



EXECUTIVE SUMMARY

HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: February 5, 2021

HCR21-008

SUBJECT: Final Bond Authorization for Grant Heights II

COUNCIL DISTRICT(S): 8 and 9

ORIGINATING DEPARTMENT: Real Estate Division

CONTACT/PHONE NUMBER: Colin Miller (619) 578-7429

REQUESTED ACTION:

Authorize the issuance of Housing Authority of the City of San Diego Multifamily Housing Revenue tax-exempt and taxable bonds to fund Grant Heights II L.P.'s acquisition with rehabilitation of two separate apartment developments that are being combined into a single 42-unit affordable rental housing development called Grant Heights II, composed of Grant Heights Apartments, located at 2651-2663 J Street, and Winona Apartments, located at 3845 Winona Avenue, San Diego, with 41 units that will remain affordable for 55 years, and one manager's unit.

EXECUTIVE SUMMARY OF KEY FACTORS:

- Grant Heights is an existing 28-unit family rental complex located at 2651-2663 J Street. Winona is an existing 14-unit family rental complex located at 3845 Winona Avenue. The two properties are approximately five miles apart.
- San Diego Community Housing Corporation (SDCHC) and Urban League have formed a strategic alliance to combine the ownership of these two existing rental properties into a single new limited partnership called Grant Heights II L.P.
- The two developments have a mix of one-bedroom, two-bedroom and three-bedroom units.
- Grant Heights was built in 1973 and renovated in 2002, using tax credits and a Housing Commission loan. Winona was built in 1986.
- Substantial rehabilitation of the buildings' interiors and exteriors will occur.
- The experienced, nonprofit, co-developers are Urban League of San Diego County and SDCHC.
- The developers are requesting authorization for the issuance of \$8,815,000
- Total development cost is estimated at \$17,968,471 (\$427,821 per unit).
- Temporary relocation may be needed as work is taking place in the individual units.
- Staff requests that the Housing Commission Board of Commissioners recommend that the Housing Authority authorize the issuance of \$8,815,000 in in tax-exempt Multifamily Housing Revenue notes and \$150,000 in taxable Multifamily Housing Revenue Bonds to facilitate Grant Heights II L.P.'s acquisition and rehabilitation of Grant Heights II.
- Staff also requests that the Housing Commission Board recommend that the City Council hold a Tax Equity and Fiscal Responsibility Act public hearing to adopt a resolution approving the issuance of the tax-exempt bonds.



REPORT

DATE ISSUED: January 28, 2021

REPORT NO: HCR21-008

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of February 5, 2021

SUBJECT: Final Bond Authorization for Grant Heights II

COUNCIL DISTRICTS: 8 and 9

REQUESTED ACTION

Authorize the issuance of Housing Authority of the City of San Diego Multifamily Housing Revenue tax-exempt and taxable bonds to fund Grant Heights II L.P.'s acquisition with rehabilitation of two separate apartment developments that are being combined into a single 42-unit affordable rental housing development called Grant Heights II, composed of Grant Heights Apartments, located at 2651-2663 J Street, and Winona Apartments, located at 3845 Winona Avenue, San Diego, with 41 units that will remain affordable for 55 years, and one manager's unit.

STAFF RECOMMENDATION

That the San Diego Housing Commission (Housing Commission) 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:

Housing Authority

- 1) Authorize the issuance of up to \$8,815,000 in tax-exempt Multifamily Housing Revenue notes to facilitate Grant Heights II L.P.'s acquisition and rehabilitation of Grant Heights II, a 42-unit affordable rental housing development composed of Grant Heights Apartments (Grant Heights), located at 2651-2663 J Street, and Winona Apartments (Winona), located at 3845 Winona Avenue, San Diego, with 41 units that will remain affordable for 55 years, and one manager's unit.
- 2) Authorize the issuance of up to \$150,000 in taxable Multifamily Housing Revenue notes, for the Grant Heights II L.P.'s construction financing for Grant Heights II.

City Council

Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) hearing, and adopt a resolution approving the Housing Authority's issuance of Multifamily Housing Revenue tax-exempt debt in an amount up to \$8,815,000 to fund the development of Grant Heights II.

SUMMARY

A Development Summary is at Attachment 1.

Table 1 - Development Details

Addresses	Grant Heights: 2651-2663 J Street, San Diego Winona: 3845 Winona Avenue, San Diego
Council Districts	Grant Heights: 8 Winona: 9
Community Plan Areas	Grant Heights: Southeastern San Diego Community Plan and Grant Hill Historic District (Grant Hill neighborhood). Winona: Mid-City Communities Plan (City Heights neighborhood).
Co-developers	Urban League of San Diego County (Urban League) and San Diego Community Housing Corporation (SDCHC)
Development Type	Acquisition with rehabilitation.
Construction Type	Type V
Parking Type (42 spaces total)	Grant Heights: 28 parking surface spaces Winona: 14 parking spaces (two surface and 12 tuck-under garage spaces)
Housing Type	Multifamily
Lot Sizes	Grant Heights: .58 acres, 25,265 square feet Winona: .31 acres, 13,504 square feet
Units (42-units total)	Grant Heights: 27 units affordable, plus one manager's unit Winona: 14 units affordable, no manager's unit
Density	Grant Heights: 48.3 dwelling units per acre (28 units ÷ .58 acres). Winona: 24.1 dwelling units per acre (14 units ÷ .31 acres).
Affordable Unit Mix	Grant Heights: 10 one-bedroom units (545 to 617 sq. ft.), 17 two-bedroom units (741 to 743 sq. ft.), and one manager's unit. Winona: 9 one-bedroom units (533 sq. ft.), 4 two-bedroom units (693 to 939 sq. ft.), 1 three-bedroom unit (936 sq. ft.), and no manager's unit.
Gross Building Area (28,422 sq. ft. total)	Grant Heights: 19,496 square feet Winona: 8,926 square feet
Net Rentable Area (27,397 sq. ft. total)	Grant Heights: 18,646 square feet Winona: 8,751 square feet

Background

Grant Heights Apartments was constructed in 1973 and was renovated in 2002 using tax credit funds and Housing Commission funds. It consists of 28 apartments in two two-story and two three-story walkup buildings, on approximately .58 acres. It is located south of Market Street, north of Imperial Avenue, near 30th Street in downtown San Diego. In February 2002, the Housing Commission provided an \$867,279 residual receipts. 55-year subordinate loan to UHGH L.P., an affiliate of Urban League, with affordability restrictions that will remain in effect until 2057. The Grant Heights units are encumbered/benefited by a Section 8 Housing Assistance Payment contract with the U.S. Department of Housing and Urban Development (HUD).

Winona Apartments was constructed in 1986. It consists of 14 apartments in two two-story and two three-story walkup buildings on approximately .31 acres. It is located north of El Cajon Boulevard, east of Fairmount Avenue, near Euclid Avenue in the City Heights neighborhood. In July 1997, the Housing Commission provided a \$181,753 residual receipts subordinate loan to SDCHC, with 55 years of affordability restrictions. In July 2005, SDCHC fully paid off the Housing Commission's

loan. The Housing Commission's original loan affordability restrictions remain in effect until July 18, 2052.

On September 6, 2019, the Housing Commission (Report No. HCR19-103) approval for Grant Heights and Winona included a proposed ownership transfer from the current owners/borrowers to a new limited partnership, Grant Heights II L.P., and a proposed transfer of the Housing Commission's existing loans, loan agreements, and their related Covenants, Conditions, and Restrictions to Grant Heights II L.P.

On September 6, 2019, and on October 1, 2019, the Housing Commission (HCR19-103) and the Housing Authority (HAR19-039; Resolution No. HA-1834) respectively, approved taking certain preliminary steps to authorize the issuance of up to \$9,000,000 of tax-exempt Multifamily Housing Revenue Bonds to finance the acquisition with rehabilitation of Grant Heights II. On September 17, 2020, the California Debt Limit Allocation Committee (CDLAC) approved an \$8,815,000 allocation to issue tax-exempt bonds or other obligations for Grant Heights II. On September 16, 2020, the California Tax Credit Allocation Committee (CTCAC) approved a 4 percent tax credits allocation for Grant Heights II.

The Developments

Grant Heights is an existing 28-unit family rental complex located at 2651-2663 J Street. Winona is an existing 14-unit family rental complex located at 3845 Winona Avenue. The two properties are located approximately five miles apart (Attachment 2 - Site Maps). SDCHC and Urban League have formed a strategic alliance to combine the ownership of these two existing rental properties into a single new limited partnership called Grant Heights II L.P.

The Properties

Grant Heights is owned by UGH L.P. (Urban League is the controlling general partner of UGH L.P.). These apartments are a mix of one- and two-bedroom units, with a community building and two laundry rooms. It is a wood-frame construction on a concrete slab with exterior painted stucco. Adjacent to the development to the north, south and east are residential uses. Grant Hill Neighborhood Park is nearby to the east. Directly to the west is the Kimbrough Elementary School. The 32nd & Commercial trolley station is approximately one mile away.

Winona is owned by SDCHC. These apartments are a mix of one-, two- and three- bedroom units, with a laundry room. It is a wood-frame construction on a concrete slab with exterior painted stucco. Adjacent to the development's north and south are single-family residential uses. To the east are multifamily residential uses. To the west are single-family and multifamily residential uses.

Building Conditions/Proposed Rehabilitation Work

Both of the Grant Heights II apartment developments are in need of substantial rehabilitation to address immediate and long term capital needs. Many of the buildings' improvements have reached or are approaching the end of their useful life. The scope of the proposed rehabilitation includes: plumbing water line repairs and replacement of water supply lines on ground floor units at Winona; replacement of water supply lines at Grant Heights, replace water heaters, installation of carbon monoxide detectors in all units and smoke detectors in all unit bedrooms, replacement of carpet and vinyl flooring in units, replacement of refrigerators and oven/ranges, replacement kitchen and bath cabinets and countertops, shower surrounds, replacement of the stairs at Grant Heights, repairs to pavement and parking areas, improvements to landscaping, upgrades to the accessibility and path of travel, increased Americans with

Disabilities Act of 1990 (ADA) accessible parking to three spaces plus providing ADA-conforming slope, dimensions, and signage, refurbishing laundry room and maintenance room interiors, providing accessibility to laundry room and to the leasing office, relocating trash enclosures, repairs to the foundation and to walls, repairs to fencing, repairs to facades and building envelope: stucco repairs, dry rot replacements, windows replacements, sliding door replacement, utility room door repairs, repair and/or replacement of roof and roof drainage systems.

Prevailing Wages

Prevailing wages are not applicable because neither federal nor state funds will be utilized.

Relocation

The co-developers do not anticipate any permanent relocation of tenants. However, rehabilitation work will necessitate that the tenants may need to be temporarily relocated while work is taking place in their unit. Relocation will comply with the Federal Uniform Relocation Act. Overland Pacific & Cutler Inc. will be the relocation consultant. The co-developers' pro forma budgets \$135,000 for temporary relocation.

Accessibility

CTCAC requires wheelchair accessibility in 10 percent of the units, with an additional 4 percent of the units accessible to residents with visual and/or hearing impairment.

Project Sustainability

The Grant Heights II combined development will be rehabilitated in conformance with CTCAC's minimum energy efficiency standards for rehabilitation projects, which require demonstrating at least 10 percent post-rehabilitation improvement in energy efficiency over existing conditions. There will be substantial energy saving measures for interior/exterior lighting, hot water systems, and Energy Star appliances. Grant Heights II will include a photovoltaic system to reduce the amount of energy consumption to illuminate common areas.

Development Team

Both SDCHC and Urban League are 501(c)(3) nonprofits. Urban League was founded in 1953. Its focus includes: employment, on-the-job training, youth education, housing counseling, health outreach for the elderly, and workforce re-entry. It develops, preserves and maintains affordable housing. SDCHC was founded in 1994. It is dedicated to developing affordable housing that offers services designed to assist residents in achieving upward economic mobility. SDCHC's mission is to increase, preserve and improve quality affordable housing opportunities for working families in San Diego. In addition to Winona, SDCHC currently owns and operates apartments that utilized Housing Commission loans, including the 51-unit Hacienda Townhomes and the four-unit Oceanview Apartments.

During the tax-credit compliance period, the Grant Heights II project will be owned by a Grant Heights II L.P. An organizational chart is at Attachment 3.

