



Item 1: Presentation of the Findings from Phase I Planning Studies to Implement the City's Housing Element.

Comment # 1:

How Keyser Marston Associates (KMA) calculated Total Value at Completion and how they calculated Cost of Construction is missing entirely. There are no specifics, details or data. No list of assumptions, input or formulas used. The tables in the finance report with numbers for Residual Land Value are the key critical work product from the consultants. However, without the missing information, the numbers for Residual Land Value (profit of positive or loss if negative) might as well have been pulled out of a hat.

Staff Response:

The KMA report summarizes the results of economic analyses prepared for varying multifamily development scenarios on public land, which were informed by detailed proformas prepared for each scenario. The report is organized to provide an overview of affordable housing programs and transactions; presents the financial feasibility analysis for each housing development prototype based on conceptual project types for each specific publicly owned site; the conclusions of the financial feasibility analysis for each affordability/financing scenario analyzed; and the key findings of the report.

The detailed proformas are the supporting technical analysis documents for the KMA financial feasibility study. They were not included as an attachment to the report, as based on their experience, the consultant wanted the opportunity to explain their analysis and conclusions at the workshop. Staff has attached the 75-page supplemental technical analysis (proformas) that provides the development costs, operating budget, and investment assumptions used in the analysis for each site and affordability scenario, which includes detailed factors (including but not limited to, direct and indirect costs, financing costs, gross scheduled income, effective gross income, operating expenses, net operating income, debt service costs, net operating income after debt services for state funding source, identified sources of funds, etc.), that determined the conclusions for each scenario. Residual land value analysis is the financial pro forma tool used to determine the relative feasibility of alternative scenarios. A conclusion of zero residual land value would mean that the project is feasible with just free land, and no additional financial contribution is required from the City. A negative residual land value represents the amount of financial contribution required from the City over and above free land.

Comment #2:

The analysis provides a table of the expected/typical value of local contribution. But it does not seem to recognize that Del Mar's local contribution is the land -- i.e., negotiating availability of the land from the State at no cost to the developer, e.g. a lease for \$1 per year for Fairgrounds land. This should be a firm input to the analysis, yes? Because it will change the cost to build. The value of this land should have nothing to do with the

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equation for cost of building or feasibility. In the Fairgrounds scenarios, land will be free to the developer. It is unclear how the zero-cost land is factored into the financial analysis.

Staff Response:

KMA did not assume any land value for the Fairgrounds or City owned sites; all were treated as zero cost to the future developer in each of the proforma analysis prepared for each site and affordability scenario. In Section III-C of the report, which discusses Residual Land Value Methodology (page 16 and top of 17), it indicates that land acquisition costs are not considered in the total development costs considered for a project. The report also makes a number of references to “in addition to land contribution” or “in addition to free land” in applicable areas to disclose that land costs didn’t factor into the financial conclusions of the scenario being considered.

TECHNICAL ANALYSIS

Affordable Housing Financial Feasibility Analysis City of Del Mar

DRAFT

**FAIRGROUNDS
WITH FAMILY HOUSING**

DRAFT

TABLE A-1

PROJECT DESCRIPTION
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR

FAIRGROUNDS WITH FAMILY HOUSING - STANDALONE PROJECT														
All Market-Rate			Mixed-Income without Tax Credits				All Affordable without Tax Credits							
100% @ Market-Rate			80% @ Market-Rate 20% @ 30% AMI		80% @ Market-Rate 20% @ 50% AMI		80% @ Market-Rate 20% @ 80% AMI		100% @ 30% AMI		100% @ 50% AMI		100% @ 80% AMI	
I. Construction Type	Type V		Type V		Type V		Type V		Type V		Type V		Type V	
II. Site Area	1.0 Acre		1.0 Acre		1.0 Acre		1.0 Acre		1.0 Acre		1.0 Acre		1.0 Acre	
III. Gross Building Area (GBA)														
Net Residential	39,272 SF	81%	39,272 SF	81%	39,272 SF	81%	39,272 SF	81%	39,272 SF	81%	39,272 SF	81%	39,272 SF	81%
Circulation/Common Area	9,354 SF	19%	9,354 SF	19%	9,354 SF	19%	9,354 SF	19%	9,354 SF	19%	9,354 SF	19%	9,354 SF	19%
Total GBA	48,626 SF	100%	48,626 SF	100%	48,626 SF	100%	48,626 SF	100%	48,626 SF	100%	48,626 SF	100%	48,626 SF	100%
IV. Average Unit Size	727 SF		727 SF		727 SF		727 SF		727 SF		727 SF		727 SF	
V. Stories	3 Stories		3 Stories		3 Stories		3 Stories		3 Stories		3 Stories		3 Stories	
VI. Density	54 Units/Acre		54 Units/Acre		54 Units/Acre		54 Units/Acre		54 Units/Acre		54 Units/Acre		54 Units/Acre	
VII. Floor Area Ratio (FAR)	1.12 FAR		1.12 FAR		1.12 FAR		1.12 FAR		1.12 FAR		1.12 FAR		1.12 FAR	
VIII. Total Number of Units	54 Units		54 Units		54 Units		54 Units		54 Units		54 Units		54 Units	
IX. Unit Mix														
One Bedroom	26 Units	48%	26 Units	48%	26 Units	48%	26 Units	48%	26 Units	48%	26 Units	48%	26 Units	48%
Two Bedroom	14 Units	26%	14 Units	26%	14 Units	26%	14 Units	26%	14 Units	26%	14 Units	26%	14 Units	26%
Three Bedroom	14 Units	26%	14 Units	26%	14 Units	26%	14 Units	26%	14 Units	26%	14 Units	26%	14 Units	26%
Total	54 Units	100%	54 Units	100%	54 Units	100%	54 Units	100%	54 Units	100%	54 Units	100%	54 Units	100%
X. Affordability MiX														
Market-Rate Units	54 Units	100% of Total	43 Units	80% of Total	43 Units	80% of Total	43 Units	80% of Total	1 Unit (1)	2% of Total	1 Unit (1)	2% of Total	1 Unit (1)	2% of Total
Affordable Units														
30% AMI	0 Units	0%	11 Units	20%	0 Units	0%	0 Units	0%	53 Units	98%	0 Units	0%	0 Units	0%
50% AMI	0 Units	0%	0 Units	0%	11 Units	20%	0 Units	0%	0 Units	0%	53 Units	98%	0 Units	0%
80% AMI	0 Units	0%	0 Units	0%	0 Units	0%	11 Units	20%	0 Units	0%	0 Units	0%	53 Units	98%
Total Affordable Units	0 Units	0% of Total	11 Units	20% of Total	11 Units	20% of Total	11 Units	20% of Total	53 Units	98% of Total	53 Units	98% of Total	53 Units	98% of Total
XI. Parking														
Type	Podium		Podium		Podium		Podium		Podium		Podium		Podium	
Number of Spaces	69 Spaces		69 Spaces		69 Spaces		69 Spaces		69 Spaces		69 Spaces		69 Spaces	
Parking Ratio	1.3 Spaces/Unit		1.3 Spaces/Unit		1.3 Spaces/Unit		1.3 Spaces/Unit		1.3 Spaces/Unit		1.3 Spaces/Unit		1.3 Spaces/Unit	

(1) Reflects manager's unit.

TABLE A-2

DEVELOPMENT COSTS
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR

FAIRGROUNDS WITH FAMILY HOUSING - STANDALONE PROJECT									
	All Market-Rate			Mixed-Income without Tax Credits			All Affordable without Tax Credits		
I.	Total	Per Unit	Comments	Total	Per Unit	Comments	Total	Per Unit	Comments
I. Direct Costs ⁽¹⁾									
Off-Site Improvements ⁽²⁾	\$0	\$0	\$0 Per SF Site	\$0	\$0	\$0 Per SF Site	\$0	\$0	\$0 Per SF Site
On-Site Improvements/Landscaping ⁽²⁾	\$1,742,000	\$32,000	\$40 Per SF Site	\$1,742,000	\$32,000	\$40 Per SF Site	\$1,742,000	\$32,000	\$40 Per SF Site
Parking	\$2,070,000	\$38,000	\$30,000 Per Space	\$2,070,000	\$38,000	\$30,000 Per Space	\$2,070,000	\$38,000	\$30,000 Per Space
Shell Construction	\$13,129,000	\$243,100	\$270 Per SF GBA	\$13,129,000	\$243,000	\$270 Per SF GBA	\$13,129,000	\$243,000	\$270 Per SF GBA
FF&E/Amenities	\$540,000	\$10,000	Allowance	\$540,000	\$10,000	Allowance	\$405,000	\$7,500	Allowance
Contingency	<u>\$874,000</u>	<u>\$16,000</u>	5.0% of Directs	<u>\$874,000</u>	<u>\$16,000</u>	5.0% of Directs	<u>\$867,000</u>	<u>\$16,000</u>	5.0% of Directs
Total Direct Costs	\$18,355,000	\$340,000	\$377 Per SF GBA	\$18,355,000	\$340,000	\$377 Per SF GBA	\$18,213,000	\$337,000	\$375 Per SF GBA
II. Indirect Costs									
Architecture & Engineering	\$1,468,000	\$27,000	8.0% of Directs	\$1,468,000	\$27,000	8.0% of Directs	\$1,457,000	\$27,000	8.0% of Directs
Permits & Fees ⁽³⁾	\$4,336,000	\$80,300	\$89 Per SF GBA	\$4,336,000	\$80,300	\$89 Per SF GBA	\$4,212,000	\$78,000	\$87 Per SF GBA
Legal & Accounting	\$275,000	\$5,000	1.5% of Directs	\$275,000	\$5,000	1.5% of Directs	\$273,000	\$5,000	1.5% of Directs
Taxes & Insurance	\$275,000	\$5,000	1.5% of Directs	\$275,000	\$5,000	1.5% of Directs	\$273,000	\$5,000	1.5% of Directs
Developer Fee	\$734,000	\$14,000	4.0% of Directs	\$734,000	\$14,000	4.0% of Directs	\$729,000	\$14,000	4.0% of Directs
Marketing/Lease-Up	\$135,000	\$2,500	Allowance	\$135,000	\$2,500	Allowance	\$135,000	\$2,500	Allowance
Contingency	<u>\$361,000</u>	<u>\$7,000</u>	5.0% of Indirects	<u>\$361,000</u>	<u>\$7,000</u>	5.0% of Indirects	<u>\$354,000</u>	<u>\$7,000</u>	5.0% of Indirects
Total Indirect Costs	\$7,584,000	\$140,000	41.3% of Directs	\$7,584,000	\$140,000	41.3% of Directs	\$7,433,000	\$138,000	40.8% of Directs
III. Financing Costs ⁽⁴⁾	\$1,836,000	\$34,000	10.0% of Directs	\$1,836,000	\$34,000	10.0% of Directs	\$1,821,000	\$34,000	10.0% of Directs
IV. Total Development Costs ⁽⁵⁾	\$27,775,000	\$514,000	\$571 Per SF GBA	\$27,775,000	\$514,000	\$571 Per SF GBA	\$27,467,000	\$509,000	\$565 Per SF GBA

(1) Excludes the payment of prevailing wages.

(2) Estimated allowance; not verified by KMA or the City of Del Mar.

(3) Estimated allowance; not verified by KMA or the City of Del Mar.

(4) Includes loan fees, interest during construction, and interest lease-up.

(5) Excludes acquisition costs.

TABLE A-3

NET OPERATING INCOME
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR

FAIRGROUNDS WITH FAMILY HOUSING - STANDALONE PROJECT																	
All Market-Rate						Mixed Income without Tax Credits											
100% @ Market-Rate						80% Market-Rate 20% @ 30% AMI				80% Market-Rate 20% @ 50% AMI				80% Market-Rate 20% @ 80% AMI			
I. Gross Scheduled Income (GSI)																	
	Unit Size	# Units	\$/SF	\$/Month	Annual	# Units	\$/SF	\$/Month ⁽¹⁾	Annual	# Units	\$/SF	\$/Month ⁽¹⁾	Annual	# Units	\$/SF	\$/Month ⁽¹⁾	Annual
A. Market-Rate																	
One Bedroom	555 SF	26	\$4.85	\$2,700	\$842,000	21	\$4.85	\$2,700	\$680,000	21	\$4.85	\$2,700	\$680,000	21	\$4.85	\$2,700	\$680,000
Two Bedroom	777 SF	14	\$4.35	\$3,400	\$571,000	11	\$4.35	\$3,400	\$449,000	11	\$4.35	\$3,400	\$449,000	11	\$4.35	\$3,400	\$449,000
Three Bedroom	998 SF	14	\$4.10	\$4,100	\$689,000	11	\$4.10	\$4,100	\$541,000	11	\$4.10	\$4,100	\$541,000	11	\$4.10	\$4,100	\$541,000
Subtotal/Average	727 SF	54	\$4.53	\$3,200	\$2,102,000	43	\$4.53	\$3,200	\$1,670,000	43	\$4.53	\$3,200	\$1,670,000	43	\$4.53	\$3,200	\$1,670,000
B. Affordable																	
One Bedroom @ 30% AMI	555 SF	--	--	--	--	5	\$1.05	\$580	\$35,000	--	--	--	--	--	--	--	--
One Bedroom @ 50% AMI	555 SF	--	--	--	--	--	--	--	--	5	\$1.82	\$1,007	\$60,000	--	--	--	--
One Bedroom @ 80% AMI	555 SF	--	--	--	--	--	--	--	--	--	--	--	--	5	\$2.97	\$1,649	\$99,000
Two Bedroom @ 30% AMI	777 SF	--	--	--	--	3	\$0.83	\$642	\$23,000	--	--	--	--	--	--	--	--
Two Bedroom @ 50% AMI	777 SF	--	--	--	--	--	--	--	--	3	\$1.45	\$1,123	\$40,000	--	--	--	--
Two Bedroom @ 80% AMI	777 SF	--	--	--	--	--	--	--	--	--	--	--	--	3	\$2.37	\$1,844	\$66,000
Three Bedroom @ 30% AMI	998 SF	--	--	--	--	3	\$0.71	\$705	\$25,000	--	--	--	--	--	--	--	--
Three Bedroom @ 50% AMI	998 SF	--	--	--	--	--	--	--	--	3	\$1.24	\$1,239	\$45,000	--	--	--	--
Three Bedroom @ 80% AMI	998 SF	--	--	--	--	--	--	--	--	--	--	--	--	3	\$2.04	\$2,041	\$73,000
Subtotal/Average	727 SF	--	--	--	--	11	\$0.89	\$629	\$83,000	11	\$1.56	\$1,098	\$145,000	11	\$2.56	\$1,803	\$238,000
C. Total/Average																	
	727 SF	54	\$4.53	\$3,200	\$2,102,000	54	\$3.72	\$2,705	\$1,753,000	54	\$3.85	\$2,801	\$1,815,000	54	\$4.05	\$2,944	\$1,908,000
Add: Other Income			\$150 /Unit/Month		\$97,000		\$100 /Unit/Month		\$65,000		\$100 /Unit/Month		\$65,000		\$125 /Unit/Month		\$81,000
D. Total Gross Scheduled Income (GSI)																	
					\$2,199,000				\$1,818,000				\$1,880,000				\$1,989,000
II. Effective Gross Income																	
(Less) Vacancy			5.0% of GSI		(\$110,000)		5.0% of GSI		(\$91,000)		5.0% of GSI		(\$94,000)		5.0% of GSI		(\$99,000)
Effective Gross Income (EGI)					\$2,089,000				\$1,727,000				\$1,786,000				\$1,890,000
III. Operating Expenses																	
(Less) Operating Expenses			\$5,750 /Unit/Year		(\$311,000)		\$5,750 /Unit/Year		(\$310,500)		\$5,750 /Unit/Year		(\$310,500)		\$5,750 /Unit/Year		(\$310,500)
(Less) Property Taxes			\$7,407 /Unit/Year (2)		(\$400,000)		\$5,889 /Unit/Year (2)		(\$318,000)		\$6,148 /Unit/Year (2)		(\$331,000)		\$6,574 /Unit/Year (2)		(\$355,000)
(Less) Replacement Reserves			\$250 /Unit/Year		(\$14,000)		\$250 /Unit/Year		(\$14,000)		\$250 /Unit/Year		(\$14,000)		\$250 /Unit/Year		(\$14,000)
Total Operating Expenses			\$13,426 /Unit/Year		(\$725,000)		\$11,898 /Unit/Year		(\$642,500)		\$12,157 /Unit/Year		(\$655,500)		\$12,583 /Unit/Year		(\$679,500)
			35% of EGI				37% of EGI				37% of EGI				36% of EGI		
IV. Net Operating Income (NOI)																	
					\$1,364,000				\$1,084,500				\$1,130,500				\$1,210,500

(1) Based on State of California Department of Housing and Community Development (HCD) 2022 income limits.
 (2) Based on capitalized income approach; assumes a 1.10% tax rate and 3.75% cap rate.
 (3) Assumes project will qualify for tax-exempt status.

TABLE A-3

NET OPERATING INCOME
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR

FAIRGROUNDS WITH FAMILY HOUSING - STANDALONE PROJECT														
All Affordable without Tax Credits														
		100% @ 30% AMI				100% @ 50% AMI				100% @ 80% AMI				
		# Units	\$/SF	\$/Month ⁽¹⁾	Annual	# Units	\$/SF	\$/Month ⁽¹⁾	Annual	# Units	\$/SF	\$/Month ⁽¹⁾	Annual	
I. Gross Scheduled Income (GSI)														
A. Market-Rate		Unit Size												
	One Bedroom	555 SF	--	--	--	--	--	--	--	--	--	--	--	
	Two Bedroom	777 SF	--	--	--	--	--	--	--	--	--	--	--	
	Three Bedroom	998 SF	--	--	--	--	--	--	--	--	--	--	--	
	Subtotal/Average	727 SF	--	--	--	--	--	--	--	--	--	--	--	
B. Affordable														
	One Bedroom @ 30% AMI	555 SF	26	\$1.05	\$580	\$181,000	--	--	--	--	--	--	--	
	One Bedroom @ 50% AMI	555 SF	--	--	--	--	26	\$1.82	\$1,007	\$314,000	--	--	--	
	One Bedroom @ 80% AMI	555 SF	--	--	--	--	--	--	--	--	26	\$2.97	\$1,649	\$514,000
	Two Bedroom @ 30% AMI	777 SF	14	\$0.83	\$642	\$108,000	--	--	--	--	--	--	--	
	Two Bedroom @ 50% AMI	777 SF	--	--	--	--	14	\$1.45	\$1,123	\$189,000	--	--	--	
	Two Bedroom @ 80% AMI	777 SF	--	--	--	--	--	--	--	--	14	\$2.37	\$1,844	\$310,000
	Three Bedroom @ 30% AMI	998 SF	14	\$0.71	\$705	\$118,000	--	--	--	--	--	--	--	
	Three Bedroom @ 50% AMI	998 SF	--	--	--	--	14	\$1.24	\$1,239	\$208,000	--	--	--	
	Three Bedroom @ 80% AMI	998 SF	--	--	--	--	--	--	--	--	14	\$2.04	\$2,041	\$343,000
	Subtotal/Average	727 SF	54	\$0.90	\$628	\$407,000	54	\$1.57	\$1,097	\$711,000	54	\$2.58	\$1,801	\$1,167,000
C. Total/Average		727 SF	54	\$0.86	\$628	\$407,000	54	\$1.51	\$1,097	\$711,000	54	\$2.48	\$1,801	\$1,167,000
Add: Other Income				\$25 /Unit/Month	\$16,000			\$25 /Unit/Month	\$16,000		\$50 /Unit/Month	\$32,000		
D. Total Gross Scheduled Income (GSI)					\$423,000				\$727,000				\$1,199,000	
II. Effective Gross Income														
(Less) Vacancy				5.0% of GSI	(\$21,000)			5.0% of GSI	(\$36,000)			5.0% of GSI	(\$60,000)	
Effective Gross Income (EGI)					\$402,000				\$691,000				\$1,139,000	
III. Operating Expenses														
(Less) Operating Expenses				\$5,750 /Unit/Year	(\$310,500)			\$5,750 /Unit/Year	(\$310,500)			\$5,750 /Unit/Year	(\$310,500)	
(Less) Property Taxes				\$0 /Unit/Year ⁽³⁾	\$0			\$0 /Unit/Year ⁽³⁾	\$0			\$0 /Unit/Year ⁽³⁾	\$0	
(Less) Replacement Reserves				\$250 /Unit/Year	(\$14,000)			\$250 /Unit/Year	(\$14,000)			\$250 /Unit/Year	(\$14,000)	
Total Operating Expenses				\$6,009 /Unit/Year	(\$324,500)			\$6,009 /Unit/Year	(\$324,500)			\$6,009 /Unit/Year	(\$324,500)	
				81% of EGI				47% of EGI				28% of EGI		
IV. Net Operating Income (NOI)					\$77,500				\$366,500				\$814,500	

(1) Based on State of California Department of Housing and C
(2) Based on capitalized income approach; assumes a 1.10% t
(3) Assumes project will qualify for tax-exempt status.

TABLE A-4

RESIDUAL LAND VALUE
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR

FAIRGROUNDS WITH FAMILY HOUSING - STANDALONE PROJECT										
All Market-Rate			Mixed-Income without Tax Credits							
100% Market-Rate			80% Market-Rate 20% @ 30% AMI		80% Market-Rate 20% @ 50% AMI		80% Market-Rate 20% @ 80% AMI			
I. Capitalized Value Upon Completion										
Stabilized Net Operating Income		\$1,364,000		\$1,084,500		\$1,130,500		\$1,210,500		
Capitalization Rate @		3.75%		3.75%		3.75%		3.75%		
Capitalized Value Upon Completion	\$674,000 /Unit	\$36,373,000	\$536,000 /Unit	\$28,920,000	\$558,000 /Unit	\$30,147,000	\$598,000 /Unit	\$32,280,000		
(Less) Cost of Sale	2.0% of Value	(\$727,000)	2.0% of Value	(\$578,000)	2.0% of Value	(\$603,000)	2.0% of Value	(\$646,000)		
(Less) Target Developer Profit	10.0% of Value	(\$3,637,000)	10.0% of Value	(\$2,892,000)	10.0% of Value	(\$3,015,000)	10.0% of Value	(\$3,228,000)		
II. Net Sales Proceeds		\$32,009,000		\$25,450,000		\$26,529,000		\$28,406,000		
(Less) Development Costs		(\$27,775,000)		(\$27,775,000)		(\$27,775,000)		(\$27,775,000)		
III. Residual Land Value		\$4,234,000		(\$2,325,000)		(\$1,246,000)		\$631,000		
Per Unit		\$78,000		(\$43,000)		(\$23,000)		\$12,000		
Per SF Site		\$97		(\$53)		(\$29)		\$14		

TABLE A-4

RESIDUAL LAND VALUE
AFFORDABLE HOUSING FINANCIAL FEASIBILITY A
CITY OF DEL MAR

FAIRGROUNDS WITH FAMILY HOUSING - STANDALONE PROJECT						
100% Affordable without Tax Credits						
		100% @ 30% AMI	100% @ 50% AMI		100% @ 80% AMI	
I. Capitalized Value Upon Completion						
Stabilized Net Operating Income		\$77,500		\$366,500		\$814,500
Capitalization Rate @		4.00%		4.00%		4.00%
Capitalized Value Upon Completion	\$36,000 /Unit	\$1,938,000	\$170,000 /Unit	\$9,163,000	\$377,000 /Unit	\$20,363,000
(Less) Cost of Sale	2.0% of Value	(\$39,000)	2.0% of Value	(\$183,000)	2.0% of Value	(\$407,000)
(Less) Target Developer Profit	10.0% of Value	(\$194,000)	10.0% of Value	(\$916,000)	10.0% of Value	(\$2,036,000)
II. Net Sales Proceeds		\$1,705,000		\$8,064,000		\$17,920,000
(Less) Development Costs		(\$27,467,000)		(\$27,467,000)		(\$27,467,000)
III. Residual Land Value		(\$25,762,000)		(\$19,403,000)		(\$9,547,000)
Per Unit		(\$477,000)		(\$359,000)		(\$177,000)
Per SF Site		(\$591)		(\$445)		(\$219)

**100% Affordable with
Low Income Housing Tax Credits**

**Fairgrounds with Family Housing
Standalone Project - 1.0 Acre**

DRAFT

TABLE A-5

PROJECT DESCRIPTION
 AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
 CITY OF DEL MAR

