



STAFF REPORT TO THE CAPITAL LOAN COMMITTEE (CLC)

April 1, 2016

This staff report is provided in preparation for the meeting of the CLC scheduled for:

Date: April 6, 2016

Time: 9:00 A.M. – 10:30 A.M.

Location: Planning and Developing Hearing Room, 123 E Anapamu St, Santa Barbara, CA

The meeting is open to the public.

Agenda items:

1. Update to FY 2016-2017 HUD Allocations
2. Revise HOME – Tenant Based Rental Assistance (TBRA) Funding Recommendations to add expiring HOME funds
3. Review of development pipeline and available County funds
4. Funding recommendation for property acquisition by Good Samaritan Shelter
5. Recommendations of funding reservations for housing development projects
 - a. Santa Maria Senior Apartments, Santa Maria, People Self-Help Housing Corp., developer (seniors)
 - b. The Residences at Depot Street, Santa Maria, SB County Housing Authority (homeless)

The County's Capital Loan Committee makes funding recommendations to the County Board of Supervisors for capital and other eligible programs under the federal Community Development Block Grant (CDBG), the HOME Investment Partnerships (HOME) programs and other County funds. In November 2015, the County's Division of Housing and Community Development (HCD) issued a Notice of Funding Availability (NOFA) under the CDBG, HOME, and Emergency Solutions Grants (ESG). Applications for affordable housing development are accepted year-round.

Applications received under the CDBG program included public services programs, capital projects and assistance to micro-enterprise businesses. Applications received under the HOME program included Tenant-Based Rental Assistance (TBRA).

Funding recommendations for CDBG public services and ESG programs are made by the County's Human Services Commission.

On February 11, 2016, the CLC met to make funding recommendations for capital projects and assistance to micro-enterprise businesses under the CDBG program, and for TBRA under the HOME program. The funding recommendations were based on an estimated allocation of funds for these programs.

On February 26, 2016, HUD announced the FY 2016-17 allocations to the County. The estimated and actual allocations for CDBG and HOME are shown below.

FY 2016-17	CDBG	HOME
Estimated	1,188,189	418,436
Actual	1,074,934	730,682

Twenty-percent (20%) of CDBG and ten-percent (10%) of HOME funds may be used by the County to cover costs to administer those programs. In addition, fifteen-percent (15%) of CDBG may be awarded to public services programs. The County's Notice of Funding Availability included the estimated FY 2016-17 allocation and uncommitted funds from prior years.

Adjustments to Funding Recommendations

- A. Capital and Economic Development programs. At its meeting on February 11, 2016, the Capital Loan Committee made funding recommendations for CDBG funds. No adjustments to the recommendations are required, as 1) the recommendations were at or above the amount requested, 2) recommended funds for capital projects were sufficient, in combination of other sources, to complete the scopes of work and budgets, and 3) the total amount of funds requested by applicants was less than the total amount available. The remaining available funds may be added to the County's 2017-18 NOFA or awarded to other projects, at the discretion of the Board of Supervisors.
- B. Tenant-Based Rental Assistance. HCD staff recommended, and CLC, concurred that \$413,000 be awarded to Tenant-Based Rental Assistance (TBRA) programs from HOME funds. This amount was based on funds that were at risk of recapture by HUD if not committed timely (Expiring Funds). Since the February 11, 2016 CLC meeting, the amount of Expiring Funds has increased as a result of HOME drawn-down requirements that HOME Program Income (e.g. funds collected from loan repayments) be expended prior to drawing down U.S. Treasury funds. The County received loan payoffs in 2015 that contributed to the amount of Program Income available to expend. The chart below shows the amount of available funds estimated as of the date of this report. The actual amount will be confirmed at the April 6, 2016 CLC meeting.

TBRA Allocation as of 2/11/16	413,000	
Uncommitted HOME as of 4/1/16	968,262	
GSS project	-475,000	See discussion below
Available for TBRA	493,262	Add'l \$80,262

The following descriptions were provided in the staff report to the CLC on February 11, 2016

Three applications were submitted by nonprofit agencies to administer TBRA programs throughout the County, providing monthly rental assistance and/or security/utility deposits.

1. The Housing Authority of Santa Barbara County (HASBARCO)

Program Description: HASBARCO will assist low-income residents of the entire County (except the cities of Lompoc, Santa Maria, and Santa Barbara as each receives a direct annual CDBG allocation) with monthly rental assistance payments. HASBARCO has several years' experience administering TBRA and staff has expertise with the income verifications and HQS inspections. Past performance has been positive, and monitoring did not identify any concerns. The total project budget is \$985,430, and HASBARCO is requesting \$967,430 in County HOME TBRA funds to assist an estimated 105 households at an average cost of \$8,950 per household. In addition to serving people on the Section 8 waiting list, efforts will be targeted to housing the homeless, veterans, persons with disabilities, seniors and persons with HIV/AIDS, by working closely with community-based organizations who serve these populations throughout the County, e.g., Good Samaritan, Common Ground, and C3H.

2. Transition House

Program Description: Transition House proposes to operate a program of TBRA rental assistance in southern Santa Barbara County, from Carpinteria to Goleta, along with its homelessness prevention program, combining rental assistance with antipoverty case management, targeted towards households facing imminent eviction and are determined to become homeless if not for the assistance. The entire program budget is \$98,000. Transition House is requesting \$20,000 in TBRA funding from the County of Santa Barbara; funding is also provided by City of Santa Barbara TBRA and private individual donations and foundations. County TBRA funding will be used expressly for rental assistance. Transition House anticipates assisting four households with short- to medium-term rental assistance averaging \$5,000 per household.

3. PATH Santa Barbara (formerly Casa Esperanza)

Program Description: PATH proposes to operate a TBRA program throughout the County (except the cities of Lompoc, Santa Maria, and Santa Barbara as each receives a direct annual CDBG allocation) targeted to homeless individuals/families with special consideration for those with disabilities. The amount of TBRA funds requested from the County is \$55,000 for program delivery costs, monthly rental assistance, and security deposits for an estimated 100 households, at an average cost of \$2,000 per household. The agency has 5 years of TBRA experience; however, the staff person to run this program has yet to be hired (or funded), and the budgeted project delivery costs of \$25,000 seem high.

CLC FEBRUARY 11, 2016 RECOMMENDATIONS

Organization	Amount Requested	Recommended Funding Amount	Service Area
HASBARCO	\$967,430	\$351,000	Countywide
PATH	\$55,000	\$22,000	Countywide (except Lmpc, SM, SB)
Transition House	\$20,000	\$40,000	So-Co

			Carpinteria - Goleta
\$1,042,430		\$413,000	

HCD staff has notified the applicants of the availability of additional funds for TBRA and invited to revise their requested amounts. All funds must be expended within two years. A chart showing the confirmed amount of available funds and the applicants' revised requests will be available on April 6, 2016.