Table 2 - Development Team Summary

ROLE	FIRM/CONTACT
Owner/Borrower	Grant Heights II L.P.
General Partners (.01 percent)	Urban League and SDCHC
Tax Credit Investor/Limited Partner (99.99 percent)	Red Stone Equity Partners
Developers	Urban League and SDCHC
Architect	Basis Architecture & Consulting
Property Management	Solari Enterprises Inc.
General Contractor	MFRG ICON
Relocation Consultant	Overland Pacific & Cutler Inc.
Construction/Permanent Lender	California Bank & Trust

Property Management

Grant Heights II will be managed by Solari Enterprises Inc. (Solari). Solari is a full-service property management organization specializing in multifamily affordable housing. It is headquartered in Orange, California. It has over 40 years of experience, including housing for families, seniors, persons with special needs, households experiencing homelessness, veterans and single-room occupancy.

FINANCING STRUCTURE

Grant Heights II has an estimated total development cost of \$17,968,471 (\$427,821 per unit). Financing will include a combination of sources as described in Table 3. The co-developers' pro forma is included as Attachment 4.

Table 3 – Estimated Permanent Sources and Uses

Financing Sources	Amounts	Financing Uses	Amounts	Per Unit
Permanent loan: a) Tax-exempt Multifamily Housing Revenue Note; b) Taxable Debt/Note	\$4,786,000 150,000	Acquisition: Building \$8,980,000 Land + 810,000 Total acquisition \$9,790,000	\$9,790,000	\$233,095
Housing Commission (SDHC): Carryback loan on original financing; Accrued deferred interest (SDHC)	1,337,280 24,071	Construction costs \$3,387,327 Contingency + 300,732 Total construction \$3,688,059	3,688,059	87,811
Seller note (Urban League) Accrued deferred interest	5,459,694 98,274	Financing costs	1,067,796	25,424
General partners transferred reserves	175,000	Reserves	252,000	6,000
4 percent tax credits equity	5,938,152	Other soft costs	1,110,494	26,441
		Developer fee	1,862,113	44,336
		Permits & Fees	63,009	1,500
		Relocation costs	135,000	3,214
Total Development Cost	\$17,968,471	Total Development Cost (TDC)	\$17,968,471	\$427,821

Developer Fee

\$1,862,113 – Gross developer fee

On April 25, 2017, the Housing Authority approved the “Request for Approval of Updated Developer Fees” (Report No. HAR17-011). That report approved certain developer fee guidelines for multifamily loans and bond [or debt/note obligation] 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 “Request for Approval of Updated Developer Fees” (Report No. HAR17-011) guidelines approved by the Housing Authority on April 25, 2017.

Development Cost Key Performance Indicators

Housing Commission staff has identified development cost performance indicators, which 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 - Key Performance Indicators

Development Cost Per Unit	$\$17,968,471 \div 42 \text{ units} =$	\$427,821
Housing Commission Subsidy Per Unit	$\$1,337,280 \div 42 \text{ units} =$	\$31,769
Acquisition/Land Cost Per Unit	$\$9,790,000 \div 42 \text{ units} =$	\$233,095
Gross Building Square Foot Hard Cost (combined for two sites)	$\$3,688,059 \div 28,422 \text{ sq. ft.} =$	\$130
Net Rentable Square Foot Hard Cost (combined for two sites)	$\$3,688,059 \div 27,397 \text{ sq. ft.} =$	\$135

Project Comparison Chart

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

Table 5 - Comparable Development Projects

New Construction Project Name	Year	Units	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Per Sq. Ft.
Proposed Subject – Grant Heights II	2021	42	\$17,968,471 (no prevailing wage)	\$427,821	\$31,769	\$130
West Park	2018	47	\$15,593,274 (prevailing wage)	\$331,772	\$76,453	\$457
New Palace	2017	80	\$21,804,349 (prevailing wage)	\$272,555	\$38,750	\$230
Zephyr	2017	85	\$27,225,500 (prevailing wage)	\$320,300	\$35,294	\$180

TAX-EXEMPT MULTIFAMILY HOUSING REVENUE DEBT OBLIGATION NOTES

Proposed Housing Notes

The Housing Commission utilizes the Housing Authority's tax-exempt borrowing status to pass on lower interest rate financing (and make 4 percent tax credits available) to developers of affordable rental housing. The Housing Authority's ability to issue tax-exempt debt is limited under the U.S. Internal Revenue Code. To issue tax-exempt debt for a Multifamily Housing development, the Housing Authority must first submit an application to CDLAC for an allocation. Prior to submitting applications to CDLAC, developments are brought before the Housing Commission, Housing Authority, and the San Diego City Council (City Council). A Housing Authority inducement resolution must be obtained prior to application submittal, and a City Council Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and approving resolution must be secured no later than 30 days after application submittal. On October 1, 2019, these preliminary actions were completed for Grant Heights II.

On July 16, 2020, an application was submitted to CDLAC for an \$8,815,000 tax-exempt Multifamily Housing Revenue debt allocation. On September 16, 2020, CDLAC approved an \$8,815,000 tax-exempt allocation. On July 16, 2020, an application was submitted to CTCAC for 4 percent tax credits. CTCAC approved a tax credit allocation on September 16, 2020. The developer proposes that the tax-exempt debt be issued as a private placement basis, with two loan series: an aggregate amount up to \$8,815,000 as series 2021 A-1 tax-exempt loan for construction/permanent financing and an up to \$150,000 series 2021 A-2 taxable loan for construction financing. The debt obligations will meet all requirements of the Housing Commission's Multifamily Housing Revenue Bond Program policy and will fully comply with the City of San Diego's (City) ordinance on disclosure.

The tax-exempt debt amount that will ultimately be incurred will be based upon development costs, revenues and interest rates prevailing at the time of the issuance. The loan proceeds will be used for both construction financing and permanent financing. A general description of the Multifamily Housing Revenue Bond Program and the actions that must be taken by the Housing Authority and by the City Council to initiate and finalize proposed financings are described in Attachment 5.

Public Disclosure and Debt Authorization

The tax-exempt debt, in the form of a loan, will be sold through a private placement, purchased directly by California Bank & Trust (CBT). CBT is a "qualified institutional buyer" within the meaning of the U.S. securities laws. At closing, CBT will sign an "Investor's Letter" certifying, among other things, that it is originating the loan for its own account and not for public distribution. Because the loan is being originated through a private placement, an Official Statement (typically used to market tax-exempt bonds to bond buyers) will not be used. In addition, the loan will be neither subject to continuing disclosure requirements, nor credit enhanced, nor rated. Under the private placement structure for this transaction, CBT will make a loan to the Housing Authority pursuant to the terms of a Funding Loan Agreement among CBT, the Housing Authority, and Bank of New York Mellon (Fiscal Agent). The loan made by CBT to the Housing Authority (Funding Loan) will be evidenced by a note, which will obligate the Housing Authority to pay CBT the amounts it receives from the Borrower, as described below. The Housing Authority and the Borrower will enter into a Borrower Loan Agreement pursuant to which the proceeds of the Funding Loan will be advanced to the Borrower. In return, the Borrower agrees to pay the Fiscal Agent amounts sufficient for the Fiscal Agent to make payments on the note evidencing the loan from CBT to the Housing Authority. The Housing Authority's obligation to make

payments on the note is limited to amounts the Fiscal Agent receives from the Borrower under the Borrower Loan Agreement, and no other funds of the Housing Authority are pledged to make payments on the note. The transfer of the note to any subsequent purchaser will comply with Housing Commission's "Bond Issuance and Post-Issuance Compliance Policy" (policy number PO300.301). Moreover, any subsequent note holder will be required to represent to the Housing Authority that it is a qualified institutional buyer or accredited investor who is buying the note for investment purposes and not for resale, and it has made due investigation of any material information necessary in connection with the purchase of the note.

The following documents will be executed on behalf of the Housing Authority with respect to the note: the Funding Loan Agreement, the Borrower Loan Agreement, the Assignment of Deed of Trust, the Regulatory Agreement, and other ancillary loan documents. At the time of docketing, documents in substantially final form will be presented to members of the Housing Authority. Any changes to the documents following Housing Authority approval require the consent of the City Attorney's Office and Bond Counsel. The note will be issued pursuant to the Funding Loan Agreement. Based upon instructions contained in the Funding Loan Agreement and the Borrower Loan Agreement, CBT will disburse the note proceeds for eligible costs and will, pursuant to an assignment from the Housing Authority, receive payments from the Borrower. The Borrower Loan Agreement sets out the terms of repayment and the security for the loan made by the Housing Authority to the Borrower, and the Housing Authority assigns its rights to receive repayments under the loan to CBT. The Regulatory Agreement will be recorded against the property in order to ensure the long-term use of the project as affordable housing. The Regulatory Agreement will also ensure that the project complies with all applicable federal and state laws that govern the rental of the units in the project. An Assignment of Deed of Trust and other loan documents will assign the Housing Authority's rights and responsibilities with respect to the loan to the Borrower as the issuer to CBT. It will be signed by the Housing Authority for the benefit of CBT. Rights and responsibilities that are assigned to CBT include the right to collect and enforce the collection of loan payments, the right to monitor project construction and related budgets, plus the right to enforce insurance and other related requirements. These rights will be used by CBT to protect its financial interests as the note holder.

TEFRA

For interest on multifamily housing revenue debt obligations to be tax-exempt, the Internal Revenue Service (IRS) requires holding a City Council TEFRA public hearing to allow interested persons to express their views on the financing of the project and to have elected representatives approve the borrowing. The City Council TEFRA hearing must occur not earlier than one year prior to the date of tax-exempt debt issuance. The previous City Council TEFRA hearing and approval for the Grant Heights II project occurred on October 1, 2019. The co-developers expect the tax-exempt debt will be issued in February 2021, which is beyond the one-year IRS TEFRA approval window. Consequently, an additional TEFRA hearing by the City Council is needed to meet IRS requirements and for the interest on the multifamily housing revenue note to be tax-exempt. The co-developers are requesting another TEFRA hearing prior to the tax-exempt debt issuance.

Financial Advisor's Recommendation

Quint & Thimmig will be the Bond Counsel and PFM Group will be the Financial Advisor. The Financial Advisor's analysis and recommendation is included as Attachment 6.

AFFORDABLE HOUSING IMPACT

The Grant Heights II development will be subject to a Housing Commission Declaration of Covenants and Restrictions, in addition to applicable tax credit and debt obligation regulatory agreements, which will restrict affordability of 41 units for 55 years. As shown in Table 6 (below) the development's 41 units will be affordable to tenants with income levels ranging from 45 percent of San Diego Area Median Income (AMI) (estimated at \$42,600/year for a one-bedroom, two-person household), to 50 percent of AMI (\$57,750/year for a three-bedroom, four-person household).

Table 6 – Affordability & Monthly Estimated Rent Table

Unit Type	AMI	Units	CTCAC Gross Rents
Grant Heights: 1-bedroom, 1 bath (550 square feet)	45%	6	\$974
Grant Heights: 2-bedrooms, 1 bath (721-743 square feet)	45%	7	\$1,170
Subtotal 45% AMI Units	--	13	--
Grant Heights: 1-bedroom, 1 bath (545-617 square feet)	50%	4	\$1,083
Grant Heights: 2-bedrooms, 1 bath (721-743 square feet)	50%	10	\$1,300
Winona: 1-bedroom, 1 bath (553 square feet)	50%	9	\$1,083
Winona: 2-bedrooms, 1 bath (693-939 square feet)	50%	4	\$1,300
Winona 3-bedrooms, 1 ½ baths (936 square feet)	50%	1	\$1,501
Subtotal 50% AMI Units	--	28	--
2-bedroom Manager's Unit (721 square feet)	-	1	--
Total Units		42	

The rent and occupancy restrictions required by the Housing Commission and by the CTCAC will be applicable. The more stringent of the funding sources' affordability/rent restrictions will take precedence during the term of their applicability.

FISCAL CONSIDERATIONS

No Housing Commission new direct cash loan funds are proposed with this report's actions.

Estimated funding sources:

Tax-Exempt Debt Issuance Fee - \$22,038 (.0025 debt issuer fee x \$8,815,000)

Taxable Debt Issuance Fee - \$375 (.0025 debt issuer fee x \$150,000)

Total Estimated Debt Issuance Fee: \$22,413

Estimated funding uses:

Program Administration - \$22,413

There are no fiscal impacts to the Housing Commission, or to the City of San Diego, or to the Housing Authority associated with the requested private activity debt actions. The proposed tax-exempt debt obligation and taxable debt obligation will not constitute a debt of the City of San Diego. If the debt obligations are ultimately issued for the project, then such debt obligations will not financially obligate the City, the Housing Authority, or the Housing Commission because security for the repayment of the debt obligations 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 debt obligations. The developer is responsible for the payment of all costs under the

financing, including the Housing Commission's Bond Counsel and Financial Advisor fees. Additionally the developer is responsible for payment of the Housing Commission's .0025 debt amount issuer fee and the Housing Commission's annual administrative fee on the outstanding debt amount at permanent financing conversion.