FAIRGROUNDS WITH FAMILY HOUSING - STANDALONE PROJECT					
All Affordable with Tax Credits					
9% Tax Credits			4% Tax Credits		
I. Construction Type	Type V		Type V		
II. Site Area	1.0 Acre		1.0 Acre		
III. Gross Building Area (GBA)					
Net Residential	39,272 SF	81%	39,272 SF	81%	
Circulation/Common Area	<u>9,354</u> SF	<u>19%</u>	<u>9,354</u> SF	<u>19%</u>	
Total GBA	48,626 SF	100%	48,626 SF	100%	
IV. Average Unit Size	727 SF		727 SF		
V. Stories	3 Stories		3 Stories		
VI. Density	54 Units/Acre		54.0 Units/Acre		
VII. Floor Area Ratio (FAR)	1.12 FAR		1.1 FAR		
VIII. Total Number of Units	54 Units		54 Units		
IX. Unit Mix					
One Bedroom	26 Units	48%	26 Units	48%	
Two Bedroom	14 Units	26%	14 Units	26%	
Three Bedroom	<u>14</u> Units	<u>26%</u>	<u>14</u> Units	<u>26%</u>	
Total	54 Units	100%	54 Units	100%	
X. Affordability Mix					
Units @ 30% of AMI	0 Units	0%	0 Units	0%	
Units @ 50% of AMI	53 Units	98%	53 Units	98%	
Units @ 80% of AMI	0 Units	0%	0 Units	0%	
Manager	<u>1</u> Unit	<u>2%</u>	<u>1</u> Unit	<u>2%</u>	
Total/Average	54 Units	100%	54 Units	100%	
Average Affordability (excluding Manager units)	50.0% of AMI		50.0% of AMI		
XI. Parking					
Type	Podium		Podium		
Number of Spaces	69 Spaces		69 Spaces		
Parking Ratio	1.28 Spaces/Unit		1.28 Spaces/Unit		

TABLE A-6

DEVELOPMENT COSTS
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR

FAIRGROUNDS WITH FAMILY HOUSING - STANDALONE PROJECT						
All Affordable with Tax Credits						
9% Tax Credits				4% Tax Credits		
	Total	Per Unit	Comments	Total	Per Unit	Comments
I. Direct Costs ⁽¹⁾						
Off-Site Improvements ⁽²⁾	\$0	\$0	\$0 Per SF Site	\$0	\$0	\$0 Per SF Site
On-Site Improvements/Landscaping ⁽²⁾	\$1,742,000	\$32,000	\$40 Per SF Site	\$1,742,000	\$32,000	\$40 Per SF Site
Parking	\$2,070,000	\$38,000	\$30,000 Per Space	\$2,070,000	\$38,000	\$30,000 Per Space
Shell Construction	\$13,858,000	\$257,000	\$285 Per SF GBA	\$13,858,000	\$257,000	\$285 Per SF GBA
FF&E/Amenities	<u>\$405,000</u>	<u>\$7,500</u>	Allowance	<u>\$405,000</u>	<u>\$7,500</u>	Allowance
Subtotal	\$18,075,000	\$335,000	\$372 Per SF GBA	\$18,075,000	\$335,000	\$372 Per SF GBA
Add: Prevailing Wages	\$0	\$0	0.0% of Above Directs	\$2,711,000	\$50,000	15.0% of Above Directs
Contingency	<u>\$951,000</u>	<u>\$18,000</u>	5.0% of Above Directs	<u>\$1,094,000</u>	<u>\$20,000</u>	5.0% of Directs
Total Direct Costs	\$19,026,000	\$352,000	\$391 Per SF GBA	\$21,880,000	\$405,000	\$450 Per SF GBA
II. Indirect Costs						
Architecture & Engineering	\$1,522,000	\$28,000	8.0% of Directs	\$1,750,000	\$32,000	8.0% of Directs
Permits & Fees ⁽³⁾	\$4,212,000	\$78,000	\$87 Per SF GBA	\$4,212,000	\$78,000	\$87 Per SF GBA
Legal & Accounting	\$285,000	\$5,000	1.5% of Directs	\$328,000	\$6,000	1.5% of Directs
Taxes & Insurance	\$285,000	\$5,000	1.5% of Directs	\$328,000	\$6,000	1.5% of Directs
Developer Fee	\$2,200,000	\$41,000	11.6% of Directs	\$4,516,000	\$84,000	20.6% of Directs
Marketing/Lease-Up	\$135,000	\$2,500	Allowance	\$135,000	\$2,500	Allowance
Contingency	<u>\$432,000</u>	<u>\$8,000</u>	5.0% of Indirects	<u>\$563,000</u>	<u>\$10,000</u>	5.0% of Indirects
Total Indirect Costs	\$9,071,000	\$168,000	47.7% of Directs	\$11,832,000	\$219,000	54.1% of Directs
III. Financing Costs ⁽⁴⁾						
Loan Fees	\$454,000	\$8,000	2.4% of Directs	\$971,000	\$18,000	4.4% of Directs
Interest During Construction	\$926,000	\$17,000	4.9% of Directs	\$656,000	\$12,000	3.0% of Directs
Title/Recording/Escrow	\$27,000	\$500	0.1% of Directs	\$27,000	\$500	0.1% of Directs
Interest During Lease-Up	\$515,000	\$10,000	2.7% of Directs	\$364,000	\$7,000	1.7% of Directs
TCAC/Syndication Fees	\$189,000	\$4,000	1.0% of Directs	\$171,000	\$3,000	0.8% of Directs
Operating Lease-Up/Reserves	<u>\$195,000</u>	<u>\$4,000</u>	1.0% of Directs	<u>\$198,000</u>	<u>\$4,000</u>	0.9% of Directs
Total Financing Costs	\$2,306,000	\$43,000	12.1% of Directs	\$2,387,000	\$44,000	10.9% of Directs
IV. Total Development Costs ⁽⁵⁾	\$30,403,000	\$563,000	\$625 Per SF GBA	\$36,099,000	\$669,000	\$742 Per SF GBA

(1) Excludes the payment of prevailing wages.

(2) Estimated allowance; not verified by KMA or the City of Del Mar.

(3) Per the City of Del Mar, includes building permit fee, construction license tax, SMIP fee, and school district fees.

(4) Includes loan fees, interest during construction, and interest lease-up.

(5) Excludes acquisition costs.

TABLE A-7

**NET OPERATING INCOME
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR**

FAIRGROUNDS WITH FAMILY HOUSING - STANDALONE PROJECT									
All Affordable with Tax Credits									
			9% Tax Credits			4% Tax Credits			
I. Gross Scheduled Income (GSI)	# Units	Unit Size	\$/SF	\$/Month ⁽¹⁾	Annual	\$/SF	\$/Month ⁽¹⁾	Annual	
One Bedroom @ 50% AMI	26	555 SF	\$1.82	\$1,007	\$314,000	\$1.82	\$1,007	\$314,000	
Two Bedroom @ 50% AMI	13	777 SF	\$1.45	\$1,123	\$175,000	\$2.02	\$1,123	\$175,000	
Two Bedroom @ Manager	1	777 SF	\$0.00	\$0	\$0	\$0.00	\$0	\$0	
Three Bedroom @ 50% AMI	<u>14</u>	<u>998 SF</u>	<u>\$1.24</u>	<u>\$1,239</u>	<u>\$208,000</u>	<u>\$1.24</u>	<u>\$1,239</u>	<u>\$208,000</u>	
Total/Average	54	727 SF	\$1.51	\$1,100	\$697,000	\$1.51	\$1,100	\$697,000	
Add: Other Income			\$15 /Unit/Month		<u>\$10,000</u>	\$50 /Unit/Month		<u>\$32,000</u>	
Total Gross Scheduled Income (GSI)					\$707,000			\$729,000	
II. Effective Gross Income									
(Less) Vacancy			5.0% of GSI		<u>(\$35,000)</u>	5.0% of GSI		<u>(\$36,000)</u>	
Effective Gross Income (EGI)					\$672,000			\$693,000	
III. Operating Expenses									
(Less) Operating Expenses			\$6,000 /Unit/Year		(\$324,000)	\$6,000 /Unit/Year		(\$324,000)	
(Less) Tenant Services			\$200 /Unit/Year		(\$10,800)	\$500 /Unit/Year		(\$27,000)	
(Less) Property Taxes/Assessments ⁽²⁾			\$370 /Unit/Year		(\$20,000)	\$370 /Unit/Year		(\$20,000)	
(Less) Replacement Reserves			\$200 /Unit/Year		(\$11,000)	\$500 /Unit/Year		(\$27,000)	
(Less) Monitoring Fee			<u>\$150 /Unit/Year</u>		<u>(\$8,000)</u>	<u>\$150 /Unit/Year</u>		<u>(\$8,000)</u>	
Total Operating Expenses			\$6,922 /Unit/Year		(\$373,800)	\$7,519 /Unit/Year		(\$406,000)	
			55.6% of EGI			58.6% of EGI			
IV. Net Operating Income (NOI)					\$298,200			\$287,000	
V. (Less) Debt Service - Other State Funding Source⁽³⁾			0% of Loan		<u>\$0</u>	0.42% of Loan		<u>(\$34,000)</u>	
VI. NOI after Debt Service for State Funding Source					\$298,200			\$253,000	

(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 A-8

RESIDUAL LAND VALUE
 AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
 CITY OF DEL MAR

FAIRGROUNDS WITH FAMILY HOUSING - STANDALONE PROJECT					
All Affordable with Tax Credits					
		9% Tax Credits		4% Tax Credits	
I. Sources of Funds	Total	Per Unit	Total	Per Unit	
Supportable Permanent Loan (1)	\$4,024,000	\$75,000	\$3,874,000	\$72,000	
Tax Credit Equity Investment (2)	\$19,581,000	\$363,000	\$15,748,000	\$292,000	
Other State Funding Source (3)	\$0	\$0	\$5,400,000	\$100,000	
Deferred Developer Fee (4)	\$0	\$0	\$2,016,000	\$37,000	
General Partner Equity Contribution (4)	\$0	\$0	\$0	\$0	
Total Sources of Funds	\$23,605,000	\$437,000	\$27,038,000	\$501,000	
II. (Less) Development Costs	(\$30,403,000)	(\$563,000)	(\$36,099,000)	(\$669,000)	
III. Residual Land Value	(\$6,798,000)	(\$126,000)	(\$9,061,000)	(\$168,000)	

TABLE A-8 (CONT'D.)

RESIDUAL LAND VALUE
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR

		FAIRGROUNDS WITH FAMILY HOUSING STANDALONE PROJECT	
		All Affordable with Tax Credits	
		9% Tax Credits	4% Tax Credits
(1) Supportable Permanent Loan			
NOI		\$298,200	\$253,000
Interest Rate		5.50%	4.50%
Term (years)		35	35
Debt Coverage Ratio		1.15	1.15
Annual Debt Service		\$259,304	\$220,000
Supportable Permanent Loan		\$4,024,000	\$3,874,000
(2) Low Income Housing Tax Credits (Federal)			
<u>Estimate of Eligible Basis:</u>			
Total Development Costs		\$30,403,000	\$36,099,000
(Less) Ineligible Costs	15%	(\$973,000)	4% (\$1,475,000)
Eligible Basis		\$29,430,000	\$34,624,000
<u>Tax Credit Proceeds:</u>			
Maximum Eligible Basis		\$29,430,000	\$34,624,000
(Less) Voluntary Credit Adjustment	35.0%	(\$10,301,000)	0.0% \$0
Total Requested Unadjusted Basis		\$19,129,000	\$34,624,000
Impacted Bonus Factor	130%	\$24,868,000	130% \$45,011,200
Tax Credit Qualified Units/Applicable Factor	100%	\$24,868,000	100% \$45,011,200
Tax Credit Rate	9.00%	\$2,238,000	4.00% \$1,800,000
Total Tax Credits @	10	\$22,380,000	10 \$18,000,000
Limited Partner Share	99.99%	\$22,378,000	99.99% \$17,998,200
Tax Credit Equity Investment @	87.5%	\$19,581,000	87.5% \$15,748,000
(3) Other State Funding Source			
Total Loan		\$0	\$5,400,000
Annual Debt Service	0.00%	\$0	0.42% \$23,000
(4) Estimate of Deferred Developer Fee			
Eligible Basis		\$29,430,000	\$34,624,000
(Less) Developer Fee		(\$2,200,000)	(\$4,516,000)
Unadjusted Eligible Basis		\$27,230,000	\$30,108,000
Total Developer Fee	8.1%	\$2,200,000	15.0% \$4,516,000
Developer Overhead Fee		\$2,200,000	\$4,516,000
(Less) Deferred Developer Fee		\$0	(\$2,016,000)
Upfront Developer Fee		\$2,200,000	\$2,500,000

TABLE B-1

PROJECT DESCRIPTION
 AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
 CITY OF DEL MAR

FAIRGROUNDS WITH FAMILY HOUSING - STANDALONE PROJECT														
All Market-Rate			Mixed-Income without Tax Credits				All Affordable without Tax Credits							
100% @ Market-Rate			80% @ Market-Rate 20% @ 30% AMI		80% @ Market-Rate 20% @ 50% AMI		80% @ Market-Rate 20% @ 80% AMI		100% @ 30% AMI		100% @ 50% AMI		100% @ 80% AMI	
I. Construction Type	Type V		Type V		Type V		Type V		Type V		Type V		Type V	
II. Site Area	1.5 Acre		1.5 Acre		1.5 Acre		1.5 Acre		1.5 Acre		1.5 Acre		1.5 Acre	
III. Gross Building Area (GBA)														
Net Residential	59,628 SF	78%	59,628 SF	78%	59,628 SF	78%	59,628 SF	78%	59,628 SF	78%	59,628 SF	78%	59,628 SF	78%
Circulation/Common Area	<u>16,991</u> SF	<u>22%</u>	<u>16,991</u> SF	<u>22%</u>	<u>16,991</u> SF	<u>22%</u>	<u>16,991</u> SF	<u>22%</u>	<u>16,991</u> SF	<u>22%</u>	<u>16,991</u> SF	<u>22%</u>	<u>16,991</u> SF	<u>22%</u>
Total GBA	76,619 SF	100%	76,619 SF	100%	76,619 SF	100%	76,619 SF	100%	76,619 SF	100%	76,619 SF	100%	76,619 SF	100%
IV. Average Unit Size	745 SF		745 SF		745 SF		745 SF		745 SF		745 SF		745 SF	
V. Stories	3 Stories		3 Stories		3 Stories		3 Stories		3 Stories		3 Stories		3 Stories	
VI. Density	53 Units/Acre		53 Units/Acre		53 Units/Acre		53 Units/Acre		53 Units/Acre		53 Units/Acre		53 Units/Acre	
VII. Floor Area Ratio (FAR)	1.17 FAR		1.17 FAR		1.17 FAR		1.17 FAR		1.17 FAR		1.17 FAR		1.17 FAR	
VIII. Total Number of Units	80 Units		80 Units		80 Units		80 Units		80 Units		80 Units		80 Units	
IX. Unit Mix														
One Bedroom	34 Units	43%	34 Units	43%	34 Units	43%	34 Units	43%	34 Units	43%	34 Units	43%	34 Units	43%
Two Bedroom	22 Units	28%	22 Units	28%	22 Units	28%	22 Units	28%	22 Units	28%	22 Units	28%	22 Units	28%
Three Bedroom	<u>24</u> Units	<u>30%</u>	<u>24</u> Units	<u>30%</u>	<u>24</u> Units	<u>30%</u>	<u>24</u> Units	<u>30%</u>	<u>24</u> Units	<u>30%</u>	<u>24</u> Units	<u>30%</u>	<u>24</u> Units	<u>30%</u>
Total	80 Units	100%	80 Units	100%	80 Units	100%	80 Units	100%	80 Units	100%	80 Units	100%	80 Units	100%
X. Affordability MiX														
Market-Rate Units	80 Units	100% of Total	64 Units	80% of Total	64 Units	80% of Total	64 Units	80% of Total	1 Unit (1)	1% of Total	1 Unit (1)	1% of Total	1 Unit (1)	1% of Total
Affordable Units														
30% AMI	0 Units	0%	16 Units	20%	0 Units	0%	0 Units	0%	79 Units	99%	0 Units	0%	0 Units	0%
50% AMI	0 Units	0%	0 Units	0%	16 Units	20%	0 Units	0%	0 Units	0%	79 Units	99%	0 Units	0%
80% AMI	<u>0</u> Units	<u>0%</u>	<u>0</u> Units	<u>0%</u>	<u>0</u> Units	<u>0%</u>	<u>16</u> Units	<u>20%</u>	<u>0</u> Units	<u>0%</u>	<u>0</u> Units	<u>0%</u>	<u>79</u> Units	<u>99%</u>
Total Affordable Units	0 Units	0% of Total	16 Units	20% of Total	16 Units	20% of Total	16 Units	20% of Total	79 Units	99% of Total	79 Units	99% of Total	79 Units	99% of Total
XI. Parking														
Type	Podium		Podium		Podium		Podium		Podium		Podium		Podium	
Number of Spaces	124 Spaces		124 Spaces		124 Spaces		124 Spaces		124 Spaces		124 Spaces		124 Spaces	
Parking Ratio	1.6 Spaces/Unit		1.6 Spaces/Unit		1.6 Spaces/Unit		1.6 Spaces/Unit		1.6 Spaces/Unit		1.6 Spaces/Unit		1.6 Spaces/Unit	

(1) Reflects manager's unit.

TABLE B-2

DEVELOPMENT COSTS
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR

FAIRGROUNDS WITH FAMILY HOUSING - STANDALONE PROJECT									
	All Market-Rate			Mixed-Income without Tax Credits			All Affordable without Tax Credits		
	Total	Per Unit	Comments	Total	Per Unit	Comments	Total	Per Unit	Comments
I. Direct Costs⁽¹⁾									
Off-Site Improvements ⁽²⁾	\$0	\$0	\$0 Per SF Site	\$0	\$0	\$0 Per SF Site	\$0	\$0	\$0 Per SF Site
On-Site Improvements/Landscaping ⁽²⁾	\$2,614,000	\$33,000	\$40 Per SF Site	\$2,614,000	\$33,000	\$40 Per SF Site	\$2,614,000	\$33,000	\$40 Per SF Site
Parking	\$3,720,000	\$47,000	\$30,000 Per Space	\$3,720,000	\$47,000	\$30,000 Per Space	\$3,720,000	\$47,000	\$30,000 Per Space
Shell Construction	\$19,921,000	\$249,000	\$260 Per SF GBA	\$19,921,000	\$249,000	\$260 Per SF GBA	\$19,921,000	\$249,000	\$260 Per SF GBA
FF&E/Amenities	\$800,000	\$10,000	Allowance	\$800,000	\$10,000	Allowance	\$600,000	\$7,500	Allowance
Contingency	<u>\$1,353,000</u>	<u>\$17,000</u>	5.0% of Directs	<u>\$1,353,000</u>	<u>\$17,000</u>	5.0% of Directs	<u>\$1,343,000</u>	<u>\$17,000</u>	5.0% of Directs
Total Direct Costs	\$28,408,000	\$355,000	\$371 Per SF GBA	\$28,408,000	\$355,000	\$371 Per SF GBA	\$28,198,000	\$352,000	\$368 Per SF GBA
II. Indirect Costs									
Architecture & Engineering	\$2,273,000	\$28,000	8.0% of Directs	\$2,273,000	\$28,000	8.0% of Directs	\$2,256,000	\$28,000	8.0% of Directs
Permits & Fees ⁽³⁾	\$6,816,000	\$85,200	\$89 Per SF GBA	\$6,800,000	\$85,000	\$89 Per SF GBA	\$6,640,000	\$83,000	\$87 Per SF GBA
Legal & Accounting	\$426,000	\$5,000	1.5% of Directs	\$426,000	\$5,000	1.5% of Directs	\$423,000	\$5,000	1.5% of Directs
Taxes & Insurance	\$426,000	\$5,000	1.5% of Directs	\$426,000	\$5,000	1.5% of Directs	\$423,000	\$5,000	1.5% of Directs
Developer Fee	\$1,136,000	\$14,000	4.0% of Directs	\$1,136,000	\$14,000	4.0% of Directs	\$1,128,000	\$14,000	4.0% of Directs
Marketing/Lease-Up	\$200,000	\$2,500	Allowance	\$200,000	\$2,500	Allowance	\$200,000	\$2,500	Allowance
Contingency	<u>\$564,000</u>	<u>\$7,000</u>	5.0% of Indirects	<u>\$563,000</u>	<u>\$7,000</u>	5.0% of Indirects	<u>\$554,000</u>	<u>\$7,000</u>	5.0% of Indirects
Total Indirect Costs	\$11,841,000	\$148,000	41.7% of Directs	\$11,824,000	\$148,000	41.6% of Directs	\$11,624,000	\$145,000	41.2% of Directs
III. Financing Costs⁽⁴⁾	\$2,841,000	\$36,000	10.0% of Directs	\$2,841,000	\$36,000	10.0% of Directs	\$2,820,000	\$35,000	10.0% of Directs
IV. Total Development Costs⁽⁵⁾	\$43,090,000	\$539,000	\$562 Per SF GBA	\$43,073,000	\$538,000	\$562 Per SF GBA	\$42,642,000	\$533,000	\$557 Per SF GBA

(1) Excludes the payment of prevailing wages.

(2) Estimated allowance; not verified by KMA or the City of Del Mar.

(3) Per the City of Del Mar, includes building permit fee, construction license tax, RTCIP, SMIP fee, and school district fees.

(4) Includes loan fees, interest during construction, and interest lease-up.

(5) Excludes acquisition costs.

TABLE B-3

NET OPERATING INCOME
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR

FAIRGROUNDS WITH FAMILY HOUSING - STANDALONE PROJECT																	
All Market-Rate						Mixed Income without Tax Credits											
100% @ Market-Rate						80% Market-Rate 20% @ 30% AMI				80% Market-Rate 20% @ 50% AMI				80% Market-Rate 20% @ 80% AMI			
I. Gross Scheduled Income (GSI)						# Units				# Units				# Units			
	Unit Size	# Units	\$/SF	\$/Month	Annual	# Units	\$/SF	\$/Month ⁽¹⁾	Annual	# Units	\$/SF	\$/Month ⁽¹⁾	Annual	# Units	\$/SF	\$/Month ⁽¹⁾	Annual
A. Market-Rate																	
One Bedroom	579 SF	34	\$4.85	\$2,800	\$1,142,000	27	\$4.85	\$2,800	\$907,000	27	\$4.85	\$2,800	\$907,000	27	\$4.85	\$2,800	\$907,000
Two Bedroom	807 SF	22	\$4.35	\$3,500	\$924,000	18	\$4.35	\$3,500	\$756,000	18	\$4.35	\$3,500	\$756,000	18	\$4.35	\$3,500	\$756,000
Three Bedroom	924 SF	24	\$4.10	\$3,800	\$1,094,000	19	\$4.10	\$3,800	\$866,000	19	\$4.10	\$3,800	\$866,000	19	\$4.10	\$3,800	\$866,000
Subtotal/Average	745 SF	80	\$4.49	\$3,300	\$3,160,000	64	\$4.49	\$3,300	\$2,529,000	64	\$4.49	\$3,300	\$2,529,000	64	\$4.49	\$3,300	\$2,529,000
B. Affordable																	
One Bedroom @ 30% AMI	579 SF	--	--	--	--	7	\$1.00	\$580	\$49,000	--	--	--	--	--	--	--	--
One Bedroom @ 50% AMI	579 SF	--	--	--	--	--	--	--	--	7	\$1.74	\$1,007	\$85,000	--	--	--	--
One Bedroom @ 80% AMI	579 SF	--	--	--	--	--	--	--	--	--	--	--	--	7	\$2.85	\$1,649	\$139,000
Two Bedroom @ 30% AMI	807 SF	--	--	--	--	4	\$0.80	\$642	\$31,000	--	--	--	--	--	--	--	--
Two Bedroom @ 50% AMI	807 SF	--	--	--	--	--	--	--	--	4	\$1.39	\$1,123	\$54,000	--	--	--	--
Two Bedroom @ 80% AMI	807 SF	--	--	--	--	--	--	--	--	--	--	--	--	4	\$2.28	\$1,844	\$89,000
Three Bedroom @ 30% AMI	924 SF	--	--	--	--	5	\$0.76	\$705	\$42,000	--	--	--	--	--	--	--	--
Three Bedroom @ 50% AMI	924 SF	--	--	--	--	--	--	--	--	5	\$1.34	\$1,239	\$74,000	--	--	--	--
Three Bedroom @ 80% AMI	924 SF	--	--	--	--	--	--	--	--	--	--	--	--	5	\$2.21	\$2,041	\$122,000
Subtotal/Average	745 SF	--	--	--	--	16	\$0.88	\$635	\$122,000	16	\$1.53	\$1,109	\$213,000	16	\$2.51	\$1,823	\$350,000
C. Total/Average																	
	745 SF	80	\$4.49	\$3,300	\$3,160,000	80	\$3.70	\$2,761	\$2,651,000	80	\$3.83	\$2,856	\$2,742,000	80	\$4.02	\$2,999	\$2,879,000
Add: Other Income			\$150 /Unit/Month		\$144,000		\$100 /Unit/Month		\$96,000		\$100 /Unit/Month		\$96,000		\$125 /Unit/Month		\$120,000
D. Total Gross Scheduled Income (GSI)																	
					\$3,304,000				\$2,747,000				\$2,838,000				\$2,999,000
II. Effective Gross Income																	
(Less) Vacancy			5.0% of GSI		(\$165,000)		5.0% of GSI		(\$137,000)		5.0% of GSI		(\$142,000)		5.0% of GSI		(\$150,000)
Effective Gross Income (EGI)					\$3,139,000				\$2,610,000				\$2,696,000				\$2,849,000
III. Operating Expenses																	
(Less) Operating Expenses			\$5,750 /Unit/Year		(\$460,000)		\$5,750 /Unit/Year		(\$460,000)		\$5,750 /Unit/Year		(\$460,000)		\$5,750 /Unit/Year		(\$460,000)
(Less) Property Taxes			\$7,538 /Unit/Year ⁽²⁾		(\$603,000)		\$6,038 /Unit/Year ⁽²⁾		(\$483,000)		\$6,288 /Unit/Year ⁽²⁾		(\$502,000)		\$6,713 /Unit/Year ⁽²⁾		(\$537,000)
(Less) Replacement Reserves			\$250 /Unit/Year		(\$20,000)		\$250 /Unit/Year		(\$20,000)		\$250 /Unit/Year		(\$20,000)		\$250 /Unit/Year		(\$20,000)
Total Operating Expenses			\$13,538 /Unit/Year		(\$1,083,000)		\$12,038 /Unit/Year		(\$963,000)		\$12,288 /Unit/Year		(\$982,000)		\$12,713 /Unit/Year		(\$1,017,000)
			35% of EGI				37% of EGI				36% of EGI				36% of EGI		
IV. Net Operating Income (NOI)																	
					\$2,056,000				\$1,647,000				\$1,714,000				\$1,832,000

(1) Based on State of California Department of Housing and Community Development (HCD) 2022 income limits.

