

Appendix E: Phase I Feasibility Studies - Public Sites



City of Del Mar
Agenda Report

TO: Honorable Mayor and City Council Members

FROM: Amanda Lee, Principal Planner
Karen Brindley, Planning & Community Development Director
Via Ashley Jones, City Manager

DATE: June 13, 2022

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

REQUESTED ACTION/RECOMMENDATION:
Staff recommends the City Council receive a presentation of the Phase I Planning studies that were prepared in accordance with adopted Housing Element strategies for location of affordable housing on the State Fairgrounds and two vacant City-owned sites (10th Street and 28th Street); and provide feedback.

BACKGROUND
The City's 6th Cycle Housing Element (Housing Element), which was adopted in April 2021 and amended in December 2021, required preparation of planning studies to:

- Demonstrate that the State Fairgrounds and two City-owned sites, located at 28th Street and 10th Street, are adequate sites for affordable housing and are smart growth opportunity sites that can accommodate housing for lower income households near transit, quality schools, groceries, jobs, and governmental/health services.

- Facilitate implementation of the City's highest priority action program (Housing Element Program 3A) to secure an agreement with the State by December 2024 to allow for development of affordable housing on the State Fairgrounds property; and

- Help the City obtain final certification of the 6th Cycle Housing Element from the California Department of Housing and Community Development (HCD).

The City's Housing Element sets forth a plan to create opportunities for new affordable housing units to accommodate housing for at least 113 lower income households as assigned to the City for the current Housing Element cycle (2021-2029). This includes 101 lower income units that were assigned through the 6th Cycle Regional Housing Needs Assessment (RHNA) allocation process and an additional 12 low income units that were not met during the 5th Cycle and must also be accommodated. For reference, lower income households earn

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City Council Action:

NO ACTION TAKEN

no more than 80% of the San Diego County Area Median Income (AMI), which in 2022 corresponds to a maximum income of $89,800 for a one-person household.

The City's plan to meet its housing obligation includes a variety of strategies that focus on utilizing public land to accommodate at least 61 lower income units (54% of the total 113 lower income units required) and the remaining 52 affordable units through participation from private property owners. The City's initial focus on Housing Element implementation has involved feasibility studies that were initiated in November 2021 to help the City understand potential sizing and financing options for future affordable housing projects on the State Fairgrounds and two City-owned sites at 28th Street and the Civic Center (10th Street).

The "Phase I" planning studies were prepared by two consultant teams, Stephen Dalton Architects (SDA) and Keyser Marston Associates (KMA). The purpose of this agenda report is to share the findings of the studies and seek Council direction on next steps.

DISCUSSION:
The studies provide detail as to how the City can best achieve 61 lower income units on the publicly owned sites identified in the Housing Element sites inventory, including:

- How many affordable housing units could fit on the Fairgrounds (1 to 1.5 acres), the 10th Street lot at Civic Center (0.10 acre), and 28th Street lot (0.06 acre)
- Typical costs for development at a range of affordability types and unit mix
- The effect of "lost rent" when affordable units are included within a project
- Tax credit programs and other financing options for a prospective project

Attachment A includes information prepared by KMA explaining how affordable housing is typically created, who qualifies to live in it, definitions of key terms and concepts, typical costs, financing options, and the level of local financial contribution needed based on recent projects in the region, as well as economic analysis specific to Del Mar. KMA also provided a comparison of restricted affordable and market rate rents for north county coastal areas in San Diego County (April 2022). This information demonstrates the need for lower income "family housing" options based on data that shows average market rent for a 3-bedroom unit is $4,100, while the State's benchmark for restricted affordable rent of that same unit is $1,604 for a low income household and $1,336 for a very low income household.

The site-specific studies, zoning assessment and architectural concepts prepared by SDA are included in Attachments B through G and evaluate three site-specific project concepts for the Fairgrounds (Site studies 1A, 1B, and 1C) and one project concept for each of the City-owned lots (Site studies 2 and 3). These "concepts" are not intended as prospective architectural designs, rather, each site study identifies the general footprint for a potential affordable housing project that meets tax credit eligibility criteria and corresponding number of affordable units identified in the Housing Element as follows:

Location	Number of Units
State Fairgrounds	At least 54 lower income units, located on the southeasterly corner of Via de la Valle and Jimmy Durante Boulevard
28th Street Vacant Lot	3 lower income units
10th Street Civic Center Vacant Lot	4 lower income units

The SDA studies were used by KMA for the economic analysis, which considered various factors (i.e., construction costs, ongoing operating costs, and whether the market rate land value is enough to offset development cost) to provide the City with estimates of the public financial contribution that will be needed to develop affordable housing. KMA identified the comparative difference in feasibility for a 100% market rate project; mixed income project (with 20% of the units restricted at various ranges of area median income for low, very low, and extremely low income households); a 100% affordable housing project at various lower income levels without use of tax credits; and a 100% affordable housing project using tax credits (9% tax credit and 4% tax credit options). This included evaluation of potential eligibility for a "scattered sites" tax credit program (e.g., a housing project with the City-owned 28th Street lot in combination with the State Fairgrounds).

Following are the scenarios that were evaluated as potential options that can produce at least 61 lower income units on publicly owned sites:

State Fairgrounds site:

- 54-unit project (family housing) on a 1-acre site (Site scenario 1A)
- 80-unit (family housing) project on a 1.5 acre site (Site scenario 1B)
- 78-unit (senior housing) project on a 1.5 acre site (Site scenario 1C)

City-owned vacant sites (28th Street and Civic Center 10th Street):

- 3-unit project (family housing) on 28th Street lot (Site scenario 2)
- 4-unit project (family housing) on 10th Street Civic Center lot (Site scenario 3)

Scattered sites scenarios eligible for tax credits (Fairgrounds + 28th Street project):

- 57-unit family housing project (Site scenario 1A + 2)
- 83-unit family housing project (Site scenario 1B + 2)

Site scenarios 1A, 2, and 3 represent the number of lower income units the City must meet for the respective publicly owned site locations as identified in the Housing Element. These sites can be considered for development individually; or the unit count on the Fairgrounds site can be increased within one project as needed to reach at least 61 lower income units. If a project yields more than 61 lower income units on the Fairgrounds, it will reduce the remaining unit count needed on City-owned and/or privately-owned sites.

While the Fairgrounds was a primary focus of the studies, it is important to note that the City does not own or control development on State-owned property. The City's intent is to use the data collected and information provided through the Phase 1 planning studies to continue to

make progress toward facilitating an agreement with the State for housing development that aligns with State and local housing goals. The Phase I studies provide examples of potential projects as a starting point to facilitate additional Housing Element implementation efforts and will help inform future City Council decisions regarding Housing Element implementation as additional options for affordable housing in Del Mar are identified and considered.

The most significant takeaways of the studies include:

- Development of affordable housing will require a significant capital investment.
- The City should expect to contribute at least 20-25% of the total project funding.
- To address the financing gap for development of affordable housing in Del Mar, use of tax credit programs and Federal and State funding sources will be needed.
- Without tax credits or Federal/State funds, development of 100% affordable housing will require an additional cash subsidy that will vary depending on the unit income level restrictions (i.e., $119,000-$500,000 per unit for scenarios studied).

Next Steps

Fairgrounds staff along with the 22nd District Agricultural Association Board Housing Subcommittee liaisons were notified about the Council workshop and provided copies of the agenda packet. Following the Council workshop, City staff will set up a meeting with the Fairgrounds staff and Board and Council liaisons to discuss the findings of the studies and discuss next steps. The City is also in the process of completing a Request for Qualifications (RFQ) process to hire a consultant with expertise in affordable housing to assist with this critical project. Once on board, the consultant will be working with City staff to develop a comprehensive plan of action for how to best move forward with this project and ensure we meet the goals and timing that are identified in the City's Housing Element. We expect to return to Council with a plan in September following the Council's August meeting recess.

ATTACHMENTS:

Attachment A – KMA Report
Attachment B – SDA Report
Attachment C – SDA Exhibits Site Study 1A - Fairgrounds 1.0 acre (Family Housing)
Attachment D – SDA Exhibits Site Study 1B - Fairgrounds 1.5 acre (Family Housing)
Attachment E – SDA Exhibits Site Study 1C - Fairgrounds 1.5 acre (Senior Housing)
Attachment F – SDA Exhibits Site Study 2 - City-Owned 28th Street Lot (Family Housing)
Attachment G – SDA Exhibits Site Study 3 - City-Owned 10th Street Lot (Family Housing)

AFFORDABLE HOUSING

FINANCIAL FEASIBILITY ASSESSMENT

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Prepared for:

City of Del Mar

Prepared by:

Keyser Marston Associates, Inc.

June 2022

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I. INTRODUCTION

A. Objective

Keyser Marston Associates, Inc. (KMA) was engaged by the City of Del Mar (City) to prepare this Affordable Housing Financial Feasibility Assessment Study (Study) to address the feasibility of potential multi-family housing developments on publicly owned sites. The City is contemplating potential public/private partnerships to facilitate development of mixed-income or affordable housing on these sites. This Study presents the economic analysis prepared by KMA to estimate the magnitude of the public financial contribution that would be required to facilitate development of projects consisting of entirely affordable units (100%) and projects with a mix of affordable (20%) and market-rate units.

B. Methodology

KMA performed the following key work tasks in completing this Study.

1. Conducted a review of regional and local market trends for residential development.

2. Collected and reviewed third-party residential market data related to inventory, rental rates, and property values.

3. Assisted City staff and the City's urban design consultant, Stephen Dalton Architects (SDA), formulate project descriptions for potential development prototypes/sites.

4. Prepared financial pro forma models to estimate the residual land value generated by each residential prototype/site under four scenarios: (a) at 100% market-rate; (b) mixed-income; (c) 100% affordable without Low Income Housing Tax Credits (Tax Credits); and (d) 100% affordable with Tax Credits.

C. Organization of Report

This Study is organized into the following key sections:

- Following this introduction, Section II provides an overview of affordable housing programs and transactions.

- Section III presents the financial feasibility analysis for each housing development prototype prepared by SDA.

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- Section IV presents the outcomes of the financial feasibility analysis for each affordability/financing scenario analyzed by KMA.
- Section V presents the KMA key findings.
- Section VI presents limiting conditions pertaining to this Study.
- A glossary for select terms referenced in this Study is presented in the Appendix.

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II. OVERVIEW OF AFFORDABLE HOUSING PROGRAMS AND TRANSACTIONS

A. Affordable Housing Units Needed

Jurisdictions must revise their Housing Elements every eight years. The City adopted the 6th Cycle Housing Element Update (HEU) on March 25, 2021, obtained comments from the State of California Department of Housing and Community Development (HCD) in July 2021, and re-adopted the HEU in December 2021 with the revisions requested by HCD. The HEU plans for, and guides, the development of new housing opportunities within the City for the period 2021-2029. The HEU identifies potential locations and/or sites within the City for possible development of new housing opportunities in general, and lower income housing units in particular.

The City's plan for accommodating its regional share of dwelling units and associated household income levels must be defined in the HEU. It is derived from the Regional Housing Needs Assessments (RHNA), determined under the following process:

1. HCD develops a regional housing needs estimate for each region in California.

2. The State sends the estimate to the San Diego Association of Governments (SANDAG) for the regional allocation that is assigned to each jurisdiction based on adopted methodology.

3. The RHNA is adopted by the SANDAG Board of Directors.

4. The jurisdiction incorporates the allocation into the Housing Element and must demonstrate adequate site capacity that can accommodate development of the housing allocation in each income category.

The City's current RHNA estimate for the 6th Cycle is 175 total units, which is allocated as follows:

Table II-1: City of Del Mar - 6th Cycle Housing Element RHNA Allocation of Units

Income Level	Area Median Income (AMI)	Unit Count	Percent of Total
Very Low	Less than 50% of AMI	37 units	23%
Low	51% to 80% of AMI	76 units (1)	39%
Moderate	80% to 120% of AMI	31 units	19%
Above Moderate	Over 120% of AMI	31 units	19%
Total		175 units	100%

(1) Includes 12 low-income units allocated during the 5th Cycle Housing Element.

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B. Who Qualifies for Affordable Housing: Income and Rent Levels

Both the State and the Federal governments impose household income qualification and affordable housing cost standards for households living in affordable housing. These standards are all measured against the Area Median Income. For the City of Del Mar, the Area Median Income is based on San Diego County as a whole. Table II-2 illustrates the income standards in San Diego County for 2022.

Table II-2: Income Restrictions, 2022

Household Size	Very Low Income Less than 50% AMI	Low Income Between 51% and 80% AMI	Moderate Income Between 81% and 120% AMI
1 Person	$45,550	$72,900	$89,800
2 Persons	$52,050	$83,300	$102,650
3 Persons	$58,550	$93,700	$115,450
4 Persons	$65,050	$104,100	$128,300
5 Persons	$70,300	$112,450	$138,550

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

Comparatively, the affordable rent calculations are based on defined benchmarks for determining the allowable rents for very low-, low-, and moderate-income units. Table II-3 illustrates the affordable rents standards in San Diego County for 2022. For comparison purposes, Table II-3 also shows current average market rents for one-, two-, and three-bedroom units based on a survey of market-rate apartment complexes located in the North Coastal cities/communities of San Diego County.

Table II-3: Affordable and Market Rents, 2022

Unit Size	Restricted Rents, 2022 (1)(2)			Average Market Rents North Coastal Cities/Communities (3)
	Very Low Income 30% of 50% AMI	Low Income 30% of 60% AMI	Moderate Income 30% of 110% AMI	
Studio	$936	$1,123	$2,058	$2,100
1 Bedroom	$1,069	$1,283	$2,351	$2,600
2 Bedroom	$1,203	$1,443	$2,646	$3,100
3 Bedroom	$1,336	$1,604	$2,940	$4,100

(1) Based on established benchmarks defined in H&SC Section 50053.
(2) Reflects gross rent. Gross rent minus utility allowance = maximum cash rent.
(3) Includes the cities and communities of Del Mar, Carlsbad, Cardiff by the Sea, Oceanside, San Diego (North Coastal areas), and Solana Beach. Source: CoStar Group, April 2022.

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C. How Affordable Housing is Delivered

The delivery of affordable housing is typically through private non-profit or for-profit developers who specialize in the development of affordable housing. The vast majority of affordable rental housing units that are household income-restricted by covenant in San Diego County have received Tax Credits. These Tax Credits significantly reduce the amount of local public assistance required to make very low- and low-income units financially viable. Affordable housing developers "sell" the Tax Credits awarded to their project to outside investors (e.g., corporations, financial institutions, etc.) in exchange for an equity financing contribution to the project.

The Federal government created the Tax Credit program as part of the Tax Reform Act of 1986. Rental units provided in new construction and qualified acquisition and rehabilitation projects are eligible to apply for Federal Tax Credits if they fulfill the income and affordability requirements imposed by Internal Revenue Code Section 42. Federal Tax Credits represent a dollar-for-dollar credit against the project owner's Federal income tax liability annually over a 10-year period. The affordable housing developer and Tax Credit investor form a Limited Partnership so that the Tax Credit investor is a co-owner of the project for the 15-year compliance period. Federal Tax Credits are divided into the "9% Tax Credits" and "4% Tax Credits" programs. These percentages represent the approximate percentage that is multiplied times a project's eligible cost basis to determine the dollar amount of the annual Tax Credits that will be awarded to a project.

The key characteristics of the two Tax Credit programs are summarized below.

9% Tax Credits: Key Characteristics	• Administered by the California Tax Credit Allocation Committee (CTCAC) program on behalf of the State of California. • Competitively awarded by CTCAC based on a Qualified Allocation Plan (QAP) that is modified regularly by CTCAC based on changes in priorities and preferences of CTCAC as well as affordable housing advocates. • Projects compete for Tax Credits on a regional basis -- i.e., projects in San Diego County complete against other San Diego County projects -- based on a point scoring system. • Most projects receive the maximum point score. A tie-breaker formula generally decides the outcome of projects that will be recommended for a 9% Tax Credit award. • Rental units are household income-restricted by covenant for at least 55 years. • Maximum household income range is 0% to 80% AMI.

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	• Projects with units greater than 60% AMI must have an average income for all tenants that does not exceed 50% AMI. • The financial benefit to the project, in the form of Tax Credit equity investment, is equal to approximately 90% of the depreciable cost basis for income-eligible units in the project. Typically, 100% of the units in an affordable housing project financed with Tax Credits are income-restricted.
4% Tax Credits: Key Characteristics	• Awarded to rental projects financed with Tax-Exempt Multifamily Bonds. • Projects compete for a tax-exempt bond allocation through the California Debt Limit Allocation Committee (CDLAC) based on point scoring. • A tie-breaker formula generally decides the outcome of projects recommended for a bond allocation. • Rental units are household income-restricted by covenant for at least 55 years. • Maximum household income range is 0% to 80% AMI. • At least 10% of the units must be allocated to households earning less than 50% AMI. • Projects with units greater than 60% AMI must have an average income for all tenants not to exceed 60% AMI. • Once a project has received a bond allocation from CDLAC, it is eligible for an "automatic" 4% Tax Credit. The financial benefit to the project, in terms of Tax Credit equity investment, is equal to approximately 44% of the depreciable cost basis for income-eligible units in the project.

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Federal Tax Credits represent the federal government's primary program for incentivizing the development of rental housing for very low- and low-income households. Since the Federal government adopted the Tax Credit program in 1986, nationwide over two million income-restricted rental units have been developed or acquired and rehabilitated. CTCAC administers the Federal Tax Credit program on behalf of the State of California. Demand for 9% Tax Credits is very high. In 2021, CTCAC received 182 applications for 9% Tax Credits with 106 projects, or 58% receiving a Tax Credit allocation. The 182 applicants requested $330 million in annual 9% Tax Credits, exceeding the nearly $192 million available. The applicant success rate is higher than the previous five years, where the success rate ranged between 38% and 52%. The 106 projects awarded 9% Tax Credits, including five (5) projects in San Diego County, are projected to generate $1.9 billion in private equity investment and result in the development of 6,235 affordable rental units.

The number of 4% Tax Credit applications and awards has varied greatly in recent years. In 2021, 354 applications for 4% Tax Credits were submitted. Of these applications, 164 applicants received a Tax Credit reservation, a 46% success rate. The applicant success rate is much lower than the previous five years, where the success rate ranged between 58% and 91%. The 164 applicants receiving a reservation, including 13 projects in San Diego County, are projected to develop 16,729 affordable rental units funded with approximately $3.6 billion in private Tax Credit equity.

D. Potential Funding Sources for Affordable Housing

Sources of funds for affordable housing developments are typically divided into three (3) categories:

1. Equity Investment
2. Supportable Debt
3. Soft Debt

- *Equity Investment* – The funding sources for affordable rental housing projects typically do not include any "cash" equity investment from the developer. Rather, the sole source of equity investment is the contribution made by the Tax Credit investor in exchange for the Tax Credits.

- *Supportable Debt* – Supportable debt consists of loans supported by a project's net operating income. This usually takes the form of a traditional permanent loan from a private lender with a maturity date of 30 to 40 years. Projects funded with 4% Tax Credits are eligible to finance their projects with supportable debt funded from the proceeds of tax-exempt bonds, thereby resulting in a lower interest rate.

- *Soft Debt* – Soft debt includes funding from other Federal and/or State programs, as well as gap financing contributions from local public agencies. Some Federal and State funding sources may trigger prevailing wages, which can add 15% to 20% to construction costs. Soft loans are typically repaid with simple interest from project cash flow (net operating income less debt service), known as "residual receipts". The following table provides examples of Federal/State programs that provide soft debt to affordable rental projects.

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Federal Programs	
• Affordable Housing Program (AHP)	Grant or loan funds from the Federal Home Loan Bank for affordable housing. Applicants for funds apply through local bank members.
• HOME Investment Partnership Program (HOME)	Grants to public agencies and low-interest loans to developers to create and retain affordable housing.
State Programs	
• Affordable Housing Sustainable Communities (AHSC) Program	Administered by the Strategic Growth Council and implemented by HCD, the AHSC Program, or "Cap and Trade" program, provides funding for land use, housing, transportation, and land preservation projects to support in-fill and compact developments that reduce greenhouse gas emissions.
• Infill Incentive Grant Program (IIG)	Funds to assist in the construction and rehabilitation of infrastructure that supports high-density affordable and mixed-income housing in in-fill locations.
• Multi-Family Housing Program (MHP)	Deferred payment loans for new construction, rehabilitation, and preservation of permanent and transitional rental housing for households earning up to 60% AMI.
• Mixed-Income Program (MIP)	Subordinate loans to incentivize new multi-family housing projects restricting units between 30% and 120% AMI.
• No Place Like Home (NPLH)	Provides funds used to finance capital costs and to fund operating subsidies for units rented to individuals with a serious mental illness who are homeless, chronically homeless, or at risk of chronic homelessness.
• Permanent Local Housing Allocation (PLHA)	Permanent source of funding for local governments for affordable housing activities, funded by a Statewide $75 recording fee on real estate documents.

