

Sample Scenario Feasibility Summary
for the
Proposed Village of Oak Park Inclusionary Housing Ordinance
March 5, 2019

	5% Affordable Requirement (units provided on-site)	10% Affordable Requirement (units provided on-site)	5% Affordable Requirement (\$100,000 fee-in-lieu)	10% Affordable Requirement (\$100,000 fee-in-lieu)
250-unit rental building	Requires \$1,625,000 land discount or equivalent offset	Requires \$3,000,000 land discount or equivalent offset	Requires \$1,250,000 land discount or equivalent offset	Requires \$2,500,000 land discount or equivalent offset
50-unit rental building	Requires \$120,000 land discount or equivalent offset	Requires \$200,000 land discount or equivalent offset	Requires \$250,000 land discount or equivalent offset	Requires \$500,000 land discount or equivalent offset
25-unit rental building	Requires no land discount or equivalent offset	Requires \$20,000 land discount or equivalent offset	Requires \$125,000 land discount or equivalent offset	Requires \$250,000 land discount or equivalent offset
25-unit townhome complex	Requires \$425,000 land discount or equivalent offset	Not Feasible	Requires \$125,000 land discount or equivalent offset	Requires \$250,000 land discount or equivalent offset

Source: Village of Oak Park and Oak Park Economic Development Corporation using Grounded Solutions Network Inclusionary Housing Calculator, <https://calc.inclusionaryhousing.org>. Feasibility based on 10% profit on total development cost and 6.5% yield on cost.



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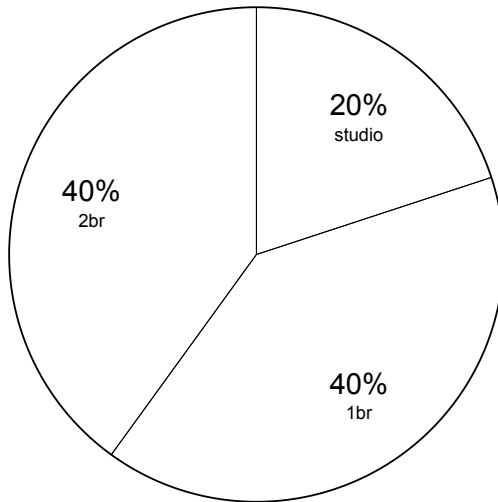
Inclusionary Housing Calculator

Project: 250-unit rental, MARKET

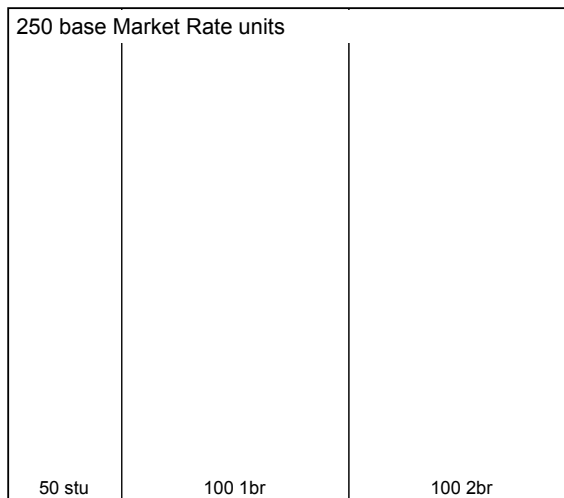
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Project Summary	Studio	1br	2br	3br	4br	Total	%	Area (sq. feet)
Approximate Unit Size	600	775	1,100	1,322	1,506			
Base Market Rate Units	50	100	100	0	0	250	100%	217,500
Bonus Units	0	0	0	0	0	0	0%	0
Total Market Rate Units	50	100	100	0	0	250	100%	217,500
Affordable @ 100% AMI	0	0	0	0	0	0	0%	0
Affordable @ 80% AMI	0	0	0	0	0	0	0%	0
Affordable @ 60% AMI	0	0	0	0	0	0	0%	0
Total Affordable Units	0	0	0	0	0	0	0%	0
Total Project Units	50	100	100	0	0	250	100%	217,500

Project Unit Mix



Project Units Breakdown



Rent Schedule	Studio	1br	2br	3br	4br	Total	%
Market Rate Units	\$1,650	\$2,100	\$2,800	\$3,585	\$3,808	\$572,500	89.81%
Bonus Unit Total	\$1,650	\$2,100	\$2,800	\$3,585	\$3,808	\$0	0%
Affordable @ 100% AMI	\$1,480	\$1,692	\$1,904	\$2,115	\$2,284	\$0	0%
Affordable @ 80% AMI	\$1,184	\$1,354	\$1,523	\$1,692	\$1,827	\$0	0%
Affordable @ 60% AMI	\$888	\$1,015	\$1,142	\$1,269	\$1,371	\$0	0%
Commercial Space Rent						\$39,960	6.27%
Other Rental Income						\$25,000	3.92%
Gross Potential Income / mo	\$82,500	\$210,000	\$280,000	\$0	\$0	\$637,460	100%

