



REPORT TO THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO

DATE ISSUED: December 4, 2019

REPORT NO: HAR19-046

ATTENTION: Chair and Members of the Housing Authority of the City of San Diego
For the Agenda of December 10, 2019

SUBJECT: Preliminary Bond Authorization for Fairbanks Terrace II

COUNCIL DISTRICT: 5

REQUESTED ACTION

Take the initial steps to issue Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds to facilitate the development of Fairbanks Terrace II, a proposed 31-unit development, located at the southeast corner of Templeton Street and Paseo del Sur, San Diego, CA 92127, which will include 30 units that will remain affordable for 55 years.

STAFF RECOMMENDATION

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

- 1) Approve the following preliminary steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds for Fairbanks Terrace II, a proposed 31-unit affordable rental housing development, located at the southeast corner of Templeton Street and Paseo del Sur, San Diego 92127, which will include 30 units that will remain affordable for 55 years:
 - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$7,800,000 in Multifamily Housing Revenue Bonds for the development of Fairbanks Terrace II by Fairbanks Terrace II CIC, LP;
 - b. Authorize an application (and subsequent applications, if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds in an amount up to \$7,800,000 for Fairbanks Terrace II; and
 - c. Approve the financing team of Orrick, Herrington and Sutcliffe LLC as Bond Counsel and CSG Advisors as Financial Advisor;
- 2) Authorize the San Diego Housing Commission (Housing Commission) President & Chief Executive Officer (President & CEO), or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by General Counsel and Bond Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of General Counsel and/or the Bond Counsel.

SUMMARY

A Development Summary is included as Attachment 1.

Table 1 – Development Details

Address	Southeast Corner of Templeton Street and Paseo Del Sur, San Diego, 92127
Council District	5
Community Plan Area	Black Mountain Ranch (Rancho Penasquitos Community Planning Group)
Development Type	New Construction
Construction Type	Type-V
Parking Type	Surface – 37 parking spaces
Housing Type	Senior
Lot Size	0.74 acres – 32,234 square feet
Units	31
Density	42 dwelling units per acre
Affordable Unit Mix	25 one-bedroom units, 5 two-bedroom units, and 1 two-bedroom manager unit
Gross Building Area	24,600 square feet
Net Rentable Area	18,915 square feet

The Development

Fairbanks Terrace II is a proposed 31-unit new construction affordable rental housing development for low-income seniors aged 62 and older. The project site is 0.74 acres located at the southeast corner of Templeton Street and Paseo Del Sur in the Black Mountain Ranch neighborhood of the City of San Diego, Council District 5. A site map is included as Attachment 2. The development will consist of one three-story building incorporating 25 one-bedroom units, five two-bedroom units and one two-bedroom on-site manager’s unit. To easily access the different floors, an elevator will be available for use. Site amenities include on-site laundry and open parking. Due to its close proximity, Fairbanks Terrace II residents will be able to utilize the amenities located at Fairbanks Terrace I, located at 16325 Paseo Del Sur, which includes 82 affordable rental apartments for low-income seniors. These amenities include a community room with a kitchen and computer lab and management office. The project will also include energy efficient appliances.

The developer has an executed Option and Purchase Agreement with Black Mountain Ranch LLC and BMR Construction for the purchase and development of the vacant land.

Project Sustainability

Fairbanks Terrace II will comply with the California Tax Credit Allocation Committee’s (TCAC) minimum energy efficiency standards.

Development Team

The current owner of the project is Black Mountain Ranch LLC. At closing, the Limited Partnership will be composed of Fairbanks Terrace II CIC, LP, Pacific Southwest Community Development Corporation, as Managing General Partner, and CIC Fairbanks Terrace II, LLC as the Administrative General Partner. A developer disclosure statement is included as Attachment 3.

Chelsea Investment Corporation (CIC) has developed nearly 9,786 affordable housing units since 1995 in California, Arizona and New Mexico. CIC’s affiliate CIC Management, Inc. currently manages more than 6,546 affordable housing units in 77 CIC-owned developments.

Table 2 - Development Team Summary

ROLE	FIRM/CONTRACT
Owner	Fairbanks Terrace II CIC, LP
Administrative General Partner	CIC Fairbanks Terrace II, LLC
Managing General Partner	Pacific Southwest Community Development Corporation
Investor Limited Partner	US Bank
Developer	Chelsea Investment Corporation
Architect	The McKinley Associates, Inc.
General Contractor	Emmerson Construction, Inc.
Property Management	CIC Management
Construction Lender	Citi Community Capital
Permanent Lender	Citi Community Capital

Financing Structure

Fairbanks Terrace II has an estimated total development cost of \$11,853,130 (\$382,359 per unit). Financing will include a combination of tax-exempt Multifamily Housing Revenue Bonds, federal 4 percent tax credits, permanent loan from Citi Community Capital, seller carryback note, residual receipts loans accrued interest, and deferred developer and contractor fees.

No Housing Commission loan proceeds will be provided to this development.

Estimated permanent sources and uses of financing are provided in Table 3. The developer’s project pro forma is provided as Attachment 4.

Table 3 –Estimated Sources and Uses of Financing

Permanent Financing Sources	Amounts	Permanent Financing Uses	Amounts
Federal 4% Tax Credits	\$4,667,146	Acquisition Costs	\$2,455,328
Permanent Loan	2,860,000	Hard Costs	5,556,496
Deferred Contractor Fee	185,681	Developer Fee	1,491,853
Deferred Developer Fee	991,853	Financing Cost	491,109
Master Developer Gap Loan	639,412	Other Soft Costs	1,858,344
Residual Receipt Loan Int.	55,211		
Seller Note	2,453,827		
Total Development Cost	\$11,853,130	Total Development Cost	\$11,853,130

Developer Fee

\$ 1,491,853 – gross developer fee
- 991,853 – deferred developer fee
\$ 500,000 – net cash developer fee

The net cash developer fee shall be \$500,000 provided, however, that in the event financing terms or construction costs change and result in a financing gap, the developer may defer developer fee. No Housing Commission loan proceeds are to be provided to this development. As such, the developer fee for Fairbanks Terrace II is in compliance with TCAC and CDLAC regulations.

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 bond issuances. Attachment 1 to that report stated: “Developer Fee [for] 4% tax credits, in project costs: 15% eligible basis....” The developer’s proposed preliminary developer fee complies with HAR 17-011. The proposed fee is in conformance with the “Request for Approval of Updated Developer Fees” guidelines approved by the Housing Authority on April 25, 2017.

Prevailing Wages

Prevailing wages will not be paid for this project. Issuance of the bonds does not require the payment of state or federal prevailing wages.

