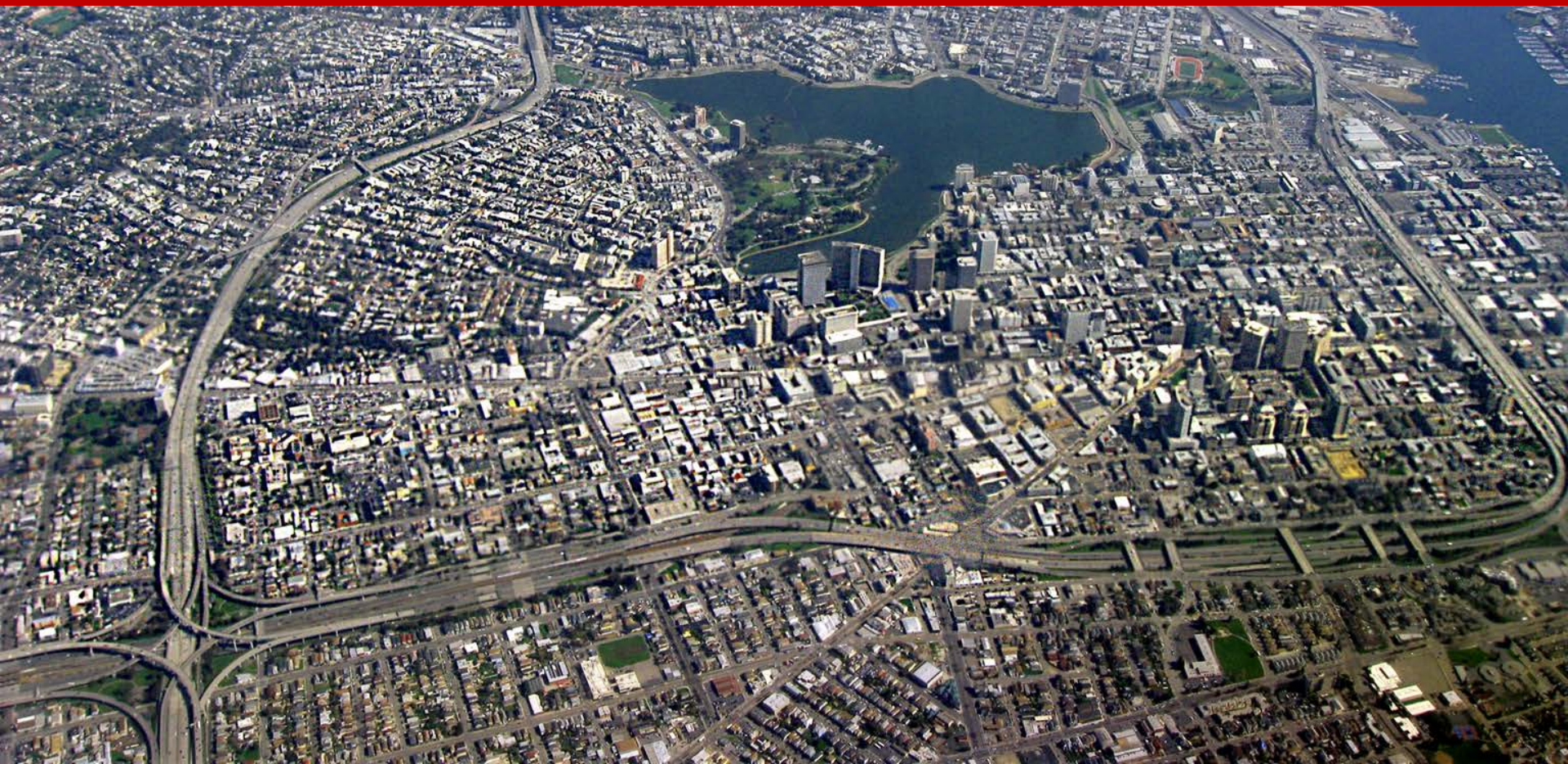
CITY OF OAKLAND

Impact Fee Nexus & Economic Feasibility Study

HAUSRATH ECONOMICS GROUP

Urban Economics

Stakeholder Working Group
November 30, 2015



Oakland Impact Fee Stakeholder Working Group

November 30, 2015

AGENDA REVIEW

Agenda

- Follow Up From Last Meeting
- Development Pipeline
- Proposal(s) Discussion (existing and alternatives)
- Wrap Up

Oakland Impact Fee Stakeholder Working Group

November 30, 2015

FOLLOW UP FROM LAST MEETING

Oakland Impact Fee Stakeholder Working Group

November 30, 2015

DEVELOPMENT PIPELINE

Housing Units in the Pipeline

Project Approval Milestone	Total Housing Units	Units with Vesting Maps	Units in Develop-ment Agreements	Affordable Housing Units	Remaining Units Potentially Subject To New Impact Fee
Pre-application	247	0	0	0	247
Complete Planning Application	3,304	859	0	59	2,386
Approved Planning Permit	10,500	2,022	235	492	7,751
Total	**14,051**	**2,881**	**235**	**551**	**10,384**

Note: Based on analysis of major projects as of August 2015 that excludes single family units, duplexes, and multi-family projects under 50 units in size. Data search may have missed some vesting maps.

