

# Murrieta Family Apts.

A 126-Unit Affordable Housing Community

Murrieta, CA

## Financial Pro Forma

Rev. 7/16/23

Prepared By:

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**DEVELOPMENT BUDGET**  
**Murrieta Family Apts.**  
**Murrieta, CA**

	Project Costs	Cost Per Unit	Cost Per Res. Sq. Ft.	Tax Credit Eligible Basis
<b>Total Land Costs</b>	<b>\$ 2,322,500</b>	<b>\$ 18,433</b>	<b>\$ 22.76</b>	XXXXXXXXXX
<b>Total Building Acquisition Costs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Construction Costs</b>				
Off-Site Work	\$ -	\$ -	\$ -	\$ -
Commercial Space	\$ -	\$ -	\$ -	XXXXXXXXXX
On Site Work	\$ 1,890,000	\$ 15,000	\$ 18.52	\$ 1,890,000
Structures	\$ 23,723,295	\$ 188,280	\$ 232.48	\$ 23,723,295
General Requirements	\$ 1,536,798	\$ 12,197	\$ 15.06	\$ 1,536,798
Contractor Overhead	\$ 543,002	\$ 4,310	\$ 5.32	\$ 543,002
Contractor Profit	\$ 1,629,006	\$ 12,929	\$ 15.96	\$ 1,629,006
Construction Contingency	\$ 1,800,000	\$ 14,286	\$ 17.64	\$ 1,800,000
<b>Total Construction Costs</b>	<b>\$ 31,122,101</b>	<b>\$ 247,001</b>	<b>\$ 304.98</b>	<b>\$ 31,122,101</b>
<b>Financing Costs</b>				
Construction Loan Interest - Series A	\$ 1,690,000	\$ 13,413	\$ 16.56	\$ 1,690,000
Construction Loan Fee	\$ 195,000	\$ 1,548	\$ 1.91	\$ 195,000
Construction Lender Costs (Legal, Etc.)	\$ 120,000	\$ 952	\$ 1.18	\$ 120,000
Bond Issuer / Trustee Fees & Costs	\$ 120,000	\$ 952	\$ 1.18	\$ 120,000
Permanent Loan Fees	\$ 58,500	\$ 464	\$ 0.57	XXXXXXXXXX
Permanent Loan Costs	\$ 50,000	\$ 397	\$ 0.49	XXXXXXXXXX
Tax Credit Fees	\$ 76,248	\$ 605	\$ 0.75	XXXXXXXXXX
Bond Counsel, Financial Advisor, Etc.	\$ 80,000	\$ 635	\$ 0.78	XXXXXXXXXX
Taxable Bonds Interest & Fees	\$ 750,000	\$ 5,952	\$ 7.35	\$ 750,000
<b>Total Financing Costs</b>	<b>\$ 3,139,748</b>	<b>\$ 24,919</b>	<b>\$ 30.77</b>	<b>\$ 2,875,000</b>
<b>Soft Costs</b>				
Architectural	\$ 600,000	\$ 4,762	\$ 5.88	\$ 600,000
Engineering/Surveying/Environmental	\$ 200,000	\$ 1,587	\$ 1.96	\$ 200,000
Taxes During Construction	\$ 80,000	\$ 635	\$ 0.78	\$ 80,000
Insurance	\$ 466,800	\$ 3,705	\$ 4.57	\$ 466,800
Title & Recording	\$ 80,000	\$ 635	\$ 0.78	\$ 80,000
Borrower Attorney	\$ 80,000	\$ 635	\$ 0.78	\$ 80,000
Appraisal	\$ 15,000	\$ 119	\$ 0.15	\$ 15,000
Local Tap, Building Permit, & Impact Fees	\$ 3,279,080	\$ 26,024	\$ 32.13	\$ 3,279,080
Marketing & Lease-Up	\$ 162,365	\$ 1,289	\$ 1.59	XXXXXXXXXX
Relocation Costs	\$ -	\$ -	\$ -	XXXXXXXXXX
Furnishings	\$ 50,000	\$ 397	\$ 0.49	\$ 50,000
Cost Certification	\$ 15,000	\$ 119	\$ 0.15	\$ 15,000
Market Study	\$ 10,000	\$ 79	\$ 0.10	\$ 10,000
Soft Cost Contingency	\$ 300,000	\$ 2,381	\$ 2.94	\$ 300,000
Developer Overhead & Fees	\$ 5,875,947	\$ 46,635	\$ 57.58	\$ 5,875,947
Consultant Fee	\$ -	\$ -	\$ -	\$ -
<b>Total Soft Costs</b>	<b>\$ 11,214,192</b>	<b>\$ 89,002</b>	<b>\$ 109.89</b>	<b>\$ 11,051,827</b>
<b>Post Construction Interest &amp; Reserves</b>				
Post Construction Interest - Series A	\$ 250,000	\$ 1,984	\$ 2.45	XXXXXXXXXX
Post Construction Interest - Series B	\$ -	\$ -	\$ -	XXXXXXXXXX
Operating Reserve	\$ 377,253	\$ 2,994	\$ 3.70	XXXXXXXXXX
<b>Total Post Construction Interest &amp; Reserves</b>	<b>\$ 627,253</b>	<b>\$ 4,978</b>	<b>\$ 6.15</b>	XXXXXXXXXX
<b>Totals</b>	<b>\$ 48,425,794</b>	<b>\$ 384,332</b>	<b>\$ 474.55</b>	<b>\$ 45,048,928</b>

