



## EXECUTIVE SUMMARY

**DATE ISSUED:** January 21, 2011

**REPORT NO:** HCR 11-005

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of February 18, 2011

**SUBJECT:** Loan for Connections Housing Downtown LP

**COUNCIL DISTRICT:** 2

### SUMMARY:

Approval of a \$2,000,000 residual receipts loan from the San Diego Housing Commission ("Housing Commission"), as part of a total estimated \$32,338,816 financing structure, to convert the city-owned World Trade Building at 1250 Sixth Avenue into a one-stop multi-service center for the homeless, including seventy-three units of permanent supportive rental housing for very low income residents.

### STAFF RECOMMENDATIONS:

Recommend Housing Authority of the City of San Diego approval, as described in the report, of the following:

1. Approve a residual receipts loan from the Housing Commission, up to \$2,000,000, to Connections Housing Downtown LP ("CHD").
2. The loan would be contingent upon CHD receiving all necessary third-party funding commitments and obtaining additional funds from third-party sources as described in this report.
3. The President and Chief Executive Officer of the Housing Commission would be authorized to close the Housing Commission's proposed loan if the developer has obtained fifty percent of the necessary operating subsidy commitments for the project's 150-bed interim housing portion when other funding sources may be required at construction start. The Housing Commission's loan would be funded concurrent with the tax credit closing. The various and necessary third-party funding commitments would be subject to the Housing Commission General Counsel approval.
4. Authorize the President and Chief Executive Officer of the Housing Commission, or his designee:
  - a. To execute all documents necessary to effectuate the transaction and implement the project; and
  - b. To adjust financing terms/conditions as necessary for consistency with requirements of other funding sources or to accommodate market changes. The \$2,000,000 maximum Housing Commission loan amount may not increase.
5. Documentation of the terms and conditions of this loan would be approved by the Housing Commission's General Counsel.

### FISCAL CONSIDERATIONS:

Approval of this report's recommendations would result in the expenditure of up to a total of \$2,000,000 in Housing Commission local funds and federal HOME Investment Partnerships funds.

**REPORT CONTACT:** Joseph Correia, Project Manager

619-578-7575



## HOUSING COMMISSION REPORT

**DATE ISSUED:** January 21, 2011

**REPORT NO:** HCR 11-005

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of February 18, 2011

**SUBJECT:** Loan for Connections Housing Downtown LP

**COUNCIL DISTRICT:** 2

**REQUESTED ACTION:**

Recommend Housing Authority of the City of San Diego (“Housing Authority”) approval of a proposed residual receipts loan to finance the rehabilitation and development of a one-stop multi-service center with interim housing for the homeless and seventy-three units of permanent supportive rental housing at 1250 Sixth Avenue.

**STAFF RECOMMENDATION:**

Seek Housing Authority approval, as described in this report, for the following:

1. Approve a San Diego Housing Commission (“Housing Commission”) residual receipts loan of up to \$2,000,000, to Connections Housing Downtown LP (“CHD”), to facilitate the proposed rehabilitation of a twelve-story building located at 1250 Sixth Avenue (the former World Trade Center building), for a multi-use complex.

The project will be a one-stop center to include 150 beds as interim housing for those who are homeless or at-risk of becoming homeless, supportive services/programs to prepare residents for independent living, a medical clinic to serve the community, seventy-three units of permanent supportive rental housing for extremely low-income residents, and two managers’ units.

2. The Housing Commission’s proposed loan would be contingent upon CHD receiving all necessary third party funding commitments including a California Tax Credit Allocation Committee (“TCAC”) award in the approximate amount of \$14,338,816 and obtain a construction and permanent loan from the Redevelopment Agency of the City of San Diego (“Agency”), as well as additional funds from third-party sources as described in this report. This loan commitment is for TCAC’s two rounds of 2011 tax-credit competition and may be extended to subsequent rounds with the written approval of the President and Chief Executive Officer.
3. Authorize the President and Chief Executive Officer of the Housing Commission to close the proposed Housing Commission \$2,000,000 loan if the developer has obtained fifty percent of the necessary operating subsidy commitments for the project’s 150-bed interim housing portion when other funding sources may require construction start. The Housing Commission’s proposed loan would be closed concurrently with the tax credit closing. The various third-party funding commitments would be subject to the Housing Commission General Counsel’s approval.
4. Authorize the President and Chief Executive Officer of the Housing Commission, or his designee,

- a. to execute any and all documents deemed necessary to effectuate the transaction and implement the project, and
- b. to adjust financing terms/conditions as necessary for consistency with requirements of other funding sources or to accommodate market changes that may occur after approval of this report but before close of escrow. The \$2,000,000 maximum Housing Commission loan amount may not increase.

Documentation of the terms and conditions of this loan would be approved by the Housing Commission's General Counsel.

### **SUMMARY:**

The developer, CHD, is proposing to rehabilitate and operate the city-owned World Trade Center building at 1250 Sixth Avenue, (Attachment 1 – site map) as a one-stop multi-service center with an on-site medical clinic, a supportive services center, 150 beds of interim housing for the homeless, and seventy-three units of permanent supportive rental housing for very low-income residents (up to 40 percent Area Median Income (“AMI”) which is \$22,000/year for a one-person household). The residents will have one-stop convenience, integrated care and access to referrals for even more assistance. Amenities will include access to: a full service community health clinic, dining facility, case management, mail service, phones, showers, and a variety of on-site service providers for employment, benefits, mental health and substance abuse counseling.

On October 5, 2010, the Agency approved an Exclusive Negotiating Agreement with CHD to negotiate a possible Disposition and Development Agreement for the rehabilitation and operation of the complex.

### **Developer's Request**

In response to the Housing Commission's current Notice of Funding Availability (NOFA) for Construction, Acquisition, and Operation of Affordable Rental Housing dated May 14, 2009, CHD submitted a loan request for \$2,000,000 of construction and permanent gap financing. CHD proposed two alternative financing structures (Multifamily Housing Program (MHP)/four percent tax credits or nine percent tax credits), along with requesting certain financing from the Agency and from various third-party sources. However, on February 1, 2011, the California Department of Housing and Community Development (HCD) announced a bond issuances “pause” and canceled HCD's Notice of Funding Availability for MHP funding. Therefore, Agency staff is proceeding with only the TCAC nine percent tax credits financing structure. Housing Commission staff is recommending a loan of up to \$2,000,000 and that it be consistent with the Agency's loan processing under the TCAC nine percent tax credit financing structure. The cost to the Housing Commission in either financing structure is the same.

### **The Proposed Development**

The project is a historic preservation and adaptive reuse of the building into a one-stop homeless facility integrated with seventy-three permanent supportive housing units, 150 interim housing beds, a health care center, and an array of social services in a service center called “PATH Depot.” All of the seventy-three units of permanent supportive rental housing will be studios (approximately 379 square feet each with cooking facilities and a bathroom). The project has no on-site parking. The adjacent parking structure is not part of this development and the future of the adjacent parking structure is being reviewed by Agency staff.

CHD proposes to obtain the necessary financing (Attachment 2 – Financing Structure), renovate the building with exterior façade work, upgrade the electrical, plumbing, HVAC, and fire-sprinkler systems, and redesign interior spaces for housing and multiple uses. The project will include significant efforts to enhance environmental sustainability (Attachment 3 – Architect Summary). The rehabilitation costs include payment of Prevailing Wage rates.

All of the permanent residential units will be handicap accessible and five percent of the units will incorporate features for the visually or hearing impaired. Also, the project will include Universal Design features and will comply with all federal accessibility standards.

Summary of the building’s uses:

<b>Building Levels:</b>	<b>Proposed Uses:</b>
Fourth through Twelfth Floors ( 48,223 gross square feet)	75 studio units (73 studio units of permanent supportive rental housing for very low income residents, plus two managers’ units).
Second and Third Floors ( 25,068 gross square feet)	150 beds interim housing for homeless and those at risk of being homeless (including 94 beds for single men and 56 beds for single women).
First Floor ( 14,205 gross square feet)	Health care facility operated by Family Health Centers of San Diego, lobby, intake, offices, restrooms.
Basement level ( 17,700 gross square feet)	“PATH Depot” social services center, with multiple social service providers furnishing support services and case management for the homeless.
Sub-basement level ( 12,410 gross square feet)	Dining facility for residents of the interim housing beds, commercial kitchen, administrative office space, meeting rooms, computer training rooms, counseling rooms, restroom facilities, and storage.

The Property

The property was built in 1928. In 2004 it was designated as an historical landmark (#685) by the San Diego Historical Resources Board. The property is presently owned by the City. The entire property was MAI-appraised (on August 24, 2010) at \$8,230,000 (as-is) by Anderson & Brabant Inc. (including \$3,990,000 for the adjacent parking garage which is not included in this project). The building is twelve stories with two basement levels and concrete construction. The roof and floor framing consists of reinforced concrete columns and exterior concrete walls. The 30,000 square foot rectangular parcel, 200 feet by 150 feet, at 1250 Sixth Avenue, is located at the southwest corner of Sixth Avenue and A Street. The property is within the Core District of the Centre City Planned District. Surrounding uses are typical downtown commercial and office buildings. The site is near bus service and near the 5<sup>th</sup> Avenue and C Street trolley stop. The proposed development will require a Conditional Use Permit (CUP) and a Planned Development Permit (PDP) which are currently in process. These permits are estimated to be reviewed by the Planning Commission on February 10, 2011 and by the City Council on March 1, 2011.

The Developer:

CHD is a California limited partnership (a single asset entity) with Affirmed Housing Group Inc. (“Affirmed”) as the General Partner and PATH Ventures as the 501 (c) (3) nonprofit Managing General Partner. Affirmed and PATH Ventures will coordinate the financing, design, construction management and long-term operation.

