



REPORT

DATE ISSUED: March 28, 2019

REPORT NO: HAR19-009

ATTENTION: Chair and Members of the Housing Authority of the City of San Diego
For the Agenda of April 23, 2019

SUBJECT: Preliminary Bond Authorization for Wesley Terrace

COUNCIL DISTRICT: 9

REQUESTED ACTION

Take the initial steps to issue Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds to fund the acquisition and rehabilitation of Wesley Terrace, a 161-unit rental housing development, located at 5343 Monroe Avenue, San Diego 92115, which will include 159 units that will remain affordable for 55 years and two unrestricted managers' units.

STAFF RECOMMENDATION

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

Housing Authority:

- 1) Approve the following steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds for Wesley Terrace, a 161-unit rental housing development, located at 5343 Monroe Avenue, San Diego 92115, which will include 159 units that will remain affordable for 55 years and two unrestricted managers' units:
 - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$24,000,000 in Multifamily Housing Revenue Bonds for the acquisition and rehabilitation of Wesley Terrace by Wesley Terrace Partners, L.P.;
 - b. Authorize an application (and subsequent applications, if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds in an amount up to \$24,000,000 for Wesley Terrace;
 - c. Approve the financing team of Squire Patton Boggs LLP as Bond Counsel and CSG Advisors as Financial Advisor; and
- 2) Authorize the Housing Commission President & Chief Executive Officer (President & CEO), or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by General Counsel and Bond Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of General Counsel and/or the Bond Counsel.

City Council:

Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of Multifamily Housing Revenue Bonds in an amount up to \$24,000,000 for the acquisition and rehabilitation of Wesley Terrace.

SUMMARY

Development Summary is included as Attachment 1.

Table 1 – Development Details

Address	5343 Monroe Avenue, San Diego 92115
Council District	9
Community Plan Area	College Area
Development Type	Rehabilitation
Construction Type	Type-I
Parking Type	Surface – 61 parking spaces
Housing Type	Senior
Lot Size	1.52 acres – 66,211 square feet
Units	161
Density	105 dwelling units per acre
Affordable Unit Mix	114 studio units 45 one-bedroom units 1 one-bedroom manager unit 1 two-bedroom manager unit
Gross Building Area	110,000 square feet
Net Rentable Area	67,370 square feet

The Development

Wesley Terrace is an existing 161-unit senior rental housing development located at 5343 Monroe Avenue in the College Area (Attachment 2 – Site Map). The eight-story building was originally constructed in 1973 and consists of 114 studio units, 45 one bedroom units, 1 one-bedroom manager’s unit, and 1 two-bedroom manager’s unit, on-site parking, library, community kitchen, computer lab, and on-site support staff.

Building Conditions/Proposed Rehabilitation Work

Wesley Terrace is approximately 46 years old, and the building is in need of capital improvements. The developer is requesting the issuance of up to \$24,000,000 in Multifamily Housing Revenue Bonds to finance the acquisition and rehabilitation of the property to extend its useful life and maintain its marketability. The scope of the proposed rehabilitation includes comprehensive improvements to unit interiors, common areas, and elevator, as well as improvements to building electrical, plumbing, and mechanical systems.

Project Sustainability

Wesley Terrace will comply with the California Tax Credit Allocation Committee’s (TCAC) minimum energy efficiency standards for rehabilitation projects, which requires demonstrating at least 10 percent post-rehabilitation improvement in energy efficiency over existing conditions.

Relocation

The developer does not anticipate permanent relocation of any of the current tenants. The rehabilitation work will require the developer to temporarily relocate tenants while work is taking place in their unit. The developer will be responsible for coordinating all temporary relocation.

Development Team

During the 15-year tax credit compliance period, Wesley Terrace will be owned by Wesley Terrace Partners, a California limited partnership (a single-asset limited partnership) that will include: Wesley Terrace Management, LLC; Wesley Developments, a California nonprofit corporation as general partner; and a to-be-determined tax-credit investor limited partner.

Wesley Terrace Management, LLC, is composed of C&C Development Group, LLC (C&C) and DAL Development, LLC (DAL). Principals of C&C are Case Healing and Colin Rice. The principal at DAL is David Beacham. Combined, C&C and DAL have developed 28 properties totaling 3,778 affordable units. Currently, C&C and DAL combined hold ownership in 16 developments totaling 2,419 affordable units. Public disclosures are included as Attachment 3 and 4.

Table 2 - Development Team Summary

ROLE	FIRM/CONTRACT
Owner	Wesley Terrace Partners, LP
Administrative General Partner	Wesley Terrace Management, LLC
Managing General Partner	Wesley Developments, a California Nonprofit Corp.
Investor Limited Partner	To-be-determined
Developer	C&C Development Group LLC DAL Developments, LLC
Architect	To-be-determined
General Contractor	MFRG/Icon Construction
Property Management	To-be-determined
Construction Lender	Citi Community Capital
Permanent Lender	Citi Community Capital

Financing Structure

Wesley Terrace has an estimated total development cost of \$28,363,061. Financing will include a combination of tax-exempt Multifamily Housing Revenue Bonds, federal 4 percent tax credits, capitalized interest from operations, and a deferred developer fee.

There will be no Housing Commission loan proceeds provided to this development.

Estimated permanent sources and uses of financing are provided in Table 3. The developer's project pro forma is provided as Attachment 5.

Table 3 –Estimated Sources and Uses of Financing

Permanent Financing Sources	Amounts	Permanent Financing Uses	Amounts
Permanent Loan	\$19,500,000	Acquisition Costs	\$12,000,000
Tax Credit Equity	8,467,671	Construction Costs	11,084,400
Capitalized Interest from Operations	250,000	Soft Costs	1,602,690
Deferred Developer Fee	145,390	Developer Fee	3,219,472
		Financing Costs	456,499
Total Development Cost	\$28,363,061	Total Development Cost	\$28,363,061

Developer Fee

\$ 3,219,472 – gross developer fee
- 145,390 – deferred developer fee
\$ 3,074,082 – net cash developer fee

The net cash developer fee shall be \$3,074,082 provided, however, that in the event financing terms or construction costs change and result in a financing gap, the developer may defer additional developer fee.

The fee proposed is consistent with the Request for Approval of Updated Developer Fees (HAR17-011) approved by the Housing Authority on April 25, 2017.

Prevailing Wages

Prevailing wages are not applicable to the proposed rehabilitation because no federal or state funds will be used.

Development Cost Key Performance Indicators

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

Table 4 – Key Performance Indicators

Development Cost Per Unit	$\$28,363,061 \div 161 \text{ units} =$	\$176,168
Acquisition Cost Per Unit	$\$12,000,000 \div 161 \text{ units} =$	\$74,534
Net Rentable Square Foot Hard Cost	$\$11,084,400 \div 67,370 \text{ sq. ft.} =$	\$165
Gross Building Square Foot Hard Cost	$\$11,084,400 \div 110,000 \text{ sq. ft.} =$	\$101

Project Comparison Chart

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

Table 5 – Comparable Rehabilitation Projects

Project Name	Year	Construction Type	Units	Total Development Cost	Cost Per Unit	SDHC Subsidy Per Unit *	Hard Cost Per Unit
Wesley Terrace	2019	I	161	\$28,363,061	\$176,168	\$0	\$68,847
Luther Tower	2017	I	200	\$29,377,773	\$146,889	\$0	\$57,111
Westminster Manor	2014	I	152	\$55,263,514	\$363,575	\$0	\$87,402
San Diego Square	2014	I	155	\$38,956,670	\$251,333	\$0	\$76,549

Proposed Housing Bonds

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

The developer plans to submit a bond allocation application to CDLAC in May 2019 for a July 2019 bond allocation meeting; however, if necessary, staff will submit additional applications to CDLAC to secure a bond allocation for the development.

The developer will be seeking a CDLAC bond allocation of approximately \$24,000,000. The developer proposes to issue the bonds through a tax-exempt private placement bond issuance. The bonds will meet all requirements of the Housing Commission's Multifamily Housing Revenue Bond Program policy and will fully comply with the City of San Diego's (City) ordinance on bond disclosure. The up to \$24,000,000 bond allocation that will be sought from CDLAC is approximately 20 percent higher than the estimated \$19,500,000 amount for which the development is being underwritten. This increased amount represents a bond contingency to account for possible increases in the bond amount due to increases in construction costs, and/or decreases in the assumed interest rate, and/or the loss of other planned funding sources. The bond amount that is ultimately issued will be based upon development costs, revenues, and interest rates prevailing at the time of bond issuance.

The developer proposes that the bonds will be used for acquisition, rehabilitation and permanent financing. Housing Commission staff will later return to both the Housing Commission and Housing Authority for approval of the final bond amount. A general description of the Multifamily Housing Revenue Bond Program and the actions that must be taken by the Housing Authority and by the City Council to initiate and finalize proposed financings are described in Attachment 6.

Staff recommends assigning Squire Patton Boggs LLP as Bond Counsel and CSG Advisors as Financial Advisor to work on the development. The proposed financing team members have been selected in accordance with the existing policy for the issuance of bonds. Financial Advisors and Bond Counsels are selected in accordance with the Housing Commission's Bond Policy.

AFFORDABLE HOUSING IMPACT

Under the proposed bond financing, Wesley Terrace would have 159 units restricted to households with incomes from 50 percent to 60 percent of San Diego Area Median Income (AMI). The remaining units will be an unrestricted managers' units. The affordable units will be restricted for a 55-year term. Table 6 summarizes the affordability:

Table 6 – Affordability & Monthly Estimated Rent Table

Unit Type	AMI	Number of Units	Maximum Gross Rents
Studio	50%	12	\$853
1-bedroom	50%	5	\$974
Studio	60%	102	\$1,023
1-bedroom	60%	40	\$1,095
1-bedroom Manager	--	1	--
2-bedroom Manager	--	1	--
Total		161	

Development Schedule

The estimated development timeline is as follows.

Milestones	Estimated Dates
<ul style="list-style-type: none"> Housing Authority Preliminary Bond Consideration TCAC and CDLAC application submittals TCAC and CDLAC allocation meetings Housing Commission final bond authorization Housing Authority final bond authorization Estimated bond issuance and escrow closing Estimated start of construction work Estimated completion of construction work 	<ul style="list-style-type: none"> April 23, 2019 May 17, 2019 July 17, 2019 July 26, 2019 September 10, 2019 September 2019 September 2019 September 2020

FISCAL CONSIDERATIONS

The proposed funding sources and uses approved by this action are included in the Housing Authority-approved Fiscal Year (FY) 2019 Housing Commission Budget. Approving this action will not change the FY 2019 total budget.

Funding sources approved by this action will be as follows:

Bond Issuance Fees - \$60,000.00 (\$24,000,000 x .0025)

Funding uses approved by this action will be as follows:

Rental Housing Finance Program Administration Costs - \$60,000.00

Approval of the bond inducement and TEFRA resolutions does not commit the Housing Authority to issue the bonds. The bonds would not constitute a debt of the City. If bonds are ultimately issued for the development, the bonds will not financially obligate the City, the Housing Authority or the Housing Commission because security for the repayment of the bonds will be limited to specific private revenue sources of the development. Neither the faith and credit nor the taxing power of the City or the Housing Authority would be pledged to the payment of the bonds. The developer is responsible for the payment of

all costs under the financing, including the Housing Commission annual administrative fee, as well as Housing Commission Bond Counsel and Financial Advisor fees.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

As required by the Housing Commission Bonds Program, the developer presented their proposal for Wesley Terrace to the College Area Planning Group on March 13, 2019.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders include C&C Development Partners, DAL Development, the College Area community and residents. Rehabilitation of the property is expected to have a positive impact on the community because it will provide the needed capital improvements to the property and extend the affordability of 159 units of affordable housing.

ENVIRONMENTAL REVIEW

This activity is not a “project” and is therefore not subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15060(c)(3). This determination is predicated on Section 15004 of the Guidelines, which provides direction to lead agencies on the appropriate timing for environmental review. This action does not constitute approval of a project. Approval will occur once the environmental review has been completed in accordance with CEQA Section 15004. This action will not foreclose review of alternatives or mitigation measures by the public as part of the CEQA process. The proposed actions are approval of preliminary steps to issue bonds and do not constitute approval of the development activity or authorization for the issuance of bonds. Future actions to consider and approve development entitlement approvals related to the future development of the site will require additional review under the provisions of CEQA by the lead agency. Processing under the National Environmental Policy Act (NEPA) is not required as no federal funds are involved in this action.