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E. Local Financial Contribution

Despite the availability of Tax Credits and other Federal/State programs to fund affordable housing development, virtually all affordable rental housing projects require a local contribution. Local financing gap contributions typically include a contribution of free land and/or additional cash subsidy. This local gap financing contribution is also an important requirement for projects to compete more effectively for various State funding programs.

A land contribution can be in the form of the property sold in fee for $1.00 or via a ground lease with a payment of $1.00 per year. Cash subsidies are typically structured as a subordinate loan (soft debt) that will be repaid from residual receipts i.e., net project cash flow, subject to cash flow availability.

The amounts of local contributions can vary widely, based on construction type, tenant population (families vs. seniors), financing plan (9% vs. 4% Tax Credits), and other factors. KMA reviewed recent financing gaps filled by local jurisdictions in San Diego County. Table II-4 provides a summary of the typical per-unit contributions provided by local jurisdictions.

Table II-4: Typical Local Contributions Per Unit, Affordable Rental Housing, San Diego County, 2018 – 2022 (1)(2)

	9% Tax Credits	4% Tax Credits
Family Housing	$50,000 - $125,000	$0 - $125,000
Senior Housing	$25,000 - $100,000	--- (3)

(1) Based on a survey of recent affordable housing transactions reviewed by KMA, primarily in San Diego County from 2018 to the present.
(2) Reflects cash subsidy only, i.e., projects received these amounts in addition to land value contribution.
(3) Insufficient sample size.

In terms of total funding sources for an affordable housing development, the local financial contribution typically reflects approximately 20% to 25% of a project's total sources of funds, as illustrated in Table II-5.

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Table II-5: Typical Sources of Funds Per Unit, Affordable Rental Housing, San Diego County, 2018 – 2022 (1)				
	9% Tax Credits		4% Tax Credits	
	Per Unit	%	Per Unit	%
Supportable Debt (Permanent Loan)	$40,000	9%	$50,000	11%
Tax Credit Equity Investment	$293,000	65%	$225,000	47%
Other State/Federal Funding Sources	$22,000	5%	$75,000	16%
Local Gap Financing Contribution	$95,000	21%	$125,000	26%
Total Development Costs	$450,000	100%	$475,000	100%

(1) Based on a survey of recent affordable housing transactions reviewed by KMA, primarily in San Diego County from 2018 to the present.

In general, local gap financing contributions are provided solely by the respective city and/or county government. Affordable housing developers typically request local funds by submitting a request to the local jurisdiction directly, or in response to a Notice of Funding Availability (NOFA) issued by the city or county.

County of San Diego (County) funding for affordable housing is extremely competitive. The County has issued five affordable housing NOFAs under its Innovative Housing Trust Fund program, and several other specialized funding NOFAs, since 2017. As shown in Table II-6, cumulatively under these NOFAs, the County has received a total of 68 applications, with proposals for approximately 5,200 units, and total funding requests of $238.6 million. Of these total applications, the County has funded (or proposes to fund) 31 projects, containing approximately 2,280 units, for a total funding award of $90.2 million. More than half of the projects/units proposed did not receive funding awards. The vast majority of the projects awarded County funds also received a funding contribution from the city in which their project is located.

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Table II-6: Summary of County of San Diego Affordable Housing NOFAs, 2017 – 2022 (1)				
	Applications Received	**Applications Awarded**	**Unfunded Applications**	**% Unfunded**
Number of Projects	68 Projects	31 Projects	37 Projects	54%
Number of Units per Year	5,205 Units	2,281 Units	2,924 Units	56%
Total County Funds Requested	$238.6 M	$90.2 M	$148.4 M	62%
Average per Project	$3.5 M	$2.9 M	---	---
Average per Unit	$46,000/Unit	$40,000/Unit	---	---

(1) Includes NOFAs issued and funds awarded for IHTF Rounds 1 – 5, HOME CHODO, CDBG, PLHA, PBV, and PBV-VASH between 2017 and 2022.

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III. FINANCIAL FEASIBILITY ANALYSIS

A. Development Scenarios

City staff and SDA identified three (3) potential sites for feasibility testing, as follows:

- *Fairgrounds* – 1.0 or 1.5-acre site at the southwest corner of Via de la Valle and Jimmy Durante Boulevard. The Fairgrounds site is owned by the State of California.

- *28th Street* – 0.06-acre property at 298 28th Street. The 28th Street site is owned by the City.

- *Civic Center* – 0.10-acre property on 10th Street in the southwest corner of Del Mar Civic Center complex. The Civic Center site is owned by the City.

SDA identified a range of residential development prototypes supported by each site. The development prototypes/sites are described in Table III-1 below.

Table III-1: Residential Prototypes/Sites

Project Type		Site	Housing Type	Acres	Units/ Acre	Units	Average Unit Size
1A	Standalone Project	Fairgrounds Site	Family Housing	1.00	54	54	727 SF
1B	Standalone Project	Fairgrounds Site	Family Housing	1.50	53	80	745 SF
1A + 2	Scattered Sites	Fairgrounds and 28th Street	Family Housing	1.06	57	57	689 SF
1B + 2	Scattered Sites	Fairgrounds and 28th Street	Family Housing	1.56	55	83	718 SF
1C	Standalone Project	Fairgrounds Site	Senior Housing	1.50	52	78	534 SF
2	Standalone Project	28th Street Site	Family Housing	0.06	50	3	612 SF
3	Standalone Project	Civic Center Site	Family Housing	0.10	40	4	718 SF

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B. Affordability and Financing Scenarios

KMA prepared financial feasibility analyses of the various rental housing development prototypes formulated by SDA. The purpose of this exercise was to prepare order-of-magnitude estimates of public local gap financing contributions that would be required to facilitate the development of affordable housing for each site/development prototype. In addition to the range of development prototypes for the candidate sites, KMA also considered a mix of affordability/financing scenarios, as outlined below.

1. 100% Market-Rate
2. Mixed-Income
3. 100% Affordable without Tax Credits
4. 100% Affordable with 9% Tax Credits
5. 100% Affordable with 4% Tax Credits

Exhibit 1, on the following page, provides a summary of the development prototypes and each of the corresponding affordability/financing scenarios analyzed by KMA.

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EXHIBIT 1

DEVELOPMENT SCENARIOS BY INCOME LEVEL
AFFORDABLE HOUSING FEASIBILITY ANALYSIS
CITY OF DEL MAR

	1A	1B	1A + 2	1B + 2	1C	2	3
	Fairgrounds w/Family Housing		**Fairgrounds and 28th Street** (1)		**Fairgrounds w/Senior Housing** (2)	**28th Street**	**Civic Center**
	Standalone Project		**Scattered Sites**		**Standalone Project**	**Standalone Project**	**Standalone Project**
Site Size	1.00 Acre	1.50 Acres	1.06 Acre	1.56 Acres	1.50 Acres	0.06 Acres	0.10 Acre
Number of Units	54 Units	80 Units	57 Units	83 Units	78 Units	3 Units	4 Units
I. All Market-Rate	100% @ Market-Rate	100% @ Market-Rate	*Scattered site scenarios applies to 100% Affordable developments with Low Income Housing Tax Credits only*		100% @ Market-Rate	100% @ Market-Rate	100% @ Market-Rate
II. Mixed-Income w/o Tax Credits Market-Rate Units Affordable Units Total Units	43 Units 11 Units 54 Units	64 Units 16 Units 80 Units			62 Units 16 Units 78 Units	*Mixed-income not assumed for 28th Street site due to small number of units*	*Mixed-income not assumed for Civic Center site due to small number of units*
	20% @ 30% AMI	20% @ 30% AMI			20% @ 30% AMI		
	20% @ 50% AMI	20% @ 50% AMI			20% @ 50% AMI		
	20% @ 80% AMI	20% @ 80% AMI			20% @ 80% AMI		
III. All Affordable w/o Tax Credits	100% @ 30% AMI w/o Tax Credits	100% @ 30% AMI w/o Tax Credits			100% @ 30% AMI w/o Tax Credits	100% @ 30% AMI w/o Tax Credits	100% @ 30% AMI w/o Tax Credits
	100% @ 50% AMI w/o Tax Credits	100% @ 50% AMI w/o Tax Credits			100% @ 50% AMI w/o Tax Credits	100% @ 50% AMI w/o Tax Credits	100% @ 50% AMI w/o Tax Credits
	100% @ 80% AMI w/o Tax Credits	100% @ 80% AMI w/o Tax Credits			100% @ 80% AMI w/o Tax Credits	100% @ 80% AMI w/o Tax Credits	100% @ 80% AMI w/o Tax Credits
IV. All Affordable w/ Tax Credits	9% Tax Credits	9% Tax Credits	9% Tax Credits	9% Tax Credits	9% Tax Credits	*Tax Credit scenarios not assumed for site due to small number of units*	*Tax credit scenarios not assumed for site due to small number of units*
	4% Tax Credits	4% Tax Credits	4% Tax Credits	4% Tax Credits	4% Tax Credits		

(1) The scattered sites excludes Civic Center as Low Income Housing Tax Credit regulations require scattered sites to be within a 1-mile diameter circle.
(2) 28th Street site development concept not appropriate for senior housing.

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For each scenario, the financial feasibility analysis must take into consideration factors such as market conditions, target population, and potential funding sources, as described in Table III-2.

Table III-2: Overview of Affordability and Financing Scenarios for Development Prototypes

Affordability/Financing Scenario	Description	Key Issues for Consideration
1. 100% Market-Rate	A residential development with all units at market-rate rents	• Currently achievable market rental rates at project location • Target developer returns reflective of current market conditions • Does not assume City inclusionary housing requirement
2. Mixed-Income	A residential development that incorporates a mix of affordable and market-rate development, with varying levels of affordable housing set aside, specifically: • 20% @ extremely low (30% AMI) / 80% market-rate • 20% @ very low (50% AMI) / 80% market-rate • 20% @ low (80% AMI) / 80% market-rate	• Mixed-income scenario not assumed for smaller sites due to small number of units • Currently achievable market rental rates for market-rate units • Target developer returns reflective of current market conditions for market-rate units • Restricted rent levels for affordable units
3. 100% Affordable without Tax Credits	An 100% affordable housing development financed without Tax Credits, specifically: • 100% @ extremely low (30% AMI) • 100% @ very low (50% AMI) • 100% @ low (80% AMI)	• Restricted rent levels for affordable units • Scattered site scenarios only apply to 100% affordable developments with Tax Credits

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Table III-2: Overview of Affordability and Financing Scenarios for Development Prototypes		
Affordability/Financing Scenario	**Description**	**Key Issues for Consideration**
4. 100% Affordable with 9% Tax Credits	100% affordable housing development financed with 9% Tax Credits • Average affordability typically at or below 50% AMI	• Site location must be within close proximity to amenities (i.e., public transit, public schools, social service facilities, pharmacies, etc.) to competitively score for 9% Tax Credits • Scattered sites are required to be within a 1-mile diameter circle • Scattered site development scenario does not work for senior housing development due to the level of services typically needed by senior tenants • Prevailing wages are not triggered if no other Federal/State funds are assumed
5. 100% Affordable with 4% Tax Credits	An 100% affordable housing development financed with tax-exempt bonds and 4% Tax Credits • Average affordability typically at or below 50% AMI	• Scattered sites are required to be within a 1-mile diameter circle • Scattered site development scenario does not work for senior housing developments due to the level of services typically needed by senior tenants • Prevailing wages may be triggered as additional funding from Federal/State sources are typically required

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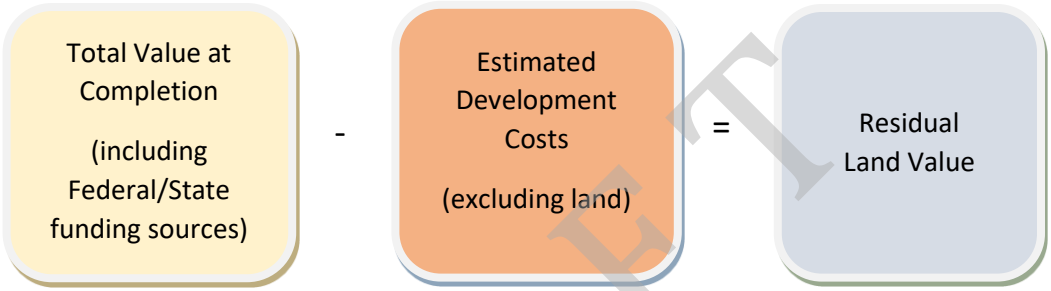
C. Residual Land Value Methodology

For each affordability and financing scenario described above, KMA prepared a financial pro forma analysis to determine the supportable residual land value. Residual land value is defined as the maximum land value supported by a proposed development. It is calculated by estimating the total value upon completion, including all potential Federal and State funding sources, and subtracting the estimated total

development costs (other than land acquisition costs) required to develop the project. Each residual land value model incorporates estimates of development costs, market-rate and/or affordable rents, and target developer returns (for market-rate housing) or potential funding sources (for affordable housing). KMA has compiled these inputs and assumptions based on industry data sources, current market research, and our ongoing database of comparable housing developments/transactions.

Specifically, the residual land value for a residential development is derived from the following calculation illustrated in Table III-3.

Table III-3: Residual Land Value Calculation



The residual land value conclusion provides an indicator of relative financial feasibility for a specific development proposal subject to the assumed affordability and financing scenario. A positive residual land value represents the amount that the developer could pay to the landowner. In other words, the project would not require any cash subsidy. A negative residual land value indicates the amount of cash subsidy that a developer would need to develop the project, in addition to the contribution of free land. The application of this approach to the mixed-income scenarios vs. 100% affordable scenarios is more fully described below.

Mixed-Income Scenarios

The magnitude of the public financial contribution required to develop affordable housing in a mixed-income development is measured by comparing (a) the residual land value for the 100% market-rate development vs. (b) the residual land value assuming a range of targeted affordability levels are imposed. If the difference in residual land value is a positive amount, the land value supported by the market-rate units can be used to offset the financial impact of the affordable units. If the difference is a *negative* amount, the land value supported by the market-rate units falls short of what is needed to offset the financial impact of the affordable units, and an additional public financial contribution is needed.

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100% Affordable Housing Scenarios

For the 100% affordable housing scenarios (both with and without Tax Credits), the residual land value reflects the difference between total development costs and total potential funding sources. The difference is typically a *negative* amount and represents the financing gap associated with the affordable housing development. In other words, development of a 100% affordable housing development would need free land and a public financial contribution equal to the *negative* residual land value amount.

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IV. RESIDUAL LAND VALUE CONCLUSIONS

A. Overview of Residual Land Value Outcomes

Exhibit 2, at the end of this section, presents a comprehensive summary of the KMA financial feasibility models. The exhibit details residual land value and gap financing conclusions for all of the sites and development prototypes studied, under the various affordability and financing scenarios. The key financial outcomes from the financial feasibility models for each affordability/financing scenario are highlighted below.

B. 100% Market-Rate Scenarios

As shown in Table IV-1, residual land value conclusions for the Fairgrounds sites developed as 100% market-rate rental housing ranged from $30 to $97 per SF land. Residual land value conclusions for the 28th Street and Civic Center sites were estimated at $135 and $203 per SF, respectively. These financial models do not assume the imposition of the City's inclusionary housing requirement.

Table IV-1: Residual Land Value – 100% Market-Rate

	Residual Land Value		
	Total	Per Unit	Per SF Land
• Scenario 1A Fairgrounds w/ Family Housing Standalone Project 1.00 Acre	$4,234,000	$78,000	$97
• Scenario 1B Fairgrounds w/ Family Housing Standalone Project 1.50 Acres	$5,157,000	$64,000	$79
• Scenario 1C Fairgrounds w/ Senior Housing Standalone Project 1.50 Acres	$1,972,000	$25,000	$30
• Scenario 2 28th Street Standalone Project	$354,000	$118,000	$135
• Scenario 3 Civic Center Standalone Project	$884,000	$221,000	$203

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C. Mixed-Income Scenarios

Table IV-2 summarizes the residual land value conclusions for the mixed-income scenarios at three (3) levels of affordability: 20% at 30% AMI, 20% at 50% AMI, and 20% at 80% AMI. As shown in the table, all of the residual land values for the 20% at 30% AMI and 20% at 50% AMI were found to be *negative*. These residual land value conclusions indicate that the project would require free land plus a gap financing contribution in the amount of the negative residual land value. In the case of the 20% at 80% AMI scenarios, two (2) of the prototypes were found to be *negative* and one (1) of the prototypes yielded a nominal positive residual land value -- the Fairgrounds w/ Family Housing on 1.0 Acre. This positive residual land value conclusion indicates that a developer would not require subsidy for the project and in fact could make a payment for the land. As shown, KMA estimates, that a developer developing the Fairgrounds w/ Family Housing on 1.0 Acre could pay $631,000 for the site.

Table IV-2: Residual Land Value – Mixed-Income Scenarios

	Residual Land Value		
	Total	**Per Unit**	**Per SF Land**
Mixed-Income – 20% @ 30% AMI			
• Scenario 1A Fairgrounds w/ Family Housing Standalone Project 1.00 Acre	($2,325,000)	($43,000)	($53)
• Scenario 1B Fairgrounds w/ Family Housing Standalone Project 1.50 Acres	($4,423,000)	($55,000)	($68)
• Scenario 1C Fairgrounds w/ Senior Housing Standalone Project 1.50 Acres	($5,023,000)	($64,000)	($77)
Mixed-Income – 20% @ 50% AMI			
• Scenario 1A Fairgrounds w/ Family Housing Standalone Project 1.00 Acre	($1,246,000)	($23,000)	($29)
• Scenario 1B Fairgrounds w/ Family Housing Standalone Project 1.50 Acres	($2,875,000)	($36,000)	($44)

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Table IV-2: Residual Land Value – Mixed-Income Scenarios			
	Residual Land Value		
	Total	Per Unit	Per SF Land
• Scenario 1C Fairgrounds w/ Senior Housing Standalone Project 1.50 Acres	($3,615,000)	($46,000)	($55)
Mixed-Income – 20% @ 80% AMI			
• Scenario 1A Fairgrounds w/ Family Housing Standalone Project 1.00 Acre	$631,000	$12,000	$14
• Scenario 1B Fairgrounds w/ Family Housing Standalone Project 1.50 Acres	($82,000)	($1,000)	($1)
• Scenario 1C Fairgrounds w/ Senior Housing Standalone Project 1.50 Acres	($1,479,000)	($19,000)	($23)

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D. 100% Affordable without Tax Credits

Table IV-3 summarizes the residual land value conclusions for the 100% affordable scenarios without Tax Credits at three (3) levels of affordability: 100% at 30% AMI, 100% at 50% AMI, and 100% at 80% AMI. As shown in the table, all of these scenarios yielded substantial *negative* residual land values. For the 100% at 30% AMI scenarios, the estimated residual land values ranged from *negative* $393,000 to *negative* $500,000 per unit, depending on the site/prototype. For the 100% at 50% AMI scenarios, residual land values were found to range from *negative* $286,000 to *negative* $381,000 per unit. In the case of the 100% at 80% AMI scenarios, residual land value estimates for the various sites/prototypes ranged from *negative* $119,000 to *negative* $184,000 per unit. These residual land value conclusions indicate that the project would require free land plus a gap financing contribution in the amount of the negative residual land value. These conclusions are not surprising in that these financing scenarios do not rely on Tax Credits or any other Federal or State funding sources.

