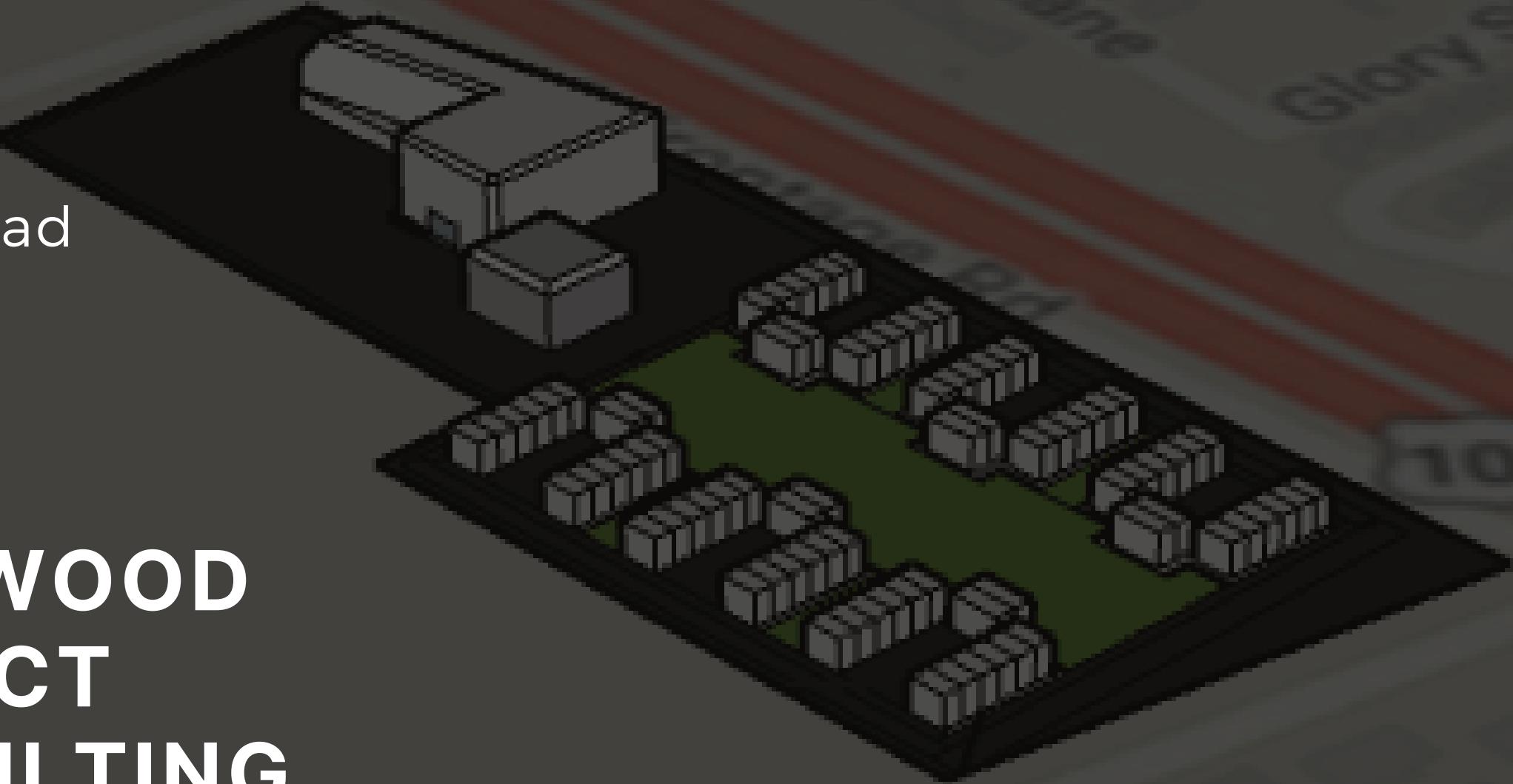


OFFERING MEMORANDUM



222 N Frontage Road
Nipomo CA 93444

DPC DRIFTWOOD
PROJECT
CONSULTING

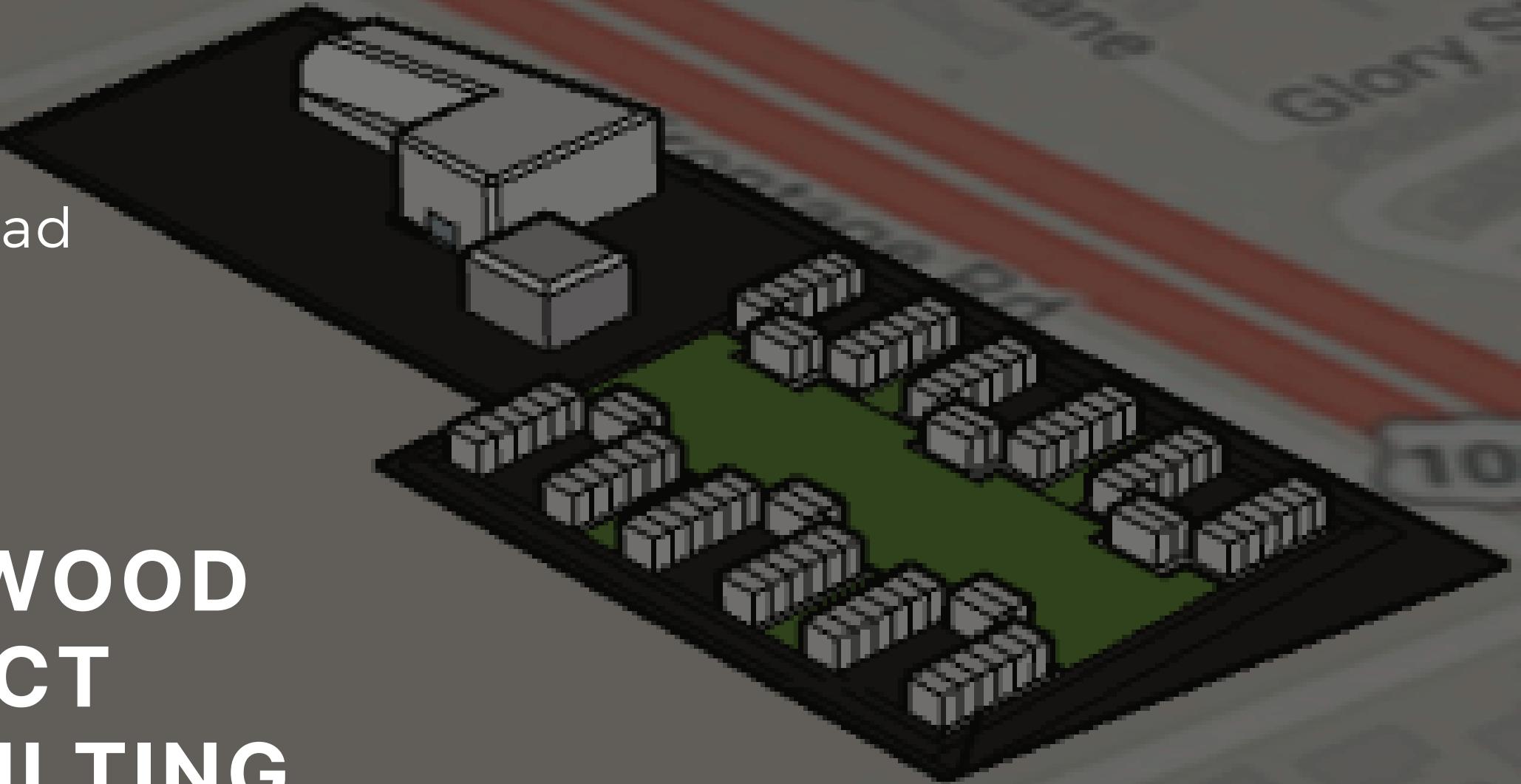


CHUMASH GARDENS



222 N Frontage Road
Nipomo CA 93444

DPC DRIFTWOOD
PROJECT
CONSULTING



DRIFTWOOD PROJECT CONSULTING



Daniel Almond

4th-Year Real Estate
Finance Student



Jay Daily

4th-Year Real Estate
Finance Student



Garret Eager

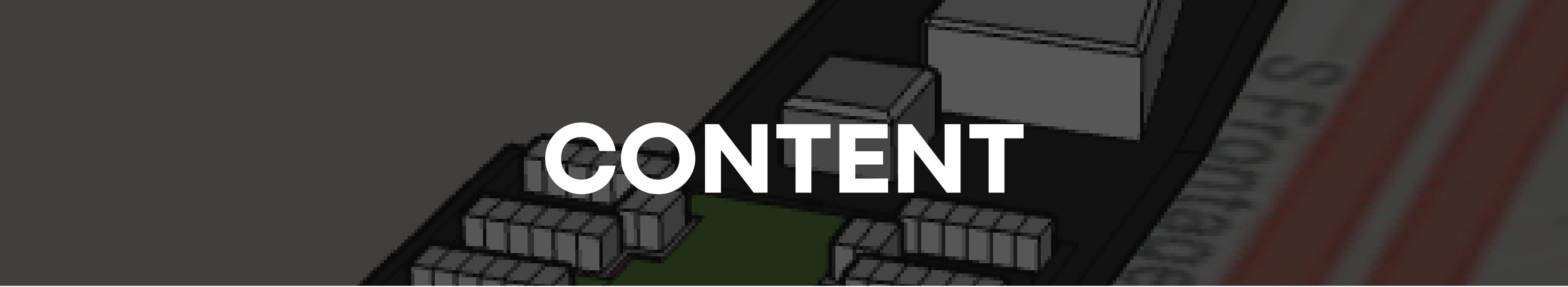
4th-Year Finance
Student



Luke Levine

4th-Year Real Estate
Finance Student

CONTENT



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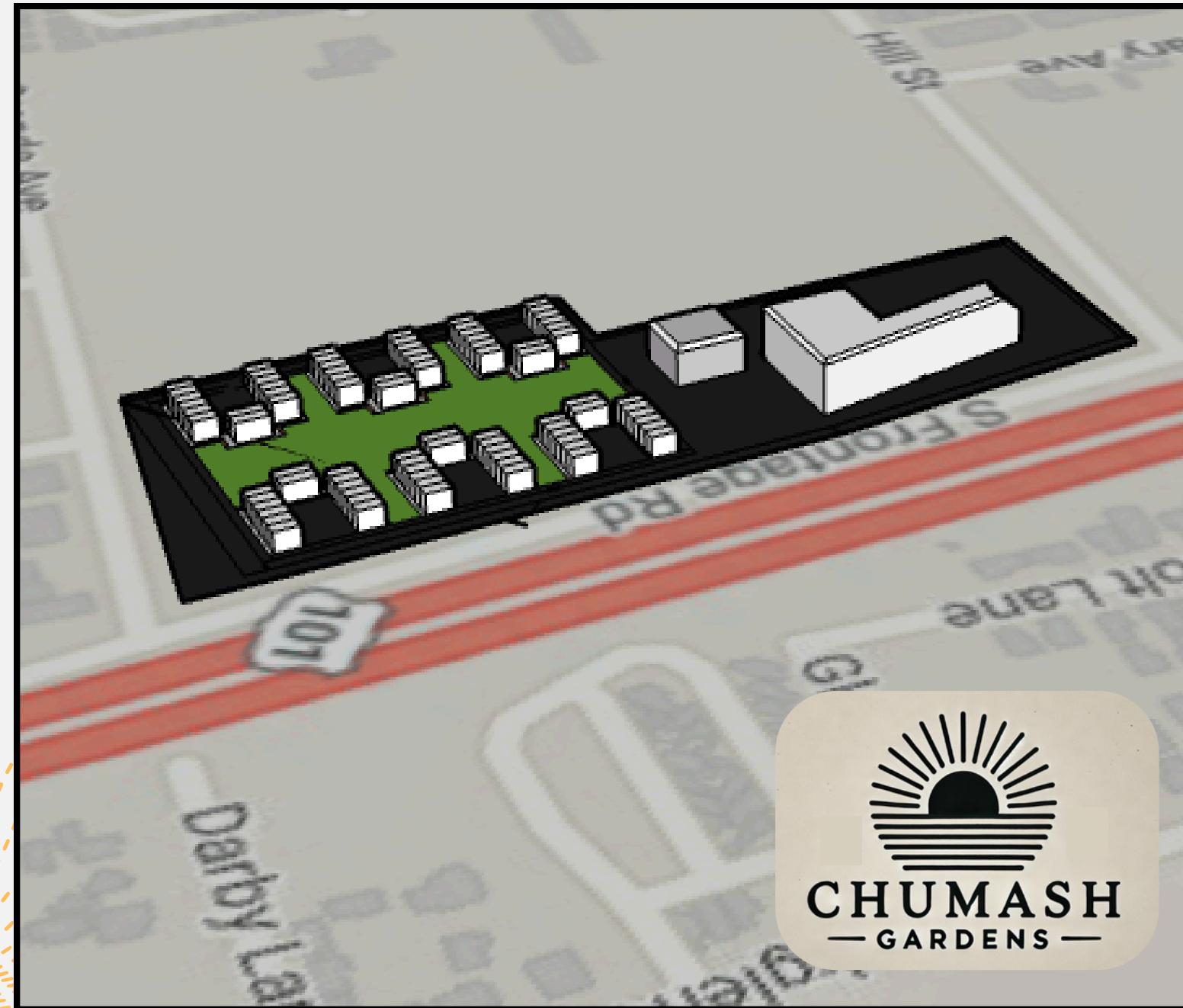
6

Sensitivity
Analysis

PROPERTY SUMMARY

01

CHUMASH GARDENS



Chumash Gardens is an innovative residential community located on a picturesque 10.9-acre parcel in Nipomo, right off Highway 101. The development will feature 6 affordable housing buildings, each comprising 14 modern townhomes, addressing the critical need for quality, accessible housing in the area.

