI Renter	15% Mod. Owner		
Cost of Aff. Hsg. Requirement/Bldg. SF	\$19.83	\$10.34	\$10/SF	\$10/SF
Total Cost of Aff. Hsg. Requirement	\$3,146,428	\$1,677,733	\$1,253,000	\$1,575,000
Cost of Aff Hsg Require. Per SF Site Area	\$72.23	\$38.52	\$28.76	\$36.16
Residual Land Value	(\$7,166,967)	(\$2,089,979)	(\$2,501,964)	\$12,347,115
Residual Land Value/SF Site Area	(\$164.53)	(\$47.98)	(\$57.44)	\$283.45

Source: David Paul Rosen & Associates

Table 48
Long Beach Downtown Community Plan
Community Benefits Analysis
Land Residual Analysis: DTP 240 Foot Height Limit Prototypes Without City Impact Fees

Zoning:	DTP 240-Feet	DTP 240-Feet	DTP 240-Feet	DTP 240-Feet
Land Use:	Apartments	Condos	Office	Hotel
<i>Site Area (SF)</i>	43,560	43,560	43,560	43,560
<i>Retail Net SF</i>	12,800	12,800	12,800	-
<i>Office Net SF</i>	-	-	157,500	-
<i>Residential Net SF</i>	217,300	222,100	-	-
<i>Residential Units</i>	207	198	-	-
<i>Hotel Rooms</i>	-	-	-	410
<i>Hotel Net SF</i>	-	-	-	230,625
<i>Total Net SF Building Area</i>	230,100	234,900	170,300	230,625
Annual Net Operating Income	\$5,483,279	N/A	\$3,758,160	\$8,103,585
Total NOI Per SF	\$23.83	N/A	\$22.07	\$35.14
Cap Rate	8.00%	N/A	7.60%	7.80%
Capitalized Value or Net Sales Proceeds	\$68,540,985	\$74,484,750	\$49,449,474	\$103,892,114
Less: Total Development Cost Except Land	\$70,344,363	\$72,491,197	\$49,943,370	\$86,617,625
Total Development Cost Per NSF	\$306	\$309	\$293	\$376
Residual Land Value	(\$1,803,378)	\$1,993,553	(\$493,897)	\$17,274,489
Residual Land Value/SF Site Area	(\$41.40)	\$45.77	(\$11.34)	\$396.57
Residual Land Value/Dwelling Unit	(\$8,712)	\$10,068	N/A	N/A
Option 1				
Affordable Housing Requirement:	10% VLI Renter	15% Mod. Owner	\$10/SF	\$10/SF
Cost of Aff. Hsg. Requirement/Bldg. SF	\$19.83	\$10.34	\$10.00	\$10.00
Total Cost of Aff. Hsg. Requirement	\$4,562,023	\$2,429,713	\$1,703,000	\$2,306,250
Cost of Aff Hsg Require. Per SF Site Area	\$104.73	\$55.78	\$39.10	\$52.94
Residual Land Value	(\$6,365,401)	(\$436,160)	(\$2,196,897)	\$14,968,239
Residual Land Value/SF Site Area	(\$146.13)	(\$10.01)	(\$50.43)	\$343.62

Source: David Paul Rosen & Associates

Table 49
Affordable Monthly Housing Expense ¹
Long Beach Downtown Community Plan Community Benefits Analysis
2010

<u>Bedroom Count/ Household Size</u>	<u>Percent of Area Median Income</u>			
	<u>Renters: 50% AMI</u>		<u>Owners: 100% AMI</u>	
	<u>Income²</u>	<u>Aff. Hsg Exp.</u>	<u>Income³</u>	<u>Aff. Hsg Exp.</u>
1 Bedroom/ 2 Persons	\$25,200	\$630	\$50,400	\$1,470
2 Bedroom/ 4 Persons	\$31,500	\$788	\$63,000	\$1,838
3 Bedroom/ 6 Persons	\$36,540	\$914	\$73,080	\$2,132

¹ Assumes 30% of income spent on housing for renters (rent plus utilities) and 35% for owners (principal, interest, taxes, insurance, utilities and homeownership association fee/maintenance expense), based on 2010 HUD median income of \$63,000 for Los Angeles County. Assumes household occupancy standard of two persons per bedroom.

² U.S. Department of Housing and Urban Development 2010 published very low income (50% of area median income) limits.

³ U.S. Department of Housing and Urban Development 2010 published income limits adjusted proportionally for 100% of area median income.

Source: U.S. Department of Housing and Urban Development; David Paul Rosen & Associates.

Table 50
Per Unit Affordability Gaps, Rental Prototypes
Long Beach Downtown Community Plan
Community Benefits Analysis
2010

Prototype	<u>DTP 80-Feet</u>	<u>DTP 150-Feet</u>	<u>DTP 240-Feet</u>
Number of Units	97	139	207
Average Unit Square Feet	1,050	1,050	1,050
Average Site Area Per Unit (1)	449	313	210
Estimated Land Cost Per SF Site Area	\$31	\$31	\$31
<u>50% of Median</u>			
Average Per Unit Development Cost (Exclud. Land)	\$255,607	\$348,183	\$348,309
Plus: Estimated Land Acquisition Cost/Unit	\$14,000	\$10,000	\$7,000
Total Average Per Unit Development with Land	\$269,607	\$358,183	\$355,309
Less: Average Per Unit Supportable Mortgage	\$61,431	\$61,336	\$61,349
Average Per Unit Affordability Gap	\$208,176	\$296,847	\$293,961
Gap Per SF at Affordable Hsg. Requirement of:			
5%	\$9.91	\$14.14	\$14.00
10%	\$19.83	\$28.27	\$28.00
15%	\$29.74	\$42.41	\$41.99

Source: David Paul Rosen & Associates

Table 51
Per Unit Affordability Gaps, Owner Prototypes
Long Beach Downtown Community Plan
Community Benefits Analysis
2010

Condominium Prototype	<u>DTP 80-Feet</u>	<u>DTP 150-Feet</u>	<u>DTP 240-Feet</u>
Number of Units	139	139	207
Average Unit Square Feet	1,120	1,120	1,120
Average Sq. Ft. Site Area Per Unit	313	313	210
Estimated Land Acquisition Cost/SF	\$55	\$55	\$55
<u>100% of Median</u>			
Average Unit Development Cost	\$290,182	\$385,314	\$376,196
Plus: Estimated Land Acquisition Cost Per Unit	\$17,000	\$17,000	\$12,000
Total Average Per Unit Development with Land	<u>\$307,182</u>	<u>\$402,314</u>	<u>\$388,196</u>
Less: Average Per Unit Affordable Sales Price	<u>\$229,949</u>	<u>\$229,438</u>	<u>\$228,974</u>
Average Per Unit Affordability Gap	\$77,232	\$172,876	\$159,221
	\$68.96	\$154.35	\$142.16
Gap Per SF at Affordable Hsg. Requirement of:			
5%	\$3.45	\$7.72	\$7.11
10%	\$6.90	\$15.44	\$14.22
15%	\$10.34	\$23.15	\$21.32

Source: David Paul Rosen & Associates

Table 53
Average Affordable Mortgage Calculation, Rental Prototypes
Long Beach Downtown Community Plan
Community Benefits Analysis
2010

Prototype	<u>DTP 80-Feet</u>	<u>DTP 150-Feet</u>	<u>DTP 240-Feet</u>
Total Housing Units	97	139	207
Average Unit Square Feet	1,050	1,050	1,050
Number of Units by Unit Bedroom Count			
Studio/One Bedroom	24	35	52
Two Bedroom	73	104	155
Three Bedroom	0	0	0
Four Bedroom	0	0	0
Per Unit Affordable Mortgage by Bedroom Count			
<u>50% of Median</u>			
Studio/One Bedroom	\$45,100	\$45,100	\$45,100
Two Bedroom	\$66,800	\$66,800	\$66,800
Three Bedroom	\$83,100	\$83,100	\$83,100
Four Bedroom	\$98,900	\$98,900	\$98,900
Aggregate Affordable Mortgage by Bedroom Count			
<u>50% of Median</u>			
Studio/One Bedroom	\$1,082,400	\$1,578,500	\$2,345,200
Two Bedroom	\$4,876,400	\$6,947,200	\$10,354,000
Three Bedroom	\$0	\$0	\$0
Four Bedroom	\$0	\$0	\$0
Total	\$5,958,800	\$8,525,700	\$12,699,200
Average Per Unit	\$61,431	\$61,336	\$61,349

Source: David Paul Rosen & Associates

Table 54
Affordable Mortgage Calculation, Owner Housing
Long Beach Downtown Community Plan
Community Benefits Analysis
2010

ASSUMPTIONS

2010 HUD Median Income, Los Angeles-Long Beach MSA, Family of Four \$63,000
 Affordable Housing Expense As a % of Income 35%

No. of Bedrooms	1 Bedroom	2 Bedroom	3 Bedroom
Household Size, Health and Safety Code	2 Persons	4 Persons	6 Persons
Household Size Income Adjust. Factor, Tax Credits	80%	100%	116%
Owner Utility Allowance (1)	\$98	\$119	\$144
Monthly HOA Fee/Maint. Cost	\$100		
Monthly Property Insurance	\$50		
Property Tax Rate	1.20%		
Mortgage Interest Rate	5.50%		
Term (Years)	30		
Downpayment (% of Sales Price)	10.00%		

Affordable Sales Price by Income Level

	1 Bedroom	2 Bedroom	3 Bedroom
<u>100% AMI</u>			
Annual Income Limit	\$50,400	\$63,000	\$73,080
Affordable Monthly Housing Expense	\$1,470	\$1,838	\$2,132
Less: Monthly Utility Allowance (1)	(\$98)	(\$119)	(\$144)
Less: HOA/Maintenance Expense	(\$100)	(\$100)	(\$100)
Less: Property Insurance	(\$50)	(\$50)	(\$50)
Available for Principal, Interest, Taxes	\$1,222	\$1,569	\$1,838
Less: Property Taxes (2) 1.20%	\$239	\$307	\$360
Supportable Mortgage Before Prop. Taxes	\$215,221	\$276,335	\$323,712
Assumed Assessed Value at Sale 90.00%	\$239,134	\$307,039	\$359,680
Available for Mortg. Principal and Interest	\$983	\$1,262	\$1,478
Supportable Mortgage	\$173,104	\$222,259	\$260,364
Plus: Downpayment @ 10.00%	\$19,230	\$24,700	\$28,930
Affordable Sales Price (Rounded)	\$192,300	\$247,000	\$289,300

(1) Source: Long Beach Housing Authority, effective February 1, 2010. Includes natural gas cooking heating and water heating, basic electricity, trash, water and sewer for owners.

