



## EXECUTIVE SUMMARY

### HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: April 11, 2019

HCR19-031

COUNCIL DISTRICT(S): 9

ORIGINATING DEPARTMENT: Real Estate Division

SUBJECT: Preliminary Bond Authorization for Wesley Terrace

CONTACT/PHONE NUMBER: Tina Kessler (619) 578-7569

#### 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, an existing 161-unit development, located at 5343 Monroe Avenue, San Diego 92115, which will remain affordable for 55 years.

#### EXECUTIVE SUMMARY OF KEY FACTORS:

- The proposed development is a 161-unit affordable rental housing rehabilitation project that will be located at 5343 Monroe Avenue in the College Area of Council District 9.
- The development includes a mix of studio, and one-bedroom units with rents restricted from 50 – 60 percent of San Diego Area Median Income
- C&C Development Group and DAL Developments, the co-developers, are seeking preliminary approvals to issue up to \$24,000,000 in tax-exempt Multifamily Housing Revenue Bonds. There will be no Housing Commission loan funds in this transaction.
- Total development cost of the development is \$28,363,061
- Staff requests the Housing Commission Board recommend to the Housing Authority approval of the following steps:
  - Issue a bond inducement resolution for up to \$24,000,000 in Multifamily Revenue Bonds
  - Authorize an application to the California Debt Limit Allocation Committee
  - Approve a financing team of Squire Patton Boggs LLP as Bond Counsel and CSG Advisors as Financial Advisor
  - Request the City Council hold a Tax Equity and Fiscal Responsibility Act public hearing to adopt a resolution approving the issuance of the tax exempt bonds.
- If approved, the developer could commence construction in December 2019 and complete construction by December 2020.



## REPORT

**DATE ISSUED:** April 4, 2019

**REPORT NO:** HCR19-031

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of April 11, 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 San Diego Housing Commission (Housing Commission) recommend 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**

<b>ROLE</b>	<b>FIRM/CONTRACT</b>
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**

<b>Permanent Financing Sources</b>	<b>Amounts</b>	<b>Permanent Financing Uses</b>	<b>Amounts</b>
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
<b>Total Development Cost</b>	<b>\$28,363,061</b>	<b>Total Development Cost</b>	<b>\$28,363,061</b>

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 ÷ 161 units =	\$176,168
Acquisition Cost Per Unit	\$12,000,000 ÷ 161 units =	\$74,534
Net Rentable Square Foot Hard Cost	\$11,084,400 ÷ 67,370 sq. ft. =	\$165
Gross Building Square Foot Hard Cost	\$11,084,400 ÷ 110,000 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
<b>Wesley Terrace</b>	<b>2019</b>	<b>I</b>	<b>161</b>	<b>\$28,363,061</b>	<b>\$176,168</b>	<b>\$0</b>	<b>\$68,847</b>
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	--
<b>Total</b>		<b>161</b>	

**Development Schedule**

The estimated development timeline is as follows.

