



## EXECUTIVE SUMMARY

### HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: September 18, 2020

HCR20-081

SUBJECT: Residence Inn Hotel Circle & Residence Inn Kearny Mesa— Property Acquisition

COUNCIL DISTRICT: 3, 6 & 7

ORIGINATING DEPARTMENT: Real Estate

CONTACT/PHONE NUMBER: Michael Pavco (619) 578-7488

**REQUESTED ACTION:**

Approve the acquisition of Residence Inn Hotel Circle and Residence Inn Kearny Mesa under the terms and conditions described in this report.

**EXECUTIVE SUMMARY OF KEY FACTORS:**

- Operation Shelter to Home (OSTH) launched on April 1, 2020, temporarily moving hundreds of those experiencing sheltered or unsheltered homelessness within the City to the Convention Center.
- Many of those currently residing in the Convention Center are identified through the Coordinated Entry System as needing long-term Permanent Supportive Housing.
- The Housing Commission has worked with a real estate broker to identify multiple potential hotel sites and has initiated extensive due diligence activities.
- The Housing Commission's review of 29 properties has resulted in the selection of two candidates:
  - Residence Inn Hotel Circle – 1865 Hotel Circle South, San Diego CA, 92108; 190 affordable units and two managers' units; purchase price of \$67,000,000
  - Residence Inn Kearny Mesa – 5400 Kearny Mesa Road, San Diego, CA 92111; 142 affordable units and two managers' units; purchase price of \$39,500,000
- The State of California has reserved Homekey program funds of \$27,700,000 for the Housing Commission's proposed purchase of Residence Inn Hotel Circle and \$10,000,000 for the proposed purchase of Residence Inn Kearny Mesa.
- The Housing Commission has committed 190 federal rental housing vouchers for Residence Inn Hotel Circle and 142 federal rental housing vouchers for Residence Inn Kearny Mesa.
- The properties will be acquired and undergo upgrades to fire and life safety systems, accessibility and path of travel, termite fumigation, and minimal remediation for issues identified on the physical needs assessments for each of the properties. A comprehensive renovation effort is not contemplated for these properties at this time.
- The procurement of supportive services and property management for these properties is being presented to the Housing Commission Board of Commissioners in a separate item, HCR20-088.
- The proposed Fiscal Year 2021 (FY) 2021 funding sources and uses included in this report were partially approved by the Housing Authority in the FY 2021 Housing Commission Budget.
- Approving this action increases the FY 2021 budget by \$97,966,251 for acquisition and \$4,026,389 for operations. Operating sources and uses have been prorated to eight months for FY 2021 based on an anticipated closing date in November or early December.



## REPORT

**DATE ISSUED:** September 15, 2020

**REPORT NO:** HCR20-081

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

**SUBJECT:** Residence Inn Hotel Circle & Residence Inn Kearny Mesa— Property Acquisition

**COUNCIL DISTRICTS:** 3, 6 & 7

### **REQUESTED ACTION**

Approve the acquisition of Residence Inn Hotel Circle and Residence Inn Kearny Mesa under the terms and conditions described in this report.

### **STAFF RECOMMENDATION**

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

- 1) Ratify the execution of a Purchase and Sale Agreement (PSA) for the property located at 1865 Hotel Circle South, San Diego CA, 92108, (referred to as “Residence Inn Hotel Circle”), dated August 20, 2020, with the seller Chatham RIMV LLC;
- 2) Ratify the execution of the broker’s commission to Kidder Matthews in the amount of \$502,500 for Residence Inn Hotel Circle;
- 3) Authorize the Housing Commission’s President & Chief Executive Officer (President & CEO), or designee, upon satisfactory completion and evaluation of Residence Inn Hotel Circle, during the due diligence period to take such actions and perform such acts as are necessary to acquire Residence Inn Hotel Circle, a 5.06-acre property with improvements, for the price of \$67,000,000. Chatham RIMV LLC shall provide clear fee simple title upon acquisition of the property;
- 4) For Residence Inn Hotel Circle, ratify the funding of the refundable escrow deposit of \$250,000 in accordance with the terms outlined in the PSA, which will be applicable to the purchase price and which deposit will become non-refundable upon the expiration of the due diligence period on November 17, 2020.;
- 5) Authorize the Housing Commission’s President & CEO, or designee, to execute and record an affordability covenant against the Residence Inn Hotel Circle for 55 years, with 190 units remaining affordable at or below 80 percent of the San Diego Area Median Income (AMI) plus two unrestricted managers’ units, for a total of 192 units;

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- 6) Authorize the purchase of the Residence Inn Hotel Circle, associated closing costs as well as remediation and upgrades to the property utilizing \$27,700,000 in State of California Department of Housing and Community Development (HCD) Homekey Program (Homekey) Funds; \$32,840,399 in a permanent loan from Chase Bank; \$928,174 in federal Moving to Work (MTW) funds; \$10,000,000 in federal Community Development Block Grant funds; and \$3,500,000 in a Deferred Developer Fee. HCD informed the Housing Commission that it has reserved \$27,700,000 in Homekey grant funds for the Housing Commission for the acquisition of Residence Inn Hotel Circle. However, in the unlikely event that such an HCD grant is not finally committed by HCD, this gap will be filled with \$27,700,000 in eligible funds from the City of San Diego. In addition, the Housing Commission's President & CEO, or designee, is hereby granted the authority to substitute alternative funds, provided that the amount of the substituted funding does not exceed the original funding amount(s), when in the best interests of the Housing Commission and when such funds are available, as referenced in this report;
- 7) Authorize the Housing Commission's President & CEO, or designee, to substitute approved funding sources for Residence Inn Hotel Circle with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the President & CEO, or designee, to take such actions as are necessary, convenient and/or appropriate to implement these approvals, upon the advice of General Counsel;
- 8) Authorize the Housing Commission's President & CEO, and, if and as necessary, the Executive Director of the Housing Authority, or designee, and/or the Executive Vice President and Chief of Staff, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions as are necessary and/or appropriate to implement these approvals upon the advice of General Counsel, to allow the Housing Commission to acquire Residence Inn Hotel Circle on terms and conditions described in this report, as approved by General Counsel of the Housing Commission;
- 9) Approve all budgets associated with Residence Inn Hotel Circle. This includes the transfer and/or reallocation of funds between any and all funding use line items within the total approved development/project budget provided the total project/development budget amount after any and all transfers/reallocations does not exceed the previously approved budget total, in any instances when the operational need(s) arise and/or when such actions are to the benefit of the Housing Commission and its mission;
- 10) Ratify the execution of a PSA for the property located at 5400 Kearny Mesa Road, San Diego, CA 92111 (referred to as "Residence Inn Kearny Mesa"), dated July 20, 2020, with the seller RT San Diego, LLC;
- 11) Authorize the Housing Commission's President & CEO, or designee, upon satisfactory completion and evaluation of Residence Inn Kearny Mesa during the due diligence period to take such actions and perform such acts as are necessary to acquire Residence Inn Kearny Mesa, a 3.63-acre property with improvements for the price of \$39,500,000. RT San Diego, LLC shall provide clear fee simple titles upon acquisition of the property;
- 12) For Residence Inn Kearny Mesa, ratify the funding of the refundable escrow deposit of \$100,000 in accordance with the terms outlined in the PSA, which will be applicable to the purchase price

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and which deposit will become non-refundable upon the expiration of the due diligence period on November 17, 2020;

- 13) Authorize the Housing Commission's President & CEO, or designee, to execute and record an affordability covenant against the Residence Inn Kearny Mesa for 55 years, with 142 units remaining affordable at or below 80 percent of the San Diego Area Median Income (AMI) and two unrestricted managers' units, for a total of 144 units;
- 14) Authorize the purchase of the Residence Inn Kearny Mesa, associated closing costs as well as remediation and upgrades to the property utilizing \$10,000,000 in State Homekey Funds; \$17,425,852 in a permanent loan, from Chase Bank; \$6,594,517 in MTW funds; \$10,000,000 in City Coronavirus Aid, Relief, and Economic Security (CARES) Act Fund from the City of San Diego; and \$2,469,310 in a Deferred Developer Fee. The State Department of Housing and Community Development (HCD) informed the Housing Commission that it has reserved \$10,000,000 in Homekey grant funds for the Housing Commission for this property acquisition. However, in the unlikely event that such an HCD grant is not finally committed by HCD, this gap will be filled with an additional \$10,000,000 in CARES Act Funds from the City of San Diego. In addition, the Housing Commission's President & CEO, or designee, is hereby granted the authority to substitute alternative funds, provided that the amount of the substituted funding does not exceed the original funding amount(s), when in the best interests of the Housing Commission and when such funds are available, as referenced in this report;
- 15) Authorize the Housing Commission's President & CEO, or designee, to substitute approved funding sources for Residence Inn Kearny Mesa with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the President & CEO, or designee, to take such actions as are necessary, convenient and/or appropriate to implement these approvals, upon the advice of General Counsel;
- 16) Authorize the Housing Commission's President & CEO, and, if and as necessary, the Executive Director of the Housing Authority, or designee, and/or the Executive Vice President and Chief of Staff, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions as are necessary and/or appropriate to implement these approvals upon the advice of General Counsel, to allow the Housing Commission to acquire Residence Inn Kearny Mesa on terms and conditions described in this report, as approved by General Counsel of the Housing Commission;
- 17) Approve all budgets associated with Residence Inn Kearny Mesa, as referenced within this report. This includes the transfer and/or reallocation of funds between any and all funding use line items within the total approved development/project budget provided the total project/development budget amount after any and all transfers/reallocations does not exceed the previously approved budget total, in any instances when the operational need(s) arise and/or when such actions are to the benefit of the Housing Commission and its mission.
- 18) Approve the execution of such funding agreements with the City of San Diego that may be necessary to allow for the acquisition of the Residence Inn Hotel Circle and Residence Inn Kearny Mesa properties, including but not limited to agreements to allow for the substitution of City of San Diego CARES Act Funding in the amount of \$10,000,000.00 in the unlikely event

that the reservation of \$10,000,000 in HCD Funds for the acquisition of the Residence Inn Kearny Mesa property is not finally awarded by HCD and to allow for the substitution of eligible funds from the City of San Diego in the amount of \$27,700,000 in the unlikely event that the reservation of \$27,700,000 in HCD funds for the acquisition of Residence Inn Hotel Circle is not finally awarded by HCD. Housing Commission staff anticipate these funds will be awarded, but because of timing issues to close the purchase of the properties this year, there is not sufficient time to bring another action item forward at a later date, which makes this approval of a substitute funding source necessary. This is also necessary to allow the Housing Commission to submit a Subsidy Lawyering Review (SLR) to the U.S. Department of Housing and Urban Development in a timely manner, which is a prerequisite to final funding from all federal sources of funds.

