

REPORT

DATE ISSUED: April 6, 2007 REPORT NO: HCR 07-31

ATTENTION: Chair and Members of the Housing Commission
For the Agenda of April 27, 2007

SUBJECT: Preliminary Items Pursuant to Issuing Multifamily Housing Revenue Bonds for
Parkside Terrace Apartments (Council District 2)

REQUESTED ACTION:

Take the initial steps to issue Housing Authority mortgage revenue bonds to fund acquisition and construction of the 77-unit Parkside Terrace Apartments. Borrower would acquire the property and restrict rents below market; issuance of bonds would require Housing Authority approval at a later date and is contingent upon approval of a loan by the Redevelopment Agency.

STAFF RECOMMENDATION:

1. Housing Commission recommend the:
 - A. Housing Authority approve a bond inducement resolution (a “declaration of official intent”) for up to \$18 million in multifamily housing revenue bonds for construction of the Parkside Terrace Apartments by Wakeland Housing and Development Corporation (Wakeland);
 - B. Housing Authority approve an application (and subsequent applications if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt “private activity bonds” in an amount up to \$18 million for Parkside Terrace Apartments; and,
 - C. City Council hold a public hearing (*known as a TEFRA hearing - Tax Equity and Fiscal Responsibility Act*) and adopt a resolution approving the issuance of tax-exempt bonds in an amount up to \$18 million by the Housing Authority for Parkside Terrace Apartments located at 505 13th Street in the City of San Diego.
2. Housing Commission approve the financing team of Quint & Thimmig as bond counsel and CSG Advisors as financial advisor to begin work on the project.

BACKGROUND:

The Project

Parkside Terrace is a proposed new construction project to be located on the north side of Island Avenue between 13th and 14th Streets in the East Village neighborhood of downtown San Diego. The project would create a total of 77 multifamily rental units including 28 studios, 15 one-bedroom, 29 two-bedroom, and 5 three-bedroom apartments. See Attachment 1 for a vicinity map.

The proposed project will consist of a six-story structure over two levels of subterranean parking (92 spaces). The project will also include a rebuilt East Village Community Church (approximately 13,200 square feet) located on the southeast corner of the site; the church currently occupies the site.

The location and design of Parkside Terrace has been planned to serve the needs of the proposed tenant base. The ground floor of the project will provide 1,100 square feet of indoor common area space with a laundry facility, community room, and computer classroom. An interior courtyard will provide approximately 2,300 square feet of outdoor open space. In addition, each unit will have a balcony. The project will also be located directly opposite the future park at 14th and Island Park and within one block of a trolley stop.

Housing Affordability

Parkside Terrace will provide 76 rental units for occupancy, and at rents affordable to low and very-low income households: 13 units will be restricted at 50% Area Median Income (AMI) (\$31,050 for a household of three) and 63 units will be restricted at 60% AMI (\$37,250 for a household of three). In addition, one two-bedroom unit will be reserved for an on-site manager and will not be occupancy-restricted.

Type	AMI	Number of Units	Restricted Rent (net of utility allowance)*	Market Rate	Monthly Savings per unit
Studio	50% AMI	7	\$557	\$900	\$343
Studio	60% AMI	21	\$670	\$900	\$230
One Bedroom	50% AMI	3	\$631	\$1,400	\$769
One Bedroom	60% AMI	12	\$761	\$1,400	\$639
Two Bedroom	50% AMI	2	\$711	\$1,600	\$889
Two Bedroom**	60% AMI	27	\$857	\$1,600	\$743
Three Bedroom	50% AMI	1	\$821	\$1,900	\$1,079
Three Bedroom	60% AMI	4	\$990	\$1,900	\$910
Total		77			\$43,764
Total Annual Savings					\$525,168

*Rents have been further reduced to comply with California Redevelopment requirements.

** Includes one manager's unit.

Development Team

Wakeland, a 501 (c)(3) non-profit housing developer, will be responsible for the construction and development of the project. Wakeland currently has over 5,000 units of affordable housing in its portfolio. The Housing Commission has worked with Wakeland on several successful projects. Recently completed projects include the 60-unit Beyer Courtyard Apartments in San Ysidro and Lillian Place, a 74-unit project located in downtown San Diego. Wakeland's project team for Parkside Terrace will consist of its executive director (Mr. Ken Sauder) and its senior project manager (Mr. Barry Getzel). Wakeland's statement for public disclosure is included as Attachment 2.

