

Southern Towers Affordable Housing Proposal

- Southern Towers has proposed four affordable housing options for the City to review. Those options are detailed below. Based on an analysis of the number of units and NPV Staff recommends Option 2 (105 units with efficiencies at 55% AMI and all other unit sizes at 60% AMI)
- Table 1 shows the comparison between the current market rents and the restricted rents at the various percentages AMI proposed in the Southern Towers Options.
- Table 2 shows the specific distribution of each option provided by Southern Towers and the Net Present Value of each Option (Assumptions: Market Rent growth rate = 3%; Restricted Rent growth Rate = 2%; Discount Rate = 3%, Affordability would begin in 2014 and remain restricted for 10 Years.)

Affordability Options

100 Units

53 Efficiencies at 55% AMI

41 1BRs at 60% AMI

5 2BRs at 60% AMI

1 3BRS at 60% AMI

105 Units

56 Efficiencies at 55% AMI

44 1BRs at 60% AMI

4 2BRs at 60%

1 3BRs at 60%

125 Units

68 Efficiencies at 55% AMI

44 1BRs at 60% AMI

8 2BR at 75% AMI

5 3BR at 75% AMI

135 Units

68 Efficiencies @ 55% AMI

48 1BRs @ 75% AMI

13 2BRs @ 75% AMI

6 3BRs @ 75% AMI

Table 1. Southern Towers Avg. Market Rents vs. Proposed Restricted Rents

	ST Current Avg. Market*	55% AMI	60% AMI	75% AMI
Efficiency	\$995	\$1,035	N/A	N/A
1 BR	\$1,260	N/A	\$1,209	\$1,512
2 BR	\$1,630	N/A	\$1,452	\$1,814
3 BR	\$1,885	N/A	\$1,677	\$2,096
<i>*As provided by Southern Towers and Confirmed by City Rent Survey</i>				

Table 2. NPV of Southern Tower Affordable Housing Options

Options	0BR Units	1BR units		2BR Units		3BR Units		Total Units	NPV
	55%	60%	75%	60%	75%	60%	75%		
Option 1	53	41	0	5	0	1	0	100	\$844,214
Option 2	56	44	0	4	0	1	0	105	\$861,344
Option 3	68	44	0	0	8	0	5	125	\$739,282
Option 4	68	0	48	0	13	0	6	135	\$156,360