**SOURCES & USES****Murrieta Family Apts.  
Murrieta, CA****CONSTRUCTION PHASE****Sources of Funds**

Tax Credit Financing	\$ 2,827,971
Riverside County PLHA City of Murrieta Fee Deferral	\$ 2,500,000
WRCOG Waiver	\$ 1,772,123
Other	\$ 822,500
Other	\$ -
Deferred Costs	\$ -
Deferred Developer Fee	\$ 627,253
Taxable Bonds	\$ 5,875,947
Tax-Exempt Bonds - Series A	\$ 8,000,000
	\$ 26,000,000
<b>Total Sources of Funds</b>	<b>\$ 48,425,794</b>

**Uses of Funds**

Total Land Costs	\$ 2,322,500
Total Building Acquisition Costs	\$ -
Construction Costs	\$ 29,322,101
Construction Contingency	\$ 1,800,000
Financing Costs	\$ 3,139,748
Architecture & Engineering	\$ 800,000
Other Soft Costs	\$ 4,238,245
Developer Fees	\$ 5,875,947
Soft Cost Contingency	\$ 300,000
Post Construction Interest & Reserves	\$ 627,253
<b>Total Uses of Funds</b>	<b>\$ 48,425,794</b>

**PERMANENT PHASE****Sources of Funds**

Total Tax Credit Financing	\$ 28,775,224
Tax-Exempt Bonds - Series A	\$ 11,700,000
Riverside County PLHA	\$ 2,500,000
City of Murrieta Fee Deferral	\$ 1,772,123
WRCOG Waiver	\$ 822,500
Other	\$ -
Other	\$ -
Other	\$ -
Other	\$ -
Deferred Developer Fee	\$ 2,855,947
<b>Total Sources of Funds</b>	<b>\$ 48,425,794</b>

**Uses of Funds**

Total Land Costs	\$ 2,322,500
Total Building Acquisition Costs	\$ -
Construction Costs	\$ 29,322,101
Construction Contingency	\$ 1,800,000
Financing Costs	\$ 3,139,748
Architecture & Engineering	\$ 800,000
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Developer Fees	\$ 5,875,947
Soft Cost Contingency	\$ 300,000
Post Construction Interest & Reserves	\$ 627,253
<b>Total Uses of Funds</b>	<b>\$ 48,425,794</b>

# FINANCING & COMPLIANCE DETAILS

Rev. 7/16/23

## Murrieta Family Apts.

Murrieta, CA

PERMANENT FINANCING																							
<b>Total Project Costs</b>	Tie Breaker	\$ 159,884	\$ 48,425,794																				
<b>Tax Credit Financing</b>																							
<b>Tax Credit Eligible Basis</b>			\$ 45,048,928																				
Less: Grant Proceeds & Other Exclusions		\$ 822,500																					
Voluntary Basis Reduction		\$ -																					
<b>Requested Eligible Basis</b>			\$ 44,226,428																				
<b>Difficult to Develop Bonus (Yes - 130%, No - 100%)</b>			130%																				
<b>Total Adjusted Eligible Basis</b>			\$ 57,494,356																				
<b>Times % of Affordable Units or Square Feet</b>			100.00%																				
<b>Qualified Basis Eligible to Receive Tax Credits</b>			\$ 57,494,356																				
<b>Less Voluntary Credit Reduction</b>	0.00%	\$ -	\$ 57,494,356																				
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;"><b>Times Credit %</b></td> <td style="width: 10%;"><b>Floor</b></td> <td style="width: 20%; text-align: center;"><i>Federal Credits</i></td> <td style="width: 20%; text-align: center;"><i>State Credits</i></td> <td style="width: 10%;"></td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">4.00%</td> <td style="text-align: center;">30.00%</td> <td></td> </tr> <tr> <td><b>Times Number of Years</b></td> <td></td> <td style="text-align: center;">10</td> <td style="text-align: center;">1</td> <td></td> </tr> <tr> <td><b>Total Tax Credits</b></td> <td></td> <td style="text-align: right;">\$ 22,997,740</td> <td style="text-align: center;">+</td> <td style="text-align: right;">\$ 10,750,000 = \$ 33,747,740</td> </tr> </table>				<b>Times Credit %</b>	<b>Floor</b>	<i>Federal Credits</i>	<i>State Credits</i>				4.00%	30.00%		<b>Times Number of Years</b>		10	1		<b>Total Tax Credits</b>		\$ 22,997,740	+	\$ 10,750,000 = \$ 33,747,740
<b>Times Credit %</b>	<b>Floor</b>	<i>Federal Credits</i>	<i>State Credits</i>																				
		4.00%	30.00%																				
<b>Times Number of Years</b>		10	1																				
<b>Total Tax Credits</b>		\$ 22,997,740	+	\$ 10,750,000 = \$ 33,747,740																			
<b>Syndicated at an Investment Rate of</b>	99.99%	<b>at a Price of</b>	\$ 0.8527																				
	<i>Credit Price</i> \$0.84		<i>\$0.88</i>																				
<b>Equals Tax Credit Equity Proceeds</b>			\$ 28,775,224																				
<b>Total Tax Credit Financing</b>			59.42% \$ (28,775,224)																				
<b>Tax-Exempt Bonds - Series A</b>			24.16% \$ (11,700,000)																				
<b>Riverside County PLHA</b>			5.16% \$ (2,500,000)																				
<b>City of Murrieta Fee Deferral</b>			3.66% \$ (1,772,123)																				
<b>WRCOG Waiver</b>			1.70% \$ (822,500)																				
<b>Other</b>			0.00% \$ -																				
<b>Deferred Developer Fee</b>			5.90% \$ (2,855,947)																				
<b>Financing Shortfall / (Overage)</b>			0.00% \$ -																				

