



## EXECUTIVE SUMMARY

### HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: November 13, 2020

HCR20-104

SUBJECT: Preliminary Bond Authorization and Loan Recommendation for  
The Post 310 Apartments

COUNCIL DISTRICT: 4

ORIGINATING DEPARTMENT: Real Estate Division

CONTACT/PHONE NUMBER: Jennifer Kreutter, (619) 578-7709

#### REQUESTED ACTION:

Approve a proposed residual receipts loan in an amount not to exceed \$2,883,000, to Post 310 Housing San Diego L.P. a California limited partnership, and take initial steps to issue Housing Authority of the City of San Diego tax-exempt and taxable Multifamily Housing Revenue Bonds up to \$17,700,000 and up to \$5,000,000, respectively, to facilitate the acquisition and construction of The Post 310 Apartments, a 43-unit affordable rental housing development with one-bedroom and three-bedroom units, to be located at 465 47<sup>th</sup> Street, San Diego, CA 92012, which will include 42 units that will remain affordable for 55 years.

#### EXECUTIVE SUMMARY OF KEY FACTORS:

- The proposed development is a 43-unit affordable rental housing new construction project.
- The development includes 42 one-bedroom and three-bedroom units with rents restricted to 30 – 60 percent of San Diego Area Median Income.
- Hitzke Development Corporation and Housing Innovation Partners, co-developers, are seeking a Housing Commission loan in the amount of \$2,883,000 and preliminary approvals to issue up to \$17,700,000 in tax-exempt Multifamily Housing Revenue Bonds and \$5,000,000 in taxable Multifamily Housing Revenue Bonds.
- Total development cost of the development is \$25,549,123.
- The Housing Commission has committed 20 federal housing vouchers: 10 Veterans Affairs Supportive Housing (VASH) vouchers and 10 Project-Based Housing Vouchers
- If approved, the developer could commence construction in April 2021 and complete construction by September 2022.
- Staff recommends approving a residual receipts loan of up to \$2,833,000 to finance the proposed acquisition and new construction of The Post 310 Apartments, as well as approving the initial steps toward the issuance of up to \$17,700,000 in tax-exempt and up to \$5,000,000 in taxable Multifamily Housing Revenue Bonds.



## REPORT

**DATE ISSUED:** November 6, 2020

**REPORT NO:** HCR20-104

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of November 13, 2020

**SUBJECT:** Loan Recommendation and Preliminary Bond Authorization for The Post 310  
Apartments

**COUNCIL DISTRICT:** 4

### **REQUESTED ACTION**

*Seven-day advance notice of San Diego Housing Commission hearing of the following matter has been provided to the Housing Authority Members pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(4)(a)(b) for Staff Recommendation No. 1.*

Approve a proposed residual receipts loan in an amount not to exceed \$2,883,000 to Post 310 Housing San Diego L.P., a California limited partnership, and take initial steps to issue Housing Authority of the City of San Diego tax-exempt and taxable Multifamily Housing Revenue Bonds up to \$17,700,000 (tax-exempt) and up to \$5,000,000 (taxable), respectively, to facilitate the acquisition and construction of The Post 310 Apartments, a 43-unit affordable rental housing development to be located at 465 47<sup>th</sup> Street, San Diego, CA 92012, which will include 42 units that will remain affordable for 55 years and one manager's unit.

### **STAFF RECOMMENDATION**

That the San Diego Housing Commission (Housing Commission) take the following actions and recommend that 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 Commission:**

- 1) Approve a Housing Commission residual receipts loan of up to \$2,883,000 to the borrower Post 310 Housing San Diego L.P., a California limited partnership formed by Hitzke Development Corporation and Housing Innovation Partners (HIP), to finance the acquisition and construction of The Post 310 Apartments, a 43-unit affordable rental housing development, to be located at 465 47<sup>th</sup> Street, San Diego, CA 92012, which will include 42 units that will remain affordable for 55 years and one manager's unit.

The Housing Commission's proposed loan will be contingent upon the developer receiving all necessary third-party funding commitments as described in this report. Such third-party funding commitments will be subject to the Housing Commission General Counsel's approval.

- 2) Authorize the Housing Commission's President & Chief Executive Officer (President & CEO), or designee, to take the following actions:
  - a. Adjust financing terms/conditions, as necessary, for consistency with requirements of

other funding sources or to accommodate market changes that may occur, provided that the proposed \$2,833,000 maximum loan amount may not increase.

- b. Substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the President & CEO, or designee, to take such actions as are necessary, convenient, and/or appropriate to implement this approval and delegation of authority by the Housing Commission upon advice of the General Counsel.

**Housing Authority:**

- 1) Approve the following steps to issue tax-exempt and taxable Multifamily Housing Revenue Bonds for The Post 310 Apartments:
  - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$17,700,000 in tax-exempt Multifamily Housing Revenue Bonds and up to \$5,000,000 in taxable Multifamily Housing Revenue Bonds for the acquisition and new construction of The Post 310 Apartments by Post 310 Housing San Diego L.P.;
  - 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 Multifamily Housing Revenue Bonds in an amount up to \$17,700,000 for The Post 310 Apartments. Issuance of the bonds will require Housing Authority approval at a later date; and
  - c. Approve the bond financing team of Kutak Rock as Bond Counsel and Public Financial Management, Inc. (PFM) as Financial Advisor.
- 2) Authorize the Housing Commission's President & CEO, or his designee, to execute any and all documents necessary to effectuate the transaction and implement the project in a form approved by the General Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement the approvals upon advice of the General Counsel.

**City Council:**

Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing, and adopt a resolution approving the Housing Authority's issuance of tax-exempt Multifamily Housing Revenue Bonds up to \$17,700,000 to facilitate the development of The Post 310 Apartments.

**SUMMARY**

A development summary is included as Attachment 1.

**Table 1 –Development Details**

Address	465 47 <sup>th</sup> Street, San Diego
Council District	4
Community Plan Area	Encanto Neighborhoods Community Planning Group (ENCPG)
Developers	Hitzke Development Corporation (HDC) and Housing Innovation Partners (HIP)
Development Type	New construction
Construction Type	Type VA
Parking Type	22 residential parking spaces and 22 commercial parking spaces for the proposed new American Legion Hall
Housing Type (Affordable)	Low-income and veterans experiencing homelessness

Lot Size	0.95 acre, 41,382 square feet
Total Units	43 units, of which 42 are affordable
Unit Mix	43 units: 41 one-bedrooms, 1 three-bedroom and 1 unrestricted three-bedroom manager's unit
Gross Building Area	41,634 square feet
Net Rentable Area	24,130 square feet
Commercial/Retail Space	5,200 square feet (proposed new American Legion Hall)
Vouchers	10 Veterans Affairs Supportive Housing (VASH) Vouchers and 10 Project-Based Housing Vouchers

### The Development

The Post 310 Apartments is a proposed 43-unit acquisition and construction of permanent supportive rental housing for veterans with low income or experiencing homelessness. The co-developers are the for-profit Hitzke Development Corporation (Hitzke) and the nonprofit Housing Innovation Partners (HIP). The property includes two separate existing parcels bisected by 47<sup>th</sup> Street. As of December 22, 2017, the owner of the property is the Post 310 San Diego L.P. The parcel of land on the eastern side of 47<sup>th</sup> Street is currently occupied by the American Legion Hall and a parking lot, while the western side is vacant. The developers plan to create three parcels. The eastern parcel will be divided into two lots: one for the new American Legion Hall and a second for apartments, parking lot and ancillary structures. The western parcel will contain the apartment building, parking lot and landscaped areas.

The new construction, 5,200-square-foot American Legion Hall building would be commercial space. The construction of the new American Legion Hall will assist that organization to continue and expand its community service mission to their members and Post 310 residents. However, neither the Housing Commission's loan funds nor the Multifamily Housing Revenue Bonds proceeds can be used for commercial space improvements or furnishings.

The affordable rental housing development will consist of two separate buildings with elevators: Building A will have three stories, while Building B will have four stories. Constructed in the two floors above the new American Legion Hall (east side of 47<sup>th</sup> Street), Building A will have 18 affordable rental housing units. Constructed across the street (on the west side of 47<sup>th</sup> Street) will be 25 affordable rental housing units (Attachment 2). These two buildings on opposing sides of 47<sup>th</sup> will create a gateway in the Encanto community and will also add to the appeal of the neighborhood. Additionally the Encanto Neighborhoods Community Planning Group supported the development in part due to the creation of this gateway.

The development's rental housing units will consist of 20 affordable units for veterans experiencing homelessness, 21 affordable units for veterans with low income, and two three-bedroom staff units—one rent-restricted and one unrestricted. Tenant incomes will range from 30 percent to 60 percent of San Diego's Area Median Income (AMI). Site amenities will include a community room, which will have computers and internet access, on-site laundry, manager and leasing office, and bicycle parking. The apartments will average 500 square feet for one-bedroom units and 1,000 square feet for three-bedroom units. Unit amenities will include balconies on a select number of units.

### Housing First

The proposed development will provide 20 affordable, one-bedroom units for veterans experiencing homelessness. 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 – to provide housing as quickly as possible, with supportive services as needed.

The Housing Commission has partnered with the Regional Task Force on the Homeless 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 the 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.

#### Developer's Request

Hitzke submitted an application in response to the Housing Commission's Fiscal Year 2020 Notice of Funding Availability (NOFA). On August 21, 2020, the Housing Commission provided the developer an award letter for a residual receipts loan of up to \$2,883,000 for the development. The developer proposes to apply for and obtain a CDLAC allocation of authority to issue tax- exempt private equity bonds, California Tax Credit Allocation Committee (CTCAC) approval for 4 percent tax credits, and third-party financing as described in this report.

#### The Property

A health center and convenience store with a gas station are located to the north of the property. Located to the northeast are single-family homes and vacant land. To the east and south of the property are single-family homes and multifamily residences. To the west of the property, across 47th street, are condominiums and single-family homes.

#### Appraisal

On November 7, 2019, the land was appraised by Kinetic Valuation Group at \$1,350,000 for the eastern portion and \$1,875,000 for the western portion.

#### Prevailing Wages

The Post 310 Apartments' use of federal Section 8 Project-Based Housing Vouchers will require payment of federal prevailing wages.

#### Relocation

The American Legion Hall is the only existing business on-site. Along with construction of The Post 310 Apartments, a new American Legion Hall will be simultaneously constructed and located below 18 affordable units. The current American Legion building will remain operational during construction. Once the east building is completed, the American Legion will relocate upon the Temporary Certificate of Occupancy. Relocation benefits will not apply.

#### Accessibility

CTCAC requires wheelchair accessibility in 10 percent of the units, and 4 percent of the units accessible to residents with visual and/or hearing impairment. The same units can satisfy both of these accessibility requirements. In addition, these accessible units will satisfy the Project-Based Housing Voucher requirement of wheelchair accessibility in 5 percent of the units plus an additional 2 percent of the units

accessible to residents with visual and/or hearing impairment. The development will include Universal Design features.

#### Project Sustainability

The Post 310 Apartments will be constructed in conformance with CTCAC minimum energy efficiency standards. Additionally, the project will have a cool roof on both buildings, energy efficient windows, low water-use plumbing fixtures and appliances, electric vehicle charging stations, drought tolerant landscaping and bicycle parking.

#### Development Team

The proposed borrower will be Post 310 Housing San Diego. HIP will be the Managing General Partner, Hitzke will be the Administrative General Partner, and Boston Capital is the proposed tax credit investor limited partner (Attachment 3). Hitzke is a for-profit corporation organized in 2008 and headquartered in Temecula, California. Hitzke specializes in public-private partnerships and focuses on infill sites for transit-oriented, mixed-use affordable housing development. Hitzke has completed construction of eight new affordable apartment communities in Southern California, totaling 482 units. Hitzke completed the redevelopment of the American Legion Post 820 located in Imperial Beach in 2013. The development was in partnership with the American Legion Post 820 and the City of Imperial Beach Housing Authority. The development includes 28 affordable housing units and a new 3,600-square-foot American Legion hall.

Co-developer HIP is a nonprofit developer, property manager, and service provider of affordable rental housing. It was organized in 1994 and is based in San Diego. HIP focuses on permanent supportive housing for individuals with low income and special needs. HIP provides ongoing supportive social services to enable tenants to improve their quality of life, stop the cycle of homelessness, and participate more fully in society. HIP owns and operates 132 units of permanent supportive housing and has an additional 63 unit in development. They own and operate five housing locations in the City of San Diego, including two developments that utilized Housing Commission financing: The Cove Apartments, which includes 19 permanent supportive housing units, and Paseo Glenn Apartments, which include 13 permanent supportive housing units.

