

TO: James App, City Manager

FROM: Robert A. Lata, Community Development Director

SUBJECT: Supplemental Low and Moderate Income Housing Funds for Oak Park Senior Housing

DATE: December 6, 2005

NEEDS: For the Redevelopment Agency to consider a request from the Paso Robles Nonprofit Housing Corp. (PRNPHC) for additional monies from the Low and Moderate Income Housing (LMIH) Funds to assist in the development of Oak Park Senior Housing.

FACTS:

1. Oak Park Senior Housing is a 40 unit low income senior apartment complex proposed to be built at 801 - 28th Street (northeast corner of 28th and Park Streets). Residency in this project will be limited to senior households whose income is 50 percent or less of the County Median Income.
2. To date, the Redevelopment Agency has approved a total assistance package in the amount of \$545,000 for this project, or \$13,625 per unit. \$25,000 was granted in 2001 for predevelopment environmental studies and preliminary architectural plans; \$520,000 was approved in 2003 for offsetting City building permit and development fees.
3. A development plan for this project (PD 02-018) was approved by the Planning Commission on April 23, 2003.
4. In a letter dated November 8, 2005, (copy attached), PRNPHC requests that the Redevelopment Agency provide \$1.2 million in additional LMIH funds to this project (an additional \$30,000 per unit; if granted, total local LMIH subsidy will reach \$43,625 per unit)_to offset a funding gap of the same amount.
5. Attached is a discussion that includes an explanation of the nature of and reasons for the request and status of the project
6. A summary of the status of the LMIH Fund, including projections of fund balances for the next 10 years is attached.
7. The Project Area Committee (PAC) is scheduled to review this request at a meeting to be held on November 30, 2005. The PAC's recommendation will be verbally reported to the Council at its meeting of December 6.

ANALYSIS AND

CONCLUSION: The attached discussion summarizes policy considerations for use of Low and Moderate Income Housing (LMIH) Funds, and addresses the issues of request propriety, and availability of alternative funds (especially private financing sources inasmuch as they represent a comparatively modest portion of the overall financing of this project).

The requested LMIH funds are not immediately available, but the commitment of funds would be used to guarantee payment of a 10 year deferred-payment loan in the same amount (\$1.2 million) that the Nonprofit has applied for from the California Housing Finance Agency.

The request would increase the total amount of LMIH funds for this project from \$545,000 to \$1.745 million (\$43,625 per unit) and would consume 21% of the estimated amount of deposits into the LMIH Fund over the next 10 years.

In its consideration of the request, it is suggested that the Agency address such issues as:

1. Should 21% of expected LMIH revenues over the next 10 years be committed for senior housing, given other critical housing needs (e.g. assisting housing for working families)?
2. Is the requested amount of LMIH assistance per unit acceptable given the Agency's funding (a) capacity and (b) per unit for other low income projects completed or currently under construction?
3. Should a time limit be set for commencement and completion of construction (e.g. within one/two years), which if not met would de-obligate the funds?

Should the Agency wish to approve PRNPHC's request, the following items need to be addressed:

- The original Participation Agreement for the project will need to be amended with an Implementation Agreement. The City Attorney has indicated that the Agency could adopt a resolution approving the grants, subject to execution of an Implementation Agreement at a later date, and provide that the Agency's Secretary (City Manager) be authorized to execute the agreement without further Agency action.
- The Implementation Agreement will need to provide that the form of assistance for both the \$520,000 previously awarded as well as the requested \$1.2 million will be a loan that would be forgiven at the end of the 55 year affordability period. This change is necessary to exempt the project from the requirement to pay prevailing wages.
- The Implementation Agreement will need to provide that the PRNPHC indemnify the Agency against any claims that could arise if a court or law subsequently ruled that the project was subject to payment of prevailing wages.
- Within the Implementation Agreement, the Agency may wish to consider amending the Participation Agreement's Schedule of Performance to set a time limit for commencing and completing construction, which if not met, would cause the funds to become de-obligated and available for other affordable housing priorities.

Attached is a resolution that would approve the PRNPHC's request subject to the above terms and conditions.