Project Size	acres	sq. feet
Unloaded Area		217,500
Common Area		31,099
Commercial Space		12,000
Total Built Area		259,159
Site Area	1	43,560
Floor Area Ratio		5.95
Dwelling Units/Acre		250.00

Parking	%	#
Parking Ratio (spaces per unit)	100%	250
Parking Reduction Incentive	0%	0
Net Parking Ratio	100%	250

Rental Income & Project Value	
Gross Potential Income (annual)	\$7,649,520
Less Vacancy	\$382,476
Gross Rental Income	\$7,267,044
Less Operating Costs	\$1,453,409
Tax Abatement	\$0
Net Operating Income (NOI)	\$5,813,635
Cap Rate	6%
Gross Value	\$96,893,920
Sales Marketing Costs	\$1,937,878
Net Project Value	\$94,956,042

Cost Analysis \$ % of TDC

Construction Costs	\$60,772,807	70.51%
Parking Costs	\$0	0%
Residential Impact Fees	\$0	0%
Affordable Housing Fee	\$0	0%
Condo Wrap Insurance	\$0	0%
Soft Costs	\$12,154,561	14.1%
Other development costs	\$100,000	0.12%
SubTotal Hard and Soft Costs	\$73,027,368	84.73%

Financing Costs

Construction Loan Amount	\$56,019,158	65%
Interest on Construction Loan	\$5,041,724	5.85%
Points on Construction Loan	\$1,120,383	1.3%
Land Costs	\$7,000,000	8.12%
Gross Development Cost	\$86,189,476	
Affordable Housing Subsidies	\$0	0%
Net Total Development Cost (TDC)	\$86,189,476	
TDC Per Unit		\$344,758

Profitability \$ Profit as % of TDC Yield on Cost

Estimated Profit	\$8,766,566	10.17%	6.75%
Minimum Profit	\$8,618,948		
Is Project Feasible?	Yes		
Value Capture Opportunity		\$147,619	

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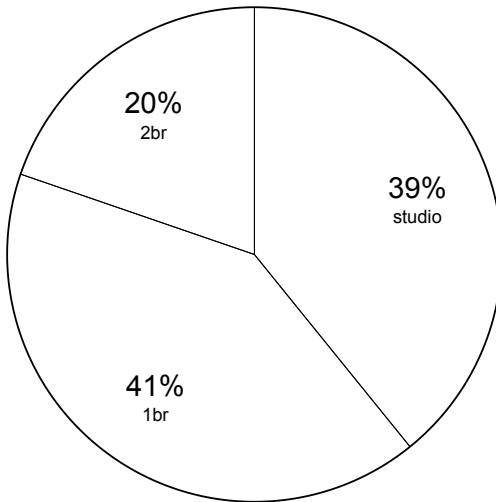
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Inclusionary Housing Calculator
Project: 50-unit rental, MARKET

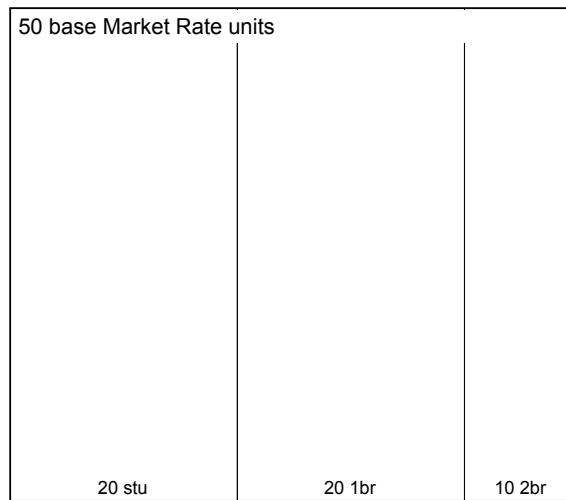
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Project Summary	Studio	1br	2br	3br	4br	Total	%	Area (sq. feet)
Approximate Unit Size	600	775	1,100	1,322	1,506			
Base Market Rate Units	20	20	10	0	0	50	100%	38,500
Bonus Units	0	0	0	0	0	0	0%	0
Total Market Rate Units	20	20	10	0	0	50	100%	38,500
Affordable @ 100% AMI	0	0	0	0	0	0	0%	0
Affordable @ 80% AMI	0	0	0	0	0	0	0%	0
Affordable @ 60% AMI	0	0	0	0	0	0	0%	0
Total Affordable Units	0	0	0	0	0	0	0%	0
Total Project Units	20	20	10	0	0	50	100%	38,500

