



## HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: July 9, 2021

HCR21-042

SUBJECT: Loan Recommendation, Preliminary Bond Authorization, and Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing for Cortez Hill Apartments

COUNCIL DISTRICT(S): 3

ORIGINATING DEPARTMENT: Real Estate Division

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

### REQUESTED ACTION:

Approve a proposed residual receipts loan in an amount not to exceed \$5,000,000 to Beech Street Housing Associates L.P., a California limited partnership; take initial steps for the Housing Authority of the City of San Diego to issue up to \$24,600,000 of tax-exempt Multifamily Housing Revenue Bonds to facilitate the acquisition and new construction of Cortez Hill Apartments, an 88-unit affordable rental housing development at 1449 Ninth Avenue in the Cortez Hill neighborhood in downtown San Diego, with 87 units that will remain affordable for 55 years and one unrestricted manager's unit; and hold a Tax Equity and Fiscal Responsibility Act hearing and adopt a resolution approving the Housing Authority's issuance of Multifamily Housing Revenue Bonds in an amount up to \$24,600,000 for the acquisition and new construction of Cortez Hill Apartments.

### EXECUTIVE SUMMARY OF KEY FACTORS:

- Cortez Hill Family Center (Cortez Hill) at 1449 Ninth Avenue was a 48-unit interim shelter for families experiencing homelessness. In March 2020, at the onset of the COVID-19 pandemic, the program moved the families it was serving out of the property to local hotels.
- On May 19, 2020, the San Diego City Council declared the building at 1449 Ninth Avenue to be surplus land, and on October 20, 2020, the City Council authorized the City to sell the building at 1449 Ninth Avenue to Community Housing Works (CHW).
- CHW intends to demolish the existing building and develop new affordable housing on the site.
- CHW applied to the Housing Commission for a loan and project-based housing vouchers (PBVs) for this development.
- On January 8, 2021, Housing Commission staff provided a preliminary recommendation of award for a residual receipts loan of up to \$5,000,000 and 87 federal PBVs.
- The proposed development will provide 14 units for individuals experiencing homelessness and 73 units for households with income from 30 percent to 40 percent of San Diego's Area Median Income.
- Staff recommends that the Housing Commission:
  - Approve a residual receipts loan of up to \$5,000,000 to Beech Street Housing Associates L.P.
  - Issue a bond inducement resolution for up to \$24,600,000 in tax-exempt Multifamily Housing Revenue Bonds.
  - Authorize an application to the California Debt Limit Allocation Committee.
  - Approve Jones Hall as the Bond Counsel and Ross Financial as the Bond Financial Advisor.
  - Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing.



## REPORT

**DATE ISSUED:** July 1, 2021

**REPORT NO:** HCR21-042

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of July 9, 2021

**SUBJECT:** Loan Recommendation, Preliminary Bond Authorization, and Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing for Cortez Hill Apartments

**COUNCIL DISTRICT:** 3

### **REQUESTED ACTIONS**

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

*Preliminary Bond Authorization and Tax Equity and Fiscal Responsibility Act (TEFRA) hearings are scheduled to be heard by the San Diego Housing Commission (Housing Commission) Board of Commissioners on July 9, 2021, at 9 a.m. Any two members of the Housing Authority of the City of San Diego (Housing Authority) or San Diego City Council (City Council) may request that these hearings not take place and instead be heard by the Housing Authority and City Council by giving notice to the Housing Commission's President & Chief Executive Officer, or designee, within seven days of the date of this notice.*

Approve a proposed residual receipts loan in an amount not to exceed \$5,000,000 to Beech Street Housing Associates L.P., a California limited partnership; take initial steps for the Housing Authority of the City of San Diego to issue up to \$24,600,000 of tax-exempt Multifamily Housing Revenue Bonds to facilitate the acquisition and new construction of Cortez Hill Apartments, an 88-unit affordable rental housing development at 1449 Ninth Avenue in the Cortez Hill neighborhood in downtown San Diego, with 87 units that will remain affordable for 55 years and one unrestricted manager's unit; and hold a Tax Equity and Fiscal Responsibility Act hearing and adopt a resolution approving the Housing Authority's issuance of Multifamily Housing Revenue Bonds in an amount up to \$24,600,000 for the acquisition and new construction of Cortez Hill Apartments.

### **STAFF RECOMMENDATIONS**

That the San Diego Housing Commission (Housing Commission) take the following actions, as described in this report:

- 1) Approve a Housing Commission residual receipts loan in an amount not to exceed \$5,000,000 to Beech Street Housing Associates L.P., a California limited partnership, formed by Community Housing Works (CHW), to finance the proposed acquisition and new construction of Cortez Hill Apartments, an 88-unit affordable rental housing development at 1449 Ninth Avenue in the

Cortez Hill neighborhood in downtown San Diego, with 87 units that will remain affordable for 55 years for households with income of 30 percent to 40 percent of San Diego Area Median Income (AMI) and one unrestricted manager's unit.

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

- 2) Authorize the Housing Commission's President and Chief Executive Officer (President & CEO), or designee, to:
  - a. Execute all necessary documents and instruments to effectuate the transaction and implement the project, in a form approved by General Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement the approvals upon advice of the General Counsel;
  - b. Adjust financing terms/conditions, as necessary, for consistency with requirements of other funding sources or to accommodate market changes that may occur, provided that the proposed \$5,000,000 maximum Housing Commission loan amount may not increase; and
  - c. Substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the President & CEO, or designee, to take such actions as are necessary, convenient, and/or appropriate to implement this approval and delegation of authority by the Housing Commission upon advice of the General Counsel.
- 3) Approve the following steps to issue Housing Authority of the City of San Diego (Housing Authority) tax-exempt Multifamily Housing Revenue Bonds for Cortez Hill Apartments:
  - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$24,600,000 in Multifamily Housing Revenue Bonds for the acquisition and new construction of Cortez Hill Apartments by Beech Street Housing Associates L.P.;
  - b. Authorize an application (and subsequent applications, if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds in an amount up to \$24,600,000 for Cortez Hill Apartments;
  - c. Approve the financing team of Jones Hall as Bond Counsel and Ross Financial as Bond Financial Advisor; and
- 4) Authorize the Housing Commission President & CEO, or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by General Counsel and Bond Counsel, and to take such actions as are necessary, convenient and /or appropriate to implement these approvals upon the advice of General Counsel and/or the Bond Counsel.
- 5) Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing, and adopt a resolution approving the Housing Authority's issuance of Multifamily Housing Revenue Bonds in an amount up to \$24,600,000 for the acquisition and new construction of Cortez Hill Apartments.

## **SUMMARY**

A Development Summary is at Attachment 1.

**Table 1 –Development Details**

Address	1449 Ninth Avenue, San Diego 92101
Council District	3
Community Plan Area	Cortez Hill Active Residents Group (CHARG)
Developers	Community Housing Works
Development Type	New construction
Construction Type	5 story IA and VA
Parking Type	No Parking – site is located in a Transit Priority Area, which allows for a zero minimum parking space requirement for residential buildings.
Mass Transit	The closest bus stop is at 10 <sup>th</sup> Avenue & A Street, 0.2 miles from the site. The nearest trolley stop is the Fifth Avenue stop 0.5 miles from the site.
Housing Type (Affordable Units)	Permanent supportive housing for 14 very low- and extremely low-income individuals experiencing homelessness with an identified disability, residing within the City of San Diego and affordable housing for households with very low or extremely low income
Lot Size	.41 acres, 17,651 square feet.
Units	87 affordable units and one manager's unit.
Density	214 dwelling units per acre (88 units ÷ .41 acres).
Unit Mix	79 one-bedroom, 8 two-bedroom and 1 manager's unit.
Gross Building Area	54,160 square feet
Net Rentable Area	47,512 square feet
Project Based Housing Vouchers	87 Project-Based Vouchers

### Background

Cortez Hill Family Center (Cortez Hill) at 1449 Ninth Ave. (Attachment 2- Map) in the Cortez Hill neighborhood in central San Diego was a 48-unit interim shelter for families experiencing homelessness. San Diego YWCA operated the shelter for close to 20 years until it surrendered its contract for shelter operations during Fiscal Year 2019. On November 30, 2018, the Housing Commission's Board of Commissioners authorized a contract with Alpha Project to operate the interim housing program for families. Maintenance had been deferred at the property, which affected continued operations at the site and the number of families it could accommodate. In March 2020, at the onset of the COVID-19 pandemic, the program moved the families it was serving out of the property to local hotels. On May 19, 2020, the San Diego City Council declared the building at 1449 Ninth Avenue to be surplus land (Resolution No. R-313039). On October 20, 2020, the City Council authorized the City to sell the building at 1449 Ninth Avenue to Community Housing Works (Resolution No. R-313266).

Community Housing Works (CHW) intends to demolish the existing building and develop new affordable housing on the site.

The new construction project will be called Cortez Hill Apartments and will consist of 88 units. The development will be within one five-story building. Distributed within the building will be 87 housing units with federal Project-Based Housing Vouchers the Housing Commission awarded to help pay rent for 14 households experiencing homelessness with income up to 30 percent of AMI and 73 households with income of 30 percent to 40 percent of AMI, residing within the City of San Diego.

### The Development

The proposed development site consists of a single .41-acre parcel located at 1449 Ninth Avenue in the Cortez Hill neighborhood of San Diego. The land is owned by the City of San Diego. The building was part of a public disposition, for which CHW was the only respondent. CHW offered the purchase price based on existing debt. The site is currently improved with a 48-unit building constructed in 1970 as a hotel, which was converted around 2000 into transitional housing for families experiencing homelessness.

Cortez Hill Apartments will be a new construction, affordable rental housing development that will include a total of 88 apartments on grade within a five-story wood-frame building. The project design will incorporate space for case management and resident services as well as property management. The development will consist of 79 one-bedroom units, eight two-bedroom units and one two-bedroom manager's unit. Integrated within the community will be 14 units (15 percent) reserved for households experiencing chronic homelessness with income up to 30 percent of AMI, who will be identified by referrals through the Coordinated Entry System (CES). The remaining 73 restricted units will serve households earning 30 percent to 40 percent of AMI. These 73 households will be selected from the Housing Commission's Project-Based Voucher Wait List. The site is within a Transit Priority Area, which allows for zero parking spaces for residential buildings. Residents are anticipated to utilize the numerous bus and trolley options located within walking distance of the site. In addition, by limiting parking, the development can avoid a costly podium design, which yields a more financially competitive project, focused on cost containment.

### Housing First

The project will serve 14 households experiencing chronic homelessness, residing within the City of San Diego. People Assisting the Homeless (PATH), as the lead service provider will be responsible for providing case management services to the 14 permanent supportive housing (PSH) units and providing resident services to the 73 non-PSH units. Appropriate services and/or referrals will be provided for all residents, including non-PSH units. The target population for the non-PSH units will be individuals and families earning 30 percent to 40 percent of AMI.

The 14 units serving homeless individuals will be provided with their own full-time case manager to provide intensive case management services. The case manager will provide linkages and transportation to appropriate on and off-site employment, mental/physical, substance abuse and crisis care as needed and requested by residents of the 14 units. An on-site half-time Activity Coordinator will provide general resident services to all units of the property, including the PSH units. The Coordinator will conduct a needs assessment and create a guide for residents needing referral to other resources. Activities will include community building events, education and skill-building classes, and health and wellness workshops/events.

The development is supported by HOUSING FIRST – SAN DIEGO, the Housing Commission's homelessness action plan. This action plan is rooted in the national "Housing First" model of addressing homelessness – to provide housing as quickly as possible, with supportive services as needed.

The Housing Commission has partnered with the Regional Task Force on the Homeless to enable homeless service providers in the City of San Diego (City) to participate in a Coordinated Entry System (CES), and utilize a single regional data management repository, the Homeless Management Information System (HMIS). Organizations serving individuals and families experiencing homelessness in the region share this single system, which enables the more efficient delivery of housing and critical

services to San Diegans experiencing homelessness. The database allows homeless housing providers to screen homeless individuals for the most appropriate housing options based on who is most in need. The developer and service provider will participate in the CES and maintain client data in the HMIS as required by the Housing Commission.

#### Developer's Request

In response to the Housing Commission's Fiscal Year 2021 Notice of Funding Availability (NOFA) CHW applied for a loan and Project-Based Housing Vouchers (PBVs) for the Cortez Hill Apartments development. On January 8, 2021, Housing Commission staff provided a preliminary recommendation of award for a residual receipts loan of up to \$5,000,000 and 87 federal PBVs for the development at 1449 Ninth Avenue.

The developer proposes to apply for and obtain: a CDLAC allocation of authority to issue tax-exempt private equity bonds, a California Tax Credit Allocation Committee (CTCAC) approval for 4 percent tax credits, and third-party financing, as described in this report.

#### The Property

The property is currently improved by an existing three-story apartment building that will be demolished and replaced with a new five-story development.

The site is close to neighborhood amenities, including grocery stores and a drug store/pharmacy within ½- to ¾-mile from the site. The site is a short walk from the Tweet Street Linear Park (800 feet to the north) and Balboa Park. Public transportation options include the Fifth Avenue Trolley Station (Orange & Blue Lines), 10th Avenue & A Street bus stop (110, 280, 290 buses) and the Fifth Avenue & Beech bus stop (3 bus), which results in strong accessibility to the greater city and county.

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

The site is located within a City-defined Transit Priority Area (TPA), which allows for zero parking spaces for residential buildings because of the high accessibility to transit options.

#### Appraisal

On October 12, 2020, the property was appraised by Rasmuson Appraisal Services at \$11,593.

The property is subject to covenants, conditions, and restrictions (CC&Rs) including the requirement that 44 of the units be rented to homeless families based on maximum income levels at 30 percent of the AMI. The project is required to be operated as a transitional housing facility and demolition of the improvements is not allowed based on existing restrictions. The income restrictions run with the land for 55 years from December 2003, or another 38 years.

The appraised value is based on the special assumption that the existing rent and occupancy restrictions for at least 44 units will remain in place until their expiration in 2058. The valuation also assumed that the existing restrictions could be altered to allow for the site to be demolished and redeveloped. Additionally, the appraiser has taken the cost of the demolition and work required to bring the site to a

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developable level is taken into consideration, along with the existing income restrictions that encumber the parcel into consideration when arriving at this valuation.

The appraisal determined that the highest and best use of the site is development of a site with an apartment project that would include 44 rent and occupancy restricted units per the CC&R's.

