



EXECUTIVE SUMMARY

HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: June 12, 2020

HCR20-050

COUNCIL DISTRICT(S): 3

ORIGINATING DEPARTMENT: Real Estate Division CONTACT/

PHONE NUMBER: Colin Miller / 619-578-7429

REQUESTED ACTION:

Take the initial steps for the Housing Authority of the City of San Diego to issue up to \$12,150,000 of San Diego tax-exempt Multifamily Housing Revenue Bonds and \$4,000,000 of taxable bonds to facilitate the construction of a new affordable housing development at 2139 El Cajon Boulevard (Mississippi ECB Apartments), in the University Heights neighborhood. Once completed the Mississippi ECB Apartments will comprise 61 units (including a managers unit) affordable to families earning between 50% and 80% of the area median income and remain similarly affordable for 55 years.

EXECUTIVE SUMMARY OF KEY FACTORS:

- The proposed development is a 61-unit, affordable rental housing, new construction project that will located at the corner of Mississippi Street and El Cajon Boulevard in the University Heights area of Council District 3.
- The development includes 24 studios, 24 one-bedrooms and 12 two-bed room units, all with rents restricted from 50 – 80 percent of San Diego Area Median Income.
- Trestle Development, the developer, is seeking preliminary approvals to issue up to \$12,150,000 in tax-exempt Multifamily Housing Revenue Bonds and \$4,000,000 of taxable bonds.
- No Housing Commission loan proceeds will be provided to this development.
- Total development cost of the development is \$23,070,129
- Staff requests the Housing Commission Board recommend to the Housing Authority approval of the following steps:
 - Issue a bond inducement resolution for up to \$12,150,000 in Multifamily Revenue Bonds and \$4,000,000 of taxable bonds, totaling \$16,500,000.
 - Authorize an application to the California Debt Limit Allocation Committee
 - Approve a financing team of Kutak Rock as Bond Counsel and CSG Advisors as Financial Advisor
 - Request the City Council hold a Tax Equity and Fiscal Responsibility Act public hearing to adopt a resolution approving the issuance of the tax exempt bonds.
- If approved, the developer could commence construction in December 2020 and complete construction by June 2022.

REPORT

DATE ISSUED: June 4, 2020

REPORT NO: HCR20-050

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of June 12, 2020

SUBJECT: Preliminary Bond Authorization for Mississippi El Cajon Boulevard (ECB) Apartments

COUNCIL DISTRICT: 3

REQUESTED ACTION

Take the initial steps to issue Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds to facilitate the construction of a new affordable housing development at 2139 El Cajon Boulevard (Mississippi ECB Apartments), in the University Heights neighborhood, which will consist of 60 units affordable for 55 years for families earning between 50 percent and 80 percent of the San Diego Area Median Income and one unrestricted manager's unit.

STAFF RECOMMENDATION

That the San Diego Housing Commission (Housing Commission) recommend the Housing Authority of the City of San Diego (Housing Authority) and the San Diego City Council (City Council) take the following actions, as described in this report.

Housing Authority:

- 1) Approve the following preliminary steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds to facilitate the development of Mississippi ECB Apartments in the University Heights neighborhood, which will consist of 60 units affordable for 55 years for families earning between 50 percent and 80 percent of the San Diego Area Median Income (AMI) and one unrestricted manager's unit:
 - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$12,500,000 in Multifamily Housing Revenue Bonds and \$4,000,000 of taxable bonds, supporting the development of Mississippi ECB Apartments by a limited partnership formed by Trestle Development (Trestle Mississippi, LP);
 - b. Authorize an application (and subsequent applications, if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds in an amount up to \$12,500,000 for Mississippi ECB Apartments; and
 - c. Approve the financing team of Kutak Rock LLP as Bond Counsel and CSG Advisors as Financial Advisor;
- 2) Authorize the Housing Commission President & Chief Executive Officer (President & CEO), or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by General Counsel and bond counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of General Counsel and/or the bond counsel.

City Council:

Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of Multifamily Housing Revenue Bonds and taxable bonds in an amount up to \$16,500,000 to facilitate the development of Mississippi ECB Apartments.

SUMMARY

A development summary is included as Attachment 1.

Table 1 – Development Details

Address	2139 El Cajon Blvd, San Diego, CA 92104
Council District	3
Community Plan Area	North Park
Development Type	Acquisition & Rehabilitation
Construction Type	Type III –A wood framing over 1 level Type I concrete podium
Stories	Five
Parking Type	3 surface parking spaces
Housing Type	Affordable Family
Lot Size	Approximately .25 acres, 10,674 square feet
Units	61 total residential units (including one manager’s unit)
Density	242 dwelling units per acre
Affordable Unit Mix	24 studios 24 one-bedroom units 12 two-bedroom units 60 total affordable units
Manager’s Units	1 one-bedroom units 1 total manager’s unit
Gross Building Area	51,200 square feed
Net Rentable Area	36,840 square feet

The Development

The Mississippi ECB Apartments is a 61-unit, transit-oriented, mixed-use, new construction, affordable housing development, located at 2139 El Cajon Boulevard, San Diego, CA 92104. A central feature of the development’s financing involves a partnership between Trestle Development LLC, a well-respected developer of affordable housing in San Diego, and two market developers, Floit Properties, Inc. (Floit) and Lennar. Under the agreement between the parties, Floit and Lennar are providing a loan for \$9.6 million to the development through National Housing Corporation, a San Marcos-based affordable housing nonprofit. In exchange for this investment, Trestle has agreed to construct affordable housing units satisfying City of San Diego density bonus requirements for two market-rate developments by Floit and Lennar at 4469 – 4571 Ohio Street and 4355 Park Boulevard, respectively.

Once completed, Mississippi ECB Apartments will include 61 rental units, of which 60 will be affordable for 55 years for low-income families, and 2,000 square feet of commercial space on the ground floor facing El Cajon Boulevard. (Attachment 2 – Site Map). A concrete podium will comprise the ground floor. The second through sixth stories will utilize wood-frame construction for the residential units. On-site

amenities will include an on-site manager, community room, laundry room, outdoor courtyard area, two outdoor decks at the third and fifth floors, and dedicated bicycle parking.

Project Sustainability

Mississippi ECB Apartments will comply with the California Tax Credit Allocation Committee's (CL) minimum energy efficiency standards. Additionally, the development will be GreenPoint-rated and solar-ready.

Development Team

The development team will be led by Trestle Development. The project sponsor is Trestle Mississippi, LP, whose general partners include Trestle Mississippi, LLC, a subsidiary of Trestle Development, and National Housing MGP LLC, a subsidiary of National Housing Corporation.

National Housing Corporation is a San Marcos-based affordable housing nonprofit. Limited partners will include Red Stone Equity, LLC, a subsidiary of the tax credit syndicator Red Equity Partners, and a to-be-determined investor

Trestle Development specializes in the creation of multifamily affordable housing, including but not limited to the use of low-income housing tax credits. Since it was founded in 2013, Trestle Development has developed more than 400 affordable housing units in California and Washington.

Before Trestle Development was founded, one of its principals, David Allen was a development director for Housing Development Partners (HDP), the Housing Commission's nonprofit affiliate, where he managed all aspects of the development and entitlement process.

The development will be built by a to-be-determined General Contractor. Studio E is providing architectural services. Red Stone Equity partners has been engaged to serve as tax credit syndicator. Trestle Mississippi LP will own and operate Mississippi ECB Apartments. Statements for public disclosure for Trestle Mississippi LP are included in Attachment 3.

Table 2 - Development Team Summary

ROLE	FIRM/CONTRACT
Developer	Trestle Mississippi, LP
General Partner	Trestle Mississippi LLC and national Housing MGP
Limited Partner	To Be Determined in partnership with Redstone Equity Manager, LLC
General Contractor	To Be Determined
Architect	Studio E
Property Management	Hyder Property Management
Relocation Consultant	N/A

Financing Structure

Mississippi ECB Apartments has an estimated total development cost of \$23,070,129. Financing will include a combination of tax-exempt Multifamily Housing Revenue Bonds, 4 percent tax credits, deferred developer fee and a \$9.6 million loan from Lennar and Floit.

No Housing Commission loan proceeds will be provided to this development.

Estimated permanent sources and uses of financing are provided in Table 3. The developer's project pro forma is provided as Attachment 4.

Table 3 – Mississippi ECB Apartments Estimated Sources and Uses of Financing

Permanent Financing Sources	Amounts	Permanent Financing Uses	Amounts
Permanent Loan	\$6,860,000	Acquisition Costs	\$2,180,000
Tax Credit Equity	\$5,925,010	Construction Costs	\$13,463,208
NHC/Floir Loan	\$9,600,000	Soft Costs	\$3,390,852
Deferred Developer Fee	\$685,119	Developer Fee	\$2,551,802
		Financing Cost	\$1,484,267
Total Development Cost	\$23,070,129	Total Development Cost	\$23,070,129

Developer Fee

The net cash developer fee shall be \$2,251,802 provided, however, that in the event financing terms or construction costs change and result in a financing gap, the developer is deferring \$685,119 of fee and may defer additional developer fee. No Housing Commission loan proceeds are to be provided to this development. As such, the developer fee for Mississippi ECB Apartments is in compliance with TCAC and CDLAC regulations.

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 bond issuances. Attachment 1 to that report stated: "Developer Fee [for] 4% tax credits, in project costs: 15% eligible basis...." The developer is proposing a \$2,840,281 preliminary developer fee associated with the residential portion of development, which complies with HAR17-011. The proposed fee is in conformance with the "Request for Approval of Updated Developer Fees" guidelines approved by the Housing Authority on April 25, 2017.

Prevailing Wages

The proposed project is not subject to payment of federal or state prevailing wages.

Development Cost Key Performance Indicators

Housing Commission staff has identified development cost performance indicators, which were used to evaluate the proposed development. The key performance indicators listed in Table 4 are commonly used by real estate industry professionals and affordable housing developers.

Table 4 – Key Performance Indicators

Development Cost Per Unit	$\$23,070,129 \div 61 \text{ units} =$	\$378,198
Land Cost Per Unit	$\$2,180,000 \div 61 \text{ units} =$	\$35,737
Gross Building Square Foot Hard Cost	$\$13,463,208 \div 51,200 \text{ sq. ft.} =$	\$263
Net Rentable Square Foot Hard Cost	$\$13,463,208 \div 36,840 \text{ sq. ft.} =$	\$365

Project Comparison Chart

Multiple factors and variables influence the cost of developing multifamily affordable housing, including but not limited to project location, site conditions, site improvements needed, environmental factors, land use approval process, community involvement, construction type, design requirements/constraints, economies of scale, City impact fees, developer experience and capacity, and amenities necessary to gain tax credit approval. Table 5 shows a comparison of the subject property and other developments of the same construction type.