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	\$11,853,130 ÷ 31 units =	\$382,359
Acquisition Cost Per Unit	\$2,455,328 ÷ 31 units =	\$79,204
Net Rentable Square Foot Hard Cost	\$5,556,496 ÷ 18,915 sq. ft. =	\$294
Gross Building Square Foot Hard Cost	\$5,556,496 ÷ 24,600 sq. ft. =	\$226

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	Construction Type	Units	Total Development Cost	Cost Per Unit	HC Subsidy per Unit	Gross Hard Cost Per Sq. Ft.
Fairbanks Terrace II	2019	V	31	\$11,853,130	\$382,359	\$0	\$226
Fairbanks Terrace I	2016	V	83	\$25,829,891	\$311,204	\$0	\$166
Encanto Village	2017	V	66	\$23,418,404	\$354,824	\$109,848	\$216

Proposed Housing Bonds

The Housing Commission utilizes the Housing Authority’s tax-exempt borrowing status to pass on lower interest rate financing (and make 4 percent 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,

December 4, 2019

Preliminary Bond Authorization for Fairbanks Terrace II

Page 5

and City Council. Housing Authority bond inducement resolutions must be obtained prior to application submittal, and City Council Tax Equity and Fiscal Responsibility Act (TEFRA) resolutions must be secured no later than 30 days after application submittal. These actions do not obligate the Housing Authority to issue bonds.

The developer plans to submit a bond allocation application to CDLAC in January 2020 for a March 2020 bond allocation meeting; however, if necessary, staff will submit additional applications to CDLAC to secure a bond allocation for the development.

The developer will be seeking a CDLAC bond allocation of approximately \$7,800,000. The developer proposes to issue the bonds through a tax-exempt private placement bond issuance. The bonds will meet all requirements of the Housing Commission's Multifamily Housing Revenue Bond Program policy and will fully comply with the City of San Diego's (City) ordinance on bond disclosure. The up to \$7,800,000 bond allocation that will be sought from CDLAC is approximately 3.5 percent higher than the estimated \$7,527,146 amount for which the development is being underwritten. This increased amount represents a bond contingency to account for possible increases in the bond amount due to increases in construction costs, and/or decreases in the assumed interest rate, and/or the loss of other planned funding sources. The bond amount that is ultimately issued will be based upon development costs, revenues, and interest rates prevailing at the time of bond issuance.

The developer proposes that the bonds will be used for acquisition, construction and permanent financing. Housing Commission staff will later return to both the Housing Commission and Housing Authority for approval of the final bond amount. A general description of the Multifamily Housing Revenue Bond Program and the actions that must be taken by the Housing Authority and by the City Council to initiate and finalize proposed financings are described in Attachment 5.

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

AFFORDABLE HOUSING IMPACT

Under the proposed bond financing, Fairbanks Terrace II would have 30 units restricted to households with incomes from 50 percent to 60 percent of San Diego Area Median Income (AMI). The remaining unit will be an unrestricted manager unit. The affordable units will be restricted for a 55-year term. Table 6 summarizes the affordability:

Table 6 – Affordability & Monthly Estimated Rent Table

Unit Type	AMI	Number of Units	Maximum Gross Rents
1-bedroom	50%	2	\$913
2-bedroom	50%	1	\$1,095
1-bedroom	60%	23	\$1,095
2-bedroom	60%	4	\$1,314
2-bedroom Manager	--	1	--
Total		31	

Development Schedule

The estimated development timeline is as follows.

Milestones	Estimated Dates
<ul style="list-style-type: none"> • Housing Authority Meeting Preliminary Bond Approval • TCAC and CDLAC application submittals • TCAC and CDLAC allocation meetings • Housing Commission final bond authorization • Housing Authority final bond authorization • Estimated bond issuance and escrow closing • Estimated start of construction work • Estimated completion of construction work 	<ul style="list-style-type: none"> • December 10, 2019 • January 2020 • March 2020 • April 2020 • April 2020 • June 2020 • June 2020 • April 2021

FISCAL CONSIDERATIONS

The proposed funding sources and uses approved by this action are not included in the Housing Authority-approved Fiscal Year (FY) 2020 Housing Commission Budget. Approving this action will increase the FY 2020 total budget.

Funding sources approved by this action will be as follows:

Bond Issuance Fees - \$19,500 (\$7,800,000 x .0025)

Funding uses approved by this action will be as follows:

Program Administration Costs - \$19,500

Approval of the bond inducement and TEFRA resolutions does not commit the Housing Authority to issue the bonds. The bonds would not constitute a debt of the City. If bonds are ultimately issued for the development, the bonds will not financially obligate the City, the Housing Authority or the Housing Commission because security for the repayment of the bonds will be limited to specific private revenue sources of the development. Neither the faith and credit nor the taxing power of the City or the Housing Authority would be pledged to the payment of the bonds. The developer is responsible for the payment of all costs under the financing, including the Housing Commission annual administrative fee, as well as Housing Commission Bond Council and Financial Advisor fees.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

As required by the Housing Commission Bonds Program, the developer is presenting their proposal for Fairbanks Terrace II to the Rancho Penasquitos Community Planning Group prior to final bond authorization.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders include Chelsea Investment Corporation, Pacific Southwest Development Corporation as general partner, and the community and residents of the Black Mountain Ranch neighborhood of the City of San Diego (Rancho Penasquitos Community Planning Group). Development of the property is expected to have a positive impact on the community as it will provide affordable housing to low-income seniors.

ENVIRONMENTAL REVIEW

The City of San Diego conducted an environmental review that determined the project is categorically exempt pursuant to State CEQA Guidelines Section 15332 (In-Fill Development Projects), which allows projects characterized as in-fill development meeting the conditions described in this report. Processing under the National Environmental Policy Act (NEPA) is not required as no federal funds are involved in this action.