Parkside Terrace L.P., a single asset limited partnership will own and operate the proposed project. Wakeland Parkside, LLC, a wholly owned subsidiary of Wakeland, will act as general partner of the limited partnership. Red Capital Markets will act as the tax credit investor and the limited partner of Parkside Terrace L.P.

Selection of the Financing Team Members

Staff recommends assigning CSG Advisors as financial advisor and Quint & Thimmig as bond counsel to work on the project. The proposed financing team members have been selected in accordance with the

existing policy for the issuance of bonds. Financial advisors and bond counsels are designated on a rotating basis from the firms selected through a competitive RFP process.

Proposed Housing Bonds

The Housing Commission utilizes the Housing Authority's tax-exempt borrowing status to pass on lower interest rate financing (and make federal tax credits available) to developers of affordable housing. The Housing Authority's ability to issue bonds is limited under the U.S. Internal Revenue Code. To issue bonds for a project, the Housing Authority must first submit an application to CDLAC for a bond allocation. Prior to submitting applications to CDLAC, projects are brought before the Housing Commission, Housing Authority, and City Council. Housing Authority bond inducement resolutions must be obtained prior to application submittal and City Council TEFRA resolutions must be secured no later than 30 days after application submittal.

It is anticipated that the project will receive a bond allocation at CDLAC's November/December meeting; however, if necessary, staff will submit additional applications to CDLAC during 2008 to secure a bond allocation for the project. A general description of the Multifamily 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 3.

The \$18 million allocation that will be sought from CDLAC is approximately 15% higher than the amount for which the project is currently being underwritten (\$16 million). The developer has requested this cushion to account for possible increases in the bond amount due to increases in construction costs or decreases in the assumed interest rate. Of the total \$16 million estimated bond issuance amount, approximately \$11.6 million in housing revenue bonds will be used to finance the construction of the project and will be paid off at conversion to permanent financing. The permanent bond amount is estimated to be approximately \$4.4 million and will be based upon project costs, revenues, and interest rates at the time of bond issuance.

The total development cost of the project is estimated to be approximately \$30 million. On February 28, 2007, the Board of Directors of the Centre City Development Corporation (CCDC) recommended that the Redevelopment Agency of the City of San Diego (Agency) approve a \$13.8 million loan to Parkside Terrace. The loan requires the approval of the Agency and the proposed issuance of bonds for the project by the Housing Authority is contingent upon approval of the loan. Preliminary permanent sources of funding are summarized in the following table:

Proposed Permanent Financing Sources	
Agency Loan	\$13,800,000
Federal Tax Credits	\$11,500,000
Housing Revenue Bonds	\$4,400,000
Deferred Developer Fee	\$300,000
Total	\$30,000,000

The developer currently proposes to issue the bonds through a private placement. The bonds would meet all the requirements of the Housing Commission's Multifamily Housing Revenue Bond Program policy and would fully comply with the City's ordinance on bond disclosure.

FISCAL CONSIDERATIONS:

There are no fiscal impacts to the Housing Commission, City, or Housing Authority associated with the requested actions. Approval of the bond inducement and TEFRA resolutions do not commit the Housing Authority to issue bonds. The bonds would not constitute a debt of the City of San Diego. If bonds are ultimately issued for the project, the bonds will not financially obligate the City, the Housing Authority or the Housing Commission because security for the repayment of the bonds will be limited to specific private revenue sources. Neither the faith and credit nor the taxing power of the City or the Authority would be pledged to the payment of the bonds. The developer is responsible for the payment of all costs under the financing, including the Housing Commission's annual administrative fee.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On September 14, 2004, the Redevelopment Agency approved an Owner Participation Agreement ("OPA") with Oak Shelter Systems, LLC to develop a mixed-use project on the subject site. In 2005, Oak Shelter Systems determined that the project was no longer financially feasible and asked to terminate the OPA.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

On February 28, 2007, the CCDC board recommended that the Redevelopment Agency: 1) terminate the original OPA with Oak Shelter Systems, LLC; 2) approve a new OPA with Parkside Terrace, L.P.; and 3) grant design review approval of the proposed project.

ENVIRONMENTAL REVIEW:

Under the 2006 Final Environmental Impact Report (FEIR) for Centre City, an Environmental Secondary Study is prepared by CCDC for all developments in the Centre City area in order to evaluate the project's compliance with the Downtown Community Plan and Planned District Ordinance and, therefore, the findings and conclusions of the FEIR. A Secondary Study was completed for Parkside Terrace and the project was found to be in compliance with those planning documents. As a result, no further environmental review is required.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

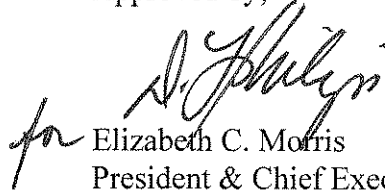
Low and very-low income households are the intended residents of the project. Wakeland will develop the project. American Baptist Churches of the Pacific Southwest, a California nonprofit corporation, doing business as Transformation Ministries currently owns the site. It is anticipated that Red Capital Markets will act as the tax credit investor and that Wells Fargo Bank, N.A. and California Community Reinvestment Corporation will provide debt for the project.