Max. HOME - No Davis Bacon		HOME Units	#	Max. Subsidy	Subsidy by Type	Total Limit
Max. HOME Units	0	1-Bedroom	0	\$ -	\$ -	\$ -
Ratio to Tot. Units	0.00%	2-Bedroom	0	\$ -	\$ -	<b>Loan Amount</b>
Tot. Project Costs	\$ 48,425,794	3-Bedroom	0	\$ -	\$ -	\$ -
HOME Loan	\$ -	4-Bedroom	0	\$ -	\$ -	<b>O.K.</b>

Compliance with LIHTC Eligible Basis Limits			
Unit Size	Number of Units	Riverside County Basis Limits	Totals
S	0	\$ -	\$ -
1	48	\$ 362,770	\$ 17,412,960
2	42	\$ 437,600	\$ 18,379,200
3	36	\$ 560,128	\$ 20,164,608
<b>Base Limit</b>			\$ 55,956,768
<b>Base Limit Plus Adjustments</b>			\$ 80,339,476
<b>Requested Eligible Basis</b>			\$ 45,048,928
<b>% Below / (Above) Cost Limit</b>			<b>43.9268%</b>

Construction Financing	
<b>Tax Credit Financing</b>	\$ 2,827,971
<b>Riverside County PLHA City of Murrieta Fee Deferral</b>	\$ 2,500,000
<b>WRCOG Waiver</b>	\$ 1,772,123
<b>Other</b>	\$ 822,500
<b>Other</b>	\$ -
<b>Deferred Costs</b>	\$ 627,253
<b>Deferred Developer Fee</b>	\$ 5,875,947
<b>Taxable Bonds</b>	\$ 8,000,000
<b>Tax-Exempt Bonds - Series A</b>	\$ 26,000,000
<b>Total Project Costs</b>	\$ 48,425,794

## OPERATING & LOAN DETAILS

**Project:** **Murrieta Family Apts.**

**Location:** **Murrieta, CA** Rev. 7/16/23

Type	AMI Rent Level	Number of Units	Avg. Unit Sq. Ft.	Gross Rent	Utility Allowance	Net Rent	Monthly Totals	Annual Totals
Studio	30%	0	0	0	0	0	0	0
Studio	50%	0	0	0	0	0	0	0
Studio	60%	0	0	0	0	0	0	0
Studio	80%	0	0	0	0	0	0	0
1BR/1BA	30%	6	582	524	61	463	2,778	33,336
1BR/1BA	50%	6	582	874	61	813	4,878	58,536
1BR/1BA	60%	32	582	1,049	61	988	31,616	379,392
1BR/1BA	80%	4	582	1,399	61	1,338	5,352	64,224
2BR/1BA	30%	4	757	629	83	546	2,184	26,208
2BR/1BA	50%	4	757	1,048	83	965	3,860	46,320
2BR/1BA	60%	26	757	1,258	83	1,175	30,550	366,600
2BR/1BA	80%	7	757	1,678	83	1,595	11,165	133,980
3BR/2BA	30%	3	1,034	727	106	621	1,863	22,356
3BR/2BA	50%	3	1,034	1,211	106	1,105	3,315	39,780
3BR/2BA	60%	16	1,034	1,454	106	1,348	21,568	258,816
3BR/2BA	80%	14	1,034	1,939	106	1,833	25,662	307,944
2BR/1BA	Manager's	1	757	0	0	0	0	0

Total Units & Sq. Ft.	126	96,954	% of Sq. Ft.	% of Units
Community Facilities & Common Areas		5,091	Affordable	Affordable
Total Project Sq. Ft.		<b>102,045</b>	<b>100.00%</b>	<b>100.00%</b>

\$ 144,791	\$ 1,737,492
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\$ 1,968,960

**Total Annual Rental Income**

**\$ 1,737,492**

Operating Deficit Guarantee	
10% of Perm.	\$ 1,170,000
Year 1 Op. Exp.	\$ 711,900
<b>Guarantee</b>	<b>\$ 1,170,000</b>

**Other Income**

Resident Charges	\$ 150	\$ 18,900
Commercial Income (Net of Vacancy)	\$ -	\$ -

**Total Annual Other Income**

**\$ 18,900**

Replacement Reserves	
Standard/Unit	\$ 250
UMR Min/Unit	\$ 600
<b>Reserve / Unit</b>	<b>\$ 250</b>

**Total Annual Potential Gross Income**

**\$ 1,756,392**

Vacancy & Collection Loss 5%

\$ (87,820)

**Annual Effective Gross Income**

**\$ 1,668,572**

Project Unit Mix		
Unit Type	Number	% of Total
Studio	0	0.00%
1 Bdrm./1 Bath.	48	38.10%
2 Bdrm./1 Bath.	42	33.33%
3 Bdrm./2 Bath.	36	28.57%
<b>Totals</b>	<b>126</b>	<b>100.00%</b>

Average Affordability			
Unit Type	Number	% of Units	Factor
30%	13	10.40%	0.03
50%	13	10.40%	0.05
60%	74	59.20%	0.36
80%	25	20.00%	0.16
<b>Average Affordability</b>			<b>59.84%</b>

## OPERATING & LOAN DETAILS (continued)

**Project:** **Murrieta Family Apts.**

**Location:** **Murrieta, CA** **Rev. 7/16/23**

### ANNUAL EXPENSES

Real Estate Taxes & Special Assessments  
 State Taxes  
 Insurance  
 Licenses  
 Fuel & Gas  
 Electricity  
 Water & Sewer  
 Trash Removal  
 Pest Control  
 Building & Maintenance Repairs  
 Building & Maintenance Supplies  
 Supportive Services  
 Annual Issuer, Trustee & Monitoring Fees  
 Gardening & Landscaping  
 Management Fee  
 On-Site Manager(s)  
 Other Payroll  
 Manager's Unit Expense  
 Cleaning Supplies  
 Benefits  
 Payroll Taxes & Work Comp  
 Advertising  
 Telephone  
 Legal & Accounting  
 Operating Reserves  
 Office Supplies & Expense  
 Miscellaneous Administrative  
 Replacement Reserves