Respectfully submitted,

Tina Kessler

Tina Kessler
Housing Programs Manager
Real Estate Division

Approved by,

Jeff Davis

Jeff Davis
Executive Vice President & Chief of Staff
San Diego Housing Commission

Attachments: 1) Development Summary
2) Site Map
3) Developer Disclosure Statement
4) Developer Disclosure Statement
5) Developer’s Project Pro forma
6) Multifamily Housing Revenue Bond Program

Hard copies are available for review during business hours at the security information desk in the main lobby and at the fifth floor reception desk of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials in the “Governance & Legislative Affairs” section of the San Diego Housing Commission website at www.sdhc.org

Attachment 1

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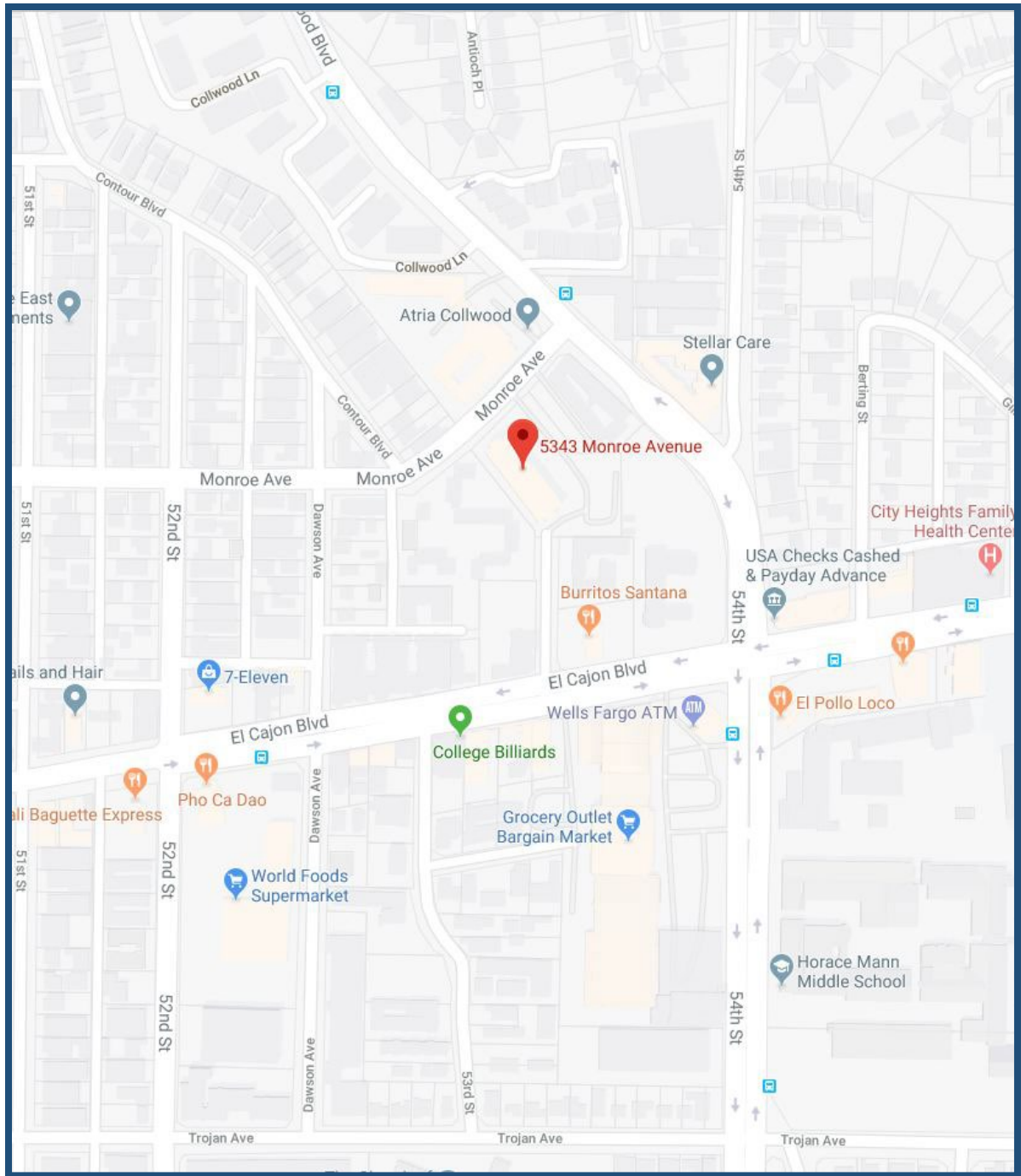
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Attachment 2





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

1. Name of CONTRACTOR: C&C Development Group, LLC (dba RAHD Group)
2. Address and Zip Code: 1660 Hotel Circle N., Ste 725, San Diego, CA 92108
3. Telephone Number: (619) 750-8580
4. Name of Principal Contact for CONTRACTOR: Colin Rice
5. Federal Identification Number or Social Security Number of CONTRACTOR: 27-3480105
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.

X ☐ Other (explain): Limited Liability Company

7. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:
September 14, 2010
8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below:
 - a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock. N/A
 - 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. N/A

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

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name: Colin Rice	Member
Address: 4632 Lucille Dr. SD 92115	50%
Name: Casey Haeling	Managing Member
Address: 1541 Garrison Place, SD 92106	50%
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% interest in the CONTRACTOR (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the CONTRACTOR or more than 50% of the stock in the corporation which holds 20% of the stock of the CONTRACTOR): No; N/A

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

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: N/A

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

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

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

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

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:

Project will be funded by the issuance of a tax-exempt bond loan (estimated to be approximately \$19,500,000), investor equity from the allocation of tax credits (estimated to be approximately \$9,500,000).

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

- a. In banks/savings and loans: Citibank, N.A.
Name: Citi Community Capital, N.A.
Address: 325 E. Hillcrest Dr., Suite 160, Thousand Oaks, CA 91360
Amount: \$ 19,500,000

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

Name:

Address:

Amount: \$

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

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

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

Name and Address	Contact Name
Name: First Republic Bank	Rick Doyle
Address: 1200 Prospect Street, La Jolla, CA 92037	
Name: Citi Community Capital	Mike Hemmens
Address: 325 E. Hillcrest Dr., Ste 160, Thousand Oaks, CA 91360	
Name:	
Address:	

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

☐ Yes

☒ No

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

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

☐ Yes

☒ No

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

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

Type of Bond	Project Description	Date of Completion	Amount of Bond	Action on Bond
Tax-Exempt Bonds	Escondido Apts, 92-unit senior, low-income acquisition-rehab project	In constrction	\$15,000,000	Finance of Ac-Rehab Project
Tax-Exempt Bonds	Luther Tower, 200-unit senior, low-income acquisition-rehab project	12/31/18	\$20,000,000	Finance of Ac-Rehab Project
Tax-Exempt Bonds	Garden Villas, 100-unit senior, low-income acquisition-rehab project	12/31/14	\$11,300,000	Finance of Ac-Rehab Project
Tax-Exempt Bonds	Sorrento Tower, 198-unit senior, low-income acquisition-rehab project	12/31/11	\$14,500,000	Finance of Ac-Rehab Project

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

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

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

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

☐ Yes

☐ No

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

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

General description of such work:

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

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

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

Identification of Contract or Development	Location	Amount	Date to be Completed

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

Awarding Agency	Amount	Date Opened

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

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

☐ Yes

☒ No

If yes, explain:

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

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

Check coverage(s) carried:

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

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

Check coverage(s) carried:

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

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

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

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 X ☐ No

If yes, please explain, in detail,

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

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

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

There are none.

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

Our experience and expertise. We have performed on similar projects in the past. Always on time. And have adhered to all the terms of such contracts, loans, grants etc. Our track record speaks for itself.

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

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

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 X ☐ 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 X ☐ No

If yes, explain:

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

1. Name: Robb Lally
Address: 3737 Fifth Ave.
Phone: (619) 542-1877
Project Name and Description: Escondido Apartments
2. Name: Juan Vargas
Address: 333 F Street, Chula Vista, CA 91910
Phone: (619) 422-5963
Project Name and Description: Garden Villas
3. Name: Todd Gloria
Address: 1350 Front Street, San Diego, CA 92101
Phone: (619) 645-3090
Project Name and Description: Luther Tower

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.

Wesley Terrace Partners, LP, is comprised of C&C Development and DAL Development. Combined, and often together, they have acquired and rehabilitated over 9000 affordable housing units. C&C and DAL have worked with the SDHC and City of San Diego on a couple of projects recently, namely Sorrento Tower and Luther Tower. Both projects have been successful projects, on time and on budget, delivering high quality affordable living to the residents of San Diego.

40. Give the name and experience of the proposed Construction Superintendent. N/A

Name	Experience

CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

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

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

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

Executed this 20th day of February, 2019, at San Diego, California.

CONTRACTOR,

By: 
Signature

Managing Member
Title

CERTIFICATION

The CONTRACTOR, C&C Development Group, LLC, 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: 

Title: Managing Member

Dated: 2/20/19

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


JURAT

State of California

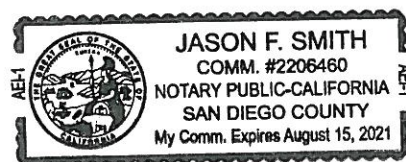
County of San Diego

Subscribed and sworn to (or affirmed) before me on this 20 day of February, 2019

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


Signature of Notary

SEAL





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

1. Name of CONTRACTOR: DAL Development, LLC
2. Address and Zip Code: 3603 Corte Castillo, Carlsbad, CA 92009
3. Telephone Number: (760) 579-2093
4. Name of Principal Contact for CONTRACTOR: David Beacham
5. Federal Identification Number or Social Security Number of CONTRACTOR: 20-18422367
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: DAL Development, LLC
(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:
8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below:
 - a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock. N/A
 - 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. N/A

- c. If the CONTRACTOR is a partnership, each partner, whether a general or limited, and either the percent of interest or a description of the character and extent of interest. Alice Lynn Blash Beacham 51% member, David A Beacham 49% manager a member.
- d. If the CONTRACTOR is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest. N/A
- e. If the CONTRACTOR is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10%.(Attach extra sheet if necessary) N/A

Name and Address		Position Title (if any) and percent of interest or description of character and extent of interest
Name:	David Beacham	Manager and Member of DAL Development, LLC
Address:	3603 Corte Castillo	
	Carlsbad, CA 92009	

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

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

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: N/A

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

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

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

14. Provide the financial condition of the CONTRACTOR as of the date of the statement and for a period of twenty-four (24) months prior to the date of its statement as reflected in the **attached** financial statements, including, but not necessarily limited to, profit and loss statements and statements of financial position.
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:
We will finance the project with proceeds from the issuance of tax-exempt bonds and investor equity from the allocation of low-income housing tax credits. The debt proceeds from the tax-exempt bonds will amount to \$19,500,000 while the investor equity will approximate \$9,500,000.
16. Provide sources and amount of cash available to CONTRACTOR to meet equity requirements of the proposed undertaking:
- In banks/savings and loans: Citibank, N.A.
Name: Citi Community Capital, N.A.
Address: 325 E Hillcrest Dr., Suite 160, Thousand Oaks, CA 91360
Amount: \$ 19,500,000

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

Name:

Address:

Amount: \$

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

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

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

Name and Address	Contact Name
Name: Citibank, N.A.	Vincent Michael Affinito
Address: 13455 Poway Road	(858) 848-3411
Poway, CA 92064	For David Beacham

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? N/A

☐ 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? N/A

☐ 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
Tax-Exempt Bonds	Meadowbrook Apartments, San Diego, CA	12/31/2014	55,000,000	Finance Acq/Rehab of Project
Tax-Exempt Bonds	Kiku Gardens, Chula Vista CA	12/31/2014	11,300,000	Fiance Acq/Rehab of Project
Tax-Exempt Bonds	Sorrento Tower, San Diego CA	12/31/2011	14,500,000	Finance Acq/Rehab of Project

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

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

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

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

☐ Yes

☐ No

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

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

General description of such work:

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

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

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

Identification of Contract or Development	Location	Amount	Date to be Completed

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

Awarding Agency	Amount	Date Opened

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

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

☐ Yes ☒ No

If yes, explain:

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

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

☐ 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: N/A

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

Check coverage(s) carried:

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

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

Check coverage(s) carried:

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

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

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

Government Complaint	Entity	Making	Date	Resolution

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

☐ Yes

☐ No

If yes, please explain, in detail,

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

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

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

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

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

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)? N/A

☐ 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? N/A

☐ Yes ☐ No

If yes, explain:

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

1. Name:
Address:
Phone:
Project Name and Description:
2. Name:
Address:
Phone:
Project Name and Description:
3. Name:
Address:
Phone:
Project Name and Description:

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

Wesley Terrace Partners, LP is more than qualified to acquire and develop Wesley Terrace. C&C and DAL have developed over 9,000 affordable housing units separately or together over the past 13 years including Meadowbrook Apartments 448 units in San Diego and Sorrento Tower 200 units in San Diego.

