



## **EXECUTIVE SUMMARY**

### **HOUSING COMMISSION EXECUTIVE SUMMARY SHEET**

MEETING DATE: November 15, 2019

HCR19-099

SUBJECT: Final Bond Authorization for East Block Family Apartments

COUNCIL DISTRICT(S): 9

ORIGINATING DEPARTMENT: Real Estate Division

CONTACT/PHONE NUMBER: J.P. Correia (619) 578-7575

#### **REQUESTED ACTION:**

Authorize the issuance of up to \$24,000,000 of Housing Authority of the City of San Diego Multifamily Housing Revenue Bonds to fund the acquisition and new construction of East Block Family Apartments, which will consist of 77 units that will remain affordable for 55 years and two managers' units, to be located at 4340 44<sup>th</sup> Street, San Diego, California 92115.

#### **EXECUTIVE SUMMARY OF KEY FACTORS:**

- The proposed development is a 78-unit affordable rental housing new construction project.
- The development includes 33 two-bedroom units and 44 three-bedroom units with rents restricted at 50 to 60 percent of San Diego Area Median Income, and one two-bedroom manager's unit.
- The proposed development is a part of the proposed mixed-use East Block Collaborative that, in addition to the 78-unit East Block Family Apartments, will ultimately include the 117-unit East Block Senior Apartments, and a future commercial project.
- Chelsea Investment Corporation, the developer, is seeking necessary approvals for the Housing Authority of the City of San Diego (Housing Authority) to issue up to \$24,000,000 in tax-exempt Multifamily Housing Revenue Bonds.
- The total development cost is estimated to be \$41,579,692 (\$533,073 per unit).
- No Housing Commission loan proceeds will be provided to the proposed East Block Family development.
- Staff requests the Housing Commission Board recommend that the Housing Authority authorize the issuance of up to \$24,000,000 in tax-exempt Multifamily Housing Revenue Bonds to facilitate Fairmount Family CIC L.P.'s proposed acquisition and new construction of the East Block Family Apartments.
- If this proposal is approved by the Housing Commission, then the Housing Authority's consideration of the proposed bond issuance would be on December 10, 2019. The developer estimates commencing construction in December 2019, and completing construction by December 2021.



## REPORT

**DATE ISSUED:** November 7, 2019

**REPORT NO:** HCR19-099

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of November 15, 2019

**SUBJECT:** Final Bond Authorization for East Block Family Apartments

**COUNCIL DISTRICT:** 9

### **REQUESTED ACTION**

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### **STAFF RECOMMENDATION**

That the San Diego Housing Commission (Housing Commission) recommend that the Housing Authority of the City of San Diego (Housing Authority) authorize the issuance of up to \$24,000,000 in tax-exempt Multifamily Housing Revenue Bonds to facilitate Fairmount Family CIC L.P.'s new construction of East Block Family Apartments, which will consist of 77 units that will remain affordable for 55 years and one manager's unit, to be located at 4340 44<sup>th</sup> Street, San Diego, California 92115.

### **SUMMARY**

A Development Summary is at Attachment 1.

**Table 1 - Development Details**

Address	4340 44 <sup>th</sup> Street, San Diego, 92115
Council District	9
Developer	Chelsea Investment Corporation
Community Plan Area	Mid-City Kensington-Talmadge
Development Type	New Construction
Construction Type	Type III; five-story building
Parking Type	Semi-subterranean parking with 78 spaces
Housing Type	Affordable Family
Lot Size	0.85 Acres; 36,950 square feet
Units	78
Density	92 dwelling units per acre (78 units ÷ .85 acres)
Unit Mix	32 two-bedroom units, 45 three-bedroom units and 1 two-bedroom manager's unit
Gross Building Area	103,708 Gross building square feet
Net Rentable Area	69,750 Net rentable square feet

The Development

East Block Family Apartments (East Block Family) is a proposed five-story, new construction, affordable rental housing development located in the Kensington-Talmadge neighborhood (Attachment 2 - Site Map). East Block Family will provide 77 two- and three-bedroom affordable rental units for families with income ranging from 50 percent to 60 percent of San Diego's Area Median Income (AMI). Also, the development will have one two-bedroom manager's unit. The proposed development is part of the mixed-use, East Block Collaborative that will include East Block Family, East Block Senior Apartments, future commercial, and a private community plaza. The East Block Senior affordable housing component and the future commercial project are not a part of the actions associated with this request for tax-exempt bond financing. The proposed two residential developments will have separate ownership and separate bond issuances that will close simultaneously.

East Block Family and East Block Senior Apartments will be two contiguous five-story buildings to be built over a shared semi-subterranean parking structure. Prior to escrow closing, a condominium map will be recorded to document the separation of three parcels: one for family affordable housing, one for senior affordable housing, and one for a future commercial parcel. Site amenities will include: secured building access, elevator, community room, laundry facilities, community garden, outdoor barbecue, picnic area, and a children's play structure. Unit amenities will include: refrigerator, electric appliances, central heating, cable television/phone connection, and pre-wired internet.

#### The Property

The property is owned by Fairmount & El Cajon Realty LLC. Under the developer's proposal, the land is being donated.

#### Appraisal

On October 11, 2018, the property was appraised by Kinetic Valuation Group, Inc. at \$10,530,000.

#### Prevailing Wages

Prevailing wages are applicable because the project is proposing to use state or federal financing that requires prevailing wages.

#### Relocation

The property is currently a vacant lot and is not subject to relocation.

#### Accessibility

The California Tax Credit Allocation Committee (TCAC) requires wheelchair accessibility in 10 percent of the units, and 4 percent of the units accessible to residents with visual and/or hearing impairment having communication features. The same units can satisfy both of these accessibility requirements. The development will include Universal Design features.

#### Project Sustainability

East Block Family Apartments will be constructed in conformance with TCAC's minimum energy efficiency standards.

#### Development Team

Fairmount Family Housing CIC, L.P. is a partnership between Chelsea Investment Corporation (CIC) and Price Philanthropies Foundation. Price Philanthropies Foundation is a private family foundation founded in 1982 that aims to improve life opportunities for youth and families. CIC is an award-winning, for-profit

corporation headquartered in Carlsbad, California. Established in 1992, CIC specializes in the financing and development of affordable housing. CIC has developed approximately 9,700 affordable housing units since 1995 in California and Arizona. East Block Family Apartments will be owned by Fairmount Family Housing CIC, L.P., a California limited partnership (a single-asset limited partnership) that will include: CIC Fairmount Family Housing, LLC as the administrative general partner; Fairmount and El Cajon Realty, LLC as the nonprofit managing general partner; and a to-be-determined tax-credit investor limited partner. CIC has substantial development experience in a wide range of housing developments. CIC has developed multiple affordable rental housing developments in the City of San Diego and previously has received Housing Commission loan funds. CIC is in full compliance on its previous Housing Commission funded loans. Based upon the developer's past experience and performance, Housing Commission staff has determined that the developer has the capacity to successfully complete the proposed East Block Family Apartments development. For the proposed borrower's ownership structure, an organizational chart is at Attachment 3.

**Table 2 Development Team Summary**

<b>ROLE</b>	<b>FIRM/CONTACT</b>
Developer	Chelsea Investment Corporation
Limited Partnership	Fairmount Family Housing CIC, L.P.
Managing General Partner	Fairmount and El Cajon Realty, LLC
Administrative General Partner	CIC Fairmount Family Housing, LLC
Tax Credit Investor Limited Partner	US Bancorp Community Development Corporation
Architect	Rob Wellington Quigley, FAIA
General Contractor	Emmerson Construction, Inc.
Property Management	CIC Management, Inc.
Construction Lender	US Bank National Association
Permanent Lender	California Bank and Trust

### **FINANCING STRUCTURE**

East Block Family Apartments has an estimated total development cost of \$41,579,692 (\$533,073/unit). Financing will include a combination of sources, including tax-exempt Multifamily Housing Revenue Bonds, federal 4 percent tax credits, County of San Diego loan funds, and a developer contribution. No Housing Commission loan proceeds will be provided to this development. Estimated permanent financing sources and uses are provided in Table 3. The developer's project pro forma is provided as Attachment 4.

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

<b>Financing Sources</b>	<b>Amounts</b>	<b>Financing Uses</b>	<b>Amounts</b>	<b>Per Unit</b>
Permanent loan (bond financed)	\$12,880,000	Property acquisition	\$10	\$0
		Construction costs \$22,761,163		
		Overhead & profit 3,282,160		
		Contingency +2,019,143		
Loan from nonprofit	\$5,000,000	Total construction \$28,062,466	\$28,062,466	\$359,775
County of San Diego				
Innovative Housing Trust Fund	\$4,500,000	Financing costs	\$3,306,081	\$42,386
Developer's equity contribution	\$2,683,393	Developer's fee	\$5,183,393	\$66,454
Residual receipts loan		Soft costs contingency	\$159,217	\$2,041
accrued interest	\$562,500	Other soft costs	\$2,429,741	\$31,151
Four percent tax credit equity	\$15,953,799	Reserves	\$293,155	\$3,758
		Permits and fees	\$2,145,629	\$27,508
<b>Total Development Cost</b>	<b>\$41,579,692</b>	<b>Total Development Cost (TDC)</b>	<b>\$41,579,692</b>	<b>\$533,073</b>

#### Developer Fee

\$5,183,393 – gross developer fee  
- 562,500 – minus developer equity contribution  
- 2,683,393 – minus residual receipts accrued interest  
\$1,937,500 – net cash developer fee

The net cash developer fee is estimated to be \$1,937,500. On April 25, 2017, the Housing Authority approved the “Request for Approval of Updated Developer Fees” (Report No. HAR 17-011; Resolution No. HA-1727). That report approved certain developer fee guidelines for multifamily loans and bonds issuances. Attachment 1 to that report stated: “Developer fee for 4% tax credits: in project costs 15% of eligible basis....” The developer’s proposed developer fee complies with HAR17-011. The fee proposed is consistent with the Request for Approval of Updated Developer Fees (HAR17-011) approved by the Housing Authority on April 25, 2017.

#### Development Cost Key Performance Indicators

Housing Commission staff has identified development cost performance indicators, which were used to evaluate the proposed development. 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	$\$41,579,692 \div 78 \text{ units} =$	\$533,073
Housing Commission Subsidy Per Unit	$\$0 \div 78 \text{ units} =$	\$0
Acquisition Cost Per Unit	$\$10 \div 78 \text{ units} =$	\$0
Gross Building Square Foot Hard Cost	$\$28,062,466 \div 130,853 \text{ sq. ft.} =$	\$214
Net Rentable Square Foot Hard Cost	$\$28,062,466 \div 77,957 \text{ sq. ft.} =$	\$360

#### Project Comparison Chart

Multiple factors and variables 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 Development Projects**

Project Name	Year	Unit Mix	Units	Prevailing Wage	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Sq. Ft.
<b>East Block Family</b>	<b>2019</b>	<b>33 twos, 44 threes, +1 mgr</b>	<b>78</b>	<b>Yes</b>	<b>\$41,579,692</b>	<b>\$533,073</b>	<b>\$0</b>	<b>\$214</b>
Keeler Court	2019	10 studios, 20 ones, 18 twos, 22 threes, + 1 mgr	71	Yes	\$35,692,466	\$502,711	\$0	\$262
Bluewater (Fairmount Family Housing)	2017	32 ones, 23 twos, 24 threes, + 1 mgr	80	No	\$32,174,500	\$402,182	\$158,356	\$218
Luna at PHR	2017	14 ones, 39 twos, 20 threes, 4 fours, + 1 mgr	79	No	\$25,725,152	\$376,268	\$0	\$185

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

### **Proposed Housing Bonds Financing**

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. On July 16, 2019, these actions were completed for East Block Family.

On August 16, 2019, an application was submitted to CDLAC for a bond allocation of up to \$24,000,000. On October 16, 2019, CDLAC approved the \$24,000,000 bond allocation, and TCAC approved an allocation of 4 percent tax credits. The developer proposes that the bonds be issued 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 bonds disclosure. 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 ordinance on bonds disclosure.

The Bonds amount that will ultimately be set will be based upon development costs, revenues and interest rates prevailing at the time of the Bonds issuance. The Bonds proceeds will be used for both construction financing and permanent financing. 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 5.

#### Public Disclosure and Bond Authorization

The tax-exempt debt, in the form of the bonds/note, will be sold through a private placement, purchased directly by California Bank and Trust (CB&T). CB&T is a “qualified institutional buyer” within the meaning of the U.S. securities laws. At closing, CB&T will sign an “Investor’s Letter” certifying, among other things, that it is buying the bonds/note for its own account and not for public distribution. Because the bonds/note is being sold through a private placement, an Official Statement will not be used. In addition, the bonds/note will be neither subject to continuing disclosure requirements, nor credit enhanced, nor rated. Under the private placement structure for this transaction, CB&T will make a loan to the Housing Authority pursuant to the terms of a Funding Loan Agreement among CB&T, the Housing Authority, and a to-be-selected Fiscal Agent. The loan made by CB&T to the Housing Authority (Funding Loan) will be evidenced by the bonds/note, which will obligate the Housing Authority to pay CB&T the amounts it receives from the Borrower, as described below. The Housing Authority and the Borrower will enter into a Borrower Loan Agreement pursuant to which the proceeds of the Funding Loan will be advanced to the Borrower. In return, the Borrower agrees to pay the Fiscal Agent amounts sufficient for the Fiscal Agent to make payments on the bonds/note. The Housing Authority’s obligation to make payments on the bonds/note is limited to amounts the Fiscal Agent receives from the Borrower under the Borrower Loan Agreement, and no other funds of the Housing Authority are pledged to make payments on the bonds/note. The transfer of the bonds/note to any subsequent purchaser will comply with Housing Commission’s “Bond Issuance and Post-Issuance Compliance Policy” (policy number PO300.301). Moreover, any subsequent bonds/note holder will be required to represent to the Housing Authority that it is a qualified institutional buyer or accredited investor who is buying the bonds/note for investment purposes and not for resale, and it has made due investigation of any material information necessary in connection with the purchase of the bonds/note. The following documents will be executed on behalf of the Housing Authority with respect to the bonds/note: the Funding Loan Agreement, the Borrower Loan Agreement, the Assignment of Deed of Trust, the Regulatory Agreement, and other ancillary loan documents. At the time of docketing, documents in substantially final form will be presented to members of the Housing Authority. Any changes to the documents following Housing Authority approval require the consent of the City Attorney’s Office and Bond Counsel. The note will be issued pursuant to the Funding Loan Agreement. Based upon instructions contained in the Funding Loan Agreement and the Borrower Loan Agreement, CB&T will disburse the note proceeds for eligible costs and will, pursuant to an assignment from the Housing Authority, receive payments from the Borrower. The Borrower Loan Agreement sets out the terms of repayment and the security for the loan made by the Housing Authority to the Borrower, and the Housing Authority assigns its rights to receive repayments under the loan to CB&T. The Regulatory Agreement will be recorded against the property in order to ensure the long-term use of the project as affordable housing. The Regulatory Agreement will also ensure that the project complies with all applicable federal and state laws. An Assignment of Deed of Trust, and other loan documents, will assign the Housing Authority’s rights and responsibilities as the issuer to CB&T. It will be signed by the Housing Authority for the benefit of CB&T. Rights and responsibilities that are assigned to CB&T include the right to collect and enforce the collection of loan payments, the right to monitor project construction and related budgets, plus the right to enforce insurance and other requirements. These rights will be used by CB&T to protect its financial interests as the note holder.

#### Financial Advisor’s Recommendation

Quint & Thimmig LLP will be the bond counsel. CSG Advisors will be the bond financial advisor. The financial advisor’s analysis and recommendation (Attachment 6) will be provided to the Housing Commission Board of Commissioners on or before November 15, 2019.

### **AFFORDABLE HOUSING IMPACT**

Under the proposed bond financing, East Block Family Apartments would have 77 units restricted to households with income between 50 and 60 percent of San Diego Area Median Income (AMI). The affordable units will be restricted for a 55-year term. Table 6 summarizes the affordability.

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

<b>Unit Type</b>	<b>AMI</b>	<b>Number of Units</b>	<b>TCAC Gross Rents</b>
2 Bedroom	50%	3	\$1,203
2 Bedroom	60%	29	\$1,444
3 Bedroom	50%	5	\$1,391
3 Bedroom	60%	40	\$1,669
Subtotal	--	77	--
3 Bedroom Manager	--	1	--
		78	

### **Development Schedule**

The estimated development timeline is as follows:

<b>Milestones</b>	<b>Estimated Dates</b>
• Housing Authority consideration of final bonds	• December 10, 2019
• Estimated bond issuance and escrow closing	• December 2019
• Start of construction work	• December 2019
• Completion of construction work	• December 2021

### **FISCAL CONSIDERATIONS**

The proposed funding sources and uses approved by this action are included in the Fiscal Year (FY) 2020 Housing Commission Budget, except for the Bond Issuance Fees.

Funding sources approved by this action will be as follows:

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

Funding uses approved by this action will be as follows:

Administration Costs = \$60,000

There are no fiscal impacts to the Housing Commission, or to the City of San Diego, or to the Housing Authority associated with the requested bond actions. The bonds/note will not constitute a debt of the City of San Diego. If the bonds/note is ultimately issued for the project, the bonds/note will not financially obligate the City, the Housing Authority, or the Housing Commission because security for the repayment of the bonds/note will be limited to specific private revenue sources. Neither the faith and credit nor the taxing power of the City, nor the faith and credit of the Housing Authority will be pledged to the payment of the bonds/note. The developer is responsible for the payment of all costs under the financing, including the Housing Commission Bond Counsel and Financial Advisor fees. Additionally the developer is responsible for payment of the Housing Commission's .0025 bond amount issuer fee (estimated at \$60,000 with a \$24,000,000 bond issue) and the Housing Commission's annual administrative fee (estimated at \$16,100) with an estimated \$12,880,000 outstanding bonds amount at permanent financing conversion.



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

On September 17, 2017, the proposed development was presented as an action item to the Kensington-Talmadge Community Planning Group. The Kensington-Talmadge Community Planning Group recommended that the City Council approve the lot consolidation for the project. The motion was approved on a vote of 9 to 1 in favor of the project.