“Continued use of the existing improvements may require significant capital improvements to bring the project up to rentable standards. Operation of the facility would require a public subsidy since it has very limited rent earning potential given the rent, occupancy, and use restrictions.”

The proposed purchase price matches the existing trust deed amount encumbering the subject property and is to pay off this debt. The Property was reportedly marketed for sale, and the City received only the letter of intent from CHW in response. The City has agreed to amend the transitional housing requirement as part of the sale.

In a letter dated March 22, 2021, the Housing Commission stated that “upon the closing of the San Diego Housing Commission’s loan to Community Housing Works, then Housing Commission will: (i) amend its existing deed of trust to allow demolition of the existing improvements and construction of the new project; and (ii) replace the Declaration with a new Declaration with affordability levels as set forth in the table below or as otherwise approved by the President and CEO of the San Diego Housing Commission.” This aligns with Table 6 of this report and exceeds the original 44 units at 30 percent of AMI.

Unit Size	30% AMI	40% AMI
1 Bedroom	50	29
2 Bedroom	4	4

#### Prevailing Wages

The developer proposes to use U.S. Department of Housing and Urban Development (HUD) federal PBVs, administered by the Housing Commission, which will require the payment of federal Davis-Bacon prevailing wages. The proposed use of State of California Housing and Community Development Multifamily Housing Program (MHP) funds will require payment of state prevailing wages. The higher of the federal or state prevailing wages will apply.

#### Relocation

The building is vacant and no relocation is required.

#### Accessibility

Cortez Hill will comply with CTCAC requirements for wheelchair accessibility in 10 percent of the units, with 4 percent of the units accessible to residents with visual and/or hearing impairment. The same units can satisfy both of these accessibility requirements. In addition, these accessible units will satisfy the federal HOME Investment Partnerships Program (HOME) and Project-Based Housing Voucher accessibility requirement of wheelchair accessibility in 5 percent of the units, plus an additional 2 percent of the units accessible to residents with visual and/or hearing impairment. The same units can satisfy both of these accessibility requirements. The project will be 100 percent accessible for visitors. The development will include Universal Design features.

Project Sustainability

The development will comply with the CTCAC minimum energy efficiency standards for new construction. It will be designed to achieve a Green Point Rated Gold Rating certification. Green Point is a program of Build It Green, a non-profit organization promoting healthy, energy- and resource-efficient buildings in California. Green Point scores and rates housing in five categories, including energy and water conservation, indoor air quality, sustainable building materials, and community benefits such as proximity to public transportation. Sustainable features will include: Energy Star-rated efficient appliances, use of Low Volatile Organic Compound (VOC) paints and stains for interior surfaces, high-efficiency heating and cooling, energy-efficient windows, and low energy lighting. Water conservation will be promoted via drought-tolerant landscaping, and low-flow water fixtures and toilets.

Development Team

For Cortez Hill Apartments, (Attachment 3 - Organization Chart) CHW, a 501(c)(3) nonprofit, is the developer. The proposed borrower will be Beech Street Housing Associates L.P., which will include CHW Beech Street, LLC, as its General Partner, the nonprofit CHW as the sole member/manager, and a to-be-determined tax credit investor limited partner. CHW was formed in 2002 by the merger of Community Housing of North County and San Diego Neighborhood Housing Services. CHW has won many national, statewide, and regional awards for development excellence. They are a provider of multiple social services. CHW's mission is to revitalize neighborhoods through the creation of affordable housing with services for residents. CHW owns more than 3,670 apartments in 42 communities statewide, serving more than 9,000 families. CHW has developed a number of affordable housing developments utilizing Housing Commission loans. CHW is in full compliance on its previous Housing Commission-funded loans.

Based upon the developer's past experience and performance, Housing Commission staff has determined that the co-developers have the capacity to successfully complete the proposed project.

Supportive Services

The developments' tenant supportive services will be provided by People Assisting The Homeless (PATH).

**Table 2 Development Team Summary**

<b>ROLE</b>	<b>FIRM/CONTACT</b>
Developers	Community Housing Works
Owner/Borrower	Beech Street Housing Associates L.P., a California limited partnership
Managing General Partner	CHW Beech Street, LLC
Administrative General Partner	To Be Selected
Tax Credit Investor Limited Partner	To Be Selected
Architect	Steve Dalton Architects
General Contractor	Highland Construction Services
Property Management	ConAm
Supportive Services Provider	People Assisting The Homeless (PATH)
Construction and Permanent Lender	To Be Selected

Property Management

The Cortez Hill Apartments will be managed by ConAm Management Corporation (ConAm). ConAm is a nationwide management company with a management portfolio of approximately 53,000



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units in more than 26 metropolitan areas. It was established in 1975. It is experienced in property management, marketing, leasing, maintenance, renovations, and tax credit developments. ConAm manages 34 developments for CHW. CHW's Asset Management Department will oversee ConAm.

### **FINANCING STRUCTURE**

The Cortez Hill Apartments development has an estimated total development cost of \$43,647,979 (\$496,000/unit). Financing will include a combination of sources as described in Table 3. The developers' current pro forma is included as Attachment 4 and is summarized below.

**Table 3 – Cortez Hill Apartments Estimated Permanent Sources and Uses**

<b>Financing Sources</b>	<b>Amounts</b>	<b>Financing Uses</b>	<b>Amounts</b>	<b>Per Unit</b>
Permanent loan (bond financed)	\$9,065,300	Land	\$11,593	\$132
Housing & Community Development Multifamily Housing Program Loan	\$7,564,572	Construction costs \$25,903,627 Contingency +2,590,362 Total construction 28,493,989	\$28,493,989	323,795
Housing Commission Proposed loan	\$5,000,000			
General Partner contribution	\$1,218,926	Financing costs	\$3,191,355	36265
Tax credit equity	18,723,635	Architecture & Engineering	\$1,805,500	20,517
RTCIP Fee Waiver	\$283,185	Other soft costs	\$1,935,950	21,999
Deferred developer fee	\$1,500,000	City permits and impact fees	\$1,673,636	19,019
Accrued interest on soft loans	\$192,361	Reserves	\$1,317,030	14,966
CDLAC Deposit Refund	\$100,000	Developer's fee	\$5,218,926	59,306
<b>Total Development Cost</b>	<b>\$43,647,979</b>	<b>Total Development Cost</b>	<b>\$43,647,979</b>	<b>\$496,000</b>

The Housing Commission's proposed \$5,000,000 residual receipts loan will be funded with \$2,500,000 from HOME Investment Partnerships program (HOME) funds, awarded by HUD to the City of San Diego and administered by the Housing Commission, and \$2,500,000 from the City of San Diego's Affordable Housing Fund (Inclusionary Housing Fee and Housing Impact Fee, also known as Linkage Fee), which the Housing Commission administers. The total amount of funding sources shall not exceed \$5,000,000. A final determination of Housing Commission funding sources will be made by the Housing Commission's President & CEO, or designee, contingent upon budget availability. The proposed loan terms are summarized at Attachment 5.

The developer proposes financing with a combination of permanent loan, tax-exempt bonds, 4 percent tax credits, proposed loan funds from the State of California Department of Housing & Community Development, a deferred and contributed developer fee funds, and a proposed Housing Commission residual receipts loan. The Housing Commission requires affordable housing developers to pursue all viable sources of funding to reduce the financing gap and amount of Housing Commission subsidy required. If other funding is secured, proceeds will first be used to make an adjustment to reduce the Housing Commission's loan.

#### **Developers' Fee**

\$5,218,926 – gross developer fee

-1,218,926 – Developer fee contribution to the project

-1,500,000 – Deferred developer fee

\$2,500,000 net cash developer fee

The net cash developer fee shall be \$2,500,000 provided, however, that in the event financing terms or construction costs change and result in a financing gap, the developer may defer additional developer fee.

On April 25, 2017, the Housing Authority approved the “Request for Approval of Updated Developer Fees” (HAR17-011). That report approved certain developer fee guidelines for multifamily loans and bonds issuances. Attachment 1 to that report stated: “Developer fee for 4% tax credits: in project costs 15% of eligible basis....” For the Cortez Hill Apartments, the developer is proposing a \$5,218,926 total developer fee, which complies with HAR17-011. The fee proposed is consistent with the “Request for Approval of Updated Developer Fees” (HAR17-011) approved by the Housing Authority on April 25, 2017.

#### Development Cost Key Performance Indicators

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

**Table 4 – Cortez Hill Apartments Key Performance Indicators**

Development Cost Per Unit	$\$43,647,979 \div 88 \text{ units} =$	\$496,000
Housing Commission Subsidy Per Unit	$\$5,000,000 \div 88 \text{ units} =$	\$56,818
Acquisition Cost Per Unit	$\$11,593 \div 88 \text{ units} =$	\$132
Gross Building Square Foot Hard Cost	$\$28,493,989 \div 54,160 \text{ sq. ft.} =$	\$526
Net Rentable Square Foot Hard Cost	$\$28,493,989 \div 41,512 \text{ sq. ft.} =$	\$686

#### Project Comparison Chart

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

**Table 5 – Cortez Hill Apartments Comparable Development Projects**

Project Name	Year	Unit Mix	Units	Prevailing Wages	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Sq. Ft.
<b>Subject – Cortez Hill Apartments</b>	<b>2021</b>	<b>79 1BR, 8 2BR &amp; 1 mgr unit</b>	<b>88</b>	<b>Yes</b>	<b>\$43,647,979</b>	<b>\$496,000</b>	<b>\$56,818</b>	<b>\$526</b>
Southwest Village	2021	30 1 BR, 29 2 BR, 21 3 BR, & 1 mgr	81	Yes	\$40,314,147	\$497,706	\$0	\$367
East Block Family	2019	33 2 BR, 44 3 BR, & 1 mgr unit	78	No	\$40,562,897	\$520,203	\$0	\$355
3Roots	2020	24 one-bedroom, 79 two-bedroom, 77 three-bedroom,	180	No	\$89,421,776	\$496,788	\$0	\$349

		+1 manager's unit						
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### 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 (Attachment 6 – Multifamily Housing Revenue Bond Program). The Housing Authority's ability to issue bonds is limited under the U.S. Internal Revenue Code. To issue bonds for a development, the Housing Authority must first submit an application to the CDLAC for a bond allocation. Prior to submitting applications to CDLAC, developments are brought before the Housing Commission. Housing Commission bond inducement resolutions must be obtained prior to CDLAC application submittal, and a Housing Commission Tax Equity and Fiscal Responsibility Act (TEFRA) resolution must be secured prior to bond issuance. These actions do not obligate the Housing Authority to issue bonds.

The developer plans to submit a bond allocation application to CDLAC in February 2022 for an April 2022 bond allocation meeting (dates are subject to change at CDLAC's discretion); however, if necessary, staff will submit additional applications to CDLAC to secure a bond allocation for the development. The developer will be seeking a CDLAC bond allocation of approximately \$24,600,000 in tax-exempt Multifamily Housing Revenue 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. Housing Commission staff will later return to both the Housing Commission and Housing Authority for approval of the final bonds and transaction documents. A general description of the Multifamily Housing Revenue Bond Program and the actions that must be taken by the Housing Authority and by the City Council to initiate and finalize proposed financings are described in Attachment 6. Staff recommends assigning Jones Hall as Bond Counsel and Ross Financial as Financial Advisor to work on the development. The proposed financing team members have been selected in accordance with the existing policy for the issuance of bonds. Financial Advisors and Bond Counsels are selected in accordance with the Housing Commission's Bond Policy.

### AFFORDABLE HOUSING IMPACT

Under the proposed bond financing, the Cortez Hill Apartments development will serve individuals and families experiencing homelessness with incomes of 30 percent to 40 percent of San Diego's Area Median Income (AMI). The development will provide 87 units of affordable housing for very low- and low- income households, 14 of which will be set aside for individuals experiencing chronic homelessness, within the City of San Diego.

On January 8, 2021, Housing Commission staff provided a preliminary recommendation of award for a residual receipts loan of up to \$5,000,000 and 87 federal Project-Based Housing Vouchers (PBV) for the development at 1449 Ninth Ave.. That commitment will be contingent upon a subsidy layering review and execution of an Agreement to Enter into Housing Assistance Payment. Under this PBV program, the tenants' rent portion is determined by using the applicable minimum rent or a calculated amount based on their income level, whichever is higher, with the remainder being federally subsidized up to a gross

rent level approved by the Housing Commission. The Housing Assistance Payment provides a rental subsidy for the project's residents.

Under the proposed loan, the Cortez Hill Apartments development will be subject to a Housing Commission Declaration of Covenants and Restrictions, in addition to applicable tax credit and bond regulatory agreements that will restrict affordability of 87 units for 55 years. The HOME program's funds will have affordability and rent restrictions for 20 years. Under the proposed loan and bond financing, Cortez Hill Apartments will have 87 units restricted to households with incomes of 30 percent to 40 percent of San Diego's Area Median Income (AMI). The remaining unit will be an unrestricted manager's unit. Table 6 summarizes the affordability:

**Table 6 – Cortez Hill Apartments Affordability and Monthly Estimated Rent Table**

Unit Type	AMI	Number of Units	Maximum Gross Rents
One bedroom	30% AMI	50	\$649
One bedroom	40% AMI	29	\$866
Two bedroom	30% AMI	4	\$780
Two bedroom	40% AMI	4	\$1,040
Subtotal residential units		87	
Managers' units (two bedroom)	--	1	
Total Units		88	

There will be 15 total HOME Investment Partnerships (HOME) restricted units. The same units may be counted as the tax credit restricted units and the HOME restricted units. The more stringent of the funding sources' affordability/rent restrictions will take precedence during the term of their applicability.

### **FISCAL CONSIDERATIONS**

The funding sources and uses proposed for approval by this proposed action are included in the Housing Authority-approved Fiscal Year (FY) 2022 Housing Commission Budget. Approving this action will not change the FY 2022 total budget.

Estimated funding sources approved by this action will be as follows:

- Affordable Housing Fund – up to \$2,500,000
- HOME – up to \$2,500,000
- Bond Issuance Fees - \$61,500 (\$24,600,000 x .0025)

Estimated funding uses approved by this action will be as follows:

- Loans – up to \$5,000,000
- Program Administrative Costs - \$61,500

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

Approval of the bond inducement and TEFRA resolutions does not commit the Housing Authority to issue the bonds. The bonds would not constitute a debt of the City. If bonds are ultimately issued for the

development, the bonds will not financially obligate the City, the Housing Authority, nor 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's annual administrative fee, as well as the Housing Commission's Bond Counsel and Financial Advisor fees.