(2) Calculated based on assessed value equal to affordable mortgage plus 10% downpayment.
 Source: David Paul Rosen & Associates.

Table 55
Average Affordable Sales Price Calculation, Owner Prototypes
Long Beach Downtown Community Plan
Community Benefits Analysis
2010

Prototype	<u>DTP 80-Feet</u>	<u>DTP 150-Feet</u>	<u>DTP 240-Feet</u>
Total Housing Units	97	139	207
Average Unit Square Feet	1,120	1,120	1,120
Number of Units by Unit Bedroom Count			
Studio/One Bedroom	23	33	50
Two Bedroom	56	80	119
Three Bedroom	14	20	29
Four Bedroom	0	0	0
Per Unit Affordable Sales Price by Bedroom Count			
<u>100% of Median</u>			
Studio/One Bedroom	\$192,300	\$192,300	\$192,300
Two Bedroom	\$247,000	\$247,000	\$247,000
Three Bedroom	\$289,300	\$289,300	\$289,300
Four Bedroom	\$331,300	\$331,300	\$331,300
Aggregatate Affordable Sales Revenue by Bedroom Count			
<u>100% of Median</u>			
Studio/One Bedroom	\$4,422,900	\$6,345,900	\$9,615,000
Two Bedroom	\$13,832,000	\$19,760,000	\$29,393,000
Three Bedroom	\$4,050,200	\$5,786,000	\$8,389,700
Four Bedroom	\$0	\$0	\$0
Total	\$22,305,100	\$31,891,900	\$47,397,700
Average Per Unit	\$229,949	\$229,438	\$228,974

Source: David Paul Rosen & Associates

Table 56
Summary of Development Impact Fees Charged By Area Cities *
For Sample Project
Data as of 1/19/11

* Exclusive of School District Impact Fees

CITY	Long Beach	Anaheim	Culver City	Irvine	Santa Ana	Los Angeles	Glendale
Fees included:	Fire, Police and Parks & Rec Facilities, Transp Impr ¹	Connection, Sewer Impact ³ , Storm Drain ³ , Sanitation District ⁴	New Development Impact Fee, Development Surcharge	Corridor Fee ⁵ , Irvine Business Complex Dev Fee ⁵ IH In Lieu Fee ¹⁰	Transp Impr ^{3,6} , Drainage Assessment ³ , Sanitation District ⁴	Arts Development Fee ⁷	Development Impact Fee ⁸ , Sewer Connection Fee ⁹ IH In Lieu Fee ¹⁰
RETAIL 50,000 sf building 0.5 acre plus sewer connection fee:	\$5.21 \$95.98 per fixture	\$7.35 \$350 per acre	\$1.10 NA	\$25.46 NA	\$5.02 \$87.72 per fixture	\$1.31 NA	\$3.20 included
RESIDENTIAL, per unit SF - 3 bedroom, 1,800 sf, detached, 12 units/acre, MF - 2 bedroom, 960 sf, 50 units/acre plus sewer connection fee:	SF - \$6,937 MF - \$5,603 \$95.98 per fixture	SF - \$13,135 MF - \$10,406 \$350 per acre	SF & MF - \$250 NA	SF - \$23,642 MF - \$21,976 NA	SF - \$6,990 MF - \$3,459 \$87.72 per fixture	NA	SF: \$32,123 MF: \$20,678 included
OFFICE 50,000 sf building 0.5 acre plus sewer connection fee:	\$3.86 \$95.98 per fixture	\$5.78 \$350 per acre	\$1.10 NA	\$25.46 NA	\$5.02 \$87.72 per fixture	\$1.57 NA	\$4.21 included
HOTEL 35 rooms 50,000 sf building 0.5 acre plus sewer connection fee:	\$1.65 \$95.98 per fixture	\$3.23 \$350 per acre	\$1.10 NA	\$11.75 NA	\$5.02 \$87.72 per fixture	\$0.52 NA	\$0.62 included
INDUSTRIAL 50,000 sf building 0.5 acre plus sewer connection fee:	\$1.45 NA	\$3.68 \$350 per acre	\$1.10 NA	\$11.03 NA	\$5.02 \$87.72 per fixture	\$0.51 NA	\$2.00 included

¹ Assumes project is in Downtown CBD Area.

² Sample project Transportation Improvement Fee estimate includes per square foot fee but not non-residential peak hour trip end fee of \$1,103 per trip. Assumes project is not in Eastern Transportation Corridor.

³ Assumes average of fee rates for City's areas and zones.

⁴ Assumes average demand.

⁵ Assumes project is located in a Transportation Corridor and in the Irvine Business Complex. Assumes an average of the City's Transportation Corridor fee rates.

⁶ Assumes project is not in Foothill/Eastern or San Joaquin Hills Transportation Corridors.

⁷ Does not include Transportation Fees assessed for projects within the following Specific Plan areas: Coastal Transportation Corridor, West Los Angeles Transportation and Mitigation Spec. Plan, Central City West Spec. Plan, Warner Center Spec. Plan, Ventura Corridor Spec. Plan, Porter Ranch Spec. Plan and Colorado Boulevard Spec. Plan. Fees vary by Plan area and are assessed per trip generated.

⁸ Library and Parks Development Impact Fee amount is phased in, with the final fee increase occurring in December 2013. The fees here reflect the fee level as of January 2011. Urban Arts Fees are not included here. They are assessed for projects within Commercial and Mixed Use Zones that do not include on-site art valued at at least 2 percent of the project value. The in lieu fee is calculated based on a percentage of project value.

⁹ Estimated based on building type, size and estimated gallons of water per day of water use.

¹⁰ Includes City of Irvine inclusionary housing in lieu fee for residential uses of \$12,471 per unit.

¹¹ Includes City of Glendale inclusionary housing in lieu fee for residential uses at \$13 per square foot, which applies only to development in the San Fernando Redevelopment Project Area.

Appendix A: Long Beach Downtown Community Plan Nexus Analysis



March 31, 2011



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RTC-305



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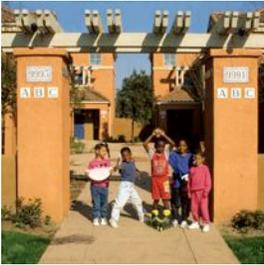


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I. Executive Summary

A. Introduction

As part of its community benefits analysis of the Long Beach Downtown Community Plan (DTCP or the “Plan”), David Paul Rosen & Associates (DRA) prepared a nexus study examining the legality and basis for establishing a rational nexus between non-residential development and the need for affordable housing in the Plan area. To the extent that new non-residential development in the Plan area increases demand for housing and exacerbates the City’s shortage of affordable housing, the City has a strong public interest in, and a legal basis for, causing new housing to be developed to meet this additional demand.

In addition to market rate housing, future employment growth will generate demand for housing affordable to lower and moderate income workers. At least 23 local jurisdictions in California, such as San Diego, Sacramento and San Francisco, have established commercial development linkage fees, also known as nexus fees, to generate revenues for affordable housing development¹. Through payment of these fees, non-residential developers mitigate at least a portion of the impact of their developments on the housing market. This study analyzes the supportable fee in Long Beach based on the nexus between non-residential development and affordable housing in the Downtown Community Plan Area.

This report describes the methodology, assumptions and findings of the nexus analysis. The nexus analysis estimates the number of low and moderate income households associated with development of office, retail, and hotel development in

¹ California local jurisdictions imposing linkage fees include: Alameda County, City of Berkeley, City of Corte Madera, City of Cupertino, City of Livermore, Marin County, City of Menlo Park, City of Milpitas, City of Mountain View, Napa County, City of Oakland, City of Palo Alto, City of Petaluma, City of Pleasanton, City of Sacramento, Sacramento County, City of San Diego, City/County of San Francisco, City of Santa Monica, City of Sunnyvale, Sonoma County, City of Walnut Creek, City of West Hollywood.



the Plan area. It is based on the demographic and economic characteristics of employees expected to work in those developments.

The maximum supportable nexus fee for commercial development in the Plan area is estimated based on the results of the nexus analysis and an affordability gap analysis of the difference between housing development costs in the Plan area and the amount low and moderate income residents can afford to pay for housing.

B. The Nexus Requirement

In order to establish a nexus fee on commercial development to increase the production of affordable housing, a local jurisdiction must demonstrate that there is a reasonable relationship between non-residential construction and the need for housing affordable to low and moderate income groups.

In essence, the legal requirement is that a local government charging a fee make some affirmative showing that: (1) those who must pay the fee are contributing to the problem which the fee will address; and (2) the amount of the fee is justified by the magnitude of the fee-payer's contribution to the problem.

Fees on development in California are subject to two overlapping sets of legal requirements, constitutional requirements of nexus and "rough proportionality" under the U. S. Supreme Court cases of Nollan v. California Coastal Commission (1987) 483 U. S. 825 and Dolan v. City of Tigard (1994) 512 U. S. 374, and California's statutory "reasonable relationship" requirements under California Government Code sections 66000-66010. Although legally distinct, these two standards are substantively similar and in practice a development fee that satisfies one will almost certainly satisfy both. The California Supreme Court in Ehrlich v. City of Culver City (1996) 12 Cal. 4th 854, 867 concluded that the two standards "for all practical purposes, have merged."