Table 5 – Comparable Development Projects

Project Name	Year	Construction Type	Units	Total Development Cost (Residential)	Cost Per Unit	HC Subsidy Per Unit.	Gross Hard Cost Per Sq.Ft.
Mississippi ECB Apartments	2020	III	61	\$23,070,129	\$378,198	\$0	\$263
East Block Family Apartments	2020	III	77	\$40,562,897	\$520,037	\$0	\$355
East Block Senior	2019	III	117	\$31,151,948	\$266,256	\$57,692	\$313
Bluewater Fairmont Family Housing)	2017	III	80	\$32,174,500	\$402,182	\$118,356	\$218
Stella (Twain Veterans Housing)	2017	III	80	\$26,275,500	\$328,444	\$68,750	\$234

The residential cost per unit for Mississippi ECB Apartments is in line with recently constructed comparable affordable housing developments in San Diego.

Proposed Housing Bonds

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. Prior to submitting applications to CDLAC, developments are brought before the Housing Commission, Housing Authority and City Council. Housing Authority bond inducement resolutions must be obtained prior to application submittal, and City Council TEFRA resolutions must be secured no later than 30 days after application submittal. These actions do not obligate the Housing Authority to issue bonds.

The developer plans to submit a bond allocation application to CDLAC in August 2020 for an October 2020 bond allocation meeting; however, if necessary, staff will submit additional applications to CDLAC to secure a bond allocation for the development.

The developer will be seeking a CDLAC bond allocation of approximately \$12,500,000. The up to \$12,500,000 bond allocation that will be sought from CDLAC is approximately 2.8 percent higher than the estimated \$12,150,000 amount for which the development is being underwritten. This increased amount represents a bond contingency to account for possible increases in the bond amount due to increases in construction costs, and/or changes in the assumed interest rate, and/or the loss of other planned funding sources.

The developer proposes that the bonds will be used to provide construction and permanent financing for the project. Housing Commission staff will later return to both the Housing Commission and Housing Authority for approval of the final bonds and transaction documents. 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 are described in Attachment 5.

Staff recommends assigning Kutak Rock LLP as Bond Counsel and CSG Advisors as Financial Advisor to work on the development. The proposed financing team members have been selected in accordance with the existing policy for the issuance of bonds. Financial Advisors and Bond Counsels are selected in accordance with the Housing Commission's Bond Policy.

AFFORDABLE HOUSING IMPACT

Under the proposed bond financing, Mississippi ECB Apartments would restrict 51 units to households with income at or below 50 percent of San Diego Area Median Income (AMI), and the remaining 9 affordable units will be at or below 80 percent of AMI. The affordable units will be restricted for a 55-year term. In 2018, TCAC adjusted its regulation to permit "Income Averaging" for low-income housing tax credit developments. Under the new TCAC policy, developments are permitted to feature rents affordable to households earning up to 80 percent of AMI, as long as the average AMI of all the affordable units at the development does not exceed 60 percent. The average AMI of all affordable units at the Mississippi ECB Apartments is 54.5 percent, which meets the requirements of the Income Averaging policy and its associated regulations.

Table 6 – Mississippi ECB Apartments Affordability & Monthly Estimated Rent Table

Unit Type	AMI	Number of Units	Maximum Net Rents
Studio	50%	18	\$889
1-bedroom	50%	21	\$947
2-bedroom	50%	12	\$1,128
Studio	80%	6	\$1,451
1-bedroom	80%	3	\$1,549
Average AMI	54.5%		
Affordable Unit Subtotal		60	
1-bedroom	Manager's Units	1	Market
Market Rate Unit Subtotal		1	
TOTAL Units		61	

Development Schedule

The estimated development timeline is as follows.

Milestones	Estimated Dates
<ul style="list-style-type: none"> Preliminary Bond Authorization – Housing Commission Preliminary Bond Authorization/TEFRA –Housing Authority and City Council TCAC/CDLAC Application Submittal TCAC/CDLAC Award Final Bond Authorization – Housing Commission Final Bond Authorization – Housing Authority Construction Financing Closing: 	<p>June 12, 2020</p> <p>June 16, 2020</p> <p>August 21, 2020</p> <p>October 21, 2020</p> <p>November 13, 2020</p> <p>November 2020</p> <p>December 2020</p>

FISCAL CONSIDERATIONS

The proposed funding sources and uses approved by this action are not included in the Fiscal Year (FY) 2021 Housing Commission Budget. Approving this action will increase the FY 2021 total budget.

Funding sources approved by this action will be as follows:

Bond Issuance Fees - \$31,250 (.0025 bond issuer fee x \$12,500,000)

Funding uses approved by this action will be as follows:

Administration Costs - \$31,250

Approval of the bond inducement and TEFRA resolutions does not commit the Housing Authority to issue the bonds. The bonds would not constitute a debt of the City. If bonds are ultimately issued for the development, the bonds will not financially obligate the City, the Housing Authority or the Housing Commission because security for the repayment of the bonds will be limited to specific private revenue sources of the development. Neither the faith and credit nor the taxing power of the City or the Housing Authority would be pledged to the payment of the bonds. The developer is responsible for the payment of all costs under the financing, including the Housing Commission annual administrative fee, as well as Housing Commission Bond Council and Financial Advisor fees.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

As required by the Housing Commission Bonds Program, the developer must present their proposal for Mississippi ECB Apartments to local community boards for review. The project sponsors will present the development to the North Park Planning Committee prior to seeking final bond authorization. seeking final bond authorization.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders include Trestle Development, Floit Properties, Inc., Lennar, National Housing Corporation, the residents and the University Heights and North Park communities. The project is anticipated to have a positive impact on the community, as it will contribute to the quality of the surrounding neighborhood and create 60 new affordable rental homes for low-income families.

ENVIRONMENTAL REVIEW

This activity is not a "project" and is therefore not subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15060(c)(3). This determination is predicated on Section 15004 of the Guidelines, which provides direction to lead agencies on the appropriate timing for environmental review. This action does not constitute approval of a project. Approval will occur once the environmental review has been completed in accordance with CEQA Section 15004. This action will not foreclose review of alternatives or mitigation measures by the public as part of the CEQA process. The proposed actions are approval of preliminary steps to issue bonds and do not constitute approval of the development activity or authorization for the issuance of bonds. Future actions to consider and approve development entitlement approvals related to the future development of the site will require additional review under the provisions of CEQA by the lead agency. Processing under the National Environmental Policy Act (NEPA) is not required as no federal funds are involved in this action.

June 4, 2020

Preliminary Bond Authorization for Mississippi ECB Apartments

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Respectfully submitted,



Colin Miller
Housing Programs Manager
Multifamily Housing Finance
Real Estate Division

Approved by,



Jeff Davis
Executive Vice President & Chief of Staff
San Diego Housing Commission

Attachments: 1) Development Summary
2) Site Map
3) Developer Disclosure Statements
4) Developer's Project Sources and Uses Pro forma
5) Multifamily Housing Revenue Bond Program

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

City Council:

Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of Multifamily Housing Revenue Bonds and taxable bonds in an amount up to \$16,500,000 to facilitate the development of Mississippi ECB Apartments.

SUMMARY

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Parking Type	3 surface parking spaces
Housing Type	Affordable Family
Lot Size	Approximately .25 acres, 10,674 square feet
Units	61 total residential units (including one manager’s unit)
Density	242 dwelling units per acre
Affordable Unit Mix	24 studios 24 one-bedroom units <u>12 two-bedroom units</u> 60 total affordable units
Manager’s Units	<u>1 one-bedroom units</u> 1 total manager’s unit
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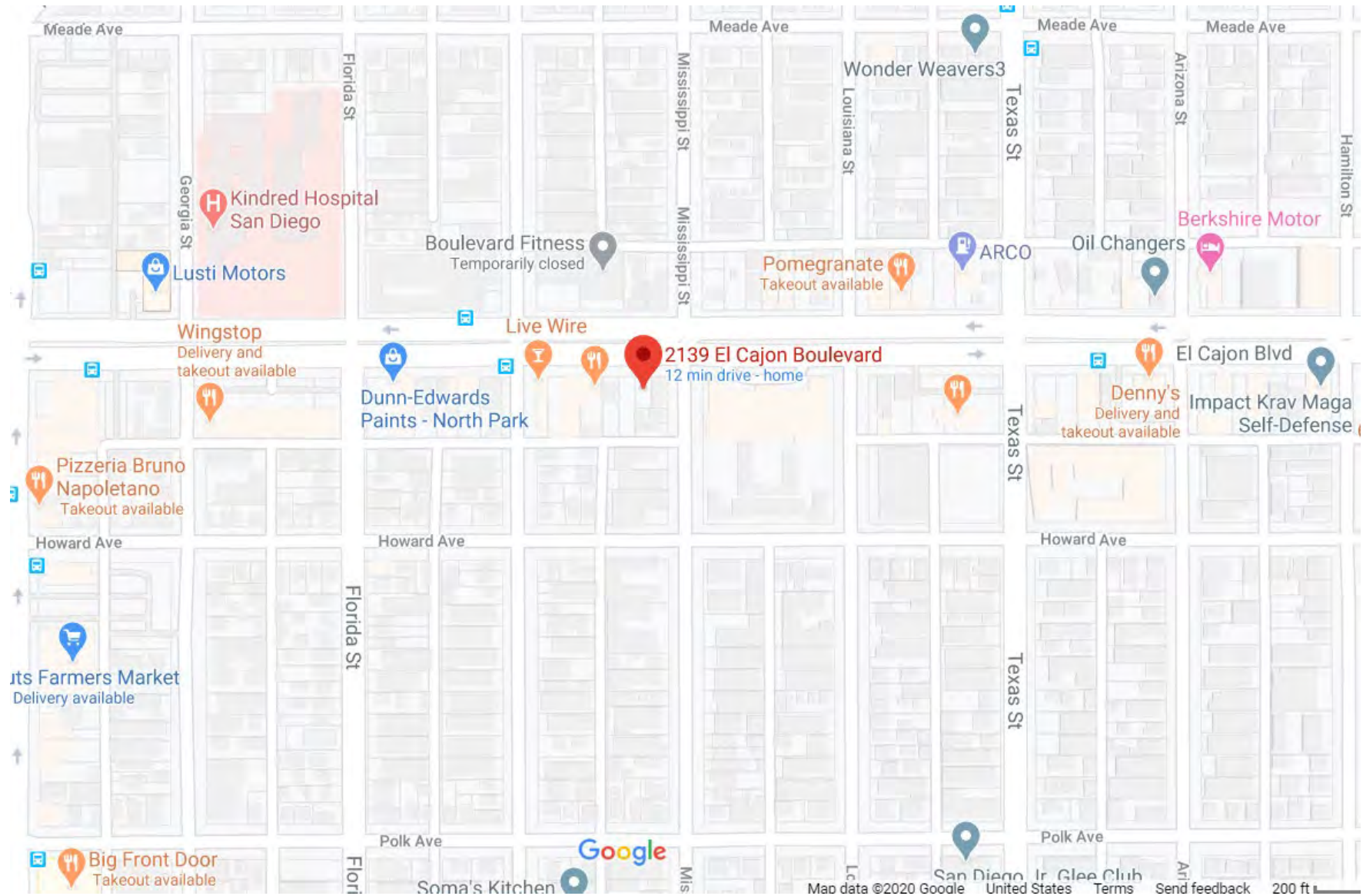
Table 5 – Comparable New Construction Projects