Complementing the residential community is Nipomo's first hotel, ideally situated for visitors eager to explore the area's charming surroundings. Together, the hotel and residential community will share a recreational center, fostering a sense of community and providing a hub for events and activities.

Chumash Gardens is surrounded by expansive green spaces, creating a serene and inviting environment for residents and guests alike. Whether you're settling in as a resident or visiting to enjoy Nipomo's natural beauty, Chumash Gardens offers a vibrant and balanced lifestyle.

CHUMASH GARDENS

Hotel Space

50,000 sq. ft.

Club House / Rec. Room

6,000 sq. ft.

Estimated Total Development Cost

\$74,354,550.50

Residential Space

79,200 sq. ft.

Number of Residential Units

84

Number of 2-bed Units

72

Number of 3-Bed Units

12

MARKET ANALYSIS

02

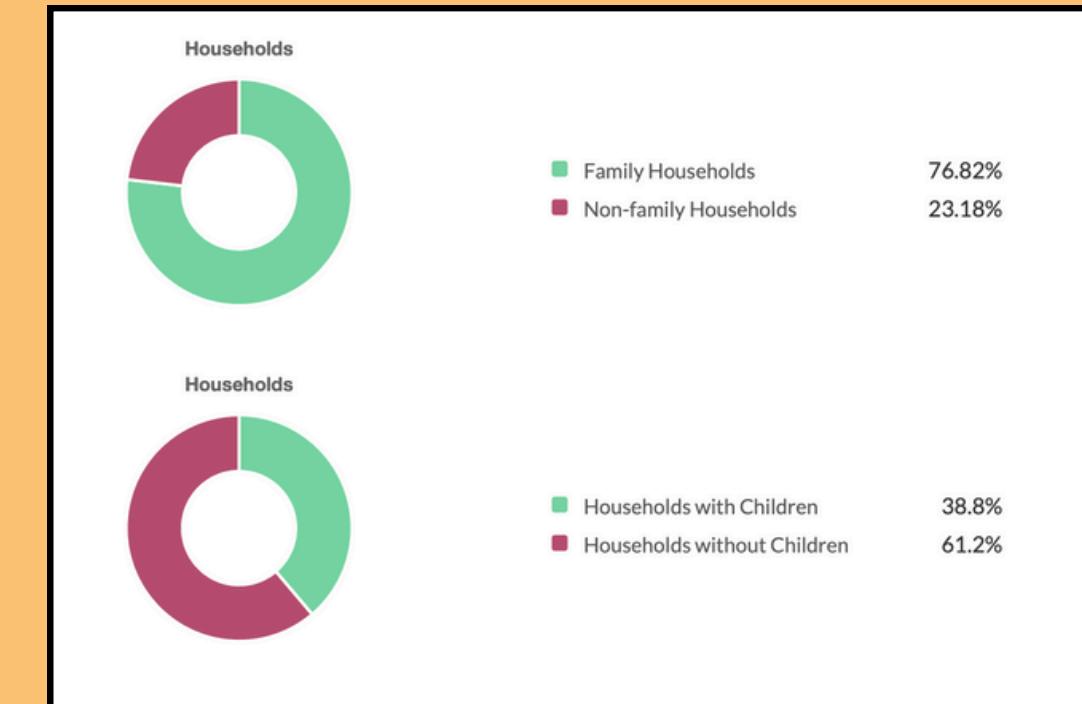
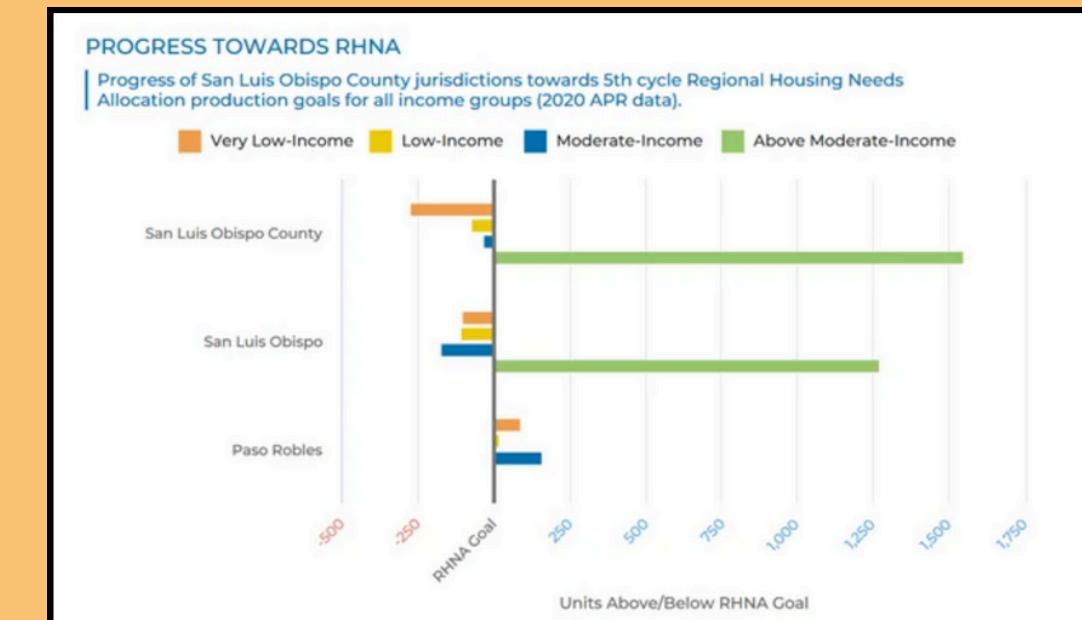
KEY DEMOGRAPHICS

Nipomo, California

Health Care, Agriculture, Manufacturing, & Construction Industries

Median Resident Age: **37 Years**

Median household Income(AMI)	\$	95,982.00		
		Income Range (Annual)	Monthly Income	Affordable Rent (30% of income)
Acutely low income: 0-15% of AMI		\$0 - \$14397.3	\$1,199.78	\$359.93
Extremely low income: 15-30% of AMI		\$14397.3 - \$28794.6	\$2,399.55	\$719.87
Very low income: 30% to 50% of AMI		\$28794.6 - \$47991	\$3,999.25	\$1,199.78
Lower income: 50% to 80% of AMI		\$47991 - \$76785.6	\$6,398.80	\$1,919.64
Moderate income: 80% to 120% of AMI		\$76785.6 - \$115178.4	\$9,598.20	\$2,879.46



NEARBY ATTRACTIONS

Two Neighboring Shopping Centers

Wendy's, Grocery Outlet, Miner's Ace Hardware, O'Reillys, Tractor Supply, Vons, UPS store and more.

Nipomo High School (2.2 miles)

A well-regarded educational institution known for its strong academic programs, extracurricular activities and community involvement.

Nipomo Elementary School (1.5 miles, 6 min)

A cornerstone of the community, provides a nurturing and inclusive environment for students from kindergarten through 6th grade.

Dignity Health Hospital, Nipomo (8 miles, 10 min)

Provides comprehensive healthcare services with a reputation for quality care and advanced medical services.

Nearby Public Transport

- **Bus Stop:** Stop ID: 3703 (11 min walk)
- **Train:** Guadalupe Amtrak Station (15 min)

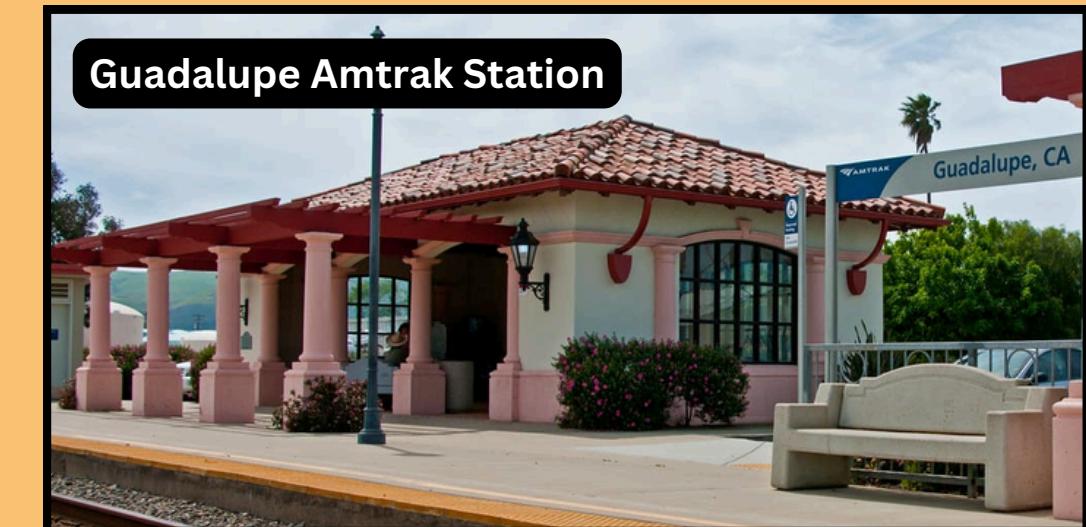
Nipomo High School



Nipomo Elementary School



Guadalupe Amtrak Station



ZONING & SITE DETAILS

ZONING SPECIFICS

222 N FRONTAGE ROAD, NIPOMO CA 93444

Zoning:

- Currently Zoned as Commercial Retail (CN)
 - Changing to Residential Multi-Family (R-4)

Setbacks:

- Front set back: 25 ft.
- Side Yard: No side yard setback is required
- Rear set back: 30 ft.

Maximum Height:

- 35 ft.