Affirmed is an award-winning, for-profit, real estate development firm located in San Diego. The firm specializes in the development of affordable housing. Its President, James Silverwood, has over thirty years of experience in housing development and has extensive experience acting as general partner in various partnerships. Since 1994, Affirmed has developed over 1,500 units in California and the mid-Atlantic states of West Virginia, Virginia and North Carolina. Their developments include rehabilitation and new construction of senior and multifamily rental housing and for-sale housing. Affirmed's financing experience includes use of low-income housing tax credits, multi-family tax exempt bonds, HOME funds, Redevelopment Agency set-aside funds, and private loans for construction and permanent financing. Affirmed's recent local projects include:

- 94-units Hollywood Palms Apartments completed in 2002, (new construction, 4 percent tax credits, \$2,200,000 Commission loan, 4372 Home Avenue, San Diego 92105);
- 106-units Tesoro Grove Apartments completed in 2003 (new construction, 9 percent tax credits, \$2,630,000 Commission loan, 1150 Tesoro Grove Way, San Diego 92154);
- 50-units Creekside Trails Apartments completed in 2006 (new construction, 9 percent tax credits, \$2,800,000 Commission loan, 2125-2155 Coronado Avenue, San Diego 92154);
- 69-units Auburn Park Apartments (new construction, 9 percent tax credits, with a \$13,588,940 Redevelopment Agency loan, 5135 University Avenue, San Diego 92105);
- 275-SRO units Studio 15 Apartments, five stories, completed in 2009, (new construction, 4 percent tax credits, with a \$16,498,000 Redevelopment Agency loan, 1475 Imperial Avenue, San Diego 92101). Studio 15 Apartments won the Multi Housing News Best New Affordable Development and won the Downtown San Diego Partnership's Alonzo Award for 2009.
- 229-units Ten Fifty B, 23-story high rise multifamily affordable and retail, completed in 2010 (new construction, 4 percent tax credits, \$34,000,000 of Redevelopment Agency funding and \$48,500,000 of Housing Authority tax-exempt housing revenue bonds, 1050 B Street, San Diego 92101). The Downtown San Diego Partnership's Alonzo Award for 2010 was awarded to Ten Fifty B.
- 50-units Riverwalk Apartments completed in 2010 (new construction, 9 percent tax credits, \$2,275,145 Commission loan [and Commission's land acquisition], 1194 Hollister Street, San Diego, 92154).

Affirmed is fully in compliance with its Housing Commission loans and its credit report is satisfactory.

PATH Ventures, a California non-profit, is the proposed co-developer and nonprofit Managing General Partner of CHD. PATH Ventures was created in 2007, by the nonprofit agency People Assisting the Homeless ("PATH"), to produce permanent supportive housing opportunities with life skills support services for those progressing from homeless shelters. PATH Ventures is headed by John Molloy, a former Executive Director of the Redevelopment Agency of the City of Los Angeles and former head of the Sacramento Housing and Redevelopment Agency. The proposed CHD development is the first for PATH Ventures in San Diego County. PATH Ventures is a general partner in four Los Angeles area affordable housing developments. This year PATH Ventures leased 92 units for seniors as permanent supportive housing at which PATH Ventures provides support services under a contract from the County of Los Angeles Department of Mental Health. Currently PATH Ventures is in construction on three housing sites totaling 139 units with another 616 units (including CHD) in predevelopment.

The nonprofit PATH was founded in 1984 to provide support services to the homeless in Los Angeles. PATH will direct the PATH Depot multi-service center, operate the 150-bed interim housing, provide services to the seventy-three permanent supportive housing units, and oversee partner agency service

providers such as Veterans Villages of San Diego, Alpha Project, and Legal Aid Society. Family Health Care Centers of San Diego (“FHCS”) will operate the on-site medical clinic.

Development Team

<b>ROLE/FIRM</b>
<b>Owner</b> – Connections Housing Downtown L.P., (a California limited partnership), Affirmed Housing Group (General Partner) and PATH (Managing General Partner).
<b>Architect</b> – <b>Bundy &amp; Thompson</b> , owned by Richard Bundy and David Thompson.
<b>Prevailing Wage Monitoring</b> – to be determined.
<b>Contractor</b> – to be determined.
<b>Construction Lender</b> – to be determined.
<b>Tax Credit Investor Limited Partner</b> – to be determined.
<b>Management</b> – Solari Enterprises, owned by Johrita Solari and Bruce Solari. *

\*- Solari also manages the nearby Ten Fifty B high-rise and three of the Housing Commission’s previously funded affordable projects (Creekside Trails Apartments, Tesoro Grove Apartments, and Studio 15 Apartments)

Affordable Housing Impact

The project will have 150 interim housing beds for those who are homeless or at-risk of becoming homeless and seventy-three studios of permanent supportive rental housing for very low-income residents (up to 40 percent Area Median Income which is \$22,000/year for a household of one), and two unrestricted one-bedroom units for managers.

Due to the proposed use of federal HOME funds, the Housing Commission’s loan will restrict only the seventy-three units of permanent supportive rental housing. It is proposed that the Housing Commission’s loan will have 55-year rent restrictions against the property’s seventy-three units of permanent supportive rental housing.

Section 8 Vouchers

CHD has requested, and will be receiving a commitment from the Housing Commission, for seventy-three HUD Section 8 project-based vouchers for the seventy-three studios of supportive rental housing. Under this HUD voucher program, the Housing Commission and the owner would enter into a fifteen year Housing Assistance Payments contract whereby HUD would provide monthly housing assistance payments equivalent to the difference between the HUD-determined contract rent (estimated at \$954/month) and the tenant’s rent payment of up to 30 percent of their income. The Section 8 vouchers program is stable but it is subject to annual appropriations by Congress.

Additional 16 units Section 8 Subsidy

The developer has requested a Housing Commission Section 8 subsidy commitment for an additional 16 rooms of interim housing for the homeless. Approval is dependent upon HUD’s review and approval as part of the Section 8 Move-to-Work Plan and after TCAC’s award of the tax credits.

Proposed Rents Would Be Based on the Redevelopment Law Rent Methodology

The developer has applied for Agency funding. The Agency’s Owner Participation Agreements (OPA) typically requires that the project is subject to California Redevelopment Law (CRL). For annual adjustments to restricted rents, CRL requires the Agency to use a rent calculation methodology based on the California Health & Safety Code. CRL methodology is different from the Housing Commission’s standard HUD-based rent calculation methodology. Agency staff has requested that the Housing

Commission's loan use Agency's CRL rent calculation methodology for time-to-time rent restriction adjustments. For 2010, CRL studio rents are lower than the standard HUD-Based rents. It is proposed that the Housing Commission's loan would use the Agency's CRL methodology for periodic rent restriction adjustments.

**FISCAL CONSIDERATIONS:**

Approval of this report's recommendations would result in the expenditure of up to \$2,000,000 in Housing Commission local funds and federal HOME Investment Partnerships funds. A final determination of Housing Commission funding sources to be used will be made by the Housing Commission's President and Chief Executive Officer.

The Housing Commission loan is contingent upon CHD obtaining the estimated necessary funding approvals from the various other sources including the Agency. Housing Commission loan terms are summarized at Attachment 2 – Financing Structure.

The project's total development costs, sources of funds and uses of funds are summarized in the proforma at Attachment 4.

**Operating Subsidies Required for the 150-bed Interim Housing** As shown on Attachment 4, the project's 150-bed interim housing portion requires substantial annual operating subsidies which are projected to increase annually. The developer is proposing operating subsidies from sources which have not yet been committed including:

Developer's Proposed Sources of Operating Subsidy under the nine percent tax credits financing structure:	Year One Amounts	Developer's Estimated Possible Commitment Date
1. Emergency Housing Assistance Program	\$30,000	April 2013
2. Emergency Food and Shelter Program	\$50,000	February 2013
3. Veterans Administration Per Diem Shelter Funds	\$344,925	November 2012
4. HUD Supportive Housing Program	\$250,000	October 2012
5. Health Resources and Services Admin Homeless Grant	\$80,000	April 2011
6. Downtown Winter Tents	\$288,000	Awaiting developer information
7. HUD Rental Subsidy for Interim Special Needs Housing (16 rooms x \$954/mo estd x 12 mo)	\$183,168	Requires HUD approval; estd 2011
8. Interim Housing Operating Subsidy for Services	\$156,997	Built into the financing
9. Winter Tent Support	\$86,900	Awaiting developer information
<b>Year One Est'd Total Necessary Operating Subsidy</b>	<b>\$1,469,990</b>	

If the developer's application for nine percent credits is successful then the construction start requirement is estimated to be approximately December 2011 (Attachment 5). As shown in the chart above, the developer has not provided sufficient information to determine if the proposed sources of interim housing operating subsidy will all be committed when the construction/permanent funds sources may require the construction to start. Disbursing Housing Commission loan funds without having all the operating subsidy commitments in place would be a risk. PATH has significant experience (25 years) fundraising and has successfully obtained operating subsidies in the past. Staff proposes that the President and Chief Executive Officer be authorized to close the proposed Housing Commission \$2,000,000 loan if the developer has obtained fifty percent of the necessary operating subsidy

commitments for the project's 150-bed interim housing portion at the time the project's construction must start.

**PREVIOUS COUNCIL and/or COMMITTEE ACTION:**

Summarized in Attachment 6.

**COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:**

A Neighborhood Advisory Committee ("NAC") has been formed to facilitate interchange and collaboration between Connections Housing and the surrounding community. The NAC is composed of representatives from business, property owners, area residents, service providers, the faith community, San Diego Police Department, CHD, Council District Two and Centre City Development Corporation. The NAC has met monthly over the last three months. The purpose of the NAC is to assure that the project provides maximum benefit to the downtown community.

