



REPORT TO THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO

DATE ISSUED: February 8, 2023

REPORT NO: HAR23-004

ATTENTION: Chair and Members of the Housing Authority of the City of San Diego
For the Agenda of March 7, 2023

SUBJECT: Cortez Hill Apartments Revised Final Bond Authorization

COUNCIL DISTRICT: 3

REQUESTED ACTION

Authorize an increase of \$1,930,500 in the previously authorized maximum amount of tax-exempt Multifamily Housing Revenue Bonds by \$1,930,500 from \$19,305,000 to \$21,235,500 to fund Beech Street Housing Associates LP's acquisition and new construction of Cortez Hill Apartments. Cortez Hill Apartments is a new affordable rental housing development at 915 Beech Street in the Cortez Hill neighborhood in downtown San Diego, which will consist of 87 units that will remain affordable for 55 years for people experiencing chronic homelessness or with low income and selected from the San Diego Housing Commission's Project-Based Housing Vouchers (PBV) waiting list, with income between 30 percent and 40 percent of the San Diego Area Median Income (AMI), and one unrestricted manager unit.

STAFF RECOMMENDATION

That the Housing Authority of the City of San Diego (Housing Authority) take the following actions:

- 1) Authorize an increase of \$1,930,500 in the previously authorized maximum amount of tax-exempt Multifamily Housing Revenue Bonds, from \$19,305,000 to \$21,235,500 to fund Beech Street Housing Associates LP's construction of Cortez Hill Apartments (Cortez Hill). Cortez Hill is a new affordable rental housing development at 915 Beech Street in the Cortez Hill neighborhood in downtown San Diego, which will consist of 87 units that will remain affordable for 55 years for people experiencing chronic homelessness or with low income and selected from the San Diego Housing Commission's (Housing Commission) Project-Based Housing Vouchers (PBV) waiting list, with income between 30 percent and 40 percent of the San Diego Area Median Income (AMI), and one unrestricted manager unit.
- 2) Authorize the Designated Officers identified in Resolution No. HA-1966 adopted by the Housing Authority on November 15, 2022, which approved the original maximum amount of bonds for Cortez Hill to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by the General Counsel

of the Housing Authority and of the Housing Commission and the Bond Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of the General Counsel and/or the Bond Counsel. Housing Commission staff will notify the Housing Authority and the City Attorney's Office about any subsequent amendments or modifications to the transaction, and other required documents, including amendments to any documents.

SUMMARY

Table 1 –Development Details

Address	915 Beech Street (formerly 1449 Ninth Avenue), San Diego
Council District	3
Community Plan Area	Cortez Hill Active Residents Group (CHARG)
Developer	Community HousingWorks (CHW)
Development Type	New construction
Construction Type	5 story Type 1A and VA
Parking Type	No parking. The site is in a Transit Priority Area, which allows for a zero minimum parking space requirement for residential buildings.
Mass Transit	The closest bus stop is at 10 th Avenue and A Street, 0.2 miles from the subject site. The Fifth Avenue trolley stop is 0.5 miles from the site.
Housing Type	Permanent supportive housing for 14 very low- and low-income individuals experiencing chronic homelessness within the City of San Diego and affordable housing for households with very-low or extremely low income.
Accessibility	Wheelchair accessibility in 10 percent of the units, and 4 percent of the units accessible to residents with visual and/or hearing impairment.
Lot Size	.41 acres, 17,651 square feet.
Units	88 (87 affordable units and one manager's unit)
Density	214.63 dwelling units per acre (88 units ÷ 0.41 acres)
Unit Mix	79 one-bedroom units, 8 two-bedroom units and one unrestricted manager's two-bedroom unit.
Gross Building Area	54,711 square feet
Net Rentable Area	48,177 square feet
Project Based Housing Vouchers (PBV)	87 PBVs: a. 14 permanent supportive housing (PSH) vouchers for households experiencing chronic homelessness with income at or below 30 percent of AMI, and b. 73 vouchers for households with income at 30 percent and 40 percent of AMI, who are not experiencing homelessness and will be selected from the Housing Commission's PBV waiting list.
Affordable Units in Service by Council District	Council District 3 includes 8,317 affordable rental housing units currently in service, which represents 33 percent of the 24,899 affordable rental housing units in service citywide.

Developer's Revised Request

In response to the Housing Commission's Fiscal Year (FY) 2021 Notice of Funding Availability (NOFA), Community HousingWorks (CHW) submitted an application for a loan and federal Project-Based Housing Vouchers (PBV) for the Cortez Hill development.

On July 9, 2021, the Housing Commission Board (Report No. HCR21-042) approved taking preliminary steps to authorize the issuance of up to \$24,600,000 in tax-exempt Multifamily Housing Revenue Bonds and approved a Housing Commission residual receipts loan up to \$5,000,000 to finance the new construction of Cortez Hill. \

On June 15, 2022, CDLAC approved a \$19,305,000 tax-exempt bond allocation, and the California Tax Credit Allocation Committee (CTCAC) approved a 4 percent tax credits allocation.

On October 13, 2022, and November 15, 2022, the Housing Commission Board (Report No. HCR22-111) and the Housing Authority (Report No. HAR22-028; Resolution No. HA-1966), respectively, approved the issuance of tax-exempt Multifamily Housing Revenue Bonds in the aggregate amount not to exceed \$19,305,000 and a taxable bond in an amount not to exceed \$13,000,000 to finance the acquisition and new construction of Cortez Hill.

On October 13, 2022, the Housing Commission Board also held a duly noticed Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing pursuant to section 147(f) of the Internal Revenue Code of 1986 (Code). The published notice stated the maximum principal amount of the proposed tax-exempt bonds for the project as \$19,305,000. On November 15, 2022, the City Council approved the issuance of tax-exempt Multifamily Housing Revenue Bonds pursuant to section 147(f) of the Code in an aggregate amount not to exceed \$19,305,000.

On December 9, 2022, the developer requested that:

- a) The Housing Commission approve a \$1,930,500 increase in the CDLAC tax-exempt Multifamily Housing Revenue Bonds allocation. This would increase the tax-exempt bond total from \$19,305,000 to \$21,235,500 for Cortez Hill Apartments. CHW reports that this supplemental request is being made due to inflation in the cost of construction materials and the changing market conditions that have resulted in significant interest rate increases. The increase in the tax-exempt amount is needed to allow the project to continue to qualify for the receipt of 4% federal tax credits. The request is a 10 percent increase to the original tax-exempt bond allocation request, which CDLAC can approve administratively. The project is targeting to start construction by March 2023.
- b) As an offset to the increase in tax-exempt bonds, CHW is also requesting a \$1,930,500 decrease of the approved taxable bonds from \$13,000,000 to \$11,069,500. Section 1.147(f)-1(f)(6) of the TEFRA regulations treats a deviation between the maximum principal amount of a proposed issuance of tax-exempt bonds as stated in the TEFRA notice and approval, and the actual principal amount of tax-exempt bonds issued and used to finance a project, to be an "insubstantial deviation" that does not cause the issue to fail to meet the TEFRA requirements. Accordingly, the requested \$1,930,500 increase in the

amount of tax-exempt Multifamily Housing Revenue Bonds (a 10% increase to the originally approved \$19,305,000) would not require an additional TEFRA hearing or approval.

Background

The site of the proposed development previously was the location of a 48-unit interim shelter for families experiencing homelessness. The shelter was known as the Cortez Hill Family Center at 1449 Ninth Avenue (Attachment 1- Map) in the Cortez Hill neighborhood in central San Diego. San Diego YWCA operated the shelter for close to 20 years until it surrendered its contract for shelter operations during the Housing Commission's Fiscal Year 2019. On November 30, 2018, the Housing Commission Board of Commissioners authorized a contract with Alpha Project to operate the interim housing program for families. Maintenance had been deferred at the property, which impacted continued operations at the site and the number of families it could accommodate. In March 2020, at the onset of the COVID-19 pandemic, the program moved the families it was serving out of the property to local hotels. On May 19, 2020, the San Diego City Council declared the building at 1449 Ninth Avenue to be surplus land (Resolution No. R-313039). On October 20, 2020, the City Council authorized the City to sell the building at 1449 Ninth Avenue to Community HousingWorks (Resolution No. R-313266).

CHW has demolished the existing building and plans to develop new affordable housing on the site once bonds are issued in March 2023.

The Development

The new construction project will be called Cortez Hill Apartments (Cortez Hill) and will consist of 88 units. The development will be within one five-story building. Distributed within the building will be 87 housing units with federal Project-Based Housing Vouchers the Housing Commission awarded to help pay rent for 14 households experiencing chronic homelessness with income up to 30 percent of AMI and 73 households not experiencing homelessness with income of 30 percent to 40 percent of AMI, residing within the City of San Diego. The proposed development site consists of a single .41-acre parcel at 915 Beech Street (formerly called 1449 Ninth Avenue) in the Cortez Hill neighborhood of San Diego. The land is owned by the City of San Diego.

The building was part of a public disposition, for which CHW was the only respondent. CHW offered the purchase price based on existing debt. Cortez Hill Apartments will be a new construction, affordable rental housing development that will include a total of 88 apartments on grade within a five-story wood-frame building.

The project design will incorporate space for case management and resident services as well as property management. The development will consist of 79 one-bedroom units, eight two-bedroom units and one two-bedroom manager's unit. Integrated within the community will be 14 units (15 percent) reserved for households experiencing chronic homelessness with income up to 30 percent of AMI, who will be identified by referrals through the Coordinated Entry System (CES). The remaining 73 restricted units will serve households earning 30 percent to 40 percent

of AMI. These 73 households will be selected from the Housing Commission's Project-Based Housing Vouchers waiting list.

The site is within a Transit Priority Area, which allows for zero parking spaces for residential buildings. Residents are anticipated to utilize the numerous bus and trolley options located within walking distance of the site. In addition, by limiting parking, the development can avoid a costly podium design, which yields a more financially competitive project, focused on cost containment.

The Property

The property is close to neighborhood amenities, including grocery stores and a drug store/pharmacy within ½- to ¾-mile from the site. The site is a short walk from the Tweet Street Linear Park (800 feet to the north) and Balboa Park. Public transportation options include the Fifth Avenue Trolley Station (Orange and Blue Lines), 10th Avenue and A Street bus stop (110, 280, 290 buses) and the Fifth Avenue and Beech bus stop (No. 3 bus), which results in strong accessibility to the greater city and county.

The site is bordered on the south by a small, 12-unit apartment complex as well as the 137-unit Aria condominiums building. To the north, across Beech Street, are two smaller rental buildings and a single-room occupancy (SRO) hotel. To the west, kitty-corner to the subject site, are the Discovery at Cortez Hill condominiums. The eastern boundary of the site abuts the Highway 163 off-ramp.

Housing First

The project will serve 14 households experiencing chronic homelessness within the City of San Diego. People Assisting the Homeless (PATH), as the lead service provider, will be responsible for providing case management services to the 14 permanent supportive housing (PSH) units and providing resident services to the 73 affordable units. Appropriate services and/or referrals will be provided for all residents, including non-PSH units. The target population for the affordable units will be individuals and families earning 30 percent to 40 percent of AMI. The 14 units serving individuals experiencing chronic homelessness will be provided with their own full-time case manager to provide intensive case management services. The case manager will provide linkages and transportation to appropriate on- and off-site employment, mental/physical, substance abuse and crisis care, as needed and requested by residents of the 14 units. An on-site, part-time Activity Coordinator will provide general resident services to all units of the property, including the PSH units. The Activity Coordinator will conduct a needs assessment and create a guide for residents needing referral to other resources. Activities will include community building events, education and skill-building classes, and health and wellness workshops/events. The development is supported by HOUSING FIRST – SAN DIEGO, the Housing Commission's homelessness action plan. This action plan is rooted in the national "Housing First" model of addressing homelessness, which focuses on providing appropriate housing options as quickly as possible, with as few requirements or conditions as possible, and access to supportive services, as needed.

The Housing Commission has partnered with the Regional Task Force on Homelessness to enable homeless service providers in the City of San Diego (City) to participate in a Coordinated Entry System

(CES) and utilize a single regional data management repository, the Homeless Management Information System (HMIS). Organizations serving individuals and families experiencing homelessness in the region share this single system, which enables more efficient delivery of housing and critical services to San Diegans experiencing homelessness. The database allows homeless housing providers to screen individuals experiencing homelessness for the most appropriate housing options based on who is most in need. The developer and service provider will participate in the CES and maintain client data in the HMIS as required by the Housing Commission.

Tenant Supportive Services

All residents will have access to a range of organized community activities, including social events and celebrations, health and wellness classes, and financial education. PATH will provide resident services for all of the affordable units. Case management will be provided for the 14 tenants who experienced chronic homelessness.

Prevailing Wages

Cortez Hill's proposed use of 87 U.S. Department of Housing and Urban Development Project-Based Housing Vouchers, administered by the Housing Commission, will require the project to pay prevailing wages. The proposed development is not subject to payment of California State prevailing wages as there are no State funds currently budgeted for the project.

Appraisal

On October 12, 2020, before the property was sold by the City to CHW, it was appraised by Rasmuson Appraisal Services at \$11,593. This valuation took into consideration that the property was subject to covenants, conditions, and restrictions (CC&Rs), including the requirement that 44 of the units be rented to families experiencing homelessness based on maximum income levels at 30 percent of the AMI. The project was required to be operated as a transitional housing facility, and demolition of the improvements was not allowed based on existing restrictions. The income restrictions continue to run with the land for 55 years from December 2003. The appraised value was based on the special assumption that the existing rent and occupancy restrictions for at least 44 units would remain in place until their expiration in 2058. The valuation also assumed that the existing restrictions could be altered to allow for the site to be demolished and redeveloped. Additionally, when arriving at this valuation the appraiser took into consideration the cost of the demolition and work required to bring the site to a developable level, along with the existing income restrictions that encumbered the parcel.

The appraisal determined that the highest and best use of the property is development of a site with an apartment project that would include 44 rent- and occupancy-restricted units per the CC&Rs. "Continued use of the existing improvements may require significant capital improvements to bring the project up to rentable standards. Operation of the facility would require a public subsidy since it has very limited rent earning potential given the rent, occupancy, and use restrictions." The proposed purchase price matched the existing trust deed amount

encumbering the subject property and was to pay off this debt. The property was marketed for sale, and the City received only the letter of intent from CHW in response. The City agreed to amend the transitional housing requirement as part of the sale. In a letter dated March 22, 2021, the Housing Commission stated that “upon the closing of the San Diego Housing Commission’s loan to Community Housing Works, then Housing Commission will: (i) amend its existing deed of trust to allow demolition of the existing improvements and construction of the new project; and (ii) replace the Declaration with a new Declaration with affordability levels as set forth in the table below or as otherwise approved by the President and CEO of the San Diego Housing Commission.” This aligns with Table 6 of this report and exceeds the original 44 units at 30 percent of AMI.

Relocation

The property is vacant, and no relocation is necessary.

Accessibility

CTCAC requires wheelchair accessibility in 10 percent of the units. An additional 4 percent of the units are required to have communication features for residents with visual and/or hearing impairment.

The same units can satisfy both of these accessibility requirements. The Cortez Hill units will be accessible in accordance with the Americans with Disabilities Act. If HOME Investment Partnerships Program funds are used to fund the development, these accessible units will satisfy the HOME accessibility requirement in 5 percent of the units, plus an additional 2 percent of the units will be accessible for residents with visual and/or hearing impairment.

Project Sustainability

Cortez Hill will be built as Green Point Rated with an anticipated Gold Rating standard. Green Point is a program of Build It Green, a nonprofit organization promoting healthy energy- and resource-efficient buildings in California. Cortez Hill’s sustainable features will include Energy Star-rated efficient appliances, use of Low Volatile Organic Compound (VOC) paints and stains for interior surfaces, high-efficiency heating and cooling, energy-efficient windows, and low-energy lighting. Water conservation will be promoted via drought-tolerant landscaping and low-flow water fixtures and toilets.

Development Team

The development team will be led by CHW, an award winning 501(c)(3) nonprofit. CHW was formed in 2002 by the merger of Community Housing of North County and San Diego Neighborhood Housing Services. CHW has won many national, statewide, and regional awards for development excellence. CHW is a provider of multiple social services. CHW’s mission is to revitalize neighborhoods through the creation of affordable housing with services for residents. CHW serves more than 9,000 families through its ownership of more than 3,670 apartments in 42 communities statewide. CHW has developed several affordable housing developments utilizing Housing Commission loans. CHW is in full compliance on its previous Housing Commission-funded loans.

Based upon the developer's past experience and performance, Housing Commission staff has determined that CHW has the capacity to successfully complete the proposed project. The proposed borrower will be Beech Street Housing Associates LP, which will include CHW Beech Street, LLC, as its General Partner, with the nonprofit CHW as the sole member/manager, and Raymond James California Housing Opportunities Fund 12 LLC as the credit investor limited partner (Attachment 2 - Organization Chart).

Table 2 Development Team Summary

ROLE	FIRM/CONTACT
Developer	CHW
Owner/Borrower	Beech Street Housing Associates LP
Managing General Partner	CHW Beech Street LLC
Tax Credit Investor Limited Partner	Raymond James California Opportunities Fund 12 LLC
Architect	Steve Dalton Architects
General Contractor	Highland Construction Services
Property Management	ConAm Management Corporation
Construction and Permanent Lender	Banner Bank
Tenant Services Provider	People Assisting The Homeless (PATH)

Property Management

Cortez Hill will be managed by ConAm Management Corporation (ConAm). Established in 1975, ConAm is a nationwide management company, based in San Diego, with a management portfolio of approximately 53,000 units in more than 26 metropolitan areas. It is experienced in property management, marketing, maintenance, renovations and tax credit developments. ConAm manages 3,111 units for CHW. CHW's Asset Management Department will oversee ConAm.

FINANCING STRUCTURE

Cortez Hill has an estimated total development cost of \$44,138,857 (\$501,578 per unit). Financing will include a combination of sources as described in Table 3. The developer's pro forma is included as Attachment 3 and summarized below.

Table 3 – Cortez Hill Estimated Permanent Sources and Uses

Permanent Financing Sources	Amounts	Permanent Financing Uses	Amounts	Per Unit
Tax-exempt permanent Bond	\$16,568,000	Land	\$44,843	\$510
San Diego Housing Commission Loan	5,000,000	Construction Costs \$26,790,243 Contingency <u>+1,339,512</u> Total construction 28,129,755	28,129,755	319,656
HC Loan Accrued deferred interest	224,421	Financing costs	4,967,490	56,449
City of San Diego PLHA Loan	1,400,000	Other soft costs	2,250,152	25,570

City Loan accrued deferred interest	52,559	Developer fee	5,235,809	59,497
Deferred developer fee	1,500,000	Local permits and fees	1,339,897	15,226
4 percent tax credit equity	18,158,068	Architect & Engineering	1,388,477	15,778
General Partner developer fee	1,235,809	Soft costs contingency	240,000	2,727
		Operating Reserve \$516,033	542,433	6,164
		Replacement Reserve \$26,400		
Total Development Cost	\$44,138,857	Total Development Cost (TDC)	\$44,138,857	\$501,578

The Housing Commission's residual receipts loan will be funded with \$1,816,000 from HOME Investment Partnerships program (HOME) funds, awarded by HUD to the City of San Diego and administered by the Housing Commission; \$1,684,000 from the City of San Diego Housing Trust Fund, which the Housing Commission administers; and \$1,500,000 from California Department of Housing and Community Development's Local Housing Trust Fund. The total amount of funding sources shall not exceed the Housing Commission approved amount of \$5,000,000. A final determination of Housing Commission funding sources will be made by the Housing Commission's President & CEO, or designee, contingent upon budget availability.

The Housing Commission requires affordable housing developers to pursue all viable sources of funding to reduce the financing gap and amount of Housing Commission subsidy required. If other funding is secured, proceeds will first be used to make an adjustment to reduce the Housing Commission's loan.

Developer's Fee

\$5,235,809 – Gross developer fee
-1,500,000 – Deferred developer fee
3,735,809 - Subtotal
- 1,235,809 – Recontributed developer's fee
\$2,500,000 – Cash developer fee

On April 25, 2017, the Housing Authority approved the "Request for Approval of Updated Developer Fees" (Report No. HAR17-011; Resolution No. HA-1727). That report approved certain developer fee guidelines for multifamily loans and bonds issuances. Attachment 1 to that report stated: "Developer Fee [for] 4% tax credits, in project costs: 15% eligible basis...." The proposed developer fee complies with the HAR17-011 "Request for Approval of Updated Developer Fees" guidelines approved by the Housing Authority on April 25, 2017.

Development Cost Key Performance Indicators

Housing Commission staff has identified development cost performance indicators that were used to evaluate the proposed development and make a funding recommendation. The key

performance indicators listed in Table 4 are commonly used by industry professionals and affordable housing developers.

Table 4 - Key Performance Indicators

Development Cost Per Unit	$\$44,138,637 \div 88 \text{ units} =$	\$501,576
Housing Commission Subsidy Per Unit	$\$5,000,000 \div 88 \text{ units} =$	\$56,818
Land Cost Per Unit	$\$44,843 \div 88 \text{ units} =$	\$510
Gross Building Square Foot Hard Cost	$\$28,129,755 \div 54,711 \text{ sq. ft.} =$	\$514
Net Rentable Square Foot Hard Cost	$\$28,129,755 \div 48,177 \text{ sq. ft.} =$	\$584

Project Comparison Chart

Multiple factors and variables influence the cost of developing multifamily affordable housing, including but not limited to project location, site conditions, environmental factors, land use approval process, community involvement, construction type, design requirements/constraints, economies of scale, City fees, developer experience and capacity, and the mission and goals of the organization developing the project. Similar construction-type developments (completed or approved) over recent years are listed in Table 5. These developments are similar in terms of new construction, target population, and construction type and are provided as a comparison to the subject development.