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

Stakeholders include CIC as the developer, Price Philanthropies Foundation as the nonprofit partner, the Housing Authority as bond issuer, and the Mid-City Kensington-Talmadge neighborhood. The project is anticipated to have a positive impact on the community, as it will contribute to the quality of the surrounding neighborhood and create 77 new affordable rental homes for low-income families.

### **STATEMENT FOR PUBLIC DISCLOSURE**

The Developer Disclosure Statement is provided at Attachment 7

### **ENVIRONMENTAL REVIEW**

On December 19, 2017, the City of San Diego, as Lead Agency, through the Development Services Department, made and issued an environmental determination that the project is exempt from the California Environmental Quality Act (CEQA) (Public Resources Code section 21000 et. seq.) under CEQA Guidelines Section 15305; and there was no appeal of the environmental determination filed within the time period provided by the San Diego Municipal Code (SDMC) section 112.0520. Processing under the National Environmental Policy Act (NEPA) is not required as no federal funds are involved in this action.

Respectfully submitted,



J.P. Correia  
Senior Real Estate Project Manager  
Real Estate Division

Approved by,



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

Attachments: 1. Development Summary  
2. Site Map  
3. Organization Chart  
4. Developer's Project Pro Forma  
5. Bond Program Summary  
6. Financial Advisor's Analysis  
7. Developer's Disclosure Statement

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 - DEVELOPMENT SUMMARY

**Table 1 - Development Details**

Address	4340 44 <sup>th</sup> Street, San Diego, 92115
Council District	9
Developer	Chelsea Investment Corporation
Community Plan Area	Mid-City Kensington-Talmadge
Development Type	New Construction
Construction Type	Type III; five-story building
Parking Type	Semi-subterranean parking with 78 spaces
Housing Type	Affordable Family
Lot Size	0.85 Acres; 36,950 square feet
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Unit Mix	33 two-bedroom units, 44 three-bedroom units and 1 three-bedroom manager's unit
Gross Building Area	103,708 Gross building square feet
Net Rentable Area	69,750 Net rentable square feet

**Table 2 - Development Team Summary**

<b>ROLE</b>	<b>FIRM/CONTACT</b>
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**Table 3 – Estimated Permanent Sources and Uses**

Financing Sources	Amounts	Financing Uses	Amounts	Per Unit
Permanent loan (bond financed)	\$12,880,000	Property acquisition	\$10	\$0
		Construction costs \$22,761,163		
		Overhead & profit 3,282,160		
		Contingency +2,019,143		
Loan from nonprofit	\$5,000,000	Total construction \$28,062,466	\$28,062,466	\$359,775
County of San Diego Innovative Housing Trust Fund	\$4,500,000	Financing costs	\$3,306,081	\$42,386
Developer's equity contribution	\$2,683,393	Developer's fee	\$5,183,393	\$66,454
Residual receipts loan accrued interest	\$562,500	Soft costs contingency	\$159,217	\$2,041
Four percent tax credit equity	\$15,953,799	Other soft costs	\$2,429,741	\$31,151
		Reserves	\$293,155	\$3,758
		Permits and fees	\$2,145,629	\$27,508
<b>Total Development Cost</b>	<b>\$41,579,692</b>	<b>Total Development Cost (TDC)</b>	<b>\$41,579,692</b>	<b>\$533,073</b>

**Table 4 – Key Performance Indicators**

Development Cost Per Unit	\$41,579,692 ÷ 78 units =	\$533,073
Housing Commission Subsidy Per Unit	\$0 ÷ 78 units =	\$0
Acquisition Cost Per Unit	\$10 ÷ 78 units =	\$0
Gross Building Square Foot Hard Cost	\$28,062,466 ÷ 130,853 sq. ft. =	\$214
Net Rentable Square Foot Hard Cost	\$28,062,466 ÷ 77,957 sq. ft. =	\$360

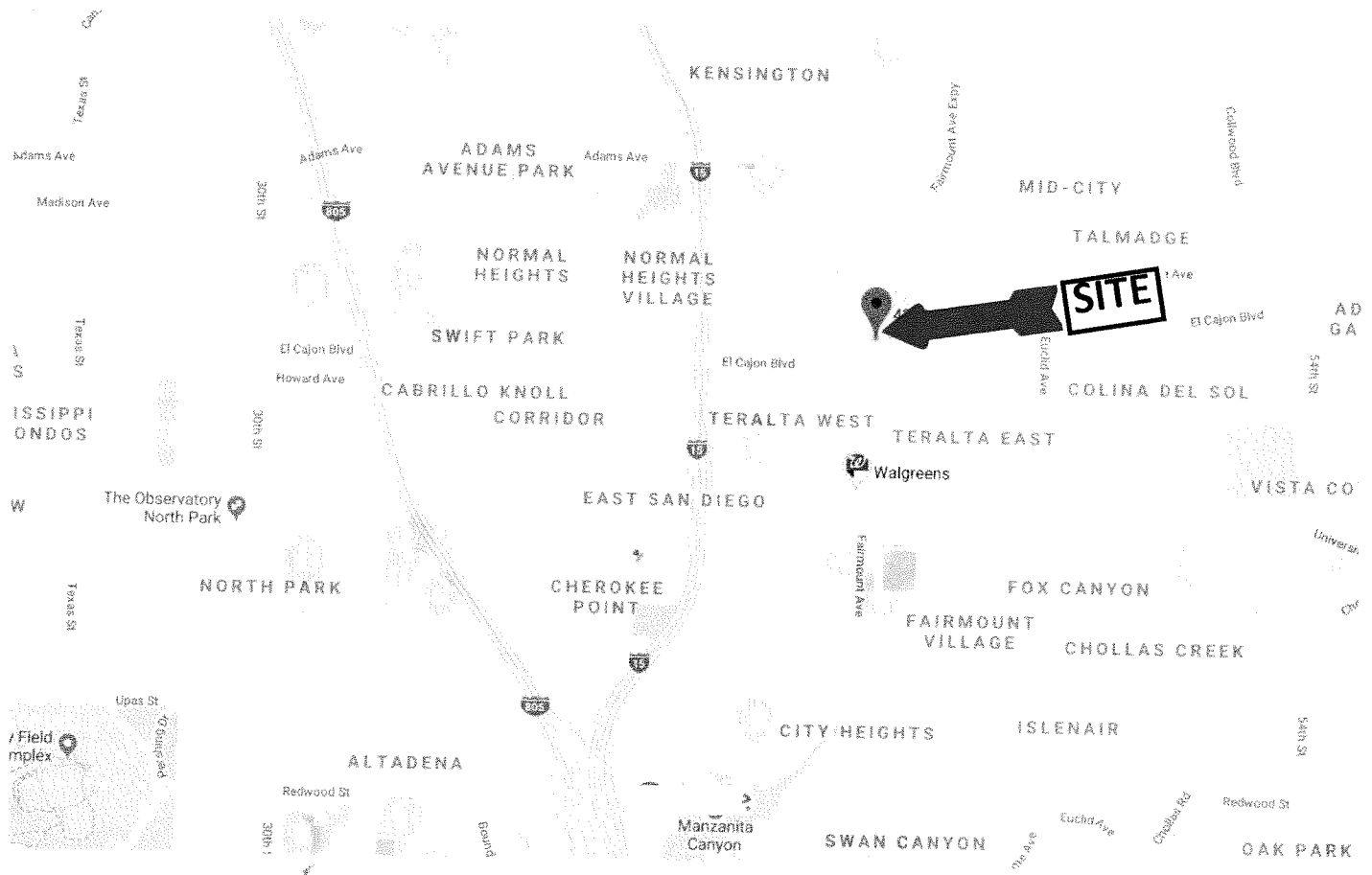
**Table 5 – Comparable Development Projects**

Project Name	Year	Unit Mix	Units	Prevailing Wage	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Sq. Ft.
East Block Family	2019	33 twos, 44 threes, +1 mgr	78	Yes	\$41,579,692	\$533,073	\$0	\$214
Keeler Court	2019	10 studios, 20 ones, 18 twos, 22 threes, + 1 mgr	71	Yes	\$35,692,466	\$502,711	\$0	\$262
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Luna at PHR	2017	14 ones, 39 twos, 20 threes, 4 fours, + 1 mgr	79	No	\$25,725,152	\$376,268	\$0	\$185

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

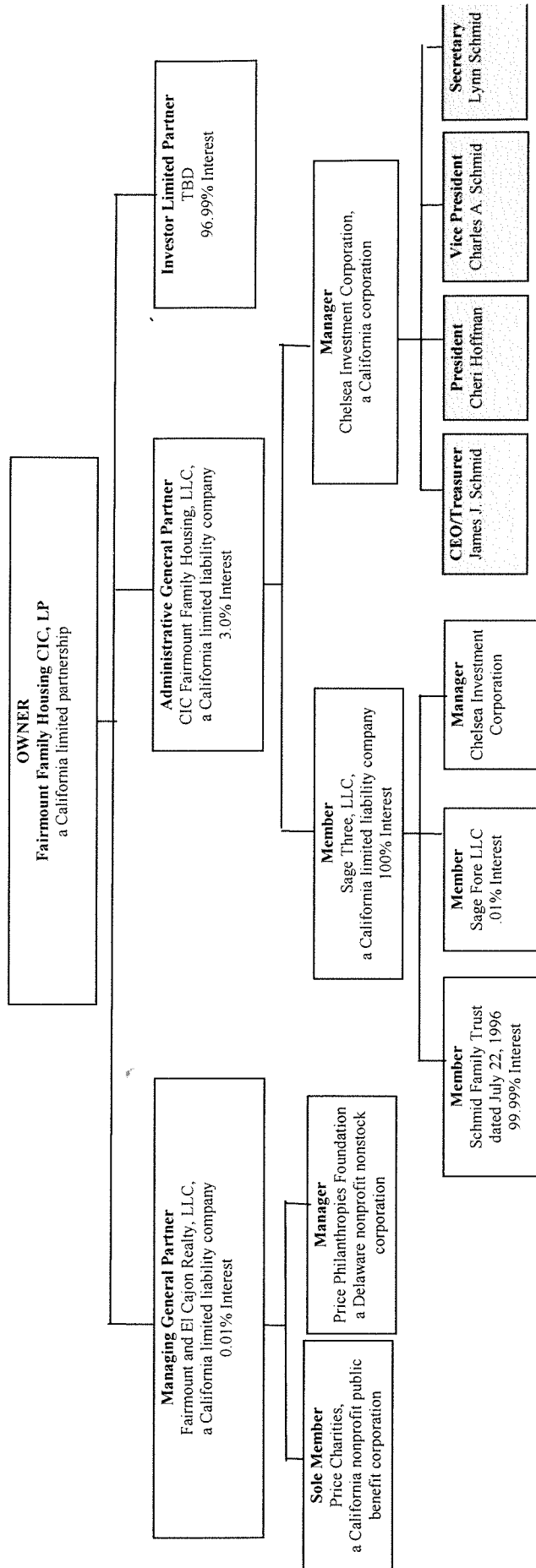
<b>Unit Type</b>	<b>AMI</b>	<b>Number of Units</b>	<b>CTCAC Gross Rents</b>
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3 Bedroom	60%	40	\$1,669
Subtotal	--	77	--
3 Bedroom Manager	--	1	--
		78	

## ATTACHMENT 2 – SITE MAP



# ATTACHMENT 3 – ORGANIZATION CHART

## EAST BLOCK FAMILY APARTMENTS



# ATTACHMENT 4 – DEVELOPER'S PROJECT PRO FORMA

## PROJECT SUMMARY

East Block 78 unit Family  
10/1/2019



### SOURCES AND USES SUMMARY

<u>Development Costs</u>	
<b>Acquisition</b>	
Land Cost	10
Entitlements	0
<b>Subtotal Acquisition</b>	<b>10</b>
<b>Hard Costs</b>	
Design Assist	0
Offices	\$4,076/unit
Sitework	\$7,235/unit
Parking	\$48,554/stall
Commercial	\$150,000/sf
Vertical Construction Costs	18,090,165
GC Contingency	\$8,754/unit
Overhead, Profit, General Conditions	3,282,160
Owner Hard Costs Contingency	\$17,132/unit
<b>Subtotal Hard Costs</b>	<b>\$359,775/unit</b>
<b>Subtotal</b>	<b>\$369,785/unit</b>
<b>A&amp;E</b>	
Financing Fees and Interest	1,714,640
Legal Fees	3,306,081
Reserves	265,000
Development Impact and Permit Fees	293,155
Developer Fee	2,145,629
Remaining Development Soft costs	5,183,393
Owner Soft Costs Contingency	450,102
<b>Subtotal Soft Costs</b>	<b>\$173,299/unit</b>
<b>Total Development Costs</b>	<b>\$543,073/unit</b>
<b>Cash Developer Fee</b>	<b>2,500,000</b>
<b>Sources</b>	
Federal LIHTC Equity	38%
State LIHTC Equity	0%
Developer's Equity Contribution	6%
Permanent Loan (Tranche A)	31%
Land Donation	0%
Deferred Developer Fee	0%
Nonprofit loan	12%
LIHTC	11%
<b>Residual Receipt Loans Accrued Interest</b>	<b>\$57,692/unit</b>
<b>Total Development Sources</b>	<b>\$57,692/unit</b>

### FINANCING ASSUMPTIONS

<u>Equity</u>	
Equity Pay In	Closing
Federal Tax Credit Price	6%
	92%
	0%
	8,609
	2%
	\$ 0.9950
4% Credit Rate	3.20%
LP Interest	96.99%
10 Yr Federal Tax Credits	16,531,569
<u>Debt</u>	
Opr. Exp./Unit/Year	5,472
Services/Unit/Year	256
Replacement Reserves/Unit/Year	375
Vacancy Rate	5.00%
DCR	1.15
Perm Loan Amort	35
Interest Rate - Permanent Loan	4.00%
Interest Rate - Construction Loan	4.50%
Tax- Exempt Bonds - Construction/Perm	12,890,000
Tax- Exempt Bonds - Construction	11,110,000
Taxable tail	2,845,235
Total Construction Loan	26,845,235
Bond Inducement	24,000,000
<u>Tax Credit Considerations</u>	
DDA/QCT Boost	130%
50% Test	67.55%
Housing Set Aside	large family
Prevailing Wage (State, Federal, Both):	No

### PRELIM DEVELOPMENT PROGRAMMING SUMMARY

City:	San Diego
MSA:	San Diego
4 Person 50% AMI:	
Site (acres):	Type III
Construction Type:	5
No. of Stories:	Podium
Parking Type:	78
No. of Stalls:	Pkg garage podium shared with senior project
Extraordinary Condi:	25,081
Impact Fees per Unit:	4% TCs
Financing Sources:	

PROJECT UNIT & INCOME MIX					
AMI	Studio	1BR	2BR	3BR	Totals
Sq. Ft.	380	520	750	1,000	
UA	\$0	\$0	\$75	\$99	69,750
60%	0	0	29	40	69
55%	0	0	0	0	0
50%	0	0	3	5	8
45%	0	0	0	0	0
40%	0	0	0	0	0
35%	0	0	0	0	0
30%	0	0	0	0	0
Mgr.	0	0	1	0	1
Totals	0	0	33	45	78

Tax Credit Allocation	10/16/19
Construction Begin - Initial Closing	1/1/20
Construction Complete	12/1/21
Lease Up Complete	3/1/22
Conversion/Stabilization	7/1/22
8609	10/1/22