**KEY STAKEHOLDERS & PROJECTED IMPACTS:**

Stakeholders include: the downtown neighborhood community of Cortez Hill, the NAC, the Agency, the San Diego Housing Commission, Affirmed, PATH Ventures, Family Health Care Centers of San Diego, the City of San Diego and the San Diego homeless population.

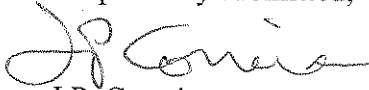
**ENVIRONMENTAL REVIEW:**

The proposed activity is covered under the Final Environmental Impact Report for the San Diego Downtown Community Plan, Centre City Planned District Ordinance 1992, and 10<sup>th</sup> Amendment to the Redevelopment Plan for the Centre City Redevelopment Project, which was certified by the Redevelopment Agency by Resolution R-04001 and by the City Council by Resolution R-301265 on March 14, 2006, and the Addenda certified thereafter in 2007 and 2010.

This activity is adequately addressed in the environmental documents noted above, and the Secondary Study prepared for this project reveals there is no change in circumstance, additional information, or project changes to warrant additional environmental review. Because the prior environmental documents adequately covered this activity as part of the previously approved project, this activity is not a separate project for purposes of review under the State of California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15060(c) (3), 15180, and 15378(c).

Should federal funds constitute funding for this project a final reservation of those funds shall occur only upon satisfactory completion of environmental review under the National Environmental Policy Act and receipt of a release of funds from the U.S. Department of Housing and Urban Development.

Respectfully submitted,



J.P. Correia  
Project Manager  
Real Estate Department

Approved by,

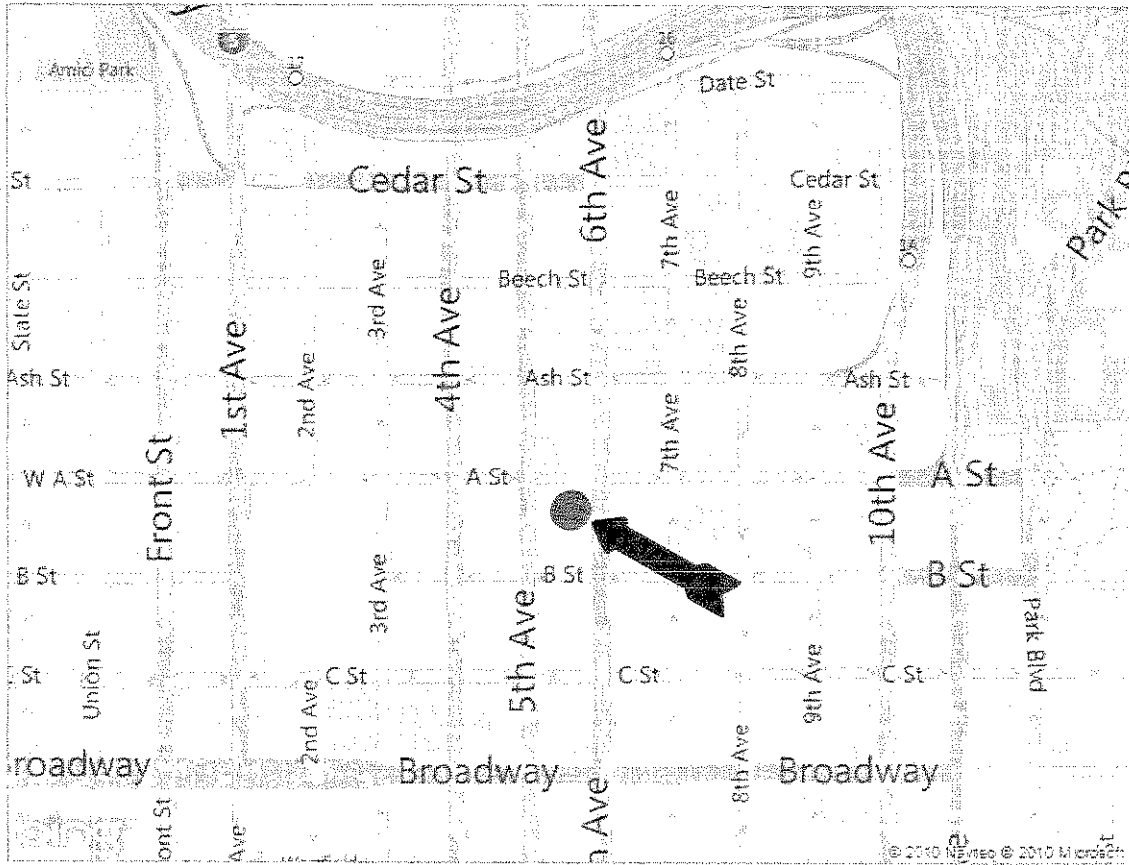


Carrol Vaughan  
Executive Vice President &  
Chief Operating Officer

- Attachments:
- 1) Site Map
  - 2) Alternative Financing Structures
  - 3) Architect Summary
  - 4) Proforma and Interim Housing Annual Operating Budget
  - 5) Estimated Timeline
  - 6) Previous Related Actions
  - 7) Disclosure Statements

Hard copies are available for review during business hours in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials on the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org).

ATTACHMENT 1 - SITE MAP



**ATTACHMENT 2**

**FINANCING STRUCTURE**

The project's estimated total development cost is \$32,338,816 under the TCAC nine percent financing structure .

The Housing Commission's proposed loan is \$2,000,000. Thus the cost to assist in restricting seventy-three permanent supportive rental units would be \$27,397 per unit (\$2,000,000 loan ÷ 73 units = \$27,397 per unit).

The project's proposed construction loan funding sources are:

Estimated Construction Sources (including estimated priority of loans)	Estimated Commitment Date	Structure TCAC 9% Tax Credits Permanent	% of Total
1. Redevelopment Agency Bridge Loan	Mar 2011	\$3,000,000	9.28%
2. Redevelopment Agency loan	Mar 2011	\$13,000,000	40.2%
<b>3. Proposed Housing Commission residual receipts loan</b>		<b>\$2,000,000</b>	<b>6.18%</b>
4. 9% Low Income Housing Tax Credits Equity	June 2011	\$14,338,816	44.34%
<b>Estimated Total Construction Sources of Funds</b>		<b>\$32,338,816</b>	<b>100%</b>

The project's estimated permanent funding sources are:

Estimated Permanent Sources (including estimated priority of loans)	Estimated Commitment Date	Structure MHP/4% Tax Credits Permanent	% of Total
1. Redevelopment Agency loan	Mar 2011	\$13,000,000	40.2%
<b>2. Proposed Housing Commission loan</b>		<b>\$2,000,000</b>	<b>6.18%</b>
3. \$3,000,000 Bridge Loan Payoff Potential Sources: a. State Mental Health Services Act (MHSA) Program loan. . . . =\$ 780,000 b. Veterans Administration grant. . . . . =\$1,500,000 c. CDBG grant . . . . . =\$ 950,000 d. Federal Home Loan Bank Affordable Housing Program grant =\$ 547,500 Potential Bridge Loan Payoff Sources Subtotal =\$3,777,500		\$3,000,000	9.28%
4. 9% Low Income Housing Tax Credits Equity	June 2011	\$14,338,816	44.34%
<b>Estimated Total Sources of Funds</b>		<b>\$32,338,816</b>	<b>100%</b>

**PROPOSED LOAN TERMS UNDER MHP/4% FINANCING STRUCTURE**

Proposed Terms of the Housing Commission financing will be:

1. Maximum loan amount \$2,000,000.
2. Interest - Simple interest at 3%.
3. Term - The loan will be due in 55 years.
4. Consistency with Agency's loan - It is proposed that the Housing Commission's occupancy and rent levels be consistent with the Agency's OPA requirements where possible.
5. Loan payments - it is proposed that the Housing Commission loan commitment allow a proportionate sharing of any residual receipts: a) for the first 30 years to be split 50% to the

developer and 50% to the public lenders in proportion to the amount of each loan, (estimated as shown on the following chart), and b) for years 31 to 55 to be split 20% to the developer and 80% to the public lenders in proportion to the amount of each loan.

**Estimated Residual Receipts Under Financing Structure 9% tax credits for Years 1 - 30:**

Under Financing Structure Two Public Lenders' Proportionate Loans:	
Redevelopment Agency's Proposed Loan* = \$13,000,000 ( 86.67% of two loans total X 50% = 43.33%)	
Housing Commission Proposed Loan . . . = \$ 2,000,000 ( 13.33% of two loans total X 50% = 6.67%)	
Two Public Loans Total = <u>\$ 15,000,000</u>	
Estimated Split of Total Residual Receipts:	Proposed Distribution of Residual Receipts:
Developer's estimated share	50% of Residual Receipts per year
Agency's estimated share *	43.33% of Residual Receipts per year
Housing Commission's estimated share	6.67% of Residual Receipts per year

\* - Note: it is currently proposed that the Agency will have two loans: a \$10,000,000 "Low/Mod" loan and a \$3,000,000 loan.