Table 5 - Comparable Development Projects

New Construction Project Name	Year	Units	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Per Sq. Ft.
Proposed Subject – Cortez Hill	2023	88	\$44,138,657 (with prevailing wage)	\$501,576	\$56,818	\$514
Southwest Village	2021	81	\$40,314,147 (with prev. wage)	\$497,706	\$0	\$367
Nestor Senior Village	2021	74	\$31,510,305 (with prev. wage)	\$425,815	\$45,000	\$363

TAX-EXEMPT AND TAXABLE MULTIFAMILY HOUSING REVENUE BONDS

Proposed Housing Bonds Financing

The Housing Commission utilizes the Housing Authority's tax-exempt borrowing status to pass on lower interest rate financing (and make 4 percent low-income housing tax credits available) to developers of affordable rental housing. The Housing Authority's ability to issue bonds is limited under the U.S. Internal Revenue Code. To issue bonds for a development, the Housing Authority must first submit an application to CDLAC for a bond allocation. On July 9, 2021, prior to submitting an application to CDLAC, the proposed development was presented to the Housing Commission. A bond inducement resolution was obtained prior to the application submittal to CDLAC in the amount up to \$24,600,000. On March 16, 2022, an application was submitted to CDLAC for a bond allocation of \$19,305,000. On June 15, 2022, CDLAC approved the

\$19,305,000 bond allocation, and CTCAC approved an allocation of 4 percent tax credits. On October 13, 2022, and November 15, 2022, the Housing Commission Board (Report No. HCR22-111) and the Housing Authority (Report No. HAR22-028; Resolution No. HA-1966), respectively, approved the issuance of tax-exempt Multifamily Housing Revenue Bonds in the aggregate amount not to exceed \$19,305,000 and a taxable bond in an amount not to exceed \$13,000,000 to finance the acquisition and new construction of Cortez Hill.

Due to increased construction costs and higher interest rates, the project would benefit from additional tax-exempt Multifamily Housing Revenue Bonds. As a result, the developer has requested that the Housing Commission file another application to CDLAC for a supplemental allocation of \$1,930,500, which can be approved administratively by the CDLAC Executive Director. Assuming the receipt of such Supplemental Allocation, the developer proposes that the Housing Authority approve an increase of the tax-exempt bonds in the amount of \$1,930,500 from \$19,305,000 to \$21,235,500. This increase of \$1,930,500 in tax-exempt bonds is offset by a decrease in the same amount of taxable bonds, causing the total taxable bonds to decrease from \$13,000,000 to \$11,069,500. The developer also proposes to utilize the same form of Bond documents approved by the Housing Authority last November – in essence only changing the authorized tax-exempt and taxable bond amounts as described above.

The financing amount that will ultimately be set will be based upon development costs, revenues and interest rates prevailing at the time of the bonds issuance. The financing proceeds will be used for both construction financing and permanent financing. Attachment 4 provides a general description of the Multifamily Housing Revenue Bond Program and the actions that must be taken by the Housing Authority and by the City Council to initiate and finalize proposed financings.

Public Disclosure and Bond Authorization

The tax-exempt debt will be issued in the form of a bond (issuance Series 2023 A-1) and will be sold through a direct purchase by Banner Bank. The taxable debt will be in the form of a bond (issuance Series 2023 A-2) which will also be purchased by Banner Bank.

Banner Bank is a “qualified institutional buyer” within the meaning of the U.S. securities laws. At closing, Banner Bank will sign an “Investor’s Letter” certifying, among other things, that it is buying each of the Series 2023 A-1 Bonds and Series 2023 A-2 Bonds, as the case may be, for its own account and not for public distribution. Because such Series 2023 A-1 Bonds and Series 2023 A-2 Bonds are being sold through a private placement, an Official Statement will not be used. In addition, the Series 2023 A-1 Bonds and Series 2023 A-2 Bonds will be neither subject to continuing disclosure requirements, nor credit enhanced, nor rated.

Transfer of the bonds to any subsequent bondholder will comply with Housing Commission policy number PO300.301. Moreover, any subsequent bondholder would be required to represent to the Housing Authority that they are a qualified institutional buyer or accredited investor who is buying the bonds for investment purposes and not for resale, and that they have made due investigation of any material information necessary in connection with the purchase of the bonds.

The following documents will be executed on behalf of the Housing Authority: Indenture, Loan Agreement, Assignment of Deed of Trust, Regulatory Agreement, and other loan documents. At the time of docketing, bond documents in substantially final form will be presented to members of the Housing Authority. Any changes to the documents following Housing Authority approval require the consent of the City Attorney's Office and Bond Counsel. The bonds will be issued pursuant to an Indenture between the Housing Authority and US Bank as the Trustee. Based upon instructions contained in the Indenture, or similar document, the Trustee will disburse bond proceeds for eligible costs, collect project revenues and make payments to the bondholder. Under the terms of the Loan Agreement, the Housing Authority will loan the proceeds of the bonds to the borrower in order to develop the project. The Loan Agreement sets out the terms of repayment and the security for the loan, and the Housing Authority assigns its rights to receive repayments under the loan to the Trustee. An Assignment of Deed of Trust and other Loan Documents, which assigns the Housing Authority's rights and responsibilities as the bond issuer to the Trustee, will be signed by the Housing Authority and the Trustee. Rights and responsibilities that are assigned to the Trustee include the right to collect and enforce the collection of loan payments, monitor project construction and related budgets, and enforce insurance and other requirements. These rights will be used by the Trustee to protect its financial interests. A Regulatory Agreement will be recorded against the property to ensure the long-term use of the project as affordable housing. The Regulatory Agreement will also ensure that the project complies with all applicable federal and state laws.

Financial Advisor's Recommendation

Jones Hall is the Bond Counsel and Ross Financial is the Bond Financial Advisor to work on the tax-exempt bond's issuance. After evaluating the terms of the proposed financing and the public benefits to be achieved, it is the Financial Advisor's recommendation that the Housing Authority should proceed with the bond issuance. The Financial Advisor's analysis and recommendation is included as Attachment 5.

AFFORDABLE HOUSING IMPACT

Project-Based Housing Vouchers (PBV)

The Housing Commission has provided a preliminary award recommendation of:

- a) 73 PBVs for Cortez Hill, which are for low-income households with income up to 30 and 40 percent of AMI, who are not experiencing homelessness and are selected from the Housing Commission's PBV waiting list; and
- b) 14 PSH PBVs for Cortez Hill, which are for households experiencing chronic homelessness with income up to 30 percent of AMI, selected via the Coordinated Entry System.

The recommendation for these 87 vouchers is contingent upon completion of a subsidy layering review and execution of an Agreement to Enter into Housing Assistance Payment (AHAP) and verification of services. The subsidy layering review was completed by CTCAC in 2022, however, the AHAP is scheduled to be executed at time of bond issuance in March 2023 and after all other HUD and PBV compliance requirements are met. Under the PBV program, the tenant's rent portion is determined by using the applicable minimum rent or a calculated amount based on their income level, whichever is higher, with the remainder being federally subsidized

up to the applicable payment standard approved by the Housing Commission. The Housing Assistance Payment provides a rental subsidy for residents in Cortez Hill's 87 voucher-assisted units.

The execution of an Agreement to Enter into Housing Assistance Payments (AHAP) is contingent upon HUD approval. The developer and the Housing Commission are seeking a waiver from HUD to allow the Housing Commission to sign an AHAP for 87 PBVs at the Cortez Hill Apartments as regulations otherwise would prevent this, because the developer commenced demolished prior to the execution of the AHAP. Should a waiver not be obtained, and HUD disallow the issuance of PBVs, the project may be adversely impacted. The Housing Commission and CHW expect to receive notification from HUD regarding status of approval in February 2023.

Affordability

The Cortez Hill development will be subject to applicable tax credit and bond regulatory agreements, which will restrict affordability of 87 units for 55 years. The rent and occupancy restrictions required by CTCAC will be applicable.

Table 6 – Affordability and Monthly Estimated Rent Table

Unit Type	AMI	Units	CTCAC Gross Rents
One-bedroom units	30% (\$31,250/year for two-person household)	50	\$732
One-bedroom units	40% (\$41,650/year for two-person household)	29	\$976
Subtotal One Bedroom Units	--	79	--
Two-bedroom units	30% (\$35,150/year for three-person household)	4	\$878
Two-bedroom units	40% (\$46,850/year for three-person household)	4	\$1,171
Subtotal Two Bedroom Units	--	8	--
Subtotal Affordable Residential Units	--	87	--
Manager's two bedrooms unit	--	1	--
Total Units	--	88	--

FISCAL CONSIDERATIONS

The funding sources and uses proposed by this action are included in the Housing Authority-approved Fiscal Year (FY) 2023 Housing Commission Budget.

Funding Sources

Bond Issuer Fee:

\$ 53,089 Tax-exempt bond (\$21,235,500 amount X .0025 = \$53,089)

+ 27,674 Taxable bond ($\$11,069,500 \times 0.0025 = \$27,674$)
\$ 80,763 Total Issuer Fee
Total Funding Sources – up to \$80,763

Funding Uses

Administrative costs: \$80,763
Total Funding Uses: up to \$80,763

The tax-exempt bonds and the taxable bonds will not constitute a debt of the City of San Diego. If the tax-exempt bonds and the taxable bonds are ultimately issued for the project, the tax-exempt bonds and the taxable bonds will not financially obligate the City, the Housing Authority, nor the Housing Commission because security for the repayment of the tax-exempt bonds and the taxable bonds will be limited to specific project-related revenue sources. Neither the faith and credit nor the taxing power of the City, nor the faith and credit of the Housing Authority will be pledged to the payment of the tax-exempt bonds and the taxable bonds. The developer is responsible for the payment of all costs under the financing, including the Housing Commission's issuer fee, annual bond administration fee, as well as the Housing Commission's Bond Counsel fee and Financial Advisor's fee.

The Housing Commission will have an option to purchase the development at the end of the 15-year tax-credit compliance period.

Development Schedule

The estimated development timeline is as follows:

Milestones	Estimated Dates
<ul style="list-style-type: none"> Housing Authority Approval of Supplemental Bond Allocation and Revised Bond Issuance Estimated bond issuance & close of escrow Estimated start of construction work Estimated completion of construction work 	<ul style="list-style-type: none"> March 2023 March 2023March2023 December 2024

HOUSING COMMISSION STRATEGIC PLAN

This item relates to Strategic Priority Area No. 1 in the Housing Commission Strategic Plan for Fiscal Year (FY) 2022-2024: Increasing and Preserving Housing Solutions.

EQUAL OPPORTUNITY CONTRACTING AND EQUITY ASSURANCE

Community HousingWorks has stated it is committed to equity and inclusion as both an employer and a service provider. The Housing Commission included a requirement in the NOFA for prospective applicants to include a narrative and specific example of activities and initiatives that support equity assurance. Community HousingWorks demonstrates a commitment to advancing racial equity and inclusion through project design and operational policies, throughout the proposed project timeline.

PREVIOUS COUNCIL and/or COMMITTEE ACTION

On May 19, 2020, the San Diego City Council declared the building at 1449 Ninth Avenue to be surplus land (Resolution No. R-313039). On October 20, 2020, the City Council authorized the City to sell the building at 1449 Ninth Avenue to Community HousingWorks (Resolution No. R-313266).

On November 15, 2022, the Housing Authority of the City of San Diego authorized the issuance of tax-exempt Multifamily Housing Revenue Bonds in an aggregate amount not to exceed \$19,305,000 and taxable bonds in an amount not to exceed \$13,000,000 to fund Beech Street Housing Associates LP's acquisition and construction of the Cortez Hill Apartments (Report No. HAR22-028; Resolution No. HA-1966).

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

An informational-only initial design concept was provided to the local neighborhood group Cortez Hill Active Resident Group (CHARG) on October 26, 2020, and again on February 22, 2021. On July 25, 2022, CHW presented to CHARG an update on project timing, schedule, and construction expectations. The developer made a presentation to the Downtown San Diego Partnership on March 11, 2021, the Downtown Residents Group on March 15, 2021, and the Downtown Planning Group on March 17, 2021.

KEY STAKEHOLDERS & PROJECTED IMPACTS

Stakeholders include Community HousingWorks as the developer, the Housing Authority as bond issuer, Civic San Diego as a lender, and the Cortez Hill neighborhood. The Cortez Hill development is anticipated to have a positive impact on the community, as it will contribute to the quality of the surrounding neighborhood and create 14 new affordable rental homes for people experiencing chronic homelessness and 73 new affordable homes for people with very low income.

STATEMENT for PUBLIC DISCLOSURE

The developer's Disclosure Statement is at Attachment 6.

ENVIRONMENTAL REVIEW

California Environmental Quality Act

The proposed activity has been reviewed for consistency with the following documents, all referred to as the "Downtown FEIR": the Final Environmental Impact Report (FEIR) for the San Diego Downtown Community Plan, Centre City Planned District Ordinance, and 10th Amendment to the Redevelopment Plan for the Centre City Redevelopment Project (SCH No. 2003041001) certified by the former Redevelopment Agency ("Former Agency") and the San Diego City Council ("City Council") on March 14, 2006 (Resolutions R-04001 and R-301265, respectively); subsequent addenda to the FEIR certified by the Former Agency and the City Council on August 3, 2007 (Resolutions R-04193 and R-302931, respectively), April 23, 2010 (Resolutions R-04508 and R-305761, respectively), April 13, 2010 (Resolutions R-04510 and R-305759, respectively), and August 3, 2010 (Resolutions R-04544 and R-306014, respectively), and certified by the City Council on February 12, 2014 (Resolution R-308724), July 14, 2014 (Resolution R-309115), and November 17, 2020 (Resolution R-313302); and the Final

Supplemental Environmental Impact Report for the Downtown San Diego Mobility Plan (SCH No. 2014121002) certified by the City Council on July 6, 2016 (Resolution R-310561). Development within the Downtown Community Planning area is also covered under the following documents, all referred to as the "CAP FEIR": FEIR for the City of San Diego Climate Action Plan (CAP) (Project No. 416603/SCH No. 2015021053) certified by the City Council on January 4, 2016 (Resolution R-310176); and subsequent addenda to the CAP FEIR certified by the City Council on July 19, 2016 (Resolution R-310595), and August 10, 2022 (Resolution R-314298). The Downtown FEIR and CAP FEIR are both "Program EIRs" prepared in compliance with California Environmental Quality Act (CEQA) Guidelines Section 15168. The information contained in the Downtown FEIR and the CAP FEIR reflects the independent judgement of the City of San Diego as the lead agency. The proposed activity is a subsequent discretionary action within the scope of the development program evaluated in the Downtown FEIR and the CAP FEIR and is not a separate project for the purposes of CEQA review pursuant to CEQA Guidelines Sections 15378(c) and 15060(c)(3). Pursuant to Public Resources Code Section 21166 and CEQA Guidelines Section 15162, there is no change in circumstance, additional information, or project changes to warrant additional environmental review for this action.

National Environmental Policy Act

Federal funds constitute a portion of the funding for the project. A final reservation of federal funds shall occur only upon satisfactory completion of the environmental review and receipt by the City of San Diego of a release of funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58 of the National Environmental Policy Act (NEPA). The Housing Commission received final NEPA clearance and authorizations to use grant funds by June 1, 2021.

Respectfully submitted,

Jennifer Kreutter

Jennifer Kreutter
Vice President, Multifamily Housing Finance
Real Estate Division

Approved by,

Jeff Davis

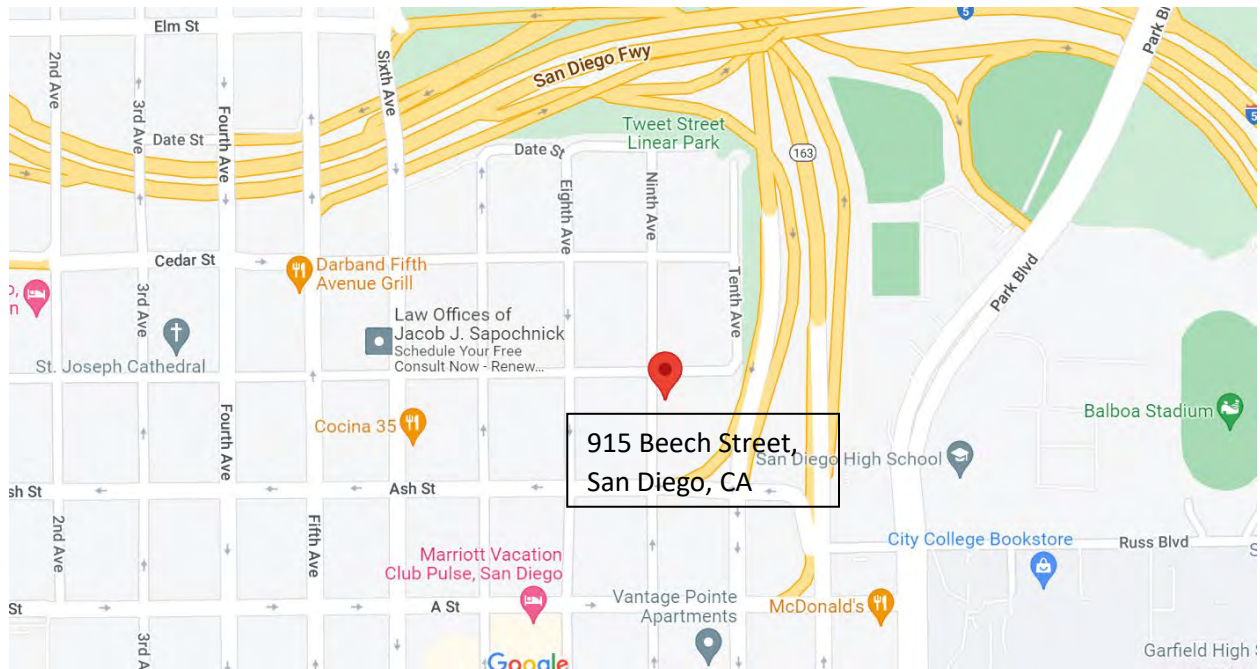
Jeff Davis
Interim President and Chief Executive Officer
San Diego Housing Commission

Attachments:

- 1) Site Map
- 2) Organization Chart
- 3) Developer's Project Pro Forma
- 4) Bond Program Summary
- 5) Financial Advisor's Analysis
- 6) Developer's Disclosure Statement
- 7) GC 5852 Public Disclosures (Cortez)
- 8) GC 5852 Public Disclosures (Cortez)(Update)

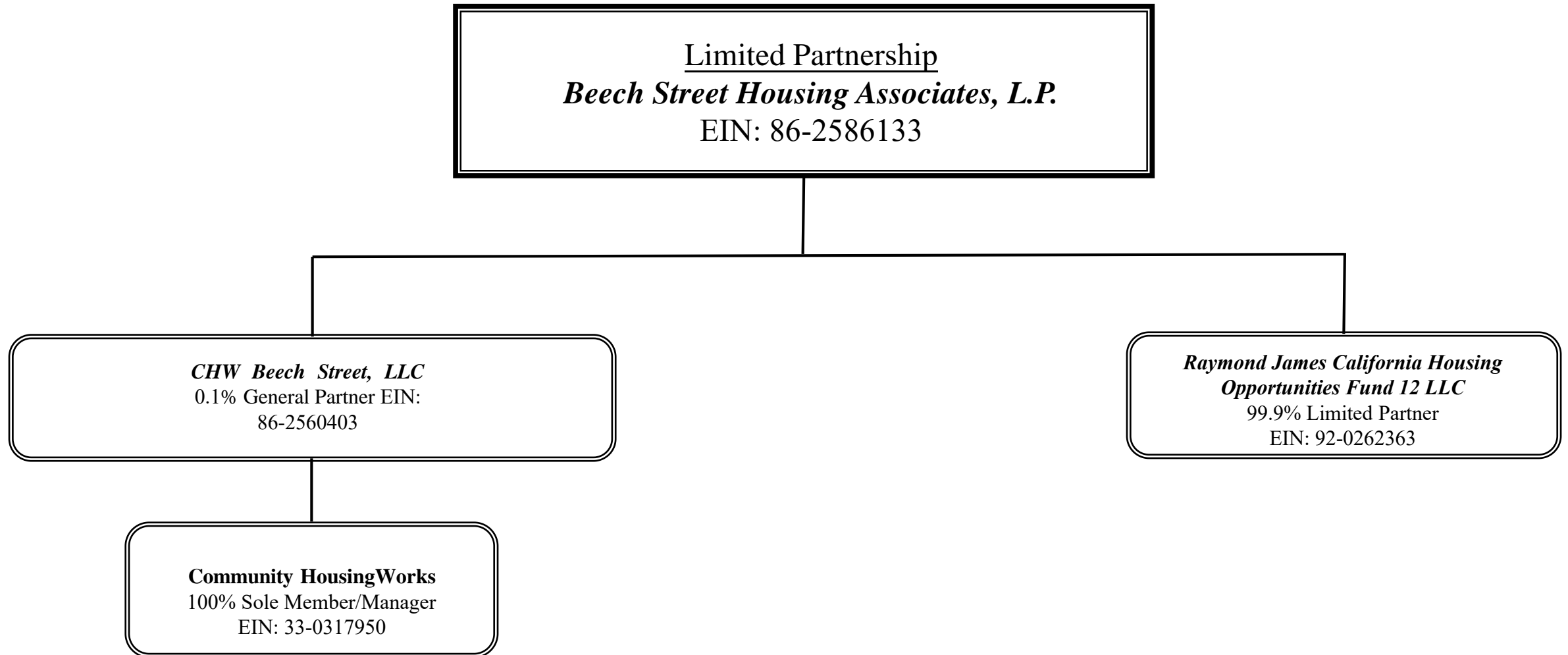
Docket materials are available in the "Governance & Legislative Affairs" section of the San Diego Housing Commission website at www.sdhc.org.

