

ATTACHMENT C- SUMMARY OF DEBT CAPACITY ESTIMATES (Schedule 1)

City of Santa Monica - Earthquake Redevelopment Area

Scenario: Base Case with Permanent ERAF

(Amounts in \$000)

| | <u>FY 2008-09</u> | <u>FY 2009-10</u> | <u>FY 2010-11</u> | <u>FY 2011-12</u> | <u>FY 2012-13</u> | <u>FY 2013-14</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Taxable Value* | 10,387,402 | 10,387,402 | 10,387,402 | 10,583,999 | 10,784,527 | 10,989,066 |
| Base Year AV | (3,867,833) | (3,867,833) | (3,867,833) | (3,867,833) | (3,867,833) | (3,867,833) |
| Total Increment | 6,519,569 | 6,519,569 | 6,519,569 | 6,716,166 | 6,916,694 | 7,121,233 |
| Tax Rate | 1.01286% | 1.01095% | 1.00906% | 1.00718% | 1.00520% | 1.00520% |
| Tax Increment Revenue | 66,034 | 65,910 | 65,786 | 67,644 | 69,527 | 71,583 |
| * Assumes real property AV growth rates of | | 0.0% | 0.0% | 2.0% | 2.0% | 2.0% |

Housing Fund

| | | | | | | |
|----------------------------|---------------|--------------|--------------|--------------|--------------|--------------|
| 20% Set Aside | 13,207 | 13,182 | 13,157 | 13,529 | 13,905 | 14,317 |
| Current Debt Service | (890) | (889) | (890) | (891) | (890) | (890) |
| Projected Debt Service (1) | 0 | (8,065) | (8,065) | (8,145) | (8,145) | (8,237) |
| Net Revenues | 12,317 | 4,228 | 4,202 | 4,493 | 4,870 | 5,190 |

Other RDA Purposes

| | | | | | | |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| TI after Housing Set Aside | 52,827 | 52,728 | 52,629 | 54,115 | 55,621 | 57,266 |
| ERAF, Admin Fee, Pass Thru | (22,395) | (22,778) | (23,087) | (23,811) | (24,545) | (25,463) |
| SM CCD Repayment | 378 | 377 | 377 | 392 | 407 | 424 |
| Net Revenues | 30,810 | 30,327 | 29,918 | 30,696 | 31,484 | 32,227 |
| Current Debt Service | (3,560) | (3,557) | (3,562) | (3,562) | (3,562) | (3,558) |
| Projected Debt Service (2) | 0 | (3,656) | (3,656) | (3,978) | (3,978) | (4,346) |
| Net Revenues | 27,250 | 23,115 | 22,701 | 23,156 | 23,944 | 24,323 |

Other Debt Obligations and Uses

| | | | | | | |
|---------------------------------|---------------|--------------|--------------|------------|--------------|------------|
| Parking Obligation Debt Service | (3,670) | (3,670) | (3,670) | (3,670) | (3,670) | (3,670) |
| Projected LRB Debt Service (2) | 0 | (15,020) | (15,020) | (15,690) | (15,690) | (16,700) |
| RDA Administration Expenses | (2,475) | (2,636) | (2,741) | (2,843) | (2,951) | (3,065) |
| Net Revenues | 21,105 | 1,788 | 1,270 | 953 | 1,633 | 889 |

Notes:

| | <u>FY2009-14</u> | <u>FY 2009-10</u> | <u>FY 2010-11</u> | <u>FY 2011-12</u> | <u>FY 2012-13</u> | <u>FY 2013-14</u> |
|---------------------------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | <u>Total</u> | | | | | |
| (1) HOUSING | | | | | | |
| RDA Debt Proceeds | 11,400 | 9,606 | 0 | 847 | 0 | 947 |
| B of A Proceeds | 75,000 | 75,000 | 0 | 0 | 0 | 0 |
| HOUSING DEBT CAPACITY SUBTOTAL | 86,400 | 84,606 | 0 | 847 | 0 | 947 |
| Remaining for PAYGO | 22,983 | 4,228 | 4,202 | 4,493 | 4,870 | 5,190 |
| HOUSING TOTAL PROCEEDS | 109,383 | 88,835 | 4,202 | 5,340 | 4,870 | 6,137 |
| (2) OTHER | | | | | | |
| RDA Debt Proceeds | 54,742 | 46,161 | 0 | 4,069 | 0 | 4,512 |
| GF-backed LRB Proceeds | 221,714 | 199,767 | 0 | 8,911 | 0 | 13,036 |
| OTHER DEBT CAPACITY SUBTOTAL | 276,455 | 245,928 | 0 | 12,980 | 0 | 17,548 |
| Remaining for PAYGO | 6,534 | 1,788 | 1,270 | 953 | 1,633 | 889 |
| OTHER TOTAL PROCEEDS | 282,989 | 247,717 | 1,270 | 13,933 | 1,633 | 18,436 |

| Debt Assumptions | Housing Debt | Other Debt | Bank Line of Credit | GF Lease Rev. Bonds |
|-----------------------------------|-----------------|---------------|------------------------|------------------------|
| Interest Rate | 7.50% | 6.00% | 4.70% | 5.25% |
| Term (Years) | 30 | 30 | 15 | 30 |
| Target Min. Debt Service Coverage | 125% | 125% | 125% | 110% |
| Max. Outstanding Principal | n/a | 95,000 | 75,000 | n/a |