Based upon the co-developers' past experience, Housing Commission staff has determined that the co-developers have the capacity to successfully complete the proposed The Post 310 Apartments development.

#### Supportive Services

The development's tenant supportive services will be provided by the U.S. Department of Veterans Affairs (VA) and a full-service provider through the County of San Diego Mental Health Services Act/Special Needs Housing Program (MHSA/SNHP). Of the 20 units designated for veterans experiencing homelessness, 10 units will be dedicated to persons who are also enrolled in the MHSA/SNHP Full-Service Provider programs (coordinated through the County of San Diego Behavioral Health Services). The remaining 10 units will be for Veterans Affairs Supportive Housing (VASH) voucher program participants, who experienced chronic homelessness. .

HIP will act as the lead service provider for the project, providing resident services for all tenants and case management for the units that are for veterans who low income who are not experiencing homelessness. A provider selected by County of San Diego Behavioral Health Services will act as

service provider for the 10 MHSA units and the VA will act as service provider for the 10 units supported by the VASH program. Additionally, all tenants will be eligible to join the membership of the American Legion Hall to gain access to the services provided by American Legion staff.

#### Property Management

This development will be managed by Hyder & Co. Property Management (Hyder). Hyder is a full-service property management organization specializing in multifamily affordable housing. Hyder has provided property management services for affordable housing developments for more than 45 years and operates in multiple California cities.

**Table 2 Development Team Summary**

<b>ROLE</b>	<b>FIRM/CONTACT</b>
Developers	Hitzke Development Corporation and Housing Innovation Partners
Owner/Borrower	Post 310 Housing San Diego L.P.
Managing General Partner	Housing Innovation Partners
Administrative General Partner	Hitzke Development Corporation
Tax Credit Investor Limited Partner	Boston Capital
Architect	FoundationForFrom Architecture
General Contractor	Allgire General Contractors
Property Management	Hyder & Co. Property Management
Supportive Services Provider	VA, HIP, TBD provider selected by County of San Diego Behavioral Health Services
Construction and Permanent Lender	Citibank

#### **FINANCING STRUCTURE**

The project has an estimated total development cost of \$25,549,123 (\$594,166/unit). Financing will include a combination of sources as described in Table 3. The developer's current pro forma is included as Attachment 4 and is summarized below.

**Table 3 – Post 310 Housing San Diego L.P.,  
Estimated Permanent Sources and Uses**

<b>Financing Sources</b>	<b>Amounts</b>	<b>Financing Uses</b>	<b>Amounts</b>	<b>Per Unit</b>
Citibank-Permanent Loan	\$1,739,085	Acquisition/Site Work	\$ 268,706	\$ 6,249
HCD-VHHP	\$9,283,837	Construction costs	\$16,574,525	\$385,454
Housing Commission Proposed loan	\$2,883,000	Architectural, Engineering and Permits	\$ 2,358,202	\$ 54,842
County of SD-SNHP	\$1,500,000	Indirect Expenses	\$ 445,000	\$ 10,349
Contributed Fee/Owner's Equity	\$1,594,533	Financing & Carrying Costs	\$ 1,948,328	\$ 45,310
LIHTC Equity	\$8,548,668	Other Costs	\$ 651,829	\$ 15,159
		Syndication Costs	\$ 308,000	\$ 7,163
		Developer Fee	\$ 2,994,533	\$ 69,640
<b>Total Development Cost</b>	<b>\$25,549,123</b>	<b>Total Development Cost</b>	<b>\$25,549,123</b>	<b>\$594,166</b>

The Housing Commission's proposed \$2,833,000 residual receipts loan will be funded with the City of San Diego's Affordable Housing Fund (Inclusionary Housing Fee and Housing Impact Fee, also known as Linkage Fee), which is administered by the Housing Commission. The total amount of funding sources from the Housing Commission shall not exceed \$2,883,000. Housing Commission funding is currently leveraged 8 to 1. 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 proposed loan terms are summarized in Attachment 5.

The developer proposes financing with a combination of tax-exempt bonds, 4 percent tax credits, funds from the State of California Department of Housing and Community Development Veterans Housing and Homelessness Prevention Program (HCD-VHHP), County of San Diego SNHP funds, developer fee/owner's equity and a proposed Housing Commission residual receipts loan. 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

\$2,994,533 – Gross developer fee

- 1,594,533 – Contributed developer fee

\$1,400,000 – Total cash developer fee

On April 25, 2017, the Housing Authority approved the "Request for Approval of Updated Developer Fees" (Report No. HAR 17-011; 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 HAR 17-011 "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 real estate industry professionals and affordable housing developers.

**Table 4 – Post 310 San Diego L.P. Key Performance Indicators**

Development Cost Per Unit	$\$25,549,123 \div 43 \text{ units} =$	\$594,166
Housing Commission Subsidy Per Unit	$\$2,883,000 \div 43 \text{ units} =$	\$67,047
Acquisition Cost Per Unit	$\$268,706 \div 43 \text{ units} =$	\$6,249
Gross Building Square Foot Hard Cost	$\$16,574,525 \div 41,634 \text{ sq. ft.} =$	\$398
Net Rentable Square Foot Hard Cost	$\$16,574,525 \div 24,130 \text{ sq. ft.} =$	\$687

#### 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 developments (completed or approved) over recent years are listed in Table 5.

**Table 5 – Post 310 San Diego L.P., Comparable Development Projects**

Project Name	Year	Units	Prevailing Wages	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Sq. Ft.
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<b>Subject- Post 310 San Diego L.P.</b>	<b>2020</b>	<b>43</b>	<b>Yes</b>	<b>\$25,549,123</b>	<b>\$594,166</b>	<b>\$67,047</b>	<b>\$398</b>
Ulric Street Apartments I	2020	96	Yes	\$53,423,780	\$556,498	\$72,917	\$229
Keeler Court	2019	71	Yes	\$40,891,780	\$575,941	\$0	\$304
East Block Family	2019	78	Yes	\$41,579,692	\$533,073	\$0	\$214

The per-unit cost for The Post 310 Apartments is higher than similar affordable housing developments primarily due to the number of apartment buildings being built. Typically a project with a similar number of units is situated within one building. The Post 310 Apartments development consists of two buildings with three to four stories on both sides of 47<sup>th</sup> Street. Each building will have its own elevator, stairs and walkways. Additionally, the western parcel requires a large retaining wall, and because a small portion of the eastern building is located within a special fire district, specially treated lumber for framing is required. Also, the award of federal housing vouchers requires the payment of federal prevailing wages.

#### 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 the 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 CDLAC application submittal, and a City Council Tax Equity and Fiscal Responsibility Act (TEFRA) resolution 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 application to CDLAC in January 2021 and apply for a bond allocation at the anticipated CDLAC March 2021 meeting. If necessary, staff will submit additional applications to CDLAC to secure a bond allocation for the development. However, the loan closing must occur within 24 months of the Housing Commission's loan award letter.

The developer will be seeking a CDLAC bond allocation of approximately \$17,700,000. The developer proposes to issue the bonds through a tax-exempt private placement bond issuance. The bonds will meet all requirements of the Housing Commission's Multifamily Housing Revenue Bond Program policy and will fully comply with the City's ordinance on bond disclosure. The bond amount that is ultimately issued will be based upon development costs, revenues, and interest rates prevailing at the time of bond issuance.

The developer proposes that the bonds will be used for acquisition, construction and permanent financing. Housing Commission staff will return to both the Housing Commission and Housing Authority for approval of the final bond amount. 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 6.

Staff recommends assigning Kutak Rock as Bond Counsel and PFM 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, the development will serve low-income individuals and families with incomes from 30 percent to 60 percent of San Diego Area Median Income. Approvals will be contingent upon National Environmental Policy Act clearance and a subsidy layering review.

Under the proposed loan, the development will be subject to a Housing Commission Declaration of Covenants and Restrictions, in addition to applicable tax credit and bond regulatory agreements, which will restrict affordability of 42 units for 55 years. Under the proposed loan and bond financing, the development will have 41 one-bedroom units restricted to households with incomes from 30 percent to 60 percent of San Diego's Area Median Income, currently \$27,750 per year to \$55,440 per year for a one-bedroom, two-person household, and one three-bedroom unit restricted at 50 percent of AMI, currently \$57,750 per year for a three-bedroom, four-person household. The remaining unit will be unrestricted manager's unit. Table 6 summarizes the affordability.

Housing Commission staff has provided a preliminary recommendation of award for 10 VASH vouchers and 10 Federal Project-Based Vouchers for The Post 310 Apartments. The preliminary recommendation for these vouchers is contingent upon completion of a subsidy layering review and execution of an Agreement to Enter into Housing Assistance Payment. Under these voucher programs, the tenants' 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 a gross rent level approved by the Housing Commission. The Housing Assistance Payment provides a rental subsidy for residents in The Post 310's 20 voucher-assisted units.

**Table 6 – The Post 310 San Diego LP Affordability & Monthly Estimated Rent Table**

<b>Unit Type</b>	<b>AMI</b>	<b>Number of Units</b>	<b>Maximum Gross Rents</b>
One-Bedroom	30%	20	\$694
One-Bedroom	50%	13	\$1,155
One-Bedroom	60%	8	\$1,386
Three-Bedroom	50%	1	\$1,444
Subtotal residential units		42	
Manager's unit (three-bedroom)	--	1	--
Total Units		43	

The more stringent of the funding sources' affordability/rent restrictions will take precedence during the term of their applicability.

### **FISCAL CONSIDERATIONS**

The funding sources and uses proposed for approval by this action are included in the Fiscal Year 2021 Budget. Approving this action will result in the development of 42 affordable rental housing units.

Funding sources approved by this action will be as follows:

Housing Impact (Linkage) Program funds - up to \$1,500,000

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Inclusionary Housing Program Funds – up to \$1,383,000

Bond Issuance Fees - \$56,750 [(\$17,700,000 tax-exempt bonds + \$5,000,000 taxable bonds) \* .0025]

Total Funding Sources - up to \$2,939,750

Funding uses approved by this action will be as follows:

Loans Made - up to \$2,883,000

Administrative Costs - up to \$56,750

Total Funding Uses - up to \$2,939,750

Approving this action will further grant the President & CEO, or designee, the authority to substitute the above funding sources with other available funding sources so long as the total Housing Commission loan amount does not exceed the approved total loan amount, should the operational need arise or should such actions be to the benefit of the Housing Commission.

There are no fiscal impacts to the Housing Commission, the City of San Diego, or the Housing Authority associated with the requested bond actions. Approval of the bond inducement and TEFRA resolutions do not commit the Housing Authority to issue bonds. The bonds will not constitute a debt of the City of San Diego. 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. 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 bonds. The co-developers are responsible for the payment of all costs under the financing, including the Housing Commission's .0025 bond amount issuer fee (estimated at \$56,750 with a \$17,700,000 tax-exempt + \$5,000,000 taxable bond issue).

#### Development Schedule

The estimated development timeline is as follows:

<u>Milestones</u>	<u>Estimated Dates</u>
<ul style="list-style-type: none"><li>• Housing Authority consideration</li><li>• City Council IRS-required TEFRA hearing</li><li>• CDLAC bond application &amp; CTCAC tax credit application</li><li>• CDLAC allocation meeting &amp; CTCAC allocation meeting</li><li>• Housing Commission final bond authorization</li><li>• Housing Authority final bond authorization</li><li>• Estimated bond issuance and escrow/loan closing</li><li>• Estimated start of construction work</li><li>• Estimated completion of construction work</li></ul>	<ul style="list-style-type: none"><li>• December 8, 2020</li><li>• December 8, 2020</li><li>• January 2021</li><li>• March 2021</li><li>• April 2021</li><li>• April 2021</li><li>• May 2021</li><li>• May 2021</li><li>• September 2022</li></ul>

#### **COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS**

On December 19, 2016, the Encanto Neighborhoods Community Planning Group voted 6-2 in support of the proposed development.

#### **KEY STAKEHOLDERS and PROJECTED IMPACTS**

Stakeholders include Hitzke and HIP as the co-developers, the Housing Authority as bond issuer, State Department of Housing and Community Development as the VHHP administrator, and the Encanto neighborhood. Construction of this development will positively impact the neighborhood and the

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availability of affordable housing in San Diego. The development will provide 42 new affordable rental homes for veterans with low income or experiencing homelessness.