## **SUMMARY**

### **Background**

In response to the COVID-19 pandemic, the City of San Diego, in partnership with the Housing Commission, the County of San Diego, the Regional Task Force on the Homeless (RTFH) and the San Diego Convention Center launched Operation Shelter to Home (OSTH) on April 1, 2020, temporarily moving hundreds of those experiencing sheltered or unsheltered homelessness within the City to the Convention Center in an effort to prevent the spread of COVID-19 among people experiencing homelessness by achieving appropriate social distancing and providing access to a variety of sanitation and hygiene facilities. Many of those currently residing in the Convention Center are identified through the RTFH's Coordinated Entry System as needing long-term Permanent Supportive Housing to successfully end their homelessness and provide the appropriate level of resources and supportive services to best meet their needs and ensure long-term tenancy stability. The acquisition of the hotels that are the subject of this report will provide permanent housing for some of those individuals currently being temporarily housed in the Convention Center.

The City of San Diego Community Action Plan on Homelessness, which was accepted by the City Council in October 2019, identified the need for an additional 2,659 Permanent Supportive Housing units in the next 10 years for individuals experiencing homelessness in the City of San Diego, with the need for 60 percent of those units (1,595) to be developed within the first four years.

In addition to the current crisis caused by the COVID-19 pandemic, the City adopted a Shelter Crisis resolution pursuant to Government Code Section 8698, et seq., which is currently operative. The Shelter Crisis Law was enacted in an effort to provide shelter and mitigate the effects of the ongoing housing emergency.

As the current situation represents a state of emergency, the Housing Commission has worked with a real estate broker to identify multiple potential hotel sites and has initiated extensive due diligence activities to vet items such as zoning, presence of potential environmental hazards, potential hazardous materials, immediate capital needs, pest control, and any immediate needs, including accessibility of each site. The Housing Commission also obtained appraisals and market studies for each site. Due diligence allows the Housing Commission to identify the best candidates amid the preliminary hotel sites. The Housing Commission's review of 29 properties has resulted in the selection of the two candidates set forth herein.

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## **Site Descriptions**

### **Residence Inn Hotel Circle**

Residence Inn Hotel Circle is a 192-unit building located on a 5.06-acre site at 1865 Hotel Circle South (92108) in the Hotel Circle Neighborhood of Central San Diego (Attachment 1 – Location Maps).

Built in 2003, the property is currently used for short-term and long-term rentals. The site consists of two buildings with 152 one-bedroom/one-bath, 24 two-bedroom/one-bath, and 16 two-bedroom/two-bath units. Of the 40 two-bedroom units, two will be utilized as managers' units. All units have kitchenettes.

Community spaces at the site include laundry facilities, library, clubhouse, fitness center, barbecue grill area, and congregate eating area. One meeting room and seven staff offices also are on-site.

### **Residence Inn Kearny Mesa**

Residence Inn Kearny Mesa is a 144-unit building located on a 3.63-acre site at 5400 Kearny Mesa Road (92111) in the Kearny Mesa Neighborhood of Central San Diego (Attachment 1 – Location Maps).

The property was built in 1990 and was renovated in 2013. It is currently used for short-term and long-term rentals. The site consists of 11 two-story buildings with 36 two-bedroom/two-bath units and 108 studios with private baths. Of the 36 two-bedroom units, two will be utilized as managers' units. All units have kitchenettes.

Community spaces at the site include laundry facilities, fitness center, clubhouse, barbecue grill area, tennis court, congregate eating area and ample green space. Two conference rooms and five staff offices also are on-site.

## **Rehabilitation Plan**

The properties will be acquired and undergo upgrades to fire and life safety systems, accessibility and path of travel, termite fumigation, and minimal remediation for issues identified on the physical needs assessments for each of the properties. No changes are currently planned to building and unit footprints or property use. There will be no new construction. A comprehensive renovation effort is not contemplated for these properties at this time.

## **Housing Affordability**

The Housing Commission has committed 190 federal Project-Based Housing Vouchers to Residence Inn Hotel Circle. This property has the capacity to provide housing for 228 individuals because 38 of the 190 available non-managers' units are two-bedroom units.

The Housing Commission has committed 142 federal Project-Based Housing Vouchers to Residence Inn Kearny Mesa. The property has the capacity to provide housing for 176 individuals because 34 of the 142 available non-managers' units are two-bedroom units.  
Hotel Circle.

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## **Deal Terms**

### **Residence Inn Hotel Circle**

The Housing Commission executed a PSA with Chatham RIMV LLC to allow staff to investigate the property during the due diligence period, which started on August 20, 2020, and is scheduled to expire on November 17, 2020. The purchase of the property is explicitly contingent upon the approval of the Housing Commission Board of Commissioners and the Housing Authority of the City of San Diego. This is a voluntary sale and is not a public taking of this property. The key PSA terms are:

- Purchase Price:** The purchase price for Residence Inn Hotel Circle is \$67,000,000.
- Due Diligence Period:** The due diligence period begins with the effective date of the PSA (August 20, 2020) and ends on November 17, 2020.
- Broker's Commission:** The Broker's Commission will be paid by the Housing Commission via a separate agreement in the amount of \$502,500 (.75 percent).
- Earnest Money Deposit:** The Housing Commission has placed a refundable deposit of \$250,000 into escrow with Chicago Title Company. The deposit will become non-refundable upon expiration of the due diligence period, and will be credited against the purchase price.
- Close of Escrow:** The PSA provides for the Close of Escrow occurring on or before December 17, 2020, it may be possible to close the Escrow earlier.

### **Residence Inn Kearny Mesa**

The Housing Commission executed a PSA with RT San Diego, LLC to allow staff to investigate the property during the due diligence period, which started on July 20, 2020, and is scheduled to expire on November 17, 2020. The purchase of the property is explicitly contingent upon the approval of the Housing Commission Board of Commissioners and the Housing Authority of the City of San Diego. This is a voluntary sale and is not a public taking of this property. The key PSA terms are:

- Purchase Price:** The purchase price for Residence Inn Kearny Mesa is \$39,500,000.
- Due Diligence Period:** The due diligence period begins with the effective date of the PSA (July 20, 2020) and ends on November 17, 2020.
- Broker's Commission:** The Broker's Commission will be paid by RT San Diego, LLC via a separate agreement in the amount of \$670,000 (1 percent). The Housing Commission will pay no part of this broker's commission, which will be paid by the seller.
- Earnest Money Deposit:** The Housing Commission has placed a refundable deposit of \$100,000 into escrow with Chicago Title Company. The deposit will become non-refundable upon expiration of the due diligence period, and will be credited against the purchase price.
- Close of Escrow:** The PSA provides for the Close of Escrow occurring on or before January 17 2021. It should be noted, however that this escrow must and will close no

later than December 30, 2020 because of HCD and CARES Act funding requirement. The current plan is to try to close both this escrow and the Hotel Circle escrow at approximately the same time.

### **Due Diligence**

As a public agency, and in compliance with the Housing Commission’s acquisition policy, the Housing Commission performs rigorous due diligence inspections on a property prior to initiating acquisition activities. These due diligence activities are in compliance with the Housing Commission’s Acquisition Policy and are summarized for each property below. The Housing Commission retained 17 consultants/vendors as follows: Chicago Title for preliminary title reviews; CBRE for market studies and appraisals; BASIS Architecture and Consulting (BASIS) and LDCo Inc. (general contractor) for Physical Needs Assessments; Alta, Land, Surveying for an ALTA survey; VM3 Environmental for inspections of hazardous materials; SCS Engineers for Phase I and II environmental reviews; Thrasher Termite and Pest Control and RED-E-Pest Prevention for insect and pest inspections; Cable, Pipe and Leak Detection (CPL) and GPS Plumbing for sewer line inspections; Atlantis Group Land Use Consultants and Zoning Research Group for zoning conformance; CPSI/Interwest for relocation planning; Ross Financial for Financial consulting; CVR Associates for subsidy layering review consulting; and HR&A Advisors for a review of all third-party reports and financial feasibility.

### **Residence Inn Hotel Circle Due Diligence**

**Appraisal** - CBRE has been commissioned to perform an “as proposed” appraisal of value of the property’s fee simple interest. The value of the property was determined to be \$68,100,000 (\$354,688 per unit). This value is slightly higher than the asking purchase price of \$67,000,000 (\$348,958 per unit).

**Physical Needs Assessment** – BASIS and LDCo Inc. have conducted an assessment of the current physical condition of the property and improvements. Specifically, the team inspected the site, structural, mechanical, building envelope, electrical, plumbing, interiors, landscaping, roof systems, accessibility and life safety. Areas of inspection included unit interiors, exterior stairways, management office, electrical and mechanical rooms, the building exterior and site improvements. Life safety, code violations, and accessibility compliance issues were also reviewed. A report has been prepared by BASIS that summarizes the existing conditions of the property, determines the remaining useful life of the building’s components, identifies immediate and short-term repairs, and provides estimates for the costs of upgrades. In addition, a crib wall located on the property is in need of repair and will be repaired in accordance with recommendations from Ninyo and Moore, a geotechnical firm.

**CEQA and NEPA** – Environmental reviews were conducted for Residence Inn Hotel Circle, and it was determined that the acquisition would not have the potential for causing a significant effect on the environment pursuant to the applicable State California Environmental Quality Act (CEQA) Guidelines. Furthermore, in compliance with the requirements under the National Environmental Policy Act (NEPA), the City of San Diego made the determination that this action is categorically excluded and converts to exempt.