Project Unit Mix



Project Units Breakdown



Rent Schedule	Studio	1br	2br	3br	4br	Total	%
Market Rate Units	\$1,650	\$2,100	\$2,800	\$2,402	\$2,552	\$103,000	100%
Bonus Unit Total	\$1,650	\$2,100	\$2,800	\$2,402	\$2,552	\$0	0%
Affordable @ 100% AMI	\$1,480	\$1,692	\$1,904	\$2,115	\$2,284	\$0	0%
Affordable @ 80% AMI	\$1,184	\$1,354	\$1,523	\$1,692	\$1,827	\$0	0%
Affordable @ 60% AMI	\$888	\$1,015	\$1,142	\$1,269	\$1,371	\$0	0%
Commercial Space Rent						\$0	0%
Other Rental Income						\$0	0%
Gross Potential Income / mo	\$33,000	\$42,000	\$28,000	\$0	\$0	\$103,000	100%

Project Size	acres	sq. feet
Unloaded Area		38,500
Common Area		5,250
Commercial Space		0
Total Built Area		43,750
Site Area	1	32,670
Floor Area Ratio		1.34
Dwelling Units/Acre		66.67

Parking	%	#
Parking Ratio (spaces per unit)	100%	50
Parking Reduction Incentive	0%	0
Net Parking Ratio	100%	50

Rental Income & Project Value	
Gross Potential Income (annual)	\$1,236,000
Less Vacancy	\$61,800
Gross Rental Income	\$1,174,200
Less Operating Costs	\$234,840
Tax Abatement	\$0
Net Operating Income (NOI)	\$939,360
Cap Rate	6%
Gross Value	\$15,656,000
Sales Marketing Costs	\$313,120
Net Project Value	\$15,342,880

Cost Analysis \$ % of TDC

Construction Costs	\$8,531,250	61.23%
Parking Costs	\$0	0%
Residential Impact Fees	\$0	0%
Affordable Housing Fee	\$0	0%
Condo Wrap Insurance	\$0	0%
Soft Costs	\$1,706,250	12.25%
Other development costs	\$100,000	0.72%
SubTotal Hard and Soft Costs	\$10,337,500	74.19%

Financing Costs

Construction Loan Amount	\$9,056,250	65%
Interest on Construction Loan	\$815,063	5.85%
Points on Construction Loan	\$181,125	1.3%
Land Costs	\$2,600,000	18.66%
Gross Development Cost	\$13,933,688	
Affordable Housing Subsidies	\$0	0%
Net Total Development Cost (TDC)	\$13,933,688	
TDC Per Unit		\$278,674

Profitability \$ Profit as % of TDC Yield on Cost

Estimated Profit	\$1,409,193	10.11%	6.74%
Minimum Profit	\$1,393,369		
Is Project Feasible?	Yes		
Value Capture Opportunity		\$15,824	

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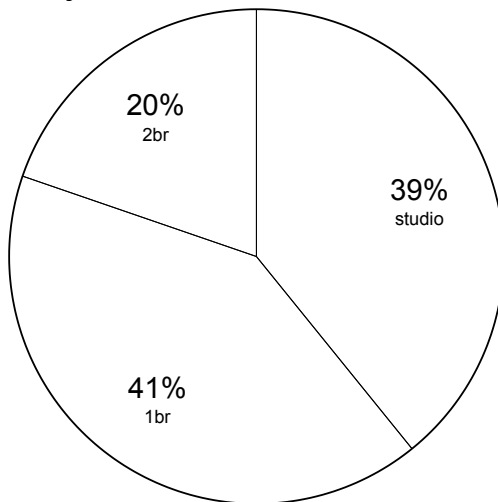
Inclusionary Housing Calculator