### **ENVIRONMENTAL REVIEW**

The actions being taken at this time involve only consideration of a loan and bond inducement. 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 a loan and do not constitute approval of the development activity. Future actions to consider and approve development entitlement approvals related to the development of the site, if applicable, will require additional review under the provisions of CEQA by the lead agency.

### **National Environmental Policy Act**

Federal funds constitute a portion of this project making the project subject to 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 grant funds in March 2017.

Respectfully submitted,

*Jennifer Kreutter*

Director of Multifamily Loan  
Underwriting and Special Assets  
Real Estate Division

Approved by,

*Jeff Davis*

Jeff Davis  
Deputy Chief Executive Officer  
San Diego Housing Commission

Attachments: 1) Development Summary  
2) Site Map  
3) Organization Chart  
4) Developers' Project Proforma  
5) Proposed Loan Terms  
6) Multifamily Housing Revenue Bonds Program Summary  
7) Developer Disclosure Statement – Hitzke Development Corporation  
8) Developer Disclosure Statement – Housing Innovation Partners

Docket materials are available in the "Governance & Legislative Affairs" section of the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org)

### **Development Summary – The Post 310 Apartments**

**Table 1 – Development Details**

Address	465 47 <sup>th</sup> Street, San Diego
Council District	4
Community Plan Area	Encanto Neighborhoods Community Planning Group (ENCPG)
Developers	Hitzke Development Corporation (HDC) and Housing Innovation Partners (HIP)
Development Type	New construction
Construction Type	Type VA
Parking Type	22 residential parking spaces and 22 commercial parking spaces for the proposed new American Legion Hall
Housing Type (Affordable)	Low-income and veterans experiencing homelessness
Lot Size	0.95 acre, 41,382 square feet
Total Units	43 units, of which 42 are affordable
Unit Mix	43 units: 41 one-bedrooms, 1 three-bedroom and 1 unrestricted three-bedroom manager's unit
Gross Building Area	41,634 square feet
Net Rentable Area	24,130 square feet
Commercial/Retail Space	5,200 square feet (proposed new American Legion Hall)
Vouchers	10 Veterans Affairs Supportive Housing (VASH) Vouchers and 10 Project-Based Housing Vouchers

**Table 2 - Development Team Summary**

<b>ROLE</b>	<b>FIRM/CONTACT</b>
Developers	Hitzke Development Corporation and Housing Innovation Partners
Owner/Borrower	Post 310 Housing San Diego L.P.
Managing General Partner	Housing Innovation Partners
Administrative General Partner	Hitzke Development Corporation
Tax Credit Investor Limited Partner	Boston Capital
Architect	FoundationForFrom Architecture
General Contractor	Allgire General Contractors
Property Management	Hyder & Co. Property Management
Supportive Services Provider	VA, HIP, TBD provider selected by County of San Diego Behavioral Health Services
Construction and Permanent Lender	Citibank

**Table 3 –Estimated Sources and Uses of Financing**

<b>Financing Sources</b>	<b>Amounts</b>	<b>Financing Uses</b>	<b>Amounts</b>	<b>Per Unit</b>
Citibank-Permanent Loan	\$1,739,085	Acquisition/Site Work	\$ 268,706	\$ 6,249
HCD-VHHP	\$9,283,837	Construction costs	\$16,574,525	\$385,454

Housing Commission Proposed loan	\$2,883,000	Architectural, Engineering and Permits	\$ 2,358,202	\$ 54,842
County of SD-SNHP	\$1,500,000	Indirect Expenses	\$ 445,000	\$ 10,349
Contributed Fee/Owner's Equity	\$1,594,533	Financing & Carrying Costs	\$ 1,948,328	\$ 45,310
LIHTC Equity	\$8,548,668	Other Costs	\$ 651,829	\$ 15,159
		Syndication Costs	\$ 308,000	\$ 7,163
		Developer Fee	\$ 2,994,533	\$ 69,640
<b>Total Development Cost</b>	<b>\$25,549,123</b>	<b>Total Development Cost</b>	<b>\$25,549,123</b>	<b>\$594,166</b>

**Table 4 – Key Performance Indicators**

Development Cost Per Unit	$\$25,549,123 \div 43 \text{ units} =$	\$594,166
Housing Commission Subsidy Per Unit	$\$2,883,000 \div 43 \text{ units} =$	\$67,047
Acquisition Cost Per Unit	$\$268,706 \div 43 \text{ units} =$	\$6,249
Gross Building Square Foot Hard Cost	$\$16,574,525 \div 41,634 \text{ sq. ft.} =$	\$398
Net Rentable Square Foot Hard Cost	$\$16,574,525 \div 24,130 \text{ sq. ft.} =$	\$687

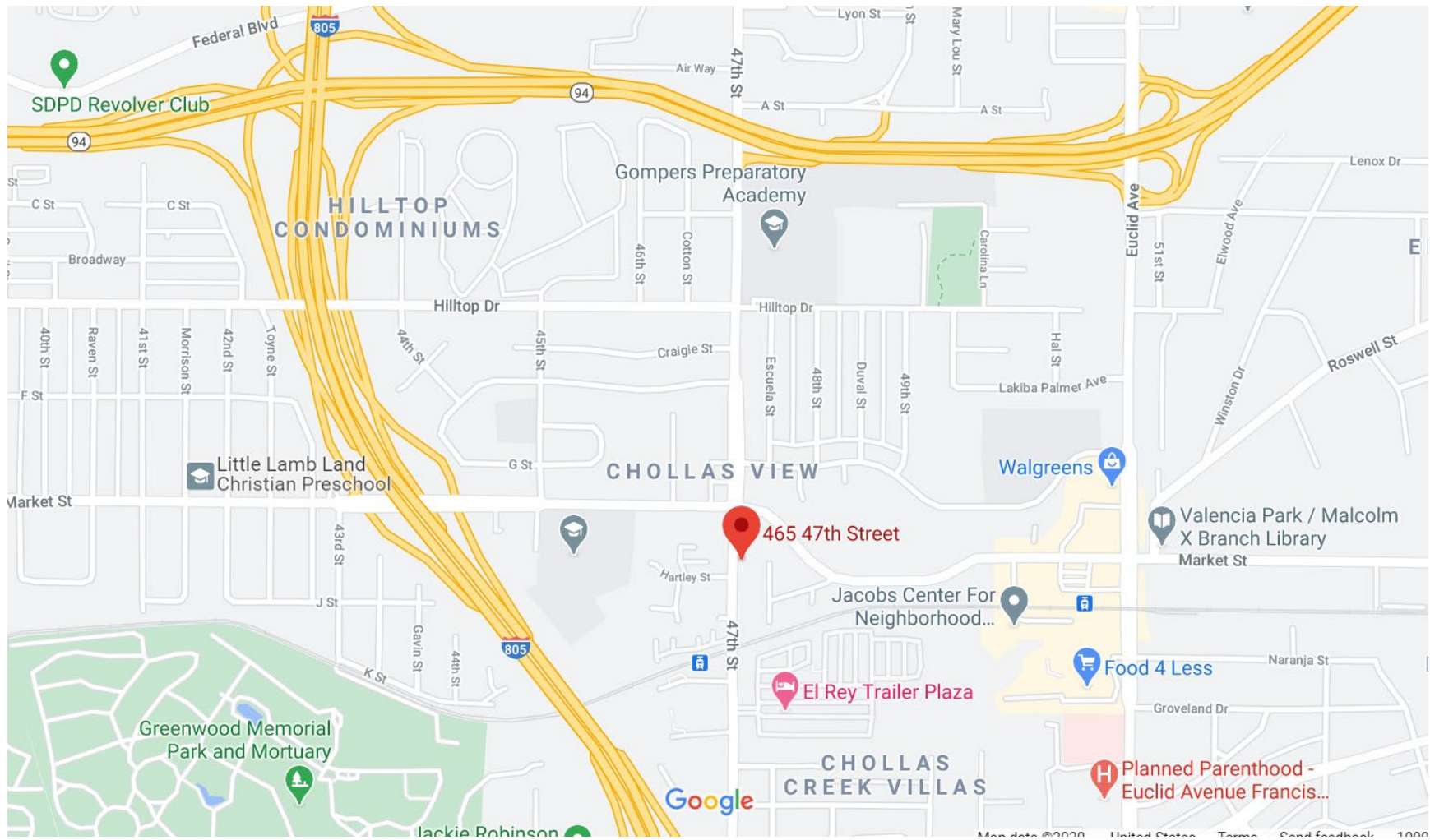
**Table 5 – Comparable New Construction Projects**

Project Name	Year	Units	Prevailing Wages	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Sq. Ft.
<b>Subject- Post 310 San Diego L.P.</b>	<b>2020</b>	<b>43</b>	<b>Yes</b>	<b>\$25,549,123</b>	<b>\$594,166</b>	<b>\$67,047</b>	<b>\$398</b>
Ulric Street Apartments I	2020	96	Yes	\$53,423,780	\$556,498	\$72,917	\$229
Keeler Court	2019	71	Yes	\$40,891,780	\$575,941	\$0	\$304
East Block Family	2019	78	Yes	\$41,579,692	\$533,073	\$0	\$214

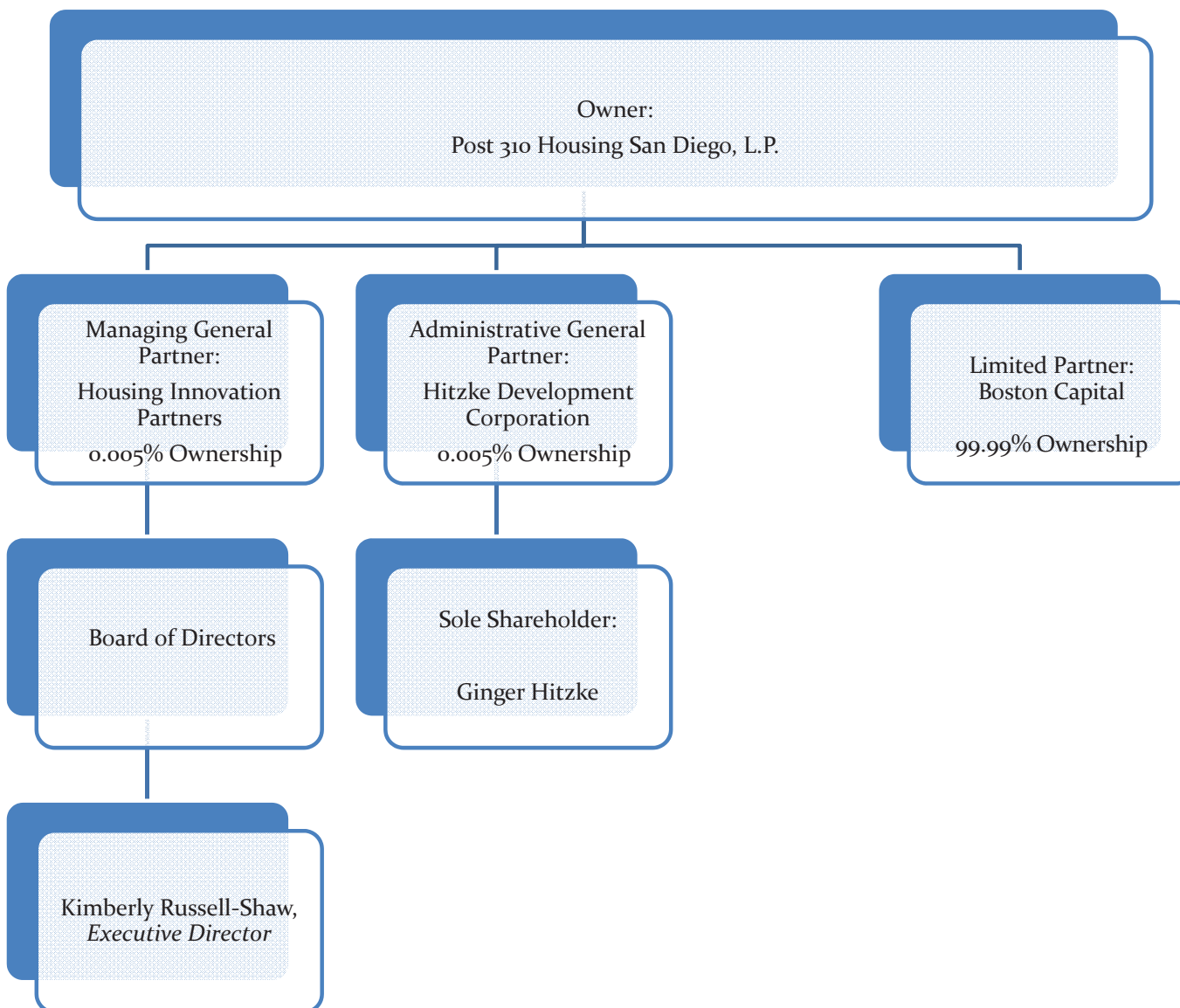
**Table 6 – Affordability & Monthly Estimated Rent Table**

