

OFFERING MEMORANDUM

Evergreen Apartments

Watsonville, CA

CBRE

EXCLUSIVELY LISTED FOR SALE
BY CBRE MULTIFAMILY

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MULTIFAMILY INVESTMENT SALES TEAM

Jefrey Henderson

Executive Vice President
+1 408 306 3228
jefrey.henderson@cbre.com
Lic. 01483399

Jon Teel

Senior Vice President
+1 408 603 7772
jon.teel@cbre.com
Lic. 02023945

Adam Foley

Senior Associate
+1 408 893 8063
adam.foley@cbre.com
Lic. 02144332

Ben Mollahan

Senior Associate
+1 415 535 7414
ben.mollahan@cbre.com
Lic. 02136790

FOR DEBT & STRUCTURED FINANCE INFORMATION:

Jim Flinn

+1 614 519 0299
james.flinn@cbre.com

CBRE AFFORDABLE HOUSING:

Tim Flint

+1 206 826 5725
timothy.flint@cbre.com
Lic. 26331

CBRE

Property Tours

By Appointment Only: Contact Jeffrey Henderson or Jon Teel

Offering Process

Send offers via email to:

Jefrey Henderson

Executive Vice President
+1 408 306 3228
jefrey.henderson@cbre.com
Lic. 01483399

Jon Teel

Senior Vice President
+1 408 603 7772
jon.teel@cbre.com
Lic. 02023945

Offers should be in the form of a Letter of Intent (LOI) and at minimum include: Price, Earnest Money, Due Diligence Time Period, and Closing Period.

Financial Summary

All investors should base their offers on the “As Is, Where Is” condition of the Property.

The following information is provided herein to assist investors in their initial underwriting of the Property.

- Pro Forma Cash Flow
- Assumptions to the Pro Forma Cash Flow

A separate digital document room will be available to all offerors which shall contain the following information:

- Current Rent Roll
- Trailing Operating Statement
- Historical Operating Statements
- Accounts Receivable Report

Disclaimer: The information set forth herein has been received by us from sources we believe to be reliable. We do not warrant its accuracy or completeness.

CBRE

*Executive Summary
& Property Overview*

1



Evergreen
Apartments

THE OFFERING

CBRE, as the exclusive advisor, is pleased to present the opportunity to acquire Evergreen Apartments (the “Property”), a 37-unit low density housing community located in Watsonville, CA. Completed in 1988 and entirely comprised of two- and three-bedroom units, the Property is situated in the severely supply-constrained Santa Cruz region. As a well-maintained community in a high-barrier-to-entry market with immediate positive leverage, Evergreen Apartments is a limited risk investment providing an investor strong and durable cash flow.

INVESTMENT HIGHLIGHTS

- Property has a Regulatory Agreement with City of Watsonville Redevelopment Agency covering 37 units and the current contract runs through July 31, 2064
- Property receives a 100% California Welfare real estate tax exemption
- Property is offered free and clear of current financing, and multiple years of interest only financing is available

PROPERTY FEATURES

- A mix of two- and three-bedroom units featuring a balcony or patio, wood-style flooring and carpeting, and garbage disposal
- Community amenities include an on-site laundry facility, playground, basketball court, leasing office, controlled access, and security cameras

DESIRABLE LOCATION

- The Property is within five miles from grocers such as Grocery Outlet, Nob Hill, Food Maxx, and Target
- Evergreen Apartments is just a 5-minute drive from Overlook Shopping Center, featuring major retailers and restaurants like Target, Food Maxx, Ross, Staples, McDonald’s, Stabucks, Panda Express, Wingstop, El Pollo Loco and more
- Evergreen Apartments is a 10-minute drive southeast from Watsonville Municipal Airport



PROPERTY SUMMARY

Bid Deadline	To be announced
Terms of Sale	Free & clear of existing financing
Address	50 Hollow View Lane, Watsonville, CA 95076
County	Santa Cruz County
APN	018-111-45
Price	\$14,500,000
Price Per Unit	\$391,892
Price Per SF	\$392
T-12 Cap Rate	5.22%
T-3 Cap Rate	5.80%
Year Complete	1988
Site Size Acres	±2.15 (17.2 Units per Acre)
Site Size Square Feet	±93,567
Number of Buildings	4
Numbers of Stories	2
Total Residential Units	37
2 BR - 2 BA	1 (3% of unit mix, Avg 875 SF)
3 BR - 1.5 BA	36 (97% of unit mix, Avg 1,001 SF)
Average Unit SF	±1,001
Net Rentable SF	±37,037
Average In-Place Rent	\$2,673
Average In-Place Rent/SF	\$2.67
% Leased	100%
Parking	90 Total Spaces 2.4 Parking Ratio 53 Surface Spaces 37 Covered Spaces

AFFORDABLE HOUSING AGREEMENT SUMMARY

Effective Date	July 1, 2009
Effective Term	55 years
Expiration Date:	July 31, 2064
Agency:	City of Watsonville RDA
Unit Breakdown:	
Very Low (50% AMI)	2 units, both 3 beds
Sixty Percent (60% AMI)	16 units, 15 - 3 beds & 1 - 2 bed
Other Income (80% AMI)	18 units, all 3 beds



UNIVERSITY OF CALIFORNIA

SANTA CRUZ



±18,900 STUDENTS



3,280 EMPLOYEES



22 MINUTE DRIVE

PACIFIC OCEAN

SUNSET STATE BEACH



10 MINUTE DRIVE

SANTA CRUZ

MEDIAN HOME SALE PRICE \$1.3MM



plantronics



45 MINUTES TO SILICON VALLEY

WATSONVILLE
COMMUNITY HOSPITAL



±650 JOBS



22 MINUTE DRIVE

WATSONVILLE
MUNICIPAL AIRPORT



7 MINUTE DRIVE



35 MINUTES
TO MONTEREY

Driscoll's
HQ



STAPLES

PANDA
EXPRESS



NOB HILL
FOODS

Comerica Bank



the Habit
BURGER GRILL



GROCERY
OUTLET
bargain market

DOWNTOWN WATSONVILLE



2 MINUTE DRIVE



Evergreen
Apartments

Amenity Map



Evergreen
Apartments

Property Overview

Property Summary	
Number of Units	37
Year Completed	1988
Number of Buildings	4
Stories	2
Net Rentable Area	36,911 SF
Average Unit Size	998 SF

Site	
Address	50 Hollow View Lane, Watsonville, CA 95076
County	Santa Cruz County
Size/Density	2.15 Acres/17.2 Units Per Acre
APN	018-111-45
Parking	90 Total Spaces 2.4 Parking Ratio 53 Surface Spaces 37 Covered Spaces
Zoning	RM-3: Multiple Residential-High Density

Utilities	Provider	Paid By
Electricity	PG&E	Ownership
Natural Gas	PG&E	Ownership
Water	City of Watsonville	Ownership
Sewer/Stormwater	City of Watsonville	Ownership
Refuse Removal	City of Watsonville	Ownership

Systems	
HVAC	Individual Heating Units
Electric	Individually Metered
Hot Water Supply	Individual Domestic Hot Water
Plumbing	Copper & PVC

Construction	
Structure	Wood Frame
Foundation	Poured Concrete
Exterior Walls	T1 Siding
Roof	Pitched Composite Shingle Roofing
Windows	Dual Pane

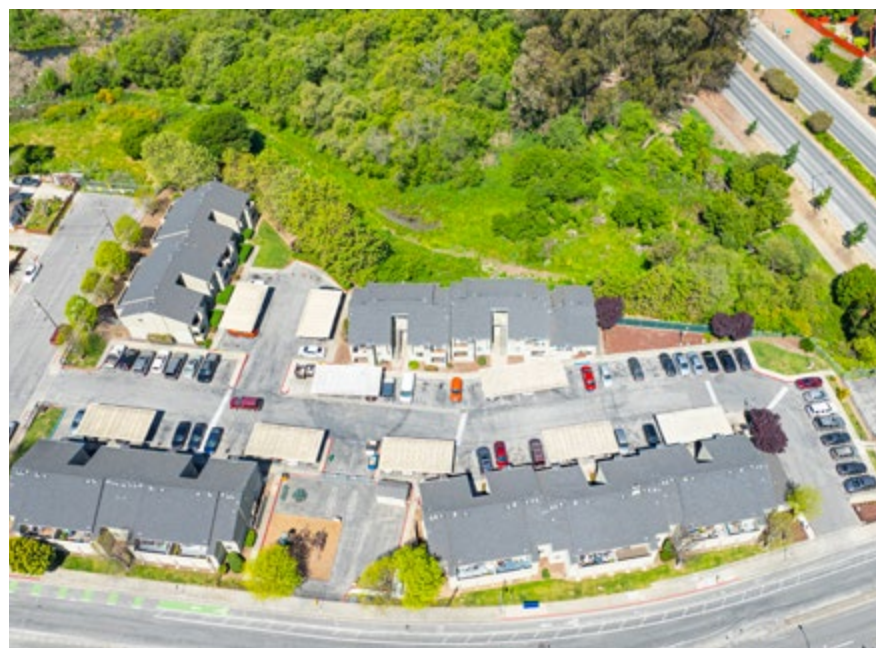
Interiors	
Finish	Units feature wood-style flooring and carpeting.
Kitchen	Kitchens are equipped with gas ranges, refrigerators, and stainless steel sinks.
Bathrooms	Bathrooms feature vinyl flooring and tub/shower combinations.