(2) Based on capitalized income approach; assumes a 1.10% tax rate and 3.75% cap rate.

(3) Assumes project will qualify for tax-exempt status.

TABLE B-3

NET OPERATING INCOME
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR

FAIRGROUNDS WITH FAMILY HOUSING - STANDALONE PROJECT													
All Affordable without Tax Credits													
100% @ 30% AMI						100% @ 50% AMI				100% @ 80% AMI			
I. Gross Scheduled Income (GSI)													
	Unit Size	# Units	\$/SF	\$/Month ⁽¹⁾	Annual	# Units	\$/SF	\$/Month ⁽¹⁾	Annual	# Units	\$/SF	\$/Month ⁽¹⁾	Annual
A. Market-Rate													
One Bedroom	579 SF	--	--	--	--	--	--	--	--	--	--	--	--
Two Bedroom	807 SF	--	--	--	--	--	--	--	--	--	--	--	--
Three Bedroom	924 SF	--	--	--	--	--	--	--	--	--	--	--	--
Subtotal/Average	745 SF	--	--	--	--	--	--	--	--	--	--	--	--
B. Affordable													
One Bedroom @ 30% AMI	579 SF	34	\$1.00	\$580	\$237,000	--	--	--	--	--	--	--	--
One Bedroom @ 50% AMI	579 SF	--	--	--	--	34	\$1.74	\$1,007	\$411,000	--	--	--	--
One Bedroom @ 80% AMI	579 SF	--	--	--	--	--	--	--	--	34	\$2.85	\$1,649	\$673,000
Two Bedroom @ 30% AMI	807 SF	22	\$0.80	\$642	\$169,000	--	--	--	--	--	--	--	--
Two Bedroom @ 50% AMI	807 SF	--	--	--	--	22	\$1.39	\$1,123	\$296,000	--	--	--	--
Two Bedroom @ 80% AMI	807 SF	--	--	--	--	--	--	--	--	24	\$2.28	\$1,844	\$531,000
Three Bedroom @ 30% AMI	924 SF	24	\$0.76	\$705	\$203,000	--	--	--	--	--	--	--	--
Three Bedroom @ 50% AMI	924 SF	--	--	--	--	24	\$1.34	\$1,239	\$357,000	--	--	--	--
Three Bedroom @ 80% AMI	924 SF	--	--	--	--	--	--	--	--	24	\$2.21	\$2,041	\$588,000
Subtotal/Average	745 SF	80	\$0.87	\$634	\$609,000	80	\$1.52	\$1,108	\$1,064,000	80	\$2.56	\$1,867	\$1,792,000
C. Total/Average													
	745 SF	80	\$0.85	\$634	\$609,000	80	\$1.49	\$1,108	\$1,064,000	80	\$2.50	\$1,867	\$1,792,000
Add: Other Income			\$25 /Unit/Month		\$24,000		\$25 /Unit/Month		\$24,000		\$50 /Unit/Month		\$48,000
D. Total Gross Scheduled Income (GSI)													
					\$633,000				\$1,088,000				\$1,840,000
II. Effective Gross Income													
(Less) Vacancy			5.0% of GSI		(\$32,000)		5.0% of GSI		(\$54,000)		5.0% of GSI		(\$92,000)
Effective Gross Income (EGI)					\$601,000				\$1,034,000				\$1,748,000
III. Operating Expenses													
(Less) Operating Expenses			\$5,750 /Unit/Year		(\$460,000)		\$5,750 /Unit/Year		(\$460,000)		\$5,750 /Unit/Year		(\$460,000)
(Less) Property Taxes			\$0 /Unit/Year ⁽³⁾		\$0		\$0 /Unit/Year ⁽³⁾		\$0		\$0 /Unit/Year ⁽³⁾		\$0
(Less) Replacement Reserves			\$250 /Unit/Year		(\$20,000)		\$250 /Unit/Year		(\$20,000)		\$250 /Unit/Year		(\$20,000)
Total Operating Expenses			\$6,000 /Unit/Year		(\$480,000)		\$6,000 /Unit/Year		(\$480,000)		\$6,000 /Unit/Year		(\$480,000)
			80% of EGI				46% of EGI				27% of EGI		
IV. Net Operating Income (NOI)													
					\$121,000				\$554,000				\$1,268,000

(1) Based on State of California Department of Housing and Community Development
(2) Based on capitalized income approach; assumes a 1.10
(3) Assumes project will qualify for tax-exempt status.

TABLE B-4

RESIDUAL LAND VALUE
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR

FAIRGROUNDS WITH FAMILY HOUSING - STANDALONE PROJECT										
All Market-Rate			Mixed-Income without Tax Credits							
100% Market-Rate			80% Market-Rate 20% @ 30% AMI		80% Market-Rate 20% @ 50% AMI		80% Market-Rate 20% @ 80% AMI			
I. Capitalized Value Upon Completion										
Stabilized Net Operating Income		\$2,056,000		\$1,647,000		\$1,714,000		\$1,832,000		
Capitalization Rate @		3.75%		3.75%		3.75%		3.75%		
Capitalized Value Upon Completion	\$685,000 /Unit	\$54,827,000	\$549,000 /Unit	\$43,920,000	\$571,000 /Unit	\$45,707,000	\$611,000 /Unit	\$48,853,000		
(Less) Cost of Sale	2.0% of Value	(\$1,097,000)	2.0% of Value	(\$878,000)	2.0% of Value	(\$914,000)	2.0% of Value	(\$977,000)		
(Less) Target Developer Profit	10.0% of Value	(\$5,483,000)	10.0% of Value	(\$4,392,000)	10.0% of Value	(\$4,571,000)	10.0% of Value	(\$4,885,000)		
II. Net Sales Proceeds		\$48,247,000		\$38,650,000		\$40,222,000		\$42,991,000		
(Less) Development Costs		(\$43,090,000)		(\$43,073,000)		(\$43,073,000)		(\$43,073,000)		
III. Residual Land Value		\$5,157,000		(\$4,423,000)		(\$2,851,000)		(\$82,000)		
Per Unit		\$64,000		(\$55,000)		(\$36,000)		(\$1,000)		
Per SF Site		\$79		(\$68)		(\$44)		(\$1)		

TABLE B-4

RESIDUAL LAND VALUE
 AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
 CITY OF DEL MAR

FAIRGROUNDS WITH FAMILY HOUSING - STANDALONE PROJECT						
100% Affordable without Tax Credits						
		100% @ 30% AMI	100% @ 50% AMI	100% @ 80% AMI		
I. Capitalized Value Upon Completion						
Stabilized Net Operating Income		\$121,000	\$554,000			\$1,268,000
Capitalization Rate @		4.00%	4.00%			4.00%
Capitalized Value Upon Completion	\$38,000 /Unit	\$3,025,000	\$173,000 /Unit	\$13,850,000	\$396,000 /Unit	\$31,700,000
(Less) Cost of Sale	2.0% of Value	(\$61,000)	2.0% of Value	(\$277,000)	2.0% of Value	(\$634,000)
(Less) Target Developer Profit	10.0% of Value	(\$303,000)	10.0% of Value	(\$1,385,000)	10.0% of Value	(\$3,170,000)
II. Net Sales Proceeds		\$2,661,000	\$12,188,000			\$27,896,000
(Less) Development Costs		(\$42,642,000)	(\$42,642,000)			(\$42,642,000)
III. Residual Land Value		(\$39,981,000)	(\$30,454,000)			(\$14,746,000)
Per Unit		(\$500,000)	(\$381,000)			(\$184,000)
Per SF Site		(\$612)	(\$466)			(\$226)

**100% Affordable with
Low Income Housing Tax Credits**

**Fairgrounds with Family Housing - 1.5 Acres
Standalone Project**

DRAFT

TABLE B-5

PROJECT DESCRIPTION
 AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
 CITY OF DEL MAR

FAIRGROUNDS WITH FAMILY HOUSING - STANDALONE PROJECT				
All Affordable with Tax Credits				
9% Tax Credits			4% Tax Credits	
I. Construction Type	Type V		Type V	
II. Site Area	1.5 Acre		1.5 Acre	
III. Gross Building Area (GBA)				
Net Residential	59,628 SF	78%	59,628 SF	78%
Circulation/Common Area	<u>16,991</u> SF	<u>22%</u>	<u>16,991</u> SF	<u>22%</u>
Total GBA	76,619 SF	100%	76,619 SF	100%
IV. Average Unit Size	745 SF		745 SF	
V. Stories	3 Stories		3 Stories	
VI. Density	53 Units/Acre		53 Units/Acre	
VII. Floor Area Ratio (FAR)	1.17 FAR		1.17 FAR	
VIII. Total Number of Units	80 Units		80 Units	
IX. Unit Mix				
One Bedroom	34 Units	43%	34 Units	43%
Two Bedroom	22 Units	28%	22 Units	28%
Three Bedroom	<u>24</u> Units	<u>30%</u>	<u>24</u> Units	<u>30%</u>
Total	80 Units	100%	80 Units	100%
X. Affordability Mix				
Units @ 30% of AMI	0 Units	0%	0 Units	0%
Units @ 50% of AMI	79 Units	99%	79 Units	99%
Units @ 80% of AMI	0 Units	0%	0 Units	0%
Manager	<u>1</u> Unit	<u>1%</u>	<u>1</u> Unit	<u>1%</u>
Total/Average	80 Units	100%	80 Units	100%
Average Affordability (excluding Manager units)	50.0% of AMI		50.0% of AMI	
XI. Parking				
Type	Podium		Podium	
Number of Spaces	124 Spaces		124 Spaces	
Parking Ratio	1.6 Spaces/Unit		1.6 Spaces/Unit	

TABLE B-6

DEVELOPMENT COSTS
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR

FAIRGROUNDS WITH FAMILY HOUSING - STANDALONE PROJECT								
All Affordable with Tax Credits								
9% Tax Credits				4% Tax Credits				
	Total	Per Unit	Comments	Total	Per Unit	Comments		
I. Direct Costs ⁽¹⁾								
Off-Site Improvements ⁽²⁾	\$0	\$0	\$0 Per SF Site	\$0	\$0	\$0 Per SF Site		
On-Site Improvements/Landscaping ⁽²⁾	\$2,614,000	\$33,000	\$40 Per SF Site	\$2,614,000	\$33,000	\$40 Per SF Site		
Parking	\$3,720,000	\$47,000	\$30,000 Per Space	\$3,720,000	\$47,000	\$30,000 Per Space		
Shell Construction	\$21,070,000	\$263,000	\$275 Per SF GBA	\$21,070,000	\$263,000	\$275 Per SF GBA		
FF&E/Amenities	<u>\$600,000</u>	<u>\$7,500</u>	Allowance	<u>\$600,000</u>	<u>\$7,500</u>	Allowance		
Subtotal	\$28,004,000	\$350,000	\$365 Per SF GBA	\$28,004,000	\$350,000	\$365 Per SF GBA		
Add: Prevailing Wages	\$0	\$0	0.0% of Above Directs	\$4,201,000	\$53,000	15.0% of Above Directs		
Contingency	<u>\$1,400,000</u>	<u>\$18,000</u>	5.0% of Directs	<u>\$1,610,000</u>	<u>\$20,000</u>	5.0% of Directs		
Total Direct Costs	\$29,404,000	\$368,000	\$384 Per SF GBA	\$33,815,000	\$423,000	\$441 Per SF GBA		
II. Indirect Costs								
Architecture & Engineering	\$2,352,000	\$29,000	8.0% of Directs	\$2,705,000	\$34,000	8.0% of Directs		
Permits & Fees ⁽³⁾	\$6,640,000	\$83,000	\$87 Per SF GBA	\$6,640,000	\$83,000	\$87 Per SF GBA		
Legal & Accounting	\$441,000	\$6,000	1.5% of Directs	\$507,000	\$6,000	1.5% of Directs		
Taxes & Insurance	\$441,000	\$6,000	1.5% of Directs	\$507,000	\$6,000	1.5% of Directs		
Developer Fee	\$2,200,000	\$28,000	7.5% of Directs	\$7,045,000	\$88,000	20.8% of Directs		
Marketing/Lease-Up	\$200,000	\$2,500	Allowance	\$200,000	\$2,500	Allowance		
Contingency	<u>\$614,000</u>	<u>\$8,000</u>	5.0% of Indirects	<u>\$880,000</u>	<u>\$11,000</u>	5.0% of Indirects		
Total Indirect Costs	\$12,888,000	\$161,000	43.8% of Directs	\$18,484,000	\$231,000	54.7% of Directs		
III. Financing Costs ⁽⁴⁾								
Loan Fees	\$647,000	\$8,000	2.2% of Directs	\$1,782,000	\$22,000	5.3% of Directs		
Interest During Construction	\$1,257,000	\$16,000	4.3% of Directs	\$1,203,000	\$15,000	3.6% of Directs		
Title/Recording/Escrow	\$40,000	\$500	0.1% of Directs	\$40,000	\$500	0.1% of Directs		
Interest During Lease-Up	\$699,000	\$9,000	2.4% of Directs	\$668,000	\$8,000	2.0% of Directs		
TCAC/Syndication Fees	\$234,000	\$3,000	0.8% of Directs	\$222,000	\$3,000	0.7% of Directs		
Operating Lease-Up/Reserves	<u>\$300,000</u>	<u>\$4,000</u>	1.0% of Directs	<u>\$295,000</u>	<u>\$4,000</u>	0.9% of Directs		
Total Financing Costs	\$3,177,000	\$40,000	10.8% of Directs	\$4,210,000	\$53,000	12.5% of Directs		
IV. Total Development Costs ⁽⁵⁾	\$45,469,000	\$568,000	\$593 Per SF GBA	\$56,509,000	\$706,000	\$738 Per SF GBA		

(1) Excludes the payment of prevailing wages.

(2) Estimated allowance; not verified by KMA or the City of Del Mar.

(3) Per the City of Del Mar, includes building permit fee, construction license tax, SMIP fee, and school district fees.

(4) Includes loan fees, interest during construction, and interest lease-up.

(5) Excludes acquisition costs.

TABLE B-7

**NET OPERATING INCOME
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR**

FAIRGROUNDS WITH FAMILY HOUSING - STANDALONE PROJECT									
All Affordable with Tax Credits									
			9% Tax Credits			4% Tax Credits			
I. Gross Scheduled Income (GSI)	# Units	Unit Size	\$/SF	\$/Month⁽¹⁾	Annual	\$/SF	\$/Month⁽¹⁾	Annual	
One Bedroom @ 50% AMI	34	579 SF	\$1.74	\$1,007	\$411,000	\$1.74	\$1,007	\$411,000	
Two Bedroom @ 50% AMI	21	807 SF	\$1.39	\$1,123	\$283,000	\$1.39	\$1,123	\$283,000	
Two Bedroom @ Manager	1	807 SF	\$0.00	\$0	\$0	\$0.00	\$0	\$0	
Three Bedroom @ 50% AMI	<u>24</u>	<u>924</u> SF	<u>\$1.34</u>	<u>\$1,239</u>	<u>\$357,000</u>	<u>\$1.34</u>	<u>\$1,239</u>	<u>\$357,000</u>	
Total/Average	80	745 SF	\$1.48	\$1,100	\$1,051,000	\$1.48	\$1,100	\$1,051,000	
Add: Other Income			\$50 /Unit/Month		<u>\$48,000</u>	\$50 /Unit/Month		<u>\$48,000</u>	
Total Gross Scheduled Income (GSI)					\$1,099,000			\$1,099,000	
II. Effective Gross Income									
(Less) Vacancy			5.0% of GSI		<u>(\$55,000)</u>	5.0% of GSI		<u>(\$55,000)</u>	
Effective Gross Income (EGI)					\$1,044,000			\$1,044,000	
III. Operating Expenses									
(Less) Operating Expenses			\$6,000 /Unit/Year		<u>(\$480,000)</u>	\$6,000 /Unit/Year		<u>(\$480,000)</u>	
(Less) Tenant Services			\$200 /Unit/Year		<u>(\$16,000)</u>	\$500 /Unit/Year		<u>(\$16,000)</u>	
(Less) Property Taxes/Assessments ⁽²⁾			\$250 /Unit/Year		<u>(\$20,000)</u>	\$250 /Unit/Year		<u>(\$20,000)</u>	
(Less) Replacement Reserves			\$250 /Unit/Year		<u>(\$20,000)</u>	\$500 /Unit/Year		<u>(\$40,000)</u>	
(Less) Monitoring Fee			<u>\$150 /Unit/Year</u>		<u>(\$12,000)</u>	<u>\$150 /Unit/Year</u>		<u>(\$12,000)</u>	
Total Operating Expenses			\$6,850 /Unit/Year		<u>(\$548,000)</u>	\$7,100 /Unit/Year		<u>(\$568,000)</u>	
			52.5% of EGI			54.4% of EGI			
IV. Net Operating Income (NOI)					\$496,000			\$476,000	
V. (Less) Debt Service - Other State Funding Source⁽³⁾			0.00% of Loan		<u>\$0</u>	0.42% of Loan		<u>(\$34,000)</u>	
VI. NOI after Debt Service for State Funding Source					\$496,000			\$442,000	

(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 assessments only. Assumes project will qualify for tax-exempt status.

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

TABLE B-8

RESIDUAL LAND VALUE
 AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
 CITY OF DEL MAR

FAIRGROUNDS WITH FAMILY HOUSING - STANDALONE PROJECT				
All Affordable with Tax Credits				
	9% Tax Credits		4% Tax Credits	
I. Sources of Funds	Total	Per Unit	Total	Per Unit
Supportable Permanent Loan (1)	\$6,969,000	\$87,000	\$6,768,000	\$85,000
Tax Credit Equity Investment (2)	\$27,852,000	\$348,000	\$24,576,000	\$307,000
Other State Funding Source (3)	\$0	\$0	\$8,000,000	\$100,000
Deferred Developer Fee (4)	\$0	\$0	\$4,545,000	\$57,000
General Partner Equity Contribution (4)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Sources of Funds	\$34,821,000	\$435,000	\$43,889,000	\$549,000
II. (Less) Development Costs	<u>(\$45,469,000)</u>	<u>(\$568,000)</u>	<u>(\$56,509,000)</u>	<u>(\$706,000)</u>
III. Residual Land Value	<u>(\$10,648,000)</u>	<u>(\$133,000)</u>	<u>(\$12,620,000)</u>	<u>(\$158,000)</u>

TABLE B-8 (CONT'D.)

RESIDUAL LAND VALUE
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR

FAIRGROUNDS WITH FAMILY HOUSING - STANDALONE PROJECT				
All Affordable with Tax Credits				
9% Tax Credits			4% Tax Credits	
(1) Supportable Permanent Loan				
NOI		\$496,000		\$442,000
Interest Rate		5.50%		4.50%
Term (years)		40		35
Debt Coverage Ratio		1.15		1.15
Annual Debt Service		\$431,304		\$384,348
Supportable Permanent Loan		\$6,969,000		\$6,768,000
(2) Low Income Housing Tax Credits (Federal)				
<u>Estimate of Eligible Basis:</u>				
Total Development Costs		\$45,469,000		\$56,509,000
(Less) Ineligible Costs	3.0%	(\$1,381,000)	4.4%	(\$2,499,000)
Eligible Basis		\$44,088,000		\$54,010,000
<u>Tax Credit Proceeds:</u>				
Maximum Eligible Basis		\$44,088,000		\$54,010,000
(Less) Voluntary Credit Adjustment	40%	(\$17,635,000)	0.0%	\$0
Total Requested Unadjusted Basis		\$26,453,000		\$54,010,000
Impacted Bonus Factor	130%	\$34,389,000	130%	\$70,213,000
Tax Credit Qualified Units/Applicable Factor	100%	\$34,389,000	100%	\$70,213,000
Tax Credit Rate	9.00%	\$3,095,000	4.00%	\$2,809,000
Total Tax Credits @	10	\$30,950,000	10	\$28,090,000
Limited Partner Share	99.99%	\$30,947,000	99.99%	\$28,087,191
Tax Credit Equity Investment @	90.0%	\$27,852,000	87.5%	\$24,576,000
(3) Other State Funding Source				
Total Loan		\$0		\$8,000,000
Annual Debt Service	0.00%	\$0	0.42%	\$33,600
(4) Estimate of Deferred Developer Fee				
Eligible Basis		\$44,088,000		\$54,010,000
(Less) Developer Fee		(\$2,200,000)		(\$7,045,000)
Unadjusted Eligible Basis		\$41,888,000		\$46,965,000
Total Developer Fee	5.3%	\$2,200,000	15.0%	\$7,045,000
Developer Overhead Fee		\$2,200,000		\$7,045,000
(Less) Deferred Developer Fee	0.0%	\$0	64.5%	(\$4,545,000)
Upfront Developer Fee		\$2,200,000		\$2,500,000

**100% Affordable with
Low Income Housing Tax Credits**

**Fairgrounds and 28th Street with Family Housing
Scattered Sites - 1.06 Acres**

DRAFT

TABLE C-1

PROJECT DESCRIPTION
 AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
 CITY OF DEL MAR

FAIRGROUNDS AND 28TH STREET WITH FAMILY HOUSING - SCATTERED SITES					
All Affordable with Tax Credits					
9% Tax Credits			4% Tax Credits		
I. Construction Type	Type V		Type V		
II. Site Area	1.0 Acre		1.0 Acre		
III. Gross Building Area (GBA)					
Net Residential	39,272 SF	81%	39,272 SF	81%	
Circulation/Common Area	<u>9,354</u> SF	<u>19%</u>	<u>9,354</u> SF	<u>19%</u>	
Total GBA	48,626 SF	100%	48,626 SF	100%	
IV. Average Unit Size	689 SF		689 SF		
V. Stories	3 Stories		3 Stories		
VI. Density	57 Units/Acre		57 Units/Acre		
VII. Floor Area Ratio (FAR)	1.12 FAR		1.12 FAR		
VIII. Total Number of Units	57 Units		57 Units		
IX. Unit Mix					
One Bedroom	28 Units	48%	28 Units	48%	
Two Bedroom	15 Units	26%	15 Units	26%	
Three Bedroom	<u>14</u> Units	<u>26%</u>	<u>14</u> Units	<u>26%</u>	
Total	57 Units	100%	57 Units	100%	
X. Affordability Mix					
Units @ 30% of AMI	0 Units	0%	0 Units	0%	
Units @ 50% of AMI	56 Units	98%	56 Units	98%	
Units @ 80% of AMI	0 Units	0%	0 Units	0%	
Manager	<u>1</u> Unit	<u>2%</u>	<u>1</u> Unit	<u>2%</u>	
Total/Average	57 Units		57 Units		
Average Affordability (excluding Manager units)	50.0% of AMI		50.0% of AMI		
XI. Parking					
Type	Podium		Podium		
Number of Spaces	69 Spaces		69 Spaces		
Parking Ratio	1.2 Spaces/Unit		1.2 Spaces/Unit		

TABLE C-2

DEVELOPMENT COSTS
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR

FAIRGROUNDS AND 28TH STREET WITH FAMILY HOUSING - SCATTERED SITES						
All Affordable with Tax Credits						
9% Tax Credits				4% Tax Credits		
	Total	Per Unit	Comments	Total	Per Unit	Comments
I. Direct Costs ⁽¹⁾						
Off-Site Improvements ⁽²⁾	\$0	\$0	\$0 Per SF Site	\$0	\$0	\$0 Per SF Site
On-Site Improvements/Landscaping ⁽²⁾	\$1,742,000	\$31,000	\$40 Per SF Site	\$1,742,000	\$31,000	\$40 Per SF Site
Parking	\$2,070,000	\$36,000	\$30,000 Per Space	\$2,070,000	\$36,000	\$30,000 Per Space
Shell Construction	\$14,102,000	\$247,000	\$290 Per SF GBA	\$14,102,000	\$247,000	\$290 Per SF GBA
FF&E/Amenities	<u>\$428,000</u>	<u>\$7,500</u>	Allowance	<u>\$428,000</u>	<u>\$7,500</u>	Allowance
Subtotal	\$18,342,000	\$322,000	\$377 Per SF GBA	\$18,342,000	\$322,000	\$377 Per SF GBA
Add: Prevailing Wages	\$0	\$0	0.0% of Above Directs	\$2,751,000	\$48,000	15.0% of Above Directs
Contingency	<u>\$917,000</u>	<u>\$16,000</u>	5.0% of Directs	<u>\$1,055,000</u>	<u>\$19,000</u>	5.0% of Directs
Total Direct Costs	\$19,259,000	\$338,000	\$396 Per SF GBA	\$22,148,000	\$389,000	\$455 Per SF GBA
II. Indirect Costs						
Architecture & Engineering	\$1,541,000	\$27,000	8.0% of Directs	\$1,772,000	\$31,000	8.0% of Directs
Permits & Fees ⁽³⁾	\$4,218,000	\$74,000	\$87 Per SF GBA	\$4,218,000	\$74,000	\$87 Per SF GBA
Legal & Accounting	\$289,000	\$5,000	1.5% of Directs	\$332,000	\$6,000	1.5% of Directs
Taxes & Insurance	\$289,000	\$5,000	1.5% of Directs	\$332,000	\$6,000	1.5% of Directs
Developer Fee	\$2,200,000	\$39,000	11.4% of Directs	\$4,593,000	\$81,000	20.7% of Directs
Marketing/Lease-Up	\$143,000	\$2,500	Allowance	\$143,000	\$2,500	Allowance
Contingency	<u>\$434,000</u>	<u>\$8,000</u>	5.0% of Indirects	<u>\$570,000</u>	<u>\$10,000</u>	5.0% of Indirects
Total Indirect Costs	\$9,114,000	\$160,000	47.3% of Directs	\$11,960,000	\$210,000	54.0% of Directs
III. Financing Costs ⁽⁴⁾						
Loan Fees	\$459,000	\$8,000	2.4% of Directs	\$1,162,000	\$20,000	5.2% of Directs
Interest During Constructions	\$912,000	\$16,000	4.7% of Directs	\$784,000	\$14,000	3.5% of Directs
Title/Recording/Escrow	\$29,000	\$500	0.2% of Directs	\$29,000	\$500	0.1% of Directs
Interest During Lease-Up	\$507,000	\$9,000	2.6% of Directs	\$436,000	\$8,000	2.0% of Directs
TCAC/Syndication Fees	\$182,000	\$3,000	0.9% of Directs	\$173,000	\$3,000	0.8% of Directs
Operating Lease-Up/Reserves	<u>\$212,000</u>	<u>\$4,000</u>	1.1% of Directs	<u>\$208,000</u>	<u>\$4,000</u>	0.9% of Directs
Total Financing Costs	\$2,301,000	\$40,000	11.9% of Directs	\$2,792,000	\$49,000	12.6% of Directs
IV. Total Development Costs ⁽⁵⁾	\$30,674,000	\$538,000	\$631 Per SF GBA	\$36,900,000	\$647,000	\$759 Per SF GBA

(1) Excludes the payment of prevailing wages.