Housing Units Pipeline of Active Projects (applied Jan 2014 – mid November 2015)

Project Approval Milestone	Total Housing Units	Units with Vesting Maps	Units in Development Agreements	Affordable Housing Units	Remaining Units Potentially Subject To New Impact Fee
Complete Planning Application	3,698*	1,257*	0	74	2,367
Approved Planning Permit	1,896	674	235	59	928
Building Permit Applied, but Not approved	970	372	0	0	598
Total	**6,594**	**2,303**	**235**	**133**	**3,893**

Note: Based on analysis of major projects applied for from January 2014 – mid November 2015 that excludes single family units, duplexes, and multi-family projects under 50 units in size. Data search may have missed some vesting maps. 434 units that were considered major projects had building permits issued in 2015. *Additional planning applications and 504 units with vesting maps were applied for after the August 2015 Major Projects list was completed.

Oakland Impact Fee Stakeholder Working Group

November 30, 2015

PROPOSAL(S) DISCUSSION (EXISTING AND ALTERNATIVES)

Fee Proposal from 11-19-2015 Working Group Meeting
Fee for Multi-Family Housing in Zone 1

Proposal of Some Working Group Members (not a City of Oakland proposal)

Key Points

- Fee amount determined at time of building permit
- Fee amount shown is amount for affordable housing only
- Fee amounts for transportation and capital facilities would be in addition to amounts shown

Fee Amounts and Timing of Fee Payments

Dates for Building Permit:	*Prior to 7/1/2016*	*7/1/2016-6/30/2017*	*7/1/2017-6/30/2018*	*7/1/2018-6/30/2019*	*7/1/2019-6/30/2020*	*7/1/2020-6/30/2021*
Fee Amounts Per Unit:	$0	$20,000+	$24,000+	$24,000+	$24,000+	$24,000+

Economic Considerations

- Payment of fees facilitated by real rent increases
  - To enhance existing feasibility:
    +7.2% real rent increase
  - To enhance feasibility and cover new fees under 11-19-2015 fee proposal:
    +16-18% real rent increase, up to 48% nominal $ growth in rents
- Fee strategy to reach target fees in initial years has risk of affecting development
- Fee strategies to initially encourage “successes on the ground” could enhance potentials for development and increase ability to absorb higher fees

Testing Fee Option for Multi-Family Housing Development: Scenario C and 11-19-2015 Proposal

Oakland Prototype H-4 Development: Mid-Rise, Rental Apartments

Type III construction on Type I podium
5-6 floors over podium; 1 pkg space/du
Average Unit Size: 825 sf
Density: 200 units/acre
Location: Downtown/Jack London/Broadway Valdez/parts of North Oakland (fee zone 1)

Total Development Costs without Land (2015): $467,000 per unit

Land Costs (2015): $32,700 per unit

Year	Rent Assumption (2015 $)			Fee	Return/a/		Land		Rent in Future $		
Mid-Year	Real Growth	Monthly per unit	Monthly per sf unit	Potential Fee per unit	Return: IRR Target: 15%	Prior Yr Bldg. Permit	Land Residual per unit	% Land Cost 2015	Annual Increase	Monthly Per Unit	Rent per sf unit
2015	Base Case	$3,080	$3.73	0	9.3%		$6,075	19%	–	$3,080	$3.73
2016	+7.1%	$3,300	$4.00	0	**15%**		$32,075	98%	+13%	$3,480	$4.22
				$5,000	14%		$27,215	83%			
				$10,000	13%		$22,355	68%			
				$20,000	11%		$12,800	39%			
2017	+5%	$3,465	$4.20	0	**18.9%**		$51,600	158%	+10%	$3,830	$4.64
				$5,000	**17.9%**	*2016*	$46,820	143%			
				$10,000	**16.9%**	*2016*	$41,960	128%			
				$20,000	**15%**	*2016?*	$32,320	99%			
2018	+3%	$3,570	$4.33	0	**21.2%**		$64,070	196%	+8%	$4,140	$5.02
				$20,000	**17.4%**	*2017*	$44,790	137%			
				$24,000	**16.7%**	*2017*	$40,990	125%			
				$28,000	**15.9%**	*2017*	$37,180	114%			
2019	+1%	$3,600	$4.36	0	**21.8%**		$67,635	207%	+5%	$4,350	$5.27
				$24,000	**17.4%**	*2018*	$44,550	136%			
				$30,000	**16.2%**	*2018*	$38,800	119%			
2020	+1%	$3,640	$4.41	0	**22.6%**		$72,410	221%	+5%	$4,570	$5.54
				$24,000	**18.2%**	*2019*	$49,250	151%			
				$32,000	**16.8%**	*2019*	$41,550	127%			
5 years out	+18.2% real growth								+48% nominal $ growth		

