



EXECUTIVE SUMMARY

HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: September 18, 2020

HCR20-089

SUBJECT: Final Bond Authorization for Ulric Street Apartments

COUNCIL DISTRICT(S): 7

ORIGINATING DEPARTMENT: Real Estate

CONTACT/PHONE NUMBER: Colin Miller (619) 578-7429

REQUESTED ACTION:

Authorize the issuance of Housing Authority of the City of San Diego tax-exempt Multifamily Housing Revenue Bonds to fund Ulric Street Housing Associates L.P.'s acquisition with new construction of the Ulric Street Apartments, a 96-unit affordable rental housing development to be located at 2645-2685 Ulric Street, San Diego, which will consist of 95 units that will remain affordable for 55 years, including 10 units for veterans experiencing chronic homelessness, and one unrestricted manager's unit.

EXECUTIVE SUMMARY OF KEY FACTORS:

- Ulric Street will consist of 96 new units: 12 studios, 21 one-bedroom units, 33 two-bedroom units, 29 three-bedroom units, and one manager's unit. Affordability will range from 30 to 60 percent of San Diego's Area Medium Income.
- The Housing Commission has committed 10 federal Veterans Affairs Supportive Housing (VASH) project-based housing vouchers through HOUSING FIRST – SAN DIEGO, the Housing Commission's homelessness action plan, to assist 10 chronically homeless veterans.
- The developer is the experienced nonprofit Community Housing Works (CHW).
- On June 14, 2019, the Housing Commission approved a residual receipts loan of up to \$7,000,000 (\$72,917/unit).
- Total development cost is estimated at \$53,423,780 (\$556,498/unit).
- The use of project-based VASH vouchers requires payment of Davis-Bacon prevailing wages. The use of State Multifamily Housing Program loan funds requires payment of state prevailing wages. The higher of the federal or state prevailing wages will apply.
- The developer plans to demolish the existing 20 on-site units. The to-be-permanently-relocated tenants are eligible to receive both a moving expense payment and a replacement housing payment in the form of a rental, or down-payment, formula-calculated-relocation assistance.
- The California Debt Limit Allocation Committee (CDLAC) has approved a \$28,930,321 tax-exempt bond allocation.
- The California Tax Credit Allocation Committee (CTCAC) has approved \$14,550,547 in 4 percent tax credits.
- If approved, construction can start in October 2020 and complete by spring 2022



REPORT

DATE ISSUED: September 15, 2020

REPORT NO: HCR20-089

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of September 18, 2020

SUBJECT: Final Bond Authorization for Ulric Street Apartments

COUNCIL DISTRICT: 7

REQUESTED ACTION

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STAFF RECOMMENDATION

That the San Diego Housing Commission (Housing Commission) recommend that the Housing Authority of the City of San Diego (Housing Authority) and the San Diego City Council (City Council) take the following actions:

Housing Authority

1. Authorize the issuance of up to \$28,930,321 in tax-exempt Multifamily Housing Revenue Bonds to facilitate Ulric Street Housing Associates L.P.'s (USHA) acquisition with new construction of the Ulric Street Apartments (Ulric), a 96-unit affordable rental housing development located at 2645-2685 Ulric Street, San Diego, which will consist of 95 units that will remain affordable for 55 years, including 10 units for veterans experiencing chronic homelessness, and one unrestricted manager's unit;
2. Authorize the issuance of up to \$6,000,000 in a taxable Multifamily Housing Revenue Bond for USHA's construction financing for Ulric Street Apartments.

City Council

Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the final issuance of Multifamily Housing Revenue Bonds in an amount up to \$28,930,321 to fund the development of Ulric Street Apartments.

SUMMARY

A Development Summary is at Attachment 1.

Table 1 –Development Details

Address	2645-2685 Ulric Street, San Diego, 92111
Council District	7
Community Plan Area	Linda Vista Community Planning Area
Developer	Community Housing Works
Development Type	New construction
Construction Type	Type V (stucco with wood frame)
Parking Type	96 parking spaces (a mix of surface and podium spaces)
Housing Type	Multifamily (three to four stories structure)
Lot Size	One parcel totaling 1.47 acres, 64,033 square feet
Units	96 (95 units affordable)
Density	65.31 dwelling units per acre (96 units ÷ 1.47 acres)
Unit Mix	95 affordable units: 12 studios, 21 one-bedrooms, 33 two-bedrooms, and 29 three-bedrooms. Plus one unrestricted manager's one-bedroom unit.
Gross Building Area	128,260 gross square feet, in one building (including 74,209 square feet for residential units use, 24,092 square feet circulation space, 8,456 square feet community space, and 21,503 square feet for tuck-under parking plus parking garage).
Net Rentable Area	75,509 square feet.
Project-Based Vouchers	10 Project-Based Veterans Affairs Supportive Housing (VASH) vouchers for veterans experiencing chronic homelessness.

Background

In response to the Housing Commission's Fiscal Year (FY) 2018 Notice of Funding Availability (NOFA), Community Housing Works (CHW) submitted application for a loan and federal rental housing vouchers for the Ulric development. On June 14, 2019, the Housing Commission Board of Commissioners approved a residual receipts loan of up to \$7,000,000 to USHA for the Ulric development (\$1,500,000 from federal HOME Investment Partnerships Program funds and \$5,500,000 from City of San Diego Affordable Housing Funds), which the Housing Commission administers (Report No. HCR 19-070). On June 14, 2019, and on June 25, 2019, the Housing Commission (Report No. HCR19-070) and the Housing Authority (Report No. HAR19-029), respectively, approved taking certain preliminary authorization steps to issue up to \$32,750,000 of tax-exempt Multifamily Housing Revenue Bonds to finance the new construction of Ulric. On April 14, 2020, the California Debt Limit Allocation Committee (CDLAC) approved a \$28,930,321 bond allocation. On May 20, 2020, the California Tax Credit Allocation Committee (CTCAC) approved a 4 percent tax credits allocation.

The Development

Ulric is a proposed 96-unit, three-and-four story, new construction affordable rental housing development to be built over a partially below-grade parking structure. It will be located at 2645-2685 Ulric Street in San Diego's Linda Vista neighborhood (Attachment 2 – Site Map). The proposed new development will provide 95 affordable rental units and one manager's unit. The development will include studios and one-, two-, and three-bedroom units. The Ulric apartments will range from 370-square-foot studios to

1,062-square-foot three-bedroom units. Unit amenities will include: central air conditioning, elevators, patios or balconies for some units, Energy Star appliances (including dishwasher, refrigerator and stove/oven), garbage disposal, hard-surface flooring in the kitchen and living areas, plus internet access. Site amenities will include: a multipurpose community room and learning center with computers, a children's play area, a centralized laundry room, and a community kitchen, a management leasing office, meeting space, outdoor gathering and barbecue/picnic area. Security features will include gated entry and security cameras.

Housing First

The proposed development will provide 10 affordable studio units of VASH permanent supportive housing for veterans experiencing chronic homelessness. The development is supported by HOUSING FIRST – SAN DIEGO, the Housing Commission's homelessness action plan. This action plan is rooted in the national "Housing First" model of addressing homelessness – to provide housing as quickly as possible, with supportive services as needed. The current phase of HOUSING FIRST – SAN DIEGO, launched on July 1, 2017, and included \$30 million over three years to support the development of affordable rental housing with supportive services for individuals experiencing homelessness.

The Housing Commission has partnered with the Regional Task Force on the Homeless to enable homeless service providers in the City of San Diego (City) to participate in a Coordinated Entry System (CES) and utilize a single regional data management repository, the Homeless Management Information System (HMIS). Organizations serving individuals and families experiencing homelessness in the region share this single system, which enables the more efficient delivery of housing and critical services to San Diegans experiencing homelessness. The database allows homeless housing providers to screen homeless individuals for the most appropriate housing options based on who is most in need. The developer and service provider will participate in the CES and maintain client data in the HMIS as required by the Housing Commission.

The Property

The property is one parcel, on 1.47 acres. It is improved with 20 unrestricted existing apartments (three-bedroom townhouse units) in five buildings. These existing apartments were constructed approximately in 1941 and they now have deferred maintenance. The existing apartments have not been substantially upgraded since their original construction. CHW purchased the property in 2016. Adjacent to the east is the Linda Vista Community Park and the Linda Vista Recreation Center. Located to the west are single-family homes. To the north are multifamily rental housing and nearby Linda Vista Elementary School. To the south is another CHW-owned parcel with 16 existing multifamily housing units. Bus service is within approximately ¼ mile.

Prevailing Wages

The development proposes to use 10 U.S. Department of Housing and Urban Development Project-Based VASH vouchers, which will require the development to pay federal Davis-Bacon prevailing wages. The proposed use of State Multifamily Housing Program (MHP) loan funds will require payment of state prevailing wages. The higher of the federal or state prevailing wages will apply. The proposed use of federal HOME Investment Partnerships Program funds is below the 12-unit federal threshold, and the HOME funds will not require federal prevailing wages.

Relocation

The Ulric developer plans to demolish the existing 20 units and replace them with a 96-unit affordable multifamily housing development. CHW has engaged Lauren & Associates, a division of Raney Planning & Management, as the relocation consultant, to coordinate a relocation plan and to assist with the tenants' relocation. The consultant's May 2020 revised relocation plan states that an estimated 17 households residing at the property will need to be permanently relocated and that 14 of those existing households will be eligible for relocation assistance as required by the federal Uniform Relocation Assistance and Real Property Acquisition Act of 1970, by Section 104(d) of the federal Housing and Community Development Act, and by State of California Relocation Assistance law. Permanently relocated tenants are eligible to receive both a moving expense payment and a replacement housing payment in the form of a rental, or down-payment, formula-calculated assistance. The developer's pro forma budgets \$1,275,286 for relocation costs (including the consultant's fee and a 10 percent contingency).

Accessibility

CTCAC requires wheelchair accessibility in 10 percent of the units, and an additional 4 percent of the units accessible to residents with visual and/or hearing impairment having communication features. The same units can satisfy both of these accessibility requirements. In addition, these accessible units will satisfy the HOME accessibility requirement in 5 percent of the units, plus an additional 2 percent of the units accessible for residents with visual and/or hearing impairment. The development will include Universal Design features.

Project Sustainability

Ulric will be built as Green Point Rated with an anticipated Silver Rating standard. Ulric will comply with the CTCAC minimum energy efficiency construction standards for new construction. The development's features will include: Energy Star-rated efficient appliances, use of Low Volatile Organic Compound (VOC) paints and stains for interior surfaces, common area solar hot water plus solar hot water for tenant use, energy-efficient windows, high-efficiency air conditioning, and low-energy lighting. Water conservation will be promoted via low-water-use fixtures and toilets, low-water-use minimal landscaping, and utilizing rainwater roof drainage to planters.

Development Team

CHW, a 501(c)(3) nonprofit, is the developer. The proposed borrower will be Ulric Street Housing Associates, L.P., which will include Ulric Street Housing Opportunities L.L.C. (USHO) as its Managing General Partner (with the nonprofit Community Housing Works as the USHO L.L.C.'s sole member) and Red Stone Equity Partners L.L.C. as the tax credit investor limited partner (Attachment 3 – Organization Chart). CHW was formed in 2002 by the merger of Community Housing of North County and San Diego Neighborhood Housing Services. CHW has won many national, statewide, and regional awards for development excellence. They are a provider of multiple social services. CHW's mission is to revitalize neighborhoods through the creation of affordable housing with services for residents. CHW owns more than 3,670 apartments in 42 communities statewide, serving more than 9,000 families. CHW has developed a number of affordable housing developments in the City of San Diego and previously has received Housing Commission loan funds. CHW is in full compliance on its previous Housing Commission-funded loans. Based upon the developer's past experience and performance, Housing Commission staff has determined that the developer has the capacity to successfully complete the proposed Ulric project.

Table 2 Development Team Summary

ROLE	FIRM/CONTACT
Developer	CHW
Owner/Borrower	USHA L.P.
Managing General Partner	Ulric Street Housing Opportunities L.L.C.
Tax Credit Investor Limited Partner	Red Stone Equity Partners L.L.C.
Architect	Studio E Architects
General Contractor	Sun Country Builders
Prevailing Wage Monitoring	Amerinational Community Services L.L.C.
Relocation Consultant	Lauren & Associates (a division of Raney Planning & Management Inc.)
Property Management	ConAm Management Corporation
Tenant Services Provider	CHW
Construction/Permanent Lender	US Bank National Association (US Bank)

Property Management

Ulric will be managed by ConAm Management Corporation (ConAm). ConAm is a nationwide management company, based in San Diego, with a management portfolio of approximately 53,000 units in more than 26 metropolitan areas. It was established in 1975. It is experienced in property management, marketing, leasing, maintenance, renovations, and tax credit developments. ConAm manages 34 developments for CHW. CHW's Asset Management Department will oversee ConAm.

FINANCING STRUCTURE

Ulric has an estimated total development cost of \$53,423,780 (\$556,498/unit). Financing will include a combination of sources as described in Table 3. The developer's pro forma is included as Attachment 4 and is summarized below.

Table 3 – Ulric Estimated Permanent Sources and Uses

Permanent Financing Sources	Amounts	Permanent Financing Uses	Amounts	Per Unit
Bond financed permanent loan	\$3,052,000	Property acquisition	\$9,444,174	\$98,377
State of California Housing & Community Development Department Multifamily Housing Program (MHP)	18,222,571	Construction costs \$27,322,287 Contingency +2,020,741 Total construction \$29,343,028	29,343,028	305,657
County of San Diego Innovative Housing Trust Fund loan	7,000,000	Financing costs	3,247,530	33,828
Housing Commission proposed loan	7,000,000	Local permits and fees	1,446,712	15,070
Accrued deferred interest SDHC loan	250,036	Other soft costs	3,468,557	36,131
Accrued deferred interest County loan	250,036	Relocation costs	1,275,286	13,284
General Partner capital contribution	1,308,097	Reserves	390,396	4,067
Deferred developer fee	1,500,000	Developer fee	4,808,097	50,084
CHW General Partner contribution	100			
4 percent (CTCAC) tax credit equity	14,840,940			
Total Development Sources	\$53,423,780	Total Development Cost (TDC)	\$53,423,780	\$556,498

Developer Fee

\$4,808,097 – Gross developer fee
- 1,308,097 – Minus General Partner capital contribution
- 1,500,000 – Minus deferred developer fee
\$2,000,000 – Net cash developer fee (to be paid from development sources)

On April 25, 2017, the Housing Authority approved the “Request for Approval of Updated Developer Fees” (HAR17-011). That report approved certain developer fee guidelines for multifamily loans and bonds issuances. Attachment 1 to that report stated: “Developer Fee [for] 4% tax credits, in project costs: 15% eligible basis....” The proposed developer fee, complies with the HAR17-011 “Request for Approval of Updated Developer Fees” guidelines approved by the Housing Authority on April 25, 2017.

Development Cost Key Performance Indicators

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

Table 4 - Key Performance Indicators

Development Cost Per Unit	$\$53,423,780 \div 96 \text{ units} =$	\$556,498
Housing Commission Subsidy Per Unit	$\$7,000,000 \div 96 \text{ units} =$	\$72,917
Land Cost Per Unit	$\$9,444,174 \div 96 \text{ units} =$	\$98,377
Gross Building Square Foot Hard Cost	$\$29,343,028 \div 128,260 \text{ sq. ft.} =$	\$229
Net Rentable Square Foot Hard Cost	$\$29,343,028 \div 74,209 \text{ sq. ft.} =$	\$395

Project Comparison Chart

Multiple factors and variables influence the cost of developing multifamily affordable housing, including but not limited to project location, site conditions, environmental factors, land use approval process, community involvement, construction type, design requirements/constraints, economies of scale, City fees, developer experience and capacity, and the mission and goals of the organization developing the project. Similar construction-type developments (completed or approved) over the previous two years are listed in Table 5. These developments are similar in terms of new construction, target population and construction type and are provided as a comparison to Ulric.

Table 5 - Comparable Development Projects

New Construction Project Name	Year	Unit Mix Construction	Units	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Per Sq. Ft.
Proposed Subject – Ulric Street	2020	12 studios, 21 ones, 33 twos, 29 threes, + 1 manager	96	\$53,423,780 (with prevailing wage)	\$556,498	\$72,917	\$229
Keeler Court	2019	10 studios, 18 twos, 22 threes, + 1 manager	71	\$35,692,466 (with prev. wage)	\$502,711	\$0	\$262
Fairmount Family	2017	32 ones, 23 twos, 24 threes, +1 mgr	80	\$29,828,500 (no prev. wage)	\$372,856	\$118,356	\$212
North Park Seniors	2016	7 studios, 65 ones, 3 twos, + 1 manager	76	\$24,818,921 (no prev. wage)	\$326,565	\$92,105	\$216
Mesa Verde	2016	3 studios, 34 ones, 36 twos, 26 threes, + 1 manager	90	\$22,963,066 (no prev. wage)	\$441,597	\$60,000	\$225

TAX-EXEMPT MULTIFAMILY HOUSING REVENUE BONDS

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 CDLAC for a bond allocation. Prior to submitting applications to CDLAC, developments are brought before the Housing Commission, Housing Authority, and the San Diego City Council (City Council). A Housing Authority bond inducement resolution must be obtained prior to application submittal, and a City Council Tax Equity and Fiscal Responsibility Act (TEFRA) resolution must be secured no later than 30 days after application submittal. On June 14, 2019, these preliminary actions were completed for Ulric.

On January 17, 2020, an application was submitted to CDLAC for a \$32,750,000 tax-exempt Multifamily Housing Revenue bond allocation. On April 14, 2020, CDLAC approved a \$28,930,321 tax-exempt bond allocation. On January 17, 2020, an application was submitted to CTCAC for 4 percent tax credits. CTCAC approved a tax credit allocation on May 20, 2020. The developer proposes the bonds will be issued as a private placement bond issuance, in an aggregate amount not to exceed \$28,930,321, with two bonds series: series 2020 G-1 tax-exempt bonds for construction/permanent financing and series 2020 G-2 tax-exempt bonds for construction financing. Also, proposed to be issued is up to \$6,000,000 series 2020 G-3 taxable bonds for construction financing. The bonds will meet all requirements of the Housing Commission's Multifamily Housing Revenue Bond Program policy and will fully comply with the City of San Diego's (City) ordinance on bonds disclosure. The bonds amount that will ultimately be set will be based upon development costs, revenues and interest rates prevailing at the time of the issuance. The bonds proceeds will be used for both construction financing and permanent financing. A general description of the Multifamily Housing Revenue Bond Program and the actions that must be taken by the Housing Authority and by the City Council to initiate and finalize proposed financings are described in Attachment 5.

Public Disclosure and Bond Authorization

The tax-exempt debt, in the form of the Bonds, will be sold through a private placement, purchased directly by US Bank National Association (USB). USB is a "qualified institutional buyer" within the meaning of the U.S. securities laws. At closing, USB will sign an "Investor's Letter" certifying, among other things, that it is buying the Bonds for its own account and not for public distribution. Because the Bonds are being sold through a private placement, an Official Statement will not be used. In addition, the Bonds will be neither subject to continuing disclosure requirements, nor credit enhanced, nor rated. Under the private placement structure for this transaction, USB will make a loan to the Housing Authority pursuant to the terms of a Funding Loan Agreement among USB, the Housing Authority, and Bank of New York Mellon Trust Company (BNY) as the Fiscal Agent. The loan made by USB to the Housing Authority (Funding Loan) will be evidenced by the Bonds, which will obligate the Housing Authority to pay USB the amounts it receives from the Borrower, as described below. The Housing Authority and the Borrower will enter into a Borrower Loan Agreement pursuant to which the proceeds of the Funding Loan will be advanced to the Borrower. In return, the Borrower agrees to pay the Fiscal Agent amounts sufficient for the Fiscal Agent to make payments on the Bonds. The Housing Authority's obligation to make payments on the Bonds is limited to amounts the Fiscal Agent receives from the Borrower under the Borrower Loan Agreement, and no other funds of the Housing Authority are pledged to make payments on the Bonds. The transfer of the Bonds to any subsequent purchaser will comply with Housing Commission's "Bond Issuance and Post-Issuance Compliance Policy" (policy number PO300.301). Moreover, any subsequent Bonds holder will be required to represent to the Housing Authority that it is a qualified institutional buyer or accredited investor who is buying the

Bonds for investment purposes and not for resale, and it has made due investigation of any material information necessary in connection with the purchase of the Bonds. The following documents will be executed on behalf of the Housing Authority with respect to the Bonds: the Funding Loan Agreement, the Borrower Loan Agreement, the Assignment of Deed of Trust, the Regulatory Agreement, and other ancillary loan documents. At the time of docketing, documents in substantially final form will be presented to members of the Housing Authority. Any changes to the documents following Housing Authority approval require the consent of the City Attorney's Office and Bond Counsel. The Bonds will be issued pursuant to the Funding Loan Agreement. Based upon instructions contained in the Funding Loan Agreement and the Borrower Loan Agreement, USB will disburse the proceeds for eligible costs and will, pursuant to an assignment from the Housing Authority, receive payments from the Borrower. The Borrower Loan Agreement sets out the terms of repayment and the security for the loan made by the Housing Authority to the Borrower, and the Housing Authority assigns its rights to receive repayments under the loan to USB. The Regulatory Agreement will be recorded against the property to ensure the long-term use of the project as affordable housing. The Regulatory Agreement will also ensure that the project complies with all applicable federal and state laws. An Assignment of Deed of Trust, and other loan documents, will assign the Housing Authority's rights and responsibilities as the issuer to USB. It will be signed by the Housing Authority for the benefit of USB. Rights and responsibilities that are assigned to USB include the right to collect and enforce the collection of loan payments, the right to monitor project construction and related budgets, plus the right to enforce insurance and other requirements. These rights will be used by USB to protect its financial interests as the Bonds holder.

TEFRA Hearing

A City Council Tax Equity and Fiscal Responsibility Act (TEFRA) hearing for Ulric was held on June 25, 2019 (Resolution No. 312546). The resulting TEFRA approval expired after one year. The Internal Revenue Service Code requires a City Council new TEFRA hearing and approval. The City Council new TEFRA hearing is anticipated to be held on September 29, 2020.

Financial Advisor's Recommendation

Quint & Thimmig will be the Bond Counsel and CSG Advisors will be the Financial Advisor. The Financial Advisor's analysis and recommendation is included as Attachment 6.

AFFORDABLE HOUSING IMPACT

The Ulric development will be subject to a Housing Commission Declaration of Covenants and Restrictions, in addition to applicable tax credit and bonds regulatory agreements, which will restrict affordability of 95 units for 55 years. The HOME program's funds will have affordability and rent restrictions for 20 years. The development's 95 units will be affordable to tenants with income levels ranging from 30 percent of San Diego Area Median Income (AMI) (\$24,300/year for a studio one-person household), to 60 percent of AMI (\$69,300/year for a three-bedroom, four-person household).

Housing Commission staff has provided a preliminary recommendation of award for 10 Project-Based Veterans Affairs Supportive Housing (VASH) vouchers for Ulric. The preliminary recommendation for these vouchers is contingent upon completion of a subsidy layering review and execution of an Agreement to Enter into Housing Assistance Payment. Under this VASH program, the tenants' rent portion is determined by using the applicable minimum rent or a calculated amount based on their income level, whichever is higher, with the remainder being federally subsidized up to a gross rent level approved by the Housing Commission. The Housing Assistance Payment provides a rental subsidy for residents in Ulric's VASH units.

Table 6 Ulric Affordability and Monthly Estimated Rent Table

Unit Type	AMI	Units	CTCAC Gross Rents
Studios, 1 bath (370 sq. ft.)	30%	12	\$561
1-bedroom, 1 bath (593 sq. ft.)	30%	21	\$601
2-bedrooms, 1 bath (825 sq. ft.)	30%	11	\$722
3-bedrooms, 2 baths (1,062 sq. ft.)	30%	10	\$834
Subtotal 30% AMI Units	--	54	
2-bedroom, 1 bath (825 sq. ft.)	40%	22	\$963
3-bedrooms, 1 bath (1,062 sq. ft.)	50%	8	\$1,391
3-bedrooms, 2 baths (1,062 sq. ft.)	60%	11	\$1,669
Subtotal 40% to 60% AMI Units	--	41	--
1-bedroom Managers Unit	-	1	--
Total Units		96	

The rent and occupancy restrictions required by the Housing Commission and by CTCAC will be applicable. The more stringent of the funding sources' affordability/rent restrictions will take precedence during the term of their applicability.

FISCAL CONSIDERATIONS

The proposed funding sources and uses approved by this proposed action are included in the Housing Authority-approved Fiscal Year (FY) 2021 Housing Commission Budget.

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

- Bond issuance fee – \$87,326
 $\$72,326$ (tax-exempt bonds $\$28,930,321 \times .0025 = \$72,326$)
 $+15,000$ (taxable bonds $\$6,000,000 \times .0025 = \$15,000$)
 $\$87,326$ (total bond issuance fee)

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

- Administrative cost – up to \$87,326

The bonds will not constitute a debt of the City of San Diego. If the bonds are ultimately issued for the project, the bonds will not financially obligate the City, the Housing Authority, nor the Housing Commission because security for the repayment of the bonds will be limited to specific private revenue sources. Neither the faith and credit nor the taxing power of the City, nor the faith and credit of the Housing Authority will be pledged to the payment of the bonds. The developer is responsible for the payment of all costs under the financing, including the Housing Commission's issuer fee, annual bond administration fee, as well as Housing Commission's bond counsel fee and financial advisor's fee.

Development Schedule

The estimated development timeline is as follows:

Milestones	Estimated Dates
<ul style="list-style-type: none">• Housing Authority consideration of bond authorization• City Council to hold an IRS-required TEFRA hearing• Estimated bond issuance and escrow/loan closing• Estimated start of construction work• Estimated completion of construction work	<ul style="list-style-type: none">• September 29, 2020• September 29, 2020• October 2020• October 2020• April 2022

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

The proposed development is located in the Linda Vista neighborhood. On November 26, 2018, the Ulric project was presented to the Linda Vista Planning Group and it received a 13-0 vote in favor.

KEY STAKEHOLDERS & PROJECTED IMPACTS

Stakeholders include CHW as the developer, the Housing Commission as a proposed lender, the County of San Diego as a proposed lender, the State Department of Housing and Community Development as a proposed lender, the Linda Vista neighborhood, and the tenant occupants. The development is anticipated to have a positive impact on the community as it will contribute to the quality of the surrounding neighborhood, contribute to a better quality of life for the proposed development's tenants, and create 95 new affordable rental homes for individuals and families,

STATEMENT for PUBLIC DISCLOSURE

The developer's Disclosure Statement is at Attachment 7.

ENVIRONMENTAL REVIEW

On August 8, 2019 the City of San Diego conducted a review of this project and determined the project can be submitted ministerial and does not require a CEQA review because it is not a project per CEQA. Federal funds constitute a portion of the funding for the project. A final reservation of HOME funds occurred upon satisfactory completion of the environmental review and receipt by the City of San Diego of an Authorization to Release Grant Funds from the U.S. Department of Housing and Urban Development on January 26, 2019, under 24 CFR Part 58 of the National Environmental Policy Act (NEPA)."

Respectfully submitted,



Colin Miller
Vice President, Multifamily Housing Finance
Real Estate Division

Approved by,



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

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

September 10, 2020

Final Bond Authorization for Ulric Street Apartments

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Docket materials are available in the “Governance & Legislative Affairs” section of the San Diego Housing Commission website at www.sdhc.org.

ATTACHMENT 1 – DEVELOPMENT SUMMARY

Table 1 –Development Details

Address	2645-2685 Ulric Street, San Diego, 92111
Council District	7
Community Plan Area	Linda Vista Community Planning Area
Developer	Community Housing Works
Development Type	New construction
Construction Type	Type V (stucco with wood frame)
Parking Type	96 parking spaces (a mix of surface and podium spaces)
Housing Type	Multifamily (three to four stories structure)
Lot Size	One parcel totaling 1.47 acres, 64,033 square feet
Units	96 (95 units affordable)
Density	65.31 dwelling units per acre (96 units ÷ 1.47 acres)
Unit Mix	95 affordable units: 12 studios, 21 one-bedrooms, 33 two-bedrooms, and 29 three-bedrooms. Plus one unrestricted manager's one-bedroom unit.
Gross Building Area	128,260 gross square feet in one building (including 74,209 square feet for residential units use, 24,092 square feet circulation space, 8,456 square feet community space, and 21,503 square feet tuck-under parking plus parking garage).
Net Rentable Area	75,509 square feet.
Project Based Vouchers	10 Project-Based Veterans Affairs Supportive Housing (VASH) vouchers for veterans experiencing chronic homelessness.

Table 2 Development Team Summary

ROLE	FIRM/CONTACT
Developer	CHW
Owner/Borrower	USHA L.P.
Managing General Partner	Ulric Street Housing Opportunities L.L.C.
Tax Credit Investor Limited Partner	Red Stone Equity Partners L.L.C.
Architect	Studio E Architects
General Contractor	Sun Country Builders
Prevailing Wage Monitoring	Amerinational Community Services L.L.C.
Relocation Consultant	Lauren & Associates (a division of Raney Planning & Management Inc.)
Property Management	ConAm Management Corporation
Tenant Services Provider	CHW
Construction/Permanent Lender	US Bank National Association (US Bank)

Table 3 – Ulric Estimated Permanent Sources and Uses

Permanent Financing Sources	Amounts	Permanent Financing Uses	Amounts	Per Unit
Bond financed permanent loan	\$3,052,000	Property acquisition	\$9,444,174	\$98,377
State of California Housing & Community Development Department Multifamily Housing Program (MHP)	18,222,571	Construction costs \$27,322,287 Contingency +2,020,741 Total construction \$29,343,028	29,343,028	305,657
County of San Diego Innovative Housing Trust Fund loan	7,000,000	Financing costs	3,247,530	33,828
Housing Commission proposed loan	7,000,000	Local permits and fees	1,446,712	15,070
Accrued deferred interest SDHC loan	250,036	Other soft costs	3,468,557	36,131
Accrued deferred interest County loan	250,036	Relocation costs	1,275,286	13,284
General Partner capital contribution	1,308,097	Reserves	390,396	4,067
Deferred developer fee	1,500,000	Developer fee	4,808,097	50,084
CHW General Partner contribution	100			
4 percent (CTCAC) tax credit equity	14,840,940			
Total Development Cost	\$53,423,780	Total Development Cost (TDC)	\$53,423,780	\$556,498

Table 4 - Key Performance Indicators

Development Cost Per Unit	\$53,423,780 ÷ 96 units =	\$556,498
Housing Commission Subsidy Per Unit	\$7,000,000 ÷ 96 units =	\$72,917
Land Cost Per Unit	\$9,444,174 ÷ 96 units =	\$98,377
Gross Building Square Foot Hard Cost	\$29,343,028 ÷ 128,260 sq. ft. =	\$229
Net Rentable Square Foot Hard Cost	\$29,343,028 ÷ 74,209 sq. ft. =	\$395

Table 5 - Comparable Development Projects

New Construction Project Name	Year	Unit Mix Construction	Units	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Per Sq. Ft.
Proposed Subject Ulric Street	2020	12 studios, 21 ones, 33 twos, 29 threes, + 1 manager	96	\$53,423,780 (with prevailing wage)	\$556,498	\$72,917	\$229
Keeler Court	2019	10 studios, 18 twos, 22 threes, + 1 manager	71	\$35,692,466 (with prev. wage)	\$502,711	\$0	\$262
Fairmount Family	2017	32 ones, 23 twos, 24 threes, +1 mgr	80	\$29,828,500 (no prev. wage)	\$372,856	\$118,356	\$212
North Park Seniors	2016	7 studios, 65 ones, 3 twos, + 1 manager	76	\$24,818,921 (no prev. wage)	\$326,565	\$92,105	\$216
Mesa Verde	2016	3 studios, 34 ones, 36 twos, 26 threes, + 1 manager	90	\$22,963,066 (no prev. wage)	\$441,597	\$60,000	\$225

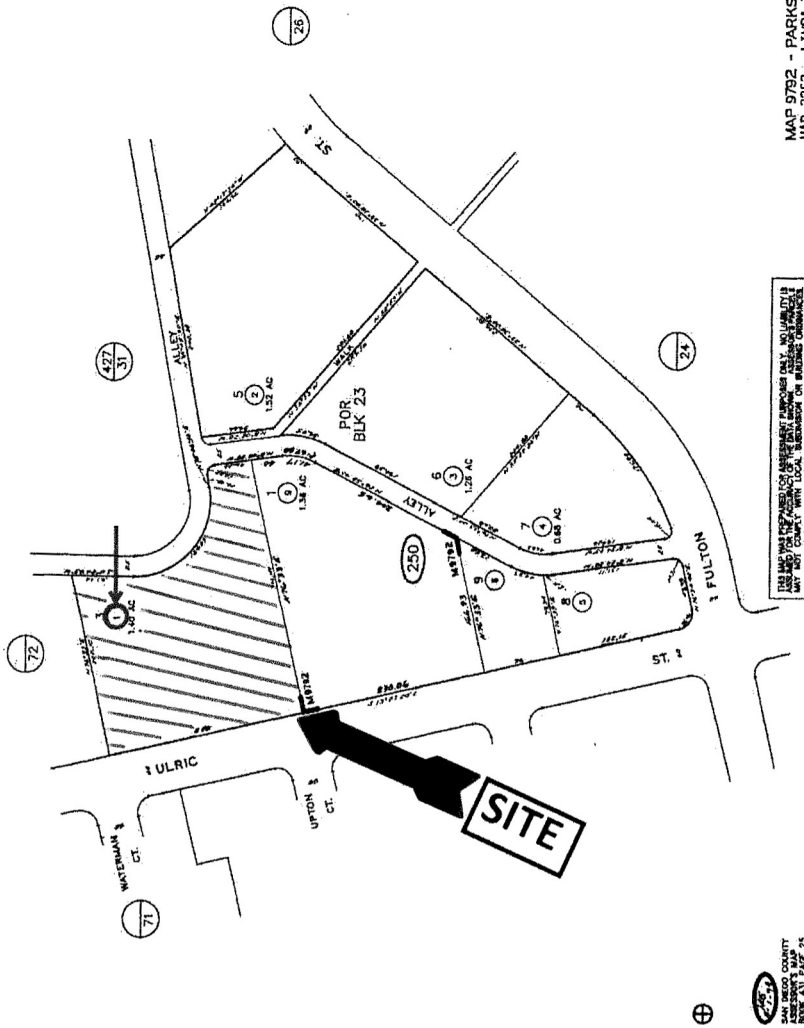
Table 6 Ulric Affordability and Monthly Estimated Rent Table

Unit Type	AMI	Units	CTCAC Gross Rents
Studios, 1 bath (370 sq. ft.)	30%	12	\$561
1-bedroom, 1 bath (593 sq. ft.)	30%	21	\$601
2-bedrooms, 1 bath (825 sq. ft.)	30%	11	\$722
3-bedrooms, 2 baths (1,062 sq. ft.)	30%	10	\$834
Subtotal 30% AMI Units	--	54	
2-bedroom, 1 bath (825 sq. ft.)	40%	22	\$963
3-bedrooms, 1 bath (1,062 sq. ft.)	50%	8	\$1,391
3-bedrooms, 2 baths (1,062 sq. ft.)	60%	11	\$1,669
Subtotal 40% to 60% AMI Units	--	41	--
1-bedroom Managers Unit	-	1	--
Total Units		96	

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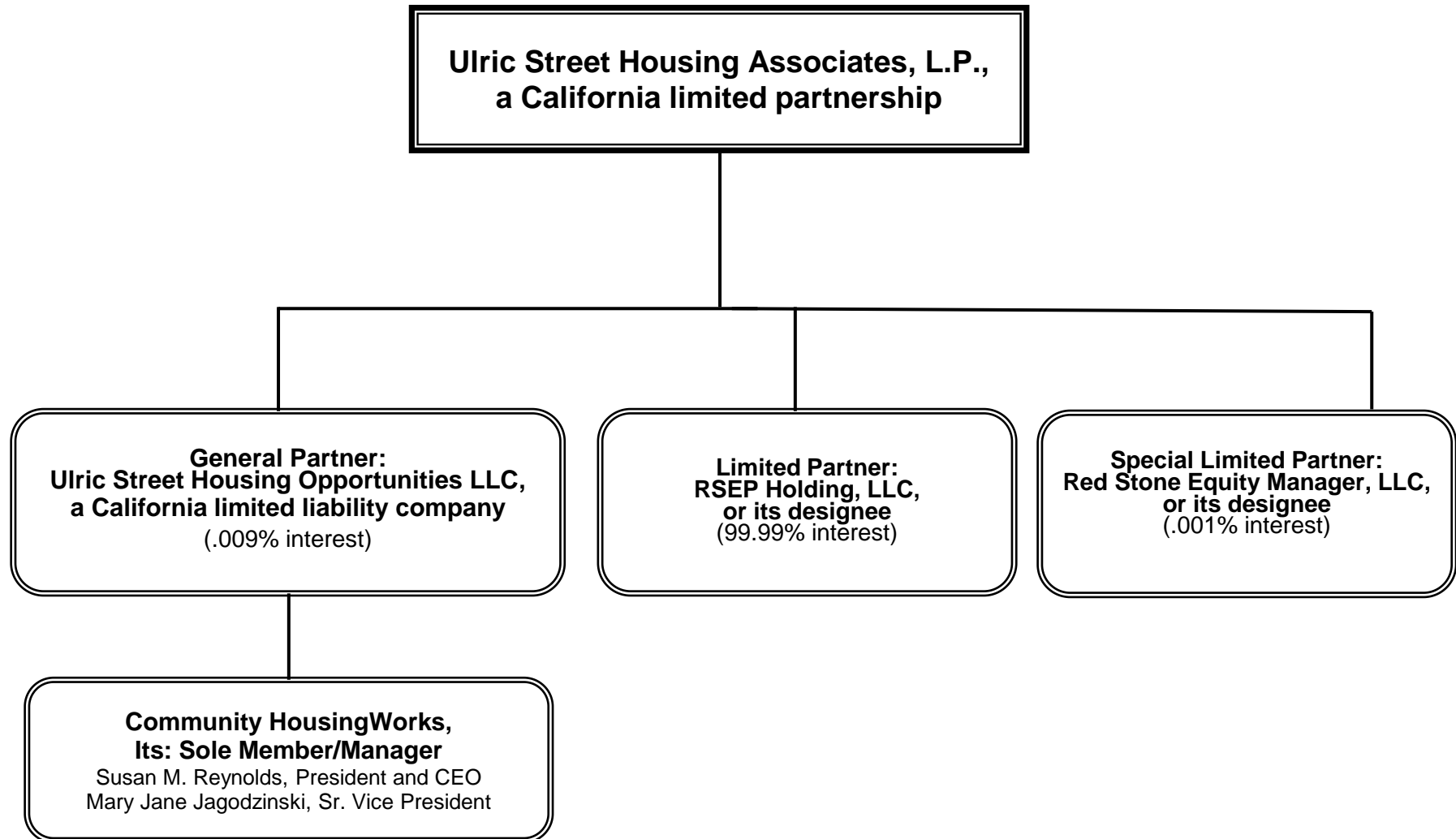
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MAP 9792 - PARKSIDE CONDOMINIUMS
MAP 3253 - LINDA VISTA SUB UNIT NO. 8

**Ulric Street Housing Associates, L.P.
Organization Chart**

ATTACHMENT 3



Prepared For:	Community HousingWorks
Prepared By:	California Housing Partnership Corporation
Version:	v5.4 Closing
Revised:	8/11/2020
Filename:	Ulric I - v5.4 Closing .xlsn

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SOURCES OF FUNDS - PERMANENT

		TOTAL INTEREST COST	OID INTEREST RATE	AMORT (Yr)	COMMENTS			
	AMOUNT							
Tax Exempt Perm Loan - A Tranche	3,052,000	3.520%		15.0	Term - 15 (yrs.)	Index - 10Y T -	1.670%	Spread - 185 bps U/W Cushion - 0 bps
HCD - MHP	18,222,571	3.000%	1.903%	55.0				
San Diego Housing Commission	7,000,000	3.000%	1.788%	55.0				
Accrued Deferred Interest - San Diego	250,036							
County of SD - IHTF	7,000,000	3.000%	1.788%	55.0				
Accrued Deferred Interest - County of S	250,036							
Deferred Developer Fee	1,500,000				Capitalized Developer Fee		2,000,000	
Capital Contributions					Aggregate Equity Pricing:		0.92	
General Partner (Developer Fee)	1,308,097				Total LP capital includes release of bond collateral funded during construction			
General Partner (Other)	100				Synd Costs		170,467	
Limited Partners	14,840,940				Net Equity for TCAC		14,670,473	
							11,872,752	
TOTAL SOURCES	53,423,779							
Surplus/(Shortfall)	(0)							

PERMANENT LOAN INTEREST RATE	TRANCHE A	INVESTOR EQUITY STACK	OTHER ASSUMPTIONS		
Base Rate	3.520%	LIHTC Equity (Federal+State)	14,840,940	Current AFR:	1.90%
Cushion	0.000%	Historic Tax Credit	0	AFR Month:	1/1/17
MIP	0.000%	Investment Tax Credit (Solar PV	0	AFR Cushion:	0.00%
GNMA/Servicing	0.000%	Subtotal LP Equity	14,840,940	Total U/W AFR:	1.90%
Issuer	0.000%				
Trustee	0.000%				
Rating	0.000%	CA Certificated Credit Sale	0		
Remarketing	0.000%	Total Investor Equity	14,840,940		
Rebate Analyst	0.000%				
Total	3.520%				

SOURCES OF FUNDS - CONSTRUCTION

		INTEREST		
	AMOUNT	RATE	TERM (Mos.)	COMMENTS
Tax-Exempt Construction Loan	28,930,321	3.100%	24	
Taxable Construction Loan	4,980,705	3.100%	24	
San Diego Housing Commission	6,300,000	3.000%	24	
Accrued Deferred Interest - San Diego	250,036			
County of SD - IHTF	6,300,000	3.000%	24	
Accrued Deferred Interest - County of S	250,036			
Costs Deferred Until Conversion	1,944,393			See page 2 - right column
Deferred Developer Fee	1,500,000			
Capital Contributions				LP Equity - Construction Period
General Partner (Developer Fee)	0			LP Equity used for construction 2,968,188 20.00%
General Partner (Other)	100			LP Equity used for bond collateral 0 0.00%
Limited Partners*	2,968,188			Total Equity During Constr 2,968,188 20.00%
TOTAL SOURCES	53,423,779			Syndication Costs 170,467
Surplus/(Shortfall)	0			Net Equity for TCAC 2,797,721
Sources Less Deferred To Conversion:	51,479,386			Less Costs Deferred to Conversion 50,455,591

CONSTRUCTION LOAN INTEREST RATE		CONSTRUCTION LOAN VALUATION		TAX-EXEMPT BOND DATA	
Index Type:	LIBOR	Restricted NOI	403,171	50% Test (see Page 7):	58.67%
Current Index:	1.00%	OAR	5.00%	Issuer Inducement:	TBD
Spread:	1.85%	Perm Loan Amount	8,063,420	CDLAC Allocation:	28,930,321
Base Interest Rate (not including cushi	2.85%	Credit Value 0.92	14,840,940	Percent of CDLAC Allocation Use	100.00%
Cushion - Private Placement / Convent	0.25%	Perm-Only Soft Debt	19,622,571	Const-only portion:	25,878,321
Interest Rate (All-In)	3.10%	Total Value	42,526,931		
		LTV:	85.00%	CDLAC Limit	43,120,000
		Max. Const. Loan Amount	36,147,891	CDLAC Limit 60%	29,584,275
		Commitment Amount	TBD		

Uses of Funds

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	Res Cost: Res Sq Foot:		100.00% 100.00%		COST ALLOCATIONS					LIHTC ELIGIBLE BASIS		OTHER BASIS & COST ALLOCATIONS				
	TOTAL	Per Unit	RESIDENTIAL	TOTAL NON-RESIDENTIAL	NON-DEPREC	DEPRECIABLE			EXPENSE	AMORTIZE	CONST/ REHAB	ACQ	Deferred to Completion or Perm Conv.	Land/Basis for 50% Test	Historic Rehab Tax Credit Basis	ITC Tax Credit Basis (Solar PV)
						RESID.	NON-RES									
ACQUISITION COSTS																
Total Purchase Price - Real Estate: 7,700,000																
Total Construction Contract: 27,872,287																
Land - Ulric	7,700,000	80,208	7,700,000	0	7,700,000								0	7,700,000		
Title/Recording/Escrow - Acquisition	4,500	47	4,500	0	4,500	0	0					0	0	4,500		
Legal - Acquisition	4,450	46	4,450	0	4,450	0	0					0	0	4,450		
Land Holding Costs	1,185,224	12,346	1,185,224	0	1,185,224						0		0	1,185,224		
Off-site Improvements	550,000	5,729	550,000	0	550,000	0	0				0		0		0	
HARD COSTS																
NEW CONSTRUCTION																
Hard Costs-Unit Construction	21,383,691	222,747	21,383,691	0	21,383,691	0					21,383,691		0	21,383,691	21,383,691	
Personal Property in Construction Contract	960,000	10,000	960,000	0	960,000	0					960,000		0	960,000		
Site Improvements/Landscape	1,792,853	18,676	1,792,853	0	1,792,853	0					1,792,853		0	1,792,853		
GC - General Conditions	1,260,000	13,125	1,260,000	0	1,260,000	0					1,260,000		0	1,260,000	1,260,000	
GC - Overhead & Profit	1,366,633	14,236	1,366,633	0	1,366,633	0					1,366,633		0	1,366,633	1,366,633	
GC - Insurance	321,488	3,349	321,488	0	321,488	0					321,488		0	321,488	321,488	
GC - Bond Premium	237,622	2,475	237,622	0	237,622	0					237,622		0	237,622	237,622	
Construction - Other - Owner Repair Costs	0	-	0	0	0	0	0				0		0	0	0	
Contingency - Owner's Construction	2,020,741	21,049	2,020,741	0	2,020,741	0					2,020,741		0	2,020,741	2,020,741	
SOFT COSTS																
Architecture - Design	1,125,340	11,722	1,125,340	0	1,125,340	0					1,125,340		0	1,125,340	1,125,340	0
Design/Engineering - Civil	390,000	4,063	390,000	0	390,000	0					390,000		0	390,000	390,000	
Design/Engineering - Dry Utilities	44,000	458	44,000	0	44,000	0					44,000		0	44,000	44,000	
Design/Engineering - Traffic	15,000	156	15,000	0	15,000	0					15,000		0	15,000	15,000	
Design/Engineering - Reimbursables	5,000	52	5,000	0	5,000	0					5,000		0	5,000	5,000	
Geotech/Soils Report	100,000	1,042	100,000	0	100,000	0					100,000		0	100,000	100,000	
Phase I/II/Toxics Report	41,049	428	41,049	0	41,049	0					41,049		0	41,049	41,049	
PNA/CNA Report	2,000	21	2,000	0	2,000	0					2,000		0	2,000	2,000	
ALTA Survey	20,000	208	20,000	0	20,000	0					20,000		0	20,000	20,000	
Special Inspections/Testing	0	-	0	0	0	0	0				0		0	0	0	
Environmental Consulting	1,545	16	1,545	0	1,545	0					1,545		0	1,545	1,545	
Prevailing Wage Monitor	146,330	1,524	146,330	0	146,330	0					146,330		0	146,330	146,330	0
LEED / HERS Rater	35,000	365	35,000	0	35,000	0					35,000		0	35,000	35,000	
Owner's Rep / Construction Supervision	166,800	1,738	166,800	0	166,800	0					166,800		0	166,800	166,800	0
Bond Premium	30,000	313	30,000	0	30,000	0					30,000		0	30,000	30,000	
Entitlement Consultant	30,000	313	30,000	0	30,000	0					30,000		0	30,000	30,000	
Local Development Impact Fees	1,211,312	12,618	1,211,312	0	1,211,312	0					1,211,312		0	1,211,312	1,211,312	
Impact Fee Waiver	0	-	0	0	0	0	0				0		0	0	0	
Local Permits/Fees	235,400	2,452	235,400	0	235,400	0					235,400		0	235,400	235,400	
Utility Connection Fees	3,500	36	3,500	0	3,500	0					3,500		0	3,500	3,500	0
Security During Const	0	-	0	0	0	0	0				0		0	0	0	
Relocation - Temporary (Rehab)	0	-	0	0	0	0	0				0		0	0	0	
Relocation - Permanent	1,275,286	13,284	1,275,286	0									0		0	
Real Estate Taxes During Const	134,750	1,404	134,750	0	134,750	0	0				134,750		0	134,750	134,750	
Insurance During Const	269,401	2,806	269,401	0	269,401	0					269,401		0	269,401	269,401	0
Appraisal	15,600	163	15,600	0	15,600	0					15,600		0	15,600	15,600	
Market/Rent Comp Study	8,500	89	8,500	0					8,500		0		0	0	0	
Printing/Owner Costs	10,000	104	10,000	0	10,000	0					10,000		0	10,000	10,000	
Soft Cost Contingency	384,276	4,003	384,276	0	384,276	0					384,276		0	384,276	384,276	
Predev. Loan Interest/Fees	479,487	4,995	479,487	0	269,337		210,150				269,337	0		269,337	269,337	
Construction Loan Interest	1,141,822	11,894	1,141,822	0	693,402	0	448,420				693,402		0	693,402	693,402	0
Construction Loan Interest - Tail	52,761	550	52,761	0	0	0	52,761				0		0	0	0	0
Accrued Interest - San Diego Housing Commissi	250,036	2,605	250,036	0	180,736	0	69,299				180,736	10,799		180,736	180,736	
Accrued Interest - County of SD - IHTF	250,036	2,605	250,036	0	180,736	0	69,299				180,736	10,799		180,736	180,736	
Title/Recording/Escrow - Construction	60,000	625	60,000	0	60,000	0					60,000		0	60,000	60,000	
Title/Recording/Escrow - Permanent	10,000	104	10,000	0						10,000		10,000				
Legal (Owner): Construction Closing	45,000	469	45,000	0	45,000	0					45,000		0	45,000	45,000	
Permanent Closing	0	-	0	0	0	0	0				0		0	0	0	
Organization of Ptnshp	9,826	102	9,826	0						9,826			0			
Syndication - LP	35,000	365	35,000	0									0			
Syndication Consulting	100,698	1,049	100,698	0									0			
Audit/Cost Certification	24,943	260	24,943	0									24,943			
TCAC Application/Res/Monitoring Fee	56,493	588	56,493	0				24,943			56,493		39,360			
Marketing	0	-	0	0				0					0			
Furnishings Not in Contract	80,000	833	80,000	0	80,000	0					80,000		0	80,000		
Start-up /Lease-up Expenses	150,000	1,563	150,000	0				150,000					150,000			
Capitalized Replacement Reserve	48,000	500	48,000	0	48,000								48,000			
Capitalized Operating Reserve (4 mos.)	342,396	3,567	342,396	0	342,396								342,396			
Developer Fee	4,808,097	50,084	4,808,097	0	4,808,097	0					4,808,097	0	1,308,097	4,808,097	4,808,097	-
COSTS OF ISSUANCE/FINANCING FEES																
Underwriter Fee	60,000	625	60,000	0	20,989	0			39,011		20,989		0	20,989	20,989	
Bond Counsel	50,000	521	50,000	0	17,491	0			32,509		17,491		0	17,491	17,491	
Issuer Counsel	45,000	469	45,000	0	15,742	0			29,258		15,742		0	15,742	15,742	
Issuer Financial Advisor	35,000	365	35,000	0	12,244	0			22,756		12,244		0	12,244	12,244	
Issuer Application Fee	13,000	135	13,000	0	4,548	0			8,452		4,548		0	4,548	4,548	
Issuer Fee - Upfront	84,778	883	84,778	0	29,657	0			55,120		29,657		0	29,657	29,657	
Issuer Fee - Annual During Const.	57,861	603	57,861	0	20,241	0			37,620		20,241		0	20,241	20,241	
Construction Lender Origination Fee	339,110	3,532	339,110	0	118,629	0			220,481		118,629		0	118,629	118,629	
Construction Lender Expenses	163,500	1,703	163,500	0	57,196	0			106,304		57,196		0	57,196	57,196	
Construction Lender Counsel	45,000	469	45,000	0	15,742	0			29,258		15,742		0	15,742	15,742	
Other Bond Fee: Third Party Construction Revie	15,000	156	15,000	0	5,247	0			9,753		5,247		0	5,247	5,247	
Permanent Loan Origination Fee	30,520	318	30,520	0	0	0			30,520		10,677		0	0	0	
Trustee Fee During Construction	15,000	156	15,000	0	5,247	0			9,753		5,247		0	5,247	5,247	
CDIAC Fee	10,126	105	10,126	0	3,542	0			6,583		3,542		0	3,542	3,542	
CDIAC Fee	3,000	31	3,000	0	1,049	0			1,951		1,049		0	1,049	1,049	
COI Contingency	25,000	260	25,000	0	8,746	0			16,254		8,746		0	8,746	8,746	
Subtotal - Financing/Costs of Issuance	991,894	10,332	991,894		0	336,312	0		655,582		346,988				336,312	0
TOTAL DEVELOPMENT COSTS																
TDC	53,423,779	556,498	53,423,779	0	9,834,570	40,412,951	0	1,024,873	740,401		40,423,627	0	1,944,393	49,307,125	37,580,098	0
TDC Per Unit	556,498				100.00%											
TDC Net of accrued interest:	52,923,708															
TDC TCAC	53,253,312		53,253,312													

Developer Fee Calculation

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DEVELOPER FEE CALCULATION			
	CONST.	ACQ.	TOTAL
Fee per Base TCAC Formula	5,342,330	0	5,342,330
Percent of Total	100.00%	0.00%	100.00%
Max. Allowable Fee per TCAC (prorated)	5,342,330	0	5,342,330
Less: Development Consulting	0		0
Net Allowable	5,342,330	0	5,342,330
Less: Owner Reduction	0	0	0
Net Allowable	5,342,330	0	5,342,330
Maximum Base Developer Fee per TCAC			5,342,330
Maximum Developer Fee per CDLAC			4,808,097
Maximum Developer Fee per Local			N/A
Maximum Developer Fee per Owner			N/A
Most Restrictive Maximum Developer Fee:			4,808,097
Maximum Cash Fee per TCAC (Lesser of Calc. or Reservation Amount)			2,500,000
Maximum Cash Fee per HCD			2,487,320
Maximum Cash Fee per Local			2,000,000
Maximum Cash Fee per Owner			N/A
Most Restrictive Maximum Cash Fee:			2,000,000

DEVELOPER FEE PAYMENT SCHEDULE			
	Amount	% of Cash Fee	% of Total Fee
Construction Close	800,000	40.00%	16.64%
Interim Milestone 1	-	0.00%	0.00%
Interim Milestone 2	-	0.00%	0.00%
Interim Milestone 3	-	0.00%	0.00%
Completion	200,000	10.00%	4.16%
Conversion	900,000	45.00%	18.72%
Final LP Pay-in 1	-	0.00%	0.00%
Final LP Pay-in 2	100,000	5.00%	2.08%
Total: Cash Fee	2,000,000		
Plus: Deferred Developer Fee	1,500,000		31.20%
Plus: GP Capital	1,308,097		27.21%
Total Developer Fee	4,808,097		

Unit Mix & Rental Income

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AVERAGE AFFORDABILITY FOR LIHTC UNITS (% of Median)	37.47%
9% TCAC INCOME TARGETING POINTS:	50.00
RENT LIMITS AS OF YEAR:	2020

UTILITY ALLOWANCES	0BR	1BR	2BR	3BR	4BR	5BR
Ulric	52	62	82	105	-	-
	-	-	-	-	-	-

RESIDENTIAL INCOME

LIHTC - Tier 2 <i>Ulric</i> <i>Rent / Income Per:</i> TCAC 30% AMI										VASH 0					
Unit Type	Number	Unit Floor Area	Actual Rent TCAC AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent		# of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
0BR	12	375	29.97%	606	554	554	6,648	79,776		10	1,521	967	9,670	116,040	195,816
1BR	21	500	29.96%	649	587	587	12,327	147,924		0	1,679	1,092	0	0	147,924
2BR	11	800	30.00%	780	698	698	7,678	92,136		0	2,178	1,480	0	0	92,136
3BR	10	1,300	30.01%	901	795	796	7,960	95,520		0	3,146	2,350	0	0	95,520
TOTAL	54						34,613	415,356		10			9,670	116,040	531,396