**PROJECTED SOURCES AND USES OF FUNDS**

East Block 78 unit Family  
43/739

	Pre-Dev	Close	Quarter 1 5%	Quarter 2 5%	Quarter 3 10%	Quarter 4 15%	Quarter 5 15%	Quarter 6 26%	Quarter 7 20%	Quarter 8 10%	Construction Subtotal	Stabilization Emons	Conversion	8609	Total
<b>SOURCES OF FUNDS</b>															
Federal LIHTC Equity	0	957,228	-	-	-	-	-	-	-	-	957,228	-	14,677,495	319,076	15,953,799
State LIHTC Equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Developer's Equity Contribution		-	-	-	-	-	-	-	-	-	-	-	2,663,393	-	2,663,393
Construction Loan	1,349,825	-	-	3,554,967	2,580,697	3,566,726	3,690,935	4,737,228	4,792,333	2,572,525	26,845,235	(1,353,810)	(25,491,425)	-	12,880,000
Permanent Loan (Tranche A)		-	-	-	-	-	-	-	-	-	-	-	12,880,000	-	12,880,000
Deferred Developer Fee		-	-	-	-	-	-	-	-	-	-	-	(0)	-	(0)
PHF		4,500,000	-	-	-	-	-	-	-	-	4,500,000	-	-	-	4,500,000
Nonprofit loan		3,000,000	-	-	-	-	-	-	-	-	3,000,000	-	-	-	3,000,000
Residual Receipt Loans Accrued Interest	\$57,892,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Funds	1,349,825	8,457,228	56,250	3,611,217	2,635,947	3,622,976	3,747,185	4,793,478	4,848,563	2,628,775	35,752,463	759,690	4,749,463	319,076	41,579,692
			56,250	3,611,217	2,635,947	3,622,976	3,747,185	4,793,478	4,848,563	2,628,775	35,752,463	759,690	4,749,463	319,076	41,579,692
<b>USES OF FUNDS</b>															
<b>ACQUISITION</b>															
Land Cost	0	10	-	-	-	-	-	-	-	-	10	-	-	-	10
Legal & Carrying Costs		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Verifiable Carrying Costs		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Basis Eligible Acquisition Cost/ Entitlement		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other: Closing Costs	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Land / Acquisition		10,000	-	-	-	-	-	-	-	-	10,000	-	-	-	10,000
		10,010	-	-	-	-	-	-	-	-	10,010	-	-	-	10,010
<b>NEW CONSTRUCTION</b>															
Design Assist		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-site Improvements	\$	-	317,919	-	-	-	-	-	-	-	317,919	-	-	-	317,919
Commercial	\$	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Site Work		-	186,632	186,632	-	-	-	-	-	-	373,264	-	-	-	373,264
Parking Garage		-	1,893,592	1,893,592	1,809,017	2,713,525	3,618,033	3,618,033	3,618,033	1,809,017	18,090,165	-	-	-	18,090,165
Vertical	\$330,014,767	-	904,508	904,508	89,929	81,406	108,541	108,541	108,541	54,270	682,835	-	-	-	682,835
GC Contingency	3.0%	-	99,140	89,602	59,929	61,406	108,541	108,541	108,541	54,270	682,835	-	-	-	682,835
General Requirements	6.0%	-	204,227	184,580	123,455	167,696	223,594	223,594	223,594	111,797	1,406,640	-	-	-	1,406,640
Contractor Overhead	2.0%	-	66,076	61,527	41,152	55,899	74,531	74,531	74,531	37,266	468,860	-	-	-	468,860
Contractor Profit	6.0%	-	204,227	184,580	123,455	167,696	223,594	223,594	223,594	111,797	1,406,640	-	-	-	1,406,640
Contractor General Liability Insurance		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other:		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total New Construction	\$342,643,000	-	3,880,321	3,507,020	2,345,639	3,186,221	3,186,221	4,248,294	4,248,294	2,124,147	26,726,158	-	-	-	26,726,158
		-	3,880,321	3,507,020	2,345,639	3,186,221	3,186,221	4,248,294	4,248,294	2,124,147	26,726,158	-	-	-	26,726,158
<b>ARCHITECTURAL (incl in NC)</b>															
Building	999,210	133,228	9,992	9,992	19,984	29,976	29,976	39,968	39,968	19,984	1,332,280	-	-	-	1,332,280
Landscape	26,250	3,500	263	263	525	788	1,050	1,050	1,050	525	35,000	-	-	-	35,000
Energy Consultant	37,500	5,000	375	375	750	1,125	1,125	1,500	1,500	750	50,000	-	-	-	50,000
Other: Acoustic Study	4,250	-	-	-	-	-	-	-	-	-	4,250	-	-	-	4,250
Other: Traffic Study	4,800	-	-	-	-	-	-	-	-	-	4,800	-	-	-	4,800
Other:	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Architectural	1,072,010	141,728	10,630	10,630	21,259	31,889	31,889	42,518	42,518	21,259	1,426,330	-	-	-	1,426,330
		141,728	10,630	10,630	21,259	31,889	31,889	42,518	42,518	21,259	1,426,330	-	-	-	1,426,330
<b>SURVEY &amp; ENGINEERING</b>															
Civil including ALTA	80,640	11,520	1,152	1,152	2,304	3,456	3,456	4,608	4,608	2,304	115,200	-	-	-	115,200
ALTA	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Staking	0	-	1,440	1,440	2,880	4,320	4,320	5,760	5,760	2,880	28,800	-	-	-	28,800
Structural Testing	0	-	2,160	2,160	4,320	6,480	6,480	8,640	8,640	4,320	43,200	-	-	-	43,200
Soils	10,560	-	1,800	1,800	3,600	5,400	5,400	7,200	7,200	3,600	46,560	-	-	-	46,560
Other: Phase I, CASP, dry utility	38,675	6,000	494	494	988	1,481	1,481	1,975	1,975	988	54,550	-	-	-	54,550
Other:	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other:	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Survey & Engineering	129,875	17,520	7,046	7,046	14,092	21,137	21,137	28,183	28,183	14,092	288,310	-	-	-	288,310
		17,520	7,046	7,046	14,092	21,137	21,137	28,183	28,183	14,092	288,310	-	-	-	288,310
<b>CONTINGENCY COSTS</b>															
Hard Cost Contingency	9%	-	194,016	175,351	117,282	159,311	159,311	212,415	212,415	106,207	1,336,308	-	-	-	1,336,308
Soft Cost Contingency	3%	95,278	3,048	3,048	5,069	8,081	11,699	9,692	11,297	11,604	159,217	-	-	-	159,217
Total Contingency		95,278	197,064	178,399	122,351	167,392	171,010	222,107	223,712	117,812	1,495,524	-	-	-	1,495,524
		95,278	197,064	178,399	122,351	167,392	171,010	222,107	223,712	117,812	1,495,524	-	-	-	1,495,524
<b>CONSTRUCTION PERIOD EXPENSES</b>															
Construction Loan Interest	86	-	15,186	28,517	64,857	97,587	138,178	183,625	237,125	282,715	1,047,750	591,326	235,420	-	1,874,535
Soft Notes Interest	88	-	56,250	56,250	56,250	56,250	56,250	56,250	56,250	56,250	450,000	112,500	-	-	562,500
C Bond Interest	89	268,452	-	-	-	-	-	-	-	-	268,452	-	-	-	268,452
Origination Fee	90	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit Enhancement & Application Fee	91	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Owner Paid Bonds	92	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lender Inspection Fees	93	-	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	60,000	-	-	-	60,000
Taxes During Construction	94	7,500	-	-	-	-	-	-	-	-	7,500	-	-	-	7,500
Other: Application Fee	95	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance During Construction	96	175,000	-	-	-	-	-	-	-	-	175,000	-	-	-	175,000
Title and Recording Fees	97	40,000	-	-	-	-	-	-	-	-	40,000	-	-	-	40,000
Construction Mgmt. and Monitoring	98	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Preddevelopment Loan Interest	99	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other: Engineering/Planning services and review	100	20,000	-	-	-	-	-	-	-	-	20,000	-	-	-	20,000
Other:	101	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Construction Period Expense	102	535,952	83,936	97,267	133,607	166,337	206,928	252,375	305,875	351,465	2,153,742	703,826	235,420	-	3,092,988
	103	535,952	83,936	97,267	133,607	166,337	206,928	252,375	305,875	351,465	2,153,742	703,826	235,420	-	3,092,988



**PROJECTED SOURCES AND USES OF FUNDS**

East Block 78 unit Family  
43,739

	Pre-Dev	Construction Period						Construction Subtotal	Stabilization Gross	Conversion	8609	Total
		Close	Quarter 1 5%	Quarter 2 5%	Quarter 3 10%	Quarter 4 15%	Quarter 5 15%	Quarter 6 20%	Quarter 7 20%	Quarter 8 10%		
104 PERMANENT FINANCING EXPENSES												
105 Loan Origination Fees	6.65%	-	-	-	-	-	-	-	-	10,000	-	10,000
106 Credit Enhancement & Application Fee		-	-	-	-	-	-	-	-	-	-	-
107 Title and Recording Fees		-	-	-	-	-	-	-	-	7,500	-	7,500
108 Property Taxes		-	-	-	-	-	-	-	-	-	-	-
109 Insurance		-	-	-	-	-	-	-	-	50,000	-	50,000
110 Other: Issuer Fee	0.255%	63,729	-	-	-	-	-	-	-	-	-	63,729
111 Other: Financial Advisor		50,000	-	-	-	-	-	-	-	31,864	-	81,864
112 Total Permanent Financing		113,729	-	-	-	-	-	-	-	81,864	-	195,593
113												213,093
114 LEGAL FEES												
115 Construction Lender Legal		60,000	-	-	-	-	-	-	-	-	-	60,000
116 Permanent Lender Legal (Citi sub loan)		-	-	-	-	-	-	-	-	7,500	-	7,500
117 Sponsor Legal	0	62,500	-	-	-	-	-	-	-	-	-	62,500
118 Organizational Legal		50,000	-	-	-	-	-	-	-	-	-	50,000
119 Other Legal (Issuer Legal, Bond Counsel)		60,000	-	-	-	-	-	-	-	-	-	60,000
120 Other: GP Legal		-	-	-	-	-	-	-	-	-	-	-
121 Other: GP Legal		25,000	-	-	-	-	-	-	-	-	-	25,000
122 Total Legal Fees		257,500	-	-	-	-	-	-	-	7,500	-	265,000
123 CAPITALIZED RESERVES												
124 Operating Reserve		-	-	-	-	-	-	-	-	293,026	-	293,026
125 Replacement Reserve	3 months	-	-	-	-	-	-	-	-	-	-	-
126 Rent-up Reserve		-	-	-	-	-	-	-	-	-	-	-
127 Transition Reserve (2 years)		-	-	-	-	-	-	-	-	-	-	-
128 Other: Prepaid HOA		-	-	-	-	-	-	-	-	-	-	-
129 Other: Capitalized LP Fee		-	-	-	-	-	-	-	-	-	-	-
130 Total Reserves		-	-	-	-	-	-	-	-	293,026	-	293,026
131												
132 REPORTS & STUDIES												
133 Market Study		10,000	-	-	-	-	-	-	-	-	-	10,000
134 Relocation Plan and Consulting		-	-	-	-	-	-	-	-	-	-	-
135 Appraisal		10,000	-	-	-	-	-	-	-	-	-	10,000
136 Environmental		7,500	-	-	-	-	-	-	-	-	-	7,500
137 Other: Lender Deposit		-	-	-	-	-	-	-	-	-	-	-
138 Other: Investor Deposit		-	-	-	-	-	-	-	-	-	-	-
139 Other: Solis Report		-	-	-	-	-	-	-	-	-	-	-
140 Other: Phase I		-	-	-	-	-	-	-	-	-	-	-
141 Total Reports & Studies		27,500	-	-	-	-	-	-	-	293,026	-	320,526
142												
143 OTHER												
144 TCAC App./Alloc/Monitoring Fees		18,532	-	-	-	-	-	-	-	31,570	-	50,102
145 CDLAC/CDIAC Fees	0.05%	6,500	-	-	-	-	-	-	-	-	-	6,500
146 Local Permit Fees	\$2,427/unit	85,360	-	-	-	-	-	-	-	-	-	85,360
147 Local Development Impact Fees	\$25,067/unit	1,956,329	-	-	-	-	-	-	-	-	-	1,956,329
148 Legal and Financial Review		100,000	-	-	-	-	-	-	-	-	-	100,000
149 Syndicator/Investor Fees & Expenses		-	-	-	-	-	-	-	-	-	-	-
150 Furnishings		-	-	-	-	-	-	-	-	-	-	-
151 Final Cost Audit Expense		-	-	-	-	-	-	-	-	-	-	-
152 Marketing		-	-	-	-	-	-	-	-	15,000	-	15,000
153 MGP Services Fee		-	-	-	-	-	-	-	-	8,000	-	8,000
154 SDHC Ap. Orig. Servicing, Legal, Const Review		-	-	-	-	-	-	-	-	-	-	-
155 Accounting/Finance/Admin		25,000	-	-	-	-	-	-	-	-	-	25,000
156 Other: CPA Opinion		4,000	-	-	-	-	-	-	-	-	-	4,000
157 Bond Performance Deposit		-	-	-	-	-	-	-	-	-	-	-
158 Total Other Costs		2,195,721	-	-	-	50,000	130,000	-	-	31,570	-	2,356,291
159												
160 DEVELOPER COSTS												
161 Developer Fee		750,000	-	-	-	-	-	-	-	4,114,317	319,076	5,183,393
162 Consultant/Processing Agent		-	-	-	-	-	-	-	-	-	-	-
163 Project Administration		-	-	-	-	-	-	-	-	-	-	-
164 Syndication Consultant		-	-	-	-	-	-	-	-	-	-	-
165 Guarantees Fees		-	-	-	-	-	-	-	-	-	-	-
166 Broker Fees Paid to Related Party		-	-	-	-	-	-	-	-	-	-	-
167 Construction Oversight & Mgmt		-	-	-	-	-	-	-	-	-	-	-
168 Total Developer Costs		750,000	-	-	-	-	-	-	-	4,114,317	319,076	5,183,393
169												
170												
171 Total Uses of Funds		4,144,937	4,178,996	3,800,762	2,636,947	3,622,976	3,747,185	4,793,478	4,846,583	2,628,775	319,076	41,578,562
172												

# OPERATING BUDGET & INCOME ANALYSIS

East Block 78 unit Family

Rent:	Restriction	%AMI	Units	Square Feet/Unit	Total Sq. Ft.	Gross Rents	Utility Allowance	Monthly Net Rent	Annual Rent
2BR/1BA	LIHTC	60%	29	750	21,750	\$ 1,444	\$ 75	\$ 1,369	\$ 476,238
2BR/1BA	LIHTC	50%	3	750	2,250	\$ 1,203	\$ 75	\$ 1,128	\$ 40,599
2BR/1BA	LIHTC	40%	0	750	0	\$ -	\$ 75	\$ -	\$ -
2BR/1BA	LIHTC	30%	0	750	0	\$ -	\$ 75	\$ -	\$ -
3BR/2BA	LIHTC	60%	40	1,000	40,000	\$ 1,669	\$ 99	\$ 1,570	\$ 753,696
3BR/2BA	Bond	50%	5	1,000	5,000	\$ 1,337	\$ 99	\$ 1,238	\$ 74,280
3BR/2BA	LIHTC	40%	0	1,000	0	\$ -	\$ 99	\$ -	\$ -
3BR/2BA	LIHTC	30%	0	1,000	0	\$ -	\$ 99	\$ -	\$ -
2BR/1BA	LIHTC	MGR	1	1,000	1,000	\$ -	\$ -	\$ -	\$ -
					0	\$ -			
Total Rents					78	70,000			1,344,813
Community Room/Office						2,750			
Commercial Space						3,200			
% Loss to Efficiency						3%	2,700		
Construction Square Feet						78,650			
Income from Operations									
					PUPM				
Laundry					\$ 16.00				14,976
Other Income (App. Fees, Late, etc.)					\$ 4.00				3,744
Garage					\$ -	0	Garages		0
Cable & Highspeed Data Income					\$ -				0
Telephone Income					\$ -				0
Sub-Total					\$ 20.00				1,363,533
Less: Vacancies @					5%				68,177
Commercial Income									0
Less: Vacancies @					25%				0
Total Income									1,295,356
Operating Expenses									
					PUPA				
Admin					\$ 527				41,106
Management Fee					\$ 600				46,800
Utilities					\$ 1,268				98,904
Payroll					\$ 1,424				111,072
Repair & Maintenance					\$ 1,162				90,636
Insurance					\$ 190				14,820
Taxes					\$ 51				4,000
HOA					\$ 250				19,500
Total Expenses					\$ 5,472				426,838
Net Operating Income									868,518
Reserves									
					\$375.00/unit	\$375 if IHTF			29,250
Services					\$256/unit				20,000
Issuer and Monitoring Fees					0.125% add \$4k if IHTF				31,663
Mandatory Debt Service					0.420%				0
Net Income Available for Debt Service									787,806
								DSC TEST	1.15

Loan Sizing	Tranche A	Tranche B	Tranche C
Loan Amount	12,880,000	0	0
Interest	4.00%	4.00%	
Term	15	35	
Amortization	35	35	
Debt Service Coverage	1.15	1.15	
Monthly Payment	57,029	0	
Annual Payment	684,353	0	
Cash Flow After D/S	103,253	787,806	

**TAX CREDITS & BASIS CALCULATION**  
East Block 76 Unit Family

DESCRIPTION OF COSTS	ACTUAL OR EST. OF COSTS	70% ELIGIBLE BASIS	30% ELIGIBLE BASIS
<b>ACQUISITION</b>			
Land Cost	\$ 10	XXXXXX	XXXXXX
Demolition	-	XXXXXX	XXXXXX
Legal & Carrying Costs	-	XXXXXX	XXXXXX
Land Lease Rent Prepayment	-	XXXXXX	XXXXXX
Verifiable Carrying Costs	-	XXXXXX	XXXXXX
Existing Improvement Costs	-	XXXXXX	XXXXXX
Other: Closing Costs	\$ 10,000	XXXXXX	XXXXXX
<b>TOTAL LAND/ACQUISITION COSTS</b>	<b>\$ 10,010</b>	<b>\$ -</b>	<b>\$ -</b>
<b>REHABILITATION</b>			
On-Site Improvements	\$ -	-	\$ -
Environmental Remediation	\$ -	-	\$ -
Site Work	\$ -	-	\$ -
Structures	\$ -	-	\$ -
General Requirements	\$ -	-	\$ -
Contractor Overhead	\$ -	-	\$ -
Contractor Profit	\$ -	-	\$ -
Contractor General Liability Insurance	\$ -	-	\$ -
Other:	\$ -	-	\$ -
<b>TOTAL REHABILITATION COSTS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>RELOCATION</b>			
Temporary Relocation	\$ -	-	\$ -
Permanent Relocation	\$ -	-	\$ -
<b>TOTAL RELOCATION COSTS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NEW CONSTRUCTION</b>			
Design Asset	\$ -	-	\$ -
Off-site Improvements	\$ 317,919	-	\$ 317,919
Commercial	\$ -	-	\$ -
Site Work	\$ 565,896	-	\$ 565,896
Parking Garage	\$ 3,787,183	-	\$ 3,787,183
Vertical	\$ 18,845,153	-	\$ 18,845,153
CC Contingency	\$ 548,835	-	\$ 548,835
General Requirements	\$ 1,406,640	-	\$ 1,406,640
Contractor Overhead	\$ 468,880	-	\$ 468,880
Contractor Profit	\$ 1,406,640	-	\$ 1,406,640
Contractor General Liability Insurance	\$ -	-	\$ -
Other:	\$ -	-	\$ -
<b>TOTAL NEW CONSTRUCTION</b>	<b>\$ 26,726,158</b>	<b>\$ -</b>	<b>\$ 26,726,158</b>
<b>ARCHITECTURAL FEES</b>			
Building	\$ 1,332,280	-	\$ 1,332,280
Landscape	\$ 35,000	-	\$ 35,000
Utility Consultant	\$ 50,000	-	\$ 50,000
Other: Geotech Study	\$ 4,250	-	\$ 4,250
Other: Traffic Study	\$ 4,800	-	\$ 4,800
Other:	\$ -	-	\$ -
<b>TOTAL ARCHITECTURAL COSTS</b>	<b>\$ 1,426,330</b>	<b>\$ -</b>	<b>\$ 1,426,330</b>
<b>SURVEY &amp; ENGINEERING</b>			
Civil including ALTA	\$ 115,200	-	\$ 115,200
ALTA	\$ -	-	\$ -
Staking	\$ 28,800	-	\$ 28,800
Structural Testing	\$ 43,200	-	\$ 43,200
Soils	\$ 46,560	-	\$ 46,560
Other: Phase I: CASP, dry utility	\$ 54,550	-	\$ 54,550
Other:	\$ -	-	\$ -
<b>TOTAL SURVEY &amp; ENGINEERING</b>	<b>\$ 288,310</b>	<b>\$ -</b>	<b>\$ 288,310</b>
<b>CONTINGENCY COSTS</b>			
Hard Cost Contingency	\$ 1,336,308	-	\$ 1,336,308
Soft Cost Contingency	\$ 159,217	-	\$ 159,217
<b>TOTAL CONTINGENCY COSTS</b>	<b>\$ 1,495,524</b>	<b>\$ -</b>	<b>\$ 1,495,524</b>
<b>CONSTRUCTION PERIOD EXPENSES</b>			
Construction Loan Interest	\$ 1,874,535	-	\$ 1,874,535
Soft Loan Interest	\$ 562,500	-	\$ 562,500
C Bond Interest	\$ -	-	\$ -
Origination Fee	\$ 268,452	-	\$ 268,452
Credit Enhancement & Application Fee	\$ -	-	\$ -
Owner Paid Bonds	\$ -	-	\$ -
Lender Inspection Fees	\$ 60,000	-	\$ 60,000
Taxes During Construction	\$ 7,300	-	\$ 7,300
Revealing Pile Monitoring	\$ -	-	\$ -
Insurance and Contingency	\$ 175,000	-	\$ 175,000
Title and Recording Fees	\$ 40,000	-	\$ 40,000
Construction Management & Testing	\$ -	-	\$ -
Predevelopment Loan Interest	\$ -	-	\$ -
Other: Engineering/Planning services and review	\$ 105,000	-	\$ 105,000
Other:	\$ -	-	\$ -
<b>TOTAL CONSTRUCTION PERIOD EXPENSE</b>	<b>\$ 3,092,988</b>	<b>\$ -</b>	<b>\$ 3,092,988</b>
<b>PERMANENT FINANCING EXPENSES</b>			
Loan Origination Fee	\$ 10,000	-	\$ 10,000
Credit Enhancement & Application Fee	\$ -	-	\$ -
Title and Recording Fees	\$ 7,500	-	\$ 7,500
Property Taxes	\$ -	-	\$ -
Insurance	\$ 50,000	-	\$ 50,000
Other: Issuer Fee	\$ 95,993	-	\$ 95,993
<b>TOTAL PERMANENT FINANCING EXPENSES</b>	<b>\$ 162,493</b>	<b>\$ -</b>	<b>\$ 162,493</b>