Project Name	Year	Construction Type	Units	Total Development Cost (Residential)	Cost Per Unit	HC Subsidy Per Unit.	Gross Hard Cost Per Sq.Ft.
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Affordable Unit Subtotal		60	
1-bedroom	Manager's Units	1	Market
Market Rate Unit Subtotal		1	
TOTAL Units		61	

ATTACHMENT 2



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

1. Name of CONTRACTOR: Trestle Mississippi, LP
2. Address and Zip Code: 101 W. Broadway, Suite 300, San Diego, CA 92101
3. Telephone Number: 509-280-5469
4. Name of Principal Contact for CONTRACTOR: David Allen
5. Federal Identification Number or Social Security Number of CONTRACTOR: 84-4195966
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: Trestle Mississippi, LP
(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:
December 5, 2019
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% 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%.(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: Trestle Mississippi, LLC	Administrative General Partner
Address: 101 W. Broadway, Suite 300 San Diego, CA 92101	0.009% interest in Trestle Mississippi, LP
Name: National Housing MGP, LLC	Managing General Partner
Address: 1649 Capalina Road, Suite 500 San Marcos, CA 92069	0.001% interest in Trestle Mississippi, LP
Name: Trestle Development, LLC	Limited Partner
Address: 101 W. Broadway, Suite 300 San Diego, CA 92101	99.99% interest in Trestle Mississippi, LP

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. **No, entity was formed on 12/5/2019**
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. **Yes. A new Tax Credit Limited Partner to replace Trestle Development, LLC at construction loan closing. See Attachment D**
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% interest in the CONTRACTOR (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the CONTRACTOR or more than 50% of the stock in the corporation which holds 20% 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: Trestle Development, LLC	Manager of Limited Partner
Address: 101 W. Broadway, Suite 300 San Diego, CA 92101	(100% Interest)
Name: Rise Urban Partners	Manager of Trestle Mississippi, LLC
Address: 101 W. Broadway, Suite 300 San Diego, Ca 92101	(100% Interest)
Name: National Housing Corporation	Manager of National Housing MGP, LLC
Address: 1649 Capalina Rd, Suite 500 San Marcos, CA 92069	(100% Interest)

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: David Allen	Manager of Rise Urban Partners, LLC (50% Interest)
Address: 101 W. Broadway, Suite 300	Manager of Trestle Development, LLC (100% Interest)
San Diego, CA 92101	
Name: Robert Morgan	Manager of Rise Urban Partners, LLC (50% Interest)
Address: 101 W. Broadway, Suite 300	
San Diego, Ca 92101	
Name: Meghan Birnkrant	Executive Director of National Housing Corporation, member and manager of National Housing MGP LLC
Address: 1649 Capalina Road, Suite 500	
San Marcos, CA 92069	

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 whatever 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:	As described in sections 8-12
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.
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:

Sources for this project include LIHTC equity, tax exempt bond proceeds and a private subordinate note, currently in escrow with SDHC.

16. Provide sources and amount of cash available to CONTRACTOR to meet equity requirements of the proposed undertaking:

Equity for the transaction will be provided by the Tax Credit Equity Partner at construction loan closing.

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: First Republic Bank	Brittany Griffin
Address: 1280 4 th Ave, San Diego, CA 92101	
Name: Chase Bank	Jonathan Walsh
Address: 101 W. Broadway, San Diego, CA 92101	
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.

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.

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: **Contractor is not involved in any bonds. See Attachment J for Current Project List**

Type of Bond	Project Description	Date of Completion	Amount of Bond	Action on Bond

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: **N/A, Contractor plans to hire a third-party General Contractor**

- a. Name and addresses of such contractor or builder:

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		
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:

Trestle Mississippi, LP plans to hire a third-party General Contractor to build the project.

23. Does any member of the governing body of the San Diego Housing Commission ("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 the 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:

24. 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:

See Attachment J for biographies of the principals involved in the transaction.

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

☐ Yes

☒ No

If yes, explain:

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)]

Existing General Liability policy is for \$1,000,000 per occurrence/ \$2,000,000 General Aggregate

For inquiries, please contact Michael Harvey at Cavnac & Associates

619-744-0584, MHarvey@cavnac.com

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)]

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)]

- a. Professional Liability (Errors and Omissions) [Attach certificate of insurance showing the amount of coverage and coverage period(s)]

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

- c. Other (Specify) [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]

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 the SDHC setting forth the provisions of this nondiscrimination clause.

28. The CONTRACTOR warrants and certifies that it will not without prior written consent of the SDHC, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of the 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 the SDHC, the AUTHORITY and/or the CITY, no member of the governing body of the locality in which the PROJECT is situated, no member of the government body in which the 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: **None**.

Government Complaint	Entity	Making	Date	Resolution

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,

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: N/A

Government Agency	License Description	License Number	Date Issued (Original)	Status (Current)	Revocation (Yes/No)

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 the SDHC.

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 the SDHC.
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:

Date	Entity Involved (i.e. City SDHC, etc)	Status (Current, delinquent, repaid, etc.)	Dollar Amount
6/10/2017	SDHC Construction and Permanent Financing Loan to Nook East Village, LP which is affiliated with David Allen, a principal of the Contractor.	Current	\$750,000

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:

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:

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

- Name: **Rick Allgire, Allgire General Contractors**
 Address: **3278 Grey Hawk Court**
 Phone: **760-477-8455**
 Project Name and Description: **Nook East Village, Nook on Valdez**
- Name: **Debbie Ruane, Norwood Development Strategies**
 Address:
 Phone: **619-992-8844**
 Project Name and Description: **Nook East Village, Various Past Development and Consulting Projects**
- Name: **Matt Grosz, Redstone Equity Partners**
 Address:
 Phone: **619-535-3903**
 Project Name and Description: **Cordova Trolley Rehabs**

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.

Each of the principals involved in the transaction have been involved in affordable and multifamily housing construction and finance for close to 15 years. The team has been responsible for the development of over 400 multifamily housing units over the last 5 years (as General Partners and principal owners) and has extensive experience in tax credit and tax exempt bond financing.

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 the 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 the 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 the 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 3 day of March, 20 20, at San Diego, California.

CONTRACTOR

By: 

Signature

Manager of Administrative GP

Title

CERTIFICATION

The CONTRACTOR, Trestle Mississippi LP, 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: Robert V. Morgan By: _____

Title: Manager of Administrative LP Title: _____

Dated: 3/3/20 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

State of California

County of San Diego

Subscribed and sworn to (or affirmed) before me on this 03 day of March, 2020

by Robert Morgan personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



SEAL

[Signature]
Signature of Notary

CERTIFICATION

The CONTRACTOR, TRESTLE MISSISSIPPI, LP, 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: David Allen By: _____
Title: Manager of Administrative GP Title: _____
Dated: March 3, 2020 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

State of California

County of San Diego

Subscribed and sworn to (or affirmed) before me on this 03 day of March, 2020

by David Allen personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



SEAL

Ruth Griffin
Signature of Notary



Secretary of State
Certificate of Limited Partnership
(LP)

LP-1

201934000007

FILED
Secretary of State
State of California

DEC 05 2019

[Handwritten signature]
[Handwritten initials]

IMPORTANT — Read Instructions before completing this form.

Filing Fee — \$70.00

Copy Fees — First page \$1.00; each attachment page \$0.50;
Certification Fee — \$5.00

Note: LPs may have to pay minimum \$800 tax to the California Franchise Tax Board each year. For more information, go to <https://www.ftb.ca.gov>.

1 cc

Above Space For Office Use Only

1. Limited Partnership Name (See Instructions — Must contain an LP ending such as LP or L.P. "LP" will be added, if not included.)

Trestle Mississippi, LP

2. Business Addresses

a. Initial Street Address of LP's Designated Office in California - Do not enter a P.O. Box	City (no abbreviations)	State	Zip Code
101 W. Broadway, Suite 300	San Diego	CA	92101
b. Initial Mailing Address of LP, if different than item 2a	City (no abbreviations)	State	Zip Code

3. Service of Process (Must provide either Individual OR Corporation.)

INDIVIDUAL — Complete Items 3a and 3b only. Must include agent's full name and California street address.

a. California Agent's First Name (if agent is not a corporation)	Middle Name	Last Name	Suffix
David		Allen	
b. Street Address (if agent is not a corporation) - Do not enter a P.O. Box	City (no abbreviations)	State	Zip Code
101 W. Broadway, Suite 300	San Diego	CA	92101

CORPORATION — Complete Item 3c. Only include the name of the registered agent Corporation.

c. California Registered Corporate Agent's Name (if agent is a corporation) — Do not complete Item 3a or 3b

4. General Partners (List the name and address of each general partner. Attach additional pages, if necessary.)

a. General Partner's Name			
Trestle Mississippi, LLC			
General Partner's Address	City (no abbreviations)	State	Zip Code
101 W. Broadway, Suite 300	San Diego	CA	92101
b. General Partner's Name			
National Housing MGP LLC			
General Partner's Address	City (no abbreviations)	State	Zip Code
1649 Capalina Road, Suite 500	San Diego	CA	92069

The information contained herein, including in any attachments, is true and correct.

General Partner Signature

See attached

Type or Print Name

General Partner Signature

See attached

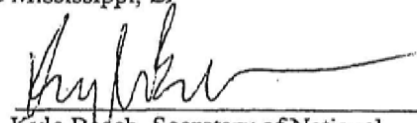
Type or Print Name

ATTACHMENT TO LP-1
CERTIFICATE OF LIMITED PARTNERSHIP
TRESTLE MISSISSIPPI, LP

I DECLARE I AM THE PERSON WHO EXECUTED THIS INSTRUMENT, WHICH
EXECUTION IS MY ACT AND DEED.

Trestle Mississippi, LP

By:



Kyle Beach, Secretary of National
Housing Corporation, manager of
National Housing MGP LLC, its Managing General Partner

Date: December 5, 2019

By:

David Allen, Manager of Rise Urban Partners, LLC,
managing member of Trestle Mississippi, LLC, its Administrative
General Partner

Date: December __, 2019

By:

Robert Morgan, Manager of Rise Urban Partners, LLC,
managing member of Trestle Mississippi, LLC, its Administrative
General Partner

Date: December __, 2019

201934000007


ATTACHMENT TO LP-1
CERTIFICATE OF LIMITED PARTNERSHIP
TRESTLE MISSISSIPPI, LP

I DECLARE I AM THE PERSON WHO EXECUTED THIS INSTRUMENT, WHICH EXECUTION IS MY ACT AND DEED.

