



MEMORANDUM

ADVISORS IN:
REAL ESTATE
AFFORDABLE HOUSING
ECONOMIC DEVELOPMENT

To: Development Services Department
City of Oceanside

BERKELEY
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From: KEYSER MARSTON ASSOCIATES, INC.

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Date: May 14, 2025

Subject: Vista Bella Apartments - Concessions Analysis

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I. INTRODUCTION

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A. Background

In accordance with your request, Keyser Marston Associates, Inc. (KMA) evaluated the proposal from Vista Bella Investment Group LLC (Applicant) for the site located at 503 Vista Bella. The Applicant has submitted an application to the City of Oceanside (City) under the auspices of the City's Density Bonus Ordinance. This Ordinance was enacted to comply with the requirements imposed by California Government Code Section 65915 et seq.

B. Applicant Proposal

The subject property (Site) consists of two (2) parcels comprising a land area of approximately 1.74 acres located at the southwest corner of Vista Bella and Vista Rey in the Oceana Neighborhood Planning Area. The Site is irregularly shaped with a steep slope across most of the property. The eastern parcel maintains street frontage on both Vista Bella and Vista Rey and is developed with a two-story vacant office building and parking lot, with both proposed for demolition. The western parcel has an "L"-shaped configuration and is undeveloped, containing significant sloping and vegetation that extends down to El Camino Real.

Surrounding uses include a multi-family development to the north, a church and ancillary uses to the south, the Oceana age restricted community to the east, and a gas station and open space preserve to the west. The Site has a General Plan Land Use designation of General

Commercial (CG). The east parcel (containing the office development) is located in the Limited Commercial (CL) District and the west parcel is located in the CG District.

Without a density bonus, the Applicant would be entitled to 51 units based on a base density of 29 units per acre. The Applicant is requesting a 50% density bonus, in exchange for reserving eight (8) units (15% of the base units) for very low income households. Overall, the Applicant proposes to increase the allowed density from 51 units to 77 units by use of density bonus provisions (Proposed Project).

The parking requirements for the Proposed Project are based on standards established in California Government Code Section 65915 (p)(1). Per Section 65915(p)(1), studio and one-bedroom units require one (1) on-site space per unit and two-bedroom units require 1.5 parking spaces per unit. For the Proposed Project's commercial component, parking is required at a rate of one (1) space for every 300 square feet (SF). Based on these standards, the Proposed Project is required to provide a total of 92 spaces.

To allow for the development of the Proposed Project, the Applicant is requesting:

1. A 50% increase over the base density limit.
2. The following two (2) concessions:
 - a. Removal of the requirement to provide renewable energy on site, pursuant to Oceanside Comprehensive Zoning Ordinance Section 3047.
 - b. Decrease in the amount of required parking from 92 to 87 spaces.
3. Fifteen (15) development waivers that allow for reduced setbacks, increased height limits, an increased Floor Area Ratio (FAR), reduced open space, and modifications to fence, wall, parking, and residential area requirements.

The Applicant is proposing to set aside eight (8) units for very low income households, which represents 15% of the units allowed by the Site's base zoning.

1. In accordance with Section 65915(b)(1)(B), very low income households must meet the household income qualifications standards imposed by California Health and Safety Code Section 50105.
2. To comply with Section 65915(c)(1), the affordable rents must be set using the calculation methodology imposed by California Health and Safety Code Section 50053, and the income and affordability covenants must be imposed over a minimum term of 55 years.

C. Methodology and Approach

The incentives or concessions must result in “identifiable and actual cost reductions to provide for affordable [rents]” [Section 65915(k)(1)]. Section 65915(d)(1) allows the Applicant to submit a proposal to the City for specific incentives or concessions.

The purpose of the KMA financial analysis is to analyze the Proposed Project’s financial characteristics to determine whether the specific concessions being requested by the Applicant are required to fulfill the Section 65915(d)(1)(A) criteria. To that end, KMA prepared financial analyses of the following development scenarios.

Base Case

- *Scenario A: Base Case Project @ Zoning Maximum* – A zoning-compliant project with 51 market-rate units, 99 parking spaces, and no affordable units. Scenario A does not include the affordable units required by the City’s Inclusionary Housing Ordinance so that the full economic impact of the affordable units can be estimated.
- *Scenario B: Base Case Project @ Parking Capacity* - A zoning-compliant project with 44 units. Project size reflects the number of market-rate units that could be developed if parking capacity was limited to 87 spaces (number of parking spaces in the Proposed Project), under the City’s parking standard requirements. Scenario B does not include the affordable units required by the City’s Inclusionary Housing Ordinance so that the full economic impact of the affordable units can be estimated.

Proposed Project

- *Scenario C: Alternative Proposed Project* – The Proposed Project of 77 apartment units with no concessions. Scenario C assumes 69 units are rented at market rates and eight (8) units are rented at the statutorily set rents for very low income households. The eight (8) affordable units are proposed to be distributed between the studio (2 units), one-bedroom (4 units), and two-bedroom units (2 units).
- *Scenario D: Applicant Proposed Project* – Proposed Project of 77 apartment units with the Applicant’s two requested concessions. Scenario D assumes 69 units are rented at market rates and eight (8) units are rented at the statutorily set rents for very low income households.

KMA undertook the following analyses to determine whether there is substantial evidence to find if the specific concessions being requested by the Applicant result in identifiable and actual cost reductions to provide for affordable rents (the finding required by Section 65915(d)(1)(A)).

1. Estimation of development costs for the Base Case and the Proposed Project. The estimated costs were compared to determine if cost savings were achieved by the Proposed Project when measured per square foot (SF) of gross building area (GBA) and per unit being developed.
2. Comparison of the financial benefits created by the requested concessions relative to the estimated cost to provide the eight (8) required very low income apartment units. It is the KMA understanding that the benefits generated by the proposed density bonus should not be considered as part of the financial analysis based on guidance provided by the State of California Department of Housing and Community Development (HCD) to City staff.

D. Organization of Report

This report is organized into the following key sections:

- Following this introduction, Section II presents the KMA key findings.
- Section III presents the methodology, assumptions, and outcomes of the financial analyses.
- Section IV presents the KMA conclusions.
- Section V presents limiting conditions pertaining to this report.

The assumptions and conclusions of the KMA financial analyses are presented in Tables 1 and 2 that follow this memorandum. In addition, detailed technical analyses are presented in the following Appendices:

- Appendix A: Scenario A - Base Case Project @ Zoning Maximum Pro Forma Analysis
- Appendix B: Scenario B – Base Case Project @ Parking Capacity Pro Forma Analysis
- Appendix C: Scenario C – Alternative Proposed Project Pro Forma Analysis
- Appendix D: Scenario D – Applicant Proposed Project Pro Forma Analysis
- Appendix E: Affordability Gap Analysis
- Appendix F: Value of Requested Concessions
- Appendix G: Estimate of Permits & Fees
- Appendix H: Market Data

II. KEY FINDINGS

The KMA financial analyses resulted in the findings summarized in Table II-1 below. KMA has assumed that Scenario B: Base Case - Project @ Parking Capacity, reflects the most likely development scenario a developer would pursue if developing a zoning-compliant project on the Site. As such, for the purposes of this report, the findings presented below reflect the outcome of the financial analyses of Scenario B: Base Case @ Parking Capacity vs. Scenario D: Applicant Proposed Project.

Table II-1: Concessions Analysis – Key Findings		
	BASE CASE	PROPOSED PROJECT
	Scenario B	Scenario D
	Project @ Parking Capacity	Applicant Proposed Project
	44 Units 100% Market-Rate No Density Bonus	77 Units 15% Very Low Income 50% Density Bonus
	No Concessions	Concessions: • No renewable energy on site • Reduced parking requirement
I. TEST #1		
A. Development Costs		
Total Costs	\$21,293,000	\$32,783,000
Per Unit	\$484,000	\$426,000 -12.0% decrease
Per SF GBA	\$430	\$382 -11.1% decrease
B. Proposed Concession(s) Result in Cost Savings	---	Yes
II. TEST #2		
A. Net Cost to Provide Eight (8) Very Low Income Units	---	(\$3,139,000)
B. Value of Concessions	---	\$1,404,000
C. Net Surplus/(Cost) – Proposed Project	---	(\$1,735,000)
D. Proposed Concession(s) Result in Cost Savings to Provide for Affordable Rent	---	Yes

As presented above, KMA performed two (2) financial analyses to evaluate the specific concessions being requested by the Applicant under the financial evidence requirements imposed by Section 65915(d)(1)(A):

- The first test is used to determine if the proposed concession result in identifiable and actual cost reductions. As shown above, the estimated development costs for the Proposed Project are 12.0% lower than the Base Case when measured on a per-unit basis. Thus, the provision of the requested concessions results in identifiable and actual cost reductions.
- The second test compares the net cost associated with providing the requisite number of affordable units to the benefits generated by the proposed concessions. As shown above, the net cost to provide the eight (8) very low income units is estimated at \$3.1 million. The value of the two requested concessions is estimated at \$1.4 million. Thus, the value of the requested concessions is estimated to be approximately \$1.7 million less than the cost to provide eight (8) very low income units.