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

**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](http://www.sdhc.org)

## Attachment 1

### Table 1 – Development Details

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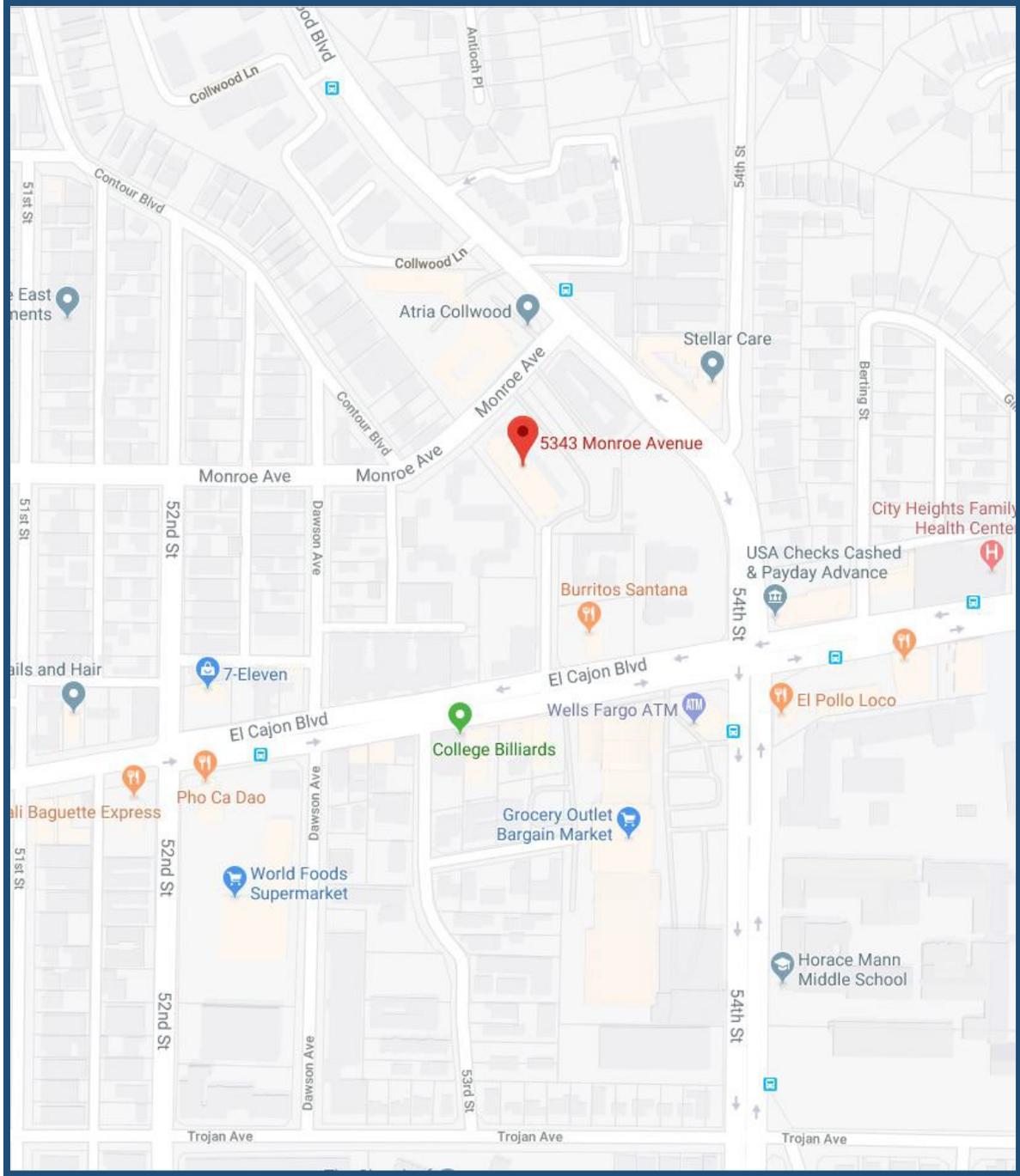
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# Attachment 2



**Table 4 – Key Performance Indicators**

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<b>Total</b>		<b>161</b>	



**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)

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

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

Identification of Contract or Development	Location	Amount	Date to be Completed

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

Awarding Agency	Amount	Date Opened

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

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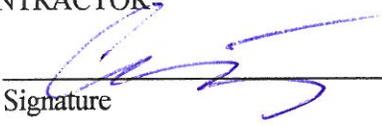
By providing the "Personal Information", (if any) as defined in Section 1798.3(a) of the Civil Code of the State of California (to the extent that it is applicable, if at all), requested herein and by seeking a loan from, a grant from, a contract with, the sale of real estate to, the right to develop 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.**

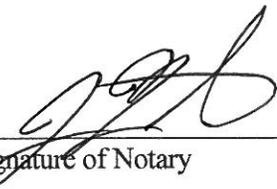
**JURAT**

State of California

County of San Diego

Subscribed and sworn to (or affirmed) before me on this 20 day of February, 20 19

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:
- 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:

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)

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

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

Identification of Contract or Development	Location	Amount	Date to be Completed

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

Awarding Agency	Amount	Date Opened

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

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 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.**

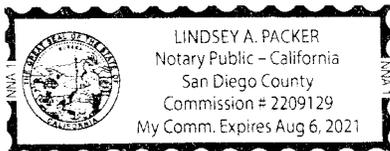
**JURAT**

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	Total Units	Net Rentable		Utility	Max. Rents per Affordability Commitments			Project Rents		
		Square Feet	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			
	Total \$	Per Unit	Per SF
<b>Debt:</b>			
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)	
<b>Equity:</b>			
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		
<b>TOTAL SOURCES</b>	<b>28,363,061</b>		
<b>Property Acquisition (asking price is \$12,000,000)</b>			
Property Acquisition	12,000,000	75,000	174.88
Renovation Costs	11,084,400	69,278	161.53
<b>Indirect Costs:</b>			
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
<b>TOTAL USES</b>	<b>28,363,061</b>	<b>177,269</b>	<b>413.34</b>

