



## EXECUTIVE SUMMARY

### HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: April 20, 2023

HCR23-056

SUBJECT: Loan Recommendation for Serenade on 43rd

COUNCIL DISTRICT: 9

ORIGINATING DEPARTMENT: Real Estate Division

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

#### REQUESTED ACTION:

Approve a proposed residual receipts loan in an amount not to exceed \$2,000,000 to Serenade 43, L.P. to facilitate the rehabilitation and new construction of Serenade on 43rd at 4034, 4046, 4054 43rd Street in the City Heights neighborhood of San Diego, which will consist of 64 rental housing units that will remain affordable for 55 years for individuals and families with income of 30 percent to 60 percent of San Diego's Area Median Income (AMI) and one unrestricted manager's unit. Designated Project-Based Housing Voucher units will serve individuals experiencing homelessness with serious mental illness with income of 30% to 40% of AMI or below.

#### EXECUTIVE SUMMARY OF KEY FACTORS:

- Serenade on 43rd is a proposed 65-unit, new construction and rehabilitation affordable rental housing development for individuals and families that will include 28 studios, 25 one-bedroom units, eight two-bedroom units, three three-bedroom units, and one unrestricted two-bedroom manager's unit.
- Of the 64 affordable units, 32 units will be permanent supportive housing units (23 studios and nine one-bedroom units). Through the County of San Diego's No Place Like Home (NPLH) Program, 31 of these units will serve individuals with a serious mental disability who are experiencing homelessness.
- The project will rehabilitate and preserve the affordability of 20 existing naturally occurring affordable multifamily housing units at the project site, while adding 45 new affordable and service-enriched housing units for a total of 64 affordable apartment units and one manager's unit.
- The site currently includes 22 existing multifamily housing units. They are not deed-restricted. While they are habitable and naturally affordable, they need rehabilitation. The design will renovate 20 of these existing units. Two end units will be removed to create cohesion with the new construction component of the project via multiple connected and shared courtyards.
- Bust Stop ID No. 60666 is approximately 0.1 mile from the site, located at University Avenue and Van Dyke Avenue.
- The Housing Commission's proposed loan is contingent upon the developer receiving all necessary third-party funding commitments, as described in this report.
- The developer, Wakeland Housing and Development Corporation, is a nonprofit that develops and operates affordable and supportive housing, including more than 7,800 affordable homes at 56 properties throughout California.
- The estimated total development cost is \$33,784,749 (\$519,765/unit). The Housing Commission's proposed \$2,000,000 loan subsidy would be \$30,769 per unit.



## REPORT

**DATE ISSUED:** April 17, 2023

**REPORT NO:** HCR23-056

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of April 20, 2023

**SUBJECT:** Loan Recommendation for Serenade on 43<sup>rd</sup>

**COUNCIL DISTRICT:** 9

*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.*

### **REQUESTED ACTION**

Approve a proposed residual receipts loan in an amount not to exceed \$2,000,000 to Serenade 43, L.P. to facilitate the rehabilitation and new construction of Serenade on 43<sup>rd</sup> at 4034, 4046, 4054 43<sup>rd</sup> Street in the City Heights neighborhood of San Diego, which will consist of 64 rental housing units that will remain affordable for 55 years for individuals and families with income of 30 percent to 60 percent of San Diego's Area Median Income (AMI) and one unrestricted manager's unit. Designated Project-Based Housing Voucher units will serve individuals experiencing homelessness with serious mental illness with income of 30% to 40% of AMI or below.

### **STAFF RECOMMENDATION**

That the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) take the following actions:

- 1) Approve a proposed residual receipts loan in an amount not to exceed \$2,000,000 to Serenade 43, L.P. to facilitate the acquisition, rehabilitation and new construction of Serenade on 43<sup>rd</sup> at 4034, 4046, 4054 43<sup>rd</sup> Street in the City Heights neighborhood of San Diego, which will consist of 64 rental housing units that will remain affordable for 55 years for individuals and families with income of 30 percent to 60 percent of San Diego's Area Median Income (AMI) and one unrestricted manager's unit. Designated Project-Based Housing Voucher units (total 32) will serve individuals experiencing homelessness with serious mental illness with income of 30% to 40% of AMI or below.

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 \$2,000,000 maximum Housing Commission loan amount may not increase.
- 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.

## **SUMMARY**

**Table 1 – Development Details**

Address	4034, 4046, 4054 43 <sup>rd</sup> Street, San Diego
Council District	9
Community Plan Area	City Heights Community Plan Area
Developer	Wakeland Housing and Development Corporation
Development Type	Acquisition and Rehabilitation and New Construction
Construction Type	The four buildings will consist of the following: Two existing buildings are being rehabilitated. Both are two-story wood frame with stucco (type V) multifamily residential buildings. The third building will be a three-story wood frame structure over a concrete podium with wood stud framing (type VA) (45 new construction units and property management/supportive services offices). The fourth building will be a one-story wood frame community building (Type VB).
Parking Type	Nine surface parking spaces on a first come, first serve basis
Mass Transit	Bus stop approximately 0.1 mile from the site, at University Avenue and Van Dyke Avenue, Bust Stop ID: 60666
Housing Type	Multifamily affordable housing for families, including permanent supportive housing for those with serious mental disabilities who are experiencing homelessness
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	0.68 acres (29,621 square feet)
Units	65 (64 units restricted/affordable)
Density	95.6 dwelling units per acre (65 units ÷ 0.68 acres = 95.6)
Unit Mix	64 affordable rental units: 28 studio, 25 one-bedroom units, 8 two-bedroom units, 3 three-bedroom units, and one unrestricted two-bedroom manager's unit.
Gross Building Area	53,373 square feet
Net Rentable Area	33,272 square feet
Project Based Vouchers (PBVs)	32 PBVs for individuals earning 30% to 40% of AMI who are experiencing homelessness with serious mental illness

Affordable Units in Service by Council District	Council District 9 includes 2,933 affordable rental housing units currently in service, which represents 11.5 percent of the 25,446 affordable rental housing units in service citywide.
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### The Development

Serenade on 43<sup>rd</sup> is a proposed 65-unit, new construction and rehabilitation affordable rental housing development for individuals and families. The development will be at 4034, 4046, 4054 43<sup>rd</sup> Street in San Diego's City Heights neighborhood (Attachment 1 – Site Map). Serenade on 43<sup>rd</sup> will include 28 studios, 25 one-bedroom units, eight two-bedroom units, three three-bedroom units, and one unrestricted two-bedroom manager's unit. Serenade on 43<sup>rd</sup> is designed to not only bring critical new housing units to the community, but to also preserve housing and create long-term affordability for the 21 existing residents (four of the currently existing units are two-bedroom, while the remaining units are one-bedroom units) as the project was designed to be phased new construction and rehabilitation and with a unit mix to accommodate the existing households without displacement. Currently, the existing units are naturally occurring affordable housing, i.e., not deed-restricted, and if the site was not acquired by the developer, the units would have been at risk of demolition or conversion to market rate.

The existing residents have been included in initial planning efforts for both the new construction units and the rehabilitation of the existing one- and two-bedroom units. The project design represents resident input – more laundry, more outdoor spaces (including a children's play area), a community clubhouse, better mail facilities and abundant natural light. Unit amenities will include: a refrigerator, a stove/oven, heating and air conditioning. The development will consist of four buildings, two at two stories, one at three stories and the fourth at one story tall. The development will include nine surface parking spaces, available on a first come, first serve basis.

As an integrated family and supportive housing project, of the 64 affordable units, 32 units will be permanent supportive housing (23 studios and nine one-bedroom units). Through the County of San Diego's No Place Like Home (NPLH) Program, 31 of these units will serve individuals with a serious mental disability experiencing homelessness.

Serenade on 43<sup>rd</sup> will also have indoor and outdoor spaces designed for events and activities to integrate the population and create a supportive, cohesive residential community. The central community room will play a critical role in creating a sense of community within the project. The space will include a computer lab, kitchen and room for group dinners, grill area, bike storage exercise programs, classes, social clubs and community events. Additionally, the project will have a full-time on-site manager and a full-time maintenance person.

### Resident Services

Serenade on 43<sup>rd</sup> will include resident services focused on real world skills that assist in building self-reliance and achieving personal and professional success. These services work in tandem with case management and property management to help build stronger communities. The resident services team will include a 1.5 full-time equivalent (FTE) Wellness Coordinator, .5 FTE Peer Support Specialist, .25 Housing Innovation Partners Case Manager and 1.55 FTE Behavioral Health Services Case Managers dedicated to Serenade on 43<sup>rd</sup>. The services team will help identify any unmet needs and connect residents with resources to improve their health and wellness, while fostering a sense of community on-site. Case management and resident services will be provided by Housing Innovation Partners, with additional support for the No Place Like Home Residents through County Behavioral Health Services (BHS).

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The Property Manager, Resident services team and BHS team will meet regularly to discuss property and tenant issues with a goal of promoting housing stability for all tenants. Property management staff will also collaborate to bring green education to the residents. Together, they will host events for all residents regarding the building's green features and the importance of resource conservation and environmental sustainability. Workshops will cover topics such as green cleaning products, recycling, healthy meals, healthy living choices, and mindful energy use.

#### Developer's Request

In response to the Housing Commission's Fiscal Year 2023 Permanent Supportive Housing (PSH) Notice of Funding Availability (NOFA), Wakeland Housing and Development Corporation (Wakeland) applied for a loan and Project-Based Housing Vouchers (PBVs) for the Serenade on 43<sup>rd</sup> development. On April 7, 2023, Housing Commission staff provided a preliminary recommendation of award for a residual receipts loan of up to \$2,000,000, subject to Housing Commission Board approval, and an award of 32 PSH PBVs for the Serenade on 43<sup>rd</sup> development, contingent upon the U.S. Department of Housing and Urban Development's (HUD) approval of the Subsidy Layering Review for the development.

#### The Property

The subject property at 4034, 4046, 4054 43<sup>rd</sup> Street is near the University Avenue corridor and is part of a Transit Overlay Zone and an Economic Opportunity Zone in an area of mixed-use and increasing gentrification. The project will rehabilitate and preserve the affordability of 20 existing naturally occurring affordable multifamily housing units at the project site, while adding 45 new affordable and service-enriched housing units for a total of 65 affordable apartment units. The site currently includes 22 existing multifamily housing units. They are not deed-restricted. While they are habitable and naturally affordable, they need rehabilitation. The design will renovate 20 of these existing units. Two end units will be removed to create cohesion with the new construction component of the project via multiple connected and shared courtyards.

#### Appraisal

A June 2022 appraisal of the subject site, conducted by Kinetic Valuation Group, valued the 4030 43<sup>rd</sup> Street location at \$2,640,000 and the 4046 and 4054 43<sup>rd</sup> Street locations at \$4,540,000 for a total combined appraised value of \$7,180,000.

#### Prevailing Wages

The proposed use of 32 U.S. Department of Housing and Urban Development Project-Based Housing Vouchers, which the Housing Commission administers, at Serenade on 43<sup>rd</sup> will require the development to pay federal Davis-Bacon wages. If a proposed funding source also requires state prevailing wages, Wakeland will be subject to paying the higher prevailing wage rate between federal and state.

#### Project Sustainability

Serenade on 43<sup>rd</sup> will be constructed in conformance with California Tax Credit Allocation Committee (CTCAC) minimum energy efficiency standards. The 100% electric development will include Energy Star-rated efficient appliances and a solar component for the common area's electrical load. Water efficiency and conservation has been incorporated into the development's design, including low-flow fixtures and drought-resistant landscaping. The project will be GreenPoint Rated – Gold.

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### Relocation

The site currently includes 22 existing multifamily housing units. The proposed project would renovate 20 of these existing units. Two end units will be removed to create cohesion with the new construction component of the project via multiple connected and shared courtyards. Temporary relocation will be required during rehabilitation of the existing units and related expenses are included in the development budget. The current residents will be given the opportunity to move back into their unit or select another unit once rehabilitation is completed. Due to a health and safety issues with respect to severe amounts of mold, one family will be permanently displaced. The developer has placed the family temporarily in a hotel to begin the permanent relocation process as they work closely together to find a new apartment. The family's belongings are in storage that is safe from potential health risks associated with mold. Similar to the temporary relocation, expenses related to this permanent relocation are included in the development budget.

### Development Team

During the tax credit compliance period, Serenade on 43<sup>rd</sup> will be owned by Serenade 43, L.P., a California limited partnership (a single-asset limited partnership) consisting of Wakeland Serenade 43 LLC as the Managing General Partner and TACHS 43<sup>rd</sup> Street Apartments LLC as the Co-General Partner, a to-be-selected Administrative General Partner, and a to-be-selected tax credit limited partner (Attachment 2 – Organization Chart).

The developer, Wakeland Housing and Development Corporation, is a nonprofit that develops and operates affordable and supportive housing. Since 1998, Wakeland has developed more than 7,800 affordable homes at 56 properties throughout California.

**Table 2 - Development Team Summary**

<b>ROLE</b>	<b>FIRM/CONTACT</b>
Developer	Wakeland Housing and Development Corporation
Owner/Borrower	Serenade 43 L.P.
Managing General Partner	Wakeland Serenade 43 LLC
Co-General Partner	TACHS 43 <sup>rd</sup> Street Apartments LLC
Tax Credit Investor Limited Partner	To be determined
Architect	Dahlin
General Contractor	Sun Country Builders
Property Management	ConAm Management Corporation
Construction and Permanent Lender	To be determined
Tenant Services Providers	Housing Innovations Partnership and NPLH – County of San Diego Behavioral Health Services

### Property Management

Serenade on 43<sup>rd</sup> will be managed by ConAm Management Corporation (ConAm). Established in 1975, ConAm is a nationwide management company, based in San Diego, with a management portfolio of approximately 53,000 units in more than 26 metropolitan areas. It is experienced in property management, marketing, maintenance, renovations and tax credit developments. ConAm manages 24 developments for Wakeland.

**FINANCING STRUCTURE**

Serenade on 43<sup>rd</sup> has an estimated total development cost of \$33,784,749 (\$519,765/unit). Financing will include a combination of sources as described in Table 3. The developer's pro forma is included as Attachment 3 and summarized below.

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

<b>Financing Sources</b>	<b>Amount</b>	<b>Financing Uses</b>	<b>Amount</b>	<b>Per Unit</b>
9% Federal Tax Credit Equity	\$16,965,034	Land Acquisition & Closing Costs	\$6,041,000	\$92,938
Proposed Housing Commission Loan	2,000,000	Rehabilitation Costs	1,905,710	29,319
Fee Waivers	602,536	New Construction Costs	15,698,881	241,521
County of San Diego NPLH Loan	7,717,179	Permits & Fees	708,464	10,899
City of San Diego CDBG Loan	6,500,000	Reserves	882,890	13,583
		Architectural, Survey & Engineering	1,455,000	22,385
		Construction Interest & Fees	1,997,387	30,729
		Other Soft Costs	2,895,417	44,545
		Developer's Fee	2,200,000	33,846
<b>Total Sources</b>	<b>\$33,784,749</b>	<b>Total Uses</b>	<b>\$33,784,749</b>	<b>\$519,765</b>

The Housing Commission's proposed \$2,000,000 residual receipts loan may be partly funded with: the City of San Diego Affordable Housing Fund (Inclusionary Housing fund) and U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnerships Program (HOME) funds awarded to the City of San Diego, which the Housing Commission administers. As a result of the HOME funding, there will be HOME-restricted units. The total amount of Housing Commission funding sources shall not exceed \$2,000,000. 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 4.

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, such proceeds will first be used to make an adjustment to reduce the Housing Commission's loan.

**Developer 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" (Report No. HAR17-011; Resolution No. HA-1727). That report approved certain developer fee guidelines for multifamily loans and bond issuances. Attachment 1 to that report stated: "Developer Fee [for] 9% tax credits, in project costs: 15% eligible basis, up to \$2.2 million...." The proposed developer's fee complies with the HAR 17-011 "Request for Approval of Updated Developer Fees" guidelines approved by the Housing Authority on April 25, 2017.

**Development Cost Key Performance Indicators**

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

**Table 4 – Key Performance Indicators**

Total Development Cost Per Unit	$\$33,784,749 \div 65 \text{ units} =$	\$519,765
Housing Commission Subsidy Per Unit	$\$2,000,000 \div 65 \text{ units} =$	\$30,769
Acquisition Cost Per Unit	$\$6,041,000 \div 65 \text{ units} =$	\$92,938
Gross Building Square Foot Hard Cost	$\$17,604,591 \div 53,373 \text{ sq. ft.} =$	\$330
Net Rentable Square Foot Hard Cost	$\$17,604,591 \div 33,272 \text{ sq. ft.} =$	\$530

**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.

**Table 5 – Comparable Development Projects**

New Construction Project Name	Year	Units	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Per Sq. Ft.
<b>Proposed Subject – Serenade on 43<sup>rd</sup></b>	<b>2023</b>	<b>65</b>	<b>\$33,784,749 (with prevailing wage)</b>	<b>\$519,765</b>	<b>\$30,769</b>	<b>\$330</b>
Cortez Hill	2023	88	\$44,138,657 (with prevailing wage)	\$501,576	\$56,818	\$514
Iris at San Ysidro	2022	100	\$56,449,080 (with prevailing wage)	\$564,182	\$23,000	\$307
Nestor Senior	2021	74	\$31,510,305 (with prevailing wage)	\$425,815	\$45,000	\$363

**AFFORDABLE HOUSING IMPACT****Project-Based Vouchers (PBV)**

The Housing Commission has provided a preliminary award recommendation of 32 PBVs for Serenade on 43<sup>rd</sup> for households experiencing homelessness with serious mental illness with incomes between 30 percent and 40 percent of AMI. The recommendation for these vouchers is contingent upon successful completion of a subsidy layering review, NEPA clearance, execution of an Agreement to Enter into Housing Assistance Payment, verification of services and all applicable Housing Commission and PBV regulations. 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 of the 32 voucher-assisted units at Serenade on 43<sup>rd</sup>. The PBV units will be: 23 studio units and nine one-bedroom units. The tenants experiencing homelessness (PSH PBVs) will be identified through the Coordinated Entry System. Supportive Services for these tenants will be provided by Housing Innovations Partnership and

NPLH – County of San Diego Behavioral Health Services. A Housing first model will be used when providing supportive services and administering leasing activities.

