



## EXECUTIVE SUMMARY

### HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: October 13, 2022

HCR22-100

SUBJECT: Loan Recommendation, Preliminary Bond Authorization, and Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing for 13th & Broadway

COUNCIL DISTRICT: 3

ORIGINATING DEPARTMENT: Real Estate Division

CONTACT/PHONE NUMBER: Jennifer Kreutter 619- 578-7709

#### REQUESTED ACTION:

Approve a proposed residual receipts loan in an amount not to exceed \$8,000,000 to 13<sup>th</sup> & Broadway CIC, LP, a California limited partnership, and take the initial steps to issue up to \$73,000,000 in Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds and \$14,944,270 of taxable bonds to facilitate the acquisition and new construction of 13<sup>th</sup> & Broadway at 1320 Broadway in the East Village neighborhood of Downtown San Diego, which will consist of 270 rental housing units that will remain affordable for 55 years for households with income up to 50 percent of San Diego's Area Median Income. Of the 270 units, 65 will be set aside for individuals experiencing literal and chronic homelessness, 10 will be set aside for veterans experiencing homelessness, and 40 will be set aside for individuals with low income, who are not experiencing homelessness, and three unrestricted managers' units.

#### EXECUTIVE SUMMARY OF KEY FACTORS:

- The 13<sup>th</sup> & Broadway development will provide 270 affordable rental units (224 studios, 22 one-bedroom units and 24 two-bedroom units) and three two-bedroom manager's units.
- The Housing Commission has awarded 115 project-based housing vouchers (PBVs) to help pay rent for residents—75 for individuals and veterans experiencing homelessness and 40 for individuals not experiencing homelessness.
- Site amenities will include: on-site supportive services offices, laundry facilities, indoor social rooms and three resident-accessible outdoor roof deck areas complete with planters, picnic and barbecue areas, and a pet relief area. Supportive housing units will be furnished, and all units will have kitchens.
- The property is within walking distance, to bus and trolley lines (Blue, Orange, and Silver).
- The U.S. Department of Veterans Affairs San Diego Healthcare System will provide supportive services for veterans residing at the property. Alpha Project will provide supportive services for non-veteran residents.
- On March 14, 2020, Housing Commission staff provided a preliminary recommendation of award of a residual receipts loan of up to \$8,000,000 subject to Housing Commission Board approval, and 115 PBVs for this development.
- The property is owned by the City of San Diego, which will ground lease it for 65 years at \$1 per year in prepaid rent. The developer is Chelsea Investment Corporation.
- The estimated total development cost is \$125,944,724 (\$461,336/unit).



## REPORT

**DATE ISSUED:** October 5, 2022

**REPORT NO:** HCR22-100

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of October 13, 2022

**SUBJECT:** Loan Recommendation, Preliminary Bond Authorization, and Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing for 13<sup>th</sup> & Broadway

**COUNCIL DISTRICT:** 3

### **REQUESTED ACTION**

*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 October 13, 2022, 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 \$8,000,000 to 13<sup>th</sup> & Broadway CIC, LP, a California limited partnership, and take the initial steps to issue up to \$73,000,000 in Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds and \$14,944,270 of taxable bonds to facilitate the acquisition and new construction of 13<sup>th</sup> & Broadway at 1320 Broadway in the East Village neighborhood of Downtown San Diego, which will consist of 270 rental housing units that will remain affordable for 55 years for households with income up to 50 percent of San Diego's Area Median Income. Of the 270 units, 65 will be set aside for individuals experiencing literal and chronic homelessness, 10 will be set aside for veterans experiencing homelessness, and 40 will be set aside for individuals with low income, who are not experiencing homelessness, and three unrestricted managers' units.

### **STAFF RECOMMENDATIONS**

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

- 1) Approve a Housing Commission residual receipts loan in an amount not to exceed \$8,000,000 to 13<sup>th</sup> & Broadway CIC, LP, a California limited partnership created to finance the proposed acquisition and new construction of 13<sup>th</sup> & Broadway at 1320 Broadway, which will provide 270 rental housing units that will remain affordable for 55 years for individuals experiencing literal and chronic homelessness, veterans experiencing homelessness, and individuals with

income of 25 percent to 50 percent of San Diego's Area Median Income (AMI), and three unrestricted manager's units.

The Housing Commission's proposed loan will be contingent upon the developer receiving all necessary third-party funding commitments as described in this report. Such third-party funding commitments will be subject to the Housing Commission's 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 the General Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement the approvals upon advice of the General Counsel, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each Housing Commissioner;
  - 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 \$8,000,000 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 up to \$73,000,000 of Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds and \$14,944,270 of taxable bonds for 13<sup>th</sup> and Broadway:
  - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$73,000,000 in tax-exempt Multifamily Housing Revenue Bonds for the acquisition and new construction of 13<sup>th</sup> & Broadway by 13<sup>th</sup> & Broadway CIC, LP;
  - b. Authorize an application (and subsequent applications if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds in an amount up to \$73,000,000 for 13<sup>th</sup> & Broadway; and
  - c. Approve the bond financing team of Orrick, Herrington & Sutcliffe LLP as Bond Counsel and Ross Financial as Bond Financial Advisor.
- 4) Authorize the Housing Commission's 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 the General Counsel and the Bond Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of the 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 issuance of tax-exempt Multifamily Housing Revenue Bonds in an amount up to \$73,000,000 to facilitate acquisition and new construction of 13<sup>th</sup> & Broadway.

## **SUMMARY**

A Development Summary is at Attachment 1.

**Table 1 - Development Details**

Address	1320 Broadway San Diego, CA 92101
Council District	3
Community Plan Area	Downtown Community Plan
Developer	Chelsea Investment Corporation (Chelsea)
Development Type	New construction
Construction Type	Type I tower (14 stories)
Parking Type	57 parking spaces
Mass Transit	Blue/Orange/Silver Trolley (.1 miles) Bus lines 2, 7, 20, 30, 215, 225, 235, and 992
Housing Type	Permanent Supportive Housing and Affordable Housing
Accessibility	Wheelchair accessibility in 10 percent of the units, and 4 percent of the units accessible to residents with visual and/or hearing impairment.
Lot Size	.44 acre, 19,039 square feet
Units	273 (270 units restricted/affordable)
Density	620 dwelling units per acre (273 units ÷ .44 acres)
Unit Mix	270 affordable rental units: 224 studio units, 22 one-bedrooms, 27 two-bedrooms and three unrestricted managers' 2 bedroom units.
Gross Building Area	190,000 square feet.
Net Rentable Area	113,000 square feet.
Project Based Housing Vouchers (PBV)	115 PBV (75 for individuals and veterans experiencing homelessness and 40 for individuals not experiencing homelessness)
Affordable Units in Service by Council District	Council District 3 includes 8,215 affordable rental housing units currently in service, which represents 33 percent of the 24,695 affordable rental housing units in service citywide.

## **The Development**

13<sup>th</sup> & Broadway is a proposed 273-unit, new construction, affordable rental housing development with a single 15-story tower, elevator-served building. The development will be at 1320 Broadway in downtown San Diego's East Village neighborhood (Attachment 2 – Site Map). The 13<sup>th</sup> & Broadway development will provide 270 affordable rental units and three unrestricted manager's unit. The development will consist of 224 studios, 22 one-bedroom units, 24 two-bedroom units, and three two-bedroom manager's units. Site amenities will include: on-site supportive services offices, laundry facilities, indoor social rooms and three resident-accessible outdoor roof deck areas complete with planters, picnic and barbecue areas, and a pet relief area. Supportive housing units will be furnished, and all units will have kitchens.

October 5, 2022

13th & Broadway, Affordable Housing Loan Recommendation, Preliminary Bond Authorization and Tax Equity and Fiscal Responsibility Act Hearing

Page 4

### Resident Services

Residents of 13th & Broadway will benefit from on-site amenities and support, nearby community activities, and resources provided by Alpha Project. The property is within walking distance to bus and trolley lines (Blue, Orange, and Silver). Permanent supportive housing residents will have access to services that will include but will not be limited to: education and employment services; integrated medical, dental and behavioral health services; substance use disorder services; case management; tenant services; and life skills classes. Veterans residing at 13<sup>th</sup> & Broadway with Veterans Affairs Supportive Housing (VASH) Project-Based Housing Vouchers will receive supportive services from the U.S. Department of Veterans Affairs San Diego Healthcare System.

### Developer's Request

In response to the Housing Commission's Fiscal Year (FY) 2020 Notice of Funding Availability (NOFA), Chelsea Investment Corporation (Chelsea) applied for a loan and Project-Based Housing Vouchers (PBVs) for the 13<sup>th</sup> & Broadway development. On March 14, 2020, Housing Commission staff provided a preliminary recommendation of award for a residual receipts loan of up to \$8,000,000 and awarded 65 permanent supportive housing (PSH) PBVs, 10 Veterans Affairs Supportive Housing (VASH) PBVs and 40 Non-PSH PBVs, contingent upon the U.S. Department of Housing and Urban Development's (HUD) approval of the Subsidy Layering Review for the 13<sup>th</sup> & Broadway development.

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 a .44-acre vacant rectangular lot owned by the City of San Diego. A 65-year ground lease agreement between the City of San Diego (Lessor) and 13<sup>th</sup> & Broadway CIC, LP (Lessee) will commence upon financial closing, with a \$1 per year lease prepaid rent. The lease restricts the use of the land to no less than 270 low-income individuals, including those experiencing homelessness with income at 25 percent to 50 percent of AMI. Existing on-site structures are vacant, and no relocation is necessary. The property is in the largest neighborhood in downtown and one of the most dynamic and diverse. Daily shopping, schools and recreational amenities are located within a short distance of the proposed development.

### Appraisal

An appraisal of the subject site with an effective date of June 14, 2022, valued the property at \$70,690,000 utilizing a prospective value at stabilization and \$16,380,000 land value, if vacant. The appraisal was obtained by the developer and was conducted by Kinetic Valuation Group.

### Prevailing Wages

The developer proposes to use 115 HUD PBVs, administered by the Housing Commission, which will require the payment of federal Davis-Bacon prevailing wages. The proposed use of State of California (State) Multifamily Housing Program (MHP) loan funds will require payment of State prevailing wages. The higher of the federal or State prevailing wages will apply.

### Project Sustainability

As part of the project's commitment to sustainable transportation and reduction of greenhouse gasses, the development was awarded \$20,000,000 of the Affordable Housing and Sustainable Communities (AHSC) program. Of the AHSC project funds awarded, \$13,700,000 is targeted for housing unit production, energy saving features and LEED Gold certification. \$6,000,000 of the AHSC award is a grant directly to the City of San Diego from HCD to use toward the construction of more than 2.5 miles (in both directions) of Class IV bikeways on Pacific Highway between Laurel Street and West Harbor Drive. This will include curb ramps, green bike lanes, traffic striping, signing, and signal modification for bicycle signals. This will provide connections to the downtown core, public transportation, retail, and other community neighborhoods. As part of the project's commitment to facilitating easy access to transportation in the downtown corridor, the development will utilize the remaining \$300,000 of the AHSC commitment to provide discounted monthly transit passes for each restricted unit for at least three years.

### Accessibility

CTCAC requires wheelchair accessibility in 10 percent of the units and 4 percent of the units accessible to residents with visual and/or hearing impairment. The same units can satisfy both of these accessibility requirements. If HOME Investment Partnerships Program funds are used to fund the development, these accessible units will satisfy the HOME accessibility requirement in 5 percent of the units, plus an additional 2 percent of the units accessible for residents with visual and/or hearing impairment.

### Relocation

The site is vacant. No relocation is necessary.

### Development Team

During the tax credit compliance period, 13<sup>th</sup> & Broadway will be owned by a California limited partnership (a single-asset limited partnership) consisting of: 13<sup>th</sup> & Broadway CIC, LP as the owner/borrower, Alpha Heights, LLC as the Managing General Partner, CIC 13<sup>th</sup> & Broadway, LLC, as the Administrative General Partner, plus a to-be-selected tax credit limited partner (Attachment 3 – Organization Chart).

Chelsea, an award-winning, for-profit corporation headquartered in Carlsbad, California, will lead the development team. Since 1995, Chelsea and its affiliates have developed approximately 13,000 rental units in four states in 77 Chelsea-owned developments. Chelsea has substantial development experience in a wide range of housing developments. Along with its affiliates, Chelsea provides financial, engineering, development, asset management, construction and property management services. Chelsea has developed multiple affordable rental housing developments in San Diego using Housing Commission loan funds. Chelsea 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 developer has the capacity to successfully complete the proposed 13<sup>th</sup> & Broadway project.

