

FOR SALE

22 AFFORDABLE UNITS IN LOMPOC, CA

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733 North C Street LOMPOC, CA

Coral Apartments in Lompoc is a well maintained 22-unit multifamily apartment complex in Lompoc with upgraded copper plumbing, newer ABS sewer lines, newer gas heaters, upgraded tile bathrooms, and more. The (8) 1-bedroom and (14) studios apartments surround a tastefully landscaped courtyard, and residents enjoy the comfort of security gates and camera system in addition to on-site parking and a common laundry room. The property is operated subject to an affordable covenant that expires in 2034, which restricts the renting of the apartments to "Low" or "Very Low" Income Households. Even with this restriction, there is strong upside in rents, giving the savvy investor "value-add" opportunity in the short term with additional upside once the affordable agreement expires.

OFFERING SUMMARY

Price	\$2,760,000
Price Per Unit	\$125,455
NOI	\$115,137
Current GRM	12.01
Current CAP Rate	4.17%
Proforma CAP Rate	9.6%

PROPERTY DETAILS

Number of Units	22 Apts
Unit Mix	8-1Bed/1Bath, 14-Studio
Affordable Covenant	Expires June 2034
Electric & Gas	Separate Meters
APN	087-103-020
Year Built	1960

805.688.5333

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2901 Grand Ave #D, PO Box 540, Los Olivos, CA 93441-0540

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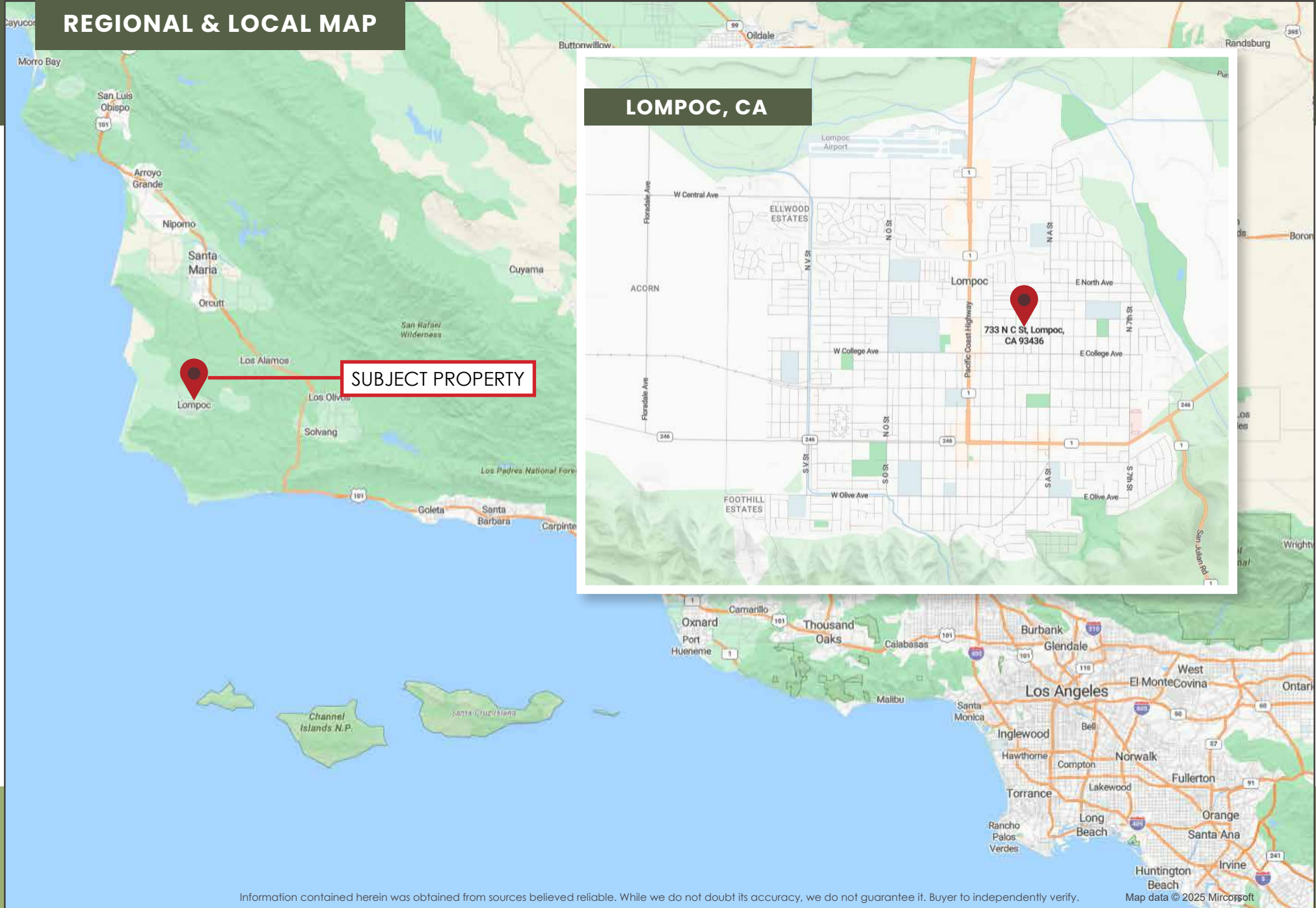