/a/ Results identify increase in return as rents increase over and above costs. Costs including land are assumed to remain at levels shown for the Base Case mid-2015

Testing Fee Option for Multi-Family Housing Development: Scenario A and 11-12-2015 Proposal

Oakland Prototype H-4 Development: Mid-Rise, Rental Apartments

Type III construction on Type I podium
5-6 floors over podium; 1 pkg space/du
Average Unit Size: 825 sf
Density: 200 units/acre
Location: Downtown/Jack London/Broadway Valdez/parts of North Oakland (fee zone 1)

Total Development Costs without Land (2015): $467,000 per unit

Land Costs (2015): $32,700 per unit

Year	Rent Assumption (2015 $)			Fee	Return/a/		Land		Rent in Future $		
Mid-Year	Real Growth	Monthly per unit	Monthly per sf unit	Potential Fee per unit	Return: IRR Target: 15%	Prior Yr Bldg. Permit	Land Residual per unit	% Land Cost 2015	Annual Increase	Monthly Per Unit	Rent per sf unit
2015	Base Case	$3,080	$3.73	0	9.3%		$6,075	19%	–	$3,080	$3.73
2016	+4%	$3,200	$3.88	0	12.5%		$20,330	62%	+10%	$3,380	$4.10
				$5,000	11.5%		$15,470	47%			
				$10,000	10.5%		$10,690	33%			
				$20,000	8.5%		$1,050	3%			
2017	+3%	$3,300	$4.00	0	**15%**		$32,075	98%	+8%	$3,660	$4.44
				$5,000	14%	*?*	$27,215	83%			
				$10,000	13%		$22,355	68%			
				$20,000	11%		$12,800	39%			
2018	+3%	$3,400	$4.12	0	**17.4%**		$43,900	134%	+8%	$3,950	$4.79
				$5,000	**16.4%**	*2017*	$39,040	119%			
				$10,000	**15.4%**	*2017*	$34,260	105%			
				$20,000	13.5%		$24,620	75%			
2019	+2%	$3,465	$4.20	0	**18.9%**		$51,600	158%	+6%	$4,180	$5.07
				$5,000	**17.9%**	*2018*	$46,820	143%			
				$10,000	**16.9%**	*2018*	$41,960	128%			
				$20,000	**15%**	*2018?*	$32,320	99%			
2020	+2%	$3,530	$4.28	0	**20.3%**		$59,370	182%	+6%	$4,430	$5.38
				$5,000	**19.3%**	*2019*	$54,510	167%			
				$10,000	**18.4%**	*2019*	$49,650	152%			
				$20,000	**16.5%**	*2019*	$40,095	123%			
5 years out	+14.6% real growth								+44% nominal $ growth		

/a/ Results identify increase in return as rents increase over and above costs. Costs including land are assumed to remain at levels shown for the Base Case mid-2015

Testing Fee Option for Multi-Family Housing Development: Scenario B - Option

Oakland Prototype H-4 Development: Mid-Rise, Rental Apartments

Type III construction on Type I podium
5-6 floors over podium; 1 pkg space/du
Average Unit Size: 825 sf
Density: 200 units/acre
Location: Downtown/Jack London/Broadway Valdez/parts of North Oakland (fee zone 1)

Total Development Costs without Land (2015): $467,000 per unit

Land Costs (2015): $32,700 per unit

Year	Rent Assumption (2015 $)			Fee	Return/a/		Land		Rent in Future $		
Mid-Year	Real Growth	Monthly per unit	Monthly per sf unit	Potential Fee per unit	Return: IRR Target: 15%	Prior Yr Bldg. Permit	Land Residual per unit	% Land Cost 2015	Annual Increase	Monthly Per Unit	Rent per sf unit
2015	Base Case	$3,080	$3.73	0	9.3%		$6,075	19%	–	$3,080	$3.73
2016	+4%	$3,200	$3.88	0	12.5%		$20,330	62%	+10%	$3,380	$4.10
				$5,000	11.5%		$15,470	47%			
				$10,000	10.5%		$10,690	33%			
				$20,000	8.5%		$1,050	3%			
2017	+3%	$3,300	$4.00	0	15%		$32,075	98%	+8%	$3,660	$4.44
				$5,000	14%		$27,215	83%			
				$10,000	13%		$22,355	68%			
				$20,000	11%		$12,800	39%			
2018	+2%	$3,365	$4.08	0	**16.6%**		$39,770	122%	+6%	$3,880	$4.70
				$5,000	**15.6%**	*2017*	$34,910	107%			
				$10,000	14.6%		$30,050	92%			
				$20,000	12.7%		$20,490	63%			
2019	+1%	$3,400	$4.20	0	**17.4%**		$43,900	134%	+5%	$4,070	$4.93
				$5,000	**16.4%**	*2018*	$39,040	119%			
				$10,000	**15.4%**	*2018*	$34,260	105%			
				$20,000	13.5%		$24,620	75%			
2020	+1%	$3,430	$4.16	0	**18.1%**		$47,470	145%	+5%	$4,280	$5.19
				$5,000	**17.1%**	*2019*	$42,610	130%			
				$10,000	**16.1%**	*2019*	$37,830	116%			
				$20,000	14.2%		$28,190	86%			
5 years out	+11.4% real growth								+39% nominal $ growth		