LIHTC - Tier 3 <i>Ulric</i> <i>Rent / Income Per:</i> TCAC 40% AMI										NOT 0					
Unit Type	Number	Unit Floor Area	Actual Rent TCAC AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent		# of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
2BR	22	800	40.00%	1,040	959	958	21,076	252,912		0	0	0	0	0	252,912
TOTAL	22						21,076	252,912		0			0	0	252,912

LIHTC - Tier 4 <i>Ulric</i> <i>Rent / Income Per:</i> TCAC 50% AMI										NOT 0					
Unit Type	Number	Unit Floor Area	Actual Rent TCAC AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent		# of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
3BR	8	1,300	50.00%	1,501	1,396	1,396	11,168	134,016		0	0	0	0	0	134,016
TOTAL	8						11,168	134,016		0			0	0	134,016

LIHTC - Tier 5 <i>Ulric</i> <i>Rent / Income Per:</i> TCAC 60% AMI										NOT 0					
Unit Type	Number	Unit Floor Area	Actual Rent TCAC AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent		# of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
3BR	11	1,300	60.03%	1,802	1,697	1,697	18,667	224,004		0	0	0	0	0	224,004
TOTAL	11						18,667	224,004		0			0	0	224,004

Staff Units - Site 1 <i>Ulric</i>									
Unit Type	Number	Unit Floor Area	Actual Rent TCAC AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent	
1BR	1	500	0.00%	0	0	0	0	0	
TOTAL	1						0	0	

TOTAL RESIDENTIAL INCOME															
	Number	Total Monthly Net Rent	Total Annual Net Rent	Monthly VASH Income	Annual VASH Income	Monthly NA Income	Annual NA Income	Monthly Test C Income	Annual Test C Income	Monthly Test D Income	Annual Test D Income	Grand Total Income	Total Floor Area		
LIHTC	95	85,524	1,026,288	9,670	116,040	0	0	0	0	0	0	1,142,328	79,100		
Staff Units	1	0	0	0	0	0	0	0	0	0	0	0	500		
TOTAL	96	85,524	1,026,288	9,670	116,040	0	0	0	0	0	0	1,142,328	79,600		

MISCELLANEOUS INCOME			
	Per Unit Per Month	Monthly Total	Annual Total
Laundry / Vending	8.00	768	9,216
Other	0.00	0	0
Parking	0.00	0	0
TOTAL	8.00	768	9,216

SUBSIDIZED UNIT MIX SUMMARY							
Unit Type	Units With VASH	Units With NA	Units With Test C	Units With Test D	Units Without Subsidy	Total Units	
0BR	10	0	0	0	2	12	
1BR	0	0	0	0	22	22	
2BR	0	0	0	0	33	33	
3BR	0	0	0	0	29	29	
4BR	0	0	0	0	0	0	
5BR	0	0	0	0	0	0	
TOTAL	10	0	0	0	86	96	

Calculation of Tax Credits

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	FEDERAL			CALIFORNIA		
	ACQUISITION	CONST/ REHAB	TOTAL	ACQUISITION	CONST/ REHAB	TOTAL
TOTAL ELIGIBLE COSTS	0	40,423,627	40,423,627	0	0	0
Less:						
50% Energy Investment Tax Credit (Res. Portion)	0	0	0	0	0	0
Historic Tax Credit (Res. Portion)		0	0			
Non-Eligible Federal Financing	0	0	0			
Non-Eligible Grants	0	0	0			
Soft Loan Basis Deduction	0	0	0	0	0	0
Voluntary Reduction for Tie-Breaker	0	0	0	0	0	0
ELIGIBLE BASIS	0	40,423,627	40,423,627	0	0	0
Threshold Basis Limit			87,480,633			
TBL: Exclude GP Cap/DDF for 4%/State			0			
REQUESTED UNADJUSTED ELIGIBLE BASIS (For Tiebreaker)	0	40,423,627	40,423,627	0	0	0
HIGH COST ADJUSTMENT (Y or N) Y DDA 2018	100.0%	130.0%		100.0%	100.0%	
ADJUSTED ELIGIBLE BASIS	0	52,550,715	52,550,715	0	0	0
APPLICABLE FRACTION*	100.0%	100.0%		100.0%	100.0%	
QUALIFIED CREDIT BASIS	0	52,550,715	52,550,715	0	0	0
CREDIT RATE (TCAC UNDERWRITING) State - Total Federal Annual/Yr 1-3 State Year 4 - State	3.07%	3.07%		13.00% 3.07% 3.79%	13.00% 9.00% 3.00%	
MAX. POTENTIAL FEDERAL CREDIT (No Vol Basic Reduct/Actual Rate) Credit Rates 3.07% 3.07% Potential Credit 0 1,613,307 1,613,307 Credit Rate Locked? YES Nov-16						
MAX. CREDIT AMOUNT PER TCAC UNDERWRITING Federal Annual/Yr 1State Yr 2 State Yr 3 State Yr 4 State Total	0	1,613,307	1,613,307	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0
MAXIMUM ALLOWABLE CREDITS (Lesser of above) Federal Annual/Total State	0	1,613,307	1,613,307			0
MAXIMUM ALLOWABLE - TEN YEAR TOTAL			16,133,070			0

Base Year Income & Expense

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INCOME		
Scheduled Gross Income - Residential		1,026,288
Scheduled Gross Income - Residential VASH		0
Total Gross Subsidy Income - VASH		116,040
Misc. Income		9,216
Vacancy Loss - Residential	5.0%	(51,775)
Vacancy Loss - VASH	7.0%	(8,123)
Vacancy Loss - Residential VASH	7.0%	0
EFFECTIVE GROSS INCOME		1,091,646
EXPENSES - RESIDENTIAL		
Administrative		
Advertising		0
Legal		2,400
Accounting/Audit		13,205
Security		0
Other: Misc. Admin		37,737
Total Administrative		53,342
Management Fee		55,296
Utilities		
Gas		43,812
Electricity		30,474
Water/Sewer		76,260
Total Utilities		150,546
Payroll/Payroll Taxes		
On-Site Manager/Office Admin		66,560
Maintenance Payroll		45,760
Payroll Taxes/Benefits		33,471
Total Payroll/Payroll Taxes		145,791
Insurance		52,500
Maintenance		
Painting		10,000
Repairs		21,000
Trash Removal		12,000
Exterminating		5,000
Grounds		16,200
Elevator		14,000
Fire Protection		11,725
Total Maintenance		89,925
Other		
Monitoring Fees		18,725
Total Other		18,725
Resident Services		
Tenant Services		61,750
Total Resident Services		61,750
Replacement Reserve		57,600
Real Estate Taxes		3,000
TOTAL EXPENSES - RESIDENTIAL		688,475
Per Unit Per Annum (incl. Reserves)	7,172	
Per Unit Per Annum (w/o taxes/res/svc/monitoring))	5,702	
TCAC Minimum (w/o taxes/res/svc)	5,400	
NET AVAILABLE INCOME		403,171
Less: Mandatory Annual HCD Payment (Grossed Up for DSCR Factor)	1.20	(76,535)
ADJUSTED NET AVAILABLE INCOME: TOTAL		326,636
ADJUSTED NET OF COMMERCIAL:		326,636
ADJUSTED NET AVAILABLE INCOME: NET OF OP SUBSIDY		218,719
Debt Service Coverage Ratio		1.20
AVAILABLE FOR DEBT SERVICE (NET OF OP SUBSIDY)		182,266
NET AVAILABLE INCOME AFTER SENIOR DEBT SERVICE		54,439

Mortgage Calculation/Bond Ratios

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mjy4edeewdx

TRANCHE A

Uses baseline year NOI; includes annual fees				
Financing Type: Tax Exempt Perm Loan - A Tranche				
	Underwriting	Maximum		
	Constraint	Loan Amount		
Debt Service Coverage	1.20	3,052,214	Rate:	3.520%
Lender Commitment		NA	Term (mths):	180
			NOI for DS:	<u>326,636</u>
			Max PMT @ DSCR:	272,197
MAXIMUM MORTGAGE		3,052,214	Annual Fees:	<u>10,000</u>
			Annual DS Payment:	262,197

INTEREST RATE STACK	TRANCHE A	TRANCHE B	221(D)(4)	SELECTED
Base Rate	3.5200%	5.3800%	4.2500%	3.5200%
Cushion	0.0000%	0.0000%	0.7500%	0.0000%
MIP	0.0000%	0.0000%	0.4500%	0.0000%
GNMA/Servicing	0.0000%	0.0000%	0.2000%	0.0000%
Issuer	0.0000%	0.0000%	0.0000%	0.0000%
Trustee	0.0000%	0.0000%	0.0000%	0.0000%
Rating	0.0000%	0.0000%	0.0000%	0.0000%
Remarketing	0.0000%	0.0000%	0.0000%	0.0000%
Rebate Analyst	0.0000%	0.0000%	0.0000%	0.0000%
TOTAL	3.5200%	5.3800%	5.6500%	3.5200%
DCR	1.20	1.15	1.15	1.2

BOND / REHABILITATION RATIOS

Tax-Exempt Financing Ratio		CDLAC Allocation Limit		Effective Date Limits.		1/1/18
			Units	Per-Unit Limit	Total Limit	
		Studio and SRO	12	402,500	4,830,000	
		One BR	22	420,000	9,240,000	
Series A Bonds	3,052,000	Two BR	33	447,500	14,767,500	
Series B Bonds	0	Three BR	29	492,500	14,282,500	
Short Term Bonds (Construction Loan Portior	<u>25,878,321</u>	Four BR or More	0	517,500	0	
TOTAL TAX-EXEMPT FINANCING	28,930,321					
				TOTAL	43,120,000	
TOTAL BASIS + LAND ALLOCATION	49,307,125			Potential Bond Size	25,878,321	
Depreciable Basis (residential)	40,412,951					
Land	7,700,000					
Holding Costs	1,185,224					
Title/Recording/Escrow/Legal - Acquisition	8,950					
				Over/(Under)	-17,241,679	
Percent Tax-Exempt Financing	58.67%					

Lease-Up / Placed-in-Service Schedule

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SCHEDULE

Start of Construction	October 1, 2020
Completion	May 1, 2022
100% Occupancy	August 1, 2022
Conversion	December 1, 2022
Form(s) 8609	March 1, 2023

LIHTC SCHEDULE

SINGLE BUILDING / MULTIPLE BUILDINGS - GROUP A		
1st Tax Credit Year:		2022
Completed Lease Up by Month		
Month	No. Units	Percent
Jan-22	0	0.0%
Feb-22	0	0.0%
Mar-22	0	0.0%
Apr-22	0	0.0%
May-22	32	33.7%
Jun-22	32	33.7%
Jul-22	31	32.6%
Aug-22	0	0.0%
Sep-22	0	0.0%
Oct-22	0	0.0%
Nov-22	0	0.0%
Dec-22	0	0.0%
Total	95	100.0%
Total Avg % Qual. Occ.		58.4%

MULTIPLE BUILDINGS - GROUP B			
1st Tax Credit Year:		2023	
Month	No. Units	Percent	
Jan-23	0	0.0%	
Feb-23	0	0.0%	
Mar-23	0	0.0%	
Apr-23	0	0.0%	
May-23	0	0.0%	
Jun-23	0	0.0%	
Jul-23	0	0.0%	
Aug-23	0	0.0%	
Sep-23	0	0.0%	
Oct-23	0	0.0%	
Nov-23	0	0.0%	
Dec-23	0	0.0%	
Total	0	0.0%	
Total Avg % Qual. Occ.		0.0%	

LIHTC SCHEDULE -- 2/3 CREDITS

SINGLE BUILDING / MULTIPLE BUILDINGS - GROUP A		
1st Tax Credit Year:		2023
Completed Lease Up by Month		
Month	No. Units	Percent
Jan-23	0	0.0%
Feb-23	0	0.0%
Mar-23	0	0.0%
Apr-23	0	0.0%
May-23	0	0.0%
Jun-23	0	0.0%
Jul-23	0	0.0%
Aug-23	0	0.0%
Sep-23	0	0.0%
Oct-23	0	0.0%
Nov-23	0	0.0%
Dec-23	0	0.0%
Total	0	0.0%
Total Avg % Qual. Occ.		0.0%

MULTIPLE BUILDINGS - GROUP B			
1st Tax Credit Year:		2024	
Month	No. Units	Percent	
Jan-24	0	0.0%	
Feb-24	0	0.0%	
Mar-24	0	0.0%	
Apr-24	0	0.0%	
May-24	0	0.0%	
Jun-24	0	0.0%	
Jul-24	0	0.0%	
Aug-24	0	0.0%	
Sep-24	0	0.0%	
Oct-24	0	0.0%	
Nov-24	0	0.0%	
Dec-24	0	0.0%	
Total	0	0.0%	
Total Avg % Qual. Occ.		0.0%	

OPERATIONS SCHEDULE

YEAR 0		
2021		
Completed Lease Up by Month		
Month	No. Units	Percent
Jan-21	0	0.0%
Feb-21	0	0.0%
Mar-21	0	0.0%
Apr-21	0	0.0%
May-21	0	0.0%
Jun-21	0	0.0%
Jul-21	0	0.0%
Aug-21	0	0.0%
Sep-21	0	0.0%
Oct-21	0	0.0%
Nov-21	0	0.0%
Dec-21	0	0.0%
Total	0	0.0%
Total % Operating in First Year		0.0%

YEAR 1 (cumulative)			
		2022	
Month	No. Units	Percent	
Jan-22	0	0.0%	
Feb-22	0	0.0%	
Mar-22	0	0.0%	
Apr-22	0	0.0%	
May-22	96	100.0%	
Jun-22	0	0.0%	
Jul-22	0	0.0%	
Aug-22	0	0.0%	
Sep-22	0	0.0%	
Oct-22	0	0.0%	
Nov-22	0	0.0%	
Dec-22	0	0.0%	
Total	96	100.0%	
Total % Operating in 2nd Year		66.7%	

PIS SCHEDULE FOR BUILDING BASIS DEPRECIATION

YEAR 0		
Mid-Month Convention		2021
Bldg. PIS by Month		
Month	No. Units	Dep. Percent
Jan-21	0	0.0%
Feb-21	0	0.0%
Mar-21	0	0.0%
Apr-21	0	0.0%
May-21	0	0.0%
Jun-21	0	0.0%
Jul-21	0	0.0%
Aug-21	0	0.0%
Sep-21	0	0.0%
Oct-21	0	0.0%
Nov-21	0	0.0%
Dec-21	0	0.0%
TOTAL	0	0.0%
Total Avg % PIS Y1		0.0%
YEAR 2 (cumulative)		
Jan-22	0	0.0%
Feb-22	0	0.0%
Mar-22	0	0.0%
Apr-22	0	0.0%
May-22	96	4.2%
Jun-22	96	8.3%
Jul-22	96	8.3%
Aug-22	96	8.3%
Sep-22	96	8.3%
Oct-22	96	8.3%
Nov-22	96	8.3%
Dec-22	96	8.3%
TOTAL	96	62.5%
Total Avg % PIS Y2		62.5%

PIS SCHEDULE FOR REHAB/NC BASIS DEPRECIATION

YEAR 1		2021	
Mid-Month Convention			
Month	Building No.	Bldg. PIS by Month	
		No. Units	Percent
Jan-21	0	0	0.0%
Feb-21	0	0	0.0%
Mar-21	0	0	0.0%
Apr-21	0	0	0.0%
May-21	0	0	0.0%
Jun-21	0	0	0.0%
Jul-21	0	0	0.0%
Aug-21	0	0	0.0%
Sep-21	0	0	0.0%
Oct-21	0	0	0.0%
Nov-21	0	0	0.0%
Dec-21	0	0	0.0%
TOTAL		0	0.0%
Total Avg % PIS Y1		0.0%	
YEAR 2 (cumulative)			
Jan-22	0	0	0.0%
Feb-22	0	0	0.0%
Mar-22	0	0	0.0%
Apr-22	0	0	0.0%
May-22	1	95	4.1%
Jun-22	0	95	8.2%
Jul-22	0	95	8.2%
Aug-22	0	95	8.2%
Sep-22	0	95	8.2%
Oct-22	0	95	8.2%
Nov-22	0	95	8.2%
Dec-22	0	95	8.2%
TOTAL		95	61.8%
Total Avg % PIS Y2		61.8%	

PIS SCHEDULE FOR SITEWORK/PERS. PROP. DEPRECIATION

YEAR 1			2021
Mid-Year Convention			
			Bldg. PIS by Month
Month	Building No.	No. Units	Percent
Jan-21	0	0	0.0%
Feb-21	0	0	0.0%
Mar-21	0	0	0.0%
Apr-21	0	0	0.0%
May-21	0	0	0.0%
Jun-21	0	0	0.0%
Jul-21	0	0	0.0%
Aug-21	0	0	0.0%
Sep-21	0	0	0.0%
Oct-21	0	0	0.0%
Nov-21	0	0	0.0%
Dec-21	0	0	0.0%
TOTAL		0	0.0%
Total Avg % PIS Y1			0.0%
YEAR 2 (non-cumulative)			
Jan-22	0	0	0.0%
Feb-22	0	0	0.0%
Mar-22	0	0	0.0%
Apr-22	0	0	0.0%
May-22	1	95	0.0%
Jun-22	0	0	0.0%
Jul-22	0	0	8.2%
Aug-22	0	0	8.2%
Sep-22	0	0	8.2%
Oct-22	0	0	8.2%
Nov-22	0	0	8.2%
Dec-22	0	0	8.2%
TOTAL		95	49.5%
Total Avg % PIS Y2			49.5%

TCAC Calculations & Scoring

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THRESHOLD BASIS LIMIT						
County:		San Diego				
9% or 4% credits:		4%				
Year:		2019				
Base Limits for Geographic Region			Threshold Basis Limit for This Project			
Unit Type	9%	4%	Unit Type	# Units	Per Unit Basis Limit	Total
0 BR	207,647	237,558	0 BR	12	237,558	2,850,696
1 BR	239,415	273,902	1 BR	22	273,902	6,025,844
2 BR	288,800	330,400	2 BR	33	330,400	10,903,200
3 BR	369,664	422,912	3 BR	29	422,912	12,264,448
4 BR	411,829	471,150	4 BR	0	471,150	0
5 BR	411,829	471,150	5 BR	0	471,150	0
				96		32,044,188
Energy/Resource Efficiency Boosts			Additional Basis Adjustments			
Renewables (50% tot./90% area)	0%		Boost for Prevailing Wage		20.0%	
Renewables (75% CA/90% area)	0%		Boost for Project Labor Agreement		0.0%	
Title 24 + 15%	0%		Boost for Parking beneath Units		0.0%	
Post-rehab improvement > 80%	0%		Boost for Childcare		0.0%	
Greywater landscaping	0%		Boost for 100% Special Needs		0.0%	
Community gardens > 60 s.f.	0%		Boost for elevator service		10.0%	
Natural flooring kitchens	0%		Subtotal Boost (Max 39%)		30.0%	9,613,256
Natural flooring common area	0%		Boost for Energy / Resource Efficiency		0.0%	0
EPA Indoor Air Plus Program met	0%		Toxic/Seismic Abatement Costs		0.0%	0
			Local Development Impact Fees			0
			High Opportunity Area		0%	0
			BONDS: Boost for units <= 50% AMI (excl. CA credit projec		1.0%	9,933,698
			BONDS: Boost for units <= 35% AMI (excl. CA credit projec		2.0%	35,889,491
Subtotal Efficiency (Max 10%)	0%		Total Threshold Basis Limit			87,480,633
			Potential Eligible Basis (Less DDF/GP for 4%/state)			40,423,627
			Eligible Basis Surplus / Deficit			47,057,006

HCD HIGH COST TEST	
Total Eligible Basis	40,423,627
Total Adjusted TBL (Net of Fee Waivers)	41,657,444
Percentage of ATBL	97.04%
Amount Over/(Under) 130% Limit	(13,731,051)

15-Year Cash Flow

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Assumptions																				
Rent Increase: Residential Tenant Rent	2.00%	Rent Increase - VASH	2.00%	Perm Loan - % Debt Svc Yr -1	0.0%															
Rent Increase: Commercial Rents	2.00%	Rent Increase - NA	2.00%	Perm Loan - % Debt Svc Yr 0	0.0%															
Expenses Increase:	3.00%	Rent Increase - Test C	2.00%	Perm Loan - % Debt Svc Yr 1	8.3%															
Reserve Increase:	0.00%	Rent Increase - Test D	2.00%	Perm Loan - % Debt Svc Yr 2	100.0%															
				Perm Loan - % Debt Svc Yr 3	100.0%															
Credit Period Year:		(1)	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
GROSS POTENTIAL INCOME - RESIDENTIAL		0	0	684,192	1,046,814	1,067,750	1,089,105	1,110,887	1,133,105	1,155,767	1,178,882	1,202,460	1,226,509	1,251,039	1,276,060	1,301,581	1,327,613	1,354,165	1,381,249	1,408,873
Incremental Income: VASH		0	0	77,360	118,361	120,728	123,143	125,605	128,118	130,680	133,293	135,959	138,679	141,452	144,281	147,167	150,110	153,112	156,175	159,298
Misc. Income		0	0	6,144	9,400	9,588	9,780	9,976	10,175	10,379	10,586	10,798	11,014	11,234	11,459	11,688	11,922	12,160	12,404	12,652
Vacancy Loss - Residential		5.0%	0	(34,517)	(52,811)	(53,867)	(54,944)	(56,043)	(57,164)	(58,307)	(59,473)	(60,663)	(61,876)	(63,114)	(64,376)	(65,663)	(66,977)	(68,316)	(69,683)	(71,076)
Vacancy Loss - VASH		7.0%	0	(5,415)	(8,285)	(8,451)	(8,620)	(8,792)	(8,968)	(9,148)	(9,331)	(9,517)	(9,707)	(9,902)	(10,100)	(10,302)	(10,508)	(10,718)	(10,932)	(11,151)
GROSS EFFECTIVE INCOME		0	0	727,764	1,113,479	1,135,748	1,158,463	1,181,633	1,205,265	1,229,371	1,253,958	1,279,037	1,304,618	1,330,710	1,357,325	1,384,471	1,412,161	1,440,404	1,469,212	1,498,596
Operating Expenses w/ Standard Inflator		3.0%	0	382,183	590,473	608,187	626,433	645,226	664,583	684,520	705,056	726,208	747,994	770,434	793,547	817,353	841,874	867,130	893,144	919,938
Operating Expenses w/ Alternate Inflators: Replacement Reserve		3.5%	0	38,400	59,616	61,703	63,862	66,097	68,411	70,805	73,283	75,848	78,503	81,250	84,094	87,038	90,084	93,237	96,500	99,878
TOTAL EXPENSES		0	0	420,583	650,089	669,890	690,295	711,323	732,994	755,325	778,339	802,056	826,497	851,684	877,641	904,391	931,958	960,367	989,644	1,019,816
Total Expenses - Residential		3.0%	0	420,583	650,089	669,890	690,295	711,323	732,994	755,325	778,339	802,056	826,497	851,684	877,641	904,391	931,958	960,367	989,644	1,019,816
NET OPERATING INCOME		0	0	307,181	463,390	465,858	468,168	470,309	472,272	474,045	475,619	476,981	478,121	479,026	479,684	480,080	480,203	480,037	479,568	478,780
REPLACEMENT RESERVE		57,600	0	38,400	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600
Mandatory Annual HCD Payment		0.42%	0	0	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535
NET REMAINING INCOME		0	0	268,781	329,255	331,724	334,033	336,175	338,137	339,910	341,484	342,847	343,986	344,891	345,549	345,946	346,068	345,902	345,433	344,646
PERM LOAN - TRANCHE A		Tax Exempt Perm Loan - A Tranche																		
Principal Balance (Ending)		3,052,000	0	3,052,000	2,894,731	2,731,836	2,563,113	2,388,355	2,207,344	2,019,859	1,825,666	1,624,527	1,416,192	1,200,404	976,897	745,394	505,610	257,247	0	0
Annual Issuer Fee		10,000	0	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	0
Series A Bond P&I		262,178	0	0	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	0
Interest Payment		0	0	0	104,909	99,283	93,456	87,420	81,168	74,693	67,986	61,039	53,844	46,391	38,671	30,676	22,394	13,816	4,931	0
Principal Payment		0	0	0	157,269	162,895	168,723	174,758	181,010	187,485	194,192	201,139	208,335	215,788	223,507	231,503	239,785	248,362	257,247	0
TOTAL SERIES A DEBT SERVICE		0	0	0	272,178	272,178	272,178	272,178	272,178	272,178	272,178	272,178	272,178	272,178	272,178	272,178	272,178	272,178	272,178	0
NET CASH FLOW		0	0	268,781	57,076	59,545	61,855	63,996	65,959	67,732	69,306	70,668	71,808	72,713	73,370	73,767	73,890	73,724	73,255	344,646
CASH FLOW (RESERVED)/RELEASED FOR CONVERSION		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Remaining Net Cash Flow		0	0	268,781	57,076	59,545	61,855	63,996	65,959	67,732	69,306	70,668	71,808	72,713	73,370	73,767	73,890	73,724	73,255	344,646
Debt Service Coverage Ratio (All Debt)		NA	NA	NA	1.21	1.22	1.23	1.24	1.24	1.25	1.25	1.26	1.26	1.27	1.27	1.27	1.27	1.27	1.27	NA
DISTRIBUTION OF CASH FLOW																				
LP AMF 1	Annual Amt:	7,500	0	0	625	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501	9,786	10,079	10,382	10,693	11,014	11,344	12,035
	Inflator:	3.00%																		
DDF	Annual Amt:	0	0	0	268,156	49,351	51,589	53,660	55,555	57,264	58,777	60,082	61,167	62,022	62,634	62,989	63,074	62,876	62,379	332,610
	Interest Rate:	0.00%																		
GP AMF 2	Annual Amt:	20,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Inflator:	3.00%																		
Residual Receipts Loans		Total %	50.00%																	
HCD - MHP		56.55%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
San Diego Housing Commission		21.72%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
County of SD - IHTF		21.72%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
General Partner		90.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Limited Partner		10.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Ulric I

15-Year Cash Flow																					
Assumptions																					
Rent Increase: Residential Tenant Rent Rent Increase: Commercial Rents Expenses Increase: Reserve Increase:																					
	18 2039	19 2040	20 2041	21 2042	22 2043	23 2044	24 2045	25 2046	26 2047	27 2048	28 2049	29 2050	30 2051	31 2052	32 2053	33 2054	34 2055	35 2056	36 2057	37 2058	38 2059
GROSS POTENTIAL INCOME - RESIDENTIAL	1,437,051	1,465,792	1,495,108	1,525,010	1,555,510	1,586,620	1,618,353	1,650,720	1,683,734	1,717,409	1,751,757	1,786,792	1,822,528	1,858,979	1,896,158	1,934,081	1,972,763	2,012,218	2,052,463	2,093,512	2,135,382
Incremental Income: VASH	162,484	165,734	169,048	172,429	175,878	179,395	182,983	186,643	190,376	194,183	198,067	202,028	206,069	210,190	214,394	218,682	223,056	227,517	232,067	236,709	241,443
Misc. Income	12,905	13,163	13,426	13,694	13,968	14,248	14,533	14,823	15,120	15,422	15,731	16,045	16,366	16,694	17,027	17,368	17,715	18,070	18,431	18,800	19,176
Vacancy Loss - Residential	(72,498)	(73,948)	(75,427)	(76,935)	(78,474)	(80,043)	(81,644)	(83,277)	(84,943)	(86,642)	(88,374)	(90,142)	(91,945)	(93,784)	(95,659)	(97,572)	(99,524)	(101,514)	(103,545)	(105,616)	(107,728)
Vacancy Loss - VASH	(11,374)	(11,601)	(11,833)	(12,070)	(12,311)	(12,558)	(12,809)	(13,065)	(13,326)	(13,593)	(13,865)	(14,142)	(14,425)	(14,713)	(15,008)	(15,308)	(15,614)	(15,926)	(16,245)	(16,570)	(16,901)
GROSS EFFECTIVE INCOME	1,528,568	1,559,139	1,590,322	1,622,129	1,654,571	1,687,663	1,721,416	1,755,844	1,790,961	1,826,780	1,863,316	1,900,582	1,938,594	1,977,366	2,016,913	2,057,251	2,098,396	2,140,364	2,183,171	2,226,835	2,271,372
Operating Expenses w/ Standard Inflator	947,536	975,962	1,005,241	1,035,398	1,066,460	1,098,454	1,131,408	1,165,350	1,200,311	1,236,320	1,273,409	1,311,612	1,350,960	1,391,489	1,433,234	1,476,231	1,520,517	1,566,133	1,613,117	1,661,511	1,711,356
Operating Expenses w/ Alternate Inflators: Replacement Reserve	103,373	106,991	110,736	114,612	118,623	122,775	127,072	131,520	136,123	140,887	145,818	150,922	156,204	161,671	167,330	173,186	179,248	185,522	192,015	198,735	205,691
TOTAL EXPENSES	1,050,910	1,082,954	1,115,977	1,150,010	1,185,084	1,221,229	1,258,480	1,296,870	1,336,433	1,377,207	1,419,228	1,462,534	1,507,164	1,553,160	1,600,563	1,649,417	1,699,765	1,751,655	1,805,132	1,860,246	1,917,047
Total Expenses - Residential	1,050,910	1,082,954	1,115,977	1,150,010	1,185,084	1,221,229	1,258,480	1,296,870	1,336,433	1,377,207	1,419,228	1,462,534	1,507,164	1,553,160	1,600,563	1,649,417	1,699,765	1,751,655	1,805,132	1,860,246	1,917,047
NET OPERATING INCOME	477,658	476,186	474,345	472,118	469,487	466,433	462,936	458,974	454,528	449,573	444,088	438,048	431,429	424,205	416,350	407,834	398,631	388,710	378,040	366,589	354,325
REPLACEMENT RESERVE	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600
Mandatory Annual HCD Payment	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535
NET REMAINING INCOME	343,524	342,051	340,210	337,983	335,353	332,298	328,801	324,840	320,393	315,438	309,953	303,914	297,295	290,071	282,215	273,699	264,496	254,575	243,905	232,454	220,190
PERM LOAN - TRANCHE A																					
Principal Balance (Ending)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Issuer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Series A Bond P&I	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL SERIES A DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET CASH FLOW	343,524	342,051	340,210	337,983	335,353	332,298	328,801	324,840	320,393	315,438	309,953	303,914	297,295	290,071	282,215	273,699	264,496	254,575	243,905	232,454	220,190
CASH FLOW (RESERVED)/RELEASED FOR INVESTMENT																					
Remaining Net Cash Flow	343,524	342,051	340,210	337,983	335,353	332,298	328,801	324,840	320,393	315,438	309,953	303,914	297,295	290,071	282,215	273,699	264,496	254,575	243,905	232,454	220,190
Debt Service Coverage Ratio (All Debt)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
DISTRIBUTION OF CASH FLOW																					
LP AMF 1	12,396	12,768	13,151	13,546	13,952	14,371	14,802	15,246	15,703	16,174	16,660	17,159	17,674	18,204	18,751	19,313	19,893	20,489	21,104	21,737	22,389
DDF	14,246	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GP AMF 2	316,881	167,123	35,070	36,122	37,206	38,322	39,472	40,656	41,876	43,132	44,426	45,759	47,131	48,545	50,002	51,502	53,047	54,638	56,277	57,966	59,705
Residual Receipts/Loans																					
HCD - MHP	0	45,852	82,563	81,524	80,359	79,062	77,626	76,045	74,313	72,424	70,370	68,144	65,739	63,146	60,359	57,368	54,165	50,741	47,086	43,192	39,048
San Diego Housing Commission	0	17,614	31,716	31,317	30,869	30,371	29,819	29,212	28,547	27,821	27,032	26,177	25,253	24,257	23,186	22,037	20,807	19,491	18,088	16,592	15,000
County of SD - IHTF	0	17,614	31,716	31,317	30,869	30,371	29,819	29,212	28,547	27,821	27,032	26,177	25,253	24,257	23,186	22,037	20,807	19,491	18,088	16,592	15,000
General Partner	0	72,972	131,395	129,742	127,888	125,823	123,537	121,022	118,266	115,259	111,991	108,448	104,620	100,494	96,058	91,298	86,201	80,751	74,936	68,738	62,143
Limited Partner	0	8,108	14,599	14,416	14,210	13,980	13,726	13,447	13,141	12,807	12,443	12,050	11,624	11,166	10,673	10,144	9,578	8,972	8,326	7,638	6,905

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15-Year Cash Flow

Assumptions																			
Rent Increase: Residential Tenant Rent																			
Rent Increase: Commercial Rents																			
Expenses Increase:																			
Reserve Increase:																			
	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57
	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078
GROSS POTENTIAL INCOME - RESIDENTIAL																			
Incremental Income: VASH	2,178,090	2,221,652	2,266,085	2,311,406	2,357,634	2,404,787	2,452,883	2,501,941	2,551,979	2,603,019	2,655,079	2,708,181	2,762,344	2,817,591	2,873,943	2,931,422	2,990,051	3,049,852	3,110,849
Misc. Income	246,272	251,197	256,221	261,345	266,572	271,904	277,342	282,889	288,546	294,317	300,204	306,208	312,332	318,579	324,950	331,449	338,078	344,840	351,736
Vacancy Loss - Residential	19,559	19,950	20,349	20,756	21,171	21,595	22,027	22,467	22,917	23,375	23,842	24,319	24,806	25,302	25,808	26,324	26,850	27,387	27,935
Vacancy Loss - VASH	(109,882)	(112,080)	(114,322)	(116,608)	(118,940)	(121,319)	(123,745)	(126,220)	(128,745)	(131,320)	(133,946)	(136,625)	(139,358)	(142,145)	(144,988)	(147,887)	(150,845)	(153,862)	(156,939)
	(17,239)	(17,584)	(17,935)	(18,294)	(18,660)	(19,033)	(19,414)	(19,802)	(20,198)	(20,602)	(21,014)	(21,435)	(21,863)	(22,300)	(22,747)	(23,201)	(23,665)	(24,139)	(24,622)
GROSS EFFECTIVE INCOME																			
	2,316,799	2,363,135	2,410,398	2,458,606	2,507,778	2,557,933	2,609,092	2,661,274	2,714,499	2,768,789	2,824,165	2,880,648	2,938,261	2,997,027	3,056,967	3,118,106	3,180,469	3,244,078	3,308,959
Operating Expenses w/ Standard Inflator	1,762,696	1,815,577	1,870,045	1,926,146	1,983,930	2,043,448	2,104,752	2,167,894	2,232,931	2,299,919	2,368,917	2,439,984	2,513,184	2,588,579	2,666,237	2,746,224	2,828,610	2,913,469	3,000,873
Operating Expenses w/ Alternate Inflators: Replacement Reserve	212,890	220,341	228,053	236,035	244,296	252,847	261,696	270,856	280,336	290,148	300,303	310,813	321,692	332,951	344,604	356,665	369,149	382,069	395,441
TOTAL EXPENSES																			
	1,975,587	2,035,919	2,098,098	2,162,181	2,228,227	2,296,295	2,366,448	2,438,750	2,513,267	2,590,067	2,669,219	2,750,798	2,834,876	2,921,530	3,010,841	3,102,889	3,197,759	3,295,538	3,396,314
Total Expenses - Residential	1,975,587	2,035,919	2,098,098	2,162,181	2,228,227	2,296,295	2,366,448	2,438,750	2,513,267	2,590,067	2,669,219	2,750,798	2,834,876	2,921,530	3,010,841	3,102,889	3,197,759	3,295,538	3,396,314
NET OPERATING INCOME																			
	341,212	327,216	312,300	296,424	279,551	261,638	242,644	222,524	201,232	178,723	154,946	129,851	103,386	75,496	46,126	15,217	(17,291)	(51,460)	(87,355)
REPLACEMENT RESERVE	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600
Mandatory Annual HCD Payment	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535
NET REMAINING INCOME																			
	207,077	193,081	178,165	162,290	145,416	127,503	108,509	88,389	67,097	44,588	20,811	(4,284)	(30,749)	(58,639)	(88,009)	(118,918)	(151,425)	(185,595)	(221,489)
PERM LOAN - TRANCHE A																			
Principal Balance (Ending)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Issuer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Series A Bond P&I	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL SERIES A DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET CASH FLOW																			
	207,077	193,081	178,165	162,290	145,416	127,503	108,509	88,389	67,097	44,588	20,811	(4,284)	(30,749)	(58,639)	(88,009)	(118,918)	(151,425)	(185,595)	(221,489)
CASH FLOW (RESERVED)/RELEASED FOR INVESTMENT																			
Remaining Net Cash Flow	207,077	193,081	178,165	162,290	145,416	127,503	108,509	88,389	67,097	44,588	20,811	(4,284)	(30,749)	(58,639)	(88,009)	(118,918)	(151,425)	(185,595)	(221,489)
Debt Service Coverage Ratio (All Debt)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
DISTRIBUTION OF CASH FLOW																			
LP AMF 1	23,061	23,753	24,465	25,199	25,955	26,734	27,536	28,362	29,213	30,089	20,811	0	0	0	0	0	0	0	0
DDF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GP AMF 2	61,496	63,341	65,241	67,198	69,214	71,290	73,429	60,027	37,885	14,499	0	0	0	0	0	0	0	0	0
<u>Residual Receipts/Loans</u>																			
HCD - MHP	34,644	29,969	25,013	19,763	14,208	8,336	2,133	0	0	0	0	0	0	0	0	0	0	0	0
San Diego Housing Commission	13,308	11,512	9,608	7,592	5,458	3,202	819	0	0	0	0	0	0	0	0	0	0	0	0
County of SD - IHTF	13,308	11,512	9,608	7,592	5,458	3,202	819	0	0	0	0	0	0	0	0	0	0	0	0
General Partner	55,134	47,695	39,806	31,452	22,611	13,266	3,395	0	0	0	0	(3,856)	(27,674)	(52,775)	(79,208)	(107,026)	(136,283)	(167,035)	(199,341)
Limited Partner	6,126	5,299	4,423	3,495	2,512	1,474	377	0	0	0	0	(428)	(3,075)	(5,864)	(8,801)	(11,892)	(15,143)	(18,559)	(22,149)

Schedule of Outstanding Debt and Reserves - Book Basis

Version: v5.4 Closing

Credit Period Year:		(1)	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Tax Exempt Perm Loan - A Tranche AMORTIZING PERIOD ONLY																				
Beginning Balance	3,052,000	0	0	0	3,052,000	2,894,731	2,731,836	2,563,113	2,388,355	2,207,344	2,019,859	1,825,666	1,624,527	1,416,192	1,200,404	976,897	745,394	505,610	257,247	0
Interest Paid (Interest Rate Only)	3.520%	0	0	0	104,909	99,283	93,456	87,420	81,168	74,693	67,986	61,039	53,844	46,391	38,671	30,676	22,394	13,816	4,931	0
Annual P&I	COMPOUND	0	0	0	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	0
Ending Balance		0	0	3,052,000	2,894,731	2,731,836	2,563,113	2,388,355	2,207,344	2,019,859	1,825,666	1,624,527	1,416,192	1,200,404	976,897	745,394	505,610	257,247	0	0
HCD - MHP PERM SOURCE ONLY?: Y																				
Beginning Balance	18,222,571	0	0	0	18,268,127	18,738,270	19,208,412	19,678,554	20,148,697	20,618,839	21,088,981	21,559,124	22,029,266	22,499,408	22,969,551	23,439,693	23,909,835	24,379,978	24,850,120	25,320,262
Interest Accrued @	3.000%	0	0	45,556	546,677	546,677	546,677	546,677	546,677	546,677	546,677	546,677	546,677	546,677	546,677	546,677	546,677	546,677	546,677	546,677
Residual Receipts Payment	SIMPLE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mandatory Minimum Payment	0.42%	0	0	0	-76,535	-76,535	-76,535	-76,535	-76,535	-76,535	-76,535	-76,535	-76,535	-76,535	-76,535	-76,535	-76,535	-76,535	-76,535	0
Ending Balance	CONSTRUCT AOB: 55%	0	0	18,268,127	18,738,270	19,208,412	19,678,554	20,148,697	20,618,839	21,088,981	21,559,124	22,029,266	22,499,408	22,969,551	23,439,693	23,909,835	24,379,978	24,850,120	25,320,262	25,790,405
San Diego Housing Commission PERM SOURCE ONLY? N																				
Beginning Balance	7,000,000	0	6,347,250	6,536,250	7,427,000	7,637,000	7,847,000	8,057,000	8,267,000	8,477,000	8,687,000	8,897,000	9,107,000	9,317,000	9,527,000	9,737,000	9,947,000	10,157,000	10,367,000	10,577,000
Interest Accrued @	3.000%	47,250	189,000	190,750	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000
Residual Receipts Payment	SIMPLE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mandatory Minimum Payment	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	CONSTRUCT AOB: 100%	6,347,250	6,536,250	7,427,000	7,637,000	7,847,000	8,057,000	8,267,000	8,477,000	8,687,000	8,897,000	9,107,000	9,317,000	9,527,000	9,737,000	9,947,000	10,157,000	10,367,000	10,577,000	10,787,000
County of SD - IHTF PERM SOURCE ONLY? N																				
Beginning Balance	7,000,000	0	6,347,250	6,536,250	7,427,000	7,637,000	7,847,000	8,057,000	8,267,000	8,477,000	8,687,000	8,897,000	9,107,000	9,317,000	9,527,000	9,737,000	9,947,000	10,157,000	10,367,000	10,577,000
Interest Accrued @	3.000%	47,250	189,000	190,750	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000
Residual Receipts Payment	SIMPLE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mandatory Minimum Payment	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	CONSTRUCT AOB: 55%	6,347,250	6,536,250	7,427,000	7,637,000	7,847,000	8,057,000	8,267,000	8,477,000	8,687,000	8,897,000	9,107,000	9,317,000	9,527,000	9,737,000	9,947,000	10,157,000	10,367,000	10,577,000	10,787,000
TOTAL OUTSTANDING DEBT (BOOK BASIS)		12,694,500	13,072,500	36,174,127	36,907,001	37,634,248	38,355,667	39,071,051	39,780,183	40,482,840	41,178,790	41,867,793	42,549,601	43,223,955	43,890,590	44,549,230	45,199,587	45,841,367	46,474,262	47,364,405
DDF Accruals		0	0	1,231,844	1,182,493	1,130,904	1,077,245	1,021,690	964,426	905,649	845,568	784,400	722,378	659,744	596,756	533,682	470,806	408,427	346,857	14,246
GP AMF 2 Accruals		0	0	1,667	22,267	43,485	65,339	87,849	111,035	134,916	159,513	184,849	210,944	237,823	265,507	294,022	323,393	353,645	384,804	416,898
TOTAL OUTSTANDING DEBT+ACCRUALS (BOOK BASIS)		12,694,500	13,072,500	37,407,638	38,111,760	38,808,637	39,498,251	40,180,591	40,855,644	41,523,406	42,183,871	42,837,042	43,482,923	44,121,522	44,752,853	45,376,934	45,993,787	46,603,439	47,205,923	47,795,550

RESERVE BALANCES

Capitalized Replacement Reserve		Deed-Secured? Y																		
Previous Balance		48,000	48,960	49,939	89,338	148,725	209,299	271,085	334,107	398,389	463,957	530,836	599,053	668,634	739,606	811,999	885,839	961,155	1,037,978	1,116,338
Deposit to Reserve		0	0	38,400	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600
Interest on Reserve	2.0%	960	979	999	1,787	2,974	4,186	5,422	6,682	7,968	9,279	10,617	11,981	13,373	14,792	16,240	17,717	19,223	20,760	22,327
Withdrawal from Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		48,000	48,960	49,939	89,338	148,725	209,299	271,085	334,107	398,389	463,957	530,836	599,053	668,634	739,606	811,999	885,839	961,155	1,037,978	1,116,338

Capitalized Operating Reserve (4 mos.)		Deed-Secured? N																		
Previous Balance		342,396	349,244	356,229	363,353	370,621	378,033	385,594	393,305	401,172	409,195	417,379	425,726	434,241	442,926	451,784	460,820	470,036	479,437	489,026
Deposit to Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Reserve	2.0%	6,848	6,985	7,125	7,267	7,412	7,561	7,712	7,866	8,023	8,184	8,348	8,515	8,685	8,859	9,036	9,216	9,401	9,589	9,781
Withdrawal from Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		342,396	349,244	356,229	363,353	370,621	378,033	385,594	393,305	401,172	409,195	417,379	425,726	434,241	442,926	451,784	460,820	470,036	479,437	489,026

Schedule of Deductions																				Version: v5.4 Closing
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Depreciation Assumptions																					
ADS MACRS	Proration	Building: Residential		Building: Commercial		Site Improvements		Personal Property													
		Asset Life	Method	Asset Life	Method	Asset Life	Method	Asset Life	Method												
		100.0%	30.0 straight line	30.0 straight line	20 Yr SL	100.0%	9 Yr SL														
	0.0%	27.5 straight line	27.5 straight line	0.0%	15 Yr 150% DB	0.0%	5 Yr DDB														
DEPRECIATION SCHEDULE																					
	Credit Period Year: Beginning Basis	(1) 2020	0 2021	1 2022	2 2023	3 2024	4 2025	5 2026	6 2027	7 2028	8 2029	9 2030	10 2031	11 2032	12 2033	13 2034	14 2035	15 2036	16 2037	17 2038	
30 years straight line - Res - Rehab	37,580,098	0	0	774,763	1,252,670	1,252,670	1,252,670	1,252,670	1,252,670	1,252,670	1,252,670	1,252,670	1,252,670	1,252,670	1,252,670	1,252,670	1,252,670	1,252,670	1,252,670	1,252,670	
Site Improvements (20 yr SL.)	1,792,853	0	0	44,354	89,643	89,643	89,643	89,643	89,643	89,643	89,643	89,643	89,643	89,643	89,643	89,643	89,643	89,643	89,643	89,643	
Personal Property (9 yr SL)	1,040,000	0	0	57,176	115,556	115,556	115,556	115,556	115,556	115,556	115,556	115,556	58,380	0	0	0	0	0	0	0	
SUBTOTAL	40,412,951	0	0	0	876,294	1,457,868	1,457,868	1,457,868	1,457,868	1,457,868	1,457,868	1,457,868	1,400,692	1,342,313	1,342,313	1,342,313	1,342,313	1,342,313	1,342,313	1,342,313	
AMORTIZATION SCHEDULE																					
TCAC Application/Res/Monitoring Fee	56,493	0	0	3,766	3,766	3,766	3,766	3,766	3,766	3,766	3,766	3,766	3,766	3,766	3,766	3,766	3,766	3,766	0	0	
Costs of Issuance	655,582	0	0	194,122	14,210	14,210	14,210	14,210	14,210	14,210	14,210	14,210	14,210	14,210	14,210	14,210	14,210	14,210	14,210	14,210	
Title/Recording/Escrow - Permanent	10,000	0	0	56	667	667	667	667	667	667	667	667	667	667	667	667	667	667	667	667	
Market/Rent Comp Study	8,500	0	0	850	850	850	850	850	850	850	850	850	850	0	0	0	0	0	0	0	
Legal: Organization of Partnership	9,826	0	0	0	702	702	702	702	702	702	702	702	702	702	702	702	702	702	0	0	
SUBTOTAL	740,401	0	0	0	198,794	20,195	20,195	20,195	20,195	20,195	20,195	20,195	20,195	19,345	19,345	19,345	19,345	19,345	14,877	14,877	
EXPENSED COSTS																					
Audit/Cost Certification	24,943	0	0	24,943	0	0															
Start-up /Lease-up Expenses	150,000	0	0	150,000	0	0															
LP AMF 1		0	0	625	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501	9,786	10,079	10,382	10,693	11,014	11,344	11,685	12,035	
Annual Issuer Fee		0	0	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	0	
SUBTOTAL	174,943	0	0	0	175,568	17,725	17,957	18,195	18,441	18,695	18,955	19,224	19,501	19,786	20,079	20,382	20,693	21,014	21,344	21,685	12,035
NOTE: PMF/CMF not expensed																					
INTEREST DEDUCTIONS																					
Interest - Tranche A	Tax Exempt Perm Loan - A Tran	0	0	0	104,909	99,283	93,456	87,420	81,168	74,693	67,986	61,039	53,844	46,391	38,671	30,676	22,394	13,816	4,931	0	
Interest - Predevelopment Loans		0	0	210,150	0	0															
Interest - HCD - MHP	HCD - MHP	0	0	0	0	0	343,928	349,018	354,204	359,489	364,875	370,363	375,956	381,655	387,462	393,380	399,411	405,557	411,819	418,201	
Interest - San Diego Housing Commission	San Diego Housing Commission	0	0	78,685	0	0	129,778	132,098	134,460	136,863	139,310	141,801	144,336	146,916	149,542	152,216	154,937	157,707	160,526	163,396	
Interest - County of SD - IHTF	County of SD - IHTF	0	0	78,685	0	0	129,778	132,098	134,460	136,863	139,310	141,801	144,336	146,916	149,542	152,216	154,937	157,707	160,526	163,396	
Interest- Expensed Constr. Period Interest		0	0	523,157	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SUBTOTAL		0	0	0	890,677	104,909	99,283	696,940	700,634	704,292	707,909	711,481	715,003	718,470	721,877	725,218	728,487	731,679	734,786	737,802	744,992
TOTAL DEDUCTIONS		0	0	0	2,141,332	1,600,698	1,595,303	2,193,199	2,197,139	2,201,050	2,204,928	2,208,768	2,212,567	2,159,143	2,103,614	2,107,258	2,110,838	2,114,351	2,117,788	2,116,677	2,114,217

Analysis of Taxable Income

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Assumptions		21.0% <u>Loss Reallocation (year 12):</u>																		
Marginal Tax Rate - Federal		21.0%	GP Share: 90.00%																	
Marginal Tax Rate - State		0.0%	LP Share: 10.00%																	
Effective Combined Marginal Tax Rate		21.0%																		
Number of LP Capital Contributions		4																		
Credit Period Year:		(1)	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
LOSSES																				
Net Operating Income		0	0	307,181	463,390	465,858	468,168	470,309	472,272	474,045	475,619	476,981	478,121	479,026	479,684	480,080	480,203	480,037	479,568	478,780
Total Deductions		0	0	2,141,332	1,600,698	1,595,303	2,193,199	2,197,139	2,201,050	2,204,928	2,208,768	2,212,567	2,159,143	2,103,614	2,107,258	2,110,838	2,114,351	2,117,788	2,116,677	2,114,217
Total Taxable Income (Loss)		0	0	(1,834,151)	(1,137,308)	(1,129,445)	(1,725,031)	(1,726,829)	(1,728,778)	(1,730,882)	(1,733,149)	(1,735,586)	(1,681,022)	(1,624,588)	(1,627,574)	(1,630,758)	(1,634,148)	(1,637,751)	(1,637,109)	(1,635,437)
Special Allocation of GP-Related Op Ex (see below)		0	0	(280,136)	(432,811)	(445,795)	(459,169)	(472,944)	(487,132)	(501,746)	(516,799)	(532,303)	(548,272)	(564,720)	(581,662)	(599,111)	(617,085)	(635,597)	(654,665)	(674,305)
General Partner Share of Losses (pre-704(b))	0.01%	0	0	(280,292)	(432,881)	(445,863)	(459,296)	(473,069)	(487,257)	(501,869)	(516,920)	(532,423)	(548,385)	(564,826)	(582,983)	(597,593)	(615,324)	(633,536)	(652,219)	(671,324)
Limited Partner Share of Losses (pre-704(b))	99.99%	0	0	(1,553,859)	(704,427)	(683,581)	(1,265,735)	(1,253,760)	(1,241,521)	(1,229,013)	(1,216,229)	(1,203,163)	(1,132,637)	(1,059,762)	(104,591)	(103,165)	(101,706)	(100,215)	(98,244)	(96,113)
AFTER-TAX VALUE OF LOSSES																				
Allowable Losses (adj. for min. gain)		0	0	(1,554,015)	(704,497)	(683,650)	(1,265,862)	(1,253,885)	(1,241,645)	(1,229,136)	(1,216,351)	(1,203,283)	(1,132,750)	(1,059,868)	(104,602)	(103,175)	(101,716)	(100,225)	0	0
After Tax Value of Losses	21.0%	0	0	326,343	147,944	143,566	265,831	263,316	260,746	258,119	255,434	252,689	237,878	222,572	21,966	21,667	21,360	21,047	0	0
General Partner Share	0.01%	0	0	58,861	90,905	93,631	96,452	99,345	102,324	105,393	108,553	111,809	115,161	118,613	319,826	320,795	321,813	322,883	323,162	323,258
Limited Partner Share	99.99%	0	0	326,310	147,930	143,552	265,804	263,290	260,719	258,093	255,408	252,664	237,854	222,550	2,197	2,167	2,136	2,105	0	0
		99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
TAX CREDITS																				
Fed Tax Credits-Rehab- Building A or Credit Year 1	100.0%	0	0	942,511	1,613,307	1,613,307	1,613,307	1,613,307	1,613,307	1,613,307	1,613,307	1,613,307	1,613,307	670,796	0	0	0	0	0	0
TOTAL TAX CREDITS																				
General Partner Share	0.01%	0	0	942,511	1,613,307	1,613,307	1,613,307	1,613,307	1,613,307	1,613,307	1,613,307	1,613,307	1,613,307	670,796	0	0	0	0	0	0
Limited Partner Share	99.99%	0	0	942,417	1,613,146	1,613,146	1,613,146	1,613,146	1,613,146	1,613,146	1,613,146	1,613,146	1,613,146	670,729	0	0	0	0	0	0
(less) LP Capital Account Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL AFTER-TAX BENEFITS																				
		0	0	1,268,854	1,761,251	1,756,873	1,879,138	1,876,623	1,874,052	1,871,426	1,868,741	1,865,996	1,851,185	893,368	21,966	21,667	21,360	21,047	0	0
General Partner Share	0.01%	0	0	127	176	176	188	188	187	187	187	187	185	89	19,770	19,500	19,224	18,943	0	0
Limited Partner Share	99.99%	0	0	1,268,727	1,761,075	1,756,698	1,878,950	1,876,435	1,873,865	1,871,238	1,868,554	1,865,810	1,850,999	893,279	2,197	2,167	2,136	2,105	0	0

OPERATING EXPENSE REALLOCATIONS-GP-RELATED (Beginning at start of operations)																				
Base Year: 2020		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Administrative	53,342	0	0	37,727	58,288	60,037	61,838	63,693	65,604	67,572	69,599	71,687	73,838	76,053	78,335	80,685	83,105	85,598	88,166	90,811
Management Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utilities	150,546	0	0	106,476	164,506	169,441	174,524	179,760	185,153	190,707	196,428	202,321	208,391	214,643	221,082	227,714	234,546	241,582	248,830	256,294
Payroll/Payroll Taxes	145,791	0	0	103,113	159,310	164,089	169,012	174,082	179,305	184,684	190,224	195,931	201,809	207,863	214,099	220,522	227,138	233,952	240,970	248,199
Taxes & Insurance	55,500	0	0	39,253	60,646	62,466	64,340	66,270	68,258	70,306	72,415	74,587	76,825	79,130	81,504	83,949	86,467	89,061	91,733	94,485
Maintenance	89,925	0	0	63,601	98,263	101,211	104,248	107,375	110,596	113,914	117,332	120,852	124,477	128,212	132,058	136,020	140,100	144,303	148,632	153,091
Other:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Resident Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	495,104	0	0	350,171	541,014	557,244	573,961	591,180	608,915	627,183	645,998	665,378	685,340	705,900	727,077	748,889	771,356	794,497	818,331	842,881
GP RELATED LOAN INTEREST																				
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Percent Reallocated to GP																				
	80.0%																			
TOTAL EXPENSE REALLOCATION TO GP																				
		0	0	280,136	432,811	445,795	459,169	472,944	487,132	501,746	516,799	532,303	548,272	564,720	581,662	599,111	617,085	635,597	654,665	674,305
Note: Begins @ Operations Start																				