Unit Mix Summary			
UNIT TYPE	# OF UNITS	% OF MIX	AVERAGE SIZE (SF)
2BR-2BA	1	3%	875
3BR-1.5BA	36	97%	1,001
Total/Avg.	37	100%	998



Community Amenities

On-site laundry facility | Playground | Basketball Court | Leasing office | Gated | Controlled Access / Security Cameras



Interior Highlights

Air Conditioning | Heating | Granite Countertops | Large, Private Patios & Balconies | Vaulted Ceilings in 2nd-Floor Units





Financial Analysis & Preliminary Debt Quote

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EVERGREEN RECENT RENOVATIONS

Lender Required Life/Safety (Fannie Mae)	\$21,192
Woodrot Remediation / SB721 Work	\$334,480
Deferred Maintenance	\$15,196
Capital Improvements	\$45,284
Estimated	\$416,152

Property focused on fixing items a typical agency lender would call out:

- Add missing tags to fire sprinklers
- GFCI Outlet replacement
- Earthquake straps on water heaters.
- Fire riser and lift station alarm upgrade
- Extensive dry rot replacement throughout the entire property (~\$200,000)
- Patio repairs
- Fumigation & relocation of entire property
- Sewer pump rebuild
- 75G subfloor replacement
- Backflow repairs

Capital improvements:

- Fence around property
- Appliance replacements
- Flooring replacements in 6 units
- Updated monument signage
- Other minor capital improvements

SB721 inspection March 24 2025:

- Indicated no immediate threats to the safety of occupants
- Some repair and maintenance work was required and has been completed

Unit Mix

UNIT MIX								
Unit Type	Unit Count	Avg. SF	In-Place Rent Per Unit	Total SF	Rent PSF	Total Current Monthly Rent	Market Rent Per Unit	Market Rent Rent PSF
3699T325 City Bond - 50%	2	1,001	\$1,990	2,002	\$1.99	\$3,980	\$2,041	\$2.04
3699T326 City Bond - 60%	17	1,001	\$2,232	17,017	\$2.23	\$37,944	\$2,494	\$2.49
3699T226 City Bond - 60%	1	1,001	\$1,792	1,001	\$1.79	\$1,792	\$2,455	\$2.45
3699T328 City Bond - 78%	16	1,001	\$3,290	16,016	\$3.29	\$52,640	\$3,309	\$3.31
3699T32E Market - Exempt	1	1,001	\$2,550	1,001	\$2.55	\$2,550	\$2,550	\$2.55
Total/Average	37	1,001	\$2,673	37,037	\$2.67	\$98,906	\$2,822	\$2.82

Affordable Housing Agreement Summary

REGULATORY AGREEMENT

Effective Date: July 1, 2009

Contract Effective Term: 55 years

Expiration Date: July 31, 2064

Agency: City of Watsonville Redevelopment Agency

UNIT BREAKDOWN REQUIRED BY REGULATORY AGREEMENT

- 2 @ Very Low (50% AMI): both 3 bedrooms
- 16 @ Sixty Percent (60% AMI): 15 – 3 bedrooms & 1 – 2 bedroom
- 18 @ Other Income (80% AMI): all 3 bedrooms
- Section 8 Qualifies as any Above & 1 Manager's Unit Exempt

ASSUMED HOUSEHOLDS SIZE:

- 2 bedrooms: 3 in household
- 3 bedrooms: 4 in household

SANTA CRUZ COUNTY, CA SANTA CRUZ-WATSONVILLE, CA MSA

2024 4-Person AMI: \$132,800			
2024 Income Limits	50% AMI	60% AMI	80% AMI
1 person	\$63,400	\$76,080	\$101,750
2 people	\$72,450	\$86,940	\$116,250
3 people	\$81,500	\$97,800	\$130,750
4 people	\$90,550	\$108,660	\$145,300
5 people	\$97,800	\$117,360	\$156,950
6 people	\$105,050	\$126,060	\$168,550

SANTA CRUZ COUNTY, CA PAYMENT STANDARDS - 1/1/2025

Number of Bedrooms	South County (95076)
1	\$2,577
2	\$3,379
3	\$4,205
4	\$4,484
5	\$5,157
6	\$5,830

Pro Forma Cash Flow

	FY 1 Per Unit [1]	FY 1	FY 2	FY 3	FY 4	FY 5	FY 6	FY 7	FY 8	FY 9	FY 10	RESIDUAL
MARKET RENTS - ANNUALIZED	\$33,869	\$1,253,148	\$1,290,742	\$1,329,465	\$1,369,349	\$1,410,429	\$1,452,742	\$1,496,324	\$1,541,214	\$1,587,450	\$1,635,074	\$1,684,126
Gain (Loss) To Lease	(339)	(12,531)	(6,454)	(6,647)	(6,847)	(7,052)	(7,264)	(7,482)	(7,706)	(7,937)	(8,175)	(8,421)
GROSS POTENTIAL RENT	33,530	1,240,617	1,284,289	1,322,817	1,362,502	1,403,377	1,445,478	1,488,843	1,533,508	1,579,513	1,626,899	1,675,705
Vacancy	(1,006)	(37,218)	(38,529)	(39,685)	(40,875)	(42,101)	(43,364)	(44,665)	(46,005)	(47,385)	(48,807)	(50,271)
Concessions	0	0	0	0	0	0	0	0	0	0	0	0
Non-Revenue Units	(827)	(30,600)	(31,518)	(32,464)	(33,437)	(34,441)	(35,474)	(36,538)	(37,634)	(38,763)	(39,926)	(41,124)
NET RENTAL INCOME	31,697	1,172,798	1,214,242	1,250,669	1,288,189	1,326,835	1,366,640	1,407,639	1,449,869	1,493,365	1,538,166	1,584,310
Economic Occupancy	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Average Effective Rents PSF		\$2.64	\$2.73	\$2.81	\$2.90	\$2.99	\$3.07	\$3.17	\$3.26	\$3.36	\$3.46	\$3.56
Other Income	250	9,250	9,528	9,813	10,108	10,411	10,723	11,045	11,376	11,718	12,069	12,431
Misc. Income	275	10,175	10,379	10,586	10,798	11,014	11,234	11,459	11,688	11,922	12,160	12,403
Bad Debt / Collection Loss	0	0	0	0	0	0	0	0	0	0	0	0
GROSS REVENUES	32,222	1,192,223	1,234,148	1,271,069	1,309,095	1,348,260	1,388,597	1,430,143	1,472,933	1,517,004	1,562,395	1,609,145
EXPENSES												
Payroll	2,600	96,200	98,124	100,086	102,088	104,130	106,213	108,337	110,504	112,714	114,968	117,267
Administrative	508	18,796	19,172	19,555	19,946	20,345	20,752	21,167	21,591	22,023	22,463	22,912
Marketing & Retention	47	1,746	1,781	1,816	1,853	1,890	1,928	1,966	2,005	2,046	2,087	2,128
Repairs and Maintenance	1,200	44,400	45,288	46,194	47,118	48,060	49,021	50,002	51,002	52,022	53,062	54,123
Landscaping/Contract Services	700	25,900	26,418	26,946	27,485	28,035	28,596	29,168	29,751	30,346	30,953	31,572
Utilities	3,406	126,004	128,524	131,094	133,716	136,390	139,118	141,900	144,738	147,633	150,586	153,598
Management Fee	967	35,767	37,024	38,132	39,273	40,448	41,658	42,904	44,188	45,510	46,872	48,274
Insurance	750	27,750	28,305	28,871	29,449	30,037	30,638	31,251	31,876	32,514	33,164	33,827
Other Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0
Real Estate Taxes	40	1,490	1,519	1,550	1,581	1,612	1,645	1,677	1,711	1,745	1,780	29,550
TOTAL OPERATING EXPENSES	10,218	378,052	386,155	394,245	402,508	410,948	419,568	428,373	437,366	446,552	455,934	493,252
NET OPERATING INCOME	22,005	814,171	847,993	876,823	906,587	937,312	969,029	1,001,770	1,035,567	1,070,452	1,106,461	1,115,893
Replacement Reserves	200	7,400	7,548	7,699	7,853	8,010	8,170	8,334	8,500	8,670	8,844	9,021
NET OPERATING INCOME (AFTER RESERVES)	21,805	806,771	840,445	869,124	898,734	929,302	960,859	993,437	1,027,067	1,061,782	1,097,617	1,106,872
% increase over previous year			4.17%	3.41%	3.41%	3.40%	3.40%	3.39%	3.39%	3.38%	3.37%	0.84%