Other Financial Advisor	\$	50,000	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX
<b>TOTAL PERMANENT FINANCING COSTS</b>	<b>\$</b>	<b>219,093</b>	<b>\$</b>	<b>-</b>
<b>LEGAL FEES</b>				
Construction Lender Legal	\$	60,000		\$ 60,000
Permanent Lender Legal	\$	7,500		XXXXXXXXXXXXXX
Sponsor Legal	\$	62,500		\$ 62,500
Organizational Legal	\$	50,000		XXXXXXXXXXXXXX
Bond Legal	\$	60,000		XXXXXXXXXXXXXX
CPA Opinion	\$	-		\$ -
Other GP Legal	\$	25,000		\$ 25,000
<b>TOTAL LEGAL</b>	<b>\$</b>	<b>265,000</b>	<b>\$</b>	<b>147,500</b>
<b>CAPITALIZED RESERVES</b>				
Operating Reserve	\$	293,155	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX
Replacement Reserve	\$	-	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX
Relief Reserve	\$	-	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX
Transition Reserve	\$	-	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX
Other Prepaid HOA	\$	-	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX
Other Capitalized LP Fee	\$	-	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX
<b>TOTAL RESERVE COSTS</b>	<b>\$</b>	<b>293,155</b>	<b>\$</b>	<b>-</b>
<b>REPORTS &amp; STUDIES</b>				
Appraisal	\$	10,000		\$ 10,000
Market Study	\$	10,000		\$ 10,000
Physical Needs Assessment	\$	7,500		\$ 7,500
Environmental Studies	\$	-		\$ -
Other Lender Disposit	\$	-		\$ -
Other Investor Deposit	\$	-		\$ -
Other Sells Report	\$	-		\$ -
Other Phase I	\$	-		\$ -
<b>TOTAL REPORTS &amp; STUDIES</b>	<b>\$</b>	<b>27,500</b>	<b>\$</b>	<b>27,500</b>
<b>OTHER EXPENSES</b>				
TOC/CM Fee/ Monitoring Fee	\$	50,100	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX
CDLAC/CDIAC Fees	\$	6,500		XXXXXXXXXXXXXX
Local Permit Fees	\$	189,300		\$ 189,300
Local Development Impact Fees	\$	1,956,329		\$ 1,956,329
Legal and Financial Review	\$	100,000		\$ 100,000
Syndicator/Investor Fees & Expenses	\$	-	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX
Furnishings	\$	100,000		\$ 100,000
Final Cost Audit Expense	\$	15,000		\$ 15,000
Marketing	\$	68,000	XXXXXXXXXXXXXX	XXXXXXXXXXXXXX
MGP Services Fee	\$	-		\$ -
SHHC Ab Orig. Servicing Legal Const Review	\$	25,000		\$ 25,000
Business Insurance Admin	\$	20,000		\$ 20,000
Other CPA Opinion	\$	-		\$ -
<b>TOTAL OTHER COSTS</b>	<b>\$</b>	<b>2,558,231</b>	<b>\$</b>	<b>2,413,629</b>
<b>DEVELOPER COSTS</b>				
Developer Fee Limit - Per Application	\$	2,500,000	\$	-
Developer Fee Calculation	\$	5,183,393	\$	-
Developer Fee	\$	5,183,393	\$	-
Consultant/Processing Agent	\$	-		\$ -
Project Administration	\$	-		\$ -
Site Preparation Consultant	\$	-		\$ -
Guarantee Fees	\$	-		\$ -
Broker Fees Paid to Related Party	\$	-		\$ -
Construction Oversight & Mgmt	\$	-		\$ -
<b>TOTAL DEVELOPER FEE</b>	<b>\$</b>	<b>5,183,393</b>	<b>\$</b>	<b>5,183,393</b>
<b>TOTAL RESIDENTIAL COSTS</b>	<b>\$</b>	<b>41,579,692</b>	<b>\$</b>	<b>39,739,348</b>
<b>TOTAL COMMERCIAL COSTS</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>
<b>TOTAL PROJECT AND BASIS COSTS</b>	<b>\$</b>	<b>41,579,692</b>	<b>\$</b>	<b>39,739,348</b>
Adjustment for Excess Basis				\$ -
Additional Amount Voluntarily Excluded From Basis				\$ -
Requested Undadjusted Eligible Basis		\$		\$ 39,739,348
<b>130% DIFFICULT DEVELOPMENT FACTOR?</b>		Tract #	Net Avail.	Y
Credit Reduction				3.97% \$
Total Adjusted Qualified Basis				\$ 51,661,150
<b>TX CREDITS @ % LI Eligible @ TX Credit RT</b>		100.00%	\$	3.20%
<b>TX CREDITS @ % LI Eligible</b>			\$	3.25
<b>TX CREDITS OVER TEN YEARS</b>			\$	-
<b>TX CREDIT EOY @ UCR @ % Investment</b>		0.9950	99.99%	\$ 16,531,669
State Tax Credits - 13% of Eligible Basis & Over 4 Yrs		0.000%	15.00%	\$ -
State Tax Credits Equity		0.8000	96.99%	\$ -
Solar Credits - 30% of Eligible Basis		30.00%	96.99%	\$ -
Solar Equity				\$ -
Solar Rebates				\$ -

**OPERATIONAL CASH FLOW**

East Block 78 unit Family

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Gross Revenue	1,363,533	1,397,621	1,432,552	1,468,376	1,505,085	1,542,712	1,581,280	1,620,812	1,661,333	1,702,895	1,745,438	1,789,073	1,833,800	1,879,645	1,926,636	1,974,802
51.2019	(68,177)	(69,881)	(71,628)	(73,419)	(75,254)	(77,138)	(79,064)	(81,041)	(83,057)	(85,123)	(87,242)	(89,407)	(91,619)	(93,872)	(96,170)	(98,512)
Net Revenue	1,295,356	1,327,740	1,360,924	1,394,957	1,429,831	1,465,574	1,502,216	1,539,772	1,578,276	1,617,772	1,658,196	1,699,620	1,742,180	1,785,663	1,830,305	1,876,062
Operating Expenses	426,638	441,777	457,240	473,243	489,806	506,950	524,693	543,057	562,064	581,736	602,097	623,171	644,982	667,556	690,920	715,103
Net Operating Income	868,718	885,963	903,684	921,714	940,025	958,624	977,523	996,715	1,016,212	1,035,986	1,055,068	1,074,449	1,093,193	1,111,807	1,130,384	1,149,960
Replacement Reserves	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250
Services	20,000	20,700	21,425	22,174	22,950	23,754	24,585	25,446	26,336	27,258	28,212	29,199	30,221	31,279	32,374	33,507
Cash Available to Debt Service	819,268	835,013	853,029	870,290	887,824	905,623	923,688	942,019	960,616	979,478	998,607	1,018,000	1,037,657	1,057,578	1,077,760	1,098,203
Principal and Interest	684,884	684,353	684,353	684,353	684,353	684,353	684,353	684,353	684,353	684,353	684,353	684,353	684,353	684,353	684,353	684,353
Interest and SDHC Monitoring Fee	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650
HTF Monitoring fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Managing GP Fee	25,000	25,875	26,761	27,716	28,688	29,692	30,731	31,807	32,920	34,072	35,265	36,499	37,777	39,099	40,467	41,884
Net Project Cash Flow	81,314	98,135	114,236	130,569	147,133	163,929	180,954	198,209	215,693	233,403	251,339	269,498	287,878	306,476	325,290	344,316
TCAC Gross Revenue Test	1.16	1.19	1.21	1.23	1.26	1.28	1.31	1.34	1.36	1.39	1.42	1.45	1.48	1.50	1.53	1.56
TCAC Debt Service Test	7.83%	8.87%	9.84%	10.76%	11.65%	12.55%	13.39%	14.19%	14.95%	15.71%	16.42%	17.10%	17.76%	18.39%	18.98%	19.56%
UNR Operating Expense Test	\$ 17,425	\$ 18,068	\$ 18,718	\$ 19,384	\$ 20,066	\$ 20,764	\$ 21,478	\$ 22,207	\$ 22,951	\$ 23,710	\$ 24,484	\$ 25,273	\$ 26,077	\$ 26,896	\$ 27,730	\$ 28,579
	18.15%	22.27%	24.98%	27.59%	30.04%	32.34%	34.49%	36.50%	38.38%	40.12%	41.74%	43.25%	44.63%	45.91%	47.08%	48.15%
Distributions:																
LP Fee	7,500	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501	9,786	10,079	10,382	10,693	11,014	11,344	11,685
Deferred Developer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Available After Deferred Fee Pay	74,234	90,410	106,280	122,374	138,692	155,234	171,999	188,985	206,192	223,617	241,260	259,116	277,185	295,462	313,946	332,632
Nonprofit loan	19,535	23,792	27,966	32,204	36,498	40,851	45,263	49,733	54,261	58,847	63,489	68,188	72,943	77,753	82,617	87,535
HTF loan	17,582	21,413	25,172	28,983	32,848	36,766	40,737	44,760	48,835	52,962	57,140	61,370	65,649	69,978	74,356	78,781
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow Available After Soft Loan Loans	37,117	45,205	53,140	61,187	69,346	77,617	85,999	94,493	103,096	111,809	120,630	129,568	138,692	147,721	156,973	166,316
GP Partnership Admin Fee (90% of Cash Flow)	33,405	40,685	47,626	55,068	62,411	69,855	77,389	85,043	92,786	100,628	108,567	116,602	124,733	132,958	141,276	149,684
Cash Flow Available after Partnership Admin Fee	3,712	4,521	5,514	6,119	6,935	7,762	8,600	9,449	10,310	11,181	12,063	12,956	13,859	14,773	15,697	16,632
LP Distribution	3,600	4,384	5,154	5,935	6,726	7,528	8,341	9,165	9,999	10,844	11,700	12,566	13,442	14,328	15,225	16,131
GP Distribution	112	136	160	184	209	234	259	284	310	337	363	390	417	445	472	501
Remaining Cash Flow After Partnership Distribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

**OPERATIONAL CASH FLOW**  
East Block 78 unit Family

	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	
Gross Revenue	2.50%	2,024,172	2,074,777	2,126,646	2,178,812	2,234,308	2,290,165	2,347,419	2,408,105	2,466,258	2,527,914	2,591,112	2,655,890	2,722,287	2,790,344	2,860,103	2,931,605	3,004,895	3,080,018
	5%	(101,209)	(103,739)	(106,332)	(108,991)	(111,715)	(114,508)	(117,371)	(120,305)	(123,313)	(126,395)	(129,556)	(132,794)	(136,114)	(139,517)	(143,005)	(146,580)	(150,245)	(154,001)
	Net Revenue	1,922,964	1,971,038	2,020,314	2,070,822	2,122,592	2,175,657	2,230,048	2,288,800	2,342,945	2,401,518	2,461,556	2,523,095	2,586,173	2,650,827	2,717,097	2,785,025	2,854,651	2,926,017
Operating Expenses	3.50%	740,131	756,036	792,847	820,597	849,317	879,044	909,810	941,653	974,611	1,008,723	1,044,028	1,080,569	1,118,389	1,157,533	1,198,046	1,238,978	1,283,377	1,328,295
Net Operating Income		1,182,833	1,205,002	1,227,467	1,250,225	1,273,275	1,296,613	1,320,238	1,344,146	1,368,333	1,392,795	1,417,528	1,442,526	1,467,784	1,493,294	1,519,051	1,545,047	1,571,273	1,597,722
Replacement Reserves	0.00%	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250
Services	3.50%	34,680	35,684	37,150	38,450	39,796	41,189	42,630	44,122	45,667	47,265	48,919	50,631	52,403	54,238	56,136	58,101	60,134	62,239
Cash Available to Debt Service		1,118,903	1,139,859	1,161,067	1,182,525	1,204,229	1,226,175	1,248,358	1,270,774	1,293,417	1,316,281	1,339,359	1,362,645	1,386,139	1,409,807	1,433,665	1,457,686	1,481,889	1,506,233
Principal and Interest	4.00%	684,353	684,353	684,353	684,353	684,353	684,353	684,353	684,353	684,353	684,353	684,353	684,353	684,353	684,353	684,353	684,353	684,353	684,353
Lease and SDHC Monitoring Fee	0.00%	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650
HTF Monitoring fee	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Managing GP Fee	3.50%	43,350	44,867	46,437	48,063	49,745	51,486	53,288	55,153	57,083	59,081	61,149	63,289	65,504	67,797	70,170	72,626	75,168	77,799
Net Project Cash Flow		363,551	362,989	402,627	422,460	442,482	462,686	483,068	503,618	524,331	545,197	566,207	587,353	608,623	630,007	651,493	673,068	694,719	716,432
TCAC Gross Revenue Test	no more than 2% in year 15 if DSCR = 125% or 8% Int																		
TCAC Debt Service Test	8%																		
UNR Operating Expense Test	<= 1.20 DSCR or 12% cash flow to expense ratio																		
Distributions:																			
LP Fee	7.50%																		
Deferred Developer Fee	3.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Available After Deferred Fee Pay	50% of cash flow	363,551	362,989	402,627	422,460	442,482	462,686	483,068	503,618	524,331	545,197	566,207	587,353	608,623	630,007	651,493	673,068	694,719	716,432
Nonprofit loan	24.3% of Avail Cashflow	95,671	100,787	105,955	111,174	116,443	121,760	127,123	132,531	137,982	143,473	149,002	154,567	160,164	165,791	171,446	177,123	182,821	188,535
HTF loan	23.7% of Avail Cashflow	86,104	90,708	95,359	100,056	104,798	109,584	114,411	119,278	124,184	129,126	134,102	139,110	144,148	149,212	154,301	159,411	164,539	169,681
Other	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow Available After Soft Loan Loans	100.00%	181,775	191,495	201,314	211,230	221,241	231,343	241,534	251,809	262,165	272,598	283,104	293,676	304,312	315,004	325,746	336,534	347,360	358,216
GP Partnership Admin Fee (90% of Cash Flow)	90.00%	163,598	172,345	181,182	190,107	199,117	208,209	217,380	226,628	235,949	245,339	254,793	264,309	273,880	283,503	293,172	302,881	312,624	322,394
Cash Flow Available After Partnership Admin Fee		18,178	19,149	20,131	21,123	22,124	23,134	24,153	25,181	26,217	27,260	28,310	29,368	30,431	31,500	32,575	33,653	34,736	35,822
LP Distribution	96.99%	17,630	18,573	19,575	20,487	21,458	22,438	23,426	24,423	25,427	26,439	27,458	28,484	29,515	30,552	31,594	32,640	33,690	34,743
GP Distribution	3.01%	547	576	606	636	666	696	727	758	789	821	852	884	916	948	980	1,013	1,046	1,078
Remaining Cash Flow After Partnership Distribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