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REGIONAL & LOCAL MAP



AFFORDABILITY COVENANT

The subject property is encumbered by a Regulatory Agreement with the County of Santa Barbara requiring the property to be rented to "Low Income" and "Very Low-Income" residents. However, due to the high overall income in Santa Barbara County, the affordable covenant allows for maximum rents for "Very Low-Income" residents of \$1,430 per month, while market rent for a studio apartment is only about \$1,500. So there is minimal difference between the allowable maximum rents for "Very Low-Income" and market rents for these 1-bedroom and studio apartments.

The Maximum Allowable Rent changes upward or downward depending upon changes to the median income and changes to the utility allowance. The covenant governing the operation of the Coral Apartments expires around January of 2034 (less than 9 years). The formula for determining the max rent for Very Low Income residents is the HUD Median Income for Santa Barbara County x 30% x 50% less a utility allowance. The formula for determining the max rent for Low Income residents x 30% x 80% less a utility allowance. Tenants must qualify in order to rent the units, which in this case, means they must make sufficient income to pay their rent but not more than 80% of the median income.

One favorable note is that the Regulatory Agreement does provide an allowance for a "non-profit" operator to be exempt from paying all or part of the property taxes on the property. While there is a bit of paperwork required to qualify and maintain this exemption, the upside is an additional savings of \$25,000 per year going straight to the bottom line.



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LOW INCOME COVENANT RENT MAXIMUMS

Excerpt from Regulatory Agreement

22. MAXIMUM RENTAL CHARGES.

(a) For a Low Income Household occupying an Assisted Unit, the total monthly charges for rent, utility allowances, and any related services that the HOME program considers in limiting the housing cost shall not exceed one-twelfth (1/12) of thirty percent (30%) of eighty percent (80%) of Area Median Income, adjusted for household size.

(b) For a Very Low-Income Household occupying an Assisted Unit, the total monthly charges for rent, utility allowances, and any related services that the HOME program considers in limiting the housing cost shall not exceed one-twelfth (1/12) of thirty percent (30%) of fifty percent (50%) of Area Median Income, adjusted for household size.

(c) Initial maximum rents for each Assisted Unit shall be set by the Lender at the time of initial occupancy of the Project. The initial lease and all subsequent leases for each Low or Very Low-Income Household shall provide for a term of no less than twelve (12) months. Rents shall be increased no more than once annually and annual rent increases shall be calculated by the Owner and the Lender based on the change in permissible rents published annually by HUD. At least sixty (60) calendar days prior to increasing rents on any Unit restricted by this Agreement, the Owner shall submit to the Lender for review and approval a written request for such increase, which the Lender shall approve if the increased rent will comply with any applicable HOME Fund requirements. Households occupying Assisted Units shall be given at least thirty (30) days written notice prior to any rent increase.

