

Financial Feasibility Testing of Potential New Development Projects in the Kings Canyon Corridor

City of Fresno

KCCTOD Connectivity Study

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FOR CITYTHINKERS
AND THE CITY OF
FRESNO

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I. Introduction

The Citythinkers Consultant Team has been retained by the City of Fresno to prepare a strategy for attracting new, higher density development around transit stations along the Ventura / Kings Canyon Corridor (Corridor).

The purpose of this analysis is to evaluate the financial feasibility of a range of hypothetical new construction prototypes, including commercial development, mixed-use commercial and market-rate residential projects, for-sale market-rate townhome development, and 100% affordable rental apartments.

To evaluate the opportunity for new construction along the Corridor, the Consultant Team: 1) identified a range of target land uses; 2) selected several development sites that would be well-suited for development of the target land uses and are representative of vacant properties along the Corridor; 3) prepared conceptual development “prototypes” for the sites; and 4) prepared pro forma financial analyses to assess the financial feasibility of the concepts.


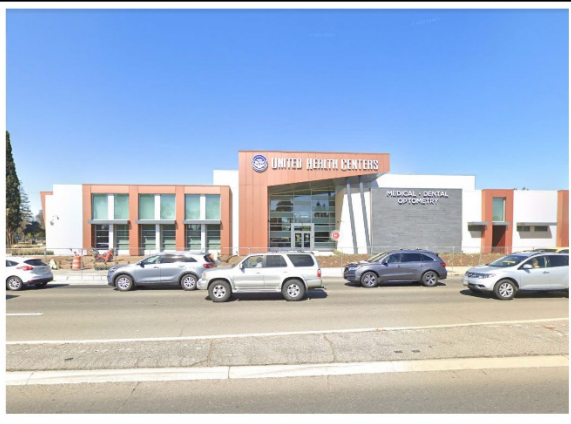
Citythinkers identified a total of nine (9) development prototypes for the Corridor, comprised of the following:

Exhibit 1: Summary of Prototypes

Prototype	Development Program	Site Size
1a – Infill retail	11,000 sf of retail	0.7 acres
1b – Infill medical office	11,000 sf of medical office	0.7 acres
2a – 4-story mixed use market-rate multi-family residential with ground floor retail	54 units and 5,250 sf of retail	1.2 acres
2b – Same physical prototype as 2a, with 100% affordable rental apartments	54 units and 5,250 sf of retail	1.2 acres
3a—2-story mixed use market-rate multifamily residential with limited retail	92 units and 2,110 sf of retail	3.2 acres
3b – Same physical prototype as 3a, with 100% affordable rental apartments	92 units and 2,100 sf of retail	3.2 acres
4 – Rental cottages for seniors	75 units	5.3 acres
5a – 3-story rental townhomes	115 units	5.4 acres
5b – 3-story for-sale townhomes	115 units	5.4 acres



The development programs for the five base prototypes are detailed Exhibits 2 through 6.

Exhibit 2. Development Feasibility Analysis – Prototype 1: Commercial Infill on <1 acre

Site: < 1 acre			Typology: Infill Retail/ Medical Office	
				
APNs 461-265-9, 10, 11	Existing Zoning* (NMX)	Test Scenario	Assumptions:	Base Metric
Site & Zoning				
Lot Area (sf)	30,000	30,000		
Density (du/ac)	16	0		
# of Units	11	0		
FAR	1.5	0.4		
Building Height (ft)	40'	20'		
# Stories		1		
Building Format				
Primary Use	mixed-use	commercial		
Construction Type	V-Wood	V-Wood		
Gross Building Area (gsf)				
Residential		0	unit size of 1,200 sf/ unit gross, incl. circulation	1200 SF
Commercial/ Other		11,000		
TOTAL Building GFA	45,000	11,000		
Parking				
Type		surface		
# Stalls - Residential		0		
# Stalls - Commercial		27	exceeds code requirement of 1/600 sf	600 SF
Total Area		11,400		422 SF
# Levels		1		
Residential Parking Ratio		-	1 space for 2-bed units required	1.00
Open Space				
Private Open Space (sf)	176	0	50% of units must provide a min. 32 sf	32 SF
Common Open Space/ Landscape Area (sf)	4,500	7,600	exceeds code requirement of 15% of site area	0.15

* All calculations are approximations and preliminary estimates and subject to change; Existing Zoning yields are based on assumed ratios/metrics and not actual "test fit" takeoffs



Exhibit 3: Development Feasibility Analysis: Prototype 2: Mixed-Use Infill on 1 acre

Site: approx. 1 acre			Typology: Infill Mixed-Use	
				
APNs 461-303-08, 09 & 21	Existing Zoning* (CMIX)	Test Scenario	Assumptions:	Base Metric
Site & Zoning				
Lot Area (sf)	49,707	49,707		
Density (du/ac)	30	47		
# of Units	34	54		
FAR	1.5	1.4		
Building Height (ft)	60'	50'		
# Stories		4	3 residential over 1 commercial	
Building Format				
Primary Use	mixed-use	mixed-use		
Construction Type	V-Wood	V-Wood		
Gross Building Area (gsf)				
Residential		55,085	unit size of 1020 sf/ unit gross, incl. circulation	1020 SF
Commercial		5,250		
Common Area/ Amenity		7,350		
TOTAL Building GFA	74,561	67,685		
Parking				
Type		tuck under/ surface		
# Stalls - Residential		49		
# Stalls - Commercial		9	1/600 sf commercial required	600 SF
Total Area		22,600		390 SF
# Levels		1		
Residential Parking Ratio		0.9	0.75 space/ 1bed; 1 space/ 2-bed units required	1.00
Open Space				
Private Open Space (sf)	548	864	50% of units must provide a min. 32 sf	32 SF
Common Open Space/ Landscape Area (sf)	4,971	13,070	Exceeds code requirement of 10% of site area	0.1

* All calculations are approximations and preliminary estimates and subject to change; Existing Zoning yields are based on assumed ratios/metrics and not actual "test fit" takeoffs

	Unit Mix:	Unit Net SF
studio	-	-
1 bed	18	550
2 bed	36	805

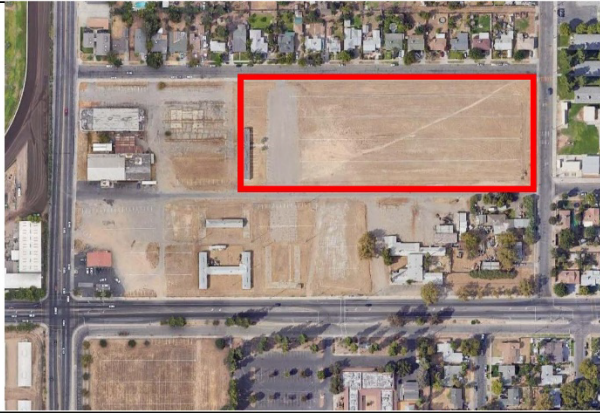

Exhibit 4: Development Feasibility Analysis: Prototype 3: Walk-Up Apartments on 3 acres

Site: approx. 3 acres		Typology: Walk-up Apartments		
				
APNs 470-052-01,02,08-10	Existing Zoning* (NMX)	Test Scenario	Assumptions:	Base Metric
Site & Zoning				
Lot Area (sf)	137,910	137,910		
Density (du/ac)	16	29		
# of Units	51	92		
FAR	1.5	0.7		
Building Height (ft)	40'	30'		
# Stories		2		
Building Format				
Primary Use	mixed-use	multi-family		
Construction Type	V-Wood	V-Wood		
Gross Building Area (gsf)				
Residential		93,865	unit size of 1,020 sf/ unit gross, incl. circulation	1020 SF
Commercial		2,110	retail/ neighborhood services	
Common Area/ Amenity		2,630	community room	
TOTAL Building GFA	206,865	98,605		1200 SF
Parking				
Type		surface		
# Stalls - Residential		92		
# Stalls - Commercial		0	1/600 sf commercial required; on-street provided	600 SF
Total Area		41,150		447 SF
# Levels		1		
Residential Parking Ratio		1.0	0.75 space/ 1bed; 1 space/ 2-bed units required	1.00
Open Space				
Private Open Space	810	1,472	50% of units must provide a min. 32 sf	32 SF
Common Open Space/ Landscape Area (sf)	20,687	45,088	Exceeds code requirement of 15% of site area	0.15

** All calculations are approximations and preliminary estimates and subject to change; Existing Zoning yields are based on assumed ratios/metrics and not actual "test fit" takeoffs*

	Unit Mix:	Unit Net SF
studio	-	-
1 bed	44	750
2 bed	48	900


Exhibit 5: Development Feasibility Analysis: Prototype 4: Senior Cottages on >5 acres

Site: approx. 5 acres			Typology: Senior Cottages	
				
APN 47030009	Existing Zoning* (RS-5 & RM-1)	Test Scenario	Assumptions:	Base Metric
Site & Zoning				
Lot Area (sf)	228,300	228,300		
Density (du/ac)	12 to 16	14		
# of Units	63 to 84	75		
FAR	-	0.3		
Building Height (ft)	35' / 40'	20'		
# Stories		1		
Building Format				
Primary Use	public institutional	multi-family		
Construction Type	varies	V-Wood		
Gross Building Area (gsf)				
Residential		62,460	unit size of 833 sf/ unit gross, incl. circulation	833 SF
Commercial		0		
Common Area/ Amenity		1,460	clubhouse/ dining room	
TOTAL Building GFA		63,920		
Parking				
Type		surface		
# Stalls - Residential		84	1.1 ratio to allow for guest	
# Stalls - Commercial		0	1/600 sf commercial required (guest/ services)	600 SF
Total Area		28,460		339 SF
# Levels		1		
Residential Parking Ratio		1.1	1 space for 2-bed units required (lower for senior)	1.00
Open Space				
Private Open Space (sf)		6,750	provide 90 sf/ unit	90 SF
Common Open Space/ Landscape Area (sf)		129,170	incl. approx. 5385 sf pool area; garden-like setting results in more open space	0.57

** All calculations are approximations and preliminary estimates and subject to change; Existing Zoning yields are based on assumed ratios/metrics and not actual "test fit" takeoffs*

	<u>Unit Mix:</u>	<u>Unit Net SF</u>
studio	15	440
1 bed	15	675
2 bed	45	915

Exhibit 6. Development Feasibility Analysis: Prototype 5: For-Sale Townhomes on >5 acres

Site: approx. 5.78 acres			Typology: 3 story Townhomes	
				
4985 E Kings Canyon Ave, Fresno, CA 93727	Existing Zoning* (CMX)	Test Scenario	Assumptions:	Base Metric
Site & Zoning				
Lot Area (sf)	233,200	233,200		
Density (du/ac)	30	21		
# of Units	161	115		
FAR	1.5	0.9		
Building Height (ft)	60'	40'		
# Stories		3		
Building Format				
Primary Use	mixed-use	multi-family		
Construction Type	V-Wood	V-Wood		
Gross Building Area (gsf)				
Residential		204,675	unit size avg of 1780 sf/ unit gross, incl. circulation	1780 SF
Commercial		0		
Common Area/ Amenity		1,200	community room	
TOTAL Building GFA	349,800	205,875		1200 SF
Parking				
Type		garages		
# Stalls - Residential		230	high demand for family housing	
# Stalls - Commercial		0	1/600 sf commercial required (guest/ services)	600 SF
Total Area		53,600	individual enclosed garages	233 SF
# Levels		1		
Residential Parking Ratio		2.0	1.5 spaces for 3-bed units required	1.50
Open Space				
Private Open Space (sf)	2,570	27,370	Exceeds code; 50% of units must provide min. 32 sf	32 SF
Common Open Space/ Landscape Area (sf)	23,320	118,555	Exceeds code; 10% of site area required	0.1

* All calculations are approximations and preliminary estimates and subject to change; Existing Zoning yields are based on assumed ratios/metrics and not actual "test fit" takeoffs

	<u>Unit Mix:</u>	<u>Unit Net SF</u>	<i>unit net SF excludes garage</i>
3 bed	63	1542	
3 bed + den	52	1670	

II. Summary of Findings and Conclusions

Feasibility of New Infill Commercial Development

- Retail market conditions along the Corridor are generally strong. Vacancy rates are less than 4% and space is leasing for rates that range from the mid-teens to \$24.00 per square foot, per year. Fast food restaurants achieve higher rates. Given the strength of the retail market, new infill retail development projects are likely to be financially feasible to private developers without a subsidy. The exception would be new restaurants with commercial kitchens, which are very costly and are not supported by current market rate rents. They would likely require a significant subsidy to off-set the cost of development.
- While restaurants are financially challenging, approaches to enhance viability that are being taken throughout California include: 1) reducing the size of expensive indoor seating and making outdoor seating a key element of the experience; 2) adding active amenities, such as bocce ball, live music, fire pits and lawn games; and 3) providing one central kitchen to serve multiple fast-casual restaurants.
- Because of the extensive plumbing and electrical requirements of medical office space, the feasibility analysis indicates that new medical office development would generate a return that is less than the target threshold of institutional investors. Either market rents would have to increase by approximately 15% or a public subsidy would be needed to reduce development costs by approximately \$65 per square foot to achieve return levels targeted by investors.

Feasibility of New Market-Rate, Multi-Family Rental and Mixed-Use Residential Development

- There has been significant new market-rate multi-family development in Fresno, but not in the Corridor.

- Market rate apartment rents in the Study Area average \$971 per month, or \$1.10 per square foot per month. This rental rate is consistent with the age of the rental housing stock and is not sufficient to support the cost of new construction. In comparison, new units elsewhere in Fresno are achieving rents in the \$2.10 to \$2.65 per square foot range, which are sufficient to support new construction costs.
- The feasibility analyses of the four market-rate rental apartment prototypes indicate that all prototypes would need a financial subsidy in either the form of a rent subsidy or a contribution towards construction costs to yield a standard return on investment. Under current market conditions, the financial gap ranges from \$98,000 per unit for 2-story walk-up apartments to approximately \$160,000 per unit for both the higher-density 4-story apartment prototype and the rental townhomes due to the large unit sizes.
- The feasibility analyses indicate that market-rate rents that are being achieved elsewhere in Fresno would be sufficient to support the construction of each of the prototypes, with the exception of the 4-story wood frame apartments, which would require a rental rate in the \$2.95 per square foot range, which generally exceeds market rates in Fresno.
- The feasibility gap for the market rate units is not dissimilar to the feasibility gap for deed restricted affordable housing units. Given the need for affordable housing and the availability of State Funding for affordable housing in proximity to transit, affordable housing may be an important opportunity for the Corridor.
- Market rental rates will need to significantly increase to fully support the cost of higher-density residential development that is desired for the Corridor.