**Table 2 Development Team Summary**

<b>ROLE</b>	<b>FIRM/CONTACT</b>
Developer	Chelsea Investment Corporation (Chelsea)
Owner/Borrower	13 <sup>th</sup> & Broadway CIC, LP
Managing General Partner	Alpha Heights, LLC
Administrative General Partner	CIC 13 <sup>th</sup> & Broadway, LLC
Tax Credit Investor Limited Partner	To be determined
Architect	Joseph Wong Design Associates Inc.
General Contractor	Emmerson Construction, Inc.
Property Management	Royal Property Management Group
Construction and Permanent Lender	To be determined
Tenant Services Providers	Alpha Project for the Homeless Veteran Affairs for the VASH PBVs
Construction/Permanent Lender	To be selected

**Property Management**

13<sup>th</sup> & Broadway will be managed by Royal Property Management Group. Royal Property Management Group was established in 1995 and manages 2,861 units across 22 communities. Royal Property Management Group performs lease-ups on new construction as well as tax credit acquisition rehabilitation properties.

**FINANCING STRUCTURE**

13<sup>th</sup> & Broadway has an estimated total development cost of \$125,944,724 (\$461,336/unit). Financing will include a combination of sources as described in Table 3. The developer's pro forma is included as Attachment 4 and summarized in Table 3 below.

**Table 3 – 13<sup>th</sup> & Broadway Estimated Permanent Sources and Uses**

<b>Financing Sources</b>	<b>Amounts</b>	<b>Financing Uses</b>	<b>Amounts</b>	<b>Per Unit</b>
Federal LIHTC Equity	\$47,202,590	Acquisition	\$7,022,110	\$25,722
Permanent Loan		Construction costs 80,114,661 Contingency + 4,037,633 Total construction \$84,152,295		
	13,300,000		\$84,152,295	\$308,250
IIG	6,002,134	Financing Fees and Interest	\$11,540,859	\$42,274
Housing Commission proposed loan	8,000,000	Other soft costs	\$7,703,050	\$28,216
Subordinate Deferred Developer Fee	1,500,000	Permits and Development Impact Fees	\$5,757,400	\$21,089
Deferred developer's fee	1,300,000	Developer's fee	\$5,000,000	\$18,315
Civic San Diego	14,640,000	Reserves	\$4,769,010	\$17,469
MHP	20,000,000			
AHSC Program Funds	300,000			
AHSC AHD	13,700,000			
<b>Total Development Cost</b>	<b>\$125,944,724</b>	<b>Total Development Cost (TDC)</b>	<b>\$125,944,724</b>	<b>\$461,336</b>

The Housing Commission's proposed \$8,000,000 residual receipts loan will be partly funded with the City of San Diego Affordable Housing Fund (Inclusionary Housing funds and Housing Trust Fund) and

October 5, 2022

13th & Broadway, Affordable Housing Loan Recommendation, Preliminary Bond Authorization and Tax Equity and Fiscal Responsibility Act Hearing

Page 7

U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnerships Program (HOME) funds. The total amount of Housing Commission funding sources shall not exceed \$8,000,000. 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 in Attachment 5.

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

\$5,000,000 – Gross Developer's Fee

- 1,300,000 – Minus Deferred Developer Fee

-1,500,000 – Minus Subordinate Deferred Developer's Fee

\$2,200,000 – Net Cash Developer's 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. That report at its Attachment 1 states: "Developer fee for 4% tax credits: in project costs 15% of eligible basis...." For this development the developers are proposing a \$5,000,000 total developer fee, which complies with HAR17-011. The net cash developer fee shall be \$2,200,000 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. 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 – 13<sup>th</sup> & Broadway Key Performance Indicators**

Development Cost Per Unit	$\$125,944,807 \div 273 \text{ units} =$	\$461,336
Housing Commission Subsidy Per Unit	$\$8,000,000 \div 273 \text{ units} =$	\$29,304
Land Cost Per Unit	$\$7,022,110 \div 273 \text{ units} =$	\$25,722
Gross Building Square Foot Hard Cost	$\$84,152,295 \div 190,000 \text{ sq. ft.} =$	\$443
Net Rentable Square Foot Hard Cost	$\$84,152,295 \div 113,000 \text{ sq. ft.} =$	\$744

#### 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 development.

**Table 5 – 13<sup>th</sup> & Broadway Comparable Development Projects**

New Construction 13th & Broadway	Year	Units	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Per Sq. Ft.
<b>Proposed Subject – 13th &amp; Broadway</b>	<b>2022</b>	<b>273</b>	<b>\$125,944,807 (with prevailing wage)</b>	<b>\$461,336</b>	<b>\$29,304</b>	<b>\$443</b>
Cortez Hill	2021	88	\$43,647,979 (with prev. wage)	\$496,000	\$56,818	\$526
Nestor Senior Village	2021	74	\$31,510,305 (with prev. wage)	\$425,815	\$45,000	\$363

## **TAX-EXEMPT MULTIFAMILY HOUSING REVENUE BONDS**

### **Proposed Housing Bonds**

The Housing Commission utilizes the Housing Authority’s tax-exempt borrowing status to pass on lower interest rate financing (and make 4 percent low-income housing tax credits available) to developers of affordable rental housing. The Housing Authority’s ability to issue bonds is limited under the U.S. Internal Revenue Code. To issue bonds for a development, the Housing Authority must first submit an application to CDLAC for a bond allocation. Prior to submitting applications to CDLAC, developments are brought before the Housing Commission. Housing Commission bond inducement resolutions must be obtained prior to application submittal, and Housing Authority TEFRA resolutions must be secured by the time of project closing. These actions do not obligate the Housing Authority to issue bonds.

The Housing Commission Board of Commissioners is authorized to hold TEFRA hearings pursuant to Multifamily Mortgage Revenue Bond Program Policy Amendments the Housing Authority approved March 9, 2021 (Report No. HAR20-043; Resolution No. HA-1906).

The developer plans to submit a bond allocation application to CDLAC in early 2023 for a spring 2023 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 proposed development.

The developer will be seeking a CDLAC bond allocation of approximately \$73,000,000 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 Board and Housing Authority for approval of the final bonds and transaction documents. A general description of the Multifamily Housing Revenue Bond

October 5, 2022

13th & Broadway, Affordable Housing Loan Recommendation, Preliminary Bond Authorization and Tax Equity and Fiscal Responsibility Act Hearing

Page 9

Program and 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 Ross Financial as Bond Financial Advisor and Orrick Herrington & Sutcliffe as Bond Counsel to work on the development. The proposed bond 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 Program Policy.

## **AFFORDABLE HOUSING IMPACT**

### **Project-Based Housing Vouchers (PBV)**

The Housing Commission has provided a preliminary award recommendation of 115 PBVs for 13<sup>th</sup> & Broadway, which are for low-income individuals and individuals and veterans experiencing homelessness with income from 25 percent to 50 percent of AMI. On September 28, 2022, the Housing Commission approved the development's use of the following FY2022 Choice Communities payment standards as updated on January 7, 2022, subject to rent reasonableness.

<b>Unit Size</b>	<b>Voucher Type</b>	<b># of Vouchers</b>	<b>Dollar Amount (Monthly)</b>
Studio	Non-PSH	40	\$2,104
Studio	PSH	65	\$2,104
Studio	VASH	10	\$2,525

The recommendation for these vouchers is contingent upon completion of a subsidy layering review, execution of an Agreement to Enter into Housing Assistance Payment and verification of services. Under the PBV program, the tenant's rent portion is determined by using the applicable minimum rent or a calculated amount based on their income level, whichever is higher, with the remainder being federally subsidized up to a gross rent level approved by the Housing Commission. The Housing Assistance Payment provides a rental subsidy for residents in 13<sup>th</sup> & Broadway's 115 voucher-assisted units. The PBV units are all studio units. Low-income tenants (Non-PSH PBVs), will be selected from the Housing Commission's low-income PBV Wait List. The tenants who are experiencing homelessness (PSH-PBVs) will be selected from the Coordinated Entry System. Supportive Services will be provided by Alpha Project. The VA Healthcare will provide supportive services for the VASH PBVs

### **Affordability**

The 13<sup>th</sup> & Broadway development will be subject to Housing Commission Declaration of Covenants and Restrictions and applicable tax credit and Bond regulatory agreements, which will restrict affordability of 270 units for 55 years. The rent and occupancy restrictions required by CTCAC will be applicable.

The rent and occupancy restrictions required by the Housing Commission, CTCAC and other lenders and investors will apply. The same units may be counted as the tax credit restricted units and the Housing Commission loan's restricted units. The more stringent of the funding sources' affordability/rent restrictions will take precedence during the term of their applicability.

**Table 6 – 13th & Broadway Affordability and Monthly Estimated Rent Table**

<b>Unit Type</b>	<b>AMI</b>	<b>Units</b>	<b>CTCAC Gross Rents</b>
Studio	25% (currently \$22,800/year for a one-person household)	68	\$569
Studio	40% (currently \$36,450/year for a one-person household)	111	\$911
Studio	50% (currently \$45,550/year for a one-person household)	45	\$1,138
<b>Subtotal Studio Units</b>	--	<b>224</b>	
One bedroom	25% (currently \$26,050/year for a two-person household)	7	\$610
One bedroom	40% (currently \$41,650/year for a two-person household)	11	\$976
One bedroom	50% (currently \$52,050/year for a two-person household)	4	\$1,220
<b>Subtotal One Bedroom Units</b>	--	<b>22</b>	--
Two bedroom	25% (currently \$29,300/year for a three-person household)	9	\$732
Two bedroom	40% (currently \$46,850/year for a three-person household)	10	\$1,171
Two Bedroom	50% (currently \$58,550/year for a three-person household)	5	\$1,463
<b>Subtotal Two Bedroom Units</b>	--	<b>24</b>	--
<b>Subtotal Residential Units</b>	--	<b>270</b>	--
Manager's Units (two bedroom)	--	3	--
<b>Total Units</b>	--	<b>273</b>	--

**FISCAL CONSIDERATIONS**

The funding sources and uses approved by this proposed action are included in the Fiscal Year (FY) 2023 Housing Commission Budget.

**Funding sources approved by this action will be as follows**

Bond Issuer Fee –  $\$73,000,000 + \$14,944,270 \times 0.0025 = \$219,861$

Housing Commission HOME and AHF loan funds – up to \$8,000,000

Total Funding Sources – \$8,219,861

**Funding uses approved by this action**

Administrative costs - \$219,861

Housing Commission loan funds – up to \$8,000,000

Total Funding Uses - \$8,219,861

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

October 5, 2022

13th & Broadway, Affordable Housing Loan Recommendation, Preliminary Bond Authorization and Tax Equity and Fiscal Responsibility Act Hearing

Page 11

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, nor 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.

#### Estimated Development Schedule

The estimated development timeline is as follows:

<b>Milestones</b>	<b>Estimated Dates</b>
<ul style="list-style-type: none"><li>• CDLAC bond &amp; CTCAC tax credit applications</li><li>• CDLAC &amp; CTCAC allocation meetings</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>• Early 2023</li><li>• Spring 2023</li><li>• Fall 2023</li><li>• Fall 2023</li><li>• Fall 2023</li><li>• Fall 2023</li><li>• Winter 2025</li></ul>

#### **EQUAL OPPORTUNITY CONTRACTING AND EQUITY ASSURANCE**

Chelsea is committed to equity and inclusion as both an employer and a service provider. Chelsea demonstrates a commitment to advancing racial equity and inclusion (REI) through project design and operational policies throughout the proposed project timeline.

#### **HOUSING COMMISSION STRATEGIC PLAN**

This item relates to Strategic Priority Area No. 1 in the Housing Commission Strategic Plan for Fiscal Year (FY) 2022-2024: Increasing and Preserving Housing Solutions.

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

On March 16, 2022, Chelsea presented the proposed development as an informational item to the Downtown Community Planning Council.

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

Stakeholders include Chelsea Investment Corporation, Alpha Project as the managing general partner and service provider, Royal Property Management Group as the Property Management Company, and the East Village Downtown Community. The project is anticipated to have a positive impact on the community, as it will contribute to the quality of the surrounding neighborhood and create 270 new, affordable, transit-oriented rental homes for low income individuals, including those experiencing homelessness.

