



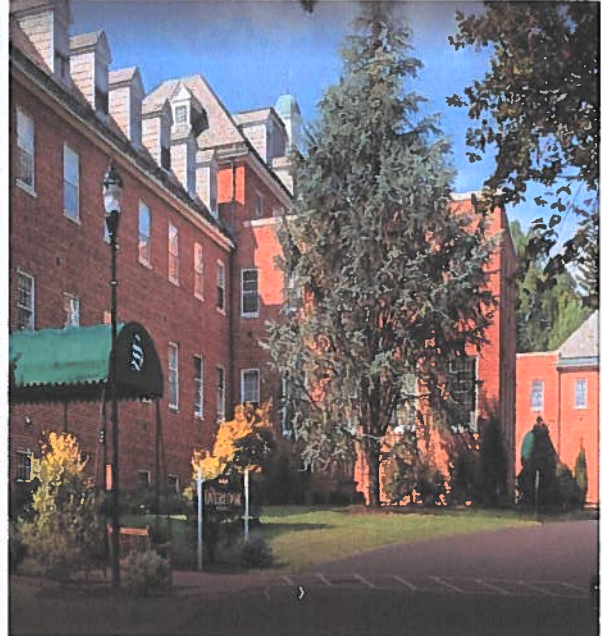
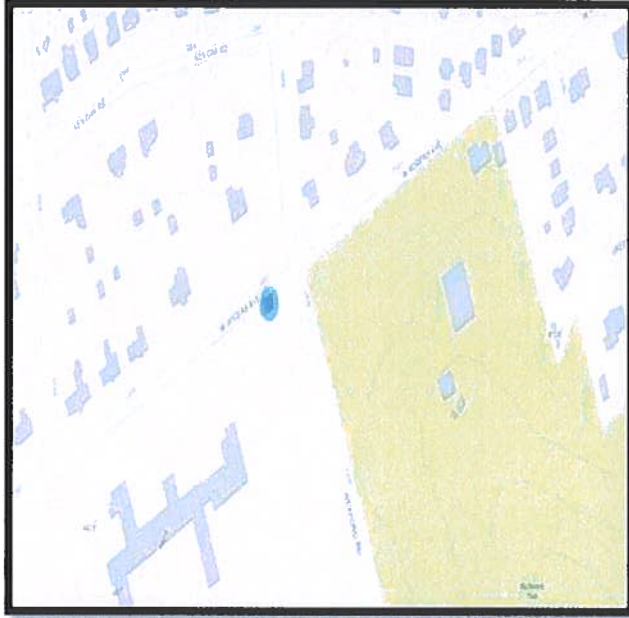
STAFF SUMMARY & RECOMMENDATION

THE HOMESTEAD BUILDING AT SPRINGWELL SENIOR LIVING COMMUNITY

LOCATION: 2209/2211 WEST ROGERS AVENUE

NEIGHBORHOOD: MT. WASHINGTON

<http://www.springwellseniorliving.com/>



CONSTRUCTION:

NEW CONSTRUCTION

UNIT DESCRIPTION

UNIT DESCRIPTION	Count	Average Market Rent
Total Units	99	
Efficiency/Studios		
1 Bedroom	75	\$1638
2 Bedroom	24	\$2485

AFFORDABILITY DETERMINATION

20 units would qualify as Inclusionary Units based on the Law's requirement that 20 percent of all units be offered as affordable. Six of these units would be available to households earning 30% of the Area Median Income (AMI), 5 units would be made available to households earning 60% of the AMI, 5 units would be made available to households earning 80% of the AMI and 4 units would be made available to households earning 100% of the AMI.

The total cost to the City to make all 20 units affordable would be \$3.2 million. However, based on the Law's Investment Threshold requirements, only 1-bedroom units offered to households earning 100% of the AMI are eligible to be offered as affordable. The total cost to the City to make these 1-bedroom units affordable would be \$27,217.

STAFF RECOMMENDATION

While the analysis determined that three units met the Investment Threshold requirements, DHCD does not believe that the additional fees required would make the units affordable. The project offers apartments to seniors who are 62 years or older. Residents pay a monthly fee ranging from \$3,850 to \$51,90 depending on the size of a unit. For the purposes of this analysis, the owner prorated the portion of these fees that would constitute rent. Had the analysis been completed using the total monthly fees, all units would have exceeded the investment threshold requirements. Therefore, staff recommends that this project be exempt from inclusionary housing requirements.