REFERENCE: California Redevelopment Law; 2004 Redevelopment Implementation Plan; Housing Element

FISCAL

IMPACT: A Redevelopment Agency finances presentation given to the Council at their November 15, 2005 regular meeting that indicated nearly all LMIH funds are committed through June 30, 2006. However, given the nature of the request by PRNPHC, this would not pose an obstacle (except

that the Agency would have far fewer LMIH funds for assisting future workforce housing). The California Housing Finance Agency loan for \$1.2 million granted to PRNPHC does not have annual debt service payments. The loan is structured with a 10 year balloon payment at the end. Thus, the Agency could set aside future LMIH revenues until such time as the Agency has accumulated sufficient funds to retire the principal and accumulated interest on PRNPHC's behalf. PRNPHC would then be contractually committed to repay the Agency if they did not perform as required. Otherwise, the debt becomes a grant without any repayment requirement.

OPTIONS: After consideration of all public testimony, that the Redevelopment Agency and City Council consider the following options:

A. Indicate Agency Housing Funding Priorities for the Next Ten Years by Either:

1. Approving Paso Robles Nonprofit Housing Corp.'s request by adopting Resolution No. RA 05-xx approving a loan of Redevelopment Low and Moderate Income Housing (LMIH) funds to Paso Robles Nonprofit Housing Corp. to assist the development of Oak Park Senior Housing, subject to the terms and conditions set forth below, and subject to execution of an Implementation Agreement amending the Participation Agreement dated January 7, 2003.
 - (1) The total amount of assistance shall be increased from \$520,000 (as approved by Resolution No. RA 03-02) to \$1,752,000.
 - (2) The form of assistance for the full \$1,752,000 shall be in the form of a loan at zero percent interest with all payments deferred for 55 years (the period of the affordability covenant for this project) at which time the principal shall be forgiven, as long as the project has continually operated in conformance with the Affordability Covenant executed pursuant to the Participation Agreement.
 - (3) The purpose of the loan of LMIH funds is to underwrite/guarantee payment of deferred-payment debt financing to be secured by the Paso Robles Nonprofit Housing Corp. from a source such as the California Housing Finance Agency. The loan principal shall be disbursed in 10 years and may be disbursed earlier, as LMIH funds become available, in order that the debt financing may be pre-paid to reduce the amount of any interest due.
 - (4) The Paso Robles Nonprofit Housing Corp shall indemnify the Agency against any claims that could arise if a court of law subsequently ruled that the project was subject to payment of prevailing wages.
 - (5) The Implementation Agreement shall amend the Participation Agreement's Schedule of Performance to provide that construction shall be commenced within one year of the date of the resolution and provide that failure to meet the deadline would cause the LMIH funds to become de-obligated and made available for other affordable housing priorities.
 - (6) The Agency Secretary/City Manager shall be authorized to execute the Implementation Agreement on behalf of the Agency within the above conditions and allowing for minor adjustments to the amounts of LMIH funds stated to account for refinements in the estimates of funds available.

2. Deny the Supplemental Funding Request to Preserve Agency Financing Capacity for Future Affordable Multi-Family Housing Projects.
- b. Amend, modify, or reject the above option.

Prepared By:

Ed Gallagher
Housing Programs Manager

ATTACHMENTS:

1. Resolution RA 05-XX
2. Letter from Paso Robles Nonprofit Housing Corp. dated November 8, 2005
3. Discussion of Additional LMIH Assistance for Oak Park Senior Housing
4. LMIH Fund Status

PASO ROBLES NONPROFIT HOUSING CORPORATION

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Paso Robles, California 93447

President

Mr. Chet Dotter

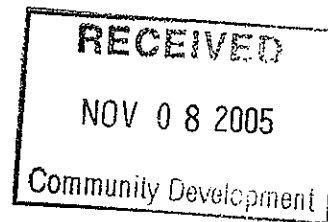
Members

Mr. Ray Hampson

Mr. Tom Baron

Mr. Dick Willhoit

Mr. John McCarthy



November 8, 2005

Redevelopment Agency of the City of Paso Robles
Att: Mr. Ed Gallagher, Housing Programs Manager
1000 Spring St.
Paso Robles, CA 93446