/a/ Results identify increase in return as rents increase over and above costs. Costs including land are assumed to remain at levels shown for the Base Case mid-2015

Fee Proposal from 11-12-2015 Working Group Meeting
Fee for Multi-Family Housing in Zone 1

Proposal of Some Working Group Members (not a City of Oakland proposal)

Key Points

- Fee amount determined at time of Completed Planning Application
- Fee amount not dependent on timing of Planning Application Approval
- Building Permits must be applied for within 1 year of Planning Applicaton Approval or fee changes to current fee at time of Building Permit
- Construction must start within 1 year of Building Permit Issuance or fee changes to current fee at time of Building Permit Issuance

Schedule of Fee Amounts

Time of Completed Planning Application:	*Prior to 7/1/2016*	*7/1/2016-6/30/2017*	*7/1/2017-6/30/2018*	*7/1/2018-6/30/2019*	*7/1/2019-6/30/2020*	*7/1/2020-6/30/2021*
Fee Amounts Per Unit:	0	$5,000	10,000	20,000	20,000	20,000

Timing of Fee Payments

Assumptions:

- 6 months from Completed Planning Application to Planning Approval, or 12 months if EIR required
- 12 months from Planning Approval to Building Permit
- Payment at time of building permit
- Timing below assumes Completed Planning Application at mid-year above

Timing for Building Permit:		*7/1/2016-6/30/2017*	*7/1/2017-6/30/2018*	*7/1/2018-6/30/2019*	*7/1/2019-7/1/2020*	*7/1/2020-7/1/2021*
Payment of Fee Amounts:				$5,000*	10,000	20,000

* Example:

- Application deemed complete 1/1/2017 (mid-point of first year of new fees)
- Application approved in 6 months: 7/1/2017
  or application with EIR approved in 12 months: 1/1/2018
- Building permit in 12 months: 7/1/2018 or 1/1/2019
- $5,000 per unit fee paid at building permit

