

Encelia "Otay Ranch" Apartments

SOURCES OF FUNDS

3/21/2023

<u>Construction Sources</u>	Term (Months)	% Rate	\$ Amount	\$ Per Unit
Tax Exempt: Citibank	42	7.92%	35,000,000	200,000
Taxable Tail: Citibank	42	8.42%	17,420,000	99,543
Tax-Exempt Supplemental	36	7.92%	4,000,000	22,857
Taxable Tail: Taxable Supplemental	36	8.42%	1,436,683	8,210
Seller Carryback Loan	-	0.00%	3,000,000	17,143
META/GP Loan	-	0.00%	1,032,658	5,901
Tax Credit Equity - Federal			6,380,981	36,463
Tax Credit Equity - State			902,414	5,157
Deferred Operating Reserve			1,319,419	7,540
Def. Dev. Fee and Costs			9,714,135	55,509
TOTAL SOURCES			80,206,290	458,322

<u>Permanent Sources</u>	Term (Months)	% Rate	\$ Amount	\$ Per Unit
Tax Exempt: TE: Original Loan	480	3.83%	33,090,000	189,086
Taxable Tail: TT: Original Loan	480	4.28%	2,900,000	16,571
Seller Carryback Loan	-	0.00%	3,000,000	17,143
Tax Credit Equity - Federal			29,341,440	167,665
Tax Credit Equity - State			3,281,000	18,749
Deferred Dev Fee			8,593,850	49,108
TOTAL SOURCES			80,206,290	458,322

Encelia "Otay Ranch" Apartments
USES

Use	Total Project Cost	Residential	Commercial	70% PVC for New Construction/Rehab Per Unit Costs	
LAND COST/ACQUISITION					
Land Cost or Value	60,000	57,564	2,436	-	343
Total Land Cost or Value	60,000	57,564	2,436	-	343
Predevelopment Interest/Holding Cost	219,933	211,005	8,928	211,005	1,257
Total Acquisition Cost	219,933	211,005	8,928	-	1,257
Total Land Cost / Acquisition Cost	279,933	268,569	11,364	-	1,600
NEW CONSTRUCTION					
Site Work	2,940,000	2,820,647	119,353	2,820,647	16,800
Structures	40,041,643	38,416,103	1,625,540	38,416,103	228,809
General Requirements	1,836,373	1,761,823	74,550	1,761,823	10,494
Contractor Overhead	595,686	571,503	24,183	571,503	3,404
Contractor Profit	595,686	571,503	24,183	571,503	3,404
Payment and Performance Bonds	378,489	363,124	15,365	363,124	2,163
General Liability Insurance	15,000	14,391	609	14,391	86
Total New Construction Costs	46,402,876	44,519,094	1,883,782	44,519,094	265,159
ARCHITECTURAL FEES					
Design	1,281,250	1,229,236	52,014	1,229,236	7,321
Supervision	343,300	329,363	13,937	329,363	1,962
Total Architectural Costs	1,624,550	1,558,599	65,951	1,558,599	9,283
Total Survey & Engineering	1,649,036	1,582,092	66,945	1,582,092	9,423
CONSTRUCTION INTEREST & FEES					
Construction Loan Interest	3,474,008	3,332,977	141,032	3,332,977	19,851
Origination Fee	523,925	502,656	21,269	502,656	2,994
Credit Enhancement/Application Fee	62,000	59,483	2,517	59,483	354
Bond Premium	302,100	289,836	12,264	-	1,726
Title & Recording	104,687	100,437	4,250	96,593	598
Taxes	115,920	111,214	4,706	111,214	662
Deferred Dev Fee	971,980	932,521	39,459	932,521	5,554
Total Construction Interest & Fees	5,554,620	5,329,123	225,497	5,035,444	31,741