Lot Coverage:

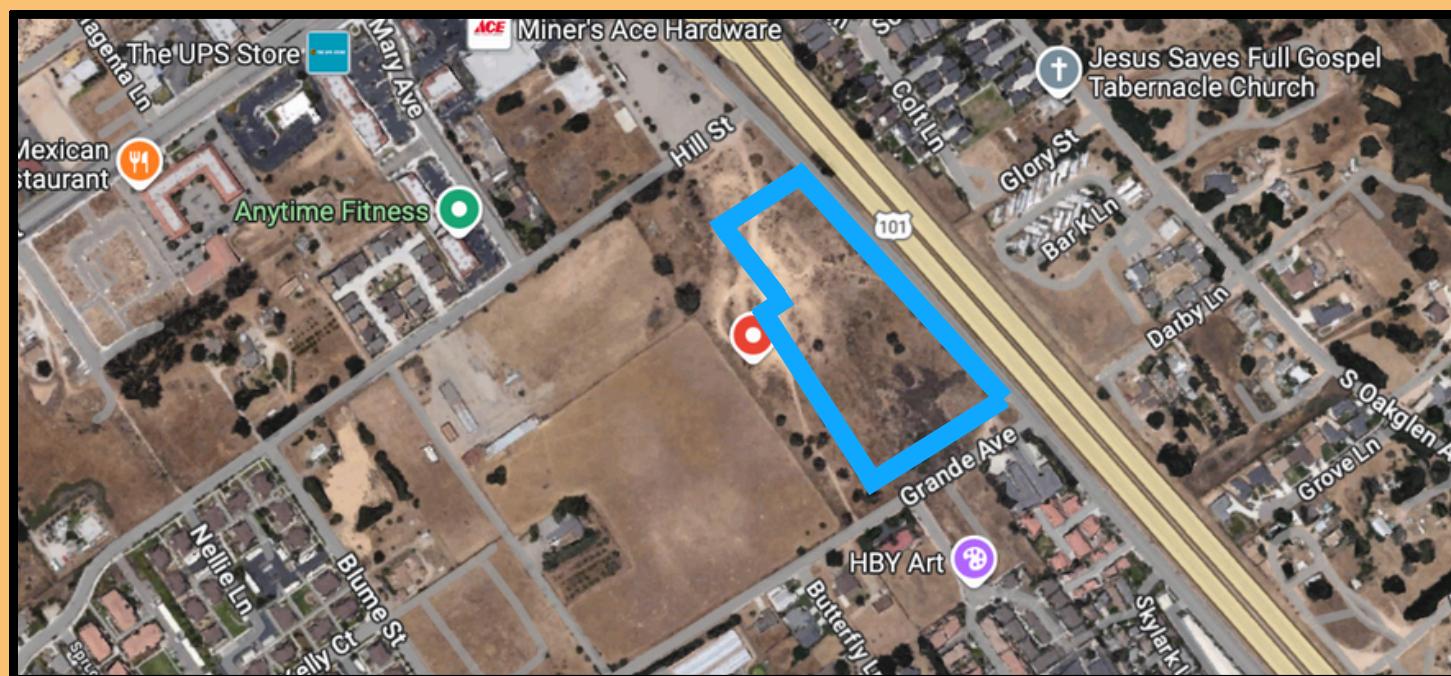
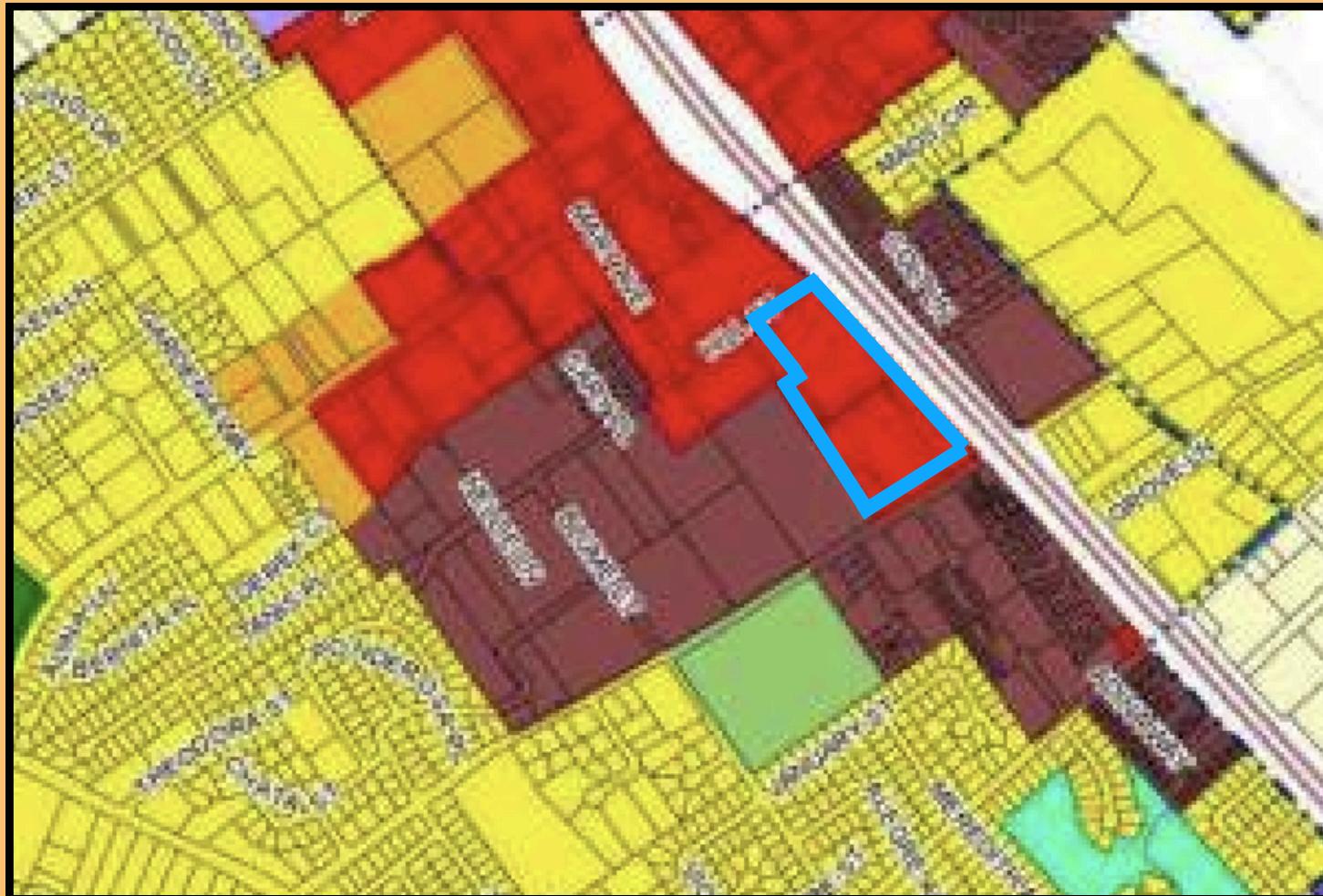
- 48% or 5.24 acres
- Maximum floor area per unit = 1,246 sq. ft.

Parking Requirements:

- Parking will be provided behind each of the 6 buildings. This will provide 1 parking spot per unit for residential use. Additionally the hotel requires 55,000 sq. ft. of parking.

Green Space:

- There is a 62,832 sq. ft. lawn conveniently located at the center of the affordable housing units, giving families a place to play outside and enjoy some sun.



SITE OVERVIEW

222 N FRONTAGE ROAD, NIPOMO CA 93444

Parcel Size: 10.91 acres

Current Function: Vacant Land

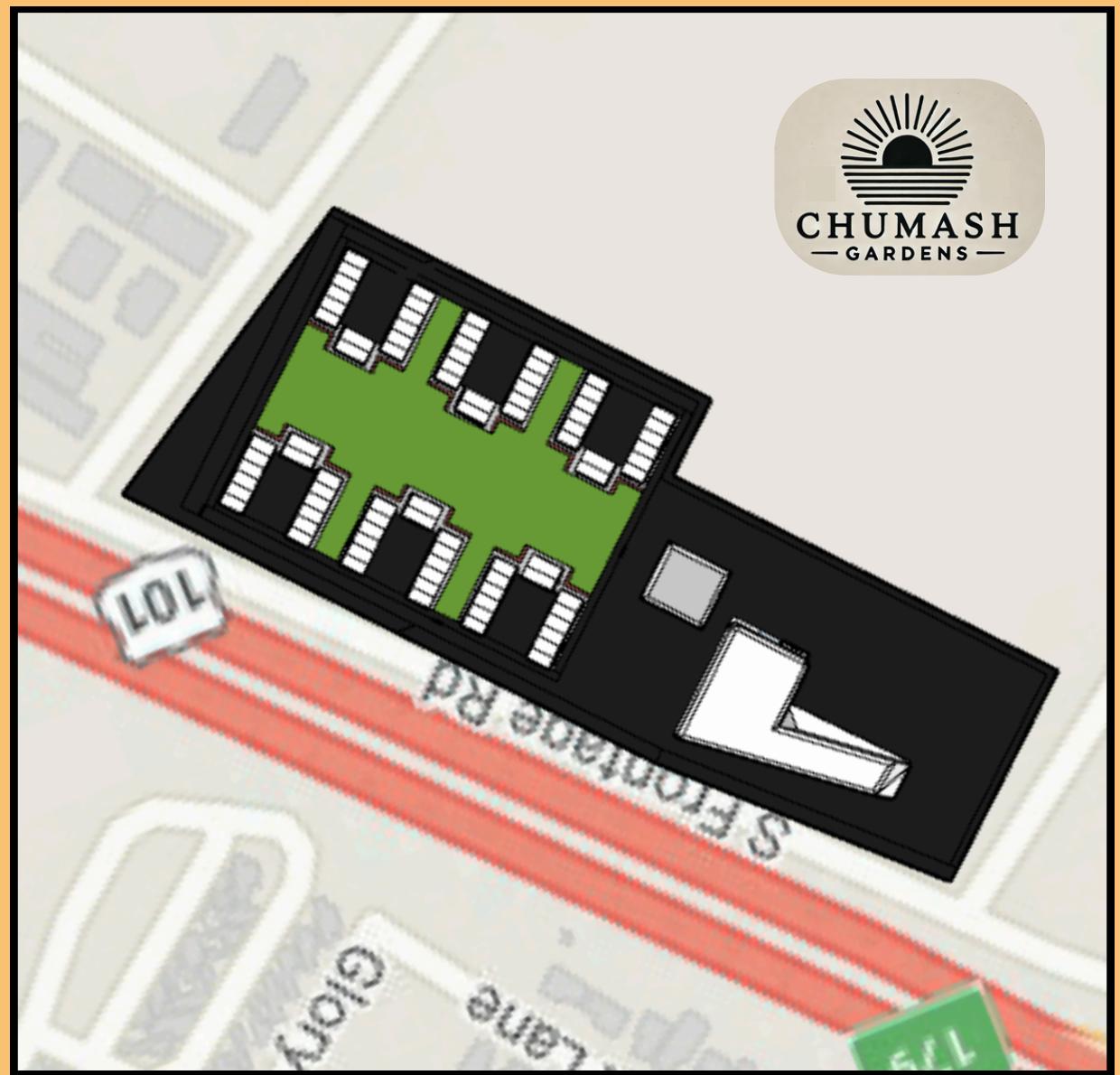


Hotel Development:

- 50,000 square foot Wyndham Hotel
 - 160 rooms
 - 55,000 square foot parking lot
 - 6,000 square foot club house / rec. room
- The hotel is not only fulfilling the need for the lack of short-term housing in Nipomo, but it also acts as a source of revenue to support Chumash Gardens.