The Supreme Court's decision on the Nollan v. California Coastal Commission imposed a requirement that a "rational nexus" be demonstrated between the impact associated with an action and the remedy being required or, in the case of a fee, the use of the funds being extracted from the developer.

To implement the Nollan decision in California, the State Legislature passed A.B. 1600, which requires local jurisdictions to establish a reasonable relationship between a development project or class of development project, and the public improvement for which the developer fee is charged, and to segregate and account for the money separately from general fund monies.



There is currently little dispute that commercial development, by increasing employment, also increases the demand for housing for the added employees, and that market housing development, with no public assistance, will not provide enough additional housing for the additional lower-earning employees.

C. Nexus Methodology

The numerical nexus analysis in this report identifies the number of households of low and moderate income levels associated with the employees that work in a building of a given size and land use type in the Long Beach Downtown Community Plan area, and calculates the development impact fee required to make housing affordable to those households.

This analysis determines the number of employee households in each of the following three income categories:

Very low income: those earning less than 50% of area median income;

Low income: those earning between 50% and 80% of area median income;

Moderate income: those earning between 80% and 120% of area median income.

We examined the development of 100,000 square foot building modules of three land use types: office, community retail and hotel. These land uses were selected to match the development prototypes modeled in the Downtown Community Plan Community Benefits Analysis.

The nexus analysis employs a tested nexus and gap methodology that has proven acceptable to the courts. The economic analysis uses a conservative approach to understate the legally supportable fee amount. Therefore, the housing impacts are likely even greater than indicated in the analysis. Using conservative assumptions, justified fee amounts are still above those likely to be considered reasonable and sustainable in the market.

The nexus economic analysis methodology employs the following seven steps. A detailed discussion of the assumptions used in the nexus analysis is contained below.

1. Estimate total new employees;



2. Estimate new employees living in the city of Long Beach;
3. Adjust for potential future increase in labor force participation;
4. Estimate the number of new households represented by the number of new employees;
5. Distribute households by occupational groupings for each land use;
6. Estimate employee households meeting very low, low, and moderate income limits, adjusted for household size; and,
7. Adjust for multiple earner households.

The results of these seven steps is the estimated number of households by land use living in Long Beach and qualifying as very low, low or moderate income based on development in the Plan area. DRA used a housing affordability gap analysis methodology to calculate the development impact fee required to make housing affordable to these new Long Beach households. The affordability gap analysis calculates the capital subsidy required to develop housing affordable to families at specified income levels.

The affordability gap was estimated for the 80 foot apartment and condominium housing prototypes modeled in the Community Benefits Analysis. For rental housing, the gap analysis calculates the difference between total development costs and the conventional mortgage supportable by net operating income from affordable rents. For owners, the gap is the difference between development costs and the supportable mortgage plus the buyer's downpayment.

The results of the gap analysis were used to determine the fee amount by land use that would be required to develop housing affordable to the very low, low and moderate income households who will need to find housing in Long Beach in connection with new non-residential development in the City.

D. Summary of Findings

1. Justifiable Nexus Fee

The economic analysis estimated supportable nexus fees under consistently conservative assumptions. Table 1 summarizes the justifiable nexus fees by land use.



Table 1

**Justifiable Nexus Fee
City of Long Beach**

Household Income Category	Office	Community Retail	Hotel
Very Low	\$16.65	\$27.06	\$8.33
Low	\$9.26	\$11.11	\$3.70
Moderate	\$6.18	\$3.09	\$0.77
Total	\$32.09	\$41.27	\$12.80

The analysis indicates that a nexus fee of up to \$16.65 per square foot on office uses is justifiable to provide affordable housing for very low income households, up to \$9.26 per square foot for low income households, and up to \$6.18 per square foot for moderate income households. Therefore, the total justifiable nexus fee for office uses is \$32.09 per building square foot.

For community retail uses, a nexus fee of up to \$27.06 per square foot is justifiable to provide affordable housing for very low income households, up to \$11.11 per square foot for low income households, and up to \$3.09 for moderate income households. The total justifiable nexus fee for community retail uses is \$41.27 per building square foot.

For hotel uses, a nexus fee of up to \$8.33 per square foot is justifiable to provide affordable housing for very low income households, up to \$3.70 per square foot for low income households, and up to \$0.77 for moderate income households. The total justifiable nexus fee for hotel uses is \$12.80 per building square foot.



II. Nexus Analysis

A. Summary

In order to establish a nexus fee on commercial development to increase the production of affordable housing, the City of Long Beach, or any local jurisdiction, must demonstrate that there is a reasonable relationship between non-residential construction and the need for housing affordable to low and moderate income groups.

In essence, the legal requirement is that a local government charging a fee make some affirmative showing that: (1) those who must pay the fee are contributing to the problem which the fee will address; and (2) the amount of the fee is justified by the magnitude of the fee-payer's contribution to the problem. Our nexus analysis is designed to demonstrate the economic relationship between non-residential development and the need for affordable housing in Long Beach. We employ consistently conservative assumptions, so that our calculation of the justifiable fee understates the supportable nexus calculation for each building type.

1. Income Levels and Building/Land Use Types

This analysis determines the number of employee households in each of the following three income categories:

Very low income: those earning less than 50% of area median income;

Low income: those earning between 50% and 80% of area median income;

Moderate income: those earning between 80% and 120% of area median income.

We examined the development of 100,000 square foot building modules of office, community retail and hotel land uses.



2. Nexus Methodology

The nexus economic analysis methodology employs the following seven steps:

1. Estimate total new employees;
2. Estimate new employees living in the city of Long Beach;
3. Adjust for potential future increase in labor force participation;
4. Estimate the number of new households represented by the number of new employees;
5. Distribute households by occupational groupings for each land use;
6. Estimate employee households meeting very low, low, and moderate income limits, adjusted for household size; and,
7. Adjust for multiple earner households.

The results of these seven steps is the estimated number of households by land use living in Long Beach and qualifying as very low, low or moderate income. The results of a housing affordability gap analysis are then used to determine the fee amount by land use that would be required to develop housing affordable to the very low, low and moderate income households who will need to find housing in Long Beach in connection with new non-residential development in the Plan area.

3. Conclusions

The primary conclusion is that a clear nexus exists between the employees of the various commercial buildings and the number of lower and moderate income households associated with the buildings.

The numerical results of the analysis are that for every 100,000 square feet of building area, on average, there are a number of very low and low income employee households that will live in the City of Long Beach, as summarized in **Table 2** below. Community retail uses are associated with the highest number of qualifying households per 100,000 square feet, because of the relatively high employment density and high percentage of low wage workers associated with



retail buildings. For every 100,000 square feet of office space, 21 new resident very low, low and moderate income households will be created.

Table 2			
Estimated Income-Qualifying Employee Households			
Per 100,000 Square Feet Of Building Area			
By Land Use Type			
Number of Households Per 100,000 SF Building			
Land Use/ Building Type	Very Low Income 50% AMI or Below	Low Income 50% to 80% AMI	Moderate Income 80% to 120% AMI
Office	8	5	8
Community Retail	13	6	4
Hotel	4	2	1

B. Methodology and Assumptions

The analysis presented in this report has been based on a variety of sources. Data from the 2010 U.S. Census is not yet available. Therefore, the 2000 U.S. Census was frequently utilized, with comparisons to the 1990 Census. Other principal data sources include the California State Employment Development Department (EDD) and the Southern California Association of Governments. Data specific to the City of Long Beach were used wherever possible.

In a few cases where limited current data is available, estimates were based on the best available data.

This analysis requires a number of assumptions. In all cases, we consistently employ conservative assumptions that serve to understate the nexus calculation. The cumulative effect of these assumptions understates the supportable nexus calculation for each building type. We do not believe, therefore, that changing individual assumptions would fundamentally alter the conclusions of the analysis.

Each of the steps in the nexus analysis is described below, along with corresponding assumptions and data sources.



1. Estimate Total New Employees

The first step estimates the total number of direct employees who will work at or in the building type being analyzed. This step implicitly assumes that all employees are new employees to the City. If the employees in a building have relocated from other buildings, they will have vacated spaces that will be filled by other employees. A subsequent step in this analysis adjusts for existing unemployed Long Beach residents who may be hired in the building.

The estimate of the number of employees that will be working in each 100,000 square foot building module is based on an employment density factor for each land use (i.e. number of square feet per employee). For all of the land uses except hotel, the gross building area is divided by the employment density factor to calculate employment, as illustrated below:

$$\begin{array}{ccccccc} \text{Gross Building} & & \text{divided by} & & \text{Employment} & & = & & \text{Employment} \\ \text{Area} & & & & \text{Density} & & & & \end{array}$$

For hotels, employment generation can be related to building square feet or the number of hotel rooms.

The employment density factor is different for each land use and can vary within each land use. DRA reviewed industry standards and trends in employment density factors as reported by the Urban Land Institute. DRA also reviewed an employment density study prepared for the Southern California Association of Governments (SCAG) by The Natelson Company, Inc. in October, 2001.

The Natelson study developed employment density factors for ten major land use categories. The study first developed employee per acre factors using acreage data from the SCAG land use database and employment data from various sources including Dun & Bradstreet and the State of California Employment Development Department. The study then derived building square feet per employee factors based on a sample of assessor's parcel records. The Natelson study developed employment density factors based on both median and average employees per acre and FAR calculations. The resulting factors for both Los Angeles County and the six-county SCAG region are summarized in **Table 3** below.

According to the 1998 Urban Land Institute, "Office Development Handbook," ten years ago, the industry rule of thumb for office uses was 250 square feet of space per employee, including a proportionate share of the lobby, corridor and restroom space in office buildings. Today, less space per employee is the norm, with many



new office buildings providing 200 square feet or less per employee.² The Natelson study shows more space per employee for office uses, ranging from 319 to 471 square feet per employee for office uses in Los Angeles County. To be conservative, DRA selected a factor for office uses approximating the results of the Natelson study.

