

**TEMECULA REDEVELOPMENT PROJECT**

**TEMECULA, CALIFORNIA**

**SUMMARY REPORT PERTAINING TO THE PROPOSED SALE  
OF CERTAIN PROPERTY WITHIN THE  
REDEVELOPMENT PROJECT AREA**

**California Community Redevelopment Law  
Section 33433**

**PURSUANT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT  
BY AND BETWEEN  
THE CITY OF TEMECULA  
AND  
TEMECULA PACIFIC ASSOCIATES, L.P.**

**Temecula, California**

**June 2019**

## TABLE OF CONTENTS

	<u>Page</u>
I. Introduction .....	1
II. Costs of the Agreement to the City.....	4
III. Estimated Value of the Interest to be Conveyed at the Highest and Best Use Permitted Under the Redevelopment Plan .....	5
IV. Estimated Value of the Interest to be Conveyed at the Use and with the Conditions, Covenants, and Development Costs Required by the Agreement .....	6
V. Compensation which the Developer will be Required to Pay.....	9
VI. Explanation of the Difference, if any, between the Compensation to be Paid to the City by the Proposed Transaction and the Fair Market Value of the Interest to be Conveyed at the Highest and Best Use Consistent with the Redevelopment Plan.....	10
VII. Explanation of Why the Sale of the City Property will Assist with the Elimination of Blight.....	11
VIII. Limiting Conditions.....	12

## I. INTRODUCTION

### A. Purpose of Report

This Summary Report was prepared in accordance with Section 33433 of the California Community Redevelopment Law in order to inform the City of Temecula (City) and the public about the proposed Disposition and Development Agreement (Agreement) between the City and Temecula Pacific Associates, L.P. (Developer).

The Developer intends to build a 60-unit, three-story apartment complex affordable to households at Extremely Low-, Very Low-, and Low-Income levels (Project). The Project will be constructed on an approximate 2.27-acre site (Site) on Pujol Street in Temecula, California.

The Site is comprised of the following:

Description	Total Land Area
Developer Property	1.72 Acres
City Property	0.55 Acres
<b>Total</b>	<b>2.27 Acres</b>

This Report describes and specifies:

1. The costs to be incurred by the City under the Disposition and Development Agreement (Agreement);
2. The estimated value of the interest to be conveyed by the City to the Developer at the highest and best use permitted under the Redevelopment Plan;
3. The estimated value of the interest to be conveyed at the proposed use and with the conditions, covenants, and development costs pursuant to the proposed Agreement;
4. The compensation to be paid to the City pursuant to the proposed transaction;
5. An explanation of the difference, if any, between the compensation to be paid to the City under the proposed transaction, and the fair market value at the highest and best use consistent with the Redevelopment Plan; and
6. An explanation of why the conveyance of the interest will assist with the elimination of blight.

## **B. Summary of Findings**

The City engaged its economic consultant, Keyser Marston Associates, Inc. (KMA), to analyze the financial terms contained in the proposed Agreement. KMA reviewed the draft Agreement under discussion between the City and the Developer as of the date of this Report. The KMA conclusions are summarized as follows:

- The estimated costs of the Agreements to the City total \$2,539,000.
- The estimated fair market value of the interest to be conveyed at its highest and best use is \$710,000.
- The estimated fair re-use value of the interest to be conveyed is *negative* \$2,000,000.
- The estimated value of the compensation to be received by the City is *negative* \$1,766,000.

## **C. Description of Area and Proposed Project**

Old Town Temecula was founded in the 1880s and is considered the heart of Temecula. The Old Town area is characterized as a unique and historic environment with a distinct western theme that is present in its streetscape and architecture. The historic neighborhood offers its residents and tourists a variety of specialty shopping, dining, and entertainment uses.

Table 1 describes the physical characteristics of the proposed Project. The proposed Project will contain three (3) stories of residential development featuring 60 apartments. The apartments comprise seven (7) one bedroom, 32 two bedroom, and 21 three bedroom units with an overall average size of 914 SF. Fifty-nine (59) units will be affordable to Extremely Low-, Very Low-, and Low-Income households earning between 30% and 60% of Area Median Income (AMI).

## **D. Proposed Transaction Terms**

This section summarizes the salient aspects of the business terms contained in the proposed Agreement.

- The City will convey fee simple title for the City Property to the Developer for a purchase price of \$710,000 (Purchase Price).
- The Developer will construct 59 residential units, affordable to Extremely Low-, Very Low-, and Low-income households, and one (1) manager unit.

- It is the responsibility of the Developer to ensure that applicable City zoning and land use requirements will permit development of the proposed Project.
- The Developer will be responsible for all development costs, including site preparation, grading, and construction of the Project, and off-site improvements.
- It is the responsibility of the Developer to conform to all applicable Federal and State labor laws including requirements, if any, to pay prevailing wages.
- The Developer will have until December 2020 to apply to, and secure from, the State of California for 9% Low Income Housing Tax Credits (LIHTC) and must apply at every application opportunity.
- If the Developer is not successful in securing 9% tax credits, the Developer will have the option to apply to the California Debt Limit Allocation Committee (CDLAC) for a tax-exempt bond to combine this source with 4% LIHTCs and/or pursue other such comparable sources of funds.
- Close of Escrow shall occur within seven (7) months after award of tax credits, but not later than July 1, 2023.
- The City will contribute up to a total of \$2,710,000 toward the Project, in the form of three (3) residual receipts loans (City Loans), as follows:

Description	Amount
Deferred Fee Loan	\$698,281
Permanent Loan	\$1,301,719
Purchase Money Loan	\$710,000
<b>Total City Loans</b>	<b>\$2,710,000</b>

- The City Loans will bear a simple annual interest rate of 3% commencing on the date of disbursement.
- The City will receive 50% of residual receipts toward repayment of the City Loans. Payments will be made first to pay down the Deferred Fee Loan. Upon repayment of the Deferred Fee Loan, pro rata payments will be made to pay down the Purchase Money Loan and the Permanent Loan.
- Affordability restrictions on the Project will remain in effect for a term of 55 years.

## II. COSTS OF THE AGREEMENT TO THE CITY

The estimated costs of the Agreement total \$2,539,000, reflecting all costs incurred by the City. These costs include the following items:

City Costs	Amount
Original Acquisition Costs (1)	\$484,000
Third Party Costs (2)	\$55,000
<b>Subtotal</b>	<b>\$539,000</b>
Add: City Loans	\$2,710,000
(Less) Purchase Price received for City Property	(\$710,000)
<b>Total City Costs</b>	<b>\$2,539,000</b>

- 
- (1) Per City; reflects estimated purchase price in November 1999 based on per-SF purchase price of a portion of the City Property.
- (2) Gross estimate; includes legal and economic consultants.

### **III. ESTIMATED VALUE OF THE INTEREST TO BE CONVEYED AT THE HIGHEST AND BEST USE PERMITTED UNDER THE REDEVELOPMENT PLAN**

This section presents an analysis of the fair market value of the City Property at its highest and best use. In appraisal terminology, the highest and best use is that use of the City Property that generates the highest property value and is physically possible, financially feasible, and legally permitted. Therefore, value at highest and best use is based solely on the value created and not on whether or not that use carries out the redevelopment goals and policies for the City.

The City Property is currently zoned SP-5, Old Town Specific Plan. This zoning allows for neighborhood residential use. The multi-family density allowed under this zoning is 35 units/acre.

The Developer contracted with Kinetic Valuation Group (KVG) for an appraisal of the City Property. KVG estimated the current market value of the City Property as of February 18, 2019. The KVG appraisal does not consider the specific conditions, covenants, and restrictions contained within the Agreement. As such, KVG concluded the fee simple market value of the City Property, as is vacant, to be \$710,000. This land value translates to \$30 per SF.

KMA conducted surveys of Old Town multi-family and mixed-use land sales and multi-family land sales throughout the Temecula Valley. The Old Town Specific Plan is a unique planning and regulatory document, and therefore it is difficult to adjust comparable sales from elsewhere in the Temecula Valley. The KVG estimate of value for the City Property reflects the upper end of the KMA surveyed comparables. Many of the surveyed comparable sales are inferior to the City Property with respect to location, configuration, and/or prevailing market conditions at time of sale, suggesting that significant upward adjustments are warranted.

#### Conclusion

In view of the above considerations, KMA concurs with the appraiser's conclusion of value for the City Property of \$30 per SF. On this basis, then, KMA finds that the fair market value of the City Property at its highest and best use is \$710,000.

#### **IV. ESTIMATED VALUE OF THE INTEREST TO BE CONVEYED AT THE USE AND WITH THE CONDITIONS, COVENANTS, AND DEVELOPMENT COSTS REQUIRED BY THE AGREEMENT**

This section explains the principal conditions and covenants which the Developer of the interest to be conveyed must meet in order to comply with the Agreement. The Agreement contains specific covenants and conditions designed to ensure that the conveyance of the City Property will be carried out in a manner to achieve the City's objectives, standards, and criteria under the Redevelopment Plan. Based on a detailed financial feasibility analysis of the Project, KMA concludes that the fair re-use value of the interest to be conveyed is *negative* \$2,000,000.