40. Give the name and experience of the proposed Construction Superintendent. N/A

Name	Experience

CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

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

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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 20 day of February, 2019, at San Diego, California.

CONTRACTOR

By: 

Signature

Manager and Member

Title

CERTIFICATION

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

By: 

By: _____

Title: Manager/Member

Title: _____

Dated: 2/20/2019

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.

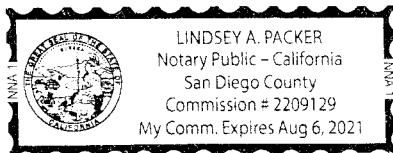
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State of California

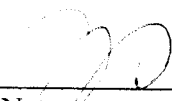
County of San Diego

Subscribed and sworn to (or affirmed) before me on this 20th day of February, 2019

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



SEAL


Signature of Notary

LIHTC ACQUISITION-REHAB FINANCIAL MODEL

Page 1 - Project Summary

Draft #1

February 20, 2019

04:50 PM

Wesley Terrace San Diego, California

Unit Mix and Utility Allowances				Max. Rents per Affordability Commitments			Project Rents		
	Total Units	Net Rentable Square Feet	Utility Allowances	Group B: 60% AMGI	Group C: 60%	Group D: 50%	Current	New, At Closing	HUD FMR
Studio	114	380	0	954	0	795	1,191	1,250	1,165
Studio, SDHC	0	0	0	0	0	0	0	0	0
One bedroom	46	550	0	1,022	0	853	1,451	1,550	1,420
One bedroom, SDHC	0	0	0	0	0	0	0	0	0
Two bedroom	0	0	0	0	0	0	0	0	0
Four bedroom, two bath	0	0	0	0	0	0	0	0	0
Totals	Units = 160			Avg = 973	Avg = 0	Avg = 811	Avg = 1,266	Avg = 1,336	Avg = 1,238

Operations Summary			
	Total \$	Per Unit	Per SF
Gross Rental Income	2,532,000	15,825	36.90
Parking and Commercial Income	0	0	0.00
Other Income @ \$2.60 per unit per month	5,000	31	0.07
Vacancy @ 5.00%	(126,600)	(791)	-1.84
Effective Gross Income	2,410,400	15,065	35.13
Operating Expenses, including \$300 per unit reserves	(872,757)	(5,455)	-12.72
Net Operating Income	1,537,643	9,610	22.41
Total Debt Service (excluding cash flow-based loans)	(1,244,914)	(7,781)	-18.14
Net Cash Flow (before partnership-level expenses)	292,729	1,830	4.27

Sources and Uses of Funds			
Debt:			
Perm Loan #1 (5.39% interest & fees, 1.24 DCR, 35-year amort.)	19,500,000	(Citi direct placement)	
Perm Loan #2	0		
Perm Loan #3	0		
Deferred Developer Fee (payable from cash flow over 3 years)	145,390	(deferred fee = 5% of total fee)	
Equity:			
Tax Credit Equity @ \$0.9000 (99.99% of available credits)	8,467,671	(equity = \$52,923 per LI unit)	
Capitalized Interest Paid from Operations	250,000		
Income During Lease-Up	0		
Additional Equity	0		
TOTAL SOURCES	28,363,061		
		Per Unit	Per SF
Property Acquisition (asking price is \$12,000,000)	12,000,000	75,000	174.88
Renovation Costs	11,084,400	69,278	161.53
Indirect Costs:			
Third Party Reports	137,500	859	2.00
Financing Placement	456,499	2,853	6.65
Capitalized Interest	250,000	1,563	3.64
Accounting Fees	10,000	63	0.15
Legal & Organizational Fees	200,000	1,250	2.91
Relocation Allowance	200,000	1,250	2.91
Initial Deposits to Reserves	529,000	3,306	7.71
Tax Credit Reservation Fees	76,190	476	1.11
Other Fees and Costs	200,000	1,250	2.91
Developer Fee (non-deferred portion = \$3,074,083)	3,219,472	20,122	46.92
TOTAL USES	28,363,061	177,269	413.34

Affordability Commitments and Other Tax Credit Assumptions

	% of AMGI	% of Project	Statistical Area: San Diego, CA
A - Market	n/a	0%	Effective AMGI: \$90,900
B - Affordable	60%	90%	Last AMGI Increase: 2018
C - Affordable	60%	0%	DDA or QCT: Yes
D - Affordable	50%	10%	Applicable Percentage: 3.27%, as of Feb 2019

Affordability

Weighted Average Set-Aside Commitment = 59.0% of Median Income
Average Post-Rehab Gross Rent = 82.3% of Median Income

Feasibility Indices

LIHTC Equity Subsidy (of next eligible rehab \$)	38.3%
Cash Flow/Operating Expense Ratio	33.5%
Capitalization Rate on Stabilized NOI	12.81%
NPV of Sponsor Benefits, per unit	\$57,363

Annual Federal Credits

Stabilized	940,956
Year 1 - 2019	0
Year 2 - 2020	940,956
Year 3 - 2021	940,956

Project Timing Assumptions

Acquisition Closing	31-Aug-19
Renovation Start	01-Sep-19
Renovation Complete	31-Aug-20
Start of Credit Period (First Unit Qualified)	01-Feb-20
Last Unit Qualified	31-Mar-20

LP Capital Account

Cap Acct EOY 10	(1,576,087)
Cap Acct EOY 15	(3,831,619)
Years 1-3 Losses/Credits	205%
Years 1-10 Losses/Credits	93%
Years 1-15 Losses/Credits	120%

Equity and Developer Fee Installments; Estimated Yield

	Estimated Date	Equity Percent	Equity Installments	Developer Fee
At Closing	31-Aug-19	20.0%	1,693,534	500,000
	n/a	0.0%	0	0
	n/a	0.0%	0	0
Second Installment	31-May-20	35.0%	2,963,685	0
Third Installment	31-Aug-20	15.0%	1,270,151	0
Fourth Installment	31-Aug-21	30.0%	2,540,301	2,574,083
			8,467,671	3,074,083
Leveraged Yield = 14.78% (compounded quarterly)				
Maximum Equity Timing Gap During Pay-In Period = \$0				

Unit Mix - All Housing Units	Residential Units	Employee Units	All Units	Square Feet	Utility Allowance
Studio	113	1	114	380	0.00
Studio, SDHC	0	0	0	0	0.00
One bedroom	45	1	46	550	0.00
One bedroom, SDHC	0	0	0	0	0.00
Two bedroom	0	0	0	0	0.00
Four bedroom, two bath	0	0	0	0	0.00
Totals	158	2	160	68,620	

A: Market Rate Units (None)						Current and Post-Rehab Rents		
	Units	Square Feet	Maximum Gross Rent	Utility Allowance	Maximum Net Rent	Current	Post-Rehab	Post-Rehab Extension
Studio	0	0	not applicable	not applicable	not applicable	0	0	0
Studio, SDHC	0	0				0	0	0
One bedroom	0	0				0	0	0
One bedroom, SDHC	0	0				0	0	0
Two bedroom	0	0				0	0	0
Four bedroom, two bath	0	0				0	0	0
Totals	0	0				0	0	0
Percent of Residential Units	0.00%	0.00%						

B: 90% @ 60% of Median						Post-Rehab		
	Units	Square Feet	Maximum Gross Rent	Utility Allowance	Maximum Net Rent	Current	Post-Rehab	Extension
Studio	102	380	954.45	None Req'd	954.45	1,165	1,250	127,500
Studio, SDHC	0	0	0.00	0.00	0.00	0	0	0
One bedroom	41	550	1,022.63	None Req'd	1,022.63	1,420	1,550	63,550
One bedroom, SDHC	0	0	0.00	0.00	0.00	0	0	0
Two bedroom	0	0	0.00	0.00	0.00	0	0	0
Four bedroom, two bath	0	0	0.00	0.00	0.00	0	0	0
Totals	143	61,310						191,050
Percent of Residential Units	90.51%	90.57%						

C: None						Post-Rehab		
	Units	Square Feet	Maximum Gross Rent	Utility Allowance	Maximum Net Rent	Current	Post-Rehab	Extension
Studio	0	0	0.00	0.00	0.00	0	0	0
Studio, SDHC	0	0	0.00	0.00	0.00	0	0	0
One bedroom	0	0	0.00	0.00	0.00	0	0	0
One bedroom, SDHC	0	0	0.00	0.00	0.00	0	0	0
Two bedroom	0	0	0.00	0.00	0.00	0	0	0
Four bedroom, two bath	0	0	0.00	0.00	0.00	0	0	0
Totals	0	0						0
Percent of Residential Units	0.00%	0.00%						

D: 10% @ 50% of Median						Post-Rehab		
	Units	Square Feet	Maximum Gross Rent	Utility Allowance	Maximum Net Rent	Current	Post-Rehab	Extension
Studio	11	380	795.37	None Req'd	795.37	1,165	1,250	13,750
Studio, SDHC	0	0	0.00	0.00	0.00	0	0	0
One bedroom	4	550	852.19	None Req'd	853.00	1,420	1,550	6,200
One bedroom, SDHC	0	0	0.00	0.00	0.00	0	0	0
Two bedroom	0	0	0.00	0.00	0.00	0	0	0
Four bedroom, two bath	0	0	0.00	0.00	0.00	0	0	0
Totals	15	6,380						19,950
Percent of Residential Units	9.49%	9.43%						

Recap of All Housing Units				
	Total Units	Percent of All Units	Percent of Total SF	Total Rent
Group A (Market Rate)	0	0.00%	0.00%	0
Group B (60% of Median)	143	89.38%	89.35%	191,050
Group C (60% of Median)	0	0.00%	0.00%	0
Group D (50% of Median)	15	9.38%	9.30%	19,950
Employee (Common Area) Units	2	0.00%	0.00%	0
Totals	160	98.75%	98.64%	211,000

Other Unit Mix Analysis	
Tax Credit Percentage (lesser of unit or floor space fraction)	98.64%
% Units Larger than 2 Bedrooms	0.00%