Underwriting Assumption

CHART OF ACCOUNTS	TWELVE MONTHS		T-90 ANNUALIZED		ANNUALIZED RENT ROLL		BUYER UNDERWRITING YEAR 1 PROFORMA		NOTES	
	TRAILING	PER UNIT	UNDERWRITING	PER UNIT	UNDERWRITING	PER UNIT	UNDERWRITING	PER UNIT		
INCOME										
SCHEDULED MARKET RENTS - ANNUALIZED	\$1,221,964	\$2.75	\$1,277,100	\$2.87	\$1,253,148	\$2.82	\$1,253,148	\$2.82		
GAIN (LOSS) TO LEASE	(72,115)	5.90%	(84,360)	6.61%	(66,276)	5.29%	(12,531)	1.00%	1.00%	LOSS TO LEASE IN Y1; 0.5% THEREAFTER
GROSS POTENTIAL RENT	1,149,849	\$2.59	1,192,740	\$2.68	1,186,872	\$2.67	1,240,617	\$2.79		
VACANCY	(9,909)	0.86%	(4,344)	0.36%	(32,078)	2.70%	(37,218)	3.00%	3.00%	VACANCY IN YEAR 1; 5.0% THEREAFTER
CONCESSIONS	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0.00%	CONCESSIONS
NON-REVENUE UNITS	(28,386)	2.47%	(30,600)	2.57%	(30,600)	2.58%	(30,600)	2.44%	2.44%	CBRE ESTIMATE BASED ON TRAILING PERFORMANCE
NET RENTAL INCOME	1,111,554	\$2.50	1,157,796	\$2.61	1,124,194	\$2.53	1,172,798	\$2.64		
ECONOMIC OCCUPANCY	97%		97%		95%		95%			
AVERAGE EFFECTIVE RENTS PSF	\$2.50		\$2.61		\$2.53		\$2.64			
OTHER INCOME	7,547	204	1,166	32	7,547	204	9,250	250	\$250	PER UNIT; INCLUDES INTEREST INCOME
MISC. INCOME	11,364	307	7,699	208	11,364	307	10,175	275	\$275	PER UNIT; INCLUDES LAUNDRY, TENANT SERVICES AND TENANT FEES
BAD DEBT / COLLECTION LOSS	(40)	0.0%	0	0.0%	(40)	0.0%	0	0.0%	0.00%	COLLECTION LOSS IN YEAR 1, 2.0% THEREAFTER; IN-LINE WITH OCT. '24 AR REPORT
GROSS REVENUES	1,130,425	30,552	1,166,661	31,531	1,143,065	30,894	1,192,223	32,222		
% INCREASE FROM 90 DAYS ANNUALIZED	-		-		-2.02%		2.19%			
% INCREASE FROM 6 MONTHS ANNUALIZED	-		-0.85%		-2.86%		1.32%			
% INCREASE FROM TRAILING TWELVE	-		3.21%		1.12%		5.47%			
MONTHLY REVENUE AVERAGE	\$94,202		\$97,222		\$95,255		\$99,352			
EXPENSES										
PAYROLL	100,761	2,723	98,282	2,656	100,761	2,723	96,200	2,600	\$2,600	PER UNIT, CBRE ESTIMATE BASED ON TRAILING PERFORMANCE
ADMINISTRATIVE	25,692	694	12,302	332	25,692	694	18,796	508	\$508	PER UNIT, BASED ON T-12 (EXCLUDES \$49K IN ONE-TIME RELOCATION EXPENSES)
ADVERTISING AND PROMOTION	1,746	47	2,462	67	1,746	47	1,746	47	\$50	PER UNIT, CBRE ESTIMATE BASED ON COMPARABLE PROPERTIES
REPAIRS AND MAINTENANCE	32,255	872	8,011	217	32,255	872	44,400	1,200	\$1,200	PER UNIT, CBRE ESTIMATE BASED ON COMPARABLE PROPERTIES
CONTRACT SERVICES	23,374	632	15,530	420	23,374	632	25,900	700	\$700	PER UNIT, CBRE ESTIMATE BASED ON COMPARABLE PROPERTIES
CONTROLLABLE EXPENSES	183,829	4,968	136,587	3,692	183,829	4,968	187,042	5,055		
UTILITIES	122,334	3,306	93,863	2,537	122,334	3,306	126,004	3,406	3.00%	INCREASE OVER T-12
MANAGEMENT FEE	34,390	929	35,752	966	34,292	927	35,767	967	3.00%	OF GROSS REVENUES
INSURANCE	30,799	832	58,220	1,574	30,799	832	27,750	750	\$750	PER UNIT, CBRE ESTIMATE BASED ON COMPARABLE PROPERTIES, ASSUMING NO EARTHQUAKE COVERAGE
OPERATING EXPENSES	371,351	10,037	324,422	8,768	371,253	10,034	376,562	10,177		
REAL ESTATE TAXES	1,490	40	1,490	40	1,490	40	1,490	40	\$1,490	DIRECT ASSESSMENTS (ASSUMING CERTIFIED WELFARE EXEMPTION ON TRAILING AND PROFORMA)
REPLACEMENT RESERVES	0	0	0	0	7,400	200	7,400	200	\$200	PER UNIT, INDUSTRY AVERAGE
TOTAL OPERATING EXPENSES	372,840	10,077	325,911	8,808	380,142	10,274	385,452	10,418		
OPEX RATIO	33.0%		27.9%		33.3%		32.3%			
NET OPERATING INCOME	\$757,585	\$20,475	\$840,750	\$22,723	\$762,923	\$20,620	\$806,771	\$21,805		

Pro Forma *Income And Expenses*

INCOME		
Gain (Loss) To Lease	1.0%	Loss to Lease in Y1; 0.5% thereafter
Vacancy	3.0%	Vacancy in Year 1; 5.0% thereafter
Concessions	0.0%	Concessions
Non-Revenue Units	2.4%	CBRE Estimate based on Trailing Performance
Non-Refundable Fees	\$250	Per Unit; Includes Interest Income
Misc. Income	\$275	Per Unit; Includes Laundry, Tenant Services and Tenant Fees
Bad Debt / Collection Loss	0.0%	Collection Loss in Year 1, 2.0% thereafter; In-Line with Oct. '24 AR Report
EXPENSES		
Payroll	\$2,600	Per Unit, CBRE Estimate based on Trailing Performance
Administrative	\$508	Per Unit, based on T-12 (Excludes \$49K in one-time relocation expenses)
Advertising & Promotion	\$50	Per Unit, CBRE Estimate based on Comparable Properties
Repairs and Maintenance	\$1,200	Per Unit, CBRE Estimate based on Comparable Properties
Contract Services	\$700	Per Unit, CBRE Estimate based on Comparable Properties
Utilities	3.00%	Increase Over T-12
Management Fee	3.00%	of Gross Revenues
Insurance	\$750	Per Unit, CBRE Estimate based on Comparable Properties, assuming no earthquake coverage
Real Estate Taxes	\$1,490	Direct Assessments (Assuming certified welfare exemption on trailing and proforma)
Replacement Reserves	\$200	Per Unit, Industry Average
FINANCING ASSUMPTIONS		
Description	MARKET LOAN	
Financing metrics based on Likely Value of \$14,500,000		
Initial Loan Funding	\$9,380,000	
Loan-to-Value Ratio	65%	
Funding Date	Jul-25	
Maturity Date	Jun-35	
Loan Sizing	1.20 DSCR	
Interest Rate	5.51%	
Interest Only	7 Years	
Amortization	35 Years	
Fixed/Floating	Fixed	

Debt Quote

After preliminary analysis and due diligence, we propose financing the acquisition of the above referenced Property through the lending team of CBRE Affordable Housing with one of the loan options below:

LOAN OPTIONS															
LOAN TERMS	AGENCY	PROCEEDS	ACTUAL LTV	MAX LTV	ACTUAL DSC	MIN DSC	TERM	FLOOR RATE	MAX UW RATE	Index	Spread	INTEREST RATE	I/O PERIOD	AMORT	PREPAYMENT / YM
10 Years Fixed	Fannie	\$9,380,000	65%	70%	120	120	10	5.00%	N/A	4.30%	121%	5.51%	5 - 7	35	Standard YM (9.5)
10 Years Fixed	Freddie	\$9,350,000	64%	70%	120	120	10	N/A	N/A	4.30%	124%	5.54%	4 - 6	35	Standard Defeasance (9.75)
7 Years Fixed	Fannie	\$9,430,000	65%	70%	120	120	7	5.50%	N/A	4.15%	132%	5.47%	3 - 5	35	Standard YM (6.5)
7 Years Fixed *	Freddie	\$9,030,000	62%	70%	125	120	7	N/A	N/A	4.15%	137%	5.52%	2 - 4	35	Standard Defeasance (6.75)
5 Years Fixed	Fannie	\$9,450,000	65%	70%	120	120	5	6.75%	N/A	3.95%	150%	5.45%	1 - 3	35	Standard YM (4.5)
5 Years Fixed *	Freddie	\$8,660,000	60%	70%	131	120	5	N/A	N/A	3.95%	149%	5.44%	0 - 2	35	Standard Defeasance (4.75)

Loan Amounts have been derived based on information provided in the Offering Memorandum and are subject to Lender and Agency review, due diligence, and 3rd party reports.

Loan Options assume Property is encumbered by a regulatory agreement for at least three more years. Quotes subject to full review of all regulatory agreement(s), rent schedules, utility allowances, and confirmation of net max rents.

Fannie Mae quotes subject to Fannie Mae final approval.

Fannie Mae quotes subject to Fannie Mae Treasury Floor Rates: 0.90% for the 10 year Treasury and 0.80% for the 7 year Treasury.

Fannie Mae waiver required for a DSCR under 120x at the interest rate floor (Floor Rate).

Freddie Mac quotes subject to Freddie Mac final approval.

Freddie Mac quotes subject to Freddie Mac Treasury Floor Rates: the greater of 0.50% or 35 bps below the previous day's closing treasury rate.

Freddie Mac quotes assume 120x DSCR waiver approval.

35-year amortization subject to Agency waiver approval.

Interest Only (I/O) Periods are subject to final underwriting support and Agency approval.

Loan Options assume trailing net rental income is not declining.

Loan Options subject to review of three years historical operating statements.

Assumes Agency approval to underwrite 100% of Voucher Overhang Income. Assumes no overhang to market rate rent comparables, to be determined by Appraisal.

Loan Options pending review of current RE Tax Bill and assessed value as well as any exemptions. Underwritten expense is subject to change and assumes T-12 expense is overstated.

Loan Options assume new owner obtains and retains California real estate tax exemption with a nonprofit partner and tenant restrictions. Until exemption verified in place under new ownership, Agency may require impounds temporarily at full taxes and/or temporary tax reserves.

Sub-Debt: Any other debt encumbering subject property must be approved by Agency, subordinate to Agency's loan, and comply with all Agency requirements including, but not limited to, a combined DSC of *at least* 1.05 and combined LTV not to exceed 95%.

* Proceeds constrained by Freddie Mac refinance test.

Loan Security: First lien mortgage, UCC filings on personal property and assignment of leases and rents.

Replacement Reserve, Tax, & Insurance: Monthly escrows.

Guarantees and Recourse: None, except for industry-standard carve outs.

Appraisal, Environmental, PNA Review: Third-party reports that meet Agency standards are required.

Acquisition Loan Fees: Agency minimum origination fee plus funds for 3rd party reports and Lender legal costs. All other transaction costs unrelated to the loan to be paid by the Borrower.