Development Schedule

The estimated development timeline is as follows:

Milestones	Estimated Dates
<ul style="list-style-type: none">• Housing Authority consideration of debt authorization• City Council to hold an IRS-required TEFRA hearing• Estimated debt issuance and escrow closing• Estimated start of construction work• Estimated completion of construction work	<ul style="list-style-type: none">• February 23 2021• February 23 2021• March 2021• March 2021• December 2021

STATEMENT FOR PUBLIC DISCLOSURE

The co-developers Statements for Public Disclosure are at Attachments 7 and 8.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

On October 7, 2019, SDCHC made a Grant Heights II informational presentation to the City Heights Area Planning Committee (CHAPC). The CHAPC did not vote, but they requested that street trees be added to the project if possible. On October 14, 2019, the co-developers made a Grant Heights II informational presentations to the Southeastern San Diego Planning Group.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders include Urban League and SDCHC as the co-developers, residents of the Grant Heights Apartments and the Winona Apartments, the Southeastern San Diego community, the Mid-City community, and the Housing Commission as a lender. The property rehabilitation is expected to have a positive impact on the community because it will preserve and improve existing affordable housing.

ENVIRONMENTAL REVIEW

On August 23, 2019, the City of San Diego made the following environmental determination pursuant to the California Environmental Quality Act (CEQA). The City of San Diego conducted an environmental review that determined the project would not have the potential for causing a significant effect on the environment pursuant to State CEQA Guidelines Section 15301 (Existing Facilities), which allows the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use; and Section 15302 (Replacement or Reconstruction), which allows the replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced. The exceptions listed in CEQA Section 15300.2 would not apply in that no cumulative impacts were identified; no significant effects on the environment were identified; the project is not adjacent to a scenic highway; no historical resources would be affected by the action; and the project was not identified on a list of hazardous waste sites pursuant to Section 65962.5 of the Government Code.

Respectfully submitted,



J.P. Correia
Sr. Real Estate Project Manager
Real Estate Division

Approved by,



Jeff Davis
Deputy Chief Executive Officer
San Diego Housing Commission

Attachments: 1) Development Summary
2) Site Maps
3) Organization Chart
4) Co-developers' Project Pro Forma
5) Multifamily Housing Revenue Bond Program
6) Financial Advisor's Analysis
7) Developer's Disclosure Statement: Urban League
8) Developer's Disclosure Statement: SDCHC

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

ATTACHMENT 1 – DEVELOPMENT SUMMARY

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Addresses	Grant Heights: 2651-2663 J Street, San Diego Winona: 3845 Winona Avenue, San Diego
Council Districts	Grant Heights: 8 Winona: 9
Community Plan Areas	Grant Heights: Southeastern San Diego Community Plan and Grant Hill Historic District (Grant Hill neighborhood). Winona: Mid-City Communities Plan (City Heights neighborhood).
Co-developers	Urban League of San Diego County (Urban League) and San Diego Community Housing Corporation (SDCHC)
Development Type	Acquisition with rehabilitation.
Construction Type	Type V
Parking Type (42 spaces total)	Grant Heights: 28 parking surface spaces Winona: 14 parking spaces (two surface and 12 tuck-under garage spaces)
Housing Type	Multifamily
Lot Sizes	Grant Heights: .58 acres, 25,265 square feet Winona: .31 acres, 13,504 square feet
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Affordable Unit Mix	Grant Heights: 10 one-bedroom units (545 to 617 sq. ft.), 17 two-bedroom units (741 to 743 sq. ft.), and one manager's unit. Winona: 9 one-bedroom units (533 sq. ft.), 4 two-bedroom units (693 to 939 sq. ft.), 1 three-bedroom unit (936 sq. ft.), and no manager's unit.
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Table 2 - Development Team Summary

ROLE	FIRM/CONTACT
Owner/Borrower General Partners (.01 percent) Tax Credit Investor/Limited Partner (99.99 percent)	Grant Heights II L.P. Urban League and SDCHC Red Stone Equity Partners
Developers	Urban League and SDCHC
Architect	Basis Architecture & Consulting
Property Management	Solari Enterprises Inc.
General Contractor	MFRG ICON
Relocation Consultant	Overland Pacific & Cutler Inc.
Construction/Permanent Lender	California Bank & Trust

Table 3 – Estimated Permanent Sources and Uses

Financing Sources	Amounts	Financing Uses	Amounts	Per Unit
Permanent loan: a) Tax-exempt Multifamily Housing Revenue Note; b) Taxable Debt/Note	\$4,786,000 150,000	Acquisition: Building \$8,980,000 Land + 810,000 Total acquisition \$9,790,000	\$9,790,000	\$233,095
Housing Commission (SDHC): Carryback loan on original financing; Accrued deferred interest (SDHC)	1,337,280 24,071	Construction costs \$3,007,322 Contingency + 300,732 Total construction \$3,308,054	3,308,054	78,763
Seller note (Urban League) Accrued deferred interest	5,459,694 98,274	Financing costs	1,067,796	25,424
General partners transferred reserves	175,000	Reserves	632,000	15,048
4 percent tax credits equity	5,938,152	Other soft costs	730,500	17,393
		Developer fee	1,862,113	44,336
		Permits & Fees	63,000	1,500
		Relocation costs	135,000	3,214
Total Development Cost	\$17,968,471	Total Development Cost (TDC)	\$17,968,471	\$427,821

Table 4 - Key Performance Indicators

Development Cost Per Unit	$\$17,968,471 \div 42 \text{ units} =$	\$427,821
Housing Commission Subsidy Per Unit	$\$1,337,280 \div 42 \text{ units} =$	\$31,769
Acquisition/Land Cost Per Unit	$\$9,790,000 \div 42 \text{ units} =$	\$233,095
Gross Building Square Foot Hard Cost (combined for two sites)	$\$3,308,054 \div 28,422 \text{ sq. ft.} =$	\$116
Net Rentable Square Foot Hard Cost (combined for two sites)	$\$3,308,054 \div 27,397 \text{ sq. ft.} =$	\$121

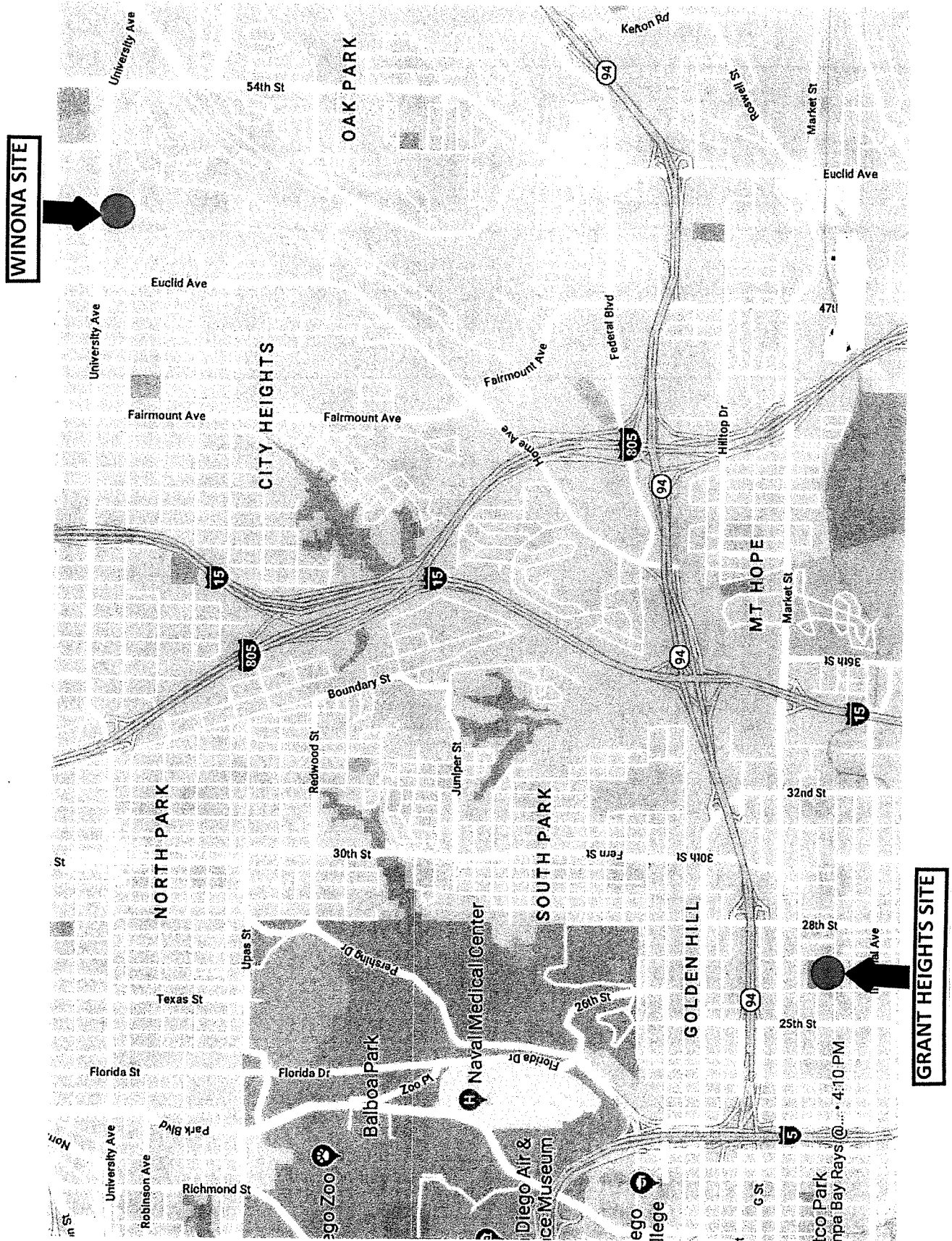
Table 5 - Comparable Development Projects

New Construction Project Name	Year	Unit Mix Construction	Units	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Per Sq. Ft.
Proposed Subject – Grant Heights II	2021	19 ones, 21 twos, 1 three, + 1 manager	42	\$17,968,471 (no prevailing wage)	\$427,821	\$31,769	\$116
Harbor View	2018	24 twos, 35 threes, + 1 manager	60	\$12,096,464 (no prev. wage)	\$201,608	\$0	\$39
Parkside	2018	5 ones, 29 twos, 5 threes, + 1 manager	40	\$10,668,798 (no prev. wage)	\$266,720	\$48,556	\$97
Casa Puleta	2017	11 twos, 26 threes, 16 fours, + 1 manager	54	\$10,797,804 (no prev. wage)	\$328,691	\$0	\$28