Capital Account Analysis and Tax Liability - Sale Price Equals Debt

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LIMITED PARTNER	Credit Period Year:	(1) 2020	0 2021	1 2022	2 2023	3 2024	4 2025	5 2026	6 2027	7 2028	8 2029	9 2030	10 2031	11 2032	12 2033	13 2034	14 2035	15 2036	16 2037	17 2038
MINIMUM GAIN ANALYSIS																				
Adjusted Basis		48,112,951	48,112,951	47,236,657	45,778,789	44,320,921	42,863,053	41,405,184	39,947,316	38,489,448	37,031,580	35,573,712	34,173,020	32,830,707	31,488,395	30,146,082	28,803,769	27,461,457	26,119,144	24,776,832
Deed-Secured Cash Reserves		48,960	49,939	89,338	148,725	209,299	271,085	334,107	398,389	463,957	530,836	599,053	668,634	739,606	811,999	885,839	961,155	1,037,978	1,116,338	1,196,265
Total Adjusted Basis plus Cash		48,161,911	48,162,890	47,325,995	45,927,514	44,530,220	43,134,138	41,739,291	40,345,705	38,953,405	37,562,416	36,172,765	34,841,653	33,570,314	32,300,393	31,031,921	29,764,925	28,499,435	27,235,482	25,973,096
Outstanding Nonrecourse Debt		12,656,397	12,884,521	35,793,413	35,559,609	35,320,179	35,678,406	36,040,327	36,405,905	36,775,101	37,147,869	37,524,159	37,903,916	38,287,080	38,673,585	39,063,359	39,456,324	39,852,397	40,251,486	40,919,944
Minimum Gain - Partnership		0	0	0	0	0	0	0	0	0	0	1,351,394	3,062,262	4,716,766	6,373,192	8,031,438	9,691,400	11,352,962	13,016,004	14,946,848
LIMITED PARTNER 704(B) CAPITAL ANALYSIS																				
Beginning LP 704(b) Capital (LP Cap. Acct. + LP Min. Gain)		0	1,484,094	1,484,094	13,016,613	12,412,187	11,728,606	10,462,871	9,209,111	7,967,590	6,738,576	6,873,606	7,381,141	7,902,842	2,764,105	2,825,338	2,888,169	2,952,619	3,018,708	3,211,793
LP Capital Contributions		1,484,094	0	13,256,846	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(less) LP Cash Flow Distributions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LP 704(b) Capital Available for Losses		1,484,094	1,484,094	14,740,940	13,116,613	12,412,187	11,728,606	10,462,871	9,209,111	7,967,590	6,738,576	6,873,606	7,381,141	7,902,842	2,764,105	2,825,338	2,888,169	2,952,619	3,018,708	3,211,793
LIMITED PARTNER LOSS ANALYSIS																				
LP Share of Losses per LPA		99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Annual Potential Losses Allocated to LP		0	0	(1,553,859)	(704,427)	(683,581)	(1,265,735)	(1,253,760)	(1,241,521)	(1,229,013)	(1,216,229)	(1,203,163)	(1,132,637)	(1,059,762)	(104,591)	(103,165)	(101,706)	(100,215)	(98,244)	(96,113)
(less) Related Party Losses Reallocated to GP		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted Potential LP Losses		0	0	(1,553,859)	(704,427)	(683,581)	(1,265,735)	(1,253,760)	(1,241,521)	(1,229,013)	(1,216,229)	(1,203,163)	(1,132,637)	(1,059,762)	(104,591)	(103,165)	(101,706)	(100,215)	(98,244)	(96,113)
Losses Allowable to Extent of LP 704(b) Capital		(1,484,094)	(1,484,094)	(14,740,940)	(13,116,613)	(12,412,187)	(11,728,606)	(10,462,871)	(9,209,111)	(7,967,590)	(6,738,576)	(6,873,606)	(7,381,141)	(7,902,842)	(104,591)	(103,165)	(101,706)	(100,215)	(98,244)	(96,113)
Actual Losses Allocated to LP		0	0	(1,553,859)	(704,427)	(683,581)	(1,265,735)	(1,253,760)	(1,241,521)	(1,229,013)	(1,216,229)	(1,203,163)	(1,132,637)	(1,059,762)	(104,591)	(103,165)	(101,706)	(100,215)	0	0
LP DRO?		Y	Y	Y	Y															
LIMITED PARTNER CREDIT DELIVERY ANALYSIS																				
LP 704(b) Capital Available for Losses		1,484,094	1,484,094	14,740,940	13,116,613	12,412,187	11,728,606	10,462,871	9,209,111	7,967,590	6,738,576	6,873,606	7,381,141	7,902,842	2,764,105	2,825,338	2,888,169	2,952,619	3,018,708	3,211,793
LP Share of Depreciation per LPA		0	0	876,206	1,457,722	1,457,722	1,457,722	1,457,722	1,457,722	1,457,722	1,457,722	1,457,722	1,400,552	1,342,178	134,231	134,231	134,231	134,231	134,231	134,231
Reduction in LP LIHTC due to 704(b) Capital Shortfall		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
LIMITED PARTNER CAPITAL ACCOUNT																				
Beginning Capital Account Balance		0	1,484,094	1,484,094	13,016,613	12,412,187	11,728,606	10,462,871	9,209,111	7,967,590	6,738,576	5,522,347	4,319,185	3,186,547	2,126,785	2,022,194	1,919,029	1,817,323	1,717,108	1,717,108
LP Capital Contributions		1,484,094	0	13,256,846	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(less) Syndication Expenses		0	0	-170,467	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(less) LP Cash Flow Distributions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(less) Losses Allocated to LP		0	0	-1,553,859	-704,427	-683,581	-1,265,735	-1,253,760	-1,241,521	-1,229,013	-1,216,229	-1,203,163	-1,132,637	-1,059,762	-104,591	-103,165	-101,706	-100,215	0	0
End of Year Capital Account Balance		1,484,094	1,484,094	13,016,613	12,412,187	11,728,606	10,462,871	9,209,111	7,967,590	6,738,576	5,522,347	4,319,185	3,186,547	2,126,785	2,022,194	1,919,029	1,817,323	1,717,108	1,717,108	1,717,108
LIMITED PARTNER EXIT BENEFIT/LIABILITY ANALYSIS																				
Marginal Tax Rate	21.00%																			
End of Year Capital Account Balance		1,484,094	1,484,094	13,016,613	12,412,187	11,728,606	10,462,871	9,209,111	7,967,590	6,738,576	5,522,347	4,319,185	3,186,547	2,126,785	2,022,194	1,919,029	1,817,323	1,717,108	1,717,108	1,717,108
(plus) Syndication Expenses		0	0	170,467	170,467	170,467	170,467	170,467	170,467	170,467	170,467	170,467	170,467	170,467	170,467	170,467	170,467	170,467	170,467	170,467
Tax Benefit/(Liability) on Sale @ \$1		311,660	311,660	2,769,287	2,642,357	2,498,805	2,233,001	1,969,711	1,708,992	1,450,899	1,195,491	942,827	704,973	482,423	460,459	438,794	417,436	396,391	396,391	396,391
Gross-Up Factor for Taxes on Gain due to Tax Payment	79.00%																			
Total GP Obligation on Sale: LP Tax Liability + Gross-Up		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GENERAL PARTNER	Credit Period Year:	(1) 2020	0 2021	1 2022	2 2023	3 2024	4 2025	5 2026	6 2027	7 2028	8 2029	9 2030	10 2031	11 2032	12 2033	13 2034	14 2035	15 2036	16 2037	17 2038
Minimum Gain - Partnership		0	0	0	0	0	0	0	0	0	0	1,351,394	3,062,262	4,716,766	6,373,192	8,031,438	9,691,400	11,352,962	13,016,004	14,946,848
Partnership Minimum Gain - GP Share		0	0	0	0	0	0	0	0	0	0	135	306	472	5,735,872	7,228,294	8,722,260	10,217,666	11,714,404	13,452,163
Minimum Gain - Partner (GP)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CAPITAL ACCOUNT																				
Beg. of Yr Capital Account Balance		0	1,308,197	1,308,197	1,027,905	595,024	149,160	(310,136)	(783,205)	(1,270,462)	(1,772,331)	(2,289,251)	(2,821,674)	(3,370,059)	(3,934,885)	(5,457,868)	(6,985,461)	(8,517,902)	(10,055,438)	(11,594,303)
Capital Contributions		1,308,197	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Losses @ .01%		0	0	(280,292)	(432,881)	(445,863)	(459,296)	(473,069)	(487,257)	(501,869)	(516,920)	(532,423)	(548,385)	(564,826)	(1,522,983)	(1,527,593)	(1,532,441)	(1,537,536)	(1,538,865)	(1,539,324)
LP Losses Re-allocated to GP (Related Party)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LP Losses Re-allocated to GP (Capital Account Shortfall)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End of Year Capital Account		1,308,197	1,308,197	1,027,905	595,024	149,160	(310,136)	(783,205)	(1,270,462)	(1,772,331)	(2,289,251)	(2,821,674)	(3,370,059)	(3,934,885)	(5,457,868)	(6,985,461)	(8,517,902)	(10,055,438)	(11,594,303)	(13,133,627)

Investment Summary - LIHTC Investor

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Assumptions										
Marginal Tax Rate		21.0%								
YEAR	LIMITED PARTNER PAY-INS	AFTER- TAX VALUE OF LOSSES	TOTAL LTD PTR FEDERAL LIHTC	TOTAL LTD PTR CALIFORNIA LIHTC	TOTAL LTD PTR ENERGY CREDITS	TOTAL LTD PTR HISTORIC CREDITS	TAX BENEFIT/ (LIABILITY) UPON SALE	TOTAL LTD PTR TAX BENEFITS	CUMULATIVE RATIO OF BENEFITS TO LTD PTR PAY-INS	Credit Year
2020	1,484,094	0	0	0	0	0		0	0.00	(1)
2021	0	0	0	0	0	0		0	0.00	0
2022	13,256,846	326,310	942,417	0	0	0		1,268,727	0.09	1
2023	100,000	147,930	1,613,146	0	0	0		1,761,075	0.20	2
2024	0	143,552	1,613,146	0	0	0		1,756,698	0.32	3
2025		265,804	1,613,146	0	0	0		1,878,950	0.45	4
2026		263,290	1,613,146	0	0	0		1,876,435	0.58	5
2027		260,719	1,613,146	0	0	0		1,873,865	0.70	6
2028		258,093	1,613,146					1,871,238	0.83	7
2029		255,408	1,613,146					1,868,554	0.95	8
2030		252,664	1,613,146					1,865,810	1.08	9
2031		237,854	1,613,146					1,850,999	1.20	10
2032		222,550	670,729					893,279	1.26	11
2033		2,197	0					2,197	1.26	12
2034		2,167	0				0	2,167	1.26	13
2035		2,136	0				0	2,136	1.26	14
2036		2,105	0				0	2,105	1.27	15
2037		0	0				396,391	396,391	1.29	16
2038		0	0				0	0	1.29	17
TOTAL										
	14,840,940	2,642,778	16,131,456	0	0	0		19,170,625		

Net Quarterly Benefit Schedule	Version: v5.4 Closing
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LP EQUITY PAY-IN SCHEDULE			
	AMOUNT	DATE	THRESHOLD
LP Admission (Const. Portion)	1,484,094	10/01/20	Initial Closing
LP Admission (Collateral)	0	10/01/20	Initial Closing
Completion Payment	1,484,094	05/01/22	Const. Completion
Conversion Payment	11,772,752	12/01/22	Perm Conversion
Final Payment #1	100,000	03/01/23	8609
Final Payment #2	0		
TOTAL LP CONTRIBUTIONS	14,840,940		

NET QUARTERLY BENEFITS				
Internal Rate of Return:		5.23%		
YEAR	INVESTMENT	TOTAL QUART. BENEFITS	NET QUART. BENEFITS	THRESHOLD
2020	0	0	0	LP Admission
	0	0	0	
	0	0	0	
	-1,484,094	0	-1,484,094	
2021	0	0	0	
	0	0	0	
	0	0	0	
	0	0	0	
2022	0	0	0	Completion
	-1,484,094	422,909	-1,061,185	
	0	422,909	422,909	
	-11,772,752	422,909	-11,349,843	
2023	-100,000	440,269	340,269	Perm Conversion Form 8609
	0	440,269	440,269	
	0	440,269	440,269	
	0	440,269	440,269	
2024	0	439,174	439,174	
	0	439,174	439,174	
	0	439,174	439,174	
	0	439,174	439,174	
2025	0	469,738	469,738	
	0	469,738	469,738	
	0	469,738	469,738	
	0	469,738	469,738	
2026	0	469,109	469,109	
	0	469,109	469,109	
	0	469,109	469,109	
	0	469,109	469,109	
2027	0	468,466	468,466	
	0	468,466	468,466	
	0	468,466	468,466	
	0	468,466	468,466	
2028		467,810	467,810	
		467,810	467,810	
		467,810	467,810	
		467,810	467,810	
2029		467,138	467,138	
		467,138	467,138	
		467,138	467,138	
		467,138	467,138	
2030		466,452	466,452	
		466,452	466,452	
		466,452	466,452	
		466,452	466,452	
2031		462,750	462,750	
		462,750	462,750	
		462,750	462,750	
		462,750	462,750	
2032		223,320	223,320	
		223,320	223,320	
		223,320	223,320	
		223,320	223,320	
2033		549	549	
		549	549	
		549	549	
		549	549	
2034		542	542	
		542	542	
		542	542	
		542	542	
2035		534	534	
		534	534	
		534	534	
		534	534	
2036		526	526	
		526	526	
		526	526	
		526	526	
2037		396,391	396,391	
		0	0	
		0	0	
		0	0	
2038		0	0	
		0	0	
		0	0	
		0	0	
TOTAL	14,840,940	19,170,625	4,329,686	

ATTACHMENT 5
HOUSING COMMISSION
MULTIFAMILY HOUSING REVENUE BOND PROGRAM SUMMARY

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

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

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

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

Approval Process:

- **Inducement Resolution:** The bond process is initiated when the issuer (Housing Authority) adopts an "Inducement Resolution" to establish the date from which project costs may be reimbursable from bond proceeds (if bonds are later issued) and to authorize staff to work with the financing team to perform a due diligence process. The Inducement Resolution does not represent any commitment by the Housing Commission, Housing Authority, or the developer to proceed with the financing.
- **TEFRA Hearing and Resolution (Tax Equity and Fiscal Responsibility Act of 1982):** To assure that projects making use of tax-exempt financing meet appropriate governmental purposes and provide reasonable public benefits, the IRS Code requires that a public hearing be held and that the issuance of bonds be approved by representatives of the governmental unit with jurisdiction over the area in which the project is located (City Council). This process does not make the City financially or legally liable for the bonds or for the project.

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

- **Application for Bond Allocation:** The issuance of these "private activity bonds" (bonds for projects owned by private developers, including projects with nonprofit sponsors and for-profit investors) requires an allocation of bond issuing authority from the State of California. To apply for an allocation, an application approved by the Housing Authority and supported by an adopted inducement resolution and by proof of credit enhancement (or bond rating) must be filed with the California Debt Limit Allocation Committee (CDLAC). In addition, evidence of a TEFRA hearing and approval must be submitted prior to the CDLAC meeting.
- **Final Bond Approval:** The Housing Authority retains absolute discretion over the issuance of bonds through adoption of a final resolution authorizing the issuance. Prior to final consideration of the proposed bond issuance, the project must comply with all applicable financing, affordability, and legal requirements and undergo all required planning procedures/reviews by local planning groups, etc.

- **Funding and Bond Administration:** All monies are held and accounted for by a third-party trustee. The trustee disburses proceeds from bond sales to the developer in order to acquire and/or construct the housing project. Rental income used to make bond payments is collected from the developer by the trustee and disbursed to bond holders, if rents are insufficient to make bond payments, the trustee obtains funds from the credit enhancement provider. No monies are transferred through the Housing Commission or Housing Authority, and the trustee has no standing to ask the issuer for funds.
- **Bond Disclosure:** The offering document (typically a Preliminary Offering Statement or bond placement memorandum) discloses relevant information regarding the project, the developer, and the credit enhancement provider. Since the Housing Authority is not responsible in any way for bond repayment, there are no financial statements or summaries about the Housing Authority or the City that are included as part of the offering document. The offering document includes a paragraph that states that the Housing Authority is a legal entity with the authority to issue multifamily housing bonds and that the Housing Commission acts on behalf of the Housing Authority to issue the bonds. The offering document also includes a paragraph that details that there is no pending or threatened litigation that would affect the validity of the bonds or curtail the ability of the Housing Authority to issue bonds. This is the extent of the disclosure required of the Housing Authority, Housing Commission, or the City. However, it is the obligation of members of the Housing Authority to disclose any material facts known about the project, not available to the general public, which might have an impact on the viability of the project.

September 02, 2020

ATTACHMENT 6 – FINANCIAL ADVISOR’S ANALYSIS

Mr. Joe Correia
San Diego Housing Commission
1122 Broadway, Suite 300
San Diego, California 92101

RE: Ulric Street Apartments

Dear Mr. Correia:

The San Diego Housing Commission (the "Commission") has retained CSG Advisors, Inc. to analyze the feasibility of the proposed tax-exempt financing for the Ulric Street Apartments (the "Project"). Our findings are organized as follows:

- Current Project Status and the Proposed Project
- The Proposed Financing
- Project's Projected Financial Status
- Benefits and Risks to the Commission
- Public Purpose
- Negotiation of Additional Public Benefit
- Recommendations

We have based our analysis of the proposed financing on documents provided by the Community Housing Works (the "Developer"), and on additional conversations and documents provided by representatives of the Developer and Commission staff. The documents examined included the Developer's proposed financial schedules and financing commitments from the proposed lender and investor. CSG has not visited the site of the proposed Project.

CURRENT PROJECT STATUS AND THE PROPOSED DEVELOPMENT

The Project will consist of a 96-unit development (the "Development") to be newly-constructed at 2645-2685 Ulric Street, San Diego, 92111 (the "Site"). The acquisition of the Site and construction of the Development would be financed, from among other sources, equity raised from the sale of 4% low-income housing tax credits and tax-exempt debt issued by the Housing Authority of the City of San Diego (the "Housing Authority"). 95 units (i.e., excluding one manager's units) will be subject to affordability restrictions as further described herein.

The Site is a single parcel of approximately 1.47 acres. 20 market rate rental units are currently on the Site. These units will be demolished and the existing residents relocated according to the "Ulric Street North San Diego Update Relocation Plan" dated May 2020. The Site is currently owned by CHW Ulric Street Development, L.P., a entity controlled by the Developer.

On June 25, 2019, the Housing Authority approved a resolution evidencing its official intent to conduct a tax-exempt issuance in the not-to-exceed amount of \$32,750,000 for the Project. The resolution also approved submittal of the application to the California Debt Limit Allocation Committee (“CDLAC”) for an allocation of private activity tax-exempt authority for the Project.

On June 25, 2019, the City Council held a public hearing (“TEFRA”) required pursuant to Section 147(f) of the Internal Revenue Code for tax-exempt issuances. The City Council approved the resulting approving resolution on July 08, 2019. Because the TEFRA hearing remains valid for a period of only one year, the original TEFRA has expired: a new TEFRA hearing will be held on September 29, 2020; and the City Council will consider approval of the Resolution at its September 29, 2020 meeting.

On January 17, 2020, the Housing Authority submitted an application to CDLAC for \$28,930,321 in private activity tax-exempt issuance authority for the Project.

On April 14, 2020, CDLAC awarded \$28,930,321 in private activity tax-exempt allocation to the Housing Authority for the Project.

THE PROPOSED FINANCING

The Developer proposes that the Housing Authority issue up to \$28,930,321 in “Tax-Exempt Bonds” and up to \$6,000,000 in “Taxable Bonds” (together, the “Bonds”) for the Project. The Bonds would be issued pursuant to an Indenture and Loan Agreement.

The Developer proposes, pursuant an Expression of Interest from U.S. Bank, that the Bonds would be purchased on a private-placement basis by US Bank. Construction draws of tax-exempt and taxable bond proceeds would be funded on and as-needed “draw-down” basis.

US Bank would remain the permanent lender for the Project upon stabilization and conversion to permanent financing.

According to projections provided by the Developer, the total development cost (“TDC”) totals approximately \$53,423,750.

Ulric Street Apartments: Source Summary¹

	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bonds	28,930,321	3,052,000
Taxable Bonds	4,980,700	0
Tax Credit Equity	2,968,190	14,840,900
HCD MHP	0	18,222,571
San Diego Housing Commission	6,300,000	7,000,000
San Diego County IHTF Loan	6,300,000	7,000,000
Deferred Developer Fee	1,500,000	1,500,000
General Partner Equity	100	100
Developer Equity	0	1,308,100
Accrued Soft Loan Interest ²	<u>500,100</u>	<u>500,100</u>
Total Sources	51,479,411	53,423,771

Ulric Street Apartments: Use Summary³

	<u>Construction</u>	<u>Permanent</u>
Land and Acquisition Costs	7,700,000	7,700,000
Construction Costs	27,322,290	27,322,290
Construction Contingency	2,020,740	2,020,740
Developer Fee	3,500,000	4,808,100
Operating Reserve	0	342,400
Initial Replacement Reserve Deposit	0	48,000
Other Reserves (Lease-up)	0	150,000
Capitalized Construction Loan Interest	1,141,820	1,141,820
Other Hard and Soft Costs	9,794,500	9,890,400
Total Uses	51,479,350	53,423,750

Ownership

The Project will be owned by Ulric Street Housing Associates, L.P. (the “Borrower”). The Borrower will consist of Ulric Street Housing Opportunities L.L.C., (USHO) as its Managing General Partner (with the nonprofit Community Housing Works as the USHO L.L.C.’s sole member). Red Stone Equity Partners L.L.C. will be the tax credit investor limited partner.

Tax-Exempt Bond Structure and Credit Enhancement

Construction Loan

The Developer proposes that the Housing Authority issue Tax-Exempt Bonds in the maximum amount of \$28,930,321, and Taxable Bonds in the maximum amount of \$6,000,000 in order to finance the acquisition and construction of the Project. Solely revenues pledged under the

¹ Source: Developer projections and U.S. Bank schedules. Rounding by CSG. Total of Uses and Sources may not equal due to rounding.

² Note that Developer’s projections do not properly account for \$21,600 of accrual deferred to after completion.

³ Source: Developer projections and U.S. Bank schedules. Rounding by CSG. Total of Uses and Sources may not equal due to rounding.

Indenture and Loan Agreement will secure the payment of principal and interest to the bondholder.

The Bonds would be unrated, without credit enhancement, and would be purchased by US Bank on a private placement basis. The Bonds would be funded on a draw-down basis through the construction period. Upon stabilization and conversion, all outstanding Taxable bonds and a portion the Tax-Exempt Bonds would be redeemed with tax credit equity and other sources available at conversion.

As unrated, non-credit enhanced Bonds sold on a private placement basis, the Bonds must meet the minimum requirements of the Commission's policies for such issues (e.g., maximum \$100,000 minimum denominations, no more than 15 Bondholders, etc).

The construction period would be 24 months. The U.S. Bank commitment indicates an initial construction period interest rate of 3.10% (including 0.25% cushion) for the U.S. Bank taxable and tax-exempt bond loan. However, the interest rate during the construction period will be variable, set monthly at an annual rate equal to 1.85% plus 1.00% LIBOR floor rate. Payments during the construction period would be interest-only.

Permanent Loan

Upon satisfaction of certain conditions precedent to conversion to the permanent financing period, a portion of the Tax-Exempt Bonds and all of the Taxable Bonds will be redeemed. The remaining outstanding Tax-Exempt Bond will convert to a permanent loan.

According to the US Bank Expression of Interest, the permanent loan would have a term of 15 years and an amortization period of 15 years. The permanent loan will bear a fixed rate of interest. US Bank has provided an indicative rate of 3.52% as of May 28, 2020.

Projected Issuance Date

The Developer proposes that the Housing Authority issue the Bonds on or about October 12, 2020. The Authority received an allocation of \$28,930,321 from CDLAC at its April 14, 2020 allocation meeting date. The allocation expiration date provided by CDLAC is October 27, 2020.

Commission Financial Involvement

The Commission will provide a subordinate construction loan in the amount of \$7,000,000. The Commission's loan will be funded by \$1,500,000 in HOME funds and \$5,500,000 from the Affordable Housing Fund (Inclusionary Affordable Housing Funds and Housing Impact Fees). The Commission's loan will mature 55-years from the completion of the project, and will accrue simple interest at the rate of 3% per annum.

Affordability Restrictions

Upon implementing the proposed financing, the Project will be subject to the following regulatory restrictions and regulatory terms:

Source of Restriction	Restriction	Expiration Date
California Tax Credit Allocation Committee	54 units at 30% AMI 22 units at 40% AMI 8 units at 50% AMI 11 units at 60% AMI	55 years
Tax-Exempt Bond (CDLAC)	84 units at 50% AMI; 11 units at 60% AMI	55 years
San Diego Housing Commission	54 units at 30% AMI 22 units at 40% AMI 8 units at 50% AMI 11 units at 60% AMI	55 years
County of San Diego	19 units at 30% AMI 38 units at 50% AMI 38 units at 60% AMI	99 years

Because the above restrictions are over-lapping, the most restrictive restrictions will apply.

PROJECT'S PROJECTED FINANCIAL STATUS

Under the proposed financing – according to information provided by the Developer and analysis by CSG – annual debt service on the proposed senior permanent loan of \$3,052,000 would total approximately \$262,178. According to preliminary information provided by the Developer and analysis by CSG, stabilized annual cash flow (before reserves) after construction and lease-up (including Issuer fees) would total approximately \$103,529 at a debt coverage ratio (DCR) of 1.39. Cash flow after reserves would total approximately \$55,529 at a DCR of 1.21. The U.S. Bank debt coverage minimum is 1.15.

Please note that the US Bank Expression Interest indicates a maximum loan amount of \$2,864,000, while the Developer's projections provide for \$3,052,000. The Developer and US Bank must reconcile the maximum loan amount.

THE BENEFITS AND RISKS TO THE COMMISSION

The proposed financing provides for financing for the acquisition and construction of the Project. By approving a recommendation to the Housing Authority to move forward with the approval process for the proposed tax-exempt Bond financing, the Commission will not obligate the Commission or the Housing Authority to issue the Bonds.

As proposed, the financing will create 95 affordable units in the City of San Diego. These units will remain long-term affordable for 55 years under the Commission's restrictions.

If the Authority issues the Bonds, the Commission would receive a fee at closing of 0.25% of the issue amount (approximately \$84,778) and an annual fee equal to the greater of \$10,000 and 0.125% of the outstanding Bonds.

PUBLIC PURPOSE

The proposed financing will result in the creation of 95 affordable family housing units in the City of San Diego. The proposed financing will result in new CDLAC, CTCAC and Commission regulatory restrictions as follows (most restrictive) for 55 years:

- 54 units at 30% AMI
- 22 units at 40% AMI
- 8 units at 50% AMI
- 11 units at 60% AMI

In addition, the County of San Diego loan will require the following restrictions for a period of 99 years:

- 19 units at 30% AMI
- 38 units at 50% AMI
- 38 units at 60% AMI

NEGOTIATION OF ADDITIONAL PUBLIC BENEFIT

As noted above, the financing will result in long-term affordability restrictions on 95 units within the Project.

RECOMMENDATIONS

Based upon analysis of the available information, we recommend that the Commission approve moving forward with the proposed issuance. Our recommendation is based upon the following:

- The financing will create 95 affordable family units in the City of San Diego with long-term affordability covenants.

- The Commission has received tax-exempt authority of \$28,930,321 from CDLAC for the Project.
- U.S. Bank and Redstone are currently underwriting the Project.
- The Commission will not be responsible for costs of issuance. The Commission will receive an issuance fee at closing of approximately \$84,778, and a long-term annual fee equal to the greater of \$10,000 and 0.125% the outstanding Notes.
- The net Tax-Exempt Bond financing and tax credit equity will provide approximately \$17,892,900 for development costs.

Contingent Items

The Commission may choose to move forward with the financing subject to the following contingencies:

- The Projects financial underwriting must be consistent among the Borrower and U.S. Bank.
- As of this writing, U.S. Bank nor Redstone have provided final credit approval for the financing. The Bonds cannot be issued without these final approvals.
- Final Bonds documents and approving resolution must be approved by the Housing Authority.

Should you require any further information or would like to discuss the Project or the proposed financing in additional detail, please do not hesitate to contact me.

Sincerely,
CSG Advisors



John Hamilton

Exhibit A

Ulric Street Apartments

date of rev: 9/2/20

Long-Term Tax-Exempt Loan Loan

	Tranche A	Tranche B	Total
Principal Amount ¹	\$ 3,052,000	\$ -	\$ 3,052,000
Mortgage Rate ²	3.520%	0.000%	
Amortization Term (yrs) ¹	15	0	
Underwriting Monthly Debt Service	\$ 21,848	\$ -	\$ 21,848
Underwriting Annual Debt Service	\$ 262,178	\$ -	\$ 262,178

¹ Source: Developer pro forma 8/11/20. The US Bank Expression of Interest (5/28/20) shows maximim loan of \$2,864,000

² Developer pro forma uses 3.52% interest rate. The US Bank Expression of Interest provided a rate indication of 3.52% applicable to the 5/28/20.

Post Financing Operations Analysis ¹

Income			Stabilized Year				
			1	2	3	4	5
Gross Tax Credit Rental Income ²	2.50% Inflation	\$	1,142,328	\$ 1,170,886	\$ 1,200,158	\$ 1,230,162	\$ 1,260,916
Commercial Income	2.50% Inflation	\$	-	\$ -	\$ -	\$ -	\$ -
Manager's Unit	2.50% Inflation	\$	-	\$ -	\$ -	\$ -	\$ -
Other Income	2.50% Inflation	\$	9,216	\$ 9,446	\$ 9,683	\$ 9,925	\$ 10,173
Gross Potential Income		\$	1,151,544	\$ 1,180,333	\$ 1,209,841	\$ 1,240,087	\$ 1,271,089
Vacancy Collection Loss ³	5.00%		(57,577)	(59,017)	(60,492)	(62,004)	(63,554)
Effective Gross Income		\$	1,093,967	\$ 1,121,316	\$ 1,149,349	\$ 1,178,083	\$ 1,207,535
Expenses							
Operating Expenses	3.50% Inflation	\$	(575,725)	\$ (595,875)	\$ (616,731)	\$ (638,317)	\$ (660,658)
RE Taxes	2.00% Inflation	\$	(3,000)	\$ (3,060)	\$ (3,121)	\$ (3,184)	\$ (3,247)
Service Coordinator	0.00% Inflation	\$	(61,750)	\$ (61,750)	\$ (61,750)	\$ (61,750)	\$ (61,750)
HCD (MHP) Mimimum Loan Payment	0.42% MHP Loan	\$	(76,535)	\$ (76,535)	\$ (76,535)	\$ (76,535)	\$ (76,535)
Issuer Fee	\$ 10,000 min	0.125%	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)
Trustee Fee ⁴	\$ 1,250 min	0.004%	\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)
Total Expenses		\$	(728,260)	\$ (748,470)	\$ (769,387)	\$ (791,035)	\$ (813,440)
Net Operating Income		\$	365,707	\$ 372,846	\$ 379,962	\$ 387,048	\$ 394,095
Required Debt Service							
Senior							
Real Estate Loan		\$	(262,178)	\$ (262,178)	\$ (262,178)	\$ (262,178)	\$ (262,178)
Cash Flow before Reserves		\$	103,529	\$ 110,667	\$ 117,783	\$ 124,869	\$ 131,916
Debt Coverage Ratio Before Reserves			1.39	1.42	1.45	1.48	1.50
Reserves ⁵	500 per unit	0% Inflation	\$ (48,000)	\$ (48,000)	\$ (48,000)	\$ (48,000)	\$ (48,000)
Cash Flow After Reserves		\$	55,529	\$ 62,667	\$ 69,783	\$ 76,869	\$ 83,916
Overall Debt Coverage Ratio (DCR)			1.21	1.24	1.27	1.29	1.32
Cash Flow Including Commercial Income			55,529	62,667	69,783	76,869	83,916
Debt Coverage Ratio Including Commercial Income			1.21	1.24	1.27	1.29	1.32

¹ Source: PerDeveloperProjections

² Source: PerDeveloperProjections

³ Of Gross Potential Income.

⁴ Estimate

⁵ Minimum reseve deposit per US Bank Expression of Interest and Redstone LOI (April 39, 2020). Developer pro forma carries 600/unit/year

Exhibit A

Ulric Street Apartments Permanent Sources and Uses of Funds ¹

Sources

Tax Exempt Note	\$	3,052,000
Tax Credit Equity (Federal)	\$	14,840,900
HCD MHP	\$	18,222,571
San Diego Housing Commission	\$	7,000,000
San Diego County IHTF Loan	\$	7,000,000
Deferred Developer Fee	\$	1,500,000
General Partner Equity	\$	100
Developer Equity	\$	1,308,100
Accrued Soft Loan Interest	\$	<u>500,100</u>
Total Sources	\$	53,423,771

Uses

Land and Acquisition Costs	\$	7,700,000
Construction Costs	\$	27,322,290
Construction Contingency	\$	2,020,740
Developer Fee	\$	4,808,100
Operating Reserve	\$	342,400
Initial Replacement Reserve Deposit	\$	48,000
Other Reserves (Lease-up)	\$	150,000
Capitalized Construction Loan Interest	\$	1,141,820
Other Hard and Soft Costs	\$	<u>9,890,400</u>
Total Uses	\$	53,423,750

Surplus(Deficit) ²	\$	21
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¹ Source: Information provided by the Developer. Rounding by CSG

² Surplus due to rounding

ATTACHMENT 7 – DEVELOPER’S DISCLOSURE STATEMENT



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

Statement for Public Disclosure

1. Name of CONTRACTOR: Community HousingWorks
2. Email: lhuff@chworks.org
2. Address and Zip Code: 3111 Camino del Rio North, Suite 800, San Diego, CA 92111
3. Telephone Number: 619-450-8713
4. Name of Principal Contact for CONTRACTOR: Mary Jane Jagodzinski, Senior Vice President
5. Federal Identification Number or Social Security Number of CONTRACTOR: 33-0317950
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 (*select and upload requested documents*):
 - ☐ A corporation (*Upload Articles of Incorporation*)
 - ☒ A nonprofit or charitable institution or corporation. (*Upload copy of Articles of Incorporation and documentary evidence verifying current valid nonprofit or charitable status*)
 - ☐ A partnership known as (Name): _____

Check one:

 - ☐ General Partnership (*Upload statement of General Partnership*)
 - ☐ Limited Partnership (*Upload Certificate of Limited Partnership*)
 - ☐ A business association or a joint venture known as: _____
(*Upload joint venture or business association agreement*)
 - ☐ A Federal, State or local government or instrumentality thereof.
 - ☐ Other (*Please explain*): _____
7. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:
1988



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:
- 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.
 - 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.
 - 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.
 - 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:	*Please see attached Board List*
Address:	
Name:	
Address:	
Name:	
Address:	

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

Members may have changed. No change in the total count of board members has occurred

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.

A small number of board members may transition due to term limits and will be replaced.

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:	*Not Applicable*
Address:	
Name:	
Address:	
Name:	
Address:	

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

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name:	*Please see attached Board List*
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:	*No, Not Applicable*
Address:	
Name:	
Address:	
Name:	
Address:	

14. Provide description of 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 financial statements that was requested (attached) as part of the Application, including, but not necessarily limited to, profit and loss statements and statements of financial position: _____

Please refer to the CHW Consolidated Financial Statements for years 2018 and 2019

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:

Please refer to the attached pro forma Sources and Uses

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

- In banks/savings and loans: Proposed equity requirements for Ulric Street Apartments include a GP Capital Name: _____ Contribution of \$100 and a Developer Fee Contribution per the closing Address: _____ proforma. The sources for these contributions are CHW's general fund for the Amount: \$ _____ \$100 contribution and equity proceeds for the developer fee contribution.
- By loans from affiliated or associated corporations or firms:
 - Name: _____
 - Address: _____
 - Amount: \$ _____

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

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

Additional Information, as needed: _____

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

Name and Address	Contact Name
Name:	*Please see attached Bank Reference List
Address:	
Name:	
Address:	
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, provide 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, for each case, provide (1) date, (2) charge, (3) place, (4) court, and (5) action taken. *Upload* any explanation deemed necessary:



Case 1: _____

Case 2: _____

Case 3: _____

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

Type of Bond	Project Description	Date of Completion	Amount of Bond	Action on Bond
	*Please see attached			
	list of undertakings*			

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: *Not Applicable*

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



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

☐ Yes ☐ No

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

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

General description of such work: _____

Complete one table for each project:

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



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

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



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

Identification of Contract or Development	Location	Amount	Date to be Completed

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

Awarding Agency	Amount	Date Opened

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

Please refer to the CHW Developer Qualifications attached

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:

*Not Applicable

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

☐ Yes

☒ No

If yes, please 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.

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

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)]: Certificate Attached

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)]:
Certificate Attached
-
- d. Professional Liability (Errors and Omissions) [*Attach* certificate of insurance showing the amount of coverage and coverage period(s)]:
Not Applicable
-
- e. Excess Liability [*Attach* certificate(s) of insurance showing the amount of coverage and coverage period(s)]:
Certificate Attached
-
- f. Other (Specify) [*Attach* certificate(s) of insurance showing the amount of coverage and coverage period(s)]:
Not Applicable
-
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:

Government Complaint	Entity	Making	Date	Resolution
	None			

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

☐ Yes

☒ No

If yes, please explain in detail: _____

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)
City of San Diego	Business License	B2004013671	1/1/2019	Current	No
	License Attached				



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.

Community HousingWorks has a proud history of successful contract administration that will assure its successful completion of this project. We have developed and currently own and operate 6 affordable housing projects in the City of San Diego and have met our loan obligations with each.

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
	Please see attached list		

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, please 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, please explain: _____

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

1. Name: Please see attached list
 Address: _____
 Phone: _____
 Project Name and Description: _____
2. Name: _____
 Address: _____
 Phone: _____
 Project Name and Description: _____
3. Name: _____
 Address: _____
 Phone: _____
 Project Name and Description: _____

39. Provide 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.

Not Applicable

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

Name	Experience
To be determined	



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 30 day of JULY, 2020, at San Diego, California.

CONTRACTOR

By: [Signature]

Signature

SENIOR VICE PRESIDENT

Title



SAN DIEGO
HOUSING
COMMISSION

Real Estate Department

CERTIFICATION

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

By: 

By: _____

Title: Senior Vice President

Title: _____

Dated: JULY 30, 2020

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 30 day of JULY, 20 20

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



Signature of Notary



San Diego Housing Commission Developer Disclosure Statement
Community HousingWorks
List of Attachments

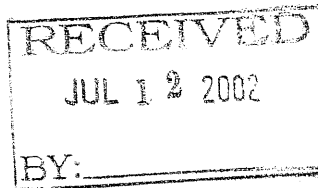
Question #	Attachment
6.	Articles of Incorporation and Nonprofit Status
8. & 12.	Board Roster of Community HousingWorks
14.	2018 and 2019 Consolidated Financial Statements of Community HousingWorks
15.	Pro Forma
17.	Bank References
20.	List of Previous Undertakings
22.	CHW Developer Qualifications
26.	Insurance Certificates
32.	Business License
35.	List of Contracts
38.	Local References

6. Articles of Incorporation and Nonprofit Status

LUCE FORWARD

ATTORNEYS AT LAW • FOUNDED 1873
LUCE, FORWARD, HAMILTON & SCRIPPS LLP

NANCY CRANE, PARALEGAL
DIRECT DIAL NUMBER 619.699.5473
DIRECT FAX NUMBER 619.645.5333
EMAIL ADDRESS NCRANE@LUCE.COM



600 West Broadway
Suite 2600
San Diego, CA 92101
619.236.1414
619.232.8311 fax
www.luce.com

July 9, 2002

24214-00001

Ms. Susan M. Reynolds
Community Housing of North County
1820 S. Escondido Blvd, #101
Escondido, CA 92025

Re: Amended and Restated Articles of Incorporation for Community Housing of North County

Dear Ms. Reynolds:

Enclosed for your records is a certified copy of the Amended and Restated Articles of Incorporation for Community Housing of North County changing the name of the corporation to Community HousingWorks. The Amended and Restated Articles were filed on July 1, 2002 by the California Secretary of State.

If you have any questions regarding this matter, please feel free to call me.

Very truly yours,

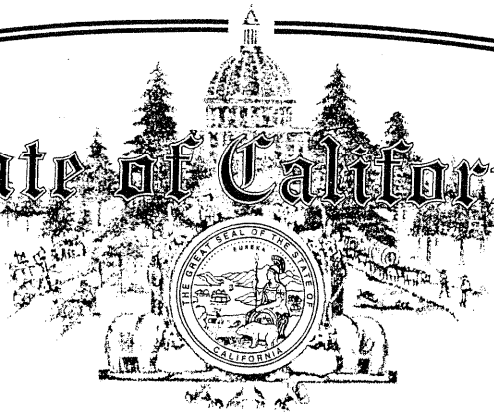
Nancy Crane
for

LUCE, FORWARD, HAMILTON & SCRIPPS LLP

NC/
Enclosure

cc: Dennis J. Doucette, Esq.

State of California



SECRETARY OF STATE

I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the attached transcript of 2 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

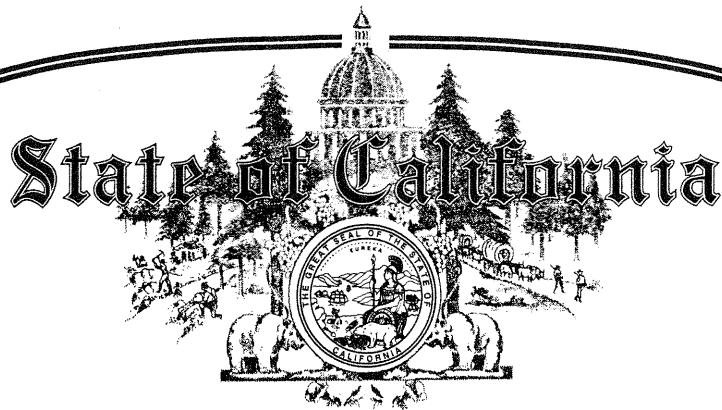


IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

JUL - 5 2002

Bill Jones

Secretary of State



**SECRETARY OF STATE
CERTIFICATE OF STATUS
DOMESTIC CORPORATION**

I, BILL JONES, Secretary of State of the State of California, hereby certify:

That on the **20th day of June, 1988, COMMUNITY HOUSING WORKS** became incorporated under the laws of the State of California by filing its Articles of Incorporation in this office; and

That no record exists in this office of a certificate of dissolution of said corporation nor of a court order declaring dissolution thereof, nor of a merger or consolidation which terminated its existence; and

That said corporation's corporate powers, rights and privileges are not suspended on the records of this office; and

That according to the records of this office, the said corporation is authorized to exercise all its corporate powers, rights and privileges and is in good legal standing in the State of California; and

That no information is available in this office on the financial condition, business activity or practices of this corporation.

IN WITNESS WHEREOF, I execute this
certificate and affix the Great Seal
of the State of California this day
of August 21, 2002.



Bill Jones
BILL JONES
Secretary of State

ts

AMENDED AND RESTATED
ARTICLES OF INCORPORATION OF
COMMUNITY HOUSING OF NORTH COUNTY

JUL - 1 2002

BILL JONES, Secretary of State

Jack Mawhinney and Michael Sprague certify that:

1. They are the President and Secretary, respectively, of COMMUNITY HOUSING OF NORTH COUNTY, a California Corporation.
2. The Articles of Incorporation of this corporation are amended and restated to read in full as follows:

ARTICLE I

Name. The name of this corporation is: Community HousingWorks.

ARTICLE II

Character. This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Public Benefit Corporation Law for public and charitable purposes, (within the meaning of Section 501(c)(3) of the Internal Revenue Code.)

ARTICLE III

Purpose. The purposes of the corporation are: (i) to lessen the burdens of government by developing affordable housing for low-income persons and low and moderate income families; (ii) to provide human services and housing on a non-profit basis to relieve the distress of the elderly, the physically handicapped and people with special needs; (iii) to combat community deterioration and preserve neighborhood stability by promoting community development, which improves housing and economic conditions as is appropriate; (iv) to assist in the facilitation of low to moderate income persons and families to secure affordable mortgage financing to support efforts in improving select neighborhoods and communities; (v) to provide below-market rate flexible capital and other services in order to increase and preserve homeownership opportunities among underserved low to moderate income households; (vi) to provide new housing opportunities that will assist in eliminating discrimination and prejudice; and (vii) to revitalize and stimulate reinvestment in selected neighborhoods through programs involving a partnership of neighborhood residents, the business community, representatives of local governmental agencies, local financial institutions, and other interested persons.

ARTICLE IV

Limitations. This corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. Notwithstanding any other provision of these articles, this corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from income tax under section 501(c)(3) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation, contributions to which are deductible under Section 170(a)(2) of the Internal Revenue Code (or the corresponding provision of any future United States Internal Revenue Law). No substantial part of the activities of this corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation. This corporation shall not participate or intervene in any political campaign (including the publication or distribution of statements) on behalf of any candidate for public office.

ARTICLE V

Dedication of Assets. The property of the corporation is irrevocably dedicated to charitable purposes. No part of the net assets or income of the corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person. Upon dissolution or liquidation, the assets remaining after payment, or provisions for payment, of all debts and liabilities of this corporation shall be distributed in the manner provided by law to a fund or corporation which is organized and operated exclusively for charitable purposes and which has established its status pursuant to Section 501(c)(3) of the Internal Revenue Code.

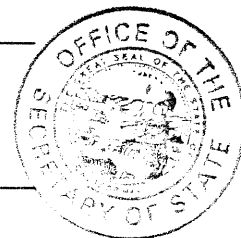
3. The foregoing amended and restated Articles of Incorporation have been duly approved by the board of directors.
4. The corporation has no members.

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

Date: 6/25, 2002

Jack Mawhinney
Jack Mawhinney, President

Michael Sprague
Michael Sprague, Secretary





IRS Department of the Treasury
Internal Revenue Service

P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248145604
Mar. 30, 2015 LTR 4168C 0
33-0317950 000000 00
00025408
BODC: TE

COMMUNITY HOUSING WORKS
2815 CAMINO DEL RIO SOUTH STE 350
SAN DIEGO CA 92108



60198

Employer Identification Number: 33-0317950
Person to Contact: MR. CORDELL
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Mar. 19, 2015, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in November, 1992.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

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

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

0248145604
Mar. 30, 2015 LTR 4168C 0
33-0317950 000000 00
00025409

COMMUNITY HOUSING WORKS
2815 CAMINO DEL RIO SOUTH STE 350
SAN DIEGO CA 92108

If you have any questions, please call us at the telephone number
shown in the heading of this letter.

Sincerely yours,



Doris Kenwright, Operation Mgr.
Accounts Management Operations 1

LUCE FORWARD

ATTORNEYS AT LAW • FOUNDED 1873

LUCE, FORWARD, HAMILTON & SCRIPPS LLP

DENNIS J. DOUCETTE, PARTNER
DIRECT DIAL NUMBER 858.720.6322
DIRECT FAX NUMBER 858.523.4305
EMAIL ADDRESS DDoucette@LUCE.COM

11988 El Camino Real
Suite 200
San Diego, CA 92130
858.720.6300
858.720.6306 fax
www.luce.com

September 5, 2002

24214/00001

Re: Name Change

Ladies and Gentlemen:

On July 1, 2002, Community Housing of North County, a California nonprofit public benefit corporation (the "Corporation"), changed its name to **Community HousingWorks** by filing Amended and Restated Articles of Incorporation with the California Secretary of State. No further action was required by the Corporation to change its name. The Corporation's state and federal employer identification numbers remain unchanged, and we assure that all contracts and documents previously entered into by Community Housing of North County are binding and enforceable on Community HousingWorks.

Very truly yours,



Dennis J. Doucette
of
LUCE, FORWARD, HAMILTON & SCRIPPS LLP

DJD/dzc

8. & 12. Board Roster of Community HousingWorks



2020 Board of Directors

<p><u>Robert Gottlieb</u> Board Chair Chair, Executive Committee Chief Financial Officer H.G. Fenton Company 7577 Mission Valley Road, San Diego, California 92108 619.400.0148 (w) 619.726.0205 (c) robert@hgfenton.com Member since: 10/2013 Current term: 02/01/2019-01/31/2022</p>	<p><u>Angela Nugent</u> Vice Chair Real Estate Broker Keller Williams Orange County Coastal Realty 635 Camino De Los Mares 3rd Floor San Clemente, CA 92673 760.434.6776 (w) 760.930.1999 (c) teamnugent@gmail.com Member since: 08/2017 Current term: 02/01/2018-01/31/2021</p>	<p><u>Lisa Andaleon</u> Treasurer Chair, Finance Committee Director of Operations and Finance University of Southern California 3551 Trousdale Parkway -- ADM 204 Los Angeles, CA 90089-4019 619.606.8238 (c) lisaandaleon@gmail.com Member since: 06/2019 Current term: 02/01/2018-01/31/2021</p>
<p><u>Roberto Garcia</u> Secretary Planning Commissioner City of National City 1243 National City Blvd. National City, CA 91950 619.586.8357 (c) Roberto.garcia.ozua@gmail.com Member since: 09/2016 Current term: 02/01/2019-01/31/2022</p>	<p><u>Stephen Baker</u> Sr. Vice President Bank of America 701 B St, San Diego, CA 92101 760.943.1384 (h) 760.525.6298 (c) sfbaker@zoho.com Member since: 09/2011 Current term: 02/01/2020-01/31/2023</p>	<p><u>Antonio Barbosa</u> VP, Community Development Wells Fargo 401 A St, San Diego, CA 92101 619.921.9065 (c) Antonio.barbosa@wellsfargo.com Member since: 05/2017 Current term: 02/01/2019-01/31/2022</p>
<p><u>Christie Ault</u> Executive Assistant Pacific Premier Bank 501 W Broadway #550, San Diego, CA 92101 858.729.7701 (w) 619.481.7944 (c) ault.christie@gmail.com and cault@ppbi.com Member since: 04/2019 Current term: 02/01/2019-01/31/2022</p>	<p><u>Don Ambrose</u> President Del Mar Healthcare, Inc. 12348 High Bluff Dr # 100, San Diego, CA 92130 858.204.3314 (c) 858.350.4400 (w) Don121dm@gmail.com Member since: 04/2020 Current term: 02/01/2020-01/31/2023</p>	<p><u>Jorge Cuevas Antillon</u> Chair, Achieve Committee San Diego County Office of Education Coordinator, Language Acquisition & Reading 6401 Linda Vista Rd, San Diego, CA 92111 858.571.7249 (w) 619.994.8180 (c) jorgecuevasantillon@gmail.com Member since: 01/2017 Current term: 02/01/2020-01/31/2023</p>
<p><u>Justin Apger</u> Chair, Organizational Development Cmte Chief Operations Officer Downtown San Diego Partnership 401 B St #100, San Diego, CA 92101 619-234-0201 (w) japger@downtownsandiego.org Member since: 01/2020 Current term: 02/01/2020-01/31/2023</p>	<p><u>Marty Rimmell</u> Chair, Search Committee Rimmell Consulting 6450 Wandermere Dr, San Diego, CA 619.977.0730 (c) martyremmell@gmail.com Member since: 05/2017 Current term: 02/01/2019-01/31/2022</p>	<p><u>Robbie Calderon-Hass</u> Chair, Fund Development Committee Broker/Owner The Hass Team Realty 3186 Vista Way #300, Oceanside, CA 92056 760.754.9990 (w) 760.213.4084 (c) robbie@thehassteam.com Member since: 09/2018 Current term: 02/01/2018-01/31/2021</p>

<u>Sean Elo</u> Chair, Governance Committee Executive Director Youth Will 404 Euclid Avenue, Ste. 329 San Diego, CA 92114 562.213.6466 (c) seanelo@seanelo.com Member since: 05/2017 Current term: 02/01/2018-01/31/2021	<u>Silvia Calzada</u> Community Health Worker Environmental Health Coalition 2727 Hoover Ave #202, National City, CA 91950 1 (619) 274-7315 silviamcalzada@gmail.com Member since: 06/2020 Current term: 02/01/20-01/31/2023	<u>Ted A. Holman</u> Chair, Home Committee Director of Tax Credit Investments First Republic Bank 1280 Fourth Ave, San Diego, CA 92101 415.364.4425 (w) 415.516.0071 (c) tholman@firstrepublic.com or tedholman@gmail.com Member since: 08/2017 Current term: 02/01/2020-01/31/2023
---	--	---

14. 2018 and 2019 Consolidated Financial Statements of Community HousingWorks



CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018



Leaf & Cole, LLP
Certified Public Accountants

**COMMUNITY HOUSINGWORKS
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

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Leaf & Cole, LLP
Certified Public Accountants
A Partnership of Professional Corporations

Independent Auditor's Report

To the Board of Directors
Community HousingWorks

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Community HousingWorks, which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Community HousingWorks as of December 31, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 49 to 64 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2020, on our consideration of Community HousingWorks' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Community HousingWorks' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community HousingWorks' internal control over financial reporting and compliance.

Leaf & Cole LLP

San Diego, California
May 20, 2020

COMMUNITY HOUSINGWORKS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

ASSETS		
	<u>2019</u>	<u>2018</u>
<u>Current Assets:</u> (Notes 2, 4, 5 and 6)		
Cash and cash equivalents	\$ 20,871,284	\$ 17,816,866
Investments	8,801,430	-
Security deposits	600,822	537,075
Grants and contracts receivable	68,443	52,978
Contributions receivable, net	750	87,555
Accounts receivable - related parties	6,576,381	6,241,063
Accounts receivable - other, net	170,397	316,534
Prepaid expenses	245,167	469,401
Property held for sale	1,732,489	1,596,897
Total Current Assets	<u>39,067,163</u>	<u>27,118,369</u>
<u>Noncurrent Assets:</u> (Notes 2, 4, 5 and 7 thru 11)		
Contributions receivable, net	-	735
Restricted reserves	6,512,664	5,958,572
Loans receivable, net	468,040	589,710
Notes receivable - related parties, net	65,854,968	39,179,703
Interest receivable	1,801,064	1,761,280
Property and equipment, net	78,002,197	87,531,218
Investments in limited partnerships	11,647,039	11,295,053
Deposits	253,287	179,439
Other assets, net	44,073	34,727
Total Noncurrent Assets	<u>164,583,332</u>	<u>146,530,437</u>
TOTAL ASSETS	<u><u>\$ 203,650,495</u></u>	<u><u>\$ 173,648,806</u></u>

The accompanying notes are an integral part of the consolidated financial statements.

COMMUNITY HOUSINGWORKS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2019 AND 2018

LIABILITIES AND NET ASSETS

	<u>2019</u>	<u>2018</u>
<u>Current Liabilities:</u> (Notes 2, 12 and 13)		
Accounts payable and accrued expenses	\$ 2,449,957	\$ 2,514,535
Security deposits	579,572	539,678
Deferred revenue	135,701	106,751
Line-of-credit payable	2,000,000	-
Current portion of noncurrent liabilities	1,886,050	39,197,615
Total Current Liabilities	<u>7,051,280</u>	<u>42,358,579</u>
<u>Noncurrent Liabilities:</u> (Notes 2 and 13 thru 15)		
Deferred revenue	200,255	247,208
Deferred lease liability	254,064	-
Notes payable - amortized debt , net	32,844,075	57,648,119
Bonds payable, net	-	7,076,817
Notes payable - residual receipts debt, net	38,288,602	26,121,318
Interest payable - residual receipts debt	10,944,675	12,578,290
Less: Current portion	(1,886,050)	(39,197,615)
Total Noncurrent Liabilities	<u>80,645,621</u>	<u>64,474,137</u>
Total Liabilities	<u>87,696,901</u>	<u>106,832,716</u>
<u>Obligation Under Interest Rate Swap</u> (Notes 2 and 16)	<u>948,438</u>	<u>-</u>
<u>Commitments and Contingencies</u> (Notes 12 and 18)		
<u>Net Assets:</u> (Notes 2 and 17)		
Without donor restrictions	113,584,379	65,164,913
With donor restrictions:		
Time and purpose restrictions	647,937	547,120
Perpetual in nature	772,840	1,104,057
Total Net Assets	<u>115,005,156</u>	<u>66,816,090</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 203,650,495</u></u>	<u><u>\$ 173,648,806</u></u>

The accompanying notes are an integral part of the consolidated financial statements.