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
<b>Totals</b>	<b>158</b>	<b>2</b>	<b>160</b>	<b>68,620</b>	

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		0	0	0	
Studio, SDHC	0	0		0	0	0	0	
One bedroom	0	0		0	0	0	0	
One bedroom, SDHC	0	0		0	0	0	0	
Two bedroom	0	0		0	0	0	0	
Four bedroom, two bath	0	0		0	0	0	0	
<b>Totals</b>	<b>0</b>	<b>0</b>				<b>0</b>	<b>0</b>	<b>0</b>
Percent of Residential Units	0.00%	0.00%						

B: 90% @ 60% of Median						Current and Post-Rehab Rents		
Units	Square Feet	Maximum Gross Rent	Utility Allowance	Maximum Net Rent	Current	Post-Rehab	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
<b>Totals</b>	<b>143</b>	<b>61,310</b>						<b>191,050</b>
Percent of Residential Units	90.51%	90.57%						

C: 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	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
<b>Totals</b>	<b>0</b>	<b>0</b>				<b>0</b>	<b>0</b>	<b>0</b>
Percent of Residential Units	0.00%	0.00%						

D: 10% @ 50% of Median						Current and Post-Rehab Rents		
Units	Square Feet	Maximum Gross Rent	Utility Allowance	Maximum Net Rent	Current	Post-Rehab	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
<b>Totals</b>	<b>15</b>	<b>6,380</b>				<b>0</b>	<b>0</b>	<b>19,950</b>
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
<b>Totals</b>	<b>160</b>	<b>98.75%</b>	<b>98.64%</b>	<b>211,000</b>

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
<b>TOTAL GROSS INCOME</b>		<b>2,537,000</b>	<b>15,856</b>	<b>36.97</b>	<b>2,587,740</b>	<b>2,639,495</b>
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
<b>EFFECTIVE GROSS INCOME</b>		<b>2,410,400</b>	<b>15,065</b>	<b>35.13</b>	<b>2,458,608</b>	<b>2,507,780</b>
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
<b>NET OPERATING INCOME</b>		<b>1,537,643</b>	<b>9,610</b>	<b>22.41</b>	<b>1,558,623</b>	<b>1,579,648</b>

(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						
INPUT	OUTPUT			-- Depreciable Costs --				Total	
	Total \$	Per Unit	Per SF	Land & Non-Depreciable	5 yrs Personal Property	15 yrs Sitework	27.5 yrs Buildings		
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
<b>Total Construction Contract</b>		<b>8,400,000</b>	<b>52,500</b>	<b>122.41</b>	<b>0</b>	<b>2,557,627</b>	<b>101,570</b>	<b>5,740,803</b>	<b>8,400,000</b>
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
<b>Total Other Construction Costs</b>		<b>534,000</b>	<b>3,338</b>	<b>7.78</b>	<b>0</b>	<b>51,153</b>	<b>26,431</b>	<b>456,416</b>	<b>534,000</b>
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
<b>Total Ineligible</b>		<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
GENERAL REQ'MENTS (6.0% maximum in CA)									
CONTINGENCY	6.0% of hard costs	504,000	3,150	7.34	0	153,458	6,094	344,448	504,000
GENERAL CONTRACTOR'S OH&P (8.0% max.)	10.0% of hard costs	974,400	6,090	14.20	0	0	0	974,400	974,400
SALES TAX	8.0% of hard costs	672,000	4,200	9.79	0	204,610	8,126	459,264	672,000
	0.0% of hard costs	0	0	0.00	0	0	0	0	0
<b>Total</b>		<b>2,150,400</b>	<b>13,440</b>	<b>31.34</b>	<b>0</b>	<b>358,068</b>	<b>14,220</b>	<b>1,778,112</b>	<b>2,150,400</b>
GC Contract									
<b>TOTAL CONSTRUCTION COSTS</b>		<b>11,084,400</b>	<b>69,278</b>	<b>161.53</b>	<b>0</b>	<b>2,966,847</b>	<b>142,221</b>	<b>7,975,331</b>	<b>11,084,400</b>