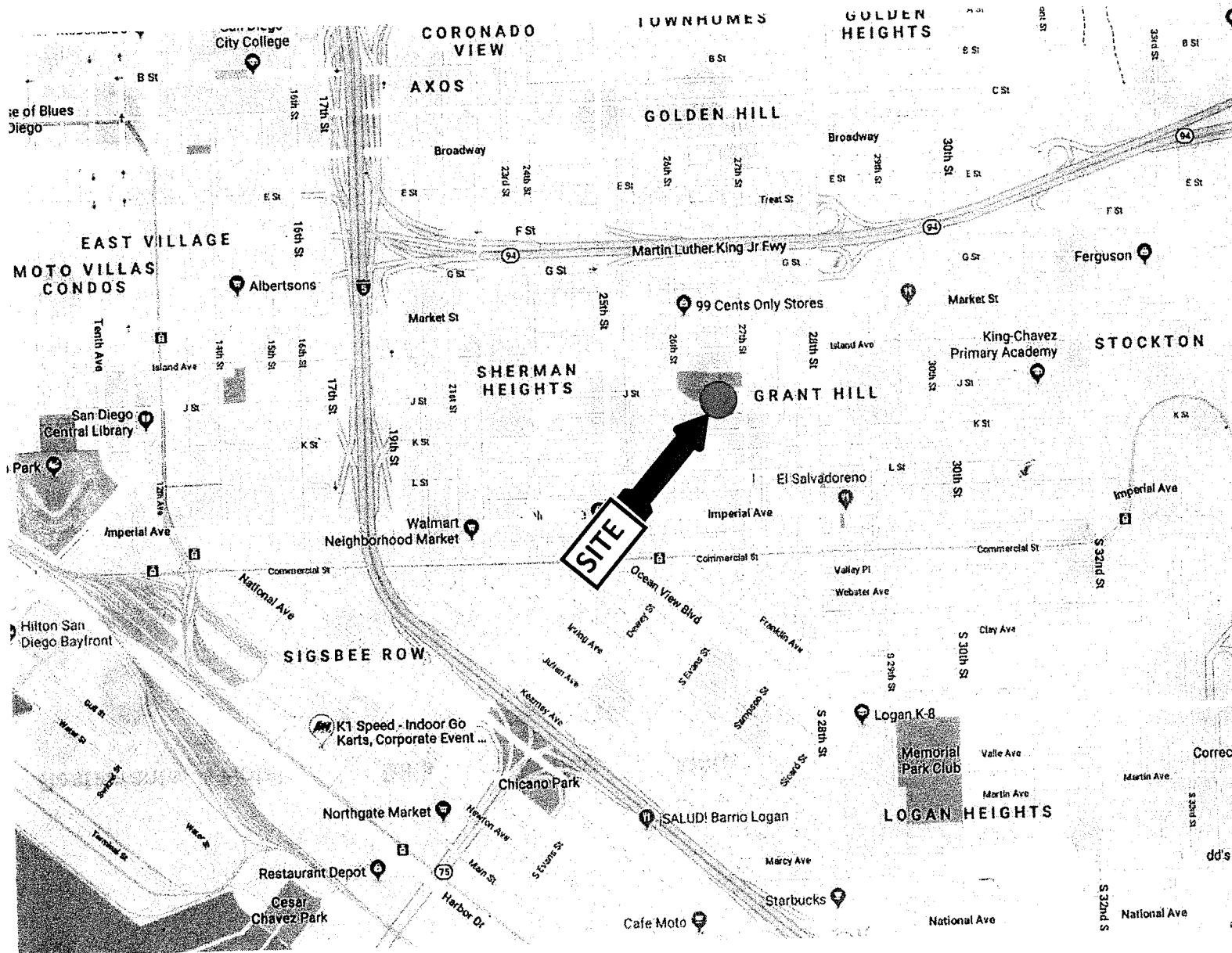
Table 6 – Affordability & Monthly Estimated Rent Table

Unit Type	AMI	Units	CTCAC Gross Rents
Grant Heights: 1-bedroom, 1 bath (550 square feet)	45%	6	\$974
Grant Heights: 2-bedrooms, 1 bath (721-743 square feet)	45%	7	\$1,170
Subtotal 45% AMI Units	--	13	--
Grant Heights: 1-bedroom, 1 bath (545-617 square feet)	50%	4	\$1,083
Grant Heights: 2-bedrooms, 1 bath (721-743 square feet)	50%	10	\$1,300
Winona: 1-bedroom, 1 bath (553 square feet)	50%	9	\$1,083
Winona: 2-bedrooms, 1 bath (693-939 square feet)	50%	4	\$1,300
Winona 3-bedrooms, 1 ½ baths (936 square feet)	50%	1	\$1,501
Subtotal 50% AMI Units	--	28	--
2-bedroom Manager's Unit (721 square feet)	-	1	--
Total Units		42	