Stabilized Income From Operations

	INPUT (BASE YEAR)	OUTPUT (BASE YEAR)			TRENDED OUTPUT	
		Total \$	Per Unit	Per SF	Base +1	Base +2
GROSS ANNUAL RENTAL INCOME		2,532,000	15,825	36.90	2,582,640	2,634,293
Annual Carport Income		0	0	0.00	0	0
Annual Garage Income		0	0	0.00	0	0
Annual Commercial Income (NNN)		0	n/a	n/a	0	0
Annual IRP Income		0	n/a	n/a	0	0
Interest on Debt Service Reserve		0	n/a	n/a	0	0
Other Income (net of vacancy)		5,000	31	0.07	5,100	5,202
TOTAL GROSS INCOME		2,537,000	15,856	36.97	2,587,740	2,639,495
Less: Residential Vacancy	5.0%	126,600	791	1.84	129,132	131,715
Parking Vacancy	0.0%	0	0	0.00	0	0
Commercial Vacancy	10.0%	0	0	0.00	0	0
EFFECTIVE GROSS INCOME		2,410,400	15,065	35.13	2,458,608	2,507,780
Less: Professional Management	4.0% of EGI	96,416	603	1.41	98,344	100,311
Payroll & Benefits	1,150 per unit	184,000	1,150	2.68	190,440	197,105
Office & Administration *	300 per unit	48,000	300	0.70	49,680	51,419
Services	640 per unit	128,000	800	1.87	132,480	137,117
Utilities						
Water/Sewer	365 per unit	58,406	365	0.85	60,451	62,566
Garbage	51 per unit	8,232	51	0.12	8,520	8,818
Gas	115 per unit	18,400	115	0.27	19,044	19,711
Electricity (common area and vacancy)	435 per unit	69,600	435	1.01	72,036	74,557
Maintenance						
Supplies & Repairs	730 per unit	116,842	730	1.70	120,931	125,164
Turnover & Redecorating	0 per unit	0	0	0.00	0	0
Security	280 per unit	44,803	280	0.65	46,371	47,994
Insurance	245 per unit	39,200	245	0.57	40,572	41,992
Replacement Reserves	300 per unit	48,000	300	0.70	48,000	48,000
Total Before Taxes		859,899	5,374	12.53	886,869	914,755
Real Property Taxes (see calculation below)		12,858	80	0.19	13,115	13,377
Total Operating Expenses		872,757	5,455	12.72	899,985	928,132
NET OPERATING INCOME		1,537,643	9,610	22.41	1,558,623	1,579,648
			(residential averages only)			

Real Property Tax Calculation

Tax year	2016
Local Millage Rate (per \$100 valuation)	1.2000
Estimated Assessed Value per Unit	75,000
Estimated Assessed Value	12,000,000
Real Estate Tax Abated (Percent)	95%
Estimated Real Estate Tax	12,858

Annual Escalator for Income Items:

2.00%

2.00%

Annual Escalator for Expense Items:

3.50%

3.50%

Annual Escalator for Property Taxes:

2.00%

2.00%

Annual Escalator for Replacement Reserves:

3.00%

3.00%

Construction-Related Costs

COST SEGREGATION

-- Depreciable Costs --

Land & Non-Depreciable	5 yrs Personal Property	15 yrs Sitework	27.5 yrs Buildings	Total
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INPUT

OUTPUT

Total \$	Per Unit	Per SF
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CONSTRUCTION CONTRACT:

Sitework	0 fixed sum	0	0	0.00	0	0	0	0	0
Concrete	0 fixed sum	0	0	0.00	0	0	0	0	0
Masonry	0 fixed sum	0	0	0.00	0	0	0	0	0
Steel	0 fixed sum	0	0	0.00	0	0	0	0	0
Carpentry	0 fixed sum	0	0	0.00	0	0	0	0	0
Roof	0 fixed sum	0	0	0.00	0	0	0	0	0
Doors/Windows	0 fixed sum	0	0	0.00	0	0	0	0	0
Finishes	0 fixed sum	0	0	0.00	0	0	0	0	0
Specialties	0 fixed sum	0	0	0.00	0	0	0	0	0
Appliances	0 fixed sum	0	0	0.00	0	0	0	0	0
Furnishings	0 fixed sum	0	0	0.00	0	0	0	0	0
Amenities	0 fixed sum	0	0	0.00	0	0	0	0	0
Elevator	0 fixed sum	0	0	0.00	0	0	0	0	0
Mechanical	0 fixed sum	0	0	0.00	0	0	0	0	0
Electrical	0 fixed sum	0	0	0.00	0	0	0	0	0
Reserved	0 fixed sum	0	0	0.00	0	0	0	0	0
Reserved	0 fixed sum	0	0	0.00	0	0	0	0	0
Reserved	0 fixed sum	0	0	0.00	0	0	0	0	0
Rehabilitation Cost Segregation Plug	0 fixed sum	0	0	0.00	0	0	0	0	0
PLUG (prior to contractor bid)	52,500 per unit	8,400,000	52,500	122.41	0	2,557,627	101,570	-2,659,197	0
Total Construction Contract		8,400,000	52,500	122.41	0	2,557,627	101,570	5,740,803	8,400,000

OTHER CONSTRUCTION COSTS PAID BY OWNER:

Architect and Engineering	200,000 fixed sum	200,000	1,250	2.91	0	0	24,400	175,600	200,000
Special City Inspection Fee	25,000 fixed sum	25,000	156	0.36	0	0	0	25,000	25,000
Fees & Permits	26,000 fixed sum	26,000	163	0.38	0	0	0	26,000	26,000
Contractor's Liability Insurance	1.00% % of hard cost	84,000	525	1.22	0	25,576	1,016	57,408	84,000
Payment and Performance Bond	1.00% % of hard cost	84,000	525	1.22	0	25,576	1,016	57,408	84,000
Lender/Investor Construction Inspections	15,000 fixed sum	15,000	94	0.22	0	0	0	15,000	15,000
Construction Period EQ Insurance	0 fixed sum	0	0	0.00	0	0	0	0	0
Water/Sewer Pipe Inspection	0 fixed sum	0	0	0.00	0	0	0	0	0
Construction Manager	100,000 fixed sum	100,000	625	1.46	0	0	0	100,000	100,000
Elevator Evaluation	0 fixed sum	0	0	0.00	0	0	0	0	0
Total Other Construction Costs		534,000	3,338	7.78	0	51,153	26,431	456,416	534,000

INELIGIBLE COSTS:

Income-Generating Parking Structures	0 fixed sum	0	0	0.00	0	0	0	0	0
Other	0 fixed sum	0	0	0.00	0	0	0	0	0
Total Ineligible		0	0	0.00	0	0	0	0	0

GENERAL REQ'MENTS (6.0% maximum in CA)

CONTINGENCY	10.0% of hard costs	974,400	6,090	14.20	0	0	0	974,400	974,400
GENERAL CONTRACTOR'S OH&P (8.0% max.)	8.0% of hard costs	672,000	4,200	9.79	0	204,610	8,126	459,264	672,000
SALES TAX	0.0% of hard costs	0	0	0.00	0	0	0	0	0
Total		2,150,400	13,440	31.34	0	358,068	14,220	1,778,112	2,150,400

GC Contract

TOTAL CONSTRUCTION COSTS

11,084,400	69,278	161.53	0	2,966,847	142,221	7,975,331	11,084,400
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Wesley Terrace
Page 5.1

9,744,000 60,900

Indirect and Acquisition Costs

Indirect and Acquisition Costs			OUTPUT			COST SEGREGATION						
INPUT			Total \$	Per Unit	Per SF	Land & Non- Depreciable	Depreciable	-- Amortizable Costs --			Expensed Costs	Total
								5 yrs/Org Costs	17 yrs/Perm Loan	15 yrs/TCAC		
ACQUISITION COSTS:												
Land	15,000	per unit	2,400,000	15,000	34.98	2,400,000	0	0	0	0	0	2,400,000
Acquisition - Buildings & Personal Property	9,600,000	fixed sum	9,600,000	60,000	139.90	0	9,600,000	0	0	0	0	9,600,000
Total Acquisition Costs			12,000,000	75,000	174.88	2,400,000	9,600,000	0	0	0	0	12,000,000
THIRD PARTY REPORTS:												
Phase I, PNA, Asbestos, PML, Energy	35,000	fixed sum	35,000	219	0.51	0	35,000	0	0	0	0	35,000
Reserved	0	fixed sum	0	0	0.00	0	0	0	0	0	0	0
Market Study	7,500	fixed sum	7,500	47	0.11	0	7,500	0	0	0	0	7,500
Financing Appraisal	7,500	fixed sum	7,500	47	0.11	0	7,500	0	0	0	0	7,500
Cost Segregation Study	10,000	fixed sum	10,000	63	0.15	0	10,000	0	0	0	0	10,000
ALTA Survey	7,500	fixed sum	7,500	47	0.11	0	7,500	0	0	0	0	7,500
Non Profit Fee	10,000	fixed sum	10,000	63	0.15	0	0	10,000	0	0	0	10,000
Chain Title, Historical and City Review Predev Exp	60,000	fixed sum	60,000	375	0.87	0	60,000	0	0	0	0	60,000
Total Third Party Reports			137,500	859	2.00	0	127,500	10,000	0	0	0	137,500
FINANCING PLACEMENT COSTS:												
Construction Loan/LOC Origination	0.00%	of loan amt	0	0	0.00	0	0	0	0	0	0	0
Loan Conversion costs	15,000	fixed sum	15,000	94	0.22	0	0	0	15,000	0	0	15,000
Construction Lender Underwriting Costs	0	fixed sum	0	0	0.00	0	0	0	0	0	0	0
Permanent Loan/LOC Origination	1.00%	of loan amt	195,000	1,219	2.84	0	0	0	195,000	0	0	195,000
Permanent Lender Legal	65,000	fixed sum	65,000	406	0.95	0	0	0	65,000	0	0	65,000
Permanent Lender Underwriting Costs	23,424	fixed sum	23,424	146	0.34	0	0	0	23,424	0	0	23,424
Freddie Mac Legal	0	fixed sum	0	0	0.00	0	0	0	0	0	0	0
Freddie Mac Application Fee	0	basis points	0	0	0.00	0	0	0	0	0	0	0
Fixed Costs of Issuance (see below page 5.2)	158,075	fixed sum	158,075	988	2.30	0	0	0	158,075	0	0	158,075
Bond Underwriter	0.00%	of bond amt	0	0	0.00	0	0	0	0	0	0	0
Total Financing Placement Costs			456,499	2,853	6.65	0	0	0	456,499	0	0	456,499
INTEREST:												
Construction Loan Interest (if interest is not being paid through operations)	0		0	0	0.00	0	0	0	0	0	0	0
Capitalized Interest Paid from Operations (per page 14)	250,000		250,000	1,563	3.64	0	250,000	0	0	0	0	250,000
Total Interest			250,000	1,563	3.64	0	250,000	0	0	0	0	250,000
OTHER INDIRECT COSTS:												
Accounting, Cost Certification	10,000	fixed sum	10,000	63	0.15	0	10,000	0	0	0	0	10,000
Allowance for Relocation Costs	200,000	fixed sum	200,000	1,250	2.91	0	200,000	0	0	0	0	200,000
Soft Cost Contingency	30,000	fixed sum	30,000	188	0.44	0	30,000	0	0	0	0	30,000
Title, Escrow, Recording	20,000	fixed sum	20,000	125	0.29	0	10,000	0	10,000	0	0	20,000
Impounds, Prorations, Insurance and Tenant File	150,000	fixed sum	150,000	938	2.19	44,122	53,690	0	0	49,750	2,438	150,000
Broker Fee	0	fixed sum	0	0	0.00	0	0	0	0	0	0	0
Partnership Legal, Syn legal, compliance and rehab re	200,000	fixed sum	200,000	1,250	2.91	20,000	97,560	12,500	10,000	59,940	0	200,000
Reserves:												
Operating	529,000	fixed sum	529,000	3,306	7.71	529,000	0	0	0	0	0	529,000
Cash and Replacement Reserve	0	fixed sum	0	0	0.00	0	0	0	0	0	0	0
Tax Credit Fees (TCAC)	76,190	fixed sum	76,190	476	1.11	0	0	0	0	76,190	0	76,190
Total Other Indirect Costs			1,215,190	7,595	17.71	593,122	401,250	12,500	20,000	185,880	2,438	1,215,190
DEVELOPER FEE												
Fee on Acquisition Costs	15.00%	of basis	1,440,000									
Fee on Renovation and Indirect Costs	15.00%	of basis	1,779,472									
Total Fee			3,219,472	20,122	46.92	0	3,219,472	0	0	0	0	3,219,472
GRAND TOTAL - ALL ACQUISITION AND INDIRECT COSTS			17,278,661	107,992	251.80	2,993,122	13,598,222	22,500	476,499	185,880	2,438	17,278,661