Property Acquisition

In June 1994, the County provided to the LifeSteps Foundation (LifeSteps) to acquire and rehabilitate a single-family home located at 220 S. First Street in Orcutt (Property). LifeSteps operated the Property as a group home for low-income persons with developmental disabilities. The Property has six bedrooms and three bathrooms. The property is no longer used for this purpose and LifeSteps placed the property for sale.

Good Samaritan Shelter (GSS) has a mutually-accepted purchase option on the property and proposes to use the facility for its treatment programs. The most immediate need identified by GSS is for a Clean and Sober Living program for men. The property is zoned Residential-14 units per acre/light commercial and GSS could operate a residential treatment program with up to six individuals without any further permits (over six individuals would require a Minor Conditional Use permit). The Property also could be used to operate a Clean and Sober Living program with a maximum of 10 individuals and one housing manager (total 11) as it is not required to be state licensed.

All of GSS' facilities are full with waiting lists and, to GSSs knowledge; no such facility exists in the Orcutt community. GSS receives continuing referrals from County Probation and through other service providers. Further, GSS has several single males in its emergency shelter that would qualify for such housing. By acquiring the Property, it would free up beds in GSS' shelters.

GSS has requested \$445,000 in County funds to acquire the property and an additional \$30,000 toward a \$50,000 rehab budget (Exhibit B). GSS also requested that the County to revise its restrictive covenant from requiring occupancy by low-income developmentally persons with incomes at or below 80% of the area median income (AMI) to low-income persons with incomes at or below 50% of AMI as published annually by HUD. HCD staff may recommend that the AMI be restricted to 60% AMI to allow treatment for higher-income persons but who are still considered low-income per HOME regulations.

HCD staff recommends an award of \$475,000 in HOME funds for acquisition and rehabilitation of the property. These funds will utilize funds that will otherwise be recaptured by HUD. If the County Board of Supervisors does not approve funding for this project, then these HOME funds will be recommended for TBRA.

LIHTC Project Review

The Residences at Depot Street

The Residences at Depot Street is a project proposed by the Housing Authority of Santa Barbara County (HASBARCO), which involves new construction of affordable rental housing on a 2.7-acre site located at 301 North Depot Street in the City of Santa Maria. The site is on Depot Street, bounded by an adjacent grocery market to the south, and warehouses to the north and west; it is centrally located near public transportation, employment, schools, shopping, social services and places of worship.

The project proposal includes a total of 68,991 square feet in 80 rent-restricted apartments, divided between two (2) separate buildings. The units offered are all single story, and include studio, 1-bedroom, 2-bedroom and 3-bedroom units. The buildings will be three stories and will have elevators and communal stairs; an off-street surface parking area will be provided along the western and northern property boundaries. Carports will be provided over the parking along the western boundary to accommodate solar panels. The following table shows the mix of unit types by number of bedrooms, square footage, and AMI.

No. of Bedrooms	No. Units	Unit Size (sq. ft.)	AMI
0	6	305-345	40%
1	32	635-650	30% - 40%
2	34	910-1,035	30% - 50%
3	6	1,250-1,275	30% - 50%
Mgr. unit	2		
TOTAL	80		

Of the project’s 80 units, HCD proposes a minimum of nine (9) units to be designated as HOME-assisted units, which is the minimum number required by HUD for the amount of HOME funds invested; this number may change based on the final funding amount. The rent and tenant-paid utilities for the HOME-assisted units will not exceed the maximum Low-HOME Rent, or the rent deemed affordable to a household with income at or below 50% AMI, as established annually by HUD. The tenant’s household income will not exceed 50% of Area Median Income (currently \$28,100 for a one-person household). The County’s HOME Regulatory Agreement will require that the HOME-assisted units meet the HOME rent and income limits, and other regulatory requirements for a period of 20 years. All units in the project will be restricted pursuant to regulations governing federal Low Income Housing Tax Credits for a term of 55 years, with the exception of the two manager’s units that will not have rent or income restrictions.

The Housing Authority of Santa Barbara County (HASBARCO) will be the General Partner and bear the overall responsibility for developing, managing, and operating the project. The Limited Partner is to be determined. HASBARCO will manage the property.

The total development cost for the project is approximately \$30.13 million. A complete breakout of these costs as well as operating costs is provided in the attached Exhibit C.

Permanent funding sources for the project are approximated below:

Permanent Loan.....\$4,200,000

Tax Credit Equity-LIHC	\$20,446,486
Solar Tax Credit Equity	\$288,571
Seller Carryback Note	\$725,000
Public Loan-MHSA Funds	\$2,372,845
Second Public Loan-HOME/In-Lieu Funds/Other	\$2,000,000
General Partner Equity-Surf Development	\$49,421
Deferred Developer Fee.....	\$48,159
TOTAL.....	\$30,130,483

County HOME Loan and Related Documents:

HCD will negotiate loan terms after further review of the project’s financing once tax credits are awarded and HASBARCO receives commitments from all other sources.

HCD Staff Review

HCD convened an internal team to perform a preliminary review of the proposed project. The team included HCD staff and the director, deputy director, fiscal staff, and auditor/controller representatives. In addition to HOME regulatory review, the team reviewed developer capacity by analyzing PSHHC’s financial statements, project history, staff resumes, proposed development costs and the projected operating budget.

Santa Maria Senior Apartments

The Santa Maria Senior Apartments is a project proposed by People’s Self-Help Housing Corporation (PSHHC), which involves new construction of affordable rental housing on a 2.6-acre site located directly south of 624 East Camino Colegio in the City of Santa Maria. It is bounded by the Bethel Lutheran Church to the north, residences to the south, an open recreational field on the west, and single-family residences to the east. The site is in close proximity to a senior center, Allan Hancock College, grocery store, medical offices, pharmacy, restaurants, a public library, and city hall.

The project proposal includes a total of 25,808 square feet in 40 rent-restricted apartments, divided between ten (10) separate buildings. The units offered include studio, 1-bedroom and 2-bedroom units. The units will have off-street parking, and a 24-hour on-site manager and security cameras will be provided. The following table shows the mix of unit types by number of bedrooms, square footage, and AMI.

No. of Bedrooms	No. Units	Unit Size (sq. ft.)	AMI
0	0		
1	36		30% - 60%
2	3		30% - 60%
3	0		
Mgr. unit	1		
TOTAL	40		

Of the project's 40 units, HCD proposes a minimum of eight (8) units to be designated as HOME-assisted units, which is the minimum number required by HUD for the amount of HOME funds invested; this number may change based on the final funding amount. The rent and tenant-paid utilities for the HOME-assisted units will not exceed either the maximum Low-HOME or High-HOME Rent, or the rent deemed affordable to a household with income at or below 50% or 80% AMI, respectively, as established annually by HUD. The County's HOME Regulatory Agreement will require that the HOME-assisted units meet the HOME rent and income limits, and other regulatory requirements for a period of 20 years. All units in the project will be restricted pursuant to regulations governing federal Low Income Housing Tax Credits for a term of 55 years, with the exception of the one manager's unit that will not have rent or income restrictions.