**OPERATIONAL CASH FLOW**  
East Block 78 unit Family

	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	
Gross Revenue	2.50%	3,157,018	3,235,944	3,316,842	3,399,763	3,484,757	3,571,876	3,661,173	3,752,702	3,846,520	3,942,693	4,041,250	4,142,281	4,245,938	4,351,984	4,460,784	4,572,304	4,686,611	4,803,776
5.1.2019	5%	(157,851)	(161,797)	(165,842)	(169,984)	(174,238)	(178,594)	(183,053)	(187,615)	(192,278)	(197,134)	(202,092)	(207,154)	(212,332)	(217,599)	(223,039)	(228,615)	(234,331)	(240,189)
Net Revenue		2,999,167	3,074,146	3,151,000	3,229,775	3,310,519	3,393,282	3,478,114	3,565,087	3,654,194	3,745,549	3,839,188	3,935,167	4,033,546	4,134,385	4,237,745	4,343,688	4,452,281	4,563,588
Operating Expenses	3.50%	1,374,786	1,422,903	1,472,705	1,524,249	1,577,598	1,632,814	1,689,963	1,749,111	1,810,330	1,873,692	1,939,271	2,007,145	2,077,395	2,150,104	2,225,358	2,303,245	2,383,959	2,467,294
<u>Net Operating Income</u>	0.00%	1,624,382	1,651,243	1,678,295	1,705,526	1,732,921	1,760,468	1,788,152	1,815,956	1,843,864	1,871,857	1,899,917	1,928,022	1,956,151	1,984,281	2,012,387	2,040,443	2,068,422	2,096,294
Replacement Reserves	0.00%	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250
Services	3.50%	64,417	66,672	69,005	71,421	73,920	76,507	79,185	81,957	84,825	87,794	90,867	94,047	97,339	100,746	104,272	107,921	111,699	115,608
<u>Cash Available to Debt Service</u>		1,530,714	1,555,322	1,580,040	1,604,855	1,629,751	1,654,711	1,679,717	1,704,749	1,729,789	1,754,813	1,779,800	1,804,725	1,829,562	1,854,285	1,878,965	1,903,272	1,927,472	1,951,436
Principal and Interest	4.00%	684,353	684,353	129,749	1,556	(125)	10	(1)	0	(0)	0	(0)	0	(0)	0	0	0	0	0
Issuer and SDHC Monitoring Fee	0.00%	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650	27,650
HTF Monitoring fee	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Managing GP Fee	3.50%	80,522	83,340	86,257	89,278	92,400	95,634	98,981	102,446	106,031	109,743	113,584	117,559	121,674	125,932	130,340	134,902	139,623	144,510
<u>Net Protect Cash Flow</u>		738,190	759,979	1,336,285	1,486,373	1,509,825	1,531,417	1,553,086	1,574,654	1,596,107	1,617,421	1,638,566	1,659,516	1,680,239	1,700,703	1,720,875	1,740,720	1,760,200	1,779,276
TCAC Gross Revenue Test	DSCR	2.20	2.23	11.96	1,013.32	(12,866.42)	163,335.96	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####
TCAC Debt Service Test	8%	25.93%	26.06%	42.89%	46.35%	45.98%	45.55%	45.12%	44.69%	44.25%	43.81%	43.38%	42.90%	42.44%	41.97%	41.50%	41.02%	40.54%	40.05%
UMR Operating Expense Test	12%	53.69%	53.41%	90.74%	97.52%	95.70%	93.79%	91.90%	90.03%	88.17%	86.32%	84.49%	82.66%	80.88%	79.10%	77.33%	75.58%	73.84%	72.11%
Distributions:																			
LP Fee	3.00%																		
Deferred Developer Fee	3.00%																		
<u>Cash Available After Deferred Fee Pay</u>		738,190	759,979	1,336,285	1,486,373	1,509,825	1,531,417	1,553,086	1,574,654	1,596,107	1,617,421	1,638,566	1,659,516	1,680,239	1,700,703	1,720,875	1,740,720	1,760,200	1,779,276
Nonprofit loan	3.00%	194,261	199,995	351,680	391,151	397,322	403,004	408,707	414,383	420,028	425,637	431,202	436,715	442,168	447,553	452,862	458,084	463,210	468,230
HTF loan	3.00%	174,835	178,985	316,512	352,036	357,580	362,704	367,836	372,944	378,025	383,073	388,062	393,043	397,951	402,788	407,576	412,276	416,889	421,407
Other	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<u>Cash Flow Available After Soft Loan Loans</u>	100.00%	369,095	378,990	568,192	743,187	754,913	765,708	776,543	787,327	798,054	808,710	819,283	829,758	840,119	850,352	860,438	870,360	880,100	889,638
GP Partnership Admin Fee (90% of Cash Flow)	90.00%	332,186	341,991	601,373	668,868	679,421	689,138	698,889	708,594	718,246	727,839	737,355	746,782	756,107	765,316	774,394	783,324	792,090	800,674
<u>Cash Flow Available after Partnership Admin Fee</u>		36,910	37,999	66,819	74,319	75,491	76,571	77,654	78,733	79,805	80,871	81,928	82,976	84,012	85,035	86,044	87,036	88,010	88,964
LP Distribution	96.99%	35,759	36,855	64,808	72,082	73,219	74,266	75,317	76,363	77,403	78,437	79,462	80,478	81,483	82,478	83,454	84,416	85,361	86,286
GP Distribution	3.01%	1,111	1,144	2,011	2,237	2,272	2,305	2,337	2,370	2,402	2,434	2,466	2,498	2,529	2,560	2,590	2,620	2,649	2,678
<u>Remaining Cash Flow After Partnership Distribution</u>		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

**OPERATIONAL CASH FLOW**  
East Block 78 unit Family

				\$3	\$4	\$5	Totals
Gross Revenue	Inflation @		2.50%	4,923,871	5,046,968	5,173,142	157,557,484
5.1.2019			5%	(246,194)	(252,348)	(258,657)	(7,877,875)
Net Revenue				4,677,677	4,794,619	4,914,485	149,679,620
Operating Expenses	Inflation @		3.50%	2,553,649	2,643,027	2,735,533	68,658,249
<u>Net Operating Income</u>				<u>2,124,028</u>	<u>2,151,592</u>	<u>2,178,952</u>	<u>80,981,371</u>
Replacement Reserves			0.00%	29,250	29,250	29,250	1,008,750
Services	Inflation @		3.50%	118,654	123,842	128,177	3,218,938
<u>Cash Available to Debt Service</u>				<u>1,975,124</u>	<u>1,998,500</u>	<u>2,021,525</u>	<u>76,153,663</u>
Principal and Interest		12,890,000	4.00%	0	0	0	24,788,415
Issuer and SDHC Monitoring Fee			0.00%	27,650	27,650	27,650	1,520,750
IHTF Monitoring fee			0.00%	0	0	0	0
Managing GP Fee		25,000	3.50%	148,568	154,803	160,221	0
<u>Net Project Cash Flow</u>				<u>1,797,905</u>	<u>1,816,047</u>	<u>1,833,654</u>	<u>45,840,845</u>
TCAC Gross Revenue Test	no more than 2% in year 15 if DSCR > 125% or 6% test		DSCR	#DIV/0!	#DIV/0!	#DIV/0!	
TCAC Debt Service Test			8%	39.55%	39.05%	38.54%	
UMR Operating Expense Test	<= 1.20 DSCR or 12% cash flow to expense ratio		12%	70.41%	68.71%	67.03%	
Distributions:							
LP Fee		7,500	3.00%	0	0	0	151,177
Deferred Developer Fee			3.00%	0	0	0	0
<u>Cash Available After Deferred Fee Pay</u>	50% of cash flow			<u>1,797,905</u>	<u>1,816,047</u>	<u>1,833,654</u>	<u>45,689,668</u>
Nonprofit loan	26.3% of Avail Cashflow		3.00%	473,133	477,907	482,541	12,023,597
IHTF loan	23.7% of Avail Cashflow		3.00%	425,820	0	0	9,956,834
Other			0.00%	0	0	0	0
<u>Cash Flow Available After Soft Loan Loans</u>			100.00%	<u>898,953</u>	<u>1,338,140</u>	<u>1,351,114</u>	<u>23,709,237</u>
GP Partnership Admin Fee (90% of Cash Flow)			90.00%	809,058	1,204,326	1,216,002	21,338,313
<u>Cash Flow Available after Partnership Admin Fee</u>				<u>89,895</u>	<u>133,814</u>	<u>135,111</u>	<u>2,370,924</u>
LP Distribution			96.99%	87,189	128,786	131,045	2,299,559
GP Distribution			3.01%	2,706	4,028	4,067	71,365
<u>Remaining Cash Flow After Partnership Distribution</u>				<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>



**ATTACHMENT 5**  
**HOUSING COMMISSION MULTIFAMILY**  
**HOUSING REVENUE BOND PROGRAM**  
**SUMMARY**

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

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

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

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

Approval Process:

- Inducement Resolution: The bond process is initiated when the 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: Members of the City Council may 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.

## **ATTACHMENT 6**

### **HCR19-099          East Block Family Apartments**

The financial advisor's analysis and recommendation will be provided to the Housing Commission Board of Commissioners on or before November 15, 2019.

# ATTACHMENT 7 – DEVELOPER'S DISCLOSURE STATEMENT



SAN DIEGO  
HOUSING  
COMMISSION

Real Estate Department

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

1. Name of CONTRACTOR: **Chelsea Investment Corporation**
2. Address and Zip Code: **6339 Paseo del Lago, Carlsbad, CA 92011**
3. Telephone Number: **760-456-6000**
4. Name of Principal Contact for CONTRACTOR: **Cheri Hoffman, President**
5. Federal Identification Number or Social Security Number of CONTRACTOR: **90-0151442**
6. If the CONTRACTOR is not an individual doing business under his own name, the CONTRACTOR has the status indicated below and is organized or operating under the laws of California as:

- ☒ A corporation (Attach Articles of Incorporation): **Exhibit A**
- ☐ A nonprofit or charitable institution or corporation. (Attach copy of Articles of Incorporation and documentary evidence verifying current valid nonprofit or charitable status)
- ☐ A partnership known as: \_\_\_\_\_  
(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:  
**Original Formation Date: July 30, 1986, Restructure Date: February 23, 2004**
  8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below:
    - a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
    - b. If the CONTRACTOR is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.

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

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

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

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

<b>Name:</b>	<b>Lynn Harrington Schmid</b>	<b>Secretary (Wife of James J. Schmid and Co-Trustee of the Schmid Family Trust, Sole Shareholder)</b>
<b>Address:</b>	<b>6339 Paseo del Lago</b>	
<b>Name:</b>	<b>Carlsbad, CA 92011</b>	

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:

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

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.

<b>Name and Address</b>	<b>Relationship to CONTRACTOR</b>
<b>Name:</b> <b>See Exhibit B Affiliated Parties</b>	
<b>Address:</b>	
<b>Name:</b>	
<b>Address:</b>	
<b>Name:</b>	
<b>Address:</b>	

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

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

**SOURCES**

Federal LIHTC Equity	\$15,189,325
Subordinate Deferred Fee	\$2,611,943
Permanent Loan	\$10,800,000
Offsite Payment	
Deferred Developer Fee	\$1,394,129
Nonprofit Loan	\$10,500,000
Residual Recpt. Loan	\$787,500
<b>TOTAL SOURCES</b>	<b>\$40,562,897</b>

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

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

Name: **TBD**

Address:

Amount: \$

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

Name:

Address:

Amount:

Name:

Address:

Amount:

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

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

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



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

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

☐ Yes ☒ No

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

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

☐ Yes ☒ No

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

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

<b>Type of Bond</b>	<b>Project Description</b>	<b>Date of Completion</b>	<b>Amount of Bond</b>	<b>Action on Bond</b>

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

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

Name and Address	Affiliation
Name: Emmerson Construction, Inc.	Affiliate
Address: 6339 Paseo del Lago, Carlsbad, CA 92011	
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: \$ 165,896,800

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

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

<b>Project Name</b>	<b>See Exhibit E Resumes and List of Projects</b>	
<b>Project Owner Contact Information</b>		
	<b>Name</b>	<b>Address</b>
<b>Project Location</b>		
<b>Project Details</b>		
<b>Bonding Company Involved</b>		
	<b>Name</b>	<b>Amount of Contract</b>
<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
<i>Need Current List</i>			

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

Awarding Agency	Amount	Date Opened

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

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

☐ Yes ☒ No

If yes, explain:

24. Statements and other evidence of the CONTRACTOR's qualifications and financial responsibility (other than the financial statement referred to in Item 8) are attached hereto and hereby made a part hereof as follows:  
**See Exhibit F – Financial Statements for Emmerson Construction**

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

☐ Yes ☒ No

If yes, explain:

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

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

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

Check coverage(s) carried:

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

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

Check coverage(s) carried:

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

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

27. CONTRACTOR warrants and certifies that it will not during the term of the PROJECT, GRANT, LOAN, CONTRACT, DEVELOPMENT and/or RENDITIONS OF SERVICES discriminate against any employee, person, or applicant for employment because of race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the SDHC setting forth the provisions of this nondiscrimination clause.
28. The CONTRACTOR warrants and certifies that it will not without prior written consent of the SDHC, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of the SDHC, during the term of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT and/or RENDITION OF SERVICES.

29. CONTRACTOR warrants and certifies that no member, commissioner, councilperson, officer, or employee of the SDHC, the AUTHORITY and/or the CITY, no member of the governing body of the locality in which the PROJECT is situated, no member of the government body in which the SDHC was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the assignment of work, has during his or her tenure, or will for one (1) year thereafter, have any interest, direct or indirect, in this PROJECT or the proceeds thereof.

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

Government Complaint	Entity	Making	Date	Resolution
N/A				

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

☐ Yes ☒ No

If yes, please explain, in detail,

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

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

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

34. Describe in detail, any and all other facts, factors or conditions that may favorably affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with the SDHC. **None**
35. List all CONTRACTS with, DEVELOPMENTS for or with, LOANS with, PROJECTS with, GRANTS from, SALES of Real Property to, the SDHC, AUTHORITY and/or the CITY within the last five (5) years:

<b>Date</b>	<b>Entity Involved (i.e. City SDHC, etc)</b>	<b>Status (Current, delinquent, repaid, etc.)</b>	<b>Dollar Amount</b>
<b>2014</b>	<b>Independence Point (SDHC)</b>	<b>Current</b>	<b>\$2,500,000</b>
<b>2015</b>	<b>Trolley Residential</b>	<b>Current</b>	<b>\$3,120,000</b>
<b>2016</b>	<b>Mesa Verde</b>	<b>Current</b>	<b>\$9,60,000</b>
<b>2017</b>	<b>Normal Heights</b>	<b>Current</b>	<b>\$5,200,000</b>

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

☐ Yes ☒ No

If yes, explain:

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

☐ Yes ☒ No

If yes, explain:

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

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.

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

Name	Experience
TBD	

## CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

By providing the "Personal Information", (if any) as defined in Section 1798.3(a) of the Civil Code of the State of California (to the extent that it is applicable, if at all), requested herein and by seeking a loan from, a grant from, a contract with, the sale of real estate to, the right to develop from, and/or any and all other entitlements from the SAN DIEGO HOUSING COMMISSION ("SDHC"), the HOUSING AUTHORITY OF THE CITY OF SAN DIEGO ("AUTHORITY") and/or the CITY OF SAN DIEGO ("CITY"), the CONTRACTOR consents to the disclosure of any and all "Personal Information" and of any and all other information contained in this Public Disclosure Statement. CONTRACTOR specifically, knowingly and intentionally waives any and all privileges and rights that may exist under State and/or Federal Law relating to the public disclosure of the information contained herein. With respect to "Personal Information", if any, contained herein, the CONTRACTOR, by executing this disclosure statement and providing the information requested, consents to its disclosure pursuant to the provisions of the Information Practices Act of 1977, Civil Code Section 1798.24(b). CONTRACTOR is aware that a disclosure of information contained herein will be made at a public meeting or meetings of 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 22 day of May, 20 19, at San Diego, California.

CONTRACTOR

By: Chen Hoffman

Signature

Title

President, Chelsea  
Investment Corp.



## CERTIFICATION

The CONTRACTOR, Chelsea Investments, 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: Chris Hoffman

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

Title: President

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

Dated: 5/22/19

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 \_\_\_\_\_

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

by \_\_\_\_\_ 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

**CALIFORNIA JURAT WITH AFFIANT STATEMENT**

**GOVERNMENT CODE § 8202**

- ☒ See Attached Document (Notary to cross out lines 1-6 below)  
☐ See Statement Below (Lines 1-6 to be completed only by document signer[s], *not* Notary)

*see attached*

Signature of Document Signer No. 1

Signature of Document Signer No. 2 (if any)

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

State of California

County of San Diego

Subscribed and sworn to (or affirmed) before me

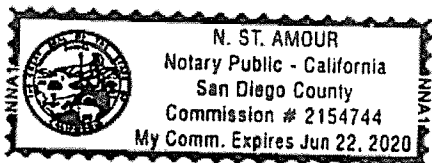
on this 23 day of May, 2019,  
by Cheri Hoffman  
Date Month Year

(1) \_\_\_\_\_

(and (2) \_\_\_\_\_),  
Name(s) of Signer(s)

proved to me on the basis of satisfactory evidence  
to be the person(s) who appeared before me.

Signature N. St. Amour  
Signature of Notary Public



Seal  
Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_ Document Date: \_\_\_\_\_

Number of Pages: \_\_\_\_\_ Signer(s) Other Than Named Above: \_\_\_\_\_

25789111

**FILED**  
in the office of the Secretary of State  
of the State of California

FEB 23 2004

*Kevin Shelley*  
KEVIN SHELLEY, Secretary of State

**ARTICLES OF INCORPORATION  
OF  
CHELSEA SERVICE CORPORATION**

I

The name of this corporation is Chelsea Service Corporation.

II

The purpose of the corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

III

The name and address in the State of California of this corporation's initial agent for service of process is James J. Schmid, 215 South Highway 101, Suite 200, Solana Beach, California 92075.

IV

This corporation is authorized to issue only one class of shares of stock; and the total number of shares this corporation is authorized to issue is 1,000.

Dated: February 18, 2004

  
James J. Schmid, Incorporator

2578911

10638595

**FILED**  
in the office of the Secretary of State  
of the State of California

**JAN 1 2006**

**CERTIFICATE OF RESTATED AND AMENDED  
ARTICLES OF INCORPORATION  
OF CHELSEA SERVICE CORPORATION**

James J. Schmid and Lynn Harrington- Schmid certify that:

1. They are the President and the Secretary, respectively, of Chelsea Service Corporation, a California corporation.
2. The articles of incorporation of the corporation are amended and restated to read in their entirety as follows:

**I**

The name of this corporation is Chelsea Investment Corporation.