Bond Issuance Cost Detail

Bond Issuance Cost Detail			COST SEGREGATION							COSTS PAID BY	
			OUTPUT			Land & Non-				Tax-Exempt	Equity or
INPUT			Total \$	Per Unit	Per SF	Amortizable	Depreciable	Amortizable	Total	Bonds *	Taxable Bonds
FIXED COSTS (for page 5.1, line 32):											
Bond Counsel	55,000	fixed sum	55,000	344	0.80	0	0	55,000	55,000	55,000	0
Issuer Fee	0.250%	of bond amt	48,750	305	0.71	0	0	48,750	48,750	48,750	0
Issuer Advisors Fee	35,000	fixed sum	35,000	219	0.51	0	0	35,000	35,000	35,000	0
City Attorney Fee	3,000	fixed sum	3,000	19	0.04	0	0	3,000	3,000	3,000	0
Housing Commission Application Fee	3,000	fixed sum	3,000	19	0.04	0	0	3,000	3,000	3,000	0
Rating Agency	0	fixed sum	0	0	0.00	0	0	0	0	0	0
Printing and Mailing (POS/OS)	0	fixed sum	0	0	0.00	0	0	0	0	0	0
Trustee Acceptance Fee and Attorney Fee	6,500	fixed sum	6,500	41	0.09	0	0	6,500	6,500	6,500	0
CDLAC Application Fee	1,200	fixed sum	1,200	8	0.02	0	0	1,200	1,200	1,200	0
CDLAC Issuance Fee (net of application fee)	0.035%	of bond amt	5,625	35	0.08	0	0	5,625	5,625	5,625	0
Reserved	0.000%	of bond amt	0	0	0.00	0	0	0	0	0	0
CSCDA Application Fee	0	fixed sum	0	0	0.00	0	0	0	0	0	0
COI Contingency	0	fixed sum	0	0	0.00	0	0	0	0	0	0
TEFRA Fee SDHC	0	fixed sum	0	0	0.00	0	0	0	0	0	0
Reserved	0	fixed sum	0	0	0.00	0	0	0	0	0	0
Total Fixed Costs			158,075	988	2.30	0	0	158,075	158,075	158,075	0

* Issuance costs financed by bond

Flow of Funds

Date of Event (EOM)

Months From Closing

CLOSING	Second Equity Installment	Third Equity Installment	Fourth Equity Installment	Fifth Equity Installment	Sixth Equity Installment
31-Aug-19			31-May-20	31-Aug-20	31-Aug-21
0			9	12	24

SOURCES & USES RECAP

Cash Basis Accrual Basis

SOURCES OF FUNDS:

Permanent Loan #1	19,500,000	0	0	0	0	0	19,500,000	19,500,000
Permanent Loan #2	0	0	0	0	0	0	0	0
Permanent Loan #3	0	0	0	0	0	0	0	0
Deferred Developer Fee	0	0	0	0	0	0	0	0
Tax Credit Equity Installments	1,693,534	0	0	2,963,685	1,270,151	2,540,301	8,467,671	8,467,671
Capitalized Interest Paid from Operations	0	250,000	0	0	0	0	250,000	250,000
Transfer of Funds from (to) Operations	0	0	0	0	0	0	0	0
Additional Equity: Net cash proceeds received sale	0	0	0	0	0	0	0	0
Other Timing Adjustments to Sources (manual entry)								
Reserved	0	0	0	0	0	0	0	0
Reserved	0	0	0	0	0	0	0	0
Total Sources of Funds	21,193,534	250,000	0	2,963,685	1,270,151	2,540,301	28,217,671	28,363,061

USES OF FUNDS:

Property Acquisition	12,000,000	0	0	0	0	0	12,000,000	12,000,000
Renovation Costs	469,795	3,213,402	3,213,402	3,134,002	1,053,800	0	11,084,400	11,084,400
Indirect Costs:								
Third Party Reports	127,000	0	10,500	0	0	0	137,500	137,500
Financing Placement	441,499	0	0	0	0	15,000	456,499	456,499
Construction Loan Interest Reserve	0	0	0	0	0	0	0	0
Capitalized Interest Paid From Operations	0	250,000	0	0	0	0	250,000	250,000
Accounting, Cost Certification	0	0	10,000	0	0	0	10,000	10,000
Allowance for Relocation Costs	50,000	150,000	0	0	0	0	200,000	200,000
Soft Cost Contingency	0	30,000	0	0	0	0	30,000	30,000
Title, Escrow, Recording	20,000	0	0	0	0	0	20,000	20,000
Impounds, Prorations, Insurance and Tena	100,250	0	0	0	49,750	0	150,000	150,000
Broker Fee	0	0	0	0	0	0	0	0
Partnership Legal, Syn legal, compliance a	185,060	14,940	0	0	0	0	200,000	200,000
Deposit to Operating Reserves	0	0	0	0	0	529,000	529,000	529,000
Deposit to Debt Service Reserves	0	0	0	0	0	0	0	0
Tax Credit Fees (TCAC)	11,410	0	0	0	64,780	0	76,190	76,190
Developer Fee	500,000	0	0	0	0	2,574,083	3,074,083	3,219,472
Other Timing Adjustments to Uses (manual entry)								
Reserved	0	0	0	0	0	0	0	0
Reserved	0	0	0	0	0	0	0	0
Reserved	0	0	0	0	0	0	0	0
Total Uses of Funds	13,905,014	3,658,342	3,233,902	3,134,002	1,168,330	3,118,083	28,217,671	28,363,061
Net Change in Working Capital	7,288,521	-3,408,342	-3,233,902	-170,317	101,821	-577,781		
Working Capital Balance	7,288,521	3,880,179	646,277	475,961	577,781	0		

12,211,479

Tax Credit Calculations

	Total Costs	Ineligible Costs	Eligible Basis	ACQUISITION	Federal Credits REHABILITATION	TOTAL	ACQUISITION	State Credits REHABILITATION	TOTAL
Land Costs	2,400,000	2,400,000	0	0	0	0	0	0	0
Acquisition Costs	9,600,000	0	9,600,000	9,600,000	0	9,600,000	0	0	0
Direct Construction Costs	11,084,400	0	11,084,400	0	11,084,400	11,084,400	0	0	0
Indirect Costs	2,059,189	1,280,439	778,750	0	778,750	778,750	0	0	0
Developer Fee	3,219,472	0	3,219,472	1,440,000	1,779,472	3,219,472	0	0	0
Total Project Costs	28,363,061	3,680,439	24,682,622	11,040,000	13,642,622	24,682,622	0	0	0
Less: Ineligible Grant or Loan(s)		0	0	0	0	0	0	0	0
Total Eligible Basis			24,682,622	11,040,000	13,642,622	24,682,622	0	0	0
High Cost Factor Adjustment (for DDA or QCT)				100%	130%		0%	0%	
Low Income Occupancy Percentage ("Applicable Fraction")				100%	100%		0%	0%	
Qualified Basis				11,040,000	17,735,409	28,775,409	0	0	0
Applicable Percentage (as of Feb 2019)				3.27%	3.27%		0.00%	0.00%	
MAXIMUM CREDIT REQUEST BASED ON QUALIFIED BASIS				361,008	579,948	940,956	0	0	0
Subject to Limit Based on Credit Reservation						940,956			0
State Credits as Percent of Federal Credits					42.51%				0%
Annual State Credits									0

TAX CREDIT EQUITY VALUATION:

Annual Credit Allowed	940,956	
Total Credit Allowed Over 10 Years	940,956	0
Investors' Percentage Allocation of Credits	9,409,559	0
Investors' Dollar Allocation of Credits	99.99%	0.00%
Tax Credit Factor	9,408,524	0
Tax Credit Equity Value	0.9000	0.0000
	8,467,671	0
TOTAL TAX CREDIT EQUITY VALUE (Federal + State)	8,467,671	

Credit Application/Reservation

Qualified Basis per Application	0
Applicable Percentage per Application	3.32%
Credit Reservation Amount	0

Credit Delivery to Investor (from pages 13 and 15); equals 99.99% of credits available)

	\$ Amount	% of Annual
Credits Delivered in 2019	0	0.00%
Credits Delivered in 2020	940,852	100.00%
Credits Delivered in 2021	940,852	100.00%

"50%" Test

Land	2,400,000
Sitework	742,221
Personal Property (excluding FF&E)	4,166,847
Residential Buildings	19,773,554
Total Land + Buildings	27,082,622
Times 50%	13,541,311
Tax-Exempt Debt	19,500,000
Percent of Land + Buildings	72.00%
Costs Below 50% Threshold	11,917,378

CONSTRUCTION & LEASEUP			STABILIZED						
2019 (4 months)	2020	2021	2022	2023	2024	2025	2026	2027	2028
422,000	2,582,640	2,634,293	2,686,979	2,740,718	2,795,533	2,851,443	2,908,472	2,966,642	3,025,974
0	125,000	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
1,667	5,100	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975
423,667	2,712,740	2,639,495	2,692,285	2,746,130	2,801,053	2,857,074	2,914,216	2,972,500	3,031,950
-379,800	129,132	131,715	134,349	137,036	139,777	142,572	145,424	148,332	151,299
803,467	2,583,608	2,507,780	2,557,936	2,609,094	2,661,276	2,714,502	2,768,792	2,824,168	2,880,651
32,139	103,344	100,311	102,317	104,364	106,451	108,580	110,752	112,967	115,226
61,333	190,440	197,105	204,004	211,144	218,534	226,183	234,099	242,293	250,773
16,000	49,680	51,419	53,218	55,081	57,009	59,004	61,069	63,207	65,419
42,667	132,480	137,117	141,916	146,883	152,024	157,345	162,852	168,552	174,451
51,546	160,051	165,653	171,450	177,451	183,662	190,090	196,743	203,629	210,756
38,947	120,931	125,164	129,544	134,078	138,771	143,628	148,655	153,858	159,243
0	0	0	0	0	0	0	0	0	0
14,934	46,371	47,994	49,674	51,413	53,212	55,075	57,002	58,997	61,062
13,067	40,572	41,992	43,462	44,983	46,557	48,187	49,873	51,619	53,426
4,286	13,115	13,377	13,645	13,918	14,196	14,480	14,770	15,065	15,367
0	0	8,000	49,440	51,170	52,961	54,815	56,734	58,719	60,774
274,919	856,985	888,132	958,671	990,486	1,023,378	1,057,387	1,092,549	1,128,906	1,166,497
528,548	1,726,623	1,619,648	1,599,264	1,618,609	1,637,898	1,657,115	1,676,242	1,695,262	1,714,154
78,959	678,750	903,750	1,244,914	1,244,914	1,244,914	1,244,914	1,244,914	1,244,914	1,244,914
0	0	0	0	0	0	0	0	0	0
0	0	0	148,559	0	0	0	0	0	0
449,589	1,047,873	715,898	205,792	373,695	392,984	412,201	431,329	450,348	469,240
0	9,480	9,480	9,480	9,480	9,480	9,480	9,480	9,480	9,480
0	7,500	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
0	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
0	0	0	0	11,475	11,877	12,293	12,723	13,168	13,629
449,589	945,893	0	93,019	233,590	250,368	267,061	283,654	300,128	316,468
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	613,693	10,335	25,954	27,819	29,673	31,517	33,348	35,163
0	0	613,625	10,334	25,952	27,816	29,670	31,514	33,344	35,159