Inclusionary Housing Calculation

The Homestead Building at Springwell Senior Living Community

Income Limits (Inflated over time)

Size	30% AMI	60% AMI	80% AMI	100%AMI
Efficiency (1 Person)	\$ 21,200	\$ 42,400	\$ 56,600	\$ 70,700
1-Bedroom (1.5 Person)	\$ 22,700	\$ 45,500	\$ 60,600	\$ 75,800
2-Bedroom (3 person)	\$ 27,300	\$ 54,500	\$ 72,700	\$ 90,900
3-Bedroom (4.5 Person)	\$ 31,500	\$ 63,000	\$ 84,000	\$ 105,000

Affordability Standards (Inflated over time)

Calculation of Affordability at 2B-3(b)(1-4)

Max Rent = 1/12 x 30% of Max income by Tier

Size	30% AMI	60% AMI	80% AMI	100%AMI
Efficiency	\$ 530	\$ 1,060	\$ 1,415	\$ 1,768
1-Bedroom	\$ 568	\$ 1,138	\$ 1,515	\$ 1,895
2-Bedroom	\$ 683	\$ 1,363	\$ 1,818	\$ 2,273
3-Bedroom	\$ 788	\$ 1,575	\$ 2,100	\$ 2,625

Total Units in Building by Bedroom Size

Req. % each Tier	30%	25%	25%	20%	
Size	30% AMI	60% AMI	80% AMI	100%AMI	Total
Efficiency	0	0	0	0	0
1-Bedroom	22.5	18.75	18.75	15	75
2-Bedroom	7.2	6	6	4.8	24
3-Bedroom	0	0	0	0	0
Total	29.7	24.75	24.75	19.8	99

Total Required IH Units

Req % of Total	20% Major Public Subsidy				Total
	30% AMI	60% AMI	80% AMI	100%AMI	
Efficiency	0	0	0	0	0
1-Bedroom	5	4	4	3	16
2-Bedroom	1	1	1	1	4
3-Bedroom	0	0	0	0	0
Total	6	5	5	4	20

Unit counts are rounded to produce whole units

Project Rents

Size	30% AMI	60% AMI	80% AMI	100%AMI
Efficiency	\$ -	\$ -	\$ -	\$ -
1-Bedroom	\$ 1,638	\$ 1,638	\$ 1,638	\$ 1,638
2-Bedroom	\$ 2,485	\$ 2,485	\$ 2,485	\$ 2,485
3-Bedroom	\$ -	\$ -	\$ -	\$ -

Per Unit Subsidy per month - Initial Year

Size	30% AMI	60% AMI	80% AMI	100%AMI
Efficiency	\$ -	\$ -	\$ -	\$ -
1-Bedroom	\$ 1,071	\$ 501	\$ 123	\$ -
2-Bedroom	\$ 1,803	\$ 1,123	\$ 668	\$ 213
3-Bedroom	\$ -	\$ -	\$ -	\$ -

Lifetime Subsidy Per Unit

Size	30% AMI	60% AMI	80% AMI	100%AMI
Efficiency	\$ -	\$ -	\$ -	\$ -
1-Bedroom	\$ 261,748	\$ 144,677	\$ 67,144	\$ 9,072
2-Bedroom	\$ 433,748	\$ 294,085	\$ 200,634	\$ 107,183
3-Bedroom	\$ -	\$ -	\$ -	\$ -
Threshold Limit (by Income Tier)	\$ 125,000	\$ 100,000	\$ 50,000	\$ 25,000

Highlighted Cells are OVER threshold limit - SHALL exempt by statute at 2B-21(f)(3)

Total Project Subsidy by Unit Type

Size	30% AMI	60% AMI	80% AMI	100%AMI	Total
Efficiency			\$ -	\$ -	\$ -
1-Bedroom	\$ 45		\$ 268,575	\$ 27,217	\$ 295,837
2-Bedroom				\$ 107,183	\$ 107,183
3-Bedroom			\$ -	\$ -	\$ -
Total			\$ 268,575.43	\$ 134,399.41	\$ 403,020

Total Cost of Full Compliance \$ 403,020 Initial Year Dollars
Total Cost of Full Compliance \$ 403,020 Current Year Dollars