6. Any Financing Gap – developer to cover any additional gap with its equity, developer fee and/or other non-Agency and non-Housing Commission sources.
7. Additional Sources - the developer will pursue other available funding sources. Any additional funding sources will be used first to pay cost overruns and/or reductions in estimated funding. The remaining proceeds, as allowed by the Agency's loan, to be split 25% to the Developer and 75% to the Agency/Housing Commission (in proportions to Agency/Housing Commission loan amounts).
8. Cost Savings – any cost savings will be shared as allowed by, and consistent with, the Agency's loan and will be split 25% to the Developer and 75% to the Agency/SDHC (in proportions to Agency/Housing Commission loan amounts).
9. Recourse - the Housing Commission's loan would be recourse until the timely completion of the project, after which it would become non-recourse.
10. Predevelopment – the developer has proposed that the Agency will pay up to \$750,000 of predevelopment costs to be disbursed as part of the Agency's loan.
11. Developer Fee: - For consistency with the Agency's Owner's Participation Agreement (OPA), the Housing Commission loan would defer to, and be consistent with, the Agency's approved maximum amounts for the developer fee (\$2,000,000 and an additional \$400,000 for construction management), for amounts of any necessary deferred developer fee, and for the incremental disbursement payments of the developer's fee. Estimated developer fee disbursement would be consistent with the Agency's loan, currently estimated as: 25% of the fee at closing, 35% of the fee at the 50% milestone, and 40% of the fee at completion.
12. Prevailing Wages are required to be paid.
13. Contingency – there will be an estimated \$2,010,000 hard cost contingency and \$150,000 soft cost contingency.
14. Asset Management Fees - \$15,000/year for General Partner (Affirmed) and \$10,000/year for limited Managing General Partner (Path Ventures).
15. Property Management Fee – proposed at \$50,142 (\$28/unit/month including the interim housing beds).

16. Replacement Reserve - \$515/unit/year as required by the MHP program.
17. Loan Disbursement - the Housing Commission loan is to be disbursed in the same proportion as the Agency's loan (currently proposed to be disbursed with construction lender in proportion to each loan amount) and in the same disbursement schedule as the Agency (currently proposed to be 80% of the loan during construction and 20% upon completion). The President and Chief Executive Officer is authorized to revise the Housing Commission loan disbursement schedule as necessary.

## ATTACHMENT 3 ARCHITECT SUMMARY

### General:

A complete renovation of the 1926 World Trade Center (The San Diego Athletic Club) to become Connections Housing to serve the downtown homeless and general populations. The building is twelve stories over two underground levels, cast-in-place reinforced concrete building with varying floor to floor heights and a gross area of 116,376 s.f.

The facility provides:

7,920 square feet for the Family Health Center, a full service medical clinic serving all downtown San Diegans on the first floor.

17,700 square feet for the homeless services Depot providing space for many social service providers who will be located in this one place to serve the downtown homeless in the Basement Levels.

25,068 square feet for 150 temporary (shelter) beds for men and women including the necessary support facilities of showers, toilet rooms, storage, lounge areas, communal kitchen, and access to the Depot on the Second and Third Floors.

48,223 square feet for 73 studio apartments and 2 management one-bedroom apartments providing permanent housing for downtown people who need such housing. Support facilities will include lounge, computer rooms, and storage with access to the Depot on Floors 4 through 12.

18,695 square feet for support and common use space is located on the First Floor and the Sub basement.

### Architectural:

All interior spaces will be demolished back to the original structure, stairways, and elevator shafts clean and ready for a complete "tenant improvement" to provide for the permanent and temporary housing, health clinic, and program space noted above.

The building will be fully accessible (see below) and the existing elevators, etc. will be modernized. The central, full height pair of elevators will be replaced with a single Code compliant elevator full height and extended to the sub-basement level.

The improvements will comply with the California Building Code, Life and Safety requirements.

The exterior will be scraped, patched, and repainted. (Refer to "Historical" section below for additional information).

### Historical:

The building is a designated as a local historical building. All improvements will conform to the Secretary of Interior Standards for Historical Rehabilitation.

Research will be completed in an attempt to confirm the original color(s) used on the exterior of the building to direct the repainting of this historic building. Currently, we believe that the original building was not painted and the research will determine the history of subsequent paint colors. The proposal is to paint the building to closely emulate the original concrete gray color(s).

Some of the existing concrete ornament will be repaired and restored.

The historical main entry doors, windows, and decorative marquee will be recreated based on detailed as-built drawings and historical photos per Secretary of Interior Standards for Historical Rehabilitation. The balance of the First Floor facade will remain as it currently exists.

The existing windows, some of which are not historic, will remain.

### Structural:

While not required by the California Building Code a limited seismic upgrade will be done to improve the lateral resistance of the building and includes the following items:

- Two new east-west shearwalls will be added to discontinuous existing shearwalls above the 5th floor and will extend to the foundation.
- This work will be supplemented with the addition of fiberwrap around 40 to 50 existing concrete columns to prevent potential degradation during future and large earthquake displacements.

Existing floors slabs will be removed to create light wells and to make the northwest entry off of the sidewalk fully accessible and includes the following items:

- A new opening down into the Depot will be created to allow for a new stair directly down to the new Depot of Services. The opening will be supported on new steel & concrete columns.
- Light Well Openings will be created in the 3rd, 4th and 5th floor slabs. Support of these new openings will include existing and new concrete beams around the perimeter of these new openings.

### Environmental Sustainability:

The project will not be eligible for a LEED certificate due to its historical status and its downtown location. However, significant efforts will be made to enhance the environmental sustainability of the project.

All storm water will be filtered and directed to the City's Storm Drains.

**Energy Efficiency.** The entire building will be provided with new lighting and energy management systems utilizing Title-24 compliant fixtures. This will include motion sensor controls of all lights in all publicly used spaces and hallways.

A new variable volume mechanical system will heat and cool the building. This is the most energy efficient system available today for a building like this. The system will allow for individual control of each space and will also be controlled by motion sensors.

Water Efficiency. An upgraded plumbing piping system will be installed to maximize the efficiency of the water system. Ultra low flow plumbing fixtures will be installed.

Flow meters will be installed on each floor to allow for detailed monitoring and identification of potential areas of increased efforts to save water.

Materials Efficiency. Retaining of the existing concrete structure which, when compared to a new building preserves resources, transportation of those resources, etc. represents significant efficiency.

All of the permanent residential areas will be created without ceilings exposed to the existing structural columns, walls, and ceilings.

Indoor environment & maintenance optimization. All interior material and finishes shall be devoid of off-gasing products including paint, wall covering, tile, ceilings, and carpet.

Wood finishes and trim will be avoided where possible.

Waste reduction. Effort will be made to recycle, where possible, materials removed from the existing building. . There will be built-in provisions for recycling.

The goal for the long term operation for recycling is 80% of all waste produced by the operation of the building. Spaces and equipment will be built into the building to facilitate the realization of this goal.

#### Universal Design:

The project will fully comply with the requirements of Title-24 which ensures universal design.

Elevators will all be wheelchair accessible. The main elevator, which will provide access to all floors in the building, will be sized to accommodate gurneys.

All doorways will be wheelchair accessible.

All permanent residential units will be accessible. Kitchen and baths will be adaptable. 5% of the units will be outfitted with grab bars, repositioned counter tops, etc.

5% of permanent units will be outfitted to accommodate hearing and visually impaired residents.

All temporary housing areas will be accessible.

Richard Bundy, FAIA

Architect of Record

Connections, November 30, 2010

ATTACHMENT 4 – PROFORMA

CONNECTIONS HOUSING DOWNTOWN  
EXECUTIVE SUMMARY  
9%/CCDC/SDHC/other  
2/7/2011 v.1

Sources of Funding	
	TOTAL
SOURCES - Total Project Permanent Sources	
CCDC - Health & Human Services Fund	\$ 3,000,000
CCDC - Homeless Funding	\$ 10,000,000
SD Housing Commission	\$ 2,900,000
Low Income Housing Tax Credit Equity	\$ 14,338,816
Historic Tax Credits	\$ -
CCDC Bridge Loan (see Financing Assumptions at right)	\$ 3,000,000
Construction Loan	\$ -
MHSA	\$ -
VA Grant	\$ -
HUD Supportive Housing Grant	\$ -
CDBG	\$ -
AHP (73 n @ \$7500/cp)	\$ -
Deferred Developer Fee	\$ -
<b>TOTAL SOURCES</b>	<b>\$ 32,338,816</b>
USES	
Building/Land Acquisition	\$ 4,300,000
Building/Land Interest Carry	\$ 53,750
Demolition	\$ -
On & Off Site Work	\$ 930,000
Direct Construction	\$ 19,322,576
Prevailing Wage	\$ -
3rd party Construction Management	\$ 400,000
Construction & Soft Cost Contingency	\$ 2,160,258
Architecture	\$ 976,232
Civil Engineer	\$ 65,000
Construction Loan Interest & Fees	\$ 792,000
Site Security	\$ 112,000
Capitalized Retenues	\$ 126,000
Travel & Insurance & Bond Insurance	\$ 55,000
Escrow & Title	\$ 25,000
Legal Fees	\$ 80,000
Development Impact Fees & Permits	\$ 100,000
Tax Credit Fees	\$ 70,000
Environmental Consultants	\$ 25,000
Misc. Soft Costs (Accounting, Appraisal, Psychology)	\$ 445,000
Developer Fee	\$ 2,000,000
<b>TOTAL USES</b>	<b>\$ 32,338,816</b>

RENTAL INCOME - Permanent Supportive Housing only					
Type	Qty.	% AMI	Gross Rent	Net Rent	Total Rental Income
Studio	0	30%	\$ 254	\$ 254	\$ -
Studio	73	PBV	\$ 954	\$ -	\$ 69,642
Studio	0	50%	\$ -	\$ -	\$ -
IBR	0	40%	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>73</b>		<b>\$ 1,208</b>	<b>\$ 254</b>	<b>\$ 69,642</b>
<b>ANNUAL \$</b>			<b>\$ 1,208</b>	<b>\$ 254</b>	<b>\$ 69,642</b>