Estimated Agency Lender Underwriting:

EGI	\$1,167,926	
Taxes	\$23,748	
Insurance	\$31,695	
Utilities	\$122,334	
Contract Services + R&M	\$70,300	
Payroll	\$126,800	
Management Fee	\$35,038	3.00%
Admin + Marketing	\$20,246	
Replacement Reserves	\$11,100	\$300
Estimated UWNOL:	\$726,665	

The terms and conditions outlined herein are a general outline of loan options. Borrower and Lender will agree that finalizing any option is subject in all respects to the discretion of Agency and Lender after their complete review of the proposed financing structure(s) and all applicable information. The above referenced summary of terms does not in any way constitute a commitment to provide financing on the part of CBRE, CBRE Affordable Housing, or Agency.

James Flinn
Vice Chairman
Multifamily Debt & Structured Finance
(614) 519-0299
James.Flinn@cbre.com



CBRE Affordable Housing
1420 Fifth Avenue, Suite 1700, Seattle, WA 98101
www.cbre.com/affordablehousing

CBRE

*Rent Comparables &
Sale Comparables*

3



Market Rate & Affordable *Rent Comparables*

Two-Bedroom Units								
Property	City	AMI Restrictions	Year Built / Years Renovated	Average SF	Average Market Rent	Average Rent PSF	Vacancy	Distance to Subject (Miles)
Emerald Bay 2x1	Santa Cruz		1972	805	\$3,368	\$4.18	1%	15.6
The Landing 2x1.5	Capitola		1978	960	\$3,499	\$3.64	6%	16.0
Bellagio Villas 2x1	Gilroy		1973	800	\$2,759	\$3.45	1%	17.5
Meadowview 2x1	Watsonville		1985	770	\$2,750	\$3.57	1%	1.3
Stonecreek	Watsonville	60%	2000	890	\$2,670	\$3.00	0%	1.8
Sunny Meadows 2x1	Watsonville	60%	1971	784	\$2,670	\$3.41	0%	1.1
Garden Hill 2x1	Watsonville		1970	767	\$2,634	\$3.43	0%	1.1
The Pines 2x1	Watsonville		1979	790	\$2,490	\$3.15	0%	0.1
Sunny Meadows 2x1	Watsonville	50%	1971	784	\$2,225	\$2.84	0%	1.1
Evergreen Apartments	Watsonville	60%	1988	1,001	\$1,792	\$1.79	0%	
Averages				835	\$2,686	\$3.25	1%	

Three-Bedroom Units								
Property	City	AMI Restrictions	Year Built / Years Renovated	Average SF	Average Market Rent	Average Rent PSF	Vacancy	Distance to Subject (Miles)
Emerald Bay 3x1.5	Santa Cruz		1972	1,030	\$3,935	\$3.82	1%	15.6
The Landing 3x1.5	Capitola		1978	1,007	\$3,724	\$3.70	6%	16.0
Evergreen Apartments	Watsonville	80%	1988	1,001	\$3,290	\$3.29	0%	
Stonecreek	Watsonville	60%	2000	1,106	\$3,085	\$2.79	0%	1.8
Sunny Meadows 3x1	Watsonville	60%	1971	898	\$3,085	\$3.44	0%	1.1
Bellagio Villas 3x2	Gilroy		1973	1,000	\$2,909	\$2.91	1%	17.5
Garden Hill 3x1	Watsonville		1970	800	\$2,775	\$3.47	0%	1.1
Tabasa Gardens 3x1	Watsonville	50%	2024	993	\$2,571	\$2.59	0%	1.1
Sunny Meadows 3x1	Watsonville	50%	1971	898	\$2,571	\$2.86	0%	1.1
Evergreen Apartments	Watsonville	60%	1988	1,001	\$2,232	\$2.23	0%	
Evergreen Apartments	Watsonville	50%	1988	1,001	\$1,990	\$1.99	0%	
Averages				976	\$2,924	\$3.01	1%	

Market Rate & Affordable *Rent Comparables*



TABASA GARDENS

PROPERTY DETAILS		LIHTC	
Address		1482 Freedom Blvd, Watsonville, CA	
Units		53	
Average SF		993	
Occupancy		100.00%	
Year Built		2024	
Distance from Subject		1.1 miles	
Management		Eden Housing	
TENANT CHARGES			
Water/Sewer		Landlord Pays	
Garbage		Landlord Pays	
Electricity		Tenant Pays	
Gas Heat		Landlord Pays	
Other Chargers		N/A	
UNIT TYPE	SQUARE FEET	ASKING RENT	RENT PSF
1x1	512	\$1,854	\$3.62
2x1	762	\$2,225	\$2.92
3x1	993	\$2,571	\$2.59
COMMUNITY AMENITIES			
Business center Community Room On-site laundry facility Computer Room Outdoor BBQ area			
UNIT AMENITIES			
Carpet & Vinyl Flooring Ceiling fan Electric range Garbage disposal			



SUNNY MEADOWS

PROPERTY DETAILS		LIHTC	
Address		220 Ross Ave, Watsonville, CA	
Units		200	
Average SF		783	
Occupancy		100.00%	
Year Built		1971	
Distance from Subject		1.1 miles	
Management		MidPen Housing	
SALE SPECIFICS			
Water/Sewer		Tenant Pays	
Garbage		Tenant Pays	
Electricity		Tenant Pays	
Gas Heat		N/A	
Other Chargers		N/A	
UNIT TYPE	SQUARE FEET	ASKING RENT	RENT PSF
Studio	440	\$2,077	\$4.72
1x1	625	\$2,225	\$3.56
2x1	784	\$2,670	\$3.41
3x1	898	\$3,085	\$3.44
4x2	1,150	\$3,441	\$2.99
COMMUNITY AMENITIES			
Business center Community Room Fitness Center On-site laundry facility Playground Computer lab			
UNIT AMENITIES			
Balcony Ceiling fan Electric range Air conditioning Tub/shower Granite countertops			



GARDEN HILL

PROPERTY DETAILS		LIHTC	
Address		31 Lassen Way, Watsonville	
Units		80	
Average SF		735	
Occupancy		100.00%	
Year Built		1970	
Distance from Subject		1.1 miles	
Management		So Cal Property Ent	
SALE SPECIFICS			
Water/Sewer		Landlord Pays	
Garbage		Landlord Pays	
Electricity		Tenant Pays	
Gas Heat		Tenant Pays	
Other Chargers		N/A	
UNIT TYPE	SQUARE FEET	ASKING RENT	RENT PSF
1x1	550	\$2,250	\$4.09
2x1	719	\$2,601	\$3.62
3x1	800	\$2,975	\$3.72
COMMUNITY AMENITIES			
24 hour access Balcony or Patio in select units Leasing Office On-site laundry facility			
UNIT AMENITIES			
Garbage disposal High speed internet access			

Market Rate & Affordable *Rent Comparables*



THE LANDING

PROPERTY DETAILS		LIHTC	
Address		3045 Capitola Rd, Santa Cruz, CA	
Units		50	
Average SF		961	
Occupancy		94.00%	
Year Built		1978	
Distance from Subject		16.0 miles	
Management		Greystar	
SALE SPECIFICS			
Water/Sewer		Tenant Pays	
Garbage		Tenant Pays	
Electricity		Tenant Pays	
Gas Heat		Tenant Pays	
Other Chargers		N/A	
UNIT TYPE	SQUARE FEET	ASKING RENT	RENT PSF
2x1.5	960	\$3,499	\$3.64
3x1.5	1,007	\$3,724	\$3.70
COMMUNITY AMENITIES			
Community Room Fitness Center On-site laundry facility Balcony or patio Courtyard			
UNIT AMENITIES			
Garbage disposal High speed internet access In unit Washer/Dryer Dishwasher Central heating Gourmet kitchens Modern flooring options			



EMERALD BAY

PROPERTY DETAILS		LIHTC	
Address		90 Grandview St, Santa Cruz, CA	
Units		50	
Average SF		831	
Occupancy		99.50%	
Year Built		1972	
Distance from Subject		15.6 miles	
Management		Joseph Collins	
SALE SPECIFICS			
Water/Sewer		Landlord Pays	
Garbage		Landlord Pays	
Electricity		Tenant Pays	
Gas Heat		Landlord Pays	
Other Chargers		N/A	
UNIT TYPE	SQUARE FEET	ASKING RENT	RENT PSF
1x1	705	\$2,699	\$3.83
2x1	805	\$3,372	\$4.19
3x1.5	1,030	\$3,939	\$3.82
COMMUNITY AMENITIES			
Community Room Fitness Center On-site laundry facility Balcony or patio Basketball court Playground Gated			
UNIT AMENITIES			
High speed internet access Ceiling fans Large closets			



BELLAGIO VILLAS

PROPERTY DETAILS		LIHTC	
Address		1129 Monte Bello Dr, Gilroy, CA	
Units		69	
Average SF		817	
Occupancy		98.60%	
Year Built		1973	
Distance from Subject		17.5 miles	
Management		Zell Associates	
SALE SPECIFICS			
Water/Sewer		Landlord Pays	
Garbage		Landlord Pays	
Electricity		Tenant Pays	
Gas Heat		Tenant Pays	
Other Chargers		N/A	
UNIT TYPE	SQUARE FEET	ASKING RENT	RENT PSF
1x1	600	\$2,375	\$3.96
2x1	800	\$2,756	\$3.45
3x2	1,000	\$2,907	\$2.91
COMMUNITY AMENITIES			
On-site laundry facility Balcony or patio Basketball court Playground Pool Grill and Picnic area			
UNIT AMENITIES			
High speed internet access Air Conditioning Heating Ceiling fans Tub/shower Dishwasher Garbage disposal Walk-in closets			

Market Rate & Affordable *Rent Comparables*



MEADOWVIEW

PROPERTY DETAILS		LIHTC	
Address		122 Quiet Meadow Dr, Watsonville, CA	
Units		192	
Average SF		745	
Occupancy		1.00%	
Year Built		1985	
Distance from Subject		1.3 miles	
Management		FPI Management	
TENANT CHARGES			
Water/Sewer		Landlord Pays	
Garbage		Landlord Pays	
Electricity		Tenant Pays	
Gas Heat		Tenant Pays	
Other Chargers		N/A	
UNIT TYPE	SQUARE FEET	ASKING RENT	RENT PSF
1x1	670	\$2,250	\$3.36
2x1	770	\$2,825	\$3.67