Unit Type	AMI	Number of Units	Maximum Gross Rents
One-Bedroom	30%	20	\$694
One-Bedroom	50%	13	\$1,155
One-Bedroom	60%	8	\$1,386
Three-Bedroom	50%	1	\$1,444
Subtotal residential units		42	
Manager's unit (three-bedroom)	--	1	--
Total Units		43	

## Attachment 2 – The Post 310 Apartments Site Map



### Attachment 3 - Organizational Chart





Summary

Attachment 4

Tranquility at Post 310 - 43 Units (incl. 2 mgmt units); 4% tax credits w SDHC, MHSA/SNHP, VHHP; 20 PSH units w/ 20 Vouchers (10 VASH, 10 PBV); DCR = 1.20

UPDATED 10/16/20 FOR SDHC REVIEW

Assumptions						
Site Area (Acres)	0.92	40,181	s.f.	Density (Units per Acre):	46.6	DUAC
Number of Units	43			Construction Type:	3 levels of Type V-A	
Number of Parking Spaces	22	0.51	spaces per unit			
				Gross Building Area		32,435
				Net Rentable Bldg. Area		23,935
				Footprint		

A. DEVELOPMENT BUDGET SUMMARY

Description	Total Amount	per Resid. Unit
Acquisition & Related Holding Costs	\$ -	\$ -
subtotal	\$ 268,706	\$ 6,249
Construction Site Work + Hard Costs	\$ 13,324,608	\$ 309,875
General Conditions	\$ 1,117,021	\$ 25,977
Profit and Overhead	\$ 1,001,852	\$ 23,299
Furnishings and Equipment	\$ 50,000	\$ 1,163
Hard Cost Contingency	\$ 1,081,044	\$ 25,141
subtotal	\$ 16,574,525	\$ 385,454
Architecture/Engineering	\$ 1,423,202	\$ 33,098
Permits and Fees	\$ 935,000	\$ 21,744
Construction Loan Interest/Fees	\$ 1,408,329	\$ 32,752
Permanent Loan Fees/Costs	\$ 540,000	\$ 12,558
Legal	\$ 125,000	\$ 2,907
Appraisal/Market Study	\$ 30,000	\$ 698
Marketing/Lease-up	\$ 50,000	\$ 1,163
Title/Audit/Cost Certification	\$ 70,000	\$ 1,628
Insurance	\$ 170,000	\$ 3,953
Property Taxes	\$ 15,000	\$ 349
Soft Cost Contingency and Reserves	\$ 636,829	\$ 14,810
subtotal	\$ 5,403,360	\$ 125,660
Syndication Costs	\$ 308,000	\$ 7,163
Developer Fee	\$ 2,994,533	\$ 69,640
TOTAL DEVELOPMENT COSTS	\$ 25,549,123	\$ 594,166
	=====	=====
	\$25,549,123	(check)

B.

SOURCES AND USES

	Construction Period	Permanent Period
Sources of Funds		
Construction Loan	\$ 18,272,306	\$ -
Citibank - Permanent Conventional Loan	\$ -	\$ 1,739,085
HCD - VHHP	\$ -	\$ 9,283,837
San Diego Housing Commission	\$ 2,738,850	\$ 2,883,000
County of SD - SNHP	\$ 1,350,000	\$ 1,500,000
Owner's Equity	\$ -	\$ 1,594,533
LIHTC Investor Equity	\$ 414,563	\$ 8,548,668
TOTAL SOURCES	\$ 22,775,719	\$ 25,549,123
Uses of Funds		
Acquisition / Site Work	\$ 268,706	\$ 268,706
Construction	\$ 16,574,525	\$ 16,574,525
A/E, Permits	\$ 2,358,202	\$ 2,358,202
Indirect Expenses	\$ 445,000	\$ 445,000
Financing and Carry Costs	\$ 1,948,329	\$ 1,948,329
Other	\$ 432,324	\$ 651,829
Developer Fee and Syndication Costs	\$ 748,633	\$ 3,302,533
TOTAL USES	\$ 22,775,719	\$ 25,549,123
NET SURPLUS(SHORTFALL)	\$ -	\$ (0)
	=====	=====

C. FINANCING ASSUMPTIONS

CONSTRUCTION LOAN	
Lender:	Construction Loan
Loan Amount:	\$ 18,272,306
Loan Term:	24
Loan/Bond To Value:	80.23%
> 50% Basis plus land?	Yes
PERMANENT DEBT SOURCE 1	
Lender:	Citibank - Permanent Conventional Loan
Loan Amount:	\$1,739,085
Loan Term:	30
Note Rate:	5.60%
Payment (annual):	(\$119,805)
DCR:	1.20
PERMANENT DEBT SOURCE 2	
Lender:	0
Loan Amount:	\$0
Loan Term:	15
Note Rate:	5.00%
Payment (annual):	\$0
DCR:	1.15
PERMANENT DEBT SOURCE 3	
Lender:	HCD - VHHP
Loan Amount:	\$ 9,283,837
Loan Term:	55
Note Rate:	0.42%
Payment (annual):	(\$38,992)
DCR:	0.00
PERMANENT DEBT SOURCE 4	
Lender:	San Diego Housing Commission
Loan Amount:	\$2,883,000
PERMANENT DEBT SOURCE 5	
Lender:	0
Loan Amount:	\$0
Loan Term:	55
Note Rate:	0.00%
PERMANENT DEBT SOURCE 6	
Lender:	County of SD - SNHP
Loan Amount:	\$ 1,500,000
Loan Term:	55
Note Rate:	0.00%
Investor Equity - Federal Credit	
Net Rate	\$0.930
Net Pay-in	\$ 8,548,668
Initial Pay-in	\$ 854,867
Credit Rate	3.08%
Investor Equity - State Credit	
Net Rate	\$0.75
Net Pay-in	\$ -

D. FIVE YEAR CASH FLOW

Description	2022	2023	2024	2025	2026	2027
Affordable Rents	2.50%	\$425,352	\$435,986	\$446,885	\$458,058	\$469,509
Misc. Income (Laundry)	2.50%	\$2,580	\$2,645	\$2,711	\$2,778	\$2,848
POFA and VASH Income		\$189,120	\$193,848	\$198,694	\$203,662	\$208,753
Gross Potential Income		\$617,052	\$632,478	\$648,290	\$664,498	\$681,110
less vacancy		(\$46,279)	(\$47,436)	(\$48,622)	(\$49,837)	(\$51,083)
Effective Gross Income		\$570,773	\$585,042	\$599,668	\$614,660	\$630,027
less Operating Expenses	3.50%	(\$335,915)	(\$347,672)	(\$359,841)	(\$372,435)	(\$385,471)
less SDHC Monitoring Fee	0.00%	(\$6,300)	(\$6,521)	(\$6,749)	(\$6,985)	(\$7,229)
Less SDHC Issuer Fee		(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)
less HCD VHHP .42% Servicing Fee		(\$38,992)	(\$38,992)	(\$38,992)	(\$38,992)	(\$38,992)
less Replacement Reserves		(\$25,800)	(\$25,800)	(\$25,800)	(\$25,800)	(\$25,800)
less Operating Reserves		\$0	\$0	\$0	\$0	\$0
less fixed \$10,000 payment to SDHC		(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)
Net Operating Income		\$143,766	\$146,057	\$148,287	\$150,448	\$152,535
Total Hard Debt Payments		(\$119,805)	(\$119,805)	(\$119,805)	(\$119,805)	(\$119,805)
DISTRIBUTABLE CASH FLOW		\$23,961	\$26,253	\$28,482	\$30,643	\$32,730
less PM, AM Fees & Add'l Rep Reserve		(\$22,500)	(\$23,063)	(\$23,639)	(\$24,230)	(\$24,836)
Net Cash Flow		\$1,461	\$3,190	\$4,843	\$6,413	\$7,894
Deferred Developer Fee Payment		\$1,461	\$3,190	\$4,843	\$6,413	\$7,894
Surplus Cash Distribution	0.0%	\$0	\$0	\$0	\$0	\$0
Incentive Management Fee to GP	0.0%	\$0	\$0	\$0	\$0	\$0
Net Cash Flow		\$1,461	\$3,190	\$4,843	\$6,413	\$7,894

E.

ANNUAL OPERATING EXPENSES ( /UNIT)	\$7,812 per unit per year
	\$335,915 per year

F.

UNIT MIX AND RENTS	% Med. Inc.	Qty.	NSF	Mthly Rents	Mthly Income	Annual Income	Rent/s.f.
Studio	30%	-	-	\$562	\$0	\$0	1.12
Studio	30%	-	-	\$538	\$0	\$0	1.08
Studio	50%	-	-	\$936	\$0	\$0	1.87
Studio	60%	-	-	\$1,144	\$0	\$0	2.29
Studio	70%	-	-	\$1,346	\$0	\$0	2.69
1 Bedroom	30%	10	5,350	\$567	\$5,670	\$68,040	1.06
1 Bedroom	30%	10	5,350	\$567	\$5,670	\$68,040	1.06
1 Bedroom	50%	13	6,955	\$1,001	\$13,013	\$156,156	1.87
1 Bedroom	60%	8	4,280	\$1,217	\$9,736	\$116,832	2.27
1 Bedroom	70%	-	-	\$1,434	\$0	\$0	2.68
1 Bedroom	80%	-	-	\$1,651	\$0	\$0	3.09
2 Bedroom	30%	-	-	\$667	\$0	\$0	0.78
2 Bedroom	30%	-	-	\$667	\$0	\$0	0.78
2 Bedroom	50%	-	-	\$1,187	\$0	\$0	1.40
2 Bedroom	60%	-	-	\$1,445	\$0	\$0	1.70
2 Bedroom	70%	-	-	\$1,707	\$0	\$0	2.01
2 Bedroom	80%	-	-	\$1,967	\$0	\$0	2.31
3 Bedroom	30%	-	-	\$757	\$0	\$0	0.69
3 Bedroom	30%	-	-	\$757	\$0	\$0	0.69
3 Bedroom	50%	1	1,000	\$1,357	\$1,357	\$16,284	1.23
3 Bedroom	60%	-	-	\$1,657	\$0	\$0	1.66
3 Bedroom	Manager	1	1,000	\$0	\$0	\$0	-
Total Annual Gross Rents		43		\$18,604	\$35,446	\$425,352	

**ATTACHMENT 5**  
**PROPOSED LOAN NON-BINDING COMMITMENT TERMS SUMMARY**

Post 310 Housing San Diego L.P.  
465 47<sup>th</sup> Street, San Diego, CA 92102  
October 30, 2020

The San Diego Housing Commission (“Housing Commission”) is pleased to submit this non-binding commitment terms summary. This commitment terms summary is not a binding contract and is subject to the approval by the San Diego Housing Commission Board of Commissioners (“Board of Commissioners”) and, if necessary, the Housing Authority of the City of San Diego. The purpose of this commitment terms summary is to set forth the general terms and conditions under which the Housing Commission is interested in making a loan (“Housing Commission Loan”) to Post 310 Housing San Diego L.P., (the borrower) a California limited partnership for the Post 310 Apartments (“Project”) with respect to the proposed new construction and permanent financing of a 43-unit development (with 42 affordable units and one unrestricted manager’s unit) located at 465 47<sup>th</sup> Street in the City of San Diego. Closing must occur within eighteen (18) months of the Board of Commissioners approval of the Housing Commission Loan, unless an extension is granted by the President & CEO of the Housing Commission (or designee) in their sole discretion.

In the event of a conflict between any term or provision (or absence of any term or provision) of this commitment terms summary and any term or provision of any approval of any applicable board or governing body, the term or provision of such board or governing body shall apply. Provided the Housing Commission Loan is approved by the Board of Commissioners, and if necessary by Housing Authority of the City of San Diego, the following terms shall apply to the Housing Commission Loan. In addition, Exhibit A includes the Borrower’s pro forma which models financial projections of the Project.