Table IV-3: Residual Land Value – 100% Affordable without Tax Credits			
	Residual Land Value		
	Total	Per Unit	Per SF Land
100% Affordable without Tax Credits – 100% @ 30% AMI			
• Scenario 1A Fairgrounds w/ Family Housing Standalone Project 1.00 Acre	($25,762,000)	($477,000)	($591)
• Scenario 1B Fairgrounds w/ Family Housing Standalone Project 1.50 Acres	($39,981,000)	($500,000)	($612)
• Scenario 1C Fairgrounds w/ Senior Housing Standalone Project 1.50 Acres	($30,689,000)	($393,000)	($470)
• Scenario 2 28th Street Standalone Project	($1,292,000)	($431,000)	($494)
• Scenario 3 Civic Center Standalone Project	($1,708,000)	($427,000)	($392)
100% Affordable without Tax Credits – 100% @ 50% AMI			
• Scenario 1A Fairgrounds w/ Family Housing Standalone Project 1.00 Acre	($19,403,000)	($359,000)	($445)
• Scenario 1B Fairgrounds w/ Family Housing Standalone Project 1.50 Acres	($30,454,000)	($381,000)	($466)
• Scenario 1C Fairgrounds w/ Senior Housing Standalone Project 1.50 Acres	($22,329,000)	($286,000)	($342)
• Scenario 2 28th Street Standalone Project	($984,000)	($328,000)	($376)

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Table IV-3: Residual Land Value – 100% Affordable without Tax Credits			
	Residual Land Value		
	Total	Per Unit	Per SF Land
• Scenario 3 Civic Center Standalone Project	($1,224,000)	($306,000)	($281)
100% Affordable without Tax Credits – 100% @ 80% AMI			
• Scenario 1A Fairgrounds w/ Family Housing Standalone Project 1.00 Acre	($9,547,000)	($177,000)	($219)
• Scenario 1B Fairgrounds w/ Family Housing Standalone Project 1.50 Acres	($14,746,000)	($184,000)	($226)
• Scenario 1C Fairgrounds w/ Senior Housing Standalone Project 1.50 Acres	($9,305,000)	($119,000)	($142)
• Scenario 2 28th Street Standalone Project	($434,000)	($145,000)	($166)
• Scenario 3 Civic Center Standalone Project	($499,000)	($125,000)	($115)

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E. 100% Affordable with Tax Credits

Table IV-4 summarizes the residual land value conclusions for the 100% affordable scenarios with Tax Credits. All scenarios assume a maximum average affordability level not to exceed 50% AMI, as this income targeting will be required for projects to compete effectively for Tax Credits and/or other Federal/State funding sources. Overall, estimated residual land values for the 9% Tax Credits financing scenarios ranged from *negative* $113,000 to *negative* $146,000 per unit. Residual land values for the 4% Tax Credits financing scenarios were found to range from *negative* $110,000 to *negative* $168,000 per unit. These residual land value conclusions indicate that the project would require free land plus a gap financing contribution in the amount of the negative residual land value. Notably, these negative residual land values are substantially lower than the "without Tax Credits" scenarios reviewed above. These conclusions are not surprising in that these financing scenarios are leveraged with funding from Tax Credits and/or other Federal or State funding sources.

The negative residual land value conclusions in this Study are at the high end of the range of, or exceed the typical, local financing gap contribution amounts presented in Section II-E above. These higher negative residual land values are due in part to current pro forma inputs and assumptions that reflect the recent upsurge in construction costs due to ongoing supply chain interruptions, the rising cost of materials, significant increases in transportation costs, and competition for workers in the construction trades.

Table IV-4: Residual Land Value – 100% Affordable with Tax Credits		
	Residual Land Value	
	Total	Per Unit
100% Affordable with Tax Credits – 9% Tax Credits		
• Scenario 1A Fairgrounds w/ Family Housing Standalone Project 1.00 Acre	($6,798,000)	($126,000)
• Scenario 2B Fairgrounds w/ Family Housing Standalone Project 1.50 Acres	($10,648,000)	($133,000)
• Scenario 1A + 2 Fairgrounds and 28th Street Scattered Sites 1.06 Acres	($7,607,000)	($133,000)
• Scenario 1B + 2 Fairgrounds and 28th Street Scattered Sites 1.56 Acres	($12,146,000)	($146,000)
• Scenario 1C Fairgrounds w/ Senior Housing Standalone Project 1.50 Acres	($8,809,000)	($113,000)
100% Affordable without Tax Credits – 4% Tax Credits		
• Scenario 1A Fairgrounds w/ Family Housing Standalone Project 1.00 Acre	($9,061,000)	($168,000)

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Table IV-4: Residual Land Value – 100% Affordable with Tax Credits		
	Residual Land Value	
	Total	Per Unit
• Scenario 1B Fairgrounds w/ Family Housing Standalone Project 1.50 Acres	($12,620,000)	($158,000)
• Scenario 1A +2 Fairgrounds and 28th Street Scattered Sites 1.06 Acres	($8,983,000)	($158,000)
• Scenario 1B +2 Fairgrounds and 28th Street Scattered Sites 1.56 Acres	($13,345,000)	($161,000)
• Scenario 1C Fairgrounds w/ Senior Housing Standalone Project 1.50 Acres	($8,558,000)	($110,000)

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V. KEY FINDINGS

The KMA financial feasibility analyses of the various sites/prototypes and affordability and financing scenarios yield the following principal conclusions.

1. The local financial contribution for affordable housing development typically reflects approximately 20% to 25% of a project's total sources of funds.

2. Only one (1) mixed-income scenario comprising 20% affordable units and 80% market-rate units -- the Fairgrounds w/ Family Housing on 1.0 Acre -- yielded a nominal positive residual land value.

3. The remaining mixed-income scenarios are not feasible without additional cash contribution from a local public agency. In other words, the positive residual land value supported by the market-rate units (80% of total unit count) is not sufficient to offset fully the negative financial impact of the affordable units (20% of units). In order to be feasible, these scenarios would require additional cash subsidy in the following ranges:

20% @ 30% AMI	$211,000 to $314,000 per affordable unit
20% @ 50% AMI	$113,000 to $226,000 per affordable unit
20% @ 80% AMI	$5,000 to $92,000 per affordable unit

4. Developing 100% affordable projects without Tax Credits or other Federal/State funding sources yields extremely high financing gaps that would need to be funded by a local public agency. In order to be feasible, these scenarios would require additional cash subsidy ranging from $119,000 to $500,000 per unit, as shown below.

100% @ 30% AMI	$393,000 to $500,000 per affordable unit
100% @ 50% AMI	$286,000 to $381,000 per affordable unit
100% @ 80% AMI	$119,000 to $184,000 per affordable unit

   In Del Mar, the most likely scenario for developing affordable units is by using Tax Credits and/or other Federal/State funding programs. These scenarios result in substantially lower financing gaps, estimated to range from $110,000 to $168,000 per affordable unit, as shown below.

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9% Tax Credits @ average not to exceed 50% AMI $113,000 to $146,000 per affordable unit

4% Tax Credits @ average not to exceed 50% AMI $110,000 to $168,000 per affordable unit

5. The City is seeking to create at least 61 lower-income units. Of the scenarios studied, the most likely scenario to create 61 lower income units would be development of at least 1.5 acres at the Fairgrounds or some combination of the Fairgrounds development, ranging from 54 to 80 units, and the 28th Street and/or Civic Center sites (3 and 4 units, respectively).

   While there are many combinations and approaches that could meet the City's goals, Table V-1 illustrates a few approaches and the resulting total financial contribution that would be required from the City and/or County. As shown, these possible approaches require a City and/or County total financing gap contribution, in addition to free land, ranging from $7.7 million to $13.3 million. This equates to $127,000 to $161,000 per affordable unit.

Table V-1: Estimate of Total Financing Gap for Alternative Approaches to Create 61 Lower-Income Units

Scenario	Site/Prototype	Units	Financing Scenario	Financing Gap (1)	
				Low	High
1B	• Fairgrounds w/ Family Housing Standalone Project 1.50 Acres	80 units	with Tax Credits	$10.6 M $133,000 per unit	$12.6 M $158,000 per unit
1C	• Fairgrounds w/ Senior Housing Standalone Project 1.50 Acres	78 units	with Tax Credits	$8.6 M $110,000 per unit	$8.8 M $113,000 per unit
1B + 2	• Fairgrounds and 28th Street Scattered Sites 1.56 Acres	83 units	with Tax Credits	$12.1 M $146,000 per unit	$13.3 M $161,000 per unit

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Table V-1: Estimate of Total Financing Gap for Alternative Approaches to Create 61 Lower-Income Units					
Scenario	**Site/Prototype**	**Units**	**Financing Scenario**	**Financing Gap** (1)	
				Low	**High**
1A + 2 + 3	• Fairgrounds w/ Family Housing Standalone Project 1.0 Acres • 28th Street Standalone Project • Civic Center Standalone Project 1.16 Acres	61 units	1A – with Tax Credits 2 and 3 @ 80% AMI	$7.7 M $127,000 per unit	$10.0 M $164,000 per unit
(1) Reflects gap financing contribution needed in addition to free land.					

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EXHIBIT 2

SUMMARY TABLE - RESIDUAL LAND VALUES
AFFORDABLE HOUSING FEASIBILITY ANALYSIS
CITY OF DEL MAR

	1A	1B	1A + 2	1B + 2	1C	2	3
	Fairgrounds w/Family Housing		**Fairgrounds and 28th Street** (1)		**Fairgrounds w/Senior Housing** (2)	**28th Street**	**Civic Center**
	Standalone Project		**Scattered Sites**		**Standalone Project**	**Standalone Project**	**Standalone Project**
Site Size	1.00 Acre	1.50 Acres	1.06 Acre	1.56 Acres	1.50 Acres	0.06 Acres	0.10 Acre
Number of Units	54 Units	80 Units	57 Units	83 Units	78 Units	3 Units	4 Units
I. All Market-Rate	100% @ Market-Rate	100% @ Market-Rate			100% @ Market-Rate	100% @ Market-Rate	100% @ Market-Rate
A. Total Residual Land Value	$4,234,000	$5,157,000			$1,972,000	$354,000	$884,000
Per Unit	$78,000	$64,000			$25,000	$118,000	$221,000
Per SF Land	$97	$79			$30	$135	$203
II. Mixed-Income w/o Tax Credits			*Scattered site scenarios applies to 100% Affordable developments with Low Income Housing Tax Credits only*			*Mixed-income not assumed for 28th Street site due to small number of units*	*Mixed-income not assumed for Civic Center site due to small number of units*
	20% @ 30% AMI	20% @ 30% AMI			20% @ 30% AMI		
A. Total Residual Land Value	($2,325,000)	($4,423,000)			($5,023,000)		
Per Total Unit	($43,000)	($55,000)			($64,000)		
Per Affordable Unit	($211,000)	($276,000)			($314,000)		
Per SF Land	($53)	($68)			($77)		
Difference vs. 100% Market-Rate Per Affordable Unit	*($596,000)*	*($599,000)*			*($437,000)*		
	20% @ 50% AMI	20% @ 50% AMI			20% @ 50% AMI		
B. Total Residual Land Value	($1,246,000)	($2,875,000)			($3,615,000)		
Per Total Unit	($23,000)	($36,000)			($46,000)		
Per Affordable Unit	($113,000)	($180,000)			($226,000)		
Per SF Land	($29)	($44)			($55)		
Difference vs. 100% Market-Rate	*($498,000)*	*($502,000)*			*($349,000)*		
	20% @ 80% AMI	20% @ 80% AMI			20% @ 80% AMI		
C. Total Residual Land Value	$631,000	($82,000)			($1,479,000)		
Per Total Unit	$12,000	($1,000)			($19,000)		
Per Affordable Unit	$57,000	($5,000)			($92,000)		
Per SF Land	$14	($1)			($23)		
Difference vs. 100% Market-Rate	*($328,000)*	*($327,000)*			*($216,000)*		

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EXHIBIT 2

SUMMARY TABLE - RESIDUAL LAND VALUES
AFFORDABLE HOUSING FEASIBILITY ANALYSIS
CITY OF DEL MAR

	1A	1B	1A + 2	1B + 2	1C	2	3
	Fairgrounds w/Family Housing		**Fairgrounds and 28th Street** (1)		**Fairgrounds w/Senior Housing** (2)	**28th Street**	**Civic Center**
	Standalone Project		**Scattered Sites**		**Standalone Project**	**Standalone Project**	**Standalone Project**
Site Size	1.00 Acre	1.50 Acres	1.06 Acre	1.56 Acres	1.50 Acres	0.06 Acres	0.10 Acre
Number of Units	54 Units	80 Units	57 Units	83 Units	78 Units	3 Units	4 Units
III. All Affordable w/o Tax Credits							
A. Total Residual Land Value	100% @ 30% AMI w/o Tax Credits ($25,762,000)	100% @ 30% AMI w/o Tax Credits ($39,981,000)	*Scattered site scenarios applies to 100% Affordable developments with Low Income Housing Tax Credits only*		100% @ 30% AMI w/o Tax Credits ($30,689,000)	100% @ 30% AMI w/o Tax Credits ($1,292,000)	100% @ 30% AMI w/o Tax Credits ($1,708,000)
Per Affordable Unit	($477,000)	($500,000)			($393,000)	($431,000)	($427,000)
Per SF Land	($591)	($612)			($470)	($494)	($392)
B. Total Residual Land Value	100% @ 50% AMI w/o Tax Credits ($19,403,000)	100% @ 50% AMI w/o Tax Credits ($30,454,000)			100% @ 50% AMI w/o Tax Credits ($22,329,000)	100% @ 50% AMI w/o Tax Credits ($984,000)	100% @ 50% AMI w/o Tax Credits ($1,224,000)
Per Affordable Unit	($359,000)	($381,000)			($286,000)	($328,000)	($306,000)
Per SF Land	($445)	($466)			($342)	($376)	($281)
C. Total Residual Land Value	100% @ 80% AMI w/o Tax Credits ($9,547,000)	100% @ 80% AMI w/o Tax Credits ($14,746,000)			100% @ 80% AMI w/o Tax Credits ($9,305,000)	100% @ 80% AMI w/o Tax Credits ($434,000)	100% @ 80% AMI w/o Tax Credits ($499,000)
Per Affordable Unit	($177,000)	($184,000)			($119,000)	($145,000)	($125,000)
Per SF Land	($219)	($226)			($142)	($166)	($115)
IV. All Affordable w/ Tax Credits							
A. 9% Tax Credits	9% Tax Credits	9% Tax Credits	9% Tax Credits	9% Tax Credits	9% Tax Credits	*Tax Credit scenarios not assumed for site due to small number of units*	*Tax credit scenarios not assumed for site due to small number of units*
Total Residual Land Value	($6,798,000)	($10,648,000)	($7,607,000)	($12,146,000)	($8,809,000)		
Per Unit	($126,000)	($133,000)	($133,000)	($146,000)	($113,000)		
B. 4% Tax Credits	4% Tax Credits	4% Tax Credits	4% Tax Credits	4% Tax Credits	4% Tax Credits		
Total Residual Land Value	($9,061,000)	($12,620,000)	($8,983,000)	($13,345,000)	($8,558,000)		
Per Unit	($168,000)	($158,000)	($158,000)	($161,000)	($110,000)		

(1) The scattered sites excludes Civic Center as Low Income Housing Tax Credit regulations require scattered sites to be within a 1-mile diameter circle.
(2) 28th Street site development concept not appropriate for senior housing.

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VI. 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.

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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.

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APPENDIX

GLOSSARY OF TERMS

Affordable Housing Financial Feasibility Assessment
City of Del Mar

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Acquisition Costs	Purchase price, fees, and holding costs required to buy property
Affordable Housing Program (AHP)	Established by the Federal Home Loan Bank to finance the development of owner-occupied housing for low- and moderate-income households with incomes at 80% AMI or less or rental housing where at least 20% of the units are affordable to very low-income households. Applicants apply for grant or loan funds through local bank members.
Affordable Housing And Sustainable Communities (AHSC) Program	Administered by the Strategic Growth Council and implemented by the Department of Housing and Community Development (HCD), the AHSC Program provides grants and/or loans towards land-use, housing, transportation, and land preservation projects to support infill and compact development that reduce greenhouse gas ("GHG") emissions.
AMI	Area Median Income. Reflects the midpoint of a region's household income distribution.
CDLAC	California Debt Limit Allocation Committee. Allocates Federal tax-exempt bonds and 4% Low Income Housing Tax Credits to affordable housing developers.
CTCAC	California Tax Credit Allocation Committee. Administers California's Federal and State Low Income Housing Income Housing Tax Credit program. Awards 9% tax credits to developers.
Financing Gap	Amount of capital that must be raised after a developer secures conventional financing, tax-exempt bonds, or Low Income Housing Tax Credits. Also referred to as soft funding. Typically funded by local public agencies such as cities or housing authorities.
Housing Element Update (HEU)	The Housing Element is a required component of every jurisdiction's General Plan and must comply with specific standards and requirements set by the state. The Housing Element must be updated every eight years, with an additional progress report created annually. The Housing Element of the General Plan identifies the City's housing conditions and needs, establishes goals, objectives, and policies to guide future housing decisions, and provides an array of programs to meet a City's housing priorities.

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Infill Infrastructure Grant Program (IIG)	Administered by the California Department of Housing and Community Development (HCD). Promotes the development of infill housing by providing gap funding for infrastructure improvements for residential or mixed-use infill development projects or areas.
Low Income Household	Households earning up to 80% of Area Median Income (AMI).
Low income Housing Tax Credits	Created by the Federal Tax Reform Act of 1986. The Federal government allocates tax credits to state housing agencies. Developers apply for tax credits from the state agency. The developer "sells" the tax credit to investors who claim the credits on their Federal or State income tax returns. Funds raised from the sale of tax credits to the investors are used to develop affordable housing.
Market Rent	Rent a property, building, or unit would command on the open market if it were currently vacant and available.
Mixed-Income	Residential development serving a range of income levels. Includes a mix of market-rate units and affordable units.
Multi-Family Housing Program (MHP)	Administered by the California Department of Housing and Community Development (HCD). Provides 55-year deferred payment loans for affordable housing.
Moderate Income Household	Households earning up to 120% of Area Median Income (AMI).
Qualified Action Plan (QAP)	The QAP sets out the state's eligibility priorities and criteria for awarding federal tax credits to housing properties.
Regional Housing Needs Assessment (RHNA)	Mandated by State Housing Law as part of the periodic process of updating local housing elements of the General Plan. RHNA quantifies the need for housing within each jurisdiction during specified planning periods.
Residual Land Value	The maximum land value supported by a proposed development. It is calculated by estimating the total value upon completion and subtracting the estimated total development costs (other than land acquisition costs) required to develop the project.

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San Diego Association of Governments (SANDAG)	An association of local San Diego County governments. It is the metropolitan planning organization for the County of San Diego , with policy makers consisting of mayors, councilmembers, and County Supervisors. SANDAG also has capital planning and fare setting powers for the county's transit systems, the San Diego Metropolitan Transit System and North County Transit District
Tax Credits	See Low Income Housing Tax Credits
Type III over Type I Construction	Mid-rise wood-frame construction, with non-combustible materials for exterior bearing walls, over concrete parking podium.
Utility Allowance	Estimated amount that affordable housing tenants need to set aside to pay for utilities. Typically subtracted by landlord from tenant's maximum monthly rent limit.
Very Low Income Household	Household earning up to 50% of Area Median Income (AMI).

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Del Mar Affordable Housing Site Specific Studies

PREPARED BY STEPHEN DALTON ARCHITECTS

IN COOPERATION WITH THE PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT OF THE CITY OF DEL MAR

JUNE 7, 2022

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I. INTRODUCTION

To fulfill a portion of the City's share of regional housing needs, the Housing Element identified potential sites that are publicly-owned and currently not subject to the typical zoning applicable to residential use. To determine the development potential and feasibility for affordable housing, a site-specific zoning assessment and architectural concepts were prepared for each site.

Housing Element Sites Studied in this Assessment:

The three sites studied in this assessment include the following publicly-owned sites:

- **State Fairgrounds property:** SW corner Via de la Valle & Jimmy Durante Blvd

  APN: 298-271-03

  This potential housing site is owned by the State of California. The State's General Services Department 22nd District Agricultural Association (22nd DAA) is the operator the Del Mar Fairgrounds. The Fairgrounds site is designated and zoned Fairgrounds-Racetrack (FR) in the City of Del Mar Community Plan (General Plan) and Zoning Code. The site is also located within the Floodplain Overlay Zone. Site specific concepts for the Fairgrounds were considered using land on either a 1-acre or 1.5-acre site. As a State-owned property, development at this location is not subject to local zoning requirements.