Attachment 1 – Site Map



ATTACHMENT 2 - ORGANIZATION CHART

Initial Tax Credit Limited Partnership Entity Structure at Syndication



Cortez Hill

Prepared For:	Community HousingWorks
Prepared By:	California Housing Partnership Corporation
Version:	12.01 Supplemental
Revised:	January 12, 2023
Notes:	

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SOURCES OF FUNDS PAGE 1

PERMANENT	AMOUNT	TOTAL INT COST	OID INT RATE	AMORT TERM (Yr)	COMMENTS
Tax-Exempt Permanent Loan	16,568,000	5.76%		30	17 Year Term / 30 Year Amortization
San Diego Housing Commission	5,000,000	4.00%	2.14%	55	
Accrued/Deferred Interest	224,421				
City of San Diego PLHA	1,400,000	3.00%	1.79%	55	Permanent Local Housing Allocation
Accrued/Deferred Interest	52,559				
Deferred Developer Fee	1,500,000	0.00%			
Capital Contributions					
General Partner (Developer Fee)	1,235,809				Federal Credit Pricing (Gross): \$0.870
Limited Partner	18,158,068				Credit Rate (Minimum Rate): 4.00%
TOTAL SOURCES	44,138,857				
Surplus/(Shortfall)	0				

CONSTRUCTION	AMOUNT	INT RATE	TERM (Mo.)
Tax-Exempt Construction Loan	21,235,500	7.72%	28
Taxable Construction Loan	10,522,328	8.02%	28
San Diego Housing Commission	4,500,000	4.00%	28
Accrued/Deferred Interest	224,421		
City of San Diego PLHA	1,260,000	3.00%	28
Accrued/Deferred Interest	52,559		
Costs Deferred Until Conversion	3,028,242		
Deferred Developer Fee	1,500,000		
Capital Contributions			
General Partner (Developer Fee)	0		
Limited Partner	1,815,807		
TOTAL SOURCES	44,138,857		
Surplus/(Shortfall)	0		

COSTS DEFERRED UNTIL CONVERSION	DEVELOPER FEE PAY-IN SCHEDULE
MHP Transition Reserve	0
Operating Reserve	516,033
Replacement Reserve	26,400
Legal - Permanent	0
Title/Recording/Escrow - Permanent	0
Audit/Cost Certification	0
Developer Fee	2,485,809
TOTAL	3,028,242

Construction Closing	1,250,000
Perm Conversion/Stabilization	1,235,809 Contributed as GP Equity
Perm Conversion/Stabilization	1,150,000
Form 8609	100,000
Deferred Fee paid from Cash Flow	1,500,000
TOTAL	5,235,809

INTEREST RATE STACK	Tax-Exempt Construction	Taxable Construction	Tax-Exempt Permanent
Index (Term SOFR / 10 Yr Treasury)	4.32%	4.32% 1.00% Floor	3.59%
Bank spread	1.90%	2.20%	3.00% Index plus Spread X 80%
Cushion	1.50%	1.50%	0.50%
TOTAL	7.72%	8.02%	5.76%

Cortez Hill
Uses of Funds

Version: 12.01 Supplemental
Revised: January 12, 2023

	100.00% TOTAL		NON- DEPREC	DEPRECIABLE			EXPENSE	AMORTIZE	TAX CREDIT ELIGIBLE	
	TOTAL	RESIDENTIAL		RESIDENTIAL	NON-RES				CONST/ REHAB	ACQUIS.
ACQUISITION COSTS										
Land	11,593	11,593	11,593							
Acquisition Costs	30,000	30,000	30,000							0
Environmental Remediation	3,250	3,250	3,250							
GENERAL DEVELOPMENT COSTS										
Total Construction Budget	26,790,243									
Residential Construction	20,698,607	20,698,607		20,698,607	0			0	20,698,607	
Demolition	662,653	662,653	662,653						0	
Offsite Work	614,068	614,068	0	614,068					614,068	
Solar Work	219,511	219,511	0	219,511	0			0	219,511	
Site Work/Landscape	383,359	383,359		383,359	0				383,359	
Furnishings included in Personal Property	702,894	702,894		702,894	0				702,894	
Contractor General Requirements	1,767,623	1,767,623	0	1,767,623	0				1,767,623	
Contractor Overhead	1,158,819	1,158,819	0	1,158,819	0				1,158,819	
Contractor Profit	0	0	0	0	0				0	
Contractor Insurance/Bonds	582,709	582,709		582,709	0				582,709	
Construction Contingency (5%)	1,339,512	1,339,512	0	1,339,512	0				1,339,512	
Local Permits/Fees/Utility Fees	214,433	214,433		214,433	0				214,433	
Local Development Impact Fees (less waivers)	1,125,464	1,125,464	0	1,125,464	0				1,125,464	
Environmental /Energy/Other	120,192	120,192		120,192	0				120,192	
Security (during construction)	0	0		0	0				0	
Architecture	943,760	943,760		943,760	0				943,760	
Survey/Engineering	444,717	444,717		444,717	0				444,717	
Appraisal	18,000	18,000		18,000	0			0	18,000	
Market Study	25,000	25,000		0	0			25,000	0	
Predevelopment Loan Interest/Expenses	191,740	191,740	0	191,740	0				191,740	
Construction Period Interest (Tax-Exempt)	2,295,320	2,295,320		1,803,466	0	491,854			1,803,466	
Construction Period Interest (Taxable Loan)	1,181,540	1,181,540		928,353	0	253,187			928,353	
Construction Period Interest (SDHC)	224,421	224,421		176,331	0	48,090			176,331	
Construction Period Interest (City of SD)	52,559	52,559		41,296	0	11,263			41,296	
Title/Recording/Escrow - Acquisition	1,670	1,670	1,670	0	0				0	0
Title/Recording/Escrow - Construction	65,000	65,000		65,000	0				65,000	0
Title/Recording/Escrow - Permanent	10,000	10,000						10,000		
Real Estate Taxes During Construction	168	168		168	0	0			168	0
Insurance During Construction	647,618	647,618		647,618	0	0			647,618	0
Soft Cost Contingency	240,000	240,000		240,000	0				240,000	
TCAC Application/Monitoring Fee	79,417	79,417						79,417		
Legal: Acquisition	40,000	40,000	40,000	0					0	0
Construction Closing	72,000	72,000		72,000	0				72,000	0
Permanent Closing	0	0						0		
Organization of Partnership	9,127	9,127						9,127		
Syndication	75,000	75,000	75,000							
Investor Fees	55,000	55,000	55,000							
Syndication Consulting	82,500	82,500	82,500						0	0
Audit/Cost Certification	44,700	44,700		0		44,700		0	0	
Furnishings	100,000	100,000		100,000	0				100,000	
Replacement Reserve	26,400	26,400	26,400			0				
Operating Reserve	516,033	516,033	516,033							
Marketing/Lease-Up/Transitional Costs	200,000	200,000				200,000				
Accounting	18,000	18,000		18,000					18,000	
Prevailing Wage Monitor	140,965	140,965		140,965	0				140,965	
3rd Party Construction Manager	146,790	146,790		146,790	0				146,790	
Developer Fee	5,235,809	5,235,809		5,235,809	0				5,235,809	0
Financing Costs										
Permanent Lender Counsel	74,556	74,556						74,556	0	
Construction Lender Counsel	349,336	349,336		0				349,336	0	
Bond Counsel	50,000	50,000						50,000		
Issuer Financial Advisor	45,000	45,000						45,000		
Construction Lender Expenses/Inspections	18,700	18,700		0				18,700	0	0
Construction Loan Fees	317,578	317,578		0				317,578	0	
Permanent Loan Fees	165,680	165,680						165,680		
Trustee Fee	15,000	15,000						15,000		
CDIAC Fees	5,000	5,000						5,000		
CDLAC Fees	7,432	7,432						7,432		
SDHC Issuer Fee at Closing (0.25%)	53,089	53,089						53,089		
SDHC Issuer Application Fee	13,000	13,000						13,000		
SDHC Issuer Prepaid Annual Fee (0.125%)	26,544	26,544						26,544		
SDHC Issuer Expenses	50,000	50,000						50,000		
SDHC Loan Legal/Cost Review	100,000	100,000						100,000		
City Loan Fee	30,000	30,000						30,000		
Subtotal - Costs of Issuance	1,320,916	1,320,916	0	0	0	0		1,320,916	0	0
TOTAL DEVELOPMENT COSTS	44,138,857	44,138,857	1,504,099	40,141,204	0	1,049,094	1,444,460	40,141,204		0
Total Development Cost Per Unit	501,578									

TCAC DEVELOPER FEE CALCULATION (4% Project)			
	Construction	Acquisition	Total
Eligible Basis	34,905,395	0	34,905,395
Maximum Potential TCAC Fee (per limits)	N/A	N/A	N/A
Maximum Potential TCAC Fee (per basis)	5,235,809	0	5,235,809
Ratio	100.00%	0.00%	100.00%
Maximum Fee Per TCAC	5,235,809	0	5,235,809
Maximum Fee per HCD			
Maximum Fee per City			
Maximum Fee per TCAC Application			NA
MAXIMUM FEE IN ELIGIBLE BASIS & COSTS	5,235,809	0	5,235,809
Maximum Fee Paid From Development Sources			2,500,000
Contributed as GP Equity and/or Deferred Fee Paid from Cash Flow			2,735,809
MHP Developer Fee Limits (Round 4) No MHP, Increased Dev. Fee limits to SDHC Loan Terms			
Developer Fee Paid From Development Sources			2,500,000
Priority Deferred Fee Paid From Cash Flow			1,500,000
Developer Fee Contributed as GP Equity			1,235,809
Total Developer Fee			5,235,809

AVERAGE AFFORDABILITY FOR QUALIFIED UNITS (% AMI)			UTILITY ALLOWANCES	
25.0%			UNIT MIX	
			1 BR	79
			2 BR	9
				85
				114

RESIDENTIAL INCOME

TCAC RENT LIMIT		25%	30% RDA	Percentage of Targeted Units: 31.0%				
UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
1 Bedrooms	24	559	13,416	25.0%	610	525	12,600	151,200
2 Bedrooms	3	752	2,256	24.7%	722	608	1,824	21,888
TOTAL	27		15,672				14,424	173,088

TCAC RENT LIMIT		25%	55% RDA	Percentage of Targeted Units: 50.6%				
UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
1 Bedrooms	40	559	22,360	25.0%	610	525	21,000	252,000
2 Bedrooms	4	752	3,008	25.0%	732	618	2,472	29,664
TOTAL	44		25,368				23,472	281,664

TCAC RENT LIMIT		25%	60% RDA	Percentage of Targeted Units: 18.4%				
UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
1 Bedrooms	15	559	8,385	25.0%	610	525	7,875	94,500
2 Bedrooms	1	752	752	25.0%	732	618	618	7,416
TOTAL	16		9,137				8,493	101,916

MANAGER UNITS								
UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
2 Bedrooms	1	752	752	0.0%	0	0	0	0
TOTAL	1		752				0	0

SECTION 8 INCOME								
UNIT TYPE	NUMBER	INCOME TIER	PER-UNIT MONTHLY NET RENT	PER UNIT S8 NET RENT	PER-UNIT MONTHLY S8 PREMIUM		TOTAL MONTHLY S8 PREMIUM	TOTAL ANNUAL S8 PREMIUM
1 BR	24	25%	525	2,254	1,729		41,496	497,952
1 BR	40	25%	525	2,254	1,729		69,160	829,920
1 BR	15	25%	525	2,254	1,729		25,935	311,220
2 BR	3	25%	608	2,909	2,301		6,903	82,836
2 BR	4	25%	618	2,909	2,291		9,164	109,968
2 BR	1	25%	618	2,909	2,291		2,291	27,492
TOTAL	87						154,949	1,859,388
SECTION 8 PREMIUM (annual Section 8 income less total annual base rents)							154,949	1,859,388
TOTAL - BASE RENT PLUS SECTION 8 PREMIUM							201,338	2,416,056

TOTAL RESIDENTIAL INCOME				TOTAL UNITS	TOTAL MONTHLY (Net)	TOTAL ANNUAL
				88	201,338	2,416,056
TOTAL SQ FT - TAX CREDIT ELIGIBLE			50,177			
TOTAL SQ FT - NON-TAX CREDIT ELIGIBLE			0			
TOTAL RENTABLE SQ FT			50,177			

MISCELLANEOUS INCOME				PER-UNIT MONTHLY	TOTAL MONTHLY	TOTAL ANNUAL
Laundry/Vending				8.00	704	8,448

INCOME		
Scheduled Gross Income		556,668
Rental Subsidy		1,859,388
Misc. Income		8,448
Vacancy Loss	10.0%	(56,512)
Vacancy Loss - Rental Subsidy	5.0%	(92,969)
EFFECTIVE GROSS INCOME		2,275,023
EXPENSES - RESIDENTIAL		
Administrative		
Advertising	908	
Legal	6,000	
Accounting/Audit	8,000	
Security	60,840	
Admin/Office Expenses	55,843	
Total Administrative		131,591
Management Fee		58,080
Utilities		
Electricity	33,771	
Gas	45,600	
Total Utilities		79,371
Water/Sewer		28,615
Payroll/Payroll Taxes		
On-Site Managers	71,613	
Maintenance/Janitorial Payroll	70,753	
Manager Unit Expense/(Credit)	0	
Payroll Taxes/Benefits	43,097	
Total Payroll/Payroll Taxes		185,463
Insurance		55,000
Real Estate Taxes		3,000
Misc Taxes/Licenses/Permits		0
Maintenance		
Painting/Unit Turnover	7,000	
Repairs	14,200	
Trash Removal	0	
Exterminating	8,600	
Grounds/Landscaping	6,000	
Elevator	6,000	
Total Maintenance		41,800
Replacement Reserve	PUPM: 500	44,000
Operating Reserve		0
Other		
SDHC Loan Monitoring Fee	13,703	
Resident Services	143,300	
SDHC Bond Monitoring Fee	20,710	
Placeholder	88,000	
Total Other		265,713
TOTAL EXPENSES - RESIDENTIAL		892,633
Per Unit Per Year (Total)	10,144	
Per Unit Per Year (w/o Taxes, Reserves, Services, Monitoring Fees)	6,590	
TOTAL EXPENSES - COMMERCIAL		0
NET AVAILABLE INCOME		1,382,391
Debt Service Coverage Ratio		1.18
AVAILABLE FOR DEBT SERVICE		1,171,517

ASSUMPTIONS:																		
Rent Increase:	2.00%	Permanent Loan - % Debt Service Year 1	75.0%															
Expenses Increase:	3.00%	Qualified Occupancy In Lease-Up Year 1	91.7%															
Real Estate Tax Increase:	2.00%	Permanent Loan - % Debt Service Year 2	100.0%															
Reserve Increase:	0.00%																	
			Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Year 6 2030	Year 7 2031	Year 8 2032	Year 9 2033	Year 10 2034	Year 11 2035	Year 12 2036	Year 13 2037	Year 14 2038	Year 15 2039	
GROSS POTENTIAL INCOME - RESIDENTIAL			556,668	510,279	567,801	579,157	590,741	602,555	614,606	626,899	639,437	652,225	665,270	678,575	692,147	705,990	720,109	734,512
Rental Subsidy	2.00%	1,859,388	1,704,439	1,896,576	1,934,507	1,973,197	2,012,661	2,052,915	2,093,973	2,135,852	2,178,569	2,222,141	2,266,584	2,311,915	2,358,154	2,405,317	2,453,423	
Misc. Income		8,448	7,744	8,617	8,789	8,965	9,144	9,327	9,514	9,704	9,898	10,096	10,298	10,504	10,714	10,928	11,147	
Vacancy Loss - Residential	10.00%		(51,802)	(57,642)	(58,795)	(59,971)	(61,170)	(62,393)	(63,641)	(64,914)	(66,212)	(67,537)	(68,887)	(70,265)	(71,670)	(73,104)	(74,566)	
Vacancy Loss - Rental Subsidy	5.00%		(85,222)	(94,829)	(96,725)	(98,660)	(100,633)	(102,646)	(104,699)	(106,793)	(108,928)	(111,107)	(113,329)	(115,596)	(117,908)	(120,266)	(122,671)	
GROSS EFFECTIVE INCOME			2,085,438	2,320,523	2,366,934	2,414,273	2,462,558	2,511,809	2,562,045	2,613,286	2,665,552	2,718,863	2,773,240	2,828,705	2,885,279	2,942,985	3,001,845	
Operating Expenses (excl. reserves & taxes)	3.00%	811,220	735,168	835,557	860,623	886,442	913,035	940,426	968,639	997,698	1,027,629	1,058,458	1,090,212	1,122,918	1,156,606	1,191,304	1,227,043	
SDHC Loan Monitoring Fee	0.00%	13,703	13,703	13,703	13,703	13,703	13,703	13,703	13,703	13,703	13,703	13,703	13,703	13,703	13,703	13,703	13,703	
SDHC Bond Monitoring Fee	0.00%	20,710	20,710	20,710	20,710	20,710	20,710	20,710	20,710	20,710	20,710	20,710	20,710	20,710	20,710	20,710	20,710	
Real Estate Taxes	2.00%	3,000	2,719	3,060	3,121	3,184	3,247	3,312	3,378	3,446	3,515	3,585	3,657	3,730	3,805	3,881	3,958	
TOTAL OPERATING EXPENSES			848,633	772,299	873,029	898,157	924,038	950,695	978,151	1,006,430	1,035,557	1,065,557	1,096,456	1,128,281	1,161,061	1,194,823	1,229,597	1,265,414
NET OPERATING INCOME			1,313,138	1,447,494	1,468,777	1,490,234	1,511,863	1,533,658	1,555,615	1,577,729	1,599,995	1,622,407	1,644,959	1,667,644	1,690,456	1,713,388	1,736,431	
REPLACEMENT RESERVE			44,000	33,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000
NET INCOME AVAILABLE FOR DEBT SERVICE			1,280,138	1,403,494	1,424,777	1,446,234	1,467,863	1,489,658	1,511,615	1,533,729	1,555,995	1,578,407	1,600,959	1,623,644	1,646,456	1,669,388	1,692,431	
Tax-Exempt Permanent Loan																		
Principal Balance		16,568,000	16,409,596	16,187,486	15,952,240	15,703,080	15,439,183	15,159,678	14,863,642	14,550,096	14,218,006	13,866,274	13,493,739	13,099,171	12,681,265	12,238,642	11,769,841	
Principal Payment			158,404	222,110	235,246	249,160	263,897	279,505	296,036	313,545	332,090	351,732	372,535	394,569	417,906	442,623	468,802	
Interest Payment			712,721	939,390	926,253	912,339	897,603	881,995	865,463	847,954	829,409	809,768	788,965	766,931	743,594	718,877	692,698	
TOTAL DEBT SERVICE			871,125	1,161,500	1,161,500	1,161,500	1,161,500	1,161,500	1,161,500	1,161,500	1,161,500	1,161,500	1,161,500	1,161,500	1,161,500	1,161,500	1,161,500	1,161,500
SDHC Loan Payment			10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
NET CASH FLOW			399,014	231,995	253,277	274,735	296,363	318,159	340,116	362,230	384,496	406,908	429,459	452,145	474,957	497,888	520,931	
Debt Service Coverage Ratio			1.453	1.198	1.216	1.235	1.253	1.272	1.290	1.309	1.328	1.347	1.367	1.386	1.405	1.425	1.445	
DISTRIBUTION OF CASH FLOW																		
LP Investor Services Fee - Current		5,000	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	7,129	7,343	7,563	
LP Investor Services Fee - Deferred			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Deferred Developer Fee		1,500,000	394,014	226,845	247,973	269,271	290,736	71,161	0	0	0	0	0	0	0	0	0	
GP Partnership Management Fee - Current		25,000	0	0	0	0	0	28,982	29,851	30,747	31,669	32,619	33,598	34,606	35,644	36,713	37,815	
GP Partnership Management Fee - Deferred			0	0	0	0	0	132,728	0	0	0	0	0	0	0	0	0	
San Diego Housing Commission	39.06%		0	0	0	0	0	31,051	118,865	127,083	135,349	143,658	152,009	160,398	168,822	177,278	185,763	
City of San Diego PLHA	10.94%		0	0	0	0	0	8,694	33,282	35,583	37,898	40,224	42,562	44,911	47,270	49,638	52,014	
GP Incentive Management Fee			0	0	0	0	0	39,745	152,147	162,667	173,246	183,882	194,571	205,309	216,092	226,916	237,777	
General Partners	90.00%		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Limited Partner	10.00%		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TCAC MAXIMUM CASH FLOW TEST			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	
Greater of 8% of gross income	8.00%		17.95%	9.38%	10.04%	10.68%	11.29%	11.89%	12.46%	13.01%	13.54%	14.04%	14.53%	15.00%	15.45%	15.87%	16.28%	
or 1.25 DCR	25.00%		45.80%	19.97%	21.81%	23.65%	25.52%	27.39%	29.28%	31.19%	33.10%	35.03%	36.97%	38.93%	40.89%	42.87%	44.85%	

ATTACHMENT 4

HOUSING COMMISSION MULTIFAMILY HOUSING REVENUE BOND PROGRAM SUMMARY

General Description: The multifamily housing bond program provides below-market financing (based on bond interest being exempt from income tax) for developers willing to set aside a percentage of project units as affordable housing. Multifamily housing revenue bonds are also known as "private activity bonds" because the projects are owned by private entities, often including nonprofit sponsors and for-profit investors.