Calculation for Rent Maximums for Very Low Income

[HUD's Income Limits for the County of Santa Barbara](#)

[2025 Income Limits Summary](#)

[Santa Maria-Santa Barbara, CA MSA](#)

[Median Family Income \\$113,000*](#)

Very Low Income (50%) Income Limits

# Persons in Family *	Household Income Limit *	x 30%	x 1/12	Electricity (Estimate)	Gas (Estimate)	Maximum Rent
1	\$61,800	\$18,540	\$1,545	\$65	\$50	\$1,430
2	\$70,600	\$21,180	\$1,765	\$100	\$63	\$1,603
3	\$79,450	\$23,835	\$1,986	\$135	\$75	\$1,776

[*Data from the Housing Authority of the County of Santa Barbara's website.](#)

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RENT ROLL

Unit #	Bed	Bath	SF	Current Rent	Current Rent \$/SF	AB 1482 Rent	AB 1482 Rent \$/SF	Max HUD Rent	Max HUD Rent \$/SF	Market Rent	Market Rent \$/SF	Security Deposit	Lease Start	Last Rent Increase
1	0	1	420 SF	\$850	\$2.02	\$915	\$1.08	\$1,430	\$3.40	\$1,500	\$3.57	\$ 700	11/16/2020	6/1/2025
2	0	1	420 SF	\$800	\$1.90	\$862	\$1.08	\$1,430	\$3.40	\$1,500	\$3.57	\$ 1,450	7/15/2022	8/1/2025
3	0	1	420 SF	\$850	\$2.02	\$915	\$1.08	\$1,430	\$3.40	\$1,500	\$3.57	\$ 1,200	2/10/2018	6/1/2025
4	0	1	420 SF	\$850	\$2.02	\$915	\$1.08	\$1,430	\$3.40	\$1,500	\$3.57	\$ 600	9/1/2017	6/1/2025
5	0	1	420 SF	\$850	\$2.02	\$915	\$1.08	\$1,430	\$3.40	\$1,500	\$3.57	\$ 1,400	7/27/2020	6/1/2025
6	0	1	420 SF	\$850	\$2.02	\$915	\$1.08	\$1,430	\$3.40	\$1,500	\$3.57	\$ 575	5/28/2016	6/1/2025
7	0	1	420 SF	\$800	\$1.90	\$862	\$1.08	\$1,430	\$3.40	\$1,500	\$3.57	\$ 560	8/16/2015	6/1/2025
8	1	1	567 SF	\$975	\$1.72	\$1,050	\$1.08	\$1,603	\$2.83	\$1,700	\$3.00	\$ 700	5/5/2017	6/1/2025
9	1	1	567 SF	\$975	\$1.72	\$1,050	\$1.08	\$1,603	\$2.83	\$1,700	\$3.00	\$ 1,800	4/1/2024	6/1/2025
10	1	1	567 SF	\$975	\$1.72	\$1,050	\$1.08	\$1,603	\$2.83	\$1,700	\$3.00	\$ 950	8/1/2024	8/1/2025
11	1	1	567 SF	\$975	\$1.72	\$1,050	\$1.08	\$1,603	\$2.83	\$1,700	\$3.00	\$ 1,800	5/15/2024	6/1/2025
12	1	1	567 SF	\$975	\$1.72	\$1,050	\$1.08	\$1,603	\$2.83	\$1,700	\$3.00	\$ 1,600	1/1/2022	6/1/2025
14	1	1	567 SF	\$975	\$1.72	\$1,050	\$1.08	\$1,603	\$2.83	\$1,700	\$3.00	\$ 700	3/1/2017	6/1/2025
15	1	1	567 SF	\$975	\$1.72	\$1,050	\$1.08	\$1,603	\$2.83	\$1,700	\$3.00	\$ 1,700	1/1/2023	6/1/2025
16	1	1	567 SF	\$975	\$1.72	\$1,050	\$1.08	\$1,603	\$2.83	\$1,700	\$3.00	\$ 1,600	2/5/2021	6/1/2025
17	0	1	420 SF	\$850	\$2.02	\$915	\$1.08	\$1,430	\$3.40	\$1,500	\$3.57	\$ 1,200	3/17/2017	6/1/2025
18	0	1	420 SF	\$850	\$2.02	\$915	\$1.08	\$1,430	\$3.40	\$1,500	\$3.57	\$ 1,200	4/1/2018	6/1/2025
19	0	1	420 SF	\$900	\$2.14	\$969	\$1.08		\$0.00	\$1,500	\$3.57	\$ 900	10/1/2024	6/1/2025
20	0	1	420 SF		\$0.00	\$0		\$1,430	\$3.40	\$1,500	\$3.57			6/1/2025
21	0	1	420 SF	\$850	\$2.02	\$915	\$1.08	\$1,430	\$3.40	\$1,500	\$3.57	\$ 850	8/1/2024	8/1/2025
22	0	1	420 SF	\$850	\$2.02	\$915	\$1.08	\$1,430	\$3.40	\$1,500	\$3.57	\$ 850	7/18/2024	8/1/2025
23	0	1	420 SF	\$850	\$2.02	\$915	\$1.08	\$1,430	\$3.40	\$1,500	\$3.57	\$ 1,600	4/8/2024	6/1/2025
			10,416 SF	\$18,800	\$1.82	\$20,248	\$1.08	\$31,414	\$3.04	\$34,600	\$3.36	\$ 23,935		