KMA estimated the re-use value of the interest to be conveyed based on the anticipated income characteristics of the proposed Project. Re-use value is defined as the highest price in terms of cash or its equivalent which a property or development right is expected to bring for a specified use in a competitive open market, subject to the covenants, conditions, and restrictions imposed by the Agreement.

KMA reviewed and analyzed the financial pro forma submitted by the Developer for the Project. Tables 2 through 4 present the KMA residual value analysis for the proposed Project.

##### *Estimated Development Costs*

Table 2 summarizes estimated development costs for the Project.

Total development costs for the Project, excluding City Property land acquisition, are estimated at \$20,664,000, or \$366 per SF Gross Building Area (GBA), which equates to approximately \$344,400 per dwelling unit. Total development costs consist of the following:

- Direct construction costs, such as off-site improvements; on-site improvements; parking; shell construction; furniture, fixtures, and equipment (FF&E); and contingency. The total direct costs are estimated to be \$13,226,000, or \$234 per SF GBA. The estimate of direct costs does not assume the payment of prevailing wages.
- Indirect costs, such as architecture and engineering, permits and fees, legal and accounting, taxes and insurance, developer fee, marketing/lease-up, and contingency. These are estimated to be \$4,646,000, or 35.1% of direct costs.
- Financing costs, including loan fees, interest during construction/lease-up, title/recording/escrow fees, Tax Credit Allocation Committee (TCAC) costs, and operating reserves. Total financing costs are estimated at \$942,000, or 7.1% of direct costs.



- Acquisition costs for the Developer Property totaling \$1,850,000, as evidenced by CoStar Group, Inc. with a sale date of November 1, 2016.

### Net Operating Income

Table 3 presents an estimate of stabilized Net Operating Income (NOI) for the Project, as follows:

- The Agreement will restrict the residential units to Extremely Low-, Very Low- and Low-Income households. As discussed earlier, the Developer plans to apply to the State of California for Low Income Housing Tax Credits (LIHTC). Fifty-nine (59) of the units will be restricted per LIHTC requirements. The Developer has proposed an affordability mix competitive for a LIHTC application, as shown below:

Area Median Income	TCAC	CRL	Total
Extremely Low (30% AMI)	15 units	3 units	18 units
Very Low Income (50% AMI)	7 units	5 units	12 units
Low Income (60% AMI)	27 units	2 units	29 units
<b>Total Restricted Units</b>	<b>49 units</b>	<b>10 units</b>	<b>59 units</b>

Per the Agreement, ten (10) of those units will be restricted per California Redevelopment Law (CRL) and the Developer will be required to comply with CRL requirements when determining household income and affordable rent calculations. The proposed affordability mix, shown above, results in an average affordability for the Project (excluding the manager's unit) of 48% AMI. Based on these restrictions, total annual rental income amounts to \$507,000.

- Other income, such as laundry and vending, is estimated at \$13 per unit per month.
- A vacancy factor of 5.0% is assumed.
- Total expenses have been estimated at \$5,125 per unit per year. These consist of operating expenses, property taxes/assessments, replacement reserves, and tenant services.

Based on these assumptions, stabilized annual NOI for the proposed Project is estimated at \$183,000.

### Supportable Funding Sources

As shown in Table 4, KMA estimates total available funding sources for the Project comprised of the following:

Sources of Funds	Amount
Supportable Permanent Loan	\$2,150,000
Tax Credit Equity Investment (9% LIHTC)	\$16,514,000
<b>Total Sources of Funds</b>	<b>\$18,664,000</b>

Total funding sources equal \$18,664,000. These figures represent reasonable estimates of the maximum amounts available for each funding source.

#### Residual Land Value – City Property

Table 4 also presents the KMA estimate of residual land value for the City Property. The residual land value can be estimated as the difference between total available funding sources and total development costs. The comparison of total funding sources and total development costs yields a residual land value for the City Property of *negative* \$2,000,000, as shown below:

Residual Land Value – City Property	Amount
Total Sources of Funds	\$18,664,000
(Less) Total Development Costs without City Property	(\$20,664,000)
<b>Residual Land Value – City Property</b>	<b>(\$2,000,000)</b>

#### Conclusion

Based on the foregoing analysis, KMA concludes that the fair re-use value of the City Property is *negative* \$2,000,000.

## V. THE COMPENSATION WHICH THE DEVELOPER WILL BE REQUIRED TO PAY

This section summarizes the total compensation to be paid by the Developer to the City for the City Property.

Developer compensation to the City will take the form of the Purchase Price and repayment of the City Loans through residual receipts payments:

- The Developer will pay a Purchase Price of \$710,000.
- The Developer agrees to pay residual receipts to the City toward repayment of the City Loans. Table 5 presents the KMA estimate of City compensation from the Project's annual cash flow, inclusive of the unpaid balance of the City Loans and any accrued interest due and payable at the end of Year 55. As summarized below, the residual receipts revenue stream and loan payoff at Year 55 are estimated to have a net present value (NPV) of approximately \$234,000, assuming a 10.0% discount rate.

The following summarizes the total compensation to the City:

Compensation to City	Amount
Purchase Price	\$710,000
Present Value of Loan Payments (1)	\$234,000
<b>Total Compensation to City</b>	<b>\$944,000</b>

(1) Present value figures expressed in 2019 dollars, at a 10.0% discount rate.

The total compensation to the City is offset by the amount of the City Loans to the Developer (\$2,710,000), as shown below:

Effective Compensation to City	Amount
Total Compensation to City	\$944,000
(Less) City Loans	(\$2,710,000)
<b>Total Effective Compensation to City</b>	<b>(\$1,766,000)</b>

### Conclusion

Based on the foregoing analysis, KMA concludes that the effective compensation to be paid to the City for the City Property is *negative* \$1,766,000.

**VI. EXPLANATION OF THE DIFFERENCE, IF ANY, BETWEEN THE COMPENSATION TO BE PAID TO THE CITY BY THE PROPOSED TRANSACTION AND THE FAIR MARKET VALUE OF THE INTEREST TO BE CONVEYED AT THE HIGHEST AND BEST USE CONSISTENT WITH THE REDEVELOPMENT PLAN**

The fair market value of the interest to be conveyed at its highest and best use is estimated by KMA to be \$710,000.

The compensation to be paid to the City pursuant to the Agreement is estimated by KMA to be *negative* \$1,766,000.

Factors affecting the difference in compensation to the City and fair market value of the interest to be conveyed at highest and best use include:

- The Project will consist of apartment units restricted to Extremely Low-, Very Low-, and Low-Income households for 55 years.
- The Project is proposed to receive subsidies from the Low Income Housing Tax Credit program, which imposes additional specific covenants and restrictions on development and operation of the Project.

**VII. EXPLANATION OF WHY THE SALE OF THE CITY PROPERTY WILL ASSIST WITH THE ELIMINATION OF BLIGHT**

The Redevelopment Plan (Plan) for the Redevelopment Project Area governs the City Property. In accordance with Section 33490 of the California Community Redevelopment Law, the Plan contains the goals and objectives and the projects and expenditures proposed to eliminate blight within the Project Area. These blighting factors include:

- The subdividing and sale of lots of irregular form and shape, and inadequate size, for proper usefulness and development.
- A prevalence of depreciated values and impaired investments.

Implementation of the proposed Agreement can be expected to assist in the alleviation of blighting conditions through the following:

- Consolidation of irregular parcels into a site appropriate for development.
- Elimination of conditions of economic dislocation such as fragmented ownership patterns.
- Creation of housing opportunities for extremely-, very-, and low-income residents.

