

Otay Ranch Apartments

SOURCES OF FUNDS

CONSTRUCTION

Construction Loan 1st TD - Tax Exempt	\$	35,000,000
Construction Loan - Taxable	\$	18,500,000
Seller Carryback	\$	3,000,000
Federal Tax Credit Equity	\$	6,937,967
State Tax Credit Equity	\$	974,702
Deferred Operating Reserve	\$	1,317,368
Def. Dev. Fee	\$	7,782,944
TOTAL SOURCES	\$	73,512,980

PERMANENT

Perm Loan 1st TD - Taxable	\$	3,319,000
Perm Loan 1st TD - Tax exempt	\$	35,000,000
Seller Carryback	\$	3,000,000
Federal Tax Credit Equity	\$	23,353,740
State Tax Credit Equity	\$	3,280,922
CDLAC Deposit Refund	\$	100,000
Def. Dev. Fee	\$	5,459,319
TOTAL SOURCES	\$	73,512,980

Otay Ranch Apartments

INCOME

Total Units 175

Unit Breakdown

Type	Unit/Sq. Ft.	# of Units	AMI Restrictions	Actual AMI's	Rent/Unit	sq. ft. price	Utility Allow.	Rent Received	Total Rent
1 Bed	654	41	50%		\$ 1,083	\$ 1.66	\$ 37	\$ 1,046	\$ 42,886
1 Bed	654	14	60%		\$ 1,299	\$ 1.99	\$ 37	\$ 1,262	\$ 17,668
2 Bed	823	7	50%		\$ 1,300	\$ 1.58	\$ 47	\$ 1,253	\$ 8,771
2 Bed	823	65	60%		\$ 1,560	\$ 1.90	\$ 47	\$ 1,513	\$ 98,345
3 Bed	1116	5	50%		\$ 1,501	\$ 1.34	\$ 58	\$ 1,443	\$ 7,215
3 Bed	1116	41	60%		\$ 1,801	\$ 1.61	\$ 58	\$ 1,743	\$ 71,471
Mngr Units (2bd)	823	2	mkt			\$ -	\$ -	\$ -	\$ -
Avg/Total	847	175	56.29%		\$ 1,454	\$ 1.73	\$ 46	\$ 1,408	\$ 246,356

		35	Monthly Rent < 60% AMI	\$ 246,356
Total Sq. Ft	146,562		Monthly Rent from Moderate & Market	\$ -
Low Inc Sq. Ft	146,562		Total Monthly	\$ 246,356
Ratio for credits	100.00%		Total Annual Rent	\$ 2,956,274

Annual Rent < 60% AMI	\$ 2,956,274
Vacancy 5.0%	\$ (147,814)
Annual Rent from Moderate & Market	\$ -
Vacancy 5.0%	\$ -
Other Income	\$ 47.74 \$ 100,257
Vacancy 0.0%	\$ -
Effective Gross Income	\$ 2,908,718