OPERATING EXPENSES - Permanent Supportive Housing Only	
General Admin (seach; other equip; accounting)	\$ 69,000
Management Fee	\$ 50,142
On-Site Manager & Maintenance Payroll	\$ 122,000
Property Taxes & Prop. Liab. Ins	\$ 39,000
(Highwater/water save gas electric)	\$ 93,000
Maintenance & Grounds	\$ 106,400
Partnership & Asset Management Fees	\$ 25,000
Replacement Reserve	\$ 22,500
SDHC Monitoring Fees	\$ 4,125
Resident Services	\$ 37,500
<b>ANNUAL \$</b>	<b>\$85,667</b>
<b>per unit \$</b>	<b>7.462</b>

Financing Assumptions	
CCDC Bridge Loan	\$ 3,000,000
MHSA	\$ 780,000
VA Grant	\$ 1,500,000
HUD Supportive Housing Grant	\$ -
CDBG	\$ -
AHP (73 n @ \$7500/cp)	\$ 950,000
<b>TOTAL Additional Potential Capital Funding Sources</b>	<b>\$ 6,230,000</b>
(Needed to pay off) / <b>Excess \$ for Bridge Loan</b>	<b>\$ 3,777,500</b>

In process  
Application Dec. 2010  
Application April 2011

G. Income Information

(a) # of Bedrooms	(b) # of Units	(c) Proposed Monthly Rent (Less Utilities)	(d) Total Monthly Rents (b x c)	(e) Monthly Utility Allowance	(f) Monthly Rent Plus Utilities (c + e)	(g) % of Area Median Income
<i>Low-Income Units</i>						
Studio	-	\$ 254	\$ -	-	\$ 254	30%
Studio	73	\$ 954	\$ 69,642	-	\$ 954	PBV
Studio		\$ -	-	-	\$ -	50%
1BR			-			40%
1BR			-			50%
1BR			-			60%
2BR			-			30%
2BR			-			50%
2BR			-			60%
3BR			-			30%
3BR			-			50%
3BR			-			60%
Total # Units	73	Total	\$ 69,642			

<i>Managers' Units</i>			
1BR	2	-	-
-	-	-	-
-	-	-	-
Total # Units	2	Total	\$ -

<i>Market Rate Units</i>			
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
Total # Units	-	Total	\$ -

AGGREGATE MONTHLY RENTS  
FOR ALL UNITS \$ 69,642

x 12

AGGREGATE ANNUAL  
RENTS FOR ALL UNITS (column d): \$ 835,704

G. **Income Information (cont.)**

*Rental Subsidy Income/Operating Subsidy, if any.*

Number of units receiving assistance \_\_\_\_\_  
 Length of contract (years) \_\_\_\_\_  
 Expiration date of contract \_\_\_\_\_

TOTAL PROJECTED ANNUAL RENTAL SUBSIDY \$ \_\_\_\_\_

*Miscellaneous Income*

Annual Income from Laundry Facilities \$ 4,200  
 Annual Income from Vending Machines -  
 Annual Interest Income -  
 Other Annual Income (Specify) -

TOTAL MISCELLANEOUS INCOME \$ 4,200

TOTAL ANNUAL POTENTIAL GROSS INCOME \$ 839,904  
 (From Residential Sources)

*Commercial Income*

Annual Income from Professional Space \$ -  
 Annual Income from Commercial Space -

TOTAL ANNUAL COMMERCIAL INCOME \$ -

H. **Monthly Resident Utility Allowance by Unit Size (utility allowances must be itemized and correlated with the PHA utility allowance schedule)**

	0 BR	1 BR	2 BR	3 BR	4 BR
Space Heating	0	0	0	0	
Water Heating	0	0	0	0	
Cooking	0	0	0	0	
Lighting	0	0	0	0	
Other (Specify)	16	0	0	0	
TOTALS	16	0	0	0	0

Name of PHA Providing Utility Allowances: San Diego HA Estimated

I. Annual Residential Operating Expenses (Reg. Section 10327(f))

General Administrative

Advertising	\$ 2,000
Legal	\$ 4,000
Accounting/Audit	\$ 8,000
Security	\$ 35,000
Other	\$ 20,000
<i>Total General Administrative</i>	

\$ 69,000

Management Fee

\$ 50,142

Utilities

Electricity	\$ 34,000
Gas	\$ 29,000

*Total Utilities*

\$ 63,000

*Total Water/Sewer*

\$ 30,000

Payroll/Payroll Taxes

On-site Manager	\$ 42,000
Maintenance Personnel	\$ 35,000
Other Insurance (Property, Directors etc)	\$ 45,000

*Total Payroll/Payroll Taxes*

\$ 122,000

*Total Insurance*

\$ 25,000

Maintenance

Painting	\$ 20,000
Repairs	\$ 32,000
Trash Removal	\$ 16,000
Exterminating	\$ 6,400
Grounds	\$ 6,000
Elevator	\$ 9,000
Other <u>Contingency</u>	\$ 17,000

*Total Maintenance*

\$ 106,400

Other (specify)

<u>Asset Mgmt.</u>	\$ 10,000
<u>Partnership Mgmt.</u>	15,000
<u>Internet</u>	2,500
<u>SDHC Monitoring</u>	\$ 4,125

*Total Other*

\$ 31,625

**\* TOTAL ANNUAL RESIDENTIAL OPERATING EXPENSES**

\$ 497,167

**\*\* TOTAL NUMBER OF UNITS IN PROJECT**

75

**ANNUAL OPERATING EXPENSES PER UNIT (divide \*/\*\*)**

\$ 6,629

**TOTAL 3-MONTH OPERATING RESERVE (Reg. Section 10327(c)(8)(C))**

\$ 22,500

**TOTAL SERVICE AMENITIES BUDGET**

\$ 35,000

**TOTAL RESERVE FOR REPLACEMENT**

\$ 22,500

**TOTAL REAL ESTATE TAXES**

\$ 5,000

559,667

J. Annual Commercial Operating Expenses

**TOTAL COMMERCIAL SPACE EXPENSES**

\$

**TOTAL ANNUAL COMMERCIAL DEBT SERVICE**

\$ -

**Connections Housing Downtown**  
**15-YEAR CASH FLOW PROJECTION**  
 2/7/2011 v.1

	Inflation Factor	Year 1 2012	Year 2 2013	Year 3 2014	Year 4 2015	Year 5 2016	Year 6 2017	Year 7 2018
<b>INCOME:</b>								
Rental Income	2.5%	835,704	856,597	878,012	899,962	922,461	945,522	969,160
Other	2.5%	4,200	4,305	4,413	4,523	4,636	4,752	4,871
<b>TOTAL GROSS POTENTIAL REVENUE</b>		<b>839,904</b>	<b>860,902</b>	<b>882,424</b>	<b>904,485</b>	<b>927,097</b>	<b>950,274</b>	<b>974,031</b>
Vacancy @	10.0%	83,990	86,090	88,242	90,448	92,710	95,027	97,403
<b>TOTAL NET RENTAL INCOME</b>		<b>755,914</b>	<b>774,811</b>	<b>794,182</b>	<b>814,036</b>	<b>834,387</b>	<b>855,247</b>	<b>876,628</b>
<b>EXPENSES:</b>								
Advertising	3.5%	2,000	2,070	2,142	2,217	2,295	2,375	2,459
Legal	3.5%	4,000	4,140	4,285	4,435	4,590	4,751	4,917
Accounting	3.5%	8,000	8,280	8,570	8,870	9,180	9,501	9,834
Security (IH & PATH Mall Op. Bldgs.)	3.5%	35,000	36,225	37,493	38,805	40,163	41,569	43,024
Other Administrative	3.5%	20,000	20,700	21,425	22,174	22,950	23,754	24,585
Management Fee	3.5%	50,142	51,897	53,714	55,594	57,539	59,553	61,638
Utilities	3.5%	63,000	65,205	67,487	69,849	72,294	74,824	77,443
Water & Sewer	3.5%	30,000	31,050	32,137	33,262	34,426	35,631	36,878
On-Site Manager	3.5%	42,000	43,470	44,991	46,566	48,196	49,883	51,629
Maintenance Personnel	3.5%	35,000	36,225	37,493	38,805	40,163	41,569	43,024
Other Payroll	3.5%	45,000	46,575	48,205	49,892	51,639	53,446	55,316
Insurance	3.5%	25,000	25,875	26,781	27,718	28,688	29,692	30,731
Real Estate Taxes	2.0%	5,000	5,100	5,202	5,306	5,412	5,520	5,631
Painting	3.5%	20,000	20,700	21,425	22,174	22,950	23,754	24,585
Repairs	3.5%	32,000	33,120	34,279	35,479	36,721	38,006	39,336
Trash Removal	3.5%	16,000	16,560	17,140	17,739	18,360	19,003	19,668
Exterminating	3.5%	6,400	6,624	6,856	7,096	7,344	7,601	7,867
Grounds Maintenance	3.5%	6,000	6,210	6,427	6,652	6,885	7,126	7,376
Elevator	3.5%	9,000	9,315	9,641	9,978	10,328	10,689	11,063
Other: Contingency	3.5%	17,000	17,595	18,211	18,848	19,508	20,191	20,897
Other: Internet	3.5%	2,500	2,588	2,678	2,772	2,869	2,969	3,073
Other: Asset Mgmt.	3.5%	10,000	10,350	10,712	11,087	11,475	11,877	12,293
Other: Partnership Mgmt.	3.5%	15,000	15,525	16,068	16,631	17,213	17,815	18,439
Other: SDHC Monitoring Fees	3.5%	4,125	4,269	4,419	4,573	4,734	4,899	5,071
Other: Service Amenities	3.5%	35,000	36,225	37,493	38,805	40,163	41,569	43,024
Replacement Reserve	1.0%	22,500	22,725	22,952	23,182	23,414	23,648	23,884
<b>SUBTOTAL EXPENSES</b>		<b>559,667</b>	<b>578,618</b>	<b>598,225</b>	<b>618,511</b>	<b>639,500</b>	<b>661,216</b>	<b>683,684</b>
<b>NET OPERATING RENTAL INCOME</b>		<b>196,246</b>	<b>196,193</b>	<b>195,957</b>	<b>195,525</b>	<b>194,887</b>	<b>194,031</b>	<b>192,944</b>
Interim Housing Operating Subsidy for Services	80.0%	156,997	156,935	156,765	156,420	155,910	155,225	154,355
<b>Cash Available for Distribution</b>	<b>20.0%</b>	<b>39,249</b>	<b>39,239</b>	<b>39,191</b>	<b>39,105</b>	<b>38,977</b>	<b>38,806</b>	<b>38,589</b>
R/R Cash Flow to CCDC (50% of r/r to CCDC & SDHC)	86.7%	17,008	17,003	16,983	16,946	16,890	16,816	16,722
R/R Cash Flow to SDHC	13.3%	2,617	2,616	2,613	2,607	2,598	2,587	2,573
R/R Cash Flow to Developer	86.8%	19,625	19,619	19,596	19,553	19,489	19,403	19,294
<b>BALANCE</b>								