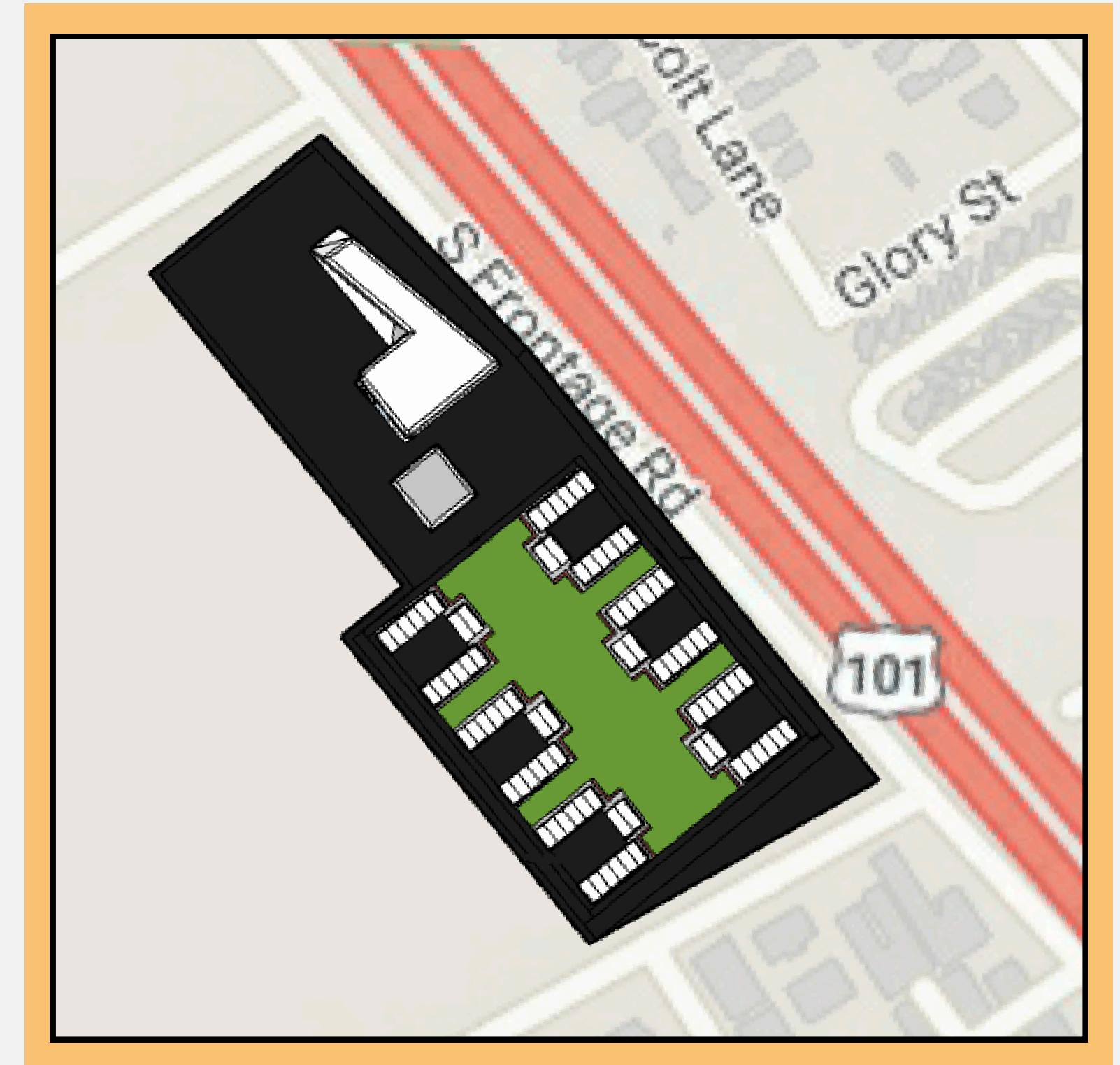
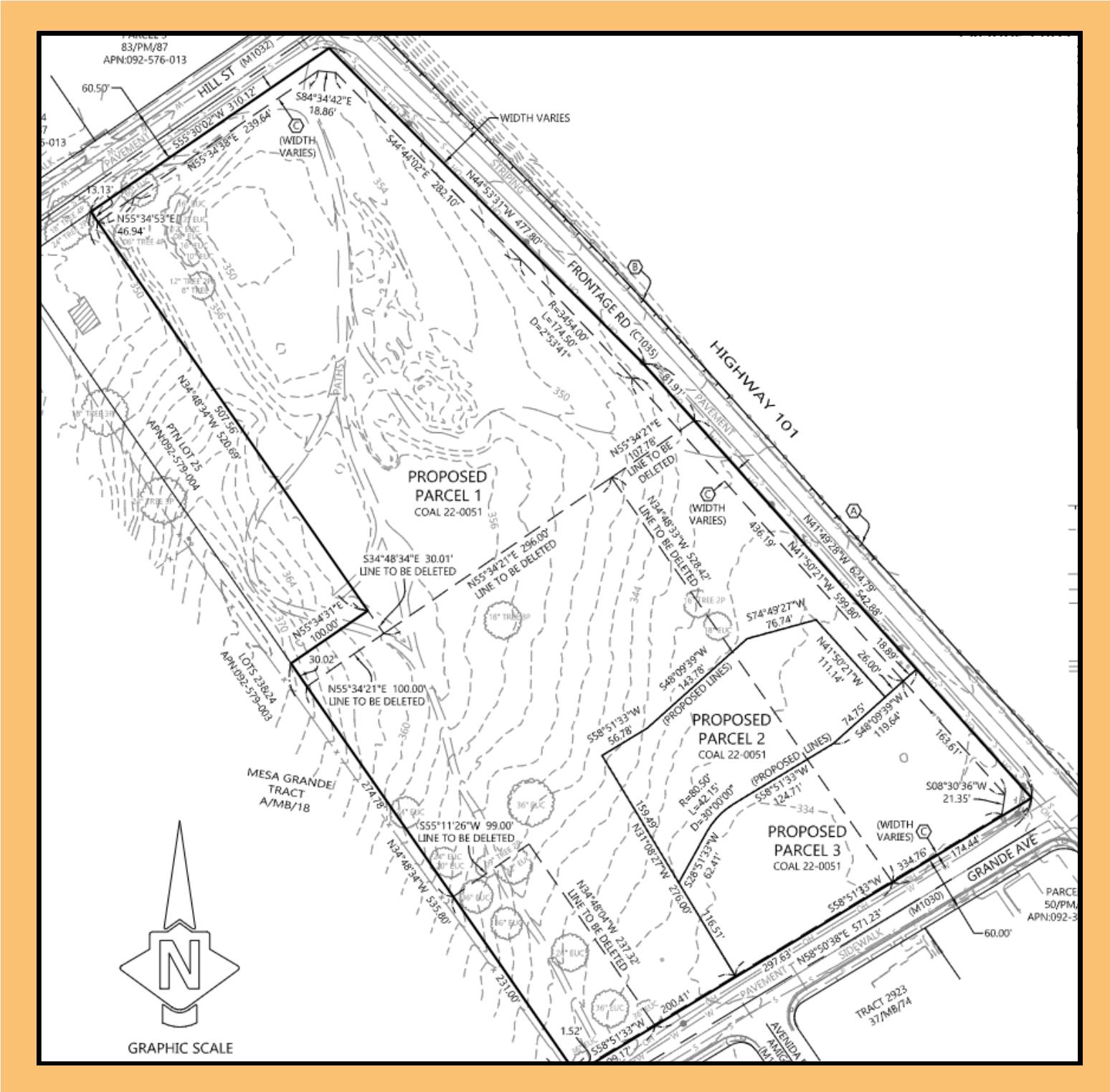
Affordable Housing Development:

- 6 buildings with 79,200 square feet in total residential space
 - 72 - 900 square feet 2 bed / 1 bath units
 - 12 - 1,200 square feet 3 bed / 2 bath units
- Brand new take on affordable housing, prioritizing open green spaces for the residents. Also, a percent of the hotel staff will be residents of Chumash Gardens.



SITE DESIGN

04



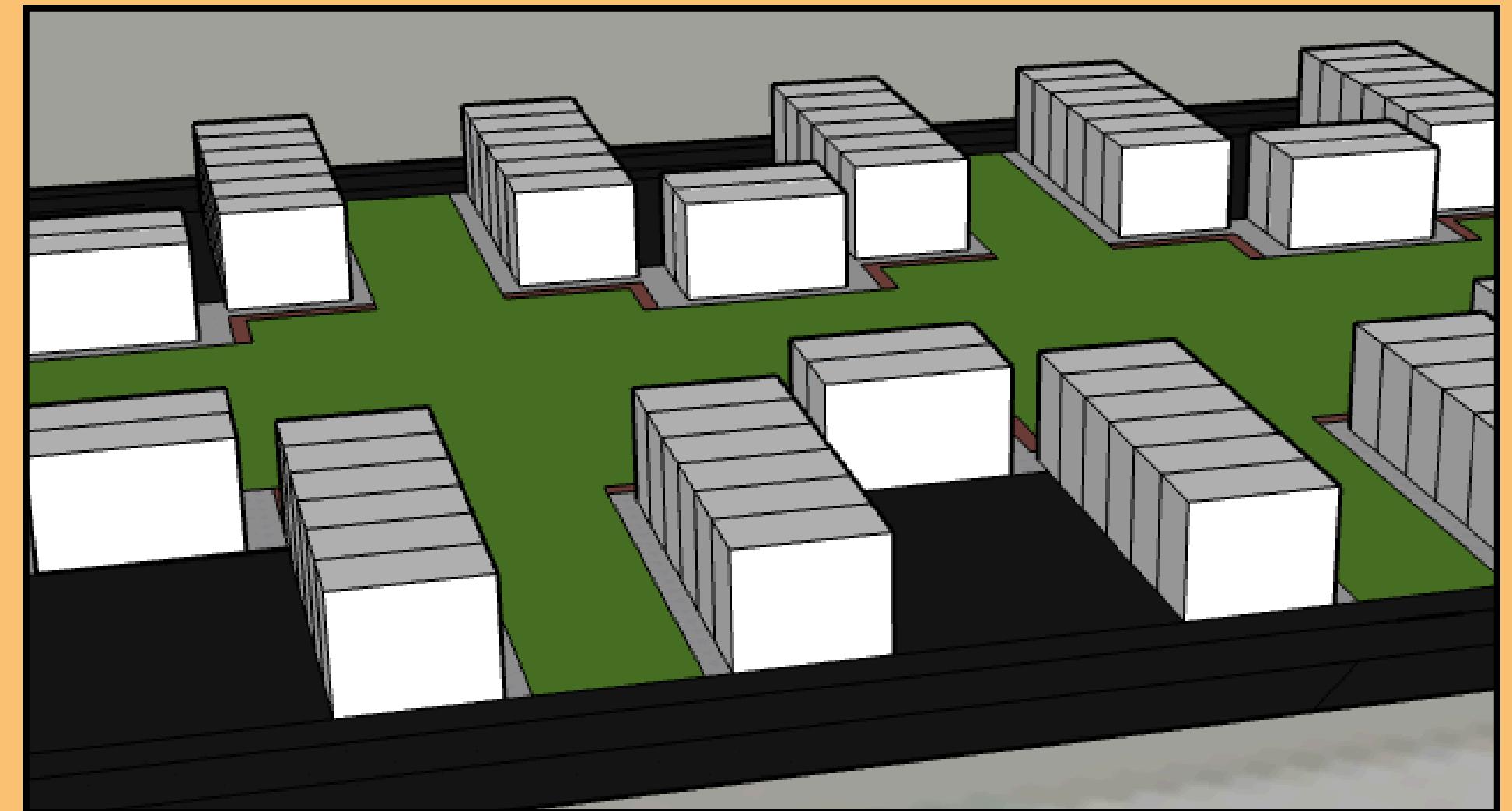
RESIDENTIAL DESIGN

222 N FRONTAGE ROAD, NIPOMO CA 93444

RESIDENTIAL HOUSING

Chumash Gardens is a residential community consisting of 84 total units featuring 72 *Small Units* with 900 Sq Ft of living space and 12 *Large Units* with 1,200 Sq Ft of living space.

