

ATTACHMENT 1

San Leandro Senior - Phase II

7/10/2015

Assumptions

Total Site Area (Acres)	1.12	48,787 s.f.	Density (Units per Acre):	76 DUAC	Gross Building Area	68,943
Total Number of Units	85				Residential Net Area	48,750
Special Needs Units @ 35%	0					
Number of Parking Spaces	37					

A. DEVELOPMENT BUDGET SUMMARY

Description	Total Amount	per Resid. Unit	per Resid. NSF	per Resid GSF
Acquisition & Related Holding Costs	\$5,990,000	\$70,471	\$122.87	\$86.88
subtotal	\$5,990,000	\$70,471	\$122.87	\$86.88
Construction	\$21,267,673	\$250,208	\$436.26	\$308.48
Offsites	\$0	\$0	\$0.00	\$0.00
Furnishings and Equipment	130,000	1,529	2.67	1.89
Hard Cost Contingency	1,992,318	23,439	40.87	28.90
Escalation (1.5 years)	2,124,493	24,994	43.58	30.82
subtotal	\$25,514,484	\$300,170	\$523.37	\$370.08
Architecture/Engineering	\$1,340,500	\$15,771	\$27.50	\$19.44
Permits and Fees	2,891,700	34,020	59.32	41.94
Construction Loan Interest/Fees	1,156,210	13,602	23.72	16.77
Bond Cost of Issuance	338,682	3,984	6.95	4.91
Permanent Loan Fees/Costs	0	0	0.00	0.00
Legal	215,000	2,529	4.41	3.12
Appraisal/Market Study	25,000	294	0.51	0.36
Marketing/Lease-up	250,000	2,941	5.13	3.63
Title/Audit/Cost Certification	130,000	1,529	2.67	1.89
Insurance	243,015	2,859	4.98	3.52
Property Taxes	0	0	0.00	0.00
Soft Cost Contingency and Reserves	534,710	6,291	10.97	7.76
subtotal	\$7,124,817	\$83,821	\$146.15	\$103.34
Syndication Costs and Developer Fee	\$2,223,072	\$26,154	\$45.60	\$32.25
TOTAL DEVELOPMENT COSTS	\$40,852,373	\$480,616	\$838.00	\$592.55
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B. SOURCES AND USES

Sources of Funds	Construction Period	Permanent Period
Permanent Mortgage - Tranche A		\$1,194,190
Permanent Mortgage - Tranche B		\$4,185,756
Construction loan (residential)	50%	\$19,694,846
Cap and trade		\$4,965,047
Fee Waivers		\$0
Investor Equity - Tax Credits		\$4,530,059
City of San Leandro		\$1,000,000
Land Donation		\$5,950,000
Alameda County Boomerang		\$350,000
Alameda County HOME Construction Pool		\$566,066
HCD Prop 1C Funds - Parking Garage		\$1,092,005
AHP		\$1,000,000
TOTAL SOURCES	\$39,148,023	\$40,906,062
Uses of Funds		
Acquisition	\$5,990,000	\$5,990,000
Construction	\$25,514,484	\$25,514,484
A/E, Permits	\$4,232,200	\$4,232,200
Indirect Expenses	\$848,015	\$863,015
Financing and Carry Costs	\$1,494,892	\$1,494,892
Other (Prop. taxes + Soft Cost Contingency)	\$245,360	\$534,710
Developer Fee + Syndication Costs	\$823,072	\$2,223,072
TOTAL USES	\$39,148,023	\$40,852,373