October 5, 2022

13th & Broadway, Affordable Housing Loan Recommendation, Preliminary Bond Authorization and Tax Equity and Fiscal Responsibility Act Hearing

Page 12

**STATEMENT for PUBLIC DISCLOSURE**

The developer's Disclosure Statement is at Attachment 7.

**ENVIRONMENTAL REVIEW**

**California Environmental Quality Act**

The Downtown FEIR and the CAP FEIR are "Program EIRs" prepared in compliance with California Environmental Quality Act (CEQA) Guidelines Section 15168. The aforementioned environmental documents are the most recent and comprehensive environmental documents pertaining to the proposed Project. The Downtown FEIR is available for review at the offices of the Civic San Diego ("CivicSD") located at 401 B Street, Suite 400, San Diego, CA 92101 or at the CivicSD website at <http://civicsd.com/departments/planning/environmental-documents>. The CAP FEIR is available at the offices of the City of San Diego Planning Department located at 1010 Second Avenue, Suite 1200, San Diego, CA 92101 or on the City of San Diego website. The proposed activity is adequately addressed in the environmental documents noted above and there is no change in circumstance, substantial additional information, or substantial Project changes to warrant additional environmental review. Because the prior environmental documents adequately covered this activity, this activity is not a separate project for purposes of review under CEQA pursuant to CEQA Guidelines Sections 15060(c)(3), 15180, and 15378(c).

**National Environmental Policy Act**

Federal funds constitute a portion of this project's funding. 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 HUD under 24 CFR Part 58 of the National Environmental Policy Act (NEPA). The parties agree that the provision of any federal funds to the project is conditioned upon the City of San Diego's determination to proceed with, modify, or cancel the project based upon the results of a subsequent environmental review under NEPA. HUD authorized use of grant funds for this project on June 12, 2020 and July 8, 2020.

Respectfully submitted,

*Jennifer Kreutter*

Jennifer Kreutter  
Vice President, Multifamily Housing Finance  
Real Estate Division

Approved by,

*Jeff Davis*

Jeff Davis  
Interim President & Chief Executive Officer  
San Diego Housing Commission

Attachments: 1. Development Summary  
2. Site Map  
3. Organization Chart  
4. Developer's Project Pro Forma  
5. Proposed Loan Terms  
6. Multifamily Housing Revenue Bond Program  
7. Developer's Disclosure Statement

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

## ATTACHMENT 1 - DEVELOPMENT SUMMARY

**Table 1 –Development Details**

Address	1320 Broadway San Diego, CA 92101
Council District	3
Community Plan Area	Downtown Community Plan
Developer	Chelsea Investment Corporation (Chelsea)
Development Type	New construction
Construction Type	Type I tower (14 stories)
Parking Type	57 parking spaces
Mass Transit	Blue/Orange/Silver Trolley (.1 miles) Bus lines 2, 7, 20, 30, 215, 225, 235, and 992
Housing Type	Permanent Supportive Housing and Affordable Housing
Accessibility	Wheelchair accessibility in 10 percent of the units, and 4 percent of the units accessible to residents with visual and/or hearing impairment.
Lot Size	.44 acre, 19,039 square feet
Units	273 (270 units restricted/affordable)
Density	620 dwelling units per acre (273 units ÷ .44 acres)
Unit Mix	270 affordable rental units: 224 studio units, 22 one-bedrooms, 27 two-bedrooms and three unrestricted managers' 2 bedroom units.
Gross Building Area	190,000 square feet.
Net Rentable Area	113,000 square feet.
Project Based Housing Vouchers (PBV)	115 PBV (75 for individuals and veterans experiencing homelessness and 40 for individuals not experiencing homelessness)
Affordable Units in Service by Council District	Council District 3 includes 8,215 affordable rental housing units currently in service, which represents 33 percent of the 24,695 affordable rental housing units in service citywide.

**Table 2 Development Team Summary**

ROLE	FIRM/CONTACT
Developer	Chelsea Investment Corporation (Chelsea)
Owner/Borrower	13 <sup>th</sup> & Broadway CIC, LP
Managing General Partner	Alpha Heights, LLC
Administrative General Partner	CIC 13 <sup>th</sup> & Broadway, LLC
Tax Credit Investor Limited Partner	To be determined
Architect	Joseph Wong Design Associates Inc.
General Contractor	Emmerson Construction, Inc.
Property Management	Royal Property Management Group
Construction and Permanent Lender	To be determined
Tenant Services Providers	Alpha Project for the Homeless

	Veteran Affairs for the VASH PBVs
Construction/Permanent Lender	To be selected

**Table 3 – Estimated Permanent Sources and Uses**

Financing Sources	Amounts	Financing Uses	Amounts	Per Unit
Federal LIHTC Equity	\$47,202,590	Acquisition	\$7,022,110	\$25,722
Permanent Loan	13,300,000	Construction costs 80,114,661 Contingency + 4,037,633 Total construction \$84,152,295	\$84,152,295	\$308,250
IIG	6,002,134	Financing Fees and Interest	\$11,540,859	\$42,274
Housing Commission proposed loan	8,000,000	Other soft costs	\$7,703,050	\$28,216
Subordinate Deferred Developer Fee	1,500,000	Permits and Development Impact Fees	\$5,757,400	\$21,089
Deferred developer's fee	1,300,000	Developer's fee	\$5,000,000	\$18,315
Civic San Diego	14,640,000	Reserves	\$4,769,010	\$17,469
MHP	20,000,000			
AHSC Program Funds	300,000			
AHSC AHD	13,700,000			
<b>Total Development Cost</b>	<b>\$125,944,724</b>	<b>Total Development Cost (TDC)</b>	<b>\$125,944,724</b>	<b>\$461,336</b>

**Table 4 - Key Performance Indicators**

Development Cost Per Unit	$\$125,944,807 \div 273 \text{ units} =$	\$461,336
Housing Commission Subsidy Per Unit	$\$8,000,000 \div 273 \text{ units} =$	\$29,304
Land Cost Per Unit	$\$7,022,110 \div 273 \text{ units} =$	\$25,722
Gross Building Square Foot Hard Cost	$\$84,152,295 \div 190,000 \text{ sq. ft.} =$	\$443
Net Rentable Square Foot Hard Cost	$\$84,152,295 \div 113,000 \text{ sq. ft.} =$	\$744

**Table 5 - Comparable Development Projects**

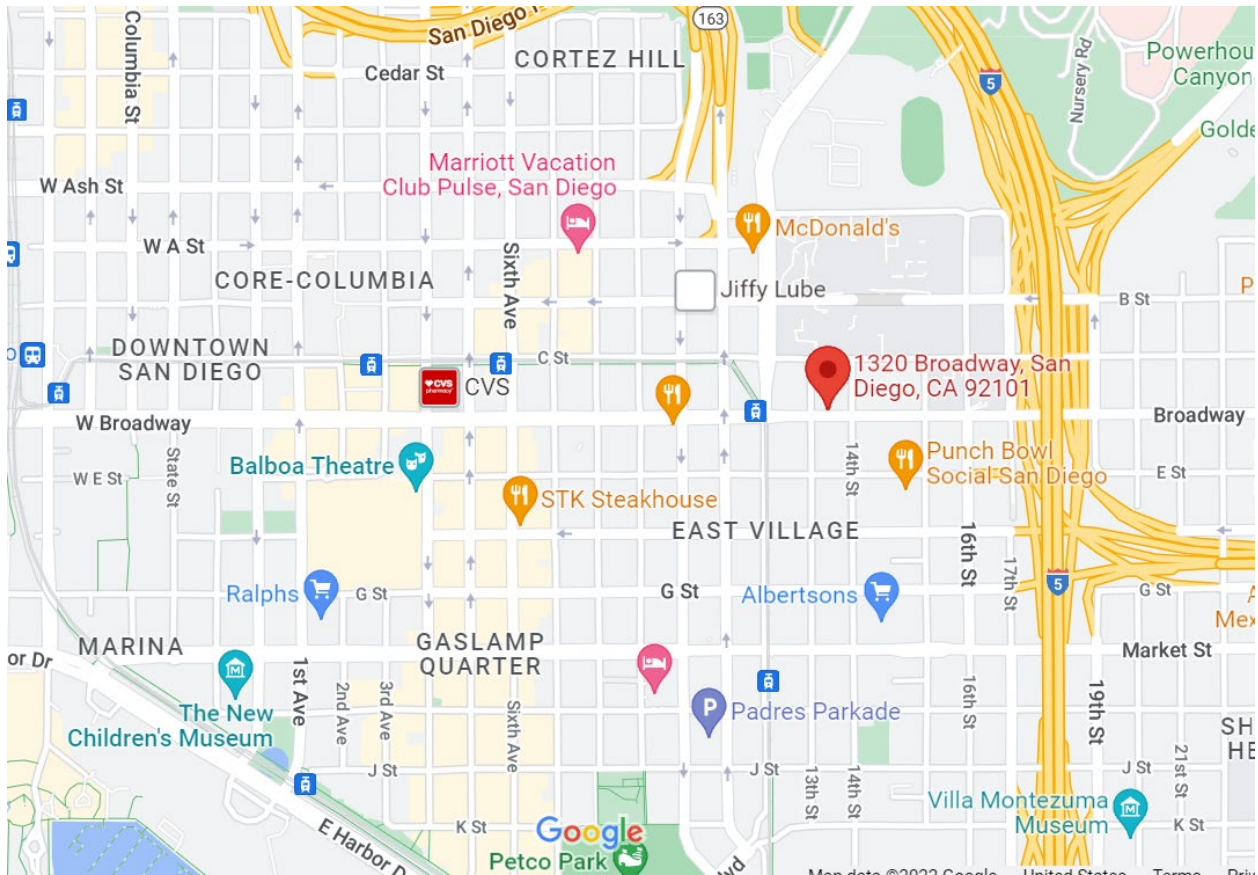
New Construction 13th & Broadway	Year	Units	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Per Sq. Ft.
<b>Proposed Subject – 13th &amp; Broadway</b>	<b>2022</b>	<b>273</b>	<b>\$125,944,807 (with prevailing wage)</b>	<b>\$461,336</b>	<b>\$29,304</b>	<b>\$443</b>
Cortez Hill	2021	88	\$43,647,979 (with prev. wage)	\$496,000	\$56,818	\$526
Levant Senior Cottages	2021	127	\$51,642,254 (with prev. wage)	\$406,632	\$47,244	\$739
Nestor Senior Village	2021	74	\$31,510,305 (with prev. wage)	\$425,815	\$45,000	\$363