Avg. Aff. Rent	\$ 1,424
Avg. Mrkt Rent	\$ -

Otay Ranch Apartments
SOURCES AND USES BUDGET

USES	TOTAL PROJECT COST	RESIDENTIAL COST	COMMERCIAL COST	70% PVC FOR NEW CONST/REHAB
<i>LAND COST/ACQUISITION</i>				
Total Land Cost / Acquisition Cost	-	-	-	-
<i>NEW CONSTRUCTION</i>				
Site Work	3,000,000	2,855,345	144,655	2,855,345
Structures	36,043,821	34,305,846	1,737,976	34,305,846
General Requirements	1,774,593	1,689,025	85,568	1,689,025
Contractor Overhead	581,683	553,635	28,048	553,635
Contractor Profit	581,683	553,635	28,048	553,635
General Liability Insurance	448,290	426,675	21,616	426,675
Total New Construction Costs	42,430,071	40,384,160	2,045,911	40,384,160
<i>ARCHITECTURAL FEES</i>				
Design	1,183,500	1,126,434	57,066	1,126,434
Supervision	288,300	274,399	13,901	274,399
Total Architectural Costs	1,471,800	1,400,832	70,968	1,400,832
Total Survey & Engineering	1,199,982	1,142,121	57,861	1,142,121
<i>CONSTRUCTION INTEREST & FEES</i>				
Construction Loan Interest	2,607,492	2,481,763	125,729	2,481,763
Origination Fee	401,250	381,902	19,348	381,902
Credit Enhancement/Application Fee	50,000	47,589	2,411	47,589
Bond Premium	276,500	263,168	13,332	-
Taxes	65,000	61,866	3,134	-
Insurance	974,500	927,511	46,989	927,511
Title & Recording	80,000	76,143	3,857	76,143
Other: (Construction Loan Interest Post Cofo)	1,260,460	1,199,683	60,777	-
Total Construction Interest & Fees	5,715,202	5,439,624	275,578	3,914,908
<i>PERMANENT FINANCING</i>				
Loan Origination Fee	-	-	-	-
Credit Enhancement/Application Fee	17,500	16,656	844	-
Title & Recording	20,000	19,036	964	-
Total Permanent Financing Costs	37,500	35,692	1,808	-
Subtotals Forward	50,854,555	48,402,429	2,452,126	46,842,021
<i>LEGAL FEES</i>				
Lender Legal Paid by Applicant	105,000	99,937	5,063	80,901
Other: (Bond Counsel & Partnership Legal)	205,000	195,115	9,885	146,336
Total Attorney Costs	310,000	295,052	14,948	227,238
<i>RESERVES</i>				
3-Month Operating Reserve	1,317,368	1,317,368	-	-
Other: Tenant Improvements	283,800	-	283,800	-
Total Reserve Costs	1,601,168	1,317,368	283,800	-
<i>APPRAISAL</i>				
Total Appraisal Costs	6,500	6,187	313	6,187
Total Contingency Cost	2,070,079	1,970,263	99,816	1,970,263
<i>OTHER PROJECT COSTS</i>				
TCAC/CDLAC App/Allocation/Monitoring Fees	124,539	213,712	10,827	-
Environmental Audit	4,900	4,664	236	4,664
Local Development Impact Fees	6,543,658	6,228,133	315,525	6,228,133
Permit Processing Fees	1,177,047	1,162,584	14,464	1,162,584
Marketing	134,500	128,015	6,485	-
Furnishings	407,980	388,308	19,672	388,308
Market Study	11,125	10,589	536	10,589
Accounting/Reimbursables	80,000	76,143	3,857	38,071
Soft Cost Contingency	684,998	651,969	33,030	554,173
Other: (Predevelopment Loan)	185,000	176,080	8,920	176,080
Other: (CDLAC Deposits)	213,200	202,920	10,280	-
Other: (Misc.)	75,200	71,574	3,626	16,180
Other: (Utilities)	628,530	598,223	30,307	598,223
Total Other Costs	10,270,678	9,912,912	457,766	9,177,005
SUBTOTAL PROJECT COST	65,112,980	61,904,211	3,308,769	58,222,713
<i>DEVELOPER COSTS</i>				
Developer Overhead/Profit	8,400,000	7,903,685	496,315	7,903,685
Consultant/Processing Agent	-	-	-	-
Project Administration	-	-	-	-
Broker Fees Paid to a Related Party	-	-	-	-
Const. Oversight by Developer	-	-	-	-
Other: (Specify)	-	-	-	-
Total Developer Costs	8,400,000	7,903,685	496,315	7,903,685
TOTAL PROJECT COSTS	73,512,980	69,807,896	3,805,084	66,126,398