C. FINANCING ASSUMPTIONS

CONSTRUCTION LOAN	
Lender:	
Loan Amount:	\$19,694,846
Loan Term:	20 mos
Note Rate:	4.00%
> 50% Basis plus land?	yes
PERMANENT DEBT SOURCE 1 (A Tranche)	
Lender:	
Loan Amount:	\$1,194,190
Loan Term:	15
Note Rate:	6.00%
Payment (annual):	\$122,957
DCR:	1.20
PERMANENT DEBT SOURCE 2 (B Tranche)	
Lender:	
Loan Amount:	\$4,185,756
Loan Term:	15
Note Rate:	6.00%
Payment (annual):	\$430,977
DCR:	1.20
Cap and Trade	
Grant/Loan Amount:	\$7,447,808
Investor Equity - Federal Credit	
Credit Rate (follow link below)	9%
Net Rate	1.120
Net Pay-in	\$18,120,237
Initial Pay-in	\$4,530,059
Credit Rate	9.00%
Annual Federal Credits	\$1,618,040
Investor Equity - State Credit	
Net Rate	0.600
Net Pay-in	\$0
Reduction in Basis	-\$18,300,000
AHP	
Loan Amount:	\$1,000,000
Loan Term:	15
Note Rate:	0.00%
Per BMR Unit	\$11,765
Alameda County Boomerang	
Loan Amount:	\$350,000
Loan Term:	30
Note Rate:	3.00%
Per BMR Unit	\$4,118
Alameda County HOME Construction Pool	
Loan Amount:	\$566,066
Loan Term:	30
Note Rate:	3.00%
Per BMR Unit	\$6,660
City of San Leandro	
Loan Amount:	\$1,000,000
Loan Term:	30
Note Rate:	3.00%

D. FIVE YEAR CASH FLOW

Description		Year 1	Year 2	Year 3	Year 4	Year 5
Tenant Rental Income - Affordable	2.00%	\$808,198	\$824,362	\$840,849	\$857,666	\$874,819
PBV Subsidy	2.00%	\$544,392	\$555,280	\$566,385	\$577,713	\$589,267
Misc. Income (Laundry)	2.00%	\$4,080	\$4,162	\$4,245	\$4,330	\$4,416
Gross Scheduled Income		\$1,356,670	\$1,383,803	\$1,411,479	\$1,439,709	\$1,468,503
less Vacancy/Collection Loss	5.00%	(\$67,833)	(\$69,190)	(\$70,574)	(\$71,985)	(\$73,425)
Effective Gross Income		\$1,288,836	\$1,314,613	\$1,340,905	\$1,367,723	\$1,395,078
less Operating Expenses	3.00%	(\$577,966)	(\$595,305)	(\$613,164)	(\$631,559)	(\$650,506)
less Property Taxes	1.50%	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)
less Replacement Reserves	\$300	(\$25,500)	(\$26,265)	(\$27,053)	(\$27,865)	(\$28,700)
less CFD Fees		\$0	\$0	\$0	\$0	\$0
less Ground Lease Payment		\$0	\$0	\$0	\$0	\$0
less Annual Bond Admin Fee		\$0	\$0	\$0	\$0	\$0
Net Operating Income		\$664,517	\$693,043	\$700,688	\$708,300	\$715,871
Conventional 30 yr. Debt - Tranche A		(\$122,957)	(\$122,957)	(\$122,957)	(\$122,957)	(\$122,957)
PBV Tranche B - 15 Years		(\$430,977)	(\$430,977)	(\$430,977)	(\$430,977)	(\$430,977)
DISTRIBUTABLE CASH FLOW		\$110,583	\$139,109	\$146,754	\$154,366	\$161,937
less Partnership Management Fee		(\$25,000)	(\$25,750)	(\$26,523)	(\$27,318)	(\$28,138)
less Investor Asset Management Fee		(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)

F. ANNUAL OPERATING EXPENSES (/UNIT)

6,799.60 per unit per year	Property Tax
\$38,000 Services (incl above)	Y1 Value
\$577,966 per year	\$32,681,898
	Y1 Prop Tax
	\$0
	100% BMR Welfare exemption

UNIT MIX AND RENTS

	30% AMI	40% AMI	50% AMI	Manager	Total (%)
Junior 1 Bedroom					
#	0	0	0	0	0
Net Rent (incl. subsidy)	\$471	\$641	\$812	\$983	0%
1 Bedroom 1 Bath					
#	8	14	54	1	77
Net Rent (incl. subsidy)	\$499	\$682	\$865	\$1,048	91%
2 Bedroom 1 Bath					
#	5	0	3	0	8
Net Rent (incl. subsidy)	\$591	\$811	\$1,030	\$1,249	9%
2 Bedroom 2 Bath					
#	0	0	0	0	0
Net Rent (incl. subsidy)	\$591	\$811	\$1,030	\$1,249	0%
3 Bedroom 2 Bath					
#	0	0	0	0	0
Net Rent (incl. subsidy)	\$766	\$1,048	\$1,331	\$1,614	0%

