



EXECUTIVE SUMMARY

HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: February 5, 2021

HCR21-023

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

COUNCIL DISTRICT(S): 3

ORIGINATING DEPARTMENT: Real Estate Division

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

REQUESTED ACTION:

Authorize the issuance of \$12,150,000 in Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds to fund the construction of a new affordable housing development at 2139 El Cajon Boulevard, San Diego, CA 92104, in the University Heights neighborhood, which will consist of 60 units affordable for 55 years for families earning between 50 percent and 80 percent of the San Diego Area Median Income and one unrestricted manager's unit.

EXECUTIVE SUMMARY OF KEY FACTORS:

- Mississippi ECB Apartments is a 61-unit, transit-oriented, mixed-use, new construction, affordable housing development, located at 2139 El Cajon Boulevard, San Diego, CA 92104.
- The development will consist of 24 studios, 24 one-bedroom units, 12 two-bedroom units and one unrestricted manager's unit.
- Trestle Development will lead the development team. Since it was founded in 2013, Trestle Development has developed more than 400 affordable housing units in California and Washington. One of its principals, David Allen, previously worked as a development director for Housing Development Partners (HDP), the Housing Commission's nonprofit affiliate
- The developer is requesting authorization for the issuance of \$12,150,000 in tax-exempt Multifamily Housing Revenue Bonds to fund the construction of Mississippi ECB Apartments.
- No Housing Commission loan proceeds will be provided to this development.
- Total development cost of the development is \$23,934,153 (\$392,363/unit).
- Staff requests that the Housing Commission Board of Commissioners recommend that the Housing Authority authorize the issuance of \$12,150,000 in tax-exempt Multifamily Housing Revenue Bonds.
- 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: HCR21-023

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

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

COUNCIL DISTRICT: 3

REQUESTED ACTION

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STAFF RECOMMENDATION

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

Housing Authority:

Authorize the issuance of up to \$12,150,000 in Housing Authority tax-exempt Multifamily Housing Revenue Bonds to fund the new affordable housing development Mississippi ECB Apartments at 2139 El Cajon Boulevard, San Diego, CA 92104, which will consist of 60 units that will remain affordable for 55 years for families earning between 50 percent and 80 percent of the San Diego Area Median Income (AMI) and one unrestricted manager's unit

City Council:

Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of Multifamily Housing Revenue Bonds in an amount up to \$12,150,000 to facilitate the development of Mississippi ECB Apartments.

SUMMARY

A development summary is included as Attachment 1.

Table 1 – Development Details

Address	2139 El Cajon Blvd, San Diego, CA 92104
Council District	3
Community Plan Area	North Park
Development Type	Acquisition & New Construction
Construction Type	Type III –A wood framing over 1 level Type I concrete podium
Stories	Six
Parking Type	3 surface parking spaces
Housing Type	Affordable Family
Lot Size	Approximately .25 acres, 10,674 square feet
Units	61 total residential units (including one manager’s unit)
Density	242 dwelling units per acre
Affordable Unit Mix	24 studios
	24 one-bedroom units
	<u>12 two-bedroom units</u>
	60 total affordable units
Manager’s Units	<u>1 one-bedroom units</u>
Gross Building Area	51,200 square feet
Net Rentable Area	36,737 square feet

The Development

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

Once completed, Mississippi ECB Apartments will include 61 rental units, of which 60 will be affordable for 55 years for low-income families, and 2,000 square feet of commercial space on the ground floor facing El Cajon Boulevard. (Attachment 2 – Site Map). A concrete podium will comprise the ground floor. The second through sixth stories will utilize wood-frame construction for the residential units. On-site amenities will include an on-site manager, community room, laundry room, outdoor courtyard area, two outdoor decks at the third and fifth floors, and dedicated bicycle parking.

Project Sustainability

The proposed construction will meet or exceed relevant California Tax Credit Allocation Committee (CTCAC) regulatory and related local requirements for energy efficiency and sustainability. To achieve this, Trestle Development plans to incorporate Energy Star-rated appliances and solar panels on the roof. The developer estimates the planned sustainability improvements will exceed the CTCAC-mandated Title 24 standard by 7 percent. Sustainable features will include bike parking, Energy Star-rated appliances, and solar on the roof to offset common area load.

Development Team

The development team will be led by Trestle Development. The project sponsor is Trestle Mississippi, LP. Trestle Mississippi, LLC, a subsidiary of Trestle Development, will serve as the administrative general partner, and National Housing MGP LLC, a subsidiary of National Housing Corporation, will serve as the managing general partner.

National Housing Corporation is a San Marcos-based affordable housing nonprofit. Redstone Equity Partners will serve as the limited partner and syndicator for the tax credit partnership.

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

Before Trestle Development was founded, one of its principals, David Allen was a development director for Housing Development Partners (HDP), the Housing Commission's nonprofit affiliate, where he managed all aspects of the development and entitlement process. Trestle Mississippi LP will own and operate Mississippi ECB Apartments. Statements for public disclosure for Trestle Mississippi LP are included in Attachment 3.

Cannon Constructors is being engaged as the general contractor, and Studio E is providing architectural services. Red Stone Equity partners has been engaged to serve as tax credit syndicator.

Table 2 - Development Team Summary

ROLE	FIRM/CONTACT
Developer	Trestle Mississippi, LP
Administrative General Partner	Trestle Mississippi, LLC
Managing General Partner	National Housing MGP LLC
Limited Partner	Redstone Equity Partners
General Contractor	Cannon Constructors
Architect	Studio E
Property Management	Hyder Property Management
Relocation Consultant	N/A
Construction and Perm Lender	Citibank

Financing Structure

Mississippi ECB Apartments has an estimated total development cost of \$23,934,153. Financing will include a combination of tax-exempt Multifamily Housing Revenue Bonds, 4 percent tax credits, deferred developer fee and a \$9.6 million loan from Lennar and Floit.

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

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

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

Permanent Financing Sources	Amounts	Financing Uses	Amounts	Per Unit
LIHTC Equity	\$7,250,573	Property acquisition:	\$2,180,000	\$35,738
Private Loan	\$6,355,000	Construction costs \$12,745,121		
		Contingency + \$1,255,129	\$14,000,250	\$229,512.30
		Total construction \$14,000,250		
Offsite Contribution	\$9,600,000	Permits & Fees	\$1,199,665	\$19,667
Accrued Interest on Soft Debt	\$495,000	Financing Costs	\$1,244,500	\$20,402
NOI During Construction	\$167,397	Other Soft Costs	\$2,991,218	\$49,036
Deferred Developer Fee	\$66,183	Developer Fee (paid)	\$2,318,520	\$38,009
Total Sources	\$23,934,153	Total Uses	\$23,934,153	\$392,363

Developer Fee

\$2,384,703	Gross developer fee
- \$66,183	Minus deferred developer fee
\$2,318,520	Net cash developer fee (to be paid from development sources)

Developer Fee

The net cash developer fee shall be \$2,318,520 provided, however, that in the event financing terms or construction costs change and result in a financing gap, the developer is deferring \$66,183 of fee and may defer additional developer fee. No Housing Commission loan proceeds are to be provided to this development. As such, the developer fee for Mississippi ECB Apartments is in compliance with CTCAC and California Debt Limit Allocation Committee (CDLAC) regulations.

On April 25, 2017, the Housing Authority approved the "Request for Approval of Updated Developer Fees" (Report No. HAR17-011; Resolution No. HA-1727). That report approved certain developer fee guidelines for multifamily loans and bond issuances. Attachment 1 to that report stated: "Developer Fee

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

Prevailing Wages

The proposed project is not subject to payment of state or federal prevailing wages. State prevailing wages do not apply because the California Department of Industrial Relations (DIR) has concluded that certain tax-exempt bond financing mechanisms used for multifamily housing projects are exempt from prevailing wage requirements. Public Works Case No. 2004-016, Rancho Santa Fe Village Senior Affordable Housing Project (Feb. 25, 2005) (involving conduit bond financing); Public Works Case No. 2004-049, Silverado Creek Family Apartments (May 27, 2005) (involving private placement bonds). The DIR explained that these bond financing mechanisms do not involve “the payment of money or the equivalent of money by the state or political subdivision” and do not require the payment of prevailing wages under California Labor Code section 1720(b)(1) because the bond proceeds never enter the public agency’s coffers. Payment of federal prevailing wages are not required as no federal funds are involved in this action.

Development Cost Key Performance Indicators

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

Table 4 – Key Performance Indicators

Development Cost Per Unit	$\$23,934,153 \div 61 \text{ units} =$	\$392,363
Housing Commission Subsidy Per Unit	N/A	\$0
Acquisition Cost Per Unit	$\$2,180,000 \div 61 \text{ units}$	\$35,738
Gross Building Square Foot Hard Cost	$\$12,745,121 \div 51,200 \text{ sq.ft.} =$	\$249
Net Rentable Square Foot Hard Cost	$\$12,745,121 \div 36,737 \text{ sq.ft.} =$	\$346

Project Comparison Chart

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

Table 5 – Comparable Development Projects

Project Name	Year	Construction Type	Units	Total Development Cost (Residential)	Cost Per Unit	HC Subsidy Per Unit.	Gross Hard Cost Per Sq.Ft.
Mississippi ECB Apartments	2020	III	61	\$23,934,153	\$392,363	\$0	\$249
East Block Family Apartments	2020	III	77	\$40,562,897	\$520,037	\$0	\$355
East Block Senior	2019	III	117	\$31,151,948	\$266,256	\$57,692	\$313
Bluewater Fairmont Family Housing)	2017	III	80	\$32,174,500	\$402,182	\$118,356	\$218
Stella (Twain Veterans Housing)	2017	III	80	\$26,275,500	\$328,444	\$68,750	\$234

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

Proposed Housing Bonds

The Housing Commission utilizes the Housing Authority’s tax-exempt borrowing status to pass on lower interest rate financing (and make 4 percent low-income housing tax credits available) to developers of affordable rental housing. The Housing Authority’s ability to issue bonds is limited under the U.S. Internal Revenue Code. To issue bonds for a development, the Housing Authority must first submit an application to CDLAC for a bond allocation. Prior to submitting applications to CDLAC, developments are brought before the Housing Commission, Housing Authority and City Council. Housing Authority bond inducement resolutions must be obtained prior to application submittal, and City Council TEFRA resolutions must be secured no later than 30 days after application submittal. These actions do not obligate the Housing Authority to issue bonds.

On September 25, 2020, an application was submitted to CDLAC for a \$12,150,000 tax-exempt Multifamily Housing Revenue Bond allocation. On December 21, 2020, the project was awarded a \$12,150,000 allocation of bonds. The developer proposes to have the Housing Authority issue the bonds through a tax-exempt private placement bond issuance. The bonds will meet all requirements of the Housing Commission’s Multifamily Housing Revenue Bond Program policy and will fully comply with the City of San Diego’s (City) ordinance on bond disclosure.

The developer proposes that the bonds will be used to provide construction and permanent financing for the project. 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 Bond Authorization

The tax-exempt debt, in the form of the Bonds, will be sold through a private placement, purchased directly by Citibank. Citibank is a “qualified institutional buyer” within the meaning of the U.S. securities laws. At closing, Citibank will sign an “Investor’s Letter” certifying, among other things, that it is buying the Bonds for its own account and not for public distribution. Because the Bonds are being sold through a private placement, an Official Statement will not be used. In addition, the Bonds will be neither subject to continuing disclosure requirements, nor credit enhanced, nor rated.

Under the private placement structure for this transaction, Citibank will make a loan to the Housing Authority pursuant to the terms of a Funding Loan Agreement among Citibank, the Housing Authority, and US BANK as the Fiscal Agent. The loan made by Citibank to the Housing Authority (Funding Loan) will be evidenced by the Bonds, which will obligate the Housing Authority to pay Citibank 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 Bonds. The Housing Authority’s obligation to make payments on the Bonds 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 Bonds. The transfer of the Bonds to any subsequent purchaser will comply with Housing Commission’s “Bond Issuance and Post-Issuance Compliance Policy” (policy number PO300.301). Moreover, any subsequent Bonds holder will be required to represent to the Housing Authority that it is a qualified institutional buyer or accredited investor who is buying the Bonds 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 Bonds. The following documents will be executed on behalf of the Housing Authority with respect to the Bonds: 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 Bonds will be issued pursuant to the Funding Loan Agreement. Based upon instructions contained in the Funding Loan Agreement and the Borrower Loan Agreement, US BANK, will disburse the 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 Citibank. The Regulatory Agreement will be recorded against the property to ensure the long-term use of the project as affordable housing. The Regulatory Agreement will also ensure that the project complies with all applicable federal and state laws. An Assignment of Deed of Trust, and other loan documents, will assign the Housing Authority’s rights and responsibilities as the issuer to Citibank. It will be signed by the Housing Authority for the benefit of Citibank. Rights and responsibilities that are assigned to Citibank 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 requirements. These rights will be used by Citibank to protect its financial interests as the Bonds holder.

Financial Advisor's Recommendation

Kutak Rock LLP will be the Bond Counsel and CSG Advisors will be the Financial Advisor. The Financial Advisor's analysis and recommendation will be provided to the Housing Commission's Board of Commissioners and members of the public through the Housing Commission's website on or before February 5, 2021, as Attachment 6 to this report.

AFFORDABLE HOUSING IMPACT

Under the proposed bond financing, Mississippi ECB Apartments would restrict 54 units to households with income at or below 50 percent of San Diego Area Median Income (AMI) and six units will be affordable at or below 80 percent of AMI. The affordable units will be restricted for a 55-year term. In 2018, CTCAC adjusted its regulation to permit "Income Averaging" for low-income housing tax credit developments. Under the new CTCAC policy, developments are permitted to feature rents affordable to households earning up to 80 percent of AMI, as long as the average AMI of all the affordable units at the development does not exceed 60 percent. The average AMI of all affordable units at the Mississippi ECB Apartments is 52 percent, which meets the requirements of the Income Averaging policy and its associated regulations.