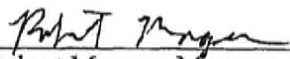
Trestle Mississippi, LP

By: _____
Kyle Beach, Secretary of National
Housing Corporation, manager of
National Housing MGP LLC, its Managing General Partner

Date: December __, 2019

By:  _____
David Allen, Manager of Rise Urban Partners, LLC,
managing member of Trestle Mississippi, LLC, its Administrative
General Partner

Date: December 5, 2019

By:  _____
Robert Morgan, Manager of Rise Urban Partners, LLC,
managing member of Trestle Mississippi, LLC, its Administrative
General Partner

Date: December 5, 2019

201934000007



I hereby certify that the foregoing transcript of 3 page(s) is a full, true and correct copy of the original record in the custody of the California Secretary of State's office

DEC 06 2019

Date: SYD

Alex Padilla

ALEX PADILLA, Secretary of State

ATTACHMENT 4

Mississippi ECB

PROJECT SUMMARY

GENERAL INFORMATION		
PROJECT NAME	Mississippi ECB	
OWNER/CLIENT	TRESTLE	
PROJECT DESCRIPTION	6 Story Type III over Podium	
PROJECT TYPE	New Construction - 4%	
DRAFT VERSION	1/16/2020	
ADDRESS	2139 El Cajon Blvd, San Diego	
YEAR BUILT	2022	
SITE ACREAGE	0.24	
TOTAL UNITS/ACRE	61 (aproximately 249 units/acre)	
MSA / County	San Diego	VLI x 2
AREA MEDIAN INCOME	86,300	90,900
LAST AMGI INCREASE	4/24/2019	

INCOME & EXPENSE			
INCOME:			
GROSS POTENTIAL INCOME	TOTAL	PER UNIT	
	\$799,214	\$13,102	
TOTAL OTHER INCOME	\$16,179	\$265	
VACANCY/RENT ADJUSTMENTS (RESIDENTIAL)	(\$40,770)	(\$668)	
EFFECTIVE GROSS INCOME (RESIDENTIAL)	\$774,623	\$12,699	
COMMERCIAL INCOME	\$65,118	\$1,068	
VACANCY/RENT ADJUSTMENTS (COMMERCIAL)	(\$3,256)	(\$53)	
EFFECTIVE GROSS INCOME (BUILDING)	\$836,485	\$13,713	
EXPENSES:			
PROFESSIONAL MANAGEMENT	\$41,824	\$686	12.4%
ADMINISTRATIVE	\$21,115	\$346	6.2%
PAYROLL AND BENEFITS	\$102,941	\$1,688	30.4%
UTILITIES	\$50,573	\$829	14.9%
OPERATING & MAINTENANCE	\$57,629	\$945	17.0%
REAL ESTATE TAXES	\$11,752	\$193	3.5%
INSURANCE	\$23,552	\$386	7.0%
REPLACEMENT RESERVES	\$19,414	\$318	5.7%
OTHER (TAX CREDIT MONITORING)	\$9,707	\$159	2.9%
TOTAL EXPENSES	\$338,507	\$5,549	100.0%
NET OPERATING INCOME	\$497,978	\$8,164	
DEBT SERVICE	\$402,427	\$6,597	
NET PARTNERSHIP CASH FLOW	\$95,552	\$1,566	
DSCR	1.24		

UNIT MIX & RENTS					
UNIT MIX					
MICRO/STUDIO	MANAGER	30% AMI	50% AMI	60% AMI	TOTAL
	-	-	18	-	18
ONE BEDROOM	1	-	21	-	22
TWO BEDROOM	-	-	12	-	12
THREE BEDROOM	-	-	-	-	-
FOUR BEDROOM	-	-	-	-	-
	1	-	51	-	52
RENTS					
MICRO/STUDIO	CURRENT	TARGET	50% AMI	MARKET	
			889	1,600	
ONE BEDROOM			947	2,200	
TWO BEDROOM			1,128	2,800	
THREE BEDROOM			#N/A	-	
FOUR BEDROOM			#N/A	-	

*Rents are net of Utility Allowances

SOURCES AND USES			
SOURCES:			
LIHTC EQUITY (\$0.955 per credit)	TOTAL	PER UNIT	% OF TOTAL
	\$5,925,010	\$97,131	25.7%
PRIVATE PLACEMENT PERM LOAN	\$6,860,000	\$112,459	29.7%
OFFSITE CONTRIBUTIONS	\$9,600,000	\$157,377	41.6%
0%	\$0	\$0	0.0%
RESERVED	\$0	\$0	0.0%
NOI DURING CONSTRUCTION	\$0	\$0	0.0%
DEFERRED DEVELOPER FEE (\$1,866,683 PAID)	\$685,119	\$11,231	3.0%
GRAND TOTAL SOURCES	\$23,070,129	\$378,199	100.0%
USES:			
ACQUISITION & CLOSING COSTS	\$2,180,000	\$35,738	9.4%
CONSTRUCTION COSTS	\$13,463,208	\$220,708	58.4%
PERMITS & FEES	\$1,190,096	\$19,510	5.2%
ARCHITECTURE & ENGINEERING	\$1,007,450	\$16,516	4.4%
TECHNICAL STUDIES	\$33,750	\$553	0.1%
BORROWER LEGAL	\$105,000	\$1,721	0.5%
RESERVES	\$275,000	\$4,508	1.2%
FINANCING COSTS	\$241,500	\$3,959	1.0%
INTEREST DURING CONSTRUCTION	\$1,006,852	\$16,506	4.4%
TAX EXEMPT BOND COSTS	\$128,165	\$2,101	0.6%
TAX CREDIT COSTS	\$107,750	\$1,766	0.5%
SOFT COST CONTINGENCY	\$240,000	\$3,934	1.0%
DEVELOPER FEE	\$2,551,802	\$41,833	11.1%
TOTAL USES	\$23,070,129	\$378,199	100.0%

Mississippi ECB

GENERAL PROJECT ASSUMPTIONS

GENERAL INFORMATION

3

4

5

6

7

8

9

10

11

12

13

14

15

16

GENERAL INFORMATION

DRAFT DATE	1/16/2020
PROJECT NAME	Mississippi ECB
ADDRESS	2139 El Cajon Blvd, San Diego
MSA/COUNTY	SAN DIEGO
AREA MEDIAN INCOME	\$86,300 VLI x 2 = 107,000
LAST AMGI INCREASE	4/24/2019
SPONSOR	TRESTLE
CONSTURCITON TYPE	6 Story Type III over Podium
PROJECT TYPE	LIHTC
YEAR BUILT	2022
SITE ACERAGE	0.24
FAR/ZONING	CC-3-9
TOTAL UNITS/ACRE	61 (approximately 249 units/acre)

SITE YIELD ESTIMATE

SITE SF	10,670
LOT COVERAGE	80%
BUILDING FLOORPLATE	8,536
NUMBER OF FLOORS	6.00
GROSS BUILDING AREA	51,200
COMMON AREA EFFICIENCY	75%
TARGET NET RENTABLE	38,400
Actual NRSF	38,885

OFFICE/RETAIL

5%	2,046
----	-------

RESIDENTIAL

95%	36,839
-----	--------

ACQUISITION PRICE

\$2,180,000	204.31
-------------	--------

UNIT MIX & AFFORDABILITY

UNIT MIX

MICRO/STUDIO

1 BEDROOM

2 BEDROOM

3 BEDROOM

4 BEDROOM

TOTAL/AVG

Total Units	Unrct. Manager	Rentable Units
24	-	24
25	1	24
12	-	12
-	-	-
-	-	-
61	1	60

LIHTC UNITS

Units @ 80%

Proj Based Voucher

Units @ 30%

Units @ 35%

Units @ 40%

Units @ 45%

Units @ 50%

Units @ 55%

Units @ 60%

AFFORDABILITY

MICRO/STUDIO

1 BEDROOM

2 BEDROOM

3 BEDROOM

4 BEDROOM

TOTAL AVG

15%	0%	0%	0%	0%	0%	100%	0%	0%
6	-	-	-	-	-	18	-	-
3	-	-	-	-	-	21	-	-
-	-	-	-	-	-	12	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
9	-	-	-	-	-	51	-	-

PROJECT INCOME ASSUMPTIONS

RESIDENTIAL INCOME													TRUE	0
NUMBER OF BEDS	NUMBER OF BATHS	NUMBER OF UNITS	RENT LEVEL	UNIT AREA (SF)	TOTAL AREA (SF)	GROSS LIHTC MAX RENT	UTILITY ALLOWANCE	NET LIHTC MAX RENT	ELECTED RENT	% BELOW MARKET	RENT PER SF	MONTHLY INCOME		
0BD	1	18	50%	452	8,136	\$936	\$47	\$889	\$889	0.00%	\$1.97	\$16,002		
0BD	1	6	80%	452	2,712	\$1,498	\$47	\$1,451	\$1,451	0.00%	\$3.21	\$8,706		
1BD	1	21	50%	599	12,579	\$1,003	\$56	\$947	\$947	0.00%	\$1.58	\$19,887		
1BD	1	3	80%	599	1,797	\$1,605	\$56	\$1,549	\$1,549	0.00%	\$2.59	\$4,647		
2BD	1	12	50%	918	11,016	\$1,203	\$75	\$1,128	\$1,128	0.00%	\$1.23	\$13,536		
-	0	-	-	-	-	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0		
-	0	-	-	-	-	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0		
-	0	-	-	-	-	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0		
-	0	-	-	-	-	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0		
-	0	-	-	-	-	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0		
-	0	-	-	-	-	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0		
-	0	-	-	-	-	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0		
-	0	-	-	-	-	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0		
-	0	-	-	-	-	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0		
-	0	-	-	-	-	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0		
-	0	-	-	-	-	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0		
-	0	-	-	-	-	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0		
-	0	-	-	-	-	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0		
1BD MGR	1	1	-	599	599	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0		
-	61	61	-	604	36,839	\$1,084	\$55	5,964	\$1,029	-	\$1.70	\$62,778	ANNAUL INCOME:	\$753,336

UTILITY ALLOWANCE	0BD	1BD	2BD	3BD	4BD	UNIT TYPE	CURRENT RENTS	POST REHAB RENTS	MARKET RENTS
HEATING (G)	\$0	\$0	\$0	\$0	\$0	STUDIO	\$0.00	\$0.00	\$1,600.00
HEATING (E)	\$18	\$22	\$26	\$29	\$31	1 BEDROOM	\$0.00	\$0.00	\$2,200.00
COOKING (G)	\$0	\$0	\$0	\$0	\$0	2 BEDROOM	\$0.00	\$0.00	\$2,800.00
COOKING (E)	\$6	\$7	\$11	\$22	\$30	3 BEDROOM	\$0.00	\$0.00	\$0.00
WATER (G)	\$0	\$0	\$0	\$0	\$0	4 BEDROOM	\$0.00	\$0.00	\$0.00
WATER (E)	\$0	\$0	\$0	\$0	\$0				
OTHER (E)	\$23	\$27	\$38	\$48	\$65				
TOTAL	\$47	\$56	\$75	\$99	\$126				

	START MONTH	RENT GROWTH	RES. VACANCY	COMM. VACANCY
YEAR 1	1/1/2019	3.00%	5.00%	5.00%
YEAR 2	1/1/2020	3.00%	5.00%	5.00%
YEAR 3	1/1/2021	3.00%	5.00%	5.00%
YEAR 4	1/1/2022	3.00%	5.00%	5.00%