Oakland Impact Fee Stakeholder Working Group

November 30, 2015

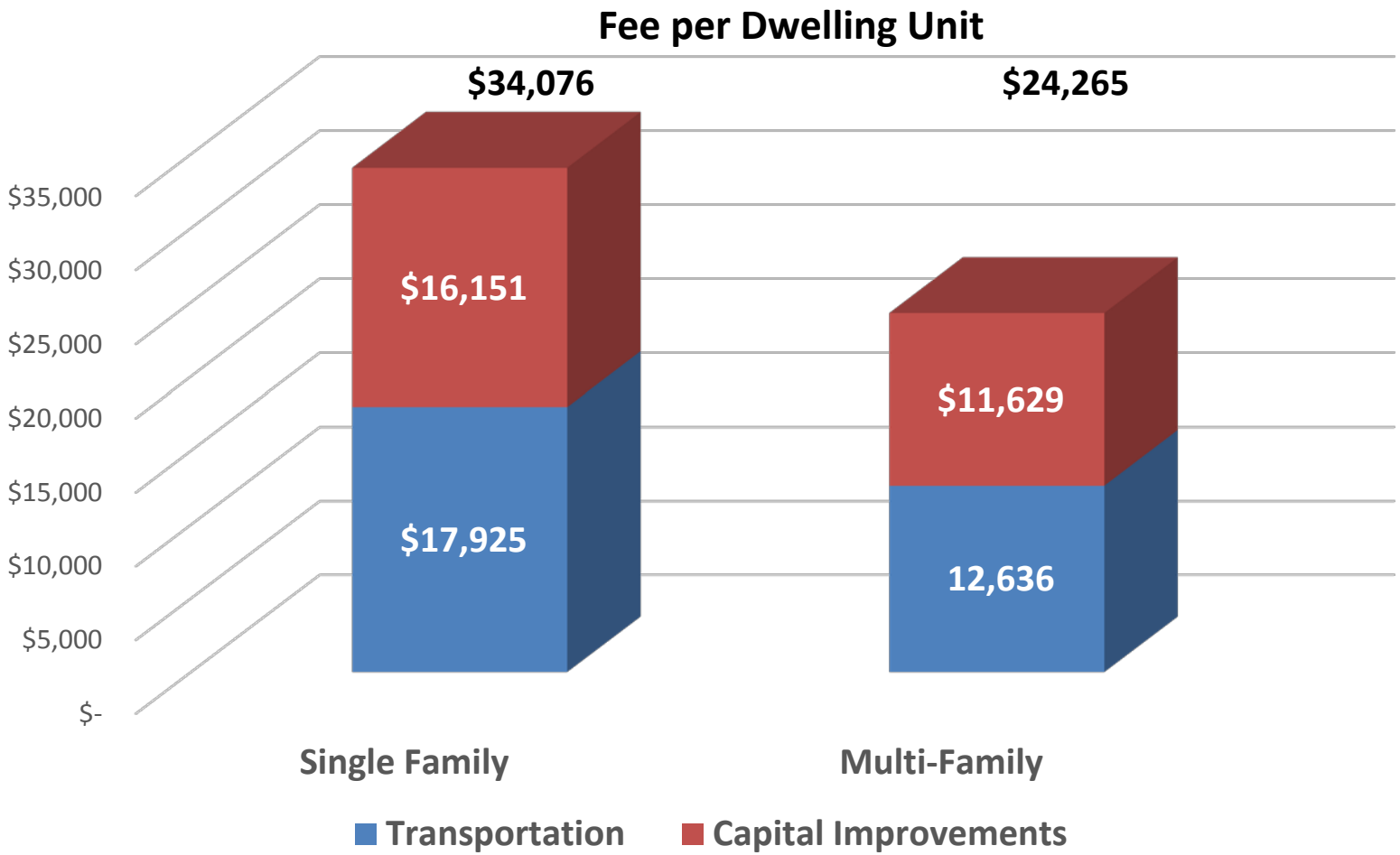
WRAP UP / QUESTIONS

Oakland Impact Fee Stakeholder Working Group

November 30, 2015

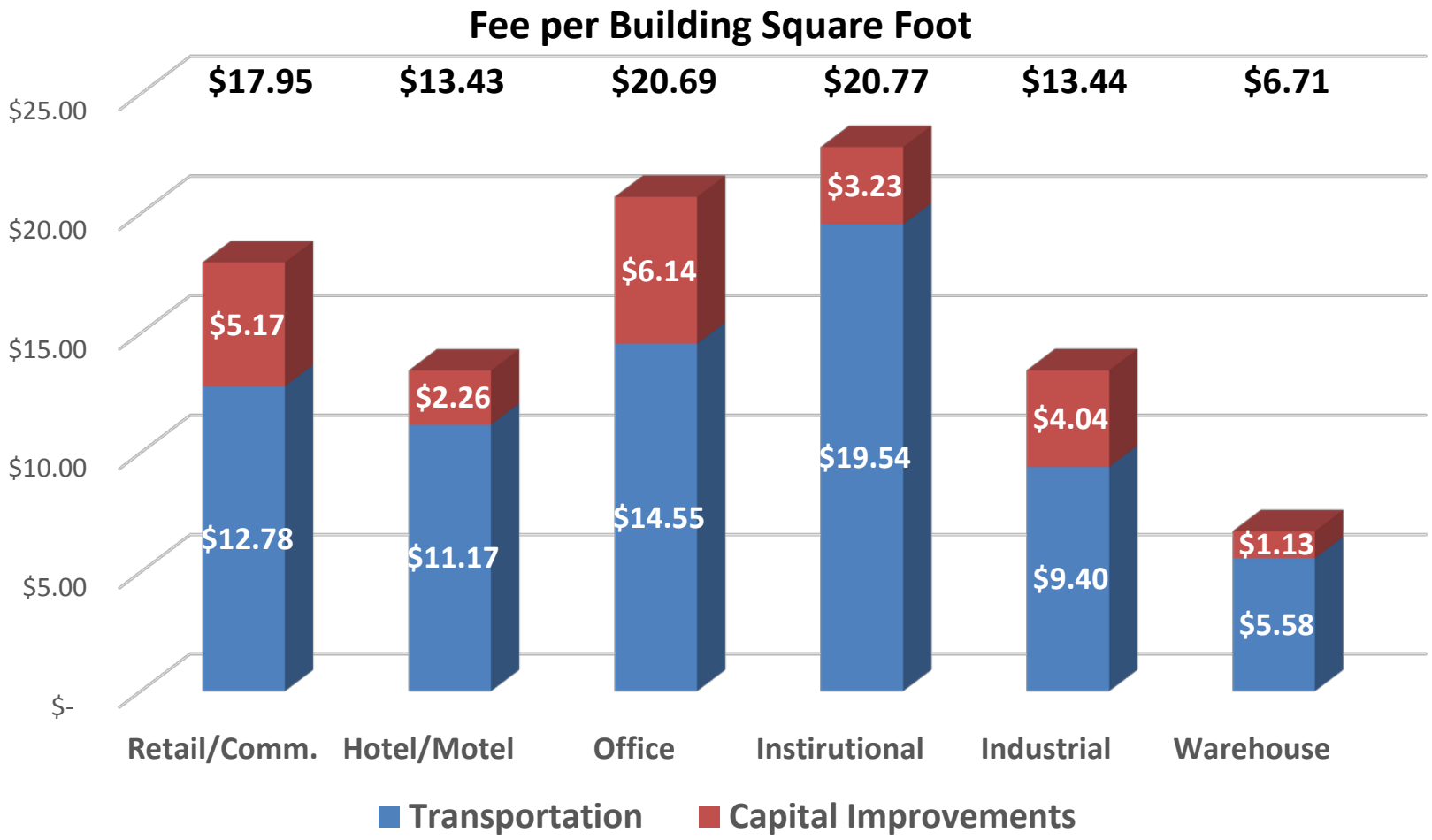
REVISED CAPITAL IMPROVEMENT FEE NEXUS TABLES