Table 3
Square Feet Per Employee By Land Use³
Natelson Employee Density Study

Land Use Category	Los Angeles County	Six-County Region
Regional Retail	N/A	857
Other Retail/ Services	424	344
Low-Rise Office	319	288
High-Rise Office	440	311
Hotel/Motel	N/A	1,152
R&D/ Flex Space	1,796	344
Light Manufacturing	829	439
Warehouse	1,518	814
Government Offices	1,442	261

N/A = Insufficient data to develop employment density factor for that land use/geography.

Source: The Natelson Company, Inc., "Employment Density Study," prepared for the Southern California Association of Governments, October 31, 2001.

In retail development, the opposite trend is true. "Big box" warehouse club retailers represent one of the new, successful trends in retail development. These

² Source: 1998 Urban Land Institute, "Office Development Handbook," Second Edition.

³ Factors derived from average employees per acre and average FAR.



stores generally have a lower employment density than the historical rule of thumb for retail of approximately 300 to 400 square feet per employee. Retail employee densities in more traditional community retail prototypes are likely to remain higher.

Although light manufacturing facilities vary in terms of employment generation, we have assumed an employment density factor of 800 square feet per employee, consistent with the Natelson study figure for light manufacturing uses in Los Angeles County.

For hotels, the number of employees per room typically varies from 0.5 to 0.8, with higher-end hotels having the higher employment density. Using a mid-point of 0.65 employees per room and assuming an average of 750 square feet per room, including common and lobby spaces, this translates into 1,149 square feet per employee. This is virtually identical to the figure for hotel uses in the Natelson study.

Based on this review, the employment density factors used in this analysis are as follows:

- Office 400 sq. ft./employee
- Community Retail 400 sq. ft./employee
- Hotel 0.65 employees per room⁴

Sources: Urban Land Institute; The Natelson Company, "Employment Density Study," October 31, 2001.

2. Estimate Employees Living in the City of Long Beach

This step estimates the number of new residents in Long Beach that would be associated with new employment growth in the City. The extent to which employees in new non-residential developments will be filled by new Long Beach residents, or by employees who would reside in Long Beach if affordable housing were available, is a critical factor in the nexus economic analysis. With this assumption, as with the other variables in the analysis, we have chosen to be conservative.

⁴ Projections assume 750 square feet per room; equivalent to 1,149 square feet per employee.



The 1990 Census indicates that 44.5 percent of the people who worked in the City also resided in the City. 2000 Census data indicate that this percentage declined to 33.4 percent by 1999. This is likely due to the economic recession of the early 1990's, in general, and the major loss of jobs at Boeing manufacturing plants in Long Beach, in particular.

For the purposes of this analysis, we have assumed that 33 percent of new Long Beach workers will reside in the City of Long Beach. This is a conservative assumption given that lower income workers (the focus of a potential fee) tend to live closer to work. Using this factor, the number of employees residing in Long Beach is calculated for each land use as follows:

$$\text{Employment} \times \begin{matrix} \text{Percentage of} \\ \text{Workers Residing} \\ \text{in the City of Long Beach} \end{matrix} = \begin{matrix} \text{Employees} \\ \text{Residing in the City} \\ \text{of Long Beach} \end{matrix}$$

Source: 1990 and 2000 U.S. Census, STF 3A.

3. Adjust for Potential Increase in Labor Force Participation

While most new workers in non-residential development in Long Beach will come from outside of the City, DRA evaluated the extent to which new jobs are likely to be filled by existing residents in the City. This step reduces the number of new employees expected to need new housing in Long Beach, to take into account employees who were previously living in the City but were not previously working.

During the 1970's and 1980's, many people, particularly women, entered the labor force for the first time, or the first time after a lengthy absence. Labor participation rates increased during this period. 1990 Census data indicate that 67.3 percent of persons 16 years and over were in the labor force. By 2000, this percentage declined to 61.7 percent. Again, this decline is likely due to the economic recession and loss of jobs at Boeing plants during the 1990's.

In addition to new workers entering the labor force, another potential source of new employees is the pool of unemployed workers in the City. Unemployment in Long Beach area was at historically low rates in the 1990's. In 1990, the annual average unemployment rate for the City of Long Beach was 5.5 percent, dropping to 5.0 percent in 2000. The unemployment rate increased to 12.1 percent in November 2010, according to the United States Department of Labor Bureau of Labor Statistics.



Given the currently high employment rate, a significant proportion of new jobs in Long Beach may be filled by existing unemployed residents. In addition, with the recent decline in labor participation rates, there is some room for increased labor participation by the existing population. For the purpose of this analysis, we estimate 10 percent of all new jobs will be filled by residents of existing Long Beach households to take account of both of these factors.

Source: 1990 and 2000 U.S. Census; U.S. Bureau of Labor Statistics.

4. Estimate Number of Households

Since demand for affordable housing is based on households and not the total population, this step estimates the number of households represented by a given number of employees. Many households contain more than one worker, so each new employee does not necessarily mean a new household.

The 1990 Census reported 197,118 employed residents and 158,975 households in Long Beach, for a ratio of 1.24 employees per household. Long Beach has a large number of elderly households with no workers, therefore including them in the ratio skews the rate of household formation. Therefore, we also calculated the ratio of non-elderly workers to non-elderly households in Long Beach. 1990 Census data indicate that there were 506 employed residents aged 65 years or older and 29,897 households with a household head aged 65 years or older in Long Beach. Therefore, there were 196,612 non-elderly workers in Long Beach, compared to an estimated 129,078 non-elderly households, for a ratio of 1.52 non-elderly workers per non-elderly household.

The 2000 Census reported 189,487 employed residents and 163,088 households in Long Beach, for a ratio of 1.16 employees per household. 2000 Census data indicate that there were 4,508 employed residents aged 65 year or older and 24,920 households with a household head aged 65 year or older in Long Beach. Therefore, there were 184,979 non-elderly workers in Long Beach and 138,168 non-elderly households, for a ratio of 1.34 non-elderly workers per non-elderly household.

For the purposes of this analysis, we have used a factor of 1.34 workers per household, based on the most recent Census data for non-elderly households. Or stated another way, for every 100 workers, we assume 75 new households will be formed. Using this factor, the number of households is calculated as follows:



$$\begin{array}{l} \text{Employees} \\ \text{In New} \\ \text{Households} \end{array} \quad \text{divided by} \quad \begin{array}{l} \text{Average Number} \\ \text{of Workers per} \\ \text{Household} \end{array} = \begin{array}{l} \text{New} \\ \text{Households} \end{array}$$

Sources: 1990 U.S. Census, STF 1 and STF 3; 2000 U.S. Census, SF 1 and SF 3.

5. Distribute Employee Households By Occupation

This step distributes households by occupational groupings for each land use. This step is necessary to be able to accurately estimate new workers' incomes. Our estimates are based on a review of the 1990 U.S. Census Occupation by Industry Survey, which is the only source available that provides cross-tabulations of occupation by industry. For purposes of this analysis, we have used the occupational groupings defined by the State of California Employment Development Department, for consistency with the occupational wage data used in Step 6. These categories are generally similar to those used by the Census. For each land use category, the total number of new worker households is disaggregated into occupational categories as follows:

Occupational Category	Light			
	Office	Manufacturing	Retail	Hotel
Managerial/Administrative	21%	9%	15%	6%
Professional/Technical	16%	8%	5%	3%
Sales and Related	8%	0%	52%	0%
Clerical/Administrative Support	45%	23%	10%	15%
Service	5%	0%	0%	70%
Production/Operating/Maintenance	5%	60%	18%	6%
Total	100%	100%	100%	100%

Table 4 calculates the number of employees by occupational category and land use generated for each 100,000 square feet of new development.

Source: 1990 U.S. Census, Occupation by Industry Survey



6. Estimate Employee Households Meeting Very Low, Low and Moderate Income and Household Size Criteria Definitions

This step estimates the number of employee households in the occupational categories used in Step 5 that meet very low, low and moderate income criteria. First, typical wages are estimated for employees in each occupational category. Since HUD income limits depend on both household size and household income, we also estimate household sizes. Using available wage and household size data, we determine the number of employee households by land use that meet the very low, low and moderate income limits.

A. ESTIMATED WAGES BY OCCUPATION

The primary source of information for this step was State of California Employment Development Department wage data by occupation for the Los Angeles-Long Beach MSA, for First Quarter, 2010. Data on mean, 25th percentile and 75th percentile hourly wages by occupation were used to estimate the percentage of employees earning salaries in the very low, low or moderate income categories based on the 2010 HUD income limits for Los Angeles-Long Beach MSA.

Table 5 summarizes the 2010 wage survey data by major occupational category. These weighted average hourly wage data are derived from wages on 600 occupational categories.

B. ESTIMATED HOUSEHOLD SIZES

HUD's criteria for qualifying households as very low, low or moderate income are dependent on a household meeting certain income limits. HUD income limits are adjusted by household size, with higher income limits for larger households. The distribution of non-elderly households by household size for Long Beach in 2000 is summarized below.



**Distribution of Households by Household Size
Households with Householder Less than 65 Years of Age
City of Long Beach
2000 Census**

Household Size	No.	%
1 Person	48,207	29.6%
2 Persons	44,338	27.2%
3 Persons	23,471	14.4%
4 Persons	20,297	12.4%
5 Persons	12,837	7.9%
6 Persons	6,972	4.3%
7 or More	6,966	4.3%
Total	119,857	100.0%

C. ESTIMATED QUALIFYING HOUSEHOLDS

As noted above, HUD income limits vary by household size. DRA's estimated the percentage of employees in each occupational category meeting low and moderate income limits based on the wage survey data and HUD 2010 income limits for the Los Angeles-Long Beach MSA. The percentage distribution of hourly wages by occupation was compared to very low, low and moderate income limits translated into hourly wages. A separate percentage distribution was calculated for income limits for household sizes of 1 through 5 persons. The weighted average percentages were then calculated based on the distribution of households by household size for Long Beach in 2000, shown above.