Mississippi ECB

GENERAL PROJECT ASSUMPTIONS

EQUITY ASSUMPTIONS

LIHTC EQUITY		
INVESTOR	Redstone	
CREDIT PRICE		\$0.955
INVESTOR SHARE OF CREDITS & LOSSES		99.99%
CORPORATE TAX RATE		35.00%
DDA/QCT		No
TAX CREDIT FACTOR		3.18%
TAX CREDIT FACTOR AS OF DATE		12/1/2019

DEBT ASSUMPTIONS

	CONSTRUCTI		PERMANENT			
	Tax-Exempt Bonds	Taxable Bonds	PRIVATE PLACEMENT	OFFSITE CONTRIBUTIONS		RESERVED
LENDER						
LOAN AMOUNT	\$12,150,000	\$4,000,000	\$6,860,000	\$9,600,000		\$0
INDEX	4.750%	4.750%	4.750%	3.000%	0.000%	0.000%
SPREAD	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
FLOOR SPREAD	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
TRUSTEE FEE	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
OTHER FEES	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
ALL-IN RATE	4.750%	4.750%	4.750%	3.000%	0.000%	0.000%
AMORTIZATION	-	-	35	0	0	0
TERM	-	-	15	55	55	15
MONTHLY PAYMENT			\$33,536	\$24,000	\$0	\$0
ANNUAL PAYMENT	\$577,125	\$190,000	\$402,427	\$288,000	\$0	\$0
FIRST PAYMENT DATE	Sep 2021		Apr 2023	Sep 2021		

CONSTRUCTION INTEREST ESTIMATE		50% TEST	
12 MONTHS	\$767,125	LAND	\$2,180,000
18 MONTHS	\$1,150,688	TOTAL ELIGIBLE BASIS	\$19,512,012
AVERAGE OUTSTANDING BALANCE	65.00%	AGGREGATE BASIS	\$21,692,012
CONSTRUCTION INTEREST	\$1,006,852	TOTAL BONDS	\$12,150,000
		% OF AGGREGATE BASIS	56.01%

SOURCES AND USES

SOURCES:	TOTAL	PER UNIT	% OF TOTAL
LIHTC EQUITY (\$0.955 per credit)	\$5,925,010	\$97,131	25.7%
PRIVATE PLACEMENT PERM LOAN	\$6,860,000	\$112,459	29.7%
OFFSITE CONTRIBUTIONS	\$9,600,000	\$157,377	41.6%
0%	\$0	\$0	0.0%
RESERVED	\$0	\$0	0.0%
NOI DURING CONSTRUCTION	\$0	\$0	0.0%
DEFERRED DEVELOPER FEE (\$1,866,683 PAID)	\$685,119	\$11,231	3.0%
GRAND TOTAL SOURCES	\$23,070,129	\$378,199	100.0%
USES:			
ACQUISITION & CLOSING COSTS	\$2,180,000	\$35,738	9.4%
CONSTRUCTION COSTS	\$13,463,208	\$220,708	58.4%
PERMITS & FEES	\$1,190,096	\$19,510	5.2%
ARCHITECTURE & ENGINEERING	\$1,007,450	\$16,516	4.4%
TECHNICAL STUDIES	\$33,750	\$553	0.1%
BORROWER LEGAL	\$105,000	\$1,721	0.5%
OTHER SOFT COSTS	\$539,557	\$8,845	2.3%
RESERVES	\$275,000	\$4,508	1.2%
FINANCING COSTS	\$241,500	\$3,959	1.0%
INTEREST DURING CONSTRUCTION	\$1,006,852	\$16,506	4.4%
TAX EXEMPT BOND COSTS	\$128,165	\$2,101	0.6%
TAX CREDIT COSTS	\$107,750	\$1,766	0.5%
SOFT COST CONTINGENCY	\$240,000	\$3,934	1.0%
DEVELOPER FEE	\$2,551,802	\$41,833	11.1%
TOTAL USES	\$23,070,129	\$378,199	100.0%

DSCR TEST	PROFORMA	STABLIZED
NOI	\$462,825	\$499,007
DCSR	1.15	1.15
AMORTIZATION	35.00	35.00
UNDERWRITING RATE	4.75%	4.75%
MAX PAYMENT	\$402,456	\$433,919
MAX LOAN (DSCR)	\$6,860,501	\$7,396,831
LTV TEST		
NOI	\$462,825	\$499,007
CAP RATE	5.25%	5.50%
VALUE	\$8,815,709	\$9,072,850
LTV CONSTRAINT	90.00%	90.00%
MAX LOAN (LTV)	\$7,934,138	\$8,165,565
LTC TEST		
TOTAL COST	\$23,070,129	
LTC CONSTRAINT	90.00%	
MAX LOAN (LTC)	\$20,763,116	
MAX LOAN	\$6,860,501	\$7,396,831
	\$7,128,666	

Mississippi ECB
OPERATING BUDGET

INCOME:

GROSS POTENTIAL INCOME

UNTRENDED					STABILIZED 4/1/2023	
Input	Cost Driver	Total	Per Unit	Comments	Total	Per Unit
\$753,336	Total	\$753,336	\$12,350	PER UNIT MIX	\$799,214	\$13,102

OTHER INCOME

LAUNDRY & VENDING
LATE/NSF FEES
FOREFITTED SECURITY DEPOSITS
PARKING
STORAGE
INTEREST INCOME
PET FEES
OTHER MISC INCOME
TOTAL OTHER INCOME

\$250	Per unit	\$15,250	\$250		\$16,179	\$265
\$0	Total	\$0	\$0		\$0	\$0
\$0	Total	\$0	\$0		\$0	\$0
\$0	Total	\$0	\$0		\$0	\$0
\$0	Total	\$0	\$0		\$0	\$0
\$0	Total	\$0	\$0		\$0	\$0
\$0	Total	\$0	\$0		\$0	\$0
\$0	Total	\$0	\$0		\$0	\$0
\$0	Total	\$0	\$0		\$0	\$0
\$15,250		\$250			\$16,179	\$265

VACANCY/RENT ADJUSTMENTS (RESIDENTIAL)

VACANCIES (RESIDENTIAL)

CONCESSIONS (RESIDENTIAL)

TOTAL VACANCIES/CONCESSIONS (RESID.)

5.000%	% of GPR	\$38,429	\$630		\$40,770	\$668
0.000%	% of GPR	\$0	\$0		\$0	\$0
		\$38,429	\$630		\$40,770	\$668

EFFECTIVE GROSS INCOME (RESIDENTIAL)

\$730,157	\$11,970	\$774,623	\$12,699
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COMMERCIAL INCOME

COMMERCIAL SPACE 1
RESERVED
RESERVED
RESERVED
RESERVED
TOTAL COMMERCIAL

\$61,380	Total	\$61,380	\$1,006		\$65,118	\$1,068
\$0	Total	\$0	\$0		\$0	\$0
\$0	Total	\$0	\$0		\$0	\$0
\$0	Total	\$0	\$0		\$0	\$0
\$0	Total	\$0	\$0		\$0	\$0
\$61,380		\$1,006			\$65,118	\$1,068

VACANCY/RENT ADJUSTMENTS (COMMERCIAL)

VACANCIES (COMMERCIAL)

CONCESSIONS (COMMERCIAL)

TOTAL VACANCIES/CONCESSIONS (COM.)

5.000%	% of GPR	\$3,069	\$50		\$3,256	\$53
0.000%	% of GPR	\$0	\$0		\$0	\$0
		\$3,069	\$50		\$3,256	\$53

EFFECTIVE GROSS INCOME (COMMERCIAL)

\$58,311	\$956	\$61,862	\$1,014
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EFFECTIVE GROSS INCOME (BUILDING)

\$788,468	\$12,926	\$836,485	\$13,713
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Mississippi ECB

OPERATING BUDGET

EXPENSES:

PROFESSIONAL MANAGEMENT

UNTRENDED					STABILIZED 4/1/2023	
Input	Cost Driver	Total	Per Unit	Comments	Total	Per Unit
5.00%	of EGI	\$39,423	\$646		\$41,824	\$686
			\$53.86			

ADMINISTRATIVE

AUDIT	\$8,000	Total	\$8,000	\$131		\$8,487	\$139
ADVERTISING	\$1,000	Total	\$1,000	\$16		\$1,061	\$17
OFFICE SUPPLIES	\$2,500	Total	\$2,500	\$41		\$2,652	\$43
TELEPHONE	\$4,500	Total	\$4,500	\$74		\$4,774	\$78
LEGAL	\$2,500	Total	\$2,500	\$41		\$2,652	\$43
CONSULTANTS	\$1,500	Total	\$1,500	\$25		\$1,591	\$26
MISC ADMIN	\$500	Total	\$500	\$8		\$530	\$9
TOTAL ADMINSTRATIVE	\$20,500		\$20,500	\$336		\$21,115	\$346

PAYROLL AND BENEFITS

MANAGER SALARY	\$45,000	Total	\$45,000	\$738	1.0 FTE	\$47,741	\$783
MAINTENANCE SALARY	\$20,000	Total	\$20,000	\$328	0.75 FTE	\$21,218	\$348
LEASING SALARY	\$0	Total	\$0	\$0		\$0	\$0
PAYROLL TAXES & WORKER'S COMP	14.91%	Total	\$9,692	\$159		\$10,282	\$169
SERVICE AMENITIES	\$14,451	Total	\$14,451	\$237		\$15,331	\$251
EMPLOYEE BENEFITS	\$10,800	Total	\$10,800	\$177	\$600/mo x 1.5 FTE	\$11,458	\$188
TOTAL PAYROLL AND BENEFITS	\$90,251		\$99,943	\$1,638		\$102,941	\$1,688

UTILITES

CABLE	\$100	Per mo.	\$1,200	\$20	Common Area	\$1,273	\$21
GAS	\$450	Per mo.	\$5,400	\$89		\$5,729	\$94
ELECTRICITY	\$1,000	Per mo.	\$12,000	\$197		\$12,731	\$209
WATER	\$200	Per unit	\$12,200	\$200		\$12,943	\$212
SEWER	\$150	Per unit	\$9,150	\$150		\$9,707	\$159
GARBAGE	\$150	Per unit	\$9,150	\$150		\$9,707	\$159
TOTAL UTILITIES	\$2,050		\$49,100	\$805		\$50,573	\$829

OPERATING & MAINTENANCE

REPAIR - CONTRACT	\$150	Per unit	\$9,150	\$150		\$9,707	\$159
REPAIR - SUPPLIES	\$150	Per unit	\$9,150	\$150		\$9,707	\$159
JANITORIAL	\$1,000	Per mo.	\$12,000	\$197		\$12,731	\$209
TURNOVER	\$200	Per unit	\$12,200	\$200		\$12,943	\$212
ELEVATOR	\$5,000	Total	\$5,000	\$82		\$5,305	\$87
LANDSCAPING	\$250	Per mo.	\$3,000	\$49		\$3,183	\$52
PEST CONTROL	\$200	Per mo.	\$2,400	\$39		\$2,546	\$42
SECURITY	\$0	Per unit	\$0	\$0		\$0	\$0
MISC O&M	\$50	Per unit	\$3,050	\$50		\$3,236	\$53
TOTAL OPERATING AND MAINTENANCE	\$7,000		\$55,950	\$917		\$57,629	\$945