The terms of the Housing Commission’s proposed financing shall be as follows:

1. **Maximum loan amount (not to exceed)** - Up to \$2,883,000 as a residual receipts loan. Loan funds to be used for the acquisition, construction and permanent financing of the Project.
2. **Interest Rate-** 4 percent simple interest.
3. **Loan Term** - The loan will be due, and payable in full, in 55 years from completion of the Project.
4. **Loan Payments** - Annual payments on the loan shall be a fixed \$10,000 with additional payments that equal the 50% percent of the Project’s residual cash. Provided, however, if the Housing Commission approves other lenders whose



loans will be paid from residual receipts, then the Housing Commission and such other approved lenders shall share the 50% percent of the Project's residual receipts, in proportion to the original principal balances of their respective loans. The following items, in addition to other operating expenses, shall be payable by the Borrower prior to the calculation of residual receipts:

- (i) The year 1 "Limited Partnership Fees" shall be capped at \$25,000. "Limited Partnership Fees" shall be defined to include any and all partnership-related fees including but not limited to: Investor Partnership fees, Asset Management fees, Other Limited Partnership oversight fees, and General Partner Fees. Partnership fee increases will be capped at three (3) percent annually. Unpaid partnership fees shall not accrue and the Housing Commission will require the Limited Partnership Agreement to explicitly state that requirement.
- (ii) Eligible deferred developer fee, if any. A deferred developer fee is not currently modeled in the pro forma (Attachment A).
- (iii) Repayment of eligible development deficit and operating deficit loans.

5. **Affordability-**

- a. Restricted units must remain affordable for 55 years. At escrow closing the Borrower and the Housing Commission shall cause a Declaration of Covenants, Conditions, and Restrictions (CC&R), restricting the rent and occupancy of the affordable units for 55 years, to be recorded against the Project. Such CC&R shall be in a form and format acceptable to the Housing Commission and its General Counsel in their sole discretions.
- b. The affordability shall be as follows:

Unit Type	AMI	Number of Units
One-Bedroom	30%	20
One-Bedroom	50%	13
One-Bedroom	60%	8
Three-Bedroom	50%	1
Subtotal		42
Manager Units		
Three-Bedroom	N/A	1
<b>TOTAL</b>		<b>43</b>

6. **Purchase Option** – The borrower has committed to providing the Housing Commission with the option to purchase the property at the end of the 15-year tax-credit compliance period through the Notice of Funding Availability application.



7. **Alternate Funding-** If the Borrower does not secure 4 percent tax credits in the California Tax Credit Allocation Committee (CTCAC), estimated for April meeting round in 2021, then Borrower shall make application for 4% tax credits in the next available CTCAC funding round. Borrower shall also seek alternative funding, including but not limited to the State of California Department of Housing and Community Development, County of San Diego, Federal Home Loan Bank etc. along with tax exempt bonds and 4% tax credits. Housing Commission legal counsel will determine if subsequent approvals for alternative financing structures are required by the San Diego Housing Commission Board of Commissioners and the Housing Authority of the City of San Diego.
8. **Appraised Value** – The purchase price of land and improvements shall not exceed the \$1,350,000 appraised value for the Eastern portion and \$1,875,000 for the Western portion as shown in the Kinetic Valuation Group’s November 7, 2019 appraisal report. In the event that the developer, or its affiliate, transfers the land prior to Housing Commission Loan closing, 100% of any net sales proceeds resulting from a subsequent sale to the tax credit limited partnership shall be structured as a Seller Carryback Loan. Borrower will submit an updated appraisal report with an effective date that is no more than 90 days before the closing.
9. **Closing Costs** - The Borrower shall pay all escrow, title and closing costs, including, without limitation, paying for an American Land Title Association (ALTA) Lenders Policy for the Housing Commission Loan with endorsements, as acceptable to the Housing Commission’s legal counsel.
10. **Construction Costs Third-Party Review** - Prior to loan approval, a costs review will be obtained by the Housing Commission with a third-party consultant. Borrower will reimburse the Housing Commission at escrow closing for all reasonable third-party review costs.
11. **Contractor** - The construction contract shall be competitively bid to at least three qualified General Contractors and shall be awarded to the lowest qualified and responsive bidder.
  - a. Borrower will submit copies of three qualified bids received from subcontractors for each trade.
  - b. Construction Agreement - Borrower shall submit the proposed Construction Agreement to the Housing Commission for its review and prior approval. The Housing Commission shall have a minimum of two weeks for its review of the proposed Construction agreement.
  - c. Subcontractors – the Borrower shall require the General Contractor to solicit and obtain competitive bids from at least three qualified subcontractors for



each major trade involved in the construction of the Project. Those bids will be reviewed and approved by the Borrower. The Borrower and General Contractor shall submit the subcontractors' competitive bids to the Housing Commission for prior review and reasonable approval.

- d. Change orders at or in excess of \$50,000 shall have Housing Commission prior written approval. For proposed change orders over \$50,000, the Borrower and General Contractor shall submit to the Housing Commission a detailed explanation of why the change order work is necessary, why the issue was not included in the original scope of work, and why the change is not being charged against the General Contractor's contingency.
- e. Agreement Changes - a Construction Agreement with a Guaranteed Maximum Price (GMP) may not be revised to a Lump Sum or other form of Construction Agreement.
- f. Insurance - prior to close of escrow, evidence of the General Contractor's insurance acceptable to the Housing Commission's legal counsel shall be provided. The Housing Commission, the Housing Authority of the City of San Diego, and the City of San Diego, shall be named as additional insureds on the General Contractor's insurance policies.

- 12. **Tax Credit Equity**- Borrower will provide the Letter Of Intent with equity pricing from the low-income housing tax credit (LIHTC) investor within 90 days of closing.
- 13. **First Mortgage**- Borrower will provide the term sheet from the first mortgage provider that was used at time of application as well as an update within 90 days of closing.
- 14. **Cost Certification** - The Borrower shall submit the final tax credit cost certification to the Housing Commission for its review and approval no less than 30 days before the cost certification is completed/finalized.
- 15. **Cost Savings and/or Additional Proceeds at Escrow Closing** - In the event that the Borrower obtains funds in excess of those shown as sources in Exhibit A Proforma, then upon the construction loan closing, the excess funds shall be used as follows:
  - a. First, such excess funds shall be used to fund development cost overruns reasonably approved by the Housing Commission.
  - b. Second, upon Construction Loan Closing and subject to lender and investor approval, any excess funds shall be used to pay the Housing Commission Loan as set forth in Section 16 below.
  - c. Other Public Lenders - If the Project financing includes other public lenders



who may require cost savings sharing then the cost savings shall be split proportionately based upon the public lenders loan amounts and in conformance with the other public lenders' agreements.

**16. Cost Savings and/or Additional Proceeds at Conversion to Permanent Financing** - In the event that the Borrower obtains funds in excess of those shown

as sources in Exhibit A Proforma, (including but not limited to cost savings, improved debt, improved tax credit equity pricing, deferred developer fee, if any, and any other sources), then upon conversion to permanent loan, the excess funds shall be used as follows:

- a. First, to pay for development cost overruns reasonably approved by the Housing Commission.
- b. Second, used to make any necessary adjustment to the total tax credit allocation as may be required by CTCAC.
- c. Third, payment towards the Borrower's deferred developer fee, if any. A deferred developer fee is not currently modeled in the pro forma (Attachment A).
- d. Fourth, excess funds shall be shared fifty percent (50%) to the Borrower and the other fifty percent (50%) will be paid to the Housing Commission and other soft lenders in proportion to the original principal balance of their loans.
- e. Excess funds will be applied first to pay down the accrued interest, and the remaining amount shall pay down the principal.

**17. Developer Fee-**

- a. Maximum Fee \$1,400,000 paid from Development Sources with the excess Developer Fee calculated per TCAC and SDHC guidelines.
- b. Additional developer fee provisions
  - i. If for any reason the Borrower does not collect the entire developer fee from development sources through the last equity installment, with the exception of negative tax credit adjusters, uncollected fee up to \$1,400,000 shall be given priority over Housing Commission residual receipt payments.
  - ii. If any amount of the developer fee is deferred, then such amount shall be repaid during the 15-year tax credit compliance period. Amounts outstanding after the expiration of the 15-year tax credit compliance period shall be contributed to the Project in the form of a capital contribution. A deferred developer fee is not currently modeled in the pro forma (Attachment A).
- c. Developer fee payments shall be paid out incrementally: because this is a tax credit project, the developer fee payments shall be in accordance with lender and investor requirements.



18. **Due Diligence** - The Borrower, at Borrower's expense, shall provide the following: a current appraisal, an environmental review, a lead paint and asbestos review, and a relocation plan, if deemed necessary, for the commercial tenants in the existing buildings that will be demolished upon commencement of construction of the Project. The Borrower shall provide the Housing Commission with an updated appraisal within 90 days of the estimated escrow closing date.
19. **Environmental Requirements** - Currently the Housing Commission does not intend to fund the Housing Commission Loan using any HOME funds. In the event the Housing Commission ultimately determines to fund (all or part) of the Housing Commission Loan using any HOME funds, the parties agree and acknowledge that this Letter constitutes a conditional reservation and does not represent a final commitment of HOME funds or site approval under 24 CFR Part 58 of the National Environmental Policy Act (NEPA). HOME funds constitute a portion of the funding for the Project, and a final reservation of HOME funds shall occur only upon satisfactory completion of 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 NEPA. The parties agree that the provision of any HOME funds to the Project will be conditioned on the City of San Diego's determination to proceed with, modify or cancel the Project based on the results of subsequent environmental review under NEPA. By execution of this Letter, you acknowledge no legal claim to any amount of HOME funds to be used for the Project or site unless and until the site has received environmental clearance under NEPA. You are also prohibited from undertaking or committing any funds to physical or choice-limiting actions, including property acquisition, demolition, movement, clearance, rehabilitation, conversion, repair or construction prior to environmental clearance under NEPA. Violation of this provision may result in denial of any HOME funds for this Project.
20. **Fees/Payments to Housing Commission** - Borrower will pay to the Housing Commission:
- a) **Underwriting Fee** - a flat underwriting fee in the amount of **\$60,000** will be charged as reimbursement of Housing Commission costs related to underwriting and issuing the loan. This must be included in the total development cost of the Project and is to be paid at close of escrow.
  - b) **Legal Fee** - the Housing Commission charges a legal costs fee for document preparation and review that must be included in the total development cost. Current Housing Commission legal fees are **\$25,000** and are to be paid at the close of escrow.
  - c) **Compliance Affordability Monitoring Fee** - compliance monitoring fees must be incorporated into the operating proforma. Borrower will pay the fee in accordance with the then-existing Housing Commission fee schedule.



Current annual affordability monitoring are as follows: \$150 X 42 (Project units to be affordability monitored) = **\$6,300** per year. Additional training and assistance is currently at \$100 per hour.

- d) Asset Management Fee- the Housing Commission charges a 15-year capitalized asset management fee of **\$15,000** and is paid at close of escrow.
- e) Third-Party Construction Review - the Housing Commission requires a third-party review of the construction costs/budget to determine the reasonableness of construction costs. The third-party reviewer will be selected by the Housing Commission and paid for by the borrower. Current fees are an estimated **\$12,500** paid by the developer at close of escrow.
- f) Bond Financing Fees - the borrower is responsible for the payment of all costs under the bond financing including:
  - 1. The Housing Commission's .0025 bond amount issuer fee (25 bps) at closing and paid annually until conversion to permanent financing; and
  - 2. The Housing Commission's annual bond administrative fee after conversion to permanent financing shall be the greater of \$10,000 or 12.5 basis points bonds of the initial amount of outstanding bonds upon conversion to permanent financing. Such fee is to be paid on the annual anniversary date of initial bond issuance.
- g) TEFRA Notice/Advertising Costs – at close of escrow the borrower shall reimburse the Housing Commission for all costs of Tax Equity and Fiscal Responsibility Act required public meeting notice advertising.
- h) Environmental Noticing Costs – at close of escrow the borrower shall reimburse the Housing Commission for all environmental noticing related costs.

21. **Fees for Asset Management** (amounts not to exceed)-

- a. As detailed in paragraph 4 (above), the year 1 “Limited Partnership Fees” shall be capped at \$25,000 per year and shall not increase more than 3.0% annually. “Limited Partnership Fees” include Asset management fees (19(d)) related to the investor and general partner’s management of the Project.
- b. Unpaid General Partner fees shall not accrue. The Housing Commission will require the Limited Partnership Agreement to explicitly state this requirement.
- c. Any changes to the asset management partnership fees will require the prior written approval of the Housing Commission’s President and CEO or designee.