	% of Annual EGI	% of Total Operating Exp.	Per Unit	Total
	3.24%	7.60%	\$ 429.00	\$ 54,100
	0.05%	0.11%	\$ 6.00	\$ 800
	3.40%	7.96%	\$ 450.00	\$ 56,700
	0.02%	0.05%	\$ 3.00	\$ 350
	0.11%	0.25%	\$ 14.00	\$ 1,800
	1.49%	3.50%	\$ 198.00	\$ 24,900
	5.12%	12.00%	\$ 678.00	\$ 85,400
	2.56%	6.00%	\$ 339.00	\$ 42,700
	0.11%	0.25%	\$ 14.00	\$ 1,800
	5.12%	12.00%	\$ 678.00	\$ 85,400
	3.42%	8.00%	\$ 452.00	\$ 57,000
	0.90%	2.11%	\$ 119.00	\$ 15,000
	1.00%	2.35%	\$ 133.00	\$ 16,700
	2.14%	5.00%	\$ 283.00	\$ 35,700
	4.00%	9.27%	\$ 524.00	\$ 66,000
	3.62%	8.50%	\$ 480.00	\$ 60,480
	0.85%	2.00%	\$ 113.00	\$ 14,200
	0.00%	0.00%	\$ -	\$ -
	0.85%	2.00%	\$ 113.00	\$ 14,200
	0.12%	0.28%	\$ 16.00	\$ 2,000
	1.03%	2.42%	\$ 137.00	\$ 17,200
	0.11%	0.25%	\$ 14.00	\$ 1,800
	0.09%	0.21%	\$ 12.00	\$ 1,500
	0.48%	1.12%	\$ 63.00	\$ 8,000
	0.00%	0.00%	\$ -	\$ -
	0.30%	0.70%	\$ 40.00	\$ 5,000
	0.70%	1.65%	\$ 92.00	\$ 11,670
	1.89%	4.42%	\$ 250.00	\$ 31,500

**Annual Expenses - Per Unit & Total**

**\$ 5,650 \$ 711,900**

**Annual Net Operating Income - Per Unit & Total**

**\$ 7,593 \$ 956,672**

### PERMANENT DEBT ANALYSIS

Cap Rate  
 Loan-To-Value Restriction  
 Debt Service Coverage  
 Loan Amount  
 Constant  
 Interest Rate  
 Amortization Period in Years  
 Annual Debt Service  
 Annual Cash Flow  
 Loan Selection

	<i>LTV Restricted Loan Amounts</i>			<i>DSC Ratio Restricted Loan Amounts</i>		
	8.500%	9.000%	9.500%	**	**	<i>Fixed Loan Amount</i>
	90%	90%	90%	**	**	1.20
	1.39	1.47	1.55	1.15	1.20	
	\$ 10,129,468	\$ 9,566,720	\$ 9,063,208	\$ 12,210,538	\$ 11,701,766	\$ 11,700,000
	**	**	**	0.068129	0.068129	0.068129
	6.250%	6.250%	6.250%	6.250%	6.250%	6.250%
	40	40	40	40	40	40
	\$ 690,108	\$ 651,769	\$ 617,465	\$ 831,889	\$ 797,227	\$ 797,112
	\$ 266,564	\$ 304,903	\$ 339,207	\$ 124,783	\$ 159,445	\$ 159,560
						X