TAXES AND INSURANCE

REAL ESTATE TAXES	\$11,077	Total	\$11,077	\$182	Commercial	\$11,752	\$193
INSURANCE	\$350	Per unit	\$21,350	\$350		\$22,650	\$371
MISC TAXES AND INSURANCE	\$850	Total	\$850	\$14		\$902	\$15
TOTAL TAXES AND INSURANCE	\$12,277		\$33,277	\$546		\$34,275	\$562

REPLACEMENT RESERVES

\$300	Per Unit	\$18,300	\$300		\$19,414	\$318
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OTHER (TAX CREDIT MONITORING)

\$150	Per Unit	\$9,150	\$150		\$9,707	\$159
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TOTAL EXPENSES

\$325,643	\$5,338	\$337,479	\$5,532
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NET OPERATING INCOME

\$462,825	\$7,587	\$499,007	\$8,180
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Mississippi ECB
DEVELOPMENT COSTS

ACQUISITION & CLOSING COSTS

LAND
RESIDENTIAL BUILDINGS
ENTITLEMENT VALUE (ARCH & ENG.)
BROKER FEES
OTHER (SPECIFY)

TOTAL ACQUISITION & CLOSING COSTS

CONSTRUCTION COSTS

DIRECT COSTS - RESIDENTIAL
DIRECT COSTS - COMMERCIAL
GENERAL CONDITIONS
GL INSURANCE
CONTINGENCY
GC FEE
PREVAILING WAGE ADJUSTMENT
SUBTOTAL
COST INFLATION

TOTAL GMAX

ALLOWANCES

COMMERCIAL TENANT IMPROVEMENTS
DEMOLITION
ENVIRONMENTAL REMEDIATION
EV CHARGING STATIONS
SECURITY
WATER SUBMETERS
COMPLETION BOND
SOLAR
OTHER
OTHER

TOTAL ALLOWANCES

OWNER CONTINGENCY

TOTAL CONSTRUCTION COSTS

PERMITS & FEES

CITY PERMIT FEES
DIF/FBA FEES
RTCIP
WATER CAPACITY
SDCWA
SEWER CAPACITY
SCHOOL FEES
AFFORDABLE IN-LIEU
PUBLIC ART FEE
OTHER
OTHER
CONTINGENCY
CREDIT FOR EXISTING STRUCTURES

TOTAL PERMITS & FEES

ARCHITECTURE & ENGINEERING

ARCHITECTURE & ENGINEERING [A/MEP/Struct.]
LANDSCAPE ARCHITECTURE
INTERIOR DESIGN
CIVIL ENGINEERING
ALTA SURVEY
GEOTECHNICAL DESIGN & OBSERVATION
SHORING DESIGN
UTILITY DESIGN
ARCHAEOLOGICAL OBSERVATION
SPECIAL INSPECTIONS
LEED/GREEN BUILDING CONSULTANT
ROOF TIE OFF (OSHA)
PERMIT EXPEDITE
A&E REIMBURSEABLES
CONTINGENCY

TOTAL ARCHITECTURE & ENGINEERING

Unit Cost	Cost Driver	Total	Per Unit	% of Total
\$2,180,000	of Acq Price	\$2,180,000	\$35,738	9.4%
\$0	Fixed (calc)	\$0	\$0	0.0%
\$0	Fixed (calc)	\$0	\$0	0.0%
\$0	Fixed (calc)	\$0	\$0	0.0%
\$0	Total	\$0	\$0	0.0%
		\$2,180,000	\$35,738	9.4%

Acq	Const./ Rehab	Inelig
0%	0%	100%
100%	0%	0%
100%	0%	0%
100%	0%	0%
0%	100%	0%

Sec. 42 Acquisition	Sec. 42 New Con/Rehab	Sec. 42 Ineligible
\$0	\$0	\$2,180,000
\$0	\$0	\$0
\$0	\$0	\$0
\$0	\$0	\$0
\$0	\$0	\$0
\$0	\$0	\$2,180,000

\$9,627,567	total	\$9,627,567	\$157,829	41.7%
\$511,500	total	\$511,500	\$8,385	2.2%
\$909,703	total	\$909,703	\$14,913	3.9%
\$15,000	total	\$15,000	\$246	0.1%
\$380,215	total	\$380,215	\$6,233	1.6%
\$514,979	total	\$514,979	\$8,442	2.2%
0.0%	of hard costs	\$0	\$0	0.0%
		\$11,958,964	\$196,049	51.8%
5.0%		\$597,948	\$9,802	2.6%
		\$12,556,912	\$205,851	54.4%

0%	100%	0%
0%	0%	100%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%

\$0	\$9,627,567	\$0
\$0	\$0	\$511,500
\$0	\$909,703	\$0
\$0	\$15,000	\$0
\$0	\$380,215	\$0
\$0	\$514,979	\$0
\$0	\$0	\$0
\$0	\$597,948	\$0

\$75	per com. Nrsf	\$153,450	\$2,516	0.7%
\$0	total	\$0	\$0	0.0%
\$0	total	\$0	\$0	0.0%
\$0	total	\$0	\$0	0.0%
\$0	total	\$0	\$0	0.0%
\$0	total	\$0	\$0	0.0%
\$125,000	total	\$125,000	\$2,049	0.5%
\$0	total	\$0	\$0	0.0%
\$0	total	\$0	\$0	0.0%
\$0	total	\$0	\$0	0.0%
\$278,450	of hard costs	\$278,450	\$4,565	1.2%
5.00%		\$627,846	\$10,293	2.7%
		\$13,463,208	\$220,708	58.4%
	<i>Cost/gsf</i>	\$262.95		\$346.23

0%	0%	100%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%

\$0	\$0	\$153,450
\$0	\$0	\$0
\$0	\$0	\$0
\$0	\$0	\$0
\$0	\$0	\$0
\$0	\$0	\$0
\$0	\$125,000	\$0
\$0	\$0	\$0
\$0	\$0	\$0
\$0	\$0	\$0
\$0	\$0	\$0
\$0	\$627,846	\$0
\$0	\$12,798,258	\$664,950

\$150,000	total	\$150,000	\$2,459	0.7%
\$449,738	Per Unit	\$449,738	\$7,373	1.9%
\$0	total	\$0	\$0	0.0%
\$117,754	total	\$117,754	\$1,930	0.5%
\$56,658	total	\$56,658	\$929	0.2%
\$159,376	total	\$159,376	\$2,613	0.7%
\$161,811	total	\$161,811	\$2,653	0.7%
\$0	total	\$0	\$0	0.0%
\$205	total	\$205	\$3	0.0%
\$0	total	\$0	\$0	0.0%
\$0	total	\$0	\$0	0.0%
\$94,554	total	\$94,554	\$1,550	0.4%
\$0	total	\$0	\$0	0.0%
		\$1,190,096	\$19,510	5.2%

0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%

\$0	\$150,000	\$0
\$0	\$449,738	\$0
\$0	\$0	\$0
\$0	\$117,754	\$0
\$0	\$56,658	\$0
\$0	\$159,376	\$0
\$0	\$161,811	\$0
\$0	\$0	\$0
\$0	\$205	\$0
\$0	\$0	\$0
\$0	\$0	\$0
\$0	\$94,554	\$0
\$0	\$0	\$0
\$0	\$1,190,096	\$0

\$612,400	total	\$612,400	\$10,039	2.7%
\$0	total	\$0	\$0	0.0%
\$15,000	total	\$15,000	\$246	0.1%
\$88,400	total	\$88,400	\$1,449	0.4%
\$15,000	total	\$15,000	\$246	0.1%
\$30,000	total	\$30,000	\$492	0.1%
\$5,000	total	\$5,000	\$82	0.0%
\$30,650	total	\$30,650	\$502	0.1%
\$15,000	total	\$15,000	\$246	0.1%
\$35,000	total	\$35,000	\$574	0.2%
\$20,000	total	\$20,000	\$328	0.1%
\$6,000	total	\$6,000	\$98	0.0%
\$10,000	total	\$10,000	\$164	0.0%
\$25,000	total	\$25,000	\$410	0.1%
\$100,000	total	\$100,000	\$1,639	0.4%
		\$1,007,450	\$16,516	4.4%

0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%
0%	100%	0%

\$0	\$612,400	\$0
\$0	\$0	\$0
\$0	\$15,000	\$0
\$0	\$88,400	\$0
\$0	\$15,000	\$0
\$0	\$30,000	\$0
\$0	\$5,000	\$0
\$0	\$30,650	\$0
\$0	\$15,000	\$0
\$0	\$35,000	\$0
\$0	\$20,000	\$0
\$0	\$6,000	\$0
\$0	\$10,000	\$0
\$0	\$25,000	\$0
\$0	\$100,000	\$0
\$0	\$1,007,450	\$0

Mississippi ECB
DEVELOPMENT COSTS

TECHNICAL STUDIES

Unit Cost	Cost Driver	Total	Per Unit	% of Total	Acq	Const./Rehab	Inelig	Sec. 42 Acquisition	Sec. 42 New Con/Rehab	Sec. 42 Ineligible
PHASE I					0%	100%	0%	\$0	\$7,500	\$0
PHASE II					0%	100%	0%	\$0	\$0	\$0
APPRAISAL					0%	100%	0%	\$0	\$7,500	\$0
LAND VALUE APPRAISAL					0%	100%	0%	\$0	\$0	\$0
MARKET STUDY					0%	100%	0%	\$0	\$7,500	\$0
CEQA/NEPA REPORT					0%	100%	0%	\$0	\$0	\$0
ARCHEOLOGICAL REPORT					0%	100%	0%	\$0	\$5,000	\$0
RELOCATION STUDY					0%	100%	0%	\$0	\$0	\$0
HISTORICAL REPORT					0%	100%	0%	\$0	\$0	\$0
APPRAISAL					0%	100%	0%	\$0	\$0	\$0
ACOUSTIC					0%	100%	0%	\$0	\$6,250	\$0
OTHER (SPECIFY)					0%	100%	0%	\$0	\$0	\$0
OTHER (SPECIFY)					0%	100%	0%	\$0	\$0	\$0
TOTAL TECHNICAL STUDIES								\$0	\$33,750	\$0

BORROWER LEGAL

BORROWER LEGAL (ORG)					0%	100%	0%	\$0	\$15,000	\$0
BORROWER LEGAL (PSA)					0%	100%	0%	\$0	\$10,000	\$0
BORROWER LEGAL (LAND USE)					0%	100%	0%	\$0	\$0	\$0
BORROWER LEGAL (CONSTRUCTION)					0%	100%	0%	\$0	\$65,000	\$0
BORROWER LEGAL (PERM)					0%	0%	100%	\$0	\$0	\$10,000
NON PROFIT LEGAL					0%	100%	0%	\$0	\$5,000	\$0
BORROWER LEGAL								\$0	\$95,000	\$10,000