Affordability

The Serenade on 43<sup>rd</sup> development will be subject to applicable tax credit agreements, which will restrict affordability of 64 units for 55 years. The rent and occupancy restrictions required by CTCAC will apply.

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

<b>Unit Type</b>	<b>AMI</b>	<b>Units</b>	<b>CTCAC Gross Rents</b>
Studio	30% (\$27,350/year for one-person household)	23	\$683
Studio	40% (\$36,450/year for one-person household)	2	\$911
Studio	60% (\$54,660/year for one-person household)	3	\$1,366
<b>Subtotal Studio Units</b>	--	<b>28</b>	--
One bedroom	30% (\$31,250/year for two-person household)	8	\$732
One bedroom	40% (\$41,650/year for two-person household)	12	\$976
One bedroom	55% (\$57,250/year for two-person household)	5	\$1,431
<b>Subtotal One Bedroom Units</b>	--	<b>25</b>	--
Two bedrooms	30% (\$35,150/year for three-person household)	1	\$878
Two bedrooms	50% (\$58,550/year for three-person household)	4	\$1,463
Two bedrooms	60% (\$70,260/year for three-person household)	3	\$1,756
<b>Subtotal Two Bedroom Units</b>	--	<b>8</b>	--
Three bedrooms	30% (\$39,050/year for four-person household)	1	\$1,015
Three bedrooms	60% (\$78,060/year for four-person household)	2	\$2,030
<b>Subtotal Three Bedroom Units</b>	--	<b>3</b>	--
Manager's two bedrooms unit	--	<b>1</b>	
<b>Total Units</b>	--	<b>65</b>	--

**FISCAL CONSIDERATIONS**

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

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

- City of San Diego Affordable Housing Fund and/or federal HOME funds – up to \$2,000,000
- Total Funding Sources – up to \$2,000,000

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

- Housing Commission Loan – up to \$2,000,000
- Total Funding Uses – up to \$2,000,000

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

#### Estimated Development Schedule

The estimated development timeline is as follows:

<b>Milestones</b>	<b>Estimated Dates</b>
<ul style="list-style-type: none"><li>• CTCAC 9% tax credit applications</li><li>• CTCAC allocation meetings</li><li>• Estimated 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>• April 25, 2023</li><li>• July 26, 2023</li><li>• December 2023</li><li>• December 2023</li><li>• September 2025</li></ul>

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

Wakeland reported that it is committed to advancing equity and inclusion throughout the development and operation of the project. The Housing Commission included a requirement for prospective applicants for tax credits to include a narrative and specific example of activities and initiatives that support equity assurance. Wakeland demonstrates a commitment to this effort by continuing to use the Global Diversity, Equity & Inclusion Benchmarks assessment checklist to assess current racial equity and inclusion (REI) efforts and ensure that REI policies, initiatives, and practices are intentionally imbedded in all that they do.

#### **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**

Wakeland Housing and Development Corporation will present the proposed development as an informational item to the City Heights Area Planning Committee prior to loan closing.

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

Serenade on 43<sup>rd</sup> is anticipated to have a positive impact on the community, as it will contribute to the quality of the surrounding neighborhood and rehabilitate and/or create 64 affordable rental homes for individuals and families, including those experiencing homelessness.

#### **ENVIRONMENTAL REVIEW**

##### California Environmental Quality Act

The proposed project is statutorily exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to California Senate Bill 35 (SB35). SB35 allows qualifying development projects with certain minimum affordable housing guarantees to move more quickly through the local government review process and restricts the ability of local governments to reject these proposals. The bill amended Government Code Section 65913.4 to require local entities to streamline the approval of

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certain housing projects by providing a ministerial approval process, exempting certain projects from CEQA, and removing the requirement for discretionary entitlements granted by the Planning Commission. The developer has received document Local Approvals and Environmental Review Verification, dated June 2, 2022, from the City of San Diego Development Services Department indicating the project is statutorily exempt from CEQA pursuant to SB35.

National Environmental Policy Act

Federal funds constitute a portion of the funding for this project. An Environmental Assessment is being processed in accordance with the requirements of the National Environmental Policy Act (NEPA). The parties agree that the provision of federal funds as a result of this action is conditioned on the approval of the Environmental Assessment by the City of San Diego and the receipt of Authority to Use Grant Funds from the U.S. Department of Housing and Urban Development. Final authorization to utilize grant funds is expected to be received from HUD prior to beginning construction.

Respectfully submitted,



Jennifer Kreutter  
Vice President, Multifamily Housing Finance  
Real Estate Division

Approved by,



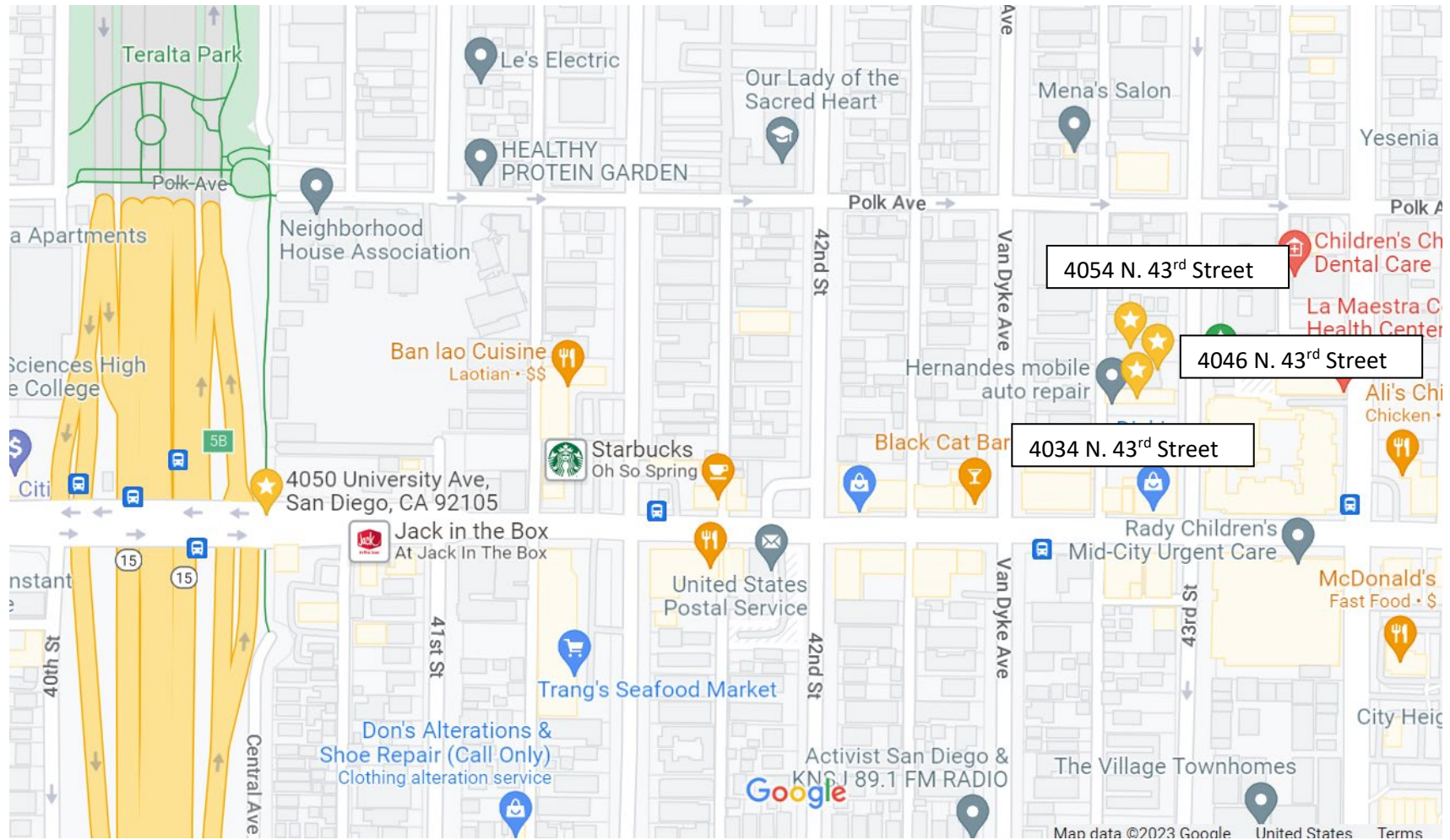
Jeff Davis  
Interim President and Chief Executive Officer  
San Diego Housing Commission

Attachments:

- 1) Site Map
- 2) Organization Chart
- 3) Developer's Project Pro forma
- 4) Proposed Loan Terms
- 5) 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).

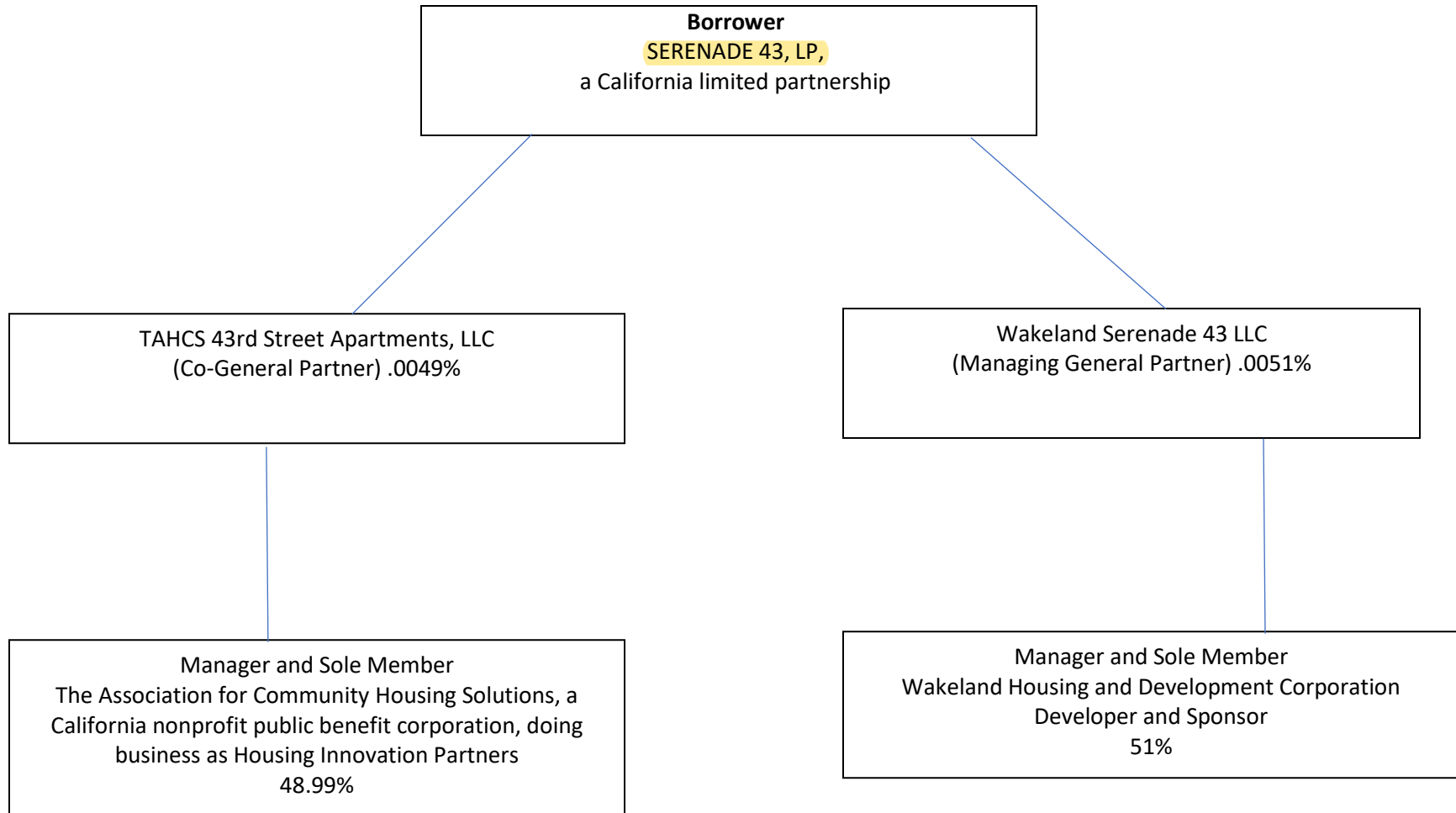
## Attachment 1 – Site Map



## Attachment 2 - Organizational Chart

**SERENADE ON 43<sup>rd</sup>, LP**

### Organizational Chart





## PROFORMA, PROJECT INFORMATION

## INSTRUCTIONS

Complete all gray cells on the Project Information, Development Budget, and Operating Expenses worksheets. Certain calculations and cell references are automatically completed via Excel formulas. The 55 Year Cash Flow worksheet generates data according to the information provided on the Project Information and Development Budget worksheets.

## PROPOSED DEVELOPMENT NAME

Serenade on 42nd

## DEVELOPMENT ADDRESS

4034, 4040, 4054 N. 42nd Street, San Diego, CA

## APPLICANT

Wakeland Housing and Development Corporation

## APPLICANT ADDRESS

1230 Columbia Street, Suite 950, San Diego, CA 92101

UNIT SIZE	SQ/FT	# UNITS
0 Bedroom/SRO/Studio	400	28
1 Bedroom	608	25
2 Bedroom	775	9
3 Bedroom	1,047	3
4 Bedroom		
<b>TOTAL UNITS</b>		<b>65</b>

TOTAL UNITS WITH FEDERAL RENTAL ASSISTANCE

32

SQUARE FOOTAGE	
Corridors	500
Common Areas and Community Space	2,500
Commercial Space	0
Other (Specify)	Utility Storage/Circulation
	7,963
<b>GROSS COMMON AREA SQUARE FOOTAGE</b>	<b>10,963</b>
<b>GROSS BUILDING SQUARE FOOTAGE</b>	<b>47,419</b>

TOTAL UNITS

65

GROSS SQ/FT

47,419

NET RENTABLE SQ/FT

36,516

ANTICIPATED TIEBREAKER SCORE\*

87

COST PER UNIT

\$519,765

GROSS HARD COST SQ/FT

\$381

NET RENTABLE COST SQ/FT

\$430

\*The tiebreaker score in the tax credit application will be reviewed as part of the loan process.

REQUESTED SDHC LOAN AMOUNT

\$2,000,000

REQUESTED BOND AMOUNT IF APPLYING TO COLAC

\$0

RESIDUAL RECEIPT SPLIT	
SDHC	12.3%
Applicant	87.7%

LIMITED PARTNER ASSET MANAGEMENT FEES	
LP Asset Management Fee	\$5,000
MGF Management Fee	\$20,000
Admin. GP Management Fee	

SDHC PURCHASE OPTION

Yes

ANNUAL FIXED DEBT PAYMENT TO SDHC

\$10,000

SDHC RIGHT OF FIRST REFUSAL

No

PROPOSED AFFORDABILITY TERM

55 Years

AFFORDABILITY TERM IF "OTHER"

CONSTRUCTION FINANCING SOURCES	
9% Tax Credits	\$1,096,503
WCD	\$0
CAHFA	\$0
Federal Home Loan Bank	\$0
HUD	\$0
San Diego Housing Commission	\$2,000,000
Deferred Developer Fee	\$0
Conventional Lender(s)	\$0
Other: Fee Waivers	\$602,536
Other: Prestabilized Income	\$0
Other: Construction Loan	\$14,230,707
Other: (County of SD NPLH Capital Loan)	\$6,945,462
Other: (City of SD CDBG Loan)	\$6,175,000
Other: (Costs deferred until conversion)	\$2,134,540
<b>TOTAL SOURCES</b>	<b>\$13,784,748</b>

CONSTRUCTION USES OF FUNDS	
Land Acquisition	\$6,041,000
Rehabilitation	\$1,905,710
Relocation	\$31,182
New Construction	\$15,698,881
Architectural, Survey, & Engineering	\$1,455,000
Construction Interest & Fees	\$1,997,387
Permanent Financing	\$0
Legal	\$150,000
Reserves	\$882,890
Appraisal	\$15,000
Contingency	\$0
Other Project Expenses	\$3,407,699
<b>Total Developer Costs</b>	<b>\$2,200,000</b>
<b>TOTAL PROJECT COSTS</b>	<b>\$13,784,748</b>

PERMANENT FINANCING SOURCES	
9% Tax Credits	\$16,965,034
WCD	\$0
CAHFA	\$0
Federal Home Loan Bank	\$0
HUD Program	\$0
SDHC Loan	\$2,000,000
Deferred Developer Fee	\$0
Conventional Lender(s)	\$0
Fee Waivers	\$602,536
Prestabilized Income	\$0
Other: (County of SD NPLH Capital Loan)	\$7,717,179
Other: (City of SD CDBG Loan)	\$6,500,000
Other: (Specify)	\$0
<b>TOTAL SOURCES</b>	<b>\$33,784,748</b>

PERMANENT USES OF FUNDS	
Land Acquisition	\$6,041,000
Rehabilitation	\$1,905,710
Relocation	\$31,182
New Construction	\$15,698,881
Architectural, Survey, & Engineering	\$1,455,000
Construction Interest & Fees	\$1,997,387
Permanent Financing	\$0
Legal	\$150,000
Reserves	\$882,890
Appraisal	\$15,000
Contingency	\$0
Other Project Expenses	\$3,407,699
<b>Total Developer Costs</b>	<b>\$2,200,000</b>
<b>TOTAL PROJECT COSTS</b>	<b>\$33,784,748</b>