**Indirect and Acquisition Costs**

	INPUT	OUTPUT			COST SEGREGATION						
		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		
<b>ACQUISITION COSTS:</b>											
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
<b>Total Acquisition Costs</b>		<b>12,000,000</b>	<b>75,000</b>	<b>174.88</b>	<b>2,400,000</b>	<b>9,600,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,000,000</b>
<b>THIRD PARTY REPORTS:</b>											
Phase I, PNA, Asbestos, PML, Energy Reserved	35,000 fixed sum	35,000	219	0.51	0	35,000	0	0	0	0	35,000
Market Study	0 fixed sum	0	0	0.00	0	0	0	0	0	0	0
Financing Appraisal	7,500 fixed sum	7,500	47	0.11	0	7,500	0	0	0	0	7,500
Cost Segregation Study	7,500 fixed sum	7,500	47	0.11	0	7,500	0	0	0	0	7,500
ALTA Survey	10,000 fixed sum	10,000	63	0.15	0	10,000	0	0	0	0	10,000
Non Profit Fee	7,500 fixed sum	7,500	47	0.11	0	7,500	0	0	0	0	7,500
Chain Title, Historical and City Review Predev Exp	10,000 fixed sum	10,000	63	0.15	0	0	10,000	0	0	0	10,000
<b>Total Third Party Reports</b>	60,000 fixed sum	<b>60,000</b>	<b>375</b>	<b>0.87</b>	<b>0</b>	<b>60,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>60,000</b>
		<b>137,500</b>	<b>859</b>	<b>2.00</b>	<b>0</b>	<b>127,500</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>137,500</b>
<b>FINANCING PLACEMENT COSTS:</b>											
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 fixed sum	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	0	0	0	0
Bond Underwriter	0.00% of bond amt	0	0	0.00	0	0	0	158,075	0	0	158,075
<b>Total Financing Placement Costs</b>		<b>456,499</b>	<b>2,853</b>	<b>6.65</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>456,499</b>	<b>0</b>	<b>0</b>	<b>456,499</b>
<b>INTEREST:</b>											
Construction Loan Interest (if interest is not being paid through operations)		0	0	0.00	0	0	0	0	0	0	0
Capitalized Interest Paid from Operations (per page 14)		250,000	1,563	3.64	0	250,000	0	0	0	0	250,000
<b>Total Interest</b>		<b>250,000</b>	<b>1,563</b>	<b>3.64</b>	<b>0</b>	<b>250,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>250,000</b>
<b>OTHER INDIRECT COSTS:</b>											
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: Reserves:	200,000 fixed sum	200,000	1,250	2.91	20,000	97,560	12,500	10,000	59,940	0	200,000
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	0
<b>Total Other Indirect Costs</b>		<b>1,215,190</b>	<b>7,595</b>	<b>17.71</b>	<b>593,122</b>	<b>401,250</b>	<b>12,500</b>	<b>20,000</b>	<b>185,880</b>	<b>2,438</b>	<b>1,215,190</b>
<b>DEVELOPER FEE</b>											
Fee on Acquisition Costs	15.00% of basis	1,440,000									
Fee on Renovation and Indirect Costs	15.00% of basis	1,779,472									
<b>Total Fee</b>		<b>3,219,472</b>	<b>20,122</b>	<b>46.92</b>	<b>0</b>	<b>3,219,472</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,219,472</b>
<b>GRAND TOTAL - ALL ACQUISITION AND INDIRECT COSTS</b>		<b>17,278,661</b>	<b>107,992</b>	<b>251.80</b>	<b>2,993,122</b>	<b>13,598,222</b>	<b>22,500</b>	<b>476,499</b>	<b>185,880</b>	<b>2,438</b>	<b>17,278,661</b>

**Bond Issuance Cost Detail**

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	INPUT	OUTPUT			COST SEGREGATION				COSTS PAID BY	
		Total \$	Per Unit	Per SF	Land & Non-Amortizable	Depreciable	Amortizable	Total	Tax-Exempt Bonds *	Equity or 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
<b>Total Fixed Costs</b>		<b>158,075</b>	<b>988</b>	<b>2.30</b>	<b>0</b>	<b>0</b>	<b>158,075</b>	<b>158,075</b>	<b>158,075</b>	<b>0</b>