Project: 25-unit rental, MARKET

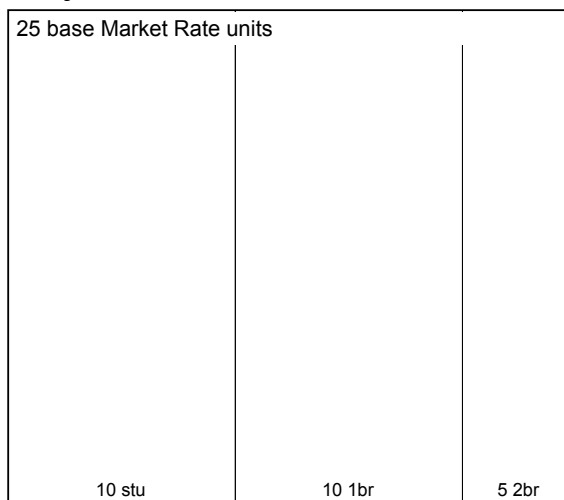
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Project Summary	Studio	1br	2br	3br	4br	Total	%	Area (sq. feet)
Approximate Unit Size	600	775	1,100	1,322	1,506			
Base Market Rate Units	10	10	5	0	0	25	100%	19,250
Bonus Units	0	0	0	0	0	0	0%	0
Total Market Rate Units	10	10	5	0	0	25	100%	19,250
Affordable @ 100% AMI	0	0	0	0	0	0	0%	0
Affordable @ 80% AMI	0	0	0	0	0	0	0%	0
Affordable @ 60% AMI	0	0	0	0	0	0	0%	0
Total Affordable Units	0	0	0	0	0	0	0%	0
Total Project Units	10	10	5	0	0	25	100%	19,250

Project Unit Mix



Project Units Breakdown



Rent Schedule	Studio	1br	2br	3br	4br	Total	%
Market Rate Units	\$1,500	\$1,950	\$2,500	\$2,402	\$2,552	\$47,000	100%
Bonus Unit Total	\$1,500	\$1,950	\$2,500	\$2,402	\$2,552	\$0	0%
Affordable @ 100% AMI	\$1,480	\$1,692	\$1,904	\$2,115	\$2,284	\$0	0%
Affordable @ 80% AMI	\$1,184	\$1,354	\$1,523	\$1,692	\$1,827	\$0	0%
Affordable @ 60% AMI	\$888	\$1,015	\$1,142	\$1,269	\$1,371	\$0	0%
Commercial Space Rent						\$0	0%
Other Rental Income						\$0	0%
Gross Potential Income / mo	\$15,000	\$19,500	\$12,500	\$0	\$0	\$47,000	100%

Project Size	acres	sq. feet
Unloaded Area		19,250
Common Area		2,625
Commercial Space		0
Total Built Area		21,875
Site Area	1	32,670
Floor Area Ratio		0.67
Dwelling Units/Acre		33.33

Parking	%	#
Parking Ratio (spaces per unit)	100%	25
Parking Reduction Incentive	0%	0
Net Parking Ratio	100%	25

Rental Income & Project Value	
Gross Potential Income (annual)	\$564,000
Less Vacancy	\$28,200
Gross Rental Income	\$535,800
Less Operating Costs	\$107,160
Tax Abatement	\$0
Net Operating Income (NOI)	\$428,640
Cap Rate	6%
Gross Value	\$7,144,000
Sales Marketing Costs	\$142,880
Net Project Value	\$7,001,120

Cost Analysis	\$	% of TDC
Construction Costs	\$3,497,813	54.98%
Parking Costs	\$0	0%
Residential Impact Fees	\$0	0%
Affordable Housing Fee	\$0	0%
Condo Wrap Insurance	\$0	0%
Soft Costs	\$699,563	11%
Other development costs	\$100,000	1.57%
SubTotal Hard and Soft Costs	\$4,297,375	67.54%

Financing Costs		
Construction Loan Amount	\$4,135,162	65%
Interest on Construction Loan	\$372,165	5.85%
Points on Construction Loan	\$82,703	1.3%
Land Costs	\$1,610,000	25.31%
Gross Development Cost	\$6,362,243	
Affordable Housing Subsidies	\$0	0%
Net Total Development Cost (TDC)	\$6,362,243	
TDC Per Unit		\$254,490

Profitability	\$	Profit as % of TDC	Yield on Cost
Estimated Profit	\$638,877	10.04%	6.74%
Minimum Profit	\$636,224		
Is Project Feasible?	Yes		
Value Capture Opportunity		\$2,653	

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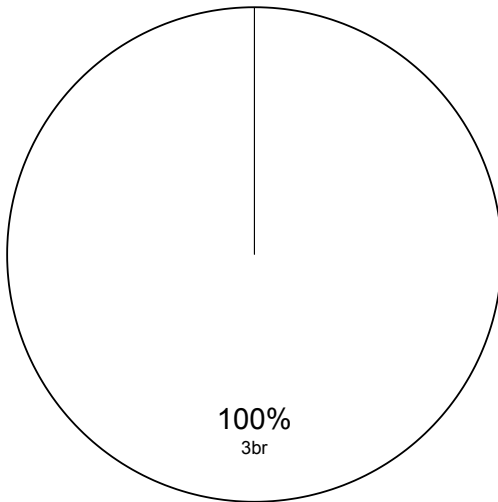
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Inclusionary Housing Calculator
Project: 25-unit townhouse complex, MARKET