Feasibility of New Market-Rate, For-Sale Townhome Development

- There has not been many examples of recent construction of new for-sale residential units in the Corridor. The single-family stock is generally older and largely part of the stock of rental units.
- Based on resales over the past year, the average home price in the Corridor is approximately \$252,000 (\$199 per square foot), and the average age is 88 years. The average resale price of townhomes throughout Fresno with at least two bedrooms approximates \$285,000 or \$216 per square foot.

- While the average resale prices of townhomes in Fresno is \$216 per square foot, new townhomes being built outside of the Corridor in Fresno are achieving much higher sales prices – approximating \$406,500 per unit or \$290 per square foot.
- For new townhomes to be financially feasible along the Corridor, prices would have to increase approximately 47% to the level being achieved by new townhome projects that are being built elsewhere in Fresno. While it is not unusual for new construction to achieve a 20%+ premium over existing product, the Corridor faces several challenges, which make it unlikely that it can achieve a premium above a 20% bump. The challenges include, but are not limited to: negative perceptions of heightened crime in the Corridor versus other areas in Fresno; the absence of any new for-sale residential construction in the Corridor; and the relatively low income levels present in the Corridor.
- In similar situations, the development of a pioneering new, attractive project that is subsidized by public investment can be very useful to test the market’s ability to support new construction.

Feasibility of 100% Affordable, Multi-family Rental and Mixed-Use Residential Development

- There has been recent construction of all-affordable rental apartments in Fresno, including along the Corridor.
- All-affordable rental projects are typically built by non-profit developers and are funded with multiple layers of sources including: Low-income housing tax credits (LIHTC), State of California subsidy sources, such as the AHSC program, and local subsidy sources, such as available Low- and Moderate-Income housing funds and vouchers from the Housing Authority. These projects do not generate a profit and feasibility is measured by securing funding to cover 100% of project development costs and rental income sufficient to fund operating debt service costs.
- For purposes of this Study, we evaluated the amount of State subsidy funding that would be available for affordable rental projects, assuming they receive an allocation of 4% LIHTC funds, and estimated the amount of local funding that would likely be needed to fill the remaining financial gap.

- The analysis indicates that the low-density affordable rental project would need a local subsidy ranging from \$15,000 per unit to \$58,000 per unit, depending on the amount of State funds that could be obtained.
- The analysis of the higher-density prototype indicates that a local subsidy ranging from \$22,000 per unit to \$78,000 per unit would be needed to fully fund development costs.

III. Financial Feasibility Analyses

A. Approach to the Financial Feasibility Analyses of Market-Rate Projects

The financial pro forma analyses include an evaluation of:

- the hypothetical project's development costs,
- the annual income that could be generated by the project upon completion,
- the economic return that the project would generate to a private developer, and
- an assessment of the projected returns relative to industry standard investment return thresholds.

Under this approach, if the projected returns are within the range that is typically acceptable for new investment, then the conclusion of the feasibility analysis is that the development of the project is likely to be viable. If the projected return is less than the standard industry target range, then the conclusion is that the projected return falls short of industry standards but may be acceptable to a specific developer. It is not atypical for local developers who have a deep commitment to the community to be the sponsors of pioneering developments. These individuals will often accept a somewhat subpar return as part of making a transformative contribution to the community.

B. Financial Feasibility Analysis of Prototypical Developments Based on Current Rental Rates for Market-Rate Projects and Prices in the Corridor

The financial feasibility analyses of the prototypes reflecting current market conditions are presented in Tables 1, 2, and 4 and are summarized in the following exhibit.

Exhibit 7. Financial Feasibility Analyses of the Market-Rate Prototypes Reflecting Current Market Conditions

	Est. Annual Rent/ Supported Investment (Per SF)	Development Costs (Per SF)	Estimated Feasibility Gap (per SF)
1a – Infill Retail (<i>Table 1</i>)	\$18.00 / \$249	\$235	\$0
1b- Medical Office (<i>Table 1</i>)	\$28.00 / \$317	\$384	\$67
2a – 4-story Market Rate MU Apts. (<i>Table 2</i>)	\$13.20 / \$149	\$346	\$197
3a – 2-Story Market Rate MU Apts. (<i>Table 2</i>)	\$13.20 / \$138	\$254	\$116
4 – Market Rate Senior Cottages (<i>Table 2</i>)	\$13.20 / \$135	\$290	\$155
5a – 3-Story Market Rate Rental Townhomes (<i>Table 2</i>)	\$13.20 / \$134	\$235	\$101
5b – 3- Story Market Rate For- Sale Townhomes (<i>Table 4</i>)	\$199 / \$175	\$257	\$82

1. ESTIMATE OF ANNUAL INCOME / SALES REVENUES – REFLECTING CURRENT MARKET CONDITIONS

The rental rate assumptions that are reflected in the “Current Market” pro forma analyses are based on rental rate data published by CoStar. As detailed in the “Summary of Real Estate Conditions and Opportunities” report prepared by KMA in 2021, retail rental rates surrounding the transit stations range from approximately \$11 to \$24 per square foot. For purposes of this analysis, a rental rate of \$18 per square foot has been modeled. Medical office lease rates range from \$14 to \$28 per square foot. The pro forma analysis reflects the upper end of this range. For the multi-family residential pro formas, an average rate of \$13.20 has been assumed, which reflects the average rental rate for units along the Corridor. Based on the average resale price of homes in the Corridor, a price of \$199 per square foot of living area has been assumed for the for-sale townhome product, which translates into \$318,400 per unit for the 1,600 square foot prototype.

The annual net operating income of each prototype has been estimated by deducting allowances for vacancy and operating expenses from gross income.

Exhibit 8: Estimated Annual Income – Current Market Conditions

Infill Retail (Table 1)	Medical Office (Table 1)	4-Story MU Multifamily (Table 2)	2-Story MU Multifamily (Table 2)
\$178,200 (\$16.20 / sf)	\$226,600 (\$20.60 /sf)	\$427,900 (\$9.70 / sf)	\$703,700 (\$9.00 /sf)

Senior Cottages (Table 2)	Rental Townhome (Table 2)	For-Sale Townhome Sales Revenues (Table 4)
\$509,600 (\$8.80 /sf)	\$1.6 million \$8.70 /sf)	\$35.5 million (\$193 / sf)

2. ESTIMATE OF DEVELOPMENT COSTS

Direct or “hard” construction costs of each prototype have been estimated based on cost factors published by Marshall & Swift Valuation Services. These estimates cover the cost of shell costs, site improvement costs, and architectural and engineering costs. Permits and fees have been estimated based on the City of Fresno’s published Master Fee Schedule and the school fees charged by the Fresno Unified School District (Table 8). For purposes of this analysis, it has been assumed that the residential prototypes are eligible for a waiver of park facilities, police facilities, fire facilities and street facilities impact fees, pursuant to Section 12-4.1604 of the City’s Municipal Code. Land acquisition costs are estimated to average \$10.00 per square foot of land area based on recent sales for properties along the Corridor and throughout the City, as presented in Tables 9-11. KMA has provided estimates for interest carry during construction, loan fees, contingencies and other soft costs based on our experiences with other projects.

Based on these calculations, the cost to develop each prototype is summarized in Exhibit 8 and detailed in Tables 1, 2 and 4. Medical office space is more expensive to build than retail due to the intense utility and plumbing requirements. The 4-story multifamily prototype is the most expensive residential prototype to build on a per square foot basis due to the height of the building and the rental townhome being the least expensive due to the efficient layout of the space and the lack of ground floor retail space.

Exhibit 9. Development Cost Estimates

Infill Retail (Table 1)	Medical Office (Table 1)	4-Story MU Multifamily (Table 2)	2-Story MU Multifamily (Table 2)
\$2.6 million (\$235 /sf)	\$4.2 million (\$384 / sf)	\$15.3 million (\$346 per sf)	\$19.9 million (\$254 per sf)

Senior Cottages (Table 2)	Rental Townhome (Table 2)	For-Sale Townhome Sales Revenues (Table 4)
\$16.8 million (\$290 per sf)	\$43.3 million (\$235 per sf)	\$47.3 million (\$257 per sf)

3. ESTIMATE OF RATE OF RETURN RELATIVE TO INDUSTRY STANDARDS – CURRENT MARKET CONDITIONS

The national firms of PwC and RERC regularly publish the results of surveys of institutional investors in a range of real estate products. The investors provide information on target return thresholds required for investment. The most recently published return requirements for projects in the Western United States are as follows:

Exhibit 10. Return Requirements

	Investor Survey Going- in cap Rate Threshold	Translated Return on Cost Threshold
Apartments	3.5% - 6.5% 4.9% avg.	6% - 8% 6.4% avg.
Retail	4.8% - 7.5% 6.7% avg.	6.3% - 9% 8.2% avg.
Medical Office (national)	4.5% - 10% 6.7% avg.	6% to 11% 8.2% avg.

The retail prototype (Prototype #1a) is the only prototype that is estimated to generate a return on cost that is within the target range of institutional investors and new investment is supported by current market conditions. The return thresholds of all other prototypes fall short of the targets of institutional investors. These findings are consistent with the lack of new apartment construction in the Corridor and indicate that current rents are not sufficient to support the cost of new investment. In order for new market

rate investment to occur along the Corridor, either subsidies will be needed to effectively reduce development costs or market-rate rents will need to increase.

KMA estimated the magnitude of required subsidy that would be required to bring the amount of required investment in line with the amount of supported investment. As shown in Tables 1, 2, and 4, it is estimated that the following subsidy levels would be needed to attract new investment:

- Medical office: \$67 per sf \$734,000 for the prototype project
- 4 story apartments \$197 per sf \$161,000 per unit
- 2-story apartments \$116 per sf \$98,000 per unit
- Senior Cottages \$155 per sf \$120,00 per unit
- Rental Townhomes \$101 per sf \$162,000 per unit
- For-sale Townhomes \$82 per sf \$131,000 per unit

KMA also estimated the level of market rate rents (townhome prices) that would be required to yield a return that meets investor targets. The analyses are presented in Tables 5 through 7. As shown, it is estimated that the following annual rental rates (prices) would be sufficient to render new development feasible.

- Medical office: Rent = \$32.50 per sf; (\$2.70 per sf, monthly)
- 4-story apartments Rent = \$35.50 per sf; (\$2,130 per unit, monthly)
- 2-story apartments Rent = \$25.25 per sf; (\$1,742 per unit, monthly)
- Senior Cottages Rent = \$28.75 per sf; (\$1,850 per unit, monthly)
- Rental Townhomes Rent = \$23.25 per sf; (\$3,100 per unit, monthly)
- For-sale Townhomes Price = \$292 per sf (\$467,200 per unit)

C. Financial Feasibility Analysis of 100% Affordable Rental Apartments

KMA evaluated the development economics of developing a hypothetical 100% Low-income apartment complex assuming two different product types: 1) 4-story prototype (prototype #2b); and 2) a 2-story prototype (prototype #3b). The economics of affordable projects differ from market rate projects with respect to development costs, income, funding sources, and metrics of feasibility. The cornerstone funding source for affordable

rental projects is typically an allocation of Low-Income Housing Tax Credits (LIHTC). The development costs and income levels of the projects are impacted by the requirements of the LIHTC funding program and the requirements of other subsidy sources.

Development cost estimates of the two affordable prototypes are summarized in Table 3.¹ As shown, costs are estimated to range from \$376 per square foot for the low-density prototype to \$519 for the higher-density prototype. The cost estimates for the affordable prototypes exceed those for their market-rate counterparts due to the consideration that State subsidy sources require affordable projects to be constructed at prevailing wages, the LIHTC program requires projects to incorporate energy efficiency and other features which may not be present in market rate projects, and the developer is compensated by a fee earned during construction rather than operating profits.

The estimates of annual rental income for the affordable projects are presented in Table 3 and detailed in Tables 13 and 15. Consistent with the requirements of the funding sources, the rents are assumed to be affordable to Very Low-Income households, earning no more than 50% of the Area Median Income. Monthly rents for one and two-bedroom units are estimated at \$658 and \$778, respectively. Annual rental income is estimated to be sufficient to cover annual operating expense and debt service on a relatively small permanent loan that will cover less than 15% of the project's development costs.

Affordable rental projects typically require securing multiple subsidy sources to cover a project's development costs. LIHTC funds generally account for the single largest source of funding for affordable projects. For the prototypes, LIHTC investor funding is anticipated to fund over 65% of total development costs. Programs offered by the State are another key sources of funds, providing an estimated \$45,000 to \$60,000 of funding per residential unit. Given the transit benefits afforded by the Corridor, it is believed that projects along the corridor would be well-positioned to receive funding from the State's AHSC program. In addition to LIHTC and State subsidy programs, project costs are also typically funded by a contribution from the project's developer in the form of deferred or contributed fees. Even with these subsidy sources, projects often require an additional contribution from local agencies, such as cities and counties. Cities and counties often use Low- and Moderate-Income Housing Trust fund monies to subsidize the development of affordable housing. And, county housing authorities have access to HUD vouchers and other HUD funds that can be important sources of funds for construction costs and supportive services. Based on standard profiles of projects, KMA

¹ Detailed estimates are provided in Tables 12 and 14 for prototypes 2b and 3b, respectively.

has estimated that the need for a local contribution to range from \$15,000 to \$78,000 per unit, depending on the amount of other subsidy sources that the project is able to secure and the prototype. These ranges are generic estimates and it may be possible to significantly reduce the need for local assistance by aggressively pursuing State funds.