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

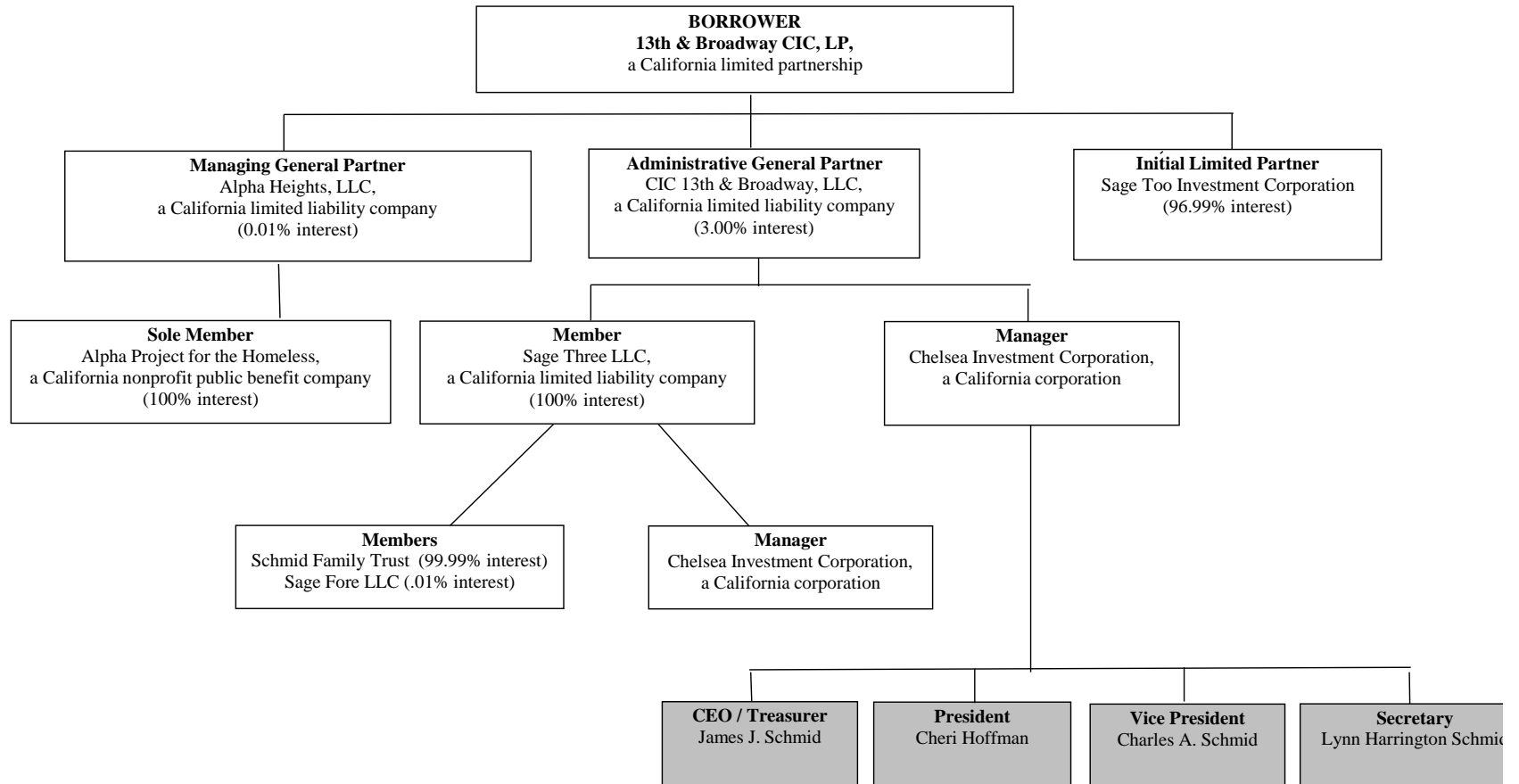
<b>Unit Type</b>	<b>AMI</b>	<b>Units</b>	<b>CTCAC Gross Rents</b>
Studio	25% (currently \$22,800/year for a one-person household)	68	\$569
Studio	40% (currently \$36,450/year for a one-person household)	111	\$911
Studio	50% (currently \$45,550/year for a one-person household)	45	\$1,138
<b>Subtotal Studio Units</b>	--	<b>224</b>	
One bedroom	25% (currently \$26,050/year for a two-person household)	7	\$610
One bedroom	40% (currently \$41,650/year for a two-person household)	11	\$976
One bedroom	50% (currently \$52,050/year for a two-person household)	4	\$1,220
<b>Subtotal One Bedroom Units</b>	--	<b>22</b>	--
Two bedroom	25% (currently \$29,300/year for a three-person household)	9	\$732
Two bedroom	40% (currently \$46,850/year for a three-person household)	10	\$1,171
Two Bedroom	50% (currently \$58,550/year for a three-person household)	5	\$1,463
<b>Subtotal Two Bedroom Units</b>	--	<b>24</b>	--
<b>Subtotal Residential Units</b>	--	<b>270</b>	--
Manager's Units (two bedroom)	--	3	--
<b>Total Units</b>	--	<b>273</b>	--



## Attachment 2 Site Map



## 13th & Broadway CIC, LP



**PROJECT SUMMARY**

13th and Broadway

Print Date:

8/2/2022

**Preliminary Analysis Subject to Further Revisions****SOURCES AND USES SUMMARY**

<b>Development Costs</b>			
<b>Acquisition</b>			
City Land/Fees	\$630/unit	172,110	
Public Facility Land	\$25,092/unit	6,850,000	
<b>Subtotal Acquisition</b>	<b>\$25,722/unit</b>	<b>7,022,110</b>	
<b>Hard Costs</b>			
Interior Amenity/Services	\$0/unit	0	
Offsites	\$5,634/unit	1,538,166	
Sitework	\$4,660,554/acre	2,037,013	
Vertical	\$217,911/unit	59,489,628	
AHSC STI	\$0/unit	0	
Contingencies and Escalation	\$43,102/unit	11,766,970	
General Conditions	\$5,529/unit	1,509,396	
Overhead and profit	\$13,822/unit	3,773,489	
Owner Contingency	\$14,790/unit	4,037,633	
<b>Subtotal Hard Costs</b>	<b>\$308,250/unit</b>	<b>84,152,295</b>	
		80,114,661	
A&E	\$16,034/unit	\$ 4,377,367	
Financing Fees and Interest	\$42,274/unit	\$ 11,540,859	
Legal Fees	\$1,383/unit	\$ 377,500	
Reserves	\$17,469/unit	\$ 4,769,010	
Development Impact and Permit Fees	\$21,089/unit	\$ 5,757,400	
Developer Fee	\$18,315/unit	\$ 5,000,000	
Misc (Acctg, Marketing, Reports, Studies, Etc)	\$7,048/unit	\$ 1,924,133	
Contingency	\$3,751/unit	\$ 1,024,050	
<b>Subtotal Soft Costs</b>	<b>\$127,364/unit</b>	<b>34,770,320</b>	
<b>Total Development Costs</b>	<b>\$461,336/unit</b>	<b>\$ 125,944,724</b>	
<b>Cash Developer Fee</b>		<b>\$ 2,200,000</b>	
<b>Sources</b>			
Federal LIHTC Equity	37%	\$ 47,202,590	
Permanent Loan (Tranche A)	11%	\$ 13,300,000	
Deferred Developer Fee	1%	\$ 1,300,000	
Subordinate Deferred Developer Fee	1%	\$ 1,500,000	
Civic San Diego loan	12%	\$ 14,640,000	
State Credit Equity	0%	\$ -	
SDHC	6%	\$ 8,000,000	
MHP	16%	\$ 20,000,000	
IIG	5%	\$ 6,002,134	
AHSC Program funds	0%	\$ 300,000	
AHSC AHD	11%	\$ 13,700,000	
Other	0%	\$ -	
<b>Total Development Sources</b>	<b>461,336</b>	<b>100%</b>	<b>\$ 125,944,724</b>

**FINANCING ASSUMPTIONS**

<b>Equity</b>					
	Closing	Completion	Conversion	8,609	
Equity Pay In	5%	0%	94%	1%	
4% Federal Tax Credit Price				\$ 0.8600	
9% Federal Tax Credit Price				\$ 0.8600	
State Tax Credit Price				\$ 0.7200	
4% Credit Rate		TCAC App Rate		4.00%	
LP Interest				96.995%	
<b>Debt</b>					
Opr. Exp./Unit/Year				7,501	
Services/Unit/Year				2,222	
Service&Office Space/\$/sq ft/Year				\$5.50/sq ft	
Replacement Reserves/Unit/Year				500	
Vacancy Rate				6.46%	
DCR				1.20	
Perm Loan Amort				20	
Interest Rate - Permanent Loan				5.00%	
Interest Rate - Construction Loan				4.50%	
TE bonds				72,000,000	
Taxable Bonds				14,915,159	
<b>Tax Credit Considerations</b>					
DDA/QCT Boost	QCT	Tract #: 52.00		130%	
50% Test AHSC				62.15%	
Prevailing Wage (State, Federal, Both):				Yes	
Housing Set Aside:		Special Needs, DD, Veteran, LIHTC			

**PRELIM DEVELOPMENT PROGRAMMING SUMMARY**

City:	San Diego
MSA:	San Diego
Site (acres):	0.437
Construction Type:	High Rise
No. of Stories:	14 stories
Parking Type:	Underground /Stalls
No. of Stalls:	57 stalls in ground level and subterranean garage
Impact Fees per Unit:	19,166
Financing Sources:	4%+MHP+AHSC+IIG+SDHC+Civic subsidy+land

**PROJECT UNIT & INCOME MIX**

AMI Sq. Ft.	Studio 350	1BR 500	2BR 750	3BR 0	Totals 109,650
UA	\$ 60	\$ 70	\$ 95	\$ 0	
80%	0	0	0	0	0
70%	0	0	0	0	0
50%	45	4	5	0	54
40%	111	11	10	0	132
35%	0	0	0	0	0
25%	68	7	9	0	84
20%	0	0	0	0	0
Mgr.	0	0	3	0	3
<b>Totals</b>	<b>224</b>	<b>22</b>	<b>27</b>	<b>0</b>	<b>273</b>
<b>average affordability</b>					
37.33%					