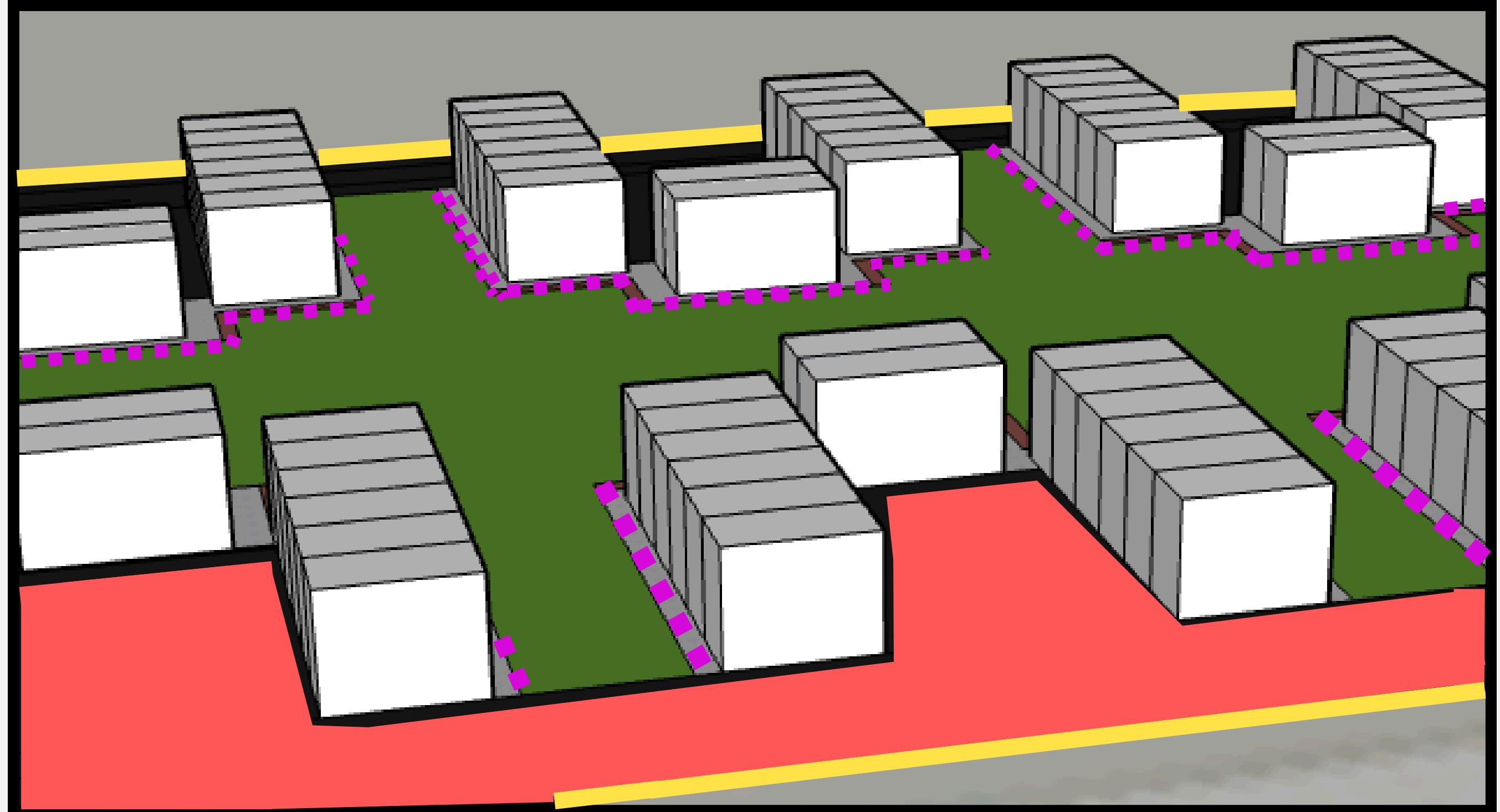
The 84 units are divided between 6 identical buildings each housing 2 large units (3 bed / 2 bath) and 12 small units (2 bed / 2 bath). This furthers efficiency in design and aids in mitigating construction costs.



GOOGLE SKETCH UP



- PARCEL BORDER
- GREEN LAWN SPACE
- PEDESTRIAN PATHS
- ROADWAYS



GOOGLE SKETCH UP

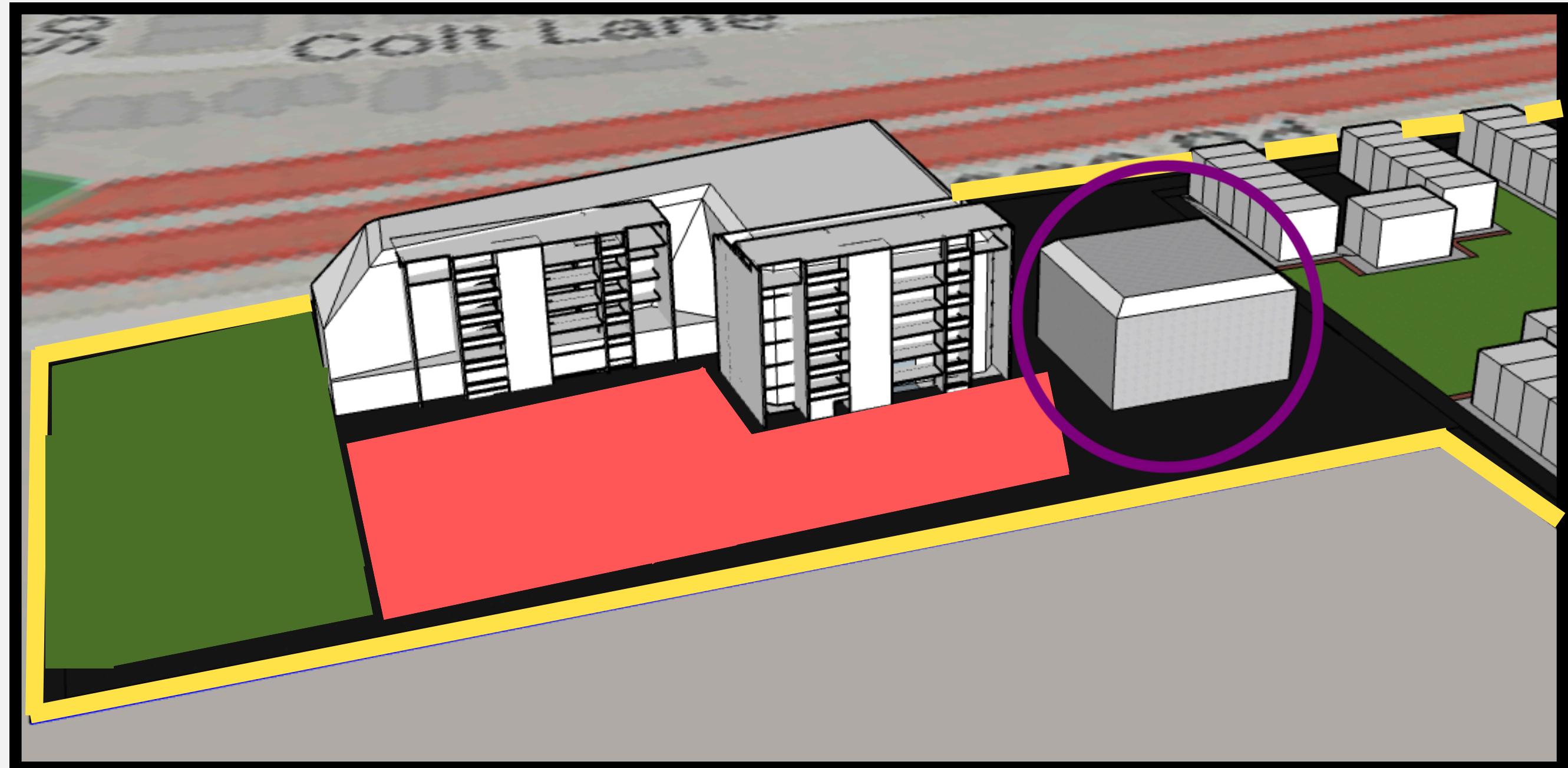


● PARCEL BORDER

● PARK OR GREEN SPACE

● COMMUNITY REC. CENTER

● HOTEL PARKING



GOOGLE SKETCH UP

SUSTAINABILITY FEATURES

Energy Efficiency

- LED Lighting for indoor and outdoor lighting
- Energy Star Appliances - energy star rated refrigerators, dishwashers and HVAC reduce energy consumption
- Smart Thermostats optimize energy use.

Water Conservation

- Low-Flow Fixtures like low-flow faucets, showerheads and dual-flush toilets reduce water usage
- Drought-Tolerant landscaping like succulents and desert plants minimize irrigation needs

Material Choices

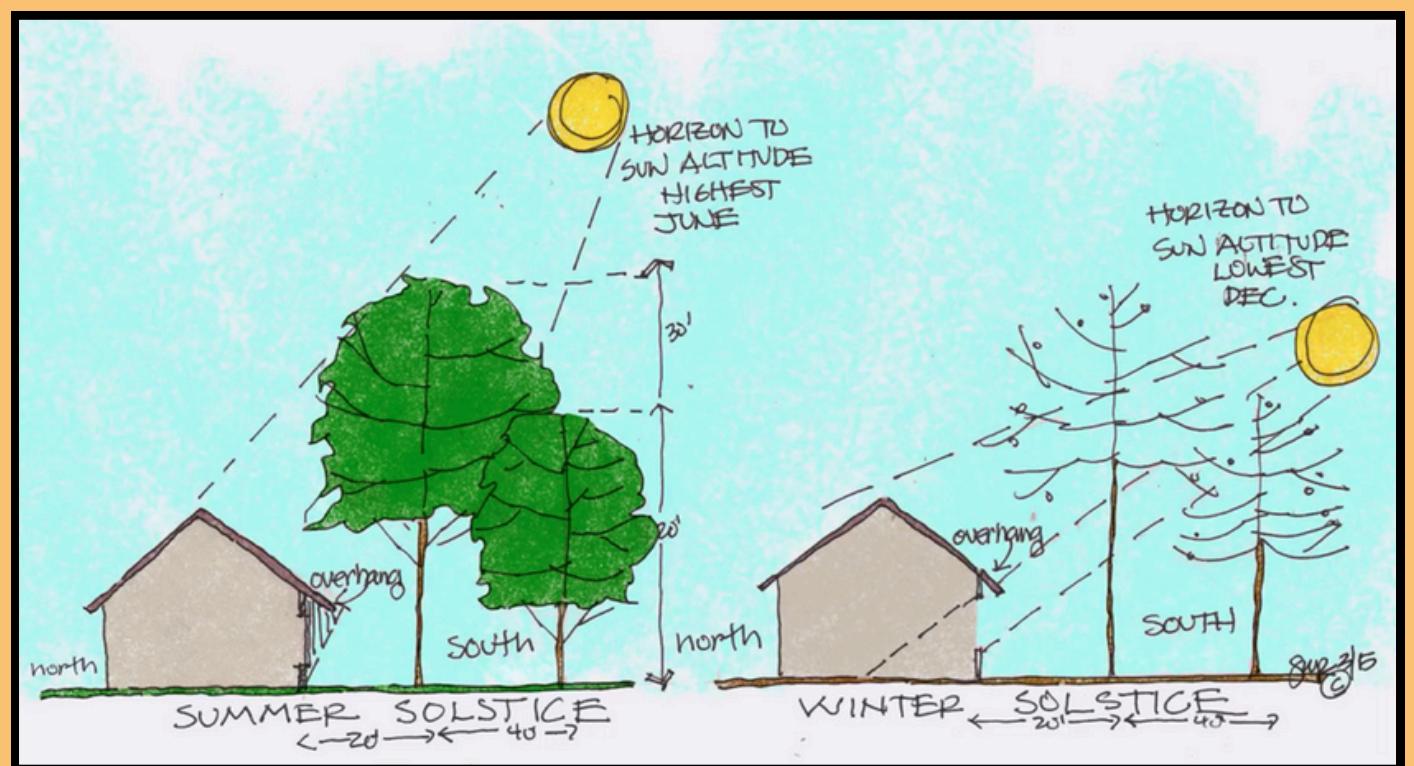
- Sustainable Building Materials: Using recycled materials for pathways, fences and exterior fixtures.
- Low-VOC Paints: applying low-(volatile organic compounds) paints will improve indoor air quality

Solar-Ready Infrastructure

- Pre-Wiring for Solar Panels, decreases future costs of installation

Green Space Enhancements:

- Planting trees in strategic locations to provide shade and reduce cooling costs for buildings
- Permeable Pavement materials for walkways and parking areas enhance stormwater management



FINANCIAL ASSUMPTIONS

SOURCES AND USES

Construction Financing:

1. CDBG (Community Development Block Grant):
 - Federal funding for community development, including site preparation, infrastructure, and construction-related costs.
2. HCD IIG (Infill Infrastructure Grant):
 - State funding for infrastructure improvements needed to support affordable housing, such as roads, utilities, and drainage systems.
3. SLO County HTF (San Luis Obispo Housing Trust Fund):
 - Flexible local financing that can provide short-term loans for construction or pre-development needs.
4. CalHFA (California Housing Finance Agency):
 - Offers short-term loans for construction, often paired with permanent financing options.