Exhibit 11. Summary of Affordable Housing Development Economics – Hypothetical Projects

	Prototype 2B – Four Story Bldg.	Prototype 3B – Two Story Bldg.
Per Unit Development Costs	\$424,000	\$320,000
Per Unit Annual Net Income	\$4,600	\$3,200
Funding Sources for Development Costs (Per Unit)		
<i>LIHTC Equity</i>	\$278,600	\$208,400
<i>Private Loan</i>	\$58,500	\$41,200
<i>State Funds</i>	\$60,000	\$45,000
<i>Developer Contribution</i>	\$5,000	\$10,400
Total Sources	\$402,200	\$305,100
Financial Gap (need for Local Subsidy) Assuming State funds are available	\$22,000	15,000

TABLE 1
DEVELOPMENT ECONOMICS OF COMMERCIAL PROTOTYPES - CURRENT MARKET CONDITIONS
KINGS CANYON CORRIDOR TOD STUDY
FRESNO, CA

	Prototype #1a Infill Retail			Prototype #1b Infill Medical Office		
1 <u>Development Program</u>						
Lot Size	30,000	sf		30,000	sf	
Number of Units	0	units		0	units	
Gross Residential Area	0	sf		0	sf	
Net Residential Area	0	sf		0	sf	
Average Unit Size	0	sf		0	sf	
Gross Commercial Area	11,000	sf		11,000	sf	
Common Area/ Amenity	0	sf		0	sf	
Gross Building Area (ex. Pkg.)	11,000	sf		11,000	sf	
Net Residntl & Commercial	11,000	sf		11,000	sf	
Parking	11,400	sf		11,400	sf	
Parking spaces	27	sf		27	sf	
Landscaped Areas	7,600	sf		7,600	sf	
2 <u>Revenue</u>						
	<u>Per Net SF</u>	<u>Per Unit</u>	<u>Total</u>	<u>Per Net SF</u>	<u>Per Unit</u>	<u>Total</u>
Residential Rent (Sales Rev.)	\$0.00	\$0	\$0	\$0.00	\$0	\$0
Laundry, etc.	0.00	\$0	\$0	0.00	\$0	\$0
Commercial Inc. (per net com)	\$18.00	\$0	\$198,000	\$28.00	\$0	\$308,000
Less Vacancy (5%)	(\$0.90)	\$0	(\$9,900)	(\$1.40)	\$0	(\$15,400)
Gross Effective Income	\$17.10	\$0	\$188,100	\$26.60	\$0	\$292,600
Less Operating (Sales) Exp.	(\$0.90)	\$0	(\$9,900)	(\$6.00)	\$0	(\$66,000)
Net Annual Operating Income	\$16.20	\$0	\$178,200	\$20.60	\$0	\$226,600
Development Costs	<u>Per Net SF</u>	<u>Per Unit</u>	<u>Total</u>	<u>Per Net SF</u>	<u>Per Unit</u>	<u>Total</u>
3 Shell Costs	\$130	\$0	\$1,431,917	\$255	\$0	\$2,800,252
4 Land (\$10 per sf of land area)	\$27	\$0	\$300,000	\$27	\$0	\$300,000
3 Site improvements	\$27	\$0	\$300,000	\$27	\$0	\$300,000
5 TI Allowance, commercial	\$10	\$0	\$110,000	\$10	\$0	\$110,000
6 Permits and Fees	\$10	\$0	\$106,918	\$9	\$0	\$103,325
5 Contingency (5% of direct costs)	\$8	\$0	\$86,596	\$14	\$0	\$155,013
5 Other Soft Costs	\$15	\$0	\$164,670	\$29	\$0	\$322,029
5 Financing	\$7	\$0	\$79,500	\$12	\$0	\$130,000
Total Development Costs (excl. land)	\$235	\$0	\$2,579,601	\$384	\$0	\$4,220,618
Return on Cost			6.9%			5.4%
7 Target Return on Cost			6.5%			6.5%
Supported Investment	\$249		\$2,741,538	\$317		\$3,486,154
Estimated Development Cost	\$235		\$2,579,601	\$384		\$4,220,618
Gap to Achieve Target Return	\$0		\$0	\$67		\$734,465

Notes

- Program provided by Citythinkers consultant team.
- Rental rates of \$18.00 per square foot for retail space (prototype 1a) and \$28.00 per square foot for medical office (prototype 1b) reflect current market conditions.
- Reflect estimates published by Marshall & Swift Valuation services.
- Based on recent land sales in Fresno. See Tables 9 through 11.
- KMA estimates based on other prior projects.
- See Table 8. Assumes that projects are deemed as infill developments that are eligible for waiver of following fees: park facilities; police facilities; fire facilities and street facilities .
- Reflect cap rates of recently sold projects with an adjustment of 1.5% to convert to return on cost metric.

TABLE 2
DEVELOPMENT ECONOMICS OF PROTOTYPES WITH MARKET RATE RESIDENTIAL RENTAL UNITS - CURRENT MARKET CONDITIONS
KINGS CANYON CORRIDOR TOD STUDY
FRESNO, CA

	Prototype #2a Market Rate 4-Story Wood Frame Apts.			Prototype #3a Market Rate 2-Story Walk-up Apts.			Prototype #4 Senior Cottages			Prototype #5a 3-Story Rental Townhomes		
1 Development Program												
Lot Size	49,707	sf		137,910	sf		228,300	sf		233,200	sf	
Number of Units	54	units		92	units		75	units		115	units	
Gross Residential Area	55,085	sf		93,865	sf		62,460	sf		204,675	sf	
Net Residential Area	38,880	sf		76,200	sf		57,900	sf		183,986	sf	
Average Unit Size	720	sf		828	sf		772	sf		1,600	sf	
Gross Commercial Area	5,250	sf		2,110	sf		0	sf		0	sf	
Gross Building Area (ex. Pkg.)	67,685	sf		98,605	sf		63,920	sf		205,875	sf	
Net Residntl & Commercial	44,130	sf		78,310	sf		57,900	sf		183,986	sf	
Parking	22,600	sf		41,150	sf		28,460	sf		53,600	sf	
Parking spaces	58	sf		92	sf		84	sf		230	sf	
Landscaped Areas	13,070	sf		45,088	sf		129,170	sf		118,555	sf	
2 Revenue	Per Net SF	Per Unit	Total	Per SF	Per Unit	Total	Per SF	Per Unit	Total	Per SF	Per Unit	Total
Residential Rental Income	\$13.20	\$9,504	\$513,216	\$13.20	\$10,933	\$1,005,840	\$13.20	\$10,190	\$764,280	\$13.20	\$21,118	\$2,428,615
Laundry, etc.	0.25	\$180	\$9,720	0.22	\$180	\$16,560	0.23	\$180	\$13,500	0.15	\$240	\$27,600
Commercial Inc. (per net com)	\$18.00	\$1,750	\$94,500	\$18.00	\$413	\$37,980	\$18.00	\$0	\$0	\$18.00	\$0	\$0
Less Vacancy (5%)	(\$0.70)	(\$572)	(\$30,872)	(\$0.68)	(\$576)	(\$53,019)	(\$0.67)	(\$519)	(\$38,889)	(\$0.67)	(\$1,068)	(\$122,811)
Gross Effective Income	\$13.29	\$10,862	\$586,564	\$12.86	\$10,950	\$1,007,361	\$12.76	\$9,852	\$738,891	\$12.68	\$20,290	\$2,333,404
Less Operating Exp.	(\$3.60)	(\$2,939)	(\$158,690)	(\$3.88)	(\$3,301)	(\$303,651)	(\$3.96)	(\$3,057)	(\$229,284)	(\$3.96)	(\$6,336)	(\$728,585)
Net Annual Operating Income	\$9.70	\$7,924	\$427,874	\$8.99	\$7,649	\$703,710	\$8.80	\$6,795	\$509,607	\$8.72	\$13,955	\$1,604,820
Development Costs	Per Net SF	Per Unit	Total	Per Net SF	Per Unit	Total	Per Net SF	Per Unit	Total	Per Net SF	Per Unit	Total
3 Shell Costs	\$261	\$213,357	\$11,521,279	\$175	\$148,711	\$13,681,398	\$167	\$129,221	\$9,691,585	\$169	\$270,710	\$31,131,664
4 Land (\$10 per sf of land area)	\$11	\$9,205	\$497,070	\$18	\$14,990	\$1,379,100	\$39	\$30,440	\$2,283,000	\$13	\$20,278	\$2,332,000
3 Site improvements	\$11	\$9,205	\$497,070	\$18	\$14,990	\$1,379,100	\$39	\$30,440	\$2,283,000	\$13	\$20,278	\$2,332,000
5 TI Allowance, commercial	\$1	\$972	\$52,500	\$0	\$229	\$21,100	\$0	\$0	\$0	\$0	\$0	\$0
6 Permits and Fees	\$7	\$5,484	\$296,150	\$6	\$5,060	\$465,561	\$6	\$4,344	\$325,808	\$5	\$8,084	\$929,685
5 Contingency (5% of direct costs)	\$14	\$11,128	\$600,917	\$10	\$8,185	\$753,025	\$10	\$7,983	\$598,729	\$9	\$14,549	\$1,673,183
5 Other Soft Costs	\$30	\$24,536	\$1,324,947	\$20	\$17,102	\$1,573,361	\$19	\$14,860	\$1,114,532	\$19	\$31,132	\$3,580,141
5 Financing	\$11	\$8,700	\$469,800	\$8	\$6,700	\$616,400	\$9	\$6,900	\$517,500	\$7	\$11,600	\$1,334,000
Total Development Costs	\$346	\$282,588	\$15,259,733	\$254	\$215,968	\$19,869,044	\$290	\$224,189	\$16,814,154	\$235	\$376,632	\$43,312,673
Return on Cost			2.8%			3.5%			3.0%			3.7%
7 Target Return on Cost			6.5%			6.5%			6.5%			6.5%
Supported Investment	\$149		\$6,582,683	\$138		\$10,826,308	\$135		\$7,840,108	\$134		\$24,689,537
Estimated Development Cost	\$346		\$15,259,733	\$254		\$19,869,044	\$290		\$16,814,154	\$235		\$43,312,673
Gap to Achieve Target Return	\$197	\$161,000	\$8,677,050	\$115	\$98,000	\$9,042,737	\$155	\$120,000	\$8,974,047	\$101	\$162,000	\$18,623,136

Notes

1 Program provided by Citythinkers consultant team.

2 Current market rental rates for residential apartments along the Corridor average \$13.20 per square foot (annually). New units elsewhere in Fresno are achieving rates of \$25.20 to \$31.80 per sf. The pro forma reflects current market conditions.

3 Reflect estimates published by Marshall & Swift valuation services.

4 Based on recent land sales in Fresno. See Tables 9 through 11.

5 KMA estimates based on other prior projects.

6 See Table 8. Assumes that projects are deemed as infill developments that are eligible for waiver of following fees: park facilities; police facilities; fire facilities and street facilities .

7 Reflect cap rates of recently sold projects with an adjustment of 1.5% to convert to return on cost metric.

TABLE 3
DEVELOPMENT ECONOMICS OF AFFORDABLE RESIDENTIAL RENTAL UNIT PROTOTYPES
KINGS CANYON CORRIDOR TOD STUDY
FRESNO, CA

	Prototype #2b Affordable 4-Story Wood Frame Apts.			Prototype #3b Affordable 2-Story Walk-up Apts.		
1 Development Program						
Lot Size	49,707	sf		137,910	sf	
Number of Units	54	units		92	units	
Gross Residential Area	55,085	sf		93,865	sf	
Net Residential Area	38,880	sf		76,200	sf	
Average Unit Size	720	sf		828	sf	
Gross Commercial Area	5,250	sf		2,110	sf	
Gross Building Area (ex. Pkg.)	67,685	sf		98,605	sf	
Net Residntl & Commercial	44,130	sf		78,310	sf	
Parking	22,600	sf		41,150	sf	
Parking spaces	58	spaces		92	spaces	
Landscaped Areas	13,070	sf		45,088	sf	
Revenue	Per Net SF	Per Unit	Total	Per SF	Per Unit	Total
2 Residential Rental Income	\$12.06	\$8,685	\$469,000	\$10.31	\$8,543	\$786,000
3 Laundry, etc.	\$0.17	\$120	\$6,500	\$0.14	\$120	\$11,000
4 Commercial Inc. (per net com)	\$18.00	\$1,750	\$94,500	\$18.00	\$413	\$37,980
Less Vacancy (5%)	(\$0.66)	(\$537)	(\$29,000)	(\$0.54)	(\$457)	(\$42,000)
Gross Effective Income	\$12.26	\$10,019	\$541,000	\$10.13	\$8,619	\$792,980
5 Less Operating Exp.	<u>(\$6.63)</u>	<u>(\$5,421)</u>	<u>(\$292,725)</u>	<u>(\$6.32)</u>	<u>(\$5,379)</u>	<u>(\$494,899)</u>
Net Annual Operating Income	\$5.63	\$4,598	\$248,275	\$3.81	\$3,240	\$298,081
Development Costs	Per Net SF	Per Unit	Total	Per Net SF	Per Unit	Total
4 Land (\$10 per sf of land area)	\$11	\$9,205	\$497,070	\$18	\$14,990	\$1,379,100
3 Shell Costs	\$284	\$231,889	\$12,522,000	\$189	\$160,769	\$14,790,750
4 Site improvements	\$11	\$9,205	\$497,070	\$18	\$14,990	\$1,379,100
4 TI Allowance, commercial	\$1	\$972	\$52,500	\$0	\$229	\$21,100
3 Prevailing Wages	\$44	\$36,315	\$1,961,000	\$31	\$26,402	\$2,429,000
6 Permits and Fees	\$7	\$5,484	\$296,150	\$6	\$5,060	\$465,561
Contingency (5% of direct costs)	\$17	\$13,926	\$752,000	\$12	\$10,120	\$931,000
3 Developer Fee	\$63	\$51,352	\$2,773,000	\$44	\$37,587	\$3,458,000
3 Other Soft Costs	\$37	\$30,022	\$1,621,210	\$27	\$22,613	\$2,080,389
3 Financing	\$44	\$35,796	\$1,933,000	\$32	\$27,326	\$2,514,000
Total Development Costs	\$519	\$424,000	\$22,905,000	\$376	\$320,000	\$29,448,000
Sources of Funds - With Additional State Funding						
3 Supportable Permanent Loan	\$72	\$58,537	\$3,161,000	\$48	\$41,228	\$3,793,000
7 Tax Credit Equity Investment	\$341	\$278,630	\$15,046,000	\$245	\$208,380	\$19,171,000
8 Other State Funding Sources	\$73	\$60,000	\$3,240,000	\$53	\$45,000	\$4,140,000
3 <u>Deferred Developer Fee</u>	<u>\$6</u>	<u>\$5,056</u>	<u>\$273,000</u>	<u>\$12</u>	<u>\$10,413</u>	<u>\$958,000</u>
Total Sources of Funds	\$492	\$402,222	\$21,720,000	\$358	\$305,022	\$28,062,000
(Less) Total Development Costs	<u>(\$519)</u>	<u>(\$424,000)</u>	<u>(\$22,905,000)</u>	<u>(\$376)</u>	<u>(\$320,087)</u>	<u>(\$29,448,000)</u>
Subsidy Gap (Costs - Sources)	(\$27)	(\$22,000)	(\$1,184,000)	(\$18)	(\$15,000)	(\$1,385,000)
Sources of Funds - No Additional State Funding						
3 Supportable Permanent Loan	\$76	\$62,037	\$3,350,000	\$51	\$43,717	\$4,022,000
7 Tax Credit Equity Investment	\$341	\$278,630	\$15,046,000	\$245	\$208,380	\$19,171,000
Other State Funding Sources	\$0	\$0	\$0	\$0	\$0	\$0
3 <u>Deferred Developer Fee</u>	<u>\$6</u>	<u>\$5,056</u>	<u>\$273,000</u>	<u>\$12</u>	<u>\$10,413</u>	<u>\$958,000</u>
Total Sources of Funds	\$423	\$345,722	\$18,669,000	\$308	\$262,511	\$24,151,000
(Less) Total Development Costs	<u>(\$519)</u>	<u>(\$424,000)</u>	<u>(\$22,908,000)</u>	<u>(\$376)</u>	<u>(\$320,130)</u>	<u>(\$29,452,000)</u>
Subsidy Gap (Costs - Sources)	(\$96)	(\$78,000)	(\$4,238,000)	(\$68)	(\$58,000)	(\$5,300,000)

Notes

- 1 Program provided by Citythinkers consultant team.
- 2 Assumes range of affordability from 30% AMI to 60% AMI, with average affordability at 50% AMI.
- 3 Based on recent tax credit projects in Fresno and Kings Counties.
- 4 See Table 2. Based on market rate feasibility analysis.
- 5 Includes operating expenses, tenant services, property assessments, and replacement reserves.
- 6 See Table 8. Assumes that projects are deemed as infill developments that are eligible for waiver of following fees: park facilities; police facilities; fire facilities and street facilities.
- 7 Assumes 4% federal Low Income Housing Tax Credits priced at \$0.90 and California state tax credits priced at \$0.80.
- 8 Reflects competitive State funding sources, e.g., AHSC. Amount based on recent tax credit projects in Fresno and Kings Counties.
Project-based vouchers are not modeled here, but may offer an additional source of funding for an affordable housing project.