San Leandro Senior - Phase II

Development Budget Assumptions - Total		Land Acquisition Allocation		% of Commercial to Residential sq. ft.:		Lease up Period	5.0
Construction Period	8 mos	Total Acquisition		Draw Down Rate (Const [period])	70%	Months to Perm. Close	7.0
Prevailing Wage/Davis Bacon				Construction Loan Fees	0.75%		

Description	Subtotal	Total	Description	Subtotal	Total	Description	Subtotal	Total
A. TOTAL ACQUISITION COSTS								
Land Cost	\$	5,950,000						
Existing Improvements Cost	\$	-						
Title and Escrow	\$	40,000						
Holding Period Expense (2 yrs prop. Tax + Maint.)	\$	-						
Demolition (Included in Haz Mat Removal below)	\$	-						
Relocation	\$	-						
OTHER: Broker	\$	-						
OTHER: Prepaid CFDs	\$	-						
TOTAL ACQUISITION COSTS		\$ 5,990,000						
B. DIRECT CONSTRUCTION COSTS								
Construction:								
Structures	\$254.94	\$ 17,576,316	Cannon Est 3.21.16					
Haz. Mat. Removal	\$	-						
Site Work/Landscape	\$0	\$ 150,000						
Parking Structure	\$28,229.54	\$ 1,044,493						
OTHER: Modular Design Fee	\$	150,000						
Total	0.79%	\$ 18,920,809						
Contractor General Conditions, Profit, Overhead								
General Conditions	Cannon Est 3.21.16	\$ 1,209,873						
Profit and Overhead	Cannon Est 3.21.16	\$ 747,838						
Bond	Cannon Est 3.21.16	\$ 242,342						
Liability Insurance	Cannon Est 3.21.16	\$ 84,817						
City Tax	Cannon Est 3.21.16	\$ 61,994						
OTHER:		\$ -						
Total GC, OH and Profit		\$ 2,346,864						
TOTAL CONSTRUCTION CONTRACT	\$250,208	\$308	\$21,267,673					
Hard Cost Contingency	10.00%	\$ 1,992,318						
Escalation	1.5	\$ 6,000	\$ 2,124,493					
TOTAL DIRECT CONSTRUCTION COST	\$ 298,641	\$25,384,484						
D. INDIRECT DEVELOPMENT COSTS								
Architecture and Engineering	\$	430,000						
A/E Reimb.	\$	60,000						
A/E Add Svcs.	\$	40,000						
Landscape	\$	38,500						
OTHER								
subtotal	\$	568,500						
Survey/Civil	\$	40,000						
Geotechnical: Investigation	\$	10,000						
Geotechnical: Construction	\$	35,000						
Phase I and II	\$	20,000						
subtotal	\$	105,000						
Acoustical Engineering	\$	12,000						
Waterproofing Consultant	\$	85,000						
Utility Consultant	\$	35,000						
Historic Tax Credits Consultant	\$	-						
MEP Consultant	\$	180,000						
Structural Engineer	\$	180,000						
Construction Consultant	\$	75,000						
Testing & Inspctn (Conc., Nailing, etc)	\$	100,000						
Historic Consultant	\$	-						
Membrane Inspection	\$	-						
OTHER:	\$	-						
OTHER:	\$	-						
OTHER:	\$	-						
subtotal	\$	667,000						
Total Architecture and Engineering	6.30%	\$1,340,500						
D. INDIRECT DEVELOPMENT COSTS (continued)								
Legal								
Legal, Acquisition	\$	100,000						
Legal, Construction	\$	100,000						
Legal, Conversion	\$	15,000						
Total Legal	\$	215,000						
Marketing & Start Up Costs								
Market Study	\$	15,000						
Marketing & Lease Up	\$	200,000						
Leaseup startup expenses	\$	50,000						
Total Marketing & Start Up	\$	265,000						
Total Appraisal	\$	10,000						
Miscellaneous								
Community Outreach	\$	-						
OTHER:	\$	-						
OTHER:	\$	-						
OTHER:	\$	-						