ATTACHMENT C- SUMMARY OF DEBT CAPACITY ESTIMATES (Schedule 2)

City of Santa Monica - Earthquake Redevelopment Area

Scenario: Base Case with One-Time ERAF

(Amounts in \$000)

| | FY 2008-09 | FY 2009-10 | FY 2010-11 | FY 2011-12 | FY 2012-13 | FY 2013-14 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Taxable Value* | 10,387,402 | 10,387,402 | 10,387,402 | 10,583,999 | 10,784,527 | 10,989,066 |
| Base Year AV | (3,867,833) | (3,867,833) | (3,867,833) | (3,867,833) | (3,867,833) | (3,867,833) |
| Total Increment | 6,519,569 | 6,519,569 | 6,519,569 | 6,716,166 | 6,916,694 | 7,121,233 |
| Tax Rate | 1.01286% | 1.01095% | 1.00906% | 1.00718% | 1.00520% | 1.00520% |
| Tax Increment Revenue | 66,034 | 65,910 | 65,786 | 67,644 | 69,527 | 71,583 |
| * Assumes real property AV growth rates of | | 0.0% | 0.0% | 2.0% | 2.0% | 2.0% |

Housing Fund

| | | | | | | |
|----------------------------|---------------|--------------|--------------|--------------|--------------|--------------|
| 20% Set Aside | 13,207 | 13,182 | 13,157 | 13,529 | 13,905 | 14,317 |
| Current Debt Service | (890) | (889) | (890) | (891) | (890) | (890) |
| Projected Debt Service (1) | 0 | (8,065) | (8,065) | (8,145) | (8,145) | (8,237) |
| Net Revenues | 12,317 | 4,228 | 4,202 | 4,493 | 4,870 | 5,190 |

Other RDA Purposes

| | | | | | | |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| TI after Housing Set Aside | 52,827 | 52,728 | 52,629 | 54,115 | 55,621 | 57,266 |
| ERAF, Admin Fee, Pass Thru | (22,395) | (22,778) | (18,379) | (19,111) | (19,854) | (20,650) |
| SM CCD Repayment | 378 | 377 | 377 | 392 | 407 | 424 |
| Net Revenues | 30,810 | 30,327 | 34,627 | 35,396 | 36,175 | 37,040 |
| Current Debt Service | (3,560) | (3,557) | (3,562) | (3,562) | (3,562) | (3,558) |
| Projected Debt Service (2) | 0 | (3,656) | (3,656) | (3,978) | (3,978) | (4,346) |
| Net Revenues | 27,250 | 23,115 | 27,410 | 27,856 | 28,635 | 29,137 |

Other Debt Obligations and Uses

| | | | | | | |
|---------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|
| Parking Obligation Debt Service | (3,670) | (3,670) | (3,670) | (3,670) | (3,670) | (3,670) |
| Projected LRB Debt Service (2) | 0 | (15,020) | (15,020) | (16,850) | (16,850) | (17,750) |
| RDA Administration Expenses | (2,475) | (2,636) | (2,741) | (2,843) | (2,951) | (3,065) |
| Net Revenues | 21,105 | 1,788 | 5,979 | 4,493 | 5,164 | 4,652 |

Notes:

| | FY2009-14 | FY 2009-10 | FY 2010-11 | FY 2011-12 | FY 2012-13 | FY 2013-14 |
|---------------------------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Total | | | | | |
| (1) HOUSING | | | | | | |
| RDA Debt Proceeds | 11,400 | 9,606 | 0 | 847 | 0 | 947 |
| B of A Proceeds | 75,000 | 75,000 | 0 | 0 | 0 | 0 |
| HOUSING DEBT CAPACITY SUBTOTAL | 86,400 | 84,606 | 0 | 847 | 0 | 947 |
| Remaining for PAYGO | 22,983 | 4,228 | 4,202 | 4,493 | 4,870 | 5,190 |
| HOUSING TOTAL PROCEEDS | 109,383 | 88,835 | 4,202 | 5,340 | 4,870 | 6,137 |
| (2) OTHER | | | | | | |
| RDA Debt Proceeds | 54,742 | 46,161 | 0 | 4,069 | 0 | 4,512 |
| GF-backed LRB Proceeds | 235,722 | 199,767 | 0 | 24,339 | 0 | 11,616 |
| OTHER DEBT CAPACITY SUBTOTAL | 290,464 | 245,928 | 0 | 28,408 | 0 | 16,128 |
| Remaining for PAYGO | 22,076 | 1,788 | 5,979 | 4,493 | 5,164 | 4,652 |
| OTHER TOTAL PROCEEDS | 312,540 | 247,717 | 5,979 | 32,900 | 5,164 | 20,780 |

| Debt Assumptions | Housing Debt | Other Debt | Bank Line of Credit | GF Lease Rev. Bonds |
|-----------------------------------|--------------|------------|---------------------|---------------------|
| Interest Rate | 7.50% | 6.00% | 4.70% | 5.25% |
| Term (Years) | 30 | 30 | 15 | 30 |
| Target Min. Debt Service Coverage | 125% | 125% | 125% | 110% |
| Max. Outstanding Principal | n/a | 95,000 | 75,000 | n/a |