PSHHC will be the General Partner and bear the overall responsibility for developing, managing, and operating the project. The Limited Partner is to be determined. The Duncan Group will manage the property.

The total development cost for the project is approximately \$11.49 million. A complete breakout of these costs as well as operating costs is provided in the attached Exhibit D.

Permanent funding sources for the project are approximated below:

CDBG (City of Santa Maria entitlement)	\$151,631
HOME (City of Santa Maria suballocation)	\$199,107
HOME/In-Lieu (County of Santa Barbara).....	\$1,250,000
NeighborWorks America.....	\$275,000
Deferred Developer Fee.....	\$50,000
Tranche A Loan	\$1,033,612
Tax Credit Equity	\$8,529,637
TOTAL.....	\$11,488,987

County HOME Loan and Related Documents:

HCD will negotiate loan terms after further review of the project's financing once tax credits are awarded and PSHHC receives commitments from all other sources.

HCD Staff Review

HCD convened an internal team to perform a preliminary review of the proposed project. The team included HCD staff and the director, deputy director, fiscal staff, and auditor/controller representatives. In addition to HOME regulatory review, the team reviewed developer capacity by analyzing PSHHC's financial statements, project history, staff resumes, proposed development costs and the projected operating budget.

Respectfully submitted by:

Laurie Baker, Grants and Program Manager, and
Lucy Graham, Senior Housing Program Specialist

Cc: George Chapjian, Director, Community Services Department
Dinah Lockhart, Deputy Director, Division of Housing and Community Development

Exhibit A

EXHIBIT A
Staff Report to Capital Loan Committee
April 6, 2016

Source/Notes	Expiring HOME EN funds	HOME Alloc.	HOME Program Income	In-Lieu	CDBG Program Income	Proposed Uses*	Balance Available	Notes/Project Name	Population	No. Units	Amt. Requested
	968,261						968,261	Available EN to commit -pre-2015 funds			
							968,261	<i>Formula field (drag formula down from this cell)</i>			
						475,000	493,261	GSS acquisition	Adult addiction recov	6 bdrms	475,000
						493,261	0	Tenant-Based Rental Assistance	Family/Indiv		
			1,660,361				1,660,361				
FY 2015-16		526,404					2,186,765				
FY 2016-17		657,614					2,844,379				
					300,000	300,000	2,844,379	Habitat for Humanity acq/New Constrcn 3 HO units	Family/Indiv	3	300,000
						948,852	1,895,527	PSHHC Los Adobes de Maria III	Farmworkers		
						199,107	1,696,420	PSHHC Senior Apartments - Santa Maria	Seniors	40	
						580,000	1,116,420	PSHHC Senior Apartments - Santa Maria 1,050,893			580,000
SY HMA				269,439		500,000	885,859	CEDC Village Senior Apts - Buellton 500,000	Seniors		500,000
SM HMA				305,506		1,160,000	31,365	HASBARCO Depot Street - Santa Maria 2,000,000	Homeless	80	2,000,000
Est. FY 2017-18		656,000					687,365				
						500,000	187,365	PATH Ventures - Santa Barbara - Letter of Intent	Homeless	40	500,000

*Proposed uses do not include HCD staff costs

5,343,585	5,156,220	187,365
avail. all sources	proposed uses	balance avail.

SM Sr 14,500.00 per unit
 Depot 14,500.00 per unit

Exhibit B

EXHIBIT B
Staff Report to Capital Loan Committee
April 6, 2016

220 First Street, Orcutt
Repairs and Replacements
8-Mar-16

Exterior:

1. Front door/General trim	Paint	\$ 400.00
2. Roof		\$ 13,500.00
3. Landscape valve and missing sprayers	Repair leaks	\$ 800.00
4. Front porch deck	Needs water proofing deck coating	\$ 1,100.00
5. Floor access	Need adequate size	\$ 600.00
6. Fireplace		\$ -
7. Front porch railing	Dry rot	\$ 350.00
		\$ 16,750.00

Interior:

8. Bedroom 2	Floor dropping, may need repair	\$ 400.00
9. Bedroom 2 Bay window leaking	Need Retrofit	\$ 1,600.00
10. Single pane windows Bedroom 2/3	Need Retrofit	\$ 750.00
11. Water Heater at the end of it's life	Replace water heater	\$ 950.00
12. Reflash fireplace	Missing Flashing on side of Frpl	\$ 300.00
13. Electrical wiring	Replace knob and tube	\$ 2,500.00
14. Bath 1 ,	New shower pan, new fan, replace toilet	\$ 3,200.00
15. Replace carpet Bedroom 1,2 and 3	Carpet	\$ 1,200.00
16. Lites Porch, Kitchen, family, bath	Rewire and replace with LED lighting	\$ 1,500.00
17. Smoke and CO2 detectors	Replace and repair (batteries	\$ 150.00
18. Replace Door Bedroom 3	Door sticks shut	\$ 145.00
19. Half Bath	Add lite, new fan and mirror,drywall paint	\$ 1,600.00
20. Kitchen	Replace dishwasher, Kitchen faucet	\$ 750.00
21. Bath 2 remodel	Add wall, dam, window wtr proofing, vanity ,toilet	\$ 8,000.00
22. Window tracks and general cleaning	Cleaning	\$ 550.00
23. Bedrooms 5/6 need exterior lights	No light or switch at exit doors.	\$ 650.00
23. Permits	Plumbing, Electrical and Roofing permits	\$ 1,300.00
24. Supervision		\$ 3,000.00
		\$ 28,545.00
Total		\$ 45,295.00