**Hazardous Materials** - VM3 Environmental inspected 29 units (15%) and common areas for microbial growth, and asbestos. Elevated air samples were detected in only four of the 29 units inspected. The Housing Commission will undertake remediation efforts prior to habitation of the units. A post-remediation clearance inspection will be obtained once remediation is completed. The elevated levels



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were found under sinks, and in one instance in adjacent flooring, which are common and capable of being remediated.

Several materials were tested for asbestos at the property, but no asbestos was detected.

Residence Inn Hotel Circle's build date is after January 1, 1978, and is, therefore, not considered "Target Housing" by the Environmental Protection Agency. For this reason, a lead-paint inspection was not performed.

***Phase I & II Environmental Site Assessment*** – SCS Engineers has conducted a Phase I Environmental Site Assessment of the Property to determine if any recognized environmental conditions (REC) are present as a result of the current or historical land uses. The report indicated there are no environmental concerns or needs for additional testing.

***Pest Inspections*** - Thrasher Termite and Pest Control completed a drywood termite inspection of 24 units and common areas. One common exterior area was found to have evidence of drywood termites. The Housing Commission will use local spot treatment to the area that has evidence of drywood termites.

Red-E-Pest looked for other pests such as cockroaches, bed bugs, rodents, etc., and concluded there were no problems with pests.

***Sewer Lines***- Cable, Pipe and Leak Detection (CPL) performed video inspections on the interior and exterior sewer lines and determined the sewer lines were in good condition.

***Zoning Conformance*** – Atlantis Group Land Use Consultants and Zoning Research Group evaluating the zoning conformance at Residence Inn Hotel Circle and found that it is in the Commercial Office CO-2-2 zone, which is intended to accommodate office uses that serve as an employment center. The CO-2-2 does not allow multifamily residential uses; however, the Visitor Accommodations use is allowed by-right. A Single-Room Occupancy (SRO) hotel use is considered a Visitor Accommodations use outside of the Coastal Overlay Zone. The SRO hotel use must meet the definition of efficiency unit in California Health and Safety Code section 17958.1. The City of San Diego Development Services Department has confirmed that the units meet or exceed the requirements for efficiency units per this section.

### **Residence Inn Kearny Mesa Due Diligence**

***Appraisal*** - CBRE (appraiser) has been commissioned to perform an "as proposed" appraisal of value of the property's fee simple interest. The value of the property was determined to be \$39,600,000 (\$275,000 per unit). This value is slightly higher than the asking purchase price of \$39,500,000 (\$274,306 per unit).

***Physical Needs Assessment*** – BASIS Architecture and Consulting (BASIS) has conducted an assessment of the current physical condition of the property and improvements. Specifically, the team inspected the site, structural, mechanical, building envelope, electrical, plumbing, interiors, landscaping, roof systems, accessibility and life safety. Areas of inspection included unit interiors, exterior stairways, management office, electrical and mechanical rooms, the building exterior and site improvements. Life safety, code violations, and accessibility compliance issues were also reviewed. A report has been prepared by BASIS that summarizes the existing conditions of the property, determines the remaining

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useful life of the building's components, identifies immediate and short-term repairs, and provides estimates for the costs of upgrades. Per the report "The Subject Property appears to be in good condition. The building is well maintained."

**CEQA and NEPA** - Environmental reviews were conducted for Residence Inn Kearny Mesa, and it was determined that the acquisition would not have the potential for causing a significant effect on the environment pursuant to the applicable State California Environmental Quality Act (CEQA) Guidelines. Furthermore, in compliance with the requirements under the National Environmental Policy Act (NEPA), the City of San Diego made the determination that this action is categorically excluded and converts to exempt.

**Hazardous Materials** - VM3 Environmental inspected 24 units (17%) and common areas for microbial growth, and asbestos. Elevated air samples were detected in seven of the 24 units inspected. The Housing Commission will undertake remediation efforts prior to habitation of the units. A post-remediation clearance inspection will be obtained once remediation is completed.

Asbestos was found on the exterior roof in the penetration mastic and sporadic patches near damaged roof shingles, which the lab results found to be "fair/non-friable." The immediate needs and remediation work does not currently anticipate disturbance of these materials; however, should unforeseen circumstances arise, all work will be performed by licensed contractors experienced in working with, and properly disposing of, asbestos-containing materials. Clearance testing will also be performed, as needed.

Residence Inn Kearny Mesa's build date is after January 1, 1978, and is, therefore, not considered "Target Housing" by the Environmental Protection Agency. For this reason, a lead-paint inspection was not performed.

**Phase I & II Environmental Site Assessments** - SCS Engineers has conducted a Phase I Environmental Site Assessment of the Property to determine if any recognized environmental conditions (REC) are present as a result of the current or historical land uses. A Limited Soil Vapor Survey and Human Health Risk Screening was recommended due to the site's proximity to a gas station adjacent to the south. The Limited Soil Vapor Survey and Human Health Risk Screening results indicated that the type and concentrations of constituents of concern reported in soil vapor at the site are below residential screening levels, and would not be expected to pose any significant risk to humans from vapor intrusion.

**Pest Inspections** - Thrasher Termite and Pest Control completed a drywood termite inspection of 24 units and common areas. Some common exterior areas were found to have evidence of drywood termites. The Housing Commission will use local spot and/or tent treatment to the areas that had evidence of drywood termites.

Red-E-Pest looked for other pests such as cockroaches, bed bugs, rodents, etc., and concluded there were no problems with pests.

**Sewer Lines**- After GPS Plumbing jetted a portion of the blocked sewer lines, Cable, Pipe and Leak Detection (CPL) performed video inspections on the interior and exterior sewer lines and determined that they were in good condition.

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**Zoning Conformance** – The existing use on the site is a hotel use, which is classified as Visitor Accommodations use in the San Diego Municipal Code (SDMC) use regulations. The Visitor Accommodations use on the site has previously conforming rights, pursuant to Chapter 12, Article 7, Division 1. A Single-Room Occupancy (SRO) hotel use is considered a Visitor Accommodations use outside of the Coastal Overlay Zone. Therefore, an SRO hotel use would be allowed on the site because it would retain the previously conforming rights, pursuant to SDMC Section 127.0107(a). The SRO hotel use must meet the definition of efficiency unit in California Health and Safety Code section 17958.1. The City of San Diego Development Services Department has confirmed that the units meet or exceed the requirements for efficiency units per this section.

The Housing Commission confirmed with City zoning staff that the Single-Room Occupancy (SRO) Hotel Use is considered a commercial services use, and that units may be occupied by more than two people, subject to minimum floor area requirements.

### **Program Operations**

The Housing Commission is seeking to implement a housing program initiative that leverages the opportunity to acquire hotels to secure sites to operate a supportive housing program model, including wraparound services, and client-centric property management at Residence Inn Hotel Circle and Residence Inn Kearny Mesa. The program will be targeted to persons previously experiencing homelessness, currently accessing Operation Shelter to Home. Referrals to and prioritization of available units will be determined by the Housing Commission in collaboration with the Regional Task Force on the Homeless, via the standardized Coordinated Entry System prioritization process.

The overall goals of the program align with the City’s Community Action Plan on Homelessness and the Housing Commission’s homelessness action plan, HOUSING FIRST – SAN DIEGO, to create a client-centered homeless assistance system and increase the production of/access to permanent housing solutions within the City.

Permanent Supportive Housing is an intensive, best practice intervention for addressing homelessness that combines permanent, subsidized housing with voluntary, wraparound supportive services, including case management for populations with disabilities and the most significant needs. Programs are operated according to a Housing First model, which recognizes the need to provide housing and shelter without preconditions, in conjunction with the provision of supportive services to ensure low-barrier entry into housing programs.

The program utilizes trauma-informed care to promote a culture of safety, empowerment, healing, and motivational interviewing, a client-centered approach to counseling and therapy, with the goals of increasing the person’s motivation and personal commitment to change. A harm reduction model, which does not require sobriety and addresses heavy drinking and/or drug use and its consequences, will also be utilized. The program design will effectively serve the target population in a welcoming and solutions-focused environment.

The Housing Commission will contract supportive services via a Request for Qualifications that was issued in May 2020. The selected contractor for each property will also subcontract with qualified property management firms to oversee the safe and efficient day-to-day operation of the property. This includes leasing up the property, collecting rents, filling vacancies, handling maintenance and repair issues, and responding to tenant complaints. Property management works in partnership with the

supportive service team to support tenants in remaining housed. Property management teams that understand the needs of the tenant population and focus on providing good customer service are critical to a Permanent Supportive Housing project's success. This procurement for services and property management is being presented to the Housing Commission Board of Commissioners in a separate item, HCR20-088.

### **FISCAL CONSIDERATIONS**

The proposed Fiscal Year 2021 (FY) 2021 funding sources and uses included in this report were partially approved by the Housing Authority in the FY 2021 Housing Commission Budget. Approving this action increases the FY 2021 budget by \$97,966,251 for acquisition and \$4,026,389 for operations. Operating sources and uses have been prorated to eight months for FY 2021 based on an anticipated closing date in November or early December.