**PROJECTED SOURCES AND USES OF FUNDS**  
**13th and Broadway**

			Pre-Dev	Close	Construction Period								Construction Subtotal	Stabilization 9 mos	Conversion	8609	Total
					Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	Quarter 6	Quarter 7	Quarter 8					
					2%	7%	20%	28%	25%	14%	3%	1%					
<b>SOURCES OF FUNDS</b>																	
1 Federal LIHTC Equity				2,360,129	-	-	-	-	-	-	-	-	2,360,129	-	-	44,370,434	472,026
2 State LIHTC Equity				-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Solar Equity				-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Solar Rebates				-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Construction Loan			9,092,369	359,252	3,060,946	5,011,916	14,043,169	17,276,892	20,521,020	11,934,413	3,488,571	2,126,611	86,915,159	1,396,705	(88,311,864)	-	-
6 Permanent Loan (Tranche A)			-	-	-	-	-	-	-	-	-	-	-	-	-	13,300,000	13,300,000
8 Deferred Developer Fee			-	-	-	-	-	-	-	-	-	-	-	-	-	1,300,000	1,300,000
9 Land Contribution / Note	\$0/unit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Net AHSC AHD			-	-	-	-	-	-	-	-	-	-	-	-	-	13,700,000	13,700,000
11 Subordinate Deferred Developer Fee			-	-	-	-	-	-	-	-	-	-	-	\$0	-	1,500,000	1,500,000
12 Civic San Diego loan	\$53,626/unit		10,980,000	-	-	-	-	2,169,000	-	-	-	-	13,149,000	-	1,491,000	-	14,640,000
13 IIG	\$0/unit		-	-	-	2,000,711	2,000,711	2,000,711	-	-	-	-	6,002,134	-	-	-	6,002,134
MHP	\$0/unit		-	-	-	-	-	-	-	-	-	-	-	-	-	20,000,000	20,000,000
SDHC			6,000,000	-	-	-	-	1,600,000	-	-	-	-	7,600,000	-	-	400,000	8,000,000
14 GAP			-	-	-	-	-	-	-	-	-	-	-	-	0	-	0
15 AHSC Program funds			-	-	-	-	-	-	-	-	-	-	-	300,000	-	-	300,000
16 <b>Total Sources of Funds</b>			<b>9,092,369</b>	<b>19,699,381</b>	<b>3,060,946</b>	<b>7,012,627</b>	<b>16,043,881</b>	<b>23,046,603</b>	<b>20,521,020</b>	<b>11,934,413</b>	<b>3,488,571</b>	<b>2,126,611</b>	<b>116,026,422</b>	<b>1,696,705</b>	<b>7,749,571</b>	<b>472,026</b>	<b>125,944,724</b>
<b>USES OF FUNDS</b>																	
<b>ACQUISITION</b>																	
21 Land Parcel #1 - GROUND LEASE PAYMENT			3	-	-	-	-	-	-	-	-	-	3	-	-	-	3
22 Land Parcel #2	4,550,000		2,300,000	-	-	-	-	-	-	-	-	-	6,850,000	-	-	-	6,850,000
27 ENA fee/broker fee	172,107		172,107	-	-	-	-	-	-	-	-	-	172,107	-	-	-	172,107
28 <b>Total Land / Acquisition</b>			<b>4,722,107</b>	<b>2,300,003</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,022,110</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,022,110</b>
<b>NEW CONSTRUCTION</b>																	
49 P&P bond	\$ 1,538,166.00		1,538,166	-	-	-	-	-	-	-	-	-	1,538,166	-	-	-	1,538,166
51 Site Work	\$ 2,037,013.00		-	1,018,507	1,018,507	-	-	-	-	-	-	-	2,037,013	-	-	-	2,037,013
53 Vertical	\$ 59,489,628.00		-	1,189,793	4,164,274	11,897,926	16,657,096	14,872,407	8,328,548	1,784,689	594,896	59,489,628	-	-	-	-	59,489,628
54 Contractors Contingency	5.00%		76,908	110,415	259,139	594,896	832,855	743,620	416,427	89,234	29,745	3,153,240	-	-	-	-	3,153,240
55 Precon Services and Insurance	3.00%		1,845,799	-	-	-	-	-	-	-	-	-	1,845,799	-	-	-	1,845,799
56 GC/GR/OH/Fee	11.00%		-	242,913	570,106	1,308,772	1,832,281	1,635,965	916,140	196,316	65,439	6,767,931	-	-	-	-	6,767,931
57 Design Contingency	2.00%		81,977	51,233	120,241	276,032	386,445	345,040	193,222	41,405	13,802	1,509,396	-	-	-	-	1,509,396
58 Escalation	5.00%		204,944	128,081	300,601	690,080	966,112	862,600	483,056	103,512	34,504	3,773,489	-	-	-	-	3,773,489
59 Insurance			638,000	-	-	-	-	-	-	-	-	-	638,000	-	-	-	638,000
60 <b>Total New Construction</b>			<b>-</b>	<b>4,385,795</b>	<b>2,740,941</b>	<b>6,432,867</b>	<b>14,767,705</b>	<b>20,674,787</b>	<b>18,459,632</b>	<b>10,337,394</b>	<b>2,215,156</b>	<b>738,385</b>	<b>80,752,661</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80,752,661</b>
61	\$295,797/unit																
<b>ARCHITECTURAL</b>																	
63 Architecture - (Includes Structural & MEP's)			1,000,000	1,000,000	10,000	35,000	100,000	140,000	125,000	70,000	15,000	5,000	2,500,000	-	-	-	2,500,000
64 Architecture - Landscape			60,000	7,500	7,500	-	-	-	-	-	-	-	75,000	-	-	-	75,000
65 Architecture - Interior Design			40,000	10,000	-	-	-	-	-	-	-	-	50,000	-	-	-	50,000
66 Architecture - Other Blue Prints			42,500	6,250	1,250	-	-	-	-	-	-	-	50,000	-	-	-	50,000
67 other			0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
68 other			0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
69 <b>Total Architectural</b>			<b>1,142,500</b>	<b>1,023,750</b>	<b>18,750</b>	<b>35,000</b>	<b>100,000</b>	<b>140,000</b>	<b>125,000</b>	<b>70,000</b>	<b>15,000</b>	<b>5,000</b>	<b>2,675,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,675,000</b>
<b>SURVEY &amp; ENGINEERING</b>																	
72 Civil			220,000	27,500	2,550	8,925	25,500	35,700	31,875	17,850	3,825	1,275	375,000	-	-	-	375,000
73 Soils/Structural/Utility			171,900	-	9,200	32,200	92,000	128,800	115,000	64,400	13,800	4,600	631,900	-	-	-	631,900
74 Energy Consultant			87,500	12,500	500	1,750	5,000	7,000	6,250	3,500	750	250	125,000	-	-	-	125,000
75 Other Engineering			450,667	9,900	2,198	7,693	21,980	30,772	27,475	15,388	3,297	1,099	570,467	-	-	-	570,467
76 Other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
77 Other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
78 Other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
79 Other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
80 <b>Total Survey &amp; Engineering</b>			<b>930,067</b>	<b>49,900</b>	<b>14,448</b>	<b>50,568</b>	<b>144,480</b>	<b>202,272</b>	<b>180,600</b>	<b>101,136</b>	<b>21,672</b>	<b>7,224</b>	<b>1,702,367</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,702,367</b>
<b>CONTINGENCY COSTS</b>																	
83 Hard Cost Contingency	5%		219,290	137,047	321,643	738,385	1,033,739	922,982	516,870	110,758	36,919	4,037,633	-	-	-	-	4,037,633
84 Soft Cost Contingency	5%	160,356	559,453	8,712	12,291	25,609	39,908	48,953	51,436	55,365	61,967	1,024,050	-	-	-	-	1,024,050
85 <b>Total Contingency</b>		<b>160,356</b>	<b>778,743</b>	<b>145,759</b>	<b>333,935</b>	<b>763,994</b>	<b>1,073,648</b>	<b>971,935</b>	<b>568,305</b>	<b>166,122</b>	<b>98,886</b>	<b>5,061,683</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,061,683</b>
<b>CONSTRUCTION PERIOD EXPENSES</b>																	
88 Construction Loan Interest			-	110,307	137,053	227,304	404,919	626,455	825,117	927,707	961,846	4,220,707	1,300,990	(107,956)	-	-	5,413,742
91 Origination Fees	1.00%		869,152	-	7,500	7,500	7,500	7,500	7,500	7,500	7,500	869,152	-	-	-	-	869,152
94 Lender Inspection Fees			-	-	-	-	-	-	-	-	-	60,000	-	-	-	-	60,000
95 Taxes During Construction			8,000	-	-	-	-	-	-	-	-	8,000	-	-	-	-	8,000
97 Insurance During Construction			638,000	-	-	-	-	-	-	-	-	638,000	-	-	-	-	638,000
98 Title and Recording Fees			50,000	-	-	-	-	-	-	-	-	50,000	-	-	-	-	50,000
99 Predevelopment interest		1,157,606	231,705	-	-	-	-	-	-	-	-	1,389,311	-	-	-	-	1,389,311
100 Predevelopment land carry costs		98,750	2,339,915	-	-	-	-	-	-	-	-	2,438,665	-	-	-	-	2,438,665
101 Other: PW Monitoring		0	-	1,520	5,320	15,200	21,280	19,000	10,640	2,280	760	76,000	-	-	-	-	76,000
103 <b>Total Construction Period Expense</b>		<b>1,256,356</b>	<b>4,136,772</b>	<b>119,327</b>	<b>149,873</b>	<b>250,004</b>	<b>433,699</b>	<b>652,955</b>	<b>843,257</b>	<b>937,487</b>	<b>970,106</b>	<b>9,749,836</b>	<b>1,300,990</b>	<b>(107,956)</b>	<b>-</b>	<b>-</b>	<b>10,942,870</b>
<b>PERMANENT FINANCING EXPENSES</b>																	
106 Loan Origination Fees	0.50%		-	-	-	-	-	-	-	-	-	-	-	-	66,500	-	66,500
108 Title and Recording Fees			-	-	-	-	-	-	-	-	-	-	-	-	4,930	-	4,930
109 Issuer Financial Advisor			75,000	-	-	-	-	-	-	-	-	75,000	-	-	-	-	75,000
111 Other: Issuer Fee	0.250%	10,000	220,780	-	-	-	-	110,390	-	-	-	341,169	110,390	-	-	-	451,559
113 <b>Total Permanent Financing</b>		<b>10,000</b>	<b>295,780</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110,390</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>416,169</b>	<b>110,390</b>	<b>-</b>	<b>71,430</b>	<b>-</b>	<b>597,989</b>

**PROJECTED SOURCES AND USES OF FUNDS**  
**13th and Broadway**

		Pre-Dev	Close	Construction Period								Construction Subtotal	Stabilization 9 mos	Conversion	8609	Total
				Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	Quarter 6	Quarter 7	Quarter 8					
				2%	7%	20%	25%	25%	14%	3%	1%					
115	<b>LEGAL FEES</b>															
116	Construction Lender Legal		60,000	-	-	-	-	-	-	-	-	60,000	-	-	-	60,000
117	Permanent Lender Legal		-	-	-	-	-	-	-	-	-	-	-	35,000	-	35,000
118	Sponsor Legal	57,851	72,000	14,150	-	-	-	-	-	-	-	144,000	-	-	-	144,000
119	Organizational Legal	8,000	8,000	-	-	-	-	-	-	-	-	16,000	-	-	-	16,000
120	Other Legal (Issuer Legal, Bond Counsel)		55,000	-	-	-	-	-	-	-	-	55,000	-	-	-	55,000
121	Other: SDHC legal		27,500	-	-	-	-	-	-	-	-	27,500	-	-	-	27,500
122	Other: GP Legal	0	40,000	-	-	-	-	-	-	-	-	40,000	-	-	-	40,000
123	<b>Total Legal Fees</b>	65,851	262,500	14,150	-	-	-	-	-	-	-	342,500	-	35,000	-	377,500
124																
125	<b>CAPITALIZED RESERVES</b>															
126	Operating Reserve	6 months	-	-	-	-	-	-	-	-	-	-	-	2,021,696	-	2,021,696
127	Transit passes		-	-	-	-	-	-	-	-	-	-	300,000	-	-	300,000
128	Operating Reserve II		-	-	-	-	-	-	-	-	-	-	-	-	-	-
129	1 year Transition Reserve		-	-	-	-	-	-	-	-	-	-	-	2,447,314	-	2,447,314
132	<b>Total Reserves</b>	-	-	-	-	-	-	-	-	-	-	-	300,000	4,469,010	-	4,769,010
133																
134	<b>REPORTS &amp; STUDIES</b>															
135	Market Study	10,000	-	-	-	-	-	-	-	-	-	10,000	-	-	-	10,000
137	Appraisal	24,000	-	-	-	-	-	-	-	-	-	24,000	-	-	-	24,000
138	Environmental	32,750	13,500	1,075	3,763	10,750	15,050	13,438	7,525	1,613	538	100,000	-	-	-	100,000
139	Other: Lender Deposit	25,000	-	-	-	-	-	-	-	-	-	25,000	-	-	-	25,000
140	Other: Investor Deposit		-	-	-	-	-	-	-	-	-	-	-	-	-	-
141	Other:		-	-	-	-	-	-	-	-	-	-	-	-	-	-
142			-	-	-	-	-	-	-	-	-	-	-	-	-	-
143	<b>Total Reports &amp; Studies</b>	91,750	13,500	1,075	3,763	10,750	15,050	13,438	7,525	1,613	538	159,000	-	-	-	159,000
144																
145	<b>OTHER</b>															
146	TCAC App./Alloc/Monitoring Fees	92,763	22,739	-	-	-	-	-	-	-	-	115,502	-	54,113	-	169,615
147	CDLAC/CDIAC Fees	0.05%	42,295	-	-	-	-	-	-	-	-	42,295	-	-	-	42,295
148	Local Permit Fees	\$925/unit	270,000	252,500	50	175	500	700	625	350	75	625,000	-	-	-	625,000
149	Local Development Impact Fees	\$19,166/unit	0	5,232,400	-	-	-	-	-	-	-	5,232,400	-	-	-	5,232,400
152	Furnishings		-	-	-	-	-	-	-	-	175,000	175,000	-	-	-	175,000
153	Final Cost Audit Expense		-	-	-	-	-	-	-	-	-	-	10,000	-	-	10,000
154	Marketing	4,898	-	-	-	-	-	-	-	75,000	75,000	154,898	75,325	-	-	230,223
155	MGP Services Fee		100,000	-	-	-	-	-	-	50,000	-	150,000	-	-	-	150,000
156	SDHC fees		75,000	-	-	-	-	-	-	-	-	75,000	-	-	-	75,000
157	Accounting/Finance/Admin	23,426	-	6,447	6,447	6,447	6,447	6,447	6,447	6,447	6,447	75,000	-	-	-	75,000
158	Legal Entitlement Reviews	180,000	20,000	-	-	-	-	-	-	-	-	200,000	-	-	-	200,000
159	Bond/Credit Performance Deposit	100,000	-	-	-	-	-	-	-	-	-	100,000	(100,000)	-	-	-
160	<b>Total Other Costs</b>	713,382	5,702,639	6,497	6,622	6,947	7,147	7,072	6,797	131,522	256,472	6,845,095	(14,675)	54,113	-	6,884,533
161																
162	<b>DEVELOPER COSTS</b>															
163	Cash Developer fee		750,000	-	-	-	500,000	-	-	-	50,000	1,300,000	-	427,974	472,026	2,200,000
164	Priority Deferred fee		-	-	-	-	-	-	-	-	-	-	-	1,300,000	-	1,300,000
165	Subordinate deferred fee		-	-	-	-	-	-	-	-	-	-	-	1,500,000	-	1,500,000
170	<b>Total Developer Costs</b>	-	750,000	-	-	-	500,000	-	-	-	50,000	1,300,000	-	3,227,974	472,026	5,000,000
171																
173	<b>Total Uses of Funds</b>	9,092,369	19,699,381	3,060,946	7,012,627	16,043,881	23,046,603	20,521,020	11,934,413	3,488,571	2,126,611	116,026,422	1,696,705	7,749,571	472,026	125,944,724

