

## EXHIBIT C FINANCING PLAN

Project financing for Webster Street Hotel Conversion includes: two soft loans from the Alameda Housing Authority (AHA), one for seller financing of the ground lease, and one Housing Authority cash loan. The only other source is a loan from the California Department of Housing and Community Development's (HCD) Multifamily Housing Program. There is no permanent mortgage.

The land will be leased from the AHA to ICD as a prepaid ground lease at the appraised value of the parcel, financed with a seller note from AHA.

The construction period sources of funding are described below:

1. Construction Loan: \$12,617,482.
2. Alameda Housing Authority Seller Takeback Loan for ground lease: \$1,650,000. The Housing Authority will own the land. This value is based on a third-party appraisal. The AHA Seller Takeback loan is expected to be a 55-year term at applicable federal rate or 0% interest, and payable through residual receipts to finance the subsidized ground lease for the land.
3. Alameda Housing Authority Loan: \$4,507,727. The Housing Authority has committed \$4.5 million to the project. The AHA loan is expected to be a 55-year term at 3% simple interest, and payable through residual receipts.

The permanent period sources of funding are described below:

1. Alameda Housing Authority Seller Takeback Loan: Described above.
2. Alameda Housing Authority Loan: Described above
3. California Department of Housing and Community Development: \$13,410,705. The State of California Multifamily Housing Program is expected to provide a soft loan with a 55 year term at 3% and payable through residual receipts, with a required monitoring fee.

The uses of these funds are related to the acquisition and renovation costs for the project. In addition, a capitalized operating deficit reserve of \$235,000 is included in the budget to ensure the project maintains positive cash flow through the initial 15 years.

The operating budget assumptions are based on the comparable sized project operating costs, plus additional information from the Housing Authority's existing portfolio properties with special needs tenants, and input from our property manager, FPI Management. This project will serve homeless or formally homeless individuals and/or households. The operating income and in-kind service dollars from the County of Alameda can support a robust services package with case management and social services program. Onsite support services will be provided free of charge to tenants for all of the residential units. The operating budget includes \$50,000 per year for supportive services. The soft loans will all be paid in proportion to the respective loan percentage of total development costs from available cash flow.