Bond Issuer: Housing Authority of the City of San Diego. There is no direct legal liability to the City, the Housing Authority or the Housing Commission in connection with the issuance or repayment of bonds. There is no pledge of the City's faith, credit or taxing power nor of the Housing Authority's faith and credit. The bonds do not constitute a general obligation of the issuer because security for repayment of the bonds is limited to specific private revenue sources, such as project revenues. The developer is responsible for the payment of costs of issuance and all other costs under each financing.

Affordability: Minimum requirement is that at least 20% of the units are affordable at 50% of Area Median Income (AMI). Alternatively, a minimum of the units may be affordable at 50% AMI with an additional 30% of the units affordable at 60% AMI. The Housing Commission requires that the affordability restriction be in place for a minimum of 15 years. Due to the combined requirements of state, local, and federal funding sources, projects financed under the Bond Program are normally affordable for 30-55 years and often provide deeper affordability levels than the minimum levels required under the Bond Program.

Rating: Generally "AAA" or its equivalent with a minimum rating of "A" or, under conditions that meet IRS and Housing Commission requirements, bonds may be unrated for private placement with institutional investors (typically, large banks). Additional security is normally achieved through the provision of outside credit support ("credit enhancement") by participating financial institutions that underwrite the project loans and guarantee the repayment of the bonds. The credit rating on the bonds reflects the credit quality of the credit enhancement provider.

Approval Process:

- **Inducement Resolution:** The bond process is initiated when the San Diego Housing Commission (Housing Commission) adopts an "Inducement Resolution" to establish the date from which project costs may be reimbursable from bond proceeds (if bonds are later issued) and to authorize staff to work with the financing team to perform a due diligence process. The Inducement Resolution does not represent any commitment by the Housing Commission, or the Housing Authority, or the developer to proceed with the financing.

- TEFRA Hearing and Resolution (Tax Equity and Fiscal Responsibility Act of 1982): to assure that projects making use of tax-exempt financing meet appropriate governmental purposes and provide reasonable public benefits, the IRS Code requires that a public hearing be held and that the issuance of bonds be approved by representatives of the governmental unit with jurisdiction over the area in which the project is located. This process does not make the Housing Commission, the Housing Authority, or the City of San Diego financially or legally liable for the bonds or for the project.

[Note: Members of the Housing Commission or the San Diego City Council may be asked to take two actions at this stage in the bond process -- one in their capacity as approving the TEFRA hearing resolution and another as approving the bond inducement.]

- Application for Bond Allocation: The issuance of these "private activity bonds" (bonds for projects owned by private developers, including projects with nonprofit sponsors and for-profit investors) requires an allocation of bond issuing authority from the State of California. To apply for an allocation, an application approved by the Housing Commission and supported by an adopted inducement resolution and by proof of credit enhancement (or bond rating) must be filed with the California Debt Limit Allocation Committee (CDLAC). In addition, evidence of a TEFRA hearing and approval must be submitted prior to the CDLAC meeting.
- Final Bond Approval: The Housing Authority retains absolute discretion over the issuance of bonds through adoption of a final resolution authorizing the issuance. Prior to final consideration of the proposed bond issuance, the project must comply with all applicable financing, affordability, and legal requirements and undergo all required planning procedures/reviews by local planning groups, etc.
- Funding and Bond Administration: All monies are held and accounted for by a third party trustee. The trustee disburses proceeds from bond sales to the developer in order to acquire and/or construct the housing project. Rental income used to make bond payments is collected from the developer by the trustee and disbursed to bond holders, if rents are insufficient to make bond payments, the trustee obtains funds from the credit enhancement provider. No monies are transferred through the Housing Commission or Housing Authority, and the trustee has no standing to ask the issuer for funds. Bond Disclosure: The offering document (typically a Preliminary Offering Statement or bond placement memorandum) discloses relevant information regarding the project, the developer, and the credit enhancement provider. Since the Housing Authority is not responsible in any way for bond repayment, there are no financial statements or summaries about the Housing Authority or the City that are included as part of the offering document. The offering document includes a paragraph that states that the Housing Authority is a legal entity with the authority to issue multifamily housing bonds and that the Housing Commission acts on behalf of the Housing Authority to issue the bonds. The offering document also includes a paragraph that details that there is no pending or threatened litigation that would affect the validity of the bonds or curtail the ability of the Housing Authority to

issue bonds. This is the extent of the disclosure required of the Housing Authority, Housing Commission, or the City. However, it is the obligation of members of the Housing Authority to disclose any material facts known about the project, not available to the general public, which might have an impact on the viability of the project.

ROSS FINANCIAL

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September 30, 2022

Mr. Joe Correia
Sr. Real Estate Project Manager
Housing Finance Real Estate Division
San Diego Housing Commission
1122 Broadway, Suite 300
San Diego, CA 92101

Re: Cortez Hill Apartments

Dear Mr. Correia:

The San Diego Housing Commission (the “Commission”) has retained Ross Financial as its independent municipal advisor, in part, to analyze the feasibility of issuing tax-exempt and taxable bonds (the “Bonds”) for the Cortez Hill Apartments development (the “Development”).

This feasibility analysis reviews the following items:

- Overview of the Development
- Proposed financing approach
- Benefits and risks to Commission
- Public purpose
- Recommendations

Ross Financial has based its analysis of the Development’s financial feasibility on materials provided by Community HousingWorks (“CHW”), which has created the borrower entity (the “Borrower”) for the Development. The materials include: (1) the joint application to the California Debt Limit Allocation Committee (“CDLAC”) and California Tax Credit Allocation Committee (“CTCAC”), (2) the financing commitment from Banner Bank (the “Lender”), (3) the market study performed by CBRE in support of the application to CDLAC and CTCAC, and (4) CHW’s pro forma financial schedules for the Development. Ross Financial has not visited the site of the proposed Development and had no role in the selection of the Lender or in developing the overall financing structure.

OVERVIEW OF THE DEVELOPMENT

Development Summary. The Development is a new construction multifamily rental housing development that will contain 87 affordable 1-bedroom and 2-bedroom units and one unrestricted 2-bedroom manager's unit housed in one five-story building that is serviced by two elevators. The Development will provide affordable apartments and resident services to seniors, working families, veterans and households experiencing chronic homelessness. Of the 87 units, 14 will be reserved for permanent supportive housing (PSH), with supportive services being provided by People Assisting The Homeless. As the Development is located within a Transit Priority Area (one-half mile of a major existing or planned transit stop), it contains no onsite parking.

The Development will consist of four levels of Type V-A wood frame construction over a Type I-A concrete podium. It will be designed to achieve a Green Point Gold Rated Certification. The Development will utilize energy-star appliances energy-efficient dual-pane windows, domestic solar hot water heating and high-efficiency lighting. Low-flow plumbing fixtures will reduce water use as will the use of drought tolerant native and naturalized plants.

Site amenities include a state-of-the-art community room, computer learning centers and an outdoor community space to encourage greater social and economic stability. The community space will provide for resident services and programs, including a separate interview/meeting room for Supportive Housing Case Management. The community area also will include a kitchen, restrooms, bike storage, computer lab, and meeting and gathering spaces. The laundry is close to the children's play area and accessed by the courtyard.

The Development will contain mobility features in 10% of the units (9 units) and 5% of the units (5 units) will have communication features.

Construction of the Development is expect to start in December 2022 and be complete in October 2024.

Unit and Affordability Mix. The Development is subject to multiple rent restrictions depending on funding source. The unit mix and various affordability restrictions for Development are as follows:

		CTCAC	San Diego	Housing Commission	
Cortez	Unit Mix	30% AMI	30% AMI**	30% AMI**	40% AMI**
1 Bedroom/1 Bath	79	79	79	50	29
2 Bedroom/1 Bath	9*	8	8	4	4
Total Units	88	87	87	54	33

*Includes 1 non-rental manager's unit in these unit types

** AMI = Area Median Income

All restricted units will be supported by 14 PSH and 73 non-PSH Project-Based Vouchers.

Description of Project Site. The Development is to be constructed on a 0.41 acre parcel site that is located at 915 Beech Street in the Cortez Hill neighborhood of San Diego – with frontage along 9th Avenue and Beech Street. The site is currently owned by CHW, which acquired it from the City of San Diego following the City’s declaration that site constituted surplus land. The site is currently improved with 48 units of transitional housing, originally constructed as a hotel in 1970, for families experiencing homelessness. San Diego YWCA had operated the site for approximately 20 years and was succeeded by Alpha Project as operator. Alpha Project vacated the site in 2020 due to deteriorating property conditions and the onset of COVID-19. The site is currently vacant. Demolition of the existing improvements commenced in August 2022 and is expected to be complete by the end of September.

As previously noted, the site is located within a City-defined Transit Priority Area with high accessibility to transit options, including the Fifth Avenue Trolley Station, 10th Avenue & A bus stop and the Fifth Avenue & Beech bus stop. The site is within ½ to ¾ miles of grocery stores and a drug store/pharmacy.

Surrounding land uses are as follows:

- To the north: two small rental buildings and an SRO hotel
- To the south: a small 12-unit apartment complex and the 137-unit Aria condominium building
- To the west: the Discovery at Cortez Hill condominiums
- To the east: Highway 163 offramp.

Ownership of the Development/Borrower. The ownership entity for the Development will be Beech Street Housing Associates, L.P., a single asset California limited partnership consisting of: (a) CHW Beech Street LLC, created by CHW, which will serve as Managing General Partner and (b) a tax credit limited partnership entity created by Raymond James Tax Credit Funds.

CHW Experience. Established in 1988, CHW has 34 years of experience in financing, developing and/or rehabilitating multifamily rental housing. This experience encompasses more than 3,801 apartments in 44 communities statewide. CHW’s recent activity with the Housing Commission includes:

- North Park Seniors Apartments, a 76-unit new construction project serving LGBTQIA+ and formerly homeless seniors, located in the Hillcrest neighborhood and completed in November 2017.

- Keeler Court Apartments, a 71-unit new construction permanent supportive housing project, located in the Southcrest neighborhood and completed in October 2021.
- Ulric I (Amanecer) Apartments, a 96-unit new construction multi-family housing project, located in the Linda Vista neighborhood, with completion expected in Fall 2022.
- Ulric II Apartments, a 60-unit new construction project serving seniors and chronically homeless individuals, located in the Linda Vista neighborhood, with completion expected in October 2023.
- Navajo Apartments, a 99-unit new construction multi-family housing project serving large families and families who are experiencing homelessness, located in the Otay Mesa-Nestor neighborhood, with completion estimated in 2025.

CDLAC/CTCAC. On March 15, 2022, the Housing Commission filed a joint application to CDLAC and CTCAC requesting a private activity bond allocation of \$19,305,000 for the Development, along with a reservation of 4% Federal tax credits. On June 15, 2022, CDLAC awarded a private activity bond allocation in the requested amount and CTCAC reserved the requested 4% Federal tax credits.

In connection with the CDLAC/CTCAC application process, on July 16, 2021, the Housing Commission adopted a resolution of intent to issue tax-exempt obligations for the Development and authorized the submission of an application to CDLAC. On July 9, 2021, a TEFRA hearing, duly noticed, was held before the Housing Commission. Because TEFRA approvals expire after one year, a new TEFRA hearing will be held in conjunction with the Housing Commission's approval of the financing on October 14, 2022.

PROPOSED FINANCING

Project Costs and Funding. According to the most recent projections provided by CHW, the total costs of the Development, including construction and all soft costs, are estimated at \$41,224,577. The estimated sources of funds will differ during the construction period and following construction and lease-up ("at permanent"), as shown in the following table based on the most recent projections:

Sources of Funds	Construction	Permanent
Tax-Exempt Bond Proceeds	\$19,305,000	\$15,872,000
Taxable Bond Proceeds	9,099,173	--
Tax Equity – Federal	1,646,697	16,466,974
SDHC Loan	4,500,000	5,000,000
SDHC Loan Accrued Interest	192,361	192,361
City of San Diego Loan	1,260,000	1,400,000
City of San Diego Loan Accrued Interest	45,051	45,051
Deferred Costs	3,676,295	
Deferred Developer Fee	1,500,000	1,500,000
GP Contribution (Developer Fee)	--	748,191
Total	\$41,224,577	\$41,224,557
Uses of Funds		
Acquisition Costs + Land	\$41,593	\$41,593
Construction Costs	23,835,297	23,835,297
Architectural & Engineering	1,547,182	1,547,182
Contingency Costs (Hard and Soft)	1,694,473	1,694,473
Impact Fees and Permits	2,029,432	2,029,432
Construction Interest	2,236,768	2,236,768
Financing Costs	1,232,482	1,232,482
Misc. Soft Costs	2,181,055	2,181,055
Reserves	1,678,104	1,678,104
Developer Fee*	4,748,191	4,748,191
Total	\$41,224,577	\$41,224,557

*Cash developer fee is \$2,500,000 with \$1,500,000 deferred and \$748,191 contributed back to the Development

Description of Financing. The expectation (based on the most recent pro forma) is that the Housing Authority will issue the Bonds in two series: (a) a tax-exempt series in the estimated amount of \$19,305,000 and (b) a taxable series in the estimated amount of \$9,099,173 (but not to exceed \$13,000,000).

The Bonds will have the following features:

- Both series of Bonds will be purchased by Banner Bank (“Banner”);
- The Bonds will be issued on a draw down basis, with interest payable only on the amounts drawn;
- Following construction completion and lease-up (expected in approximately 30 months subject to one 6-month extension)(“Conversion”), the taxable Bond will be repaid in full and the tax-exempt Bond will be paid down to a permanent estimated par of \$15,872,000. The primary source of repayment will be Federal low income housing tax credits.
- Prior to Conversion, the Bonds will bear a variable interest rate equal to 1 month adjusted SOFR + 1.90% for the tax-exempt Bonds and 1 month adjusted SOFR + 2.20% for the taxable Bonds, with a SOFR index floor set at 0.50%. The

- Borrower's proforma assumes a tax-exempt rate of 5.77% and a taxable rate of 6.07% during the construction period. At Conversion, the tax-exempt Bond will convert to a fixed rate that will be set at Closing. The rate will be established by reference to a formula (80% of 10-year US Treasury rate plus a spread of 3.00%). The Borrower's proforma assumes a permanent loan rate of 6.03%.
- The tax-exempt Bond will have a term of 17 years from Closing (i.e., in 2039). Following Conversion, the tax-exempt Bond will amortize on a 30-year basis. The taxable Bond is expected to have a stated maturity of approximately 3 to 4 years from Closing and will be repaid in full at Conversion as noted above.
 - The Bonds are expected to close in early December 2022.

Banner will execute a document representing that it has sufficient knowledge and experience to evaluate the risks and merits associated with making the loans evidenced by the Bonds and its intention to hold the Bonds for its account. Unless the Bonds are rated "A" or higher by Moody's or Standard & Poor's, Banner may transfer all or a portion of the Bonds only to transferees that execute a document with similar representations.

Housing Commission Financial Involvement. On July 9, 2021, the Housing Commission approved a loan (the "Commission Loan") of up to \$5,000,000 for the Development, with \$4,500,000 available during construction and the remainder at permanent. The sources of funding are anticipated to consist of: (1) the Department of Housing and Urban Development HOME Investment Partnership Program (HOME) funds; (2) the Housing Commission's HTF-RHF Fund; and (3) the Housing Commission's LHFT Fund. A final determination of Housing Commission funding sources will be made by the Housing Commission's Interim President & CEO, or designee, contingent upon budget availability.

The Commission Loan will be payable from the Development's residual receipts subject to the following basic terms:

- Interest Rate: 4% simple interest
- Payments: 50% of residual cash flow plus \$10,000 fixed annual payment.
- Term: 55 years
- Affordability: 1 Bedroom units: 50 units at 30% San Diego AMI; 29 units at 40% San Diego AMI;
2 Bedroom units: 4 units at San Diego 30% AMI; 4 units at San Diego 40% AMI
- Purchase Option: The Housing Commission will have an option to purchase the Development at the end of the 15-year tax credit compliance period

Affordability Restrictions. The Development will be subject to the following regulatory restrictions and terms:

- Tax-Exempt Bond and Bond Regulatory Agreement requirements (including voluntary elections made to CDLAC) for a 55-year term;
- Tax Credit Regulatory Agreement requirements under which all units must be affordable at 60% AMI for a 55-year term to remain eligible for tax credits (subject to a further requirement of 30% for the Development);
- Housing Commission’s Declaration of Covenants, Conditions and Restrictions (the “Declaration”) under which the units will be restricted for 55 years with the affordability restrictions noted above; and
- The City’s Restrictive Covenants and Regulatory Agreement (the “City Regulatory Agreement”) under which units must be affordable to households with incomes that do not exceed 30% AMI per CTCAC.

Cash Flow for the Development. The Borrower provided pro forma cash flows for the Development. The following table summarizes key elements of the most recent proforma:

Assumptions	
Vacancy	7.0%
Revenue Escalation	2.0%
Operating Expense Escalation	3.0%
Cash Flow and Coverage	
Stabilized Net Income – First Full Year	\$2,299,884
Operating Expenses ¹	(835,557)
Other Expenses ²	(79,890)
Net Operating Income	\$1,384,378
Tax-Exempt Bond Debt Service ³	(1,145,604)
Housing Commission Loan Payment	(10,000)
Debt Service Coverage ⁴	1.20x
Net Project Cash Flow after Debt Service	\$228,774
LP Fees	(5,150)
Deferred Developer Fee	(223,624)
Available for Residual Receipts	0

¹ Operating Expenses consist of variable operating expenses escalated at 3.0% per year

² Other Expenses include taxes, replacement reserves, compliance monitoring fee and Bond monitoring fee

³ Assumes an initial permanent Bond par of \$15,872,000 amortized on a 30-year basis at a rate of 6.03%

⁴ Net operating income divided by sum of Bond Debt Service + SDHC fixed loan payment of \$10,000

The following table shows the Borrower’s most recent projected cash flow for the Development during first full five years following stabilized occupancy:

Escalation	Revenues	Year				
		1	2	3	4	5
2.00%	Gross Potential Tenant Rental Income	567,801	579,157	590,740	602,555	614,606
2.00%	Rental Subsidy	1,896,576	1,934,508	1,973,198	2,012,662	2,052,915
2.00%	Miscellaneous Income	8,617	8,789	8,965	9,144	9,327
	less 7% vacancy	(173,110)	(176,572)	(180,103)	(183,705)	(187,379)
	Total Net Income	2,299,884	2,345,882	2,392,800	2,440,656	2,489,469
	Expenses					
3.00%	Operating Expenses	(835,557)	(864,801)	(895,070)	(926,397)	(958,821)
	Replacement Reserves	(44,000)	(44,000)	(44,000)	(44,000)	(44,000)
2.00%	Taxes	(3,060)	(3,121)	(3,184)	(3,247)	(3,312)
	Bond Monitoring Fee	(19,840)	(19,840)	(19,840)	(19,840)	(19,840)
	SDHC Loan Monitoring Fee	(13,050)	(13,050)	(13,050)	(13,050)	(13,050)
	Total Expenses + Reserves	(915,507)	(944,813)	(975,143)	(1,006,534)	(1,039,023)
	Net Operating Income	1,384,377	1,401,069	1,417,657	1,434,121	1,450,446
	Annual Bond Debt Service	(1,145,604)	(1,145,604)	(1,145,604)	(1,145,604)	(1,145,604)
	SDHC Loan Payment	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
	Debt Service Coverage	1.20x	1.21x	1.23x	1.24x	1.26x
	Available Cash Flow after Permanent Loan Debt Service	228,773	245,465	262,053	278,517	294,842
3.00%	LP Investor Services Fee	(5,000)	(5,150)	(5,305)	(5,464)	(5,628)
	Deferred Developer Fee	(223,773)	(240,315)	(256,748)	(273,054)	(289,214)
	Project Cash Flow Available for Residual Receipts Payments	0	0	0	0	0

PUBLIC PURPOSE

The Bonds are expected to result in the long-term affordability of 87 one-bedroom and two-bedroom units in the City of San Diego, restricted and affordable to households earning 30% AMI per the most restrictive funding source. Of these units, 14 will be restricted for permanent supportive housing. One two-bedroom unit will be occupied by a resident manager and will be unrestricted.

The Bond Regulatory Agreement, the Tax Credit Regulatory, the Commission's Declaration and the City Regulatory Agreement will require that affordability levels be maintained for a period of 55 years.