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PROPERTY ANALYSIS



Executive Summary

# Units:	22
Price:	\$2,760,000
Initial Investment:	\$1,380,000
% Down Payment:	50%
Est. Total Loans:	\$1,380,000
Debt Service Ratio:	1.19
Price/Unit:	\$125,455
NOI:	\$115,137
GRM:	12.01
CAP Rate:	4.17%
Building Area:	11,254 SF
Building Price/SF:	\$245/SF
Lot Size SF:	23,086 SF
Year Built:	1960
Zoning:	R3



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Unit Mix and Rent Schedules

Units	Mix		Current		Max HUD Very Low	
			Rent/Unit	Monthly Income	Rent/Unit	Monthly Income
14	Studios	420	\$850	\$11,100	\$1,430	\$20,020
8	1/1	567	\$975	\$7,800	\$1,603	\$12,824

Laundry Income		\$250	\$300
Gross Monthly Income		\$19,150	\$33,144
		Current	Market
Gross Annual Income		\$229,800	\$397,728
less vacancy, losses	5%	\$11,490	19,886
Effective Operating Income (EOI)		\$218,310	\$377,842

Annual Expenses

		Current		Market
		Current	%EOI	
Real Estate Taxes	1.10%	\$30,337	13.9%	\$30,337
Fixed Charges		\$327	0.1%	\$327
Licenses		\$350	0.2%	\$350
Insurance		\$7,440	3.4%	\$7,440
Utilities	(total) Est	\$14,000	6.4%	\$14,000
Maint/ Repairs	\$750/Unit	\$16,500	7.6%	\$16,500
Grounds	Est	\$1,620	0.7%	\$1,620
Off-site Management	6%	\$13,099	6.0%	\$22,670
Resident Manager	Est	\$11,400	5.2%	\$11,400
Pest Control	Est	\$600	0.3%	\$600
Legal & Accounting	Est.	\$2,000	0.9%	\$2,000
Reserves	\$250/Unit	\$5,500	2.5%	\$5,500
Annual Expenses		\$103,173	47.3%	\$112,745
Annual Expenses per Unit		\$4,690		\$5,125

Calculation

	Current	Max HUD Very Low
EOI	\$218,310	\$377,842
Annual Exp.	\$103,173	\$112,745
NOI	\$115,137	\$265,096
GRM	12.01	6.94
CAP Rate	4.17%	9.60%

Financing

Amount	Term	Rate	Monthly Pmt	Annual Pmt	Annual Interest
1st TD					
\$1,380,000	30 Yrs	5.75%	\$8,053	\$96,640	\$79,350
\$1,380,000			\$8,053	\$96,640	\$79,350

Before Tax Cash Flow (BTCF)

	Current	Market
NOI	\$115,137	\$265,096
Annual Loan Pmt	\$96,640	\$96,640
Cash Flow	\$18,497	\$168,457
Cash on Cash	1.34%	12.21%

After Tax Cash Flow (ATCF)

	Current	Market
NOI	\$115,137	\$265,096
Depreciation	-\$70,255	-\$70,255
Interest Exp.	-\$79,350	-\$79,350
Taxable Income	-\$34,468	\$115,492
Taxes @ 0.4	\$13,442	-\$45,042
ATCF	\$31,940	\$123,415
Return	2.31%	8.94%

Net Equity Income

	Current	Market
ATCF	\$31,940	\$123,415
Equity Buildup	\$17,290	\$17,290
Equity Income	\$49,229	\$140,705
Overall Return	3.57%	10.20%