Otay Ranch Apartments
OPERATING EXPENSES

Expenses	Budget
Salaries & Benefits	
Manager	\$ 55,418
Asst. Managers	\$ 36,750
Employee Burden	\$ 31,988
Total Salaries & Benefits	\$ 124,156
Administrative	\$ 32,000
Business License Tax	\$ 1,000
Advertising/Marketing	\$ 2,500
Repairs & Maint.	
Maintenance Manager	\$ 48,208
Asst. Maintenance	\$ 50,304
Apartment Allowance	\$ -
Employee Burden	\$ 34,190
Painting & Cleaning	\$ 3,500
Repairs & Maint.	\$ 16,300
Total Repairs & Maintenance	\$ 188,002
Contract Services	
Elevator Service Contract	\$ 10,000
Fire Sprinkler/Alarm Service	\$ 6,640
Trash	\$ 29,026
Pest Control	\$ 4,660
Landscape/Grounds Maintenance	\$ 24,000
Total Contract Services	\$ 74,326
Utilities	
Electric	\$ 30,228
Water & Sewer	\$ 93,432
Gas	\$ 25,572
Total Utilities	\$ 149,232
Management Fees	\$ 111,986
Legal/Audit	\$ 12,500
Real Estate Taxes (CFD)	\$ 5,132
Real Estate Taxes (Market Rate)	\$ 3,500
Insurance	\$ 52,115
Replacement Reserves	\$ 43,750
Wifi	\$ 6,500
Annual Issuer Fee	\$ 17,000
Services Fee	\$ 20,000
Total Other	\$ 272,483
Total Expenses	\$ 808,199

15 YR-CASH FLOW

Calendar Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Stabilized Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Revenues:															
Gross Potential Rent	\$ 2,956,274	\$ 3,015,400	\$ 3,075,708	\$ 3,137,222	\$ 3,199,966	\$ 3,263,966	\$ 3,329,245	\$ 3,395,830	\$ 3,463,747	\$ 3,533,022	\$ 3,603,682	\$ 3,675,756	\$ 3,749,271	\$ 3,824,256	\$ 3,900,741
Other Income	\$ 100,257	\$ 102,262	\$ 104,307	\$ 106,394	\$ 108,521	\$ 110,692	\$ 112,906	\$ 115,164	\$ 117,467	\$ 119,816	\$ 122,213	\$ 124,657	\$ 127,150	\$ 129,693	\$ 132,287
Vacancy Loss	\$ (147,814)	\$ (150,770)	\$ (153,785)	\$ (156,861)	\$ (159,998)	\$ (163,198)	\$ (166,462)	\$ (169,792)	\$ (173,187)	\$ (176,651)	\$ (180,184)	\$ (183,788)	\$ (187,464)	\$ (191,213)	\$ (195,037)
Total Net Revenues	2,908,718	2,966,892	3,026,230	3,086,754	3,148,490	3,211,459	3,275,689	3,341,202	3,408,026	3,476,187	3,545,711	3,616,625	3,688,957	3,762,736	3,837,991
Employee Burden	31,988	32,948	33,936	34,954	36,003	37,083	38,195	39,341	40,521	41,737	42,989	44,279	45,607	46,975	48,385
Total Salaries & Benefits	124,156	127,881	131,717	135,669	139,739	143,931	148,249	152,696	157,277	161,995	166,855	171,861	177,017	182,327	187,797
Total Expenses:	808,199	829,416	851,246	873,706	896,814	920,591	945,054	970,225	996,124	1,022,772	1,050,191	1,078,404	1,107,434	1,137,304	1,168,041
Net Operating Income:	2,100,519	2,137,476	2,174,984	2,213,049	2,251,675	2,290,869	2,330,634	2,370,977	2,411,903	2,453,415	2,495,520	2,538,221	2,581,524	2,625,432	2,669,950
Debt Service:															
1st TD	1,826,538	1,826,538	1,826,538	1,826,538	1,826,538	1,826,538	1,826,538	1,826,538	1,826,538	1,826,538	1,826,538	1,826,538	1,826,538	1,826,538	1,826,538
1st TD - Tax Exempt	167,186	167,186	167,186	167,186	167,186	167,186	167,186	167,186	167,186	167,186	167,186	167,186	167,186	167,186	167,186
1st TD - Taxable	1,659,352	1,659,352	1,659,352	1,659,352	1,659,352	1,659,352	1,659,352	1,659,352	1,659,352	1,659,352	1,659,352	1,659,352	1,659,352	1,659,352	1,659,352
	1.15	1.17	1.19	1.21	1.23	1.25	1.28	1.30	1.32	1.34	1.37	1.39	1.41	1.44	1.46
Cash Flow After Debt Service	273,981	310,938	348,446	386,511	425,137	464,330	504,096	544,439	585,364	626,877	668,982	711,683	754,986	798,894	843,412