- **28th Street**: North lot at east end of 28th Street

  APN: 299-030-12

  This City-owned parcel is a small vacant lot that is 0.06 acres in size and designated for Public Facilities (PF) in the Community Plan. The corresponding zoning action to reflect PF zoning (adopted in 1997) on this parcel was not accurately reflected in the City's Local Coastal Program (LCP) zoning maps (certified in 2001). A clean-up action is being processed by the City to address this error. This site is also located within the Floodplain Overlay Zone.

- **Civic Center:** 10th Street in the SW corner of Del Mar Civic Center

  APN: 300-093-17

  This City-owned parcel is one of multiple contiguous parcels that make up the City of Del Mar's Civic Center, which is located along Camino del Mar between 10th Street and 11th Street in the City's downtown. The site is a small vacant lot that is 0.10 acres in size and is designated and zoned PF in the Community Plan and Zoning Code.

Exhibit A provides a vicinity map that indicates the respective location of the three sites.

Assumptions Factored into the Site-Specific Studies:

The following assumptions were factored into the site-specific studies as further described below:

- The City is seeking to create at least 61 lower income units on publicly owned sites.
- Development of affordable housing will require public funding.
- Tax credit programs are the most likely funding source, which means the project must be designed to meet the applicable criteria for eligibility.
- Family Housing is the housing type that best aligns with the City's Housing Element objectives and eligibility criteria for available tax credit programs.
- The tax credit program "scattered sites" provision is one option for the City to meet its goal of 61 lower income units through a project with development on non-contiguous sites.

Therefore, the site-specific studies assume development of the sites with multiple dwelling unit structures in which all units are rent restricted for lower-income households and financed with a public funding source such as California's Tax Credit Allocation Committee (CTCAC). Program elements such as unit size and type were determined for consistency with CTCAC requirements. CTCAC identifies three main housing types that are eligible for public funding:

- **Family Housing** (also known as Large Family)**:** One CTCAC requirement for this housing type that has a significant impact on the building form and size is a prescribed number of 2- and 3-bedroom units. A project in this category is required to have a minimum of 25% 2-bedroom units and 25% 3-bedroom units. Because of this requirement, Family Housing projects tend to be larger than other eligible housing types of a similar unit count.
- **Senior Housing:** For this housing type, CTCAC prescribes that 1-bedroom and studio units comprise a minimum of 80% of the total unit count, thus generating a relatively smaller building when compared to a Family Housing project of a similar unit count.
- **Special Needs Housing:** There are several CTCAC requirements for this housing type depending on which population is being served. Populations can include individuals who are homeless, those with physical or mental health disabilities, or youth transitioning from foster care, among others. Seniors and families can also be a part of the population served in this housing type. Unit types for Special Needs Housing are dependent on the specific population intended to be served, but Single Room Occupancy (SRO) and studio units are a common unit type for this housing type.

The site-specific studies primarily focused on concepts for affordable units in the Family Housing category because this type of housing with a mix of one bedroom, two bedroom, and three

bedroom units can accommodate the largest population and the eligibility criteria for project financing does not require additional restrictions beyond the restricted income requirement. Senior Housing was considered as one potential scenario for housing at the Fairgrounds site to provide a comparison. However, due to the unique requirements of both Senior Housing and Special Needs Housing populations as well as the limited size of the 28th Street and Civic Center sites, the potential design scenarios that would have been needed to try and accommodate these populations consistent with the tax credit program design criteria would result in fewer units and were therefore determined to be less suitable options for meeting the City's housing objectives as set forth in the Housing Element.

The CTCAC funding source applies to sites greater than one-half acre in size; therefore, neither the 28th Street nor Civic Center sites would be eligible for CTCAC funding as standalone projects. CTCAC does allow sites within 1-mile of each other to be combined into a single project under their "scattered sites" provisions. Based on the scattered sites provisions, the 28th Street site can be eligible for CTCAC funding if developed with affordable housing as part of a larger project in combination with the State Fairgrounds. Because the City-owned site on 10th Street (Civic Center) is more than 1-mile from the Fairgrounds site, it could not be considered as a scattered site with the Fairgrounds and/or 28th Street and would not be eligible for CTCAC funding.

Summary of Site-Specific Studies:

Five site-specific studies were prepared to help compare the difference between development capacity on the Fairgrounds using a 1.0-acre site versus a 1.5-acre site and the relative development capacity of the smaller City-owned sites. The studies also explored the difference in capacity when accommodating affordable housing for family housing versus Senior Housing.

The five site-specific scenarios studied are listed below:

1. Fairgrounds
    A. Fairgrounds 1.0 ac – Family Housing
    B. Fairgrounds 1.5 ac – Family Housing
    C. Fairgrounds 1.5 ac – Senior Housing
2. 28th Street – Family Housing
3. Civic Center – Family Housing

For each site-specific concept prepared, the development standards (i.e. square footage, height, setbacks, and parking), unit count, unit mix, and area tabulations are identified. Additionally, plan diagrams are provided to test fit the programmatic elements with each site. Based on the conceptual building diagrams, a generalized height and massing is established. It is important to note that the site-specific study does not represent a specific project design. Instead, it is a conceptual massing study to determine an overall scale of a potential affordable housing project.

Additional and separate economic analysis and financing strategies were prepared by Keyser Marston Associates (KMA) utilizing the architectural concepts and prototypes identified in these site-specific studies.

Zoning Assessment Approach:

The sites studied for prospective affordable housing are not subject to the typical zoning requirements that are otherwise applicable to new residential development in citywide residential zones. Therefore, the zoning assessment considered the development standards applicable to adjacent parcels as well as the flexibility provided for by State law to accommodate production of affordable housing (i.e. State Density Bonus law). In using this approach, the zoning assessment considered the respective development size (i.e. height, floor area ratio, and lot coverage), the relationship to existing development on adjacent properties, and parking needs. The zoning assessment also factored in design requirements applicable to the coastal zone as needed for consistency with the Coastal Act (i.e. protection of public scenic views and protection from potential hazards such as projected flooding and sea level rise) and applicable Federal and State floodplain-related design requirements.

Parking is one development standard type where the local standards significantly deviate from the State standard that is commonly accepted and applied to affordable housing development projects. The City of Del Mar's standard parking requirements (Del Mar Municipal Code Chapter 30.80) are not specific to affordable housing and do not factor in the lower parking demand specific to this population. By comparison, the State mandated parking ratios for affordable housing are based on affordable housing parking studies that account for the associated lower parking demand for lower income housing units, which is lower than what would otherwise be required per the City's standard multi-family parking ratio requirements. Because of this, and because parking is a significant cost driver for affordable housing projects, the State's requirements were utilized for the site-specific studies. A comparative chart of State affordable and Del Mar parking ratios is provided below:

	STATE AFFORDABLE	**DEL MAR**
TYPE	RATIO	RATIO
1-BR	1	1
2-BR	1.5	2
3-BR	1.5	2
GUEST	N/A	1/4

II. GENERAL FAIRGROUNDS ZONING ASSESSMENT

Housing development has been contemplated for the Fairgrounds in multiple land use plans. The 2008 Fairgrounds Master Plan anticipates new housing and in 2013 both the City of Del Mar and the 22nd DAA adopted resolutions to collaborate to carry out shared housing goals at the Fairgrounds property. The City's 6th Cycle Housing Element (2021) identified the State Fairgrounds as an opportunity location for housing consistent with state, regional, and local housing goals to accommodate regional housing needs in smart growth locations. The parcel (APN 298-271-03) located at the southwest corner of Via de la Valle and Jimmy Durante Blvd was identified in the City's Housing Element sites inventory and was the focus for consideration of potential housing projects as part of three scenarios that were studied for the Fairgrounds. This location has several benefits that make it an opportunistic site for affordable housing:

- Its proximity to services within a one-mile radius including access to groceries, high quality schools, parks, medical services, transportation, retail services, as well as jobs centers that would support and further fair housing for low-income households. See **Exhibit B, C, D, E**
- This area is recognized as a Smart Growth Special Use Center in the San Diego Forward regional plan. It is within a half mile of stops for the 308 and 101-bus line. There is also a planned seasonal COASTER station that is anticipated to begin service to the Fairgrounds by 2035.
- The site is large enough to meet a substantial amount of Del Mar's RHNA required units, which the City's adopted 6th Cycle Housing Element identifies as a target for 54 lower income units.
- Either a 1-acre or a 1.5-acre site could be accommodated without infringing on current Fairgrounds activities or facilities.
- A higher density, multi-family project would be compatible with adjacent commercially zoned properties and both adjacent streets can accommodate any added traffic.
- Existing base zoning (FR) provides flexibility for proposed housing development and does not specify any controlling development regulations such as minimum setbacks or parking, or maximum height, developable square footage, or floor area ratios (F.A.R.).

Fairgrounds - Zoning:

FR is the existing base zone for this location at the Fairgrounds; however, as a State-owned property, development at this location is not subject to local zoning requirements. The Fairgrounds is also located within the Floodplain Overlay Zone and Coastal Zone as further described below.

The primary challenge related to the overall Fairgrounds property is that it is located within the Floodplain Overlay Zone and subject to special design criteria to minimize flood risk. A significant portion of the site is mapped by the Federal Emergency Management Agency (FEMA) as a special flood hazard area that is subject to river flooding (Federal Insurance Rate Map Zone AE); however, through adaptive development design the projected flood risk can be significantly reduced. Development in this location will require that the first-floor level be elevated above the Base Flood Elevation (BFE) for each of the three scenarios studied (Scenarios 1A, 1B, and 1C). Based on topographic information supplied by SANGIS, the first floor will need to be set at 8-10 feet above existing grade.

The site is also located in the Coastal Zone within the jurisdiction of the California Coastal Commission (CCC) and would be subject to compliance with the California Coastal Act protections for coastal resources and public scenic views, public access, and public health and safety protections from hazards. Based on recent certification actions by CCC in May 2022, it can be expected that the siting and future project design will need to account for projected sea level rise using best available science and provide disclosure of potential flooding to the public and prospective tenants.

Fairgrounds - Housing Types

Family housing was considered for the Fairgrounds site on both a 1-acre parcel (Scenario 1A) and a 1.5-acre parcel (Scenario 1B). Senior housing was considered on a 1.5-acre parcel on the Fairgrounds site (Scenario 1C). Common considerations and design features addressed in all site-specific studies on the Fairgrounds property include the following:

- A podium design was utilized to elevate the residential units above the Base Flood Elevation. A podium design is typically composed of a ground level constructed of concrete and 1-4 levels of wood frame above. In this case, the ground floor would be used for parking and necessary access and utilities and the residential units would be on the upper levels. Floodproofing ground floor spaces will increase project costs. However, this is a relatively common design feature of existing development that has not been an impediment to proposed housing. Also, the associated flood risk can be further reduced if adaptation measures identified in the City of De Mar Sea Level Rise Adaptation Plan (i.e. development of a living levee (vegetated berm along the San Dieguito River)) are implemented.
- The relatively high cost of concrete construction (for the podium) would escalate the overall cost of construction. A developer would typically offset this cost by increasing the number

of floors, and therefore the number of units, above the podium. The site-specific studies limit the number of floors above the podium to two for an overall building height of three stories. This was done to minimize the overall height of the building

- Each site-specific study on the Fairgrounds site results in a building that would be 3-stories, and 36 feet high. This is compatible with existing facilities on the Fairgrounds site which in many cases are much taller. A three-story building was also thought to be compatible with the surrounding, off-site development because the adjacent streets are significantly higher than the pad elevation of the site. When viewed from off-site, a three-story project design would appear as only a two-story structure, consistent with Del Mar's 2-story, 26-foot height limit.
- In each site-specific study on the Fairgrounds property, private outdoor space and common outdoor space is incorporated above the podium. Private outdoor space is included with each unit. Other outdoor spaces can be located on the ground floor, but these spaces will be vertically separated from the residential units.
- All studies for the Fairgrounds anticipate a new access road from Jimmy Durante Blvd extending west along the southern boundary of the site. This road would provide access to the housing project and maintain current access to the Fairgrounds' existing facilities. It would also provide fire department access to the project. A controlled access point for the Fairgrounds and a turn-around would be required west of the housing project. The cost of this access road will need to be factored into the overall project cost for the housing project.
- Incentives: In accordance with State Density Bonus law, Affordable Housing projects may be granted incentives and waivers which allow a project to deviate from, or eliminate, specific development standards that make the project infeasible financially or physically. Because the existing zoning designation for the Fairgrounds (FR) does not specify development regulations for housing projects (i.e. setbacks, F.A.R., coverage) there is not a significant need for incentives or waivers.

The following sections include the three site-specific scenarios that were studied for the Fairgrounds site.

III. FAIRGROUNDS 1.0 – FAMILY HOUSING

Site-Specific Study 1A

Project Scope:

This site-specific study considers Family Housing to achieve a total unit count of 54 units.

Common areas such as community rooms, office, computer room and laundry would be located on the ground floor and would need to be designed in compliance with the required floodproofing construction design measures. The remainder of the ground floor would be used for parking as further described below.

Development Standards:

The general zoning assessment for the Fairgrounds site is provided in Section II of this report. Following are the development standard details for this site-specific affordable housing project scenario:

Lot Size	1.0 acre
Unit Count	54
Average size of units	727 SF
Total Square footage	74,619 SF
Floor Area Ratio	171% [a]
Lot Coverage	67% [a]
Height	36 FT [b]

a. This calculation based on a site area of 1.0 AC instead of the 10.0 AC parcel size.

b. Additional height may be incorporated in this project to accommodate project features such as additional units or elevating accessory uses above the ground plane.

Parking Analysis:

This scenario would accommodate 69 parking spaces on-site, which exceeds the State's minimum affordable parking requirement of 68 spaces for the project by one space. The Del Mar Municipal

Code parking would require 96 spaces, and if incorporated into the project design would result in additional cost and an extra 28-spaces beyond what the State requires.

A comparative parking rates table is provided below:

SCENARIO 1A PARKING					
PROPOSED		**STATE AFFORDABLE**		**DEL MAR**	
TYPE	# OF UNITS	RATIO	# OF CARS	RATIO	# OF CARS
1-BR	*26 DU*	1	26	1	26
2-BR	*14 DU*	1.5	21	2	28
3-BR	*14 DU*	1.5	21	2	28
SUB-TOTAL	54 DU		68		82
GUEST	0	0	0	0.25	14
TOTAL CARS	69	**TOTAL CARS**	68	**TOTAL CARS**	96

IV. FAIRGROUNDS 1.5 – FAMILY HOUSING

Site-Specific Study 1B

Project Scope:

In consideration of accommodating the potential for additional lower income units, this site-specific study scenario expands the site from 1 acre to 1.5 acres to achieve a total unit count of 80 units.

Common areas such as community rooms, office, computer room and laundry would be located on the ground floor and would need to be designed in compliance with the required floodproofing construction design measures. The remainder of the ground floor would be used for parking as further described below.

Development Standards:

The general zoning assessment for the Fairgrounds site is provided in Section II of this report. Following are the development standard details for this site-specific affordable housing project scenario:

Lot Size	1.5 acre
Unit Count	80
Average size of units	745 SF
Total Square footage	113,652 SF
Floor Area Ratio	174% [a]
Lot Coverage	66% [a]
Height	36 FT [b]

a. This calculation based on a site area of 1.5 AC instead of the 10 AC parcel size.

b. Additional height may be incorporated in this project to accommodate project features such as additional units or elevating accessory uses above the ground plane.

Parking Analysis:

This scenario would accommodate 124 parking spaces on-site, which exceeds the State's minimum affordable parking requirement of 103 spaces for the project by 21 spaces. Exceeding

the State's minimum affordable parking requirement is viable in this scenario because the under-podium area available for parking exceeds the area required for parking. Therefore, additional parking can be added with no further cost of podium construction. Note that the minimum podium size is dictated by the building program (units) on the upper floors.

The Del Mar Municipal Code parking would require 146 spaces, and if incorporated into the project design would result in additional cost and an extra 43 spaces beyond what the State requires.

A comparative parking rates table is provided below:

SCENARIO 1B PARKING					
PROPOSED		**STATE AFFORDABLE**		**DEL MAR**	
TYPE	# OF UNITS	RATIO	# OF CARS	RATIO	# OF CARS
1-BR	*34 DU*	1	34	1	34
2-BR	*22 DU*	1.5	33	2	44
3-BR	*24 DU*	1.5	36	2	48
SUB-TOTAL	80 DU		103		126
GUEST	0	0	0	0.25	20
TOTAL CARS	124	**TOTAL CARS**	103	**TOTAL CARS**	146

V. FAIRGROUNDS 1.5 – SENIOR HOUSING

Site-Specific Study 1C

Project Scope:

A 1.5-acre site was also considered for a potential Senior Housing project. To meet the applicable CTCAC criteria, this scenario could achieve a total of 78 units. Unlike the other studies, all common areas such as community rooms, office, computer room and laundry would be located on the second floor, above the Base Flood Elevation. This scenario would result in a small drop in the unit count when compared to the Fairgrounds 1.5 - Family Housing study.

In this site-specific study, the ground floor use would be limited to parking, required access, and utilities. The site-specific study considered use of expanded common outdoor space on the upper floors and an opening for the courtyard spaces to the north to diminish the overall scale and mass of the building when seen from Via de la Valle. If incorporated, this would have contributed to a further reduction in total unit count when compared to the Family project, as noted above.

Development Standards:

The general zoning assessment for the Fairgrounds site is provided in Section II of this report. Following are the development standard details for this site-specific affordable housing project scenario:

Lot Size	1.5 acre
Unit Count	78
Average size of units	534 SF
Total Square footage	81,097 SF
Floor Area Ratio	124% [a]
Lot Coverage	56% [a]
Height	36 FT [b]

a. This calculation based on a site area of 1.5 AC instead of the 10 AC parcel size.

b. Additional height may be incorporated in this project to accommodate project features such as additional units or elevating accessory uses above the ground plane.

Parking Analysis:

This site-specific study would accommodate 78 parking spaces on-site, consistent with the State's minimum parking requirement for affordable housing. The Del Mar Municipal Code parking requirements would require 96 spaces, and if incorporated into the project design would result in additional cost and an extra 18 spaces beyond what the State requires.

A comparative parking rates table is provided below:

SCENARIO 1C PARKING					
PROPOSED		**STATE AFFORDABLE**		**DEL MAR**	
TYPE	# OF UNITS	RATIO	# OF CARS	RATIO	# OF CARS
1-BR	*78 DU*	1	78	1	78
2-BR	*DU*	1.5	0	2	0
3-BR	*DU*	1.5	0	2	0
SUB-TOTAL	78 DU		78		78
GUEST	0	0	0	0.25	20
TOTAL CARS	78	**TOTAL CARS**	78	**TOTAL CARS**	98

VI. 28TH STREET – FAMILY HOUSING

Site-Specific Study 2

Context:

At .06 acres, the 28th Street site is the smallest of the sites studied. It is a vacant lot that is located on the north side of 28th Street at the street end in the North Beach neighborhood. To the east is the San Diego Lagoon/River valley and to the north and west is the existing Beach Colony Apartment development, which is three stories tall. Across the street to the south are 1- and 2-story, single family homes. The site is within a quarter of a mile of a stop for the 101-bus line.

Zoning:

This site is designated for Public Facilities (PF) in the Community Plan. The City Council-adopted base zone for this site is also PF; however, the corresponding zoning action to reflect PF zoning (adopted in 1997) on this parcel was not accurately reflected in the City's Local Coastal Program (LCP) zoning maps (certified in 2001). A clean-up action is being processed by the City to address this error to reflect the intended PF zoning. The PF zone applies to City-owned property and does not specify development standards for residential development.

The site is also located within the Floodplain Overlay Zone. The site is mapped by the Federal Emergency Management Agency (FEMA) as a special flood hazard area that is subject to river flooding (Federal Insurance Rate Map Zone AE); however, through adaptive development design the projected flood risk can be significantly reduced. Development in this location will require that the first-floor level be elevated above the Base Flood Elevation (BFE), which would be approximately 6 feet above the existing grade elevation on this site.