Total Misc	\$	-						
Title								
Title (Construction)	\$	40,000						
Title (Permanent)	\$	15,000						
Total Title	\$	55,000						
Furnishings & Equipment								
Furnishings	\$	100,000						
Services	\$	-						
Operations Equipment	\$	30,000						
Total Furnishings and Equip.	\$	130,000						
Permits and Fees								
Planning Fees/Environmental Apps./EIR	\$	80,000						
Parcel Map	\$	-						
Building Permit Fees	\$	90,000						
Plancheck Fees	\$	130,000						
Development Impact Fees	\$	650,000						
School District Fees	\$	235,000						
Water and Sewer	\$	285,000						
Public Works and Engineering	\$	35,000						
PG&E/Cable/ Pac Bell	\$	50,000						
OTHER: EBMUD	\$	1,280,000						
OTHER:	\$	-						
Fee Contingency	2.0%	\$ 56,700						
Total Fees	34,020 per unit	\$ 2,891,700						
TOTAL INDIRECT COSTS		\$ 4,907,200						
E. CONTINGENCY & RESERVES								
Soft Cost Contingency	5%	\$ 245,360.00						
Operating Resrv (Oprrt'ng + DS)	3.0	\$ 289,350						
Rent Transition Reserve	\$	-						
OTHER:	\$	-						
TOTAL CONTINGENCY & RESERVES		\$ 534,710						
F. CARRYING CHARGES AND FINANCING								
Legal								
BR - Const @ 100%	0.5000	/\$100 /mo	\$ 118,255					
BR - Soft Costs @ 30%	0.5000	/\$100 /mo	\$ 30,156					
General Liability	2.00	/\$1000	\$ 47,302					
Umbrella Liability	2.00	/\$1000	\$ 47,302					
Total Insurance			\$ 243,015					
Property Taxes	0.00%		\$ -					
Predevelopment Interest	6.00%	\$669,478	\$ 40,169			\$ 40,169		
Construction Financing								
Fees (Included in COI)	0.75%		\$ 147,711					
Lender Expenses (Included in COI)			\$ 75,000					
Interest During Construction	8	70%	\$ 367,637					
Interest During Lease-Up	12	95%	\$ 748,404					
City Issuer Fee	0.125%		\$ -					
Issuer Monitoring Fee			\$ -					
OTHER:			\$ -					
Total Construction Financing			\$ 1,338,753					
Cost of issuance (COI) /Perm Loan Fees								
Issuer Fee or Origination Fee	0.50%		\$ 5,971					
Issuer/Lender Counsel			\$ 100,000					
Annual Administration Fee (pro-rated 1/2 yr.) N/A	0.125%		\$ -					
Bond Counsel			\$ -					
LC Origination Fee	0.50%		\$ -					
LC Origination bank reimbursables			\$ -					
LC Origination Bank Counsel			\$ -					
CDLAC fee (.00050 of allocation amount)	0.00050		\$ -					
Borrower Counsel			\$ -					
Borrower Financial Advisor			\$ -					
Printing			\$ 10,000					
OTHER:			\$ -					
OTHER:			\$ -					
Total Cost of Issuance	0.59%		\$ 115,971					
Local Lender Fees								
Fees	1.00%		\$ -					
Lender Expenses			\$ -					
Construction Loan Interest (Accrued)	3.00%		\$ -					
Total Local Lender Charges			\$ -					
TOTAL CARRYING CHARGES/FINANCING			\$ 1,737,907					
G. SYNDICATION COSTS/DEVELOPER FEE								
Syndication - Consultant			\$ 65,000					
Syndication - Legal			\$ 50,000					
TCAC App & Allocation Fees			\$ 100,572					
Organizational Expenses			\$ 7,500					
Developer Fee			\$ 2,000,000					
CIP, TCAC Audit			\$ 60,000					
Cost Cert, first yr tax return			\$ 15,000					
OTHER:			\$ -					
OTHER:			\$ -					
TOTAL MISCELLANEOUS/DEVELOPER FEE COSTS			\$ 2,298,072					
TOTAL DEVELOPMENT BUDGET		\$	40,852,373					
						TDC/unit:	\$ 480,616.15	