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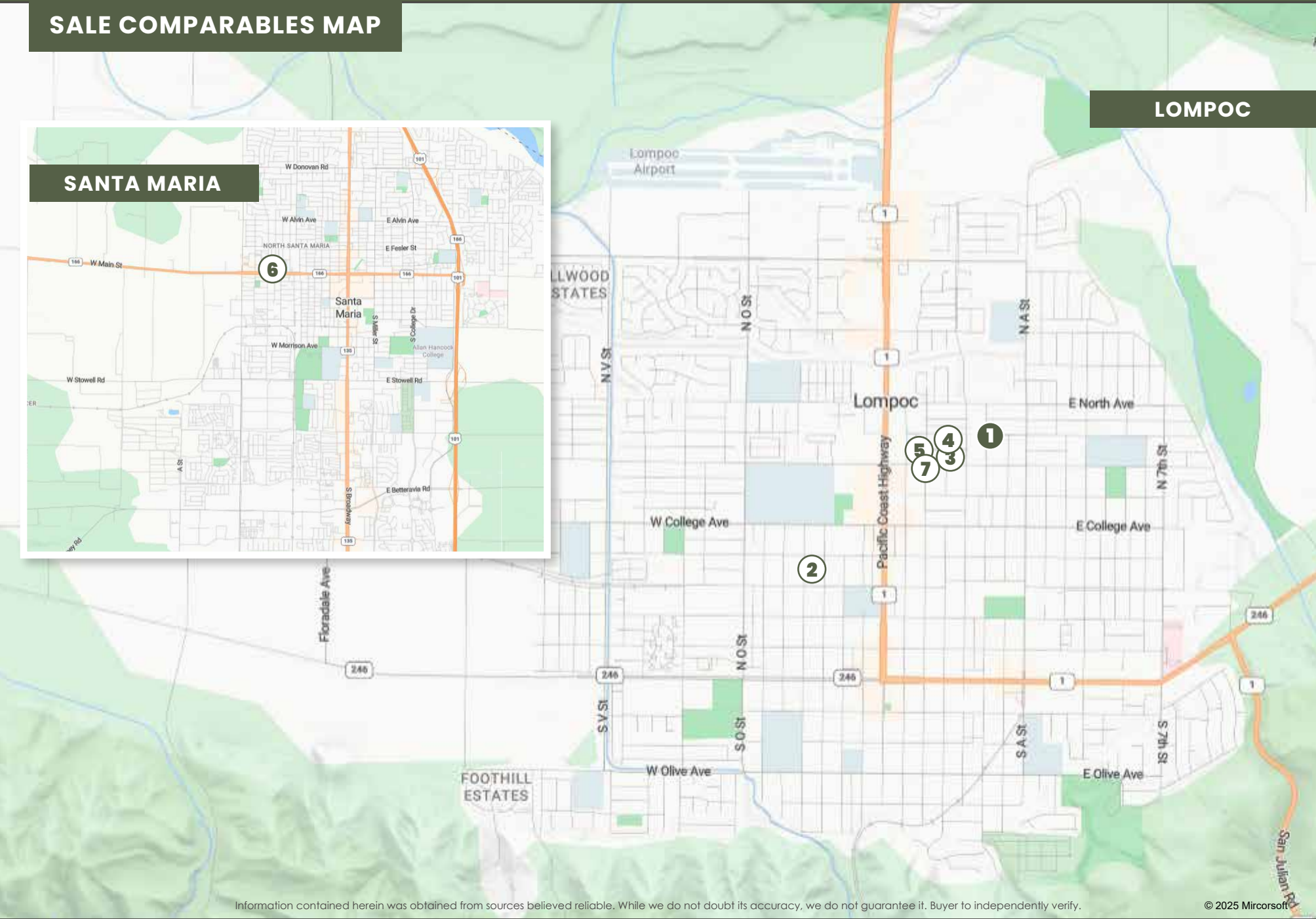
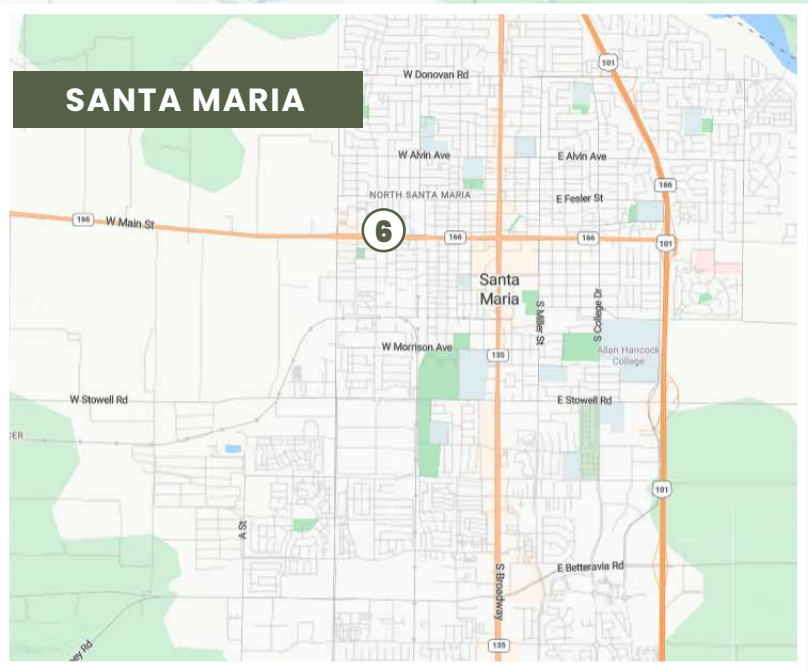
SALES COMPARABLES