(2) Estimated allowance; not verified by KMA or the City of Del Mar.

(3) Per City of Del Mar, includes building permit fee, construction license tax, SMIP fee, and school fees.

(4) Includes loan fees, interest during construction, and interest lease-up.

(5) Excludes acquisition costs.

TABLE C-3

**NET OPERATING INCOME
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR**

FAIRGROUNDS 28TH STREET WITH FAMILY HOUSING - SCATTERED SITES									
All Affordable with Tax Credits									
			9% Tax Credits			4% Tax Credits			
I.	Gross Scheduled Income (GSI)	# Units	Unit Size	\$/SF	\$/Month ⁽¹⁾	Annual	\$/SF	\$/Month ⁽¹⁾	Annual
	One Bedroom @ 50% AMI	28	579 SF	\$1.74	\$1,007	\$338,000	\$1.74	\$1,007	\$338,000
	Two Bedroom @ 50% AMI	14	807 SF	\$1.39	\$1,123	\$189,000	\$1.39	\$1,123	\$189,000
	Two Bedroom @ Manager	1	807 SF	\$0.00	\$0	\$0	\$0.00	\$0	\$0
	Three Bedroom @ 50% AMI	14	924 SF	\$1.34	\$1,239	\$208,000	\$1.34	\$1,239	\$208,000
	Total/Average	57	724 SF	\$1.52	\$1,100	\$735,000	\$1.52	\$1,100	\$735,000
	Add: Other Income			\$50 /Unit/Month		\$34,000	\$50 /Unit/Month		\$34,000
	Total Gross Scheduled Income (GSI)					\$769,000			\$769,000
II.	Effective Gross Income								
	(Less) Vacancy			5.0% of GSI		(\$38,000)	5.0% of GSI		(\$38,000)
	Effective Gross Income (EGI)					\$731,000			\$731,000
III.	Operating Expenses								
	(Less) Operating Expenses			\$6,000 /Unit/Year		(\$342,000)	\$6,000 /Unit/Year		(\$342,000)
	(Less) Tenant Services			\$200 /Unit/Year		(\$11,000)	\$500 /Unit/Year		(\$29,000)
	(Less) Property Taxes/Assessments ⁽²⁾			\$351 /Unit/Year		(\$20,000)	\$351 /Unit/Year		(\$20,000)
	(Less) Replacement Reserves			\$250 /Unit/Year		(\$14,000)	\$500 /Unit/Year		(\$29,000)
	(Less) Monitoring Fee			\$150 /Unit/Year		(\$9,000)	\$150 /Unit/Year		(\$9,000)
	Total Operating Expenses			\$6,947 /Unit/Year		(\$396,000)	\$7,526 /Unit/Year		(\$429,000)
				54.2% of EGI			58.7% of EGI		
IV.	Net Operating Income (NOI)					\$335,000			\$302,000
V.	(Less) Debt Service - Other State Funding Source ⁽³⁾			0.00% of Loan		\$0	0.42% of Loan		(\$34,000)
VI.	NOI after Debt Service for State Funding Source					\$335,000			\$268,000

(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 C-4

RESIDUAL LAND VALUE
 AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
 CITY OF DEL MAR

FAIRGROUNDS AND 28TH STREET WITH FAMILY HOUSING - SCATTERED SITES

All Affordable with Tax Credits

	9% Tax Credits		4% Tax Credits	
	<u>Total</u>	<u>Per Unit</u>	<u>Total</u>	<u>Per Unit</u>
I. Sources of Funds				
Supportable Permanent Loan (1)	\$4,520,000	\$79,000	\$4,104,000	\$72,000
Tax Credit Equity Investment (2)	\$18,547,000	\$325,000	\$16,020,000	\$281,000
Other State Funding Source (3)	\$0	\$0	\$5,700,000	\$100,000
Deferred Developer Fee (4)	\$0	\$0	\$2,093,000	\$37,000
General Partner Equity Contribution (4)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Sources of Funds	\$23,067,000	\$405,000	\$27,917,000	\$490,000
II. (Less) Development Costs	<u>(\$30,674,000)</u>	<u>(\$538,000)</u>	<u>(\$36,900,000)</u>	<u>(\$647,000)</u>
III. Residual Land Value	(\$7,607,000)	(\$133,000)	(\$8,983,000)	(\$158,000)

TABLE C-4 (CONT'D.)

RESIDUAL LAND VALUE
 AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
 CITY OF DEL MAR

		FAIRGROUNDS WITH 28TH STREET FAMILY HOUSING - SCATTERED SITES	
		All Affordable with Tax Credits	
		9% Tax Credits	4% Tax Credits
(1) Supportable Permanent Loan			
NOI		\$335,000	\$268,000
Interest Rate		5.50%	4.50%
Term (years)		35	35
Debt Coverage Ratio		1.15	1.15
Annual Debt Service		\$291,304	\$233,043
Supportable Permanent Loan		\$4,520,000	\$4,104,000
(2) Low Income Housing Tax Credits (Federal)			
<u>Estimate of Eligible Basis:</u>			
Total Development Costs		\$30,674,000	\$36,900,000
(Less) Ineligible Costs	4%	<u>(\$1,321,000)</u>	5% <u>(\$1,686,000)</u>
Eligible Basis		\$29,353,000	\$35,214,000
<u>Tax Credit Proceeds:</u>			
Maximum Eligible Basis		\$29,353,000	\$35,214,000
(Less) Voluntary Credit Adjustment	40.0%	<u>(\$11,741,000)</u>	0.0% <u>\$0</u>
Total Requested Unadjusted Basis		\$17,612,000	\$35,214,000
Impacted Bonus Factor	130%	\$22,896,000	130% \$45,778,200
Tax Credit Qualified Units/Applicable Factor	100%	22896000	100% \$45,778,200
Tax Credit Rate	9.00%	\$2,061,000	4.00% \$1,831,000
Total Tax Credits @	10	20610000	10 \$18,310,000
Limited Partner Share	99.99%	\$20,608,000	99.99% \$18,308,000
Tax Credit Equity Investment @	90.0%	\$18,547,000	87.5% \$16,020,000
(3) Other State Funding Source			
Total Loan		\$0	\$5,700,000
Annual Debt Service	0.00%	\$0	0.42% \$100,000
(4) Estimate of Deferred Developer Fee			
Eligible Basis		\$29,353,000	\$35,214,000
(Less) Developer Fee		<u>\$2,200,000</u>	<u>(\$4,593,000)</u>
Unadjusted Eligible Basis		\$31,553,000	\$30,621,000
Total Developer Fee	7.0%	\$2,200,000	15.0% \$4,593,000
Developer Overhead Fee		\$2,200,000	\$4,593,000
(Less) Deferred Developer Fee		<u>\$0</u>	45.6% <u>(\$2,093,000)</u>
Upfront Developer Fee		\$2,200,000	\$2,500,000

**100% Affordable with
Low Income Housing Tax Credits**

**Fairgrounds and 28th Street with Family Housing
Scattered Sites - 1.56 Acres**

DRAFT

TABLE D-1

PROJECT DESCRIPTION
 AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
 CITY OF DEL MAR

FAIRGROUNDS AND 28TH STREET WITH FAMILY HOUSING - SCATTERED SITES				
All Affordable with Tax Credits				
9% Tax Credits			4% Tax Credits	
I. Construction Type	Type V		Type V	
II. Site Area	1.5 Acre		1.5 Acre	
III. Gross Building Area (GBA)				
Net Residential	59,628 SF	78%	59,628 SF	78%
Circulation/Common Area	<u>16,991</u> SF	<u>22%</u>	<u>16,991</u> SF	<u>22%</u>
Total GBA	76,619 SF	100%	76,619 SF	100%
IV. Average Unit Size	718 SF		718 SF	
V. Stories	3 Stories		3 Stories	
VI. Density	55 Units/Acre		55 Units/Acre	
VII. Floor Area Ratio (FAR)	1.17 FAR		1.17 FAR	
VIII. Total Number of Units	83 Units		83 Units	
IX. Unit Mix				
One Bedroom	36 Units	43%	36 Units	43%
Two Bedroom	23 Units	28%	23 Units	28%
Three Bedroom	<u>24</u> Units	<u>29%</u>	<u>24</u> Units	<u>29%</u>
Total	83 Units	100%	83 Units	100%
X. Affordability Mix				
Units @ 30% of AMI	0 Units	0%	0 Units	0%
Units @ 50% of AMI	82 Units	99%	82 Units	99%
Units @ 80% of AMI	0 Units	0%	0 Units	0%
Manager	<u>1</u> Unit	<u>1%</u>	<u>1</u> Unit	<u>1%</u>
Total/Average	83 Units	100%	83 Units	100%
Average Affordability (excluding Manager units)	50.0% of AMI		50.0% of AMI	
XI. Parking				
Type	Podium		Podium	
Number of Spaces	124 Spaces		124 Spaces	
Parking Ratio	1.5 Spaces/Unit		1.5 Spaces/Unit	

TABLE D-2

DEVELOPMENT COSTS
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR

FAIRGROUNDS 28TH STREET WITH FAMILY HOUSING - SCATTERED SITES						
All Affordable with Tax Credits						
9% Tax Credits				4% Tax Credits		
	Total	Per Unit	Comments	Total	Per Unit	Comments
I. Direct Costs ⁽¹⁾						
Off-Site Improvements ⁽²⁾	\$0	\$0	\$0 Per SF Site	\$0	\$0	\$0 Per SF Site
On-Site Improvements/Landscaping ⁽²⁾	\$2,614,000	\$31,000	\$40 Per SF Site	\$2,614,000	\$31,000	\$40 Per SF Site
Parking	\$3,720,000	\$45,000	\$30,000 Per Space	\$3,720,000	\$45,000	\$30,000 Per Space
Shell Construction	\$22,220,000	\$268,000	\$290 Per SF GBA	\$22,220,000	\$268,000	\$290 Per SF GBA
FF&E/Amenities	<u>\$623,000</u>	<u>\$7,500</u>	Allowance	<u>\$623,000</u>	<u>\$7,500</u>	Allowance
Subtotal	\$29,177,000	\$352,000	\$381 Per SF GBA	\$29,177,000	\$352,000	\$381 Per SF GBA
Add: Prevailing Wages	\$0	\$0	0.0% of Above Directs	\$4,377,000	\$53,000	15.0% of Above Directs
Contingency	<u>\$1,459,000</u>	<u>\$18,000</u>	5.0% of Directs	<u>\$1,678,000</u>	<u>\$20,000</u>	5.0% of Directs
Total Direct Costs	\$30,636,000	\$369,000	\$400 Per SF GBA	\$35,232,000	\$424,000	\$460 Per SF GBA
II. Indirect Costs						
Architecture & Engineering	\$2,451,000	\$30,000	8.0% of Directs	\$2,819,000	\$34,000	8.0% of Directs
Permits & Fees ⁽³⁾	\$6,640,000	\$80,000	\$87 Per SF GBA	\$6,640,000	\$80,000	\$87 Per SF GBA
Legal & Accounting	\$460,000	\$6,000	1.5% of Directs	\$528,000	\$6,000	1.5% of Directs
Taxes & Insurance	\$460,000	\$6,000	1.5% of Directs	\$528,000	\$6,000	1.5% of Directs
Developer Fee	\$2,200,000	\$27,000	7.2% of Directs	\$7,294,000	\$88,000	20.7% of Directs
Marketing/Lease-Up	\$208,000	\$2,500	Allowance	\$208,000	\$2,500	Allowance
Contingency	<u>\$621,000</u>	<u>\$7,000</u>	5.0% of Indirects	<u>\$901,000</u>	<u>\$11,000</u>	5.0% of Indirects
Total Indirect Costs	\$13,040,000	\$157,000	42.6% of Directs	\$18,918,000	\$228,000	53.7% of Directs
III. Financing Costs ⁽⁴⁾						
Loan Fees	\$697,000	\$8,000	2.3% of Directs	\$1,845,000	\$22,000	5.2% of Directs
Interest During Constructions	\$1,384,000	\$17,000	4.5% of Directs	\$1,246,000	\$15,000	3.5% of Directs
Title/Recording/Escrow	\$42,000	\$500	0.1% of Directs	\$42,000	\$500	0.1% of Directs
Interest During Lease-Up	\$769,000	\$9,000	2.5% of Directs	\$692,000	\$8,000	2.0% of Directs
TCAC/Syndication Fees	\$239,000	\$3,000	0.8% of Directs	\$227,000	\$3,000	0.6% of Directs
Operating Lease-Up/Reserves	<u>\$311,000</u>	<u>\$4,000</u>	1.0% of Directs	<u>\$309,000</u>	<u>\$4,000</u>	0.9% of Directs
Total Financing Costs	\$3,442,000	\$41,000	11.2% of Directs	\$4,361,000	\$53,000	12.4% of Directs
IV. Total Development Costs ⁽⁵⁾	\$47,118,000	\$568,000	\$615 Per SF GBA	\$58,511,000	\$705,000	\$764 Per SF GBA

(1) Excludes the payment of prevailing wages.

(2) Estimated allowance; not verified by KMA or the City of Del Mar.

(3) Per City of Del Mar, includes building permit fee, construction license tax, SMIP fee, and school fees.

(4) Includes loan fees, interest during construction, and interest lease-up.

(5) Excludes acquisition costs.

TABLE D-3

**NET OPERATING INCOME
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR**

FAIRGROUNDS AND 28TH STREET WITH FAMILY HOUSING - SCATTERED SITES									
All Affordable with Tax Credits									
			9% Tax Credits			4% Tax Credits			
I.	Gross Scheduled Income (GSI)	# Units	Unit Size	\$/SF	\$/Month ⁽¹⁾	Annual	\$/SF	\$/Month ⁽¹⁾	Annual
	One Bedroom @ 50% AMI	36	579 SF	\$1.74	\$1,007	\$435,000	\$1.74	\$1,007	\$435,000
	Two Bedroom @ 50% AMI	22	807 SF	\$1.39	\$1,123	\$296,000	\$1.39	\$1,123	\$296,000
	Two Bedroom @ Manager	1	807 SF	\$0.00	\$0	\$0	\$0.00	\$0	\$0
	Three Bedroom @ 50% AMI	24	924 SF	\$1.34	\$1,239	\$357,000	\$0.00	\$1,239	\$357,000
	Total/Average	83	742 SF	\$1.48	\$1,100	\$1,088,000	\$1.48	\$1,100	\$1,088,000
	Add: Other Income			\$50 /Unit/Month		\$50,000	\$50 /Unit/Month		\$50,000
	Total Gross Scheduled Income (GSI)					\$1,138,000			\$1,138,000
II.	Effective Gross Income								
	(Less) Vacancy			5.0% of GSI		(\$57,000)	5.0% of GSI		(\$57,000)
	Effective Gross Income (EGI)					\$1,081,000			\$1,081,000
III.	Operating Expenses								
	(Less) Operating Expenses			\$6,000 /Unit/Year		(\$498,000)	\$6,000 /Unit/Year		(\$498,000)
	(Less) Tenant Services			\$200 /Unit/Year		(\$17,000)	\$500 /Unit/Year		(\$42,000)
	(Less) Property Taxes/Assessments ⁽²⁾			\$241 /Unit/Year		(\$20,000)	\$241 /Unit/Year		(\$20,000)
	(Less) Replacement Reserves			\$250 /Unit/Year		(\$21,000)	\$500 /Unit/Year		(\$42,000)
	(Less) Monitoring Fee			\$150 /Unit/Year		(\$12,000)	\$150 /Unit/Year		(\$12,000)
	Total Operating Expenses			\$6,843 /Unit/Year		(\$568,000)	\$7,398 /Unit/Year		(\$614,000)
				52.5% of EGI			56.8% of EGI		
IV.	Net Operating Income (NOI)					\$513,000			\$467,000
V.	(Less) Debt Service - Other State Funding Source ⁽³⁾			0.00% of Loan		\$0	0.42% of Loan		(\$34,000)
VI.	NOI after Debt Service for State Funding Source					\$513,000			\$433,000

(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 D-4

RESIDUAL LAND VALUE
 AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
 CITY OF DEL MAR

FAIRGROUNDS AND 28TH STREET WITH FAMILY HOUSING - SCATTERED SITES				
All Affordable with Tax Credits				
	9% Tax Credits		4% Tax Credits	
I. Sources of Funds	Total	Per Unit	Total	Per Unit
Supportable Permanent Loan (1)	\$6,922,000	\$83,000	\$6,630,000	\$80,000
Tax Credit Equity Investment (2)	\$28,050,000	\$338,000	\$25,442,000	\$307,000
Other State Funding Source (3)	\$0	\$0	\$8,300,000	\$100,000
Deferred Developer Fee (4)	\$0	\$0	\$4,794,000	\$58,000
General Partner Equity Contribution (4)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Sources of Funds	\$34,972,000	\$421,000	\$45,166,000	\$544,000
II. (Less) Development Costs	<u>(\$47,118,000)</u>	<u>(\$568,000)</u>	<u>(\$58,511,000)</u>	<u>(\$705,000)</u>
III. Residual Land Value	<u>(\$12,146,000)</u>	<u>(\$146,000)</u>	<u>(\$13,345,000)</u>	<u>(\$161,000)</u>

TABLE D-4 (CONT'D.)

RESIDUAL LAND VALUE
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR

FAIRGROUNDS AND 28TH STREET WITH FAMILY HOUSING - SCATTERED SITES	
All Affordable with Tax Credits	
9% Tax Credits	4% Tax Credits

(1) Supportable Permanent Loan

NOI	\$513,000	\$433,000
Interest Rate	5.50%	4.50%
Term (years)	35	35.0
Debt Coverage Ratio	1.15	1.15
Annual Debt Service	\$446,087	\$376,522
Supportable Permanent Loan	\$6,922,000	\$6,630,000

(2) Low Income Housing Tax Credits (Federal)

Estimate of Eligible Basis:

Total Development Costs		\$47,118,000		\$58,511,000
(Less) Ineligible Costs	3%	(\$1,455,000)	4%	(\$2,589,000)
Eligible Basis		\$45,663,000		\$55,922,000

Tax Credit Proceeds:

Maximum Eligible Basis		\$45,663,000		\$55,922,000
(Less) Voluntary Credit Adjustment	40.0%	(\$18,265,000)	0.0%	\$0
Total Requested Unadjusted Basis		\$27,398,000		\$55,922,000
Impacted Bonus Factor	130%	\$35,617,000	130%	\$72,698,600
Tax Credit Qualified Units/Applicable Factor	100%	35617000	100%	\$72,698,600
Tax Credit Rate	9.00%	\$3,206,000	4.00%	\$2,908,000
Total Tax Credits @	10	\$32,060,000	10	\$29,080,000
Limited Partner Share	99.99%	\$32,057,000	99.99%	\$29,077,092
Tax Credit Equity Investment @	87.5%	\$28,050,000	87.5%	\$25,442,000

(3) Other State Funding Source

Total Loan		\$0		\$8,300,000
Annual Debt Service	0.00%	\$0	0.42%	\$34,000

(4) Estimate of Deferred Developer Fee

Eligible Basis		\$45,663,000		\$55,922,000
(Less) Developer Fee		(\$2,200,000)		(\$7,294,000)
Unadjusted Eligible Basis		\$43,463,000		\$48,628,000
Total Developer Fee	5.1%	\$2,200,000	15.0%	\$7,294,000
Developer Overhead Fee		\$2,200,000		\$7,294,000
(Less) Deferred Developer Fee	0.00%	\$0	65.7%	(\$4,794,000)
Upfront Developer Fee		\$2,200,000		\$2,500,000

**FAIRGROUNDS
WITH SENIOR HOUSING**

DRAFT

TABLE E-1

PROJECT DESCRIPTION
 AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
 CITY OF DEL MAR

FAIRGROUNDS WITH SENIOR HOUSING - STANDALONE PROJECT															
		All Market-Rate		Mixed-Income without Tax Credits				All Affordable without Tax Credits							
		100% @ Market-Rate		80% @ Market-Rate 20% @ 30% AMI		80% @ Market-Rate 20% @ 50% AMI		80% @ Market-Rate 20% @ 80% AMI		100% @ 30% AMI		100% @ 50% AMI		100% @ 80% AMI	
		Type V		Type V		Type V		Type V		Type V		Type V		Type V	
I. Construction Type		Type V		Type V		Type V		Type V		Type V		Type V		Type V	
II. Site Area		1.5 Acre		1.5 Acre		1.5 Acre		1.5 Acre		1.5 Acre		1.5 Acre		1.5 Acre	
III. Gross Building Area (GBA)															
Net Residential		41,648 SF	78%	41,648 SF	78%	41,648 SF	78%	41,648 SF	78%	41,648 SF	78%	41,648 SF	78%	41,648 SF	78%
Circulation/Common Area		<u>11,749</u> SF	<u>22%</u>	<u>11,749</u> SF	<u>22%</u>	<u>11,749</u> SF	<u>22%</u>	<u>11,749</u> SF	<u>22%</u>	<u>11,749</u> SF	<u>22%</u>	<u>11,749</u> SF	<u>22%</u>	<u>11,749</u> SF	<u>22%</u>
Total GBA		53,397 SF	100%	53,397 SF	100%	53,397 SF	100%	53,397 SF	100%	53,397 SF	100%	53,397 SF	100%	53,397 SF	100%
IV. Average Unit Size		534 SF		534 SF		534 SF		534 SF		534 SF		534 SF		534 SF	
V. Stories		3 Stories		3 Stories		3 Stories		3 Stories		3 Stories		3 Stories		3 Stories	
VI. Density		52 Units/Acre		52 Units/Acre		52 Units/Acre		52 Units/Acre		52 Units/Acre		52 Units/Acre		52 Units/Acre	
VII. Floor Area Ratio (FAR)		0.82 FAR		0.82 FAR		0.82 FAR		0.82 FAR		0.82 FAR		0.82 FAR		0.82 FAR	
VIII. Total Number of Units		78 Units		78 Units		78 Units		78 Units		78 Units		78 Units		78 Units	
IX. Unit Mix															
One Bedroom		78 Units	100%	78 Units	100%	78 Units	100%	78 Units	100%	78 Units	100%	78 Units	100%	78 Units	100%
Two Bedroom		--- Units	0%	--- Units	0%	--- Units	0%	--- Units	0%	--- Units	0%	--- Units	0%	--- Units	0%
Three Bedroom		--- Units	<u>0%</u>	--- Units	<u>0%</u>	--- Units	<u>0%</u>	--- Units	<u>0%</u>	--- Units	<u>0%</u>	--- Units	<u>0%</u>	--- Units	<u>0%</u>
Total		78 Units	100%	78 Units	100%	78 Units	100%	78 Units	100%	78 Units	100%	78 Units	100%	78 Units	100%
X. Affordability Mix															
Market-Rate Units		78 Units	100% of Total	62 Units	80% of Total	62 Units	80% of Total	62 Units	80% of Total	1 Unit (1)	1% of Total	1 Unit (1)	1% of Total	1 Unit (1)	1% of Total
Affordable Units															
30% AMI		0 Units	0%	16 Units	20%	0 Units	0%	0 Units	0%	77 Units	99%	0 Units	0%	0 Units	0%
50% AMI		0 Units	0%	0 Units	0%	16 Units	20%	0 Units	0%	0 Units	0%	77 Units	99%	0 Units	0%
80% AMI		<u>0</u> Units	<u>0%</u>	<u>0</u> Units	<u>0%</u>	<u>0</u> Units	<u>0%</u>	<u>16</u> Units	<u>20%</u>	<u>0</u> Units	<u>0%</u>	<u>0</u> Units	<u>0%</u>	<u>77</u> Units	<u>99%</u>
Total Affordable Units		0 Units	0% of Total	16 Units	20% of Total	16 Units	20% of Total	16 Units	20% of Total	77 Units	99% of Total	77 Units	99% of Total	77 Units	99% of Total
XI. Parking															
Type		Podium		Podium		Podium		Podium		Podium		Podium		Podium	
Number of Spaces		78 Spaces		78 Spaces		78 Spaces		78 Spaces		78 Spaces		78 Spaces		78 Spaces	
Parking Ratio		1.0 Spaces/Unit		1.0 Spaces/Unit		1.0 Spaces/Unit		1.0 Spaces/Unit		1.0 Spaces/Unit		1.0 Spaces/Unit		1.0 Spaces/Unit	

(1) Reflects manager's unit.