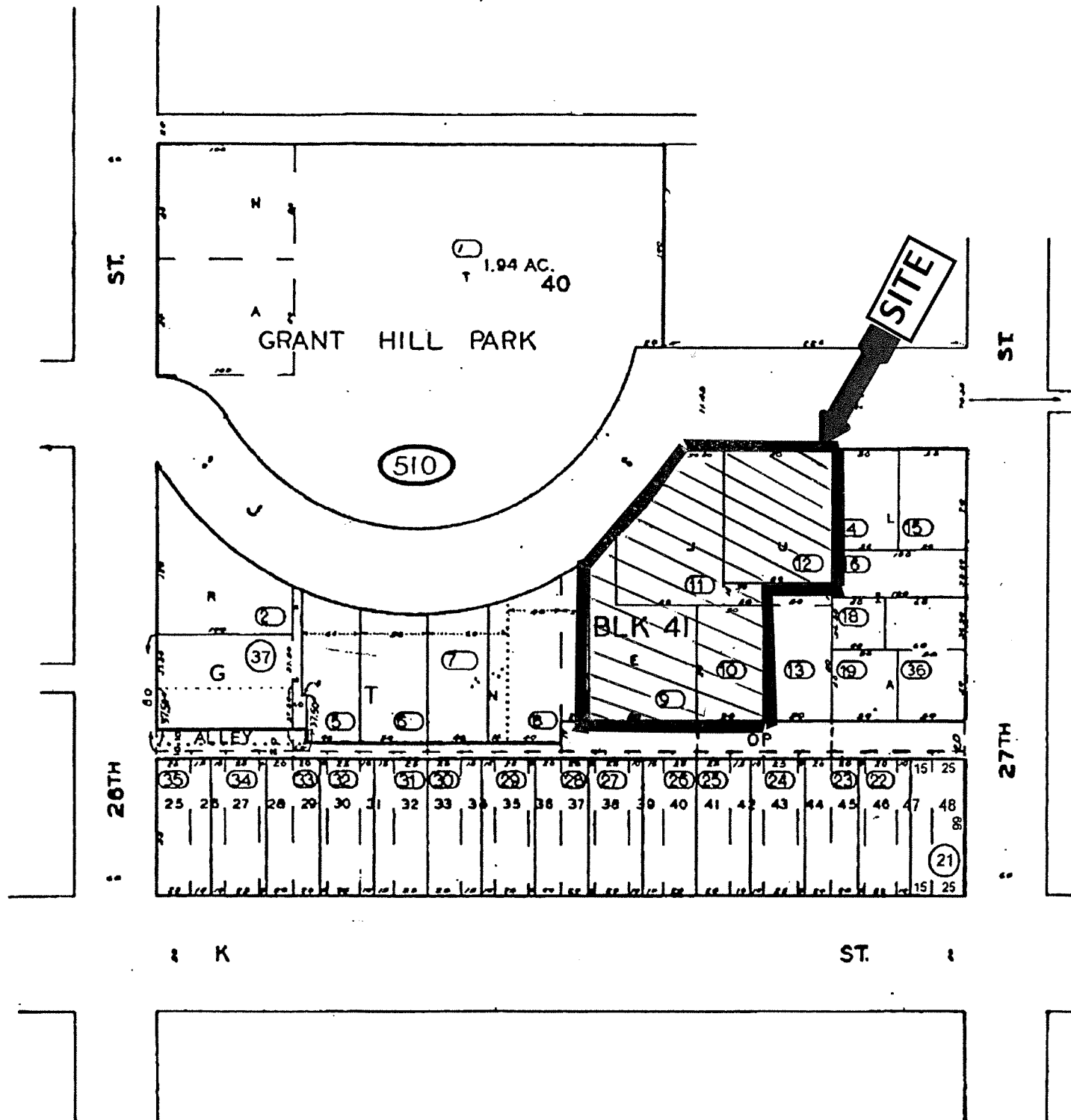
ATTACHMENT 2A – BOTH SITES MAP



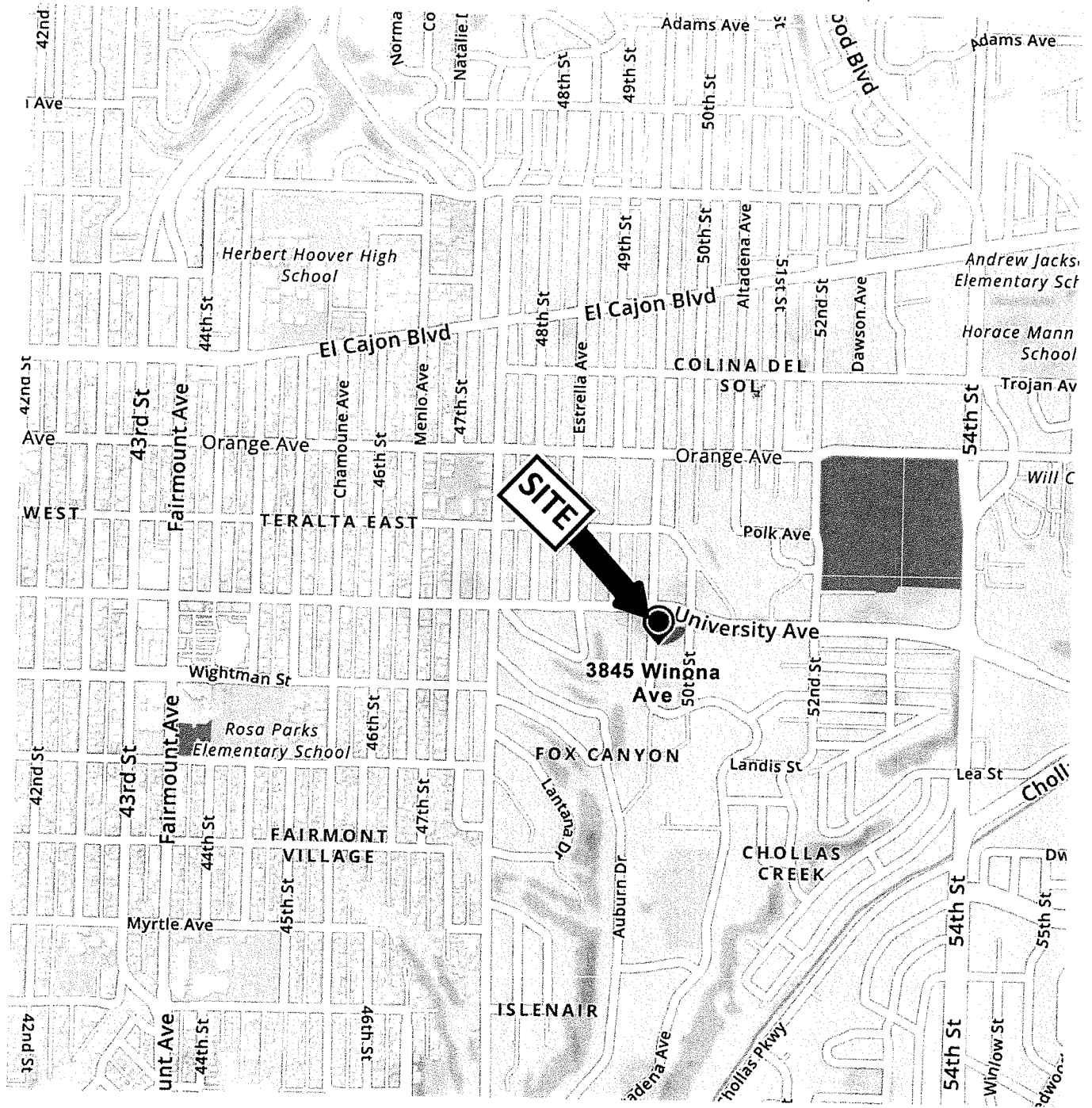
ATTACHMENT 2B – GRANT HEIGHTS MAPS



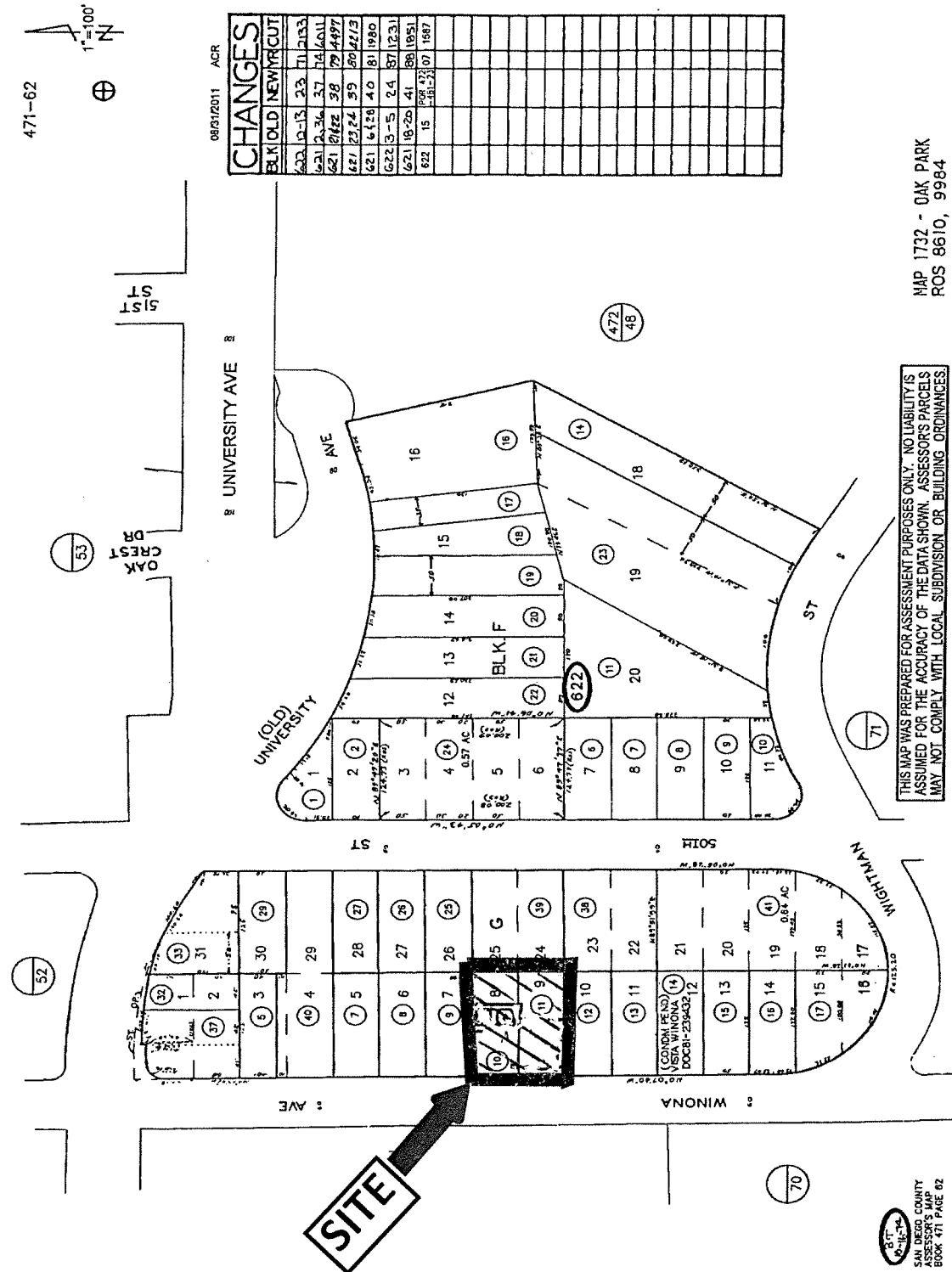
ATTACHMENT 2B – GRANT HEIGHTS MAPS continued



ATTACHMENT 2C – WINONA MAPS



ATTACHMENT 2C – WINONA MAPS continued



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471-621-622

This map/plat is being furnished as an aid in locating the herein described Land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.

Order: 112161

Doc: 471-62 MAP ASSESSOR

Page 1 of 1 Requested By: Michael Moore , Printed: 6/27/2019 4:16 PM

ATTACHMENT 3 - Organizational Chart for Grant Heights II



Grant Heights II

Prepared For:

Prepared By:

Version:

Revised:

Notes:

San Diego Community Housing Corp

California Housing Partnership Corporation

6.03 Closing

January 5, 2021

Assume 4% fixed rate

ATTACHMENT 4 - CO-DEVELOPERS'
PROJECT PRO FORMA

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SOURCES OF FUNDS

PAGE 1

PERMANENT						
	AMOUNT	TOTAL INT COST	OID INT RATE	AMORT TERM (Yr)	COMMENTS	
Tax-Exempt Permanent Loan	4,786,000	3.35%		35	18 year term / 35 year amortization	
Taxable Permanent Loan	150,000	3.85%		35	18 year term / 35 year amortization	
San Diego Housing Commission Loan (Assumed)	1,337,280	1.35%	1.35%	55	Jan 2021 AFR	
Accrued/Deferred Interest	24,071					
Urban League Seller Note (Recourse)	5,459,694	1.35%	1.35%	55	Jan 2021 AFR	
Accrued/Deferred Interest	98,274					
Capital Contributions						
General Partners (Transferred Reserves)	175,000				Federal Credit Pricing (Gross):	\$0.860
Limited Partner (LIHTC)	5,938,152				Credit Rate (Fixed):	4.00%
TOTAL SOURCES	17,968,471					
Surplus/(Shortfall)	0					

CONSTRUCTION						
	AMOUNT	INT RATE	TERM (Mo.)			
Tax-Exempt Construction Loan	8,815,000	4.25%	16		CDLAC 60% Limit:	9,979,332
San Diego Housing Commission Loan (Assumed)	1,337,280	1.35%	16			
Accrued/Deferred Interest	24,071					
Urban League Seller Note (Recourse)	5,459,694	1.35%	16			
Accrued/Deferred Interest	98,274					
Costs Deferred Until Conversion	980,190					
Capital Contributions						
General Partners (Transferred Reserves)	175,000					
Limited Partner (LIHTC)	1,078,962					
TOTAL SOURCES	17,968,471					
Surplus/(Shortfall)	(0)					

Grant Heights II
Uses of Funds

Version: 6.03 Closing
Revised: January 5, 2021

			DEPRECIABLE					TAX CREDIT ELIGIBLE	
	TOTAL	TOTAL RESIDENTIAL	NON- DEPREC	RESIDENTIAL	NON-RES	EXPENSE	AMORTIZE	CONST/ REHAB	ACQUIS.
ACQUISITION COSTS									
<i>Total Purchase Price</i>	9,790,000								
Land - Grant Heights	540,000	540,000	540,000						
Building - Grant Heights	6,660,000	6,660,000		6,660,000					6,660,000
Land - Winona	270,000	270,000	270,000						
Building - Winona	2,320,000	2,320,000		2,320,000					2,320,000
GENERAL DEVELOPMENT COSTS									
<i>Total Construction Contract</i>	3,387,322								
Residential Construction	1,871,993	1,871,993		1,871,993	0		0	1,871,993	
Demolition	165,750	165,750	165,750	0				0	
Solar Work	65,000	65,000	0	65,000	0		0	65,000	
Site Work/Landscape	124,160	124,160		124,160	0			124,160	
Personal Property included in Contract	358,097	358,097		358,097	0			358,097	
Contractor General Requirements	149,000	149,000	0	149,000	0			149,000	
Contractor Overhead	50,400	50,400	0	50,400	0			50,400	
Contractor Profit	153,400	153,400	0	153,400	0			153,400	
Contractor Bonds/Insurance	69,522	69,522		69,522	0			69,522	
Additional Rehab Allowance	380,000	380,000		380,000	0			380,000	
Construction Contingency (excludes Allowance)	300,732	300,732	0	300,732	0			300,732	
Local Permits/Fees/Utility Fees	63,000	63,000		63,000	0			63,000	
Environmental	2,500	2,500		2,500	0			2,500	
Architect	209,400	209,400		209,400	0			209,400	
Survey/Engineering	35,000	35,000		35,000	0			35,000	
Appraisal	10,000	10,000		10,000	0		0	10,000	
Relocation (Temporary)	135,000	135,000		135,000	0			135,000	
Market Study	14,400	14,400		0	0		14,400	0	
Construction Loan Period Interest (Bank)	299,710	299,710		187,319	0	112,391		187,319	
Construction Period Interest (Urban League Seller Note)	98,274	98,274		61,422	0	36,853		61,422	
Construction Period Interest (SDHC Assumed Loan)	24,071	24,071		15,044	0	9,027		15,044	
Construction Loan Interest (SDCHC Seller Note)	0	0		0	0	0		0	
Title/Recording/Escrow - Acquisition	5,000	5,000	5,000	0	0			0	0
Title/Recording/Escrow - Construction	20,000	20,000		20,000	0			20,000	0
Title/Recording/Escrow - Permanent	5,000	5,000					5,000		
Real Estate Taxes During Construction	5,000	5,000		5,000	0	0		5,000	0
Insurance During Construction	0	0		0	0	0		0	0
Soft Cost Contingency	150,000	150,000		150,000	0			150,000	
TCAC Application/Monitoring Fee	29,656	29,656					29,656		
Sponsor Legal: Acquisition	0	0	0	0				0	0
Construction Closing	40,000	40,000		40,000	0			40,000	0
Permanent Closing	0	0					0		
Organization of Partnership	0	0					0		
Syndication	45,000	45,000	45,000						
Investor Fees	40,000	40,000	40,000						
Syndication Consulting	75,000	75,000	75,000					0	0
Cost Certification	15,000	15,000	15,000	0		0		0	
Accounting	15,000	15,000		15,000		0	0	15,000	
Furnishings	25,000	25,000		25,000	0			25,000	
Replacement Reserve Operating	175,000	175,000	175,000			0			
Reserve (9 months) Marketing/	457,009	457,009	457,009						
Lease-Up	15,000	15,000				15,000			
PNA/Energy Audit/Other	19,200	19,200		19,200				19,200	
3rd Party Construction Manager	50,000	50,000		50,000				50,000	
Developer Fee	1,862,113	1,862,113		1,862,113	0			716,154	1,145,959
Costs of Issuance/Other Financing Costs									
Permanent Lender Counsel	10,000	10,000					10,000	0	
Construction Lender Counsel	65,000	65,000		65,000	0		0	65,000	
Bond Issuer Counsel	55,000	55,000					55,000		
Issuer Financial Advisor	45,000	45,000					45,000		
Construction Loan Extension Fee	11,019	11,019		11,019			0	11,019	
Construction Lender Expenses/Monitoring	45,000	45,000		45,000	0			45,000	0
Construction Loan Fees	88,150	88,150		88,150	0			88,150	
Permanent Loan Conversion Fee	24,680	24,680					24,680		
Trustee Fee	15,000	15,000					15,000		
CDIAC Fees	3,000	3,000					3,000		
CDLAC Filing Fee	3,085	3,085					3,085		
SDHC Issuer Fee at Closing (0.25%)	22,038	22,038					22,038		
SDHC Issuer Application Fee	13,000	13,000					13,000		
SDHC Issuer Prepaid Annual Fee (0.125%)	22,038	22,038					22,038		
SDHC Issuer Expenses	50,000	50,000					50,000		
SDHC Loan Legal/Cost Review	35,000	35,000		35,000			0		
CDLAC Performance Deposit	44,075	44,075					44,075		
<i>Subtotal - Costs of Issuance/Other Financing Costs</i>	551,084	551,084	0	244,169	0	0	306,915	209,169	0
TOTAL DEVELOPMENT COSTS									
<i>Total Development Cost Per Unit</i>	427,821								

TCAC DEVELOPER FEE CALCULATION (2020 TCAC Regulations)			
	Construction	Acquisition	Total
Eligible Basis	4,774,358	8,980,000	13,754,358
Maximum Potential TCAC Fee (per limits)	N/A	N/A	N/A
Maximum Potential TCAC Fee (per basis)	716,154	1,347,000	2,063,154
Ratio	34.71%	65.29%	100.00%
Maximum Fee Per TCAC at PIS	716,154	1,347,000	2,063,154
Fee per TCAC Application	663,381	1,145,959	1,809,340
CDLAC Forgone Developer Fee			201,041
MAXIMUM FEE IN ELIGIBLE BASIS & COSTS	716,154	1,145,959	1,862,113
Developer Fee Paid from Development Sources			1,862,113
GP Equity Contribution and/or Deferred Fee Paid from Cash Flow			0

City/County Developer Fee Limits	
Developer Fee Paid From Development Sources	1,862,113
Deferred Developer Fee Paid from Cash Flow	0
GP Equity Contribution	0
Total Developer Fee	1,862,113

AVERAGE AFFORDABILITY FOR QUALIFIED UNITS (% AMI)	48.42%	UNIT MIX	
		0 BR	0
		1 BR	19
		2 BR	22
		3 BR	1

RESIDENTIAL INCOME

TAX-CREDIT ELIGIBLE - TIER 1:				45% AMI		Percentage of Targeted Units: 31.7%			
Grant Heights									
UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	HUD UTILITY ALLOWANCE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
1 BR	6	550	3,300	45.0%	24	974	950	5,700	68,400
2 BR	7	721	5,047	45.0%	31	1,170	1,139	7,973	95,676
TOTAL	13		8,347					13,673	164,076