Dear Member of the Redevelopment Agency,

At the Paso Robles Nonprofit Housing Corporation Board Meeting on November 1, 2005, a motion was made and accepted to request \$1.2 million dollars from the Paso Robles Redevelopment Agency. The Nonprofit Housing Corporation has been working diligently for several years to develop a 40 unit Senior Complex at 801-28th St. in Paso Robles. Grants and loans totaling \$4,992,600 have been obtained, however, due to spiraling construction costs, the estimated cost of the project is \$6,164,300, which leaves a funding gap of \$1.2 million.

To meet the funding gap, the Paso Robles Housing Authority has requested that Cal HFA provide a HELP loan in the principal amount of \$1.2 million over a ten year period. This request is being made subject to the condition that the Paso Robles Redevelopment Agency approve the reservation of an additional \$1.2 million in future Low and Moderate Income Housing Funds to provide repayment of the HELP Loan.

The goal of the Paso Robles Nonprofit Housing Corporations is to provide quality housing for low-income Seniors in our community. Thank you for your consideration.

Sincerely yours,

A handwritten signature in cursive script that reads "Gene Bergman".

Gene Bergman
Interim Manager

RESOLUTION NO. RA 05-

RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF PASO ROBLES
APPROVING ADDITIONAL LOW AND MODERATE INCOME HOUSING FUNDS TO
ASSIST THE DEVELOPMENT OF OAK PARK SENIOR HOUSING

WHEREAS, Action Item 1 supporting Policy H-1B of the Housing Element calls for the City to “Work with developers to create an inventory of 485 new dwelling units by June 30, 2009 which will be affordable to very low and low income households”; and

WHEREAS, the first priority for use of Redevelopment Low and Moderate Income Housing (“LMIH”) funds as stated in the 2004 Redevelopment Implementation Plan calls for the Redevelopment Agency (“Agency”) to “Promote the development of rental units throughout the City, but particularly in the Redevelopment Project Area, the mixed use and senior housing overlays...” and provides that “Towards this effort, the Agency may enter into participation agreements with housing developers to provide LMIH funds as grants or loans for such expenses as land acquisition, payment of City fees, construction of off-site improvements, and/or housing construction costs”;

WHEREAS, pursuant to a Participation Agreement dated January 7, 2003, the Agency has provided financial assistance in the amount of \$520,000 from the LMIH Fund to Paso Robles Nonprofit Housing Corp. (“PRNPHC”) to assist the development of a 40 unit apartment development for low income seniors to be located at 801 – 28th Street Road known as Oak Park Senior Housing (the “Project”); and

WHEREAS, in a letter dated November 8, 2005, attached hereto as Exhibit “A”, PSHHC submitted a request that the Agency provide additional \$1.2 million in LMIH funds to this project to help offset cost increases and to secure a ten year, deferred-payment loan from the California Housing Finance Agency; and

WHEREAS, it is estimated that the amount of LMIH funds to be available in the period defined as Fiscal Years 2006/2007 through 2015/2016 for assisting housing projects will be about \$5.6 million; and

WHEREAS, on November 30, 2005, the Redevelopment Project Area Committee (PAC) reviewed PSHHC’s request and recommended that its approval by the Agency,

NOW, THEREFORE, BE IT FOUND by the Paso Robles Redevelopment Agency that the requested additional financial assistance is consistent with the policies and priorities set forth in the Housing Element and in the Redevelopment Implementation Plan;

NOW, THEREFORE, BE IT RESOLVED BY THE PASO ROBLES REDEVELOPMENT AGENCY to approve PRNPHC’s request in the following form and subject to the terms and conditions set forth below, and subject to execution of an Implementation Agreement amending the Participation Agreement dated January 7, 2003.

1. The total amount of assistance shall be increased from \$520,000 (as approved by Resolution No. RA 03-02) to \$1,752,000.
2. The form of assistance for the full \$1,752,000 shall be in the form of a loan at zero percent interest with all payments deferred for 55 years (the period of the affordability covenant for this project) at which time the principal shall be forgiven, as long as the project has continually operated in conformance with the Affordability Covenant executed pursuant to the Participation Agreement.