COMMUNITY AMENITIES

On-site laundry facilities | Swimming Pool | Spa | Balcony or Patio in select units | Playground | Courtyard

UNIT AMENITIES

High speed internet access | Tub/Shower | Heating | Garbage Disposal | Dishwasher | Vinyl Flooring



STONECREEK

PROPERTY DETAILS		LIHTC		
Address		300 Bree Lane, Watsonville, CA		
Units		120		
Average SF		1,011		
Occupancy		100.00%		
Year Built		2000		
Distance from Subject		1.8 miles		
Management		WinnResidential		
SALE SPECIFICS				
Water/Sewer		Landlord Pays		
Garbage		Landlord Pays		
Electricity		Tenant Pays		
Gas Heat		N/A		
Other Chargers		N/A		
UNIT TYPE		SQUARE FEET	ASKING RENT	RENT PSF
1x1		740	\$2,225	\$3.01
2x1		890	\$2,670	\$3.00
3x2		1,106	\$3,085	\$2.79
4x2		1,308	\$3,441	\$2.63

COMMUNITY AMENITIES

Business center | Clubhouse | Fitness Center | Swimming Pool | Playground | Gameroom

UNIT AMENITIES

Balcony | In-unit washer/dryer | High speed internet access | Air conditioning | Heating | Garbage Disposal | Dishwasher



THE PINES

PROPERTY DETAILS		LIHTC	
Address		788 Rodriguez St, Watsonville, CA	
Units		79	
Average SF		778	
Occupancy		100.00%	
Year Built		1979	
Distance from Subject		0.1 miles	
Management		Pioneer Property	
SALE SPECIFICS			
Water/Sewer		Landlord Pays	
Garbage		Landlord Pays	
Electricity		Tenant Pays	
Gas Heat		Landlord Pays	
Other Chargers		N/A	
UNIT TYPE	SQUARE FEET	ASKING RENT	RENT PSF
1x1	671	\$2,305	\$3.44
2x1	790	\$2,505	\$3.17

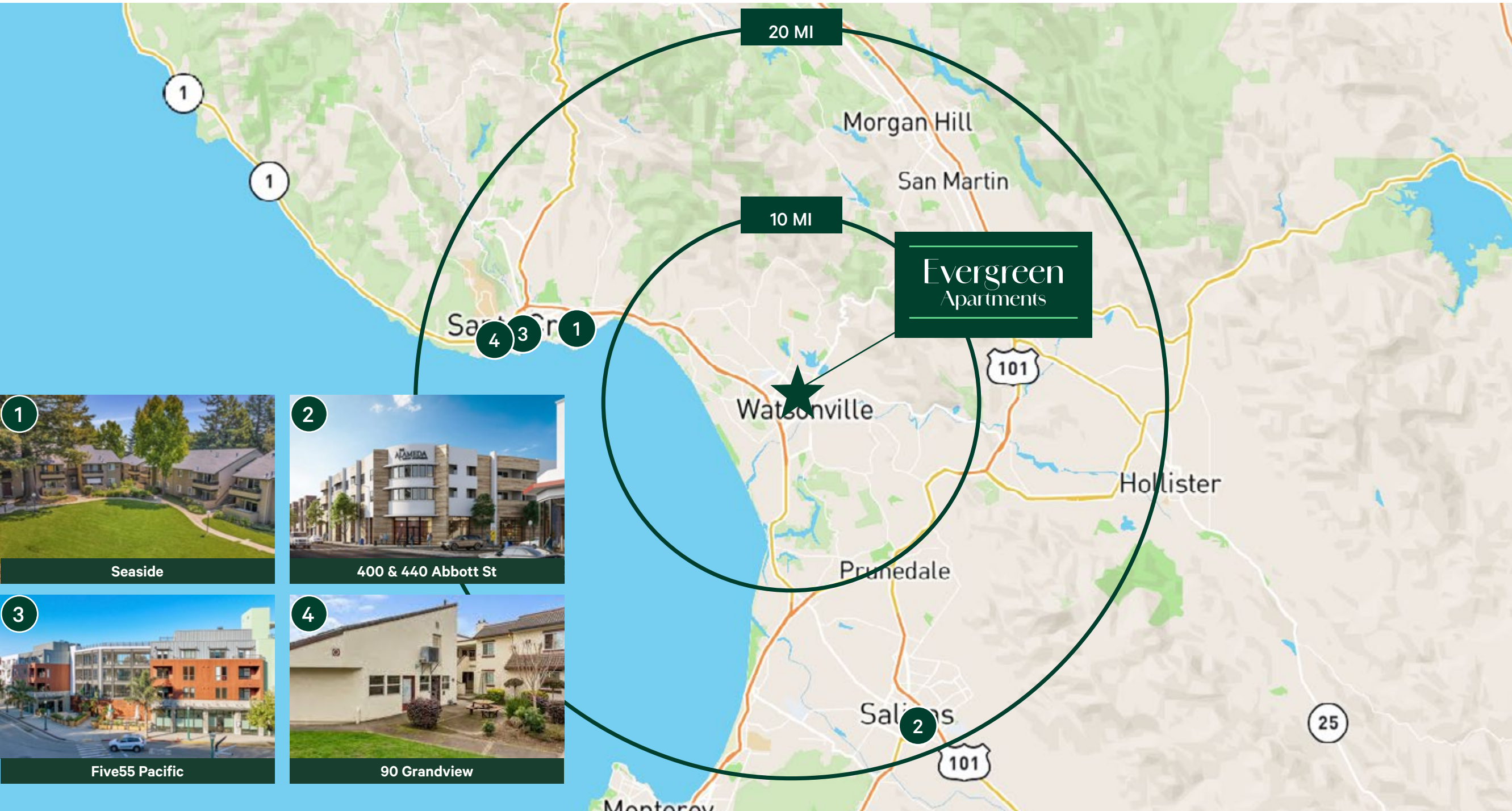
COMMUNITY AMENITIES

Controlled access | Swimming Pool | Balcony or Patio in select units | Courtyard | On-site laundry facility

UNIT AMENITIES

Garbage disposal | High speed internet access

Market Rate & Affordable *Sale Comparables*



Market Rate & Affordable *Sale Comparables*

Sorted by Sale Price Per Unit										
Property	City	Property Type	Close Date	Year Built / Year Renovated	Sale Price	Units	Sale Price Per Unit	Cap Rate	Average Rent	Distance to Subject (Miles)
Seaside	Santa Cruz	Market Rate	9/24	1983	\$45,000,000	84	\$535,714	5.00%	\$1,917	14.2
400 & 440 Abbott St	Salinas	Market Rate	4/23	2023	\$23,500,000	50	\$470,000	N/A	N/A	21.6
Five55 Pacific	Santa Cruz	Market Rate	9/22	2017	\$51,500,000	94	\$547,872	N/A	\$3,065	17.1
90 Grandview	Santa Cruz	LIHTC	1/24	1982	\$34,050,000	50	\$681,000	2.40%	\$3,484	19.2
Averages					\$38,512,500	70	\$558,647	3.70%	\$2,822	

Sorted by Cap Rates										
Property		Property Type	Close Date	Year Built / Year Renovated	Sale Price	Units	Sale Price Per Unit	Cap Rate	Average Rent	Distance to Subject (Miles)
90 Grandview	Santa Cruz	LIHTC	1/24	1982	\$34,050,000	50	\$681,000	2.40%	\$3,484	19.2
Seaside	Santa Cruz	Market Rate	9/24	1983	\$45,000,000	84	\$535,714	5.00%	\$2,622	14.2
400 & 440 Abbott St	Salinas	Market Rate	4/23	2023	\$23,500,000	50	\$470,000	N/A	N/A	21.6
Five55 Pacific	Santa Cruz	Market Rate	9/22	2017	\$51,500,000	94	\$547,872	N/A	\$3,065	17.1
Averages					\$38,512,500	70	\$558,647	3.70%	\$3,057	

Sorted by Average Rents										
Property		Property Type	Close Date	Year Built / Year Renovated	Sale Price	Units	Sale Price Per Unit	Cap Rate	Average Rent	Distance to Subject (Miles)
90 Grandview	Santa Cruz	LIHTC	1/24	1982	\$34,050,000	50	\$681,000	2.40%	\$3,484	19.2
Five55 Pacific	Santa Cruz	Market Rate	9/22	2017	\$51,500,000	94	\$547,872	N/A	\$3,065	17.1
Seaside	Santa Cruz	Market Rate	9/24	1983	\$45,000,000	84	\$535,714	5.00%	\$2,622	14.2
400 & 440 Abbott St	Salinas	Market Rate	4/23	2023	\$23,500,000	50	\$470,000	N/A	N/A	21.6
Averages					\$38,512,500	70	\$558,647	3.70%	\$3,057	

Market Rate & Affordable *Sale Comparables*



SEASIDE APARTMENTS

PROPERTY DETAILS	
Address	1380 30th Ave, Santa Cruz, CA
Units	84
Occupancy	88.90%
Year Built	1977
Square Footage	93,344
Close Date	12/13/23

SALE SPECIFICS	
Sale Price	\$45,000,000
Price Per Unit	\$535,714
Price Per SF	\$482
Average SF	883
Cap Rate	5.76%

UNIT TYPE	# OF UNITS
1x1	16
2x1	52
3x2	16



400 & 440 ABBOTT

PROPERTY DETAILS	
Address	400 & 440 Abbott St, Salinas, CA
Units	50
Occupancy	100.00%
Year Built	2023
Square Footage	20,794
Close Date	4/25/23

SALE SPECIFICS	
Sale Price	\$23,500,000
Price Per Unit	\$470,000
Price Per SF	\$1,130
Average SF	416
Cap Rate	N/A