The inputs and assumptions used to develop the financial analyses in this report are based on information available about recent, historic, current, and anticipated development trends. These projections are considered reasonable for our analysis, but actual results may exceed or fall short of the values projected. However, considering these factors, small differences in cost, price, rent, or other assumptions are unlikely to change the conclusions.

III. FINANCIAL ANALYSES

A. Financial Analyses Components

The purpose of the KMA pro forma analyses is to evaluate the impacts created by the concessions being requested by the Applicant. The pro forma analyses for two (2) Base Case and two (2) Proposed Project scenarios are presented in Appendices A through D, which each appendix organized as follows:

Table 1	Project Description
Table 2	Estimate of Development Costs
Table 3 – Base Case	Stabilized Net Operating Income
Table 4 – Base Case	Return on Investment

B. Development Scenarios

Section 65915(d)(1)(A) requires the City to make a written finding, based on substantial evidence, that a specific incentive or concession being requested by the Applicant does not result in the identifiable and actual cost reductions necessary to provide for affordable rent. To determine whether the specific concessions being requested by the Applicant are necessary to provide eight (8) very low income units, KMA analyzed the following scenarios.

Table III-1: Overview of Development Scenarios				
	BASE CASE		PROPOSED PROJECT	
	Scenario A	Scenario B	Scenario C	Scenario D
	Project @ Zoning Maximum	Project @ Parking Capacity	Alternative Proposed Project	Applicant Proposed Project
	Maximum development allowed under the Zoning Code standards for the Site	Number of units based on Site's parking capacity	50% density bonus with no concessions	50% density bonus, plus the two concessions requested by the Applicant
Density	29 Units/Acre	25 Units/Acre	44 Units/Acre	44 Units/Acre
Number of Stories	4 Stories	4 Stories	6 Stories	6 Stories
Market-Rate Units				
Studio	6 Units	6 Units	8 Units	8 Units
One Bedroom	25 Units	20 Units	35 Units	35 Units
Two Bedroom	16 Units	14 Units	22 Units	22 Units
Live/Work	4 Units	4 Units	4 Units	4 Units
Total Market-Rate Units	51 Units	44 Units	69 Units	69 Units
Affordable Units				
Studio	---	---	2 Units	2 Units
One Bedroom	---	---	4 Units	4 Units
Two Bedroom	---	---	2 Units	2 Units
Total Affordable Units	---	---	8 units	8 units
Total Units	51 Units	44 Units	77 Units	77 Units
Average Unit Size	782 SF	780 SF	776 SF	776 SF
Parking Spaces	99 Spaces	87 Spaces	92 Spaces	87 Spaces

KMA prepared pro forma analyses for each development scenario. The methodology and assumptions used in the KMA financial analyses are described in the following sections.

C. Financial Analysis Assumptions

The following outlines the key inputs and assumptions applied to the KMA financial analyses. The inputs and assumptions presented in the KMA pro forma analyses reflect the KMA review of the financial pro forma provided by the Applicant for the Proposed Project. KMA modifications to the Applicant's pro forma are based on KMA comparable experience, in-house research, and data from third-party real estate industry data sources.

KMA has assumed that Scenario B: Base Case - Project @ Parking Capacity, reflects the most likely development scenario a developer would pursue if developing a zoning-compliant project on the Site. As such, for the purposes of this report, the financial analysis assumptions for the Base Case below reflect the outcome of the financial analyses of Scenario B and the financial analysis assumptions for the Proposed Project reflect Scenario D, the Applicant's Proposed Project.

Estimate of Development Costs

- Direct construction costs include site improvements, parking, shell construction, FF&E/amenities and contingency, as detailed below.
 - Total direct costs for the Base Case were estimated at \$12.2 million, or \$247 per SF GBA. The Base Case direct costs also include the Applicant's estimated cost of providing renewable energy onsite at cost of \$484,000 or \$11,000 per unit, and the estimated cost to provide 87 parking spaces, the required amount of parking for a 44-unit residential development at a cost of \$2.5 million.
 - The direct costs for the Proposed Project were estimated at \$20.2 million, or \$235 per SF GBA. The direct costs for the Proposed Project exclude the cost of renewable energy onsite. The direct costs for the Proposed Project also assume reduced parking costs reflective of the Applicant's request to reduce the amount of density bonus required parking from 92 spaces to 87 spaces.
- Indirect costs, including architecture and engineering, legal and accounting, taxes and insurance, developer fee, marketing/lease-up, and contingency, were based primarily on industry standard estimates. Permits and fees reflect a KMA estimated allowance based on permit and fee data available from the City. Refer to Appendix F for detailed estimates.

- Financing costs, including loan fees, interest during construction, and interest during lease-up, were estimated at 10.0% of direct costs for the Base Case and 15.0% of direct costs for the Proposed Project. The higher percentage for the Proposed Project reflects the longer construction and lease-up periods anticipated for the Proposed Project.
- Acquisition costs for the Base Case and Proposed Project were estimated at \$4.0 million or \$53 per SF of site area based on information provided by the Applicant. KMA conducted a survey of multi-family residential land sales in northern San Diego County east of Interstate 5, since November 2023 (refer to Appendix H). The survey found land prices concentrated between \$9 and \$39 per SF, with median and average land prices at \$38 and \$43 per SF, respectively. The proposed acquisition costs in the Applicant's proposal appears reasonable based on this high-level survey; however, no appraisal has been conducted for this assignment.

Stabilized Net Operating Income

- Market rents reflect the Applicant's estimate of achievable market rental rates for the Proposed Project. KMA supplemented this information with an independent survey of multi-family market rents in developments in north San Diego County. The purpose of the survey was to derive estimates of the currently achievable rental rates for both the Base Case and Proposed Project. The market-rate monthly rent estimates that are used in the feasibility analyses are presented in Table III-2.

Table III-2: Projected Market Rents		
	BASE CASE	PROPOSED PROJECT
Average \$/SF/Month	\$3.48	\$3.99
Average Unit Size	780 SF	782 SF
Average Monthly Rent	\$2,710	\$3,120

- Affordable rents for the purposes of these financial analyses, reflect the maximum rents for the income-restricted units calculated based on the standards imposed by California Health and Safety Code Section 50053. The detailed calculations are presented in Appendix E; the key assumptions and results are summarized below.
 - The household income information used in the calculations of affordable rent were based on 2024 income statistics for San Diego County as a whole. The household incomes are published annually by the California Department of Housing and Community Development (HCD).

- Assignment of family size (number of persons) vs. unit size (number of bedrooms) is based on the number of persons exceeding the number of bedrooms by one.
- Maximum monthly rental housing payment is calculated as equal to $1/12 \times 30\% \times 50\%$ of Area Median Income (AMI) (adjusted for household size), less adjustments for certain tenant-paid utilities.
- Utilities based on the City's utility allowance schedule, effective August 1, 2023, and the assumption that the tenant's utility costs are comprised of electric heating, electric cooking, other electric, and electric water heating.
- The resulting affordable rents for the Proposed Project are presented in Table III-3.

Table III-3: Affordable Rents	
PROPOSED PROJECT	
<u>Monthly Rent @ Very Low Income</u>	
Studio	\$935
One Bedroom	\$1,061
Two Bedroom	\$1,157

- Other income such as pet fees and tenant payments toward water, sewer, and trash costs via a ratio utility billing system (RUBS) are estimated at \$79 per unit per month for the Base Case.
- A vacancy factor of 5.0% was assumed for the Base Case.
- Operating expenses were projected to be 33% of effective gross income (EGI) for the Base Case.
- KMA did not project rental income from the small commercial space in the Base Case because lenders and investors are unlikely to underwrite this revenue due to its speculative nature.
- Based on these assumptions, stabilized Net Operating Income (NOI) is estimated at \$0.94 million for the Base Case.