TABLE 4
DEVELOPMENT ECONOMICS OF MARKET RATE OWNERSHIP TOWNHOME PROTOTYPE - CURRENT
MARKET CONDITIONS
KINGS CANYON CORRIDOR TOD STUDY
FRESNO, CA

		Prototype #5b 3-Story Ownership Townhomes	
1 Development Program			
Lot Size	233,200	sf	
Number of Units	115	units	
Gross Residential Area	204,675	sf	
Net Residential Area	183,986	sf	
Average Unit Size	1,600	sf	
Gross Commercial Area	0	sf	
Common Area/ Amenity	1,200	sf	
Gross Building Area (ex. Pkg.)	205,875	sf	
Net Residntl & Commercial	183,986	sf	
Parking	53,600	sf	
Parking spaces	230	sf	
Landscaped Areas	118,555	sf	
2 Revenue			
	Per SF	Per Unit	Total
Sales Revenues	\$199	\$318,376	\$36,613,214
Cost of Sale	-\$5.97	(\$9,551)	(\$1,098,396)
Net Sales Revenues	\$193.03	\$308,825	\$35,514,818
Development Costs			
	Per Net SF	Per Unit	Total
3 Shell Costs	\$187	\$299,712	\$34,466,839
4 Land (\$10 per sf of land area)	\$13	\$20,278	\$2,332,000
3 Site improvements	\$13	\$20,278	\$2,332,000
5 TI Allowance, commercial	\$0	\$0	\$0
6 Permits and Fees	\$5	\$8,084	\$929,685
5 Contingency (5% of direct costs)	\$10	\$15,999	\$1,839,942
5 Other Soft Costs	\$22	\$34,467	\$3,963,686
5 Financing	\$8	\$12,700	\$1,460,500
Total Development Costs (excl. land)	\$257	\$411,519	\$47,324,652
Return on Cost			-25.0%
7 Target Return on Cost			10.0%
Supported Investment	\$175		\$32,286,198
Estimated Developent Cost	\$257		\$47,324,652
Gap to Achieve Target Return	\$82	\$131,000	\$15,038,454

Notes

- 1 Program provided by Citythinkers consultant team.
- 2 Average price of townhomes in Fresno currently averages \$216 per square foot and all home sales along the Kings Canyon Corridor average \$199 per sf. New townhome developments in Fresno are achieving rates of up to \$290 per square foot. The model reflects the current average price of homes sold in the Corridor.
- 3 Reflect estimates published by Marshall & Swift valuation services.
- 4 Based on recent land sales in Fresno. See Tables 9 through 11.
- 5 KMA estimates based on other prior projects.
- 6 See Table 8. Assumes that projects are deemed as infill developments that are eligible for waiver of following fees: park facilities; police facilities; fire facilities and street facilities .
- 7 Reflect cap rates of recently sold projects with an adjustment of 1.5% to convert to return on cost metric.

TABLE 5
DEVELOPMENT ECONOMICS OF COMMERCIAL PROTOTYPES - RENTS ADJUSTED TO ACHIEVE FEASIBILITY THRESHOLDS
KINGS CANYON CORRIDOR TOD STUDY
FRESNO, CA

	Prototype #1a Infill Retail			Prototype #1b Infill Medical Office		
1 <u>Development Program</u>						
Lot Size	30,000	sf		30,000	sf	
Number of Units	0	units		0	units	
Gross Residential Area	0	sf		0	sf	
Net Residential Area	0	sf		0	sf	
Average Unit Size	0	sf		0	sf	
Gross Commercial Area	11,000	sf		11,000	sf	
Common Area/ Amenity	0	sf		0	sf	
Gross Building Area (ex. Pkg.)	11,000	sf		11,000	sf	
Net Residntl & Commercial	11,000	sf		11,000	sf	
Parking	11,400	sf		11,400	sf	
Parking spaces	27	sf		27	sf	
Landscaped Areas	7,600	sf		7,600	sf	
2 <u>Revenue</u>						
	<u>Per Net SF</u>	<u>Per Unit</u>	<u>Total</u>	<u>Per Net SF</u>	<u>Per Unit</u>	<u>Total</u>
Residential Rent (Sales Rev.)	\$0.00	\$0	\$0	\$0.00	\$0	\$0
Laundry, etc.	0.00	\$0	\$0	0.00	\$0	\$0
Commercial Inc. (per net com)	\$18.00	\$0	\$198,000	\$32.50	\$0	\$357,500
Less Vacancy (5%)	(\$0.90)	\$0	(\$9,900)	(\$1.63)	\$0	(\$17,875)
Gross Effective Income	\$17.10	\$0	\$188,100	\$30.88	\$0	\$339,625
Less Operating (Sales) Exp.	(\$0.90)	<u>\$0</u>	<u>(\$9,900)</u>	<u>(\$6.00)</u>	<u>\$0</u>	<u>(\$66,000)</u>
Net Annual Operating Income	\$16.20	\$0	\$178,200	\$24.88	\$0	\$273,625
Development Costs						
	<u>Per Net SF</u>	<u>Per Unit</u>	<u>Total</u>	<u>Per Net SF</u>	<u>Per Unit</u>	<u>Total</u>
3 Shell Costs	\$130	\$0	\$1,431,917	\$255	\$0	\$2,800,252
4 Land (\$10 per sf of land area)	\$27	\$0	\$300,000	\$27	\$0	\$300,000
3 Site improvements	\$27	\$0	\$300,000	\$27	\$0	\$300,000
5 TI Allowance, commercial	\$10	\$0	\$110,000	\$10	\$0	\$110,000
6 Permits and Fees	\$10	\$0	\$106,918	\$9	\$0	\$103,325
5 Contingency (5% of direct costs)	\$8	\$0	\$86,596	\$14	\$0	\$155,013
5 Other Soft Costs	\$15	\$0	\$164,670	\$29	\$0	\$322,029
5 Financing	\$7	\$0	\$79,500	\$12	\$0	\$130,000
Total Development Costs (excl. land)	\$235	\$0	\$2,579,601	\$384	\$0	\$4,220,618
Return on Cost						
			6.9%			6.5%
7 Target Return on Cost			6.5%			6.5%
Supported Investment	\$249		\$2,741,538	\$383		\$4,209,615
Estimated Developent Cost	\$235		\$2,579,601	\$384		\$4,220,618
Gap to Achieve Target Return	\$0		\$0	\$1		\$11,003

Notes

- 1 Program provided by Citythinkers consultant team.
- 2 Rental rate of \$18.00 per square foot (prototype 1a) reflects current market conditions. Rent of \$32.25 (medical office) exceeds current market rates by 15% to 20%. This is the approximate rate required for new medical office development to achieve industry standard investment thresholds.
- 3 Reflect estimates published by Marshall & Swift Valuation services.
- 4 Based on recent land sales in Fresno. See Tables 9 through 11.
- 5 KMA estimates based on other prior projects.
- 6 See Table 8. Assumes that projects are deemed as infill developments that are eligible for waiver of following fees: park facilities; police facilities; fire facilities and street facilities.
- 7 Reflect cap rates of recently sold projects with an adjustment of 1.5% to convert to return on cost metric.

TABLE 6
DEVELOPMENT ECONOMICS OF PROTOTYPES WITH MARKET RATE RESIDENTIAL RENTAL UNITS - RENTS ADJUSTED TO ACHIEVE FEASIBILITY THRESHOLDS
KINGS CANYON CORRIDOR TOD STUDY
FRESNO, CA

	Prototype #2a Market Rate 4-Story Wood Frame Apts.			Prototype #3a Market Rate 2-Story Walk-up Apts.			Prototype #4 Senior Cottages			Prototype #5a 3-Story Rental Townhomes		
1 Development Program												
Lot Size	49,707	sf		137,910	sf		228,300	sf		233,200	sf	
Number of Units	54	units		92	units		75	units		115	units	
Gross Residential Area	55,085	sf		93,865	sf		62,460	sf		204,675	sf	
Net Residential Area	38,880	sf		76,200	sf		57,900	sf		183,986	sf	
Average Unit Size	720	sf		828	sf		772	sf		1,600	sf	
Gross Commercial Area	5,250	sf		2,110	sf		0	sf		0	sf	
Gross Building Area (ex. Pkg.)	67,685	sf		98,605	sf		63,920	sf		205,875	sf	
Net Residntl & Commercial	44,130	sf		78,310	sf		57,900	sf		183,986	sf	
Parking	22,600	sf		41,150	sf		28,460	sf		53,600	sf	
Parking spaces	58	sf		92	sf		84	sf		230	sf	
2 Revenue												
	Per Net SF	Per Unit	Total	Per SF	Per Unit	Total	Per SF	Per Unit	Total	Per SF	Per Unit	Total
Residential Rental Income	\$35.50	\$25,560	\$1,380,240	\$25.25	\$20,914	\$1,924,050	\$28.75	\$22,195	\$1,664,625	\$23.25	\$37,197	\$4,277,675
Laundry, etc.	0.25	\$180	\$9,720	0.22	\$180	\$16,560	0.23	\$180	\$13,500	0.15	\$240	\$27,600
Commercial Inc. (per net com)	\$18.00	\$1,750	\$94,500	\$18.00	\$413	\$37,980	\$18.00	\$0	\$0	\$18.00	\$0	\$0
Less Vacancy (5%)	(\$1.68)	(\$1,375)	(\$74,223)	(\$1.26)	(\$1,075)	(\$98,930)	(\$1.45)	(\$1,119)	(\$83,906)	(\$1.17)	(\$1,872)	(\$215,264)
Gross Effective Income	\$31.96	\$26,116	\$1,410,237	\$24.00	\$20,431	\$1,879,661	\$27.53	\$21,256	\$1,594,219	\$22.23	\$35,565	\$4,090,011
Less Operating Exp.	<u>(\$9.49)</u>	<u>(\$7,756)</u>	<u>(\$418,797)</u>	<u>(\$7.40)</u>	<u>(\$6,295)</u>	<u>(\$579,114)</u>	<u>(\$8.63)</u>	<u>(\$6,659)</u>	<u>(\$499,388)</u>	<u>(\$6.98)</u>	<u>(\$11,159)</u>	<u>(\$1,283,302)</u>
Net Annual Operating Income	\$22.47	\$18,360	\$991,440	\$16.61	\$14,136	\$1,300,547	\$18.91	\$14,598	\$1,094,831	\$15.26	\$24,406	\$2,806,708
Development Costs	Per Net SF	Per Unit	Total	Per Net SF	Per Unit	Total	Per Net SF	Per Unit	Total	Per Net SF	Per Unit	Total
3 Shell Costs	\$261	\$213,357	\$11,521,279	\$175	\$148,711	\$13,681,398	\$167	\$129,221	\$9,691,585	\$169	\$270,710	\$31,131,664
4 Land (\$10 per sf of land area)	\$11	\$9,205	\$497,070	\$18	\$14,990	\$1,379,100	\$39	\$30,440	\$2,283,000	\$13	\$20,278	\$2,332,000
3 Site improvements	\$11	\$9,205	\$497,070	\$18	\$14,990	\$1,379,100	\$39	\$30,440	\$2,283,000	\$13	\$20,278	\$2,332,000
5 TI Allowance, commercial	\$1	\$972	\$52,500	\$0	\$229	\$21,100	\$0	\$0	\$0	\$0	\$0	\$0
6 Permits and Fees	\$7	\$5,484	\$296,150	\$6	\$5,060	\$465,561	\$6	\$4,344	\$325,808	\$5	\$8,084	\$929,685
5 Contingency (5% of direct costs)	\$14	\$11,128	\$600,917	\$10	\$8,185	\$753,025	\$10	\$7,983	\$598,729	\$9	\$14,549	\$1,673,183
5 Other Soft Costs	\$30	\$24,536	\$1,324,947	\$20	\$17,102	\$1,573,361	\$19	\$14,860	\$1,114,532	\$19	\$31,132	\$3,580,141
5 Financing	\$11	\$8,700	\$469,800	\$8	\$6,700	\$616,400	\$9	\$6,900	\$517,500	\$7	\$11,600	\$1,334,000
Total Development Costs	\$346	\$282,588	\$15,259,733	\$254	\$215,968	\$19,869,044	\$290	\$224,189	\$16,814,154	\$235	\$376,632	\$43,312,673
Return on Cost			6.5%			6.5%			6.5%			6.5%
7 Target Return on Cost			6.5%			6.5%			6.5%			6.5%
Supported Investment	\$346		\$15,252,923	\$256		\$20,008,408	\$291		\$16,843,558	\$235		\$43,180,130
Estimated Development Cost	\$346		\$15,259,733	\$254		\$19,869,044	\$290		\$16,814,154	\$235		\$43,312,673
Gap to Achieve Target Return	\$0	\$0	\$6,810	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$1,000	\$132,543

Notes

- 1 Program provided by Citythinkers consultant team.
- 2 Current market rental rates for residential apartments along the Corridor average \$13.20 per square foot (annually). New units elsewhere in Fresno are achieving rates of \$25.20 o \$31.80 per sf. The pro forma rates reflect the rates that would be required for the prototypes to achieve target industry investment thresholds.
- 3 Reflect estimates published by Marshall & Swift Valuation services.
- 4 Based on recent land sales in Fresno. See Tables 9 through 11.
- 5 KMA estimates based on other prior projects.
- 6 See Table 8. Assumes that projects are deemed as infill developments that are eligible for waiver of following fees: park facilities; police facilities; fire facilities and street facilities .
- 7 Reflect cap rates of recently sold projects with an adjustment of 1.5% to convert to return on cost metric.