BENEFITS AND RISKS TO THE COMMISSION

The Bonds provide a vehicle for financing a portion of the construction costs of the Development. As proposed, the Bonds will result in the long-term affordability of 87 one-bedroom and two-bedroom units in the City of San Diego with units restricted to income levels described in "Public Purpose" above.

The Bonds do not pose undue financial risk to the Housing Authority. The Bonds are not direct obligations of the Housing Authority or the City of San Diego. The Bonds will be purchased by Banner, which has indicated its intention to hold the Bonds for its own account. The Bonds are expected to be paid down to \$15,872,000 following conversion.

The primary risk is construction and lease-up risk – that the Development is not completed and/or leased up in a timely fashion. Given the development and project management experience of CHW, the target tenant population, the availability of 87 PSH and non-PSH PBVs and the demand for affordable units, this risk seems remote. This risk is borne entirely by the Banner and CHW.

If the Housing Authority issues the Bonds, the Commission would receive an issuer fee at Bond closing of \$71,010: equal to 0.25% times the initial aggregate par amount of the tax-exempt and taxable Bonds (\$28,404,173).

In addition, the Commission also would receive estimated annual fees of:

- \$35,505 to monitor the Bonds during the construction period (based on an aggregate initial par of \$28,404,173 for the Bonds times 0.125%), and
- \$19,840 to monitor the tax-exempt Bonds after conversion (assuming an estimated permanent tax-exempt Bond of \$15,872,000 times 0.125%) plus (b) a per unit monitor fee of \$150/unit or \$13,050 in the first year).
- A minimum of \$10,000 following repayment of the Bonds through the end of the 55-year CDLAC compliance period.

Costs of issuance will be funded by the Borrower from low income housing tax credit proceeds and/or other funds. The Borrower has agreed to indemnify the Housing Authority and Housing Commission as to matters relating to the Bonds. However, the Borrower is a single purpose entity with no significant assets or source of income other than the Development and is generally not required to make up any cash flow shortfalls. Accordingly, CHW will be providing its indemnification.

RECOMMENDATIONS

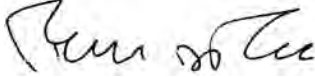
Ross Financial recommends that the Housing Authority proceed with the issuance of the Bonds based on the following findings:

- The Bonds will achieve a public purpose by providing an aggregate of 87 affordable units, with all units restricted to income levels at 30% AMI per the most restrictive funding source.
- The Bonds will evidence tax-exempt and taxable loans funded by a well-established, highly capitalized bank that is active in affordable housing lending. The Bonds will be subject to restrictive transfer limitations at all times.
- The Borrower has agreed to indemnify the Housing Authority and the Commission regarding matters relating to the financing. The Borrower will pay issuance costs from sources other than Bond proceeds.
- Based on estimates provided by CHW on behalf of the Borrower, there should be sufficient funds to complete the Development and the Development provides adequate cash flow to cover permanent loan debt service on the Bonds.

Mr. Joe Correia
Re: Cortez Hill Apartments
September 30, 2022
Page 10 of 10

If there is any additional information you require concerning the Development, Ross Financial will be pleased to provide a supplemental analysis.

Very truly yours,

A handwritten signature in black ink, appearing to read "Peter J. Ross". The signature is fluid and cursive, with the first name "Peter" being the most prominent.

Peter J. Ross
Principal



SAN DIEGO
HOUSING
COMMISSION

**ATTACHMENT 6 – DISCLOSURE STATEMENT
DEVELOPERS/CONSULTANTS/SELLERS/CONTRACTORS/
ENTITY SEEKING GRANT/BORROWERS
(Collectively referred to as "CONTRACTOR" herein)
Statement for Public Disclosure**

1. Name of CONTRACTOR: Community HousingWorks
2. Address and ZIP Code: 3111 Camino Del Rio North Suite 800, San Diego, CA 92108
3. Telephone Number: (619) 450-8710
4. Name of Principal Contact for CONTRACTOR: Mary Jane Jagodzinski, Senior Vice President
5. Federal Identification Number or Social Security Number of CONTRACTOR: 33-317950
6. If the CONTRACTOR is not an individual doing business under his own name, the CONTRACTOR has the status indicated below and is organized or operating under the laws of California as:

- ☐ A corporation (Attach Articles of Incorporation)
- ☒ A nonprofit or charitable institution or corporation. (Attach copy of Articles of Incorporation and documentary evidence verifying current valid nonprofit or charitable status)
- ☐ A partnership known as: _____
(Name)

Check one:

- ☐ General Partnership (Attach Statement of General Partnership)
- ☐ Limited Partnership (Attach Certificate of Limited Partnership)
- ☐ A business association or a joint venture known as: _____
(Attach joint venture or business association agreement)
- ☐ A Federal, State or local government or instrumentality thereof.
- ☐ Other (explain)

7. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:
1988
8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below:
 - a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10 percent of any class of stock.
 - b. If the CONTRACTOR is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.

- c. If the CONTRACTOR is a partnership, each partner, whether a general or limited, and either the percent of interest or a description of the character and extent of interest.
- d. If the CONTRACTOR is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.
- e. If the CONTRACTOR is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10 percent.(Attach extra sheet if necessary)

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name:	PLEASE SEE ATTACHED BOARD LIST
Address:	
Name:	
Address:	
Name:	
Address:	

9. Has the makeup as set forth in Item 8(a) through 8(e) changed within the last twelve (12) months? If yes, please explain in detail.
Members may have changed. No change in the total count of board members has occurred.
10. Is it *anticipated* that the makeup as set forth in Item 8(a) through 8(e) will change within the next twelve (12) months? If yes, please explain in detail.
A small number of board members may transition due to term limits and will be replaced.
11. Provide name, address, telephone number, and nature and extent of interest of each person or entity (not named in response to Item 8) who has a beneficial interest in any of the shareholders or investors named in response to Item 8, which gives such person or entity more than a computed 10 percent interest in the CONTRACTOR (for example, more than 20 percent of the stock in a corporation that holds 50 percent of the stock of the CONTRACTOR, or more than 50 percent of the stock in the corporation that holds 20 percent of the stock of the CONTRACTOR):

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name:	NOT APPLICABLE
Address:	
Name:	
Address:	
Name:	
Address:	

12. Names, addresses and telephone numbers (if not given above) of officers and directors or trustees of any corporation or firm listed under Item 8 or Item 11 above:

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name:	PLEASE SEE ATTACHED BOARD LIST
Address:	
Name:	
Address:	
Name:	
Address:	

13. Is the CONTRACTOR a subsidiary of or affiliated with any other corporation or corporations, any other firm or any other business entity or entities of any nature? If yes, list each such corporation, firm or business entity by name and address, specify its relationship to the CONTRACTOR, and identify the officers and directors or trustees common to the CONTRACTOR and such other corporation, firm or business entity.

Name and Address	Relationship to CONTRACTOR
Name:	NO, NOT APPLICABLE
Address:	
Name:	
Address:	
Name:	
Address:	

14. Provide the financial condition of the CONTRACTOR as of the date of the statement and for a period of twenty-four (24) months prior to the date of its statement, as reflected in the **attached** financial statements, including, but not necessarily limited to, profit and loss statements and statements of financial position.

PLEASE REFER TO THE CHW CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS 2018 AND 2019

15. If funds for the development/project are to be obtained from sources other than the CONTRACTOR's own funds, provide a statement of the CONTRACTOR's plan for financing the development/project:

PLEASE REFER TO THE ATTACHED PROFORMA SOURCES AND USES

16. Provide sources and amount of cash available to CONTRACTOR to meet equity requirements of the proposed undertaking: COMMUNITY HOUSINGWORKS WILL PROVIDE A COMPLETE LIST OF THESE SOURCES AND THE AMOUNT OF CASH AVAILABLE TO MEET THE PROPOSED EQUITY REQUIREMENTS AT A LATER DATE

- a. In banks/savings and loans:

Name:

Address:

Amount: \$ By loans from affiliated or associated corporations or firms:

Name:

Address:

Amount: \$

b. By sale of readily salable assets/including marketable securities:

Description	Market Value (\$)	Mortgages or Liens (\$)

17. Names and addresses of bank references, and name of contact at each reference:

Name and Address	Contact Name
Name:	PLEASE SEE ATTACHED BANK REFERENCE LIST
Address:	
Name:	
Address:	
Name:	
Address:	

18. Has the CONTRACTOR or any of the CONTRACTOR's officers or principal members, shareholders or investors, or other interested parties been adjudged bankrupt, either voluntary or involuntary, within the past 10 years?

☐ Yes

☒ No

If yes, give date, place, and under what name.

N/A

19. Has the CONTRACTOR or anyone referred to above as "principals of the CONTRACTOR" been convicted of any felony within the past 10 years?

☐ Yes

☒ No

If yes, give for each case (1) date, (2) charge, (3) place, (4) court, and (5) action taken. Attach any explanation deemed necessary.

N/A

20. List undertakings (including, but not limited to, bid bonds, performance bonds, payment bonds and/or improvement bonds) comparable to size of the proposed project which have been completed by the CONTRACTOR, including identification and brief description of each project, date of completion, and amount of bond, whether any legal action has been taken on the bond:

Type of Bond	Project Description	Date of Completion	Amount of Bond	Action on Bond
	PLEASE SEE ATTACHED LIST OF UNDERTAKINGS			

21. If the CONTRACTOR, or a parent corporation, a subsidiary, an affiliate, or a principal of the CONTRACTOR is to participate in the development as a construction contractor or builder, provide the following information:

- a. Name and addresses of such contractor or builder: NOT APPLICABLE

Name and Address	Affiliation
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

- b. Has such contractor or builder within the last 10 years ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract?

☐ Yes ☐ No

If yes, please explain, in detail, each such instance:

- c. Total amount of construction or development work performed by such contractor or builder during the last three (3) years: \$_____

General description of such work:

List each project, including location, nature of work performed, name, address of the owner of the project, bonding companies involved, amount of contract, date of commencement of project, date of completion, state whether any change orders were sought, amount of change orders, was litigation commenced concerning the project, including a designation of where, when and the outcome of the litigation. (Attach extra sheet if necessary)

Project Name		
Project Owner Contact Information		
	Name	Address
Project Location		
Project Details		
Bonding Company Involved		
	Name	Amount of Contract
Change Order Details		
Change Order Cost		
Litigation Details		
	Location/Date	Outcome Details

d. Construction contracts or developments now being performed by such contractor or builder:

Identification of Contract or Development	Location	Amount	Date to be Completed

e. Outstanding construction-contract bids of such contractor or builder:

Awarding Agency	Amount	Date Opened

22. Provide a detailed and complete statement regarding equipment, experience, financial capacity, and other resources available to such contractor or builder for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment, and the general experience of the contractor:

PLEASE REFERE TO THE CHW DEVELOPER QUALIFICATIONS ATTACHED

23. Does any member of the governing body of SDHC, Housing Authority of the City of San Diego ("AUTHORITY") or City of San Diego ("CITY"), to which the accompanying proposal is being made or any officer or employee of SDHC, the AUTHORITY or the CITY who exercises any functions or responsibilities in connection with the carrying out of the project covered by the CONTRACTOR's proposal, have any direct or indirect personal financial interest in the CONTRACTOR or in the proposed contractor?

☐ Yes ☒ No

If yes, explain:

N/A

- a. Statements and other evidence of the CONTRACTOR's qualifications and financial responsibility (other than the financial statement referred to in Item 8) are attached hereto and hereby made a part hereof as follows:

N/A

- b. Is the proposed CONTRACTOR, and/or are any of the proposed subcontractors, currently involved in any construction-related litigation?

☐ Yes ☒ No

If yes, explain:

N/A

26. State the name, address and telephone numbers of CONTRACTOR's insurance agent(s) and/or companies for the following coverage's. List the amount of coverage (limits) currently existing in each category:

- a. General Liability, including Bodily Injury and Property Damage Insurance [Attach certificate of insurance showing the amount of coverage and coverage period(s)]

Check coverage(s) carried:

- ☒ Comprehensive Form
- ☒ Premises - Operations
- ☐ Explosion and Collapse Hazard
- ☐ Underground Hazard
- ☒ Products/Completed Operations Hazard
- ☒ Contractual Insurance
- ☒ Broad Form Property Damage
- ☒ Independent Contractors
- ☒ Personal Injury

- b. Automobile Public Liability/Property Damage [Attach certificate of insurance showing the amount of coverage and coverage period(s)] CERTIFICATE ATTACHED

Check coverage(s) carried:

- ☒ Comprehensive Form
☒ Owned
☒ Hired
☒ Non-Owned

- c. Workers Compensation [Attach certificate of insurance showing the amount of coverage and coverage period(s)] CERTIFICATE ATTACHED

- d. Professional Liability (Errors and Omissions) [Attach certificate of insurance showing the amount of coverage and coverage period(s)] NOT APPLICABLE

- e. Excess Liability [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]

CERTIFICATE ATTACHED

- f. Other (Specify) [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]
NOT APPLICABLE

27. CONTRACTOR warrants and certifies that it will not during the term of the PROJECT, GRANT, LOAN, CONTRACT, DEVELOPMENT and/or RENDITIONS OF SERVICES discriminate against any employee, person, or applicant for employment because of race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by SDHC setting forth the provisions of this nondiscrimination clause.
28. The CONTRACTOR warrants and certifies that it will not, without prior written consent of SDHC, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of SDHC, during the term of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT and/or RENDITION OF SERVICES.
29. CONTRACTOR warrants and certifies that no member, Commissioner, Councilperson, officer, or employee of SDHC, the AUTHORITY and/or the CITY, and no member of the governing body of the locality in which the PROJECT is situated, no member of the governing body in which SDHC was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the assignment of work, has, during his or her tenure, or will for one (1) year thereafter, have any interest, direct or indirect, in this PROJECT or the proceeds thereof.

30. List all citations, orders to cease and desist, stop work orders, complaints, judgments, fines, and penalties received by or imposed upon CONTRACTOR for safety violations from any and all government entities including but not limited to, the City of San Diego, County of San Diego, the State of California, the United States of America and any and all divisions and departments of said government entities for a period of five (5) years prior to the date of this statement.
If none, please state:

Government Complaint	Entity Making	Date	Resolution
NONE			

31. Has the CONTRACTOR ever been disqualified, removed from or otherwise prevented from bidding on or completing a federal, state, or local government project because of a violation of law or a safety regulation?

☐ Yes

☒ No

If yes, please explain, in detail,
N/A

32. Please list all licenses obtained by the CONTRACTOR through the State of California and/or the United States of America, which are required and/or will be utilized by the CONTRACTOR and/or are convenient to the performance of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT, or RENDITION OF SERVICES. State the name of the governmental agency granting the license, type of license, date of grant, and the status of the license, together with a statement as to whether the license has ever been revoked:

Government Agency	License Description	License Number	Date Issued (Original)	Status (Current)	Revocation (Yes/No)
CITY OF SAN DIEGO	BUSINESS LICENSE	B2004013671	1/1/2019	CURRENT	NO
	LICENSE ATTACHED				

33. Describe in detail any and all other facts, factors or conditions that may adversely affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, SALES of Real Property to, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with SDHC.
NONE

34. Describe in detail, any and all other facts, factors or conditions that may favorably affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with SDHC.

COMMUNITY HOUSINGWORKS HAS A PROUD HISTORY OF SUCCESSFUL CONTRACT ADMINISTRATION THAT WILL ASSURE ITS SUCCESSFUL COMPLETION OF THIS PROJECT. WE HAVE DEVELOPED AND CURRENTLY OWN AND OPERATE 6 AFFORDABLE HOUSING PROJECTS IN THE CITY OF SAN DIEGO AND HAVE MET OUR LOAN OBLIGATIONS WITH EACH.

35. List all CONTRACTS with, DEVELOPMENTS for or with, LOANS with, PROJECTS with, GRANTS from, and SALES of Real Property to SDHC, AUTHORITY and/or the CITY within the last five (5) years:

Date	Entity Involved (i.e. City SDHC, etc)	Status (Current, delinquent, repaid, etc.)	Dollar Amount
	SEE ATTACHED LIST		

36. Within the last five years, has the proposed CONTRACTOR, and/or have any of the proposed subcontractors, been the subject of a complaint filed with the Contractor's State License Board (CSLB)?

☐ Yes ☒ No

If yes, explain:
N/A

37. Within the last five years, has the proposed CONTRACTOR, and/or have any of the proposed subcontractors, had a revocation or suspension of a CONTRACTOR's License?

☐ Yes ☒ No

If yes, explain:
N/A

38. List three local references that would be familiar with your previous construction projects:

1. Name: PLEASE SEE ATTACHED LIST

Address:

Phone:

Project Name and Description:

2. Name:

Address:

Phone:

Project Name and Description:

3. Name:

Address:

Phone:

Project Name and Description:

39. Give a brief statement regarding equipment, experience, financial capacity and other resources available to the CONTRACTOR for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment and the general experience of the CONTRACTOR.
NOT APPLICABLE

40. Give the name and experience of the proposed Construction Superintendent.

Name	Experience
TBD	

CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

By providing the "Personal Information", (if any) as defined in Section 1798.3(a) of the Civil Code of the State of California (to the extent that it is applicable, if at all), requested herein and by seeking a loan from, a grant from, a contract with, the sale of real estate to, the right to develop from, and/or any and all other entitlements from the SAN DIEGO HOUSING COMMISSION ("SDHC"), the HOUSING AUTHORITY OF THE CITY OF SAN DIEGO ("AUTHORITY") and/or the CITY OF SAN DIEGO ("CITY"), the CONTRACTOR consents to the disclosure of any and all "Personal Information" and of any and all other information contained in this Public Disclosure Statement. CONTRACTOR specifically, knowingly and intentionally waives any and all privileges and rights that may exist under State and/or Federal Law relating to the public disclosure of the information contained herein. With respect to "Personal Information," if any, contained herein, the CONTRACTOR, by executing this disclosure statement and providing the information requested, consents to its disclosure pursuant to the provisions of the Information Practices Act of 1977, Civil Code Section 1798.24(b). CONTRACTOR is aware that a disclosure of information contained herein will be made at a public meeting or meetings of SDHC, the AUTHORITY, and/or the CITY at such times as the meetings may be scheduled. CONTRACTOR hereby consents to the disclosure of said "Personal Information," if any, more than thirty (30) days from the date of this statement at the duly scheduled meeting(s) of SDHC, the AUTHORITY and/or the CITY. CONTRACTOR acknowledges that public disclosure of the information contained herein may be made pursuant to the provisions of Civil Code Section 1798.24(d).

CONTRACTOR represents and warrants to SDHC, the AUTHORITY and the CITY that by providing the information requested herein and waiving any and all privileges available under the Evidence Code of the State of California, State and Federal Law, (to the extent of this disclosure that the information being submitted herein), the information constitutes a "Public Record" subject to disclosure to members of the public in accordance with the provisions of California Government Section 6250 et seq.

CONTRACTOR specifically waives, by the production of the information disclosed herein, any and all rights that CONTRACTOR may have with respect to the information under the provisions of Government Code Section 6254 including its applicable subparagraphs, to the extent of the disclosure herein, as well as all rights of privacy, if any, under the State and Federal Law.

Executed this 2nd, day of July, 2021, at San Diego, California.

CONTRACTOR

By:

Signature

Senior Vice President

Title

MARY :I' APE -:J'l)-Got:,:z.l.115f:.-)

CERTIFICATION

The CONTRACTOR, Community Housing Works hereby certifies that this CONTRACTOR's Statement for Public Disclosure and the attached information/evidence of the CONTRACTOR's qualifications and financial responsibility, including financial statements, are true and correct to the best of CONTRACTOR's knowledge and belief.

By: [Signature]

Title: Serlibr Vice President

Dated: _____

By: _____

Title: _____

Dated: _____

WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willingly makes or uses a document or writing containing any false, fictitious or fraudulent statement or entry, in any matter within the jurisdiction or any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

JURAT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of San Diego

Subscribed and sworn to (or affirmed) before me on this 22nd day of April, 2020

by Valerie Thomas personally known to me or proved to me on the basis of

satisfactory evidence to be the person(s) who appeared before me.



[Signature]
Signature of Notary

SAN DIEGO HOUSING COMMISSION DEVELOPER DISCLOSURE STATEMENT

COMMUNITY HOUSINGWORKS LIST OF ATTACHMENTS

<u>QUESTION #</u>	<u>ATTACHMENT</u>
6	Articles of Incorporation and Nonprofit Status
8 & 12	Board Roster of Community HousingWorks (CHW)
14	CHW 2018 and 2019 Consolidated Financial Statements
15	Pro Forma Sources and Uses
17	Bank References
20	List of Previous Undertakings
22	CHW Developer Qualifications
26	Insurance Certificates
32	Business License
35	List of Contracts
38	Local References

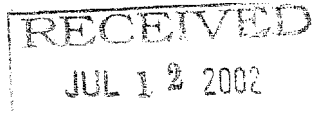
COMMUNITY HOUSINGWORKS
ARTICLES OF INCORPORATION AND
NONPROFIT STATUS

6. Articles of Incorporation and Nonprofit Status

LUCE FORWARD

ATTORNEYS AT LAW • FOUNDED 1873
ATTORNEYS AT LAW • FOUNDED 1873
LUCE, FORWARD, HAMILTON & SCRIPPS LLP

NANCY CRANE, PARALEGAL
DIRECT DIAL NUMBER 619.699.5473
DIRECT FAX NUMBER 619.645.5333
EMAIL ADDRESS NCRANE@LUCE.COM



By _____

600 West Broadway
Suite 2600
San Diego, CA 92101
619.236.1411
619.232.8311 fax
vAvw.luce.cun1

July 9, 2002

24214-00001

Ms. Susan M. Reynolds
Community Housing of North County
1820 S. Escondido Blvd, #101
Escondido, CA 92025

Re: Amended and Restated Articles of Incorporation for Community Housing of North County

Dear Ms. Reynolds:

Enclosed for your records is a certified copy of the Amended and Restated Articles of Incorporation for Community Housing of North County changing the name of the corporation to Community HousingVorks. The Amended and Restated Articles were filed on July 1, 2002 by the California Secretary of State.