FY 2021 funding sources and uses approved by this action will be as follows, and it should be noted that funding to be provided by the City of San Diego, is referenced within the Funding Agreements for each of the properties:

#### **Acquisition**

<b>FY21 Acquisition Funding Sources:</b>	<b>Hotel Circle</b>	<b>Kearny Mesa</b>	<b>Total</b>
Federal Funds	\$ 10,928,174	\$ 16,594,517	\$ 27,522,691
State Funds	27,700,000	10,000,000	37,700,000
Local Funds - First Mortgage	<u>32,840,399</u>	<u>17,425,852</u>	<u>50,266,251</u>
<b>Total Sources</b>	<b>71,468,573</b>	<b>44,020,369</b>	<b>115,488,942</b>
<b>FY21 Acquisition Funding Uses:</b>			
Acquisition Costs & Capital Improvements	<u>71,468,573</u>	<u>44,020,369</u>	<u>115,488,942</u>
<b>Total Uses</b>	<b>\$ 71,468,573</b>	<b>\$ 44,020,369</b>	<b>\$ 115,488,942</b>

#### **Operations**

<b>FY21 Operations Funding Sources:</b>	<b>Hotel Circle</b>	<b>Kearny Mesa</b>	<b>Total</b>
Local Funds (Rental Income)	<u>\$ 2,463,753</u>	<u>\$ 1,562,636</u>	<u>\$ 4,026,389</u>
<b>Total Sources</b>	<b>2,463,753</b>	<b>1,562,636</b>	<b>4,026,389</b>
<b>FY21 Operations Funding Uses:</b>			
Property Expenses	1,281,965	927,129	2,209,094
Debt Service	1,143,388	606,707	1,750,095
Reserves	<u>38,400</u>	<u>28,800</u>	<u>67,200</u>
<b>Total Uses</b>	<b>\$ 2,463,753</b>	<b>\$ 1,562,636</b>	<b>\$ 4,026,389</b>

The State Department of Housing and Community Development (HCD) informed the Housing Commission that it has reserved \$10,000,000 in Homekey grant funds for the Housing Commission for the Kearny Mesa property acquisition. However, in the unlikely event that such an HCD grant is not awarded, this gap will be filled with \$10,000,000 in CARES Act Funds from the City of San Diego. In addition, the actions in this report grant the Housing Commission's President & CEO, or designee, the authority to substitute alternative funds, without further action by the Housing Commission Board or the Housing Authority, but only if and to the extent that funds are determined to be available for such purposes and provided that the amount of the substituted funding does not exceed the original funding amount(s), when in the best interests of the Housing Commission and when such funds are available, as

September 15, 2020

Residence Inn Hotel Circle and Residence Inn Kearny Mesa – Property Acquisition

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referenced in this report. “Available” funding as referenced in the staff recommendations includes any funds referenced in reserves in the Housing Authority-approved FY 2021 Housing Commission Budget.

HCD also informed the Housing Commission that it has reserved \$27,700,000 in Homekey grant funds for the Housing Commission for the Hotel Circle property acquisition. However, in the unlikely event that such an HCD grant is not finally awarded by HCD, this gap will be filled with \$27,700,000 in eligible funds from the City of San Diego. In addition, the actions in this report grant the Housing Commission’s President & CEO, or designee, the authority to substitute alternative funds, provided that the amount of the substituted funding does not exceed the original funding amount(s), when in the best interests of the Housing Commission and when such funds are available, as referenced in this report. “Available” funding as referenced in the staff recommendations includes any funds referenced in reserves in the Housing Authority-approved FY 2021 Housing Commission Budget.

Developers’ Fee

\$3,500,000 – gross developer fee – Residence Inn Hotel Circle  
-3,500,000 – deferred developer fee – Residence Inn Hotel Circle  
\$ 0 – net cash developer fee

\$2,469,310 – gross developer fee – Residence Inn Kearny Mesa  
-2,469,310 – deferred developer fee – Residence Inn Kearny Mesa  
\$ 0 – net cash developer fee

The Housing Commission is deferring the entire allowable developer fee for the acquisition of these properties. The developer fees are consistent with the Housing Authority of the City of San Diego’s April 25, 2017, approval of the Housing Commission’s Request for Approval of Updated Developer Fees (Report No. HAR17-011 and Resolution No. HA-1727).

**COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS**

Council Offices for each of the Council Districts in which the properties are located have been informed of the potential acquisition of units.

County leadership and State officials from HCD and Governor Gavin Newsom’s office have been informed of the proposed acquisition of hotel properties to create permanent housing solutions for San Diegans experiencing homelessness.

On July 21, 2020, information about the Housing Commission and the City of San Diego working together to acquire hotel properties to increase access to permanent housing solutions, including the application for State Homekey funds, was presented to the Leadership Council of the City of San Diego’s Community Action Plan on Homelessness.

City of San Diego Economic Development Department staff will be presenting information about the proposed hotel acquisitions to the City of San Diego’s Consolidated Plan Advisory Board.

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Residence Inn Hotel Circle and Residence Inn Kearny Mesa – Property Acquisition

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## **KEY STAKEHOLDERS and PROJECTED IMPACTS**

Key stakeholders for these potential acquisitions include the sellers of the properties, the Housing Commission, the Hotel Circle and Kearny Mesa communities, the City of San Diego, and some individuals/households experiencing homelessness currently residing in the Convention Center.

## **ENVIRONMENTAL REVIEW**

Each of the proposed acquisitions and rehabilitations of Residence Inn Hotel Circle and Residence Inn Kearny Mesa are categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Existing Facilities), which allows the operation, repair, maintenance permitting, leasing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use. Residence Inn Hotel Circle and Residence Inn Kearny Mesa are existing facilities and the proposed actions do not involve expansion of the existing use(s). The activities described herein are Categorically Excluded subject to Section 58.5 from the National Environmental Policy Act (NEPA) pursuant to Section 58.35(a)(5) of Title 24 of the Code of Federal Regulations. The City of San Diego, as responsible entity, has conducted a NEPA Environmental Review of this project as required under Section 58.35(a), and has determined that this project converts to Exempt status per Section 58.34(a)(12). A copy of the Environmental Review is on file in the Environmental Review Record.

Respectfully submitted,

Approved by,

*Pari Zaker*

Pari Zaker  
Vice President of Real Estate Development  
Real Estate Division

*Jeff Davis*

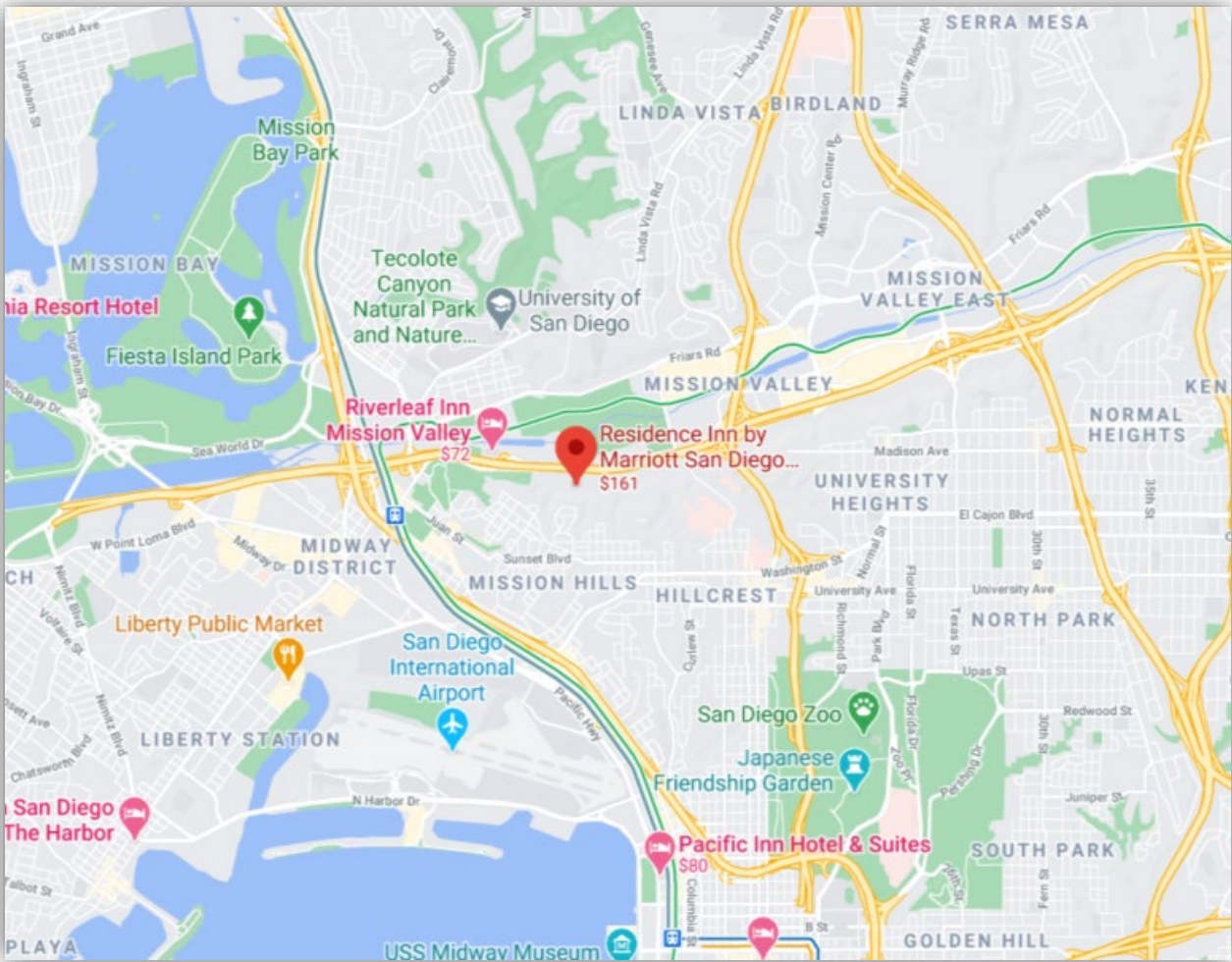
Jeff Davis  
Executive Vice President & Chief of Staff  
San Diego Housing Commission

Attachments: 1) Location Maps  
2) Pro formas

Docket materials are available in the “Governance & Legislative Affairs” section of the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org)