TABLE 7
DEVELOPMENT ECONOMICS OF MARKET RATE OWNERSHIP TOWNHOME PROTOTYPE -
PRICES ADJUSTED TO ACHIEVE FEASIBILITY THRESHOLDS
KINGS CANYON CORRIDOR TOD STUDY
FRESNO, CA

Prototype #5b 3-Story Ownership Townhomes			
1 Development Program			
Lot Size	233,200	sf	
Number of Units	115	units	
Gross Residential Area	204,675	sf	
Net Residential Area	183,986	sf	
Average Unit Size	1,600	sf	
Gross Commercial Area	0	sf	
Common Area/ Amenity	1,200	sf	
Gross Building Area (ex. Pkg.)	205,875	sf	
Net Residntl & Commercial	183,986	sf	
Parking	53,600	sf	
Parking spaces	230	sf	
Landscaped Areas	118,555	sf	
2 Revenue			
	Per SF	Per Unit	Total
Sales Revenues	\$292	\$467,164	\$53,723,912
Cost of Sale	-\$8.76	(\$14,015)	(\$1,611,717)
Net Sales Revenues	\$283.24	\$453,150	\$52,112,195
Development Costs			
	Per Net SF	Per Unit	Total
3 Shell Costs	\$187	\$299,712	\$34,466,839
4 Land (\$10 per sf of land area)	\$13	\$20,278	\$2,332,000
3 Site improvements	\$13	\$20,278	\$2,332,000
5 TI Allowance, commercial	\$0	\$0	\$0
6 Permits and Fees	\$5	\$8,084	\$929,685
5 Contingency (5% of direct costs)	\$10	\$15,999	\$1,839,942
5 Other Soft Costs	\$22	\$34,467	\$3,963,686
5 Financing	\$8	\$12,700	\$1,460,500
Total Development Costs (excl. land)	\$257	\$411,519	\$47,324,652
Return on Cost			10.1%
7 Target Return on Cost			10.0%
Supported Investment	\$257		\$47,374,722
Estimated Developent Cost	\$257		\$47,324,652
Gap to Achieve Target Return	\$0	\$0	\$0

Notes

- 1 Program provided by Citythinkers consultant team.
- 2 Average price of townhomes in Fresno currently averages \$216 per square foot and all home sales in SE Fresno average \$199 per sf. New townhome product in Fresno is achieving rates of \$290 per square foot. The modeled price of \$292 per square foot reflects the price required to achieve industry standard investment return levels
- 3 Reflect estimates published by Marshall & Swift Valuation services.
- 4 Based on recent land sales in Fresno. See Tables 9 through 11.
- 5 KMA estimates based on other prior projects.
- 6 See Table 8. Assumes that projects are deemed as infill developments that are eligible for waiver of following fees: park facilities; police facilities; fire facilities and street facilities.
- 7 Reflect cap rates of recently sold projects with an adjustment of 1.5% to convert to return on cost metric.

TABLE 8
MASTER FEE SCHEDULE, CITY OF FRESNO
PLANNING AND DEVELOPMENT PERMITS AND FEES
KINGS CANYON CORRIDOR TOD STUDY
FRESNO, CA

Permit and Fee Rates					
	Fee per Application				
Development Permit	\$11,730.38				
Environmental Assessment Fee	\$6,620.04				
rezone	\$12,412.57 ⁽¹⁾				
Bldg. plan check, com	\$52.13				
Bldg. plan check, Res	\$310.59				
Parcel map, 5 lots +	\$5,694.91				
Subdivision agreement	\$2,290.00				
Fire impact Fee per du		per 1000 sf	per du	per du	
		\$688	\$602	\$1,743	\$2,285
City wide street impact fee	per acre	\$16,517	\$15,769	\$8,783	\$8,783
new growth street fee	per acre	\$47,189	\$50,710	\$27,490	\$27,490
park fees	per du			\$3,852	\$5,108
traffic signal	per du / 1000 sf	\$2,809	\$3,048	\$591	\$762

Prototype							
	1a	1b	2	3	4	5a	5b
lot sf	30,000	30,000	49,707	137,910	228,300	233,200	233,200
units	0	0	54	92	75	115	115
Commercial sf	11,000	11,000	5,250	2,110	0	0	0
Total GBA	11,000	11,000	67,685	98,605	63,920	205,875	205,875
Permits and Fees							
Development Permit	\$11,730	\$11,730	\$11,730	\$11,730	\$11,730	\$11,730	\$11,730
Environmental Assessment Fee ²	\$621	\$621	\$621	\$621	\$6,620	\$6,620	\$6,620
Rezone			\$0	\$0	\$0	\$0	\$0
Bldg. plan check, com	\$52	\$52					
Bldg. plan check, Res			\$311	\$311	\$311	\$311	\$311
Parcel map, 5 lots +			\$5,695	\$5,695	\$5,695	\$5,695	\$5,695
Subdivision agreement			\$2,290	\$2,290	\$2,290	\$2,290	\$2,290
Fresno Unified School Fees	\$8,580	\$8,580	\$228,842	\$384,615	\$254,837	\$835,074	\$835,074
Fire impact Fee per du	\$6,622	\$7,568	\$97,734	\$161,808	\$130,725	\$200,445	\$200,445
City wide street impact fee	\$10,860	\$11,375	\$10,022	\$27,807	\$46,032	\$47,020	\$47,020
new growth street fee	\$34,924	\$32,499	\$31,369	\$87,033	\$144,076	\$147,169	\$147,169
park fees	\$0	\$0	\$208,008	\$354,384	\$288,900	\$442,980	\$442,980
traffic signal	\$33,528	\$30,899	\$46,661	\$60,299	\$44,325	\$67,965	\$67,965
Full Fees	\$106,918	\$103,325	\$643,284	\$1,096,592	\$935,541	\$1,767,299	\$1,767,299
Ex. Fire, street, park³	\$54,512	\$51,883	\$296,150	\$465,561	\$325,808	\$929,685	\$929,685

¹ Parcels within the "inner city", which includes parcels located in the west side of the Study Area (up to Chestnut) are eligible for a 50% fee reduction for development, Permit, Rezone, Parcel maps and variances.

² Parcels 1, 2, and 3 are less than 5 acres and subject to a Class 32 categorical exemption, which reduces fees to \$621.18.

³ Per ordinance 2021-029, eligible infill developments shall be eligible for a waiver of park, police, fire, and street facilities fees.

Table 9
Recent Land Sales in Southeast Fresno – All land uses

Property Address	Property Type	Sale Price	Land SF Gross	Price per SF, Gross	Property Name	Sale Date	Transaction Notes	Secondary Type	Submarket Name	Zoning	Proposed Use
4591 E Belmont Ave	Land	\$500,000	13,750	\$36.36	Corner Lot w/GROUND LEASE w/ ARCO Gas Station	6/29/2022		Commercial	Southeast Fresno	NMX	
3065-3099 E Belmont Ave	Land	\$78,000	7,841	\$9.95		3/4/2022		Commercial	Southeast Fresno	C-6	Commercial
5685 Huntington	Land		27,007	\$0.00	Fancher Creek Apartment Development	1/26/2022		Commercial	Southeast Fresno	CMX	Apartment Units
295 N Clovis Ave	Land		84,942	\$0.00		10/28/2021		Commercial	Southeast Fresno	CMX	
169 N Clovis Ave	Land	\$900,000	108,029	\$8.33		10/12/2021	This is the purchase of 2.48 acres of commercial land in Fresno County CA. The commercial land is located on N Clovis Avenue with quick access to SR 180.	Commercial	Southeast Fresno	CMX	Commercial, Mixed Use
3333 E Tulare St	Land	\$77,500	6,098	\$12.71		9/28/2021		Residential	Southeast Fresno	NMX	Commercial, Mixed Use, MultiFamily
385 Peach	Land		209,088	\$0.00	4.80± Acres of Residential Land	8/25/2021		Residential	Southeast Fresno	RA	
2386 Sarah	Land	\$85,000	18,748	\$4.53		7/23/2021		Commercial	Southeast Fresno	M1	
4958 E Church Ave	Land	\$390,000	211,266	\$1.85		7/14/2021		Residential	Southeast Fresno	RS5	Apartment Units, MultiFamily
3728 E Central Ave	Land	\$1,100,000	732,679	\$1.50		6/10/2021	This is the purchase of 16.82 acres of Land in Fresno California. The new owner will go thru the process of rezoning the land to be Industrial. There are no immediate plans to build. The land is the corner of South Peach Avenue and East Central Avenue, approximately one mile East of the Highway 99 on-ramp.	Commercial	Southeast Fresno	AFIEOM1	Industrial, Industrial Park
4622-4648 Kings Canyon	Land		43,996	\$0.00		5/26/2021		Commercial	Southeast Fresno	CMX	Fast Food
E California Ave	Land		5,663	\$0.00		5/7/2021		Commercial	Southeast Fresno	M-2	Commercial, Industrial
260 S Peach Ave	Land	\$338,000	172,062	\$1.96	3.95± Acres of Vacant Land	2/9/2021		Residential	Southeast Fresno		
702 N 1st St	Land		3,485	\$0.00	Commercial Land	2/3/2021		Commercial	Southeast Fresno	C-5	Commercial
S Fowler Ave, N of E Church Ave	Land	\$7,700,500	1,670,526	\$4.61	Chateau at Heirloom Ranch	10/15/2020	All information on this report is from publicly available sources. No party close to the transaction was able to verify detail of the transaction. This is one of several recent sales involving the same buyer and seller. Please refer to Comp ID's 5289740, 5283044, and 5284484. No loan was found. This appears to be an all cash transaction.	Residential	Southeast Fresno	R-1	
Clovis Ave	Land	\$185,000	27,878	\$6.64	Fancher Creek Town Center	6/26/2020		Commercial	Southeast Fresno	CMX	Commercial, Mixed Use, Retail
4746 E Kings Canyon Rd	Land		6,625	\$0.00		6/12/2020		Commercial	Southeast Fresno	C-4	
2056 S Maple Ave	Land	\$160,000	83,635	\$1.91		2/26/2020		Residential	Southeast Fresno	RS5	Apartment Units
3239 E Grand Ave	Land		14,000	\$0.00	R2 Zoned Parcel	11/15/2019		Residential	Southeast Fresno	R2	MultiFamily
4821 E Huntington Ave	Land		6,721	\$0.00		11/8/2019		Residential	Southeast Fresno	R-2	MultiFamily
2122 S Peach Ave	Land	\$9,561,490	3,331,904	\$2.87	76 Acre Residential Subdivision			Residential	Southeast Fresno	Medium Density 5-12 Units	
2240 S Chestnut Ave	Land	\$1,929,700	771,883	\$2.50	17.72 acs. City of Fresno Transitional Land			Residential	Southeast Fresno	RS-5	
SWC Kings Canyon Rd & Minnewawa Ave	Land	\$995,000	392,911	\$2.53	Potential Apartment/Retail Site			Residential	Southeast Fresno	AL20	MultiFamily, Retail
4723 S Peach Ave	Land		4,470,563	\$0.00				Commercial	Southeast Fresno	M3	Commercial

Table 10
Recent Citywide Commercial Land Sales

Property Address	Property Type	Sale Price	Land SF Gross	Price per SF, Gross	Property Name	Sale Date	Transaction Notes	Secondary Type	Submarket Name	Zoning	Proposed Use
E Shields Ave	Land	\$1,800,000	293,594	\$6.13		10/11/2021	6.74 acres sold. This was a portion of 21.01 that was divided. A new apn number was not available. Plans for the land was not provided.	Commercial	Airport	M-1	Commercial
1254 N Peach Ave	Land	\$400,000	87,556	\$4.57		2/26/2021		Commercial	Airport		Commercial, Fast Food, General Freestanding, Mixed Use, Neighborhood Center, Office
2024 Amador St.	Land	\$150,000	7,500	\$20.00	Downtown Fresno Corner Lot	7/25/2022		Commercial	Downtown Fresno	DTN	
1031 T St (Part of Multi-Property Sale)	Land	\$36,297	18,731	\$1.94	Multi-Property Sale	4/1/2022	The sale consists of two parcels that are divided by the buyer's residence per the buyer's broker. According to the buyer's broker the buyer may develop the parking lot. No sale conditions were reported.	Commercial	Downtown Fresno	C-P	
San Benito St	Land		10,890	\$0.00		5/7/2021		Commercial	Downtown Fresno	M-2	Commercial, Industrial
Stanislaus St (Part of Multi-Property Sale)	Land		14,810	\$0.00	Multi-Property Sale	12/18/2019		Commercial	Downtown Fresno	C-4	Commercial
Copper and Maple Ave	Land	\$1,250,000	28,749	\$43.48		3/8/2022	0.66 acres of commercial open space at the intersection of E. Copper Avenue with N. Maple Avenue in Fresno sold to a local investor. The sale price of \$1,250,000 was confirmed with the seller but no other disclosures were made by either side. This is a cash transaction.	Commercial	E Outlying Fresno County	C	Commercial
Maple & Copper Ave	Land	\$1,410,000	36,787	\$38.33	The Ranch At Copper River	9/10/2021	0.84 acres of commercial land sold for \$1,410,000. The buyer is going to build a service station. Waiting for plan approval. No brokers were involved. This property is part of The Ranch At Copper River a proposed shopping center. Lot line adjustments were made a new APN was not available.	Commercial	E Outlying Fresno County	CC	Retail
NE CNR N Friant Rd & E Copper Ave	Land	\$2,000,000	89,734	\$22.29		9/11/2019	This sale involved a corner commercial parcel in a developing area of northern Fresno. The buyer plans on building at the site, but what is still be decided. Any development is at least one year out. No brokers were involved in this transaction.	Commercial	E Outlying Fresno County	C/EA/UGM	Commercial
3900 N Cedar Ave	Land	\$4,261,500	202,789	\$21.01	Granite Park	6/24/2022	The 4.655 Acres Land was sold for \$4,261,500 or about \$915,388.58 price per Acre. Information about the deal and details of the deal were provided by Martin Boone of Sherman & Boone Commercial who represented both the buyer and the seller of the deal.	Commercial	Midtown	C-R	Retail
4140 N First St (Part of Multi-Property Sale)	Land (Strip Center)	\$186,170	28,314	\$6.58	Pad A	5/9/2022	This is the sale of three retail buildings and two land parcels within the Country Squire Shopping Center. The properties were anchored by Walgreens and Express Car Wash and was fully leased at time of sale. The tenants included long term leases with low rents and rental increases.	Commercial	Midtown	P	Retail