Base Case Return on Investment

- Table III-4 presents the KMA estimate of return on investment (ROI) for the Base Case. As shown, the Base Case is expected to yield a ROI of 4.40% based on stabilized net operating income of \$0.94 million and total development cost of \$21.3 million

Table III-4: Return on Investment	
BASE CASE	
Net Operating Income	\$936,000
Total Development Costs	\$21,293,000
Return on Investment	4.40%

Affordability Gap Analysis

KMA also estimated the net cost associated with providing eight (8) very low income units by comparing the value of a market-rate unit against the value supported by a very low income unit. As shown in Table III-5, the Applicant proposes to designate two (2) studio units, four (4) one-bedroom units, and two (2) two-bedroom units for very low income households. The affordability gap calculation reflects the difference between the market-rate rent and the very low income affordable rent for each unit. KMA then applied a 4.40% capitalization to the lost rental income to estimate the affordability gap. Based on the above assumptions, the affordability gap i.e., net cost to provide for the eight (8) very low income units, is estimated at \$3.1 million.

Table III-5: Net Cost to Provide Very Low Income Units			
PROPOSED PROJECT			
	Studio	One Bedroom	Two Bedroom
Number of Very Low Income Units	2 Units	4 Units	2 Units
Market Rent per Unit	\$1,995	\$2,995	\$3,795
Very Low Income Rent per Unit ⁽¹⁾	<u>(\$935)</u>	<u>(\$1,061)</u>	<u>(\$1,157)</u>
Rent Difference per Unit	\$1,060	\$1,934	\$2,638
Rent Difference Per Year	\$25,000	\$93,000	\$63,000
Total Annual Rent Difference 8 units			\$181,000
(Less) Property Tax Difference ⁽²⁾			(\$43,000)
Net Annual Affordability Gap			\$138,000
Net Cost to Provide Eight (8) Very Low Income Units @ 4.40% ⁽³⁾			\$3,139,000
<div>(1) Reflects KMA estimate of maximum affordable rent for very low income households based on 2024 income limits.</div> <div>(2) Based on rent differential capitalized at 5.0% and a 1.18% property tax rate.</div> <div>(3) Reflects the net annual affordability gap capitalized at the 4.40% return on cost estimated to be generated by the Base Case.</div>			

Value of Requested Concessions

The Applicant estimates the cost savings from the two (2) requested concessions to total \$1.4 million, as summarized in Table III-6.

Table III-6: Cost Savings from Requested Concessions		
Concession 1:	Removal of requirement to provide renewable energy on site	\$848,000
Concession 2:	Decrease in the amount of density bonus required from 92 to 87 spaces	\$556,000
Total Cost Savings		\$1,404,000

IV. CONCLUSIONS

KMA performed the following two (2) analyses to evaluate the renewable energy and reduced parking concessions being requested by the Applicant.

1. KMA determined whether the proposed concessions result in identifiable and actual cost reductions; and
2. KMA compared the net cost to provide eight (8) very low income units to the benefits generated by the proposed concessions.

The results of these two (2) analyses are presented in Table 2 that follows this memorandum and are summarized in Tables IV-1 and IV-2, as shown below.

Estimate of Cost Reductions

Table IV-1 summarizes the estimated cost reductions between the Base Case and Proposed Project. As shown below, the proposed concessions are estimated to reduce costs by 12.0% on a per-unit basis and by 11.1% on a per-SF-GBA basis, thereby resulting in identifiable and actual cost reductions.

Table IV-1: Estimate of Cost Reductions			
	BASE CASE	PROPOSED PROJECT	Percentage Decrease
Estimated Development Costs			
Total	\$21,293,000	\$32,783,000	
Per Unit	\$484,000	\$426,000	-12.0%
Per GBA	\$430	\$382	-11.1%

Effective Surplus/(Cost) to Provide Affordable Units

Table IV-2 estimates the net benefits generated by the proposed concessions by comparing the net cost associated with providing the requisite number of very low income units to the benefits generated by the proposed concessions. Benefits generated by the proposed density bonus are excluded from the analysis based on guidance provided by HCD to City staff.

Table IV-2: Effective Surplus/(Cost) to Provide Eight (8) Very Low Income Units

PROPOSED PROJECT	
Net Cost to Provide Eight (8) Very Low Income Units	(\$3,139,000)
Value of Requested Concessions	<u>\$1,404,000</u>
Effective Surplus/(Cost) to Provide 8 Very Low Income Units	(\$1,735,000)

As shown above, the net cost to provide eight (8) very low income units is estimated at \$3.1 million. Comparatively, the value of the proposed concessions is estimated at \$1.4 million. Thus, the cost to provide eight (8) very low income units exceeds the value associated with the proposed concessions by an estimated at \$1.7 million.

V. LIMITING CONDITIONS

1. The analysis contained in this document is based, in part, on data from secondary sources such as state and local government, planning agencies, real estate brokers, and other third parties. While KMA believes that these sources are reliable, we cannot guarantee their accuracy.
2. The analysis assumes that neither the local nor national economy will experience a major recession. If an unforeseen change occurs in the economy, the conclusions contained herein may no longer be valid.
3. The findings are based on economic rather than political considerations. Therefore, they should be construed neither as a representation nor opinion that government approvals for development can be secured.
4. Development opportunities are assumed to be achievable during the specified time frame. A change in development schedule requires that the conclusions contained herein be reviewed for validity.
5. The analysis, opinions, recommendations and conclusions of this document are KMA's informed judgment based on market and economic conditions as of the date of this report. Due to the volatility of market conditions and complex dynamics influencing the economic conditions of the building and development industry, conclusions and recommended actions contained herein should not be relied upon as sole input for final business decisions regarding current and future development and planning.
6. Any estimates of development costs, capitalization rates, income and/or expense projections are based on the best available project-specific data as well as the experiences of similar projects. They

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are not intended to be projections of the future for the specific project. No warranty or representation is made that any of the estimates or projections will actually materialize.

7. KMA assumes that all applicable laws and governmental regulations in place as of the date of this document will remain unchanged throughout the projection period of our analysis. In the event that this does not hold true, the analysis would need to be revised.

attachments

TABLE 1

DEVELOPMENT SCENARIOS
VISTA BELLA CONCESSIONS ANALYSIS
CITY OF OCEANSIDE

	A	B	C	D
	BASE CASE ⁽¹⁾		PROPOSED PROJECT ⁽²⁾	
	Project @ Zoning Maximum	Project @ Parking Capacity	Alternative Proposed Project No Concessions	Applicant Proposed Project with Concession
	51 Units 100% Market-Rate No Density Bonus	44 Units 100% Market-Rate No Density Bonus	77 Units 15% Very Low Income 50% Density Bonus	77 Units 15% Very Low Income 50% Density Bonus
I. Site Area	1.74 Acres	1.74 Acres	1.74 Acres	1.74 Acres
II. Number of Units				
A. <u>Market-Rate Units</u>				
Studio	6 Units	6 Units	8 Units	8 Units
One Bedroom	25 Units	20 Units	35 Units	35 Units
Two Bedroom	16 Units	14 Units	22 Units	22 Units
Live/Work	4 Units	4 Units	4 Units	4 Units
Total	51 Units	44 Units	69 Units	69 Units
B. <u>Affordable Units</u>				
Studio	0 Units	0 Units	2 Units	2 Units
One Bedroom	0 Units	0 Units	4 Units	4 Units
Two Bedroom	0 Units	0 Units	2 Units	2 Units
Total	0 Units	0 Units	8 Units	8 Units
C. Total Units	51 Units	44 Units	77 Units	77 Units
III. Average Unit Size	782 SF	780 SF	776 SF	776 SF
IV. Gross Building Area	57,376 SF	49,500 SF	85,731 SF	85,731 SF
V. Number of Stories	4 Stories	4 Stories	6 Stories	6 Stories
VI. Density	29 Units/Acre	25 Units/Acre	44 Units/Acre	44 Units/Acre
VII. Parking				
A. Surface	35 Spaces	35 Spaces	35 Spaces	35 Spaces
B. Subterranean	64 Spaces	52 Spaces	57 Spaces	52 Spaces
C. Total Parking	99 Spaces	87 Spaces	92 Spaces	87 Spaces
D. Parking Ratio	1.9 Spaces/Unit	2.0 Spaces/Unit	1.2 Spaces/Unit	1.1 Spaces/Unit

(1) KMA estimate based on review of Proposed Project and discussion with City. See Table 1 in Appendices A and B.

(2) Source: Miller Architectural Corporation, September 14, 2023. See Table 1 in Appendix C and Appendix D.