**II**

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

**III**

This corporation is authorized to issue only one class of shares of stock; and the total number of shares which this corporation is authorized to issue, is 1,000.

**IV**


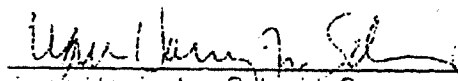
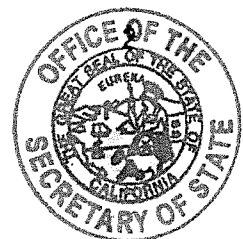
The Corporation is authorized to provide indemnification of agents (as the word "agents" is defined in Section 317 of the California Corporations Code) through bylaw provisions, agreements with the agents, vote of shareholders or disinterested directors, or otherwise, in excess of the indemnification otherwise permitted by Section 317 of the California Corporations Code, subject only to the limits set forth in Section 204 of the California Corporations Code with respect to actions for breach of duty to the Corporation or its shareholders.

3. This Certificate, restating and amending the articles of incorporation, has been approved by the Board of Directors.
4. The amendment was approved by the required vote of the shareholders in accordance with Section 902 of the Corporations Code. The corporation has only one class of shares and the number of outstanding shares is 100. The number of shares

voting in favor of the amendment equaled or exceeded the vote required. The percentage vote required was more than 50%.

We declare under penalty of perjury under the laws of the State of California that the statements set forth in this certificate are true and correct of our own knowledge and that this declaration was executed on December 27, 2005 at San Diego, California.

Dated: December 27, 2005

  
James J. Schmid, President  
Lynn Harrington-Schmid, Secretary

**Chelsea Investment Corporation and Subsidiaries**  
**Consolidated Balance Sheet**  
December 31, 2018

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 268,556
Marketable securities, net	2,135,460
Accounts receivable - Related parties	1,574,801
Prepaid expenses	179,556
Current portion of developer fees receivable - related parties	3,036,792
Current portion of project cost advances - related parties	1,956,257
Notes receivable - related party	198,234
Total current assets	<u>9,349,657</u>

Fixed assets:

Property and equipment	618,876
Leasehold improvements	179,634
Accumulated depreciation	(502,834)
Fixed assets, net	<u>295,676</u>

Other assets:

Developer fees receivable - related parties, less current portion	6,230,273
Project cost advances - related parties, less current portion	2,132,415
Total other assets	<u>8,362,688</u>

Total assets	<u><u>\$ 18,008,021</u></u>
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**LIABILITIES AND STOCKHOLDER'S EQUITY**

Current liabilities:

Accounts payable	\$ 111,184
Accrued expenses	826,666
Note payable - related party	500,220
Total current liabilities	<u>1,438,069</u>

Long-term liabilities:

Lease liability	92,510
Unearned developer fee income	6,320,129
Total long-term liabilities	<u>6,412,639</u>

Total liabilities	7,850,708
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Stockholder's equity

Controlled interest

Common stock, no par value	
1,000 shares authorized	
100 shares issued and outstanding	100
Additional paid in capital	2,967,000
Retained earnings	<u>7,190,114</u>

Total controlled interest	10,157,214
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Non controlling interest	<u>99</u>
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Total stockholder's equity	<u>10,157,313</u>
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Total liabilities and stockholder's equity	<u><u>\$ 18,008,021</u></u>
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**Chelsea Investment Corporation and Subsidiaries**  
**Consolidated Statement of Operations and Comprehensive Income**  
For the twelve months ended December 31, 2018

REVENUES	
Developer fees	\$ 8,157,863
Total revenue	<u>8,157,863</u>
OPERATING EXPENSES	
Compensation and benefits	4,943,506
Bad debt expense	407,082
Consulting and professional fees	509,428
Insurance	690,577
Rent	352,704
General and administrative	41,838
Payroll taxes	349,865
Deferred compensation	174,654
Advertising	111,206
Utilities	104,945
Depreciation expenses	100,720
Office expenses	104,993
Real estate taxes	40,738
Repairs and maintenance	38,486
Other expenses	90,285
Contributions	25,311
Travel	38,759
Meals and entertainment	22,467
Total operating expenses	<u>8,147,563</u>
Operating income	10,300
OTHER INCOME (EXPENSES)	
Investment and interest income	271,346
Interest expense	(143,295)
Total other income	<u>128,051</u>
INCOME BEFORE PROVISION FOR INCOME TAXES	138,350
Provision for income taxes	<u>(95,253)</u>
NET INCOME (LOSS)	<u><u>\$ 43,097</u></u>
OTHER COMPREHENSIVE INCOME	
Unrealized gain on available-for sales securities	<u>47,012</u>
TOTAL COMPREHENSIVE INCOME	<u><u>\$ 90,109</u></u>

**Chelsea Investment Corporation and Subsidiaries**  
**Consolidated Statement of Stockholder's Equity**  
For the twelve months ended December 31, 2018

Controlling Interest							
	Common Stock		Additional Paid-in Capital	Retained Earnings	Total Controlling Interest	Total Non-controlling Interest	Total Stockholder's Equity
	Shares	Amount					
BALANCE, DECEMBER 31, 2017	100	\$ 100	\$ 2,967,000	\$ 7,100,005	\$ 10,067,105	\$ 99	\$ 10,067,204
Stockholder distributions	-	-	-	-	-	-	-
Net Loss	-	-	-	90,109	90,109	-	90,109
Other comprehensive income: Unrealized gain on investment	-	-	-	-	-	-	-
BALANCE, SEPTEMBER 30, 2018	100	\$ 100	\$ 2,967,000	\$ 7,190,114	\$ 10,157,214	\$ 99	\$ 10,157,313





Property Name	Partnership Name	Address	City	State	Zip	County	Units	Type	Historical Cost	Year Built/Rebuilt/Ref	Year Acquired	Asset Category	Lender	Current Period End	Term Maturity	Notes	
1	De Anza Hotel	De Anza Hotel, LP	233 East 4th Street	California	CA	92011	Imperial	94	Senior/PM	\$ 5,525,000	1/18/1979	2007	N/A	Chick	2012	07/01/22	Yes
2	St. Regis Park	St. Regis Park, LP	1025 Broadway	Chula Vista	CA	92011	San Diego	119	Family	\$ 9,321,000	12/19/2007	2007	N/A	Bank of America	2015	08/02/21	No
3	Vista Center	Vista Center, LP	1244 Marston Center Drive	Chula Vista	CA	92011	San Diego	142	Senior	\$ 8,952,000	2000	1999	N/A	Bank of America	2014	09/25/20	No
4	Regency Center	Regency Center, LLC, LP	4745 Horton Avenue	San Diego	CA	92105	San Diego	270	Family	\$ 16,715,000	1976/2001/2019	2007	N/A	Raymond James	2013	780	Yes
5	Landmark Farms	Landmark Farms, LP	11778 Landmark Farm Drive	San Diego	CA	92130	San Diego	18	Family/PM	\$ 1,189,000	2001	2000	N/A	Bank of America	2015	02/01/21	No
6	Vista del Sol Farm	Vista del Sol Farm, LP	2205 Vista del Sol Drive	California	CA	92011	Imperial	80	Senior/PM	\$ 7,575,000	2001	2000	N/A	Farmers Loan	2011	12/31/20	No
7	Torrey Highlands	Torrey Highlands, LP	12110 Torrey Meadows Lane	San Diego	CA	92119	San Diego	76	Family	\$ 2,908,000	2001	2001	N/A	WAC	2016	12/31/23	No
8	Brandy Gardens	Brandy Gardens, LP	11000 C Street	California	CA	92127	Imperial	40	Family/PM	\$ 9,714,000	1982	1987	The Richman Group	2014	06/28/19	No	
9	Caliente Farms	Caliente Farms, LP	2901 Andrade Avenue	California	CA	92011	Imperial	80	Senior/PM	\$ 20,151,000	2001	2002	The Richman Group	2017	10/01/23	No	
10	Market Square Manor	Market Square Manor Association, LP	5121 18th St	San Diego	CA	92101	San Diego	200	Senior/PM	\$ 18,202,000	2001	1981	Highridge Capital	2017	02/28/22	No	
11	Vista Andalus	Vista Andalus, LP	6764 Camino del Sol Way	San Diego	CA	92129	San Diego	11	Family	\$ 1,146,000	1997	1997	Eastern Financial	2018	03/01/25	No	
12	Vista Chen	Vista Chen, LP	4084 Torrey Santa Fe Road	San Diego	CA	92119	San Diego	24	Family	\$ 4,211,000	2001	2001	Eastern Financial	2017	06/01/25	No	
13	Vista Lara	Vista Lara, LP	1414 Myrtle Road	Imperial	CA	92218	San Diego	72	Family	\$ 4,762,000	2001	2002	Eastern Financial	2016	05/01/29	No	
14	Winwood Village	Winwood Village, LP	12740 Sunset Road	San Diego	CA	92128	San Diego	72	Family	\$ 18,915,000	2001	2002	Eastern Financial	2017	10/01/24	No	
15	Countryside	Countryside, LP	1751 Adams Avenue	Imperial	CA	92214	Imperial	72	Family	\$ 7,571,000	1994	1991	The Richman Group	2018	05/01/25	No	
16	Highway Gardens	Highway Gardens, LP	950 West Avenue	Imperial	CA	92220	Imperial	81	Senior	\$ 9,325,000	1994	1992	Eastern Financial	2018	06/01/29	No	
17	Imperial Gardens	Imperial Gardens, LP	1245 Marston Road	Imperial	CA	92214	Imperial	81	Senior	\$ 8,862,000	1994	1991	Eastern Financial	2018	06/01/29	No	
18	Marlboro	Marlboro, LP	4621 Red Hot Road	Imperial	CA	92219	Imperial	100	Family	\$ 16,920,000	2004	2001	Wentworth	2018	06/01/29	No	
19	Porton Buena Vista	Porton Buena Vista, LP	2155 Porton Road	Chula Vista	CA	92015	San Diego	154	Family	\$ 1,615,000	2009	1997	Wentworth	2017	05/01/24	No	
20	Sanctus Dei Home	Sanctus Dei Home, LP	16775 Sanctus Dei	San Diego	CA	92127	San Diego	210	Family	\$ 20,796,000	2005	2001	Wentworth	2018	06/01/24	No	
21	Westland Family	Westland Family, LP	181 South G Street	Westland	CA	92081	Imperial	60	Family	\$ 10,241,000	2004	2002	The Richman Group	2018	05/01/29	No	
22	Brandy Gardens	Brandy Gardens, LP	111 East Road	California	CA	92227	Imperial	41	Family	\$ 11,707,000	2005	1991	The Richman Group	2013	06/01/26	No	
23	Brandy Gardens	Brandy Gardens, LP	995 West Avenue	Imperial	CA	92217	Imperial	81	Senior	\$ 10,925,000	2005	2004	Eastern Financial	2018	12/31/21	No	
24	Heber Woods	Heber Woods, LP	1117 Dignified Road	Imperial	CA	92229	Imperial	11	Family	\$ 14,402,000	2005	2004	The Richman Group	2018	05/01/26	No	
25	California Ridge	California Ridge, LP	16168 National Street	San Diego	CA	92127	San Diego	104	Family	\$ 49,965,000	1996	1995	The Richman Group	2016	06/01/27	No	
26	The Grange	The Grange, LP	15181 Elgin Avenue	San Diego	CA	92110	San Diego	120	Family	\$ 29,846,000	2006	2005	Eastern Financial	2020	12/31/24	No	
27	Crymchill Square	Crymchill Square, LP	4365 First Street	San Diego	CA	92106	San Diego	150	Senior/PM	\$ 11,107,000	2007	1998	Wentworth	2021	05/01/29	No	
28	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	164	Family	\$ 42,378,000	2007	2006	Eastern Financial	2013	11/01/26	No	
29	Vista Verde	Vista Verde, LP	1281 Meadow Drive	Imperial	CA	92211	Imperial	20	Family	\$ 15,400,000	2007	2001	Eastern Financial	2020	07/01/26	No	
30	Vista Pampa	Vista Pampa, LP	115 West Main Street	Imperial	CA	92219	Imperial	32	Family	\$ 17,179,000	2007	2001	The Richman Group	2018	05/01/29	No	
31	Cambridge	Cambridge, LP	3555 West Avenue	Imperial	CA	92210	San Diego	78	Family	\$ 27,499,000	2008	2007	Eastern Financial	2017	12/31/21	No	
32	The Landings	The Landings, LP	2142 Red Rock Way	Chula Vista	CA	92015	San Diego	92	Family	\$ 17,820,000	2008	2007	Eastern Financial	2012	12/31/24	No	
33	Sanctus Dei Home	Sanctus Dei Home, LP	16775 Sanctus Dei	San Diego	CA	92127	San Diego	210	Family	\$ 20,796,000	2005	2001	The Richman Group	2018	06/01/24	No	
34	Vista Esperanza	Vista Esperanza, LP	1611 West Main Street	Imperial	CA	92211	Imperial	72	Family	\$ 14,700,000	2008	2007	The Richman Group	2017	11/01/29	No	
35	Vista Verde	Vista Verde, LP	1625 Sanctus Dei Avenue	Imperial	CA	92211	Imperial	132	Family	\$ 19,225,000	2009	2007	The Richman Group	2021	04/01/29	No	
36	Imperial Court	Imperial Court, LP	4124 12th Street	Imperial	CA	92212	San Diego	15	Family	\$ 1,112,000	1984/2006	2008	The Richman Group	2013	06/01/25	No	
37	Cambridge Terrace	Cambridge Terrace, LP	4321 West Street	San Diego	CA	92115	San Diego	20	Senior/PM	\$ 24,946,000	2010	2008	Bank of America	2021	07/01/29	No	
38	Cambridge Terrace	Cambridge Terrace, LP	4321 West Street	San Diego	CA	92115	San Diego	44	Family	\$ 11,107,000	2010	2009	Eastern Financial	2018	06/01/26	No	
39	Cambridge Terrace	Cambridge Terrace, LP	4321 West Street	San Diego	CA	92115	San Diego	16	Family	\$ 1,112,000	2010	2009	Eastern Financial	2018	06/01/26	No	
40	City Place	City Place, LP	1421 South Street	Imperial	CA	92211	Imperial	70	Family/PM	\$ 17,500,000	2011	2010	US Bank	2025	04/01/29	No	
41	Cambridge	Cambridge, LP	10 West Street	Imperial	CA	92211	Imperial	81	Family	\$ 1,112,000	1984/2011	2010	Eastern Financial	2018	06/01/26	No	
42	The Landings	The Landings, LP	2142 Red Rock Way	Chula Vista	CA	92015	San Diego	141	Family	\$ 17,820,000	2008	2007	Raymond James	2017	07/01/23	No	
43	Ventura	Ventura, LP	1774 Bruce Blvd	San Diego	CA	92119	San Diego	80	Family/PM	\$ 15,000,000	2011	2010	The Richman Group	2018	05/01/29	No	
44	El Centro del Mercado	El Centro del Mercado, LP	1987 National Avenue	San Diego	CA	92114	San Diego	91	Family/PM	\$ 4,111,000	2012	2011	Raymond James	2025	03/01/29	No	
45	Sanctus Dei Home	Sanctus Dei Home, LP	16775 Sanctus Dei	San Diego	CA	92127	Imperial	72	Family	\$ 10,700,000	2012	2011	Eastern Financial	2018	06/01/29	No	
46	Porton Buena Vista	Porton Buena Vista, LP	16775 Sanctus Dei	San Diego	CA	92127	Imperial	21	Family	\$ 7,800,000	2012	2011	US Bank	2026	06/01/27	No	
47	Vista del Sol	Vista del Sol, LP	16775 Sanctus Dei	San Diego	CA	92127	Imperial	51	Family/PM	\$ 10,970,000	2012	2012	Eastern Financial	2013	02/01/24	No	
48	Vista Verde	Vista Verde, LP	215 North Main Street	Imperial	CA	92217	Imperial	76	Family/PM	\$ 15,555,000	2011	2011	The Richman Group	2025	07/01/24	No	
49	El Centro	El Centro, LP	11870 Camino San Bernardino	California	CA	92211	Imperial	14	Senior	\$ 6,644,000	2012	2012	The Richman Group	2016	12/31/29	No	
50	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	164	Family	\$ 1,112,000	2011	2012	The Richman Group	2017	07/01/24	No	
51	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	20	Family/PM	\$ 12,752,000	2011	2012	Raymond James	2028	04/01/29	No	
52	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	165	Family	\$ 14,107,000	2011	2012	US Bank	2028	06/01/29	No	
53	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	86	Family	\$ 1,112,000	2011	2012	The Richman Group	2017	07/01/24	No	
54	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	50	Family	\$ 14,271,000	2011	2012	US Bank	2028	07/01/29	No	
55	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	165	Senior	\$ 14,107,000	2011	2012	US Bank	2028	07/01/29	No	
56	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	165	Senior/PM	\$ 14,107,000	2011	2012	Raymond James	2028	07/01/29	No	
57	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	165	Senior/PM	\$ 14,107,000	2011	2012	US Bank	2028	07/01/29	No	
58	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	165	Senior/PM	\$ 14,107,000	2011	2012	US Bank	2028	07/01/29	No	
59	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	165	Senior/PM	\$ 14,107,000	2011	2012	US Bank	2028	07/01/29	No	
60	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	165	Senior/PM	\$ 14,107,000	2011	2012	US Bank	2028	07/01/29	No	
61	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	165	Senior/PM	\$ 14,107,000	2011	2012	US Bank	2028	07/01/29	No	
62	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	165	Senior/PM	\$ 14,107,000	2011	2012	US Bank	2028	07/01/29	No	
63	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	165	Senior/PM	\$ 14,107,000	2011	2012	US Bank	2028	07/01/29	No	
64	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	165	Senior/PM	\$ 14,107,000	2011	2012	US Bank	2028	07/01/29	No	
65	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	165	Senior/PM	\$ 14,107,000	2011	2012	US Bank	2028	07/01/29	No	
66	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	165	Senior/PM	\$ 14,107,000	2011	2012	US Bank	2028	07/01/29	No	
67	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	165	Senior/PM	\$ 14,107,000	2011	2012	US Bank	2028	07/01/29	No	
68	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	165	Senior/PM	\$ 14,107,000	2011	2012	US Bank	2028	07/01/29	No	
69	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	165	Senior/PM	\$ 14,107,000	2011	2012	US Bank	2028	07/01/29	No	
70	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	165	Senior/PM	\$ 14,107,000	2011	2012	US Bank	2028	07/01/29	No	
71	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	165	Senior/PM	\$ 14,107,000	2011	2012	US Bank	2028	07/01/29	No	
72	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	165	Senior/PM	\$ 14,107,000	2011	2012	US Bank	2028	07/01/29	No	
73	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	165	Senior/PM	\$ 14,107,000	2011	2012	US Bank	2028	07/01/29	No	
74	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	165	Senior/PM	\$ 14,107,000	2011	2012	US Bank	2028	07/01/29	No	
75	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	165	Senior/PM	\$ 14,107,000	2011	2012	US Bank	2028	07/01/29	No	
76	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	165	Senior/PM	\$ 14,107,000	2011	2012	US Bank	2028	07/01/29	No	
77	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	165	Senior/PM	\$ 14,107,000	2011	2012	US Bank	2028	07/01/29	No	
78	Imperial Plaza	Imperial Plaza, LP	2175 Calle Plaza	California	CA	92009	San Diego	165	Senior/PM	\$ 14,107,000	2011	2012	US				



Finance  
Development  
Management

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Chelsea Investment Corporation ("Chelsea") is a real estate company focused on the financing and development of affordable housing. Incorporated in 1986 by James J. Schmid, who still serves as CEO, Chelsea is a vertically integrated company with asset management, construction, and community investment affiliates.