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

Unit Type	AMI	Number of Units	Gross Rents
Studio	50%	18	\$1,011
Studio	80%	6	\$1,618
1BR	50%	24	\$1,083
2BR	50%	12	\$1,300
Average Affordability	52%		-
Manager	NA	1	0
Total Units	-	61	-

Development Schedule

The estimated development timeline is as follows.

Milestones	Estimated Dates
• Final Bond Authorization – Housing Commission	February 5, 2021
• Final Bond Authorization – Housing Authority	March 9, 2021
• Construction Financing Closing:	May 2021

FISCAL CONSIDERATIONS

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

Funding sources approved by this action will be as follows:

Bond Issuance Fees - \$30,375 (.0025 bond issuer fee x \$12,150,000)

Funding uses approved by this action will be as follows:

Administration Costs - \$30,375

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

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

On June 16, 2020, Mississippi ECB Apartments was presented to the North Park Community Planning Group and received a 13 – 0 vote in favor.

KEY STAKEHOLDERS and PROJECTED IMPACTS

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

ENVIRONMENTAL REVIEW

On January 21, 2021, the City of San Diego conducted a review of this project and determined the project was submitted ministerially and does not require CEQA review because it is not a project per CEQA. The project does not require discretionary review under CEQA because the building permit was processed as ministerial. Processing under the National Environmental Policy Act is not required as no federal funds are involved in this action.

Respectfully submitted,

Approved by,



Colin Miller
Vice President
Multifamily Housing Finance
Real Estate Division



Jeff Davis
Deputy Chief Executive Officer
San Diego Housing Commission

Attachments:

- 1) Development Summary
- 2) Site Map

January 28, 2021

Final Bond Authorization for Mississippi ECB Apartments

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- 3) Organization Chart
- 4) Developer's Project Pro Forma
- 5) Bond Program Summary
- 6) Financial Advisor's Analysis
- 7) Developer's Disclosure Statement

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

Development Summary – Mississippi ECB Apartments

Table 1 – Development Details

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Table 4 – Key Performance Indicators

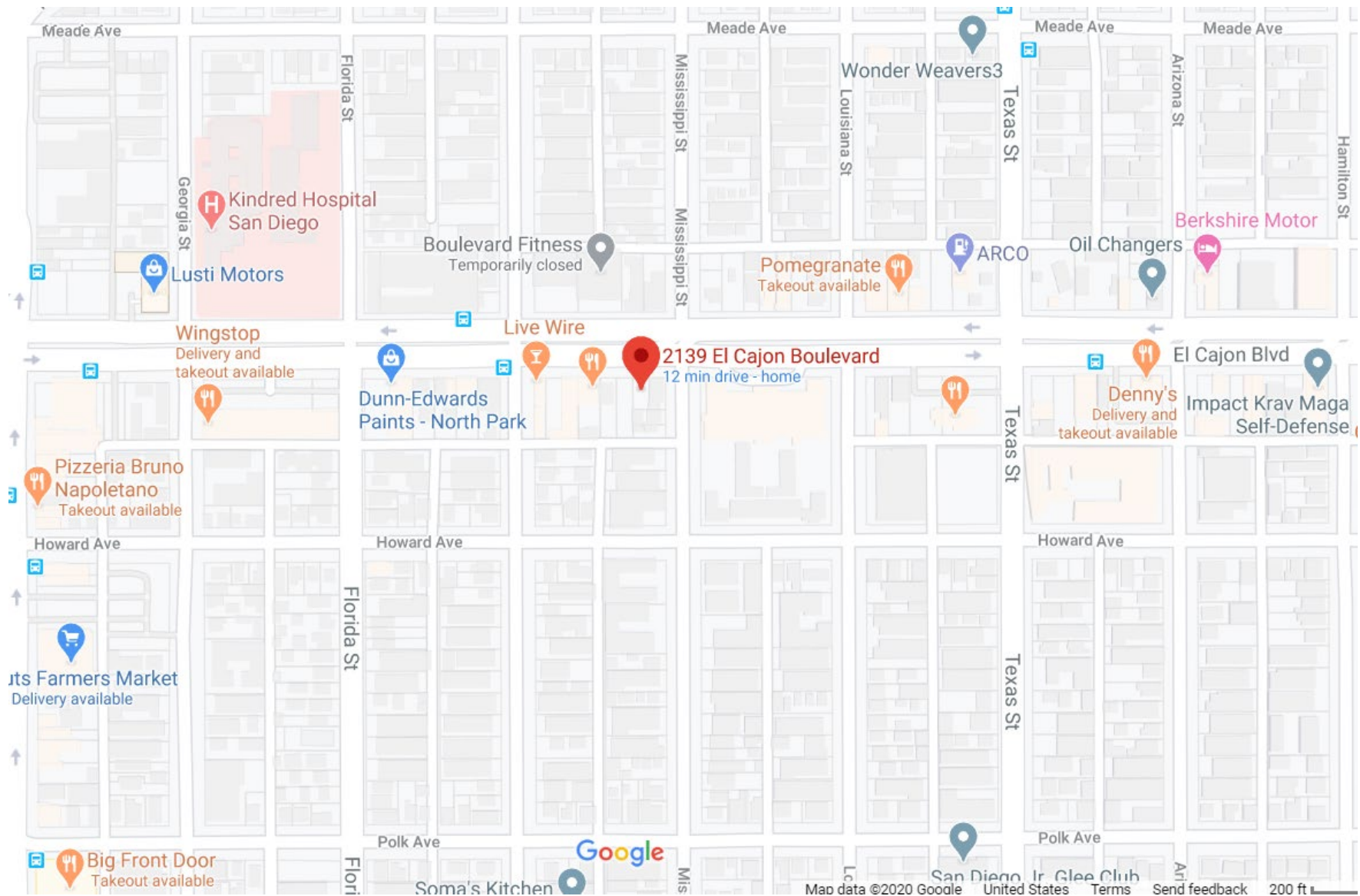
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Table 5 – Comparable New Construction Projects

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Table 6 – Affordability & Monthly Estimated Rent Table

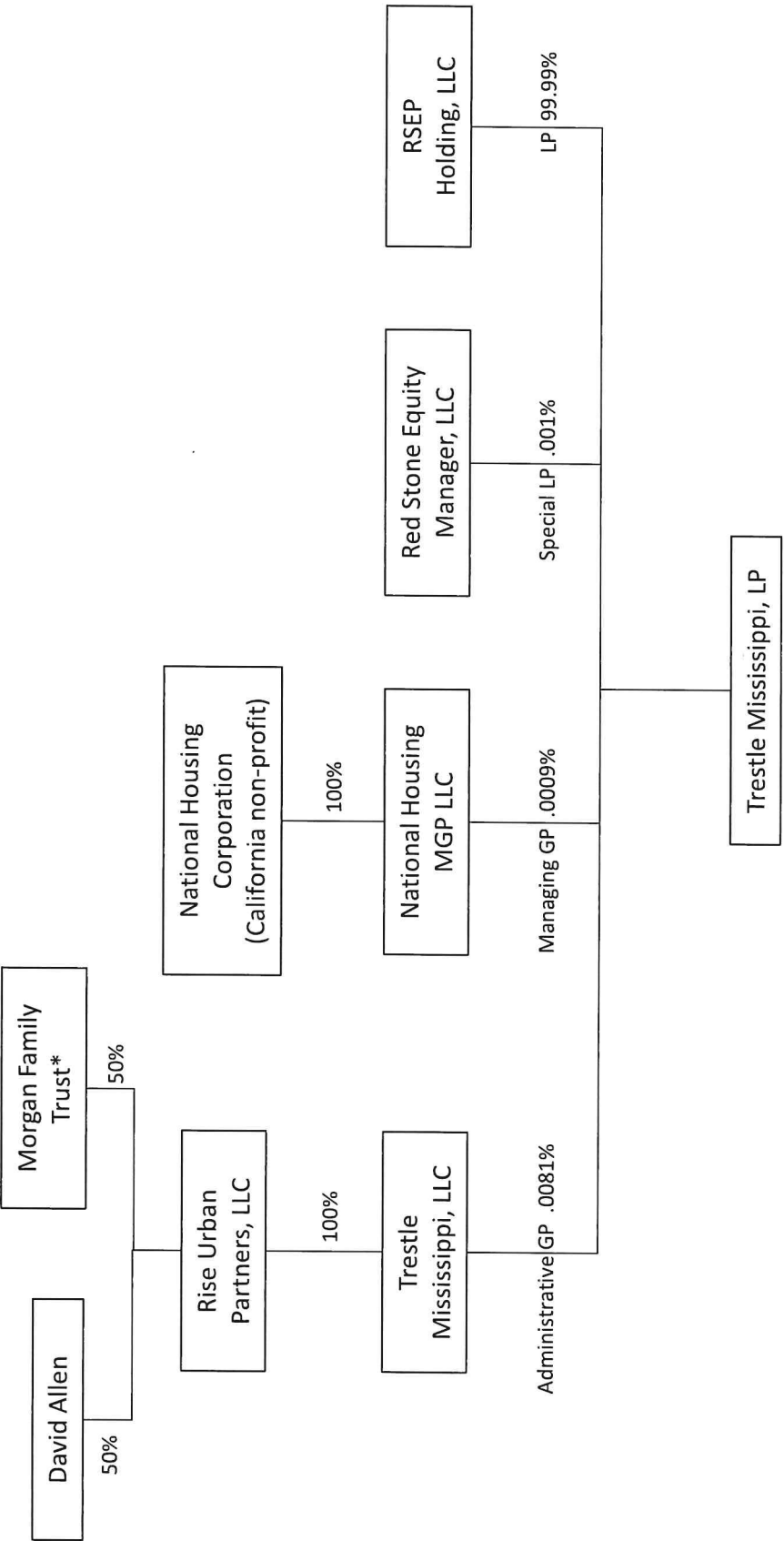
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Studio	80%	6	\$1,618
1BR	50%	24	\$1,083
2BR	50%	12	\$1,300
Average Affordability	52%		-
Manager	NA	1	0
Total Units	-	61	-



Attachment D

Organization Chart for Trestle Mississippi, LP

Trestle Mississippi, LP – Org Chart
(proposed)



*Morgan Family Trust is 50% owner, but Robert Morgan and David Allen are managers

CACULATION OF TAX CREDITS

Acq. Basis	New Const/Rehab Basis
\$0	\$19,492,738

Number of units	4% Basis Limits - 2020	9% Basis Limits - 2020	Unadjusted Threshold basis
24	\$255,964	\$230,655	\$6,143,136
24	\$295,124	\$265,943	\$7,082,976
12	\$356,000	\$320,800	\$4,272,000
-	\$455,680	\$410,624	\$0
-	\$507,656	\$457,461	\$0
			17,498,112

Driver	Adjustment	Basis Adjustment
NO	20%	-
NO	7%	-
NO	0%	-
NO	0%	-
YES	10%	1,749,811
YES	10%	1,749,811
amount	\$453,492.19	453,492
YES	86%	15,084,579
NO	0%	-
NO	\$0.00	-
ves	0%	-

19,037,694
36,535,806

Acq. Basis	New Const/Rehab Basis
\$0	\$19,492,738

\$0	\$0
\$0	\$0
\$0	\$19,492,738
100%	100%
\$0	\$19,492,738
100%	100%
\$0	\$19,492,738
4.00%	4.00%
\$0	\$779,710
	\$779,710
	\$7,797,095
	99.99%
	\$0.930
	\$7,250,573

	\$0

\$0

Mississippi ECB

PROJECT SUMMARY

GENERAL INFORMATION		
PROJECT NAME	Mississippi ECB	
OWNER/CLIENT	TRESTLE	
PROJECT DESCRIPTION	6 Story Type III over Podium	
PROJECT TYPE	New Construction - 4%	
DRAFT VERSION	1/19/21	
ADDRESS	2141 El Cajon Blvd, San Diego	
YEAR BUILT	2022	
SITE ACREAGE	0.24	
TOTAL UNITS/ACRE	61 (approximately 249 units/acre)	
MSA / County	San Diego	VLI x 2
AREA MEDIAN INCOME	92,700	90,900
LAST AMGI INCREASE	4/1/20	

INCOME & EXPENSE			
INCOME:			
GROSS POTENTIAL INCOME	TOTAL	PER UNIT	
	\$789,336	\$12,940	
TOTAL OTHER INCOME	\$9,250	\$152	
VACANCY/RENT ADJUSTMENTS (RESIDENTIAL)	(\$39,929)	(\$655)	
EFFECTIVE GROSS INCOME (RESIDENTIAL)	\$758,657	\$12,437	
COMMERCIAL INCOME	\$0	\$0	
VACANCY/RENT ADJUSTMENTS (COMMERCIAL)	\$0	\$0	
EFFECTIVE GROSS INCOME (BUILDING)	\$758,657	\$12,437	
EXPENSES:			
PROFESSIONAL MANAGEMENT	\$40,260	\$660	11.3%
ADMINISTRATIVE	\$30,585	\$501	8.6%
PAYROLL AND BENEFITS	\$123,385	\$2,023	34.8%
UTILITES	\$64,200	\$1,052	18.1%
OPERATING & MAINTENANCE	\$44,923	\$736	12.7%
REAL ESTATE TAXES	\$2,000	\$33	0.6%
INSURANCE	\$22,150	\$363	6.2%
REPLACEMENT RESERVES	\$18,300	\$300	5.2%
OTHER (TAX CREDIT MONITORING)	\$9,150	\$150	2.6%
TOTAL EXPENSES	\$354,953	\$5,819	100.0%
NET OPERATING INCOME	\$403,704	\$6,618	
DEBT SERVICE	\$351,021	\$5,754	
NET PARTNERSHIP CASH FLOW	\$52,683	\$864	
DSCR	1.15		