Respectfully submitted,

Jennifer Kreutter

Jennifer Kreutter
Director of Multifamily Housing Finance
Real Estate Division

Approved by,

Jeff Davis

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

- Attachments: 1) Development Summary
2) Site Map
3) Developer Disclosure Statements
4) Developer's Project Pro forma
5) Multifamily Housing Revenue Bond Program

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

Attachment 1

Table 1 – Development Details

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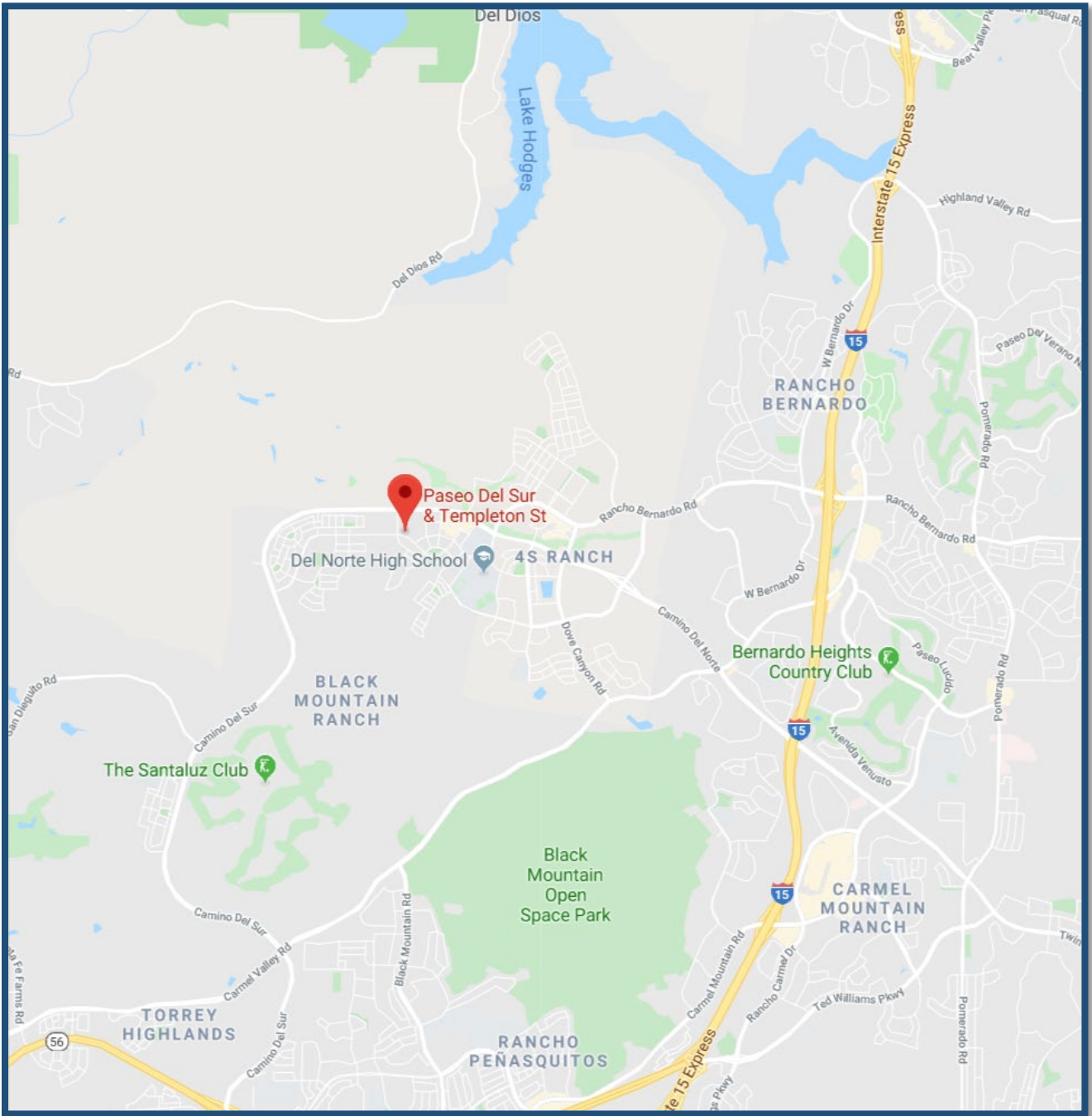
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Attachment 2





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
Name:	The Schmid Family Trust	Sole Shareholder
Address:	6339 Paseo del Lago	
	Carlsbad, CA 92011	
Name:	James J. Schmid	Co-Trustee
Address:	6339 Paseo del Lago	
	Carlsbad, CA 92011	
Name:	Lynn Harrington Schmid	Co-Trustee
Address:	6339 Paseo del Lago	
	Carlsbad, CA 92011	

9. Has the makeup as set forth in Item 8(a) through 8(e) changed within the last twelve (12) months? If yes, please explain in detail.

No.

10. Is it *anticipated* that the makeup as set forth in Item 8(a) through 8(e) will change within the next twelve (12) months? If yes, please explain in detail.

No.

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

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

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

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

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

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

Name and Address	Relationship to CONTRACTOR
Name: See Exhibit B Affiliated Parties	
Address:	
Name:	
Address:	
Name:	
Address:	

14. Provide the financial condition of the CONTRACTOR as of the date of the statement and for a period of twenty-four (24) months prior to the date of its statement as reflected in the **attached** financial statements, including, but not necessarily limited to, profit and loss statements and statements of financial position. **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	\$4,738,501
Permanent Loan	\$3,160,000
Deferred Contractor Loan	\$196,481
Deferred Developer Fee	\$1,042,972
Master Developer Gap Loan	\$675,482
Seller Note	\$2,453,827
Residual Recpt. Loan	\$55,211
 TOTAL SOURCES	 \$12,322,474

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:

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

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

Yes No

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

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

Yes No

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

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

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

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

a. Name and addresses of such contractor or builder:

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

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

	Location/Date	Outcome Details
--	---------------	-----------------

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

Identification of Contract or Development	Location	Amount	Date to be Completed
<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 Cavnac & Associates, 450 B Street, Suite 1800, San Diego, CA 92101.

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

Check coverage(s) carried:

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

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

Check coverage(s) carried:

- Comprehensive Form
- Owned
- Hired
- Non-Owned

- c. Workers Compensation [Attach certificate of insurance showing the amount of coverage and coverage period(s)]

- d. Professional Liability (Errors and Omissions) [Attach certificate of insurance showing the amount of coverage and coverage period(s)]

- e. Excess Liability [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]

- f. Other (Specify) [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]

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

28. The CONTRACTOR warrants and certifies that it will not without prior written consent of the SDHC, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of the SDHC, during the term of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT and/or RENDITION OF SERVICES.

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

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

Government Complaint	Entity	Making	Date	Resolution
N/A				

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

Yes No

If yes, please explain, in detail,

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

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

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

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

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

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

Yes No

If yes, explain:

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

Yes No

If yes, explain:

38. List three local references that would be familiar with your previous construction project: 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 6 day of September, 20 19, at San Diego, California.

CONTRACTOR

By: 

Signature

President

Title

CERTIFICATION

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

By: Cheri Hoffman

By: _____

Title: President

Title: _____

Dated: 9/6/19

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.

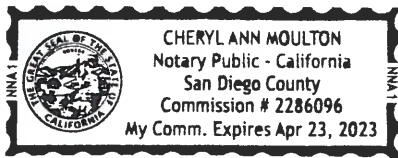
JURAT

State of California

County of San Diego

Subscribed and sworn to (or affirmed) before me on this 6th day of September, 2019

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



SEAL

Cheryl Ann Moulton
Signature of Notary

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.