## **VIII. LIMITING CONDITIONS**

The estimates of re-use value and fair market value at the highest and best use contained in this Summary Report assume compliance with the following assumptions:

1. The ultimate development will not vary significantly from that assumed in this Report.
2. The title of the City Property is good and marketable; no title search has been made, nor have we attempted to determine the ownership of the property. The value estimates are given without regard to any questions of title, boundaries, encumbrances, liens or encroachments. It is assumed that all assessments, if any are paid.
3. The City Property will be in conformance with the applicable zoning and building ordinances.
4. Information provided by such local sources as governmental agencies, financial institutions, realtors, buyers, sellers, and others was considered in light of its source, and checked by secondary means.
5. If an unforeseen change occurs in the economy, the conclusions herein may no longer be valid.
6. The Developer will adhere to the schedule of performance described in the Agreement.
7. Both parties are well informed and well advised and each is acting prudently in what he/she considers his/her own best interest.
8. KMA is not advising or recommending any action be taken by the 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).
9. 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.
10. 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.

attachments

TABLE 1

**PROJECT DESCRIPTION**  
**VINE CREEK APARTMENTS**  
**CITY OF TEMECULA**

---

**I. Site Area**

City Property	0.55 Acres
Developer Property	<u>1.72</u> Acres
Total Site Area	2.27 Acres

**II. Gross Building Area**

Net Rentable Area	54,830 SF	97%
Circulation/Common Area	<u>1,650</u> SF	<u>3%</u>
Total Gross Building Area (GBA)	56,480 SF	100%

**III. Number of Stories/Type**

3 Stories / Type V

**IV. Unit Mix**

	Number of Units		Average Unit Size
One Bedroom	7 Units	12%	660 SF
Two Bedroom	32 Units	53%	880 SF
Three Bedroom	<u>21</u> Units	<u>35%</u>	<u>1,050</u> SF
Total	60 Units	100%	914 SF

**V. Density**

26 Units/Acre

**VI. Affordability Mix**

	Total		City Restricted Units		
Units @ 30% AMI	18 Units	30%	Ex.Low	3 Units	30%
Units @ 40% AMI	6 Units	10%	Very Low	4 Units	40%
Units @ 50% AMI	6 Units	10%		1 Unit	10%
Units @ 60% AMI	29 Units	48%	Low	2 Units	20%
Manager Unit	<u>1</u> Unit	<u>2%</u>		<u>0</u> Units	<u>0%</u>
Total	60 Units	100%		10 Units	100%
Average Affordability (Excluding manager unit)	48% AMI				

**VII. Parking (1)**

Surface/Carports/Garages

Garage Spaces	33 Spaces	
Carport Spaces	44 Spaces	
Surface Spaces	<u>25</u> Spaces	
Total Parking Spaces	102 Spaces	1.70 Spaces/Unit

(1) Per Pacific West Architecture site plans dated November 21, 2018.

TABLE 2

**ESTIMATED DEVELOPMENT COSTS  
VINE CREEK APARTMENTS  
CITY OF TEMECULA**

	<u>Totals</u>	<u>Per Unit</u>	<u>Notes</u>
<b>I. Direct Costs (1)(2)</b>			
Off-Site Improvements (3)	\$0	\$0	\$0 Per SF Site
On-Site Improvements	\$1,504,800	\$25,080	\$15 Per SF Site
Parking (4)	\$750,000	\$12,500	\$7,353 Per Space
Shell Construction	\$10,300,704	\$171,678	\$182 Per SF GBA
FF&E	\$40,000	\$667	Allowance
Contingency	<u>\$630,000</u>	<u>\$10,500</u>	5.0% of Directs
Total Direct Costs	\$13,225,504	\$220,425	\$234 Per SF GBA
<b>II. Indirect Costs</b>			
Architecture & Engineering	\$600,000	\$10,000	4.5% of Directs
Permits & Fees (3)	\$1,619,643	\$26,994	\$29 Per SF GBA
Legal & Accounting	\$40,000	\$667	0.3% of Directs
Taxes & Insurance	\$207,800	\$3,463	1.6% of Directs
Developer Fee	\$2,000,000	\$33,333	15.1% of Directs
Marketing/Lease-Up	\$78,947	\$1,316	0.6% of Directs
Contingency	<u>\$100,000</u>	<u>\$1,667</u>	2.2% of Indirects
Total Indirect Costs	\$4,646,390	\$77,440	35.1% of Directs
<b>III. Financing Costs</b>			
Loan Fees	\$257,500	\$4,292	1.9% of Directs
Interest During Construction/Lease-Up	\$265,000	\$4,417	2.0% of Directs
Title/Recording/Escrow (5)	\$173,000	\$2,883	1.3% of Directs
TCAC Fees/Syndication Costs	\$82,652	\$1,378	0.6% of Directs
Operating Lease-Up/Reserves	<u>\$163,496</u>	<u>\$2,725</u>	1.2% of Directs
Total Financing Costs	\$941,648	\$15,694	7.1% of Directs
<b>IV. Total Development Costs (Rounded) Excluding Developer Property Acquisition</b>	<b>\$18,814,000</b>	<b>\$313,567</b>	<b>\$333 Per SF GBA</b>
<b>V. Acquisition Costs - Developer Property (6)</b>	<u><b>\$1,850,000</b></u>	<u><b>\$30,833</b></u>	<b>\$25 Per SF-Developer Property</b>
<b>VI. Total Development Costs Including Developer Property Acquisition</b>	<b>\$20,664,000</b>	<b>\$344,400</b>	<b>\$366 Per SF GBA</b>

(1) Does not include the payment of prevailing wages.

(2) Includes pro rata share of general conditions and contractor fee.

(3) Developer estimate; not verified by KMA or City.

(4) Per teleconference with Developer, May 13, 2019.

(5) Adjusted by KMA to include sales commissions on Developer Property of \$123,000.

(6) Per CoStar, Developer purchased 1.72 acres (Developer Property) for \$1,850,000 on November 1, 2016.



TABLE 3

**NET OPERATING INCOME  
VINE CREEK APARTMENTS  
CITY OF TEMECULA**

		# of		Total
I. Gross Scheduled Income		Units	\$/Month <sup>(1)</sup>	Annual
One Bedroom	@ 30% AMI - CRL	3	\$344 <sup>(2)</sup>	\$12,384
One Bedroom	@ 40% AMI	1	\$479	\$5,748
One Bedroom	@ 50% AMI - CRL	1	\$613 <sup>(2)</sup>	\$7,356
One Bedroom	@ 60% AMI - CRL	2	\$748 <sup>(2)</sup>	\$17,952
<hr/>				
Two Bedroom	@ 30% AMI	9	\$406	\$43,848
Two Bedroom	@ 40% AMI - CRL	3	\$568 <sup>(2)</sup>	\$20,448
Two Bedroom	@ 50% AMI	3	\$729	\$26,244
Two Bedroom	@ 60% AMI	17	\$891	\$181,764
<hr/>				
Three Bedroom	@ 30% AMI	6	\$462	\$33,264
Three Bedroom	@ 40% AMI - CRL	1	\$649 <sup>(2)</sup>	\$7,788
Three Bedroom	@ 40% AMI	1	\$649	\$7,788
Three Bedroom	@ 50% AMI	2	\$835	\$20,040
Three Bedroom	@ 60% AMI	10	\$1,022	\$122,640
Three Bedroom	Manager	1	\$0	\$0
<hr/>				
Total		60	\$705	\$507,264
<hr/>				
Add: Other Income		\$13 /Unit/Month		<u>\$9,000</u>
Total Gross Scheduled Income (GSI)				\$516,264
<hr/>				
II. Effective Gross Income (EGI)				
(Less) Vacancy		5.0% of GSI		<u>(\$25,813)</u>
Total Effective Gross Income (EGI)				\$490,451
<hr/>				
III. Operating Expenses				
(Less) Operating Expenses		\$4,495 /Unit/Year		(\$269,700)
(Less) Taxes/Assessments <sup>(3)</sup>		\$80 /Unit/Year		(\$4,800)
(Less) Tenant Services		\$300 /Unit/Year		(\$18,000)
(Less) Replacement Reserves		<u>\$250</u> /Unit/Year		<u>(\$15,000)</u>
Total Expenses		\$5,125 /Unit/Year		(\$307,500)
		62.7% of EGI		
IV. Net Operating Income (NOI)				<b>\$182,951</b>

(1) Reflects net 2019 California Tax Allocation Committee (TCAC) rents.

(2) Estimate of 2019 affordable rents reflect the lesser of TCAC/California Redevelopment Law (CRL) net rents.

(3) Assumes that the project will receive tax-exempt status.

**TABLE 4****RESIDUAL LAND VALUE  
VINE CREEK APARTMENTS  
CITY OF TEMECULA**

<b>I. Sources of Funds</b>	<b><u>Total</u></b>	<b><u>Per Unit</u></b>
Supportable Permanent Loan (1)	\$2,150,000	\$35,800
Tax Credit Equity Investment (2)	\$16,514,000	\$275,200
Deferred Developer Fee (3)	<u>\$0</u>	<u>\$0</u>
Total Sources of Funds	\$18,664,000	\$311,100
<b>II. (Less) Development Costs - Excl. City Property Acquisition Costs</b>	<b><u>(\$20,664,000)</u></b>	<b><u>(\$344,400)</u></b>
<b>III. Residual Land Value - City Property</b>	<b><u>(\$2,000,000)</u></b>	<b><u>(\$33,300)</u></b>

**TABLE 4 (CONT'D.)**
**RESIDUAL LAND VALUE  
VINE CREEK APARTMENTS  
CITY OF TEMECULA**


---

**(1) Supportable Permanent Loan**

NOI		\$182,951
Interest Rate		5.50%
Term (years)		30
Debt Coverage Ratio		1.25
Annual Debt Service		\$146,484
Supportable Permanent Loan		\$2,150,000