OTHER SOFT COSTS

NON PROFIT ADMISSION FEE					0%	100%	0%	\$0	\$10,000	\$0
INSURANCE (BUILDER'S RISK)					0%	100%	0%	\$0	\$134,632	\$0
INSURANCE (GENERAL LIABILITY)					0%	100%	0%	\$0	\$82,600	\$0
REAL ESTATE TAXES					0%	100%	0%	\$0	\$120,000	\$0
CONSTRUCTION MANAGEMENT (PRE-CON)					0%	0%	100%	\$0	\$0	\$54,825
CONSTRUCTION MANAGER REIMBURSABLES					0%	75%	25%	\$0	\$1,875	\$625
TITLE/ESCROW/RECORDING					0%	0%	100%	\$0	\$0	\$35,000
MARKETING & LEASE-UP					0%	100%	0%	\$0	\$25,000	\$0
JOB SITE SECURITY					0%	0%	100%	\$0	\$0	\$25,000
UNIT & COMMON AREA FURNISHINGS					0%	0%	100%	\$0	\$0	\$50,000
PREVAILING WAGE MONITORING					0%	0%	100%	\$0	\$0	\$0
OTHER (SPECIFY)					0%	0%	100%	\$0	\$0	\$0
OTHER (SPECIFY)					0%	0%	100%	\$0	\$0	\$0
OTHER (SPECIFY)					0%	0%	100%	\$0	\$0	\$0
TOTAL OTHER SOFT COSTS								\$0	\$374,107	\$165,450

RESERVES

REPLACEMENT RESERVE - INITIAL DEPOSIT					0%	0%	100%	\$0	\$0	\$0
OPERATING RESERVE					0%	0%	100%	\$0	\$0	\$275,000
NEGATIVE ARBITRAGE RESERVE					0%	0%	100%	\$0	\$0	\$0
OTHER (SPECIFY)					0%	0%	100%	\$0	\$0	\$0
OTHER (SPECIFY)					0%	0%	100%	\$0	\$0	\$0
TOTAL RESERVES								\$0	\$0	\$275,000

FINANCING COSTS

CONSTRUCTION LOAN ORIGINATION FEE					0%	100%	0%	\$0	\$121,500	\$0
CONSTRUCTION LENDER LEGAL					0%	100%	0%	\$0	\$70,000	\$0
CONSTRUCTION LENDER INSPECTION FEES					0%	100%	0%	\$0	\$15,000	\$0
CONSTRUCTION LENDER TECHNICAL STUDIES					0%	100%	0%	\$0	\$25,000	\$0
PERMANENT LOAN CONVERSION FEE					0%	100%	0%	\$0	\$10,000	\$0
PERMANENT LENDER LEGAL					0%	0%	100%	\$0	\$0	\$0
MORTGAGE BROKER FEE (CONSTRUCTION)					0%	0%	100%	\$0	\$0	\$0
MORTGAGE BROKER FEE (PERM)					0%	0%	100%	\$0	\$0	\$0
PREDEVELOPMENT LOAN FEE					0%	0%	100%	\$0	\$0	\$0
PREDEVELOPMENT LENDER LEGAL					0%	0%	100%	\$0	\$0	\$0
PREDEVELOPMENT LOAN INTEREST					0%	0%	100%	\$0	\$0	\$0
PREDEVELOPMENT ADMIN FEE					0%	0%	100%	\$0	\$0	\$0
PREDEVELOPMENT APP FEE					0%	0%	100%	\$0	\$0	\$0
OTHER (SPECIFY)					0%	100%	0%	\$0	\$0	\$0
OTHER (SPECIFY)					0%	100%	0%	\$0	\$0	\$0
OTHER (SPECIFY)					0%	100%	0%	\$0	\$0	\$0
TOTAL FINANCING COSTS								\$0	\$241,500	\$0

Mississippi ECB
DEVELOPMENT COSTS

	Unit Cost	Cost Driver	Total	Per Unit	% of Total	Acq	Const./Rehab	Inelig	Sec. 42 Acquisition	Sec. 42 New Con/Rehab	Sec. 42 Ineligible
INTEREST DURING CONSTRUCTION	\$1,006,852	Fixed (calc)	\$1,006,852	\$16,506	4.4%	0%	100%	0%	\$0	\$1,006,852	\$0
TAX EXEMPT BOND COSTS											
CDLAC FEE	0.0350%	of Bond Amt	\$4,253	\$70	0.0%	0%	0%	100%	\$0	\$0	\$4,253
CDAIC FEE	0.0250%	of Bond Amt	\$3,038	\$50	0.0%	0%	0%	100%	\$0	\$0	\$3,038
ISSUER APPLICATION FEE (SDHC)	\$3,000	total	\$3,000	\$49	0.0%	0%	0%	100%	\$0	\$0	\$3,000
UP-FRONT ISSUER FEE (SDHC)	0.2500%	of Bond Amt	\$30,375	\$498	0.1%	0%	0%	100%	\$0	\$0	\$30,375
TRUSTEE FEE	\$7,500	total	\$7,500	\$123	0.0%	0%	0%	100%	\$0	\$0	\$7,500
BOND COUNSEL	\$45,000	total	\$45,000	\$738	0.2%	0%	0%	100%	\$0	\$0	\$45,000
FINANCIAL ADVISOR	\$35,000	total	\$35,000	\$574	0.2%	0%	0%	100%	\$0	\$0	\$35,000
RATING AGENCY	\$0	total	\$0	\$0	0.0%	0%	0%	100%	\$0	\$0	\$0
BOND CLEARANCE	\$0	total	\$0	\$0	0.0%	0%	0%	100%	\$0	\$0	\$0
AGENCY LEGAL	\$0	total	\$0	\$0	0.0%	0%	0%	100%	\$0	\$0	\$0
BOND UNDERWRITER	\$0	total	\$0	\$0	0.0%	0%	0%	100%	\$0	\$0	\$0
UNDERWRITER'S COUNSEL	\$0	total	\$0	\$0	0.0%	0%	0%	100%	\$0	\$0	\$0
PLACEMENT FEE	\$0	total	\$0	\$0	0.0%	0%	0%	100%	\$0	\$0	\$0
OTHER (SPECIFY)	\$0	total	\$0	\$0	0.0%	0%	0%	100%	\$0	\$0	\$0
OTHER (SPECIFY)	\$0	total	\$0	\$0	0.0%	0%	0%	100%	\$0	\$0	\$0
TOTAL TAX EXEMPT BOND COSTS			\$128,165	\$2,101	0.6%				\$0	\$0	\$128,165
TAX CREDIT COSTS											
TAX CREDIT RESERVATION FEE (ESTIMATE)	\$5,740	total	\$5,740	\$94	0.0%	0%	0%	100%	\$0	\$0	\$5,740
TAX CREDIT APPLICATION FEE	\$2,000	total	\$2,000	\$33	0.0%	0%	0%	100%	\$0	\$0	\$2,000
COMPLIANCE MONITORING FEE	\$410	per unit	\$25,010	\$410	0.1%	0%	0%	100%	\$0	\$0	\$25,010
AUDIT & TAX RETURN	\$15,000	total	\$15,000	\$246	0.1%	0%	100%	0%	\$0	\$15,000	\$0
COST CERTIFICATION	\$10,000	total	\$10,000	\$164	0.0%	0%	100%	0%	\$0	\$10,000	\$0
SYNDICATION FEES	\$50,000	total	\$50,000	\$820	0.2%	0%	0%	100%	\$0	\$0	\$50,000
OTHER (SPECIFY)	\$0	total	\$0	\$0	0.0%	0%	0%	100%	\$0	\$0	\$0
TOTAL TAX CREDIT COSTS			\$107,750	\$1,766	0.5%				\$0	\$25,000	\$82,750
SOFT COST CONTINGENCY	5.00%	Rounded	\$240,000	\$3,934	1.0%	0%	100%	0%	\$0	\$240,000	\$0
DEVELOPER FEE											
DEVELOPER FEE ON ACQUISITION	15.00%	of Elig. Acq. Cost	\$0	\$0	0.0%	100%	0%	0%	\$0	\$0	\$0
DEVELOPER FEE ON REHAB/NEW CONST.	15.00%	of Elig. Rehab	\$2,551,802	\$41,833	11.1%	0%	100%	0%	\$0	\$2,500,000	\$0
TOTAL DEVELOPER FEE			\$2,551,802	\$41,833	11.1%				\$0	\$2,500,000	\$0
GRAND TOTAL DEVELOPMENT COSTS			\$23,070,129	\$378,199	100%				\$0	\$19,512,012	\$3,506,315