22. **Financing Gap** - The Borrower will cover any financing gap that arises after Housing Commission underwriting, with its equity, its developer fee, and/or other non-Housing Commission sources, all of which shall be subject to the approval of the Housing Commission in its sole discretion and will not be unreasonably withheld. No additional Housing Commission funds, beyond this Letter of Intent’s \$2,883,000, will be provided for the Project in any Housing Commission’s future



Notices of Funds Available.

23. **Funding Sources** - The Housing Commission may fund the Housing Commission Loan from various sources including local, State, and/or federal funds including HOME Investment Partnership Program funds. The Housing Commission reserves the right to allocate available program funds in the best interest of the Housing Commission. In the event the Housing Commission ultimately determines to fund (all or part) of the Housing Commission Loan using any HOME funds, then Borrower should be familiar with the HOME programs rules and regulations, Federal Davis Bacon law and Section 3.
24. **HOME Investment Partnerships (HOME) Funds** - Currently there are no HOME funds planned for the Project. In the event the Housing Commission ultimately determines to fund (all or part) of the Housing Commission Loan using any HOME funds, then:
- a. HOME program regulations will be applicable.
  - b. HOME funds may not be used to fund any of the following:
    - i) Any reserves are not eligible for HOME funds (including but not limited to operating reserves).
    - ii) Offsite improvements are not eligible for funding with HOME funds.
    - iii) Furnishings costs are not eligible for funding with HOME funds.
    - iv) Commercial space improvements are not eligible for funding with HOME funds.
  - c. The HOME IDIS funding system requires at least one HOME draw in a 12 month period and at least of small portion of the HOME funds must remain in the IDIS system until the Project is ready for occupancy.
25. **Insurance** - Borrower shall at all times during the term of the loan maintain General Liability and Property Insurance (fire and extended coverage), workers compensation, builder's completed value risk insurance against "all risks of physical loss" (during construction) and, if required by the Housing Commission, floor and earthquake insurance, in forms acceptable to the Housing Commission and approved by the Housing Commission's General Counsel. The San Diego Housing Commission, the Housing Authority of the City of San Diego, and the City of San Diego shall be listed as an additional insureds: for General Liability Insurance, for Property Insurance, and in the General Contractor's Insurance policy. The San Diego Housing Commission shall be endorsed as a loss payee of the private insurance policies. Evidence of borrower's insurance coverage shall be provided to the Housing Commission prior to close of escrow.



26. **Loan Disbursement Schedule** - Upon submittal and approval of eligible costs, the Housing Commission Loan (up to **\$2,883,000**) will be disbursed as follows:
- Up to 75 percent (**\$2,162,250**) atescrow closing.
  - Up to 15 percent (**\$432,450**) to be distributed at 50 percent construction completion,
  - Up to 5 percent (**\$144,150**) to be withheld until the issuance of a Certificate of Occupancy and all unconditional lien releases are forwarded to the Housing Commission.
  - Up to 5 percent (**\$144,150**) upon conversion to permanent financing.
- a. The Housing Commission's President and Chief Executive Officer, or designee, is authorized to modify the Housing Commission Loan disbursement schedule in their sole reasonable discretion.
- b. In the event the Housing Commission ultimately determines to fund (all or part of) the Housing Commission Loan using any HOME funds, then a portion of the HOME program funds must be withheld until final inspection approval and all unconditional lien releases are forwarded to the Housing Commission.
- c. Loan proceeds are disbursed for work completed upon Housing Commission approval of payment requests in a form approved by the Housing Commission. Verifiable documentation of expenses must be submitted with all payment requests.
27. **Loan Payments** – Annual hard payments will not be required. Annual residual receipts payments at 50 percent of cash flow is required.
- a. Starting at the end of the first year after Project completion, the Housing Commission will split its share of residual cash flow with Housing Commission-approved public lenders loans, in proportion to their respective loan amounts. Residual payments will begin on May 1 in the year immediately following the calendar year in which construction is completed.
- b. The Housing Commission defines residual receipts as the net cash flow of the development after specified expenses and other debt service are paid.
- c. Funds will be applied first to pay down the accrued interest and the remaining amount shall pay down the principal of the Housing Commission loan.
28. **Management of the Development** -
- a. **Management Plan** - Prior to occupancy the Borrower shall submit a Management Plan to the Housing Commission for its review and approval. The Management Plan shall be subject to initial and periodic approval by the Housing Commission, at its reasonable discretion.



- b. Approval of Management Fee - The Borrower's proposed property manager's fee must be approved by the Housing Commission.
  - c. The Housing Commission reserves the right to declare Borrower in default of the loan agreement after an uncured ninety (90) day written notice of malfeasance and/or misfeasance in management of the Project.
  - d. Manager's Units - Experienced on-site management is required. There shall be one manager's units.
  - e. Marketing Plan – In the event the Housing Commission ultimately determines to fund (all or part of) the Housing Commission Loan using any HOME funds, then to ensure compliance with HOME regulations and with federal fair housing requirements prior to occupancy the Borrower shall submit a proposed marketing plan for review and approval by the Housing Commission's Civil Rights Analyst in the Procurement and Compliance Division.
29. **Maximum Resident Service Expenses and Case Management** – For the calculation of Housing Commission's residual receipts, the attached proforma's operating expense budget models maximum allowable resident supportive services expenses at \$40,000 per year (with a 3 percent annual escalator). The Borrower will provide a detailed breakout of these costs on an annual basis. Increasing this amount will require prior Housing Commission approval.
30. **Annual Budget Submittal** - three months prior to the end of each calendar year, the borrower shall submit an annual budget for Housing Commission review and prior approval.
31. **Vouchers**- The project will feature 10 Veterans Affairs Supportive Housing (VASH) vouchers and 10 Project Based Vouchers (PBV) from the Housing Commission.
32. **Prevailing Wage** - The Project will be subject to Federal Davis-Bacon prevailing wage rates due to the use of Federal Section 8 PBVs and VASH vouchers.
33. **Recourse** - The Housing Commission's loan will be recourse until the timely completion of the construction, after which it will become non-recourse.
34. **Reserves**: Replacement reserves and operating reserves must be consistent with lender and equity investor requirements. The Housing Commission reserves the right to require higher operating or replacement reserves.
- a. Replacement Reserve -The attached proforma models an annual



- replacement reserve at \$25,800 (\$600 per unit per year), increasing at 3.5% per year.
- b. Operating Reserve – As stated in the application, a five month capitalized operating reserve is modeled at \$202,959 at conversion to permanent financing. The operating reserve is to be maintained for the entire term of the Housing Commission Loan.
  - c. Disbursements from Reserves: Housing Commission prior written approval shall be required for any and all disbursements from either the Project's operating reserve funds and/or from the Project's replacement reserve funds.
35. **Section 3** - In the event the Housing Commission ultimately determines to fund (all or part of) the Housing Commission Loan using any HOME funds, then Section 3 of the HUD Act of 1968 will be applicable and Borrower should be familiar with, and remain in compliance with, all Section 3 requirements.
36. **Security** - The Housing Commission Loan will be secured by a Declaration of Covenants, Conditions and Restrictions (CC&R), a Loan Agreement, and a Deed of Trust which will be senior to the deeds of trust and security instruments securing all other sources of funds secured by the Property, except that the Housing Commission's CC&R and Deed of Trust shall be subordinated to:
- a) The deed of trust and security instruments securing the construction and permanent loan.
  - b) **Lien position** - The lien positions will be approved by the Housing Commission's President and CEO and the Housing Commission's General Counsel. It is intended that the lien positions will be in conformance with the public lenders' program requirements, and the requirements of private lenders which may require Housing Commission subordination.
  - c) **Cure Rights** - The Housing Commission shall have the right, but not the obligation, to cure all senior encumbrances in all subordinating agreements that it executes. All subordination agreements shall be subject to the sole approval of the Housing Commission's President and Chief Executive Officer and General Counsel.
37. **Tenant Service Delivery Plan** - Borrower shall submit a draft tenant service delivery plan 90-days prior to occupancy for Housing Commission staff review and comment. Borrower shall submit a revised draft incorporating Housing Commission comment prior to occupancy of the first tenant. A final tenant service delivery plan shall be subject to the approval of the Housing Commission in its reasonable discretion and will not be unreasonably withheld prior to project lease up.



38. **Title (ALTA Lender's Policy)** -The Borrower shall acquire, at its sole cost and expense, an ALTA Lender's Policy for the Commission Loan with endorsements acceptable to the Housing Commission.
39. **Relocation** – If applicable, the Borrower shall submit and/or supplement a relocation plan that complies with all applicable laws and regulations which must be accompanied by a legal opinion, subject to the Housing Commission's General Counsel's satisfaction, stating that the proposed plan complies with any and all applicable laws and regulations.
40. **Miscellaneous Additional Conditions** - The Housing Commission reserves the right to impose such additional conditions in the final documentation of the transaction as are reasonably necessary to protect the interests of the Housing Commission and fulfill the intent of this letter.
41. **Exhibit A - Proforma** - is attached hereto and is hereby incorporated.

If the Borrower is willing to proceed on the terms and conditions referenced herein, please execute this letter of intent and return it to the undersigned by November 3, 2020 so that this letter of intent may be attached to the Housing Commission Board report.

**ACKNOWLEDGED AND AGREED TO BY:**

Post 310 Housing San Diego, L.P.


By:  \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: General Partner \_\_\_\_\_

Date: 11/3/20 \_\_\_\_\_

San Diego Housing Commission

By:  \_\_\_\_\_

Print Name: Emily S. Jacobs \_\_\_\_\_

Title: SVP, Real Estate \_\_\_\_\_

Date: 11/03/2020 \_\_\_\_\_

Attachment: Exhibit A Developer's Pro forma

Summary

Exhibit A

Tranquility at Post 310 - 43 Units (incl. 2 mgmt units); 4% tax credits w SDHC, MHSA/SNHP, VHHP; 20 PSH units w/ 20 Vouchers (10 VASH, 10 PBV); DCR = 1.20

UPDATED 10/16/20 FOR SDHC REVIEW

Assumptions						
Site Area (Acres)	0.92	40,181	s.f.	Density (Units per Acre):	46.6	DUAC
Number of Units	43			Construction Type:	3 levels of Type V-A	
Number of Parking Spaces	22	0.51	spaces per unit			
					Gross Building Area	32,435
					Net Rentable Bldg. Area	23,935
					Footprint	

A. DEVELOPMENT BUDGET SUMMARY

Description	Total Amount	per Resid. Unit
Acquisition & Related Holding Costs	\$ -	\$ -
	\$ 268,706	\$ 6,249
subtotal	\$ 268,706	\$ 6,249
Construction Site Work + Hard Costs	\$ 13,324,608	\$ 309,875
General Conditions	\$ 1,117,021	\$ 25,977
Profit and Overhead	\$ 1,001,852	\$ 23,299
Furnishings and Equipment	\$ 50,000	\$ 1,163
Hard Cost Contingency	\$ 1,081,044	\$ 25,141
subtotal	\$ 16,574,525	\$ 385,454
Architecture/Engineering	\$ 1,423,202	\$ 33,098
Permits and Fees	\$ 935,000	\$ 21,744
Construction Loan Interest/Fees	\$ 1,408,329	\$ 32,752
Permanent Loan Fees/Costs	\$ 540,000	\$ 12,558
Legal	\$ 125,000	\$ 2,907
Appraisal/Market Study	\$ 30,000	\$ 698
Marketing/Lease-up	\$ 50,000	\$ 1,163
Title/Audit/Cost Certification	\$ 70,000	\$ 1,628
Insurance	\$ 170,000	\$ 3,953
Property Taxes	\$ 15,000	\$ 349
Soft Cost Contingency and Reserves	\$ 636,829	\$ 14,810
subtotal	\$ 5,403,360	\$ 125,660
Syndication Costs	\$ 308,000	\$ 7,163
Developer Fee	\$ 2,994,533	\$ 69,640
TOTAL DEVELOPMENT COSTS	\$ 25,549,123	\$ 594,166
	=====	=====
	\$25,549,123	(check)

B.