Table 10 Continued
Recent Citywide Commercial Land Sales

Property Address	Property Type	Sale Price	Land SF Gross	Price per SF, Gross	Property Name	Sale Date	Transaction Notes	Secondary Type	Submarket Name	Zoning	Proposed Use
4140 N First St (Part of Multi-Property Sale)	Land (Strip Center)	\$114,566	17,424	\$6.58	Pad B	5/9/2022	This is the sale of three retail buildings and two land parcels within the Country Squire Shopping Center. The properties were anchored by Walgreens and Express Car Wash and was fully leased at time of sale. The tenants included long term leases with low rents and rental increases.	Commercial	Midtown	C-1	Retail
N Ferger Ave (Part of Multi-Property Sale)	Land	\$13,489	7,501	\$1.80	Multi-Property Sale	4/8/2022		Commercial	Midtown	P	
704 N Blackstone Ave	Land	\$4,450,000	21,344	\$208.49		12/30/2021	This commercial lot is located just off highway 180 in Fresno near several retailers.	Commercial	Midtown	CG	Commercial
E Olive Ave (Part of Multi-Property Sale)	Land	\$9,281	7,405	\$1.25	Multi-Property Sale	6/29/2021	The parties involved were not at liberty to disclose any of the vital data or were unable to be contacted. All information is consistent with recorded documents and county assessor records. Inevitably, CoStar was unable to determine the condition of the property, the motivation for the transaction, if there were any real estate brokers involved, the marketing & escrow timeframes, the cap rate or income & expenses, whether this was an investment or owner/user sale type as well as any sale conditions at the time of the sale.	Commercial	Midtown	C-6	Commercial
1443 E Vassar Ave	Land	\$48,000	6,752	\$7.11	Residential Multi-Family Corner Lot	12/4/2020		Commercial	Midtown	RM1	
E Olive Ave (Part of Multi-Property Sale)	Land	\$84,532	7,405	\$11.42	Multi-Property Sale	11/16/2020	Former Chicken Pie Shop restaurant at the corner of E. Olive and N. Wishon in Fresno sold for \$800,000 cash. The purchaser is a local investor. The building purchase included the parking lot adjacent and the EECU ATM shelter on the other side, which has a lease term until 2027 and (2) five year options. This is a high vacancy sale with deferred maintenance. Both brokers confirmed the sale price and no additional conditions.	Commercial	Midtown	C-6	Commercial
2651 N Hughes Ave	Land	\$65,000	15,246	\$4.26	Commercial Land	9/16/2020		Commercial	Midtown	CC	Commercial
1150 N Abby St	Land		11,522	\$0.00		3/13/2020		Commercial	Midtown	M1/M2	
3200 N Weber Ave (Part of Portfolio)	Land	\$29,473	20,909	\$1.41		12/4/2019	3 properties located at 2641 W Fountain Way, 3200 N Weber, and 3250 N Weber sold for \$500,000 on December 4th 2019. The 2 buildings total 13,868 square feet.	Commercial	Midtown	M-1	Commercial
3550 E Ashlan Ave	Land	\$165,000	31,681	\$5.21	Highly Visible Office Land	9/19/2019		Commercial	Midtown	O	
NWC Herndon & Blythe	Land	\$752,940	37,461	\$20.10	Parcel B Pad	7/25/2022		Commercial	North Fresno	CC	Commercial
6015 Figarden	Land		52,708	\$0.00		11/17/2021		Commercial	North Fresno	CC	Commercial
W Herndon Ave	Land	\$1,081,500	100,188	\$10.79		12/16/2020	Some easements and power lines on the property effected the price per seller. No other conditions were reported. This was an all cash deal.	Commercial	North Fresno	C-3, Fresno	Community Center, Neighborhood Center
4679 W Spruce Ave	Land	\$4,100,000	66,647	\$61.52		10/27/2020	Land south of W. Spruce Avenue west of N. Blythe Avenue sold for \$4,100,000. No Brokers were involved. Sale price was confirmed by buyer and seller but no other details were disclosed.	Commercial	North Fresno	Commercial	Commercial, Hold for Development

Table 10 Continued
Recent Citywide Commercial Land Sales

Property Address	Property Type	Sale Price	Land SF Gross	Price per SF, Gross	Property Name	Sale Date	Transaction Notes	Secondary Type	Submarket Name	Zoning	Proposed Use
W Spruce Ave	Land	\$625,000	31,799	\$19.65		3/17/2020	.73 acres of land on W Spruce Ave in Fresno California sold for \$625,000 on March 17th 2020. The property was sold by Steve Mele of Commercial West Associates. The buyer is a Burger King Franchisee and a BK will be operating on the corner of W Spaatz and Blythe Ave.	Commercial	North Fresno	CC	Fast Food
Figarden Dr (Part of Multi-Property Sale)	Land	\$32,705	35,776	\$0.91	Pad 3	2/5/2020	This transaction involved the sale of a two building event center and two vacant lots used for overflow parking. One building is 8,425 square feet and the other building is 6,323 square feet. Both building feature patios, and the buildings can be divided for multiple events. There are 95 paved parking spaces and two vacant lot used for overflow parking. This deal was part of a 1031 exchange for the seller.	Commercial	North Fresno	C-P	
Figarden Dr (Part of Multi-Property Sale)	Land	\$30,348	33,197	\$0.91	Pad 4	2/5/2020	This transaction involved the sale of a two building event center and two vacant lots used for overflow parking. One building is 8,425 square feet and the other building is 6,323 square feet. Both building feature patios, and the buildings can be divided for multiple events. There are 95 paved parking spaces and two vacant lot used for overflow parking. This deal was part of a 1031 exchange for the seller.	Commercial	North Fresno	C-P	
NW CNR of W Herndon & N Blythe Ave	Land	\$617,500	37,420	\$16.50		1/30/2020	The site purchased now uses the parcel number 501-043-20 which is a portion of the former parcel 501-043-16. The site will be developed with a fast food restaurant. The site is at a signalized corner.	Commercial	North Fresno	C-3	Fast Food
6547 N Maroa Ave	Land	\$560,000	66,211	\$8.46		1/29/2020	The 1.51 acres of fully improved land at 6547 N Maroa Avenue in Fresno, CA sold for \$560,000 or \$386,760 per acre. The site is zoned RS5 which allows for flexible uses. It contains an asphalt parking lot and is fully fenced. The property was sold with approved plans for a church, however confirmed development plans from the buyer were not confirmed.	Commercial	North Fresno	R-A	Apartment Units, Neighborhood Center
SEQ W Bullard & N Figarden Dr	Land	\$2,250,000	514,008	\$4.38		1/24/2020	All data on this report is from publicly available sources. We could not verify details with anyone close to the transaction. The property has frontage on two high traffic streets.	Commercial	North Fresno	M-2/UGM/	MultiFamily
5550 W Spruce Ave	Land	\$250,000	32,936	\$7.59	3/4 site ready for	11/20/2019		Commercial	North Fresno	ght Industr	Commercial
5770 W Spruce Ave	Land		43,560	\$0.00	BTS 12k Office near Herndon & Polk	8/20/2019		Commercial	North Fresno	C-M	Commercial
4315 N Valentine Ave	Land	\$1,285,000	143,748	\$8.94		12/30/2021	Per the seller and the seller's broker the seller disposed of this location to retire out of state. According to the seller and the seller's broker the sale included a SFR and land. The seller's broker reported the seller was operating a recreational vehicle and boat storage business on the property that was generating \$12,000 per month. The seller stated there were a few spaces that were covered. According to the seller's broker the seller did not sell the storage business to the buyer but rather gave it to them. No plans, approvals or entitlements sold in this transaction per the buyer, seller and the seller's broker. No sale conditions were reported.	Commercial	Shaw	M-1	Commercial

Table 10 Continued
Recent Citywide Commercial Land Sales

Property Address	Property Type	Sale Price	Land SF Gross	Price per SF, Gross	Property Name	Sale Date	Transaction Notes	Secondary Type	Submarket Name	Zoning	Proposed Use
N Gates Ave	Land	\$750,000	95,832	\$7.83		5/27/2021	The 2.20 Acres Located on Gates Avenue within the Shaw Gates Business Park were sold. The development plans for the land were not disclosed by the purchaser. Square shaped parcel zoned for light industrial usage was sold for \$750,000.	Commercial	Shaw	IL	Office
3441 W Shaw Ave	Land	\$40,000	10,576	\$3.78	Shaw Westgate Professional Center	12/18/2020		Commercial	Shaw	RMX	Office
E Gettysburg Ave, E of N 1st St	Land	\$500,000	85,378	\$5.86		7/30/2020	Vacant residential land located on East Gettysburg Avenue in Fresno sold to a local investor for \$500,000 as confirmed by listing broker and buyer broker. Buyer purchased the 1.96 acres cash and has no immediate plans for development.	Commercial	Shaw	RP-L	Medical, MultiFamily, Office
2700-2784 W Shaw Ave	Land	\$4,750,000	174,240	\$27.26		10/3/2019	This transaction represented the sale of the leased fee interest in the 4 acres of land where the West Shaw Village Shopping Center sits. The property is at a signalized corner and has 2 curb cuts on W Shaw Ave and one on N Marks Ave. Since the purchase, the buyer has re-listed this property for sale.	Commercial	Shaw	C-2	Commercial
2175 W Shaw Ave (Part of Multi-Property Sale)	Land	\$78,517	22,500	\$3.49	Multi-Property Sale	8/23/2019	<p>This transaction covers the sale of two parcels. Parties involved with the transaction confirmed a closing price of \$2,000,000.</p> <p>The property known as 2171 W Shaw Ave on parcel 424-062-01 consists of a commercial vacant land lot measuring 22,500 square feet zoned C-2. The property known as 4950 N Crystal Ave consists of a 5,332 square foot freestanding retail building.</p> <p>The seller Julie Kerkochian, had been occupying the property, running a united Carpet One Floor and Home location from it. This store will be closing down after the sale.</p>	Commercial	Shaw	C-2	
3441 W Shaw Ave	Land		10,576	\$0.00	Shaw Westgate Professional Center	8/22/2019		Commercial	Shaw	RMX	Office
4591 E Belmont Ave	Land	\$500,000	13,750	\$36.36	Corner Lot w/GROUND LEASE w/ ARCO Gas Station	6/29/2022		Commercial	Southeast Fresno	NMX	
3065-3099 E Belmont Ave	Land	\$78,000	7,841	\$9.95		3/4/2022		Commercial	Southeast Fresno	C-6	Commercial
5685 Huntington	Land		27,007	\$0.00	Fancher Creek Apartment Development	1/26/2022		Commercial	Southeast Fresno	CMX	Apartment Units
295 N Clovis Ave	Land		84,942	\$0.00		10/28/2021		Commercial	Southeast Fresno	CMX	
169 N Clovis Ave	Land	\$900,000	108,029	\$8.33		10/12/2021	This is the purchase of 2.48 acres of commercial land in Fresno County CA. The commercial land is located on N Clovis Avenue with quick access to SR 180.	Commercial	Southeast Fresno	CMX	Commercial, Mixed Use
2386 Sarah	Land	\$85,000	18,748	\$4.53		7/23/2021		Commercial	Southeast Fresno	M1	

Table 10 continued
Recent Citywide Commercial Land Sales

Property Address	Property Type	Sale Price	Land SF Gross	Price per SF, Gross	Property Name	Sale Date	Transaction Notes	Secondary Type	Submarket Name	Zoning	Proposed Use
3728 E Central Ave	Land	\$1,100,000	732,679	\$1.50		6/10/2021	This is the purchase of 16.82 acres of Land in Fresno California. The new owner will go thru the process of rezoning the land to be Industrial. There are no immediate plans to build. The land is the corner of South Peach Avenue and East Central Avenue, approximately one mile East of the Highway 99 on-ramp.	Commercial	Southeast Fresno	AFIEOM1	Industrial, Industrial Park
4622-4648 Kings Canyon	Land		43,996	\$0.00		5/26/2021		Commercial	Southeast Fresno	CMX	Fast Food
E California Ave	Land		5,663	\$0.00		5/7/2021		Commercial	Southeast Fresno	M-2	Commercial, Industrial
702 N 1st St	Land		3,485	\$0.00	Commercial Land	2/3/2021		Commercial	Southeast Fresno	C-5	Commercial
Clovis Ave	Land	\$185,000	27,878	\$6.64	Fancher Creek Town Center	6/26/2020		Commercial	Southeast Fresno	CMX	Commercial, Mixed Use, Retail
4746 E Kings Canyon Rd	Land		6,625	\$0.00		6/12/2020		Commercial	Southeast Fresno	C-4	
4723 S Peach Ave	Land		4,470,563	\$0.00				Commercial	Southeast Fresno	M3	Commercial
W Hedges Ave	Land	\$925,000	203,425	\$4.55		6/14/2022	Other seller entities were the John Gagliardi Living Trust and the Gagliardi Family Revocable Trust. The broker and the seller were the same in this transaction. The broker stated the seller's disposed of this property for personal reasons. The broker reported the buyer may develop the property for hospitality. The buyer inferred the property may be developed. No details of the project were known or disclosed. No plans, approvals or entitlements sold in this transaction per the broker. No sale conditions were reported.	Commercial	West Fresno	C6	Hospitality
3335 N Parkway Dr	Land	\$450,000	140,263	\$3.21		5/26/2022		Commercial	West Fresno	CG	Commercial, Hospitality, Hotel
618 S Hughes Ave	Land	\$750,000	161,608	\$4.64	3.71 Acres	3/28/2022		Commercial	West Fresno	C-R	
1886 S West Ave	Land	\$225,000	54,450	\$4.13		1/12/2022		Commercial	West Fresno	CMX	Commercial
1886 S West Ave	Land	\$225,000	54,450	\$4.13		1/12/2022		Commercial	West Fresno	CMX	Commercial
Herndon Ave	Land		37,647	\$0.00	NWC Herndon & Blythe-Parcel B	12/29/2021		Commercial	West Fresno	Commercial	Commercial
6130 W Shaw Ave	Land	\$800,000	162,000	\$4.94		10/26/2021	Buyer stated they acquired this location for possible future development. No specific development plans have been finalized. Per the seller's broker this seller is in a 1031 tax exchange.	Commercial	West Fresno	C	Commercial, Hold for Development
3048 W Olive Ave	Land	\$650,000	128,938	\$5.04		10/26/2021		Commercial	West Fresno	CG	Commercial, Fast Food, Hotel
4115 S Orange Ave	Land	\$2,300,000	402,930	\$5.71		10/8/2021	Per the broker the seller disposed of this location for personal reasons. The buyer is a subsidiary of Copart, Inc. Copart owns neighboring parcels next to this location. No sale conditions were reported.	Commercial	West Fresno	M1	Hold for Investment
SEC Ashlan & Cornelia Ave	Land	\$1,200,000	59,677	\$20.11	4703 W. Ashlan Avenue	7/16/2021	This is the sale of 1.37 acres of commercial land located in Fresno, California. The property sold for \$1,200,000 on July 16, 2021. Information has not been confirmed but is consistent with public record documents.	Commercial	West Fresno	C-1	Commercial
329 Fresno St	Land	\$33,000	3,376	\$9.77		5/11/2021		Commercial	West Fresno	NMX	Commercial