TABLE 2

KEY FINDINGS

VISTA BELLA CONCESSIONS ANALYSIS

CITY OF OCEANSIDE

	B	D
	BASE CASE	PROPOSED PROJECT
	44 Units 100% Market-Rate No Density Bonus	77 Units 15% Very Low Income 50% Density Bonus
	No concessions	<u>Concessions</u> <ul style="list-style-type: none"> • No renewable energy on-site • Reduce parking requirement
I. TEST #1		
A. Development Costs ⁽¹⁾ Total Costs Per Unit Per SF GBA	\$21,293,000 \$484,000 \$430	\$32,783,000 \$426,000 -12.0% decrease \$382 -11.1% decrease
B. Proposed concession results in cost savings		Yes
II. TEST #2		
A. Net Cost to Provide Eight (8) Very Low Income Units ⁽²⁾	---	(\$3,139,000)
B. Value of Requested Concessions ⁽³⁾	---	<u>\$1,404,000</u>
C. Net Surplus/(Cost) - Proposed Project	---	(\$1,735,000)
D. Proposed concession results in cost savings to provide for affordable rent	---	Yes

(1) See Table 2 in Appendices B and D.

(2) Reflects the net cost to provide eight (8) Very Low Income units minus the Net Surplus/(Cost) of Proposed Project. See Appendix E.

(3) See Appendix F.

APPENDIX A

Base Case Scenario Project @ Zoning Maximum - 51 Units

**Vista Bella
City of Oceanside**

TABLE A-1

**PROJECT DESCRIPTION
VISTA BELLA CONCESSIONS ANALYSIS
CITY OF OCEANSIDE**

I. Site Address	503 Vista Bella		
II. Site Area	1.739 Acres		
III. Gross Building Area (GBA)			
Residential	39,881 SF (1)	70%	
Circulation/Common Areas	16,807 SF (2)	29%	
Ground Floor Commercial	<u>688</u> SF	<u>1%</u>	
Total	57,376 SF (3)	100%	
IV. Construction Type	Type V		
V. Number of Stories	4 Stories		
VI. Unit Mix	Number of Units		Average Unit Size
Studio	6 Units	12%	460 SF
One Bedroom	25 Units	49%	705 SF
Two Bedroom	16 Units	31%	1,022 SF ⁽⁴⁾
Live/Work	<u>4</u> Units	<u>8%</u>	<u>786</u> SF
Total/Average	51 Units	100%	782 SF
VII. Density	29 Units/Acre		
VIII. Affordability Mix			
Market-Rate Units	51 Units	100%	
Units @ 50% AMI	<u>0</u> Units	<u>0%</u>	
Total	51 Units	100%	
IX. Parking			
A. Type			
Surface	35 Spaces		
Subterranean	<u>64</u> Spaces		
Total	99 Spaces		
			Parking Ratio
B. Residential Parking Spaces	96 Spaces		1.9 Spaces/Unit
C. Commercial Parking Spaces	<u>3</u> Spaces		1.0 Space per 300 SF
D. Total Parking Spaces	99 Spaces		

(1) Imputed by KMA based on the unit sizes for the Proposed Project in the February 2025 Developer pro forma.

(2) Imputed by KMA based on efficiency factor of the Proposed Project.

(3) Excludes balconies and subterranean parking.

(4) Reflects size of two bedroom unit shown in pro forma; differs from site plans which indicate two-bedroom units ranging between 1,043 SF and 1,155 SF.

TABLE A-2

**ESTIMATED DEVELOPMENT COSTS
VISTA BELLA CONCESSIONS ANALYSIS
CITY OF OCEANSIDE**

	<u>Total</u>	<u>Per Unit</u>	<u>Comments</u>
I. Direct Costs ⁽¹⁾			
Off-Sites	\$0	\$0	\$0 Per SF Site
On-Sites/Landscaping	\$0	\$0	Included below
Renewable Energy On-Site	\$562,000	\$11,010	\$7 Per SF Site
Parking ⁽²⁾	\$3,801,000	\$75,000	\$60,000 Per Space - Subterranean
Shell Construction	\$10,041,000	\$197,000	\$175 Per SF GBA
FF&E/Amenities	\$0	\$0	\$0 Per SF GBA
Contingency	<u>\$720,000</u>	<u>\$14,000</u>	5.0% of Directs
Total Direct Costs	\$15,124,000	\$297,000	\$264 Per SF GBA
II. Indirect Costs			
Architecture & Engineering	\$832,000	\$16,000	5.5% of Directs
Permits & Fees ⁽³⁾	\$1,505,000	\$30,000	\$26 Per SF GBA
Affordable Housing In-Lieu Fee ⁽⁴⁾	\$798,000	\$16,000	\$20 Per SF GBA
Legal & Accounting	\$227,000	\$4,000	1.5% of Directs
Taxes & Insurance	\$302,000	\$6,000	2.0% of Directs
Developer Fee	\$454,000	\$9,000	3.0% of Directs
Marketing/Lease-Up	\$204,000	\$3,000	of Directs
Contingency	<u>\$216,000</u>	<u>\$4,000</u>	5.0% of Indirects
Total Indirect Costs	\$4,538,000	\$89,000	30.0% of Directs
III. Financing Costs ⁽⁵⁾	\$1,512,000	\$30,000	10.0% of Directs
IV. Total Development Costs - Excluding Acquisition	\$21,174,000	\$415,000	\$369 Per SF GBA
V. Add: Acquisition Costs	\$4,000,000	\$78,000	\$53 Per SF Site
VI. Total Development Costs - Including Acquisition	\$25,174,000	\$494,000	\$439 Per SF GBA

(1) Excludes the payment of prevailing wages.

(2) Reflects cost of 52 subterranean spaces from Proposed Project at \$2.5 M + additional subterranean spaces at a cost of \$111,208 per space.

(3) KMA estimate.

(4) Based on Inclusionary Housing Ordinance (Chapter 14C of the Municipal Code). Assumes in-lieu fee is assessed against the net building area of the residential development.

(5) Includes finance fees and interest.

TABLE A-3

**NET OPERATING INCOME
VISTA BELLA CONCESSIONS ANALYSIS
CITY OF OCEANSIDE**

	<u>Unit Size</u>	<u># of Units</u>	<u>\$/SF</u>	<u>Total \$/Month</u>	<u>Total Annual</u>
I. Gross Scheduled Income (GSI)					
A. Market-Rate					
Studio	460 SF	6 Units	\$4.45	\$2,047	\$147,000
One Bedroom	705 SF	25 Units	\$3.75	\$2,644	\$793,000
Two Bedroom	1,022 SF	16 Units	\$3.00	\$3,066	\$589,000
Live / Work	<u>786 SF</u>	<u>4 Units</u>	<u>\$3.50</u>	<u>\$2,751</u>	<u>\$132,000</u>
Subtotal/Average	782 SF	51 Units	\$3.47	\$2,710	\$1,661,000
Add: Other Income ⁽¹⁾			\$79 /Unit/Month		<u>\$48,000</u>
B. Total Gross Scheduled Income (GSI)					\$1,709,000
II. Effective Gross Income (EGI)					
(Less) Vacancy			5.0% of GSI		<u>(\$85,000)</u>
EGI					\$1,624,000
III. Operating Expenses			\$10,510 /Unit/Year 33.0% of EGI		<u>(\$536,000)</u>
IV. Net Operating Income (NOI)					\$1,088,000

(1) Includes Other Income, Pet Fee, and RUBS (water, sewer, trash).