## Multi-Year Stabilized Operating Pro-Forma

RENTAL INCOME	% AMI	Net Rent / Unit - Year 1	No. of Units	Annual Increase	Year 1	Year 2	Year 3	Year 4	Year 5
Studio	30%	0	0	2.5%	-	-	-	-	-
Studio	50%	0	0	2.5%	-	-	-	-	-
Studio	60%	0	0	2.5%	-	-	-	-	-
Studio	80%	0	0	2.5%	-	-	-	-	-
1BR/1BA	30%	463	6	2.5%	33,336	34,169	35,024	35,899	36,797
1BR/1BA	50%	813	6	2.5%	58,536	59,999	61,499	63,037	64,613
1BR/1BA	60%	988	32	2.5%	379,392	388,877	398,599	408,564	418,778
1BR/1BA	80%	1,338	4	2.5%	64,224	65,830	67,475	69,162	70,891
2BR/1BA	30%	546	4	2.5%	26,208	26,863	27,535	28,223	28,929
2BR/1BA	50%	965	4	2.5%	46,320	47,478	48,665	49,882	51,129
2BR/1BA	60%	1,175	26	2.5%	366,600	375,765	385,159	394,788	404,658
2BR/1BA	80%	1,595	7	2.5%	133,980	137,330	140,763	144,282	147,889
3BR/2BA	30%	621	3	2.5%	22,356	22,915	23,488	24,075	24,677
3BR/2BA	50%	1,105	3	2.5%	39,780	40,775	41,794	42,839	43,910
3BR/2BA	60%	1,348	16	2.5%	258,816	265,286	271,919	278,717	285,684
3BR/2BA	80%	1,833	14	2.5%	307,944	315,643	323,534	331,622	339,913
2BR/1BA	Manager's	0	1	2.5%	-	-	-	-	-
<b>TOTAL RENTAL INCOME</b>			<b>126</b>		<b>1,737,492</b>	<b>1,780,929</b>	<b>1,825,453</b>	<b>1,871,089</b>	<b>1,917,866</b>
OTHER INCOME			Units	Incr./Yr.	Year-1	Year-2	Year-3	Year-4	Year-5
Resident Charges			126	2.5%	18,900	19,373	19,857	20,353	20,862
Commercial Income (Net of Vacancy)			126	2.5%	-	-	-	-	-
<b>TOTAL OTHER INCOME</b>					<b>18,900</b>	<b>19,373</b>	<b>19,857</b>	<b>20,353</b>	<b>20,862</b>
<b>TOTAL INCOME</b>					<b>1,756,392</b>	<b>1,800,302</b>	<b>1,845,309</b>	<b>1,891,442</b>	<b>1,938,728</b>
Less Vacancy Allowance				5%	(87,820)	(90,015)	(92,265)	(94,572)	(96,936)
<b>GROSS INCOME</b>					<b>1,668,572</b>	<b>1,710,287</b>	<b>1,753,044</b>	<b>1,796,870</b>	<b>1,841,792</b>
OPERATING EXPENSES	Per Unit - Yr. 1	%EGI	Incr./Yr.	Year-1	Year-2	Year-3	Year-4	Year-5	
Advertising	\$ 14	0.1%	3.5%	1,800	1,863	1,928	1,996	2,066	
Legal	\$ 16	0.1%	3.5%	2,000	2,070	2,142	2,217	2,295	
Accounting/Audit	\$ 48	0.4%	3.5%	6,000	6,210	6,427	6,652	6,885	
Security	\$ -	0.0%	3.5%	-	-	-	-	-	
Other: Telephone, Office Expense, Misc.	\$ 144	1.1%	3.5%	18,170	18,806	19,464	20,145	20,850	
Management Fee	\$ 524	4.0%	3.5%	66,000	68,310	70,701	73,175	75,737	
Fuel	\$ 2	0.0%	3.5%	200	207	214	222	230	
Gas	\$ 13	0.1%	3.5%	1,600	1,656	1,714	1,774	1,836	
Electricity	\$ 198	1.5%	3.5%	24,900	25,772	26,674	27,607	28,573	
Water/Sewer	\$ 678	5.1%	3.5%	85,400	88,389	91,483	94,685	97,998	
On-Site Manager	\$ 480	3.6%	3.5%	60,480	62,597	64,788	67,055	69,402	
Maintenance Personnel	\$ 113	0.9%	3.5%	14,200	14,697	15,211	15,744	16,295	
Other: Payroll Taxes, Work Comp, Benefits	\$ 152	1.2%	3.5%	19,200	19,872	20,568	21,287	22,032	
Insurance	\$ 450	3.4%	3.5%	56,700	58,685	60,738	62,864	65,065	
Painting	\$ 50	0.4%	3.5%	6,300	6,521	6,749	6,985	7,229	
Repairs	\$ 628	4.7%	3.5%	79,100	81,869	84,734	87,700	90,769	
Trash Removal	\$ 339	2.6%	3.5%	42,700	44,195	45,741	47,342	48,999	
Exterminating	\$ 14	0.1%	3.5%	1,800	1,863	1,928	1,996	2,066	
Grounds	\$ 283	2.1%	3.5%	35,700	36,950	38,243	39,581	40,967	
Elevator	\$ -	0.0%	3.5%	-	-	-	-	-	
Other: Cleaning & Building Supplies	\$ 565	4.3%	3.5%	71,200	73,692	76,271	78,941	81,704	
Other: Licenses	\$ 3	0.0%	3.5%	350	362	375	388	402	
Other: State Tax	\$ 6	0.0%	3.5%	800	828	857	887	918	
Other: Issuer / Trustee Fees	\$ 133	1.0%	3.5%	16,700	17,285	17,889	18,516	19,164	
Other:	\$ -	0.0%	3.5%	-	-	-	-	-	
Other:	\$ -	0.0%	3.5%	-	-	-	-	-	
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 4,852</b>			<b>611,300</b>	<b>632,696</b>	<b>654,840</b>	<b>677,759</b>	<b>701,481</b>	
Internet Expense	\$ -	0.0%	3.5%	-	-	-	-	-	
Service Amenities	\$ 119	0.9%	3.5%	15,000	15,525	16,068	16,631	17,213	
Reserve for Replacement	\$ 250	1.9%	0.0%	31,500	31,500	31,500	31,500	31,500	
Real Estate Taxes	\$ 429	3.2%	2.0%	54,100	55,182	56,286	57,411	58,560	
<b>TOTAL EXPENSES, TAXES &amp; RESERVES</b>	<b>\$ 5,650</b>			<b>711,900</b>	<b>734,903</b>	<b>758,694</b>	<b>783,301</b>	<b>808,753</b>	
<b>CASH FLOW AVAILABLE FOR DEBT SERVICE</b>				<b>956,672</b>	<b>975,384</b>	<b>994,350</b>	<b>1,013,569</b>	<b>1,033,039</b>	
DEBT SERVICE & OTHER DISTRIBUTIONS	Loan Amount			Year-1	Year-2	Year-3	Year-4	Year-5	
Tax-Exempt Bonds - Series A	Hard	\$ 11,700,000		797,112	797,112	797,112	797,112	797,112	
Other	NA	\$ -		-	-	-	-	-	
Asset Management Fees	Soft	\$ 20,100		20,100	20,100	20,100	20,100	20,100	
Deferred Developer Fee	Soft	\$ 2,855,947		125,514	142,355	159,424	176,721	194,244	
Riverside County PLHA	Soft	\$ 2,500,000		8,161	9,256	10,366	11,491	12,630	
City of Murrieta Fee Deferral	Soft	\$ 1,772,123		5,785	6,561	7,348	8,145	8,953	
Other	Soft	\$ -		-	-	-	-	-	
Other	Soft	\$ -		-	-	-	-	-	
<b>ANNUAL NET CASH FLOW</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Deferred Dev. Fee Balance	Interest Rate:	0.00%		2,730,433	2,588,078	2,428,654	2,251,933	2,057,689	
Debt Service Coverage Ratio on Hard Debt				1.20	1.22	1.25	1.27	1.30	