Sources: California Employment Development Department, Occupational Employment Statistics (OES) Survey, First Quarter, 2010; U.S. Department of Housing and Urban Development; 2000 U.S. Census.

7. ADJUST FOR MULTIPLE EARNER HOUSEHOLDS

Some households have two or more incomes such that the combined incomes will place the household over very low, low or moderate income limits. This last step makes an adjustment to eliminate households that have two or more earners. This



is a very conservative assumption since many households with two wage earners still qualify as very low income.

According to 2000 U.S. Census data, 43 percent of worker families have only one wage earner. For those households, the salary of the wage earner calculated in the steps above is also the household income for that wage earner. We have used this 43 percent factor to eliminate two wage-earner households that, as we have noted, is a conservative assumption.

This final adjustment produces the number of lower income households directly associated with the construction of 100,000 square feet of building area by type as follows:

Number of Qualifying Households	x	% Adjustment to Eliminate Multiple Earner Households	=	Adjusted Number of Households Requiring Assistance
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Source: 2000 Census of Population

C. Findings

Table 6 estimates the number of qualifying very low income households earning no more than 50 percent of area median income or below by land use type. **Table 7** estimates the number of qualifying low income households earning between 50 percent and 80 percent of area median income by land use type. **Table 8** estimates the number of qualifying moderate income households earning between 80 percent and 120 percent of area median income by land use type.

III. Nexus Fee Amount

This section uses the results of the previous section on the number of households in the lower income categories associated with each building type and identifies the fee required to mitigate new demand generated by each building type for housing affordable to low and moderate income households.

A. Affordability Gap Analysis

The affordability gap analysis compares the cost of housing development in Long Beach to the amount low and moderate income households can afford to pay for housing. The affordability gap represents the capital subsidy required to develop housing affordable to families at specified income levels. The findings of the gap analysis are used to calculate the fee amount for which a nexus can be shown.

The methodology, key assumptions and findings of the affordability gap analysis are summarized below. The complete gap analysis is contained in the Long Beach Downtown Plan Community Benefits Analysis prepared by DRA.

1. Methodology

The first step in the gap analysis establishes the amount a tenant or homebuyer can afford to contribute to the cost of renting or owning a dwelling unit. California Redevelopment Law⁵ (CRL), the U.S. Department of Housing and Urban Development (HUD) and most other sources of subsidy for affordable housing generally define affordable housing expense at 30 percent of a household's gross income. For moderate income homeowners, CRL defines affordable housing expense at 35 percent of gross income.

For renters, CRL and HUD define affordable housing expense to include rent plus utilities. Affordable net rents are calculated subtracting allowances for the utilities paid directly by the tenants from the overall affordable housing expense. For owners, the affordable mortgage principal and interest payment is calculated by determining the affordable housing expense and deducting costs for taxes, property

⁵ CRL governs the use of redevelopment tax increment Housing SetAside Funds, the largest source of local subsidies for affordable housing in California.

insurance, utilities, homeowner association dues and maintenance expense. This is consistent with the definition of affordable housing expense for owners under CRL.

The second step estimated the costs of constructing or preserving affordable housing in Long Beach. As part of the “Inclusionary Housing Analysis” prepared by DRA under separate cover, DRA calculated the affordability gap for two renter prototypes and four owner prototypes. The rental apartment prototype is used to establish the gaps for very low and low income households, who are assumed to be renters. The owner condominium prototype is used to calculate the gap for moderate income households, who are assumed to be homeowners.

The third step in the gap analysis establishes the housing expenses borne by the tenants and owners. These costs can be categorized into operating costs, and financing or mortgage obligations. Operating costs are the maintenance expenses of the unit, including utilities, property maintenance, property taxes, management fees, property insurance, replacement reserve, and insurance. For the rental prototypes examined in this analysis, DRA assumed that the landlord pays all but certain tenant-paid utilities as an annual operating cost of the unit paid from rental income. For owner prototypes, DRA assumed the homebuyer pays all operating and maintenance costs for the home.

Financing or mortgage obligations are the costs associated with the purchase or development of the housing unit itself. These costs occur when all or a portion of the development cost is financed. This cost is always an obligation of the landlord or owner. Supportable financing is deducted from the total development cost, less any owner equity (for owner-occupied housing, the downpayment) to determine the capital subsidy required to develop the prototypical housing unit affordable to an eligible family at each income level.

For rental housing prototypes, the gap analysis calculates the difference between total development costs and the conventional mortgage supportable by net operating income from restricted rents. For owners, the gap is the difference between development costs and the supportable mortgage plus the buyer’s downpayment.

The purpose of the gap analysis is to determine the fee amount by land use that would be required to develop housing affordable to the very low, low and moderate income households who will need to find housing in Long Beach in connection with new non-residential development in the City. Therefore, no housing subsidies, or leverage, are assumed.



Table 9 presents the supportable nexus fees based on the projected number of low and moderate income households generated by each land use and the per unit affordability gap. The analysis indicates that a nexus fee of up to \$16.65 per square foot on office uses is justifiable to provide affordable housing for very low income households, up to \$9.26 per square foot for low income households, and up to \$6.18 per square foot for moderate income households. Therefore, the total justifiable nexus fee for office uses is \$32.09 per building square foot.

For community retail uses, a nexus fee of up to \$27.06 per square foot is justifiable to provide affordable housing for very low income households, up to \$11.11 per square foot for low income households, and up to \$3.09 for moderate income households. The total justifiable nexus fee for community retail uses is \$41.27 per building square foot.

For hotel uses, a nexus fee of up to \$8.33 per square foot is justifiable to provide affordable housing for very low income households, up to \$3.70 per square foot for low income households, and up to \$0.77 for moderate income households. The total justifiable nexus fee for hotel uses is \$12.80 per building square foot.



**Table 4
Projected Occupational Distribution
of Additional Employment
By Land Use Type**

City of Long Beach

2010

Steps	Factor	Office			Community Retail			Hotel		
		%	No.	Units	%	No.	Units	%	No.	Units
1. Estimate of Employees per 100,000 square feet										
Employment Density Factor (1)			400	SF/Emp.		400	SF/Emp.		0.65	Emp./Rm. 750 SF/Room
Number of Employees			250	Emp.		250	Emp.		87	Emp.
2. Employees Living in City of Long Beach (2)	33%		83	Emp.		83	Emp.		29	Emp.
3. Adjustment for Labor Force Participation Increase	10%		74	Emp.		74	Emp.		26	Emp.
4. Adjustment for Number of Employees Per Household	1.34 Emp/HH		55	HH		55	HH		19	HH
5. Occupational Distribution										
Managerial/Administrative		45%	25	HH	6%	3	HH	6%	1	HH
Professional/Technical		0%	0	HH	3%	2	HH	3%	1	HH
Sales and Related		0%	0	HH	0%	0	HH	0%	0	HH
Clerical/Administrative Support		45%	25	HH	15%	8	HH	15%	3	HH
Service		5%	3	HH	70%	39	HH	70%	13	HH
Production/Operating/Maintenance		5%	2	HH	6%	3	HH	6%	1	HH
Total			100%	55		100%	55		100%	19

Legend: HH = households; SF = square feet; Emp = employees.

(1) Sources: The Natelson Company, "Employment Density Study Summary Report," Urban Land Institute.

(2) Source: 2000 U.S. Census.

Source: David Paul Rosen & Associates.

Table 5
Wages by Occupational Grouping
Los Angeles-Long Beach MSA
1st Quarter 2010

SOC Code Prefix Range (1)	Occupational Category	Employment Estimates	Percent of Total Employment	Mean Hourly Wage	Mean Annual Wage	25th Percentile Hourly Wage	Median (50th Percentile) Hourly Wage	75th Percentile Hourly Wage
11	Managerial and Administrative	228,020	5.8%	\$57.50	\$119,597	\$34.47	\$50.89	\$72.16
13 - 31	Professional, Paraprofessional, and Technical	1,125,750	28.9%	\$34.61	\$72,707	\$24.92	\$31.23	\$38.02
33 - 39	Service Occupations	610,010	15.6%	\$16.83	\$35,085	\$13.20	\$15.96	\$19.53
41	Sales and Related Occupations	393,510	10.1%	\$18.52	\$38,526	\$9.26	\$12.81	\$21.55
43	Clerical Occupations	763,810	19.6%	\$17.43	\$36,266	\$11.98	\$15.93	\$21.54
45	Agricultural and Related	3,010	0.1%	\$12.30	\$25,580	\$8.69	\$9.58	\$12.21
47-53	Production, Construction, Operating, Maintenance and Material Handling	776,180	19.9%	\$19.00	\$40,031	\$14.48	\$18.14	\$22.75
	TOTAL	3,900,290	100.0%	\$23.84	\$49,588	\$11.06	\$17.60	\$29.68

(1) The first two digits of the six digit Standard Occupational Classification (SOC) code.

Source: California Employment Development Department, Occupational Employment Statistics Survey, May 2010;
David Paul Rosen & Associates.

Table 6
ESTIMATED QUALIFYING VERY LOW INCOME HOUSEHOLDS BY LAND USE TYPE (1)
CITY OF LONG BEACH

2010

Steps	Office		Community Retail		Hotel	
	Percent	No.	Percent	No.	Percent	No.
5. Occupational Distribution (2)						
Managerial/Administrative	45%	25	6%	3	6%	1
Professional/Technical	0%	0	3%	2	3%	1
Sales and Related	0%	0	0%	0	0%	0
Clerical/Administrative Support	45%	25	15%	8	15%	3
Service	5%	3	70%	39	70%	13
Production/Operating/Maintenance	5%	2	6%	3	6%	1
Total	100%	55	100%	55	100%	19
6. Households Earning Less than 50% AMI						
Managerial/Administrative	5%	1	5%	0	5%	0
Professional/Technical	13%	0	13%	0	13%	0
Sales and Related	41%	0	41%	0	41%	0
Clerical/Administrative Support	55%	14	55%	4	55%	2
Service	61%	2	61%	24	61%	8
Production/Operating/Maintenance	53%	1	53%	2	53%	1
Total		18		30		10
7. Adjustment to Eliminate Multiple Earner Households Earning in Excess of 50% AMI	43%	8		13		4

(1) Based on 100,000 square foot land use type prototypical developments.