#### Development Schedule

The estimated development timeline is as follows:

<b>Milestones</b>	<b>Estimated Dates</b>
<ul style="list-style-type: none"><li>• HCD Multifamily Housing Program application</li><li>• HCD Multifamily Housing Program award</li><li>• CDLAC bond application &amp; CTCAC tax credit application</li><li>• CDLAC allocation meeting &amp; CTCAC allocation meeting</li><li>• Housing Commission final bond authorization</li><li>• Housing Authority final bond authorization</li><li>• Estimated bond issuance and escrow/loan closing</li><li>• Estimated start of construction work</li><li>• Estimated completion of construction work</li></ul>	<ul style="list-style-type: none"><li>• September 2021</li><li>• December 2021</li><li>• February 2022</li><li>• April 2022</li><li>• June 2022</li><li>• June 2022</li><li>• October 2022</li><li>• October 2022</li><li>• May 2024</li></ul>

#### **PREVIOUS COUNCIL and/or COMMITTEE ACTION**

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

On October 20, 2020, the City Council authorized the City to sell the building at 1449 Ninth Avenue to Community Housing Works (Resolution No. R-313266).

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

An informational-only initial design concept was provided to the local neighborhood group Cortez Hill Active Resident Group (CHARG) on October 26, 2020, and again on February 22, 2021. The developer made a presentation to the Downtown San Diego Partnership on March 11, 2021, the Downtown Residents Group on March 15, 2021, and the Downtown Planning Group on March 17, 2021.

#### **KEY STAKEHOLDERS & PROJECTED IMPACTS**

Stakeholders include Community Housing Works as the developer, the Housing Authority as bond issuer, the State of California Department of Housing and Community Development as a lender, and the Cortez Hill neighborhood. The Cortez Hill Apartments development is anticipated to have a positive impact on the community as it will contribute to the quality of the surrounding neighborhood and create 14 new affordable rental homes for persons experiencing homelessness.

#### **STATEMENT FOR PUBLIC DISCLOSURE**

Developer Disclosure Statements for Community Housing Works are provided at Attachment 7.

July 1, 2021

Cortez Hill Apartments Loan Recommendation and Preliminary Bond Authorization

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## **ENVIRONMENTAL REVIEW**

### **California Environmental Quality Act**

Development within the Downtown Community Planning area is covered under the following documents, all referred to as the "Downtown FEIR": Final Environmental Impact Report (FEIR) for the San Diego Downtown Community Plan, Centre City Planned District Ordinance, and 10th Amendment to the Centre City Redevelopment Plan, certified by the former Redevelopment Agency ("Former Agency") and the City Council on March 14, 2006 (Resolutions R-04001 and R-301265, respectively); subsequent addenda to the FEIR certified by the Former Agency on August 3, 2007 (Former Agency Resolution R-04193), April 21, 2010 (Former Agency Resolution R-04510), and August 3, 2010 (Former Agency Resolution R-04544), and certified by the City Council on February 12, 2014 (City Council Resolution R-308724) and July 14, 2014 (City Council Resolution R-309115); and, the Final Supplemental Environmental Impact Report for the Downtown San Diego Mobility Plan certified by the City Council on June 21, 2016 (Resolution R-310561). Development within the Downtown Community Planning area is also covered under the following documents, all referred to as the "CAP FEIR": FEIR for the City of San Diego Climate Action Plan (CAP), certified by the City Council on July 12, 2016 (City Council Resolution R-310596). The Downtown FEIR and CAP FEIR are both "Program EIRs" prepared in compliance with California Environmental Quality Act (CEQA) Guidelines Section 15168. The information contained in the Downtown FEIR and the CAP FEIR reflects the independent judgement of the City of San Diego as the lead agency. The Downtown FEIR and CAP FEIR are located on the City of San Diego's website:

([https://www.sandiego.gov/planning/programs/ceqa#Final CEQA Documents](https://www.sandiego.gov/planning/programs/ceqa#Final%20CEQA%20Documents)). Consistent with best practices suggested by Section 15168, a Downtown 15168 Consistency Evaluation ("Evaluation") will be completed to evaluate the project's consistency with the findings of the Downtown FEIR and CAP FEIR. If the evaluation concludes that the environmental impacts of the project were adequately addressed in the Downtown FEIR and CAP FEIR, the project within the scope of the development program described within both documents for the purposes of CEQA; and, that none of the conditions listed in Section 15162 exist, no further environmental documentation will be required under CEQA. Approval will occur once the environmental review has been completed in accordance with CEQA Section 15004. This action will not foreclose review of alternatives or mitigation measures by the public as part of the CEQA process.

### **National Environmental Policy Act**

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

Respectfully submitted,

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 Maps

July 1, 2021

Cortez Hill Apartments Loan Recommendation and Preliminary Bond Authorization

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3. Organization Chart
4. Developers' Project Pro Forma
5. Proposed Loan Terms
6. Multifamily Housing Revenue Bond Program
7. Developers' Disclosure Statements

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

## ATTACHMENT 1 – DEVELOPMENT SUMMARY

**Table 1 –Development Details**

Address	1449 Ninth Avenue, San Diego 92101
Council District	3
Community Plan Area	Cortez Hill Active Residents Group (CHARG)
Developers	Community Housing Works
Development Type	New construction
Construction Type	5 story IA and VA
Parking Type	No Parking – site is located in a Transit Priority Area, which allows for a zero minimum parking space requirement for residential buildings.
Mass Transit	The closest bus stop is at 10 <sup>th</sup> Avenue & A Street, 0.2 miles from the site. The nearest trolley stop is the Fifth Avenue stop 0.5 miles from the site.
Housing Type (Affordable Units)	Affordable housing for households with very low or extremely low income, including 14 permanent supportive housing for individuals experiencing homelessness
Lot Size	.41 acres, 17,651 square feet.
Units	87 affordable units and one manager’s unit.
Density	214 dwelling units per acre (88 units ÷ .41 acres).
Unit Mix	79 one-bedroom, 8 two-bedroom and 1 manager’s unit.
Gross Building Area	54,160 square feet
Net Rentable Area	47,512 square feet
Project Based Housing Vouchers	87 Project-Based Vouchers

**Table 2 Development Team Summary**

ROLE	FIRM/CONTACT
Developers	Community Housing Works
Owner/Borrower	Beech Street Housing Associates L.P., a California limited partnership
Managing General Partner	CHW Beech Street, LLC
Administrative General Partner	To Be Selected
Tax Credit Investor Limited Partner	To Be Selected
Architect	Steve Dalton Architects
General Contractor	Highland Construction Services
Property Management	ConAm
Supportive Services Provider	People Assisting The Homeless (PATH)
Construction and Permanent Lender	To Be Selected



**Table 3 – Cortez Hill Apartments Estimated Permanent Sources and Uses**

<b>Financing Sources</b>	<b>Amounts</b>	<b>Financing Uses</b>	<b>Amounts</b>	<b>Per Unit</b>
Permanent loan (bond financed)	\$9,065,300	Land	\$11,593	\$132
Housing & Community Development Multifamily Housing Program Loan	\$7,564,572	Construction costs \$25,903,627 Contingency <u>+2,590,362</u> Total construction 28,493,989	\$28,493,989	323,795
Housing Commission Proposed loan	\$5,000,000			
General Partner contribution	\$1,218,926	Financing costs	\$3,191,355	36,265
Tax credit equity	18,723,635	Architecture & Engineering	\$1,805,500	20,517
RTCIP Fee Waiver	\$283,185	Other soft costs	\$1,935,950	21,999
Deferred developer's fee	\$1,500,000	City permits and impact fees	\$1,673,636	19,019
Accrued interest on soft loans	\$192,361	Reserves	\$1,317,030	14,966
CDLAC Deposit Refund	\$100,000	Developer's fee	\$5,218,926	59,306
<b>Total Development Cost</b>	<b>\$43,647,979</b>	<b>Total Development Cost</b>	<b>\$43,647,979</b>	<b>\$496,000</b>

**Table 4 – Cortez Hill Apartments Key Performance Indicators**

Development Cost Per Unit	\$43,647,979 ÷ 88 units =	\$496,000
Housing Commission Subsidy Per Unit	\$5,000,000 ÷ 88 units =	\$56,818
Acquisition Cost Per Unit	\$11,593 ÷ 88 units =	\$132
Gross Building Square Foot Hard Cost	\$28,493,989 ÷ 54,160 sq. ft. =	\$526
Net Rentable Square Foot Hard Cost	\$28,493,989 ÷ 41,512 sq. ft. =	\$686

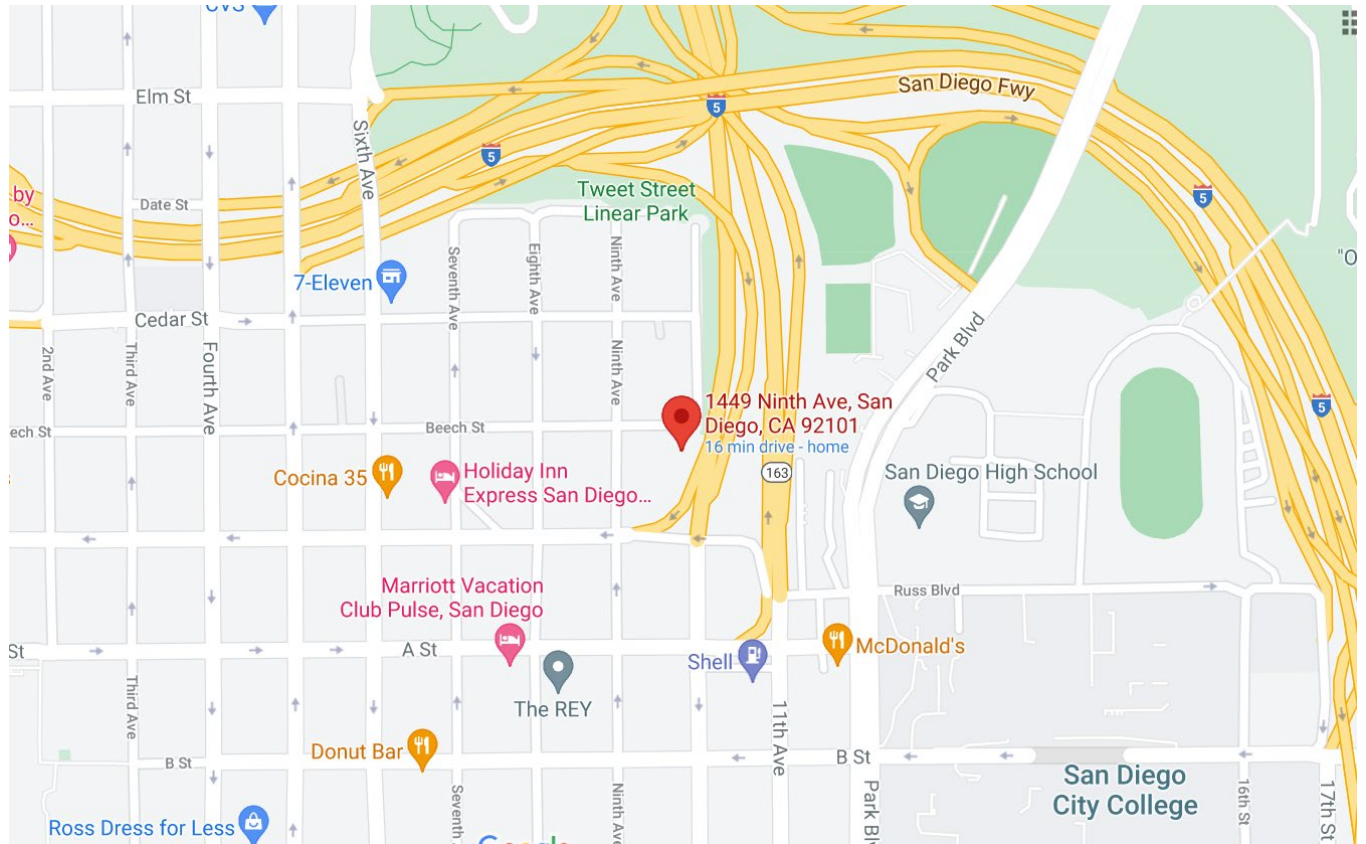
**Table 5 – Cortez Hill Apartments Comparable Development Projects**

Project Name	Year	Unit Mix	Units	Prevailing Wages	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Sq. Ft.
<b>Subject – Cortez Hill Apartments</b>	<b>2021</b>	<b>79 1BR, 8 2BR &amp; 1 mgr unit</b>	<b>88</b>	<b>Yes</b>	<b>\$43,647,979</b>	<b>\$496,000</b>	<b>\$56,818</b>	<b>\$526</b>
Southwest Village	2021	30 1 BR, 29 2 BR, 21 3 BR, & 1 mgr	81	Yes	\$40,314,147	\$497,706	\$0	\$367
East Block Family	2019	33 2 BR, 44 3 BR, & 1 mgr unit	78	No	\$40,562,897	\$520,203	\$0	\$355
3Roots	2020	24 one-bedroom, 79 two-bedroom, 77 three-bedroom, +1 manager's unit	180	No	\$89,421,776	\$496,788	\$0	\$349