TABLE A-4

**RETURN ON INVESTMENT
VISTA BELLA CONCESSIONS ANALYSIS
CITY OF OCEANSIDE**

I. Net Operating Income	\$1,088,000
II. Total Development Costs	\$25,174,000
III. Return on Investment (ROI)	4.32%

APPENDIX B

Base Case Scenario Project @ Parking Capacity - 44 Units

**Vista Bella
City of Oceanside**

TABLE B-1

**PROJECT DESCRIPTION - BASE CASE
VISTA BELLA CONCESSIONS ANALYSIS
CITY OF OCEANSIDE**

I. Site Address	503 Vista Bella		
II. Site Area	1.739 Acres		
III. Gross Building Area (GBA)			
Residential	34,312 SF (1)	70%	
Circulation/Common Areas	14,500 SF (2)	29%	
Ground Floor Commercial	<u>688</u> SF	<u>1%</u>	
Total	49,500 SF (3)	100%	
IV. Construction Type	Type V		
V. Number of Stories	4 Stories		
VI. Unit Mix	Number of Units		Average Unit Size
Studio	6 Units	14%	460 SF
One Bedroom	20 Units	45%	705 SF
Two Bedroom	14 Units	32%	1,022 SF ⁽⁴⁾
Live/Work	<u>4</u> Units	<u>9%</u>	<u>786</u> SF
Total/Average	44 Units	100%	780 SF
VII. Density	25 Units/Acre		
VIII. Affordability Mix			
Market-Rate Units	44 Units	100%	
Units @ 50% AMI	<u>0</u> Units	<u>0%</u>	
Total	44 Units	100%	
IX. Parking			
A. Type			
Surface	35 Spaces		
Subterranean	<u>52</u> Spaces		
Total	87 Spaces		
			Parking Ratio
B. Residential Parking Spaces	84 Spaces		1.9 Spaces/Unit
C. Commercial Parking Spaces	<u>3</u> Spaces		1.0 Space per 300 SF
D. Total Parking Spaces	87 Spaces		

(1) Imputed by KMA based on the unit sizes for the Proposed Project in the February 2025 Developer pro forma.

(2) Imputed by KMA based on efficiency factor of the Proposed Project.

(3) Excludes balconies and subterranean parking.

(4) Reflects size of two bedroom unit shown in pro forma; differs from site plans which indicate two-bedroom units ranging between 1,043 SF and 1,155 SF.

TABLE B-2

**ESTIMATED DEVELOPMENT COSTS
VISTA BELLA CONCESSIONS ANALYSIS
CITY OF OCEANSIDE**

	<u>Total</u>	<u>Per Unit</u>	<u>Comments</u>
I. Direct Costs ⁽¹⁾			
Off-Sites	\$0	\$0	\$0 Per SF Site
On-Sites/Landscaping	\$0	\$0	Included below
Renewable Energy On-Site	\$484,000	\$11,000	\$6 Per SF Site
Parking ⁽²⁾	\$2,500,000	\$57,000	\$48,077 Per Space - Subterranean
Shell Construction	\$8,663,000	\$197,000	\$175 Per SF GBA
FF&E/Amenities	\$0	\$0	\$0 Per SF GBA
Contingency	<u>\$582,000</u>	<u>\$13,000</u>	5.0% of Directs
Total Direct Costs	\$12,229,000	\$278,000	\$247 Per SF GBA
II. Indirect Costs			
Architecture & Engineering	\$673,000	\$15,000	5.5% of Directs
Permits & Fees ⁽³⁾	\$1,328,000	\$30,000	\$27 Per SF GBA
Affordable Housing In-Lieu Fee ⁽⁴⁾	\$686,000	\$16,000	\$20 Per SF GBA
Legal & Accounting	\$183,000	\$4,000	1.5% of Directs
Taxes & Insurance	\$245,000	\$6,000	2.0% of Directs
Developer Fee	\$367,000	\$8,000	3.0% of Directs
Marketing/Lease-Up	\$176,000	\$3,000	of Directs
Contingency	<u>\$183,000</u>	<u>\$4,000</u>	5.0% of Indirects
Total Indirect Costs	\$3,841,000	\$87,000	31.4% of Directs
III. Financing Costs ⁽⁵⁾	\$1,223,000	\$28,000	10.0% of Directs
IV. Total Development Costs - Excluding Acquisition	\$17,293,000	\$393,000	\$349 Per SF GBA
V. Add: Acquisition Costs	\$4,000,000	\$91,000	\$53 Per SF Site
VI. Total Development Costs - Including Acquisition	\$21,293,000	\$484,000	\$430 Per SF GBA

(1) Excludes the payment of prevailing wages.

(2) Reflects cost of 52 subterranean spaces from Proposed Project at \$2.5 M.

(3) KMA estimate.

(4) Based on Inclusionary Housing Ordinance (Chapter 14C of the Municipal Code). Assumes in-lieu fee is assessed against the net building area of the residential development.

(5) Includes finance fees and interest.

TABLE B-3

NET OPERATING INCOME
VISTA BELLA CONCESSIONS ANALYSIS
CITY OF OCEANSIDE

	<u>Unit Size</u>	<u># of Units</u>	<u>\$/SF</u>	<u>Total \$/Month</u>	<u>Total Annual</u>
I. Gross Scheduled Income (GSI)					
A. Market-Rate					
Studio	460 SF	6 Units	\$4.45	\$2,047	\$147,000
One Bedroom	705 SF	20 Units	\$3.75	\$2,644	\$635,000
Two Bedroom	1,022 SF	14 Units	\$3.00	\$3,066	\$515,000
Live / Work	<u>786 SF</u>	<u>4 Units</u>	<u>\$3.50</u>	<u>\$2,751</u>	<u>\$132,000</u>
Subtotal/Average	780 SF	44 Units	\$3.48	\$2,710	\$1,429,000
Add: Other Income ⁽¹⁾			\$79 /Unit/Month		<u>\$42,000</u>
B. Total Gross Scheduled Income (GSI)					\$1,471,000
II. Effective Gross Income (EGI)					
(Less) Vacancy			5.0% of GSI		<u>(\$74,000)</u>
EGI					\$1,397,000
III. Operating Expenses			\$10,477 /Unit/Year 33.0% of EGI		<u>(\$461,000)</u>
IV. Net Operating Income (NOI)					\$936,000

(1) Includes Other Income, Pet Fee, and RUBS (water, sewer, trash).

TABLE B-4

**RETURN ON INVESTMENT
VISTA BELLA CONCESSIONS ANALYSIS
CITY OF OCEANSIDE**

I. Net Operating Income	\$936,000
II. Total Development Costs	\$21,293,000
III. Return on Investment (ROI)	4.40%

APPENDIX C

Proposed Project - No Concessions

**Vista Bella
City of Oceanside**

TABLE C-1

**PROJECT DESCRIPTION - PROPOSED PROJECT ⁽¹⁾
VISTA BELLA CONCESSIONS ANALYSIS
CITY OF OCEANSIDE**

I. Site Address	503 Vista Bella		
II. Site Area	1.739 Acres		
III. Gross Building Area (GBA)			
Residential	59,767 SF ⁽²⁾	70%	
Circulation/Common Areas	25,276 SF	29%	
Ground Floor Commercial	<u>688</u> SF	<u>1%</u>	
Total	85,731 SF ⁽³⁾	100%	
IV. Construction Type	Type III-B		
V. Number of Stories	6 Stories		
VI. Unit Mix	Number of Units		Average Unit Size
Studio	10 Units	13%	460 SF
One Bedroom	39 Units	51%	705 SF
Two Bedroom	24 Units	31%	1,022 SF ⁽⁴⁾
Live/Work	<u>4</u> Units	<u>5%</u>	<u>786</u> SF
Total/Average	77 Units	100%	776 SF
VII. Density	44.28 Units/Acre		
VIII. Affordability Mix			
Market-Rate Units	69 Units	90%	
Units @ 50% AMI	<u>8</u> Units	<u>10%</u>	
Total	77 Units	100%	
IX. Parking ⁽⁵⁾			
A. Type			
Surface	35 Spaces		
Subterranean	<u>57</u> Spaces		
Total	92 Spaces		
			Parking Ratio
B. Residential Parking Spaces	89 Spaces		1.2 Spaces/Unit
C. Commercial Parking Spaces	<u>3</u> Spaces		1.0 Space per 300 SF
D. Total Parking Spaces	92 Spaces		

(1) Source: Miller Architectural Corporation, September 14, 2023, unless otherwise noted.

(2) Source: Applicant pro forma, February 18, 2025.

(3) Excludes balconies and subterranean parking.

(4) Reflects size of two bedroom unit shown in pro forma; differs from site plans which indicate two-bedroom units ranging between 1,043 SF and 1,155 SF.

(5) Reflects reduced parking requirement requested by Applicant.