---

**(2) Low Income Housing Tax Credits****Estimate of Eligible Basis:**

Total Development Costs		\$20,664,000
(Less) Ineligible Costs	14%	<u>(\$2,955,053)</u>
Eligible Basis		\$17,708,947

**Tax Credit Proceeds:**

Maximum Eligible Basis		\$17,708,947
(Less) Voluntary Adjustment in Basis	11%	<u>(\$2,025,000)</u>
Total Requested Unadjusted Basis		\$15,683,947
Impacted Bonus Factor	100%	\$15,683,947
Tax Credit Qualified Units/Applicable Factor	100%	\$15,683,947
Tax Credit Rate	9.00%	\$1,411,555
Total Tax Credits @	10	\$14,115,552
Limited Partner Share	100.0%	\$14,114,141
Tax Credit Equity Investment @	92%	\$12,985,009
Add: State Credits @	75%	<u>\$3,528,888</u>
Total		\$16,513,898

---

**(3) Estimate of Deferred Developer Overhead Fee**

Eligible Basis		\$17,708,947
(Less) Developer Fee		<u>(\$2,000,000)</u>
Unadjusted Eligible Basis		\$15,708,947
Total Developer Overhead Fee	12.7%	\$2,000,000
Developer Overhead Fee		\$2,000,000
Total Deferred Developer Overhead Fee	0.0%	\$0

TABLE 5

**CASH FLOW PROJECTION  
VINE CREEK APARTMENTS  
CITY OF TEMECULA**

		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>
<b>I. Gross Scheduled Income (GSI)</b>	2.5%	\$507,264	\$519,946	\$532,944	\$546,268	\$559,925	\$573,923	\$588,271	\$602,977	\$618,052
Other Income	2.5%	\$9,000	\$9,225	\$9,456	\$9,692	\$9,934	\$10,183	\$10,437	\$10,698	\$10,966
(Less) Vacancy	5.0%	<u>(\$25,813)</u>	<u>(\$26,459)</u>	<u>(\$27,120)</u>	<u>(\$27,798)</u>	<u>(\$28,493)</u>	<u>(\$29,205)</u>	<u>(\$29,935)</u>	<u>(\$30,684)</u>	<u>(\$31,451)</u>
<b>II. Effective Gross Income (EGI)</b>		\$490,451	\$502,712	\$515,280	\$528,162	\$541,366	\$554,900	\$568,773	\$582,992	\$597,567
(Less) Operating Expenses (1)		<u>(\$307,500)</u>	<u>(\$317,666)</u>	<u>(\$328,185)</u>	<u>(\$339,072)</u>	<u>(\$350,338)</u>	<u>(\$361,997)</u>	<u>(\$374,062)</u>	<u>(\$386,548)</u>	<u>(\$399,470)</u>
<b>III. Net Operating Income (NOI)</b>		\$182,951	\$185,047	\$187,095	\$189,090	\$191,028	\$192,903	\$194,710	\$196,443	\$198,097
(Less) Debt Service		<u>(\$146,484)</u>	<u>(\$146,484)</u>	<u>(\$146,484)</u>	<u>(\$146,484)</u>	<u>(\$146,484)</u>	<u>(\$146,484)</u>	<u>(\$146,484)</u>	<u>(\$146,484)</u>	<u>(\$146,484)</u>
<b>IV. Project Cash Flow</b>		\$36,467	\$38,563	\$40,611	\$42,606	\$44,544	\$46,419	\$48,226	\$49,959	\$51,613
<b>V. Asset Management Fees (2)</b>										
(Less) Limited Partner Asset Mgmt. Fee	3.0%	(\$5,000)	(\$5,150)	(\$5,305)	(\$5,464)	(\$5,628)	(\$5,796)	(\$5,970)	(\$6,149)	(\$6,334)
(Less) General Partner Asset Mgmt. Fee	3.0%	<u>(\$6,000)</u>	<u>(\$6,180)</u>	<u>(\$6,365)</u>	<u>(\$6,556)</u>	<u>(\$6,753)</u>	<u>(\$6,956)</u>	<u>(\$7,164)</u>	<u>(\$7,379)</u>	<u>(\$7,601)</u>
Total		(\$11,000)	(\$11,330)	(\$11,670)	(\$12,020)	(\$12,381)	(\$12,752)	(\$13,135)	(\$13,529)	(\$13,934)
<b>VI. Net Cash Flow</b>		\$25,467	\$27,233	\$28,941	\$30,586	\$32,163	\$33,667	\$35,092	\$36,431	\$37,678
<b>VII. Developer Fee Repayment</b>		\$0								
<b>VIII. Cash Flow Available for Distribution</b>		\$25,467	\$27,233	\$28,941	\$30,586	\$32,163	\$33,667	\$35,092	\$36,431	\$37,678

(1) Reflects annual escalation at 3.5% for operating expenses, service amenities, and monitoring fee; 2.0% for property taxes; and 0.0% for replacement reserves.

(2) KMA assumption of escalation factors.

TABLE 5

**CASH FLOW PROJECTION**  
**VINE CREEK APARTMENTS**  
**CITY OF TEMECULA**

		<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>
<b>I. Gross Scheduled Income (GSI)</b>	2.5%	\$633,503	\$649,341	\$665,574	\$682,214	\$699,269	\$716,751	\$734,670	\$753,036	\$771,862	\$791,159
Other Income	2.5%	\$11,240	\$11,521	\$11,809	\$12,104	\$12,407	\$12,717	\$13,035	\$13,361	\$13,695	\$14,037
(Less) Vacancy	5.0%	<u>(\$32,237)</u>	<u>(\$33,043)</u>	<u>(\$33,869)</u>	<u>(\$34,716)</u>	<u>(\$35,584)</u>	<u>(\$36,473)</u>	<u>(\$37,385)</u>	<u>(\$38,320)</u>	<u>(\$39,278)</u>	<u>(\$40,260)</u>
<b>II. Effective Gross Income (EGI)</b>		\$612,506	\$627,818	\$643,514	\$659,602	\$676,092	\$692,994	\$710,319	\$728,077	\$746,279	\$764,936
(Less) Operating Expenses (1)		<u>(\$412,842)</u>	<u>(\$426,680)</u>	<u>(\$441,001)</u>	<u>(\$455,822)</u>	<u>(\$471,159)</u>	<u>(\$487,032)</u>	<u>(\$503,458)</u>	<u>(\$520,457)</u>	<u>(\$538,049)</u>	<u>(\$556,255)</u>
<b>III. Net Operating Income (NOI)</b>		\$199,664	\$201,138	\$202,512	\$203,780	\$204,932	\$205,962	\$206,861	\$207,620	\$208,230	\$208,681
(Less) Debt Service		<u>(\$146,484)</u>	<u>(\$146,484)</u>	<u>(\$146,484)</u>	<u>(\$146,484)</u>	<u>(\$146,484)</u>	<u>(\$146,484)</u>	<u>(\$146,484)</u>	<u>(\$146,484)</u>	<u>(\$146,484)</u>	<u>(\$146,484)</u>
<b>IV. Project Cash Flow</b>		\$53,180	\$54,654	\$56,028	\$57,296	\$58,448	\$59,478	\$60,377	\$61,136	\$61,746	\$62,197
<b>V. Asset Management Fees (2)</b>											
(Less) Limited Partner Asset Mgmt. Fee	3.0%	(\$6,524)	(\$6,720)	(\$6,921)	(\$7,129)	(\$7,343)	(\$7,563)	\$0	\$0	\$0	\$0
(Less) General Partner Asset Mgmt. Fee	3.0%	<u>(\$7,829)</u>	<u>(\$8,063)</u>	<u>(\$8,305)</u>	<u>(\$8,555)</u>	<u>(\$8,811)</u>	<u>(\$9,076)</u>	<u>(\$9,348)</u>	<u>(\$9,628)</u>	<u>(\$9,917)</u>	<u>(\$10,215)</u>
Total		(\$14,353)	(\$14,783)	(\$15,227)	(\$15,683)	(\$16,154)	(\$16,638)	(\$9,348)	(\$9,628)	(\$9,917)	(\$10,215)
<b>VI. Net Cash Flow</b>		\$38,827	\$39,871	\$40,802	\$41,612	\$42,295	\$42,840	\$51,029	\$51,508	\$51,828	\$51,982
<b>VII. Developer Fee Repayment</b>											
<b>VIII. Cash Flow Available for Distribution</b>		\$38,827	\$39,871	\$40,802	\$41,612	\$42,295	\$42,840	\$51,029	\$51,508	\$51,828	\$51,982

(1) Reflects annual escalation at 3.5% for operating expenses, service amenities, and monitoring fee; 2.0% for property taxes; and 0.0% for replacement reserves.

(2) KMA assumption of escalation factors.