Encelia "Otay Ranch" Apartments
USES

Use	Total Project Cost	Residential	Commercial	70% PVC for New Construction/Rehab	Per Unit Costs
PERMANENT FINANCING					
Credit Enhancement/Application Fee	17,500	16,790	710	-	100
Title & Recording	20,000	19,188	812	-	114
Other: Perm Loan Interest (Const Lender)	2,474,983	2,374,508	100,475	-	14,143
Total Permanent Financing Costs	2,512,483	2,410,486	101,997	-	14,357
LEGAL FEES					
Lender Legal Paid by Applicant	185,000	177,490	7,510	158,302	1,057
Legal: Partnership Legal / Other	343,845	329,886	13,959	236,542	1,965
Total Legal / Other Costs	528,845	507,376	21,469	394,844	3,022
RESERVES					
6-Month Operating Reserve	1,319,419	1,265,856	53,563	-	7,540
Total Reserve Costs	1,319,419	1,265,856	53,563	-	7,540
CONTINGENCY COSTS					
Hard Cost Contingency	900,000	863,463	36,537	863,463	5,143
Total Contingency Cost	900,000	863,463	36,537	863,463	5,143
OTHER PROJECT COSTS					
TCAC/CDLAC App/Allocation/Monitoring Fees	125,520	120,424	5,096	-	717
Environmental Audit	7,730	7,416	314	7,416	44
Local Development Impact Fees	7,470,483	7,167,210	303,273	7,167,210	42,688
Permit Processing Fees	487,581	467,787	19,794	467,787	2,786
Marketing	154,500	148,228	6,272	-	883
Furnishings	407,980	391,418	16,562	391,418	2,331
Market Study	9,825	9,426	399	9,426	56
Accounting/Reimbursables	97,000	93,062	3,938	93,062	554
Appraisal Costs	8,938	8,575	363	8,575	51
Other: Misc City/County/Other fees	13,450	12,904	546	-	77
Other: Organizational Costs	77,000	73,874	3,126	73,874	440
Other: Utility Connectons/Deposits	815,819	782,700	33,119	782,700	4,662
Other: Tenant Improvements	283,800	272,279	11,521	-	1,622
Total Other Costs	9,959,627	9,555,303	404,323	9,001,468	56,912
SUBTOTAL PROJECT COST	70,731,389	67,859,961	2,871,428	63,166,009	404,179
DEVELOPER COSTS					
Developer Overhead/Profit	9,474,901	9,090,256	384,645	9,090,256	54,142
Total Developer Costs	9,474,901	9,090,256	384,645	9,090,256	54,142
TOTAL PROJECT COSTS	80,206,290	76,950,217	3,256,073	72,256,266	458,322

Encelia "Otay Ranch" Apartments
INCOME ANALYSIS

TCAC: (San Diego County)

	0 Bed	1 Bed	2 Bed	3 Bed	Date	Link/Source
Avg. Sq. Ft.		654	823	1,116		
Estimated Rents	0.0%	\$ -	\$ 2,440	\$ 2,927	\$ 3,383	
Rent Schedules:						
Rent @ 100% AMI	TCAC	\$2,440	\$2,927	\$3,383	2022 Rents	
Utility Allowance	PHA	\$ 48.00	\$ 63.00	\$ 76.00	10/1/2022	Chula Vista UA

Unit Breakdown

# of Bedrooms	# of Baths	# of Units	AMI Restrict.	Actual AMI's	TCAC		Lower of TCAC & Utility Allow.	Rent Received	Total Rent
					Max Rent/Unit				
1 Bed	1 Bath	41	50%	50%	\$ 1,220	\$ 1,220	\$ 48	\$ 1,172	\$ 48,052
1 Bed	1 Bath	14	60%	60%	\$ 1,464	\$ 1,464	\$ 48	\$ 1,416	\$ 19,824
2 Bed	1 Bath	7	50%	50%	\$ 1,463	\$ 1,463	\$ 63	\$ 1,400	\$ 9,800
2 Bed	1 Bath	65	60%	60%	\$ 1,756	\$ 1,756	\$ 63	\$ 1,693	\$ 110,058
3 Bed	2 Bath	5	50%	50%	\$ 1,691	\$ 1,691	\$ 76	\$ 1,615	\$ 8,075
3 Bed	2 Bath	41	60%	60%	\$ 2,030	\$ 2,030	\$ 76	\$ 1,954	\$ 80,106
Managers Unit		Manager?							
2 Bed	Yes	2	Market						
Averages/Totals		175	57%		\$ 1,638	\$ 1,657		\$ 1,595	\$ 275,915

Effective Gross Income

		Monthly	Annual
Affordable Rent	<= 80%	\$ 275,915	\$ 3,310,978
Rent from Property Manager Unit		\$ -	\$ -
Potential Gross Income		\$ 275,915	\$ 3,310,978
Vacancy - GA	7.0% (Affordable/Property M	\$ (19,314)	\$ (231,768)
Other - Income	ferred Dev f	\$ 6,747	\$ 80,964
Other - Inc. Vacancy	5.0%	\$ (337)	\$ (4,048)
Effective Gross Income		\$ 263,010	\$ 3,156,125