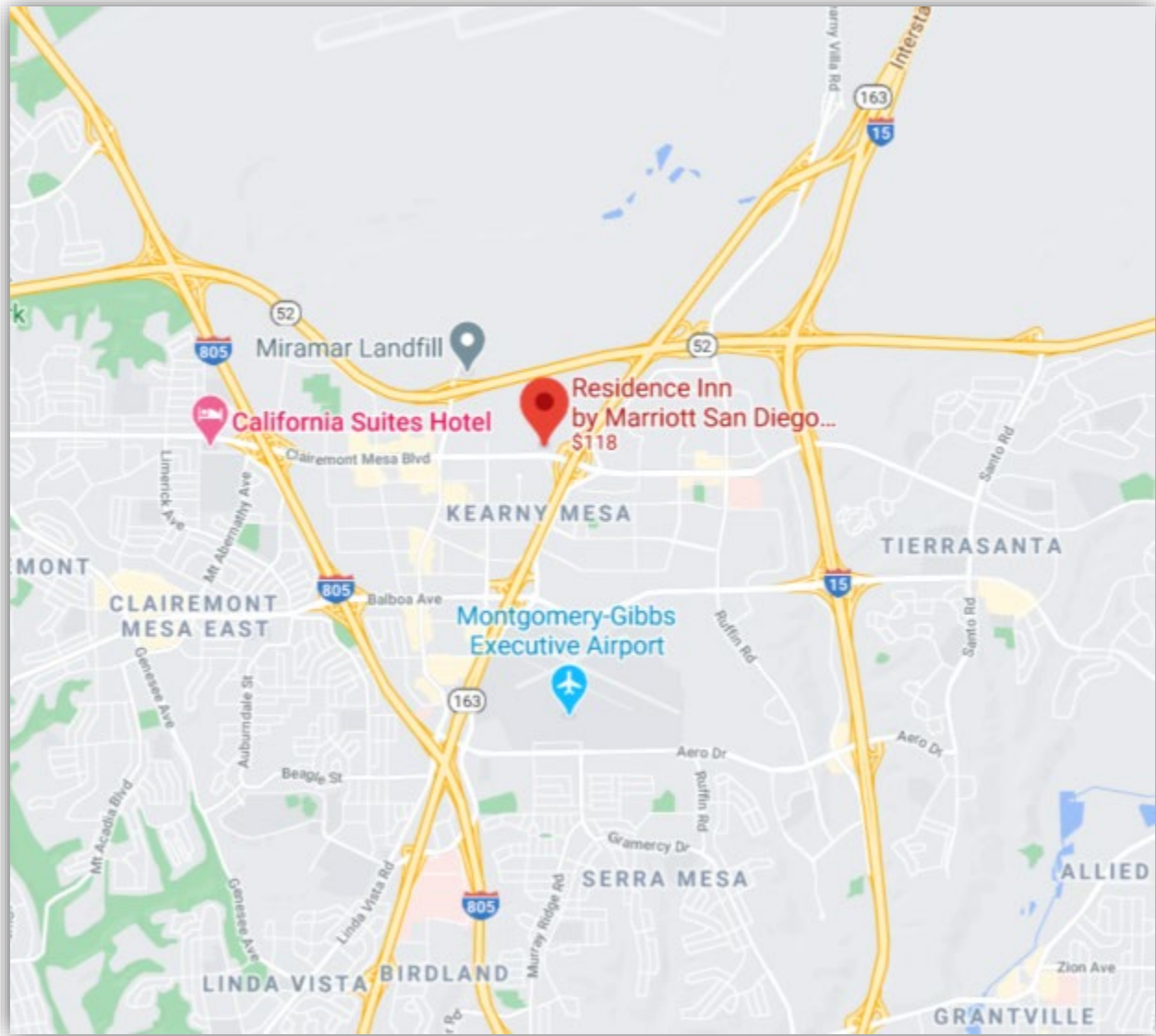
**Attachment 1a: Location Maps**

Residence Inn Hotel Circle  
1865 Hotel Circle South, San Diego, CA 92108



**Attachment 1b: Location Maps**

Residence Inn Kearny Mesa  
5400 Kearny Mesa Road, San Diego, CA 92111





## Residence Inn - Hotel Circle

Draft Date: 09/15/2020 - 7:01 AM

### SECTION 1: PROJECT INFORMATION AND ACQUISITION ASSUMPTIONS

#### GENERAL PROJECT INFORMATION

Project Name	Residence Inn - Hotel Circle
Purchase Price	\$67,000,000
Project Address	1865 Hotel Circle South, San Diego CA
Year Built	2003
Total Units	192
MSA	San Diego County
Area Media Income	
Project Type	
Prospected Owner Entity	SDHC

#### BUILDING AREA

Gross Building Square Footage	-	sf
<b>LAND SQUARE FOOTAGE</b>		
Land	-	sf
<b>Subtotal Commercial SF</b>		
Parking Structure	0 Spaces @	390 sf per space - sf
On Grade Parking	0 Spaces @	300 sf per space - sf
<b>Subtotal Parking SF</b>		- sf
<b>Approximate Gross Building Area</b>		- sf

### SECTION 2: UNIT MIX & PROJECT INCOME

#### RESIDENTIAL INCOME

Bedroom Type	Number of Units	% of Total	Net Area (SF)	Gross Square Feet	Section 8 Payment Standard	Utility Allowance	Max Rent	Monthly Income	Annual Income	
PSH Studio	0	0.0%	0	0	\$1,453	\$0	\$1,453	\$0	\$0	
PSH One Bedroom	152	79.2%	0	0	\$1,610	\$0	\$1,610	\$244,720	\$2,936,640	
PSH Two Bedroom	38	19.8%	0	0	\$2,091	\$0	\$2,091	\$79,458	\$953,496	
<b>Manager Two Bedroom</b>	<b>2</b>	<b>1.0%</b>	<b>202</b>	<b>404</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>Total/Average</b>	<b>192</b>	<b>100.0%</b>	<b>2</b>	<b>404</b>	<b>\$0</b>	<b>\$0.00</b>	<b>\$1,688</b>	<b>0%</b>	<b>\$324,178</b>	<b>\$3,890,136</b>

#### COMMERCIAL INCOME (NNN)

Unit Type	Net SF	\$/SF/Month	Monthly	Annual
Commercial Suites	0	\$0.00	\$0	\$0
Vacancy	5%			
<b>Total</b>				<b>\$0</b>

#### OTHER INCOME

Residential	\$/unit/Month	Monthly	Annual
Parking Income	\$0.00	\$0	\$0
Storage Income	\$0.00	\$0	\$0
Laundry Income	\$0.00	\$0	\$0
Fees and Charges	\$0.00	\$0	\$0
Other	\$0.00	\$0	\$0
<b>Total other income/month</b>	<b>\$0.00</b>	<b>\$0</b>	<b>\$0</b>

#### ESCALATORS & VACANCY

Item	Rate
Escalator for Income	2.5%
Escalator for Expenses	3.5%
Escalator for P'ship Expenses	3.0%
Escalator for Misc Expenses	0.0%
Residential Vacancy	5.0%

### SECTION 3: EXPENSES

Category	PUPA	Total Annual
Admin	\$1,588 per unit	\$304,907
Utilities	\$2,591 per unit	\$497,445
Maintenance	\$2,499 per unit	\$479,715
Insurance/Taxes	\$703 per unit	\$135,057
Compliance Monitoring	\$0 per unit	\$0
Replacement Reserves	\$300 per unit	\$57,600
Supportive Services	\$1,295 per unit	\$248,561
<b>Total Expenses</b>	<b>\$8,975</b>	<b>\$1,723,285</b>

### SECTION 4: PROJECT MILESTONES

Approval Milestones	Date

### SECTION 5: ASSUMPTIONS

Waterfall Assumptions

### SECTION 6: FINANCING SOURCE ASSUMPTIONS

RESERVED (PERM LOAN)	RESERVED (CONSTRUCTION LOAN)
DCR 1.15	
Amort (Years) 30	
All-in Rate 3.25%	
Annual PMT 1,715,082	
Perm Loan Amt \$32,840,399	
32840399	
SOFT FUNDING TBD	RESERVED (LIHTC EQUITY)
Principal \$0	
Interest (Simple) 3.00%	
Term 55	
Annual Payment Residual Rec.	
SOFT FUNDING TBD	ACQUIRED RESERVES
Principal \$0	Existing Reserves \$0
Interest (Simple) 3.00%	
Term 55	
Annual Payment Residual Rec.	
SOFT FUNDING TBD	RESERVED (PAY-IN SCHEDULE)
Principal \$0	
Interest (Simple) 3.00%	
Term 55	
Annual Payment Residual Rec.	

### SECTION 7: QUICK LOOK SUMMARY

Operating Summary	Total	Per Unit	% of EGI
Gross Rental Income	\$3,890,136	\$20,261	
Other Income	\$0	\$0	
(Less) Vacancy @ 5%	(\$194,502)	(\$1,013)	
<b>Effective Gross</b>	<b>\$3,695,629</b>	<b>\$19,248</b>	
Commercial Income	\$0	\$0	
(Less) Vacancy @ 0%	\$0	\$0	
<b>Total Gross</b>	<b>\$3,695,629</b>	<b>\$19,248</b>	
(Less) Operating Exp	(\$1,723,285)	(\$8,975)	
(Less) Other Expenses	\$0	\$0	
<b>Net Operating Income</b>	<b>\$1,972,344</b>	<b>\$10,273</b>	
(Less) Debt Service	(\$1,715,082)	(\$8,933)	
<b>Net Cash Flow</b>	<b>\$257,262</b>	<b>\$1,340</b>	
Developer Fee Installments			
<b>Total Developer Fee</b>			

Sources:	Total	Per Unit	% of Total
STATE HCD FUNDS	\$27,700,000	\$144,271	36.9%
PERM LOAN	\$32,840,399	\$171,044	43.8%
MTW FUNDING	\$928,174	\$4,834	1.2%
CDBG	\$10,000,000	\$52,083	13.3%
DEFERRED DEVELOPER FEE	\$3,500,000	\$18,229	4.7%
GAP	\$0	\$0	0.0%
<b>Total Sources</b>	<b>\$74,968,573</b>	<b>\$390,461</b>	<b>100%</b>

Uses:	Total	Per Unit	% of Total
ACQUISITION COSTS	\$67,000,000	\$348,958	89.4%
HARD COSTS	\$1,224,960	\$6,380	1.6%
PERMITS & FEES	\$36,749	\$191	0.0%
A&E	\$61,248	\$319	0.1%
THIRD PARTY REPORTS	\$212,501	\$1,107	0.3%
FINANCING COSTS	\$430,904	\$2,244	0.6%
RESERVES	\$1,386,413	\$7,221	1.8%
OTHER SOFT COSTS	\$1,115,798	\$5,811	1.5%
DEVELOPER FEE	\$3,500,000	\$18,229	4.7%
<b>Total Uses</b>	<b>\$74,968,573</b>	<b>\$390,461</b>	<b>100.0%</b>