If you have any questions regarding this matter, please feel free to call me. Very

truly yours,

Nancy Crane

or
for

LUCE, FORWARD, HAMILTON & SCRIPPS LLP

NCI

Enclosure

cc: Dennis J. Doucette, Esq.

State of California

SECRETARY OF STATE

I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

JUL - 6 2002

Bill Jones

Secretary of State



State of California

SECRETARY OF STATE CERTIFICATE OF STATUS DOMESTIC CORPORATION

I, BILL JONES, Secretary of State of the State of California, hereby certify:

That on the **20th day of June, 1988, COMMUNITY HOUSING WORKS** became incorporated under the laws of the State of California by filing its Articles of Incorporation in this office; and

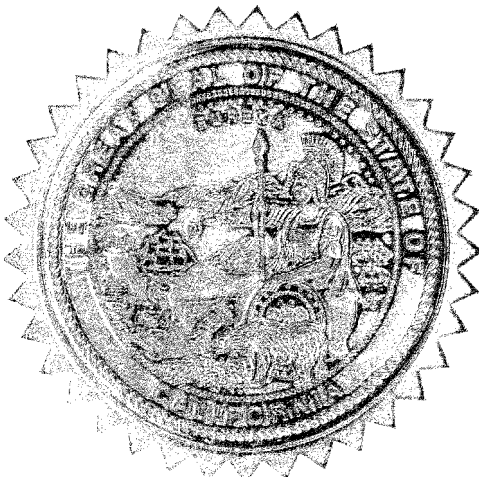
That no record exists in this office of a certificate of dissolution of said corporation nor of a court order declaring dissolution thereof, nor of a merger or consolidation which terminated its existence; and

That said corporation's corporate powers, rights and privileges are not suspended on the records of this office; and

That according to the records of this office, the said corporation is authorized to exercise all its corporate powers, rights and privileges and is in good legal standing in the State of California; and

That no information is available in this office on the financial condition, business activity or practices of this corporation.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of August 21, 2002.



Bill Jones
BILL JONES
Secretary of State

ts

AMENDED AND RESTATED
ARTICLES OF INCORPORATION OF
COMMUNITY HOUSING OF NORTH COUNTY

JUL - 1 2002

Bill JONES, Secretary of State

Jack Mawhinney and Michael Sprague certify that:

1. They are the President and Secretary, respectively, of COMMUNITY HOUSING OF NORTH COUNTY, a California Corporation.
2. The Articles of Incorporation of this corporation are amended and restated to read in full as follows:

ARTICLE I

Name. The name of this corporation is: Community HousingWorks.

ARTICLE II

Character. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for public and charitable purposes, (within the meaning of Section 501(c)(3) of the Internal Revenue Code.)

ARTICLE III

Purpose. The purposes of the corporation are: (i) to lessen the burdens of government by developing affordable housing for low-income persons and low and moderate income families; (ii) to provide human services and housing on a non-profit basis to relieve the distress of the elderly, the physically handicapped and people with special needs; (iii) to combat community deterioration and preserve neighborhood stability by promoting community development, which improves housing and economic conditions as is appropriate; (iv) to assist in the facilitation of low to moderate income persons and families to secure affordable mortgage financing to support efforts in improving select neighborhoods and communities; (v) to provide below-market rate flexible capital and other services in order to increase and preserve homeownership opportunities among underserved low to moderate income households; (vi) to provide new housing opportunities that will assist in eliminating discrimination and prejudice; and (vii) to revitalize and stimulate reinvestment in selected neighborhoods through programs involving a partnership of neighborhood residents, the business community, representatives of local governmental agencies, local financial institutions, and other interested persons.

ARTICLE IV

Limitations. This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. Notwithstanding any other provision of these articles, this corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from income tax under section 501(c)(3) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation, contributions to which are deductible under Section 170(a)(2) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue Law). No substantial part of the activities of this corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation. This corporation shall not participate or intervene in any political campaign (including the publication or distribution of statements) on behalf of any candidate for public office.


ARTICLE V

Dedication of Assets. The property of the corporation is irrevocably dedicated to charitable purposes. No part of the net assets or income of the corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person. Upon dissolution or liquidation, the assets remaining after payment, or provisions for payment, of all debts and liabilities of this corporation shall be distributed in the manner provided by law to a fund or corporation which is organized and operated exclusively for charitable purposes and which has established its status pursuant to Section 501(c)(3) of the Internal Revenue Code.

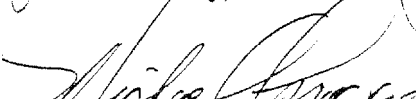
3. The foregoing amended and restated Articles of Incorporation have been duly approved by the board of directors.
4. **The corporation has no members.**

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

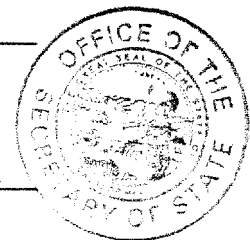
Date: 2002



Jack Mawhinney, President



Michael Sprague, Secretary



P.O. Box 2508
Cincinnati OH 45201In reply refer to: 0248145604
Mar. 30, 2015 LTR 4168C 0
33-0317950 000000 00
00025408
BODC: TECOMMUNITY HOUSING WORKS
2815 CAMINO DEL RIO SOUTH STE 350
SAN DIEGO CA 92108Employer Identification Number: 33-0317950
Person to Contact: MR. CORDELL
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Mar. 19, 2015, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in November, 1992.

Our records also indicate that you are not a private foundation within the meaning of section 509Ca) of the Code because you are described in sectionCs) 509Ca)Cl) and 170Cb)(1)CA)Cvi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033Cj) of the Code on our website beginning in early 2011.

0248145604
Mar. 30, 2015 LTR 4168C 0
33-0317950 000000 00
00025409

COMMUNITY HOUSING WORKS
2815 CAMINO DEL RIO SOUTH STE 350
SAN DIEGO CA 92108

If you have any questions, please call us at the telephone number
shown in the heading of this letter.

Sincerely yours,

td'-41.

Doris Kenwright, Operation Mgr.
Accounts Management Operations 1

LUCE FORWARD

ATTORNEYS AT LAW • FOUNDED 1873

LUCE, FORWARD, HAMILTON & SCRIPPS LLP

DENNIS J. DOUCETTE, PARTNER

DIRECT DIAL NUMBER 858.720.6322

DIRECT FAX NUMBER 858.523.4305

EMAIL ADDRESS DDoucette@LUCE.COM

11988 El Camino Real

Suite 200

San Diego, CA 92130

858.720.6300

858.720.6306 fax

www.luce.com

September 5, 2002

24214i00001

Re: **Name Change**

Ladies and Gentlemen:

On July 1, 2002, Community Housing of North County, a California nonprofit public benefit corporation (the "Corporation"), changed its name to **Community HousingWorks** by filing Amended and Restated Articles of Incorporation with the California Secretary of State. No further action was required by the Corporation to change its name. The Corporation's state and federal employer identification numbers remain unchanged, and we assure that all contracts and documents previously entered into by Community Housing of North County are binding and enforceable on Community HousingWorks.

Very truly yours,



Dennis J. Doucette

of

LUCE, FORWARD, HAMILTON & SCRIPPS LLP

DJD/dzc

COMMUNITY HOUSINGWORKS
BOARD ROSTER



2020 Board of Directors

All listed Directors are eligible to vote on board actions

<p><u>Robert Gottlieb</u> Board Chair Chair, Executive Committee Chief Financial Officer H.G. Fenton Company 7577 Mission Valley Road, San Diego, California 92108 619.400.0148 (w) 619.726.0205 (c) robert@hgfenton.com Member since: 10/2013 Current term: 02/01/2019-01/31/2022</p>	<p><u>Angela Nugent</u> Vice Chair Real Estate Broker Keller Williams Orange County Coastal Realty 635 Camino De Los Mares 3rd Floor San Clemente, CA 92673 760.434.6776 (w) 760.930.1999 (c) teamnugent@gmail.com Member since: 08/2017 Current term: 02/01/2018-01/31/2021</p>	<p><u>Lisa Andaleon</u> Treasurer Chair, Finance Committee Director of Operations and Finance University of Southern California 3551 Trousdale Parkway -- ADM 204 Los Angeles, CA 90089-4019 619.606.8238 (c) lisaandaleon@gmail.com Member since: 06/2019 Current term: 02/2018-01/31/2021</p>
<p><u>Don Ambrose</u> Secretary President Del Mar Healthcare, Inc. 12348 High Bluff Dr # 100, San Diego, CA 92130 858.204.3314 (c) 858.350.4400 (w) Don121dm@gmail.com Member since: 04/2020 Current term: 02/01/2020-01/31/2023</p>	<p><u>Stephen Baker</u> Sr. Vice President Bank of America 701 B St, San Diego, CA 92101 760.943.1384 (h) 760.525.6298 (c) sfbaker@zoho.com Member since: 09/2011 Current term: 02/01/2020-01/31/2023</p>	<p><u>Antonio Barbosa</u> VP, Community Development Wells Fargo 401 A St, San Diego, CA 92101 619.921.9065 (c) Antonio.barbosa@wellsfargo.com Member since: 05/2017 Current term: 02/01/2019-01/31/2022</p>
<p><u>Christie Ault</u> Executive Assistant Pacific Premier Bank 501 W Broadway #550, San Diego, CA 92101 858.729.7701 (w) 619.481.7944 (c) ault.christie@gmail.com and cault@ppbi.com Member since: 04/2019 Current term: 02/01/2019-01/31/2022</p>	<p><u>Ted A. Holman</u> Chair, Home Committee Director of Tax Credit Investments First Republic Bank 1280 Fourth Ave, San Diego, CA 92101 415.364.4425 (w) 415.516.0071 (c) tholman@firstrepublic.com or tedholman@gmail.com Member since: 08/2017 Current term: 02/01/2020-01/31/2023</p>	<p><u>Jorge Cuevas Antillon</u> Chair, Achieve Committee San Diego County Office of Education Coordinator, Language Acquisition & Reading 6401 Linda Vista Rd, San Diego, CA 92111 858.571.7249 (w) 619.994.8180 (c) jorgecuevasantillon@gmail.com Member since: 01/2017 Current term: 02/01/2020-01/31/2023</p>
<p><u>Justin Apger</u> Chair, Organizational Development Cmte Chief Operations Officer Downtown San Diego Partnership 401 B St #100, San Diego, CA 92101 619-234-0201 (w) japger@downtownsandiego.org Member since: 01/2020 Current term: 02/01/2020-01/31/2023</p>	<p><u>Marty Rimmell</u> Chair, Search Committee Rimmell Consulting 6450 Wandermere Dr, San Diego, CA 619.977.0730 (c) martyremmell@gmail.com Member since: 05/2017 Current term: 02/01/2019-01/31/2022</p>	<p><u>Robbie Calderon-Hass</u> Chair, Fund Development Committee Broker/Owner The Hass Team Realty 3186 Vista Way #300, Oceanside, CA 92056 760.754.9990 (w) 760.213.4084 (c) robbie@thehassteam.com Member since: 09/2018 Current term: 02/01/2018-01/31/2021</p>

<u>Sean Elo</u> Chair, Governance Committee Executive Director Youth Will 404 Euclid Avenue, Ste. 329 San Diego, CA 92114 562.213.6466 (c) seanelo@seanelo.com Member since: 05/2017 Current term: 02/01/2018-01/31/2021	<u>Silvia Calzada</u> Community Health Worker Environmental Health Coalition 2727 Hoover Ave #202, National City, CA 91950 1 (619) 274-7315 silviamcalzada@gmail.com Member since: 06/2020 Current term: 02/01/20-01/31/2023	
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COMMUNITY HOUSINGWORKS
BANK REFERENCES

17. Bank References

San Diego Housing Commission – Developer Disclosure Statement

17. Names and addresses of bank references, and name of contact at each reference:

1. Name: **Sebastian Glowacki, Business Development Officer, US Bank**
Address: **633 W. 5th Street, 29th Floor, Los Angeles, CA 90071**
Phone: **303-585-4230**
Project Name and Description:
North Park Seniors (New Construction, 76 Units, in San Diego);
Kimball Tower (Rehabilitation, 151 apts., in National City); and
Morgan Tower (Rehabilitation, 152 apts., in National City)

2. Name: **Perica Bell, Managing Director, Union Bank**
Address: **1901 Avenue of the Stars, Suite 600, Los Angeles, CA 90067**
Phone: **310-551-8964**
Project Name and Description:
Kalos Apartments (New construction, 83 apts., in San Diego); and
Keeler Court (New construction, 71 apts., in San Diego)

3. Name: **Todd Fabian, Vice President, National Equity Fund**
Address: **500 S Grand Ave, #2300, Los Angeles, CA 90017**
Phone: **213-240-3144**
Project Name and Description:
Las Serenas Apartments (Rehabilitation, 102 apts., in San Diego); and
Sun Ridge Apartments (New Construction, 198 apts., in Concord)

COMMUNITY HOUSINGWORKS
LIST OF PREVIOUS UNDERTAKINGS

20. List of Previous Undertakings

San Diego Housing Commission – Developer Disclosure Statement

20. List undertakings (including, but not limited to, bid bonds, performance bonds, payment bonds and/or improvement bonds) comparable to size of the proposed project which have been completed by the CONTRACTOR, including identification and brief description of each project, date of completion, and amount of bond, whether any legal action has been taken on the bond:

Type of Bond	Project Description	Date of Completion	Amount of Bond	Action on Bond
Keeler Court Apartments Public Improvements	Grading and improvement plans to build affordable housing	Est. 8/2021	\$331,240	Active
Paseo Artist Village – Landscaping and Irrigation Bond	Public landscaping and irrigation related to development of affordable housing	Est. 9/2021	\$22,000	Active
Paseo Artist Village – Performance Bond	Site improvement work related to development of affordable housing	Est. 9/2021	\$270,000	Active
Paseo Artist Village – Grading, Drainage and Erosion Control	Site grading and erosion control work related to development of affordable housing	Est. 9/2021	\$363,000	Active
Paseo Artist Village – Payment and Performance Bond	Construction of Water System related to development of affordable housing	Est. 9/2021	\$78,163	Active
Paseo Artist Village – Warranty Bond	Construction of Water System related to development of affordable housing	Est. 9/2021	\$7,816	Active

**COMMUNITY HOUSINGWORKS
DEVELOPER QUALIFICATIONS**

22. CHW Developer Qualifications

Community HousingWorks

QUALIFICATIONS

Community HousingWorks (CHW) is a nationally-recognized 501(c)(3) non-profit organization that believes opportunity begins with a stable home. Community HousingWorks provides and builds life-changing affordable apartment communities with resident-centered services for working families, seniors, and people with disabilities to forge stronger futures.

CHW has successfully developed new and renovated existing multi-family, affordable rental apartments in urban, suburban and rural communities in California



North Santa Fe | Vista, CA

since 1988. With nearly 3,700 rental apartments in 42 communities statewide as of September, 2019, CHW proudly serves more than more than 9,000 children and adults each year. CHW is an Exemplary member of the national NeighborWorks Network®, a founding member of the Housing Opportunities Collaborative, an award- winning affiliate of UnidosUS, and the national Housing Partnership Network.

In addition to developing quality, cost effective apartment communities, CHW distinguishes itself from other developers with outcome based programs for our residents. CHW delivers onsite programs to residents to give people the knowledge, tools, and motivation to achieve their goals and dreams. As a result, many adult residents are able to get out of debt, improve their credit, and start a practice of saving for the future; and youth have a safe place to learn and grow, improve reading ability, and succeed at school. Our board of directors, donors and fund raising programs help support the cost of these services.



Kalos | San Diego, CA

Developer Experience

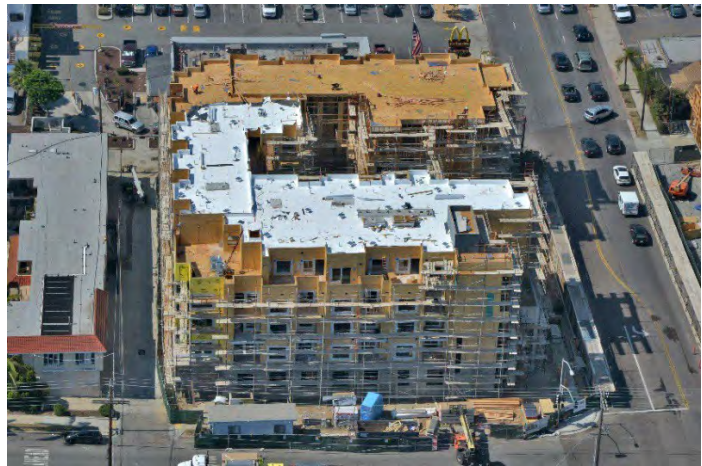
Since 1988, CHW's multifamily division has established a successful track record as a real estate developer in urban, suburban, and rural areas. We have completed and currently own 42 rental communities with nearly 3,700 apartments statewide as of September, 2019, with approximately 1,100 apartments in development. Our rental developments thrive in higher income communities such as Carlsbad and suburban Poway, as well as in inner-city communities like San Diego's City Heights and Shelltown.

Developments like Kalos (San Diego), North Santa Fe (Vista), Mission Cove (Oceanside), Paradise Creek (National City), La Costa Paloma (Carlsbad), and SOLARA (Poway) illustrate CHW's experience with large-scale new construction, complex sites, and wood frame over podium parking, developments comparable to the future of infill housing. The successful development and operation of these rental communities demonstrates our capacity to acquire, design, purchase land, obtain entitlements, finance, build and operate residential properties. And while some nonprofits have amassed portfolios of thousands of units not by developing themselves but by being the tax-exempt partner for other developers, CHW has been the sole developer, or the lead partner in the development of all 42 communities in our portfolio, with the exception of Paradise Creek.

Portfolio Overview

CHW has over 1,100 apartments in the active pipeline of new construction, acquisition, rehabilitation and preservation. In the last two years, CHW grew by over 40 percent, transforming itself into a powerhouse recognized by *Affordable Housing Finance Magazine* as number 33 of the “Top 50 Affordable Housing Developers” nationwide in 2017.

At the close of the fiscal year 2018, Community HousingWorks had Unrestricted Net Assets of more than \$65 million. CHW’s current portfolio



North Park Seniors | San Diego, CA

is valued at over \$621 million. CHW maintains a cash position covering at least six months of operations, and derives its income from diverse funding sources including governments, foundations, corporate grants, individual donors, development and asset management fees. The diversity of funding sources and business lines has allowed CHW to be resilient and grow significantly in the past five years, in spite of diminished government resources.

Cost Efficiency, Schedule, and Entitlements

CHW works with top architects to design apartment complexes that fit seamlessly into the existing community and complement and enhance the surrounding homes and neighborhoods. Our cost-effective designs are attractive and responsive to community needs and context. A study by Keyser Marston Associates, *Construction Cost Comparison Analysis – Affordable vs Market Rate Development*, released by the San Diego Housing Commission in 2011, highlighted our cost-conscious design achievements, favorably comparing Kalos Apartments, our 83-unit, four story, wood frame with concrete podium in North Park, to several other local developments.

Profile: North Santa Fe Apartments: On-Time, Under-Budget, Stellar Costs by Industry Norms

CHW’s recently completed family development in Vista is an example of our experience and qualifications regarding cost efficiency and budget construction performance, illustrating that—in addition to rehab projects—CHW excels at new construction. Constructed by Sun Country Builders, costs were below other tax credit developments.

The city selected CHW through an RFQ process in July 2012. By the following June, CHW had completed full design and entitlements on a complicated site for a 68-unit podium (underground garage) construction, and had readiness to apply for a competitive tax credit allocation in July 2013. After learning that CHW’s 9% tax credit application won, we successfully completed construction documents and pulled grading and building permits prior to closing in March 2014. This exhibited our experience in obtaining entitlements, working successfully with a city for both housing development as well as permits.

The project, with a Green Point Rated certification of 201 points (Platinum), one of the top seven scores ever recorded in California, completed construction early, under-budget, despite having additional environmental remediation. Savings were used to add photovoltaic panels for common area energy mitigation. We applied for and won AHP finance from the Federal Home Loan Bank (“FHLB”) of San Francisco for \$670,000; as we neared completion with project savings, we returned the award to the FHLB, undisbursed. The final project costs were virtually identical – within \$19,000 – to the projections provided to the city in the original RFQ. Moreover, the project was 100% occupied by income-qualified residents within 10 days of the Certificates of Occupancy in July 2015.