UNIT MIX & RENTS

UNIT MIX

MANAGER	30% AMI	50% AMI	80% AMI	TOTAL
-	-	18	6	24
1	-	24	-	25
-	-	12	-	12
-	-	-	-	-
-	-	-	-	-
1	-	54	6	61

RENTS

CURRENT	50% AMI	80% AMI	MARKET
	959	1,566	1,982
	1,021		2,243
	1,218		3,280
			-
			-

*Rents are net of Utility Allowances

SOURCES AND USES			
SOURCES:			
LIHTC EQUITY (\$0.930 per credit)	TOTAL	PER UNIT	% OF TOTAL
PRIVATE PLACEMENT PERM LOAN	\$7,250,573	\$118,862	30.3%
OFFSITE CONTRIBUTIONS	\$6,355,000	\$104,180	26.6%
RESERVED	\$9,600,000	\$157,377	40.1%
RESERVED	\$0	\$0	0.0%
ACCRUED INTEREST ON SOFT DEBT	\$0	\$0	0.0%
NOI DURING CONSTRUCTION	\$495,000	\$8,115	2.1%
DEFERRED DEVELOPER FEE (\$2,252,337 PAID)	\$167,397	\$2,744	0.7%
GRAND TOTAL SOURCES	\$66,183	\$1,085	0.3%
\$23,934,153	\$392,363	100.0%	
USES:			
ACQUISITION & CLOSING COSTS	\$2,180,000	\$35,738	9.1%
CONSTRUCTION COSTS	\$14,000,250	\$229,512	58.5%
PERMITS & FEES	\$1,199,662	\$19,667	5.0%
ARCHITECTURE & ENGINEERING	\$1,009,450	\$16,548	4.2%
TECHNICAL STUDIES	\$45,750	\$750	0.2%
BORROWER LEGAL	\$130,000	\$2,131	0.5%
OTHER SOFT COSTS	\$845,006	\$13,853	3.5%
RESERVES	\$355,000	\$5,820	1.5%
FINANCING COSTS	\$324,500	\$5,320	1.4%
INTEREST DURING CONSTRUCTION	\$425,000	\$6,967	1.8%
ACCRUED INTEREST ON SOFT DEBT	\$495,000	\$8,115	2.1%
TAX EXEMPT BOND COSTS	\$128,165	\$2,101	0.5%
TAX CREDIT COSTS	\$107,850	\$1,768	0.5%
SOFT COST CONTINGENCY	\$370,000	\$6,066	1.5%
DEVELOPER FEE	\$2,318,520	\$38,009	9.7%
TOTAL USES	\$23,934,153	\$392,363	100%

Mississippi ECB

GENERAL PROJECT ASSUMPTIONS

GENERAL INFORMATION

GENERAL INFORMATION

DRAFT DATE	1/19/21
PROJECT NAME	Mississippi ECB
ADDRESS	2141 El Cajon Blvd, San Diego
MSA/COUNTY	SAN DIEGO
AREA MEDIAN INCOME	\$92,700 VLI x 2 = 115,500
LAST AMGI INCREASE	4/1/20
SPONSOR	TRESTLE
CONSTURCITON TYPE	6 Story Type III over Podium
PROJECT TYPE	LIHTC
YEAR BUILT	2022
SITE ACERAGE	0.24
FAR/ZONING	CC-3-9
TOTAL UNITS/ACRE	61 (approximately 249 units/acre)

SITE YIELD ESTIMATE

SITE SF	10,670
LOT COVERAGE	80%
BUILDING FLOORPLATE	8,533
NUMBER OF FLOORS	6.00
GROSS BUILDING AREA	51,200
COMMON AREA EFFICIENCY	76%
TARGET NET RENTABLE	38,783
Actual NRSF	38,783

OFFICE/RETAIL

5%	2,046
95%	36,737

RESIDENTIAL

ACQUISITION PRICE

\$2,180,000	204.31
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UNIT MIX & AFFORDABILITY

UNIT MIX

MICRO/STUDIO	24	-	24
1 BEDROOM	25	1	24
2 BEDROOM	12	-	12
3 BEDROOM	-	-	-
4 BEDROOM	-	-	-
TOTAL/AVG	61	1	60

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

AFFORDABILITY

MICRO/STUDIO	-	-	-	-	-	18	-	6
1 BEDROOM	-	-	-	-	-	24	-	-
2 BEDROOM	-	-	-	-	-	12	-	-
3 BEDROOM	-	-	-	-	-	-	-	-
4 BEDROOM	-	-	-	-	-	-	-	-
TOTAL AVG	-	-	-	-	-	54	-	6

LIHTC UNITS								
	Proj Based Voucher	Units @ 30%	Units @ 35%	Units @ 40%	Units @ 45%	Units @ 50%	Units @ 60%	Units @ 80%
	0%	0%	0%	0%	0%	100%	0%	0%
MICRO/STUDIO	-	-	-	-	-	18	-	6
1 BEDROOM	-	-	-	-	-	24	-	-
2 BEDROOM	-	-	-	-	-	12	-	-
3 BEDROOM	-	-	-	-	-	-	-	-
4 BEDROOM	-	-	-	-	-	-	-	-
TOTAL AVG	-	-	-	-	-	54	-	6

PROJECT INCOME ASSUMPTIONS

RESIDENTIAL INCOME

TRUE 0												
NUMBER OF BEDS	NUMBER OF BATHS	NUMBER OF UNITS	RENT LEVEL	UNIT AREA (SF)	TOTAL AREA (SF)	GROSS LIHTC MAX RENT	UTILITY ALLOWANCE	NET LIHTC MAX RENT	ELECTED RENT	% BELOW MARKET	RENT PER SF	MONTHLY INCOME
0BD	1	18	50%	448	8,064	\$1,011	\$52	\$959	\$959	0.00%	\$2.14	\$17,262
0BD	1	6	80%	448	2,688	\$1,618	\$52	\$1,566	\$1,566	0.00%	\$3.50	\$9,396
1BD	1	24	50%	593	14,232	\$1,083	\$62	\$1,021	\$1,021	0.00%	\$1.72	\$24,504
1BD	1	-	80%	593	-	\$1,733	\$0	\$1,733	\$1,733	0.00%	\$2.92	\$0
2BD	1	12	50%	930	11,160	\$1,300	\$82	\$1,218	\$1,218	0.00%	\$1.31	\$14,616
3BD	0	-	-	-	-	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0
4BD	0	-	-	-	-	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0
-	0	-	-	-	-	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0
-	0	-	-	-	-	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0
-	0	-	-	-	-	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0
-	0	-	-	-	-	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0
-	0	-	-	-	-	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0
-	0	-	-	-	-	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0
-	0	-	-	-	-	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0
-	0	-	-	-	-	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0
-	0	-	-	-	-	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0
-	0	-	-	-	-	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0
-	0	-	-	-	-	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0
1BD MGR	1	1	-	593	593	\$0	\$0	\$0	\$0	0.00%	\$0.00	\$0
-	61	61	-	602	36,737	\$1,139	\$61	6,497	\$1,078	-	\$1.79	\$65,778
ANNAUL INCOME:												\$789,336

UTILITY ALLOWANCE	0BD	1BD	2BD	3BD	4BD
HEATING (G)	\$0	\$0	\$0	\$0	\$0
HEATING (E)	\$17	\$20	\$23	\$26	\$28
COOKING (G)	\$0	\$0	\$0	\$0	\$0
COOKING (E)	\$7	\$9	\$13	\$20	\$26
WATER (G)	\$0	\$0	\$0	\$0	\$0
WATER (E)	\$0	\$0	\$0	\$0	\$0
OTHER (E)	\$28	\$33	\$46	\$59	\$75
TOTAL	\$52	\$62	\$82	\$105	\$129

UNIT TYPE	CURRENT RENTS	POST REHAB RENTS	MARKET RENTS
STUDIO	\$0.00	\$0.00	\$1,982.00
1 BEDROOM	\$0.00	\$0.00	\$2,243.00
2 BEDROOM	\$0.00	\$0.00	\$3,280.00
3 BEDROOM	\$0.00	\$0.00	\$0.00
4 BEDROOM	\$0.00	\$0.00	\$0.00

	START MONTH	RENT GROWTH	RES. VACANCY	COMM. VACANCY
YEAR 1	1/1/20	3.00%	5.00%	5.00%
YEAR 2	1/1/21	3.00%	5.00%	5.00%
YEAR 3	1/1/22	3.00%	5.00%	5.00%
YEAR 4	1/1/23	3.00%	5.00%	5.00%
YEAR 5	1/1/24	3.00%	5.00%	5.00%

Mississippi ECB

GENERAL PROJECT ASSUMPTIONS

EQUITY ASSUMPTIONS			
LIHTC EQUITY			
INVESTOR	Redstone		
CREDIT PRICE		\$0.930	
INVESTOR SHARE OF CREDITS & LOSSES		99.99%	
DDA/QCT		No	
TAX CREDIT FACTOR		4.00%	
TAX CREDIT FACTOR AS OF DATE		1/1/21	

DEBT ASSUMPTIONS

	CONSTRUCTIO		PERMANENT			
	Tax-Exempt Bonds	Taxable Bonds	PRIVATE PLACEMENT	OFFSITE CONTRIBUTIONS	RESERVED	RESERVED
LENDER						
LOAN AMOUNT	\$12,150,000	\$4,800,000	\$6,355,000	\$9,600,000	\$0	\$0
INDEX	1.280%	1.280%	4.289%	3.000%	0.000%	0.000%
SPREAD	2.650%	3.000%	0.000%	0.000%	0.000%	0.000%
FLOOR SPREAD	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
TRUSTEE FEE	0.263%	0.000%	0.000%	0.000%	0.000%	0.000%
ISSUER FEE	0.125%	0.000%	0.000%	0.000%	0.000%	0.000%
ALL-IN RATE	4.318%	4.280%	4.289%	3.000%	0.000%	0.000%
AMORTIZATION	-	-	35	0	0	0
TERM	-	-	15	55	55	15
MONTHLY PAYMENT			\$29,252	\$24,000	\$0	\$0
ANNUAL PAYMENT	\$524,656	\$205,440	\$351,021	\$288,000	\$0	\$0
FIRST PAYMENT DATE	Apr 2021		Dec 2022	Apr 2021		

CONSTRUCTION RATE SIZING		50% TEST	
TAXABLE WEIGHTED AVG	0.36%	LAND	\$2,180,000
TAX EXEMPT WEIGHTED AVG	0.92%	TOTAL ELIGIBLE BASIS	\$19,492,738
BLENDED CONST RATE	1.28%	AGGREGATE BASIS	\$21,672,738
PER RATE SIZING		TOTAL BONDS	\$12,150,000
TAXABLE WEIGHTED AVG	3.23%	% OF AGGREGATE BASIS	56.06%
TAX EXEMPT WEIGHTED AVG	1.06%		
BLENDED PERM RATE	4.29%		
3000			

SOURCES AND USES

SOURCES:	TOTAL	PER UNIT	% OF TOTAL
LIHTC EQUITY (\$0.930 per credit)	\$7,250,573	\$118,862	30.3%
PRIVATE PLACEMENT PERM LOAN	\$6,355,000	\$104,180	26.6%
OFFSITE CONTRIBUTIONS	\$9,600,000	\$157,377	40.1%
RESERVED	\$0	\$0	0.0%
RESERVED	\$0	\$0	0.0%
ACCRUED INTEREST ON SOFT DEBT	\$495,000	\$8,115	2.1%
NOI DURING CONSTRUCTION	\$167,397	\$2,744	0.7%
DEFERRED DEVELOPER FEE (\$2,252,337 PAID)	\$66,183	\$1,085	0.3%
GRAND TOTAL SOURCES	\$23,934,153	\$392,363	100.0%

USES:	TOTAL	PER UNIT	% OF TOTAL
ACQUISITION & CLOSING COSTS	\$2,180,000	\$35,738	9.1%
CONSTRUCTION COSTS	\$14,000,250	\$229,512	58.5%
PERMITS & FEES	\$1,199,662	\$19,667	5.0%
ARCHITECTURE & ENGINEERING	\$1,009,450	\$16,548	4.2%
TECHNICAL STUDIES	\$45,750	\$750	0.2%
BORROWER LEGAL	\$130,000	\$2,131	0.5%
OTHER SOFT COSTS	\$845,006	\$13,853	3.5%
RESERVES	\$355,000	\$5,820	1.5%
FINANCING COSTS	\$324,500	\$5,320	1.4%
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ACCRUED INTEREST ON SOFT DEBT	\$495,000	\$8,115	2.1%
TAX EXEMPT BOND COSTS	\$128,165	\$2,101	0.5%
TAX CREDIT COSTS	\$107,850	\$1,768	0.5%
SOFT COST CONTINGENCY	\$370,000	\$6,066	1.5%
DEVELOPER FEE	\$2,318,520	\$38,009	9.7%
TOTAL USES	\$23,934,153	\$392,363	100.0%

DSCR TEST	PROFORMA	STABLIZED
NOI	\$403,704	\$437,165
DCSR	1.15	1.15
AMORTIZATION	35.00	35.00
UNDERWRITING RATE	4.29%	4.25%
MAX PAYMENT	\$351,047	\$380,144
MAX LOAN (DSCR)	\$6,355,462	\$6,918,332
LTV TEST		
NOI	\$403,704	\$437,165
CAP RATE	5.25%	5.50%
VALUE	\$7,689,594	\$7,948,456
LTV CONSTRAINT	90.00%	90.00%
MAX LOAN (LTV)	\$6,920,635	\$7,153,610
LTC TEST		
TOTAL COST	\$23,934,153	
LTC CONSTRAINT	90.00%	
MAX LOAN (LTC)	\$21,540,738	
MAX LOAN	\$6,355,462	\$6,918,332
	\$6,636,897	