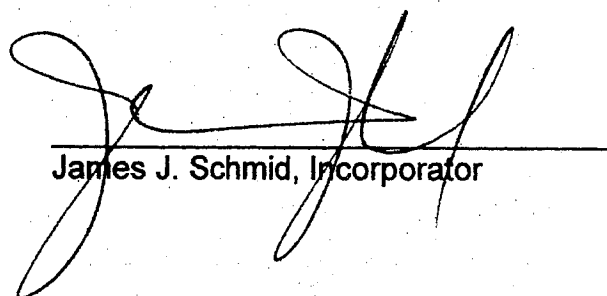
III

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

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

JAN 1 2006

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

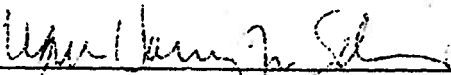
voting in favor of the amendment equaled or exceeded the vote required. The percentage vote required was more than 50%.

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	9,349,657

Fixed assets:

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

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	8,362,688

Total assets	\$ 18,008,021
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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	1,438,069

Long-term liabilities:

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

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	7,190,114
	10,157,214

Total controlled interest	10,157,214
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Non controlling interest	99
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Total stockholder's equity	10,157,313
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Total liabilities and stockholder's equity	\$ 18,008,021
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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



Finance
Development
Management

6339 Paseo del Lago
Carlsbad, CA 92011
Tel (760) 456-6000
Fax (760) 456-6001
www.chelseainvestco.com

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.



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.

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	Commercial	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	Verbena	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	SummA	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	Siena 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

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		

PROJECT SUMMARY

BMR 31 Unit Senior, aka Fairbanks Terrace II

Revision Date: 4/11/19

Revised by: CH



**4% Tax Exempt Bonds
31 Units**

SOURCES AND USES SUMMARY			FINANCING ASSUMPTIONS					PRELIM DEVELOPMENT PROGRAMMING SUMMARY					
Development Costs			Equity					City: San Diego MSA: San Diego 4 Person 50% AMI: \$48,650 Site (acres): 0.500 Construction Type: Single 3-story building with 1 Elevators No. of Stories: Parking Type: No. of Stalls: 38 on grade parking spaces Extraordinary Cond: Impact Fees per Unit: 24,691 Financing Sources: 4% Seller Note					
Acquisition			Closing	Completion	Conversion	8,609	PROJECT UNIT & INCOME MIX						
Land Cost - Prepaid Ground Lease	\$0/unit	\$ 1.00	15%	0%	84%	1%	AMI	Studio	1BR	2BR	3BR	Totals	
Acquisition of existing offsite	\$79,156/unit	2,453,827					Sq. Ft.	0	562	791	1,020	18,796	
Closing costs	\$48/unit	1,500					UA	0	\$57	\$75	\$0		
Subtotal Acquisition	\$79,204/unit	2,455,328					60%	0	23	4	0	27	
Hard Costs							50%	0	2	1	0	3	
Offsites	\$0/unit						45%	0	0	0	0	0	
Sitework	\$27,220/unit	843,808					40%	0	0	0	0	0	
Demolition (non-basis eligible)	\$0/unit	0					35%	0	0	0	0	0	
Vertical Construction Costs	\$122,523/unit	3,798,210					30%	0	0	0	0	0	
GC Contingency	\$0/unit	0					Mgr.	0	0	1	0	1	
Overhead, Profit, General Conditions	\$20,964/unit	649,883					Totals	0	25	6	0	31	
Owner Hard Costs Contingency	\$8,535/unit	264,595					Avg Affordability 59.00%						
Subtotal Hard Costs	\$179,242/unit	5,556,496											
Soft Costs			Debt										
Engineering	\$17,194/unit	533,025	Opr. Exp./Unit/Year			4,500							
Financing Fees and Interest	\$15,842/unit	491,109	Services Exp./Unit/Year			0							
Legal Fees	\$5,645/unit	175,000	Replacement Reserves/Unit/Year			250							
Reserves	\$1,424/unit	44,129	Vacancy Rate			5.00%							
Development Impact and Permit Fees	\$32,303/unit	1,001,406	DCR			1.15							
Developer Fee	\$48,124/unit	1,491,853	Perm Loan Amort			35							
Remaining Development Soft costs	\$1,568/unit	48,619	Interest Rate - Permanent Loan			5.10%							
Owner Soft Costs Contingency	\$1,812/unit	56,166	Interest Rate - Construction Loan			4.50%							
Subtotal Soft Costs	\$123,913/unit	3,841,306	Tax- Exempt Bonds - Construction/Perm			2,860,000							
Total Development Costs	\$382,359/unit	11,853,130	Tax- Exempt Bonds - Construction			3,553,145							
Sources			Tax- Exempt Bonds - C Bond			0							
Federal LIHTC Equity	39%	4,667,146	Total Bonds			6,413,145							
State LIHTC Equity	0%	0	Tax Credit Considerations										
Developer Fee Contribution	0%	0	DDA/QCT Boost			130%							
Perm Loan (Tranche A)	24%	2,860,000	Rural Designation			No							
Deferred Contractor Fee	2%	185,681	50% Test			56.07%							
Deferred Developer Fee	8%	991,853	CA 9% Site Amenity Score										
Master Developer Gap Loan	\$20,626/unit	639,412	CA 9% Tiebreaker			0.00%							
FBA Fee Credit Note	0%	0	Housing Set Aside			N/A							
Seller Note - BMR Offsite Improvements	21%	2,453,827	Prevailing Wage (State, Federal, Both):			No							
Residual Receipt Loans Accrued Interest	0%	55,211						PROJECT TIMING					
Total Development Sources	100%	11,853,130	2020	Solar	State	Fed	Tax Credit Allocation						
			1st Yr Credit Delivery	0	0	486,210	Construction Begin - Initial Closing						
			2nd Yr Credit Delivery	0	0	121,552	Construction Complete						
			3rd Yr Credit Delivery	0	0	121,552	Lease Up Complete						
							Conversion/Stabilization						
							8609						