15-Year Cash Flow

15th Compliance Year

	2029	2030	2031	2032	2033	2034
	STABILIZED					
GROSS ANNUAL RENTAL INCOME	3,086,494	3,148,224	3,211,188	3,275,412	3,340,920	3,407,739
Parking and Commercial Income	0	0	0	0	0	0
Interest on Debt Service Reserve	0	0	0	0	0	0
Other Income (net)	6,095	6,217	6,341	6,468	6,597	6,729
TOTAL GROSS INCOME	3,092,589	3,154,441	3,217,529	3,281,880	3,347,518	3,414,468
Less: Vacancy	154,325	157,411	160,559	163,771	167,046	170,387
EFFECTIVE GROSS INCOME	2,938,264	2,997,029	3,056,970	3,118,109	3,180,472	3,244,081
Less: Professional Management	117,531	119,881	122,279	124,724	127,219	129,763
Payroll & Benefits	259,550	268,634	278,037	287,768	297,840	308,264
Office & Administration	67,709	70,079	72,531	75,070	77,697	80,417
Marketing/Advertising	180,557	186,876	193,417	200,186	207,193	214,445
Utilities	218,133	225,767	233,669	241,848	250,312	259,073
Maintenance:						
Supplies & Repairs	164,817	170,585	176,556	182,735	189,131	195,750
Turnover & Redecorating	0	0	0	0	0	0
Grounds	63,199	65,411	67,701	70,070	72,523	75,061
Insurance	55,295	57,231	59,234	61,307	63,453	65,674
Property Taxes	15,674	15,987	16,307	16,633	16,966	17,305
Annual Deposit to Replacement Reserves	62,901	65,103	67,382	69,740	72,181	74,707
Total Expenses	1,205,366	1,245,555	1,287,112	1,330,082	1,374,514	1,420,460
NET OPERATING INCOME	1,732,899	1,751,474	1,769,858	1,788,028	1,805,957	1,823,621
Permanent Loan Debt Service (#1 & #2 combined)	1,244,914	1,244,914	1,244,914	1,244,914	1,244,914	1,244,914
Permanent Loan #3 Debt Service	0	0	0	0	0	0
Developer Loan Debt Service	0	0	0	0	0	0
NET PROJECT CASH FLOW	487,985	506,560	524,945	543,114	561,044	578,708
Compliance Monitoring Fee	9,480	9,480	9,480	9,480	9,480	9,480
Priority Distribution to LP	9,786	10,079	10,382	10,693	11,014	11,344
Annual Deposit to Interest Rate Cap Reserve	0	0	0	0	0	0
Annual Deposit to Operating Reserves	0	0	0	0	0	0
Priority Distribution to Nonprofit GP	10,000	10,000	10,000	10,000	10,000	10,000
Resident Services Budget	75,000	75,000	75,000	75,000	75,000	75,000
Asset Management Fee to GP	14,106	14,600	15,111	15,640	16,187	16,753
Incentive Management Fee to GP	332,652	348,661	364,475	380,071	395,426	410,517
Add'l Incentive Fee to GP	0	0	0	0	0	0
Transfer of Funds to (from) Project Budget	0	0	0	0	0	0
NET PARTNERSHIP CASH FLOW	36,961	38,740	40,497	42,230	43,936	45,613
Residual Allocation to Limited Partner (99.99%)	36,957	38,736	40,493	42,225	43,931	45,608
Allocation to General Partner (0.01%)	4	4	4	5	5	5
DEBT COVERAGE RATIO	1.39	1.41	1.42	1.44	1.45	1.46
Annual Escalator for Income Items (except IRP):	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Annual Escalator for Expense Items and Priority Fees:	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Annual Escalator for Real Property Taxes:	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Annual Escalator for Replacement Reserves:	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

PERMANENT LOAN #1

	2019 (4 months)	2020	2021	2022	2023	2024	2025	2026	2027	2028
PERMANENT LOAN #1										
Beginning Balance	19,500,000	19,500,000	19,500,000	19,434,643	19,231,583	19,017,602	18,792,113	18,554,497	18,304,101	18,040,239
Debt Service Payments	78,959	678,750	903,750	1,244,914	1,244,914	1,244,914	1,244,914	1,244,914	1,244,914	1,244,914
<i>Consisting of:</i>										
Interest (bond coupon rate) @ 5.25%	62,042	628,000	787,643	1,015,479	1,004,558	993,050	980,922	968,143	954,676	940,485
Credit Enhancement Fees	0	0	0	0	0	0	0	0	0	0
Issuer Fee @ 12.5 bps	16,250	48,750	48,750	24,375	24,375	24,375	24,375	24,375	24,375	24,375
Trustee Fees @ \$2,000/year	667	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Principal (35-year amortization)	0	0	65,357	203,060	213,981	225,489	237,616	250,396	263,863	278,054
Ending Balance	19,500,000	19,500,000	19,434,643	19,231,583	19,017,602	18,792,113	18,554,497	18,304,101	18,040,239	17,762,185
PERMANENT LOAN #2 (NONE)										
Beginning Balance	0	0	0	0	0	0	0	0	0	0
Debt Service Payments	0	0	0	0	0	0	0	0	0	0
<i>Consisting of:</i>										
Interest (bond coupon rate)	0	0	0	0	0	0	0	0	0	0
Credit Enhancement Fees	0	0	0	0	0	0	0	0	0	0
Issuer Fee	0	0	0	0	0	0	0	0	0	0
Principal	0	0	0	0	0	0	0	0	0	0
Ending Balance	0	0	0	0	0	0	0	0	0	0
PERMANENT LOAN #3 (NONE)										
Beginning Balance	0	0	0	0	0	0	0	0	0	0
Debt Service Payments	0	0	0	0	0	0	0	0	0	0
<i>Consisting of:</i>										
Interest	0	0	0	0	0	0	0	0	0	0
Principal	0	0	0	0	0	0	0	0	0	0
Ending Balance	0	0	0	0	0	0	0	0	0	0
DEFERRED DEVELOPER FEE										
Beginning Balance	145,390	145,390	145,390	145,390	0	0	0	0	0	0
Payments from Disbursed Reserves	0	0	0	0	0	0	0	0	0	0
Payments from Operations	0	0	0	148,559	0	0	0	0	0	0
<i>Consisting of:</i>										
Interest @ 4.00%	0	0	0	3,169	0	0	0	0	0	0
Principal	0	0	0	145,390	0	0	0	0	0	0
Ending Balance	145,390	145,390	145,390	0	0	0	0	0	0	0
RESERVE ACCOUNTS										
Beginning Balance	0	0	529,000	537,000	537,000	537,000	537,000	537,000	537,000	537,000
Deposits to Reserve Accounts										
Deposits (from debt or equity sources)	0	529,000	0	0	0	0	0	0	0	0
Deposits (from operations)	0	0	8,000	49,440	51,170	52,961	54,815	56,734	58,719	60,774
Total Deposits	0	529,000	8,000	49,440	51,170	52,961	54,815	56,734	58,719	60,774
Withdrawals from Reserve Accounts										
Withdrawals (for capital replacements)	0	0	0	-49,440	-51,170	-52,961	-54,815	-56,734	-58,719	-60,774
Withdrawals (to purchase interest rate cap)	0	0	0	0	0	0	0	0	0	0
Withdrawals (to reduce developer loan)	0	0	0	0	0	0	0	0	0	0
Withdrawals (as additional incentive fee)	0	0	0	0	0	0	0	0	0	0
Total Withdrawals	0	0	0	-49,440	-51,170	-52,961	-54,815	-56,734	-58,719	-60,774
Interest Earned @ 0.00%	0	0	0	0	0	0	0	0	0	0
Ending Balance	0	529,000	537,000	537,000	537,000	537,000	537,000	537,000	537,000	537,000

Loan Amortization and Cash Reserves

	2029	2030	2031	2032	2033	2034
PERMANENT LOAN #1						
Beginning Balance	17,762,185	17,469,177	17,160,411	16,835,038	16,492,167	16,130,855
Debt Service Payments	1,244,914	1,244,914	1,244,914	1,244,914	1,244,914	1,244,914
Consisting of:						
Interest (bond coupon rate) @ 5.25%	925,531	909,772	893,166	875,667	857,227	837,795
Credit Enhancement Fees	0	0	0	0	0	0
Issuer Fee @ 12.5 bps	24,375	24,375	24,375	24,375	24,375	24,375
Trustee Fees @ \$2,000/year	2,000	2,000	2,000	2,000	2,000	2,000
Principal (35-year amortization)	293,008	308,766	325,372	342,872	361,312	380,744
Ending Balance	17,469,177	17,160,411	16,835,038	16,492,167	16,130,855	15,750,111
PERMANENT LOAN #2 (NONE)						
Beginning Balance	0	0	0	0	0	0
Debt Service Payments	0	0	0	0	0	0
Consisting of:						
Interest (bond coupon rate)	0	0	0	0	0	0
Credit Enhancement Fees	0	0	0	0	0	0
Issuer Fee	0	0	0	0	0	0
Principal	0	0	0	0	0	0
Ending Balance	0	0	0	0	0	0
PERMANENT LOAN #3 (NONE)						
Beginning Balance	0	0	0	0	0	0
Debt Service Payments	0	0	0	0	0	0
Consisting of:						
Interest	0	0	0	0	0	0
Principal	0	0	0	0	0	0
Ending Balance	0	0	0	0	0	0
DEFERRED DEVELOPER FEE						
Beginning Balance	0	0	0	0	0	0
Payments from Disbursed Reserves	0	0	0	0	0	0
Payments from Operations	0	0	0	0	0	0
Consisting of:						
Interest @ 4.00%	0	0	0	0	0	0
Principal	0	0	0	0	0	0
Ending Balance	0	0	0	0	0	0
RESERVE ACCOUNTS						
Beginning Balance	537,000	537,000	537,000	537,000	537,000	537,000
Deposits to Reserve Accounts						
Deposits (from debt or equity sources)	0	0	0	0	0	0
Deposits (from operations)	62,901	65,103	67,382	69,740	72,181	74,707
Total Deposits	62,901	65,103	67,382	69,740	72,181	74,707
Withdrawals from Reserve Accounts						
Withdrawals (for capital replacements)	-62,901	-65,103	-67,382	-69,740	-72,181	-74,707
Withdrawals (to purchase interest rate cap)	0	0	0	0	0	0
Withdrawals (to reduce developer loan)	0	0	0	0	0	0
Withdrawals (as additional incentive fee)	0	0	0	0	0	0
Total Withdrawals	-62,901	-65,103	-67,382	-69,740	-72,181	-74,707
Interest Earned @ 0.00%	0	0	0	0	0	0
Ending Balance	537,000	537,000	537,000	537,000	537,000	537,000

Depreciation and Amortization

	Years	Amount	Depreciation or Amortization Begins			Method
			2019	2020	2021	
Permanent Loan Costs	17.0	476,499	n/a	in service	in service	Straight line with mid-month convention
TCAC – Prepaid Compliance Fee	15.0	185,880	none	Aug	in service	Straight line with mid-month convention
Organizational Costs	5.0	22,500	Oct	in service	in service	Straight line with mid-month convention
Depreciable Acquisition Costs	27.5	9,240,000	Oct	in service	in service	Straight line with mid-month convention
Depreciable Renovation Costs	27.5	10,533,554	as to 0.00%	as to 100.00%	as to 100.00%	Straight line with mid-month convention
Depreciable Site Improvements	15.0	742,221				MACRS (mid-quarter convention)
Depreciable Personal Property	5.0	4,166,847				MACRS (mid-quarter convention)
Land and Other Nondepreciable		2,995,560				None
Total		28,363,061				

	2019 (4 months)	2020	2021	2022	2023	2024	2025	2026	2027	2028
Depreciation										
Acquisition Costs	126,000	336,000	336,000	336,000	336,000	336,000	336,000	336,000	336,000	336,000
Renovation Costs	0	367,717	383,038	383,038	383,038	383,038	383,038	383,038	383,038	383,038
Site Improvements Acquired at Closing	18,000	46,224	41,568	37,440	33,696	30,288	28,320	28,320	28,368	28,320
Site Improvements Added with Renovation	0	110,788	15,151	13,625	12,272	11,045	9,928	9,283	9,283	9,298
Personal Property Acquired at Closing	180,000	408,000	244,800	146,880	135,600	84,720	0	0	0	0
Personal Property Added with Renovation	0	1,453,755	605,237	363,142	217,885	201,152	125,676	0	0	0
Amortization										
Permanent Loan Costs	0	1,168	28,029	28,029	28,029	28,029	28,029	28,029	28,029	28,029
TCAC – Prepaid Compliance Fee	0	4,647	12,392	12,392	12,392	12,392	12,392	12,392	12,392	12,392
Organizational Costs	1,688	4,500	4,500	4,500	4,500	2,813	0	0	0	0
Total Depreciation and Amortization	325,688	2,732,799	1,670,716	1,325,047	1,163,413	1,089,477	923,383	797,062	797,110	797,078

Allocation of Annual Taxable Income (Loss)