\* Issuance costs financed by bond

Flow of Funds

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	0	145,390
Capitalized Interest Paid from Operations	0	250,000	0	0	0	0	8,467,671	8,467,671
Transfer of Funds from (to) Operations	0	0	0	0	0	0	250,000	250,000
Additional Equity: Net cash proceeds received sale	0	0	0	0	0	0	0	0
<b>Other Timing Adjustments to Sources (manual entry)</b>								
Reserved	0	0	0	0	0	0	0	0
Reserved	0	0	0	0	0	0	0	0
<b>Total Sources of Funds</b>	<b>21,193,534</b>	<b>250,000</b>	<b>0</b>	<b>2,963,685</b>	<b>1,270,151</b>	<b>2,540,301</b>	<b>28,217,671</b>	<b>28,363,061</b>

USES OF FUNDS:

<b>Property Acquisition</b>	12,000,000	0	0	0	0	0	12,000,000	12,000,000
<b>Renovation Costs</b>	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
<b>Developer Fee</b>	500,000	0	0	0	0	2,574,083	3,074,083	3,219,472
<b>Other Timing Adjustments to Uses (manual entry)</b>								
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
<b>Total Uses of Funds</b>	<b>13,905,014</b>	<b>3,658,342</b>	<b>3,233,902</b>	<b>3,134,002</b>	<b>1,168,330</b>	<b>3,118,083</b>	<b>28,217,671</b>	<b>28,363,061</b>
Net Change in Working Capital	7,288,521	-3,408,342	-3,233,902	-170,317	101,821	-577,781		
<b>Working Capital Balance</b>	<b>7,288,521</b>	<b>3,880,179</b>	<b>646,277</b>	<b>475,961</b>	<b>577,781</b>	<b>0</b>		

12,211,479

**Tax Credit Calculations**

	Total Costs	Ineligible Costs	Eligible Basis	Federal Credits			State Credits		
				ACQUISITION	REHABILITATION	TOTAL	ACQUISITION	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
<b>Total Project Costs</b>	<b>28,363,061</b>	<b>3,680,439</b>	<b>24,682,622</b>	<b>11,040,000</b>	<b>13,642,622</b>	<b>24,682,622</b>	<b>0</b>	<b>0</b>	<b>0</b>
Less: Ineligible Grant or Loan(s)			0	0	0	0	0	0	0
<b>Total Eligible Basis</b>			<b>24,682,622</b>	<b>11,040,000</b>	<b>13,642,622</b>	<b>24,682,622</b>	<b>0</b>	<b>0</b>	<b>0</b>
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%	
<b>MAXIMUM CREDIT REQUEST BASED ON QUALIFIED BASIS</b>				<b>361,008</b>	<b>579,948</b>	<b>940,956</b>	<b>0</b>	<b>0</b>	<b>0</b>
Subject to Limit Based on Credit Reservation						940,956	0	0	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
<b>TOTAL TAX CREDIT EQUITY VALUE (Federal + State)</b>	<b>8,467,671</b>	

**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
<b>Total Land + Buildings</b>	<b>27,082,622</b>
Times 50%	13,541,311
Tax-Exempt Debt	19,500,000
Percent of Land + Buildings	72.00%
Costs Below 50% Threshold	11,917,378









3 **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 Straight line with mid-month convention Straight line with mid-month convention Straight line with mid-month convention Straight line with mid-month convention MACRS (mid-quarter convention) MACRS (mid-quarter convention) None
TCAC – Prepaid Compliance Fee	15.0	185,880	none	Aug	in service	
Organizational Costs	5.0	22,500	Oct	in service	in service	
Depreciable Acquisition Costs	27.5	9,240,000	Oct	in service	in service	
Depreciable Renovation Costs	27.5	10,533,554	as to 0.00%	as to 100.00%	as to 100.00%	
Depreciable Site Improvements	15.0	742,221				
Depreciable Personal Property	5.0	4,166,847				
Land and Other Nondepreciable		2,995,560				
Total		28,363,061				

	2019 (4 months)	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Depreciation</b>										
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	37,440	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	28,320	28,320	28,320	28,320	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
<b>Amortization</b>										
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
<b>Total Depreciation and Amortization</b>	<b>325,688</b>	<b>2,732,799</b>	<b>1,670,716</b>	<b>1,325,047</b>	<b>1,163,413</b>	<b>1,089,477</b>	<b>923,383</b>	<b>797,062</b>	<b>797,110</b>	<b>797,078</b>