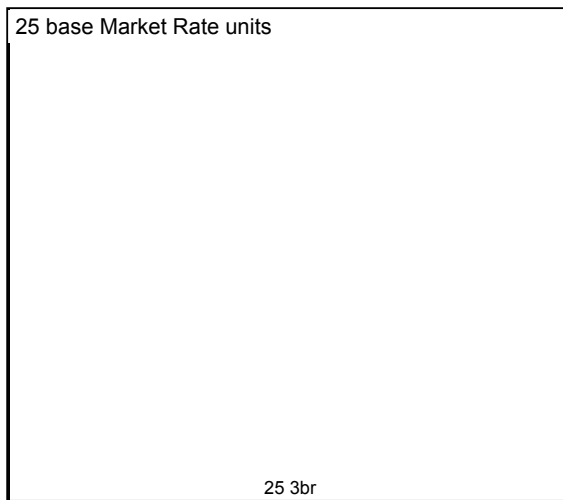
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Project Summary	Studio	1br	2br	3br	4br	Total	%	Area (sq. feet)
Approximate Unit Size	0	0	1,600	2,200	0			
Base Market Rate Units	0	0	0	25	0	25	100%	55,000
Bonus Units	0	0	0	0	0	0	0%	0
Total Market Rate Units	0	0	0	25	0	25	100%	55,000
Affordable @ 120% AMI	0	0	0	0	0	0	0%	0
Affordable @ 80% AMI	0	0	0	0	0	0	0%	0
Affordable @ 60% AMI	0	0	0	0	0	0	0%	0
Total Affordable Units	0	0	0	0	0	0	0%	0
Total Project Units	0	0	0	25	0	25	100%	55,000

Project Unit Mix



Project Units Breakdown



Price Schedule	Studio	1br	2br	3br	4br	Gross Sales Proceeds	%
Market Rate Units	\$0	\$0	\$500,000	\$550,000	\$0	\$13,750,000	100%
Bonus Unit Total	\$0	\$0	\$500,000	\$550,000	\$0	\$0	0%
Affordable @ 120% AMI	\$255,520	\$303,227	\$0	\$0	\$436,809	\$0	0%
Affordable @ 80% AMI	\$144,202	\$176,007	\$0	\$0	\$265,061	\$0	0%
Affordable @ 60% AMI	\$88,543	\$112,396	\$0	\$0	\$179,187	\$0	0%
Gross Sales Proceeds	\$0	\$0	\$0	\$13,750,000	\$0	\$13,750,000	100%

Project Size	acres	sq. feet
Unloaded Area		55,000
Common Area		0
Commercial Space		0
Total Built Area		55,000
Site Area	1	54,450
Floor Area Ratio		1.01
Dwelling Units/Acre		20.00

Revenue & Project Value

Gross Sales Proceeds	\$13,750,000
Sales Marketing Cost	\$687,500
Net Project Value	\$13,062,500

Parking	%	#
Parking Ratio (spaces per unit)	100%	25
Parking Reduction Incentive	0%	0
Net Parking Ratio	100%	25

Cost Analysis \$ % of TDC

Construction Costs	\$8,800,000	74.25%
Parking Costs	\$0	0%
Residential Impact Fees	\$0	0%
Affordable Housing Fee	\$0	0%
Condo Wrap Insurance	\$25,000	0.21%
Soft Costs	\$880,000	7.42%
Other development costs	\$50,000	0.42%
SubTotal Hard and Soft Costs	\$9,755,000	82.3%

Financing Costs

Construction Loan Amount	\$7,703,500	65%
Interest on Construction Loan	\$693,315	5.85%
Points on Construction Loan	\$154,070	1.3%
Land Costs	\$1,250,000	10.55%
Gross Development Cost	\$11,852,385	
Affordable Housing Subsidies	\$0	0%
Net Total Development Cost (TDC)	\$11,852,385	
TDC Per Unit		\$474,095

Profitability \$ Profit as % of TDC Yield on Cost

Estimated Profit	\$1,210,115	10.21%	0%
Minimum Profit	\$1,185,239		
Is Project Feasible?	Yes		
Value Capture Opportunity		\$24,877	

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