Project Scope:

The site-specific study anticipates a 3-story, 3-unit building composed of two 1-bedroom and one 2-bedroom units. Like the Fairgrounds sites, proposed development in the Floodplain Overlay Zone necessitates elevating the units above the BFE, which would be approximately 6 feet above the existing grade elevation on this site. Parking would be located on the ground floor with the housing units elevated and located on the second and third story levels above. The maximum

structure height would be approximately 30 feet, which is consistent with the height of the adjacent apartment building.

Development Standards:

The site is surrounded by properties that are zoned RM-East (Medium Density). If compared to the adjacent zone, this site-specific study would differ from the RM-East development regulations in terms of height, F.A.R., front setback and rear setback. Following are the development standard details for this site-specific affordable housing project scenario:

Lot Size:	0.06 acre
Unit Count:	3
Average size of units:	612 SF
Total Square footage:	1,989 SF
Floor Area Ratio:	76%
Lot Coverage:	35%
Height:	30 FT [a]

a. Additional height may be incorporated in this project to accommodate additional project features such as additional units or elevating accessory uses above the ground plane.

Parking Analysis:

This scenario would accommodate 4 parking spaces on-site, which is consistent with the State's minimum parking requirement for affordable housing. By comparison the Del Mar Municipal Code parking requirements would require 5 spaces. If the local parking requirement were incorporated into the project design, it would result in additional cost and one extra space beyond what the State requires for affordable housing projects.

A comparative parking rates table is provided below:

SCENARIO 2 PARKING					
PROPOSED		**STATE AFFORDABLE**		**DEL MAR**	
TYPE	# OF UNITS	RATIO	# OF CARS	RATIO	# OF CARS
1-BR	*2 DU*	1	2	1	2
2-BR	*1 DU*	1.5	1.5	2	2
3-BR	*DU*	1.5	0	2	0
SUB-TOTAL	3 DU		3.5		4
GUEST	0	0	0	0.25	1
TOTAL CARS	4	**TOTAL CARS**	4	**TOTAL CARS**	5

Relationship to Tax Credit Program Funding Source:

Public funding sources for a site this small would likely be difficult to find and a small project of this size is not likely to attract traditional affordable housing developers. This site has potential to be developed as a part of a larger Fairgrounds project utilizing the California Tax Credit Allocation Committee's (CTCAC) scattered sites program. As a scattered sites project, only family housing was deemed a feasible scenario option due to the constraints of this small site. Therefore, the site-specific study assumes a conceptual design for a Family housing project that would make it eligible for incorporation as part of a CTCAC scattered sites project.

VII. CIVIC CENTER – FAMILY HOUSING

Site-Specific Study 3

Context:

Located on 10th Street is a 0.1-acre parcel in the southwest corner of the City's Civic Center. To the east and north are Civic Center facilities and parking, and to the west is a 2-story, single-family home. Across the street to the south are 1- and 2-story, single-family homes.

The Civic Center is located within the Del Mar Downtown Village, a smart growth community center that spans Camino Del Mar from 9th to 15th street. Housing located here is consistent with the City's adopted Housing Element strategy to further fair housing as this location has convenient access to transit and proximity to goods and services. It is within a quarter of a mile of a stop for the 101-bus line. The area will also be served by planned rapid service bus routes 473 and 103 to be completed by 2035 and 2050 respectively.

Zoning:

The site is located within the Public Facilities (PF) zone and as such does not have applicable residential zoning standards. Adjacent properties to the west and south (across 10th Street) are in the R2 zone.

Project Scope:

Though CTCAC funding would not be available to this site due to limited parcel size, unit sizes consistent with CTCAC requirements for Family Housing were used in the site-specific study.

The site-specific study anticipates a 2-story building composed of four 2-bedroom units. The units would be clustered with a single entry point to mimic the predominant design and existing development pattern of adjacent single-family homes. A greater 15-foot setback from the western property line was incorporated into the conceptual design to buffer the building away from the existing single-family home to the west. In comparison to the 5-foot side yard setback required on the adjacent property, this design accommodates an additional 10 feet of setback separation distance beyond the typical 5-foot minimum side yard setback. An existing privacy wall located to the west would also provide a privacy buffer from the adjacent property and is recommended to be

retained. The maximum structure height would be approximately 26 feet, which is consistent with adjacent structures.

Development Standards:

Following are the development standard details for this site-specific affordable housing project scenario:

Lot Size	0.10 acre
Unit Count	4
Average size of units	718 SF
Total Square footage	3,109 SF
Floor Area Ratio	69%
Lot Coverage	35%
Height	26 FT

If compared to the adjacent zone (R2 zone), this site-specific study would differ from the R2 zone development regulations in terms of floor area ratio (FAR), front setback, and rear setback.

Parking Analysis:

Six spaces would be required to meet the State's parking requirement for affordable housing. By comparison, Del Mar's parking requirements for the R2 zone would require 9 spaces. Required parking would be provided in the adjacent Civic Center parking lot, utilizing existing surplus off-street parking spaces. This proposed shared use of the City's parking facility allows for the overall size of the conceptual housing development footprint to be significantly reduced in comparison to a design that incorporates six to nine off-street parking spaces in addition to four housing units on-site.

A comparative parking rates table is provided below:

SCENARIO 3 PARKING					
PROPOSED		**STATE AFFORDABLE**		**DEL MAR**	
TYPE	# OF UNITS	RATIO	# OF CARS	RATIO	# OF CARS
1-BR	*DU*	1	0	1	0
2-BR	*4 DU*	1.5	6	2	8
3-BR	*DU*	1.5	0	2	0
SUB-TOTAL	4 DU		6		8
GUEST	0	0	0	0.25	1
TOTAL CARS	6[a]	**TOTAL CARS**	6	**TOTAL CARS**	9

a. Parking to be provided in adjacent Civic Center parking lot.

VIII. EXHIBITS

The following exhibits were included in addition to the site-specific studies to demonstrate the sites studied are opportunity site locations for lower income housing.

- Exhibit A – Vicinity Map

  This exhibit shows the distance between the three site specific studies in relation to each other and their relative locations with the City of Del Mar. It additionally maps out amenities available within the city.

- Exhibit B – Transportation

  This exhibit shows the Fairgrounds site's proximity within a one-mile radius to transportation services. The site is within a half mile of stops for the 308 and 101-bus line and a planned seasonal COASTER station is anticipated to begin service to the Fairgrounds by 2035.

- Exhibit C – Jobs / Shopping

  This exhibit shows the Fairgrounds site's proximity within a one-mile radius to jobs and shopping, including supermarkets.

- Exhibit D – Schools

  This exhibit shows the Fairgrounds site's proximity within a one-mile radius to local schools from preschool through high school.

- Exhibit E – Health and Governmental Services

  This exhibit shows the Fairgrounds site's proximity within a one-mile radius to government offices, medical clinics, and dental & optometry services.

JAMES SCRIPPS BLUFF

DEL MAR DOG BEACH

DEL MAR CITY BEACH

POWERHOUSE PARK

SEA CLIFF PARK

SEAGROVE PARK

SHORES PARK

DEL MAR CANYON PRESERVE

0.8 MI

1.2 MI

1.8 MI

FAIRGROUNDS SITE
0.8 MI TO 28TH STREET
1.8 MI TO CIVIC CENTER

28TH STREET SITE
0.8 MI TO FAIRGROUND
1.2 MI TO CIVIC CENTER

CIVIC CENTER SITE
1.8 MI TO FAIRGROUND
1.2 MI TO 28TH STREET

KEY

- SITE
- OUTDOOR AREA
- TRAIL
- COASTER

EXHIBIT A

VICINITY MAP

SOLANA BEACH TRANSIT CENTER,
1.2 MI

CLOSEST BUS ROUTE 101 STOP,
0.7 MI

CLOSEST BUS ROUTE 308 STOP,
0.1 MI

1 MILE RADIUS

SITE

5

KEY

- COASTER
- BUS
- BIKE TRAIL
- COASTER STATION
- BUS STOP

EXHIBIT B

TRANSPORTATION

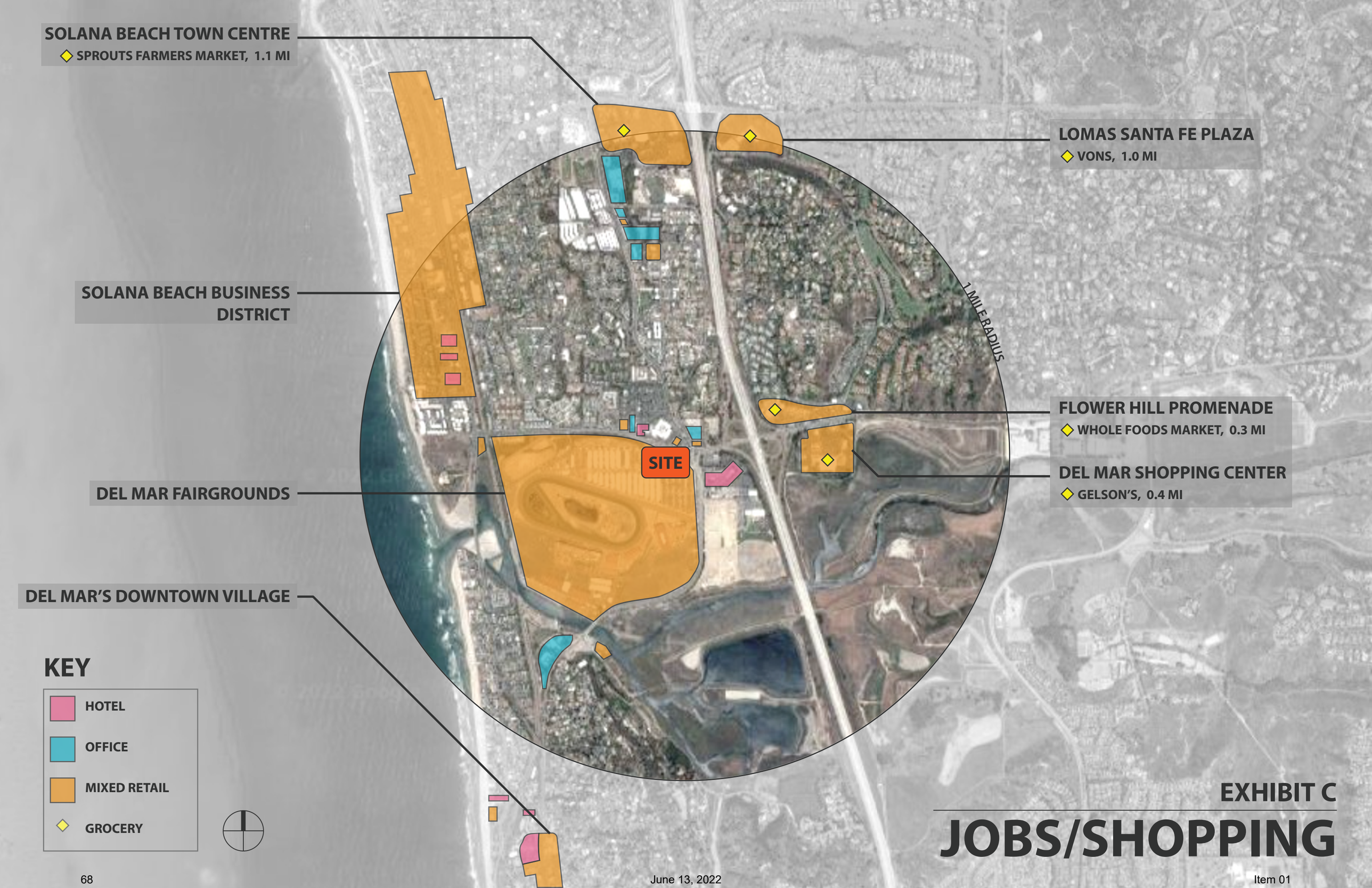


EXHIBIT C

JOBS/SHOPPING

SKYLINE ELEMENTARY SCHOOL,
1.2 MI

SOLANA BEACH PRESBYTERIAN PRESCHOOL,
1.1 MI

EARL WARREN MIDDLE SCHOOL,
1.1 MI

SOLANA BEACH COMMUNITY PRESCHOOL,
0.8 MI

ST. JAMES ACADEMY
(PRESCHOOL-GRADE 8),
0.5 MI

FUSION ACADEMY SOLANA BEACH
(GRADE 6-12),
0.2 MI

SOLANA VISTA ELEMENTARY SCHOOL,
1.7 MI

SANTA FE CHRISTIAN SCHOOLS
(PRESCHOOL-GRADE 12),
0.8 MI

SANDY HILL NURSERY SCHOOL,
0.9 MI

LEPORT MONTESSORI SOLANA BEACH (PRESCHOOL-GRADE 6),
0.8 MI

1 MILE RADIUS

SITE

TORREY PINES HIGH SCHOOL,
2.4 MI

THE WINSTON SCHOOL OF SAN DIEGO
(GRADE 6-12),
1.7 MI

KEY

- PRESCHOOL
- ELEMENTARY
- MIDDLE SCHOOL
- HIGH SCHOOL

EXHIBIT D
SCHOOLS

SOLANA BEACH FIRE DEPARTMENT,
1.2 MI

UNITED STATES POSTAL SERVICE,
1.0 MI

DEL MAR PUBLIC WORKS DEPARTMENT,
0.7 MI

DEL MAR COMMUNITY SERVICES DEPARTMENT,
1.3 MI

UNITED STATES POSTAL SERVICE,
1.5 MI

SCRIPPS COASTAL MEDICAL CENTER,
1.0 MI

SOLANA BEACH MEDICAL CLINIC,
0.8 MI

SOLANA BEACH PARKS AND RECREATION,
0.5 MI

SHARP REES - STEALY DEL MAR,
0.3 MI

DEL MAR FIRE DEPARTMENT,
0.6 MI

DEL MAR CITY HALL,
1.7 MI

SITE

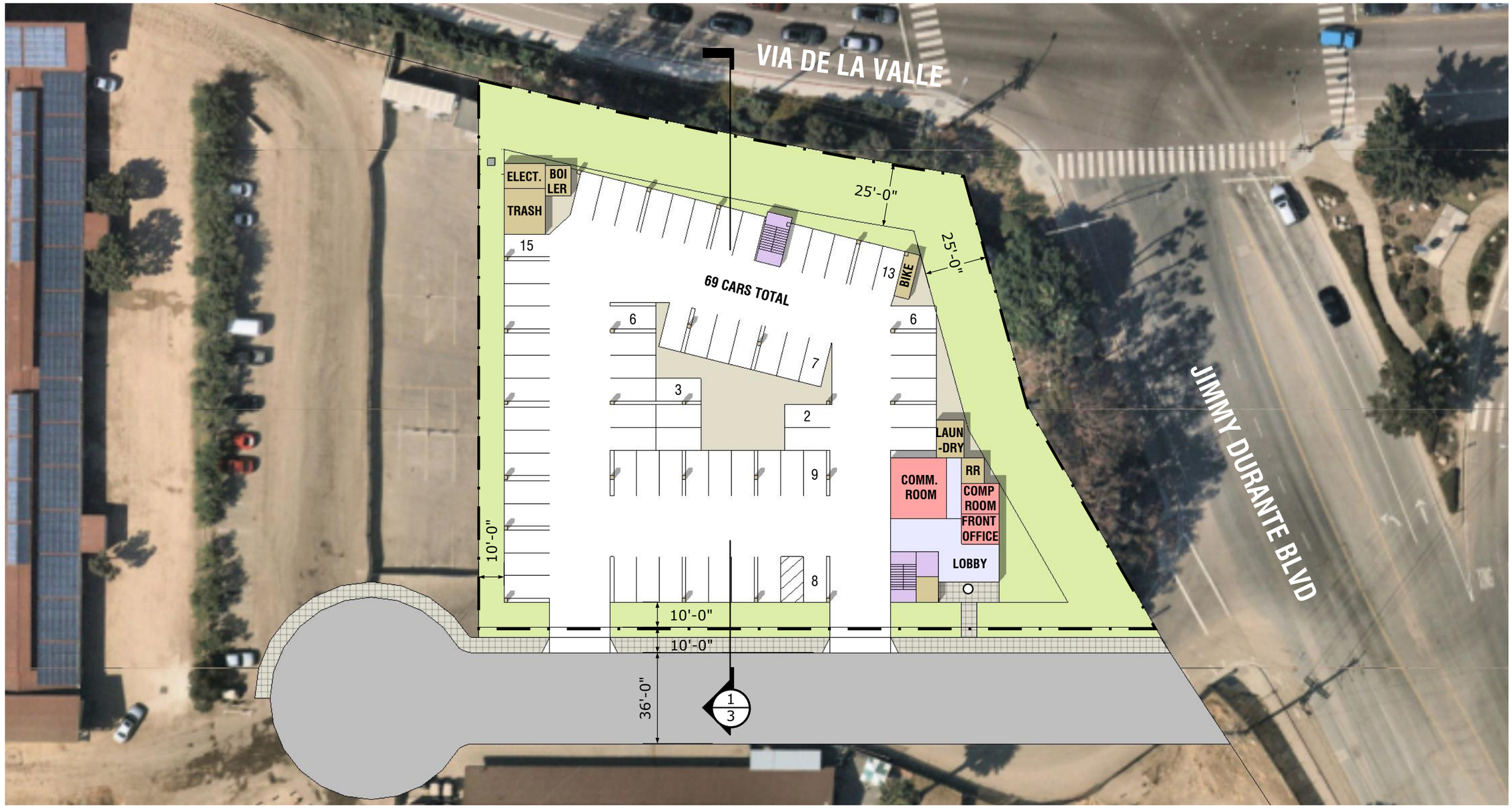
1 MILE RADIUS

KEY

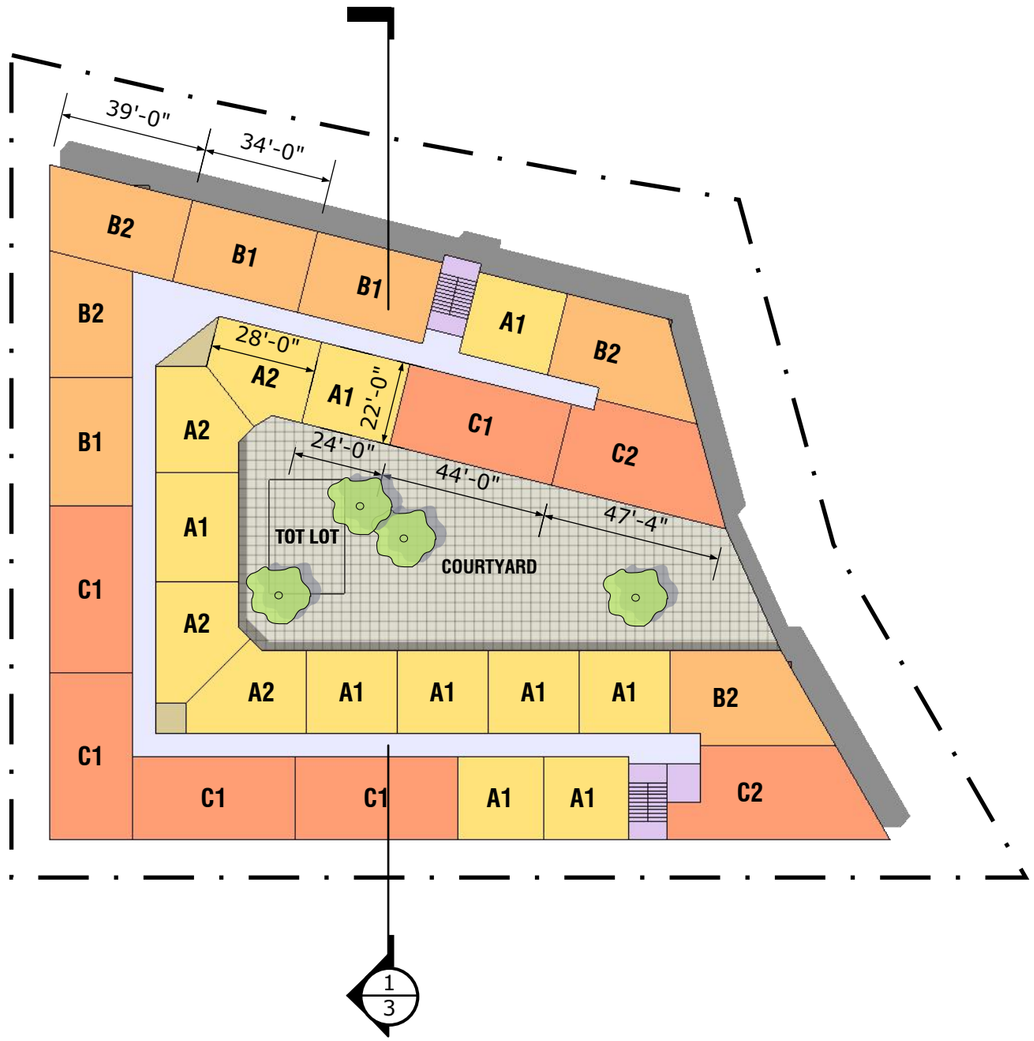
- GOVERNMENT
- MEDICAL CENTER
- DENTAL
- OPTOMETRY