Permanent Financing:

1. Senior Debt:
 - Long-term loans secured by the property, typically with fixed rates, to stabilize financing after construction is complete.
2. LLP Equity Contributions:
 - Equity investments from Limited Liability Partnerships (LLPs), used to meet permanent funding requirements and lower debt obligations.
3. HCD MHP (Multifamily Housing Program):
 - Deferred-payment loans with long terms (typically 55 years), designed to ensure long-term affordability and stability for affordable housing projects.
4. SLO County HTF (San Luis Obispo Housing Trust Fund):
 - Can also provide permanent loans to maintain affordability after construction.
5. CalHFA (California Housing Finance Agency):
 - Offers permanent loan options to support the ongoing operation and affordability of housing developments.

SOURCES AND USES

SOURCES DURING CONSTRUCTION - Phase 1

Timing of Funding	Source	Condition to Fund	Amount
Construction			41,000,000
LLP Equity Contributions			6,500,000
CDBG			750,000
HCD IIG			3,000,000
SLO County HTF			500,000
CalHFA			2,000,000
TOTAL SOURCES THROUGH CONSTRUCTION			53,750,000

SOURCES AT COMPLETION THROUGH CONVERSION - PHASE 2

Source	Amount
Permanent Loan	\$8,500,000
Tranche A	
Tranche B (<i>If applicable</i>)	\$0
Total Permanent Senior Debt	\$8,500,000
Other Must Pay Debt	
HCD MHP	16,750,000
CalHFA	4,000,000
Total Must Pay Debt	29,250,000

OTHER SOURCES - COMPLETION THROUGH CONVERSION

Timing	Source	Conditions	Amount
Conversion	LIHTC Equity		21,750,000
Conversion	CDBG		750,000
Conversion	CalHFA		2,000,000
TOTAL SOURCES AFTER COMPLETION THROUGH CONVERSION			53,750,000

FINANCING FEES

5.43	5,119	Const Loan Origination Fee	430,000
0.39	369	Const Title & Recording	31,000
		Construction Loan Inspection	
0.97	917	B of A Lender Legal	77,000
0.32	298	Other Construction Financing Costs	25,000
0.04	36	Perm Loan Origination Fee	3,000
		Perm Conversion Fee	
0.66	625	Perm Lender Commitment Fee	52,500
		Perm Lender Closing Costs	
0.97	917	Perm Title & Recording	77,000
0.19	179	Perm Lender Legal	15,000
		Bond Costs	
1.64	1,548	Upfront LC Fees	130,000
		Annual LC Fee	
		FHA Costs (See separate detail schedule)	
		FHA Escrows (See separate detail schedule)	
		Soft Cost + HTF Interest	
		Other	
		Other	
77.37	72,946	<u>Bank of America Interest Reserve</u>	6,127,500
87.98	82,952	TOTAL FINANCING COSTS	6,968,000

RESIDENTIAL ASSUMPTIONS

"It's Affordable... It's Supposed to be Expensive"

2 Bedroom / 2 Bathroom	
Number of units	72
Square Footage	900
Rent/SF	\$ 2.70
Rent	\$ 2,430.28
Vacancy Rate ¹	2.00%
Total Rent/per Month	\$ 174,979.81
Growth Rate ²	1.50%
Operating Expense as a Fraction of Gross Rent	20%
Years from first paycheck	3
Hard Costs (SF) ³	\$ 450.00
Soft Costs (SF) ³	\$ 190.00
Total Costs (SF)	\$ 640.00

3 Bedroom / 2 Bathroom	
Number of units	12
Square Footage	1200
Rent/SF	\$ 2.89
Rent	\$ 3,465.58
Vacancy Rate ¹	2.00%
Total Rent Per Month	\$ 41,586.99
Growth Rate ²	1.50%
Operating Expense as a Fraction of Gross Rent	20%
Years from first paycheck	3
Hard Costs (SF) ³	\$ 400.00
Soft Costs (SF) ³	\$ 145.00
Total Costs (SF)	\$ 545.00

RESIDENTIAL PROFORMA

	Residential Proforma																
	Year	0	1	2	3	4	5	6	7	8	9	10					
Is the building operational?	No	No	No	Yes	Yes												
Gross Income																	
2 Bedroom / 2 Bathroom	\$0.00	\$0.00	\$0.00	\$2,099,757.66	\$2,131,254.03	\$2,163,222.84	\$2,195,671.18	\$2,228,606.26	\$2,262,035.34	\$2,295,965.87	\$2,330,405.36						
3 Bedroom / 2 Bathroom	\$0.00	\$0.00	\$0.00	\$499,043.93	\$506,529.59	\$514,127.53	\$521,839.44	\$529,567.04	\$537,612.04	\$545,676.22	\$553,861.37						
LIHTC		\$0.00	\$0.00	\$0.00	\$2,175,000.00	\$2,175,000.00	\$2,175,000.00	\$2,175,000.00	\$2,175,000.00	\$2,175,000.00	\$2,175,000.00						
Vacancy																	
2 Bedroom / 2 Bathroom	\$0.00	\$0.00	\$0.00	\$41,966.15	\$42,625.08	\$43,264.46	\$43,913.42	\$44,572.12	\$45,240.71	\$45,919.32	\$46,608.11						
3 Bedroom / 2 Bathroom	\$0.00	\$0.00	\$0.00	\$9,980.88	\$10,130.59	\$10,282.55	\$10,436.79	\$10,593.34	\$10,752.24	\$10,913.52	\$11,077.23						
Effective Gross Income																	
2 Bedroom / 2 Bathroom	\$0.00	\$0.00	\$0.00	\$2,057,762.51	\$2,088,628.95	\$2,119,568.38	\$2,151,757.76	\$2,184,034.12	\$2,216,794.64	\$2,250,046.56	\$2,283,797.25						
3 Bedroom / 2 Bathroom	\$0.00	\$0.00	\$0.00	\$489,063.05	\$496,399.00	\$503,844.98	\$511,402.66	\$519,073.69	\$526,859.80	\$534,762.70	\$542,784.14						
Operating Expenses																	
2 Bedroom / 2 Bathroom	\$0.00	\$0.00	\$0.00	\$5,832.66	\$5,920.15	\$6,008.95	\$6,099.09	\$6,190.57	\$6,283.43	\$6,377.68	\$6,473.35						
3 Bedroom / 2 Bathroom	\$0.00	\$0.00	\$0.00	\$8,317.40	\$8,442.16	\$8,568.79	\$8,697.32	\$8,827.78	\$8,960.20	\$9,094.60	\$9,231.02						
Net Operating Income																	
2 Bedroom / 2 Bathroom	\$0.00	\$0.00	\$0.00	\$2,051,929.85	\$2,082,708.80	\$2,113,949.43	\$2,145,658.67	\$2,177,843.56	\$2,210,511.21	\$2,243,668.87	\$2,277,323.91						
3 Bedroom / 2 Bathroom	\$0.00	\$0.00	\$0.00	\$480,745.65	\$487,966.84	\$495,276.19	\$502,705.33	\$510,245.91	\$517,899.60	\$525,668.09	\$533,553.12						
Total Net Operating Income from Operations																	
	\$0.00	\$0.00	\$0.00	\$4,707,675.50	\$4,745,665.63	\$4,784,225.62	\$4,823,364.00	\$4,863,089.46	\$4,903,410.80	\$4,944,336.97	\$4,985,877.02						
Total Net Operating Income from Reversions																	
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00						
Total Net Income																	
	\$0.00	\$0.00	\$0.00	\$4,707,675.50	\$4,745,665.63	\$4,784,225.62	\$4,823,364.00	\$4,863,089.46	\$4,903,410.80	\$4,944,336.97	\$4,985,877.02						
Development Costs: Hard Costs																	
2 Bedroom / 2 Bathroom	-\$9,720,000.00	-\$9,720,000.00	-\$9,720,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00						
3 Bedroom / 2 Bathroom	-\$1,920,000.00	-\$1,920,000.00	-\$1,920,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00						
Open Space	-\$1,023,606.00	-\$1,023,606.00	-\$1,023,606.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00						
Development Costs: Soft Costs																	
2 Bedroom / 2 Bathroom	-\$4,104,000.00	-\$4,104,000.00	-\$4,104,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00						
3 Bedroom / 2 Bathroom	-\$696,000.00	-\$696,000.00	-\$696,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00						
Open Space	-\$155,410.50	-\$155,410.50	-\$155,410.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00						
Capital Expenditure																	
2 Bedroom / 2 Bathroom	\$0.00	\$0.00	\$0.00	\$12,150.00	\$12,150.00	\$12,150.00	\$12,150.00	\$12,150.00	\$12,150.00	\$12,150.00	\$12,150.00						
3 Bedroom / 2 Bathroom	\$0.00	\$0.00	\$0.00	\$14,400.00	\$14,400.00	\$14,400.00	\$14,400.00	\$14,400.00	\$14,400.00	\$14,400.00	\$14,400.00						
Total Cash Flows From Commercial Space																	
Cash Flows	-\$17,619,016.50	-\$17,619,016.50	-\$17,619,016.50	\$4,681,125.50	\$4,719,115.63	\$4,757,675.62	\$4,796,814.00	\$4,836,539.46	\$4,876,860.80	\$4,917,786.97	\$4,959,327.02						

HOTEL ASSUMPTIONS

Commercial - Hotel	
Total Area (SqFt)	50000
Hard Costs per SqFt ³	\$ 275.00
Soft Costs per SqFt ⁴	\$ 50.00
Total Costs per SqFt	\$ 325.00
Room Rate	\$ 90.00
Gross Monthly Rent	\$ 210,600.00
Expenses as a fraction of the gross rent	20%
Vacancy Rate ¹	35.00%
Years from first pay check	3
Monthly Revenue	\$ 137,300.67
Revenue Growth Rate (year over year) ²	3.60%
Total Rooms	160
Developer share form opperations	75%

HOTEL PROFORMA

	Hotel Proforma											
	Year	0	1	2	3	4	5	6	7	8	9	10
Is the building operational?	No	No	No	Yes	Yes							
Gross Income												
Hotel	\$0.00	\$0.00	\$0.00	\$2,439,382.24	\$2,527,200.00	\$2,618,179.20	\$2,712,433.65	\$2,810,081.26	\$2,911,244.19	\$3,016,048.98	\$3,124,626.74	
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Vacancy												
Hotel	\$0.00	\$0.00	\$0.00	\$853,783.78	\$884,520.00	\$916,362.72	\$949,351.78	\$983,528.44	\$1,018,935.47	\$1,055,617.14	\$1,093,619.36	
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Effective Gross Income												
Hotel	\$0.00	\$0.00	\$0.00	\$1,585,598.46	\$1,642,680.00	\$1,701,816.48	\$1,763,081.87	\$1,826,552.82	\$1,892,308.72	\$1,960,431.84	\$2,031,007.38	
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Operating Expenses												
Hotel	\$0.00	\$0.00	\$0.00	\$487,876.45	\$505,440.00	\$523,635.84	\$542,486.73	\$562,016.25	\$582,248.84	\$603,209.80	\$624,925.35	
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Net Operating Income												
Hotel	\$0.00	\$0.00	\$0.00	\$1,097,722.01	\$1,137,240.00	\$1,178,180.64	\$1,220,595.14	\$1,264,536.57	\$1,310,059.88	\$1,357,222.04	\$1,406,082.03	
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Total Net Operating Income from Operations												
Total NOI from Operations	\$0.00	\$0.00	\$0.00	\$1,097,722.01	\$1,137,240.00	\$1,178,180.64	\$1,220,595.14	\$1,264,536.57	\$1,310,059.88	\$1,357,222.04	\$1,406,082.03	
Total Net Operating Income from Reversions												
Total NOI from Reversions	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Total Net Income												
Total NOI	\$0.00	\$0.00	\$0.00	\$1,097,722.01	\$1,137,240.00	\$1,178,180.64	\$1,220,595.14	\$1,264,536.57	\$1,310,059.88	\$1,357,222.04	\$1,406,082.03	
Development Costs: Hard Costs												
Hotel	-\$4,583,333.33	-\$4,583,333.33	-\$4,583,333.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Development Costs: Soft Costs												
Hotel	-\$833,333.33	-\$833,333.33	-\$833,333.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Capital Expenditure												
Hotel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Total Cash Flows From Commercial Space												
Cash Flows	-\$5,416,666.67	-\$5,416,666.67	-\$5,416,666.67	\$1,097,722.01	\$1,137,240.00	\$1,178,180.64	\$1,220,595.14	\$1,264,536.57	\$1,310,059.88	\$1,357,222.04	\$1,406,082.03	