UNIT SIZE	AMI LEVELS									PRV UNITS	MARKET UNITS	TOTALS
	25% AMI	30% AMI	35% AMI	40% AMI	45% AMI	50% AMI	55% AMI	60% AMI	>60%AMI			
0 Bedroom/SRO/Studio				2				3		23		28
1 Bedroom				11			5			9		25
2 Bedroom		1				4		3			1	9
3 Bedroom		1						2				3
4 Bedroom												0
<b>TOTAL UNITS</b>	<b>0%</b>	<b>3%</b>	<b>0%</b>	<b>20%</b>	<b>0%</b>	<b>6%</b>	<b>8%</b>	<b>12%</b>	<b>0%</b>	<b>40%</b>	<b>2%</b>	<b>65</b>

UNIT SIZE	RENTAL INCOME									PRV RENTS	MARKET RENTS	TOTALS
	25% AMI	30% AMI	35% AMI	40% AMI	45% AMI	50% AMI	55% AMI	60% AMI	>60%AMI			
0 Bedroom/SRO/Studio	\$0	\$0	\$0	\$1,698	\$0	\$0	\$0	\$3,819	\$0	\$28,267		\$33,784
1 Bedroom	\$0	\$0	\$0	\$9,999	\$0	\$0	\$6,250	\$0	\$0	\$12,267		\$28,516
2 Bedroom	\$0	\$818	\$0	\$0	\$0	\$5,452	\$0	\$4,908	\$0			\$11,178
3 Bedroom	\$0	\$945	\$0	\$0	\$0	\$0	\$0	\$3,780	\$0			\$4,725
4 Bedroom	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0
<b>TOTAL MONTHLY INCOME</b>												\$78,203
<b>TOTAL ANNUAL INCOME</b>												\$938,436

ADDITIONAL INCOME		
TYPE	PROJECT	UNIT
Laundry	\$4,680	\$72
Vending	\$0	\$0
Commercial	\$0	\$0
Other: (Specify)	\$0	\$0
Other: (Specify)	\$0	\$0

TRENDS	
Income	2.5%
Expenses	3.5%
Vacancy	7.5%

OPERATING COSTS		PROJECT	UNIT
<b>TOTAL ANNUAL OPERATING EXPENSE</b>		\$713,550	\$10,978

TOTAL ANNUAL HARD DEBT EXPENSE	
	\$0.00

TAX CREDIT INFORMATION	
Eligible Basis	\$26,662,510
Voluntary Ineligible Amount	\$11,235,404
Total Unadjusted Eligible Basis	\$15,427,106
QCT or DDA	Yes
130%	
<b>Total Adjusted Eligible Basis</b>	<b>\$20,055,238</b>
Applicable Fraction	100.00%
Total Qualified Basis	\$20,055,238
Total Credit Reduction	\$0
<b>Total Adjusted Qualified Basis</b>	<b>\$20,055,238</b>
Applicable Percentage	9%
Subtotal Annual Credit	1,804,971
Total 10 Year Tax Credits	18,049,714
Limited Partner Interest	99.99%
Limited Partner Tax Credits	18,047,909
Equity Price	\$0.940
<b>Estimated Total Tax Credits</b>	<b>\$16,965,034</b>

TENANT/OWNER PAID		SOURCE	TYPE	0 BR	1 BR	2 BR	3 BR	4 BR
Owner			Heating	\$0	\$0	\$0	\$0	\$0
Owner			Cooking	\$0	\$0	\$0	\$0	\$0
Owner			Water Heating	\$0	\$0	\$0	\$0	\$0
Owner			Other Electric	\$0	\$0	\$0	\$0	\$0
Owner			Water	\$0	\$0	\$0	\$0	\$0
Owner			Sewer	\$0	\$0	\$0	\$0	\$0
Owner			Trash	\$0	\$0	\$0	\$0	\$0
Owner			Range	\$0	\$0	\$0	\$0	\$0
Owner			Refrigerator	\$0	\$0	\$0	\$0	\$0
<b>OWNER PAID TOTALS</b>				\$0	\$0	\$0	\$0	\$0
<b>TENANT PAID TOTALS</b>				\$0	\$0	\$0	\$0	\$0

PERMANENT FINANCING

Lender Name	
CONVENTIONAL LOAN	
Annual Debt Service	\$0.00
Term (In Years)	0
Rate	0.00%
Total Loan Amount	\$0

Lender Name	
SECOND	
Annual Debt Service	\$0.00
Term (In Years)	0
Rate	0.00%
Total Loan Amount	\$0

Lender Name	
THIRD	
Annual Debt Service	\$0.00
Term (In Years)	0
Rate	0.00%
Total Loan Amount	\$0

Lender Name	
FOURTH	
Annual Debt Service	\$0.00
Term (In Years)	0
Rate	0.00%
Total Loan Amount	\$0

Lender Name	
FIFTH	
Annual Debt Service	\$0.00
Term (In Years)	0
Rate	0.00%
Total Loan Amount	\$0

DEVELOPER NOTES

SDHC loan shows the entire loan amount in during construction, when in reality, there is a 5% hold until conversion. The project site is located in QCT but not in GDA. Residual receipt split between SDHC and the applicant is 12.33% and 87.67%. The Applicant portion of the split will include payment to County of San Diego NPUL Capital Loan, and City



**SAN DIEGO  
HOUSING  
COMMISSION**

Development Budget	
Project Name:	Serenade on 43rd
Applicant:	Wakeland Housing and Development Corpora

Category	Amount	Unit Cost	Eligible Basis	Notes
<b>Land Acquisition</b>				
Land Cost or Value	\$6,041,000	\$92,938		\$135,000 - Land holding costs & \$6,000 in acquisition closing costs
Site work	\$0	\$0	\$0	
Structures	\$1,905,710	\$29,319	\$1,905,710	
General Requirements	\$0	\$0	\$0	
Contractor Overhead	\$0	\$0	\$0	
Contractor Profit	\$0	\$0	\$0	
Prevailing Wages	\$0	\$0	\$0	
General Liability Insurance	\$0	\$0	\$0	
Broker Fees	\$0	\$0	\$0	
Other: (Specify)	\$0	\$0	\$0	
<b>Total Rehabilitation Cost</b>	<b>\$1,905,710</b>	<b>\$29,319</b>	<b>\$1,905,710</b>	
<b>Relocation</b>				
Relocation Consultant	\$0	\$0	\$0	
Relocation Expense	\$31,182	\$480	\$31,182	temporary relocation during rehab
Other: (Specify)	\$0	\$0	\$0	
<b>Total Relocation Expenses</b>	<b>\$31,182</b>	<b>\$480</b>	<b>\$31,182</b>	
<b>Construction</b>				
Site work	\$922,500	\$14,192	\$922,500	
Structures	\$10,932,732	\$168,196	\$10,932,732	
Contingency	\$1,593,598	\$24,517	\$1,593,598	
Environmental: Lead Based Paint/Asbestos	\$12,000	\$185	\$12,000	asbestos acoustic ceiling of existing units
General Requirements	\$1,212,415	\$18,653	\$1,212,415	
Contractor Overhead	\$153,667	\$2,364	\$153,667	
Contractor Profit	\$521,509	\$8,023	\$521,509	
General Liability Insurance	\$275,460	\$4,238	\$275,460	also includes Bond Premium
Other: (Security during construction)	\$75,000	\$1,154	\$75,000	
<b>Total New Construction Costs</b>	<b>\$15,698,881</b>	<b>\$241,521</b>	<b>\$15,698,881</b>	
<b>Architectural, Survey, &amp; Engineering</b>				
Survey and Engineering Fees	\$355,000	\$5,462	\$355,000	
Architectural Design Costs	\$990,000	\$15,231	\$990,000	
Architectural Supervision Costs	\$110,000	\$1,692	\$110,000	
<b>Total Architectural, Survey, &amp; Engineering Costs</b>	<b>\$1,455,000</b>	<b>\$22,385</b>	<b>\$1,455,000</b>	
<b>Construction Interest &amp; Fees</b>				
Construction Loan Interest	\$1,456,657	\$22,410	\$1,456,657	
Origination Fee	\$106,730	\$1,642	\$106,730	
Credit Enhancement/ Application Fee	\$0	\$0	\$0	
Bond Premium	\$0	\$0	\$0	
Taxes	\$140,000	\$2,154	\$140,000	
Insurance	\$182,000	\$2,800	\$182,000	
Title & Recording	\$85,000	\$1,308	\$85,000	
Other: (Construction Lender expenses)	\$27,000	\$415	\$27,000	
Other:(Specify)	\$0	\$0	\$0	
<b>Total Construction Interest &amp; Fees Costs</b>	<b>\$1,997,387</b>	<b>\$30,729</b>	<b>\$1,997,387</b>	
<b>Permanent Financing</b>				
Loan Origination Fee	\$0	\$0		
Credit Enhancement/Application Fee	\$0	\$0		
Title & Recording	\$0	\$0		
Taxes	\$0	\$0		
Insurance	\$0	\$0		
Other: (Permanent Relocation)		\$0		
Other: (Specify)		\$0		
<b>Total Permanent Financing Costs</b>	<b>\$0</b>	<b>\$0</b>		

<b>Legal</b>				
Lender Legal Paid by Applicant	\$40,000	\$615	\$40,000	
Other: (SDHC & Construction Lender Counsels, Syndication)	\$110,000	\$1,692	\$110,000	
<b>Total Legal Costs</b>	<b>\$150,000</b>	<b>\$2,308</b>	<b>\$150,000</b>	
<b>Reserves</b>				
Rent Reserves	\$0	\$0		
Capitalized Rent Reserves	\$0	\$0		
Operating Reserve	\$361,740	\$5,565		6 months
Other: (Capitalized Subsidy Transition Reserve)	\$521,150	\$8,018		
<b>Total Reserve Costs</b>	<b>\$882,890</b>	<b>\$13,583</b>		
<b>Appraisal</b>				
Consultant Fees	\$15,000	\$231	\$15,000	
Other: (Specify)	\$0	\$0	\$0	
<b>Total Appraisal Cost</b>	<b>\$15,000</b>	<b>\$231</b>	<b>\$15,000</b>	
<b>Contingency</b>				
Other: (Specify)	\$0	\$0	\$0	
Other: (Specify)	\$0	\$0	\$0	
<b>Total Contingency Cost</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>Other Project Expenses</b>				
TCAC Application/Allocation/Monitoring	\$100,849	\$1,552		
Marketing	\$97,500	\$1,500		
Remediation		\$0		
Parking	\$0	\$0		
Shell Construction - Commercial	\$0	\$0		
Tenant Improvements - Commercial	\$0	\$0		
Environmental Audit	\$0	\$0	\$0	
Local Development Impact Fees	\$333,464	\$5,130	\$333,464	
Permit Processing Fees	\$375,000	\$5,769	\$375,000	
Capital Fees	\$0	\$0	\$0	
Furnishings	\$155,000	\$2,385	\$155,000	
Market Study	\$12,000	\$185	\$12,000	
Accounting/Reimbursable	\$15,000	\$231	\$15,000	
Soft Cost Contingency	\$250,000	\$3,846	\$250,000	
SDHC Fees: Underwriting, Legal, etc.	\$60,000	\$923	\$60,000	
Other: (Construction Manager)	\$225,000	\$3,462	\$225,000	
Other: (SDHC Asset & Construction Monitoring)	\$27,500	\$423	\$27,500	
Other: (Syndication Consulting)	\$86,000	\$1,323	\$86,000	
Other: (Impact Fee Waiver)	\$602,536	\$9,270	\$602,536	
Other: (Permanent Relocation)	\$1,067,850	\$16,428	\$1,067,850	into Eligible Basis ; the other line item automatically puts it there
<b>Total Other Project Costs</b>	<b>\$3,407,699</b>	<b>\$52,426</b>	<b>\$3,209,350</b>	
<b>Developer Expenses</b>				
Developer Overhead/Profit	\$2,200,000	\$33,846	\$2,200,000	
Consultant/Processing Agent	\$0	\$0	\$0	
Project Administration	\$0	\$0	\$0	
Broker Fees Paid to Related Party	\$0	\$0	\$0	
Construction Oversight by Developer	\$0	\$0	\$0	
Other: (Specify)	\$0	\$0	\$0	
Other: (Specify)	\$0	\$0	\$0	
<b>Total Developer Costs</b>	<b>\$2,200,000</b>	<b>\$33,846</b>	<b>\$2,200,000</b>	
<b>TOTAL PROJECT COSTS</b>	<b>\$33,784,749</b>	<b>\$519,765</b>	<b>\$26,662,510</b>	

Complete the section below if the development includes commercial space. Please note: Federal and State funds may not be used to fund commercial space development.

<b>Commercial Space Development Expenses</b>				
Other: (Specify)	\$0	\$0		
Other: (Specify)	\$0	\$0		
Other: (Specify)	\$0	\$0		
Other: (Specify)	\$0	\$0		
Other: (Specify)	\$0	\$0		
<b>Total Commercial Space Development Costs</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>COMPREHENSIVE PROJECT COSTS</b>	<b>\$33,784,749</b>	<b>\$519,765</b>	<b>\$26,662,510</b>	



SAN DIEGO  
HOUSING  
COMMISSION

Operating Expenses	
Project Name:	<u>Serenade on 43rd</u>
Applicant:	<u>Wakeland Housing and Dev</u>

Category	Amount	Unit Cost	Notes
<b>Operating Expenses</b>			
Payroll	\$155,825	\$2,397	including taxes and benefits
Management Fees	\$42,900	\$660	
Administrative Fees	\$52,000	\$800	phone, fax, internet, pc & maintenance, software, training
Audit Fees	\$0	\$0	
Advertising	\$0	\$0	
Utilities	\$82,225	\$1,265	gas and electricity
Landscaping	\$0	\$0	
General Maintenance	\$0	\$0	
Insurance	\$45,000	\$692	
Other: (Security)	\$54,000	\$831	
Other: (Painting)	\$10,000	\$154	
Other: (Repairs)	\$32,500	\$500	
Other: (Trash Removal)	\$20,000	\$308	
<b>Total Operating Costs</b>	<b>\$494,450</b>	<b>\$7,607</b>	
<b>Other Operating Expenses</b>			
Replacement Reserves	\$26,000	\$400	
Property Taxes	\$3,900	\$60	
Tenant Services	\$85,100	\$1,309	
Other: (NPLH Services)	\$80,900	\$1,245	
Other: (NPLH Monitoring Fee)	\$13,450	\$207	
Other: (Specify)	\$0	\$0	
Other: (Specify)	\$0	\$0	
<b>Total Other Operating Costs</b>	<b>\$209,350</b>	<b>\$3,221</b>	
<b>Fixed Operating Expenses</b>			
SDHC Monitoring Fee*	\$9,750	\$150	
SDHC Bond Admin Fee**	\$0	\$0	
HCD .42	\$0	\$0	
<b>Total Fixed Operating Expenses</b>	<b>\$9,750</b>	<b>\$150</b>	
<b>Commercial NOI Assumptions</b>			
Annual GSI	\$0	\$0	
Vacancy***	\$0	\$0	
Operating Expenses***	\$0	\$0	
Other: (Specify)	\$0	\$0	
Other: (Specify)	\$0	\$0	
Other: (Specify)	\$0	\$0	
Other: (Specify)	\$0	\$0	
<b>Total Commercial NOI Assumptions</b>	<b>\$0</b>	<b>\$0</b>	
<b>TOTAL OPERATING EXPENSES</b>	<b>\$713,550</b>	<b>\$10,828</b>	

\* \$150 per unit

\*\* Applicable only if applying to CDLAC for bond:

\*\*\* Enter as a negative number

10 YEAR OPERATING PROFORMA

CASH FLOW ANALYSIS		Yr0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
INCOME	Residential Units	2.3%	\$938,436	\$961,897	\$985,044	\$1,010,933	\$1,039,808	\$1,061,754	\$1,088,298	\$1,115,506	\$1,144,389	\$1,173,778	\$1,203,777	\$1,234,389	\$1,265,604	\$1,297,426	\$1,330,139	\$1,363,114	\$1,407,044	\$1,463,040	\$1,508,293	\$1,557,737	\$1,576,180	\$1,615,585	\$1,651,914	\$1,697,274	
	Other Income	2.3%	\$4,680	\$4,797	\$4,917	\$5,040	\$5,166	\$5,295	\$5,427	\$5,563	\$5,702	\$5,845	\$6,001	\$6,164	\$6,344	\$6,461	\$6,613	\$6,778	\$6,947	\$7,131	\$7,299	\$7,469	\$7,607	\$7,860	\$8,037	\$8,286	
	Gross Residential Income		\$943,116	\$966,694	\$990,861	\$1,015,973	\$1,044,974	\$1,067,049	\$1,093,725	\$1,121,069	\$1,149,091	\$1,177,823	\$1,207,288	\$1,237,401	\$1,268,386	\$1,300,096	\$1,332,598	\$1,365,913	\$1,400,061	\$1,436,983	\$1,476,939	\$1,507,713	\$1,545,405	\$1,584,041	\$1,623,642	\$1,664,233	
	Residential Vacancy	7.5%	\$79,734	\$77,602	\$74,115	\$70,172	\$70,077	\$69,029	\$68,029	\$66,989	\$65,983	\$64,937	\$63,846	\$62,809	\$61,749	\$60,685	\$59,626	\$58,569	\$57,449	\$56,285	\$55,089	\$53,870	\$52,635	\$51,395	\$50,149	\$48,900	
	Effective Gross Income		\$863,382	\$889,092	\$916,746	\$945,801	\$974,902	\$998,020	\$1,024,736	\$1,054,080	\$1,083,102	\$1,111,886	\$1,140,442	\$1,168,592	\$1,196,341	\$1,223,711	\$1,250,973	\$1,278,344	\$1,305,616	\$1,332,698	\$1,359,624	\$1,386,394	\$1,412,915	\$1,439,246	\$1,465,392	\$1,491,333	
EXPENSES	Operating Expenses	3.3%	\$677,800	\$701,523	\$726,076	\$751,489	\$777,791	\$805,014	\$833,189	\$862,351	\$892,533	\$923,772	\$956,104	\$989,567	\$1,024,202	\$1,060,049	\$1,097,151	\$1,135,551	\$1,175,296	\$1,216,431	\$1,259,006	\$1,303,071	\$1,348,679	\$1,395,883	\$1,444,739	\$1,495,304	
	Fixed Operating Expenses		\$51,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	\$5,750	
	Replacement Reserves	3.3%	\$26,000	\$26,500	\$27,025	\$27,575	\$28,150	\$28,750	\$29,385	\$30,055	\$30,760	\$31,500	\$32,275	\$33,095	\$33,960	\$34,870	\$35,825	\$36,825	\$37,870	\$38,960	\$40,095	\$41,275	\$42,500	\$43,775	\$45,100	\$46,475	
	Total Expenses		\$711,550	\$733,773	\$759,126	\$784,814	\$813,796	\$844,044	\$874,900	\$906,000	\$938,520	\$972,287	\$1,007,327	\$1,043,359	\$1,080,162	\$1,117,879	\$1,156,606	\$1,196,386	\$1,237,216	\$1,279,147	\$1,322,221	\$1,366,496	\$1,411,921	\$1,458,546	\$1,506,401	\$1,555,539	
	NET OPERATING INCOME		\$151,832	\$155,009	\$156,868	\$154,935	\$146,370	\$141,777	\$136,796	\$131,808	\$126,363	\$120,629	\$114,534	\$107,364	\$100,017	\$92,126	\$83,666	\$74,609	\$64,927	\$54,590	\$43,568	\$31,828	\$19,337	\$6,000	-\$8,039	-\$22,998	
CASH FLOW AVAILABLE FOR DEBT SERVICE																											
Conventional Lender Debt Service			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
SBCDC SDC			-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$10,000	-\$10,000	
Second Position			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Third Position			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Fourth Position			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Fifth Position			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Cash Flow			\$148,832	\$144,009	\$142,868	\$139,395	\$135,370	\$131,777	\$126,796	\$121,808	\$116,363	\$110,629	\$104,534	\$97,364	\$90,017	\$82,126	\$73,666	\$64,609	\$54,927	\$44,590	\$33,568	\$21,828	\$9,337	-\$9,040	-\$18,039	-\$32,998	
NET CASH FLOW			\$148,832	\$144,009	\$142,868	\$139,395	\$135,370	\$131,777	\$126,796	\$121,808	\$116,363	\$110,629	\$104,534	\$97,364	\$90,017	\$82,126	\$73,666	\$64,609	\$54,927	\$44,590	\$33,568	\$21,828	\$9,337	-\$9,040	-\$18,039	-\$32,998	
DISTRIBUTION OF NET CASH FLOW																											
Deferred Developer Fee			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Managing General Partner			\$20,000	\$20,700	\$21,425	\$22,174	\$22,950	\$23,754	\$24,585	\$25,446	\$26,336	\$27,258	\$28,212	\$29,199	\$30,221	\$31,279	\$32,374	\$33,507	\$34,680	\$35,894	\$37,148	\$38,443	\$39,779	\$41,157	\$42,577		
Administration General Partner			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Limited Partner			\$5,000	\$5,125	\$5,250	\$5,375	\$5,500	\$5,625	\$5,750	\$5,875	\$6,000	\$6,125	\$6,250	\$6,375	\$6,500	\$6,625	\$6,750	\$6,875	\$7,000	\$7,125	\$7,250	\$7,375	\$7,500	\$7,625	\$7,750		
Total Distribution of Net Cash Flow			\$25,000	\$25,825	\$26,675	\$27,549	\$28,450	\$29,379	\$30,330	\$31,301	\$32,291	\$33,300	\$34,329	\$35,378	\$36,447	\$37,536	\$38,645	\$39,774	\$40,923	\$42,092	\$43,291	\$44,520	\$45,779	\$47,068	\$48,387		
RESIDUAL CASH FLOW			\$123,832	\$118,184	\$116,193	\$114,020	\$109,821	\$106,423	\$101,458	\$96,503	\$91,558	\$86,634	\$81,734	\$76,859	\$71,999	\$67,154	\$62,324	\$57,507	\$52,704	\$47,915	\$43,141	\$38,383	\$33,642	\$28,917	\$24,207		
RESIDUAL RECEIPT PAYMENT																											
SBCDC Loan			\$15,269	\$14,813	\$14,314	\$13,770	\$13,179	\$12,538	\$11,845	\$11,097	\$10,292	\$9,427	\$8,499	\$7,505	\$6,441	\$5,305	\$4,093	\$2,802	\$1,427	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Limited Partnership			\$108,564	\$103,371	\$101,774	\$97,250	\$91,704	\$85,147	\$78,564	\$70,904	\$61,161	\$50,429	\$38,364	\$25,361	\$11,599	\$17,722	\$29,105	\$45,923	\$78,150	\$110,150	\$142,150	\$0	\$0	\$0	\$0	\$0	
PERMANENT FINANCING			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
CONVENTIONAL LOAN																											
Term		0 Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Rate		0.00% Principal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Origination Amount		50 Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Ending Balance			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2ND POSITION LOAN																											
Term		0 Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Rate		0.00% Principal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Origination Amount		50 Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Outstanding			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
3RD POSITION LOAN																											
Term		0 Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Rate		0.00% Principal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Origination Amount		50 Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Ending Balance			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
4TH POSITION LOAN																											
Term		0 Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Rate		0.00% Principal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Origination Amount		50 Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Ending Balance			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
5TH POSITION LOAN																											
Term		0 Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Rate		0.00% Principal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Origination Amount		50 Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Ending Balance			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
SBCDC LOAN																											
Term		15 Yr. Payment	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	
Rate		4.00% Principal	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90,462	-\$90										

[illegible]

## Attachment 4

### PROPOSED LOAN NON-BINDING COMMITMENT TERMS SUMMARY

Serenade on 43rd  
4034, 4046, 4054 N. 43rd Street, San Diego (Project)  
April 12, 2023

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 and potentially also by 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 Serenade 43, LP (“Borrower”) with respect to the proposed new construction and permanent financing of a 65-units development (with 64 affordable units and one unrestricted manager’s unit) to be located at 4034, 4046, 4054 N. 43rd Street, San Diego. Escrow closing must occur within twenty-four (24) months from the date of the San Diego Housing Commission’s NOFA Award Letter, unless an extension is granted by the President & CEO of the Housing Commission (or by their designee) in their sole discretion.

In the event of a conflict between any term or provision (or absence of any term or provision) of this commitment terms summary and any term or provision of any approval of any applicable board or governing body, the term or provision of such board or governing body shall apply and shall prevail. Provided that the Housing Commission loan is approved by the San Diego Housing Commission Board of Commissioners and, if necessary, by the 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 will be as follows:

1. **Maximum loan amount (not to exceed)** - Up to \$2,000,000 as a residual receipts loan. Loan funds to be used for the construction and permanent financing of the Project
2. **Interest Rate** - 4 percent simple interest.
3. **Loan Term** - The loan will be due, and payable in full, in 55 years from completion of the Project.
4. **Loan Payments** - Annual payments on the loan shall equal 50 percent of the Project’s residual receipts. In addition to the 50 percent residual receipts 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:

- a. 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 percent (3%) annually. Unpaid partnership fees shall not accrue and the Housing Commission will require the Limited Partnership Agreement to explicitly state that requirement.
- b. Eligible deferred developer fee, and
- c. Repayment of eligible development deficit and operating deficit loans. The Housing Commission Loan will be due and payable in full in 55 years.

5. **Affordability:**

- a. Restricted units must remain affordable for 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:

<b>Unit Type</b>	<b>AMI</b>	<b>Number of Units</b>
Studio	30%	23
Studio	40%	2
Studio	60%	3
1 Bedroom	30%	9
1 Bedroom	40%	11
1 Bedroom	55%	5
<b>Subtotal One Bedrooms</b>	--	
2 Bedroom	30%	1
2 Bedroom	50%	4
2 Bedroom	60%	3
<b>Subtotal Two Bedrooms</b>	--	
3 Bedroom	30%	1
3 Bedroom	60%	2
<b>Subtotal Three Bedrooms</b>	--	
Manager's 2 bedrooms	--	1
<b>Total</b>	--	<b>65</b>

6. **Purchase Option** – The borrower will provide the Housing Commission with the option

to purchase the property's leasehold at the end of the 15 year tax credit compliance period.

7. **Alternate Funding** - Borrower shall also seek alternative funding, including but not limited to: an allocation of 4 percent tax-exempt Multifamily Housing Revenue Bonds from the State of California Department of Housing and Community CalHFA Program, along with 4 percent tax credits, and other necessary funding. Housing Commission legal counsel will determine if subsequent approvals for alternative financing structures are required by the San Diego Housing Commission Board of Commissioners and the Housing Authority of the City of San Diego.
8. **Site Value** - If applicable, and in the event that the developer, Borrower, Wakeland, or any of their affiliates, acquires the land prior to Housing Commission Loan closing, 100% of any net sales proceeds resulting from a subsequent sale to the tax credit limited partnership shall be structured as a subordinate Seller Carryback Loan. Borrower will submit an updated appraisal report with an effective date that is not more than 90 days prior to Housing Commission Loan closing. In lieu of providing the updated appraisal: 1) the developer must submit the third-party lender's letter of intent for the Housing Commission's review and approval, and 2) the Borrower's financing must not have a seller carryback loan.
9. **Closing Costs** - The Borrower shall pay all escrow, title and closing costs, including, without limitation, paying for an American Land Title Association (ALTA) Lenders Policy for the Housing Commission Loan with endorsements, as acceptable to the Housing Commission's legal counsel.
10. **Construction Costs Third-Party Review** - Prior to Housing Commission Loan closing, a costs review may be obtained by the Housing Commission with a third-party consultant. If obtained, Borrower will reimburse the Housing Commission at escrow closing for all reasonable third-party review costs.
11. **Contractor** - Sun Country Builders is the proposed General Contractor. The General Contractor shall competitively bid the construction work of the Project to at least three qualified and responsible subcontractors for each major trade involved in the construction of the Project. Contracts shall be awarded to the lowest qualified and responsive bidder. Evidence of the three bids shall be provided to the Housing Commission at their request.
  - a. Borrower will submit copies of three qualified bids received from subcontractors for each trade.
  - b. Construction Agreement - Borrower shall submit the proposed Construction Agreement to the Housing Commission for its review and prior approval. The Housing Commission shall have a minimum of two weeks for its review of the proposed Construction agreement.
  - c. Subcontractors - the Borrower shall require the General Contractor to solicit and obtain competitive bids from at least three qualified subcontractors for each major

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

- d. Change orders at or in excess of \$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 Pro Forma, then upon the construction loan closing, the excess funds shall be used as follows:
- a. First, such excess funds shall be used to fund development cost overruns reasonably approved by the Housing Commission.
  - b. Second, upon Construction Loan Closing and subject to lender and investor approval, any excess funds shall be used to pay the Housing Commission Loan as set forth in Section 16 below.
  - c. Other Public Lenders - If the Project financing includes other public lenders who may require cost savings sharing then the cost savings shall be split proportionately based upon the public lenders loan amounts and in conformance with the other public lenders' agreements.
  - d. Excess funds will be applied first to pay down the accrued interest, and the remaining amount shall pay down the principal.
16. **Cost Savings and/or Additional Proceeds at Conversion to Permanent Financing** - In

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

- a. First, to pay for development cost overruns reasonably approved by the Housing Commission.
- b. Second, used to make any necessary adjustment to the total tax credit allocation as may be required by CTCAC.
- c. Third, payment towards the Borrower's deferred developer fee. A deferred developer fee is currently modeled in the attached pro forma (Attachment A).
- d. Fourth, excess funds shall be shared fifty percent (50%) to the Borrower and the other fifty percent (50%) will be paid to the Housing Commission and other soft lenders in proportion to the original principal balance of their loans.
- e. Excess funds will be applied first to pay down the accrued interest, and the remaining amount shall pay down the principal.

**17. Developer Fee:**

- a. Maximum Gross Developer's Fee of \$2,200,000 to be paid from Development Sources. There is currently no \$0 Deferred Developer Fee.
- b. Additional developer fee provisions:
  - i. If for any reason the Borrower does not collect the entire developer fee through the last equity installment, with the exception of negative tax credit adjusters, uncollected fee up to \$2,200,000 must comply with the following:
    1. Borrower must receive Housing Commission prior written approval of any amount of Deferred Developer Fee;
    2. Any Housing Commission-approved Deferred Developer Fee amount must be calculated as per TCAC and SDHC guidelines
    3. Housing Commission-approved Deferred Developer Fee 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.

**18. Due Diligence** - The Borrower, at Borrower's expense, shall provide the following, if deemed applicable: a current appraisal and/or an environmental review.

**19. Environmental Requirements** - Currently HOME funds are planned for this project. Notwithstanding any provision of this Letter, the parties agree and acknowledge that this Letter constitutes a conditional reservation and does not represent a final commitment of

HOME funds or site approval under 24 CFR Part 58 of the National Environmental Policy Act (NEPA). HOME funds constitute a portion of the funding for the Project, and a final reservation of HOME funds shall occur only upon satisfactory completion of environmental review and receipt by the City of San Diego of a Release Of Funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58 of NEPA.

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

**20. Fees/Payments to Housing Commission** - Borrower will pay 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 amount 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 Pro Forma. Borrower will pay the fee in accordance with the then-existing Housing Commission fee schedule. Current annual affordability monitoring are as follows:  $\$157.50 \times 64$  (64 affordable units to be affordability monitored) = \$10,080 per year. Additional training and assistance is currently \$100 per hour.
- d. Asset Management Fee - the Housing Commission charges a 15-year capitalized asset management fee of \$15,000 and is paid at close of escrow.
- e. Third-Party Construction Review - the Housing Commission may require a third-party review of the construction costs/budget to determine the reasonableness of construction costs. The third-party reviewer will be selected by the Housing Commission and paid for by the borrower. Current fees are an estimated \$12,500 paid by the developer at close of escrow.
- f. Environmental Noticing Fee - Publishing/filing costs will be determined and paid at close of escrow.

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

- a. As detailed in Section 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 & CEO or designee.
  
22. **Gap Financing** - 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 the \$2,000,000 Housing Commission Loan, 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 that the Housing Commission ultimately determines to fund (all or any part) of the Housing Commission Loan using any HOME funds, then Borrower shall comply with the HOME program’s rules and regulations, Federal Davis Bacon law and Section 3.
  
24. **HOME Investment Partnerships (HOME) Funds** – HOME funds may be utilized for the Project. In the event that HOME funds are utilized, the Project will have HOME restricted units, which includes units being at Low HOME rents.
  - a. HOME program regulations will be applicable
  - b. HOME funds may not be used to fund any of the following:
    - i. Any reserves are not eligible for HOME funds (including but not limited to operating reserves).
    - ii. Offsite improvements are not eligible for funding with HOME funds.
    - iii. Furnishings costs are not eligible for funding with HOME funds.
    - iv. Commercial space improvements are not eligible for funding with HOME funds.
  - c. The HOME IDIS funding system requires at least one HOME draw in a 12 month period and at least a small portion of the HOME funds must remain in the IDIS system until the project is ready for occupancy.
  
25. **Insurance** - Borrower shall, at all times during the term of the Housing 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, flood and earthquake insurance, in forms acceptable to the Housing Commission and approved

by the Housing Commission's General Counsel. The San Diego Housing Commission, the Housing Authority of the City of San Diego, and the City of San Diego shall be listed as additional insureds for General Liability Insurance and in the General Contractor's Insurance policy and should be listed as loss payee and mortgagee for Property Insurance. 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 –**

- a. Upon submittal and approval of eligible costs, the Housing Commission Loan (up to \$2,000,000) will be disbursed as follows:
  - i. Up to 75 percent (\$1,500,000) at escrow closing;
  - ii. Up to 10 percent (\$200,000) at 50 percent construction completion;
  - iii. Up to 10 percent (\$200,000) upon the issuance of a Certificate of Occupancy and all unconditional lien releases are forwarded to the Housing Commission; and
  - iv. Up to 5 percent (\$100,000) upon conversion to permanent financing.
- b. The Housing Commission's President & CEO, or designee, is authorized to modify the Housing Commission Loan disbursement schedule in their sole reasonable discretion.
- c. In the event that the Housing Commission funds (all or any part) of the Housing Commission Loan using any 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.
- d. Housing Commission 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 Borrower's proposed property manager's fee must be approved by the Housing Commission.
- c. The Housing Commission reserves the right to declare Borrower in default of the 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 one manager's unit.
- e. Marketing Plan - In the event the Housing Commission funds (all or part) of the Housing Commission Loan using any HOME funds, then to ensure compliance with HOME regulations and with federal fair housing requirements prior to

occupancy the Borrower shall submit a proposed marketing plan for review and approval by the Housing Commission's Civil Rights Analyst in the Procurement and Compliance Division.