(2) From Table 4.

Source: California Employment Development Department 2010 occupational wage survey; 2000 U.S. Census;

Table 7
ESTIMATED QUALIFYING LOW INCOME HOUSEHOLDS BY LAND USE TYPE (1)
CITY OF LONG BEACH

2010

<u>Steps</u>	<u>Office</u>		<u>Community Retail</u>		<u>Hotel</u>	
	<u>Percent</u>	<u>No.</u>	<u>Percent</u>	<u>No.</u>	<u>Percent</u>	<u>No.</u>
5. Occupational Distribution (2)						
Managerial/Administrative	45%	25	6%	3	6%	1
Professional/Technical	0%	0	3%	2	3%	1
Sales and Related	0%	0	0%	0	0%	0
Clerical/Administrative Support	45%	25	15%	8	15%	3
Service	5%	3	70%	39	70%	13
Production/Operating/Maintenance	5%	2	6%	3	6%	1
Total	100%	55	100%	55	100%	19
6. Households Earning Between 50% and 80% AMI						
Managerial/Administrative	12%	3	12%	0	12%	0
Professional/Technical	37%	0	37%	1	37%	0
Sales and Related	39%	0	39%	0	39%	0
Clerical/Administrative Support	22%	6	22%	2	22%	1
Service	19%	1	19%	7	19%	2
Production/Operating/Maintenance	32%	1	32%	1	32%	0
Total		10		11		4
7. Adjustment to Eliminate Multiple Earner Households Earning in Excess of 80% AMI	53%	5		6		2

(1) Based on 100,000 square foot land use type prototypical developments.

(2) From Table 4.

Source: California Employment Development Department 2010 occupational wage survey; 2000 U.S. Census;

Table 8
ESTIMATED QUALIFYING MODERATE HOUSEHOLDS BY LAND USE TYPE (1)
CITY OF LONG BEACH

2010

<u>Steps</u>	<u>Office</u>		<u>Community Retail</u>		<u>Hotel</u>	
	<u>Percent</u>	<u>No.</u>	<u>Percent</u>	<u>No.</u>	<u>Percent</u>	<u>No.</u>
5. Occupational Distribution (2)						
Managerial/Administrative	45%	25	6%	3	6%	1
Professional/Technical	0%	0	3%	2	3%	1
Sales and Related	0%	0	0%	0	0%	0
Clerical/Administrative Support	45%	25	15%	8	15%	3
Service	5%	3	70%	39	70%	13
Production/Operating/Maintenance	5%	2	6%	3	6%	1
Total	100%	55	100%	55	100%	19
6. Households Earning Between 80% and 120% AMI						
Managerial/Administrative	39%	10	39%	1	39%	0
Professional/Technical	26%	0	26%	1	26%	0
Sales and Related	10%	0	10%	0	10%	0
Clerical/Administrative Support	22%	6	22%	2	22%	1
Service	10%	0	10%	4	10%	1
Production/Operating/Maintenance	8%	0	8%	0	8%	0
Total		16		8		3
7. Adjustment to Eliminate Multiple Earner Households Earning in Excess of 120% AMI	53%	8		4		1

(1) Based on 100,000 square foot land use type prototypical developments.

(2) From Table 4.

Source: California Employment Development Department 2010 occupational wage survey; 2000 U.S. Census;

**Table 9
JUSTIFIABLE HOUSING LINKAGE FEE BY LAND USE
CITY OF LONG BEACH**

2010

		<u>Office</u>	<u>Community Retail</u>	<u>Hotel</u>
Very Low Income Households				
1. Very Low Income Households Employed per 100,000 SF Development		8	13	4
2. Estimated Housing Gap Cost at Per Unit Gap of: (1)	\$208,176	\$1,665,406	\$2,706,285	\$832,703
3. Cost of Housing Gap Per Square Foot Bldg. Area		\$16.65	\$27.06	\$8.33
Low Income Households				
1. Low Income Households Employed per 100,000 SF Development		5	6	2
2. Estimated Housing Gap Cost at Per Unit Gap of: (1)	\$185,239	\$926,193	\$1,111,432	\$370,477
3. Cost of Housing Gap Per Square Foot Bldg. Area		\$9.26	\$11.11	\$3.70
Moderate Income Households				
1. Moderate Income Households Employed per 100,000 SF Development		8	4	1
2. Estimated Housing Gap Cost at Per Unit Gap of: (1)	\$77,232	\$617,858	\$308,929	\$77,232
3. Cost of Housing Gap Per Square Foot Bldg. Area		\$6.18	\$3.09	\$0.77
Total Fee Per Square Foot		\$32.09	\$41.27	\$12.80

(1) For the very low and low income categories, we used the per unit gap for the 80 foot high apartment prototype. For the moderate income category, we used the per unit gap for the owner 80 foot high condo under the proposed Downtown Community Plan.

Legend: HH = households; SF = square feet; Emp = employees..

Source: Urban Land Institute; Association of Bay Area Governments; 2000 Census of Occupation by Industry;
RTC-335

**LONG BEACH DOWNTOWN PLAN
COMMUNITY BENEFITS ANALYSIS**

**APPENDIX B
DEVELOPMENT IMPACT FEE SURVEY**

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March 31, 2011

**SURVEY OF SPECIAL DEVELOPMENT IMPACT FEES CHARGED BY AREA CITIES AND COUNTIES
BY LAND USE
Data as of 1/19/11**

CITY	RETAIL	RESIDENTIAL	OFFICE Class A Constr	HOTEL	INDUSTRIAL
Long Beach	<p>1. Fire Facilities Fee: \$0.267 psf</p> <p>2. Police Facilities Fee: \$0.442 psf</p> <p>3. School Impact Fee: \$0.47 psf</p> <p>4. Sewer Capacity Fees: \$95.98 (applicable to all added plumbing fixtures)</p> <p>5. Transp Improv Fee: \$3.00 psf (Citywide) \$4.50 psf (Downtown CBD Area)</p>	<p>1. Fire Facilities Fee: SF: \$496 per unit MF: \$378 per unit</p> <p>2. Parks & Rec Facilities Fee: SF: \$4,613.04 per unit MF: \$3,562.78 per unit MH: \$2,619.63 per pad Accessory: \$1,781.39 per unit</p> <p>3. Police Facilities Fee: SF: \$703 per unit MF: \$537 per unit</p> <p>4. School Impact Fee: Additions: \$2.97 psf New Const: \$5.09 psf</p> <p>5. Sewer Capacity Fees: \$95.98 (applicable to new units)</p> <p>6. Transp Improv Fee: \$1,125 per unit Senior: \$663.75 per unit</p>	<p>1. Fire Facilities Fee: \$0.325 psf</p> <p>2. Police Facilities Fee: \$0.538 psf</p> <p>3. Sewer Capacity Fees: \$95.98 (applicable to all added plumbing fixtures)</p> <p>4. Transp Improv Fee: \$2.00 psf (Citywide) \$3.00 psf (Downtown CBD Area)</p>	<p>1. Fire Facilities Fee: \$0.325 psf</p> <p>2. Police Facilities Fee: \$0.538 psf</p> <p>3. Sewer Capacity Fees: \$95.98 (applicable to all added plumbing fixtures)</p> <p>4. Transp Improv Fee: \$750 per room (Citywide) \$1,125 per room (Downtown CBD Area)</p>	<p>1. Fire Facilities Fee: \$0.132 psf</p> <p>2. Police Facilities Fee: \$0.218 psf</p> <p>3. Transp Improv Fee: \$1.10 psf</p>