TAXABLE CASH FLOW	349,589	945,893	-681,790	10,335	25,954	27,819	29,673	31,517	33,348	35,163
Less: Expensed Costs from Capital Sources	-100,250	-49,750	0	0	0	0	0	0	0	0
Accrued Interest - Payable to Nonaffiliates	0	0	0	0	0	0	0	0	0	0
Accrued Interest and Fees - Payable to Affiliates	0	0	0	0	0	0	0	0	0	0
Depreciation and Amortization	-325,688	-2,732,799	-1,670,716	-1,325,047	-1,163,413	-1,089,477	-923,383	-797,062	-797,110	-797,078
Add: Interest on Replacement and Operating Reserves	0	0	0	0	0	0	0	0	0	0
Capitalized Interest Paid From Operations	44,082	263,459	0	0	0	0	0	0	0	0
Net Annual Deposits to Replacement Reserves	0	0	8,000	0	0	0	0	0	0	0
Loan Principal Amortization	0	0	65,357	348,450	213,981	225,489	237,616	250,396	263,863	278,054
ANNUAL TAXABLE INCOME (LOSS)	-32,266	-1,573,197	-2,279,148	-966,262	-923,478	-836,169	-656,093	-515,149	-499,900	-483,861
INITIAL ALLOCATION OF TAXABLE INCOME (LOSS)										
Limited Partner's Share	0	-1,573,024	-2,278,898	-966,155	-923,376	-836,077	-656,021	-515,093	-499,845	-483,808
General Partner's Share	-32,266	-173	-251	-106	-102	-92	-72	-57	-55	-53
Total Allocated	-32,266	-1,573,197	-2,279,148	-966,262	-923,478	-836,169	-656,093	-515,149	-499,900	-483,861
LIMITED PARTNER'S SPECIAL ALLOCATIONS										
Capital Account Deficit Restoration	0	0	0	0	0	0	0	0	0	0
Minimum Gain Chargeback Provision	0	0	0	0	0	0	0	0	0	0
Total Adjustments	0	0	0	0	0	0	0	0	0	0
FINAL ALLOCATION OF TAXABLE INCOME (LOSS)										
Limited Partner's Share	0	-1,573,024	-2,278,898	-966,155	-923,376	-836,077	-656,021	-515,093	-499,845	-483,808
General Partner's Share	-32,266	-173	-251	-106	-102	-92	-72	-57	-55	-53
Total Allocated	-32,266	-1,573,197	-2,279,148	-966,262	-923,478	-836,169	-656,093	-515,149	-499,900	-483,861

Depreciation and Amortization

	2029	2030	2031	2032	2033	2034
Depreciation						
Acquisition Costs	336,000	336,000	336,000	336,000	336,000	336,000
Renovation Costs	383,038	383,038	383,038	383,038	383,038	383,038
Site Improvements Acquired at Closing	28,368	28,320	28,368	28,320	28,368	17,712
Site Improvements Added with Renovation	9,283	9,298	9,283	9,298	9,283	9,298
Personal Property Acquired at Closing	0	0	0	0	0	0
Personal Property Added with Renovation	0	0	0	0	0	0
Amortization						
Permanent Loan Costs	28,029	28,029	28,029	28,029	28,029	28,029
TCAC - Prepaid Compliance Fee	12,392	12,392	12,392	12,392	12,392	12,392
Organizational Costs	0	0	0	0	0	0
Total Depreciation and Amortization	797,110	797,078	797,110	797,078	797,110	786,470

Allocation of Annual Taxable Income (Loss)

TAXABLE CASH FLOW	36,961	38,740	40,497	42,230	43,936	45,613
Less: Expensed Costs from Capital Sources	0	0	0	0	0	0
Accrued Interest - Nonaffiliates	0	0	0	0	0	0
Accrued Interest and Fees - Affiliates	0	0	0	0	0	0
Depreciation and Amortization	-797,110	-797,078	-797,110	-797,078	-797,110	-786,470
Add: Interest on Replacement and Operating Reserves	0	0	0	0	0	0
Capitalized Interest Paid From Operations	0	0	0	0	0	0
Net Annual Deposits to Replacement Reserves	0	0	0	0	0	0
Loan Principal Amortization	293,008	308,766	325,372	342,872	361,312	380,744
ANNUAL TAXABLE INCOME (LOSS)	-467,141	-449,572	-431,241	-411,976	-391,862	-360,113
INITIAL ALLOCATION OF TAXABLE INCOME (LOSS)						
Limited Partner's Share	-467,090	-449,522	-431,193	-411,931	-391,819	-360,074
General Partner's Share	-51	-49	-47	-45	-43	-40
Total Allocated	-467,141	-449,572	-431,241	-411,976	-391,862	-360,113
LIMITED PARTNER'S SPECIAL ALLOCATIONS						
Capital Account Deficit Restoration	0	0	0	0	0	0
Minimum Gain Chargeback Provision	0	0	0	0	0	0
Total Adjustments	0	0	0	0	0	0
FINAL ALLOCATION OF TAXABLE INCOME (LOSS)						
Limited Partner's Share	-467,090	-449,522	-431,193	-411,931	-391,819	-360,074
General Partner's Share	-51	-49	-47	-45	-43	-40
Total Allocated	-467,141	-449,572	-431,241	-411,976	-391,862	-360,113

Wesley Terrace

Inputs and Assumptions - 1

Accrued Interest and Fees Paid to Affiliates: Can Deduct?

Acquisition Price

Seller's Asking Price

Additional Equity:

Annual Escalators (years 4-16)

Income

Expenses

Property Taxes

Replacement Reserves

Applicable Fraction

Applicable Percentage

30% PV

70% PV

Month

Per Capita Allocation Required?

Area Identification:

AMGI (Area Median Gross Income)

County or MSA

Commercial and "Other" Income

Carports

Garages/Structured Parking

Laundry, Tenant Fees, Forfeited Deposits

NNN Rent on Commercial Space

Cost Segregation:

Personal Property Acquired at Closing (part of purchase price)

Personal Property Added, per Unit

Site Improvements Acquired at Closing (% of acquisition improvements)

Credit Application

Applicable Percentage

Credit Reservation Amount

Total Qualified Basis per Application

DDA or QCT?

Employee/Common Units, impute rent?

Income and Rent Set-Asides:

Market Rate

Restricted, First Tier

Restricted, Second Tier

Restricted, Third Tier

Ineligible Grants or Loans (\$)

Interest Reduction Payment (IRP)

Annual IRP

Last IRP Month

Limited Partner, Allocations and Distributions:

Profits and Losses

Cash from Operations (residual)

Proceeds from Sale or Refinance

Utilize Capital Deficit Restoration Provision?

Utilize Minimum Gain Chargeback Provision?

Zero Out Reversion Proceeds from Yield Calculation?

If Exit Tax Only: Gross Up to Include One Tax Iteration?

Loan Assumptions:

Deferred Developer Fee: Amortize or Cash Flow?

Deferred Developer Fee: Amortization Period, in months

Deferred Developer Fee: Interest Rate

Deferred Developer Fee: Subordinate to GP's Asset Management Fee?

Deferred Developer Fee: Subordinate to Perm Loan #3?

Interest-Only Prior to Conversion for Perm Loan #1?

Interest-Only Prior to Conversion for Perm Loan #2?

Issuer Fee on Amortized Loan Balance?

Perm Loan #1: Amortize at Underwriting Rate?

Minimum BMA for Underwriting Rate

Underwriting Spread

Perm Loan #1: Illustrate at Actual Rate or Underwriting Rate?

No
\$12,000,000
\$12,000,000
\$0

Source Net cash proceeds received sale

Amount

2.50%
3.50%
2.00%
3.00%
99%

3.27%
9.00%
Feb 2019
No

\$90,900

San Diego, CA

Number or SF Per Month

0	\$0.00
0	\$0.00
	\$2.60
1	\$0.00

\$1,200,000
\$0
5.00%

3.32%
\$0
\$0
Yes
No

% of Project	% of AMGI	Utility Allowances	HAP Overhang
0%	60%	No	No
90%	60%	No	No
0%	60%	No	No
10%	50%	No	No

\$0

\$0
Mar-2017

99.99%
99.99%
10.00%
Yes
Yes
Yes
No

Cash Flow
184
4.00%
No
No
Yes
No
No
No
3.75%
0.00%
Actual

Wesley Terrace
Inputs and Assumptions - 2

Loan Assumptions (continued):

Perm Loan #3: Percent of Cash Flow Allocable to Loan Payments

Perm Loan #3: Recourse or Nonrecourse (affects minimum gain calculation page 12.1)?

Reserve all Construction Loan Interest at Closing?

Section 266ii Election to Capitalize All Interest Prior to PIS?

50%
Nonrecourse
No
No

Partnership Level Fees & Reserves

		Payable to:	Rate/Factor	Reference	Fixed \$
1st Tier	Compliance Monitoring Fee	State of CA	\$150	per L/I unit	
2nd Tier	Priority Distribution to LP	Limited Partner			\$7,500
3rd Tier	Annual Deposit to Operating Reserves	Reserves			\$0
4th Tier	Priority Distribution to Nonprofit GP	Nonprofit GP			\$10,000
5th Tier	Resident Services Budget	Res. Services			\$75,000
6th Tier	Asset Management Fee to GP	General Partner	0.00%	of EGI	\$10,000
7th Tier	Incentive Management Fee to GP	General Partner	90.00%	of cash flow	
8th Tier	Add'l Incentive Fee to GP	General Partner	0.00%	of cash flow	

Lease-Up Achievement Fee (displaces Developer Fee during lease-up period)

Percent of Lease-Up Cash Flow

Duration (months)

Escalator for Fixed-Dollar Priority Distributions

Cap on Incentive Management Fee to GP (6th Tier, cap as percent of cash flow)

Priority Distribution to LP, delay start until conversion?

0.00%
0
3.50%
None
No

Project Identification:

Name

Location (City)

Location (State)

Version

Wesley Terrace
San Diego
California
Draft #1

Real Property Taxes:

Current Annual Taxes

Current Assessed Value

Current Tax Year

Increase Assessed Value to Purchase Price?

Real Property Tax Abatement, Percent Abated

\$0
\$0
2016
Yes
95%

Reserves:

Debt Service Reserve, Build Up 6-Month FNMA Reserve Over 10 Years?

Debt Service Reserve, Interest on

Interest Rate Cap Reserve, Term of (years)

Operating Reserves, Equity Installment Funded From

Operating and Replacement Reserves, Interest on

Operating Reserves, Release of

First Portion

Second Portion

Third Portion

Fourth Portion

Replacement Reserves, Commence at Conversion? ("No" = commence at closing)

Year Released	Percent Released
2.026	100%
0	0%
0	0%
0	0%
	Yes

Reversion Assumptions:

Capitalization Rate

Preference to Limited Partner

Preference to General Partner

Selling Costs

5.00%
\$0
\$0
3.0%

State Tax Credits

Utilize State Credits?

Annual or Total?

State Credits as Percent of Federal

Offset State Credits Against Federal Income?

Years Over Which Credits Taken

No
Annual
100%
Yes
10

Tax Assumptions:

Marginal Rate

State

35.00%
Generic

Utility Allowances

Source of

Dated

Master Metered
TBD

ATTACHMENT 6
HOUSING COMMISSION MULTIFAMILY
HOUSING REVENUE BOND PROGRAM
SUMMARY

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

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

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

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

Approval Process:

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

- TEFRA Hearing and Resolution (Tax Equity and Fiscal Responsibility Act of 1982): To assure that projects making use of tax-exempt financing meet appropriate governmental purposes and provide reasonable public benefits, the IRS Code requires that a public hearing be held and that the issuance of bonds be approved by representatives of the governmental unit with jurisdiction over the area in which the project is located (City Council). This process does not make the City financially or legally liable for the bonds or for the project.

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

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

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

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

HOUSING AUTHORITY OF
THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION OF THE HOUSING AUTHORITY OF THE
CITY OF SAN DIEGO SETTING FORTH ITS OFFICIAL
INTENT TO ISSUE MULTIFAMILY HOUSING REVENUE
OBLIGATIONS TO FINANCE WESLEY TERRACE AND
AUTHORIZING RELATED ACTIONS.