UNIT TYPE	# OF UNITS
Studio	2
1x1	22
2x1	8
2x2	18



FIVE55

PROPERTY DETAILS	
Address	555 Pacific Ave, Santa Cruz, CA
Units	94
Occupancy	99.00%
Year Built	2018
Square Footage	97,164
Close Date	9/28/22

SALE SPECIFICS	
Sale Price	\$51,500,000
Price Per Unit	\$547,872
Price Per SF	\$530
Average SF	528
Cap Rate	4.50%

UNIT TYPE	# OF UNITS
Studio	36
1x1	58

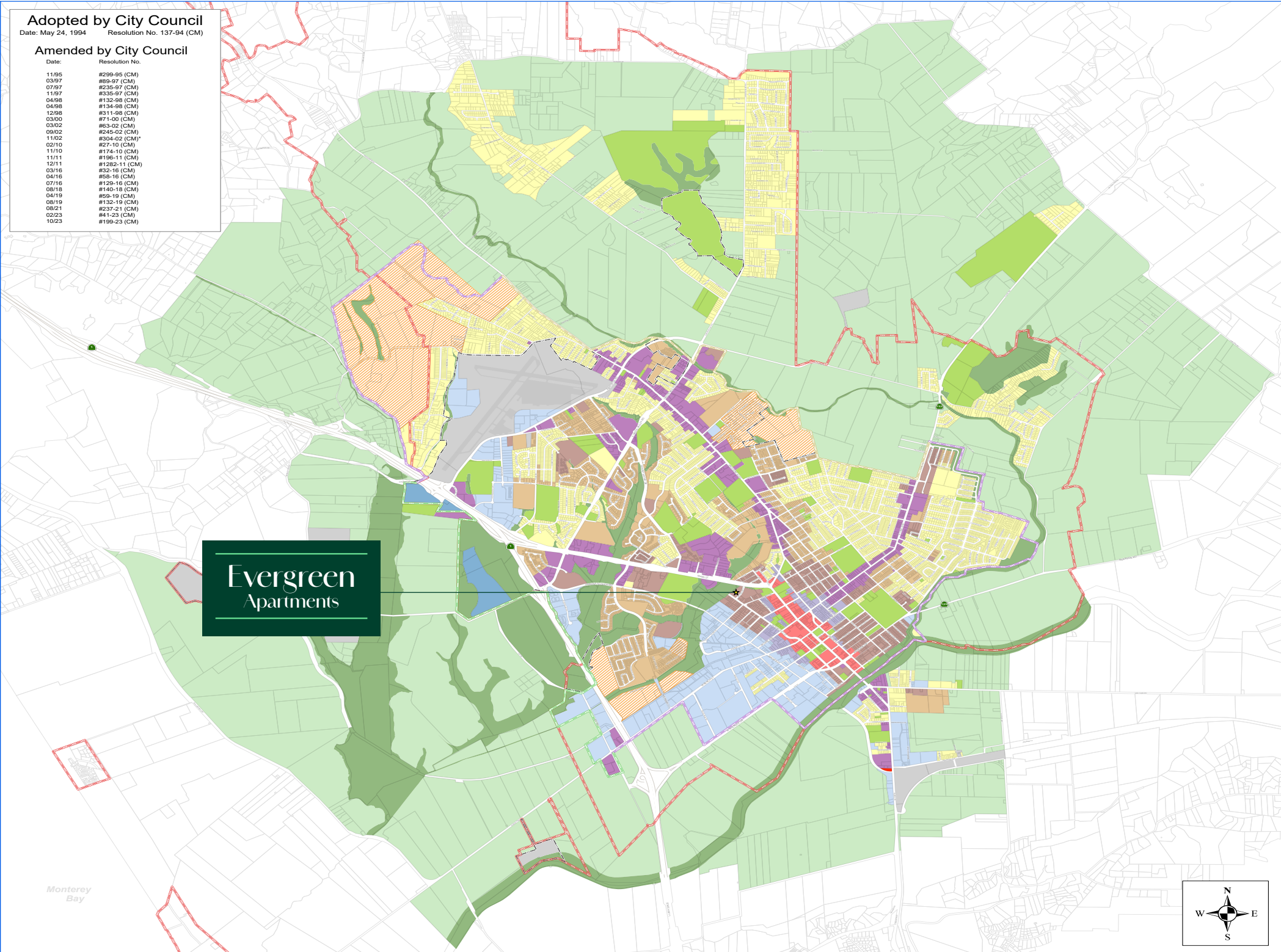


MISSION GARDENS

PROPERTY DETAILS	
Address	90 Grandview St, Santa Cruz, CA
Units	50
Occupancy	100.00%
Year Built	1982
Square Footage	43,044
Close Date	12/13/23

SALE SPECIFICS	
Sale Price	\$34,050,000
Price Per Unit	\$681,000
Price Per SF	\$791
Average SF	834
Cap Rate	2.40%

UNIT TYPE	# OF UNITS
1x1	26
2x2	16
3x2	8



Santa Cruz County *Overview*

Located on California's Central Coast between Silicon Valley and Monterey Bay, Santa Cruz County encompasses approximately 607 square miles of land along California's coveted coastline and has a population of over 262,000 residents per the most recent ESRI report. Long recognized as an ideal vacation destination offering an exceptional range of outdoor recreation and a highly desirable lifestyle, Santa Cruz County contains a blend of pristine beaches, redwood forests, scenic coastal drives, and world-famous restaurants. Major tourist attractions in the area include the Santa Cruz Beach Boardwalk, the Santa Cruz Wharf, Henry Cowell Redwoods State Park, The Mystery Spot, and several local wineries. The county is home to UC Santa Cruz, one of the region's largest employers with a current enrollment of +17,000 students. Situated less than one hour from Silicon Valley, this area continues to benefit from the expanding hybrid work model – allowing residents to enjoy an elevated quality of life on the Central Coast, within a reasonable commute of their place of employment. With only four +25-unit market rate properties delivered since 2018, Santa Cruz County's home values have jumped 30% since 2020 as the area has welcomed an increasingly sophisticated population driven to its idyllic coastal location, climate, and amenities.

Positioned at the south edge of Santa Cruz County and less than 5 miles from the beach, Watsonville is home to over 50,000 residents, making it the second most populous city in the county. The City of Watsonville boasts a historic downtown with 1880s storefronts, weekly farmers markets with locally sourced produce, proximity to Sunset State Beach, family-owned wineries, and a diverse mix of wildlife habitats at the Wetlands of Watsonville Nature Center. Located at the juncture of Highways 1, 129, and 152, Watsonville features the County's only regional airport in addition to a transit center providing access to Greyhound, Santa Cruz Metro and Monterey-Salinas Transit bus lines. Housing costs in the City echo recent trends experienced across the County, with median homes prices climbing 24% and market rents increasing 25% since 2020 as the Central Coast attracts an increasingly affluent demographic.



Santa Cruz Metro System Map

Santa Cruz METRO
Bus Network Map - March 2025
Mapa de la red - Marzo 2025

On a weekday a bus comes every...

Entre semana el autobús pasa cada...

15 minutes / 15 minutos

30 minutes / 30 minutos

60 minutes / 60 minutos

more than 60 minutes /
más de 60 minutos

Weekday only /
Solo entre semana

Weekend only /
Fin de semana

**Route splits into
two branches** (e.g. 30 to 60 min) /
Ruta que se divide en dos ramas
(e.g. 30 a 60 min)



To Bonny Doon

To Davenport



**River Front
Transit Center**

1 18 19 2 3
11 35 4 17 20
40 41

Route 3 splits into
service every 60 min
from Broadway & Seabright
to 17th & Portola

**Capitola Mall
Transit Center**

2 3 73 55

**RiverFront
Transit Center**

Area 1. River Street South
1 18 19 11
20 40 41

Area 2. Soquel Ave & Front
35

Area 3. Front & Soquel Ave
2 3 4 4w

Area 4. Front (Trader Joe's)
17

Evergreen
Apartments

**Watsonville
Transit Center**

1 2 79
72 73 75
78 745

Watsonville Submarket Overview

AMENITIES:

- Full-service city water, sewer, refuse, recycling, transportation, parks and recreation, library, public safety
- Class-2 Fire Department with 2 stations
- 1 Police Department with 1 station and 3 police community centers ensuring low levels of crime
- Health care: Watsonville Community Hospital, Mar Monte Clinic and Santa Cruz (Palo Alto) Medical Clinic
- Quality, mixed-use housing developments and senior housing
- Retail districts: Historic Downtown Watsonville, Watsonville Square, Overlook Shopping Center, Freedom Shopping Center, East Lake Village Center and Crossroads Shopping Center

RECREATION, CULTURAL & LIBRARY OPPORTUNITIES:

- 24 parks and recreational facilities, including 32 acre Ramsay Park, Pinto Lake Park, 800 acres of Wetlands of Watsonville, golf courses, indoor soccer arena, gym, tennis courts and cultural facilities
- Cultural and recreational activities, including community art, dance and exercise classes, Independence Day Parade, annual Mother's Day 10k run; Watsonville Strawberry Festival on Monterey Bay, Monterey Bay Birding Festival and the weekly Watsonville Certified Farmer's Market
- Main Watsonville Library, Freedom Branch, Opportunity to Read Literacy Program
- Access to several beaches within a 10 mile drive
- Wings Over Watsonville

TRANSPORTATION:

- The City of Watsonville is 95 miles South of San Francisco International Airport and 50 miles South of Mineta San Jose International Airport
- Transportation Network: Watsonville Transit Center, Senior Network Services, Santa Cruz Metropolitan Transit District, easy access to Interstate 101, Pacific Coast Highway 1, and both Highways 152 and 129
- Service by Union Pacific Railroad
- 290 acre Watsonville Municipal Airport

SCHOOLS:

- Pajaro Valley Unified School District consists of 34 schools of which some have received California Distinguished School and Blue Ribbon awards.
- 20 Universities and colleges within a 50 mile drive including UCSC (University of California-Santa Cruz), CSUMB (California State University-Monterey Bay) and SJSU (San Jose State University)

Table 1-2: City of Watsonville 6th RHNA by Income Category

Income Category	Percent of Area Median Income (AMI)	RHNA
Very Low-Income	0-50% AMI	283
Low-Income	51-80% AMI	186
Moderate-Income	81-120% AMI	521
Above Moderate-Income	>120% AMI	1,063
TOTAL RHNA		2,053

Source: AMBAG Final 6th Cycle Regional Housing Needs Allocation Plan 2023-2031

Table B-1: Population Growth (2015-2040)

Jurisdiction	Population						Percent Change	
	2015 Actual	2021 Actual	2025 Projected	2030 Projected	2035 Projected	2040 Projected	2015-2021	2021-2040
Salinas	155,366	163,004	166,226	170,459	173,393	175,358	4.9%	7.6%
Hollister	36,529	41,077	42,604	43,327	44,421	45,345	12.5%	10.4%
Watsonville	52,543	52,966	52,918	54,270	55,138	55,786	0.8%	5.3%
City of Santa Cruz	62,752	62,714	68,845	72,218	75,257	78,828	-0.1%	25.7%
Santa Cruz County	269,278	272,138	278,641	284,146	288,523	293,156	1.1%	7.7%

Source: 2022 Regional Growth Forecast AMBAG, Table 1-2; ACS Census Data Table S0101, 2015 and 2021.