EXHIBIT E

HEALTH AND GOVERNMENTAL SERVICES


VIA DE LA VALLE
JIMMY DURANTE BLVD
ELECT.
BOI LER
TRASH
15
69 CARS TOTAL
13
BIKE
6
6
7
3
2
9
8
LAUN -DRY
COMM. ROOM
RR
COMP ROOM
FRONT OFFICE
LOBBY
25'-0"
25'-0"
10'-0"
10'-0"
10'-0"
36'-0"
1
3
0
40
80

SITE PLAN



TYPICAL UPPER FLOOR: LEVEL 2-3

0 40 80

STEPHEN DALTON ARCHITECTS
www.SDArchitects.net

DEL MAR HOUSING
FAIRGROUNDS 1.0 AC - FAMILY HOUSING

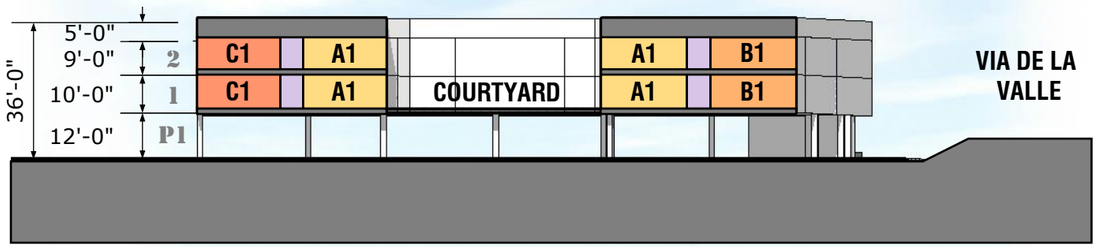
STUDY **1A**

DATE
6/07/22

2



VIEW FROM SOUTHEAST



SECTION 1

0 40 80

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DEL MAR HOUSING
FAIRGROUNDS 1.0 AC - FAMILY HOUSING

STUDY **1A**

DATE
6/07/22

3

UNIT TABULATION

		UNIT	# DU	SF / DU	NRSF	
48%	1BR	A1	18	528 SF	9,504 SF	
		A2	8	615 SF	4,920 SF	
		SUB-TOTAL	26			14,424 SF
26%	2BR	B1	6	748 SF	4,488 SF	
		B2	8	798 SF	6,384 SF	
		SUB-TOTAL	14			10,872 SF
26%	3BR	C1	10	968 SF	9,680 SF	
		C2	4	1,074 SF	4,296 SF	
		SUB-TOTAL	14			13,976 SF
	TOTAL DU		54			39,272 SF
				AVERAGE UNIT SIZE:		727 SF

DEVELOPMENT REGULATIONS

ADDRESS:	2586 JIMMY DURANTE BLVD DEL MAR, CA 92014			APN 298-271-03	AC 1.0 AC	SF 43,560 SF
DEVELOPMENT REGULATIONS						
				ACTUAL		**PROPOSED**
BASE ZONE				FR		NO CHANGE
OVERLAY ZONES:				COASTAL FLOOD PLANE OVERLAY		
DENSITY				N/A		54 DU / AC
SETBACKS						
	FRONT			N/A		25 FT
	REAR			N/A		10 FT
	SIDE			N/A		10 FT
	STREET SIDE			N/A		25 FT
HEIGHT				N/A		36 FT
F.A.R.				N/A		171%
COVERAGE				N/A		

PARKING

SCENARIO 1A PARKING					
PROPOSED		STATE AFFORDABLE		DEL MAR	
TYPE	# OF UNITS	RATIO	# OF CARS	RATIO	# OF CARS
1-BR	*26 DU*	1	26	1	26
2-BR	*14 DU*	1.5	21	2	28
3-BR	*14 DU*	1.5	21	2	28
SUB-TOTAL	54 DU		68		82
GUEST	0	0	0	0.25	14
TOTAL CARS	69	**TOTAL CARS**	68	**TOTAL CARS**	96

AREA CALCULATION

HABITABLE AREA

APARTMENTS (NRSF)				39,272 SF	
LOBBY				337 SF	
FRONT OFFICE				180 SF	
COMMUNITY ROOM				528 SF	
COMPUTER ROOM				180 SF	
SUB-TOTAL					40,497 SF

UTILITY AREA

ELECTRIC METER RM.				165 SF	
TRASH				297 SF	
BOILER RM				152 SF	
LAUNDRY				165 SF	
RESTROOM				90 SF	
STORAGE	152 SF/FLR	X	2 FLR	304 SF	
BIKE STORAGE				108 SF	
ELV. MACH RM				90 SF	
SUB-TOTAL					1,371 SF

CIRCULATION

HALLWAY 1				144 SF	
HALLWAY 2-3	2572 SF/FLR	X	2 FLR	5,144 SF	
STAIR 1	200 SF/FLR	X	3 FLR	600 SF	
STAIR 2	200 SF/FLR	X	3 FLR	600 SF	
ELEVATOR	90 SF/FLR	X	3 FLR	270 SF	
SUB-TOTAL					6,758 SF

GARAGE

GARAGE	25,993 SF	
SUB-TOTAL		25,993 SF

TOTAL GROSS FLOOR AREA (GFA)	74,619 SF
EFFICIENCY (EXCLUDES GARAGE)	83.28%



EXISTING CONDITIONS

SOURCE: SANGIS



SITE PLAN

STEPHEN DALTON ARCHITECTS
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DEL MAR HOUSING
FAIRGROUNDS 1.5 AC - FAMILY HOUSING

STUDY **1B**

DATE
6/07/22

1



TYPICAL UPPER FLOOR: LEVEL 2-3

0 40 80

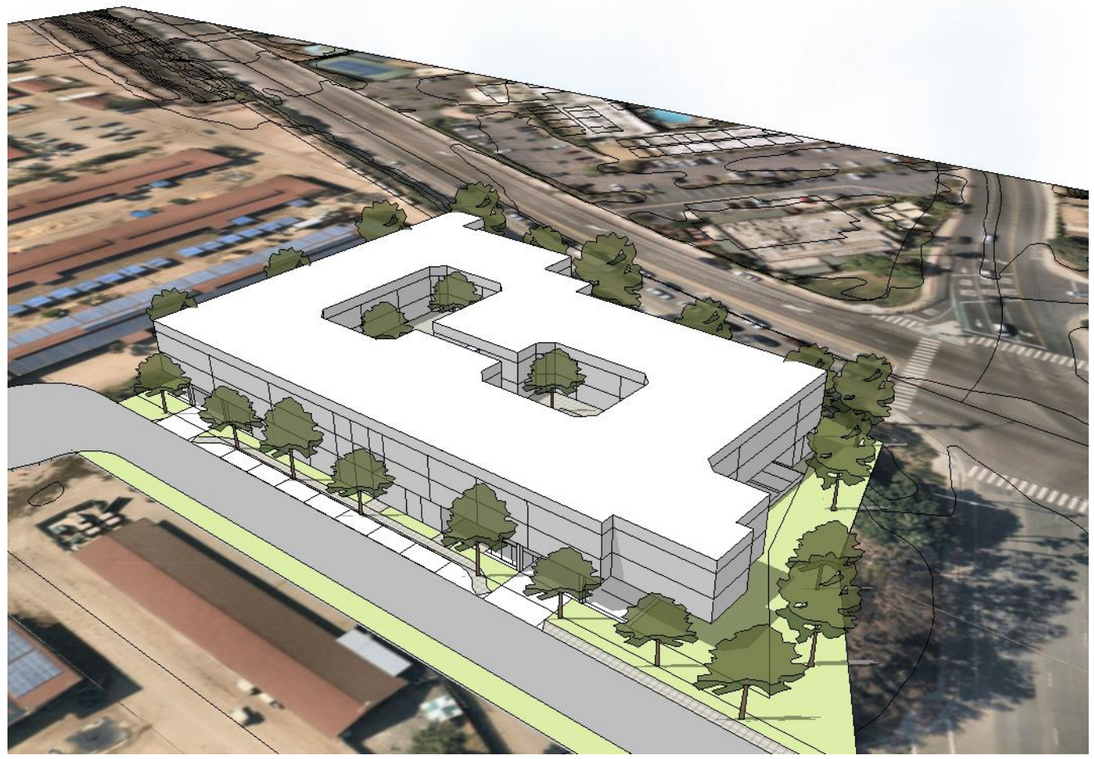
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DEL MAR HOUSING
FAIRGROUNDS 1.5 AC - FAMILY HOUSING

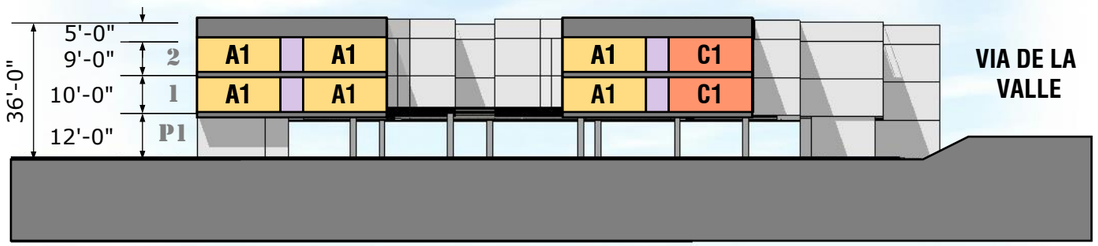
STUDY **1B**

DATE
6/07/22

2



VIEW FROM SOUTHEAST



SECTION 1

0 40 80

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DEL MAR HOUSING
FAIRGROUNDS 1.5 AC - FAMILY HOUSING

STUDY 1B

DATE 6/07/22

3

UNIT TABULATION

		UNIT	# DU	SF / DU	NRSF	
43%	1BR	A1	14	528 SF	7,392 SF	
		A2	20	615 SF	12,300 SF	
		SUB-TOTAL	34			19,692 SF
28%	2BR	B1	16	846 SF	13,536 SF	
		B2	6	704 SF	4,224 SF	
		SUB-TOTAL	22			17,760 SF
30%	3BR	C1	24	924 SF	22,176 SF	
		SUB-TOTAL	24			22,176 SF
	TOTAL DU		80			59,628 SF

AVERAGE UNIT SIZE: 745 SF

DEVELOPMENT REGULATIONS

ADDRESS:	2586 JIMMY DURANTE BLVD DEL MAR, CA 92014			APN 298-271-03	AC 1.5 AC	SF 65,340 SF
DEVELOPMENT REGULATIONS						
				ACTUAL		**PROPOSED**
BASE ZONE				FR		NO CHANGE
OVERLAY ZONES:				COASTAL FLOOD PLANE OVERLAY		
DENSITY				N/A		53.3 DU / AC
SETBACKS						
	FRONT			N/A		25 FT
	REAR			N/A		10 FT
	SIDE			N/A		10 FT
	STREET SIDE			N/A		25 FT
HEIGHT				N/A		36 FT
F.A.R.				N/A		174%
COVERAGE				N/A		

PARKING

SCENARIO 1B PARKING					
PROPOSED		STATE AFFORDABLE		DEL MAR	
TYPE	# OF UNITS	RATIO	# OF CARS	RATIO	# OF CARS
1-BR	*34 DU*	1	34	1	34
2-BR	*22 DU*	1.5	33	2	44
3-BR	*24 DU*	1.5	36	2	48
SUB-TOTAL	80 DU		103		126
GUEST	0	0	0	0.25	20
TOTAL CARS	124	**TOTAL CARS**	103	**TOTAL CARS**	146

AREA CALCULATION

HABITABLE AREA					
APARTMENTS (NRSF)				59,628 SF	
LOBBY				261 SF	
FRONT OFFICE				150 SF	
COMMUNITY ROOM				924 SF	
COMPUTER ROOM				330 SF	
SUB-TOTAL					61,293 SF
UTILITY AREA					
ELECTRIC METER RM.				180 SF	
TRASH				320 SF	
BOILER RM				120 SF	
LAUNDRY				189 SF	
RESTROOM				72 SF	
PRIVATE STORAGE				1,005 SF	
STORAGE	616 SF/FLR	X	2 FLR	1,232 SF	
BIKE STORAGE				90 SF	
ELV. MACH RM				90 SF	
SUB-TOTAL					3,298 SF
CIRCULATION					
HALLWAY 1				454 SF	
HALLWAY 2-3	4917 SF/FLR	X	2 FLR	9,834 SF	
STAIR 1	200 SF/FLR	X	3 FLR	600 SF	
STAIR 2	200 SF/FLR	X	3 FLR	600 SF	
ELEVATORS	180 SF/FLR	X	3 FLR	540 SF	
SUB-TOTAL					12,028 SF
GARAGE					
GARAGE				37,033 SF	
SUB-TOTAL					37,033 SF
TOTAL GROSS FLOOR AREA (GFA)					113,652 SF
EFFICIENCY (EXCLUDES GARAGE)					80.00%



EXISTING CONDITIONS

SOURCE: SANGIS



SITE PLAN

0 40 80

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DEL MAR HOUSING
FAIRGROUNDS 1.5 AC - SENIOR HOUSING

STUDY **1C**

DATE 6/07/22

1



TYPICAL UPPER FLOOR: LEVEL 2-3

0 40 80

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DEL MAR HOUSING
FAIRGROUNDS 1.5 AC - SENIOR HOUSING

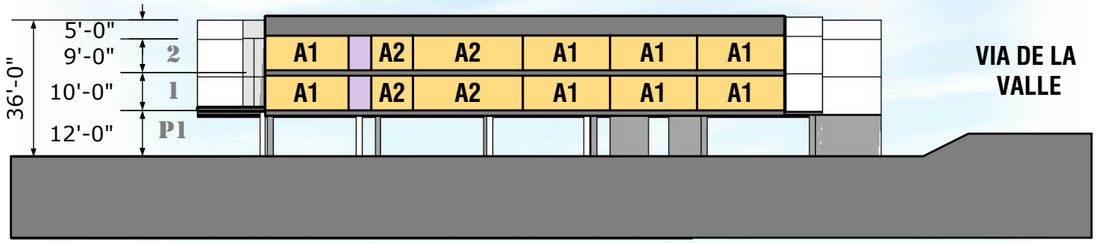
STUDY **1C**

DATE
6/07/22

2



VIEW FROM SOUTHEAST



SECTION 1

0 40 80

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DEL MAR HOUSING
FAIRGROUNDS 1.5 AC - SENIOR HOUSING

STUDY **1C**

DATE 6/07/22

3

UNIT TABULATION

			UNIT	# DU	SF / DU	NRSF	
100%	1BR		A1	58	506 SF	29,348 SF	
			A2	20	615 SF	12,300 SF	
			TOTAL	78			41,648 SF
		TOTAL DU		78			41,648 SF
						AVERAGE UNIT SIZE:	534 SF

AREA CALCULATION

HABITABLE AREA							
	APARTMENTS (NRSF)				41,648 SF		
	LOBBY				240 SF		
	FRONT OFFICE				258 SF		
	COMMUNITY ROOM				960 SF		
	COMPUTER ROOM				330 SF		
	SUB-TOTAL					43,436 SF	
UTILITY AREA							
	ELECTRIC METER RM.				200 SF		
	TRASH				320 SF		
	BOILER RM				120 SF		
	LAUNDRY				189 SF		
	RESTROOM				72 SF		
	STORAGE	320 SF/FLR	X	2 FLR	640 SF		
	BIKE STORAGE				90 SF		
	ELV. MACH RM				90 SF		
	SUB-TOTAL					1,721 SF	
CIRCULATION							
	HALLWAY 2-3	3731 SF/FLR	X	2 FLR	5,900 SF		
	STAIR 1	200 SF/FLR	X	3 FLR	600 SF		
	STAIR 2	200 SF/FLR	X	3 FLR	600 SF		
	STAIR 3	200 SF/FLR	X	3 FLR	600 SF		
	ELEVATORS	180 SF/FLR	X	3 FLR	540 SF		
	SUB-TOTAL					8,240 SF	
GARAGE							
	GARAGE				27,700 SF		
	SUB-TOTAL					27,700 SF	
	TOTAL GROSS FLOOR AREA (GFA)						81,097 SF
	EFFICIENCY (EXCLUDES GARAGE)						81.35%

DEVELOPMENT REGULATIONS

ADDRESS:	2586 JIMMY DURANTE BLVD DEL MAR, CA 92014	APN 298-271-03	AC 1.5 AC	SF 65,340 SF
DEVELOPMENT REGULATIONS				
		ACTUAL		**PROPOSED**
BASE ZONE		FR		NO CHANGE
OVERLAY ZONES:		COASTAL FLOOD PLANE OVERLAY		
DENSITY		N/A		52. DU / AC
SETBACKS				
	FRONT	N/A		25 FT
	REAR	N/A		10 FT
	SIDE	N/A		10 FT
	STREET SIDE	N/A		25 FT
HEIGHT		N/A		36 FT
F.A.R.		N/A		124%
COVERAGE		N/A		

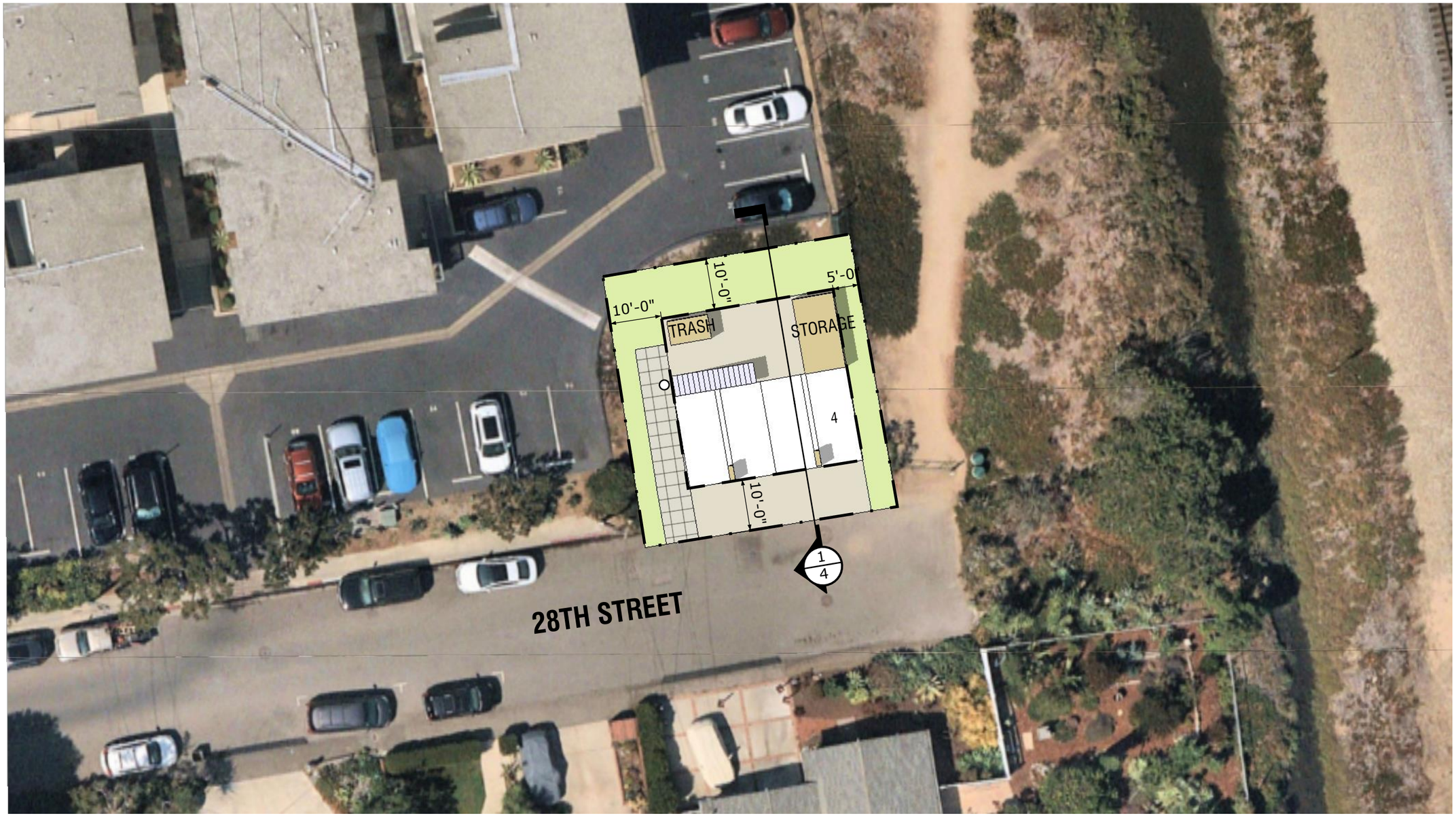
PARKING

SCENARIO 1C PARKING					
PROPOSED		**STATE AFFORDABLE**		**DEL MAR**	
TYPE	# OF UNITS	RATIO	# OF CARS	RATIO	# OF CARS
1-BR	*78 DU*	1	78	1	78
2-BR	*DU*	1.5	0	2	0
3-BR	*DU*	1.5	0	2	0
SUB-TOTAL	78 DU		78		78
GUEST	0	0	0	0.25	20
TOTAL CARS	78	**TOTAL CARS**	78	**TOTAL CARS**	98