SOURCES AND USES

	Construction Period	Permanent Period
Sources of Funds		
Construction Loan	\$ 18,272,306	\$ -
Citibank - Permanent Conventional Loan	\$ -	\$ 1,739,085
HCD - VHHP	\$ -	\$ 9,283,837
San Diego Housing Commission	\$ 2,738,850	\$ 2,883,000
County of SD - SNHP	\$ 1,350,000	\$ 1,500,000
Owner's Equity	\$ -	\$ 1,594,533
LIHTC Investor Equity	\$ 414,563	\$ 8,548,668
TOTAL SOURCES	\$ 22,775,719	\$ 25,549,123
Uses of Funds		
Acquisition / Site Work	\$ 268,706	\$ 268,706
Construction	\$ 16,574,525	\$ 16,574,525
A/E, Permits	\$ 2,358,202	\$ 2,358,202
Indirect Expenses	\$ 445,000	\$ 445,000
Financing and Carry Costs	\$ 1,948,329	\$ 1,948,329
Other	\$ 432,324	\$ 651,829
Developer Fee and Syndication Costs	\$ 748,633	\$ 3,302,533
TOTAL USES	\$ 22,775,719	\$ 25,549,123
NET SURPLUS(SHORTFALL)	\$ -	\$ (0)
	=====	=====

C. FINANCING ASSUMPTIONS

CONSTRUCTION LOAN	
Lender:	Construction Loan
Loan Amount:	\$ 18,272,306
Loan Term:	24
Loan/Bond To Value:	80.23%
> 50% Basis plus land?	Yes
PERMANENT DEBT SOURCE 1	
Lender:	Citibank - Permanent Conventional Loan
Loan Amount:	\$1,739,085
Loan Term:	30
Note Rate:	5.60%
Payment (annual):	(\$119,805)
DCR:	1.20
PERMANENT DEBT SOURCE 2	
Lender:	0
Loan Amount:	\$0
Loan Term:	15
Note Rate:	5.00%
Payment (annual):	\$0
DCR:	1.15
PERMANENT DEBT SOURCE 3	
Lender:	HCD - VHHP
Loan Amount:	\$ 9,283,837
Loan Term:	55
Note Rate:	0.42%
Payment (annual):	(\$38,992)
DCR:	0.00
PERMANENT DEBT SOURCE 4	
Lender:	San Diego Housing Commission
Loan Amount:	\$2,883,000
PERMANENT DEBT SOURCE 5	
Lender:	0
Loan Amount:	\$0
Loan Term:	55
Note Rate:	0.00%
PERMANENT DEBT SOURCE 6	
Lender:	County of SD - SNHP
Loan Amount:	\$ 1,500,000
Loan Term:	55
Note Rate:	0.00%
Investor Equity - Federal Credit	
Net Rate	\$0.930
Net Pay-in	\$ 8,548,668
Initial Pay-in	\$ 854,867
Credit Rate	3.08%
Investor Equity - State Credit	
Net Rate	\$0.75
Net Pay-in	\$ -

D. FIVE YEAR CASH FLOW

Description	2022	2023	2024	2025	2026	2027
Affordable Rents	2.50%	\$425,352	\$435,986	\$446,885	\$458,058	\$469,509
Misc. Income (Laundry)	2.50%	\$2,580	\$2,645	\$2,711	\$2,778	\$2,848
POFA and VASH Income		\$189,120	\$193,848	\$198,694	\$203,662	\$208,753
Gross Potential Income		\$617,052	\$632,478	\$648,290	\$664,498	\$681,110
less vacancy		(\$46,279)	(\$47,436)	(\$48,622)	(\$49,837)	(\$51,083)
Effective Gross Income		\$570,773	\$585,042	\$599,668	\$614,660	\$630,027
less Operating Expenses	3.50%	(\$335,915)	(\$347,672)	(\$359,841)	(\$372,435)	(\$385,471)
less SDHC Monitoring Fee	0.00%	(\$6,300)	(\$6,521)	(\$6,749)	(\$6,985)	(\$7,229)
Less SDHC Issuer Fee		(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)
less HCD VHHP .42% Servicing Fee		(\$38,992)	(\$38,992)	(\$38,992)	(\$38,992)	(\$38,992)
less Replacement Reserves		(\$25,800)	(\$25,800)	(\$25,800)	(\$25,800)	(\$25,800)
less Operating Reserves		\$0	\$0	\$0	\$0	\$0
less fixed \$10,000 payment to SDHC		(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)
Net Operating Income		\$143,766	\$146,057	\$148,287	\$150,448	\$152,535
Total Hard Debt Payments		(\$119,805)	(\$119,805)	(\$119,805)	(\$119,805)	(\$119,805)
DISTRIBUTABLE CASH FLOW		\$23,961	\$26,253	\$28,482	\$30,643	\$32,730
less PM, AM Fees & Add'l Rep Reserve		(\$22,500)	(\$23,063)	(\$23,639)	(\$24,230)	(\$24,836)
Net Cash Flow		\$1,461	\$3,190	\$4,843	\$6,413	\$7,894
Deferred Developer Fee Payment		\$1,461	\$3,190	\$4,843	\$6,413	\$7,894
Surplus Cash Distribution	0.0%	\$0	\$0	\$0	\$0	\$0
Incentive Management Fee to GP	0.0%	\$0	\$0	\$0	\$0	\$0
Net Cash Flow	0.0%	\$1,461	\$3,190	\$4,843	\$6,413	\$7,894

E.

ANNUAL OPERATING EXPENSES ( /UNIT)	\$7,812	per unit per year
	\$335,915	per year

F.

UNIT MIX AND RENTS	% Med. Inc.	Qty.	NSF	Mthly Rents	Mthly Income	Annual Income	Rent/s.f.
Studio	30%	-	-	\$562	\$0	\$0	1.12
Studio	30%	-	-	\$538	\$0	\$0	1.08
Studio	50%	-	-	\$936	\$0	\$0	1.87
Studio	60%	-	-	\$1,144	\$0	\$0	2.29
Studio	70%	-	-	\$1,346	\$0	\$0	2.69
1 Bedroom	30%	10	5,350	\$567	\$5,670	\$68,040	1.06
1 Bedroom	30%	10	5,350	\$567	\$5,670	\$68,040	1.06
1 Bedroom	50%	13	6,955	\$1,001	\$13,013	\$156,156	1.87
1 Bedroom	60%	8	4,280	\$1,217	\$9,736	\$116,832	2.27
1 Bedroom	70%	-	-	\$1,434	\$0	\$0	2.68
1 Bedroom	80%	-	-	\$1,651	\$0	\$0	3.09
2 Bedroom	30%	-	-	\$667	\$0	\$0	0.78
2 Bedroom	30%	-	-	\$667	\$0	\$0	0.78
2 Bedroom	50%	-	-	\$1,187	\$0	\$0	1.40
2 Bedroom	60%	-	-	\$1,445	\$0	\$0	1.70
2 Bedroom	70%	-	-	\$1,707	\$0	\$0	2.01
2 Bedroom	80%	-	-	\$1,967	\$0	\$0	2.31
3 Bedroom	30%	-	-	\$757	\$0	\$0	0.69
3 Bedroom	30%	-	-	\$757	\$0	\$0	0.69
3 Bedroom	50%	1	1,000	\$1,357	\$1,357	\$16,284	1.23
3 Bedroom	60%	-	-	\$1,657	\$0	\$0	1.66
3 Bedroom	Manager	1	1,000	\$0	\$0	\$0	-
Total Annual Gross Rents		43		\$18,604	\$35,446	\$425,352	

## 55 YEAR OPERATING PROFORMA

[illegible]



[illegible]



**ATTACHMENT 6**  
**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.



SAN DIEGO  
HOUSING  
COMMISSION

Attachment 7 – Developer Disclosure Statement:  
Hitzke Development Corporation

Real Estate Department

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

**Statement for Public Disclosure**

1. Name of CONTRACTOR: Hitzke Development Corporation
2. Email: Ginger@hitzkedevlopment.com
2. Address and Zip Code: 7705 North Avenue, Suite 100, Lemon Grove, CA 91945  
MAILING: P.O. Box 1700, Temecula, CA 91945
3. Telephone Number: 760-798-9809 ext 809; 760-519-8401
4. Name of Principal Contact for CONTRACTOR: Ginger Hitzke
5. Federal Identification Number or Social Security Number of CONTRACTOR: 26-2085163
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 (*select and upload requested documents*):

☒ A corporation (*Upload Articles of Incorporation*)

☐ A nonprofit or charitable institution or corporation. (*Upload copy of Articles of Incorporation and documentary evidence verifying current valid nonprofit or charitable status*)

☐ A partnership known as (Name): \_\_\_\_\_

*Check one:*

☐ General Partnership (*Upload statement of General Partnership*)

☐ Limited Partnership (*Upload Certificate of Limited Partnership*)

☐ A business association or a joint venture known as: \_\_\_\_\_  
(*Upload joint venture or business association agreement*)

☐ A Federal, State or local government or instrumentality thereof.

☐ Other (*Please explain*): \_\_\_\_\_

7. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:

February 8, 2008



**SAN DIEGO  
HOUSING  
COMMISSION**

**Real Estate Department**

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:
- If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
  - 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.
  - 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.
  - 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.
  - 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)

<b>Name and Address</b>	<b>Position Title (if any) and percent of interest or description of character and extent of interest</b>
Name: Ginger Hitzke	President / sole shareholder
Address: 44036 Sheldon Court	
Temecula, CA 92592	
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. **No**
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. **No**



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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):

<b>Name and Address</b>	<b>Position Title (if any) and percent of interest or description of character and extent of interest</b>
Name: NONE	
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:

<b>Name and Address</b>	<b>Position Title (if any) and percent of interest or description of character and extent of interest</b>
Name: NONE	
Address:	
Name:	
Address:	
Name:	
Address:	



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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.

<b>Name and Address</b>	<b>Relationship to CONTRACTOR</b>
Name:	
Address: NONE	
Name:	
Address:	
Name:	
Address:	

14. Provide description of 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 financial statements that was requested (attached) as part of the Application, including, but not necessarily limited to, profit and loss statements and statements of financial position: \_\_\_\_\_

See attached

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:

Contractor is utilizing a predevelopment loan from an unrelated 3rd party.

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

- a. In banks/savings and loans:

Name: N/A Contractor is utilizing a predevelopment loan from an unrelated 3rd party.

Address: \_\_\_\_\_

Amount: \$ \_\_\_\_\_

- b. By loans from affiliated or associated corporations or firms:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Amount: \$ \_\_\_\_\_



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

Description	Market Value (\$)	Mortgages or Liens (\$)
N/A Contractor is utilizing a predevelopment loan from an unrelated 3rd party.		

Additional Information, as needed: \_\_\_\_\_

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

Name and Address	Contact Name
Name: Citi Community Capital	Mike Hemmens
Address: 325 E Hillcrest Dr., #160	
Thousand Oaks, CA 91360	
Name: Boston Capital Finance	Sean Curry
Address: One Boston Place	
Boston, MA 02108	
Name: PNC Bank	Bonnie Anderson
Address: 121 SW Morrison, #130	
Portland, OR 97204	

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, provide date, place, and under what name: \_\_\_\_\_

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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, for each case, provide (1) date, (2) charge, (3) place, (4) court, and (5) action taken. *Upload* any explanation deemed necessary:





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Case 1: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Case 2: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Case 3: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

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
N/A	Contractor causes cash to be posted in lieu of bonds for public improvements.			
	Contractor utilizes 3rd party general contractor for payment and performance bond for private work.			

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:

Name and Address	Affiliation
Name: N/A	
Address:	
Name:	
Address:	
Name:	
Address:	



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- 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

☒ N/A

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

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

General description of such work: \_\_\_\_\_

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Complete one table for each project:

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



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

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



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

Identification of Contract or Development	Location	Amount	Date to be Completed
N/A, NONE			

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

Awarding Agency	Amount	Date Opened
N/A		

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:

N/A

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:



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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:

www.HitzkeDevelopment.com

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

☐ Yes

☒ No

If yes, please 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)]: \_\_\_\_\_

Insurance to be provided per loan documents

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)]: \_\_\_\_\_

Insurance to be provided per loan documents

Check coverage(s) carried:

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



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

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Insurance to be provided per loan documents

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

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Insurance to be provided per loan documents

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

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Insurance to be provided per loan documents

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

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Insurance to be provided per loan documents

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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.



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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: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

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)
NONE					



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**Real Estate Department**

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.

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 the SDHC.