PROJECTED SOURCES AND USES OF FUNDS

BMR 31 Unit Senior, aka Fairbanks Terrace II

3,798,210

		Pre-Dev	Close	Construction Period						Construction Subtotal	Stabilization 6mos	500,000 Conversion	1,491,853 8609	Total
				Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	Quarter 6					
				30%	50%	20%	0%	0%						
SOURCES OF FUNDS														
1 Federal LIHTC Equity			700,072	-	-	-	-	-	700,072	-	3,920,403	46,671	4,667,146	
2 State LIHTC Equity	0		-	-	-	-	-	-	-	-	-	-	-	
3 Developer Fee Contribution			-	-	-	-	-	-	-	-	-	-	-	
4 Solar Equity			-	-	-	-	-	-	-	-	-	-	-	
5 Construction Loan		175,569	-	2,166,018	2,238,902	1,667,086	-	-	6,247,575	165,570	(6,413,145)	-	2,860,000	
6 Perm Loan (Tranche A)			-	-	-	-	-	-	-	-	-	-	-	
7 Permanent Loan (Tranche B)			-	-	-	-	-	-	-	-	-	-	-	
8 Deferred Developer Fee			-	-	-	-	-	-	-	-	991,853	-	991,853	
9 Seller Note - BMR Offsite Improvements	\$79,156/unit		2,453,827	-	-	-	-	-	2,453,827	-	-	-	2,453,827	
10 Seller Note	\$0/unit		-	-	-	-	-	-	-	-	-	-	-	
11 FBA Fee Credits	\$0/unit		-	-	-	-	-	-	-	-	-	-	-	
12 AHSC Loan			-	-	-	-	-	-	-	-	-	-	-	
13 GAP	\$20,626/unit		639,412	-	-	-	-	-	639,412	-	-	-	639,412	
14 Residual Receipt Loans Accrued Interest			-	18,404	18,404	18,404	-	-	55,211	-	-	-	55,211	
15 Deferred GC Fee			-	73,331	75,964	36,386	-	-	185,681	-	-	-	185,681	
16 Total Sources of Funds		175,569	3,793,311	2,257,753	2,333,270	1,721,875	-	-	10,281,777	165,570	1,359,110	46,671	11,853,130	
USES OF FUNDS														
ACQUISITION														
21 Land Cost	\$	0	1	-	-	-	-	-	1	-	-	-	1	
22 Land Lease Rent Prepayment			-	-	-	-	-	-	-	-	-	-	-	
23 Legal & Carrying Costs			-	-	-	-	-	-	-	-	-	-	-	
24 Demolition			-	-	-	-	-	-	-	-	-	-	-	
25 Acquisition of existing offsite			2,453,827	-	-	-	-	-	2,453,827	-	-	-	2,453,827	
26 Title and Recording Fees			1,500	-	-	-	-	-	1,500	-	-	-	1,500	
27 Basis Eligible Acquisition Cost	0		-	-	-	-	-	-	-	-	-	-	-	
28 Other: Basis Eligible Acquisition Costs			-	-	-	-	-	-	-	-	-	-	-	
29 Total Land / Acquisition			2,455,328	-	-	-	-	-	2,455,328	-	-	-	2,455,328	
NEW CONSTRUCTION														
47 Design Built - Architect	\$	0	-	-	-	-	-	-	-	-	-	-	-	
48 Grading/Onsite Infrastructure	\$		-	-	-	-	-	-	-	-	-	-	-	
49 Solar			-	-	-	-	-	-	-	-	-	-	-	
50 Site Work	\$0/acre		-	693,808	-	150,000	-	-	843,808	-	-	-	843,808	
51 Parking Garage	\$0/stall		-	-	-	-	-	-	-	-	-	-	-	
52 Vertical	\$0.00/sq ft		-	1,139,463	1,899,105	759,642	-	-	3,798,210	-	-	-	3,798,210	
53 GC Contingency	0.00%		-	-	-	-	-	-	-	-	-	-	-	
54 General Requirements	4%		-	73,331	75,964	36,386	-	-	185,681	-	-	-	185,681	
55 Contractor Overhead	6%		-	109,996	113,946	54,579	-	-	278,521	-	-	-	278,521	
56 Contractor Profit	4%		-	73,331	75,964	36,386	-	-	185,681	-	-	-	185,681	
57 Contractor General Liability Insurance			-	-	-	-	-	-	-	-	-	-	-	
58 Other:			-	-	-	-	-	-	-	-	-	-	-	
59 Total New Construction	\$170,706/unit	-	-	2,089,929	2,164,980	1,036,992	-	-	5,291,901	-	-	-	5,291,901	
ARCHITECTURAL														
62 Building		75,000	154,000	-	-	-	-	-	229,000	-	-	-	229,000	
63 Landscape			-	31,325	-	-	-	-	31,325	-	-	-	31,325	
64 Energy Consultant			-	25,000	-	-	-	-	25,000	-	-	-	25,000	
65 Other: Acoustic Study	0		-	-	-	-	-	-	-	-	-	-	-	
66 Other: Traffic Study	0		-	-	-	-	-	-	-	-	-	-	-	
67 Other:	0		-	-	-	-	-	-	-	-	-	-	-	
68 Total Architectural		75,000	154,000	56,325	-	-	-	-	285,325	-	-	-	285,325	
SURVEY & ENGINEERING														
71 Civil		25,000	50,000	25,700	-	-	-	-	100,700	-	-	-	100,700	
72 ALTA		5,000	-	-	7,500	-	-	-	12,500	-	-	-	12,500	
73 staking			-	40,000	-	-	-	-	40,000	-	-	-	40,000	
74 Structural Testing		7,500	-	55,000	-	-	-	-	62,500	-	-	-	62,500	
75 Soils		0	-	30,000	-	-	-	-	30,000	-	-	-	30,000	
76 Other: Environmental reports			-	-	-	-	-	-	-	-	-	-	-	
77 Other: Phase I		2,000	-	-	-	-	-	-	2,000	-	-	-	2,000	
78 Other: Dry Utilities		0	-	-	-	-	-	-	-	-	-	-	-	
79 Other:		0	-	-	-	-	-	-	-	-	-	-	-	
80 Total Survey & Engineering		39,500	50,000	150,700	-	7,500	-	-	247,700	-	-	-	247,700	
CONTINGENCY COSTS														
84 Hard Cost Contingency	5%		-	104,496	108,249	51,850	-	-	264,595	-	-	-	264,595	
85 Soft Cost Contingency	3.0%		28,759	7,220	1,749	18,438	-	-	56,166	-	-	-	56,166	
86 Total Contingency			28,759	111,717	109,998	70,287	-	-	320,761	-	-	-	320,761	
CONSTRUCTION PERIOD EXPENSES														
88 Construction Loan Interest			-	10,098	34,739	57,782	-	-	102,619	140,570	-	-	243,189	
89 Soft Loan Interest			-	18,404	18,404	18,404	-	-	55,211	-	-	-	55,211	
90 C Bond Interest			-	-	-	-	-	-	-	-	-	-	-	
91 Origination Fee	1.00%	15,000	62,476	-	-	-	-	-	77,476	-	-	-	77,476	
92 Credit Enhancement & Application Fee			-	-	-	-	-	-	-	-	-	-	-	
93 Owner Paid Bonds			-	-	-	-	-	-	-	-	-	-	-	
94 Lender Inspection Fees			-	3,900	3,900	3,900	-	-	11,700	-	-	-	11,700	
95 Taxes During Construction			2,500	-	-	-	-	-	2,500	-	-	-	2,500	
96 Other: Application fee			-	-	-	-	-	-	-	-	-	-	-	
97 Insurance During Construction			50,000	-	-	-	-	-	50,000	-	-	-	50,000	
98 Title and Recording Fees			20,000	-	-	-	-	-	20,000	-	-	-	20,000	