The final cost for North Santa Fe Apartments, completed in 2015, was \$297,000/unit, significantly below the cost of most other tax credit affordable developments. Data provided by California Tax Credit Allocation Committee (“CTCAC”) indicates that for 2015, the average cost per unit for new construction was \$390,000 per unit.

Sustainability Leader: Operating Cost Efficiencies, Resident Health

CHW is committed to sustainability as a benefit both for resident health as well as for mitigation of project operating costs. Nationally noted as an innovator and leader in sustainability, our landmark SOLARA development (2007) exemplifies CHW’s track record in this area.. Prior to there being a LEED for Homes program, but following the USGBC LEED checklists that existed for commercial properties, CHW achieved the first virtual net zero energy project that was a pilot project of the California Energy Commission (“CEC”). By 2017, CHW’s solar investments alone had met 3.5 megawatts of the federal 2020 goal of 100 megawatts of solar on affordable apartments.



Solara | Poway, CA

As a national leader in the field of sustainable design and development, CHW has made it our business to know how to **access financial incentives** to lower the cost of installing energy and water conserving technologies, and we lead the industry in using green technologies to lower operating costs and to provide them as amenities. CHW has been awarded for our commitment to renewables, and we have photovoltaic panels providing electricity in 18 of our apartment communities. CHW’s sustainable design and construction practices seek to promote a healthy environment and to provide thermal comfort and utility savings for our residents. High performance buildings reduce our carbon footprint, minimize the use of natural resources, and, perhaps most importantly, significantly lower utility and maintenance costs over time.

We are thoughtful and careful on selection of sustainable elements, looking at long term operating cost efficiencies from water and energy performance enhancements, but also mindful of operating costs for unit interiors such as plank flooring versus carpet in apartments, using no-VOC paints to prevent allergy and asthma particularly in seniors. We have been recognized with numerous national and statewide awards for sustainability.

LOCAL AND EXPERIENCED PROPERTY MANAGEMENT

For almost 10 years, Community HousingWorks (CHW) has partnered with an experienced, San Diego-based property management firm, ConAm Management (ConAm) for property management of our affordable communities. ConAm manages all of our senior communities. CHW's Asset Management department oversees the management company to ensure not only that they meet financial plans and adherence to government regulatory requirements, but also that management is proactive in addressing resident needs of management and maintenance. We are proud of providing our residents "the CHW experience" of safe, healthy, sustainable homes and responsive onsite management.

ConAm Management Corporation is part of The ConAm Group, a multi-disciplined real estate investment and services firm based in San Diego, California. ConAm has become recognized as one of the nation's most astute multifamily property management corporations. ConAm internally evaluates our performance on a consistent basis to ensure meeting the needs of the owners of the communities and the residents served by the housing.

ConAm currently manages a nationwide portfolio of approximately 55,000 apartment units in more than 26 key metropolitan areas. ConAm has established regional offices throughout the country, staffed with talented management professionals who are experts in their local markets and all different types of affordable housing programs. ConAm currently manages nearly 19,000 units with some level of affordability and, in addition, manages a total of 411 PSH units under various programs with 153 units focused on formerly homeless.

Geography	Total Properties	Total Units	Affordable Properties	Affordable Units
Imperial Valley	21	1539	21	1539
Central Valley	20	3276	11	1564
LA / Inland Empire	75	8634	55	4734
Northern California	25	4611	11	1643
San Diego	116	11285	96	7440

SHP Properties	Total	% Total	% Affordable
Totals	25	10%	13%

Service Providers
PATH (People Assisting the Homeless)
Interfaith Community Services
North County Lifeline
Solutions for Change
Mental Health Systems

ConAm is committed to mirroring the philosophies and values of our partners by working together to create policies, procedures and programs that deliver outstanding results in resident outcomes and successful, long-term partnerships. Among the initiatives and projects in which ConAm has participated working hand-in-hand with our client to develop and implement the Rental Housing Stability Program (RHSP), an eviction prevention program that has been used as a model throughout the country via the NeighborWorks network

of organizations and has helped to prevent eviction and keep nearly 100 households housed. Additionally, a Credit Strengthening Initiative has been introduced. This initiative allows residents to pay rent on-line and, in doing so, reports those rent payments to credit bureaus and assists the residents in building positive credit histories. This program does not report negative credit information – so, in the event a household falls behind or cannot meet their commitments; they are not harmed by the program.

ConAm has consistently embraced the core values of caring for residents and working to ensure successful outcomes for all stakeholders. ConAm has consistently joined our partners in attending City Council meetings and working with various apartment associations to show a united front for the need for affordable housing all while working with multiple agencies to ensure the most effective service is provided at the communities. ConAm and CHW are in frequent communication, work together to solve problems that arise and work hand-in-hand for the betterment of the residents who live within the communities we serve.

Property management of a tax credit project is closely monitored by state and local regulators for compliance. ConAm is familiar with the necessary reporting requirements and maintains annual compliance. ConAm brings both the sophistication of a state-wide firm that is well respected by state regulators, but also a local company that knows our properties. Onsite property managers have the same experience of growing up in the San Diego region as the residents, and understand the heritage of each of our communities. Like CHW, ConAm is local and is embedded in the history and culture of San Diego, and is a true partner of CHW.

ConAm currently manages a total of 8 properties and 271 units with project-based vouchers, of which 4 properties and 77 units are designated with non-PSH project-based vouchers. It is a focus of ConAm's to hire and train qualified staff, put in-place goals surrounding processing files in an expedient manner and to work closely with various PHA's to process PBV files effectively and efficiently.

RESIDENT FOCUSED MANAGEMENT

CHW Asset Management has established specific processes and procedures to assure that the mission of CHW is understood and adhered to by the onsite management. Following are some of the protocols that ensure creation of a more engaged community:

- Weekly meetings- property managers and CHW community building (resident service) coordinators meet weekly to check-in and make sure that there is an exchange of information in order to address any community concerns. They would meet immediately with any issue requiring such quick response;
- Monthly resident meetings- property managers and community building coordinators work together on agenda items based on community inquiry and interests;
- Monthly business meetings- ConAm management meets monthly in-person with CHW Asset Management and CHW Achieve (i.e., our resident services department) to discuss and follow up on initiatives, policies and procedures and review any updates to regulatory requirements;
- Quarterly training- Asset management, in conjunction with property management and Achieve, holds quarterly training with all onsite staff to review topics such as emergency preparedness, program successes, communication and progress on initiatives; and,
- New resident orientation/presentation- when a resident is approved for moving into our communities, the property manager and resident services coordinator work together to provide an orientation of the amenities and services available to the new resident.

As ConAm works closely with CHW in our affordable communities, they are sensitive to the unique needs of residents in affordable apartments, and share the day-to-day delivery of our nonprofit mission as stewards for our residents. One example is the Rental Home Stability Program, discussed above. ConAm was an integral partner with CHW in creating our nationally recognized program. The property manager is the first line who refers a resident to resident services if the resident has missed rent payments or is consistently late in payment. As enumerated in the attached flow chart of the program, CHW resident services Financial Coaches then meet with the resident to review budget and find opportunities to connect with resources that can help the resident. This is especially important with seniors, who may have had health challenges, medical bills, or cognitive issues that are affecting their ability to pay rent on-time. The financial coach periodically follows-up with the resident and community manager to make sure that the resident continues on the right course to pay their rent on time; the interaction with CHW as the resident services provider will assure that the resident is connected with resources to ensure their continued financial and health sustainability, so they maintain their independence and lead productive lives.

Other property management-partnered initiatives of CHW and ConAm address best practices for stewardship of the senior community including the following:

- Integrated Pest Management Program (IPM) - CHW's entire San Diego County portfolio is under a comprehensive pest management program with Orkin Pest Control. The program uses less invasive and harmful chemicals to treat and prevent pests, thereby ensuring that the properties are still free of pests, but sustainable and healthy for residents;
- Resident Grievance Policy- inevitably, residents have disagreements with one another. Our onsite staff are trained to listen and write incident reports, as necessary, but not to get involved in resident matters. Instead, property managers refer residents to the established grievance policy which involves connecting with a mediator to help neighbors sort through their issues if needed; and,
- Crime-Free Multi-Housing Certification- all properties in cities that have a crime free multi-housing program participate in that city's Program in order to ensure that resident safety is a priority for the community.

ConAm employs a very experienced regional maintenance team with exceptional local vendor contacts to assist onsite maintenance associates with questions, emergencies and maintenance repairs. CHW and ConAm maintain open communication, meet frequently, and visit our communities regularly in order to provide residents with, not only a home, but a community of which they are proud to be a part.

Community HousingWorks

KEY PERSONNEL

Community HousingWorks' (CHW) success is in its team. With over 30 years of combined private sector development experience and over 50 years of affordable housing finance, development and operations experience, our team of professionals delivers unparalleled expertise in project management, finance, site acquisition, entitlements and asset management. Our team adds tremendous value and vision to the industry while offering deep financial experience working with local and state housing programs, federal low-income housing tax credits, tax-exempt bonds both public and private offerings, and the laying of HUD program financing and regulatory agreements.

Susan M. Reynolds

President & CEO

Sue Reynolds has led Community HousingWorks as President and CEO since 1997. Under her leadership, the organization has become a nationally-recognized and path-breaking multifamily developer, a leader in sustainable building development and operations, and an innovator in community-based programs. Since 1997, CHW has increased its operating budget and the number of apartments it has developed by a factor of nine; initiated after-school, financial education and leadership training programs that have reached thousands; and expanded from its San Diego origins to develop and operate affordable communities across California.



Sue Reynolds' broad housing experience began thirty-five years ago in tenant and community programs. Since then she has administered government housing programs, developed and advocated for affordable housing policies, and written community plans. At the California Housing Partnership Corporation, she provided financial consulting for tax credit and HUD preservation projects and created the curriculum for the California-wide LISC training program for nonprofit housing developers that is still in use today. She serves on multiple boards and advisory bodies, including California Rural Housing Coalition, the Center for Policy Initiatives, the National Housing Trust, the national NeighborWorks Real Estate Advisory Committee, and Price Charities. Ms. Reynolds was a founder and long-time board member of San Diego's nonprofit housing coalition, the San Diego Housing Federation.

Sue Reynolds received her Bachelor of Arts from Ohio State University, and a Masters in Urban Planning from Columbia University.

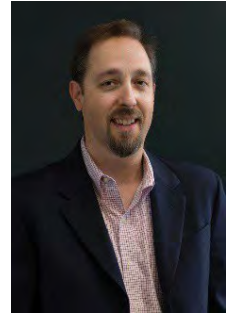
KEY PERSONNEL

Brian Kay

Chief Financial Officer

Mr. Kay is a Certified Public Accountant with over 15 years of combined public and private accounting and finance experience. He has brought leadership and cross-department expertise to the CFO office with a proven ability to drive multi-functional teams to results. Mr. Kay has raised capital and managed the performance of an internal board-designated quick-strike \$24 million real estate predevelopment and acquisition fund comprised of debt and

equity components. He regularly assesses and mitigates for organizational and financial risk across the organization including tax, legal, regulatory, and structural. Before joining CHW in 2012, his career highlights include leadership positions within several diverse San Diego companies. Most recently with Five Point Capital, Inc., he completed a loss to profit turnaround story culminating in an owner-acquisition. He also led the financial aspect of Anonymizer, Inc.'s sell-side transaction to Abraxas Corporation at a multiple of 16.5x's EBITDA. While at Provide Commerce (formerly Proflowers), he managed growth from start-up to over \$100 million annual sales and played a key role in the company's successful initial public offering (IPO). Mr. Kay holds a Bachelor of Arts in Economics and Business from Westmont College in Santa Barbara, CA.



Jim Kelly

Chief Operating Officer

Jim Kelly has been innovating side by side with all members of organizational staff to drive Operational Excellence, since his early leadership position in an Irvine lending company created an industry standard documentation process over 25 years ago. Football and college took him to Kansas, and a passion for leading continuous growth and development, and for CHW's mission are bringing him back to southern California.



Jim has experience in marketing and creating quality improvements across every kind of company: including serving as district sales leader for Coca Cola Enterprises, recruiting vocational training candidates for a state training program, and leading marketing, operations and then the whole enterprise as COO at an international manufacturing firm. For seven years prior to joining the CHW team, Jim was a performance coach and interim leader for many kinds of businesses and roles, including serving in a leadership role at the local Rescue Mission as Director of Operations.

KEY PERSONNEL

Mary Jane Jagodzinski

Senior Vice President, Housing & Real Estate Development

Ms. Jagodzinski joined Community HousingWorks in 2003, following 15 years in commercial development and consulting. At CHW, Ms. Jagodzinski leads a 16 person department of development and acquisition. Her projects have been nationally recognized for innovation in design, sustainability and HUD finance, including: SOLARA, a sustainable near net zero community

which received a ULI Award of Excellence – The Americas; and, developments with complex HUD finance, one of which received a Novogradac Journal of Tax Credits Award for Innovative HUD Finance. Prior to CHW, Ms. Jagodzinski's experience included: regional head of a national developer's commercial development group where, in joint ventures with an institutional investor she developed over 500,000 sf of retail, office, hotel and mixed-use projects; Vice President of a national engineering/ environmental firm providing advisory services to investment/commercial banks and the GSE's; and, entitlement consultant for several large master plan developments. Previously, she held senior positions with the State of California, including: Executive Director of the California Debt Limit Allocation Committee (CDLAC); and, Principal at Assembly Ways and Means Committee, as committee expert in taxes, bonds and housing.



Mary Jane Jagodzinski received her Bachelor of Arts (Economics, Honors) from CSU Sacramento, and her Master in Business Administration from the Harvard Graduate School of Business Administration. She served on the Board of Directors of the San Diego Housing Federation (past President, 2014-16), and has served as an invited member of the CEC's Affordable Housing Advisory Committee for the New Solar Homes Partnership.

Sylvia Martínez

Vice President of Forward Planning

Sylvia Martinez joined CHW in 2011, with over 20 years of experience in housing and community development throughout California. She has directed the development of over 1,000 affordable units. Her developments have achieved national recognition in sustainable affordable housing, such as USGBC LEED Project of the Year, and Affordable Housing Finance Project of the Year. At CHW, Ms. Martinez completed numerous innovative, service-enriched, and sustainable projects as a Senior Project Manager, including the first LGBT-affirming, transit-oriented development in San Diego. In her role as Vice President of Forward Planning, Ms. Martinez directs CHW's acquisition strategy, and structures financing and sites for new developments throughout the state. Ms. Martinez represents CHW on the Board of the San Diego Housing Federation and is a frequent speaker and presenter on affordable housing throughout California.



Sylvia Martinez received her bachelor's degree from Stanford University, and holds a Master's in Public Policy and Urban & Regional Planning from the Woodrow Wilson School of Public and International Affairs at Princeton University. She is also a LEED Associated Professional.

KEY PERSONNEL

Kelly Modén

Vice President of Development

Ms. Modén is a seasoned real estate development and construction professional with over 18-years in the industry. She joined Community HousingWorks in 2019, reporting to the Senior Vice President of Development, and leads the project development team ensuring on-time on-budget delivery of all CHW ground-up and rehabilitation projects.



Prior to CHW, Ms. Modén managed over \$500 million of multifamily and commercial development or rehabilitation projects, negotiated leases in excess of \$30 million of additional annual revenue including ground leases, and transacted over \$75 million in acquisitions. She had led complex entitlement efforts including Site Development Permits, Coastal Development Permits, Subdivision Maps, and permits with the Army Corps of Engineers, Regional Water Quality Board, and Department of Fish and Wildlife.

Ms. Modén is active in the commercial real estate industry and is a Board Member with NAIOP San Diego and is co-chair of the Legislative Committee and San Diego representative for the State Legislative Committee, and on the Executive Committee. She holds her Bachelor's in Environmental Design with an Architecture Emphasis from the University of Colorado at Boulder, and has pursued continuing education focused on financial analysis, storm water management and the California Environmental Quality Act.

Marc Welk

Director of Project Finance

Marc Welk has over 10 years of experience in affordable housing and community development. As Director of Project Finance, Marc is responsible for the creative financial structuring and for proforma design and review for all CHW projects. Marc reports to the Senior Vice-President, of Housing and Real Estate



Development. Previously as a Project Manager at Community HousingWorks, Marc was responsible for managing all aspects of the affordable housing development process from project conception through construction, lease-up and occupancy. Prior to joining Community HousingWorks in 2015, Marc worked for a for-profit affordable housing developer in Los Angeles. He has experience accessing multiple affordable housing financing programs including Low Income Housing Tax Credits, TaxExempt Bonds, Housing & Community Investment Department of Los Angeles Affordable Housing Trust Funds, Federal Home Loan Bank Affordable Housing Program, CA Mental Health Services Act, CA Transit Oriented Development and others.

Mr. Welk received his Bachelor of Arts in Urban Planning from the University of Southern California.

KEY PERSONNEL

Lisa Huff

Project Manager

As a Project Manager at Community HousingWorks, Lisa is responsible for managing all aspects of the affordable housing development process from project conception through design, construction, and occupancy, and reports to the Vice President of Development. Lisa has over thirteen years of experience in affordable housing and community development. She joined the team at CHW in 2012 where her work to date has included structuring a HUD 221(d)(4) mortgage, securing project based HAP contracts, and executing competitive 9% and 4% low income

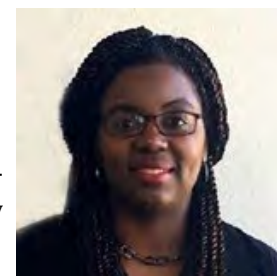


housing tax credit projects. Lisa's work on the Azusa Apartments acquisition rehab project in Los Angeles County gained national recognition with awards from Affordable Housing Finance Magazine, The Affordable Housing Tax Credit Coalition, Southern California Association of Non Profit Housing, and Novogradac. Prior to joining Community HousingWorks, Lisa worked for a San Diego-based non-profit affordable housing developer obtaining financing to develop 225 units of affordable and permanent supportive housing. Lisa received her Bachelor of Arts in Political Science from the University of California San Diego. She serves as Co-Chair of the County of San Diego Behavioral Health Services Housing Council.

Rosalind Ross

Project Manager

Rosalind is responsible for all phases of real estate development from pre-development, construction, lease-up, and occupancy. Rosalind joined Community Housing Works in 2017 and reports to the Vice President of Development.



Prior to joining CHW, Rosalind was Sr. Project Manager for a Louisiana-based non-profit affordable housing developer where she managed over \$55 million of real estate development that generated 300 apartments and homeownership units. Rosalind's prior work experience includes asset management for an international commercial real estate investment firm, neighborhood economic development planning for a New York City business improvement district, and corporate finance for an international financial services firm.

Rosalind received a Bachelor of Arts in Economics from Spelman College, a Master of Urban Planning from the Robert F. Wagner Graduate School of Public Service at New York University and Certification in Urban Redevelopment from The University of Pennsylvania. Rosalind is also an alum of the CORO Fellows Program in Public Affairs in San Francisco.

KEY PERSONNEL

Stephen Swiecicki *Acquisitions Manager*

Stephen Swiecicki joined Community HousingWorks in 2016 and reports to the Vice President of Forward Planning. As an Acquisitions Manager, he is responsible for identifying and securing multi-family development sites and acquisition/rehabilitation properties. Additionally, he manages the feasibility review process as well as leads the entitlement efforts for new construction developments.



Stephen has more than 17-years of comprehensive multifamily/commercial real estate and financial services experience with principal investment, asset management, and capital markets advisory for real estate operating companies and assets. He has had personal involvement with over \$800 million in multifamily investment, \$425 million of debt closings and has managed portfolios with value in excess of \$2.5 billion. Since joining CHW, he has helped to secure approximately 600 affordable dwelling units to the portfolio including the organization's first ground-up development project outside of San Diego County.

He received his Bachelor of Science degree in Finance from Virginia Polytechnic Institute and State University.

Nhan Ho *Acquisitions Manager*

As an Acquisitions Manager, Nhan's responsibilities include sourcing, underwriting, and acquiring affordable housing communities with various financing strategies. This entails establishing financial and market feasibility, physical due diligence, and identifying and securing sources of bridge, construction, and permanent debt. Since joining Community HousingWorks in 2013, Nhan has acquired properties across California, expanding Community HousingWorks' footprint and adding more than 1,300 units. He was also part of the National City Request for Proposal team, underwriting for the acquisition of two senior HUD towers.



In addition to acquiring communities in the marketplace, he is also responsible for portfolio repositioning and dispositions, including the disposition and recapitalization of six properties. Prior to joining Community HousingWorks Nhan worked as an Acquisitions Associate at a private equity firm where he underwrote, bid, and acquired distressed assets portfolios, including commercial, residential, and inventory and as an Asset Manager at a nationally recognized syndicator and developer where he oversaw a nationwide portfolio of LIHTC properties. He received his Bachelors in Economics at San Diego State University and is a licensed real estate agent.

KEY PERSONNEL

Chris Johnston

Vice President, Asset Management

Mr. Johnston joined Community HousingWorks in 2017 as a Senior Asset Manager with approximately 20 years of experience in the affordable housing business. Prior to joining CHW, he worked for nine (9) years at Union Bank as the Co-Director of Asset Management, where he managed a team of asset managers and oversaw a direct portfolio of approximately 40 properties and a portfolio of 35 funds. He was also responsible for all LIHTC dispositions. Mr. Johnston also served as a LIHTC acquisition officer at The Summit Group and as an Investment Manager at Sempra Energy, one of the first corporate investors of affordable housing. At Sempra Energy, he managed a portfolio of over 1,300 properties in 52 funds.