PROJECT SCHEDULE

MILESTONE	MONTH	INCOME/PIS		EXPENSES		EQUITY		DEVELOPER FEE	
		PERCENT		PERCENT		PERCENT	INCOME	PERCENT	INCOME
	Jan-20	0%		0%			\$0		\$0
	Feb-20	0%		0%			\$0		\$0
	Mar-20	0%		0%			\$0		\$0
	Apr-20	0%		0%			\$0		\$0
	May-20	0%		0%			\$0		\$0
	Jun-20	0%		0%			\$0		\$0
	Jul-20	0%		0%			\$0		\$0
	Aug-20	0%		0%			\$0		\$0
LIHTC APP	Sep-20	0%		0%			\$0		\$0
	Oct-20	0%		0%			\$0		\$0
	Nov-20	0%		0%			\$0		\$0
LIHTC AWARD	Dec-20	0%		0%			\$0		\$0
						TOTAL:	\$0	TOTAL:	\$0
	Jan-21	0%		0%			\$0		\$0
	Feb-21	0%		0%			\$0		\$0
CLOSING	Mar-21	0%		0%	10.0%		\$725,057	20.0%	\$450,467
	Apr-21	0%		0%			\$0		\$0
	May-21	0%		0%			\$0		\$0
	Jun-21	0%		0%			\$0		\$0
	Jul-21	0%		0%			\$0		\$0
	Aug-21	0%		0%			\$0		\$0
	Sep-21	0%		0%			\$0		\$0
	Oct-21	0%		0%			\$0		\$0
50% COMP.	Nov-21	0%		0%			\$0	15.0%	\$337,851
	Dec-21	0%		0%			\$0		\$0
						TOTAL:	\$725,057	TOTAL:	\$788,318
	Jan-22	0%		0%			\$0		\$0
	Feb-22	0%		0%			\$0		\$0
	Mar-22	0%		0%			\$0		\$0
	Apr-22	0%		0%			\$0		\$0
	May-22	0%		0%			\$0		\$0
COMPLETION	Jun-22	25%		75%			\$0	15.0%	\$337,851
	Jul-22	50%		100%			\$0		\$0
	Aug-22	75%		100%			\$0		\$0
	Sep-22	100%		100%			\$0		\$0
	Oct-22	100%		100%			\$0		\$0
	Nov-22	100%		100%			\$0		\$0
CONVERSION	Dec-22	100%		100%		87.5%	\$6,344,252	45.0%	\$1,013,552
						TOTAL:	\$6,344,252	TOTAL:	\$1,351,402
	Jan-23	100%		100%			\$0		\$0
	Feb-23	100%		100%			\$0		\$0
	Mar-23	100%		100%			\$0		\$0
	Apr-23	100%		100%			\$0		\$0
	May-23	100%		100%			\$0		\$0
8609S	Jun-23	100%		100%	2.5%		\$181,264	5.0%	\$112,617
	Jul-23	100%		100%			\$0		\$0
	Aug-23	100%		100%			\$0		\$0
	Sep-23	100%		100%			\$0		\$0
	Oct-23	100%		100%			\$0		\$0
	Nov-23	100%		100%			\$0		\$0
	Dec-23	100%		100%			\$0		\$0
						TOTAL:	\$181,264	TOTAL:	\$112,617
Grand Total							\$7,250,573		\$2,252,337
Check							\$0		\$0

DEVELOPER FEE PAYMENTS	
LIHTC APP	0.0%
LIHTC AWARD	0.0%
CLOSING	20.0%
50% COMP.	15.0%
COMPLETION	15.0%
CONVERSION	45.0%
8609s	5.0%
TOTAL	100.0%

TAX CREDIT EQUITY PAYMENTS	
LIHTC APP	0.0%
LIHTC AWARD	0.0%
CLOSING	10.0%
50% COMP.	0.0%
COMPLETION	0.0%
CONVERSION	87.5%
8609s	2.5%
TOTAL	100.0%

SCHEDULE SUMMARY	
LIHTC APP	Sep 2020
LIHTC AWARD	Dec 2020
CLOSING	Mar 2021
50% COMP.	Nov 2021
COMPLETION	Jun 2022
CONVERSION	Dec 2022
8609s	Jun 2023

Mississippi ECB
DEVELOPMENT COSTS

ACQUISITION & CLOSING COSTS

LAND	\$2,180,000
RESIDENTIAL BUILDINGS	\$0
ENTITLEMENT VALUE (ARCH & ENG.)	\$0
BROKER FEES	\$0
OTHER (SPECIFY)	\$0

TOTAL ACQUISITION & CLOSING COSTS

CONSTRUCTION COSTS

DIRECT COSTS - RESIDENTIAL	\$9,765,362
DIRECT COSTS - COMMERCIAL	\$511,500
GENERAL CONDITIONS	\$896,653
GL INSURANCE	\$15,000
CONTINGENCY	\$308,306
GC FEE	\$526,325
PREVAILING WAGE ADJUSTMENT	0.0%
SUBTOTAL	
COST INFLATION	5.0%

TOTAL GMAX

ALLOWANCES

COMMERCIAL TENANT IMPROVEMENTS	\$150
DEMOLITION	\$0
ENVIRONMENTAL REMEDIATION	\$0
EV CHARGING STATIONS	\$0
SECURITY	\$0
WATER SUBMETERS	\$0
COMPLETION BOND	\$122,224
SOLAR	\$0
OTHER	\$0
OTHER	\$0

TOTAL ALLOWANCES

OWNER CONTINGENCY

TOTAL CONSTRUCTION COSTS

PERMITS & FEES

CITY PERMIT FEES	\$150,000
DIF/FBA FEES	\$453,492
RTICP	\$0
WATER CAPACITY	\$120,871
SDCWA	\$85,176
SEWER CAPACITY	\$163,595
SCHOOL FEES	\$173,720
AFFORDABLE IN-LIEU	\$2,619
PUBLIC ART FEE	\$205
OTHER	\$0
OTHER	\$0
CONTINGENCY	\$49,984
CREDIT FOR EXISTING STRUCTURES	\$0

TOTAL PERMITS & FEES

ARCHITECTURE & ENGINEERING

ARCHITECTURE & ENGINEERING [A/MEP/Struct]	\$614,000
LANDSCAPE ARCHITECTURE	\$0
INTERIOR DESIGN	\$30,000
CIVIL ENGINEERING	\$100,800
ALTA SURVEY	\$15,000
GEOTECHNICAL DESIGN & OBSERVATION	\$30,000
SHORING DESIGN	\$0
UTILITY DESIGN	\$30,650
ARCHAEOLOGICAL OBSERVATION	\$15,000
SPECIAL INSPECTIONS	\$35,000
LEED/GREEN BUILDING CONSULTANT	\$21,000
ROOF TIE OFF (OSHA)	\$18,000
PERMIT EXPEDITE	\$0
A&E REIMBURSABLES	\$25,000
CONTINGENCY	\$75,000

TOTAL ARCHITECTURE & ENGINEERING

TECHNICAL STUDIES

PHASE I	\$7,500
PHASE II	\$0
APPRAISAL	\$7,500
LAND VALUE APPRAISAL	\$5,000
MARKET STUDY	\$7,500
CEQA/NEPA REPORT	\$0
ARCHEOLOGICAL REPORT	\$5,000
RELOCATION STUDY	\$0
HISTORICAL REPORT	\$0
APPRAISAL	\$0
ACOUSTIC	\$6,250
ACM/LBP SURVEY	\$3,000
ERRCS ANALYSIS	\$4,000

TOTAL TECHNICAL STUDIES

BORROWER LEGAL

BORROWER LEGAL (ORG)	\$40,000
BORROWER LEGAL (PSA)	\$10,000
BORROWER LEGAL (LAND USE)	\$0
BORROWER LEGAL (CONSTRUCTION)	\$65,000
BORROWER LEGAL (PERM)	\$10,000
NON PROFIT LEGAL	\$5,000

BORROWER LEGAL

Unit Cost	Cost Driver	Total	Per Unit	% of Total
	of Acq Price	\$2,180,000	\$35,738	9.1%
	Fixed (calc)	\$0	\$0	0.0%
	Fixed (calc)	\$0	\$0	0.0%
	Fixed (calc)	\$0	\$0	0.0%
	Total	\$0	\$0	0.0%
		\$2,180,000	\$35,738	9.1%

	total	\$9,765,362	\$160,088	40.8%
	total	\$511,500	\$8,385	2.1%
	total	\$896,653	\$14,699	3.7%
	total	\$15,000	\$246	0.1%
	total	\$308,306	\$5,054	1.3%
	total	\$526,325	\$8,628	2.2%
	of hard costs	\$0	\$0	0.0%
		\$12,023,146	\$197,101	50.2%
		\$601,157	\$9,855	2.3%
		\$12,624,303	\$206,956	52.7%

	per com. nrsf	\$306,900	\$5,031	1.3%
	total	\$0	\$0	0.0%
	total	\$0	\$0	0.0%
	total	\$0	\$0	0.0%
	total	\$0	\$0	0.0%
	total	\$0	\$0	0.0%
	total	\$122,224	\$2,004	0.5%
	total	\$0	\$0	0.0%
	total	\$0	\$0	0.0%
	total	\$0	\$0	0.0%
		\$429,124	\$7,035	1.8%
	of hard costs	\$946,823	\$15,522	4.0%
		\$14,000,250	\$229,512	58.5%
		\$273.44		\$360.99

	total	\$150,000	\$2,459	0.6%
	Per Unit	\$453,492	\$7,434	1.9%
	total	\$0	\$0	0.0%
	total	\$120,871	\$1,981	0.5%
	total	\$85,176	\$1,396	0.4%
	total	\$163,595	\$2,682	0.7%
	total	\$173,720	\$2,848	0.7%
	total	\$2,619	\$43	0.0%
	total	\$205	\$3	0.0%
	total	\$0	\$0	0.0%
	total	\$0	\$0	0.0%
	total	\$49,984	\$819	0.2%
	total	\$0	\$0	0.0%
		\$1,199,662	\$19,667	5.0%

	total	\$614,000	\$10,066	2.6%
	total	\$0	\$0	0.0%
	total	\$30,000	\$492	0.1%
	total	\$100,800	\$1,652	0.4%
	total	\$15,000	\$246	0.1%
	total	\$30,000	\$492	0.1%
	total	\$0	\$0	0.0%
	total	\$30,650	\$502	0.1%
	total	\$15,000	\$246	0.1%
	total	\$35,000	\$574	0.1%
	total	\$21,000	\$344	0.1%
	total	\$18,000	\$295	0.1%
	total	\$0	\$0	0.0%
	total	\$25,000	\$410	0.1%
	total	\$75,000	\$1,230	0.3%
		\$1,009,450	\$16,548	4.2%

	total	\$7,500	\$123	0.0%
	total	\$0	\$0	0.0%
	total	\$7,500	\$123	0.0%
	total	\$5,000	\$82	0.0%
	total	\$7,500	\$123	0.0%
	total	\$0	\$0	0.0%
	total	\$5,000	\$82	0.0%
	total	\$0	\$0	0.0%
	total	\$0	\$0	0.0%
	total	\$0	\$0	0.0%
	total	\$6,250	\$102	0.0%
	total	\$3,000	\$49	0.0%
	total	\$4,000	\$66	0.0%
		\$45,750	\$750	0.2%

	total	\$40,000	\$656	0.2%
	total	\$10,000	\$164	0.0%
	total	\$0	\$0	0.0%
	total	\$65,000	\$1,066	0.3%
	total	\$10,000	\$164	0.0%
	total	\$5,000	\$82	0.0%
		\$130,000	\$2,131	0.54%

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

	\$9,765,362	\$0
	\$0	\$511,500
	\$896,653	\$0
	\$15,000	\$0
	\$308,306	\$0
	\$526,325	\$0
	\$0	\$0
	\$0	\$0
	\$601,157	\$0

	\$0	\$306,900
	\$0	\$0
	\$0	\$0
	\$0	\$0
	\$0	\$0
	\$0	\$0
	\$122,224	\$0
	\$0	\$0
	\$0	\$0
	\$0	\$0
	\$0	\$0
	\$946,823	\$0
\$0	\$13,181,850	\$818,400

	\$150,000	\$0
	\$453,492	\$0
	\$0	\$0
	\$120,871	\$0
	\$85,176	\$0
	\$163,595	\$0
	\$173,720	\$0
	\$2,619	\$0
	\$205	\$0
	\$0	\$0
	\$0	\$0
	\$0	\$0
	\$49,984	\$0
	\$0	\$0
\$0	\$1,199,662	\$0

	\$614,000	\$0
	\$0	\$0
	\$30,000	\$0
	\$100,800	\$0
	\$15,000	\$0
	\$30,000	\$0
	\$0	\$0
	\$30,650	\$0
	\$15,000	\$0
	\$35,000	\$0
	\$21,000	\$0
	\$18,000	\$0
	\$0	\$0
	\$25,000	\$0
	\$75,000	\$0
\$0	\$1,009,450	\$0

	\$7,500	\$0
	\$0	\$0
	\$7,500	\$7,500
	\$0	\$5,000
	\$7,500	\$0
	\$0	\$0
	\$5,000	\$0
	\$0	\$0
	\$0	\$0
	\$0	\$0
	\$6,250	\$0
	\$3,000	\$0
	\$4,000	\$0
\$0	\$33,250	\$12,500

	\$0	\$40,000
	\$0	\$10,000
	\$0	\$0
	\$65,000	\$0
	\$0	\$10,000
	\$0	\$5,000
\$0	\$65,000	\$65,000