TAX-CREDIT ELIGIBLE - TIER 2:				50% AMI		Percentage of Targeted Units: 26.8%			
Grant Heights									
UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	HUD UTILITY ALLOWANCE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
1 BR	2	545	1,090	50.0%	33	1,083	1,050	2,100	25,200
2 BR	9	721	6,489	50.0%	31	1,300	1,269	11,421	137,052
TOTAL	11		7,579					13,521	162,252

TAX-CREDIT ELIGIBLE - TIER 3:				50% AMI		Percentage of Targeted Units: 7.3%			
Grant Heights									
UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	HUD UTILITY ALLOWANCE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
1 BR	2	617	1,234	50.0%	13	1,083	1,070	2,140	25,680
2 BR	1	743	743	50.0%	49	1,300	1,251	1,251	15,012
TOTAL	3		1,977					3,391	40,692

TAX-CREDIT ELIGIBLE - TIER 4:				50% AMI		Percentage of Targeted Units: 34.1%			
Winona									
UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	SDHC UTILITY ALLOWANCE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
1 BR	9	553	4,977	50.0%	62	1,083	1,021	9,189	110,268
2 BR	4	816	3,264	50.0%	82	1,300	1,218	4,872	58,464
3 BR	1	936	936	50.0%	105	1,501	1,396	1,396	16,752
TOTAL	14		9,177					15,457	185,484

MANAGER UNITS									
Grant Heights									
UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	UTILITY ALLOWANCE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
2 BR	1	743	743	0.0%	0	0	0	0	0
TOTAL	1		743					0	0

RENTAL SUBSIDY INCOME (Grant Heights - Post Rehab HAP Contract Rents)									
UNIT TYPE	NUMBER	INCOME TIER	PER-UNIT MONTHLY NET RENT	PER UNIT S8 NET RENT	PER UNIT S8 GROSS RENT	PER-UNIT MONTHLY S8 PREMIUM		TOTAL MONTHLY S8 PREMIUM	TOTAL ANNUAL S8 PREMIUM
1 BR	6	45%	950	1,421	1,445	471		2,826	33,912
1 BR	2	50%	1,050	1,407	1,440	357		714	8,568
1 BR	2	50%	1,070	1,477	1,490	407		814	9,768
2 BR	7	45%	1,139	1,669	1,700	530		3,710	44,520
2 BR	9	50%	1,269	1,669	1,700	400		3,600	43,200
2 BR	1	50%	1,251	1,661	1,710	410		410	4,920
TOTAL	27							12,074	144,888
RENTAL SUBSIDY PREMIUM (annual subsidy income less total annual base rents)								12,074	144,888
TOTAL - BASE RENT PLUS SECTION 8 PREMIUM								58,116	697,392

TOTAL RESIDENTIAL INCOME				TOTAL UNITS 42	TOTAL MONTHLY (Net) 58,116	TOTAL ANNUAL 697,392
TOTAL SQ FT - TAX CREDIT ELIGIBLE			27,080			
TOTAL SQ FT - NON-TAX CREDIT ELIGIBLE			0			
TOTAL RENTABLE SQ FT			27,080			

MISCELLANEOUS INCOME				PER-UNIT MONTHLY	TOTAL MONTHLY	TOTAL ANNUAL
Laundry/Vending				8.00	336	4,032
Financial				5.00	210	2,520

Grant Heights II
Tax Credit Calculation

Version: 6.03 Closing
Revised: January 5, 2021

		FEDERAL			CALIFORNIA		
		ACQUIS	CONST/ REHAB	TOTAL	ACQUIS	CONST/ REHAB	TOTAL
TOTAL ELIGIBLE COSTS		10,125,959	5,490,511	15,616,470	0	0	0
ELIGIBLE BASIS		10,125,959	5,490,511	15,616,470	0	0	0
THRESHOLD BASIS LIMIT				27,790,072			
REQUESTED ELIGIBLE BASIS		10,125,959	5,490,511	15,616,470	0	0	0
LESS: Voluntary Credit Reduction for Tiebreaker or Ranking			0				
TOTAL REQUESTED UNADJUSTED ELIGIBLE BASIS		10,125,959	5,490,511			0	
HIGH COST ADJUSTMENT (Y/N)		Y	100.0%	130.0%	100.0%	100.0%	
ADJUSTED ELIGIBLE BASIS		10,125,959	7,137,665	17,263,624	0	0	0
APPLICABLE FRACTION*		100.00%	100.00%		100.00%	100.00%	
QUALIFIED CREDIT BASIS		10,125,959	7,137,665	17,263,624	0	0	0
LESS: Credit Reduction for Leveraging		0.00%	0	0		0	0
ADJUSTED QUALIFIED CREDIT BASIS		10,125,959	7,137,665	17,263,624		0	0
CREDIT RATE		Federal Annual/Yr 1-3 State Year 4 - State	4.00%	4.00%	4.00%	30.00% 9.00%	1.00% 3.00%
MAXIMUM CREDIT AMOUNT PER COSTS		Federal Annual/Year 1 - State Year 2 - State Year 3 - State Year 4 - State Total	405,038	285,507 690,545	0	0 0 0 0	0 0 0 0
ACTUAL TCAC CREDIT RESERVATION		Federal Annual/Total State	328,081	214,219 542,300	N/A	N/A	N/A
MAXIMUM ALLOWABLE CREDITS		Federal Annual/Total State	405,038	285,507 690,545			0
MAXIMUM ALLOWABLE - TEN YEAR TOTAL				6,905,449			0

INCOME		
Scheduled Gross Income		552,504
Rental Subsidy Premium		144,888
Misc. Income		6,552
Vacancy Loss	5.0%	(27,953)
Vacancy Loss - Rental Subsidy	5.0%	(7,244)
EFFECTIVE GROSS INCOME		668,747
EXPENSES - RESIDENTIAL		
Administrative		
Advertising	0	
Legal	5,000	
Accounting/Audit	15,000	
Security	0	
Other Admin Expenses	16,100	
Total Administrative		36,100
Management Fee	5.5% of gross income	38,357
Utilities		
Electricity	6,700	
Gas	10,500	
Total Utilities		17,200
Water/Sewer		35,000
Payroll/Payroll Taxes		
On-Site Managers	55,000	
Maintenance/Janitorial	39,500	
Manager Unit Expense/(Credit)	0	
Payroll Taxes/Benefits	26,250	
Total Payroll/Payroll Taxes		120,750
Insurance		17,000
Real Estate Taxes		0
Maintenance		
Unit Turnover/Painting	4,000	
Repairs	21,000	
Trash Removal	15,000	
Exterminating	2,400	
Grounds	9,000	
Elevator	1,000	
Total Maintenance		52,400
Replacement Reserve	350 PUPA	14,700
Operating Reserve		0
Other		
SDHC Bond Monitoring Fee	10,000	
Resident Services	20,000	
SDHC Loan Monitoring Fee	6,150	
Misc Taxes/Licenses/Permits	1,500	
Total Other		37,650
TOTAL EXPENSES - RESIDENTIAL		369,157
Per Unit Per Year	8,789	
Per Unit Per Year (w/o Services, Taxes, Reserves, Monitoring Fee	7,579	
TOTAL EXPENSES - COMMERCIAL		0
NET AVAILABLE INCOME		299,590
Debt Service Coverage Ratio		1.25
AVAILABLE FOR DEBT SERVICE		239,672

Grant Heights II																PAGE 8		
15-Year Cash Flow																Version: 6.03 Closing Revised: January 5, 2021		
ASSUMPTIONS:																		
Rent Increase:	2.00%	Permanent Loan - % Debt Service Year 1				41.67%												
Expenses Increase:	3.00%	Percent Qualified Occupancy - Lease-Up Year 1				91.46%												
Real Estate Tax Increase:	2.00%	Permanent Loan - % Debt Service Year 2				100.00%												
Reserve Increase:	0.00%																	
			Year 1 2022	Year 2 2023	Year 3 2024	Year 4 2025	Year 5 2026	Year 6 2027	Year 7 2028	Year 8 2029	Year 9 2030	Year 10 2031	Year 11 2032	Year 12 2033	Year 13 2034	Year 14 2035	Year 15 2036	
GROSS POTENTIAL INCOME - RESIDENTIAL		552,504	505,339	563,554	574,825	586,322	598,048	610,009	622,209	634,653	647,346	660,293	673,499	686,969	700,709	714,723	729,017	
Rental Subsidy Premium		144,888	132,520	147,786	150,741	153,756	156,831	159,968	163,167	166,431	169,759	173,155	176,618	180,150	183,753	187,428	191,177	
Misc. Income		6,552	5,993	6,683	6,817	6,953	7,092	7,234	7,379	7,526	7,677	7,830	7,987	8,147	8,310	8,476	8,645	
Vacancy Loss - Residential		5.0%	(25,567)	(28,512)	(29,082)	(29,664)	(30,257)	(30,862)	(31,479)	(32,109)	(32,751)	(33,406)	(34,074)	(34,756)	(35,451)	(36,160)	(36,883)	
Vacancy Loss - Rental Subsidy Premium		5.0%	(6,626)	(7,389)	(7,537)	(7,688)	(7,842)	(7,998)	(8,158)	(8,322)	(8,488)	(8,658)	(8,831)	(9,008)	(9,188)	(9,371)	(9,559)	
GROSS EFFECTIVE INCOME			611,659	682,122	695,764	709,679	723,873	738,351	753,118	768,180	783,543	799,214	815,199	831,503	848,133	865,095	882,397	
Operating Expenses		354,457	324,919	365,090	376,043	387,324	398,944	410,912	423,240	435,937	449,015	462,485	476,360	490,651	505,370	520,531	536,147	
Real Estate Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL OPERATING EXPENSES			354,457	324,919	365,090	376,043	387,324	398,944	410,912	423,240	435,937	449,015	462,485	476,360	490,651	505,370	520,531	536,147
NET OPERATING INCOME			286,740	317,031	319,721	322,355	324,929	327,438	329,878	332,243	334,528	336,729	338,839	340,852	342,762	344,564	346,250	
REPLACEMENT RESERVE			14,700	13,475	14,700	14,700	14,700	14,700	14,700	14,700	14,700	14,700	14,700	14,700	14,700	14,700	14,700	
NET INCOME AVAILABLE FOR DEBT SERVICE			273,265	302,331	305,021	307,655	310,229	312,738	315,178	317,543	319,828	322,029	324,139	326,152	328,062	329,864	331,550	
Tax-Exempt Permanent Loan																		
Principal Balance		4,786,000	4,755,801	4,681,584	4,604,842	4,525,490	4,443,439	4,358,597	4,270,869	4,180,158	4,086,360	3,989,373	3,889,086	3,785,388	3,678,163	3,567,291	3,452,648	
Principal Payment			30,199	74,217	76,742	79,352	82,051	84,842	87,728	90,712	93,797	96,988	100,287	103,698	107,225	110,872	114,643	
Interest Payment			86,626	158,163	155,639	153,028	150,329	147,538	144,653	141,669	138,583	135,393	132,094	128,683	125,155	121,508	117,737	
TOTAL DEBT SERVICE			96,825	232,380	232,380	232,380	232,380	232,380	232,380	232,380	232,380	232,380	232,380	232,380	232,380	232,380	232,380	
Taxable Permanent Loan																		
Principal Balance		150,000	149,147	147,044	144,858	142,586	140,225	137,772	135,223	132,574	129,821	126,960	123,987	120,898	117,687	114,351	110,884	
Interest Payment			2,401	5,705	5,623	5,537	5,448	5,356	5,260	5,160	5,056	4,948	4,836	4,719	4,598	4,473	4,342	
Principal Payment			853	2,104	2,186	2,272	2,361	2,453	2,549	2,649	2,753	2,861	2,973	3,089	3,210	3,336	3,467	
TOTAL DEBT SERVICE			3,254	7,809	7,809	7,809	7,809	7,809	7,809	7,809	7,809	7,809	7,809	7,809	7,809	7,809	7,809	
NET CASH FLOW			173,186	62,142	64,832	67,466	70,040	72,549	74,989	77,354	79,639	81,840	83,949	85,963	87,873	89,675	91,361	
Debt Service Coverage Ratio			2.730	1.259	1.270	1.281	1.292	1.302	1.312	1.322	1.332	1.341	1.350	1.358	1.366	1.373	1.380	
DISTRIBUTION OF CASH FLOW																		
LP Investor Services Fee - Current		5,000	5,000	5,138	5,292	5,450	5,614	5,782	5,956	6,134	6,318	6,508	6,703	6,904	7,112	7,325	7,545	
LP Investor Services Fee - Deferred			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Deferred Developer Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
GP Partnership Management Fee - Current		20,000	20,000	20,550	21,167	21,801	22,456	23,129	23,823	24,538	25,274	26,032	26,813	27,617	28,446	29,299	30,178	
GP Partnership Management Fee - Deferred			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
San Diego Housing Commission Loan (Assumed)		50.00%	74,093	18,227	19,187	20,107	20,985	21,819	22,605	23,341	24,023	24,650	25,217	25,720	26,158	26,525	26,819	
Urban League Seller Note (Recourse)		0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Sponsor Distribution (IMF or Seller Note)		50.00%	74,093	18,227	19,187	20,107	20,985	21,819	22,605	23,341	24,023	24,650	25,217	25,720	26,158	26,525	26,819	
General Partners		0.01%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Limited Partner		99.99%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

ATTACHMENT 5

HOUSING COMMISSION MULTIFAMILY HOUSING REVENUE BOND PROGRAM SUMMARY

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

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

Affordability: Minimum requirement is that at least 20% of the units are affordable at 50% of Area Median Income (AMI). Alternatively, a minimum of 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: Members of the City Council may 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 supplied 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.