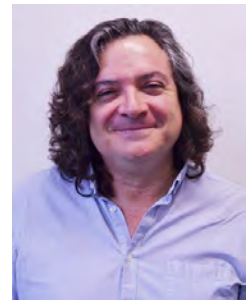


Mr. Johnston earned his Bachelor of Arts in Urban Studies at UC San Diego and a Master's degree in City Planning from Georgia Institute of Technology.

Jorge Riquelme

Senior Vice President, Achieve Programs

Mr. Riquelme leads the transformative programs that open up opportunities for CHW residents to achieve their dreams. He has been a leader in the non-profit community for over a decade both nationally and internationally. He joined CHW after a month-long, 500-mile walk in northern Spain. The experience of *El Camino de Santiago* gave Mr. Riquelme a different perspective about life: "Life looks very different at four kilometers per hour." That phrase represents his insight on the importance of community, friendship, and the connections we all have with one another. He is excited to bring this perspective to our communities. Mr. Riquelme's prior experience also includes leading civil society projects in South America and college teaching.



Mr. Riquelme has a Bachelor of Arts in Sociology from the University of California at San Diego, and holds a Masters in Sociology from State University of New York at Binghamton.

COMMUNITY HOUSINGWORKS
INSURANCE CERTIFICATES

26. Insurance Certificate



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/27/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Arthur J. Gallagher & Co Insurance Brokers of CA Inc LIC #0726293 1255 Battery Street #450 San Francisco CA 94111		CONTACT NAME: Raquel Reyes Raya PHONE (A/C, No, Ext): 415-536-8549 FAX (A/C, No): 415-536-8499 E-MAIL ADDRESS: Raquel_reyes-raya@ajg.com	
		INSURER(S) AFFORDING COVERAGE	
		INSURER A: Philadelphia Indemnity Insurance Company	
		INSURER B: State Compensation Insurance Fund of CA	
		INSURER C: Zurich American Insurance Company	
		INSURER D: Arch Specialty Insurance Company	
		INSURER E: XL Insurance America, Inc.	
		INSURER F:	

COVERAGES

CERTIFICATE NUMBER: 114730089

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER:			PHPK2138836	6/1/2020	6/1/2021	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 20,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Deductible \$ 0
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/> AUTOS ONLY			PHPK2138836	6/1/2020	6/1/2021	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			PHUB724401	6/1/2020	6/1/2021	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
B C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	92549032020 (CA) 934449900 (TX)	7/1/2020 7/1/2020	7/1/2021 7/1/2021	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D E	Excess Liability Occurrence			UXP103854900 US00068655LI20A	6/25/2020 6/25/2020	6/1/2021 6/1/2021	Each Occurrence \$15,000,000 Aggregate \$15,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Excess Liability \$15M Structure:
 Arch Specialty: \$5,000,000 xs Lead \$5M Umbrella
 XL: \$10,000,000 xs \$5,000,000 xs Lead \$5M Umbrella

The Producer will endeavor to mail 30 days written notice to the Certificate Holder named on the certificate if any policy listed on the certificate is cancelled prior to the expiration date. Failure to do so shall impose no obligation or liability of any kind upon the Producer or otherwise after the policy terms. Terrorism coverage is included.

See Attached...

CERTIFICATE HOLDER

CANCELLATION

Community Housing Capital, Inc., its successors and/or its assigns, ATIMA
 402 East Howard Avenue
 Decatur GA 30030

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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The ACORD name
and logo are
registered marks of
ACORD

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):

Person(s) or organization(s) required to be additional insureds by written contract, as per schedule on file"

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II - Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations; or
2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to Section III - Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
 2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

COMMUNITY HOUSINGWORKS
BUSINESS LICENSE

32. Business License

POST IN CONSPICUOUS PLACE OR KEEP ON PERSON

CITY OF SAN DIEGO * CERTIFICATE OF PAYMENT OF BUSINESS TAX

COMMUNITY HOUSINGWORKS
ACCOUNTING DEPT
2815 CAMINO DEL RIO SOUTH S #350
SAN DIEGO CA 92108-3816

Certificate Number: B2004013671

Business Name: COMMUNITY HOUSINGWORKS
Business Owner: COMMUNITY HOUSINGWORKS
Business Address: 2815 CAMINO DEL RIO SOUTH S #350
SAN DIEGO CA 92108-3816

Primary Business Activity: CIVIC & SOCIAL ORGANIZATIONS

Secondary Business Activity:

Effective Date: 01/01/2019

Expiration Date: 12/31/2019

PLEASE NOTIFY THE CITY TREASURER'S OFFICE IN WRITING OF ANY CHANGE IN OWNERSHIP OR ADDRESS - PLEASE SEE REVERSE SIDE FOR ADDITIONAL INFORMATION

BUSINESS FILE COPY

CITY OF SAN DIEGO
CERTIFICATE OF PAYMENT OF BUSINESS TAX
PO BOX 122289, SAN DIEGO, CA 92112-2289
1200 3RD AVENUE, MS 51T, SAN DIEGO, CA 92101
(619) 615-1500; FAX (619) 533-3272
www.sandiego.gov/treasurer

Certificate Number: B2004013671 PIN: TWBA6

Business Name: COMMUNITY HOUSINGWORKS
Business Owner: COMMUNITY HOUSINGWORKS
Business Address: 2815 CAMINO DEL RIO SOUTH S #350
SAN DIEGO CA 92108-3816

Primary Business Activity: CIVIC & SOCIAL ORGANIZATIONS

Secondary Business Activity:

Effective Date: 01/01/2019

Expiration Date: 12/31/2019

TTTTTFFADADFFDFTTTTTADTATDFFDFTDFAAFTTTADDDDTFTTAFAADEFDD

COMMUNITY HOUSINGWORKS
2815 CAMINO DEL RIO SOUTH S #350
ACCOUNTING DEPT



SAN DIEGO, CA 92108-3816

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Mailing Address: COMMUNITY HOUSINGWORKS
ACCOUNTING DEPT
2815 CAMINO DEL RIO SOUTH S #350
SAN DIEGO CA 92108-3816

This certificate acknowledges payment of business taxes pursuant to the San Diego Municipal Code. This is not a License to do business within the City of San Diego in violation of any section of the Municipal Code or regulation adopted by the City Council including, but not limited to: Zoning restrictions; Land Use specifications as defined in Planned Districts, Redevelopment areas, Historical Districts, or Revitalization areas; Business Tax Regulations; Police Department Regulations; and Fire, Health or Sanitation Permits and Regulations.

This document is issued without verification that the payer is subject to or exempt from licensing by the State of California.

Payment of the required tax at the time or times due is for the term and purpose stated and is pursuant to City Ordinance. Please refer to delinquency information under "Notice".

NOTICE: It is the responsibility of the certificate holder to renew this certificate of payment of business tax within the proper time limits. Failure to do so, even if you have not received a renewal notice, will result in the assessment of a penalty. Please note your expiration date on this certificate above. The certificate holder is requested to notify the City Treasurer's Office upon sale or closure of the business, change of location, or change of business activity.

The tax or fees collected are **Not Refundable** unless collected as a direct result of an error by the City of San Diego.

This certificate is NOT transferable for a change in business ownership.

See reverse side.

COMMUNITY HOUSINGWORKS
LIST OF CONTRACTS

35. List of Contracts

San Diego Housing Commission – Developer Disclosure Statement

35. List all CONTRACTS with, DEVELOPMENTS for or with, LOANS with, PROJECTS with, GRANTS from, SALES of Real Property to, the SDHC, AUTHORITY and/or the CITY within the last five (5) years:

Project	Address	Total Funds	Purpose
Ulric Street Apartments	(CHW) 2815 Camino del Rio S., #350 San Diego, CA 92108	\$7,000,000	Acquisition, Construction, & Permanent Financing Loan
Kalos Apartments	(CHW) 2815 Camino del Rio S., #350 San Diego, CA 92108	\$6,965,583	Acquisition, Construction, & Permanent Financing Loan
Alabama Manor	(CHW) 2815 Camino del Rio S., #350 San Diego, CA 92108	\$3,785,075	Acquisition, Construction, & Permanent Financing Loan
Bandar Salam	(CHW) 2815 Camino del Rio S., #350 San Diego, CA 92108	\$2,100,000	Acquisition, Construction, & Permanent Financing Loan
Las Serenas	(CHW) 2815 Camino del Rio S., #350 San Diego, CA 92108	\$6,100,000	Acquisition, Construction, & Permanent Financing Loan
Mayberry Townhomes	(CHW) 2815 Camino del Rio S., #350 San Diego, CA 92108	\$905,648	Acquisition, Construction, & Permanent Financing Loan
North Park Seniors	(CHW) 2815 Camino del Rio S., #350 San Diego, CA 92108	\$7,000,000	Acquisition, Construction, & Permanent Financing Loan

COMMUNITY HOUSINGWORKS

LOCAL REFERENCES



COMMUNITY HOUSINGWORKS LOCAL REFERENCES

Please see below three local references that are familiar with previous Community HousingWorks construction projects:

1. Name: **Karen Youel, Housing & Neighborhood Services Manager,
Community Development City of Escondido**
Address: **201 North Broadway, Escondido, CA 92025**
Phone: **760-839-4518**
Project Name and Description:
Windsor Gardens (Rehabilitation, 132 apts., in Escondido)
2. Name: **Amanda Lee, Assistant to the City Manager, City of Vista**
Address: **200 Civic Center Drive, Vista, CA 92084**
Phone: **760-643-5208**
Project Name and Description:
**Paseo Artist Village (New construction, 60 apts., in Vista); and
North Santa Fe Apartments (New Construction, 68 apts., in Vista)**
3. Name: **Carlos Aguirre, Director of the National City Housing Authority**
Address: **140 East 12th Street, National City, CA 91950**
Phone: **619-336-4391**
Project Name and Description:
**Kimball Tower (Rehabilitation, 151 apts., in National City); and
Morgan Tower (Rehabilitation, 152 apts., in National City)**

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, the borrower (the "Borrower") identified below has provided the following required information to the Housing Authority of the City of San Diego (the "Authority") prior to the Authority's regular meeting (the "Meeting") of its Board of Commissioners (the "Board") at which Meeting the Board will consider the authorization of conduit revenue obligations as identified below.

1. Name of Borrower: **Beech Street Housing Associates, L.P., a California limited partnership.**
2. Board of Commissioners Meeting Date: **November 15, 2022.**
3. Name of Bond Issue / Conduit Revenue Obligations: **Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds (Cortez Hill Apartments) Series 2022 E-1 (the "E-1 Bonds") and Series 2022E-2 (Taxable)(the "E-2 Bonds" and with the E-1 Bonds, the "Bonds").**
4. ☐ Private Placement Lender or Bond Purchaser, ☐ Underwriter or ☒ Financial Advisor (mark one) engaged by the Borrower from which the Borrower obtained the following required good faith estimates relating to the Bonds:
 - (A) The true interest cost of the E-1 Bonds and the E-2 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of such Bonds (to the nearest ten-thousandth of one percent): **6.21% for the E-1 Bonds and 6.51% for the E-2 Bonds during construction (underwriting rate - interest is variable) and 6.08% for the E-1 Bonds at permanent (estimated as of 10/20/22 – rate to be set closer to closing).**
 - (B) The finance charges of the Bonds, which mean the sum of all fees and charges paid to third parties: collectively **\$2,103,625 (\$1,238,030 currently budgeted to be paid upfront, \$485,595 paid during the term of the Bonds) and \$380,000 paid from Bond maturity/redemption through the end of the 55 year compliance period in the Regulatory Agreement).**
 - (C) The amount of proceeds received by the public body for sale of the Bonds less the finance charges of such Bonds described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of such Bonds: **\$26,404,113 (capitalized interest funded from the Bonds; all finance charges to be funded from a source other than the proceeds of the Bonds).**
 - (D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Bonds plus the finance charges of the Bonds described in subparagraph (B) not paid with the proceeds of the Bonds (which total payment amount shall be calculated to the final maturity of the Bonds): **\$44,631,837 (consisting of estimated principal and interest payments of \$42,528,212 for the Bonds and estimated finance charges identified in (B)).**

This document has been made available to the public at the Meeting of the Board.

Dated: October 25, 2022

PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS (REVISED)

Pursuant to California Government Code Section 5852.1, the borrower (the "Borrower") identified below has provided the following required information to the Housing Authority of the City of San Diego (the "Authority") prior to the Authority's regular meeting (the "Meeting") of its Board of Commissioners (the "Board") at which Meeting the Board will consider the authorization of conduit revenue obligations as identified below.

1. Name of Borrower: **Beech Street Housing Associates, L.P., a California limited partnership.**
2. Board of Commissioners Meeting Date: **March 7, 2023.**
3. Name of Bond Issue / Conduit Revenue Obligations: **Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds (Cortez Hill Apartments) Series 2022 E-1 (the "E-1 Bonds") and Series 2022E-2 (Taxable)(the "E-2 Bonds" and with the E-1 Bonds, the "Bonds").**
4. ☐ Private Placement Lender or Bond Purchaser, ☐ Underwriter or ☒ Financial Advisor (mark one) engaged by the Borrower from which the Borrower obtained the following required good faith estimates relating to the Bonds:
 - (A) The true interest cost of the E-1 Bonds and the E-2 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of such Bonds (to the nearest ten-thousandth of one percent): **7.96% for the E-1 Bonds and 8.26% for the E-2 Bonds during construction (underwriting rate - interest is variable) and 5.86% for the E-1 Bonds at permanent (estimated as of 2/13/23 – rate to be set closer to closing).**
 - (B) The finance charges of the Bonds, which mean the sum of all fees and charges paid to third parties: collectively **\$2,213,608 (\$1,320,687 currently budgeted to be paid upfront, \$512,921 paid during the term of the Bonds) and \$380,000 paid from Bond maturity/redemption through the end of the 55 year compliance period in the Regulatory Agreement).**
 - (C) The amount of proceeds received by the public body for sale of the Bonds less the finance charges of such Bonds described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of such Bonds: **\$28,164,285 (capitalized interest funded from the Bonds; all finance charges to be funded from a source other than the proceeds of the Bonds).**
 - (D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Bonds plus the finance charges of the Bonds described in subparagraph (B) not paid with the proceeds of the Bonds (which total payment amount shall be calculated to the final maturity of the Bonds): **\$48,019,192 (consisting of estimated principal and interest payments of \$45,805,584 for the Bonds and estimated finance charges identified in (B)).**

This document has been made available to the public at the Meeting of the Board.

Dated: February 21, 2023

HOUSING AUTHORITY OF
THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO AUTHORIZING THE ISSUANCE OF SUPPLEMENTAL TAX-EXEMPT MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED AN ADDITIONAL \$1,930,500 TO FINANCE THE ACQUISITION, CONSTRUCTION AND DEVELOPMENT OF THE MULTIFAMILY RENTAL HOUSING FACILITY KNOWN AS CORTEZ HILL APARTMENTS, AND APPROVING AND AUTHORIZING RELATED DOCUMENTS AND ACTIONS.

WHEREAS, pursuant to Chapter 1 of Part 2 of Division 24 of the California Health and Safety Code, as amended (Act), the Housing Authority of the City of San Diego (Authority) is authorized to incur indebtedness to finance the acquisition, construction, and development of multifamily rental housing; and

WHEREAS, Beech Street Housing Associates, L.P., a California limited partnership (Borrower), has requested that the Authority borrow funds and loan the funds to the Borrower (Loan) to finance Borrower's acquisition, construction and development of a multifamily residential rental housing facility known as "Cortez Hill Apartments" (Project), consisting of 88 apartment units (including one unrestricted manager's unit) to be located at 915 Beech Street in the City of San Diego (City); and

WHEREAS, the Authority adopted Resolution Number HA-1966 (Prior Authorizing Resolution), on November 15, 2022, approving the issuance and sale of its Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds (Cortez Hill Apartments) Series

2022E-1 (Tax-Exempt Bonds) in a principal amount not to exceed \$19,305,000 (Existing Tax-Exempt Bond Authorization), and its Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds (Cortez Hill Apartments) Series 2022E-2 (Taxable) (together with the Tax-Exempt Bonds, the Bonds), in a principal amount not to exceed \$13,000,000, for the purpose of funding the Loan; and

WHEREAS, the issuance of tax-exempt bonds or notes by the Authority is subject to the approval by the City Council of the City of San Diego (City Council), after publication of a “TEFRA” notice and the holding of a “TEFRA” hearing, as required by the Internal Revenue Code of 1986, as amended (Code), and applicable United States Treasury Regulations; and

WHEREAS, on October 13, 2022, the San Diego Housing Commission (Housing Commission) held on behalf of the City, under authority delegated to the Housing Commission by the City, a duly noticed public hearing in accordance with all applicable law and an opportunity was provided at such hearing for interested persons to express their views on the issuance of the Tax-Exempt Bonds and on the nature and location of the Project; and

WHEREAS, the City Council, as the applicable elected representative under section 147(f) of the Code, approved the Authority’s issuance of the Tax-Exempt Bonds in an aggregate principal amount not to exceed \$19,305,000 on November 15, 2022; and

WHEREAS, California Government Code section 8869.85 requires that a local agency file an application with the California Debt Limit Allocation Committee (CDLAC) and obtain CDLAC’s authorization to issue tax-exempt multifamily housing revenue obligations; and

WHEREAS, on June 15, 2022, CDLAC allocated to the Project \$19,305,000 of available State of California volume cap for private activity bonds under section 146 of the Code (Volume Cap); and

WHEREAS, the Borrower is requesting that the Authority increase the amount of the Existing Tax-Exempt Bond Authorization by \$1,930,500, which increase would necessitate the Project's receiving an additional \$1,930,500 allocation of Volume Cap (Supplemental Allocation); and

WHEREAS, pursuant to section 1.147(f)-1(f)(6) of the Code of Federal Regulations, a deviation between the maximum principal amount of a proposed issuance of tax-exempt bonds as stated in the published "TEFRA" notice, and the actual principal amount of tax-exempt bonds issued and used to finance the related project, is an "insubstantial deviation" that does not cause the issue to fail to meet the TEFRA requirements if the actual principal amount issued is no more than ten percent greater than that maximum stated principal amount and, accordingly, an increase to the Existing Tax-Exempt Bond Authorization in the amount of \$1,930,500 would not require a new "TEFRA" hearing or approval; and

WHEREAS, the Office of the City Attorney has drafted this Resolution based on the information provided by Housing Commission staff, and verified by the Housing Commission's General Counsel, with the understanding that this information is sufficient to allow for a proper and complete analysis of this matter;

NOW, THEREFORE, BE IT RESOLVED, by the Housing Authority of the City of San Diego, as follows:

Section 1. Capitalized Terms. Capitalized terms used but not defined have the meanings given to them in the Prior Bond Resolution.

Section 2. Increase of Existing Tax-Exempt Bond Authorization. The Authority approves an increase to the Existing Tax-Exempt Bond Authorization in an aggregate principal

amount not to exceed \$1,930,500; provided, however, that such approval is conditioned on CDLAC's allocating the Supplemental Allocation to the Project.

Section 3. Actions Ratified and Authorized. All prior actions taken by the officers, employees, and agents of the Authority with respect to the issuance and sale of the Bonds are approved, confirmed, and ratified, and the Designated Officers are each authorized, for and in the name and on behalf of the Authority, to take any and all actions and execute and deliver any and all certificates, agreements (including a tax agreement or no arbitrage certificate), and other documents, including those described in any of the documents approved by the Prior Authorizing Resolution, that they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and the making of the Loan in accordance with the Act, the Prior Authorizing Resolution or this Resolution. Other than as set forth in this Resolution, the Prior Authorizing Resolution is not amended or superseded by this Resolution and remains in full force and effect.

Section 4. Further Consents, Approvals and Other Actions. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by the Prior Authorizing Resolution or otherwise appropriate in the administration of the Bonds and the lending program financed by the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any amendment of such documents, any transfer of the Project, any substitution of security for the Bonds, or any prepayment or redemption of the Bonds, may be taken or given by any of the Designated Officers, in consultation with the Authority's General Counsel, without further authorization by the Board, and the Designated Officers are authorized and directed to give any such consent, approval, notice, order or request and to take any such action that such officer may deem

necessary or desirable to further the purposes of the Prior Authorizing Resolution or this Resolution.

Section 5. Severability. If any section, paragraph, or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect any remaining provisions of this Resolution or any provisions of the Prior Authorizing Resolution.

Section 6. Effective Date. This Resolution shall take effect immediately upon its adoption.

APPROVED: MARA W. ELLIOTT, General Counsel

By _____
Marguerite E. Middaugh
Deputy General Counsel

MEM:jdf
02/21/2023
Or. Dept.: Housing Authority
Doc. No.: 3226259



The City of San Diego
Item Approvals

Item Subject: Cortez Hill Apartments Revised Final Bond Authorization

Contributing Department	Approval Date
DOCKET OFFICE	02/09/2023
ENVIRONMENTAL ANALYSIS	02/09/2023

Approving Authority	Approver	Approval Date
HOUSING COMMISSION FINAL DEPARTMENT APPROVER	MARSHALL, SCOTT	02/08/2023
EXECUTIVE VICE PRESIDENT	DAVIS, JEFF	02/13/2023
CITY ATTORNEY	MIDDAUGH, MARGUERITE	02/21/2023