	F	G	H	I	J	K	L	M	N	O	P	Q	R
1	Alameda Adaptive Reuse												
2	County: Alameda												
3	Project Type: Non-Tax Credit, Special Needs												
4	SOURCES OF FUNDS		TOTAL	RESIDENTIAL	COMMERCIAL	Notes	Construction Period						
6	Perm Loan		0	0		0 20 yr term/ 20 yr amt- 7.00%							
7	SuperNOFA - MHP		13,410,705	13,410,705		0 55 yr-0% DEF	0						
8	PHA Lease		1,650,000	1,650,000		0 55 yr-0% DEF	1,650,000						
9	PHA Loan - balancing here, up to \$4.7M		4,507,727	4,057,450	450,277		4,507,727						
10	Deferred Developer Fee		0	0	0				AHA Contribution 6,157,727				
11	GP Equity		0	0	0		0						
12	LP Equity		0	0	0		0						
13													
14	TOTAL SOURCES		19,568,432	19,118,155	450,277								
15													
16													
17	Construction loan needed		12,617,482	7.00%		funds available	6,157,727						
18			4.5 mo const +		6.5	Const period costs	18,775,209						
19	Surplus/Gap		0		97.59%	2.41%	BASIS 4% CREDIT	BASIS 4% CREDIT	Construction	Deferred			
20					res/comm by sf	REHAB	ACQ	Period Costs	Costs				
21	USES OF FUNDS		TOTAL COST	RESIDENTIAL	COMMERCIAL								
22													
23	LAND COST/ACQUISITION												
24	Acquisition - Land		1,650,000	1,610,164	39,836			1,650,000					
25	Acquisition - Improvements		13,700,000	13,369,237	330,763		13,369,237	13,700,000					
26	Environmental Remediation		0	0	0			0					
27	Carrying Costs		0	0	0			0					
28	Legal & Closing Costs		0	0	0			0					
29	Total Land Cost or Value		0	0	0			0					
30	Relocation		0	0	0			0					
31	Demo of Buildings		0	0	0			0					
32	Off-Site Improvements		0	0	0		0	0					
33	Total Acquisition Cost		15,350,000	14,979,401	370,599			15,350,000					
34	NEW CONSTRUCTION												
35	Site Work and Utilities		0	0	0		0	0					
36	Structures		1,450,000	1,414,992	35,008		1,414,992	1,450,000					
37	Solar Net Cost		0	0	0		0	0					
38	GC Contingency		0	0	0		0	0					
39	General Requirements		0	0	0		0	0					
40	Contractor Insurance & Bond		0	0	0		0	0					
41	Contractor Overhead & Profit		0	0	0		0	0					
42	Total New Construction Costs		1,450,000	1,414,992	35,008			1,450,000					
43	ARCHITECTURAL FEES												
44	Design		500,000	487,928	12,072		487,928	500,000					
45	Supervision		0	0	0		0	0					
46	Total Architectural Costs		500,000	487,928	12,072			500,000					
47	Survey and Engineering includes testing			0	0		0	0					
48	CONSTR. INTEREST & FEES												
49	Const. Loan Interest		660,578	644,629	15,948		177,767	660,578					
50	Predev Loan Costs		0	0	0		0	0					
51	Construction Loan Fee and Expenses		119,631	116,743	2,888		116,743	119,631					
52	City or County Loan Fees		0	0	0		0	0					
53	Taxes		0	0	0		0	0					
54	Insurance		0	0	0		0	0					
55	Title and Recording		30,000	29,276	724		29,276	30,000					
56	Total Construction Interest and Fees		810,209	790,648	19,561			810,209					
57	PERMANENT FINANCING												
58	Perm loan fee (@1% + \$10K expenses)		0	0	0			0					
59	Cost of Bond Issuance		0	0	0		0	0					
60	Title and Recording		5,000	5,000	0			0	5,000				
61	Owner Perm Legal		5,000	5,000	0			0	5,000				
62	Other - Perm Lender Costs		0	0	0			0	0				
63	Total Permanent Financing Costs		10,000	10,000	0			0					
64	LEGAL FEES												
65	Lender Legal Costs Paid by Applicant		30,000	29,276	724		29,276	30,000					
66	County or City legal		0	0	0		0	0					
67	Other - Owner Legal		30,000	29,276	724		29,276	30,000					
68	Total Attorney Costs		60,000	58,551	1,449			60,000					
69	RESERVES												
70	Capitalized Operating Reserve - 4 mo		210,442	210,442	0			210,442					
71	Capitalized Replacement Reserve		25,000	25,000	0			25,000					
72	Capitalized Lease Up Reserve		287,781	287,781	0			287,781					
73	Operating Deficit Reserve		235,000	235,000	0			235,000					
74	Transition Reserve		0	0	0			0					
75	Total Reserve Costs		758,223	758,223	0			0					
76	Total Construction Owner Contingency	10.00%	145,000	141,499	3,501		141,499	145,000					
77	Total Construction Escalation Contingency	0.00%	0	0	0		0	0					
78	OTHER												
79	Tax Credit App./Alloc./Monitoring fees		0	0	0			0	0				
80	Construction Management		0	0	0		0	0					
81	Local Development Impact Fees		0	0	0		0	0					
82	Permit Processing Fees+ Utility Connection Fees		0	0	0		0	0					
83	Market Study		0	0	0			0					
84	Marketing & Lease up		0	0	0			0					
85	Environmental		0	0	0		0	0					
86	Sustainability/Green Building		0	0	0		0	0					
87	Furnishings		0	0	0		0	0					
88	Prevailing Wage Monitoring		0	0	0		0	0					
89	Appraisal		0	0	0		0	0					
90	Soft Cost Contingency	22.72%	300,000	292,757	7,243		292,757	300,000					
91	Total Other Costs		300,000	292,757	7,243			300,000					
92	Total Project Cost		19,383,432	18,934,000	449,432	2,719,514	13,369,237	18,615,209					
93	DEVELOPER COSTS												
94	Developer Overhead/Profit		150,000	150,000	0		150,000	125,000	25,000				
95	Consultant/Processing Agent		0										
96	Project Administration												
97	Broker Fees paid by owner												
98	Construction Management Oversight												
99	Other												
100	Total Developer Costs		150,000	150,000	0	0	150,000	125,000					
101													
102	TOTAL PROJECT COST		19,533,432	19,084,000	449,432	2,719,514	13,519,237	18,740,209					
103	Syndication Costs												
104	Legal - Syndication & Investor Fees		0	0	0			0					
105	Audit		10,000	9,759	241			10,000					
106	Consultant - Syndication		20,000	19,517	483			20,000					
107	Legal - Organization		5,000	4,879	121			5,000					
108	Total Syndication Costs		35,000	34,155	845			35,000					
109	TOTAL PROJECT COSTS INCL. SYNDICATION		19,568,432	19,118,155	450,277	2,719,514	13,519,237	18,775,209	793,223				