Mississippi ECB
DEVELOPMENT COSTS

	Unit Cost	Cost Driver	Total	Per Unit	% of Total	Sec. 42 Acquisition	Sec. 42 New Con/Rehab	Sec. 42 Ineligible
OTHER SOFT COSTS								
NON PROFIT ADMISSION FEE	\$10,000	total	\$10,000	\$164	0.0%	\$0	\$10,000	\$0
INSURANCE (BUILDER'S RISK)	1.250%	of Hard Costs	\$175,003	\$2,869	0.7%	\$0	\$175,003	\$0
INSURANCE (OCIP)	1.250%	of Hard Costs	\$175,003	\$2,869	0.7%	\$0	\$175,003	\$0
REAL ESTATE TAXES	\$50,000	total	\$50,000	\$820	0.2%	\$0	\$50,000	\$0
CONSTRUCTION MANAGEMENT (PRE-CON)	\$65,000	total	\$65,000	\$1,066	0.3%	\$0	\$0	\$65,000
CONSTRUCTION MANAGER [CONSTRUCTION P	\$150,000	total	\$150,000	\$2,459	0.6%	\$0	\$0	\$150,000
TITLE/ESCROW/RECORDING	\$35,000	total	\$35,000	\$574	0.1%	\$0	\$0	\$35,000
MARKETING & LEASE-UP	\$25,000	total	\$25,000	\$410	0.1%	\$0	\$0	\$25,000
JOB SITE SECURITY	\$25,000	total	\$25,000	\$410	0.1%	\$0	\$25,000	\$0
UNIT & COMMON AREA FURNISHINGS	\$50,000	total	\$50,000	\$820	0.2%	\$0	\$50,000	\$0
PROPERTY MAINTENANCE	\$25,000	total	\$25,000	\$410	0.1%	\$0	\$0	\$25,000
LAND USE CONSULTANT - JIM NIEL AND VICTOR	\$10,000	total	\$10,000	\$164	0.0%	\$0	\$0	\$10,000
OTHER (SPECIFY)	\$50,000	total	\$50,000	\$820	0.2%	\$0	\$0	\$50,000
OTHER (SPECIFY)	\$0	total	\$0	\$0	0.0%	\$0	\$0	\$0
TOTAL OTHER SOFT COSTS			\$845,006	\$13,853	3.53%	\$0	\$485,006	\$360,000
RESERVES								
REPLACEMENT RESERVE - INITIAL DEPOSIT	\$0	Per Unit	\$0	\$0	0.0%	\$0	\$0	\$0
OPERATING RESERVE	6.00	mos. OPEX+DS	\$355,000	\$5,820	1.5%	\$0	\$0	\$355,000
NEGATIVE ARBITRAGE RESERVE	\$0	total	\$0	\$0	0.0%	\$0	\$0	\$0
OTHER (SPECIFY)	\$0	total	\$0	\$0	0.0%	\$0	\$0	\$0
OTHER (SPECIFY)	\$0	total	\$0	\$0	0.0%	\$0	\$0	\$0
TOTAL RESERVES			\$355,000	\$5,820	1.5%	\$0	\$0	\$355,000
FINANCING COSTS								
CONSTRUCTION LOAN ORIGATION FEE	1.00%	of Cost. Loan	\$121,500	\$1,992	0.5%	\$0	\$121,500	\$0
CONSTRUCTION LENDER LEGAL	\$67,500	total	\$67,500	\$1,107	0.3%	\$0	\$67,500	\$0
CONSTRUCTION LENDER INSPECTION FEES	\$18,000	total	\$18,000	\$295	0.1%	\$0	\$18,000	\$0
CONSTRUCTION LENDER TECHNICAL STUDIES	\$25,000	total	\$25,000	\$410	0.1%	\$0	\$25,000	\$0
PERMANENT LOAN CONVERSION FEE	\$10,000	total	\$10,000	\$164	0.0%	\$0	\$0	\$10,000
PERMANENT LENDER CLOSING COSTS	\$7,500	total	\$7,500	\$123	0.0%	\$0	\$0	\$7,500
MORTGAGE BROKER FEE (CONSTRUCTION)	0.00%	of Cost. Loan	\$0	\$0	0.0%	\$0	\$0	\$0
MORTGAGE BROKER FEE (PERM)	0.00%	of Perm Loan	\$0	\$0	0.0%	\$0	\$0	\$0
PREDEVELOPMENT LOAN FEE	\$0	total	\$0	\$0	0.0%	\$0	\$0	\$0
PREDEVELOPMENT LENDER LEGAL	\$0	total	\$0	\$0	0.0%	\$0	\$0	\$0
PREDEVELOPMENT LOAN INTEREST	\$0	total	\$0	\$0	0.0%	\$0	\$0	\$0
PREDEVELOPMENT ADMIN FEE	\$0	total	\$0	\$0	0.0%	\$0	\$0	\$0
PREDEVELOPMENT APP FEE	\$0	total	\$0	\$0	0.0%	\$0	\$0	\$0
OTHER (SPECIFY)	\$0	total	\$0	\$0	0.0%	\$0	\$0	\$0
OTHER (SPECIFY)	\$0	total	\$0	\$0	0.0%	\$0	\$0	\$0
OTHER (SPECIFY)	\$0	total	\$0	\$0	0.0%	\$0	\$0	\$0
FINANCING CONTINGENCY	\$75,000	total	\$75,000	\$1,230	0.3%	\$0	\$0	\$75,000
TOTAL FINANCING COSTS			\$324,500	\$5,320	1.4%	\$0	\$232,000	\$92,500
INTEREST DURING CONSTRUCTION	\$425,000	Fixed (calc)	\$425,000	\$6,967	1.8%	\$0	\$276,250	\$148,750
ACCRUED INTEREST ON SOFT DEBT	\$495,000	Fixed (calc)	\$495,000	\$8,115	2.1%	\$0	\$321,750	\$173,250
TAX EXEMPT BOND COSTS								
CDLAC FEE	0.0350%	of Bond Amt	\$4,253	\$70	0.0%	\$0	\$0	\$4,253
CDAIC FEE	0.0250%	of Bond Amt	\$3,038	\$50	0.0%	\$0	\$0	\$3,038
ISSUER APPLICATION FEE (SDHC)	\$3,000	total	\$3,000	\$49	0.0%	\$0	\$0	\$3,000
UP-FRONT ISSUER FEE (SDHC)	0.2500%	of Bond Amt	\$30,375	\$498	0.1%	\$0	\$0	\$30,375
TRUSTEE FEE	\$7,500	total	\$7,500	\$123	0.0%	\$0	\$0	\$7,500
BOND COUNSEL	\$45,000	total	\$45,000	\$738	0.2%	\$0	\$0	\$45,000
FINANCIAL ADVISOR	\$35,000	total	\$35,000	\$574	0.1%	\$0	\$0	\$35,000
RATING AGENCY	\$0	total	\$0	\$0	0.0%	\$0	\$0	\$0
BOND CLEARANCE	\$0	total	\$0	\$0	0.0%	\$0	\$0	\$0
AGENCY LEGAL	\$0	total	\$0	\$0	0.0%	\$0	\$0	\$0
BOND UNDERWRITER	\$0	total	\$0	\$0	0.0%	\$0	\$0	\$0
UNDERWRITER'S COUNSEL	\$0	total	\$0	\$0	0.0%	\$0	\$0	\$0
PLACEMENT FEE	\$0	total	\$0	\$0	0.0%	\$0	\$0	\$0
OTHER (SPECIFY)	\$0	total	\$0	\$0	0.0%	\$0	\$0	\$0
OTHER (SPECIFY)	\$0	total	\$0	\$0	0.0%	\$0	\$0	\$0
TOTAL TAX EXEMPT BOND COSTS			\$128,165	\$2,101	0.5%	\$0	\$0	\$128,165
TAX CREDIT COSTS								
TAX CREDIT RESERVATION FEE (ESTIMATE)	\$5,840	total	\$5,840	\$96	0.0%	\$0	\$0	\$5,840
TAX CREDIT APPLICATION FEE	\$2,000	total	\$2,000	\$33	0.0%	\$0	\$0	\$2,000
COMPLIANCE MONITORING FEE	\$410	per unit	\$25,010	\$410	0.1%	\$0	\$0	\$25,010
AUDIT & TAX RETURN	\$15,000	total	\$15,000	\$246	0.1%	\$0	\$0	\$15,000
COST CERTIFICATION	\$10,000	total	\$10,000	\$164	0.0%	\$0	\$0	\$10,000
SYNDICATION FEES	\$50,000	total	\$50,000	\$820	0.2%	\$0	\$0	\$50,000
OTHER (SPECIFY)	\$0	total	\$0	\$0	0.0%	\$0	\$0	\$0
TOTAL TAX CREDIT COSTS			\$107,850	\$1,768	0.5%	\$0	\$0	\$107,850
SOFT COST CONTINGENCY	5.00%	Rounded	\$370,000	\$6,066	1.5%	\$0	\$370,000	\$0
DEVELOPER FEE								
DEVELOPER FEE ON ACQUISITION	0.00%	of Elig. Acq. Cost	\$0	\$0	0.0%	\$0	\$0	\$0
DEVELOPER FEE ON REHAB/NEW CONST.	13.50%	of Elig. Rehab	\$2,318,520	\$38,009	9.7%	\$0	\$2,318,520	\$0
TOTAL DEVELOPER FEE			\$2,318,520	\$38,009	9.7%	\$0	\$2,318,520	\$0
GRAND TOTAL DEVELOPMENT COSTS								
			\$23,934,153	\$392,363	100%	\$0	\$19,492,738	\$4,441,415

Mississippi ECB
OPERATING BUDGET

UNTRENDED				
Input	Cost Driver	Total	Per Unit	Comments

STABILIZED 12/1/22	
Total	Per Unit

INCOME:

GROSS POTENTIAL INCOME

\$789,336	Total	\$789,336	\$12,940	PER UNIT MIX
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\$837,407	\$13,728
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OTHER INCOME

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

\$4,500	Total	\$4,500	\$74	
\$550	Total	\$550	\$9	
\$1,200	Total	\$1,200	\$20	
\$0	Total	\$0	\$0	
\$0	Total	\$0	\$0	
\$3,000	Total	\$3,000	\$49	
\$0	Total	\$0	\$0	
\$0	Total	\$0	\$0	
\$0	Total	\$0	\$0	
\$9,250		\$152		

\$4,774	\$78
\$583	\$10
\$1,273	\$21
\$0	\$0
\$0	\$0
\$3,183	\$52
\$0	\$0
\$0	\$0
\$0	\$0
\$9,813	\$161

VACANCY/RENT ADJUSTMENTS (RESIDENTIAL)

VACANCIES (RESIDENTIAL) 5.000% % of
CONCESSIONS (RESIDENTIAL) 0.000% % of

\$39,929	\$655
\$0	\$0
\$39,929	\$655

\$42,361	\$694
\$0	\$0
\$42,361	\$694

TOTAL VACANCIES/CONCESSIONS (RESID.)

EFFECTIVE GROSS INCOME (RESIDENTIAL)

\$758,657	\$12,437
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\$804,859	\$13,194
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COMMERCIAL INCOME

COMMERCIAL SPACE 1
RESERVED
RESERVED
RESERVED
RESERVED

\$0	Total	\$0	\$0	
\$0	Total	\$0	\$0	
\$0	Total	\$0	\$0	
\$0	Total	\$0	\$0	
\$0	Total	\$0	\$0	
\$0	Total	\$0	\$0	
\$0	Total	\$0	\$0	

\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$0

TOTAL COMMERCIAL

VACANCY/RENT ADJUSTMENTS (COMMERCIAL)

VACANCIES (COMMERCIAL) 5.000% % of
CONCESSIONS (COMMERCIAL) 0.000% % of

\$0	\$0
\$0	\$0
\$0	\$0

\$0	\$0
\$0	\$0
\$0	\$0

TOTAL VACANCIES/CONCESSIONS (COM.)

EFFECTIVE GROSS INCOME (COMMERCIAL)

\$0	\$0
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\$0	\$0
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EFFECTIVE GROSS INCOME (BUILDING)

\$758,657	\$12,437
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\$804,859	\$13,194
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Mississippi ECB
OPERATING BUDGET

UNTRENDED				
Input	Cost Driver	Total	Per Unit	Comments

STABILIZED 12/1/22	
Total	Per Unit

EXPENSES:

PROFESSIONAL MANAGEMENT

\$55.00	PU/PM	\$40,260	\$660	
			5.31%	

\$42,712	\$700
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ADMINISTRATIVE

AUDIT

\$10,000	Total	\$10,000	\$164	
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\$10,609	\$174
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ADVERTISING

\$600	Total	\$600	\$10	
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\$637	\$10
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OFFICE SUPPLIES

\$4,500	Total	\$4,500	\$74	
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\$4,774	\$78
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TELEPHONE

\$3,870	Total	\$3,870	\$63	
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\$4,106	\$67
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LEGAL

\$950	Total	\$950	\$16	
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\$1,008	\$17
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CONSULTANTS

\$0	Total	\$0	\$0	
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\$0	\$0
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MISC ADMIN

\$10,665	Total	\$10,665	\$175	
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\$11,314	\$185
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TOTAL ADMINSTRATIVE

\$30,585		\$30,585	\$501	
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\$31,503	\$516
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PAYROLL AND BENEFITS

MANAGER SALARY

\$37,440	Total	\$37,440	\$614	1.0 FTE
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\$39,720	\$651
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MAINTENANCE SALARY

\$41,600	Total	\$41,600	\$682	1.0 FTE
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\$44,133	\$723
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LEASING SALARY

\$0	Total	\$0	\$0	
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\$0	\$0
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PAYROLL TAXES & WORKER'S COMP

\$16,869	Total	\$16,869	\$277	
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\$17,896	\$293
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SERVICE AMENITIES

\$14,451	Total	\$14,451	\$237	
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\$15,331	\$251
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EMPLOYEE BENEFITS

\$13,025	Total	\$13,025	\$214	
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\$13,818	\$227
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TOTAL PAYROLL AND BENEFITS

\$123,385		\$123,385	\$2,023	
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\$127,087	\$2,083
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UTILITES

CABLE

\$100	Per mo.	\$1,200	\$20	Common Area
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\$1,273	\$21
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GAS

\$583	Per mo.	\$7,000	\$115	
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\$7,426	\$122
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ELECTRICITY

\$1,333	Per mo.	\$16,000	\$262	
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\$16,974	\$278
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WATER

\$246	Per unit	\$15,000	\$246	
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\$15,914	\$261
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SEWER

\$164	Per unit	\$10,000	\$164	
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\$10,609	\$174
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GARBAGE

\$246	Per unit	\$15,000	\$246	
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\$15,914	\$261
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TOTAL UTILITIES

\$2,672		\$64,200	\$1,052	
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\$66,126	\$1,084
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OPERATING & MAINTENANCE

REPAIR - CONTRACT

\$143	Per unit	\$8,700	\$143	
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\$9,230	\$151
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REPAIR - SUPPLIES

\$126	Per unit	\$7,673	\$126	
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\$8,140	\$133
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JANITORIAL

\$475	Per mo.	\$5,700	\$93	
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\$6,047	\$99
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TURNOVER