## Murrieta Family Apts.

## Murrieta, CA

## Multi-Year Stabilized Operating Pro-Forma

RENTAL INCOME	% AMI	Net Rent / Unit - Year 1	No. of Units	Annual Increase	Year 6	Year 7	Year 8	Year 9	Year 10
Studio	30%	0	0	2.5%	-	-	-	-	-
Studio	50%	0	0	2.5%	-	-	-	-	-
Studio	60%	0	0	2.5%	-	-	-	-	-
Studio	80%	0	0	2.5%	-	-	-	-	-
1BR/1BA	30%	463	6	2.5%	37,717	38,660	39,626	40,617	41,632
1BR/1BA	50%	813	6	2.5%	66,228	67,884	69,581	71,320	73,103
1BR/1BA	60%	988	32	2.5%	429,247	439,978	450,978	462,252	473,809
1BR/1BA	80%	1,338	4	2.5%	72,664	74,480	76,342	78,251	80,207
2BR/1BA	30%	546	4	2.5%	29,652	30,393	31,153	31,932	32,730
2BR/1BA	50%	965	4	2.5%	52,407	53,717	55,060	56,436	57,847
2BR/1BA	60%	1,175	26	2.5%	414,774	425,144	435,772	446,667	457,833
2BR/1BA	80%	1,595	7	2.5%	151,586	155,376	159,260	163,242	167,323
3BR/2BA	30%	621	3	2.5%	25,294	25,926	26,574	27,239	27,920
3BR/2BA	50%	1,105	3	2.5%	45,007	46,133	47,286	48,468	49,680
3BR/2BA	60%	1,348	16	2.5%	292,827	300,147	307,651	315,342	323,226
3BR/2BA	80%	1,833	14	2.5%	348,410	357,121	366,049	375,200	384,580
2BR/1BA	Manager's	0	1	2.5%	-	-	-	-	-
<b>TOTAL RENTAL INCOME</b>			<b>126</b>		<b>1,965,813</b>	<b>2,014,958</b>	<b>2,065,332</b>	<b>2,116,965</b>	<b>2,169,889</b>
<b>OTHER INCOME</b>			Units	Incr./Yr.	Year-6	Year-7	Year-8	Year-9	Year-10
Resident Charges			126	2.5%	21,384	21,918	22,466	23,028	23,604
Commercian Income (Net of Vacancy)			126	2.5%	-	-	-	-	-
<b>TOTAL OTHER INCOME</b>					<b>21,384</b>	<b>21,918</b>	<b>22,466</b>	<b>23,028</b>	<b>23,604</b>
<b>TOTAL INCOME</b>					<b>1,987,196</b>	<b>2,036,876</b>	<b>2,087,798</b>	<b>2,139,993</b>	<b>2,193,493</b>
Less Vacancy Allowance				5%	(99,360)	(101,844)	(104,390)	(107,000)	(109,675)
<b>GROSS INCOME</b>					<b>1,887,836</b>	<b>1,935,032</b>	<b>1,983,408</b>	<b>2,032,993</b>	<b>2,083,818</b>
<b>OPERATING EXPENSES</b>	Per Unit - Yr. 1	%EGI		Incr./Yr.	Year-6	Year-7	Year-8	Year-9	Year-10
Advertising	\$ 14	0.1%		3.5%	2,138	2,213	2,290	2,370	2,453
Legal	\$ 16	0.1%		3.5%	2,375	2,459	2,545	2,634	2,726
Accounting/Audit	\$ 48	0.4%		3.5%	7,126	7,376	7,634	7,901	8,177
Security	\$ -	0.0%		3.5%	-	-	-	-	-
Other: Telephone, Office Expense, Misc.	\$ 144	1.1%		3.5%	21,580	22,336	23,117	23,926	24,764
Management Fee	\$ 524	4.0%		3.5%	78,387	81,131	83,970	86,909	89,951
Fuel	\$ 2	0.0%		3.5%	238	246	254	263	273
Gas	\$ 13	0.1%		3.5%	1,900	1,967	2,036	2,107	2,181
Electricity	\$ 198	1.5%		3.5%	29,573	30,608	31,680	32,789	33,936
Water/Sewer	\$ 678	5.1%		3.5%	101,428	104,978	108,653	112,455	116,391
On-Site Manager	\$ 480	3.6%		3.5%	71,831	74,345	76,947	79,641	82,428
Maintenance Personnel	\$ 113	0.9%		3.5%	16,865	17,455	18,066	18,699	19,353
Other: Payroll Taxes, Work Comp, Benefits	\$ 152	1.2%		3.5%	22,804	23,602	24,428	25,283	26,168
Insurance	\$ 450	3.4%		3.5%	67,342	69,699	72,138	74,663	77,276
Painting	\$ 50	0.4%		3.5%	7,482	7,744	8,015	8,296	8,586
Repairs	\$ 628	4.7%		3.5%	93,946	97,234	100,637	104,160	107,805
Trash Removal	\$ 339	2.6%		3.5%	50,714	52,489	54,326	56,228	58,196
Exterminating	\$ 14	0.1%		3.5%	2,138	2,213	2,290	2,370	2,453
Grounds	\$ 283	2.1%		3.5%	42,400	43,884	45,420	47,010	48,655
Elevator	\$ -	0.0%		3.5%	-	-	-	-	-
Other: Cleaning & Building Supplies	\$ 565	4.3%		3.5%	84,563	87,523	90,586	93,757	97,038
Other: Licenses	\$ 3	0.0%		3.5%	416	430	445	461	477
Other: State Tax	\$ 6	0.0%		3.5%	950	983	1,018	1,053	1,090
Other: Issuer / Trustee Fees	\$ 133	1.0%		3.5%	19,834	20,529	21,247	21,991	22,760
Other:	\$ -	0.0%		3.5%	-	-	-	-	-
Other:	\$ -	0.0%		3.5%	-	-	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 4,852</b>				<b>726,033</b>	<b>751,444</b>	<b>777,744</b>	<b>804,965</b>	<b>833,139</b>
Internet Expense	\$ -	0.0%		3.5%	-	-	-	-	-
Service Amenities	\$ 119	0.9%		3.5%	17,815	18,439	19,084	19,752	20,443
Reserve for Replacement	\$ 250	1.9%		0.0%	31,500	31,500	31,500	31,500	31,500
Real Estate Taxes	\$ 429	3.2%		2.0%	59,731	60,925	62,144	63,387	64,655
<b>TOTAL EXPENSES, TAXES &amp; RESERVES</b>	<b>\$ 5,650</b>				<b>835,079</b>	<b>862,308</b>	<b>890,472</b>	<b>919,604</b>	<b>949,737</b>
<b>CASH FLOW AVAILABLE FOR DEBT SERVICE</b>					<b>1,052,758</b>	<b>1,072,724</b>	<b>1,092,936</b>	<b>1,113,389</b>	<b>1,134,081</b>
<b>DEBT SERVICE &amp; OTHER DISTRIBUTIONS</b>	Loan Amount				Year-6	Year-7	Year-8	Year-9	Year-10
Tax-Exempt Bonds - Series A	Hard	\$ 11,700,000			797,112	797,112	797,112	797,112	797,112
Other	NA	\$ -			-	-	-	-	-
Asset Management Fees	Soft	\$ 20,100			20,100	20,100	20,100	20,100	20,100
Deferred Developer Fee	Soft	\$ 2,855,947			211,991	229,961	248,152	266,559	285,182
Riverside County PLHA	Soft	\$ 2,500,000			13,784	14,952	16,135	17,332	18,543
City of Murrieta Fee Deferral	Soft	\$ 1,772,123			9,771	10,599	11,437	12,286	13,144
Other	Soft	\$ -			-	-	-	-	-
Other	Soft	\$ -			-	-	-	-	-
<b>ANNUAL NET CASH FLOW</b>					<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Deferred Dev. Fee Balance	Interest Rate:	0.00%			1,845,698	1,615,737	1,367,585	1,101,026	815,844
Debt Service Coverage Ratio on Hard Debt					1.32	1.35	1.37	1.40	1.42