~~Contractor has unique experience with the proposed project type as Contractor has completed another mixed-use housing development with an American Legion. Contractor has proposed a financing structure which will allow for construction commencement shortly after SDHC approval.~~

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
	NONE		

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, please 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, please explain: \_\_\_\_\_





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**Real Estate Department**

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

1. Name: Graham Mitchell, [previous] City Manager, City of Lemon Grove

Address: \_\_\_\_\_

Phone: Cell: (619) 454-1244

Project Name and Description: \_\_\_\_\_

2. Name: Jack Griffin, City Manager, City of San Marcos

Address: 1 Civic Center Drive, San Marcos, CA 92069

Phone: (760) 744-1050

Project Name and Description: \_\_\_\_\_

3. Name: Greg Wade, [previous] Comm Dev Dir, City of IB (presently City Manager, City of Solana Beach)

Address: \_\_\_\_\_

Phone: (858) 720-2400

Project Name and Description: \_\_\_\_\_

39. Provide 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.

Contractor has completed 7 similar projects (very-low income rental utilizing LIHTC). All have been new construction. Six have been mixed-use.

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

Name	Experience
N/A	



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## 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.

Temecula

Executed this 17th day of September, 20 20, at San Diego, California.

CONTRACTOR

By:

Signature

Ginger Hitzke, President

Title



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### CERTIFICATION

The CONTRACTOR, HITZKE DEVELOPMENT CORP, 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: Ginger Hitzke

By: \_\_\_\_\_

Title: President

Title: \_\_\_\_\_

Dated: 9/17/20

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.

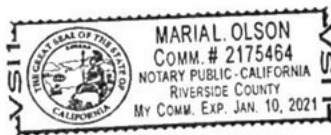
### JURAT

State of California

County of Riverside

Subscribed and sworn to (or affirmed) before me on this 18<sup>th</sup> day of September, 2020

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



SEAL

Ms Olson  
Signature of Notary

1:32 PM

08/15/20

Accrual Basis

**Hitzke Development Corporation****Balance Sheet**

As of December 31, 2019

	Dec 31, 19
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
Wells Fargo	11,373.46
Savings - Wells Fargo	101.58
Petty Cash	141.24
<b>Total Checking/Savings</b>	<b>11,616.28</b>
Accounts Receivable	
Accounts Receivable	1,299,668.42
<b>Total Accounts Receivable</b>	<b>1,299,668.42</b>
<b>Other Current Assets</b>	
Due from Affiliate	
AT HOA	1,014.42
Community Collective LLC	823.40
Hitzke Assets LLC	52,966.84
Hitzke Commerical Real Estate	73,345.68
Hitzke Ventures I	4,056.06
Hitzke Ventures II LLC	9,280.30
Neighborhood Eatery SM LP	584,613.51
Post 310 Housing San Diego LP	15,911.17
Richmar San Marcos LLC	4,239.76
Richmar Station San Marcos LP	2,026.62
The Pearl Solana Beach LP	-18,632.03
Due from Affiliate - Other	3,250.00
<b>Total Due from Affiliate</b>	<b>732,895.73</b>
Guaranteed Payments Receivable	
Biasa II	30,000.00
GP's - Citronica LG	44,998.00
GP's - Citronica Two	31,906.00
GP's - The Post Housing	13,099.00
<b>Total Guaranteed Payments Receivable</b>	<b>120,003.00</b>
Receivable from	
Autumn Terrace LP	25.42
BIASA II, LP	7,274.93
Citronica Lemon Grove LP	3,142.27
Citronica Two LP	3,057.50
Oregon Inv. (Citron)	287.00
Parkview San Marcos II	873.01
The Post Housing, LP	20.00
<b>Total Receivable from</b>	<b>14,680.13</b>
Notes Receivable	8,072.48
<b>Total Other Current Assets</b>	<b>875,651.34</b>
<b>Total Current Assets</b>	<b>2,186,936.04</b>
<b>Fixed Assets</b>	
Equipment (Maintenance)	27,050.78
Vehicles	
2018 Ford F-150	46,197.98
2014 Ford Expedition	43,368.80
2014 Ford F150 -4663	30,947.47
<b>Total Vehicles</b>	<b>120,514.25</b>
Accum. Depreciation	-88,359.00
<b>Total Fixed Assets</b>	<b>59,206.03</b>

This report has not been audited or reviewed.

Page 1

1:32 PM

08/15/20

Accrual Basis

**Hitzke Development Corporation****Balance Sheet**

As of December 31, 2019

	Dec 31, 19
<b>Other Assets</b>	
Deposits	474.00
Investments in Partnerships	
ATCS, LLC	-2,506.00
BIASA II LP	-310.00
Citronica Lemon Grove, L.P.	-153,364.00
Citronica Two, L.P.	-84.00
Community Collective	-153,014.92
Hitzke Assets, LLC	-495,091.87
Parkview San Marcos II, LP	-2,706.72
Post 310 San Diego Housing LP	-2,642.00
Richmar Station San Marcos, LP	-1,892.00
The Pearl Solana Beach LP	-37.02
The Post Housing	36.00
<b>Total Investments in Partnerships</b>	<b>-811,612.53</b>
<b>N/R Shareholder - G. Hitzke</b>	<b>27,963.34</b>
<b>WIP - Project Costs</b>	<b>6,548.50</b>
<b>Total Other Assets</b>	<b>-776,626.69</b>
<b>TOTAL ASSETS</b>	<b>1,469,515.38</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
Current Liabilities	
Credit Cards	69,531.67
Other Current Liabilities	
Due to Affiliate	20,410.64
<b>Total Other Current Liabilities</b>	<b>20,410.64</b>
<b>Total Current Liabilities</b>	<b>89,942.31</b>
Long Term Liabilities	
Vehicle Loans	
2018 Ford Truck F-150	36,958.34
<b>Total Vehicle Loans</b>	<b>36,958.34</b>
<b>Total Long Term Liabilities</b>	<b>36,958.34</b>
<b>Total Liabilities</b>	<b>126,900.65</b>
<b>Equity</b>	
Capital Stock	1,000.00
Distributions - CY	-160,758.50
Paid In Capital	94,113.94
Retained Earnings	1,474,514.38
Net Income	-66,255.09
<b>Total Equity</b>	<b>1,342,614.73</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,469,515.38</b>

**ATTACHMENT E****DEVELOPERS/CONSULTANTS/SELLERS/CONTRACTORS/  
ENTITY SEEKING GRANT/BORROWERS  
(Collectively referred to as "CONTRACTOR" herein)  
STATEMENT FOR PUBLIC DISCLOSURE**

1. Name of CONTRACTOR: **Housing Innovation Partners (a 'dba' of The Association for Community Housing Solutions (TACHS))**
2. Address and Zip Code: **5151 Murphy Canyon Road, Suite #120  
San Diego, CA 92123**
3. Telephone Number: **(858) 277-3757**
4. Name of Principal Contact for CONTRACTOR: **Kimberly Russell-Shaw**
5. Federal Identification Number or Social Security Number of CONTRACTOR: **33-0602842**
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)  
  
**X** 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:  
**1994**

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.  
**Please refer to Board of Directors attachment.**
- 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%.

Name, Address and Zip Code	Position Title (if any) and percent of interest or description of character and extent of interest
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(Attach extra sheet if necessary)

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.

**Housing Innovation Partners is a dba under The Association For Community Housing Solutions, and has been filed as such with the County Records Office (see attachment)**

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.  
**No**

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, Address and  
Zip Code

Position Title (if any and  
extent of interest

**N/A**

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:

**Please refer to Board of Directors Attachment.**

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.

**No.**

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 attached for most recent financial statements**

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 see the preliminary pro-forma provided by CHW, including permanent financing plan for the acquisition and rehabilitation project.**



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

**A complete list of these sources and the amount of cash available to meet proposed equity requirements will be provided at a later date.**

- a. In banks/savings and loans:

Name, Address & Zip Code of Bank/Savings & Loan:

Amount: \$

- b. By loans from affiliated or associated corporations or firms:

Name, Address & Zip Code of Bank/Savings & Loan:

Amount: \$

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

<u>Description</u>	<u>Market Value</u>	<u>Mortgages or Liens</u>
	\$	\$

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

***Oliver Craig***

Senior Commercial Lender  
MLO #809614  
TORREY PINES BANK  
550 West "C" Street Suite 100  
San Diego, CA 92101  
858-523-4664 Direct Line

***Becky Mendoza***

California Bank & Trust  
Sr. Financial Services Representative  
525 B Street Suite 100  
San Diego, CA 92101  
[Becky.Mendoza@calbt.com](mailto:Becky.Mendoza@calbt.com)  
Direct (619) 446-4819

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 X 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:

Action on <u>Type Bond</u>	Project <u>Description</u>	Date of <u>Completion</u>	Amount of <u>Bond</u>	<u>Bond</u>
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N/A

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

a. Name and addresses of such contractor or builder:

- 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: Approximately 3 Million

General description of such work: **Development of acquisition/rehab of affordable apartment homes; the Cove Apartments**

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

<u>Identification of Contract or Development</u>	<u>Location</u>	<u>Amount</u>	<u>Date to be Completed</u>
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N/A

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

<u>Awarding Agency</u>	<u>Amount</u>	<u>Date Opened</u>
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N/A

22. Provide a detailed and complete statement respecting 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:

**See attached Developer Qualifications.**

23. Does any member of the governing body of the San Diego Housing Commission ("COMMISSION"), 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 COMMISSION, 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 X 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 here to and hereby made a part hereof as follows:

25. Is the proposed CONTRACTOR, and/or are any of the proposed subcontractors, currently involved in any construction-related litigation?      Yes X No

26. State the name, address and telephone numbers of CONTRACTOR's insurance agent(s) and/or companies for the following coverages: 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)]

Check coverage(s) carried:

Comprehensive Form	Business Auto Insurance
Owned	Schedules vehicle in company's name.
Hired	
Non-Owned	

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

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

NA

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

NA

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

NA

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 COMMISSION setting forth the provisions of this nondiscrimination clause.
28. The CONTRACTOR warrants and certifies that it will not without prior written consent of the COMMISSION, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of the COMMISSION, 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 COMMISSION, 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 Commission 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 so state:

Government Entity  
Making Complaint

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. If so, please explain the circumstances in detail. If none, please so state:

No

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:

<u>Governmental Agency</u>	<u>Description License</u>	<u>License Number</u>	<u>Date Issued (original)</u>	<u>Status (current)</u>	<u>Revocation (yes/no)</u>
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NA

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 COMMISSION.

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 the COMMISSION.

**Housing Innovation Partners (as TACHS) has successfully developed and operated permanent, supportive housing for persons with special needs for over 20 years.**

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

<u>Date</u>	<u>Entity Involved (i.e., CITY, COMMISSION, etc.)</u>	<u>Status (Current, delinquent repaid, etc.)</u>	<u>Dollar Amount</u>
06/15/2007	SDHC(for the Cove Apts	Current (Residual Receipts)	\$982,000
09/11/2003	SDHC (for Paseo Glenn Apts)	Current (Residual Receipts)	\$592,000

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:

**N/A, we are not a general contractor**

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 who would be familiar with your previous construction project:

John D. Merz  
Merz Construction Inc.  
646 Grand Avenue  
Spring Valley, CA 91977-5009  
619-825-9105

Ric Davy  
NCARB, LEED AP  
[edavy@davyarchitecture.com](mailto:edavy@davyarchitecture.com)  
811 Tenth Ave  
SAN DIEGO, CA 92101  
619-238-3811

Kathi Houck  
Senior Program Analyst  
Housing Innovations Department  
San Diego Housing Commission  
1122 Broadway, Suite 300  
San Diego, CA 92101  
619-578-7589

39. Give a brief statement respecting 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.

N/A

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

N/A



## **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 18<sup>th</sup> day of NOVEMBER, 20 19, at San Diego, California.

CONTRACTOR

By: Kimly L. Muel  
Signature

EXECUTIVE DIRECTOR  
Title

**CERTIFICATION**HOUSING INNOVATION PARTNER

The CONTRACTOR, Kimberly Russell Shaw, 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: Kimberly Russell Shaw

By: \_\_\_\_\_

Title: EXECUTIVE DIRECTOR

Title: \_\_\_\_\_

Dated: 11/18/2019

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 RiversideSubscribed and sworn to (or affirmed) before me on this 18<sup>th</sup> day of November, 2020

by Kimberly S. Russell Shaw ~~personally known to me or~~ proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Sharon H. Russell Shaw, Notary  
Signature of Notary

SEAL