Table B-2: Age Characteristics/Age Distribution

Jurisdiction	Under 5	5 to 19	20 to 34	35 to 49	50 to 64	65 years +
Salinas	8.1%	25.8%	21.9%	20.1%	14.6%	9.4%
Hollister	7.1%	24.6%	21.0%	20.8%	16.6%	9.8%
Watsonville	7.5%	25.8%	21.2%	19.0%	15.2%	11.3%
City of Santa Cruz	3.1%	21.2%	32.5%	15.9%	15.0%	12.4%
Santa Cruz County	4.9%	19.6%	22.2%	18.0%	19.8%	17.1%

Source: American Community Survey, Table S0101, 5-Year Estimates, 2021.

Table B-10: Changes in Household Types

Household Types	2011	Percent	2016	Percent	2021	Percent
Married-Couple Family Households	7,714	51.50%	7,416	48.10%	7,615	48.20%
Female Households, No Spouse	2,367	15.80%	2,499	16.20%	2,753	17.40%
Male Households, No Spouse	946	6.30%	1,240	8%	988	6.30%
Non-Family Households	2,773	18.50%	2,898	18.80%	3,231	20.50%
Householder Age 65 or Above	1,173	7.80%	1,363	8.80%	1,211	7.70%
Total Households	13,800	-	15,416	-	15,798	-

Source: American Community Survey, Table S1101, 5-Year Estimates, 2011, 2016, 2021.

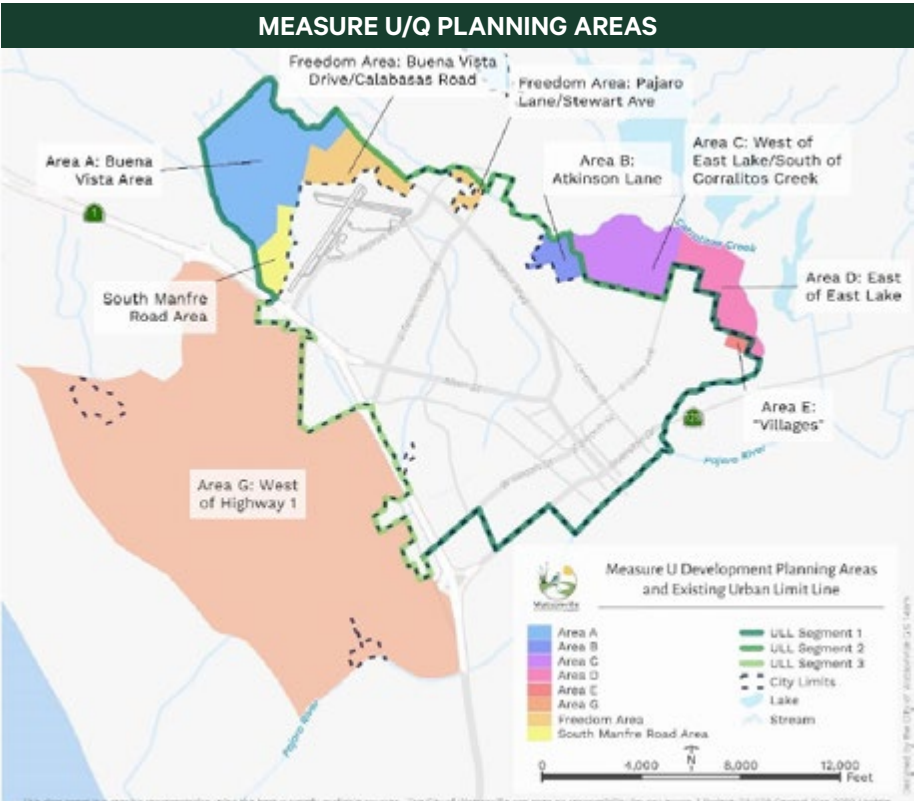
City of Watsonville General Plan Update



The City of Watsonville is in the southern portion of Santa Cruz County, approximately 14 miles southeast of the city of Santa Cruz and 16 miles north of the city of Salinas. Watsonville is bordered to the west, north, and east by unincorporated Santa Cruz County and to the south by the Town of Pajaro in unincorporated Monterey County.

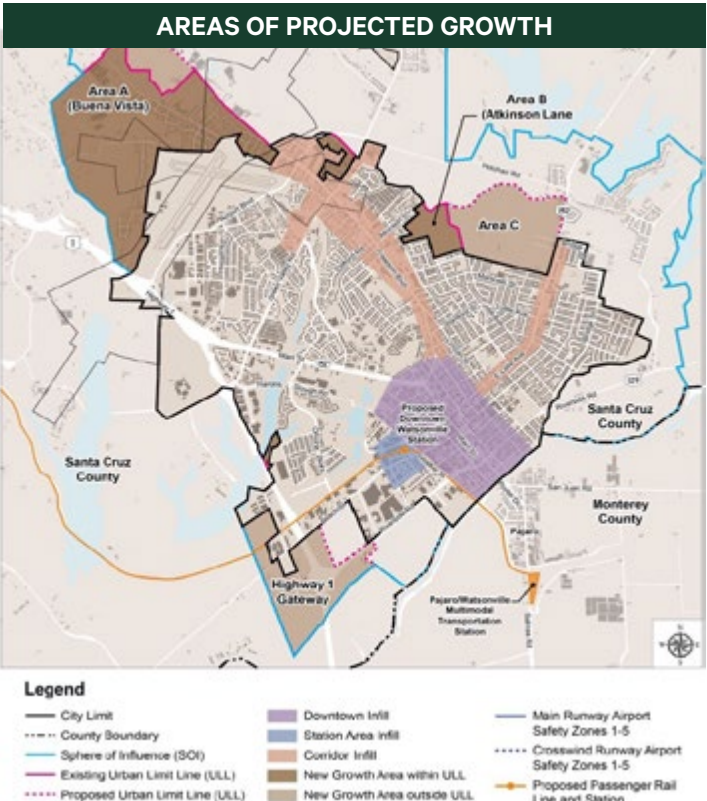
Major transportation routes that provide access to the City include Highway 1, which runs north-south along the western edge of the City; State Route (SR) 152, which begins at Highway 1 and passes through the City along Main Street and East Lake Avenue; and SR 129, which also begins at Highway 1 and heads eastward through the southern portion of the City along Riverside Drive to U.S. 101.

The City is approximately 4,200 contiguous acres or 6.5 square miles in area.



The projected growth in the 2050 General Plan envisions the addition of up to 5,980 new residential units and 1.725 million square feet of non-residential development, as follows:

- 4,320 new residential units are projected to be developed within the existing City limits, primarily in Downtown Watsonville;
- 1,660 new residential units within the Buena Vista and/or Area C growth areas;
- 225,000 square feet of new non-residential development is anticipated to be developed within the existing City limits (Downtown Watsonville and along East Lake Avenue and Freedom Boulevard); and
- up to 1.5 million square feet of non-residential development within the Highway 1 Gateway new growth area including regional retail, community recreation, and visitor-serving uses.



Watsonville has a Regional Housing Needs Allocation (RHNA) goal of building 2,053 units by the end of the cycle, and the 122 units constructed since 2023 represent 6% of the total allocation.

Last year, Watsonville issued 84 building permits including The Residence at 558 Main St., 14 units in the Hillcrest Estates development and a mix of multi-family and accessory dwelling units. There were also 125 units completed at the Sparrow Terrace project on Miles Lane and Tabasa Gardens complex on Freedom Boulevard.

In terms of RHNA goals, 10 VLI units constructed of the allocated 283, 52 LI constructed of the allocated 186 and 60 AMI units have been constructed of the allocated 1,063. Watsonville has goals of 521 MI units and 142 ELI units over the next seven years but has not yet constructed any in either category.