**SURVEY OF SPECIAL DEVELOPMENT IMPACT FEES CHARGED BY AREA CITIES AND COUNTIES
BY LAND USE
Data as of 1/19/11**

CITY	RETAIL	RESIDENTIAL	OFFICE Class A Constr	HOTEL	INDUSTRIAL
Anaheim	<p>1. Transp Improv Fee: \$4.72 psf Peak hr trip end: \$1,103 per trip</p> <p>2. Sewer Connection: \$350 per acre</p> <p>3. Sewer Impact Fee: (per 1,000 sf of gross floor area) West Anaheim - Comm & MU: Zone A: \$528; Zone B: \$888; Zone C: \$640; Zone D: \$141 East Anaheim: \$0 Central Anaheim - Comm & MU: Zone A: \$753; Zone B: \$627; Zone C: \$718; Zone D: \$748 Addtl fees apply in Sewer Assessment Areas</p> <p>4. Storm Drain Fee: (per net acre) Anaheim Resort Area & South Central Anaheim: \$29,862 Drainage Dist 27: \$44,775 Addtl fees apply in Storm Drain Assessment Areas</p> <p>5. Sanitation District Fee: (per 1,000 sf) Low Demand: \$272 Ave Demand: \$1,692 High Demand: \$4,019 Min \$4,998 per connection for new bldgs.</p> <p>6. Eastern Transp Corridor: E of Gypsum Cyn, Zone A: \$6.77 psf W of Gypsum Cyn, Zone B: \$3.92 psf</p>	<p>1. Transp Improv Fee: SF: \$1,743 per unit; MF: \$1,114 per unit</p> <p>2. Sewer Connection: \$350 per acre</p> <p>3. Sewer Impact Fee: (per unit) West Anaheim - SF, MF, Corridor, MH & MU: Zone A: \$1,135; Zone B: \$1,909; Zone C: \$1,375; Zone D: \$305 East Anaheim: Zone A: SF \$676, MF \$0; Zone B: SF \$945, MF \$1,113; Zone C: SF & MF \$0; Zone D: SF & MF \$0 Central Anaheim - SF, MF & Corridor: Zone A: \$1,919; Zone B: \$1,601; Zone C: \$1,829; Zone D: \$1,905 MH: Zone A: \$724; Zone B: \$603; Zone C: \$691; Zone D: \$720 MU: Zone A: \$1,105; Zone B: \$922; Zone C: \$1,053; Zone D: \$1,098 Addtl fees apply in Sewer Assessment Areas</p> <p>4. Storm Drain Fee: (per net acre) Anaheim Resort Area & South Central Anaheim: SF - \$16,387; MF - \$20,868; MH: \$23,887 Drainage Dist 27: (per net acre) SF - \$24,563; MF - \$30,199; MH - \$35,820 Addtl fees apply in Storm Drain Assessment Areas</p> <p>5. Parks & Rec Fee: SF Att: \$6,936.46 per unit SF Det: \$5,388.14 per unit MF 2-4 units: \$6,998.39 per unit MF 5+ units: \$5,408.78 per unit</p> <p>6. Sanitation District Fee: SF: 1 bd \$2,019; 2 bd \$2,640; 3 bd \$3,261; 4 bd \$3,881; 5+ bd \$4,532 MF: studio \$1,047; 1 bd \$1,630; 2 bd \$2,281</p> <p>7. Eastern Transp Corridor: (per unit) East of Gypsum Cyn, Zone A: SF \$4,869; MF \$2,843 West of Gypsum Cyn, Zone B: SF \$3,466; MF \$2,018</p>	<p>1. Transp Improv Fee: \$3.15 psf Peak hr trip end: \$1,103 per trip</p> <p>2. Sewer Connection: \$350 per acre</p> <p>3. Sewer Impact Fee: (per 1,000 sf of gross floor area) West Anaheim - Comm & MU: Zone A: \$528; Zone B: \$888; Zone C: \$640; Zone D: \$141 East Anaheim: \$0 Central Anaheim - Comm & MU: Zone A: \$753; Zone B: \$627; Zone C: \$718; Zone D: \$748 Addtl fees apply in Sewer Assessment Areas</p> <p>4. Storm Drain Fee: (per net acre) Anaheim Resort Area & South Central Anaheim: \$29,862 Drainage Dist 27: \$44,775 Addtl fees apply in Storm Drain Assessment Areas</p> <p>5. Sanitation District Fee: (per 1,000 sf) Low Demand: \$272 Ave Demand: \$1,692 High Demand: \$4,019 Min \$4,998 per connection for new bldgs.</p> <p>6. Eastern Transp Corridor: E of Gypsum Cyn, Zone A: \$6.77 psf W of Gypsum Cyn, Zone B: \$3.92 psf</p>	<p>1. Transp Improv Fee: \$1,266 per room Peak hr trip end: \$1,103 per trip</p> <p>2. Sewer Connection: \$350 per acre</p> <p>3. Sewer Impact Fee: (per room) West Anaheim: Zone A: \$381; Zone B: \$642; Zone C: \$461; Zone D: \$103 East Anaheim: \$0 Central Anaheim: Zone A: \$543; Zone B: \$453; Zone C: \$517; Zone D: \$539 Addtl fees apply in Sewer Assessment Areas</p> <p>4. Storm Drain Fee: (per net acre) Anaheim Resort Area & South Central Anaheim: \$29,862 Drainage Dist 27: \$44,775 Addtl fees apply in Storm Drain Assessment Areas</p> <p>5. Sanitation District Fee: (per 1,000 sf) Low Demand: \$272 Ave Demand: \$1,692 High Demand: \$4,019 Min \$4,998 per connection for new bldgs.</p> <p>6. Eastern Transp Corridor: E of Gypsum Cyn, Zone A: \$6.77 psf W of Gypsum Cyn, Zone B: \$3.92 psf</p>	<p>1. Transp Improv Fee: \$1.22 psf Peak hr trip end: \$1,103 per trip</p> <p>2. Sewer Connection: \$350 per acre</p> <p>3. Sewer Impact Fee: (per 1,000 sf of gross floor area) West Anaheim: Zone A: \$370; Zone B: \$622; Zone C: \$447; Zone D: \$99 East Anaheim: \$0 Central Anaheim: Zone A: \$527; Zone B: \$439; Zone C: \$502; Zone D: \$527 Addtl fees apply in Sewer Assessment Areas</p> <p>4. Storm Drain Fee: (per net acre) Anaheim Resort Area & South Central Anaheim: \$29,862 Drainage Dist 27: \$44,775 Addtl fees apply in Storm Drain Assessment Areas</p> <p>5. Sanitation District Fee: (per 1,000 sf) Low Demand: \$272 Ave Demand: \$1,692 High Demand: \$4,019 Min \$4,998 per connection for new bldgs.</p> <p>6. Eastern Transp Corridor: E of Gypsum Cyn, Zone A: \$6.77 psf W of Gypsum Cyn, Zone B: \$3.92 psf</p>

**SURVEY OF SPECIAL DEVELOPMENT IMPACT FEES CHARGED BY AREA CITIES AND COUNTIES
BY LAND USE
Data as of 1/19/11**

CITY	RETAIL	RESIDENTIAL	OFFICE Class A Constr	HOTEL	INDUSTRIAL
Culver City	<p>1. New Development Impact Fee: \$1.00 psf over 5,000 gross sf of net new development</p> <p>2. Development Surcharge: \$0.20 psf, maximum of \$15,000</p>	<p>1. Development Surcharge: \$250 per unit over 2, max of \$12,750</p>	<p>1. New Development Impact Fee: \$1.00 psf over 5,000 gross sf of net new development</p> <p>2. Development Surcharge: \$0.20 psf, maximum of \$15,000</p>	<p>1. New Development Impact Fee: \$1.00 psf over 5,000 gross sf of net new development</p> <p>2. Development Surcharge: \$0.20 psf, maximum of \$15,000</p>	<p>1. New Development Impact Fee: \$1.00 psf over 5,000 gross sf of net new development</p> <p>2. Development Surcharge: \$0.20 psf, maximum of \$15,000</p>
Irvine	<p>1. School Facilities Fee: Irvine, Saddleback Valley, Santa Ana and Tustin Unified: \$0.47 psf</p> <p>2. Transportation Corridor Fee: San Joaquin Hills Trans Corr: Zone A: \$5.91 psf; Zone B: \$4.36 psf Foothill/Eastern Trans Corr: Zone A: \$6.62 psf; Zone B: \$3.84 psf</p> <p>3. Irvine Business Complex Dev Fee: \$20.28 psf</p>	<p>1. School Facilities Fee: Irvine Unified: \$5.22 psf, \$0.47 psf Sr Hsg; Saddleback Valley Unified: \$2.97 psf; Santa Ana Unified: \$5.22 psf; Tustin Unified: \$2.97 psf additions, \$4.08 psf new construction</p> <p>2. Transportation Corridor Fee: (per unit) San Joaquin Hills Trans Corr: Zone A: SF - \$4,412, MF - \$2,570; Zone B: SF - \$3,417, MF - \$1,994 Foothill/Eastern Trans Corr: Zone A: SF - \$4,764, MF - \$2,782; Zone B: SF - \$3,391, MF - \$1,974</p> <p>3. Irvine Business Complex Dev Fee: \$7,175 per unit</p> <p>4. Inclusionary Housing In Lieu Fee: \$12,471 per unit</p>	<p>1. School Facilities Fee: Irvine, Saddleback Valley, Santa Ana and Tustin Unified: \$0.47 psf</p> <p>2. Transportation Corridor Fee: San Joaquin Hills Trans Corr: Zone A: \$5.91 psf; Zone B: \$4.36 psf Foothill/Eastern Trans Corr: Zone A: \$6.62 psf; Zone B: \$3.84 psf</p> <p>3. Irvine Business Complex Dev Fee: \$20.28 psf</p>	<p>1. School Facilities Fee: Irvine, Saddleback Valley, Santa Ana and Tustin Unified: \$0.47 psf</p> <p>2. Transportation Corridor Fee: San Joaquin Hills Trans Corr: Zone A: \$5.91 psf; Zone B: \$4.36 psf Foothill/Eastern Trans Corr: Zone A: \$6.62 psf; Zone B: \$3.84 psf</p> <p>3. Irvine Business Complex Dev Fee: \$9,383 per room; \$5,795 per room Extended Stay Hotel</p>	<p>1. School Facilities Fee: Irvine, Saddleback Valley, Santa Ana and Tustin Unified: \$0.47 psf</p> <p>2. Transportation Corridor Fee: San Joaquin Hills Trans Corr: Zone A: \$5.91 psf; Zone B: \$4.36 psf Foothill/Eastern Trans Corr: Zone A: \$6.62 psf; Zone B: \$3.84 psf</p> <p>3. Irvine Business Complex Dev Fee: \$5.85 psf Industrial; \$3.55 psf Mini-Warehouse</p>