Exhibit C

DEPOT SQUARE
FINANCIAL PROJECTION
PROJECT COSTS

	Project Costs	Land and Non-Amort./Depr. Costs	Amortizable Costs	Expensed Costs	Reserves	Syndication	Depreciable Costs	Depreciable but Noneligible costs	Eligible Basis
LAND COST/ACQUISITION									
Land	\$ 725,000	\$ 725,000					\$ -	\$ -	
Demolition	-	-					-	-	
Commissions	-	-					-	-	
Acquisition	-	-					-	-	
<i>Subtotal</i>	<u>725,000</u>	<u>725,000</u>	-	-	-	-	-	-	-
SITE WORK									
Grading, Drainage, Utilities, Curb, Gutter, Paving, Site Landscape, Sh	-						-	-	
Remediation	-						-	-	
Off-sites	-						-	-	
Construction Contingency	-						-	-	
<i>Subtotal</i>	<u>-</u>	<u>-</u>	-	-	-	-	-	-	-
STRUCTURES									
Construction/Rehabilitation	16,484,963						16,484,963		16,484,963
Office Space	49,421						49,421	49,421	-
Parking Structure	-						-	-	-
Solar Panels	925,000						925,000		925,000
Commercial Rehabilitation & Tenant Improvements	-						-	-	-
Construction Contingency	992,714						992,714		992,714
<i>Subtotal</i>	<u>18,452,098</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,452,098</u>	<u>49,421</u>	<u>18,402,676</u>
CONTRACTOR FEES									
General Requirements	997,563						997,563		997,563
Performance Bond	50,000						50,000		50,000
Contractor Profit & Overhead	1,396,751						1,396,751		1,396,751
<i>Subtotal</i>	<u>2,444,314</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,444,314</u>	<u>-</u>	<u>2,444,314</u>
FINANCING COSTS									
Title, Escrow, Recording (construction term)	40,000						40,000		40,000
Title and Recording (permanent loan)	10,000		10,000				-		-
Bridge Loan Interest-Prior to Rehabilitation	-						-		-
Bridge Loan Interest-During Rehabilitation	-						-		-
Construction Interest	526,750						526,750		526,750
Post-Construction Period Interest	250,833			250,833			-		-
Negative Arbitrage	-						-		-
Underwriter Fee-Tax-Exempt Bonds	-						-		-
Bridge Loan Fees	-						-		-
Construction Loan Fees	215,000						215,000		215,000
Construction Loan Fees-FHA Loan	-						-		-
Gap Lender Costs	-						-		-
Other Construction Loan Costs	40,000						40,000		40,000
Lender Legal	50,000		25,000				25,000		25,000
Permanent Loan Fees	42,000		42,000				-		-
Permanent Loan Fees-FHA Loan	-						-		-
Bond Issuance Costs and Related Legal Fees	-						-		-
City Review	-						-		-
FHA Mortgage Insurance Premium	-						-		-
FHA Application Fee	-						-		-
FHA Inspection Fee	-						-		-
FHA Processing Fee (third party reports, etc.)	-						-		-
FHA Legal Fees & Additional Borrower Legal	-						-		-
Tax Credit Agency Fees	101,053		101,053				-		-
<i>Subtotal</i>	<u>1,275,636</u>	<u>-</u>	<u>178,053</u>	<u>250,833</u>	<u>-</u>	<u>-</u>	<u>846,750</u>	<u>-</u>	<u>846,750</u>
SOFT COSTS									
Architectural and Engineering	1,200,000						1,200,000		1,200,000
Partnership Legal	60,000		60,000				-		-
Accounting Fees	18,000						18,000		18,000
Consulting/Professional Fees	50,000						50,000		50,000
Energy Consultant	20,000						20,000		20,000
Taxes	20,000						20,000		20,000
Environmental Audit	10,000						10,000		10,000
Capital Needs Assessment	-						-		-
Appraisal	10,000						10,000		10,000
Impact Fees/Permit Processing Fees	2,000,000						2,000,000		2,000,000
Relocation Costs & Relocation Consulting	-						-		-
Furniture, Fixtures, and Equipment	50,000						50,000		50,000
Soft Cost Contingency	200,000						200,000		200,000
Miscellaneous	-						-		-
General Liability Insurance	100,000						100,000		100,000
Insurance During Construction	100,000						100,000		100,000
Tax Credit Investor Due Diligence	60,000		60,000				-		-
Marketing	10,000			10,000			-		-
Market Study	10,000						10,000		10,000
<i>Subtotal</i>	<u>3,918,000</u>	<u>-</u>	<u>120,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>3,788,000</u>	<u>-</u>	<u>3,788,000</u>
RESERVES									
Section 8 Transition Reserve	832,548				832,548		-		-
Working Capital-HUD	-						-		-
HUD Operating Reserve	-						-		-
Additional Operating Reserve for Tax Credit Investor	482,888				482,888		-		-
<i>Subtotal</i>	<u>1,315,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,315,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEVELOPER FEE									
Developer fee	2,000,000						2,000,000	600,000	1,400,000
	<u>\$ 30,130,483</u>	<u>\$ 725,000</u>	<u>\$ 298,053</u>	<u>\$ 260,833</u>	<u>\$ 1,315,436</u>	<u>\$ -</u>	<u>\$ 27,531,161</u>	<u>\$ 649,421</u>	<u>\$ 26,881,740</u>

DEPOT SQUARE
FINANCIAL PROJECTION

Permanent Financing Sources:

Permanent Loan	\$ 4,200,000	Conventional Loan	
Tax Credit Equity-LIHC	20,446,486		
Solar Tax Credit Equity	288,571	\$1.0399 credit price	
Solar Rebates	-		
Seller Carryback Note	725,000	Equity in property:	-
Net Operating Income Through Permanent Loan Conversion	-		
Public Loan-MHSA Funds	2,372,845		
Second Public Loan-HOME/In-Lieu Funds/Other	2,000,000		
Funding Gap	-		
Contractor Note	-		
Affordable Housing Program	-		
General Partner Equity-Surf Development	49,421		
Deferred Developer Fee	48,159	1,951,841 paid	
Total	<u>\$ 30,130,483</u>		

Construction Financing Sources:

Construction Loan	\$ 19,324,165		
Bridge Loan	-		
Tax Credit Equity-LIHC	4,089,297	20.00%	
Solar Tax Credit Equity	57,714	20.00%	
Solar Rebates	-		
Seller Carryback Note	725,000		
Net Operating Income Through Permanent Loan Conversion	-		
Public Loan-MHSA Funds	2,372,845		
Second Public Loan-HOME/In-Lieu Funds/Other	2,000,000		
Funding Gap	-		
Contractor Note	-		
General Partner Equity-Surf Development	49,421		
Deferred Developer Fee	1,512,040	25% paid at closing	
Total	<u>\$ 30,130,483</u>		

