

Sarah Absher

From: Sarah Absher
Sent: Thursday, May 14, 2026 1:18 PM
To: Steve Wade
Subject: Tillamook Bay Commons

Hello Steve,

Below is an outline of the information requested by the Housing Commission Finance Committee to proceed with consideration of removing the contingency from the Tillamook Bay Commons HPSF award. Please provide the requested information by Monday, May 25th.

Capital Stack

- Update on current components of the capital stack without MIRL and the anticipated repayment terms of each component, including the debt service ratio requirements of each;

Pro Forma

- Projected operating costs as listed in cell G 50 of the Op. & Debt Serv. tab are 14% of gross rental income, which appear to be significantly below industry standards. Is this amount actually achievable?
- The total operating expenses listed in cell G 50 appear to exclude property tax, insurance and reserve for replacement expenses. Should these amounts be added?
- How is the total estimated cost of the project affected if MIRL is not a component of the funding stack?

Project Funding from the HPSF

- Please submit a report listing how last year's \$100,000 development grant has been spent;
- Please submit a report listing of how the \$80,000 of proposed funding from this year's HPSF would be spent.

Thank You,



Sarah Absher, CBO, CFM, Director
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Tillamook Bay Commons

Estimated Sources and Uses, Key Assumptions, Unit Mix

Aggregate Sources and Uses of Funds

Sources	Senior	Subordinate	Total
Current Interest Bonds (CIB) Par	\$18,750,000	\$3,695,000	\$22,445,000
Construction Fund Earnings	278,143	57,554	335,697
CERTA Grant	1,193,119	246,881	1,440,000
CIP Grant	579,988	120,012	700,000
Tillamook Co. Grant	66,284	13,716	80,000
Total	\$20,867,535	\$4,133,162	\$25,000,697

Uses	Senior	Subordinate	Total
Project Cost	\$16,903,940	\$3,497,778	\$20,401,718
Debt Service Reserve Fund	\$1,125,000	-	1,125,000
Capitalized Interest	\$1,985,059	467,025	2,452,084
Issuance Costs	697,750	137,503	835,253
Operating Account @6-mo OpEx	155,785	30,856	186,641
Total Uses	\$20,867,535	\$4,133,162	\$25,000,697

Select Assumptions & Results

	Senior	Subordinate
Maturity	7/15/2056	7/15/2056
Final Principal Date	7/15/2051	7/15/2052
Final Principal Years	25.0 yrs	26.0 yrs
Weighted Average Life	16.9 yrs	24.5 yrs
Interest Rate	6.00%	7.25%
Minimum DSCR From Available Cash	1.53x	1.23x
Minimum DSCR from NOI	1.30x	1.05x
Stabilized Value	25,364,932	
Debt to Budget	92%	110%
Debt to Stabilized Value	74%	88%

Unit Mix

Unit Type	# of Units	Sq. Ft.	Rent (2025 Rate)
1 Bed	36	600	\$1,750
2 Bed	18	800	\$2,150
3 Bed	18	1,000	\$2,530
Total	72		