## Residence Inn - Hotel Circle

### DEVELOPMENT COSTS

	Unit Cost	Total	Per Unit	% of Total
<b>ACQUISITION COSTS</b>				
1010 ACQUISITION COSTS	\$67,000,000	\$67,000,000	\$348,958	89.4%
1015 ESCROW DEPOSIT - Refundable		\$0	\$0	0.0%
<b>TOTAL ACQUISITION &amp; CLOSING COSTS</b>		\$67,000,000	\$348,958	89.4%
<b>HARD COSTS</b>				
2030 REHABILITATION (RESIDENTIAL) Prevail. Wage	\$5,000	\$960,000	\$5,000	1.3%
2045 GENERAL CONDITIONS/REQUIREMENTS	6.00%	\$57,600	\$300	0.1%
2050 GENERAL CONTRACTOR FEE (OHP)	8.00%	\$76,800	\$400	0.1%
2055 BONDING & INSURANCE	2.00%	\$19,200	\$100	0.0%
2060 HARD COST CONTINGENCY (OWNER)	10.00%	\$111,360	\$580	0.1%
<b>TOTAL HARD COSTS</b>		\$1,224,960	\$6,380	1.6%
<b>PERMITS &amp; FEES</b>				
3030 MUNICIPAL	3.00%	\$36,749	\$191	0.0%
<b>TOTAL PERMITS &amp; FEES</b>		\$36,749	\$191	0.0%
<b>ARCHITECTURE &amp; ENGINEERING</b>				
4005 ARCHITECT	5.00%	\$61,248	\$319	0.1%
<b>TOTAL ARCHITECTURE &amp; ENGINEERING</b>		\$61,248	\$319	0.1%
<b>THIRD PARTY REPORTS</b>				
5005 APPRAISAL	\$6,000	\$6,000	\$31	0.0%
5010 MARKET STUDY	\$6,500	\$6,500	\$34	0.0%
5020 ENVIRONMENTAL (PH1 & PH2)	\$15,000	\$15,000	\$78	0.0%
5025 PHYSICAL NEEDS ASSESSMENT	\$6,800	\$6,800	\$35	0.0%
5035 ALTA SURVEY	\$12,400	\$12,400	\$65	0.0%
5040 OTHER CONSULTANTS	\$59,003	\$59,003	\$307	0.1%
5040 OTHER TECHNICAL REPORTS	\$87,480	\$87,480	\$456	0.1%
8075 THIRD PARTY REPORT CONTINGENCY	10.00%	\$19,318	\$101	0.0%
<b>TOTAL DILIGENCE COSTS</b>		\$212,501	\$1,107	0.3%
<b>FINANCING COSTS</b>				
6130 PERM LOAN FEE	1%	\$328,404	\$1,710	0.4%
6115 LENDER DUE DILIGENCE / LEGAL / OTHER FEES	\$50,000	\$50,000	\$260	0.1%
6405 SDHC FEES	\$27,500	\$27,500	\$143	0.0%
6135 SDHC LOAN LEGAL	\$25,000	\$25,000	\$130	0.0%
<b>TOTAL FINANCING COSTS</b>		\$430,904	\$2,244	0.6%
<b>RESERVES</b>				
7005 REPLACEMENT RESERVE - INITIAL DEPOSIT	\$500	\$96,000	\$500	0.1%
7010 LEASE UP RESERVE	3	\$859,592	\$4,477	1.1%
7010 OPERATING RESERVE	3	\$430,821	\$2,244	0.6%
<b>TOTAL RESERVES</b>		\$1,386,413	\$7,221	1.3%

## Residence Inn - Hotel Circle

### DEVELOPMENT COSTS

	Unit Cost	Total	Per Unit	% of Total
<b>OTHER SOFT COSTS</b>				
8020 LEGAL - DEVELOPER	\$50,000	\$50,000	\$260	0.1%
8035 ACCOUNTING/COST CERT	\$16,000	\$16,000	\$83	0.0%
8037 BANK FEES	\$12,000	\$12,000	\$63	0.0%
8045 RELOCATION COSTS	\$50,000	\$50,000	\$260	0.1%
8045 RELOCATION STUDY	\$15,000	\$15,000	\$78	0.0%
8055 PREPAID INSURANCE	\$100,000	\$100,000	\$521	0.1%
8060 TITLE/ESCROW/RECORDING/TRANSFER TAX	\$100,000	\$100,000	\$521	0.1%
8065 REAL ESTATE TAXES	\$0	\$0	\$0	0.0%
8060 BROKER COMMISSION	\$502,500	\$502,500	\$2,617	0.7%
8087 LABOR COMPLIANCE	\$12,862	\$12,862	\$67	0.0%
8085 BORROWER FINANCIAL ANALYST	\$35,000	\$35,000	\$182	0.0%
8030 FF&E - RESIDENTIAL	\$500	\$96,000	\$500	0.1%
8080 FF&E - COMMON AREA	\$25,000	\$25,000	\$130	0.0%
8075 SOFT COST CONTINGENCY	10.00%	\$101,436	\$528	0.1%
<b>TOTAL OTHER SOFT COSTS</b>		\$1,115,798	\$5,811	1.5%
<b>DEVELOPER FEE</b>				
9005 DEVELOPER FEE	5%	\$3,350,000	\$17,448	4.5%
9010 DEVELOPER FEE ON REHAB	15%	\$397,688.46	\$2,071	0.5%
<b>TOTAL DEVELOPER FEE</b>		\$3,500,000	\$18,229	4.7%
<b>GRAND TOTAL DEVELOPMENT COSTS</b>		<b>\$74,968,573</b>	<b>\$390,461</b>	<b>99.4%</b>

**Residence Inn - Hotel Circle**

Cash Flow Analysis 1.1

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
<b>OPERATING BUDGET</b>															
<b>GROSS RENTAL INCOME</b>	3,890,136	3,987,389	4,087,074	4,189,251	4,293,982	4,401,332	4,511,365	4,624,149	4,739,753	4,858,247	4,979,703	5,104,196	5,231,800	5,362,595	5,496,660
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Less) Vacancy @ 5%	(194,507)	(199,369)	(204,354)	(209,463)	(214,699)	(220,067)	(225,568)	(231,207)	(236,988)	(242,912)	(248,985)	(255,210)	(261,590)	(268,130)	(274,833)
<b>EFFECTIVE GROSS INCOME</b>	3,695,629	3,788,020	3,882,720	3,979,788	4,079,283	4,181,265	4,285,797	4,392,942	4,502,765	4,615,334	4,730,718	4,848,986	4,970,210	5,094,466	5,221,827
Commercial Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL GROSS INCOME</b>	3,695,629	3,788,020	3,882,720	3,979,788	4,079,283	4,181,265	4,285,797	4,392,942	4,502,765	4,615,334	4,730,718	4,848,986	4,970,210	5,094,466	5,221,827
(Less) Total Operating Expenses	(1,723,285)	(1,783,600)	(1,846,026)	(1,910,637)	(1,977,509)	(2,046,722)	(2,118,357)	(2,192,500)	(2,269,237)	(2,348,661)	(2,430,864)	(2,515,944)	(2,604,002)	(2,695,142)	(2,789,472)
<b>NET OPERATING INCOME</b>	1,972,344	2,004,420	2,036,694	2,069,152	2,101,774	2,134,543	2,167,440	2,200,442	2,233,528	2,266,674	2,299,854	2,333,042	2,366,208	2,399,324	2,432,355
(Less) Debt Service	(1,715,082)	(1,715,082)	(1,715,082)	(1,715,082)	(1,715,082)	(1,715,082)	(1,715,082)	(1,715,082)	(1,715,082)	(1,715,082)	(1,715,082)	(1,715,082)	(1,715,082)	(1,715,082)	(1,715,082)
<b>NET PROJECT CASH FLOW</b>	257,262	289,338	321,613	354,070	386,692	419,461	452,358	485,360	518,446	551,592	584,772	617,960	651,127	684,242	717,273
DCR	(1.15)	(1.17)	(1.19)	(1.21)	(1.23)	(1.24)	(1.26)	(1.28)	(1.30)	(1.32)	(1.34)	(1.36)	(1.38)	(1.40)	(1.42)
<b>CASH WATERFALL</b>															
<b>DEFERRED DEVELOPER FEE</b>															
Beginning Balance	3,500,000	3,242,738	2,953,400	2,631,787	2,277,717	1,891,025	1,471,564	1,019,206	533,846	15,400	-	-	-	-	-
Interest on Deferred Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Less) Developer Fee PMT	(257,262)	(289,338)	(321,613)	(354,070)	(386,692)	(419,461)	(452,358)	(485,360)	(518,446)	(15,400)	-	-	-	-	-
<b>Developer Fee Balance</b>	3,242,738	2,953,400	2,631,787	2,277,717	1,891,025	1,471,564	1,019,206	533,846	15,400	-	-	-	-	-	-
<b>Remaining Cash Flow</b>	-	-	-	-	-	-	-	-	-	536,192	584,772	617,960	651,127	684,242	717,273