TABLE E-2

DEVELOPMENT COSTS
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR

FAIRGROUNDS WITH SENIOR HOUSING - STANDALONE PROJECT									
	All Market-Rate			Mixed-Income without Tax Credits			All Affordable without Tax Credits		
	Total	Per Unit	Comments	Total	Per Unit	Comments	Total	Per Unit	Comments
I. Direct Costs ⁽¹⁾									
Off-Site Improvements ⁽²⁾	\$0	\$0	\$0 Per SF Site	\$0	\$0	\$0 Per SF Site	\$0	\$0	\$0 Per SF Site
On-Site Improvements/Landscaping ⁽²⁾	\$2,614,000	\$34,000	\$40 Per SF Site	\$2,614,000	\$34,000	\$40 Per SF Site	\$2,614,000	\$34,000	\$40 Per SF Site
Parking	\$2,340,000	\$30,000	\$30,000 Per Space	\$2,340,000	\$30,000	\$30,000 Per Space	\$2,340,000	\$30,000	\$30,000 Per Space
Shell Construction	\$15,218,000	\$195,100	\$285 Per SF GBA	\$15,218,000	\$195,000	\$285 Per SF GBA	\$15,218,000	\$195,000	\$285 Per SF GBA
FF&E/Amenities	\$780,000	\$10,000	Allowance	\$780,000	\$10,000	Allowance	\$780,000	\$10,000	Allowance
Contingency	<u>\$1,048,000</u>	<u>\$13,000</u>	5.0% of Directs	<u>\$1,048,000</u>	<u>\$13,000</u>	5.0% of Directs	<u>\$1,048,000</u>	<u>\$13,000</u>	5.0% of Directs
Total Direct Costs	\$22,000,000	\$282,000	\$412 Per SF GBA	\$22,000,000	\$282,000	\$412 Per SF GBA	\$22,000,000	\$282,000	\$412 Per SF GBA
II. Indirect Costs									
Architecture & Engineering	\$1,760,000	\$23,000	8.0% of Directs	\$1,760,000	\$23,000	8.0% of Directs	\$1,760,000	\$23,000	8.0% of Directs
Permits & Fees ⁽³⁾	\$4,812,600	\$61,700	\$90 Per SF GBA	\$4,758,000	\$61,000	\$89 Per SF GBA	\$4,602,000	\$59,000	\$86 Per SF GBA
Legal & Accounting	\$330,000	\$4,000	1.5% of Directs	\$330,000	\$4,000	1.5% of Directs	\$330,000	\$4,000	1.5% of Directs
Taxes & Insurance	\$330,000	\$4,000	1.5% of Directs	\$330,000	\$4,000	1.5% of Directs	\$330,000	\$4,000	1.5% of Directs
Developer Fee	\$880,000	\$11,000	4.0% of Directs	\$880,000	\$11,000	4.0% of Directs	\$880,000	\$11,000	4.0% of Directs
Marketing/Lease-Up	\$195,000	\$2,500	Allowance	\$195,000	\$2,500	Allowance	\$195,000	\$2,500	Allowance
Contingency	<u>\$415,000</u>	<u>\$5,000</u>	5.0% of Indirects	<u>\$413,000</u>	<u>\$5,000</u>	5.0% of Indirects	<u>\$405,000</u>	<u>\$5,000</u>	5.0% of Indirects
Total Indirect Costs	\$8,722,600	\$112,000	39.6% of Directs	\$8,666,000	\$111,000	39.4% of Directs	\$8,502,000	\$109,000	38.6% of Directs
III. Financing Costs ⁽⁴⁾	\$2,200,000	\$28,000	10.0% of Directs	\$2,200,000	\$28,000	10.0% of Directs	\$2,200,000	\$28,000	10.0% of Directs
IV. Total Development Costs ⁽⁵⁾	\$32,922,600	\$422,000	\$617 Per SF GBA	\$32,866,000	\$421,000	\$616 Per SF GBA	\$32,702,000	\$419,000	\$612 Per SF GBA

(1) Excludes the payment of prevailing wages.

(2) Estimated allowance; not verified by KMA or the City of Del Mar.

(3) Per the City of Del Mar, includes building permit fee, construction license tax, RTCIP, SMIP fee, and school district fees.

(4) Includes loan fees, interest during construction, and interest lease-up.

(5) Excludes acquisition costs.

TABLE E-3

NET OPERATING INCOME
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR

FAIRGROUNDS WITH SENIOR HOUSING - STANDALONE PROJECT																	
All Market-Rate						Mixed Income without Tax Credits											
100% @ Market-Rate						80% Market-Rate 20% @ 30% AMI			80% Market-Rate 20% @ 50% AMI			80% Market-Rate 20% @ 80% AMI					
I. Gross Scheduled Income (GSI)	Unit Size	# Units	\$/SF	\$/Month	Annual	# Units	\$/SF	\$/Month ⁽¹⁾	Annual	# Units	\$/SF	\$/Month ⁽¹⁾	Annual	# Units	\$/SF	\$/Month ⁽¹⁾	Annual
A. Market-Rate																	
One Bedroom	534 SF	78	\$4.85	\$2,590	\$2,424,000	62	\$4.85	\$2,590	\$1,927,000	62	\$4.85	\$2,590	\$1,927,000	62	\$4.85	\$2,590	\$1,927,000
Two Bedroom	-- SF	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Three Bedroom	-- SF	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Subtotal/Average	534 SF	78	\$4.85	\$2,600	\$2,424,000	62	\$4.85	\$2,600	\$1,927,000	62	\$4.85	\$2,600	\$1,927,000	62	\$4.85	\$2,600	\$1,927,000
B. Affordable																	
One Bedroom @ 30% AMI	534 SF	--	--	--	--	16	\$1.09	\$580	\$111,000	--	--	--	--	--	--	--	--
One Bedroom @ 50% AMI	534 SF	--	--	--	--	--	--	--	--	16	\$1.89	\$1,007	\$193,000	--	--	--	--
One Bedroom @ 80% AMI	534 SF	--	--	--	--	--	--	--	--	--	--	--	--	16	\$3.09	\$1,649	\$317,000
Two Bedroom @ 30% AMI	-- SF	--	--	--	--	0	\$0.00	\$642	\$0	--	--	--	--	--	--	--	--
Two Bedroom @ 50% AMI	-- SF	--	--	--	--	--	--	--	--	0	\$0.00	\$1,123	\$0	--	--	--	--
Two Bedroom @ 80% AMI	-- SF	--	--	--	--	--	--	--	--	--	--	--	--	0	\$0.00	\$1,844	\$0
Three Bedroom @ 30% AMI	-- SF	--	--	--	--	0	\$0.00	\$705	\$0	--	--	--	--	--	--	--	--
Three Bedroom @ 50% AMI	-- SF	--	--	--	--	--	--	--	--	0	\$0.00	\$1,239	\$0	--	--	--	--
Three Bedroom @ 80% AMI	-- SF	--	--	--	--	--	--	--	--	--	--	--	--	0	\$0.00	\$2,041	\$0
Subtotal/Average	534 SF	--	--	--	--	16	\$1.09	\$578	\$111,000	16	\$1.89	\$1,005	\$193,000	16	\$3.09	\$1,651	\$317,000
C. Total/Average	534 SF	78	\$4.85	\$2,600	\$2,424,000	78	\$4.08	\$2,177	\$2,038,000	78	\$4.24	\$2,265	\$2,120,000	78	\$4.49	\$2,397	\$2,244,000
Add: Other Income			\$100 /Unit/Month		\$94,000			\$75 /Unit/Month	\$70,000			\$75 /Unit/Month	\$70,000			\$75 /Unit/Month	\$70,000
D. Total Gross Scheduled Income (GSI)					\$2,518,000				\$2,108,000				\$2,190,000				\$2,314,000
II. Effective Gross Income																	
(Less) Vacancy			5.0% of GSI		(\$126,000)			5.0% of GSI	(\$105,000)			5.0% of GSI	(\$110,000)			5.0% of GSI	(\$116,000)
Effective Gross Income (EGI)					\$2,392,000				\$2,003,000				\$2,080,000				\$2,198,000
III. Operating Expenses																	
(Less) Operating Expenses			\$5,750 /Unit/Year		(\$449,000)			\$5,750 /Unit/Year	(\$448,500)			\$5,750 /Unit/Year	(\$448,500)			\$5,750 /Unit/Year	(\$448,500)
(Less) Property Taxes			\$5,590 /Unit/Year ⁽²⁾		(\$436,000)			\$4,462 /Unit/Year ⁽²⁾	(\$348,000)			\$4,679 /Unit/Year ⁽²⁾	(\$366,000)			\$5,026 /Unit/Year ⁽²⁾	(\$392,000)
(Less) Replacement Reserves			\$250 /Unit/Year		(\$20,000)			\$250 /Unit/Year	(\$20,000)			\$250 /Unit/Year	(\$20,000)			\$250 /Unit/Year	(\$20,000)
Total Operating Expenses			\$11,603 /Unit/Year		(\$905,000)			\$10,468 /Unit/Year	(\$816,500)			\$10,686 /Unit/Year	(\$834,500)			\$11,032 /Unit/Year	(\$860,500)
			38% of EGI					41% of EGI				40% of EGI				39% of EGI	
IV. Net Operating Income (NOI)					\$1,487,000				\$1,186,500				\$1,245,500				\$1,337,500

(1) Based on State of California Department of Housing and Community Development (HCD) 2022 income limits.
 (2) Based on capitalized income approach; assumes a 1.10% tax rate and 3.75% cap rate.
 (3) Assumes project will qualify for tax-exempt status.

TABLE E-3

NET OPERATING INCOME
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR

FAIRGROUNDS WITH SENIOR HOUSING - STANDALONE PROJECT													
All Affordable without Tax Credits													
100% @ 30% AMI						100% @ 50% AMI				100% @ 80% AMI			
I. Gross Scheduled Income (GSI)	Unit Size	# Units	\$/SF	\$/Month ⁽¹⁾	Annual	# Units	\$/SF	\$/Month ⁽¹⁾	Annual	# Units	\$/SF	\$/Month ⁽¹⁾	Annual
A. Market-Rate													
One Bedroom	534 SF	--	--	--	--	--	--	--	--	--	--	--	--
Two Bedroom	-- SF	--	--	--	--	--	--	--	--	--	--	--	--
Three Bedroom	-- SF	--	--	--	--	--	--	--	--	--	--	--	--
Subtotal/Average	534 SF	--	--	--	--	--	--	--	--	--	--	--	--
B. Affordable													
One Bedroom @ 30% AMI	534 SF	78	\$1.09	\$580	\$543,000	--	--	--	--	--	--	--	--
One Bedroom @ 50% AMI	534 SF	--	--	--	--	78	\$1.89	\$1,007	\$943,000	--	--	--	--
One Bedroom @ 80% AMI	534 SF	--	--	--	--	--	--	--	--	78	\$3.09	\$1,649	\$1,543,000
Two Bedroom @ 30% AMI	-- SF	0	\$0.00	\$642	\$0	--	--	--	--	--	--	--	--
Two Bedroom @ 50% AMI	-- SF	--	--	--	--	0	\$0.00	\$1,123	\$0	--	--	--	--
Two Bedroom @ 80% AMI	-- SF	--	--	--	--	--	--	--	--	0	\$0.00	\$1,844	\$0
Three Bedroom @ 30% AMI	-- SF	0	\$0.00	\$705	\$0	--	--	--	--	--	--	--	--
Three Bedroom @ 50% AMI	-- SF	--	--	--	--	0	\$0.00	\$1,239	\$0	--	--	--	--
Three Bedroom @ 80% AMI	-- SF	--	--	--	--	--	--	--	--	0	\$0.00	\$2,041	\$0
Subtotal/Average	534 SF	78	\$1.09	\$580	\$543,000	78	\$1.89	\$1,007	\$943,000	78	\$3.09	\$1,649	\$1,543,000
C. Total/Average													
	534 SF	78	\$1.09	\$580	\$543,000	78	\$1.89	\$1,007	\$943,000	78	\$3.09	\$1,649	\$1,543,000
Add: Other Income			\$50 /Unit/Month		\$47,000		\$50 /Unit/Month		\$47,000		\$75 /Unit/Month		\$70,000
D. Total Gross Scheduled Income (GSI)													
					\$590,000				\$990,000				\$1,613,000
II. Effective Gross Income													
(Less) Vacancy			5.0% of GSI		(\$30,000)		5.0% of GSI		(\$50,000)		5.0% of GSI		(\$81,000)
Effective Gross Income (EGI)					\$560,000				\$940,000				\$1,532,000
III. Operating Expenses													
(Less) Operating Expenses			\$5,750 /Unit/Year		(\$448,500)		\$5,750 /Unit/Year		(\$448,500)		\$5,750 /Unit/Year		(\$448,500)
(Less) Property Taxes			\$0 /Unit/Year ⁽³⁾		\$0		\$0 /Unit/Year ⁽³⁾		\$0		\$0 /Unit/Year ⁽³⁾		\$0
(Less) Replacement Reserves			\$250 /Unit/Year		(\$20,000)		\$250 /Unit/Year		(\$20,000)		\$250 /Unit/Year		(\$20,000)
Total Operating Expenses			\$6,006 /Unit/Year		(\$468,500)		\$6,006 /Unit/Year		(\$468,500)		\$6,006 /Unit/Year		(\$468,500)
			84% of EGI				50% of EGI				31% of EGI		
IV. Net Operating Income (NOI)													
					\$91,500				\$471,500				\$1,063,500

(1) Based on State of California Department of Housing and Community Development
(2) Based on capitalized income approach; assumes a 1.10
(3) Assumes project will qualify for tax-exempt status.

TABLE E-4

RESIDUAL LAND VALUE
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR

FAIRGROUNDS WITH SENIOR HOUSING - STANDALONE PROJECT									
All Market-Rate			Mixed-Income without Tax Credits						
100% Market-Rate			80% Market-Rate 20% @ 30% AMI		80% Market-Rate 20% @ 50% AMI		80% Market-Rate 20% @ 80% AMI		
I. Capitalized Value Upon Completion									
Stabilized Net Operating Income		\$1,487,000		\$1,186,500		\$1,245,500		\$1,337,500	
Capitalization Rate @		3.75%		3.75%		3.75%		3.75%	
Capitalized Value Upon Completion	\$508,000 /Unit	\$39,653,000	\$406,000 /Unit	\$31,640,000	\$426,000 /Unit	\$33,213,000	\$457,000 /Unit	\$35,667,000	
(Less) Cost of Sale	2.0% of Value	(\$793,000)	2.0% of Value	(\$633,000)	2.0% of Value	(\$664,000)	2.0% of Value	(\$713,000)	
(Less) Target Developer Profit	10.0% of Value	<u>(\$3,965,000)</u>	10.0% of Value	<u>(\$3,164,000)</u>	10.0% of Value	<u>(\$3,321,000)</u>	10.0% of Value	<u>(\$3,567,000)</u>	
II. Net Sales Proceeds		\$34,895,000		\$27,843,000		\$29,228,000		\$31,387,000	
(Less) Development Costs		<u>(\$32,922,600)</u>		<u>(\$32,866,000)</u>		<u>(\$32,866,000)</u>		<u>(\$32,866,000)</u>	
III. Residual Land Value		\$1,972,000		(\$5,023,000)		(\$3,638,000)		(\$1,479,000)	
Per Unit		\$25,000		(\$64,000)		(\$47,000)		(\$19,000)	
Per SF Site		\$30		(\$77)		(\$56)		(\$23)	

TABLE E-4

RESIDUAL LAND VALUE
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR

FAIRGROUNDS WITH SENIOR HOUSING - STANDALONE PROJECT						
100% Affordable without Tax Credits						
		100% @ 30% AMI	100% @ 50% AMI		100% @ 80% AMI	
I. Capitalized Value Upon Completion						
Stabilized Net Operating Income		\$91,500		\$471,500		\$1,063,500
Capitalization Rate @		4.00%		4.00%		4.00%
Capitalized Value Upon Completion	\$29,000 /Unit	\$2,288,000	\$151,000 /Unit	\$11,788,000	\$341,000 /Unit	\$26,588,000
(Less) Cost of Sale	2.0% of Value	(\$46,000)	2.0% of Value	(\$236,000)	2.0% of Value	(\$532,000)
(Less) Target Developer Profit	10.0% of Value	<u>(\$229,000)</u>	10.0% of Value	<u>(\$1,179,000)</u>	10.0% of Value	<u>(\$2,659,000)</u>
II. Net Sales Proceeds		\$2,013,000		\$10,373,000		\$23,397,000
(Less) Development Costs		<u>(\$32,702,000)</u>		<u>(\$32,702,000)</u>		<u>(\$32,702,000)</u>
III. Residual Land Value		(\$30,689,000)		(\$22,329,000)		(\$9,305,000)
Per Unit		(\$393,000)		(\$286,000)		(\$119,000)
Per SF Site		(\$470)		(\$342)		(\$142)

**100% Affordable with
Low Income Housing Tax Credits**

**Fairgrounds with Senior Housing
Standalone Project - 1.5 Acres**

DRAFT

TABLE E-5

PROJECT DESCRIPTION
 AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
 CITY OF DEL MAR

FAIRGROUNDS WITH SENIOR HOUSING - STANDALONE PROJECT				
All Affordable with Tax Credits				
9% Tax Credits			4% Tax Credits	
I.	Construction Type	Type V		Type V
II.	Site Area	1.5 Acre		1.5 Acre
III.	Gross Building Area (GBA)			
	Net Residential	41,648 SF	81%	41,648 SF 78%
	Circulation/Common Area	<u>11,749</u> SF	<u>19%</u>	<u>11,749</u> SF <u>22%</u>
	Total GBA	53,397 SF	100%	53,397 SF 100%
IV.	Average Unit Size	534 SF		534 SF
V.	Stories	3 Stories		3 Stories
VI.	Density	52 Units/Acre		52.0 Units/Acre
VII.	Floor Area Ratio (FAR)	0.82 FAR		0.8 FAR
VIII.	Total Number of Units	78 Units		78 Units
IX.	Unit Mix			
	One Bedroom	78 Units	100%	78 Units 0%
	Two Bedroom	0 Units	0%	0 Units 0%
	Three Bedroom	0 Units	0%	0 Units 0%
	Total	78 Units	100%	78 Units 0%
X.	Affordability Mix			
	Units @ 30% of AMI	0 Units	0%	0 Units 0%
	Units @ 50% of AMI	77 Units	99%	77 Units 99%
	Units @ 80% of AMI	0 Units	0%	0 Units 0%
	Manager	1 Unit	<u>1%</u>	1 Unit <u>1%</u>
	Total/Average	78 Units	100%	78 Units 100%
	Average Affordability (excluding Manager units)			
X.	Parking			
	Type	Podium		Podium
	Number of Spaces	78 Spaces		78 Spaces
	Parking Ratio	1.0 Spaces/Unit		1.0 Spaces/Unit

TABLE E-6

DEVELOPMENT COSTS
AFFORDABLE HOUSING FEASIBILITY ANALYSIS
CITY OF DEL MAR

FAIRGROUNDS WITH SENIOR HOUSING - STANDALONE PROJECT								
All Affordable with Tax Credits								
9% Tax Credits				4% Tax Credits				
	Total	Per Unit	Comments	Total	Per Unit	Comments	Total	Per Unit
I. Direct Costs ⁽¹⁾								
Off-Site Improvements ⁽²⁾	\$0	\$0	\$0 Per SF Site	\$0	\$0	\$0 Per SF Site	\$0	\$0
On-Site Improvements/Landscaping ⁽²⁾	\$2,614,000	\$34,000	\$40 Per SF Site	\$2,614,000	\$34,000	\$40 Per SF Site	\$2,614,000	\$34,000
Parking	\$2,340,000	\$30,000	\$30,000 Per Space	\$2,340,000	\$30,000	\$30,000 Per Space	\$2,340,000	\$30,000
Shell Construction	\$16,019,000	\$205,000	\$300 Per SF GBA	\$16,019,000	\$205,000	\$300 Per SF GBA	\$16,019,000	\$205,000
FF&E/Amenities	<u>\$585,000</u>	<u>\$7,500</u>	Allowance	<u>\$585,000</u>	<u>\$7,500</u>	Allowance	<u>\$585,000</u>	<u>\$7,500</u>
Subtotal	\$21,558,000	\$276,000	\$404 Per SF GBA	\$21,558,000	\$276,000	\$404 Per SF GBA	\$21,558,000	\$276,000
Add: Prevailing Wages	\$0	\$0	0.0% of Above Directs	\$3,234,000	\$41,000	15% of Above Directs	\$3,234,000	\$41,000
Contingency	<u>\$1,078,000</u>	<u>\$14,000</u>	5.0% of Directs	<u>\$1,240,000</u>	<u>\$16,000</u>	5.0% of Directs	<u>\$1,240,000</u>	<u>\$16,000</u>
Total Direct Costs	\$22,636,000	\$290,000	\$424 Per SF GBA	\$26,032,000	\$334,000	\$488 Per SF GBA	\$26,032,000	\$334,000
II. Indirect Costs								
Architecture & Engineering	\$1,811,000	\$23,000	8.0% of Directs	\$2,083,000	\$27,000	8.0% of Directs	\$2,083,000	\$27,000
Permits & Fees ⁽³⁾	\$4,602,000	\$59,000	\$86 Per SF GBA	\$4,602,000	\$59,000	\$86 Per SF GBA	\$4,602,000	\$59,000
Legal & Accounting	\$340,000	\$4,000	1.5% of Directs	\$390,000	\$5,000	1.5% of Directs	\$390,000	\$5,000
Taxes & Insurance	\$340,000	\$4,000	1.5% of Directs	\$390,000	\$5,000	1.5% of Directs	\$390,000	\$5,000
Developer Fee	\$2,200,000	\$28,000	9.7% of Directs	\$5,341,000	\$68,000	20.5% of Directs	\$5,341,000	\$68,000
Marketing/Lease-Up	\$195,000	\$2,500	Allowance	\$195,000	\$2,500	Allowance	\$195,000	\$2,500
Contingency	<u>\$474,000</u>	<u>\$6,000</u>	5.0% of Indirects	<u>\$650,000</u>	<u>\$8,000</u>	5.0% of Indirects	<u>\$650,000</u>	<u>\$8,000</u>
Total Indirect Costs	\$9,962,000	\$128,000	44.0% of Directs	\$13,651,000	\$175,000	52.4% of Directs	\$13,651,000	\$175,000
III. Financing Costs ⁽⁴⁾								
Loan Fees	\$536,000	\$7,000	2.4% of Directs	\$1,351,000	\$17,000	5.2% of Directs	\$1,351,000	\$17,000
Interest During Construction	\$1,051,000	\$13,000	4.6% of Directs	\$912,000	\$12,000	3.5% of Directs	\$912,000	\$12,000
Title/Recording/Escrow	\$39,000	\$500	0.2% of Directs	\$39,000	\$500	0.1% of Directs	\$39,000	\$500
Interest During Lease-Up	\$584,000	\$7,000	2.6% of Directs	\$507,000	\$7,000	1.9% of Directs	\$507,000	\$7,000
TCAC/Syndication Fees	\$205,000	\$3,000	0.9% of Directs	\$194,000	\$2,000	0.7% of Directs	\$194,000	\$2,000
Operating Lease-Up/Reserves	<u>\$270,000</u>	<u>\$3,000</u>	1.2% of Directs	<u>\$269,000</u>	<u>\$3,000</u>	1.0% of Directs	<u>\$269,000</u>	<u>\$3,000</u>
Total Financing Costs	\$2,685,000	\$34,000	11.9% of Directs	\$3,272,000	\$42,000	12.6% of Directs	\$3,272,000	\$42,000
IV. Total Development Costs ⁽⁵⁾	\$35,283,000	\$452,000	\$661 Per SF GBA	\$42,955,000	\$551,000	\$804 Per SF GBA	\$42,955,000	\$551,000

(1) Excludes the payment of prevailing wages.