**Table 6 – Cortez Hill Apartments Affordability and Monthly Estimated Rent Table**

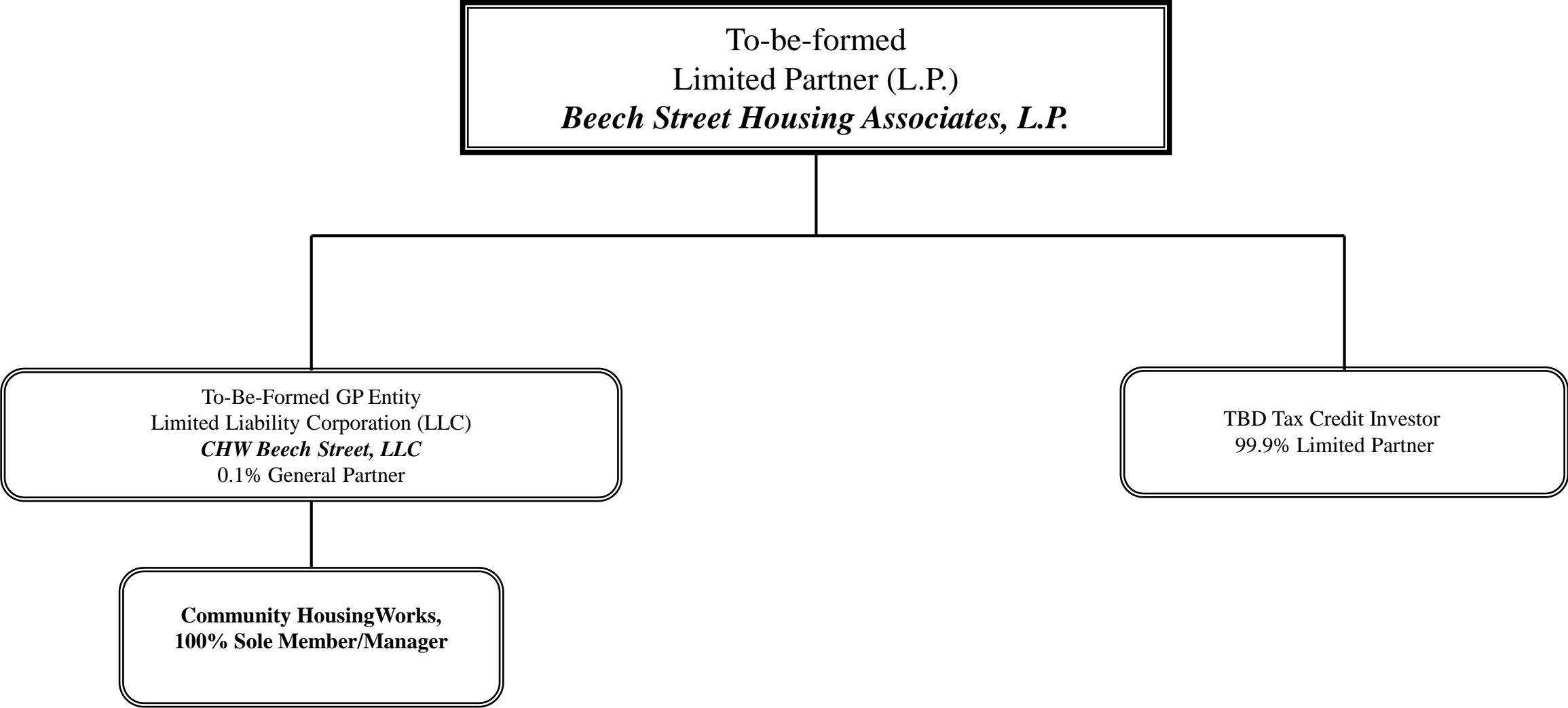
<b>Unit Type</b>	<b>AMI</b>	<b>Number of Units</b>	<b>Maximum Gross Rents</b>
One bedroom	30% AMI	50	\$649
One bedroom	40% AMI	29	\$866
Two bedroom	30% AMI	4	\$780
Two bedroom	40% AMI	4	\$1,040
Subtotal residential units		87	
Managers' units (two bedroom)	--	1	
Total Units		88	

## ATTACHMENT 2 – MAP





# ATTACHMENT 3 - ORGANIZATION CHART



- 1) At the time of syndication, Esperanza’s Limited Partnership interest will be assumed by the tax credit investor and converted to a 99.9% partnership interest.
- 2) At the time of syndication, Community HousingWorks will assume the General Partner interest, which will be converted to a 0.1% partnership interest.

ATTACHMENT 4 - DEVELOPER'S PROJECT PRO FORMA

Cortez Hill

Prepared For:	Community HousingWorks
Prepared By:	California Housing Partnership Corporation
Version:	1.06 MHP/SDHC
Revised:	February 9, 2021
Notes:	Minimum 4% credit rate

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SOURCES OF FUNDS

PAGE 1

PERMANENT					
	AMOUNT	TOTAL INT COST	OID INT RATE	AMORT TERM (Yr)	COMMENTS
Tax-Exempt Permanent Loan	9,065,300	4.75%		35	17 Year Term / 35 Year Amortization
HCD MHP	7,564,572	3.00%	1.79%	55	
San Diego Housing Commission	5,000,000	4.00%	2.14%	55	
Accrued/Deferred Interest	192,361				
RTCIP Fee Waiver	283,185				
CDLAC Deposit Refund	100,000	0.00%		55	
Deferred Developer Fee	1,500,000	0.00%			
Capital Contributions					
General Partner (Developer Fee)	1,218,926				Federal Credit Pricing (Gross):
Limited Partner	18,723,635				Credit Rate (Minimum Rate):
					\$0.900
					4.00%
TOTAL SOURCES	43,647,979				
Surplus/(Shortfall)	(0)				

CONSTRUCTION					
	AMOUNT	INT RATE	TERM (Mo.)		
Tax-Exempt Construction Loan	22,315,000	4.45%	24	CDLAC 55% Limit:	22,315,349
Supplemental Construction Loan	9,099,114	4.45%	24		
San Diego Housing Commission	4,500,000	4.00%	24		
Accrued/Deferred Interest	192,361				
RTCIP Fee Waiver	283,185				
CDLAC Deposit Refund	100,000				
Costs Deferred Until Conversion	3,785,957				
Deferred Developer Fee	1,500,000				
Capital Contributions					
General Partner (Developer Fee)	0				
Limited Partner	1,872,364				
TOTAL SOURCES	43,647,979				
Surplus/(Shortfall)	0				

COSTS DEFERRED UNTIL CONVERSION

DEVELOPER FEE PAY-IN SCHEDULE

MHP Transition Reserve	627,046	Construction Closing	1,250,000
Operating Reserve (6 months)	663,584		
Replacement Reserve	26,400		
Legal - Permanent Closing	0	Perm Conversion/Stabilization	1,218,926
Title/Recording/Escrow - Permanent	0	Perm Conversion/Stabilization	1,100,000
Audit/Cost Certification	0	Form 8609	150,000
Developer Fee	2,468,926	Deferred Fee paid from Cash Flow	1,500,000
TOTAL	3,785,957	TOTAL	5,218,926

INTEREST RATE STACK

	Tax-Exempt Construction	Taxable Construction	Tax-Exempt Permanent
Index (LIBOR Floor/ 10 Yr Treasury Floor)	0.75%	0.75%	1.30%
Bank spread	2.20%	2.20%	2.90%
Cushion	1.50%	1.50%	0.55%
TOTAL	4.45%	4.45%	4.75%

Cortez Hill  
Uses of Funds

Version: 1.06 MHP/SDHC  
Revised: February 9, 2021

	100.00% TOTAL		NON- DEPREC	DEPRECIABLE		EXPENSE	AMORTIZE	TAX CREDIT ELIGIBLE	
	TOTAL	RESIDENTIAL		RESIDENTIAL	NON-RES			CONST/ REHAB	ACQUIS.
ACQUISITION COSTS									
Land	11,593	11,593	11,593						
GENERAL DEVELOPMENT COSTS									
Residential Construction	20,886,150	20,886,150	0	20,886,150	0		0	20,886,150	
Demolition	520,000	520,000	520,000	0				0	
Site Work/Landscape	800,000	800,000		800,000	0			800,000	
Contractor General Requirements	810,000	810,000	0	810,000	0			810,000	
Contractor Overhead/Profit	2,272,680	2,272,680	0	2,272,680	0			2,272,680	
Contractor Insurance/Bonds	614,797	614,797		614,797	0			614,797	
Construction Contingency (10%)	2,590,363	2,590,363	0	2,590,363	0			2,590,363	
Local Permits/Fees/Utility Fees	170,000	170,000		170,000	0			170,000	
Local Development Impact Fees	1,453,636	1,453,636	283,185	1,170,451	0			1,170,451	
Environmental Audit	50,000	50,000		50,000	0			50,000	
Architecture	1,220,000	1,220,000		1,220,000	0			1,220,000	
Survey/Engineering	585,500	585,500		585,500	0			585,500	
Appraisal	12,000	12,000		12,000	0		0	12,000	
Market Study	5,000	5,000		0	0		5,000	0	
Predevelopment Loan Interest/Expenses	167,412	167,412	0	167,412	0			167,412	
Construction Period Interest (Tax-Exempt)	1,191,621	1,191,621		893,716	0	297,905		893,716	
Construction Period Interest (Taxable Loan)	485,893	485,893		364,420	0	121,473		364,420	
Construction Period Interest (SDHC)	192,361	192,361		144,270	0	48,090		144,270	
Title/Recording/Escrow - Acquisition	25,000	25,000	25,000	0	0			0	0
Title/Recording/Escrow - Construction	40,000	40,000		40,000	0			40,000	0
Title/Recording/Escrow - Permanent	10,000	10,000					10,000		
Real Estate Taxes During Construction	319	319		319	0	0		319	0
Insurance During Construction	491,270	491,270		491,270	0	0		491,270	0
Soft Cost Contingency	511,026	511,026		511,026	0			511,026	
TCAC Application/Monitoring Fee	79,282	79,282					79,282		
Legal: Acquisition	5,000	5,000	5,000	0				0	0
Construction Closing	77,500	77,500		77,500	0			77,500	0
Permanent Closing	0	0					0		
Organization of Partnership	24,600	24,600					24,600		
Syndication	60,000	60,000	60,000						
Investor Fees	35,000	35,000	35,000						
Syndication Consulting	82,500	82,500	82,500					0	0
Audit/Cost Certification	38,000	38,000		0		38,000	0	0	
Furnishings	75,000	75,000		75,000	0			75,000	
Replacement Reserve	26,400	26,400	0			26,400			
MHP Transition Reserve	627,046	627,046	627,046						
Operating Reserve (6 months)	663,584	663,584	663,584						
Marketing/Lease-Up	149,407	149,407				149,407			
Energy Modeler/CNA	35,000	35,000		35,000				35,000	
Prevailing Wage Monitor	216,828	216,828		216,828	0			216,828	
3rd Party Construction Manager	160,000	160,000		160,000	0			160,000	
Developer Fee	5,218,926	5,218,926		5,218,926	0			5,218,926	0
Financing Costs									
Permanent Lender Counsel	10,000	10,000					10,000	0	
Construction Lender Counsel	60,000	60,000		60,000			0	60,000	
Bond Counsel	50,000	50,000					50,000		
Construction Lender Expenses/Inspections	60,000	60,000		60,000				60,000	0
Construction Loan Fees	314,141	314,141		314,141			0	314,141	
Permanent Loan Fees	90,653	90,653					90,653		
Trustee Fee	15,000	15,000					15,000		
CDIAC Fees	3,000	3,000					3,000		
CDLAC Fees	7,810	7,810					7,810		
SDHC Issuer Fee at Closing (0.25%)	55,788	55,788					55,788		
SDHC Issuer Application Fee	13,000	13,000					13,000		
SDHC Issuer Prepaid Annual Fee (0.125%)	27,894	27,894					27,894		
SDHC Issuer Expenses	50,000	50,000					50,000		
SDHC Loan Legal/Cost Review	100,000	100,000					100,000		
CDLAC Performance Deposit (refundable)	100,000	100,000	100,000				0		
Subtotal - Costs of Issuance	957,286	957,286	100,000	434,141	0	0	423,145	434,141	0
TOTAL DEVELOPMENT COSTS	43,647,979	43,647,979	2,412,908	40,011,769	0	681,276	542,027	40,011,769	0
Total Development Cost Per Unit	496,000								

TCAC DEVELOPER FEE CALCULATION (4% Project)			
	Construction	Acquisition	Total
Eligible Basis	34,792,843	0	34,792,843
Maximum Potential TCAC Fee (per basis)	5,218,926	0	5,218,926
Maximum Fee Per TCAC	5,218,926	0	5,218,926
MAXIMUM FEE IN ELIGIBLE BASIS & COSTS	5,218,926	0	5,218,926
Maximum Fee Paid From Development Sources			2,500,000
Contributed as GP Equity and/or Deferred Fee Paid from Cash Flow			2,718,926

Proposed Developer Fee Limits	
Developer Fee Paid From Development Sources	2,500,000
Priority Deferred Fee Paid From Cash Flow	1,500,000
Developer Fee Contributed as GP Equity	1,218,926
Total Developer Fee	5,218,926

AVERAGE AFFORDABILITY FOR QUALIFIED UNITS (% AMI)		UNIT MIX		UTILITY ALLOWANCES
33.8%		1 BR	79	62
		2 BR	9	82

RESIDENTIAL INCOME

TCAC RENT LIMIT		30%		Percentage of Targeted Units: 62.1%				
UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
1 Bedrooms	50	559	27,950	30.0%	649	587	29,350	352,200
2 Bedrooms	4	752	3,008	30.0%	780	698	2,792	33,504
TOTAL	54		30,958				32,142	385,704

TCAC RENT LIMIT		40%		Percentage of Targeted Units: 37.9%				
UNIT TYPE	NUMBER	PER UNIT SQ FT	TOTAL SQ FT	% MEDIAN INCOME AFFORDABLE	PER-UNIT MONTHLY GROSS RENT	PER-UNIT MONTHLY NET RENT	TOTAL MONTHLY NET RENT	TOTAL ANNUAL NET RENT
1 Bedrooms	29	559	16,211	40.0%	866	804	23,316	279,792
2 Bedrooms	4	752	3,008	40.0%	1,040	958	3,832	45,984
TOTAL	33		19,219				27,148	325,776

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

SECTION 8 INCOME								
UNIT TYPE	NUMBER	INCOME TIER	PER-UNIT MONTHLY NET RENT	PER UNIT S8 NET RENT	PER-UNIT MONTHLY S8 PREMIUM		TOTAL MONTHLY S8 PREMIUM	TOTAL ANNUAL S8 PREMIUM
1 BR	50	30%	587	1,389	802		40,100	481,200
1 BR	29	40%	804	1,389	585		16,965	203,580
2 BR	4	30%	698	1,801	1,103		4,412	52,944
2 BR	4	40%	958	1,801	843		3,372	40,464
TOTAL	87						64,849	778,188
SECTION 8 PREMIUM (annual Section 8 income less total annual base rents)							64,849	778,188
TOTAL - BASE RENT PLUS SECTION 8 PREMIUM							124,139	1,489,668

TOTAL RESIDENTIAL INCOME				TOTAL UNITS	TOTAL MONTHLY (Net)	TOTAL ANNUAL
				88	124,139	1,489,668
TOTAL SQ FT - TAX CREDIT ELIGIBLE			50,177			
TOTAL SQ FT - NON-TAX CREDIT ELIGIBLE			0			
TOTAL RENTABLE SQ FT			50,177			