0.00%

Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
5,634,077	5,774,929	5,919,302	6,067,285	6,218,967	6,374,441	6,533,802	6,697,147	6,864,576	7,036,190	7,212,095	7,392,397	7,577,207	7,766,637	7,960,803
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(281,704)	(288,746)	(295,965)	(303,364)	(310,948)	(318,722)	(326,690)	(334,857)	(343,229)	(351,809)	(360,605)	(369,620)	(378,860)	(388,332)	(398,040)
5,352,373	5,486,182	5,623,337	5,763,920	5,908,018	6,055,719	6,207,112	6,362,290	6,521,347	6,684,380	6,851,490	7,022,777	7,198,347	7,378,305	7,562,763
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5,352,373	5,486,182	5,623,337	5,763,920	5,908,018	6,055,719	6,207,112	6,362,290	6,521,347	6,684,380	6,851,490	7,022,777	7,198,347	7,378,305	7,562,763
(2,887,103)	(2,988,152)	(3,092,737)	(3,200,983)	(3,313,018)	(3,428,973)	(3,548,987)	(3,673,202)	(3,801,764)	(3,934,826)	(4,072,545)	(4,215,084)	(4,362,612)	(4,515,303)	(4,673,339)
2,465,269	2,498,030	2,530,599	2,562,937	2,595,001	2,626,745	2,658,124	2,689,088	2,719,583	2,749,555	2,778,945	2,807,694	2,835,735	2,863,002	2,889,424
(1,715,082)	(1,715,082)	(1,715,082)	(1,715,082)	(1,715,082)	(1,715,082)	(1,715,082)	(1,715,082)	(1,715,082)	(1,715,082)	(1,715,082)	(1,715,082)	(1,715,082)	(1,715,082)	(1,715,082)
750,188	782,948	815,518	847,855	879,919	911,664	943,042	974,006	1,004,501	1,034,473	1,063,863	1,092,612	1,120,653	1,147,920	1,174,342
(1.44)	(1.46)	(1.48)	(1.49)	(1.51)	(1.53)	(1.55)	(1.57)	(1.59)	(1.60)	(1.62)	(1.64)	(1.65)	(1.67)	(1.68)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
750,188	782,948	815,518	847,855	879,919	911,664	943,042	974,006	1,004,501	1,034,473	1,063,863	1,092,612	1,120,653	1,147,920	1,174,342

## Residence Inn - Kearny Mesa

Draft Date: 09/15/2020 - 6:44 AM

### SECTION 1: PROJECT INFORMATION AND ACQUISITION ASSUMPTIONS

#### GENERAL PROJECT INFORMATION

Project Name: Residence Inn - Kearny Mesa  
 Purchase Price: \$39,500,000  
 Project Address: 5400 Kearny Mesa Road  
 Year Built: 1990  
 Total Units: 144  
 MSA: San Diego County  
 Area Media Income:  
 Project Type:  
 Prospected Owner Entity: SDHC

#### BUILDING AREA

Gross Building Square Footage - sf

#### LAND SQUARE FOOTAGE

Land - sf

#### Subtotal Commercial SF

Parking Structure 0 Spaces @ 390 sf per space - sf

On Grade Parking 0 Spaces @ 300 sf per space - sf

#### Subtotal Parking SF

Approximate Gross Building Area - sf

### SECTION 2: UNIT MIX & PROJECT INCOME

#### RESIDENTIAL INCOME

Bedroom Type	Number of Units	% of Total	Net Area (SF)	Gross Square Feet	Section 8 Payment Standard	Utility Allowance	Max Rent	Monthly Income	Annual Income
PSH Studio	108	75.5%		0	\$1,311	\$0	\$1,311	\$141,588	\$1,699,056
PSH One Bedroom	0	0.0%		0	\$0	\$0	\$0	\$0	\$0
PSH Two Bedroom	34	23.6%		0	\$1,883	\$0	\$1,883	\$64,022	\$768,264
Manager Two Bedroom	2	1.4%	202	404	\$0	\$0	\$0	\$0	\$0
<b>Total/Average</b>	<b>144</b>	<b>100.5%</b>	<b>3</b>	<b>404</b>	<b>\$0</b>	<b>\$0.00</b>	<b>\$1,428</b>	<b>\$205,610</b>	<b>\$2,467,320</b>

#### COMMERCIAL INCOME (NNN)

Unit Type	Net SF	\$/SF/Month	Monthly	Annual
Commercial Suites	0	\$0.00	\$0	\$0
Vacancy	5%			
<b>Total</b>			<b>\$0</b>	<b>\$0</b>

#### OTHER INCOME

Residential	\$/unit/Month	Monthly	Annual
Parking Income	\$0.00	\$0	\$0
Storage Income	\$0.00	\$0	\$0
Laundry Income	\$0.00	\$0	\$0
Fees and Charges	\$0.00	\$0	\$0
Other	\$0.00	\$0	\$0
<b>Total other income/month</b>	<b>\$0.00</b>	<b>\$0</b>	<b>\$0</b>

#### ESCALATORS & VACANCY

Item	Rate
Escalator for Income	2.5%
Escalator for Expenses	3.5%
Escalator for P/ship Expenses	3.0%
Escalator for Misc Expenses	0.0%
Residential Vacancy	5.0%

### SECTION 3: EXPENSES

Category	PUPA	Total Annual
Admin	\$1,546 per unit	\$222,634
Utilities	\$2,688 per unit	\$387,000
Maintenance	\$2,580 per unit	\$371,514
Insurance/Taxes	\$1,371 per unit	\$197,448
Compliance Monitoring	\$0 per unit	\$0
Replacement Reserves	\$300 per unit	\$43,200
Supportive Services	\$525 per unit	\$75,588
<b>Total Expenses</b>	<b>\$9,010</b>	<b>\$1,297,384</b>

### SECTION 4: PROJECT MILESTONES

Approval Milestones	Date

### SECTION 5: ASSUMPTIONS

Waterfall Assumptions
Other Assumptions

### SECTION 6: FINANCING SOURCE ASSUMPTIONS

RESERVED (PERM LOAN)	RESERVED (CONSTRUCTION LOAN)
DCR 1.15	
Amort (Years) 30	
All-in Rate 3.25%	
Annual PMT 910,061	
Perm Loan Amt \$17,425,852	
TBD SOFT FUNDING	RESERVED (LIHTC EQUITY)
Principal \$0	
Interest (Simple) 3.00%	
Term 55	
Annual Payment Residual Rec.	
SOFT FUNDING TBD	ACQUIRED RESERVES
Principal \$0	Existing Reserves \$0
Interest (Simple) 3.00%	
Term 55	
Annual Payment Residual Rec.	
SOFT FUNDING TBD	RESERVED (PAY-IN SCHEDULE)
Principal \$0	
Interest (Simple) 3.00%	
Term 55	
Annual Payment Residual Rec.	

### SECTION 7: QUICK LOOK SUMMARY

Operating Summary	Total	Per Unit	% of EGI
Gross Rental Income	\$2,467,320	\$17,134	
Other Income	\$0	\$0	
(Less) Vacancy @ 5%	(\$123,366)	(\$857)	
<b>Effective Gross</b>	<b>\$2,343,954</b>	<b>\$16,277</b>	
Commercial Income	\$0	\$0	
(Less) Vacancy @ 0%	\$0	\$0	
<b>Total Gross</b>	<b>\$2,343,954</b>	<b>\$16,277</b>	
(Less) Operating Exp	(\$1,297,384)	(\$9,010)	
(Less) Other Expenses	\$0	\$0	
<b>Net Operating Income</b>	<b>\$1,046,570</b>	<b>\$7,268</b>	
(Less) Debt Service	(\$910,061)	(\$6,320)	
<b>Net Cash Flow</b>	<b>\$136,509</b>	<b>\$948</b>	
Developer Fee Installments			
Closing			
25% Completion			
50% Completion			
75% Completion			
100% Completion			
8609s			
Deferred			
<b>Total Developer Fee</b>			0%

Sources:	Total	Per Unit	% of Total
STATE HCD FUNDS	\$10,000,000	\$69,444	21.5%
PERM LOAN	\$17,425,852	\$121,013	37.5%
MTW FUNDING	\$6,594,517	\$45,795	14.2%
CITY CARES ACT FUNDS	\$10,000,000	\$69,444	21.5%
DEFERRED DEVELOPER FEE	\$2,469,310	\$17,148	5.3%
<b>GAP</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>Total Sources</b>	<b>\$46,489,679</b>	<b>\$322,845</b>	<b>100%</b>
Uses:	Total	Per Unit	% of Total
ACQUISITION COSTS	\$39,500,000	\$274,306	85.0%
HARD COSTS	\$2,388,672	\$16,588	5.1%
PERMITS & FEES	\$71,660	\$498	0.2%
A&E	\$119,434	\$829	0.3%
THIRD PARTY REPORTS	\$170,074	\$1,181	0.4%
FINANCING COSTS	\$276,759	\$1,922	0.6%
RESERVES	\$948,207	\$6,585	2.0%
OTHER SOFT COSTS	\$545,563	\$3,789	1.2%
DEVELOPER FEE	\$2,469,310	\$17,148	5.3%
<b>Total Uses</b>	<b>\$46,489,679</b>	<b>\$322,845</b>	<b>100.0%</b>

## Residence Inn - Kearny Mesa

### DEVELOPMENT COSTS

	Unit Cost	Total	Per Unit	% of Total
<b>ACQUISITION COSTS</b>				
1010 ACQUISITION COSTS	\$39,500,000	\$39,500,000	\$274,306	85.0%
1015 ESCROW DEPOSIT - Refundable		\$0	\$0	0.0%
<b>TOTAL ACQUISITION &amp; CLOSING COSTS</b>		<b>\$39,500,000</b>	<b>\$274,306</b>	<b>85.0%</b>
<b>HARD COSTS</b>				
2030 REHABILITATION (RESIDENTIAL) Prevail. Wage	\$13,000	\$1,872,000	\$13,000	4.0%
2045 GENERAL CONDITIONS/REQUIREMENTS	6.00%	\$112,320	\$780	0.2%
2050 GENERAL CONTRACTOR FEE (OHP)	8.00%	\$149,760	\$1,040	0.3%
2055 BONDING & INSURANCE	2.00%	\$37,440	\$260	0.1%
2060 HARD COST CONTINGENCY (OWNER)	10.00%	\$217,152	\$1,508	0.5%
<b>TOTAL HARD COSTS</b>		<b>\$2,388,672</b>	<b>\$16,588</b>	<b>5.1%</b>
<b>PERMITS &amp; FEES</b>				
3030 MUNICIPAL	3.00%	\$71,660	\$498	0.2%
<b>TOTAL PERMITS &amp; FEES</b>		<b>\$71,660</b>	<b>\$498</b>	<b>0.2%</b>
<b>ARCHITECTURE &amp; ENGINEERING</b>				
4005 ARCHITECT	5.00%	\$119,434	\$829	0.3%
<b>TOTAL ARCHITECTURE &amp; ENGINEERING</b>		<b>\$119,434</b>	<b>\$829</b>	<b>0.3%</b>
<b>THIRD PARTY REPORTS</b>				
5005 APPRAISAL	\$6,000	\$6,000	\$42	0.0%
5010 MARKET STUDY	\$6,500	\$6,500	\$45	0.0%
5020 ENVIRONMENTAL (PH1 & PH2)	\$15,000	\$15,000	\$104	0.0%
5025 PHYSICAL NEEDS ASSESSMENT	\$6,800	\$6,800	\$47	0.0%
5035 ALTA SURVEY	\$11,100	\$11,100	\$77	0.0%
5040 OTHER CONSULTANTS	\$59,003	\$59,003	\$410	0.1%
5040 OTHER TECHNICAL REPORTS	\$50,210	\$50,210	\$349	0.1%
8075 THIRD PARTY REPORT CONTINGENCY	10.00%	\$15,461	\$107	0.0%
<b>TOTAL DILIGENCE COSTS</b>		<b>\$170,074</b>	<b>\$1,181</b>	<b>0.4%</b>
<b>FINANCING COSTS</b>				
6130 PERM LOAN FEE	1%	\$174,259	\$1,210	0.4%
6115 LENDER DUE DILIGENCE / LEGAL / OTHER FEES	\$50,000	\$50,000	\$347	0.1%
6405 SDHC FEES	\$27,500	\$27,500	\$191	0.1%
6135 SDHC LOAN LEGAL	\$25,000	\$25,000	\$174	0.1%
<b>TOTAL FINANCING COSTS</b>		<b>\$276,759</b>	<b>\$1,922</b>	<b>0.6%</b>
<b>RESERVES</b>				
7005 REPLACEMENT RESERVE - INITIAL DEPOSIT	\$500	\$72,000	\$500	0.2%
7010 LEASE UP RESERVE	3	\$551,861	\$3,832	1.2%
7010 OPERATING RESERVE	3	\$324,346	\$2,252	0.7%
<b>TOTAL RESERVES</b>		<b>\$948,207</b>	<b>\$6,585</b>	<b>1.3%</b>