Having developed over 10,000 units throughout the western United States, at a total cost in excess of \$2 billion, Chelsea meets and exceeds the level of experience necessary to develop affordable housing in today's complex financing environment. Chelsea has developed infill, rural, inclusionary, senior, special needs, and mixed-use projects with a variety of non-profit partners, such as Father Joe's Villages, Serving Seniors, Housing Development Partners, Alpha Project, Weingart Center Associates, and Southern California Housing Collaborative.

Of the rental homes completed, approximately 2,500 are in urban infill sites, 4,000 are located in suburban locations, and 2,000 are in rural areas. Approximately 3,300 have satisfied inclusionary obligations, 2,000 units are senior housing and 1,100 units are supportive housing. Additionally, while Chelsea has primarily focused on new construction projects, the company has developed about 1,000 units through acquisition and rehabilitation. Virtually all projects have been developed with soft residual receipts loans through public-private partnerships with the federal, state or local government.

Chelsea has successfully integrated AHP, MHP, CDBG, HOME, IIG, TOD, MHSA and redevelopment housing set-aside funds into many projects, in addition to the 4% and 9% low income housing tax credits and tax-exempt bond financing. In one project alone, Chelsea utilized loan and grant subsidies from 14 different funding sources.

- To date, Chelsea has developed over 100 affordable communities throughout California, New Mexico and Arizona.
- Total tax credit equity of over \$652 million.
- Total permanent loan and tax-exempt bond proceeds of over \$329 million.
- Annually included among the Top 50 Affordable Housing Developers in the country by Affordable Housing Finance magazine.
- 2015 and 2018 Builder of the Year - Building Industry Association of San Diego
- Chelsea and its communities are consistently recognized in many categories, including awards for design excellence, preservation of affordable housing, housing for the developmentally disabled, and supportive housing.



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## HISTORY

Emmerson Construction, Inc. (ECI) was formed in 2000 to construct residential and mixed-use projects, with a specialization in affordable multifamily housing. ECI's team of experienced professionals work together to achieve the common goal of providing enhanced value, consistent quality, efficient scheduling, and risk mitigation.

## EXPERIENCE

- 64 General Contractor contracts completed:  
4,738 units;  
\$578M
- 8 General Contractor ongoing projects:  
747 units;  
\$158M
- 6 Construction Management contracts completed:  
585 units;  
\$77M
- 81 Total developments:  
6,543 units;  
\$864M

## AREAS OF EXPERTISE

### General Contractor

ECI is committed to delivering products and services of exceptional quality while always focusing on schedule, safety, and budget. Building structures commonly consist of reinforced or post-tensioned concrete slabs with wood frame construction, stucco exteriors, and several completed projects feature podium decks. Since 2010, nineteen of ECI's developments have been LEED or GreenPoint certified.

### Construction Management

ECI also offers construction management services. Under this arrangement, ECI provides owners with project oversight, budget and schedule review, quality assurance, and related services.

## TEAM MEMBERS

### PRESIDENT – Charles Schmid

Charles began his career in multifamily housing development in 1986, and applies experience with real estate finance, and management in his role as President of Emmerson. As a licensed general contractor, he has supervised the construction of more than 6,000 units. Charles has a degree from UC, San Diego, and a thorough understanding of the life cycle of apartment development, from feasibility analysis through lease-up. Recent projects range from rural development of 80 units to urban and suburban San Diego projects of more than 200 units.

### CHIEF FINANCIAL OFFICER – Tim Gray

Tim has over 25 years of professional accounting experience with a primary focus on the construction industry. He obtained his CPA while working with Ernst & Young and PricewaterhouseCoopers and holds a CCIFP designation. Tim has managed accounting teams of up to 50 employees and has been involved in over 300 communities during all stages of development, construction and property management. He currently serves on several construction associations including CFMA-Treasurer, ABC-Director, and ICCIFP-Secretary.

(CONTINUED) ►

**DIRECTOR OF CONSTRUCTION – Zion Patton**

Zion has more than 25 years of experience constructing affordable and market rate multi-family housing. Contract values have ranged from \$10 to \$120 million and include projects in excess of 300 units. He has completed more than 2,500 new construction units and the rehabilitation of over 900 units. Zion also has expertise in developing and implementing renovation protocols that facilitate complete renovation on a highly expedited basis while maintaining quality and efficiency without displacing tenants.

**SENIOR PROJECT MANAGER – Janice Patterson**

Janice has worked in the construction industry for over 30 years and she has drawn on her extensive experience to deliver nearly 20 quality affordable communities for Emmerson, with a contract value of more than \$150 million. Prior to joining Emmerson, Janice's project experience included single-family and multifamily market rate homes, in subdivisions from 8 to 175 homes built in multiple phases.

**PROJECT MANAGER – Theresa DeMarco**

Theresa has been in the construction industry for over 20 years. In addition to multifamily construction, she has extensive renovation and tenant improvement experience. She was previously with Crown Acquisitions as a Project Manager, where she managed multifamily construction projects and was responsible for implementing project management software and establishing in-house protocols for construction operations. As a general contractor, Theresa has designed and completed extensive multifamily remodeling projects on complexes with 280-320 units.

**PROJECT MANAGER – Martin Apicella**

Martin joined the Emmerson team after working ten years as Project Manager at KBS, a top construction firm in Virginia. A veteran of the US Army, Martin holds a BS degree in Construction Management and Real Estate from Virginia Tech and studied Architecture at Technical University of Darmstadt in Germany. His wide-ranging experience includes construction of a 400-unit luxury residential building, transformation of a historic naval industrial facility into 45,000 sf mixed-use complex, and the adaptive reuse of a Lucky Strike tobacco factory into 131 luxury apartments. Martin is a LEED AP BD+C.

**PROJECT MANAGER – Khalid Malik**

Khalid has over 25 years of experience in construction management, including projects in Saudi Arabia and United Arab Emirates such as a theme park, shopping mall, 400-bed hospital, and 1400-unit master planned community, at costs from \$15 to \$226 million. He has a BS degree in Civil Engineering from University of Engineering and Technology, Lahore – Pakistan and a Master's degree in Project Management from Colorado Technical University, Colorado Springs. Khalid's accreditations include PMP, PSP, and LEED AP BD+C.

**PROJECT MANAGER/ESTIMATOR – DONALD DICKSON**

Donald has been in the multifamily construction industry for more than 20 years, including both affordable and market rate developments. His experience encompasses project management, preconstruction, and estimating for garden apartments, mid-rise, and high-rise developments throughout the western United States. Prior to joining Emmerson, Donald worked on the lender side as a Construction Manager, and prior to that, as Director of Preconstruction with Trammell Crow Residential.

**PROJECT MANAGER – Haley Blair**

Haley has worked in the construction industry since 2010. Her multifamily building experience includes on-grade construction, podium structures, and renovations. She received her Master's degree in Real Estate from the University of San Diego, and her undergraduate degree from UC Davis.

Emmerson Construction, Inc.  
Project List  
9/19/2018

	Project #	Project Name	City	State	Work	Resident Profile	Mixed Use?	Renovation/ New Const.	Status	Start	Complete	# Units	Contract Value	Architect	GC or CM
1	2-0989	Calexico Family Apartments	Calexico	CA	Slab on grade	Family	No	New	Completed	Feb-02	Jan-03	80	5,561,540	Hedenkamp	GC
2	2-0992	Brawley Family Apartments	Brawley	CA	Slab on grade	Family	No	New	Completed	Feb-02	Jan-03	81	6,452,208	Hedenkamp	GC
3	2-0991	Villa Lara	Imperial	CA	Slab on grade	Family	No	New	Completed	Mar-02	Dec-02	80	6,525,658	Hedenkamp	GC
4	3-1000	Holtville Gardens	Holtville	CA	Slab on grade	Senior	No	New	Completed	Oct-03	Sep-04	80	6,215,752	Hedenkamp	GC
5	3-1002	Countryside Family	El Centro	CA	Slab on grade	Family	No	New	Completed	Oct-03	Oct-04	80	7,155,000	Hedenkamp	GC
6	3-1001	Imperial Garden Senior	Imperial	CA	Slab on grade	Senior	No	New	Completed	Oct-03	Nov-04	80	6,443,020	Hedenkamp	GC
7	3-1004	Rancho Buena Vista	Chula Vista	CA	Slab on grade	Family	No	New	Completed	Nov-03	Aug-05	150	16,200,000	Hedenkamp	GC
8	3-1005	Rancho Del Norte	San Diego	CA	Slab on grade	Family	No	New	Completed	Dec-03	Apr-05	120	13,706,694	Hedenkamp	GC
9	3-1003	Westmorland Family	Westmorland	CA	Slab on grade	Family	No	New	Completed	Jan-04	Nov-04	64	6,900,000	Hedenkamp	GC
10	4-1006	Brawley Elks Senior	Brawley	CA	Slab on grade	Senior	No	New	Completed	Aug-04	May-05	80	6,994,322	Hedenkamp	GC
11	4-1006	Brawley Gardens	Brawley	CA	Slab on grade	Family	No	New	Completed	Aug-04	Jul-05	81	9,191,326	Hedenkamp	GC
12	4-1007	Heber Woods	Heber	CA	Slab on grade	Family	No	New	Completed	Oct-04	Jul-05	81	9,417,954	Hedenkamp	GC
13	5-1012	Meadow Village Road	Calexico	CA	Off-site work	Comercial	No	New	Completed	Feb-05	Feb-06	N/A	724,153	N/A	GC
14	4-1009	Fairbanks Ridge	San Diego	CA	Slab on grade	Family	No	New	Completed	Aug-05	Jul-06	204	29,254,314	Hedenkamp	GC
15	5-1018	City Heights Square	San Diego	CA	Slab on grade	Senior	No	New	Completed	Feb-06	Sep-07	150	21,468,768	Dominy	CM
16	4-1010	Hunter's Pointe	Carlsbad	CA	Slab on grade	Family	No	New	Completed	May-06	Jan-08	166	30,389,918	Hedenkamp	GC
17	5-1011	Villa Dorado	Calexico	CA	Slab on grade	Family	No	New	Completed	Oct-06	Jul-07	80	10,080,426	Hedenkamp	GC
18	5-1019	Villa Paloma	Heber	CA	Slab on grade	Family	No	New	Completed	Dec-06	Sep-07	72	9,864,435	Hedenkamp	GC
19	6-1024	DDE HQ - Office Building	El Centro	CA	Slab on grade	Commercial	No	New	Completed	Jan-07	Jul-07	N/A	1,130,219	Sanders	GC
20	5-1020	Villa Esperanza	Calipatria	CA	Slab on grade	Family	No	New	Completed	Jun-07	Jul-08	74	10,318,586	Hedenkamp	GC
21	5-1013	Tierra del Cielo	Somerton	AZ	Slab on grade	Family	No	New	Completed	Jul-08	May-09	34	3,913,810	Hedenkamp	GC
22	8-1038	Beachwind Court	Imperial Beach	CA	Slab on grade	Family	No	Renovation	Completed	Sep-08	Dec-08	16	891,747	Hedenkamp	GC
23	6-1021	Coutryard Terrace	San Diego	CA	Podium	Senior	No	New	Completed	Nov-08	Mar-10	88	17,700,000	Hedenkamp	GC
24	9-1040	Silver Sage	Lakeside	CA	Slab on grade	Family	No	New	Completed	Aug-09	Oct-10	80	12,794,227	Hedenkamp	GC
25	9-1041	St. Regis Park	Chula Vista	CA	Slab on grade	Family	No	Renovation	Completed	Sep-09	Aug-10	119	400,000	N/A	GC
26	9-1043	Cedar Creek	Santee	CA	Slab on grade	Family	No	New	Completed	Oct-09	Oct-10	48	7,332,286	Hedenkamp	GC

Emmerson Construction, Inc.  
Project List  
9/19/2018

	Project #	Project Name	City	State	Work	Resident Profile	Mixed Use?	Renovation/ New Const.	Status	Start	Complete	# Units	Contract Value	Architect	GC or CM
27	9-1044	Verbenia	San Ysidro	CA	Slab on grade	Family	No	New	Completed	Mar-10	Jun-11	80	13,296,599	Hedenkamp	GC
28	10-1051	De Anza Hotel	Calexico	CA	Post & Beam	Senior	No	Renovation	Completed	Apr-10	Feb-11	94	598,402	Hedenkamp	GC
29	9-1045	Oakridge Apartments	Oakdale	CA	Slab on grade	Family	No	New	Completed	Jul-10	Dec-10	41	1,200,000	Basis	GC
30	10-1048	The Landings Phase II	Chula Vista	CA	Slab on grade	Family	No	New	Completed	Jul-10	Oct-11	143	23,610,280	McKinley	CM
31	6-1035	CityPlace	Bakersfield	CA	Slab on grade	Family	No	New	Completed	Sep-10	Dec-11	72	10,546,289	Hedenkamp	GC
32	6-1049	Villa Del Sol	San Diego	CA	Slab on grade	Farmworker	No	New	Completed	Dec-10	Sep-11	52	5,600,000	Hedenkamp	GC
33	6-1030	Villa Fortuna	Brawley	CA	Slab on grade	Farmworker	No	New	Completed	Jan-11	Sep-11	76	8,900,000	Hedenkamp	GC
34	10-1047	Estrella Del Mercado	San Diego	CA	Podium	Family	Yes	New	Completed	Feb-11	Oct-12	95	14,485,997	Safdie Rabines	GC
35	8-1039	Las Brisas	El Centro	CA	Slab on grade	Family	No	New	Completed	Jan-12	Aug-12	71	10,151,577	Hedenkamp	GC
36	6-1026	El Quintero	Calexico	CA	Slab on grade	Senior	No	New	Completed	Jan-12	Nov-12	54	4,669,035	Hedenkamp	GC
37	12-1056	Park Terramar	San Diego	CA	Landscape	Family	No	Renovation	Completed	Feb-12	Aug-12	21	342,631	N/A	GC
38	10-1052	Emperor Estates	Dinuba	CA	Slab on grade	Senior	No	New	Completed	Feb-12	Feb-13	62	8,862,257	Hedenkamp	GC
39	12-1065	Iris Apartments	Encinitas	CA	Landscape	Family	No	New	Completed	Apr-12	Feb-13	20	3,185,728	McKinley	GC
40	11-1055	Vista Terrace	Vista	CA	Landscape	Homeless Family	No	Renovation	Completed	Jul-12	Jul-13	48	3,218,327	Hedenkamp	GC
41	12-1058	St. Regis	Chula Vista	CA	Energy Upgrades	Family	No	Renovation	Completed	Aug-12	Jan-13	119	263,844	N/A	GC
42	12-1060	Park Place	Hobbs	NM	Slab on grade	Family	No	Renovation	Completed	Dec-12	Jan-14	88	7,055,677	Jeebs & Zuzu	CM
43	13-1067	CL Dellums Apartments	Oakland	CA	Slab on grade	Homeless	No	Renovation	Completed	Mar-13	May-13	76	4,354,469	John Stewart	CM
44	12-1061	Cesar Chavez Villas	Coachella	CA	Slab on grade	Farmworker	No	New	Completed	Mar-13	Mar-14	56	8,204,753	Hedenkamp	GC
45	12-1057	Fairbanks Commons	San Diego	CA	Slab on grade	Family	No	New	Completed	Nov-13	Nov-14	165	20,432,196	McKinley	GC
46	13-1068	Fairbanks Square	San Diego	CA	Slab on grade	Senior	No	New	Completed	Nov-13	Nov-14	100	9,200,000	McKinley	GC
47	13-1069	Versa at Civita	San Diego	CA	Slab on grade	Senior	No	New	Completed	Nov-13	May-15	150	17,109,905	McKinley	GC
48	13-1070	Alpha Square	San Diego	CA	Podium	Homeless	Yes	New	Completed	Apr-14	Sep-15	203	27,147,147	JWDA	GC
49	13-1071	Mill Creek Courtyard	Bakersfield	CA	Slab on grade	Family	No	New	Completed	Jul-14	Jul-15	62	6,600,950	Hedenkamp	GC
50	14-1075	Independence Point	San Diego	CA	Tuck Under	Family/ Disabled	No	New	Completed	Aug-14	Jul-15	32	7,380,985	OBR	GC
51	13-1066	Westminster Manor	San Diego	CA	Slab on grade	Senior	No	Renovation	Completed	Aug-14	Nov-15	156	12,570,976	Basis	GC
52	14-1077	Villa Primavera	Calexico	CA	Slab on grade	Family/ Disabled	No	New	Completed	Oct-14	Jul-15	48	8,097,520	Hedenkamp	GC