28. **Maximum Resident Service Expenses & Case Management** - The attached pro forma's operating expense budget models an annual \$166,000 Resident Services expenditure with a 3 percent annual escalator. Increasing this amount will require prior Housing Commission written approval.
29. **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.
30. **Prevailing Wage** - It is anticipated that the Project will be subject to Federal Davis-Bacon prevailing wage rates based upon the proposed funding sources committed by the Housing Commission.
31. **Recourse** - The Housing Commission Loan will be recourse until timely completion of the construction, after which it will become non-recourse.
32. **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. Operating Reserve - The attached Pro Forma models a three-month operating reserve at \$361,740 at conversion to permanent financing. The operating reserve is to be maintained for the entire term of the Housing Commission Loan.
  - b. Replacement Reserve- Annual replacement reserves will be no less than \$26,000 per year.
  - c. Disbursements from Reserves - Housing Commission prior written approval shall be required for any and all disbursements from either the Project's operating reserve funds or from the Project's replacement reserve funds.
33. **Section 3** - In the event that the Housing Commission funds (all or part) of the Housing Commission Loan using any HOME funds, then Section 3 of the HUD Act of 1968 will be applicable and Borrower should be familiar with, and remain in compliance with, all Section 3 requirements.
34. **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 & CEO and the Housing Commission's General Counsel. It is intended that the lien positions will be in conformance with the public lenders' program requirements, and the requirements of private lenders which may require Housing Commission subordination.
  - c. Cure Rights - The Housing Commission shall have the right, but not the obligation, to cure all senior encumbrances in all subordinating agreements that it executes. All subordination agreements shall be subject to the sole approval of the Housing Commission's President & CEO and General Counsel.
35. **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.
36. **Title (ALTA Lender's Policy)** -The Borrower shall acquire, at its sole cost and expense, an ALTA Lender's Policy for the Housing Commission Loan with endorsements acceptable to the Housing Commission.
37. **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.
38. **Exhibit A - Pro Forma** – The Pro Forma is attached hereto and is hereby incorporated. If the Borrower is willing to proceed on the terms and conditions referenced herein, please execute this letter of intent and return it to the undersigned by **April 12, 2023**, so that this letter of intent may be attached to the Housing Commission Board report.

**The remainder of this page is intentionally left blank**

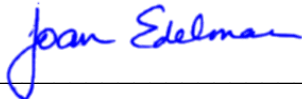
**ACKNOWLEDGED AND AGREED TO BY:**

By: WAKELAND SERENADE 43 LLC, a California limited liability company

Its: Managing General Partner

By: Wakeland Housing and Development Corporation, a California nonprofit public  
benefit corporation

Its: Manager

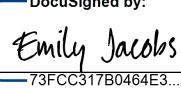
By: 

Print Name: Joan Edelman

Title: CFO

Date: 4/13/23

**San Diego Housing Commission**

By: 

Print Name: Emily S. Jacobs

Title: Executive VP, Real Estate

Date: 4/13/23

**Loan Terms Attachment: Exhibit A - Developer's Pro forma**

## Attachment 5

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

1. Name of CONTRACTOR: Wakeland Housing and Development Corporation
  2. Address and ZIP Code: 1230 Columbia Street, Suite 950, San Diego, CA 92101
  3. Telephone Number: (619) 677-2325
  4. Name of Principal Contact for CONTRACTOR: Peter Armstrong
  5. Federal Identification Number or Social Security Number of CONTRACTOR: 33-0833640
  6. If the CONTRACTOR is not an individual doing business under his own name, the CONTRACTOR has the status indicated below and is organized or operating under the laws of California as:
    - ☐ A corporation (Attach Articles of Incorporation)
    - ☐ A nonprofit or charitable institution or corporation. (Attach copy of Articles of Incorporation and documentary evidence verifying current valid nonprofit or charitable status)
    - ☐ A partnership known as: \_\_\_\_\_  
(Name)
- Check one:
- ☐ General Partnership (Attach Statement of General Partnership)
  - ☐ Limited Partnership (Attach Certificate of Limited Partnership)
  - ☐ A business association or a joint venture known as: \_\_\_\_\_  
(Attach joint venture or business association agreement)
  - ☐ A Federal, State or local government or instrumentality thereof.
  - ☐ Other (explain)
7. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:  
**Wakeland Housing & Development Corporation – December 23, 1998**
  8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below:
    - a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10 percent of any class of stock.
    - b. If the CONTRACTOR is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body. **Please see attached list of Board of Directors of Wakeland housing and Development Corporation.**

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.

- c. 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.
- d. If the CONTRACTOR is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10 percent.(Attach extra sheet if necessary)

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

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

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

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

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name: <b>Please see attached list of the Wakeland Board of Directors</b>	
Address:	
Name:	
Address:	
Name:	
Address:	

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

Name and Address	Relationship to CONTRACTOR
Name: N/A	
Address:	
Name:	
Address:	
Name:	
Address:	

14. Provide the financial condition of the CONTRACTOR as of the date of the statement and for a period of twenty-four (24) months prior to the date of its statement, as reflected in the **attached** financial statements, including, but not necessarily limited to, profit and loss statements and statements of financial position. **Please see attached Audited 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 of funding will include capital funding from the SDHC; loans and grants from the California Department of Housing and Community Development AHSC and IIG programs; Tax Credit Equity from the Sale of Low-Income Housing Tax Credits, and tax exempt permanent mortgage.**

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

- a. In banks/savings and loans:

Name:

Address:

Amount: \$

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

Name:

Address:

Amount: \$

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

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

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

Name and Address	Contact Name
Name: Wells Fargo Community Lending	Paul Shipstead, Vice President Community Lending
Address: 401 B Street, Suite 304	619-699-3135
	Paul.shipstead@wellsfargo.com
Name: California Community Reinvestment Corp.	Mary Kaiser, President
Address: 225 West Broadway, Suite 120	818-550-9801
Glendale, CA 91204	Mary.keiser@e-ccrc.org
Name: US Bank	Jennifer Craig
Address: 4747 Executive Dr., 3 <sup>rd</sup> Floor	314-662-7533
San Diego, CA 92121	Jennifer.craig@usbank.com

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:

Type of Bond	Project Description	Date of Completion	Amount of Bond	Action on Bond
Improvement /Warranty (Forester Square)	44 unit new construction, affordable housing project located in the City of Santee. All units have rents affordable to households earning 50% & 60% AMI	2/28/24	\$131,647	
Bond for faithful performance (Lofts on Landis)	Mixed-use project with 33 residential affordable units in Chula Vista, office space for Family Health Center San Diego, community and leasing space.	10/22/2015	\$54,990	

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: <b>N/A- Construction Contractor will not be affiliated with the CONTRACTOR.</b>	
Address:	
Name:	
Address:	
Name:	
Address:	

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

☐ Yes ☒ No

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

N/A

- c. Total amount of construction or development work performed by such contractor or builder during the last three (3) years: \$ 0

General description of such work:

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

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

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

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

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

Awarding Agency	Amount	Date Opened
N/A		

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

N/A

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

☐ Yes

☒ No

If yes, explain:

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

N/A

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

☐ Yes

☒ No

If yes, explain:

26. State the name, address and telephone numbers of CONTRACTOR's insurance agent(s) and/or companies for the following coverage's. List the amount of coverage (limits) currently existing in each category: **Cavignac & Associates, 450 B Street, Suite 1800, San Diego, CA 92101. CONTACT: Matt Slakoff at (619) 744-0549.**

- 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)] **See attached Certificate of Insurance**

Check coverage(s) carried:

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

- c. Workers Compensation [Attach certificate of insurance showing the amount of coverage and coverage period(s)] **See attached Certificates of Insurance**
- 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)] **See attached Certificate of Insurance**
- 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 SDHC setting forth the provisions of this nondiscrimination clause.
28. The CONTRACTOR warrants and certifies that it will not, without prior written consent of SDHC, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of SDHC, during the term of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT and/or RENDITION OF SERVICES.
29. CONTRACTOR warrants and certifies that no member, Commissioner, Councilperson, officer, or employee of SDHC, the AUTHORITY and/or the CITY, and no member of the governing body of the locality in which the PROJECT is situated, no member of the governing body in which SDHC was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the assignment of work, has, during his or her tenure, or will for one (1) year thereafter, have any interest, direct or indirect, in this PROJECT or the proceeds thereof.

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

Government Complaint	Entity	Making	Date	Resolution
None				

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

☐ Yes ☒ No

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

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

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

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

None

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

**The Wakeland Team has considerable experience and capacity in all stages of affordable housing development and management for projects that help build stronger communities and spur revitalization of blighted neighborhoods.**

**Wakeland's Land Acquisition and Development staff have extensive experience managing the development of affordable housing projects with federal and state funding sources. Wakeland Project Manager will work closely with public and private sector partners to secure financing, oversee the planning and design process, administer the selection and execution of construction and other contractors and ensure compliance with various project requirements. The Wakeland Project manager will be supported by the Director of Development and the Vice President of Real Estate to execute these functions.**

**Wakeland's Accounting Department will help the Project Manager and project team to administer funding for the project according to industry best practices and the fiscal/procurement requirements. The Chief Financial Officer, Controller, Staff Accountant within the Account Department will be responsible for the financial reporting in compliance with the rules and regulations.**

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

Date	Entity Involved (i.e. City SDHC, etc)	Status (Current, delinquent, repaid, etc.)	Dollar Amount
3/9/2018	SDHC - Beacon	Current	\$3,563,310.
2/6/2019	SDHC - Ivy	Partially drawn	\$6,500,000
5/3/2019	SDHC-Trinity	Partially drawn	\$700,000
3/8/2019	City of San Diego	Purchas/Sale completed	\$2,105,000
8/30/2019	City of San Diego	Purchase/Sale completed	\$2,879,000

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 projects:

1. Name: **Ms. Ann Kern**

Address: **1122 Broadway, Suite 300, San Diego CA 92101**

Phone: **(619) 578-7582**

Project Name and Description: **Village Green, 94 low-income units and Talmadge, 60 low-income units.**

2. Name: **Ms. Margery Pierce**

Address: **321 N. Nevada Street, Oceanside, CA 92054**

Phone: **(760) 435-3377**

Project Name and Description: **Country Club Apartments, 91 low-income units**

3. Name: **Ms. Stacy Kurz**

Address: **276 Fourth Avenue, Chula Vista, CA 91910**

Phone: **(619) 585-5698**

Project Name and Description: **Los Vecinos, 42 low-income units**

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.

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

Name	Experience
N/A at this time.	

## CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

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

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

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

Executed this 6<sup>th</sup> day of October, 2021, at San Diego, California.

CONTRACTOR

By: 

Signature: Rebecca Louie

Title: Vice President and COO

**CERTIFICATION**

The CONTRACTOR, Wakeland Housing and Development 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: [Signature]

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

Title: Vice President and COO

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

Dated: 10/06/21

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

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

**JURAT**

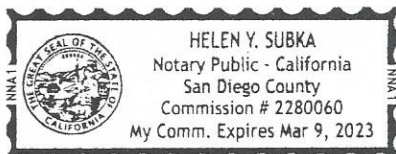
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of San Diego

Subscribed and sworn to (or affirmed) before me on this 6<sup>th</sup> day of October, 2021

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



Helen Y. Subka  
Signature of Notary

SEAL

Wakeland Housing and Development Corporation  
Articles of Incorporation and Non-Profit Status

MAY 08 2001

BILL JONES, Secretary of State

CERTIFICATE OF AMENDMENT AND RESTATEMENT OF  
ARTICLES OF INCORPORATION OF  
WAKELAND HOUSING AND DEVELOPMENT CORPORATION

Stephen L. Kuptz and M. Scott Orrantia certify that:

1. They are the president and the secretary, respectively, of Wakeland Housing and Development Corporation, a California nonprofit corporation.
2. The Articles of Incorporation of this corporation are amended and restated to read as follows:

ARTICLES OF INCORPORATION  
OF  
WAKELAND HOUSING AND DEVELOPMENT CORPORATION

I. NAME OF CORPORATION

The name of the corporation is Wakeland Housing and Development Corporation.

II. PURPOSES

A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.

B. The specific purpose of this corporation is to provide low and moderate income persons, elderly persons and disabled persons with affordable housing by acquiring and/or developing low and moderate income housing and providing ancillary economic development activities.

III. DEDICATION

This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal

Revenue law). The property of this corporation is irrevocably dedicated to charitable purposes. No part of the net earnings of this corporation shall inure to the benefit of any of its directors, trustees, officers or members or to individuals, except that this corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purpose.

#### **IV. LIMITATIONS ON CORPORATE ACTIVITIES**

No substantial part of the activities of this corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation except as otherwise provided in Section 501(h) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue law), and this corporation shall not participate in, or intervene in (including publishing or distributing statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of its purposes and this corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law), or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law).

#### **V. DISSOLUTION**

Upon the winding up and dissolution of this corporation, after paying or adequately providing for the debts, obligations and liabilities of this corporation, the remaining assets shall be distributed to such one or more nonprofit funds,


foundations or corporations which are organized and operated exclusively for charitable purposes and which have established their tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law).

3. The foregoing amendment and restatement of Articles of Incorporation has been duly approved by the Board of Directors.

4. The corporation has no members.

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

Dated: 5/4/, 2001

  
Stephen L. Kuptz, President

  
M. Scott Orrantia, Secretary



# ARTICLES OF INCORPORATION

DEC 23 1998

OF

## WAKELAND HOUSING AND DEVELOPMENT CORPORATION

BILL JONES, Secretary of State

### I. NAME OF CORPORATION

The name of the corporation is Wakeland Housing and Development Corporation

### II. PURPOSES

A. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.

B. The specific purpose of this corporation is to provide low and moderate income persons, elderly persons and disabled persons with affordable housing by acquiring and/or developing low and moderate income housing and providing ancillary economic development activities.

### III. INITIAL AGENT FOR SERVICE OF PROCESS

The name and address of the initial agent of the corporation for service of process is:

Stephen L. Kuptz  
5881 Copley Drive  
San Diego, California 92111

### IV. DEDICATION

This corporation is organized and operated exclusively for charitable, religious, educational, hospital and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue law). The property of this corporation is irrevocably dedicated to the purposes set forth above. No part of the net earnings of this corporation shall inure to the benefit of any

of its directors, trustees, officers or members or to individuals, except that this corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purpose.

## **V. LIMITATIONS ON CORPORATE ACTIVITIES**

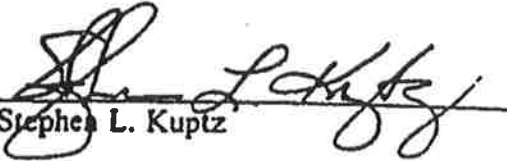
No substantial part of the activities of this corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation except as otherwise provided in Section 501(h) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue law), and this corporation shall not participate in, or intervene in (including publishing or distributing statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of its purposes and this corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law), or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law).

## **VI. DISSOLUTION**

Upon the winding up and dissolution of this corporation, after paying or adequately providing for the debts, obligations and liabilities of this corporation, the remaining assets shall be distributed to such one or more nonprofit funds, foundations, or corporations which are organized and operated for charitable, religious, educational, hospital or scientific purposes, meeting the requirements for exemption provided by Section 214 of the California Revenue and Taxation Code and which have established their tax-exempt status under Section 501(c)(3) of the

Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law).

IN WITNESS WHEREOF, the undersigned, being the incorporator of the corporation, has executed these Articles of Incorporation on December 23, 1998.

  
Stephen L. Kuptz



AMENDED AND RESTATED  
BYLAWS OF  
WAKELAND HOUSING AND DEVELOPMENT CORPORATION  
A California Nonprofit Corporation

**AMENDED AND RESTATED**  
**BYLAWS OF**  
**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**

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**AMENDED AND RESTATED**  
**BYLAWS OF**  
**WAKELAND HOUSING AND DEVELOPMENT CORPORATION**

**ARTICLE I - PURPOSE AND OFFICE**

**Section 1. Objects and Purposes.** Wakeland Housing and Development Corporation (the “Corporation”) has been formed under the California Nonprofit Public Benefit Corporation Law to contribute to the general welfare of society by providing low and moderate income persons, elderly persons and disabled persons with affordable housing by acquiring and/or developing low and moderate income housing and providing ancillary economic development activities. The Corporation and all of its businesses and other activities are to be operated and conducted in the promotion of its charitable objects and purposes as specified in its articles of incorporation, and in the conduct of its affairs the management shall at all times be mindful of these charitable objects and purposes. In the event that any provision of this Section 1 is inconsistent with any provision of the articles of incorporation of the Corporation, the provisions of the articles of incorporation of the Corporation shall prevail and be controlling.

**Section 2. Principal Office.** The principal office of the Corporation shall be located at 1230 Columbia Street, Suite 950, San Diego, in San Diego County, California. The Board of Directors (“Board”) of the Corporation is hereby granted full authority and power to change the principal office from place to place as it is deemed necessary. Any such change of location may be noted in the bylaws by the Secretary opposite this Section 2 or this Section may be amended to state the new location.

**Section 3. Other Offices.** The Board may at any time establish branch offices at any place or places where the Corporation is qualified to conduct its activities in order to advance the proper purposes of the Corporation.

## **ARTICLE II - MEMBERSHIP**

**Section 1. Members.** There shall be no Members of the Corporation within the meaning of the California Nonprofit Corporation Law. Any action which would otherwise require approval by a majority of all Members or approval by the Members shall require only approval by the Board of Directors. All rights which would otherwise vest in the Members shall vest in the Board of Directors.

**Section 2. Honorary Members.** The Board of Directors may, by appropriate resolution, from time to time define and establish honorary members, auxiliaries, friends, and other support groups for the Corporation. None of such honorary members, auxiliaries, friends or groups, or the constituents thereof, shall be or have the rights and privileges of "Members" within the meaning of Section 5056 of the California Nonprofit Corporation Law with respect to the Corporation.

## **ARTICLE III - BOARD OF DIRECTORS**

**Section 1. Powers.** Subject to any limitations in the articles of incorporation, these bylaws and the laws of the State of California, all powers of the Corporation shall be exercised by or under authority of, its property controlled and its affairs conducted and managed by, a Board of Directors. The primary function of the Board of Directors shall be to establish corporate policies for the direction and guidance of the Executive Committee, if any, the officers, and the management of the Corporation, and to formulate the basic rules and regulations

governing the operation and management of the Corporation. Without limiting the foregoing, the Board shall also have the following powers:

(a) To select and remove any and all officers, agents and employees of the Corporation, prescribe such powers and duties for them as may not be inconsistent with the California Nonprofit Corporation Law, the articles of incorporation or these bylaws, fix their compensation, and require from them security for faithful service;

(b) To conduct, manage and control the affairs and business of the Corporation, and to make such rules and regulations therefor not inconsistent with law, the articles of incorporation or these bylaws, as they may deem best;

(c) To borrow money and incur indebtedness for the purposes of the Corporation and to cause to be executed and delivered therefor in the Corporation's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor;

(d) To appoint an Executive Committee and other committees, and to delegate any of the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, subject to the limitations set forth in Section 6 of Article V of these bylaws.