3. The purpose of the loan of LMIH funds is to underwrite/guarantee payment of deferred-payment debt financing to be secured by the Paso Robles Nonprofit Housing Corp. from a source such as the California Housing Finance Agency. The loan principal shall be disbursed in 10 years and may be disbursed earlier, as LMIH funds become available, in order that the debt financing may be pre-paid to reduce the amount of any interest due.
4. The Paso Robles Nonprofit Housing Corp shall indemnify the Agency against any claims that could arise if a court of law subsequently ruled that the project was subject to payment of prevailing wages.
5. The Implementation Agreement shall amend the Participation Agreement's Schedule of Performance (Exhibit D) to provide that construction shall be commenced within one year of the date of the resolution and completed within three years and provide that failure to meet the deadline would cause the LMIH funds to become de-obligated and made available for other affordable housing priorities.
6. The Agency Secretary/City Manager shall be authorized to execute the Implementation Agreement on behalf of the Agency within the above conditions and allowing for minor adjustments to the amounts of LMIH funds stated to account for refinements in the estimates of funds available.

PASSED AND ADOPTED by the Redevelopment Agency of the City of Paso Robles this 6th day of December 2005 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Gary A. Nemeth, Chairman

ATTEST:

James L. App, Agency Secretary

Discussion of Additional LMIH Assistance for Oak Park Senior Housing

Request

The Paso Robles Nonprofit Housing Corp. (Nonprofit) has submitted a request that the Redevelopment Agency (Agency) provide an additional \$1.2 million in Low and Moderate Income Housing (LMIH) Funds to assist the proposed 40 units Oak Park Senior Housing project.

As of November 1, 2005, the estimated cost of the project is as follows:

Architecture, Engineering, Environmental Studies	\$ 169,000
Soft Costs (as listed in the AHP Application)	\$ 283,000
City Development Impact and Building Permit Fees	\$ 827,300
Construction costs (on-site).....	\$4,275,000
Construction contingency (10%).....	\$ 430,000
<u>Construction costs (off-site)</u>	<u>\$ 180,000</u>
Total	\$6,164,300

As of November 1, 2005, the approved financing includes the following:

Private Loan from Coast National Bank	\$2,500,000
Redevelopment Low and Moderate Income Housing Funds	\$ 545,000
Workforce Housing Grant (for off-sites) *	\$ 180,000
Economic Development Initiative Funds **	\$ 498,900
Affordable Housing Program (AHP) Funds ***	\$ 568,700
<u>HOME funds</u>	<u>\$ 700,000</u>
Total	\$4,992,600

- * a portion of the City of Paso Robles' 2004 Workforce Housing Grant from the State Dept of Housing and Community Development
- ** from the US Department of Housing and Urban Development
- *** from the Federal Home Loan Bank (San Francisco)

The funding gap, therefore, is \$1.17 million.

At the end of the current, fiscal year, it is estimated that the LMIH fund will have an uncommitted balance of about \$60,000. The Nonprofit has filed an application with the California Housing Finance Agency (CalHFA) for a HELP Loan in the principal amount of \$1.2 million. Payments on HELP Loans may be deferred for 10 years and have a 3% simple interest rate. (The SLO Nonprofit Housing Corp. has used HELP loans for their projects.)

The rents at the project must be capped below market rates to be affordable. The net operating income after deducting payment of debt service, operating expenses, and assuming a vacancy factor, is insufficient to support further debt. Therefore, the HELP Loan must be underwritten with an equivalent amount of additional funds.

Status of Project

The project was bid last June, and the lowest bid came in at \$5.7 million. The Nonprofit elected to negotiate with the lowest bidder, Carroll Builders of SLO (who recently completed Peoples' Self-Help Housing Corp.'s Creekside Gardens senior housing project at 400 Oak Hill Road). To reduce costs, the plans were revised to substitute wood framing for steel framing and to make

Discussion of Additional LMIH Assistance for Oak Park Senior Housing

some other minor adjustments. Additionally, since June, it was learned that the project is not subject to Federal Prevailing Wages and, subject to minor reconfiguration of the terms of LMIH and EDI financing, should not be subject to state prevailing wages.