**SURVEY OF SPECIAL DEVELOPMENT IMPACT FEES CHARGED BY AREA CITIES AND COUNTIES
BY LAND USE
Data as of 1/19/11**

CITY	RETAIL	RESIDENTIAL	OFFICE Class A Constr	HOTEL	INDUSTRIAL
Santa Ana	<p>1. Transp Improv Fee: Area A: \$5.15 psf; Area B: \$1.81 psf; Area C: \$5.53 psf; Area D: \$3.31 psf; Area E: \$2.01 psf; Area F: \$1.81 psf</p> <p>2. Transp Corridor Fee: Foothill/Eastern: \$3.92 psf; San Joaquin Hills: \$4.48 psf</p> <p>3. Drainage Assessment Fee: (per acre) Area 1: \$6,138.57; Area 2: \$7,400.23; Area 3: \$3,984.17; Area 4: \$5,880.35; Area 5: \$6,699.31; Area 6: \$6,588.64</p> <p>4. Sewer Connection Fee: (per plumbing fixture unit) \$87.72</p> <p>5. Orange County Sanitation District Fee: (per 1,000 sf) Low Demand: \$272; Ave Demand: \$1,692; High Demand: \$4,019</p> <p>6. School Facilities Fee: Santa Ana, Tustin, Garden Grove and Orange Unified School Districts: \$0.47 psf</p>	<p>1. Transp Improv Fee: SF: \$1.80 psf MF: \$1.10 psf Applies only to projects with 5 or more units</p> <p>2. Transp Corridor Fee: (per unit) Foothill/Eastern: SF - \$3,466, MF - \$2,018; San Joaquin Hills: SF - \$3,508, MF - \$2,047</p> <p>3. Drainage Assessment Fee: (per acre) Area 1: \$6,138.57; Area 2: \$7,400.23; Area 3: \$3,984.17; Area 4: \$5,880.35; Area 5: \$6,699.31; Area 6: \$6,588.64</p> <p>4. Sewer Connection Fee: (per plumbing fixture unit) \$87.72</p> <p>5. Orange County Sanitation District Fee: (base charge) SF: 1 bd - \$2,019; 2 bd - \$2,640; 3 bd - \$3,261; 4 bd - \$3,881; 5+ bd - \$4,532 MF: Studio - \$1,047; 1 bd - \$1,630; 2 bd - \$2,281; 3 bd - \$2,902; 4+ bd - \$3,523</p> <p>6. School Facilities Fee: Santa Ana USD: \$5.09 psf new const; \$2.97 psf additions (greater than 500 sf); \$0.47 psf Sr hsg Tustin USD: \$4.08 psf new const; \$2.97 psf additions Garden Grove and Orange USD: \$2.97 psf</p>	<p>1. Transp Improv Fee: Area A: \$5.15 psf; Area B: \$1.81 psf; Area C: \$5.53 psf; Area D: \$3.31 psf; Area E: \$2.01 psf; Area F: \$1.81 psf</p> <p>2. Transp Corridor Fee: Foothill/Eastern: \$3.92 psf; San Joaquin Hills: \$4.48 psf</p> <p>3. Drainage Assessment Fee: (per acre) Area 1: \$6,138.57; Area 2: \$7,400.23; Area 3: \$3,984.17; Area 4: \$5,880.35; Area 5: \$6,699.31; Area 6: \$6,588.64</p> <p>4. Sewer Connection Fee: (per plumbing fixture unit) \$87.72</p> <p>5. Orange County Sanitation District Fee: (per 1,000 sf) Low Demand: \$272; Ave Demand: \$1,692; High Demand: \$4,019</p> <p>6. School Facilities Fee: Santa Ana, Tustin, Garden Grove and Orange Unified School Districts: \$0.47 psf</p>	<p>1. Transp Improv Fee: Area A: \$5.15 psf; Area B: \$1.81 psf; Area C: \$5.53 psf; Area D: \$3.31 psf; Area E: \$2.01 psf; Area F: \$1.81 psf</p> <p>2. Transp Corridor Fee: Foothill/Eastern: \$3.92 psf; San Joaquin Hills: \$4.48 psf</p> <p>3. Drainage Assessment Fee: (per acre) Area 1: \$6,138.57; Area 2: \$7,400.23; Area 3: \$3,984.17; Area 4: \$5,880.35; Area 5: \$6,699.31; Area 6: \$6,588.64</p> <p>4. Sewer Connection Fee: (per plumbing fixture unit) \$87.72</p> <p>5. Orange County Sanitation District Fee: (per 1,000 sf) Low Demand: \$272; Ave Demand: \$1,692; High Demand: \$4,019</p> <p>6. School Facilities Fee: Santa Ana, Tustin, Garden Grove and Orange Unified School Districts: \$0.47 psf</p>	<p>1. Transp Improv Fee: Area A: \$5.15 psf; Area B: \$1.81 psf; Area C: \$5.53 psf; Area D: \$3.31 psf; Area E: \$2.01 psf; Area F: \$1.81 psf</p> <p>2. Transp Corridor Fee: Foothill/Eastern: \$3.92 psf; San Joaquin Hills: \$4.48 psf</p> <p>3. Drainage Assessment Fee: (per acre) Area 1: \$6,138.57; Area 2: \$7,400.23; Area 3: \$3,984.17; Area 4: \$5,880.35; Area 5: \$6,699.31; Area 6: \$6,588.64</p> <p>4. Sewer Connection Fee: (per plumbing fixture unit) \$87.72</p> <p>5. Orange County Sanitation District Fee: (per 1,000 sf) Low Demand: \$272; Ave Demand: \$1,692; High Demand: \$4,019</p> <p>6. School Facilities Fee: Santa Ana, Tustin, Garden Grove and Orange Unified School Districts: \$0.47 psf</p>

**SURVEY OF SPECIAL DEVELOPMENT IMPACT FEES CHARGED BY AREA CITIES AND COUNTIES
BY LAND USE
Data as of 1/19/11**

CITY	RETAIL	RESIDENTIAL	OFFICE Class A Constr	HOTEL	INDUSTRIAL
Los Angeles	<p>1. Transportation Fee Fees vary and are assessed per trip generated for developments in the following Specific Plan Areas: Coastal Transportation Corridor Specific Plan; West Los Angeles Transportation and Mitigation Specific Plan; Central City West Specific Plan; Warner Center Specific Plan; Ventura Corridor Specific Plan; Porter Ranch Specific Plan; Colorado Boulevard Specific Plan</p> <p>2. Arts Development Fee: (applies to buildings over \$500,000) \$1.31 psf</p> <p>2. School District Fee: \$0.47 psf commercial; \$0.28 psf self storage; \$0.09 psf garage</p>	<p>1. Transportation Fee Fees vary and are assessed per trip generated for developments in the following Specific Plan Areas: Coastal Transportation Corridor Specific Plan; West Los Angeles Transportation and Mitigation Specific Plan; Central City West Specific Plan; Warner Center Specific Plan; Ventura Corridor Specific Plan; Porter Ranch Specific Plan; Colorado Boulevard Specific Plan</p> <p>2. School District Fee: \$3.87 psf; \$0.09 psf garage</p>	<p>1. Transportation Fee Fees vary and are assessed per trip generated for developments in the following Specific Plan Areas: Coastal Transportation Corridor Specific Plan; West Los Angeles Transportation and Mitigation Specific Plan; Central City West Specific Plan; Warner Center Specific Plan; Ventura Corridor Specific Plan; Porter Ranch Specific Plan; Colorado Boulevard Specific Plan</p> <p>2. Arts Development Fee: (applies to buildings over \$500,000) \$1.57 psf</p> <p>3. School District Fee: \$0.47 psf commercial; \$0.09 psf garage</p>	<p>1. Transportation Fee Fees vary and are assessed per trip generated for developments in the following Specific Plan Areas: Coastal Transportation Corridor Specific Plan; West Los Angeles Transportation and Mitigation Specific Plan; Central City West Specific Plan; Warner Center Specific Plan; Ventura Corridor Specific Plan; Porter Ranch Specific Plan; Colorado Boulevard Specific Plan</p> <p>2. Arts Development Fee: (applies to buildings over \$500,000) \$0.52 psf</p> <p>3. School District Fee: \$0.47 psf commercial; \$0.09 psf garage</p>	<p>1. Transportation Fee Fees vary and are assessed per trip generated for developments in the following Specific Plan Areas: Coastal Transportation Corridor Specific Plan; West Los Angeles Transportation and Mitigation Specific Plan; Central City West Specific Plan; Warner Center Specific Plan; Ventura Corridor Specific Plan; Porter Ranch Specific Plan; Colorado Boulevard Specific Plan</p> <p>3. Arts Development Fee: (applies to buildings over \$500,000) \$0.51 psf Manufacturing; \$0.39 psf Warehouse</p> <p>2. School District Fee: \$0.47 psf commercial; \$0.09 psf garage</p>
Glendale	<p>1. Library & Parks Development Impact Fee: \$2.67 psf (\$4.01 psf beginning Dec 2013)</p> <p>2. Urban Arts Fee (applies to new/rehabilitated buildings in mixed use and commercial zones with project value over \$500,000): 1% of project value if project does not include art installation equal to 2% of project value.</p> <p>3. Sewer Facilities Fee: Calculated based on estimated gallons per day of water usage.</p> <p>4. School District Fee: \$0.47 psf</p>	<p>1. Library & Parks Development Impact Fee: \$7,000 per unit (\$10,500 per unit beginning Dec 2013)</p> <p>2. Urban Arts Fee (applies to new/rehabilitated buildings in mixed use and commercial zones with project value over \$500,000): 1% of project value if project does not include art installation equal to 2% of project value.</p> <p>4. Sewer Facilities Fee: Calculated based on estimated gallons per day of water usage.</p> <p>5. School District Fee: \$2.97 psf</p> <p>6. Inclusionary Housing In Lieu Fee (San Fernando Redevelopment Project Area only): \$13 psf</p>	<p>1. Library & Parks Development Impact Fee: \$3.26 psf (\$4.89 psf beginning Dec 2013)</p> <p>2. Urban Arts Fee (applies to new/rehabilitated buildings in mixed use and commercial zones with project value over \$500,000): 1% of project value if project does not include art installation equal to 2% of project value.</p> <p>3. Sewer Facilities Fee: Calculated based on estimated gallons per day of water usage.</p> <p>4. School District Fee: \$0.47 psf</p>	<p>1. Urban Arts Fee (applies to new/rehabilitated buildings in mixed use and commercial zones with project value over \$500,000): 1% of project value if project does not include art installation equal to 2% of project value.</p> <p>2. Sewer Facilities Fee: Calculated based on estimated gallons per day of water usage.</p> <p>3. School District Fee: \$0.47 psf</p>	<p>1. Library & Parks Development Impact Fee: \$1.33 psf (\$2.00 psf beginning Dec 2013)</p> <p>2. Urban Arts Fee (applies to new/rehabilitated buildings in mixed use and commercial zones with project value over \$500,000): 1% of project value if project does not include art installation equal to 2% of project value.</p> <p>3. Sewer Facilities Fee: Calculated based on estimated gallons per day of water usage.</p>