PATH Annual Operating Budget		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
<b>Expenses:</b>								
Multi-Service Center	3.5%	837,765	867,087	897,435	928,845	961,255	995,002	1,029,827
Provide 1 Additional Case Manager (MHP Req.)	3.5%	35,915	37,172	38,473	39,820	41,213	42,656	44,149
Provide Street Outreach/Case Management (Community Req.)	3.5%	125,000	129,375	133,903	138,590	143,440	148,461	153,657
Interim Housing	3.5%	471,310	487,806	504,879	522,550	540,839	559,768	579,360
<b>TOTAL Expenses</b>		<b>1,469,990</b>	<b>1,521,440</b>	<b>1,574,690</b>	<b>1,629,804</b>	<b>1,686,847</b>	<b>1,745,887</b>	<b>1,806,993</b>
<b>Revenue:</b>								
Emergency Housing and Assistance Program (EHAP)	2.5%	30,000	30,750	31,519	32,307	33,114	33,942	34,791
Emergency Food and Shelter Program (EFSP)	2.5%	50,000	51,250	52,531	53,845	55,191	56,570	57,985
Veterans Administration Per Diem Shelter Funds	2.5%	344,925	353,548	362,387	371,446	380,733	390,251	400,007
HUD Supportive Housing Program	2.5%	250,000	256,250	262,656	269,223	275,953	282,852	289,923
Health Resources and Services Admin. Homeless Grant	2.5%	80,000	82,000	84,050	86,151	88,305	90,513	92,775
Downtown Winter Tents	2.5%	288,000	295,200	302,580	310,145	317,898	325,846	333,992
HUD Rental Subsidies for Interim Special Needs Housing (16 rooms @ \$954 x 12 mo)	2.5%	183,168	187,747	192,441	197,252	202,183	207,236	212,419
Interim Housing Operating Subsidy for Services	0.0%	156,997	156,935	156,765	156,420	155,910	155,225	154,355
Winter Tent Support (Housing Commission)	2.5%	86,900	89,073	91,299	93,582	95,921	98,319	100,777
Additional Funding Sources	2.5%	0	18,667	38,461	59,434	81,639	105,131	129,969
<b>TOTAL Revenue</b>		<b>1,469,990</b>	<b>1,521,440</b>	<b>1,574,690</b>	<b>1,629,804</b>	<b>1,686,847</b>	<b>1,745,887</b>	<b>1,806,993</b>
<b>BALANCE (GAP) = Operating Shortfall</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Connections Housing Downtown**  
**15-YEAR CASH FLOW PROJECTION**  
 2/7/2011 v.1

	Inflation Factor	Year 8 2019	Year 9 2020	Year 10 2021	Year 11 2022	Year 12 2023	Year 13 2024
<b>INCOME:</b>							
Rental Income							
Other	2.5%	993,389	1,018,224	1,043,680	1,069,772	1,096,516	1,123,929
<b>TOTAL GROSS POTENTIAL REVENUE</b>	2.5%	998,382	1,023,341	1,048,925	1,075,148	1,102,027	1,129,578
Vacancy @	10.0%	99,838	102,334	104,893	107,515	110,203	112,958
<b>TOTAL NET RENTAL INCOME</b>		898,544	921,007	944,033	967,633	991,824	1,016,620
<b>EXPENSES:</b>							
Advertising	3.5%	2,545	2,634	2,726	2,821	2,920	3,022
Legal	3.5%	5,089	5,267	5,452	5,642	5,840	6,044
Accounting	3.5%	10,178	10,534	10,903	11,285	11,680	12,089
Security (IH & PATH Mall Op. Bldgs.)	3.5%	44,530	46,088	47,701	49,371	51,099	52,887
Other Administrative	3.5%	25,446	26,336	27,258	28,212	29,199	30,221
Management Fee	3.5%	63,795	66,028	68,339	70,731	73,206	75,768
Utilities	3.5%	80,154	82,959	85,863	88,868	91,978	95,197
Water & Sewer	3.5%	38,168	39,504	40,887	42,318	43,799	45,332
On-Site Manager	3.5%	53,436	55,306	57,242	59,245	61,319	63,465
Maintenance Personnel	3.5%	44,530	46,088	47,701	49,371	51,099	52,887
Other Payroll	3.5%	57,253	59,256	61,330	63,477	65,699	67,998
Insurance	3.5%	31,807	32,920	34,072	35,265	36,499	37,777
Real Estate Taxes	2.0%	5,743	5,858	5,975	6,095	6,217	6,341
Painting	3.5%	25,446	26,336	27,258	28,212	29,199	30,221
Repairs	3.5%	40,713	42,138	43,613	45,139	46,719	48,354
Trash Removal	3.5%	20,356	21,069	21,806	22,570	23,360	24,177
Exterminating	3.5%	8,143	8,428	8,723	9,028	9,344	9,671
Grounds Maintenance	3.5%	7,634	7,901	8,177	8,464	8,760	9,066
Elevator	3.5%	11,451	11,851	12,266	12,695	13,140	13,600
Other: Contingency	3.5%	21,629	22,386	23,169	23,980	24,819	25,688
Other: Internet	3.5%	3,181	3,292	3,407	3,526	3,650	3,778
Other: Asset Mgmt.	3.5%	12,723	13,168	13,629	14,106	14,600	15,111
Other: Partnership Mgmt.	3.5%	19,084	19,752	20,443	21,159	21,900	22,666
Other: SDHC Monitoring Fees	3.5%	5,248	5,432	5,622	5,819	6,022	6,233
Other: Service Amenities	3.0%	44,530	46,088	47,701	49,371	51,099	52,887
Replacement Reserve	1.0%	24,123	24,364	24,608	24,854	25,103	25,354
<b>SUBTOTAL EXPENSES</b>		706,932	730,985	755,873	781,623	808,267	835,836
<b>NET OPERATING RENTAL INCOME</b>		191,612	190,022	188,160	186,010	183,557	180,784
Interim Housing Operating Subsidy for Services	80.0%	153,290	152,018	150,528	148,808	146,845	144,627
Cash Available for Distribution	10.0%	38,322	38,004	37,632	37,202	36,711	36,157
R/R Cash Flow to CCDC (50% of nr to CCDC & SDHC)	86.7%	16,606	16,469	16,307	16,121	15,908	15,668
R/R Cash Flow to SDHC	13.3%	2,555	2,534	2,509	2,480	2,447	2,410
R/R Cash Flow to Developer	50.0%	19,161	19,002	18,816	18,601	18,356	18,078
<b>BALANCE</b>							

PATH Annual Operating Budget	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13
<b>Expenses:</b>						
Multi-Service Center	3.5%	1,065,871	1,103,177	1,141,788	1,181,750	1,223,112
Provide 1 Additional Case Manager (AMHR Req.)	3.5%	45,694	47,293	48,948	50,662	52,435
Provide Street Outreach/Case Management (Community Req.)	3.5%	159,035	164,601	170,362	176,325	182,496
Interim Housing	3.5%	596,638	620,625	642,347	664,829	688,098
<b>TOTAL Expenses</b>		1,870,238	1,935,696	2,003,445	2,073,566	2,146,141
<b>Revenue:</b>						
Emergency Housing and Assistance Program (EHAP)	2.5%	35,661	36,552	37,466	38,403	39,363
Emergency Food and Shelter Program (EFSP)	2.5%	59,434	60,920	62,443	64,004	65,604
Veterans Administration Per Diem Shelter Funds	2.5%	410,007	420,258	430,764	441,533	452,571
HUD Supportive Housing Program	2.5%	297,171	304,601	312,216	320,021	328,022
Health Resources and Services Admin. Homeless Grant	2.5%	95,095	97,472	99,909	102,407	104,967
Downtown Winter Tents	2.5%	142,341	145,900	149,673	153,564	157,575
HUD Rental Subsidies for Interim Special Needs Housing (16 rooms x \$95 x 12 mo)	2.5%	217,729	223,172	228,752	234,471	240,332
Interim Housing Operating Subsidy for Services	0.0%	153,290	152,018	150,528	148,808	146,845
Winter Tent Support (Housing Commission)	2.5%	103,297	105,879	108,526	111,239	114,020
Additional Funding Sources	2.5%	156,212	160,924	165,719	170,606	175,585
<b>TOTAL Revenue</b>		1,870,238	1,935,696	2,003,445	2,073,566	2,146,141
<b>BALANCE (GAP) = Operating Shortfall</b>		0	0	0	0	0

