

Revised Security Fund Analysis with Strategic Economics Home Sales Prices

▶ Assumptions

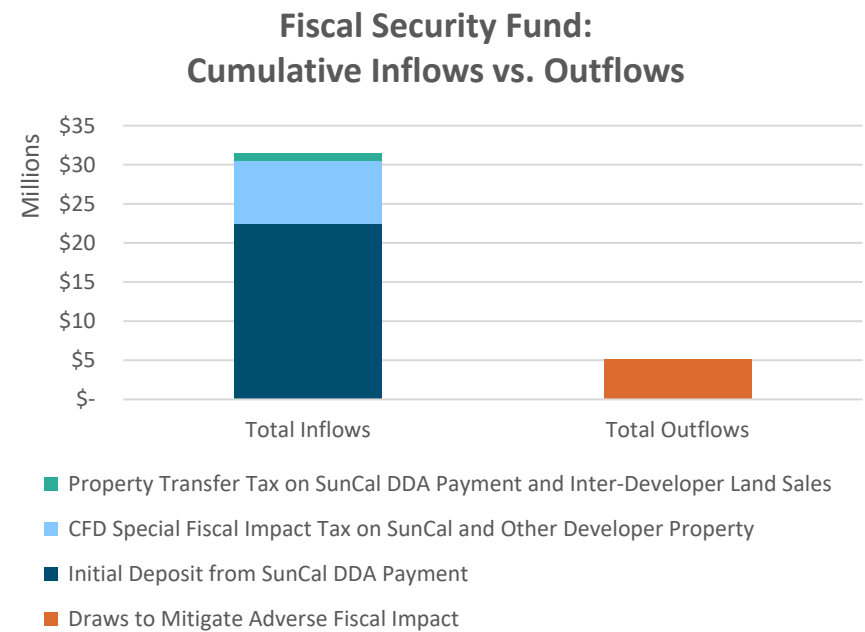
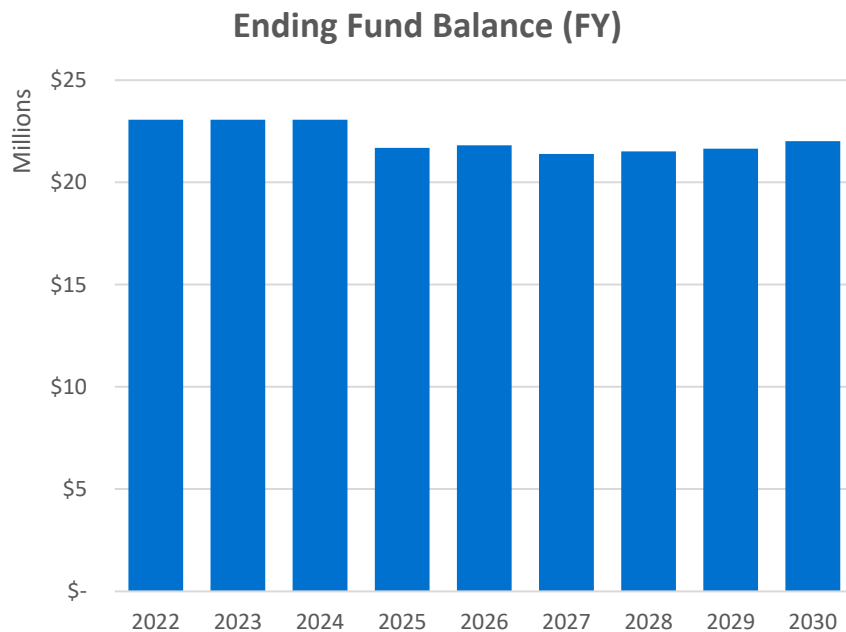
- ▶ Use homes sales prices from the Strategic Economics study done for the Point Molate Alliance and September 8, 2020
 - ▶ These home sales price assumptions are significantly lower than those assumed by BAE in their June 29, 2020 study and by Integra in their February 7, 2022 study
- ▶ Use the same fiscal model prepared by EPS and refined by BAE, but with the Strategic Economics homes sales prices
- ▶ Keep the “Security Fund” proposed fiscal impact mitigation measure in the analysis
- ▶ Analyze 7 year, 15 year and 30 year build out scenarios

Comparing the Projected Homes Sales Price for Point Molate

Consultant	EPS Study/BAE review	Strategic Economics	Integra
Date of study	6/29/20	9/8/20	2/7/22
Product Type			
Single family	1,400,000	1,088,200	1,800,000
Low rise townhomes	1,175,000	652,700	1,300,000
Mid rise condo's	1,250,000	521,000	1,350,000
Low rise apartments	400,000	400,000	400,000
Mid rise apartments	450,000	450,000	450,000

