

Encelia "Otay Ranch" Apartments

SOURCES OF FUNDS

3/7/2023

<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%	870,000	4,971
Seller Carryback Loan	-	0.00%	3,000,000	17,143
META/GP Loan	-	0.00%	1,732,658	9,901
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			9,737,285	55,642
TOTAL SOURCES			80,362,757	459,216

<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
GAP/Deferred Dev Fee			8,750,318	50,002
TOTAL SOURCES			80,362,757	459,216

Encelia "Otay Ranch" Apartments
USES

Use	Total Project Cost	Residential		70% PVC for New Construction/Rehab	
		Commercial	Per Unit Costs	Commercial	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	211,005	1,257
Total Land Cost / Acquisition Cost	279,933	268,569	11,364	211,005	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	3,657,187	3,508,719	148,468	3,508,719	20,898
Origination Fee	519,675	498,578	21,097	498,578	2,970
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	65,000	62,361	2,639	62,361	371
Insurance	971,980	932,521	39,459	932,521	5,554
Total Construction Interest & Fees	5,682,628	5,451,935	230,693	5,158,256	32,472

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)	2,447,435	2,348,079	99,357	-	13,985
Total Permanent Financing Costs	2,484,935	2,384,056	100,879	-	14,200
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					
Soft Cost Contingency	100,000	95,940	4,060	95,940	571
Hard Cost Contingency	900,000	863,463	36,537	863,463	5,143
Total Contingency Cost	1,000,000	959,404	40,596	959,404	5,714
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	422,000	404,868	17,132	404,868	2,411
Marketing	154,500	148,228	6,272	-	883
Furnishings	407,980	391,418	16,562	391,418	2,331
Market Study	9,075	8,707	368	8,707	52
Accounting/Reimbursables	97,000	93,062	3,938	93,062	554
Appraisal Costs	8,125	7,795	330	7,795	46
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	9,892,483	9,490,885	401,597	8,937,050	56,528
SUBTOTAL PROJECT COST	70,864,706	67,987,866	2,876,840	63,320,344	404,941
DEVELOPER COSTS					
Developer Overhead/Profit	9,498,052	9,112,466	385,585	9,112,466	54,275
Total Developer Costs	9,498,052	9,112,466	385,585	9,112,466	54,275
TOTAL PROJECT COSTS	80,362,757	77,100,333	3,262,425	72,432,810	459,216

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		
Rent Schedules:						
Rent @ 100% AMI	TCAC	\$2,440	\$2,927	\$3,383	2022 Rents	
Utility Allowance	PHA	\$ 43.00	\$ 58.00	\$ 69.00	12/1/2021	Chula Vista UA

Unit Breakdown

# of Bedrooms	# of Baths	# of Units	AMI Restrict.	Actual AMI's	TCAC		Utility Allow.	Rent	
					Max	Lower of TCAC &		Received	Total Rent
1 Bed	1 Bath	41	50%	50%	\$ 1,220	\$ 1,220	\$ 43	\$ 1,177	\$ 48,257
1 Bed	1 Bath	14	60%	60%	\$ 1,464	\$ 1,464	\$ 43	\$ 1,421	\$ 19,894
2 Bed	1 Bath	7	50%	50%	\$ 1,463	\$ 1,463	\$ 58	\$ 1,405	\$ 9,835
2 Bed	1 Bath	65	60%	60%	\$ 1,756	\$ 1,756	\$ 58	\$ 1,698	\$ 110,383
3 Bed	2 Bath	5	50%	50%	\$ 1,691	\$ 1,691	\$ 69	\$ 1,622	\$ 8,110
3 Bed	2 Bath	41	60%	60%	\$ 2,030	\$ 2,030	\$ 69	\$ 1,961	\$ 80,393
Managers Unit		Manager?							
2 Bed	Yes	2	Market						
Averages/Totals		175	57%		\$ 1,638	\$ 1,657		\$ 1,600	\$ 276,872

Effective Gross Income

		Monthly	Annual
Affordable Rent	<= 80%	\$ 276,872	\$ 3,322,462
Potential Gross Income		\$ 276,872	\$ 3,322,462
Vacancy - GA	7.0% (Affordable/Property M	\$ (19,381)	\$ (232,572)
Other - Income		\$ 6,747	\$ 80,964
Other - Inc. Vacancy	5.0%	\$ (337)	\$ (4,048)
Effective Gross Income		\$ 263,900	\$ 3,166,805

Encelia "Otay Ranch" Apartments
 OPERATING EXPENSES

Expenses	Budget
Salaries & Benefits	
Manager	\$ 58,688
Asst. Manager(s)	\$ 45,074
Maintenance Manager	\$ 54,496
Asst. Maintenance (Porter)	\$ 41,920
Employee Burden	\$ 62,850
Total Salaries & Benefits	\$ 263,028
General Admin	
Administrative	\$ 47,463
Advertising/Marketing	\$ 2,500
Total Administrative	\$ 49,963
Repairs & Maintenance	
Painting & Cleaning	\$ 15,500
Repairs & Maint.	\$ 16,500
Total Repairs & Maintenance	\$ 32,000
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	\$ 121,922
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	\$ 282,891
Total Expenses	\$ 848,114

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	3,322,462	3,405,523	3,490,661	3,577,928	3,667,376	3,759,060	3,853,037	3,949,363	4,048,097	4,149,299	4,253,032	4,359,358	4,468,341	4,580,050	4,694,551
Vacancy Loss - Residential	(232,572)	(238,387)	(244,346)	(250,455)	(256,716)	(263,134)	(269,713)	(276,455)	(283,367)	(290,451)	(297,712)	(305,155)	(312,784)	(320,604)	(328,619)
Other Income	80,964	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	3,166,805	3,245,975	3,327,125	3,410,303	3,495,560	3,582,949	3,672,523	3,764,336	3,858,444	3,954,906	4,053,778	4,155,123	4,259,001	4,365,476	4,474,613
Total Expenses	848,114	875,030	902,875	931,664	961,428	992,201	1,024,017	1,056,913	1,090,924	1,126,090	1,162,449	1,200,043	1,238,913	1,279,104	1,320,661
Net Operating Income	2,318,691	2,370,945	2,424,249	2,478,639	2,534,132	2,590,748	2,648,506	2,707,423	2,767,520	2,828,816	2,891,329	2,955,080	3,020,088	3,086,372	3,153,952
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
	1.30	1.33	1.36	1.39	1.42	1.45	1.49	1.52	1.55	1.59	1.62	1.66	1.70	1.73	1.77
Cash Flow After Debt Service	537,364	589,618	642,922	697,312	752,805	809,421	867,179	926,096	986,193	1,047,489	1,110,002	1,173,753	1,238,761	1,305,045	1,372,625