Tillamook Bay Commons
Summary Cash Flows

Year	7/15/2037	7/15/2038	7/15/2039	7/15/2040	7/15/2041	7/15/2042	7/15/2043	7/15/2044	7/15/2045	7/15/2046
Rental Income										
(1) Gross Potential Income	\$2,445,775	\$2,519,148	\$2,594,723	\$2,672,565	\$2,752,741	\$2,835,324	\$2,920,383	\$3,007,995	\$3,098,235	\$3,191,182
(2) Less: Vacancy	(122,289)	(125,957)	(129,736)	(133,628)	(137,637)	(141,766)	(146,019)	(150,400)	(154,912)	(159,559)
(3) Other Income	15,024	15,475	15,939	16,417	16,910	17,417	17,940	18,478	19,032	19,603
(4) Rental Income	\$2,338,511	\$2,408,666	\$2,480,926	\$2,555,354	\$2,632,014	\$2,710,975	\$2,792,304	\$2,876,073	\$2,962,355	\$3,051,226
Operating Expenses										
(5) Property Taxes	\$159,182	\$163,958	\$168,877	\$173,943	\$179,161	\$184,536	\$190,072	\$195,774	\$201,647	\$207,697
(6) Property Tax Abatement	(\$159,182)	-	-	-	-	-	-	-	-	-
(7) Property Insurance	\$35,229	\$36,286	\$37,374	\$38,496	\$39,650	\$40,840	\$42,065	\$43,327	\$44,627	\$45,966
(8) Utilities (fk per door)	\$120,039	\$123,640	\$127,350	\$131,170	\$135,105	\$139,158	\$143,333	\$147,633	\$152,062	\$156,624
(9) Repairs & Maintenance	\$30,010	\$30,910	\$31,837	\$32,793	\$33,776	\$34,790	\$35,833	\$36,908	\$38,015	\$39,156
(10) Landscaping, Security, Turnover	\$30,010	\$30,910	\$31,837	\$32,793	\$33,776	\$34,790	\$35,833	\$36,908	\$38,015	\$39,156
(11) Property Management Fee	\$116,926	\$120,433	\$124,046	\$127,768	\$131,601	\$135,549	\$139,615	\$143,804	\$148,118	\$152,561
(12) Advertising & Leasing	\$15,005	\$15,455	\$15,919	\$16,396	\$16,888	\$17,395	\$17,917	\$18,454	\$19,008	\$19,578
(13) Other	\$113,641	\$117,051	\$120,562	\$124,179	\$127,904	\$131,742	\$135,694	\$139,765	\$143,958	\$148,276
(14) Reserves	\$26,095	\$26,878	\$27,685	\$28,515	\$29,371	\$30,252	\$31,159	\$32,094	\$33,057	\$34,049
(15) Total Operating Expenses	\$486,955	\$665,521	\$685,487	\$706,052	\$727,233	\$749,050	\$771,522	\$794,667	\$818,507	\$843,063
(16) Net Operating Income	\$1,851,556	\$1,743,145	\$1,795,439	\$1,849,302	\$1,904,781	\$1,961,925	\$2,020,782	\$2,081,406	\$2,143,848	\$2,208,163
(17) Interest Earnings	\$39,375	\$39,375	\$39,375	\$39,375	\$39,375	\$39,375	\$39,375	\$39,375	\$39,375	\$39,375
(18) Prior Year Excess Cash Flow	1,005	716	1,858	243	2,142	3,869	2,388	304	574	1,503
(19) Reserve Release	-	-	-	-	-	-	-	-	-	-
(20) Cash Flow Available for Debt Service	\$1,891,937	\$1,783,236	\$1,836,672	\$1,888,920	\$1,946,298	\$2,005,169	\$2,062,545	\$2,121,084	\$2,183,797	\$2,249,041
(21) Senior Tax-Exempt Current Interest	(968,100)	(935,100)	(906,900)	(873,900)	(836,100)	(792,900)	(743,700)	(688,200)	(626,100)	(556,800)
(22) Capitalized Interest	-	-	-	-	-	-	-	-	-	-
(23) Total Net Interest	(\$968,100)	(\$935,100)	(\$906,900)	(\$873,900)	(\$836,100)	(\$792,900)	(\$743,700)	(\$688,200)	(\$626,100)	(\$556,800)
(24) Senior DSC from Available Cash	1,95x	1,91x	2,03x	2,16x	2,33x	2,53x	2,77x	3,08x	3,49x	4,04x
(25) Senior DSC from NOI, & Interest Earnings	1,95x	1,91x	2,02x	2,16x	2,33x	2,52x	2,77x	3,08x	3,49x	4,04x
(26) Senior DSC from NOI	1,91x	1,86x	1,98x	2,12x	2,28x	2,47x	2,72x	3,02x	3,42x	3,97x
(27) Subordinate Tax-Exempt Current Interest	(267,888)	(267,888)	(267,888)	(267,888)	(267,888)	(267,888)	(267,888)	(267,888)	(267,888)	(267,888)
(28) Capitalized Interest	-	-	-	-	-	-	-	-	-	-
(29) Total Net Interest	(\$267,888)	(\$267,888)	(\$267,888)	(\$267,888)	(\$267,888)	(\$267,888)	(\$267,888)	(\$267,888)	(\$267,888)	(\$267,888)
(30) Sub DSC from Available Cash	1,53x	1,48x	1,56x	1,65x	1,76x	1,89x	2,04x	2,22x	2,44x	2,73x
(31) Sub DSC from NOI, & Interest Earnings	1,53x	1,48x	1,56x	1,65x	1,76x	1,89x	2,04x	2,22x	2,44x	2,73x
(32) Sub DSC from NOI	1,50x	1,45x	1,53x	1,62x	1,73x	1,85x	2,00x	2,18x	2,40x	2,68x
(33) Total Net Scheduled Debt Service	(1,235,988)	(1,202,988)	(1,174,788)	(1,141,788)	(1,103,988)	(1,060,788)	(1,011,588)	(956,088)	(893,988)	(824,688)
(34) Total DSC from Available Cash	1,53x	1,48x	1,56x	1,65x	1,76x	1,89x	2,04x	2,22x	2,44x	2,73x
(35) DSC from NOI, Interest, Coverage Reserve	1,53x	1,48x	1,56x	1,65x	1,76x	1,89x	2,04x	2,22x	2,44x	2,73x
(36) Total DSC from NOI	1,50x	1,45x	1,53x	1,62x	1,73x	1,85x	2,00x	2,18x	2,40x	2,68x
(37) Asset Manager fee (sub to debt service)	(105,233)	(108,390)	(111,642)	(114,991)	(118,441)	(121,994)	(125,654)	(129,423)	(133,306)	(137,305)
Excess Cashflow For Distribution										
(38) Total Excess Cash Flow	\$550,716	\$471,858	\$550,243	\$632,142	\$723,869	\$822,388	\$925,304	\$1,035,574	\$1,156,503	\$1,287,049
(39) Excess Cashflow For Special Redemption	\$550,716	\$471,858	\$550,243	\$632,142	\$723,869	\$822,388	\$925,304	\$1,035,574	\$1,156,503	\$1,287,049
Senior Tax-Exempt Principal										
(40) Special Redemption	(\$550,000)	(\$470,000)	(\$550,000)	(\$630,000)	(\$720,000)	(\$820,000)	(\$925,000)	(\$1,035,000)	(\$1,155,000)	(\$1,285,000)
(41) Ending Balance	15,585,000	15,115,000	14,565,000	13,935,000	13,215,000	12,395,000	11,470,000	10,435,000	9,280,000	7,995,000
Sub Tax-Exempt Principal										
(42) Special Redemption	3,695,000	3,695,000	3,695,000	3,695,000	3,695,000	3,695,000	3,695,000	3,695,000	3,695,000	3,695,000
(43) Ending Balance	\$716	\$1,858	\$243	\$2,142	\$3,869	\$7,388	\$13,044	\$23,358	\$40,664	\$60,969
(44) Excess Cash Flow	\$716	\$1,858	\$243	\$2,142	\$3,869	\$7,388	\$13,044	\$23,358	\$40,664	\$60,969