Depot Square Detailed Budget Pro-forma

	Number of units	80	Year 1 (12 months)	
OPERATING INCOME				
TENANT INCOME				
Rental Income				
Tenant Rent			562,500.00	
Section 8 portion			648,612.00	
Less: Vacancy Loss (10%)			(122,071.20)	
Total Rental Income			1,089,040.80	
Other Tenant Income				
Laundry and Vending			9,600.00	
Late Charges				
Work Order Charges				
Misc. Tenant Income				
Total Other Tenant Income			9,600.00	
NET TENANT INCOME			1,098,640.80	
TOTAL OPERATING INCOME			1,098,640.80	
OPERATING EXPENSES				
ADMINISTRATIVE				
Admin Salaries-Office			53,000.00	
Employee Benefits-Admin			15,000.00	
Legal			10,000.00	
Accounting & Auditing Fees			10,000.00	
Management Fee (5% of rental income)			60,555.00	
Advertising			250.00	
Office Supplies			5,000.00	
Telephone & Internet			7,000.00	
Postage			2,000.00	
Admin Service Contracts			2,000.00	
Fees and Bank Charges			200.00	
Other Misc Admin Expenses			1,000.00	
TOTAL ADMINISTRATIVE EXPENSES			166,005.00	
TENANT SERVICES				
Other Tenant Svcs.			2,500.00	
Case Management			20,000.00	
Supportive Services Fee			10,000.00	
TOTAL ADMINISTRATIVE EXPENSES			32,500.00	
UTILITIES				
Water			10,800.00	
Water-Irrigation			9,500.00	
Electricity			40,900.00	
Gas			15,000.00	
Garbage/Trash Removal			15,000.00	
Sewer			13,400.00	
TOTAL UTILITY EXPENSES			104,600.00	
MAINTENANCE AND OPERATIONS				
Maintenance Salaries			53,000.00	
Employee Benefits-Maint.			29,100.00	
Maintenance Materials-Other			22,300.00	
Contract Costs-Other			60,195.00	
TOTAL MAINTENANCE EXPENSES			164,595.00	
GENERAL EXPENSES				
Insurance			35,000.00	
State Tax		If financed with tax credits	800.00	
Security / Law Enforcement			12,000.00	
Bad Debt			4,500.00	
TOTAL GENERAL EXPENSES			52,300.00	
TOTAL OPERATING EXPENSES			520,000.00	\$ 6,500 PUM
OPERATING NET INCOME			578,640.80	

DEPOT SQUARE
PROJECTED NET OPERATING RENTAL INCOME

Period ->	1	2	3	4	5	6	7	8
Gross Potential Revenue:								
Rental Income (Residential)	\$ 1,256,736	\$ 1,294,438	\$ 1,333,271	\$ 1,373,269	\$ 1,414,467	\$ 1,456,901	\$ 1,500,609	\$ 1,545,627
Other Revenue	9,600	9,888	10,185	10,490	10,805	11,129	11,463	11,807
Commercial Income	-	-	-	-	-	-	-	-
Total Gross Potential Revenue	1,266,336	1,304,326	1,343,456	1,383,760	1,425,272	1,468,030	1,512,071	1,557,434
Vacancy & Bad Debt Expense	(126,634)	(130,433)	(134,346)	(138,376)	(142,527)	(146,803)	(151,207)	(155,743)
Net Rental Revenue	1,139,702	1,173,893	1,209,110	1,245,384	1,282,745	1,321,227	1,360,864	1,401,690
Property Taxes	(5,000)	(5,100)	(5,202)	(5,306)	(5,412)	(5,520)	(5,631)	(5,743)
HUD Mortgage Insurance Premium & Bond Fees	-	-	-	-	-	-	-	-
Operating Expenses (Including Service Amenities)	(520,000)	(535,600)	(551,668)	(568,218)	(585,265)	(602,823)	(620,907)	(639,534)
Net Operating Rental Income (w/o Reserves)	614,702	633,193	652,240	671,860	692,068	712,885	734,326	756,412
Reserve	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)
Net Operating Rental Income	590,702	609,193	628,240	647,860	668,068	688,885	710,326	732,412
Annual Debt Service - Permanent Loan	(421,776)	(421,776)	(421,776)	(421,776)	(421,776)	(421,776)	(421,776)	(421,776)
Forecasted Cash Available/(Shortfall)	\$ 168,926	\$ 187,417	\$ 206,464	\$ 226,083	\$ 246,292	\$ 267,109	\$ 288,550	\$ 310,636
Debt coverage ratio-hard debt	1.401	1.444	1.490	1.536	1.584	1.633	1.684	1.736

Revenue Escalator: 3.0%
Expense Escalator: 3.0%
Property Tax Escalator: 2.0%
Vacancy: 10.0%
Vacancy-Commercial: 10.0%

DEPOT SQUARE
PROJECTED NET OPERATING RENTAL INCOME

Period ->	9	10	11	12	13	14	15	16	17
Gross Potential Revenue:									
Rental Income (Residential)	\$ 1,591,996	\$ 1,639,755	\$ 1,688,948	\$ 1,739,617	\$ 1,791,805	\$ 1,845,559	\$ 1,900,926	\$ 1,957,954	\$ 2,016,692
Other Revenue	12,161	12,526	12,902	13,289	13,687	14,098	14,521	14,956	15,405
Commercial Income	-	-	-	-	-	-	-	-	-
Total Gross Potential Revenue	1,604,157	1,652,281	1,701,850	1,752,905	1,805,492	1,859,657	1,915,447	1,972,910	2,032,098
Vacancy & Bad Debt Expense	(160,416)	(165,228)	(170,185)	(175,291)	(180,549)	(185,966)	(191,545)	(197,291)	(203,210)
Net Rental Revenue	1,443,741	1,487,053	1,531,665	1,577,615	1,624,943	1,673,691	1,723,902	1,775,619	1,828,888
Property Taxes	(5,858)	(5,975)	(6,095)	(6,217)	(6,341)	(6,468)	(6,597)	(6,729)	(6,864)
HUD Mortgage Insurance Premium & Bond Fees	-	-	-	-	-	-	-	-	-
Operating Expenses (Including Service Amenities)	(658,720)	(678,482)	(698,837)	(719,802)	(741,396)	(763,638)	(786,547)	(810,143)	(834,447)
Net Operating Rental Income (w/o Reserves)	779,162	802,596	826,733	851,596	877,206	903,586	930,758	958,747	987,577
Reserve	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)
Net Operating Rental Income	755,162	778,596	802,733	827,596	853,206	879,586	906,758	934,747	963,577
Annual Debt Service - Permanent Loan	(421,776)	(421,776)	(421,776)	(421,776)	(421,776)	(421,776)	(421,776)	(421,776)	(421,776)
Forecasted Cash Available/(Shortfall)	\$ 333,386	\$ 356,820	\$ 380,957	\$ 405,820	\$ 431,430	\$ 457,810	\$ 484,982	\$ 512,971	\$ 541,800
Debt coverage ratio-hard debt	1.790	1.846	1.903	1.962	2.023	2.085	2.150	2.216	2.285