	F	G	H	I
129	County Alameda		2022	
130	Basis limit calc		4% Limits	
131		49 0BR	\$384,234	18,827,466
132		0 1BR	\$443,016	0
133		1 2BR	\$534,400	534,400
134		0 3BR	\$684,032	0
135		0 4BR	\$762,054	0
136		50		19,361,866
137	Plus Prevailing Wages	20% Yes		3,872,373
138	Plus PLA	5% No		0
139	Plus Parking (New Construction	7% No		0
140	Plus Day Care Center	2% No		0
141	Plus 100% Special Needs	2% No		0
142	Plus Energy	7% No		0
143	Plus Seismic/Environmental Mitigation	No		0
144	Plus Impact Fees	Yes		0
145	Plus Elevator	10% Yes		1,936,187
146	Plus Type I Construction	15% No		0
147	Plus Type III Construction	10% No		0
148	Plus County Basis Limit + High Opportunity	10% No		0
149	4% project affordability points for units =<35% ami	2%	30	11,617,120
150	4% project affordability points for units =<50% ami	1%	0	0
151				
152	Total Maximum Basis			36,787,545
153				
154	Compare to project basis		16,238,751	
155	LOWER OF THE TWO			16,238,751
156				64.52%
157				need < 130%

	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI
5	CASH FLOW ANALYSIS									
6	Tenant Income									
7										
8	Unit Size	AMI	# of Units	Monthly Rent Charged	Total Monthly	Total Annual	Utility Allowance	2022 RENTS Gross Rents	Total Annual Gross Rents	2022 RENTS Max TC rents
9	Studio 20% AMI - homeless	20%	15	500	7,500	90,000	0	500	7,500	500
10	Studio 30% AMI	30%	0	750	0	0	0	750	0	750
11	Studio 40% AMI	40%	0	1,000	0	0	0	1,000	0	1,000
12	Studio 50% AMI	50%	0	1,250	0	0	0	1,250	0	1,250
13	Studio 60% AMI	60%	34	1,500	51,000	612,000	0	1,500	51,000	1,500
14	Studio 70% AMI	70%	0	1,750	0	0	0	1,750	0	1,750
15										
16	Manager - 2 BR		1	0	0	0				
17										
18	Totals		50		58,500	702,000				
19	Laundry		10	500						
20	Vacancy		5.0%			-35,100				
21	EGI from tenant rents					666,900				
22										
23	Section 8 Income									
24	Studio 20% AMI - homeless	0	1,691		1,191	0				
25	Studio 30% AMI	0	1,691		941	0				
26	Studio 40% AMI	0	1,691		691	0				
27	Studio 50% AMI	0	1,691		441	0				
28	Total Section 8 Income		0			0				
29	Vacancy Reserve	5.0%				0				
30	EGI Section 8 Income					0				
31										
32	Total Project EGI					666,900				
33										
34	Operating Expenses	10,000 per unit per year				500,000				
35	Services coordinator	1,000 per unit per year				50,000				
36	HCD 0.42% Monitoring Fee					0				
37	Bond Issuer Fee					0				
38	Local Monitoring Fee					0				
39										
40	Draw From Operating Deficit Reserve					0				
41										
42	NET OPERATING INCOME					116,900				
43										
44	Debt Service - First					0				
45	Debt Service - Sec 8 loan					0				
46	Operating Reserve	all capitalized				0				
47	MHP Debt Service	0.42%				56,325				
48	Replacement Reserve	500				25,000				
49										
50	Excess Cash					35,575				
51										
52	Supportable Debt - Tranche A and B			0						
53		20	20	7.00%	1.15					