(2) Estimated allowance; not verified by KMA or the City of Del Mar.

(3) Per City of Del Mar, includes building permit fee, construction license tax, SMIP fee, and school fees.

(4) Includes loan fees, interest during construction, and interest lease-up.

(5) Excludes acquisition costs.

TABLE E-7

**NET OPERATING INCOME
AFFORDABLE HOUSING FEASIBILITY ANALYSIS
CITY OF DEL MAR**

FAIRGROUNDS WITH SENIOR HOUSING - STANDALONE PROJECT								
All Affordable with Tax Credits								
			9% Tax Credits			4% Tax Credits		
I. Gross Scheduled Income (GSI)	# Units	Unit Size	\$/SF	\$/Month ⁽¹⁾	Annual	\$/SF	\$/Month ⁽¹⁾	Annual
One Bedroom @ 50% AMI	77	534 SF	\$1.89	\$1,007	\$930,000	\$1.89	\$1,007	\$930,000
One Bedroom @ Manager	1	534 SF	\$0.00	\$0	\$0	\$0.00	\$0	\$0
Two Bedroom @ 50% AMI	0	-- SF	\$0.00	\$0	\$0	\$0.00	\$0	\$0
Three Bedroom @ 50% AMI	0	-- SF	\$0.00	\$0	\$0	\$0.00	\$0	\$0
Total/Average	78	534 SF	\$1.87	\$1,000	\$930,000	\$1.87	\$1,000	\$930,000
Add: Other Income			\$50 /Unit/Month		\$47,000	\$50 /Unit/Month		\$47,000
Total Gross Scheduled Income (GSI)					\$977,000			\$977,000
II. Effective Gross Income								
(Less) Vacancy			5.0% of GSI		(\$49,000)	5.0% of GSI		(\$49,000)
Effective Gross Income (EGI)					\$928,000			\$928,000
III. Operating Expenses								
(Less) Operating Expenses			\$5,750 /Unit/Year		(\$449,000)	\$5,750 /Unit/Year		(\$449,000)
(Less) Tenant Services			\$200 /Unit/Year		(\$16,000)	\$500 /Unit/Year		(\$39,000)
(Less) Property Taxes/Assessments ⁽²⁾			\$256 /Unit/Year		(\$20,000)	\$256 /Unit/Year		(\$20,000)
(Less) Replacement Reserves			\$250 /Unit/Year		(\$20,000)	\$500 /Unit/Year		(\$39,000)
(Less) Monitoring Fee			\$150 /Unit/Year		(\$12,000)	\$150 /Unit/Year		(\$12,000)
Total Operating Expenses			\$6,628 /Unit/Year		(\$517,000)	\$7,167 /Unit/Year		(\$559,000)
			55.7% of EGI			60.2% of EGI		
IV. Net Operating Income (NOI)					\$411,000			\$369,000
V. (Less) Debt Service - Other State Funding Source⁽³⁾			0.00% of Loan		\$0	0.42% of Loan		(\$34,000)
VI. NOI after Debt Service for State Funding Source					\$411,000			\$335,000

(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 E-8

RESIDUAL LAND VALUE
 AFFORDABLE HOUSING FEASIBILITY ANALYSIS
 CITY OF DEL MAR

FAIRGROUNDS WITH SENIOR HOUSING - STANDALONE PROJECT					
All Affordable with Tax Credits					
		9% Tax Credits		4% Tax Credits	
I. Sources of Funds	Total	Per Unit	Total	Per Unit	
Supportable Permanent Loan (1)	\$5,546,000	\$71,000	\$5,129,000	\$66,000	
Tax Credit Equity Investment (2)	\$20,928,000	\$268,000	\$18,627,000	\$239,000	
Other State Funding Source (3)	\$0	\$0	\$7,800,000	\$100,000	
Deferred Developer Fee (4)	\$0	\$0	\$2,841,000	\$36,000	
General Partner Equity Contribution (4)	\$0	\$0	\$0	\$0	
Total Sources of Funds	\$26,474,000	\$339,000	\$34,397,000	\$441,000	
II. (Less) Development Costs	(\$35,283,000)	(\$452,000)	(\$42,955,000)	(\$551,000)	
III. Residual Land Value	(\$8,809,000)	(\$113,000)	(\$8,558,000)	(\$110,000)	

TABLE E-8 (CONT'D.)

RESIDUAL LAND VALUE
AFFORDABLE HOUSING FEASIBILITY ANALYSIS
CITY OF DEL MAR

		FAIRGROUNDS WITH SENIOR HOUSING STANDALONE PROJECT	
		All Affordable with Tax Credits	
		9% Tax Credits	4% Tax Credits
(1) Supportable Permanent Loan			
NOI		\$411,000	\$335,000
Interest Rate		5.50%	4.50%
Term (years)		35	35
Debt Coverage Ratio		1.15	1.15
Annual Debt Service		\$357,391	\$291,304
Supportable Permanent Loan		\$5,546,000	\$5,129,000
(2) Low Income Housing Tax Credits (Federal)			
<u>Estimate of Eligible Basis:</u>			
Total Development Costs		\$35,283,000	\$42,955,000
(Less) Ineligible Costs	3.4%	(\$1,206,000)	4.7% (\$2,009,000)
Eligible Basis		\$34,077,000	\$40,946,000
<u>Tax Credit Proceeds:</u>			
Maximum Eligible Basis		\$34,077,000	\$40,946,000
(Less) Voluntary Credit Adjustment	40.0%	(\$13,631,000)	0.0% \$0
Total Requested Unadjusted Basis		\$20,446,000	\$40,946,000
Impacted Bonus Factor	130%	\$26,580,000	130% \$53,230,000
Tax Credit Qualified Units/Applicable Factor	100%	\$26,580,000	100% \$53,230,000
Tax Credit Rate	9.00%	\$2,392,000	4.00% \$2,129,000
Total Tax Credits @	10	\$23,920,000	10 \$21,290,000
Limited Partner Share	99.99%	\$23,918,000	99.99% \$21,288,000
Tax Credit Equity Investment @	87.5%	\$20,928,000	87.5% \$18,627,000
(3) Other State Funding Source			
Total Loan		\$0	\$7,800,000
Annual Debt Service	0.00%	\$0	0.42% \$34,000
(4) Estimate of Deferred Developer Fee			
Eligible Basis		\$34,077,000	\$40,946,000
(Less) Developer Fee		(\$2,200,000)	(\$5,341,000)
Unadjusted Eligible Basis		\$31,877,000	\$35,605,000
Total Developer Fee	15.0% 6.9%	\$2,200,000	15.0% \$5,341,000
Developer Overhead Fee		\$2,200,000	\$5,341,000
(Less) Deferred Developer Fee	0.0%	\$0	53.2% (\$2,841,000)
Upfront Developer Fee		\$2,200,000	\$2,500,000

28TH STREET

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TABLE F-1

RESIDUAL LAND VALUE ANALYSIS - 28TH STREET - STANDALONE PROJECT
 AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
 CITY OF DEL MAR

28TH STREET - STANDALONE PROJECT									
All Market-Rate			Affordable without Tax Credits						
100% @ Market Rate			100% @ 30% AMI		100% @ 50% AMI		100% @ 80% AMI		
I. Construction Type	Type V		Type V		Type V		Type V		
II. Site Area	0.06 Acres		0.06 Acres		0.06 Acres		0.06 Acres		
III. Gross Building Area									
Net Residential	1,835 SF	92%	1,835 SF	92%	1,835 SF	92%	1,835 SF	92%	
Circulation/Common Area	<u>154</u> SF	<u>8%</u>	<u>154</u> SF	<u>8%</u>	<u>154</u> SF	<u>8%</u>	<u>154</u> SF	<u>8%</u>	
Total GBA	1,989 SF	100%	1,989 SF	100%	1,989 SF	100%	1,989 SF	100%	
IV. Average Unit Size	612 SF		612 SF		612 SF		612 SF		
V. Stories	3 Stories		3 Stories		3 Stories		3 Stories		
VI. Density	50 Units/Acre		50 Units/Acre		50 Units/Acre		50 Units/Acre		
VII. Floor Area Ratio (FAR)	0.76 FAR		0.76 FAR		0.76 FAR		0.76 FAR		
VIII. Total Number of Units	3 Units		3 Units		3 Units		3 Units		
IX. Unit Mix									
One Bedroom	2 Units	67%	2 Units	67%	2 Units	67%	2 Units	67%	
Two Bedroom	<u>1</u> Unit	<u>33%</u>	<u>1</u> Unit	<u>33%</u>	<u>1</u> Unit	<u>33%</u>	<u>1</u> Unit	<u>33%</u>	
Total	3 Units	100%	3 Units	100%	3 Units	100%	3 Units	100%	
X. Affordability Mix									
Market-Rate Units	3 Units	100% of Total	0 Units	0% of Total	0 Units	0% of Total	0 Units	0% of Total	
Affordable Units									
30% AMI	0 Units	0%	3 Units		0 Units		0 Units		
50% AMI	0 Units	0%	0 Units		3 Units		0 Units		
80% AMI	<u>0</u> Units	<u>0%</u>	<u>0</u> Units		<u>0</u> Units		<u>3</u> Units		
Total Affordable Units	0 Units	0% of Total	3 Units	100% of Total	3 Units	100% of Total	3 Units	100% of Total	
XI. Parking									
Type	Podium		Podium		Podium		Podium		
Number of Spaces	4 Spaces		4 Spaces		4 Spaces		4 Spaces		
Parking Ratio	1.3 Spaces/Unit		1.3 Spaces/Unit		1.3 Spaces/Unit		1.3 Spaces/Unit		

TABLE F-2

**DEVELOPMENT COSTS
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR**

28TH STREET - STANDALONE PROJECT						
All Market-Rate				All Affordable without Tax Credits		
	Total	Per Unit	Comments	Total	Per Unit	Comments
I. Direct Costs ⁽¹⁾						
Off-Site Improvements ⁽²⁾	\$0	\$0	\$0 Per SF Site	\$0	\$0	\$0 Per SF Site
On-Site Improvements/Landscaping ⁽²⁾	\$105,000	\$35,000	\$40 Per SF Site	\$105,000	\$35,000	\$40 Per SF Site
Parking	\$160,000	\$53,000	\$40,000 Per Space	\$160,000	\$53,000	\$40,000 Per Space
Shell Construction	\$627,000	\$209,000	\$315 Per SF GBA	\$627,000	\$209,000	\$315 Per SF GBA
FF&E/Amenities	\$15,000	\$5,000	Allowance	\$15,000	\$5,000	Allowance
Contingency	<u>\$45,000</u>	<u>\$15,000</u>	5.0% of Directs	<u>\$45,000</u>	<u>\$15,000</u>	5.0% of Directs
Total Direct Costs	\$952,000	\$317,000	\$479 Per SF GBA	\$952,000	\$317,000	\$479 Per SF GBA
II. Indirect Costs						
Architecture & Engineering	\$67,000	\$22,000	7.0% of Directs	\$67,000	\$22,000	7.0% of Directs
Permits & Fees ⁽³⁾	\$179,400	\$59,800	\$90 Per SF GBA	\$171,000	\$57,000	\$86 Per SF GBA
Legal & Accounting	\$14,000	\$5,000	1.5% of Directs	\$14,000	\$5,000	1.5% of Directs
Taxes & Insurance	\$14,000	\$5,000	1.5% of Directs	\$14,000	\$5,000	1.5% of Directs
Developer Fee	\$38,000	\$13,000	4.0% of Directs	\$38,000	\$13,000	4.0% of Directs
Marketing/Lease-Up	\$7,500	\$2,500	Allowance	\$7,500	\$2,500	Allowance
Contingency	<u>\$16,000</u>	<u>\$5,000</u>	5.0% of Indirects	<u>\$16,000</u>	<u>\$5,000</u>	5.0% of Indirects
Total Indirect Costs	\$335,900	\$112,000	35.3% of Directs	\$327,500	\$109,000	34.4% of Directs
III. Financing Costs ⁽⁴⁾	\$95,000	\$32,000	10.0% of Directs	\$95,000	\$32,000	10.0% of Directs
IV. Total Development Costs ⁽⁵⁾	\$1,382,900	\$461,000	\$695 Per SF GBA	\$1,374,500	\$458,000	\$691 Per SF GBA

(1) Excludes the payment of prevailing wages.

(2) Estimated allowance; not verified by KMA or the City of Del Mar.

(3) Per the City of Del Mar, includes building permit fee, construction license tax, RTCIP, SMIP fee, and school district fees.

(4) Includes loan fees, interest during construction, and interest lease-up.

(5) Excludes acquisition costs.

TABLE F-3

NET OPERATING INCOME
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR

28TH STREET - STANDALONE PROJECT																	
All Market-Rate						Mixed Income without Tax Credits											
100% @ Market-Rate						100% @ 30% AMI			100% @ 50% AMI			100% @ 80% AMI					
I. Gross Scheduled Income (GSI)	Unit Size	# Units	\$/SF	\$/Month	Annual	# Units	\$/SF	\$/Month ⁽¹⁾	Annual	# Units	\$/SF	\$/Month ⁽¹⁾	Annual	# Units	\$/SF	\$/Month ⁽¹⁾	Annual
A. Market-Rate																	
One Bedroom	454 SF	2	\$5.50	\$2,500	\$60,000	--	--	--	--	--	--	--	--	--	--	--	--
Two Bedroom	927 SF	1	\$5.00	\$4,600	\$55,000	--	--	--	--	--	--	--	--	--	--	--	--
Subtotal/Average	612 SF	3	\$5.33	\$3,200	\$115,000	--	--	--	--	--	--	--	--	--	--	--	--
B. Affordable																	
One Bedroom @ 30% AMI	454 SF	--	--	--	--	2	\$1.28	\$580	\$14,000	--	--	--	--	--	--	--	--
One Bedroom @ 50% AMI	454 SF	--	--	--	--	--	--	--	--	2	\$2.22	\$1,007	\$24,000	--	--	--	--
One Bedroom @ 80% AMI	454 SF	--	--	--	--	--	--	--	--	--	--	--	--	2	\$3.63	\$1,649	\$40,000
Two Bedroom @ 30% AMI	927 SF	--	--	--	--	1	\$0.69	\$642	\$8,000	--	--	--	--	--	--	--	--
Two Bedroom @ 50% AMI	927 SF	--	--	--	--	--	--	--	--	1	\$1.21	\$1,123	\$13,000	--	--	--	--
Two Bedroom @ 80% AMI	927 SF	--	--	--	--	--	--	--	--	--	--	--	--	1	\$1.99	\$1,844	\$22,000
Subtotal/Average	612 SF	--	--	--	--	3	\$1.00	\$611	\$22,000	3	\$1.68	\$1,028	\$37,000	3	\$2.82	\$1,722	\$62,000
C. Total/Average	612 SF	3	\$5.33	\$3,200	\$115,000	3	\$1.00	\$611	\$22,000	3	\$1.68	\$1,028	\$37,000	3	\$2.82	\$1,722	\$62,000
Add: Other Income			\$150 /Unit/Month		\$5,000		\$25 /Unit/Month		\$1,000		\$25 /Unit/Month		\$1,000		\$50 /Unit/Month		\$2,000
D. Total Gross Scheduled Income (GSI)					\$120,000				\$23,000				\$38,000				\$64,000
II. Effective Gross Income																	
(Less) Vacancy			5.0% of GSI		(\$6,000)		5.0% of GSI		(\$1,000)		5.0% of GSI		(\$2,000)		5.0% of GSI		(\$3,000)
Effective Gross Income (EGI)					\$114,000				\$22,000				\$36,000				\$61,000
III. Operating Expenses																	
(Less) Operating Expenses			\$5,750 /Unit/Year		(\$17,000)		\$5,750 /Unit/Year		(\$17,250)		\$5,750 /Unit/Year		(\$17,250)		\$5,750 /Unit/Year		(\$17,250)
(Less) Property Taxes			\$7,333 /Unit/Year ⁽²⁾		(\$22,000)		\$0 /Unit/Year ⁽³⁾		\$0		\$0 /Unit/Year ⁽³⁾		\$0		\$0 /Unit/Year ⁽³⁾		\$0
(Less) Replacement Reserves			\$250 /Unit/Year		(\$1,000)		\$250 /Unit/Year		(\$1,000)		\$250 /Unit/Year		(\$1,000)		\$250 /Unit/Year		(\$1,000)
Total Operating Expenses			\$13,333 /Unit/Year		(\$40,000)		\$6,083 /Unit/Year		(\$18,250)		\$6,083 /Unit/Year		(\$18,250)		\$6,083 /Unit/Year		(\$18,250)
			35% of EGI				83% of EGI				51% of EGI				30% of EGI		
IV. Net Operating Income (NOI)					\$74,000				\$3,750				\$17,750				\$42,750

(1) Based on State of California Department of Housing and Community Development (HCD) 2022 income limits.

(2) Based on capitalized income approach; assumes a 1.10% tax rate and 3.75% cap rate.

(3) Assumes project will qualify for tax-exempt status.

TABLE F-4

RESIDUAL LAND VALUE
 AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
 CITY OF DEL MAR

28TH STREET - STANDALONE PROJECT									
All Market-Rate			100% Affordable without Tax Credits						
100% Market-Rate			100% @ 30% AMI		100% @ 50% AMI		100% @ 80% AMI		
I. Capitalized Value Upon Completion									
Stabilized Net Operating Income		\$74,000		\$3,750		\$17,750		\$42,750	
Capitalization Rate @		3.75%		4.00%		4.00%		4.00%	
Capitalized Value Upon Completion	\$658,000 /Unit	\$1,973,000	\$31,000 /Unit	\$94,000	\$148,000 /Unit	\$444,000	\$356,000 /Unit	\$1,069,000	
(Less) Cost of Sale	2.0% of Value	(\$39,000)	2.0% of Value	(\$2,000)	2.0% of Value	(\$9,000)	2.0% of Value	(\$21,000)	
(Less) Target Developer Profit	10.0% of Value	<u>(\$197,000)</u>	10.0% of Value	<u>(\$9,000)</u>	10.0% of Value	<u>(\$44,000)</u>	10.0% of Value	<u>(\$107,000)</u>	
II. Net Sales Proceeds		\$1,737,000		\$83,000		\$391,000		\$941,000	
(Less) Development Costs		<u>(\$1,382,900)</u>		<u>(\$1,374,500)</u>		<u>(\$1,374,500)</u>		<u>(\$1,374,500)</u>	
III. Residual Land Value		\$354,000		(\$1,292,000)		(\$984,000)		(\$434,000)	
Per Unit		\$118,000		(\$431,000)		(\$328,000)		(\$145,000)	
Per SF Site		\$135		(\$494)		(\$376)		(\$166)	

CIVIC CENTER

DRAFT

TABLE G-1

RESIDUAL LAND VALUE ANALYSIS - CIVIC CENTER- STANDALONE PROJECT
 AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
 CITY OF DEL MAR

CIVIC CENTER - STANDALONE PROJECT									
All Market-Rate			Affordable without Tax Credits						
100% @ Market Rate			100% @ 30% AMI		100% @ 50% AMI		100% @ 80% AMI		
I. Construction Type	Type V		Type V		Type V		Type V		
II. Site Area	0.10 Acres		0.10 Acres		0.10 Acres		0.10 Acres		
III. Gross Building Area									
Net Residential	2,872 SF	92%	2,872 SF	92%	2,872 SF	92%	2,872 SF	92%	
Circulation/Common Area	<u>237</u> SF	<u>8%</u>	<u>237</u> SF	<u>8%</u>	<u>237</u> SF	<u>8%</u>	<u>237</u> SF	<u>8%</u>	
Total GBA	3,109 SF	100%	3,109 SF	100%	3,109 SF	100%	3,109 SF	100%	
IV. Average Unit Size	718 SF		718 SF		718 SF		718 SF		
V. Stories	2 Stories		2 Stories		2 Stories		2 Stories		
VI. Density	40 Units/Acre		40 Units/Acre		40 Units/Acre		40 Units/Acre		
VII. Floor Area Ratio (FAR)	0.71 FAR		0.71 FAR		0.71 FAR		0.71 FAR		
VIII. Total Number of Units	4 Units		4 Units		4 Units		4 Units		
IX. Unit Mix									
One Bedroom	0 Units	0%	0 Units	0%	0 Units	0%	0 Units	0%	
Two Bedroom	<u>4</u> Units	<u>100%</u>	<u>4</u> Units	<u>100%</u>	<u>4</u> Units	<u>100%</u>	<u>4</u> Units	<u>100%</u>	
Total	4 Units	100%	4 Units	100%	4 Units	100%	4 Units	100%	
X. Affordability Mix									
Market-Rate Units	4 Units	100% of Total	0 Units	0% of Total	0 Units	0% of Total	0 Units	0% of Total	
Affordable Units									
30% AMI	0 Units	0%	4 Units		0 Units		0 Units		
50% AMI	0 Units	0%	0 Units		4 Units		0 Units		
80% AMI	<u>0</u> Units	<u>0%</u>	<u>0</u> Units		<u>0</u> Units		<u>4</u> Units		
Total Affordable Units	0 Units	0% of Total	4 Units	100% of Total	4 Units	100% of Total	4 Units	100% of Total	
XI. Parking									
Type	Off-site		Off-site		Off-site		Off-site		
Number of Spaces	9 Spaces (1)		6 Spaces (2)		6 Spaces (2)		6 Spaces (2)		
Parking Ratio	2.3 Spaces/Unit		1.5 Spaces/Unit		1.5 Spaces/Unit		1.5 Spaces/Unit		

(1) Based on City of Del Mar parking ratio requirements.

(2) Based on State of California affordable housing parking ratios.

TABLE G-2

DEVELOPMENT COSTS
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR

CIVIC CENTER- STANDALONE PROJECT						
All Market-Rate				All Affordable without Tax Credits		
	Total	Per Unit	Comments	Total	Per Unit	Comments
I. Direct Costs ⁽¹⁾						
Off-Site Improvements ⁽²⁾	\$0	\$0	\$0 Per SF Site	\$0	\$0	\$0 Per SF Site
On-Site Improvements/Landscaping ⁽²⁾	\$174,000	\$44,000	\$40 Per SF Site	\$174,000	\$44,000	\$40 Per SF Site
Parking	\$0	\$0	\$0 Per Space	\$0	\$0	\$0 Per Space
Shell Construction	\$979,000	\$245,000	\$315 Per SF GBA	\$979,000	\$245,000	\$315 Per SF GBA
FF&E/Amenities	\$20,000	\$5,000	Allowance	\$20,000	\$5,000	Allowance
Contingency	<u>\$59,000</u>	<u>\$15,000</u>	5.0% of Directs	<u>\$59,000</u>	<u>\$15,000</u>	5.0% of Directs
Total Direct Costs	\$1,232,000	\$308,000	\$396 Per SF GBA	\$1,232,000	\$308,000	\$396 Per SF GBA
II. Indirect Costs						
Architecture & Engineering	\$86,000	\$22,000	7.0% of Directs	\$99,000	\$25,000	8.0% of Directs
Permits & Fees ⁽³⁾	\$278,800	\$69,700	\$90 Per SF GBA	\$268,000	\$67,000	\$86 Per SF GBA
Legal & Accounting	\$18,000	\$5,000	1.5% of Directs	\$18,000	\$5,000	1.5% of Directs
Taxes & Insurance	\$18,000	\$5,000	1.5% of Directs	\$18,000	\$5,000	1.5% of Directs
Developer Fee	\$49,000	\$12,000	4.0% of Directs	\$49,000	\$12,000	4.0% of Directs
Marketing/Lease-Up	\$10,000	\$2,500	Allowance	\$10,000	\$2,500	Allowance
Contingency	<u>\$23,000</u>	<u>\$6,000</u>	5.0% of Indirects	<u>\$23,000</u>	<u>\$6,000</u>	5.0% of Indirects
Total Indirect Costs	\$482,800	\$121,000	39.2% of Directs	\$485,000	\$121,000	39.4% of Directs
III. Financing Costs ⁽⁴⁾	\$123,000	\$31,000	10.0% of Directs	\$123,000	\$31,000	10.0% of Directs
IV. Total Development Costs ⁽⁵⁾	\$1,837,800	\$459,000	\$591 Per SF GBA	\$1,840,000	\$460,000	\$592 Per SF GBA

(1) Excludes the payment of prevailing wages.