\$33	Per unit	\$2,000	\$33	
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\$2,122	\$35
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ELEVATOR

\$6,000	Total	\$6,000	\$98	
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\$6,365	\$104
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LANDSCAPING

\$458	Per mo.	\$5,500	\$90	
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\$5,835	\$96
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PEST CONTROL

\$338	Per mo.	\$4,050	\$66	
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\$4,297	\$70
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ALARM MONITORING

\$49	Per unit	\$3,000	\$49	
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#N/A	#N/A
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MISC O&M

\$38	Per unit	\$2,300	\$38	
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\$2,440	\$40
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TOTAL OPERATING AND MAINTENANCE

\$7,659		\$44,923	\$736	
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\$46,271	\$759
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TAXES AND INSURANCE

REAL ESTATE TAXES

\$2,000	Total	\$2,000	\$33	
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\$2,122	\$35
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INSURANCE

\$350	Per unit	\$21,350	\$350	
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\$22,650	\$371
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MISC TAXES AND INSURANCE

\$800	Total	\$800	\$13	
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\$849	\$14
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TOTAL TAXES AND INSURANCE

\$3,150		\$24,150	\$396	
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\$24,875	\$408
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REPLACEMENT RESERVES

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

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

\$354,953	\$5,819
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\$367,694	\$6,028
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NET OPERATING INCOME

\$403,704	\$6,618
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\$437,165	\$7,167
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Mississippi ECB
ANNUAL CASH FLOW

	PARTIAL		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2020	2021															
INCOME:																	
GROSS POTENTIAL INCOME	\$789,336	\$813,016	\$837,407	\$862,529	\$888,405	\$915,057	\$942,508	\$970,784	\$999,907	\$1,029,904	\$1,060,802	\$1,092,626	\$1,125,404	\$1,159,167	\$1,193,942	\$1,229,760	\$1,266,653
TOTAL VACANCIES/CONCESSIONS (RESID.)	(\$39,692)	(\$40,651)	(\$41,870)	(\$43,126)	(\$44,420)	(\$45,753)	(\$47,125)	(\$48,539)	(\$49,995)	(\$51,495)	(\$53,040)	(\$54,631)	(\$56,270)	(\$57,958)	(\$59,697)	(\$61,488)	(\$63,333)
TOTAL OTHER INCOME	\$4,500	\$4,635	\$4,774	\$4,917	\$5,065	\$5,217	\$5,373	\$5,534	\$5,700	\$5,871	\$6,048	\$6,229	\$6,416	\$6,608	\$6,807	\$7,011	\$7,221
COMMERCIAL INCOME	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VACANCY/RENT ADJUSTMENTS (COMMERCIAL)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EFFECTIVE GROSS INCOME (BUILDING)	\$754,144	\$777,000	\$800,310	\$824,320	\$849,049	\$874,521	\$900,756	\$927,779	\$955,612	\$984,281	\$1,013,809	\$1,044,223	\$1,075,550	\$1,107,817	\$1,141,051	\$1,175,283	\$1,210,541
EXPENSES:																	
PROFESSIONAL MANAGEMENT	\$40,260	\$41,468	\$42,712	\$43,993	\$45,313	\$46,672	\$48,073	\$49,515	\$51,000	\$52,530	\$54,106	\$55,729	\$57,401	\$59,123	\$60,897	\$62,724	\$64,605
TOTAL ADMINSTRATIVE	\$30,585	\$31,503	\$32,448	\$33,421	\$34,424	\$35,456	\$36,520	\$37,616	\$38,744	\$39,906	\$41,104	\$42,337	\$43,607	\$44,915	\$46,263	\$47,650	\$49,080
TOTAL PAYROLL AND BENEFITS	\$123,385	\$127,087	\$130,899	\$134,826	\$138,871	\$143,037	\$147,328	\$151,748	\$156,300	\$160,989	\$165,819	\$170,794	\$175,918	\$181,195	\$186,631	\$192,230	\$197,997
TOTAL UTILITIES	\$64,200	\$66,126	\$68,110	\$70,153	\$72,258	\$74,425	\$76,658	\$78,958	\$81,327	\$83,766	\$86,279	\$88,868	\$91,534	\$94,280	\$97,108	\$100,022	\$103,022
TOTAL OPERATING AND MAINTENANCE	\$44,923	\$46,271	\$47,659	\$49,089	\$50,561	\$52,078	\$53,640	\$55,250	\$56,907	\$58,614	\$60,373	\$62,184	\$64,049	\$65,971	\$67,950	\$69,989	\$72,088
TOTAL TAXES AND INSURANCE	\$24,150	\$24,875	\$25,621	\$26,389	\$27,181	\$27,996	\$28,836	\$29,701	\$30,592	\$31,510	\$32,456	\$33,429	\$34,432	\$35,465	\$36,529	\$37,625	\$38,754
REPLACEMENT RESERVES	\$18,300	\$18,849	\$19,414	\$19,997	\$20,597	\$21,215	\$21,851	\$22,507	\$23,182	\$23,877	\$24,594	\$25,331	\$26,091	\$26,874	\$27,680	\$28,511	\$29,366
OTHER (TAX CREDIT MONITORING)	\$9,150	\$9,425	\$9,707	\$9,998	\$10,298	\$10,607	\$10,926	\$11,253	\$11,591	\$11,939	\$12,297	\$12,666	\$13,046	\$13,437	\$13,840	\$14,255	\$14,683
TOTAL EXPENSES	\$354,953	\$365,602	\$376,570	\$387,867	\$399,503	\$411,488	\$423,832	\$436,547	\$449,644	\$463,133	\$477,027	\$491,338	\$506,078	\$521,260	\$536,898	\$553,005	\$569,595
NET OPERATING INCOME	\$399,191	\$411,399	\$423,741	\$436,453	\$449,546	\$463,033	\$476,924	\$491,232	\$505,968	\$521,148	\$536,782	\$552,885	\$569,472	\$586,556	\$604,153	\$622,277	\$640,946
TOTAL HARD DEBT SERVICE	\$351,021	\$351,021	\$351,021	\$351,021	\$351,021	\$351,021	\$351,021	\$351,021	\$351,021	\$351,021	\$351,021	\$351,021	\$351,021	\$351,021	\$351,021	\$351,021	\$351,021
DSCR	1.14	1.17	1.21	1.24	1.28	1.32	1.36	1.40	1.44	1.48	1.53	1.58	1.62	1.67	1.72	1.77	1.83
NET PARTNERSHIP CASH FLOW	\$0	\$0	\$72,719	\$85,432	\$98,525	\$112,012	\$125,903	\$140,210	\$154,947	\$170,126	\$185,761	\$201,864	\$218,451	\$235,535	\$253,132	\$271,256	\$289,925

Mississippi ECB
ANNUAL CASH FLOW

	PARTIAL		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	2020	2021															
NET OPERATING INCOME	\$399,191	\$411,399	\$423,741	\$436,453	\$449,546	\$463,033	\$476,924	\$491,232	\$505,968	\$521,148	\$536,782	\$552,885	\$569,472	\$586,556	\$604,153	\$622,277	\$640,946
CASH FLOW WATERFALL																	
1 ASSET MANAGEMENT FEE TO LP	3.00% growth rate																
BEGINNING BALANCE	\$0	\$7,500	\$15,225	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ASSET MANAGEMENT FEE	\$7,500	\$7,725	\$7,957	\$8,195	\$8,441	\$8,695	\$8,955	\$9,224	\$9,501	\$9,786	\$10,079	\$10,382	\$10,693	\$11,014	\$11,344	\$11,685	\$12,035
PAYMENTS	\$0	\$0	\$23,182	\$8,195	\$8,441	\$8,695	\$8,955	\$9,224	\$9,501	\$9,786	\$10,079	\$10,382	\$10,693	\$11,014	\$11,344	\$11,685	\$12,035
ENDING BALANCE	\$7,500	\$15,225	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Remaining Balance After LP AM Fee	\$0	\$0	\$49,538	\$77,236	\$90,084	\$103,317	\$116,947	\$130,986	\$145,447	\$160,341	\$175,681	\$191,482	\$207,758	\$224,521	\$241,787	\$259,571	\$277,889
2 PARTNERSHIP MANAGEMENT FEE TO MGP	3.00% growth rate																
BEGINNING BALANCE			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
INTEREST ON BALANCE			\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126
PAYMENTS			\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126
ENDING BALANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Remaining Balance After MGP Fee	\$0	\$0	\$39,538	\$66,936	\$79,475	\$92,390	\$105,692	\$119,394	\$133,506	\$148,042	\$163,014	\$178,435	\$194,318	\$210,679	\$227,530	\$244,886	\$262,763
3 PARTNERSHIP MANAGEMENT FEE TO AGP	3.00% growth rate																
BEGINNING BALANCE			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
INTEREST ON BALANCE			\$15,000	\$15,450	\$15,914	\$16,391	\$16,883	\$17,389	\$17,911	\$18,448	\$19,002	\$19,572	\$20,159	\$20,764	\$21,386	\$22,028	\$22,689
PAYMENTS			\$15,000	\$15,450	\$15,914	\$16,391	\$16,883	\$17,389	\$17,911	\$18,448	\$19,002	\$19,572	\$20,159	\$20,764	\$21,386	\$22,028	\$22,689
ENDING BALANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Remaining Balance After AGP Fee	\$0	\$0	\$24,538	\$51,486	\$63,561	\$75,999	\$88,810	\$102,004	\$115,595	\$129,594	\$144,012	\$158,863	\$174,160	\$189,915	\$206,143	\$222,858	\$240,075
4 DEFERRED DEVELOPER FEE TO GP																	
BEGINNING BALANCE	\$0	\$0	\$66,183	\$41,645	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BALANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PAYMENTS	\$0	\$0	\$24,538	\$41,645	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ENDING BALANCE	\$0	\$0	\$41,645	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Remaining Balance After Deferred Dev. Fee	\$0	\$0	\$0	\$9,841	\$63,561	\$75,999	\$88,810	\$102,004	\$115,595	\$129,594	\$144,012	\$158,863	\$174,160	\$189,915	\$206,143	\$222,858	\$240,075
5 MASTER DEVELOPER/MGP CONDUIT LOAN	15.00% of Net Cash Flow																
BEGINNING PRINCIPAL BALANCE	9,600,000	9,888,000	10,184,640	10,490,179	10,803,408	11,117,976	11,440,116	11,769,998	12,107,797	12,453,692	12,807,864	13,170,498	13,541,783	13,921,913	14,311,083	14,709,494	15,117,350
CURRENT INTEREST	\$288,000	\$296,640	\$305,539	\$314,705	\$324,102	\$333,539	\$343,203	\$353,100	\$363,234	\$373,611	\$384,236	\$395,115	\$406,253	\$417,657	\$429,332	\$441,285	\$453,520
PAYMENT APPLIED	\$0	\$0	\$0	\$1,476	\$9,534	\$11,400	\$13,321	\$15,301	\$17,339	\$19,439	\$21,602	\$23,829	\$26,124	\$28,487	\$30,921	\$33,429	\$36,011
NET ACCRUAL/PAYDOWN	\$288,000	\$296,640	\$305,539	\$313,229	\$314,568	\$322,139	\$329,882	\$337,799	\$345,895	\$354,172	\$362,634	\$371,285	\$380,130	\$389,170	\$398,411	\$407,856	\$417,509
BALANCE OF INTEREST ACCRUED	\$288,000	\$584,640	\$890,179	\$1,203,408	\$1,517,976	\$1,840,116	\$2,169,998	\$2,507,797	\$2,853,692	\$3,207,864	\$3,570,498	\$3,941,783	\$4,321,913	\$4,711,083	\$5,109,494	\$5,517,350	\$5,934,859
APPLIED TO PRINCIPAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ENDING BALANCE (PRINCIPAL AND INTEREST)	\$9,888,000	\$10,184,640	\$10,490,179	\$10,803,408	\$11,117,976	\$11,440,116	\$11,769,998	\$12,107,797	\$12,453,692	\$12,807,864	\$13,170,498	\$13,541,783	\$13,921,913	\$14,311,083	\$14,709,494	\$15,117,350	\$15,534,859
Remaining Balance After Conduit Loan	\$0	\$0	\$0	\$8,365	\$54,027	\$64,599	\$75,488	\$86,704	\$98,256	\$110,155	\$122,410	\$135,034	\$148,036	\$161,428	\$175,222	\$189,429	\$204,063
6 95% Incentive Management Fee to GP	\$0	\$0	\$0	\$7,947	\$51,326	\$61,369	\$71,714	\$82,369	\$93,343	\$104,647	\$116,290	\$128,282	\$140,634	\$153,356	\$166,461	\$179,958	\$193,860
Remaining Balance After Incentive Fee	\$0	\$0	\$0	\$418	\$2,701	\$3,230	\$3,774	\$4,335	\$4,913	\$5,508	\$6,121	\$6,752	\$7,402	\$8,071	\$8,761	\$9,471	\$10,203
7 RESIDUAL BALANCE																	
99.99% to LP	\$0	\$0	\$0	\$418	\$2,701	\$3,230	\$3,774	\$4,335	\$4,912	\$5,507	\$6,120	\$6,751	\$7,401	\$8,071	\$8,760	\$9,471	\$10,202
0.001% to SLP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0.009% to GP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$1	\$1	\$1	\$1	\$1	\$1

HOUSING COMMISSION MULTIFAMILY HOUSING REVENUE BOND PROGRAM SUMMARY

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

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

Affordability: Minimum requirement is that at least 20% of the units are affordable at 50% of Area Median Income (AMI). Alternatively, a minimum of 10% of the units may be affordable at 50% AMI with an additional 30% of the units affordable at 60% AMI. The Housing Commission requires that the affordability restriction be in place for a minimum of 15 years. Due to the combined requirements of state, local, and federal funding sources, projects financed under the Bond Program are normally affordable for 30-55 years and often provide deeper affordability levels than the minimum levels required under the Bond Program.