Santa Cruz County *Employment*

Santa Cruz County Fast Facts

7,000+

Businesses

73,000+

Employees

9%

Employment Growth
2017- 2022

LARGEST EMPLOYERS IN SANTA CRUZ COUNTY (2023)

Employer Name	Location	Industry	# of Employees
Dominican Hospital	Santa Cruz	Hospitals	1,000-4,999
Pajaro Valley Unified School District	Watsonville	School Districts	1,000-4,999
Santa Cruz Governmental Center	Santa Cruz	Government Offices-County	1,000-4,999
Santa Cruz Health Center	Santa Cruz	Clinics	1,000-4,999
University of CA Santa Cruz	Santa Cruz	Schools-Universities and Colleges Academic	1,000-4,999
Ameri-Kleen	Watsonville	Services NEC	500-999
Cabrillo Sesnon House 1	Aptos	Caterers	500-999
Graniterock	Watsonville	Asphalt and Asphalt Products	500-999
Larse Farms Inc	Watsonville	Fruits and Vegetables-Growers and Shippers	500-999
Monterey Mushrooms LLC	Watsonville	Mushrooms	500-999
HP Inc. (fka, Plantronics Inc.)	Santa Cruz	Telephone and Telegraph Apparatus (mfrs)	500-999
Source Naturals	Scotts Valley	Vitamin Products-Manufacturers	500-999
Watsonville City Sewer Department	Watsonville	City Government-Regulation and Administration	500-999
Watsonville Community Hospital	Watsonville	Hospitals	500-999
Audiology Associates	Soquel	Clinics	250-499
Creekside Farms Inc	Watsonville	Farms	250-499
First Alarm	Aptos	Burglar Alarm Systems (whls)	250-499
North County Mental Health	Santa Cruz	Government Offices-County	250-499
Operations Department	Santa Cruz	Transit Lines	250-499
Safeway	Soquel	Grocers-Retail	250-499
Salud Para La Gente	Watsonville	Clinics	250-499
Santa Cruz County Sheriff	Santa Cruz	Government Offices-County	250-499
Santa Cruz Metro	Santa Cruz	Bus Lines	250-499

Source: State of California Employment Development Department

Table B-5: Total Job Growth (2015-2045)

Jurisdiction	2015	2025	2035	2045	% Change 2015-2045
Salinas	73,009	79,577	82,505	85,683	17.4%
Hollister	14,428	15,728	16,655	17,613	22.1%
Watsonville	26,403	28,765	29,505	30,303	14.8%
City of Santa Cruz	40,840	44,317	46,863	49,636	21.5%
Santa Cruz County	130,436	141,391	147,125	153,261	17.5%

Source: Association of Monterey Bay Area Governments, 2022 Regional Growth Forecast

Table B-6: Employment by Sector (2010-2021)

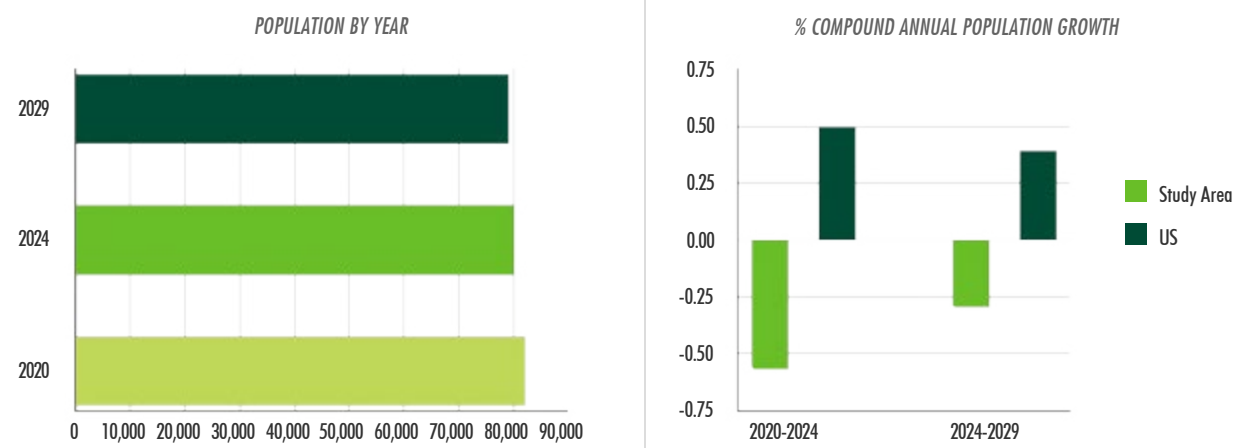
Industry Sector	2016		2021		% Change 2016- 2021
	People Employed	City Employment Percent	People Employed	City Employment Percent	
Agriculture, forestry, fishing and hunting, and mining	4,647	20.2%	3,624	15.7%	-29.0%
Construction	1,591	6.9%	1,211	5.2%	-32.2%
Manufacturing	2,309	10.1%	2,011	8.7%	-15.5%
Wholesale trade	919	4.0%	1,027	4.4%	10.0%
Retail trade	2,587	11.3%	2,639	11.4%	1.4%
Transportation and warehousing, and utilities	662	2.9%	1,579	6.8%	57.8%
Information	131	0.6%	295	1.3%	55.3%
Finance and insurance, real estate, and rental leasing	707	3.1%	684	3.0%	-4.0%
Professional, scientific, management, and administrative and waste management services	1,793	7.8%	1,915	8.3%	5.8%
Education services, health care, and social assistance	3,969	17.3%	4,457	19.3%	10.4%
Arts, entertainment, recreation, accommodation, and food services	2,158	9.4%	1,624	7.0%	-33.7%
Other services (except public administration)	827	3.6%	1,139	4.9%	27.0%
Public Administration	654	2.8%	888	3.8%	25.9%
Total	22,954	--	23,093	--	0.6%

Source: American Community Survey, S2404, 5- Year Estimates, 2016 and 2021

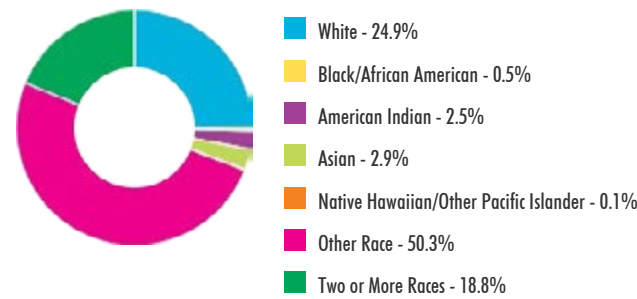
Watsonville Demographics

Demographic Brief	1 Mile		3 Miles		5 Miles	
Population						
2024 Population - Current Year Estimate	28,528		63,926		79,940	
2029 Population - Five Year Projection	28,161		62,943		78,797	
2020 Population - Census	29,080		65,582		81,885	
2010 Population - Census	28,045		64,202		80,589	
2020-2024 Annual Population Growth Rate	-0.45%		-0.60%		-0.56%	
2024-2029 Annual Population Growth Rate	-0.26%		-0.31%		-0.29%	
Households						
2024 Households - Current Year Estimate	7,475		17,269		21,799	
2029 Households - Five Year Projection	7,464		17,192		21,708	
2020 Households - Census	7,545		17,514		22,102	
2010 Households - Census	7,062		16,605		21,038	
2020-2024 Compound Annual Household Growth Rate	-0.22%		-0.33%		-0.32%	
2024-2029 Annual Household Growth Rate	-0.03%		-0.09%		-0.08%	
2024 Average Household Size	3.70		3.63		3.60	
Household Income						
2024 Average Household Income	\$104,844		\$105,940		\$113,774	
2029 Average Household Income	\$124,824		\$127,580		\$136,442	
2024 Median Household Income	\$76,176		\$80,225		\$85,315	
2029 Median Household Income	\$90,224		\$95,662		\$101,928	
2024 Per Capita Income	\$27,567		\$28,835		\$31,287	
2029 Per Capita Income	\$33,191		\$35,093		\$37,890	
Housing Units						
2024 Housing Units	7,735		17,827		23,309	
2024 Vacant Housing Units	260	3.4%	558	3.1%	1,510	6.5%
2024 Occupied Housing Units	7,475	96.6%	17,269	96.9%	21,799	93.5%
2024 Owner Occupied Housing Units	2,534	32.8%	7,552	42.4%	10,682	45.8%
2024 Renter Occupied Housing Units	4,941	63.9%	9,717	54.5%	11,117	47.7%
Education						
2024 Population 25 and Over	17,557		40,389		51,389	
HS and Associates Degrees	9,457	53.9%	22,086	54.7%	27,413	53.3%
Bachelor's Degree or Higher	2,288	13.0%	5,870	14.5%	9,094	17.7%
Place of Work						
2024 Businesses	1,038		2,024		2,322	
2024 Employees	11,926		24,866		27,885	

POPULATION



RACE & ETHNICITY



79.1% HISPANIC/LATINO POPULATION (ALL RACES)

INCOME

\$85,315
MEDIAN HOUSEHOLD INCOME

\$31,287
PER CAPITA INCOME

HOME OWNERSHIP

49.0%
OWNER-OCCUPIED UNITS

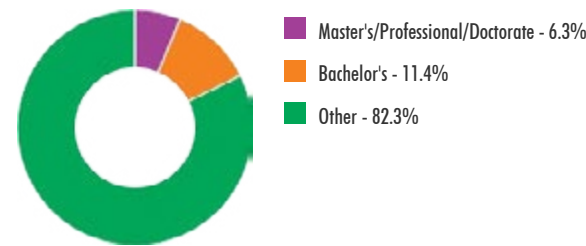
EMPLOYMENT

27,885 EMPLOYEES

2,322 BUSINESSES

7.2% RESIDENTIAL UNEMPLOYMENT RATE

EDUCATION





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MULTIFAMILY INVESTMENT SALES TEAM

Jefrey Henderson
Executive Vice President
+1 408 306 3228
jefrey.henderson@cbre.com
Lic. 01483399

Jon Teel
Senior Vice President
+1 408 603 7772
jon.teel@cbre.com
Lic. 02023945

Adam Foley
Senior Associate
+1 408 893 8063
adam.foley@cbre.com
Lic. 02144332

Ben Mollahan
Senior Associate
+1 415 535 7414
ben.mollahan@cbre.com
Lic. 02136790

CBRE AFFORDABLE HOUSING

Tim Flint
Vice Chairman
+1 206 826 5725
timothy.flint@cbre.com
Lic. 26331

DEBT AND STRUCTURED FINANCE

Jim Flinn
Vice Chairman
Multifamily Debt & Structured Finance
+1 614 519 0299
james.flinn@cbre.com

CBRE