## Residence Inn - Kearny Mesa

### DEVELOPMENT COSTS

	Unit Cost	Total	Per Unit	% of Total
<b>OTHER SOFT COSTS</b>				
8020 LEGAL - DEVELOPER	\$50,000	\$50,000	\$347	0.1%
8035 ACCOUNTING/COST CERT	\$16,000	\$16,000	\$111	0.0%
8037 BANK FEES	\$12,000	\$12,000	\$83	
8045 RELOCATION COSTS	\$50,000	\$50,000	\$347	0.1%
8045 RELOCATION STUDY	\$15,000	\$15,000	\$104	0.0%
8055 PREPAID INSURANCE	\$100,000	\$100,000	\$694	0.2%
8060 TITLE/ESCROW/RECORDING/TRANSFER TAX	\$100,000	\$100,000	\$694	0.2%
8065 REAL ESTATE TAXES	\$0	\$0	\$0	0.0%
4025 CONSTRUCTION MANAGEMENT	\$0	\$0	\$0	0.0%
8087 LABOR COMPLIANCE	\$25,081	\$25,081	\$174	0.1%
8085 BORROWER FINANCIAL ANALYST	\$35,000	\$35,000	\$243	0.1%
8030 FF&E - RESIDENTIAL	\$500	\$72,000	\$500	0.2%
8080 FF&E - COMMON AREA	\$25,000	\$25,000	\$174	0.1%
8075 SOFT COST CONTINGENCY	10.00%	\$45,482	\$316	0.1%
<b>TOTAL OTHER SOFT COSTS</b>		\$545,563	\$3,789	1.2%
<b>DEVELOPER FEE</b>				
9005 DEVELOPER FEE ON ACQUISITION	5%	\$1,975,000	\$13,715	4.2%
9010 DEVELOPER FEE ON REHAB	15%	\$494,310.48	\$3,433	1.1%
<b>TOTAL DEVELOPER FEE</b>		\$2,469,310	\$17,148	5.3%
<b>GRAND TOTAL DEVELOPMENT COSTS</b>		<b>\$46,489,679</b>	<b>\$322,845</b>	<b>99.3%</b>



**Residence Inn - Kearny Mesa**

**Cash Flow Analysis 1.1**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
<b>OPERATING BUDGET</b>															
<b>GROSS RENTAL INCOME</b>	2,467,320	2,529,003	2,592,228	2,657,034	2,723,460	2,791,546	2,861,335	2,932,868	3,006,190	3,081,345	3,158,378	3,237,338	3,318,271	3,401,228	3,486,259
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Less) Vacancy @ 5%	(123,366)	(126,450)	(129,611)	(132,852)	(136,173)	(139,577)	(143,067)	(146,643)	(150,309)	(154,067)	(157,919)	(161,867)	(165,914)	(170,061)	(174,313)
<b>EFFECTIVE GROSS INCOME</b>	2,343,954	2,402,553	2,462,617	2,524,182	2,587,287	2,651,969	2,718,268	2,786,225	2,855,880	2,927,277	3,000,459	3,075,471	3,152,358	3,231,166	3,311,946
Commercial Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL GROSS INCOME</b>	2,343,954	2,402,553	2,462,617	2,524,182	2,587,287	2,651,969	2,718,268	2,786,225	2,855,880	2,927,277	3,000,459	3,075,471	3,152,358	3,231,166	3,311,946
(Less) Total Operating Expenses	(1,297,384)	(1,342,792)	(1,389,790)	(1,438,433)	(1,488,778)	(1,540,885)	(1,594,816)	(1,650,634)	(1,708,407)	(1,768,201)	(1,830,088)	(1,894,141)	(1,960,436)	(2,029,051)	(2,100,068)
<b>NET OPERATING INCOME</b>	1,046,570	1,059,761	1,072,827	1,085,750	1,098,509	1,111,084	1,123,452	1,135,590	1,147,474	1,159,076	1,170,371	1,181,330	1,191,922	1,202,115	1,211,878
(Less) Debt Service	(910,061)	(910,061)	(910,061)	(910,061)	(910,061)	(910,061)	(910,061)	(910,061)	(910,061)	(910,061)	(910,061)	(910,061)	(910,061)	(910,061)	(910,061)
<b>PROJECT CASH FLOW</b>	136,509	149,700	162,766	175,688	188,448	201,023	213,391	225,529	237,413	249,015	260,310	271,269	281,861	292,054	301,817
<b>DCR</b>	(1.15)	(1.16)	(1.18)	(1.19)	(1.21)	(1.22)	(1.23)	(1.25)	(1.26)	(1.27)	(1.29)	(1.30)	(1.31)	(1.32)	(1.33)
<b>CASH WATERFALL</b>															
Parking Lease	(16,000)	(16,000)	(18,000)	(18,000)	(18,000)	(18,000)	(18,000)	(18,000)	(18,000)	(18,000)	(18,000)	(18,000)	(18,000)	(20,000)	(20,000)
<b>NET PROJECT CASH FLOW</b>	120,509	133,700	144,766	157,688	170,448	183,023	195,391	207,529	219,413	231,015	242,310	253,269	261,861	272,054	281,817
<b>DEFERRED DEVELOPER FEE</b>															
Beginning Balance	2,469,310	2,348,801	2,215,102	2,070,336	1,912,648	1,742,200	1,559,177	1,363,786	1,156,257	936,844	705,829	463,518	210,250	-	-
Interest on Deferred Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Less) Developer Fee PMT	(120,509)	(133,700)	(144,766)	(157,688)	(170,448)	(183,023)	(195,391)	(207,529)	(219,413)	(231,015)	(242,310)	(253,269)	(210,250)	-	-
<b>Developer Fee Balance</b>	2,348,801	2,215,102	2,070,336	1,912,648	1,742,200	1,559,177	1,363,786	1,156,257	936,844	705,829	463,518	210,250	-	-	-
<b>Remaining Cash Flow</b>	-	-	-	-	-	-	-	-	-	-	-	-	51,611	272,054	281,817

0.00%

Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
3,573,415	3,662,750	3,754,319	3,848,177	3,944,382	4,042,991	4,144,066	4,247,668	4,353,859	4,462,706	4,574,273	4,688,630	4,805,846	4,925,992	5,049,142
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(178,671)	(183,138)	(187,716)	(192,409)	(197,219)	(202,150)	(207,203)	(212,383)	(217,693)	(223,135)	(228,714)	(234,432)	(240,292)	(246,300)	(252,457)
3,394,744	3,479,613	3,566,603	3,655,768	3,747,162	3,840,842	3,936,863	4,035,284	4,136,166	4,239,570	4,345,560	4,454,199	4,565,554	4,679,692	4,796,685
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3,394,744	3,479,613	3,566,603	3,655,768	3,747,162	3,840,842	3,936,863	4,035,284	4,136,166	4,239,570	4,345,560	4,454,199	4,565,554	4,679,692	4,796,685
(2,173,570)	(2,249,645)	(2,328,383)	(2,409,876)	(2,494,222)	(2,581,520)	(2,671,873)	(2,765,389)	(2,862,177)	(2,962,353)	(3,066,036)	(3,173,347)	(3,284,414)	(3,399,369)	(3,518,346)
1,221,174	1,229,968	1,238,220	1,245,892	1,252,941	1,259,322	1,264,990	1,269,896	1,273,989	1,277,217	1,279,524	1,280,852	1,281,140	1,280,324	1,278,338
(910,061)	(910,061)	(910,061)	(910,061)	(910,061)	(910,061)	(910,061)	(910,061)	(910,061)	(910,061)	(910,061)	(910,061)	(910,061)	(910,061)	(910,061)
311,113	319,906	328,159	335,831	342,879	349,261	354,929	359,835	363,928	367,156	369,463	370,791	371,079	370,263	368,277
(1.34)	(1.35)	(1.36)	(1.37)	(1.38)	(1.38)	(1.39)	(1.40)	(1.40)	(1.40)	(1.41)	(1.41)	(1.41)	(1.41)	(1.40)
(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)
291,113	299,906	308,159	315,831	322,879	329,261	334,929	337,835	341,928	345,156	347,463	348,791	349,079	348,263	346,277
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
291,113	299,906	308,159	315,831	322,879	329,261	334,929	337,835	341,928	345,156	347,463	348,791	349,079	348,263	346,277