TABLE 5

**CASH FLOW PROJECTION  
VINE CREEK APARTMENTS  
CITY OF TEMECULA**

		<u>20</u>	<u>21</u>	<u>22</u>	<u>23</u>	<u>24</u>	<u>25</u>	<u>26</u>	<u>27</u>	<u>28</u>
<b>I. Gross Scheduled Income (GSI)</b>	2.5%	\$810,938	\$831,211	\$851,991	\$873,291	\$895,123	\$917,502	\$940,439	\$963,950	\$988,049
Other Income	2.5%	\$14,388	\$14,748	\$15,116	\$15,494	\$15,881	\$16,279	\$16,685	\$17,103	\$17,530
(Less) Vacancy	5.0%	<u>(\$41,266)</u>	<u>(\$42,298)</u>	<u>(\$43,355)</u>	<u>(\$44,439)</u>	<u>(\$45,550)</u>	<u>(\$46,689)</u>	<u>(\$47,856)</u>	<u>(\$49,053)</u>	<u>(\$50,279)</u>
<b>II. Effective Gross Income (EGI)</b>		\$784,059	\$803,661	\$823,752	\$844,346	\$865,455	\$887,091	\$909,268	\$932,000	\$955,300
(Less) Operating Expenses (1)		<u>(\$575,096)</u>	<u>(\$594,595)</u>	<u>(\$614,774)</u>	<u>(\$635,657)</u>	<u>(\$657,268)</u>	<u>(\$679,634)</u>	<u>(\$702,780)</u>	<u>(\$726,735)</u>	<u>(\$751,525)</u>
<b>III. Net Operating Income (NOI)</b>		\$208,963	\$209,066	\$208,979	\$208,689	\$208,186	\$207,457	\$206,488	\$205,265	\$203,775
(Less) Debt Service		<u>(\$146,484)</u>	<u>(\$146,484)</u>	<u>(\$146,484)</u>	<u>(\$146,484)</u>	<u>(\$146,484)</u>	<u>(\$146,484)</u>	<u>(\$146,484)</u>	<u>(\$146,484)</u>	<u>(\$146,484)</u>
<b>IV. Project Cash Flow</b>		\$62,479	\$62,582	\$62,495	\$62,205	\$61,702	\$60,973	\$60,004	\$58,781	\$57,291
<b>V. Asset Management Fees (2)</b>										
(Less) Limited Partner Asset Mgmt. Fee	3.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Less) General Partner Asset Mgmt. Fee	3.0%	<u>(\$10,521)</u>	<u>(\$10,837)</u>	<u>(\$11,162)</u>	<u>(\$11,497)</u>	<u>(\$11,842)</u>	<u>(\$12,197)</u>	<u>(\$12,563)</u>	<u>(\$12,940)</u>	<u>(\$13,328)</u>
Total		<u>(\$10,521)</u>	<u>(\$10,837)</u>	<u>(\$11,162)</u>	<u>(\$11,497)</u>	<u>(\$11,842)</u>	<u>(\$12,197)</u>	<u>(\$12,563)</u>	<u>(\$12,940)</u>	<u>(\$13,328)</u>
<b>VI. Net Cash Flow</b>		\$51,958	\$51,745	\$51,333	\$50,709	\$49,861	\$48,776	\$47,441	\$45,842	\$43,963
<b>VII. Developer Fee Repayment</b>										
<b>VIII. Cash Flow Available for Distribution</b>		\$51,958	\$51,745	\$51,333	\$50,709	\$49,861	\$48,776	\$47,441	\$45,842	\$43,963

(1) Reflects annual escalation at 3.5% for operating expenses, service amenities, and monitoring fee; 2.0% for property taxes; and 0.0% for replacement reserves.

(2) KMA assumption of escalation factors.

TABLE 5

**CASH FLOW PROJECTION  
VINE CREEK APARTMENTS  
CITY OF TEMECULA**

		<u>29</u>	<u>30</u>	<u>31</u>	<u>32</u>	<u>33</u>	<u>34</u>	<u>35</u>	<u>36</u>	<u>37</u>
<b>I. Gross Scheduled Income (GSI)</b>	2.5%	\$1,012,750	\$1,038,069	\$1,064,021	\$1,090,621	\$1,117,887	\$1,145,834	\$1,174,480	\$1,203,842	\$1,233,938
Other Income	2.5%	\$17,968	\$18,418	\$18,878	\$19,350	\$19,834	\$20,330	\$20,838	\$21,359	\$21,893
(Less) Vacancy	5.0%	<u>(\$51,536)</u>	<u>(\$52,824)</u>	<u>(\$54,145)</u>	<u>(\$55,499)</u>	<u>(\$56,886)</u>	<u>(\$58,308)</u>	<u>(\$59,766)</u>	<u>(\$61,260)</u>	<u>(\$62,792)</u>
<b>II. Effective Gross Income (EGI)</b>		\$979,183	\$1,003,662	\$1,028,754	\$1,054,473	\$1,080,834	\$1,107,855	\$1,135,552	\$1,163,940	\$1,193,039
(Less) Operating Expenses (1)		<u>(\$777,180)</u>	<u>(\$803,731)</u>	<u>(\$831,209)</u>	<u>(\$859,646)</u>	<u>(\$889,076)</u>	<u>(\$919,533)</u>	<u>(\$951,053)</u>	<u>(\$983,673)</u>	<u>(\$1,017,433)</u>
<b>III. Net Operating Income (NOI)</b>		\$202,002	\$199,931	\$197,545	\$194,827	\$191,759	\$188,323	\$184,499	\$180,267	\$175,606
(Less) Debt Service		<u>(\$146,484)</u>	<u>(\$146,484)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>IV. Project Cash Flow</b>		\$55,518	\$53,447	\$197,545	\$194,827	\$191,759	\$188,323	\$184,499	\$180,267	\$175,606
<b>V. Asset Management Fees (2)</b>										
(Less) Limited Partner Asset Mgmt. Fee	3.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Less) General Partner Asset Mgmt. Fee	3.0%	<u>(\$13,728)</u>	<u>(\$14,139)</u>	<u>(\$14,564)</u>	<u>(\$15,000)</u>	<u>(\$15,450)</u>	<u>(\$15,914)</u>	<u>(\$16,391)</u>	<u>(\$16,883)</u>	<u>(\$17,390)</u>
Total		<u>(\$13,728)</u>	<u>(\$14,139)</u>	<u>(\$14,564)</u>	<u>(\$15,000)</u>	<u>(\$15,450)</u>	<u>(\$15,914)</u>	<u>(\$16,391)</u>	<u>(\$16,883)</u>	<u>(\$17,390)</u>
<b>VI. Net Cash Flow</b>		\$41,791	\$39,307	\$182,981	\$179,826	\$176,308	\$172,409	\$168,107	\$163,384	\$158,216
<b>VII. Developer Fee Repayment</b>										
<b>VIII. Cash Flow Available for Distribution</b>		\$41,791	\$39,307	\$182,981	\$179,826	\$176,308	\$172,409	\$168,107	\$163,384	\$158,216

(1) Reflects annual escalation at 3.5% for operating expenses, service amenities, and monitoring fee; 2.0% for property taxes; and 0.0% for replacement reserves.

(2) KMA assumption of escalation factors.

TABLE 5

**CASH FLOW PROJECTION  
VINE CREEK APARTMENTS  
CITY OF TEMECULA**

		<u>38</u>	<u>39</u>	<u>40</u>	<u>41</u>	<u>42</u>	<u>43</u>	<u>44</u>	<u>45</u>	<u>46</u>
<b>I. Gross Scheduled Income (GSI)</b>	2.5%	\$1,264,786	\$1,296,406	\$1,328,816	\$1,362,036	\$1,396,087	\$1,430,989	\$1,466,764	\$1,503,433	\$1,541,019
Other Income	2.5%	\$22,440	\$23,001	\$23,576	\$24,166	\$24,770	\$25,389	\$26,024	\$26,674	\$27,341
(Less) Vacancy	5.0%	<u>(\$64,361)</u>	<u>(\$65,970)</u>	<u>(\$67,620)</u>	<u>(\$69,310)</u>	<u>(\$71,043)</u>	<u>(\$72,819)</u>	<u>(\$74,639)</u>	<u>(\$76,505)</u>	<u>(\$78,418)</u>
<b>II. Effective Gross Income (EGI)</b>		\$1,222,865	\$1,253,436	\$1,284,772	\$1,316,892	\$1,349,814	\$1,383,559	\$1,418,148	\$1,453,602	\$1,489,942
(Less) Operating Expenses (1)		<u>(\$1,052,371)</u>	<u>(\$1,088,529)</u>	<u>(\$1,125,950)</u>	<u>(\$1,164,678)</u>	<u>(\$1,204,757)</u>	<u>(\$1,246,237)</u>	<u>(\$1,289,165)</u>	<u>(\$1,333,592)</u>	<u>(\$1,379,570)</u>
<b>III. Net Operating Income (NOI)</b>		\$170,494	\$164,907	\$158,822	\$152,214	\$145,057	\$137,323	\$128,984	\$120,010	\$110,372
(Less) Debt Service		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>IV. Project Cash Flow</b>		\$170,494	\$164,907	\$158,822	\$152,214	\$145,057	\$137,323	\$128,984	\$120,010	\$110,372
<b>V. Asset Management Fees (2)</b>										
(Less) Limited Partner Asset Mgmt. Fee	3.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Less) General Partner Asset Mgmt. Fee	3.0%	<u>(\$17,911)</u>	<u>(\$18,449)</u>	<u>(\$19,002)</u>	<u>(\$19,572)</u>	<u>(\$20,159)</u>	<u>(\$20,764)</u>	<u>(\$21,387)</u>	<u>(\$22,029)</u>	<u>(\$22,690)</u>
Total		<u>(\$17,911)</u>	<u>(\$18,449)</u>	<u>(\$19,002)</u>	<u>(\$19,572)</u>	<u>(\$20,159)</u>	<u>(\$20,764)</u>	<u>(\$21,387)</u>	<u>(\$22,029)</u>	<u>(\$22,690)</u>
<b>VI. Net Cash Flow</b>		\$152,582	\$146,458	\$139,820	\$132,642	\$124,897	\$116,558	\$107,597	\$97,982	\$87,682
<b>VII. Developer Fee Repayment</b>										
<b>VIII. Cash Flow Available for Distribution</b>		\$152,582	\$146,458	\$139,820	\$132,642	\$124,897	\$116,558	\$107,597	\$97,982	\$87,682