OPERATING BUDGET & INCOME ANALYSIS

13th & Broadway AHSC component

2021 RDA Rents

						TCAC Rent		SDHC - 2021 UA		All Electric		2022 SDHC Standard	
				Square	Total			Gross	Rent	Utility	Monthly	Annual	RA Contract
Rent:	Restriction	%AMI	Units	Feet/Unit	Sq. Ft.			Rents	Adjustment	Allowance	Net Rent	Rent	Rent
0BR/1BA	50% TCAC/60% RDA	50%	45	350	15,750	1,061		\$ 999	\$ -	\$ 60	\$ 939	\$ 506,817	\$ 2,104
0BR/1BA	40% TCAC/50% RDA	40%	101	350	35,350	848		\$ 832	\$ -	\$ 60	\$ 772	\$ 935,816	\$ 591,353
0BR/1BA	25% TCAC/30% RDA	25%	68	350	23,800	530		\$ 499	\$ -	\$ 60	\$ 439	\$ 358,448	\$ 1,358,416
0BR/1BA	40% TCAC/50% RDA	40%	10	350	3,500	848		\$ 499	\$ -	\$ 60	\$ 439	\$ 52,713	\$ 250,287
1BR/1BA	50% TCAC/60% RDA	50%	4	500	2,000	1,136		\$ 1,141	\$ (5)	\$ 70	\$ 1,066	\$ 51,180	\$ -
1BR/1BA	40% TCAC/50% RDA	40%	11	500	5,500	909		\$ 951	\$ (42)	\$ 70	\$ 839	\$ 110,748	\$ -
1BR/1BA	25% TCAC/30% RDA	25%	7	500	3,500	568		\$ 571	\$ (2)	\$ 70	\$ 498	\$ 41,843	\$ -
1BR/1BA		20%	0	500	0			\$ 571		\$ 70	\$ 501	\$ -	\$ -
2BR/1BA	50% TCAC/60% RDA	50%	5	750	3,750	1,500		\$ 1,284	\$ -	\$ 95	\$ 1,189	\$ 71,331	\$ -
2BR/1BA	40% TCAC/50% RDA	40%	10	750	7,500	1,091		\$ 1,070	\$ -	\$ 95	\$ 975	\$ 116,985	\$ -
2BR/1BA	25% TCAC/30% RDA	25%	9	750	6,750	682		\$ 642	\$ -	\$ 95	\$ 547	\$ 59,068	\$ -
2BR/1BA		40%		750	0	0		\$ 642		\$ 95	\$ 547	\$ -	\$ -
2BR/1BA		MGR	3	500	1,500			\$ -	\$ -	\$ 95	\$ -	\$ -	\$ -
					0			\$ -					
Total Rents / Residential				273								2,304,948	
RA Overhang												2,200,055	
Income from Operations					PUPM								
Laundry					\$ 6.00							19,656	
Other Income (App. Fees, Late, etc.)					\$ 4.00							13,104	
Sub-Total					\$ 10.00							4,537,763	
Less: Vacancies @				6.46%								292,920	
Total Income												4,244,844	
Operating Expenses													
Admin					\$ 607.16							165,754	
Management Fee/AM Fee					\$ 840.00							229,320	
Utilities					\$ 1,185.79							323,722	
Payroll					\$ 1,965.02							536,450	
Security					\$ 882.58							240,945	
Repair & Maintenance					\$ 1,364.97							372,638	
Insurance					\$ 593.59							162,050	
Taxes (HOA, CFD)					\$ 62.21							16,982	
Total Expenses					\$ 7,501							2,047,861	
Addt'l Operating Expenses						0		\$5.50/sq ft				0	
Net Operating Income												2,196,983	
Reserves					\$500/unit							136,500	
Services					\$2,222/unit							606,627	
Issuer's and Admin Fee					0.125%	0.125%xPermLoanPrincipal+\$150/unit						57,575	
Mandatory Debt Service (AHSC)					0.420%							141,540	
Net Income Available for Debt Service												1,254,741	

DSC TEST 1.19

Loan Sizing	Tranche A
Loan Amount	13,300,000
Interest	5.00%
Term	20
Amortization	20
Debt Service Coverage	1.20
Monthly Payment	87,774
Annual Payment	1,053,289
Cash Flow After D/S	201,451

**OPERATIONAL CASH FLOW****13th and Broadway**

			1	2	3	4	5	6	7	8	9	10
Gross Revenue	Inflation @	2.00%	4,537,763	4,628,519	4,721,089	4,815,511	4,911,821	5,010,057	5,110,259	5,212,464	5,316,713	5,423,047
Vacancy		6.46%	(292,920)	(298,778)	(304,754)	(310,849)	(317,066)	(323,407)	(329,875)	(336,473)	(343,202)	(350,066)
<b>Net Revenue</b>			<b>4,244,844</b>	<b>4,329,741</b>	<b>4,416,335</b>	<b>4,504,662</b>	<b>4,594,755</b>	<b>4,686,651</b>	<b>4,780,384</b>	<b>4,875,991</b>	<b>4,973,511</b>	<b>5,072,981</b>
Operating Expenses (including non residential)	Inflation @	3.00%	2,047,861	2,109,297	2,172,576	2,237,753	2,304,886	2,374,032	2,445,253	2,518,611	2,594,169	2,671,994
<b>Ground Lease Pmt</b>		\$ -	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Operating Income</b>			<b>2,196,983</b>	<b>2,220,444</b>	<b>2,243,760</b>	<b>2,266,909</b>	<b>2,289,870</b>	<b>2,312,618</b>	<b>2,335,130</b>	<b>2,357,380</b>	<b>2,379,342</b>	<b>2,400,987</b>
Replacement Reserves		0.00%	136,500	136,500	136,500	136,500	136,500	136,500	136,500	136,500	136,500	136,500
Resident Services	Inflation @	2.00%	606,627	618,760	631,135	643,757	656,633	669,765	683,161	696,824	710,760	724,975
<b>Cash Available to Debt Service</b>			<b>1,453,856</b>	<b>1,465,184</b>	<b>1,476,125</b>	<b>1,486,652</b>	<b>1,496,737</b>	<b>1,506,353</b>	<b>1,515,470</b>	<b>1,524,057</b>	<b>1,532,082</b>	<b>1,539,512</b>
Principal and Interest		5.00%	1,053,289	1,053,289	1,053,289	1,053,289	1,053,289	1,053,289	1,053,289	1,053,289	1,053,289	1,053,289
Issuer's and Admin Fee		0.00%	57,575	57,575	57,575	57,575	57,575	57,575	57,575	57,575	57,575	57,575
Mandatory Soft Loan Payments		0.42%	141,540	141,540	141,540	141,540	141,540	141,540	141,540	141,540	141,540	141,540
<b>Net Project Cash Flow</b>			<b>201,451</b>	<b>212,780</b>	<b>223,721</b>	<b>234,247</b>	<b>244,333</b>	<b>253,949</b>	<b>263,065</b>	<b>271,652</b>	<b>279,677</b>	<b>287,107</b>
TCAC Gross Revenue Test	no more than 2% in year 15 if DSCR > 12	DSCR 8%	1.19	1.20	1.21	1.22	1.23	1.24	1.25	1.26	1.27	1.27
TCAC Debt Service Test		125%	4.44%	4.60%	4.74%	4.86%	4.97%	5.07%	5.15%	5.21%	5.26%	5.29%
UMR Operating Expense Test	<= 1.20 DSCR or 12% cash flow to expen	12%	7.22%	7.80%	7.98%	8.13%	8.25%	8.34%	8.41%	8.45%	8.46%	8.45%
HUD subsidy layering review test	10% cash flow to expense ratio		6.60%	6.79%	6.94%	7.08%	7.19%	7.39%	7.91%	7.96%	7.99%	7.99%
<b>Distributions:</b>												
LP Fee	2,500	3.00%	2,500	2,575	2,652	2,732	2,814	2,898	2,985	3,075	3,167	3,262
Deferred Developer fee	100% of Avail Cashflow	0.00%	198,951	210,205	221,068	231,516	241,519	196,741	0	0	0	0
<b>Cash Available for Soft Loan Payments (50%) and Other Partnership Payments (50%)</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>54,310</b>	<b>260,080</b>	<b>268,578</b>	<b>276,510</b>	<b>283,845</b>

# **OPERATIONAL CASH FLOW**

13th and Broadway

			11	12	13	14	15	16	17	18	19	20
Gross Revenue	Inflation @	2.00%	5,531,508	5,642,138	5,754,981	5,870,081	5,987,482	6,107,232	6,229,377	6,353,964	6,481,044	6,610,664
Vacancy		6.46%	(357,067)	(364,209)	(371,493)	(378,923)	(386,501)	(394,231)	(402,116)	(410,158)	(418,361)	(426,729)
<b>Net Revenue</b>			<b>5,174,441</b>	<b>5,277,930</b>	<b>5,383,488</b>	<b>5,491,158</b>	<b>5,600,981</b>	<b>5,713,001</b>	<b>5,827,261</b>	<b>5,943,806</b>	<b>6,062,682</b>	<b>6,183,936</b>
Operating Expenses (including non residential)	Inflation @	3.00%	2,752,154	2,834,719	2,919,760	3,007,353	3,097,574	3,190,501	3,286,216	3,384,802	3,486,346	3,590,937
<b>Ground Lease Pmt</b>		\$ -	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Operating Income</b>			<b>2,422,287</b>	<b>2,443,211</b>	<b>2,463,728</b>	<b>2,483,805</b>	<b>2,503,408</b>	<b>2,522,500</b>	<b>2,541,045</b>	<b>2,559,004</b>	<b>2,576,336</b>	<b>2,592,999</b>
Replacement Reserves		0.00%	136,500	136,500	136,500	136,500	136,500	136,500	136,500	136,500	136,500	136,500
Resident Services	Inflation @	2.00%	739,475	754,264	769,350	784,737	800,431	816,440	832,769	849,424	866,413	883,741
<b>Cash Available to Debt Service</b>			<b>1,546,312</b>	<b>1,552,447</b>	<b>1,557,878</b>	<b>1,562,568</b>	<b>1,566,476</b>	<b>1,569,560</b>	<b>1,571,776</b>	<b>1,573,080</b>	<b>1,573,423</b>	<b>1,572,758</b>
Principal and Interest		5.00%	1,053,289	1,053,289	1,053,289	1,053,289	1,053,289	1,053,289	1,053,289	1,053,289	1,053,289	1,053,289
Issuer's and Admin Fee		0.00%	57,575	57,575	57,575	57,575	57,575	57,575	57,575	57,575	57,575	57,575
Mandatory Soft Loan Payments		0.42%	141,540	141,540	141,540	141,540	141,540	141,540	141,540	141,540	141,540	141,540
<b>Net Project Cash Flow</b>			<b>293,908</b>	<b>300,042</b>	<b>305,474</b>	<b>310,164</b>	<b>314,072</b>	<b>317,156</b>	<b>319,372</b>	<b>320,675</b>	<b>321,019</b>	<b>320,354</b>
TCAC Gross Revenue Test	no more than 2% in year 15 if DSCR > 12	DSCR 8%	1.28	1.28	1.29	1.29	1.30	1.30	1.30	1.30	1.30	1.30
TCAC Debt Service Test		125%	5.31%	5.32%	5.31%	5.28%	5.25%	5.19%	5.13%	5.05%	4.95%	4.85%
UMR Operating Expense Test	<= 1.20 DSCR or 12% cash flow to expen	12%	8.42%	8.36%	8.28%	8.18%	8.06%	7.92%	7.75%	7.57%	7.38%	7.16%
HUD subsidy layering review test	10% cash flow to expense ratio		7.97%	7.92%	7.86%	7.77%	7.67%					
<b>Distributions:</b>												
LP Fee	2,500	3.00%	3,360	3,461	3,564	3,671	3,781	0				
Deferred Developer fee	100% of Avail Cashflow	0.00%	0	0	0	0	0	0	0	0	0	0
			0									
<b>Cash Available for Soft Loan Payments (50%) and Other Partnership Payments (50%)</b>			<b>290,548</b>	<b>296,582</b>	<b>301,910</b>	<b>306,493</b>	<b>310,290</b>	<b>317,156</b>	<b>319,372</b>	<b>320,675</b>	<b>321,019</b>	<b>320,354</b>