The project is presently in plan check and the Nonprofit hopes to obtain a building permit in December.

The \$6.16 million cost estimate assumes that prevailing wages will not be required. To assure this, the Nonprofit needs to forego a \$220,000 waiver of City fee increases that was approved by the City Council in October 2004. Additionally, the agreements governing the LMIH and EDI funds need to be revised to provide that the form of assistance will be loans that will be forgiven at the end of the affordability period (in 55 years). Grants of government funds will subject the project to prevailing wages. (The \$180,000 in Workforce Housing Funds will be used for off-site improvements to be installed at prevailing wages under a separate contract from the construction of the apartment building and on-site improvements.)

The City Attorney has advised that the Nonprofit: (1) obtain a letter from the State Department of Industrial Relations concurring that the project is exempt from prevailing wages; and (2) indemnify the City for any claims against its LMIH fund that could arise if the project was later successfully challenged on the prevailing wage issue.

Policy Considerations for uses of LMIH Funds

Housing Element: The Housing Element calls for the City to “facilitate the development of a range of housing types, densities, and affordability levels to meet the diverse needs of the community, maintaining a balanced supply of ownership and rental units”. (Goal H-1)

Policies and action items supporting this goal include mention

- working in cooperation with Cuesta College to encourage the provision of housing for Cuesta College students.
- In meeting the diverse needs, recognizing such factors as income, age, family size, and mobility.

Redevelopment Implementation Plan: This plan sets providing assistance to new multi-family housing as the highest of 4 priorities for use of LMIH funds between 2005 and 2010. Provision of assistance to first-time homebuyers is second priority; preservation of existing subsidized housing is third priority; and rehabilitation of the existing housing stock is fourth priority. The text of the first priority is as follows:

1. New Multi-Family Housing: Promote the development of rental units throughout the City, but particularly in the Redevelopment Project Area, the mixed use and senior housing overlays, the Chandler Ranch, Olsen and Beechwood Annexation areas, and in areas with easy access (e.g. via public transportation) to Cuesta College.

Discussion of Additional LMIH Assistance for Oak Park Senior Housing

Economic Strategy: The 1999 Economic Strategy, which is in process of being updated, provided the following recommendations:

- Provide incentives to create sufficient rental housing production needed to meet anticipated demand of ground in the agriculture industry, manufacturing, tourism, and Cuesta College. (Objective A)
- Promote revitalization of the North Spring Street corridor (24th – 26th Streets). (Objective B)

State Law: California Health and Safety Code Section 33334.4(b) limits the amount of LMIH funds for assisting senior housing to a percentage equal to the ratio of low income senior households to all low income households, as recorded in the most recent US Census. In Paso Robles, this ratio is 34%.

The chart below shows the history of use of LMIH funds since formation of the Redevelopment Project Area in 1987. The Agency has assisted two senior housing projects: Creekside Gardens and Oak Park Senior Housing with a total of \$1.18 million, which represents 57% of the \$2.06 million LMIH funds used to date.

Activity	Year	Amount
Housing Rehabilitation Loans (supplement CDBG Funds)	88-91	49,300
Los Robles Terrace (City fees)	91	119,730
George Stephan Center	94	73,800
Disaster Assistance Loan (1995 floods)	95	10,000
Habitat for Humanity (City fees)	98	30,000
First-Time Homebuyers Loans	00	25,000
Canyon Creek Apartments (land purchase)	01	300,000
CalHome FTHB Loan Processing fees	02-03	3,600
Creekside Gardens (land and construction)	01-02	635,000
Oak Park Senior Housing (predevelopment costs and City fees)	02	545,000
Canyon Creek Apartments (construction)	05	259,000
Canyon Creek Apartments (payment in lieu of taxes)	05	9,000
Total		2,059,430

The nonprofit's current request would be calculated over a 10 year period, as the HELP loan would not need to be paid until the end of 10 years. During the next 10 fiscal years, it is estimated that about \$5.0 million will be the net amount added to the LMIH fund. The 34% target mentioned above would be reached in about 4.5 years.