Respectfully submitted,



Cissy Fisher
Director of Housing Finance & Development

Approved by,

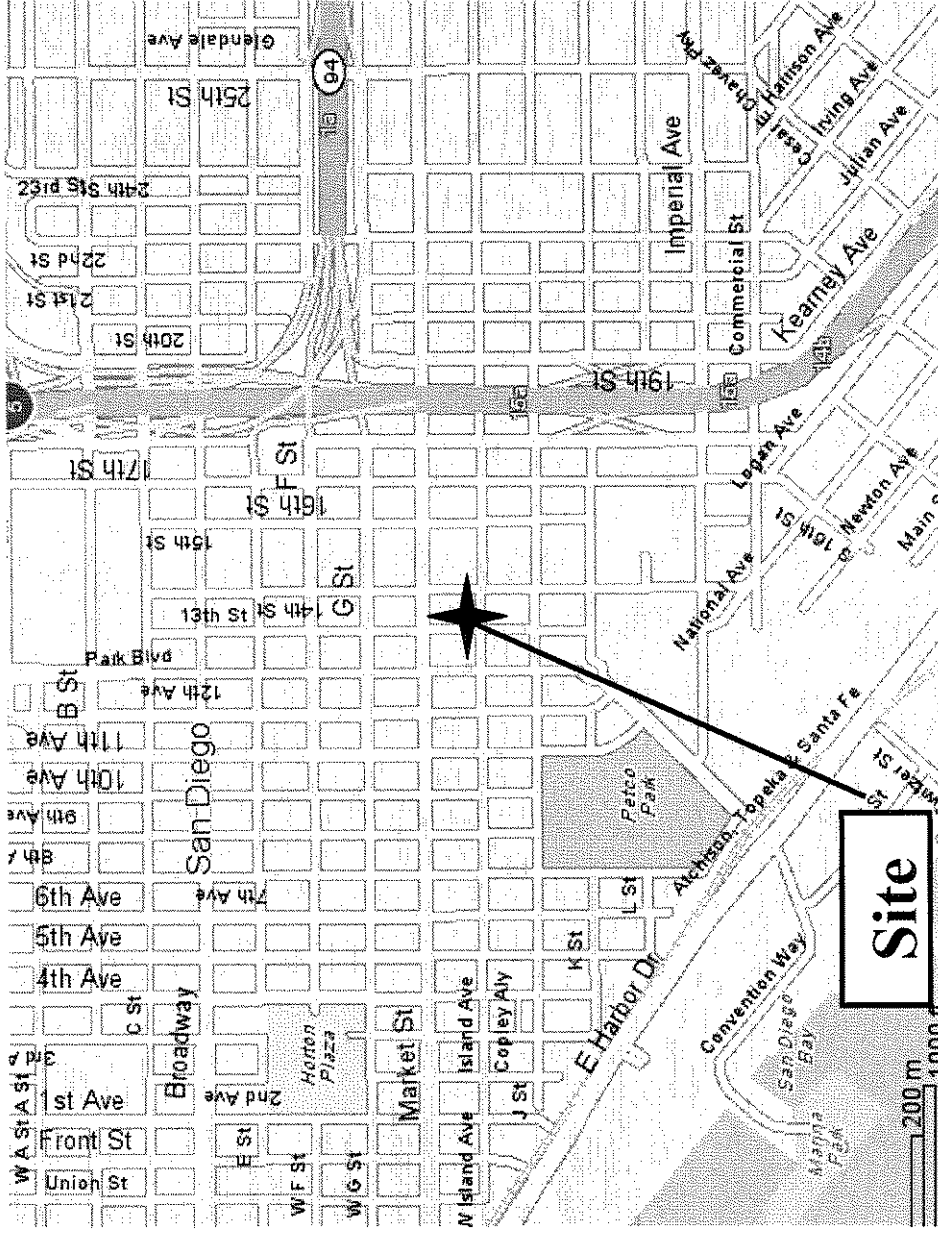


Elizabeth C. Morris
President & Chief Executive Officer

- Attachments:
1. Vicinity Map
 2. Wakeland's Developer Disclosure Statement*
 3. Multifamily Bond Program Summary

*Distribution of these attachments may be limited. Copies available for review during business hours at the Housing Commission offices at 1625 Newton Avenue.