PROJECTED SOURCES AND USES OF FUNDS

BMR 31 Unit Senior, aka Fairbanks Terrace II

		3,798,210	Construction Period						Construction	Stabilization	500,000	1,491,853	Total		
		-	Pre-Dev	Close	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	Quarter 6	Subtotal	6mos	Conversion	8609	
					30%	50%	20%	0%	0%	0%					
100	Construction Mgmt. and Monitoring		0	-	-	-	-	-	-	-	-	-	-	-	-
101	Predevelopment Loan Interest		-	-	-	-	-	-	-	-	-	-	-	-	-
102	Other: Accounting & Admin		-	-	-	-	-	-	-	-	-	-	-	-	-
103	Other: _		-	-	-	-	-	-	-	-	-	-	-	-	-
104	Total Construction Period Expense		15,000	134,976	32,401	57,042	80,086	-	-	-	319,505	140,570	-	-	460,076
105															
106	PERMANENT FINANCING EXPENSES														
107	Loan Origination Fees	1.00%	0	-	-	-	-	-	-	-	-	10,000	-	-	10,000
108	Credit Enhancement & Application Fee		-	-	-	-	-	-	-	-	-	5,000	-	-	5,000
109	Title and Recording Fees		-	-	-	-	-	-	-	-	-	-	-	-	-
110	Property Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-
111	Insurance		-	-	-	-	-	-	-	-	-	-	-	-	-
112	Other: Issuer Fee	0.250%	0	16,033	-	-	-	-	-	-	16,033	-	-	-	16,033
113	Other: Bank DD	0.000%	-	-	-	-	-	-	-	-	-	-	-	-	-
114	Total Permanent Financing		-	16,033	-	-	-	-	-	-	16,033	15,000	-	-	31,033
115															
116	LEGAL FEES														
117	Construction Lender Legal		-	55,000	-	-	-	-	-	-	55,000	-	-	-	55,000
118	Permanent Lender Legal		-	-	-	-	-	-	-	-	-	-	7,500	-	7,500
119	Sponsor Legal		0	45,000	-	-	-	-	-	-	45,000	-	-	-	45,000
120	Organizational Legal		-	-	-	-	-	-	-	-	-	-	-	-	-
121	Other Legal (Issuer Legal, Bond Counsel)		-	60,000	-	-	-	-	-	-	60,000	-	-	-	60,000
122	SDHC Ap, Orig, Servicing, Legal, Const Review		-	-	-	-	-	-	-	-	-	-	-	-	-
123	Other: GP Legal		0	7,500	-	-	-	-	-	-	7,500	-	-	-	7,500
124	Total Legal Fees		-	167,500	-	-	-	-	-	-	167,500	-	7,500	-	175,000
125															
126	CAPITALIZED RESERVES														
127	Operating Reserve	3 months	-	-	-	-	-	-	-	-	-	-	44,129	-	44,129
128	Replacement Reserve		-	-	-	-	-	-	-	-	-	-	-	-	-
129	Rent-up Reserve		-	-	-	-	-	-	-	-	-	-	-	-	-
130	Transition Reserve (2 years)		-	-	-	-	-	-	-	-	-	-	-	-	-
131	Other: Prepaid HOA		-	-	-	-	-	-	-	-	-	-	-	-	-
132	Other: Capitalized LP Fee		-	-	-	-	-	-	-	-	-	-	-	-	-
133	Total Reserves		-	-	-	-	-	-	-	-	-	-	44,129	-	44,129
134															
135	REPORTS & STUDIES														
136	Market Study		0	7,500	-	-	-	-	-	-	7,500	-	-	-	7,500
137			0	-	-	-	-	-	-	-	-	-	-	-	-
138	Appraisal		0	-	-	-	-	-	-	-	-	-	-	-	-
139	Environmental		0	-	-	-	-	-	-	-	-	-	-	-	-
140	Other: Lender Deposit		0	-	-	-	-	-	-	-	-	-	-	-	-
141	Other: PNA		0	-	-	-	-	-	-	-	-	-	-	-	-
142	Other: Phase 1		0	-	-	-	-	-	-	-	-	-	-	-	-
143	Other		0	-	-	-	-	-	-	-	-	-	-	-	-
144	Total Reports & Studies		-	7,500	-	-	-	-	-	-	7,500	-	-	-	7,500
145															
146	OTHER														
147	TCAC App./Alloc/Monitoring Fees		6,862	-	-	-	-	-	-	-	6,862	-	12,300	-	19,162
148	CDLAC/CDIAC Fees	0.05%	3,207	-	-	-	-	-	-	-	3,207	-	-	-	3,207
149	Local Permit Fees	\$7,613/unit	36,000	200,000	-	-	-	-	-	-	236,000	-	-	-	236,000
150	Local Development Impact Fees	\$7,731/unit	0	239,646	-	-	-	-	-	-	239,646	-	-	-	239,646
151	FBA Fees	\$16,960/unit	-	-	-	525,760	-	-	-	-	525,760	-	-	-	525,760
152	Syndicator/Investor Fees & Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-
153	Furnishings - included in ECI SOV		-	-	-	-	-	-	-	-	-	-	-	-	-
154	Final Cost Audit Expense		-	-	-	-	-	-	-	-	-	-	-	-	-
155	Marketing		-	-	-	-	-	-	-	-	-	-	-	-	-
156	MGP Services Fee		-	-	-	-	-	-	-	-	-	-	-	-	-
157	SDHC Ap, Orig, Servicing, Legal, Const Review		0	-	-	-	-	-	-	-	-	-	-	-	-
158	Accounting/Finance/Admin		0	5,000	1,250	1,250	1,250	-	-	-	8,750	10,000	-	-	18,750
159	Other: CPA Opinion		0	-	-	-	-	-	-	-	-	-	-	-	-
160	Bond Performance Deposit		0	-	-	-	-	-	-	-	-	-	-	-	-
161	Total Other Costs		46,069	444,646	1,250	1,250	527,010	-	-	-	1,020,225	10,000	12,300	-	1,042,525
162															
163	DEVELOPER COSTS														
164	Developer Fee		-	150,000	-	-	-	-	-	-	150,000	-	1,295,181	46,671	1,491,853
165	Consultant/Processing Agent		-	-	-	-	-	-	-	-	-	-	-	-	-
166	Project Administration		-	-	-	-	-	-	-	-	-	-	-	-	-
167	Syndication Consultant		-	-	-	-	-	-	-	-	-	-	-	-	-
168	Guarantee Fees		-	-	-	-	-	-	-	-	-	-	-	-	-
169	Broker Fees Paid to Related Party		-	-	-	-	-	-	-	-	-	-	-	-	-
170	Construction Oversight & Mgmt		-	-	-	-	-	-	-	-	-	-	-	-	-
171	Total Developer Costs		-	150,000	-	-	-	-	-	-	150,000	-	1,295,181	46,671	1,491,853
172															
173															
174	Total Uses of Funds		175,569	3,608,742	2,442,322	2,333,270	1,721,875	-	-	-	10,281,777	165,570	1,359,110	46,671	11,853,130
175	Net Source & Use		-	184,569	(184,569)	-	-	-	-	-	-	-	(0)	-	-
176	Distributions		-	-	-	-	-	-	-	-	-	-	-	-	-
177	Balance of Funds		-	184,569	0	0	0	0	0	0	0	0	(0)	(0)	-