ATTACHMENT 6 - FINANCIAL ADVISOR'S ANALYSIS

Memorandum

To: Colin Miller, Joe Correia - San Diego Housing Commission

From: Bob Gamble, Nick Jones, Julia Buford - PFM Financial Advisors, LLC

RE: Actions related to the proposed issuance of up to \$8,815,000 tax-exempt and \$150,000 taxable Multifamily Housing Revenue Bonds (Grant Heights II) Series 2021

Dear Mr. Miller and Mr. Correia,

You have asked PFM Financial Advisors, LLC (“PFM”) to review the proposed financing and recommend whether, in our judgment, it is reasonable for the Housing Authority of the City of San Diego (the “Housing Authority”) to issue the Multifamily Housing Revenue Bonds (the “Bonds”) in connection with Grant Heights II (the “Project”) by San Diego Community Housing Corporation (the “Borrower” or the “Developer”). In preparing this report, we have reviewed financial projections and background information provided by the Developer and the San Diego Housing Commission (the “Housing Commission” or “SDHC”).

The specific findings this report addresses are:

- Whether the financing will achieve a public purpose by creating or preserving affordable housing
- Whether the Housing Authority will avoid undue financial risk in undertaking the financing
- Whether the Project will be able to meet debt service payments after the proposed financing

As described below, we find that all of the conditions are met and therefore recommend that the Housing Authority authorize the issuance of the Bonds.

Description of the Project

Grant Heights II is an affordable rental housing development that will combine two separate existing apartment complexes: Grant Heights Apartments, located at 2651-2663 J Street, and Winona Apartments, located at 3845 Winona Avenue, San Diego. The two properties are located approximately five miles apart. The project consists of 41 restricted rental units and 1 unrestricted manager unit. The restricted units are made up of 1 three-bedroom, 21 two-bedroom, 19 one-bedroom units.

Renovations will encompass exterior and interior upgrades, including kitchen cabinetry and countertops, flooring, plumbing fixtures, plumbing supply lines, plumbing greywater



lines, roof, exterior walkways and decks, accessibility and path of travel, and flooring. Rehabilitation is expected to begin in March 2021 and be complete by Fall 2021.

The current estimate of site acquisition and hard construction costs is \$9,790,000 (\$233,095 per unit) and \$3,688,054 (\$87,811 per unit), respectively. Funds for the development of the Project will be raised through various sources including equity capital and the issuance of the Bonds. The proposed development pro-forma estimates that there are \$17,968,471 in total project costs (\$427,821 per unit).

The Developer

Grant Heights II L.P. is a limited partnership formed by San Diego Community Housing Corporation ("SDCHC") and Urban League of San Diego County ("Urban League"). Both SDCHC and Urban League are 501(c)(3) nonprofits. SDCHC was founded in 1994, with a focus on developing affordable housing that offers services designed to assist resident in achieving upward economic mobility. SDCHC is also the current owner of Winona Apartments. Urban League was founded in 1953, with a focus on employment, on-the-job training, youth education, housing counseling, elderly health outreach, and workforce re-entry. Urban League develops, preserves, and maintains affordable housing. It is also the controlling general partner of UHGH L.P., the current owner of Grant Heights Apartments.

The Financing

An aggregate amount not exceeding \$8,815,000 of tax-exempt Housing Authority Bonds will initially be issued to facilitate Grant Heights II L.P.'s acquisition with rehabilitation of the Project. California Bank and Trust (the "Lender") will serve as the bond purchaser and Red Stone Equity Partners will serve as equity investor. Tax credits and tax exemption were allocated to the project by California Tax Credit Allocation Committee ("TCAC") and California Debt Limit Allocation Committee ("CDLAC") in an amount of \$8,815,000 on September 16, 2020. The transaction is scheduled to close in March 2021.

The Bonds will bear a fixed interest rate locked at closing, estimated at 3.35%, and will amortize over 35 years. The Bonds will be purchased by the Lender through a permanent loan, which will be repaid by the Borrower. The Developer has secured a commitment from the Lender to purchase the Bonds. In addition to the Bonds, the Project will be financed by other Permanent Sources, detailed in Table 1 below:



Table 1
Permanent Financing
Sources and Uses of Funds

Sources:

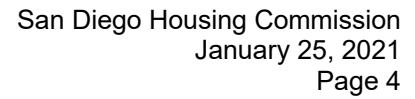
Tax-exempt permanent loan	\$ 4,786,000
Taxable bond	150,000
Urban League seller's loan	5,459,694
Accrued deferred interest Urban League	98,274
Housing Commission loan assumption	1,337,280
Accrued deferred interest SDHC loan	24,071
General Partner equity	175,000
4 percent (CTCAC) tax credit equity	5,938,152

Total Sources **\$ 17,968,471**

Uses:

Property acquisition	\$ 9,790,000
Rehabilitation costs	3,387,322
Construction Contingency	300,732
Financing costs	551,084
Other soft costs	1,310,211
Relocation costs	135,000
Reserves	632,009
Developer fee	1,862,113

Total Uses **\$ 17,968,471**



Through the proposed bond issuance, the Project will provide housing for low income households. The Project proposes to restrict all 41 non-manager units for households earning no greater than 50% of Area Median Income (“AMI”), with 13 of the units targeted at households earning no greater than 45% of AMI. The affordability term of the project is 55 years. Maximum bond rents for the Project are summarized in Table 2 below:

Unit Type	Area Median Income	Units	Unit Size SF	Proposed Gross Rents	Estimated Market Rents	Savings
Grant Heights Apartments						
1 Bedroom	45%	6	550	974	1,445	471
	50%	2	545	1,083	1,440	357
	50%	2	617	1,083	1,490	407
2 Bedroom	45%	7	721	1,170	1,700	530
	50%	9	721	1,300	1,700	400
	50%	1	743	1,300	1,710	410
Manager	-	1		-	-	-
Grant Heights Sub-Total		28				\$12,074
Winona Apartments						
1 Bedroom	50%	9	553	1,083	1,477	394
2 Bedroom	50%	4	816	1,300	1,523	223
3 Bedroom	50%	1	936	1,501	2,692	1,191
Winona Sub-Total		14				\$5,629
Grant Heights II Total		42				\$17,703
Total Annual Savings for All Units						\$212,436



Meeting Debt Service After Financing

As shown in Table 3 below, the Project will have ample cash flow to meet debt service upon completion and rent-up. Based upon our review of the Developer's proposed rents and estimated costs, there will be \$302,331 of net income (net of reserve deposits) available for the first full year of debt service in 2023. Debt service coverage in the first full year is estimated at 1.26 times. By the fifth full year of debt service, assuming a 2.0% annual increase in gross income and a 3.0% annual increase in operating expenses, debt service coverage is projected to increase to 1.30 times.

Table 3
Estimated Cash Flow

Year:	2022	2023	2024	2025	2026	2027
Rental Income	\$505,339	\$563,554	\$574,825	\$586,322	\$598,048	\$610,009
Less: Vacancy @ 5%	(25,567)	(28,512)	(29,082)	(29,664)	(30,257)	(30,862)
Rental Subsidy Premium	132,520	147,786	150,741	153,756	156,831	159,968
Less: Vacancy @ 5%	(6,626)	(7,389)	(7,537)	(7,688)	(7,842)	(7,998)
Other Income	5,993	6,683	6,817	6,953	7,092	7,234
Effective Gross Income	\$611,659	\$682,122	\$695,764	\$709,679	\$723,873	\$738,350
Less: Operating Expenses	(324,919)	(365,090)	(376,043)	(387,324)	(398,944)	(410,912)
Less: Reserves	(13,475)	(14,700)	(14,700)	(14,700)	(14,700)	(14,700)
Net Income	\$273,265	\$302,331	\$305,021	\$307,655	\$310,229	\$312,738
Permanent Loan Debt Service	(\$100,079)	(\$240,189)	(\$240,189)	(\$240,189)	(\$240,189)	(\$240,189)
Debt Service Coverage ¹	2.73	1.26	1.27	1.28	1.29	1.30

¹Calculated by dividing Net Income by Permanent Loan Debt Service

Conclusion

The proposed financing will create no undue risk for the Housing Authority. The Borrower has agreed to pay all costs of issuance for the financing and to indemnify the City, the Housing Authority and the Housing Commission regarding matters relating to the financing. It should be noted that the Borrower will have no significant assets or sources of income other than the Project and neither the Borrower nor the Housing Authority would be required under most circumstances to make up any cash flow shortfalls.

Based upon our review, we recommend that the Housing Authority proceed with the financing. This recommendation is based upon the following findings:

- The financing would achieve a public purpose by providing 41 affordable units, all affordable at 50% of AMI, and 13 targeted at 45% of AMI, for a period of 55 years.



- The Borrower has agreed to indemnify the City, the Housing Authority and the Housing Commission regarding any matters related to the financing. The Borrower will pay all costs of the financing.
- Based upon estimates by the Developer that have been reviewed and confirmed by the bond purchaser, there are sufficient funds to complete the Project, and the Project provides adequate debt service coverage.
- Since the financing is unrated, the Housing Commission's policies regarding the purchase and transfer of the Bonds will apply; these include requirements that the buyers be sophisticated institutional buyers or qualified institutional buyers. These requirements will travel from the initial buyers to subsequent buyers of the Bonds.

If there is any additional information you require concerning this matter, we will be glad to provide it as a supplement to this report.

Sincerely,
PFM Financial Advisors, LLC

Robert T. Gamble
Managing Director



SAN DIEGO
HOUSING
COMMISSION

ATTACHMENT 7
URBAN LEAGUE OF SAN DIEGO COUNTY
DEVELOPER'S DISCLOSURE STATEMENT

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

1. Name of CONTRACTOR: Urban League San Diego County
2. Address and ZIP Code: 4305 University Avenue Suite 360, San Diego CA 92105
3. Telephone Number: 619-266-6247
4. Name of Principal Contact for CONTRACTOR: Ray King
5. Federal Identification Number or Social Security Number of CONTRACTOR: 95-1772854
6. If the CONTRACTOR is not an individual doing business under his own name, the CONTRACTOR has the status indicated below and is organized or operating under the laws of California as:

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

Check one:

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

7. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:
1953
8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below:
 - a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10 percent of any class of stock.
 - b. If the CONTRACTOR is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.

Please see attached list of board members and officers

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

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name: n/a	
Address:	
Name:	
Address:	
Name:	
Address:	

9. Has the makeup as set forth in Item 8(a) through 8(e) changed within the last twelve (12) months? If yes, please explain in detail.

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

11. Provide name, address, telephone number, and nature and extent of interest of each person or entity (not named in response to Item 8) who has a beneficial interest in any of the shareholders or investors named in response to Item 8, which gives such person or entity more than a computed 10 percent interest in the CONTRACTOR (for example, more than 20 percent of the stock in a corporation that holds 50 percent of the stock of the CONTRACTOR, or more than 50 percent of the stock in the corporation that holds 20 percent of the stock of the CONTRACTOR):

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name: N/A	
Address:	
Name:	
Address:	
Name:	
Address:	

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

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

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

Name and Address	Relationship to CONTRACTOR
Name: National Urban League	Affiliate
Address: 80 Pine Street, 9 th Floor	
New York, NY 10005	
Name:	
Address:	
Name:	
Address:	

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

On file with the San Diego Housing Commission

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:

The contractor proposes to assign an existing Housing Commission loan to a to-be-formed tax-credit limited partnership, multifamily housing revenue bonds, conventional loan, seller contribution, seller carryback loan, developer fee contribution, existing reserves and income during construction.