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



		FEDERAL			CALIFORNIA		
		<u>ACQUIS</u>	<u>CONST/ REHAB</u>	<u>TOTAL</u>	<u>ACQUIS</u>	<u>CONST/ REHAB</u>	<u>TOTAL</u>
TOTAL ELIGIBLE COSTS		0	40,011,769	40,011,769	0	0	0
ELIGIBLE BASIS		0	40,011,769	40,011,769	0	0	0
THRESHOLD BASIS LIMIT				79,727,560			
REQUESTED ELIGIBLE BASIS		0	40,011,769	40,011,769	0	0	0
LESS: Voluntary Reduction for Tiebreaker			0				
TOTAL REQUESTED UNADJUSTED ELIGIBLE BASIS		0	40,011,769			0	
HIGH COST ADJUSTMENT (Y/N)	Y	100.0%	130.0%		100.0%	100.0%	
ADJUSTED ELIGIBLE BASIS		0	52,015,300	52,015,300	0	0	0
APPLICABLE FRACTION*		100.0%	100.0%		100.0%	100.0%	
QUALIFIED CREDIT BASIS		0	52,015,300	52,015,300	0	0	0
LESS: Credit Reduction for Leveraging	0.00%	0	0	0			
ADJUSTED QUALIFIED CREDIT BASIS		0	52,015,300	52,015,300			
CREDIT RATE	Federal Annual/Yr 1-3 State Year 4 - State	4.00%	4.00%		4.00% 1.00%	4.00% 1.00%	
MAXIMUM CREDIT AMOUNT PER COSTS	Federal Annual/Yr 1-3 State Year 4 - State Total	0	2,080,612	2,080,612	0 0 0	0 0 0	0 0 0
ACTUAL TCAC CREDIT RESERVATION	Federal Annual/Total State	N/A	N/A	N/A	N/A	N/A	N/A
MAXIMUM ALLOWABLE CREDITS	Federal Annual/Total State	0	2,080,612	2,080,612			0
MAXIMUM ALLOWABLE - TEN YEAR TOTAL				20,806,120			0

INCOME		
Scheduled Gross Income		711,480
Rental Subsidy		778,188
Misc. Income		8,448
Vacancy Loss	5.0%	(35,996)
Vacancy Loss - Rental Subsidy	5.0%	(38,909)
EFFECTIVE GROSS INCOME		1,423,210
EXPENSES - RESIDENTIAL		
<b>Administrative</b>		
Advertising	908	
Legal	6,000	
Accounting/Audit	8,000	
Security	60,840	
Admin/Office Expenses	55,843	
Total Administrative		131,591
Management Fee		58,080
<b>Utilities</b>		
Electricity	33,771	
Gas	45,600	
Total Utilities		79,371
Water/Sewer		28,615
<b>Payroll/Payroll Taxes</b>		
On-Site Managers	71,613	
Maintenance/Janitorial Payroll	70,753	
Manager Unit Expense/(Credit)	0	
Payroll Taxes/Benefits	43,097	
Total Payroll/Payroll Taxes		185,463
Insurance		24,000
Real Estate Taxes		3,000
Misc Taxes/Licenses/Permits		0
<b>Maintenance</b>		
Painting/Unit Turnover	7,000	
Repairs	14,200	
Trash Removal	0	
Exterminating	8,600	
Grounds/Landscaping	6,000	
Elevator	6,000	
Total Maintenance		41,800
Replacement Reserve	PUPM: 500	44,000
Operating Reserve		0
<b>Other</b>		
SDHC Loan Monitoring Fee	13,050	
Resident Services	143,300	
SDHC Bond Monitoring Fee	11,332	
Total Other		167,682
TOTAL EXPENSES - RESIDENTIAL		763,602
Per Unit Per Year (Total)	8,677	
Per Unit Per Year (w/o Taxes, Reserves, Services, Monitoring Fees)	6,238	
TOTAL EXPENSES - COMMERCIAL		0
NET AVAILABLE INCOME		659,609
Debt Service Coverage Ratio		1.15
AVAILABLE FOR DEBT SERVICE		573,573

MAXIMUM MORTGAGE CALCULATION

Tax-Exempt Permanent Loan		
Net Operating Income (including Rental Subsidy)		659,609
DSC		1.15
Available for Debt Service		573,573
Less MHP Mandatory Interest Payment		(31,771)
Less SDHC Loan Payment		<u>(10,000)</u>
Net Available for Debt Service		531,801
	Underwriting Constraint	Maximum Loan Amount
Debt Service Coverage	1.15	9,065,300
Bank Maximum Loan Commitment		NA
MAXIMUM MORTGAGE		9,065,300

LOAN CONSTANT/TIC CALCULATION

	Tax- Exempt Permanent Loan				
Bond or Loan Rate	4.75000%				
Term (Yr)	35.00				
Amort (P&I)	<u>1.11628%</u>				
Loan Constant	5.86628%				
Imputed Total Interest Cost (TIC)	4.75000%				

BOND/REHABILITATION RATIOS

Tax-Exempt Financing Ratio	
	Aggregate
Tax-Exempt Construction Loan	22,315,000
TOTAL TAX-EXEMPT FINANCING	22,315,000
AGGREGATE BASIS	40,573,362
Depreciable Basis (residential)	40,011,769
Land	11,593
Demolition	520,000
Acquisition Title/Recording/Escrow	25,000
Acquisition Legal	5,000
Percent Tax-Exempt Financing	55.00%

LIHTC LEASE-UP SCHEDULE		
Lease-Up Start (Year):		2023
Lease Up/Mo		
Month	# Units	Percent
Jan-23	87	100.0%
Feb-23	0	0.0%
Mar-23	0	0.0%
Apr-23	0	0.0%
May-23	0	0.0%
Jun-23	0	0.0%
Jul-23	0	0.0%
Aug-23	0	0.0%
Sep-23	0	0.0%
Oct-23	0	0.0%
Nov-23	0	0.0%
Dec-23	0	0.0%
TOTAL	87	100.0%
% Q.O. in First Year		100.0%

BUILDING PLACED-IN-SERVICE SCHEDULE				
Start Year:			2023	
		Bldg. PIS by Month		
Month	Building #	# Units	Percent	
Jan-23	1	88	100.0%	
Feb-23	0	0	0.0%	
Mar-23	0	0	0.0%	
Apr-23	0	0	0.0%	
May-23	0	0	0.0%	
Jun-23	0	0	0.0%	
Jul-23	0	0	0.0%	
Aug-23	0	0	0.0%	
Sep-23	0	0	0.0%	
Oct-23	0	0	0.0%	
Nov-23	0	0	0.0%	
Dec-23	0	0	0.0%	
TOTAL		88	100.0%	
% PIS in First Year		100.0%		

OPERATIONS SCHEDULE		
Start Year:		2023
Completed Lease Up/Mo		
Month	No. Units	Percent
Jan-23	88	100.0%
Feb-23	0	0.0%
Mar-23	0	0.0%
Apr-23	0	0.0%
May-23	0	0.0%
Jun-23	0	0.0%
Jul-23	0	0.0%
Aug-23	0	0.0%
Sep-23	0	0.0%
Oct-23	0	0.0%
Nov-23	0	0.0%
Dec-23	0	0.0%
TOTAL	88	100.0%
% Operating in First Year		100.0%

DEVELOPMENT SCHEDULE	
CDLAC/TCAC Application	September-21
CDLAC/TCAC Reservation	December-21
Start Construction	May-22
Complete Construction	October-23
Lease-Up Start	October-23
100% Occupied	January-24
Perm Conversion/Stabilization	April-24
Form 8609	October-24

\* For TCAC application, 100% lease-up is shown in January of PIS year to show full cash flow in Year 1.

County:	San Diego
9% or 4% credits:	4%

BASE LIMITS			THRESHOLD BASIS LIMIT FOR THIS PROJECT			
Unit Type	9%	4%	Unit Type	# Units	Per Unit Basis Limit	TOTAL
0 BR	260,566	260,566	0 BR	0	260,566	0
1 BR	300,430	300,430	1 BR	79	300,430	23,733,970
2 BR	362,400	362,400	2 BR	9	362,400	3,261,600
3 BR	463,872	463,872	3 BR	0	463,872	0
4 BR	516,782	516,782	4 BR	0	516,782	0
			88			26,995,570
			<b>Additional Basis Adjustments:</b>			
			Local Development Impact Fees (less fee waivers)			1,170,451
			Prevailing Wage			20% 5,399,114
			Parking beneath Units			7% 0
			Childcare			2% 0
			100% Special Needs			2% 0
			Elevator Service			10% 2,699,557
			Energy/Resource Efficiency (up to 10%)			0% 0
			Toxic/Seismic Abatement Costs			0
			Bonds: 1% each % units @ 36% - 50% AMI			33 37% 9,988,361
			Bonds: 2% each % units @ or below 35% AMI			54 62% 33,474,507
			<b>TOTAL THRESHOLD BASIS LIMIT</b>			79,727,560
			<b>TOTAL ELIGIBLE BASIS</b>			40,011,769
			Surplus/(Deficit):			39,715,791
			TCAC 130% High Cost Test:			50.19%
			MHP High Cost (TCAC High Cost Test for State Credit Projects):			102.84%

ASSUMPTIONS:																	
Rent Increase:	2.50%	Perm Loan - % Debt Service Year 1			100.0%												
Expenses Increase:	3.50%	Percent Q.O. In Lease-Up Year 1			100.0%												
Real Estate Tax Increase:	2.00%	Perm Loan - % Debt Service Year 2			100.0%												
Reserve Increase:	0.00%																
			Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031	Year 10 2032	Year 11 2033	Year 12 2034	Year 13 2035	Year 14 2036	Year 15 2037
GROSS POTENTIAL INCOME - RESIDENTIAL		711,480	711,480	729,267	747,499	766,186	785,341	804,974	825,099	845,726	866,869	888,541	910,755	933,523	956,862	980,783	1,005,303
Rental Subsidy	2.50%	778,188	778,188	797,643	817,584	838,023	858,974	880,448	902,460	925,021	948,147	971,850	996,146	1,021,050	1,046,576	1,072,741	1,099,559
Misc. Income		8,448	8,448	8,659	8,876	9,098	9,325	9,558	9,797	10,042	10,293	10,550	10,814	11,085	11,362	11,646	11,937
Vacancy Loss - Residential	5.00%		(35,996)	(36,896)	(37,819)	(38,764)	(39,733)	(40,727)	(41,745)	(42,788)	(43,858)	(44,955)	(46,078)	(47,230)	(48,411)	(49,621)	(50,862)
Vacancy Loss - Rental Subsidy	5.00%		(38,909)	(39,882)	(40,879)	(41,901)	(42,949)	(44,022)	(45,123)	(46,251)	(47,407)	(48,593)	(49,807)	(51,053)	(52,329)	(53,637)	(54,978)
GROSS EFFECTIVE INCOME			1,423,210	1,458,790	1,495,260	1,532,642	1,570,958	1,610,232	1,650,488	1,691,750	1,734,043	1,777,395	1,821,829	1,867,375	1,914,059	1,961,911	2,010,959
Operating Expenses (excl. reserves & taxes)	3.50%	692,220	692,220	716,448	741,523	767,477	794,338	822,140	850,915	880,697	911,522	943,425	976,445	1,010,620	1,045,992	1,082,602	1,120,493
SDHC Loan Monitoring Fee	0.00%	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050	13,050
SDHC Bond Monitoring Fee	0.00%	11,332	11,332	11,332	11,332	11,332	11,332	11,332	11,332	11,332	11,332	11,332	11,332	11,332	11,332	11,332	11,332
Real Estate Taxes	2.00%	3,000	3,000	3,060	3,121	3,184	3,247	3,312	3,378	3,446	3,515	3,585	3,657	3,730	3,805	3,881	3,958
TOTAL OPERATING EXPENSES		719,602	719,602	743,889	769,026	795,042	821,967	849,834	878,675	908,525	939,418	971,392	1,004,483	1,038,732	1,074,178	1,110,864	1,148,833
NET OPERATING INCOME			703,609	714,901	726,234	737,600	748,990	760,398	771,812	783,225	794,625	806,003	817,346	828,643	839,881	851,047	862,126
REPLACEMENT RESERVE		44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000
NET INCOME AVAILABLE FOR DEBT SERVICE			659,609	670,901	682,234	693,600	704,990	716,398	727,812	739,225	750,625	762,003	773,346	784,643	795,881	807,047	818,126
Tax-Exempt Permanent Loan																	
Principal Balance	9,065,300	8,961,873	8,853,426	8,739,713	8,620,480	8,495,458	8,364,367	8,226,911	8,082,783	7,931,657	7,773,194	7,607,039	7,432,817	7,250,136	7,058,587	6,857,739	
Principal Payment		103,427	108,448	113,713	119,233	125,022	131,091	137,455	144,129	151,126	158,463	166,156	174,222	182,680	191,549	200,848	
Interest Payment		428,369	423,348	418,083	412,563	406,774	400,705	394,341	387,667	380,670	373,333	365,640	357,574	349,116	340,247	330,948	
TOTAL DEBT SERVICE		531,796	531,796	531,796	531,796	531,796	531,796	531,796	531,796	531,796	531,796	531,796	531,796	531,796	531,796	531,796	
HCD MHP Mandatory Interest Payment			31,771	31,771	31,771	31,771	31,771	31,771	31,771	31,771	31,771	31,771	31,771	31,771	31,771	31,771	
SDHC Loan Payment			10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
NET CASH FLOW			86,041	97,334	108,667	120,033	131,423	142,830	154,245	165,658	177,058	188,436	199,779	211,076	222,314	233,480	244,559
Debt Service Coverage Ratio			1.150	1.170	1.189	1.209	1.229	1.249	1.269	1.289	1.309	1.329	1.348	1.368	1.388	1.407	1.426
DISTRIBUTION OF CASH FLOW																	
LP Investor Services Fee - Current	7,500	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	
LP Investor Services Fee - Deferred		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Deferred Developer Fee	1,500,000	78,541	89,609	100,710	111,837	122,982	134,136	145,290	156,434	167,557	178,650	189,700	24,554	0	0	0	
GP Partnership Management Fee - Current	15,000	0	0	0	0	0	0	0	0	0	0	0	0	20,764	21,386	22,028	22,689
GP Partnership Management Fee - Deferred		0	0	0	0	0	0	0	0	0	0	0	0	155,376	36,741	0	0
HCD MHP	30.10%	0	0	0	0	0	0	0	0	0	0	0	0	0	46,206	60,337	63,374
San Diego Housing Commission	19.90%	0	0	0	0	0	0	0	0	0	0	0	0	0	30,541	39,882	41,889
GP Incentive Management Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	76,747	100,219	105,263
General Partners	0.01%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Limited Partner	99.99%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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

Cortez Hill Apartments (Project)  
1449 Ninth Avenue  
June 15, 2021

The San Diego Housing Commission ("Housing Commission") is pleased to submit this non-binding commitment term summary. The commitment terms summary is not a binding contract and is subject to the approval by the San Diego Housing Commission Board of Commissioners ("Board of Commissioners") and, if necessary, the Housing Authority of the City of San Diego. The purpose of this commitment terms summary is to set forth the general terms and conditions under which the Housing Commission is interested in making a loan ("Housing Commission Loan") to Beech Street Housing Associates L.P., a California limited partnership ("Borrower") with respect to the proposed new construction and permanent financing of an 88-unit development (with 87 affordable units and one unrestricted manager's unit) to be located at 1449 Ninth Avenue, San Diego. Closing must occur within twenty-four (24) months of the Board of Commissioners approval of the Housing Commission loan, unless an extension is granted by the President & CEO of the Housing Commission (or by their designee) in their sole discretion.