**Section 2. Number of Directors.** The number of Directors shall be not less than three (3) nor more than eighteen (18) with the exact number of Directors to be determined by resolution of the Board of Directors of the Corporation , unless and until changed by amendment of the articles of incorporation, or by amendment of this Section 2.

**Section 3. Classification, Term of Office and Election of Directors.**

(a) The authorized Directors may be divided into three groups as nearly equal in number as possible, designated as Group I, Group II and Group III as follows:

(i) Group I shall consist of Directors having an initial term of office of one (1) year;

(ii) Group II shall consist of Directors having an initial term of office of two (2) years; and

(iii) Group III shall consist of Directors having an initial term of office of three years.

(b) The Directors in each group shall hold office until their respective initial terms have expired. Thereafter, each year the Directors shall elect a number of Directors equal to the number of Directors whose terms have expired, for a full term of three (3) years. Each Director shall serve for a term of three (3) years from the date of expiration of the term of the Director to whose office he or she succeeds or until the occurrence of one of the events specified in Sections 4 or 18 of this Article III, whichever first occurs. Any Director elected to succeed a Director who leaves or is removed from office for any reason prior to expiration of his or her term shall serve the balance of that term. Directors may be elected at any regular or special meeting of the Directors duly called and held. Directors may serve an unlimited number of successive terms.

**Section 4. Vacancies.**

(a) All vacancies on the Board of Directors shall be filled by a majority of the remaining Directors though less than a quorum, or by a sole remaining Director. Each

Director so elected to fill a vacancy shall hold office for the remainder of the predecessor's unexpired term and until the election of a successor as set forth in Section 3 of this Article III.

(b) If the Board of Directors accepts the resignation of a Director tendered to take effect at a future time, the Board of Directors shall have the power to elect a successor to take office when the resignation shall become effective.

(c) No reduction in the number of Directors shall have the effect of removing any Director prior to the expiration of his or her term of office.

(d) A vacancy or vacancies in the Board of Directors shall be deemed to exist on the death, resignation or removal of any Director, upon the failure of any Director to attend at least fifty percent (50%) of the regular Board meetings in any one year (between annual organizational meetings of the Board); upon any Director's unexcused absence from three (3) consecutive regular Board meetings; whenever the fixed number of Directors is increased; upon the expiration of the term of office of any Director; or upon the failure of the Directors, at any regular or special meeting at which any Director or Directors are elected, to elect the full number of Directors to be voted for at that meeting.

**Section 5. Annual Organization Meeting.** The annual organization meeting of the Board of Directors shall be held in the month of January of each year for the purpose of organization, election or appointment of officers and the transaction of such other business as may properly be brought before the meeting.

**Section 6. Regular Meetings.** Regular meetings of the Board of Directors shall be held at least annually on such dates and at such times as shall be determined by the Board.

**Section 7. Special Meetings.** Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the President, the Chairperson of the Board, the

Secretary or any two Directors of the Corporation. The party calling such special meeting shall determine the date and time thereof.

**Section 8. Place of Meeting.** All meetings of the Directors shall be held at the principal office of the Corporation in the State of California or at such other place as may be designated for that purpose from time to time by the Board of Directors.

**Section 9. Notice of Meetings.** Notice of the date, time and place of meetings of the Board of Directors shall be given to each Director at least forty-eight (48) hours before the date of the meeting if delivered personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means, and at least four (4) days before the date of the meeting if given by first class mail, postage prepaid, addressed to the Director at the address as it is shown upon the records of the Corporation, or if it is not so shown on such records, or is not readily ascertainable, at the place in which the meetings of the Directors are regularly held provided that such notice may be waived by any Director as set forth in Section 10 of this Article III. Whenever any Director has been absent from any meeting of the Board of Directors, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to such Director as required by the California Nonprofit Corporation Law and these bylaws. Notice of special meetings shall specify the nature of the business to be transacted. No items of business other than those specified in the notice of a special meeting may be transacted at a special meeting.

**Section 10. Consent to Meetings; Waiver of Notice.** The transaction of any meeting of the Board of Directors, however called and noticed and however held, shall be as valid as though had at a meeting duly held after regular call and notice: (a) if a quorum is present; and (b)

if, either before or after the meeting, each of the Directors entitled to vote, not present in person, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. Such written waiver of notice or consent to the holding of such meeting or an approval of the minutes thereof may be in the form of an email or other electronic communication capable of reproduction. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting need not be given to any Director who attends the meeting without protesting prior to or at the commencement of the meeting, the lack of notice to such Director.

**Section 11. Quorum.** At all meetings of the Board of Directors a majority of the number of Directors then in office shall be necessary and sufficient to constitute a quorum for the transaction of business except to adjourn as provided in Section 16 of this Article III. The act of a majority of the Directors present at any time at which there is a quorum shall be the act of the Board of Directors, unless a greater number is required by these bylaws or by law. Notwithstanding the previous provisions of this Section 11, a meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

**Section 12. Conduct of Meetings.** The President, or, in his or her absence, the Chairperson of the Board of Directors, or, in his or her absence, any other person chosen by a majority of the Directors present shall be chairperson of and shall preside over the meetings of the Board of Directors. The Secretary of the Corporation shall act as the secretary of all meetings, provided that in his or her absence, the Chairperson shall appoint another person to act as secretary of the meetings. The meetings shall be governed as the Directors shall agree; in the

absence of such agreement, Robert's Rules of Order, as may be amended from time to time, shall govern the meetings insofar as such rules are not inconsistent with or in conflict with these bylaws, the articles of incorporation, or the law.

**Section 13. Proxy Voting Prohibited.** Voting by proxy shall not be permitted.

**Section 14. Action Without Meeting.** Any action required or permitted to be taken by the Board may be taken without a meeting and prior notice, if all members of the Board consent in writing or by electronic communication to that action. Such action by written consent or electronic communication shall have the same force and effect as any other validly approved action of the Board. Such written consent or consents or copies of any electronic communication shall be filed with the minutes of the proceedings of the Board. An electronic transmission consent to action to be taken shall be deemed to be written, signed and dated for purposes of this Section, provided that any such electronic transmission is delivered with information from which the Board can determine (i) that the electronic transmission was transmitted by the director and (ii) the date on which such director transmitted the electronic transmission. The date on which such electronic transmission was transmitted shall be deemed to be date on which such consent was signed. For the purposes of this Section 14 only, "all members of the Board" shall not include directors who have a material financial interest in a transaction to which to Corporation is a party.

**Section 15. Participation In Meetings by Communications Equipment.** Members of the Board of Directors may participate in a meeting through use of conference telephone, electronic video screen communication, or similar communications equipment, so long as all members participating in such meetings can hear one another. Participation in a meeting pursuant to this bylaw shall constitute presence in person at such meeting.

**Section 16. Adjournment.** A majority of the Directors present, whether or not a quorum is present, may adjourn any Directors' meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors unless the original meeting is adjourned for more than twenty-four (24) hours. The time and place of the adjourned meeting that be fixed at the meeting adjourned, except as provided in the next sentence. If the original meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time and place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of adjournment. This notice may be waived in the same manner as set forth in Section 10 of this Article III.

**Section 17. Rights of Inspection.** Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind except any records where confidentiality and prohibition from disclosure is prescribed by law.

**Section 18. Removal of Directors; Resignation.** A Director or Directors may be removed from office by a vote of the majority of the Board at any Board meeting, with or without cause. Any Director may resign at any time by giving written notice of such resignation to the Board, unless there would be no Director left in charge of the Corporation's affairs upon resignation by said Director, in the case said Director must first give notice to the Attorney General for the State of California of the intended resignation. Such resignation shall take effect at the time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 19. Fees and Compensation.** Directors and members of committees may receive such compensation, if any, for their services, and such reimbursement for expenses, as may be fixed or determined by the Board of Directors.

**Section 20. Freedom from Liability.** No Director of this Corporation shall be personally liable for the debts, liabilities, or obligations of the Corporation.

**Section 21. Interested Persons.** Pursuant to Section 5227 of the California Nonprofit Corporation Law, no more than forty-nine percent (49%) of the Directors serving on the Board may be “interested persons.” For the purposes of this Section 21, “interested person” means either (i) any person currently being compensated by the Corporation for services rendered to it within the previous twelve (12) months whether as a full time or part time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; or (ii) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law of any such person. In light of the foregoing limitations, all Directors shall fill out an annual questionnaire dealing with this subject matter.

**Section 22. Standard of Conduct.** Pursuant to Section 5231 of the California Nonprofit Corporation Law, a Director shall perform the duties of a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner such Director believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances. In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

(a) One or more officers or employees of the Corporation whom the Director believes to be reliable and competent in the matters presented;

(b) Counsel, independent accountants or other persons as to matters which the Director believes to be within such person’s professional or expert competence; or

(c) A committee of the Board upon which the Director does not serve, as to matters within its designated authority, which committee the Director believes to merit confidence, so long as, in any such case, the Director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

**Section 23. Self-Dealing Transactions.** Pursuant to Section 5233 of the California Nonprofit Corporation Law, the Corporation shall not be a party to a transaction in which one or more of its Directors has a material financial interest (“Interested Director”) unless:

(a) The Attorney General, or the court in an action in which the Attorney General is an indispensable party, has approved the transaction before or after it was consummated; or

(b) Prior to entering into the transaction, after full disclosure to the Board of all material facts regarding the proposed transaction and the Interested Director’s interest, and after investigation and report to the Board as to alternative arrangements for the proposed transaction, if any, the Board in good faith and by a vote of a majority of the Directors then in office (without including the vote of the Interested Director):

(1) Resolves and finds that (i) the transaction is in the Corporation’s best interest and for the Corporation’s own benefit, (ii) the transaction is fair and reasonable as to the Corporation, and (iii) after reasonable investigation under the circumstances as to alternatives, the Corporation could not have obtained a more advantageous arrangement with reasonable efforts under the circumstances; and

(2) Approves the entire transaction. In the event it is not reasonably practicable to obtain approval of the Board prior to entering into such transaction, the

Corporation may enter into such transaction if, prior to entering into said transaction, a committee or person authorized by the Board approves the transaction in a manner consistent with the procedure set forth in this section and the Board, after determining in good faith that the Corporation entered into the transaction for its own benefit and that the transaction was fair and reasonable as to the Corporation at the time it was entered into, ratifies the transaction at its next meeting by a vote of the majority of the Directors then in office, without counting the vote of the Interested Director. In light of the foregoing limitations, all Directors shall fill out an annual questionnaire dealing with this subject matter.

#### **ARTICLE IV - OFFICERS**

**Section 1. Officers.** The officers of the Corporation shall be a Chairperson of the Board or a President (who may also be referred to as the Chief Executive Officer) or both, a Secretary, a Chief Financial Officer or a Treasurer, or both, and any other officers with such titles as the Board of Directors may appoint from time to time, including, but not limited to, a Vice President, assistant officers, assistant secretaries, additional vice presidents, an Executive Director and a Vice Chairperson of the Board. All officers shall be chosen by, and hold office at the pleasure of the Board of Directors, subject to the rights, if any, of any officer under any contract of employment. One person may hold two offices, except that neither the Secretary, the Treasurer nor the Chief Financial Officer may serve concurrently as the President or Chairperson of the Board. Compensation for officers and reimbursement of their expenses shall be as determined from time to time by the Board of Directors.

**Section 2. Election or Appointment of Officers.** The officers of the Corporation shall be chosen annually by the Board of Directors to serve one term of office, and each shall hold office until his or her successor shall be appointed and qualified to serve, or until he or she shall

resign or shall be removed or disqualified to serve. Notwithstanding the foregoing, the President is empowered to appoint the Chief Financial Officer of the Corporation. A term of office shall consist of one year. The Board shall appoint such temporary or acting officers as may be necessary during the temporary absence or disability of regular officers.

**Section 3. Subordinate Officers.** The Board of Directors may elect or authorize the appointment of such officers other than those hereinbefore mentioned as the business of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws, or as the Board of Directors may from time to time authorize or determine.

**Section 4. Chairperson of the Board.** The Chairperson of the Board, if present, shall preside at all meetings of the Board of Directors and Executive Committee in the absence of the President, appoint the chairpersons of all committees, serve as an ex-officio member of all committees, and exercise and perform such other powers and duties as may from time to time be assigned by the Board of Directors.

**Section 5. Vice Chairperson of the Board.** In the absence or disability of the Chairperson of the Board, the Vice Chairperson of the Board, if appointed, shall perform all of the duties of the Chairperson of the Board, and when so acting shall have all of the powers of, and be subject to all of the restrictions upon, the Chairperson of the Board. The Vice Chairperson of the Board shall have such other powers and perform such other duties as from time to time may be prescribed for the Vice Chairperson by the Board of Directors or the bylaws.

**Section 6. President/Chief Executive Officer; Vice President.** The President, who may also be referred to as the Chief Executive Officer, shall be employed by the Corporation to administer its affairs and have general supervision, direction and control of the business and

officers of the Corporation according to policies and procedures approved by the Board. He or she shall have the general powers and duties of management usually vested in the office of President of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or these bylaws. The President's specific responsibilities shall include general management, general direction of the programs of the Corporation, fund raising, whether for capital, endowment or current purposes, budget preparation and control, accounting and reporting of financial transactions, management and supervision of personnel, and development of public relations. The President shall report to the Directors, and his or her salary shall be fixed by the Board of Directors. The President shall have the responsibility of selecting and dismissing the employees of the Corporation in accordance with current personnel policies of the Corporation. If the Corporation has more than one Vice President, the President shall have the authority to designate the order in which they shall serve in place of and instead of the President in his or her absence. The Vice President, if any, acting in the President's absence shall have all of the powers and duties of the President. All or part of the above duties may be delegated to staff of the Corporation, with ultimate responsibility remaining with the President.

**Section 7. Secretary.** The Secretary shall keep or cause to be kept at the principal office of the corporation in the State of California, the original or a copy of the Corporation's articles of incorporation and bylaws, as amended to date. The Secretary also shall keep or cause to be kept a book of minutes at the principal office, or at such other place as the Board of Directors may order, of all meetings of the Directors, with the time and place of holding, whether regular or special; and if special, how authorized, the notice thereof given, the names of those present at Directors' meetings, and the proceedings thereof. The Secretary shall give or cause to be given notice of all the meetings of the Board of Directors required by these bylaws or by

law to be given and he or she shall keep the seal and perform such other duties as may be prescribed by the Board of Directors and by these bylaws. All or part of the above duties may be delegated to staff of the Corporation, with ultimate responsibility remaining with the Secretary.

**Section 8. Chief Financial Officer.** The Chief Financial Officer shall make provision for the care and custody of all funds of the Corporation, shall make provision for the deposit of such funds as required and designated by the Board of Directors, shall make provision for the maintenance of adequate accounts of the properties and business transactions of the Corporation, shall render reports and financial statements to the Directors as required by the Board of Directors. In addition, the Chief Financial Officer shall keep and maintain or cause to be kept and maintained adequate and correct accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains and losses. The books of account shall at all times be open to inspection by any Director. The Chief Financial Officer shall deposit or cause to be deposited all monies and other valuables in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Chief Financial Officer shall disburse or cause to be disbursed the funds of the Corporation as shall be ordered by the Board of Directors, shall render to the Chairperson of the Board and Directors, whenever they shall request it, an account of all transactions as Chief Financial Officer and the financial condition of the Corporation, shall take or cause to be taken proper vouchers for all disbursements of the funds of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors and by these bylaws. Subject to the policies and direction of the Board of Directors, the Chief Financial Officer shall report to and be subject to the direct supervision of the President. All or part of the

above duties may be delegated to staff of the Corporation with ultimate responsibility remaining with the Chief Financial Officer.

**Section 9. Treasurer.** The Treasurer shall exercise general oversight of the financial affairs of the Corporation on behalf of the Board of Directors, with ultimate responsibility for such matters, however, remaining with the Chief Financial Officer. The Treasurer shall serve without compensation.

**Section 10. Executive Director.** If, and at such time as the Board of Directors may appoint an Executive Director, he or she may also be, as determined by the Board, the President (Chief Executive Officer) of the Corporation and as such shall have the authority and responsibility for the day-to-day management and administration of the affairs, employees and resources of the Corporation, and for implementation, of the policies and programs of the Corporation. The Executive Director shall, subject to the policies of the Corporation, employ, supervise, manage, control and discharge the employees of the Corporation. The Executive Director shall advise and counsel the Board of Directors in matters of policy and shall act as a representative for the Corporation at community, state and national meetings.

**Section 11. Removal.** All officers shall hold office at the pleasure of the Board. Any officer may be removed, either with or without cause, by the Board of Directors at any time. The removal of any officer shall be without prejudice to the rights, if any, of him or her under any contract of employment with the Corporation.

**Section 12. Resignation.** Any officer may resign at any time by giving written notice to the Corporation, but without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party. Any such resignation shall take effect at the date of the

receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 13. Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these bylaws for regular election or appointment of such office, provided that such vacancies shall be filled as they occur and not on an annual basis.

## **ARTICLE V - COMMITTEES**

**Section 1. Committees.** The Board of Directors may, by resolution adopted by a majority of the Directors then in office, designate one or more committees of the Board consisting of two or more Directors, and only of directors, to serve at the pleasure of the Board. Appointments to committees of the Board shall be by majority vote of a quorum of the Board. The Board may appoint one or more Directors as alternate members of any such committee, who may replace any absent member at any committee meeting. Any member of any committee may be removed, with or without cause, at any time by the Board. The Executive Committee and any other committee having the authority of the Board shall be comprised of at least three (3) Directors, and may be delegated any of the powers and authority of the Board in the management of the business and affairs of the Corporation, except as provided in Section 6 of this Article V.