WHEREAS, pursuant to Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California, as amended (Act), the Housing Authority of the City of San Diego (Authority) is authorized to issue revenue bonds for the purpose of financing the acquisition, construction, rehabilitation and equipping of multifamily rental housing and for the provision of capital improvements in connection with and determined necessary to such multifamily rental housing; and

WHEREAS, Wesley Terrace Partners, L.P. (Borrower) has requested that the Authority issue and sell multifamily housing revenue bonds or notes (Obligations) pursuant to the Act for the purpose of making a loan to the Borrower to finance a portion of the cost of the acquisition, construction, rehabilitation and equipping of a multifamily rental housing development located at 5343 Monroe Avenue, San Diego 92115, as more fully identified in Exhibit A hereto (Project), including functionally related and ancillary facilities thereto; and

WHEREAS, as a part of financing the Project, the Authority desires to reimburse the Borrower, but only from Bond proceeds, for expenditures (Reimbursement Expenditures) made in connection with the Project within the period from the date sixty (60) days prior to the adoption of this Resolution to the date of issuance of the Obligations; and

WHEREAS, sections 1.103-8(a)(5) and 1.150-2 of the United States Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior capital expenditures for the Project with proceeds of a subsequent tax-exempt borrowing; and

WHEREAS, the Authority wishes to declare its intention to authorize the issuance of the Obligations for the purpose of financing a portion of the costs of the Project (including reimbursement of the Reimbursement Expenditures, when so requested by the Borrower upon such terms and conditions as may then be agreed upon by the Authority, the Borrower and the purchaser of the Obligations) in an aggregate principal amount not to exceed \$24,000,000, as set forth in Exhibit A; and

WHEREAS, section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing mortgage revenue bonds that may be issued in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the California Government Code governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue private activity bonds; and

WHEREAS, section 8869.85 of the California Government Code requires a local agency desiring an allocation of the state ceiling to file an application with the California Debt Limit Allocation Committee (CDLAC) for such allocation, and CDLAC has certain policies that are to be satisfied in connection with any such allocation; NOW, THEREFORE,

BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of the City of San Diego, as follows:

Section 1. Findings and Determinations.

(a) The above recitals, and each of them, are true and correct. The Authority hereby determines that it is necessary and desirable to provide financing to the Borrower for the Project (including reimbursement of the Reimbursement Expenditures) by the issuance and sale of Obligations pursuant to the Act in an aggregate principal amount not to exceed \$24,000,000, as set forth in Exhibit A, subject to authorization of the issuance of the Obligations by resolution of the Authority at a meeting to be held for such purpose. The expected date of issue of the Obligations is within eighteen (18) months of the later of the date the first Reimbursement Expenditure was made and the first date the Project is placed in service and, in no event, later than three (3) years after the date of the first Reimbursement Expenditure.

(b) Proceeds of the Obligations to be used to reimburse for Project costs are not expected to be used directly or indirectly to pay debt service with respect to any obligation or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the Authority or any entity related in any manner to the Authority, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

(c) As of the date hereof, the Authority has a reasonable expectation that the Obligations will be issued to reimburse Project costs. This Resolution is consistent with the budgetary and financial circumstances of the Authority, as of the date hereof. The Obligations will be repaid solely from proceeds of the Obligations and amounts paid by the Borrower. No other moneys are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the Authority (or any related party) pursuant to its budget or financial policies to repay the Obligations.

Section 2. Declaration of Official Intent. This Resolution is being adopted by the Authority in part to establish compliance with the requirements of sections 1.103-8(a)(5) and 1.150-2 of the Treasury Regulations. In such regard, the Authority hereby declares its official intent to use proceeds of the Obligations to reimburse the Reimbursement Expenditures. This action is taken expressly for the purpose of inducing the Borrower to undertake the Project, and nothing contained herein shall be construed to signify that the Project complies with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the Authority, the City of San Diego (City) or any officer or agent of the City will grant any such approval, consent or permit that may be required in connection with the acquisition, construction, rehabilitation and equipping of the Project, or that either the Authority or the City will make any expenditure, incur any indebtedness, or proceed with the financing of the Project.

Section 3. Applications to CDLAC. The officers and/or the program managers of the Authority are hereby authorized and directed to apply to CDLAC for an allocation from the state ceiling of private activity bonds to be issued by the Authority for the Project in an amount not to exceed \$24,000,000, and to take any and all other actions as may be necessary or appropriate in connection with such application, including but not limited to the payment of fees, the posting of deposits and the provision of certificates, additional applications to CDLAC (if necessary), and any such actions heretofore taken by such officers and program managers are hereby ratified, approved and confirmed.

Section 4. Effective Date. This Resolution shall take effect immediately upon its adoption.

Section 5. Approval of Bond Counsel and Municipal Advisor. The financing team of Squire Patton Boggs (US) LLP, as bond counsel, and CSG Advisors, as municipal advisor, is approved for this Project.

Section 6. Authority of President & Chief Executive Officer of Housing Commission.

The President & Chief Executive Officer of the Housing Commission, or designee, is hereby authorized to execute all necessary documents, in a form approved by its General Counsel and/or Bond Counsel, and to perform such acts as are necessary to implement the approvals provided for in this Resolution.

APPROVED: MARA W. ELLIOTT, General Counsel

By _____
Marguerite E. Middaugh
Deputy General Counsel

MEM:jdf
04/04/19
Or.Dept: Housing Authority
Doc. No.: 1974573
Companion to R-2019-535

EXHIBIT A

DESCRIPTION OF PROJECT

Name:	Wesley Terrace
Location:	5343 Monroe Avenue, San Diego, CA 92115
Number of Units:	161 units
Maximum Bond Amount:	\$24,000,000



SAN DIEGO
HOUSING
COMMISSION

REPORT TO THE CITY COUNCIL

DATE ISSUED: March 28, 2019

REPORT NO: CCR19-003

ATTENTION: Council President and Members of the City Council
For the Agenda of April 23, 2019

SUBJECT: Tax Equity & Fiscal Responsibility Act Public Hearing – Wesley Terrace

COUNCIL DISTRICT: 9

REQUESTED ACTION

That the San Diego City Council (City Council) hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of Multifamily Housing Revenue Bonds in an amount up to \$24,000,000 to facilitate the acquisition and rehabilitation of Wesley Terrace, a 161-unit rental housing development, located at 5343 Monroe Avenue, San Diego 92115, which will include 159 units that will remain affordable for 55 years and two unrestricted managers' units.

SUMMARY

The Housing Authority of the City of San Diego intends to issue up to \$24,000,000 of Multifamily Housing Revenue Bonds to facilitate the acquisition and rehabilitation of a multifamily rental housing project in the city of San Diego described in the Notice of Public Hearing.

In order for interest on the Bonds to be tax-exempt, section 147(f) of the Internal Revenue Code of 1986 requires that the Bonds be approved by the City Council as the applicable elected representative of the City after public hearing following reasonable public notice.

Respectfully submitted,

Approved by,

Tina Kessler

Jeff Davis

Tina Kessler
Housing Programs Manager
Real Estate Division

Jeff Davis
Executive Vice President & Chief of Staff
San Diego Housing Commission

Attachments: 1) Notice of Public Hearing

Hard copies are available for review during business hours at the security information desk in the main lobby and the fifth floor reception desk of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials in the "Governance and Legislative Affairs" section of the San Diego Housing Commission website at www.sdhc.org

RESOLUTION NUMBER R-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO PURSUANT TO SECTION 147(f) OF THE
INTERNAL REVENUE CODE OF 1986 APPROVING THE
ISSUANCE OF OBLIGATIONS BY THE HOUSING
AUTHORITY OF THE CITY OF SAN DIEGO FOR WESLEY
TERRACE.

WHEREAS, the Housing Authority of the City of San Diego (Authority) intends to issue not to exceed \$24,000,000 aggregate principal amount of multifamily housing revenue bonds or notes (Obligations) to finance the acquisition, rehabilitation and equipping of Wesley Terrace, a multifamily residential development in the City of San Diego (City) described in the Notice of Public Hearing attached as Exhibit A hereto (Project); and

WHEREAS, in order for interest on the Obligations to be tax-exempt, section 147(f) of the Internal Revenue Code of 1986 (Code) requires that the Obligations be approved by the City Council as the applicable elected representative after a public hearing following reasonable public notice; and

WHEREAS, notice of a public hearing with respect to the proposed issuance of the Obligations was published in a newspaper of general circulation in the City and posted on the San Diego Housing Commission's website on April 11, 2019; and

WHEREAS, the public hearing was held on April 23, 2019, and an opportunity was provided for interested persons to express their views on the issuance of the Obligations and on the nature and location of the Project; NOW, THEREFORE,

BE IT RESOLVED, by the City Council of the City of San Diego that this City Council, as the applicable elected representative under section 147(f) of the Code, approves the issuance of the Obligations by the Authority.

BE IT FURTHER RESOLVED, that the City does not warrant the creditworthiness of the Obligations or guarantee, in any way, the payment of the Obligations. No moneys of the City will be pledged or applied to the repayment of the Obligations.

APPROVED: MARA W. ELLIOTT, City Attorney

By _____
Marguerite E. Middaugh
Deputy City Attorney

MEM:jdf
04/04/19
Or.Dept: SDHC
Doc. No.: 1974574
Companion to HA-2019-15

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of _____.

ELIZABETH S. MALAND
City Clerk

By _____
Deputy City Clerk

Approved: _____
(date)

KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City Council of the City of San Diego on Tuesday, April 23, 2019, at the hour of 2:00 p.m. or as soon thereafter as the matter may be heard, in the City Council Chambers, 12th floor, 202 “C” Street, San Diego, California, will hold a public hearing in accordance with Section 147(f) of the Internal Revenue Code of 1986 with respect to the proposed issuance by the Housing Authority of the City of San Diego (the “Authority”), in one or more series pursuant to a plan of finance, of its tax-exempt multifamily housing revenue bonds in the maximum amount of \$24,000,000 (the “Obligations”), in order to finance a portion of the cost of the acquisition, construction, rehabilitation and equipping of a multifamily rental housing development described below:

Name	Location	Number of Units	Aggregate Maximum Bond Amount
Wesley Terrace	5343 Monroe Avenue, San Diego, CA 92115	161	\$24,000,000

The owner of the Project is expected to be Wesley Terrace Partners, L.P., a California limited partnership (the “Borrower”). A total of 159 of the 161 units in the Project are to be income and rent restricted, and will be occupied by very low and low-income tenants at affordable rents. The unrestricted units will be managers’ units.

The proceeds of the Obligations will be loaned to the Borrower for the purpose of paying certain costs of the Project, including functionally related and subordinate facilities, which costs may include (1) capitalized interest on the Obligations; (2) the costs of credit enhancement on the Obligations; and (3) certain expenses incurred in connection with the issuance of the Obligations.

The Obligations and the obligation to pay principal of and interest thereon and any redemption premium with respect thereto do not constitute indebtedness or an obligation of the Authority, the State of California or any political subdivision thereof, within the meaning of any constitutional or statutory debt limitation, or a charge against the general credit or taxing powers of any of them. The Obligations shall be a limited obligation of the Authority, payable solely from certain revenues duly pledged therefor and generally representing amounts paid by the Borrower.

Notice is further given that at said hearing, all interested parties will have an opportunity to be heard on the question of whether or not such multifamily housing revenue bonds should be issued or on the nature and location of the facilities proposed to be financed. Written comments may also be submitted prior to the hearing, c/o Tina Kessler, Housing Programs Manager Real Estate Division, San Diego Housing Commission, 1122 Broadway Street, Suite 300, San Diego, California 92101.

Dated: April 11, 2019

CITY COUNCIL OF THE CITY OF SAN DIEGO



The City of San Diego
Item Approvals

Item Subject: Preliminary Bond Authorization for Wesley Terrace.

Contributing Department	Approval Date
DOCKET OFFICE	04/03/2019

Approving Authority	Approver	Approval Date
HOUSING COMMISSION FINAL DEPARTMENT APPROVER	DAVIS, JEFF	03/28/2019
DEPUTY CHIEF OPERATING OFFICER	CALDWELL, ERIK	04/05/2019
CITY ATTORNEY	MIDDAUGH, MARGUERITE	04/09/2019