COMMUNITY HOUSINGWORKS
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<u>Support and Revenues:</u>						
Contributions	\$ 479,535	\$ 459,015	\$ 938,550	\$ 975,822	\$ 12,495	\$ 988,317
Developer fees	6,380,154	-	6,380,154	6,473,400	-	6,473,400
Grants and contracts	890,921	150,000	1,040,921	995,386	420,000	1,415,386
Loan interest and investment income	2,123,716	761	2,124,477	1,425,247	1,543	1,426,790
Management fees	967,400	-	967,400	719,451	-	719,451
Other income	512,864	-	512,864	249,179	-	249,179
Program income	1,080,790	-	1,080,790	1,152,009	-	1,152,009
Rental income	12,750,466	-	12,750,466	9,902,659	-	9,902,659
Net assets released from restrictions	840,176	(840,176)	-	742,433	(742,433)	-
Total Support and Revenues	<u>26,026,022</u>	<u>(230,400)</u>	<u>25,795,622</u>	<u>22,635,586</u>	<u>(308,395)</u>	<u>22,327,191</u>
<u>Expenses:</u>						
Program Services:						
Asset management	1,250,894	-	1,250,894	1,080,068	-	1,080,068
Community programs	2,971,903	-	2,971,903	2,394,479	-	2,394,479
Real estate development	3,375,973	-	3,375,973	2,836,814	-	2,836,814
Rental real estate	15,670,852	-	15,670,852	12,653,196	-	12,653,196
Special needs housing programs	349,419	-	349,419	352,806	-	352,806
Total Program Services	<u>23,619,041</u>	<u>-</u>	<u>23,619,041</u>	<u>19,317,363</u>	<u>-</u>	<u>19,317,363</u>
Supporting Services:						
Management and general	1,254,892	-	1,254,892	1,223,260	-	1,223,260
Fundraising	559,149	-	559,149	441,405	-	441,405
Total Supporting Services	<u>1,814,041</u>	<u>-</u>	<u>1,814,041</u>	<u>1,664,665</u>	<u>-</u>	<u>1,664,665</u>
Total Expenses	<u>25,433,082</u>	<u>-</u>	<u>25,433,082</u>	<u>20,982,028</u>	<u>-</u>	<u>20,982,028</u>
Change in Net Assets Before Other Revenue and (Expense)	<u>592,940</u>	<u>(230,400)</u>	<u>362,540</u>	<u>1,653,558</u>	<u>(308,395)</u>	<u>1,345,163</u>

The accompanying notes are an integral part of the consolidated financial statements.

COMMUNITY HOUSINGWORKS
CONSOLIDATED STATEMENTS OF ACTIVITIES (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Other Revenue and (Expense):						
Contribution of equipment	\$ -	\$ -	\$ -	\$ 2,910,000	\$ -	\$ 2,910,000
Gain on sale of property and equipment	44,044,532	-	44,044,532	-	-	-
Grant for capital contribution	-	-	-	4,550,000	-	4,550,000
Loan forgiveness and recovery	127,769	-	127,769	262,331	-	262,331
Obligation under interest rate swap change	89,700	-	89,700	-	-	-
Partnership income (loss)	61,628	-	61,628	(440,689)	-	(440,689)
Total Other Revenue and (Expense)	<u>44,323,629</u>	<u>-</u>	<u>44,323,629</u>	<u>7,281,642</u>	<u>-</u>	<u>7,281,642</u>
Change in Net Assets	44,916,569	(230,400)	44,686,169	8,935,200	(308,395)	8,626,805
Net Assets at Beginning of Year	65,164,913	1,651,177	66,816,090	56,762,522	1,959,572	58,722,094
Acquisition of Partnership Interest	<u>3,502,897</u>	<u>-</u>	<u>3,502,897</u>	<u>(532,809)</u>	<u>-</u>	<u>(532,809)</u>
NET ASSETS AT END OF YEAR	<u>\$ 113,584,379</u>	<u>\$ 1,420,777</u>	<u>\$ 115,005,156</u>	<u>\$ 65,164,913</u>	<u>\$ 1,651,177</u>	<u>\$ 66,816,090</u>

The accompanying notes are an integral part of the consolidated financial statements.

COMMUNITY HOUSINGWORKS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services					Supporting Services			
	Asset Management	Community Programs	Real Estate Development	Rental Real Estate	Special Needs Housing Programs	Management and General	Fundraising	Eliminations	Total Expenses
<u>Personnel Expenses:</u>									
Salaries and wages	\$ 760,462	\$ 1,667,141	\$ 2,278,488	\$ -	\$ 27,800	\$ 666,620	\$ 290,460	\$ -	\$ 5,690,971
Payroll taxes	61,927	127,867	166,974	-	2,351	45,781	25,295	-	430,195
Health insurance and other benefits	96,085	243,748	233,057	-	4,531	84,205	37,219	-	698,845
Temporary/contract personnel	22,758	30,333	41,487	-	3,941	77,959	29,132	-	205,610
Total Personnel Expenses	941,232	2,069,089	2,720,006	-	38,623	874,565	382,106	-	7,025,621
<u>Occupancy:</u>									
Office rent	92,149	133,912	268,204	-	21,917	86,396	29,538	-	632,116
Telephone/Internet	8,890	14,133	26,560	-	2,119	8,870	5,376	-	65,948
Total Occupancy	101,039	148,045	294,764	-	24,036	95,266	34,914	-	698,064
<u>Insurance</u>	(10,756)	(4,980)	(14,898)	-	(878)	(49,616)	(10,672)	-	(91,800)
<u>Supplies and Other Administrative Costs</u>	70,732	177,819	216,327	-	12,210	131,674	61,245	-	670,007
<u>Travel</u>	18,872	69,717	20,085	-	555	6,852	4,298	-	120,379
<u>Professional Fees:</u>									
Other professional services	92,758	172,852	47,625	-	40,227	77,212	37,102	-	467,776
Accounting (Audit)	3,975	11,560	11,592	-	1,485	6,338	2,359	-	37,309
Total Professional Fees	96,733	184,412	59,217	-	41,712	83,550	39,461	-	505,085
<u>Program/Project Expenses:</u>									
Program/Project related expenses	2,016	285,884	3,675	-	91,489	5,236	20,944	-	409,244
Property operation cost	-	-	-	15,591,385	112,170	-	-	(3,857,212)	11,846,343
Total Program/Project Expenses	2,016	285,884	3,675	15,591,385	203,659	5,236	20,944	(3,857,212)	12,255,587
<u>Other Expenses:</u>									
Interest	17,053	22,730	31,087	-	12,084	59,059	14,765	-	156,778
Depreciation and amortization	10,087	13,445	18,388	3,936,679	16,738	34,934	8,733	-	4,039,004
Contributions to others	3,886	5,742	8,477	-	680	13,372	3,355	-	35,512
Property loss	-	-	18,845	-	-	-	-	-	18,845
Total Other Expenses	31,026	41,917	76,797	3,936,679	29,502	107,365	26,853	-	4,250,139
<u>Less: Eliminations:</u>	-	-	-	(3,857,212)	-	-	-	3,857,212	-
TOTAL EXPENSES	\$ 1,250,894	\$ 2,971,903	\$ 3,375,973	\$ 15,670,852	\$ 349,419	\$ 1,254,892	\$ 559,149	\$ -	\$ 25,433,082

The accompanying notes are an integral part of the consolidated financial statements.

COMMUNITY HOUSINGWORKS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services					Supporting Services			
	Asset Management	Community Programs	Real Estate Development	Rental Real Estate	Special Needs Housing Programs	Management and General	Fundraising	Eliminations	Total Expenses
<u>Personnel Expenses:</u>									
Salaries and wages	\$ 574,704	\$ 1,324,821	\$ 1,890,683	\$ -	\$ 38,945	\$ 594,678	\$ 160,249	\$ -	\$ 4,584,080
Payroll taxes	50,052	123,003	150,794	-	3,442	48,919	14,582	-	390,792
Health insurance and other benefits	68,942	177,826	197,983	-	3,750	73,789	21,966	-	544,256
Temporary/contract personnel	690	12,082	1,084	-	191	4,522	8,259	-	26,828
Total Personnel Expenses	<u>694,388</u>	<u>1,637,732</u>	<u>2,240,544</u>	<u>-</u>	<u>46,328</u>	<u>721,908</u>	<u>205,056</u>	<u>-</u>	<u>5,545,956</u>
<u>Occupancy:</u>									
Office rent	69,101	107,158	178,028	-	14,358	127,821	54,710	-	551,176
Telephone/Internet	6,524	13,860	18,719	-	1,661	8,277	4,776	-	53,817
Leasehold improvements	67	99	183	-	13	83	49	-	494
Total Occupancy	<u>75,692</u>	<u>121,117</u>	<u>196,930</u>	<u>-</u>	<u>16,032</u>	<u>136,181</u>	<u>59,535</u>	<u>-</u>	<u>605,487</u>
<u>Insurance</u>	<u>998</u>	<u>6,000</u>	<u>6,553</u>	<u>-</u>	<u>1,144</u>	<u>(17,011)</u>	<u>(1,321)</u>	<u>-</u>	<u>(3,637)</u>
<u>Supplies and Other Administrative Costs</u>	<u>56,763</u>	<u>169,843</u>	<u>207,706</u>	<u>-</u>	<u>13,084</u>	<u>119,446</u>	<u>63,638</u>	<u>-</u>	<u>630,480</u>
<u>Travel</u>	<u>29,455</u>	<u>44,760</u>	<u>19,398</u>	<u>-</u>	<u>642</u>	<u>7,139</u>	<u>3,061</u>	<u>-</u>	<u>104,455</u>
<u>Professional Fees:</u>									
Other professional services	195,676	145,690	92,260	-	32,346	115,926	54,564	-	636,462
Equipment/computer services	251	753	682	-	102	310	183	-	2,281
Accounting (Audit)	3,348	9,919	10,930	-	1,342	4,903	2,518	-	32,960
Total Professional Fees	<u>199,275</u>	<u>156,362</u>	<u>103,872</u>	<u>-</u>	<u>33,790</u>	<u>121,139</u>	<u>57,265</u>	<u>-</u>	<u>671,703</u>
<u>Program/Project Expenses:</u>									
Program/Project related expenses	2,557	214,311	1,544	-	121,742	5,977	28,382	-	374,513
Property operation cost	-	-	-	10,477,670	83,617	-	-	(697,699)	9,863,588
Total Program/Project Expenses	<u>2,557</u>	<u>214,311</u>	<u>1,544</u>	<u>10,477,670</u>	<u>205,359</u>	<u>5,977</u>	<u>28,382</u>	<u>(697,699)</u>	<u>10,238,101</u>
<u>Other Expenses:</u>									
Interest	10,864	22,787	17,066	-	12,135	67,152	13,431	-	143,435
Depreciation and amortization	5,256	11,025	8,257	2,873,225	22,934	32,491	6,498	-	2,959,686
Contributions to others	4,820	10,542	9,392	-	1,358	28,838	5,860	-	60,810
Property loss	-	-	25,552	-	-	-	-	-	25,552
Total Other Expenses	<u>20,940</u>	<u>44,354</u>	<u>60,267</u>	<u>2,873,225</u>	<u>36,427</u>	<u>128,481</u>	<u>25,789</u>	<u>-</u>	<u>3,189,483</u>
<u>Less: Eliminations:</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(697,699)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>697,699</u>	<u>-</u>
TOTAL EXPENSES	<u>\$ 1,080,068</u>	<u>\$ 2,394,479</u>	<u>\$ 2,836,814</u>	<u>\$ 12,653,196</u>	<u>\$ 352,806</u>	<u>\$ 1,223,260</u>	<u>\$ 441,405</u>	<u>\$ -</u>	<u>\$ 20,982,028</u>

The accompanying notes are an integral part of the consolidated financial statements.

COMMUNITY HOUSINGWORKS
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ 44,686,169	\$ 8,626,805
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,037,451	2,958,304
Amortization of other assets	1,553	1,382
Amortization of debt issuance costs	219,845	279,738
Contribution of equipment	-	(2,910,000)
Gain on sale of property and equipment	(44,044,532)	-
Net realized and unrealized gains from investments	(217,398)	-
Grant for capital contribution	-	(4,550,000)
Loan forgiveness	(24,500)	(24,500)
Partnership loss	(61,628)	440,689
Change in obligation under interest rate swap	(89,700)	-
Perpetual restricted net assets released	331,217	473,167
(Increase) Decrease in:		
Grants and contracts receivable	(15,465)	100,136
Contributions receivable, net	87,540	(22,299)
Accounts receivable, net	(186,421)	552,328
Prepaid expenses	290,662	39,443
Interest receivable	(39,784)	(692,295)
Increase (Decrease) in:		
Accounts payable and accrued expenses	1,363,658	570,455
Security deposits	(127,692)	9,909
Deferred revenue	(63,108)	(65,845)
Deferred lease liability	254,064	-
Interest payable	(1,633,615)	651,022
Net Cash Provided by Operating Activities	<u>4,768,316</u>	<u>6,438,439</u>
<u>Cash Flows From Investing Activities:</u>		
Accounts receivable - related parties	-	70,946
Property held for sale	(135,592)	(125,926)
Investment (purchases) sales, net	(8,603,608)	(9,587)
Loans receivable, net	121,670	106,441
Notes receivable - related parties, net	1,581,211	(2,145,238)
Proceeds from sale of property and equipment	57,976,079	-
Property and equipment purchases	(22,208,450)	(3,833,685)
Partnership contributions and transfer costs, net	1,134,970	(498,284)
Refund (payment) for deposits	(55,918)	(40,927)
Payment for other assets	(10,899)	-
Net Cash Provided by (Used in) Investing Activities	<u>29,799,463</u>	<u>(6,476,260)</u>

(Continued)

The accompanying notes are an integral part of the consolidated financial statements.

COMMUNITY HOUSINGWORKS
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>Cash Flows From Financing Activities:</u>		
Line-of-credit advances	\$ 2,000,000	\$ -
Payment for debt issuance costs	(3,700)	-
Proceeds from notes payable	19,750,453	750,000
Payments on notes payable	(45,127,047)	(503,707)
Payments on bonds payable	(7,203,587)	(339,098)
Perpetual restricted net assets released	(331,217)	(473,167)
Net Cash Used in Financing Activities	<u>(30,915,098)</u>	<u>(565,972)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,652,681	(603,793)
Cash and Cash Equivalents at Beginning of Year	<u>24,017,138</u>	<u>24,620,931</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 27,669,819</u></u>	<u><u>\$ 24,017,138</u></u>
<u>Supplemental Disclosures of Cash Flow Information:</u>		
Cash paid for interest, net of capitalized interest (Note 2)	<u><u>\$ 6,070,580</u></u>	<u><u>\$ 3,600,805</u></u>
<u>Supplemental Disclosure of Noncash Investing and Financing Activities:</u>		
Notes receivable - related parties advanced as proceeds from sale of property and equipment	<u><u>\$ 28,256,476</u></u>	<u><u>\$ -</u></u>
Acquisition of Dove Family Housing Associates, L.P.	<u><u>\$ (3,502,897)</u></u>	<u><u>\$ -</u></u>
Acquisition of Mission Grove Housing Associates, L.P.	<u><u>\$ -</u></u>	<u><u>\$ (532,809)</u></u>

The accompanying notes are an integral part of the consolidated financial statements.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 1 - Organization:

The consolidated financial statements include the following entities which are collectively referred to as the “Organization”. The entities are summarized in the supplementary schedules of real estate entities on pages 49 and 50 for the years ended December 31, 2019 and 2018, respectively which includes the partnership name, property name and ownership details.

Community HousingWorks

Community HousingWorks (“CHW” or the “Organization”) is a Nonprofit California Corporation incorporated on June 20, 1988. CHW believes that opportunity begins with a stable home. The Organization provides and builds life-changing affordable apartment communities with resident-centered services for working families, seniors and people with disabilities, to forge stronger futures. CHW has over 30 years of success developing new and renovating existing multi-family, affordable rental apartments in urban, suburban and rural communities, in San Diego and across California. With 3,671 rental apartments in 42 communities statewide, the Organization proudly served more than 9,700 residents in 2019.

The Organization delivers onsite programs to give residents the knowledge, tools, and hope to achieve their goals and dreams. CHW's unique approach is to provide families, seniors and individuals in need with stable homes in healthy communities, then layer in powerful programs and links to just the right resources. As a result, people in CHW homes are able to gain financial stability and mobility, improve their health and wellness, and see that the next generation of children succeeds in the classroom and beyond.

The Organization is an Exemplary-ranked member of the national NeighborWorks Network®, an award-winning affiliate of Unidos USA, and member of the prestigious Housing Partnership Network.

CHW typically acquires land for apartment development or multifamily housing complexes already in operation with the intent of financing them with Low Income Housing Tax Credits (LIHTC), in several stages, each of which can have a material impact on the organization’s consolidated financial position. The first stage typically is a development period during which CHW, or a wholly controlled affiliate, owns 100% of the property and therefore fully consolidates the property. After a development period of time, which may be as much as two years, the property is sold into a limited partnership (or LLC) and CHW retains a very small general partner interest (0.01% to 1%), while the limited investor partner owns almost all of the interest in order to capitalize on the related tax benefits. During this second stage, the general partner interest is accounted for on the equity method and the tax credit partnership entity has its own segregated audited financial statements and tax returns. The compliance and related tax benefit period for these entities lasts for 15 years. After that 15 years, the limited partner will typically exit and the project enters a third stage once again under full CHW control. If the property needs substantial investment beyond the amount available through new debt and reserves, CHW has the option to seek tax credits, form a new tax credit partnership and re-syndicate to meet those needs, starting the change in control process all over again.

Partnership and Limited Liability Companies

CHW owns a general partner interest in limited partnerships and is the sole member of limited liability companies with ownership interests in limited partnerships ranging from .005% to 100% which are summarized in the supplementary schedule of real estate entities.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 1 - Organization: (Continued)

Esperanza Housing and Community Development Corporation

Esperanza Housing and Community Development Corporation (“Esperanza”), a California Nonprofit Corporation, has partnership interests as summarized in the supplementary schedule of real estate entities on pages 49 and 50.

Escondido Family Housing Corporation

Escondido Family Housing Corporation, a California Nonprofit Corporation (“Escondido”), has partnership interests as summarized in the supplementary schedule of real estate entities on pages 49 and 50 which represent 100% of the assets of Escondido.

Maplewood/Ashwood

Maplewood/Ashwood, a California Nonprofit Corporation has no assets at December 31, 2019 and 2018.

Community Housing Solutions

Community Housing Solutions, a California Nonprofit Corporation (“Pine View”) owns the Pine View Apartments, an apartment complex of 101 units located in Fallbrook, California. Pine View has been consolidated into these financial statements. On July 1, 2019, Pine View sold the apartment complex. Effective December 31, 2019 Pine View has been dissolved.

The following is a brief description of the Organization’s programs:

Rental Communities

Real Estate Development

The Organization builds and owns affordable, attractive and sustainable rental communities across California that people can be proud to call home. Over 9,700 people living on a limited income find home stability in the Organization’s award-winning apartment communities CHW has been recognized nationally, statewide and within the San Diego region for excellence in development, from the national Gold Nugget Award to the Urban Land Institute Award of Excellence for the America’s. As of 2019, CHW operated 3,671 rental apartments in 42 communities, designed and managed to improve their neighborhoods and help residents build brighter futures. Extensive resident service programs further support resident success.

In 29 of our community’s residents can take advantage of a Community Center with after-school programs, computers and other on-site resident programs. All residents can also access our comprehensive asset-building programs, including Financial Fitness classes and financial coaching.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 1 - Organization: (Continued)

Rental Communities (Continued)

Asset Management

The Organization provides ongoing administrative support, management oversight, risk management review, and/or oversight of financial and repair plans for the communities developed by the Organization for very low-income and low-income residents in need. CHW's asset management staff maintains high standards in a diverse portfolio. CHW's permanent affordable housing portfolio operates at 98% occupancy and has consistently met all reserve and partnership management fee targets. Due to the Organization's outstanding track record, banks and investors consider CHW among the highest-rated developers.

Supportive Housing

The Organization provides stable homes for individuals and families in need, including formerly homeless families, seniors with disabilities, individuals with HIV/AIDS, youth transitioning out of foster care, and victims of domestic violence. CHW has 137 supportive housing apartments in 14 communities, and 29 Community Centers.

Complex	Location	Supportive Units	Supported Residents
Alabama Manor	San Diego	23	Supportive homes to individuals over 55 who are physically disabled or living with HIV/AIDS
Avocado Court	Escondido	8	Permanent supportive homes for homeless, disabled veterans
Hillside Village, Solara, Parkview Terrace, Oak Knoll Villas	Poway	8	Up to 6 transitional supportive homes for victims of domestic violence; 2 permanent homes for developmentally disabled adults in 4 Poway communities
Kalos	San Diego	6	Permanent supportive homes for teenage mothers under the Maternity Shelter Program
Las Casitas Maple	Escondido	14	Permanent supportive homes for homeless families recovering and reuniting from substance abuse
Marisol	Oceanside	21	Permanent supportive housing units for disabled individuals living with HIV/AIDS; 10 HOPWA
North Santa Fe	Vista	10	Supportive units for Transition Aged Youth (foster care)
Old Grove	Oceanside	4	HOPWA (HIV/AIDS)
Manzanita	Escondido	7	Supportive homes for homeless, disabled veterans
North Park Seniors	San Diego	8	Permanent supportive homes for Seniors
Mission Cove Seniors	Oceanside	28	Up to 28 voluntary homeless preference waitlist units for Seniors 62+ experiencing homelessness (non set-aside)

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 1 - Organization: (Continued)

Resident Services Programs

Community HousingWorks has long held the core belief that with a safe, stable home, powerful tools and community support, our residents can forge strong futures. This belief and our commitment to resident success—creating safe, stable, affordable apartment communities and support for hopeful action by our residents—are at the heart of our mission and who we are as an organization. Our very first apartment community in 1989 offered transitional housing services to homeless women and children. Since 1997, when our residents first requested support for their kids' homework, CHW has routinely included community centers and on-site services programs in almost all of our apartment communities (subject to funding). Community HousingWorks is among the few large housing nonprofits in the country that supplement project service fees with both individual donor and grant contributions, in order to assure impactful programs.

As part of our resident-driven approach, we perform resident opportunity and needs assessments and complete a community scan to make sure that we design programs that are relevant and appropriate to the residents served. CHW delivers services through both onsite staff and through partners and volunteers, creating more sustainability and more ability to vary services based on resident needs and available resources. CHW invests in measuring the impact of our core services, in order to continually improve those results.

CHW offers programming in three areas of highest impact for our mission: Financial Well-being, Next Generation Success, and Health and Wellness.

1. Financial Well-being

Community HousingWorks' innovative financial well-being programs have served over 9,700 residents since 2004, meeting people where they are in three program areas.

- **Financial Stability** (*address a current financial crisis*). Through our Rental Home Stability Program (RHSP), our accredited financial coaches help households at risk of eviction to regain stability. This innovative program has a 95% success rate. Residents use RHSP financial coaching, community resources and (as needed) payment plans to prevent the eviction and restart their future.
- **Financial Security** (*meet day-to-day financial obligations*). Community HousingWorks' Financial Fitness class uses a group-coaching model to help residents more effectively manage their money and make positive financial choices to meet self-identified goals. In 2019, 69% of participants raised their credit scores. Through our Credit Strengthening Initiative program, there was an average increase in credit scores by 57 points and the average debt decrease in dollar amount was \$2,900.
- **Financial Mobility** (*plan for the future*). We help low-income households reach their personal goals to build not just income, but wealth: increased savings, buying a house, purchasing a vehicle, starting a business, paying for education, or a retirement plan. Residents use individual coaching to set and attain an asset-building goal. They can then join a Financial Health Club for peer support and ideas.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 1 - Organization: (Continued)

Resident Services Programs (Continued)

2. Next Generation Success

For over 20 years, CHW has offered educational supports to youth to break the cycle of poverty.

- **Study Stars After-School and Summer Program.** Community HousingWorks' own Study Stars program focuses on achieving grade level reading for K-5th grade students, well-documented as the most important gateway to educational and life success. Study Stars uses a nationally evaluated on-line literacy program, i-Ready, that provides individualized success measures, and has shown significant gains in academic achievement for English learners, female, African American and Latino students. In 2019, there were 221 active study star students participating in the Study Stars After-School Program.
- **Achievers Club.** The Achievers Club provides youth with an on-site leadership development and mentorship program, including workshops on post-secondary career pathways, community organizing and financial literacy, as well as opportunities to give back to their community through service activities.
- **VALOR Scholarships.** VALOR scholarships are offered to CHW youth and adult residents to support post-secondary education and career pathways, ranging from two and four year college degrees to vocational training certificates. In 2019, 31 CHW residents from 18 communities won scholarships totaling \$31,000.

3. Health and Wellness

CHW connects residents with community partners' programs, in order to prevent disease, strengthen the independence of senior and disabled residents, promote healthy lifestyles, and support self-empowered residents to manage their own health.

- **Diabetes Prevention & Management Programs.** Scripps Whittier Diabetes Institute offers two programs to CHW residents at various communities. The Diabetes Prevention Program provides at-risk and pre-diabetic residents a 12-month program covering self-care and ways to reduce weight in order to prevent Type 2 Diabetes. The Project Dulce Program supports seniors with borderline/full Type 2 diabetes with a series of self-management care classes.
- **Senior Programs.** CHW offers onsite services and activities, to support senior health and independence, encourage an active lifestyle and mutual support, and reduce deadly isolation. Services are provided by CHW staff or by community partners.
- **Supportive Housing Programs.** Since 1989, CHW has been providing supportive and permanent supportive housing for homeless and disabled residents, with services provided by local service partners.
 - **Collaborating.** CHW was an early member of the County Regional Continuum of Care, has received HUD SHP funding for over 20 years, and actively uses the Coordinated Entry System.
 - **Integrating.** Some CHW communities are 100% supportive housing. More often, we have included homeless residents as part of larger affordable communities, starting with our innovative integration of homeless families into Cedar Apartments (Vista) in 1994.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 1 - Organization: (Continued)

Resident Services Programs (Continued)

- **Serving a Range of Needs.** As of the end of 2019, CHW provided over 137 supportive and permanent supportive housing apartments across the county. CHW apartments serve homeless men and women with HIV/AIDS, homeless veterans, homeless and disabled seniors, TAY foster youth, CWS-at-risk young mothers and children, adults with developmental disabilities, and homeless CWS-client parents reuniting with their children after substance abuse treatment. CHW partners with various county agencies to support the specific needs of our residents.

Note 2 - Significant Accounting Policies:

Consolidated Financial Statements

The consolidated financial statements include Community HousingWorks, Partnership and Limited Liability Companies, Esperanza Housing and Community Development Corporation, Escondido Family Housing Corporation, Maplewood/Ashwood and Community Housing Solutions which are collectively referred to as the “Organization”. All material intercompany transactions have been eliminated in consolidation.

Accounting Method

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and, accordingly, reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes thereon are classified and reported as follows:

- Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 2 - Significant Accounting Policies: (Continued)

Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

Fair value accounting standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

- Level 1 inputs are quoted prices in active markets for identical investments that the investment manager has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the investment

The Organization's consolidated statements of financial position includes the following financial instruments that are required to be measured at fair value on a recurring basis:

- Mutual and exchange traded funds and equities which are considered Level 1 assets and are reported at fair market value based on quoted market prices in active markets for identical assets at the measurement date.
- Debt securities are considered Level 2 assets and are reported at fair market value based on quoted market prices in active markets for similar assets at the measurement date.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 2 - Significant Accounting Policies: (Continued)

Cash and Cash Equivalents and Restricted Cash

For purposes of the consolidated statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Certificates of deposits that may be redeemed without a significant penalty are considered cash and cash equivalents regardless of the maturity. The following is a reconciliation of cash and cash equivalents and restricted cash reported within the consolidated statements of financial position that sum to the total in the statements of cash flows at December 31:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 20,871,284	\$ 17,816,866
Security deposits	600,822	537,075
Restricted reserves	<u>6,197,713</u>	<u>5,663,197</u>
Total Cash and Cash Equivalents and Restricted Cash	<u>\$ 27,669,819</u>	<u>\$ 24,017,138</u>

Certificates of deposit totaling \$101,626 and \$100,299 at December 31, 2019 and 2018, respectively, included in cash and cash equivalents earn interest at .15% and .05%, mature November 29, 2020 and November 29, 2019.

Allowance for Doubtful Accounts

Bad debts are recognized on the allowance method based on historical experience and management's evaluation of outstanding receivables. Management believes that all grants and contracts receivable were fully collectible; therefore, no allowance for doubtful grants and contracts receivable was recorded at December 31, 2019 and 2018. The allowance for doubtful accounts receivable-other totaled \$6,525 and \$50,500 at December 31, 2019 and 2018, respectively. The allowance for doubtful contributions receivable totaled \$250 and \$6,750 at December 31, 2019 and 2018, respectively.

Loans Receivable

Loans receivable are carried at unpaid principal balances, less an allowance for loan losses. The Organization has implemented policies and practices for assessing impairment of its loans receivable and the recognition of income on impaired loans. Loans receivable are recorded at the lower of cost or estimated net realizable value. Allowance for loan losses are analyzed by the Organization and include any loan where full recovery of principal and interest is considered in doubt based on the current evaluation of the loan and its security. The Organization may include an additional provision for losses based on any loan where it feels that a provision may become necessary in the future for any reason. The Organization has recorded an allowance for collection losses totaling \$52,000 and \$65,500 at December 31, 2019 and 2018, respectively. Collection (recoveries) and losses are recorded as other revenue and expense in the consolidated statement of activities. Collection losses totaled \$6,673 and \$1,951 for the years ended December 31, 2019 and 2018, respectively. The Organization is not funding any new loans to homeowners.

Loans are placed on nonaccrual when management believes, after considering economic conditions, business conditions, and collection efforts, that the loans are impaired or collection of interest is doubtful. Uncollected interest previously accrued is charged off or an allowance is established by a charge to interest income. Interest income on nonaccrual loans is recognized only to the extent cash payments are received.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 2 - Significant Accounting Policies: (Continued)

Loans Receivable (Continued)

Impaired loans are those loans for which write-downs or specific provisions have been taken. The Organization recognizes interest income on its impaired loans based on the actual cash flow of payments received from borrowers. There were no impaired loans at December 31, 2019 and 2018.

Capitalization and Depreciation

The Organization capitalizes all expenditures in excess of \$5,000 for property and equipment at cost, while donations of property and equipment are recorded at their estimated fair values. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. Absent donor stipulations regarding how those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment is depreciated using the straight-line and accelerated methods over the estimated useful asset lives as follows:

Buildings and improvements	10 - 40 years
Equipment	5 - 15 years
Furniture and fixtures	5 - 7 years
Vehicles and trailer	5 - 7 years

Depreciation totaled \$4,037,451 and \$2,958,304 for the years ended December 31, 2019 and 2018, respectively.

Interest totaling \$261,660 and \$340,133 for the years ended December 31, 2019 and 2018, respectively, was capitalized and is included in construction in progress.

Property acquired and held for sale is not classified as property and equipment. The Organization had property that was available for sale totaling \$1,732,489 and \$1,596,897 at December 31, 2019 and 2018, respectively.

Maintenance and repairs are charged to operations as incurred.

Impairment of Long-Lived Assets

The Organization reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flows expected to be generated by the rental property including the low-income housing tax credits and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of real estate exceeds the fair value of such property.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 2 - Significant Accounting Policies: (Continued)

Impairment of Long-Lived Assets (Continued)

The Organization's test for impairment at December 31, 2019 and 2018 was based on the most current information available to it, if the Organization's plans regarding its real estate assets and related debt obligations change, it could result in impairment charges in the future. Based on the Organization's plans with respect to the rental property and related debt financings, management believes that the carrying amounts are recoverable and therefore, under applicable accounting and reporting standards, no impairment losses have been recorded for the years ended December 31, 2019 and 2018. Accordingly, the Organization will continue to monitor circumstances and events in future periods to determine whether any impairment is warranted.

Investments in Limited Partnerships

CHW owns a general partner interest in limited partnerships and is the sole member of limited liability companies that own a general partner interest in limited partnerships. These ownership interests range from .005% to .01%. are accounted for on the equity method as summarized in the supplementary schedule of real estate entities.

Other Assets and Amortization

Acquisition costs totaling \$71,899 and \$61,000 net of accumulated amortization totaling \$27,826 and \$26,273 at December 31, 2019 and 2018, respectively, are amortized using the straight-line method over the term of the related costs ranging from 48 to 480 months. Amortization expense totaled \$1,553 and \$1,382 for the years ended December 31, 2019 and 2018, respectively.

Compensated Absences

Accumulated unpaid vacation totaling \$316,785 and \$283,819 at December 31, 2019 and 2018, respectively, is accrued when incurred and included in accounts payable and accrued expenses.

Security Deposits

Security deposits are restricted to the extent of the security deposit liability totaling \$579,572 and \$539,678 at December 31, 2019 and 2018, respectively.

Debt Issuance Costs

Debt issuance costs are incurred in order to obtain permanent financing. Debt issuance costs are amortized on a straight-line basis over the term of the related loan, which approximates the interest method. Unamortized deferred financing costs are presented as a direct reduction from the carrying value of the related obligation to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense (which is included in property operation cost in the statements of functional expenses) and totaled \$219,845 and \$279,738 for the years ended December 31, 2019 and 2018, respectively.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 2 - Significant Accounting Policies: (Continued)

Derivative Instrument

The accounting and reporting standards related to Derivative Instruments and Hedging Activities requires that every derivative instrument be recorded on the balance sheet as either an asset or liability as measured at its fair value. The Organization's Interest Rate Swap Contract ("IRSC") related to the La Costa Paloma bonds discussed in Note 16 is considered a cash flow hedge and is measured at fair value. The gains and losses on cash flow hedges are recognized as an expense in the period of the change. The Organization enters into interest rate swaps to manage risks on the changes in market interest rates. The IRSC is considered a Level 2 asset or liability. For the valuation of the interest rate swap at December 31, 2019, the Organization used significant other observable inputs as of the valuation date (Level 2), including prices of instruments with similar maturities and characteristics, interest rate yield curves and measures of interest rate volatility. The value was determined and adjusted to reflect nonperformance risk of both the counterparty and the Organization. The change in the fair value of the IRSC liability is as follows for the year ended December 31, 2019:

Balance Acquired Through Partnership Acquisition	\$ 1,038,138
Change in Fair Value of Obligation Under Interest Rate Swap	(89,700)
Balance at End of Year	<u>\$ 948,438</u>

Revenue and Expense Recognition

Contributions are recognized when the donor makes a promise to give in writing to the Organization that is in substance, unconditional. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions are recorded as without donor restriction or with donor restriction, depending on the existence or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. When the stipulated time restriction ends or purpose restriction is accomplished donor restricted net assets are reclassified to net assets without donor restrictions. Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

The Organization provides development services in connection with agreements for the development and construction of affordable low-income housing projects. The Organization earns fees based on the fixed-fee agreements and recognizes revenue upon completion of each performance milestone defined in the agreement, for example: closing of construction financing, initial ground-breaking, percentage of completion of construction or rehabilitation and certificate of occupancy.

Grants and contracts revenue are recognized in the period in which the related work is performed in accordance with the terms of the grant or contract. Grants receivable are recorded when revenue earned under a grant or contract exceeds the cash received. Deferred revenue is recorded when cash received under a grant or contract exceeds the revenue earned.

Management fees and program income are received in connection with management and services provided in accordance with agreements with affordable low-income housing projects. The Organization recognizes revenue as the services are performed in accordance with the agreements. Deferred management fees totaled \$247,208 and 292,161 at December 31, 2019 and 2018, respectively.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Note 2 - Significant Accounting Policies: (Continued)

Revenue and Expense Recognition (Continued)

Rental income is recognized for apartment rentals, other rentals and laundry contracts as it accrues. Advance receipts of rental income and laundry contracts are deferred or classified as liabilities until earned. Deferred rental income totaled \$88,748 and \$61,798 at December 31, 2019 and 2018, respectively.

Sales of property and equipment are recognized on the date the sale occurs. These sales are described in Note 1 on page 11, in the normal course of business. Upon sale or disposition of land, buildings and equipment, the asset account is relieved of the cost and the accumulated depreciation is charged with depreciation taken prior to the sale and any resultant gain or loss is credited or charged to earnings net of any costs of the sale.

Sales of property acquired and held for sale are recognized on the date the sale occurs. Upon sale, the asset account is relieved of the cost and any resultant gain or loss is credited or charged to earnings net of any cost of sale.

Rent expense is recognized on a straight-line basis over the term of the operating lease. The deferred lease liability represents discounted rent received in excess of the rent expense recognized. The deferred lease liability totaled \$254,064 and \$-0- at December 31, 2019 and 2018, respectively.

Donated Services and Equipment

The Organization utilizes the services of many volunteers throughout the year. This contribution of services by the volunteers is not recognized in the consolidated financial statements unless the services received (a) create or enhance nonfinancial assets or (b) require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The donated services for the years ended December 31, 2019 and 2018, did not meet the requirements above, therefore no amounts were recognized in the consolidated financial statements.

Esperanza received donated solar equipment that is installed and in use at four residential rental properties which has been recorded at fair value and totaled \$-0- and \$2,910,000 for the years ended December 31, 2019 and 2018, respectively.

Functional Allocation of Expenses

The consolidated statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. A portion of management and general costs that benefit multiple functional areas (indirect costs) have been allocated across Programs and Fundraising based on estimates made by management.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 2 - Significant Accounting Policies: (Continued)

Income Taxes

The Organization, Esperanza, Escondido, Pine View and Maplewood/Ashwood (the “Entities”) are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The Entities believe that they have appropriate support for any tax positions taken and, as such, do not have any uncertain tax positions that are material to the financial statements. The Entities are not private foundations.

No provision or benefit for income taxes for the Limited Liability Companies and Limited Partnerships have been included in these consolidated financial statements since taxable income (loss) passes through to, and is reportable by, the Member/Partners individually.

The Entities’ Returns of Organization Exempt from Income Tax for the years ended December 31, 2019, 2018, 2017 and 2016 are subject to examination by the Internal Revenue Service and State taxing authorities, generally three to four years after the returns were filed.

Concentrations

The Organization maintains its cash in bank deposit accounts which at times exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

The Organization’s operations are concentrated in the multifamily real estate market. In addition, the Organization operates in a heavily regulated environment. The operations of the Organization are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies. Such administrative directives, rules and regulations are subject to change by an act of congress or an administrative change. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Accounting Pronouncements Adopted

In June 2018, the Financial Accounting Standards Board (FASB) issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies and improves guidance for contributions received and contributions made and provides guidance to organizations on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities. The change in accounting principle was adopted on a modified prospective basis in 2019. As a result, there was no cumulative-effect adjustment to opening net assets without donor restrictions or opening net assets with donor restrictions as of January 1, 2019. There was no effect of adopting the new accounting principles on contributions in 2019.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 2 - Significant Accounting Policies: (Continued)

Accounting Pronouncements Adopted (Continued)

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). ASU 2014-09 outlines a single, comprehensive model for companies to use in accounting for revenue arising from contracts with customers. The core principle of the revenue model is that revenue is recognized when a customer obtains control of a good or service. The change in accounting principle was adopted on the retrospective basis which resulted in no change to revenue previously reported and also had no effect on the revenue reported for the year ended December 31, 2019.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows*. ASU 2016-18 requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The adoption of ASU 2016-18 for the year ended December 31, 2019 required a restatement of cash and cash equivalents for December 31, 2018 and 2017. Amounts generally described as restricted cash and restricted cash equivalents have been included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statements of cash flows.

Reclassification

The Organization has reclassified certain prior year information to conform with the current-year presentation.

Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 20, 2020, the date the consolidated financial statements were available to be issued and concluded that there were no events or transactions that needed to be disclosed, except as disclosed in Note 20.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 3 - Liquidity and Availability:

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. The Organization receives contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing programs as well as the conduct of services undertaken to support those activities to be general expenditures.

Financial assets available for general expenditure within one year are comprised of the following at December 31:

	<u>2019</u>	<u>2018</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 20,871,284	\$ 17,816,866
Investments	8,801,430	-
Grants and contracts receivable	68,443	52,978
Contributions receivable, net	750	88,290
Accounts receivable – related parties	6,576,381	6,241,063
Accounts receivable – other, net	170,397	316,534
Total financial assets	<u>36,488,685</u>	<u>24,515,731</u>
Less assets unavailable for general expenditures:		
Contributions receivable, net – time restricted	-	(735)
Cash and investments held for board-designated purposes	<u>(12,686,293)</u>	<u>(12,121,646)</u>
Total financial assets not available to be used within one year	<u>(12,686,293)</u>	<u>(12,122,381)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 23,802,392</u>	<u>\$ 12,393,350</u>

In addition to financial assets available to meet general expenditures over the next 12 months the Organization has a line-of-credit agreement with available borrowings totaling \$3,000,000 as described in Note 12. In addition, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

The Organization's governing board has designated a portion of its resources without donor restrictions for an operating reserve and a Housing Futures Fund as described in Note 17. The amounts not expected to be used for operations within one year are identified as cash held for board-designated purposes in the table above. These funds are held in highly liquid cash and cash equivalents but remain available and may be spent at the discretion of the Board of Directors.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 4 – Investments and Fair Value Measurements:

The following table summarizes assets measured at fair value by classification within the fair value hierarchy at December 31:

	2019			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2019
Investments:				
Fixed income funds	\$ 1,867,816	\$ -	\$ -	\$ 1,867,816
Equity funds	823,230	-	-	823,230
Equities	347,074	-	-	347,074
U.S. Treasury bills	-	4,737,948	-	4,737,948
Corporate bonds	-	1,025,362	-	1,025,362
Total Investments	<u>3,038,120</u>	<u>5,763,310</u>	<u>-</u>	<u>8,801,430</u>
Restricted Reserves: (Note 7)				
Fixed income funds	125,834	-	-	125,834
Equity funds	49,043	-	-	49,043
Corporate bonds	-	140,074	-	140,074
Total Restricted Reserves	<u>174,877</u>	<u>140,074</u>	<u>-</u>	<u>314,951</u>
	<u>\$ 3,212,997</u>	<u>\$ 5,903,384</u>	<u>\$ -</u>	<u>\$ 9,116,381</u>
	2018			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2018
Restricted Reserves: (Note 7)				
Fixed income funds	\$ 114,390	\$ -	\$ -	\$ 114,390
Equity funds	44,603	-	-	44,603
Corporate bonds	-	136,382	-	136,382
	<u>\$ 158,993</u>	<u>\$ 136,382</u>	<u>\$ -</u>	<u>\$ 295,375</u>

The following schedule summarizes loan interest and investment income for the years ended December 31:

	2019	2018
Interest income from lending	\$ 1,613,541	\$ 1,248,748
Interest and dividend income from investments and reserves	323,425	178,042
Net realized and unrealized gains from investments	217,398	-
Investment fees	(29,887)	-
Total Loan Interest and Investment Income	<u>\$ 2,124,477</u>	<u>\$ 1,426,790</u>

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 5 - Contributions Receivable:

Contributions receivable consist of the following at December 31:

	<u>2019</u>	<u>2018</u>
Current:		
Due in less than one year	\$ 1,000	\$ 94,055
Less: Allowance for uncollectible receivables	(250)	(6,500)
Total Current	<u>750</u>	<u>87,555</u>
Noncurrent:		
Due in one to five years	-	1,000
Less: Allowance for uncollectible and discounts to present value	-	(265)
Total Noncurrent	<u>-</u>	<u>735</u>
Total Contributions Receivable, Net	<u>\$ 750</u>	<u>\$ 88,290</u>

The contributions receivable have been discounted to their present value using a discount rate of 1.50% at December 31, 2018.

Note 6 - Accounts Receivable - Related Parties:

CHW has provided development services with respect to various projects in which CHW has a general partner interest. In addition, CHW provides management, oversight and other services to these projects and projects with which CHW is affiliated. CHW has the following receivables from these projects for funds that have been advanced in relation to development or for contracted services provided as follows at December 31:

	<u>2019</u>	<u>2018</u>
15 th Avenue Housing Cooperative	\$ 5,928	\$ 5,705
Alabama Manor Housing Associates, L.P.	93,776	92,881
Cedar Nettleton Housing Associates, L.P.	14,895	50,409
Community Road Housing Associates, L.P.	170,739	199,969
Cypress Cove Housing Associates, L.P.	133,765	86,880
Delta Village Housing Associates, L.P.	196,025	88,993
Dove Family Housing Associates, L.P.	-	52,657
East Mountain Housing Associates, L.P.	79,127	25,566
El Norte Housing Associates, L.P.	52,426	51,860
Fallbrook View Housing Associates, L.P.	277,153	214,781
Florida Street Housing Associates, L.P.	68,885	49,704
Foothill Oak Housing Associates, L.P.	71,644	69,558
Fruit Avenue Housing Associates, L.P.	131,494	1,999,486
Keeler Court Housing Associates, L.P.	1,954,339	-
Kimball Tower Housing Associates, L.P.	25,220	-
Lindo Housing Associates, L.P.	60,921	14,590
Los Robles Community Housing Association	-	20
Mission Cove Seniors Housing Associates, L.P.	380,433	338,549

(Continued)

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 6 - Accounts Receivable - Related Parties: (Continued)

	<u>2019</u>	<u>2018</u>
Monument Boulevard Housing Associates, LP	\$ 213,255	\$ 1,870,851
Morgan Tower Housing Associates, L.P.	25,173	-
Mountain View Housing Associates, L.P.	92,490	13,261
North Santa Fe Housing Associates, L.P.	17,335	17,559
Oak Knoll Housing Associates, L.P.	38,760	35,769
Paradise Creek Housing Partners, L.P.	13,261	-
Paradise Creek II Housing Partners, L.P.	69,378	275,662
Poway Villas Community Housing Association	15,215	20
Texas Street Senior Housing, L.P.	303,406	571,019
Tripp Avenue Housing Associates, L.P.	1,911,868	-
Turnagain Arms Community Housing Association	10	20
Turnagain Renaissance Housing Associates, L.P.	49,646	49,646
Woodcroft Street Housing Associates, L.P.	109,814	65,648
Total Accounts Receivable - Related Parties	<u>\$ 6,576,381</u>	<u>\$ 6,241,063</u>

Note 7 - Restricted Reserves:

Restricted reserves are maintained in accordance with partnership, loan and other regulatory agreements. The restricted reserves consist of the following at December 31:

	<u>2019</u>	<u>2018</u>
Bandar Salaam Apartments	\$ 393,269	\$ 356,392
Daybreak/ Sunrise Place	283,655	265,425
Esperanza Garden Apartments	420,782	404,091
Eucalyptus View	139,421	126,157
Haley Ranch Estates	1,770,426	1,655,597
Hillside Village	648,952	564,783
La Costa Paloma	960,281	-
Marisol Apartments	257,243	240,444
Old Grove Apartments	289,942	250,072
Orange Place Apartments	453,771	420,875
Parkside Terrace Apartments	894,922	829,939
Parkview Terrace	-	654,323
Pine View Apartments	-	190,474
Total Restricted Reserves	<u>\$ 6,512,664</u>	<u>\$ 5,958,572</u>

Restricted reserves are classified as follows in the statements of cash flows:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 6,197,713	\$ 5,663,197
Investments	314,951	295,375
Total Restricted Reserves	<u>\$ 6,512,664</u>	<u>\$ 5,958,572</u>

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 8 - Loans Receivable:

Loans were funded through various types of loan programs. CHW is no longer funding loans to borrowers. All loans are serviced by a third party under a servicing agreement. Loans receivable consist of the following at December 31:

	<u>Interest Rates</u>	<u>Loan Terms</u>	<u>2019</u>	<u>2018</u>
CDGB Revolving Loan Fund	3.00%-6.00%	20 years	\$ 40,000	\$ 51,518
Neighborhood Reinvestment Corporation	3.00%-6.50%	10 years	229,041	333,790
HSF/WM	5.00%-6.50%	30 years	3,770	5,559
Neighborhood Housing Services of America - Community Development Financial Institutions	5.95%-6.50%	10 to 30 years	17,991	27,934
First Mortgage	6.25%	30 years	229,238	236,409
Total Loans Receivable			<u>520,040</u>	<u>655,210</u>
Less: Allowance for Collection Losses			<u>(52,000)</u>	<u>(65,500)</u>
Loans Receivable, Net			<u>\$ 468,040</u>	<u>\$ 589,710</u>

Accrued interest on loans receivable totaled \$25,377 and \$37,421 at December 31, 2019 and 2018, respectively.

Note 9 - Notes Receivable - Related Parties:

Notes receivable - related parties consist of the following at December 31:

	<u>2019</u>	<u>2018</u>
The Organization loaned \$270,000 from a Neighborhood Reinvestment Corporation capital contribution to Alabama Manor Housing Associates, L.P. The note receivable from Alabama Manor Housing Associates, L.P. is noninterest bearing. Principal is due at maturity on December 31, 2064.	\$ 270,000	\$ 270,000
The note receivable from Cedar Nettleton Housing Associates, L.P. in the original amount of \$2,731,129 bears interest at 3.8% compounded annually. Principal and interest are payable from residual receipts determined on an annual basis. Principal and accrued interest are due December 31, 2073. Accrued interest totaled \$254,239 and \$217,024 at December 31, 2019 and 2018, respectively.	2,731,129	2,731,129

(Continued)

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 9 - Notes Receivable - Related Parties: (Continued)

	<u>2019</u>	<u>2018</u>
The note receivable from Cedar Nettleton Housing Associates, L.P. in the original amount of \$513,201 bears interest at 3.8% compounded annually. Principal and interest are payable from residual receipts determined on an annual basis. Principal and accrued interest are due December 31, 2073. Accrued interest totaled \$61,832 and \$40,780 at December 31, 2019 and 2018, respectively.	\$ 513,201	\$ 513,201
The note receivable from Cedar Nettleton Housing Associates, L.P. in the original amount of \$858,689 is noninterest bearing. Principal is payable from residual receipts determined on an annual basis. Principal is due no later than December 31, 2073.	623,587	623,587
The deferred developer fee from Cypress Cove Housing Associates, L.P. bears interest at 4% compounded annually. Accrued interest totaled \$25,464 and \$41,130 at December 31, 2019 and 2018, respectively.	521,853	759,957
The Organization loaned \$300,000 from a Neighborhood Reinvestment Corporation capital contribution to Delta Village Housing Associates, L.P. The note receivable from Delta Village Housing Associates, L.P. is noninterest bearing. Payments of principal shall be paid from surplus cash calculated annually. Any unpaid principal is due November 1, 2035.	300,000	300,000
The note receivable from East Mountain Housing Associates, L.P. in the original amount of \$1,885,000 bears interest at 2.57%. No payments shall be due until the maturity date provided that following the repayment of the \$760,000 loan above, annual payments shall be made equal to 25% of residual receipts until the senior note is paid in full and then, 100% of residual receipts. Principal and accrued interest are due February 1, 2072. Accrued interest totaled \$109,146 and \$72,888 at December 31, 2019 and 2018, respectively.	1,326,789	1,326,789
The note receivable from El Norte Housing Associates, L.P. in the original amount of \$462,889 bears interest at 3%. Beginning in 2014, payments from residual receipts (100%) generated in the preceding year are due by April 30, with any remaining principal and accrued interest due December 31, 2068. Accrued interest totaled \$49,309 and \$41,366 at December 31, 2019 and 2018, respectively.	462,889	462,889
The note receivable from Foothill Oak Housing Associates, L.P. in the original amount of \$25,000 bears interest at 4.32%. Principal and accrued interest are due December 31, 2067. Accrued interest totaled \$2,538 and \$2,185 at December 31, 2019 and 2018, respectively.	6,000	6,000

(Continued)

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 9 - Notes Receivable - Related Parties: (Continued)

	<u>2019</u>	<u>2018</u>
The deferred developer fee from Fruit Avenue Housing Associates, LP bears interest at 1.53% annually. Accrued interest totaled \$116,397 and \$58,198 at December 31, 2019 and 2018, respectively.	\$ 3,803,819	\$ 3,803,819
The note receivable from Fruit Avenue Housing Associates, LP in the original amount of \$8,251,620 bears interest at 2.26% compounded annually. Principal and interest are payable from residual receipts determined on an annual basis. Principal and accrued interest are due December 31, 2073. Accrued interest totaled \$580,394 and \$385,202 at December 31, 2019 and 2018, respectively.	8,251,620	8,251,620
The note receivable from Keeler Court Housing Associates, L.P. in the original amount of \$700,000 is noninterest bearing. Principal is payable from residual receipts determined on an annual basis. Principal is due no later than December 1, 2074.	700,000	-
The note receivable from Lindo Housing Associates, L.P. in the original amount of \$2,246,408 bears interest at 2.57%. Principal and interest are payable from residual receipts determined on an annual basis. Principal and accrued interest are due December 31, 2072. Accrued interest totaled \$71,316 and \$60,551 at December 31, 2019 and 2018, respectively.	2,133,540	2,133,540
The note receivable from Mission Cove Seniors Housing Associates, L.P. in the original amount of \$50,000 bears interest at 5%. Principal and interest are payable from residual receipts determined on an annual basis beginning in 2018. Principal and accrued interest are due 55 years from the close of the permanent loan, but not later than December 31, 2073. Accrued interest totaled \$2,141 and \$9,210 at December 31, 2019 and 2018, respectively.	22,167	50,000
Deferred developer fee from Monument Boulevard Housing L.P.	3,093,856	3,093,853

(Continued)

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 9 - Notes Receivable - Related Parties: (Continued)

	<u>2019</u>	<u>2018</u>
The note receivable from Monument Boulevard Housing, L.P. in the original amount of \$9,917,907 bears interest at 2.58% compounded annually. Principal and interest are payable from residual receipts determined on an annual basis. Principal and accrued interest are due no later than July 1, 2062. Accrued interest totaled \$99,456 and \$349,149 at December 31, 2019 and 2018, respectively.	\$ 8,619,590	\$ 9,917,907
The note receivable from North Santa Fe Housing Associates, L.P. in the original amount of \$370,120 bears interest at 4%. Beginning in the calendar year following receipt of a certificate of occupancy for the Project, payments from residual receipts generated in the preceding year are due by May 1, with any remaining principal and accrued interest due December 31, 2075. Accrued interest totaled \$54,792 and \$67,259 at December 31, 2019 and 2018, respectively.	370,120	370,120
The Organization loaned \$210,000 to Oak Knoll Housing Associates, L.P. The note receivable from Oak Knoll Housing Associates, L.P. is noninterest bearing. Payments of principal shall be paid from surplus cash calculated annually. Any unpaid principal is due May 1, 2064.	210,000	210,000
The note receivable from Texas Street Senior Housing Associates, L.P. in the original amount of \$2,727,985 bears interest at 2.24% compounded annually. Principal and interest are payable annually from residual receipts determined on an annual basis beginning no later than June 1, 2019 for the calendar year ended December 31, 2018. Principal and accrued interest are due no later than December 31, 2073. Accrued interest totaled \$8,788 and \$151,233 at December 31, 2019 and 2018, respectively.	2,011,028	2,727,985
The note receivable from Texas Street Senior Housing Associates, L.P. in the original amount of \$750,000 bears interest at 2.24% compounded annually. Principal and accrued interest are due July 1, 2073. Accrued interest totaled \$59,309 and \$41,578 at December 31, 2019 and 2018, respectively.	750,000	750,000
The note receivable from Tripp Avenue Housing Associates L.P. in the original amount of \$28,256,476 bears interest at 2.09% per annum. Principal and interest are payable from residual receipts determined on an annual basis. Principal and accrued interest are due December 1, 2064. Accrued interest totaled \$30,741 and \$-0- at December 31, 2019 and 2018, respectively.	28,256,476	-

(Continued)

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 9 - Notes Receivable - Related Parties: (Continued)

	<u>2019</u>	<u>2018</u>
The note receivable from Turnagain Renaissance Housing Associates L.P. in the original amount of \$200,000 bears interest at 4.32% per annum. Payments of principal and interest are due at maturity on December 31, 2064. Accrued interest totaled \$96,200 and \$87,560 at December 31, 2019 and 2018, respectively.	\$ 200,000	\$ 200,000
The note receivable from Woodcroft Street Housing Associates, L.P. in the original amount of \$1,500,000 bears interest at 4.00%. Interest is payable annually beginning May 1, 2014. Principal and accrued interest are due March 1, 2054. Secured by a deed of trust. Accrued interest totaled \$66,800 and \$39,708 at December 31, 2019 and 2018, respectively.		
	<u>677,307</u>	<u>677,307</u>
Total Notes Receivable - Related Parties	<u>\$ 65,854,968</u>	<u>\$ 39,179,703</u>

There are no required payments due in the next five years. Accrued interest totaled \$1,775,687 and \$1,723,859 at December 31, 2019 and 2018, respectively.