# ATTACHMENT 5 – ESTIMATED TIMELINE

Date: Wed 2/8/11

## WORLD TRADE CENTER / CONNECTIONS HOUSING PROJECT SCHEDULE

ID	Task Name	Resourcing Initials	Duration	Start	Finish	Predictors/Successors
1	Community Outreach		127 days	Fri 3/5/10	Mon 8/30/10	
2	Enfranchisement/PUBLIC Approvals		201 days	Mon 6/14/10	Mon 3/21/11	
3	Negotiate Terms of ENA		3 wks	Mon 6/14/10	Fri 7/2/10	15
4	Docket for LURH		1.5 wks	Mon 7/5/10	Wed 7/14/10	14, 16
5	LURH Recommendations Council authorizes CCDC to enter into ENA		0 days	Wed 7/14/10	Wed 7/14/10	15
6	Docket for city council		2 wks	Mon 9/20/10	Fri 10/1/10	18
7	Council Approves ENA		0 days	Tue 10/5/10	Tue 10/5/10	17, 19, 22, 23, 24, 26, 28
8	Acquisition Plan (Milestone Plan)		1 mon.	Tue 10/5/10	Mon 11/1/10	18, 60SS
9	ENA - Developer Responsibilities		23.75 days	Tue 10/5/10	Fri 11/5/10	
10	Misc. Processing		20 days	Mon 11/1/10	Mon 11/1/10	18
11	Negotiate DDAG round Lease/Funding Commitment/Predevelopment Loan		9 days	Tue 10/19/10	Mon 11/1/10	49, 149
12	Prepare Application to HC		2.2 wks	Mon 11/1/10	Mon 11/15/10	77
13	CCDC Staff Report Due		0 days	Mon 11/1/10	Mon 11/1/10	
14	Neighborhood Advisory Committee Meeting		0 days	Mon 11/8/10	Mon 11/8/10	
15	CCDC & City Negotiate Purchase Terms for WTC & Garage		0 days	Wed 11/10/10	Wed 11/10/10	
16	MHSA Meeting with Dr. Garcia		5 wks	Tue 10/5/10	Mon 11/15/10	19SS
17	FEIR Secondary Study completed by CCDC		0 days	Wed 11/17/10	Wed 11/17/10	
18	MHSA project walk-through at WTC		6 wks	Mon 11/1/10	Fri 12/10/10	83
19	Neighborhood Advisory Committee Meeting at WTC (12 noon)		1 wk	Mon 12/13/10	Fri 12/17/10	62
20	Community Outreach Meeting at 525 B St (12 noon)		0 days	Mon 12/13/10	Mon 12/13/10	
21	Neighborhood Advisory Committee Meeting at WTC (12 noon)		0 days	Tue 1/4/11	Tue 1/4/11	1/3
22	Housing Commission Real Estate Committee - 8 am		0 days	Wed 1/5/11	Wed 1/5/11	1/4
23	Historic Resources Design Assurances Committee Approves Rehab Plan		0 days	Fri 1/7/11	Fri 1/7/11	1/5
24	CCDC Joint Budget & RE Committee - 9 am		0 days	Wed 1/12/11	Wed 1/12/11	1/7
25	Planning Commission Hearing for PDP/CUP - 9 am		0 days	Thu 1/13/11	Thu 1/13/11	1/12
26	Rolling 1472		0 days	Thu 1/13/11	Thu 1/13/11	1/12
27	CCDC Staff Report due		0 days	Tue 2/15/11	Tue 2/15/11	2/19
28	GCAC - at 15:15		0 days	Wed 2/16/11	Wed 2/16/11	2/15
29	Housing Commission Board Meeting - 9 am		0 days	Wed 2/16/11	Wed 2/16/11	2/16
30	CCDC Board Meeting - 4 pm		0 days	Fri 2/18/11	Fri 2/18/11	2/16
31	Publish 30 Day NEPA Public Notice		0 days	Wed 2/23/11	Wed 2/23/11	2/18
32	Docket for City Council		0 days	Tue 3/1/11	Tue 3/1/11	2/23
33	Joint City Council/Housing Authority Approval of DDAG Round Lease/PDP/CUP/Lease(s) Purchase Agreement w/ City - 2 pm		0 days	Tue 3/1/11	Tue 3/1/11	3/1
34	Circulate documents for Mayor signature		0 days	Tue 3/15/11	Tue 3/15/11	3/1
35	30 day NEPA Public Notice Expiration		1 wk	Tue 3/15/11	Mon 3/21/11	3/15
36	TCAC 1st Round 9% Application Due		0 days	Thu 3/31/11	Thu 3/31/11	3/23
37	TCAC Award		0 days	Wed 3/30/11	Wed 3/30/11	3/23
38	Building Permit Application/Deadline		2.8 mos	Wed 3/23/11	Wed 6/8/11	83, 87, 85
39	Execute Notice to Proceed & Mobilize		170 days	Wed 6/8/11	Fri 11/25/11	84, 86
40	Construction		2 wks	Mon 11/28/11	Fri 12/9/11	85, 87
41	Begin Construction		320 days	Fri 12/9/11	Sun 3/10/12	84, 86
42	Construction Period - Temporary Certificate of Occupancy Service Center and Interim Beds		0 days	Fri 12/9/11	Fri 12/9/11	90, 89
43	Final Certificate of Occupancy Permanent Supportive Units		12 mos	Fri 12/9/11	Mon 12/31/12	88
44	TCAC 2nd Round 9% Application Due		15 mos	Fri 12/9/11	Sun 3/3/13	88
45	TCAC Application/Award		0 days	Wed 7/6/11	Wed 7/6/11	93
46	Building Permit Application/Deadline		2.8 mos	Wed 7/6/11	Wed 9/21/11	92, 94
47	Execute Notice to Proceed & Mobilize		170 days	Wed 9/21/11	Fri 3/9/12	93, 95
48	Construction		2 wks	Mon 3/12/12	Fri 3/23/12	94, 96
49	Begin Construction		300 days	Fri 3/23/12	Fri 8/17/13	95
50	Construction Period - Temporary Certificate of Occupancy Service Center and Interim Beds		0 days	Fri 3/23/12	Fri 3/23/12	
51	Final Certificate of Occupancy Permanent Supportive Units		12 mos	Mon 3/25/12	Fri 2/22/13	
52	TCAC 2nd Round 9% Application Due		15 mos	Mon 3/25/12	Fri 8/17/13	

**ATTACHMENT 6  
PREVIOUS RELATED ACTIONS**

January 2008 - the City's Land Use & Housing Committee (LU&H) convened a permanent Homeless Facility Task Force to develop recommendations for possible sites for a permanent emergency shelter and provide a draft Request for Proposals.

December 2, 2008 - the City Council approved a draft RFP for site development and operation of a service center and housing for homeless and extremely low income persons.

June 2, 2009 - The Housing Commission, in collaboration with Centre City Development Corporation and City staff, issued a Request for Proposals for innovative ideas to address homelessness coupled with supportive services.

April 21, 2010 - the LU&H approved a recommendation to forward to the City Council a recommendation to enter into exclusive negotiations with the PATH/Affirmed team as the developer operator for the proposed acquisition and rehabilitation of the World Trade Center Building for a homeless service center and housing facility.

October 5, 2010 – the Redevelopment Agency of the City of San Diego voted 8-0 to approve an exclusive negotiation agreement with Connections Housing Downtown.

January 7, 2011 - this report was unanimously approved by the Housing Commission's Real Estate Committee.

This Housing Commission proposed loan is scheduled to be heard at Housing Authority on March 15, 2011.



Real Estate Department

DEVELOPER'S STATEMENT FOR PUBLIC DISCLOSURE (add extra sheets if you need more space)

1. Name of developer:

Connections Housing Downtown L.P., a California limited partnership as a single asset entity, with Affirmed Housing Group, Inc., a Delaware corporation, its General Partner and PATH Ventures, a California 501(c)(3) non-profit corporation, its Managing General Partner.

2. Address, phone number and ZIP Code:

13520 Evening Creek Drive North, Suite 360 San Diego, CA 92128 (858) 679-2828

3. IRS Number of Developer:

Affirmed Housing Group, Inc. FEIN 26-0812994. The partnership does not have IRS number available as of this date.

4. If the developer is not an individual doing business under his own name, the developer has the status indicated below and is organized or operating under the laws of California as:

- A corporation
A nonprofit or charitable institution or corporation
x A partnership known as: Connections Housing Downtown L.P., a California LP
A business association or a joint venture known as
A Federal, State or local government or instrumentality thereof.
Other (explain)

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

July 29, 2010

Developer Disclosure Statement Page 2

6. Names, addresses, phone numbers, title of position (if any) and nature and extent of the interest of the officers and principal members, shareholders, and investors of the developer, other than a government agency or instrumentality, are set forth as follows:

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

James Silverwood, sole member of the Board of Directors for Affirmed Housing Group, Inc. There are no other individuals with capacity as officer, director, trustee or stockholder.

b. If the developer is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.

N/A

c. If the developer is a partnership, each partner, whether a general or limited partner, and either the percent of interest or a description of the character and extent of interest.

Affirmed Housing Group, Inc. as the General Partner acting in an administrative capacity of the development and PATH Ventures as Managing General Partner

d. If the developer 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.

N/A

e. If the developer is some other entity, the officers, the members of the governing body, and each person who has an interest of more than 10%.