Table 10 Continued
Recent Citywide Commercial Land Sales

Property Address	Property Type	Sale Price	Land SF Gross	Price per SF, Gross	Property Name	Sale Date	Transaction Notes	Secondary Type	Submarket Name	Zoning	Proposed Use
W Dan Ronquillo Dr	Land	\$1,000,000	255,697	\$3.91		5/7/2021	5.87± acres of industrial vacant land sold for \$1,000,000 or \$ 170,358 per acre. The property has some freeway visibility to Freeway 180 and 1.4 miles to the on-ramp. Curb and gutter were in place.	Commercial	West Fresno	IL	Industrial
2474 W Whitesbridge Ave	Land	\$875,000	372,002	\$2.35		4/16/2021	This 8.54-acre parcel sold for \$102,459 per acre. Plans for the land were not disclosed. No sale conditions were reported. This property has Freeway 180 exposure and is less than ½ mile to Highway 180 interchange. Utilities are in the street but need to be stubbed into the property.	Commercial	West Fresno	Commercial - Re	Commercial
W Dan Ronquillo Dr	Land		255,697	\$0.00		3/2/2021		Commercial	West Fresno	IL	Industrial
511 S Hughes Ave	Land	\$179,000	74,052	\$2.42	Commercial Corner Land 1.7 Acres	12/22/2020		Commercial	West Fresno	CG	Commercial
2916 S Elm Ave	Land	\$230,000	119,354	\$1.93		4/30/2020		Commercial	West Fresno		
NWQ Shields & Valentine	Land		131,987	\$0.00		2/25/2020		Commercial	West Fresno	RM-1	MultiFamily
2084 W Whitesbridge Ave	Land	\$175,000	150,953	\$1.16		1/2/2020		Commercial	West Fresno	M-1	
618 S Hughes Ave	Land	\$175,000	161,608	\$1.08	3.71 Acres	1/2/2020		Commercial	West Fresno	C-R	
4680 S Orange Ave	Land	\$750,000	871,200	\$0.86		12/23/2019	4680 S Orange Ave in Fresno, California sold for \$750,000 on December 23rd 2019. The property is a 20 acre lot of grapes, zoned AL20.	Commercial	West Fresno	AL-20	
2474 W Whitesbridge Ave	Land	\$1,450,000	372,002	\$3.90		12/13/2019		Commercial	West Fresno	Commercial - Re	Commercial
E North Ave, W of S Orange Ave	Land	\$665,000	39,204	\$16.96		11/27/2019	This parcel was purchased for development of a fast food restaurant. According to a contact, construction began this month. The parcel is located within one parcel to the Hwy 99 off-ramp on E North Ave.	Commercial	West Fresno	IH	Fast Food
W Dan Ronquillo Dr	Land	\$495,000	122,839	\$4.03	Roeding Industrial	8/21/2019		Commercial	West Fresno	M-1	
7145 N Chestnut Ave	Land	\$1,200,000	98,881	\$12.14		5/20/2022		Commercial	Woodward	C-P	Hold for Development
750 N 1st St	Land	\$2,216,130	147,668	\$15.01		4/22/2022	The property 3.39 acres sold for \$2,216,130 or about \$15 PSF. Parties involved confirmed price and acreage conveyed. This was a portion of the original parcel. There was a lot line adjustment. The buyer plans on developing the site with medical office.	Commercial	Woodward	C-P	
7025 N Recreation Ave	Land	\$3,600,000	56,628	\$63.57		1/31/2020	This is the sale of 1.3 acres of land located in Fresno, California. The seller reported that the buyer may build a hotel on the site, but plans have not been finalized yet. The property sold for \$3,600,000 on January 31, 2020.	Commercial	Woodward	CP	Medical, Office
Maple Ave & Behymer Ave	Land	\$5,120,000	476,285	\$10.75	10.93 Acres			Commercial	Woodward	C-2	Commercial

Table 11
Recent Citywide Residential Land Sales

Property Address	Property Type	Sale Price	Land SF Gross	Price per SF, Gross	Property Name	Sale Date	Transaction Notes	Secondary Type	Submarket Name	Zoning	Proposed Use
Belmont Ave	Land	\$4,017,000	1,218,373	\$3.30	SEC Belmont & Armstrong	12/4/2020	Two cash sale transactions have occurred for 27.97 acres of land at the southeast corner E. Belmont Avenue and N. Armstrong Avenue in Fresno. The asset has extensive frontage along Highway 180. Buyer and seller confirmed the sale price but no brokers were identified and no transaction details were disclosed. Please see sale comp 5375073 for the initial sale detail.	Residential	E Outlying Fresno County	AE-20	
Belmont Ave	Land	\$2,741,500	1,218,373	\$2.25	SEC Belmont & Armstrong	12/4/2020	Two cash sale transactions have occurred for 27.97 acres of land at the southeast corner E. Belmont Avenue and N. Armstrong Avenue in Fresno. The asset has extensive frontage along Highway 180. Buyer and seller confirmed the sale price but no brokers were identified and no transaction details were disclosed. Please see sale comp 5375075 for the subsequent sale detail.	Residential	E Outlying Fresno County	AE-20	
E Copper Ave	Land	\$1,452,000	169,013	\$8.59		8/28/2019	This parcel of land is located between a shopping center and a private single family subdivision with access from N Knotting Hill Dr. According to the City of Fresno Planning Department, plans for a 21 lot subdivision were approved in 2017 that there is current a grading permit issued. We were unable to verify further details of the transaction with parties close to the sale. All information on this report is from publically available sources.	Residential	E Outlying Fresno County	RS-4/UGM/cz	
N Armstrong & E Floradora Ave	Land	\$3,500,000	798,455	\$4.38				Residential	E Outlying Fresno County	AE20	Hold for Development
1605 E Vassar Ave	Land	\$1,650,000	119,790	\$13.77		10/22/2021	Total of 2.75 acres sold for \$1,650,000. All information is based on recorded documents and county assessor records. Parties involved were unable to be reached.	Residential	Midtown	R-3	Apartment Units - Subsdzd
1220 N Thesta St	Land	\$26,000	5,001	\$5.20	Multi-Use Lot	9/3/2020		Residential	Midtown	O	Commercial, Office
1220 N Thesta St	Land		5,001	\$0.00	Multi-Use Lot	9/3/2020		Residential	Midtown	O	Commercial, Office
E Thomas Ave W of N Fulton St (Part of Multi-Property Sale)	Land	\$41,168	10,150	\$4.06	Multi-Property Sale	2/21/2020	703 N Fulton St in Fresno California sold for \$799,000 on February 21st 2020. The property is a 2 story 9,800 square foot office building, that sits on .20 acres of land, zoned C-5. The property was purchased as a owner user transaction. It is concrete, wood and glass construction and was built in 1963. It was formerly a medical use with several exam rooms, waiting/reception area and pharmacy uses. North Fulton Street between Olive and Belmont Avenues	Residential	Midtown	P	
6507 Fresno	Land	\$8,350,000	1,169,150	\$7.14	26.84 AC - Development Site	4/29/2022	This 26.84-acre site was acquired by Fresno Rescue Mission on April 29, 2022 for \$8.35 million as an all cash sale. This local organization offers 24-hour services to people in need including homeless and tranformative services. They are currently expanding their location on E Sierra Avenue into a 9-acre campus called City Center. No entitlements included in the sale.	Residential	North Fresno	RS-5	Apartment Units

Table 11 Continued
Recent Citywide Residential Land Sales

Property Address	Property Type	Sale Price	Land SF Gross	Price per SF, Gross	Property Name	Sale Date	Transaction Notes	Secondary Type	Submarket Name	Zoning	Proposed Use
San Jose & Salinas Ave	Land	\$1,128,000	534,917	\$2.11	APN 509020355 San Jose & Salinas Fresno 93722	12/21/2021	The 12.28 Acres of land located at the intersections of San Jose & Salinas Ave in Fresno, CA was sold. The land is zoned for residential use. Possible single-family development. All utilities need to site. The land was sold for \$1,128,000. The parties involved were unable to be reached or unable to share any information. All information is based on public record documentation. The purchaser of the property is a single family developer.	Residential	North Fresno	R-1	
Herdon Ave	Land	\$4,000,000	661,241	\$6.05		12/14/2021	Per public record This 15.18 Acre parcel of land sold for \$4 million. Plans for the land were not disclosed.	Residential	North Fresno	R-1, Fresno	Commercial, MultiFamily
6015-6059 N Abby St	Land	\$750,000	48,150	\$15.58		10/30/2020	Six adjacent residential lots on N. Abby Street north of E. Bullard Avenue, sold to a local investor. The sale price of \$750,000 was confirmed by seller and buyer. This was a cash transaction. No brokers were identified. Buyer did not disclose any proposed use of the asset.	Residential	North Fresno	R-A	Hold for Development
132 W Barstow Ave	Land	\$800,000	121,097	\$6.61	Residential Development Site	10/30/2019	2.78 acres of land at 130 W Barstow Ave in Fresno, CA sold for \$800,000. The property is zoned R-2-A. City of Fresno Housing Authority purchased the land. Amir Dehlan of Guarantee Real Estate represented the seller while Robert Fena represented the buyer.	Residential	North Fresno	R-2-A, Fresno	Apartment Units - Senior, MultiFamily
W Thomason Pl	Land	\$450,000	150,580	\$2.99		9/3/2019		Residential	North Fresno	R-1-EH	
Bulldog Ln	Land	\$375,000	34,412	\$10.90	1460 E. Bulldog Lane, Fresno, CA 93710	2/3/2020		Residential	Shaw	R4	Apartment Units, MultiFamily
4832-4864 N Arthur	Land		94,961	\$0.00		12/2/2019		Residential	Shaw	R-1-B	MultiFamily
3333 E Tulare St	Land	\$77,500	6,098	\$12.71		9/28/2021		Residential	Southeast Fresno	NMX	Commercial, Mixed Use, MultiFamily
385 Peach	Land		209,088	\$0.00	4.80± Acres of Residential Land	8/25/2021		Residential	Southeast Fresno	RA	
4958 E Church Ave	Land	\$390,000	211,266	\$1.85		7/14/2021		Residential	Southeast Fresno	RS5	Apartment Units, MultiFamily
260 S Peach Ave	Land	\$338,000	172,062	\$1.96	3.95± Acres of Vacant Land	2/9/2021		Residential	Southeast Fresno		
S Fowler Ave, N of E Church Ave	Land	\$7,700,500	1,670,526	\$4.61	Chateau at Heirloom Ranch	10/15/2020	All information on this report is from publicly available sources. No party close to the transaction was able to verify detail of the transaction. This is one of several recent sales involving the same buyer and seller. Please refer to Comp ID's 5289740, 5283044, and 5284484. No loan was found. This appears to be an all cash transaction.	Residential	Southeast Fresno	R-1	
2056 S Maple Ave	Land	\$160,000	83,635	\$1.91		2/26/2020		Residential	Southeast Fresno	RS5	Apartment Units
3239 E Grand Ave	Land		14,000	\$0.00	R2 Zoned Parcel	11/15/2019		Residential	Southeast Fresno	R2	MultiFamily
4821 E Huntington Ave	Land		6,721	\$0.00		11/8/2019		Residential	Southeast Fresno	R-2	MultiFamily
2122 S Peach Ave	Land	\$9,561,490	3,331,904	\$2.87	76 Acre Residential Subdivision			Residential	Southeast Fresno	Medium Density 5-12 Units	