# **OPERATIONAL CASH FLOW**

13th and Broadway

			21	22	23	24	25	26	27	28	29	30
Gross Revenue	Inflation @	2.00%	6,742,878	6,877,735	7,015,290	7,155,596	7,298,708	7,444,682	7,593,575	7,745,447	7,900,356	8,058,363
Vacancy		6.46%	(435,263)	(443,968)	(452,848)	(461,905)	(471,143)	(480,566)	(490,177)	(499,981)	(509,980)	(520,180)
<b>Net Revenue</b>			<b>6,307,615</b>	<b>6,433,767</b>	<b>6,562,442</b>	<b>6,693,691</b>	<b>6,827,565</b>	<b>6,964,116</b>	<b>7,103,398</b>	<b>7,245,466</b>	<b>7,390,376</b>	<b>7,538,183</b>
Operating Expenses (including non residential)	Inflation @	3.00%	3,698,665	3,809,625	3,923,913	4,041,631	4,162,880	4,287,766	4,416,399	4,548,891	4,685,358	4,825,919
<b>Ground Lease Pmt</b>		\$ -	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Operating Income</b>			<b>2,608,950</b>	<b>2,624,142</b>	<b>2,638,529</b>	<b>2,652,060</b>	<b>2,664,685</b>	<b>2,676,350</b>	<b>2,686,999</b>	<b>2,696,575</b>	<b>2,705,018</b>	<b>2,712,265</b>
Replacement Reserves		0.00%	136,500	136,500	136,500	136,500	136,500	136,500	136,500	136,500	136,500	136,500
Resident Services	Inflation @	2.00%	901,416	919,444	937,833	956,590	975,721	995,236	1,015,141	1,035,443	1,056,152	1,077,275
<b>Cash Available to Debt Service</b>			<b>1,571,034</b>	<b>1,568,198</b>	<b>1,564,196</b>	<b>1,558,970</b>	<b>1,552,464</b>	<b>1,544,614</b>	<b>1,535,359</b>	<b>1,524,632</b>	<b>1,512,366</b>	<b>1,498,489</b>
Principal and Interest		5.00%	483,884	0	0	0	0	0	0	0	0	0
Issuer's and Admin Fee		0.00%	57,575	57,575	57,575	57,575	57,575	57,575	57,575	57,575	57,575	57,575
Mandatory Soft Loan Payments		0.42%	141,540	141,540	141,540	141,540	141,540	141,540	141,540	141,540	141,540	141,540
<b>Net Project Cash Flow</b>			<b>888,035</b>	<b>1,369,083</b>	<b>1,365,081</b>	<b>1,359,855</b>	<b>1,353,349</b>	<b>1,345,499</b>	<b>1,336,244</b>	<b>1,325,517</b>	<b>1,313,251</b>	<b>1,299,374</b>
TCAC Gross Revenue Test	no more than 2% in year 15 if DSCR > 12	DSCR 8%	2.84	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
TCAC Debt Service Test		125%	13.17%	19.91%	19.46%	19.00%	18.54%	18.07%	17.60%	17.11%	16.62%	16.12%
UMR Operating Expense Test	<= 1.20 DSCR or 12% cash flow to expen	12%	19.30%	28.95%	28.08%	27.21%	26.34%	25.47%	24.60%	23.74%	22.87%	22.01%
HUD subsidy layering review test	10% cash flow to expense ratio											
<b>Distributions:</b>												
LP Fee	2,500	3.00%										
Deferred Developer fee	100% of Avail Cashflow	0.00%	0	0	0	0	0	0	0	0	0	0
			0									
<b>Cash Available for Soft Loan Payments (50%) and Other Partnership Payments (50%)</b>			<b>888,035</b>	<b>1,369,083</b>	<b>1,365,081</b>	<b>1,359,855</b>	<b>1,353,349</b>	<b>1,345,499</b>	<b>1,336,244</b>	<b>1,325,517</b>	<b>1,313,251</b>	<b>1,299,374</b>



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

13th & Broadway CIC, LP  
1320 Broadway San Diego, CA 92101  
October 13, 2022

The San Diego Housing Commission (“Housing Commission”) is pleased to submit this non-binding commitment terms summary. This commitment terms summary is not a binding contract and is subject to the approval by the San Diego Housing Commission Board of Commissioners (“Board of Commissioners”) and, if necessary, the Housing Authority of the City of San Diego. The purpose of this commitment terms summary is to set forth the general terms and conditions under which the Housing Commission is interested in making a loan (“Housing Commission Loan”) to 13th & Broadway CIC, LP, a California limited partnership (“Borrower”), with respect to the proposed new construction and permanent financing of a 273-unit development (with 270 affordable units and three unrestricted manager’s units) located on an approximately .44 acre lot at 1320 Broadway in the City of San Diego (“Project”). As stated in the award extension letter dated June 21, 2022, the award has been extended to April 30, 2023 and is contingent upon the Borrower receiving a 4% tax credit award in the first round of 2023. Should an award not be achieved, the Project will be reviewed by Housing Commission for competitiveness and, if not deemed competitive, the extension and award will be rescinded.

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

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

1. **Maximum loan amount (not to exceed)** - Up to \$8,000,000 as a residual receipts loan. Loan funds to be used for the acquisition, construction and permanent financing of the Project.
2. **Interest Rate**- 4 percent simple interest.
3. **Loan Term** - The loan will be due, and payable in full, in 55 years from completion of the Project.
4. **Loan Payments** - Annual payments on the loan shall equal the 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. "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.

#### 5. **Affordability-**

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

Unit Type	AMI	Number of Units
Studio	25%	68
Studio	40%	111
Studio	50%	45
1BR	25%	7
1BR	40%	11
1BR	50%	4
2BR	25%	9
2BR	40%	10
2BR	50%	5



2 Bedroom Manager	-	3
Total Units	-	273

6. **Purchase Option** – Borrower 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 the State of California Department of Housing and Community Development, County of San Diego, Federal Home Loan Bank, etc. 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 estimated value of the Project site at stabilization was determined to be \$70,690,000 as of June 14, 2022. The land is owned by the City of San Diego and will be leased by the City to the Borrower.
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 construction loan closing, a costs review may be obtained by the Housing Commission with a third-party consultant. Borrower will reimburse the Housing Commission at escrow closing for all reasonable third-party review costs.
11. **Contractor** - The construction contract shall be competitively bid to at least three qualified General Contractors and shall be awarded to the lowest qualified and responsive bidder.
  - a. Borrower will submit copies of three qualified bids received from subcontractors for each trade.
  - b. Construction Agreement - Borrower shall submit the proposed Construction Agreement to the Housing Commission for its review and prior approval. The Housing Commission shall have a minimum of two weeks for its review of the proposed Construction agreement.
  - c. Subcontractors – the Borrower shall require the General Contractor to solicit and obtain competitive bids from at least three qualified subcontractors for



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

- d. Change orders at or in excess of \$100,000 shall have Housing Commission prior written approval. For proposed change orders over \$100,000, 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 certification is completed/finalized.
  15. **Cost Savings and/or Additional Proceeds at Escrow Closing -** In the event that the Borrower obtains funds in excess of those shown as sources in Exhibit A Proforma, then upon the construction loan closing, the excess funds shall be used as follows:
    - a. First, such excess funds shall be used to fund development cost overruns reasonably approved by the Housing Commission.
    - b. Second, upon Construction Loan Closing and subject to lender and investor approval, any excess funds shall be used to pay the Housing Commission Loan as set forth in Section 15.c and 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 paid toward the Housing Commission Loan 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 pro forma (Attachment A).
- d. Fourth, excess funds shall be shared fifty percent (50%) to the Borrower and the other fifty percent (50%) will be paid to the Housing Commission and other soft lenders in proportion to the original principal balance of their loans.
- e. Excess funds paid toward the Housing Commission Loan will be applied first to pay down the accrued interest, and the remaining amount shall pay down the principal.

**17. Developer Fee-**

- a. Maximum Fee \$5,000,000 paid from Development Sources.
  - i. There will be a \$1,300,000 Senior Deferred Developer Fee and \$1,500,000 Subordinate Deferred Developer Fee to be paid from the gross developer fee amount of \$5,000,000.
  - ii. There will be a maximum Net Cash Developer Fee of \$2,200,000 to be paid from the gross developer fee amount of \$5,000,000.
- b. Additional developer fee provisions
  - i. If for any reason the Borrower does not collect the entire developer fee from development sources through the last equity installment, with the exception of negative tax credit adjusters, uncollected fee up to \$2,200,000 shall be given priority over Housing Commission residual receipt payments.
  - ii. If any amount of the developer fee is deferred, then such amount shall be repaid during the 15-year tax credit compliance period. Amounts outstanding after the expiration of the 15-year tax credit compliance period shall be contributed to the Project in the form of a capital contribution.
- c. Developer fee payments shall be paid out incrementally. Because the Project





is a tax credit project, the developer fee payments shall be in accordance with lender and investor requirements, but subject to the provisions of this Section 17.

18. **Due Diligence** - The Borrower, at Borrower's expense, shall provide the following, if applicable: a current appraisal, an environmental review, a lead paint and asbestos review, and a relocation plan. The Borrower shall provide the Housing Commission with an updated appraisal within 90 days of the estimated escrow closing date or a Letter of Intent from the third-party lender.
  
19. **Environmental Requirements** - Currently the Housing Commission intends to partially fund the Housing Commission Loan with HOME funds. As a result, the parties agree and acknowledge that this commitment terms summary 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). 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. The parties agree that the provision of any HOME funds to the Project will be conditioned on the City of San Diego's determination to proceed with, modify or cancel the Project based on the results of subsequent environmental review under NEPA. By execution of this commitment terms summary, 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. Please note, HUD authorized use of grant funds for this project on June 12, 2020 and July 8, 2020.
  
20. **Fees/Payments to Housing Commission** - Borrower will pay to the Housing Commission:
  - a) **Underwriting Fee** - a flat underwriting fee in the amount of **\$60,000** will be charged as reimbursement of Housing Commission costs related to underwriting and issuing the loan. This must be included in the total development cost of the Project and is to be paid at close of escrow.
  - b) **Legal Fee** - the Housing Commission charges a legal costs fee for document preparation and review that must be included in the total development cost. Current Housing Commission legal fees are **\$25,000** and are to be paid at the close of escrow.
  - c) **Compliance Affordability Monitoring Fee** - compliance monitoring fees must



be incorporated into the operating proforma. Borrower will pay the fee in accordance with the then-existing Housing Commission fee schedule. Current annual affordability monitoring are as follows: \$150 X 270 (Project units to be affordability monitored) = **\$40,500** 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.
- f) Construction Cost Review- Housing Commission may engage a third party to review the reasonableness of the construction costs. If so, fees of \$12,500 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 1 “Limited Partnership Fees” shall be capped at \$25,000 per year and shall not increase more than 3.0% annually. “Limited Partnership Fees” include Asset management fees related to the investor and general partner’s management of the Project.
- b. Unpaid General Partner fees shall not accrue. The Housing Commission will require the Limited Partnership Agreement to explicitly state this requirement.
- c. Any changes to the asset management partnership fees will require the prior written approval of the Housing Commission’s President and CEO or designee.

22. **Financing Gap** - The Borrower will cover any financing gap that arises after Housing Commission underwriting, with its equity, its developer fee, and/or other non-Housing Commission sources, all of which shall be subject to the approval of the Housing Commission in its sole discretion and will not be unreasonably withheld. No additional Housing Commission funds, beyond this Letter of Intent’s \$8,000,000 will be provided for the 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 the Housing Commission funds all or part of the Housing Commission Loan using HOME funds, then Borrower shall comply with the HOME programs rules and regulations, Federal Davis Bacon law and Section 3.

24. **HOME Investment Partnerships (HOME) Funds** -





HOME funds are currently planned to partly fund the Commission Loan. In the event the Housing Commission funds all or part of the Housing Commission Loan using HOME funds, then:

- a. HOME program regulations will be applicable.
- b. HOME funds may not be used to fund any of the following:
  - i) Any reserves are not eligible for HOME funds (including but not limited to operating reserves).
  - ii) Offsite improvements are not eligible for funding with HOME funds.
  - iii) Furnishings costs are not eligible for funding with HOME funds.
  - iv) Commercial space improvements are not eligible for funding with HOME funds.
- c. The HOME IDIS funding system requires at least one HOME draw in a 12 month period and at least of small portion of the HOME funds must remain in the IDIS system until the Project is ready for occupancy.

25. **Insurance** - Borrower shall at all times during the term of the Commission Loan maintain General Liability and Property Insurance (fire and extended coverage), workers compensation, builder's completed value risk insurance against "all risks of physical loss" (during construction) and, if required by the Housing Commission, floor and earthquake insurance, in forms acceptable to the Housing Commission and approved by the Housing Commission's General Counsel. The San Diego Housing Commission, the Housing Authority of the City of San Diego, and the City of San Diego shall be listed as an additional insureds: for General Liability Insurance, for Property Insurance, and in the General Contractor's Insurance policy. The San Diego Housing Commission shall be endorsed as a loss payee of the 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 **\$8,000,000**) will be disbursed as follows:

- Up to 75 percent (**\$6,000,000**) at escrow closing.
- Up to 10 percent (**\$800,000**) to be distributed at 50 percent construction completion,
- Up to 10 percent (**\$800,000**) 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 (**\$400,000**) upon conversion to permanent financing
- a. The Housing Commission's President and Chief Executive Officer, or designee, is authorized to modify the Housing Commission Loan



disbursement schedule in their sole reasonable discretion.