Maximum Legal Transportation and Capital Improvements Impact Fees



Note: In urban areas like Oakland the maximum legal fee amount is typically higher than the amount that can feasibly be supported by new development.

Maximum Legal Transportation and Capital Improvements Impact Fees



Note: In urban areas like Oakland the maximum legal fee amount is typically higher than the amount that can feasibly be supported by new development.

Table 6: 2015 Equivalent Dwelling Units (EDU) (revised)

Facility Type & Land Use	Demand Factor[1]	Resident / Worker Weighting Factor	Equivalent Dwelling Unit Factor[2]	2015 Land Use *(Housing Units or 1,000 Bldg. Sq. Ft.)*	2015 Equivalent Dwelling Units *(EDU)*
Residential					
Single Family	2.77	1.00	1.00	81,700	81,700
Multi-Family	1.99	1.00	0.72	90,000	64,800
Total Residential				171,700	146,500
Nonresidential					
Retail/Commercial	2.59	0.34	0.32	12,900	4,130
Hotel/Motel	1.11	0.34	0.14	2,600	360
Office	3.08	0.34	0.38	26,700	10,150
Institutional	1.60	0.34	0.20	30,500	6,100
Light Industrial	2.00	0.34	0.25	8,400	2,100
Warehouse	0.56	0.34	0.07	40,000	2,800
Total Nonresidential				121,100	25,640
Total				292,800	**172,140**

[1] Population per housing unit or workers per 1,000 building square feet.

[2] Per housing unit or per 1,000 building square feet.

Source: Attachment A (Table 3) and Table 3.

Table 7: Existing (2015) Public Facilities Level of Investment (revised)

Facility	Facility Inventory		Equivalent Dwelling Units	Level of Investment *(per 1,000 EDU)*	Cost per Unit	Cost per EDU
	Amount	Units				
Buildings & Land	976,080	bldg. sq. ft.	172,140	5,670	$ 903	$ 5,120
Improved Parkland	22,368,665	land sq. ft.	172,140	129,945	64	8,316
Open Space	67,489,214	land sq. ft.	172,140	392,060	0.50	196
Vehicles	719	vehicles	172,140	4.18	103,046	431
Library Collection	1,588,900	land sq. ft.	172,140	9,230	38	351
Storm Drain Facilities	2,120,000	linear ft.	172,140	12,316	141	1,737
Total						**$ 16,151**

Sources: Tables 2 and 4.

Table 8: Capital Improvement Maximum Legal Impact Fee (revised)

Land Use	Cost per EDU	EDU Factor	Fee	
Residential				
Single Family	$ 16,151	1.00	$ 16,151	per dwelling unit
Multi-Family	16,151	0.72	11,629	per dwelling unit
Nonresidential				
Retail/Commercial	$ 16,151	0.32	$ 5.17	per sq. ft.
Hotel/Motel	16,151	0.14	2.26	per sq. ft.
Office	16,151	0.38	6.14	per sq. ft.
Instirutional	16,151	0.20	3.23	per sq. ft.
Light Industrial	16,151	0.25	4.04	per sq. ft.
Warehouse	16,151	0.07	1.13	per sq. ft.

Source: Tables 4 and 5.

Oakland Impact Fee Nexus and Economic Feasibility Study

November 30, 2015

ECONOMIC FEASIBILITY ANALYSIS FOR RESIDENTIAL DEVELOPMENT

Background on Sources and Assumptions

IMPACT FEE NEXUS & ECONOMIC FEASIBILITY STUDY

Background on Sources and Assumptions for the Economic Feasibility Analysis of Residential Development

❖ Development Prototypes

- Development characteristics of prototypes were identified based on actual project plans and data/information submitted to the City of Oakland for numerous pipeline projects of different types and in different locations throughout Oakland. The characteristics include:
  - density
  - construction type
  - building height
  - parking amounts and location
  - unit mix and sizes

❖ Hard Construction Costs

- Nibbi Brothers General Contractors provided construction cost estimates specifically for the different building prototypes. Costs include building construction, parking construction, site development, and landscape/hardscape.
- HEG reviewed the cost estimates with several developers, including for-profit and non-profit developers.
- Nibbi also provided input for the duration of construction for each prototype, and on construction cost increases anticipated over the next several years.