The only other active commitment within the \$5.0 million in future LMIH funds is \$120,000, spread over the next 5 fiscal years, to offset the payment in lieu of taxes obligation for Canyon Creek Apartments. If the Nonprofit's request for an additional \$1.2 million was approved, about \$4.3 million would be available for other projects. Additionally, within the next 10 years, if the Nonprofit's request was approved, and no other senior housing project was assisted, the amount of assistance to senior projects would represent 30% of LMIH funds accumulated since 1987.

Discussion of Additional LMIH Assistance for Oak Park Senior Housing

Presently, no other formal request for LMIH funds have been submitted to the Agency. City staff, however, has commenced discussions with Cuesta College staff to explore opportunities to develop housing for their staff and students.

It appears that the Nonprofits' request is consistent with adopted policy regarding assisting rental housing for low income persons and seniors; additionally, it represents an improvement to the area north of 24th Street.

On the other hand, within the next 10 years, the request does compete with other yet-to-be formalized projects that would provide affordable housing for other segments of the community (e.g. Cuesta College staff and students, low income families).

Appropriateness of Request

Attached is a Comparison of LMIH-Funded Rental Housing Projects: the project, Creekside Gardens Senior Housing, Canyon Creek Apartments, and an LMIH-subsidized apartment project in Carlsbad, CA. This summary shows the amounts and percentages of all sources of funding, as well as the per unit costs

The Nonprofit's request would raise the amount of LMIH funds for this project from \$545,000 to \$1,745,000, or 28% of the project cost. LMIH funds used for the Creekside Gardens and Canyon Creek projects amounted to 14% and 4%, respectively of those project's costs. On the other hand, Creekside Gardens and Canyon Creek projects had primary funding sources that provided 60-65% project funding with below market rate interest, whereas the \$2.5 million private loan for Oak Park Senior Housing represents only 40% of the project cost, and it is at market rate interest.

The Agency does not have any adopted guidelines or standards for determining the amount of percentage of LMIH funds to be used on a per-project or per-unit basis. The California Redevelopment Association's *Affordable Housing Handbook* does not suggest any, either. The *Handbook* and the conventional wisdom propounded by affordable housing developers stress the principle that low income housing needs several layers of subsidy to make it financially feasible. This appears to be evident from the financing packages for the other projects shown on the attached comparison.

Alternative Sources of funds

The Nonprofit has applied to the County for an additional allotment of \$850,000 in 2006 HOME funds. The County expects to have \$1.4 million in HOME funds in 2006. It should be noted, however, that the applications for those funds greatly exceed \$1.4 million. Additionally, the HOME funds will not be approved until April 2006 and will not be available until September or October 2006. On the other hand, an additional allotment of HOME fund could be used to repay a HELP Loan and reduce the Agency's contribution.

The Nonprofit and City staff are also investigating an allotment of tax-exempt housing bond funds, which would be a type of loan to be used in lieu of a HELP loan. However, LMIH funds (or HOME funds) would be needed to underwrite the loan.

Comparison of LMIH-Funded Rental Housing Projects

Creekside Gardens (29 units - 2005)

Financing Source	Type	Amount	%	Per Unit	Notes
HUD Section 202	Loan	2,873,500	65%	99,086	
LMIH Funds	Grant	635,000	14%	21,897	
HOME Funds	Loan	750,000	17%	25,862	Forgivable
Fed Home Loan Bank-AHP	Loan	174,000	4%	6,000	
WAMU Grant	Grant	10,000	0%	345	
Total		4,442,500		153,190	

Canyon Creek (68 units - 2005)

Financing Source	Type	Amount	%	Per Unit	Notes
Tax Credits	Equity	10,101,500	60%	148,551	
LMIH Funds	Loan	300,000	2%	4,412	55 years
LMIH Funds	Grant	259,000	2%	3,809	
HOME Funds	Loan	550,000	3%	8,088	Forgivable; 30 years
Rural Communities	Loan	1,500,000	9%	22,059	
HCD MHP Program	Loan	1,000,000	6%	14,706	
USDA Rural Assistance	Loan	400,000	2%	5,882	
Fed Home Loan Bank-AHP	Loan	400,000	2%	5,882	
Private Bank Loan	Loan	1,518,800	9%	22,335	
PSH Deferred Developer Fee		347,600	2%	5,112	
PSH Equity		339,900	2%	4,999	
Total		16,716,800		245,835	