31 **Allocation of Annual Taxable Income (Loss)**

<b>TAXABLE CASH FLOW</b>	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
<b>ANNUAL TAXABLE INCOME (LOSS)</b>	<b>-32,266</b>	<b>-1,573,197</b>	<b>-2,279,148</b>	<b>-966,262</b>	<b>-923,478</b>	<b>-836,169</b>	<b>-656,093</b>	<b>-515,149</b>	<b>-499,900</b>	<b>-483,861</b>
<b>INITIAL ALLOCATION OF TAXABLE INCOME (LOSS)</b>										
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
<b>LIMITED PARTNER'S SPECIAL ALLOCATIONS</b>										
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
<b>FINAL ALLOCATION OF TAXABLE INCOME (LOSS)</b>										
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**

	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>
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	<u>797,110</u>	<u>797,078</u>	<u>797,110</u>	<u>797,078</u>	<u>797,110</u>	<u>786,470</u>

**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)	<u>-467,141</u>	<u>-449,572</u>	<u>-431,241</u>	<u>-411,976</u>	<u>-391,862</u>	<u>-360,113</u>
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	<u>-467,141</u>	<u>-449,572</u>	<u>-431,241</u>	<u>-411,976</u>	<u>-391,862</u>	<u>-360,113</u>
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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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	<u>-467,141</u>	<u>-449,572</u>	<u>-431,241</u>	<u>-411,976</u>	<u>-391,862</u>	<u>-360,113</u>

**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
Source	Net cash proceeds received sale		Amount		\$0
					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%				
	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

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**Wesley Terrace**  
**Inputs and Assumptions - 2**

**Loan Assumptions (continued):**

Perm Loan #3: Percent of Cash Flow Allocable to Loan Payments	50%
Perm Loan #3: <u>Recourse</u> or <u>Nonrecourse</u> (affects minimum gain calculation page 12.1)?	Nonrecourse
Reserve all Construction Loan Interest at Closing?	No
Section 266ii Election to Capitalize All Interest Prior to PIS?	No

**Partnership Level Fees & Reserves**

		Payable to:	Rate/Factor	Reference	Fixed \$
1st Tier	Compliance Monitoring Fee	State of CA			
2nd Tier	Priority Distribution to LP	Limited Partner	\$150	per L/I unit	
3rd Tier	Annual Deposit to Operating Reserves	Reserves			\$7,500
4th Tier	Priority Distribution to Nonprofit GP	Nonprofit GP			\$0
5th Tier	Resident Services Budget	Res. Services			\$10,000
6th Tier	Asset Management Fee to GP	General Partner	0.00%	of EGI	\$75,000
7th Tier	Incentive Management Fee to GP	General Partner	90.00%	of cash flow	\$10,000
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	0.00%
Duration (months)	0
Escalator for Fixed-Dollar Priority Distributions	3.50%
Cap on Incentive Management Fee to GP (6th Tier, cap as percent of cash flow)	None
Priority Distribution to LP, delay start until conversion?	No

**Project Identification:**

<b>Name</b>	Wesley Terrace
<b>Location (City)</b>	San Diego
<b>Location (State)</b>	California
<b>Version</b>	Draft #1

**Real Property Taxes:**

Current Annual Taxes	\$0
Current Assessed Value	\$0
Current Tax Year	2016
Increase Assessed Value to Purchase Price?	Yes
<b>Real Property Tax Abatement, Percent Abated</b>	95%

**Reserves:**

Debt Service Reserve, Build Up 6-Month FNMA Reserve Over 10 Years?	No	
Debt Service Reserve, Interest on	0.00%	
Interest Rate Cap Reserve, Term of (years)	0	
Operating Reserves, Equity Installment Funded From	Fifth	
Operating and Replacement Reserves, Interest on	0.00%	
Operating Reserves, Release of		
First Portion	Year Released	Percent Released
Second Portion	2.026	100%
Third Portion	0	0%
Fourth Portion	0	0%
Replacement Reserves, Commence at Conversion? ("No" = commence at closing)	0	0%
		Yes

**Reversion Assumptions:**

Capitalization Rate	5.00%
Preference to Limited Partner	\$0
Preference to General Partner	\$0
Selling Costs	3.0%

**State Tax Credits**

<b>Utilize State Credits?</b>	No
Annual or Total?	Annual
State Credits as Percent of Federal	100%
Offset State Credits Against Federal Income?	Yes
Years Over Which Credits Taken	10

**Tax Assumptions:**

Marginal Rate	35.00%
State	Generic

**Utility Allowances**

Source of	Master Metered
Dated	TBD

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**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.