Attachment 1: Vicinity Map



Site Address 505 13th Street, San Diego 92101



ATTACHMENT 2
**DEVELOPERS/CONSULTANTS/SELLERS/CONTRACTORS/
ENTITY SEEKING GRANT/BORROWERS**
(Collectively referred to as "CONTRACTOR" herein)
STATEMENT FOR PUBLIC DISCLOSURE

1. Name of CONTRACTOR: Wakeland Housing and Development Corporation
2. Address and Zip Code: 625 Broadway, Suite 1000 San Diego, CA 92101
3. Telephone Number: 619-235-2296
4. Name of Principal Contact for CONTRACTOR: Kenneth L. Sauder, President/CEO
5. Federal Identification Number or Social Security Number of CONTRACTOR: 33-0833640
6. If the CONTRACTOR is not an individual doing business under his own name, the CONTRACTOR has the status indicated below and is organized or operating under the laws of California as:

A corporation (Attach Articles of Incorporation)

A nonprofit or charitable institution or corporation. (Attach copy of Articles of Incorporation and documentary evidence verifying current valid nonprofit or charitable status).

A partnership known as: _____
(Name)

Check one

General Partnership (Attach statement of General Partnership)

Limited Partnership (Attach Certificate of Limited Partnership)

___ A business association or a joint venture known as:

(Attach joint venture or business association agreement)

___ A Federal, State or local government or instrumentality thereof.

___ Other (explain)

7. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:

December 28, 1998

8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below:

- a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock. **NA**
- 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.

Karolina Ericsson
Chairman of the Board
Craig Fukuyama
Doug Perkins
Art Rivera
Board Member
Lee Winslett
Board Treasurer
Larry Nuffer
Board Member

Glen R. Googins
Board Member

- c. If the CONTRACTOR is a partnership, each partner, whether a general or limited, and either the percent of interest or a description of the character and extent of interest. **NA**
- d. If the CONTRACTOR is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest. **NA**

relationship to the CONTRACTOR, and identify the officers and directors or trustees common to the CONTRACTOR and such other corporation, firm or business entity.

NA

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

June 30, 2006 Audit is attached

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:

Wakeland shall obtain predevelopment funds from Wells Fargo Bank, the Low Income Investment Fund and Red Capital Markets. Construction and permanent financing will be provided via an issuance of tax-exempt bonds by the San Diego Housing Commission. The bonds will be purchased by Wells Fargo Bank for the construction period. The California Community Reinvestment Corporation (CCRC) will be the permanent lender. Additional permanent financing will be provided by the Centre City Development Corporation (CCDC) in the form of a residual receipts loan. A tax credit investor (Red Capital Markets) will purchase the 4% tax credits.

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

- a. Via predevelopment loans:

Name, Address & Zip Code of Bank/Savings & Loan:

Red Capital Markets
Evan Becker
655 West Broadway, Suite 800
San Diego, CA 92101

Amount: \$ 1,000,000

Low Income Investment Fund
Amber Carter
800 S. Figueroa Street, Suite 760
Los Angeles, CA 90017
Amount: \$ 500,000

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

Name, Address & Zip Code of Bank/Savings & Loan:

Amount: \$ NA

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

<u>Description</u>	<u>Market Value</u>	<u>Mortgages or Liens</u>
NA	\$	\$

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

Union Bank of California
Lenore Beltran
1201 5th Avenue
San Diego, CA 92101

Wells Fargo Bank
Lee Winslet
401 B Street, Suite 304-A
San Diego, CA 92101

Washington Mutual
Art Rivera
707 Broadway
15th Floor
San Diego 92101

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 X No

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

19. Has the CONTRACTOR or anyone referred to above as "principals of the CONTRACTOR" been convicted of any felony within the past 10 years?
 Yes X No

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

20. List undertakings (including, but not limited to, bid bonds, performance bonds, payment bonds and/or improvement bonds) comparable to size of the proposed project which have been completed by the CONTRACTOR including identification and brief description of

each project, date of completion, and amount of bond, whether any legal action has been taken on the bond:

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

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: **NA**

a. Name and addresses of such contractor or builder:

NA

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: **NA**

c. Total amount of construction or development work performed by such contractor or builder during the last three (3) years: \$27.8 million (construction costs only)