Oak Park Senior Housing (40 units - 2006)

Financing Source	Type	Amount	%	Per Unit	Notes
Coast National Bank	Loan	2,500,000	40%	62,500	30 years; 6.5%
Fed Home Loan Bank-AHP	Loan	568,700	9%	14,218	Forgivable; 30 years
HUD EDI Funds	Loan	498,900	8%	12,473	terms to be established
LMIH Funds	Loan	1,720,000	28%	43,000	55 years
LMIH Funds	Grant	25,000	0%	625	Environmental, Architecture
HOME Funds	Loan	700,000	11%	17,500	Forgivable; 30 years
Workforce Housing Funds	Loan	180,000	3%	4,500	terms to be established
Total		6,192,600		154,815	

City of Carlsbad's Villa Loma Apartments (344 units - 1996)

Financing Source	Type	Amount	%	Per Unit	Notes
Private Loan/Bonds	Loan	8,432,000	25%	24,512	30 years; 6.5%
Tax Credits	Loan	18,495,000	55%	53,765	
Fed Home Loan Bank-AHP	Loan	1,000,000	3%	2,907	Forgivable; 30 years
Master Developer	Loan	900,000	3%	2,616	terms to be established
CDBG Funds	Loan	2,000,000	6%	5,814	55 years
LMIH Funds	Grant	2,212,000	7%	6,430	Environmental, Architecture
Deferred Developer's Fee	Loan	286,000	1%	831	Forgivable; 30 years
Total		33,325,000		96,875	

**PASO ROBLES REDEVELOPMENT AGENCY
LMIH FUND STATUS**

November 28, 2005

Estimated Fund Balance and Commitments Through June 30, 2006

Activity	Amount	Notes
LMIH Fund balance as of 6/30/05	495,200	1
Projected LMIH Fund deposits as of 6/30/06	440,900	1
Estimated Investment Income as of 6/30/06	5,000	1
Oak Park Senior Housing Fee Offset	-520,000	1, 2
Canyon Creek Apartments	-268,000	3
Fiscal Year 05/06 Housing Programs Administration	-93,000	1
Balance	60,100	

Commitments for Future Fiscal Years

Fiscal Year	Amount	Purpose	Notes
06/07	23,000	Offset PILOT for Canyon Creek Apartments	3
06/08	23,000	Offset PILOT for Canyon Creek Apartments	3
06/09	24,000	Offset PILOT for Canyon Creek Apartments	3
06/10	24,000	Offset PILOT for Canyon Creek Apartments	3
06/11	25,000	Offset PILOT for Canyon Creek Apartments	3

Notes:

1. Mike Compton's 11/15/05 presentation to RDA; does not include loans receivable; figures rounded to nearest \$100.
2. Approved via Ordinance 852 N.S. and Resolution RA 03-02.
3. Approved via Ordinance 905 N.S. and Resolution RA 05-02.

Projections for the Next 10 Years (not including investment income)

Fiscal Year	Estimated Deposits into LMIH Fund	Estimated Administrative Expense	Estimated LMIH Fund Balance *
2006			60,000
2007	465,900	96,300	430,000
2008	493,000	99,700	823,000
2009	521,400	103,200	1,241,000
2010	550,800	106,800	1,685,000
2011	581,500	110,500	2,156,000
2012	613,500	114,400	2,655,000
2013	646,800	118,400	3,183,000
2014	681,400	122,500	3,742,000
2015	717,500	126,800	4,333,000
2016	755,100	131,200	4,957,000

* Figures rounded to nearest \$1,000.

Sources: 2004 Redevelopment Implementation Plan - Appendix D and figures from Mike Compton 11/28/05

Estimated administrative expense assumes 3.5% inflation rate starting with \$93,000 for FY 05/06