EXISTING CONDITIONS

SOURCE: SANGIS



SITE PLAN

0 20 40

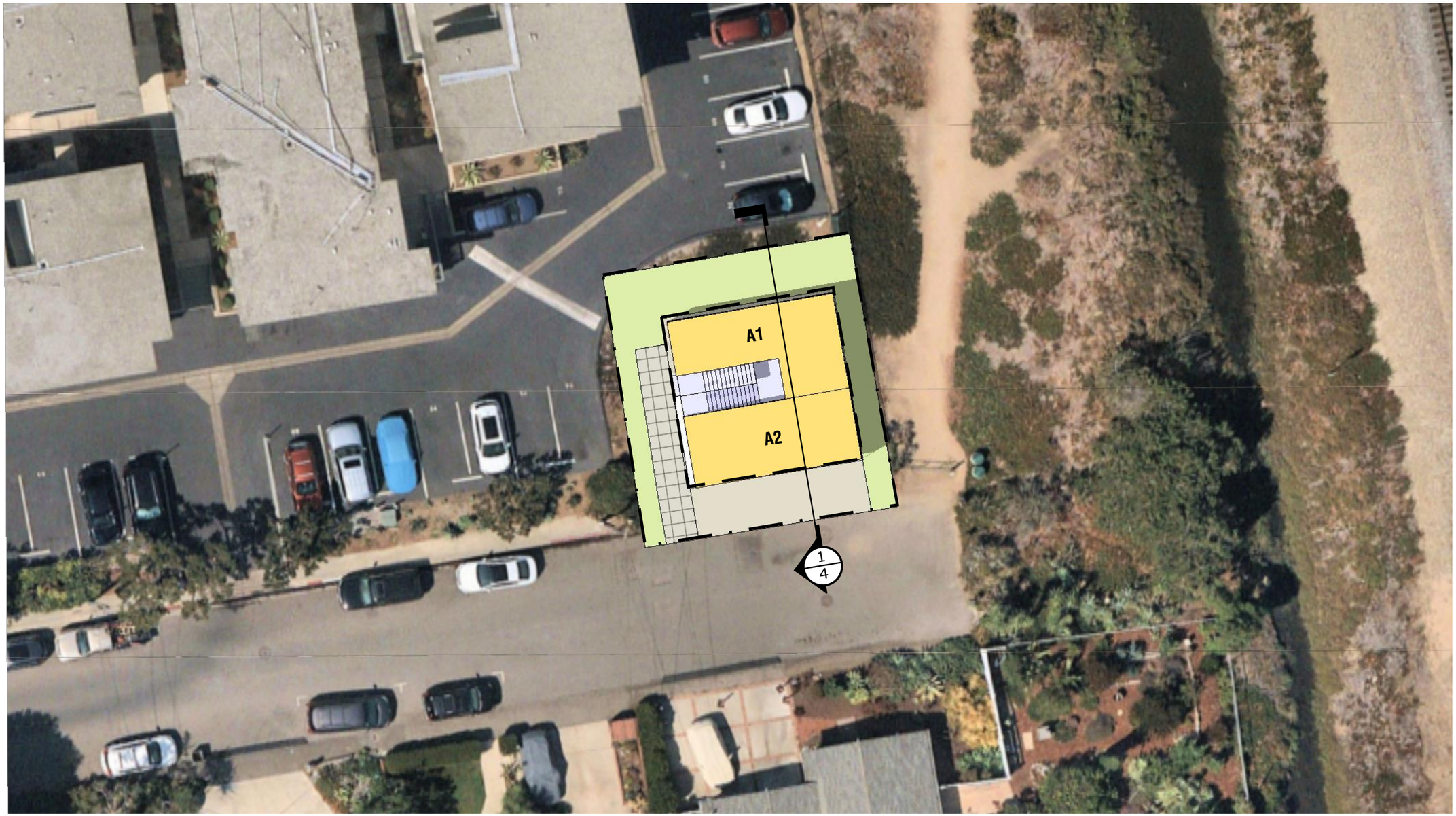
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DEL MAR HOUSING
28TH STREET - FAMILY HOUSING

STUDY **2**

DATE
6/07/22

1



FLOOR PLAN: LEVEL 2

0 20 40

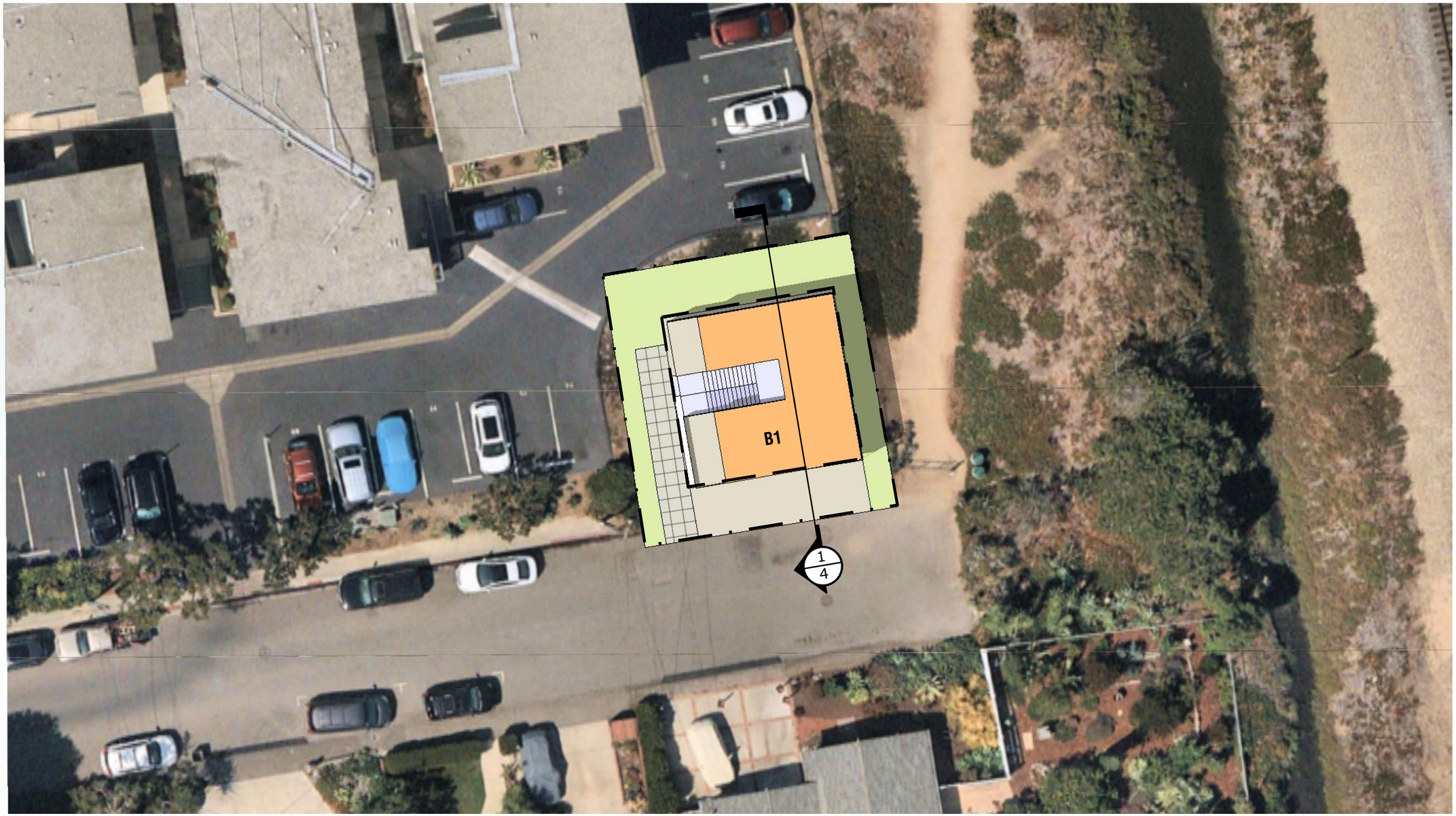
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DEL MAR HOUSING
28TH STREET - FAMILY HOUSING

STUDY **2**

DATE
6/07/22

2



BUILDING PLAN: LEVEL 3

0 20 40

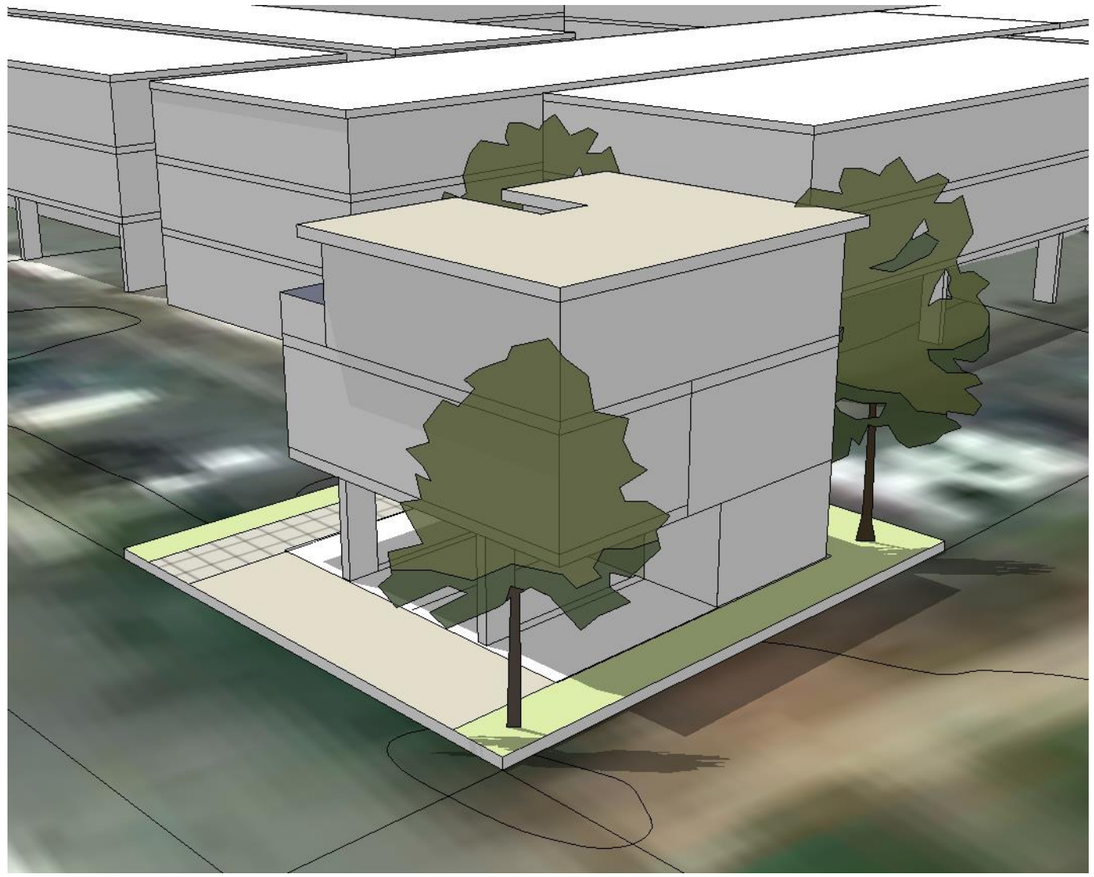
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DEL MAR HOUSING
28TH STREET - FAMILY HOUSING

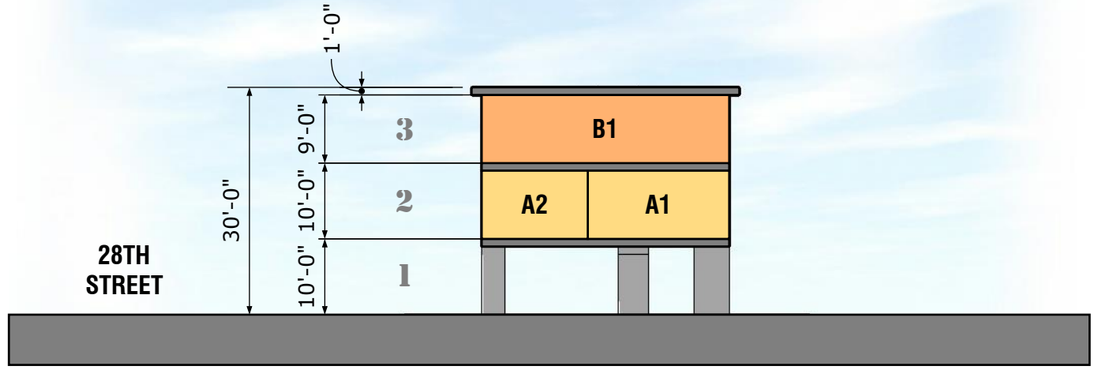
STUDY **2**

DATE
6/07/22

3



VIEW FROM SOUTHEAST



SECTION 1

0 20 40

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DEL MAR HOUSING
28TH STREET - FAMILY HOUSING

STUDY 2

DATE
6/07/22

4

UNIT TABULATION

		UNIT	# DU	SF / DU	NRSF	
0%	STUDIO				SF	
		SUB-TOTAL	0			SF
67%	1-BR	A1	1	450 SF	450 SF	
		A2	1	458 SF	458 SF	
		SUB-TOTAL	2			908 SF
33%	2-BR					
		B1	1	927 SF	927 SF	
		SUB-TOTAL	1			927 SF
	TOTAL		3			1,835 SF
					AVERAGE UNIT SIZE:	612 SF

AREA CALCULATION

HABITABLE AREA			
	APARTMENTS (NRSF)	1,835 SF	
CIRCULATION			
	MISC STORAGE	117 SF	
	TRASH	37 SF	
	SUB-TOTAL	154 SF	
	TOTAL GROSS FLOOR AREA (GFA)		1,989 SF
	EFFICIENCY		92.26%

DEVELOPMENT REGULATIONS

ADDRESS:		298 28th STREET DEL MAR, CA 92014		APN 299-030-12	AC .06 AC	SF 2,630 SF
DEVELOPMENT REGULATIONS						
		ACTUAL		**ADJACENT**		**PROPOSED**
				FOR REFERENCE ONLY		
BASE ZONE		PF		RM-EAST		NO CHANGE
OVERLAY ZONES:		FLOODPLAIN OVERLAY ZONE LAGOON OVERLAY COASTAL OVERLAY				
DENSITY		N/A		17.6 DU / AC		49.7 DU / AC
SETBACKS						
	FRONT	N/A		20 FT		10 FT
	REAR	N/A		20 FT		10 FT
	SIDE	N/A		5 FT		5 FT
HEIGHT		N/A		26 FT		33 FT
F.A.R.		N/A		40%		76%
COVERAGE		N/A		55%		35%

PARKING

SCENARIO 2 PARKING					
PROPOSED		**STATE AFFORDABLE**		**DEL MAR**	
TYPE	# OF UNITS	RATIO	# OF CARS	RATIO	# OF CARS
1-BR	*2 DU*	1	2	1	2
2-BR	*1 DU*	1.5	1.5	2	2
3-BR	*DU*	1.5	0	2	0
SUB-TOTAL	3 DU		3.5		4
GUEST	0	0	0	0.25	1
TOTAL CARS	4	**TOTAL CARS**	4	**TOTAL CARS**	5



TYPICAL FLOOR: LEVEL 1-2

0 20 40

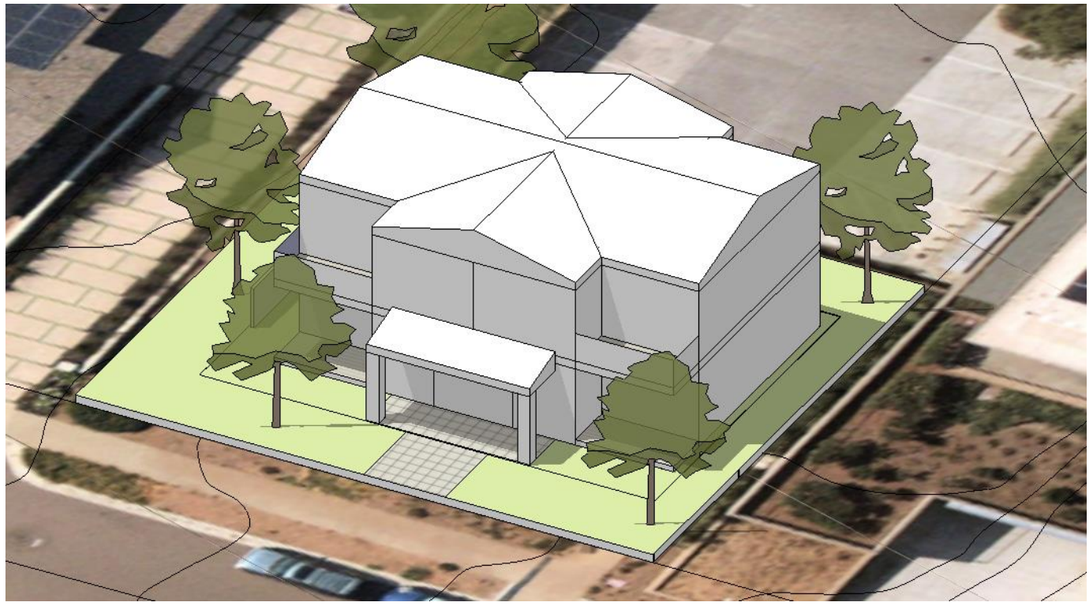
STEPHEN DALTON ARCHITECTS
www.SDArchitects.net

DEL MAR HOUSING
CIVIC CENTER - FAMILY HOUSING

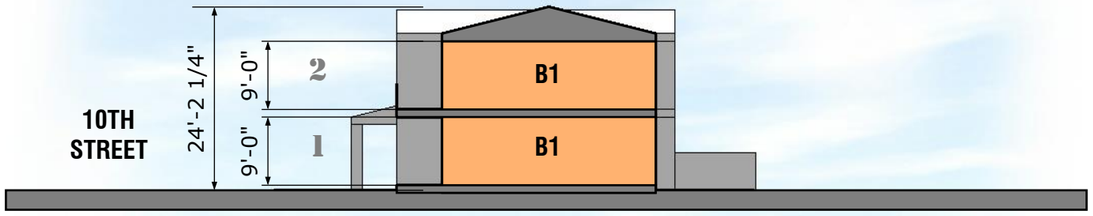
STUDY 3

DATE 6/07/22

1



VIEW FROM SOUTHEAST



SECTION 1

0 20 40

STEPHEN DALTON ARCHITECTS
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DEL MAR HOUSING
CIVIC CENTER - FAMILY HOUSING

STUDY 3

DATE 6/07/22

2

UNIT TABULATION

		UNIT	# DU	SF / DU	NRSF	
0%	STUDIO				SF	
		SUB-TOTAL	0			SF
0%	1-BR				SF	
		SUB-TOTAL	0			SF
100%	2-BR	B1	4	718 SF	2,872 SF	
		SUB-TOTAL	4			2,872 SF
	TOTAL		4			2,872 SF
					AVERAGE UNIT SIZE:	718 SF

AREA CALCULATION

HABITABLE AREA						
	APARTMENTS (NRSF)				2,872 SF	
CIRCULATION						
	STAIR 1	200 SF/FLR	X	2 FLR	80 SF	
	LOBBY				107 SF	
	HALL 2				50 SF	
	SUB-TOTAL				237 SF	
	TOTAL GROSS FLOOR AREA (GFA)					3,109 SF
	EFFICIENCY					92.38%

DEVELOPMENT REGULATIONS

ADDRESS:		307 10TH STREET DEL MAR, CA 92014		APN 300-093-17	AC .1 AC	SF 4,499 SF

DEVELOPMENT REGULATIONS		ACTUAL	ADJACENT FOR REFERENCE ONLY	PROPOSED
BASE ZONE		PF	R2	NO CHANGE
OVERLAY ZONES:		COASTAL		
DENSITY		N/A	12.5 DU / AC	38.7 DU / AC
SETBACKS				
	FRONT	N/A	20 FT	10 FT
	REAR	N/A	20 FT	10 FT
	SIDE	N/A	5 FT	5 FT
HEIGHT		N/A	26 FT	26 FT
F.A.R.		N/A	35%	69%
COVERAGE		N/A	50%	35%

PARKING

SCENARIO 3 PARKING					
PROPOSED		STATE AFFORDABLE		DEL MAR	
TYPE	# OF UNITS	RATIO	# OF CARS	RATIO	# OF CARS
1-BR	*DU*	1	0	1	0
2-BR	*4 DU*	1.5	6	2	8
3-BR	*DU*	1.5	0	2	0
SUB-TOTAL	4 DU		6		8
GUEST	0	0	0	0.25	1
TOTAL CARS	6[a]	**TOTAL CARS**	6	**TOTAL CARS**	9

a. Parking to be provided in adjacent Civic Center parking lot.