DEPOT SQUARE
PROJECTED NET OPERATING RENTAL INCOME

Period ->	18	19	20	21	22	23	24	25	26
Gross Potential Revenue:									
Rental Income (Residential)	\$ 2,077,193	\$ 2,139,509	\$ 2,203,694	\$ 2,269,805	\$ 2,337,899	\$ 2,408,036	\$ 2,480,277	\$ 2,554,686	\$ 2,631,326
Other Revenue	15,867	16,343	16,834	17,339	17,859	18,395	18,946	19,515	20,100
Commercial Income	-	-	-	-	-	-	-	-	-
Total Gross Potential Revenue	2,093,060	2,155,852	2,220,528	2,287,144	2,355,758	2,426,431	2,499,224	2,574,200	2,651,426
Vacancy & Bad Debt Expense	(209,306)	(215,585)	(222,053)	(228,714)	(235,576)	(242,643)	(249,922)	(257,420)	(265,143)
Net Rental Revenue	1,883,754	1,940,267	1,998,475	2,058,429	2,120,182	2,183,788	2,249,301	2,316,780	2,386,284
Property Taxes	(7,001)	(7,141)	(7,284)	(7,430)	(7,578)	(7,730)	(7,884)	(8,042)	(8,203)
HUD Mortgage Insurance Premium & Bond Fees	-	-	-	-	-	-	-	-	-
Operating Expenses (Including Service Amenities)	(859,481)	(885,265)	(911,823)	(939,178)	(967,353)	(996,374)	(1,026,265)	(1,057,053)	(1,088,765)
Net Operating Rental Income (w/o Reserves)	1,017,272	1,047,861	1,079,368	1,111,822	1,145,251	1,179,684	1,215,152	1,251,685	1,289,316
Reserve	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)
Net Operating Rental Income	993,272	1,023,861	1,055,368	1,087,822	1,121,251	1,155,684	1,191,152	1,227,685	1,265,316
Annual Debt Service - Permanent Loan	(421,776)	(421,776)	(421,776)	(421,776)	(421,776)	(421,776)	(421,776)	(421,776)	(421,776)
Forecasted Cash Available/(Shortfall)	\$ 571,496	\$ 602,085	\$ 633,592	\$ 666,046	\$ 699,475	\$ 733,908	\$ 769,376	\$ 805,909	\$ 843,540
Debt coverage ratio-hard debt	2.355	2.427	2.502	2.579	2.658	2.740	2.824	2.911	3.000

DEPOT SQUARE
PROJECTED NET OPERATING RENTAL INCOME

Period ->	27	28	29	30	31	32	33	34	35
Gross Potential Revenue:									
Rental Income (Residential)	\$ 2,710,266	\$ 2,791,574	\$ 2,875,321	\$ 2,961,581	\$ 3,050,428	\$ 3,141,941	\$ 3,236,199	\$ 3,333,285	\$ 3,433,284
Other Revenue	20,703	21,324	21,964	22,623	23,302	24,001	24,721	25,462	26,226
Commercial Income	-	-	-	-	-	-	-	-	-
Total Gross Potential Revenue	2,730,969	2,812,898	2,897,285	2,984,204	3,073,730	3,165,942	3,260,920	3,358,748	3,459,510
Vacancy & Bad Debt Expense	(273,097)	(281,290)	(289,729)	(298,420)	(307,373)	(316,594)	(326,092)	(335,875)	(345,951)
Net Rental Revenue	2,457,872	2,531,608	2,607,557	2,685,783	2,766,357	2,849,348	2,934,828	3,022,873	3,113,559
Property Taxes	(8,367)	(8,534)	(8,705)	(8,879)	(9,057)	(9,238)	(9,423)	(9,611)	(9,803)
HUD Mortgage Insurance Premium & Bond Fees	-	-	-	-	-	-	-	-	-
Operating Expenses (Including Service Amenities)	(1,121,427)	(1,155,070)	(1,189,722)	(1,225,414)	(1,262,176)	(1,300,042)	(1,339,043)	(1,379,214)	(1,420,591)
Net Operating Rental Income (w/o Reserves)	1,328,078	1,368,004	1,409,129	1,451,490	1,495,124	1,540,068	1,586,362	1,634,047	1,683,165
Reserve	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)
Net Operating Rental Income	1,304,078	1,344,004	1,385,129	1,427,490	1,471,124	1,516,068	1,562,362	1,610,047	1,659,165
Annual Debt Service - Permanent Loan	(421,776)	(421,776)	(421,776)	(421,776)	-	-	-	-	-
Forecasted Cash Available/(Shortfall)	\$ 882,302	\$ 922,228	\$ 963,353	\$ 1,005,714	\$ 1,471,124	\$ 1,516,068	\$ 1,562,362	\$ 1,610,047	\$ 1,659,165
Debt coverage ratio-hard debt	3.092	3.187	3.284	3.384	N/A	N/A	N/A	N/A	N/A

DEPOT SQUARE
PROJECTED NET OPERATING RENTAL INCOME

Period ->	36	37	38	39	40	41	42	43	44
Gross Potential Revenue:									
Rental Income (Residential)	\$ 3,536,282	\$ 3,642,371	\$ 3,751,642	\$ 3,864,191	\$ 3,980,117	\$ 4,099,520	\$ 4,222,506	\$ 4,349,181	\$ 4,479,657
Other Revenue	27,013	27,823	28,658	29,518	30,403	31,316	32,255	33,223	34,219
Commercial Income	-	-	-	-	-	-	-	-	-
Total Gross Potential Revenue	3,563,295	3,670,194	3,780,300	3,893,709	4,010,520	4,130,836	4,254,761	4,382,404	4,513,876
Vacancy & Bad Debt Expense	(356,330)	(367,019)	(378,030)	(389,371)	(401,052)	(413,084)	(425,476)	(438,240)	(451,388)
Net Rental Revenue	3,206,966	3,303,175	3,402,270	3,504,338	3,609,468	3,717,752	3,829,285	3,944,163	4,062,488
Property Taxes	(9,999)	(10,199)	(10,403)	(10,611)	(10,824)	(11,040)	(11,261)	(11,486)	(11,716)
HUD Mortgage Insurance Premium & Bond Fees	-	-	-	-	-	-	-	-	-
Operating Expenses (Including Service Amenities)	(1,463,208)	(1,507,105)	(1,552,318)	(1,598,887)	(1,646,854)	(1,696,260)	(1,747,147)	(1,799,562)	(1,853,549)
Net Operating Rental Income (w/o Reserves)	1,733,758	1,785,871	1,839,549	1,894,839	1,951,790	2,010,452	2,070,876	2,133,115	2,197,224
Reserve	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)
Net Operating Rental Income	1,709,758	1,761,871	1,815,549	1,870,839	1,927,790	1,986,452	2,046,876	2,109,115	2,173,224
Annual Debt Service - Permanent Loan	-	-	-	-	-	-	-	-	-
Forecasted Cash Available/(Shortfall)	\$ 1,709,758	\$ 1,761,871	\$ 1,815,549	\$ 1,870,839	\$ 1,927,790	\$ 1,986,452	\$ 2,046,876	\$ 2,109,115	\$ 2,173,224
Debt coverage ratio-hard debt	N/A								