Note 10 - Property and Equipment:

Property and equipment consist of the following at December 31:

	<u>2019</u>	<u>2018</u>
Land	\$ 18,522,905	\$ 17,858,984
Buildings and improvements	95,971,204	98,060,733
Equipment	38,148	375,537
Furniture and fixtures	4,796,806	4,345,389
Vehicles and trailer	3,483	3,483
Construction in progress	<u>4,468,649</u>	<u>3,968,310</u>
Subtotal	123,801,195	124,612,436
Less: Accumulated depreciation	<u>(45,798,998)</u>	<u>(37,081,218)</u>
Property and Equipment, Net	<u>\$ 78,002,197</u>	<u>\$ 87,531,218</u>

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 11 - Investments in Limited Partnerships:

The Organization owns partner interests in limited partnerships accounted for on the equity method. The following are the balances in the Organization's partnership capital accounts at December 31:

	<u>2019</u>	<u>2018</u>
Alabama Manor Housing Associates, L.P. (.01%)	\$ (336)	\$ (324)
Cedar Nettleton Housing Associates, L.P. (.01%)	30,211	30,233
Community Road Housing Associates, L.P. (.01%)	(496)	(459)
Cypress Cove Housing Associates, L.P. (.01%)	131,602	98,199
Delta Village Housing Associates, L.P. (.01%)	(224,009)	230,120
Dove Family Housing Associates, L.P. (.005%)	-	(450)
East Mountain Housing Associates, L.P. (.01%)	26,363	26,400
El Norte Housing Associates, L.P. (.01%)	249,801	249,836
Fallbrook View Housing Associates, L.P. (.01%)	9,280	(677)
Florida Street Housing Associates, L.P. (.01%)	944,139	944,245
Foothill Oak Housing Associates, L.P. (.01%)	(155)	(112)
Fruit Avenue Housing Associates, L.P. (.01%)	74,874	62
Keeler Court Housing Associates, L.P. (.01%)	100	-
Kimball Tower Housing Associates, L.P. (.005%)	64	-
Lindo Housing Associates, L.P. (.01%)	473,984	474,028
Mission Cove Seniors Housing Associates, L.P. (.01%)	41,491	41,540
Monument Boulevard Housing Associates, L.P. (.01%)	776,830	717,486
Morgan Tower Housing Associates, L.P. (.005%)	69	-
Mountain View Housing Associates, L.P. (.01%)	577,040	577,086
North Santa Fe Housing Associates, L.P. (.01%)	(334)	(247)
Oak Knoll Housing Associates, L.P. (.01%)	362,585	362,600
Paradise Creek Housing Partners, L.P. (.005%)	(377)	(158)
Paradise Creek II Housing Partners, L.P. (.005%)	4,549,908	4,549,979
Preservation Investment – Parkside Terrace LLC (25%)	2,073,947	1,704,450
Poway Villas Housing Associates, L.P. (.01%)	(3,402)	(3,323)
Solutions Family Center, L.P. (1%)	(10,463)	(7,802)
Texas Street Senior Housing, L.P. (.01%)	1,556,559	1,556,662
Tripp Avenue Housing Associates, L.P. (.01%)	262,167	-
Turnagain Renaissance Housing Associates, L.P. (.01%)	2,132	2,180
Woodcroft Street Housing Associates, L.P. (.01%)	(256,535)	(256,501)
	<u>\$ 11,647,039</u>	<u>\$ 11,295,053</u>

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 11 - Investments in Limited Partnerships: (Continued)

CHW provided development, management and other services to these partnerships for which it earned the following amounts for the years ended December 31:

		2019	
	Management Fees	Resident Services	Developer Fees
Alabama Manor Housing Associates, L.P.	\$ 22,326	\$ 59,664	\$ -
Cedar Nettleton Housing Associates, L.P.	13,261	38,625	-
Community Road Housing Associates, L.P.	37,776	22,250	-
Cypress Cove Housing Associates, L.P.	27,318	106,090	-
Delta Village Housing Associates, L.P.	125,094	50,000	-
East Mountain Housing Associates, L.P.	33,766	23,734	-
El Norte Housing Associates, L.P.	23,194	30,000	-
Fallbrook View Housing Associates, L.P.	35,399	63,972	-
Florida Street Housing Associates, L.P.	47,301	48,696	-
Foothill Oak Housing Associates, L.P.	71,644	-	-
Fruit Housing Associates, L.P.	5,198	-	-
Keeler Court Housing Associates, L.P.	-	-	1,836,979
Kimball Tower Housing Associates, L.P.	25,000	-	700,000
Lindo Housing Associates, L.P.	28,139	49,173	-
Mission Cove Seniors Housing Associates, L.P.	89,396	51,250	-
Monument Boulevard Housing Associates, L.P.	25,750	-	-
Morgan Tower Housing Associates, L.P.	25,000	-	560,000
Mountain View Housing Associates, L.P.	63,315	17,213	-
North Santa Fe Housing Associates, L.P.	16,557	43,032	-
Oak Knoll Housing Associates, L.P.	29,200	14,600	-
Paradise Creek Housing Partners, L.P.	32,295	60,000	-
Paradise Creek II Housing Partners, L.P.	32,111	61,800	-
Poway Villas Housing Associates, L.P.	22,467	-	-
Texas Street Senior Housing, L.P.	15,450	54,338	-
Turnagain Renaissance Housing Associates, L.P.	-	-	-
Tripp Avenue Housing Associates, L.P.	22,486	-	3,283,175
Woodcroft Street Housing Associates, L.P.	52,169	18,487	-
	<u>\$ 921,612</u>	<u>\$ 812,924</u>	<u>\$ 6,380,154</u>

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 11 - Investments in Limited Partnerships: (Continued)

		2018	
	Management Fees	Resident Services	Developer Fees
Alabama Manor Housing Associates, L.P.	\$ 21,888	\$ 57,931	\$ -
Cedar Nettleton Housing Associates, L.P.	12,875	37,500	-
Community Road Housing Associates, L.P.	36,499	22,250	-
Cypress Cove Housing Associates, L.P.	26,522	103,000	-
Delta Village Housing Associates, L.P.	38,993	50,000	-
Dove Family Housing Associates, L.P.	52,657	133,900	-
East Mountain Housing Associates, L.P.	32,782	21,852	-
El Norte Housing Associates, L.P.	22,628	30,900	-
Fallbrook View Housing Associates, L.P.	34,404	36,050	-
Florida Street Housing Associates, L.P.	41,529	47,277	-
Foothill Oak Housing Associates, L.P.	69,558	-	-
Fruit Housing Associates, L.P.	5,047	-	-
Lindo Housing Associates, L.P.	27,319	47,741	-
Mission Cove Seniors Housing Associates, L.P.	32,963	36,667	600,000
Monument Boulevard Housing Associates, L.P.	25,000	-	5,548,400
Mountain View Housing Associates, L.P.	13,261	16,068	-
North Santa Fe Housing Associates, L.P.	16,153	41,577	-
Oak Knoll Housing Associates, L.P.	28,213	14,106	-
Paradise Creek Housing Partners, L.P.	25,000	61,500	-
Paradise Creek II Housing Partners, L.P.	-	25,000	325,000
Poway Villas Housing Associates, L.P.	22,467	-	-
Texas Street Senior Housing, L.P.	15,000	52,500	-
Turnagain Renaissance Housing Associates, L.P.	22,486	-	-
Woodcroft Street Housing Associates, L.P.	50,648	54,636	-
	<u>\$ 673,892</u>	<u>\$ 890,455</u>	<u>\$ 6,473,400</u>

In addition, the Organization earned interest on advances and notes receivable to related entities totaling \$1,592,924 and \$1,223,064 for the years ended December 31, 2019 and 2018, respectively.

Note 12 – Lines-of-Credit

The unsecured revolving line of credit note, which was originated on March 28, 2019, is held by Pacific Premier Bank in the original amount of \$2,000,000 and bears interest at the WSJ prime rate per annum (4.75% at December 31, 2019). Interest is payable monthly. The line-of-credit note expires April 1, 2020. The outstanding balance on the line-of-credit totaled \$2,000,000 and \$-0- at December 31, 2019 and 2018, respectively.

The unsecured revolving line of credit note which was originated on October 27, 2014, is held by Western Alliance Bank in the original amount of \$2,000,000 and bears interest at the index rate plus 1% per annum. Interest is payable monthly. The line-of-credit note expired September 15, 2019 and was renewed on February 4, 2020 with an expiration date of September 15, 2021. There was no outstanding balance on the line-of-credit at December 31, 2019 and 2018.

The secured revolving line of credit note, which was originated on May 29, 2014, is held by JPMorgan Chase Bank, N.A. in the original amount of \$1,500,000 and bears interest at the index rate plus 4.309% per annum. Interest is payable monthly. The line-of-credit note expires January 25, 2021. There was no outstanding balance on the line-of-credit at December 31, 2019 and 2018.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 13 - Notes Payable – Amortized Debt

Notes payable – amortized debt consists of the following at December 31:

<u>Community HousingWorks</u>	<u>2019</u>	<u>2018</u>
The note payable, which was originated on November 24, 2015, is held by the San Diego Housing Commission in the original amount of \$121,871. The note is noninterest bearing. Principal is payable in annual installments of \$30,468 beginning June 30, 2016 through the maturity date of June 30, 2019. Unsecured.	\$ -	\$ 30,468
The note payable, which was originated on July 7, 2008, is held by Northern Trust Company in the original amount of \$1,000,000. The note bears interest at 2% per annum. Principal and accrued interest are due July 30, 2023. Unsecured.	1,000,000	1,000,000
The note payable, which was originated on August 13, 2013, is held by Union Bank, N.A. in the original amount of \$750,000, and bears interest at 2.50% per annum. Interest is payable quarterly. Principal and accrued interest are due September 1, 2019. The loan may be extended for an additional twelve (12) months. Unsecured.	750,000	750,000
The note payable, which was originated March 25, 2015, is held by Union Bank, N.A. in the original amount of \$650,000, and bears interest at 2% per annum. Interest is payable quarterly. Principal and accrued interest are due April 1, 2020. Unsecured.	650,000	650,000
The note payable, which was originated on January 31, 2011 is held by Sunwest Bank in the original amount of \$250,000, and bears interest at 3.0% per annum. Interest is payable quarterly. Principal and accrued interest are due January 31, 2021. Unsecured.	250,000	250,000
The note payable, which was originated on March 17, 2016, is held by Poway Villas Community Housing Association in the original amount of \$2,500,000, and bears interest at 3.00% per annum. Interest is payable quarterly. Principal and accrued interest are due April 1, 2021. Unsecured.	2,500,000	2,500,000
The note payable, which was originated on March 5, 2019, is held by the Wells Fargo Bank, N.A. in the original amount of \$500,000, and bears interest at 2% per annum. Interest is payable quarterly and principal payments of \$62,500 are due quarterly beginning March 2023 through the maturity date of March 5, 2025. Unsecured.	500,000	-
Total Community HousingWorks	<u>5,650,000</u>	<u>5,180,468</u>

(Continued)

Note 13 - Notes Payable – Amortized Debt: (Continued)

2018

\$ - \$ 822,500

-	750,000
<hr/>	<hr/>
-	1,572,500

1,099,290 1,141,255

7,470,000 7,470,000

658,224 687,760

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COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 13 - Notes Payable – Amortized Debt: (Continued)

Esperanza Housing and Community Development Corporation
(Continued)

2019

2018

The mortgage note, which was originated on December 1, 2003, is held by the City of Oceanside in the original amount of \$718,000, and bears interest at 3% per annum. Principal and interest are payable in the amount of \$3,982 each month through December 1, 2023. Secured by a deed of trust on Old Grove Apartments.

\$ 176,369 \$ 218,180

The first mortgage note, which was originated on March 3, 1994, is held by CitiCorp in the original amount of \$210,000. The notes bears interest at 4.93%. Monthly installments of principal and interest are based on a 30-year amortization of the original note balance and are payable by the Partnership in the amount of \$1,292 each month through April 1, 2024. Secured by a deed of trust on Daybreak Grove / Sunrise Place Apartments.

55,782 67,052

The first mortgage note is held by Pacific Life in the original amount of \$614,000. The note bears interest at 9.27% per annum. Monthly installments of principal and interest are based on a 30-year amortization of the original note balance and are payable by the Partnership in the amount of \$5,060 each month through October 1, 2027. Secured by a deed of trust on Orange Place Apartments.

326,188 358,879

The first mortgage note, which was originated on November 5, 1998, is held by Pacific Life in the original amount of \$1,945,820. The note bears interest at 8.24% per annum. Monthly installments of principal and interest are based on a 30-year amortization of the original note balance and are payable by the partnership in the amount of \$14,605 each month through December 1, 2028. Secured by a deed of trust on Parkview Terrace.

1,111,169 1,191,245

The first mortgage note is held by Bank of America in the original amount of \$953,000. The note bears interest at 8.76% per annum. Monthly installments of principal and interest are based on a 30-year amortization of the original note balance and are payable by the partnership in the amount of \$7,504 each month through October 1, 2031. Secured by a deed of trust on Bandar Salaam Apartments.

662,007 692,593

(Continued)

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 13 - Notes Payable – Amortized Debt: (Continued)

Esperanza Housing and Community Development Corporation
(Continued)

2019

2018

The bonds payable, which were originated on June 1, 2003, are held by the City of Carlsbad in the original amount of \$20,000,000, and bear interest at a variable rate determined weekly. Accrued interest is payable monthly. The principal of each bond is payable upon the presentation and surrender of such bond, when due through June 1, 2046. Secured by all of the revenues of La Costa Paloma and a letter of credit (Note 18). An IRSC agreement, effective July 1, 2005, effectively fixed the interest rate on the bonds payable at 4.309% until the termination date of July 1, 2022 (Note 16).

\$ 12,415,000 \$ -

The note payable, which was originated on December 16, 2019, is held by Neighborworks Capital in the original amount of \$3,645,000, and bears interest at 5.75% per annum. Interest only payments are payable monthly. Principal and accrued interest are due no later than December 1, 2023. Secured by a deed of trust on Las Haciendas..

3,645,000 -

The note payable, which was originated on December 16, 2019, is held by Neighborworks Capital in the original amount of \$1,200,000 (\$5,453 advanced at December 31, 2019), and bears interest at 5.50% per annum. Interest only payments are payable monthly. Principal and accrued interest are due no later than December 1, 2023. Secured by a deed of trust on Las Haciendas.

5,453 -

The note payable, which was originated on March 22, 2017, is held by Jones Lang LaSalle Multifamily, LLC in the original amount of \$31,000,000. Payments of interest only at the variable rate of LIBOR plus 2.69% (4.06188% at December 31, 2017) adjusted monthly are payable monthly beginning on May 1, 2017 through the maturity date. Principal and accrued interest are due October 1, 2019. Secured by a deed of trust on Parkside Terrace Apartments.

- 31,000,000

The note payable, which was originated on March 22, 2017, is held by the Parkside Terrace, LLC in the original amount of \$8,750,000, and bears interest at 10%. Principal and interest are payable from cash flow determined on a quarterly basis. Principal and accrued interest are due no later than December 31, 2021. Collateralized by a deed of trust on Parkside Terrace Apartments.

- 8,344,552

Total Esperanza Housing and Community Development Corporation

27,624,482 51,171,516

Less: Unamortized debt issuance costs

(430,407) (276,365)

Total Esperanza Housing and Community Development Corporation, Net

27,194,075 50,895,151

Total Notes Payable – Amortized Debt, Net

\$ 32,844,075 \$ 57,648,119

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 13 - Notes Payable – Amortized Debt: (Continued)

Debt issuance costs total \$776,631 and \$815,215, less accumulated amortization of \$346,224 and \$538,850, at December 31, 2019 and 2018, respectively.

The future principal payments on the notes payable – amortized debt are as follows:

<u>Years Ended</u> <u>December 31</u>	
2020	\$ 1,886,050
2021	10,725,630
2022	526,680
2023	5,196,232
2024	515,527
Thereafter	14,424,363
Less: Unamortized debt issuance costs	<u>(430,407)</u>
Total	<u><u>\$ 32,844,075</u></u>

Note 14 - Notes Payable - Residual Receipts Debt:

The Organization obtains financing through notes that are repayable from a percentage of the annual residual receipts generated by the related property. Payments are applied first to any unpaid accrued interest, and then to principal. Interest accrued on these notes based on the stated rate in the note agreement with interest rates ranging from 0% to 11.5%. These notes are each secured by a deed of trust on the property indicated below.

Debt issuance costs total \$14,467 and \$10,767, less accumulated amortization of \$7,500 and \$7,230, at December 31, 2019 and 2018, respectively.

The notes payable and accrued interest consist of the following at December 31:

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 14 - Notes Payable – Residual Receipts Debt: (Continued)

		2019				2018	
	Property	Rate	Maturity Date	Interest	Principal	Interest	Principal
Community HousingWorks:							
City of Escondido	Las Casitas Maple	0%	December 31, 2029	\$ -	\$ 170,000	\$ -	\$ 170,000
City of Escondido	Las Casitas Maple	3%	February 1, 2039	113,957	182,355	108,486	182,355
City of Escondido	Las Casitas Washington	3%	March 2, 2039	76,250	122,000	72,590	122,000
SD Dept. of Housing and Community Development	Las Casitas Washington	0%	October 29, 2022	-	73,500	-	98,000
Western Alliance Bank (AHP)	North Park Seniors	0%	January, 2033	-	750,000	-	750,000
MUFG Union Bank (AHP)	Keeler Court	0%	December 1, 2074	-	700,000	-	-
Esperanza Housing and Community Development Corporation:							
San Diego Housing Commission	Bandar Salaam	3%	July 2055	1,170,221	2,100,000	1,105,977	2,100,000
First Republic Bank (AHP)	Bandar Salaam	0%	July 2032	-	482,000	-	482,000
CA Dept. of Housing and Community Development	Daybreak Grove/Sunrise	3%	February 1, 2054	577,008	846,000	572,792	846,000
City of Escondido	Daybreak Grove/Sunrise	3%	December 4, 2021	380,202	502,407	376,212	502,407
City of Escondido	Eucalyptus View	3%	October 2055	50,033	125,000	46,283	125,000
City of Escondido	Eucalyptus View	3%	October 2055	256,411	480,945	241,983	480,945
California Housing Finance Agency	Eucalyptus View	0%	November 1, 2056	-	63,092	-	63,092
Poway Housing Authority	Hillside Village	3%	June 2058	1,548,491	3,930,370	1,430,579	3,930,370
JPMorgan Chase Bank (AHP)	Hillside Village	0%	December 1, 2021	-	280,000	-	280,000
Real Estate Collateral Management Company	La Costa Paloma	0%	April 1, 2060	-	640,021	-	-
County of San Diego	Marisol Apartments	3%	January 15, 2052	169,895	249,746	164,321	249,746
City of Oceanside	Marisol Apartments	0%	February 20, 2052	-	310,797	-	310,797
City of Oceanside	Marisol Apartments	0%	August 19, 2036	-	70,000	-	70,000
County of San Diego	Marisol Apartments	3%	February 20, 2052	253,182	400,000	247,418	400,000
SD Dept. of Housing and Community Development	Old Grove Apartments	3%	September 1, 2058	108,000	200,000	102,000	200,000
City of Oceanside	Old Grove Apartments	3%	August 2058	598,675	1,385,000	573,844	1,385,000
Bank of America (AHP)	Old Grove Apartments	0%	December 1, 2019	-	534,654	-	534,654
California Housing Finance Agency	Old Grove Apartments	0%	May 2059	-	96,160	-	96,160
CA Dept. of Housing and Community Development	Old Grove Apartments	3%	May 2059	886,378	2,490,000	851,858	2,490,000
City of Escondido	Orange Place	3%	July 20, 2050	260,877	400,000	248,877	400,000
City of Escondido	Orange Place	3%	February 11, 2051	494,204	763,516	471,299	763,516
City of Escondido	Orange Place	0%	December 31, 2049	-	250,000	-	250,000
Bank of America (AHP)	Parkview Terrace	0%	October 1, 2054	-	90,000	-	90,000
SDCF Charitable Real Estate Fund	Parkview Terrace	5.5%	March 15, 2039	3,378,246	3,708,006	3,183,229	3,708,006
City of Escondido	Windsor Gardens	2.21%	May 2075	83,072	14,000,000	-	-
City of Escondido	Windsor Gardens	3.0%	May 2075	7,200	900,000	-	-
Escondido Family Housing Corporation:							
CA Dept. of Housing and Community Development	Esperanza Gardens	3%	May, 2035	532,373	1,000,000	512,373	1,000,000
Community Housing Solutions:							
County of San Diego	Pine View Apartments	3%	April 1, 2045	-	-	1,079,497	2,623,000
County of San Diego	Pine View Apartments	3%	July 1, 2064	-	-	184,027	714,276
Low Income Investment Fund	Pine View Apartments	11.5%	Indefinite	-	-	1,004,645	707,531
Total Notes Payable - Residual Receipts Debt				10,944,675	38,295,569	12,578,290	26,124,855
Less: Unamortized debt issuance costs				-	(6,967)	-	(3,537)
Total Notes Payable - Residual Receipts Debt, Net				\$ 10,944,675	\$ 38,288,602	\$ 12,578,290	\$ 26,121,318

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 15 - Bonds Payable - Pine View:

The bonds payable totaled \$-0- and \$7,076,817 net of debt issuance costs of \$-0- and \$126,770 at December 31, 2019 and 2018, respectively. The bonds were repaid in full on July 1, 2019, when Pine View sold the property.

Note 16 - Interest Rate Swap Contract:

The bonds payable for La Costa Paloma to the City of Carlsbad bear interest at a variable rate determined weekly. To minimize the effect of changes in the prime rate, an interest rate swap contract (swap) was entered into under which interest is paid at a fixed rate of 4.309% beginning on the effective date of the swap through the termination date of July 1, 2022.

The swap was issued at market terms so that it had no fair value at its inception. The carrying amount of the swap has been adjusted to its fair value at the end of the year. The obligation is classified as noncurrent since management does not intend to settle it during the year ended December 31, 2020. The obligation under interest rate swap totaled \$948,438 at December 31, 2019. The change in obligation under interest rate swap totaled \$89,700 for the year ended December 31, 2019.

Note 17 - Net Assets:

Board-Designated Net Assets

The Organization's governing board has designated a portion of its resources without donor restrictions for the following purposes:

Housing Futures Fund

The Housing Futures Fund (HFF) was established to provide financial resources for the development of affordable housing units when appropriate investment opportunities are identified. The HFF has a total commitment of \$25,105,999 of which CHW has committed \$13,955,999 of unrestricted resources and \$11,150,000 available through various financing instruments. The HFF has outstanding investments of \$13,217,852 and \$10,609,353 at December 31, 2019 and 2018, respectively. The HFF has \$11,888,148 and \$11,621,646 available at December 31, 2019 and 2018, respectively, including \$3,500,000 available through debt financing for the years ended December 31, 2019 and 2018.

Long-Term Operating Reserve

The long-term operating reserve has been established to ensure the stability of the mission, programs, employment and ongoing operations of CHW. The long-term operating reserve has been established with a range of four to six months of operating expenses and totaled \$4,298,145 and \$4,000,000 at December 31, 2019 and 2018, respectively.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 17 - Net Assets: (Continued)

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of contributions received or receivable by the Organization with donor restrictions for which the funds were not spent for their intended use at December 31, 2019 and 2018. Net assets with donor restrictions are summarized as follows at December 31:

	<u>2019</u>	<u>2018</u>
Subject to Expenditure for Specified Purpose:		
Financial Well-being	\$ 156,792	\$ 335,000
Portfolio Strengthening	150,000	-
After School Program	130,000	-
CDBG Revolving Loan Fund	118,812	118,051
Loan loss reserve (NRC)	52,000	65,500
North Park Seniors	25,000	-
Rental Home Stability Program	14,583	8,334
Total Subject to Expenditure for Specified Purpose	<u>647,187</u>	<u>526,885</u>
Subject to the Passage of Time:		
Contributions receivable, net	<u>750</u>	<u>20,235</u>
Perpetual in Nature:		
The Neighborhood Reinvestment Corporation Revolving Loan and Capital Projects (NRC)	<u>772,840</u>	<u>1,104,057</u>
Total Net Assets with Donor Restrictions	<u>\$ 1,420,777</u>	<u>\$ 1,651,177</u>

Net assets of a perpetual nature consist of grants received from The Neighborhood Reinvestment Corporation Revolving Loan and Capital Projects (NRC) doing business as NeighborWorks America. These funds are restricted until released by NRC. The funds were originally used to fund loans to borrowers and are currently used to provide funds for capital projects. The interest earned on the loans is not restricted.

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors are as follows for the years ended December 31:

	<u>2019</u>	<u>2018</u>
Purpose Restrictions Accomplished:		
Financial Well-being	\$ 450,709	\$ 206,250
The Neighborhood Reinvestment Corporation Revolving Loan and Capital Projects (NRC)	331,217	473,167
Rental Home Stability Program	18,750	1,666
Loan loss reserve (NRC)	13,500	11,800
Time Restrictions Fulfilled:		
Contributions receivable	<u>26,000</u>	<u>49,500</u>
Total Net Assets Released From Restrictions	<u>\$ 840,176</u>	<u>\$ 742,433</u>

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 18 - Commitments and Contingencies:

Operating Leases

The Organization leases office space under lease agreements expiring on various dates through December 31, 2025. Future minimum rental payments are as follows:

<u>Years Ended</u> <u>December 31</u>	
2020	\$ 575,016
2021	601,056
2022	629,100
2023	657,156
2024	687,204
Thereafter	717,264
	<u>\$ 3,866,796</u>

Rent, common area and maintenance expense net of the sublease rental income totaled \$628,280 and \$551,176 for the years ended December 31, 2019 and 2018, respectively. The Organization subleased office under sublease agreements that expired in 2018. Rental income from subleases totaled \$-0- and \$50,841 for the years ended December 31, 2019 and 2018, respectively.

Lease Agreement

On September 26, 2000, Haley Ranch Estates Housing Associates, L.P (“Haley Ranch”) entered into a lease and regulatory agreement with the Poway Redevelopment Agency (“Agency”) to operate and maintain the Haley Ranch Estates rental housing project for an initial term ending on September 1, 2003. Haley Ranch has agreed to pay the Agency the sum of one dollar annually, plus an amount equal to 50% of the residual receipts, as defined in the lease agreement during the initial lease period. The subsequent term of the lease commenced on September 2, 2003 and will end on September 25, 2042. Haley Ranch has four ten-year renewal options under this lease with the Agency ending September 25, 2082.

Retirement Plan

CHW has established a 401(k) safe-harbor profit-sharing plan (the “Plan”) for eligible employees. The Plan allows for employee contributions to the Plan up to the maximum amount allowed by the Internal Revenue Code. CHW makes a matching contribution equal to 100% of the first 3% and 50% of the amount that exceeds 3% up to 5%. CHW contributed \$169,030 and \$154,213 for the years ended December 31, 2019 and 2018, respectively.

Letter of Credit

The bonds payable to the City of Carlsbad require the Partnership to provide an irrevocable Letter of Credit. The Letter of Credit was issued by Citibank, N.A. in the amount of the bonds outstanding (\$12,415,000 at December 31, 2019). The Letter of Credit will expire on June 30, 2020 unless it expires earlier or is extended in accordance with its terms. There is a monthly fee paid on the Letter of Credit to Citibank, N.A. No demands for payment were made on the Letter of Credit at December 31, 2019

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 18 - Commitments and Contingencies: (Continued)

Capital Contribution Commitments and Operating Guarantees

The Partnership and Operating Agreements provide for various obligations of the Organization as the General Partner or Managing Member, including their obligation to provide funds for any development and operating deficits, and the Organization is obligated as a guarantor on certain debt obligations. The Organization has not incurred any losses related to these obligations at December 31, 2019 and 2018.

Legal Matters

The Organization is subject to claims that arise out of the normal course of business. The Organization maintains insurance coverage and uses various risk management activities which, combined, management believes are sufficient to ensure that the final outcome of any claims or proceedings will not have an adverse material effect on the consolidated financial position, operations, or liquidity of the Organization.

Grant Awards and Notes Receivables

CHW has evaluated the projected cash flow available for repayment of the notes receivable and has recorded an allowance for uncollectible amounts equal to the balance of the notes receivable. Interest earned on the notes receivable is expected to be collected, and has been accrued at December 31, 2019 and 2018. Payments received are recorded as revenue in the period that they are received.

Grant Awards and Notes Receivables

Paradise Creek Housing Partners, L.P. and Paradise Creek II Housing Partners, L.P.

In 2011, CHW was awarded a grant in the amount of \$14,957,000 for the sole purpose of CHW making a loan to PCHP. The note receivable dated November 19, 2014 bears interest at .25% beginning after construction has been completed. Payments of principal and interest are payable annually from cash flow, with any remaining balance due November 19, 2069. The balance of the note receivable and interest receivable totals \$14,764,896 and \$27,811 and \$14,815,484 and \$37,096, respectively, at December 31, 2019 and 2018, respectively. Payments on the note receivable and interest totaled \$96,806 and \$188,099 for the years ended December 31, 2019 and 2018, respectively.

In 2011, CHW was awarded a grant in the amount of \$5,350,800 for the sole purpose of CHW making a loan to PCHP. The note receivable dated November 19, 2014 is noninterest bearing. Principal payments are payable annually from cash flow, as defined, with any remaining balance due November 19, 2069. The balance of the note receivable totals \$5,234,906 and \$5,271,734 at December 31, 2019 and 2018, respectively. Payments on the note receivable totaled \$36,828 and \$79,066 for the years ended December 31, 2019 and 2018, respectively.

In 2015, CHW was awarded a grant in the amount of \$14,909,000 for the sole purpose of CHW making a loan to PCHP-II. The note receivable dated October 2015 bears interest at .25% beginning after construction has been completed. Payments of principal and interest are payable annually from cash flow, with any remaining balance due 55 years after the expiration of the stabilization period, as defined. The balance of the note receivable and interest receivable totals \$14,909,000 and \$59,014 and \$14,909,000 and \$21,742, respectively, at December 31, 2019 and 2018, respectively.

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 18 - Commitments and Contingencies: (Continued)

Grant Awards and Notes Receivables (Continued)

In 2015, CHW was awarded a grant in the amount of \$4,000,000 for the sole purpose of CHW making a loan to PCHP-II. The note receivable dated October 2015 is noninterest bearing. Principal payments are payable annually from cash flow, as defined, with any remaining balance due 55 years after the expiration of the stabilization period, as defined. The balance of the note receivable totals \$4,000,000 at December 31, 2019 and 2018. Grant advances totaling \$-0- and \$400,000 have been recorded as grant revenue for the years ended December 31, 2019 and 2018, respectively.

In 2018, CHW was awarded a grant in the amount of \$4,550,000 for the sole purpose of CHW making a capital contribution to PCHP-II. The grant advance of \$4,550,000 has been recorded as revenue and investment in limited partnership for the year ended December 31, 2018.

Fruit Avenue Housing Associates, L.P.

In 2017, CHW was awarded a grant in the amount of \$1,714,806, which it loaned to Fruit Housing Associates, L.P. to complete a weatherization program at Parks at Fig Apartments. The note receivable dated December 16, 2016 bears interest at 7.0% per annum. Principal and interest payments are payable annually from cash flow, as defined, with any remaining balance due November 30, 2071. The balance of the note receivable and interest receivable totals \$1,745,723 and \$183,910 and \$1,349,712 and \$78,262, respectively, at December 31, 2019 and 2018, respectively. Grant advances totaling \$396,011 and \$676,901 have been recorded as grant revenue for the years ended December 31, 2019 and 2018, respectively.

The following is a summary of the assets, revenue, and expense recorded as of and for the years ended December 31:

	<u>2019</u>	<u>2018</u>
Notes receivable	\$ 40,654,525	\$ 40,345,930
Less: Allowance for uncollectible	<u>(40,654,525)</u>	<u>(40,345,930)</u>
Notes Receivable, Net	<u>\$ -</u>	<u>\$ -</u>
Interest receivable	\$ 270,735	\$ 137,100
Less: Allowance for uncollectible	<u>(183,910)</u>	<u>(78,262)</u>
Interest Receivable, Net	<u>\$ 86,825</u>	<u>\$ 58,838</u>
Interest income	\$ 179,853	\$ 133,045
Less: Allowance for uncollectible	<u>(105,648)</u>	<u>(78,262)</u>
Interest Income, Net	<u>\$ 74,205</u>	<u>\$ 54,783</u>
Grant revenue	\$ -	\$ 4,550,000
Grant revenue	396,011	1,076,901
Less: Allowance for uncollectible	<u>(396,011)</u>	<u>(1,076,901)</u>
Grant Revenue, Net	<u>\$ -</u>	<u>\$ 4,550,000</u>

COMMUNITY HOUSINGWORKS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Note 18 - Commitments and Contingencies: (Continued)

Coronavirus Pandemic

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared states of emergency. It is anticipated that these impacts will continue for some time. The potential impacts to the Organization include disruptions or restrictions on our employees' ability to work, suspension of programming, reduction in contributions from donors and reduced revenue from rental income. In addition, there has been a significant decline in the stock market, which has had a negative impact on the Organization's investments. Changes to the operating environment may also be impacted and may have an impact on operating costs. The future effects of these issues are unknown.

Note 19 - Acquisitions and Dispositions of Partnership Interests:

During 2019, the Organization acquired a limited partnership interest in Dove Family Housing Associates, L.P. As a result, the Organization has now consolidated this wholly owned partnership and has included the capital account of the partnership at acquisition into net assets.

During 2019, the Organization deconsolidated Keeler Court Housing Associates, L.P., Kimball Tower Housing Associates, L.P. and Morgan Tower Housing Associates, L.P. The assets and liabilities have been removed from the consolidated statement of financial position, which had no effect on net assets for the year ended December 31, 2019.

During 2018, the Organization acquired a limited partnership interest in Mission Grove Housing Associates, L.P. As a result, the Organization has now consolidated this wholly owned partnership and has included the capital account of the partnership at acquisition into net assets.

Note 20 – Subsequent Events:

Sale of Property

On January 22, 2020 the Organization sold the 206 Cedar Road property that was held for sale for \$2,085,000.

Loan Funding

On March 1, 2020 the Organization obtained a \$3,000,000 loan to provide working capital to (i) acquire real property on which to construct future Projects or (ii) to fund predevelopment costs incurred in connection with a Project. The loan bears interest at 0.8% per annum and requires quarterly interest payments beginning April 1, 2020 through the maturity date of March 1, 2025 when all principal and interest are due unless extended for twelve months in accordance with the terms of the loan.

COMMUNITY HOUSINGWORKS
SUPPLEMENTARY SCHEDULE OF REAL ESTATE ENTITIES
DECEMBER 31, 2019

Partnership Name	Property Name	Units	Location	CHW Equity Owned Through LLC	CHW Equity	Esperanza	Escondido	Accounting Method
Alabama Manor Housing Associates, L.P.	Alabama Manor Apartments	67	San Diego	N/A	0.010%	-	-	Equity
Arden Way Housing Associates, L.P.	Development	-	-	Boxwood Street Housing LLC	99.00%	1.000%	-	Consolidated
Breihan Housing Associates, L.P.	Hillside Village	71	Poway	N/A	0.010%	99.99%	-	Consolidated
Cedar Nettleton Housing Associates, L.P.	Cedar Nettleton Apartments	68	Vista	Vista Lilac LLC	0.010%	-	-	Equity
Cedar Road Housing Associates	<i>Sold December 14, 2016</i>	-	-	N/A	1.000%	99.00%	-	Consolidated
CHW Arden Way Development LLC	Development	-	-	N/A	-	100.00%	-	Consolidated
CHW Las Haciendas Development, LLC	Development	-	-	N/A	-	100.00%	-	Consolidated
CHW Ulric Street Development, L.P.	Ulric Apartments	36	San Diego	N/A	1.000%	99.00%	-	Consolidated
Community Road Housing Associates, L.P.	Solara	56	Poway	N/A	0.010%	-	-	Equity
Community Housing Solutions	<i>PineView Apartments (Sold 7/1/19)</i>	-	Fallbrook	N/A	100.00%	-	-	Consolidated (Sold 7/1/2019)
Concord Sun Ridge, LLC	N/A	-	-	N/A	-	100.00%	-	Consolidated
Cypress Cove Housing Associates, L.P.	Manzanita Apartments	200	Escondido	Mission Manzanita, LLC	0.010%	-	-	Equity
Daybreak Housing Associates	Daybreak Grove / Sunrise Place	21	Escondido	N/A	-	99.00%	1.000%	Consolidated
Delta Village Housing Associates, L.P.	Las Serenas	108	San Diego	N/A	0.010%	-	-	Equity
Dove Family Housing Associates, L.P.	La Costa Paloma	180	Carsbad	N/A	0.005%	99.99%	-	Consolidated (1/1/19)
East Mountain Housing Associates, L.P.	The Groves Apartments	44	Pasadena	Northwest Manor LLC	0.010%	-	-	Equity
El Norte Housing Associates, L.P.	Avocado Court Apartments	36	Escondido	El Norte Housing Opportunities LLC	0.010%	-	-	Equity
Esperanza Gardens Apartments, L.P.	Esperanza Garden Apartments	10	Encinitas	N/A	-	1.000%	99.00%	Consolidated
Eucalyptus View Cooperative Housing Associates, L.P.	Eucalyptus View	24	Escondido	N/A	0.010%	99.99%	-	Consolidated
Fallbrook View Housing Associates, L.P.	Fallbrook View Apartments	80	Fallbrook	N/A	0.010%	-	-	Equity
Florida Street Housing Associates, L.P.	Kalos Apartments	83	San Diego	Another Nurturing Neighborhood LLC	0.010%	-	-	Equity
Foothill Oak Housing Associates, L.P.	Los Robles Apartments	76	Vista	Foothill Oak Housing Opportunities LLC	0.010%	-	-	Equity
Fruit Avenue Housing Associates, L.P.	Parks at Fig Garden	366	Fresno	Ashlan Ave Housing, LLC	0.010%	-	-	Equity
Haley Ranch Estates Housing Associates, L.P.	Haley Ranch Estates	65	Poway	N/A	1.000%	99.00%	-	Consolidated
Kalmia Street Housing Associates, L.P.	<i>Sold December 19, 2019</i>	-	-	N/A	99.00%	1.000%	-	Consolidated
Keeler Court Housing Associates, L.P.	Development	-	-	Las Conchas Housing Opportunities LLC	0.010%	-	-	Deconsolidated (12/18/2019)
Kimball Tower Housing Associates, L.P.	Kimball Tower	151	National City	CHW Kimball Development, LLC	0.005%	-	-	Deconsolidated (3/28/2019)
Lindo Housing Associates, L.P.	Maplewood Apartments	79	Lakeside	Lakeside Family Housing LLC	0.010%	-	-	Equity
Linda Vista Housing Associates, L.P.	Development	-	-	CHW Linda Vista LLC	0.100%	99.90%	-	Consolidated
Mission Cove Seniors Housing Associates, L.P.	Mission Cove Seniors	138	Oceanside	Carolyn Compass Rose, LLC	0.010%	-	-	Equity
Mission Grove Housing Associates, L.P.	Old Grove Apartments	56	Oceanside	N/A	0.010%	99.99%	-	Consolidated
Monument Boulevard Housing Associates, L.P.	Sun Ridge Apartments	198	Concord	Concord Victory Lane, LLC	0.010%	-	-	Equity
Morgan Tower Housing Associates, L.P.	Morgan Tower	152	National City	CHW Morgan Development, LLC	0.005%	-	-	Deconsolidated (3/28/2019)
Morningside Housing Associates, L.P.	Development	-	-	West Alliance, LLC	99.00%	1.000%	-	Consolidated
Mountain View Housing Associates, L.P.	Mayberry Townhomes	70	San Diego	Alta Vista Townhomes, LLC	0.010%	-	-	Equity
Nettleton Road Housing Associates	<i>Sold December 14, 2016</i>	-	-	N/A	1.000%	99.00%	-	Consolidated
North Santa Fe Housing Associates, L.P.	North Santa Fe Apartments	68	Vista	Buena Vista Alliance LLC	0.010%	-	-	Equity
Oak Knoll Housing Associates, L.P.	Oak Knoll Villas	52	Poway	Fallbrook Renaissance LLC	0.010%	-	-	Equity
Orange Place Housing Associates	Orange Place Apartments	32	Escondido	N/A	1.000%	99.00%	-	Consolidated
Paradise Creek Housing Partners, L.P.	Paradise Creek	109	National City	CHW Paradise Creek Development Co., LL	0.005%	-	-	Equity
Paradise Creek II Housing Partners, L.P.	Paradise Creek II	92	National City	CHW Paradise Creek II Development Co., I	0.005%	-	-	Equity
Parks at Fig, LLC	<i>Sold December 16, 2016</i>	-	-	N/A	100.00%	-	-	Consolidated
Poway Villas Housing Associates, L.P.	Poway Villas	60	Poway	CHW Civic Center LLC	0.010%	-	-	Equity
Royal Oaks Housing Associates, L.P.	Development	-	-	CHW Royal Oaks LLC	0.100%	99.90%	-	Consolidated
Solutions Family Center, L.P.	Solutions	33	Vista	N/A	1.000%	-	-	Equity
South Santa Fe Housing Associates, L.P.	Development	-	-	Paseo Artist Village LLC	1.00%	99.00%	-	Consolidated
Texas Street Senior Housing, L.P.	North Park Seniors	76	San Diego	Howard Avenue Senior Housing LLC	0.010%	-	-	Equity
The Bowron Road Group Limited Partnership	Parkview Terrace	92	Poway	N/A	0.002%	99.98%	-	Consolidated
Tremont Street Apartments Limited Partnership	Marisol Apartments	22	Oceanside	N/A	1.000%	99.00%	-	Consolidated
Tripp Avenue Housing Associates, L.P.	Parkside Terrace Apartments	201	San Jose	CHW Parkside Terrace LLC	0.010%	-	-	Equity
Turnagain Renaissance Housing Associates, L.P.	Turnagain Arms	80	Fallbrook	Fallbrook Renaissance LLC	0.010%	-	-	Equity
Ulric Street Housing Associates, L.P.	Development	-	-	Ulric Street Housing Opportunities LLC	99.00%	1.000%	-	Consolidated
Windsor Gardens Housing Associates, L.P.	Windsor Gardens Apartments	132	Escondido	CHW Windsor Gardens LLC	0.010%	99.99%	-	Consolidated
Winona Gardens Housing Associates, L.P.	Bandar Salaam Apartments	68	San Diego	N/A	0.010%	99.99%	-	Consolidated
Woodcroft Street Housing Associates, L.P.	Azusa Apartments	88	Azusa	Big Dalton Wash LLC	0.010%	-	-	Equity
Wooster Ave, LLC	<i>Sold to Tripp (December 2019)</i>	-	San Jose	N/A	0.000%	100.00%	-	Consolidated
15th Avenue Housing Cooperative	15th Avenue Apartments	16	Escondido	N/A	-	-	-	Operated by CHW
	Las Casitas Apartments	14	San Diego	N/A	100.00%	-	-	CHW
		<u>3,670</u>						

COMMUNITY HOUSINGWORKS
SUPPLEMENTARY SCHEDULE OF REAL ESTATE ENTITIES
DECEMBER 31, 2018

Partnership Name	Property Name	Units	Location	CHW Equity Owned Through LLC	CHW Equity	Esperanza	Escondido	Accounting Method
Alabama Manor Housing Associates, L.P.	Alabama Manor Apartments	67	San Diego	N/A	0.010%	-	-	Equity
Arden Way Housing Associates, L.P.	Development	-	-	Boxwood Street Housing LLC	99.00%	1.000%	-	Consolidated
Breihan Housing Associates, L.P.	Hillside Village	71	Poway	N/A	0.010%	99.99%	-	Consolidated
Cedar Nettleton Housing Associates, L.P.	Cedar Nettleton Apartments	68	Vista	Vista Lilac LLC	0.010%	-	-	Equity
Cedar Road Housing Associates	Sold December 14, 2016	-	-	N/A	1.000%	99.00%	-	Consolidated
CHW Arden Way Development LLC	Development	-	-	N/A	-	100.00%	-	Consolidated
CHW Ulric Street Development, L.P.	Ulric Apartments	36	San Diego	N/A	1.000%	99.00%	-	Consolidated
Community Road Housing Associates, L.P.	Solara	56	Poway	N/A	0.010%	-	-	Equity
Community Housing Solutions	PineView Apartments	101	Fallbrook	N/A	100.00%	-	-	Consolidated
Concord Sun Ridge, LLC	N/A	-	-	N/A	-	100.00%	-	Consolidated
Cypress Cove Housing Associates, L.P.	Manzanita Apartments	200	Escondido	Mission Manzanita, LLC	0.010%	-	-	Equity
Daybreak Housing Associates	Daybreak Grove / Sunrise Place	21	Escondido	N/A	-	99.00%	1.000%	Consolidated
Delta Village Housing Associates, L.P.	Las Serenas	108	San Diego	N/A	0.010%	-	-	Equity
Dove Family Housing Associates, L.P.	La Costa Paloma	180	Carslbad	N/A	0.005%	-	-	Equity
East Mountain Housing Associates, L.P.	The Groves Apartments	44	Pasadena	Northwest Manor LLC	0.010%	-	-	Equity
El Norte Housing Associates, L.P.	Avocado Court Apartments	36	Escondido	El Norte Housing Opportunities LLC	0.010%	-	-	Equity
Esperanza Gardens Apartments, L.P.	Esperanza Garden Apartments	10	Encinitas	N/A	-	1.000%	99.00%	Consolidated
Eucalyptus View Cooperative Housing Associates, L.P.	Eucalyptus View	24	Escondido	N/A	0.010%	99.99%	-	Consolidated
Fallbrook View Housing Associates, L.P.	Fallbrook View Apartments	80	Fallbrook	N/A	0.010%	-	-	Equity
Florida Street Housing Associates, L.P.	Kalos Apartments	83	San Diego	Another Nurturing Neighborhood LLC	0.010%	-	-	Equity
Foothill Oak Housing Associates, L.P.	Los Robles Apartments	76	Vista	Foothill Oak Housing Opportunities LLC	0.010%	-	-	Equity
Fruit Avenue Housing Associates, L.P.	Parks at Fig Garden	366	Fresno	Ashlan Ave Housing, LLC	0.010%	-	-	Equity
Haley Ranch Estates Housing Associates, L.P.	Haley Ranch Estates	65	Poway	N/A	1.000%	99.00%	-	Consolidated
Kalmia Street Housing Associates, L.P.	Development	-	-	N/A	1.000%	99.00%	-	Consolidated
Keeler Court Housing Associates, L.P.	Development	-	-	Las Conchas Housing Opportunities LLC	99.00%	1.000%	-	Consolidated
Kimball Tower Housing Associates, L.P.	Development	-	-	CHW Kimball Development, LLC	0.050%	99.00%	-	Consolidated
Lindo Housing Associates, L.P.	Maplewood Apartments	79	Lakeside	Lakeside Family Housing LLC	0.010%	-	-	Equity
Mission Cove Seniors Housing Associates, L.P.	Mission Cove Seniors	138	Oceanside	Carolyn Compass Rose, LLC	0.010%	-	-	Equity
Mission Grove Housing Associates, L.P.	Old Grove Apartments	56	Oceanside	N/A	0.010%	99.99%	-	Consolidated
Monument Boulevard Housing Associates, L.P.	Sun Ridge Apartments	198	Concord	Concord Victory Lane, LLC	0.010%	-	-	Equity
Morgan Tower Housing Associates, L.P.	Development	-	-	CHW Morgan Development, LLC	0.050%	99.00%	-	Consolidated
Morningside Housing Associates, L.P.	Development	-	-	West Alliance, LLC	99.00%	1.000%	-	Consolidated
Mountain View Housing Associates, L.P.	Mayberry Townhomes	70	San Diego	Alta Vista Townhomes, LLC	0.010%	-	-	Equity
Nettleton Road Housing Associates	Sold December 14, 2016	-	-	N/A	1.000%	99.00%	-	Consolidated
North Santa Fe Housing Associates, L.P.	North Santa Fe Apartments	68	Vista	Buena Vista Alliance LLC	0.010%	-	-	Equity
Oak Knoll Housing Associates, L.P.	Oak Knoll Villas	52	Poway	Fallbrook Renaissance LLC	0.010%	-	-	Equity
Orange Place Housing Associates	Orange Place Apartments	32	Escondido	N/A	1.000%	99.00%	-	Consolidated
Paradise Creek Housing Partners, L.P.	Paradise Creek	109	National City	CHW Paradise Creek Development Co., LL	0.005%	-	-	Equity
Paradise Creek II Housing Partners, L.P.	Paradise Creek II	92	National City	CHW Paradise Creek II Development Co., l	0.005%	-	-	Equity
Parks at Fig, LLC	Sold December 16, 2016	-	-	N/A	100.00%	-	-	Consolidated
Poway Villas Housing Associates, L.P.	Poway Villas	60	Poway	CHW Civic Center LLC	0.010%	-	-	Equity
Solutions Family Center, L.P.	Solutions	33	Vista	N/A	1.000%	-	-	Equity
South Santa Fe Housing Associates, L.P.	Development	-	-	Paseo Artist Village LLC	1.00%	99.00%	-	Consolidated
Texas Street Senior Housing, L.P.	North Park Seniors	76	San Diego	Howard Avenue Senior Housing LLC	0.010%	-	-	Equity
The Bowron Road Group Limited Partnership	Parkview Terrace	92	Poway	N/A	0.002%	99.98%	-	Consolidated
Tremont Street Apartments Limited Partnership	Marisol Apartments	22	Oceanside	N/A	1.000%	99.00%	-	Consolidated
Turnagain Renaissance Housing Associates, L.P.	Turnagain Arms	80	Fallbrook	Fallbrook Renaissance LLC	0.010%	-	-	Equity
Ulric Street Housing Associates, L.P.	Development	-	-	Ulric Street Housing Opportunities LLC	99.00%	1.000%	-	Consolidated
Winona Gardens Housing Associates, L.P.	Bandar Salaam Apartments	68	San Diego	N/A	0.010%	99.99%	-	Consolidated
Woodcroft Street Housing Associates, L.P.	Azusa Apartments	88	Azusa	Big Dalton Wash LLC	0.010%	-	-	Equity
Wooster Ave, LLC	Parkside Terrace Apartments	201	San Jose	N/A	0.000%	100.00%	-	Consolidated
15th Avenue Housing Cooperative	15th Avenue Apartments	16	Escondido	N/A	-	-	-	Operated by CHW
	Las Casitas Apartments	14	San Diego	N/A	100.00%	-	-	CHW
		<u>3,336</u>						

COMMUNITY HOUSINGWORKS
SUPPLEMENTARY CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

	Community HousingWorks	Partnership and Limited Liability Companies	Esperanza Housing and Community Development Corporation	Escondido Family Housing Corporation	Community Housing Solutions	Eliminations	Consolidated
<u>Current Assets:</u>							
Cash and cash equivalents	\$ 15,592,051	\$ 53,700	\$ 5,134,818	\$ 90,715	\$ -	\$ -	\$ 20,871,284
Investments	8,801,430	-	-	-	-	-	8,801,430
Security deposits	6,500	-	583,210	11,112	-	-	600,822
Grants and contracts receivable	68,443	-	-	-	-	-	68,443
Contributions receivable, net	750	-	-	-	-	-	750
Accounts receivable - related parties	6,576,381	-	-	-	-	-	6,576,381
Accounts receivable - other, net	134,579	-	35,818	-	-	-	170,397
Intercompany accounts receivable	9,355,624	-	73,617	-	-	(9,429,241)	-
Prepaid expenses	76,554	-	166,991	1,622	-	-	245,167
Property held for sale	-	1,732,489	-	-	-	-	1,732,489
Total Current Assets	<u>40,612,312</u>	<u>1,786,189</u>	<u>5,994,454</u>	<u>103,449</u>	<u>-</u>	<u>(9,429,241)</u>	<u>39,067,163</u>
<u>Noncurrent Assets:</u>							
Restricted reserves	-	-	6,091,882	420,782	-	-	6,512,664
Loans receivable, net	468,040	-	-	-	-	-	468,040
Intercompany notes receivable	1,046,976	-	-	-	-	(1,046,976)	-
Notes receivable - related parties, net	17,482,952	8,251,620	40,120,396	-	-	-	65,854,968
Interest receivable	774,402	580,394	446,268	-	-	-	1,801,064
Property and equipment, net	1,251,206	2,372,167	73,873,598	505,226	-	-	78,002,197
Investments in limited partnerships	21,505,527	1,186,746	201,857	(2,090)	-	(11,245,001)	11,647,039
Deposits	65,749	-	186,538	1,000	-	-	253,287
Other assets, net	-	-	44,073	-	-	-	44,073
Total Noncurrent Assets	<u>42,594,852</u>	<u>12,390,927</u>	<u>120,964,612</u>	<u>924,918</u>	<u>-</u>	<u>(12,291,977)</u>	<u>164,583,332</u>
TOTAL ASSETS	<u>\$ 83,207,164</u>	<u>\$ 14,177,116</u>	<u>\$ 126,959,066</u>	<u>\$ 1,028,367</u>	<u>\$ -</u>	<u>\$ (21,721,218)</u>	<u>\$ 203,650,495</u>

COMMUNITY HOUSINGWORKS
SUPPLEMENTARY CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2019