(1) Reflects annual escalation at 3.5% for operating expenses, service amenities, and monitoring fee; 2.0% for property taxes; and 0.0% for replacement reserves.

(2) KMA assumption of escalation factors.



TABLE 5

**CASH FLOW PROJECTION  
VINE CREEK APARTMENTS  
CITY OF TEMECULA**

		<u>47</u>	<u>48</u>	<u>49</u>	<u>50</u>	<u>51</u>	<u>52</u>	<u>53</u>	<u>54</u>	<u>55</u>
<b>I. Gross Scheduled Income (GSI)</b>	2.5%	\$1,579,544	\$1,619,033	\$1,659,509	\$1,700,997	\$1,743,522	\$1,787,110	\$1,831,787	\$1,877,582	\$1,924,522
Other Income	2.5%	\$28,025	\$28,725	\$29,443	\$30,179	\$30,934	\$31,707	\$32,500	\$33,313	\$34,145
(Less) Vacancy	5.0%	<u>(\$80,378)</u>	<u>(\$82,388)</u>	<u>(\$84,448)</u>	<u>(\$86,559)</u>	<u>(\$88,723)</u>	<u>(\$90,941)</u>	<u>(\$93,214)</u>	<u>(\$95,545)</u>	<u>(\$97,933)</u>
<b>II. Effective Gross Income (EGI)</b>		\$1,527,191	\$1,565,370	\$1,604,505	\$1,644,617	\$1,685,733	\$1,727,876	\$1,771,073	\$1,815,350	\$1,860,734
(Less) Operating Expenses (1)		<u>(\$1,427,155)</u>	<u>(\$1,476,401)</u>	<u>(\$1,527,367)</u>	<u>(\$1,580,114)</u>	<u>(\$1,634,703)</u>	<u>(\$1,691,199)</u>	<u>(\$1,749,668)</u>	<u>(\$1,810,180)</u>	<u>(\$1,872,806)</u>
<b>III. Net Operating Income (NOI)</b>		\$100,036	\$88,969	\$77,137	\$64,503	\$51,030	\$36,677	\$21,405	\$5,170	<b>(\$12,072)</b>
(Less) Debt Service		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>IV. Project Cash Flow</b>		\$100,036	\$88,969	\$77,137	\$64,503	\$51,030	\$36,677	\$21,405	\$5,170	<b>(\$12,072)</b>
<b>V. Asset Management Fees (2)</b>										
(Less) Limited Partner Asset Mgmt. Fee	3.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(Less) General Partner Asset Mgmt. Fee	3.0%	<u>(\$23,370)</u>	<u>(\$24,071)</u>	<u>(\$24,794)</u>	<u>(\$25,537)</u>	<u>(\$26,303)</u>	<u>(\$27,093)</u>	<u>(\$27,905)</u>	<u>(\$28,742)</u>	<u>(\$29,605)</u>
Total		<u>(\$23,370)</u>	<u>(\$24,071)</u>	<u>(\$24,794)</u>	<u>(\$25,537)</u>	<u>(\$26,303)</u>	<u>(\$27,093)</u>	<u>(\$27,905)</u>	<u>(\$28,742)</u>	<u>(\$29,605)</u>
<b>VI. Net Cash Flow</b>		\$76,666	\$64,898	\$52,344	\$38,966	\$24,726	\$9,585	<b>(\$6,501)</b>	<b>(\$23,573)</b>	<b>(\$41,677)</b>
<b>VII. Developer Fee Repayment</b>										
<b>VIII. Cash Flow Available for Distribution</b>		\$76,666	\$64,898	\$52,344	\$38,966	\$24,726	\$9,585	\$0	\$0	\$0

(1) Reflects annual escalation at 3.5% for operating expenses, service amenities, and monitoring fee; 2.0% for property taxes; and 0.0% for replacement reserves.

(2) KMA assumption of escalation factors.

TABLE 6

**PUBLIC LOAN REPAYMENT SCHEDULE**  
**VINE CREEK APARTMENTS**  
**CITY OF TEMECULA**

		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>
<b>I. Cash Flow Available for Distribution</b>		\$25,467	\$27,233	\$28,941	\$30,586	\$32,163	\$33,667	\$35,092	\$36,431	\$37,678
<b>II. Allocated to Pay Down City Notes</b>	50.0%	\$12,734	\$13,616	\$14,470	\$15,293	\$16,082	\$16,834	\$17,546	\$18,215	\$18,839
<b>III. City Deferred Fee Loan</b>										
Beginning Balance		\$698,000	\$706,207	\$713,776	\$720,606	\$726,613	\$731,831	\$736,298	\$740,052	\$743,137
Interest	3.0%	\$20,940	\$21,186	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300
(Less) Cash Flow Credit		(\$12,734)	(\$13,616)	(\$14,470)	(\$15,293)	(\$16,082)	(\$16,834)	(\$17,546)	(\$18,215)	(\$18,839)
Ending Balance		\$706,207	\$713,776	\$720,606	\$726,613	\$731,831	\$736,298	\$740,052	\$743,137	\$745,598
<b>IV. City Permanent Loan</b>										
Beginning Balance		\$1,302,000	\$1,341,060	\$1,380,120	\$1,419,180	\$1,458,240	\$1,497,300	\$1,536,360	\$1,575,420	\$1,614,480
Interest	3.0%	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060
(Less) Cash Flow Credit	64.7%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance		\$1,341,060	\$1,380,120	\$1,419,180	\$1,458,240	\$1,497,300	\$1,536,360	\$1,575,420	\$1,614,480	\$1,653,540
<b>V. City Purchase Money Loan</b>										
Beginning Balance		\$710,000	\$731,300	\$752,600	\$773,900	\$795,200	\$816,500	\$837,800	\$859,100	\$880,400
Interest	3.0%	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300
(Less) Cash Flow Credit	35.3%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance		\$731,300	\$752,600	\$773,900	\$795,200	\$816,500	\$837,800	\$859,100	\$880,400	\$901,700
<b>VI. Total Cash Flow to City - NPV Years 1-55 (1)</b>	10%	\$234,000								

(1) Includes Year 55 pay-off.

TABLE 6

**PUBLIC LOAN REPAYMENT SCHEDULE**  
**VINE CREEK APARTMENTS**  
**CITY OF TEMECULA**

		<u>10</u>	<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>	<u>15</u>	<u>16</u>	<u>17</u>	<u>18</u>	<u>19</u>
<b>I. Cash Flow Available for Distribution</b>		\$38,827	\$39,871	\$40,802	\$41,612	\$42,295	\$42,840	\$51,029	\$51,508	\$51,828	\$51,982
<b>II. Allocated to Pay Down City Notes</b>	50.0%	\$19,414	\$19,935	\$20,401	\$20,806	\$21,147	\$21,420	\$25,515	\$25,754	\$25,914	\$25,991
<b>III. City Deferred Fee Loan</b>											
Beginning Balance		\$745,598	\$747,484	\$748,848	\$749,747	\$750,241	\$750,394	\$750,274	\$746,060	\$741,606	\$736,992
Interest	3.0%	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300
(Less) Cash Flow Credit		<u>(\$19,414)</u>	<u>(\$19,935)</u>	<u>(\$20,401)</u>	<u>(\$20,806)</u>	<u>(\$21,147)</u>	<u>(\$21,420)</u>	<u>(\$25,515)</u>	<u>(\$25,754)</u>	<u>(\$25,914)</u>	<u>(\$25,991)</u>
Ending Balance		\$747,484	\$748,848	\$749,747	\$750,241	\$750,394	\$750,274	\$746,060	\$741,606	\$736,992	\$732,300
<b>IV. City Permanent Loan</b>											
Beginning Balance		\$1,653,540	\$1,692,600	\$1,731,660	\$1,770,720	\$1,809,780	\$1,848,840	\$1,887,900	\$1,926,960	\$1,966,020	\$2,005,080
Interest	3.0%	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060
(Less) Cash Flow Credit	64.7%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Ending Balance		\$1,692,600	\$1,731,660	\$1,770,720	\$1,809,780	\$1,848,840	\$1,887,900	\$1,926,960	\$1,966,020	\$2,005,080	\$2,044,140
<b>V. City Purchase Money Loan</b>											
Beginning Balance		\$901,700	\$923,000	\$944,300	\$965,600	\$986,900	\$1,008,200	\$1,029,500	\$1,050,800	\$1,072,100	\$1,093,400
Interest	3.0%	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300
(Less) Cash Flow Credit	35.3%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Ending Balance		\$923,000	\$944,300	\$965,600	\$986,900	\$1,008,200	\$1,029,500	\$1,050,800	\$1,072,100	\$1,093,400	\$1,114,700
<b>VI. Total Cash Flow to City - NPV Years 1-55 (1)</b>	10%										

(1) Includes Year 55 pay-off.