TABLE C-2

**ESTIMATED DEVELOPMENT COSTS - PROPOSED PROJECT NO CONCESSIONS
VISTA BELLA CONCESSIONS ANALYSIS
CITY OF OCEANSIDE**

	<u>Total</u>	<u>Per Unit</u>	<u>Comments</u>
I. Direct Costs ⁽¹⁾			
Off-Sites	\$0	\$0	\$0 Per SF Site
On-Sites/Landscaping	\$0	\$0	Included below
Renewable Energy On-Site	\$848,000	\$11,000	\$11 Per SF Site
Parking	\$3,056,000	\$39,700	\$53,614 Per Space - Subterranean
Shell Construction	\$16,436,000	\$213,500	\$192 Per SF GBA
FF&E/Amenities	\$0	\$0	\$0 Per SF GBA
Contingency	<u>\$1,017,000</u>	<u>\$13,200</u>	5.0% of Directs
Total Direct Costs	\$21,357,000	\$277,400	\$249 Per SF GBA
II. Indirect Costs			
Architecture & Engineering	\$1,281,000	\$17,000	6.0% of Directs
Permits & Fees ⁽³⁾	\$2,082,000	\$27,000	\$24 Per SF GBA
Legal & Accounting	\$534,000	\$7,000	2.5% of Directs
Taxes & Insurance	\$423,000	\$5,000	2.0% of Directs
Developer Fee	\$854,000	\$11,000	4.0% of Directs
Marketing/Lease-Up	\$308,000	\$4,000	0.0% of Directs
Contingency	<u>\$274,000</u>	<u>\$4,000</u>	5.0% of Indirects
Total Indirect Costs	\$5,756,000	\$75,000	27.0% of Directs
III. Financing Costs ⁽⁴⁾	\$3,204,000	\$42,000	15.0% of Directs
IV. Total Development Costs - Excluding Acquisition	\$30,317,000	\$394,000	\$354 Per SF GBA
V. Add: Acquisition Costs	\$4,000,000	\$52,000	\$53 Per SF Site
VI. Total Development Costs - Including Acquisition	\$34,317,000	\$446,000	\$400 Per SF GBA

(1) Excludes the payment of prevailing wages.

(2) Reflects cost of on-site renewable energy.

(3) Reflects preliminary KMA estimate.

(4) Includes finance fees and interest.

APPENDIX D

Proposed Project - with Concessions

**Vista Bella
City of Oceanside**

TABLE D-1

**PROJECT DESCRIPTION - PROPOSED PROJECT ⁽¹⁾
VISTA BELLA CONCESSIONS ANALYSIS
CITY OF OCEANSIDE**

I. Site Address	503 Vista Bella		
II. Site Area	1.739 Acres		
III. Gross Building Area (GBA)			
Residential	59,767 SF ⁽²⁾	70%	
Circulation/Common Areas	25,276 SF	29%	
Ground Floor Commercial	<u>688</u> SF	<u>1%</u>	
Total	85,731 SF ⁽³⁾	100%	
IV. Construction Type	Type III-B		
V. Number of Stories	6 Stories		
VI. Unit Mix	Number of Units		Average Unit Size
Studio	10 Units	13%	460 SF
One Bedroom	39 Units	51%	705 SF
Two Bedroom	24 Units	31%	1,022 SF ⁽⁴⁾
Live/Work	4 Units	5%	786 SF
Total/Average	77 Units	100%	776 SF
VII. Density	44.28 Units/Acre		
VIII. Affordability Mix			
Market-Rate Units	69 Units	90%	
Units @ 50% AMI	<u>8</u> Units	<u>10%</u>	
Total	77 Units	100%	
IX. Parking ⁽⁵⁾			
A. Type			
Surface	35 Spaces		
Subterranean	<u>52</u> Spaces		
Total	87 Spaces		
			Parking Ratio
B. Residential Parking Spaces	84 Spaces		1.1 Spaces/Unit
C. Commercial Parking Spaces	<u>3</u> Spaces		1.0 Space per 300 SF
D. Total Parking Spaces	87 Spaces		

(1) Source: Miller Architectural Corporation, September 14, 2023, unless otherwise noted.

(2) Source: Applicant pro forma, February 18, 2025.

(3) Excludes balconies and subterranean parking.

(4) Reflects size of two bedroom unit shown in pro forma; differs from site plans which indicate two-bedroom units ranging between 1,043 SF and 1,155 SF.

(5) Reflects reduced parking requirement requested by Applicant.

TABLE D-2

**ESTIMATED DEVELOPMENT COSTS
VISTA BELLA CONCESSIONS ANALYSIS
CITY OF OCEANSIDE**

	<u>Total</u>	<u>Per Unit</u>	<u>Comments</u>
I. Direct Costs ⁽¹⁾			
Off-Sites	\$0	\$0	\$0 Per SF Site
On-Sites/Landscaping	\$0	\$0	Included below
Renewable Energy On-Site ⁽²⁾	\$0	\$0	\$0 Per SF Site
Parking	\$2,500,000	\$32,000	\$48,077 Per Space - Subterranean
Shell Construction	\$16,718,000	\$217,000	\$195 Per SF GBA
FF&E/Amenities	\$0	\$0	\$0 Per SF GBA
Contingency	<u>\$961,000</u>	<u>\$12,000</u>	5.0% of Directs
Total Direct Costs	\$20,179,000	\$262,000	\$235 Per SF GBA
II. Indirect Costs			
Architecture & Engineering	\$1,211,000	\$16,000	6.0% of Directs
Permits & Fees ⁽³⁾	\$2,081,000	\$27,000	\$24 Per SF GBA
Legal & Accounting	\$504,000	\$7,000	2.5% of Directs
Taxes & Insurance	\$400,000	\$5,000	2.0% of Directs
Developer Fee	\$807,000	\$10,000	4.0% of Directs
Marketing/Lease-Up	\$308,000	\$4,000	of Directs
Contingency	<u>\$266,000</u>	<u>\$3,000</u>	5.0% of Indirects
Total Indirect Costs	\$5,577,000	\$72,000	27.6% of Directs
III. Financing Costs ⁽⁴⁾	\$3,027,000	\$39,000	15.0% of Directs
IV. Total Development Costs - Excluding Acquisition	\$28,783,000	\$374,000	\$336 Per SF GBA
V. Add: Acquisition Costs	\$4,000,000	\$52,000	\$53 Per SF Site
VI. Total Development Costs - Including Acquisition	\$32,783,000	\$426,000	\$382 Per SF GBA

(1) Excludes the payment of prevailing wages.

(2) Assumes no on-site renewable energy.

(3) Reflects preliminary KMA estimate.

(4) Includes finance fees and interest.

Source: Vista Bella Investment Group LLC, February 18, 2025.

Prepared by: Keyser Marston Associates, Inc.

Filename: i:/Oceanside_Vista Bella_Pro Forma Analysis_v2;5/14/2025;mdt

APPENDIX E

Affordability Gap Analysis

**Vista Bella
City of Oceanside**

TABLE E-1

ESTIMATE OF AFFORDABLE RENTS - PROPOSED PROJECT
VISTA BELLA CONCESSIONS ANALYSIS
CITY OF OCEANSIDE

	0	1	2
Number of Bedrooms			
I. Percent of AMI	50%	50%	50%
Assumed Family Size ⁽¹⁾	1.0	2.0	3.0
Household Income ⁽²⁾	\$41,825	\$47,800	\$53,775
II. Income Allocation to Housing	30%	30%	30%
III. Monthly Housing Cost	\$1,045	\$1,194	\$1,344
(Less) Utility Allowance ⁽³⁾	<u>(\$110)</u>	<u>(\$133)</u>	<u>(\$187)</u>
IV. Maximum Monthly Rent	\$935	\$1,061	\$1,157
V. Applicant Pro Forma - Proposed Project			
Monthly Housing Cost ⁽⁴⁾	\$1,022	\$1,168	\$1,314
(Less) Utility Allowance ⁽⁵⁾	<u>(\$204)</u>	<u>(\$222)</u>	<u>(\$293)</u>
Maximum Monthly Rent ⁽⁶⁾	\$818	\$946	\$1,021

(1) Assumed family size per California Health & Safety Code §50052.5, reflects the number of bedrooms in the unit plus one.

(2) State of California Department of Housing and Community Development (HCD) 2024 income limits.

(3) Source: City of Oceanside Utility Allowances, effective August 1, 2023. Utility allowance profile reflects KMA assumption.

	<u>Studio</u>	<u>One Bedroom</u>	<u>Two Bedroom</u>
Electric Heating	\$26	\$34	\$43
Electric Cooking	\$12	\$14	\$20
Other Electric	\$45	\$53	\$74
Electric Water Heating	<u>\$27</u>	<u>\$32</u>	<u>\$50</u>
Total	\$110	\$133	\$187

(4) Based on information provided to Applicant from City, January 27, 2024. Reflects maximum monthly rent cost per H&S 50052.5 based on 2023 income limits.

(5). Imputed by KMA. KMA could not replicate utility allowance profile/schedule assumed by Applicant.