Sarah Absher

From: Sarah Absher
Sent: Thursday, May 28, 2026 10:01 AM
To: Sarah Absher
Subject: Re: Tillamook Bay Commons
Attachments: Pro Forma Tillamook Bay Commons 05.22.26.pdf

On Fri, May 22, 2026 at 4:27 PM Steven Wade <steve@cwrealestatepartners.com> wrote:

Hi Sarah,

In the interest of meeting our upcoming deadlines, please find the requested information below and the latest proforma from our underwriter attached. The proforma addresses your questions regarding the capital stack, subordinate debt, debt service coverage ratio (DSCR), and updated operating expenses.

Regarding your question about MIRL, the exclusion of the \$1.57M grant is essentially a wash for the total project cost, as it also removes the \$1.6M prevailing wage increase. The primary benefit of the MIRL funding was the pre-development capital it provided; that funding must now be covered by a pre-development loan from NOAH.

2025 Grant Breakdown (\$100,000):

- 25%: Tax obligations.
- 40%: Legal fees for non-profit formation and compliance.
- 15%: Operational overhead, including accounting, the CBRE market study, and costs related to the MIRL application.
- 20%: Architecture and underwriting work required for accurate project pricing and the MIRL application.

2026 Grant Allocation (\$80,000):

- 50%: New CBRE site-specific market study, pre-development loan costs, good faith deposits, and associated legal fees.
- 50%: Ongoing architecture and civil engineering work specifically for the sewer project.

Best regards,

Steven Wade