**Murrieta Family Apts.**

**Murrieta, CA**

**Multi-Year Stabilized Operating Pro-Forma**

RENTAL INCOME	% AMI	Net Rent / Unit - Year 1	No. of Units	Annual Increase	Year 11	Year 12	Year 13	Year 14	Year 15
Studio	30%	0	0	2.5%	-	-	-	-	-
Studio	50%	0	0	2.5%	-	-	-	-	-
Studio	60%	0	0	2.5%	-	-	-	-	-
Studio	80%	0	0	2.5%	-	-	-	-	-
1BR/1BA	30%	463	6	2.5%	42,673	43,740	44,833	45,954	47,103
1BR/1BA	50%	813	6	2.5%	74,931	76,804	78,724	80,693	82,710
1BR/1BA	60%	988	32	2.5%	485,654	497,795	510,240	522,996	536,071
1BR/1BA	80%	1,338	4	2.5%	82,212	84,267	86,374	88,533	90,747
2BR/1BA	30%	546	4	2.5%	33,548	34,387	35,247	36,128	37,031
2BR/1BA	50%	965	4	2.5%	59,294	60,776	62,295	63,853	65,449
2BR/1BA	60%	1,175	26	2.5%	469,279	481,011	493,036	505,362	517,996
2BR/1BA	80%	1,595	7	2.5%	171,506	175,793	180,188	184,693	189,310
3BR/2BA	30%	621	3	2.5%	28,618	29,333	30,066	30,818	31,588
3BR/2BA	50%	1,105	3	2.5%	50,922	52,195	53,500	54,837	56,208
3BR/2BA	60%	1,348	16	2.5%	331,306	339,589	348,079	356,781	365,700
3BR/2BA	80%	1,833	14	2.5%	394,194	404,049	414,150	424,504	435,117
2BR/1BA	Manager's	0	1	2.5%	-	-	-	-	-
<b>TOTAL RENTAL INCOME</b>			<b>126</b>		<b>2,224,137</b>	<b>2,279,740</b>	<b>2,336,734</b>	<b>2,395,152</b>	<b>2,455,031</b>
<b>OTHER INCOME</b>			<b>Units</b>	<b>Incr./Yr.</b>	<b>Year-11</b>	<b>Year-12</b>	<b>Year-13</b>	<b>Year-14</b>	<b>Year-15</b>
Resident Charges			126	2.5%	24,194	24,798	25,418	26,054	26,705
Commercian Income (Net of Vacancy)			126	2.5%	-	-	-	-	-
<b>TOTAL OTHER INCOME</b>					<b>24,194</b>	<b>24,798</b>	<b>25,418</b>	<b>26,054</b>	<b>26,705</b>
<b>TOTAL INCOME</b>					<b>2,248,330</b>	<b>2,304,539</b>	<b>2,362,152</b>	<b>2,421,206</b>	<b>2,481,736</b>
Less Vacancy Allowance				5%	(112,417)	(115,227)	(118,108)	(121,060)	(124,087)
<b>GROSS INCOME</b>					<b>2,135,913</b>	<b>2,189,312</b>	<b>2,244,044</b>	<b>2,300,146</b>	<b>2,357,649</b>
<b>OPERATING EXPENSES</b>		<b>Per Unit - Yr. 1</b>	<b>%EGI</b>	<b>Incr./Yr.</b>	<b>Year-11</b>	<b>Year-12</b>	<b>Year-13</b>	<b>Year-14</b>	<b>Year-15</b>
Advertising		\$ 14	0.1%	3.5%	2,539	2,628	2,720	2,815	2,914
Legal		\$ 16	0.1%	3.5%	2,821	2,920	3,022	3,128	3,237
Accounting/Audit		\$ 48	0.4%	3.5%	8,464	8,760	9,066	9,384	9,712
Security		\$ -	0.0%	3.5%	-	-	-	-	-
Other: Telephone, Office Expense, Misc.		\$ 144	1.1%	3.5%	25,631	26,528	27,456	28,417	29,412
Management Fee		\$ 524	4.0%	3.5%	93,100	96,358	99,731	103,221	106,834
Fuel		\$ 2	0.0%	3.5%	282	292	302	313	324
Gas		\$ 13	0.1%	3.5%	2,257	2,336	2,418	2,502	2,590
Electricity		\$ 198	1.5%	3.5%	35,124	36,353	37,626	38,943	40,305