(6) Reflects net monthly rent shown in Applicant pro forma.

TABLE E-2

**AFFORDABILITY GAP ANALYSIS
VISTA BELLA CONCESSIONS ANALYSIS
CITY OF OCEANSIDE**

I. Rent Difference**A. Studio**

Market-Rate Rent	\$1,995		
Very Low Income Rent ⁽¹⁾	<u>(\$935)</u>		
Rent Difference	\$1,060 /Unit/Month	2 Units	\$25,000 /Year

B. One Bedroom

Market-Rate Rent	\$2,995		
Very Low Income Rent ⁽¹⁾	<u>(\$1,061)</u>		
Rent Difference	\$1,934 /Unit/Month	4 Units	\$93,000 /Year

C. Two Bedroom

Market-Rate Rent	\$3,795		
Very Low Income Rent ⁽¹⁾	<u>(\$1,157)</u>		
Rent Difference	\$2,638 /Unit/Month	2 Units	\$63,000 /Year

II. Total Rent Difference

8 Units \$181,000

III. (Less) Property Tax Difference ⁽²⁾(\$43,000)**IV. Net Annual Affordability Gap**

\$138,000

V. Net Cost to Provide Eight (8) Very Low Income Units @	4.40%	\$3,139,000 ⁽³⁾
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(1) Reflects KMA estimate of maximum affordable rent for Very Low income households based on 2024 income limits; see Table C-1.

(2) Based on rent differential capitalized at a 5.0% rate and a 1.18% property tax rate.

(3) Reflects the Net Annual Affordability Gap capitalized at the 4.40% return on cost estimated to be generated by the Base Case.

APPENDIX F

Value of Requested Concessions

**Vista Bella
City of Oceanside**

TABLE F-1

APPLICANT ESTIMATE OF COST SAVINGS FROM REQUESTED DENSITY BONUS CONCESSIONS
VISTA BELLA CONCESSIONS ANALYSIS
CITY OF OCEANSIDE

I. Concession 1:	Removal of requirement to provide renewable energy onsite	\$847,800	\$11,010 /Unit
II. Concession 2:	Decrease in the amount of density bonus required parking from 92 to 87 spaces	\$556,040	\$111,208 /per reduced space (5 spaces)
III. Total Cost Savings		\$1,403,840	

Source: Vista Bella Investment Group, LLC.

APPENDIX G

Permits & Fees

**Vista Bella
City of Oceanside**

TABLE G-1

ESTIMATE OF PERMITS AND FEES
VISTA BELLA CONCESSIONS ANALYSIS
CITY OF OCEANSIDE

	A		B		C		D	
	BASE CASE				PROPOSED PROJECT			
A. Site Area	75,751 SF		75,751 SF		75,751 SF		75,751 SF	
	1.74 Acres		1.74 Acres		1.74 Acres		1.74 Acres	
B. Stories	4 Stories		4 Stories		6 Stories		6 Stories	
C. GBA								
Residential	56,688 SF		48,812 SF		85,043 SF		85,043 SF	
Commercial	688 SF		688 SF		688 SF		688 SF	
Parking	26,325 SF		21,490 SF		23,556 SF		21,490 SF	
D. Total GBA	83,701 SF		70,990 SF		109,287 SF		107,221 SF	
E. Units	51 Units		44 Units		77		77 Units	
	Comments	Totals	Comments	Totals	Comments	Totals	Comments	Totals
I. Building Plan Check and Inspection Fees ⁽¹⁾								
Residential Component ⁽²⁾								
A. Based Plan Check Fee	Fee up to 50,000 SF	\$12,188	Fee up to 50,000 SF	\$12,188	Up to 100,000 SF	\$13,417	Up to 100,000 SF	\$13,417
Each Additional SF	\$0.024 /SF	\$792	\$0.024 /SF	\$487	\$0.012 /SF	\$103	\$0.012 /SF	\$78
B. Base Inspection Fee	Up to 50,000 SF	\$82,636	Up to 50,000 SF	\$82,636	Up to 100,000 SF	\$126,975	Up to 100,000 SF	\$126,975
Each Additional SF	\$0.887 /SF	\$29,283	\$0.887 /SF	\$18,008	\$0.576 /SF	\$4,953	\$0.576 /SF	\$3,763
C. Total Building Plan Check/Inspection Fees		\$124,900		\$113,320		\$145,449		\$144,234
Commercial Component ⁽³⁾								
A. Based Plan Check Fee	Up to 400 SF	\$2,220	Up to 400 SF	\$2,220	Up to 400 SF	\$2,220	Up to 400 SF	\$2,220
Each Additional SF	\$0.415 /SF	\$120	\$0.415 /SF	\$120	\$0.415 /SF	\$120	\$0.415 /SF	\$120
B. Base Inspection Fee	Up to 400 SF	\$2,267	Up to 400 SF	\$2,267	Up to 400 SF	\$2,267	Up to 400 SF	\$2,267
Each Additional SF	\$1.554 /SF	\$448	\$1.554 /SF	\$448	\$1.554 /SF	\$448	\$1.554 /SF	\$448
C. Total Building Plan Check/Inspection Fees		\$5,054		\$5,054		\$5,054		\$5,054

TABLE G-1

ESTIMATE OF PERMITS AND FEES
VISTA BELLA CONCESSIONS ANALYSIS
CITY OF OCEANSIDE

	A		B		C		D	
	BASE CASE				PROPOSED PROJECT			
II. Drainage, Thoroughfare, and Traffic Signal Fee Program								
A. Thoroughfare and Traffic Signal Fees, Combined Fees								
Apartment	\$2,876 /Unit	\$146,676	\$2,876 /Unit	\$126,544	\$2,876 /Unit	\$221,452	\$2,876 /Unit	\$221,452
Commercial ⁽⁴⁾	\$14.46 /SF	\$9,948	\$14.46 /SF	\$9,948	\$14.46 /SF	\$9,948	\$14.46 /SF	\$9,948
B. Drainage Fees								
Apartment	\$467 /Unit	\$23,817	\$467 /Unit	\$20,548	\$467 /Unit	\$35,959	\$467 /Unit	\$35,959
Commercial Uses	\$0.848 /SF	<u>\$583</u>	\$0.848 /SF	<u>\$583</u>	\$0.848 /SF	<u>\$583</u>	\$0.848 /SF	<u>\$583</u>
C. Total DIFs		\$181,025		\$157,624		\$267,943		\$267,943
III. Impact Fees for New Development								
A. Park Facility								
Residential	\$2,621 /Unit	\$133,671	\$2,621 /Unit	\$115,324	\$2,621 /Unit	\$201,817	\$2,621 /Unit	\$201,817
Commercial/Industrial	\$0.902 /SF	\$621	\$0.902 /SF	\$621	\$0.902 /SF	\$621	\$0.902 /SF	\$621
B. Parks (Residential Only)								
Residential	\$4,431 /Unit	<u>\$225,981</u>	\$4,431 /Unit	<u>\$194,964</u>	\$4,431 /Unit	<u>\$341,187</u>	\$4,431 /Unit	<u>\$341,187</u>
C. Total Impact Fees/In-Lieu Fees		\$360,273		\$310,909		\$543,625		\$543,625
IV. Water System Capacity and Wastewater System Buy-In Fees ⁽⁵⁾								
A. Meter Only		\$2,546		\$2,546		\$2,546		\$2,546
B. Water System Capacity Buy-In Fees		\$45,440		\$45,440		\$45,440		\$45,440
C. SDCWA Capacity Charge		\$33,093		\$33,093		\$33,093		\$33,093
D. SDCWA Water Treatment Capacity Charge		<u>\$926</u>		<u>\$926</u>		<u>\$926</u>		<u>\$926</u>
E. Total Water System Capacity Buy-In Fees		\$82,005		\$82,005		\$82,005		\$82,005
F. Wastewater System Capacity Buy-In Fees		<u>\$62,354</u>		<u>\$62,354</u>		<u>\$62,354</u>		<u>\$62,354</u>
G. Total Water System Capacity/Wastewater System Buy-In Fees		\$144,359		\$144,359		\$144,359		\$144,359

TABLE G-1

ESTIMATE OF PERMITS AND FEES
VISTA BELLA CONCESSIONS ANALYSIS
CITY OF OCEANSIDE

	A	B	C	D
	BASE CASE		PROPOSED PROJECT	
V. Oceanside USD Developer Fees				
A. Residential	\$4.79 /SF \$271,536	\$4.79 /SF \$233,809	\$4.79 /SF \$407,356	\$4.79 /SF \$407,356
B. Commercial	\$0.78 /SF \$537	\$0.78 /SF \$537	\$0.78 /SF \$537	\$0.78 /SF \$537
C. Total USD Fees	\$272,073	\$234,346	\$407,893	\$407,893
VI. Regional Transportation Congestion Improvement Program (RTCIP) ⁽⁶⁾				
A. RTCIP - Residential	\$5,490 /Unit \$279,990	\$5,490 /Unit \$241,560	\$5,490 /Unit \$378,810	\$5,490 /Unit \$378,810
VII. Total	\$1,367,673	\$1,207,171	\$1,893,132	\$1,891,917
Per Unit	\$26,800	\$27,400	\$24,600	\$24,600
VIII. Add: Contingency Factor @	10% of Total \$137,000	10% of Total \$121,000	10% of Total \$189,000	10% of Total \$189,000
IX. Grand Total	\$1,505,000	\$1,328,000	\$2,082,000	\$2,081,000
Per Unit	\$29,500	\$30,200	\$27,000	\$27,000

(1) Per City email dated March 4, 2025, Mechanical, Plumbing, and Electrical (MPE) fees are included.