(2) Estimated allowance; not verified by KMA or the City of Del Mar.

(3) Per the City of Del Mar, includes building permit fee, construction license tax, RTCIP, SMIP fee, and school district fees.

(4) Includes loan fees, interest during construction, and interest lease-up.

(5) Excludes acquisition costs.

TABLE G-3

NET OPERATING INCOME
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
CITY OF DEL MAR

CIVIC CENTER - STANDALONE PROJECT																	
All Market-Rate						Mixed Income without Tax Credits											
100% @ Market-Rate						100% @ 30% AMI			100% @ 50% AMI			100% @ 80% AMI					
I. Gross Scheduled Income (GSI)	Unit Size	# Units	\$/SF	\$/Month	Annual	# Units	\$/SF	\$/Month ⁽¹⁾	Annual	# Units	\$/SF	\$/Month ⁽¹⁾	Annual	# Units	\$/SF	\$/Month ⁽¹⁾	Annual
A. Market-Rate																	
Two Bedroom	718 SF	4	\$5.00	\$3,600	\$173,000	--	--	--	--	--	--	--	--	--	--	--	--
Subtotal/Average	718 SF	4	\$5.00	\$3,600	\$173,000	--	--	--	--	--	--	--	--	--	--	--	--
B. Affordable																	
Two Bedroom @ 30% AMI	718 SF	--	--	--	--	4	\$0.89	\$642	\$31,000	--	--	--	--	--	--	--	--
Two Bedroom @ 50% AMI	718 SF	--	--	--	--	--	--	--	--	4	\$1.56	\$1,123	\$54,000	--	--	--	--
Two Bedroom @ 80% AMI	718 SF	--	--	--	--	--	--	--	--	--	--	--	--	4	\$2.57	\$1,844	\$89,000
Subtotal/Average	718 SF	--	--	--	--	4	\$0.90	\$646	\$31,000	4	\$1.57	\$1,125	\$54,000	4	\$2.58	\$1,854	\$89,000
C. Total/Average	718 SF	4	\$5.00	\$3,600	\$173,000	4	\$0.90	\$646	\$31,000	4	\$1.57	\$1,125	\$54,000	4	\$2.58	\$1,854	\$89,000
Add: Other Income			\$150 /Unit/Month		\$7,000		\$25 /Unit/Month		\$1,000		\$25 /Unit/Month		\$1,000		\$25 /Unit/Month		\$1,000
D. Total Gross Scheduled Income (GSI)					\$180,000				\$32,000				\$55,000				\$90,000
II. Effective Gross Income																	
(Less) Vacancy			5.0% of GSI		(\$9,000)		5.0% of GSI		(\$2,000)		5.0% of GSI		(\$3,000)		5.0% of GSI		(\$5,000)
Effective Gross Income (EGI)					\$171,000				\$30,000				\$52,000				\$85,000
III. Operating Expenses																	
(Less) Operating Expenses			\$5,750 /Unit/Year		(\$23,000)		\$5,750 /Unit/Year		(\$23,000)		\$5,750 /Unit/Year		(\$23,000)		\$5,750 /Unit/Year		(\$23,000)
(Less) Property Taxes			\$7,750 /Unit/Year ⁽²⁾		(\$31,000)		\$5,750 /Unit/Year ⁽³⁾		\$0		\$5,750 /Unit/Year ⁽³⁾		\$0		\$5,750 /Unit/Year ⁽³⁾		\$0
(Less) Replacement Reserves			\$250 /Unit/Year		(\$1,000)		\$250 /Unit/Year		(\$1,000)		\$250 /Unit/Year		(\$1,000)		\$250 /Unit/Year		(\$1,000)
Total Operating Expenses			\$13,750 /Unit/Year		(\$55,000)		\$6,000 /Unit/Year		(\$24,000)		\$6,000 /Unit/Year		(\$24,000)		\$6,000 /Unit/Year		(\$24,000)
			32% of EGI				80% of EGI				46% of EGI				28% of EGI		
IV. Net Operating Income (NOI)					\$116,000				\$6,000				\$28,000				\$61,000

(1) Based on State of California Department of Housing and Community Development (HCD) 2022 income limits.

(2) Based on capitalized income approach; assumes a 1.00% tax rate and 3.75% cap rate.

(3) Assumes project will qualify for tax-exempt status.

TABLE G-4

RESIDUAL LAND VALUE
 AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYSIS
 CITY OF DEL MAR

CIVIC CENTER - STANDALONE PROJECT									
All Market-Rate			100% Affordable without Tax Credits						
100% Market-Rate			100% @ 30% AMI		100% @ 50% AMI		100% @ 80% AMI		
I. Capitalized Value Upon Completion									
Stabilized Net Operating Income		\$116,000		\$6,000		\$28,000		\$61,000	
Capitalization Rate @		3.75%		4.00%		4.00%		4.00%	
Capitalized Value Upon Completion	\$773,000 /Unit	\$3,093,000	\$38,000 /Unit	\$150,000	\$175,000 /Unit	\$700,000	\$381,000 /Unit	\$1,525,000	
(Less) Cost of Sale	2.0% of Value	(\$62,000)	2.0% of Value	(\$3,000)	2.0% of Value	(\$14,000)	2.0% of Value	(\$31,000)	
(Less) Target Developer Profit	10.0% of Value	<u>(\$309,000)</u>	10.0% of Value	<u>(\$15,000)</u>	10.0% of Value	<u>(\$70,000)</u>	10.0% of Value	<u>(\$153,000)</u>	
II. Net Sales Proceeds		\$2,722,000		\$132,000		\$616,000		\$1,341,000	
(Less) Development Costs		<u>(\$1,837,800)</u>		<u>(\$1,840,000)</u>		<u>(\$1,840,000)</u>		<u>(\$1,840,000)</u>	
III. Residual Land Value		\$884,000		(\$1,708,000)		(\$1,224,000)		(\$499,000)	
Per Unit		\$221,000		(\$427,000)		(\$306,000)		(\$125,000)	
Per SF Site		\$203		(\$392)		(\$281)		(\$115)	

Supporting Worksheets

Affordable Housing Financial Feasibility Analysis City of Del Mar

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WORKSHEET 1

**ESTIMATE OF PERMITS & FEES
AFFORDABLE HOUSING FEASIBILITY ANALYSIS
CITY OF DEL MAR**

	1A	1B	1A + 2	1B + 2	1C	2	3
	Fairgrounds w/Family Housing Standalone Project	Fairgrounds w/Family Housing Standalone Project	Fairgrounds and 28th Street w/Family Housing - Scattered Sites	Fairgrounds and 28th Street w/Family Housing - Scattered Sites	Fairgrounds w/Senior Housing Standalone Project	28th Street Standalone Project	Civic Center Standalone Project

I. Project Description

Acres	1.0 Acre	1.5 Acres	1.0 Acre	1.5 Acres	1.5 Acres	0.06 Acres	0.10 Acres
Gross Building Area	48,626 SF	76,619 SF	48,626 SF	76,619 SF	53,397 SF	1,989 SF	3,109 SF
Number of Units	54 Units	80 Units	57 Units	83 Units	78 Units	3 Units	4 Units

II. Estimate of Permits & Fees

Building Permit Fee	\$82.00 /SF ⁽¹⁾	\$3,987,332	\$6,282,758	\$3,987,332	\$6,282,758	\$4,378,554	\$163,098	\$254,938
Construction License Tax	\$0.35 /SF	\$17,019	\$26,817	\$17,019	\$26,817	\$18,689	\$696	\$1,088
RTCIP	\$2,583.82 /Unit	\$139,526	\$206,706	\$147,278	\$214,457	\$201,538	\$7,751	\$10,335
SMIP Fee ⁽²⁾	\$0.10 /1,000 SF	\$4.86	\$7.66	\$4.86	\$7.66	\$5.34	\$0.50	\$0.50
School District Fees ⁽³⁾	\$3.94 /SF	<u>\$191,586</u>	<u>\$301,879</u>	<u>\$191,586</u>	<u>\$301,879</u>	<u>\$210,384</u>	<u>\$7,837</u>	<u>\$12,249</u>

III. Subtotal Permits & Fees

	\$4,335,469	\$6,818,167	\$4,343,220	\$6,825,918	\$4,809,170	\$179,383	\$278,611
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IV. Add: Contingency @

0.0% of Subtotal	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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V. Total Permits & Fees

	\$4,335,469	\$6,818,167	\$4,343,220	\$6,825,918	\$4,809,170	\$179,383	\$278,611
Per Unit	\$80,300	\$85,200	\$76,200	\$82,200	\$61,700	\$59,800	\$69,700
Per SF GBA	\$89	\$89	\$89	\$89	\$90	\$90	\$90

(1) Reflects rate for Apartment Houses with Type V (Wood Frame) construction.

(2) SMIP = Strong Motion Instrumentation & Seismic Hazard Mapping Fee. Minimum fee of \$0.50.

(3) Does not apply to units that are under 500 SF in size.

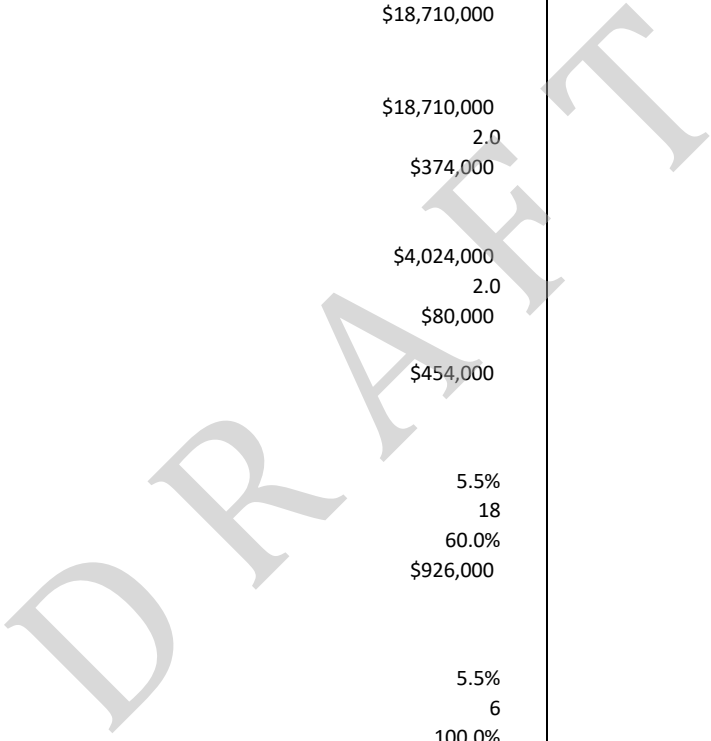
WORKSHEET 2

FINANCING COST ASSUMPTIONS - 100% AFFORDABLE WITH TAX CREDITS
 AFFORDABLE HOUSING FEASIBILITY ANALYSIS
 CITY OF DEL MAR

1A

FAIRGROUNDS WITH FAMILY HOUSING - STANDALONE PROJECT
All Affordable with Tax Credits

	9% Tax Credits	4% Tax Credits
I. Loan Fees		
Eligible Basis		\$29,430,000
Add: Land		<u>\$0</u>
Aggregate Basis		\$29,430,000
Minimum Required Tax-Exempt Bond		55% \$16,187,000
Permanent Loan	\$4,024,000	
Tax Credit Proceeds @ Permanent Loan	75% <u>\$14,686,000</u>	
Construction Loan Amount	\$18,710,000	
<u>Construction Loan Fees:</u>		
Loan Amount	\$18,710,000	\$16,187,000
Points / Issuance Costs	2.0	6.0
Total Loan Fees	\$374,000	\$971,000
<u>Permanent Loan Fees:</u>		
Loan Amount	\$4,024,000	
Loan Points	2.0	
Permanent Loan Fees	\$80,000	
Total Loan Fees	\$454,000	\$971,000
II. Interest During Construction		
Interest Rate	5.5%	4.5%
Term (Months)	18	18
Average Balance Out	60.0%	60.0%
Interest During Construction	\$926,000	\$656,000
III. Interest During Lease-Up		
Interest Rate	5.5%	4.5%
Term (Months)	6	6
Average Balance Out	100.0%	100.0%
Interest During Lease-Up	\$515,000	\$364,000
IV. TCAC Fees		
Application Fee	\$2,000	\$2,000
Compliance Monitoring Fee	\$410 /Unit \$22,000	\$410 /Unit \$22,000
One Year of Tax Credit Value @	4.0% <u>\$90,000</u>	4.0% <u>\$72,000</u>
Total TCAC Fees	\$114,000	\$96,000
Syndication Fees	<u>\$75,000</u>	<u>\$75,000</u>
Total TCAC/Syndication Fees	\$189,000	\$171,000
V. Operating Lease-Up/Reserves		
Operating Expenses	\$373,800 @ 3 Mo. \$93,000	\$406,000 @ 3 Mo. \$102,000
Debt Service	\$259,304 @ 3 Mo. \$65,000	\$220,000 @ 3 Mo. \$55,000
10% of Operating Expenses	10.0% <u>\$37,000</u>	10.0% <u>\$41,000</u>
Total Operating Reserves	\$195,000	\$198,000



WORKSHEET 2

FINANCING COST ASSUMPTIONS - 100% AFFORDABLE WITH TAX CREDITS
 AFFORDABLE HOUSING FEASIBILITY ANALYSIS
 CITY OF DEL MAR

1B

FAIRGROUNDS WITH FAMILY HOUSING - STANDALONE PROJECT

All Affordable with Tax Credits

	9% Tax Credits	4% Tax Credits
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I. Loan Fees

Eligible Basis		\$54,010,000
Add: Land		<u>\$0</u>
Aggregate Basis		\$54,010,000
Minimum Required Tax-Exempt Bond	55%	\$29,706,000

Permanent Loan	\$6,969,000	
Tax Credit Proceeds @ Permanent Loan	75%	<u>\$18,432,000</u>
Construction Loan Amount		\$25,401,000

Construction Loan Fees:

Loan Amount	\$25,401,000	\$29,706,000
Points / Issuance Costs	2.0	6.0
Total Loan Fees	\$508,000	\$1,782,000

Permanent Loan Fees:

Loan Amount	\$6,969,000	
Loan Points	2.0	
Permanent Loan Fees	\$139,000	
Total Loan Fees	\$647,000	\$1,782,000

II. Interest During Construction

Interest Rate	5.5%	4.5%
Term (Months)	18	18
Average Balance Out	60.0%	60.0%
Interest During Construction	\$1,257,000	\$1,203,000

III. Interest During Lease-Up

Interest Rate	5.5%	4.5%
Term (Months)	6	6
Average Balance Out	100.0%	100.0%
Interest During Lease-Up	\$699,000	\$668,000

IV. TCAC Fees

Application Fee		\$2,000		\$2,000
Compliance Monitoring Fee	\$410 /Unit	\$33,000	\$410 /Unit	\$33,000
One Year of Tax Credit Value @	4.0%	<u>\$124,000</u>	4.0%	<u>\$112,000</u>
Total TCAC Fees		\$159,000		\$147,000
Syndication Fees		<u>\$75,000</u>		<u>\$75,000</u>
Total TCAC/Syndication Fees		\$234,000		\$222,000

V. Operating Lease-Up/Reserves

Operating Expenses	\$548,000 @ 3 Mo.	\$137,000	\$568,000 @ 3 Mo.	\$142,000
Debt Service	\$431,304 @ 3 Mo.	\$108,000	\$384,348 @ 3 Mo.	\$96,000
10% of Operating Expenses	10.0%	<u>\$55,000</u>	10.0%	<u>\$57,000</u>
Total Operating Reserves		\$300,000		\$295,000

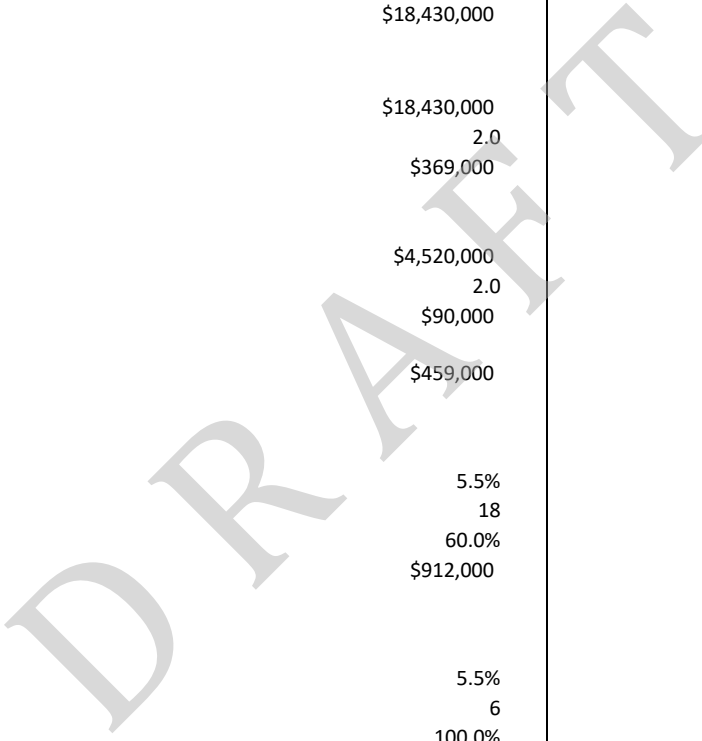
WORKSHEET 2

FINANCING COST ASSUMPTIONS - 100% AFFORDABLE WITH TAX CREDITS
 AFFORDABLE HOUSING FEASIBILITY ANALYSIS
 CITY OF DEL MAR

1A + 2

FAIRGROUNDS WITH 28TH STREET FAMILY HOUSING - SCATTERED SITES
All Affordable with Tax Credits

	9% Tax Credits	4% Tax Credits
I. Loan Fees		
Eligible Basis		\$35,214,000
Add: Land		<u>\$0</u>
Aggregate Basis		\$35,214,000
Minimum Required Tax-Exempt Bond		55% \$19,368,000
Permanent Loan	\$4,520,000	
Tax Credit Proceeds @ Permanent Loan	75% <u>\$13,910,000</u>	
Construction Loan Amount	\$18,430,000	
<u>Construction Loan Fees:</u>		
Loan Amount	\$18,430,000	\$19,368,000
Points / Issuance Costs	2.0	6.0
Total Loan Fees	\$369,000	\$1,162,000
<u>Permanent Loan Fees:</u>		
Loan Amount	\$4,520,000	
Loan Points	2.0	
Permanent Loan Fees	\$90,000	
Total Loan Fees	\$459,000	\$1,162,000
II. Interest During Construction		
Interest Rate	5.5%	4.5%
Term (Months)	18	18
Average Balance Out	60.0%	60.0%
Interest During Construction	\$912,000	\$784,000
III. Interest During Lease-Up		
Interest Rate	5.5%	4.5%
Term (Months)	6	6
Average Balance Out	100.0%	100.0%
Interest During Lease-Up	\$507,000	\$436,000
IV. TCAC Fees		
Application Fee	\$2,000	\$2,000
Compliance Monitoring Fee	\$410 /Unit \$23,000	\$410 /Unit \$23,000
One Year of Tax Credit Value @	4.0% <u>\$82,000</u>	4.0% <u>\$73,000</u>
Total TCAC Fees	\$107,000	\$98,000
Syndication Fees	<u>\$75,000</u>	<u>\$75,000</u>
Total TCAC/Syndication Fees	\$182,000	\$173,000
V. Operating Lease-Up/Reserves		
Operating Expenses	\$396,000 @ 3 Mo. \$99,000	\$429,000 @ 3 Mo. \$107,000
Debt Service	\$291,304 @ 3 Mo. \$73,000	\$233,043 @ 3 Mo. \$58,000
10% of Operating Expenses	10.0% <u>\$40,000</u>	10.0% <u>\$43,000</u>
Total Operating Reserves	\$212,000	\$208,000



WORKSHEET 2

FINANCING COST ASSUMPTIONS - 100% AFFORDABLE WITH TAX CREDITS
 AFFORDABLE HOUSING FEASIBILITY ANALYSIS
 CITY OF DEL MAR

1B + 2

FAIRGROUNDS WITH 28TH STREET FAMILY HOUSING - SCATTERED SITES

All Affordable with Tax Credits

	9% Tax Credits	4% Tax Credits
--	----------------	----------------

I. Loan Fees

Eligible Basis		\$55,922,000
Add: Land		<u>\$0</u>
Aggregate Basis		\$55,922,000
Minimum Required Tax-Exempt Bond	55%	\$30,757,000

Permanent Loan	\$6,922,000
Tax Credit Proceeds @ Permanent Loan	75% <u>\$21,038,000</u>
Construction Loan Amount	\$27,960,000

Construction Loan Fees:

Loan Amount	\$27,960,000	\$30,757,000
Points / Issuance Costs	2.0	6.0
Total Loan Fees	\$559,000	\$1,845,000

Permanent Loan Fees:

Loan Amount	\$6,922,000	
Loan Points	2.0	
Permanent Loan Fees	\$138,000	
Total Loan Fees	\$697,000	\$1,845,000

II. Interest During Construction

Interest Rate	5.5%	4.5%
Term (Months)	18	18
Average Balance Out	60.0%	60.0%
Interest During Construction	\$1,384,000	\$1,246,000

III. Interest During Lease-Up

Interest Rate	5.5%	4.5%
Term (Months)	6	6
Average Balance Out	100.0%	100.0%
Interest During Lease-Up	\$769,000	\$692,000

IV. TCAC Fees

Application Fee		\$2,000		\$2,000
Compliance Monitoring Fee	\$410 /Unit	\$34,000	\$410 /Unit	\$34,000
One Year of Tax Credit Value @	4.0%	<u>\$128,000</u>	4.0%	<u>\$116,000</u>
Total TCAC Fees		\$164,000		\$152,000
Syndication Fees		<u>\$75,000</u>		<u>\$75,000</u>
Total TCAC/Syndication Fees		\$239,000		\$227,000

V. Operating Lease-Up/Reserves

Operating Expenses	\$568,000 @ 3 Mo.	\$142,000	\$614,000 @ 3 Mo.	\$154,000
Debt Service	\$446,087 @ 3 Mo.	\$112,000	\$376,522 @ 3 Mo.	\$94,000
10% of Operating Expenses	10.0%	<u>\$57,000</u>	10.0%	<u>\$61,000</u>
Total Operating Reserves		\$311,000		\$309,000

WORKSHEET 2

FINANCING COST ASSUMPTIONS - 100% AFFORDABLE WITH TAX CREDITS
 AFFORDABLE HOUSING FEASIBILITY ANALYSIS
 CITY OF DEL MAR

1C

FAIRGROUNDS WITH SENIOR HOUSING - STANDALONE			
All Affordable with Tax Credits			
	9% Tax Credits		4% Tax Credits
I. Loan Fees			
Eligible Basis			\$40,946,000
Add: Land			<u>\$0</u>
Aggregate Basis			\$40,946,000
Minimum Required Tax-Exempt Bond		55%	\$22,520,000
Permanent Loan			\$5,546,000
Tax Credit Proceeds @ Permanent Loan	75%		<u>\$15,696,000</u>
Construction Loan Amount			\$21,242,000
<u>Construction Loan Fees:</u>			
Loan Amount	\$21,242,000		\$22,520,000
Points / Issuance Costs	2.0		6.0
Total Loan Fees	\$425,000		\$1,351,000
<u>Permanent Loan Fees:</u>			
Loan Amount	\$5,546,000		
Loan Points	2.0		
Permanent Loan Fees	\$111,000		
Total Loan Fees	\$536,000		\$1,351,000
II. Interest During Construction			
Interest Rate	5.5%		4.5%
Term (Months)	18		1800.0%
Average Balance Out	60.0%		60.0%
Interest During Construction	\$1,051,000		\$912,000
III. Interest During Lease-Up			
Interest Rate	5.5%		4.5%
Term (Months)	600.0%		600.0%
Average Balance Out	100.0%		100.0%
Interest During Lease-Up	\$584,000		\$507,000
IV. TCAC Fees			
Application Fee		\$2,000	\$2,000
Compliance Monitoring Fee	\$410 /Unit	\$32,000	\$410 /Unit \$32,000
One Year of Tax Credit Value @	4.0%	<u>\$96,000</u>	4.0% <u>\$85,160</u>
Total TCAC Fees		\$130,000	\$119,160
Syndication Fees		<u>\$75,000</u>	<u>\$75,000</u>
Total TCAC/Syndication Fees		\$205,000	\$194,160
V. Operating Lease-Up/Reserves			
Operating Expenses	\$517,000 @ 3 Mo.	\$129,000	\$559,000 @ 3 Mo. \$140,000
Debt Service	\$357,391 @ 3 Mo.	\$89,000	\$291,304 @ 3 Mo. \$73,000
10% of Operating Expenses	10.0%	<u>\$52,000</u>	10.0% <u>\$56,000</u>
Total Operating Reserves		\$270,000	\$269,000

WORKSHEET 3

**ESTIMATE OF AFFORDABLE RENTS - 30% AMI, 2022
AFFORDABLE HOUSING FEASIBILITY ANALYSIS
CITY OF DEL MAR**

Number of Bedrooms	1	2	3
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A. City of Del Mar

Percent of AMI	30%	30%	30%
Assumed Family Size	2.0	3.0	4.0
Household Income (1)	\$25,665	\$28,860	\$32,070
Income Allocation to Housing	30%	30%	30%
Monthly Housing Cost	\$642	\$722	\$802
(Less) Utility Allowance (1)	<u>(\$62)</u>	<u>(\$80)</u>	<u>(\$97)</u>
Maximum Monthly Rent	\$580	\$642	\$705

(1) State of California Department of Housing and Community Development (HCD) 2022 income limits.