	Community HousingWorks	Partnership and Limited Liability Companies	Esperanza Housing and Community Development Corporation	Escondido Family Housing Corporation	Community Housing Solutions	Eliminations	Consolidated
<u>Current Liabilities:</u>							
Accounts payable and accrued expenses	\$ 1,377,737	\$ 219,947	\$ 851,014	\$ 1,259	\$ -	\$ -	\$ 2,449,957
Security deposits	6,500	-	561,960	11,112	-	-	579,572
Intercompany payables	56,307	3,884,784	5,459,403	28,747	-	(9,429,241)	-
Deferred revenue	48,953	-	84,565	2,183	-	-	135,701
Line-of-credit payable	2,000,000	-	-	-	-	-	2,000,000
Current portion of noncurrent liabilities	1,400,000	-	486,050	-	-	-	1,886,050
Total Current Liabilities	<u>4,889,497</u>	<u>4,104,731</u>	<u>7,442,992</u>	<u>43,301</u>	<u>-</u>	<u>(9,429,241)</u>	<u>7,051,280</u>
<u>Noncurrent Liabilities:</u>							
Deferred revenue	200,255	-	-	-	-	-	200,255
Deferred lease liability	254,064	-	-	-	-	-	254,064
Intercompany notes payable	-	-	1,046,976	-	-	(1,046,976)	-
Notes payable - amortized debt, net	5,650,000	-	27,194,075	-	-	-	32,844,075
Notes payable - residual receipts debt, net	1,997,855	-	35,294,014	996,733	-	-	38,288,602
Interest payable - residual receipts debt	190,207	-	10,222,095	532,373	-	-	10,944,675
Less: Current portion	(1,400,000)	-	(486,050)	-	-	-	(1,886,050)
Total Noncurrent Liabilities	<u>6,892,381</u>	<u>-</u>	<u>73,271,110</u>	<u>1,529,106</u>	<u>-</u>	<u>(1,046,976)</u>	<u>80,645,621</u>
Total Liabilities	<u>11,781,878</u>	<u>4,104,731</u>	<u>80,714,102</u>	<u>1,572,407</u>	<u>-</u>	<u>(10,476,217)</u>	<u>87,696,901</u>
<u>Obligation Under Interest Rate Swap</u>	<u>-</u>	<u>-</u>	<u>948,438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>948,438</u>
<u>Net Assets:</u>							
Without donor restrictions	70,004,509	10,072,385	45,296,526	(544,040)	-	(11,245,001)	113,584,379
With donor restrictions:							
Time and purpose restrictions	647,937	-	-	-	-	-	647,937
Perpetual in nature	772,840	-	-	-	-	-	772,840
Total Net Assets	<u>71,425,286</u>	<u>10,072,385</u>	<u>45,296,526</u>	<u>(544,040)</u>	<u>-</u>	<u>(11,245,001)</u>	<u>115,005,156</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 83,207,164</u>	<u>\$ 14,177,116</u>	<u>\$ 126,959,066</u>	<u>\$ 1,028,367</u>	<u>\$ -</u>	<u>\$ (21,721,218)</u>	<u>\$ 203,650,495</u>

COMMUNITY HOUSINGWORKS
SUPPLEMENTARY CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

	Community HousingWorks	Partnership and Limited Liability Companies	Esperanza Housing and Community Development Corporation	Escondido Family Housing Corporation	Community Housing Solutions	Eliminations	Consolidated
<u>Current Assets:</u>							
Cash and cash equivalents	\$ 16,024,875	\$ 21,323	\$ 1,494,842	\$ 77,314	\$ 198,512	\$ -	\$ 17,816,866
Security deposits	7,000	-	458,122	11,112	60,841	-	537,075
Grants and contracts receivable	52,978	-	-	-	-	-	52,978
Contributions receivable, net	87,555	-	-	-	-	-	87,555
Accounts receivable - related parties	6,241,063	-	-	-	-	-	6,241,063
Accounts receivable - other, net	293,030	-	17,187	1	6,316	-	316,534
Intercompany accounts receivable	7,414,711	-	-	-	13,183	(7,427,894)	-
Prepaid expenses	83,455	900	370,161	1,217	13,668	-	469,401
Property held for sale	-	1,596,897	-	-	-	-	1,596,897
Total Current Assets	<u>30,204,667</u>	<u>1,619,120</u>	<u>2,340,312</u>	<u>89,644</u>	<u>292,520</u>	<u>(7,427,894)</u>	<u>27,118,369</u>
<u>Noncurrent Assets:</u>							
Contributions receivable, net	735	-	-	-	-	-	735
Restricted reserves	-	-	5,364,007	404,091	190,474	-	5,958,572
Loans receivable, net	589,710	-	-	-	-	-	589,710
Intercompany notes receivable	2,141,372	-	-	-	-	(2,141,372)	-
Notes receivable - related parties, net	17,765,846	8,251,620	13,162,237	-	-	-	39,179,703
Interest receivable	769,125	385,202	606,953	-	-	-	1,761,280
Property and equipment, net	1,043,190	3,421,076	76,718,637	543,097	5,805,218	-	87,531,218
Investments in limited partnerships	21,126,653	1,208,363	192,251	(1,386)	-	(11,230,828)	11,295,053
Deposits	99,650	-	66,607	1,000	12,182	-	179,439
Other assets, net	-	-	34,727	-	-	-	34,727
Total Noncurrent Assets	<u>43,536,281</u>	<u>13,266,261</u>	<u>96,145,419</u>	<u>946,802</u>	<u>6,007,874</u>	<u>(13,372,200)</u>	<u>146,530,437</u>
TOTAL ASSETS	<u>\$ 73,740,948</u>	<u>\$ 14,885,381</u>	<u>\$ 98,485,731</u>	<u>\$ 1,036,446</u>	<u>\$ 6,300,394</u>	<u>\$ (20,800,094)</u>	<u>\$ 173,648,806</u>

COMMUNITY HOUSINGWORKS
SUPPLEMENTARY CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2018

	Community HousingWorks	Partnership and Limited Liability Companies	Esperanza Housing and Community Development Corporation	Escondido Family Housing Corporation	Community Housing Solutions	Eliminations	Consolidated
<u>Current Liabilities:</u>							
Accounts payable and accrued expenses	\$ 1,480,195	\$ 83,058	\$ 907,706	\$ 3,655	\$ 39,921	\$ -	\$ 2,514,535
Security deposits	7,000	-	460,725	11,112	60,841	-	539,678
Intercompany payables	-	3,362,461	3,881,558	28,422	155,453	(7,427,894)	-
Deferred revenue	46,953	-	54,923	2,863	2,012	-	106,751
Current portion of noncurrent liabilities	30,468	822,500	31,267,830	-	7,076,817	-	39,197,615
Total Current Liabilities	<u>1,564,616</u>	<u>4,268,019</u>	<u>36,572,742</u>	<u>46,052</u>	<u>7,335,044</u>	<u>(7,427,894)</u>	<u>42,358,579</u>
<u>Noncurrent Liabilities:</u>							
Deferred revenue	247,208	-	-	-	-	-	247,208
Intercompany notes payable	-	-	996,131	-	1,145,241	(2,141,372)	-
Notes payable - amortized debt, net	5,180,468	1,572,500	50,895,151	-	-	-	57,648,119
Bonds payable, net	-	-	-	-	7,076,817	-	7,076,817
Notes payable - residual receipts debt, net	1,322,355	-	19,757,693	996,463	4,044,807	-	26,121,318
Interest payable - residual receipts debt	181,076	-	9,616,672	512,373	2,268,169	-	12,578,290
Less: Current portion	(30,468)	(822,500)	(31,267,830)	-	(7,076,817)	-	(39,197,615)
Total Noncurrent Liabilities	<u>6,900,639</u>	<u>750,000</u>	<u>49,997,817</u>	<u>1,508,836</u>	<u>7,458,217</u>	<u>(2,141,372)</u>	<u>64,474,137</u>
Total Liabilities	<u>8,465,255</u>	<u>5,018,019</u>	<u>86,570,559</u>	<u>1,554,888</u>	<u>14,793,261</u>	<u>(9,569,266)</u>	<u>106,832,716</u>
<u>Net Assets:</u>							
Without donor restrictions	63,624,516	9,867,362	11,915,172	(518,442)	(8,492,867)	(11,230,828)	65,164,913
With donor restrictions:							
Time and purpose restrictions	547,120	-	-	-	-	-	547,120
Perpetual in nature	1,104,057	-	-	-	-	-	1,104,057
Total Net Assets	<u>65,275,693</u>	<u>9,867,362</u>	<u>11,915,172</u>	<u>(518,442)</u>	<u>(8,492,867)</u>	<u>(11,230,828)</u>	<u>66,816,090</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 73,740,948</u>	<u>\$ 14,885,381</u>	<u>\$ 98,485,731</u>	<u>\$ 1,036,446</u>	<u>\$ 6,300,394</u>	<u>\$ (20,800,094)</u>	<u>\$ 173,648,806</u>

COMMUNITY HOUSINGWORKS
SUPPLEMENTARY CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Community HousingWorks	Partnership and Limited Liability Companies	Esperanza Housing and Community Development Corporation	Escondido Family Housing Corporation	Community Housing Solutions	Eliminations	Consolidated
Net Assets Without Donor Restrictions:							
<u>Support and Revenues:</u>							
Contributions	\$ 3,401,358	\$ -	\$ -	\$ -	\$ -	\$ (2,921,823)	\$ 479,535
Developer fees	6,380,154	-	-	-	-	-	6,380,154
Grants and contracts	880,406	-	-	-	10,515	-	890,921
Loan interest and investment income	1,410,586	195,192	516,748	11,403	2,795	(13,008)	2,123,716
Management fees	1,350,338	31,833	-	-	-	(414,771)	967,400
Other income	60,728	-	421,765	2,767	27,604	-	512,864
Program income	1,588,400	-	-	-	-	(507,610)	1,080,790
Rental income	-	-	12,027,422	147,264	575,780	-	12,750,466
Net assets released from restrictions	840,176	-	-	-	-	-	840,176
Total Support and Revenues	<u>15,912,146</u>	<u>227,025</u>	<u>12,965,935</u>	<u>161,434</u>	<u>616,694</u>	<u>(3,857,212)</u>	<u>26,026,022</u>
<u>Expenses:</u>							
Program Services:							
Asset management	1,250,894	-	-	-	-	-	1,250,894
Community programs	2,971,903	-	-	-	-	-	2,971,903
Real estate development	3,375,973	-	-	-	-	-	3,375,973
Rental real estate	-	3,888	17,394,223	186,144	1,943,809	(3,857,212)	15,670,852
Special needs housing programs	349,419	-	-	-	-	-	349,419
Total Program Services	<u>7,948,189</u>	<u>3,888</u>	<u>17,394,223</u>	<u>186,144</u>	<u>1,943,809</u>	<u>(3,857,212)</u>	<u>23,619,041</u>
Supporting Services:							
Management and general	1,252,392	-	2,500	-	-	-	1,254,892
Fundraising	559,149	-	-	-	-	-	559,149
Total Supporting Services	<u>1,811,541</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,814,041</u>
Total Expenses	<u>9,759,730</u>	<u>3,888</u>	<u>17,396,723</u>	<u>186,144</u>	<u>1,943,809</u>	<u>(3,857,212)</u>	<u>25,433,082</u>
Change in Net Assets Without Donor Restrictions Before Other Revenue and (Expenses)	<u>6,152,416</u>	<u>223,137</u>	<u>(4,430,788)</u>	<u>(24,710)</u>	<u>(1,327,115)</u>	<u>-</u>	<u>592,940</u>

COMMUNITY HOUSINGWORKS
SUPPLEMENTARY CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

	Community HousingWorks	Partnership and Limited Liability Companies	Esperanza Housing and Community Development Corporation	Escondido Family Housing Corporation	Community Housing Solutions	Eliminations	Consolidated
<u>Other Revenue and (Expenses):</u>							
Gain on sale of property and equipment	\$ -	\$ 3,603	\$ 34,220,947	\$ -	\$ 9,819,982	\$ -	\$ 44,044,532
Loan forgiveness and recovery	127,769	-	-	-	-	-	127,769
Obligation under interest rate swap change	-	-	89,700	-	-	-	89,700
Partnership income (loss)	99,808	(21,857)	(210)	(704)	-	(15,409)	61,628
Total Other Revenue and (Expenses)	<u>227,577</u>	<u>(18,254)</u>	<u>34,310,437</u>	<u>(704)</u>	<u>9,819,982</u>	<u>(15,409)</u>	<u>44,323,629</u>
Change in Net Assets Without Donor Restrictions	<u>6,379,993</u>	<u>204,883</u>	<u>29,879,649</u>	<u>(25,414)</u>	<u>8,492,867</u>	<u>(15,409)</u>	<u>44,916,569</u>
<u>Net Assets With Donor Restrictions:</u>							
Contributions	459,015	-	-	-	-	-	459,015
Grants and contracts	150,000	-	-	-	-	-	150,000
Interest income	761	-	-	-	-	-	761
Net assets released from restrictions	<u>(840,176)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(840,176)</u>
Change in Net Assets With Donor Restrictions	<u>(230,400)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(230,400)</u>
Change in Net Assets	6,149,593	204,883	29,879,649	(25,414)	8,492,867	(15,409)	44,686,169
Net Assets at Beginning of Year	65,275,693	9,867,362	11,915,172	(518,442)	(8,492,867)	(11,230,828)	66,816,090
Acquisition of Partnership Interest	-	-	3,502,897	-	-	-	3,502,897
Contributions/(Distributions), net	<u>-</u>	<u>140</u>	<u>(1,192)</u>	<u>(184)</u>	<u>-</u>	<u>1,236</u>	<u>-</u>
NET ASSETS AT END OF YEAR	<u>\$ 71,425,286</u>	<u>\$ 10,072,385</u>	<u>\$ 45,296,526</u>	<u>\$ (544,040)</u>	<u>\$ -</u>	<u>\$ (11,245,001)</u>	<u>\$ 115,005,156</u>

COMMUNITY HOUSINGWORKS
SUPPLEMENTARY CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Community HousingWorks	Partnership and Limited Liability Companies	Esperanza Housing and Community Development Corporation	Escondido Family Housing Corporation	Community Housing Solutions	Eliminations	Consolidated
<u>Net Assets Without Donor Restrictions:</u>							
<u>Support and Revenues:</u>							
Contributions	\$ 975,822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 975,822
Developer fees	6,473,400	-	-	-	-	-	6,473,400
Grants and contracts	961,834	-	-	-	33,552	-	995,386
Loan interest and investment income	834,048	190,878	419,417	2,564	441	(22,101)	1,425,247
Management fees	1,044,101	-	-	-	-	(324,650)	719,451
Other income	44,107	624	131,982	3,809	68,657	-	249,179
Program income	1,501,121	-	1,836	-	-	(350,948)	1,152,009
Rental income	-	-	8,573,152	137,322	1,192,185	-	9,902,659
Net assets released from restrictions	742,433	-	-	-	-	-	742,433
Total Support and Revenues	<u>12,576,866</u>	<u>191,502</u>	<u>9,126,387</u>	<u>143,695</u>	<u>1,294,835</u>	<u>(697,699)</u>	<u>22,635,586</u>
<u>Expenses:</u>							
<u>Program Services:</u>							
Asset management	1,080,068	-	-	-	-	-	1,080,068
Community programs	2,394,479	-	-	-	-	-	2,394,479
Real estate development	2,836,814	-	-	-	-	-	2,836,814
Rental real estate	-	1,193	11,803,031	213,303	1,333,368	(697,699)	12,653,196
Special needs housing programs	352,806	-	-	-	-	-	352,806
Total Program Services	<u>6,664,167</u>	<u>1,193</u>	<u>11,803,031</u>	<u>213,303</u>	<u>1,333,368</u>	<u>(697,699)</u>	<u>19,317,363</u>
<u>Supporting Services:</u>							
Management and general	1,223,260	-	-	-	-	-	1,223,260
Fundraising	441,405	-	-	-	-	-	441,405
Total Supporting Services	<u>1,664,665</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,664,665</u>
Total Expenses	<u>8,328,832</u>	<u>1,193</u>	<u>11,803,031</u>	<u>213,303</u>	<u>1,333,368</u>	<u>(697,699)</u>	<u>20,982,028</u>
Change in Net Assets Without Donor Restrictions Before Other Revenue and (Expenses)	<u>4,248,034</u>	<u>190,309</u>	<u>(2,676,644)</u>	<u>(69,608)</u>	<u>(38,533)</u>	<u>-</u>	<u>1,653,558</u>

COMMUNITY HOUSINGWORKS
SUPPLEMENTARY CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Community HousingWorks	Partnership and Limited Liability Companies	Esperanza Housing and Community Development Corporation	Escondido Family Housing Corporation	Community Housing Solutions	Eliminations	Consolidated
<u>Other Revenue and (Expenses):</u>							
Contribution of equipment	\$ -	\$ -	\$ 2,910,000	\$ -	\$ -	\$ -	\$ 2,910,000
Grant for capital contribution	4,550,000	-	-	-	-	-	4,550,000
Loan forgiveness and recovery	262,331	-	-	-	-	-	262,331
Partnership loss	(233,272)	(930)	(696)	(490)	-	(205,301)	(440,689)
Total Other Revenue and (Expenses)	<u>4,579,059</u>	<u>(930)</u>	<u>2,909,304</u>	<u>(490)</u>	<u>-</u>	<u>(205,301)</u>	<u>7,281,642</u>
Change in Net Assets Without Donor Restrictions	<u>8,827,093</u>	<u>189,379</u>	<u>232,660</u>	<u>(70,098)</u>	<u>(38,533)</u>	<u>(205,301)</u>	<u>8,935,200</u>
<u>Net Assets With Donor Restrictions:</u>							
Contributions	12,495	-	-	-	-	-	12,495
Grants and contracts	420,000	-	-	-	-	-	420,000
Interest income	1,543	-	-	-	-	-	1,543
Net assets released from restrictions	<u>(742,433)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(742,433)</u>
Change in Net Assets With Donor Restrictions	<u>(308,395)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(308,395)</u>
Change in Net Assets	8,518,698	189,379	232,660	(70,098)	(38,533)	(205,301)	8,626,805
Net Assets at Beginning of Year	56,756,995	9,777,883	12,163,938	(448,344)	(8,454,334)	(11,074,044)	58,722,094
Acquisition of Partnership Interest	-	-	(481,426)	-	-	(51,383)	(532,809)
Contributions/(Distributions), net	<u>-</u>	<u>(99,900)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,900</u>	<u>-</u>
NET ASSETS AT END OF YEAR	<u>\$ 65,275,693</u>	<u>\$ 9,867,362</u>	<u>\$ 11,915,172</u>	<u>\$ (518,442)</u>	<u>\$ (8,492,867)</u>	<u>\$ (11,230,828)</u>	<u>\$ 66,816,090</u>

**COMMUNITY HOUSINGWORKS
SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES -
COMMUNITY HOUSINGWORKS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Program Services				Supporting Services		
	Community Programs	Special Needs Housing Programs	Real Estate Development	Asset Management	Management and General	Fundraising	Total Expenses
<u>Personnel Expenses:</u>							
Salaries and wages	\$ 1,667,141	\$ 27,800	\$ 2,278,488	\$ 760,462	\$ 666,620	\$ 290,460	\$ 5,690,971
Payroll taxes	127,867	2,351	166,974	61,927	45,781	25,295	430,195
Health insurance and other benefits	243,748	4,531	233,057	96,085	84,205	37,219	698,845
Temporary/contract personnel	30,333	3,941	41,487	22,758	77,959	29,132	205,610
Total Personnel Expenses	<u>2,069,089</u>	<u>38,623</u>	<u>2,720,006</u>	<u>941,232</u>	<u>874,565</u>	<u>382,106</u>	<u>7,025,621</u>
<u>Occupancy:</u>							
Office rent	133,912	21,917	268,204	92,149	86,396	29,538	632,116
Telephone/Internet	14,133	2,119	26,560	8,890	8,870	5,376	65,948
Total Occupancy	<u>148,045</u>	<u>24,036</u>	<u>294,764</u>	<u>101,039</u>	<u>95,266</u>	<u>34,914</u>	<u>698,064</u>
<u>Insurance</u>	<u>(4,980)</u>	<u>(878)</u>	<u>(14,898)</u>	<u>(10,756)</u>	<u>(49,616)</u>	<u>(10,672)</u>	<u>(91,800)</u>
<u>Supplies and Other Administrative Costs</u>	<u>177,819</u>	<u>12,210</u>	<u>216,327</u>	<u>70,732</u>	<u>131,674</u>	<u>61,245</u>	<u>670,007</u>
<u>Travel</u>	<u>69,717</u>	<u>555</u>	<u>20,085</u>	<u>18,872</u>	<u>6,852</u>	<u>4,298</u>	<u>120,379</u>
<u>Professional Fees:</u>							
Other professional services	172,852	40,227	47,625	92,758	77,212	37,102	467,776
Accounting (Audit)	11,560	1,485	11,592	3,975	3,838	2,359	34,809
Total Professional Fees	<u>184,412</u>	<u>41,712</u>	<u>59,217</u>	<u>96,733</u>	<u>81,050</u>	<u>39,461</u>	<u>502,585</u>
<u>Program/Project Expenses:</u>							
Program/Project related expenses	285,884	91,489	3,675	2,016	5,236	20,944	409,244
Property operation cost	-	112,170	-	-	-	-	112,170
Total Program/Project Expenses	<u>285,884</u>	<u>203,659</u>	<u>3,675</u>	<u>2,016</u>	<u>5,236</u>	<u>20,944</u>	<u>521,414</u>
<u>Other Expenses:</u>							
Interest	22,730	12,084	31,087	17,053	59,059	14,765	156,778
Depreciation	13,445	16,738	18,388	10,087	34,934	8,733	102,325
Contributions to others	5,742	680	8,477	3,886	13,372	3,355	35,512
Property loss	-	-	18,845	-	-	-	18,845
Total Other Expenses	<u>41,917</u>	<u>29,502</u>	<u>76,797</u>	<u>31,026</u>	<u>107,365</u>	<u>26,853</u>	<u>313,460</u>
TOTAL EXPENSES	<u>\$ 2,971,903</u>	<u>\$ 349,419</u>	<u>\$ 3,375,973</u>	<u>\$ 1,250,894</u>	<u>\$ 1,252,392</u>	<u>\$ 559,149</u>	<u>\$ 9,759,730</u>

**COMMUNITY HOUSINGWORKS
SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES -
COMMUNITY HOUSINGWORKS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Program Services				Supporting Services		
	Community Programs	Special Needs Housing Programs	Real Estate Development	Asset Management	Management and General	Fundraising	Total Expenses
<u>Personnel Expenses:</u>							
Salaries and wages	\$ 1,324,821	\$ 38,945	\$ 1,890,683	\$ 574,704	\$ 594,678	\$ 160,249	\$ 4,584,080
Payroll taxes	123,003	3,442	150,794	50,052	48,919	14,582	390,792
Health insurance and other benefits	177,826	3,750	197,983	68,942	73,789	21,966	544,256
Temporary/contract personnel	12,082	191	1,084	690	4,522	8,259	26,828
Total Personnel Expenses	<u>1,637,732</u>	<u>46,328</u>	<u>2,240,544</u>	<u>694,388</u>	<u>721,908</u>	<u>205,056</u>	<u>5,545,956</u>
<u>Occupancy:</u>							
Office rent	107,158	14,358	178,028	69,101	127,821	54,710	551,176
Telephone/Internet	13,860	1,661	18,719	6,524	8,277	4,776	53,817
Leasehold improvements	99	13	183	67	83	49	494
Total Occupancy	<u>121,117</u>	<u>16,032</u>	<u>196,930</u>	<u>75,692</u>	<u>136,181</u>	<u>59,535</u>	<u>605,487</u>
<u>Insurance</u>	<u>6,000</u>	<u>1,144</u>	<u>6,553</u>	<u>998</u>	<u>(17,011)</u>	<u>(1,321)</u>	<u>(3,637)</u>
<u>Supplies and Other Administrative Costs</u>	<u>169,843</u>	<u>13,084</u>	<u>207,706</u>	<u>56,763</u>	<u>119,446</u>	<u>63,638</u>	<u>630,480</u>
<u>Travel</u>	<u>44,760</u>	<u>642</u>	<u>19,398</u>	<u>29,455</u>	<u>7,139</u>	<u>3,061</u>	<u>104,455</u>
<u>Professional Fees:</u>							
Other professional services	145,690	32,346	92,260	195,676	115,926	54,564	636,462
Equipment/computer services	753	102	682	251	310	183	2,281
Accounting (Audit)	9,919	1,342	10,930	3,348	4,903	2,518	32,960
Total Professional Fees	<u>156,362</u>	<u>33,790</u>	<u>103,872</u>	<u>199,275</u>	<u>121,139</u>	<u>57,265</u>	<u>671,703</u>
<u>Program/Project Expenses:</u>							
Program/Project related expenses	214,311	121,742	1,544	2,557	5,977	28,382	374,513
Property operation cost	-	83,617	-	-	-	-	83,617
Total Program/Project Expenses	<u>214,311</u>	<u>205,359</u>	<u>1,544</u>	<u>2,557</u>	<u>5,977</u>	<u>28,382</u>	<u>458,130</u>
<u>Other Expenses:</u>							
Interest	22,787	12,135	17,066	10,864	67,153	13,431	143,436
Depreciation	11,025	22,934	8,257	5,256	32,490	6,498	86,460
Contributions to others	10,542	1,358	9,392	4,820	28,838	5,860	60,810
Property loss	-	-	25,552	-	-	-	25,552
Total Other Expenses	<u>44,354</u>	<u>36,427</u>	<u>60,267</u>	<u>20,940</u>	<u>128,481</u>	<u>25,789</u>	<u>316,258</u>
TOTAL EXPENSES	<u>\$ 2,394,479</u>	<u>\$ 352,806</u>	<u>\$ 2,836,814</u>	<u>\$ 1,080,068</u>	<u>\$ 1,223,260</u>	<u>\$ 441,405</u>	<u>\$ 8,328,832</u>

COMMUNITY HOUSINGWORKS
SUPPLEMENTARY SCHEDULES OF FUNCTIONAL EXPENSES -
PARTNERSHIP AND LIMITED LIABILITY COMPANIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
	Parks at Fig Garden	Parks at Fig Garden
Administrative	\$ 2,688	\$ 365
Taxes and insurance	<u>1,200</u>	<u>828</u>
TOTAL EXPENSES	\$ <u>3,888</u>	\$ <u>1,193</u>

COMMUNITY HOUSINGWORKS
SUPPLEMENTARY SCHEDULES OF FUNCTIONAL EXPENSES -
ESPERANZA HOUSING AND COMMUNITY DEVELOPMENT CORPORATION
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Program Services - 2019																
	Bandar Salaam Apartments	Daybreak Grove Apartments	Esperanza Housing	Eucalyptus View	Haley Ranch Estates	Hillside Village Apartments	La Costa Paloma Apartments	Marisol Apartments	Old Grove Apartments	Orange Place Apartments	Parkside Terrace Apartments	Parkview Terrace	Sun Ridge Apartments	Ulric Apartments	Winsor Gardens	Total 2019
Administrative	\$ 132,157	\$ 38,893	\$ -	\$ 95,967	\$ 169,657	\$ 161,123	\$ 420,436	\$ 99,935	\$ 120,717	\$ 72,890	\$ 364,176	\$ 229,544	\$ 2,500	\$ 69,108	\$ 56,302	\$ 2,033,405
Amortization	-	-	-	-	1,000	-	-	-	-	-	-	553	-	-	-	1,553
Depreciation	215,348	64,951	415,714	118,727	236,131	381,023	691,762	31,649	249,303	152,688	861,682	276,560	-	-	119,333	3,814,871
Grant to Community HousingWorks	-	-	1,797,400	-	-	-	-	-	-	-	-	-	-	-	-	1,797,400
Marketing and leasing	287	-	-	24	630	762	4,328	354	-	269	4,347	763	-	50	2,179	13,993
Mortgage interest - amortized debt	60,071	3,774	-	-	-	88,203	678,811	-	41,259	18,192	1,671,209	97,460	-	574,832	-	3,233,811
Mortgage interest - residual receipts debt	64,388	40,514	-	21,560	-	117,912	-	20,193	122,407	34,905	982,719	203,941	-	-	90,272	1,698,811
Operating and maintenance	245,695	92,772	-	65,564	209,253	182,357	552,245	48,546	121,632	137,258	337,056	214,905	-	289,475	72,307	2,569,065
Partnership management fee	34,050	29,240	-	8,514	53,314	30,870	60,000	19,161	76,747	23,700	-	62,728	-	-	-	398,324
Taxes, insurance and other financial	52,409	13,976	160	26,613	83,109	68,791	171,141	15,474	60,208	31,351	104,369	75,920	3,236	126,649	7,407	840,813
Utilities	118,130	22,247	-	39,333	16,598	82,495	163,453	20,662	59,958	40,063	271,646	73,313	-	39,354	44,925	992,177
TOTAL EXPENSES	\$ 922,535	\$ 306,367	\$ 2,213,274	\$ 376,302	\$ 769,692	\$ 1,113,536	\$ 2,742,176	\$ 255,974	\$ 852,231	\$ 511,316	\$ 4,597,204	\$ 1,235,687	\$ 5,736	\$ 1,099,468	\$ 392,725	\$ 17,394,223

Program Services - 2018																
	Bandar Salaam Apartments	Daybreak Grove Apartments	Esperanza Housing	Eucalyptus View	Haley Ranch Estates	Hillside Village Apartments	La Costa Paloma Apartments	Marisol Apartments	Old Grove Apartments	Orange Place Apartments	Parkside Terrace Apartments	Parkview Terrace	Sun Ridge Apartments	Ulric Apartments	Windsor Gardens	Total 2018
Administrative	\$ 148,491	\$ 34,335	\$ -	\$ 93,663	\$ 199,714	\$ 178,839	\$ -	\$ 109,627	\$ 107,367	\$ 51,066	\$ 339,561	\$ 224,658	\$ 188	\$ 42,718	\$ -	\$ 1,530,227
Amortization	-	-	-	-	1,000	-	-	-	-	-	-	382	-	-	-	1,382
Depreciation	213,892	64,949	-	117,764	238,024	399,195	-	32,015	249,026	154,216	899,146	276,717	-	-	-	2,644,944
Marketing and leasing	1,663	-	-	108	1,619	1,265	-	576	-	333	1,720	559	-	210	-	8,053
Mortgage interest - amortized debt	62,646	4,321	-	-	-	91,338	-	-	47,285	19,893	1,710,775	102,213	-	350,396	-	2,388,867
Mortgage interest - residual receipts debt	63,000	40,515	-	21,560	-	117,912	-	20,212	122,250	34,906	856,310	203,940	-	-	-	1,480,605
Operating and maintenance	280,551	64,885	-	45,815	260,512	210,826	-	67,863	146,196	141,442	316,147	209,304	-	79,715	-	1,823,256
Partnership management fee	33,058	29,240	-	8,266	27,864	30,044	-	18,603	60,447	22,788	-	52,754	-	-	-	283,064
Taxes, insurance and other financial	49,401	15,727	-	24,646	75,839	78,379	-	15,053	63,124	28,407	246,074	72,031	1,420	120,380	-	790,481
Utilities	145,512	22,141	-	36,237	13,981	93,095	-	17,668	63,295	40,076	283,707	94,504	-	41,936	-	852,152
TOTAL EXPENSES	\$ 998,214	\$ 276,113	\$ -	\$ 348,059	\$ 818,553	\$ 1,200,893	\$ -	\$ 281,617	\$ 858,990	\$ 493,127	\$ 4,653,440	\$ 1,237,062	\$ 1,608	\$ 635,355	\$ -	\$ 11,803,031

**COMMUNITY HOUSINGWORKS
SUPPLEMENTARY SCHEDULES OF FUNCTIONAL EXPENSES -
ESCONDIDO FAMILY HOUSING CORPORATION
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
	Esperanza Garden Apartments	Esperanza Garden Apartments
Administrative	\$ 24,915	\$ 24,303
Depreciation	37,871	53,631
Mortgage interest - residual receipts debt	30,270	30,270
Operating and maintenance	44,483	55,049
Partnership management fee	28,747	28,422
Taxes and insurance	7,686	9,625
Utilities	12,172	12,003
TOTAL EXPENSES	\$ 186,144	\$ 213,303

**COMMUNITY HOUSINGWORKS
SUPPLEMENTARY SCHEDULES OF FUNCTIONAL EXPENSES -
COMMUNITY HOUSING SOLUTIONS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
	Pine View Apartments	Pine View Apartments
Administrative	\$ 163,388	\$ 296,573
Depreciation	82,384	173,268
Interest on bonds payable - amortized debt	43,175	91,541
Interest on notes payable - residual receipts debt	148,846	200,841
Grant to Community HousingWorks	1,124,423	-
Letter of credit fees	25,288	50,913
Marketing and leasing	2,014	680
Miscellaneous financial expenses	24,665	22,622
Operating and maintenance	220,990	285,885
Taxes and insurance	43,827	75,734
Utilities	64,809	135,311
TOTAL EXPENSES	\$ 1,943,809	\$ 1,333,368

**COMMUNITY HOUSINGWORKS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Federal Grants/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Agency or Pass-Through Number	Federal Revenues Recognized	Passed Through to Subrecipient	Federal Expenditures	Total Federal Expenditures
U.S. Department of Housing and Urban Development:						
Direct Program:						
Continuum of Care Program	14.267	CA1025L9D011703 / CA1025L9D011804	\$ 56,611	\$ -	\$ 56,611	\$ 56,611
Total Direct Program			<u>56,611</u>	<u>-</u>	<u>56,611</u>	<u>56,611</u>
Pass-Through Programs From:						
Supportive Housing Program:	14.235	N/A				
County of San Diego Department of Community Development (Loan)			<u>98,000</u>	<u>-</u>	<u>98,000</u>	<u>98,000</u>
HOME Investment Partnerships Program:	14.239	N/A				
City of Escondido (Loan)			<u>182,355</u>	<u>-</u>	<u>182,355</u>	<u>182,355</u>
Section 4 Capacity Building for Community Development and Affordable Housing:	14.252					
Enterprise Community Partners		17SG0678	<u>10,331</u>	<u>-</u>	<u>10,331</u>	<u>10,331</u>
Continuum of Care Program:	14.267					
County of San Diego Department of Community Development		CA0709L9D011710 / CA0703L9D011811 /	<u>130,984</u>	<u>-</u>	<u>130,984</u>	<u>130,984</u>
Total Pass-Through Programs			<u>421,670</u>	<u>-</u>	<u>421,670</u>	<u>421,670</u>
Total U.S. Department of Housing and Urban Development			<u>478,281</u>	<u>-</u>	<u>478,281</u>	<u>478,281</u>
Neighborhood Reinvestment Corporation:						
Direct Programs:						
Capital Grant		N/A	772,840	-	772,840	772,840
Expendable Grant		N/A	884,480	-	734,480	734,480
Total Direct Programs			<u>1,657,320</u>	<u>-</u>	<u>1,507,320</u>	<u>1,507,320</u>
Total Neighborhood Reinvestment Corporation			<u>1,657,320</u>	<u>-</u>	<u>1,507,320</u>	<u>1,507,320</u>
Total Expenditures of Federal Awards			<u>\$ 2,135,601</u>	<u>\$ -</u>	<u>\$ 1,985,601</u>	<u>\$ 1,985,601</u>

COMMUNITY HOUSINGWORKS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Community HousingWorks under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Community HousingWorks, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Community HousingWorks.

Note 2 - Summary of Significant Accounting Policies:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations* or the cost principles contained in Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement

Community HousingWorks has elected not to use the 10-percent de minimus indirect cost rate as allowed under Uniform Guidance.

Note 3 - Loan Programs:

The following is the activity of the loans payable for the year ended December 31, 2019:

CFDA Number	Program Name	Loans Outstanding at December 31, 2018	Loans Awarded for the Year Ended December 31, 2019	Loan Principal Repaid for the Year Ended December 31, 2019	Loans Outstanding at December 31, 2019
14.235	Supportive Housing Program: County of San Diego Department of Community Development	\$ 98,000	\$ -	\$ 24,500	\$ 73,500
14.239	Home Investment Partnerships Program: City of Escondido	182,355	-	-	182,355
	Total Loans	<u>\$ 280,355</u>	<u>\$ -</u>	<u>\$ 24,500</u>	<u>\$ 255,855</u>



Leaf & Cole, LLP
Certified Public Accountants
A Partnership of Professional Corporations

**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

To the Board of Directors
Community HousingWorks

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Community HousingWorks, which comprise the consolidated statement of financial position as of December 31, 2019, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended and the related notes to the consolidated financial statements, and have issued our report thereon dated May 20, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Community HousingWorks' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community HousingWorks' internal control. Accordingly, we do not express an opinion on the effectiveness of Community HousingWorks' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community HousingWorks' consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Community HousingWorks' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community HousingWorks' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Leaf & Cole LLP

San Diego, California
May 20, 2020



Leaf & Cole, LLP
Certified Public Accountants
A Partnership of Professional Corporations

**Independent Auditor's Report on Compliance
for the Major Program and on Internal Control Over
Compliance Required by the Uniform Guidance**

To the Board of Directors
Community HousingWorks

Report on Compliance for the Major Federal Program

We have audited Community HousingWorks' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Community HousingWorks' major federal program for the year ended December 31, 2019. Community HousingWorks' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Community HousingWorks' major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community HousingWorks' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Community HousingWorks' compliance.

Opinion on the Major Federal Program

In our opinion, Community HousingWorks complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2019.

Report on Internal Control over Compliance

Management of Community HousingWorks is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Community HousingWorks' internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community HousingWorks' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Leaf & Cole LLP

San Diego, California
May 20, 2020

**COMMUNITY HOUSINGWORKS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Section I - Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued on whether the consolidated financial statements audited were prepared in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

_____ Yes X No

Significant deficiencies identified?

_____ Yes X No

Noncompliance material to consolidated financial statements noted?

_____ Yes X No

Federal Awards

Type of auditor's report issued on compliance for the major program:

Unmodified

Internal control over major program:

Material weaknesses identified?

_____ Yes X No

Significant deficiencies identified?

_____ Yes X No

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of the major program:

CDFA Number

Name of Federal Program or Cluster

99.999

Neighborhood Reinvestment Corporation

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

X Yes _____ No

Section II - Financial Statement Findings:

None

Section III - Federal Award Findings and Questioned Costs:

None

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Prepared By:	California Housing Partnership Corporation
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SOURCES OF FUNDS - PERMANENT

	AMOUNT	TOTAL INTEREST COST	OID INTEREST RATE	AMORT (Yr)	COMMENTS				
Tax Exempt Perm Loan - A Tranche	3,052,000	3.520%		15.0	Term - 15 (yrs.)	Index - 10Y T -	1.670%	Spread - 185 bps	U/W Cushion - 0 bps
HCD - MHP	18,222,571	3.000%	1.903%	55.0					
San Diego Housing Commission	7,000,000	3.000%	1.788%	55.0					
Accrued Deferred Interest - San Diego	250,036								
County of SD - IHTF	7,000,000	3.000%	1.788%	55.0					
Accrued Deferred Interest - County of S	250,036								
Deferred Developer Fee	1,500,000				Capitalized Developer Fee		2,000,000		
Capital Contributions					Aggregate Equity Pricing:		0.92		
General Partner (Developer Fee)	1,308,097				Total LP capital includes release of bond collateral funded during construction				
General Partner (Other)	100				Synd Costs		170,467		
Limited Partners	14,840,940				Net Equity for TCAC		14,670,473		
							11,872,752		
TOTAL SOURCES	53,423,779								
Surplus/(Shortfall)	(0)								

PERMANENT LOAN INTEREST RATE	TRANCHE A	INVESTOR EQUITY STACK		OTHER ASSUMPTIONS	
Base Rate	3.520%	LIHTC Equity (Federal+State)	14,840,940	Current AFR:	1.90%
Cushion	0.000%	Historic Tax Credit	0	AFR Month:	1/1/17
MIP	0.000%	Investment Tax Credit (Solar PV	0	AFR Cushion:	0.00%
GNMA/Servicing	0.000%	Subtotal LP Equity	14,840,940	Total U/W AFR:	1.90%
Issuer	0.000%				
Trustee	0.000%				
Rating	0.000%	CA Certificated Credit Sale	0		
Remarketing	0.000%	Total Investor Equity	14,840,940		
Rebate Analyst	0.000%				
Total	3.520%				

SOURCES OF FUNDS - CONSTRUCTION

	AMOUNT	INTEREST RATE	TERM (Mos.)	COMMENTS	
Tax-Exempt Construction Loan	28,930,321	3.100%	24		
Taxable Construction Loan	4,980,705	3.100%	24		
San Diego Housing Commission	6,300,000	3.000%	24		
Accrued Deferred Interest - San Diego	250,036				
County of SD - IHTF	6,300,000	3.000%	24		
Accrued Deferred Interest - County of S	250,036				
Costs Deferred Until Conversion	1,944,393			See page 2 - right column	
Deferred Developer Fee	1,500,000				
Capital Contributions				LP Equity - Construction Period	
General Partner (Developer Fee)	0			LP Equity used for construction	2,968,188
General Partner (Other)	100			LP Equity used for bond collateral	0
Limited Partners*	2,968,188			Total Equity During Constr	2,968,188
					20.00%
TOTAL SOURCES	53,423,779			Syndication Costs	170,467
Surplus/(Shortfall)	0			Net Equity for TCAC	2,797,721
Sources Less Deferred To Conversion:	51,479,386			Less Costs Deferred to Conversion	50,455,591

CONSTRUCTION LOAN INTEREST RATE	CONSTRUCTION LOAN VALUATION	TAX-EXEMPT BOND DATA
Index Type: LIBOR	Restricted NOI 403,171	50% Test (see Page 7): 58.67%
Current Index: 1.00%	OAR 5.00%	Issuer Inducement: TBD
Spread: 1.85%	Perm Loan Amount 8,063,420	CDLAC Allocation: 28,930,321
Base Interest Rate (not including cushi	Credit Value 0.92 14,840,940	Percent of CDLAC Allocation Use 100.00%
Cushion - Private Placement / Convent	Perm-Only Soft Debt 19,622,571	Const-only portion: 25,878,321
Interest Rate (All-In) 3.10%	Total Value 42,526,931	
	LTV: 85.00%	CDLAC Limit 43,120,000
	Max. Const. Loan Amount 36,147,891	CDLAC Limit 60% 29,584,275
	Commitment Amount TBD	

Developer Fee Calculation

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DEVELOPER FEE CALCULATION			
	CONST.	ACQ.	TOTAL
Fee per Base TCAC Formula	5,342,330	0	5,342,330
Percent of Total	100.00%	0.00%	100.00%
Max. Allowable Fee per TCAC (prorated)	5,342,330	0	5,342,330
Less: Development Consulting	0		0
Net Allowable	5,342,330	0	5,342,330
Less: Owner Reduction	0	0	0
Net Allowable	5,342,330	0	5,342,330
Maximum Base Developer Fee per TCAC			5,342,330
Maximum Developer Fee per CDLAC			4,808,097
Maximum Developer Fee per Local			N/A
Maximum Developer Fee per Owner			N/A
Most Restrictive Maximum Developer Fee:			4,808,097
Maximum Cash Fee per TCAC (Lesser of Calc. or Reservation Amount)			2,500,000
Maximum Cash Fee per HCD			2,487,320
Maximum Cash Fee per Local			2,000,000
Maximum Cash Fee per Owner			N/A
Most Restrictive Maximum Cash Fee:			2,000,000

DEVELOPER FEE PAYMENT SCHEDULE			
	Amount	% of Cash Fee	% of Total Fee
Construction Close	800,000	40.00%	16.64%
Interim Milestone 1	-	0.00%	0.00%
Interim Milestone 2	-	0.00%	0.00%
Interim Milestone 3	-	0.00%	0.00%
Completion	200,000	10.00%	4.16%
Conversion	900,000	45.00%	18.72%
Final LP Pay-in 1	-	0.00%	0.00%
Final LP Pay-in 2	100,000	5.00%	2.08%
Total: Cash Fee	2,000,000		
Plus: Deferred Developer Fee	1,500,000		31.20%
Plus: GP Capital	1,308,097		27.21%
Total Developer Fee	4,808,097		

Unit Mix & Rental Income

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AVERAGE AFFORDABILITY FOR LIHTC UNITS (% of Median)	37.47%
9% TCAC INCOME TARGETING POINTS:	50.00
RENT LIMITS AS OF YEAR:	2020

UTILITY ALLOWANCES	0BR	1BR	2BR	3BR	4BR	5BR
Ulric	52	62	82	105	-	-
	-	-	-	-	-	-

RESIDENTIAL INCOME

LIHTC - Tier 2 Ulric Rent / Income Per: TCAC 30% AMI										VASH 0					
Unit Type	Number	Unit Floor Area	Actual Rent TCAC AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent		# of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
0BR	12	375	29.97%	606	554	554	6,648	79,776		10	1,521	967	9,670	116,040	195,816
1BR	21	500	29.96%	649	587	587	12,327	147,924		0	1,679	1,092	0	0	147,924
2BR	11	800	30.00%	780	698	698	7,678	92,136		0	2,178	1,480	0	0	92,136
3BR	10	1,300	30.01%	901	795	796	7,960	95,520		0	3,146	2,350	0	0	95,520
TOTAL	54						34,613	415,356		10			9,670	116,040	531,396

LIHTC - Tier 3 Ulric Rent / Income Per: TCAC 40% AMI										NOT 0					
Unit Type	Number	Unit Floor Area	Actual Rent TCAC AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent		# of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
2BR	22	800	40.00%	1,040	959	958	21,076	252,912		0	0	0	0	0	252,912
TOTAL	22						21,076	252,912		0			0	0	252,912

LIHTC - Tier 4 Ulric Rent / Income Per: TCAC 50% AMI										NOT 0					
Unit Type	Number	Unit Floor Area	Actual Rent TCAC AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent		# of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
3BR	8	1,300	50.00%	1,501	1,396	1,396	11,168	134,016		0	0	0	0	0	134,016
TOTAL	8						11,168	134,016		0			0	0	134,016

LIHTC - Tier 5 Ulric Rent / Income Per: TCAC 60% AMI										NOT 0					
Unit Type	Number	Unit Floor Area	Actual Rent TCAC AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent		# of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
3BR	11	1,300	60.03%	1,802	1,697	1,697	18,667	224,004		0	0	0	0	0	224,004
TOTAL	11						18,667	224,004		0			0	0	224,004

Staff Units - Site 1 Ulric									
Unit Type	Number	Unit Floor Area	Actual Rent TCAC AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent	
1BR	1	500	0.00%	0	0	0	0	0	
TOTAL	1						0	0	

TOTAL RESIDENTIAL INCOME															
	Number	Total Monthly Net Rent	Total Annual Net Rent	Monthly VASH Income	Annual VASH Income	Monthly NA Income	Annual NA Income	Monthly Test C Income	Annual Test C Income	Monthly Test D Income	Annual Test D Income	Grand Total Income	Total Floor Area		
LIHTC	95	85,524	1,026,288	9,670	116,040	0	0	0	0	0	0	1,142,328	79,100		
Staff Units	1	0	0	0	0	0	0	0	0	0	0	0	500		
TOTAL	96	85,524	1,026,288	9,670	116,040	0	0	0	0	0	0	1,142,328	79,600		

MISCELLANEOUS INCOME			
	Per Unit Per Month	Monthly Total	Annual Total
Laundry / Vending	8.00	768	9,216
Other	0.00	0	0
Parking	0.00	0	0
TOTAL	8.00	768	9,216

SUBSIDIZED UNIT MIX SUMMARY							
Unit Type	Units With VASH	Units With NA	Units With Test C	Units With Test D	Units Without Subsidy	Total Units	
0BR	10	0	0	0	2	12	
1BR	0	0	0	0	22	22	
2BR	0	0	0	0	33	33	
3BR	0	0	0	0	29	29	
4BR	0	0	0	0	0	0	
5BR	0	0	0	0	0	0	
TOTAL	10	0	0	0	86	96	

Calculation of Tax Credits

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	FEDERAL			CALIFORNIA		
	ACQUISITION	CONST/ REHAB	TOTAL	ACQUISITION	CONST/ REHAB	TOTAL
TOTAL ELIGIBLE COSTS	0	40,423,627	40,423,627	0	0	0
Less:						
50% Energy Investment Tax Credit (Res. Portion)	0	0	0	0	0	0
Historic Tax Credit (Res. Portion)		0	0			
Non-Eligible Federal Financing	0	0	0			
Non-Eligible Grants	0	0	0			
Soft Loan Basis Deduction	0	0	0	0	0	0
Voluntary Reduction for Tie-Breaker	0	0	0	0	0	0
ELIGIBLE BASIS	0	40,423,627	40,423,627	0	0	0
Threshold Basis Limit			87,480,633			
TBL: Exclude GP Cap/DDF for 4%/State			0			
REQUESTED UNADJUSTED ELIGIBLE BASIS (For Tiebreaker)	0	40,423,627	40,423,627	0	0	0
HIGH COST ADJUSTMENT (Y or N) Y DDA 2018	100.0%	130.0%		100.0%	100.0%	
ADJUSTED ELIGIBLE BASIS	0	52,550,715	52,550,715	0	0	0
APPLICABLE FRACTION*	100.0%	100.0%		100.0%	100.0%	
QUALIFIED CREDIT BASIS	0	52,550,715	52,550,715	0	0	0
CREDIT RATE (TCAC UNDERWRITING) State - Total Federal Annual/Yr 1-3 State Year 4 - State	3.07%	3.07%		13.00% 3.07% 3.79%	13.00% 9.00% 3.00%	
MAX. POTENTIAL FEDERAL CREDIT (No Vol Basic Reduct/Actual Rate) Credit Rates Potential Credit Credit Rate Locked? YES Nov-16	3.07% 0	3.07% 1,613,307	1,613,307			
MAX. CREDIT AMOUNT PER TCAC UNDERWRITING Federal Annual/Yr 1State Yr 2 State Yr 3 State Yr 4 State Total	0	1,613,307	1,613,307	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0
MAXIMUM ALLOWABLE CREDITS (Lesser of above) Federal Annual/Total State	0	1,613,307	1,613,307			0
MAXIMUM ALLOWABLE - TEN YEAR TOTAL			16,133,070			0

Base Year Income & Expense

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INCOME		
Scheduled Gross Income - Residential		1,026,288
Scheduled Gross Income - Residential VASH		0
Total Gross Subsidy Income - VASH		116,040
Misc. Income		9,216
Vacancy Loss - Residential	5.0%	(51,775)
Vacancy Loss - VASH	7.0%	(8,123)
Vacancy Loss - Residential VASH	7.0%	0
EFFECTIVE GROSS INCOME		1,091,646
EXPENSES - RESIDENTIAL		
Administrative		
Advertising		0
Legal		2,400
Accounting/Audit		13,205
Security		0
Other: Misc. Admin		37,737
Total Administrative		53,342
Management Fee		55,296
Utilities		
Gas		43,812
Electricity		30,474
Water/Sewer		76,260
Total Utilities		150,546
Payroll/Payroll Taxes		
On-Site Manager/Office Admin		66,560
Maintenance Payroll		45,760
Payroll Taxes/Benefits		33,471
Total Payroll/Payroll Taxes		145,791
Insurance		52,500
Maintenance		
Painting		10,000
Repairs		21,000
Trash Removal		12,000
Exterminating		5,000
Grounds		16,200
Elevator		14,000
Fire Protection		11,725
Total Maintenance		89,925
Other		
Monitoring Fees		18,725
Total Other		18,725
Resident Services		
Tenant Services		61,750
Total Resident Services		61,750
Replacement Reserve		57,600
Real Estate Taxes		3,000
TOTAL EXPENSES - RESIDENTIAL		688,475
Per Unit Per Annum (incl. Reserves)	7,172	
Per Unit Per Annum (w/o taxes/res/svc/monitoring))	5,702	
TCAC Minimum (w/o taxes/res/svc)	5,400	
NET AVAILABLE INCOME		403,171
Less: Mandatory Annual HCD Payment (Grossed Up for DSCR Factor)	1.20	(76,535)
ADJUSTED NET AVAILABLE INCOME: TOTAL		326,636
ADJUSTED NET OF COMMERCIAL:		326,636
ADJUSTED NET AVAILABLE INCOME: NET OF OP SUBSIDY		218,719
Debt Service Coverage Ratio		1.20
AVAILABLE FOR DEBT SERVICE (NET OF OP SUBSIDY)		182,266
NET AVAILABLE INCOME AFTER SENIOR DEBT SERVICE		54,439

Mortgage Calculation/Bond Ratios

Version: v5.4 Closing

mjy4edeewdx

TRANCHE A

Uses baseline year NOI; includes annual fees				
Financing Type: Tax Exempt Perm Loan - A Tranche				
	Underwriting	Maximum		
	Constraint	Loan Amount		
Debt Service Coverage	1.20	3,052,214	Rate:	3.520%
Lender Commitment		NA	Term (mths):	180
			NOI for DS:	<u>326,636</u>
			Max PMT @ DSCR:	272,197
MAXIMUM MORTGAGE		3,052,214	Annual Fees:	<u>10,000</u>
			Annual DS Payment:	262,197

INTEREST RATE STACK	TRANCHE A	TRANCHE B	221(D)(4)	SELECTED
Base Rate	3.5200%	5.3800%	4.2500%	3.5200%
Cushion	0.0000%	0.0000%	0.7500%	0.0000%
MIP	0.0000%	0.0000%	0.4500%	0.0000%
GNMA/Servicing	0.0000%	0.0000%	0.2000%	0.0000%
Issuer	0.0000%	0.0000%	0.0000%	0.0000%
Trustee	0.0000%	0.0000%	0.0000%	0.0000%
Rating	0.0000%	0.0000%	0.0000%	0.0000%
Remarketing	0.0000%	0.0000%	0.0000%	0.0000%
Rebate Analyst	0.0000%	0.0000%	0.0000%	0.0000%
TOTAL	3.5200%	5.3800%	5.6500%	3.5200%
DCR	1.20	1.15	1.15	1.2

BOND / REHABILITATION RATIOS

Tax-Exempt Financing Ratio		CDLAC Allocation Limit		Effective Date Limits.		1/1/18
			Units	Per-Unit Limit	Total Limit	
		Studio and SRO	12	402,500	4,830,000	
		One BR	22	420,000	9,240,000	
Series A Bonds	3,052,000	Two BR	33	447,500	14,767,500	
Series B Bonds	0	Three BR	29	492,500	14,282,500	
Short Term Bonds (Construction Loan Portior	<u>25,878,321</u>	Four BR or More	0	517,500	0	
TOTAL TAX-EXEMPT FINANCING	28,930,321					
				TOTAL	43,120,000	
TOTAL BASIS + LAND ALLOCATION	49,307,125			Potential Bond Size	25,878,321	
Depreciable Basis (residential)	40,412,951					
Land	7,700,000					
Holding Costs	1,185,224					
Title/Recording/Escrow/Legal - Acquisition	8,950					
				Over/(Under)	-17,241,679	
Percent Tax-Exempt Financing	58.67%					

Lease-Up / Placed-in-Service Schedule

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SCHEDULE

Start of Construction	October 1, 2020
Completion	May 1, 2022
100% Occupancy	August 1, 2022
Conversion	December 1, 2022
Form(s) 8609	March 1, 2023

LIHTC SCHEDULE

SINGLE BUILDING / MULTIPLE BUILDINGS - GROUP A		
1st Tax Credit Year:		2022
Completed Lease Up by Month		
Month	No. Units	Percent
Jan-22	0	0.0%
Feb-22	0	0.0%
Mar-22	0	0.0%
Apr-22	0	0.0%
May-22	32	33.7%
Jun-22	32	33.7%
Jul-22	31	32.6%
Aug-22	0	0.0%
Sep-22	0	0.0%
Oct-22	0	0.0%
Nov-22	0	0.0%
Dec-22	0	0.0%
Total	95	100.0%
Total Avg % Qual. Occ.		58.4%

MULTIPLE BUILDINGS - GROUP B			
1st Tax Credit Year:		2023	
Month	No. Units	Percent	
Jan-23	0	0.0%	
Feb-23	0	0.0%	
Mar-23	0	0.0%	
Apr-23	0	0.0%	
May-23	0	0.0%	
Jun-23	0	0.0%	
Jul-23	0	0.0%	
Aug-23	0	0.0%	
Sep-23	0	0.0%	
Oct-23	0	0.0%	
Nov-23	0	0.0%	
Dec-23	0	0.0%	
Total	0	0.0%	
Total Avg % Qual. Occ.		0.0%	

LIHTC SCHEDULE -- 2/3 CREDITS

SINGLE BUILDING / MULTIPLE BUILDINGS - GROUP A		
1st Tax Credit Year:		2023
Completed Lease Up by Month		
Month	No. Units	Percent
Jan-23	0	0.0%
Feb-23	0	0.0%
Mar-23	0	0.0%
Apr-23	0	0.0%
May-23	0	0.0%
Jun-23	0	0.0%
Jul-23	0	0.0%
Aug-23	0	0.0%
Sep-23	0	0.0%
Oct-23	0	0.0%
Nov-23	0	0.0%
Dec-23	0	0.0%
Total	0	0.0%
Total Avg % Qual. Occ.		0.0%