Encelia "Otay Ranch" Apartments
 OPERATING EXPENSES

Expenses	Budget
Salaries & Benefits	
Manager	\$ 58,688
Asst. Manager(s)	\$ 58,688
Maintenance Manager	\$ 58,688
Asst. Maintenance (Porter)	\$ 58,688
Employee Burden	\$ 58,688
Total Salaries & Benefits	\$ 410,816
General Admin	
Administrative	\$ 58,688
Advertising/Marketing	\$ 58,688
Total Administrative	\$ 176,064
Repairs & Maintenance	
Painting & Cleaning	\$ 58,688
Repairs & Maint.	\$ 58,688
Total Repairs & Maintenance	\$ 234,752
Contract Services	
Fire Sprinkler/Alarm Service	\$ 6,640
Trash	\$ 35,700
Pest Control	\$ 4,660
Landscape/Grounds Maintenance	\$ 24,000
Total Contract Services	\$ 71,000
Utilities	
Electric	\$ 30,228
Water	\$ 93,432
Gas	\$ 25,572
Total Utilities	\$ 149,232
Other Expenses	
Management Fees	\$ 121,511
Legal	\$ 2,500
Audit	\$ 12,250
Supportive Services	\$ 20,000
Real Estate Taxes (Market Rate)	\$ 3,500
Real Estate Taxes (CFD)	\$ 3,354
Insurance	\$ 52,115
Replacement Reserves	\$ 43,750
Free Tenant WiFi	\$ 6,500
Chula Vista Annual Bond Issuer Fee	\$ 17,000
Total Other	\$ 282,480
Total Expenses	\$ 1,324,344

Encella "Otay Ranch" Apartments
30-YEAR CASH FLOW

Calendar Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Equivalent Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Revenues															
Gross Potential Rent	3,310,978	3,393,752	3,478,596	3,565,561	3,654,700	3,746,067	3,839,719	3,935,712	4,034,105	4,134,957	4,238,331	4,344,290	4,452,897	4,564,219	4,678,325
Vacancy Loss - Residential	(231,768)	(237,563)	(243,502)	(249,589)	(255,829)	(262,225)	(268,780)	(275,500)	(282,387)	(289,447)	(296,683)	(304,100)	(311,703)	(319,495)	(327,483)
Other Income	80,954	82,988	85,063	87,189	89,369	91,603	93,893	96,241	98,647	101,113	103,641	106,232	108,888	111,610	114,400
Other Vacancy Loss	(4,048)	(4,149)	(4,253)	(4,359)	(4,468)	(4,580)	(4,695)	(4,812)	(4,932)	(5,056)	(5,182)	(5,312)	(5,444)	(5,580)	(5,720)
Total Net Revenues	3,156,125	3,235,028	3,315,904	3,398,801	3,483,771	3,570,866	3,660,137	3,751,641	3,845,432	3,941,568	4,040,107	4,141,109	4,244,637	4,350,753	4,459,522
Total Expenses	1,324,344	1,367,932	1,411,211	1,457,795	1,505,978	1,555,815	1,607,363	1,660,680	1,715,828	1,772,870	1,831,872	1,892,901	1,956,027	2,021,322	2,088,862
Net Operating Income	1,831,781	1,867,096	1,904,693	1,941,006	1,977,793	2,015,051	2,052,775	2,090,961	2,129,604	2,168,697	2,208,235	2,248,209	2,288,610	2,329,431	2,370,660
Debt Service:															
TE: Original Loan	1,629,766	1,629,766	1,629,766	1,629,766	1,629,766	1,629,766	1,629,766	1,629,766	1,629,766	1,629,766	1,629,766	1,629,766	1,629,766	1,629,766	1,629,766
TT: Original Loan	151,561	151,561	151,561	151,561	151,561	151,561	151,561	151,561	151,561	151,561	151,561	151,561	151,561	151,561	151,561
Total Debt	1,781,327	1,781,327	1,781,327	1,781,327	1,781,327	1,781,327	1,781,327	1,781,327	1,781,327	1,781,327	1,781,327	1,781,327	1,781,327	1,781,327	1,781,327
	1.03	1.05	1.07	1.09	1.11	1.13	1.15	1.17	1.20	1.22	1.24	1.26	1.28	1.31	1.33
Cash Flow After Debt Service	50,454	85,769	123,366	159,679	196,466	233,724	271,448	309,634	348,277	387,370	426,908	466,882	507,283	548,104	589,333