San Leandro Senior - Phase II

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Unit sizes:		Affordability	Studio	One	Two	Three	total	
Studio	-	30%	-	8	5	-	13	16%
One	77	90.6%	-	-	-	-	-	0%
Two	8	9.4%	-	14	-	-	14	17%
Three	-	0.0%	-	-	-	-	-	0%
	85 units	50%	-	54	3	-	57	68%
		60%	-	-	-	-	-	0%
		80%	-	-	-	-	-	0%
Average Square Footage	573.53	Staff	-	1	-	-	1	1%
			-	77	8	-	85	101.3%
			0.0%	90.6%	9.4%	0.0%		

<http://www.novoco.com/products/rentincome.php>

Assumptions: Rent:

A. RENT CALCULATIONS

Unit Type	100% Rent	Utility Allowance	30% Net Rent	35% Net Rent	40% Net Rent	45% Net Rent	50% Net Rent	55% Net Rent	60% Net Rent	80% Net Rent	HA Payment Standard
Studio	1,706	41	471	556	641	727	812	897	983	1,324	1,270
1 Bedroom	1,828	49	499	591	682	774	865	956	1,048	1,413	1,531
2 Bedroom	2,194	67	591	701	811	920	1,030	1,140	1,249	1,688	1,931
2 Br/2 Ba	2,534	67	693	820	947	1,073	1,200	1,327	1,453	1,960	1,931
3 Bedroom	2,826	82	766	907	1,048	1,190	1,331	1,472	1,614	2,179	2,703
Manager's Unit	1,048										

B. UNIT MIX & RENTS - Residential Income

Unit Description	% Median Income	NSF per unit	Qty Units	Total NSF	Rent	PBV Units	FMR Rent	PBV Increment	Monthly Income	Annual Tax Credit Income	Annual PBV Rent Subsidy	Rent per SF
Studio	30%	450	-	-	\$471	-	\$1,270	\$799	-	-	-	\$1.05
Studio	35%	450	-	-	\$556	-	\$1,270	\$714	-	-	-	\$1.24
Studio	40%	450	-	-	\$641	-	\$1,270	\$629	-	-	-	\$1.43
Studio	45%	450	-	-	\$727	-	\$1,270	\$543	-	-	-	\$1.61
Studio	50%	450	-	-	\$812	-	\$1,270	\$458	-	-	-	\$1.80
Studio	60%	450	-	-	\$983	-	\$1,270	\$287	-	-	-	\$2.18
Studio	80%	450	-	-	\$1,324	-	\$1,270	-\$54	-	-	-	\$2.94
1 Bed	30%	550	8	4,400	\$499	-	\$1,531	\$1,032	3,995	47,942	-	\$0.91
1 Bed	35%	550	-	-	\$591	-	\$1,531	\$940	-	-	-	\$1.07
1 Bed	40%	550	14	7,700	\$682	-	\$1,531	\$849	9,551	114,610	-	\$1.24
1 Bed	45%	550	-	-	\$774	-	\$1,531	\$757	-	-	-	-
1 Bed	50%	550	54	29,700	\$865	54	\$1,531	\$666	46,710	\$60,520	431,568	\$1.57
1 Bed	60%	550	-	-	\$1,048	-	\$1,531	\$483	-	-	-	\$1.91
1 Bed	80%	550	-	-	\$1,413	-	\$1,531	\$118	-	-	-	\$2.57
2 Bed 1 Ba	30%	800	5	4,000	\$591	5	\$1,931	\$1,340	2,956	35,472	80,388	\$0.74
2 Bed 1 Ba	35%	800	-	-	\$701	-	\$1,931	\$1,230	-	-	-	\$0.88
2 Bed 1 Ba	40%	800	-	-	\$811	-	\$1,931	\$1,120	-	-	-	\$1.01
2 Bed 1 Ba	45%	800	-	-	\$920	-	\$1,931	\$1,011	-	-	-	-
2 Bed 1 Ba	50%	800	3	2,400	\$1,030	3	\$1,931	\$901	3,090	37,080	32,436	\$1.29
2 Bed 1 Ba	60%	800	-	-	\$1,249	-	\$1,931	\$682	-	-	-	\$1.56
2 Bed 1 Ba	80%	800	-	-	\$1,960	-	\$1,931	-\$29	-	-	-	\$2.45
2 Bed 2 Ba	30%	1,100	-	-	\$693	-	\$1,931	\$1,238	-	-	-	\$0.63
2 Bed 2 Ba	35%	1,100	-	-	\$820	-	\$1,931	\$1,111	-	-	-	\$0.75
2 Bed 2 Ba	40%	1,100	-	-	\$947	-	\$1,931	\$984	-	-	-	\$0.86
2 Bed 2 Ba	45%	1,100	-	-	\$1,073	-	\$1,931	\$858	-	-	-	\$0.98
2 Bed 2 Ba	50%	1,100	-	-	\$1,200	-	\$1,931	\$731	-	-	-	\$1.09
2 Bed 2 Ba	60%	1,100	-	-	\$1,453	-	\$1,931	\$478	-	-	-	\$1.32
2 Bed 2 Ba	80%	1,100	-	-	\$1,960	-	\$1,931	-\$29	-	-	-	\$1.78
3 Bed	30%	1,325	-	-	\$766	-	\$2,703	\$1,937	-	-	-	\$0.58
3 Bed	35%	1,325	-	-	\$907	-	\$2,703	\$1,796	-	-	-	\$0.68
3 Bed	40%	1,325	-	-	\$1,048	-	\$2,703	\$1,655	-	-	-	\$0.79
3 Bed	45%	1,325	-	-	\$1,190	-	\$2,703	\$1,513	-	-	-	\$0.90
3 Bed	50%	1,325	-	-	\$1,331	-	\$2,703	\$1,372	-	-	-	\$1.00
3 Bed	60%	1,325	-	-	\$1,614	-	\$2,703	\$1,089	-	-	-	\$1.22
3 Bed	80%	1,325	-	-	\$2,179	-	\$2,703	\$524	-	-	-	\$1.64
MGMT 1 Bed		1		550	\$1,048				1,048	12,574		\$1.91
TOTALS		85		48,750		62			67,350	808,198	544,392	