❖ Government Permits and Fees

- Amounts for existing permits and fees were estimated for the specific development prototypes as follows
  - City of Oakland staff developed fee estimates for:
    - planning permits
    - building permits
    - General Plan surcharge
    - fire permit fees
    - bedroom tax
    - jobs-housing fee (for office and warehouse)
  - City staff and HEG developed fee estimates for:
    - school impact fees
    - City fee for public art
    - EBMUD fees (water system capacity and wastewater treatment capacity charges)

- **Other Soft Costs**
  - Estimated by HEG based on a number of sources including developer interviews and other proformas. Other soft costs include:
    - architecture and engineering
    - property tax
    - legal, title, insurance costs
    - project management and overhead
    - entitlement process
    - contingency

- **Construction Financing Costs**
  - Estimated by HEG based on the following assumptions:
    - borrow 65% of project costs
    - interest rate = 5.5%
    - loan fee = 1% loan amount
    - period of loan: varies depending on development prototype, and typically around 50% borrowed over construction and absorption periods.

- **Land**
  - Estimated by HEG based on a number of sources including developers, real estate brokers, recent appraisals, and County Assessor. Note that the proformas were also run to determine the land residuals, without including land as a cost.

- **Revenue (Rents and Prices)**
  - HEG conducted indepth market research on current (mid-2015) rents and prices for recently built (since 2005) housing of different types and in different parts of Oakland. Sources included property managers and agents, recent listings, internet sources (Zillow, project websites, real estate company websites, Craigslist), real estate company reports, Alameda County Assessors data (DataQuick reports), and developer interviews.
  - Table showing the more detailed assumptions for residential rents and prices by prototype is included at the end of this paper.
  - HEG also worked with The Concord Group to identify rents for the mid-rise, multi-family housing prototypes (H-3 and H-4). From their database, the Concord Group verified the rents identified by HEG and collaborated with HEG to consider trends in rents over time.

- **Operating Expenses for Rental Housing**
  - Estimated by HEG at 30 percent of gross rental revenue after adjusting for vacancy. This assumption is based on other HEG analyses and communications with developers, real estate agents, and property managers.

❖ Measures of Return

- As set up, development costs do not include a development fee or return for development/investment. The measures of return are to cover both of those aspects.
- *Yield on Cost* for rental prototypes identifies net operating income (NOI) as a percent of total costs (without development fee). The target yields reflect input from developers and brokers for projects of each type. Note that the yields are slightly higher than those calculated with development fees included as a cost.
- *Return on Cost (ROC)* compares the market value of the new development (net of expenses) to development costs to identify the net value or return on cost.
  - For rental housing, the market value is based on the capitalized value at stabilized occupancy. (See later item referring to cap rates.)
  - For for-
  - sale housing, the value is based on sales price.

  The target Return on Cost (ROC) for project feasibility depends on the development prototype, as shown on the proformas.
  - Higher returns (ROCs) are required for larger projects developed and absorbed over longer time periods because of the larger risk involved and the longer time period over which capital is tied up. Lower returns are required for smaller projects developed and absorbed over shorter time periods.

  The target returns were developed to be equivalent to internal rates of return (IRR) for each prototype. Based on input from several developers and experience from other analyses, IRRs in the range of 12% to 15% are used as the thresholds for feasible projects.

❖ Cap Rates

- Estimated by HEG based on numerous sources including developers, real estate brokers, real estate company reports, Urban Land Institute (ULI) and other publications, and recent economic feasibility studies done for impact fees in other cities (San Francisco, Berkeley, San Jose).
- Residential development proformas show two cap rates: 5.5% and 5%. Typically, HEG uses the 5% cap rate in its analyses and summaries of feasibility.