Emmerson Construction, Inc.  
Project List  
9/19/2018

	Project #	Project Name	City	State	Work	Resident Profile	Mixed Use?	Renovation/ New Const.	Status	Start	Complete	# Units	Contract Value	Architect	GC or CM
53	14-1078	Las Palmeras	Imperial	CA	Slab on grade	Farmworker	No	New	Completed	Nov-14	Dec-15	56	8,719,000	Hedenkamp	GC
54	14-1081	Rancho Del Sol	San Diego	CA	On grade w/garage	Family	No	New	Completed	Jan-15	Feb-16	94	11,967,088	Humphreys	GC
55	14-1079	Trolley Park Terrace	San Diego	CA	Podium	Family	No	New	Completed	Apr-15	Sep-16	52	13,568,298	McKinley	GC
56	15-1082	Mill Creek Village	Bakersfield	CA	Wrap	Family	No	New	Completed	Nov-15	Oct-16	63	12,444,783	Hedenkamp	GC
57	15-1085	Ouchi Courtyards	San Diego	CA	Podium	Family/ Disabled	Yes	New	Completed	Nov-15	May-17	45	11,616,272	Hedenkamp	GC
58	16-1096	Nelms Community Garden	Oceanside	CA	Community Garden	Commercial	No	New	Completed	Dec-15	Mar-16	N/A	117,364	N/A	GC
59	15-1087	Torrey Vale	San Diego	CA	On grade w/garage	Family	No	New	Completed	Jan-16	Oct-16	28	4,985,553	Bassenian Lagoni	GC
60	15-1083	Duetta at Millenia	Chula Vista	CA	Wrap	Family	No	New	Completed	Mar-16	Oct-17	87	14,452,135	JWDA	GC
61	15-1092	Volta at Millenia	Chula Vista	CA	Wrap	Senior	No	New	Completed	Mar-16	Oct-17	123	18,772,332	JWDA	GC
62	15-1091	Fairbanks Terrace	San Diego	CA	Slab on grade	Senior	No	New	Completed	Apr-16	Mar-17	83	10,228,891	McKinley	GC
63	15-1084	Mesa Verde	San Diego	CA	Podium	Family	No	New	Completed	Apr-16	Apr-18	90	17,174,144	McKinley	GC
64	15-1088	Roselawn Manor	Artesia	NM	Slab on grade	Family	No	New	Completed	Jun-16	Nov-17	63	10,250,000	Autotroph	CM
65	15-1089	Parkside Terrace	Hobbs	NM	Slab on grade	Family	No	New	Completed	Jun-16	Nov-17	65	9,860,000	Jeebs & Zuzu/ JV De Sousa	CM
66	15-1090	Juniper at The Preserve	Carlsbad	CA	Slab on grade	Family	No	New	Completed	Nov-16	Nov-17	64	10,312,118	McKinley	GC
67	16-1094	Villa Storia	Oceanside	CA	Slab on grade	Family	No	New	Completed	Mar-17	Dec-17	38	5,630,056	SummIA	GC
68	16-1093	North Coast Terrace	Oceanside	CA	Podium	Homeless Family	No	New	Completed	Apr-17	Aug-18	32	10,386,340	Hedenkamp	GC
69	17-1101	Pedestrian Corridors Millenia	Chula Vista	CA	Off-site work	Commercial	No	New	Completed	Jun-17	Oct-17	N/A	537,028	JWDA	GC
70	16-1097	Cesar Chavez Villas Phase II	Coachella	CA	Slab on grade	Farmworker	No	New	Completed	Jun-17	Jun-18	80	13,244,171	Hedenkamp	GC
71	17-1100	Town & Country Village	San Diego	CA	Slab on grade	Family	No	Renovation	In Progress	Dec-17	Sep-18	145	12,230,429	Basis	GC
72	17-1102	Lofts at Normal Heights	El Cajon	CA	Slab on grade	Homeless Veteran	Yes	New	In Progress	Jan-18	Mar-19	53	10,999,708	McKinley	GC
73	17-1104	Schmale Family Senior Residence	Ramona	CA	Slab on grade	Senior	No	New	In Progress	Mar-18	Mar-19	62	12,337,933	Hedenkamp	GC
74	16-1095	Slena at Civita	San Diego	CA	Podium	Senior	Yes	New	In Progress	Apr-18	Aug-20	103	17,497,995	KTGY	GC
75	16-1095	Stylus at Civita	San Diego	CA	Podium	Family	Yes	New	In Progress	Apr-18	Aug-20	203	67,377,138	KTGY	GC
76	16-1095	Civita Retail	San Diego	CA	Podium	Commercial	No	New	In Progress	Apr-18	Aug-20	N/A	6,640,951	KTGY	GC
77	17-1103	Paseo La Paz	San Ysidro	CA	Slab on grade	Family	No	New	In Progress	May-18	Nov-19	139	22,412,161	JWDA	GC
78	17-1105	Pacifica at Playa Del Sol	San Diego	CA	Podium	Family/ Disabled	No	New	In Progress	Aug-18	Sep-19	42	9,317,486	Bassenian Lagoni	GC

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Emmerson Construction, Inc.  
Project List  
9/19/2018

	Project #	Project Name	City	State	Work	Resident Profile	Mixed Use?	Renovation/ New Const.	Status	Start	Complete	# Units	Contract Value	Architect	GC or CM
79	18-1109	Villa Serena	San Diego	CA	Slab on grade	Senior	No	Renovation	Pending	Sep-18	3Q 2019	132	6,500,000	Basis	GC
80	18-1110	St. Regis Park	San Diego	CA	Slab on grade	Family	No	Renovation	Pending	Sep-18	3Q 2019	129	10,550,000	Basis	GC
81	18-1111	Regency Centre	San Diego	CA	Slab on grade	Family	No	Renovation	Pending	Sep-18	3Q 2019	100	9,780,000	Basis	GC
		Total # of Units & Total Contract Values										6,543	864,021,281		

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**TAX CREDITS & BASIS CALCULATION**

East Block 78 unit Family \$10.5M Gap

DESCRIPTION OF COSTS	ACTUAL OR EST. OF COSTS	70% ELIGIBLE BASIS	30% ELIGIBLE BASIS
<b>ACQUISITION</b>			
Land Cost	\$ -	XXXXXXXXXXXX	XXXXXXXXXXXX
Demolition	\$ -	XXXXXXXXXXXX	XXXXXXXXXXXX
Legal & Carrying Costs	\$ -	XXXXXXXXXXXX	XXXXXXXXXXXX
Land Lease Rent Prepayment	\$ -	XXXXXXXXXXXX	XXXXXXXXXXXX
Verifiable Carrying Costs	\$ -	XXXXXXXXXXXX	XXXXXXXXXXXX
Existing Improvement Costs	\$ -	XXXXXXXXXXXX	\$ -
Other: Closing Costs	\$ 10,000	XXXXXXXXXXXX	XXXXXXXXXXXX
<b>TOTAL LAND/AQUISITION COSTS</b>	<b>\$ 10,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>REHABILITATION</b>			
Off-Site Improvements	\$ -		\$ -
Environmental Remediation	\$ -		\$ -
Site Work	\$ -		\$ -
Structures	\$ -		\$ -
General Requirements	\$ -		\$ -
Contractor Overhead	\$ -		\$ -
Contractor Profit	\$ -		\$ -
Contractor General Liability Insurance	\$ -		\$ -
Other:	\$ -		\$ -
<b>TOTAL REHABILITATION COSTS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>RELOCATION</b>			
Temporary Relocation	\$ -		\$ -
Permanent Relocation	\$ -		XXXXXXXXXXXX
<b>TOTAL RELOCATION COSTS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NEW CONSTRUCTION</b>			
Design Assist	\$ -		\$ -
Off-site Improvements	\$ -		\$ -
Commercial	\$ 319,000		\$ 319,000
Site Work	\$ 1,509,167		\$ 1,509,167
Parking Garage	\$ 3,129,899		\$ 3,129,899
Vertical	\$ 17,803,097		\$ 17,803,097
GC Contingency	\$ 569,029		\$ 569,029
General Requirements	\$ 1,399,812		\$ 1,399,812
Contractor Overhead	\$ 466,604		\$ 466,604
Contractor Profit	\$ 1,399,812		\$ 1,399,812
Contractor General Liability Insurance	\$ -		\$ -
Other:	\$ -		\$ -
<b>TOTAL NEW CONSTRUCTION</b>	<b>\$ 26,596,419</b>	<b>\$ -</b>	<b>\$ 26,596,419</b>
<b>ARCHITECTURAL FEES</b>			
Building	\$ 1,332,280		\$ 1,332,280
Landscape	\$ 34,475		\$ 34,475
Energy Consultant	\$ 49,250		\$ 49,250
Other: Acoustic Study	\$ 4,250		\$ 4,250
Other: Traffic Study	\$ 4,800		\$ 4,800
Other:	\$ -		\$ -
<b>TOTAL ARCHITECTURAL COSTS</b>	<b>\$ 1,425,055</b>	<b>\$ -</b>	<b>\$ 1,425,055</b>
<b>SURVEY &amp; ENGINEERING</b>			
Civil including ALTA	\$ 112,896		\$ 112,896
ALTA	\$ -		\$ -
Staking	\$ 25,920		\$ 25,920
Structural Testing	\$ 38,880		\$ 38,880
Soils	\$ 42,960		\$ 42,960
Other: Phase I, CASP, dry utility	\$ 53,563		\$ 53,563
Other:	\$ -		\$ -
Other:	\$ -		\$ -
<b>TOTAL SURVEY &amp; ENGINEERING</b>	<b>\$ 274,219</b>	<b>\$ -</b>	<b>\$ 274,219</b>
<b>CONTINGENCY COSTS</b>			
Hard Cost Contingency	\$ 1,329,821		\$ 1,329,821
Soft Cost Contingency	\$ 147,166		\$ 147,166
<b>TOTAL CONTINGENCY COSTS</b>	<b>\$ 1,476,987</b>	<b>\$ -</b>	<b>\$ 1,476,987</b>
<b>CONSTRUCTION PERIOD EXPENSES</b>			
Construction Loan Interest	\$ 1,154,429		\$ 682,285
Soft Loan Interest	\$ 787,500		\$ 630,000
C Bond Interest	\$ -		\$ -
Origination Fee	\$ 220,005		\$ 165,004
Credit Enhancement & Application Fee	\$ -		\$ -
Owner Paid Bonds	\$ -		\$ -
Lender Inspection Fees	\$ 60,000		\$ 60,000
Taxes During Construction	\$ 7,500		\$ 5,625
Prevailing Wage Monitoring	\$ -		\$ -
Insurance During Construction	\$ 175,000		\$ 131,250
Title and Recording Fees	\$ 40,000		\$ 30,000
Construction Management & Testing	\$ -		\$ -
Predevelopment Loan Interest	\$ -		\$ -
Other: Accounting & Admin	\$ 105,000		\$ 105,000
Other:	\$ -		\$ -
<b>TOTAL CONSTRUCTION PERIOD EXPENSE</b>	<b>\$ 2,549,435</b>	<b>\$ -</b>	<b>\$ 1,809,164</b>
<b>PERMANENT FINANCING EXPENSES</b>			
Loan Origination Fee	\$ 10,000	XXXXXXXXXXXX	XXXXXXXXXXXX
Credit Enhancement & Application Fee	\$ -	XXXXXXXXXXXX	XXXXXXXXXXXX
Title and Recording Fees	\$ 7,500	XXXXXXXXXXXX	XXXXXXXXXXXX
Property Taxes	\$ -	XXXXXXXXXXXX	XXXXXXXXXXXX

Insurance	\$ 50,000	XXXXXXXXXXXX	XXXXXXXXXXXX
Other: Issuer Fee	\$ 84,464	XXXXXXXXXXXX	XXXXXXXXXXXX
Other:	\$ -	XXXXXXXXXXXX	XXXXXXXXXXXX
<b>TOTAL PERMANENT FINANCING COSTS</b>	<b>\$ 151,964</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LEGAL FEES</b>			
Construction Lender Legal	\$ 60,000		\$ 60,000
Permanent Lender Legal	\$ 7,500		XXXXXXXXXXXX
Sponsor Legal	\$ 62,500		\$ 62,500
Organizational Legal	\$ 50,000		XXXXXXXXXXXX
Bond Legal	\$ 60,000		XXXXXXXXXXXX
CPA, Opinion	\$ -		\$ -
Other: GP Legal	\$ 25,000		\$ 25,000
<b>TOTAL LEGAL</b>	<b>\$ 265,000</b>	<b>\$ -</b>	<b>\$ 147,500</b>
<b>CAPITALIZED RESERVES</b>			
Operating Reserve	\$ 297,098	XXXXXXXXXXXX	XXXXXXXXXXXX
Replacement Reserve	\$ -	XXXXXXXXXXXX	XXXXXXXXXXXX
Rent-up Reserve	\$ -	XXXXXXXXXXXX	XXXXXXXXXXXX
Transition Reserve	\$ -	XXXXXXXXXXXX	XXXXXXXXXXXX
Other: Prepaid HOA	\$ -	XXXXXXXXXXXX	XXXXXXXXXXXX
Other: Capitalized LP Fee	\$ -	XXXXXXXXXXXX	XXXXXXXXXXXX
<b>TOTAL RESERVE COSTS</b>	<b>\$ 297,098</b>	<b>\$ -</b>	<b>XXXXXXXXXXXX</b>
<b>REPORTS &amp; STUDIES</b>			
Appraisal	\$ 10,000		\$ 10,000
Market Study	\$ -		\$ -
Physical Needs Assessment	\$ 10,000		\$ 10,000
Environmental Studies	\$ 7,500		\$ 7,500
Other: Lender Deposit	\$ -		\$ -
Other: Investor Deposit	\$ -		\$ -
Other: Soils Report	\$ -		\$ -
Other: Phase I	\$ -		\$ -
<b>TOTAL REPORTS &amp; STUDIES</b>	<b>\$ 27,500</b>	<b>\$ -</b>	<b>\$ 27,500</b>
<b>OTHER EXPENSES</b>			
TCAC App./Alloc/Monitoring Fees	\$ 50,129	XXXXXXXXXXXX	XXXXXXXXXXXX
CDLAC/CDIAC Fees	\$ 6,500		XXXXXXXXXXXX
Local Permit Fees	\$ 189,300		\$ 189,300
Local Development Impact Fees	\$ 1,966,424		\$ 1,966,424
CFD Prepayment	\$ -		\$ -
Syndicator/Investor Fees & Expenses	\$ -	XXXXXXXXXXXX	XXXXXXXXXXXX
Furnishings	\$ 100,000		\$ 100,000
Final Cost Audit Expense	\$ 15,000		\$ 15,000
Marketing	\$ 88,000	XXXXXXXXXXXX	XXXXXXXXXXXX
MGP Services Fee	\$ -		\$ -
SDHC Ap. Ong. Servicing, Legal, Const Review	\$ 25,000		\$ 25,000
Accounting/Finance/Admin	\$ 28,000		\$ 28,000
Other: CPA Opinion	\$ -		\$ -
Other:	\$ -		\$ -
<b>TOTAL OTHER COSTS</b>	<b>\$ 2,468,353</b>	<b>\$ -</b>	<b>\$ 2,323,724</b>
<b>DEVELOPER COSTS</b>			
Developer Fee Limit - Per Application	\$ 2,500,000	\$ -	\$ 2,500,000
Developer Fee Calculation	\$ 5,112,085	\$ -	\$ 5,112,085
Developer Fee	\$ 5,112,085	\$ -	\$ 5,112,085
Consultants/Processing Agent	\$ -		\$ -
Project Administration	\$ -		\$ -
Syndication Consultant	\$ -		\$ -
Guarantee Fees	\$ -		\$ -
Broker Fees Paid to Related Party	\$ -		\$ -
Construction Oversight & Mgmt	\$ -		\$ -
<b>TOTAL DEVELOPER FEE</b>	<b>\$ 5,112,085</b>	<b>\$ -</b>	<b>\$ 5,112,085</b>
<b>TOTAL RESIDENTIAL COSTS</b>	<b>\$ 40,654,114</b>	<b>\$ -</b>	<b>\$ 39,192,652</b>

<b>TOTAL COMMERCIAL COSTS</b>	<b>\$ -</b>	<b>\$ -</b>
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<b>TOTAL PROJECT AND BASIS COSTS</b>	<b>\$ 40,654,114</b>	<b>\$ -</b>	<b>\$ 39,192,652</b>
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Adjustment for Excess Basis		\$ -
Additional Amount Voluntarily Excluded From Basis		\$ -
Requested Undadjusted Eligible Basis	\$ -	\$ 39,192,652

<b>130% DIFFICULT DEVELOPMENT FACTOR?</b>	Tract #: Not Avail.	y	\$ 50,950,447
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Credit Reduction	0.00%	\$ -
Total Adjusted Qualified Basis		\$ 50,950,447

<b>TX CREDITS @ % LI Eligible@ Tx Credit Rt</b>	<b>100.00%</b>	<b>3.25%</b>	<b>3.25%</b>
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<b>TX CREDITS @ % LI Eligible</b>	<b>\$ -</b>	<b>\$ 3.25</b>	<b>\$ 1,655,890</b>
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<b>TX CREDITS OVER TEN YEARS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,558,895</b>
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<b>TX CREDIT EQ'Y@\$/Credit@% Investment</b>	<b>\$ 0.9400</b>	<b>96.99%</b>	<b>\$ 15,096,844</b>
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State Tax Credits - 13% of Eligible Basis & Over 4 Yrs	\$ 0.00%	75.00%	\$ -
State Tax Credits Equity	\$ 0.8000	96.99%	\$ -
Solar Credits - 30% of Eligible Basis	\$ 30.00%		
Solar Equity	\$ -	96.99%	\$ -
Solar Rebates			\$ -