LIHTC CALCULATIONS

FEDERAL LOW INCOME HOUSING TAX CREDITS		
Tax Credit Type	9.00%	
Threshold Basis Limit (221(d)(3))		47,034,624
1> Payment of Prevailing Wages (20%)	20%	9,406,925
2> Parking under residential units (10%)		0
3> Day Care part of development (2%)		0
4> Seismic upgrades	15%	7,055,194
5> Development Impact Fees	10%	4,703,462
6> 95% of upper units serviced by elevator (10%)		0
Adjusted Threshold Basis Limit		68,200,205
Total Eligible Basis	Sources/Uses	47,645,000
Less: Grant Proceeds		
BMIR Financing		
Voluntarily Excluded		
Requested Unadjusted Basis		47,645,000
Lower of Adjusted or Requested		47,645,000
Less: Voluntarily Reduced for points		0
Requested Basis		47,645,000

2024	Basis Limits		
Studio	-	0	-
1 Bdr	-	0	-
2 Bdr	538,400	72	38,764,800
3 Bdr	689,152	12	8,269,824
4 Bdr	-	0	-
		84	47,034,624

High Cost Area Adjustment / Basis Boost	Yes	130%
		61,938,500
Applicable Fraction		100%
Total Qualified Basis		61,938,500
Tax Credit Percentage / Applicable Percentage		9.00%
Calculated Annual Tax Credit / Credit Allocation		2,500,000
10 Year Credits		25,000,000
LP Percentage		99.99%
Total Tax Credits to LP		24,997,500
Assumed Sales Price / Credit		\$0.8700
Total LIHTC Equity Proceeds		\$21,750,000

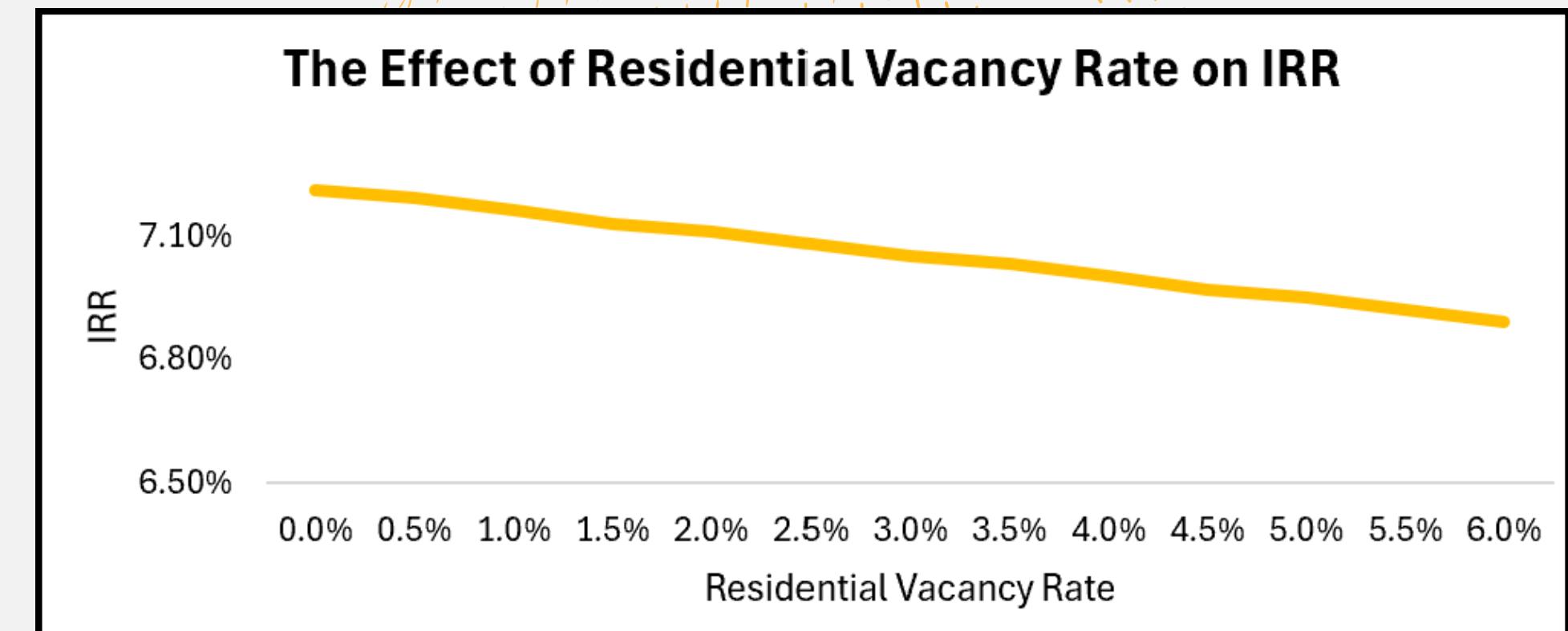
KEY METRICS

Key Metrics			
	Residential	Hotel	Combined
Internal Rate of Return (IRR)	7.65%	9.74%	7.86%
Cash-on-Cash Return	9.30%	8.35%	8.44%
NPV	\$26,493,502.64	\$17,079,081.41	\$53,981,017.28
Total Cost Per Unit/Room	\$629,250.59	\$101,562.50	\$785,307.38
Total Cost Per Square Foot	\$667.39	\$325.00	\$534.88
Total Development Costs	\$52,857,049.50	\$16,250,000.00	\$74,354,550.50

SENSITIVITY ANALYSIS

SENSITIVITY ANALYSIS

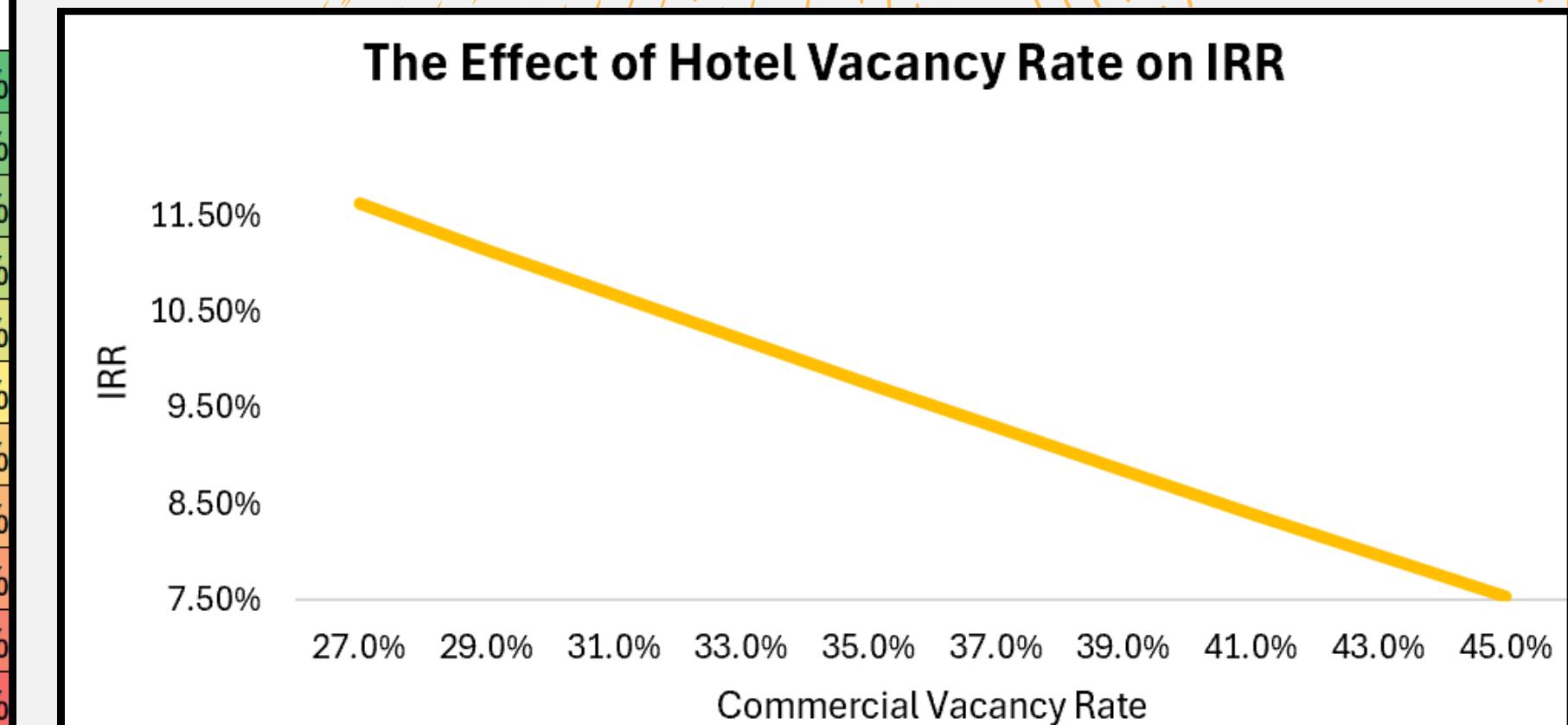
Change in Residential Vacancy Rate vs. Internal Rate of Return	
Residential Vacancy Rate	IRR
0.0%	7.21%
0.5%	7.19%
1.0%	7.16%
1.5%	7.13%
2.0%	7.11%
2.5%	7.08%
3.0%	7.05%
3.5%	7.03%
4.0%	7.00%
4.5%	6.97%
5.0%	6.95%
5.5%	6.92%
6.0%	6.89%



Residential vacancy rate has a significant impact on IRR; affordable housing typically experiences low vacancy rates due to high demand, and this advantage will be further leveraged by optimizing leasing strategies, offering competitive pricing, and implementing tenant retention programs to ensure consistent occupancy and mitigate financial risks.