MULTIPLE BUILDINGS - GROUP B			
1st Tax Credit Year:		2024	
Month	No. Units	Percent	
Jan-24	0	0.0%	
Feb-24	0	0.0%	
Mar-24	0	0.0%	
Apr-24	0	0.0%	
May-24	0	0.0%	
Jun-24	0	0.0%	
Jul-24	0	0.0%	
Aug-24	0	0.0%	
Sep-24	0	0.0%	
Oct-24	0	0.0%	
Nov-24	0	0.0%	
Dec-24	0	0.0%	
Total	0	0.0%	
Total Avg % Qual. Occ.		0.0%	

OPERATIONS SCHEDULE

YEAR 0		
2021		
Completed Lease Up by Month		
Month	No. Units	Percent
Jan-21	0	0.0%
Feb-21	0	0.0%
Mar-21	0	0.0%
Apr-21	0	0.0%
May-21	0	0.0%
Jun-21	0	0.0%
Jul-21	0	0.0%
Aug-21	0	0.0%
Sep-21	0	0.0%
Oct-21	0	0.0%
Nov-21	0	0.0%
Dec-21	0	0.0%
Total	0	0.0%
Total % Operating in First Year		0.0%

YEAR 1 (cumulative)			
		2022	
Month	No. Units	Percent	
Jan-22	0	0.0%	
Feb-22	0	0.0%	
Mar-22	0	0.0%	
Apr-22	0	0.0%	
May-22	96	100.0%	
Jun-22	0	0.0%	
Jul-22	0	0.0%	
Aug-22	0	0.0%	
Sep-22	0	0.0%	
Oct-22	0	0.0%	
Nov-22	0	0.0%	
Dec-22	0	0.0%	
Total	96	100.0%	
Total % Operating in 2nd Year		66.7%	

PIS SCHEDULE FOR BUILDING BASIS DEPRECIATION

YEAR 0		
Mid-Month Convention		2021
Bldg. PIS by Month		
Month	No. Units	Dep. Percent
Jan-21	0	0.0%
Feb-21	0	0.0%
Mar-21	0	0.0%
Apr-21	0	0.0%
May-21	0	0.0%
Jun-21	0	0.0%
Jul-21	0	0.0%
Aug-21	0	0.0%
Sep-21	0	0.0%
Oct-21	0	0.0%
Nov-21	0	0.0%
Dec-21	0	0.0%
TOTAL	0	0.0%
Total Avg % PIS Y1		0.0%
YEAR 2 (cumulative)		
Jan-22	0	0.0%
Feb-22	0	0.0%
Mar-22	0	0.0%
Apr-22	0	0.0%
May-22	96	4.2%
Jun-22	96	8.3%
Jul-22	96	8.3%
Aug-22	96	8.3%
Sep-22	96	8.3%
Oct-22	96	8.3%
Nov-22	96	8.3%
Dec-22	96	8.3%
TOTAL	96	62.5%
Total Avg % PIS Y2		62.5%

PIS SCHEDULE FOR REHAB/NC BASIS DEPRECIATION

YEAR 1		2021	
Mid-Month Convention			
Month	Building No.	Bldg. PIS by Month	
		No. Units	Percent
Jan-21	0	0	0.0%
Feb-21	0	0	0.0%
Mar-21	0	0	0.0%
Apr-21	0	0	0.0%
May-21	0	0	0.0%
Jun-21	0	0	0.0%
Jul-21	0	0	0.0%
Aug-21	0	0	0.0%
Sep-21	0	0	0.0%
Oct-21	0	0	0.0%
Nov-21	0	0	0.0%
Dec-21	0	0	0.0%
TOTAL		0	0.0%
Total Avg % PIS Y1		0.0%	
YEAR 2 (cumulative)			
Jan-22	0	0	0.0%
Feb-22	0	0	0.0%
Mar-22	0	0	0.0%
Apr-22	0	0	0.0%
May-22	1	95	4.1%
Jun-22	0	95	8.2%
Jul-22	0	95	8.2%
Aug-22	0	95	8.2%
Sep-22	0	95	8.2%
Oct-22	0	95	8.2%
Nov-22	0	95	8.2%
Dec-22	0	95	8.2%
TOTAL		95	61.8%
Total Avg % PIS Y2		61.8%	

PIS SCHEDULE FOR SITEWORK/PERS. PROP. DEPRECIATION

YEAR 1			2021
Mid-Year Convention			
			Bldg. PIS by Month
Month	Building No.	No. Units	Percent
Jan-21	0	0	0.0%
Feb-21	0	0	0.0%
Mar-21	0	0	0.0%
Apr-21	0	0	0.0%
May-21	0	0	0.0%
Jun-21	0	0	0.0%
Jul-21	0	0	0.0%
Aug-21	0	0	0.0%
Sep-21	0	0	0.0%
Oct-21	0	0	0.0%
Nov-21	0	0	0.0%
Dec-21	0	0	0.0%
TOTAL		0	0.0%
Total Avg % PIS Y1			0.0%
YEAR 2 (non-cumulative)			
Jan-22	0	0	0.0%
Feb-22	0	0	0.0%
Mar-22	0	0	0.0%
Apr-22	0	0	0.0%
May-22	1	95	0.0%
Jun-22	0	0	0.0%
Jul-22	0	0	8.2%
Aug-22	0	0	8.2%
Sep-22	0	0	8.2%
Oct-22	0	0	8.2%
Nov-22	0	0	8.2%
Dec-22	0	0	8.2%
TOTAL		95	49.5%
Total Avg % PIS Y2			49.5%

TCAC Calculations & Scoring

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THRESHOLD BASIS LIMIT						
County:		San Diego				
9% or 4% credits:		4%				
Year:		2019				
Base Limits for Geographic Region			Threshold Basis Limit for This Project			
Unit Type	9%	4%	Unit Type	# Units	Per Unit Basis Limit	Total
0 BR	207,647	237,558	0 BR	12	237,558	2,850,696
1 BR	239,415	273,902	1 BR	22	273,902	6,025,844
2 BR	288,800	330,400	2 BR	33	330,400	10,903,200
3 BR	369,664	422,912	3 BR	29	422,912	12,264,448
4 BR	411,829	471,150	4 BR	0	471,150	0
5 BR	411,829	471,150	5 BR	0	471,150	0
				96		32,044,188
Energy/Resource Efficiency Boosts			Additional Basis Adjustments			
Renewables (50% tot./90% area)	0%		Boost for Prevailing Wage		20.0%	
Renewables (75% CA/90% area)	0%		Boost for Project Labor Agreement		0.0%	
Title 24 + 15%	0%		Boost for Parking beneath Units		0.0%	
Post-rehab improvement > 80%	0%		Boost for Childcare		0.0%	
Greywater landscaping	0%		Boost for 100% Special Needs		0.0%	
Community gardens > 60 s.f.	0%		Boost for elevator service		10.0%	
Natural flooring kitchens	0%		Subtotal Boost (Max 39%)		30.0%	9,613,256
Natural flooring common area	0%		Boost for Energy / Resource Efficiency		0.0%	0
EPA Indoor Air Plus Program met	0%		Toxic/Seismic Abatement Costs		0.0%	0
			Local Development Impact Fees			0
			High Opportunity Area		0%	0
			BONDS: Boost for units <= 50% AMI (excl. CA credit projec		1.0%	9,933,698
			BONDS: Boost for units <= 35% AMI (excl. CA credit projec		2.0%	35,889,491
Subtotal Efficiency (Max 10%)	0%		Total Threshold Basis Limit			87,480,633
			Potential Eligible Basis (Less DDF/GP for 4%/state)			40,423,627
			Eligible Basis Surplus / Deficit			47,057,006

HCD HIGH COST TEST	
Total Eligible Basis	40,423,627
Total Adjusted TBL (Net of Fee Waivers)	41,657,444
Percentage of ATBL	97.04%
Amount Over/(Under) 130% Limit	(13,731,051)

15-Year Cash Flow

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Assumptions																				
Rent Increase: Residential Tenant Rent	2.00%	Rent Increase - VASH	2.00%	Perm Loan - % Debt Svc Yr -1	0.0%															
Rent Increase: Commercial Rents	2.00%	Rent Increase - NA	2.00%	Perm Loan - % Debt Svc Yr 0	0.0%															
Expenses Increase:	3.00%	Rent Increase - Test C	2.00%	Perm Loan - % Debt Svc Yr 1	8.3%															
Reserve Increase:	0.00%	Rent Increase - Test D	2.00%	Perm Loan - % Debt Svc Yr 2	100.0%															
				Perm Loan - % Debt Svc Yr 3	100.0%															
Credit Period Year:		(1)	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
GROSS POTENTIAL INCOME - RESIDENTIAL		0	0	684,192	1,046,814	1,067,750	1,089,105	1,110,887	1,133,105	1,155,767	1,178,882	1,202,460	1,226,509	1,251,039	1,276,060	1,301,581	1,327,613	1,354,165	1,381,249	1,408,873
Incremental Income: VASH		0	0	77,360	118,361	120,728	123,143	125,605	128,118	130,680	133,293	135,959	138,679	141,452	144,281	147,167	150,110	153,112	156,175	159,298
Misc. Income		0	0	6,144	9,400	9,588	9,780	9,976	10,175	10,379	10,586	10,798	11,014	11,234	11,459	11,688	11,922	12,160	12,404	12,652
Vacancy Loss - Residential		5.0%	0	0	(34,517)	(52,811)	(53,867)	(54,944)	(56,043)	(57,164)	(58,307)	(59,473)	(60,663)	(61,876)	(63,114)	(64,376)	(65,663)	(66,977)	(68,316)	(69,683)
Vacancy Loss - VASH		7.0%	0	0	(5,415)	(8,285)	(8,451)	(8,620)	(8,792)	(8,968)	(9,148)	(9,331)	(9,517)	(9,707)	(9,902)	(10,100)	(10,302)	(10,508)	(10,718)	(10,932)
GROSS EFFECTIVE INCOME		0	0	727,764	1,113,479	1,135,748	1,158,463	1,181,633	1,205,265	1,229,371	1,253,958	1,279,037	1,304,618	1,330,710	1,357,325	1,384,471	1,412,161	1,440,404	1,469,212	1,498,596
Operating Expenses w/ Standard Inflator		3.0%	0	0	382,183	590,473	608,187	626,433	645,226	664,583	684,520	705,056	726,208	747,994	770,434	793,547	817,353	841,874	867,130	893,144
Operating Expenses w/ Alternate Inflators: Replacement Reserve		3.5%	0	0	38,400	59,616	61,703	63,862	66,097	68,411	70,805	73,283	75,848	78,503	81,250	84,094	87,038	90,084	93,237	96,500
TOTAL EXPENSES		0	0	420,583	650,089	669,890	690,295	711,323	732,994	755,325	778,339	802,056	826,497	851,684	877,641	904,391	931,958	960,367	989,644	1,019,816
Total Expenses - Residential		3.0%	0	0	420,583	650,089	669,890	690,295	711,323	732,994	755,325	778,339	802,056	826,497	851,684	877,641	904,391	931,958	960,367	989,644
NET OPERATING INCOME		0	0	307,181	463,390	465,858	468,168	470,309	472,272	474,045	475,619	476,981	478,121	479,026	479,684	480,080	480,203	480,037	479,568	478,780
REPLACEMENT RESERVE		57,600	0	0	38,400	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600
Mandatory Annual HCD Payment		0.42%	0	0	0	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535
NET REMAINING INCOME		0	0	268,781	329,255	331,724	334,033	336,175	338,137	339,910	341,484	342,847	343,986	344,891	345,549	345,946	346,068	345,902	345,433	344,646
PERM LOAN - TRANCHE A		Tax Exempt Perm Loan - A Tranche																		
Principal Balance (Ending)		3,052,000	0	0	3,052,000	2,894,731	2,731,836	2,563,113	2,388,355	2,207,344	2,019,859	1,825,666	1,624,527	1,416,192	1,200,404	976,897	745,394	505,610	257,247	0
Annual Issuer Fee		10,000	0	0	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	0
Series A Bond P&I		262,178	0	0	0	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	0
Interest Payment			0	0	0	104,909	99,283	93,456	87,420	81,168	74,693	67,986	61,039	53,844	46,391	38,671	30,676	22,394	13,816	4,931
Principal Payment		0	0	0	0	157,269	162,895	168,723	174,758	181,010	187,485	194,192	201,139	208,335	215,788	223,507	231,503	239,785	248,362	257,247
TOTAL SERIES A DEBT SERVICE		0	0	0	0	272,178	272,178	272,178	272,178	272,178	272,178	272,178	272,178	272,178	272,178	272,178	272,178	272,178	272,178	0
NET CASH FLOW		0	0	268,781	57,076	59,545	61,855	63,996	65,959	67,732	69,306	70,668	71,808	72,713	73,370	73,767	73,890	73,724	73,255	344,646
CASH FLOW (RESERVED)/RELEASED FOR CONVERSION		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Remaining Net Cash Flow		0	0	268,781	57,076	59,545	61,855	63,996	65,959	67,732	69,306	70,668	71,808	72,713	73,370	73,767	73,890	73,724	73,255	344,646
Debt Service Coverage Ratio (All Debt)		NA	NA	NA	1.21	1.22	1.23	1.24	1.24	1.25	1.25	1.26	1.26	1.27	1.27	1.27	1.27	1.27	1.27	NA
DISTRIBUTION OF CASH FLOW																				
LP AMF 1	Annual Amt:	7,500	0	0	625	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501	9,786	10,079	10,382	10,693	11,014	11,344	12,035
	Inflator:	3.00%																		
DDF	Annual Amt:	0	0	0	268,156	49,351	51,589	53,660	55,555	57,264	58,777	60,082	61,167	62,022	62,634	62,989	63,074	62,876	62,379	332,610
	Interest Rate:	0.00%																		
GP AMF 2	Annual Amt:	20,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Inflator:	3.00%																		
Residual Receipts Loans		Total %	50.00%																	
HCD - MHP		56.55%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
San Diego Housing Commission		21.72%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
County of SD - IHTF		21.72%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
General Partner		90.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Limited Partner		10.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Ulric I

15-Year Cash Flow																					
Assumptions																					
Rent Increase: Residential Tenant Rent Rent Increase: Commercial Rents Expenses Increase: Reserve Increase:																					
	18 2039	19 2040	20 2041	21 2042	22 2043	23 2044	24 2045	25 2046	26 2047	27 2048	28 2049	29 2050	30 2051	31 2052	32 2053	33 2054	34 2055	35 2056	36 2057	37 2058	38 2059
GROSS POTENTIAL INCOME - RESIDENTIAL	1,437,051	1,465,792	1,495,108	1,525,010	1,555,510	1,586,620	1,618,353	1,650,720	1,683,734	1,717,409	1,751,757	1,786,792	1,822,528	1,858,979	1,896,158	1,934,081	1,972,763	2,012,218	2,052,463	2,093,512	2,135,382
Incremental Income: VASH	162,484	165,734	169,048	172,429	175,878	179,395	182,983	186,643	190,376	194,183	198,067	202,028	206,069	210,190	214,394	218,682	223,056	227,517	232,067	236,709	241,443
Misc. Income	12,905	13,163	13,426	13,694	13,968	14,248	14,533	14,823	15,120	15,422	15,731	16,045	16,366	16,694	17,027	17,368	17,715	18,070	18,431	18,800	19,176
Vacancy Loss - Residential	(72,498)	(73,948)	(75,427)	(76,935)	(78,474)	(80,043)	(81,644)	(83,277)	(84,943)	(86,642)	(88,374)	(90,142)	(91,945)	(93,784)	(95,659)	(97,572)	(99,524)	(101,514)	(103,545)	(105,616)	(107,728)
Vacancy Loss - VASH	(11,374)	(11,601)	(11,833)	(12,070)	(12,311)	(12,558)	(12,809)	(13,065)	(13,326)	(13,593)	(13,865)	(14,142)	(14,425)	(14,713)	(15,008)	(15,308)	(15,614)	(15,926)	(16,245)	(16,570)	(16,901)
GROSS EFFECTIVE INCOME	1,528,568	1,559,139	1,590,322	1,622,129	1,654,571	1,687,663	1,721,416	1,755,844	1,790,961	1,826,780	1,863,316	1,900,582	1,938,594	1,977,366	2,016,913	2,057,251	2,098,396	2,140,364	2,183,171	2,226,835	2,271,372
Operating Expenses w/ Standard Inflator	947,536	975,962	1,005,241	1,035,398	1,066,460	1,098,454	1,131,408	1,165,350	1,200,311	1,236,320	1,273,409	1,311,612	1,350,960	1,391,489	1,433,234	1,476,231	1,520,517	1,566,133	1,613,117	1,661,511	1,711,356
Operating Expenses w/ Alternate Inflators: Replacement Reserve	103,373	106,991	110,736	114,612	118,623	122,775	127,072	131,520	136,123	140,887	145,818	150,922	156,204	161,671	167,330	173,186	179,248	185,522	192,015	198,735	205,691
TOTAL EXPENSES	1,050,910	1,082,954	1,115,977	1,150,010	1,185,084	1,221,229	1,258,480	1,296,870	1,336,433	1,377,207	1,419,228	1,462,534	1,507,164	1,553,160	1,600,563	1,649,417	1,699,765	1,751,655	1,805,132	1,860,246	1,917,047
Total Expenses - Residential	1,050,910	1,082,954	1,115,977	1,150,010	1,185,084	1,221,229	1,258,480	1,296,870	1,336,433	1,377,207	1,419,228	1,462,534	1,507,164	1,553,160	1,600,563	1,649,417	1,699,765	1,751,655	1,805,132	1,860,246	1,917,047
NET OPERATING INCOME	477,658	476,186	474,345	472,118	469,487	466,433	462,936	458,974	454,528	449,573	444,088	438,048	431,429	424,205	416,350	407,834	398,631	388,710	378,040	366,589	354,325
REPLACEMENT RESERVE	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600
Mandatory Annual HCD Payment	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535
NET REMAINING INCOME	343,524	342,051	340,210	337,983	335,353	332,298	328,801	324,840	320,393	315,438	309,953	303,914	297,295	290,071	282,215	273,699	264,496	254,575	243,905	232,454	220,190
PERM LOAN - TRANCHE A																					
Principal Balance (Ending)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Issuer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Series A Bond P&I	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL SERIES A DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET CASH FLOW	343,524	342,051	340,210	337,983	335,353	332,298	328,801	324,840	320,393	315,438	309,953	303,914	297,295	290,071	282,215	273,699	264,496	254,575	243,905	232,454	220,190
CASH FLOW (RESERVED)/RELEASED FOR INVESTMENT																					
Remaining Net Cash Flow	343,524	342,051	340,210	337,983	335,353	332,298	328,801	324,840	320,393	315,438	309,953	303,914	297,295	290,071	282,215	273,699	264,496	254,575	243,905	232,454	220,190
Debt Service Coverage Ratio (All Debt)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
DISTRIBUTION OF CASH FLOW																					
LP AMF 1	12,396	12,768	13,151	13,546	13,952	14,371	14,802	15,246	15,703	16,174	16,660	17,159	17,674	18,204	18,751	19,313	19,893	20,489	21,104	21,737	22,389
DDF	14,246	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GP AMF 2	316,881	167,123	35,070	36,122	37,206	38,322	39,472	40,656	41,876	43,132	44,426	45,759	47,131	48,545	50,002	51,502	53,047	54,638	56,277	57,966	59,705
Residual Receipts/Loans																					
HCD - MHP	0	45,852	82,563	81,524	80,359	79,062	77,626	76,045	74,313	72,424	70,370	68,144	65,739	63,146	60,359	57,368	54,165	50,741	47,086	43,192	39,048
San Diego Housing Commission	0	17,614	31,716	31,317	30,869	30,371	29,819	29,212	28,547	27,821	27,032	26,177	25,253	24,257	23,186	22,037	20,807	19,491	18,088	16,592	15,000
County of SD - IHTF	0	17,614	31,716	31,317	30,869	30,371	29,819	29,212	28,547	27,821	27,032	26,177	25,253	24,257	23,186	22,037	20,807	19,491	18,088	16,592	15,000
General Partner	0	72,972	131,395	129,742	127,888	125,823	123,537	121,022	118,266	115,259	111,991	108,448	104,620	100,494	96,058	91,298	86,201	80,751	74,936	68,738	62,143
Limited Partner	0	8,108	14,599	14,416	14,210	13,980	13,726	13,447	13,141	12,807	12,443	12,050	11,624	11,166	10,673	10,144	9,578	8,972	8,326	7,638	6,905

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15-Year Cash Flow

Assumptions Rent Increase: Residential Tenant Rent Rent Increase: Commercial Rents Expenses Increase: Reserve Increase:																			
	39 2060	40 2061	41 2062	42 2063	43 2064	44 2065	45 2066	46 2067	47 2068	48 2069	49 2070	50 2071	51 2072	52 2073	53 2074	54 2075	55 2076	56 2077	57 2078
GROSS POTENTIAL INCOME - RESIDENTIAL	2,178,090	2,221,652	2,266,085	2,311,406	2,357,634	2,404,787	2,452,883	2,501,941	2,551,979	2,603,019	2,655,079	2,708,181	2,762,344	2,817,591	2,873,943	2,931,422	2,990,051	3,049,852	3,110,849
Incremental Income: VASH	246,272	251,197	256,221	261,345	266,572	271,904	277,342	282,889	288,546	294,317	300,204	306,208	312,332	318,579	324,950	331,449	338,078	344,840	351,736
Misc. Income	19,559	19,950	20,349	20,756	21,171	21,595	22,027	22,467	22,917	23,375	23,842	24,319	24,806	25,302	25,808	26,324	26,850	27,387	27,935
Vacancy Loss - Residential	(109,882)	(112,080)	(114,322)	(116,608)	(118,940)	(121,319)	(123,745)	(126,220)	(128,745)	(131,320)	(133,946)	(136,625)	(139,358)	(142,145)	(144,988)	(147,887)	(150,845)	(153,862)	(156,939)
Vacancy Loss - VASH	(17,239)	(17,584)	(17,935)	(18,294)	(18,660)	(19,033)	(19,414)	(19,802)	(20,198)	(20,602)	(21,014)	(21,435)	(21,863)	(22,300)	(22,747)	(23,201)	(23,665)	(24,139)	(24,622)
GROSS EFFECTIVE INCOME	2,316,799	2,363,135	2,410,398	2,458,606	2,507,778	2,557,933	2,609,092	2,661,274	2,714,499	2,768,789	2,824,165	2,880,648	2,938,261	2,997,027	3,056,967	3,118,106	3,180,469	3,244,078	3,308,959
Operating Expenses w/ Standard Inflator	1,762,696	1,815,577	1,870,045	1,926,146	1,983,930	2,043,448	2,104,752	2,167,894	2,232,931	2,299,919	2,368,917	2,439,984	2,513,184	2,588,579	2,666,237	2,746,224	2,828,610	2,913,469	3,000,873
Operating Expenses w/ Alternate Inflators: Replacement Reserve	212,890	220,341	228,053	236,035	244,296	252,847	261,696	270,856	280,336	290,148	300,303	310,813	321,692	332,951	344,604	356,665	369,149	382,069	395,441
TOTAL EXPENSES	<u>1,975,587</u>	<u>2,035,919</u>	<u>2,098,098</u>	<u>2,162,181</u>	<u>2,228,227</u>	<u>2,296,295</u>	<u>2,366,448</u>	<u>2,438,750</u>	<u>2,513,267</u>	<u>2,590,067</u>	<u>2,669,219</u>	<u>2,750,798</u>	<u>2,834,876</u>	<u>2,921,530</u>	<u>3,010,841</u>	<u>3,102,889</u>	<u>3,197,759</u>	<u>3,295,538</u>	<u>3,396,314</u>
Total Expenses - Residential	1,975,587	2,035,919	2,098,098	2,162,181	2,228,227	2,296,295	2,366,448	2,438,750	2,513,267	2,590,067	2,669,219	2,750,798	2,834,876	2,921,530	3,010,841	3,102,889	3,197,759	3,295,538	3,396,314
NET OPERATING INCOME	341,212	327,216	312,300	296,424	279,551	261,638	242,644	222,524	201,232	178,723	154,946	129,851	103,386	75,496	46,126	15,217	(17,291)	(51,460)	(87,355)
REPLACEMENT RESERVE	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600
Mandatory Annual HCD Payment	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535	76,535
NET REMAINING INCOME	207,077	193,081	178,165	162,290	145,416	127,503	108,509	88,389	67,097	44,588	20,811	(4,284)	(30,749)	(58,639)	(88,009)	(118,918)	(151,425)	(185,595)	(221,489)
PERM LOAN - TRANCHE A																			
Principal Balance (Ending)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Issuer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Series A Bond P&I	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL SERIES A DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET CASH FLOW	207,077	193,081	178,165	162,290	145,416	127,503	108,509	88,389	67,097	44,588	20,811	(4,284)	(30,749)	(58,639)	(88,009)	(118,918)	(151,425)	(185,595)	(221,489)
CASH FLOW (RESERVED)/RELEASED FOR I																			
Remaining Net Cash Flow	207,077	193,081	178,165	162,290	145,416	127,503	108,509	88,389	67,097	44,588	20,811	(4,284)	(30,749)	(58,639)	(88,009)	(118,918)	(151,425)	(185,595)	(221,489)
Debt Service Coverage Ratio (All Debt)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
DISTRIBUTION OF CASH FLOW																			
LP AMF 1	23,061	23,753	24,465	25,199	25,955	26,734	27,536	28,362	29,213	30,089	20,811	0	0	0	0	0	0	0	0
DDF	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GP AMF 2	61,496	63,341	65,241	67,198	69,214	71,290	73,429	60,027	37,885	14,499	0	0	0	0	0	0	0	0	0
Residual Receipts Loans																			
HCD - MHP	34,644	29,969	25,013	19,763	14,208	8,336	2,133	0	0	0	0	0	0	0	0	0	0	0	0
San Diego Housing Commission	13,308	11,512	9,608	7,592	5,458	3,202	819	0	0	0	0	0	0	0	0	0	0	0	0
County of SD - IHTF	13,308	11,512	9,608	7,592	5,458	3,202	819	0	0	0	0	0	0	0	0	0	0	0	0
General Partner	55,134	47,695	39,806	31,452	22,611	13,266	3,395	0	0	0	0	(3,856)	(27,674)	(52,775)	(79,208)	(107,026)	(136,283)	(167,035)	(199,341)
Limited Partner	6,126	5,299	4,423	3,495	2,512	1,474	377	0	0	0	0	(428)	(3,075)	(5,864)	(8,801)	(11,892)	(15,143)	(18,559)	(22,149)

Schedule of Outstanding Debt and Reserves - Book Basis

Version: v5.4 Closing

Credit Period Year:		(1)	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Tax Exempt Perm Loan - A Tranche AMORTIZING PERIOD ONLY																				
Beginning Balance	3,052,000	0	0	0	3,052,000	2,894,731	2,731,836	2,563,113	2,388,355	2,207,344	2,019,859	1,825,666	1,624,527	1,416,192	1,200,404	976,897	745,394	505,610	257,247	0
Interest Paid (Interest Rate Only)	3.520%	0	0	0	104,909	99,283	93,456	87,420	81,168	74,693	67,986	61,039	53,844	46,391	38,671	30,676	22,394	13,816	4,931	0
Annual P&I	COMPOUND	0	0	0	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	262,178	0
Ending Balance		0	0	3,052,000	2,894,731	2,731,836	2,563,113	2,388,355	2,207,344	2,019,859	1,825,666	1,624,527	1,416,192	1,200,404	976,897	745,394	505,610	257,247	0	0
HCD - MHP																				
PERM SOURCE ONLY?: Y																				
Beginning Balance	18,222,571	0	0	0	18,268,127	18,738,270	19,208,412	19,678,554	20,148,697	20,618,839	21,088,981	21,559,124	22,029,266	22,499,408	22,969,551	23,439,693	23,909,835	24,379,978	24,850,120	25,320,262
Interest Accrued @	3.000%	0	0	45,556	546,677	546,677	546,677	546,677	546,677	546,677	546,677	546,677	546,677	546,677	546,677	546,677	546,677	546,677	546,677	546,677
Residual Receipts Payment	SIMPLE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mandatory Minimum Payment	0.42%	0	0	0	-76,535	-76,535	-76,535	-76,535	-76,535	-76,535	-76,535	-76,535	-76,535	-76,535	-76,535	-76,535	-76,535	-76,535	-76,535	-76,535
Ending Balance	CONSTRUCT AOB: 55%	0	0	18,268,127	18,738,270	19,208,412	19,678,554	20,148,697	20,618,839	21,088,981	21,559,124	22,029,266	22,499,408	22,969,551	23,439,693	23,909,835	24,379,978	24,850,120	25,320,262	25,790,405
San Diego Housing Commission																				
PERM SOURCE ONLY? N																				
Beginning Balance	7,000,000	0	6,347,250	6,536,250	7,427,000	7,637,000	7,847,000	8,057,000	8,267,000	8,477,000	8,687,000	8,897,000	9,107,000	9,317,000	9,527,000	9,737,000	9,947,000	10,157,000	10,367,000	10,577,000
Interest Accrued @	3.000%	47,250	189,000	190,750	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000
Residual Receipts Payment	SIMPLE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mandatory Minimum Payment	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	CONSTRUCT AOB: 100%	6,347,250	6,536,250	7,427,000	7,637,000	7,847,000	8,057,000	8,267,000	8,477,000	8,687,000	8,897,000	9,107,000	9,317,000	9,527,000	9,737,000	9,947,000	10,157,000	10,367,000	10,577,000	10,787,000
County of SD - IHTF																				
PERM SOURCE ONLY? N																				
Beginning Balance	7,000,000	0	6,347,250	6,536,250	7,427,000	7,637,000	7,847,000	8,057,000	8,267,000	8,477,000	8,687,000	8,897,000	9,107,000	9,317,000	9,527,000	9,737,000	9,947,000	10,157,000	10,367,000	10,577,000
Interest Accrued @	3.000%	47,250	189,000	190,750	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000
Residual Receipts Payment	SIMPLE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mandatory Minimum Payment	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	CONSTRUCT AOB: 55%	6,347,250	6,536,250	7,427,000	7,637,000	7,847,000	8,057,000	8,267,000	8,477,000	8,687,000	8,897,000	9,107,000	9,317,000	9,527,000	9,737,000	9,947,000	10,157,000	10,367,000	10,577,000	10,787,000
TOTAL OUTSTANDING DEBT (BOOK BASIS)		12,694,500	13,072,500	36,174,127	36,907,001	37,634,248	38,355,667	39,071,051	39,780,183	40,482,840	41,178,790	41,867,793	42,549,601	43,223,955	43,890,590	44,549,230	45,199,587	45,841,367	46,474,262	47,364,405
DDF Accruals		0	0	1,231,844	1,182,493	1,130,904	1,077,245	1,021,690	964,426	905,649	845,568	784,400	722,378	659,744	596,756	533,682	470,806	408,427	346,857	14,246
GP AMF 2 Accruals		0	0	1,667	22,267	43,485	65,339	87,849	111,035	134,916	159,513	184,849	210,944	237,823	265,507	294,022	323,393	353,645	384,804	416,898
TOTAL OUTSTANDING DEBT+ACCRUALS (BOOK BASIS)		12,694,500	13,072,500	37,407,638	38,111,760	38,808,637	39,498,251	40,180,591	40,855,644	41,523,406	42,183,871	42,837,042	43,482,923	44,121,522	44,752,853	45,376,934	45,993,787	46,603,439	47,205,923	47,795,550

RESERVE BALANCES

Capitalized Replacement Reserve		Deed-Secured? Y																		
Previous Balance		48,000	48,960	49,939	89,338	148,725	209,299	271,085	334,107	398,389	463,957	530,836	599,053	668,634	739,606	811,999	885,839	961,155	1,037,978	1,116,338
Deposit to Reserve		0	0	38,400	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600	57,600
Interest on Reserve	2.0%	960	979	999	1,787	2,974	4,186	5,422	6,682	7,968	9,279	10,617	11,981	13,373	14,792	16,240	17,717	19,223	20,760	22,327
Withdrawal from Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		48,000	48,960	49,939	89,338	148,725	209,299	271,085	334,107	398,389	463,957	530,836	599,053	668,634	739,606	811,999	885,839	961,155	1,037,978	1,116,338

Capitalized Operating Reserve (4 mos.)		Deed-Secured? N																		
Previous Balance		342,396	349,244	356,229	363,353	370,621	378,033	385,594	393,305	401,172	409,195	417,379	425,726	434,241	442,926	451,784	460,820	470,036	479,437	489,026
Deposit to Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Reserve	2.0%	6,848	6,985	7,125	7,267	7,412	7,561	7,712	7,866	8,023	8,184	8,348	8,515	8,685	8,859	9,036	9,216	9,401	9,589	9,781
Withdrawal from Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		342,396	349,244	356,229	363,353	370,621	378,033	385,594	393,305	401,172	409,195	417,379	425,726	434,241	442,926	451,784	460,820	470,036	479,437	489,026

Schedule of Deductions																				Version: v5.4 Closing
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Depreciation Assumptions																					
ADS MACRS	Proration	Building: Residential		Building: Commercial		Site Improvements		Personal Property													
		Asset Life	Method	Asset Life	Method	Asset Life	Method	Asset Life	Method												
		100.0%	30.0 straight line	30.0 straight line	20 Yr SL	100.0%	9 Yr SL														
	0.0%	27.5 straight line	27.5 straight line	0.0%	15 Yr 150% DB	0.0%	5 Yr DDB														
DEPRECIATION SCHEDULE																					
	Credit Period Year: Beginning Basis	(1) 2020	0 2021	1 2022	2 2023	3 2024	4 2025	5 2026	6 2027	7 2028	8 2029	9 2030	10 2031	11 2032	12 2033	13 2034	14 2035	15 2036	16 2037	17 2038	
30 years straight line - Res - Rehab	37,580,098	0	0	774,763	1,252,670	1,252,670	1,252,670	1,252,670	1,252,670	1,252,670	1,252,670	1,252,670	1,252,670	1,252,670	1,252,670	1,252,670	1,252,670	1,252,670	1,252,670	1,252,670	
Site Improvements (20 yr SL.)	1,792,853	0	0	44,354	89,643	89,643	89,643	89,643	89,643	89,643	89,643	89,643	89,643	89,643	89,643	89,643	89,643	89,643	89,643	89,643	
Personal Property (9 yr SL)	1,040,000	0	0	57,176	115,556	115,556	115,556	115,556	115,556	115,556	115,556	115,556	58,380	0	0	0	0	0	0	0	
SUBTOTAL	40,412,951	0	0	0	876,294	1,457,868	1,457,868	1,457,868	1,457,868	1,457,868	1,457,868	1,457,868	1,400,692	1,342,313	1,342,313	1,342,313	1,342,313	1,342,313	1,342,313	1,342,313	
AMORTIZATION SCHEDULE																					
TCAC Application/Res/Monitoring Fee	56,493	0	0	3,766	3,766	3,766	3,766	3,766	3,766	3,766	3,766	3,766	3,766	3,766	3,766	3,766	3,766	3,766	0	0	
Costs of Issuance	655,582	0	0	194,122	14,210	14,210	14,210	14,210	14,210	14,210	14,210	14,210	14,210	14,210	14,210	14,210	14,210	14,210	14,210	14,210	
Title/Recording/Escrow - Permanent	10,000	0	0	56	667	667	667	667	667	667	667	667	667	667	667	667	667	667	667	667	
Market/Rent Comp Study	8,500	0	0	850	850	850	850	850	850	850	850	850	850	0	0	0	0	0	0	0	
Legal: Organization of Partnership	9,826	0	0	0	702	702	702	702	702	702	702	702	702	702	702	702	702	702	0	0	
SUBTOTAL	740,401	0	0	0	198,794	20,195	20,195	20,195	20,195	20,195	20,195	20,195	20,195	19,345	19,345	19,345	19,345	19,345	14,877	14,877	
EXPENSED COSTS																					
Audit/Cost Certification	24,943	0	0	24,943	0	0															
Start-up /Lease-up Expenses	150,000	0	0	150,000	0	0															
LP AMF 1		0	0	625	7,725	7,957	8,195	8,441	8,695	8,955	9,224	9,501	9,786	10,079	10,382	10,693	11,014	11,344	11,685	12,035	
Annual Issuer Fee		0	0	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	0	
SUBTOTAL	174,943	0	0	0	175,568	17,725	17,957	18,195	18,441	18,695	18,955	19,224	19,501	19,786	20,079	20,382	20,693	21,014	21,344	21,685	12,035
NOTE: PMF/CMF not expensed																					
INTEREST DEDUCTIONS																					
Interest - Tranche A	Tax Exempt Perm Loan - A Tran	0	0	0	104,909	99,283	93,456	87,420	81,168	74,693	67,986	61,039	53,844	46,391	38,671	30,676	22,394	13,816	4,931	0	
Interest - Predevelopment Loans		0	0	210,150	0	0															
Interest - HCD - MHP	HCD - MHP	0	0	0	0	0	343,928	349,018	354,204	359,489	364,875	370,363	375,956	381,655	387,462	393,380	399,411	405,557	411,819	418,201	
Interest - San Diego Housing Commission	San Diego Housing Commission	0	0	78,685	0	0	129,778	132,098	134,460	136,863	139,310	141,801	144,336	146,916	149,542	152,216	154,937	157,707	160,526	163,396	
Interest - County of SD - IHTF	County of SD - IHTF	0	0	78,685	0	0	129,778	132,098	134,460	136,863	139,310	141,801	144,336	146,916	149,542	152,216	154,937	157,707	160,526	163,396	
Interest- Expensed Constr. Period Interest		0	0	523,157	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SUBTOTAL		0	0	0	890,677	104,909	99,283	696,940	700,634	704,292	707,909	711,481	715,003	718,470	721,877	725,218	728,487	731,679	734,786	737,802	744,992
TOTAL DEDUCTIONS		0	0	0	2,141,332	1,600,698	1,595,303	2,193,199	2,197,139	2,201,050	2,204,928	2,208,768	2,212,567	2,159,143	2,103,614	2,107,258	2,110,838	2,114,351	2,117,788	2,116,677	2,114,217

Analysis of Taxable Income

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Assumptions		21.0% <u>Loss Reallocation (year 12):</u>																		
Marginal Tax Rate - Federal		21.0%	GP Share: 90.00%																	
Marginal Tax Rate - State		0.0%	LP Share: 10.00%																	
Effective Combined Marginal Tax Rate		21.0%																		
Number of LP Capital Contributions		4																		
Credit Period Year:		(1)	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
LOSSES																				
Net Operating Income		0	0	307,181	463,390	465,858	468,168	470,309	472,272	474,045	475,619	476,981	478,121	479,026	479,684	480,080	480,203	480,037	479,568	478,780
Total Deductions		0	0	2,141,332	1,600,698	1,595,303	2,193,199	2,197,139	2,201,050	2,204,928	2,208,768	2,212,567	2,159,143	2,103,614	2,107,258	2,110,838	2,114,351	2,117,788	2,116,677	2,114,217
Total Taxable Income (Loss)		0	0	(1,834,151)	(1,137,308)	(1,129,445)	(1,725,031)	(1,726,829)	(1,728,778)	(1,730,882)	(1,733,149)	(1,735,586)	(1,681,022)	(1,624,588)	(1,627,574)	(1,630,758)	(1,634,148)	(1,637,751)	(1,637,109)	(1,635,437)
Special Allocation of GP-Related Op Ex (see below)		0	0	(280,136)	(432,811)	(445,795)	(459,169)	(472,944)	(487,132)	(501,746)	(516,799)	(532,303)	(548,272)	(564,720)	(581,662)	(599,111)	(617,085)	(635,597)	(654,665)	(674,305)
General Partner Share of Losses (pre-704(b))	0.01%	0	0	(280,292)	(432,881)	(445,863)	(459,296)	(473,069)	(487,257)	(501,869)	(516,920)	(532,423)	(548,385)	(564,826)	(582,983)	(597,593)	(613,441)	(630,536)	(648,865)	(668,324)
Limited Partner Share of Losses (pre-704(b))	99.99%	0	0	(1,553,859)	(704,427)	(683,581)	(1,265,735)	(1,253,760)	(1,241,521)	(1,229,013)	(1,216,229)	(1,203,163)	(1,132,637)	(1,059,762)	(104,591)	(103,165)	(101,706)	(100,215)	(98,244)	(96,113)
AFTER-TAX VALUE OF LOSSES																				
Allowable Losses (adj. for min. gain)		0	0	(1,554,015)	(704,497)	(683,650)	(1,265,862)	(1,253,885)	(1,241,645)	(1,229,136)	(1,216,351)	(1,203,283)	(1,132,750)	(1,059,868)	(104,602)	(103,175)	(101,716)	(100,225)	0	0
After Tax Value of Losses	21.0%	0	0	326,343	147,944	143,566	265,831	263,316	260,746	258,119	255,434	252,689	237,878	222,572	21,966	21,667	21,360	21,047	0	0
General Partner Share	0.01%	0	0	58,861	90,905	93,631	96,452	99,345	102,324	105,393	108,553	111,809	115,161	118,613	319,826	320,795	321,813	322,883	323,162	323,258
Limited Partner Share	99.99%	0	0	326,310	147,930	143,552	265,804	263,290	260,719	258,093	255,408	252,664	237,854	222,550	2,197	2,167	2,136	2,105	0	0
		99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
TAX CREDITS																				
Fed Tax Credits-Rehab- Building A or Credit Year 1	100.0%	0	0	942,511	1,613,307	1,613,307	1,613,307	1,613,307	1,613,307	1,613,307	1,613,307	1,613,307	1,613,307	670,796	0	0	0			
TOTAL TAX CREDITS																				
General Partner Share	0.01%	0	0	942,511	1,613,307	1,613,307	1,613,307	1,613,307	1,613,307	1,613,307	1,613,307	1,613,307	1,613,307	670,796	0	0	0	0	0	0
Limited Partner Share	99.99%	0	0	942,417	1,613,146	1,613,146	1,613,146	1,613,146	1,613,146	1,613,146	1,613,146	1,613,146	1,613,146	670,729	0	0	0	0	0	0
(less) LP Capital Account Adjustment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL AFTER-TAX BENEFITS																				
		0	0	1,268,854	1,761,251	1,756,873	1,879,138	1,876,623	1,874,052	1,871,426	1,868,741	1,865,996	1,851,185	893,368	21,966	21,667	21,360	21,047	0	0
General Partner Share	0.01%	0	0	127	176	176	188	188	187	187	187	187	185	89	19,770	19,500	19,224	18,943	0	0
Limited Partner Share	99.99%	0	0	1,268,727	1,761,075	1,756,698	1,878,950	1,876,435	1,873,865	1,871,238	1,868,554	1,865,810	1,850,999	893,279	2,197	2,167	2,136	2,105	0	0

OPERATING EXPENSE REALLOCATIONS-GP-RELATED (Beginning at start of operations)																				
Base Year: 2020		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Administrative	53,342	0	0	37,727	58,288	60,037	61,838	63,693	65,604	67,572	69,599	71,687	73,838	76,053	78,335	80,685	83,105	85,598	88,166	90,811
Management Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utilities	150,546	0	0	106,476	164,506	169,441	174,524	179,760	185,153	190,707	196,428	202,321	208,391	214,643	221,082	227,714	234,546	241,582	248,830	256,294
Payroll/Payroll Taxes	145,791	0	0	103,113	159,310	164,089	169,012	174,082	179,305	184,684	190,224	195,931	201,809	207,863	214,099	220,522	227,138	233,952	240,970	248,199
Taxes & Insurance	55,500	0	0	39,253	60,646	62,466	64,340	66,270	68,258	70,306	72,415	74,587	76,825	79,130	81,504	83,949	86,467	89,061	91,733	94,485
Maintenance	89,925	0	0	63,601	98,263	101,211	104,248	107,375	110,596	113,914	117,332	120,852	124,477	128,212	132,058	136,020	140,100	144,303	148,632	153,091
Other:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Resident Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	495,104	0	0	350,171	541,014	557,244	573,961	591,180	608,915	627,183	645,998	665,378	685,340	705,900	727,077	748,889	771,356	794,497	818,331	842,881
GP RELATED LOAN INTEREST																				
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Percent Reallocated to GP	80.0%																			
TOTAL EXPENSE REALLOCATION TO GP																				
Note: Begins @ Operations Start		0	0	280,136	432,811	445,795	459,169	472,944	487,132	501,746	516,799	532,303	548,272	564,720	581,662	599,111	617,085	635,597	654,665	674,305

Capital Account Analysis and Tax Liability - Sale Price Equals Debt

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LIMITED PARTNER	Credit Period Year:	(1) 2020	0 2021	1 2022	2 2023	3 2024	4 2025	5 2026	6 2027	7 2028	8 2029	9 2030	10 2031	11 2032	12 2033	13 2034	14 2035	15 2036	16 2037	17 2038
MINIMUM GAIN ANALYSIS																				
Adjusted Basis		48,112,951	48,112,951	47,236,657	45,778,789	44,320,921	42,863,053	41,405,184	39,947,316	38,489,448	37,031,580	35,573,712	34,173,020	32,830,707	31,488,395	30,146,082	28,803,769	27,461,457	26,119,144	24,776,832
Deed-Secured Cash Reserves		48,960	49,939	89,338	148,725	209,299	271,085	334,107	398,389	463,957	530,836	599,053	668,634	739,606	811,999	885,839	961,155	1,037,978	1,116,338	1,196,265
Total Adjusted Basis plus Cash		48,161,911	48,162,890	47,325,995	45,927,514	44,530,220	43,134,138	41,739,291	40,345,705	38,953,405	37,562,416	36,172,765	34,841,653	33,570,314	32,300,393	31,031,921	29,764,925	28,499,435	27,235,482	25,973,096
Outstanding Nonrecourse Debt		12,656,397	12,884,521	35,793,413	35,559,609	35,320,179	35,678,406	36,040,327	36,405,905	36,775,101	37,147,869	37,524,159	37,903,916	38,287,080	38,673,585	39,063,359	39,456,324	39,852,397	40,251,486	40,919,944
Minimum Gain - Partnership		0	0	0	0	0	0	0	0	0	0	1,351,394	3,062,262	4,716,766	6,373,192	8,031,438	9,691,400	11,352,962	13,016,004	14,946,848
LIMITED PARTNER 704(B) CAPITAL ANALYSIS																				
Beginning LP 704(b) Capital (LP Cap. Acct. + LP Min. Gain)		0	1,484,094	1,484,094	13,016,613	12,412,187	11,728,606	10,462,871	9,209,111	7,967,590	6,738,576	6,873,606	7,381,141	7,902,842	2,764,105	2,825,338	2,888,169	2,952,619	3,018,708	3,211,793
LP Capital Contributions		1,484,094	0	13,256,846	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(less) LP Cash Flow Distributions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LP 704(b) Capital Available for Losses		1,484,094	1,484,094	14,740,940	13,116,613	12,412,187	11,728,606	10,462,871	9,209,111	7,967,590	6,738,576	6,873,606	7,381,141	7,902,842	2,764,105	2,825,338	2,888,169	2,952,619	3,018,708	3,211,793
LIMITED PARTNER LOSS ANALYSIS																				
LP Share of Losses per LPA		99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Annual Potential Losses Allocated to LP		0	0	(1,553,859)	(704,427)	(683,581)	(1,265,735)	(1,253,760)	(1,241,521)	(1,229,013)	(1,216,229)	(1,203,163)	(1,132,637)	(1,059,762)	(104,591)	(103,165)	(101,706)	(100,215)	(98,244)	(96,113)
(less) Related Party Losses Reallocated to GP		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted Potential LP Losses		0	0	(1,553,859)	(704,427)	(683,581)	(1,265,735)	(1,253,760)	(1,241,521)	(1,229,013)	(1,216,229)	(1,203,163)	(1,132,637)	(1,059,762)	(104,591)	(103,165)	(101,706)	(100,215)	(98,244)	(96,113)
Losses Allowable to Extent of LP 704(b) Capital		(1,484,094)	(1,484,094)	(14,740,940)	(13,116,613)	(12,412,187)	(11,728,606)	(10,462,871)	(9,209,111)	(7,967,590)	(6,738,576)	(6,873,606)	(7,381,141)	(7,902,842)	(104,591)	(103,165)	(101,706)	(100,215)	(98,244)	(96,113)
Actual Losses Allocated to LP		0	0	(1,553,859)	(704,427)	(683,581)	(1,265,735)	(1,253,760)	(1,241,521)	(1,229,013)	(1,216,229)	(1,203,163)	(1,132,637)	(1,059,762)	(104,591)	(103,165)	(101,706)	(100,215)	0	0
LP DRO?		Y	Y	Y	Y															
LIMITED PARTNER CREDIT DELIVERY ANALYSIS																				
LP 704(b) Capital Available for Losses		1,484,094	1,484,094	14,740,940	13,116,613	12,412,187	11,728,606	10,462,871	9,209,111	7,967,590	6,738,576	6,873,606	7,381,141	7,902,842	2,764,105	2,825,338	2,888,169	2,952,619	3,018,708	3,211,793
LP Share of Depreciation per LPA		0	0	876,206	1,457,722	1,457,722	1,457,722	1,457,722	1,457,722	1,457,722	1,457,722	1,457,722	1,400,552	1,342,178	134,231	134,231	134,231	134,231	134,231	134,231
Reduction in LP LIHTC due to 704(b) Capital Shortfall		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
LIMITED PARTNER CAPITAL ACCOUNT																				
Beginning Capital Account Balance		0	1,484,094	1,484,094	13,016,613	12,412,187	11,728,606	10,462,871	9,209,111	7,967,590	6,738,576	5,522,347	4,319,185	3,186,547	2,126,785	2,022,194	1,919,029	1,817,323	1,717,108	1,717,108
LP Capital Contributions		1,484,094	0	13,256,846	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(less) Syndication Expenses		0	0	-170,467	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(less) LP Cash Flow Distributions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(less) Losses Allocated to LP		0	0	-1,553,859	-704,427	-683,581	-1,265,735	-1,253,760	-1,241,521	-1,229,013	-1,216,229	-1,203,163	-1,132,637	-1,059,762	-104,591	-103,165	-101,706	-100,215	0	0
End of Year Capital Account Balance		1,484,094	1,484,094	13,016,613	12,412,187	11,728,606	10,462,871	9,209,111	7,967,590	6,738,576	5,522,347	4,319,185	3,186,547	2,126,785	2,022,194	1,919,029	1,817,323	1,717,108	1,717,108	1,717,108
LIMITED PARTNER EXIT BENEFIT/LIABILITY ANALYSIS																				
Marginal Tax Rate	21.00%																			
End of Year Capital Account Balance		1,484,094	1,484,094	13,016,613	12,412,187	11,728,606	10,462,871	9,209,111	7,967,590	6,738,576	5,522,347	4,319,185	3,186,547	2,126,785	2,022,194	1,919,029	1,817,323	1,717,108	1,717,108	1,717,108
(plus) Syndication Expenses		0	0	170,467	170,467	170,467	170,467	170,467	170,467	170,467	170,467	170,467	170,467	170,467	170,467	170,467	170,467	170,467	170,467	170,467
Tax Benefit/(Liability) on Sale @ \$1		311,660	311,660	2,769,287	2,642,357	2,498,805	2,233,001	1,969,711	1,708,992	1,450,899	1,195,491	942,827	704,973	482,423	460,459	438,794	417,436	396,391	396,391	396,391
Gross-Up Factor for Taxes on Gain due to Tax Payment	79.00%																			
Total GP Obligation on Sale: LP Tax Liability + Gross-Up		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

GENERAL PARTNER	Credit Period Year:	(1) 2020	0 2021	1 2022	2 2023	3 2024	4 2025	5 2026	6 2027	7 2028	8 2029	9 2030	10 2031	11 2032	12 2033	13 2034	14 2035	15 2036	16 2037	17 2038
Minimum Gain - Partnership		0	0	0	0	0	0	0	0	0	0	1,351,394	3,062,262	4,716,766	6,373,192	8,031,438	9,691,400	11,352,962	13,016,004	14,946,848
Partnership Minimum Gain - GP Share		0	0	0	0	0	0	0	0	0	0	135	306	472	5,735,872	7,228,294	8,722,260	10,217,666	11,714,404	13,452,163
Minimum Gain - Partner (GP)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CAPITAL ACCOUNT																				
Beg. of Yr Capital Account Balance		0	1,308,197	1,308,197	1,027,905	595,024	149,160	(310,136)	(783,205)	(1,270,462)	(1,772,331)	(2,289,251)	(2,821,674)	(3,370,059)	(3,934,885)	(5,457,868)	(6,985,461)	(8,517,902)	(10,055,438)	(11,594,303)
Capital Contributions		1,308,197	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual Losses @ .01%		0	0	(280,292)	(432,881)	(445,863)	(459,296)	(473,069)	(487,257)	(501,869)	(516,920)	(532,423)	(548,385)	(564,826)	(1,522,983)	(1,527,593)	(1,532,441)	(1,537,536)	(1,538,865)	(1,539,324)
LP Losses Re-allocated to GP (Related Party)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LP Losses Re-allocated to GP (Capital Account Shortfall)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
End of Year Capital Account		1,308,197	1,308,197	1,027,905	595,024	149,160	(310,136)	(783,205)	(1,270,462)	(1,772,331)	(2,289,251)	(2,821,674)	(3,370,059)	(3,934,885)	(5,457,868)	(6,985,461)	(8,517,902)	(10,055,438)	(11,594,303)	(13,133,627)

Investment Summary - LIHTC Investor

Version: v5.4 Closing

Assumptions										
Marginal Tax Rate		21.0%								
YEAR	LIMITED PARTNER PAY-INS	AFTER- TAX VALUE OF LOSSES	TOTAL LTD PTR FEDERAL LIHTC	TOTAL LTD PTR CALIFORNIA LIHTC	TOTAL LTD PTR ENERGY CREDITS	TOTAL LTD PTR HISTORIC CREDITS	TAX BENEFIT/ (LIABILITY) UPON SALE	TOTAL LTD PTR TAX BENEFITS	CUMULATIVE RATIO OF BENEFITS TO LTD PTR PAY-INS	Credit Year
2020	1,484,094	0	0	0	0	0		0	0.00	(1)
2021	0	0	0	0	0	0		0	0.00	0
2022	13,256,846	326,310	942,417	0	0	0		1,268,727	0.09	1
2023	100,000	147,930	1,613,146	0	0	0		1,761,075	0.20	2
2024	0	143,552	1,613,146	0	0	0		1,756,698	0.32	3
2025		265,804	1,613,146	0	0	0		1,878,950	0.45	4
2026		263,290	1,613,146	0	0	0		1,876,435	0.58	5
2027		260,719	1,613,146	0	0	0		1,873,865	0.70	6
2028		258,093	1,613,146					1,871,238	0.83	7
2029		255,408	1,613,146					1,868,554	0.95	8
2030		252,664	1,613,146					1,865,810	1.08	9
2031		237,854	1,613,146					1,850,999	1.20	10
2032		222,550	670,729					893,279	1.26	11
2033		2,197	0					2,197	1.26	12
2034		2,167	0				0	2,167	1.26	13
2035		2,136	0				0	2,136	1.26	14
2036		2,105	0				0	2,105	1.27	15
2037		0	0				396,391	396,391	1.29	16
2038		0	0				0	0	1.29	17
TOTAL										
	14,840,940	2,642,778	16,131,456	0	0	0		19,170,625		

Net Quarterly Benefit Schedule	Version: v5.4 Closing
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LP EQUITY PAY-IN SCHEDULE			
	AMOUNT	DATE	THRESHOLD
LP Admission (Const. Portion)	1,484,094	10/01/20	Initial Closing
LP Admission (Collateral)	0	10/01/20	Initial Closing
Completion Payment	1,484,094	05/01/22	Const. Completion
Conversion Payment	11,772,752	12/01/22	Perm Conversion
Final Payment #1	100,000	03/01/23	8609
Final Payment #2	0		
TOTAL LP CONTRIBUTIONS	14,840,940		

NET QUARTERLY BENEFITS				
Internal Rate of Return:		5.23%		
YEAR	INVESTMENT	TOTAL QUART. BENEFITS	NET QUART. BENEFITS	THRESHOLD
2020	0	0	0	LP Admission
	0	0	0	
	0	0	0	
	-1,484,094	0	-1,484,094	
2021	0	0	0	
	0	0	0	
	0	0	0	
	0	0	0	
2022	0	0	0	Completion
	-1,484,094	422,909	-1,061,185	
	0	422,909	422,909	
	-11,772,752	422,909	-11,349,843	
2023	-100,000	440,269	340,269	Perm Conversion Form 8609
	0	440,269	440,269	
	0	440,269	440,269	
	0	440,269	440,269	
2024	0	439,174	439,174	
	0	439,174	439,174	
	0	439,174	439,174	
	0	439,174	439,174	
2025	0	469,738	469,738	
	0	469,738	469,738	
	0	469,738	469,738	
	0	469,738	469,738	
2026	0	469,109	469,109	
	0	469,109	469,109	
	0	469,109	469,109	
	0	469,109	469,109	
2027	0	468,466	468,466	
	0	468,466	468,466	
	0	468,466	468,466	
	0	468,466	468,466	
2028		467,810	467,810	
		467,810	467,810	
		467,810	467,810	
		467,810	467,810	
2029		467,138	467,138	
		467,138	467,138	
		467,138	467,138	
		467,138	467,138	
2030		466,452	466,452	
		466,452	466,452	
		466,452	466,452	
		466,452	466,452	
2031		462,750	462,750	
		462,750	462,750	
		462,750	462,750	
		462,750	462,750	
2032		223,320	223,320	
		223,320	223,320	
		223,320	223,320	
		223,320	223,320	
2033		549	549	
		549	549	
		549	549	
		549	549	
2034		542	542	
		542	542	
		542	542	
		542	542	
2035		534	534	
		534	534	
		534	534	
		534	534	
2036		526	526	
		526	526	
		526	526	
		526	526	
2037		396,391	396,391	
		0	0	
		0	0	
		0	0	
2038		0	0	
		0	0	
		0	0	
		0	0	
TOTAL	14,840,940	19,170,625	4,329,686	

17. Bank References

San Diego Housing Commission – Developer Disclosure Statement

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

1. Name: **Sebastian Glowacki, Business Development Officer, US Bank**
Address: **633 W. 5th Street, 29th Floor, Los Angeles, CA 90071**
Phone: **303-585-4230**
Project Name and Description:
**North Park Seniors (New Construction, 76 Units, in San Diego);
Kimball Tower (Rehabilitation, 151 apts., in National City); and
Morgan Tower (Rehabilitation, 152 apts., in National City)**
2. Name: **Perica Bell, Managing Director, Union Bank**
Address: **1901 Avenue of the Stars, Suite 600, Los Angeles, CA 90067**
Phone: **310-551-8964**
Project Name and Description:
**Kalos Apartments (New construction, 83 apts., in San Diego); and
Keeler Court (New construction, 71 apts., in San Diego)**
3. Name: **Todd Fabian, Vice President, National Equity Fund**
Address: **500 S Grand Ave, #2300, Los Angeles, CA 90017**
Phone: **213-240-3144**
Project Name and Description:
**Las Serenas Apartments (Rehabilitation, 102 apts., in San Diego); and
Sun Ridge Apartments (New Construction, 198 apts., in Concord)**

20. List of Previous Undertakings

San Diego Housing Commission – Developer Disclosure Statement

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

Type of Bond	Project Description	Date of Completion	Amount of Bond	Action on Bond
Keeler Court Apartments Public Improvements	Grading and improvement plans to build affordable housing	Est. 8/2021	\$331,240	Active
Paseo Artist Village – Landscaping and Irrigation Bond	Public landscaping and irrigation related to development of affordable housing	Est. 9/2021	\$22,000	Active
Paseo Artist Village – Performance Bond	Site improvement work related to development of affordable housing	Est. 9/2021	\$270,000	Active
Paseo Artist Village – Grading, Drainage and Erosion Control	Site grading and erosion control work related to development of affordable housing	Est. 9/2021	\$363,000	Active
Paseo Artist Village – Payment and Performance Bond	Construction of Water System related to development of affordable housing	Est. 9/2021	\$78,163	Active
Paseo Artist Village – Warranty Bond	Construction of Water System related to development of affordable housing	Est. 9/2021	\$7,816	Active

22. CHW Developer Qualifications

Community HousingWorks

QUALIFICATIONS

Community HousingWorks (CHW) is a nationally-recognized 501(c)(3) non-profit organization that believes opportunity begins with a stable home. Community HousingWorks provides and builds life-changing affordable apartment communities with resident-centered services for working families, seniors, and people with disabilities to forge stronger futures.