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

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

1. **Maximum loan amount (not to exceed)** - Up to \$5,000,000 as a residual receipts loan. Loan funds to be used for the construction and permanent financing of the Project.
2. **Interest Rate-** 4 percent simple interest.
3. **Loan Term** - The loan will be due, and payable in full, in 55 years from completion of the Project.
4. **Loan Payments** - Annual payments on the loan shall equal 50 percent of the project's residual cash. In addition to the 50 percent residual cash payment the Borrower shall also pay a fixed \$10,000 annual payment to the Housing Commission. Provided, however, if the Housing Commission approves other lenders whose loans will be paid from residual receipts, then the Housing Commission and such other approved lenders shall share the 50% percent of the project's residual receipts, in proportion to the original principal balances of their respective loans. The following items, in addition to other operating expenses, shall be payable by the Borrower prior to the calculation of residual receipts:

- (i) The year 1 "Limited Partnership Fees" shall be capped at \$25,000 per year. "Limited Partnership Fees" shall be defined to include any and all partnership related fees including but not limited to: Investor Partnership fees, Asset Management fees, Other Limited Partnership oversight fees, and General Partner Fees. Partnership fee increases will be capped at three (3) percent annually. Unpaid partnership fees shall not accrue and the Housing Commission will require the Limited Partnership Agreement to explicitly state that requirement.
- (ii) Eligible deferred developer fee, and
- (iii) Repayment of eligible development deficit and operating deficit loans. The Housing Commission Loan will be due and payable in full in 55 years.

**5. Affordability-**

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

Unit Type	AMI	Units
One Bedrooms	30% AMI	50
One Bedrooms	40% AMI	29
Subtotal One Bedroom Units	--	79
Two Bedrooms	30% AMI	4
Two Bedrooms	40% AMI	4
Subtotal Two Bedroom Units	--	8
Manager's Unit (Two Bedrooms)	--	1
TOTAL UNITS	--	88

- 6. **Purchase Option** – The developer has received additional points in the Notice of Funding Availability application for committing to provide the Housing Commission with the option to purchase the property at the end of the 15-year tax-credit compliance period.
- 7. **Alternate Funding-** Borrower shall also seek alternative funding, including but not limited to: an allocation of 4 percent tax-exempt Multifamily Housing Revenue Bonds, loan funds from the State of California Department of Housing and Community Development Multifamily Housing Program, along with 4 percent tax credits, and other necessary funding. Housing Commission legal counsel will determine if subsequent approvals for alternative financing structures are required by the San Diego Housing Commission Board of Commissioners and the Housing Authority of the City of San Diego.



8. **Site Value** - The purchase price of land and improvements shall not exceed the \$11,593 appraised value as shown in the Rasmuson Appraisal Services October 12, 2020, appraisal report. In the event that the developer, Beech Street Housing Associates L.P., or its affiliate, acquires the land prior to Housing Commission loan closing, 100% of any net sales proceeds resulting from a subsequent sale to the tax credit limited partnership shall be structured as a Seller Carryback Loan. Borrower will submit an updated appraisal report with an effective date. In lieu of providing the updated appraisal: 1) the developer must submit the third-party lender's Letter of Intent for the Housing Commission's review and approval, and 2) the Borrower's financing must not have a seller carryback loan.
9. **Closing Costs** - The Borrower shall pay all escrow, title and closing costs, including, without limitation, paying for an American Land Title Association (ALTA) Lenders Policy for the Housing Commission loan with endorsements, as acceptable to the Housing Commission's legal counsel.
10. **Construction Costs Third-Party Review** - Prior to loan approval a costs review will be obtained by the Housing Commission with a third-party consultant. Borrower will reimburse the Housing Commission at escrow closing for all reasonable third-party review costs.
11. **Contractor** – Highland Construction Services is the proposed General Contractor. The General Contractor shall competitively bid the construction work of the Project to at least three qualified subcontractors for each major trade involved in the construction of the Project. Contracts shall be awarded to the lowest qualified and responsive bidder. Evidence of the three bids shall be provided to the Housing Commission at their request.
  - a. Borrower will submit copies of three qualified bids received from subcontractors for each trade.
  - b. Construction Agreement - Borrower shall submit the proposed Construction Agreement to the Housing Commission for its review and prior approval. The Housing Commission shall have a minimum of two weeks for its review of the proposed Construction agreement.
  - c. Subcontractors - the Borrower shall require the General Contractor to solicit and obtain competitive bids from at least three qualified subcontractors for each major trade involved in the construction of the project. Those bids will be reviewed and approved by the Borrower. The Borrower and General Contractor shall submit the subcontractors' competitive bids to the Housing Commission for prior review and reasonable approval.
  - d. Change orders at or in excess of \$50,000 shall have Housing Commission prior written approval. For proposed change orders over \$50,000, the Borrower and General Contractor shall submit to the Housing Commission a detailed explanation of why the change order work is necessary, why the issue was not included in the original scope of work, and why the change is not being charged against the General Contractor's contingency.

- e. Agreement Changes - a Construction Agreement with a Guaranteed Maximum Price (GMP) may not be revised to a Lump Sum or other form of Construction Agreement without the prior written approval of the Housing Commission.
  - f. Insurance - prior to close of escrow, evidence of the General Contractor's insurance acceptable to the Housing Commission's legal counsel shall be provided. The Housing Commission, the Housing Authority of the City of San Diego, and the City of San Diego, shall be named as additional insureds on the General Contractor's insurance policies.
12. **Tax Credit Equity-** Borrower will provide the Letter Of Intent with equity pricing from the low-income housing tax credit (LIHTC) investor within 90 days of closing.
13. **First Mortgage-** Borrower will provide the term sheet from the first mortgage provider that was used at time of application as well as an update within 90 days of closing.
14. **Cost Certification -** The Borrower shall submit the final tax credit cost certification to the Housing Commission for its review and approval before the cost Certifications completed/finalized.
15. **Cost Savings and/or Additional Proceeds at Escrow Closing-** In the event that the Borrower obtains funds in excess of those shown as sources in Exhibit A Proforma, then upon the construction loan closing, the excess funds shall be used as follows:
- a. First, such excess funds shall be used to fund development cost overruns reasonably approved by the Housing Commission.
  - b. Second, upon Construction Loan Closing and subject to lender and investor approval, any excess funds shall be used to pay the Housing Commission Loan as set forth in Section 16 below.
  - c. Other Public Lenders - If the project financing includes other public lenders who may require cost savings sharing then the cost savings shall be split proportionately based upon the public lenders loan amounts and in conformance with the other public lenders' agreements.
  - d. Excess funds will be applied first to pay down the accrued interest, and the remaining amount shall pay down the principal.
16. **Cost Savings and/or Additional Proceeds at Conversion to Permanent Financing-** In the event that the Borrower obtains funds in excess of those shown as sources in Exhibit A Proforma, (including but not limited to cost savings, improved debt, improved tax credit equity pricing, deferred developer fee if any, and any other sources), then upon conversion to permanent loan, the excess funds shall be used as follows :
- a. First, to pay for development cost overruns reasonably approved by the Housing Commission.
  - b. Second, used to make any necessary adjustment to the total tax credit allocation as may be required by CTCAC.
  - c. Third, payment towards the Borrower's deferred developer fee. A deferred developer fee is currently modeled in the attached pro forma (Attachment A).

- d. Fourth, cost savings shall be shared fifty percent (50%) to the Borrower and the other fifty percent (50%) will be paid to the Housing Commission and other soft lenders in proportion to the original principal balance of their loans.
- e. Excess funds will be applied first to pay down the accrued interest, and the remaining amount shall pay down the principal.

**17. Developer Fee-**

- a. Maximum Gross Developer Fee of \$5,218,926 to be paid from Development Sources.
  - There will be a \$1,218,926 General Partner contribution to be paid from the gross developer fee amount of \$5,218,926.
  - There will be a \$1,500,000 Deferred Developer Fee to be paid from the gross developer fee amount of \$5,218,926.
  - There will be a Maximum Net Cash Developer Fee of \$2,500,000 to be paid from the gross developer fee amount of \$5,218,926.
- b. Additional developer fee provisions:
  - 1. If for any reason the Borrower does not collect the entire developer fee through the last equity installment, with the exception of negative tax credit adjusters, uncollected fee up to \$2,500,000 must comply with the following:
    - a. Borrower must receive Housing Commission prior written approval of any amount of Deferred Developer Fee;
    - b. Any Housing Commission-approved Deferred Developer Fee amount must be calculated as per TCAC and SDHC guidelines
    - c. Housing Commission-approved Deferred Developer Fee shall be given priority over Housing Commission residual receipt payments.
  - 2. If any amount of the developer fee is deferred, then such amount shall be repaid during the 15-year tax credit compliance period. Amounts outstanding after the expiration of the 15-year tax credit compliance period shall be contributed to the Project in the form of a capital contribution.
- c. Developer fee payments shall be paid out incrementally. Because this is a tax credit project, the developer fee payments shall be in accordance with lender and investor requirements.

18. **Due Diligence** - The Borrower, at Borrower's expense, shall provide the following: a current appraisal, an environmental review, a lead paint and an asbestos review.

19. **Environmental Requirements** - Currently HOME funds are planned for this project. Notwithstanding any provision of this Letter, the parties agree and acknowledge that this Letter constitutes a conditional reservation and does not represent a final commitment of HOME funds or site approval under 24 CFR Part 58 of the National Environmental Policy Act (NEPA). HOME funds constitute a portion of the funding for the Project, and a final reservation of HOME funds shall occur only upon satisfactory completion of environmental review and receipt by the City of San Diego of a Release Of Funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58 of NEPA.

The parties agree that the provision of any HOME funds to the Project is conditioned on the City of San Diego's determination to proceed with, modify or cancel the Project based on the results of subsequent environmental review under NEPA.

By execution of this Letter, you acknowledge no legal claim to any amount of HOME funds to be used for the Project or site unless and until the site has received environmental clearance under NEPA. You are also prohibited from undertaking or committing any funds to physical or choice-limiting actions, including property acquisition, demolition, movement, clearance, rehabilitation, conversion, repair or construction prior to environmental clearance under NEPA. Violation of this provision may result in denial of any HOME funds for this Project.

20. **Fees/Payments to Housing Commission** - Borrower will pay to the Housing Commission:

- a) Underwriting Fee - a flat underwriting fee in the amount of **\$60,000** will be charged for each project as reimbursement of Housing Commission costs related to underwriting and issuing the loan. This must be included in the total development cost of a proposed project and is to be paid at close of escrow.
- b) Legal Fee- the Housing Commission charges a legal costs fee for document preparation and review that must be included in the total development cost. Current Housing Commission legal fees are **\$25,000**, and are to be paid at the close of escrow.
- c) Compliance Affordability Monitoring Fee - compliance monitoring fees must be incorporated into the operating proforma. Borrower will pay the fee in accordance with the then-existing Housing Commission fee schedule. Current annual affordability monitoring are as follows: \$150 X 87 (Project units to be affordability monitored) = **\$13,050** per year. Additional training and assistance is currently at \$100 per hour.
- d) Asset Management Fee- the Housing Commission charges a 15-year capitalized asset management fee of **\$15,000** and is paid at close of escrow.
- e) Environmental Noticing Fee- publishing/filing costs are to be paid at close of escrow.

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

- a. As detailed in paragraph 4 (above), the year I "Limited Partnership Fees" shall be capped at \$25,000 per year and shall not increase more than 3.0% annually. "Limited Partnership Fees" include Asset management fees (21(d)) related to the investor and general partner's management of the Project.
- b. Unpaid General Partner fees shall not accrue. The Housing Commission will require the Limited Partnership Agreement to explicitly state this requirement.
- c. Any changes to the asset management partnership fees will require the prior written approval of the Housing Commission's President and CEO or his designee.

22. **Financing: Gap** - The Borrower will cover any financing gap that arises after Housing Commission underwriting, with its equity, its developer fee, and/or other non-Housing Commission sources, all of which shall be subject to the approval of the Housing Commission in its sole discretion and will not be unreasonably withheld. No additional Housing Commission funds, beyond this Letter of Intent's \$5,000,000, will be provided for this project in any Housing Commission future Notices of Funds Available.