SENSITIVITY ANALYSIS

Change in Hotel Vacancy Rate vs. Internal Rate of Return	
Hotel Vacancy Rate	IRR
25.0%	12.11%
27.0%	11.62%
29.0%	11.14%
31.0%	10.67%
33.0%	10.20%
35.0%	9.74%
37.0%	9.29%
39.0%	8.85%
41.0%	8.40%
43.0%	7.96%
45.0%	7.53%

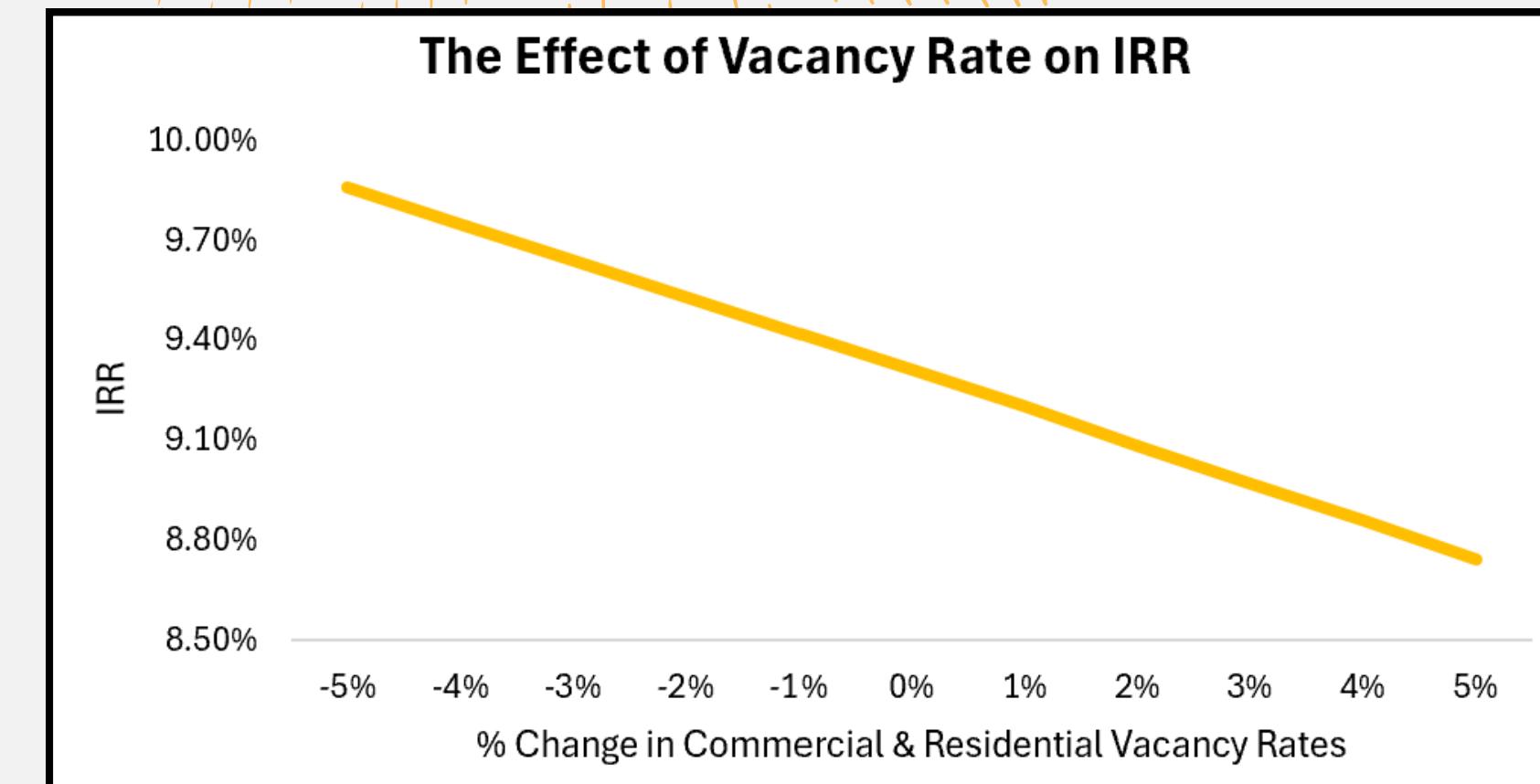


Hotel vacancy rate has a noticeable impact on IRR; to mitigate this, we will focus on securing long-term leases with stable tenants, competitive leasing strategies, and maintaining desirable commercial spaces to ensure high occupancy.

SENSITIVITY ANALYSIS

Change in Both Commercial and Residential Vacancy Rates vs. Internal Rate of Return			
Hotel Vacancy Rate	Residential Vacancy Rate	% Change	IRR
29.00%	-3.00%	-5%	9.86%
30.00%	-2.00%	-4%	9.75%
31.00%	-1.00%	-3%	9.64%
32.00%	0.00%	-2%	9.53%
34.00%	1.00%	-1%	9.42%
35.00%	2.00%	0%	9.31%
36.00%	3.00%	1%	9.20%
37.00%	4.00%	2%	9.08%
38.00%	5.00%	3%	8.97%
39.00%	6.00%	4%	8.86%
40.00%	7.00%	5%	8.74%

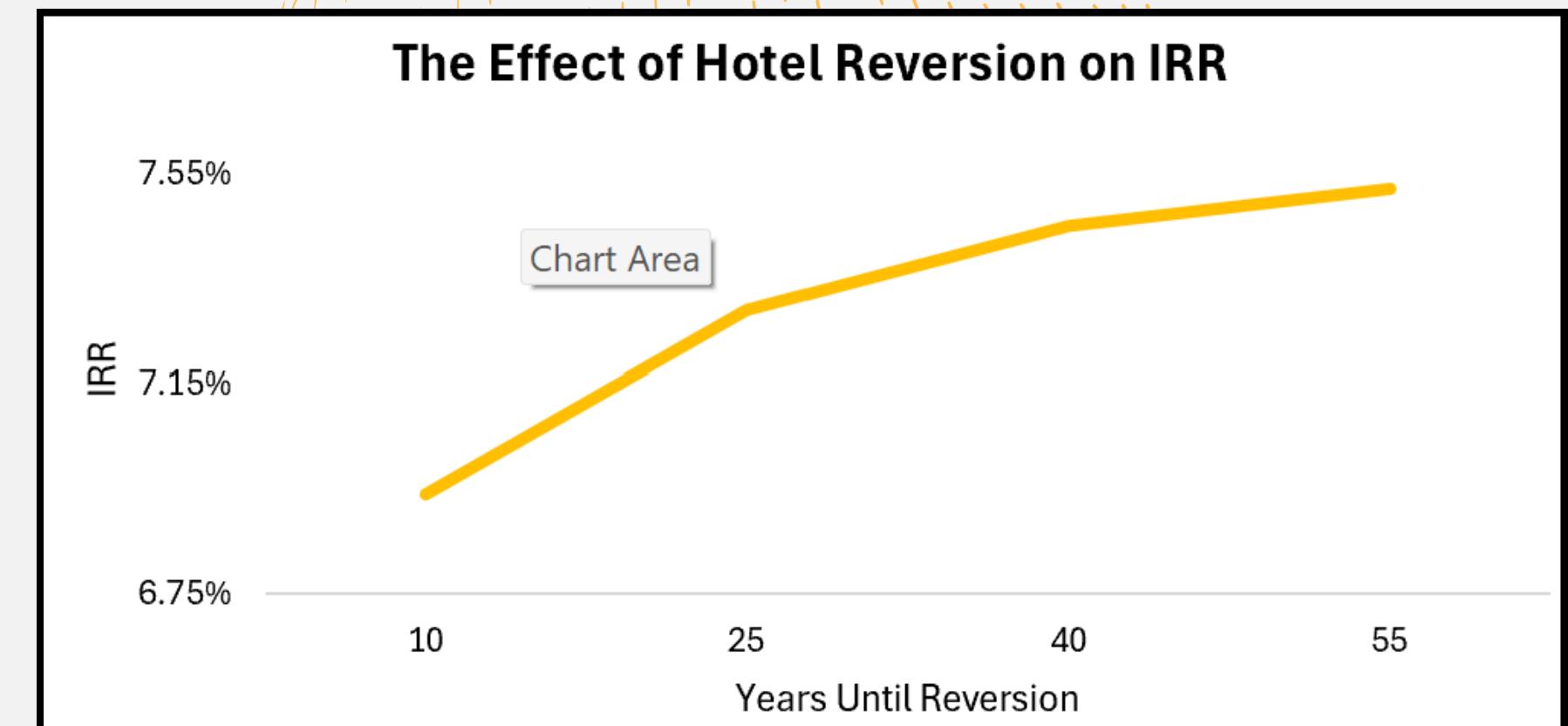
Combined increases in both commercial and residential vacancy rates show a slight impact on IRR. To mitigate this change, we will prioritize optimizing tenant retention strategies, ensure competitive lease rates for both segments, and focus on pre-leasing efforts during the development phase to minimize exposure to vacancy risk.



SENSITIVITY ANALYSIS

Years Until Reversion vs. Internal Rate of Return	
Years Until Hotel Reversion	IRR
10	6.94%
25	7.29%
40	7.45%
55	7.52%

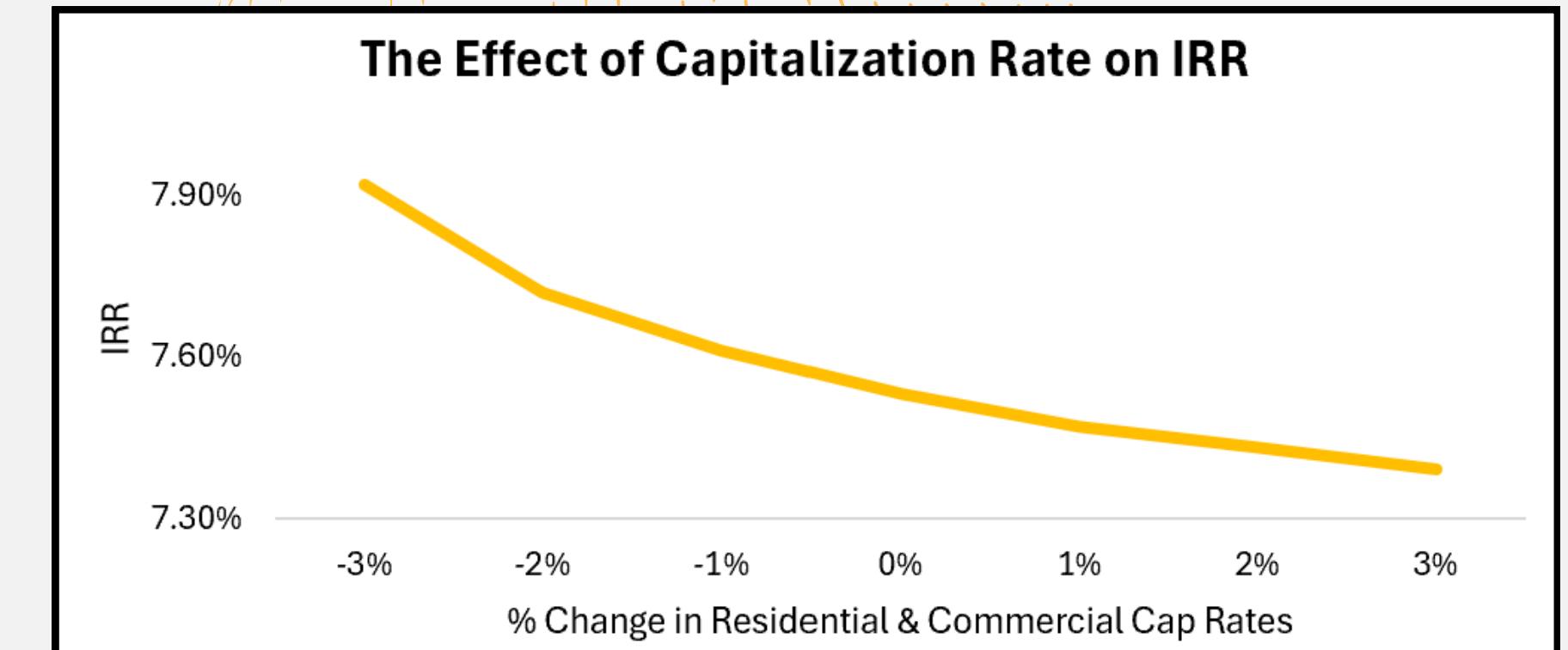
Delaying the reversion of the hotel reduces IRR, as extended holding periods diminish the time value of money. Since the affordable residential units are locked in as affordable for 55 years, the reversion timeline for the hotel must be carefully aligned with market conditions and project performance to maximize the value at sale while balancing long-term affordability commitments.



SENSITIVITY ANALYSIS

% Change in Capitalization Rate vs. Internal Rate of Return			
Commercial Cap Rate	Residential Cap Rate	% Change	IRR
3.00%	2.00%	-3%	7.92%
4.00%	3.00%	-2%	7.72%
5.00%	4.00%	-1%	7.61%
6.00%	5.00%	0%	7.53%
7.00%	6.00%	1%	7.47%
8.00%	7.00%	2%	7.43%
9.00%	8.00%	3%	7.39%

Capitalization rates slightly impact IRR, with higher cap rates reducing terminal value and overall returns. To mitigate risk, we will focus on maintaining strong property performance, aligning with market trends, and optimizing NOI to ensure competitive valuations at exit.



THANK YOU!



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