(2) Reflects County of San Diego utility allowances, as of December 1, 2021.

<u>Monthly Utility</u>	<u>One</u>	<u>Two</u>	<u>Three</u>
Electric Heating	\$9	\$12	\$14
Electric Cooking	\$5	\$7	\$8
Other Electric	\$29	\$37	\$45
Electric Water Heating	<u>\$19</u>	<u>\$24</u>	<u>\$30</u>
Total	\$62	\$80	\$97

WORKSHEET 4

**ESTIMATE OF AFFORDABLE RENTS - 50% AMI, 2022
AFFORDABLE HOUSING FEASIBILITY ANALYSIS
CITY OF DEL MAR**

Number of Bedrooms	1	2	3
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A. City of Del Mar

Percent of AMI	50%	50%	50%
Assumed Family Size	2.0	3.0	4.0
Household Income ⁽¹⁾	\$42,775	\$48,100	\$53,450
Income Allocation to Housing	30%	30%	30%
Monthly Housing Cost	\$1,069	\$1,203	\$1,336
(Less) Utility Allowance ⁽²⁾	<u>(\$62)</u>	<u>(\$80)</u>	<u>(\$97)</u>

Maximum Monthly Rent	\$1,007	\$1,123	\$1,239
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B. Low Income Housing Tax Credit (LIHTC) Program

Percent of AMI	50%	50%	50%
Assumed Family Size	1.5	3.0	4.5
Household Income ⁽³⁾	\$48,800	\$58,550	\$67,675
Income Allocation to Housing	30%	30%	30%
Monthly Housing Cost ⁽⁴⁾	\$1,220	\$1,463	\$1,691
(Less) Utility Allowance ⁽²⁾	<u>(\$62)</u>	<u>(\$80)</u>	<u>(\$97)</u>

Maximum Monthly Rent	\$1,158	\$1,383	\$1,594
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C. Maximum Monthly Rent	\$1,007	\$1,123	\$1,239
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(1) State of California Department of Housing and Community Development (HCD) 2022 income limits.

(2) Reflects County of San Diego utility allowances, as of December 1, 2021.

<u>Monthly Utility</u>	<u>One</u>	<u>Two</u>	<u>Three</u>
Electric Heating	\$9	\$12	\$14
Electric Cooking	\$5	\$7	\$8
Other Electric	\$29	\$37	\$45
Electric Water Heating	<u>\$19</u>	<u>\$24</u>	<u>\$30</u>
Total	\$62	\$80	\$97

(3) California Tax Credit Allocation Committee 2022 maximum income levels for projects placed in service on or after April 18, 2022.

(4) California Tax Credit Allocation Committee 2022 maximum rents for projects placed in service on or after April 18, 2022.

WORKSHEET 5

**ESTIMATE OF AFFORDABLE RENTS - 60% AMI, 2022
AFFORDABLE HOUSING FEASIBILITY ANALYSIS
CITY OF DEL MAR**

Number of Bedrooms	1	2	3
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A. City of Del Mar

Percent of AMI	60%	60%	60%
Assumed Family Size	2.0	3.0	4.0
Household Income ⁽¹⁾	\$51,330	\$57,720	\$64,140
Income Allocation to Housing	30%	30%	30%
Monthly Housing Cost	\$1,283	\$1,443	\$1,604
(Less) Utility Allowance ⁽²⁾	<u>(\$62)</u>	<u>(\$80)</u>	<u>(\$97)</u>

Maximum Monthly Rent	\$1,221	\$1,363	\$1,507
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B. Low Income Housing Tax Credit (LIHTC) Program

Percent of AMI	60%	60%	60%
Assumed Family Size	1.5	3.0	4.5
Household Income ⁽³⁾	\$58,560	\$70,260	\$81,210
Income Allocation to Housing	30%	30%	30%
Monthly Housing Cost ⁽⁴⁾	\$1,464	\$1,756	\$2,030
(Less) Utility Allowance ⁽²⁾	<u>(\$62)</u>	<u>(\$80)</u>	<u>(\$97)</u>

Maximum Monthly Rent	\$1,402	\$1,676	\$1,933
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C. Maximum Monthly Rent	\$1,221	\$1,363	\$1,507
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(1) State of California Department of Housing and Community Development (HCD) 2022 income limits.

(2) Reflects County of San Diego utility allowances, as of December 1, 2021.

<u>Monthly Utility</u>	<u>One</u>	<u>Two</u>	<u>Three</u>
Electric Heating	\$9	\$12	\$14
Electric Cooking	\$5	\$7	\$8
Other Electric	\$29	\$37	\$45
Electric Water Heating	<u>\$19</u>	<u>\$24</u>	<u>\$30</u>
Total	\$62	\$80	\$97

(3) California Tax Credit Allocation Committee 2022 maximum income levels for projects placed in service on or after April 18, 2022.

(4) California Tax Credit Allocation Committee 2022 maximum rents for projects placed in service on or after April 18, 2022.

WORKSHEET 6

ESTIMATE OF AFFORDABLE RENTS - 80% AMI, 2022
 AFFORDABLE HOUSING FEASIBILITY ANALYSIS
 CITY OF DEL MAR

Number of Bedrooms	1	2	3
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A. City of Del Mar

Percent of AMI	80%	80%	80%
Assumed Family Size	2.0	3.0	4.0
Household Income (1)	\$68,440	\$76,960	\$85,520
Income Allocation to Housing	30%	30%	30%
Monthly Housing Cost	\$1,711	\$1,924	\$2,138
(Less) Utility Allowance (2)	<u>(\$62)</u>	<u>(\$80)</u>	<u>(\$97)</u>
Maximum Monthly Rent	\$1,649	\$1,844	\$2,041

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(1) Reflects County of San Diego utility allowances, as of December 1, 2021.

<u>Monthly Utility</u>	<u>One</u>	<u>Two</u>	<u>Three</u>
Electric Heating	\$9	\$12	\$14
Electric Cooking	\$5	\$7	\$8
Other Electric	\$29	\$37	\$45
Electric Water Heating	<u>\$19</u>	<u>\$24</u>	<u>\$30</u>
Total	\$62	\$80	\$97

WORKSHEET 7

SURVEY OF MULTI-FAMILY LAND SALES, JANUARY 2018 TO PRESENT ⁽¹⁾
AFFORDABLE HOUSING FEASIBILITY ANALYSIS
CITY OF DEL MAR

<u>Sale Date</u>	<u>Address</u>	<u>City</u>	<u>Land</u>		<u>\$/SF</u>	<u>Buyer (True) Company</u>	<u>Proposed Use</u>
			<u>Sale Price</u>	<u>Acres</u>			
4/4/2019	777-793 2nd St	Encinitas	\$2,950,000	0.23	\$290	ABP Capital LLC	Commercial, Mixed Use, MultiFamily, Office
8/15/2018	2646 State St	Carlsbad	\$2,500,000	0.25	\$230	Tao Yu	Apartment Units, MultiFamily
5/4/2021	215 Oceanside Blvd	Oceanside	\$1,300,000	0.13	\$230	--	Apartment Units, MultiFamily
8/19/2021	654 N Coast Highway 101	Encinitas	\$5,900,000	0.63	\$215	Saeed Shahri	MultiFamily
12/21/2021	2690 Roosevelt St	Carlsbad	\$3,850,000	0.44	\$201	Randolf Cherewick	MultiFamily
2/1/2019	1909 S Myers St	Oceanside	\$3,350,000	0.42	\$183	Mark McCord	Apartment Units
5/17/2018	3068-3080 State St	Carlsbad	\$3,300,000	0.41	\$183	Del Mar Alliance	Apartment Units - Condo, Mixed Use, MultiFamily
4/15/2022	2646 State St	Carlsbad	\$1,690,000	0.25	\$155	--	Apartment Units, MultiFamily
1/22/2020	570-580 Laguna Dr	Carlsbad	\$5,000,000	0.75	\$154	Brett Farrow	Apartment Units, Mixed Use, Office
4/2/2018	Roosevelt St	Carlsbad	\$3,000,000	0.47	\$147	Scott Lissoy	MultiFamily
8/31/2018	301-307 West St	Oceanside	\$1,300,000	0.23	\$130	Hall Land Company Inc	MultiFamily
10/2/2019	328 S Coast Hwy	Oceanside	\$1,300,000	0.23	\$129	Blumkin Family Trust	MultiFamily, Retail
1/2/2019	438 Tamarack Ave	Carlsbad	\$1,960,000	0.39	\$117	Michael Fulton	MultiFamily
8/19/2021	1016 Costa Pacifica Way	Oceanside	\$8,104,000	1.67	\$112	Wood Residential Services	Apartment Units, Mixed Use, MultiFamily, Retail
5/1/2018	150 S Myers St	Oceanside	\$1,000,000	0.21	\$111	BS Products, Inc.	MultiFamily
9/12/2018	700 Stevens Ave	Solana Beach	\$2,800,000	0.67	\$97	The City of Solana Beach	Mixed Use, MultiFamily, Retail
2/5/2021	2951 Manchester Ave	Cardiff By The Sea	\$1,087,500	1.10	\$23	Floit Properties, Inc.	MultiFamily
1/29/2020	504 S The Strand	Oceanside	--	0.11	--	--	Apartment Units
			Minimum	\$1,000,000	0.11	\$23	
			Maximum	\$8,104,000	1.67	\$290	
			Median	\$2,800,000	0.40	\$154	
			Average	\$2,964,206	0.48	\$159	

(1) Reflects land sold in the cities of Del Mar, Oceanside, Solana Beach, and Encinitas. Excludes properties east of the I-5.

Source: CoStar Group, April 2022.

WORKSHEET 8

SURVEY OF APARTMENT RENTS, NORTH COASTAL CITIES (1)
AFFORDABLE HOUSING FEASIBILITY ANALYSIS
CITY OF DEL MAR

Property Name	Property Address	City	Number of Stories	Studio			One Bedroom			Two Bedroom			Three Bedroom			All Units - Total/Averages					
				SF	Monthly Rent (2)	Rent/SF	SF	Monthly Rent (2)	Rent/SF	SF	Monthly Rent (2)	Rent/SF	SF	Monthly Rent (2)	Rent/SF	Total	Monthly SF	Monthly Rent (2)	Monthly Rent/SF	Vacancy Rate	Year Built
Elan Sandpiper	833 S Cedros Ave	Solana Beach	2	400	\$2,104	\$5.26	700	\$2,639	\$3.77	---	---	---	---	---	---	54	411	\$2,063	\$5.02	---	1973
Elan Beachhouse	2515 Camino Del Mar	Del Mar	2	---	---	---	750	\$3,668	\$4.89	980	\$4,067	\$4.15	---	---	---	14	783	\$3,727	\$4.76	5.8%	2013
One Paseo Living	3200 Paseo Village Way	San Diego	5	---	---	---	769	\$3,891	\$5.06	\$1,114	\$5,113	\$4.59	1,441	\$6,052	\$4.20	608	974	\$4,597	\$4.72	1.3	2019
SOLA	13385 Highlands Pl	San Diego	4	456	\$2,362	\$5.18	741	\$3,305	\$4.46	1,102	\$4,210	\$3.82	1,287	\$5,122	3.98	252	940	\$3,816	\$4.06	2.5%	2018
The Beach Colony	2821 Camino Del Mar	Del Mar	2	---	---	---	730	\$2,694	\$3.69	966	\$3,313	\$3.43	---	---	---	86	702	\$2,738	\$3.90	---	1968
Solana Mar Apartments	309 N Solana Hills Dr	Solana Beach	2	450	\$2,196	\$4.88	608	\$2,408	\$3.96	1,000	\$3,110	\$3.11	---	---	---	124	673	\$2,510	\$3.73	---	1975
Village Apartments	3642 Village Dr	Carlsbad	1	---	---	---	706	\$2,669	\$3.78	---	---	---	---	---	---	98	705	\$2,630	\$3.73	0.0%	1962
Pierside South	115 N Cleveland St	Oceanside	7	570	\$2,297	\$4.03	840	\$3,083	\$3.67	1,201	\$3,843	\$3.20	---	---	---	110	902	\$3,265	\$3.62	---	2018
Altura	11921 Carmel Creek Rd	San Diego	3	---	---	---	845	\$3,405	\$4.03	1,141	\$4,313	\$3.78	1,729	\$5,239	3.03	181	1,179	\$4,268	\$3.62	---	2017
Pierside	250 Mission Ave	Oceanside	4	674	\$2,379	\$3.53	738	\$2,871	\$3.89	1,035	\$3,447	\$3.33	---	---	---	66	852	\$3,076	\$3.61	---	2016
Ocean Crest Apartments	873 Stevens Ave	Solana Beach	3	690	\$2,953	\$4.28	894	\$3,192	\$3.57	1,012	\$3,532	\$3.49	---	---	---	146	947	\$3,324	\$3.51	2.0%	1986
Avino	5040 Camino San Fermin	San Diego	2	---	---	---	774	\$2,709	\$3.50	1,070	\$3,713	\$3.47	1,266	\$4,254	3.36	279	1,080	\$3,704	\$3.43	0.0%	2016
Carlsbad Coast	357 Chestnut Ave	Carlsbad	2	---	---	---	380	\$2,227	\$5.86	900	\$2,385	\$2.65	---	---	---	72	680	\$2,326	\$3.42	---	1974
San Katrina Apartments	336 Pine Ave	Carlsbad	2	575	\$2,294	\$3.99	650	\$2,594	\$3.99	887	\$2,688	\$3.03	---	---	---	50	770	\$2,610	\$3.39	1.7%	1985
Bella Del Mar	14031 Mango Dr	Del Mar	2	---	---	---	765	\$2,915	\$3.81	1,027	\$3,389	\$3.30	---	---	---	60	1,010	\$3,353	\$3.32	---	1981
Torrey Gardens	10625 Calle Mar De Mariposa	San Diego	1	---	---	---	830	\$2,681	\$3.23	1,132	\$3,487	\$3.08	1,203	\$4,090	3.40	384	993	\$3,178	\$3.20	2.1%	2014
SALT	371 N Cleveland St	Oceanside	1	---	---	---	781	\$2,554	\$3.27	1,186	\$3,534	\$2.98	---	---	---	52	909	\$2,882	\$3.17	0.0%	2019
The Terraces at Del Mar	526 Camino Del Mar	Del Mar	2	400	\$1,904	\$4.76	749	\$2,232	\$2.98	1,100	\$2,684	\$2.44	---	---	---	53	769	\$2,292	\$2.98	2.6%	1961
The Village	415 Grant St	Oceanside	2	---	---	---	---	---	---	650	\$1,905	\$2.93	---	---	---	86	650	\$1,918	\$2.95	---	1953
Silverado Senior Community	805 Valley Ave	Solana Beach	2	---	---	---	560	\$1,652	\$2.95	---	---	---	---	---	---	80	560	\$1,652	\$2.95	---	1986
Ocean Breeze Senior Village	960 Vine St	Oceanside	3	437	\$1,394	\$3.19	500	\$1,470	\$2.94	---	---	---	---	---	---	130	499	\$1,462	\$2.93	2.8%	1985
Ocean Air	10500 W Ocean Air Dr	San Diego	3	---	---	---	1,075	\$3,204	\$2.98	1,210	\$3,642	\$3.01	1,497	\$4,222	2.82	100	1,326	\$3,845	\$2.90	---	2015
Solana Highlands	701 S Nardo Ave	Solana Beach	2	---	---	---	689	\$2,163	\$3.14	917	\$2,494	\$2.72	1,050	\$3,192	\$3.04	194	824	\$2,381	\$2.89	0.5%	1971
Los Arboles Apartments	201 4th St	Del Mar	3	---	---	---	739	\$2,786	\$3.77	1,045	\$2,842	\$2.72	1,350	\$3,483	\$2.58	97	1,016	\$2,906	\$2.86	---	1970
Elan Sandcastle Shores Apartment Homes	315-395 Walnut Ave	Carlsbad	2	---	---	---	---	---	---	863	\$2,468	\$2.86	---	---	---	64	862	\$2,465	\$2.86	---	1986
Carlton by the Sea	295 Chestnut Ave	Carlsbad	2	580	\$1,746	\$3.01	630	\$1,814	\$2.88	1,100	\$2,486	\$2.26	---	---	---	52	680	\$1,890	\$2.78	10.3%	1964
The Arbors of Carlsbad	2601 Jefferson St	Carlsbad	2	---	---	---	640	\$1,958	\$3.06	920	\$2,420	\$2.63	1,050	\$2,667	\$2.54	58	895	\$2,399	\$2.68	---	1973
Jefferson House II Senior Apartments	2848 Jefferson St	Carlsbad	3	---	---	---	525	\$1,360	\$2.59	650	\$1,671	\$2.57	---	---	---	57	540	\$1,404	\$2.60	---	1988
Sandpointe Apartment Homes	450 Morse St	Oceanside	2	450	\$1,386	\$3.08	650	\$1,645	\$2.53	850	\$1,947	\$2.29	---	---	---	64	625	\$1,619	\$2.59	---	1973
Villas at Carlsbad	2600-2695 Kremeyer Cir	Carlsbad	2	329	\$2,181	\$6.63	---	---	---	987	\$2,438	\$2.47	---	---	---	102	984	\$2,490	\$2.53	---	1966
Elan Village North Apartments	854 Vine St	Oceanside	2	---	---	---	700	\$1,918	\$2.74	970	\$2,124	\$2.19	---	---	---	96	790	\$1,983	\$2.51	---	1989
Cardiff By The Sea	2170 Carol View Dr	Cardiff By The Sea	3	---	---	---	775	\$2,193	\$2.83	1,033	\$2,459	\$2.38	1,160	\$2,888	\$2.49	300	995	\$2,448	\$2.46	---	1986
Carmel Creek	11724 Carmel Creek Rd	San Diego	3	---	---	---	799	\$2,908	\$3.64	1,163	\$3,582	\$3.08	1,371	\$4,291	\$3.13	348	1,104	\$3,533	\$3.20	1.30%	2000
Del Mar Ridge	12629 El Camino Real	San Diego	4	---	---	---	894	\$3,049	\$3.41	1,314	\$3,574	\$2.72	1,425	\$4,090	\$2.87	181	1,240	\$3,546	\$2.86	0.30%	1998
The Village at Del Mar Heights Apartments	13138 Kellam Ct	San Diego	2	---	---	---	700	\$3,080	\$4.40	1,050	\$3,644	\$3.47	---	---	---	168	933	\$3,452	\$3.70	1.20%	1986
Torrey Hills	11026 W Ocean Air Dr	San Diego	3	---	---	---	797	\$2,981	\$3.74	1,076	\$3,540	\$3.29	1,255	\$4,430	\$3.53	340	980	\$3,381	\$3.45	1.20%	2000
Signature Point	13006 Signature Pt	San Diego	2	---	---	---	---	---	---	1,180	\$4,401	\$3.73	1,328	\$5,153	\$3.88	262	1,244	\$4,727	\$3.80	0.00%	2002
Torrey Ridge	4695 Torrey Cir	San Diego	3	---	---	---	881	\$3,057	\$3.47	1,174	\$3,698	\$3.15	1,584	\$4,530	\$2.86	430	1,102	\$3,537	\$3.21	0.23%	2001
The Club Torrey Pines	12646 Torrey Bluff Dr	San Diego	2	---	---	---	628	\$2,449	\$3.90	944	\$3,040	\$3.22	---	---	---	400	817	\$2,819	\$3.45	0.00%	1988
Torrey Villas	11100 Vista Sorrento Pky	San Diego	3	---	---	---	876	\$3,057	\$3.49	1,245	\$3,760	\$3.02	1,421	\$5,329	\$3.75	473	1,164	\$3,713	\$3.19	1.95%	2002
Magnolia Manor	673 Magnolia Ave	Carlsbad	1	---	---	---	---	---	---	---	---	---	---	---	---	54	---	---	---	0.00%	1977
BluWater Crossing	6790 Embarcadero Ln	Carlsbad	3	---	---	---	1,766	\$3,673	\$2.08	2,790	\$4,910	\$1.76	---	---	---	66	2,138	\$4,190	\$1.96	6.5%	2009
Minimum				329	\$1,386	\$3.01	380	\$1,360	\$2.08	650	\$1,671	\$1.76	1,050	\$2,667	\$2.49	14	411	\$1,404	\$1.96	0.0%	1953
Maximum				690	\$2,953	\$6.63	1,766	\$3,891	\$5.86	2,790	\$5,113	\$4.59	1,729	\$6,052	\$4.20	608	2,138	\$4,727	\$5.02	1.3%	2019
Median				453	\$2,189	\$4.16	741	\$2,694	\$3.57	1,045	\$3,447	\$3.03	1,339	\$4,272	\$3.09	99	902	\$2,882	\$3.20	0.0%	1986
Average				501	\$2,100	\$4.32	759	\$2,653	\$3.57	1,081	\$3,240	\$3.04	1,339	\$4,314	\$3.22	164	908	\$2,930	\$3.28	0.1%	1990

(1) Includes cities of San Diego, Del Mar, Oceanside, Solana Beach, Encinitas, and Cardiff By The Sea.

(2) Reflects effective rent.

Source: CoStar Group, Inc.

Prepared by: Keyser Marston Associates, Inc.
Filename: i:/Del Mar_Affordable Housing Feasibility Assessment_v3_06-08-2022;6/13/2022;mdt

LIMITING CONDITIONS

1. The analysis contained in this document is based, in part, on data from secondary sources such as state and local government, planning agencies, real estate brokers, and other third parties. While KMA believes that these sources are reliable, we cannot guarantee their accuracy.
2. The analysis assumes that neither the local nor national economy will experience a major recession. If an unforeseen change occurs in the economy, the conclusions contained herein may no longer be valid.
3. The findings are based on economic rather than political considerations. Therefore, they should be construed neither as a representation nor opinion that government approvals for development can be secured.
4. Development opportunities are assumed to be achievable during the specified time frame. A change in development schedule requires that the conclusions contained herein be reviewed for validity.
5. The analysis, opinions, recommendations and conclusions of this document are KMA's informed judgment based on market and economic conditions as of the date of this report. Due to the volatility of market conditions and complex dynamics influencing the economic conditions of the building and development industry, conclusions and recommended actions contained herein should not be relied upon as sole input for final business decisions regarding current and future development and planning.
6. Any estimates of development costs, capitalization rates, income and/or expense projections are based on the best available project-specific data as well as the experiences of similar projects. They are not intended to be projections of the future for the specific project. No warranty or representation is made that any of the estimates or projections will actually materialize.
7. KMA is not advising or recommending any action be taken by City with respect to any prospective, new or existing municipal financial products or issuance of municipal securities (including with respect to the structure, timing, terms and other similar matters concerning such financial products or issues).
8. KMA is not acting as a Municipal Advisor to the City and does not assume any fiduciary duty hereunder, including, without limitation, a fiduciary duty to the City pursuant to Section 15B of the Exchange Act with respect to the services provided hereunder and any information and material contained in KMA's work product.
9. The City shall discuss any such information and material contained in KMA's work product with any and all internal and/or external advisors and experts, including its own municipal advisors, that it deems appropriate before acting on the information and material.