TABLE 6

**PUBLIC LOAN REPAYMENT SCHEDULE**  
**VINE CREEK APARTMENTS**  
**CITY OF TEMECULA**

		<u>20</u>	<u>21</u>	<u>22</u>	<u>23</u>	<u>24</u>	<u>25</u>	<u>26</u>	<u>27</u>	<u>28</u>
<b>I. Cash Flow Available for Distribution</b>		\$51,958	\$51,745	\$51,333	\$50,709	\$49,861	\$48,776	\$47,441	\$45,842	\$43,963
<b>II. Allocated to Pay Down City Notes</b>	50.0%	\$25,979	\$25,873	\$25,666	\$25,354	\$24,930	\$24,388	\$23,721	\$22,921	\$21,982
<b>III. City Deferred Fee Loan</b>										
Beginning Balance		\$732,300	\$727,622	\$723,049	\$718,682	\$714,628	\$710,998	\$707,909	\$705,426	\$703,668
Interest	3.0%	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,237	\$21,163	\$21,110
(Less) Cash Flow Credit		<u>(\$25,979)</u>	<u>(\$25,873)</u>	<u>(\$25,666)</u>	<u>(\$25,354)</u>	<u>(\$24,930)</u>	<u>(\$24,388)</u>	<u>(\$23,721)</u>	<u>(\$22,921)</u>	<u>(\$21,982)</u>
Ending Balance		\$727,622	\$723,049	\$718,682	\$714,628	\$710,998	\$707,909	\$705,426	\$703,668	\$702,796
<b>IV. City Permanent Loan</b>										
Beginning Balance		\$2,044,140	\$2,083,200	\$2,122,260	\$2,161,320	\$2,200,380	\$2,239,440	\$2,278,500	\$2,317,560	\$2,356,620
Interest	3.0%	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060
(Less) Cash Flow Credit	64.7%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Ending Balance		\$2,083,200	\$2,122,260	\$2,161,320	\$2,200,380	\$2,239,440	\$2,278,500	\$2,317,560	\$2,356,620	\$2,395,680
<b>V. City Purchase Money Loan</b>										
Beginning Balance		\$1,114,700	\$1,136,000	\$1,157,300	\$1,178,600	\$1,199,900	\$1,221,200	\$1,242,500	\$1,263,800	\$1,285,100
Interest	3.0%	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300
(Less) Cash Flow Credit	35.3%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Ending Balance		\$1,136,000	\$1,157,300	\$1,178,600	\$1,199,900	\$1,221,200	\$1,242,500	\$1,263,800	\$1,285,100	\$1,306,400
<b>VI. Total Cash Flow to City - NPV Years 1-55 (1)</b>	10%									

(1) Includes Year 55 pay-off.

TABLE 6

**PUBLIC LOAN REPAYMENT SCHEDULE**  
**VINE CREEK APARTMENTS**  
**CITY OF TEMECULA**

		<u>29</u>	<u>30</u>	<u>31</u>	<u>32</u>	<u>33</u>	<u>34</u>	<u>35</u>	<u>36</u>	<u>37</u>
<b>I. Cash Flow Available for Distribution</b>		\$41,791	\$39,307	\$182,981	\$179,826	\$176,308	\$172,409	\$168,107	\$163,384	\$158,216
<b>II. Allocated to Pay Down City Notes</b>	50.0%	\$20,895	\$19,654	\$91,491	\$89,913	\$88,154	\$86,204	\$84,054	\$81,692	\$79,108
<b>III. City Deferred Fee Loan</b>										
Beginning Balance		\$702,796	\$702,985	\$704,421	\$634,063	\$563,172	\$491,913	\$420,466	\$349,026	\$277,805
Interest	3.0%	\$21,084	\$21,090	\$21,133	\$19,022	\$16,895	\$14,757	\$12,614	\$10,471	\$8,334
(Less) Cash Flow Credit		<u>(\$20,895)</u>	<u>(\$19,654)</u>	<u>(\$91,491)</u>	<u>(\$89,913)</u>	<u>(\$88,154)</u>	<u>(\$86,204)</u>	<u>(\$84,054)</u>	<u>(\$81,692)</u>	<u>(\$79,108)</u>
Ending Balance		\$702,985	\$704,421	\$634,063	\$563,172	\$491,913	\$420,466	\$349,026	\$277,805	\$207,031
<b>IV. City Permanent Loan</b>										
Beginning Balance		\$2,395,680	\$2,434,740	\$2,473,800	\$2,512,860	\$2,551,920	\$2,590,980	\$2,630,040	\$2,669,100	\$2,708,160
Interest	3.0%	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060
(Less) Cash Flow Credit	64.7%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Ending Balance		\$2,434,740	\$2,473,800	\$2,512,860	\$2,551,920	\$2,590,980	\$2,630,040	\$2,669,100	\$2,708,160	\$2,747,220
<b>V. City Purchase Money Loan</b>										
Beginning Balance		\$1,306,400	\$1,327,700	\$1,349,000	\$1,370,300	\$1,391,600	\$1,412,900	\$1,434,200	\$1,455,500	\$1,476,800
Interest	3.0%	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300
(Less) Cash Flow Credit	35.3%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Ending Balance		\$1,327,700	\$1,349,000	\$1,370,300	\$1,391,600	\$1,412,900	\$1,434,200	\$1,455,500	\$1,476,800	\$1,498,100
<b>VI. Total Cash Flow to City - NPV Years 1-55 (1)</b>	10%									

(1) Includes Year 55 pay-off.

TABLE 6

**PUBLIC LOAN REPAYMENT SCHEDULE**  
**VINE CREEK APARTMENTS**  
**CITY OF TEMECULA**

		<u>38</u>	<u>39</u>	<u>40</u>	<u>41</u>	<u>42</u>	<u>43</u>	<u>44</u>	<u>45</u>	<u>46</u>
<b>I. Cash Flow Available for Distribution</b>		\$152,582	\$146,458	\$139,820	\$132,642	\$124,897	\$116,558	\$107,597	\$97,982	\$87,682
<b>II. Allocated to Pay Down City Notes</b>	50.0%	\$76,291	\$73,229	\$69,910	\$66,321	\$62,449	\$58,279	\$53,798	\$48,991	\$43,841
<b>III. City Deferred Fee Loan</b>										
Beginning Balance		\$207,031	\$136,951	\$67,830						
Interest	3.0%	\$6,211	\$4,109	\$2,035						
(Less) Cash Flow Credit		<u>(\$76,291)</u>	<u>(\$73,229)</u>	<u>(\$69,865)</u>						
Ending Balance		\$136,951	\$67,830	\$0						
<b>IV. City Permanent Loan</b>										
Beginning Balance		\$2,747,220	\$2,786,280	\$2,825,340	\$2,864,371	\$2,860,513	\$2,859,162	\$2,860,508	\$2,864,755	\$2,872,112
Interest	3.0%	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060
(Less) Cash Flow Credit	64.7%	<u>\$0</u>	<u>\$0</u>	<u>(\$29)</u>	<u>(\$42,917)</u>	<u>(\$40,412)</u>	<u>(\$37,714)</u>	<u>(\$34,814)</u>	<u>(\$31,703)</u>	<u>(\$28,370)</u>
Ending Balance		\$2,786,280	\$2,825,340	\$2,864,371	\$2,860,513	\$2,859,162	\$2,860,508	\$2,864,755	\$2,872,112	\$2,882,801
<b>V. City Purchase Money Loan</b>										
Beginning Balance		\$1,498,100	\$1,519,400	\$1,540,700	\$1,561,984	\$1,559,881	\$1,559,144	\$1,559,878	\$1,562,193	\$1,566,205
Interest	3.0%	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300
(Less) Cash Flow Credit	35.3%	<u>\$0</u>	<u>\$0</u>	<u>(\$16)</u>	<u>(\$23,404)</u>	<u>(\$22,037)</u>	<u>(\$20,566)</u>	<u>(\$18,984)</u>	<u>(\$17,288)</u>	<u>(\$15,471)</u>
Ending Balance		\$1,519,400	\$1,540,700	\$1,561,984	\$1,559,881	\$1,559,144	\$1,559,878	\$1,562,193	\$1,566,205	\$1,572,035
<b>VI. Total Cash Flow to City - NPV Years 1-55 (1)</b>	10%									

(1) Includes Year 55 pay-off.