DEPOT SQUARE
PROJECTED NET OPERATING RENTAL INCOME

Period ->	45	46	47	48	49	50	51	52	53
Gross Potential Revenue:									
Rental Income (Residential)	\$ 4,614,046	\$ 4,752,468	\$ 4,895,042	\$ 5,041,893	\$ 5,193,150	\$ 5,348,944	\$ 5,509,413	\$ 5,674,695	\$ 5,844,936
Other Revenue	35,246	36,303	37,392	38,514	39,670	40,860	42,085	43,348	44,649
Commercial Income	-	-	-	-	-	-	-	-	-
Total Gross Potential Revenue	4,649,292	4,788,771	4,932,434	5,080,407	5,232,819	5,389,804	5,551,498	5,718,043	5,889,584
Vacancy & Bad Debt Expense	(464,929)	(478,877)	(493,243)	(508,041)	(523,282)	(538,980)	(555,150)	(571,804)	(588,958)
Net Rental Revenue	4,184,363	4,309,894	4,439,191	4,572,366	4,709,537	4,850,824	4,996,348	5,146,239	5,300,626
Property Taxes	(11,950)	(12,189)	(12,433)	(12,682)	(12,935)	(13,194)	(13,458)	(13,727)	(14,002)
HUD Mortgage Insurance Premium & Bond Fees	-	-	-	-	-	-	-	-	-
Operating Expenses (Including Service Amenities)	(1,909,155)	(1,966,430)	(2,025,423)	(2,086,185)	(2,148,771)	(2,213,234)	(2,279,631)	(2,348,020)	(2,418,461)
Net Operating Rental Income (w/o Reserves)	2,263,258	2,331,275	2,401,335	2,473,499	2,547,831	2,624,395	2,703,259	2,784,491	2,868,164
Reserve	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)
Net Operating Rental Income	2,239,258	2,307,275	2,377,335	2,449,499	2,523,831	2,600,395	2,679,259	2,760,491	2,844,164
Annual Debt Service - Permanent Loan	-	-	-	-	-	-	-	-	-
Forecasted Cash Available/(Shortfall)	\$ 2,239,258	\$ 2,307,275	\$ 2,377,335	\$ 2,449,499	\$ 2,523,831	\$ 2,600,395	\$ 2,679,259	\$ 2,760,491	\$ 2,844,164
Debt coverage ratio-hard debt	N/A								

	Period ->		
	54	55	Totals
Gross Potential Revenue:			
Rental Income (Residential)	\$ 6,020,284	\$ 6,200,892	\$ 171,006,103
Other Revenue	45,988	47,368	1,306,288
Commercial Income	-	-	-
Total Gross Potential Revenue	6,066,272	6,248,260	172,312,391
Vacancy & Bad Debt Expense	(606,627)	(624,826)	(17,231,239)
Net Rental Revenue	5,459,645	5,623,434	155,081,152
Property Taxes	(14,282)	(14,567)	(492,933)
HUD Mortgage Insurance Premium & Bond Fees	-	-	-
Operating Expenses (Including Service Amenities)	(2,491,014)	(2,565,745)	(70,757,242)
Net Operating Rental Income (w/o Reserves)	2,954,348	3,043,122	83,830,977
Reserve	(24,000)	(24,000)	(1,320,000)
Net Operating Rental Income	2,930,348	3,019,122	82,510,977
Annual Debt Service - Permanent Loan	-	-	(12,653,280)
Forecasted Cash Available/(Shortfall)	\$ 2,930,348	\$ 3,019,122	\$ 69,857,696
Debt coverage ratio-hard debt	N/A	N/A	

Exhibit D

Santa Maria Senior Apartments

Development Budget - Sources and Uses

	Uses				Sources							
	Total Budget	Affordable	Condo	Basis Cost	CDBG	HOME	In-Lieu	NW Grant	Tranche B	Tranche A	Deferred Dev. Fee	Tax Credit Equity
Land Cost / Acquisition	647,707											647,707
Land Cost	0											0
Land Donation	0											0
Predevelopment Interest	22,860											22,860
Demolition	30,000											30,000
Title & Escrow / Acq. Legal	25,000											25,000
Total Land Cost or Value	0											0
Permanent Relocation	0											0
Existing Improvements Value	0											0
Off-Site Improvements	150,000			150,000	150,000							0
Total Acquisition Cost	875,567											0
Rehabilitation												
Site Work	0											0
Structures	0											0
Other:	0											0
Other:	0											0
Other:	0											0
General Requirements	0											0
Contractor Overhead	0											0
Contractor Profit	0											0
Total Rehabilitation Cost	0											0
New Construction												
Site Work	300,000			300,000	1,631							298,369
Structures-Housing (Incl. Contractor Contingency)	5,991,612			5,991,612		199,107	1,250,000	275,000	0	1,033,612	50,000	3,183,893
Other:	0			0								0
Other:	0			0								0
Other:	0			0								0
General Requirements	209,706			209,706								209,706
Contractor Overhead	209,706			209,706								209,706
Contractor Profit	419,413			419,413								419,413
Other Fees by Contractor	0			0								0
Total New Construction Costs	7,130,438											0
Architectural Fees												
Design	210,760			210,760								210,760
Supervision	0			0								0
Total Architectural Costs	210,760											0
Survey & Engineering	139,850			139,850								139,850
Construction Interest & Fees												
Construction Loan Interest	270,000			270,000								270,000
Construction Loan Interest, City Loan	0			0								0
Construction Lender Expenses	20,000			20,000								20,000
Origination Fee (0.75%)	54,000			54,000								54,000
Construction Inspections & Fees	5,000			5,000								5,000
Taxes	25,000			25,000								25,000
Contractor Bond	0			0								0
Insurance	75,000			75,000								75,000
Title & Recording	15,000			15,000								15,000
Total Construction Interest & Fees	464,000											0
Permanent Financing												
Bank Loan Expenses	0			0								0
Permanent Loan Fee	0			0								0
Title & Recording	25,000			25,000								25,000
Legal Fees	25,000			25,000								25,000
Total Permanent Financing Costs	50,000											0
Legal Fees												
Lender Legal Costs Paid by Applicant	55,000			55,000								55,000
Other - Owner Legal	0			0								0
Total Attorney Costs	55,000											0
Reserves												
Capitalized Operating Reserve	74,227											74,227
MHSA Transition Reserve	0			0								0
Capitalized Service Reserve	0			0								0
Total Reserve Costs	74,227											0
Total Appraisal Costs	15,000			15,000								15,000
Total Construction Contingency Costs	299,581											299,581
Other:	0			0								0
Tax Credit App. / Alloc. / Monitoring Fees	86,227											86,227
Market Study	8,000											8,000
Local Development Impact Fees	468,853			468,853								468,853
Permit Processing Fees	34,000			34,000								34,000
Prevailing Wage Monitor	0			0								0
Marketing	50,000											50,000
Furnishings	0			0								0
Other Fees	0			0								0
Environmental Costs	50,000			50,000								50,000
Soft Cost Contingency	50,000			50,000								50,000
Printing	2,000			2,000								2,000
Total Other Costs	749,080											0
Total Project Cost	10,063,502											0
Developer Costs												
Developer Overhead / Profit	1,315,485			1,315,485								1,315,485
Consultant / Processing Agent	0			0								0
Project Administration	0			0								0
Broker Fee Paid by Owner	0			0								0
Construction Management Oversight	0			0								0
Other:	0			0								0
Total Developer Costs	1,315,485											0
Total Project Cost + Developer Costs	11,378,987											0
Syndication Cost												
Legal - Syndication	55,000											55,000
Audit	15,000											15,000
Consultant - Syndication	40,000											40,000
Organization	0			0								0
Total Syndication Costs	110,000											0
Total Project Costs + Dev Costs + Syndication	11,488,987	0		10,085,385	151,631	199,107	1,250,000	275,000	0	1,033,612	50,000	8,529,637