General description of such work: Wakeland was the managing general partner in tax credit partnerships that built the 60 unit Beyer Courtyards in the San Ysidro neighborhood of San Diego, as well as the 74 unit Lillian Place in downtown San Diego. Both projects were successfully completed and occupied. Litigation against Lillian Place was found to be groundless by the courts. Wakeland is currently finishing the rehabilitation of the 93 unit Del Sol Apartments in the Nestor neighborhood of San Diego.

d. Construction contracts or developments now being performed by such contractor or builder: Del Sol Apartments. L.P. in which Wakeland Del Sol, LLC is the managing partner, is currently completing the rehabilitation of Del Sol Apartments (a 93 unit project). The rehab. of the units is technically done, with only the construction of the new community center and grounds work left to be done. All work will be completed in June, 2007.

<u>Identification of Contract or Development</u>	<u>Location</u>	<u>Date to be Amount</u>	<u>Completed</u>
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See above. Wakeland is a developer, and is not a general contractor. Wakeland has hired Portrait Homes as the general contractor working on Del Sol Apartments.

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

Awarding Agency

Amount

Date Opened

NA

22. Provide a detailed and complete statement respecting 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:

NA

23. Does any member of the governing body of the San Diego Housing Commission ("COMMISSION"), 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 COMMISSION, 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:

Please see attached list of projects and Wakeland brochure

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

Yes No

If yes, explain:

NA

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

Cavignac & Associates
Scott Bedingfield
450 B Street
Suite 1800
San Diego, CA 92101
(619) 744-0560

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

Check coverage(s) carried: Commercial General Liability (attached)

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

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

Check coverage(s) carried:

- Comprehensive Form
 Owned
 Hired
 Non-Owned

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

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

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

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

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 COMMISSION setting forth the provisions of this nondiscrimination clause.
28. The CONTRACTOR warrants and certifies that it will not without prior written consent of the COMMISSION, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of the COMMISSION, 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 COMMISSION, 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 Commission 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 so state:

<u>Government Entity</u>	<u>Date</u>	<u>Resolution</u>
<u>Making Complaint</u>		

NA

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. If so, please explain the circumstances in detail. If none, please so state:

NA

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:

<u>Governmental Agency</u>	<u>Description License</u>	<u>Date Issued</u>	<u>Status</u>	<u>Revocation</u>
<u>Agency</u>	<u>License</u>	<u>Number</u>	<u>(original)</u>	<u>(current)</u>
				<u>(yes/no)</u>

NA

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 COMMISSION.

NA

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 COMMISSION.

Wakeland will need to receive an allocation of tax-exempt bonds and 4% tax credits both of which are expected.

35. List all CONTRACTS with, DEVELOPMENTS for or with, LOANS with, PROJECTS with, GRANTS from, SALES of Real Property to, the COMMISSION, AUTHORITY and/or the CITY within the last five (5) years:

<u>Date</u>	<u>Entity Involved (i.e., CITY COMMISSION, etc.)</u>	<u>Status (Current, delinquent repaid, etc.)</u>	<u>Dollar Amount</u>
2000	SDHC (Canyon Rim)	Current	1,565,000
2000	SDHC (Stratton)	Current	1,565,000
2001	SDHC (Vista Terrace)	Current	1,290,000
2001	SDHC (Coronado Terrace)	Current	1,270,000
2003	SDHC (Beyer Courtyards)	Current	4,200,000
2005	SDHC + CCDC (Lillian Place)	Current	8,020,000

36. Within the last five years, has the proposed CONTRACTOR, and/or have any of the proposed subcontractors, been the subject of a complaint filed with the Contractor's State License Board (CSLB)? Yes No

Is yes, explain:

NA

37. Within the last five years, has the proposed CONTRACTOR, and/or have any of the proposed subcontractors, had a revocation or suspension of a CONTRACTOR's License? Yes No

If yes, explain:

NA

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

Name: Debbie Fountain/Craig Ruiz- City of Carlsbad

Address: 2965 Roosevelt Street, Suite B Carlsbad, CA 92008

Phone: 760-434-2817

Project Name and Description: Vista Las Flores (a 28 unit affordable housing development)

Name: Community Development Commission -City of National City

Address: 140 E. 12th Street, Suite B National City, CA 91950

Phone: 619-336-4256

Project Name and Description: Town Square Rowhomes (6 for sale shopkeeper row homes)

Name: Cissy Fisher - San Diego Housing Commission

Address: 1122 Broadway, San Diego, CA 92101

Phone: 619-578-7585

Project Name and Description: Canyon Rim, The Stratton, Vista Terrace, Coronado Terrace, Beyer Courtyards, Lillian Place

39. Give a brief statement respecting 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.

NA

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

NA

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 ("COMMISSION"), 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 COMMISSION, 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 COMMISSION, 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).