OPERATING BUDGET & INCOME ANALYSIS

BMR 31 Unit Senior, aka Fairbanks Terrace II

SDHC
2018

2018 HUD Rents

Rent:	Restriction	%AMI	Units	Square Feet/Unit	Total Sq. Ft.	Gross Rents	Utility Allowance	Monthly Net Rent	Annual Rent
1BR/1BA	LIHTC	65%	0	562	0		\$ 57	\$ -	\$ -
1BR/1BA	LIHTC	60%	23	562	12,926	\$ 1,095	\$ 57	\$ 1,038	\$ 286,488
1BR/1BA	LIHTC	50%	2	562	1,124	\$ 913	\$ 57	\$ 856	\$ 20,544
1BR/1BA	LIHTC	45%	0	562	0	\$ -	\$ 57	\$ -	\$ -
1BR/1BA	LIHTC	40%	0	562	0	\$ -	\$ 57	\$ -	\$ -
1BR/1BA	LIHTC	20%	0	562	0	\$ 307	\$ 57	\$ 250	\$ -
1BR/1BA	LIHTC	30%	0	562	0	\$ 511	\$ 57	\$ 454	\$ -
2BR/1BA	LIHTC	65%	0	791	0		\$ 75	\$ -	\$ -
2BR/1BA	LIHTC	60%	4	791	3,164	\$ 1,314	\$ 75	\$ 1,239	\$ 59,472
2BR/1BA	LIHTC	50%	1	791	791	\$ 1,095	\$ 75	\$ 1,020	\$ 12,240
2BR/1BA	LIHTC	45%	0	791	0	\$ 607	\$ 75	\$ 532	\$ -
2BR/1BA	LIHTC	40%	0	791	0	\$ 540	\$ 75	\$ 465	\$ -
2BR/1BA	LIHTC	20%	0	791	0	\$ -	\$ 75	\$ -	\$ -
2BR/1BA	LIHTC	30%	0	791	0	\$ -	\$ 75	\$ -	\$ -
2BR/1BA	Terrace MGR	MGR	1	910	910	\$ -	\$ -	\$ -	\$ -
					0	\$ -			
Total Rents			31		18,915				378,744
Community Center						0			
% Loss to Efficiency				30.00%		5,675			
Construction Square Feet						24,590			
Income from Operations					PUPM				
Laundry					\$ 8.00				2,976
Other Income (App. Fees, Late, etc.)					\$ 4.00				1,488
Garage					\$ -	0 Garages			0
Cable & Highspeed Data Income					\$ -				0
Telephone Income					\$ -				0
Sub-Total					\$ 12.00				383,208
Less: Vacancies @				5.0%					19,160
RENTAL SUBSIDY									0
Less: Vacancies @				5%					0
Total Income									364,048
Operating Expenses					PUPA				
Admin					\$ 615				19,065
Management Fee					\$ 600				18,600
Utilities					\$ 1,150				35,650
Payroll					\$ 1,245	Shared with Fairbanks Terrace			38,595
Repair & Maintenance					\$ 675				20,925
Insurance					\$ 180				5,580
Taxes (HOA, CFD)					\$ 35				1,085
Other									0
Total Expenses					\$ 4,500				139,500
Net Operating Income									224,548
Reserves					\$250.00/unit				7,750
Issuer and Monitoring Fee					0.125%	(Min \$10k or 0.125% + \$150/unit for SDHC)			114,650
Services					0.000%				0
Net Income Available for Debt Service									202,148

DSC TEST 1.15

Loan Sizing	Perm Loan	Tranche B
Loan Amount	2,860,000	0
Interest	5.10%	5.75%
Term	15	15
Amortization	35	30
Debt Service Coverage	1.15	1.15
Monthly Payment	14,617	0
Annual Payment	175,404	0
Cash Flow After D/S	26,744	26,744

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 or credit. The bonds do not constitute a general obligation of the issuer because security for repayment of the bonds is limited to specific private revenue sources, such as project revenues. The developer is responsible for the payment of costs of issuance and all other costs under each financing.

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

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

Approval Process:

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

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

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

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

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

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

HOUSING AUTHORITY OF
THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA-_____

DATE OF FINAL PASSAGE _____

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

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

WHEREAS, Chelsea Investment Corporation (CIC) has requested that the Authority issue and sell multifamily housing revenue bonds or notes (Bonds) pursuant to the Act for the purpose of making a loan to Fairbanks Terrace II CIC, LP, or an affiliate or other limited partnership formed by CIC (Borrower), to be used by the Borrower to finance the acquisition, construction and equipping of a multifamily rental housing development for seniors to be located at the southeast corner of Templeton Street and Paseo del Sur, in San Diego, California, as identified in Exhibit A hereto (Project); and

WHEREAS, as a part of financing the Project, the Authority desires to reimburse the Borrower, but only from Bond proceeds, for expenditures (Reimbursement Expenditures) made in

connection with the Project within the period from the date sixty (60) days prior to the date of the adoption of this Resolution to the date of issuance of the Bonds; and

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

WHEREAS, the Authority wishes to declare its intention to authorize the issuance of the Bonds for the purpose of financing the costs of the Project (including reimbursement of the Reimbursement Expenditures, when so requested by the Borrower upon such terms and conditions as may then be agreed upon by the Authority, the Borrower and the purchaser or underwriter of the Bonds) in an aggregate principal amount not to exceed \$7,800,000, as set forth in Exhibit A; and

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

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

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

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

Section 1. Findings and Determinations.