Santa Maria Senior Apartments

Operating Budget : Year 1

Duncan Group - Tax Credit

Rental Income	Monthly	Annually
TCAC Rent	26,623	319,476
Section 8 Increment	0	0
Laundry Income	400	4,800
Misc. Income		
Less 5% Vacancy	(1,351)	(16,214)
Total Income	25,672	308,062

Operating Expenses		
Advertising	4	50
Credit Checks	10	125
Office Expense/Supplies	83	1,000
Telephone & Paging	125	1,500
GP Asset Management Fee		0
Management Fee	2,757	33,078
Site Mgr - Employee Apt		0
Salaries - Site Manager	2,188	26,250
Salaries - Frontline	167	2,000
Salaries - Asst Manager		0
Legal Expense	13	150
Audit Expense	450	5,400
Bookkeeping Expense	315	3,780
Computer Expense	233	2,800
Bad Debts		0
Training Expense	42	500
Misc. Administration	183	2,200
Bank Charges		0
Total Administrative Expenses	6,569	78,833
Cable TV	50	600
Electricity	333	4,000
Water	1,025	12,300
Gas	314	3,770
Sewer	642	7,700
Trash Collection	492	5,900
Total Utilitie Expense	2,856	34,270
Maintenance Apartment		0
Maintenance Salary	2,008	24,096
Janitorial Salary	92	1,100
Cleaning Supplies	17	200
Janitorial Expense	100	1,200
Pest Control	75	900
Pest Control Supplies	21	250
Security/Personnel Services	50	600
Fence/Gates - Security		0
Grounds Supplies	42	500
Grounds Contracts	500	6,000
Repairs - Plumbing	21	250
Repairs - HVAC	42	500
Repairs - Electrical	21	252
Repairs - Roof	0	0
Elevator Contract	0	0
Replacements - Carpets & Drapes	0	0
Painting Supplies	15	180
Repairs - Washers & Dryers	0	0
Repairs - Kitchen Appliances	15	180
Tools & Small Equipment	15	180
Repair & Maint. General/Move Out Repairs	100	1,200
Key & Lock Expense	10	120
Window & Glass Expense	10	120
Fire & Safety Equipment	10	120
Total Operating & Maintenance Expense	3,162	37,948
Taxes, License & Permits	67	800
Taxes - Property		0
Taxes - Payroll	450	5,400
Insurance - Workers' Compensation	396	4,750
Insurance - Medical	1,000	12,000
Insurance - Property & Liability	666	7,992
Insurance - Fidelity Bond	4	50
Fee - County Monitoring	209	2,508
Total Taxes & Insurance	2,792	33,500
Social Services - Salaries	2,000	24,000
Social Services - Programs		0
Social Services - Supplies	166	1,992
Total Social Services	2,166	25,992
Total Operating Expenses	17,545	210,543
Replacement Reserves	1,000	12,000
Operating Reserves (Capitalized)		
Total Residential Expenses	18,545	222,543

Santa Maria Senior Apartments
20 Year Cash Flow Analysis

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Potential Gross Income from Operations	319,476	327,463	335,649	344,041	352,642	361,458	370,494	379,757	389,250	398,982	408,956	419,180	429,660	440,401	451,411	462,697	474,264	486,121	498,274	510,730
Misc. Income	4,800	4,920	5,043	5,169	5,298	5,431	5,567	5,706	5,848	5,995	6,144	6,298	6,455	6,617	6,782	6,952	7,126	7,304	7,486	7,674
Less Vacancy (5%)	(16,214)	(16,619)	(17,035)	(17,460)	(17,897)	(18,344)	(18,803)	(19,273)	(19,755)	(20,249)	(20,755)	(21,274)	(21,806)	(22,351)	(22,910)	(23,482)	(24,069)	(24,671)	(25,288)	(25,920)
Effective Gross Income	308,062	315,764	323,658	331,749	340,043	348,544	357,258	366,189	375,344	384,727	394,346	404,204	414,309	424,667	435,284	446,166	457,320	468,753	480,472	492,484
Annual Operating Expenses	(210,543)	(217,912)	(225,539)	(233,433)	(241,603)	(250,059)	(258,811)	(267,870)	(277,245)	(286,949)	(296,992)	(307,387)	(318,145)	(329,280)	(340,805)	(352,733)	(365,079)	(377,857)	(391,082)	(404,770)
Replacement Reserve Deposit	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)
Net Annual Operating Income	85,519	85,852	86,119	86,316	96,440	94,485	86,446	86,319	86,099	85,779	85,354	84,818	84,164	83,387	82,479	81,433	80,241	78,896	77,390	75,714
Debt Service																				
Tranche A	(74,364)	(74,364)	(74,364)	(74,364)	(74,364)	(74,364)	(74,364)	(74,364)	(74,364)	(74,364)	(74,364)	(74,364)	(74,364)	(74,364)	(74,364)	(74,364)	(74,364)	(74,364)	(74,364)	(74,364)
Tranche B	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DCR (A & B)	1.15	1.15	1.16	1.16	1.16	1.16	1.16	1.16	1.16	1.15	1.15	1.14	1.13	1.12	1.11	1.10	1.08	1.06	1.04	1.02
DCR (A Only)	1.15	1.15	1.16	1.16	1.16	1.16	1.16	1.16	1.16	1.15	1.15	1.14	1.13	1.12	1.11	1.10	1.08	1.06	1.04	1.02
Cash Flow after Debt Service	11,155	11,487	11,754	11,952	12,076	12,120	12,082	11,955	11,734	11,414	10,989	10,453	9,800	9,022	8,114	7,068	5,877	4,532	3,026	1,350