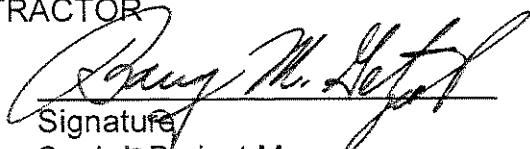
CONTRACTOR represents and warrants to the COMMISSION, the AUTHORITY and the CITY that by providing the information requested herein and waiving any and all privileges available under the Evidence Code of the State of California, State and Federal Law, (to the extent of this disclosure that the information 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 2ND day of March, 2007, at San Diego, California.

CONTRACTOR

By:


Signature
Senior Project Manager
Title

CERTIFICATION

The CONTRACTOR, Wakeland Housing & Development Corp., 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: Bruce M. Letzel By: Kenneth Lee
Title: Senior Project Manager Title: PRESIDENT
Dated: March 1, 2007 Dated: 3-05-07

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.

ATTEST:

Subscribed and sworn to before me this ____ day of _____, 20____.

Signature of Notary

My Commission Expires: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

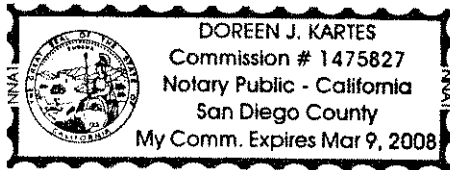
State of California }
County of San Diego } ss.

On March 5, 2007 before me, Doreen J. Kartes, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Barry M. Getzel
Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Doreen J. Kartes
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

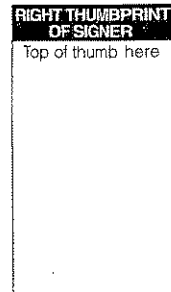
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

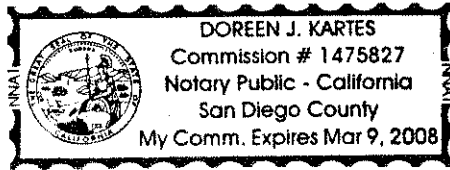
State of California }
County of San Diego } ss.

On March 5, 2007 before me, Doreen J. Kartes, Notary Public,
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Kenneth L. Sauder
Name(s) of Signer(s)

personally known to me
 proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Doreen J. Kartes
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

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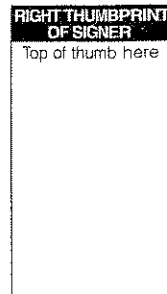
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Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____



**WAKELAND HOUSING AND DEVELOPMENT
BOARD OF DIRECTORS**

Mr. Loren Adams
Board Member
Vice Pres of Operations/Development at
Intracorp
600 B Street, Suite 2000
San Diego, CA 92101
Ph. # (619) 544-6963

Lina Ericsson
Board Chairperson
Luce Forward Hamilton & Scripps
600 West Broadway, Suite 2600
San Diego, CA 92101
Ph. # (619) 533-7360

Mr. Craig Fukuyama
Board Member
The Fukuyama Company
7327 Cuvier Street
La Jolla, CA 92037
Ph. # (619) 743-8800

Mr. Glen R. Googins
Board Member
Attorney
GRG Law
344 F Street, Suite 100
Chula Vista, CA 91910
Ph. # (619)426-4409

Larry Nuffer
Board Member
11793 Lake Grove Ct.
San Diego, CA 92131
Ph. # (858) 442-0091

Doug Perkins
Board Member
President of Pacific Gateway Group
5703 Oberlin Dr, Suite 209
San Diego, CA 92121
Ph. # (619) 234-3491

Art Rivera
Board Member
Vice President – Corporate Affairs Manager
of Washington Mutual
707 Broadway, 15th Floor
San Diego, CA 92101
Ph. # (619) 687-0202

Lee Winslett
Board Treasurer
Vice President of Wells Fargo Bank
Community Lending Division
401 B Street, Suite 304A
San Diego, CA 92101
Ph. # (619) 699-3037

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

9/28/2006

PRODUCER
MG Skinner & Associates
 11030 Santa Monica Blvd. #207
 Los Angeles, CA. 90025
 310-478-5041

INSURED
WCPP 6/30/06-07
Wakeland Housing & Development
 625 Broadway, Suite #1000
 San Diego, CA 92101