23. **Funding Sources** - The Housing Commission may fund the Housing Commission Loan from various sources including local, State, and/or federal funds including HOME Investment Partnership Program funds. The Housing Commission reserves the right to allocate available program funds in the best interest of the Housing Commission. In the event that the Housing Commission ultimately determines to fund (all or any part) of the Housing Commission Loan using any HOME funds, then Borrower should be familiar with the HOME program's rules and regulations, Federal Davis Bacon law and Section 3.
24. **HOME Investment Partnerships (HOME) Funds** - HOME funds may be utilized for this project. In the event that HOME funds are utilized, it is estimated that the project would have up to 15 HOME restricted units, including three units at Low HOME rents.
- a. HOME program regulations will be applicable.
  - b. HOME funds may not be used to fund any of the following:
    - i) Any reserves are not eligible for HOME funds (including but not limited to operating reserves).
    - ii) Offsite improvements are not eligible for funding with HOME funds.
    - iii) Furnishings costs are not eligible for funding with HOME funds.
    - iv) Commercial space improvements are not eligible for funding with HOME funds.
  - c. The HOME IDIS funding system requires at least one HOME draw in a 12 month period and at least a small portion of the HOME funds must remain in the IDIS system until the project is ready for occupancy.
25. **Insurance** - Borrower shall at all times during the term of the loan maintain General Liability and Property Insurance (fire and extended coverage), workers compensation, builder's completed value risk insurance against "all risks of physical loss" (during construction) and, if required by the Housing Commission, flood and earthquake insurance, in forms acceptable to the Housing Commission and approved by the Housing Commission's General Counsel. The San Diego Housing Commission, the Housing Authority of the City of San Diego, and the City of San Diego shall be listed as additional insureds: for General Liability Insurance, for Property Insurance, and in the General Contractor's Insurance policy. The San Diego Housing Commission shall be endorsed as a loss payee of the private insurance policies. Evidence of borrower's insurance coverage shall be provided to the Housing Commission prior to close of escrow.
26. **Loan Disbursement Schedule** - Upon submittal and approval of eligible costs, the Housing Commission Loan (up to **\$5,000,000**) will be disbursed as follows:
- Up to 75 percent (**\$3,750,000**) at escrow closing.
  - Up to 10 percent (**\$500,000**) to be distributed at 50 percent construction completion,
  - Up to 10 percent (**\$500,000**) to be withheld until the issuance of a Certificate of Occupancy and all unconditional lien releases are forwarded to the Housing Commission.
  - Up to 5 percent (**\$250,000**) upon conversion to permanent financing.

- a. The Housing Commission's President and Chief Executive Officer, or their designee, is authorized to modify the Housing Commission loan disbursement schedule in their sole reasonable discretion.
- b. In the event that the Housing Commission ultimately determines to fund (all or any part) of the Housing Commission loan using any HOME funds, then a portion of the HOME program funds must be withheld until final inspection approval and all unconditional lien releases are forwarded to the Housing Commission.
- c. Loan proceeds are disbursed for work completed upon Housing Commission approval of payment requests in a form approved by the Housing Commission. Verifiable documentation of expenses must be submitted with all payment requests.

27. **Loan Payments** - Annual hard payments will not be required. Annual residual receipts payments at 50 percent of cash flow is required.

- a. Starting at the end of the first year after project completion, the Housing Commission will split its share of residual cash flow with Housing Commission-approved public lenders loans, in proportion to their respective loan amounts. Residual payments will begin on May 1, in the year immediately following the calendar year in which construction is completed.
- b. The Housing Commission defines residual receipts as the net cash flow of the development after specified expenses and other debt service are paid.

28. **Management of the Development** -

- a. **Management Plan** - Prior to occupancy the Borrower shall submit a Management Plan to the Housing Commission for its review and approval. The Management Plan shall be subject to initial and periodic approval by the Housing Commission, at its reasonable discretion.
- b. **Approval of Management Fee** - The Borrower's proposed property manager's fee must be approved by the Housing Commission.
- c. The Housing Commission reserves the right to declare Borrower in default of the loan agreement after an uncured ninety (90) day written notice of malfeasance and/or misfeasance in management of the Project.
- d. **Manager's Units** -Experienced on-site management is required. There shall be one manager's unit.
- e. **Marketing Plan** – In the event the Housing Commission ultimately determines to fund (all or part) of the Housing Commission Loan using any HOME funds, then to ensure compliance with HOME regulations and with federal fair housing requirements prior to occupancy the Borrower shall submit a proposed marketing plan for review and approval by the Housing Commission's Civil Rights Analyst in the Procurement and Compliance Division.

**29. Maximum Resident Service Expenses & Case Management-**

For the calculation of Housing Commission's residual receipts the attached pro forma's operating expense budget models an annual \$143,300 Services expenditure with a 3 percent annual escalator). Increasing this amount will require prior Housing Commission written approval.

30. **Annual Budget Submittal** - three months prior to the end of each calendar year, the borrower shall submit an annual budget for Housing Commission review and prior approval.
31. **Permanent Supportive Housing** – The Housing Commission's Notice of Funds Available Application Evaluations Selection Committee has provided preliminary award recommendations for 14 Permanent Supportive Housing (PSH) federal project-based vouchers (PBVs) for chronically homeless households at 30% of San Diego's Area Median Income (AMI) and 73 non-PSH PBVs for low-income households at 30% and 40% of AMI selected from San Diego Housing Commission's PBV waiting list.
32. **Prevailing Wage-** It is anticipated that the Project will be subject to Federal Davis-Bacon prevailing wage rates because the federal Project Based Vouchers are being utilized for this Project.
33. **Recourse** - The Housing Commission's loan will be recourse until the timely completion of the construction, after which it will become non-recourse.
34. **Reserves:** Replacement reserves and operating reserves must be consistent with lender and equity investor requirements. The Housing Commission reserves the right to require higher operating or replacement reserves.
- a. **Replacement Reserve** -The attached pro forma models an annual replacement reserve amount of **\$26,400 (\$300 per unit per year)**.
  - b. **Operating Reserve** - The attached proforma models a six month operating reserve at **\$663,584** at conversion to permanent financing. The operating reserve is to be maintained for the entire term of the Housing Commission's Loan.
  - c. **MHP Transition Reserve** – the attached pro forma models **\$627,046** as a capitalized transition reserve which is expected to be required by the lender.
  - d. Disbursements from Reserves: Housing Commission prior written approval shall be required for any and all disbursements from either the Project's operating reserve funds and/or from the project's replacement reserve funds.
35. **Section 3-** In the event that the Housing Commission ultimately determines to fund (all or part) of the Housing Commission Loan using any HOME funds, then Section 3 of the HUD Act of 1968 will be applicable and Borrower should be familiar with, and remain in compliance with, all Section 3 requirements.

36. **Security** - The Housing Commission Loan will be secured by a Declaration of Covenants, Conditions and Restrictions (CC&R), a Loan Agreement, and a Deed of Trust which will be senior to the deeds of trust and security instruments securing all other sources of funds secured by the Property, except that the Housing Commission's CC&R and Deed of Trust shall be subordinated to:
- a. The deed of trust and security instruments securing the construction and permanent loan.
  - b. **Lien position** - The lien positions will be approved by the Housing Commission's President and CEO and the Housing Commission's General Counsel. It is intended that the lien positions will be conformance with the public lenders' program requirements, and the requirements of private lenders which may require Housing Commission subordination.
  - c. **Cure Rights** - The Housing Commission shall have the right, but not the obligation, to cure all senior encumbrances in all subordinating agreements that it executes. All subordination agreements shall be subject to the sole approval of the Housing Commission's President and Chief Executive Officer and General Counsel.
37. **Tenant Service Delivery Plan** - Borrower shall submit a draft tenant service delivery plan 90-days prior to occupancy for Housing Commission staff review and comment. Borrower shall submit a revised draft incorporating Housing Commission comment prior to occupancy of the first tenant. A final tenant service deliver plan shall be subject to the approval of the Housing Commission in its reasonable discretion and will not be unreasonably withheld prior to project lease up.
38. **Title (ALTA Lender's Policy)** - The Borrower shall acquire, at its sole cost and expense, an ALTA Lender's Policy for the Housing Commission Loan with endorsements acceptable to the Housing Commission.
39. **Miscellaneous Additional Conditions** - The Housing Commission reserves the right to impose such additional conditions in the final documentation of the transaction as are reasonably necessary to protect the interests of the Housing Commission and fulfill the intent of this letter.
40. **Exhibit A - Proforma** - is attached hereto and is hereby incorporated.

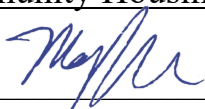
If the Borrower is willing to proceed on the terms and conditions referenced herein, please execute this letter of intent and return it to the undersigned by **June 22, 2021**, so that this letter of intent may be attached to the Housing Commission Board report.

**The Remainder of this page intentionally left blank**



**ACKNOWLEDGED AND AGREED TO BY:**

Community Housing Works

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

Print Name: Mary Jane Jagodzinski

Title: Senior Vice President

San Diego Housing Commission

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

Print Name: Emily S Jacobs

Title: Executive Vice President, Real Estate

**Loan Terms Attachment: Exhibit A - Developer's Proforma Dated February 9, 2021**

**ATTACHMENT 6**  
**HOUSING COMMISSION**  
**MULTIFAMILY HOUSING REVENUE BOND PROGRAM**  
**SUMMARY**

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

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

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

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

**Approval Process:**

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

- TEFRA Hearing and Resolution (Tax Equity and Fiscal Responsibility Act of 1982): To assure that projects making use of tax-exempt financing meet appropriate governmental purposes and provide reasonable public benefits, the IRS Code requires that a public hearing be held and that the issuance of bonds be approved by representatives of the governmental unit with jurisdiction over the area in which the project is located. This process does not make the Housing Commission nor City financially or legally liable for the bonds or for the project. [Note: Members of the Housing Commission may be asked to take two actions at this stage in the bond process--one for TEFRA hearing and one for the Inducement Resolution].
- Application for Bond Allocation: The issuance of these "private activity bonds" (bonds for projects owned by private developers, including projects with nonprofit sponsors and for-profit investors) requires an allocation of bond issuing authority from the State of California. To apply for an allocation, an application approved by the Housing Commission and supported by an adopted inducement resolution and by proof of credit enhancement (or bond rating) must be filed with the California Debt Limit Allocation Committee (CDLAC). In addition, evidence of a TEFRA hearing and approval must be submitted prior to the CDLAC meeting.
- Final Bond Approval: The Housing Authority retains absolute discretion over the issuance of bonds through adoption of a final resolution authorizing the issuance. Prior to final consideration of the proposed bond issuance, the project must comply with all applicable financing, affordability, and legal requirements and undergo all required planning procedures/reviews by local planning groups, etc.
- Funding and Bond Administration: All monies are held and accounted for by a third party trustee. The trustee disburses proceeds from bond sales to the developer in order to acquire and/or construct the housing project. Rental income used to make bond payments is collected from the developer by the trustee and disbursed to bond holders. If rents are insufficient to make bond payments, the trustee obtains funds from the credit enhancement provider. No monies are transferred through the Housing Commission or Housing Authority, and the trustee has no standing to ask the issuer for funds.

Bond Disclosure: The offering document (typically a Preliminary Offering Statement or Bond placement memorandum) discloses relevant information regarding the project, the developer, and the credit enhancement provider. Since the Housing Authority is not responsible in any way for bond repayment, there are no financial statements or summaries about the Housing Authority or the City that are included as part of the offering document. The offering document includes a paragraph stating that the Housing Authority is a legal entity with the authority to issue multifamily housing bonds and that the Housing Commission acts on behalf of the Housing Authority to issue the bonds. The offering document also includes a paragraph that details that there is no pending or threatened litigation that would affect the validity of the bonds or curtail the ability of the Housing Authority to issue bonds. This is the extent of the disclosure required of the Housing Authority, Housing Commission, or the City. However, it is the obligation of members of the Housing Authority to disclose any material facts known about the project, not available to the general public, which might have an impact on the viability of the project.



SAN DIEGO  
HOUSING  
COMMISSION

**ATTACHMENT 7 – DISCLOSURE STATEMENT  
DEVELOPERS/CONSULTANTS/SELLERS/CONTRACTORS/  
ENTITY SEEKING GRANT/BORROWERS  
(Collectively referred to as "CONTRACTOR" herein)  
Statement for Public Disclosure**

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

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

Check one:

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

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

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

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

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

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

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

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

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

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

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

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

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

PLEASE REFER TO THE ATTACHED PROFORMA SOURCES AND USES

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

- a. In banks/savings and loans:

Name:

Address:

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

Name:

Address:

Amount: \$

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

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

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

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

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

☐ Yes

☒ No

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

N/A

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

☐ Yes

☒ No

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

N/A

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

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

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

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

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

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

☐ Yes ☐ No

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

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

General description of such work:



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

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

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

Identification of Contract or Development	Location	Amount	Date to be Completed

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

Awarding Agency	Amount	Date Opened

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

PLEASE REFERE TO THE CHW DEVELOPER QUALIFICATIONS ATTACHED

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

☐ Yes ☒ No

If yes, explain:

N/A

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

N/A

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

☐ Yes ☒ No

If yes, explain:

N/A

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

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

Check coverage(s) carried:

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

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

Check coverage(s) carried:

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

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

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

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

CERTIFICATE ATTACHED

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

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

30. List all citations, orders to cease and desist, stop work orders, complaints, judgments, fines, and penalties received by or imposed upon CONTRACTOR for safety violations from any and all government entities including but not limited to, the City of San Diego, County of San Diego, the State of California, the United States of America and any and all divisions and departments of said government entities for a period of five (5) years prior to the date of this statement.

If none, please state:

Government Complaint	Entity Making	Date	Resolution
NONE			

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

☐ Yes

☒ No

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

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

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

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

NONE

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

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

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

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

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

☐ Yes ☒ No

If yes, explain:  
N/A

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

☐ Yes ☒ No

If yes, explain:  
N/A

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

1. Name: PLEASE SEE ATTACHED LIST

Address:

Phone:

Project Name and Description:

2. Name:

Address:

Phone:

Project Name and Description:

3. Name:

Address:

Phone:

Project Name and Description:

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

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

Name	Experience
TBD	

## CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

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

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

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

Executed this 2<sup>nd</sup> day of July, 2020, at San Diego, California.

CONTRACTOR

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

Signature

Senior Vice President

Title

MARY :I' APE -:J'J-Got:,:z.I.II5f:.-)

**CERTIFICATION**

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

By: [Signature]

Title: Serlibr Vice President

Dated: \_\_\_\_\_

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

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

Dated: \_\_\_\_\_

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

**JURAT**

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

State of California

County of San Diego

Subscribed and sworn to (or affirmed) before me on this 21st day of April, 2020

by Mr. & Mrs. T.O. Socorro personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.