	PROPERTY ADDRESS	SALE DATE	SALE PRICE	# Units	Unit Mix	Price Per Unit	GRM	CAP Rate
1	733 N. C St, Lompoc	Active	\$2,760,000	22	14-studio 8-1/1	\$125,455	12.01	4.17%
2	324-328 N. L St Lompoc	1/5/2024	\$1,520,000	12	12 - 1/1	\$126,667	11.20	5.05%
3	709-713 N E St Lompoc	5/29/2025	\$1,500,000	12	12 - 1/1	\$125,000	9.92	4.99%
4	<i>Courtyard Apartments</i> 725-733 N E St Lompoc	8/15/2023	\$2,145,000	18	18- 2/1	\$119,167	11.18	4.71%
5	<i>Copper Kettle Apartments</i> 714-720 N G St Lompoc	1/5/2024	\$2,280,000	19	8- 1/1 10- 2/1	\$120,000	10.02	4.47%
6	115-213 Mary Dr Santa Maria	12/7/2022	\$5,170,000	27	25- 2/1 2- 3/1	\$191,481	13.66	4.48%
7	701-717 N F St Lompoc	7/9/2024	\$5,250,000	30	30- 2/1	\$175,000	10.47	5.90%
					Average	\$142,886	11.08	4.93%

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SALE COMPARABLES MAP

LOMPOC



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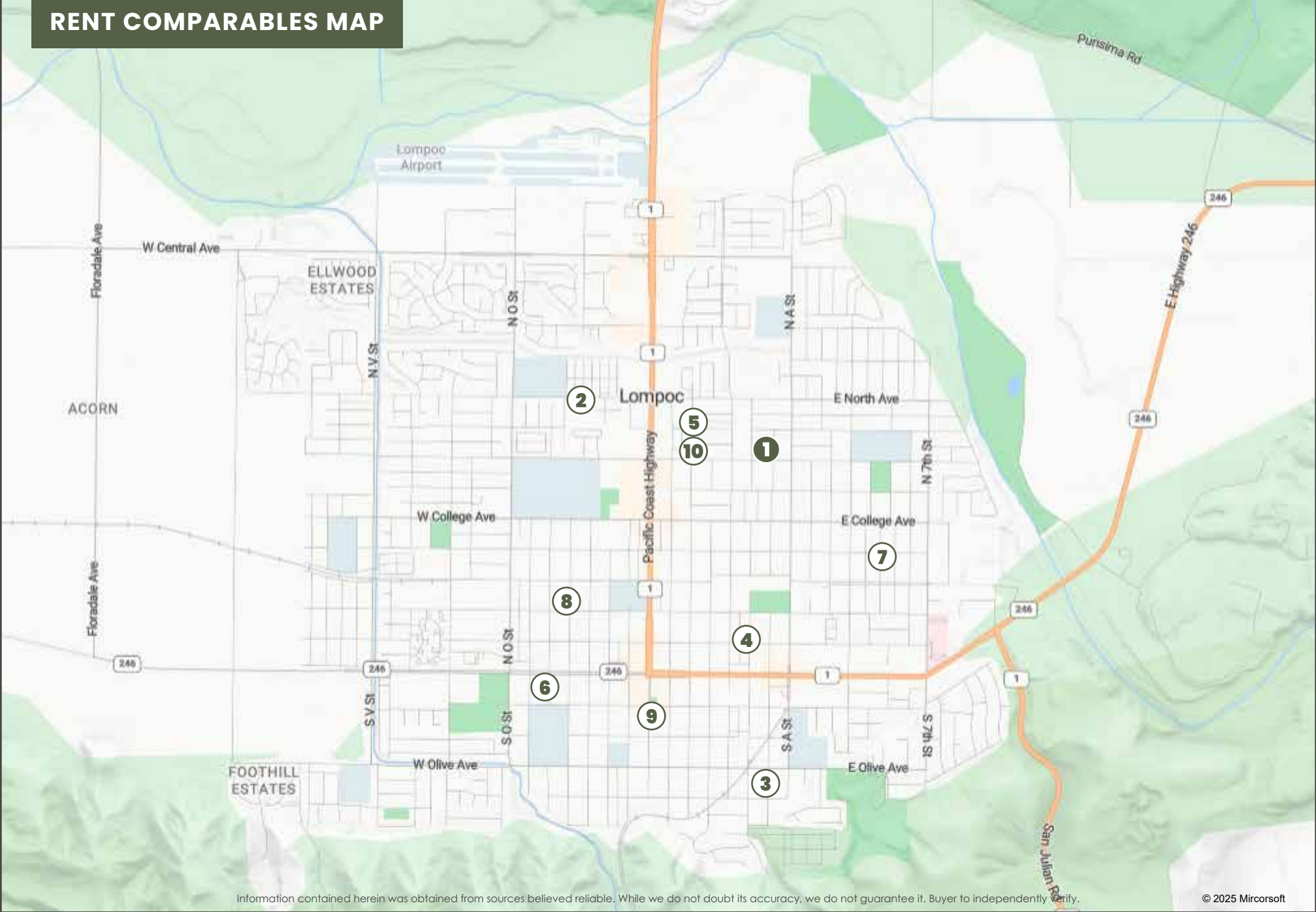
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RENT COMPARABLES

	Property Address	Studios			1 Bedrooms		
		Monthly Rent	SF	\$/SF	Monthly Rent	SF	\$/SF
1	733 N C St., Lompoc	\$850	420	\$2.02	\$975	567	\$1.72
2	Fiesta Apartments, 416 W. North Ave, Lompoc	\$1,718	495 SF	\$3.47 SF	\$1,987	700 SF	\$2.84 SF