Unit Count

1 BR49

2 BR1

Total50

Affordability

20% AMI Units1530.6%

30% AMI Units00.0%

40% AMI Units00.0%

50% AMI Units00.0%

60% AMI Units3469.4%

70% AMI Units00.0%

Average Afford. - Total47.8%

Average Afford. - Non-Voucher47.8%

Commercial YR1 Cash Flow

Income3,04536,540

Vacancy50%-18,270

EGI18,270

Expenses6,680

Deposit Into Commercial Reserve4,000

Debt Service0

Excess Cash7,590

Commercial Perm Loan0

156.00%1.15

	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ
2																	
3	20 YEAR CASH FLOW																
4		Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
5																	
6	Potential Gross Tenant Income	2.50%	702,000	719,550	737,539	755,977	774,877	794,249	814,105	834,457	855,319	876,702	898,619	921,085	944,112	967,715	991,908
7		2.50%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Laundry	2.50%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Vacancy	5.00%	-35,100	-35,978	-36,877	-37,799	-38,744	-39,712	-40,705	-41,723	-42,766	-43,835	-44,931	-46,054	-47,206	-48,386	-49,595
10	EGI - Tenant Rent		666,900	683,573	700,662	718,178	736,133	754,536	773,400	792,735	812,553	832,867	853,688	875,031	896,906	919,329	942,312
11																	
12	Section 8 Increment	2.50%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Vacancy	5.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	EGI - Section 8 increment income		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15																	
16	Commercial Income	2.50%	36,540	37,454	38,390	39,350	40,333	41,342	42,375	43,435	44,520	45,633	46,774	47,944	49,142	50,371	51,630
17	Vacancy	50.00%	-18,270	-18,727	-19,195	-19,675	-20,167	-20,671	-21,188	-21,717	-22,260	-22,817	-23,387	-23,972	-24,571	-25,185	-25,815
18	EGI - Commercial Income		18,270	18,727	19,195	19,675	20,167	20,671	21,188	21,717	22,260	22,817	23,387	23,972	24,571	25,185	25,815
19																	
20	Effective Gross Income (EGI)		665,170	702,299	719,857	737,853	756,299	775,207	794,587	814,452	834,813	855,683	877,076	898,002	921,477	944,514	968,127
21	Less Annual Operating Expenses	3.50%	500,000	517,500	535,613	554,359	573,762	593,843	614,628	636,140	658,405	681,449	705,299	729,985	755,534	781,978	809,347
22	Less Services	3.50%	50,000	51,750	53,561	55,436	57,376	59,384	61,463	63,614	65,840	68,145	70,530	72,998	75,553	78,198	80,935
23	Less VHHP 0.42% Monitoring Fee	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	Less Bond Monitoring fee	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	Less Local/County HOME Monitoring Fee	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26	Less Commercial Expenses	3.50%	6,680	6,914	7,156	7,406	7,665	7,934	8,211	8,499	8,796	9,104	9,423	9,753	10,094	10,447	10,813
27	Less Commercial Reserve Deposit	0.00%	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
28																	
29	Net Annual Operating Income		124,490	122,135	119,527	116,652	113,496	110,046	106,285	102,199	97,772	92,986	87,823	82,266	76,296	69,891	63,032
30	Less Debt Service - First		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	Less Debt Service- Sec 8 loan		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	Less MHP Debt Service	0.00%	56,325	56,325	56,325	56,325	56,325	56,325	56,325	56,325	56,325	56,325	56,325	56,325	56,325	56,325	56,325
33	Less Replacement Reserves		25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
34																	
35	Draw from Operating Deficit Reserve		0	0	0	0	0	0	40	4,126	8,553	13,339	18,502	24,058	30,029	36,434	43,293
36																	
37	Cash Flow		43,165	40,810	38,202	35,327	32,171	28,721	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
38		DCR	1.96	1.92	1.88	1.83	1.78	1.72	1.66	1.67	1.67	1.68	1.68	1.69	1.69	1.70	1.71
39																	
40	Investor Asset Management Fee - N/A	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
41	Deferred Developer Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42	AHA Asset Management Fee (Max \$36,878)	3%	36,878	37,984	38,202	35,327	32,171	28,721	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
43	50% to Sponsor		3,144	1,413	0	0	0	0	0	0	0	0	0	0	0	0	0
44	Residual Receipts to lenders - HCD		3,144	1,413	0	0	0	0	0	0	0	0	0	0	0	0	0
45																	
46																	
47																	
48																	
49																	
50	AHA Asset Management Fee w/ escalator	3%	36,878	37,984	39,124	40,298	41,507	42,752	44,034	45,355	46,716	48,117	49,561	51,048	52,579	54,157	55,781
51		Accruing	36,878	37,984	39,124	41,219	47,399	57,979	73,292	93,648	140,364	188,481	238,042	289,090	341,669	395,826	451,607
52		Paid	-36,878	-37,984	-38,202	-35,327	-32,171	-28,721	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000
53		Balance	0	0	922	5,892	15,227	29,258	48,292	68,648	115,364	163,481	213,042	264,090	316,669	370,826	426,607
54																	
55	Operating Deficit Reserve																
56		balance	235,000	236,175	237,356	238,543	239,735	240,934	242,139	243,310	240,401	233,050	220,876	203,478	180,437	151,310	115,633
57	draw for deficits		0	0	0	0	0	0	40	4,126	8,553	13,339	18,502	24,058	30,029	36,434	43,293
58	deposit from cash flow																
59	interest earned	0.50%	1,175	1,181	1,187	1,193	1,199	1,205	1,211	1,217	1,202	1,165	1,104	1,017	902	757	578
60	ending balance		236,175	237,356	238,543	239,735	240,934	242,139	243,310	240,401	233,050	220,876	203,478	180,437	151,310	115,633	72,919