Water/Sewer		\$ 678	5.1%	3.5%	120,465	124,681	129,045	133,562	138,237
On-Site Manager		\$ 480	3.6%	3.5%	85,313	88,299	91,389	94,588	97,899
Maintenance Personnel		\$ 113	0.9%	3.5%	20,031	20,732	21,457	22,208	22,985
Other: Payroll Taxes, Work Comp, Benefits		\$ 152	1.2%	3.5%	27,083	28,031	29,013	30,028	31,079
Insurance		\$ 450	3.4%	3.5%	79,981	82,780	85,678	88,676	91,780
Painting		\$ 50	0.4%	3.5%	8,887	9,198	9,520	9,853	10,198
Repairs		\$ 628	4.7%	3.5%	111,578	115,484	119,526	123,709	128,039
Trash Removal		\$ 339	2.6%	3.5%	60,233	62,341	64,523	66,781	69,118
Exterminating		\$ 14	0.1%	3.5%	2,539	2,628	2,720	2,815	2,914
Grounds		\$ 283	2.1%	3.5%	50,358	52,121	53,945	55,833	57,787
Elevator		\$ -	0.0%	3.5%	-	-	-	-	-
Other: Cleaning & Building Supplies		\$ 565	4.3%	3.5%	100,435	103,950	107,588	111,354	115,251
Other: Licenses		\$ 3	0.0%	3.5%	494	511	529	547	567
Other: State Tax		\$ 6	0.0%	3.5%	1,128	1,168	1,209	1,251	1,295
Other: Issuer / Trustee Fees		\$ 133	1.0%	3.5%	23,557	24,381	25,235	26,118	27,032
Other:		\$ -	0.0%	3.5%	-	-	-	-	-
Other:		\$ -	0.0%	3.5%	-	-	-	-	-
<b>TOTAL OPERATING EXPENSES</b>		<b>\$ 4,852</b>			<b>862,299</b>	<b>892,479</b>	<b>923,716</b>	<b>956,046</b>	<b>989,508</b>
Internet Expense		\$ -	0.0%	3.5%	-	-	-	-	-
Service Amenities		\$ 119	0.9%	3.5%	21,159	21,900	22,666	23,459	24,280
Reserve for Replacement		\$ 250	1.9%	0.0%	31,500	31,500	31,500	31,500	31,500
Real Estate Taxes		\$ 429	3.2%	2.0%	65,948	67,267	68,612	69,984	71,384
<b>TOTAL EXPENSES, TAXES &amp; RESERVES</b>		<b>\$ 5,650</b>			<b>980,906</b>	<b>1,013,146</b>	<b>1,046,494</b>	<b>1,080,990</b>	<b>1,116,672</b>
<b>CASH FLOW AVAILABLE FOR DEBT SERVICE</b>					<b>1,155,008</b>	<b>1,176,166</b>	<b>1,197,550</b>	<b>1,219,156</b>	<b>1,240,977</b>
<b>DEBT SERVICE &amp; OTHER DISTRIBUTIONS</b>			<b>Loan Amount</b>		<b>Year-11</b>	<b>Year-12</b>	<b>Year-13</b>	<b>Year-14</b>	<b>Year-15</b>
Tax-Exempt Bonds - Series A	Hard	\$ 11,700,000			797,112	797,112	797,112	797,112	797,112
Other	NA	\$ -			-	-	-	-	-
Asset Management Fees	Soft	\$ 20,100			20,100	20,100	20,100	20,100	20,100
Deferred Developer Fee	Soft	\$ 2,855,947			304,017	323,058	188,769	-	-
Riverside County PLHA	Soft	\$ 2,500,000			19,767	21,006	22,257	23,521	24,798
City of Murrieta Fee Deferral	Soft	\$ 1,772,123			14,012	14,890	15,777	16,673	17,578
Other	Soft	\$ -			-	-	-	-	-
Other	Soft	\$ -			-	-	-	-	-
<b>ANNUAL NET CASH FLOW</b>					<b>-</b>	<b>-</b>	<b>153,535</b>	<b>361,750</b>	<b>381,389</b>
Deferred Dev. Fee Balance	Interest Rate:	0.00%			511,827	188,769	-	-	-
Debt Service Coverage Ratio on Hard Debt					1.45	1.48	1.50	1.53	1.56