- b. In the event the Housing Commission funds all or part of the Housing Commission Loan using HOME funds, then a portion of the HOME program funds shall be withheld until final inspection approval and all unconditional lien releases are forwarded to the Housing Commission.
- c. Loan proceeds shall be 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. 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 proposed property manager's fee must be approved in advance by the Housing Commission.
- c. The Housing Commission reserves the right to declare Borrower in default of the Housing Commission Loan 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 property management is required. There shall be three manager's units.
- e. Marketing Plan - In the event the Housing Commission funds all or part of the Housing Commission Loan using 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.

- 28. **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.

- 29. **Project Based Vouchers**- The project will include 115 Project Based Vouchers (PBV) from the Housing Commission.

- 30. **Resident Services** - The attached pro forma shows a \$606,627 resident services expenditure, with a 2 percent annual escalator. Increasing this amount or the escalator will require Housing Commission written approval.



31. **Prevailing Wage** - It is anticipated that the Project will be subject to Federal Davis-Bacon prevailing wage rates.
32. **Recourse** - The Housing Commission's loan will be recourse until the timely completion of the construction, after which it will become non-recourse.
33. **Reserves**: Replacement reserves and operating reserves must be consistent with lender and equity investor requirements. The Housing Commission reserves the right to require higher operating or replacement reserves.
  - a. Replacement Reserve -The attached proforma models an annual replacement reserve at **\$136,500 (\$500 per unit per year)**.
  - b. Operating Reserve - The attached proforma models a capitalized operating reserve at **\$2,021,969** at conversion to permanent financing. The operating reserve is to be maintained for the entire term of the Housing Commission Loan.
  - c. Transition Reserve- The attached proforma models a capitalized Transition Reserve at **\$2,447,314** at conversion to permanent financing.
  - d. Disbursements from Reserves: Housing Commission prior written approval shall be required for any and all disbursements from either the Project's operating reserve and/or replacement reserve.
34. **Section 3** - In the event the Housing Commission funds all or part of the Housing Commission Loan using 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.
35. **Security** -The Housing Commission Loan will be secured by a Declaration of Covenants, Conditions and Restrictions ("CC&R") 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.

36. **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.
37. **Title (ALTA Lender's Policy)** -The Borrower shall acquire, at its sole cost and expense, an ALTA Lender's Policy for the Commission Loan with endorsements acceptable to the Housing Commission.
38. **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.
39. **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 commitment terms summary and return it to the undersigned by October 3, 2022 so that this commitment terms summary may be attached to the Housing Commission Board report.

**ACKNOWLEDED AND AGREED TO BY:**

13th & Broadway CIC, LP

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

*Cheri Hoffman*

**Print Name:** Cheri Hoffman

**Title:** Authorized Signer

**Date:** October 3, 2022



SAN DIEGO  
HOUSING  
COMMISSION

San Diego Housing Commission

By: DocuSigned by: Emily Jacobs  
73F60947D9464E8...

**Print Name:** Emily Jacobs

**Title:** Executive Vice President, Real Estate

**Date:** 10/3/2022

**Attachment:** Exhibit A Developer's Pro forma

## **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 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, or the 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, the Housing Authority, or the City of San Diego financially or legally liable for the bonds or for the project.

[Note: Members of the Housing Commission or the San Diego City Council may be asked to take two actions at this stage in the bond process -- one in their capacity as approving the TEFRA hearing resolution and another as approving the bond inducement.]

- 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 that states that the Housing Authority is a legal entity with the authority to issue multifamily housing bonds and that the Housing Commission acts on behalf of the Housing Authority to issue the bonds. The offering document also includes a paragraph that details that there is no pending or threatened litigation that would affect the validity of the bonds or curtail the ability of the Housing Authority to

issue bonds. This is the extent of the disclosure required of the Housing Authority, Housing Commission, or the City. However, it is the obligation of members of the Housing Authority to disclose any material facts known about the project, not available to the general public, which might have an impact on the viability of the project.





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

1. Name of CONTRACTOR: **Chelsea Investment Corporation**
2. Address and Zip Code: **6339 Paseo del Lago, Carlsbad, CA 92011**
3. Telephone Number: **760-456-6000**
4. Name of Principal Contact for CONTRACTOR: **Cheri Hoffman, President**
5. Federal Identification Number or Social Security Number of CONTRACTOR: **90-0151442**
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): **Exhibit A**  
☐ 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: \_\_\_\_\_  
  
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:  
**Original Formation Date: July 30, 1986, Restructure Date: February 23, 2004**  
  
8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below:
  - a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
  - b. If the CONTRACTOR is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.

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

Name and Address		Position Title (if any) and percent of interest or description of character and extent of interest
Name:	The Schmid Family Trust	Sole Shareholder
Address:	6339 Paseo del Lago	
	Carlsbad, CA 92011	
Name:	James J. Schmid	Co-Trustee
Address:	6339 Paseo del Lago	
	Carlsbad, CA 92011	
Name:	Lynn Harrington Schmid	Co-Trustee
Address:	6339 Paseo del Lago	
	Carlsbad, CA 92011	

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

Name and Address		Position Title (if any) and percent of interest or description of character and extent of interest
Name:	James J. Schmid	Sole Director/CEO/Treasurer/Co-Trustee
Address:	6339 Paseo del Lago	of Schmid Family Trust, Sole Shareholder
	Carlsbad, CA 92011	
Name:	Cheri Hoffman	President
Address:	6339 Paseo del Lago	
	Carlsbad, CA 92011	
Name:	Charles S. Schmid	Vice President (son of James J. Schmid)
Address:	6339 Paseo del Lago	
	Carlsbad, CA 92011	
Name:	Lynn Harrington Schmid	Secretary (Wife of James J. Schmid and Co-Trustee
Address:	6339 Paseo del Lago	of the Schmid Family Trust, Sole Shareholder
Name:	Carlsbad, CA 92011	

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

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

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

Name and Address	Relationship to CONTRACTOR
Name: Emmerson Construction, Inc.	General Contractor / Construction Management
Address: 6339 Paseo Del Lago	
Carlsbad, CA 92011	
Name: CIC Management	Property Management
Address: 6339 Paseo Del Lago	
Carlsbad, CA 92011	

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.

**See Exhibit C Financial Statements**

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

### Sources

Federal LIHTC Equity	\$ 48,454,075
Permanent Loan	\$ 13,300,000
Deferred Developer Fee	\$ 1,300,000
Subordinate Deferred Developer Fee	\$ 1,500,000
Civic San Diego loan	\$ 14,640,000
SDHC	\$ 8,000,000
MHP	\$ 20,000,000
IIG	\$ 6,002,134
AHSC Program funds	\$ 300,000
AHSC AHD	\$ 13,700,000
<b>Total Development Sources</b>	<b>\$ 127,196,209</b>

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

a. In banks/savings and loans: *Equity will be funded by tax credit investor.*

Name: **TBD**

Address:

Amount: \$

b. By loans from affiliated or associated corporations or firms: *Enter types of other funding (Developer Fee, Contribution, Deferred Developer and Deferred Contractor Fee (Whichever funding suits you project))*

Name: **Chelsea Investment Corporation**

Address: **6339 Paseo Del Lago, Carlsbad, CA 92011**

Amount: **See Developer Fee listed above**

Name: **Emmerson Construction, Inc.**

Address: **6339 Paseo Del Lago, Carlsbad, CA 92011**

Amount: **See proforma**

c. By sale of readily salable assets/including marketable securities: **None**

Description	Market Value (\$)	Mortgages or Liens (\$)
N/A		

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

Name and Address	Contact Name
Name: <b>Citi Community Capital</b>	<b>Sonia Rahm, Director</b>
Address: <b>444 South Flower Street, 29<sup>th</sup> Floor</b>	
<b>Los Angeles, CA 90071</b>	
Name: <b>Banner Bank</b>	<b>Waheed Karim, Vice President</b>
Address: <b>5901 Priestly Drive, Suite 160</b>	
<b>Carlsbad, CA 92008</b>	

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

☐ Yes

☒ No

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

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

☐ Yes

☒ No

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

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

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

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

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

Name and Address	Affiliation
Name: Emmerson Construction, Inc.	Affiliate
Address: 6339 Paseo del Lago, Carlsbad, CA 92011	

- 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: **\$ 187,777,002**

General description of such work: construction of affordable family, senior and other affordable housing projects.

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

Project Name	See Exhibit E Resumes and List of Projects	
Project Owner Contact Information		
	Name	Address
Project Location		
Project Details		
Bonding Company Involved		
	Name	Amount of Contract
Change Order Details		
Change Order Cost		
Litigation Details		
	Location/Date	Outcome Details

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

Identification of Contract or Development	Location	Amount	Date to be Completed

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

Awarding Agency	Amount	Date Opened

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

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

☐ Yes ☒ No

If yes, explain:

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

**See Exhibit F – Financial Statements for Emmerson Construction**

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

☐ Yes ☒ No

If yes, explain:

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

**The project will have adequate insurance coverage at commencement of construction. Broker is Cavignac & Associates, 450 B Street, Suite 1800, San Diego, CA 92101.**

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

Check coverage(s) carried:

- ☐ Comprehensive Form  
☐ Premises - Operations

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

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

Check coverage(s) carried:

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

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

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

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

Government Complaint	Entity	Making	Date	Resolution
N/A				

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

☐ Yes ☒ No

If yes, please explain, in detail,

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

Government Agency	License Description	License Number	Date Issued (Original)	Status (Current)	Revocation (Yes/No)
State License Board	Contractor's License for Emmerson Construction, Inc.	775773	3/2/2000	Current	No

33. Describe in detail any and all other facts, factors or conditions that may adversely affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, SALES of Real Property to, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with the SDHC. **None.**

34. Describe in detail, any and all other facts, factors or conditions that may favorably affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with the SDHC. **None**

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

Date	Entity Involved (i.e. City SDHC, etc)	Status (Current, delinquent, repaid, etc.)	Dollar Amount
2019	14 <sup>th</sup> & Commercial	Current	\$11,500,000
2018	San Ysidro / Paseo La Paz	Current	\$925,000
2017	Normal Heights	Current	\$5,200,000
2016	Mesa Verde	Current	\$9,600,000



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

☐ Yes ☒ No

If yes, explain:

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

☐ Yes ☒ No

If yes, explain:

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

1. Name: Bob McElroy  
Address: 3737 Fifth Avenue, Suite 203, San Diego, CA 92103  
Phone: 619-542-1877  
Project Name and Description: The Alpha Project
2. Name: Kevin McCook  
Address: 130 Vantis Drive, Suite 200, Aliso Viejo, CA 92656  
Phone: 858-526-6655  
Project Name and Description: The Mercado (Shea Properties)
3. Name: Bill Ostrem  
Address: 16465 Via Esprillo, Suite 150, San Diego, CA 92127  
Phone: 619-421-0127  
Project Name and Description: Black Mountain Ranch

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.

**Please see attached resume.**

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

Name	Experience
<b>Rob Campbell</b>	Rob has over 33 years of experience in high rise, mid-rise, multifamily residential, hotel, and commercial construction. Having gained his experience on large projects in the San Diego and Los Angeles areas, including multifamily developments with as many as 1,000 units, he is responsible for day-to-day operations to ensure projects are completed on time and within budget, and that site safety, environmental standards, quality of materials, and workmanship meet or exceed standards.

## CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

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

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

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

Executed this 4<sup>th</sup> day of May, 20 22, at San Diego, California.

CONTRACTOR

By: Cheri Hoffman

Signature

Cheri Hoffman, Authorized Signatory

Title

## CERTIFICATION

The CONTRACTOR, Chelsea Investment Corporation, 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: Cheri Hoffman

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

Title: Authorized Signatory

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

Dated: 5/04/22

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

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

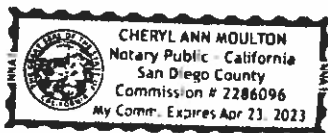
## JURAT

State of California

County of San Diego

Subscribed and sworn to (or affirmed) before me on this 4th day of May, 2022

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



Cheryl Ann Moulton  
Signature of Notary

SEAL