	BK	BL	BM	BN	BO
2					
3					
4	16	17	18	19	20
5					
6	1,016,705	1,042,123	1,068,176	1,094,880	1,122,252
7	0	0	0	0	0
8	0	0	0	0	0
9	-50,835	-52,106	-53,409	-54,744	-56,113
10	965,870	990,017	1,014,767	1,040,136	1,066,140
11					
12	0	0	0	0	0
13	0	0	0	0	0
14	0	0	0	0	0
15					
16	52,921	54,244	55,600	56,990	58,415
17	-26,460	-27,122	-27,800	-28,495	-29,207
18	26,460	27,122	27,800	28,495	29,207
19					
20	992,330	1,017,139	1,042,567	1,068,631	1,095,347
21	837,674	866,993	897,338	928,745	961,291
22	83,767	86,899	89,734	92,674	96,125
23	0	0	0	0	0
24	0	0	0	0	0
25	0	0	0	0	0
26	11,191	11,583	11,988	12,408	12,842
27	4,000	4,000	4,000	4,000	4,000
28					
29	55,697	47,863	39,507	30,604	21,129
30	0	0	0	0	0
31	0	0	0	0	0
32	56,325	56,325	56,325	56,325	56,325
33	25,000	25,000	25,000	25,000	25,000
34					
35	30,628	38,462	0	0	0
36					
37	5,000	5,000	-41,818	-50,721	-60,196
38	1.36	1.37	0.54	0.39	0.29
39					
40					
41					
42					
43	2,500	2,500	-20,909	-25,360	-30,098
44	2,500	2,500	-20,909	-25,360	-30,098
45					
46					
47					
48					
49					
50					
51					
52					
53					
54					
55					
56	72,919	42,656	4,408	4,430	4,452
57	30,628	38,462	0	0	0
58					
59	365	213	22	22	22
60	42,656	4,408	4,430	4,452	4,474