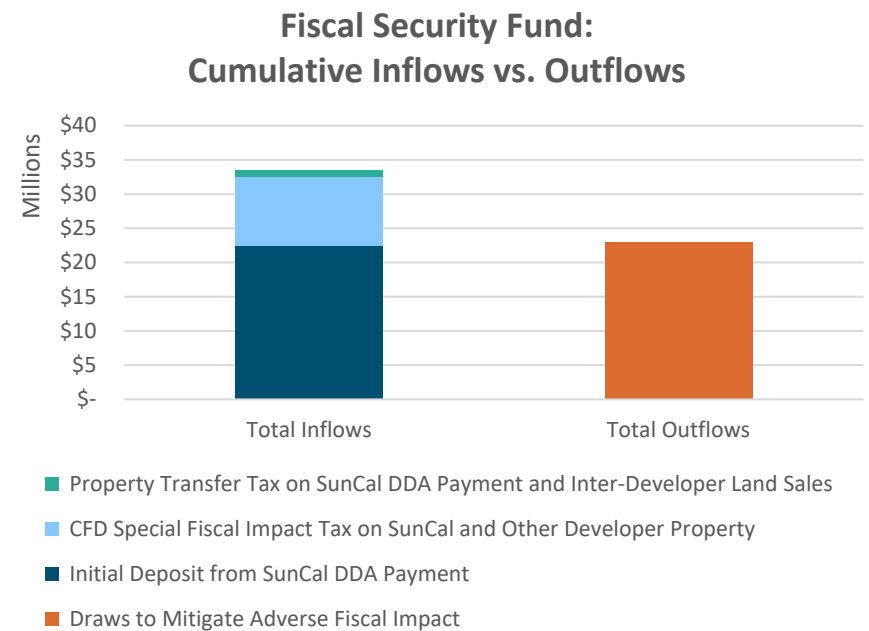
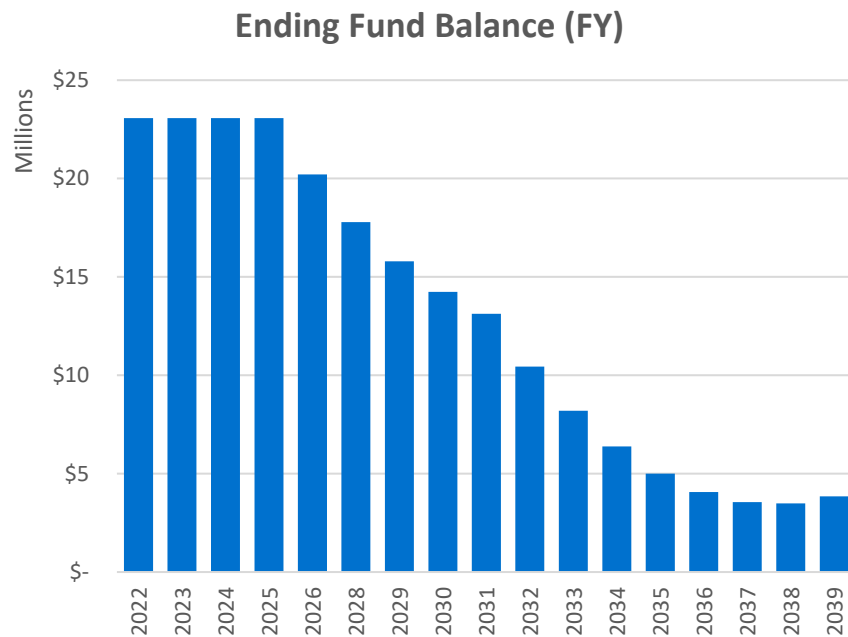
How the Fiscal Security Fund Works: 7 Year Build Out (SunCal scenario and Strategic Economics Home Sales Prices)

- ▶ Cross-over in FY 2030
- ▶ 207 units per year
- ▶ Any negative fiscal impact is fully mitigated during build out, with potential release of the Fiscal Security Fund in FY 2030
- ▶ Security Fund is used to pay back the General Fund for any negative fiscal impact