**Section 2. Executive Committee.** The Executive Committee shall be a standing committee and shall consist of the Chairperson of the Board, the immediate past Chairperson of the Board (if still serving as a Director) and officers of the Corporation who are also Directors, and such other Directors as shall be appointed from time to time. By invitation, the President shall preside over meetings of the Executive Committee, otherwise the Chairperson of the Board shall be the chairperson of the Executive Committee. The Executive Committee, unless limited

by a resolution of the Board, shall have and may exercise all the authority of the Board in the management of the business and affairs of the Corporation at such times as the Board is not in session. The Executive Committee shall hold such meetings as shall be directed by the Board of Directors or called by the Chairperson of the Board at such times and places as may be convenient to conduct business. Each committee member shall have one vote and all matters shall be decided by a unanimous vote. A majority of the committee shall constitute a quorum. A member of the committee may not vote by proxy. All actions taken by the Executive Committee shall be reported at the next regular meeting of the Board of Directors.

**Section 3. Compensation Committee and Compensation Review.** At any time this Corporation compensates its President or Chief Financial Officer, the Corporation shall have a Compensation Committee consisting of at least three Directors and exclusively of Directors, unless the compensation review activities described in this Section 3 are otherwise undertaken directly by the Board of Directors. Directors who are also employees of the Corporation may not serve on the Compensation Committee. Subject to the foregoing, the Executive Committee may act in the capacity of the Compensation Committee. The Compensation Committee shall review the compensation of the President, Chief Financial Officer, Treasurer (if any), and Vice President (if any) as well as of such other officers of the Corporation as the Compensation Committee determines appropriate. This review shall occur when such officer is hired, when the term of employment of such officer is renewed or extended, and when the compensation of such officer is modified, unless the modification applies to substantially all of the employees of this Corporation. Based on its review, the Compensation Committee shall recommend just and reasonable compensation amounts to the Board. At the request of the President or the Board, the

Compensation Committee shall review any issue involving staff compensation and benefits, including but not limited to health and retirement plans.

**Section 4. Audit Committee.** At all times that this Corporation is required by applicable law to have an independent audit, or at any time the Corporation voluntarily chooses to do so, the Corporation shall have an Audit Committee consisting of at least two Directors and which may include nonvoting advisors. Directors who are employees of the Corporation or who receive, directly or indirectly, any consulting, advisory, or other compensatory fees from the Corporation (other than for service as Director) may not serve on the Audit Committee. The President and Treasurer, if also Directors, may serve on the Audit Committee only if such persons are volunteers and are not compensated by this Corporation. The Audit Committee shall perform the duties and adhere to the guidelines set forth from time to time by the Board. These duties include, but are not limited to: (i) assisting the Board in choosing an independent auditor and recommending termination of the auditor, if necessary, (ii) negotiating the auditor's compensation, (iii) conferring with the auditor regarding the Corporation's financial affairs, and (iv) reviewing and accepting or rejecting the audit. Members of the Audit Committee shall not receive compensation for their service on the Audit Committee in excess of that provided to Directors for their service on the Board. If the Corporation has a Finance Committee, a majority of the members of the Audit Committee may not concurrently serve as members of the Finance Committee, and the Chair of the Audit Committee may not serve on the Finance Committee.

**Section 5. Additional Committees.** The Board of Directors may appoint one or more additional committees, each consisting of three (3) or more Directors and such other persons as the Board may specify, to serve at the pleasure of the Board of Directors. Any such committee must be created, and the members thereof appointed by resolution adopted by a majority of the

authorized number of Directors then in office provided a quorum is present. The Board of Directors may appoint, in the same manner, alternate members of any committee who may replace any absent member at any meeting of the committee. All members of all committees shall serve at the pleasure of the Board of Directors. The Board of Directors shall have the power to prescribe the manner in which proceedings of any such committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Unless the Board or such committee shall otherwise provide, the regular and special meetings and other actions of any such committee shall be governed by the provisions of Article III applicable to meetings and actions of the Board of Directors. Minutes shall be kept of each meeting of each committee. The Board of Directors may delegate to any such committee any of the authority of the Board of Directors except as provided in Section 6 of this Article V.

**Section 6. Advisory Committees.** The Board of Directors may appoint one or more advisory committees each consisting of Directors, nondirectors, or Directors and nondirectors. Advisory committees shall have no legal authority to act for the Corporation, but shall report their findings and recommendations to the Board of Directors.

**Section 7. Prohibited Delegation of Authority.** The Board of Directors shall not delegate to any committee any of the following authority:

(a) The approval of any action for which the California Nonprofit Public Benefit Corporation Law also requires approval of the members or approval of a majority of all members;

(b) The filling of vacancies on the Board of Directors or on any committee that has the authority of the Board;

(c) The fixing of compensation of the Directors for serving on the Board of Directors or on any committee;

(d) The amendment or repeal of articles of incorporation or bylaws or the adoption of new bylaws;

(e) The amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable;

(f) The appointment of other committees of the Board of Directors or the members thereof;

(g) The expenditure of corporate funds to support a nominee for Director after there are more people nominated for Director than can be elected; or

(h) The approval of any self-dealing transaction, as such transactions are defined in Section 5233(a) of the California Nonprofit Corporation Law.

**Section 8. Meeting and Action of Committees.** Meetings and actions of committees of the Board shall be governed by and held, in accordance with the provisions of these bylaws concerning meetings and other board actions, except that the time for regular meetings of such committees and the calling of special meetings of such committees may be determined either by board resolution or, if there is none, by resolution of the committee of the Board. Minutes of each meeting of any committee of the Board shall be kept and shall be filed with the corporate records. The Board may adopt rules for the government of any committee, provided they are consistent with these bylaws or, in the absence of rules adopted by the Board, the committee may adopt such rules.

## **ARTICLE VI - RECORDS AND REPORTS**

**Section 1. Maintenance of Articles and Bylaws.** The Corporation shall keep at its principal executive office the original or a copy of its Articles and Bylaws as amended to date.

**Section 2. Maintenance of Other Corporate Records.** The accounting books, records, and minutes of the proceedings of the Board of Directors and any committee(s) of the Board of Directors shall be kept at such place or places designated by the Board of Directors, or, in the absence of such designation, at the principal executive office of the Corporation. The minutes shall be kept in written or typed form, and the accounting books and records shall be kept in either written or typed form or in any other form capable of being converted into written, typed, or printed form.

**Section 3. Inspection by Directors.** Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the Corporation and each of its subsidiary corporations. This inspection by a Director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

**Section 4. Annual Report.** Within 120 days after the end of the Corporation's fiscal year, the President shall furnish or cause to be furnished a written report to all Directors containing the following information:

- (a) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;

(c) The revenue or receipts of the Corporation, both unrestricted and restricted for particular purposes, for the fiscal year;

(d) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year;

(e) Any transaction during the previous fiscal year involving more than \$50,000 in which the Corporation (or its parent or subsidiaries, if any) was a party and in which any director or officer of the Corporation has a direct or indirect financial interest, or any of a number of such transactions in which the same person had a direct or indirect financial interest and which transactions in the aggregate involved more than \$50,000; and

(f) The amount and circumstances of any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any director or officer of the Corporation pursuant to Article 7 of these bylaws, unless such indemnification has already been approved pursuant to Section 7.5.

For each transaction, the report must disclose the names of the interested persons involved in such transaction and state such person's relationship to the corporation, the nature of such person's interest in the transaction and, where practicable, the value of such interest.

The report shall be accompanied by any report of independent accountants or, if there is no such report, by the certificate of an authorized officer of this Corporation that such statements were prepared without an audit from the books and records of this Corporation. Such report may be furnished to the directors by electronic transmission in accordance with Section 10.1 of these bylaws.

**Section 5. Financial Audit.** The Corporation shall obtain a financial audit for any tax year in which it receives or accrues gross revenue of \$2 million or more, excluding grant or

contract income from any governmental entity for which the governmental entity requires an accounting. Any audited financial statements obtained by the Corporation, whether or not required by law, shall be made available for inspection by the Attorney General and by the general public within nine (9) months after the close of the fiscal year to which the statements relate. For three (3) years, such statements (a) shall be available at the Corporation's principal, regional, and district offices during regular business hours and (b) shall be made available either by mailing a copy to any person who so requests in person or in writing, or by posting them on the Corporation's website.

## **ARTICLE VII - CONTRACTS AND LOANS WITH DIRECTORS AND OFFICERS**

### **Section 1. Contracts with Directors and Officers.**

(a) No Director or Officer of this Corporation, nor any other corporation, firm, association, or other entity in which one or more of this Corporation's Directors or Officers are directors or have a material financial interest, shall be interested, directly or indirectly, in any contract or other transaction with this Corporation, unless (i) the material facts regarding such Director's or Officer's financial interest in such contract or transaction and/or regarding such common directorship, officership, or financial interest are fully disclosed in good faith and are noted in the minutes, or are known to all members of the Board prior to consideration by the Board of such contract or transaction; (ii) such contract or transaction is authorized in good faith by a majority of the Board by a vote sufficient for that purpose without counting the vote or votes of such interested Director(s); (iii) prior to authorizing or approving the transaction, the Board considers and in good faith determines after reasonable investigation under the circumstances that the Corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and (iv) this Corporation enters into the transaction for

its own benefit, and the transaction is fair and reasonable to this Corporation at the time the transaction is entered into.

(b) The provisions of this Section 1 of Article VII do not apply to a transaction which is part of an educational or charitable program of the Corporation if it: (i) is approved or authorized by the Corporation in good faith and without unjustified favoritism; and (ii) results in a benefit to one or more Directors or Officers or their families because they are in the class of persons intended to be benefited by the educational or charitable program of this Corporation.

**Section 2. Loans to Directors and Officers.** The Corporation shall not make any loan of money or property to or guarantee the obligation of any Director or Officer, unless approved by the Attorney General of the State of California; provided, however, that the Corporation may advance money to a Director or Officer of the Corporation for expenses reasonably anticipated to be incurred in the performance of the duties of such Director or Officer, provided that in the absence of such advance such Director or Officer would be entitled to be reimbursed for such expenses by the Corporation.

## **ARTICLE VIII - FISCAL YEAR**

The fiscal year of the Corporation shall end on June 30. The Board may change the fiscal year of the Corporation as it is deemed necessary, subject to applicable law and requisite approval from any governmental agencies.

## **ARTICLE IX - GENERAL PROVISIONS**

**Section 1. Voting Shares.** The Corporation may vote any and all shares held by it in any other corporation by such officer, agent or proxy as the Board of Directors may appoint, or in the absence of any such appointment, by the Chairperson of the Board or by any other officer,

if also a Director and, in such case, such officers or any of them, may likewise appoint a proxy to vote said shares.

**Section 2. Checks, Drafts Etc.** All checks, drafts or other orders for payment of money, notes or other evidence of indebtedness issued in the name of or payable to the Corporation and any and all securities owned or held by the Corporation requiring signature for the transfer shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by the Board of Directors or the Executive Committee, if any.

**Section 3. Endorsement of Documents; Contracts.** Subject to the provisions of applicable laws, any note, mortgage, evidence of indebtedness, contract, conveyance or other instrument in writing, and any assignment or endorsement thereof, executed or entered into between the Corporation and any other person, when signed by any officer, shall be valid and binding on the Corporation in the absence of actual knowledge on the part of the other person that the signing officer(s) had no authority to execute the same. Any such instruments may be signed by any other person or persons and in such manner as from time to time shall be determined by the Board of Directors or the Executive Committee, and, unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or amount

**Section 4. Construction and Definitions.** Unless the context otherwise requires, the general provisions, rules of construction and definitions contained in the general provisions of the California Nonprofit Corporation Law and in the California Nonprofit Public Benefit Corporation Law shall govern the construction of these bylaws.

**Section 5. Gender.** As used in these bylaws, the masculine gender shall include both the masculine and the feminine gender.

**Section 6. Electronic Transmission.** Subject to any guidelines and procedures that the Board of Directors may adopt from time to time, the terms “written,” and “in writing” as used in these bylaws include any form of recorded message in the English language capable of comprehension by ordinary visual means and may include electronic transmissions, such as facsimile or email, provided (i) for electronic transmissions from the Corporation, the Corporation has obtained an unrevoked written consent from the recipient to the use of such means of communication; (ii) for electronic transmissions to the Corporation, the Corporation has in effect reasonable measures to verify that the sender is the individual purporting to have sent such transmission; and (iii) the transmission creates a record that can be retained, retrieved, reviewed, and rendered into clearly legible tangible form.

## **ARTICLE X - INDEMNIFICATION**

**Section 1. Definitions.** For the purposes of this Article VII, “agent” means any person who is or was a director, officer, employee or other agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation; and “proceeding” means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and “expenses” includes, without limitation, attorneys’ fees and any expenses of establishing a right to indemnification under Sections 4 or 5(b) of this Article VII.

**Section 2. Indemnification in Actions by Third Parties.** The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the Corporation to procure a judgment in its favor, an action brought under Section 5233 of the California Nonprofit Corporation Law, or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an agent of the Corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interests of the Corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

**Section 3. Indemnification in Actions by or in the Right of the Corporation.** The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the Corporation, or brought under Section 5233 of the California Nonprofit Corporation Law, or brought by the Attorney General or a person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of the Corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted

in good faith, in a manner such person believed to be in the best interest of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Section 3:

(a) In respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation in the performance of such person's duty to the Corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;

(b) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or

(c) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval, unless it is settled with the approval of the Attorney General.

**Section 4. Indemnification Against Expenses.** To the extent that an agent of the Corporation has been successful on the merits in defense of any proceeding referred to in Section 2 or 3 of this Article VII or in defense of any claim, issue or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

**Section 5. Required Determinations.** Except as provided in Section 4 of this Article VII any indemnification under this Article VII shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper

in the circumstances because the agent has met the applicable standard of conduct set forth in Sections 2 or 3 of this Article VII, by:

(a) A majority vote of a quorum consisting of directors who are not parties to such proceeding; or

(b) The court in which such proceeding is or was pending upon application made by the Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the Corporation.

**Section 6. Advance of Expenses.** Expenses incurred in defending any proceeding may be advanced by the Corporation prior to the final disposition of such proceeding upon receipt of an undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in this Article VII.

**Section 7. Other Indemnification.** No provision made by the Corporation to indemnify its or its subsidiary's directors or officers for the defense of any proceeding, whether contained in the articles of incorporation, bylaws, a resolution of the directors, an agreement or otherwise, shall be valid unless consistent with this Article VII. Nothing contained in this Article VII shall affect any right to indemnification to which persons other than such directors and officers may be entitled by contract or otherwise. The Corporation shall have the power to indemnify, to advance expenses to, or to procure insurance for any person, who is an agent of the Corporation as long as such actions are consistent with this Article VII and comply with the California Nonprofit Corporation Law.

**Section 8. Forms of Indemnification not Permitted.** No indemnification or advance shall be made under this Article VII, except as provided in Sections 4 or 5(b), in any circumstances where it appears:

(a) That it would be inconsistent with a provision of the articles of incorporation, these bylaws or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid which prohibits or otherwise limits indemnification; or

(b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

**Section 9. Indemnification Not Exclusive.** The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled, and shall continue as to a person who has ceased to be an agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

**Section 10. Insurance.** The Corporation shall have the power to purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this Article VII, provided, however, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for a violation of Section 5233 of the California Nonprofit Public Benefit Corporation Law.

**Section 11. Nonapplicability to Fiduciaries of Employee Benefit Plans.** This Article VII does not apply to any proceeding against any trustee, investment manager or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person


may also be an agent of the Corporation as defined in Section 1 of this Article VII. The Corporation shall have power to indemnify such trustee, investment manager or other fiduciary to the extent permitted by subdivision (f) of Section 207 of the California General Corporation Law.

#### **ARTICLE XI - AMENDMENT**

These bylaws and any part thereof may be amended and repealed and new bylaws may be adopted only by the affirmative vote of a majority of the number of Directors of the Corporation then in office.

### **CERTIFICATE OF SECRETARY REGARDING BYLAWS**

The undersigned hereby certifies that she is the duly appointed and acting Secretary of Wakeland Housing and Development Corporation, and that the foregoing Amended and Restated Bylaws, consisting of 33 pages (inclusive of this page, but exclusive of the cover sheet and table of contents) were duly adopted as of March 23rd, 2011, and that they constitute the corporate bylaws of Wakeland Housing and Development Corporation in effect as of this date.

  
\_\_\_\_\_  
Karolina Ericsson, Secretary



STATE OF CALIFORNIA  
FRANCHISE TAX BOARD  
PO BOX 1286  
RANCHO CORDOVA CA 95741-1286

In reply refer to  
755:G :JCA

July 30, 1999

WAKELAND HOUSING AND DEVELOPMENT CORPORATION  
225 BROADWAY STE 1700  
SAN DIEGO CA 92101-5015

Purpose : CHARITABLE  
Code Section : 23701d  
Form of Organization : Corporation  
Accounting Period Ending: June 30  
Organization Number : 2041532

THIS EXEMPTION IS GRANTED ON THE EXPRESS CONDITION THAT THE ORGANIZATION WILL SECURE FEDERAL EXEMPT STATUS WITH THE INTERNAL REVENUE SERVICE. THE ORGANIZATION IS REQUIRED TO FURNISH A COPY OF THE FINAL DETERMINATION LETTER TO THE FRANCHISE TAX BOARD WITHIN 9 MONTHS FROM THE DATE OF THIS LETTER.

You are exempt from state franchise or income tax under the section of the Revenue and Taxation Code indicated above.

This decision is based on information you submitted and assumes that your present operations continue unchanged or conform to those proposed in your application. Any change in operation, character, or purpose of the organization must be reported immediately to this office so that we may determine the effect on your exempt status. Any change of name or address must also be reported.