(2) Reflects an Occupancy Description of Mid-Rise, New Construction 4 Stories up to 75' Tall.

(3) Reflects an Occupancy Description of Restaurant Tenant Improvement, Non-Structural TI.

(4) Assumes sit-down restaurant as the designated Land Use. Fee per SF should be adjusted based on actual land use.

(5) Per City email dated March 4, 2025, for planning purposes, the owner should expect to need at least a 2-inch meter.

(6) Affordable housing units are exempt.

APPENDIX H

Market Data

**Vista Bella
City of Oceanside**

TABLE H-1

SURVEY OF NORTH SAN DIEGO COUNTY RESIDENTIAL LAND SALES ⁽¹⁾
VISTA BELLA CONCESSIONS ANALYSIS
CITY OF OCEANSIDE

<u>Sale Date</u>	<u>Address</u>	<u>City</u>	<u>Submarket</u>	<u>Sale Price</u>	<u>Land Area (Acres)</u>	<u>Land SF</u>	<u>\$/SF Land</u>	<u>Proposed Use</u>
01/16/24	1102-1104 S Escondido Blvd	Escondido	Escondido	\$1,130,000	0.23	10,000	\$113	Mixed Use
01/31/24	Viejo Castillo Way	Carlsbad	Carlsbad	\$3,565,000	0.86	37,374	\$95	MultiFamily
03/12/24	225 W Elder St	Fallbrook	Outlying SD County N	\$1,303,000	0.76	33,302	\$39	Apartments
08/08/24	1058 Old Taylor St	Vista	Vista	\$6,200,000	3.69	160,736	\$39	Mixed Use
02/29/24	350 10th Avenue	Escondido	Escondido	\$530,000	0.33	14,375	\$37	Apartments
11/21/23	1690 Via Cancion	San Marcos	Carlsbad	\$1,450,000	3.13	136,343	\$11	MultiFamily
07/15/24	Valley Center Rd	Valley Center	Outlying SD County N	\$5,500,000	13.98	608,969	\$9	Mixed Use
07/05/24	Crocker Road	Poway	Poway	\$525,000	2.61	113,692	\$5	MultiFamily
				Minimum	\$525,000	0.23	10,000	\$5
				Maximum	\$6,200,000	13.98	608,969	\$113
				Median	\$1,376,500	1.73	75,533	\$38
				Average	\$2,525,375	3.20	139,349	\$43

(1) Reflects survey of land sales proposed for multi-family development within northern San Diego County, east of the I-5 Freeway, since November 2023.

TABLE H-2

SURVEY OF MULTI-FAMILY MARKET RENTS, 5-MILE RING ⁽¹⁾
VISTA BELLA CONCESSIONS ANALYSIS
CITY OF OCEANSIDE

Property Description						Rents by Bedroom Type												Total - All Units		
						Studio			One Bedroom			Two Bedroom			Three Bedroom					
Address	Name	Units	Average Unit SF	Stories	Year Built	Monthly Rent	Unit SF	Rent Per SF	Monthly Rent	Unit SF	Rent Per SF	Monthly Rent	Unit SF	Rent Per SF	Monthly Rent	Unit SF	Rent Per SF	Monthly Rent	Unit SF	Rent Per SF
1040 Carlsbad Village Dr	The Lofts at Carlsbad Village	106	819	3	2021	---	---	---	\$3,342	646	\$5.17	\$4,444	1,014	\$4.38	\$5,391	1,284	\$4.20	\$3,899	819	\$4.76
250 Mission Ave	Pierside	66	852	4	2016	\$3,555	674	\$5.27	\$3,321	738	\$4.50	\$3,794	1,035	\$3.67	---	---	---	\$3,547	852	\$4.16
115 N Cleveland St	Pierside South	110	902	7	2018	\$2,546	570	\$4.47	\$3,250	840	\$3.87	\$4,306	1,201	\$3.59	---	---	---	\$3,490	902	\$3.87
1001 N Coast Hwy	Alta O'Side	309	945	5	2024	---	---	---	\$2,864	766	\$3.74	\$3,502	1,159	\$3.02	\$4,373	1,423	\$3.07	\$3,471	945	\$3.67
1559 N Santa Fe Ave	NV Lofts	60	749	3	2024	\$1,974	443	\$4.46	\$2,653	699	\$3.80	\$3,080	951	\$3.24	---	---	---	\$2,742	749	\$3.66
3546 Village Commercial Dr	Luma at El Corazon	268	1,005	3	2024	---	---	---	\$2,822	773	\$3.65	\$3,459	1,134	\$3.05	\$3,904	1,319	\$2.96	\$3,456	1,005	\$3.44
2510 W Ranch St	Montecito Apartments at Carlsbad	263	1,003	3	2018	---	---	---	\$2,832	695	\$4.07	\$3,492	1,084	\$3.22	\$3,853	1,378	\$2.80	\$3,345	1,003	\$3.33
3251 Marisol Pl	Marisol Carlsbad	278	1,017	1	2018	---	---	---	\$2,982	775	\$3.85	\$3,543	1,137	\$3.12	\$4,084	1,483	\$2.75	\$3,387	1,017	\$3.33
710 Breeze Hill Rd	Breeze Hill	88	837	3	2019	\$2,161	530	\$4.08	\$2,545	744	\$3.42	\$3,020	965	\$3.13	---	---	---	\$2,761	837	\$3.30
701 Breeze Hill Rd	Avalon Vista	221	887	3	2015	---	---	---	\$2,664	790	\$3.37	\$3,242	1,189	\$2.73	\$3,776	1,444	\$2.61	\$2,821	887	\$3.18
501 W Bobier Dr	Skye Apartments	290	943	3	2016	---	---	---	\$2,627	815	\$3.22	\$3,073	1,108	\$2.77	\$3,685	1,244	\$2.96	\$2,857	943	\$3.03
1401 N Melrose Dr	Preserve at Melrose Apartments	410	984	3	2015	---	---	---	\$2,562	793	\$3.23	\$2,992	1,130	\$2.65	\$3,735	1,358	\$2.75	\$2,846	984	\$2.89
3402 Piazza de Oro Way	Piazza D'Oro Townhomes	221	1,574	3	2010	---	---	---	---	---	---	\$3,705	1,465	\$2.53	\$4,159	1,673	\$2.49	\$3,959	1,574	\$2.52
	Minimum	60	749	1	2010	\$1,974	443	\$4.08	\$2,545	646	\$3.22	\$2,992	951	\$2.53	\$3,685	1,244	\$2.49	\$2,742	749	\$2.52
	Maximum	410	1,574	7	2024	\$3,555	674	\$5.27	\$3,342	840	\$5.17	\$4,444	1,465	\$4.38	\$5,391	1,673	\$4.20	\$3,959	1,574	\$4.76
	Median	221	943	3	2018	\$2,354	550	\$4.46	\$2,827	770	\$3.77	\$3,492	1,130	\$3.12	\$3,904	1,378	\$2.80	\$3,387	943	\$3.33
	Average	207	963	3	2018	\$2,559	554	\$4.57	\$2,872	756	\$3.82	\$3,512	1,121	\$3.16	\$4,107	1,401	\$2.95	\$3,275	963	\$3.47

(1) Reflects survey of market rate apartment buildings built since 2010, at least 50 units, and withing a 5-mile ring of 503 Vista Bella.

Source: CoStar Group, Inc.