ASSUMPTIONS FOR UNIT MIX AND SALES PRICES AND RENTS
FOR HOUSING DEVELOPMENT PROTOTYPES
OAKLAND IMPACT FEE STUDY

Development Prototype	Percent	BR/BA	Avg. SF	Avg Price/Rent (mid 2015)	Avg. Price/Rent per SF	HOA Fees (per mo.)
PROTOTYPE H-1						
SINGLE FAMILY DETACHED HOMES						
FOR SALE HOMES						
A. East Oakland	-	3 BR / 3 BA	**1,600**	**$405,000**	**$253**	-
B. No. Hills/Rockridge/So. Hills/Lower Hills	-	4 BR / 3 BA	**3,000**	**$1,240,000**	**$413**	-
PROTOTYPE H-2						
TOWNHOMES/ROW HOUSES/ATTACHED SINGLE FAMILY						
FOR SALE HOMES						
A. West Oakland	25%	2 BR / 2 BA	1,185	$490,000	$414	
	65%	2 BR / 2.5 BA	1,370	$520,000	$380	
	10%	3 BR / 3 BA	1,550	$575,000	$371	
	100%		1,342	$518,000	$386	$250-300
Rounded			**1,340**	**$518,000**	**$387**	
B. North Hills/South Hills	10%	2 BR / 2.5 BA	1,500	$630,000	$420	
	10%	3 BR / 3 BA	1,750	$740,000	$423	
	30%	3 BR / 3 BA	2,050	$775,000	$378	
	35%	3+ BR / 3 BA	2,200	$800,000	$364	
	15%	4 BR / 3 BA	2,500	$850,000	$340	
	100%		2,085	$777,000	$373	$300-400
Rounded			**2,085**	**$777,000**	**$373**	

ASSUMPTIONS FOR UNIT MIX AND SALES PRICES AND RENTS
FOR HOUSING DEVELOPMENT PROTOTYPES
OAKLAND IMPACT FEE STUDY

Development Prototype	Percent	BR/BA	Avg. SF	Avg Price/Rent	Avg. Price/Rent per SF	HOA Fees
PROTOTYPE H-3						
LOWER/MID-RISE MULTI-FAMILY DEVELOPMENT						
RENTAL APARTMENTS						
West Oakland/North Oakland/East Oakland	15%	Studio	400	$1,500 per mo.	$3.75 per mo.	-
	45%	1 BR / 1 BA	700	$2,350 per mo.	$3.36 per mo.	-
	32%	2 BR / 2 BA	900	$2,900 per mo.	$3.22 per mo.	-
	8%	3 BR / 2 BA	1,200	$4,000 per mo.	$3.33 per mo.	-
	100%		759	$2,531 per mo.	$3.33 per mo.	-
Rounded			**760**	**$2,530**	**$3.33 per mo.**	
PROTOTYPE H-4						
MID-RISE, MULTI-FAMILY DEVELOPMENT						
RENTAL APARTMENTS						
Downtown/Jack London/ Broadway Valdez / North Oakland	17%	Studio	550	$2,350 per mo.	$4.27 per mo.	-
	50%	1 BR / 1 BA	740	$2,750 per mo.	$3.72 per mo.	-
	30%	2 BR / 2 BA	1,080	$3,900 per mo.	$3.61 per mo.	-
	3%	2+ BR / 2 BA	1,200	$4,400 per mo.	$3.67 per mo.	-
	100%		824	$3,077 per mo.	$3.74 per mo.	-
Rounded			**825**	**$3,080**	**$3.73 per mo.**	
FOR SALE CONDOS						
Downtown/Jack London/ Broadway Valdez / North Oakland	10%	Studio	600	$435,000	$725	
	35%	1 BR / 1 BA	760	$485,000	$638	
	15%	1+ BR / 2 BA	950	$585,000	$616	
	32%	2 BR / 2 BA	1,100	$665,000	$605	
	8%	2+ or 3 BR / 2 BA	1,400	$750,000	$536	
	100%		933	$573,800	$615	$380-500
Rounded			**930**	**$574,000**	**$617**	

ASSUMPTIONS FOR UNIT MIX AND SALES PRICES AND RENTS
FOR HOUSING DEVELOPMENT PROTOTYPES
OAKLAND IMPACT FEE STUDY

Development Prototype	Percent	BR/BA	Avg. SF	Avg Price/Rent	Avg. Price/Rent per SF	HOA Fees
PROTOTYPE H-5						
HIGH-RISE MULTI-FAMILY DEVELOPMENT						
RENTAL APARTMENTS						
Downtown/Jack London/Broadway Valdez	24%	Studio	550	$2,700	$4.91 per mo.	
	50%	1 BR / 1 BA	840	$3,700	$4.40 per mo.	
	25%	2 BR / 2 BA	1,100	$5,200	$4.73 per mo.	
	1%	3 BR / Penthouse	1,800	$7,200	$4.00 per mo.	
	100%		845	$3,870	$4.58 per mo.	
Rounded			**845**	**$3,870**	**$4.58 per mo.**	
FOR SALE CONDOS						
Downtown/Jack London/Broadway Valdez	15%	Studio	600	$460,000	$767	
	45%	1 BR / 1 BA	840	$565,000	$673	
	35%	2 BR / 2 BA	1,100	$710,000	$645	
	5%	3 BR / 2-3 BA / Penthouse	1,800	$1,200,000	$667	
	100%		943	$631,750	$670	$450-600
Rounded			**940**	**$632,000**	**$672**	