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

The Contractor is utilizing local public funding, low income housing tax credits, private activity bonds to finance the project. Urban League San Diego will be partnering with the San Diego Community Housing Corporation which will fund the majority of predevelopment expenses.

- a. In banks/savings and loans: N/A

Name:

Address: -

Amount:

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

Name:

Address:

Amount: \$

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

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

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

Name and Address	Contact Name
Name: California Bank & Trust	Steve Herman
Address: 1900 Avenue of the Stars, Suite 2350	
Los Angeles, CA 90067	
Name: Citizens Business Bank	Larry Reed
Address: 460 Sierra Madre Villa Avenue	
Pasadena, CA 91107	
Name: Bank of America	Tosha Blackshear
Address: 7700 El Camino Real, Suite 204	
Carlsbad, CA 92009	

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

☐ Yes

☒ No

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

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

☐ Yes ☒ No

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

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

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

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

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

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

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

☐ Yes ☐ No

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

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

General description of such work:

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

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

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

Identification of Contract or Development	Location	Amount	Date to be Completed

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

Awarding Agency	Amount	Date Opened

--	--	--

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

The Urban League San Diego County team brings diverse experience and leadership within the communities the projects are locate in. In collaboration with the San Diego Community Housing Corporation, the Urban League San Diego County will assist with public outreach, project coordination and relationship management.

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

☐ Yes

☒ No

If yes, explain:

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:

N/A

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

☐ Yes

☒ No

If yes, explain:

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

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

Check coverage(s) carried:

- ☒ Comprehensive Form
☐ Premises - Operations
☐ Explosion and Collapse Hazard
☐ Underground Hazard
☐ Products/Completed Operations Hazard
☐ Contractual Insurance

- ☐ Broad Form Property Damage
- ☐ Independent Contractors
- ☐ Personal Injury

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

Check coverage(s) carried:

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

- c. Workers Compensation [Attach certificate of insurance showing the amount of coverage and coverage period(s)]
- d. Professional Liability (Errors and Omissions) [Attach certificate of insurance showing the amount of coverage and coverage period(s)] N/A
- e. Excess Liability [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)] N/A
- f. Other (Specify) [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)] N/A

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

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

Government Complaint	Entity	Making	Date	Resolution

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

☐ Yes ☒ No

If yes, please explain, in detail,

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

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

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

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

Contractor has been in business for approximately 65-years and has a track record of owning and managing housing in the City of San Diego. Applicant currently owns one of the subject asset and has extensive history and knowledge to ensure that the project is completed successfully.

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

Date	Entity Involved (i.e. City SDHC, etc)	Status (Current, delinquent, repaid, etc.)	Dollar Amount
2/12/02	SDHC	Current	\$1,274,210

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

☐ Yes ☒ No

If yes, explain:

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

☐ Yes ☒ No

If yes, explain:

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

1. Name: Ms. Mi Yeong Lee
Address: 1122 Broadway, Suite 300, San Diego
Phone: 619-578-7536
Project Name and Description: Grant Heights
2. Name: Steve Herman
Address: 1900 Avenue of the Stars, Suite 2350, Los Angeles
Phone: 310-407-6181
Project Name and Description: Grant Heights
3. Name: Wilmer Cooks
Address: 12900 4th Avenue #101, San Diego
Phone: 619-298-9292
Project Name and Description: Grant Heights

CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

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

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

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

Executed this 26th day of January, 2021 at San Diego, California.

CONTRACTOR

By: _____

Signature

President and CEO

Title

CERTIFICATION

The CONTRACTOR, Urban League of San Diego County, 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: Raynard King _____

B10y: _____

Title: President and CEO

Title: _____

Dated: January 26, 2021 _____

Dated: _____

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

JURAT

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

State of California

County of San Diego

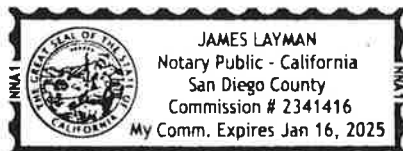
Subscribed and sworn to (or affirmed) before me on this 26th day of January, 2021

by Raynard King personally known to me or proved to me on the basis of

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

Signature of Notary

SEAL



Urban Leage San Diego County Board Members & Officers

Officers

Gustavo Bidart, Chair
Civic San Diego

Larry Reed, Vice Chair
Citizens Business Bank

Christopher Wilson, Board Secretary
Alliance San Diego

Sandra Speed, Board Treasurer
Wells Fargo Bank (Ret.)

Ray King, President & CEO
Urban League of San Diego County

Members

Dr. Robert Lee Brown, UC San Diego
Sylvester Sac Carreathers, Prolacta Bioscience
Zeeda Daniele, New American Funding
Liliana Garcia-Rivera, Diamond Business Association
Carla Holland, Southwestern College
Christophe Nayve, Esq., University of San Diego
Delphine Pruitt, Bank of the West



SAN DIEGO
HOUSING
COMMISSION

ATTACHMENT 8 - DEVELOPER'S DISCLOSURE STATEMENT

DEVELOPERS/CONSULTANTS/SELLERS/CONTRACTORS/
ENTITY SEEKING GRANT/BORROWERS

(Collectively referred to as "CONTRACTOR" herein)

Statement for Public Disclosure

1. Name of CONTRACTOR: San Diego Community Housing Corporation
2. Address and ZIP Code: 6160 Mission Gorge Road
3. Telephone Number: 619-876-4222
4. Name of Principal Contact for CONTRACTOR: John Wurster
5. Federal Identification Number or Social Security Number of CONTRACTOR: 33-0661980
6. If the CONTRACTOR is not an individual doing business under his own name, the CONTRACTOR has the status indicated below and is organized or operating under the laws of California as:

☐ A corporation (Attach Articles of Incorporation)

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

☐ A partnership known as: _____
(Name)

Check one:

☐ General Partnership (Attach Statement of General Partnership)

☐ Limited Partnership (Attach Certificate of Limited Partnership)

☐ A business association or a joint venture known as: _____
(Attach joint venture or business association agreement)

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

☐ Other (explain)

7. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:
10/24/94
8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below:
 - a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10 percent of any class of stock.
 - b. If the CONTRACTOR is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.

Please see attached list of board members and officers- on file with the San Diego Housing Commission

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

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

9. Has the makeup as set forth in Item 8(a) through 8(e) changed within the last twelve (12) months? If yes, please explain in detail.
Yes. Denis Morgan was a previous board member and stepped down from board due to work commitments and volunteer work that required his attention.
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 percent interest in the CONTRACTOR (for example, more than 20 percent of the stock in a corporation that holds 50 percent of the stock of the CONTRACTOR, or more than 50 percent of the stock in the corporation that holds 20 percent of the stock of the CONTRACTOR):

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name: N/A	
Address:	
Name:	
Address:	
Name:	
Address:	

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

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name: Ted Miyahara	President & Chief Executive Officer
Address: 6160 Mission Gorge Road #204	
San Diego, CA 92120	
Name:	
Address:	
Name:	
Address:	

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

Name and Address	Relationship to CONTRACTOR
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

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

On file with the San Diego Housing Commission

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:

The San Diego Community Housing Corporation is applying for funds from the Housing Commission Rental Housing Notice of Funding Availability, assumption of existing former Redevelopment Agency loan, assumption of existing Housing Commission loan, seller contribution, developer fee contribution, low income housing tax credits and private activity bonds.

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

The Contractor is utilizing local public funding, low income housing tax credits, private activity bonds to finance the project. Sand Diego Community Housing Corporation will seek a predevelopment loan or finance predevelopment expenditures with its own funds. Please see attached financial statements on file with the Housing Commission; San Diego Community Housing Corporation has approximately \$3,200,000 of cash and cash equivalents to finance predevelopment activities.

- a. In banks/savings and loans:

Name: Bank of American and California Bank & Trust

Address: -

Amount: \$ 3,200,000

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

Name:

Address:

Amount: \$

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

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

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

Name and Address	Contact Name
Name: Torrey Pines Bank	Ryan Vertigan
Address: 8379 Center Drive	
La Mesa, CA 91942	
Name: Wells Fargo	Sam Pustilnik
Address: 9360 Clairemont Mesa Boulevard	
San Diego, CA 92123	
Name: Neighborhood National Bank	Jose Ibanez
Address: 3511 National Avenue	
San Diego, CA 92113	

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

☐ Yes

☒ No

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

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

☐ Yes ☒ No

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

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

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

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

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

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

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

☐ Yes ☐ No

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

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

General description of such work:

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

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

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

Identification of Contract or Development	Location	Amount	Date to be Completed

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

Awarding Agency	Amount	Date Opened

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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:

The SDCHC team brings hands-on experience and expertise in deal structuring and negotiation, project management, finance, design, construction, property management and asset management. Our experience allows us to develop synergies across multiple segments of our industry and capitalize on in-house expertise across a wide range of project types. Staff also specializes in government financing programs which involves complex rules and regulations set by local, state and federal agencies.

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

☐ Yes ☒ No

If yes, explain:

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:

N/A

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

☐ Yes ☒ No

If yes, explain:

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

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

Check coverage(s) carried:

- ☐ Comprehensive Form
☐ Premises - Operations
☐ Explosion and Collapse Hazard
☐ Underground Hazard

- ☐ Products/Completed Operations Hazard
- ☐ Contractual Insurance
- ☐ Broad Form Property Damage
- ☐ Independent Contractors
- ☐ Personal Injury

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

Check coverage(s) carried:

- ☐ Comprehensive Form
- ☐ Owned
- ☐ Hired
- ☐ Non-Owned

- c. Workers Compensation [Attach certificate of insurance showing the amount of coverage and coverage period(s)] See attached
- d. Professional Liability (Errors and Omissions) [Attach certificate of insurance showing the amount of coverage and coverage period(s)] N/A
- e. Excess Liability [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)] See attached
- f. Other (Specify) [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)] N/A

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

her tenure, or will for one (1) year thereafter, have any interest, direct or indirect, in this PROJECT or the proceeds thereof.

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

Government Complaint	Entity	Making	Date	Resolution

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

☐ Yes ☒ No

If yes, please explain, in detail,

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

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

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

N/A

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

Contractor has been in business for approximately 25-years and has a track record of producing affordable housing throughout the County of San Diego. Applicant currently owns the subject asset and has extensive history and knowledge to ensure that the project is completed successfully.

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

Date	Entity Involved (i.e. City SDHC, etc)	Status (Current, delinquent, repaid, etc.)	Dollar Amount
	SDHC	Current	\$748,897
	City	Current	\$363,197
	SDHC	Current	\$504,450
	SDHC	Repaid	\$2,065,897

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

☐ Yes ☒ No

If yes, explain:

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

☐ Yes ☒ No

If yes, explain:

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

1. Name: Ms. Mi Yeong Lee
Address: 1122 Broadway, Suite 300, San Diego
Phone: 619-578-7536
Project Name and Description: Ocean View Acquisition Rehab
2. Name: Jose Dorado
Address: 276 Fourth Avenue Building C, Chula Vista
Phone: 619-476-5375
Project Name and Description: Colorado & Clover Acquisition Rehab
3. Name: Waheed Karim
Address: 4445 Eastgate Mall #110, San Diego
Phone: 619-518-2610

Project Name and Description: Winona Acquisition Rehab

39. Give a brief statement regarding equipment, experience, financial capacity and other resources available to the CONTRACTOR for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment and the general experience of the CONTRACTOR.

N/A

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

Name	Experience
TBD	SDCHC to competitively bid the project to three qualified general contractors. Name of superintendent not known at this time

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 16th day of September, 20 20, at San Diego, California.

CONTRACTOR

By: _____

Signature

President

Title

CERTIFICATION

The CONTRACTOR, _____, 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: _____

By: _____

Title: _____

Title: _____

Dated: _____

Dated: _____

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

JURAT

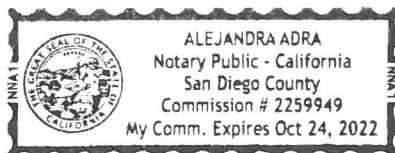
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of San Diego

Subscribed and sworn to (or affirmed) before me on this 05 day of OCTOBER, 2020

by THEODORE T. MIYAHARA - - - personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



SEAL

Alejandra Adra
Signature of Notary