Table 11 Continued
Recent Citywide Residential Land Sales

Property Address	Property Type	Sale Price	Land SF Gross	Price per SF, Gross	Property Name	Sale Date	Transaction Notes	Secondary Type	Submarket Name	Zoning	Proposed Use
2240 S Chestnut Ave	Land	\$1,929,700	771,883	\$2.50	17.72 acs. City of Fresno Transitional Land			Residential	Southeast Fresno	RS-5	
SWC Kings Canyon Rd & Minnewawa Ave	Land	\$995,000	392,911	\$2.53	Potential Apartment/Retail Site			Residential	Southeast Fresno	AL20	MultiFamily, Retail
1547 N Marks Ave	Land	\$1,075,000	414,691	\$2.59	9.52± Acres of Residential Land	6/23/2022	The property is incorporated within the City of Fresno limits and near sewer and water access. The General Plan Land Use calls for Medium Density Residential, allowing 5-12 D.U. / acre. On-site, there is a single-family home currently being used as an office along with a workshop/barn building.	Residential	West Fresno	RS-5/AE5	
2434 S Elm Ave	Land	\$2,100,000	296,644	\$7.08	Land with 141 Permitted Units in OZ Zone	1/20/2022	On 1/21/22 the approximately 6.8 acre parcel at 2434 S Elm Avenue in Fresno, CA sold for \$2,100,000 or \$308,370.04 per acre. The lot sits at the corner of S Elm Avenue and E Church Avenue is zoned OZ. The listing broker specified that the site is best suited for residential, multifamily, or retail. Currently, the lot is flat, level, and undeveloped. The listing broker confirmed the sales comparable details in this report.	Residential	West Fresno	Tridor/Cent	Apartment Units, Commercial, MultiFamily
5796 W Dakota Ave	Land	\$900,000	430,373	\$2.09		1/11/2022	This land totaling 9.88 acres located at 5796 W Dakota Avenue in Fresno, CA was sold on January 11th, 2022 for \$900,000 or \$91,093.12 per acre. The office of the listing brokers confirmed the sale price and acreage sold. The office of the buyer's broker confirmed these details as well, noting that all the acreage is usable. At the time of this publication, they did not know what the buyer's plans are for this land. We were unable to reach either the seller or buyer to confirm additional information on this deal.	Residential	West Fresno	RR	Apartment Units, MultiFamily
3207 S Cherry Ave	Land	\$250,000	32,003	\$7.81		12/17/2021	On 17 December 2021, the Sekhon Family Trust sold the 0.73 acre parcel at 3207 S Cherry Avenue in Fresno, California to Crown Enterprises, LLC for \$250,000. The details for this sale were verified through Fresno County public record.	Residential	West Fresno		
1348 E Church Ave	Land	\$950,000	799,326	\$1.19		9/17/2021		Residential	West Fresno	RS-5	Apartment Units

Table 11 Continued
Recent Citywide Residential Land Sales

Property Address	Property Type	Sale Price	Land SF Gross	Price per SF, Gross	Property Name	Sale Date	Transaction Notes	Secondary Type	Submarket Name	Zoning	Proposed Use
2501 S Fruit Ave	Land		564,973	\$0.00	2501 S. Fruit Ave.	7/20/2021		Residential	West Fresno	RS-5	Apartment Units, Commercial, Distribution, Hold for Development, Hold for Investment, Industrial, MultiFamily
1530 B St	Land	\$3,141,500	34,500	\$91.06		6/22/2021	The parties involved were not at liberty to disclose any of the vital data or were unable to be contacted. All information is consistent with recorded documents and county assessor records. Inevitably, CoStar was unable to determine the motivation for the transaction, if there were any real estate brokers involved, the marketing & escrow timeframes as well as any sale conditions at the time of the sale.	Residential	West Fresno	R-2	
Amador & San Joaquin	Land		31,999	\$0.00	8 Single Family Lots	5/13/2021		Residential	West Fresno		MultiFamily
4432 W Shields Ave	Land	\$1,230,000	492,664	\$2.50		3/3/2021	This 11.31 acres of land located at 4432 W Shields Ave in Fresno, CA was sold on March 3rd, 2021 to Major Deol for \$1,230,000. The office of the listing brokers confirmed the sale price and the acreage sold, while also noting that all the acreage is usable. The sale price and acreage sold was confirmed by the buyer's broker as well. According to the buyer's broker, the buyer doesn't have any immediate project plans for this property and is just holding onto the land for a future development.	Residential	West Fresno	AL-20	Hold for Development, MultiFamily
3484 W Shields Ave	Land	\$200,000	97,139	\$2.06		1/8/2021		Residential	West Fresno	R-1	
5700 W Clinton Ave	Land	\$1,800,000	425,146	\$4.23		10/29/2020	9.76 acres of open space on W. Clinton Avenue sold to a Fresno business owner. The sale price of \$1,800,000 was confirmed by seller and purchaser. This was a cash sale. No brokers were identified. Buyer did not disclose any proposed use of the asset; they already own the adjacent property to the east.	Residential	West Fresno	RR	Hold for Development
1608 W California Ave	Land		415,127	\$0.00		8/28/2020		Residential	West Fresno	R	Apartment Units, MultiFamily
2310 N Marks Ave	Land	\$600,000	189,486	\$3.17	Central Plaza Apartments	11/21/2019	2310 N Marks Ave in Fresno California sold for \$600,000 on November 21st 2019. The land totals 4.35 acres and is zoned for multi-family use. 96 Units have been approved. There's no plans for construction as of now. No real estate agents were involved in the transaction and no major sale conditions affected the sale price.	Residential	West Fresno	T-P	Apartment Units, MultiFamily
4016 S Hughes Ave	Land		68,825	\$0.00	Residencial Land	11/12/2019		Residential	West Fresno	AE20	
S Of Ashlan Avenue On Bryan Ave	Land	\$4,200,000	1,523,293	\$2.76	34.97± Acres of Vacant Land			Residential	West Fresno	RR	
Fort Washington	Land	\$400,000	14,418	\$27.74	Ft. Washington Golf Course Lot	12/7/2020		Residential	Woodward	SPLIT	

TABLE 12
DEVELOPMENT COSTS
PROTOTYPE 2B
KINGS CANYON CORRIDOR TOD STUDY
FRESNO, CA

100% Affordable			
4% Tax Credits			
	<u>Total</u>	<u>Per Unit</u>	<u>Comments</u>
I. Acquisition Costs	\$497,070	\$9,000	Per SF Site
II. Direct Costs			
Off-Site Improvements	\$0	\$0	\$0 Per SF Site
On-Site Improvements/Landscaping (1)	\$497,070	\$9,000	\$10 Per SF Site
Tenant Improvements	\$52,500	\$1,000	\$1 Per SF GBA
Shell Construction	<u>\$12,521,725</u>	<u>\$232,000</u>	<u>\$185</u> Per SF GBA
Subtotal	\$13,071,295	\$242,000	\$193 Per SF GBA
Add: Prevailing Wages	\$1,961,000	\$36,000	15.0% of Above Directs
Contingency	<u>\$752,000</u>	<u>\$14,000</u>	5.0% of Directs
Total Direct Costs	\$15,784,295	\$292,000	\$233 Per SF GBA
III. Indirect Costs			
Architecture & Engineering	\$789,000	\$15,000	5.0% of Directs
Permits & Fees (1)	\$296,150	\$5,000	\$5 Per SF GBA
Legal & Accounting	\$237,000	\$4,000	1.5% of Directs
Taxes & Insurance	\$237,000	\$4,000	1.5% of Directs
Developer Fee	\$2,773,000	\$51,000	17.6% of Directs
Marketing/Lease-Up	\$135,000	\$2,500	\$2 Per SF GBA
Contingency	<u>\$223,000</u>	<u>\$4,000</u>	5.0% of Above Indirects
Total Indirect Costs	\$4,690,150	\$87,000	29.7% of Directs
IV. Financing Costs			
Loan Fees	\$718,000	\$13,000	4.5% of Directs
Interest During Construction	\$551,000	\$10,000	3.5% of Directs
Title/Recording/Escrow	\$27,000	\$500	0.2% of Directs
Interest During Lease-Up	\$341,000	\$6,000	2.2% of Directs
TCAC/Syndication Fees	\$143,000	\$3,000	0.9% of Directs
Operating Lease-Up/Reserves	<u>\$153,000</u>	<u>\$3,000</u>	1.0% of Directs
Total Financing Costs	\$1,933,000	\$36,000	12.2% of Directs
V. Development Costs	\$22,904,515	\$424,000	\$338 Per SF GBA

(1) KMA analysis. Assumes fee waivers for infill development.

TABLE 13
NET OPERATING INCOME
PROTOTYPE 2B
KINGS CANYON CORRIDOR TOD STUDY
FRESNO, CA

100% Affordable					
4% Tax Credits					
I. Gross Scheduled Income (GSI)	# Units	Unit Size	\$/SF	\$/Month ⁽¹⁾	Annual
One Bedroom @ 50% AMI	18	550 SF	\$1.20	\$658	\$142,000
Two Bedroom @ 50% AMI	35	805 SF	\$0.97	\$778	\$327,000
Two Bedroom @ Manager	1	805 SF	\$0.00	\$0	\$0
Total/Average	54	720 SF	\$0.97	\$700	\$469,000
Add: Other Income			\$10 /Unit/Month		\$6,500
Add: Commercial Income			\$18 /sf cml		<u>\$94,500</u>
Total Gross Scheduled Income (GSI)					\$570,000
II. Effective Gross Income					
(Less) Vacancy			5.0% of GSI		<u>(\$29,000)</u>
Effective Gross Income (EGI)					\$541,000
III. Operating Expenses					
(Less) Operating Expenses			\$4,800 /Unit/Year		(\$259,000)
(Less) Commercial Operating Expenses			5% of income		(\$4,725)
(Less) Tenant Services			\$175 /Unit/Year		(\$9,000)
(Less) Property Taxes/Assessments ⁽²⁾			\$74 /Unit/Year		(\$4,000)
(Less) Replacement Reserves			<u>\$300 /Unit/Year</u>		<u>(\$16,000)</u>
Total Operating Expenses			\$5,421 /Unit/Year		(\$292,725)
			54.1% of EGI		
IV. Net Operating Income (NOI)					\$248,275
V. (Less) Debt Service - Other State Funding Source ⁽³⁾			0.42% of Loan		<u>(\$14,000)</u>
VI. NOI after Debt Service for State Funding Source					\$234,275

(1) Based on the lower of State of California Department of Housing and Community Development (HCD) 2022 income limits or California Tax Credit Allocation Committee 2022 maximum income and rent levels for projects placed in service on or after April 18, 2022.

(2) Reflects special assessments only. Assumes project will qualify for tax-exempt status.

(3) Reflects competitive State funding source, e.g., AHSC, MIP, MHP, IIG, etc.

TABLE 14
DEVELOPMENT COSTS
PROTOTYPE 3B
KINGS CANYON CORRIDOR TOD STUDY
FRESNO, CA

100% Affordable			
4% Tax Credits			
	<u>Total</u>	<u>Per Unit</u>	<u>Comments</u>
I. Acquisition Costs	\$1,379,100	\$15,000	\$10 Per SF Site
II. Direct Costs			
Off-Site Improvements	\$0	\$0	\$0 Per SF Site
On-Site Improvements/Landscaping (1)	\$1,379,100	\$15,000	\$10 Per SF Site
Tenant Improvements	\$21,100	\$200	\$0.2 Per SF GBA
Shell Construction	<u>\$14,790,750</u>	<u>\$161,000</u>	<u>\$150</u> Per SF GBA
Subtotal	\$16,190,950	\$176,000	\$164 Per SF GBA
Add: Prevailing Wages	\$2,429,000	\$26,000	15.0% of Above Directs
Contingency	<u>\$931,000</u>	<u>\$10,000</u>	5.0% of Directs
Total Direct Costs	\$19,550,950	\$213,000	\$198 Per SF GBA
III. Indirect Costs			
Architecture & Engineering	\$978,000	\$11,000	5.0% of Directs
Permits & Fees (1)	\$465,561	\$5,000	\$5 Per SF GBA
Legal & Accounting	\$293,000	\$3,000	1.5% of Directs
Taxes & Insurance	\$293,000	\$3,000	1.5% of Directs
Developer Fee	\$3,458,000	\$38,000	17.7% of Directs
Marketing/Lease-Up	\$230,000	\$2,500	\$2 Per SF GBA
Contingency	<u>\$286,000</u>	<u>\$3,000</u>	5.0% of Above Indirects
Total Indirect Costs	\$6,003,561	\$65,000	30.7% of Directs
IV. Financing Costs			
Loan Fees	\$920,000	\$10,000	4.7% of Directs
Interest During Construction	\$707,000	\$8,000	3.6% of Directs
Title/Recording/Escrow	\$46,000	\$500	0.2% of Directs
Interest During Lease-Up	\$437,000	\$5,000	2.2% of Directs
TCAC/Syndication Fees	\$170,000	\$2,000	0.9% of Directs
Operating Lease-Up/Reserves	<u>\$234,000</u>	<u>\$3,000</u>	1.2% of Directs
Total Financing Costs	\$2,514,000	\$27,000	12.9% of Directs
V. Development Costs	\$29,447,611	\$320,000	\$299 Per SF GBA

(1) KMA analysis. Assumes fee waivers for infill development.

TABLE 15
NET OPERATING INCOME
PROTOTYPE 3B
KINGS CANYON CORRIDOR TOD STUDY
FRESNO, CA

				100% Affordable		
				4% Tax Credits		
I. Gross Scheduled Income (GSI)	# Units	Unit Size		\$/SF	\$/Month ⁽¹⁾	Annual
One Bedroom @ 50% AMI	44	550 SF		\$1.20	\$658	\$347,000
Two Bedroom @ 50% AMI	47	805 SF		\$0.97	\$778	\$439,000
Two Bedroom @ Manager	1	805 SF		\$0.00	\$0	\$0
Total/Average	92	680 SF		\$1.03	\$700	\$786,000
Add: Other Income				\$10 /Unit/Month		\$11,000
Add: Commercial Income				\$18 /sf cml		\$37,980
Total Gross Scheduled Income (GSI)						\$834,980
II. Effective Gross Income						
(Less) Vacancy				5.0% of GSI		(\$42,000)
Effective Gross Income (EGI)						\$792,980
III. Operating Expenses						
(Less) Operating Expenses				\$4,800 /Unit/Year		(\$442,000)
(Less) Commercial Operating Expenses				5% of income		(\$1,899)
(Less) Tenant Services				\$175 /Unit/Year		(\$16,000)
(Less) Property Taxes/Assessments ⁽²⁾				\$74 /Unit/Year		(\$7,000)
(Less) Replacement Reserves				\$300 /Unit/Year		(\$28,000)
Total Operating Expenses				\$5,379 /Unit/Year		(\$494,899)
				62.4% of EGI		
IV. Net Operating Income (NOI)						\$298,081
V. (Less) Debt Service - Other State Funding Source ⁽³⁾				0.42% of Loan		(\$17,000)
VI. NOI after Debt Service for State Funding Source						\$281,081

- (1) Based on the lower of State of California Department of Housing and Community Development (HCD) 2022 income limits or California Tax Credit Allocation Committee 2022 maximum income and rent levels for projects placed in service on or after April 18, 2022.
- (2) Reflects special assessments only. Assumes project will qualify for tax-exempt status.
- (3) Reflects competitive State funding source, e.g., AHSC, MIP, MHP, IIG, etc.