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

NAIC #

INSURER A: **Lexington Ins. Co.**
 INSURER B: **Chubb Custom Ins. Co.**
 INSURER C: **American Guarantee & Liability**
 INSURER D:
 INSURER E:

COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <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	6761981	6/30/06	6/30/07	EACH OCCURRENCE	\$ 1,000,000
		DAMAGE TO RENTED PREMISES (Ea occurrence)				\$ 50,000	
						MED EXP (Any one person)	\$ excluded
						PERSONAL & ADV INJURY	\$ 1,000,000
						GENERAL AGGREGATE	\$ 2,000,000
						PRODUCTS - COM/POP AGG	\$ 2,000,000
B		AUTOMOBILE LIABILITY <input type="checkbox"/> ANYAUTO <input type="checkbox"/> ALLOWED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	73526898	06/30/06	06/30/07	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
		BODILY INJURY (Per person)				\$	
		BODILY INJURY (Per accident)				\$	
		PROPERTY DAMAGE (Per accident)				\$	
		GARAGE LIABILITY <input type="checkbox"/> ANYAUTO				AUTO ONLY - EA ACCIDENT	\$
		OTHER THAN AUTO ONLY: EA ACC				\$	
		AGG				\$	
C		EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$	AUC5346105-01	6/30/06	6/30/07	EACH OCCURRENCE	\$ 25,000,000
		AGGREGATE				\$ 25,000,000	
						\$	
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATUTORY LIMITS	OTHER
		OTHER				E.L. EACH ACCIDENT	\$
						E.L. DISEASE - EA EMPLOYEE	\$
						E.L. DISEASE - POLICY LIMIT	\$

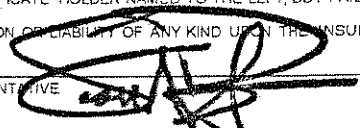
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

***Exception: Ten (10) days for non-payment of premium**

CERTIFICATE HOLDER

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL **30*** DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE 

ACORD™ EVIDENCE OF COMMERCIAL PROPERTY INSURANCE

DATE (MM/DD/YYYY)
9/28/2006

THIS IS EVIDENCE THAT INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY.

PRODUCER NAME, CONTACT PERSON AND ADDRESS MG Skinner & Associates 11030 Santa Monica Blvd. #207 Los Angeles, CA. 90025		PHONE (A/C, No, Ext): 310-478-5041 FAX (A/C, No): 310-479-8707 E-MAIL ADDRESS:	COMPANY NAME AND ADDRESS 1) Allied World Assurance Co #1180887 (\$5M) 2) United States Fire Ins. Co. (\$5M) See Attachment For Additional Carriers 3) Hartford Steam Boiler #FBP2220431	NAIC NO:
CODE: AGENCY CUSTOMER ID#:	SUB CODE:	IF MULTIPLE COMPANIES, COMPLETE SEPARATE FORM FOR EACH		
NAMED INSURED AND ADDRESS Wakeland Housing & Development 625 Broadway, Ste #1000 San Diego, CA 92101		LOAN NUMBER	POLICY NUMBER See Attachment	
ADDITIONAL NAMED INSURED(S)		EFFECTIVE DATE 6/30/06	EXPIRATION DATE 6/30/07	CONTINUED UNTIL TERMINATED IF CHECKED <input type="checkbox"/>
THIS REPLACES PRIOR EVIDENCE DATED:				

PROPERTY INFORMATION (Use additional sheets if more space is required)

LOCATION/DESCRIPTION
Location:

COVERAGE INFORMATION	CAUSE OF LOSS FORM	BASIC	BROAD	<input checked="" type="checkbox"/> SPECIAL	OTHER
COMMERCIAL PROPERTY COVERAGE AMOUNT OF INSURANCE	\$			300,000,000	DED: \$10,000
BUSINESS INCOME / RENTAL VALUE		<input checked="" type="checkbox"/>			If YES, LIMIT: Incl. above <input checked="" type="checkbox"/> Actual Loss Sustained # of months:
BLANKET COVERAGE		<input checked="" type="checkbox"/>			If YES, indicate amount of insurance on properties identified above: \$ N/A
TERRORISM COVERAGE		<input checked="" type="checkbox"/>			Attach signed Disclosure Notice / DEC
IS COVERAGE PROVIDED FOR "CERTIFIED ACTS" ONLY?			<input checked="" type="checkbox"/>		If YES, SUB LIMIT: DED:
IS COVERAGE A STAND ALONE POLICY?			<input checked="" type="checkbox"/>		If YES, LIMIT: DED:
DOES COVERAGE INCLUDE DOMESTIC TERRORISM?		<input checked="" type="checkbox"/>			If YES, SUB LIMIT: \$10,000,000 DED: \$100,000
COVERAGE FOR MOLD			<input checked="" type="checkbox"/>		If YES, LIMIT: DED:
MOLD EXCLUSION (If "YES", specify organization's form used)		<input checked="" type="checkbox"/>			
REPLACEMENT COST		<input checked="" type="checkbox"/>			
AGREED AMOUNT		<input checked="" type="checkbox"/>			
COINSURANCE			<input checked="" type="checkbox"/>		If YES, %
EQUIPMENT BREAKDOWN (If Applicable)		<input checked="" type="checkbox"/>			If YES, LIMIT \$50,000,000 DED: \$10,000
LAW AND ORDINANCE - Coverage for loss to undamaged portion of building		<input checked="" type="checkbox"/>			If YES, LIMIT \$10,000,000 DED: \$10,000
- Demolition Costs		<input checked="" type="checkbox"/>			If YES, LIMIT Incl. above DED: \$10,000
- Incr. Cost of Construction		<input checked="" type="checkbox"/>			If YES, LIMIT Incl. above DED: \$10,000
EARTHQUAKE (If Applicable)			<input checked="" type="checkbox"/>		If YES, LIMIT DED:
FLOOD (If Applicable)				<input type="checkbox"/>	If YES, LIMIT DED:
WIND / HAIL (If Separate Policy)				<input type="checkbox"/>	If YES, LIMIT DED:
PERMISSION TO WAIVE SUBROGATION PRIOR TO LOSS		<input checked="" type="checkbox"/>			

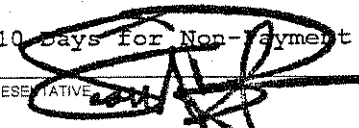
REMARKS- Including Special Conditions (Use additional sheets if more space is required)

REMARKS:

CANCELLATION

THE POLICY IS SUBJECT TO THE PREMIUMS, FORMS, AND RULES IN EFFECT FOR EACH POLICY PERIOD. SHOULD THE POLICY BE TERMINATED, THE COMPANY WILL GIVE THE ADDITIONAL INTEREST IDENTIFIED BELOW **30*** DAYS WRITTEN NOTICE, AND WILL SEND NOTIFICATION OF ANY CHANGES TO THE POLICY THAT WOULD AFFECT THAT INTEREST, IN ACCORDANCE WITH THE POLICY PROVISIONS OR AS REQUIRED BY LAW.

ADDITIONAL INTEREST

NAME AND ADDRESS 	LENDER SERVICING AGENT NAME AND ADDRESS
MORTGAGEE LOSS PAYEE	*Except 10 days for Non-payment of Premium AUTHORIZED REPRESENTATIVE 

ATTACHMENT 3

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” 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 or the Housing Authority’s faith, credit or taxing power. 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: The minimum requirement is that at least 20% of the units are affordable at 50% of Area Median Income (AMI). Alternatively, a minimum of 10% of the units may be affordable at 50% AMI with an additional 30% of the units affordable at 60% AMI. The Housing Commission requires the affordability restriction to be in place for a minimum of 15 years. In practice, projects financed by multifamily housing bonds are affordable for a minimum of 30 years. Bonds may also be combined with other financing sources to create deeper affordability and longer terms of restriction.

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 the 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 a commitment by the

Housing Commission, the 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 the project.

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

- Application for Bond Allocation: The issuance of these “private activity bonds” (bonds for projects owned by private developers, including projects with nonprofit sponsors and for-profit investors) requires an allocation of bond issuing authority from the State of California. To apply for an allocation, an application approved by the Housing Authority and supported by an adopted inducement resolution and by proof of credit enhancement (or bond rating) must be filed with the California Debt Limit Allocation Committee (CDLAC). In addition, evidence of a TEFRA hearing and approval must be submitted prior to the CDLAC meeting.
- Final Bond Approval: The Housing Authority retains absolute discretion over the issuance of bonds through adoption of a final resolution authorizing the issuance. Prior to final consideration of the proposed bond issuance, the project must comply with all applicable financing, affordability, and legal requirements and undergo all required planning procedures/reviews by local planning groups.
- 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 the 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. Because the Housing Authority is not

responsible for bond repayment, there are no financial statements or summaries about the Housing Authority or the City 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 the behalf of the Housing Authority to issue the bonds. The offering document also includes a paragraph stating 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 the bonds. This is the extent of disclosure required of the Housing Authority, the 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 may have an impact on the viability of the project.