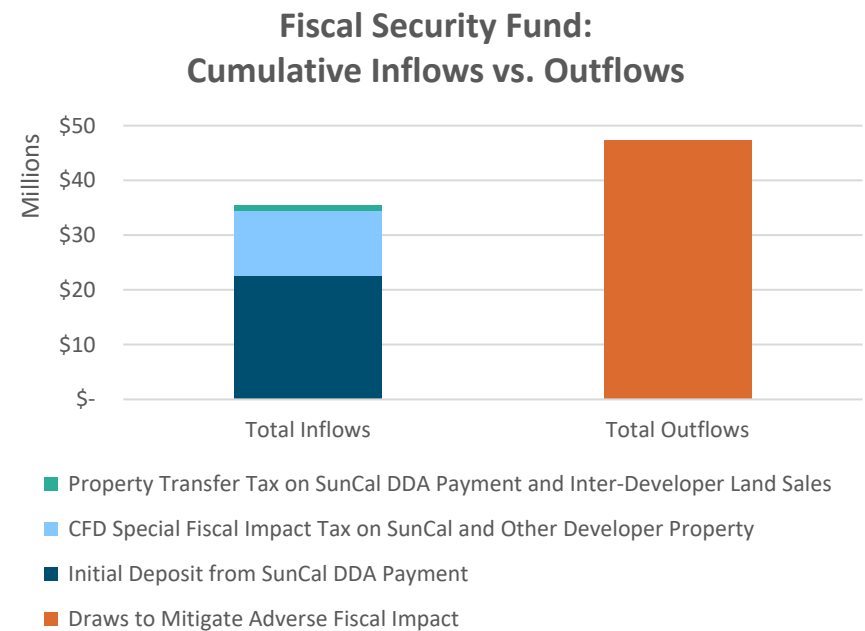
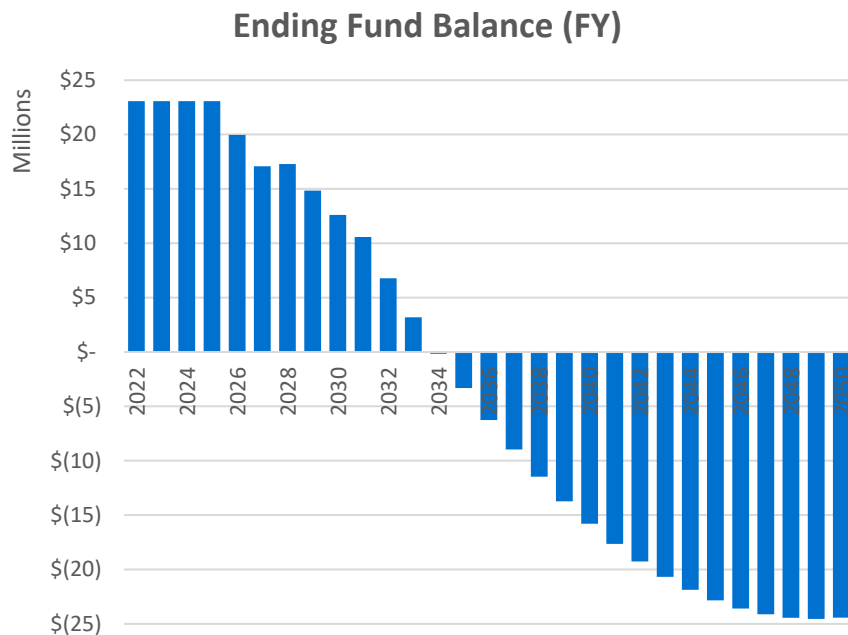
How the Fiscal Security Fund Works: 15 Year Build Out (more conservative scenario and Strategic Economics Home Sales Prices)

- ▶ Cross-over in FY 2039
- ▶ 97 units per year
- ▶ Fiscal impact is fully mitigated during build out, with potential release of the Fiscal Security Fund in FY 2039
- ▶ Security Fund is used to pay back General Fund for any negative fiscal impact



How the Fiscal Security Fund Works: 30 Year Build Out (very conservative scenario and Strategic Economics Home Sales Prices)

- ▶ Cross-over in FY 2050
- ▶ 48 units per year
- ▶ Fiscal impact is not mitigated during build out, with potential release of the Fiscal Security Fund in FY 2039
- ▶ Security Fund is fully depleted by FY 2034, resulting in negative impact to General Fund through FY 2049



Conclusion: The Combination of the Strategic Economics Homes Sales Prices and a 30 Year Build Out Results in Negative Fiscal Impact

- ▶ Use of Strategic Economics home sales prices with 7 year and 15 year build results in positive fiscal impact
- ▶ Use of Strategic Economics home sales prices with a 30 year build out results in negative fiscal impact