TABLE 6

**PUBLIC LOAN REPAYMENT SCHEDULE**  
**VINE CREEK APARTMENTS**  
**CITY OF TEMECULA**

		<u>47</u>	<u>48</u>	<u>49</u>	<u>50</u>	<u>51</u>	<u>52</u>	<u>53</u>	<u>54</u>	<u>55</u>
<b>I. Cash Flow Available for Distribution</b>		\$76,666	\$64,898	\$52,344	\$38,966	\$24,726	\$9,585	\$0	\$0	\$0
<b>II. Allocated to Pay Down City Notes</b>	50.0%	\$38,333	\$32,449	\$26,172	\$19,483	\$12,363	\$4,792	\$0	\$0	\$0
<b>III. City Deferred Fee Loan</b>										
Beginning Balance										
Interest	3.0%									
(Less) Cash Flow Credit										
Ending Balance										
<b>IV. City Permanent Loan</b>										
Beginning Balance		\$2,882,801	\$2,897,056	\$2,915,117	\$2,937,241	\$2,963,693	\$2,994,753	\$3,030,712	\$3,069,772	\$3,108,832
Interest	3.0%	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060	\$39,060
(Less) Cash Flow Credit	64.7%	<u>(\$24,806)</u>	<u>(\$20,998)</u>	<u>(\$16,936)</u>	<u>(\$12,608)</u>	<u>(\$8,000)</u>	<u>(\$3,101)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Ending Balance		\$2,897,056	\$2,915,117	\$2,937,241	\$2,963,693	\$2,994,753	\$3,030,712	\$3,069,772	\$3,108,832	<u>\$3,147,892</u>
<b>V. City Purchase Money Loan</b>										
Beginning Balance		\$1,572,035	\$1,579,808	\$1,589,657	\$1,601,721	\$1,616,146	\$1,633,083	\$1,652,692	\$1,673,992	\$1,695,292
Interest	3.0%	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300	\$21,300
(Less) Cash Flow Credit	35.3%	<u>(\$13,527)</u>	<u>(\$11,451)</u>	<u>(\$9,236)</u>	<u>(\$6,875)</u>	<u>(\$4,363)</u>	<u>(\$1,691)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Ending Balance		\$1,579,808	\$1,589,657	\$1,601,721	\$1,616,146	\$1,633,083	\$1,652,692	\$1,673,992	\$1,695,292	<u>\$1,716,592</u>
<b>VI. Total Cash Flow to City - NPV Years 1-55 (1)</b>	10%									

(1) Includes Year 55 pay-off.

**WORKSHEET A****RESTRICTED RENTS - EXTREMELY LOW INCOME, 2019****VINE CREEK APARTMENTS****CITY OF TEMECULA**

---

Number of Bedrooms	1	2	3
--------------------	---	---	---

**A. California Redevelopment Law**

Percent of AMI	30%	30%	30%
Assumed Family Size	2.0	3.0	4.0
Household Income (Rounded)	\$16,725	\$18,825	\$20,910
Income Allocation to Housing	30%	30%	30%
Monthly Housing Cost	\$418	\$471	\$523
(Less) Utility Allowance (1)	(\$60)	(\$79)	(\$98)

Maximum Monthly Rent	\$358	\$392	\$425
----------------------	-------	-------	-------

**B. Low Income Housing Tax Credit (LIHTC) Program**

Percent of AMI	30%	30%	30%
Assumed Family Size	1.5	3.0	4.5
Household Income	\$16,170	\$19,410	\$22,410
Income Allocation to Housing	30%	30%	30%
Monthly Housing Cost	\$404	\$485	\$560
(Less) Utility Allowance (1)	(\$60)	(\$79)	(\$98)

Maximum Monthly Rent	\$344	\$406	\$462
----------------------	-------	-------	-------

<b>C. Maximum Monthly Rent (Lesser of A or B)</b>	<b>\$344</b>	<b>\$392</b>	<b>\$425</b>
---	--------------	--------------	--------------

(1) Per Developer; Developer did not provide break-out of utility profile.



**WORKSHEET B****RESTRICTED RENTS - VERY LOW INCOME, 2019****VINE CREEK APARTMENTS****CITY OF TEMECULA**

---

Number of Bedrooms	1	2	3
--------------------	---	---	---

**A. California Redevelopment Law**

Percent of AMI	50%	50%	50%
Assumed Family Size	2.0	3.0	4.0
Household Income (Rounded)	\$27,875	\$31,375	\$34,850
Income Allocation to Housing	30%	30%	30%
Monthly Housing Cost	\$697	\$784	\$871
(Less) Utility Allowance (1)	<u>(\$60)</u>	<u>(\$79)</u>	<u>(\$98)</u>

Maximum Monthly Rent	\$637	\$705	\$773
----------------------	-------	-------	-------

**B. Low Income Housing Tax Credit (LIHTC) Program**

Percent of AMI	40%	40%	40%
Assumed Family Size	1.5	3.0	4.5
Household Income	\$21,560	\$25,880	\$29,880
Income Allocation to Housing	30%	30%	30%
Monthly Housing Cost	\$539	\$647	\$747
(Less) Utility Allowance (1)	<u>(\$60)</u>	<u>(\$79)</u>	<u>(\$98)</u>

Maximum Monthly Rent	\$479	\$568	\$649
----------------------	-------	-------	-------

<b>C. Maximum Monthly Rent (Lesser of A or B)</b>	<b>\$479</b>	<b>\$568</b>	<b>\$649</b>
---	--------------	--------------	--------------

(1) Per Developer; Developer did not provide break-out of utility profile.

**WORKSHEET C****RESTRICTED RENTS - VERY LOW INCOME, 50% AMI, 2019****VINE CREEK APARTMENTS****CITY OF TEMECULA**

---

Number of Bedrooms	1	2	3
--------------------	---	---	---

**A. California Redevelopment Law**

Percent of AMI	50%	50%	50%
Assumed Family Size	2.0	3.0	4.0
Household Income (Rounded)	\$27,875	\$31,375	\$34,850
Income Allocation to Housing	30%	30%	30%
Monthly Housing Cost	\$697	\$784	\$871
(Less) Utility Allowance (1)	(\$60)	(\$79)	(\$98)

Maximum Monthly Rent	\$637	\$705	\$773
----------------------	-------	-------	-------

**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	\$26,950	\$32,350	\$37,350
Income Allocation to Housing	30%	30%	30%
Monthly Housing Cost	\$673	\$808	\$934
(Less) Utility Allowance (1)	(\$60)	(\$79)	(\$98)

Maximum Monthly Rent	\$613	\$729	\$836
----------------------	-------	-------	-------

<b>C. Maximum Monthly Rent (Lesser of A or B)</b>	<b>\$613</b>	<b>\$705</b>	<b>\$773</b>
---	--------------	--------------	--------------

(1) Per Developer; Developer did not provide break-out of utility profile.

**WORKSHEET D****RESTRICTED RENTS - LOW INCOME, 2019****VINE CREEK APARTMENTS****CITY OF TEMECULA**

---

Number of Bedrooms	1	2	3
--------------------	---	---	---

**A. California Redevelopment Law**

Percent of AMI	60%	60%	60%
Assumed Family Size	2.0	3.0	4.0
Household Income (Rounded)	\$33,450	\$37,650	\$41,820
Income Allocation to Housing	30%	30%	30%
Monthly Housing Cost	\$836	\$941	\$1,046
(Less) Utility Allowance (1)	(\$60)	(\$79)	(\$98)

Maximum Monthly Rent	\$776	\$862	\$948
----------------------	-------	-------	-------

**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	\$32,340	\$38,820	\$44,820
Income Allocation to Housing	30%	30%	30%
Monthly Housing Cost	\$808	\$970	\$1,120
(Less) Utility Allowance (1)	(\$60)	(\$79)	(\$98)

Maximum Monthly Rent	\$748	\$891	\$1,022
----------------------	-------	-------	---------

<b>C. Maximum Monthly Rent (Lesser of A or B)</b>	<b>\$748</b>	<b>\$862</b>	<b>\$948</b>
---	--------------	--------------	--------------

(1) Per Developer; Developer did not provide break-out of utility profile.