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

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

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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 Affordbale 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.

DRAFT

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.	**Direct Costs** (1)	**Total**	**Per Unit**	**Comments**	**Total**	**Per Unit**	**Comments**	**Total**	**Per Unit**	**Comments**
	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	$874,000	$16,000	5.0% of Directs	$874,000	$16,000	5.0% of Directs	$867,000	$16,000	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	$361,000	$7,000	5.0% of Indirects	$361,000	$7,000	5.0% of Indirects	$354,000	$7,000	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**

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(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.

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

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.

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TABLE A-3

NET OPERATING INCOME
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALYS
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	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.

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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**

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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)**

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100% Affordable with
Low Income Housing Tax Credits

Fairgrounds with Family Housing
Standalone Project - 1.0 Acre

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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	9,354	SF	19%	9,354	SF	19%
	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	14	Units	26%	14	Units	26%
	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	1	Unit	2%	1	Unit	2%
	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	

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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	
I. Direct Costs [1]	**Total**	**Per Unit**	**Comments**	**Total**	**Per Unit**	**Comments**
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	$405,000	$7,500	Allowance	$405,000	$7,500	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	$951,000	$18,000	5.0% of Above Directs	$1,094,000	$20,000	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	$432,000	$8,000	5.0% of Indirects	$563,000	$10,000	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 Constructions	$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	$195,000	$4,000	1.0% of Directs	$198,000	$4,000	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.

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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	14	998 SF	$1.24	$1,239	$208,000	$1.24	$1,239	$208,000
	Total/Average	54	727 SF	$1.51	$1,100	$697,000	$1.51	$1,100	$697,000
	Add: Other Income			$15	/Unit/Month	$10,000	$50	/Unit/Month	$32,000
	Total Gross Scheduled Income (GSI)					$707,000			$729,000
II.	**Effective Gross Income**								
	(Less) Vacancy			5.0%	of GSI	($35,000)	5.0%	of GSI	($36,000)
	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			$150	/Unit/Year	($8,000)	$150	/Unit/Year	($8,000)
	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	$0	0.42%	of Loan	($34,000)
VI.	**NOI after Debt Service for State Funding Source**					**$298,200**			**$253,000**

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(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)**

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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)				
Estimate of Eligible Basis:				
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
Tax Credit Proceeds:				
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

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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	16,991 SF 22%	16,991 SF 22%	16,991 SF 22%	16,991 SF 22%	16,991 SF 22%	16,991 SF 22%	16,991 SF 22%
	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	24 Units 30%	24 Units 30%	24 Units 30%	24 Units 30%	24 Units 30%	24 Units 30%	24 Units 30%
	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	0 Units 0%	0 Units 0%	0 Units 0%	16 Units 20%	0 Units 0%	0 Units 0%	79 Units 99%
	Total Affordbale 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.

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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		
I.	**Direct Costs** (1)	**Total**	**Per Unit**	**Comments**	**Total**	**Per Unit**	**Comments**	**Total**	**Per Unit**	**Comments**
	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	$1,353,000	$17,000	5.0% of Directs	$1,353,000	$17,000	5.0% of Directs	$1,343,000	$17,000	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	$564,000	$7,000	5.0% of Indirects	$563,000	$7,000	5.0% of Indirects	$554,000	$7,000	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.

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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)	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.

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TABLE B-3

NET OPERATING INCOME
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANAI
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 an
(2) Based on capitalized income approach; assumes a 1.10
(3) Assumes project will qualify for tax-exempt status.

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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)**

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TABLE B-4

RESIDUAL LAND VALUE
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANALY
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)**

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100% Affordable with
Low Income Housing Tax Credits

Fairgrounds with Family Housing - 1.5 Acres
Standalone Project

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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	16,991 SF 22%	16,991 SF 22%
	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	24 Units 30%	24 Units 30%
	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	1 Unit 1%	1 Unit 1%
	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

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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			
I. Direct Costs [1]	**Total**	**Per Unit**	**Comments**		**Total**	**Per Unit**	**Comments**	
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	$600,000	$7,500		Allowance	$600,000	$7,500		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	$1,400,000	$18,000	5.0%	of Directs	$1,610,000	$20,000	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		Alllowance
Contingency	$614,000	$8,000	5.0%	of Indirects	$880,000	$11,000	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 Constructions	$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	$300,000	$4,000	1.0%	of Directs	$295,000	$4,000	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.

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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	24	924 SF	$1.34	$1,239	$357,000	$1.34	$1,239	$357,000
	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	$48,000	$50	/Unit/Month	$48,000
	Total Gross Scheduled Income (GSI)					$1,099,000			$1,099,000
II.	**Effective Gross Income**								
	(Less) Vacancy			5.0%	of GSI	($55,000)	5.0%	of GSI	($55,000)
	Effective Gross Income (EGI)					$1,044,000			$1,044,000
III.	**Operating Expenses**								
	(Less) Operating Expenses			$6,000	/Unit/Year	($480,000)	$6,000	/Unit/Year	($480,000)
	(Less) Tenant Services			$200	/Unit/Year	($16,000)	$500	/Unit/Year	($16,000)
	(Less) Property Taxes/Assessments [2]			$250	/Unit/Year	($20,000)	$250	/Unit/Year	($20,000)
	(Less) Replacement Reserves			$250	/Unit/Year	($20,000)	$500	/Unit/Year	($40,000)
	(Less) Monitoring Fee			$150	/Unit/Year	($12,000)	$150	/Unit/Year	($12,000)
	Total Operating Expenses			$6,850	/Unit/Year	($548,000)	$7,100	/Unit/Year	($568,000)
				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	$0	0.42%	of Loan	($34,000)
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.

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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)	$0	$0	$0	$0
	Total Sources of Funds	$34,821,000	$435,000	$43,889,000	$549,000
II.	**(Less) Development Costs**	($45,469,000)	($568,000)	($56,509,000)	($706,000)
III.	**Residual Land Value**	**($10,648,000)**	**($133,000)**	**($12,620,000)**	**($158,000)**

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

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)				
Estimate of Eligible Basis:				
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
Tax Credit Proceeds:				
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

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100% Affordable with
Low Income Housing Tax Credits

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

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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	9,354	SF	19%	9,354	SF	19%
	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	14	Units	26%	14	Units	26%
	Total	57	Units	100%	57	Units	100%
X.	**Affordablility 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	1	Unit	2%	1	Unit	2%
	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	

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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			
I. Direct Costs [1]	**Total**	**Per Unit**	**Comments**		**Total**	**Per Unit**	**Comments**	
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	$428,000	$7,500		Allowance	$428,000	$7,500		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	$917,000	$16,000	5.0%	of Directs	$1,055,000	$19,000	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	$434,000	$8,000	5.0%	of Indirects	$570,000	$10,000	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	$212,000	$4,000	1.1%	of Directs	$208,000	$4,000	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.

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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.

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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	
I.	**Sources of Funds**	**Total**	**Per Unit**	**Total**	**Per Unit**
	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)	$0	$0	$0	$0
	Total Sources of Funds	$23,067,000	$405,000	$27,917,000	$490,000
II.	**(Less) Development Costs**	($30,674,000)	($538,000)	($36,900,000)	($647,000)
III.	**Residual Land Value**	**($7,607,000)**	**($133,000)**	**($8,983,000)**	**($158,000)**

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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)				
Estimate of Eligible Basis:				
Total Development Costs		$30,674,000		$36,900,000
(Less) Ineligible Costs	4%	($1,321,000)	5%	($1,686,000)
Eligible Basis		$29,353,000		$35,214,000
Tax Credit Proceeds:				
Maximum Eligible Basis		$29,353,000		$35,214,000
(Less) Voluntary Credit Adjustment	40.0%	($11,741,000)	0.0%	$0
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		$2,200,000		($4,593,000)
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		$0	45.6%	($2,093,000)
Upfront Developer Fee		$2,200,000		$2,500,000

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100% Affordable with
Low Income Housing Tax Credits

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

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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	16,991	SF	22%	16,991	SF	22%
	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	24	Units	29%	24	Units	29%
	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	1	Unit	1%	1	Unit	1%
	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	

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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			
I. Direct Costs [1]	**Total**	**Per Unit**	**Comments**		**Total**	**Per Unit**	**Comments**	
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	$623,000	$7,500		Allowance	$623,000	$7,500		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	$1,459,000	$18,000	5.0%	of Directs	$1,678,000	$20,000	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	$621,000	$7,000	5.0%	of Indirects	$901,000	$11,000	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	$311,000	$4,000	1.0%	of Directs	$309,000	$4,000	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.

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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.

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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)	$0	$0	$0	$0
	Total Sources of Funds	$34,972,000	$421,000	$45,166,000	$544,000
II.	**(Less) Development Costs**	($47,118,000)	($568,000)	($58,511,000)	($705,000)
III.	**Residual Land Value**	**($12,146,000)**	**($146,000)**	**($13,345,000)**	**($161,000)**

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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

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FAIRGROUNDS
WITH SENIOR HOUSING

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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
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	11,749 SF 22%	11,749 SF 22%	11,749 SF 22%	11,749 SF 22%	11,749 SF 22%	11,749 SF 22%	11,749 SF 22%
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 0%	--- Units 0%	--- Units 0%	--- Units 0%	--- Units 0%	--- Units 0%	--- Units 0%
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	0 Units 0%	0 Units 0%	0 Units 0%	16 Units 20%	0 Units 0%	0 Units 0%	77 Units 99%
Total Affordbale 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.

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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	$1,048,000	$13,000	5.0% of Directs	$1,048,000	$13,000	5.0% of Directs	$1,048,000	$13,000	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	$415,000	$5,000	5.0% of Indirects	$413,000	$5,000	5.0% of Indirects	$405,000	$5,000	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**

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(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.

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TABLE E-3

NET OPERATING INCOME
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANAI
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 an
(2) Based on capitalized income approach; assumes a 1.10
(3) Assumes project will qualify for tax-exempt status.

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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	($3,965,000)	10.0% of Value	($3,164,000)	10.0% of Value	($3,321,000)	10.0% of Value	($3,567,000)
II.	**Net Sales Proceeds**		**$34,895,000**		**$27,843,000**		**$29,228,000**		**$31,387,000**
	(Less) Development Costs		($32,922,600)		($32,866,000)		($32,866,000)		($32,866,000)
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)**

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TABLE E-4

RESIDUAL LAND VALUE
AFFORDABLE HOUSING FINANCIAL FEASIBILITY ANA
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	($229,000)	10.0% of Value	($1,179,000)	10.0% of Value	($2,659,000)
II. Net Sales Proceeds		**$2,013,000**		**$10,373,000**		**$23,397,000**
(Less) Development Costs		($32,702,000)		($32,702,000)		($32,702,000)
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)**

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100% Affordable with
Low Income Housing Tax Credits

Fairgrounds with Senior Housing
Standalone Project - 1.5 Acres

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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	11,749	SF	19%	11,749	SF	22%
	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	1%	1	Unit	1%
	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	

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

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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.

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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)**

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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)					
Estimate of Eligible Basis:					
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
Tax Credit Proceeds:					
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

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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.	**Grosss Building Area**				
	Net Residential	1,835 SF 92%	1,835 SF 92%	1,835 SF 92%	1,835 SF 92%
	Circulation/Common Area	154 SF 8%	154 SF 8%	154 SF 8%	154 SF 8%
	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	1 Unit 33%	1 Unit 33%	1 Unit 33%	1 Unit 33%
	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	0 Units 0%	0 Units	0 Units	3 Units
	Total Affordbale 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

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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			
I.	**Direct Costs** [1]	**Total**	**Per Unit**	**Comments**		**Total**	**Per Unit**	**Comments**	
	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	$45,000	$15,000	5.0%	of Directs	$45,000	$15,000	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		Allowanace	$7,500	$2,500		Allowanace
	Contingency	$16,000	$5,000	5.0%	of Indirects	$16,000	$5,000	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.

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

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.

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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	($197,000)	10.0% of Value	($9,000)	10.0% of Value	($44,000)	10.0% of Value	($107,000)
II.	**Net Sales Proceeds**		**$1,737,000**		**$83,000**		**$391,000**		**$941,000**
	(Less) Development Costs		($1,382,900)		($1,374,500)		($1,374,500)		($1,374,500)
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)**

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CIVIC CENTER

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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.	**Grosss Building Area**				
	Net Residential	2,872 SF 92%	2,872 SF 92%	2,872 SF 92%	2,872 SF 92%
	Circulation/Common Area	237 SF 8%	237 SF 8%	237 SF 8%	237 SF 8%
	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	4 Units 100%	4 Units 100%	4 Units 100%	4 Units 100%
	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	0 Units 0%	0 Units	0 Units	4 Units
	Total Affordbale 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

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(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	$59,000	$15,000	5.0% of Directs	$59,000	$15,000	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	$23,000	$6,000	5.0% of Indirects	$23,000	$6,000	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.

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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**

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(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	($309,000)	10.0% of Value	($15,000)	10.0% of Value	($70,000)	10.0% of Value	($153,000)
II.	**Net Sales Proceeds**		**$2,722,000**		**$132,000**		**$616,000**		**$1,341,000**
	(Less) Development Costs		($1,837,800)		($1,840,000)		($1,840,000)		($1,840,000)
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)**

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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	$191,586	$301,879	$191,586	$301,879	$210,384	$7,837	$12,249
III.	**Subtotal Permits & Fees**	$4,335,469	$6,818,167	$4,343,220	$6,825,918	$4,809,170	$179,383	$278,611
IV.	**Add: Contingency @** 0.0% of Subtotal	$0	$0	$0	$0	$0	$0	$0
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**

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(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.

Source: City of Del Mar Fee Schedules
Prepared by: Keyser Marston Associates, Inc.
Filename: Del Mar_Affordable Housing Feasibilty Assessment_v3_06-08-2022\6/13/2022; ema

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			$0
	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% $14,686,000		
	Construction Loan Amount	$18,710,000		
	Construction Loan Fees:			
	Loan Amount	$18,710,000		$16,187,000
	Points / Issuance Costs	2.0		6.0
	Total Loan Fees	$374,000		$971,000
	Permanent Loan Fees:			
	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% $90,000	4.0%	$72,000
	Total TCAC Fees	$114,000		$96,000
	Syndication Fees	$75,000		$75,000
	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% $37,000	10.0%	$41,000
	Total Operating Reserves	$195,000		$198,000

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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	
I.	**Loan Fees**				
	Eligible Basis				$54,010,000
	Add: Land				$0
	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%	$18,432,000		
	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%	$124,000	4.0%	$112,000
	Total TCAC Fees		$159,000		$147,000
	Syndication Fees		$75,000		$75,000
	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%	$55,000	10.0%	$57,000
	Total Operating Reserves		$300,000		$295,000

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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				$0
	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%	$13,910,000		
	Construction Loan Amount		$18,430,000		
	Construction Loan Fees:				
	Loan Amount		$18,430,000		$19,368,000
	Points / Issuance Costs		2.0		6.0
	Total Loan Fees		$369,000		$1,162,000
	Permanent Loan Fees:				
	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%	$82,000	4.0%	$73,000
	Total TCAC Fees		$107,000		$98,000
	Syndication Fees		$75,000		$75,000
	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%	$40,000	10.0%	$43,000
	Total Operating Reserves		$212,000		$208,000

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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				$0
	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%	$21,038,000		
	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%	$128,000	4.0%	$116,000
	Total TCAC Fees		$164,000		$152,000
	Syndication Fees		$75,000		$75,000
	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%	$57,000	10.0%	$61,000
	Total Operating Reserves		$311,000		$309,000

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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				$0
	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%	$15,696,000		
	Construction Loan Amount		$21,242,000		
	Construction Loan Fees:				
	Loan Amount		$21,242,000		$22,520,000
	Points / Issuance Costs		2.0		6.0
	Total Loan Fees		$425,000		$1,351,000
	Permanent Loan Fees:				
	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%	$96,000	4.0%	$85,160
	Total TCAC Fees		$130,000		$119,160
	Syndication Fees		$75,000		$75,000
	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%	$52,000	10.0%	$56,000
	Total Operating Reserves		$270,000		$269,000

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WORKSHEET 3

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

Number of Bedrooms	**1**	**2**	**3**
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)	($62)	($80)	($97)
Maximum Monthly Rent	**$580**	**$642**	**$705**

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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.

Monthly Utility	One	Two	Three
Electric Heating	$9	$12	$14
Electric Cooking	$5	$7	$8
Other Electric	$29	$37	$45
Electric Water Heating	$19	$24	$30
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
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)	($62)	($80)	($97)
Maximum Monthly Rent	**$1,007**	**$1,123**	**$1,239**
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)	($62)	($80)	($97)
Maximum Monthly Rent	**$1,158**	**$1,383**	**$1,594**
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.

Monthly Utility	One	Two	Three
Electric Heating	$9	$12	$14
Electric Cooking	$5	$7	$8
Other Electric	$29	$37	$45
Electric Water Heating	$19	$24	$30
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.

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

WORKSHEET 5

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

Number of Bedrooms	1	2	3
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)	($62)	($80)	($97)
Maximum Monthly Rent	**$1,221**	**$1,363**	**$1,507**
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)	($62)	($80)	($97)
Maximum Monthly Rent	**$1,402**	**$1,676**	**$1,933**
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.

Monthly Utility	One	Two	Three
Electric Heating	$9	$12	$14
Electric Cooking	$5	$7	$8
Other Electric	$29	$37	$45
Electric Water Heating	$19	$24	$30
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**
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)	($62)	($80)	($97)
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.

Monthly Utility	One	Two	Three
Electric Heating	$9	$12	$14
Electric Cooking	$5	$7	$8
Other Electric	$29	$37	$45
Electric Water Heating	$19	$24	$30
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

			Land				
Sale Date	**Address**	**City**	**Sale Price**	**Acres**	**$/SF**	**Buyer (True) Company**	**Proposed Use**
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		

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

Source: CoStar Group, April 2022.

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

WORKSHEET 8

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

				Studio			One Bedroom			Two Bedroom			Three Bedroom			All Units - Total/Averages					
			Number		Monthly			Monthly			Monthly			Monthly					Monthly		Vacancy	Year
Property Name	Property Address	City	of Stories	SF	Rent (2)	Rent/SF	SF	Rent (2)	Rent/SF	SF	Rent (2)	Rent/SF	SF	Rent (2)	Rent/SF	Total	SF	Rent (2)	Rent/SF	Rate	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.
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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.

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