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

Approval Process:

- **Inducement Resolution:** The bond process is initiated when the issuer (Housing Authority) adopts an “Inducement Resolution” to establish the date from which project costs may be reimbursable from bond proceeds (if bonds are later issued) and to authorize staff to work with the financing team to perform a due diligence process. The Inducement Resolution does not represent any commitment by the Housing Commission, Housing Authority, or the developer to proceed with the financing.
- **TEFRA Hearing and Resolution (Tax Equity and Fiscal Responsibility Act of 1982):** To assure that projects making use of tax-exempt financing meet

appropriate governmental purposes and provide reasonable public benefits, the IRS Code requires that a public hearing be held and that the issuance of bonds be approved by representatives of the governmental unit with jurisdiction over the area in which the project is located (City Council). This process does not make the City financially or legally liable for the bonds or for the project.

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

- **Application for Bond Allocation:** The issuance of these “private activity bonds” (bonds for projects owned by private developers, including projects with nonprofit sponsors and for-profit investors) requires an allocation of bond issuing authority from the State of California. To apply for an allocation, an application approved by the Housing Authority and supported by an adopted inducement resolution and by proof of credit enhancement (or bond rating) must be filed with the California Debt Limit Allocation Committee (CDLAC). In addition, evidence of a TEFRA hearing and approval must be submitted prior to the CDLAC meeting.
- **Final Bond Approval:** The Housing Authority retains absolute discretion over the issuance of bonds through adoption of a final resolution authorizing the issuance. Prior to final consideration of the proposed bond issuance, the project must comply with all applicable financing, affordability, and legal requirements and undergo all required planning procedures/reviews by local planning groups, etc.
- **Funding and Bond Administration:** All monies are held and accounted for by a third party trustee. The trustee disburses proceeds from bond sales to the developer in order to acquire and/or construct the housing project. Rental income used to make bond payments is collected from the developer by the trustee and disbursed to bond holders. If rents are insufficient to make bond payments, the trustee obtains funds from the credit enhancement provider. No monies are transferred through the Housing Commission or Housing Authority, and the trustee has no standing to ask the issuer for funds.

Bond Disclosure: The offering document (typically a Preliminary Offering Statement or bond placement memorandum) discloses relevant information regarding the project, the developer, and the credit enhancement provider. Since the Housing Authority is not responsible in any way for bond repayment, there are no financial statements or summaries about the Housing Authority or the City that are included as part of the offering document. The offering document includes a paragraph that states that the Housing Authority is a legal entity with the authority to issue multifamily housing bonds and that the Housing Commission acts on behalf of the Housing Authority to issue the

bonds. The offering document also includes a paragraph that details that there is no pending or threatened litigation that would affect the validity of the bonds or curtail the ability of the Housing Authority to issue bonds. This is the extent of the disclosure required of the Housing Authority, Housing Commission, or the City. However, it is the obligation of members of the Housing Authority to disclose any material facts known about the project, not available to the general public, which might have an impact on the viability of the project.

February 02, 2021

Mr. Colin Miller
San Diego Housing Commission
1122 Broadway, Suite 300
San Diego, California 92101

RE: Mississippi ECB Apartments

Dear Mr. Miller:

The San Diego Housing Commission (the "Commission") has retained CSG Advisors, Inc. to analyze the feasibility of the proposed tax-exempt financing for the Mississippi ECB Apartments (the "Project"). Our findings are organized as follows:

- Current Project Status and the Proposed Project
- The Proposed Financing
- Project's Projected Financial Status
- Benefits and Risks to the Commission
- Public Purpose
- Negotiation of Additional Public Benefit
- Recommendations

We have based our analysis of the proposed financing on documents provided by Trestle Development (the "Developer"), and on additional conversations and documents provided by representatives of the Developer and Commission staff. The documents examined included the Developer's proposed financial schedules and financing commitments from the proposed lender and investor. CSG has not visited the site of the proposed Project.

CURRENT PROJECT STATUS AND THE PROPOSED DEVELOPMENT

The Project will consist of a 61-unit development (the "Development") to be newly-constructed at 2141 El Cajon Blvd, San Diego, 92104 (the "Site"). The Development will include 2050 square feet of ground floor commercial space. The Developer anticipates, by conversion to permanent financing, separating this commercial space by condominium subdivision and selling to another party. The acquisition of the Site and construction of the Development would be financed from, among other sources, equity raised from the sale of 4% low-income housing tax credits and tax-exempt and taxable debt issued by the Housing Authority of the City of San Diego (the "Housing Authority"). 60 units (i.e., excluding one manager's units) will be subject to affordability restrictions as further described herein.

The Site currently consists of 4 parcels totaling approximately 10,600 square feet. The Site currently contains a 1,100SF automotive repair building, a 1,750 SF garage/repair shop, and a 1,235 SF commercial building. The existing building will be demolished as part of the

development of the Project. The Site is currently owned by the Trestle Mississippi, LP (the “Borrower”).

On June 16, 2020, the Housing Authority approved a resolution evidencing its official intent to conduct a tax-exempt issuance in the not-to-exceed amount of \$16,500,000 for the Project. The resolution also approved submittal of the application to the California Debt Limit Allocation Committee (“CDLAC”) for an allocation of private activity tax-exempt authority for the Project.

On June 16, 2020, the City Council held a public hearing (“TEFRA”) required pursuant to Section 147(f) of the Internal Revenue Code for tax-exempt issuances. The City Council approved the resulting approving resolution on June 16, 2020. The TEFRA hearing remains valid for a period of one year.

On September 24, 2020, the Housing Authority submitted an application to CDLAC for \$12,150,000 in private activity tax-exempt issuance authority for the Project.

On December 21, 2020, CDLAC awarded \$12,150,000 in private activity tax-exempt allocation to the Housing Authority for the Project.

THE PROPOSED FINANCING

The Developer proposes that the Housing Authority issue up to \$12,150,000 in a tax-exempt note (the “Note”)¹ for the Project. The Bonds would be issued pursuant to an Funding Loan Agreement and Borrower Loan Agreement.

The Developer proposes, pursuant to a Preliminary Application for Financing, dated December 23, 2020, from Citibank, that the Note would be purchased on a private-placement basis by Citibank. Construction draws of tax-exempt Note proceeds would be funded on and as-needed “draw-down” basis.

Citibank would remain the as permanent lender for the Project upon stabilization and conversion to permanent financing and would also provide a direct taxable loan to the Borrower.

According to projections provided by the Developer and Red Stone Equity Partners (the “Tax Credit Investor”), the total development cost (“TDC”) totals approximately \$24,224,170.

¹ The financing would occur through the issuance of tax-exempt “Notes” under a “Back-to-Back” loan structure. The Back-to-Back structure and a bond issuance structure with an Indenture are functionally equivalent. In the Back-to-Back Structure, a Bank Loan Agreement (between the Lender, Issuer and the Fiscal Agent) replaces the Indenture and a Borrower Loan Agreement (between the Issuer and the Borrower) replaces the Loan Agreement from an Indenture structure. A “Fiscal Agent” replaces the Trustee. Certain lenders prefer the Back-to-Back structure in order to obtain beneficial treatment under the Community Reinvestment Act.

Mississippi ECB Apartments: Construction and Permanent Source Summary²

	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond	12,150,000 ³	2,580,000
Taxable Loan	0	3,755,000
Tax Credit Equity (Federal)	729,130	7,291,340
National Housing MGP LLC Loan ⁴	8,994,600	10,194,600
Deferred Developer Fee	0	423,130
MGP/SLP Contributions	<u>110</u>	<u>110</u>
Total Sources	21,873,840	24,244,180

Mississippi ECB Apartments: Permanent Use Summary⁵

	<u>Permanent</u>
Land and Acquisition Costs	2,180,000
Construction Costs	12,657,900
Construction Contingency	946,820
Developer Fee	2,318,520
Operating Reserve	352,430
Capitalized Construction Loan Interest	728,000
Other Hard and Soft Costs	<u>5,060,500</u>
Total Uses	24,244,170

Ownership

The Project will be owned by the Borrower. The Borrower will consist of Trestle Mississippi, LLC as the Administrative General Partner, and Trestle Development, LLC its Managing General Partner. An entity of the Tax Credit Investor will be the tax credit investor limited partner.

Tax-Exempt Bond Structure and Credit Enhancement

Construction Loan

The Developer proposes that the Housing Authority issue tax-exempt Notes in the maximum amount of \$12,150,000 in order to finance the acquisition and construction of the Project. Solely revenues pledged under the Funding Loan Agreement and the Borrower Loan Agreement will secure the payment of principal and interest to the bondholder.

The Note would be unrated, without credit enhancement, and would be purchased by Citibank on a private placement basis. The Note would be funded on a draw-down basis through the

² Source: Developer/Tax Credit Investor projections. Rounding by CSG. Total of Uses and Sources may not equal due to rounding.

³ Tax Credit Investor projections show \$12,512,780 – which is \$362,780 more than the tax-exempt allocation from CDLAC

⁴ Tax Credit Investor projections show this amount, which is higher than the \$9,600,000 shown in other Developer documentation. This amount must be resolved between Lender, Tax Credit Investor, and Developer.

⁵ Source: Developer/Tax Credit Investor projections. Rounding by CSG. Total of Uses and Sources may not equal due to rounding.

construction period. Upon stabilization and conversion, a portion of the Note will be redeemed (from tax credit equity and other sources), and Citibank will fund an additional taxable loan to the Project.

As unrated, non-credit enhanced Bonds sold on a private placement basis, the Note must meet the minimum requirements of the Commission's policies for such issues (e.g., maximum \$100,000 minimum denominations, no more than 15 Bondholders, etc).

The construction period would be 24 months. The Citibank Preliminary Application for Financing indicates an indicative construction period variable interest rate for the Note of 2.75% (which is also the floor rate). The construction period rate would be equal to one month LIBOR (with a floor of 0.50%) plus 2.25%. Payments during the construction period would be interest-only. *However, the draft Loan Payment Schedule provided by Citibank reflects higher rates.*

Permanent Loan

Upon conversion to the permanent loan, the Borrower proposes to redeem a portion of the outstanding Note with available sources (e.g., tax credit equity). The remaining outstanding Note will convert to a permanent loan. Citibank will also fund a taxable permanent loan in the anticipated amount of

According to the Citibank Preliminary Application for Financing, the permanent loan (taxable and tax-exempt) would have a term of 18 years following the Closing Date and an amortization period of 35 years. Citibank's indicative fixed rate (as of the date of the Preliminary Application for Financing) for the tax-exempt Note is 3.93%; and 4.43% for the taxable loan. *Please note, however, that Citibank has subsequently propose (as reflected in its draft Loan Payment Schedule) that the taxable loan be interest only for approximately 27yrs, and that the tax-exempt Note fully-amortize over the same period.*

Projected Issuance Date

The Developer proposes that the Housing Authority issue the Note on or about March 24, 2020. The Authority received an allocation tax-exempt authority in the amount of \$12,150,000 from CDLAC at its December 21, 2020 allocation meeting date. The allocation expiration date provided by CDLAC is June 21, 2121.

Commission Financial Involvement

The Commission has no other financial involvement in the transaction

Affordability Restrictions

Upon implementing the proposed financing, the Project will be subject to the following regulatory restrictions and regulatory terms:

Source of Restriction	Restriction	Expiration Date
California Tax Credit Allocation Committee	54 units at 50% AMI 6 units at 80% AMI	55 years
Tax-Exempt Bond (CDLAC)	54 units at 50% AMI;	55 years

PROJECT'S PROJECTED FINANCIAL STATUS

Under the proposed financing – according to information provided by the Developer and analysis by CSG – annual debt service on the proposed senior permanent loan of \$6,335,000 would total approximately \$349,230. According to preliminary information provided by the Developer and analysis by CSG, stabilized annual cash flow (before reserves) after construction and lease-up (including Issuer fees) would total approximately \$60,080 at a debt coverage ratio (DCR) of 1.17. Cash flow after reserves would total approximately \$42,082 at a DCR of 1.12. The Citibank debt coverage minimum is 1.15. *The Developer, Citibank and Red Stone must work to resolve the DCR discrepancy (e.g., the Red Stone projections do not include ongoing Issuer or Fiscal Agent fees).*

Please note that the information provided by the Developer indicates a National Housing MGP LLC loan of \$9,600,000, while the Red Stone projections indicate \$10,194,600; and the minimum CDLAC taxable loan is \$4,250,000 and the Red Stone projections do not show a separate taxable loan. *The Developer, Citibank and Red Stone must reconcile the loan amounts.*

THE BENEFITS AND RISKS TO THE COMMISSION

The proposed financing provides for financing for the acquisition and construction of the Project. By approving a recommendation to the Housing Authority to move forward with the approval process for the proposed tax-exempt Note financing, the Commission will not obligate the Commission or the Housing Authority to issue the Bonds.

As proposed, the financing will create 60 affordable units in the City of San Diego. These units will remain long-term affordable for approximately 55 years under the CDLAC and CTCAC restrictions.

If the Authority issues the Note, the Commission would receive a fee at closing of 0.25% of the issue amount (approximately \$30,375) and an annual fee equal to the greater of \$10,000 and 0.125% of the outstanding Note.

PUBLIC PURPOSE

The proposed financing will result in the creation of 60 affordable family housing units in the City of San Diego. The proposed financing will result in new CDLAC and CTCAC regulatory restrictions as follows (most restrictive) for 55 years:

- 54 units at 50% AMI
- 6 units at 80% AMI

NEGOTIATION OF ADDITIONAL PUBLIC BENEFIT

As noted above, the financing will result in long-term affordability restrictions on 60 units within the Project.

RECOMMENDATIONS

Based upon analysis of the available information, we recommend that the Commission approve moving forward with the proposed issuance. Our recommendation is based upon the following:

- The financing will create 60 affordable family units in the City of San Diego with long-term affordability covenants.
- The Commission has received tax-exempt authority of \$12,150,000 from CDLAC for the Project.
- Citibank and Redstone are currently underwriting the Project.
- The Commission will not be responsible for costs of issuance. The Commission will receive an issuance fee at closing of approximately \$30,375, and a long-term annual fee equal to the greater of \$10,000 and 0.125% the outstanding Notes.
- The net Tax-Exempt Note financing and tax credit equity will provide approximately \$9,871,340 for development costs.