CHW has successfully developed new and renovated existing multi-family, affordable rental apartments in urban, suburban and rural communities in California since 1988. With nearly 3,700 rental apartments in 42 communities statewide as of September, 2019, CHW proudly serves more than more than 9,000 children and adults each year. CHW is an Exemplary member of the national NeighborWorks Network®, a founding member of the Housing Opportunities Collaborative, an award- winning affiliate of UnidosUS, and the national Housing Partnership Network.



North Santa Fe | Vista, CA

In addition to developing quality, cost effective apartment communities, CHW distinguishes itself from other developers with outcome based programs for our residents. CHW delivers onsite programs to residents to give people the knowledge, tools, and motivation to achieve their goals and dreams. As a result, many adult residents are able to get out of debt, improve their credit, and start a practice of saving for the future; and youth have a safe place to learn and grow, improve reading ability, and succeed at school. Our board of directors, donors and fund raising programs help support the cost of these services.



Kalos | San Diego, CA

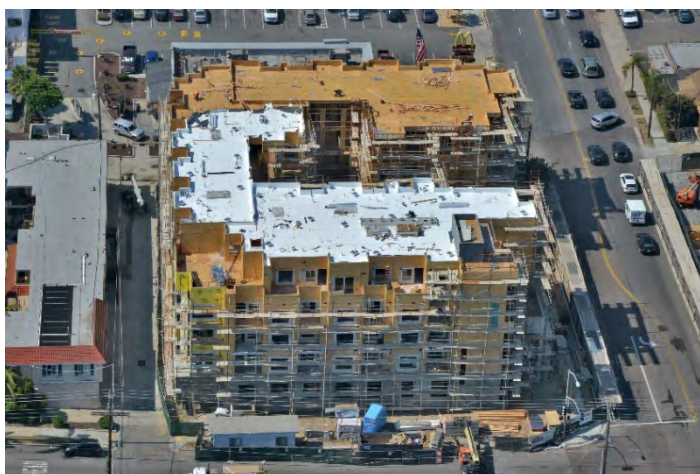
Developer Experience

Since 1988, CHW's multifamily division has established a successful track record as a real estate developer in urban, suburban, and rural areas. We have completed and currently own 42 rental communities with nearly 3,700 apartments statewide as of September, 2019, with approximately 1,100 apartments in development. Our rental developments thrive in higher income communities such as Carlsbad and suburban Poway, as well as in inner-city communities like San Diego's City Heights and Shelltown.

Developments like Kalos (San Diego), North Santa Fe (Vista), Mission Cove (Oceanside), Paradise Creek (National City), La Costa Paloma (Carlsbad), and SOLARA (Poway) illustrate CHW's experience with large-scale new construction, complex sites, and wood frame over podium parking, developments comparable to the future of infill housing. The successful development and operation of these rental communities demonstrates our capacity to acquire, design, purchase land, obtain entitlements, finance, build and operate residential properties. And while some nonprofits have amassed portfolios of thousands of units not by developing themselves but by being the tax-exempt partner for other developers, CHW has been the sole developer, or the lead partner in the development of all 42 communities in our portfolio, with the exception of Paradise Creek.

Portfolio Overview

CHW has over 1,100 apartments in the active pipeline of new construction, acquisition, rehabilitation and preservation. In the last two years, CHW grew by over 40 percent, transforming itself into a powerhouse recognized by *Affordable Housing Finance Magazine* as number 33 of the “Top 50 Affordable Housing Developers” nationwide in 2017.



North Park Seniors | San Diego, CA

At the close of the fiscal year 2018, Community HousingWorks had Unrestricted Net Assets of more than \$65 million. CHW’s current portfolio is valued at over \$621 million. CHW maintains a cash position covering at least six months of operations, and derives its income from diverse funding sources including governments, foundations, corporate grants, individual donors, development and asset management fees. The diversity of funding sources and business lines has allowed CHW to be resilient and grow significantly in the past five years, in spite of diminished government resources.

Cost Efficiency, Schedule, and Entitlements

CHW works with top architects to design apartment complexes that fit seamlessly into the existing community and complement and enhance the surrounding homes and neighborhoods. Our cost-effective designs are attractive and responsive to community needs and context. A study by Keyser Marston Associates, *Construction Cost Comparison Analysis – Affordable vs Market Rate Development*, released by the San Diego Housing Commission in 2011, highlighted our cost-conscious design achievements, favorably comparing Kalos Apartments, our 83-unit, four story, wood frame with concrete podium in North Park, to several other local developments.

Profile: North Santa Fe Apartments: On-Time, Under-Budget, Stellar Costs by Industry Norms

CHW’s recently completed family development in Vista is an example of our experience and qualifications regarding cost efficiency and budget construction performance, illustrating that—in addition to rehab projects—CHW excels at new construction. Constructed by Sun Country Builders, costs were below other tax credit developments.

The city selected CHW through an RFQ process in July 2012. By the following June, CHW had completed full design and entitlements on a complicated site for a 68-unit podium (underground garage) construction, and had readiness to apply for a competitive tax credit allocation in July 2013. After learning that CHW’s 9% tax credit application won, we successfully completed construction documents and pulled grading and building permits prior to closing in March 2014. This exhibited our experience in obtaining entitlements, working successfully with a city for both housing development as well as permits.

The project, with a Green Point Rated certification of 201 points (Platinum), one of the top seven scores ever recorded in California, completed construction early, under-budget, despite having additional environmental remediation. Savings were used to add photovoltaic panels for common area energy mitigation. We applied for and won AHP finance from the Federal Home Loan Bank (“FHLB”) of San Francisco for \$670,000; as we neared completion with project savings, we returned the award to the FHLB, undisbursed. The final project costs were virtually identical – within \$19,000 – to the projections provided to the city in the original RFQ. Moreover, the project was 100% occupied by income-qualified residents within 10 days of the Certificates of Occupancy in July 2015.

The final cost for North Santa Fe Apartments, completed in 2015, was \$297,000/unit, significantly below the cost of most other tax credit affordable developments. Data provided by California Tax Credit Allocation Committee (“CTCAC”) indicates that for 2015, the average cost per unit for new construction was \$390,000 per unit.

Sustainability Leader: Operating Cost Efficiencies, Resident Health

CHW is committed to sustainability as a benefit both for resident health as well as for mitigation of project operating costs. Nationally noted as an innovator and leader in sustainability, our landmark SOLARA development (2007) exemplifies CHW’s track record in this area.. Prior to there being a LEED for Homes program, but following the USGBC LEED checklists that existed for commercial properties, CHW achieved the first virtual net zero energy project that was a pilot project of the California Energy Commission (“CEC”). By 2017, CHW’s solar investments alone had met 3.5 megawatts of the federal 2020 goal of 100 megawatts of solar on affordable apartments.



Solara | Poway, CA

As a national leader in the field of sustainable design and development, CHW has made it our business to know how to **access financial incentives** to lower the cost of installing energy and water conserving technologies, and we lead the industry in using green technologies to lower operating costs and to provide them as amenities. CHW has been awarded for our commitment to renewables, and we have photovoltaic panels providing electricity in 18 of our apartment communities. CHW’s sustainable design and construction practices seek to promote a healthy environment and to provide thermal comfort and utility savings for our residents. High performance buildings reduce our carbon footprint, minimize the use of natural resources, and, perhaps most importantly, significantly lower utility and maintenance costs over time.

We are thoughtful and careful on selection of sustainable elements, looking at long term operating cost efficiencies from water and energy performance enhancements, but also mindful of operating costs for unit interiors such as plank flooring versus carpet in apartments, using no-VOC paints to prevent allergy and asthma particularly in seniors. We have been recognized with numerous national and statewide awards for sustainability.

SENIOR SERVICES EXPERIENCE

Community HousingWorks (CHW) has long held the core belief that with a safe and stable home, and community support, our residents have the tools to forge strong futures. This belief and our commitment to resident success—creating safe, stable, affordable apartment communities and support for hopeful action by our residents—are at the heart of our mission and who we are as an organization.

As part of our resident-driven approach, we perform a resident opportunity and needs assessment, plus complete a community scan to make sure that we design programs that are relevant and appropriate to the residents served. CHW delivers services for seniors through both onsite staff and through partners and volunteers, creating more sustainability and more ability to vary services based on resident needs and available resources. CHW invests in measuring the impact of our core services, in order to continually improve those results.

CHW is committed to providing relevant and resident-focused quality programs that help residents maximize their full potential. To do so, CHW assesses the community needs, challenges, and goals through informal and formal assessments of residents, and responds with programs tailored to meet the unique needs and interest of each community. Program specifics will differ for each community, but fall into our core service initiative areas further outlined, below, in the proposed Scope of Services for Seniors. Programs and services will be offered to all residents, ongoing in nature, at no cost to residents and will be provided onsite at the Community Center (with the exception of services provided offsite on a referral basis).

Qualifications

Since 1997, when our residents first requested support for their children's homework, CHW has routinely included community centers and on-site services in almost all of our apartment communities. Our very first apartments in 1989 offered transitional housing services to homeless women and children. CHW is among the few large housing nonprofits in the country that supplement project service fees with both individual donor and grant contributions, in order to assure we are able to provide access to impactful, sustainable, and scalable resident services.

CHW currently offers programming in four areas of highest impact for our mission: Financial Well-being, Next Generation Success, Health and Wellness, and Supportive Housing. By defining what success means for residents based on resident input, we are making a stronger commitment to resident-driven impact. This means engaging residents even more deeply than before, and relying on resident volunteerism and engagement to build up the community and support residents' needs. This approach also continues to build a culture of hopeful action, which is a powerful tool for our residents' individual and collective success.

Target Population

The target population for the proposed program at Ulric Street Apartments II will be 100% participation of the senior households. CHW will develop a comprehensive program to match the needs and interest of the community, as well as conduct community outreach to engage community participation. Outreach strategies may include, but are not limited to:

- Monthly newsletter/calendar distribution, posting flyers, etc.
- Connecting with residents in the community at property laundry rooms, mailboxes
- Individual outreach by, knocking on doors to engage residents; and
- Hosting refreshment get-togethers to encourage participation and socialization.

PROPOSED SENIOR SERVICES PLAN

On-Site Resident Services Staffing Plan

CHW has a strong reputation for delivering high quality programs, services and assistance to the senior community. In order to reflect those high standards of performance at Ulric Street Apartments II, CHW, or in coordination with a third party resident services provider, will hire and train a dedicated, culturally competent and professional Resident Services Coordinator.

Duties of the position will include:

- Plan and deliver contracted programs, as well as oversee the delivery of services community partners;
- Oversee the daily operations of the onsite Community Center;
- Conduct community outreach to engage new and existing residents to inform them of available programs/services and to encourage participation and attendance;
- Identify and outreach to other local partners to provide additional programs onsite and resources available for resident referrals;
- Plan, advertise and coordinate all logistics for community events and activities, emphasizing socialization, resources including computer access, health, intergenerational volunteer activities;
- Survey and identify resident needs through community engagement, outreach and interactions;
- Recruit and supervise program volunteers and intern support to further provide additional outreach and leverage other resources;
- Maintain open and ongoing communication with community stakeholders, including property management staff, owners, security, City officials, housing authority, maintenance, the local police department, etc.;
- Provide program and event materials, food, and supplies; and,
- Fulfill administrative responsibilities, including track and report all participation, develop and distribute a monthly newsletters/calendar of events, and process monthly financial reports

Additionally, the Residents Services Coordinator will be supported and managed by an assigned Associate Director. The Associate Director will be assigned to supervise the Resident Services Coordinator at Ulric Street Apartments II and provide additional support and oversight for Community Center operations, programs and personnel matters. Additionally, the Associate Director will also keep ongoing contact with property management staff, CHW, and provide on-going professional development, coaching and coverage support for staff.

The annual direct cost of services to the property is \$60,000, as discussed below (see description below of the full value of services that CHW will leverage through established partnerships). That leverage allows CHW to offer a variety of programs to address the community needs and to maximize the resources available. Donation and leveraged support may include in-kind donations provided by partners/experts, software, refreshments, as well as volunteer and intern support for programs/events, etc.

Scope of Services for Seniors

The CHW proposal for resident services is to develop and provide an innovative, high quality, Senior Services program. The program is based on components including: a needs assessment of residents; provision of ongoing socialization opportunities to avoid isolation, continue mobility, and maintain community connections; helping seniors in financial or health crisis with food stability and outside services; providing a robust activities program that centers on health and wellness and productive aging in place and

connection to the Linda Vista community. Goals include provision of resources for improvement and sustainability of resident health; increased access to supportive services; and, reduction in isolation for seniors living at Ulric Street Apartments II.

CHW Resident Services Coordinator will tailor its services to improve **residents' quality of life, increase their self-sufficiency, and maximize their independence**. It is not a cookie cutter approach, and will reflect the interests and needs of the existing residents, the connections with the Linda Vista community, and the various interests including looking forward to those changing interests of the incoming Baby Boomer generation as they age (e.g. more tech savvy related services and information).

CHW will **leverage its Senior Services programs, as well as ongoing collaborations with other agencies** as: County of San Diego Aging and Independent Services, and other local nonprofit partners. The intent is to provide a continuum of support that facilitates independent living and productive and healthy aging in place, with access to affordable, integrated health options that work collaboratively with social services. The result is to assist residents achieve healthier outcomes and connections to resources that enable them to thrive.

CHW will provide **senior-centric programming**, to include but not be limited to the following linkages of additional services:

- Offer activities such as physical fitness classes (e.g. low impact Zumba, yoga, walking clubs, etc.);
- Potential resident garden onsite, with garden club, activities of community cooking events in the Community Center, promoting socialization and health;
- Offer health risk assessments and screenings;
- Offer interested seniors volunteer opportunities either within the community, at the senior connections luncheons, or on-site;
- Offer care coordination support with health-related issues, medical insurance, and appointments with their doctors;
- Identify current residents who are Medicaid eligible and at risk of nursing home placement, for referral to the Programs of All-Inclusive Care for the Elderly (PACE), which provides comprehensive medical and social services to certain frail, community-dwelling elderly individuals, most of whom are dually eligible for Medicare and Medicaid benefits. An interdisciplinary team of health professionals provides PACE participants with coordinated care through a comprehensive service package, enabling them to remain in the community rather than receive care in a nursing home;
- Work with SOAR, the County of San Diego's Aging and Independence Services (AIS) program, to provide care management services to people who do not qualify for such services through other programs. SOAR care managers work with the client to find and coordinate services in the home. The staff members develop a care plan with the client and any significant others to help the client remain safe and as independent as possible. One common goal for SOAR care managers and for clients is to prevent hospitalization or long-term, out-of-home placement.
- Work with property management and maintenance to provide minor home repairs in the apartments if needed to improve resident safety, better accommodate senior mobility, and support in-home caregivers;
- Provide access to food resources;
- Disaster Preparedness Classes to all residents;
- Offer the Senior Connections mobile food program to nutritious meals, social interaction, and educational/informative presentations for low-income seniors in their community to help improve their health and wellness.

A robust activities roster will be developed and offered to Ulric Street Apartments II's residents to foster community connections among seniors and provide opportunities for education, enrichment, and socialization. Guest presenters and volunteers will host activities such as chair yoga, tai chi classes, and informational lectures about community issues. Services including having other local social services present the services and resources they have available to seniors, speakers series on common medical issues, health workers conducting basic health risk assessments and screenings, providing opportunities to connect seniors to health care coverage and service options.

LEVERAGING ADDITIONAL SERVICES RESOURCES

Leveraging CHW's Financial Well-Being Programs

As part of the resident services programming available to residents at Ulric Street Apartments II, CHW will include its Rental Home Stability Program (RHSP) to assist any household at risk of eviction due to financial hardship regain stability. This innovative program, the only of its kind in San Diego, was recognized in a national review as one of seven best-practices programs in the nation, and has an 80% success rate of keeping residents financially secure and in their homes (see enclosed press regarding this program). It builds the connection of resident services with effective property management.

Additionally, CHW's Financial Fitness classes use a group coaching model to help residents more effectively manage their money and make positive financial choices to meet self-identified goals. Help with budgeting, a credit report and an online financial toolbox of free tools support their success. Residents who may have had damaged credit due to circumstances beyond their control, including medical bills, can rebuild credit. The success ratio is excellent—55% of those residents participating in CHW's program raised their credit scores in just six months by an average of 50 points, and several reached the 680 score threshold of "solid credit".

Leveraging CHW's Live Well Programs

Residents of Ulric Street Apartments II will have access to one of CHW's innovative health programs. CHW is an officially recognized County of San Diego Live Well Partner, and is actively implementing the Live Well Resident Leadership Academy. In 2017, the San Diego Board of Supervisors unanimously commended CHW for its outstanding commitment to the wellness of County residents. Through a partnership with Scripps Whittier Diabetes Institute, CHW offers the Diabetes Prevention Program. It provides at-risk and pre-diabetic residents a 12 month program covering self-care and ways to reduce weight in order to prevent Type II Diabetes. Residents have come together to track hundreds of pounds of weight loss and start a shared exercise program. The Project Dulce Program supports seniors with borderline or full Type II diabetes with a series of self-care classes.

IMPLEMENTATION SCHEDULE AND BUDGET

The following is a general outline of the plan for implementation strategy and timeline:

Pre-development:

1. Conduct site and neighborhood visits, meet key personnel (i.e. property management staff), assess community resources and needs.
2. Submit proposed start-up budget or list of proposed items needed to launch programs onsite.
3. Work with Project Manager to provide feedback on program space and FF&E plans, if applicable.

4. Execute agreement with community partners.
5. Identify timeline for tentative program start date.

Start of resident services (4-8 weeks prior to start of services):

6. Activate recruiting efforts for qualified Resident Services Coordinator.
7. Work on hiring and complete background clearance check of selected candidate.
8. Work with Project Manager to complete Community Center Start up Items (prior to staff starting onsite) - ensure internet/phone/fax is set up, and furniture and computers are onsite.
9. Establish communication with key personnel onsite, including property management, maintenance, IT, etc.
10. Schedule official Program Start Date and advertise to the community.

Program Start Date/ Operational Activities (On-going):

11. CHW Resident Services Coordinator to start onsite.
12. CHW to initiate outreach, informal and formal needs assessments and coordinate and launch appropriate programming.
13. Staff to purchase remaining start-up materials based on the finalized start-up budget.
14. Publish monthly newsletter/calendar to advertise offered programs.
15. Maintain on-going communications with onsite management and ownership staff regarding community and programming activity.

Monitoring and Reporting

As a resident service provider, CHW takes ownership and makes it a priority to ensure all contractual and compliance requirements are being met. All programs and participation are diligently documented using a customized database system; therefore client participation will be tracked through a monthly attendance reports. Monthly attendance reports document number of participants, units of service, program type and hours of service provided to document program activity and to illustrate all regulatory and/or contractual requirements are being satisfied. Additional back-up documentation is available to demonstrate the specific programs being offered and advertised at the property, including monthly newsletters, calendar of events, program and outreach flyers. Reports and documentation can be provided to owners and/or auditing agents, as requested.

Financial Summary and Funding Sources

Resident Services Coordinator	\$44,100
Associate Director	\$5,900
Supplies	\$10,000
Total All Expenses	\$60,000

The annual services budget from project resources is \$60,000. CHW leverages additional services through provision of in-kind services offered directly by non-profit CHW and/or the community partners at no charge to the residents or the property.

LOCAL AND EXPERIENCED PROPERTY MANAGEMENT

For almost 10 years, Community HousingWorks (CHW) has partnered with an experienced, San Diego-based property management firm, ConAm Management (ConAm) for property management of our affordable communities. ConAm manages all of our senior communities. CHW's Asset Management department oversees the management company to ensure not only that they meet financial plans and adherence to government regulatory requirements, but also that management is proactive in addressing resident needs of management and maintenance. We are proud of providing our residents "the CHW experience" of safe, healthy, sustainable homes and responsive onsite management.

ConAm Management Corporation is part of The ConAm Group, a multi-disciplined real estate investment and services firm based in San Diego, California. ConAm has become recognized as one of the nation's most astute multifamily property management corporations. ConAm internally evaluates our performance on a consistent basis to ensure meeting the needs of the owners of the communities and the residents served by the housing.

ConAm currently manages a nationwide portfolio of approximately 55,000 apartment units in more than 26 key metropolitan areas. ConAm has established regional offices throughout the country, staffed with talented management professionals who are experts in their local markets and all different types of affordable housing programs. ConAm currently manages nearly 19,000 units with some level of affordability and, in addition, manages a total of 411 PSH units under various programs with 153 units focused on formerly homeless.

Geography	Total Properties	Total Units	Affordable Properties	Affordable Units
Imperial Valley	21	1539	21	1539
Central Valley	20	3276	11	1564
LA / Inland Empire	75	8634	55	4734
Northern California	25	4611	11	1643
San Diego	116	11285	96	7440

SHP Properties	Total	% Total	% Affordable
Totals	25	10%	13%

Service Providers
PATH (People Assisting the Homeless)
Interfaith Community Services
North County Lifeline
Solutions for Change
Mental Health Systems

ConAm is committed to mirroring the philosophies and values of our partners by working together to create policies, procedures and programs that deliver outstanding results in resident outcomes and successful, long-term partnerships. Among the initiatives and projects in which ConAm has participated working hand-in-hand with our client to develop and implement the Rental Housing Stability Program (RHSP), an eviction prevention program that has been used as a model throughout the country via the NeighborWorks network

of organizations and has helped to prevent eviction and keep nearly 100 households housed. Additionally, a Credit Strengthening Initiative has been introduced. This initiative allows residents to pay rent on-line and, in doing so, reports those rent payments to credit bureaus and assists the residents in building positive credit histories. This program does not report negative credit information – so, in the event a household falls behind or cannot meet their commitments; they are not harmed by the program.

ConAm has consistently embraced the core values of caring for residents and working to ensure successful outcomes for all stakeholders. ConAm has consistently joined our partners in attending City Council meetings and working with various apartment associations to show a united front for the need for affordable housing all while working with multiple agencies to ensure the most effective service is provided at the communities. ConAm and CHW are in frequent communication, work together to solve problems that arise and work hand-in-hand for the betterment of the residents who live within the communities we serve.

Property management of a tax credit project is closely monitored by state and local regulators for compliance. ConAm is familiar with the necessary reporting requirements and maintains annual compliance. ConAm brings both the sophistication of a state-wide firm that is well respected by state regulators, but also a local company that knows our properties. Onsite property managers have the same experience of growing up in the San Diego region as the residents, and understand the heritage of each of our communities. Like CHW, ConAm is local and is embedded in the history and culture of San Diego, and is a true partner of CHW.

ConAm currently manages a total of 8 properties and 271 units with project-based vouchers, of which 4 properties and 77 units are designated with non-PSH project-based vouchers. It is a focus of ConAm's to hire and train qualified staff, put in-place goals surrounding processing files in an expedient manner and to work closely with various PHA's to process PBV files effectively and efficiently.

RESIDENT FOCUSED MANAGEMENT

CHW Asset Management has established specific processes and procedures to assure that the mission of CHW is understood and adhered to by the onsite management. Following are some of the protocols that ensure creation of a more engaged community:

- Weekly meetings- property managers and CHW community building (resident service) coordinators meet weekly to check-in and make sure that there is an exchange of information in order to address any community concerns. They would meet immediately with any issue requiring such quick response;
- Monthly resident meetings- property managers and community building coordinators work together on agenda items based on community inquiry and interests;
- Monthly business meetings- ConAm management meets monthly in-person with CHW Asset Management and CHW Achieve (i.e., our resident services department) to discuss and follow up on initiatives, policies and procedures and review any updates to regulatory requirements;
- Quarterly training- Asset management, in conjunction with property management and Achieve, holds quarterly training with all onsite staff to review topics such as emergency preparedness, program successes, communication and progress on initiatives; and,
- New resident orientation/presentation- when a resident is approved for moving into our communities, the property manager and resident services coordinator work together to provide an orientation of the amenities and services available to the new resident.

As ConAm works closely with CHW in our affordable communities, they are sensitive to the unique needs of residents in affordable apartments, and share the day-to-day delivery of our nonprofit mission as stewards for our residents. One example is the Rental Home Stability Program, discussed above. ConAm was an integral partner with CHW in creating our nationally recognized program. The property manager is the first line who refers a resident to resident services if the resident has missed rent payments or is consistently late in payment. As enumerated in the attached flow chart of the program, CHW resident services Financial Coaches then meet with the resident to review budget and find opportunities to connect with resources that can help the resident. This is especially important with seniors, who may have had health challenges, medical bills, or cognitive issues that are affecting their ability to pay rent on-time. The financial coach periodically follows-up with the resident and community manager to make sure that the resident continues on the right course to pay their rent on time; the interaction with CHW as the resident services provider will assure that the resident is connected with resources to ensure their continued financial and health sustainability, so they maintain their independence and lead productive lives.

Other property management-partnered initiatives of CHW and ConAm address best practices for stewardship of the senior community including the following:

- Integrated Pest Management Program (IPM) - CHW's entire San Diego County portfolio is under a comprehensive pest management program with Orkin Pest Control. The program uses less invasive and harmful chemicals to treat and prevent pests, thereby ensuring that the properties are still free of pests, but sustainable and healthy for residents;
- Resident Grievance Policy- inevitably, residents have disagreements with one another. Our onsite staff are trained to listen and write incident reports, as necessary, but not to get involved in resident matters. Instead, property managers refer residents to the established grievance policy which involves connecting with a mediator to help neighbors sort through their issues if needed; and,
- Crime-Free Multi-Housing Certification- all properties in cities that have a crime free multi-housing program participate in that city's Program in order to ensure that resident safety is a priority for the community.

ConAm employs a very experienced regional maintenance team with exceptional local vendor contacts to assist onsite maintenance associates with questions, emergencies and maintenance repairs. CHW and ConAm maintain open communication, meet frequently, and visit our communities regularly in order to provide residents with, not only a home, but a community of which they are proud to be a part.

Community HousingWorks

KEY PERSONNEL

Community HousingWorks' (CHW) success is in its team. With over 30 years of combined private sector development experience and over 50 years of affordable housing finance, development and operations experience, our team of professionals delivers unparalleled expertise in project management, finance, site acquisition, entitlements and asset management. Our team adds tremendous value and vision to the industry while offering deep financial experience working with local and state housing programs, federal low-income housing tax credits, tax-exempt bonds both public and private offerings, and the laying of HUD program financing and regulatory agreements.

Susan M. Reynolds

President & CEO

Sue Reynolds has led Community HousingWorks as President and CEO since 1997. Under her leadership, the organization has become a nationally-recognized and path-breaking multifamily developer, a leader in sustainable building development and operations, and an innovator in community-based programs. Since 1997, CHW has increased its operating budget and the number of apartments it has developed by a factor of nine; initiated after-school, financial education and leadership training programs that have reached thousands; and expanded from its San Diego origins to develop and operate affordable communities across California.



Sue Reynolds' broad housing experience began thirty-five years ago in tenant and community programs. Since then she has administered government housing programs, developed and advocated for affordable housing policies, and written community plans. At the California Housing Partnership Corporation, she provided financial consulting for tax credit and HUD preservation projects and created the curriculum for the California-wide LISC training program for nonprofit housing developers that is still in use today. She serves on multiple boards and advisory bodies, including California Rural Housing Coalition, the Center for Policy Initiatives, the National Housing Trust, the national NeighborWorks Real Estate Advisory Committee, and Price Charities. Ms. Reynolds was a founder and long-time board member of San Diego's nonprofit housing coalition, the San Diego Housing Federation.

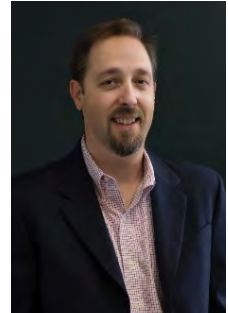
Sue Reynolds received her Bachelor of Arts from Ohio State University, and a Masters in Urban Planning from Columbia University.

KEY PERSONNEL

Brian Kay

Chief Financial Officer

Mr. Kay is a Certified Public Accountant with over 15 years of combined public and private accounting and finance experience. He has brought leadership and cross-department expertise to the CFO office with a proven ability to drive multi-functional teams to results. Mr. Kay has raised capital and managed the performance of an internal board-designated quick-strike \$24 million real estate predevelopment and acquisition fund comprised of debt and equity components. He regularly assesses and mitigates for organizational and financial risk across the organization including tax, legal, regulatory, and structural. Before joining CHW in 2012, his career highlights include leadership positions within several diverse San Diego companies. Most recently with Five Point Capital, Inc., he completed a loss to profit turnaround story culminating in an owner-acquisition. He also led the financial aspect of Anonymizer, Inc.'s sell-side transaction to Abraxas Corporation at a multiple of 16.5x's EBITDA. While at Provide Commerce (formerly Proflowers), he managed growth from start-up to over \$100 million annual sales and played a key role in the company's successful initial public offering (IPO). Mr. Kay holds a Bachelor of Arts in Economics and Business from Westmont College in Santa Barbara, CA.



Jim Kelly

Chief Operating Officer

Jim Kelly has been innovating side by side with all members of organizational staff to drive Operational Excellence, since his early leadership position in an Irvine lending company created an industry standard documentation process over 25 years ago. Football and college took him to Kansas, and a passion for leading continuous growth and development, and for CHW's mission are bringing him back to southern California.



Jim has experience in marketing and creating quality improvements across every kind of company: including serving as district sales leader for Coca Cola Enterprises, recruiting vocational training candidates for a state training program, and leading marketing, operations and then the whole enterprise as COO at an international manufacturing firm. For seven years prior to joining the CHW team, Jim was a performance coach and interim leader for many kinds of businesses and roles, including serving in a leadership role at the local Rescue Mission as Director of Operations.

KEY PERSONNEL

Mary Jane Jagodzinski

Senior Vice President, Housing & Real Estate Development

Ms. Jagodzinski joined Community HousingWorks in 2003, following 15 years in commercial development and consulting. At CHW, Ms. Jagodzinski leads a 16 person department of development and acquisition. Her projects have been nationally recognized for innovation in design, sustainability and HUD finance, including: SOLARA, a sustainable near net zero community which received a ULI Award of Excellence – The Americas; and, developments with complex HUD finance, one of which received a Novogradac Journal of Tax Credits Award for Innovative HUD Finance. Prior to CHW, Ms. Jagodzinski's experience included: regional head of a national developer's commercial development group where, in joint ventures with an institutional investor she developed over 500,000 sf of retail, office, hotel and mixed-use projects; Vice President of a national engineering/environmental firm providing advisory services to investment/commercial banks and the GSE's; and, entitlement consultant for several large master plan developments. Previously, she held senior positions with the State of California, including: Executive Director of the California Debt Limit Allocation Committee (CDLAC); and, Principal at Assembly Ways and Means Committee, as committee expert in taxes, bonds and housing.



Mary Jane Jagodzinski received her Bachelor of Arts (Economics, Honors) from CSU Sacramento, and her Master in Business Administration from the Harvard Graduate School of Business Administration. She served on the Board of Directors of the San Diego Housing Federation (past President, 2014-16), and has served as an invited member of the CEC's Affordable Housing Advisory Committee for the New Solar Homes Partnership.

Sylvia Martínez

Vice President of Forward Planning

Sylvia Martinez joined CHW in 2011, with over 20 years of experience in housing and community development throughout California. She has directed the development of over 1,000 affordable units. Her developments have achieved national recognition in sustainable affordable housing, such as USGBC LEED Project of the Year, and Affordable Housing Finance Project of the Year. At CHW, Ms. Martinez completed numerous innovative, service-enriched, and sustainable projects as a Senior Project Manager, including the first LGBT-affirming, transit-oriented development in San Diego. In her role as Vice President of Forward Planning, Ms. Martinez directs CHW's acquisition strategy, and structures financing and sites for new developments throughout the state. Ms. Martinez represents CHW on the Board of the San Diego Housing Federation and is a frequent speaker and presenter on affordable housing throughout California.



Sylvia Martinez received her bachelor's degree from Stanford University, and holds a Master's in Public Policy and Urban & Regional Planning from the Woodrow Wilson School of Public and International Affairs at Princeton University. She is also a LEED Associated Professional.

KEY PERSONNEL

Kelly Modén

Vice President of Development

Ms. Modén is a seasoned real estate development and construction professional with over 18-years in the industry. She joined Community HousingWorks in 2019, reporting to the Senior Vice President of Development, and leads the project development team ensuring on-time on-budget delivery of all CHW ground-up and rehabilitation projects.



Prior to CHW, Ms. Modén managed over \$500 million of multifamily and commercial development or rehabilitation projects, negotiated leases in excess of \$30 million of additional annual revenue including ground leases, and transacted over \$75 million in acquisitions. She had led complex entitlement efforts including Site Development Permits, Coastal Development Permits, Subdivision Maps, and permits with the Army Corps of Engineers, Regional Water Quality Board, and Department of Fish and Wildlife.

Ms. Modén is active in the commercial real estate industry and is a Board Member with NAIOP San Diego and is co-chair of the Legislative Committee and San Diego representative for the State Legislative Committee, and on the Executive Committee. She holds her Bachelor's in Environmental Design with an Architecture Emphasis from the University of Colorado at Boulder, and has pursued continuing education focused on financial analysis, storm water management and the California Environmental Quality Act.

Marc Welk

Director of Project Finance

Marc Welk has over 10 years of experience in affordable housing and community development. As Director of Project Finance, Marc is responsible for the creative financial structuring and for proforma design and review for all CHW projects. Marc reports to the Senior Vice-President, of Housing and Real Estate



Development. Previously as a Project Manager at Community HousingWorks, Marc was responsible for managing all aspects of the affordable housing development process from project conception through construction, lease-up and occupancy. Prior to joining Community HousingWorks in 2015, Marc worked for a for-profit affordable housing developer in Los Angeles. He has experience accessing multiple affordable housing financing programs including Low Income Housing Tax Credits, Tax Exempt Bonds, Housing & Community Investment Department of Los Angeles Affordable Housing Trust Funds, Federal Home Loan Bank Affordable Housing Program, CA Mental Health Services Act, CA Transit Oriented Development and others.

Mr. Welk received his Bachelor of Arts in Urban Planning from the University of Southern California.

KEY PERSONNEL

Lisa Huff

Project Manager

As a Project Manager at Community HousingWorks, Lisa is responsible for managing all aspects of the affordable housing development process from project conception through design, construction, and occupancy, and reports to the Vice President of Development. Lisa has over thirteen years of experience in affordable housing and community development. She joined the team at CHW in 2012 where her work to date has included structuring a HUD 221(d)(4) mortgage, securing project based HAP contracts, and executing competitive 9% and 4% low income housing tax credit projects. Lisa's work on the Azusa Apartments acquisition rehab project in Los Angeles County gained national recognition with awards from Affordable Housing Finance Magazine, The Affordable Housing Tax Credit Coalition, Southern California Association of Non Profit Housing, and Novogradac. Prior to joining Community HousingWorks, Lisa worked for a San Diego-based non-profit affordable housing developer obtaining financing to develop 225 units of affordable and permanent supportive housing. Lisa received her Bachelor of Arts in Political Science from the University of California San Diego. She serves as Co-Chair of the County of San Diego Behavioral Health Services Housing Council.



Rosalind Ross

Project Manager

Rosalind is responsible for all phases of real estate development from pre-development, construction, lease-up, and occupancy. Rosalind joined Community Housing Works in 2017 and reports to the Vice President of Development.



Prior to joining CHW, Rosalind was Sr. Project Manager for a Louisiana-based non-profit affordable housing developer where she managed over \$55 million of real estate development that generated 300 apartments and homeownership units. Rosalind's prior work experience includes asset management for an international commercial real estate investment firm, neighborhood economic development planning for a New York City business improvement district, and corporate finance for an international financial services firm.

Rosalind received a Bachelor of Arts in Economics from Spelman College, a Master of Urban Planning from the Robert F. Wagner Graduate School of Public Service at New York University and Certification in Urban Redevelopment from The University of Pennsylvania. Rosalind is also an alum of the CORO Fellows Program in Public Affairs in San Francisco.

KEY PERSONNEL

Stephen Swiecicki *Acquisitions Manager*

Stephen Swiecicki joined Community HousingWorks in 2016 and reports to the Vice President of Forward Planning. As an Acquisitions Manager, he is responsible for identifying and securing multi-family development sites and acquisition/rehabilitation properties. Additionally, he manages the feasibility review process as well as leads the entitlement efforts for new construction developments.



Stephen has more than 17-years of comprehensive multifamily/commercial real estate and financial services experience with principal investment, asset management, and capital markets advisory for real estate operating companies and assets. He has had personal involvement with over \$800 million in multifamily investment, \$425 million of debt closings and has managed portfolios with value in excess of \$2.5 billion. Since joining CHW, he has helped to secure approximately 600 affordable dwelling units to the portfolio including the organization's first ground-up development project outside of San Diego County.

He received his Bachelor of Science degree in Finance from Virginia Polytechnic Institute and State University.

Nhan Ho *Acquisitions Manager*

As an Acquisitions Manager, Nhan's responsibilities include sourcing, underwriting, and acquiring affordable housing communities with various financing strategies. This entails establishing financial and market feasibility, physical due diligence, and identifying and securing sources of bridge, construction, and permanent debt. Since joining Community HousingWorks in 2013, Nhan has acquired properties across California, expanding Community HousingWorks' footprint and adding more than 1,300 units. He was also part of the National City Request for Proposal team, underwriting for the acquisition of two senior HUD towers.



In addition to acquiring communities in the marketplace, he is also responsible for portfolio repositioning and dispositions, including the disposition and recapitalization of six properties. Prior to joining Community HousingWorks Nhan worked as an Acquisitions Associate at a private equity firm where he underwrote, bid, and acquired distressed assets portfolios, including commercial, residential, and inventory and as an Asset Manager at a nationally recognized syndicator and developer where he oversaw a nationwide portfolio of LIHTC properties. He received his Bachelors in Economics at San Diego State University and is a licensed real estate agent.

KEY PERSONNEL

Chris Johnston

Vice President, Asset Management

Mr. Johnston joined Community HousingWorks in 2017 as a Senior Asset Manager with approximately 20 years of experience in the affordable housing business. Prior to joining CHW, he worked for nine (9) years at Union Bank as the Co-Director of Asset Management, where he managed a team of asset managers and oversaw a direct portfolio of approximately 40 properties and a portfolio of 35 funds. He was also responsible for all LIHTC dispositions. Mr. Johnston also served as a LIHTC acquisition officer at The Summit Group and as an Investment Manager at Sempra Energy, one of the first corporate investors of affordable housing. At Sempra Energy, he managed a portfolio of over 1,300 properties in 52 funds.

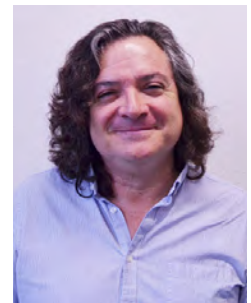


Mr. Johnston earned his Bachelor of Arts in Urban Studies at UC San Diego and a Master's degree in City Planning from Georgia Institute of Technology.

Jorge Riquelme

Senior Vice President, Achieve Programs

Mr. Riquelme leads the transformative programs that open up opportunities for CHW residents to achieve their dreams. He has been a leader in the non-profit community for over a decade both nationally and internationally. He joined CHW after a month-long, 500-mile walk in northern Spain. The experience of *El Camino de Santiago* gave Mr. Riquelme a different perspective about life: "Life looks very different at four kilometers per hour." That phrase represents his insight on the importance of community, friendship, and the connections we all have with one another. He is excited to bring this perspective to our communities. Mr. Riquelme's prior experience also includes leading civil society projects in South America and college teaching.



Mr. Riquelme has a Bachelor of Arts in Sociology from the University of California at San Diego, and holds a Masters in Sociology from State University of New York at Binghamton.

26. Insurance Certificate



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/27/2020

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

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

PRODUCER Arthur J. Gallagher & Co Insurance Brokers of CA Inc LIC #0726293 1255 Battery Street #450 San Francisco CA 94111	CONTACT NAME: Raquel Reyes Raya PHONE (A/C, No, Ext): 415-536-8549 E-MAIL ADDRESS: Raquel_reyes-raya@ajg.com FAX (A/C, No): 415-536-8499														
INSURED COMMUNITY HOUSINGWORKS 3111 Camino Del Rio N Ste 800 San Diego, CA 92108	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: left;">NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A: Philadelphia Indemnity Insurance Company</td> <td>18058</td> </tr> <tr> <td>INSURER B: State Compensation Insurance Fund of CA</td> <td>35076</td> </tr> <tr> <td>INSURER C: Zurich American Insurance Company</td> <td>16535</td> </tr> <tr> <td>INSURER D: Arch Specialty Insurance Company</td> <td>21199</td> </tr> <tr> <td>INSURER E: XL Insurance America, Inc.</td> <td>24554</td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Philadelphia Indemnity Insurance Company	18058	INSURER B: State Compensation Insurance Fund of CA	35076	INSURER C: Zurich American Insurance Company	16535	INSURER D: Arch Specialty Insurance Company	21199	INSURER E: XL Insurance America, Inc.	24554	INSURER F:	
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COVERAGES
CERTIFICATE NUMBER: 114730089

REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS														
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER: </div> <div> <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY </div> </div>			PHPK2138836	6/1/2020	6/1/2021	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>EACH OCCURRENCE</td><td>\$ 1,000,000</td></tr> <tr><td>DAMAGE TO RENTED PREMISES (Ea occurrence)</td><td>\$ 1,000,000</td></tr> <tr><td>MED EXP (Any one person)</td><td>\$ 20,000</td></tr> <tr><td>PERSONAL & ADV INJURY</td><td>\$ 1,000,000</td></tr> <tr><td>GENERAL AGGREGATE</td><td>\$ 2,000,000</td></tr> <tr><td>PRODUCTS - COMP/OP AGG</td><td>\$ 2,000,000</td></tr> <tr><td>Deductible</td><td>\$ 0</td></tr> </table>	EACH OCCURRENCE	\$ 1,000,000	DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000	MED EXP (Any one person)	\$ 20,000	PERSONAL & ADV INJURY	\$ 1,000,000	GENERAL AGGREGATE	\$ 2,000,000	PRODUCTS - COMP/OP AGG	\$ 2,000,000	Deductible	\$ 0
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A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <div style="display: flex; justify-content: space-between;"> <div> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY </div> <div> <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY </div> </div>			PHPK2138836	6/1/2020	6/1/2021	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>COMBINED SINGLE LIMIT (Ea accident)</td><td>\$ 1,000,000</td></tr> <tr><td>BODILY INJURY (Per person)</td><td>\$</td></tr> <tr><td>BODILY INJURY (Per accident)</td><td>\$</td></tr> <tr><td>PROPERTY DAMAGE (Per accident)</td><td>\$</td></tr> <tr><td></td><td>\$</td></tr> </table>	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000	BODILY INJURY (Per person)	\$	BODILY INJURY (Per accident)	\$	PROPERTY DAMAGE (Per accident)	\$		\$				
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B C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	92549032020 (CA) 934449900 (TX)	7/1/2020 7/1/2020	7/1/2021 7/1/2021	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td><input checked="" type="checkbox"/> PER STATUTE</td> <td><input type="checkbox"/> OTH-ER</td> <td></td> </tr> <tr><td>E.L. EACH ACCIDENT</td><td></td><td>\$ 1,000,000</td></tr> <tr><td>E.L. DISEASE - EA EMPLOYEE</td><td></td><td>\$ 1,000,000</td></tr> <tr><td>E.L. DISEASE - POLICY LIMIT</td><td></td><td>\$ 1,000,000</td></tr> </table>	<input checked="" type="checkbox"/> PER STATUTE	<input type="checkbox"/> OTH-ER		E.L. EACH ACCIDENT		\$ 1,000,000	E.L. DISEASE - EA EMPLOYEE		\$ 1,000,000	E.L. DISEASE - POLICY LIMIT		\$ 1,000,000		
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E.L. DISEASE - POLICY LIMIT		\$ 1,000,000																			
D E	Excess Liability Occurrence			UXP103854900 US00068655LI20A	6/25/2020 6/25/2020	6/1/2021 6/1/2021	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>Each Occurrence</td><td>\$15,000,000</td></tr> <tr><td>Aggregate</td><td>\$15,000,000</td></tr> </table>	Each Occurrence	\$15,000,000	Aggregate	\$15,000,000										
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DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Excess Liability \$15M Structure:
 Arch Specialty: \$5,000,000 xs Lead \$5M Umbrella
 XL: \$10,000,000 xs \$5,000,000 xs Lead \$5M Umbrella

The Producer will endeavor to mail 30 days written notice to the Certificate Holder named on the certificate if any policy listed on the certificate is cancelled prior to the expiration date. Failure to do so shall impose no obligation or liability of any kind upon the Producer or otherwise alter the policy terms.
 Terrorism coverage is included.

See Attached...

CERTIFICATE HOLDER
CANCELLATION

Community Housing Capital, Inc., its successors and/or its assigns, ATIMA 402 East Howard Avenue Decatur GA 30030	<p>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.</p> <p>AUTHORIZED REPRESENTATIVE</p>
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**ADDITIONAL REMARKS SCHEDULE**Page 1 of 1

AGENCY Arthur J. Gallagher & Co		NAMED INSURED COMMUNITY HOUSINGWORKS 3111 Camino Del Rio N Ste 800 San Diego, CA 92108
POLICY NUMBER		
CARRIER	NAIC CODE	EFFECTIVE DATE:

ADDITIONAL REMARKS**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,****FORM NUMBER:** 25 **FORM TITLE:** CERTIFICATE OF LIABILITY INSURANCE

RE: 2601-2685 Ulric Street, San Diego, CA 92111 & 2645-2685 Ulric Street, San Diego, CA 92111

Named Insured Includes: Ulric Street Housing Associates, LP; Linda Vista Housing Associates, LP, Ulric Street Housing Opportunities LLC; CHW Linda Vista LLC

CHW Ulric Street Development, LP is an additional named insured on the policy. Community Housing Capital, Inc. and its successors and assigns shall be named as an additional insured,

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):

Person(s) or organization(s) required to be additional insureds by written contract , as per schedule on file"

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations; or
2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

32. Business License

POST IN CONSPICUOUS PLACE OR KEEP ON PERSON

CITY OF SAN DIEGO * CERTIFICATE OF PAYMENT OF BUSINESS TAX

COMMUNITY HOUSINGWORKS
ACCOUNTING DEPT
2815 CAMINO DEL RIO SOUTH S #350
SAN DIEGO CA 92108-3816

Certificate Number: B2004013671
Business Name: COMMUNITY HOUSINGWORKS
Business Owner: COMMUNITY HOUSINGWORKS
Business Address: 2815 CAMINO DEL RIO SOUTH S #350
SAN DIEGO CA 92108-3816
Primary Business Activity: CIVIC & SOCIAL ORGANIZATIONS
Secondary Business Activity:
Effective Date: 01/01/2019
Expiration Date: 12/31/2019

PLEASE NOTIFY THE CITY TREASURER'S OFFICE IN WRITING OF ANY CHANGE IN OWNERSHIP OR ADDRESS - PLEASE SEE REVERSE SIDE FOR ADDITIONAL INFORMATION

BUSINESS FILE COPY

CITY OF SAN DIEGO
CERTIFICATE OF PAYMENT OF BUSINESS TAX
PO BOX 122289, SAN DIEGO, CA 92112-2289
1200 3RD AVENUE, MS 51T, SAN DIEGO, CA 92101
(619) 615-1500; FAX (619) 533-3272
www.sandiego.gov/treasurer

Certificate Number: B2004013671 PIN: TWBA6
Business Name: COMMUNITY HOUSINGWORKS
Business Owner: COMMUNITY HOUSINGWORKS
Business Address: 2815 CAMINO DEL RIO SOUTH S #350
SAN DIEGO CA 92108-3816

Primary Business Activity: CIVIC & SOCIAL ORGANIZATIONS

Secondary Business Activity:

Effective Date: 01/01/2019
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Mailing Address: COMMUNITY HOUSINGWORKS
ACCOUNTING DEPT
2815 CAMINO DEL RIO SOUTH S #350
SAN DIEGO CA 92108-3816



COMMUNITY HOUSINGWORKS
2815 CAMINO DEL RIO SOUTH S #350
ACCOUNTING DEPT
SAN DIEGO, CA 92108-3816



This certificate acknowledges payment of business taxes pursuant to the San Diego Municipal Code. This **is not** a License to do business within the City of San Diego in violation of any section of the Municipal Code or regulation adopted by the City Council including, but not limited to: Zoning restrictions; Land Use specifications as defined in Planned Districts, Redevelopment areas, Historical Districts, or Revitalization areas; Business Tax Regulations; Police Department Regulations; and Fire, Health or Sanitation Permits and Regulations.

This document is issued without verification that the payer is subject to or exempt from licensing by the State of California.

Payment of the required tax at the time or times due is for the term and purpose stated and is pursuant to City Ordinance. Please refer to delinquency information under "Notice".

NOTICE: It is the responsibility of the certificate holder to renew this certificate of payment of business tax within the proper time limits. Failure to do so, even if you have not received a renewal notice, will result in the assessment of a penalty. Please note your expiration date on this certificate above. The certificate holder is requested to notify the City Treasurer's Office upon sale or closure of the business, change of location, or change of business activity.

The tax or fees collected are **Not Refundable** unless collected as a direct result of an error by the City of San Diego.

This certificate is NOT transferable for a change in business ownership.

See reverse side.

35. List of Contracts

San Diego Housing Commission – Developer Disclosure Statement

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:

Project	Address	Total Funds	Purpose
Ulric Street Apartments	(CHW) 2815 Camino del Rio S., #350 San Diego, CA 92108	\$7,000,000	Acquisition, Construction, & Permanent Financing Loan
Kalos Apartments	(CHW) 2815 Camino del Rio S., #350 San Diego, CA 92108	\$6,965,583	Acquisition, Construction, & Permanent Financing Loan
Alabama Manor	(CHW) 2815 Camino del Rio S., #350 San Diego, CA 92108	\$3,785,075	Acquisition, Construction, & Permanent Financing Loan
Bandar Salam	(CHW) 2815 Camino del Rio S., #350 San Diego, CA 92108	\$2,100,000	Acquisition, Construction, & Permanent Financing Loan
Las Serenas	(CHW) 2815 Camino del Rio S., #350 San Diego, CA 92108	\$6,100,000	Acquisition, Construction, & Permanent Financing Loan
Mayberry Townhomes	(CHW) 2815 Camino del Rio S., #350 San Diego, CA 92108	\$905,648	Acquisition, Construction, & Permanent Financing Loan
North Park Seniors	(CHW) 2815 Camino del Rio S., #350 San Diego, CA 92108	\$7,000,000	Acquisition, Construction, & Permanent Financing Loan

38. Local References

San Diego Housing Commission – Developer Disclosure Statement

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

1. Name: **Sebastian Glowacki, Business Development Officer, US Bank**
Address: **633 W. 5th Street, 29th Floor, Los Angeles, CA 90071**
Phone: **303-585-4230**
Project Name and Description:
**North Park Seniors (New Construction, 76 Units, in San Diego);
Kimball Tower (Rehabilitation, 151 apts., in National City); and
Morgan Tower (Rehabilitation, 152 apts., in National City)**
2. Name: **Amanda Lee, Assistant to the City Manager, City of Vista**
Address: **200 Civic Center Drive, Vista, CA 92084**
Phone: **760-643-5208**
Project Name and Description:
**Paseo Artist Village (New construction, 60 apts., in Vista); and
North Sante Fe Apartments (New Construction, 68 apts., in Vista)**
3. Name: **Carlos Aguirre, Director of the National City Housing Authority**
Address: **140 East 12th Street, National City, CA 91950**
Phone: **619-336-4391**
Project Name and Description:
**Kimball Tower (Rehabilitation, 151 apts., in National City); and
Morgan Tower (Rehabilitation, 152 apts., in National City)**