(a) The above recitals, and each of them, are true and correct. The Authority hereby determines that it is necessary and desirable to provide financing for the Project (including reimbursement of the Reimbursement Expenditures) by the issuance and sale of the Bonds pursuant to the Act in an aggregate principal amount not to exceed \$7,800,000, as set forth in Exhibit A, subject to authorization of the issuance of the Bonds by resolution of the Authority at a meeting to be held for such purpose. The expected date of issuance of the Bonds is within eighteen (18) months of the later of the date the first Reimbursement Expenditure was made and the first date the Project is placed in service and, in no event, later than three (3) years after the date of the first Reimbursement Expenditure.

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

(c) As of the date hereof, the Authority has a reasonable expectation that the Bonds will be issued to reimburse Project costs. This Resolution is consistent with the budgetary and financial circumstances of the Authority, as of the date hereof. The Bonds will be repaid solely from amounts paid by the Borrower, expected to consist of revenues derived from the Project,

and/or proceeds of the Bonds issued for capitalized interest. No other moneys are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the Authority (or any related party) pursuant to its budget or financial policies to repay the Bonds.

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

Section 3. Applications to CDLAC. The officers and/or the program managers of the Authority are hereby authorized and directed to apply to CDLAC for an allocation from the state ceiling of private activity bonds to be issued by the Authority for the Project in an amount not to exceed \$7,800,000 and to take any and all other actions as may be necessary or appropriate in connection with such application, including but not limited to the payment of fees, the posting of deposits, the provision of certificates, and the submittal of additional applications to CDLAC (if necessary), and any such actions heretofore taken by such officers and program managers are hereby ratified, approved and confirmed.

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

Section 5. Approval of Bond Counsel and Financial Advisor. The financing team of Orrick, Herrington & Sutcliffe LLP as bond counsel and CSG Advisors, as financial advisor, is approved for the Project.

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

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

APPROVED: MARA W. ELLIOTT, General Counsel

By _____
Marguerite E. Middaugh
Deputy General Counsel

MEM:jdf
11/20/19
Or.Dept: Housing Authority
Doc. No.: 2230939

EXHIBIT A

DESCRIPTION OF PROJECT

Name: Fairbanks Terrace II

Location: Southeast corner of Templeton Street and Paseo del Sur, San Diego, California

Number of Units: 31

Maximum Bond Amount: \$7,800,000



SAN DIEGO
HOUSING
COMMISSION

REPORT TO THE CITY COUNCIL

DATE ISSUED: December 4, 2019

REPORT NO: CCR19-022

ATTENTION: Council President and Members of the City Council
For the Agenda of December 10, 2019

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

COUNCIL DISTRICT: 5

REQUESTED ACTION

That the San Diego City Council (City Council) hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of Multifamily Housing Revenue Bonds in an amount up to \$7,800,000 to facilitate the development of Fairbanks II, a proposed 31-unit development, located at the corner of Templeton Street and Paseo del Sur, San Diego, CA 92127, which will include 30 units that will remain affordable for 55 years.

SUMMARY

The Housing Authority of the City of San Diego intends to issue up to \$7,800,000 of Multifamily Housing Revenue Bonds to facilitate the acquisition and rehabilitation of a multifamily rental housing project in the city of San Diego described in the Notice of Public Hearing.

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

Respectfully submitted,

Approved by,

Colin Miller

Jeff Davis

Colin Miller
Vice President, Multifamily Housing Finance
Real Estate Division

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

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

RESOLUTION NUMBER R-_____

DATE OF FINAL PASSAGE _____

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

WHEREAS, the Housing Authority of the City of San Diego (Authority) intends to issue not to exceed \$7,800,000 aggregate principal amount of multifamily housing revenue bonds (Bonds) in one or more series, pursuant to a plan of finance, to finance or refinance the acquisition, construction and equipping of “Fairbanks Terrace II,” a 31-unit multifamily rental housing development for seniors to be located on the southeast corner of Templeton Street and Paseo del Sur in the City of San Diego (City) described in the Notice of Public Hearing attached as Exhibit A hereto (Project); and

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

WHEREAS, one or more notice(s) of a public hearing with respect to the proposed issuance of the Bonds were timely published in accordance with said section 147(f); and

WHEREAS, the public hearing was held on December 10, 2019, and an opportunity was provided for interested persons to express their views on the issuance of the Bonds and on the nature and location of the Project; NOW, THEREFORE,

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

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

APPROVED: MARA W. ELLIOTT, City Attorney

By _____
Marguerite E. Middaugh
Deputy General Counsel

MEM:jdf
11/20/19
Or. Dept: Housing Authority
Doc. No: 2230950

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

ELIZABETH S. MALAND,
City Clerk

By _____
Deputy City Clerk

Approved: _____
(date)

KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City Council of the City of San Diego on Tuesday, December 10, 2019, at the hour of 2:00 p.m., or as soon thereafter as the matter may be heard, in the City Administration Building, Council Chambers, 12th Floor, 202 “C” Street, San Diego, California, will hold a public hearing in accordance with Section 147(f) of the Internal Revenue Code of 1986 with respect to the proposed plan of financing for the issuance by the Housing Authority of the City of San Diego of its tax-exempt multifamily housing revenue bonds in one or more series, pursuant to a plan of finance, to finance or refinance the acquisition, construction and equipping of a multifamily rental housing development described below (the “Project”):

<u>Name</u>	<u>Location</u>	<u>Number of Units</u>	<u>Aggregate Maximum Bond Amount</u>
Fairbanks Terrace II	Southeast corner of Templeton Street and Paseo del Sur, San Diego, California 92127	31	\$7,800,000

The facilities are to be owned by Fairbanks Terrace II CIC, LP, or a partnership of which Chelsea Investment Corporation (the “Developer”), or a related person to the Developer is the general partner.

Notice is further given that at said hearing, all interested parties will have an opportunity to be heard on the question of whether or not such multifamily housing revenue bonds should be issued. Written comments may also be submitted prior to the hearing, c/o Jennifer Kreutter, Director of Multifamily Housing Finance, Real Estate Division, San Diego Housing Commission, 1122 Broadway, Suite 300, San Diego, California 92101.

Dated: November 25, 2019

CITY COUNCIL OF THE CITY OF SAN DIEGO



The City of San Diego
Item Approvals

Item Subject: Preliminary Bond Authorization for Fairbanks Terrace II.

Contributing Department	Approval Date
DOCKET OFFICE	11/15/2019

Approving Authority	Approver	Approval Date
HOUSING COMMISSION FINAL DEPARTMENT APPROVER	MARSHALL, SCOTT	11/14/2019
EXECUTIVE VICE PRESIDENT	DAVIS, JEFF	11/18/2019
CITY ATTORNEY	MIDDAUGH, MARGUERITE	11/22/2019