In the event of a change in relevant statutory, administrative, judicial case law, a change in federal interpretation of federal law in cases where our opinion is based upon such an interpretation, or a change in the material facts or circumstances relating to your application upon which this opinion is based, this opinion may no longer be applicable. It is your responsibility to be aware of these changes should they occur. This paragraph constitutes written advice, other than a chief counsel ruling, within the meaning of Revenue and Taxation Code Section 21012(a)(2).

You may be required to file Form 199 (Exempt Organization Annual Information Return) on or before the 15th day of the 5th month (4 1/2

July 30, 1999

WAKELAND HOUSING AND DEVELOPMENT CORPORATION

ENTITY ID : 2041532

Page 2

months) after the close of your accounting period. Please see annual instructions with forms for requirements.

You are not required to file state franchise or income tax returns unless you have income subject to the unrelated business income tax under Section 23731 of the Code. In this event, you are required to file Form 109 (Exempt Organization Business Income Tax Return) by the 15th day of the 5th month (4 1/2 months) after the close of your annual accounting period.

Please note that an exemption from federal income or other taxes and other state taxes requires separate applications.

A copy of this letter has been sent to the Registry of Charitable Trusts.

J AMAYA  
EXEMPT ORGANIZATION SECTION  
PROCESSING SERVICES BUREAU  
Telephone (916) 845-6644

EO :

CC :ELAINE A ROGERS

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **NOV 05 2003**

WAKELAND HOUSING AND DEVELOPMENT  
CORPORATION  
625 BROADWAY STE 611  
SAN DIEGO, CA 92101-0000

Employer Identification Number:  
33-0833640  
DLN:  
17053263751073  
Contact Person:  
JANINE L ESTES ID# 31126  
Contact Telephone Number:  
(877) 829-5500  
Public Charity Status:  
170(b)(1)(A)(vi)

Dear Applicant:

Our letter dated August 20, 1999, stated you would be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code, and you would be treated as a public charity during an advance ruling period.

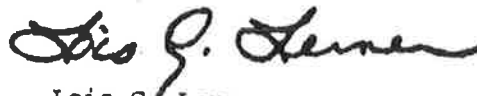
Based on our records and on the information you submitted, we are pleased to confirm that you are exempt under section 501(c)(3) of the Code, and you are classified as a public charity under the Code section listed in the heading of this letter.

Publication 557, Tax-Exempt Status for Your Organization, provides detailed information about your rights and responsibilities as an exempt organization. You may request a copy by calling the toll-free number for forms, (800) 829-3676. Information is also available on our Internet Web Site at [www.irs.gov](http://www.irs.gov).

If you have general questions about exempt organizations, please call our toll-free number shown in the heading between 8:00 a.m. - 6:30 p.m. Eastern time.

Please keep this letter in your permanent records.

Sincerely yours,



Lois G. Lerner  
Director, Exempt Organizations  
Rulings and Agreements

Letter 1050 (DO/CG)

AUG 30 1999

INTERNAL REVENUE SERVICE  
DISTRICT DIRECTOR  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **AUG 24 1999**

WAKELAND HOUSING AND DEVELOPMENT  
CORPORATION  
C/O ELAINE A ROGERS  
SULLIVAN WERTZ MCDADE & WALLACE  
945 FOURTH AVE  
SAN DIEGO, CA 92101

Employer Identification Number:  
33-0833640  
DLN:  
17053138014049  
Contact Person:  
ANGELA WRIGHT ID# 95328  
Contact Telephone Number:  
(877) 829-5500

Accounting Period Ending:  
June 30  
Foundation Status Classification:  
2  
Advance Ruling Period Begins:  
December 23, 1998  
Advance Ruling Period Ends:  
June 30, 2003  
Addendum Applies:  
NO

Dear Applicant:

Based on information you supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably expect to be a publicly supported organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

Accordingly, during an advance ruling period you will be treated as a publicly supported organization, and not as a private foundation. This advance ruling period begins and ends on the dates shown above.

Within 90 days after the end of your advance ruling period, you must send us the information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, we will classify you as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, we will classify you as a private foundation for future periods. Also, if we classify you as a private foundation, we will treat you as a private foundation from your beginning date for purposes of section 507(d) and 4940.

Grantors and contributors may rely on our determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you send us the required information within the 90 days, grantors and contributors may continue to rely on the advance determination until we make a final determination of your foundation status.

Letter 1045 (DO/CG)

## WAKELAND HOUSING AND DEVELOPMENT

If we publish a notice in the Internal Revenue Bulletin stating that we will no longer treat you as a publicly supported organization, grantors and contributors may not rely on this determination after the date we publish the notice. In addition, if you lose your status as a publicly supported organization, and a grantor or contributor was responsible for, or was aware of, the act or failure to act, that resulted in your loss of such status, that person may not rely on this determination from the date of the act or failure to act. Also, if a grantor or contributor learned that we had given notice that you would be removed from classification as a publicly supported organization, then that person may not rely on this determination as of the date he or she acquired such knowledge.

If you change your sources of support, your purposes, character, or method of operation, please let us know so we can consider the effect of the change on your exempt status and foundation status. If you amend your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, let us know all changes in your name or address.

As of January 1, 1984, you are liable for social security taxes under the Federal Insurance Contributions Act on amounts of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the private foundation excise taxes under Chapter 42 of the Internal Revenue Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please let us know.

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

Donors may deduct contributions to you only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, gives guidelines regarding when taxpayers may deduct payments for admission to, or other participation in, fundraising activities for charity.

Contributions to you are deductible by donors beginning December 23, 1998.

You are not required to file Form 990, Return of Organization Exempt From Income Tax, if your gross receipts each year are normally \$25,000 or less. If you receive a Form 990 package in the mail, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return. Because you will be treated as

WAKELAND HOUSING AND DEVELOPMENT

a public charity for return filing purposes during your entire advance ruling period, you should file Form 990 for each year in your advance ruling period that you exceed the \$25,000 filing threshold even if your sources of support do not satisfy the public support test specified in the heading of this letter.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete. So, please be sure your return is complete before you file it.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

The law requires you to make your annual return available for public inspection without charge for three years after the due date of the return. You are also required to make available for public inspection a copy of your exemption application, any supporting documents and this exemption letter to any individual who requests such documents in person or in writing. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are made widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of \$20 a day for each day you do not make these documents available for public inspection (up to a maximum of \$10,000 in the case of an annual return).

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, we will assign a number to you and advise you of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

This ruling is based on the understanding that the majority of your Board of Directors will be non-salaried and will not be related to salaried personnel or to parties providing services. It is also based on the understanding that salaried individuals cannot vote on their own compensation and that compensation decisions will be made by the board.

In accordance with section 508(a) of the Code, the effective date of this determination letter is December 23, 1998.

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WAKELAND HOUSING AND DEVELOPMENT

This determination is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should keep records to show that funds are spent only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), you must have evidence that the funds will remain dedicated to the required purposes and that the recipient will use the funds for those purposes.

If you distribute funds to individuals, you should keep case histories showing the recipients' names, addresses, purposes of awards, manner of selection, and relationship (if any) to members, officers, trustees or donors of funds to you, so that you can substantiate upon request by the Internal Revenue Service any and all distributions you made to individuals. (Revenue Ruling 56-304, C.B. 1956-2, page 306.)

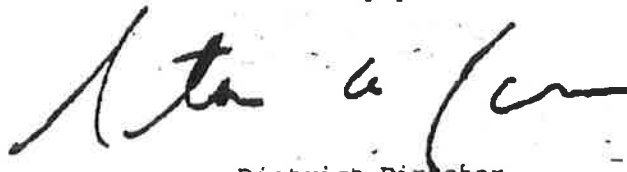
If we said in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help us resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "A. T. A. / cm", is written over the typed name "District Director".

District Director

Wakeland Housing and Development Corp.  
List of Board of Directors

# WAKELAND HOUSING AND DEVELOPMENT

## BOARD OF DIRECTORS

Jonathan Hunter

**Board Chair**

JC Hunter Consulting  
5715 Baltimore Drive, #83  
La Mesa, CA 91942  
Ph. # (619) 251-3393  
Email: [jonathanh480@gmail.com](mailto:jonathanh480@gmail.com)

Lina Ericsson

**Board Secretary**

Vice President & General Counsel  
Senior Resource Group, LLC  
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Solana Beach, CA 92075  
Ph. # (858) 337-2266  
Email: [lina.ericsson@srg-llc.com](mailto:lina.ericsson@srg-llc.com)

Julie Dillon

**Board Treasurer**

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Email: [juliedillon@me.com](mailto:juliedillon@me.com)

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**Board Member**

CEO/Chief Strategist  
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Jimmy Ayala

**Board Member**

Division President  
Tri Pointe Homes  
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Email: [Jimmy.Ayala@TriPointeHomes.com](mailto:Jimmy.Ayala@TriPointeHomes.com)

Jeff Brazel

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Steve Kuptz

**Board Member**

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1565 Coast Blvd.  
Del Mar, CA 92014  
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Email: [steve@trinitysd.com](mailto:steve@trinitysd.com)

James Lawson

**Board Member**

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Barry Schultz

**Board Member**

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Launa Wilson

**Board Member**

2745 Brockton Avenue  
Riverside, CA 92501  
951-850-0599  
Email: [launakay@gmail.com](mailto:launakay@gmail.com)

Lee Winslett

**Board Member**

Senior Vice President  
Wells Fargo Community Lending  
401 B Street, Suite 304-A  
San Diego, CA 92101  
Ph. # (619) 699-3037  
Fax # (877) 786-4003  
Email: [Lee.Winslett@WellsFargo.com](mailto:Lee.Winslett@WellsFargo.com)

# Wakeland Housing and Development Corp

## Financial Statements

Please see Attachments 4.00 Audited Financials

Wakeland Housing and Development Corporation  
Insurance Certificates



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

9/22/2021

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

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

<b>PRODUCER</b> Cavignac 451 A Street, Suite 1800 San Diego CA 92101	<b>CONTACT NAME:</b> Certificate Department <b>PHONE (A/C, No, Ext):</b> 619-744-0574 <b>E-MAIL ADDRESS:</b> certificates@cavignac.com <b>FAX (A/C, No):</b> 619-234-8601
<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURER A:</b> Philadelphia Indemnity Ins. Co	
<b>INSURER B:</b> Oak River Insurance Company	
<b>INSURER C:</b> Great American Assurance Co	
<b>INSURER D:</b> Scottsdale Insurance Company	
<b>INSURER E:</b>	
<b>INSURER F:</b>	

**COVERAGES****CERTIFICATE NUMBER:** 652425440**REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER:	Y	Y	PHPK2295800	6/30/2021	6/30/2022	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	<input type="checkbox"/> <b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	Y	Y	PHPK2295800	6/30/2021	6/30/2022	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A D	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			PHUB775500 XLS0119779	6/30/2021 6/30/2021	6/30/2022 6/30/2022	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N <input type="checkbox"/>	Y	WAWC114155	9/27/2020	9/27/2021	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Professional Liability			PAC4884539	9/25/2020	9/25/2021	Each Claim \$1,000,000 Aggregate \$2,000,000

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

Cuatro at City Heights, LP  
4102-4122 University Ave., San Diego, CA 92105  
El Cajon & Central Ave, APN 454-732-34, San Diego, CA 92105  
University Ave & 40th Street, APN 447-491-31, San Diego, CA 92105  
University Ave & 41st Street, APN 454-762-13, San Diego, CA 92105  
Additional Insured coverage applies to General Liability and Automobile Liability per policy form. Waiver of subrogation applies to Workers Compensation per policy form. If the insurance company elects to cancel or non-renew coverage a 30 days written notice of such cancellation or nonrenewal will be provided and 10 days for nonpayment of premium.

**CERTIFICATE HOLDER****CANCELLATION**

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

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**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT-CALIFORNIA  
BLANKET BASIS**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

The additional premium for this endorsement shall be calculated by applying a factor of 2% to the total manual premium, with a minimum initial charge of \$350, then applying all other pricing factors for the policy to this calculated charge to derive the final cost of this endorsement.

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

**Schedule****Blanket Waiver**

<b>Person/Organization</b>	Blanket Waiver – Any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver.
----------------------------	---

<b>Job Description</b>	<b>Waiver Premium (prior to adjustments)</b>
All CA Operations	549.00

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.  
(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective: 09/27/2020

Policy No.: WAWC114155

Endorsement No.:

Insured:

Premium \$

Insurance Company: Oak River Insurance Company

Countersigned by \_\_\_\_\_

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

**ADDITIONAL INSURED  
PRIMARY AND NON-CONTRIBUTORY INSURANCE**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**SCHEDULE**

**Effective Date:** 06/30/2021

**Name of Person or Organization (Additional Insured):**

Blanket- Where required by contract

**SECTION II – WHO IS AN INSURED** is amended to include as an additional insured the person(s) or organization(s) shown in the endorsement Schedule, but only with respect to liability for “bodily injury,” “property damage” or “personal and advertising injury” arising out of or relating to your negligence in the performance of “your work” for such person(s) or organization(s) that occurs on or after the effective date shown in the endorsement Schedule.

This insurance is primary to and non-contributory with any other insurance maintained by the person or organization (Additional Insured), except for loss resulting from the sole negligence of that person or organization.

This condition applies even if other valid and collectible insurance is available to the Additional Insured for a loss or “occurrence” we cover for this Additional Insured.

The Additional Insured’s limits of insurance do not increase our limits of insurance, as described in **SECTION III – LIMITS OF INSURANCE.**

All other terms, conditions, and exclusions under the policy are applicable to this endorsement and remain unchanged.

SAN DIEGO HOUSING COMMISSION

RESOLUTION NO. HC - \_\_\_\_\_

DATE OF FINAL PASSAGE April 20, 2023

A RESOLUTION APPROVING A RESIDUAL RECEIPTS LOAN IN AN AMOUNT NOT TO EXCEED \$2,000,000 TO SERENADE 43, L.P. TO FACILITATE THE ACQUISITION, REHABILITATION AND NEW CONSTRUCTION OF SERENADE ON 43<sup>RD</sup>, AN AFFORDABLE RENTAL HOUSING DEVELOPMENT AT 4034, 4046 AND 4054 43<sup>RD</sup> STREET FOR HOUSEHOLDS WITH INCOME OF 30 PERCENT TO 60 PERCENT OF SAN DIEGO'S AREA MEDIAN INCOME (AMI), INCLUDING HOUSEHOLDS EXPERIENCING HOMELESSNESS WITH INCOME OF 30 PERCENT TO 40 PERCENT OF AMI, AND RELATED ACTIONS.

WHEREAS, Serenade on 43rd is a proposed acquisition, rehabilitation and new construction affordable rental housing development at 4034, 4046 and 4054 43<sup>rd</sup> Street in the City Heights neighborhood of San Diego that will provide 64 affordable rental housing units that will remain affordable for 55 years for households with income up to 60 percent of San Diego's Area Median Income (AMI) and one unrestricted manager's unit. Of the 64 affordable units, 32 will be designated Project-Based Housing Voucher units for individuals experiencing homelessness with serious mental illness with income of 30 percent to 40 percent of AMI or below.

WHEREAS, on April 20, 2023, the Board of Commissioners of the San Diego Housing Commission (Housing Commission) heard and recommended that the Housing Commission make a loan of up to \$2,000,000 to Serenade 43, LP, a California limited partnership., as more particularly described in the Housing Commission Report HCR23-056;

NOW THEREFORE,

BE IT RESOLVED, by the Housing Commission that it is hereby authorized to make and fund a residual receipts loan of up to \$2,000,000 to facilitate the new construction of Serenade on 43rd on the terms and conditions more particularly described in Housing Commission Report HCR23-056.

BE IT FURTHER RESOLVED that the President and Chief Executive Officer of the Housing Commission, or designee, is authorized to:

1. Execute all necessary documents and instruments to effectuate the transaction and implement the project, in a form approved by General Counsel, and to take such actions as are necessary, convenient and/or appropriate to implement the approvals upon advice of General Counsel, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each Housing Commissioner;
2. Adjust financing terms/conditions as necessary for consistency with requirements of other funding sources or to accommodate market changes that may occur, provided that the proposed \$2,000,000 maximum Housing Commission loan amount not increase; and
3. 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 necessary, convenient and/or appropriate to implement this approval and delegation of authority by the Housing Commission upon advice of the General Counsel.

BE IT FURTHER RESOLVED that the proposed development activities set forth in Housing Commission Report HCR23-056 are covered under the following:

California Environmental Quality Act.

The proposed project is statutorily exempt from the requirements of the California Environmental

Quality Act (CEQA) pursuant to California Senate Bill 35 (SB35). SB35 allows qualifying development projects with certain minimum affordable housing guarantees to move more quickly through the local government review process and restricts the ability of local governments to reject these proposals. The bill amended Government Code Section 65913.4 to require local entities to streamline the approval of certain housing projects by providing a ministerial approval process, exempting certain projects from CEQA, and removing the requirement for discretionary entitlements granted by the Planning Commission. The developer has received document Local Approvals and Environmental Review Verification, dated June 2, 2022, from the City of San Diego Development Services Department indicating the project is statutorily exempt from CEQA pursuant to SB35.

National Environmental Policy Act

Federal funds constitute a portion of the funding for this project. An Environmental Assessment is being processed in accordance with the requirements of the National Environmental Policy Act (NEPA). The parties agree that the provision of federal funds as a result of this action is conditioned on the approval of the Environmental Assessment by the City of San Diego and the receipt of Authority to Use Grant Funds from the U.S. Department of Housing and Urban Development. Final authorization to utilize grant funds is expected to be received from HUD prior to beginning construction.

Christensen & Spath

By \_\_\_\_\_  
Charles B. Christensen  
General Counsel  
San Diego Housing Commission

I certify that the foregoing actions in this Resolution were approved by the San Diego Housing Commission Board of Commissioners at its meeting on April 20, 2023.

By: \_\_\_\_\_  
Scott Marshall  
Vice President, Communications &  
Government Relations

Approved: \_\_\_\_\_  
Jeff Davis  
Interim President & Chief Executive Officer  
San Diego Housing Commission