Mgmt office, comm rm.	2,521
Common Areas	17,672
Residential GSF	68,943
Commercial Area	0
Garage	0 Utilize Phase I Garage
Gross Area	68,943

C. UTILITY ALLOWANCE SCHEDULE - HACA 7/1/15

	0 bdrm	1 bdrm	2 bdrm	3 bdrm	4 bdrm	5 bdrm
Electric						
Cooking	3	4	5	5		
Heating	16	16	23	29		
AC	-	-	-	-		
Hot Water	-	-	-	-		
Other Electric	22	29	39	48		
Water	-	-	-	-		
Garbage	-	-	-	-		
TOTALS	41	49	67	82		

Alameda County 100%AMI Rents
\$1,706
\$1,828
\$2,194
\$2,534
\$2,826
\$3,120

HACA Payment Standard
Studio \$1,311
1 BR \$1,580
2 BR \$1,998
3 BR \$2,785

UNIT MIX AND RENTS

	30% AMI	40% AMI	50% AMI	Manager	Total (%)
Studio					
#	-	-	-	-	0
Net Rent	\$471	\$641	\$812	\$983	0%
1 Bedroom					
#	8	14	54	1	77
Net Rent	\$499	\$682	\$865	\$1,048	91%
2 Bedroom 1 Bath					
#	5	-	3	-	8
Net Rent	\$591	\$811	\$1,030	\$1,249	9%
2 Bedroom 2 Bath					
#	-	-	-	0	0
Net Rent	\$591	\$811	\$1,030	\$1,249	0%
3 Bedroom					
#	-	-	-	-	0
Net Rent	\$766	\$1,048	\$1,331	\$1,614	0%
Total (%)	13%	14%	57%	1%	85%
% of Affordable	15%	17%	68%	0%	100%

Total Annual Scheduled Rent \$ 808,198