N/A

Name, Address & Zip Code

Phone Number

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

Developer Disclosure Statement Page 3

7. Name, address and nature and extent of interest of each person or entity (not named in response to Item 6) who has a beneficial interest in any of the shareholders or investors named in response to Item 6 which gives such person or entity more than a computed 10% interest in the developer (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the developer; or more than 50% of the stock in a corporation which holds 20% of the stock of the developer): N/A

<u>Name, Address and Zip Code</u>	<u>Description of character and extent of interest</u>
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8. Names (if not given above) of officers and directors or trustees of any corporation or firm listed under Item 6 or Item 7 above:

N/A

9. Is the developer a subsidiary of or affiliated with any other corporation or corporations or any other firm or firms? If yes, list each such corporation or firm by name and address, specify its relationship to the developer, and identify the officers and directors or trustees common to the developer and such other corporation or firm.

No

10. If funds for the development are to be obtained from sources other than the developer's own funds, a statement of the developer's plan for financing the development:

See attached Executive Summary from proforma.

11. Sources and amount of cash available to developer to meet equity requirements of the proposed undertaking:

a. In banks:

<u>Name, Address and ZIP Code of Bank</u>	<u>\$ Amount</u>
Citibank 1505 E. Valley Parkway Escondido, CA 92027	\$400,000

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

<u>Name, Address and ZIP Code of Source</u>	<u>\$ Amount</u>
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c. By sale of readily salable assets:

<u>Description</u>	<u>Market Value</u>	<u>Mortgages or Liens</u>
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12. Name and addresses of bank references:

Waheed Karim  
US Bank  
4747 Executive Drive, Third Floor  
San Diego, CA 92121

13. Has the developer or any of the developer's officers or principal members, shareholders or investors, or other interested parties filed a bankruptcy or receivership case or had a bankruptcy or receivership action commenced against them, defaulted on a loan, or been foreclosed against within the past 10 years? Yes \_\_\_ No x  
If yes, give date, place, and under what name.

14. Has the developer or anyone referred to above as "principals of the developer" been indicted for or convicted of any felony within the past 20 years? Yes \_\_\_ No x  
If yes, give for each case (1) date, (2) charge, (3) place, (4) Court, and (5) action taken. Attach any explanation deemed necessary.

15. Undertakings, comparable to the proposed project, which have been completed by the developer including identification and brief description of each project and date of completion:

See attached developer experience form.

16. If the developer or a parent corporation, a subsidiary, an affiliate, or a principal of the developer is to participate in the development as a construction contractor or builder:

No, N/A.

a. Name and address of such contractor or builder:

Developer Disclosure Statement Page 5

- 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, explain:

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

General description of such work:

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

<u>Identification of Contract or Development</u>	<u>Location</u>	<u>Amount</u>	<u>Date to be Completed</u>
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- e. Outstanding construction-contract bids of such contractor or builder:

<u>Awarding Agency</u>	<u>Amount</u>	<u>Date Opened</u>
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17. Brief 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:

General Contractor yet to be selected for construction. Development will be competitively bid and awarded to responsible contractor with capacity to complete development.

18. Does any member of the governing body of the San Diego Housing Commission, to which the accompanying proposal is being made, or any officer or employee of the San Diego Housing Commission who exercises any functions or responsibilities in connection with the carrying out of the project covered by the developer's proposal, have any direct or indirect personal financial interest in the developer or in the proposed contractor? Yes \_\_\_\_\_ No   x    
If yes, explain.

19. Statements and other evidence of the developer's qualifications and financial responsibility (other than the financial statement referred to in Item 10) are attached hereto and hereby made a part hereof as follows:


2008 & 2009 Financial Statements for Affirmed Housing Group, Inc.

CERTIFICATION

I, Nicki Cometa, certify that this Developer's Statement for Public Disclosure and the attached evidence of the developer's qualifications and financial responsibility, including financial statements, are true and correct to the best of my knowledge and belief.

Date: November 18, 2010

Date: \_\_\_\_\_

  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Title: CFO

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

Address & ZIP Code

13520 Evening Creek Drive North, Ste 360

San Diego, CA 92128

\_\_\_\_\_  
\_\_\_\_\_

**ACKNOWLEDGMENT**

State of California  
County of San Diego

On November 18, 2010 before me, Kelli J. Elliott, Notary Public  
(insert name and title of the officer)

personally appeared Nicki Cometa  
who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing  
paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Handwritten Signature], Notary Public (Seal)



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

1. Name of CONTRACTOR: PATH Ventures

2. Address and Zip Code: 340 N. Madison Ave., Los Angeles, CA 90004

3. Telephone Number: (323) 671-1306

4. Name of Principal Contact for CONTRACTOR: John Molloy

5. Federal Identification Number or Social Security Number of CONTRACTOR: 20-1892523

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:

September 21, 2004

8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below:
- a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
  - b. If the CONTRACTOR is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.
  - c. If the CONTRACTOR is a partnership, each partner, whether a general or limited, and either the percent of interest or a description of the character and extent of interest.
  - d. If the CONTRACTOR is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.
  - e. If the CONTRACTOR is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10%. (Attach extra sheet if necessary)

Name, Address and Zip Code	Position Title (if any) and percent of interest or description of character and extent of interest
Name: Shane Goldsmith	Co-Chair
Address: 2121 Cloverfield Blvd.	
Santa Monica, CA 90404	
Name: Tai Glenn	Co-Chair
Address: 1102 Crenshaw Blvd.	
Los Angeles, CA 90019	
Name: Bob Shober	Treasurer
Address: 520 S. Sepulveda Blvd. Suite 204	
Los Angeles, CA 90049	
Name: Eileen Dardick	Secretary
Address: 9001 Dayton Way	
Beverly Hills, CA 90211	

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

No.

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

No.

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

Name, Address and Zip Code	Position Title (if any) and percent of interest or description of character and extent of interest
Name: <del>NR</del>	
Address:	
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

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

Name, Address and Zip Code	Position Title (if any) and percent of interest or description of character and extent of interest
Name: Shane Goldsmith	Co-Chair
Address: 2121 Cloverfield Blvd.	
Santa Monica, CA 90404	
Name: Tai Glenn	Co-Chair
Address: 1102 Crenshaw Blvd.	
Los Angeles, CA 90019	
Name: Bob Shoer	Treasurer
Address: 520 S. Sepulveda Blvd. Suite 204	
Los Angeles, CA 90049	
Name: Eileen Dardick	
Address: 9001 Dayton Way	Secretary
Beverly Hills, CA 90211	

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

Name, Address and Zip Code	Relationship to CONTRACTOR
Name: N/A	
Address:	
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

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

See attached Sources and Uses.

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

a. In banks/savings and loans:

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

N/A

Amount: \$ \_\_\_\_\_

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

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

N/A

Amount: \$ \_\_\_\_\_

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

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

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

Name, Address and Zip Code	Contact Name
Name: Citi	Alice E Carr
Address: 787 W. 5th Street, 29th Floor	
Los Angeles, CA 90071	Sharon Uyeda Fong
Name: Union Bank	
Address: 445 South Figueroa Street	
Los Angeles, CA 90071	
Name: Bank of America	Keth Dragoon
Address: 333 S. Hope St., 11th floor	
Los Angeles, CA 90071	
Name:	
Address:	

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

Yes  No

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

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

Yes  No

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

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

Type of Bond	Project Description	Date of Completion	Amount of Bond	Action on Bond
N/A				

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

a. Name and addresses of such contractor or builder:

Name, Address and Zip Code	Affiliation
Name: N/A	
Address:	
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

b. Has such contractor or builder within the last 10 years ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract?  
 Yes  No

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

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

General description of such work:

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

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

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



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.

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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:

N/A

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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:

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

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

Check coverage(s) carried: See attached certificate

- 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)] See attached certificate

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 certificate

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

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

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

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.

PATH Ventures warrants and certifies the above statement.

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.

PATH Ventures warrants and certifies the above statement.

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.

PATH Ventures warrants and certifies the above statement.

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

Government Entity Making Complaing	Date	Resolution
N/A		

31. Has the CONTRACTOR ever been disqualified, removed from or otherwise prevented from bidding on or completing a federal, state, or local government project because of a violation of law or a safety regulation. If so, please explain the circumstances in detail. If none, please state:

No.

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

Government Agency	License Description	License Number	Date Issued (Original)	Status (Current)	Revocation (Yes/No)
N/A					

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.

N/A

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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.

N/A

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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:

Date	Entity Involved (i.e. City Commission, etc)	Status (Current, delinquent, repaid, etc.)	Dollar Amount
	N/A		

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

Yes  No

If yes, explain:

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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:

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

1. Name: Rod Lane

Address: 1338 Glenavon Ave., Los Angeles, CA

Phone: 310-314-1602

Project Name and Description: PATH Villas Osage Apartments. This site is a new development affordable housing project.

2. Name: Bea Hsu

Address: 18201 Von Karman Ave. Irvine, CA 92612

Phone: 949-660-7272

Project Name and Description: Juanita Villas. This site is a new development SRO permanent supportive housing project.

3. Name: Dora Leong Gallo

Address: 3345 Wilshire Blvd., Los Angeles, CA 90010

Phone: 213-480-0809 ext. 230

Project Name and Description: The Villas at Gower. This site is a new development permanent supportive housing site.

39. Give a brief statement regarding equipment, experience, financial capacity and other resources available to the Contractor for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment and the general experience of the Contractor.

N/A

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

Name	Experience
N/A	

CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

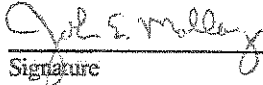
By providing the "Personal Information", (if any) as defined in Section 1798.3(a) of the Civil Code of the State of California (to the extent that it is applicable, if at all), requested herein and by seeking a loan from, a grant from, a contract with, the sale of real estate to, the right to develop 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 22 day of November, 20 10, at San Diego, California.

CONTRACTOR

By:   
Signature  
Executive Director  
Title