Contingent Items

The Commission may choose to move forward with the financing subject to the following contingencies:

- The Project's financial underwriting must be consistent among the Developer, Citibank and Red Stone.
- As of this writing, neither Citibank nor Redstone has provided final credit approval for the financing. The Note cannot be issued without these final approvals.
- Final Note documents and approving resolution must be approved by the Housing Authority.

Should you require any further information or would like to discuss the Project or the proposed financing in additional detail, please do not hesitate to contact me.

Sincerely,
CSG Advisors



John Hamilton

Exhibit A

Mississippi ECB

date of rev:

2/1/21

Long-Term Tax-Exempt Loan Loan

	<u>Tranche A</u>	<u>Tranche B³</u>	<u>Total</u>
Principal Amount ¹	\$ 2,580,000	\$ 3,755,000	\$ 6,335,000
Mortgage Rate ²	4.100%	4.600%	
Amortization Term (yrs) ¹	27.25	27.25	
Underwriting Monthly Debt Service ⁴	\$ 8,937	\$ 20,165	\$ 29,103
Underwriting Annual Debt Service	\$ 107,249	\$ 241,983	\$ 349,232

¹ Source: Tranche A: Citibank Loan Payment Schedule; Tranche B: sized to sum to total Redstone Projections, 01/21/21. However, Tranche B is less than CDLAC \$4,250,000 taxable loan requirement

² Citibank Loan Payment Schedule 1/14/2021

³ Tranche B (Taxable) fully amortizing through 327 mos; quasi-level amortization (per Citibank)

⁴ Tranche A is interest only (through mos 327); Tranche B is mortgage-type level debt service through mos 327

Post-Financing Operations Analysis ¹

Income				Stabilized Year				
				<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
Gross Tax Credit Rental Income ¹	2.50% Inflation			\$ 789,336	\$ 809,069	\$ 829,296	\$ 850,029	\$ 871,279
Other Income	2.50% Inflation			\$ 8,050	\$ 8,251	\$ 8,458	\$ 8,669	\$ 8,886
Gross Potential Income				\$ 797,386	\$ 817,321	\$ 837,754	\$ 858,698	\$ 880,165
Vacancy Collection Loss ²			5.00%	<u>(39,869)</u>	<u>(40,866)</u>	<u>(41,888)</u>	<u>(42,935)</u>	<u>(44,008)</u>
Effective Gross Income				\$ 757,517	\$ 776,455	\$ 795,866	\$ 815,763	\$ 836,157
Expenses								
Operating Expenses	3.50% Inflation			\$ (334,153)	\$ (345,848)	\$ (357,953)	\$ (370,481)	\$ (383,448)
RE Taxes	2.00% Inflation			\$ (2,800)	\$ (2,856)	\$ (2,913)	\$ (2,971)	\$ (3,031)
Issuer Fee	\$ 10,000 min	0.125%		\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)
Trustee Fee ³	\$ 1,250 min	0.004%		<u>(1,250)</u>	<u>(1,250)</u>	<u>(1,250)</u>	<u>(1,250)</u>	<u>(1,250)</u>
Total Expenses				\$ (348,203)	\$ (359,954)	\$ (372,116)	\$ (384,703)	\$ (397,729)
Net Operating Income				\$ 409,314	\$ 416,500	\$ 423,750	\$ 431,060	\$ 438,428
Required Debt Service								
Senior								
Real Estate Loan				\$ (349,232)	\$ (349,232)	\$ (349,232)	\$ (349,232)	\$ (349,232)
Cash Flow before Reserves				\$ 60,082	\$ 67,268	\$ 74,518	\$ 81,828	\$ 89,196
Debt Coverage Ratio Before Reserves				1.17	1.19	1.21	1.23	1.26
Reserves ⁴	300 per unit	0% Inflation		\$ (18,000)	\$ (18,000)	\$ (18,000)	\$ (18,000)	\$ (18,000)
Cash Flow After Reserves				\$ 42,082	\$ 49,268	\$ 56,518	\$ 63,828	\$ 71,196
Overall Debt Coverage Ratio (DCR)				1.12	1.14	1.16	1.18	1.20
Cash Flow Including Commercial Income				42,082	49,268	56,518	63,828	71,196
Debt Coverage Ratio Including Commercial Income				1.12	1.14	1.16	1.18	1.20

¹ Source: Per Red Stone

² Of Gross Potential Income.

³ Estimate

⁴ Minimum reserve deposit per Boston Capital Finance Term Sheet (June 05, 2020).

Exhibit A

Mississippi ECB Permanent Sources and Uses of Funds ¹

Sources

Tax-Exempt Note	\$	2,580,000
Taxable Loan	\$	3,755,000
Tax Credit Equity (Federal)	\$	7,291,340
National Housing MGP Loan ³	\$	10,194,600
Deferred Developer Fee	\$	423,130
GP/SLP Capital Contribution	\$	<u>110</u>
Total Sources	\$	24,244,180

Uses

Land and Acquisition Costs	\$	2,180,000
Construction Costs	\$	12,657,900
Construction Contingency	\$	946,820
Developer Fee	\$	2,318,520
Operating Reserve	\$	352,430
Capitalized Construction Loan Interest	\$	728,000
Other Hard and Soft Costs	\$	<u>5,060,500</u>
Total Uses	\$	24,244,170

Surplus(Deficit) ²	\$	10
-------------------------------	----	----

¹ Source: Information provided by the Red Stone. Rounding by CSG

² Surplus due to rounding

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

1. Name of CONTRACTOR: Trestle Mississippi, LP
2. Address and Zip Code: 101 W. Broadway, Suite 300, San Diego, CA 92101
3. Telephone Number: 509-280-5469
4. Name of Principal Contact for CONTRACTOR: David Allen
5. Federal Identification Number or Social Security Number of CONTRACTOR: 84-4195966
6. If the CONTRACTOR is not an individual doing business under his own name, the CONTRACTOR has the status indicated below and is organized or operating under the laws of California as:

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

Check one:
☐ General Partnership (Attach statement of General Partnership)
☒ Limited Partnership (Attach Certificate of Limited Partnership)
☐ A business association or a joint venture known as: _____
(Attach joint venture or business association agreement)
☐ A Federal, State or local government or instrumentality thereof.
☐ Other (explain)
7. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:
December 5, 2019
8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below:
 - a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
 - b. If the CONTRACTOR is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.

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

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name: Trestle Mississippi, LLC	Administrative General Partner
Address: 101 W. Broadway, Suite 300 San Diego, CA 92101	0.009% interest in Trestle Mississippi, LP
Name: National Housing MGP, LLC	Managing General Partner
Address: 1649 Capalina Road, Suite 500 San Marcos, CA 92069	0.001% interest in Trestle Mississippi, LP
Name: Trestle Development, LLC	Limited Partner
Address: 101 W. Broadway, Suite 300 San Diego, CA 92101	99.99% interest in Trestle Mississippi, LP

9. Has the makeup as set forth in Item 8(a) through 8(e) changed within the last twelve (12) months? If yes, please explain in detail. **No, entity was formed on 12/5/2019**
10. Is it *anticipated* that the makeup as set forth in Item 8(a) through 8(e) will change within the next twelve (12) months? If yes, please explain in detail. **Yes. A new Tax Credit Limited Partner to replace Trestle Development, LLC at construction loan closing. See Attachment D**
11. Provide name, address, telephone number, and nature and extent of interest of each person or entity (not named in response to Item 8) who has a beneficial interest in any of the shareholders or investors named in response to Item 8 which gives such person or entity more than a computed 10% interest in the CONTRACTOR (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the CONTRACTOR or more than 50% of the stock in the corporation which holds 20% of the stock of the CONTRACTOR):

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name: Trestle Development, LLC	Manager of Limited Partner
Address: 101 W. Broadway, Suite 300 San Diego, CA 92101	(100% Interest)
Name: Rise Urban Partners	Manager of Trestle Mississippi, LLC
Address: 101 W. Broadway, Suite 300 San Diego, Ca 92101	(100% Interest)
Name: National Housing Corporation	Manager of National Housing MGP, LLC
Address: 1649 Capalina Rd, Suite 500 San Marcos, CA 92069	(100% Interest)

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

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

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

Name and Address	Relationship to CONTRACTOR
Name:	As described in sections 8-12
Address:	
Name:	
Address:	
Name:	
Address:	

14. Provide the financial condition of the CONTRACTOR as of the date of the statement and for a period of twenty-four (24) months prior to the date of its statement as reflected in the **attached** financial statements, including, but not necessarily limited to, profit and loss statements and statements of financial position.
15. If funds for the development/project are to be obtained from sources other than the CONTRACTOR's own funds, provide a statement of the CONTRACTOR's plan for financing the development/project:

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

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

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

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

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

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

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

☐ Yes ☒ No

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

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

☐ Yes ☒ No

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

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

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

21. If the CONTRACTOR, or a parent corporation, a subsidiary, an affiliate, or a principal of the CONTRACTOR is to participate in the development as a construction contractor or builder, provide the following information: **N/A, Contractor plans to hire a third-party General Contractor**

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

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

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

☐ Yes ☐ No

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

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

General description of such work:

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

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

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

Identification of Contract or Development	Location	Amount	Date to be Completed

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

Awarding Agency	Amount	Date Opened

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

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

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

☐ Yes

☒ No

If yes, explain:

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

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

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

☐ Yes

☒ No

If yes, explain:

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

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

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

For inquiries, please contact Michael Harvey at Cavnac & Associates

619-744-0584, MHarvey@cavnac.com

Check coverage(s) carried:

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

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

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

Check coverage(s) carried:

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

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

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

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

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

27. CONTRACTOR warrants and certifies that it will not during the term of the PROJECT, GRANT, LOAN, CONTRACT, DEVELOPMENT and/or RENDITIONS OF SERVICES discriminate against any employee, person, or applicant for employment because of race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the SDHC setting forth the provisions of this nondiscrimination clause.

28. The CONTRACTOR warrants and certifies that it will not without prior written consent of the SDHC, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of the SDHC, during the term of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT and/or RENDITION OF SERVICES.

29. CONTRACTOR warrants and certifies that no member, commissioner, councilperson, officer, or employee of the SDHC, the AUTHORITY and/or the CITY, no member of the governing body of the locality in which the PROJECT is situated, no member of the government body in which the SDHC was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the assignment of work, has during his or her tenure, or will for one (1) year thereafter, have any interest, direct or indirect, in this PROJECT or the proceeds thereof.

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

Government Complaint	Entity	Making	Date	Resolution

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

☐ Yes ☒ No

If yes, please explain, in detail,

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

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

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

34. Describe in detail, any and all other facts, factors or conditions that may favorably affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with the SDHC.
35. List all CONTRACTS with, DEVELOPMENTS for or with, LOANS with, PROJECTS with, GRANTS from, SALES of Real Property to, the SDHC, AUTHORITY and/or the CITY within the last five (5) years:

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

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

☐ Yes ☒ No

If yes, explain:

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

☐ Yes ☒ No

If yes, explain:

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

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

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

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

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

Name	Experience
TBD	

CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

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

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

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

Executed this 3 day of March, 20 20, at San Diego, California.

CONTRACTOR

By: 

Signature

Manager of Administrative GP

Title

CERTIFICATION

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

By: Robert V. Morgan By: _____

Title: Manager of Administrative LP Title: _____

Dated: 3/3/20 Dated: _____

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

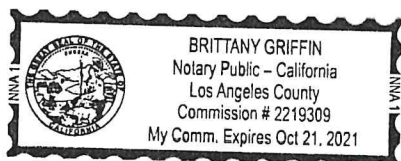
JURAT

State of California

County of San Diego

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

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



SEAL

[Signature]
Signature of Notary

CERTIFICATION

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

By: David Allen

By: _____

Title: Manager of Administrative GP

Title: _____

Dated: March 3, 2020

Dated: _____

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

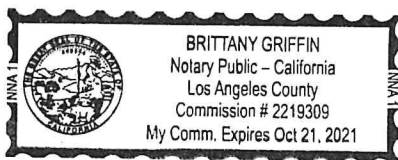
JURAT

State of California

County of San Diego

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

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



SEAL

Ruth Griffin
Signature of Notary



Secretary of State
Certificate of Limited Partnership
(LP)

LP-1

201934000007

FILED
Secretary of State
State of California

DEC 05 2019

[Handwritten signature]
SYD

IMPORTANT — Read Instructions before completing this form.

Filing Fee — \$70.00

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

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

1 cc

Above Space For Office Use Only

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

Trestle Mississippi, LP

2. Business Addresses

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

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

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

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

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

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

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

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

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

General Partner Signature

See attached

Type or Print Name

General Partner Signature

See attached

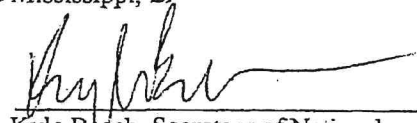
Type or Print Name

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

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

Trestle Mississippi, LP

By:



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

Date: December 5, 2019

By:

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

Date: December __, 2019

By:

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

Date: December __, 2019


201934000007

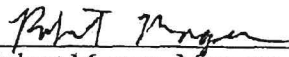
ATTACHMENT TO LP-1
CERTIFICATE OF LIMITED PARTNERSHIP
TRESTLE MISSISSIPPI, LP

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

Trestle Mississippi, LP

By: _____ Date: December __, 2019
Kyle Beach, Secretary of National
Housing Corporation, manager of
National Housing MGP LLC, its Managing General Partner

By:  _____ Date: December 5, 2019
David Allen, Manager of Rise Urban Partners, LLC,
managing member of Trestle Mississippi, LLC, its Administrative
General Partner

By:  _____ Date: December 5, 2019
Robert Morgan, Manager of Rise Urban Partners, LLC,
managing member of Trestle Mississippi, LLC, its Administrative
General Partner

201934000007



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

DEC 06 2019

Date: SYD

Alex Padilla

ALEX PADILLA, Secretary of State