Lower Income Density Analysis - Template

Introduction

Describe how various affordability factors contribute to development of affordable housing. Describe what density will provide affordable housing within your community.

Affordability Factors

1. *Financial Feasibility*
    a. *Land Costs*
    b. *Parcel Size*
    c. *Development Fees*
    d. *Development Standards*
    e. *Availability of Infrastructure*
    f. *Density*
    g. *Location*
2. *Market Demand*
3. *Development Experience*
4. *Corridors and Transit Accessibility*
5. *Affordable Housing Incentives*
6. *Programmatic Efforts*

1. Financial Feasibility

Describe the various contributors that lead to development of affordable housing based on conversations with developers. Most commonly the following factors impact affordable housing: Land Costs, Parcel Size, Development Fees, Development Standards, Availability of Infrastructure, Density, and Location

a. Land Costs (Could reference non-governmental constraints analysis)

Describe how land costs impact the development of affordable housing. Describe the cost of land in proportion of overall development costs.

b. Financing

Describe level of subsidy necessary at various densities to promote affordability of housing for lower income households

c. Parcel Size

Describe how parcel size can impact the development of affordable housing, particulary relative to identified sites. Most developers are in need of specific unit yields that are dependent on not only density but parcel size and configuration

C. Development Fees (could reference analysis under governmental constraints)

Describe fees in proportion to overall development costs. Compare costs of both single family and multi-family.

D. Development Standards (could reference analysis of land use controls under governmental constraints)

Describe development standards, ability to achieve maximum densities and any potential reduction on development costs such as parking requirements Excessive or complicated development standards may limit the production of affordable housing

E. Availability of Infrastructure (could reference sites inventory analysis)

Discuss availability of infrastructure and impacts or benefits for development costs and affordability

F. Density

Discuss the role of density in affordable housing and summarize project experience within zones. Use conversations with developers and list of recent examples of housing affordable to lower income households.

G. Location

Discuss the impacts of location on affordability. Projects closer to transit, employment centers, etc can reduce costs of living for residents. Discuss the proximity to services as related to being competitive for funding and identified sites.

2. Market Demand

Discuss current market demand for affordable housing (or lack thereof)

3. Development Experience

Give examples of multifamily developments that have been constructed recently. Include market rate projects that rent at affordable levels as well as subsidized projects

EXAMPLE 1

Figure X: Example 1 Photo

Brief project history and description

Table X: Example 1 Statistics

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General Plan:	Medium Residential
Zoning:	R20
Acres:	5 AC
Total Units:	80
Year Built	
% of Max Density:	55%
Actual Density:	12 DU/AC
Median Market Price (2012)*:	$166,000
Affordability Level	

** For models sold in 2012 (through June 2012). Source- RedFin*

Example2

Figure X: Example 2 photo

Brief Description of Project History. Project includes density bonus, rezone, etc.?

Table X: Example 2Statistics

General Plan:	Commercial/Medium Residential
Zoning:	GC/R10
Acres:	5.32
Total Units:	116
Year Built	
% of Max Density:	125%
Actual Density:	22 DU/AC
Current Rent (2012)*	
1-Bed	$ 650
2-Bed	$1,050
Affordability Level	

* Includes water, sewer, trash

4. Market Rate for Rent (could reference housing needs section)

Describe the current mix of rental housing stock (e.g., studio, 2 bedroom, etc). Describe the overall affordability of the existing new rental housing stock. Describe if current rents are affordable to low/very low income households.

Table X: Affordable Rent Prices

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Household Size	Bedroom Type	Max Gross Rent Affordability for Very Low Income (1)	Max Gross Rent Affordability for Low Income (1)	Gross Market Rent Range (2)	Market Average Rent (3)
1	Studio	$ 656	$ 1,056	$655-826	$ 766
2	1/1	$ 777	$ 1,227	$772-1082	$ 925
3	2/1	$ 860	$ 1,353	$828-1433	$ 1,037
4	2/2	$ 953	$ 1,503	$828-1433	$ 1,139
5	3/2	$ 1,028	$ 1,628	$1073-1653	$ 1,405
6	3/2	$ 1,405	$ 1,628	$1073-1654	$ 1,405

(1)Based on HUD Income Limits, 2012 and SHRA Allowance for Tenant Paid Utilities (Electric) and services

(2) Apartment Survey 2012

(3) Real Facts,August 2012

5. Corridors and Transit Accessibility

Discuss the role of accessibility to transit and corridors in producing affordable housing. Discuss any existing policies that promote development along these corridors. Discuss consistency with SACOG MTP/SCS, including appropriate densities. Does the City's Zoning Code, General Plan, etc promote mixed use/higher density residential uses along these transit corridors?

Figure X: SACOG MTP/SCS Map

6. Affordable Housing Incentives

Discuss any affordable housing incentives the City offers to developers. Density Bonuses, Deferred Fees, etc.

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7. Programmatic Efforts

Describe any existing programmatic efforts that support development of affordable Housing

Existing Policies

Give examples of policies that promote development of affordable housing

Proposed Policies

Give examples of proposed or new policies that promote development of affordable housing

Conclusion

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