[Signature]  
Signature of Notary



# **SAN DIEGO HOUSING COMMISSION DEVELOPER DISCLOSURE STATEMENT**

## **COMMUNITY HOUSINGWORKS LIST OF ATTACHMENTS**

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

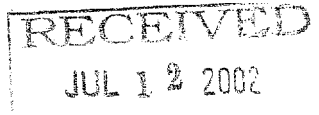
**COMMUNITY HOUSINGWORKS**  
**ARTICLES OF INCORPORATION AND**  
**NONPROFIT STATUS**

## **6. Articles of Incorporation and Nonprofit Status**

# LUCE FORWARD

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

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



By \_\_\_\_\_

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

July 9, 2002

24214-00001

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

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

Dear Ms. Reynolds:

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

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

truly yours,

Nancy Crane

or  
for

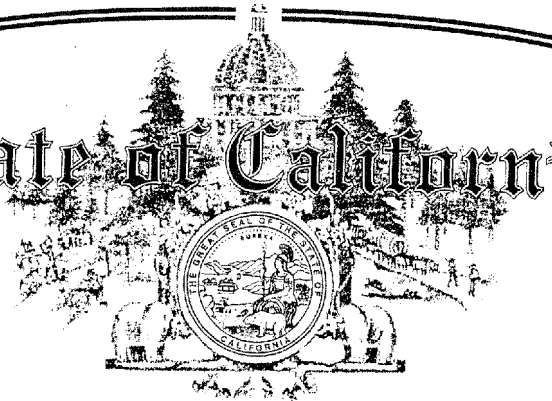
LUCE, FORWARD, HAMILTON & SCRIPPS LLP

NCI

Enclosure

cc: Dennis J. Doucette, Esq.

# State of California



## SECRETARY OF STATE

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

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



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

JUL - 6 2002

*Bill Jones*

Secretary of State

# State of California

## SECRETARY OF STATE CERTIFICATE OF STATUS DOMESTIC CORPORATION

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

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

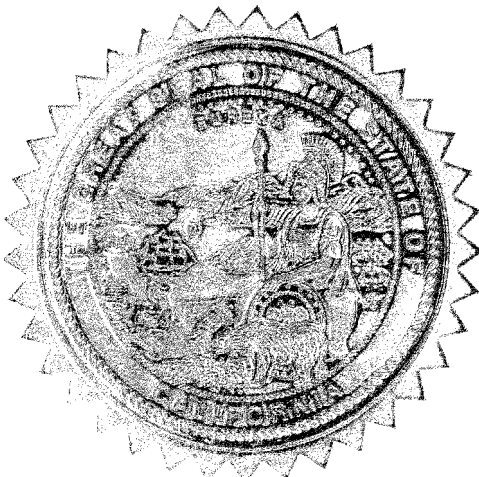
That no record exists in this office of a certificate of dissolution of said corporation nor of a court order declaring dissolution thereof, nor of a merger or consolidation which terminated its existence; and

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

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

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

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



*Bill Jones*  
BILL JONES  
Secretary of State

ts

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

JUL - 1 2002

Bill JONES, Secretary of State

Jack Mawhinney and Michael Sprague certify that:

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

ARTICLE I

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

ARTICLE II

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

ARTICLE III

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

#### ARTICLE IV

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


#### ARTICLE V

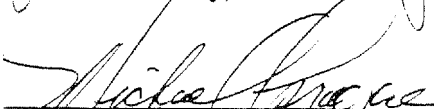
Dedication of Assets. The property of the corporation is irrevocably dedicated to charitable purposes. No part of the net assets or income of the corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person. Upon dissolution or liquidation,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

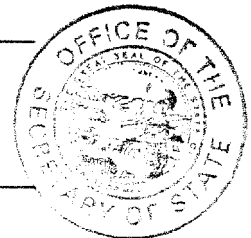
3. The foregoing amended and restated Articles of Incorporation have been duly approved by the board of directors.
4. **The corporation has no members.**

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

Date: 2002

  
\_\_\_\_\_  
Jack Mawhinney, President

  
\_\_\_\_\_  
Michael Sprague, Secretary





P.O. Box 2508  
Cincinnati OH 45201

In reply refer to: 0248145604  
Mar. 30, 2015 LTR 4168C 0  
33-0317950 000000 00  
00025408  
BODC: TE

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

Employer Identification Number: 33-0317950  
Person to Contact: MR. CORDELL  
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

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

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

Our records also indicate that you are not a private foundation within the meaning of section 509Ca) of the Code because you are described in sectionCs) 509Ca)C1) and 170Cb) (1)CA)Cvi).

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

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

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

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

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

Sincerely yours,

***td'-41.***

Doris Kenwright, Operation Mgr.  
Accounts Management Operations 1

# LUCE FORWARD

ATTORNEYS AT LAW • FOUNDED 1873

LUCE, FORWARD, HAMILTON & SCRIPPS LLP

DENNIS J. DOUCETTE, PARTNER

DIRECT DIAL NUMBER 858.720.6322

DIRECT FAX NUMBER 858.523.4305

EMAIL ADDRESS DDoucette@LUCE.COM

11988 El Camino Real

Suite 200

San Diego, CA 92130

858.720.6300

858.720.6306 fax

www.luce.com

September 5, 2002

24214i00001

Re: **Name Change**

Ladies and Gentlemen:

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

Very truly yours,



Dennis J. Doucette

of

LUCE, FORWARD, HAMILTON & SCRIPPS LLP

DJD/dzc

**COMMUNITY HOUSINGWORKS**  
**BOARD ROSTER**



## 2020 Board of Directors

*All listed Directors are eligible to vote on board actions*

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

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

**COMMUNITY HOUSINGWORKS**  
**BANK REFERENCES**

## 17. Bank References



## **San Diego Housing Commission – Developer Disclosure Statement**

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

1. Name: **Sebastian Glowacki, Business Development Officer, US Bank**  
Address: **633 W. 5th Street, 29th Floor, Los Angeles, CA 90071**  
Phone: **303-585-4230**  
Project Name and Description:  
**North Park Seniors (New Construction, 76 Units, in San Diego);  
Kimball Tower (Rehabilitation, 151 apts., in National City); and  
Morgan Tower (Rehabilitation, 152 apts., in National City)**
2. Name: **Perica Bell, Managing Director, Union Bank**  
Address: **1901 Avenue of the Stars, Suite 600, Los Angeles, CA 90067**  
Phone: **310-551-8964**  
Project Name and Description:  
**Kalos Apartments (New construction, 83 apts., in San Diego); and  
Keeler Court (New construction, 71 apts., in San Diego)**
3. Name: **Todd Fabian, Vice President, National Equity Fund**  
Address: **500 S Grand Ave, #2300, Los Angeles, CA 90017**  
Phone: **213-240-3144**  
Project Name and Description:  
**Las Serenas Apartments (Rehabilitation, 102 apts., in San Diego); and  
Sun Ridge Apartments (New Construction, 198 apts., in Concord)**

**COMMUNITY HOUSINGWORKS**  
**LIST OF PREVIOUS UNDERTAKINGS**

## **20. List of Previous Undertakings**

### San Diego Housing Commission – Developer Disclosure Statement

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

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

**COMMUNITY HOUSINGWORKS  
DEVELOPER QUALIFICATIONS**

## **22. CHW Developer Qualifications**

# Community HousingWorks

## QUALIFICATIONS

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

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



North Santa Fe | Vista, CA

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

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



Kalos | San Diego, CA

### Developer Experience

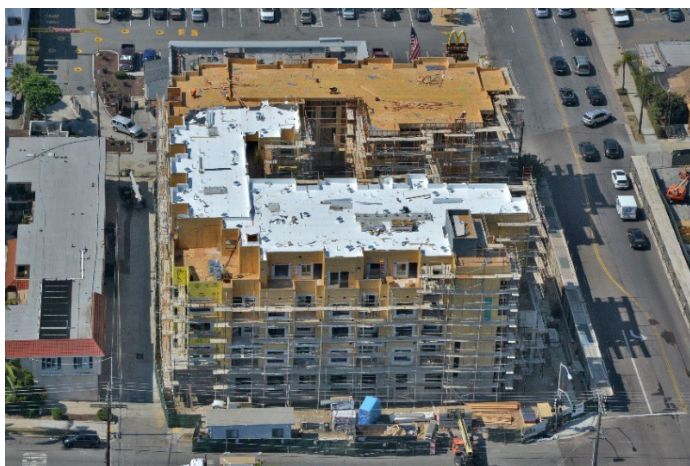
Since 1988, CHW's multifamily division has established a successful track record as a real estate developer in urban, suburban, and rural areas. We have completed and currently own 42 rental communities with nearly 3,700 apartments statewide as of September, 2019, with approximately 1,100 apartments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

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

## Portfolio Overview

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

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



North Park Seniors | San Diego, CA

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

## Cost Efficiency, Schedule, and Entitlements

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

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

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

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

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



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

### **Sustainability Leader: Operating Cost Efficiencies, Resident Health**

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



Solara | Poway, CA

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

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

## LOCAL AND EXPERIENCED PROPERTY MANAGEMENT

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

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

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

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

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

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

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

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

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

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

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

## RESIDENT FOCUSED MANAGEMENT

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

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

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

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

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

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

# Community HousingWorks

## KEY PERSONNEL

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

### **Susan M. Reynolds**

*President & CEO*

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



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

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

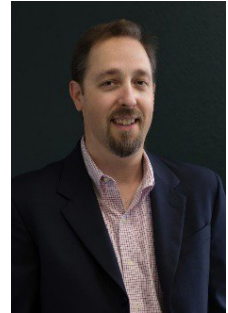
## KEY PERSONNEL

### **Brian Kay**

*Chief Financial Officer*

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

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



### **Jim Kelly**

*Chief Operating Officer*

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



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



## KEY PERSONNEL

### **Mary Jane Jagodzinski**

*Senior Vice President, Housing & Real Estate Development*

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

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

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



### **Sylvia Martínez**

*Vice President of Forward Planning*

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



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

## KEY PERSONNEL

### **Kelly Modén**

*Vice President of Development*

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



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

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

### **Marc Welk**

*Director of Project Finance*

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



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

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



## KEY PERSONNEL

### **Lisa Huff**

#### *Project Manager*

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



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

### **Rosalind Ross**

#### *Project Manager*

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



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

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

## KEY PERSONNEL

### **Stephen Swiecicki** *Acquisitions Manager*

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

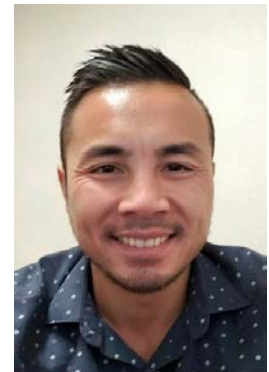


Stephen has more than 17-years of comprehensive multifamily/commercial real estate and financial services experience with principal investment, asset management, and capital markets advisory for real estate operating companies and assets. He has had personal involvement with over \$800 million in multifamily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

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

### **Nhan Ho** *Acquisitions Manager*

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



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

## KEY PERSONNEL

### **Chris Johnston**

*Vice President, Asset Management*

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



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

### **Jorge Riquelme**

*Senior Vice President, Achieve Programs*

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



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

**COMMUNITY HOUSINGWORKS**  
**INSURANCE CERTIFICATES**

## 26. Insurance Certificate



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/27/2020

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

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

<b>PRODUCER</b> Arthur J. Gallagher & Co Insurance Brokers of CA Inc LIC #0726293 1255 Battery Street #450 San Francisco CA 94111	<b>CONTACT NAME:</b> Raquel Reyes Raya <b>PHONE (A/C, No, Ext):</b> 415-536-8549 <b>FAX (A/C, No):</b> 415-536-8499 <b>E-MAIL ADDRESS:</b> Raquel_reyes-raya@ajg.com
<b>INSURED</b> COMMUNITY HOUSINGWORKS 3111 Camino Del Rio N Ste 800 San Diego, CA 92108	<b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> Philadelphia Indemnity Insurance Company <b>INSURER B:</b> State Compensation Insurance Fund of CA <b>INSURER C:</b> Zurich American Insurance Company <b>INSURER D:</b> Arch Specialty Insurance Company <b>INSURER E:</b> XL Insurance America, Inc. <b>INSURER F:</b>

**COVERAGES****CERTIFICATE NUMBER:** 114730089**REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER:			PHPK2138836	6/1/2020	6/1/2021	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 20,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Deductible \$ 0
A	<input checked="" type="checkbox"/> <b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY			PHPK2138836	6/1/2020	6/1/2021	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			PHUB724401	6/1/2020	6/1/2021	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
B C	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	92549032020 (CA) 934449900 (TX)	7/1/2020 7/1/2020	7/1/2021 7/1/2021	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D E	Excess Liability Occurrence			UXP103854900 US00068655L120A	6/25/2020 6/25/2020	6/1/2021 6/1/2021	Each Occurrence \$15,000,000 Aggregate \$15,000,000

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

Excess Liability \$15M Structure:

Arch Specialty: \$5,000,000 xs Lead \$5M Umbrella

XL: \$10,000,000 xs \$5,000,000 xs Lead \$5M Umbrella

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

Terrorism coverage is included.

See Attached...

**CERTIFICATE HOLDER****CANCELLATION**

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

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

AUTHORIZED REPRESENTATIVE

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The ACORD name  
and logo are  
registered marks of  
ACORD

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED - DESIGNATED PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

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

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

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

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

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

However:

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

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

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

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

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



**COMMUNITY HOUSINGWORKS**  
**BUSINESS LICENSE**

## **32. Business License**

POST IN CONSPICUOUS PLACE OR KEEP ON PERSON

# CITY OF SAN DIEGO \* CERTIFICATE OF PAYMENT OF BUSINESS TAX

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

Certificate Number: B2004013671  
Business Name: COMMUNITY HOUSINGWORKS  
Business Owner: COMMUNITY HOUSINGWORKS  
Business Address: 2815 CAMINO DEL RIO SOUTH S #350  
SAN DIEGO CA 92108-3816  
Primary Business Activity: CIVIC & SOCIAL ORGANIZATIONS  
Secondary Business Activity:  
Effective Date: 01/01/2019  
Expiration Date: 12/31/2019

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

BUSINESS FILE COPY

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

Certificate Number: B2004013671 PIN: TWBA6  
Business Name: COMMUNITY HOUSINGWORKS  
Business Owner: COMMUNITY HOUSINGWORKS  
Business Address: 2815 CAMINO DEL RIO SOUTH S #350  
SAN DIEGO CA 92108-3816

Primary Business Activity: CIVIC & SOCIAL ORGANIZATIONS

Secondary Business Activity:

Effective Date: 01/01/2019  
Expiration Date: 12/31/2019

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



SAN DIEGO, CA 92108-3816

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

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

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

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

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

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

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

**See reverse side.**

**COMMUNITY HOUSINGWORKS**  
**LIST OF CONTRACTS**

### 35. List of Contracts

### San Diego Housing Commission – Developer Disclosure Statement

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

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

# **COMMUNITY HOUSINGWORKS**

## **LOCAL REFERENCES**



## COMMUNITY HOUSINGWORKS LOCAL REFERENCES

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

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