3	424 S B St #3, Lompoc	\$1,400	250 SF	\$5.60 SF			
4	135 N B St#S-1, Lompoc	\$1,050	281 SF	\$3.74 SF			
5	Arbor Square Apartments, 800 N G St, Lompoc				\$1,574	650 SF	\$2.42 SF
6	619 W Cypress Ave #B, Lompoc				\$1,450	445 SF	\$3.26 SF
7	45 N. Daisy St #B, Lompoc				\$1,650	480 SF	\$3.44 SF
8	317 N L St #1/2, Lompoc				\$1,600	450 SF	\$3.56 SF
9	228 S H St #, Lompoc				\$1,875	650 SF	\$2.88 SF
10	720 N G St #15, Lompoc				\$1,895	595 SF	\$3.18 SF
	Averages	\$1,389	342 SF	\$4.27/SF	\$1,719	567 SF	\$3.08/SF

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Lompoc, California

Located on California's scenic Central Coast, the city of Lompoc offers a unique blend of small-town charm, agricultural richness, and natural beauty. Known as the "City of Arts and Flowers," Lompoc boasts a thriving art scene, historic architecture, and world-famous flower fields. Its proximity to Vandenberg Space Force Base, Highway 1, and the Pacific Ocean makes it a strategic and desirable location for residential and commercial development. With a growing population, revitalized downtown, and ongoing investment in infrastructure, Lompoc presents a compelling opportunity for real estate growth and long-term value.