Mississippi ECB
ANNUAL CASH FLOW

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
INCOME:															
GROSS POTENTIAL INCOME	\$548,968	\$559,947	\$571,146	\$582,569	\$594,221	\$606,105	\$618,227	\$630,592	\$643,203	\$656,067	\$669,189	\$682,573	\$696,224	\$710,149	\$724,352
VACANCY/RENT ADJUSTMENTS (RESIDENTIAL)															
VACANCIES (RESIDENTIAL)	-\$27,448	-\$27,997	-\$28,557	-\$29,128	-\$29,711	-\$30,305	-\$30,911	-\$31,530	-\$32,160	-\$32,803	-\$33,459	-\$34,129	-\$34,811	-\$35,507	-\$36,218
CONCESSIONS (RESIDENTIAL)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL VACANCIES/CONCESSIONS (RESID.)	-\$27,448	-\$27,997	-\$28,557	-\$29,128	-\$29,711	-\$30,305	-\$30,911	-\$31,530	-\$32,160	-\$32,803	-\$33,459	-\$34,129	-\$34,811	-\$35,507	-\$36,218
OTHER INCOME															
LAUNDRY & VENDING	\$14,322	\$14,752	\$15,194	\$15,650	\$16,120	\$16,603	\$17,101	\$17,614	\$18,143	\$18,687	\$19,248	\$19,825	\$20,420	\$21,033	\$21,664
LATE/NSF FEES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FOREFITTED SECURITY DEPOSITS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PARKING	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
STORAGE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
INTEREST INCOME	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PET FEES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL OTHER INCOME	\$14,322	\$14,752	\$15,194	\$15,650	\$16,120	\$16,603	\$17,101	\$17,614	\$18,143	\$18,687	\$19,248	\$19,825	\$20,420	\$21,033	\$21,664
COMMERCIAL INCOME	\$109,399	\$112,681	\$116,062	\$119,544	\$123,130	\$126,824	\$130,629	\$134,548	\$138,584	\$142,741	\$147,024	\$151,434	\$155,977	\$160,657	\$165,476
VACANCY/RENT ADJUSTMENTS (COMMERCIAL)	-\$5,470	-\$5,634	-\$5,803	-\$5,977	-\$6,157	-\$6,341	-\$6,531	-\$6,727	-\$6,929	-\$7,137	-\$7,351	-\$7,572	-\$7,799	-\$8,033	-\$8,274
EFFECTIVE GROSS INCOME (BUILDING)	\$639,771	\$653,749	\$668,042	\$682,657	\$697,603	\$712,886	\$728,514	\$744,497	\$760,841	\$777,556	\$794,650	\$812,132	\$830,011	\$848,298	\$867,000
EXPENSES:															
PROFESSIONAL MANAGEMENT	\$31,989	\$32,687	\$33,402	\$34,133	\$34,880	\$35,644	\$36,426	\$37,225	\$38,042	\$38,878	\$39,732	\$40,607	\$41,501	\$42,415	\$43,350
ADMINISTRATIVE															
AUDIT	\$8,487	\$8,742	\$9,004	\$9,274	\$9,552	\$9,839	\$10,134	\$10,438	\$10,751	\$11,074	\$11,406	\$11,748	\$12,101	\$12,464	\$12,838
ADVERTISING	\$1,061	\$1,093	\$1,126	\$1,159	\$1,194	\$1,230	\$1,267	\$1,305	\$1,344	\$1,384	\$1,426	\$1,469	\$1,513	\$1,558	\$1,605
OFFICE SUPPLIES	\$2,652	\$2,732	\$2,814	\$2,898	\$2,985	\$3,075	\$3,167	\$3,262	\$3,360	\$3,461	\$3,564	\$3,671	\$3,781	\$3,895	\$4,012
TELEPHONE	\$4,774	\$4,917	\$5,065	\$5,217	\$5,373	\$5,534	\$5,700	\$5,871	\$6,048	\$6,229	\$6,416	\$6,608	\$6,807	\$7,011	\$7,221
LEGAL	\$2,652	\$2,732	\$2,814	\$2,898	\$2,985	\$3,075	\$3,167	\$3,262	\$3,360	\$3,461	\$3,564	\$3,671	\$3,781	\$3,895	\$4,012
CONSULTANTS	\$1,591	\$1,639	\$1,688	\$1,739	\$1,791	\$1,845	\$1,900	\$1,957	\$2,016	\$2,076	\$2,139	\$2,203	\$2,269	\$2,337	\$2,407
MISC ADMIN	\$530	\$546	\$563	\$580	\$597	\$615	\$633	\$652	\$672	\$692	\$713	\$734	\$756	\$779	\$802
TOTAL ADMINISTRATIVE	\$21,748	\$22,401	\$23,073	\$23,765	\$24,478	\$25,212	\$25,969	\$26,748	\$27,550	\$28,377	\$29,228	\$30,105	\$31,008	\$31,938	\$32,896
PAYROLL AND BENEFITS															
MANAGER SALARY	\$42,436	\$43,709	\$45,020	\$46,371	\$47,762	\$49,195	\$50,671	\$52,191	\$53,757	\$55,369	\$57,030	\$58,741	\$60,504	\$62,319	\$64,188
MAINTENANCE SALARY	\$21,218	\$21,855	\$22,510	\$23,185	\$23,881	\$24,597	\$25,335	\$26,095	\$26,878	\$27,685	\$28,515	\$29,371	\$30,252	\$31,159	\$32,094
LEASING SALARY	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PAYROLL TAXES	\$4,870	\$5,016	\$5,166	\$5,321	\$5,481	\$5,645	\$5,814	\$5,989	\$6,169	\$6,354	\$6,544	\$6,741	\$6,943	\$7,151	\$7,366
WORKER'S COMP	\$4,621	\$4,760	\$4,903	\$5,050	\$5,201	\$5,357	\$5,518	\$5,684	\$5,854	\$6,030	\$6,211	\$6,397	\$6,589	\$6,787	\$6,990
EMPLOYEE BENEFITS	\$11,458	\$11,801	\$12,155	\$12,520	\$12,896	\$13,283	\$13,681	\$14,092	\$14,514	\$14,950	\$15,398	\$15,860	\$16,336	\$16,826	\$17,331
TOTAL PAYROLL AND BENEFITS	\$84,603	\$87,141	\$89,755	\$92,447	\$95,221	\$98,078	\$101,020	\$104,050	\$107,172	\$110,387	\$113,699	\$117,110	\$120,623	\$124,242	\$127,969

Mississippi ECB
ANNUAL CASH FLOW

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
UTILITIES															
CABLE	\$1,591	\$1,639	\$1,688	\$1,739	\$1,791	\$1,845	\$1,900	\$1,957	\$2,016	\$2,076	\$2,139	\$2,203	\$2,269	\$2,337	\$2,407
GAS	\$5,968	\$6,147	\$6,331	\$6,521	\$6,717	\$6,918	\$7,126	\$7,339	\$7,560	\$7,786	\$8,020	\$8,261	\$8,508	\$8,764	\$9,026
ELECTRICITY	\$4,774	\$4,917	\$5,065	\$5,217	\$5,373	\$5,534	\$5,700	\$5,871	\$6,048	\$6,229	\$6,416	\$6,608	\$6,807	\$7,011	\$7,221
WATER	\$9,548	\$9,835	\$10,130	\$10,433	\$10,746	\$11,069	\$11,401	\$11,743	\$12,095	\$12,458	\$12,832	\$13,217	\$13,613	\$14,022	\$14,442
SEWER	\$9,548	\$9,835	\$10,130	\$10,433	\$10,746	\$11,069	\$11,401	\$11,743	\$12,095	\$12,458	\$12,832	\$13,217	\$13,613	\$14,022	\$14,442
GARBAGE	\$9,548	\$9,835	\$10,130	\$10,433	\$10,746	\$11,069	\$11,401	\$11,743	\$12,095	\$12,458	\$12,832	\$13,217	\$13,613	\$14,022	\$14,442
TOTAL UTILITIES	\$40,977	\$42,207	\$43,473	\$44,777	\$46,120	\$47,504	\$48,929	\$50,397	\$51,909	\$53,466	\$55,070	\$56,722	\$58,424	\$60,176	\$61,982
OPERATING & MAINTENANCE															
REPAIR - CONTRACT	\$7,161	\$7,376	\$7,597	\$7,825	\$8,060	\$8,302	\$8,551	\$8,807	\$9,071	\$9,344	\$9,624	\$9,913	\$10,210	\$10,516	\$10,832
REPAIR - SUPPLIES	\$7,161	\$7,376	\$7,597	\$7,825	\$8,060	\$8,302	\$8,551	\$8,807	\$9,071	\$9,344	\$9,624	\$9,913	\$10,210	\$10,516	\$10,832
JANITORIAL	\$2,546	\$2,623	\$2,701	\$2,782	\$2,866	\$2,952	\$3,040	\$3,131	\$3,225	\$3,322	\$3,422	\$3,524	\$3,630	\$3,739	\$3,851
TURNOVER	\$8,593	\$8,851	\$9,117	\$9,390	\$9,672	\$9,962	\$10,261	\$10,569	\$10,886	\$11,212	\$11,549	\$11,895	\$12,252	\$12,620	\$12,998
ELEVATOR	\$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	\$7,790	\$8,024
LANDSCAPING	\$2,546	\$2,623	\$2,701	\$2,782	\$2,866	\$2,952	\$3,040	\$3,131	\$3,225	\$3,322	\$3,422	\$3,524	\$3,630	\$3,739	\$3,851
PEST CONTROL	\$2,546	\$2,623	\$2,701	\$2,782	\$2,866	\$2,952	\$3,040	\$3,131	\$3,225	\$3,322	\$3,422	\$3,524	\$3,630	\$3,739	\$3,851
SECURITY	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MISC O&M	\$2,387	\$2,459	\$2,532	\$2,608	\$2,687	\$2,767	\$2,850	\$2,936	\$3,024	\$3,115	\$3,208	\$3,304	\$3,403	\$3,505	\$3,611
TOTAL OPERATING AND MAINTENANCE	\$38,245	\$39,393	\$40,575	\$41,792	\$43,046	\$44,337	\$45,667	\$47,037	\$48,448	\$49,902	\$51,399	\$52,941	\$54,529	\$56,165	\$57,850
TAXES AND INSURANCE															
REAL ESTATE TAXES	\$15,914	\$16,391	\$16,883	\$17,389	\$17,911	\$18,448	\$19,002	\$19,572	\$20,159	\$20,764	\$21,386	\$22,028	\$22,689	\$23,370	\$24,071
INSURANCE	\$16,709	\$17,210	\$17,727	\$18,259	\$18,806	\$19,371	\$19,952	\$20,550	\$21,167	\$21,802	\$22,456	\$23,129	\$23,823	\$24,538	\$25,274
MISC TAXES AND INSURANCE	\$902	\$929	\$957	\$985	\$1,015	\$1,045	\$1,077	\$1,109	\$1,142	\$1,177	\$1,212	\$1,248	\$1,286	\$1,324	\$1,364
TOTAL TAXES AND INSURANCE	\$33,524	\$34,530	\$35,566	\$36,633	\$37,732	\$38,864	\$40,030	\$41,231	\$42,468	\$43,742	\$45,054	\$46,406	\$47,798	\$49,232	\$50,709
REPLACEMENT RESERVES	\$13,500	\$13,973	\$14,462	\$14,968	\$15,492	\$16,034	\$16,595	\$17,176	\$17,777	\$18,399	\$19,043	\$19,710	\$20,399	\$21,113	\$21,852
OTHER (TAX CREDIT MONITORING)	\$7,161	\$7,376	\$7,597	\$7,825	\$8,060	\$8,302	\$8,551	\$8,807	\$9,071	\$9,344	\$9,624	\$9,913	\$10,210	\$10,516	\$10,832
TOTAL EXPENSES	\$271,748	\$279,707	\$287,902	\$296,340	\$305,028	\$313,974	\$323,186	\$332,671	\$342,437	\$352,494	\$362,849	\$373,512	\$384,492	\$395,798	\$407,440
NET OPERATING INCOME	\$368,023	\$374,042	\$380,140	\$386,317	\$392,574	\$398,911	\$405,328	\$411,826	\$418,404	\$425,062	\$431,801	\$438,620	\$445,520	\$452,500	\$459,560
TOTAL HARD DEBT SERVICE	\$299,655	\$299,655	\$299,655	\$299,655	\$299,655	\$299,655	\$299,655	\$299,655	\$299,655	\$299,655	\$299,655	\$299,655	\$299,655	\$299,655	\$299,655
DSCR	1.23	1.25	1.27	1.29	1.31	1.33	1.35	1.37	1.40	1.42	1.44	1.46	1.49	1.51	1.53
NET PARTNERSHIP CASH FLOW	\$68,368	\$74,387	\$80,485	\$86,662	\$92,919	\$99,256	\$105,673	\$112,171	\$118,748	\$125,407	\$132,146	\$138,965	\$145,865	\$152,845	\$159,905

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 or 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 10% 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 issuer (Housing Authority) 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, 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 (City Council). This process does not make the City financially or legally liable for the bonds or for the project.

[Note: It is uncommon for the members of the City Council to be asked to take two actions at this stage in the bond process---one in their capacity as the City Council (TEFRA hearing and resolution) and another as the Housing Authority (bond inducement). Were the issuer (Housing Authority) a more remote entity, the TEFRA hearing and resolution would be the only opportunity for local elected officials to weigh in on the project.]

- **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 Authority 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.